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No. 954

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ZIA URGES JCD WORKERS TO FIGHT FOR NATIONALISM

Dacca THE BANGLADESH OBSERVER in English 25 Nov 80 pp 1, 8

[Text] President Ziaur Rahman on Monday called upon the members of Bangladesh Jatiyatabadi Chhatra Dal to build them up as undaunted warriors of Bangladeshi nationalism for establishing the spirit of nationalism at all stages of the society, reports BSS.

The President was speaking at a reception given by him in the capacity of Chairman of BNP in honour of the nominees of Bangladesh Jatiyatabadi Chatra Dal, who contested and won in hall elections of Dacca University. The President said that the success of JCD in hall elections was a historical event as it had turned up side down the den of foreign inspired spies in the university.

He said, the Baksalites JSD and with them the Chhatra Union had been playing the second fiddle to "foreigners" supported by foreign funds.

President Zia said that the nation had not fought the war of independence to "serve the interest of foreign master." The nation was subjugated for over two centuries to British and Pakistani rules and during the Baksal period from 1971 to 75 due to absence of "spirit of nationalism in the leadership."

The President said that Bangladeshi nationalism the ideal of nine crore people of the country had to be established in the society for 'progressive march ahead upholding the national independence and sovereignty.'

President Zia told the JCD members to wipe out foreignism from the soil and added if the Baksalites want to migrate to the land of their foreign master, we would bear the passage money.

The President said that the Baksalites had been persuing "politics of weapons" and had been trying to plant their 'ism' through arms as they had no connection with the people.

He said, the BNP has brought politics to the people and the people are our weapons for struggle.

The President said that the Baksalites being driven out from the villages had now concentrated in Dacca city and the university. They are to be expelled from these places, he added.

Continuing he said that the trial of the Baksalites would be held in the court of the people. Inshallah we will do it he added.

President Zia told the JCD members that they had to go to the villages next month for participating in the national development activities.

The jampacked auditorium of Sher e Bangla Nagar Community Centre expressed its readiness to join in nationbuilding activities by raising slogan, "President Zia, go ahead, we are with you."

The President told the student gathering that his party had decided to organise JCD on a solid foundation all over the country saying that the students are to build them to take up future leadership.

"We want to hand over the future leadership to your hand and not to the Baksalites, he said.

Speaking on the occasion Prof Badruddoza Chowdhury said that the results of elections in different halls of Dacca University had once again proved that the days of negative politics had ended yielding place to positive politics.

The election had also indicated that birth and flourishing trend of a new politics--politics of nationalism.

Earlier, the elected office-bearers of JCD in different halls of Dacca University were introduced to the President. Besides one hundred students leaders and workers belonging to Jahan girnagar University Chhatra League (JSD) under the leadership of JUCSU Literary Secretary announced their joining to JCD Bulbul Nahar Bakul of Chhatra League (JSD) from Rokeya Hall also formally joined the JCD with fifty students at the function.

CSO: 4220

PAPER REPORTS PRC ARMS EXPERTS IN BANGLADESH

New Delhi PATRIOT in English 24 Nov 80 p 1

[Text] Calcutta, Nov 23. A group of Chinese experts on light arms and tanks arrived in Bangladesh some time ago, according to well-informed sources. It is said that this visit of the Chinese experts falls into a definite pattern--considering the unusual haste with which President Ziaur Rehman has been making efforts to militarily strengthen his regime.

It is believed that the Bangladesh President is in desperate need of arms for two purposes: (a) for tackling the internal situation, which is reportedly becoming warmed up, and (b) for a calculated confrontation with India.

Mr Ziaur Rehman has been visiting the various countries with the idea of strengthening all the three wings of the Bangladesh armed forces.

Besides China, he has approached the United States and some of the Gulf countries. In China, the Bangladesh official representatives made a special plea for aircraft it is reported.

The Bangladesh President himself is believed to have made the plea to President Carter when Mr Ziaur Rehman had been to Washington at the end of August.

It is further reported that both China and the United States fully approved of the idea of increasing the military strength of Bangladesh. Mr Ziaur Rehman is understood to have come back encouraged with the success of his mission.

It may be mentioned here that Bangladesh economy is in such a shape that the regime cannot purchase arms, it has to depend on gift mainly. In that context assurances by China and USA, and also by Saudi Arabia would naturally be gratifying to Mr Ziaur Rehman, the sources say.

CSO: 4220

BRIEFS

DEATH OF MP--Syed Habibul Huq, a sitting MP from Laksam in Comilla district, died at the Dacca Medical College Hospital Monday afternoon due to heart attack. He was 50, says BSS. A great grandson of late Nawab Faizunessa Chowdhury of Pachimgaon (Laksham), Syed Habibul Huq was a practising lawyer after being called to the Bar at Lincoln's Inn in 1958. Born in 1930, Mr Huq graduated from Dacca University in 1951 with Honours in English. A confirmed bachelor, Mr Huq was member of Pakistan National Assembly from 1962 to 1965 and was elected to Jatiya Sangsad from Laksham North Constituency (Comilla 17) during the last parliamentary election as a BNP nominee. He was a vice-President of Bangladesh Supreme Court Bar Association for two terms in 1973-74 and 1976-77. As a social worker and patron of learning, Mr Huq was one of the founding members of the Comilla Muslim Institute (now Comilla Women's College). The Nawab Faizunessa Degree College is also an institution established by his singular effort. He visited the Soviet Union and several other European countries in 1964 as a member of parliamentary delegations. [Text] [Dacca THE BANGLADESH OBSERVER in English 25 Nov 80 p 1]

DEMAND FOR EXPORTS--The foreign buyers continue to show interest in importing various Bangladeshi products, says a PID handout. The names of the countries and the items of their interest are as follows: Hong Kong--medium and high grade glassware; Iran 25,000 tents and 100,000 blankets; Niger--construction materials, food products and sanitary products; UK--protective clothing, small hand tools, P.V.C. clothing, footwear and gloves. Interested exporters have been advised to contact the offices of the Export Promotion Bureau at Dacca, Chittagong, Khulna Rajshahi, Sylhet Comilla Barisal and Bogra for details. [Text] [Dacca THE BANGLADESH OBSERVER in English 25 Nov 80 p 3]

CSO: 4220

GANDHI SPEAKS TO NATIONAL INTEGRATION COUNCIL

Calcutta THE STATESMAN in English 13 Nov 80 pp 1

[Excerpt] New Delhi, Nov 12--Mrs Gandhi today reminded the nation that freedom and unity could not be taken for granted. "Eternal vigilance is the prize of our integrity as it is of liberty", she said while inaugurating the newly-constituted National Integration Council.

The Prime Minister posed the question what kind of India "shall we bequeath, whether it should be a strong, harmonious, self-confident India or a feuding, weak, schizophrenic India?"

Forces were at work, she warned, which were exploiting and would exploit any weakness "on our part especially at a moment like this". In many countries divisive groups receive support from outside agencies and sources.

She said: "I am often asked to name the foreign interests who are interfering. It is not always possible to lay your finger on such groups or individuals. It is extremely difficult here or elsewhere. But time and again, years later, evidence has come up which has shown the kind of interference or attempted interference. I am not suggesting for one moment, that our communal or caste troubles and linguistic movements are being instigated by outsiders. Neither I nor the Home Minister have blamed outside forces for the Moradabad, Aligarh and other incidents, although some papers and groups keep repeating that I have said so"

CSO: 4220

MALAYALAM DAILY PUBLISHES GANDHI INTERVIEW

Bombay THE TIMES OF INDIA in English 23 Nov 80 p 9

[Interview with Mrs Indira Gandhi by MATHRUBHUMI daily on 23 November 1980; place not given]

[Text] New Delhi, November 22 (PTI): The Prime Minister, Mrs Indira Gandhi, has repudiated allegations that she is planning to destabilise the governments of Kerala or West Bengal or Jammu and Kashmir.

Mrs Gandhi said while each party had its objectives and was bound to come into conflict with other parties, the country's interest requires that these should not affect the relationship between governments run by different parties.

"The relationship between the Centre and Kerala are satisfactory and will continue to be so," she added in an interview given to MATHRUBHUMI the Malayalam daily, which is launching its third edition from Trivandrum on November 23.

Apart from Centre-state relations and law and order problems, Mrs Gandhi also clarified her remarks at the lawyers' conference which was called recently for a national debate on the form of government suited to India.

Mrs Gandhi said what she had said was that it would be wrong to equate democracy with a two-party system or to think that two-party societies were superior. How many parties a country had, depended upon its history and circumstances and was not a matter of legislation or prescription by political scientists.

Asked whether the present situation called for constitutional alternatives, Mrs Gandhi said: "It is difficult to speak of institutional alternatives as long as there are individuals who will not let any institution work. We must continue the search for methods to improve our performance and functioning."

Mrs Gandhi said that the promulgation of the national security ordinance had had "some salutary effect on anti-social forces."

She reiterated that there was no intention whatsoever to use the ordinance against political opponents.

While it was part of politics for the opposition to take advantage of government's difficulties, "it is not democratic to create difficulties for the people merely to embarrass government. In the last few months many of our opposition groups are doing precisely that," she said.

On the Centre-state relations, the Prime Minister said that without the most cordial relationship between them, neither would function effectively. "There are enough mechanisms and conventions in our system to resolve whatever differences may arise."

Mrs Gandhi said the Centre could not be expected to approve of every action of every state government especially when any particular state was dissipating its resources. Overdrafts, for example, was a major problem. "The Centre, with its responsibility for prudent management of the national economy, has to ensure that the states too exercise the necessary restraint."

On law and order, Mrs Gandhi said the riots and disturbances recently were due to the "deterioration" in the administration that took place between 1977 and 1979, when people known for secularism and progressive views were weeded out. This had happened earlier under SVD governments.

"Under the Janata Party government, it happened virtually all over the north. Governments calling themselves leftist have, on their part, not hesitated to harass their opponents through strong arm methods. The situation has to be dealt with through new thinking by all parties. The promulgation of the security ordinance has had some salutary effect on anti-social forces."

Mrs Gandhi welcomed the idea of all those who believe in secularism, socialism and an independent foreign policy working together. This would be beneficial to the nation. Many who claim to be inspired by Jawaharlal Nehru, she noted, had acted in ways which were contrary to all that he stood for.

CSO: 4220

GOVERNMENT IMPORT POLICY FOR 1980-1981 REPORTED

New Delhi PATRIOT in English 1 Dec 80 p 7

[Text] Eleven of the 23 main recommendations of the working group on export houses have been incorporated by the Central Government in the Import Policy for 1980-81 reports PTI.

Prominent among the recommendations incorporated are the raising of the value limit per item for import against additional licences from Rs two lakh to Rs five lakh, providing a flexibility to the manufacturer exporter in the use of import replenishment entitlement and making a provision for granting import licences to export houses to the extent of 100 per cent of the value of REP licences earned against their own exports made during the previous year.

The other important changes effected in the import policy are; import replenishment licences issued to export houses on their own exports have been made valid for import of items open to actual user (industrial) under OGL without debit to the value of the import replenishment licence provided, the value of such imports does not exceed the value of the import replenishment licence.

The entitlement for issue of additional licences to export houses against exports of non SSI products has been raised from 5 to 7.5 per cent.

A provision has been made that further Imprest licence can be issued to an export house even though, obligation against two or more such licences is already outstanding.

A provision has been made to allow export houses to provide Industrial Raw Materials Assistance Central (IRMAC) facilities where the export performance is not less than Rs five crore in the previous year to enable the export houses to supply raw materials and components to actual users off-the-shelf against valid import licences held by such actual users.

The maximum limit up to which foreign exchange can be given to export houses without debit to replenishment entitlements has been raised from Rs 5 lakh to Rs 7.5 lakh.

According to official sources, the group had also made a few recommendations which are being processed by the Government in consultation with the concerned departments.

The sources said the Government had granted recognition to 12 State Governments and two Union Territories corporations as export houses.

They are--Andhra Pradesh, Bihar, Rajasthan, Gujarat, Himachal Pradesh, Haryana, Kerala, Madhya Pradesh, Maharashtra, Punjab, Tamilnadu, Uttar Pradesh Union Territory of Delhi and Chandigarh.

The group had also suggested the setting up of a high powered committee to over-see the scheme of export houses.

CSO: 4220

GOVERNMENT APPEALS TO GATT ON U.S. IMPORT DUTIES

Madras THE HINDU in English 24 Nov 80 p 1

[Text]

NEW DELHI, Nov. 23.

India has taken up with the GATT (General Agreement on Tariffs and Trade) Secretariat the imposition of countervailing duties by the United States on products imported from India without applying the test of injury to domestic industry.

According to official sources, the GATT council, before whom India has filed the complaint against the U.S. has agreed to set up a committee to investigate and report.

The Indian complaint was filed following the failure of bilateral talks to resolve the issue arising from the imposition of countervailing duties on textiles, industrial fasteners and iron casting without applying the injury test as required under the code on subsidies and countervailing duties negotiated as part of the Tokyo round of multilateral trade negotiations.

During the talks, the U.S. had insisted that India should enter into a bilateral agreement with it, committing itself to a firm date by which export subsidies would be phased out.

India was not agreeable to this and contended that the code envisaged phasing out of subsidies by developing countries on their exports in course of time, when the subsidies were no longer consistent with their development and competitive needs. India offered to phase out subsidies when it thought fit. It refused to commit itself to a firm date for this.

While the talks were on, the U.S. conveyed to the GATT Secretariat its decision to invoke the non-applicability clause in the code in respect of products imported from India. This implied that the U.S. was not bound by the provisions of the code and could impose countervailing duties without application of the injury test on Indian products.

THE THREAT EXISTS

Subsequently, the U.S. withdrew the countervailing duty on Indian textiles not because of any change in its stand but on the basis of a ruling by the International Trade Commission that the cash compensatory support given by the Indian Government to textile exports did not amount to "subsidy".

In fact, the U.S. Government made it clear, while announcing the withdrawal of the countervailing duty on Indian textiles in September, that its stand on the code remained unaffected.

India felt that even though at present only industrial fasteners and iron castings are directly affected by the U.S. action, the uncertain trade environment created by the possibility of imposition of duties on other products would have adverse effects on its exports. This was why it filed a complaint before the GATT council.

CSO: 4220

EDITORIAL SEES HOPE FOR SINO-INDIAN DETENTE

Bombay THE TIMES OF INDIA in English 24 Nov 80 p 8

[Editorial: "Towards a Detente"]

[Text]

The statements on Sino-Indian ties which the Chinese deputy foreign minister, Mr. Han Nianlong, has made in interviews with Indian journalists recently in Beijing are notable for their conciliatory tone. Certainly, those remarks which refer to the Soviet Union must be viewed in the context of the current embittered state of Sino-Soviet relations, even as similar Soviet references to China must be so regarded. For instance, the *Komsomolskaya Pravda* recently reported that China was seeking to create a "buffer state" by helping to effect the merger of Jammu and Kashmir with that part of the state now occupied by Pakistan. It reported, too, that the Chinese were training Afghan *mujahidin* in Pakistan-occupied Kashmir, that the US benefited from the "increasing tension" in Jammu and Kashmir and that "all this arouses the legitimate concern of the government of India". Mr. Han Nianlong was quick to dismiss such reports as "absurd" and to take a propaganda swipe at the Soviet Union in turn. What should interest us, however, is not Sino-Soviet polemics, but that China should feel it necessary and important to reassure us that it has every desire to foster good mutual relations. Such reassurances have been forthcoming not only on Kashmir but also on other relevant issues: reports of Chinese assistance to secessionist groups in the north-east, ties with Indian communists, Chinese military aid to Pakistan, and so on.

Attempts by the journalists interviewing Mr. Han Nianlong to draw him out and pin him down on the long-standing Sino-Indian border dispute were unsuccessful—and not surprisingly. Such occasions are hardly the proper forum for getting to grips with specific aspects of what is a complex issue. Nevertheless, he was at some pains to reiterate that the dispute is "not insoluble" through negotiations and that, in any case, its eventual resolution need not come in the way of greater trade, cultural and other contacts between the countries in the meanwhile. While the recent Chinese efforts to create a favourable atmosphere for the resumption of more normal Sino-Indian ties after a gap of some two decades must be welcomed, they should not occasion over-optimistic expectations. As the Chinese

response to India's recognition of the Heng Samrin government in Kampuchea showed most recently, there are many and big differences in how both countries perceive their own interests and how major contemporary issues affect these interests (Afghanistan is another instance.). But while a Sino-Indian *entente* may be a long way off, there is no reason to discourage, and every reason to encourage, Chinese moves to initiate a *detente*. Mr. Han Nianlong's statements, which are not the first in this vein to have been made by Chinese leaders, indicate that China is seriously interested in breaking the ice in which Sino-Indian relations have for so long been frozen.

CSO: 4220

PRC FOREIGN MINISTER REPORTEDLY MAY VISIT INDIA

Madras THE HINDU in English 24 Nov 80 p 9

[Article by G. K. Reddy]

[Text] New Delhi, Nov. 23. The President of Burma, Gen. Ne Win, told the Prime Minister, Mrs Indira Gandhi, that the Chinese leaders were keen on improving relations with India despite persisting differences over some issues.

But it is not known whether he had conveyed any message from the Chinese leaders to this effect, or simply indicated that he had returned from his recent visit to Beijing with this impression.

In either case, the reiteration of the Chinese desire for better relations with India coincides with reports of similar feelers to Indonesia sent through Mr Lee Kuan Yew, Prime Minister of Singapore. The Chinese leaders utilise the visits of foreign dignitaries to get across such messages to their counterparts in third countries with which China seeks to improve its relations.

Direct Exchanges Preferred

This is not the first time that a leading Asian statesman of Gen Ne Win's stature has brought such a message or conveyed his own impression. The Indian leaders take due note of these signals, but continue to maintain that delicate messages of this kind should be exchanged directly through their respective Ambassadors in Beijing and Delhi to avoid misunderstanding through misinterpretation.

It is relatively easier for India and China to exchange such messages since they have diplomatic relations, while China and Indonesia are still without embassies in the two capitals after the break during the 1960s. The Chinese leaders have, therefore, availed themselves of Me Lee Kuan Yew's visit to pass the word to Gen Suharto that they are ready for an early resumption of diplomatic relations as a starting point for normalisation.

Mrs Gandhi will have an opportunity to discuss with Gen Suharto, who is arriving in Delhi on December 1 on a State visit, the implications of these Chinese moves for normalisation with India and Indonesia, the two most important countries in the South and South-East Asia regions. The China factor comes in also in the

context of their own efforts for better bilateral relations, since the differing attitudes of India and Indonesia towards Kampuchea have tended to create new strains between them.

If the ASEAN countries have resented the Indian recognition of the Heng Samrin regime in Kampuchea which, in their view, was tantamount to condoning the Vietnamese military intervention, India has been equally unhappy with their totally untenable policy of continuing to deal with the Chinese-supported Pol Pot rump that has brought about all this tragedy on the hapless nation.

The Indian policy is to make an earnest attempt to isolate both the Chinese and Soviet factors from its relationship with other Asian countries by ensuring that differences on issues like Kampuchea and Afghanistan do not mar their bilateral relations.

Two-Pronged Approach

The Government is attaching considerable importance to the coming talks with Indonesia since it could help set the pace and pattern for this two-pronged Indian approach to closer relations with other ASEAN countries which have suffered a setback in the wake of the Indian recognition of the Heng Samrin regime. The Indonesian Foreign Minister, Mr Mochtar Kusumatmadja, has also said that, though India had recognised this regime ignoring the concern expressed by the ASEAN countries, the differences over Kampuchea will not be allowed to come in the way of the Indo-Indonesian desire for closer bilateral relations.

An early resumption of the stalled Sino-Indian dialogue for normalisation, despite their diametrically opposite approaches to the Kampuchean problem, would go a long way in isolating this irritant from the shared desire of India and the ASEAN community for increased economic cooperation.

The Chinese leaders also want to restart the talks with India since it would serve as a useful precedent for a parallel effort to improve relations with Indonesia which remain strained in spite of their common disapproval of the Vietnamese intervention in Kampuchea and strong detestation of the Heng Samrin regime.

Hints From Beijing

There have been some informal hints from Beijing that the Chinese Foreign Minister, Mr Huang Hua, might be able to visit Delhi early next year depending on mutual convenience. The Chinese have apparently not yet come to any firm conclusion whether it would be more opportune to pay this visit before or after the nonaligned Foreign Minister's conference in February next.

They would also like to wait for some time after the Brezhnev visit next month to take a fresh look at Indo-Soviet relations before reopening the dialogue with India under the shadow of the Afghan and Kampuchean situations.

And as far as India is concerned, it has been made quite clear to China more than once that the timing of Mr Huang Hua's visit is entirely a matter of his choice. In renewing the invitation to him, the present Government has at no stage suggested even approximate dates for the visit. It was the Chinese side which, after informally indicating that he might be able to pay the visit some time in October, postponed it indefinitely without offering any explanation.

CSO: 4220

LARGE DROP IN FOREIGN RESERVES REPORTED

Calbutta THE STATESMAN in English 13 Nov 80 p 1

[Text] New Delhi, Nov. 12.--India's foreign exchange reserves dropped by Rs 964.91 crores in the first half of 1980-81, an average fall of more than Rs 160 crores a month compared to a total drop of just Rs 25.48 crores in the whole of 1979-80. But they were partly bolstered by two loans totalling Rs 812 crores from the International Monetary Fund in August and this brought the reserves to the level of Rs 5,143.30 crores by the end of September.

This is not unhealthy but can by no means be described as comfortable, for the reserves now amount to no more than about nine months' worth of imports and could be even less if the prices of imported crude and fertilizer continue to soar.

Since export earnings are rising slowly--thought to be no more than 8% in the first half of the year--and remittances from Indians abroad are bound to fall because of the Iraq-Iran war, the reserves position could become serious by the end of the financial year.

The fall in the reserves is despite the fact that they have been pushed up by aid disbursement from the world financial institutions such as the World Bank and the IMF and from donor countries on a bilateral basis. Gross aid this year is expected to be Rs 2,560 crores, but this will be eroded by heavy debt servicing.

The precarious reserves situation comes at a time when not only is there a tendency from donor countries to cut aid because of their own economic difficulties but also the danger that loans from the World Bank will be reduced because of borrowing from it by China. The situation is exacerbated by the rise in crude prices and the need to make costly purchases of oil on the spot market because of disruption of supplies from Iran and Iraq.

The total trade gap estimated early in the year was about Rs 3,000 crores because of the massive rise in imports, mainly crude which accounts for nearly 70% of total export earnings and the proportion of which is bound to increase. The trade deficit could now be much larger and eat further into the reserves. There is no move yet to change the relatively liberal import policy, since the revival of industrial production needs imports of capital goods and raw materials.

The fall in the reserves comes in sharp contrast to rise by Rs 1,002 crores in 1978-79 and by about the same amount the previous year. The rapid rise enabled India to pay off all outstanding loans from the IMF. This year is the first when borrowings from the IMF have been made in five years.

CSO: 4220

DATE OF UTTAR PRADESH BYELECTIONS ANNOUNCED

New Delhi PATRIOT in English 23 Nov 80 p 1

[Text] Uttar Pradesh Chief Minister Vishwanath Pratap Singh said on Saturday that byelections for Lok Sabha and Assembly constituencies would be held in the State in February next year.

Talking to newsmen in the Capital Mr Singh said that he would also contest for an Assembly seat to enter the State Legislature.

He informed that he has requested Mr Rajiv Gandhi to contest from the State in the forthcoming Parliamentary byelections.

NSO Detenus

Mr Singh, who on Friday won the Council seat in the State, said that about 100 persons considered to be 'threat to peace' have been detained under the National Security Ordinance.

Mr Singh said that there was no question of political considerations in these detentions. He refused to say whether there were political workers among those detained, saying that 'we have not classified them in that way.'

Regarding reports that the explosions in the recent past were of 'crackers, not of bombs,' Mr Singh said that he would not like to say anything as ballistic experts report was awaited.

Mr Singh refuted reports of dissensions inside the State Cong-I party and said that his election victory had proved all such reports baseless.

The Chief Minister said there was no question of dropping Mr Lokpati Tripathi from the Cabinet. He also expressed the confidence that guidance of Mr Kamalapati Tripathi, who recently quit the Union Cabinet would be available to him.

CSO: 4220

PLA STRENGTH IN MANIPUR REPORTED GROWING

Bombay THE TIMES OF INDIA in English 24 Nov 80 p 18

[Article by Sivadas Banerjee]

[Text] Imphal. The most important development in the past year in strife-torn Manipur has been the virtual dissipation of the PREPAK rank and file and their break-up into three distinct and mutually antagonistic groups.

One is identified with Tulachand who had repudiated the PREPAK thesis on the formation of a separate communist state within the framework of the Indian constitution.

The second is popularly known as the MAIPAK group, which allegedly had had links with Mr Dorendra Singh and accounts for the largest number of surrenders so far.

The third group calls itself the Kanglaipk communist party. But all the three taken together mean nothing much today, following "killings and surrenders." Forteen [as printed] rebels have so far been killed in inter-group clashes, according to Mr Singh.

On the other hand, the People's Liberation Army's (PLA) accretion of strength, despite the government offensive against it, has been steady, even though there are people in responsible official positions in Manipur sharing the view that had the administration on especially the police, not been hamstrung, PLA violence might have been contained by now without the help of the army.

Non-Sectarian

The views of Mr N. Bisheshwar Singh, its leader, represents the PLA philosophy. His writings reflect an inflinching [as printed] commitment to the communist political and organisational principles, especially of the Maoist Chinese variety. He says the PLA represents the interest of the people of Manipur, who are "suppressed, oppressed and colonised; we want to be free from the prison of colonialism and starvation."

Unlike PREPAK, the PLA is nonsectarian. Its ultimate object of a communist state envisages the inclusion of entire India, to be brought about with the help of the proletariat elsewhere; hence its abhorrence of the "anti-foreigner"

campaign. It condemns the theory of "Meiteis for the Meiteis, Mizos for the Mizos, Nagas for the Nagas" as being reactionary and the root cause of the failure of their movements. It appeals for a common fight by the Naga, Mizo and Meitei revolutionaries against "our common enemy--the Indian government."

It respects all religions and not disinclined to allow foreign missionaries to come and preach their faiths unless they are proved to be spies of reactionary governments. It has criticised the Naga peace talks as well as Laldenga's efforts for a negotiated settlement with the government of India.

Mr Bisheshwar Singh has since debunked the "revolutionary government of Manipur" (RGM), formed on paper long ago, and traced its failure to its ideologically untenable slogan for an independent sovereign country based on Meitei revivalism. He has also noted RGM's contact with erst-while East Pakistan during 1969-70, the arrest of its adherents and detention in Tripura jail and their falling "a prey" to the government's "rehabilitation benefits" after release.

Mr Bisheshwar Singh and ten others, who have received training in Lhasa, are supposed to constitute the PLA hard core. Five or six of them are believed to have died in encounters or surrendered, cutting down the strength of the front-rank leadership to almost half, though Mr Singh's word is law in the organisation.

Mr Singh is said to be suffering from tuberculosis. After the army's successful raid on a PLA hide-out at Choro, to the south-east of Imphal, early in October, the administration has received information that those injured included Mr Singh himself. But this report is authoritatively discounted and the present belief is that he might have escaped to the Arakan hills in Burma, where the PLA is suspected to have found a sanctuary. The security forces have overrun many PLA encampments, mostly put up near hill streams and villages, and found them deserted.

On their return after training in Lhasa, the PLA leaders followed the typically communist principle of forming small cells, generally with ten people, in organising the insurgent groups. In course of time, an organisational heirarchy has been developed categorised from A to E depending on the length of training, level of devotion, and competence for action.

The recruitment initially was done by the Lhasa-returned group, each of its member organising a cell. After about a year's training, these first recruits were put in "B" category and the first PLA raids or actions are traced to groups comprising one or two hard-core or a "category leader" and those in "B" who had shown promise already. After proper assessment of their performance, the "B" category men were gradually promoted to class "A". But how many have so far been so inducted is not known.

Cells Formed

Recruits come only from the Meiteis. "D" and "E" categories are believed to have begun their initiation and training with such duties as running couriers, carrying stores, procuring rice and such other stores. "C" category people, on

the other hand, are entursted with carrying messages or concealing weapons and allied jobs. Thus, in course of time, the PLA became a highly functional organisation, capable of surprise action, quick dispersal and of hard strike.

The chief minister says that organisationally the PLA is not confined to Manipur alone. It claims followings in Tripura, Nagaland and Mizoram. He believes that real activists in the organisation "are very few." Mostly, it has volunteers. But they have a base in Burma and following army action many might have crossed over there. Official estimates of the total strength of the PLA rank and file, including volunteers, differ. It is variously placed between 300 and 800.

While it has been possible to bring about splits in the PREPAK, the PLA seems to have withstood at least one such effort initiated through the formation of an anti-PLA liberation front, which has a distinct anti-communist character and orientation.

There is still nothing to suggest that efforts are on already to combine and coordinate the pro-Mao PLA and the Naga underground encamping across the international border, in the Arakan hills. The intervening terrain being what it is, physical contacts are indeed difficult. However, given common inspiration, such a possibility is not ruled out.

What initially was an urban insurrection has now become a mixed urban-rural movement. It is said that about a third of the Imphal valley, almost exclusively inhabited by Meiteis, has become infested. This should be a chilling proposition and gives the PLA movement a really menacing look. However, informed sources in the Imphal valley assert that because of their inherent conservatism and attitude to life, the Meitei peasants in the valley have mostly remained unresponsive towards the PLA, though inducting the peasantry into the movement has been one of the main theoretical and organisational principles of the PLA and Mr Bisheshwar Singh.

This undoubtedly has been one of the major weakness of the PLA movement. There is recognition of this weakness in Mr Bisheshwar Singh's writings, but curiously there has been no self-criticism in this regard or attempt to analyse why this should have been so. Yet, it is an officially acknowledged fact that in many villages, the PLA has been successful in enrolling four or five willing converts, and that should be of enough concern for the security forces now trying to flush out the rebels.

CSO: 4220

BIHAR CHIEF MINISTER REPORTS ON BLINDINGS

New Delhi PATRIOT in English 1 Dec 80 pp 1, 7

[Text] Patna, Nov. 30 (UNI, PTI). Bihar Chief Minister Jagannath Mishra today confirmed that at least 31 alleged criminals had been blinded in Bhagalpur since October 1979.

Talking to newsmen, Dr Mishra said allegations regarding the involvement of the district police being investigated by various committees, and all the 15 suspended police personnel had been removed from the district. Among them were two inspectors 12 sub-inspectors and one DSP.

Fourteen criminal cases have been instituted against policemen against whom specific charges have been made by the "victims" during the investigation by DIG (CID) L V Singh yesterday. All legal actions will be taken on the basis of the CID report, he added.

He informed that the police officials have been suspended on alleged charge of "negligence" of duties, and orders have been issued for immediate deportation of all those officials from the Bhagalpur district and to start departmental proceedings against them.

Describing the incident as "very serious" as well as "mysterious" Dr Mishra said the first "blinding incident" occurred in October last year, second in January, third in April, while the fourth in May this year and it continued till last month. The incident came to light when it was first published in an English daily published from the Capital.

Dr Mishra said that of the 31 blinded criminals 22 were still in jail custody, and the rest nine had been bailed out. A three-man medical team, set up earlier comprising Dr J N Rohathi Dr Chedi Choudbary and Dr A N Pandey--all eye specialists--today rushed to Bhagalpur to examine the victims and to see if their eyes could still be salvaged he added.

All Tight-Lipped

The Chief Minister said that it was strange and beyond his comprehension as to why everybody remained tight-lipped over this "ghastly" affair which had been going on for over a year.

The Opposition, other leaders and the press had earlier failed to raise this issue on any platform. Not a single legislator, local leaders or even "mukhiva" ever drew his attention, though he had been to the district in the past.

Dr Mishra said even during the period (from October 1979 to October 1980) when two elections were held and leaders of different parties compaigned they did not get even give a hint of this "atrocity" it appeared. He asserted, whosoever might have blinded the criminals, they must have had a "social sanction" in view of the menace created by the criminals.

After nine months since the first case occurred, nine prisoners of the Bhagalpur Central Jail had moved a petition on 30 July this year to the District Judge seeking justice and levelling charges against the police.

The court disposed the matter in a routine manner and referred it to the Chief Judicial Magistrate, Dr Mishra said. Only when a petition was sent to the Supreme Court raising the issue, a medical report was sought, and the jail doctor and civil surgeons furnished it.

Asked about the role of the jail superintendent in highlighting the cases following alleged tussle between him and the local police, the Chief Minister said he too could not escape responsibility as the Jail Manual provided that whenever an accused was given to its custody, the authorities must note the condition of the prisoner before admitting him, and if he needed medical assistance this must be reported to the Government and necessary action taken.

Dr Mishra wanted to know why the Jail Superintendent took almost nine months to realise his responsibilities.

The preliminary CID investigation have revealed that the police was guilty of negligence on at least two counts--it had failed to register cases against the accused persons. Whether policemen or villagers, and it had also not provided immediate medical relief to the "victims" as provided under the Police Mannual.

CSO: 4220

CPI(M) SAID TO ENLARGE BASE IN KERALA

Calcutta THE STATESMAN in English 25 Nov 80 p 9

[Text] New Delhi, Nov. 24--The CPI(M)-led Left Democratic Front Government in Kerala has initiated a number of "welfare measures" in the recent months which, in the long run, will help enlarge the political base of the Marxist party in the State.

According to reports received here, the CPI(M), which has enjoyed the electoral support of 20 to 25% in the last decade, has increased its membership by 25% in the last ten months.

Since the Left Democratic Front Government, led by the CPI(M) Chief Minister Mr Nayanar, assumed power the State Government introduced several welfare schemes for the benefit of backward classes. The agricultural workers' pension scheme brought into force by the LDF Government, at the initiative of the CPI(M) has provided a platform for the Marxist party to enlist the support of agricultural labourers.

The State Government has been helped by the CPI(M) cadres in processing the applications of farm labourers for relief under the agricultural workers' pension scheme. Inevitably, the CPI(M) sympathizers receive a preferential treatment in the speedier processing of the applications for relief from the party's cadres.

Since August 15, the State Government started the "unemployment dole scheme." According to official reports, the scheme has benefitted the unemployed. However, the scheme is proving more beneficial to CPI(M) sympathizers. In order to take advantage of the unemployment relief, workers from other political parties are tempted to join the CPI(M) to take advantage of the State's dole scheme.

The State government has initiated a Headload Workers' Welfare Bill to ensure minimum wages for this class of employees. Private hospital employees, numbering 25,000, are also likely to come under the influence of the CPI(M) following the State Government's decision to introduce minimum wages from September. This new measure has influenced the Catholic church which maintains the bulk of the hospitals.

The fisherfolk in Kerala belonging to Latin Catholics and Arayas, have been the traditional supporters of the Congress. They may now shift their allegiance to

the CPI(M). The State Government has provided transport facility to carry their catch from the beaches to the market.

The Kerala Police Association (KPA) is divided into pro-CPI(M) and pro-Congress groups. The State Government has recently granted recognition to the KPA. This concession has swelled the ranks of the pro-CPI(M) group in the KPA to neutralise whatever influence the pro-Congress elements have in the police organization.

The State Government has decided to recruit 9,000 constables in the Kerala police. This is going to prove beneficial to the CPI(M) because the CPI(M) youth front and other organizations are pressing the State Government to recruit men in the police force from the CPI(M) youth cadres. The CPI(M) leadership in the State Government cannot easily turn down the demands of the party's youth front. The CPI(M) leadership is in a quandary because this demand of the CPI(M) youth front is opposed by the other constituent units in the Government.

CSO: 4220

DANGE RELATIONSHIP WITH CPI ANALYZED

Calcutta THE STATESMAN in English 25 Nov 80 p 8

[Editorial]

[Text] The recent conference of the All India Trade Union Congress has left the state of affairs in the CPI perhaps more confused than before. Earlier, a split in the AITUC was considered likely especially after some of Mr Dange's supporters, led by his daughter, Mrs Roza Despande, had walked out of the CPI and formed the rival All India Communist Party. The innerparty tussle thus became an open affair and the AICP, following Mr Dange's political line, made no secret of its admiration for Mrs Gandhi. It was believed to be only a question of time before Mr Dange himself severed his links with the parent organization which had virtually forced him to resign from the post of party chairman and prevented him from contesting the last Lok Sabha poll. But nothing of the sort happened. Not only has Mr Dange stayed on as president of the AITUC, but he seems also to have accepted without protest the removal of his supporters like Mr K. G. Srivastava and Mrs Deshpande from important posts in the AITUC and their replacement by his known opponents. Instead of forcing the issue, he has perhaps chosen to lie low for the time being. The reasons can only be speculated upon.

Mr Dange had spent several months in Moscow not long before the AITUC conference and must have had wide-ranging discussions with "fraternal" parties on the "two-line struggle" in the CPI, and these may have influenced his decision. It is also possible that he was disappointed at the failure of the AICP to muster enough support among the AITUC delegates to push through its own candidates. That he remains in the CPI does not, however, mean that he has accepted its present political line; at the AITUC session, referring to the election of Mr Indrajit Gupta as general secretary he remarked that there could be ideological differences between trade union leaders. Presumably therefore, the fight over these differences will continue; and if Mr Dange has stayed on in the CPI it may possibly be because he is still confident of eventual success. Already, the relations between the CPI and the CPI(M) in West Bengal are no longer what they were earlier this year when they fought the Lok Sabha elections together. There has been no change so far in the CPI's official line of opposition to Mrs Gandhi's internal policies. But on international issues the party has made it clear that it will wholeheartedly support her pro-Soviet moves. Some still wonder whether, or how long, the divergence on the domestic front will continue.

CSO: 4220

CONGRESS(I) ACCUSED OF APPROVING BLINDINGS

Calcutta THE STATESMAN in English 25 Nov 80 p 9

[Text] New Delhi, Nov 24--Mr Murli Manohar Joshi, general secretary, Bharatiya Janata Party, today said: "If the newspaper report that the Bihar police has resorted to mass blinding of alleged criminals for the past 10 months is true, then it is a most shocking example of barbarism perpetuated by a Government, professing to be a democracy and is an inhuman act unheard of in any civilized country. It is a re-enactment of Hitler's final solution to the Jewish problem.

"The correspondent deserves full encomiums for this highly revealing investigative report. This is an example where a free Press can indeed become the saviour of the poor and helpless who can be conveniently dubbed as criminals and consigned to the dungeons permanently. This shameful act is not only a crime against humanity, a flagrant violation of fundamental rights, but it is also in all probability a deliberate design to oppress the low caste young, poor Harijans who just dare to demand their basic right to existence," he added.

In a statement, Mr Joshi further said: "If the report that the matter has already been brought to the notice of the Government is true, then one is forced to draw the conclusion that this atrocious, inhuman and ghastly act has the necessary political sanction of the ruling Congress(I). The Sunder episode and connivance of the same ruling party lends credence to the charge that Mrs Gandhi's party will have no qualms of conscience in applying the same tactics to eliminate any political opposition.

"Needless it is to remind that whenever her Government has arrested political opponents they have been dubbed anti-socials and criminals. If the Government wants that such an impression should not go around, then it is the duty of the central Congress(I) leadership to dismiss the Bihar government, suspend the officers involved in these acts and punish the guilty. The correspondent's security is in danger as we had seen in Orissa and I would demand complete security for him."

CSO: 4220

CONGRESS(I) WINS 10 SEATS IN BYELECTIONS

New Delhi PATRIOT in English 26 Nov 80 p 10

[Text] The Congress-I wrested one more seat on Tuesday with a total tally of ten out of 15 seats for six Assemblies, elections for which were held on Sunday last.

Of the five seats, Janata Party got one and the Lok Dal and the BJP in Baroda and Indore in Madhya Pradesh.

The results also show that the Congress-I has retained six seats--two in Maharashtra, one each in Karnataka, Orissa, Rajasthan and Madhya Pradesh—gained three, (two from the Lok Dal and one from Janata) and lost three (one each to Janata, Lok Dal and BJP).

Similarly, the Lok Dal, which lost two seats, managed to retain two others and the Janata retained one and lost one.

Of the two results announced on Tuesday, Mr Satya Narain Sattan (BJP), who was defeated by the late Chandra Shekhar Vyas (Cong-I) in May, wrested the urban Indore-I by a margin of 4,191 over his nearest Congress-I rival Kripa Shankar Shukla in a nine-cornered contest.

The Congress-I retained the semi-urban seat of Narsinghpur when Col Ajay Narain Mushran (Cong-I) won the seat taken by his late father and State Planning Minister S S N Mushran. He defeated his nearest BJP rival Om Prakash Parihar by 12,234 votes in a four-cornered contest.

Both the Congress-I and Opposition parties expressed satisfaction over the results. While Congress-I general secretaries maintained that the people have by and large reposed faith in the party, the opposition leaders found many silver linings in he outcome.

BJP general secretary L K Advani told newsmen in New Delhi that his party had emerged with added strength. Asked about the massive victory for the three Congress-I Chief Ministers, he admitted that it was somewhat disturbing'. But he attributed the outcome to 'large-scale misuse of official machinery and money" in the three constituencies.

He said the Chief Ministers had the added advantage of choosing the best constituencies.

Both Mr Advani and Janata Party general secretary Subramaniam Swamy admitted that the results proved that mere electoral adjustments among opposition parties would not bring about the defeat of the Congress-I. That had been proved by the victory of the Chief Ministers against whom all major opposition parties had joint candidates.

The Janata leader said that in all urban areas — Baroda, Indore and Bangalore — the people defeated the Congress-I. In due course, the rural areas also would feel the pinch of the economic distress.

CSO: 4220

REPORTER INTERVIEWS KERALA CHIEF MINISTER

Bombay THE TIMES OF INDIA in English 25 Nov 80 p 13

[Interview with E. K. Nayanar, Kerala chief minister, by K. C. John, reporter; date and place not given]

[Text] Trivandrum, November 24,

The Kerala chief minister, Mr E. K. Nayanar, has called for an early end to the ritual character of the national integration council by developing it into a powerful and functioning machanism [as printed] for national integrity.

In an exclusive interview to THE TIMES OF INDIA, the chief minister said the council should be able to provide direction to economic policy, promote decentralisation of power, recognise all Indian languages and offer a national minimum wage.

The council must be fully representative of all political parties, trade unions, peasants, women, youth and writers. It should become the forum for national unity defending democracy, secularism and freedom, he felt.

Mr Nayanar came out strongly against the "disintegrating tendencies" in the country which, he said, were only attempts to take away even the minimum autonomy of the states.

One of such tendencies was the mixing of religion with politics, he said and substantiated it by citing the instances where the Union minister for communication, Mr C. M. Stephen, was listed among the ministers attending the special "yagna" in the Laxmi Narayana temple in New Delhi!

This was a clear indication of how the present regime was exploiting religion for political gains, he said.

According to him, decentralisation of power, democratisation of administration and secularisation of public life alone would help national integration.

India might be termed a nation of nations. Once the multinational character of the country was unreservedly accepted, the autonomy of the various nationalities would automatically follow. Only such an arrangement could guarantee the economic and cultural development of the various nationalities, Mr Nayanar observed.

In the hour-long interview, the chief minister answered several questions relating to national integration.

Economic Aspect

Q: Is national integration possible without the evolution of an Indian economic community in which the ordinary masses have a stake?

A: I think you are right. Uneven economic development is one of the burdens which is responsible for the spreading of disintegrating tendencies. This is linked with the economic uplift of the masses. A satisfactory solution to both the issues is a precondition for democratic integration.

Q: There seems to be an impression that national integration has all along stayed at the top of discussions between political parties and governments without percolating to the broad masses whose awareness alone will fulfil the task of integration.

A: Some of the political parties think only in terms of a summit-level understanding to solve the problem. For these parties, national integration is more in the sense of concentration and centralisation of power.

Even today, we find that the Centre is against giving recognition to many languages spoken here. Thus, the present policy cannot enthuse or organise a wholehearted integration of all the people.

Q: Or is it that the politicians and even governments have lost credibility because of their double-standards?

A: Though this is generally true, one cannot accuse all of adopting double standards, at least not the CPM which has been realistic to the present situation and has kept its promises.

It is only the general deterioration in the standards of behaviour of individual politicians and parties which has done a great harm to the country and which is responsible for the loss of credibility of parties and governments.

Q: Would you agree that political parties by and large have failed to liberate themselves from the grip of caste and communal influences?

A: Yes. However, communalism is less in parties which accept Marxism as their philosophy. But, even for us, it is a great task to liberate ourselves from the grip of caste and communal influences.

But, never have we been accused of instigating communal trouble and we have always stood for communal unity and for safeguarding the rights of the minorities.

Q: Even scientists and technologists and people wedded to democratic ideals are not immune from narrow sectarian influences in their public life?

A: Yes. But the activities of organisations like the Saathra Sahitya Parishad should not be missed. They are setting the pace and making attempts to inculcate a scientific outlook and spread modern ideas.

Q: Would you agree that politicians and scientists have failed equally to modernise the people's concept of public life?

Change of Concept

A: This is an unfortunate situation. But we have to start somewhere to modernise the people's concept of public life. In fact, casteism, communalism and all types of blind beliefs and rituals have made it difficult for modern thought to spread. But, the change has begun to set in which is reflected in the crisis now facing our society. [as printed]

Q: You are against a communal party for the majority community. At the same time, you support communal parties of the minorities. Won't such differentiation make matters worse?

A: In a country like India, majority communalism is the most dangerous as it would only lead the nation towards facism. On the other hand, minority communal parties have come up to protect their position, democratic rights and traditions.

At times this has led to communal clashes and the only way to end them is to do away with landlordism in the countryside and lift the various restrictions on minority communities in all walks of life.

Q: Do you think the formal democracy of the kind now in practice here would be able to deliver the goods to the common man?

A: Formal, democracy, now in vogue, cannot deliver the goods. It should be developed into a participating democracy of the people which will guarantee voluntary and conscious integration of the various nationalities and people. One may not agree with the behaviour of a particular politician or party. That does not mean that all politicians or parties are bad. In the present situation, state capital, monopoly capital and multinational capital have got intertwined to create the most vicious and anti-democratic situation.

This has bred corruption and power has grown to be confined in fewer hands. This should be eradicated to achieve true integration.

CSO: 4220

ASSAM DELEGATION LEADERS TALK TO PRESS

Calcutta THE SUNDAY STATESMAN in English 23 Nov 80 pp 1, 7

[Text] New Delhi, Nov. 23.--The Prime Minister is stated to have assured a 28-member all-party delegation from Cachar that the Centre would give the linguistic and religious minorities in Assam all protection and ensure that they were not harmed by the agitation in the State.

The delegation, which met Mrs Gandhi on behalf of the Citizens' Right Preservation Committee, submitted to her detailed memorandum "on the grave situation created by the year-long agitation by the All-Assam Students Union and the All-Assam Gana Sangram Parishad in the Brahmaputra Valley."

Mr Tarapada Bhattacharyya, who led the delegation, told a Press conference today that Mrs Gandhi had given them a "sympathetic hearing" asked them "not to worry" and "assured us about our safety and security."

The delegation told Mrs Gandhi that the Assam agitation was nothing but "secessionist" and that the agitators were displaying posters saying "Indian dogs get out" and that the agitation was being guided by bureaucrats, former Government employees, and in fact, the entire State administrative machinery. Because of the police's connivance with the agitating, the lives and property of the linguistic and religious minorities had become insecure throughout the valley.

More than 50,000 people had been driven out of Assam, of whom 15,000 to 20,000 had taken shelter in camps opened by the West Bengal Government and were leading miserable lives. In the camps, 15 to 20 children were dying every day, they claimed. The delegation demanded immediate overhauling of the State machinery and punishment of delinquent officers.

It urged the Prime Minister to take appropriate steps for holding all pending secondary board and university examinations on time.

The delegation demanded that the Centre stick to the national consensus on the cut-off-year, i.e. March 1971, and confer citizenship to all, if needed by a suitable amendment of the law. They wanted institution of an impartial judicial machinery with people from outside Assam and under the direct control and supervision of the Centre for detection purposes. The basis for determining citizenship of an individual should be the provisions of the Constitution, the law of the land, international pacts and agreements assurances by national leaders at the time of the Partition and humanitarian considerations.

The delegation demanded immediate stoppage of illegal deportation of people by the Assam police. They told the Prime Minister of "inhuman torture meted out to Bengali students, employees, jobseekers and others in the Brahmaputra Valley" and urged her to give them protection. It wanted representation of the Citizens' Rights Preservation Committee, Cachar, in any future discussions for the settlement of the "so-called foreign nationals issue."

Mr Bhattacharyya and others told a Press conference that if 1971 was not accepted as the cut-off-year and a judicial machinery composed of non-Assamese not appointed to decide the issues of detection and deportation, it would help the secessionist movement to grow and "engulf the entire area with dangerous portents for the integrity of India." They pointed out that in Manipur the Government had already pronounced 1951 as the cut-off-year. Meghalaya had likewise declared the year to be 1964 "without caring for the Central Government to finally decide the issue."

Mr Bhattacharyya said: "We have decided that if the Government does not give adequate protection to the linguistic and religious minorities, we shall have no other alternative but to launch a vigorous agitation in Cachar and the Brahmaputra Valley."

He said that members of the delegation would stage a "dharna" on November 24 at the Boat Club and lead a procession from there to draw the attention of the Government to the plight of the linguistic and religious minorities of Assam.

Mr Ashoke Sen, president of the All-India Committee for Preservation of Citizens' Rights, told the Press conference that the exodus of refugees from the West and the East had taken place in a different manner and those who had come into India from the East had been accepted as refugees and given land by the Assam and West Bengal Governments. They could not be called foreign nationals now. He felt that the citizenship law should be changed because it was "unrealistic" as far as the eastern part of India was concerned.

UNI adds from Gauhati: the Assam Government has geared up its administrative machinery to meet the proposed indefinite noncooperation agitation to be launched by State and Central Government employees from Monday.

The Governor, Mr L. P. Singh who is camping here since yesterday, reviewed the latest law and order situation in the State today with his advisers and senior civil, police and military officers and is understood to have had discussions with them on the measures to be taken to maintain uninterrupted functioning of Government offices.

CSO: 4220

ENERGY MINISTER: NO POWER SHORTFALL IN NATION

Calcutta THE STATESMAN in English 25 Nov 80 p 12

[Text] New Delhi, Nov. 24--The Energy Minister, Mr A. B. A. Ghani Khan Chaudhury, told the Rajya Sabha today that there was no shortfall in power generation in the country, reports PTI.

Replying to a question by the Lok Dal member, Mr Ladli Mohan Nigam, the Minister said that from April to November 67,478 million units of power were generated against the target of 113,000 million for whole year.

The total energy generation during 1980-81, when achieved, would represent 7% more than that of the preceding year.

There were complaints regarding supply of coal and performance of some power stations.

Earlier, Mr Vikram Mahajan told the House that there were some complaints about the 210 MW units manufactured by BHEL, but efforts were being made to rectify these faults.

He said that the 60 and 100 MW units at BHEL were performing well. They were manufactured by an Indian company and could not be ignored because of some minor defects. A technical committee was looking into the matter.

Mr Chaudhury told Mr D. P. Chattopadhyaya that the power shortage in West Bengal, according to the chairman of the State Electricity Board, was only 15%.

Mr Chattopadhyaya said that it was not correct to say that power generation and capacity utilization in the State were the lowest in the country.

Mr Chaudhury admitted that the performance of power station during 1979-80 and 1080-81 had been affected by failure of monsoon in 1979-80 and delay in the stabilization of newly-commissioned units.

The reasons which stood in the way of better performance of the power station had been identified and a number of long and short-term measures taken to improve the total power availability.

CSO: 4220

ENERGY CHOICES SAID TO HINGE ON TECHNOLOGY

Madras THE HINDU in English 25 Nov 80 p 8

[Editorial: "Energy Choices Hinge on New Technology"]

[Text] It is indeed a bleak scenario that Mr. P.C. Sethi, Union Minister for Petroleum, Chemicals and Fertilizers, drew in a lecture in New Delhi last week. He spoke of the dismal prospects in the outlook for energy resources--of "having to import" about 22 million tonnes of crude oil and seven million tonnes of petroleum products by 1984-85. At prices which are bound to increase, the cost of imports is going to be very heavy. Yet it needs to be said that Mr. Sethi's projection of indigenous crude oil production of 21 million tonnes by 1984-85 is perhaps on the low side, since it would mean an increase of a meagre seven million tonnes, mainly from Bombay High. Development of other sources would take time to become commercially feasible, but certainly much more can be tapped from the offshore wells than is envisaged now. There is, of course, the risk of exhausting some of these underwater fields, but the short term thrust here will be a calculated risk to cover a period which will permit the gestation of other fuel sources and also allow for an accelerated search for new oil fields.

The choices before the country can be divided broadly, in order of importance, to greater reliance on coal, thermal and hydroelectric powerhouses, nuclear plants, biogas, solar energy and wind. Of coal, especially low grade, there is plenty. And for the immediate future the option is to depend on mining and transporting large quantities of this fuel. The consumers may have to pay a higher price to enable the coal industry to thrive. It is said that, in terms of weight, seven tonnes of medium coal could provide the heat equivalent of one tonne of crude. Efforts will have to be made to move coal fast in a non-traditional fashion, for example, in the form of slurry through pipelines so as to reduce the dependence on the surface railway haulage which has proved unequal to the task hitherto. In the long run, the recurring expenses on pumping coal through pipelines will certainly be cheaper than on railway wagons. The capital costs for a pipeline network may be higher than on laying railway lines. Liquifaction of coal for essential uses is no longer too prohibitive in comparison with the high price of crude oil. It was proved technically possible even during the final stages of World War II in Germany. But earlier than that a possibility is the gasification of coal within the mines. This will enable the conversion into energy of all the coal in a mine, compared with the present situation in which nearly half the fuel has to be left unmined as pillars or walls to hold up the structure. The increased output in coal or gas can in turn drive the electricity generators. The power plan will have to be revised to cover a wider range to reach a higher target than so far conceived.

Is biogas the answer for the requirements of the rural areas which are largely dependent on non-commercial fuel? These areas may not be within the reach of centralised power grids. Both the Economic Commission for Asia and the Pacific and the U.N. Environment Programme have endorsed biogas as superior to other energy devices for dispersed use on the countryside. It is not easy to accept wholesale the very optimistic calculations of its total potential by proponents of biogas who talk of both the energy creation and the manure left over. There is the problem of sustaining a huge animal population. Although India began experimenting with biogas earlier, China claims to be many steps ahead with seven million units in use, or ten times the number in operation in India. The Khadi and Village Industries Commission is weighed down by obsolete technology, and biogas also calls for research to develop more efficient designs than those in use now. The KVIC programme plans to install 500,000 biogas plants during the current five-year Plan. This is too small a number to make a significant dent on the national energy requirements.

The nuclear programme is languishing partly for want of political will, and the real breakthrough can come only when fast breeder reactors can be built to use the abundant resources of thorium. That, unfortunately, is a long way off. India is well equipped geographically to try and tap solar energy, an exercise which ought to interest also the oil producing countries which realise that their liquid gold will be exhausted in the not too distant future. In this field perhaps the aim should be to go in for devices having low heat requirements. It cannot be emphasised too strongly that oil will have a relatively diminishing role in the future. Government spokesmen like Mr. Sethi have painted the spectre of the oil crisis as black as can be. But what is the Government as a whole doing to a chart a credible overall energy policy which will provide for economic development?

CSO: 4220

ADVANCE TECHNOLOGY FAVORED TO PROMOTE EXPORTS

New Delhi PATRIOT in English 24 Nov 80 p 5

[Text] The Government has decided to consider favourably the induction of advanced technology in industries which show adequate potential for exports, reports UNI.

As a concomitant of this technology, permission for creation of capacities large enough to make these products competitive in world markets will also be considered, according to Industry Ministry sources.

The Ministry feels that the purpose of introducing such a policy would be not only to encourage exports but also enable industry to produce better quality products at lower costs. This will ultimately benefit the consumers in terms of price and quality.

As a sequel to this decision the Government is considering measures to facilitate the transfer of technology from efficiently operating units to new units.

Companies which have established research and development organisations, and have demonstrated their ability to absorb, adapt and disseminate modern technology will be permitted to import such technology as will increase their efficiency and cost-effectiveness. This will not only lead to saving of foreign exchange but also ensure self-sufficiency and higher foreign exchange earnings.

The Ministry is of the view that the Indian industry has not reached a stage where it must earmark substantial resources for research and development to constantly update technologies for optimal utilisation of scarce resources. The R and D facilities will also help the industry in providing better service to the consumer and achieving greater exports.

Ministry sources said that they proposed to evolve 'modernisation packages which will include all aspects, like appropriate location and optimum use of energy and adoption of the right kind of scale and technology in order to minimise costs and improve efficiency in the use of scarce materials.

It will be Government's endeavour to ensure that the process of modernisation percolates down to small units and the villages. As in the case of large new processes and technologies must replace the old and traditional ones, in the decentralised sector also improved tools and techniques, which will contribute to higher productivity and reduce the drudgery, are an essential ingredient of modernisation.

In all these cases the Government will review the present arrangements in terms of special facilities and incentives such as soft loans, establishing of proper linkages in the field of marketing and exports and strengthening credit facilities, particularly for the decentralised sector.

CSO: 4220

TECHNOLOGY IMPORT FOR COAL MINES STUDIED

New Delhi PATRIOT in English 26 Nov 80 p 5

[Text] Government is proposing to import foreign technology to modernise coal mines and has already received orders from France, the UK, Poland, Japan, West Germany, the Soviet Union and Romania, reports PTI.

This was stated by Minister of State for Energy Vikram Mahajan in the Lok Sabha on Tuesday.

The Minister also said foreign technology for underground and open-cast mining was being sought only in such cases where the technological expertise available within the country was inadequate.

The Minister said the Coal India Limited had entered into agreements with Poland, France the UK and the USSR for assisting in various aspects of coal-mining industry.

Under a "massive plan" drawn up to increase the production of coal, Government intends to bring it up to 165 million tonnes in 1984-85 from 103.93 million tonnes in 1979-80.

Regarding the report on "coal-to-oil project," submitted by the Dr J.C. Ghosh Committee to the Government in 1956 the Minister said the project had not been implemented but the report was available in Parliament library for members.

To complaints of "widespread discontentment" among senior executives in Coal India, Mr Mahajan said the Fazal Committee report on streamlining the organisation was under consideration.

CSO: 4220

MAJOR INCREASE IN COAL PRODUCTION NOTED

New Delhi PATRIOT in English 1 Dec 80 p 8

[Text] Government has claimed a "breakthrough" in coal production, with the output of the first seven months of the current financial year reaching 59 million tonnes, an increase of seven per cent over the same period last year.

In contrast, the previous three years had shown rate of growth of only one or two per cent, a Government press note said on Sunday.

The production in central coalfields and the western coalfields has been 16 per cent higher than April-October last year. The first three weeks of November have recorded increased production of roughly nine per cent over the same period last year.

The Government feels that target of 113.5 million tonnes for the current year is well within reach, considering the present trend.

To augment power supply to the coalfields, the Government proposes to set up five to 10 mw gas turbine sets as also captive thermal plants in the coalfields. Initially these are to supply 60 mw going up to 120 mw i.e., the total power demand of the coal industry.

Cement allocation of the coal sector is also being increased from 30,000 to 60,000 tonnes in the current quarter.

The total coal stocks were 13 million tonnes at October and against 10 million tonnes last year. The stocks include 2.25 lakh tonnes of soft coke needed by domestic consumers. Last year the stock of soft coke was almost half this.

UNI adds:

The rate of growth would have been still higher but for certain constraints in Bengal-Bihar area in inputs like power, steel, cement and problems of law and order. In the fact the coal companies which are located in areas not affected by these constraints have recorded more than double the growth.

To eliminate the constraints and step up coal production, still further, the Government has taken various steps. Efforts are being made to increase power output which has already risen by nearly seven per cent.

The problem of transportation of coal and availability of wagons is being tackled in coordination with the railways.

CSO: 4220

INDO-SOVIET SOLAR ENERGY PACT SIGNED

Bombay THE TIMES OF INDIA in English 23 Nov 80 p 10

[Text] Bombay, November 22: A protocol was signed yesterday in New Delhi between India and Soviet Union for cooperation in the utilisation of solar energy under the bilateral programme of cooperation in science and technology. The protocol was signed by Mr Maheshwar Dayal, adviser, department of science and technology, government of India, and Dr B. V. Tarnizhevsky, head of the solar energy laboratory of the Krzshizhanovskiy Power Engineering Institute, Moscow. The three-member Soviet delegation led by Dr Tarnizhevsky, who arrived in New Delhi on November 12, had discussions with Indian scientists.

The protocol provides for cooperation on three projects of mutual interest relating to the development of solar collectors using selective coatings, solar thermo-electric generators, and experimental power packs based on the stirling engine. The projects are to be executed on the Indian side by the Central Salt and Marine Chemicals Research Institute, Bhaynagar, the National Physical Laboratory, Indian Institute of Technology, Bombay, and the Central Electronics Ltd., New Delhi. On the Soviet side, the Krzhizhanovsky Power Engineering Institute and the Uzbek Academy of Sciences will participate in the projects. Completed systems using subsistence developed in India and the USSR are to be assembled by 1982-83, and the testing of the systems will be carried out in both countries.

CSO: 4220

UNCERTAINTIES OF INDIA'S OIL SUPPLY TOLD

Calcutta THE STATESMAN in English 22 Nov 80 p 8

[Editorial]

[Text] Mr P. C. Sethi's optimism that the country will be able to overcome crude supply problems caused by the Iraq-Iran war is not supported by available statistics. The official reckoning is that no major problem will be faced till the end of December, presumably because a major part of the contracted 11 million tons of crude from Iraq and Iran for 1980-81 has already been delivered. The January-March period may not be equally comfortable; an added reason is that nearly all the efforts being made to tie up supply contracts refer to the 1981-82 financial year. The only firm contract signed so far is for Mexican supplies of 1.5 million tons of crude; the Russians have agreed to give 1.5 million tons, New Delhi requesting an extra million tons. There is no certainty that Moscow will agree; earlier, it had indicated the feasibility of a long-term crude and petroleum products supply deal linked to Indian exports, on a barter basis, of cereals, particularly wheat and coarse grain. New Delhi asked the Russians for 500,000 tons of additional crude for the current financial year, an enhanced quota of oil and petroleum products for the next, and five to six million tons of crude thereafter on a long-term basis. Even if the Russians agree to give 2.5 million tons of crude, New Delhi will have an assured supply of only four million tons, including the Mexican contract. Since even officials agree that, in the event of a cease-fire, there is no immediate possibility of crude supplies being resumed from Iran and Iraq, much more will have to be ensured from other sources. The Union Minister for Petroleum, Chemicals and Fertilizer appears to be attaching some importance to negotiations in progress with countries like Venezuela, Kuwait, Saudi Arabia and the United Arab Emirates. But no one knows how much of the remaining gap of seven million tons they will be able to fill.

The Government has already done some spot buying at prices which are still climbing, but there is no clear indication of the quantity bought. Further, the oil and oil products purchased on the open market are obviously intended to satisfy the current year's needs. Next year's import targets have been set at 17 million tons of crude and 7.5 million tons of petroleum products. This does not take into account the stoppage in supplies because of the Assam agitation. Should the present stalemate extend into the new year, crude imports may have to go up by a further 4.5 million tons, taking the total to 21.5 million tons. Production from the southern part of Bombay High is expected to take off-shore

crude output to 12 million tons a year by 1982 from the present seven million tons. This will improve domestic crude availability, but consumption is increasing at about 10 per cent annually. On top of this, the Government has decided to maintain at all times an inventory of 1.5 million tons of crude, or roughly a month's requirement. The short-term prospects are therefore not bright; the longer term perhaps holds out more hope. By 1983 indigenous crude output may be 21 million tons provided the Oil and Natural Gas Commission succeeds in pushing up production in the Gujarat oilfields to four million tons. This would enable imports to be held down to the current year's level.

CSO: 4220

OIL, GAS COMMISSION SELECTS EXPLORATION SITES

Bombay THE TIMES OF INDIA in English 23 Nov 80 p 10

[Text] New Delhi, November 22: In its intensified oil exploration drive for next year the Oil and Natural Gas Commission has selected several new locations or starting drilling operations.

In the eastern region attention is being focussed on the completely virgin areas of the Dhansiri valley and Cachar of Assam. Exploration work will be taken up in the northern bank of the Brahmaputra. The commission's share of crude production in this region is proposed to be raised from the present 1.7 million to 3 million tonnes by 1985.

Indo-soviet seismic parties are being planned for Tripura and West Bengal for the next two seasons. Sophisticated equipment is being inducted for these surveys. In the Sunderbans area of West Bengal about 2,000 km. of seismic surveys have been completed in the shallow water zone by a contract seismic party.

In the west, exploration will be started in the prospective shoal areas between the Mahi and Tapti rivers in the Gulf of Cambay and in areas like the Patan-Barmer basin of the Rajasthan-Gujarat area as also in Kutch and Saurashtra.

Drilling is also expected to begin at a new location at Rajole in Andhra Prades.. before the end of the year. In the Godavari area, where the Narsapur structure has given indications of gas reserves, three new locations have been released for drilling operations.

Exploration in the Rajasthan desert is also being resumed by the commission but to supplement its efforts some areas of the region are proposed to be allocated to Oil India, another public-sector concern carrying on exploration work.

CSO: 4220

OIL DRILLING IN WEST TRIPURA DESCRIBED

New Delhi PATRIOT in English 23 Nov 80 p 4

[Text] Srinagar, Nov. 22--Youth Congress-I president Ghulam Nabi Azad, MP yesterday ridiculed what he described as "absurd suggestion" of Chief Minister Sheikh Abdullah to wind up Congress-I in Jammu and Kashmir.

Addressing a PCC-I organized public meeting at Bijbehara 40 km from here, Mr Azad said that if Sheikh really believed that the ideology and programme of his ruling National Conference and the Congress-I were the same, then the proper course for him is to "wind up the small shop of National Conference and strengthen nationwide organisation of Congress-I. [as printed]

The Sheikh had recently reiterated his old suggestion to wind up the State congress-I unit in view of its ideological affinity with National Conference.

Mr Azad commented that it was absurd to suggest that an all-India party should liquidate itself for the sake of a regional party whose base and influence did not extended beyond the Kashmir Valley. [as printed]

He claimed that the National Conference was not even a State party as it was nonexistent in Jammu and Ladakh regions.

The Youth Congress-I president charged that the Sheikh was again seeking to exploit communal sentiments of the people in Kashmir in the face of failures of his Government. He said this had been a familiar tactic with the Sheikh in the past also when he vainly tried to challenge the accession of the State on religious grounds.

CSO: 4220

WRITER EXAMINES TROUBLES OF STEEL INDUSTRY

Calcutta THE STATESMAN in English 24 Nov 80 p 15

[Article by Virendra Agarwala: "Demand-Supply Gap Likely To Persist"]

[Text] Production of steel is an index of a country's economic prosperity and it can rightly be regarded as the barometre of a nation's level of industrialization and economic growth. The steel industry forms the nucleus around which develops the various inter-dependent sectors of an expanding economy. The rate of steel production and consumption has a direct relation with a nation's general economic position.

The outlook of steel production is gloomy. Steel output in 1979-80 fell to 4.5 million tons from five million tons in 1978-79, necessitating imports worth Rs 400 crore to meet the demand. Shortage of power and coal which led to a drop of 9.5% in the production of salable steel in 1977-80 has become even more acute. The country will continue to face steel shortage till the end of 1983-84. The demand-supply gap will be to the tune 434,000 tons. The shortage would, however, be met by 1988-89 when 16.52 million tons would be available against the demand of 16.49 tons. The surplus would be obtained as a result of expansion of both the Bhilai and Bokaro steel plants by 1988-89. By that year, the steel plant at Vizag may also go into production.

The Steel Minister has projected an increase of 16% in finished steel output during 1980-81. Against the target of 7.4 million tons in 1979-80, the total output was not more than 6.03 million tons. Thus, the projected improvement during 1980-81 would still mean that the final output would be less than last year's target. The final 1979-80 figures now show that the shortfall in output was more than 20%. But the Steel Authority of India has attributed this decline in output entirely to the shortage of power.

It was a blunder on the part of the Government to allow coal imports because it has been more wasteful to burn a costly imported fuel than to transport a cheap local fuel. The record of public sector plants' performance during March is hardly encouraging, especially in respect of conversion of ignots into salable steel. Capacity utilization in the integrated steel plants in 1979-80 is likely to be around 66%, compared to 75% in 1978-79 and 85% in 1977-78. This trend is not only because of the falling production but also of falling capacity utilization.

It is equally true that the Tata Iron and Steel Company did better than the public sector steel plants during 1979-80, achieving 95.4% of its rated capacity. This has been achieved despite major constraints like acute power shortage, inferior coal and plant and equipment. The marginal shortfall in the output of salable steel was mainly due to the acute power crisis in the eastern region. The loss of salable steel was around 150,00 tons valued at some Rs 45 crores. Profitability of TISCO would have shrunk if there were no captive power plant. TISCO has launched its modernization programme, the cost of which is estimated at Rs 160 crores. TISCO has shown that inspite of constraints, any steel plant can achieve 100% capacity utilization. There is hardly any reason why the public sector steel plants should not show similar encouraging results. If, for any reason, public steel plants continue to show poor results, the Government must explore the possibilities of running them by private management.

Political control and frequent bureaucratic interference denied the public sector management, the autonomy necessary for efficient functioning. Their low output and labour productivity have been partly due to gross overmanning, itself a source of low morale and indiscipline. The need to maximize employment opportunities in a country such as ours is undisputed, but perhaps the worst way of doing so is to over-man capital-intensive industries as has been done in virtually all large public sector enterprises. The power generating and steel industries have to bear heavy financial costs because of the large capital investment, they require. To burden them in addition with excessive labour makes no sense. It is economically suicidal in the long run. Workers must be provided with all living facilities. But the cost should not increase to such an extent that it becomes either unbearable to the community or disturbs the price equilibrium of other commodities. It is not only low capacity utilization but also poor productivity per worker which has paralyzed the steel industry. We have allowed the situation to go out of our grip. Management at the top needs to be so action-oriented that they must produce the results. It must be their primary responsibility to achieve the targets. If the public sector steel units fail to produce quality goods at competitive prices, they should be wound up.

The Steel Development Fund created by the Government in 1978 into which were to be deposited by the main producers, the increase in selling prices of steel totalling Rs 400 a ton announced for 1978 and 1979, is the obvious source of financing modernization projects of the steel industry. This fund has recently granted Rs 100 crores to TISCO. Expanding the capacity of Bhillai and Bokaro and constructing two new plants will cost at least Rs 7,000 crores. This figure excludes the cost of modernizing the older plants and supporting investment in complimentary industries. It is obvious that the fund created for this purpose can hardly meet the growing requirements of the steel industry. In such circumstances, the Government needs to explore further possibilities if petro-dollars could be utilized for expanding steel industry in India. It is not at all worthwhile to depend on imported steel in future, though as a temporary measure we may have no other choice. It is obvious that the most sensible conclusion might be to produce steel indigenously. We have no sound economic grounds for dismissing such a proposal. If TISCO can go all out to modernize its plant, there is hardly any reason why the Government should not succeed in raising its capacity utilization and in expanding its existing capacity.

The production targets of sectors like steel and power cannot be based merely on estimates of consumption. For one thing, these estimates have often turned out to be wrong. For another, implicit in the approach is the assumption that the rest of the economy should set the pace and the core sectors must adjust their targets accordingly. As things are, the steel industry is suffering considerable losses on account of coal and power shortage and its wage bill is rising. This and other unforseen contingencies will place an enormous additional burden on the industry. Thus there is no escape from setting apart more plan funds for the steel sector. In view of this situation the industry can hardly generate new resources for its expansion. The capacity of steel industry remains so limited that the Government will have no alternative but to find its budgetary resources for its development.

It is widely recognized that the Indian Steel Industry has been the victim of inefficient planning, excessive control and lack of proper coordination. In the case of the private sector, there has been a constant threat of nationalization. At the beginning, we hoped that the country would produce 100 million tons of steel by the end of the century. Since the population would reach 9,300 million by then, the per capita crude steel output would be 110 kg. compared to about 13 kg today. By 1976, it was realized that such official optimism was not based on the real situation and the target was reduced by 25 million tons to 75 million tons. Later, it was further reduced and now it is hoped the integrated steel plants will double their capacity by 1988-89 to 24 million tons and the total capacity including the mini-steel plants will rise to about 30 million tons. However, SAIL has assured that despite the fall in production, availability during the current year will be about 8.8 million tons--seven per cent above last year.

The output target for 1980-81 has been placed at 10.6 million tons of steel ingot and 8.6 million tons of salable steel. Since nothing significant will be added to capacity in the course of the year, the fulfillment of this target will depend upon a good monsoon which will hopefully take care of the power and coal shortage. Looking further ahead, the Government has optimistically declared that the country's steel capacity will be raised to 22 million tons by the end of the decade--which is what the demand for steel is expected to be by then--by modernizing Durgapur and Rourkela, expanding the capacity of both Bokaro and Bhillai to four million tons and constructing two coastal integrated steel plants. However, in the steel industry, larger capacity alone does not lead to increased output.

The domestic demand for steel is currently growing at the rate of 15% to 22% which is partly being met through increased production and partly through much larger imports against earlier commitments. The steel industry requires large investments in the eighties and beyond. With the financial constraints we have to adopt a strategy which would give us the additional capacity and production with the minimum investment.

As it is, we shall need to create afresh six to eight million tons ingot capacity within the next five years in addition to Vizag's first phase plus all the existing major steel plants. Liquid resources hardly exist in India to

create such a huge capacity needing an aggregate investment of Rs 5,000 crores or more. The conclusion is that we have to import capital for steel plants expansion. We should bargain for the least cost operations from those countries from amongst those who agree to finance our steel expansion programmes. The corporal institutions need to be encouraged to undertake such responsibilities so that a larger number of mini-steel plants could be set up in different backward districts.

The future looks so bleak that we can hardly afford to be guided by ideological considerations. National interest demands that large business houses need to be associated with an expert committee so that a rational thinking could be developed on his vital issue. [as printed]

What we urgently need today is to upgrade the technical operations of our steel plants. But to do that we must be prepared with our own ideas, the latest information about technical breakthrough made throughout the world. It is this weakness of ours that Russians--and other exporters of steel know-how to India--seek to exploit. We must be aware of those political implications. It needs to be analysed why SAIL's performance was so had in 1979. [as printed] It is the inefficient management at the top of SAIL which was squarely responsible for it.

CSO: 4220

USSR CONSIDERS AID TO INDIAN STEEL PLANTS

New Delhi PATRIOT in English 1 Dec 80 p 1

[Text] The Soviet Union is likely to provide substantial credit and equipment for the modernisation of steel plants, particularly Bokaro, Bhilai and the Indian Iron and Steel Co. at Burnpur, reports UNI.

This technical and financial aid will be in addition to the USSR assistance for the Visakhapatnam steel plant which will have a capacity of about four million tonnes of liquid steel in two overlapping stages. The project is expected to cost about Rs 2,500 crores.

Steel Ministry sources have said that a major thrust in modernisation of the existing integrated steel plants would be to replace the reliance on use of power and use non-coking coal to the extent of 25 per cent.

The Vizag steel plant's detailed project report is currently under stages of finalisation by the Government. When completed, this plant is expected to be the most modern with higher blast furnace and coke oven battery capacities, and continuous steel casting facility for blooms and billets.

The capacity at the Bokaro steel plant is being geared for producing galvanised sheets, used mainly in construction activities and its cold rolling complex is expected to go into production by 1982.

In view of the financial constraints on the further development of steel industry, it is proposed to plan all future production on the import of 25 per cent of coking coal and 50 per cent buyback arrangements with collaborators.

The working group also considered progress of the expansion schemes in respect of both Bokaro and Bhilai plants. The Bhilai steel plant is being expanded to a four million tonne capacity which will eventually increase further to about five million tonnes. Bokaro is also being expanded to a capacity of 4 million tonnes of steel annually and will eventually be raised to 5.5 million tonnes.

CSO: 4220

PUBLIC SECTOR UNITS INCREASE PRODUCTION

New Delhi PATRIOT in English 30 Nov 80 p 5

[Text] During April-September 31 public sector undertakings showed an increase in capacity utilisation over the corresponding period last year, the Government said on Saturday.

In the same period the overall rate of growth of industry was 0.7 per cent over 1979, with increased production of minerals and metals, coal, medium and light engineering goods, transport equipment, and textiles in the public sector.

The production of capital goods recorded an increase of 12.6 per cent, and intermediate products 2.7 per cent.

In the capital goods group diesel engines (vehicular), agricultural tractors and railway wagons recorded rise in production in the first half of the current financial year. The main intermediate products marking better production are cotton yarn, newsprint and petroleum products.

The undertakings that have achieved higher output in October 1980 compared to the production in October 1979 are: Bharat Heavy Electricals Ltd.; Burn Standard Ltd.; Bharat Heavy Plates & Vessels Ltd; Richardson and Cruddas Ltd., Bharat Pumps & Compressors Ltd.; Tungabhadra Steel Products Ltd.; Bharat Brakes & Valves Ltd. and Lagan Jute Machinery Co. Ltd.

The undertakings which have achieved more than the target for the month of October 1980 are: Burn Standard Ltd.; Bharat Heavy Plates & Vessels Ltd.; Bharat Brakes & Valves Ltd. and Lagan Jute Machinery Co. Ltd.

CSO: 4220

EFFECTS OF AGITATION ON ASSAM ECONOMY TOLD

New Delhi PATRIOT in English 1 Dec 80 p 4

[Text] Gauhati, Nov 30 (PTI). The prolonged agitation on foreigners issue in Assam has disrupted both Government work and the life of the common man in this eastern state linked to the national economy in several ways.

The one-year-old agitation, which has already cost the administration and the people alike 'very dearly' in terms of revenue and earnings, has resulted in 'incalculable harm' to the economy of the State, the long-term effects of which will unfold themselves over many years, according to an official spokesman.

The most important was the tremendous damage caused to the investment climate in the State, and it might take years to instil enough confidence among investors to come to Assam again, the spokesman said.

The spokesman said that the tensions created among communities would also be felt in the crippling shortage of skilled and semi-skilled labour for which Assam has been dependent heavily on other States. The panic created among the people from outside working here for decades--some of the families for over 100 years--might result in a 'run' causing serious economic stagnation.

The agitation has also been having its adverse impact on road and rail transport, which adds to the economic chaos. While road operators wanted to pull out their trucks, the railways were cautious in sending wagons for fear of their being locked up for months.

The non-cooperation by oil employees during the last one month led to the closure of two of the three oil refineries in the State. The consequent shortage of diesel paralysed public transport and movement of goods and caused spurt in the prices of commodities.

The students have lost one full academic year. The pace of development has showed down.

Revenue Erosion

Official sources also referred to the serious erosion in the State's revenue because of the loss in royalty on crude oil and forest produce and a steep fall in sales tax collections, particularly after the blockade on various products.

The Assam Government is losing Rs 16 crores a year by way of royalty at the present rate of Rs 42 per tonne and Rs 5 crore by way of sales tax at the rate of Rs 12 per tonne of crude oil alone due to stoppage of the flow of crude since 27 December last year.

The State has been losing Rs 3 crore every day for the last one year when no crude had been flowing outside Assam.

The official spokesman said more than one lakh jute growers in Assam had been adversely affected by the blockade on jute. The traders, who purchased jute on behalf of the jute mill owners of Bengal, had more or less ceased operating in the State, he said.

The State's revenue loss is officially put at Rs 10 crore by way of sales tax, forest royalty, State excise and entertainment tax during the past one year.

CSO: 4220

SATELLITE LAUNCHING PROGRAM FOR 1981 GIVEN

New Delhi PATRIOT in English 1 Dec 80 p 8

[Text] India's space programme will touch a new height during the Sixth Plan period with the launching of a series of more sophisticated satellites, reports UNI.

The launching of 600 kg class satellite in sun-syncronous for remote sensing by the end of the plan period, will be one of the major programmes of the space department. A beginning has already been made in this direction with the launching of SLV-3 from Sriharikota.

The Sixth Plan also envisages launching of an Indian remote sensing satellite, 150 kg class satellites in near earth orbit using an augmented SLV (Satellite Launch Vehicle) and proto-INSAT spacecraft system for providing the indigenous spacecraft design to eventually replace INSAT-1 procured from abroad.

Meanwhile, data sent by Bhaskara is being used in some of the applications related to forestry, snow melt, land use meteorology and sea surface studies.

According to latest information from the department of space Bhaskara continues to send valuable television pictures of the country and microwave radiometer data.

All the on-board technological sub-systems of the satellite in orbit are functioning normally. The first satellite Aryabhata established India's capability in the design and fabrication of satellites.

India' satellite launching programme in 1981 is:

The APPLE spacecraft to be launched by the third development flight of the European Space Agency launch vehicle from French Guiana sometime in April 1981.

--the Second Earth Observation Satellite (SEC-II) which will be similar to Bhaskara, to be launched around mid-1981 and will carry a TV payload and a radiometer.

As part of INSAT-1 (Indian National Satellite) project, two multi-purpose satellites will be manufactured by the US for India. These multi-purpose satellites will be used for operational need of telecommunication meteorology and later for radio and television.

A series of Rohini Satellites (RS) of the 50 kg class will be launched using the subsequent flights of SLV-3.

The next launch using the SLV development flight is expected to carry a sensor payload. It will be launched in the first half of 1981.

CSO: 4220

SALT INDUSTRY REPORTED IN CRISIS

Bombay THE TIMES OF INDIA in English 24 Nov 80 p 19

[Text] Visakhapatnam, November 23. The salt industry in Andhra Pradesh is passing through an unprecedented crisis following a glut in the market.

Nearly 200,000 tonnes of this commodity has been lying at various coastal producing centres for lack of takers. More than half of this quantity has been stacked in godowns of Naupada group of factories in Srikakulam district, the main producing centre.

The situation has worsened because of non-availability of railway wagons to move salt to deficit states of Orissa, Madhya Pradesh and Bihar. Wagon shortage is more acute in the South-Central than the South-Eastern railways.

Faced with the huge stockpile, producers are wondering whether to continue on normal scale their occupation this season which has already begun. Non-disposal of stocks on hand besides blocking capital has driven them to financial bankruptcy.

Ironically enough, the state government has drawn up an ambitious programme to produce 700,000 tonnes of salt by 1983, as against the present 350,000 to 400,000 tonnes, by bringing additional areas under salt production in addition to stepping up productivity.

The crisis confronting the Andhra Pradesh salt industry is mainly because of continuance of zonal restrictions on the movement of salt and particularly the ban on its entry into deficit West Bengal and north-eastern states since 1976. So much so, they are obliged to buy their annual requirement of salt for both edible and industrial use of around 500,000 tonnes from far-flung Kerala and Rajasthan by sea, instead of from nearer Andhra Pradesh by land and that too at far cheaper rates.

Restrictions on the movement of salt, according to producers, was "to encourage the shipping conference." They appealed to the Union industries ministry and the salt commissioner to resolve their plight by allowing free trade in salt throughout the country.

In addition, salt export should also be allowed at least on an ad hoc basis. Export of salt was banned in 1977 because of the deplorably low production of 410,000 tonnes in 1976. But India had been exporting this commodity since 1953 to Afghanistan, Japan, South Korea, Taiwan, Thailand, Indonesia, Singapore, the Philippines and several African countries.

If the idle capacity of about 60 per cent was utilised, India could easily become the biggest exporters of salt, both common and industrial--a position now being held between Australia and Mexico.

CSO: 4220

STATISTICS ON AGRICULTURAL ENTERPRISES TOLD

New Delhi PATRIOT in English 30 Nov 80 p 4

[Text] There are about 10.46 million agricultural enterprises in India at present, according to the provisional results of the 1980 economic census released by the Central Statistical Organisation.

Maharashtra reported the largest number of enterprises--19.54 lakh. The number of persons working in the enterprises in States ranged from 0.30 lakh to 67.91 lakh. The census for agricultural enterprises does not cover crop production and plantations.

The census seeks to remove the data gaps in the unorganised sectors of non-agricultural economy covering unregistered manufacturing, trade transport and services.

Information collected includes the location and description of the activity of the enterprise, nature of operations, type of ownership, social status of the owner, power or fuel used for the activity and the total number employed or hired.

Information on generation of employment opportunities in self-employed enterprises was collected for the first time on a census basis.

The non-agricultural enterprises form 88.6 per cent of all the enterprises in Karnataka and Punjab. In the rural areas of these States, about 57 to 92 per cent of the agricultural enterprises are carried out without employing any hired persons.

CSO: 4220

PLANNING BODY SETS FOOD PRODUCTION TARGET

New Delhi PATRIOT in English 24 Nov 80 p 5

[Text] Foodgrains production should maintain a four per cent annual compound growth rate to attain the level of production envisaged during the Sixth Plan period, says UNI.

The steering group of the Planning Commission has proposed a target of 153.6 million tonnes of foodgrains in 1984-85, the terminal year of the Plan, over the base level production during 1979-80.

After a record production of 131.7 million tonnes in 1978-79 last year's production is expected to be between 110 and 115 million tonnes.

The 1980-81 foodgrains production is targeted at 135 million tonnes. On the basis of the tentative kharif production at 80 million tonnes the target is expected to be achieved.

To achieve the proposed Sixth Plan target the steering group has suggested an increase in fertiliser consumption from 5.27 million tonnes at the base level during 1979-80 to 9.65 million tonnes in 1984-85.

The area under high yielding varieties of grains is also to be raised from 35.2 million hectares to 56 million hectares.

In the terminal year of the Sixth Plan the cropped area will be 181 million hectares compared to 171 million hectares in 1979-80 and irrigated area 67.6 million hectares against 53.8 million hectares.

The area to be brought under soil conservation will be 30.5 million hectares compared to 23.4 million hectares in 1979-80.

The strategy to attain the target also envisages adequate plant production measures to reduce crop losses, promotion of research and its application and farmers' training and education in improved technology through reorganised and strengthened extension network.

The infrastructure of credit marketing and distribution system for the supply of inputs and services is also proposed to be developed.

The targets of foodgrains production and inputs will be firmed up after the Planning Commission considers them and the National Development Council approves the Sixth Plan.

CSO: 4220

ALL-INDIA CIVIL LIBERTIES CONFERENCE MEETS

Bombay THE TIMES OF INDIA in English 24 Nov 80 p 9

[Text] New Delhi, November 23. A section of the audience at the all-India conference on civil liberties at the Aiwan-e-Ghalib auditorium yesterday "denied" Mr S. S. Mahapatra, general secretary AICC(I), the liberty to complete his speech.

At the inaugural session, they heckled him and said that he had no right to speak at the conference since his party was responsible for "curtailing" civil liberties.

Even after Mr Mahapatra had declared that the Congress(I) was "dedicated to civil liberties for social progress and change" a group of agitated young men and women in the hall kept shouting anti-Congress(I) slogans.

After Mr V. M. Tarkunde, one of the sponsors of the conference, and some others on behalf of the organisers failed to pacify the hecklers, Mr Mahapatra cut short his speech. The dissenters kept on shouting "Congress hai, hai" and "NSO wapas lo," as the AICC (I) general secretary was speaking amidst interruptions.

This was followed by some exchanges between two sections of the audience--one wanting liberty of speech for all speakers and the other asking the speakers first to announce unqualified support for civil liberties. The organisers appealed to the audience to remain calm.

Mr Tarkunde agreed to a suggestion from some members of the audience that party leaders addressing the conference should refrain from "propagating" their party's ideology or viewpoint.

After this suggestion was accepted, proceedings of the conference went on smoothly, though there were a few interruptions when Mr E. M. S. Namboodiripad and Mr Bhupesh Gupta were speaking.

Among those who spoke were Mr Charan Singh, Mr Y. B. Chavan, Mr Ram Jethmalani, Mr Shahabuddin, Mr. H. N. Bahuguna, Mrs Nayantara Sehgal and Mr Soli Sorabjee.

All the political leaders who spoke expressed their support for preservation of civil liberties and the fight against their curtailment. They promised to lend their party's wholehearted cooperation to any all-India organisation which

might be formed to "safeguard civil liberties in the country now and in the future."

The formation of such an organisation is the main objective of the two-day conference on civil liberties.

Mr. Charan Singh said that it was "futile" to talk about civil liberties in a country where millions of people were living below the poverty line. Indians by nature and temperament were "submissive" and had always respected and obeyed authority. He wanted the "individual's freedom and rights" concept to be explained to the masses.

Mr. Y. B. Chavan said that the basic problem faced by the country today was that of "socio-economic transformation." He welcomed the idea of having an all-India body for safeguarding civil liberties and rights.

Mr. Bhupesh Gupta said the curtailment of civil rights should be a "challenge to one and all" and should be opposed. It was necessary to lend support to any movement for safeguarding civil rights.

Mr. Ram Jethmalani said preventive detention measures were a "blot on the face of the Indian political system."

Mr. H. N. Bahuguna said we must all cherish civil liberties and rights. It was good that an all-India organisation was being formed which would be vigilant and fight for any curbs or curtailment of these basic democratic rights.

Mr. Tarkunde said that the objective of forming an all-India organisation for safeguarding civil liberties was to make the masses aware of their democratic rights.

Such an organisation, he said, would be free from political pressure or influence" and would always work for preservation of civil liberties.

It was also proposed to form "free legal aid committees" in all states which would render help to individuals for the defence of civil liberties.

CSO: 4220

CENSUS OFFICE REPORTS RISE IN URBAN POPULATION

Madras THE HINDU in English 24 Nov 80 p 16

[Text] New Delhi, Nov 23. The urban population in India during the 1961-71 decade went up by 38.23 per cent, from 78.94 millions in 1961 to 109.11 million, according to the "Census Atlas" brought out by the Census Commissioner.

The urban population in 1971 was spread over in 3,126 towns as compared to 2,700 in 1961.

The increase in urban population was recorded in 236 out of 338 districts. The two districts where it decreased were one each in Andhra Pradesh and Punjab.

The urban population of Nalgonda district (A.P.) fell from 146,576 in 1961 to 121,689 in 1971 showing a decrease of 16.98 per cent.

Ropar district (Punjab) showed a small decrease (9.28 per cent) in 1971 as compared to 1961.

Except for Dadra and Nagar Haveli and Luccadive, Minicoy and Aminidivi islands, all States and Union Territories recorded substantial increase in the urban population during the decade

Highest Increase in Maharashtra

State-wise, Maharashtra recorded the highest increase (4.5 millions), followed by Tamil Nadu (3.5 millions). The increase was between two and three millions each in Andhra pradesh, Gujarat, Madhya Pradesh, Uttar Pradesh and West Bengal. [as printed]

Out of the 357 geographical units, were entirely rural, both in 1961 and 1971, and eight were urban in 1971 but were rural in 1961. [as printed]

The former are found in Gujarat (one), Himachal Pradesh (two), Manipur (three), Nagaland (one) and Arunachal pradesh (two) besides Dadra and Ngar Haveli and Laccadive, Minicoy and Aminidivi islands. In 1971, there were 21 districts where the increase in the urban population was in the range of 100 per cent and above.

Among these were Kohima (161.34), and Mokokchung (182.93) in Nagaland, Baudh Khondmals (221.42) in Orissa, Sikkim (187.21) and Pondicherry Town (199.34).

There were 12 districts where the increase was between 80 and 99.99 per cent. In 27 districts the increase was between 60 and 79.99 per cent in 96 districts between 40 and 49.99 per cent, in 150 districts between 20 and 39.99 per cent, and in 30 districts below 20 per cent.

Eight urban areas came up in 1971 which were entirely rural in 1961. The national average growth rate of urban population was 38.12 per cent. Nine States came below it and 13 States and six Union Territories above this level.

Almost all Union Territories showed high variations: Delhi (54.57), Andaman and Nicobar Islands (86.27), Pondicherry (122.80), Goa, Daman and Diu (125.28), Chandigarh (134.67) and Mizoram (164.85).

There were 163 districts above and 173 below the national average. Two showed loss of urban population, 11 entirely rural and eight which were rural in 1961 became urban in 1971.

As urban birth rates were lower than rural birth rates, internal migration and rapid industrialisation had accelerated the growth of urban population in general, according to the Census Commissioner.--PTI

CSO: 4220

COMMITTEE STUDIES BACKLOG OF COURT CASES

Madras THE HINDU in English 24 Nov 80 p 1

[Text]

NEW DELHI, Nov. 23.

To expedite disposal of cases pending in the Supreme Court and High Courts, the Union Government is considering measures including the appointment of ad hoc judges exclusively to deal with such cases.

Another proposal before the Government is the appointment of a committee on judicial reforms.

As on December 31 last, a total of 7,223 cases in the Supreme Court and 1,79,450 cases in various High Courts were pending for more than three years.

Of the cases in the High Courts, 86,073 have been pending for more than five years and another 14,970 for more than a decade.

On the other hand, the Government is yet to fill up vacancies in the Supreme Court and High Courts. As on October 20, there were five vacancies of judges in the Supreme Court and five vacancies of Chief Justices in High Courts. Besides, 44 vacancies of judges were to be filled in different High Courts.

The Allahabad High Court tops the list with 37,705 cases pending for more than three years. Of them, 2,131 have been pending for more than a decade.

Calcutta and Bombay High Courts have 33,310 and 21,868 cases pending for more than three years. The Madras High Court has only 4,219 cases, while Karnataka has 12,180 cases pending for over three years.

The pendency (for over three years) in other courts is: Andhra Pradesh (752), Delhi (12,301), Gauhati (2,649), Gujarat (2,320), Himachal Pradesh (1,228), Jammu and Kashmir (832), Kerala (2,308), Madhya Pradesh (11,337), Orissa (1,235), Patna (10,116), Punjab and Haryana (15,731) and Rajasthan (9,251). In the Sikkim High Court there is no pending case.

The Government had made various suggestions in the past to the Supreme Court and the recommendations received from the Chief Justice along with the 79th report of the Law Commission are under examination by an inter-departmental committee of officers.

The report of this committee is expected to be received shortly.

To facilitate quicker disposal of cases the Chief Justice of India and judges of the Supreme Court had suggested in 1978 that all criminal matters barring appeals involving sentence for a term of 10 years or more and appeals against acquittal in respect of offences punishable with death or imprisonment for life or sentence of 10 years or more, should be heard by a single judge.

They had also suggested that every High Court should have at least two ad hoc judges until the arrears are cleared. For these posts High Court judges known for quick disposal could be appointed immediately after their retirement.

CSO: 4220

WRITER EXAMINES SITUATION OF INDIANS IN IRAQ

Bombay THE TIMES OF INDIA in English 22 Nov 80 pp 1, 12

[Article by J. D. Singh: "Indian Workers in a Dilemma"]

[Text] Baghdad: A casual conversation with a youth from New Delhi's Lodi Colony at the consulate-general's office in Basra brought out the dilemma facing the Indian workers in Iraq today.

The visitor, in his early twenties, has been working with an Iraqi organisation for the past three months. As soon as the war broke out in September, he started receiving urgent messages from his mother in New Delhi to return home. One could see from his face that he has been crying in private.

Asked if he felt insecure, he replied: "not really." He lives with a group of Indian workers in a rented house and does not see any specific danger to his life. "But, you see," he said, "My mother keeps writing to me to return to India. She thinks bombs are falling all over the place. What do I tell her?"

Since he has been with his employers for only a short period, he is not entitled to home leave or a free air ticket. If he resigns his job he will perhaps spoil his prospects in Iraq altogether. Besides, he has yet to recoup through savings the agent's commission of Rs 4,000 he paid to secure the job.

If he remains at his post, he will be able to save some money to send back home. The Iraqi authorities allow repatriation of 75 percent of the wages. And there are instances of Indian workers claiming the full quota and remitting up to Rs 2,500 a month.

Safety Precautions

As for the threat of death, never once during our ten days in Iraq did we find ourselves to be in any particular danger--not even in Khorramshahr on the "live" Abadan war frontier within range of the snipers' gun from across the Karun river. In the early phase of the war, the situation was somewhat different.

Of the 15 Indians killed in bombing raids in Iraq, 11 died on a housing project when they were being evacuated in a truck. One Indian expert was killed in a raid on the Basra petro-chemical complex. A seaman was killed in a direct hit

on a foreign-owned vessel in Basra port while two Indians died in a raid on a cement factory in Mosul town.

Three Indian ships caught in Basra port are described as safe, but one vessel in Khorramshahr was badly damaged. Thirty-three of its crew escaped to safety but one member is missing and is thought to have gone to Iran. Since this last incident on October 4, no Indian casualty has been reported in Iraq, partly because safety precautions have been tightened.

It is worth mentioning that all the 15 Indian fatalities occurred among workers employed by Iraqi or foreign organisations. No casualty has been reported among workers employed by 44 Indian companies working on 56 projects in different parts of Iraq.

The number of Indian workers in Iraqi, foreign and Indian companies being equal, the Indian companies can be said to have been lucky. Indeed a joke going the rounds in Baghdad relates to an Iranian fighter pilot who came low over a project under construction but turned tail on seeing a "friendly" turbaned Sikh there.

With the exception of Engineering Projects India Ltd. all Indian companies in Iraq have stayed put. Even EPI, the largest Indian operator in that country, has modified its earlier unfortunate decision to evacuate all its workers.

It is now agreed to keep four of its six projects going. The original decision would, it is said, have caused irreparable damage to future business prospects of Indian companies in Iraq.

The panic exodus of Indian workers, it is interesting to note, was prompted by the decision of a Japanese company to suspend its operations and send back home all its foreign employees. The Indian employees took advantage of the company's offer of free passage home so that they could be with their families on the occasion of the Divali festival.

Of nearly 26,000 Indian workers and experts in Iraq, about 10,000 have left. Most Indian companies claim that a majority of their workers are still at their jobs. At the NPCC canal project at Amara on the Baghdad-Basra Highway, for instance, only one worker quit his job. All others decided to stay.

The Iraqi authorities, it need hardly be mentioned, could not have been happy about a mass exodus of Indian workers in their hour of need. They are anxious to complete the projects in hand so that the fruits of economic development can be shared by every Iraqi citizen.

The Indian diplomatic missions in Iraq and Kuwait have been the target of much criticism by some of the workers who fled. In the initial stages of the war, it appears, there might have been some lapses. The missions had been caught unawares. But they soon geared themselves up to meet the challenge and we found their staff on both sides of the Iraqi-Kuwaiti border helpful and alert.

A member of the consulate-general in Basra is on hand at the Safwan checkpost to help Indian workers. At the Abdala border on the Kuwaiti side, a whole team from the mission in Kuwait facilitate the customs and immigration formalities for the Indian workers. Free breakfast and lunch and free transport to take them to Kuwaiti airport are provided for anyone in need.

One of the main worries of the Indians in Iraq is the almost complete suspension of mail from back home. Some letters do reach them from the Delhi region after more than a month. But no letters have come lately from other parts of India. Anxious to know the well-being of relatives and friends, the Indian workers we met made a special plea to us to ask the post and telegraph authorities to make arrangements for expeditious despatch of mail.

Some Indian workers also complain of an acute shortage of 'dals' and non-availability of carrom boards, which help them pass their spare time. Certain varieties of pulses are just not available in the Iraqi markets and since an average Indian meal is incomplete without 'dal,' the workers grumble.

On the larger canvas of Indo-Iraqi relations, it is only proper to recognise that in an emotional situation of the kind in which the Iraqis find themselves today, they expect firm and solid support from their friends. They have little use of neutrality.

However, the Iraqi leadership has shown an understanding of India's delicate position on a sensitive matter.

Unfortunately, Algeria's inclusion in the special non-aligned peace group has become a matter of sharp controversy. Iraq has opposed Algeria's membership on the ground that an Arab country must not intervene in matters affecting another Arab country. Algeria's present assignment of looking after Iran's interests in the U.S. since the rupture of relations between Washington and Teheran is understood to be another influencing factor.

Until the war put it in an awkward situation, India's relations with Iraq had shown a remarkably upward swing. Iraq replaced Iran as the leading oil supplier. It gave India a long-term, low-interest credit in partial compensation for last year's hike in OPEC oil prices. India has emerged as the largest importer of non-oil products, like dates, urea and sulphur, from Iraq.

Indian imports from Iraq registered a substantial increase from Rs 332 crores in 1977-78 to Rs 583 crores in 1978-79. However, its exports fell marginally from Rs 51 crores to Rs 47 crores.

Indian contracts under execution in Iraq are worth Rs 1,300 crores and more new contracts are being awarded to Indian companies.

One of the most popular exports from India are Hindi films, which are shown in Iraq with Arabic sub-titles. Quite naturally, the most popular Indian in Iraq, after Mrs Indira Gandhi, is Amitabh Bacchan one of whose films is currently showing in cinema houses there.

CSO: 4220

SILIGURI BECOMING CENTER FOR SMUGGLERS

Bombay THE TIMES OF INDIA in English 24 Nov 80 p 7

[Text]

SILIGURI, November 23.

NORTH Bengal's borders with Nepal and Bangladesh are now buzzing with smuggling activities while Siliguri, the second industrially-developed town of West Bengal, is fast returning to its old status as a "dumping centre" of smuggled goods in eastern India.

This town has once again become a "smugglers' haven" with a large number of "kingpin smugglers" back in business after a lapse of about six months, according to the customs authorities.

The popularly known smugglers' market — "Hong Kong market" — here in the heart of the town with nearly 100 tiny shops, has once again become a place of "visit" to the tourists. Whoever comes to Darjeeling or Gangtok makes it a "must" to visit this "shrine" to purchase all sorts of electronic goods, like two-in-one (radio and cassette-tape recorders) and cassette tapes, suit-length pieces, watches, typewriters, hot ovens, cameras and the like.

An alarming feature of the recent spurt in the smuggling activities is the reported involvement of a number of local businessmen, including tea-planters who generally go across the border into Nepal for weekly marketing in Dhulabari and Pashupati. The tiny villages which had hardly any population ten years ago, have now become the most thickly-populated places, mainly dominated by businessmen from north Bengal.

"Smugglers in this region are skilful and hard to tackle with. Once get a lead of 20 metres, they cannot be caught," the police officials said. Sometimes, contraband packets were kept at appointed places and the "contact" on this side kept a watch from his "hide". The contacts picked up the packets at night. At the riverine borders, smugglers posed as fisherman, they said.

According to informed sources, the refusal by the West Bengal government to detain the smugglers under the conservation of foreign exchange and the prevention of smuggling activities act (COFEPOSA) has posed a peculiar situation for the customs authorities in the state.

POLICE SET-UP

Smuggling in the Siliguri area recorded a sharp fall after a crackdown on the smugglers by the local authorities during the early part of the year. The new police set-up, with a strong superintendent of police and the district collector at the helms of the affairs led to large seizures of third country goods worth several lakhs of rupees in February.

On the other hand, the Border Security Force (BSF) personnel in West Dinajpur, Cooch-Behar and Malda feel that "smuggling across the border with Bangladesh cannot be stopped. The shortage of equipment and some humane considerations impeded the BSF's operations," they said.

In the north Bengal-Bangladesh Border, an unwritten barter system has been enforced by the smugglers. One kg. of sugar can be freely exchanged with 40 kg. of raw jute smuggled from Bangladesh, while one kg. of the famous "hilsa" fish in any weekly market in border villages can easily be had against four kg. of salt.

"ERRAND BOYS"

"Who are these smugglers?" According to the officials, "they are poor, unemployed youths who try their hands at smuggling to earn a livelihood". "But they are mere 'errand boys' for the 'big fish behind the scene'," the officials said. The arrest of a smuggler seldom led to the arrest of a ring leader.

The state government's refusal to detain smugglers under COFEPOSA was the main cause of the present spurt in smuggling in the region, the officials said.

The sources confirmed that certain businessmen in the Sevoke Road, Khalpara and Hill Cart Road areas in Siliguri were importing consumer and small engineering items and motor parts from Hong Kong, Japan and South Korea across the Nepal border into this region for onward despatch to any destination within the country. The recent seizure of opium from a Calcutta-bound truck at Dinhata in Cooch-Behar has led the customs officials to strengthen their vigil on all long-distance carriers from Siliguri and Cooch-Behar.

CSO: 4220

PALESTINE SOLIDARITY DAY OBSERVED IN DELHI

New Delhi PATRIOT in English 30 Nov 80 p 10

[Text]

THERE might be no victor in the fight between Iraq and Iran and because of this "unfortunate schism", the Palistine movement "is today facing its gravest crisis ever", Secretary to the Ministry of Foreign Affairs R. Bhandari said on Saturday.

The splintering of the Arab camp could gladen only 'one heart', that of Israel. At this critical juncture, therefore, India reaffirms her support for the Palestinian people Mr Bhandari declared.

He was speaking at a function on the International Day for Solidarity with the Palestinian people at the India International Centre.

"Will the growing complexities of the situation in West Asia sap optimism for the future. We are confident that a response of pessimism and dejection is not called for, for that could bring to an end everything that we have been struggling for"? the Foreign Ministry official said.

What India wished to tell "its Palestinian friends is this: despite the odds, the dangers and the pitfalls that lie ahead, they have to march on. And in this forward march they can count India amongst the front-ranking supporters and well wishers', Mr Bhandari said.

India's friendship for the Palestinian people, he said, was not based on any 'cheap political or economic consideration.'

In suporting the Palestinian struggle, India stood true to the principles and ideals which had been the vital part of the country's ethos Mr Bhandari said.

Dr Agwani of Jawaharlal Nehru University said that the British had created Israel as an integral part of their imperialist strategy. This so-called national Jews' home was later transformed into a sub-division of the US for its political, economic and military interests.

Chief representative of the Arab League Mission in India said that the day was not very far when the US would have to stop ignoring the PLO.

Among others who spoke were director of the India International Centre U S Bajpai and PLO leader Fayeal Aouidha.

CSO: 4220

BRIEFS

UTTAR-PRADESH CHIEF MINISTER--Lucknow, November 21--The chief minister, Mr Vishwanath Pratap Singh, was today elected to the vidhan paraishad, defeating his lone rival Mr Satya Prakash Malaviya (Lok Dal), former transport minister, by 330 votes to 69. Mr V. P. Singh secured more votes than his party commanded in the house, setting at rest speculation about internal dissensions in the Congress (I) legislature party. The by-election had been caused by the resignation of the Congress (I) member from Kanpur, Mr S. K. Bajpai. Mr Bajpai took this step to enable Mr V. P. Singh to enter the upper house before December 9, and thus meet the constitutional stipulation that any person appointed chief minister should become a member of either house of the legislature within six months. [Text] [Bombay THE TIMES OF INDIA in English 22 Nov 80 p 1]

TRADE TALKS WITH ROK--New Delhi, November 21 (PTI)--India and South Korea today agreed that considerable scope existed for their joint ventures in the third countries and for the expansion of bilateral economic cooperation and trade. This was stated by a spokesman of the external affairs ministry after a 40-minute meeting between the South Korean president's special envoy, Mr Choi Kwang Soo and the external affairs minister, Mr P. V. Narasimha Rao, here today. Mr Choi, who is a cabinet minister, met the prime minister, Mrs Indira Gandhi, and delivered a special message from President Chun Doo Hwan. He conveyed an invitation from Mr Chun for Mrs Gandhi to visit South Korea. The envoy also called on the president, Mr N. Sanjiva Reddy. [Text] [Bombay THE TIMES OF INDIA in English 22 Nov 80 p 9]

EMPLOYMENT STATISTICS--Bombay, November 21--There were 15 million educated people on the live registers of employment exchanges in the country and this was 20 per cent more than the population of Australia, according to Dr M. S. Swaminathan, member of the planning commission. He was speaking on "the challenge of unemployment" under the auspices of the Rotary Club of Bombay Central today. Dr Swaminathan clarified that not all the people registered were unemployed since a number of them were only on the look-out for better prospects. Nevertheless, the problem remained a colossal one and it would require more than official cooperation to tackle it. In this context, he appealed to voluntary bodies like the Rotary Clubs to make institutional arrangements to help the unemployed. Dr Swaminathan stressed the need for undertaking district-level surveys of the manpower potential and organising employment schemes based on local resources. Self-employment was one method of tackling the problem. But, the decentralised production should be matched by centralised services like marketing, he added.

He called for the involvement of all the sections of the people, including the academics, in formulating and implementing such programmes. [Text] [Bombay THE TIMES OF INDIA in English 22 Nov 80 p 15]

SOVIET CONSTRUCTION TEAM--Moscow, Nov. 21--A team of Soviet experts will reach Calcutta early next year where the first Indian underground railway is being built with Soviet assistance, reports UNI quoting TASS. The Soviet experts will train Indian workers to operate tunnel shields and concrete laying machines manufactured at a Moscow plant. The equipment will allow them to build 40 metres of tunnel a month on a large part of the complicated stretch of the 16 kilometer-long line passing under the densely populated areas of the city. Plans have been made to build five lines in Calcutta. By 1986, they will make up a single transportation network. Stations and tunnels have been designed by Indian engineers. [Text] [Calcutta THE STATESMAN in English 22 Nov 80 p 5]

WHOLESALE PRICE INDEX--New Delhi, Nov. 21--The fall in the wholesale price index towards the third week of October was evidently no flash in the pan. The index dropped again in the week ended November 8, the third successive week it has done so. The drop is marked enough to bring the wholesale index down by an impressive 3.3% in three weeks, bringing the inflation rate in the past month down to 2.9%, with the annual rate now running below 13%. The wholesale index itself is behaving erratically since, in the same week that it dropped, the "food articles" group rose by 0.9% because of the higher prices of fish, barley, eggs, milk and many other items, although some pulses came down. The "non-food articles" group, however, declined by 0.3%. Among manufactured products, the subgroup "food products" came down sharply by 4.5% because of the lower prices of gur, gingelly oil and groundnut oil. [Excerpts] [Calcutta THE STATESMAN in English 22 Nov 80 p 9]

LOCATION OF INDUSTRIES--New Delhi, November 22--The government has relaxed its policy on the location of industries in the interest of optimum utilisation of installed capacities. The relaxation will also cover the units which qualify for exemption from licensing under the industries (development and regulation) act but are required to obtain industrial licences because of the present locational policy, which prohibits establishment of industries in embargoed areas. The locational policy will not be operative with regard to diversification schemes. Cent per cent export-oriented units could also be set up in the embargoed areas after each proposal is considered and cleared on merit. The government has issued detailed guidelines for industries that can benefit from the relaxation provisions. [Text] [Bombay THE TIMES OF INDIA in English 23 Nov 80 p 7]

MADHYA PRADESH LAND ARMY--Bhopal, November 22--The chief minister, Mr Arjun Singh, has announced that work on establishment of a "land army" will begin in Madhya Pradesh on December 14. Initially, 25,000 people will be enrolled, according to a press note issued by the government yesterday. Ex-servicemen, youths and people with a "progressive outlook" will be included. The "land army" will take up development work in rural areas and help promote national unity, according to Mr Arjun Singh. [Text] [Bombay THE TIMES OF INDIA in English 23 Nov 80 p 7]

ASSAM SEPARATISTS--Shillong, November 21--Leaders of various political parties and organisations of two hill districts of Karbi Anglong and North Cachar Hills of Assam, at a meeting here recently demanded the creation of a separate state comprising these two districts. The meeting adopted a resolution which said that the two districts, which formed part of Assam, had suffered in various ways. It was also pointed out that the current agitation in Assam on the foreigners issue did in no way serve the interests of the two districts and yet their development was allowed to be hampered by this agitation. [Text] [Bombay THE TIMES OF INDIA in English 23 Nov 80 p 7]

INDO-SOVIET HANDICRAFTS PACT—India and the USSR on Saturday signed an agreement for exports from India of handicraft goods worth Rs 20 crore during the current financial year. A separate agreement on Soviet-Indian working programme for cooperation in food processing and canning was also signed. The first agreement was signed between representatives of the Soviet foreign trade organisation 'Novoexport' and Indian firms exporting goods under the aegis of the Handicrafts and Handlooms Export Corporation of India. Mr V. Lebedov represented Novoexport and Mr M. N. Mishra, Chairman of the HHEC represented the Indian side. The second agreement was signed, on behalf of the Soviet Union, by A. T. Makarov, Deputy Minister of Food Industry of the USSR and on the Indian side by B. C. Gangopadhyay, Secretary, Department of Food, India's Ministry of Agriculture. [Text] [New Delhi PATRIOT in English 23 Nov 80 p 10]

'GREEN REVOLUTION' UNSUCCESSFUL--New Delhi, November 23 (UNI)--The green revolution has, by and large, failed to improve the lot of the landless agricultural workers in the country. In recent years, there has been some controversy over the question whether or not the green revolution has been instrumental in pushing up agricultural wages. An International Labour Organisation document on the problem of rural workers quotes a study of 15 districts in Punjab and Haryana which concluded that there was no increase. On the contrary, it records that there was a "slight decline" in real wages between 1960-61 and 1967-68, despite a 60 per cent increase in agricultural production in that area over the same period. Data from the national sample survey for Punjab, Haryana, Delhi and Himachal Pradesh confirmed this finding. Later studies, particularly in Punjab, have demonstrated that there has been a significant increase in real wages as a consequence of the use of imported technology. The ILO document, however, says that none of these studies is conclusive, since the results are very sensitive to the wage series selected, the nature of the cost-of-living index used to convert nominal wages into real wages and the choice of the base year. [Text] [Bombay THE TIMES OF INDIA in English 24 Nov 80 p 7]

CIVIL LIBERTIES PANEL--Nov. 23--Do the ends justify the means? This old question generated a lot of heat on Sunday, the concluding day of the two-day convention on civil liberties held in New Delhi. An all-India body for civil liberties was formed on Sunday with Mr V. M. Tarkunde, eminent jurist, as president and Mr Arun Shourie, well-known journalist, as general secretary. This body would try to bring together all those committed to civil liberties irrespective of their political ideology or differences with regard to the socio-economic system best suited for the country. The trouble arose when it was being discussed as to how the people should defend civil liberties when

concerted attacks were being made on them by the State organs of power. A section of people at the convention insisted that the "means" of fighting injustice and the attack on civil liberties could not always be peaceful. [Text] [Calcutta THE STATESMAN in English 24 Nov 80 p 9]

SECURITY ORDINANCE CHALLENGED--New Delhi, Nov 24--The Supreme Court today admitted a writ petition filed by Mr Than Singh Tyagi, a trade union leader, challenging the constitutional validity of the National Security Ordinance. The court ordered the Union Government to show cause why the detention order passed by the district magistrate, Gaziabad, should not be quashed. Mr R. K. Garg, counsel for the petitioner, contended under Article 123 of the Constitution that the President must be satisfied with the circumstances that existed before promulgation of an Ordinance. Since there existed no special circumstances to issue the Ordinance, the President should not have used his power, the counsel added. Mr Garg said that the grounds mentioned in the detention order "That in order to prevent Mr Tyagi from acting against the public order" is too vague and it was in fact an order of detention against a member of the Communist Party because he differed from the views of the ruling party. The petition was heard by a Bench comprising Mr Justice S. Murtaza Fazal Ali and Mr Justice D. A. Desai. [Text] [Calcutta THE STATESMAN in English 25 Nov 80 p 16]

RECORD OIL TURNOVER-- Ahmedabad, Nov 11.--The Indian Oil Corporation, a public sector undertaking, had a record turnover of Rs 4,476 crores during 1979-80, reports UNI. According to an official release, the turnover had increased by one-fourth over the previous year's Rs 3,564 crores. Gujarat, which is the only shareholder of the IOC besides the Centre, received Rs 1.2 lakhs as dividend on its share. The dividend was yesterday handed over to the Gujarat Governor, Mrs Sharda Mukerjee, by Mr D.N. Sharma, general manager of the corporation's Western region. [Text] [Calcutta THE STATESMAN in English 13 Nov 80 p 11]

MARXIST POLITICIANS ARRESTED--Dhanbad, Nov. 12.--Mr Arun Kumar Roy, M.P. (Marxist Coordination Committee) and Mr Kripashankar Chatterjee, MLA of the same party, were arrested here yesterday under the National Security Ordinance, police said reports PTI. [Text] [Calcutta THE STATESMAN in English 13 Nov 80 p 11]

TRADERS FORM FEDERATION--The formation of a Federation of West Bengal Trade Associations was formally announced at a Press conference in Calcutta on Wednesday. Its president, Mr K.L. Dhandhania, said the main objective was to bring about 500,000 traders under an apex body and maintain close and constant dialogue with the Central and the State Governments. He said that there were about 500 trade associations--big and small--throughout West Bengal. The role of the distributive trade had not been properly appreciated so far and its problems often went unattended. The total trade turnover was of the order of Rs 5,000 crores in West Bengal. Thus, the federation would play a significant role in future to safeguard the interest of the trading community and the consumers, he added. Referring to the high prices of cement on the black market, a spokesman of the West Bengal Cement Dealers' Association, who was present at the conference alleged that bulk consumers, who were lifting cement against permits, often diverted their cement which ultimately found their way to black market. Traders in general should not blamed for this, he claimed. [Text] [Calcutta THE STATESMAN in English 13 Nov 80 p 16]

NAXALITES ACTIVE IN 11 STATES--New Deli, Dec. 5: Naxalite extremists are active in 11 Indian states, and the Union Territory of Delhi, Parliament was told on Wednesday. Mr. Yogendra Makwana, Minister of State for Home Affairs, said in a written reply that state Governments were keeping a close watch on the Naxalite activities and action was taken against those breaking the law. The Naxalites, named after a peasant uprising in Naxalbari village in West Bengal state in 1967, have stepped up activities in recent months in parts of eastern and southern India in armed clashes with police and landlords. Mr. Makwana said the Naxalites were active in Assam, Tamil Nadu, Maharashtra, Delhi Union Territory, Andhra Pradesh, Bihar, Gujarat, Kerala, Punjab, Rajasthan, Tripura and West Bengal. He did not give details of the scope of activity in the different areas.--Reuter. [Text] [Karachi MORNING NEWS in English 6 Dec 80 p 3]

AMBASSADOR TO NORWAY--New Delhi, Nov. 24. Mr. Raj Kumar Dorendra Singh, Chief Minister of Manipur, has been appointed Ambassador of India to Norway. Mr. Singh succeeds Mr. George Gilbert Swell and is expected to take up his assignment shortly, it was officially announced here today.--UNI. [Text] [Madras THE HINDU in English 25 Nov 80 p 11]

CENSUS RELIGIOUS QUESTIONS--New Delhi. The 1981 census will record the religions practised in the country and the languages spoken. There is no cause for apprehension that the enumeration next February will not record this data, says a Government release. The President of Uttar Pradesh Muslim Majlis said in Lucknow last week that the individual slips private by census authorities have no columns to record this data and alleged that the Government was out to show that there are no religious and linguistic minorities in the country. Specimen copies of the individual slips--which have already been printed in sufficient numbers for the February census--show that column six is for "mother tongue", column seven for "two other languages known", column eight for "religion", column nine for Scheduled castes and scheduled tribes and column 10 for the name of the caste or tribe. Nobody will, however, be compelled to disclose his religion. The slip will record "not known" in column eight if an individual declines to disclose his religion.--PTI. [Text] [Madras THE HINDU in English 25 Nov 80 p 22]

FERNANDES, OTHERS ACQUITTED--Nasik, November 24-- Mr George Fernandes, Lok Dal MP, who was arrested on November 15 on the charge of breach of prohibitory orders, was today acquitted by the judicial magistrate here. The magistrate said section 37(3) of the Bombay police act had ~~not been duly~~ promulgated and announcement of the prohibitory orders appeared in loose form in newspapers. It was not carried in an advertisement form and the general public was not aware of it. He was, therefore, acquitting Mr Fernandes and 25 others. [Text] [Bombay THE TIMES OF INDIA in English 25 Nov 80 p 1]

MINISTERS' DUTIES--New Delhi, November 24 (UNI)--Mr Baleswar Ram and Mr R. V. Swaminathan have been appointed ministers of state for rural reconstruction, a communique from Rashtrapati Bhavan said tonight. This is in addition to their responsibilities as ministers of state in the ministry of agriculture, the deputy agriculture minister, Miss Kamala Kumari, will also be deputy minister for rural reconstruction. The minister of state for education, Mrs Shiela Kaul, will also be minister of state for social welfare. [Text] [Bombay THE TIMES OF INDIA in English 25 Nov 80 p 13]

ENVOY TO ANGOLA--Mr Ravindra Tandon, high commissioner of India to Zambia, has been concurrently accredited as the first ambassador of India to Angola with residence in Lusaka. [Text] [Bombay THE TIMES OF INDIA in English 25 Nov 80 p 13]

LADAKHIS DEMAND AUTONOMY--New Delhi, Dec. 11: People of Ladakh district in Indian held Kashmir, on the border with Tibet, have reportedly started a mass agitation demanding "regional autonomy." Indian Parliament Deputy for the region P. Namgyal, told reporters here today that the autonomy demanded was "to be within the framework of the Indian and the Kashmiri constitutions." Indian held Kashmir is the only constituent state having a constitution of its own, as a special case. Mr. Namgyal spoke of Ladakh being discriminated against by the Indian-held Kashmir state administration headed by National Conference party leader Sheikh Abdullah, in development measures.--AFP. [Text] [Karachi MORNING NEWS in English 12 Dec 80 p 1]

CSO: 4220

PKI COMEBACK FEARED; AUTHORITIES CONTINUE SURVEILLANCE

Jakarta MERDEKA in Indonesian 22 Sep 80 p 1

[Article: "PKI Remnants Preparing for an Uprising Around 1982"]

[Text] Interior Minister Amir Machmud said there were strong indications that G30S/PKI (attempted 1965 coup and Indonesian Communist Party) detainees were busily communicating with one another and holding discussions for the purpose of reviving the forbidden PKI and eradicating the Islamic faith and the Pancasila (founding principles of the Indonesian state).

"They are showing a strong determination to stage an insurrection around the time of the general elections in 1982," said Amir Machmud at a working meeting with Commission II of the DPR (Indonesian parliament) on Saturday afternoon.

According to the interior minister, these communications and discussions among the remnants of G30S/PKI detainees were chiefly taking place in the area of Solo (Surakarta) and the Jakarta Special Capital District.

As for the adoption of countermeasures against the proscribed former political party, the forum on Saturday decided to uphold the standards of the Pancasila since it constituted a way of life adopted already by the people of Indonesia.

"If the PKI is victorious," said the interior minister, "Our red and white national flag need not be altered because what matters are those who stand behind that banner." [as published]

In addition to this, PKI remnants are of the opinion that each of their members and party cadre must convert to the Islamic faith, because in Indonesia 95 percent of the population is Muslim.

As concerns Marxism, according to Amir Machmud, the G30S/PKI remnants are of the opinion that they must conform to conditions in Indonesia that are in accordance with the facts of life.

It is said that this theory of Marxism is not Soviet or Chinese Marxism but is a syncretic merger of Marxist socialism and the teachings of Islam. "This merger," said Amir Machmud, "constitutes an Indonesian Marxism bearing the characteristics of the Pancasila."

Therefore, said the minister, the defense of the Pancasila constitutes a strategy and not just a tactic.

He said that this new Marxism seeks to encompass an economic, social and political Marxism or EPM (Economic, Political Marxism) within a society that has religious inclinations.

Such a strategic pattern, in the estimation of Amir Machmud, has as its purpose the revival of the PKI by riding on the coattails of Islam and the Pancasila because these ideals occupy a place in the hearts of the Indonesian people and furthermore have become a part of Indonesian culture.

"They are deviating from the meaning of the Pancasila so that the universal principles which are contained in it become an accommodation with Marxism in Indonesia," he added.

Profiting from the opportunities presented by the working meeting, Minister Amir Machmud showed two book-like brochures filled with propaganda towards all strata of Indonesian society. The two pocketbooks were entitled "Will of the People" and "PKI Response to KOPKAMTIB (Operational Command for the Restoration of Security and Order)." According to the minister, the contents of the books seek to incite Indonesian society and deprecate the New Order in the eyes of the people.

Subsequently, the interior minister linked some types of recent criminal incidents with fund-raising activities of certain political circles.

He said if such fund-raising attempts consisted of robberies accompanied by violence, they indicated an increased level of activity which was to be feared because it indicated the working methods of the PKI.

He said that it was not impossible for international subversion to be supporting activities in this country. And, he added, such activities could take place if various groups in society were in agreement with the aims of such subversive movements.

As for measures adopted by the government, the minister said the authorities were exercising close and continuous surveillance over former G30S/PKI detainees who had been released and returned to society.

For example, they were not permitted to occupy positions in the civil service, social-political organizations, social agencies etc.

In addition to this, all provincial governors and chiefs of local government were conducting indoctrination of the former detainees. Moreover, the governmental apparatus, from provincial to village level was dedicated to insuring a continuous check and control over ex-detainee activity.

Apart from this, the Department of the Interior was coordinating with other government agencies on matters of physical security, should they be required.

9464
CSO: 4213

COUNTRY SEEN FACING THREAT FROM NORTH

Jakarta KOMPAS in Indonesian 16 Sep 80 p 12

[Article: "Indonesia Faces a Threat from the North"]

[Text] The general manager of the Ansor Youth Movement (Muslim Youth Organization), H. Chalid Mawardi, declared that our homeland is facing a threat from the north. Because of this, it has become necessary to reexamine the previous assumption that Indonesia will not be involved in an external war in the near future. This was the statement made by H. Chalid Mawardi, Sunday evening at the closing ceremony of the Ansor Youth Movement conference of East Java, held at the Pulosan Athletic Center, in Malang.

The reason for this declaration, said the chairman of Parliamentary Committee I (concerned with the Department of Defense & Security and the Department of Foreign Affairs), is that Indonesia and Vietnam have conducted negotiations on the continental shelf boundary between the two countries. Although such negotiations have been held back and forth at least five times between Jakarta and Hanoi, so far there has been no agreement. Furthermore, said Mawardi, when the Vietnamese foreign minister visited Indonesia in June, affirmed that Vietnam was not in agreement with the Indonesian concept on the Law of the Sea.

According to Chalid Mawardi, we Indonesians are in favor of a continental shelf boundary in accordance with the archipelagic concept, that is, 200 miles out at sea from the closest island. Vietnam, on the other hand, favors a continental shelf boundary measured from a point in the deepest part of the ocean and then carried in a line to the surface. If the Vietnamese method is accepted, the continental shelf boundary will be pushed further south so that Vietnam can lay claim to the Natuna Islands. "In all sincerity, this is no figment of the imagination," declared Chalid Mawardi, who is also a member of Parliamentary Committee I.

In addition to that, declared Chalid Mawardi, Vietnam has signed a treaty of cooperation with the Soviet Union and at the same time has given the USSR the right to conduct offshore exploratory drilling for oil in the region north of the Natuna Islands. In the meantime, Indonesia previously granted similar offshore oil drilling rights to CALTEX in the same area, including the vicinity of islands now claimed as Vietnamese territory.

Based on this agreement with the USSR, said Chalid Mawardi, Soviet ships coming down from Vladivostok and traveling south are now stopping at Cam Ranh Bay, Vietnam. "And if Vietnam uses force to press its demands, we are not in any position to respond in kind," he said.

The capabilities of our armed forces, said Chalid Mawardi, remain extremely limited. Therefore, in order to meet an attack from the north, all the people and the armed forces must rise up and work together. This is another reason that the Ansor Youth Movement welcomes the armed forces "Back-to-the-Village" program without hesitation. "Don't worry. The armed forces are working on constructive projects," he added. "According to Minister of Defense General Jusuf, the armed forces have no mission to compel the people to do anything, other than to participate in party politics."

In connection with this matter, the general manager of the Ansor Youth Movement expressed a hope that there would be understanding on the part of the armed forces if some Ansor members are still nursing ill feelings as a result of previous bitter experiences with the military establishment. Nevertheless, Mawardi declared his conviction that feelings of this type would be quickly dispelled as long as efforts at mutual understanding by both sides continue to be promoted.

The East Java Ansor Youth Movement from 12-14 September successfully chose a chief executive for the region of East Java for 1980-83, with the selection of General Chairman Anwar Idris. Among youth circles in East Java, Anwar Idris is already known as a leading figure in KAPPI (Indonesian Students and Youth Action Front) from the 1966 period. He played a major part in the movements launched by KAPPI and KAMI (Indonesian Student Action Wing) in East Java, especially Surabaya.

9464
CSO: 4213

INDONESIA TO PAY FOR FINANCING OF DUMAI HYDROCRACKER PROJECT

Jakarta TEMPO in Indonesian 11 Oct 80 p 53

[Article: "Dumai - With Our Own Money"]

[Text] The surplus of Indonesian oil money is finally flowing to the hydrocracker project in Dumai. After many delays and being much spotlighted by the foreign press, it has been decided that the project which is now expected to cost $1 billion - 2 1/2 years ago it was only expected to cost $800 million - will be financed by the government itself.

Originally the refinery to process types of heavy oil was to be build as a joint venture in order not to disturb the national budget. The joint venture was to be between Pertamina [National Oil and Natural Gas Co] and a Spanish-Taiwanese consortium which would control 51 percent of the joint venture's stock.

This new decision is reported to have come from Coordinating Minister for Ekuin [Economics Finance and Industry] Widjojo Nitisastro and has the President's approval. So the famous Spanish petrochemical company Union Explosivos Rio Tinto (ERT) which was to have acted as a partner, has now withdrawn. Before with the guarantee of the Spanish government the ERT company was reported to have been ready to invest stock worth $290 million.

In addition to ERT there was the Cina Petroleum Company the Pertamina of Taiwan that failed to become a partner. Another company named New Hebrides Enterprises Ltd of Hong Kong was also prepared to invest $80 million but also experienced a similar fate. The Hong Kong company works in cooperation with the famous Liem Sioe Liong company in Indonesia.

"The project at Dumai has now been fully returned to the government's hands as were the projects at Cilacap and Balikpapan," said a source at Migas [oil and natural gas directorate]. As is known the government has financed the refinery expansion projects (kinds of hydrocrackers) at Cilacap and Balikpapan at a cost of more than $1.8 billion.

In those cases however not all of the partners had to withdraw. Two Spanish contractors, Centunion and Technicas Reunidas SA were retained. The two private Spanish companies as prospective contractors for Dumai caused some dissatisfaction both abroad and in Indonesia. This was recounted by the Indonesian ambassador to West Germany J. Muskita who doubted the private Spanish companies abilities.

The doubts about the Spanish companies abilities were based on the lack of experience by the Technicas Reunidas company. They have built three hydrocracker refineries. One in Argentina. But the capacity was only 20,000 barrels a day. The refinery in Dumai however is planned to process Low Sulphur Waxy Residue mostly into kerosene, solar and gasoline and will have a capacity of around 85,000 barrels a day.

However, after the Bank of Indonesia guaranteed the project at Dumai, it became clear that the two private Spanish companies will still be used. But with the note: "On the understanding they must be helped by U.S. contractors," said an official of the department of mining. Perhaps what is intended is that the main contractor at Cilacap will be the famous U.S. Fluor Inc and the Bechtel company at Balikpapan.

There is the argument that if the Indonesian government would hire the U.S. contractors directly then the costs would be lower. But a knowledgable source reports that the two private Spanish companies are being retained because they have tried very hard "and it doesn't feel right if they are just shoved aside."

The contract with Spain still hasn't been signed, even though they have indicated their desire to be contractors for a long time. For this the Spanish government will make available for the project export credit totaling $290 million with an interest rate of 7.6 percent for 10 years. However what can actually be provided by Spain will only be known after the Minister for Trade and Cooperatives Radius Prawiro returns from there.

Minister for Trade and Cooperatives Radius Prawiro, who left for Spain at the end of last month, was appointed by the president to head up the planning team for the project at Dumai. Included in this task he was to explore the possibility of getting commercial credit from a banking consortium headed by American Express (Amex) in Europe. But now the task of looking for credit is no longer necessary. It has now been decided that the $200 million lack in funds for Dumai which was expected to come in from Amex will be paid from government funds. "It will be more profitable for Pertamina because if isn't necessary to pay interest," said an assistant of principle director Piet Haryono.

The Indonesian government will also still utilize the Voerst Alpine construction firm from Austria to take part in the hydrocracker project construction at Dumai. The Austrian government will earmark export credit totaling $150 million with interest of 7.3 percent for 10 years.

Like Spain, Austria is not as well known as the U.S. and West Germany for construction of projects as complex as the hydrocracker. The decision to include them as contractors while the government itself fully controls the vital project, is considered as the right step by many observers.

7785
CSO: 4213

OLD INDONESIAN DEBTS TO ITALY SETTLED

Jakarta SINAR HARAPAN in Indonesian 14 Oct 80 p 11

[Article: "Remaining Indonesian Debts to Italy Settled"]

[Text] Acting on behalf of their two governments, Acting Minister of Foreign Affairs M. Panggabean and Italian Ambassador Elio Pascarelli signed an agreement on the morning of 13 October on behalf of the governments of Indonesia and Italy settling the remaining old Indonesian debts to Italy which were made before June 1966.

These old debts come from the importing of Italian commodities on credit which weren't guaranteed by the Italian National Insurance Agency.

Repayment of the debts was made in the currency agreed on in the contract. This totaled $8.9 million in U.S. dollars or 590.4 million Lira, plus the interest which had been postponed.

The methods of repayment were in accord with the formula as contained in the Paris agreement of 1970 for debts made by Indonesia before July 1966.

With the signing of this agreement all matters relating to the old Indonesian debts to Italy have been settled. The first settlement was concluded at the end of 1971 when an agreement was signed between the two governments on methods of repaying the old debts. This contained a guarantee by the Italian National Insurance Agency.

Following the signature [on 13 October] Acting Minister of Foreign Affairs M. Panggabean on behalf of the Indonesian government presented the Bintang Jasa Utama medal to the Italian Ambassador Dr Elio Pascarelli at the department of foreign affairs in Pejambon. The Bintang Jasa Utama medal was given because of the Italian ambassador's service and his efforts to build cooperation and increase relations between the two countries during the 4 years he has served in Indonesia.

7785
CSO: 4213

INDONESIAN PETITION SIGNERS FIRED

Jakarta TAMPO in Indonesian 13 Sep 80 pp 9, 10

[Article: "In The Wake of The Petition, Daud Says All Is Settled"]

[Excerpts] On 28 July, Chris Siner Key Timu, 40 years old sent a letter to the president of the University of Atma Jaya indicating that he was resigning from his position as student affairs bureau chief. Chris is the father of three children and had held the position since 1974. "I took the step for the benefit of Atma Jaya," he said.

The resignation of Chris was the result of a series of incidents that began on 9 July 1980 when the president of Atma Jaya was summoned by the inspector general of the department of education and culture who requested the president to take action against Chris. The reason was that Chris took part in the signing of the Petition of Concern better known as the Petition of the 50.

Following the meeting the inspector general of the department of education and culture phoned the president. "But according to internal regulations of Atma Jaya, the president couldn't take any action against me," said Chris. The president asked the department of education and culture to contact the Atma Jaya Yayasan [legal body of university].

"I was appointed president by the Yayasan. I told the inspector general that the Yayasan had the authority to take action against Chris. As a basic principle I am against firing him. If I did it would mean that I had become a political tool," stressed K.S. Gani, 58 years old, president of the Catholic Atma Jaya University.

Chris' resignation would seem to be a way out for Atma Jaya and comes as the result of an ultimatum by the department of education and culture dated 22 July to the board of the Atma Jaya Yayasan. The letter which was signed by the secretary general Sutanto Wirjoprasonto on behalf of the minister threatened to review the status of the university and all aid ever given to it if Atma Jaya didn't take action against Chris Siner Key Timu.

Chris Siner isn't alone. At the end of August Dr Judilherry Justam, 32 years old, was honorably discharged from government employment as assistant middle-grade expert category III/a at the University of Indonesia's doctors faculty. The

decision of the minister of education and culture was dated 7 August and was signed by the secretary general of the department of education and culture. The reason for the dismissal was to simplify an organizational unit and Judilherry was named as the civilian government employee who was superfluous.

"Why was it just not said that I was fired because I signed the Petition of the 50?" was the comment of Judil who graduated as a doctor in 1976. As a student leader at the University of Indonesia he was once arrested because he was thought to be involved in the 15 January incident. He is also well known for having nominated himself to be president shortly before the Parliament's general session in 1978.

Professor Dr Kasman Singodimedjo and Dr Anwar Harjono, both lecturers at IAIN [State Islamic Institute] Sjarief Hidayat in Jakarta who signed the Petition of the 50 have also experienced a similar fate. Since lectures began in September the two haven't taught. According to IAIN president Dr Harun Nasution there is no problem against their teaching but they withdrew. "The reasons aren't clear," he said on 8 September.

Kasman had a different explanation. "I didn't asked to stop but they pressured me to resign."

Minister of Education and Culture Daud Jusuf refused to discuss the matter. According to the chief of public relations of the department of education and culture Haryoseputro the reason was "Mr Daud says everything is settled."

7785
CSO: 4213

WEST KALIMANTAN REMAINS VULNERABLE DUE TO BORDERS, CHINESE POPULATION

Jakarta MERDEKA in Indonesian 14 Oct 80 p 4

[Article: "Being a Border Area, West Kalimantan Remains in Serious, Dangerous Position"]

[Text] Governor Sudjiman, head of the West Kalimantan province, said that because of its borders as well as its coastline on the South China Sea, all of West Kalimantan continues to be in a serious and dangerous position.

Governor Sudjiman said this to reporters from MERDEKA and a Chinese language daily (HARIAN INDONESIA) in his office on 7 October.

Governor Sudjiman, who had with him the chief of the regional department of the industry office of West Kalimantan Mohamad Taib, said that priority has been given for some time to the border areas of West Kalimantan because of national defense.

"At present we are still giving priority to the border regions because they represent strongholds that we must build so that the national defense of the area can be crystalized, economically, culturally and ideologically," he said.

"We aren't suspicious of Malaysia, but 70 percent of the people here are Chinese," he added.

All along, those who have stirred matters up in the border areas have usually been Chinese.

According to Governor Sudjiman, at the time of the PGRS/Paraku [Sarawak Peoples Defense Forces/North Kalimantan Peoples Forces] 95 percent of the movement's members were Chinese.

"So, if they were to expand Communist ideology from the "North" to West Kalimantan, we would be in a serious and dangerous situation," he repeated.

The West Kalimantan governor also related what took place in the West Kalimantan border and coastal areas some time ago when many Vietnamese refugees were stranded in West Kalimantan coastal areas as well as in Riau.

Meanwhile District Chief Sumardji as head of the Sambas district told MERDEKA that some 85 percent of the entire population of Singkawang, capital of the Sambas district, totaling 61,000 people are Chinese descendants.

In fact, according to District Chief Sumardji, there are several regions in the Sambas district where all of the people are of Chinese descent. These include the villages of Thainan and Pakonan.

"The names still have a Chinese influence," Sumardji said.

Touching on assimilation of those of Chinese descent with the native people, District Chief Sumardji explained that assimilation is working well.

This includes both assimilation through education and other social activities. In this relation District Chief Sumardji gave as an example the fact that many Chinese women are being married to Malays and with government employees and even with members of the Indonesian Armed Forces.

Speaking about the work of those of Chinese descent, Sumardji said that in addition to the many that are involved in trading, particularly those who live in the cities, there are others who work in agriculture (wet rice fields) and plantation work.

"Perhaps the richest people here are Chinese, but they are also the very poorest," he said.

In reply to the question of Indonesian citizenship for those of Chinese descent, District Chief Sumardji explained that with the publication of the Presidential Directive on citizenship, many of those with parents who hold foreign citizenship have become Indonesian citizens.

He said that as many as 67,000 foreign Chinese have become Indonesian citizens up to the present.

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CSP: 4213

UNEMPLOYMENT IN LUMBER INDUSTRY OF EAST KALIMANTAN

Jakarta KOMPAS in Indonesian 20 Sep 80 pp 1, 9

[Article: "DPR Member's Report--Large-Scale Layoff As Result of Labor Relations Decision in East Kalimantan--Lumber Workers Affected"]

[Excerpts] In East Kalimantan, the large-scale effects of a layoff as a result of a labor relations decision taken by lumber enterprises is being felt by the employees.

At the end of last July, the total number of workers affected by this decision was estimated to be 7000 people. This number increased to 10,000 people by mid-September.

This comprised the report submitted by H. Syarkawie, a member of DPR Committee IV, at a hearing of the minister and staff of the Labor and Transportation department with the parliamentary committee in Jakarta Monday evening.

The large-scale layoff is the result of the promulgation of a joint governmental decision by three ministeries dated May 15, 1980. This decision induced a paralysis of activity among some entrepreneurs who held timber exploitation permits.

The joint decision by the three ministries (Agriculture, Industry, Trade and Cooperation) imposes an obligation to undertake the processing of wood which has been cut, in order to develop a domestic plywood industry. The decision is related to the export of logs and especially unsawn wood which is not affected by export prohibitions. However, the export of such unsawn wood can only be carried out by entrepreneurs who are recognized by the ministry of trade and cooperation.

According to H. Syarkawie, the largest number of workers affected by the layoff are day laborers or temporary help provided by a contractor. Such workers are deliberately utilized by entrepreneurs in the lumber sector because of economic reasons. They can be fired easily and the entrepreneurs are not obligated to provide any severance pay.

A different member of the DPR Committee IV, Djaffar Siddik indicated that the joint ministerial decision had been drawn up in haste and had not been prepared carefully beforehand. The result was that the ministerial decision which had a positive objective had unforeseen negative side effects.

The problem of worker protection and welfare was the topic of discussion by the minister of labor and transportation and his staff with Committee IV of the DPR, Thursday afternoon and evening. About six members of the legislature pressured the labor and transportation minister and the director general for the management of labor relations and worker protection to come to grips with the problem in a more serious manner.

It seems that attention to the matter of worker safety and protection arose as a result of the case involving the Eureka Aba paper factory in Mojokerto in which eight employees were killed.

DPR members generally were of the opinion that work regulations and labor laws as well as the administrative apparatus of the department of labor and transportation (directorate general for the management of labor relations and worker protection) were too weak to come to grips with labor problems. The result has been that a number of entrepreneurs, impelled only by the quest for higher profits, have displayed a tendency to adopt highly arbitrary measures to exploit workers who are powerless.

Noting this view, the director general for the management of labor relations and worker protection, Oetojo Oesman S.H., indirectly acknowledged that neither government agency charged with labor matters nor the department that he headed were up to their tasks which were becoming increasingly broad and complex.

He said, "In East Java alone, the number of firms that need to be supervised is around 12,000. To perform this task, there are only 73 inspectors in the region. Looking at the overall picture, the inspectors are able to accomplish only 35 percent of the work they should be doing.

The secretary general of the labor and transportation department, Urip Widodo S.H., stated that beginning in fiscal year 1980/1981 and subsequently, the directorate general for the management of labor relations and worker protection would receive a greater proportion of the budget than previously. In September and October of this year, several hundred new two and four-wheeled vehicles are being provided to increase the activities of the directorate general for the management of labor relations and worker protection.

9464
CSO: 4213

CONTRACT FOR LNG PLANT EXPANSION

Jakarta KOMPAS in Indonesian 19 Sep 80 p 2

[Article: "The Government Will Handle Directly the Tender for the Expansion of the LNG Project at Bontang--Japan Angered Because Bechtel the Winner"]

[Text] The government will handle directly the tender for the expansion of the natural gas (LNG) project at Bontang, East Kalimantan. Pertamina in no way will be involved in the project.

This was the statement released by Pertamina to KOMPAS yesterday.

This expansion, which will double the capacity of the Bontang natural gas project, will require an expenditure of about 844 million dollars US, including about 600 million dollars US to enlarge the production units. The winner of the tender for this project was Bechtel Corporation which previously was responsible for constructing the natural gas project at Arun, Aceh.

According to the KOMPAS source, the tender for the expansion of the Bontang project was signed by the government procurement team for equipment and supplies, since the cost of the project would exceed 500 million rupiah. Responsibility for the decision was placed in the hands of the team, based on Presidential Instruction no. 10 for 1980 (dated January 23, 1980), when it was determined that the business deal would amount to 650 million rupiah.

The governmental decision was verified by the KOMPAS source responding to questions concerning the award of the tender to Bechtel Corporation. Bechtel's success created in turn some hard feelings among the firms that lost out on the project, as well as among the nations to which these firms belonged.

The ASIAN WALL STREET JOURNAL of September 16 offered the view that the decision taken by the Indonesian government declaring Bechtel the winner of the tender aroused some ill feelings among the private contractors as well as among Japanese diplomatic representatives in Jakarta.

JGC, a Japanese firm which lost out on the tender although its bid was lower than Bechtel's, became angry because Indonesia selected Bechtel whose bid was twice as much. As a result, it was reported that the Japanese ambassador in Jakarta, Masao Sawaki, suggested to his government in Tokyo that relations between Japan and Indonesia be allowed to cool in protest.

Japan at present buys all the LNG produced by Indonesia and intends to invest in a larger share of such projects. Nevertheless, LNG plants presently operating in Indonesia were constructed by Bechtel and a large number of the subcontractors were American.

JGC has made great efforts to uplift itself to the rank of a construction firm able to challenge the supremacy of the United States on energy projects. The firm had hoped to be awarded this contract to strengthen its position in Southeast Asia. In the meantime, JGC, with the Pullman Kellogg Division of Pullman Inc., has been selected as contractor for the erection of an LNG project costing $1 billion in Sarawak, Malaysia.

The expansion project in Bontang was long postponed because perspective buyers in Japan and officials in Indonesia failed to reach final agreement on marketing, payment and price-setting policies for the LNG produced from the project that would be subsequently developed. The result has been that the timetable for completion of the expansion was pushed back from 1983 to 1984.

According to plans, the expansion project will double the annual capacity of Bontang to 6.4 million metric tons. Discussions concerning the expansion have been held since 1978 between Pertamina and four prospective buyers from Japan: Chubu Electric Power Co., Kansai Electric Power Co., Osaka Gas Co., and Toho Gas Co. The four firms sought to tie down a 20-year sales agreement which would have gotten them access to the increased production of LNG.

Tenders concerning the project became controversial because of the great disparity that arose among the bids that were submitted. JGC offered a bid of $45 million, more or less; Bechtel $85 million and Procon $80 million.

According to the ASIAN WALL STREET JOURNAL, Pertamina wanted to choose JGC for the project but had to give in to the government. On the other hand, according to Bechtel, the great difference in the bids indicated that the Japanese contractor did not understand the complete nature of the work required for this project. In other words, Bechtel already had the experience of building two LNG plants in Indonesia. These plants that are now in operation have exceeded the production capacity projected for them beforehand.

In the meantime, a news source told KOMPAS yesterday that the Japanese government would be the loser if it followed the suggestion of its ambassador in Jakarta to permit a "cooling off" of relations between Japan and Indonesia. "What is this expansion project compared to other Japanese capital invested in Indonesia?" said the source.

The ASIAN WALL STREET JOURNAL itself reported that the Japanese disappointment would not influence the decision to award the experimental construction contract to Bechtel. The firm of Bechtel at the present time is compiling the data requested by Pertamina.

In the meantime, the initiative to complete the final arrangements on the contract remains impeded by the price-setting policy for the LNG that will be produced after the expansion of the plant is completed. According to Japanese sources, the

agency having the right to conduct negotiations with Indonesia is the Japanese Ministry for International Trade and Industry (MITI) and not the individual buyers. The Japanese buyers have stated that in the end a compromise will be reached. There is, however, little hope that an agreement will be reached with Pertamina in the coming months.

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CSO: 4213

FERTILIZER IMPORTS, REQUIREMENTS DISCUSSED

Jakarta KOMPAS in Indonesian 20 Sep 80 pp 1, 9

[Article: "Next Year--Indonesia Must Import Fertilizer Again--Domestic Production Not Keeping Up with Requirements"]

[Text] In order to fulfill requirements for urea fertilizer in 1981, Indonesia has no recourse but to resort to imports because domestic production will not be sufficient. While fertilizer was exported beginning in 1976, it stopped in 1979. In 1981, the situation of the late 1970's will reverse itself and fertilizer will have to be imported once again.

This was the statement uttered by H. Hasan Kasim, the chairman of the Indonesian Association of Fertilizer and Petrochemical Producers at a hearing of Committee VI of the DPR (Indonesian parliament) presided over by Amir Judowinarno last Friday.

Hasan Kasim declared that urea fertilizer requirements for 1980 are expected to reach 1.8 million tons. This means a 20 percent increase over 1979 (1.5 million tons) while in 1981 requirements are expected to go up another 12 percent. An increase of 20 percent in fertilizer requirements is truly beyond previous estimates and exceeds the average annual production increase of 15 percent. In addition, the production for 1980 and 1981 cannot be increased further.

Urea fertilizer production by PT Pupuk Sriwijaya (Pusri) reached 1.3 million tons in 1979 and 1.4 million tons in 1980. Production by PT Pupuk Kujang reached 437,000 tons in 1979 and 456,000 tons in 1980. According to these calculations, production will equal requirements in 1980.

In the meantime, fixed reserves (iron stock) this year amount to 650 tons (sic) and cannot be drawn down. Total production amounting to 1.85 million tons this year constitutes the maximum quantity that can be produced and cannot be expected to increase until PT Pupuk Kaltim goes into operation around the end of 1982.

Keeping the above figures in mind, Hasan Kasim expressed the opinion that in order to guard against the possibility of a precipitous increase in requirements in 1981, and to increase present fixed reserves, the government would need to import fertilizer. Imports are considered the only recourse because the expansion of urea factories cannot be done with celerity.

The area occupied by PT Pusri is already fully occupied and no further expansion can be undertaken after the completion of Pusri IV. In the meantime, it is uncertain whether the completion of the PT Pupuk Kaltim factory, which at maximum capacity may produce 500,000 tons annually, will be able to solve the domestic fertilizer shortage. In 1982, it is certain that there will be another sharp escalation in fertilizer requirements.

"To solve the problem of domestic fertilizer production, the best remedy is to increase the number of factories. Because of this, every 3 years we have to build another new urea fertilizer plant," said Hasan Kasim.

According to Commercial Director Dalil Hasan SE, the increase in urea fertilizer requirements can be explained by the rise in agricultural production. Although it can only be seen indirectly, the influence of fertilizer on production gains is quite pronounced. This can be seen by the fact that farmers now like to use such fertilizer for their crops. Rice production in 1978 amounted to 17.6 million tons; in 1980, as a consequence of fertilizer use, production leaped ahead to 19.6 million tons tare weight.

The principal reason for the increase in fertilizer utilization is the "Insus" (special enrichment) system of the Department of Agriculture which is using urea on a large scale in massive quantities. Of all the regions in Indonesia, the biggest consumer of fertilizer is East Java. Previously, only about 180 kilograms of fertilizer were used per hectare. This has now jumped to 300 kilograms per hectare.

Drs Rachmat Mulyomiseno, deputy chairman of DPR Committee VI, considering these figures, told KOMPAS that he did not believe the information released by Hasan Kasim. According to Rachmat, this information was not based on credible data. The figures which account for fertilizer exports for 1976 to 1979 were based on contrived data and not on actual requirements. The explanation is that a jump in fertilizer requirements for certain cannot be known in advance, and above all, cannot be estimated beforehand. Rachmat also did not accept that there had been a jump in fertilizer requirements.

"Before the government made an official statement concerning the shortage of fertilizer, I did not believe it; nor can I accept the statement of the Fertilizer and Petrochemical Producers," said Rachmat.

In the meantime, Dalil Hasan SE, in his testimony before DPR Committee VI, stated that the jump in fertilizer requirements was difficult to pin down precisely. There are five foreign consultants investigating the data on this subject and it is evident that they are coming up with figures at variance with one another. Furthermore, the Department of Agriculture has its own different set of figures. With data that is so difficult to compile, it is not surprising that projections on production are not consistent with projections concerning requirements. Projections of production itself, on the other hand, are easily calculated.

Indonesia imported fertilizer in 1975 during the Middle East crisis. At that time, fertilizer production in Indonesia was only 350,000 tons a year, while reserves accumulated from imports amounted to 2 million tons. To draw down these reserves,

exports were started in 1976. These exports came to a halt in 1979 after the jump in domestic fertilizer requirements became known. The last exports in 1979 amounted to 200,000 tons.

In the matter of fertilizer distribution, the difficulty that must be confronted at present is the shortage of shipping vessels. Pusri owns four ships but they are not sufficient and the firm must charter additional vessels. As for the matter of land transportation in railroad flat cars etc, Hasan Kasim acknowledged that Pusri, as a producer doubling as distributor, had performed its latter role poorly. That, however, was a legacy of the past, dating back to when the World Bank had extended credit to PT Pusri to establish channels for distributing its fertilizer.

To dispense urea fertilizer, PT Pusri at the present time has 220 warehouses, many of which it owns outright, in 22 provinces. Distribution in the various regions is carried out by 72 dealers, among them Pesero Niaga, private firms and Puskud (Center for Village Cooperative Units). The recipients consist of 4000 village cooperative units and 3000 private firms.

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CSO: 4213

PELITA III CALLS FOR 120,000 NEW HOMES

Jakarta PELITA in Indonesian 10 Oct 80 pp 1, 7

[Article: "Vice Minister Cosmas: Perumnas to Build 24,000 Houses Each Year"]

[Text] Vice Minister in charge of public housing Cosmas Batubara said that during Pelita III [Third 5-Year Development Plan] Perumnas Ltd has been given the target goal of building 60,000 simple houses and 60,000 basic units so that it will have to build 24,000 houses each year.

He said this on the night of 9 October in Jakarta while giving a speech to the extended family of UNTAR (University of Tarumanegara) during celebration of the 18th anniversary of the school and the conferring of degrees by the university.

In addition to the UNTAR extended family, the speech was attended by a number of government and real estate officials, professors from several universities and a number of invited guests. The speech was followed by a period of questions and answers.

According the Minister Cosmas, in order to meet the first point of the development triology, which is the equal distribution of development and its benefits, construction ought to be targeted for all urban areas. But, because of limited capabilities, construction will only be carried out in those cities given priority during Pelita III.

The provisional criteria being used includes all the province capitals, the regional development centers which had a population of 50,000 in 1971, the district capitals what had a population of 100,000 in 1971 and the second largest cities in a province if only one city in that province meets the requirements.

Using this criteria there are 77 cities which meet the requirements to receive allocations during Pelita III. These include 27 province capitals, 33 regional development centers, 17 district capitals that aren't regional development centers but which have populations in excess of 100,000.

30 Reserve Cities

In addition allocations have been set aside for approximately 30 other cities, which for certain reasons should be helped with housing construction programs. For example there are cities which have had natural disasters and those which find it difficult to develop because housing is hard to find. If housing was available it is thought that these cities would develop more quickly.

According to Minister Cosmas, included in the construction of simple housing is the construction of multi-storied apartments in the larger cities such as Jakarta, Bandung and Surabaya in conjunction with efforts to upgrade these cities.

In addition, the improvement/fencing programs for village housing will continue to be implemented during Pelita III and coverage will be increased from 1,000 villages during Pelita II to 6,000.

Concerning implementation of programs to develop safe environment, he said efforts would be increased to make pure water available to around 150 smaller cities. In addition the health of 3.5 million people in the cities will be improved through kampung [here section of a city] improvement programs.

To encourage participation by the public sector, opportunities will be extended to housing constructors outside Perumnas Ltd to build simple houses by getting credit from the National Savings Bank in accord with existing regulations.

It is hoped that this group will be able to build more than 30,000 units of simple housing, according to Vice Minister in charge of public housing Drs Cosmas Batubara.

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CSO: 4213

ACEH TERRORIST MOVEMENT THOUGHT DESTROYED

Jakarta MERDEKA in Indonesian 10 Oct 80 p 1

[Article: "Hasan Tiro Thought To Have Been Killed"]

[Text] The Hasan Tiro terrorist movement has been destroyed and its leader Hasan Tiro is thought to have died somewhere in Aceh Pidi. This information was given to MERDEKA by Commander of Military Region I/Iskandar Muda Brig Gen R.A. Saleh on 10 October 1980.

According to the commander there is evidence indicating that the leader's death occurred on 30 September 1979 during a [search and] destroy operation carried out by units of the Indonesian Armed Forces [ABRI] in Aceh Pidi.

He now feels that the terrorist movement is no longer important even though one of its leaders, Ismail Lebei, hasn't been captured.

He also issued a call to the members of the terrorist movement who still haven't surrendered to quickly do so. If any are caught in an ambush by ABRI units, it won't be the responsibility of the commander or of the ABRI units. He said that operations to wipe out the terrorist movement will continue until all members of the Hasan Tiro movement are destroyed in the region.

Gen Saleh gave his assurances that the people of Aceh are both safe and calm. He feels that security is quite good and consequently hopes that newspaper editors will continue to help build up a sense of security among the people.

According to the general two kind of situations can arise which threaten security. There are direct threats to security and indirect ones. As an indirect threat he mentioned for example conflicting reports in the newspapers which can cause unrest among the people, even if the reports aren't true. He feels these are indications of the occurrence of threats to the security of the people.

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CSO: 4213

BRIEFS

NEW CABINET APPOINTMENTS--Minister Sudharmono said that he did not know if there would be a reshuffle of the Third Development Cabinet in the near future. Sudharmono's answer was given today at the Bina Graha Building in response to the question whether it was true that Mudjono, the present minister of justice, would shortly be elevated to the chairmanship of the Supreme Court. He also responded that he did not know when he was asked if the candidates for minister of justice were Ali Said and A.Y. Kanter. Minister of Justice Mudjono, who was encountered at the same time, said he knew nothing concerning the post of Supreme Court chairman and added that until the present time, he had not been approached by President Suharto or Secretary of State Sudharmono concerning filling that office. Minister Sudharmono also stated he did not know, when he was asked if it was true that the government would appoint former Deputy Commander of the Armed Forces General Sumitro as a resident expert to the defense industries which are presently headed by the minister of the state secretariat with the ministers of defense and industry as members. Sudharmono verified that President Suharto had already formed a department of defense and security industrial team with a chairman and members as indicated above. [Excerpts] [Jakarta MERDEKA in Indonesian 17 Sep 80 p 1] 9464

CSO: 4213

INDUSTRY, TRADE, BANKING ACTIVITIES NOTED

Savannakhet Lumber Mill

Vientiane BULLETIN QUOTIDIEN in French 18 Sep 80 p 2

[Text] Vientiane (KPL). From the beginning of the year on the personnel of the 21 May No 3 lumber mill in Savannakhet Province have been meeting their tasks; so far they have processed 394 cubic meters of logs, produced 205 cubic meters of lumber and sold 126 cubic meters.

The transport sector shipped 1,766 cubic meters of logs to lumber mill No 6, 360 cubic meters to No 3, and 93 cubic meters to the Muong Phain Lumber Mill.

Savannakhet Bank Deposits

Vientiane BULLETIN QUOTIDIEN in French 18 Sep 80 p 2

[Text] Vientiane (KPL). In the month of July the officials, military, and workers and the polyethnic population of the Atsaphangthong and Sepone, Savannakhet Province, deposited their savings totaling 41,263 kip, of which Sepone accounted for 32,800.

Luang Prabang District Trade

Vientiane BULLETIN QUOTIDIEN in French 19 Sep 80 p 2

[Text] Vientiane (KPL). Since the start of the year the state store of Phonexay District, Luang Prabang District, have sold to the working population over 5,000 meters of fabric, 400 pieces of clothing, over 3,000 cooking pots, 5 tons of salt, hundreds of kilograms of sugar, and dozens of cases of condensed milk along with other cultivation and school equipment.

Furthermore, they purchased from the population 23 tons of hulled rice and a number of forestry products.

Khammouan Electrification

Vientiane BULLETIN QUOTIDIEN in French 22 Sep 80 p 3

[Text] Vientiane (KPL). On 12 September the Khammouan Province State Electric Power Company shipped to Mahaxy District a 30 kilowatt/hour generator, materials and installation equipment, accompanied by four technicians.

Khammouan Bank Deposits

Vientiane BULLETIN QUOTIDIEN in French 29 Sep 80 p 3

[Excerpt] Vientiane (KPL). In September the cadres, the military, the members of the agricultural cooperatives, and the population in Nongbok District, Khammouan Province, deposited their savings in their state bank account totaling 109,205 kip.

Saravane Food Sales

Vientiane BULLETIN QUOTIDIEN in French 30 Sep 80 p 4

[Text] Vientiane (KPL). From July to the end of August the provincial food supply services in Saravane have sold the population 85 tons of hulled rice, 27 tons of sugar, 32 tons of salt, and 15,700 cans of condensed milk, among others, totaling 140 tons of foodstuffs.

5157
CSO: 4200

BRIEFS

NOMMALAT LIVESTOCK--At the beginning of this year the livestock of the population of Nommalat District, Khammouan Province, showed a substantial increase in numbers. Currently there are 13,467 buffaloes and cattle, 11,740 hogs, and over 40,000 head of other farmyard animals. The livestock breeders of the district have sold about 1,000 head of cattle to the state. [Text] [Vientiane BULLETIN QUOTIDIEN in French 23 Sep 80 p 3] 5157

VIENTIANE CULTIVATION--During the current production season the agricultural office of Hat Sayfong District, Vientiane Province, assigned agents to teach farmers in the district's agricultural cooperatives. It was noted that the subsidiary crop and the planting of fruit trees and industrial crops have assumed an important position: 80 hectares were planted in corn, taro and potatoes, 310 hectares in tobacco, 100 hectares in sugarcane, 172 hectares in peanuts and soybeans were planted between orchard trees. [Excerpt] [Vientiane BULLETIN QUOTIDIEN in French 1 Oct 80 p 3] 5157

CSO: 4400

LEADERS STUDY PROPOSED CONSTITUTION CHANGES

Bombay THE TIMES OF INDIA in English 22 Nov 80 p 12

[Article by Mavin Kurve]

[Text] Kathmandu, November 21: A draft of proposed constitutional reforms in Nepal has been circulated among former Prime Ministers and senior panchayat leaders for their comments and suggestions, it is learnt.

The former Premier, Mr Tanka Prasad Acharya, confirmed he had received a copy but comment was not available from another former Premier Mr B. P. Koirala, who is abroad.

As many as six Nepalese dailies and weeklies have published what they say are details of the constitutional changes proposed. Since they all agree on most essentials, it appears to be a "convenient leak."

If these reports are accurate, it means that the right to dissent has not been granted to the supporters of the multi-party camp in the referendum. It also means that demand of 19 Terai districts for a more equitable representation in new legislature has been ignored.

Two weeklies, JAMMA-BHOOMI and MATRU-BHOOMI, reported that while the election will be on an adult franchise basis, in future only those who affirm loyalty to a reformed partyless panchayat will be eligible to stand for election.

No Alien Links

New rules require candidates to sign a pledge to that effect and also to be compulsorily a member of one or another "class organisation." Further, the new statue forbids candidates to be members of any international political movement such as socialist international or Commintern. [as printed]

Daily SAMAJ and weekly MATRU-BHOOMI said that the new statute provides for a unicameral legislature and a national co-ordination council headed by King Birendra himself. This council will have under him three statutory organisations--(1) the council of ministers headed by an elected Premier; (2) panchayat and planning council of 14 members headed by a deputy Prime Minister; and (3) evaluation and inquiry council of 14 members headed by another deputy Premier.

The elected legislature will have to elect a panel of three members by single transferable votes for the Prime Minister from which the King will select one. Twentyfive per cent of the members of the national legislature will be nominated by the King himself.

It would appear that the draft along with comments will be placed before a joint session of Raj Sabha standing committee and panchayat steering committee before it is given final shape.

Most periodicals said the reforms would be announced by King Birendra on December 11 or 12 and come into effect from December 16 or Nepal's constitution and late King Mahendra memorial day.

The former Premier, Mr Acharya, confirmed press reports on reported restrictions on multi-party camp people though he refused any reaction.

Many multi-party leaders feel aggrieved that not much weightage has been given to those favouring a multiparty system in Nepal. They say that the proposed changes cater mainly and only to the ruling victories partyless panchayat side.

CSO: 4220

TYPES OF NEWLY ELECTED COUNCILS DESCRIBED

Islamabad THE MUSLIM in English 27 Nov 80 Special Supplement pp c, d

[Excerpts]

After a decade and a half Local Council elections were held in 1979 on adult franchise basis and thereby the new Local Govt. system was evolved. In Sind elections of Local Councils were completed in September 1979. During October/November, 1979 the elected Councillors in turn elected their Mayors/Chairmen and Deputy Mayors/Vice Chairmen.

New Councils are of following categories:-

A – RURAL COUNCILS

i) UNION COUNCILS: One Union Council for population upto 15 thousand in rural areas.

ii) PANCHAYAT: One Panchayat for each electoral unit whose Head is an elected Councillor and its other two members have been elected by the councils themselves. (Same case also for urban areas).

iii) TALUKA COUNCIL: It comprises of Chairmen of all Union Councils and District Councillors of Taluka.

iv) DISTRICT COUNCIL: One for each district.

B – URBAN COUNCILS

i) TOWN COMMITTEE: For towns with population between 5 thousand to 25 thousand.

ii) MUNICIPAL COMMITTEE: For cities with population upto 5 lacs.

iii) MUNICIPAL CORPORATIONS: Municipal Corporations for Hyderabad and Sukkur. A Metropolitan Corporation for Karachi exists because of its size and special position.

Different institutions of Local Government and numbers of their members are as follows:-

Council	Number	Number of Councillors	Number of Panchayat Members (excluding Councillors)
Municipal Corporations (including KMC).	3	261	522
Municipal Committee	22	509	1018
Town Committees	93	971	1942
Union Councils	562	6719	13438
District Councils	13	782	–
Total.	693	9242	15920

The following is the number of Councillors representing special interest. Minorities directly elected their Councillors while Councils chose peasants, workers and women are indirectly elected by the respective councils.

Council	Minorities Seats	Peasants Tenants Seat	Workers Seats	Women's Seats
Corporations	8	–	13	13
Municipal Committees	38	–	22	22
Town Committees	68	–	93	93
District Councils	55	37	13	37
Union Councils	411	1122	–	–
Taluka Councils	49	–	–	–
Total	629	1159	141	165

COORDINATION COMMITTEES

Divisional and District Co-ordination Committees consisting of elected members have been set up at the Divisional and District levels in Sind Primarily to co-ordinate activities of all Councils and nation building departments.

There are in all three Divisional and twelve District Co-ordination Committees constituted in Sind. The District Co-ordination Committees consist of eleven members elected from urban and rural areas on population basis. Members representing rural areas are elected from the Taluka and District Councils. Those representing urban areas are elected from the Town and Municipal Committees and Corporations. The Chairman is elected from amongst these members.

Divisional Co-ordination Committee consists of Chairman of District Council or District Headquarters Municipality, Mayor of Corporation or Chairman of District Co-ordination Committees and an elected Chairman from among these members. Only in case of Karachi, there are thirteen elected members from KMC, two elected members representing KMC in KDA Governing Body and two elected members from Karachi District Council besides the Mayor of KMC and Chairman. District Council Karachi.

All Government functionaries, both at the divisional and district level have been nominated as non-voting official members of the Divisional or District Co-ordination Committees.

The District and Divisional Co-ordination Committees have been associated in preparation and approval of development schemes financed from the provincial Annual Development Plan.

Schemes prepared by Union Councils, District Councils and Municipal Committees are first considered by the District Co-ordination Committees. Their recommendations are sent to the Divisional Committees. The provincial government is providing development funds from block funds to the schemes recommended by the Divisional Co-ordination Committees. Even the strategy of allocation of development funds based on backwardness, population, income per capita was, endorsed by the Divisional Co-ordination Committees.

NUMBER AND MEMBERSHIP OF CO-ORDINATION COUNCILS/COMMITTEES IN SIND

Type of Council/Committee	Number	Number of members
Divisional Co-ordination Committees	3	55
District Co-ordination Committees	12	132
Taluka Councils	71	1227
Total	86	1404

PANCHAYAT SYSTEM

Punchayats have been constituted in each urban council or Union Council electoral constituency in urban and rural areas of Sind. At present there are 8460 Panchayats in the Province which have 25160 members.

Panchayat is headed by the elected Councillor representing the concerned electoral unit and its other two members are residents of the area selected by the Concerned Council.

PANCHAYATS PERFORM THE FOLLOWING JUDICIAL FUNCTIONS: (i) All offences under the Sind Local Govt. Ordinance, 1979. (ii) Cases under the Muslim Family Laws Ordinance, 1961. (iii) Sind Standard Weights and Measures Enforcement Act, 1975.

The Government is considering allocation of additional judicial

functions to the Panchayats particularly those falling under the Conciliation Courts Ordinance, 1961.

Under the Sind Local Govt. Ordinance, 1979, a panchayat may award punishment of imprisonment upto six months and/or fine not exceeding one thousand rupees.

Panchayat also performs local and social welfare functions which are as follows:

i) Supervision of mosques
ii) Motivating the Muslim population to order its life in accordance with Holy Quran and Sunnah
iii) Promotion of mosques
iv) Teachings of Holy Quran
v) Promotion of adult education
vi) Promotion of welfare schemes for the care of orphans and destitutes.
vii) Arrangement for Eid Prayers and other religious gatherings.
viii) Campaign for discouraging social evils and juvenile delinquency
ix) Keeping record of persons residing in the Panchayat area.
x) Social boycott of habitual criminals
xi) Maintain records of births, deaths, marriages and divorces.
xii) Dissuading people from lavish spending on marriages and other ceremonies.
xiii) Watch and ward of the Mohalla or the Village
xiv) Maintenance of important statistics and
xv) Any other functions of a Council entrusted to Panchayats by the Councils or the Govt.

COMMITTEES AND SUB-COMMITTEES OF LOCAL COUNCILS

For the performance of its functions, every council elects Committees or Sub-Committees including for finance, works, health, social cultural and sports activities, Katchi Abadies, land control, property management, water and sewerage, information and public relations, education, naming of streets, institutions and other places, food and agricultural development, legal affairs, establishment and Co-ordination and Supervision.

These Committees are elected under the proportional representation system for a tenure of one year each so that every section of the Council is represented in them and each Councillor serves in at least four Committees before he completes his term of office.

FINANCES OF LOCAL COUNCILS

For their income, Local Councils depend upon their taxes, commercial projects and government grants.

Various types of taxes, which Local Councils can levy, are specified in schedule V of the Sind Local Government Ordinance, 1979. Part I of the Schedule lists taxes, rates, tolls and fees which may be levied by a Metropolitan Corporation. Part II is for Corporations, Municipal Committees and Town Committees and Part III deals with Dist. Councils and Union Councils.

Government of Sind also shares the receipts of its following taxes with the Local Councils to the extent given below:-

i) 85 % receipts from property tax.
ii) 85 % receipts from Betterment tax.
iii) 50 % receipts from fines and penalties levied on municipal offences.
iv) 85 % proceeds from auctions of minor minerals.
v) 85 % receipts from fishing rights.

Local Councils' income from taxes in Sind has increased from Rs. 427.9 million in 1977-78 to Rs. 556.2 million in 1978-79, Rs. 740.8 million in 1979-80 and (estimated) Rs. 910.3 million in 1980-81. Thus overall estimated income of Local Councils from taxes works out to Rs. 108.3 per capita as against the national average of Rs. 19 in 1978-79.

Grants-in-aid in the Province of Sind have increased from only Rs. 9.1 million in 1977-78 to Rs. 41.2 million in 1978-79, Rs. 94 million in 1979-80 and Rs. 1 4.2 million in 1980-81. In the current year grant-in-aid constitutes 16% of the income of the Local Councils in Sind as compared to the national average of 5.3 % in the country during 1978-79. Government of Sind gives weightage to rural areas and small town in allocation of grants-in-aid. Consequently 84% of grants have gone to them during 1980-81.

Local Councillors are being encouraged to undertake remunerative projects to increase their income. Initial grants and loans are being extended to them for this purpose.

Budgetary allocations of Authorities and Organisations charged with providing local infrastructure in Sind have shown a marked increase during the last two years. Incomes of K.D.A, and H.D.A. and allocations for public health engineering works have gone up from Rs. 479.4 million in 1978-79 to Rs. 652.3 million in 1979-80 and Rs. 1298 million in 1980-81.

During 1978-79 Physical Planning and Housing Sector received only Rs. 170.4 million which was 20 % of the Provincial A.D.P. In the current financial year this Sector has been received the highest allocation from A.D.P. which is 25.4 % (Rs. 246.7 million).

It will appear that in the area of local development a sum of Rs. 2352.3 million is available to the Local Councils and Authorities during 1980-81 as against Rs. 1487.1 million in 1979-80 and only Rs. 1076.6 million in 1978-79.

FUNCTIONS OF LOCAL COUNCILS: Functions of Local Councils are specified in Schedule II, III, and IV of Sind Local Government Ordinance, 1979, Part 1 of Schedule II lists the functions to be performed by the Metropolitan Corporations. Functions assigned to Councils including Corporations are divided into two parts. Some functions are compulsory and some are optional. They are separately listed for Corporations, Municipal Committees and Town Committees (Part II of Schedule II) and District Councils (Schedule III) and Union Councils (Schedule IV).

Councillors have also been delegated powers to perform some of the functions of other government Department which are listed in the following pages.

ROLE OF COUNCILLORS IN GENERAL ADMINISTRATION: Chairman and Councillors have been associated by the Government of Sind in general administration and affairs of nation building departments. Some of the Govt. functions and finances have also been allocated to Local Councils. The following is a list of areas in which Councils and Councillors are being associated:-

AGRICULTURE SECTOR: (i) Chairman or a Councillor representing District Council is ex-officio member of:

i) Sind Rice Board.
ii) Sind Sugarcane Board.
iii) Sind Wheat Board.
iv) Sind Sugarcane Cess Development Committee.
v) Market Committees.
vi) District Agriculture Advisory Committee.

(ii) Divisional and District Co-ordination Committees oversee distribution of agricultural inputs. iii) District Councils supervise agricultural extension work.

COMMUNICATIONS SECTOR: (i) All urban roads (except specified arterial roads) have been assigned to Councils. (ii) Supervision of construction and maintenance of

COMPARATIVE REVENUE INCOME OF LOCAL COUNCILS IN SIND

(Rupees in Million)

Type of Council	Revenue Income 1977-78	1978-79	1979-80	1980-81 (Estimated)
Corporations	336.4	435.0	583.7	693.6
Municipal Committees	43.2	53.3	67.4	89.5
Town Committees	18.4	26.9	30.8	42.9
District Councils	23.9	35.3	48.9	68.0
Union Councils	6.0	7.7	10.0	16.3
Total	427.9	556.2	740.8	910.3

GRANTS-IN-AID AND FINANCIAL ASSISTANCE TO LOCAL COUNCILS IN SIND

(Rupees in Million)

Type of Council	Grants/Assistance 1977-78	1978-79	1979-80	1980-81
Union Councils	Nil	5.4	28.0	49.0
Town Committees	0.04	6.2	8.0	10.3
Municipal Committees	0.4	6.2	7.6	6.5
District Councils	0.1	8.0	15.3	13.5
Corporations	8.6	10.2	29.4	Not finalised
Special Provision	Nil	Nil	Nil	21.0
Federal Grant	Nil	Nil	Nil	17.9
Grants for Katchi Abadies	Nil	5.2	5.7	26.5
Total	9.14	41.2	94.0	144.2

BUDGETARY ALLOCATION OF DEVELOPMENT AUTHORITIES AND PUBLIC HEALTH SECTOR

(Rupees in Million)

Description of Local Authority/ Department	Budget 1978-79	1979-80	1980-81
K.D.A.	381.3	545.6	1,121,0
H.D.A.	52.4	54.3	107.5
Public Health Engineering Department	45.5	52.4	69.5
Total. .	479.2	652.3	1,298.0

rural roads has been assigned to District Councils.

EDUCATION SECTOR: (i) Chairmen District Coordination Committees, District Headquarters, Municipalities and District Councils are ex-officio members of District Education Committees on admission policy. (ii) Local Councillors have been included in the Intermediate and Secondary Boards of Education in Hyderabad and Sukkur. (iii) Chairman District Council are ex-officio Chairman of District Education Cess Committees. (iv) Location and construction of rural primary schools funded from ADP have been assigned to Rural Councils. (v) Repairs of primary schools (funds provided by the Provincial Government) have been assigned to Local Councils. (vi) Supervision of government primary schools is now exercised by Local Councils.

FOOD SECTOR: Chairman of Councils are ex-officio members of District Allotment Boards for Ration Depots.

LAW AND ORDER: (i) Chairmen or Representatives of Councils are ex-officio members of District and Sub-Divisional Crime Control Committees. (ii) Councillors who are Matric or equivalent have been appointed as Justice of Peace. They are authorised to attest documents and make arrests in specific cases. (iii) Action will be taken by Deputy Commissioners on Chairmen of Local Councils' report about instances of police high-handedness. (iv) Action will be taken by Deputy Commissioners on Chairmen of Local Councils' report about non-registration of cases of cognizable offences.

HEALTH SECTOR: (i) Location and construction of rural health dispensaries have been assigned to Rural Councils. (ii) Supervision of dispensaries and M.C.H. Centres in urban areas and Rural Health Centres, Basic Health Units, dispensaries and M.C.H. Centres in rural areas have been assigned to Councils.

HOUSING AND PHYSICAL PLANNING SECTOR: (i) Local Councils have been authorised to launch and undertake housing schemes in areas where a Development Authority does not exist. (ii) Councillors representing Karachi Metropolitan Corporation and Hyderabad Municipal Corporation have been included in the Governing Bodies of Karachi Development Authority and Hyderabad Development Authority. (iii) All completed housing schemes of KDA and HDA will be transferred to K.M.C. and H.M.C.

INDUSTRIES SECTOR: (i) 85 per cent proceeds of minor minerals have been transferred to District Councils. (ii) Local Councils have been assigned promotion of investment in industry in private sector and encouragement of rural craft. (iii) Local Councillors can inspect small industries' training centres.

IRRIGATION SECTOR: (i) Divisional Coordination Committees have been associated in water management and distribution. (ii) Councillors have been included in Water Course (Karia) Committees. (iii) Councillors have been authorised to inspect and forward Inspection reports/observations on the performance of field staff to the Departmental Officers in respect of the equitable distribution of water for irrigation through outlets water courses.

LOCAL GOVERNMENT AND RURAL DEVELOPMENT SECTOR: (i) Fully elected Divisional and District Coordination Committees have been constituted to coordinate the activities of all Councils and all nation building departments in the division or district. (ii) Disputes arising between two or more Councils are now decided by Coordination Committees. (iii) Taluka Councils consisting of Chairmen of Union Councils and District Councillors representing the taluka have been constituted to coordinate development activities of District Council and Union Councils and all nation building departments in the taluka. (iv) 'Markaz' or I.R.D. Centres of Rural Development Department have been replaced by Taluka Councils and these elected bodies now perform the functions of Markaz. (v) All functions and buildings of the Rural Development Department have been transferred to Rural Councils. (vi) Chairmen of Divisional Coordination Committees have been co-opted in the Sind Local Government Board. (vii) Local Councils empowered to sanction commercial schemes (Sec. 43) reject highest bid, enter into contract without inviting offers (Sec. 45) sanction levy of taxes (Sec. 60) modify budget (Sec. 72) and approve schedules of establishment (Sec. 80). (viii) Representatives of K.M.C. will be included in the proposed Karachi Rabita Council. (ix) Mayor, K.M.C. is ex-officio member of the Lines Area Redevelopment Board and National Institute of Cardiovascular Diseases. (x) 50 per cent income from fines and penalties on municipal offences is now transferred to Local Councils. (xi) 85 per cent income from Property Tax and Betterment Tax is now transferred to Local Councils.

PLANNING AND DEVELOPMENT: (i) Divisional and District Coordination Committee fix priorities for Council's development schemes and recommend criteria for allocation of A.D.P. Funds. (ii) Coordination Committees select and recommend schemes prepared by local councils for government funding. (iii) Councils select locations of schools, health centres and identify development needs. (iv) Chairmen of Councils have been included in the Divisional Development Boards for Thar, Nara and Kohistan areas.

W.A.P.D.A.: Chairman of Councils have been included in the Electrification Advisory Committees.

SOCIAL WELFARE SECTOR: (i) Functions of Social Welfare Department at field level have been entrusted to the Local Councils. (ii) Completed projects will be transferred to the Local Councils.

VETERINARY, FISHERIES AND LIVESTOCK SECTOR: (i) Supervision of Veterinary Dispensaries has been assigned to District Councils. (ii) 85 per cent income from fishing rights is now transferred to District Councils.

MANPOWER: Mayors, Karachi, Hyderabad and Sukkur are ex-officio Chairmen of Divisional Employment Advisory Committees.

CSO: 4220

GOVERNMENT, WORLD BANK SIGN COMMODITY LOAN

Karachi MORNING NEWS in English 12 Dec 80 p 1

[Text] Islamabad, Dec 11: A syndicate of 36 international commercial banks operating all over the world will extend to Pakistan a loan of dollar 200 million to finance commodity imports.

A delegation, comprising senior members of the management of the syndicate, is arriving here tomorrow afternoon to sign the loan agreement.

The Gulf International Bank and Morgon Guaranty of New York lead the syndicate. The lead banks were given a mandate by the Government of Pakistan to float the loan originally for an amount of dollar 100 million. The loan has been oversubscribed three-fold to a record amount of dollar 300 million. However, Pakistan has agreed to accept dollar 200 million.

The last debt rescheduling arrangement with Consortium ended in 1978. Coupled with rising debt service liabilities, the imported inflation aggravated the balance of payments problems for Pakistan. The Government, therefore, had to go to Euro dollar market to meet its emergent balance of payments needs.

It was against this background that the Government had asked the Gulf International to syndicate the loan.

The loan will be utilised to finance import of commodities like wheat, POL, fertilizer and edible oil.

CSO: 4220

RESHAPED IMPORT POLICY EXPECTED SOON

Islamabad THE MUSLIM in English 10 Dec 80 p 1

[Article by Ashraf Hashmi]

[Text] Country's import policy for June-July 1980-81 would be reshaped soon in order to give it a more liberal colour, it was officially learnt here today.

Official sources told THE MUSLIM that the measure was aimed at lifting all restrictions, imposed in October, 1977, on the import of raw material, machinery and spare-parts. The restrictions, they claimed had been affecting the local industry adversely.

It is also stated that raw-material and spare-parts for the local industries were either not available or had become expensive because of heavy duty.

The restrictions on the free import of these items, they said, were imposed in October, 1977 because of the drastically falling foreign exchange reserves. Now it is felt such restrictions should go. A decision in this respect may be announced within this month.

The decision may also lead to some further adjustments in the present free list comprising 439 items. They agreed that the present import bill of 5 billion dollars would further go up as a result of the new measures, obviously widening the gap of 2 billion dollars of present deficit in the balance of payments.

CSO: 4220

STATE BANK GOVERNOR SEES GRIM ECONOMIC SITUATION

Islamabad THE MUSLIM in English 10 Dec 80 p 1

[Excerpt] Lehore, Dec. 9: A. G. N. Kazi, Governor of the State Bank of Pakistan, stated here today that economic situation in Pakistan was very grim as the corporate bodies, a significant source of savings, had suffered a serious erosion. The capital retention, of these bodies amounting to Rs. 1,310 million six years back, had declined to Rs. 34 million, he added.

Delivering his presidential address as a three-day national seminar on "resource mobilisation" at the Pakistan Administrative Staff College, the SBP Governor said it was high time to formulate "more realistic policies" for mobilising resources and efforts should be concentrated on encouraging voluntary domestic savings.

Giving a comparative picture of Pakistan's economy with special reference to the domestic savings linked with the Gross National Product (GNP) Mr. Kazi said the ratio of national savings to GNP, which was at the rate of 13 per cent in 1977-78, met with a setback in 1978-79 as the same fell to 11.5 per cent.

However, some improvement has been recorded in 1979-80, as the ratio to GNP improved marginally to 11.9 per cent, and 71.1 per cent of investment was also financed from domestic resources, he added.

About national savings, he said without the remittance of overseas' workers, the picture would have been "more dismal" as the ratio of domestic savings to GDP in 1978-79 was only 4.5 per cent as compared to the ratio of national savings to GNP provisionally estimated then at 10.9 per cent.

Mr. Kazi said though it was evident that overseas workers' remittances were partly used for consumption, it was unlikely that in the recent past domestic savings had been significantly higher than 7 per cent.

Urging upon the need for accelerated investment to achieve a reasonable growth rate, the SBP Governor said Pakistan was a low-income developing country with a population growth rate of 3 per cent per annum. Efforts should be made to attain growth rate of around 6 per cent. Even if best development strategy was followed, the same would involve a continuing investment rate of 15 to 20 per cent of GNP, he emphasised.

A. G. N. Kazi stated that public savings declined in absolute terms from 1972-73 to 1974-75 and were in fact negative over the period.

The savings increased somewhat to 0.8 per cent in 1975-76 and rose to the peak of 2.4 per cent in 1976-77.

This was followed by a reversal trend when the ratio came down to 1.3 per cent in 1978-79. Significant improvement had been witnessed during 1979-80 which had carried the rate to the highest level of 2.8 per cent recorded so far.

He said except in the recent past, public sector had not made any significant contribution towards national savings.

The national private sector savings, which stood at the level of 11.5 per cent of GNP in 1972-73 dropped to as low as 6.5 per cent in 1974-75. Thereafter, it might have grown slowly because of remittances of workers from abroad and rose to 11.4 per cent in 1977-78. Since then, he said, the same remained between 9 to 10 per cent.

CSO: 4220

DRAWBACK OF DUTIES FOR EXPORT PROMOTION

Islamabad THE MUSLIM in English 29 Nov 80 p 7

[Text]

An important incentive which is fairly in common use in most of the developing countries for the purpose of encouraging and facilitating exports of manufactured goods, is exemption of duties and levies on the imported raw materials and components which may be used in the manufacture of goods meant for exports.

The developing countries generally export simple manufactures in which the value-added comprising labour and profits is relatively very low. As a result, there is very little scope for downward adjustment in prices. Further, the manufacturers depend on imported raw materials, to a considerable extent while import duties in many cases are high. In view of this, the cost of manufacture goes up and makes it difficult for the local manufacturers to compete in the export market.

In view of the above, it would look desirable that manufacturing units, engaged in the production of exportable goods should be allowed the facility of importing duty-free raw materials and components. However, the common method adopted by a large number developing countries, including Pakistan, is the refund of duties paid on raw materials and components, to the manufacturer, on that portion of manufactured goods which is exported. This system is known as "drawback" of duties.

An ideal drawback scheme should take into account the refund of all duties and levies borne by imported raw materials, components and packaging materials. In certain exportable items, packaging's role is considerably significant in so far as the representation of a product in sophisticated, protected and attractive forms in the export market, is concerned. Secondly, the cost of packaging in some items is higher than the actual cost involved in the the use of duty-paid raw materials. Exporting such products abroad would be impossible if duty drawback on packaging is not allowed.

In Pakistan, 48 exportable items are entitled to duty drawback while in the case of seven items, excise duty is refundable. Almost all the known manufactured goods enjoy exemption of import duty on raw materials and where there is no element of imported raw materials there is facility for refund of excise duty and sales tax in case these items are exciable in the domestic market. For instance excise duty on salt used in producing tanned leather and excise duty on leather gloves and leather gloves with textile backs, excise duty on soda ash used for tanning leather, excise duty on paints and varnish used in tennis racket and excise duty on cotton yarn are exempted and rebate is available if these items are exported.

The manufactured items figuring prominently in the list of exportables are cotton, yarn, cloth, carpets, leather, sports goods, surgical goods, POL products etc., while the overall range is yet to be broadened despite the availability of a number of facilities.

It cannot be denied that duty drawback facility continues to contribute significantly to the impressive increase in exports during the past two to three years. But it is difficult to quantify how much portion of exports of semi-manufactured and manufactured goods was backed up directly by exemptions and rebates on import and excise duties.

It appears that the standard rates of duty drawbacks in several items need to be revised upwards in view of the rising inflationary pressures resulting particularly from increases in wages, salaries and benefits and in the tariffs of power and gas. It is true that the duty drawback is directly related to rates of import duty and excise duty but other cost-increasing elements should also be taken into account for determining a fixed rate of drawback for promoting the exports of a wider range of manufactured and semi-manufactured goods.

It may be pointed out that among the country's exportables, primary produce continues to hold a prominent place. For instance, the increase in the exports of primary goods during 1979-80 worked out to as high as 79.7 per cent to Rs. 9.8 billion and constituted 42 per cent of total as compared to 32.3 per cent in the previous year. As against this, the exports of manufactured and semi-manufactured goods increased by 18 per cent to Rs. 13.6 billion over the previous year's Rs. 11.5 billion but their share in total exports dropped to 58 per cent from the previous year's 67.7 per cent.

CSO: 4220

IRON ORE RESERVES INCREASED

Karachi BUSINESS RECORDER in English 10 Dec 80 p 6

[Text]

LONDON, Dec. 9: Pakistan's known reserves of iron ore have increased, according to Chinese experts working in the Chagai district in Baluchistan.

They have confirmed deposits of 29 million tonnes of iron ore, with a 60 per cent high grade iron content.

This has been stated in a report published here in an English weekly. It said exploration work in Chagai continues and further discoveries were expected.

Government sources, according to the report, said that over 500 million tonnes of iron ore deposits have been established in Pakistan, the Punjab and Baluchistan.

Over 300 tonnes are deposited in the Makarwal area of western Punjab, where intensive coal mining is already well underway. The iron ore content is reportedly between 32 and 36 per cent.

Another 65 million tonnes of ore have been confirmed near Abbottabad, in the NWFP and another 100 million tonnes just 48 km from the capital, Islamabad.

The Chagai iron ore will probably be supplied to the Russian-built Pakistan Steel Mills in Karachi. The Chinese have been asked to set up another mini-steel mill in Chagai, utilising the same iron ore.—PPI.

CSO: 4220

RICE CROP SHORTFALL EXPECTED

Islamabad THE MUSLIM in English 8 Dec 80 pp 1, 8

[Article by Ahmad Bashir and Asar Sheikh]

[Text] LAHORE, Dec.7: A senior spokesman of the Department of Agriculture told The Muslim in an interview that the Basmati yield was up to expectations and procurement target would be easily met. However, Irri-6 had run into trouble, but the Province did not face any extraordinary situation. The pest problem had not been serious but not very grave.

A junior spokesman, a field worker, on the other hand, described the situation as not very good. He agreed that the Basmati had done well, but Irri-6, Pakistan's major foreign exchange earner, had been badly hit. How badly? Details were not available, but he said that on the basis of what he himself had seen, the production loss would be of the order of 12 per cent, if not more.

The Rice Corporation, monopolist procurers of rice, in the meanwhile, lowered their sights and reduced their procurement target for Irri-6 from 350,000 tonnes, a previous year achievement to a bare 100,000 tonnes. The procurement target of 3,50,000 tonnes for Basmati remains unaltered. In actual terms, this means that the current year's procurement of Irri-6 will be only 28.57 per cent of the original target—a shortfall of 61.43 per cent.

This does not mean that the Punjab has in all produced only 350,000 tonnes of Basmati and 100,000 tonnes of Irri-6. Rice dealers are allowed to keep a quantity of Basmati equal to one-tenth of all supplies made to the Corporation for local consumption at rates of their own fancy. The bonus for Irri-6 is 25 per cent of the total supply. This means that actual yield of rice is definitely 10 to 25 per cent above the procurement target and more.

Shortfall in the production of Irri-6 could be in the range of 12 to 61.43 per cent and it is a disastrous situation whether senior official spokesmen admit it or not. But one could be charitable and say that since various agencies are involved with their 'exclusive' facts and files, no single spokesman possibly knows the whole truth. Again a very "normal" situation with us.

The area under Basmati according to earlier estimates was to be 29,15,000 acres. Actual figures are not yet available. Again, 18,00,000 tonnes of paddy were expected this year but this expectation has no basis in reality.

In 1978-79, 29,20,000 acres, produced, 16,80,000 tonnes, and it was a year of exceptional good fortune. The rate and distribution of rainfall was made to order, being 1.36 inches in May, 18.47 inches in July, 4.67 inches in August, and 3.10 inches in September. The borer attack was minimal and the hopper did not bother to the extent it did later.

Against this, 29,25,000 acres produced 14,94,000 tonnes in 1979-80 because of a near-drought situation. Rainfall in the rice areas was 1.27 inches in May, 0.94 in July, 4.67 in August, and 1.94 in September. Then there were other factors. Input costs had begun to rise and to operate against the farmer. So had the dreadful hopper – teela to the local peasant – an almost casual visitor in the past, but, henceforth, a ruthful enemy on the kill. These factors were man-made, especially the hopper which we owe to an American rice expert, a guest of the Government who used Pakistan as a guinea pig. Under these circumstances, there was no justification for any expert agencies to fix the current target at 18,00,000 tonnes from a cultivated area only 10,000 acres in excess of the previous year.

There was no reason for feeling so sure of timely rains, and mechanised irrigation, on account of the constantly rising cost of diesel oil and electricity, had gone out of the reach of the average farmer. To crown it all, State spray of pesticides and all kinds of subsidy on inputs was withdrawn. It was a tall claim to begin with. It was an impossible target if one works out the cost of the production per 40 kilogram of paddy and compares it with its procurement price.

According to the department of Agriculture, the cost of the production of 40 kilograms of Basmati comes to Rs. 75.61 and of Irri-6 to Rs. 40.98. These figures have so far not been made public for obvious reasons. The irrational, illogical, and completely unrealistic procurement prices, which have been fixed at Rs. 75.00 for Basmati, and Rs. 38.00 for Irri-6 and are below production costs Where is the incentive, then for increase in production? Government agencies are aware of the situation, but they are depending on the farmer's helplessness. He can afford inflated input costs and he may not include in the cost of production the cash value of his own and his family's labour. He has no option. He must work, even if its amounts to slave labour but he must save enough to feed the family. He naturally cut down on inputs this year. Rainfall also let him down, being nil in

May, 3.81 inches in June, 9.1 in August, and 2.00 in September. The worst was yet to come.

This was in the nature of a hopper invasion. The hopper was not new to the rice areas, but it was localised and always under control, until the Government decided to import a so-called rice scientist. This expert stayed here for four years. The cost? An estimated Rs. 3 million, but the total cost of his experimentation on rice in Pakistan and the damage he did by leaving behind the hopper epidemic as a permanent problem, cannot be accurately measured. The hopper used to be very largely destroyed by our natural conditions until the 'expert' set up his 'experimental farms' at Gujranwala, Sheikhupura, Daska, Hafizabad, Kamoke, and Lambrey, in Narang Mandi.

In his quest for evolving on early variety and for introducing double cropping, he fed the soil excessively with water and fertiliser. We do not yet know about what he got for his pains. He left Pakistan last week and may submit his findings later. But his intensive experimentation changed the natural conditions of the soil and the weather, made it convenient for the hopper to multiply on an unprecedented scale and eat into the vitals of the crop. It is now everywhere and out of control, especially after the withdrawal of State spray under pressure from the International Monetary Fund autocrats. Our financial agencies were concerned with getting more loans to balance their budget, and had no understanding of the farmers' economic compulsions.

The farmer, on the other hand, could not believe that his own Government would withdraw from the field so completely, and throw the rice crop, Pakistan's number one foreign exchange earner, at the mercy of private sector pesticide dealers who put up prices sky-high. Five different commercial enterprises with foreign interests held in pesticide monopoly and could act as a cartel to squash the farmer. And this is just what they did. Their annual sales are estimated at Rs. 100 million. The protection of their business is one of the reasons given casually by a senior pesticide expert of the Punjab Government, when he justified the withdrawal of the spray facility. "They would have to close down their factories", he said.

According to the same source, these companies sold their product at Rs. 19.99 per kilogram as against the Government rate of Rs. 12 for the same quality from its own stocks. The Punjab Government released for sale through its Agricultural Field Assistants 400 tonnes, to supplement the quantity made available by the private sector but half of it remained unsold. The farmer could not simply afford it. He could not get the requisite credit and he had no cash savings. We have a situation at the end of the rice year of the government having 300 tonnes of unsold and unused stocks, which would lose their potency in three years from the date of manufacture even under careful maintenance conditions. How much time is left? Today we have a badly-hit harvest, a broken farmer, and a very happy rice hopper. *(To be concluded)*

CSO: 4220

BRIEFS

NORWAY AID INCREASED--Islamabad, Dec 11: The Government of Norway plans to increase its bilateral aid to Pakistan and in 1981 Pakistan will receive 75 million kroners, it was learnt here today. According to Government proposal designed to keep official development assistance's share of the Gross National Product (GNP) constant at one per cent, Norway's official development assistance will increase to 2,969 million kroner in 1981 compared with the 1980 total of 2,550 million kroners. In addition, the Government proposal includes outlays for refugees and for assistance following natural disaster.--PPI. [Text] [Karachi DAWN in English 12 Dec 80 p 18]

GAS MEETS THERMAL REQUIREMENTS--Almost 98 per cent of the fuel requirements of thermal power plants in Pakistan are met by natural gas, according to a hydrocarbon digest. The rest 2 per cent is provided by furnace and diesel oils and coal. At present Pakistan has an installed electric power generation capacity of more than 3400 mw, of which more than 50 per cent is accounted for by thermal power plants and nearly all of them are based on natural gas. The 48 mw plant at Quetta uses coal and one of two very small old units use diesel oil. A study of the use of natural gas by thermal power plants from 1955 shows an almost continuous upward trend. There was marked increase in the use of gas by thermal power units in the financial year ended on June 30, 1980. This was due mainly to the fact that thermal power added to make up the shortfall in hydel power generation caused by poor rainfall.--PPI. [Text] [Karachi DAWN in English 13 Dec 80 p 8]

CHAKWAL SOLAR POWER UNIT--Pakistan is about to enter the solar age as its first solar electrification unit is expected to go into production within the next few months, it was learnt from official sources. The unit, to be installed in Chakwal region in Rawalpindi district, will cost Rs. 1.2 million including Rs. one million in foreign exchange. The unit will generate five K.W. of energy, enough to provide power to 100 houses having two points each in addition to 20 street lights. It will also provide energy for a pumping set with a capacity to pump 28,000 litres of water. Experts believe that Pakistan, which needs alternative sources of energy badly, is very rich in respect of the supply of solar energy. It has been estimated that if only 10 to 15 per cent of the sun falling over Sind is harnessed efficiently, it can supply more than the combined electricity supplied by Tarbela, Mangla and Karachi nuclear power station.--APP. [Text] [Karachi DAWN in English 13 Dec 80 p 10]

FIFTY-THREE PERCENT UNDER WHEAT--More than 53 per cent of the total target area has so far been brought under wheat cultivation in Sind province during the current rabi season. Wheat sowing is vigorously going on in both lower and upper parts and

it is expected that sowing will cross the target of 25.37 lakh acres of land from which production of 19.40 lakh metric tons will be achieved. In Hyderabad division, wheat has been grown on 66 per cent of the total area, while in Sikkur division where sowing starts a little later, 30 per cent of the area is under the crop. Meanwhile, cotton of the Kharif crop continues to pour in the ginning factories from different cotton fields. According to the latest reports, cotton weighing over 13.23 million maunds has so far arrived at the various ginning factories. From this 5.46 lakh bales of cotton has so for been pressed at the factory. [as published] Cotton during the Kharif season was sown on 14.56 lakh acres against the target of 13.59 lakh acres of land while the production is 14 lakh bales.--PPI [Text] [Karachi DAWN in English 13 Dec 80 p 10]

DANISH LOAN APPROVED--Copenhagen, Dec. 9: The Danish Parliamentary Committee has recently approved the fifth loan to Pakistan worth 40 million kroner and the loan agreement is to be signed shortly. Disclosing this to a group of Danish economic students here, Pakistan Charge d'Affaires Tariq Usman Haider said the sixth loan being currently discussed between Pakistan and Denmark, is in a preliminary stage of negotiation. Mr. Haider said Danish economic assistance to Pakistan began in 1964 and credits provided so far totalling U.S. dollar 58 million had been fully utilised by various development projects. Most of the loans were being used by WAPDA, PICIC, State Cement and Shipping Corporations. Loans were interest-free involving no down-payment and the long-term repayment invariably included grace period of 5 to 10 years. Generous Danish terms meant that 85 per cent of Danish loans were in fact a grant, Mr Haider said and added that the Danish Govt. had already waived a part of the outstanding debt liability. Most loans (dollar 33 million out of total dollar 58 million) had been extended to Pakistan after 1976 when Pakistan first opened its Embassy in Copenhagen. General Danish contribution to Pakistan's economic development reflected the well-established and friendly relations between the two countries, Mr. Haider told the students and pointed out that Denmark was one of the few developed countries which had reached United Nations target for development assistance.--APP [Text] [Islamabad THE MUSLIM in English 10 Dec 80 p 8]

BIO-GAS PLANT PLANS--The energy resources cell of the Federal Petroleum and Natural Resources Ministry plans to set up 1,200 bio-gas plants in the country during next three years, it was learnt. So far a total of 100 bio-gas projects have been set up in the country of which, 75 were subsidised. The government has allowed a subsidy of Rs. 2,600 on a family size bio-gas unit. In Punjab, the Appropriate Technology Development Organisation has undertaken to instal 40 bio-gas plants in various parts of the province. Of these, 20 were installed till September in districts of Gujrat, Gujranwala, Faisalabad, Sahiwal, Vehari and Rahimyar Khan. ATDO provides technical assistance and know-how and also bears a part of expenditure in the installation of the plants. Some of such plants have the capability of generate 125,000 kilowatts per hour of electricity every year, which is sufficient to electrify a village having 100 to 500 houses.--PPI [as published] [Text] [Karachi BUSINESS RECORDER in English 8 Dec 80 p 1]

CSO: 4220

MORO LIBERATICN FACTIONS INCREASE RIFT

Jiddah ARAB NEWS in English 7 Dec 80 p 3

[Text] The Supreme Council of the Bangsa Moro Liberation Organization (BMLO) of the Philippines has condemned the statements made recently by another liberation leader, Nur Misuari, who is claiming independence for the Muslim majority regions of the country. A statement issued by the BMLO's Chairman, Sultan Harun Al Rashid Lucman said Misuari who is leading a rival Muslim party, had claimed that he will ask the Third Islamic Summit, due to be held in Taif next month, to support the self-determination and independence of the Muslims.

The BMLO said that such statements were ridiculous as they were made by a man who had lost 90 per cent of his top military commanders and 70 per cent of the territories that his party used to control.

The BMLO statement comes as a response to statements MNLF leader, Nur Misuari, made to *Arab News* when he visited Habib Chatti in Jeddah in late August.

Misuari was in the Kingdom to meet Chatti, the secretary general of the 40-member Organization of Islamic Conference, and review the situation of his people before the third Islamic summit. Misuari said he will ask the conference for humanitarian and material support and to bring the problem to the United Nations.

In addition, Misuari said that the MNLF has changed its claim from autonomy to total independence. The MNLF leader said that a meeting in Jakarta on Nov. 15 between the Filipino government and the MNLF did not take place because President Marcos wanted to include in the government's negotiating panel Muslim renegades.

However, in response the BMLO said, "while it is a fact that the great majority of the Moro Muslims are for genuine freedom, an Islamic society and a structure that will enforce their right of self-determination, this sentiment can only blossom under the correct Islamic leadership and not with the MNLF of Misuari for he has fragmented the Moro movement through treachery, lies, leftist policies, corruption, tribalism and worse — to be a mere agent of Libyan dictates. Even the food he eats and his clothes are provided by the Libyans," the BMLO statement said.

"The surrender of military commanders including Jamil Lucman of the BMLO is due to the fact that they have been exhausted logistically. The other Moro leaders who have collaborated with the Marcos regime have done so because of the refusal of Misuari to expand the MNLF to encompass all sectors and unite the Moro into one movement. The leftist policies have dashed all hopes of unity which the Organization of the Islamic Conference, the Rabita Al Alam Al Islami and the Motamar Al Alam Al Islami have been striving to achieve for the past three years.

"The Moro could have won years ago if only the original structure was not sabotaged by Misuari and the unity of the Moros not subverted by foreign powers. How can a minority of five million people in a nation of 40 million and divided into factions expect to attain independence?

"As for the refusal of Misuari to attend the Jakarta meeting between MNLF and the Marcos government, the real reason is that Misuari will be highly embarrassed by the fact that Marcos organized a panel composed mostly of his former cohorts in betraying BMLO and he has only two or three original members of the MNLF with him. He knows that such panel will unmask all his pretensions.

"The BMLO has declared in the Islamabad conference through a position paper that we no longer feel negotiation is possible with the Marcos government since it it a government on the way out. The Moros also can not trust

Marcos. We asked that the Moro question be submitted for decolonization to the United Nations by the Islamic conference and at the same time economic sanctions be applied on the Marcos regime. This U.N. move can only succeed if there is a united Moro movement in order to insure total support of the Moro masses and that we can win in a free election. This is the lesson we can learn from the deliberations of the U.N. on the Eritrean independence in the 1950's.

"It is now incumbent on the Islamic Secretariat and the Committee of Four to take effective steps to this end or else all the resolutions on the Moro question will only tighten the noose around the neck of the Bangsa Moro people. If it is for Islam that the Muslim world is concerned about the plight of the Moro people then the Islamic organizations must follow Islamic rules in the struggle.

"The continued support for Misuari without looking into the charges of other groups and meeting officially with our representatives is a violation of the Kuala Lumpur resolution that states, 'negotiations must be between the Muslim leaders and the MNLF and the Philippine government.' If this was followed from the start, Misuari would not have been able to subvert the Moro Islamic movement and convert it into the "Moro national struggle based on Moro nationalism".

"We further ask the Muslim governments to review their policies and we are willing to discuss our position in the presence of Misuari and his Libyan masters. If our proposal is accepted we challenge Misuari and others to go to our homeland with us and lead our people and struggle on the spot. We have made this offer to the World Muslim League three years ago and we stand by it.

CSO: 4220

BRIEFS

THIRD WORLD FAIR--Colombo, Nov 21--Over 100 developing countries will participate in the first-ever Third World fair to be held here from April 29 to May 4 next year, it was announced here yesterday, reports UNI-DPA. The main purpose of the fair called "TECHEX 81" which is expected to draw over 2,000 participants from the world over will be to provide a forum for the exchange and adaptation of Third World technology. An exhibition committee headed by the Sri Lankan Foreign Minister, Mr Shamshul Hameed, has already been set up. One of the objectives will be to promote joint ventures among Third World nations, particularly in the field of alternative energy sources and in the industrial sectors. [Text] [Calcutta THE STATESMAN in English 22 Nov 80 p 5]

CABINET 'LEAKS' OPPOSED--Colombo, November 21-- The Sri Lanka government has decided to use the provisions of the press council law to prevent any unauthorised publication of cabinet news by newspapers, according to a cabinet spokesman, Mr Ananda Tissa de Alwis. Mr de Alwis told a press conference here recently that unauthorised publication of cabinet memoranda, proposals and decisions had now become frequent and it might be necessary to take action against the offenders. The press council law was enacted by the former Premier, Mrs Srimayo Bandaranaike's government in 1973 in the face of strong criticism by the United National Party led by Mr J. R. Jayewardene. The UNP then described the law as being "undemocratic." But, in the wake of several leaks of cabinet news, the present UNP government decided to resort to the same law, observers noted. Under the law, offenders could be fined to an extent of Rs 5,000 or imprisoned for two years or both. [Text] [Bombay THE TIMES OF INDIA in English 23 Nov 80 p 12]

TAMIL WOMAN MP--Colombo, November 22--The Sri Lankan president, Mr Jayawardane's United National Party (UNP), has chosen Mrs Ranganayaky Pathmanathan as the party's nominee for the Pottuvil parliamentary seat which fell vacant on the death of her brother, Mr M. Canagaratnam. Mrs Pathmanathan will thereby become the first Tamil woman member of parliament since independence. She will take her oath of office on Tuesday. The nomination has been made in terms of the new constitution which allows for vacancies in parliament created by death or resignation of sitting members to be filled by nominations made by the political party to which that member belonged. Mrs Pathmanathan, a graduate in history, economics and Tamil, is the wife of a civil servant who is now an additional secretary in the ministry of state. [Text] [Bombay THE TIMES OF INDIA in English 23 Nov 80 p 12]

CSO: 4220

OPTIMISM VOICED ON PRC HALT TO SUPPORT FOR CPT

Bangkok SIAM RAT in Thai 3 Nov 80 p 5

[Editorial: "'Good News' From the Prime Minister"]

[Text] General Prem Tinsulanon and his entourage returned from a trip to the People's Republic of China the middle of last week. In a newspaper interview at the Bangkok airport, the prime minister disclosed several results of this trip. But, in our views, the most important thing is the matter of the Communist Party of Thailand, or the CPT.

Concerning the problem of the CPT, General Prem stated that he and the Chinese prime minister had discussed this matter frankly as friends. He told him about the difficulties that have been encountered in fighting the Communist Party of Thailand for many years and he is sure that he understands and sympathizes. We asked China to consider the activities of the communist party in our country as an internal affair of our country.

This is the "good news" of the prime minister.

The deterioration of the country's administrative system is something that we must admit has been taking place for a long time. The undemocratic administrative system has given rise to oppression, monopolies and various forms of fraud against the people and government. These exist in Thailand's system and they have become so common that people have struggled to find a way to deal with and change these evils. It is these things that have caused the various administrative ideologies, some of which are dangerous to Thailand's basic administrative system, to become matters that some Thais have used with the hope of halting this deteroriation, building the nation and building the country in the form that they themselves dream of. It is the use of such ideologies that gave rise to the Communist Party of Thailand, a party that has not been legally recognized by the government and that has always opposed Thailand's present system of government.

These differences in views and ideals of the various sides have led to many Thais being killed or wounded.

This long conflict certainly shows that they have constantly received support from abroad and this outside support has been given with the hope of Thailand's becoming an international communist [country] and of establishing friendship between mutually supportive countries. Another factor is that this will build a path and generate benefits for those who provide support from outside. But when the political strategy between countries changes and becomes a stable means of contact at the government level, it is only natural that there be a call for an understanding about "internal affairs' in the conflict between differences in ideals.

The "good news of the prime minister" is not the best news. The terrorism carried out by the Communist Party of Thailand is a problem that is closely linked to another important matter and that is whether, in the daily lives of the Thais, the people are governed in a just way or not. [The degree to which] a society that is still filled with corruption, both private and public, and unjust oppression indicates the level of "difficulty" in the fight against the communist party. The government must continue to wage this fight until this problem is really solved and it must solve the problem as quickly as possible. And it is the task of General Prem to follow things through after receiving this "good news" about this from Peking.

The fact that China has admitted that the struggle between the Communist Party of Thailand and the government side, a struggle that has been carried on for decades, is an internal affair of Thailand means that, from now on, the conflicts that take place between the two sides will be conflicts that arise from internal support, with each side obtaining the base of support and weapons that it should and winning victories using various means. The people will be the ones to decide what the ideals will be. However, we believe that each side has a single goal and that is to build [a country in which there is] happiness, well-being, independence and freedom from outside influence.

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CSO: 4207

EDITORIAL CALLS FOR FIRMER ACTION BY PREM ON ECONOMY

Bangkok SIAM RAT in Thai 1 Nov 80 p 5

[Editorial: "A Criticism That Must Be Listened To"]

[Text] On Thursday, 30 October, the Executive Committee of the American Chamber of Commerce issued an analysis of Thailand's existing political and economic situation and seemingly warned the Thai government that if the economic problems are not solved immediately this will affect the political security of the government of General Prem Tinsulanon.

Concerning the economic problems confronting Thailand, the report mentioned above stated that Thailand's balance of trade deficit has reached 64 million baht. At the same time, the inflation rate has risen to 20 percent. This has proven to be true. This can be seen from the price of consumer goods at the markets, which have skyrocketed in price 25 to 75 percent. And what is important, the price of some necessities such as powdered milk for babies has risen almost 50 percent. In particular, in the south, such as in Songkhla, powdered milk can no longer be purchased at the markets.

The fact that the government has let the price of some goods float may be beneficial in the long term. But the government is not prepared to solve the short-term problems by setting controls or providing "Thai products" to replace [imports]. Thus, the troubles concerning the cost of living are increasing and it can be said that people with small incomes face hardships.

The American Chamber of Commerce pointed out the weaknesses of the government and stated that one reason that the economy has not grown is the "lack of cooperation and coordination between the ministries and departments, which compete with each other. Decisions are not made resolutely in government operations (which would take too much space to explain in detail). This is because of political pressure from parliament, business groups and the military. This pressure has caused economic improvement to come to a sudden halt."

And that is not all. The report also points out in particular that "economic decline awaits Thailand in the future" and, from what has been observed, this cannot be denied. When this is considered in addition to the present activities of the government, it becomes very worrisome that, if the government does not immediately reform the administration of the country to strengthen it, whatever is done may be too late.

We agree 100 percent with this frank analysis and we do not feel that this is interference in our internal affairs.

The problem about this is that the country's leaders, especially the prime minister himself, should be more resolute.

If the prime minister does not use his existing power to solve these problems as soon as possible, the good people who have talent and who are sincere about governing the country will all become discouraged and leave. And in addition, a situation that should not arise may arise and the result will be that the entire country will face even more problems.

Concerning the position that General Prem Tinsulanon holds, we believe that he has the power to do what he wants since the country is only semidemocratic. Thus, if the prime minister does something that is right and that helps improve the economic situation, we are certain that all sides and all the people will give their full support.

According to Thai customs, such consideration for others is a good custom, but if a leader shows too much consideration for others, he will not be able to govern the country.

If the prime minister does not quickly take advantage of this opportunity to solve the problems, who will solve them? Or we can wait for some dishonest person to take control of the country and it can be said that such people are waiting for such an opportunity.

From what has been written, please do not think that this is an attack on the government or that it is "hitting the snake for the crows to eat." We are only giving a warning with good intentions for the mutual benefit of all Thais in the country.

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PREM WARNS MILITARY ON RELEASING CLASSIFIED INFORMATION

Bangkok SIAM RAT in Thai 2 Nov 80 pp 1, 14

[Article: "Military Ordered to Be Strict In Releasing Information"]

[Text] Prem has ordered the army to be strict in releasing military information to the mass media because too much information is being released, especially concerning the movement and transfer of units in the field and the use of weapons. This enables the enemy to estimate our fighting strength, which should be a secret. At the same time, the army is also asking the newspapers to cooperate by preserving the secrets of the military.

A news report of 1 November stated that General Prem Tinsulanon, the preim minister, issued, in his capacity as commander in chief of the army, a warning to the various units in the army to be careful about releasing information to the mass media and he ordered the commanders of certain military units to be careful about granting interviews. The warning concerns releasing information about the deployment and movement of forces, the weapons of the army and other items of information that are secret and that may allow the enemy to learn our plan of action, the deployment of our forces and the size of our military forces. This would be damaging to our country and army. Thus, orders have been given to be strict about this. It is strictly forbidden to release such information to people who do not need to know. The order repeated that information is to be released strictly in accord with paragraphs 9 and 10 of the army regulation issued in 1979 that deals with the release of information.

Furthermore, Colonel Narutdon Detpradiyut, the deputy secretary of the army, sent a letter to the editors of all the newspapers requesting them to exercise care about publishing classified information. He stated that [the enemy] searches for important information in government circles in order to help obtain an advantage so that they will always have the advantage on the offensive. The enemy obtains important data each time pictures or information are published. Thus, they are being asked to cooperate, to help discuss things and to strictly refrain from publishing important government information or pictures [whose release] would be dangerous to the country.

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CSO: 4207

STUDENTS SEE GOVERNMENT AS DICTATORSHIP

Bangkok SIAM RAT in Thai 28 Oct 80 p 7

[Thoughts From the News column by Prachuap: "A Good Government In the Eyes of the Students"]

[Text] The weekly journal PATTINYA has published the results of a study on the views of students from Thammasat, Ramkhamhaeng, Kesetsat and Chulalongkorn universities concerning domestic politics. They were to make a choice between differing views:

a. To have a good government, it is not necessary for the people to elect the government even though this is not democratic. If the people involved are good people, if they are honest and if they use their power resolutely good results will be obtained in solving the country's problems quickly.

b. Thailand has constantly been governed by dictators. The country has constantly experienced the problem of people using their power and seeking profits in dishonest ways. The real way to solve the problem is for the people to have rights and a real voice in setting and stipulating government policies so that the policies serve the people.

The results [of the survey] showed that 30 percent of the students selected choice "a" -- to have a good government, it is not necessary that it be elected by the people -- while 70 percent of the students selected "b" -- the government should come to power by democratic means.

Besides this, they were also instructed to choose between the following:

a. When the military becomes involved in politics, it gives the government stability because the military has a secure and strong base of power. It has the power to quickly make decisions and order things carried out.

b. The military should not become involved in politics,even if it gives the government stability. When the military forms a government,

it often cooperates with businessmen in order to exchange favors for mutual profit. This causes the military to divide into different groups because of conflicting interests.

The results showed that only 34 percent of the students thought that the military should play a greater role in politics for the stability of the government and thus selected "a." At the same time, 66 percent selected "b"; that is, 66 percent thought that military involvement in politics causes more conflicts.

This study, or survey, of the views of students from these four universities was carried out by the research committee of Dr Somchai Rakwichit, or the Phithak Pracha Company, which is a private company and not a government unit or an affiliate of any political party. Thus, it is my understanding that this was carried out with the intention of obtaining scholarly results rather than obtaining political or other results. The results of the study should, therefore, tally closely with the feelings of most university students.

Because the students at these universities believe that they are members of the intelligentsia and that they are free and are not bound by prejudice or various interests, or only slightly so if at all, they thus feel that they are sincere in their views or opinions concerning the various problems in the country. They want people to feel that they are sincere and they want the influential people in government circles to listen to them because, at least, this will help somewhat to develop democracy in the country.

In reality, concerning the problem of democratic government in Thailand, even if it is generally accepted that this is the desire of most of the people and even though it is felt that this is in harmony with the lives of the people and that a democratic system will help solve the various problems in the country better than some other form of government, it appears that there is still great confusion among the various classes of people. That is, there are still many people who feel that Thailand is not ready for real democracy. And some people express the view that the various disorders that have arisen in the country stem from the fact that the form of government, as prescribed in some of the constitutions, is too democratic.

In my opinion, even though the administrative change that took place almost 50 years ago was the idea of only a few groups and not the people in general, today it is recognized that a democratic form of government, especially one with the king at its head, it a form of government that is in harmony with the lives and needs of most of the people. But the democracy implemented here has its ups and downs and is not perfect as in other democratic countries where the people are free to choose or change their government as they wish. But we have come too far to return to the original form of government.

Thus, the problem that is presently challenging or confronting the Thai people is the problem of how to discover the real reasons, or obstacles, that are keeping the country's form of government from becoming a proper and perfect democracy.

There should be no thought of bringing back the old form of government, which is now outdated and which is disappearing from the world, or of using some other form of government, about which we do not know how long it must be tried out before we can be sure that it is in harmony with the lives of the people and that it can solve the various problems in the country better than a democratic system.

If we consider and review the past course of democracy in Thailand since the beginning, that is, from the revolution of 24 June 1932 until now, the problem that is still argued and for which no solution can be found is whether most Thais are ready to choose a government in accord with their wishes, which is an important principle of democracy. Concerning this problem, most of the people who control the forces and weaspons and who prefer to solve the problems in the country by staging a revolution or a coup d'etat cite similar reasons for using force, that is, [they say] they want to solve the problems for the people and that the previous system of government was not democratic and that new changes had to be made. But after the revolution or coup, almost all of them say the same thing. They say that the situation in the country is not ripe for the people to elect a government to govern the country and that the people who used force to carry out the revolution or coup must be the ones to control the use of power in governing the country. It is temporarily not necessary to consider the wishes of the people. Along with this, it becomes apparent that they intend to give special powers to the government, claiming that this is being done in order to be able to solve the various problems quickly.

Because the form of government that is used in Thailand often becomes a dictatorship that is created through a revolution or coup d'etat and power is used resolutely to solve the problems, confusion is created in the minds of the people as to whether administering things in this way is another form of democracy. And so when some problem arises, they go and appeal to the government to use its force resolutely and do not consider whether this is just or whether it will affect the rights and freedoms of others.

For these reasons, when I saw the results of the study on the political views of the students at four universities and saw that 30 percent support an administrative system in which the government does not have to be an elected government and that they believe that if there are good people who are honest and who will use their power resolutely, this will help quickly solve the problems in the country, I became very depressed since some students still support a system of government in which the government does not have to be elected by the people. It may be true that the hope of having a proper and

perfect democratic form of government may still be a long time away from becoming a reality since it is these students who must carry out important duties in the future or be the intellectual leaders of the people. But I am somewhat relieved by the fact that most students still hold to principles or support an administrative system in which the people elect the government.

I admit that a government that has not been popularly elected may be a good government, if the people involved are good people who are honest. But when we consider such governments of the past, we discover one fact and that is that such governments are rather hard to find because, usually, when people take power and they do not have to rely on the support of the masses or when they can use their power resolutely, these people almost always use this power for their own benefit and for their own security and prosperity. At the same time, they hold up the benefits of the country or of the people in general as a shield. Thus, the country falls into an economic crisis or some other crisis. Today, it can be said that such crises stem from governments such as this.

The democratic system stipulates that the government must be elected, or that the people have the right to elect the government they want, since, at the very least, there is the guarantee that if the government governs the country improperly or uses its power improperly, the people have an opportunity to make a change or elect a new government. But as for the type of government discussed above, the people do not have a chance to make any changes at all. They can only wait until someone thinks about using force, or weapons, to overthrow the government. This person then sets himself up as the ruler of the country instead and the cycle repeats itself over and over again.

Stated simply, if the people are allowed to have a real voice in setting and stipulating the policies of the government, there will be fewer rumors about the country's being lost than if there is a government that has not been elected by the people.

11943
CSO: 4207

THAI PROFITS ON KAMPUCHEAN AID SAID TO BE MASSIVE

Paris LE MONDE in French 21 Oct 80 p 7

[Article by R.-P. Paringaux, LE MONDE Southeast Asia correspondent: "Humanitarian Assistance Operation Sinking in Murderous Anarchy"]

[Excerpts] Bangkok. One year after the financing of the humanitarian assistance operation in Kampuchea began it has become in Bangkok the object of scandalous revelations. Along the Khmer-Thai border it is sinking into a state of murderous anarchy fed by black market and waste.

This situation reveals quite clearly the extent to which the policy of international organizations could be influenced by the governments which financed them and by the groups and companies with which they contract for their purchases. For example, for the past year the Suisindo has been the privileged intermediary between the United Nations organizations and private and governmental Thai circles for the purchasing and delivery of food and other products for the Kampucheans.

Severe Delays

The Warner affair is prolonging and risking to trigger another aid scandal involving the FAO (the sister organization of the PAM) or, at least, some of its officials. In both cases investigations are underway and could lead to new revelations and even to the detention of officials. Last June the Thai government, while proclaiming its desire to help to save the Kampuchean people, decided to take for itself the lion's share and take over from the private companies the sale of seed rice to the international organization. It imposed upon the FAO exorbitant transactions which cost the organization over $2 million and which resulted in severe delays in deliveries of 15,000 tons of additional seed rice to Kampuchea.

Until then the PAM had paid from $225 to $240 for a purchase of 23,000 tons of seed rice worth on the local market between $150 and $175 per ton, or, at a profit to be shared by the various middlemen ranging between $65-$75 per ton; this deal alone yielded a profit of $1.5-$1.7 million.

The meager returns to the government on such transactions did not exceed 3 percent. "There was a great deal of money to be split. Why should the government be satisfied with 3 percent when it could make $100 per ton," recently explained Banhan, minister of agriculture, in an interview granted the local press. The government decided, therefore, that the FAO would henceforth do all

its purchases and related activities through a governmental agency. Alas, it soon became apparent that this bureaucracy lacked the means of the private sector for carrying out this entire project within the proper time.

"Pure and Simple Theft"

To sum up the complex process (involving forged documents, faked figures, pressures from the private sector and errors on the part of bureaucrats on both sides), suffice it to point out that, in the final account, the FAO accepted to pay fees, bonuses and royalties which had not been previously imposed and which raised the price per ton to $370. Furthermore, the government granted an export permit after $750,000 was paid on previous purchases and $1.2 million on fees and handling charges for the 15,000 additionally needed tons. Not without opposition, it is said, the FAO settled a bill which, in terms of the maximum price paid in April by the PAM, represented an increase of some $2 million. "A theft, pure and simple," a high international official commented. Added to this is $300,000, the cost of holding in the port of Bangkok four barges for nearly 2 months while the dickering was going on. Finally, only 7,500 tons were purchased here. They reached Kampuchea after the FAO stipulated deadline.

While denying any guilt, the minister of agriculture did not deny allegations of corruption. Quite to the contrary. Nevertheless, he was not specific. This being said, the fact that the Thais have tried to make their virtual monopoly as profitable as possible in the aid operation, which has surprised no one here, does not imply that the FAO is lending itself to an operation which some United Nations officials classify as "extortion." Sources close to the organization have emphasized that this was due to the impasse, the lack of seed in the area, the higher prices elsewhere, and the fact that time was pressing. Meanwhile, recently exposed to the same type of pressures, the PAM purchased 26,000 tons of rice from Burma and India.

It is unquestionable, today, that these two deals enabled a number of Thai and foreign officials and intermediaries to fill their pockets. Warner's detention proves it. "This is merely the tip of the iceberg. A number of other scandals might surface soon," a high United Nations official told us. The operation, however, has been a disaster for the Kampucheans and the suppliers of aid funds.

The latter, however, whereas quite justifiably displaying a very punctilious attitude in terms of controlling aid to the pro-Vietnamese regime, for equally clear political reasons are displaying a great deal of tolerance in the face of the rackets on this side of the border. This encourages those who have no scruples in seeking advantages from the misfortune of some and the charity of others and undermines the principles and even the very motivations of international aid. These scandals, however, pale when compared to what goes on along the border which has become a huge black market. It is estimated that thousands of Kampuchean and Thai merchants who meet there and who have all the necessary protection make deals exceeding $1 million every day.

Both goods and briberies are flowing freely. Everyone, merchants as well as civilian and military officials, are showing extensive profits. Everyone, that is, except the international UNICEF and CICR officials in charge of aid distribution in a sector which has been converted into a market with growing cases of

theft, insecurity, and threats. Today they find it impossible to determine the share of people who still vitally need assistance, what is the factual share of the aid reaching its destination and what is the part, believed to be important, which immediately goes to feed the black market. Even though limited, the operation must be maintained for political reasons affecting both sides which fear a resumption of the food catastrophe in Kampuchea.

5157
CSO: 4200

SHARP RISE IN POLICE STRENGTH PLANNED

Bangkok SIAM RAT in Thai 3 Nov 80 pp 1, 12

[Article: "Police Intend to Increase the Strength of the Police Force to One For Every 500 People"]

[Text] The Police Department intends to greatly increase the number of policemen and has set a ratio of 1 policeman for every 500 people as the target.

Police Lieutenant General Narong Mahanon, the deputy police director-general for suppression, has stated that, at present, the Police Department has targeted the above ratio of police to people for around fiscal year 1981. The present ratio of police to people has not reached this proportion, the present ratio being 1 policeman for every 700 people.

However, the deputy director-general of the Police Department stated that, even though the budget of the Police Department has been increased greatly from that of last year, it will not be possible to improve the various aspects of the police force -- manpower, weapons and communications equipment -- very much since, at present, the price of things has increased greatly. Emphasis will be placed on the quality of the existing items in order to increase efficiency, and maintaining the weapons and communications equipment will also be stressed.

The deputy director-general of the Police Department also stated that at present the commissioner of the Commissioner's Office of the Provincial 4 is considering transferring police stationed along the southern border. This stems from a conference convened by the Security Council in order to solve the southern problem. But it may not be possible to carry out the transfer immediately because this must be considered very carefully. This is because policemen can easily be framed or charged falsely. If things are not considered carefully, this may have a very bad effect on command.

11943
CSO: 4207

HYDROELECTRIC POTENTIAL OF SALWEEN DAM CITED

Bangkok DAO SIAM in Thai 3 Nov 80 pp 3, 14

[Article: "The Salween Dam -- A Joint Thai-Burmese Project"]

[Text] The National Safety Operations Command has stated that the Thai and Burmese governments are considering jointly building a multipurpose dam in Mae Hong Son Province in the area where the highway crosses the border into Burma. The dam will block the Salween River for the benefit of both Thailand and Burma in the areas of power production, irrigation and fishing.

The Thai and Burmese governments will soon officially agree to cooperate in building this large-scale, multipurpose dam in order to make joint use of the natural energy. The size of the proposed Salween dam is similar to that of the Phamong dam, which dams the Mekong River between Thailand and Laos.

Furthermore, the National Energy Administration has considered this project and stated that the Salween dam construction project will be beneficial in several ways. For example, it will be possible to generate electricity for use. The dam will be able to hold back much water for agricultural use. To the north of the dam, which will form a large reservoir, it will be possible to develop the area as a place for raising marine life for fishing. Besides this, the dam will also facilitate the development of water transportation.

In stipulating the cost of constructing the Salween dam, costs were based on 1980 construction costs. The cost of construction materials has been estimated at approximately 53,536 million baht. This includes the cost of installing electric generators, high-voltage power lines to transmit the electricity to the various communities and irrigation equipment.

The Salween dam project will be able to generate electricity that can be used instead of having to build power plants in Thailand, which [otherwise] must be built in order to generate electricity to satisfy the ever-increasing needs.

11943
CSO: 4207

INTERNATIONAL SHIPPING LINE SET UP

Bangkok SIAM RAT in Thai 3 Nov 80 pp 1, 12

[Article: "The First International Shipping Line Has Been Established"]

[Text] A former deputy commander in chief of the navy has joined with Thai businessmen to establish the first [Thai] international passenger shipping line. A large passenger ship has been purchased from Japan, and preparations are being made to open a route between Bangkok, China and Europe.

A news report has stated that Admiral Anan Netrot, a former deputy commander in chief of the navy, has, together with several other Thai businessmen, invested in opening the first passenger ship route. The name of the company is the First Asian Line.

This company, which has its offices at the common market building in Bangkhen near the Bangkhen cooperative, has purchased a passenger ship, named the "Sakura," from Japan. It has a displacement tonnage of 13,000 tons. It is the company's first passenger ship, and it can carry 2,500 people. It is five stories tall, the entire ship is airconditioned and it is decorated like a first-class hotel.

According to Admiral Anan Netrot, the ship's maiden voyage will take place during the Chinese New Year period. The ship will carry travellers from Thailand to China for its auspicious beginning.

At present, the crewmen and captain are on their way to Japan to take possession of the Sakura. They are scheduled to arrive in Bangkok at the beginning of January. Very grand welcoming ceremonies will be held.

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CSO: 4207

STEAM, NATURAL GAS POWER PLANT IS UNDER CONSTRUCTION

Bangkok SIAM RAT in Thai 25 Oct 80 p 4

[Withaya Parithat column: "The Bangpakong Steam and Gas Turbine Power Plant Construction Project"]

[Text] More than 80 percent of the present electricity generating plants must use oil as a fuel to generate electrical power and production has encountered difficulties because the price of fuel oil has increased steadily. This has caused production costs to rise too and shortages have also been encountered. Thus, in order to reduce the amount of electrical power generated using fuel oil, the Electricity Generating Authority of Thailand is trying to find alternate sources of fuel. For example, it made plans to construct power plants that use atomic energy. But this project has had to be postponed and if the construction of new power plants is not carried on quickly to immediately replace these atomic plants, there will be shortages of electricity in the near future.

The Electricity Generating Authority of Thailand has, therefore, discussed matters and made plans to build the Bangpakong steam and gas turbine power plant in order to satisfy energy needs and to help develop the natural resources discovered in the country since test drilling has shown that there is natural gas in the Gulf of Thailand. The Natural Gas Organization of Thailand is carrying on construction in order to use the natural gas in industrial and public utility operations. This is a good opportunity to use this type of fuel for such projects.

The Location

The Bangpakong steam and gas turbine power plant construction project is located along the banks of the Bangpakong River in Bang Saem and Bang Nang villages, hamlets 16 and 17, Bangpakong Commune, Bangpakong District, Chachoengsao Province. By river, it is approximately 11 kilometers north of the Gulf of Thailand or approximately 2.5 kilometers north of the Thephatsadin Bridge. The project construction site is approximately 69 kilometers from Bangkok.

Project Targets

The Bangpakong steam and gas turbine power plant construction project is an urgent large-scale electricity generating construction project. The basic plan of the project is to install the electric generators, with a total power generating capacity of 2,360,000 kilowatts, by dividing construction into two phases:

In the first phase, four gas turbine generators, each with a capacity of 60,000 kilowatts, will be installed. They use both diesel fuel and natural gas. The first two generators are targeted to be completed by the end of 1980 and the other two will be completed at the beginning of 1981.

Besides this, a 120,000-kilowatt combined cycle heat system powerhouse will be built to distribute electricity in conjunction with the four gas turbine generators mentioned above. The heat given off from the four gas turbines will be used to generate more electricity without having to use more fuel. Generating electricity by using the combined system of gas turbines and steam generators will increase electricity production 120,000 kilowatts, or approximately 40 to 50 percent over that of the power gas turbines. The completion date has been set for the end of 1981.

In the second phase, four steam plants will be constructed, each having a generating capacity of 500,000 kilowatts. In the first period, one generator will be installed first. The completion date has been set for 1983. [The generators] can use both heating oil and natural gas.

Benefits

1. When the first phase of the construction of the Bangpakong steam and gas turbine power plant project has been completed, we will have a total power generating capacity of 860,000 kilowatts. The amount of electricity generated each year will average 6 billion kilowatt-hours. When the full project has been completed, the total power generating capacity of this project will be 2,360,000 kilowatts. The amount of electricity generated each year will average approximately 18 billion kilowatt-hours, using either oil or the natural gas in the country.

2. Because the estimates of the electricity requirements, concerning both high-[voltage] electricity and the amount of electricity, have increased at a very high rate, this project will help solve the problem of a power shortage, which is expected within the next 2 to 3 years.

3. The steam energy power plant of this project will be a new base load energy supply source in the production system. It will provide security and it will be more efficient.

4. The power plants that will be built in accord with the plans of this project will use the natural resources, that is, the natural gas that exists in the country, so these resources provide greater benefits, especially for the country's economy and for the production of electricity.

5. This project will be one place in Thailand where modern scientific knowledge will be pooled. In particular, skilled Thai workers who have more knowledge and expertise will be produced.

6. This project will produce more jobs in the country.

7. This project will be beneficial for the surrounding communities and cause them to grow and make progress.

8. This project will be a place that is beneficial for visual education and for trips by students and tourists.

Studies On the Effects of the Project

The Bangpakong steam and gas turbine power plant construction project is a large-scale source of electricity using heat energy and there is much equipment. The use of the generators may, therefore, produce various effects because of the smoke and gas that come from burning fuel. Heat will be released from the power plants, operations will be noisy and so on. These effects must be considered seriously and they must be used as data in the engineering design.

So that the construction of this project proceeds in accord with the targets set, the Electricity Generating Authority of Thailand has conducted a survey to study the effects on the environment -- which includes the land, water, air, crops and animals -- the economic and social conditions and the customs and traditions in the project area in order to obtain clear data about the potential problems and the potential benefits and dangers to the environment. The data has been studied and analyzed in order to stipulate ways to solve the problems that arise or to limit the bad effects as much as possible. This will benefit the public in general.

Summary

The Bangpakong gas turbine and steam power plant is the first power plant in the country that has been designed to be capable of making beneficial use of the country's resources. It will save the country

much money on oil purchases. When construction is completed, this power plant will be a place where scientists, technicians and manual workers work together in a more useful way. And it is a project that will immediately increase electricity production in accord with the needs of the country.

This is, therefore, a suitable project and it can yield benefits that will cover the financial costs.

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NSC ORDERS STEPUP IN SUPPRESSION OF PIRATES

Bangkok SIAM RAT in Thai 1 Nov 80 p 3

[Article: "The Ministry of Interior Has Ordered the Suppression of Pirates Who Rob Refugees to Be Stepped Up"]

[Text] Mr Damrong Sunthornsarathun, the undersecretary of the Ministry of Interior, has discussed the suppression of pirates. He stated that the Ministry of Interior has received a policy [statement] from the National Security Council or the committee in charge of solving the pirate problem. Thus, the Ministry of Interior is taking special interest in this since the problem that has arisen is very broad. The actions taken by the Ministry of Interior concerning the matter of pirates have been taken in cooperation with the navy. Aircraft have also been used to carry on operations and three joint checkpoints have been set up in Chumphon, Surat Thani and Nakhon Sithammarat provinces. At each checkpoint, river police are the main force but there are also land officials. Besides this, some fishing boats are being used to patrol the Gulf of Thailand in order to prevent robberies by sea. Because this problem does not affect Thailand alone but affects the entire world, there has been much talk about it. In particular, at the Geneva Conference on the refugee problem, there were questions about this and there was interest in protecting the refugees.

The undersecretary of the Ministry of Interior disclosed that, concerning the problem of pirates, actions must be carried out continuously and seriously. At the recent conference of provincial governors, the Ministry of Interior requested that the provincial governors of coastal provinces take a special interest in this matter and take responsibility, together with the police and administrative sector, for inspecting the fishing boats and the fishermen.

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BRIEFS

ELECTRICITY FROM LAOS--The Electricity Generating Authority of Thailand (EGAT) and the Power Authority of Laos have reached an initial agreement in principle concerning a contract for the purchase of electricity. This resulted from the discussions held during the middle of this month between Mr Khammun Thonkaeo, the head of the Power Authority of Laos, and Mr Kasem Chatikavanit, the head of EGAT. The news report has stated that the essence of the principles agreed on are contained in four statements: (1) The Power Authority of Laos will contine to sell electricity to EGAT after the expiration of the present contract. (2) EGAT will purchase more electricity from Laos and even more will be purchased when the new electric power plant of Laos that is presently under construction and that will have a power generating capacity of 30,000 kilowatts, [is completed]. (3) Concerning electricity rates, the Asian Development Bank will be entrusted with the task of studying the data as a basis for research on electricity. (4) If the studies, the discussions on the new electricity rates and the construction of the new power plant of Laos are completed before November 1981, both organizations must hold discussions in order to make a new electricity purchasing contract, even if the old contract has not expired. [Text] [Bangkok SIAM RAT in Thai 31 Oct 80 p 2] 11943

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END

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SOUTH AND EAST ASIA REPORT

No. 955

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NEUTRALIZATION OF SOUTHEAST ASIA SEEN AS AID TO REGIONAL STABILITY

Kuala Lumpur BUSINESS TIMES in English 8 Nov 80 p 6

[Article by Tan Siok Choo]

[Text] THE proposal by Australian Prime Minister Malcolm Fraser, after the regional Commonwealth meeting in India in September, that the five-power defence arrangement between Malaysia, Singapore, Australia, New Zealand and Britain would be revived, seems on the face of it worthwhile in an increasingly troubled world. But closer scrutiny shows that it does not offer an answer to Asean's needs.

For one thing, the defence arrangement involves only two of the five Asean countries and is, as such, totally inadequate for the defence of the region as a whole.

Moreover, linkage with pro-western powers in the form of a military alliance would only serve to damage Malaysia's and Singapore's credibility as non-aligned countries, without bringing with it any tangible benefits.

The five-power defence arrangement does not make it obligatory for either Britain, Australia or New Zealand to defend either Malaysia or Singapore in the event of an externally organised or supported armed attack or a threat of attack. The five-power defence arrangement merely states that the five governments, in such a situation, would consult together for the purpose of deciding what measures should be taken, either jointly or separately.

To merit serious consideration, as Mr Fraser tacitly acknowledged in his statement, the five-power defence arrangement will have to be substantially reinforced. As it now stands, Britain has already withdrawn its forces from Singapore, except for a small contribution to the integrated air-defence system, although Australian and New Zealand's military contingents still remain in Singapore and Malaysia.

Australia's apprehensions about the security of the Asean region are understandable in view of the signing of the Friendship and Cooperation treaty between the Soviet Union and Vietnam in November 1978 and the subsequent invasion of Kampuchea by Vietnam one month later — an invasion, which would not have been possible without the massive support and approval of the Soviet Union.

Not surprisingly, therefore, there is the fear, not only in Canberra, but also among other Pacific powers, that Vietnam, now totally dependent on the Soviet Union for military, financial and economic assistance, may become a proxy for the furtherance of Soviet ambitions in the region.

There is no denying the fact that Vietnam has the military capability to dominate the region. According to *The Military Balance 1980-1981* issued by the International Institute for Strategic Studies (IISS) in London, the Vietnamese armed forces total over a million as against only 893,400 in the case of Asean countries.

Moreover the 181,000 strong Indonesian army — the largest by far among the Asean five — is forced to divert one-third of its military personnel for civil and administrative duties.

Additionally, the armies of the other Asean countries are handicapped by the fact that their military experience is limited to coping with largely domestic insurgencies — quite unlike the Vietnamese who won their spurs, fighting first the French and later overcame one of the most sophisticated military machines in the world — that of the United States.

Another legacy of the war in Vietnam is the arsenal of weaponry left by the Americans after the fall of Saigon in 1975, which together with the battle-hardened Vietnamese soldiers, make Vietnam one of the strongest military forces in Southeast Asia.

Singapore's Prime Minister Lee Kuan Yew summed up the situation by saying "the unhappy admission we must make is that for at least 10 years, there is no combination of military forces in Asean that can stop or check the Vietnamese army in any conflict."

This conclusion, however, has not prevented the Asean five from strengthening their military forces, with the long-term objective of achieving self-sufficiency in the defence of this region.

The re-arming of Asean has taken two forms:

- the purchase of sophisticated military hardware from the US and Europe, leading to the possibility of greater standardisation of weaponry, combat aircraft, field and infantry armaments — thus enabling one Asean country to send reinforcements to another beleaguered member state, in the event of an external attack, and
- greater bilateral cooperation in logistics, and the coordination of ground troops through joint military exercises, thus laying the foundation for multilateral military cooperation should this become necessary.

In the long run, the security of the Asean five lies in their ability to project a combined military capability that would make would-be aggressors think twice, and in the capability to defend national boundaries and sea-lanes, and monitor the movement of forces within the region. This realisation has led to an upsurge in military spending.

According to the IISS, the combined military expenditure of the Asean countries has mushroomed since 1975 from US$2.849 million to US$5.968.3 million in 1979, an increase of 47.7 per cent.

Barring the option of self-defence, the Asean countries are left with two other choices in the short term: Asean can either opt for a military alliance with America, or enter into a formal defence treaty with Britain, Australia and New Zealand (an enlarged version of the five-power defence arrangement) or alternatively try to persuade all the superpowers to endorse the concept of the neutrality of Southeast Asia — that is, the Malaysian proposal for a zone of peace, friendship and neutrality (ZOPFAN) which has been adopted in principle by the Asean states.

In the aftermath of the Vietnam war, a military alliance with the United States is not feasible for the simple reason that public opinion and the American Congress would be extremely reluctant to entangle themselves in another Asian war.

Moreover, there is the danger that by aligning themselves with the United States, the Asean region could be drawn into a superpower conflict that would be detrimental to its own national interests.

Linkage with America could have domestic repercussions, since it runs counter to the rising tide of nationalism in Southeast Asian countries. For example, the American naval and air base in Philippines is a bone of contention between the Filipino government and the opposition amidst charges that President Marcos has allowed American air and naval contingents to be stationed in the Philippines in return for tacit support for his authoritarian regime.

The idea of an enlarged five-power defence arrangement is an attractive one. Assuming that Vietnam has hegemonistic designs, the arrangement would serve to restrain Vietnamese expansion, but there is no denying the fact that only the military might of a superpower would be sufficient to deter or repel the inroads of another superpower. That leaves Asean with only one last strategy — the neutralisation of Southeast Asia.

However, the main objection to the declaration of Southeast Asia as a neutral zone, is whether any of the three major powers — China, the Soviet Union and the United States — as well as Vietnam will respect it.

Although history is replete with examples of the fate suffered by so-called neutral countries in a war — that of being ravaged by all the combatants instead of perhaps only one warring state — there are, nevertheless, some cogent reasons why the neutralisation of Southeast Asia may succeed in guaranteeing the stability of the region in the short term.

The neutralisation of Southeast Asia would most probably find ready acceptance in the United States, although there may be some hesitations since acceptance of the concept may bar the United States from maintaining its naval and air base in the Philippines.

Would the neutrality of Southeast Asia also require the severance of America's treaty obligations to Thailand?

Australian commentator Bruce Grant in a paper *The Security of Southeast Asia* argues that there is no reason why, even in a neutral Southeast Asia, America cannot retain its treaty obligations with Thailand or its naval and air bases in the Philippines.

Citing the varied membership of the non-aligned movement (members of the Soviet bloc, for example, Cuba are members of the non-aligned group), Bruce Grant said that "the definition of neutrality is flexible" enough to accommodate alliances with one of the superpowers.

He also pointed out that with the reversion of Subic Bay and Clark Field to the "national control" of the Philippine government (and consequently the cessation of American extra-territoriality in these places), the Philippines may have now "become acceptably neutral."

Although critics have pointed to the inability of the Soviet Union and China to agree on "anything", Bruce Grant rebuts this by pointing out that the two communist giants may agree on "something if that something has the support of all the states of Southeast Asia and does not offer benefits to either China or the Soviet Union to the disadvantage of the other."

It may be the recognition that a neutral Southeast Asia would be advantageous to both Moscow and Peking that would facilitate the adoption of ZOPFAN, particularly at this juncture when Soviet forces are deployed in Eastern Europe, along the Sino-Soviet border as well as in Afghanistan in addition to the continual need to buttress client states like Vietnam and Cuba.

ZOPFAN would be particularly welcome to Peking which is now in the midst of its modernisation plan. ZOPFAN would enable Peking to exclude the Soviet Union from the region, without the need to increase its defence expenditure, although this advantage would also accrue to the Soviet Union vis-a-vis Southeast Asia.

However, for the Asean states, the main problem with China is the tendency of Peking to differentiate between party-to-party relations and state-to-state ties — which enables Peking to continue its support of local communists in Asean countries.

Bruce Grant admits that "it cannot be supposed that China or any other external power could be prevented from supporting rebel or dissident groups in every sense at all times." He points out that at present, China makes a distinction between ideological and material support, which is an improvement on its previous position of whole-hearted backing for friendly communists in the Asean five.

"In particular, Peking's concern that the United States should not vacate the field for the Soviet Union gives it an interest, however complex, in the stability of governments well disposed to the United States." In conclusion he says that it is possible that a neutral Southeast Asia would be attractive to China as a means of stabilising the region and that "the deflation of insurgency, without its abandonment in principle, could be a price worth paying."

Critics are also quick to point out the folly of trusting Vietnam after its invasion of Kampuchea (despite Premier Pham Van Dong's liberal assurances to Asean governments on Vietnam's policy of non-intervention in affairs of other states), and its brief incursion into Thailand in June this year.

However, Bruce Grant suggests that a neutral Southeast Asia would be beneficial to Vietnam; by ensuring the non-interference of superpowers, it would give Vietnam the needed breathing space to rebuild its still shattered economy.

Experts are also of the opinion that the invasion of Kampuchea was a result of Vietnamese perception of Kampuchea under Pol Pot as a direct threat to Vietnamese security. The removal of Pol Pot, and with it, China's toehold in the Indochinese peninsula, was therefore an overwhelming necessity (to the Vietnamese), whereas a neutral Southeast Asia would not be regarded as a threat by Hanoi.

In any case, experts also feel that a direct Vietnamese attack on the Asean five may be ruled out — particularly in view of the fact that despite its military superiority, the Vietnamese economy, buffeted by inclement weather and poor harvests, cannot sustain the impact of another war.[9]

Therefore, even though the benefits of a neutral Southeast Asia are of a negative nature, this in itself may be sufficient to persuade Vietnam to endorse this principle.

As for the three major powers, it is not possible to predict with certainty, the degree of adherence of each to the principle of neutrality. However, in the words of Bruce Grant, "while it may be unrealistic for Southeast Asian states to try to *exclude* external influences (which, in any case, they do not really wish to do), it is perhaps not unrealistic for them to hope to *regulate* the influence of the external powers.

CSO: 4220

SINGAPORE LEADS ASEAN PARTNERS IN FAMILY PLANNING

Kuala Lumpur BUSINESS TIMES in English 8 Nov 80 p 11

[Article by Estela Carreon in Singapore]

[Excerpt]

THIS tiny island nation is leading the way for its four other Asean partners in family planning.

Singapore's contraception rate of 71 per cent is, in fact, the highest in South-East Asia, says the latest world population growth indicator released by the Washington-based Population Reference Bureau (PRB).

And the high rate of contraceptive use is the major reason why Singapore has become the first developing country to achieve the below replacement level fertility. Replacement level implies births equalling deaths.

According to the PRB report, of the Singapore women acceptors, only 9 per cent use the traditional methods (rhythm, withdrawal, abstinence). A high 41 per cent use reversible methods (IUD, pills) and 21 per cent, sterilisation.

Thailand comes in second in contraceptive use in the Association of South-East Asian Nations. Its rate is also a high 53 per cent broken down into 27 per cent for reversible methods, 17 per cent for sterilisation and 8 per cent for traditional methods.

A far third is the Philippines with 37 per cent. A notable aspect is that because of strong church influence, a good majority of Filipino women acceptors (21 per cent) prefer the traditional contraceptive methods. Only 12 per cent use the reversible methods and 4 per cent, sterilisation.

Rounding up the Asean five are Malaysia with 33 per cent and Indonesia with 26 per cent. In the case of Malaysia, 20 per cent opt for reversible methods, 9 per cent, traditional and 4 per cent, sterilisation.

Indonesia, the most populous Asean nation with close to 145 million, has 23 per cent of its women acceptors going for reversible methods and only 3 per cent, traditional. No figure is available for sterilisation.

CSO: 4220

BRIEFS

COAL AGREEMENT WITH JAPAN--Tokyo, 8 Dec (KYODO)--A Japanese company announced Monday it has signed an agreement with Australia's Victoria state government on the promotion of a project to liquefy brown coal deposits in the southeastern Australian state. Under the agreement, Nippon Brown Coal Liquefication Co. (NBCL) said, the Victoria state government will supply brown coal free of charge to a pilot liquefying plant to be constructed by the Japanese firm by the end of March 1982. NBCL, a joint venture of 5 Japanese companies, said the project, calling for construction of the 50-ton-a-day plant, will be promoted as a "national project" of the Japanese and Australian federal government. Investments in the project are estimated at yen 40 billion. Under the agreement, the Victoria state government will also supply brown coal at prices yet to be fixed to a 5,000-ton-a-day verification plant and a 30,000-ton-a-day commercial plant to be built later by NBCL. The verification plant will be completed in 1986-87 and the commercial plant in 1988-1989. [Text] [Tokyo KYODO in English 1113 GMT 8 Dec 80]

CSO: 4220

INDIAN CLAIM TO TALPATTI ISLAND REJECTED

BK201638 Dacca Domestic Service in Bengali 1430 GMT 20 Dec 80

[Text] A foreign office spokesman today made it clear that Bangladesh does not accept the unilateral claim of India over the newly emerged island in the estuary of border-river Hariabhanga. Expressing surprise over the statement made by the Indian foreign minister at the Rajya Sabha yesterday on the ownership of the island, the spokesman hoped that the problem will be peacefully solved in the light of understanding reached between the foreign ministers of the two countries at an early date.

The spokesman noted that the foreign ministers of Bangladesh and India at their Dacca meeting in August last discussed the issue of South Talpatti Island in the estuary of Hariabhanga River and agreed to settle the issue peacefully after the two governments exchange and study further information in support of their respective claims. He said that the Bangladesh Government is still awaiting additional information on the island, which the Indian side promised to supply in support of their claim over the island.

In the light of the understanding reached between the two countries to settle the matter peacefully through negotiations, Bangladesh was surprised at the statement of the Indian external affairs minister. Bangladesh is still standing firmly by the understanding reached between the two foreign ministers on the subject and hopes that the problem will be settled through understanding, the spokesman added.

CSO: 4201

BRIEFS

KUWAITI ASSISTANCE--The Kuwaiti Fund for Arab Economic Development has sanctioned a loan of $13 million for Bangladesh. The loan is repayable in 25 years. [Text] [BK170319 Dacca Domestic Service in English 0830 GMT 16 Dec 80]

ALLEGATION OF REBEL TRAINING DENIED--Dacca, 18 Dec (AFP)--Bangladesh today rejected as "completely baseless" an allegation by the chief minister of the eastern Indian state of Tripura that about 300 tribal rebels of that state were being given training in Bangladesh. An official spokesman said "there is absolutely no truth, whatsoever, in the allegation" of the chief minister of Tripura state which borders Bangladesh. Chief Minister Nripen Chakraborti made his statement on the alleged training to newsmen of Calcutta, capital of West Bengal, state of India, which was broadcast by the Voice of America in its Bengali service last night. [Text] [BK181555 Hong Kong AFP in English 1442 GMT 18 Dec 80]

KUWAITI LOANS--Kuwait is to provide over $29 million to Bangladesh for financing a rural electrification project. It will also be given another loan of over $12 million for another project. [Dacca Overseas Service in English 1230 GMT 18 Dec 80]

AUSTRALIAN WHEAT GRANT--Australia is to provide Bangladesh 80,000 tons of wheat as grant under a memorandum of understanding signed in Dacca on 17 December. The grant is part of the Australian Food Aid Program for Bangladesh in 1980-81. [Dacca Domestic Service in English 1530 GMT 17 Dec 80]

CSO: 4220

BALANCE OF PAYMENTS HARDLY WORTH MEASURING

Kuala Lumpur BUSINESS TIMES in English 4 Nov 80 p 6

[Article by Kathryn Davies]

[Text] WHEN the tiny oil-rich sultanate of Brunei reluctantly throws off the final vestiges of British colonial rule at the end of 1983, few of its citizens hope for or expect major changes. With a Gross National Product of US$1.06 billion (according to World Bank figures for 1976) and a per capita income of US$6,620, together with foreign reserves of US$4 billion, the newly-independent state is unlikely to be short of funds. And there are no signs of an effective challenge from within to the political control exercised by the highly conservative Sultan Sir Hassanal Bolkiah and his family.

Brunei once had an empire of its own. It embraced most of Northern Borneo and a large part of the Philippines. The ruling family is proud of that history. By the time Brunei became a British protectorate at the end of the 19th century, that empire had shrunk to two small enclaves, 5,800 square kilometres in all, separated by the Limbang Valley, now part of the Malaysian state of Sarawak.

But the Sultan had retained perhaps the richest part of his domains. The oil fields, discovered 30 years ago, produce an average of 250,000 barrels a day, modest enough by world standards but enough to sustain the growing prosperity of Brunei's 200,000 people and earn the country some $US1.6 billion a year.

Fifty years of oil exploitation have transformed Brunei from economic insignificance — as a producer of low-grade rubber — to South-East Asia's largest oil producer after Indonesia.

Several oil companies took part in early prospecting; only Shell stayed, to discover the onshore Seria field in 1929. Offshore production began in 1964, and is now the main activity of Brunei Shell Petroleum (BSP), which since 1975 has been jointly owned by Shell and the government.

There is also natural gas. Since 1969, a company owned by Shell, the Brunei government and Japan's Mitsubishi Corporation has been running one of the world's biggest natural gas liquefaction plants, at Lumut. The Brunei government also has a substantial stake in Brunei LNG and Coldgas, as well as in Brunei Shell Marketing, which sells petroleum products, lubricants and chemicals throughout the state.

Brunei LNG buys the gas from BSP, liquefies it and sells it to a trading company — Brunei Coldgas — which in turn supplies it to three Japanese customers on 20-year contracts. Seven French-built gas carriers deliver over 5 million tons of liquefied gas to Japan every year — 250,000 million cubic feet. Earnings from gas alone amount to some US$690 million annually.

Some secrecy surrounds the activities of a fifth company operating in the oil industry — Saberu — which late last year signed a one-year contract with BSP to buy 50,000 b/d of crude oil which Saberu then sold at a premium through a Japanese trading corporation on the Singapore spot market. Under Brunei company law, private companies with fewer than 50 shareholders are exempt from some conditions and limitations of the Companies Enactment 1956. In particular, they do not have to file their accounts with the register of companies.

When the spot market was buoyant earlier this year, oil experts estimated that Saberu's shareholders, who are thought to include Prince Mohammed, one of the Sultan's brothers, and Datuk Harris bin Mohammed Salleh, the Chief Minister of the neighbouring Malaysian state of Sabah, had netted around US$500,000 profit on their contract. More recently, the arrangement has appeared less profitable and some of the crude oil has simply been burned in Singapore power stations. Shell declines to discuss the Saberu arrangement but is believed to be unhappy about it.

Accurate statistics about other aspects of the Brunei economy are also sometimes hard to come by. Bankers confess themselves baffled by the lack of information on net capital inflows. Funds are "onlent" from Singapore and offered by tender to the local banks three or four times a year. But individual banks have no way of knowing whether the total amount of money offered is in fact available, and the results of tenders are not published.

Some balance of payments figures have been made public — in 1978 these amounted to a surplus of US$1.778 billion — and an economist seconded from the United Nations is working with the Economic Planning Unit to set up a system of national accounts.

But some bankers and government officials argue that precise statistical data is almost irrelevant in determining Brunei's overall economic strategy. "The balance of payments is hardly worth measuring — it's so overwhelmingly in our favour," says Pehin John Lee, the chief financial officer (Pehin is a Brunei title somewhat akin to a life peerage).

Pehin Lee presides over a budget in which less than half oil and gas income is used to cover recurrent and development expenditure, the balance being invested overseas.

Roughly a third of government expenditure goes on defence — most on the Royal Brunei Malay Regiment and the 650-strong British Gurkha battalion, paid for by the Sultan. There is no personal income tax in the state and virtually all services — gas, electricity, telecommunications, health and education — are heavily subsidised. Companies, apart from those in the oil industry, are taxed at a rate of 30 per cent on income "derived or accrued" in the state, so foreign income not remitted to Brunei is not taxable.

So far there have been few major development projects outside the gas and oil industries, partly because the government has seen little need to diversify the economy and partly because the local work force prefers the safety of government employment to more speculative private enterprise.

"Diversification must now lie in agriculture, forestry and fisheries," says Pehin Lee. Brunei produces only a quarter of the rice it needs, and the government allocated US$4.5 million in 1979 to prepare land for its own rice-growing project.

An agricultural training centre, sponsored by BSP, is training young farmers in modern techniques, and Mitsubishi has set up a cattle breeding project to serve as a base for a livestock industry to supply the local market.

But there is little sense of urgency, even though no one is sure how long Brunei's oil will last. BSP is confident that new techniques will enable oil to flow uninterrupted for at least 10 and probably 20 years. Mr Peter Everett, BSP's managing director, reassured Shell employees recently that they could "still expect to have a full and satisfying career and retire from what will still be an active industry.

"It will undoubtedly be a different scale of operations, producing less in volume, but it will still be a viable industry, responsive to changes." However, some local businessmen and bankers worry that not enough is being done to prepare for the day the oil runs out.

Others, perhaps closer to the ruling family, say that when this happens, the foreign reserves will be sufficient to keep the economy afloat, without any alternative industries at all. — FT

CSO: 4220

BRIEFS

SOVIET CULTURAL TROUPE VISITS--The visiting USSR cultural troupe led by (A.F. God) called on Minister of Culture and Information U Aung Kyaw Myint at 1000 this morning at the Office of the Ministry of Culture on Panzodan Road. Also present at the meeting were Deputy Minister of Culture U Hla Pe, Soviet Ambassador to Burma V.N. Kuznetsov, Director General Dr Khin Maung Nyunt of the Department of Fine Arts, Head of Office U Khin Maung Thaung of the Ministry of Culture, and responsible officials. [Excerpt] [BK151431 Rangoon Domestic Service in Burmese 1330 GMT 15 Dec 80]

DEPOTS FOR PROCURING PADDY--The Agricultural and Farm Produce Trade Corporation has opened over 900 paddy purchasing depots in 171 townships to procure paddy produced in 1980-81. The state plans to procure 180 million baskets [1 basket equals 46 pounds] out of the paddy produced this year. Procurement target in baskets for states and divisions are as follow: Kachin state 2.615 million, Karen state 0.55 million, Sagaing division 10.641 million, Tenasserim division 1.008 million, Pegu division 50.694 million, Magwe division 2.856 million, Mandalay division 5.377 million, Mon state 7.785 million, Arakan state 7.4 million, Rangoon division 23.746 million, Shan state 0.0129 million, and Irrawaddy division 67.199 million. [Text] [BK141430 Rangoon Domestic Service in Burmese 1330 GMT 14 Dec 80]

BURMA-BANGLADESH BORDER AGREEMENT SIGNED--The Ministry of Foreign Affairs has announced that the governments of the Socialist Republic of the Union of Burma and the People's Republic of Bangladesh today signed the bilateral border demarcation and cooperation agreement in Dacca. The agreement was signed by Minister of Home and Religious Affairs Brig Sein Lwin, who is in Dacca on a goodwill mission, on behalf of the Burmese Government and Bangladesh Home Minister Mustafizur Rahman, on behalf of the Bangladesh Government. The signing ceremony was attended by the representatives of Burma and high-ranking officials of the Bangladesh Government. The draft of the agreement was initialled in Dacca on 24 August 1980 by Deputy Minister of Foreign Affairs U Tin Ohn and Secretary of the Bangladesh Foreign Ministry Kibria. The agreement has now been signed by the home ministers of the two countries. The agreement consists of four main parts: the first part concerns border authorities; the second part is on border ground rules; the third part concerns governmental-level meetings; and the fourth part is on general provisions. [Text] [BK191502 Rangoon Domestic Service in Burmese 1330 GMT 19 Dec 80]

COMBAT NEWS FROM SOUTH--Combat news: On 14 and 16 November, guerrilla attacks by the People's Army on the military government's mercenary troops in (Yawng-u) village in Maw Hpa region, the southern Wa state, killed seven enemy troops and wounded four. On 23 November, a guerrilla attack by the Kayah New Land Army between (Lan Kaw) and (Pi Maw) villages in the southern Shan state killed two and wounded two. The enemy troops were from the military government's mercenary 85th infantry regiment. [Text] [BK050920 (Clandestine) Voice of the People of Burma in Burmese to Burma 0030 GMT 5 Dec 80]

COMBAT NEWS FROM SHAN STATE--On 10 October, a military unit composed jointly of forces from the People's Army and SSNLO [Shan State Nationalities Liberation Organization] ambushed a unit of the military government's mercenaries on the Hopong-Wanlong highway, southern Shan state. The ambush killed two mercenaries and destroyed a vehicle. On 21 October, an SSNLO unit attacked a unit from the military government's mercenary 76th infantry regiment at (Nakhaik) in (Nwephaw) region, southern Shan state. The attack killed four mercenaries and wounded two. On 31 October, two enemy soldiers were killed and two others wounded by the People's Army during a clash near Namsang in southern Shan state. On 15 and 17 November, a unit of the People's Army conducted 9 guerrilla attacks in Kengtawng region, killing 15 military government mercenaries. On 16 and 22 November, the People's Army successfully blew up (Ma Lan) bridge, (Alanku) bridge and nine other bridges on the Myitkhina-Chipwe highway in an attempt to cut the highway which had been used by the military government's mercenary forces when torturing and killing the people and attacking in trying to crush the People's Army in liberated areas north of Myitkyina. [Text] [BK070912 (Clandestine) Voice of the People of Burma in Burmese to Burma 0030 GMT 7 Dec 80]

CSO: 4211

COOPERATION AGREEMENT SIGNED WITH UAE

GF211720 Dubayy KHALEEJ TIMES in English 21 Dec 80 p 1

[Text] New Delhi--An agreement was signed here yesterday between the UAE and India for promoting technical and economic cooperation between the two countries, at the conclusion of their Joint Commission meeting.

Mr Rashid 'Abdullah, minister of state for foreign affairs, signed the agreement for the UAE, while Mr Narasimha Rao, the Indian external affairs minister, signed for India.

The agreement aims at increasing economic cooperation, facilitating trade exchanges and preparing studies on setting up joint ventures between the two countries besides promoting cooperation in petrochemical industry. Technical knowhow and technology will also be exchanged under the agreement.

Efforts will be made to step up cooperation in the fields of health, labor, security, education and culture as well.

The next meeting of the Joint Commission will now be held in Abu Dhabi in 1981.

In a statement after signing the agreement, Mr 'Abdullah expressed his satisfaction over the outcome of the meeting and said that the UAE would do its best to implement the accord.

Earlier, at the meeting of the Joint Commission, the two countries agreed in principle to take up several joint projects worth millions of dollars, mostly involving UAE financial resources and Indian expertise. Some of them were: gas-based sponge iron plant in the UAE and a 12-million-ton capacity oil refinery and some hotel projects in India.

The investment in India, particularly in hotel projects, will be made by the UAE through the Abu Dhabi Fund for Arab Economic Development (ADFAED) which will conduct feasibility studies in accordance with the scope of the agreement.

During the talks, Mr Rao was assisted by Mr Romesh Bhandari, secretary of external affairs, Mr Lalit Mansingh, Indian ambassador in the UAE, and senior government officials.

Mr 'Abdullah was aided by the 19-member UAE delegation.

Mr 'Abdullah assured the Indian side at the meeting of the Joint Commission that the UAE was prepared to consider increasing fuel supplies to India on a "long-term basis."

The Commission decided to set up a joint Indo-UAE investment corporation and the opening of an office by the India Investment Center in the UAE.

Besides, the two sides reviewed the conditions of the Indian community in the UAE. Mr Rao appreciated the UAE government's role in promoting its welfare.

Mr Rashid 'Abdullah later had a closed-door meeting with Mr Rao.

During the meeting, Mr Rashid 'Abdullah explained the UAE's viewpoint on keeping the Gulf and the Indian Ocean clear of superpower influence. Mr 'Abdullah said the forthcoming meeting of the foreign ministers of the non-aligned states in Baghdad also came up for discussion. The talks covered appraisal of the current regional and international situation. He said their viewpoints were identical on most of the international issues.

Mr 'Abdullah said that the Indian foreign minister assured his country's full support to the Palestinian cause and the right of the Palestinian people to an independent state.

Mr Rashid 'Abdullah also extended an invitation to his Indian counterpart to visit the UAE. He said that his visit would accelerate the pace of increasing cooperation between the two countries.

CSO: 4220

DELHI CONFERENCE VIEWS EXPANSION OF OANA

BK171640 Hong Kong AFP in English 1457 GMT 17 Dec 80

[Text] New Delhi, 17 Dec (AFP)--Heads of Asian news agencies meeting here in a UNESCO-sponsored conference on communications have agreed in principle to launch a news exchange network under the auspices of the Organisation of Asian News Agencies (OANA), conference sources disclosed today.

The decision would be forwarded to the UNESCO with the suggestion that the exchange project be given top priority for the international programme for development of communication.

The PTI News Agency, which is expected to be the South Asian anchor for the project, said the name OANA would be amended to read the Organisation of Asia-Pacific News Agencies.

The statutes and working procedure of the new exchange network are expected to be finalised when OANA, formed 20 years ago with UNESCO support, holds its general conference in Kuala Lumpur next year, according to the PTI.

Under the recommendation, conference sources said, each agency, which is assigned the task of receiving and transmitting news, would handle the reception of news from selected agencies and transmit them to another group.

The New Delhi meeting, which began on Monday, will continue its sittings till Friday. Among the participants are India, Afghanistan, Bangladesh, China, North Korea, South Korea, Indonesia, Japan, Laos, Malaysia, Mongolia, Pakistan, Vietnam, Sri Lanka and the Soviet Union.

OANA is at present headed by Indonesia's Antara News Agency, while PTI is its vice-president.

The New Delhi meeting is part of the second UNESCO-sponsored consultation as a follow up to the inter-governmental conference on communication policies in Asia and Oceania held in Kuala Lumpur in February 1979.

Meanwhile, the PTI yesterday took the first step in computerisation of its news operations with a demonstration organised here on electronic editing by computer and channeling the news through an automatic switching system.

CSO: 4220

DOMESTICALLY DEVELOPED 'MAGNETO HYDRO DYNAMIC' GENERATOR DESCRIBED

New Delhi LINK in English 23 Nov 80 p 32

[Article by Ramkrishna Sinha]

[Text]

OF LATE, India achieved an elegant breakthrough on energy front when its Magneto Hydro Dynamic (MHD) generator was successfully tested in Moscow. The installation is coal-operated and the first of its kind in the world. It is entirely based on Indian know-how and independently designed and built by Indian specialists. No doubt, it is a major step in the direction of finding an alternative method of power generation.

In the conventional methods of power generation, chemical (potential) energy of the fuel is converted into electrical energy via mechanical stage. The energy conversion process is completed in four stages: First, chemical energy (fuel) is converted into thermal energy (by combustion) which is used to raise steam. Steam is then fed to a turbine to get mechanical energy which, in turn, is converted into electrical energy with the help of a generator. As the conversion process involves thermal energy stage, it obeys the laws of thermodynamics. These laws impose an inherent limit on the conversion efficiency of the plant. The overall conversion efficiency of a conventional steam power station is nearly 40 per cent.

The techniques that bypass the mechanical energy stage responsible for the major drop in the maximum efficiency due to the losses in the mechanical link are known as direct energy conversion process since they convert thermal energy directly to electrical energy without requiring mechanical stage. The efficiency of these processes are, however, still limited to some extent as they involve the thermal stage. All the same direct energy conversion devices offer very high efficiency and this explains why great effort has been made during the past decade to exploit these techniques.

MHD generator is one of the various direct energy conversion techniques, others being thermo-electric, thermionic and fuel cell (which bypasses both the thermal and mechanical energy stages). This (MHD) technique has drawn considerable attention of the scientists during the last ten years. It is based on a simple discovery of Faraday that when a conductor moves across a magnetic field a voltage is induced in it which produces a current. In the conventional generator, the conductors are made of copper whereas in the MHD generator the solid conductors are replaced by an ionised gas moving at a very high speed. The current is drawn by suitably placing electrodes in the stream of the gas passed through a powerful magnetic field. To obtain high electrical power, high values of magnetic flux density, gas conductivity and gas velocity are required. Fortunately, the development of superconducting magnets (with a high value of magnetic flux density) offer an economic solution to this kind of power generation.

Research projects on MHD generators are underway in USA, Japan and USSR on a large scale. The Soviet Union's pilot plant working on the MHD will soon pave way for commercial production of energy. Its MHD generator is oil-based.

India has the world's largest coal reserves estimated at 83 billion tonnes. Thus the ample supply of coal will make the power generation by MHD attractive here. Now, having tested its MHD generator successfully, India is likely to establish a pilot plant, to be followed by a full-fledged commercial power plant at Trichur in Tamilnadu.

CSO: 4220

BRIEFS

ENVOY TO ICELAND--Raj Kumar Dorendra Singh, ambassador-designate of India to Norway, has been concurrently accredited as ambassador of India to Iceland with residence in Oslo. [Text] [BK170317 Delhi ISI Diplomatic Information Service in English 1614 GMT 15 Dec 80]

CINEMATOGRAPHIC COOPERATION WITH USSR--Soviet Minister for Cinematography F.T. Yermash has said that the India-Soviet relations in the field of cinema have reached a stage where it is necessary to give a new impetus for bilateral cooperation. Speaking to newsmen at the Delhi Airport before leaving for Moscow, he said the protocol signed a few days ago will provide all possibilities of cooperation between the two countries in every branch of cinematography, including coproduction of films. [BK170317 Delhi Domestic Service in English 0830 GMT 13 Dec 80]

CSO: 4220

BELGIAN, JAPANESE AID FOR SHIPPING INDUSTRY

Jakarta HARIAN UMUM AB in Indonesian 18 Oct 80 pp 1, 9

[Excerpts] The Belgian and Indonesian governments yesterday signed a treaty of cooperation to develop an Indonesian shipping company called PT. Industri Kapal Indonesia (PT IKI) or Indonesian Shipping Industry, Ltd. Belgium was represented by Ambassador Jacques I. D'Hondt, while Suhartoyo, director general of Basic Metal Industry, signed for Indonesia.

The aid from the Belgian government will take the form of training of managerial and technical shipping personnel of PT IKI scattered in Ujung Pandang, Padang, Gresik and Bitu.

To this end, three Belgian experts in management and shipping technique will make a study of PT IKI's organization at the latter's dry dock and make suggestions about work methods for a shipping enterprise, while four Indonesian experts will receive training in the same field in Belgium.

In his press statement following the signing of the agreement, Director General of Basic Metal Industry Suhartoyo said that Belgium is most experienced in shipping industry.

He said that this is not the first time that Belgium has rendered aid to Indonesia. Previously, Belgium has helped Indonesia in the Metal Industrial Development Center project and also in making a feasibility study concerning some machinery project.

Besides Belgium, Japan is also helping Indonesia in the field of shipping industry and is presently completing a feasibility study about expansion of a PT IKI's dry dock located in Ujung Pandang.

Ir Ayub Yunus, director general of PT IKI told the press that PT IKI's dry dock is capable of repairing vessels of 500 to 1,000-ton capacity.

After the completion of the Japanese feasibility study, which forms part of their cooperation with the Indonesian government, the capacity of the said dry dock in Ujung Panjang will increase to 5,000 tonnage.

On the average, the Ujung Pandang dry dock repairs about 60 vessels annually, the one located at Bitung about 50 vessels (capacity 300 tons), and the dry docks

located at Gresik and Padang can repair 25-30 vessels and 15-20 vessels, respectively.

One of the difficulties faced by PT IKI in repair work is that there are too many different types of machinery used by the ships under repair, and so it is not easy to obtain the necessary parts.

Therefore, he suggested that ships use machinery which are common in Indonesia, such as Deutz or MWM brands.

Of the government plan to build 104 ships, PT IKI has won an allotment to build 17 for its 4 dry docks.

9300
CSO: 4213

AGREEMENT WITH SINGAPORE ON DEVELOPMENT OF BATAM ISLAND

Kuala Lumpur BUSINESS TIMES in English 1 Nov 80 p 12

[Text]

SINGAPORE, Oct. 31

SINGAPORE and Indonesia signed an agreement here today to help speed up the development of the Indonesian island of Batam as an industrial and free trade zone.

The agreement, signed by Singapore Minister for Trade and Industry Goh Chok Tong and Indonesian Ambassador Sudjatmiko, was designed to facilitate the movement of capital, machines and workers to Batam, officials said.

The pact provides for cooperation in various fields, including trade, industry, banking, communications, taxation, Customs and immigration, which is aimed at improving the investment climate on the 415-square-kilometre (160-square-mile) island, about 20 kms (12 miles) southeast of Singapore.

No specific details were disclosed, and newsmen were given only a statement broadly outlining areas of cooperation under the agreement.

A system of joint marketing of goods and services would be worked out under the agreement which also calls for the maximum use of transhipment and warehousing facilities in Batam.

Under the agreement, the two parties would facilitate the availability of capital and banking services needed for the development of Batam. They also would exchange advisers, experts and technicians.

"Both parties agree to take measures in the field of taxation which will encourage investment in Batam, including application of tax administration procedures and methods for the avoidance of double taxation," the statement said.

Customs and immigration procedures would be streamlined to help the flow of goods and people between the Indonesian island and Singapore, it added. The agreement would be in force for five years and could be extended for five more years, it said.

Except for minor changes, the agreement closely followed a draft agreed upon by Indonesian President Suharto and Singapore Prime Minister Lee Kuan Yew last July, officials said.

Mr Lee has made it clear that there will be no direct Singapore government investment in industrial enterprises on Batam, but officials said the agreement would lead to a large investment stake for Singapore companies on the island.

Mr Goh said after the signing ceremony that Batam would complement Singapore's economic development.

"There will be some competition in some areas but competition is good for the soul of development when carried out within the market framework," he said.

Economic experts here said that Batam would provide an ideal location to some of the labour-intensive industries which would be phased out in favour of high technological enterprises under Singapore's new economic policy.

Mr Sudjatmiko, who also spoke after the signing said: "Batam as an industrial region has five objectives to attain — transhipment activities, an industrial area, an export processing zone, marshalling yard for big projects and a tourist resort.

"Since the development of Batam island at the early stage is focused on labour-intensive industry, it will not compete with a capital-intensive industry which characterises Singaporecy . Indeed, they will be complementary." — Reuter

CSO: 4220

PLAN TO DOUBLE OIL REFINING CAPACITY BY 1983

Kuala Lumpur BUSINESS TIMES in English 7 Nov 80 p 6

[Article by Richard Cowper in Jakarta]

[Text] INDONESIA has the somewhat doubtful distinction of being not only the largest oil and gas exporting nation east of the Gulf but also one of the region's biggest oil importers. The country's antiquated refinery structure — one unit dates back to 1922 — has been unable to keep pace with soaring domestic consumption of oil products which in the 1970s grew at an average rate of nearly 14 per cent.

At last, however, the government has taken the bite between its teeth and embarked on plans at least to double refining capacity by 1983, from the current 400,000 barrels per day to 800,000 b/d. Contracts recently signed with Bechtel Corporation of the US to build a 200,000 b/d extension to the refinery at Balikpapan in East Kalimantan and with Fluor, also of the US to build a similar 200,000 b/d extension to the Cilacap refinery in central Java should make Indonesia largely self-sufficient in refining by 1983. Together the two projects will cost Indonesia an estimated US$1.6bn.

The country's third largest refinery project, at Dumai in central Sumatra, now looks as if it may at last go ahead next year as the government seems finally to have made up its mind to perform a U-turn and offer state-backed financial guarantees for the US$300m project.

The speed at which the refineries at Cilacap and Balikpapan have been initiated has largely been thanks to a surge in oil and gas revenues which brought Indonesia record earnings in 1979-80 of close on US$11bn. The two extensions will be managed by Pertamina, the state oil company, and financed through the Indonesian government.

If most experts expressed surprise at the speed with which the government has moved on Balikpapan and Cilacap the reverse has undoubtedly been true of the controversial expansion of the Dumai oil refinery in central Sumatra. The on-off hydrocracker — badly needed to distil low sulphur waxy residue (LSWR) into middle distillate for the local market — had become almost a by-word for how to avoid building a project while giving the impression that the construction stage was just around the corner.

Conceived in the heady days of General Ibnu Sutowo's flamboyant leadership of Indonesia's state-owned oil company in the early 1970s, the project was shelved after Pertamina brought Indonesia almost to the brink of bankruptcy with debts of over US$10bn in 1975. The hydrocracker plan was revived again nearly three years ago, but, despite persistent reports to the contrary over the last six months, it is now clear that both the financing and the ownership of the refinery have yet to be completely sorted out.

The key problem which has held the project up for so long has stemmed from the government's refusal until now to provide official government guarantees for the financing. After the Pertamina crash, Indonesia's technocrats were understandably worried at the growing demand for debt servicing. Wherever possible they tried to get large scale projects built with the minimum of direct government financial involvement.

The result of this attempt to get Dumai built through so-called off-balance sheet financing was that the project ran into all kinds of financing difficulties. With output from the hydrocracker due to go to the domestic market, bankers were extremely wary of lending such large sums of money without official government guarantees. At the same time leading contractors were reticent because they feared that with government controlled domestic pricing the project might not be economically viable.

Thanks to the boom in oil prices, however, Indonesia's financial position is now almost the reverse of three years ago. Indonesia's technocrats, their coffers full to overflowing with reserves of well over US$8bn, now appear to be ready to put an end to an experiment with off-balance sheet financing that has undoubtedly been more trouble than it has been worth. This change will certainly ease the financing for the project.

According to Indonesia's Minister for Mines and Energy, two Spanish construction companies, Technicas Reunidas and Centunion have been awarded the contract to engineer and build the 85,000 b/d hydrocracker with Voest Alpine of Austria assisting on much of the construction.

The government is now in the process, however, of revising the ownership and financing side of the package, and it seems likely that the project might go ahead next year with Pertamina — and therefore the government — taking a controlling interest.

Even if construction starts in early 1981, for the next three years at least Indonesia's cracking capacity (49,500 b/d) will be totally inadequate to deal with the residual oil surplus.

The crux of the problem is the peculiar quality of some 70 per cent of Indonesian crude with its low sulphur, heavy fuel oil characteristics. Because most of the refineries date from an era when export of products, rather than crude, was the rule, they are situated

at the producing fields themselves, with neither intake nor location taking account of the domestic market. Only three — the existing refineries at Dumai (100,000 b/d), Plaju (110,000 b/d) and Cilacap (100,000 b/d) — can process even small amounts of non-Indonesian crudes. The rest produce an excess of low sulphur waxy residue (LSWR) from distillation of the mainly parafinic, waxy local crudes.

There is little doubt that the decisions to go ahead with Cilacap and Balikpapan took some of the urgency off the Dumai project, but even though the need to distill LSWR for the domestic market is now not so pressing officials at Pertamina are still keen to go ahead with the hydrocracker.

No one doubts however that Indonesia needs to move fast on expanding its refining. Although the country has around 400,000 b/d in refining capacity the range of products it can make does not reflect existing consumption patterns which are heavily geared to diesel oil and kerosene.

Though the country was the world's tenth largest exporter of oil last year with exports of 411m barrels of crude and LSWR, the increasing cost of importing refined products and Middle East crude coupled with growing domestic demand (currently growing at over 10 per cent a year) have been seriously worrying the nation's economic planners.

Domestic consumption of petroleum products grew from 270,000 b/d in 1977 to 347,000 b/d last year and is projected to increase to around 600,000 b/d by 1985. Without the new refineries Indonesia's Minister for Mines and Energy, Professor Subroto, estimated that the country's refining capacity shortfall would widen to 50 per cent by 1985 from 46 per cent this year. The country's crude oil and product import bill makes disturbing reading. Last year it was US$2.4bn, but this year it is expected to jump 75 per cent in value to US$4.2bn.

These reasons alone were enough to persuade Pertamina that decisions on new refineries had to be finalised this year. That the Dumai affair looks as if it will not be resolved until the end of this year, or the early part of next, undoubtedly caused considerable dismay within the national oil company, though they must now be secretly happy that the government has finally been forced to do it their way. — PT

CSO: 4220

OIL AGREEMENTS SIGNED WITH SIX FOREIGN COMPANIES

Kuala Lumpur BUSINESS TIMES in English 15 Nov 80 p 1

[Text]

JAKARTA, Nov. 14

THE Indonesian government today signed oil and gas production sharing agreements with six foreign companies involving a total investment of US$233 million (M$100.95 million) in exploration over the next six years.

Areas to be explored by the companies are in offshore locations in the Java Sea, according to the state-owned Pertamina Oil Company.

The foreign companies also agreed to pay a total of US$135 million (M$75.25 million) bonus for data compensation to Pertamina.

The American Continental Oil Company (Conoco) Java Sea Inc was awarded a 17,000 square km offshore area known as the Karimun Block.

The Union Oil Java Sea Ltd, also an American company will work in 17,340 square km area offshore of Madura Island, while Atlantic Richfield Bali Inc has chosen a 18,085 square km area offshore Kangean Island, north of Bali.

The Italian Agip (Overseas) Ltd, in joint venture with Union Oil Texas Bali Inc and the Yugoslavian Ina Naftalin Company will be working in 18,926 square km area north of Sakala Island, northeast of Bali Island.

If oil is found, sharing split will be 85-15 in favour of Indonesia. For natural gas it will be 70-30, a Pertamina official said. — Reuter

CSO: 4220

INDONESIANIZATION OF FOREIGN COMPANIES

Jakarta KOMPAS in Indonesian 25 Oct 80 p 2

[Excerpts] In 1980 the Foreign Investment Coordination Agency [FICA] took two important measures within the framework of Indonesianization of enterprises with foreign capital facilities, according to its provisional chairman, Ismail Saleh.

The two major FICA steps involve the Indonesianization of shares and of work force, so that the foreign companies will reflect an Indonesian image and trait. Nevertheless, although the majority shares will be in Indonesian hands, the legal status of the enterprises concerned remains foreign.

In order to present an Indonesian image and characteristic, the first phase involves the transfer of shares ownership. It has been stipulated that after a period of 10 years, foreign capital must decrease and majority shares must be owned by the Indonesian side.

However, FICA will now no longer wait 10 years for the transfer of shares ownership. Instead, it will ask for the transfer in stages as time passes in line with the companies' category and viability. For example, a foreign company may have transferred a certain percentage of its shares to the Indonesians after 4 years. Later the percentage will be increased after 6 years of existence, so that by the 10th year all shares will have been transferred to the Indonesian side. It is hoped that foreign enterprises can utilize the money market for the transfer of foreign shares to the Indonesians.

Apart from the step-by-step transfer of shares, FICA will also tighten the rules for the utilization of foreign experts. Foreign personnel is going to be restricted. As long as Indonesian work force is available to do the same job done by foreigners, the former should be given preference.

Foreign personnel will be restricted not only at the ordinary work level, but also at the management level, and even the board chairman and chief executive officer. In order to solve the problem of utilization of Indonesian work force, each foreign company is obliged to conduct a training and practice program. This program has existed on paper, but has never been implemented; therefore FICA will press on the matter.

Within the framework of transfer of foreign work force to the Indonesian side, FICA plans to draft a list of priority scale. On this list will be specified

categories of work which still require foreign experts and others which should be done by Indonesians, which would eliminate the unnecessary utilization of foreign experts.

Through the above-mentioned measures, the process of Indonesianization will proceed smoothly as expected, so that foreign companies will be able to reflect an Indonesian image and trait.

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CSO: 4213

FAMILY PLANNING PROGRAM TERMED HUGE SUCCESS

Kuala Lumpur BUSINESS TIMES in English 12 Nov 80 p 6

[Article by Richard Cowper in Jakarta]

[Text] INDONESIA'S first President, Sukarno, was not in favour of family planning. He firmly believed that contraception was a threat to the country's morals and his motto was "the more (children) the better." General Suharto, never had any doubts about his country's desperate need for a well-organised family planning programme.

Just four years after he came to power in the wake of an abortive coup attempt in 1968, Indonesia has got its first family planning board. Directly answerable to the President himself it was allocated US$1.3 million by the government and more than US$3 million by foreign donors.

Today more than US$50 million a year is spent on the programme and Indonesia has been so successful at reducing its fertility rate that demographers from all over the world are having to revise their most fundamental assumptions about the best way of implementing such programmes in the light of the Indonesian experience.

There is little doubt that Indonesia needs all the family planning it can get. With the current population estimated to be around 150 million souls Indonesia is the fifth largest country in the world, and every year there are more than 2.1 million new mouths to feed, and two million new jobs to be found.

With a GNP per head of less than US$400 a year Indonesia is classed by the World Bank as one of the "low income" countries, and though estimates vary considerably it seems certain that at least 30 per cent of the population is living below the poverty line.

The overwhelming task of attempting to feed the current population would undoubtedly have been far worse had it not been for the ingenuity of a group of young and bright family planners. With the personal support of the President they have brought Indonesia's fertility rate (births minus deaths) down from around 2.4 in 1970 to an estimated 1.9 per cent today — a 20 per cent decline within the space of 10 years.

The government is now so confident that it can continue its remarkable inroads into that holy of holies, the large family, that it has brought forward its target of reducing the fertility rate to one per cent by the year 2000 to the year 1990 — a task that five years ago would have seemed like banking on miracles.

That family planning can be so effective in a society which largely consists of rural illiterate poor has called into question the hitherto widely held belief that fertility decline calls for huge changes in what sociologists call "modernisation attitudes."

For example Indonesia's rural poor, it seems, do not cling to the idea that a large number of children is a form of old age insurance. Until recently this belief was widely held to be the cause of the failure of Indian efforts to reduce the birth rate.

Some experts in Jakarta say that the failure in other countries to develop a successful family planning programme has resulted in "excuses" like this, when in fact it was a question of bad planning and a failure in communication.

After just over 10 years of sustained development Indonesia's programme has met with a success beyond the wildest dreams of its originators. On the ever-crowded island of Bali, for example, a world fertility survey conducted in 1976 found that fertility rates had declined 34 per cent in the first five years of the programme. In 1971 Balinese women were producing on average around 5.5 children. By 1976 this number had fallen to 3.8. Today the target is the two-child family.

In a recent study demographers Terence and Valerie Hull and Masri Singarimbun called Indonesia's programme "a success story unrivalled in family planning history."

They described Indonesian efforts as a "story

of total government commitment, strong foreign donor support, flexible and innovative approaches and enthusiastic community involvement which together make for one of the richest object lessons of all attempts to institute birth control on a mass scale."

One of the keys to its success has been that it has been run by a man of enormous talent and flexibility who has been able to set up a completely new department unencumbered by the dead weight of Indonesia's bureaucratic tradition.

Around him Haryono has attracted a young, dedicated and talented staff for whom innovation has become a way of life. Haryono — a man equally at home with babies and computers — realised early on that the programme would only be as effective as its weakest link.

The result has been brilliant planning down to village level, recruitment of local part-time field workers on a massive scale and the co-opting of village religious and administrative leaders.

The number of family planning clinics in Java and Bali alone increased from 116 in 1967 to around 3,000 at the end of last year, while more than 7,000 full time field-workers have been recruited along with some 30,000 part-time volunteers who have set up village contraception distribution centres.

Today more than 30 per cent of married women of reproductive age in the overcrowded islands of Java and Bali are using some form of contraception while around 20 per cent have used contraception at least once in their lives.

Much remains to be done however — in particular on the other islands. If this much larger area is taken into account only 17 per cent of Indonesia's married women are using contraception. Put another way, 4 million women of reproductive age are using contraception, 13 million still need to be contacted and 8 million lapsed users need to be drawn back into the fold — an enormous task by any standards. — FT

CSO: 4220

LARGE LABOR FORCE AVAILABLE IN JOB MARKET

Jakarta PELITA in Indonesian 16 Oct 80 pp 1, 7

[Text] During the 3rd Five-Year Plan (Pelita III), about 1.3 million people enter the job market every year, bringing the total of labor force to an additional 6.5 million by the end of the Five-Year Plan.

Add to this the 3.5 million people who could find no employment during the 2nd Five-Year Plan (Pelita II), and the total of work force by the end of Pelita III would mean an addition of 10 million people.

Dr S. Subagyo, public relations officer of the Department of Manpower and Transmigration, said recently that the total labor force throughout Indonesia was estimated at 56,078,723 for the year of 1979, as compared with the 1976 figure of 48,430,954 people.

He did not give the work force statistics for the year of 1980, but he explained that the available laborers ranged between 10 and 40 years in age. He added that prospective workers who will enter the job market will cover the ages of 18 to 40 years.

With regard to the unemployed, he said that 1,124,717 people were registered jobless in 1976. The number of unemployment during the 2nd Five-Year Plan was estimated at 2.23 per cent of the total 10 million labor force that was to enter the job market, or 2.3 million people.

Add to this figure the balance of the unemployed during Pelita II, which numbered more than 1.1 million people, and we will arrive at the figure of 3.6 million unemployed by the end of Pelita III, he said.

Subagyo said that the government has set up skill training centers in an effort to distribute the available labor force.

So far 12 industrial vocational training centers have been set up in Jakarta, Bandung, Yogya, Semarang, Solo, Surbaya, Singosari (East Java), Ujungpandang, Jayapura, Medan, Padang and Palembang.

Seventeen new training centers are being constructed, plus 90 small-scale training centers, in various counties throughout the country.

Furthermore, there are also vocational training centers in the field of agriculture located in Central Java, West Java and East Java. A forestry training center has been set up in East Kalimantan, and a welding training center is also available at Condet, Jakarta.

Other training centers for other skills, such as management, have been formed in Medan, Jakarta, Yogyakarta, Surbaya, Semarang and Jayapura, according to Subagyo.

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CSO: 4213

LABOR LEADERS REVIEW 'RIGHT TO STRIKE' ISSUE

Jakarta SINAR HARAPAN in Indonesian 17 Oct 80 pp 1, 12

[Excerpts] The impression as if the Indonesian labor movement rejected the right to strike on account of foreign investors' pressure and demand is entirely not true, stated Agus Sudono, chairman of the central committee of All-Indonesia Workers' Federation (FBSI).

The FBSI general chairman commented last Thursday that such an impression is a slander that would evoke wide-ranging influence.

He was commenting on an editorial of a certain Jakarta newspaper published on 13 October which said: "We wish to remind labor of just one thing which apparently has not been known to the Indonesian people, and particularly its labor force. That is, that during a meeting among Western entrepreneurs and industrialists held in Geneva in 1966 under the sponsorship of Henry Luce, publisher of TIME magazine, in an attempt to mobilize the investment of industrialized countries' capital to help Indonesia, one proposal was brought up. According to this proposal, the foreign capitalists demanded that if they were to invest in Indonesia, the Indonesian side must guarantee them one thing: There shall be no labor strike or complaint from the Indonesian laborers."

Agus Sudono remarked that this "Geneva consensus" was not known to him until its publication by the said newspaper. He demanded a clarification from the said paper as well as the government based on facts available to them. If the reported consensus were true and if the government were to use it as a principle to prohibit labor strikes, then the FBSI's central committee urged that the said consensus be revoked. Sudono added that FBSI is prepared to hear criticisms openly on conformity with democratic principles which his organization supports highly, but he would not accept slander. He explained that since the founding of FBSI, this labor federation has invariably upheld and defended the most basic rights of Indonesian laborers, including the right to strike as regulated in Article 13 of Law No 14/1969 concerning Fundamental Provisions Governing Manpower.

Thaheransjah Karim, chairman of the standing central committee of FBSI, stressed that the right to strike represents a basic right for laborers, which is an universal as other human rights.

What is important in Indonesia is for us to avert labor disputes which could goad labor leaders to resort to their right to strike.

Up till this moment there is no prohibition against strikes, except prevention against strikes and lock-outs in vital enterprises, agencies and organizations as regulated in Presidential Decree No 7 of 1963. This decree was subsequently followed by Presidential Decision No 132 of 1963 concerning a list of 60 vital bodies and enterprises, most of which are state-owned for public interest. Outside of these 60 enterprises, the right to strike is still regarded legal and lawful, he said.

He continued that the rule of the right-to-strike game is in fact implicitly regulated in Article 6 of Law No 22 of 1957, which stated that if labor or management wants to stage a strike or a lock-out, they must formally inform their intention in writing to the chairman of the Regional Committee for Resolving Labor Disputes.

The author of the letter must state that negotiations involving major problems of the controversy between labor and management, that intentions for negotiation have been rejected by management or labor, or that one party has not succeeded in inviting the other party to the negotiation table twice within a period of 2 weeks.

Thus, we may infer that it is not necessary to ask for and obtain a permit for a strike from a government agency, but merely to inform it, said Thaheransjah Karim.

In reply to a question concerning the existence of the "1966 Geneva consensus," he said that is something incredible. The consensus reportedly mentioned that foreign investors would invest their capital in Indonesia only if Indonesian laborers would refrain from staging a strike and other actions.

According to Karim, this does not make sense, because Geneva, as headquarters of international movements, invariably fight for human rights, including laborers' right to strike.

Even if the said consensus existed, it was entirely wrong, unless it was wilfully created by opponents of human rights, he emphasized.

It is apparent that the Indonesian government has not acquiesced to the demands of foreign investors, even assuming that the government has been abiding by the "1966 Geneva consensus." The fact is that Law No 14 was promulgated in 1969, and its Article 13 recognized the existence of the right to stage a strike, demonstration and lock-out at enterprises. However, although the said law is already 11 years old by now, there is no execution regulation governing the use of the right to stage a strike or demonstration, Thaheransjah Karim said.

S. Subagyo, chief public relations officer of the Department of Manpower and Transmigration, explained to this paper Thursday that the laborers' right to strike is, in fact, not in conformity with Pancasila Labor Relations. Anyway, there is now a sense of awareness among laborers to emphasize productivity in the interest of national development. Even so, Indonesia's regulations still make it possible for labor to utilize their right to strike.

Commenting on the "1966 Geneva consensus," he explained that at that time Indonesia had already withdrawn itself from the International Labor Organization and did not rejoin with organization until 1967.

The right to strike is justified in the ILO convention, and as an ILO member Indonesia is obliged to abide by it, said Subagyo.

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CSO: 4213

SANUSI RESIGNS FROM PDI'S CHAIRMANSHIP

Jakarta KOMPAS in Indonesian 17 Oct 80 pp 1, 12

[Excerpts] Moh. Sanusi Hardjadinata yesterday afternoon announced his resignation as general chairman of the Indonesian Democratic Party (Partai Demokrasi Indonesia = PDI). He made this unexpected announcement in a press conference held at the PDI Headquarters, Jl. Diponegoro 58, Jakarta.

"It is not my intention or desire to desert my comrades in struggle, but as a human being I have to take care of my health. I'm afraid that I'd lose my mental balance after more than 5 years of tension in carrying out the mission assigned me by the Chief of State," he told this paper at the residence of Mrs D. Walandouw (PDI's treasurer) last night. "There is a limit to patience, judgment and perseverance. If I lose my mental stability, I won't be able to exercise good judgment."

This inner voice of Sanusi Hardjadinata represented an elaboration of his explanation during the press conference which was attended by Prof Usep Ranawidjaja (chairman of the standing committee), Aberson MS (deputy secretary general), G. Sani Fenat (general treasurer), Mrs D. Walandouw, Mustafa Supangat, Rusli Dahlan (all three are treasurers), and Dr M. B. Samosir (deputy secretary general). None of these central committee officers had any foreknowledge of Sanusi Hardjadinata's resignation from the party's topmost position during the press conference.

In a prepared statement, Sanusi explained the role he had played in the leadership of the party, that is, to respond to President Suharto's call in February, 1965 to lead the Partai Demokrasi Indonesia which was then in disarray due to internal squabbles and in-fighting among certain leaders of former elements of Partia Nasional Indonesia (PNI = Indonesian Nationalist Party).

As a PNI member, Sanusi said, I feel obliged to help create harmony within the body of ex-PNI elements for the well-being of the PDI, especially among national-level leaders. Based on this sense of moral obligation, I accepted President Suharto's appeal.

He explained that he has served PDI as general chairman for 2 terms, the first time was when he took over the leadership from Mh. Isnaeni till the convocation of PDI's first congress in April, 1976, and the second time was the continuation of that leadership until now.

He repeatedly explained that the disharmony among former PNI leaders has become the main factor for the protracted disarray within the PDI, plus other extraneous factors.

In subsequent developments, however, he was able to announce on 6 September 1980 that the central leadership of PDI was functioning formally and effectively. In fact, for this show of unity, he described the central leadership as the "United" one. Viewed from the harmony recovery of former PNI leaders, the functioning of PDI's central leadership carried with it a determined will to cement the friendship which has been broken for 6 long years. One and all sat together in an atmosphere of unity and solidarity to resolve the problems facing them. As the disarray within the body of PDI originated from the disharmony among former PNI leaders, the 6 September announcement represented the birth of a new era for PDI, thus said Sanusi Hardjadinata.

After citing a number of complex problems, Sanusi said that we need certain human virtues to solve them, such as perseverance, stamina, wisdom, patience and particularly mental balance. "For the past 5 years, I have been trying my utmost to put these qualities into play. I have been persevering, patient and wise enough, I think. But no man is perfect, and there is a limit to his ability, particularly the ability to be patient and persevering," he said. "The time has come for me to state sincerely and openly that my ability to be patient and persevering has been taxed to the limit. So please allow me to free myself from the PDI leadership activities to which I have been bound for the past 5 years."

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CSO: 4213

WORK ON CENGKARENG AIRPORT WILL BEGIN EARLY 1981

Jakarta KOMPAS in Indonesian 28 Oct 80 p 2

[Excerpts] Last 27 September the Indonesian government decided to award the tender to build the new international airport at Cengkareng, Jakarta to Sainrat et Brice, one of the 5 all-French participating contractors. The decision was announced before all participants on 29 September at the office of the Jakarta International Airport Cengkareng project in Tangerang.

In his press statement last Monday, Wasito, chairman of the International Tender Committee for the Construction Work of the Jakarta International Airport Cengkareng, said the value of the contract is 340,815 billion rupiahs. Actual construction will begin at the beginning of 1981. In this project, Wasito, who is secretary of the Directorate General of Air Communication. concurrently acts as secretary of Development Authority of the Cengkareng Airport which is under the chairmanship of the minister of communications.

Sugiri, the director general of communications who led the press conference at Cengkareng last Monday, said that the amount of the contract will be renegotiated for a reduction in price. This is already known by the tender winner who is prepared to negotiate on the matter again. Administrative matters will be completed by the end of this year, so that actual construction of the airport may start early next year.

The first state of the project will be completed in 1984, when Jakarta's air space will no longer be adequate to accommodate its air traffic tempo. Consequently, if the center of aviation activities is not shifted to the better-equipped Cengkareng airport, the condition is likely to endanger air travel and jeopardize air safety, expecially during take-offs and landings of innumerable planes, besides reducing efficiency to all concerned.

The other 4 French contractors who lost in the tender bid offered varying expenditures for the airport project from 304,754 billion rupiahs to 486,004 billion rupiahs. All these five French contractors had been invited to take part in the bidding because the French government provided credit for the development of the international airport at Cengkareng.

In reply to newsmen's questions, Director General Sugiri said that it has been agreed to accept a loan from the French government amounting to French Fr 900 million or about 129,150 billion rupiahs for a period of 4 years. The remaining funds will be provided by the Indonesian government.

It is hoped that no obstacle will be met along the way, so that the airport will be in operation by 1984, said Director General Sugiri. The Cengkareng airport will have 2 parallel runways separated from each other by 2,400 meters. The southern runway, which is 3,660 long, will be reserved for international aviation, while the northern runway, measuring 3,050 meters long, is for domestic flights. Each runway is 60 meters wide, in conformity with the current and future aviation requirements.

The international parking apron and shelter can accommodate 7 Boeing 747's or its equivalents, while the domestic apron and shelter can accommodate 14 Airbus A 300's. The parking pad on the far side can handle 8 Fokker F 28's in position, and its cargo pad can handle 4 Boeing 747's in position.

9300
CSO: 4213

SPK REPORTS HUN SEN'S 28 NOVEMBER NEWS CONFERENCE IN BUDAPEST

BK300943 Phnom Penh SPK in French 0411 GMT 30 Nov 80

[Text] Phnom Penh, 30 Nov (SPK)--There is no "Kampuchean problem" except the one concocted by the slanderous propaganda of reactionaries as a pretext for calling a conference so as to interfere in Kampuchea's internal affairs, declared PRK Foreign Minister Hun Sen during a press conference held in Budapest on Friday [28 November].

For nearly 2 years now, he said, aside from working to improve the living conditions of our people, we have only occupied ourselves with defending our western borders against infiltrations of the Pol Pot-Ieng Sary bandits hiding in Thailand.

The minister added: The people's revolutionary power in Kampuchea has been consolidated from top to bottom and general elections will be held early next year. The Kampuchean people warmly welcome this good situation and are proud of it.

Hun Sen stressed that it is necessary to end the n puj rab by China which colludes with the United States and uses Thailand as a springboard to sabotage the PRK. This, he said, will not only do Kampuchea a good turn but also make a great contribution to stability and peace in Southeast Asia.

In conclusion, Minister Hun Sen expressed his gratitude to the Hungarian people, party and government for their support for Kampuchean people's just cause.

CSO: 4200

BRIEFS

INDUSTRY MINISTRY POLITICAL COURSE--Phnom Penh, 11 Dec (SPK)--The Ministry of Industry recently concluded an intensive political course for 150 cadres. Acting Industry Minister Nuon Sareth highly appraised the results of the course and instructed the cadres to improve their knowledge, strictly observe discipline and contribute to the training of personnel in various local factories. [Text] [BK150555 Phnom Penh SPK in French 1434 GMT 11 Dec 80 BK]

PRK, HUNGARIAN LEADERS TALK--Phnom Penh, 28 Nov (SPK)--KNUFNS and KPRC President Heng Samrin on Thursday [27 November] held talks with First Secretary of the Hungarian Socialist Workers' Party Central Committee Janos Kadar at the party Central Committee's office. Also present on the occasion were Kampuchean Minister of Foreign Affairs Hun Sen and Kampuchean ambassador to Hungary Khuon Ran. Hungarian Minister of Foreign Affairs Puja Frigyes also attended. The talks proceeded in a cordial and friendly atmosphere. On the same day Kampuchean Minister of Foreign Affairs Hun Sen and his Hungarian counterpart Puja Frigyes held talks at the Hungarian Ministry of Foreign Affairs. [Text] [BK300700 Phnom Penh SPK in French 1448 GMT 28 Nov 80] Phnom Penh, 30 Nov (SPK)—According to a report from Budapest, important documents have been signed at the end of the talks between the KNUFNS and KPRC delegation and a delegation of the Hungarian party and government on Thursday [27 November]. The two delegations signed the joint Kampuchean-Hungarian declaration, agreements on cooperation in sanitation; financial and economic assistance; scientific and cultural cooperation; and a consulate agreement. The Kampuchean delegation was headed by KNUFNS and KPRC President Heng Samrin and the Hungarian delegation was headed by Gyorgy Lazar, member of the Politburo of the Hungarian Socialist Workers' Party Central Committee and chairman of the Council of Ministers. [Text] [BK300708 Phnom Penh SPK in French 0409 GMT 30 Nov 80]

RADIO DELEGATION RETURNS--Phnom Penh, 9 Dec (SPK)--The delegation of the "Voice of the Kampuchean People" National Radio led by its director general Un Dara returned to Phnom Penh on Monday [8 December], ending its 17-day visit to the SRV. During its stay, the Kampuchean delegation exchanged experiences with the leaders of the Vietnam Radio and Television Commission and attended a meeting held in its honor by the commission's personnel. The meeting stressed the militant solidarity and friendship between Kampuchea and Vietnam, especially the cooperation between the "Voice of the Kampuchean People" Radio and the Vietnamese Radio and Television. The Kampuchean delegation had a talk with Tran Lam, chairman of the Vietnam Radio and Television Commission. The two sides discussed the implementation of the agreements signed between the two services. [Text] [BK111309 Phnom Penh SPK in French 1445 GMT 9 Dec 80]

ART TROUPE IN LAOS--A Kampuchean artistic ensemble led by Pich Tum Travel arrived in Vientiane on Saturday [29 November]. On Sunday it gave its premiere in a soiree attended by Premier Kaysone Phomvihan, Lao President Souphanouvong and other Lao leaders. [BK041425 Phnom Penh SPK in French 1437 GMT 2 Dec 80 BK]

MEDICAL SCHOOL INAUGURATION--A medical school was inaugurated in Phnom Penh on Saturday [23 November] by Vice Minister of Health Chey Kanha. The first batch includes 177 students, 121 of whom are midwives, nurses and 1st grade pharmacists. [Text] [Phnom Penh SPK in French 1425 GMT 24 Nov 80 BK]

RELIEF AID DISTRIBUTION--The Phnom Penh People's Revolutionary Committee distributed on Sunday [30 November] 6 tons of relief items to 637 families in the Phnom Penh Thmey commune. The relief items include 2,589 kg of rice, 1,900 kg of green beans, 1,268 kg of flour and other useful items such as mosquito nets, blankets and mats. [Phnom Penh SPK in French 0400 GMT 1 Dec 80 BK]

SOVIET JOURNALISTS VISIT--Phnom Penh, 13 Dec (SPK)--The USSR Union of Journalists delegation leg by Albertas Laurinchyukas, editor in chief of the paper TIESA, secretary of the union and chairman of the Union of Journalists of the Lithuanian SSR, left Phnom Penh on Friday, ending its 5-day visit to Kampuchea. The Soviet delegation was seen off by Chem Snguon, permanent deputy secretary general of the KNUFNS Central Committee, and other personages. Also present were staff members of the Soviet Embassy in Kampuchea. During its stay, the Soviet journalists visited the Tuol Sleng torture center; the mass graves in Dangkao district, Kandal Province; Orphanage No 1; and hospitals, schools and ricefields in Kompong Speu Province. The delegation was warmly received by PRK Foreign Minister Hun Sen; Vice Agriculture Minister Kong Samol; Un Dara, vice chairman of the Kampuchean Journalists Association and director general of the "Voice of the Kampuchean People" National Radio; and Dith Munty, deputy director general of the press agency, SPK. [Text] [BK140742 Phnom Penh SPK in French 1434 GMT 13 Dec 80]

CSO: 4200

COLUMNIST DESCRIBES GOOD ATMOSPHERE OF BOAT RACES, RELATIONS WITH THAILAND

Vientiane VIENTIANE MAI in Lao 5 Nov 80 pp 2, 4

[Article in "Talking Together" Column by S. Thipthiengchan: "A Friendship That Cannot Be Forgotten and Will Never Die Out"]

[Excerpt] The long-standing friendship and understanding of the peoples on the two sides of the Mekong River are now being expanded and improved. The thousands of residents of Nong Khai who were waiting greeted us with a cheer in friendly fashion. We understood well and felt a boundless joy in the heart. Such touching friendship between our two people will never see a day that breaks them apart. The hearts of the people of Vientiane now are full of friendship, in the words of Mr Phao Phimphachan who wrote "We have bathed together, eaten together, travelled together, dined on fish together. The right bank is like the daughter-in-law, the left bank the son-in-law." This is in our hearts and will be such to the end.

Mr Kuson Santitham [Nong Khai governor] said "The affection of the people on the two banks and the beautiful traditions of our people come from ancient times, from a time before our birth. So no one can change or break their unity."

It is very true that Vientiane and Nong Khai are like the same land. The people of the two provinces are used to trading with each other. They live together like a family. That bank is the uncle, this one the aunt; that one is the daughter-in-law, this the son-in-law. Therefore, the descendants who followed said that we are people in the same family, brothers who share the same blood since ancient times. A woman who sold goods on the bank of the Mekong River near the Tha Sadet dock [Nong Khai] said to me "My mother was from Watai [Vientiane]. My grandparents and many relatives live at Watai. Then it was like now. My mother and family used to visit together regularly. My mother never thought that there was a right bank, a left bank. She thought they were the same. She was a Lao who came to live in Nong Khai. That was a long time ago and since then they had children and grandchildren all over." These words make us proud of other things. What can be compared to this? She added "Our friendship cannot be forgotten and will never die out." We are brothers, love each other, and live together in peace like brothers and people within the same family.

Moving in this intimate atmosphere on the banks of the Mekong River at Tha Sadet now many people are enjoying themselves. Near the dock that is contiguous to Tha Sadet the row boats of the Vientiane side are stopped in a line to wait for the friendly race.

In the middle of the river is the Arts Troupe from Vientiane using a large sampan as a little stage. They are singing revolutionary music joyously. The floating stage will move up and down slowly to create a happy atmosphere for the brothers of Nong Khai. The floating stage moves along the bank. Wherever it stops, they cheer all along the right bank. The troupe cheerfully selects songs that will really please the masses. Sometimes this made the Thai brothers draw their boats up and have a good time dancing with our musicians in a friendly manner. The slogan attached to our boat said: "Hail the Vientiane-Nong Khai Friendship Boat Races." This has a substantive meaning and stuck in the hearts of those who saw it in a way that will be difficult to forget.

At this time, the male boat races got underway. The atmosphere on the banks of the Mekong was cheerful and lively. Great numbers of people concentrated their gaze on the races underway, with applause and cheers as the boats passed by. As the hours passed and 1600 hours came around, various ceremonies started. The floating stage of the Vientiane Masses Art Troupe parked at the Tha Sadet Dock once again to sing so as to create a happy atmosphere for the brothers of Nong Khai and the many honored guests from Vientiane who got up to dance in a happy and friendly manner.

An atmosphere such as this and [done] in this manner is not easy to create, but it was achieved. It passed with happiness and with the sincerity of the people of Vientiane who presented it as a memory to the Thai people on the right bank who will remember it as a real spirit of friendship on the part of the people of Vientiane Province in particular. Overall, it is the Lao people who at all times have a strong desire for friendship, peace and peaceful co-existence as brotherly neighbors with friendship towards each other in the spirit of the joint Lao-Thai communique signed last year.

9615
CSO: 4206

POSTAL INSPECTORS MAY OPEN LETTERS, PACKAGES

Vientiane VIENTIANE MAI in Lao 5 Nov 80 p 3

[Article in "Conversations With the Editor" Column]

[Text] Greetings, brother Gn. in Sikhoktabong. You asked about the postal service. We have investigated in detail the subject of the post office and fees.

Some of your four questions are vague and have no clear objective. Nevertheless we tried to combine the sense of the questions to answer them rather inadequately. You then wrote again.

Speaking in general the post office does not have the right to open letters that people have mailed, whether they are from abroad or within the country. The international regulation is the same. This is one element of human rights. But in special cases where the post office has the right to inspect letters, it is for a greater and more important good. When such circumstances occur, there are strict orders. Every nation in the world does the same.

If the mailman delivers a letter to you and you notice that the letter was tampered with, you then advise the post office that you are not willing to accept it. Also take a witness to inform the post office immediately. The post office will investigate the circumstances and take corrective measures according to its rules.

If you have accepted it and complain, this is not right. It is not patriotic. You are using the right of ownership in the wrong way. You will fall into the position of being accused of being a trouble-maker.

Now on the subject of packages, a package might be broken in transit. A package sent from one country to another far distant must pass through changes of vehicles and many hands. Each time a parcel comes to Vientiane, whether from inside the country or abroad, it passes through a group of officials who open the large bags, "mail sacks." Then they must look at it if the box is broken or torn; others will record it. Then they will inform the owner. If necessary, there are other steps for further correction.

In sending packages in every country there are regulations prohibiting some items and others that are liable for duty. If you are going to send anything, you should ask the officials about it first. Concealing valuable articles like silver or gold in packages is illegal.

When we receive packages (upon notification by the post office) there will be a tax inspector present to watch us open the package to examine it for any hidden item or illegal goods. This is not a top to bottom ssarch; he has the right to follow the rules. But if there is anything suspicious or ususual he has the right to give a closer examination. When he finds a sample of silver, gold or other valuables which are contained in the package against regulations, he does not have the right to take it for himself. He will fill out a form in your presence to turn it over to the bank. The bank will determine who is the owner. In some cases the owner will be fined or the articles confiscated by the state.

Brother Gn. in Sikhottabong, we hope you have gained some insight and better understanding about the postal service. We are sure to hear from you again.

9615
CSO: 4206

FACTORY SELF-DEFENSE FORCE ACTIVE IN PLANT SECURITY

Vientiane VIENTIANE MAI in Lao 4 Nov 80 pp 1, 4

[Text] On the morning of 2 November 1980 at the Sok Pa Luang Power Plant, Vientiane capital, the committee responsible for the self-defense force of the Lao Electric Company, which is subordinate to the Electric Power Department, Ministry of Industry and Trade, arranged a ceremony to summarize the results of the activities for defense and internal security in the factory during the past year, with all the workers and armed force in the company attending. Present were Vanthong Litsomphou [as published], the acting minister of industry and trade, Thongsavat Gnammani, the secretary for the party committee on party and government, Bounkeut Khamphaphong, deputy minister of industry and trade, Souphi, chief of the committee of teachers training the national independence parade group of the Ministry of Defense, along with committees and departments of several ministries.

After Khammon Phonkeo, chief of the board of directors of the Lao Electric Company, gave a report on the purpose of the ceremony, Hasai Inthasai, deputy director of the basic technical school for electricity, also on the committee for the Lao Electric Company self-defense force, stated in the year's report that all the workers in the armed self-defense force performed many duties for the protection and internal security of the factory. The company was safe and enjoyed a peaceful atmosphere. This guaranteed illumination and other socially-related work.

Then Vanthong Linsomphou gave his exhortation. First of all he praised all the self-defense members and workers of the Lao Electric Company who had achieved victory and complete success in the performance of their duty for the nation in the past year. He also spoke of world conditions, of Southeast Asia and Indochina, especially the situation in Laos. He pointed to the dark deceit and trickery of the Beijing expansionists and other imperialist and reactionary factions, who want to create confusions and destroy us. He called upon each worker to understand anew the party policy, to strengthen and develop himself with greater knowledge and skills, to build and improve the armed force to a high level of effectiveness, in order to do his duty in protecting the nation and preserving a peace, in a timely fashion, to have awareness as masters of the nation, owners of the factories, to defend the essence of their own revolution with increased concern for production, boosting production for creating an independent, self-masterful economy, raising the living standards of the people more every day.

9615
CSO: 4206

SAVANNAKHET AGRICULTURAL, ECONOMIC DEVELOPMENT ANALYZED

Statistics Noted, Productivity Increases

Vientiane SIANG PASASON in Lao 4 Nov 80 p 2

[Excerpt] Crops

With reference to the special aims and policy of the party and state, the party committee and the provincial administrative authority concentrated on giving close leadership to this task, thus inspiring the farmers to be even more joyous of their own livelihood. In the past 5 years Savannakhet Province was able to clear almost 16,000 hectares for new rice fields, which increased the total area throughout the province to 116,288 hectares. Besides this they were able to raise their production per hectare from 1,100 kg in 1975 to 1,200 kg today. In addition to the annual rice they worked only 382 hectares of dry season rice in the year 1975-1976. In 1979 they had expanded this to 2,437 hectares.

Along with the expansion of the rice area and the increased productivity capacity, through the aid from the administrative authority, some 430 families of the mountain regions, who formerly practiced shifting cultivation and each year had to clear a very great section of the forest, have begun to work the rice fields. This has resulted in a drop of shifting cultivation to 19,000 hectares and compared to 1975 this is a 65 percent reduction.

From this production they gradually raised the living standards of the population of Savannakhet Province, who in the past had rice shortages for several months each year, so that on the average each person, both child and adult, had over 300 kg of unhusked rice per year.

Livestock

Besides cultivating rice fields the people of Savannakhet Province paid more attention to raising livestock. At present in the province there are more than 197,300 water buffalo, 70,000 more than in 1975; 164,000 head of cattle, an increase from 1975 of 40,000; 133,000 pigs, 20,000 more than in 1975; about 700,000 fowls in different kinds, 130,000 more than in 1975.

The statistics clearly confirm the increase in livestock raised by the people of Savannakhet Province. This is because the administration, that is the responsible

sections, gave their attention to the task, encouraged and helped the populace in raising livestock, particularly in disseminating new knowledge in husbandry and preventative vaccines. They themselves showed perseverance, diligence, and made full application of the lessons.

On the basis of these figures today one household on the average has two or more draft animals and the living standards for the people in Savannakhet Province have been greatly improved.

Irrigation, Livestock Raising

Vientiane SIANG PASASON in Lao 5 Nov 80 p 2

[Excerpts] In all of Savannakhet Province the irrigated area is 2,200 hectares or 2.3 percent of the total cultivated rice.

State Settlements

The Savannakhet provincial administration, besides other work, gave attention to establishing and supervising four state stations and settlements. The Pak Bo small-livestock station has 4,370 brood hens, producing 3,000-3,500 eggs per day; 25 hatchery ponds, producting 3,000 kg of fish per year. They expanded the hog breeding stock to 65, of which number there are 19 boars and sows. The newly built KM4 small-livestock breeding station has begun experiments with 56 brood hens, 600 kg of fish spawn, 75 pigs bred for meat, with two boars and 16 sows, and seven foreign breeding cattle, to increase the stock. The Tak Rai large-livestock station in Phin District has 279 head of buffalo and cattle. In addition the settlement of Nong Louang, under construction since 1979, has a potential area for cultivation of 4,500 hectares. Today they have been able to open up and plant 35 hectares.

9615
CSO: 4206

MERCHANTS PAY SPECIAL TAXES, OPPOSITION NOTED

Vientiane VIENTIANE MAI in Lao 23 Oct 80 p 2

[Column: "Conversations With the Editor"]

[Excerpts] [Question] 1. The cleanup charge of 80 kip for 1 month is too high. 2. Why does one who has many watch-repair stalls pay a great deal in cleanup charges? Why does he not pay once, collected at one rate since his is the sole owner? 3. A watch repairman in 1 month must pay 100 kip in tax, pay 50 kip rental for his location and 90 kip for trash removal. When these are added up, it is very expensive. Please explain. I hope that the editor can answer and pass this on to the responsible committee for its investigation. Writing a letter is troublesome at this time. I do not make destructive criticism but state this for the public interest.

[Answer] 1. In addressing specifically the charge for trash removal, Comrade Sisouphan Chanthalangsi, chief of the committee for food service, also addressed the matter of collecting the market tickets and the trash in the market, whether the Morning Market or the Evening Market. He spoke as follows. "The trash collection charge now is divided into three categories: 1. 90 kip for people who sell retail. If you calculate it on a daily basis, they must pay the cleanup charge and the market ticket as follows--two kip a day for the market ticket--one kip a day for trash. This comes to three kip a day or 90 kip a month.

2. 120 kip for those who sell retail in small stores: two kip per day for the market ticket--two kip for trash removal. Four kip total or 120 kip per month.

3. 150 kip for those who sell retail in large stores and handle expensive goods, per day three kip for the market ticket, two kip for trash removal or five kip per day, 150 kip per month.

Therefore, it is felt that your watch repair stalls fall in the category of selling inexpensive goods retail because on the average you pay only three kip in market ticket and trash fee daily. You income must exceed that by ten times.

2. Normally or according to regulations [fees] are collected on a per stall basis. If a person has several stalls, he pays several times because it is based on income just like it is for others. But one watch-repair stall for one person or ten stalls for one person, means that however many there are, the more his income increases and he takes up more space. The trash increases more than ordinarily.

3. The payment of various taxes, according to the answer of the services concerned, is right and not a great amount. Why then is this complaint made? Compare your income figures per month with that of others. For example, in one day of watch repair you make 50 kip, that is 1,500 per month; then subtract rentals and taxes of 90 minus 100 minus 50 equal, 1,260 kip. You have an income that covers cost of labor or whatever; you have 1,260 kip. This is calculated at a low level. I believe you earn much more than this as real income. Don't say it is expensive. You contribute very little to the state. Think of it as your contribution for the nation. The funds that the government units concerned get are not wasted. Every kip enters the capital funds of the state.

Finally if you communicate with the service involved directly they will explain more fully. Also the service concerned gives guidance to the people trading in the Morning Market, especially the watch repairers. So do cooperate with our officials! In the past when they have gone to collect fees, they have been given the run-around; getting told that "this stall isn't mine." Doing that is not correct. You should tell your friends this. How can they work together to help the state in development in a cooperative effort? How would you be helping if you used this money for your own pleasure?

9615
CSO: 4206

DEFENSE, INTERNAL SECURITY SPENDING TO RISE 45 PERCENT

Kuala Lumpur BUSINESS TIMES in English 11 Nov 80 p 6

[Article by Reg Gratton]

[Text] MALAYSIA'S planned massive increase in defence spending next year illustrates its eagerness to become capable of withstanding a conventional war.

Defence and internal security spending next year take the largest chunk of government expenditure for the first time, amounting to 22 per cent out of a total budget of $23.1 billion.

This increase, coupled with the decision in September of Prime Minister Datuk Hussein Onn to take personal charge of the defence portfolio, shows his increasing concern over the political instability in South-East Asia, according to Western diplomats in Kuala Lumpur.

Datuk Hussein Onn, outlining an ambitious and rapid expansion programme earlier this year said: "We will acquire more up-to-date training centres, increase the numbers of officers and personnel and upgrade our skills and capability in conventional and non-conventional warfare."

He added: "We are in a politically disturbed region and this requires us to strengthen our defence."

This amounts to doubling the strength of the regular army, navy and air force by 1983, according to defence officials.

Since independence in 1957, the growth of Malaysia's forces has been influenced largely by internal security directed mainly against members of the Communist Party of Malaya (CPM). An estimated 2,000 guerillas are still active in Thai and Malaysian border districts, about 500 in Malaysia itself.

But the military build-up planned over the next few years reflects the shift in emphasis from anti-guerilla measures to conventional warfare methods.

The government announced in its budget last month that total spending on defence and internal security for 1981 would be $5.1 billion or 45 per cent more than the allocations for this year.

Spending on defence development alone would go up nearly 120 per cent next year from $910 million this year to $1.99 billion.

Under this expansion programme, according to Deputy Defence Minister Abu Hassan Omar, the government would purchase Skyhawk jets for the air force, vehicles for the army and new ships for the navy, as well as build naval and air bases, infantry camps and army training centres.

More than 30 Skyhawk fighter bombers begin arriving from the United States early next year augmenting the air forces two squadrons of US-made F-5E jet fighter bombers and giving it an effective strike capability.

The air force will be building three new bases, one of which costing about $1 billion would also serve as a training school.

Under the expansion plan, Malaysia's navy will increase its manpower from 7,000 to 15,000 by 1983. A deep harbour and naval base and dockyard warships is under construction at Lumut on the Straits of Malacca, at a cost of about $130 million. The navy is also getting a new base in Kuching and its elderly minesweepers are to be replaced.

It recently commissioned a second squadron of missile-armed strike craft to help prevent any seaborne invader from landing on the peninsula in strength.

The army remains the backbone of national defence with a force of about 35,000 combat soldiers, and in increasing its strength, the government has said that more infantry battalions would be formed plus an armoured regiment. However, full details of the army programme have not been released.

The budget announcement on defence spending coincided with the visit here of senior Australian defence officials to discuss the revitalising of a Five-Power Defence Arrangement (FPDA) linking Australia, Malaysia, Singapore, New Zealand and Britain.

Though the initiative to strengthen the 10-year-old agreement came in September from Australian Prime Minister Malcolm Fraser, Malaysia's agreement, along with the other partners, to put more muscle in the arrangement reflects its new perception of an external threat.

Under the FPDA, Australia maintains Mirage jet fighters at Butterworth and New Zealand has ground troops in Singapore.

However, except for one major joint military exercise in 1979, the defence grouping has confined its activities to air exercises — one has been held last month — and occasional consultations on security matters.

The recent meeting between Malaysian and Australian defence officials agreed to recommend to their governments the holding of joint air, sea and land exercises under the FPDA.

While the Malaysians emphasised that the exercises were merely for training and had nothing to do with the political situation in the region, Australia has said that it sees the development of the FPDA as an important contribution to regional stability. — Reuter

CSO: 4220

PRIORITY TO GAS, HYDRO RESOURCES FOR POWER GENERATION

Kuala Lumpur BUSINESS TIMES in English 3 Nov 80 p 1

[Text] MALAYSIA is diversifying its energy sources with a view to ensuring that the nation's economy is not vulnerable to the vagaries of oil supplies, the Minister of Energy, Telecommunications and Posts, Datuk Leo Moggie, said yesterday.

He said that though Malaysia had oil resources, it would be a delusion to think that "we are completely insulated from the effects of increases in oil prices."

In a speech read out by his political secretary, Mr Nelson Liap Kudu at an "energy seminar" organised by Jaycees Malaysia at the Dewan Tun Abdul Razak in Kuching, he said Malaysia would become a net importer of oil in six to seven years given the present rate of petroleum consumption.

As such the government had decided that priority be accorded to the development and utilisation of gas and hydro resources for power generation.

The Bersia, Kenering and Kenyir hydro schemes in Peninsular Malaysia, the Tenom Pangi scheme in Sabah and the Batang Air scheme in Sarawak were in various stages of implementation, Datuk Moggie said.

Feasibility studies on the hydro potential of the Pelagus rapids as well as another bigger potential project in the Balui river, both in Sarawak, had been undertaken.

A German consultant firm was studying the possibility of taking electrical power from these sources to Peninsular Malaysia.

Datuk Moggie said that the development of mini hydro schemes to augment rural electrification programmes would be given considerable attention under the Fourth Malaysia Plan.

In Sarawak alone 10 such schemes were expected to be implemented.

In Peninsular Malaysia the National Electricity Board (NEB) would utilise gas from substantial natural gas reserves off the east coast of Peninsular Malaysia for its gas-fired combined cycle power station in Trengganu, expected to be commissioned in 1985.

He noted that Petronas had recently announced that it would work out a master plan for the utilisation of natural gas in the country.

Datuk Moggie said the study was expected to be used in the planning and proper management of gas resources as gas was expected to be the key energy source to tide the country over the transition from oil.

The Minister also stressed the need to conserve energy by eliminating waste and ensuring efficient utilisation of energy.

Projects aimed at increasing public awareness on the need to conserve energy should be undertaken, he added. — Bernama

CSO: 4220

CHIEF OF GENERAL STAFF PROMOTED TO FULL GENERAL

Kuala Lumpur NEW STRAITS TIMES in English 1 Nov 80 p 1

[Text]

KUALA LUMPUR, Fri. — The Chief of General Staff, Leftenan Jeneral Tan Sri Mohamed Ghazali bin Datuk Mohamed Seth (above), has been promoted to full Jeneral.

His deputy, Mejar Jeneral Datuk Zain Mahmud Hashim, has been promoted to Leftenan Jeneral.

The Yang di-Pertuan Agong has approved the promotions, effective Oct 1.

In a statement today, the Deputy Defence Minister, Encik Abu Hassan bin Omar, said the promotions were in line with the expansion of the army and its heavier responsibilities.

Jeneral Tan Sri Mohamed Ghazali, 51, the man behind the recent series of "Gonzales" exercises, joined the army as a recruit in 1950.

He rose from the ranks to become the Chief of General Staff in 1977, following the appointment of Jeneral Tan Sri Haji Mohamed Sany bin Abdul Ghaff as Chief of Armed Forces.

Leftenan Jeneral Datuk Zain Hashim, 50, joined the army in 1950 and was commissioned in 1962, undergoing his cadetship in Sandhurst, Britain.

CSO: 4220

INDEPENDENT PANEL ON MUSLIM PROBLEMS SOUGHT

Kuala Lumpur NEW STRAITS TIMES in English 7 Nov 80 p 11

[Text]

KUALA LUMPUR, Thurs. — The government has been urged to set up an independent commission to study the current problems associated with Muslims in the country.

This was one of the six resolutions adopted by the Pan Malaysian Islamic missionary council, the Majlis Syura Dakwah Malaysia, at its meeting on Monday here.

In a statement today, council chairman Tan Sri Syed Nasir Ismail said the commission should be vested with authority and be represented by various quarters, including the missionary bodies.

Tan Sri Syed Nasir, who is also the president of the Islamic Missionary Foundation, said the study should cover two related aspects:

● DEVIANT teachings, occult trends, the art of self-defence using Islamic religious elements, and in particular the bloody incident at Batu Pahat recently; and

● LOCAL political and socio-cultural background that might give rise to tension and violent acts from the Muslims such as the growth of vice centres in a locality.

Regret

He said other factors that might provoke tension in a locality included the growth of permissive arts and culture, a negative impression towards Islamic activities given by the mass media, weaknesses in the Islamic religious institutions and political bickering between the Muslims.

Tan Sri Syed Nasir said the council expressed deep regret over the bloody incident in Batu Pahat.

The council, he added, also regretted the interpretations (which were not based on factual information) made by various quarters which had resulted in confusion among the public.

Tan Sri Syed Nasir said the meeting also feared the use of labels like "fanatik Islam" (Muslim fanatics) and "pelampau agama" (religious extremists) might affect the image of Islam and Islamic missionary activities.

Tan Sri Syed Nasir said he also feared the Batu Pahat incident might be used by certain quarters to hamper the development of Islam in the country.

The council appealed to all quarters in the Muslim community to place the interest of Islam above all other interests to protect the sanctity of the religion and the unity of its adherents.

CSO: 4220

REACTION TO NEPAL CONSTITUTION AMENDMENTS

BK171647 Hong Kong AFP in English 1503 GMT 17 Dec 80

[Text] Katmandu, 17 Dec (AFP)--Reaction has been sharp to the recent amendment announced by Nepal's western educated king in the constitution introducing three major political reforms.

K.P. Bhattarai, former speaker and acting president of the outlawed Nepali congress, described the third amendment as undemocratic and not enough to meet the aspirations of the people today.

It is unworkably incomplete because lots of laws and bye-laws are yet to be enacted and no one knows how draconian they could be, Mr Bhattarai added. Therefore it is not worthy of our welcome.

Meanwhile B.B. Thapa, former chairman of the National Panchayat and former vice chairman of the Council of Ministers, said that there had been a crisis of confidence and therefore the multi-party supporters should not be the prisoner of indecision. He regreted that the king had failed to fulfill his assurance to respect the minority who had supported the multi-party of government [as received] in the national referendum.

The supporters of the partyless Panchayat system however have widely welcomed the amended constitution.

Former Prime Minister Kirti Nidhi Bista, while heartily welcoming the third amendment, said the king has graciously granted the reform in recognition of the wishes of the people.

He said the amendment has come as the first significant reform within the partyless Panchayat system.

Dr K.I. Singh, former prime minister who has resigned from the National Panchayat membership in order to campaign in support of the multi-party system of government, said the present reforms the king has introduced through the amendment of the constitution are the best and most useful among the reforms made so far under the partyless Panchayat system.

Meanwhile another hardliner Panchayat leader and former premier Dr Tulsi Giri said that he would accept the reforms under the constitutional amendment with no reservations. He said the third amendment of the constitution announced by the king had brought out the clear cut political values of Panchayat system. Dr Giri also hoped that the Panchas (cadres of the partyless policy) would have the ability to retain the partyless character of democratic Panchayat system despite the proposed amendment for the evolution of a different political system in the country.

CSO: 4220

BRIEFS

AID TO NEPAL--Tokyo, 6 Dec (KYODO)--Japan will extend a grant aid up to yen 600 million to Nepal to help carry out a rural water supply project, the Foreign Ministry announced Saturday. It said notes to this effect were exchanged in Katmandu Friday between Kazuo Aichi, Japanese vice foreign minister, and Madan Bahadur Pradhan, Nepalese assistant minister for food and agriculture. Nepal is short of sources of water for drinking and other uses, and the people are using underground water mixed with surface water, resulting in chronic epidemics, the ministry said. It also said Japan will give a grant aid up to yen 2,000 million to Nepal for purchase of fertilizer and materials needed for improvement of irrigation facilities. In Nepal, it said, more than 90 percent of the working population is engaged in agriculture but productivity remains at a low level. Because of this, the Nepalese Government has worked out an agriculture development plan to increase food production especially of rice, the ministry said. Extension of a grant aid to Nepal of up to yen 1,080 million in Thai rice was also pledged by the Japanese vice minister, the ministry said. There is a serious shortage of food caused by last year's bad weather in Nepal and the Nepalese Government has requested such an aid from Japan, it added. [Text] [Tokyo KYODO in English 0257 GMT 6 Dec 80]

CSO: 4220

BRIEFS

ACCUSATION OF AIR FORCE EXPANSION--Pakistan has undertaken a massive program of expansion of its air force bases. It is planning to add five more squadrons of the latest fighter aircraft by the end of next year. UNITED NEWS OF INDIA, quoting military experts, says that Pakistan has secretly commissioned 12 air bases and is expanding facilities at several others. Its air force now has 40 air bases, almost double the number in 1971. Besides seven main air bases, Pakistan has set up a large number of emergency dispersal bases from where its aircraft can operate for a short period. [Text] [BK180944 Delhi Domestic Service in English 0240 GMT 18 Dec 80]

REGIMENTS REPLACED IN JAMMU-KASHMIR--Jammu, 15 Dec (UNI)--Pakistan authorities have withdrawn "Azad Kashmir" regiments from the line of control in the occupied areas of Jammu and Kashmir and replaced them with regular army regiments, according to official sources. The major concentration of the Pakistan army is on the Khauta-Hajipir area of occupied Kashmir, the sources said. The Pakistan army has been holding exercises across the entire international border and line of control for the past few days, the sources added. [Text] [BK231644 New Delhi INDIAN EXPRESS in English 16 Dec 80 p 1]

PAKISTAN LOCOMOTIVE AGREEMENT--Lahore, 5 Dec (KYODO)--Pakistan Railways and the Japanese company Hitachi signed an agreement here Thursday for the manufacture of diesel electric locomotives in Pakistan. Under the agreement, Pakistan will produce 25 locomotives every year with 50 to 60 percent locally manufactured parts within 6 years. This is the first agreement of its kind signed by Hitachi with any country. Explaining the agreement at a news conference, the Pakistan Railways chairman, Gulzar Ahmed, said that the project would cost some $80 million with a foreign exchange component of $50 million. The factory is being built in Islamabad in phases and the allocation for this year stood at $45 million. Ahmed said Pakistan had 492 diesel locomotives and 42 steam locomotives. He said the steam engines were obsolete because spare parts were not available and also the energy conservation rate was very poor, making maintenance costs too high for the railways. The country needs about 296 diesel locomotives by the year 1982. The railways chairman thought that with the help of Hitachi, Pakistan would be able to meet domestic requirements and also to export. [Text] [Tokyo KYODO in English 0539 GMT 5 Dec 80]

AMBASSADOR TO FRG--FRG President Karl Carstens has criticized the Soviet military intervention in Afghanistan and stressed the need to settle the refugees problem. He was speaking at a ceremony when Pakistan's new ambassador Jamshed Markar presented his credentials. [Excerpt] [BK230647 Karachi Domestic Service in Urdu 0200 GMT 21 Dec 80]

CSO: 4203

SITUATION UNDER MARTIAL LAW ASSESSED

Kuala Lumpur BUSINESS TIMES in English 14 Nov 80 p 6

[Article by Philip Bowring]

[Text] THE Philippines is a country where style is often more important than substance, where music takes precedence over philosophy, where extravagance is a virtue, and where hyperbole is omnipresent. As a result, it is a country which doesn't fit readily into the descriptive mould of daily newspaper and agency despatches.

Insofar as other countries, apart from its South-East Asian neighbours, think about the Philippines at all, they may conclude that it is a nation wracked by bombings and on the brink of revolution; a people cowed by eight years of martial law; a government up to its neck in foreign debt and beholden to the depredations of international capitalism; a country ruled by a first family as acquisitive as the Somozas and as arrogant as the Pahlavis.

Such an image isn't just a product of the propaganda of vociferous US-based opponents of President Marcos. It is almost as easily created by the news from Manila itself, even the statements of minister. It is more a reflection of Philippine sense of theatre and rhetoric than it is of reality, and also a direct result of the wide measure of freedom enjoyed by foreign correspondents.

The factors which take much of the sting out of martial law and one-man rule are the same ones which help to create the unfavourable image from which the Philippines and its government suffer overseas.

There may be martial law but the government remains a civilian one. The army, thankfully, is conspicuous only in the few areas where there are Muslim or communist insurgents. The Press may be captive but there is no lack of freedom of speech — and even the Press retails some of the town gossip about graft in government.

Foreign Pressmen have an unaccustomed measure of freedom. There have been no open and honest elections since martial law, but there has been just enough freedom to allow a few opponents of the government to squeeze into the National Assembly. Laws are altered by presidential decree and civil rights often removed by administrative actions. Yet there remains a commitment to legalistic forms, and government is occasionally rebuffed by the courts.

At root the society remains too indisciplined, too addicted to gossip and discussion to be cast into a rigid authoritarian mould. It is a society accustomed to unscrupulous politicians but unwilling to accept them — conscious of the need to keep political conflict within some kind of humanitarian boundaries. Mr Marcos may be unscrupulous but he is not especially ruthless: torture and murder are not the norm here.

This is not to deny that recent bombings and a revival of opposition activity within and without the country have made the Marcos regime less sure of itself than at any time since the declaration of martial law in 1972. Nor to deny that energy prices, and world recession pose serious problems for the Philippine economy.

The maldistribution of income, which is creating economic as much as social problems, cannot be forgotten either. Nor can the envy and anger excited by high-level corruption. And it cannot be pretended that discipline and dedication in some quarters of the armed forces and civil service do not reflect some unpleasant characteristics of the leadership.

But the essential facts about the Philippines at present are two-fold. First, politically the Marcos regime, now 15

years old, eight of which have been martial law, is still very much in charge. Serious medium to long-term political problems do exist — notably the question of succession — but for now the country is politically fairly stable.

Opposition is an irritant but far from being a threat. Indeed, President Marcos probably gives more thought to how to keep at bay his political allies, new oligarchs, his wife's family — than he does to keeping at bay his opponents, notably Benigno Aquino.

Second, the economy is not in crisis, either GDP growth could fall to 5 per cent this year and be even lower next year as the lagged impact of recession makes itself fully felt. But even with terms of trade deteriorating growth is still just about sufficient to keep average real family income from falling. The foreign debt is large and growing rapidly but is still manageable. Debt service costs are quite modest by Latin American standards.

Within the economy are to be found many of the paradoxes of martial law. After eight years there is much cynicism towards the President's "new society" but there is still in many areas of government not so much idealism but an honest pragmatism. This says that despite glaring faults good things are being done under martial law which were not possible before. For every official selling, for example, tax breaks, there is another striving to plug the holes in the tax net.

Income distribution has probably improved under martial law as a result of government infrastructure spending in rural areas which has created employment and generated very creditable production gains. Meanwhile, grain prices to farmers have been kept in line with other price rises.

Rural spending has been made possible not just by big infusions of aid but also by significant increases in tax revenues, resulting from improved administration.

The dark side of infrastructure spending has been in the award of and pricing of some contracts.

The losers from changes in income distribution have been (mostly urban) wage earners whose wages have often fallen behind price rises, especially outside Manila where minimum wage awards often have little force.

The large Manila middle class, with an American addiction to education and consumer durables, has not always done well. This has excited some middle class hostility to the martial law; the new oligarchs whose business empires have been rapidly advanced through high-level connections.

Favouritism has not enhanced efficient use of resources in commerce and industry. The regime has encouraged investment, local and foreign, and is generally favoured by the business community. This has often meant that it has not always encouraged efficient management and competition. Industry remains high cost and over-protected.

However, showing its liking for paradox, the government — prodded by its technocrats and with encouragement from inter-national agencies — is now embarking on a radical tariff reform and import liberalisation programme. Politically, the programme carries risks and is the sort of reform which could probably never have been contemplated by a less authoritarian regime.

Some local businessmen, long accustomed to high protection and easy profits, will get hurt.

The reform is brave because the political allegiances of the business community have a tendency to be fickle. One of the few identifiable policies of the main opposition, the Laban Party which is linked to Aquino, is a rather virulent strain of highly protection-minded economic nationalism. It finds its focus partly in an attack on multinationals, said to be offering unfair competition to local companies.

More importantly, it also has a high racial content. Labans claim the economy is passing into the hands of "aliens," for which should be read Filipino citizens of Chinese origin. However, it must also be said that the opposition groups' predilections remain essentially capitalist if perhaps more narrowly nationalist.

In the same way opposition criticisms of President Marcos' acceptance of US bases on Philippine soil, does not imply that a change of leadership would mean a sharp turn to the Left in foreign policy.

Economic and political realities in South-East Asia, the Philippines links with Asean, its trade with Japan, its historical and emotional ties with the US — all make radical shifts in policy unlikely even if Mr Marcos should come to grief. — FT

CSO: 4220

OPPOSITION PARTIES SAID TO BE BLOCKED OUT OF POLITICAL MAINSTREAM

Kuala Lumpur BUSINESS TIMES in English 5 Nov 80 p 6

[Article by Paul Wedel in Singapore]

[Text] SINGAPORE'S general election campaign has not yet officially begun but one thing already is clear — the ruling People's Action Party will sweep to another overwhelming victory.

Prime Minister Lee Kuan Yew's well-entrenched party has ruled the island republic for more than 20 years and has taken every single parliament seat in the last three general elections.

It has put down, outmanoeuvred and outperformed the opposition parties until they hardly exist.

Weakened by internal dissension, lack of funds and their own ineptitude, the five main opposition parties cling to the hope that they will be able to win even one out of 75 seats.

"Winning just one seat will change everything," Workers Party leader J.B. Jeyaratnam said. "It will break this wall of government dominance that people feel can never be broken. It will lead to a new confidence in the opposition, more money, more support. Who knows where it will go from there?"

But the odds against winning even a single seat are high.

For one thing, Mr Lee's party holds the advantage of knowing when the election will be held. Singapore law requires only nine-day's notice before election day and most analysts are betting on mid-December.

In the meantime, opposition leaders complain they are hamstrung by not being able to plan for a specific date. The opposition's best publicity device — the mass rally — also is illegal until the campaign officially starts.

Aside from the election date tactics, the government party is riding high on its undeniable success in providing housing, raising the nation's productivity and eliminating unemployment.

A year-long campaign to promote the speaking of Mandarin Chinese on the multi-racial island also has boosted the ruling party where it once was weakest — among citizens educated in Chinese-language schools.

A scheduled trip by Mr Lee and a large contingent of politicians to Peking in November will further strengthen the same appeal just before the election's expected date.

One of the opposition's major rallying cries is that the fruits of Singapore's success have not been fairly distributed. Many lower income people, they say, are actually worse off than previously because of rising living costs.

Opposition leaders say the people dare not voice their dissatisfaction because of a second great obstacle — fear of government power.

Internal security and anti-narcotics laws, though sparingly applied of late, allow indefinite detention of almost anyone without trial. Bureaucratic control extends into many areas of day-to-day life such as car ownership, population control and littering.

On the political front, the government used to simply arrest opposition leaders and hold them indefinitely without trial. Now the government critics say Mr Lee uses more subtle techniques — but with much the same effect.

All opposition leaders complain of petty harassment — difficulties in finding printers for their pamphlets, candidates losing their jobs and supporters being questioned by police.

Laws against slander also have been effective. Two United Front candidates were jailed and fined for slandering Mr Lee during the 1976 election campaign.

Although he does not comment on it because an appeal is pending, a similar slander action against Mr Jeyaratnam for US$600,000 has seriously hurt his personal and party finances.

The party that has suffered most is the left-leaning Barisan Socialis (Socialist Front), which was once perhaps the strongest party in the country.

Barisan secretary general Dr. Lee Siew Choh acknowledges that a series of party blunders combined with shrewd government suppression have left his group "completely crippled — short-handed and short-funded."

The party's nationwide network of 30 offices has dwindled to one grimy fourth floor walk-up and the white-haired doctor said even this may go since the party is having difficulty paying the US$200 monthly rent and upkeep.

The Barisan Socialis will field only four candidates in the election and altogether the opposition parties are unlikely to be able to field a candidate for all 75 constituencies.

The government shows no sign of embarrassment over its success in completely blocking the opposition parties out of Singapore's political mainstream.

With the government's characteristic bluntness, Defence Minister Howe Yeen Cheng said: "Bleating about no opposition in parliament is not something that deserves consideration." — UPI

CSO: 4220

UP TO 2-YEAR DELAY IN COMPLETION OF HYDROCRACKER COMPLEX

Kuala Lumpur NEW SUNDAY TIMES in English 9 Nov 80 p 9

[Text]

SINGAPORE, Sat. — Shell's $400 million hydrocracker complex on Pulau Bukom scheduled to start operations next year, will be delayed by up to two years because of sub-standard concrete structures.

A full-scale investigation has been ordered and technical experts from Shell's head office in the Hague have been flown in to check the structures reported to be "below design strength."

The South-East Asian Area Co-ordinator for Shell International Petroleum, Mr C.A.J. Herkstroten, also arrived from London to head the investigation team.

In a circular to the staff, Dr Richard Hu, chairman and chief executive of Shell companies here said:

"Comprehensive tests on the concrete structures of the complex showed the concrete in all the main structures was below design strength and therefore insufficient to carry the full load of steel and mechanical equipment which would be placed on them.

"All sub-standard concrete structures will have to be demolished and rebuilt.

"This will entail dismantling and removing substantial steelwork and mechanical equipment already installed and regrettfully could delay completion of the hydrocracker by up to two years, with resulting loss of production capacity."

The hydrocracker, a highly-sophisticated addition to the refinery complex at Pulau Bukom — designed to convert heavy fuel to more valuable light fuels like diesel, kerosene and gasoline — was to have been completed by the end of next year.

Work on the complex began in September 1978. Three weeks ago, all work was suspended.

A spokesman for Shell said a technical team has suggested shoring up the main structures to remedy the problem.

He dismissed speculation that Shell might shift the project to another nearby island or to New Zealand.

CSO: 4220

PETROCHEMICAL PROJECT HITS ENVIRONMENTAL SNAG

Kuala Lumpur BUSINESS TIMES in English 1 Nov 80 p 12

[Text]

SINGAPORE, Oct. 31

SINGAPORE's $1 billion petrochemical project here has hit a snag with environmental authorities insisting on firm anti-pollution safeguards, official sources said today.

The issue was how to dispose of unwanted hydrocarbons without causing health hazards when the $2 billion petrochemical plant went into operation in about two years' time, the sources said.

The petrochemical complex is a joint-venture between the Singapore government and Japanese firms headed by Sumitomo Chemical Corporation of Japan. The construction of the giant plant, on an offshore island here, is under the management of Sumitomo.

The sources said that environmental authorities here had rejected a Sumitomo plan to build an elevated flare system, similar to the ones used in oil refineries, to burn off hydrocarbon waste as an insufficient safeguard against pollution.

Instead they had asked the planners to construct an enclosed ground level flare system, and if this was not possible, to suggest an alternative method that would not endanger the environment, the sources said.

Sumitomo officials were not happy with the stand taken by the authorities because they felt that a ground level flare system would cost over $7 million, almost three times more than the elevated scheme, the sources said.

The Japanese firm also felt that by offering the elevated flare system, it was meeting its obligation to Singapore not to build a petrochemical complex which would be rejected in Japan for pollution reasons, they added.

"The elevated flare system will add to air pollution through incomplete combustion of the unwanted hydrocarbons and will be too noisy," said a senior official of the Ministry of Environment.

A Sumitomo official told *Reuters* that he was confident that the problem could be solved through further negotiations.

Meanwhile, the English-language *Straits Times* newspaper called on Sumitomo to be more reasonable. "Strict anti-pollution controls have to be rigorously enforced by the authorities of course because of the potential hazards involved," it said.

"It does not appear unreasonable to have the Japanese petrochemical company follow our anti-pollution regulations to the letter when the additional costs involved are not large compared to the total $2 billion capital investment.

"Compromises may have to be made every now and then to ensure the smooth construction of the petrochemical complex. In this instance, the Japanese are in a much better position to do so than we who have to live with the consequences of a polluted environment," the *Straits Times* said. — Reuter

CSO: 4220

FRANCE PLANS TO ESTABLISH TECHNOLOGICAL INSTITUTE

Kuala Lumpur BUSINESS TIMES in English 11 Nov 80 p 18

[Text] FRANCE is taking a calculated risk in investing about $20 million in the Singapore-French Institute of Technology.

Establishment of the institute, France's "biggest investment and transfer of technology" in Singapore is "an act of faith that the project will succeed," said French Ambassador Henri Chollet.

"We have faith in the future of Singapore," he said in an interview with the *Straits Times*.

The Singapore-French Institute, the most important in terms of amount invested and provision of technical expertise to be set up by the French government, will nearly double French investment here.

The present total of French investment in Singapore is about $37 million.

Mr Chollet promised that France would invest still more money in Singapore even though the economies of France and other European nations were facing difficult times.

French aid to the institute, which will start courses in 1983, will be in the form of supply of sophisticated machinery and the sending of French technical experts, including its first director, to teach at the school.

In addition to the $20 million aid, the Singapore government will spend $23 million in providing the land, building and equipment for the institute which will train 500 technicians and highly skilled technical managers and staff in the first five years.

It will conduct courses in computer science, electronics, high-precision engineering and other technical subjects.

Students will have to study French.

The institute will give training in the fields of electro-technology and electronics, with special emphasis on instrumentation, automation, industrial control, computer and microprocessor applications.

Initially it will conduct a full time two-year course leading to a diploma in electro-technology. There will also be a four-year advanced diploma course for technical managers.

Part of the training for the advanced course will include six-month attachments to leading French factories.

The French teachers and experts will be supplied by the Ecole Superieure d'Ingenieurs, a highly rated institute run by the Paris Chamber of Commerce and Industry.

Mr Chollet gave four reasons why France was investing in the institute:

■ Singapore provided the right climate for investment because of its political and economic stability.

■ The project was expected to lure more French investments, including electronics and high-precision engineering computer projects here.

■ Establishment of the institute could lead to an increased flow of French experts to Singapore. Last year, Singapore exported $671 million worth of goods to France and imported $485 million worth of French goods.

■ The project was expected to lead to more French firms tendering successfully in big government and private projects here.

The memorandum of understanding on the establishment and operation of the institute was signed on Oct. 23 by Mr Chollet, Mr Pierre Peilier, president of the Commission for Education representing the Paris Chamber of Commerce and Industry and Mr Paul Sallebert, representing the Federation of Electrical and Electronic industries. Mr Chia Cheong Fook, permanent secretary of the Ministry of Foreign Affairs, signed for Singapore.

Speaking at that ceremony, Mr Chia said the agreement reflected the growth in trade and cultural relations between France and Singapore. He noted that bilateral trade more than doubled from $497 million in 1974 to $1.16 million in 1978.

Pointing out that France's shares of Singapore's external trade was only 1.5 per cent, Mr Chollet expressed hopes that the agreement would stimulate more exchanges and that more French enterpreneurs would invest in Singapore, particularly in the electrical and electronic industries. — AFP

CSO: 4220

JAYEWARDENE WARNS OPPOSITION AGAINST DIVISIVENESS

BK211131 Colombo International Service in English 1045 GMT 21 Dec 80

[Excerpt] President Jayewardene yesterday warned the opposition that any attempt to rock the government would imperil millions of lives and lead to the erosion of democracy. In such an event, he said, democracy would have to be protected by methods undemocratic governments could not normally use. [sentence as heard] He said this is not only a warning but the pledge given to the people by the government party during the last election.

The president, who was addressing the 26th Annual Conference of the United National Party at the (Sugatadasa) indoor stadium in Colombo, said: The recently announced oil price increase would mean an addition of another 800 million rupees to the country's import bill. Nevertheless, the government was determined to go ahead with its development plans while preserving the democratic freedom of the people. The opposition should endeavor to desist from antisocial activities, such as strikes and sabotage, which would hinder production and delay development.

The president also referred to escalating costs, pointing out that the accelerated Mahaveli Development Program, originally estimated to cost 9 billion rupees, would now cost 3 times as much. But all development projects would be implemented with the support of the international community. He said in a few years the situation should improve. There was hope of better times ahead.

Addressing a public rally at Kolonnawa, President Jayewardene has emphasized the supremacy of parliament in a democratic set up. He said besides legislative authority, it also has judicial power. He cited the case of former U.S. President Nixon being forced to tender his resignation when the congress planned to hold an inquiry into his conduct. Parliament at the same time, the president said, had to protect the rights of members as had been proved in attempts to insult Foreign Minister Hameed and Kaduwela member of parliament M.D.H. Jayewardene.

CSO: 4220

BRIEFS

TRADE AGREEMENT WITH PHILIPPINES--A trade agreement was signed in Colombo 8 December between Sri Lanka and the Philippines providing a framework for the development of trade and economic relations between the two countries. It also provides the most favored nation treatment in trade. Both governments will grant temporary exemptions on the payment of important duty and taxes on items for display at fairs and exhibitions in each other's country. The agreement will come into force when letters are exchanged confirming its ratification. [Text] [BK170319 Colombo International Service in English 1045 GMT 9 Dec 80]

AGRICULTURAL LOAN--The International Fund for Agricultural Development, based in Rome, has agreed to provide a loan of 270 million rupees for the Anuradhapura dry zone agricultural project. The loan will be given on a very small interest rate and repayable in 50 years. [Colombo International Service in English 1045 GMT 17 Dec 80]

TRADE PROTOCOL SIGNED--The Sri Lanka-China trade protocol for 1981 was signed in Colombo yesterday. This is the fourth annual contract negotiated under the sixth 5-year trade agreement between the two countries signed in Beijing in October 1977. In terms of the protocol for 1981, Sri Lanka will export a total quantity of 20,000 tons of rubber to China. In exchange, China will supply 80,000 tons of rice to Sri Lanka. In addition to rice, items such as diesel oil, kerosene, chemicals, textiles, light industrial products, mineral products, machinery, knitting products and other commodities will be exported by China. Sri Lanka will export coconut oil, cocoa, indigenous medicinal herbs, rubber, tea, precious stones and other commodities. The agreement was signed at Bandaranaike Memorial International Conference Hall by Secretary to the Ministry of Trade and Shipping W.L.B. De Mel and visiting Chinese Vice Minister of Foreign Trade Jia Shi on behalf of the two governments. [Text] [BK201137 Colombo International Service in English 1045 GMT 20 Dec 80]

CSO: 4220

LEADING FIGURES IN COMMUNIST PARTY SURRENDER

Kuala Lumpur BUSINESS TIMES in English 12 Nov 80 p 6

[Article by Wirasak Salayakamond]

[Text]

THE growing detente between Thailand and China has created a serious dilemma for the Thai Communist Party (CPT) which depends on Peking's support in its struggle against the government.

The Thai underground party had cast its ideological fortunes with China against the Soviet Union long before the Moscow-backed Hanoi regime dominated South Vietnam and installed the Heng Samrin government it Kampuchea.

When Vietnam invaded Kampuchea, China started soft-pedalling its anti-Thailand policy and, eventually, an ill-defined alliance between Peking and Bangkok was formed.

This unexpected twist of political fortunes left the CPT out in the cold.

Government sources said the CPT leadership has been rent by dissensions over its future course. These sources said some CPT leaders favour seeking the support of the Soviet Union, but others are strongly against it.

This analysis of the CPT leadership split has been strengthened by the recent surrender of former student activist Seksan Prasertkul and his wife Jiranan after six years of anti-government activities.

Seksan himself has refused to talk on the reported leadership struggle buffeting the CPT. He merely said that he had some disagreement with the CPT leadership "on ideological issues."

He insisted that he would not betray his comrades by leading government forces to their jungle lairs, but neither would he serve as their instrument to fight the government.

"I am now a ruin of history, unable to do what I wanted to. I would like to lead a normal life as any average man in society," he said glumly after he surrendered.

Seksan's surrender was a major psychological victory for the administration of Prime Minister Prem Tinsulanonda. Gen. Saiyud Kerdphol, armed forces chief of staff and director of the Internal Security Operations Command (ISOC), triumphantly declared that Seksan's surrender was most welcome and that the former rebel could be useful to the country.

Prime Minister Prem was also jubilant over Seksan's surrender. He said Seksan and other former activists who joined the CPT would be eligible for pardon under the Amnesty Act signed by former Prime Minister Kriangsak Chomanan on Sept. 16, 1978.

Ten days after Seksan surrendered last Oct. 3, former labour leader Therdphum Chaidee was arrested in Nongkhai province.

But, undoubtedly, Seksan is the bigger catch of the two former underground leaders. A former political science student of Thammasat University and an exchange student under the American Field Service programme, Seksan became a prominent campus firebrand.

He organised students from various colleges and universities to stage a series of violent demonstrations against the hardline Thanom-Prapass-Narong regime until its downfall in October 1973.

After the fall of the Thanon government, Seksan tried to form a united front of students, farmers and workers. Unable to strike the political combination that he wanted formed, Seksan teamed up with Therdphum Chaidee to organise a labour federation among textile workers in Samut Sakorn province.

By this time, the conflict between Thailand's rightwing and leftwing elements had reached an unbridgeable stage. Seksan was constantly under surveillance. Fearing that his life was in danger, he went to Paris. From there, he went to Peking and Hanoi and finally joined the CPT in the Northern Thailand jungles.

Seksan was not the first of former campus activists to surrender. The other prominent surrenderees include Chalaythorn, a former student leader of Ramkambaeng University; Pridi Boonsue, of the

Thammasat University; Jit Jongjit, a leader of the communist guerillas of the southern province of Surathani; and Thongpak Piangket, former deputy leader of the defunct Socialist Party of Thailand.

When Boonsong Chalaythorn emerged from the jungles in April 1979, he declared: "I am not the first one to surrender, nor will I be the last."

His prophecy proved remarkably accurate. A number of former student activists, many of them only minor participants in the anti-government movement, have surrendered.

Boonsong, who was granted amnesty, had put out a political weekly magazine Sen Tarng (Ways). In his writings Boonsong castigated the CPT for its rabid pro-Chinese policies. He also advocated the recognition of the Heng Samrin regime in Kampuchea.

After a stormy partnership with the CPT, Boonsong and his group left the CPT. "The policies, the fighting strategy and the ideology of the CPT are the same as those of the Communist Party of China (CPC)," he said angrily.

He added: "When China turned its face towards America, the CPT even modulated the tone of its criticism of US imperialism. When China was engaged in a border war with Vietnam, the CPT also cut off its relations with Hanoi. CPT also obeyed Peking's order to close down its Voice of Thai People Radio."

The capture of Therdphum Chaidee, although less significant than the surrender of Seksan, has also removed one big thorn from the government's side.

Therdphum played a key role in numerous labour disputes in Bangkok between 1973 and 1975, before he joined the CPT. ISOC officials said that before his capture, Therdphum had also deserted the CPT and had set up his own pro-Soviet group in Vientiane, Laos.

Therdphum, 36, was arrested while crossing the Mekong River from Vientiane into Nongkhai with a party of Laotians. He was carrying a Laotian border pass under the name of Thao Im Tong. He was arrested when an immigration officer recognised him.

He said he was on his way to surrender to the Nongkhai governor, but authorities were not convinced.

The Vietnam-China conflict has further weakened the CPT, but it remains to be seen whether the surrender of some of CPT's top leaders will bring about the final collapse, or just a temporary setback to the movement. — Depthnews

CSO: 4220

END

JPRS 77140

9 January 1981

South and East Asia Report

No. 956

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SOUTH AND EAST ASIA REPORT

No. 956

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ECONOMIC, TECHNICAL AID--Romania is to provide economic and technical assistance worth $500 million to Bangladesh in the next 5 years. This was stated by Deputy Prime Minister Jamaluddin Ahmed in Dacca today on his return from a 4-day visit to Bucharest. He said the Romanian Government has agreed in principle to extend the credit in response to a Bangladesh request during his talks there. The minister said the new areas of bilateral cooperation identified during the talks covered oil exploration, mining, a cement plant, the power sector, including a mini-hydropower plant, the assembly and manufacturing of trucks and buses and agro-based and agro-supporting industries, deep sea fishing and trawler manufacturing. [Text] [BK291326 Dacca Overseas Service in English 1230 GMT 29 Dec 80]

CSO: 4220

'VOPB' REPORTS COMBAT NEWS FROM VARIOUS STATES, AREAS

Sadon, Lauhkaung, Kutkai

BK191423 (Clandestine) Voice of the People of Burma in Burmese to Burma 1200 GMT 18 Dec 80

[Text] Combat news from Sadon-Lauhkaung area located east and northeast of Myuitkyina:

On 17 November a small people's army guerrilla force blew up an enemy bridge located near (Mannaung) village. An enemy vehicle was destroyed by mines while three enemy soldiers were killed and two wounded.

On 27 November, a small people's army guerrilla force launched a mine attack against mercenaries of the military government's mercenary 15th infantry regiment as they left the (Nilanku) camp. The attack killed one enemy soldier and wounded another.

On 23 and 28 November, mine attacks were launched against the military government's mercenary 15th infantry regiment between (Kha Baw) police station and (Hti) and at (Hawlaw), killing eight enemy troops and wounding some. On 29 November, the people's armed forces clashed with mercenaries from the military government's mercenary 15th infantry regiment near (Nga Maw) stream. The mercenaries retreated with some wounded.

Combat news from the Kutkai area:

On 18 November, a small people's army unit planted a mine at (Khwet Kyong). Two enemy soldiers were killed when they stepped on the mine.

On 21 November, a small people's army unit clashed with the enemy at (Lewaing). The enemy fled and some shells were seized from the enemy.

On 2 December, a small unit of the people's army clashed with mercenaries from the military government's 4th Kachin rifles regiment at (Mae Wai) which is near the 105th mile marker on the Lashio-Mu-Se highway. An enemy medium-range (?machine gun) was destroyed and hand grenades, mortar shells and some ammunition were seized from the enemy.

Shan, Kachin

BK240900 (Clandestine) Voice of the People of Burma in Burmese to Burma 0030 GMT 24 Dec 80

[Text] Combat news from Central Shan state: On 15 October and 8 November, small units of the people's army made two attacks--one at (Hsi-Om) village, southeast of Hsihseng, and one at (Htee) camp in Hsihseng region--on the military government's mercenary 76th infantry regiment, killing three mercenaries and wounding two others. On 14, 24 and 25 November, small units of the people's army conducted guerrilla raids and staged mine attacks on the military government's mercenary 105th light infantry regiment around Ho-Hko in (Hkak-Sawng) region, around Loi-Hsang between Kunhing and Namsang and around (Hsai-Bo) on Kunhing-Namsang road. The attacks killed seven enemy soldiers and wounded several others. A military vehicle was also destroyed. On 3 December, mines planted by the people's army near (Lamaing-On) on Mong Nawng-Lai-Hka road destroyed another military vehicle of the enemy.

Combat news from Eastern Keng Tung: On 23 November, a small unit of the people's army made a surprise attack on the (Pangyat) enemy camp and killed one enemy soldier. One G-4 and some ammunition were seized from the enemy. On 4 December, a small unit of the people's army dynamited and destroyed the enemy's (Yangmo) bridge in Keng Tung district.

On 10 December, one enemy soldier was killed and two others were wounded in an attack by the people's army at a place between Mong Yawng and Man Tung. The enemy fled when attacked. One G-4 was seized from the enemy.

Combat news from Northeastern Myitkyina: On 2 December, a small unit of the people's army ambushed the military government's mercenary 29th infantry regiment near Chipwe which had sallied out from Sawlaw. The ambush killed two mercenaries, wounded three others and forced the enemy to flee. One G-2 and some ammunition were seized from the enemy. On 8 December, a people's army unit attacked between (Chisint) and Sawlaw a platoon of the 2d company, mercenary 15th infantry regiment, and killed two enemy soldiers and wounded another. The people's army seized 1 G-4, 1 stengun, about 300 rounds of ammunition and other military supplies from the enemy soldiers who fled.

CSO: 4211

BRIEFS

AMBASSADOR TO AUSTRALIA--Rangoon, 1 Dec--The President of the Socialist Republic of the Union of Burma has appointed U Kyee Myint as Ambassador Extraordinary and Plenipotentiary of the Socialist Republic of the Union of Burma to Australia.--NAB [Text] [Rangoon THE WORKING PEOPLE'S DAILY in English 1 Dec 80 p 1]

CSO: 4220

BRIEFS

ENVOY TO TUNISIA--Joseph Thomas Kallurkaran, ambassador-designate of India to Tunisia, on 19 December morning presented his letter of credence to President Habib Bourguiba in Carthage Palace. [Excerpt] [BK271205 Delhi ISI Diplomatic Information Service in English 0857 GMT 22 Dec 80]

ENVOY TO ETHIOPIA--P.K. Budhwar, ambassador of India to Ethiopia, presented credentials to Megistu Haile Mariam, chairman, Provisional Military Government of Socialist Ethiopia on 20 December. [Excerpt] [BK271205 Delhi ISI Diplomatic Information Service in English 1506 GMT 26 Dec 80]

FOODGRAIN PRODUCTION--Foodgrain production in the country this year is expected to be around 135 million tons. This will be better than the earlier record production of 131.8 million tons achieved during 1978-79. This was stated by Union Minister of State for Agriculture Smainathan at a press conference in Coimbtore today. Sugar production this year will be about 4.5 million tons. This will also be a record. With this it will be possible to export about 400,000 tons of sugar this year after meeting the entire domestic needs, the minister added. [Text] [BK241018 Delhi General Overseas Service in English 1000 GMT 24 Dec 80]

DRILLING MACHINES TO USSR--The public sector Hindustan machine tools is to export to the Soviet Union radio drilling machines worth 14.6 million rupees. According to an official press release, a contract for this has been signed between the two countries. The concern has so far supplied machine tools worth 21.5 million rupees to the Soviet Union. [Text] [BK250910 Delhi Domestic Service in English 0830 GMT 25 Dec 80]

OIL IMPORT PLANS--India is expected to import 16 million tons of crude and 6.4 million tons of petroleum products next year. This will cost about 60,000 million rupees in foreign exchange following a 7 to 10 percent hike in oil prices announced by OPEC recently. Negotiations are on in this regard with several countries. Algeria is expected to supply over half a million tons of crude oil to India. An official delegation is leaving New Delhi for Algiers next week to sign the contract for the crude oil supply. Another delegation is also expected to go to Caracas shortly to sign an agreement with Venezuela which has already promised 1.5 million tons of oil to India. A delegation is already in Libya to sign an agreement for the supply of about 1 million tons of crude next year. [Text] [BK261026 Delhi General Overseas Service in English 1000 GMT 26 Dec 80]

BJP OPPOSITION--The First National Convention of the Bharatiya Janata Party [BJP] opened at (Samtanagar) in Bombay today. Hoisting the party flag BJP President Vajpayee said the party's aim is to make India a strong nation free of all types of social and economic discrimination. He said he is against allowing a personality cult in the party. A political resolution to be taken up at the plenary session reaffirms the Bharatiya Janata Party's opposition to any move for replacing the parliamentary system by the presidential form. [Text] [BK280917 Delhi Domestic Service in English 0830 GMT 28 Dec 80]

POLICE KILL PARTY LEADER--New Delhi, 28 Dec (AFP)--A top ranking leader of the Pro-Beijing Communist Party of India, Marxist Leninist (CPI-ML) or Naxalite as the party is popularly known, was shot dead by police in the South Indian state of Tamil Nadu (formerly Madras) today, Press Trust of India (PTI) news agency reported. Mr Kannamani was killed in an "encounter" with the police, PTI said. At least six police officers were injured when Mr Kannamani opened fire with a muzzle loading gun, the agency said quoting a police press release. [Text] [BK281457 Hong Kong AFP in English 1222 GMT 28 Dec 80]

AUTONOMY MOVEMENT--Lama (Lokdam) of the Ladakh Buddha Vihar [Monastery] in Delhi has urged the government to depute a central team to Ladakh to study its problems and suggest their solution. He told newsmen in New Delhi today that Ladakhis will continue their peaceful agitation demanding what he called more autonomy within the state. Lama (Likdam), who is also a member of the high-powered panel of minorities, scheduled castes and tribes and other weaker sections alleged that the [Kashmir] state government has been neglecting the region. AICC-U [All India Congress Committee--U] joint secretary Bhim Singh has also condemned the police action against demonstrators in Ladakh. In a statement in New Delhi today, he demanded the release of the people arrested on immediate instructions of the union home ministry to redress the grievances of the people in Ladakh. President of Jammu and Kashmir State Congress-I Mufti Mohammad Syed has accused the state government of trying to turn a deaf ear to the genuine demands of the Ladakhi people. Addressing a news conference in Jammu today, he condemned the police action against demonstrators of Ladakh action committee and demanded a judicial inquiry into it. The president of the state Lok Dal, Sheikh Abdul Rahman, has urged the center to intervene in the Ladakh situation. He suggested scheduled tribe status for Ladakh. Meanwhile, according to an official spokesman in Jammu, the situation in Ladakh is under control. Jammu and Kashmir Chief Minister Sheikh Abdullah today called on Governor L.K. Jha. Agency reports say they discussed the Ladakh situation. [Text] [BK301625 Delhi Domestic Service in English 1530 GMT 30 Dec 80]

AUTONOMY MOVEMENT CONTINUES--Reports reaching Jammu from Leh says Dharna [picketing] by the Ladakh action committee continues. Official sources say the situation is under control. Meanwhile, a spokesman of the Jammu and Kashmir government has denied allegations made by a Congress-U legislator in a statement about the arrests and police action in Ladakh in connection with the agitation for more autonomy for the region within the state. The spokesman said the government is willing to have talks with the agitation leaders, he said the charge of not allocating sufficient funds to Ladakh is not based on facts. He added that (?provincial) status for Ladakh will complicate matters instead of solving any problem. [Text] [BK310748 Delhi Domestic Service in English 0240 GMT 31 Dec 80]

CSO: 4220

UN DARA RECEIVES SOVIET DELEGATION, CSSR ENVOY

BK141238 Phnom Penh Domestic Service in Cambodian 1230 GMT 12 Dec 80

[Text] At 0800 on 12 December a delegation of the USSR Union of Journalists, led by Comrade Albertas Laurinchyukas, secretary of the union, paid a courtesy call on Comrade Un Dara, director general of the Voice of the Kampuchean People and vice chairman of the Kampuchean Journalists' Association, at the office of the Voice of the Kampuchean People. During the conversation, Comrade Albertas Laurinchyukas stressed that the USSR Union of Journalists would invite Kampuchean journalists to attend a press conference in Moscow next September.

The comrade director general of the Voice of the Kampuchean People expressed deep thanks to the USSR Union of Journalists and to Soviet press services such as NOVOSTI, TASS and NOVOYE VREMYA for helping to disseminate news about the Kampuchean situation for the information of world public since Kampuchea's liberation from the genocidal Pol Pot-Ieng Sary-Khieu Samphan clique of traitors.

At 1430 the same day, the comrade director general of the Voice of the Kampuchean People received and held talks with (Hzanusek), charge d'affaires and second secretary of the Czechoslovak embassy in Phnom Penh. On that occasion the comrade charge d'affaires said that the CSSR Government and people would create broad conditions to provide aid for the Voice of the Kampuchean People in all its needs.

In reply, the comrade director general of the Voice of the Kampuchean People expressed profound gratitude to the Czechoslovak Government and people for helping the Kampuchean people during the current difficult circumstances.

The conversation proceeded in a cordial atmosphere of revolutionary fraternity.

CSO: 4212

GUERRILLA ATTACK IN SISOPHON REPORTED

BK060752 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 3 Dec 80

[Text] On the night of 28 November, our army and guerrillas in Sisophon District [Battambang Province], with the active support and participation of the people, successfully raided the defense system of the Vietnamese regiment command post along Route 5 west of Sisophon. The system included the following positions:

1. The position at (Kouk Toch) which was the command post of the 16th Regiment of the enemy's 5th Division, protected by a regiment;

2. The position at (Put Ta Soth), which was a company position to protect this command post; and

3. The position at (Sophy) station which was also a company position for the defense of the command post.

At 2300 our guerrillas opened fire simultaneously with support from our artillery. We completely destroyed the (Kouk Toch) and (Put Ta Sok) positions, while damaging half of the position at (Sophy) station. At (Kouk Toch), the Vietnamese troops suffered 27 killed and 32 wounded, including a one-star colonel, a member of the staff of the regiment command, dead. At (Put Ta Soth), we killed 15 and wounded 23 Vietnamese soldiers. At (Sophy) station, the Vietnamese casualties were five dead and seven wounded.

In all, we put 109 of the Vietnamese enemies out of action, including the killing of a one-star colonel of the staff of the command of the 16th Regiment, 5th Division. We destroyed 20 barracks, 18 AK's, 8 drum-magazine guns, 2 B-40's and 2 C-25 radios. We seized 2 drum-magazine guns, a Goryunov gun, 7 AK's, 5 crates of Goryunov ammunition, 57,000 rounds of AK ammunition and a C-25 radio. We also captured a quantity of other war materiel, mungbeans, peanut oil and fish cans from humanitarian aid.

Long live the valiant army, guerrillas and people on the Sisophon battlefield!

CSO: 4212

COMMUNICATIONS MINISTER PRESENTS AWARDS FOR 1980

BK160506 Phnom Penh Domestic Service in Cambodian 1100 GMT 15 Dec 80

[Summary] "According to our station correspondent, a ceremony was held at the office of the minister of communications, transport and posts on the afternoon of 13 December 1980 to present awards and citation certificates to cadres, personnel and workers who made outstanding achievements in transporting goods to the people in 1980. The ceremony was held in the presence of Comrade Khun Chhy, vice minister of communications, transport and posts. Also attending the ceremony were cadres, personnel and workers of the ministry and Soviet and Vietnamese experts attached to the Ministry of Communications, Transport and Posts."

After Comrade (Chhoeung Seng), deputy head of the office of the minister of communications, transport and posts and vice chairman of the Third Goods Campaign Commission, praised cadres, personnal and workers for their outstanding achievements and the brilliant outcome of the campaign, awards and citation certificates were presented to outstanding cadres, personnel and workers.

"On behalf of the KPRC, the Third Goods Transportation Campaign Command and the Presidium of the ceremony, Comrade Vice Minister Khun Chhy expressed congratulations to the great success of the third goods transportation campaign. He stressed that the successful outcome of the campaign was achieved due to the firm solidarity among the Kampuchean, Soviet and Vietnamese workers. Moreover, this success was achieved due to the fact that our cadres, personnel and workers have had firm confidence in the correct line of the KNUFNS and have thoroughly grasped the difficult situation of our people due to shortages left behind by the genocidal Pol Pot-Ieng Sary-Khieu Samphan clique. In conclusion, the comrade vice minister exhorted cadres, personnel and workers to continue to strive in order to fulfill all tasks well and achieve more victories in the future."

In conclusion, a representative of workers pledged to fulfill all tasks assigned by the KPRC. The ceremony ended in a joyful and intimate atmosphere.

CSO: 4212

KHUN CHHY PRAISES ROAD, BRIDGE CONSTRUCTION

BK110302 Phnom Penh Domestic Service in Cambodian 1230 GMT 8 Dec 80

[Text] On 5 December, Comrade Khun Chhy, vice minister of communications and posts, paid a visit to Batheay Bridge [Kompong Cham Province] on Route 6. He was accompanied by Comrade Sar Kheng, deputy chief of cabinet of the party Central Committee; Comrade (Chan Chum), assistant to the minister of communications, transportation and posts; and many cadres of the ministry.

Upon his arrival, the comrade vice minister received a warm welcome from the workers, personnel and cadres of the Overland Bridge and Highway Department, from the People's Revolutionary Committee of Cheung Prey District and from the local people.

The director of the Overland Bridge and Highway Department gave a report on the brilliant success achieved by our workers who have strived to build and repair bridges and roads damaged by flood waters in September 1980. He pointed out: With the assistance of the revolutionary state power, our workers have constructed 131 meters of bridge, thus enabling traffic to resume since October 1980.

Vice Minister Khun Chhy congratulated the achievements of the workers of the Overland Bridge and Highway Department to reestablish traffic on Route 6, thus facilitating the transportation of various goods from the central commission to various localities in accordance with the goals of the third transportation campaign of the KPRC. He stressed: Despite the shortage of materials, but based on the spirit of independence and mastery of the revolution and on the spirit of unswerving struggle our workers have successively achieved good feats in repairing roads and bridges on various routes.

On this occasion, a comrade representing the district people's revolutionary committee also pledged to actively participate in national reconstruction, particularly in fully maintaining bridges and roads to ensure the prompt transportation of goods to the people.

CSO: 4212

BRIEFS

GDR COMMUNICATIONS DELEGATION--A delegation of the GDR naval and air communications led by Comrade Doctor Rentner, minister of communications [name and rank as heard], arrived at noon on 12 December 1980 for a visit to our country at the invitation of the Ministry of Communications and Posts. On hand to welcome the delegation were Comrade Khun Chhy, vice minister of communications and posts; Comrade (Chan Chim), assistant to the vice minister; Comrade Rolf Dach, GDR ambassador to Kampuchea; and many cadres and personnel of the Ministry of Communications and Posts. [Text] [BK150333 Phnom Penh Domestic Service in Cambodian 1230 GMT 12 Dec 80]

DELEGATION RETURNS FROM SRV--After successfully completing a visit to Vietnam, a delegation of the Voice of the Kampuchean People, led by Comrade Un Dara, director general of the radio, arrived at Pochentong Airport at 1105 on 8 December. Greeting the delegation at the airport were female Comrade Som Kim Suor, deputy director general of the Voice of the Kampuchean People; Comrade Chan Min, deputy director general of the newspaper KAMPUCHEA; Comrade (Nguyen Van Tho), deputy head of the Vietnamese experts attached to the radio; and several cadres, personnel and workers of the Voice of the Kampuchean People. Also on hand was Comrade Ngo Dien, ambassador extraordinary and plenipotentiary of the SRV to Kampuchea. [Text] [BK090928 Phnom Penh Domestic Service in Cambodian 1230 GMT 8 Dec 80]

WESTERN REGION BATTLE REPORT--In November our comrades in arms on the western region battlefield put 212 Vietnamese aggressors out of action, including killing a one-star colonel. We destroyed a C-25 radio, a quantity of assorted weapons, a company position, three barracks and a quantity of war materiel. We seized 3 B-40's, 6 AK's, 3 AR-15's, an M-79, 14 B-40 rockets, 420 rounds of AK ammunition, 14 M-79 grenades, and a quantity of war materiel. As for the system of primitive weapons, we made and planted 1,310,000 spikes and dug 1,700 punji pitfalls. [Excerpt] [BK210802 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 20 Dec 80]

GUERRILLAS AMBUSH VIETNAMESE--At 1100 on 13 December, our army and guerrillas ambushed a 150-hp motorboat of the Vietnamese enemy carrying troops from Koh Kong town to (Chhay Dach) on the Koh Kong Leu battlefield. When the motorboat reached the point of our ambush, our army and guerrillas fired at it with assorted guns, destroying both the motorboat and 107 Vietnamese troops aboard. Long live our valiant army, guerrillas and peolpe on the Koh Kong Leu battlefield. [Text] [BK191111 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 18 Dec 80]

CENTRAL REGION BATTLE REPORT--In November, our comrades in arms on the central region battlefield put out of action 575 troops of the Vietnamese aggressors, including the killing of a major and a platoon commander; destroyed a jeep, an M-79, a B-40, a drum-magazine machinegun, 9 AK's, 2 military barracks, and 4 trenches; and seized 2 B-40's, a drum-magazine machinegun, 5 AK's, 920 AK rounds, 32 B-40 rockets, 30 cans of humanitarian food aid and a quantity of other materiel. In their efforts to build a primitive weapons system, our comrades in arms produced and planted 634,800 new punji stakes, dug 750 punji pitfalls and made 470 automatic crossbows. [Excerpt] [BK190828 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 18 Dec 80]

EASTERN REGION BATTLE REPORT--In November our comrades in arms on the eastern region battlefield put 101 Vietnamese aggressors out of action and destroyed an M-79. We seized an M-79, 14 M-79 grenades, 8 B-40 rockets and a quantity of other materiel. Regarding the system of primitive weapons, we made and planted 81,700 new spikes and dug 410 punji pitfalls. [Excerpt] [BK200855 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 19 Dec 80]

GUERRILLA ATTACK IN PAILIN--At 0400 on 30 November our commandos on the Pailin battlefield raided the position of a Vietnamese company at the Kandie Hao banana plantation west of Pang Roloem on Route 10. After an hour of fighting we completely liberated and occupied this Kandie Hao position, killing 27 Vietnamese, including a two-star lieutenant commanding the company, and wounding 32 other Vietnamese troops. The survivors fled in disorder from the position. We destroyed 9 military buildings, 19 assorted weapons--including an 82-mm mortar, a 60-mm mortar, a 12.7-mm machinegun, a B-40 and a B-41--and seized 3,600 rounds of AK ammunition, 28 B-40 and B-41 rockets and some war materiel. Long live our courageous army, guerrillas and people of the Route 10-Pailin battlefield! [Text] [BK070350 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 4 Dec 80]

AMMUNITION DEPOT RAIDED--On 1 December our special guerrillas raided a Vietnamese enemy ammunition depot that was part of the enemy's position in Phkoam village, 28 km east of the Thmar Puok District seat. In a lighting attack we killed 16 Vietnamese troops. The survivors deserted their position. We blew up the ammunition depot in the position, which caused a fire that burned for 1 hour. After successfully completing this mission, our special guerrillas pulled out and returned to their base. Long live our courageous army, guerrillas and people of Thmar Puok District, Battambang Province! [Text] [BK070752 (Clandestine) Voice of Democratic Kampuchea in Cambodian tO Kampuchea 2330 GMT 6 Dec 80]

BATTAMBANG BATTLE REPORT--Following the successful liberation of the Vietnamese defense system at the Samlot district office, our army and guerrillas continued their attacks to cut the enemy's communications lines and to besiege Vietnamese positions. Our army and guerrillas raided four Vietnamese positions along the Samlot-Route 10 path at 2300 on 28 November, at (O Roka), at (Kbal Prolien), at (O Chak Khnea) and at Boeng Ampil or (Re Dek). During these attacks, we killed or wounded 52 with 27 bodies left in various places.

We destroyed a 60-mm mortar and a 12.7-mm machinegun, and seized a quantity of ammunitions and war materiel. We completely liberated and controlled a portion of this road, thus totally disrupting the enemy's communications line between Route 10 and Samlot. It should also be noted that another portion of this road joining (Troung Khla) to Samlot had previously been cut. Long live the valiant army, guerrillas and people on the Samlot battlefield, Battambang Province! [Text] [BK060926 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 3 Dec 80]

SRV COMPANIES DESERT--In November, two Vietnamese companies deserted their ranks from the Western Leach District battlefield [Pursat Province], fled along Route 6 and arrived in Siem Reap Province on 26 November. [Excerpt] [BK060922 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 3 Dec 80]

GREETINGS TO THAI KING--To His Majesty King Phumiphon Adunyadet of the Kingdom of Thailand, Bangkok: Your Majesty, on the propitious celebration of your birthday, on behalf of the Kampuchean people and the government of Democratic Kampuchea, and in my own name, I am very elated to extent to you my warm congratulations and sincere regards. I wish Your Majesty good health, longevity, happiness and more successes to your noble mission. I wish the Kingdom of Thailand lofty prestige, and the Thai people prosperity and well-being forever. Availing myself of this precious opportunity, I would like to reiterate my most heartfelt and profound gratitude to your majesty, to the royal family, to the royal government, and to the Thai people for their successive and comprehensive efforts in support of the just national cause of our Kampuchean people. May the traditional and centuries-old bond of friendship between our two countries and peoples grow forever stronger. Please, Your Majesty, accept my regards. Democratic Kampuchea, 2 December 1980 [Text] [BK050745 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 4 Dec 80]

SAMLOT BATTLE REPORT--In November our comrades in arms on the Samlot battlefield in Battambang Province killed or wounded 1,450 Vietnamese aggressors' troops; smashed 3 trucks, 3 82-mm and 5 60-mm mortars, a 12.8-mm and a 12.7-mm machine-guns, 7 M-30 machineguns, 6 drum-magazine machineguns, 9 Goryunov guns, 5 M-79's, 30 B-40's and B-41's, 67 AK's, 5 AR-15's, a C-25 radio set, 3 command posts and 86 military barracks; and seized a 60-mm mortar, 9 mines, 3 crates of AK rounds, 25 B-40 rockets and a quantity of various items. Moreover, our comrades in arms destroyed 20 big and small positions of the Vietnamese enemy, liberated and took control of 3 enemy positions and totally cut and took control of the stretches of road from Route 10 to Samlot and from Samlot to Trung Khla. Compared with the 1,000-enemy-loss-a-month plan, our comrades in arms carried out 145 percent of the plan, that is, over-fulfilled it by 45 percent. In the building of a primitive weapons system, our comrades in arms produced and planted 879,600 new punji stakes, dug 900 punji pitfalls, made 400 automatic bows and felled 370 trees to block roads. [Excerpt] [BK111145 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 10 Dec 80]

WESTERN LEACH BATTLE--In November our comrades in arms on the Western Leach District battlefield put out of action 805 Vietnamese troops, including a battalion commander killed; destroyed an 82-mm and a 60-mm mortars, 5 M-30 machineguns, 3 drum-magazine machineguns, 11 B-40's and B-41's, 18 AK's, an M-79, a pistol, a command post, 17 military barracks, 26 trenches and a telephone set; and seized 12 AK's, an M-79, 2,000 AK rounds, 6 M-79 grenades, 27 mines and a quantity of various materiel. In their efforts to build a primitive weapons system, our comrades in arms produced and planted 2,538,200 new punji stakes, dug 500 punji pitfalls and made 800 automatic bows and 520 snares. [Excerpt] [BK111143 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 9 Dec 80]

GUERRILLAS RAID AIRFIELD--At 2000 on 3 December, our guerrillas raided a Vietnamese position at the O Sralau airfield on the Sisophon south of Route 5-Bavel battlefield. We put 71 Vietnamese troops out of action while the remainder fled in disarray, leaving behind 31 dead, including 2 members of the battalion command, a Goryunov gun and 3 drum-magazine guns. We destroyed five ammunition, rice and war materiel depots; the ammunition depot exploded throughout the day. We also destroyed 11 trenches and seized 3 AK's, 13 cans of humanitarian food aid and a quantity of other materiel. We controlled the position until 0300 the next morning, and then withdrew to our base. Long live the valiant army, guerrillas and people on the Sisophon south of Route 5-Bavel battlefield! [Text] [BK110322 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 8 Dec 80]

KOH KONG-KOMPONG SOM BATTLES--In November, our comrades in arms on the Koh Kong-Kompong Som battlefield put 2,974 Vietnamese troops out of action, including killing a battalion commander, 3 three-star lieutenants, a two-star lieutenant, a one-star lieutenant, 3 company commanders and 3 commune leaders. We destroyed 4 trucks, a motorcycle, 5 DK-75's, a DR-82, 10 82-mm mortars, 10 60-mm mortars, 6 12.7-mm and 12.8-mm machineguns, 3 M-30 machineguns, 13 M-79's, 13 Goryunov guns, 15 B-40's and B-41's, 355 AK's, 2 drum-magazine guns, and 3 C-25 radios. We also destroyed a 150-hp and 2 37-hp motorboats, an ammunition depot, 56 barracks and 22 trenches as well as 9 train cars and a quantity of war materiel. Our comrades in arms seized 2 DK-75's, a DK-82, an 82-mm mortar, a 60-mm mortar, 19 B-40's and B-41's, 16 drum-magazine guns, 8 M-79's, 16 Goryunov guns, 137 AK's, 301 Soviet A-2 mines, 15 handgrenades, 85 B-40 rockets, 55 AK magazines, 44 crates and 1,500 rounds of AK ammunition, 30 bags of rice, 270 cans of humanitarian food aid and a quantity of war materiel. We also liberated a battalion position, three company positions and fully controlled the Lateritic Road from Trapeang Rung to Andong Toek. Compared with the 1,500-enemy-loss-per-month target, we achieved 148.26 percent, or over 48 percent above the plan. Regarding the primitive weapons system, we made 1,874,300 new spikes, planted 734,700 punji stakes, dug 250 punji pitfalls, set 130 snares and planted 450 landmines. [Excerpt] [BK110422 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 8 Dec 80]

EASTERN REGION BATTLE REPORTS--In November, our comrades in arms on the Eastern Region battlefield put 530 of the Vietnamese aggressor troops out of action. We destroyed a rifle and an AR-15, and seized an M-79, an AK, 12 M-79 grenades, 16 B-40 rockets, 12 landmines, 500 rounds of AK ammunition, 20 handgrenades and a quantity of other materiel. Compared with the monthly plan for 300, we achieved 176.66 percent or almost 77 percent above the target. Regarding the system of primitive weapons, we made and planted 1,208,000 spikes, dug 250 punji pitfalls, set 480 snares, and felled trees to block a number of significant roads. [Excerpt] [BK170822 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 16 Dec 80]

BATTAMBANG AMBUSHES--At 2200 on 12 December our army and guerrillas raided a Vietnamese position at Phum Kanhchang on the Samlot battlefield in Battambang Province, killing 5 Vietnamese troops, wounding 15 others, destroying 2 military barracks and 5 trenches, and seizing a 60-mm mortar, a B-41 and 3 AK's. The survivors fled in great panic from the Kanhchang position toward Anlung Puok. At a little distance from Kanhchang, they ran into our first ambush. We detonated mines, killing 33 of them on the spot and destroying 3 B-40's, a B-41, 2 drum-magazine machineguns and 4 AK's. The survivors fled on toward Anlung Puok but fell into our second ambush. We killed 20 of them, including a two-star lieutenant company commander, wounded 10 others and destroyed a 60-mm mortar, a drum-magazine machinegun and 15 AK's. The rest fled into the Anlung Puok position. An hour later, a Vietnamese company moving from the Anlung Puok position to O Reang Khen ran into our third ambush. We detonated mines, killing 40 Vietnamese troops, wounding 30 others and destroying a 60-mm mortar, a B-41, 4 B-40's, 20 AK's and a C-25 radio set. At 1000 on 13 December, a Vietnamese platoon moving from the position at the Samlot District seat to the artillery command post at (Kampout Don Rong) ran into our ambush. We detonated mines, killing five of them and wounding seven others. In sum, we killed or wounded 165 Vietnamese troops. After controlling the Kanhchang position for one whole night and the next morning, we withdrew back to our base. We totally protected our forces. Long live our valiant army, guerrillas and people on the Samlot battlefield in Battambang Province! [Text] [BK170408 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 16 Dec 80]

PREAH VIHEAR BATTLEFIELD--In November, our comrades in arms on the Chhep-Choam Khsan battlefield in Preah Vihear Province put out of action 918 troops of the Vietnamese aggressors, including the killing of a company commander; destroyed 2 trucks, a DK-82, an 82-mm mortar, 2 B-40's, an M-79, 3 M-72's, a drum-magazine machinegun, 15 AK's, 3 C-25 radio sets, an ammunition depot, 5 warehouses, all the weapons in 15 military buildings, 42 military barracks, 5 trenches and lines of the enemy defense system; and seized an 80-mm mortar, 7 B-40's and B-41's, 18 AK's, 4 M-79's and a quantity of war materiel. Compared with the 800-enemy-loss-a-month plan, our comrades in arms carried out 114.75 percent of the plan, overfulfilling it by almost 15 percent. In their efforts to build a primitive weapons system, our comrades in arms produced 992,500 new punji stakes, dug 880 punji pitfalls and made 760 automatic bows and 510 snares. [Excerpt] [BK160744 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 15 Dec 80]

PAILIN BATTLE REPORTS--In November, our comrades in arms on the Route 10-Pailin battlefield put 1,350 Vietnamese aggressor troops out of action. We destroyed a truck, 3 82-mm mortars, 4 60-mm mortars, a 12.7-mm machinegun, an M-30 machinegun, 25 B-40's and B-41's, 31 AK's, 9 M-79's and 4 drum-magazine guns, as well as 80 trenches and 45 barracks. We seized a 60-mm mortar, a 12.7-mm machinegun, an M-30 machinegun, an M-79, 6 B-40's and B-41's, a drum-magazine gun, 81 B-40 and B-41 rockets, 11,930 rounds of AK ammunition, 29 handgrenades, 702 Soviet mines, 28 M-69 mines, 3 crates of humanitarian food aid, and a quantity of other materiel. We also liberated and took control of six enemy positions. Compared with the 800-enemy-loss-per-month target, we achieved 168.75 percent, surpassing the target by almost 69 percent. Regarding the system of primitive weapons, we made and planted 961,300 new spikes, dug 500 punji pitfalls, set 400 automatic bows, and felled 380 trees to block roads. [Excerpt] [BK140342 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 11 Dec 80]

BATTAMBANG BATTIEFIELD REPORTS--In November our comrades in arms on the Sisophon-South of Route 5-Mongkolborei-Bavel battlefield in Battambang Province put out of action 1,245 troops of the Vietnamese enemy, including the killing of a one-star colonel and 3 captains; destroyed 2 pistols, 7 M-79's, 9 B-40's, a Goryunov gun, 12 drum-magazine machineguns, a truck, 2 C-25 radio sets, 14 trenches, 25 military barracks, 6 rice and ammunition depots and a bridge; and seized a 60-mm mortar, 2 Goryunov guns, an M-79, 5 B-40's, 9 drum-magazine machineguns, 24 AK's, 16 AR-15's, 9 CKC's, 20 M-79 grenades, 1,240 Goryunov rounds, 18 crates and 438 rounds of AK ammunition, 147 B-40 and B-41 rockets, 10 Claymore mines, 429 R-2 mines, 50 handgrenades, 2 C-25 radio sets and a quantity of various documents and materiel. Our comrades in arms liberated and took control of an enemy position and captured 10 enemy troops alive. [Words indistinct] 1,500-enemy-loss-a-month plan, our comrades in arms carried out 83 percent of the plan. In their efforts to build a primitive weapons system, our comrades in arms produced and planted 3,841,000 new punji stakes, dug 2,300 new punji pitfalls, made 180 new automatic bows and felled 630 trees to block roads. [Excerpt] [BK150518 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 12 Dec 80]

SIEM REAP ANGKOR ATTACK--On 2 December our guerrillas ambushed and set ablaze a truck of the Vietnamese enemy on a road in the big circle of the Angkor complex in Siem Reap Province, killing 15 Vietnamese troops, wounding 10 others and destroying 20 assorted weapons and all the materiel aboard the truck. Long live our valiant army, guerrillas and people in Siem Reap Province! [Text] [BK121254 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 10 Dec 80]

SIEM REAY-ODDAR MEANCHEY BATTLES--In November our comrades in arms on the Siem Reap-Oddar Meanchey battlefield put out of action 813 troops of the Vietnamese aggressors, including the killing of a company commander; destroyed 3 trucks, 20 B-40's, 33 AK's, 2 M-79's, 4 AR-15's, an ammunition depot, 18 trenches and 15 military barracks; and seized 3 drum-magazine machineguns, 16 AK's, an M-79, 17 AR-15's, 13 B-40 rockets, 1,480 AK rounds and 92 mines. Our comrades in arms liberated nine villages in Banteay Srei and Svay Leu districts of Siem Reap Province. In their efforts to build a primitive weapons network, our comrades in arms produced and planted 867,850 new punji stakes, dug 1,500 new punji pitfalls, made 500 automatic bows and 300 snares, and felled a number of trees to block roads. [Excerpt] [BK150740 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 14 Dec 80]

AMBASSADOR TO BULGARIA--On 20 November 1980, Mr Meas Samnang, ambassador extraordinary and plenipotentiary of the PRK, presented his credentials to Mr Todor Zhivkov, president of the State Council of the People's Republic of Bulgaria and first secretary of the Central Committee of the Communist Party of Bulgaria. In his cordial talks with the Kampuchean ambassador, the Bulgarian president affirmed that the establishment of diplomatic relations between the two countries permits the consolidation and development of the relations of friendship and cooperation in all fields between the two peoples. He praised that the militant solidarity of the three Indochinese countries is a great force in the safeguarding of lasting peace and stability in this region and the rest of the world. On 17 November, Meas Samnang met with Bulgarian Foreign Minister Petur Mladenov. The Bulgarian minister noted that the Chinese expansionists, in collusion with the U.S. imperialists and other reactionary forces, have created various difficulties to the Kampuchean people in their national reconstruction and sought to undermine the Kampuchean revolution. But, he added, these difficulties will be surmounted and their (?dirty lies) are doomed to meet with failure, because the Kampuchean people are not alone in the struggle for independence, sovereignty and territorial integrity. Laos, Vietnam, Bulgaria and other brotherly countries and the peace- and justice-loving people in the world are always by the side of the PRK. [Text] [BK271027 Phnom Penh International Service in English 0000 GMT 27 Nov 80]

SIHANOUK REJECTS ALLIANCE--Beijing, 13 Dec (AFP)--Former Cambodian head of state Prince Norodom Sihanouk today again ruled out any possibility of an alliance with the ousted Khmer Rouge regime, which two weeks ago asked to meet with the prince to discuss ways of overthrowing the current Vietnam-supported Phnom Penh regime. However, in a statement to Agence France-Presse from his home in the North Korean capital of Pyongyang, the prince said he "morally supported all patriotic forces that are struggling against Vietnamese colonialism." "My divorce from the Khmer Rouge is total and irreversible," Prince Sihanouk said. The prince said his statement was meant as a formal response to a proposal made by the Khmer Rouge, in the form of an interview given a fortnight ago to the NEW CHINA NEWS AGENCY by Ieng Sary, a Khmer Rouge leader. [Text] [OW130438 Hong Kong AFP in English 0434 GMT 13 Dec 80]

CSO: 4220

MOSCOW RADIO INTERVIEWS KAYSONE PHOMVIHAN

BK041248 Moscow Radio in Lao to Laos 1430 GMT 1 Dec 80

[Interview with Kaysone Phomvihan, general secretary of LPRP Central Committee and premier of LPDR, by Vientiane-based station correspondent; date not given--recorded]

[Text] Dear Soviet friends, I am very pleased to have an opportunity to speak over Soviet television prior to the great festival of the Lao people--the fifth anniversary of the establishment of the LPDR.

On 2 December 1975, the National Congress of the People's Representatives declared the establishment of the LPDR. In realizing their earnest aspirations, the Lao people have achieved an historic success after going through a difficult struggle full of sacrifices under the leadership of the LPRP.

Following the establishment of the LPDR, the Lao revolution entered a new stage, that of socialist transformation and construction. The LPDR has become another member of the socialist community and its outpost in Southeast Asia. In the past 5 years our party led the people to concentrate all their strength on simultaneously carrying out two strategic tasks, that is, defending the country and building socialism. During this period, we scored achievements which are worthy of our pride in our first steps on the road toward socialism.

On the agricultural front, thanks to the expansion of our material foundations the acreage for rice cultivation has increased by as much as 4 percent as compared with that in 1975; the grain output has increased by 31 percent and the number of animals has increased by 35 percent as compared with 1977. The acreage for industrial crops cultivation has increased by twofold. The movement of setting up agricultural cooperatives has developed. Though lacking experience, some outstanding cooperatives have emerged.

In the industrial sphere, hundreds of factories have been restored and have resumed normal production. Some important new factories have been constructed. The networks of state-run shops and cooperatives has developed. The communications and transport branch has increased its service capability and built more material foundations.

The task of primary education, the elimination of illiteracy and cultural training, has rapidly developed. Today, 94 percent of all cantons throughout the country have done away with illiteracy. The number of school children and students attending colleges has increased by threefold as compared with the period before the liberation of the country.

Free medical services have reached cantons, villages and even the most remote areas. Never before has our country gone through such profound changes so rapidly in such a short period of time.

Under the new system, the people have resolutely concentrated all their strength and intelligence on consolidating the revolutionary administration, strengthening the all-people national defense, maintaining public order in the country and defeating subversive schemes of the enemy.

Our entire people are celebrating the fifth anniversary of the establishment of the LPDR with joy and happiness and are very proud of the achievements they have scored. At present, in factories, plants, agricultural cooperatives and construction enterprises, enthusiastic and extensive movements have been launched to emulate in scoring achievements to welcome the historic day. The Lao people are now entrusted with great and heavy tasks. We firmly believe that with their spirit of loving the country and socialism, with the spirit of unity among the Lao people of all nationalities throughout the country, with the special relationship and all-round cooperation, and with the fraternal assistance of the Soviet Union and other socialist countries, the Lao people, however, under the leadership of the LPRP, will surmount all difficulties, safeguard the gains of the revolution and win them successes on the path of building a prosperous, socialist Laos.

Our party, the government and all the Lao people know well that all successes of the Lao revolution won during the resistance struggle against the U.S. imperialists in the past and in the current cause of national defense and socialist construction cannot be separated from the precious, great, prompt and effective support and assistance of the CPSU, government and fraternal people of the Soviet Union.

We are happy and greatly rejoice at learning that after the establishment of the LPDR new contents and qualities have emerged from the Laos-USSR friendship. The multilateral cooperation between the two fraternal countries and our two peoples has been strengthened and developed with each passing day. Soviet assistance has rapidly given us the strength to build socialist foundations and to strengthen our national defense potentials.

The Lao-Soviet summit meeting held in Crimea this August is a new symbol of the mutual understanding and close cooperation between our two countries.

Under the present situation in which the reactionaries in the Beijing ruling circles and colluding with the imperialists and reactionaries of all types to counter and sabotage the three countries in Indochina and create tension in Southeast Asia, it is impossible to safeguard peace, stability and security in this region of the world without the strengthening of solidarity and cooperation with the Soviet Union and other fraternal socialist countries.

I take this opportunity to extend fraternal salutations and to express profound gratitude to the CPSU, government and fraternal people of the Soviet Union led by esteemed Comrade Leonid Brezhnev for giving their lofty international assistance and unswerving support to the Lao revolution.

I wish the Soviet people fine success in their Tenth Five-Year Plan and glorious achievements in their emulation to welcome the forthcoming 26th Party Congress.

CSO: 4206

PRODUCTION, EXPORT FIGURES FOR ELECTRICITY, WOOD REPORTED

Vientiane NOUM LAO in Lao 1-15 Oct 80 pp 4, 14

["Letters Answered" column"]

[Excerpt] The third letter comes from a Lao student at Sofia University in Bulgaria, who asks what the total kilowatt production of Nam Ngeum Dam is. How much is sent to Thailand? What country buys most of the coffee and cardamom? What kinds of wood sell well? What is the total annual revenue from electricity, export of coffee, cardamom, and wood?

Answer: The total production of Nam Ngeum Dam electricity now is 393,402,900 kilowatt hours. Thailand for the first 6 months of 1980 received 338,264,000 kilowatt hours. Most of the export of wood, cardamom, and coffee goes to Japan, but there are other recipient countries, too. The wood that has the best sale is pterocarpus macrocarpus. When circumstances allow it, we will let you know the revenue from each.

9615
CSO: 4206

RICE SALES TO STATE, INDUSTRIAL PRODUCTION REVEALED

Pak Ou Rice Sales

Vientiane SIANG PASASON in Lao 25 Oct 80 pp 1, 3

[Text] In the beginning of October the people of the five cantons which are under Pak Ou District, Luang Prabang Province, namely, Pak Ou, Hat Pang, Houei Kok, Houei Chek, and Phon Kham, volunteered to bring their surplus rice, after calculating their household needs, to sell to the state. This amounted to about 29 tons. Not only did the sale of rice increase household incomes, it represented the performance of the rights and duties of the citizens.

Distillery Production

Vientiane VIENTIANE MAI in Lao 30 Oct 80 p 1

[Text] From January to September 1980 the production of liquor and other alcoholic beverages to meet the requirements of society progressively achieved good results. It is well known that the Lao Viang Distillery is one enterprise of the Vientiane Industry and Trade Service.

In this period production was 90 proof Fan Thong and Bon Yna liquor, 27,140 liters distilled, valued at 1,241,611.45 kip.

At present all the workers of the distillery continue to fulfill the end of the year plan very vigorously to balance the production goal for 1980. They scored achievements to celebrate the fifth anniversary of National Day on 2 December.

Bo O Factory Production Statistics

Vientiane VIENTIANE MAI in Lao 3 Nov 80 p 1

[Text] From January to September 1980 all the workers of the can factory, subordinate to the Vientiane Industry and Handicrafts Company, (factory located at Ban Bo O), determined to produce adequate agricultural tools and household utensils.

In this period they were able to make 13,464 water buckets, size 17, 15, 14, which exceeded planned goals and 197 vegetable watering cans, size 20 and 10, which had a total value of 333,494.46 kip. The factory workers now are continuing to perform their specialized tasks with all vigor.

Brick Production

Vientiane VIENTIANE MAI in Lao 28 Oct 80 pp 1, 4

[Excerpt] From January to September 1980 all the workers of the brick factory, which is subordinate to the Vientiane Industry and Trade Service, raised their sense of responsibility in their specialized tasks to achieve significant production. In this period they were able to make 1,375,283 bricks, valued at 1,110,246 kip.

Luang Prabang Rice Sales

Vientiane KHAOSAN PATHET LAO in Lao 5 Nov 80 p A2

[Text] Vientiane (KPL). From the end of September to 21 October 1980 the members of various agricultural cooperatives in Nan District, Luang Prabang Province, brought their surplus rice, after calculating the needs of their household, to sell to the state. This amounted to more than 21 tons, of which 632 kg was husked rice. The sale not only brought income to the households and the agricultural cooperative units but it also gave the state funds for building the national economic base.

Sayaboury Rice Sales

Vientiane KHAOSAN PATHET LAO in Lao 5 Nov 80 p A3

[Text] At the end of October 1980 the people of Na Khen Canton, Phiang District, Sayaboury Province, brought their surplus rice, after the family needs were met, to sell to the state at a fair price. This was over 12 tons. The sale of the rice to the state is a duty of the citizens, by which every one must give a part of his income to the state, to provide capital for the task of governing, protecting, and building the nation. It also provides increased income for the household to improve their living conditions day by day.

Luang Prabang Bakery Production

Vientiane KHAOSAN PATHET LAO in Lao 4 Nov 80 p A3

[Text] Vientiane (KPL). From the beginning of the year to the present the workers of the bakery, under the Luang Prabang Province Industry and Trade Service, put forth strenuous effort to produce various types of bakery goods enthusiastically, an attitude appropriate for the workers in the new regime. In this period they made more than 10 tons of bakery goods, exceeding last year's plan by 423 kg. At present the workers are joyfully competing in production to achieve much greater production than before, assuring quality, to celebrate the fifth anniversary of National Day on 2 December.

Saravane District Sales

Vientiane KHAOSAN PATHET LAO in Lao 25 Oct 80 p A6

[Excerpt] Vientiane (KPL). From the beginning of the year to the present the trade cadres of Lamam District, Saravane Province, paid attention to bringing goods of various kinds to sell to the cadres, soldiers, and the general public along with buying many agricultural and forest products from the people. The goods sold were more than 7,600 meters of cloth, 4,100 skeins of cotton, 11,900 skirts, 12,300 bars of soap, 9,000 pots, hoes, shovels, and other household utensils. The agricultural produce and forest products purchased from the people were 30 tons of coffee, over 170 tons of unhusked rice, and dozens of tons of animal bones, hides, and other items.

9615
CSO: 4206

ECONOMIC DEVELOPMENT, POTENTIAL OF SAYABOURY DESCRIBED

Population Figures, Ethnicity

Vientiane SIANG PASASON in Lao 16 Oct 80 p 2

[Excerpt] Sayaboury Province is beautiful and rich.

Sayaboury Province stretches a long portion of the length of the northern region of Laos and lies along the western bank of the Mekong River. It has a total area of 18,400 square kilometers. On the west it borders on Thailand for 520 kilometers and on the east it is bordered by Louang Namtha, Udomsai, Luang Prabang, and Vientiane provinces.

The population of Sayaboury Province totals 207,000 persons including 25,397 Lao Theing and 14,827 Lao Sung.

Administratively, Sayaboury Province is divided into seven districts, namely Xieng How, Hongsa, Sayaboury, Phieng, Paklai, Kenthao and Boten. These are further divided into 58 cantons and 616 villages. Ethnic minorities live in small villages of from 15 to 20 houses that are widely scattered on the mountain tops and small stream valleys. The ethnic Lao Lum people tend to establish large villages of from 100 to 600 houses along the banks of large streams and rivers that are navigable so they can use the streams and rivers for making a living, commerce and association.

Self-Sufficiency in Agriculture

Vientiane SIANG PASASON in Lao 17 Oct 80 p 2

[Excerpt] The Agricultural Field

Plains make up only 40 percent of Sayaboury Province with the remainder being mountainous. As a result there are many difficulties for agriculture. Paddy fields cover an area of only 33,690 hectares but dry fields cover a larger area.

The Hongsa District plain is the broadest plain in Sayaboury Province and covers an area of 3,335 hectares. Besides that there are the Phieng District plain and the Sayaboury District plain that are not quite so large. The majority of people in the districts of Paklai, Kenthao, Boten and all other districts, no matter what ethnic or tribal group they belong to, perform shifting agriculture.

There are two types of soil in Sayaboury Province. In the five central and southern districts the soil is red clay in which crop failure frequently occurs when favorable rainfall does not occur during a growing season and shifting agriculture is successful only on the banks of large streams. In the two northern districts, i.e., Xieng Hon and Hongsa, the soil is rich and a mixture of clay and sandy soil. This type of soil is quite suitable for crop growing so these two provinces have become the rice basket of Sayaboury Province.

There are also many other difficulties that interfere with agriculture in Sayaboury Province. Every year farmers encounter and have to fight against natural pests, especially caterpillars, mice and birds, that cause crop damage while the rice is ripening on the stalk and this is a serious, significant problem.

Despite the difficulties and with the correct policy guidance of the party and state and the close leadership of local revolutionary administrative authorities, the multi-ethnic people of Sayaboury Province, who had brave, firm faith in victory, decided on a high campaign to carry out the plans and policies of the party effectively and efficiently. Based on an awareness of the national interest and a community spirit, the farmers, from scattered pursuit of making a living, all turned to join organizations such as farmers' solidarity units, labor pooling units and agricultural cooperatives. Although the enemy has concentrated on propaganda to confuse in hopes of destroying collective organizations, to date the farmers have maintained their collective spirit and 18.2 percent have voluntarily become members of 125 agricultural cooperatives spread throughout all the districts.

The past 5 years of progress on the path of socialist revolution have improved the living conditions of the people noticeably. As the chairman of the Sayaboury Province administrative committee has said, our province's annual requirements for rice consumption equals 70,000 tons but our actual annual production of rice equals 75,000 tons. In other words, each year we have 5,000 tons of rice to export from the province. The reason for the increase in the quantity of foodstuffs is the widespread improvement and expansion of crop lands. In the past 5 years throughout Saraboury Province they have been able to clear 250 hectares of new paddy fields. The 1,404 hectares of dry-season rice fields is a new element that has originated under the new regime. The growing of dry-season rice, from being considered difficult and unrewarding, has progressed to a normal condition or as it is called "an occupation that could not be cut off."

Coupled with the above the growing of starchy crops began to carry out the plans of the party and state beginning with the day the nation was liberated and it is currently undergoing a strong expansion. Each year they are able to harvest up to 46,926 tons of dried corn to be used as animal feed and to be exported abroad.

Development Potential Noted

Vientiane SIANG PASASON in Lao 18 Oct 80 p 2

[Excerpt] In carrying out the plans and policies of the party and state for the last 5 years the local, revolutionary, administrative authorities of Sayaboury Province have guided the multi-ethnic people to energetic construction of irrigation dams. Besides repairing two medium-size barrier dams, i.e., the Mieng River Dam Number One and the Tan River Dam, to restore them to normal service to agriculture the people of many localities have used their own resources and labor to construct a total of 363 small-size dams. Altogether now in Sayaboury Province there are 9,450 hectares of paddy land that are not dependent upon rainfall because they get sufficient water from irrigation dams. This is 28.5 percent of all paddy land in the province and is a wonderful accomplishment of the people of Sayaboury in the initial phase. The people of Sayaboury Province understand that, "we only need irrigation dams for agriculture in order to realize our desire to progress to large-scale production and to establish agricultural cooperatives or communes."

There are currently 816 domesticated elephants in Sayaboury Province making it the province with the greatest elephant population in Laos. This is an indication of the wealth of Sayaboury Province. It also has large numbers of other animals, such as 63,500 water buffaloes, 15,000 cattle, and 3,200 horses. Yard animals, such as pigs, ducks and chickens, have also expanded due to prevention of diseases and epidemics. There are 56,000 pigs and 538,000 ducks and chickens.

Forestry, Industrial Work

Vientiane SIANG PASASON in Lao 20 Oct 80 p 2

[Excerpts] Forests cover 60 percent of the area of Sayaboury Province. Teak and khamphi-wood are the most valuable trees in this locality. In Sayaboury Province teak trees grow everywhere without any necessity to plant or care for them. Any tree you look at has a massive trunk and is very tall. In some spots the forests are thick with nothing but teak trees. As a result Sayaboury Province is widely known as "the teak province." The greatest concentration of teak trees is in Paklai District where about 20 percent of the trees are teak.

Annually up to 1,500 cubic meters of lumber are cut in Sayaboury Province for sale or for use in making useful items, so replacement trees must be planted every year as well. But there is also a great amount of unfortunate damage caused, for example, by shifting agriculture. Up to 15,000 hectares of forest are destroyed a year in order to clear land for shifting agriculture. The Sayaboury Province party committee has designated this to be an important and urgent problem for solution using the methods of mobilizing the people to give up shifting agriculture in favor of establishing permanent agricultural settlements and of mobilizing the people to plant trees everywhere.

Industry and Handicrafts

Industry in Sayaboury Province is still in a very limited, weak condition. There are only three sawmills, namely the Nam Tian, Thadeua and Paklai sawmills. Besides those there are only 150 rice mills that also come under the heading of industry in Sayaboury Province.

The people of Sayaboury Province are able to produce an estimated annual total of 200,000 meters of cloth, 5,800 butcher knives, 1,000 axes and 2,500 scythes. These are examples and they are able to satisfy 20 percent of the annual demand. They are 42 percent self-sufficient in salt which is distilled from salt mines in four locations in Boten and Phieng districts. The person in charge of handicrafts in the province has said, "we will be completely self-sufficient in salt before very many years." He was referring to plans for improving the capabilities of the existing salt mines and to search for new salt deposits that are currently being carried out.

Communications Poor, Private Sector Active

Vientiane SIANG PASASON in Lao 21 Oct 80 p 2

[Excerpts] Commerce

As stated before the people of Sayaboury Province live in small villages, especially the minority groups, and the villages tend to be spread far apart. There are only 300-plus kilometers of roads. That said, one can easily see that Sayaboury Province has many difficulties for traffic and distribution of goods. For example, in Xieng How, Hongsa, Boten, Kenthao and Paklai districts, and even in Phieng and Sayaboury districts, the latter being the seat of the provincial capital, the transportation of goods must employ elephants, horses and humans for the most part.

The local revolutionary administrative authorities have sought methods to solve the problem rapidly. First, they established eight state stores, at least one in every district. Then they expanded commercial outlets down to the people and expanded cooperative stores widely covering 80 percent of the cantons in the province. Most of the cooperative stores have been set up far from any district or provincial stores. There has also been a policy of splitting a percentage of the profits with over 600 private traders in order to encourage them to take state goods and sell them to people in places that have neither state nor cooperative stores.

Since 1975, annually the province has imported an average of over 4 million kip worth of goods to be sold within the province and has exported an average of over 6 million kip worth of goods from within the province, such as lumber, forest products and agricultural products, to sell outside the province or outside the country. Since export figures exceed those of imports, this is evidence that the economy or the value of all types of goods in the province is firmly assured. Sayaboury Province has trading ties with Thailand with imports and exports totaling not less than 2 million kip yer year.

In the past 5 years the most significant accomplishment of the Sayaboury Province Department of Public Works is the completion of construction of a 150-kilometer road from Phiang District to Paklai District. The completion of construction of a new road such as this is very significant. Besides making travel more convenient, it represents an attack on the backwardness which has existed here for thousands of years. Even though this new road is usuable only in the dry season, it is a foundation and is capable of responding to the demands of a rapidly developing situation.

In order to facilitate commercial traffic and popular travel the Sayaboury Province administrative authorities organized private vehicle owners and private boat owners into a land transport company and a water transport company. The land transport company has 22 vehicles and the water transport company has 26 boats of 10 tons displacement or less. They both operate like state enterprises. In addition the province has set up one state transport company comprising 32 trucks and 4 60-ton boats. All three transport companies have important roles in the work of building the new order. The amount transported annually has increased an average of 2,000 tons by land and 7,000 tons by water.

The progress in communications in Sayaboury Province is a source of satisfaction to the multi-ethnic people. In the 1981-1985 Five-Year Plan Sayaboury Province plans to construct an all-weather road from the north to the south.

8947
CSO: 4206

PRIVATE SECTOR ACTIVITY, PRICES, POPULATION FIGURES REPORTED

Vientiane SIANG PASASON in Lao 18 Oct 80 p 2

[Article by Sainam Sedon: "New Life of Thakhek District"]

[Text] When we entered Thakhek District late-season rains were sprinkling down without let-up. The rains soaked the broad evergreen forests in the plains area. But this cannot prevent activity by crowds of people. Vehicles and people pass one another on every street in town. Cadres, state functionaries and workers are getting ready to take their implements or equipment to begin their respective jobs. Farmers are carrying their produce to the central market. All the shops have opened their doors to sell an abundance of goods. There are food shops, trading stores, tailor shops and even people's cooperative stores. Each shop is filled with miscellaneous goods, fruits, vegetables and domestic animals that the shop owners have raised or found through their own resources and labor.

I went to the market on the bank of the Mekong. At the market there is still a people's cooperative meat store where each person in a family gets one-half kilogram of meat per day. In addition a state meat store sells meat regularly at from 18 to 24 kip per kilogram (pork and buffalo meat).

The rainy season is the time when the farmers of Thakhek District harvest all kinds of fruit. Every day in late afternoon young men and women are seen carrying mountains of fruit to the shops to be sold the next day. An abundance of large and small fish are also for sale.

Thakhek is a small district situated on the bank of the Mekong in central region of our country and has a population of only 18,000-plus. Some of the houses, shops and roads in the district are old. Most people live in houses or shops made of mosquito netting and boards or with tiles on walls and platform and have occupations in rice or plantation farming. In the district we see fruit and coconut trees and various kinds of fruit trees are planted in an intermingled fashion. In addition all kinds of beautiful flower bushes are scattered all over.

In Thakhek District high-voltage electricity from the Nam Ngum Dam is available and passes through Thailand. It is thus a condition and a facility for use in production such as dams, irrigation systems, sawmills, rice mills, movie theaters, etc., which make living conditions for the people of this district rich and attractive.

8947
CSO: 4206

MINISTRY OF INDUSTRY, TRADE REQUESTS BIDS FOR FORESTRY PROJECT

Vientiane KPL in English 6 Nov 80 p 7

[Tender notice in English appearing in French language edition of KHAOSAN PATHET LAO]

[Text] The Department of Finance of the Ministry of Industry and Commerce (MIC) invites sealed tenders from member countries of the Asian Development Bank (ADB) for the design, manufacture, supply, testing, finishing, export packing, shipping, delivery, installation, site testing and commissioning of a sliced veneer processing line, a peeling and clipping line and certain other plymill equipment to be financed in various currencies from the special funds resources of ADB under the Lao Forestry Development Project. Such project is to be implemented by MIC through the Wood and Rattan Industry Company, a state-owned company under the jurisdiction of MIC.

Tender documents can be obtained on any working day during office hours from 8:00 a.m. to 5:00 p.m. (Lao time) up to 16 February 1981 on payment of a non-refundable sum of US$50 per set from:

Department of Finance
Ministry of Industry and Commerce
Vientiane
Lao PDR

Fully completed sealed tenders must be submitted to the above address not later than 10:00 a.m. (Lao time) on 16 February 1981. Tenders received later than that time will not be accepted and will be returned to the tenderer unopened. Tenders will be opened in public at the premises of MIC at 10:00 a.m. on 16 February 1981 and the bid prices read aloud and recorded.

CSO: 4220

MILITARY PERSONNEL PROTEST ILLEGAL DEDUCTIONS, LOW PAY, MARRIAGE BAN

Vientiane SIANG PASASON in Lao 18 Oct 80 pp 2, 3

[Article in "Letters Answered" Column: "Pay Problems"]

[Text] Today SIANG PASASON has selected a letter from Cholachay Phutthala who is assigned to Battalion 702 to reply to questions on several matters as follows:

1. How should a unit treasury be built? If it is done by deducting three-to-five days pay from each soldier's monthly pay, is this correct?

The treasury of a unit, department, or other organization is built up by revenues from the productive or creative labor of its members and by other methods that are consistent with the guidelines and policies of the party. This means that opportunities for making revenue must be in keeping with the guidelines and policies of the party, must guarantee work, and must not be illegal.

Building a treasury by deducting several days pay from members' monthly pay is considered improper because it will have an adverse impact on their living conditions. The only exception is for dues to be paid to an organization that are specified officially.

2. Why do the military receive such small salaries? When food costs are deducted it leaves only a pittance unlike civilians.

If military salaries are compared with civilian salaries there is no difference. The pay received is based on the rank, positions and responsibilities of each individual. But the cash received by military men may be less than that received by civilians because deductions for food there are also deductions for pants, shirts, shoes, hats and bedding. Civilians receive their entire pay in cash but then must use this cash to buy the necessities of daily living.

3. Why do the armed forces not change the ban on marrying someone outside the organization?

Love is a human right which cannot be denied. But love in the capitalist system and in the new order are different. We all know what love is like

in the capitalist system. As for love in the new, socialist order, at all times it must be interrelated with the tasks of the revolution and the tasks of building socialist prosperity. This is the fundamental condition for socialist youth.

In practice the specifics of relationships under the socialist systems are not all alike. Each country has their own laws which are based on their national traditions and customs and on the actual environmental conditions affecting their countries.

In Laos ours are likewise based on the actual situation and the fine traditions of the Lao nation. The proper establishment of mutual love must meet sufficient conditions and must not impact adversely on the work or the future of both parties. At all times organizations are prepared to open a way for young couples to find happiness.

During the period of our new regime many couples have been newly married with the knowledge and approval of their organizations but a number of others have gotten married secretly. We must understand why they have done so. Sometimes mistakes may have been made. Sometimes it may be that a unit sets conditions that are not conducive because the organization takes into consideration advantages, disadvantages and future difficulties. Will the marriage be solid? Because in the new system we have adopted there is no divorce for any reason and only one husband or one wife is authorized. This is so in order to guarantee the work and the future of all our fighters and cadres.

8947
CSO: 4206

VIENTIANE REPORTS 27 NOVEMBER DEFENSE MINISTRY CEREMONY

BK041320 Vientiane Domestic Service in Lao 2230 GMT 30 Nov 80

[Text] On the afternoon of 27 November, a ceremony was held at the National Defense Ministry's Club to officially confer ranks to middle-level military officers. Attending the ceremony were Comrade Khamtai Siphandon, member of the Political Bureau of the LPRP Central Committee; Comrade Sisavat Keobounphan, member of the Secretariat of the party Central Committee, and chief of the general staff of the LPLA; Comrade Saman Vignaket, alternate member of the party Central Committee, director of the LPLA General Political Department; Comrade Somsak Saisongkham, vice minister of national defense; and high-ranking cadres in the three departments of the National Defense Ministry.

At the ceremony Comrade Sisavat Keobounphan, member of the Secretariat of the LPRP Central Committee and chief of the General Staff of the LPLA, read an announcement opening the ceremony to confer ranks on leading comrade cadres [word indistinct] by the Central Party Military Commission, the National Defense and the LPLA Supreme Command from various local, regional and provincial units.

Subsequently, Comrade Saman Vignaket, alternate member of the party Central Committee and chief of the LPLA General Political Department, read a decree on system to confer to the cadres ranks ranging from the level of second lieutenant up to colonel.

On this occasion, Comrade Khamtai Siphandon, member of the Political Bureau of the party Central Committee, vice premier, national defense minister and commander-in-chief of the LPLA, addressed the officers. First, he extended his warm congratulations to and great joy in meeting a large number of middle-level cadres who have taken part in the national liberation struggle over the past 30 years. He pointed out the heavy duties which must be shouldered by the officers. He said they must fulfill all the noble tasks entrusted to them by the country and people, and, at the same time, strive to gradually build the LPLA into a model modern army, to step up consolidation of national defense and to be prepared to fight and defend the country--an outpost of socialism--and to firmly advance socialist construction.

In response to and to translate into reality the teaching of the LPLA commander-in-chief, a representative of the middle-level officers took the rostrum to acknowledge the address. He then made a firm pledge at the ceremony that they will strive to incessantly enhance the true nature and heroic traditions of our army, to gradually build the army into a model modern army, to be prepared to smash all enemies, to fulfill all tasks entrusted by the party and state, and to further enhance the tradition of combat gallantry of our army.

The ceremony was adjourned amidst the tumultuous shouting of slogans of determination by the officers.

CSO: 4206

PRIVATE VEHICLES REGISTERED

Vientiane VIENTIANE MAI in Lao 3 Nov 80 pp 1, 2

[Excerpt] After the liberation of the whole country and the establishment of the LPDR on 2 December 1975, all the comrades in the Vientiane Vehicle Control, Traffic, and Public Works Section, determined to press forward to perform the political duty given them by the party and state. They achieved good results in the following tasks: They changed the registration of 50 cc motorcycles from the registration and license plates of the old regime to those of the new regime. In the 5-year period they registered 7,286 motorcycles privately owned by Lao, 964 private motorcycles of aliens, 154 motorcycles belonging to government sections, 27 motorcycles of international organizations, a total of 8,431 vehicles. They changed and raised the registration of all categories of pedicabs from the old regime registration and plates to those of the new regime, 889 covered- and cargo-carrying pedicabs, 80 bicycle pedicabs of aliens for a total of 969. The registration of bicycles of various kinds began in 1979. Up to now they have registered 8,561 bicycles privately owned by Lao, 281 bicyles privately owned by aliens, 195 bicycles of government sections, 29 bicycles of international organizations, a total of 9,166. The changes and the examinations for the pedicab drivers' license from the old to the new regime reached 1,246. Besides they installed a traffic signal system on various streets, such as at the Nong Bon and Ban Fai intersections. They maintained the signal system on various routes so traffic proceeded normally at all times. They made and installed several hundred signs along the streets in the municipal area of Vientiane Capital and the main districts of Vientiane Province, such as Phon Hong, Keo Oudom, Paksane. This provided order and efficient flow along the streets in the Vientiane Capital municipal area. They removed disabled vehicles from the roads, established parking lots (taxi stands) by various markets in four district towns that were functional and attractive. They beautified roadsides in each ceremony to welcome foreign guests and as a way of celebrating national and international holidays, under the leadership of the central echelon and the [Vientiane] City and Province. They made 19,600 license plates for motorcycles, bicycles, and pedicabs (cut and painted the signs). They collected various fees in vehicle control for the budget of the department, that is, for the City and Province budget, doing very well.

9615
CSO: 4206

MONGOLIAN LEADERS SEND GREETINGS ON NATIONAL DAY

BK121414 Vientiane Domestic Service in Lao 0430 GMT 12 Dec 80

[Text] On the occasion of the fifth anniversary of the 2 December National Day, on 29 November Comrade Yumjaagiyn Tsedenbal, first secretary of the MPRP Central Committee and chairman of the Presidium of the People's Great Hural of the MPR, and Comrade Jambyn Batmonh, chairman of the MPR Council of Ministers, jointly sent a greetings message to Comrade Kaysone Phomvihan, general secretary of the LPRP Central Committee and premier of the LPDR, and Comrade Souphanouvong, president of the LPDR and the Supreme People's Council. The message reads:

On behalf of the MPRP Central Committee, the Presidium of the People's Great Hural of the MPR, the Council of Ministers and the entire Mongolian people and on our own behalf, we would like to convey our warm and intimate congratulations and best wishes for good health to you, the LPRP Central Committee, the Supreme People's Council, the LPDR Government and the fraternal Lao people on the occasion of the fifth anniversary of the establishment of the LPDR.

After their long, protracted revolutionary struggle against the colonialists, the imperialist aggressors and the internal reactionary forces, the courageous Lao revolutionaries and patriots won victories in the national democratic revolution and declared the establishment of the LPDR. This marked a bright future for the LPDR in advancing on the path of socialism.

The Soviet Union, the various socialist countries and the progressive forces in the world, which have always supported the Lao people's national liberation struggle, warmly welcomed the above historic victories.

During the past 5 years, under the leadership of the LPRP, the vanguard of Marxism-Leninism, the Lao people gained great achievements in the cause of revolutionary transformation in the social, economic and cultural spheres and in the cause of national construction on the socialist path. The Mongolian people are pleased with these great achievements.

All progressive forces widely support the reasonable foreign policy of the LPDR, aimed at promoting and developing the firm unity among the socialist community for the safeguarding of peace and stability in Asia and the rest of the world and for the development of friendship and cooperation among nations against aggression by the international reactionary forces and the Beijing big-nation expansionists.

The recent visit to the MPR of Comrade President Souphanouvong opened a new historic era of friendship between the Mongolian and Lao peoples.

We are firmly convinced that the fraternal friendship and close cooperation between the two parties, two countries and our two peoples will be widely developed and continuously strengthened in the spirit of the Mongolia-Lao Friendship and Cooperation Treaty signed in 1979.

On the occasion of this historic day, we sincerely wish you and the Lao people new, still greater successes in the task of safeguarding independence and the fruits of the country's revolution and the construction of the new society.

CSO: 4206

BRIEFS

KEO OUDOM BANK BRANCH--Vientiane (KPL)—On the afternoon of 23 October 1980 the Board of Directors of the National Bank, Vientiane City and Province, opened a new branch of the bank in Keo Oudom District in the presence of the leaders of the National Bank headquarters, representatives of various services within Vientiane City and Province, together with all the district administrative committees and representatives of the people of different cantons around Keo Oudom District. On this occasion Mr Vongsai, the director of the National Bank in Vientiane City and Province, informed them that in the past 1 year of the expansion of the bank's network to the production bases, the bank's activities made new progress. For example, they created more and more confidence in the people which was demonstrated by the savings deposits, loans to the state enterprises and other collective production units of the people, to be used as capital in building an economic base. Besides this it created conditions suitable for withdrawing payment of salaries for cadres, soldiers, and police more quickly than formerly. Since the beginning of 1980 until the present the National Bank has opened branches in 9 districts of the total number of 15 districts under the jurisdiction of Vientiane City and Province. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 24 Oct 80 p A7] 9615

ROAD REPAIR TO SRV BORDER--Vientiane (KPL)--Since 15 October 1980 the cadres and workers of the Communications, Public Works, and Transportation Service, Attopeu Province, began their dry season work plan with enthusiastic endeavor. They hastened to repair Route 16 at certain places where it had deteriorated, from Samakkhisai District to Pak Thon, on which they have now completed 60 km. At the same time they repaired Route 18 from Saisettha District to Gia Lai-Cong Tum Province (Vietnam). The repair work on these two important roads was carried out with strong determination. They restored old, dilapidated bridges; they cut trees from the road, and fixed the rutted and pot-holed sections. They assured convenient transportation of goods to the production bases in the dry season. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 5 Nov 80 p A5] 9615

DELEGATION RETURNS FROM BULGARIA--Vientiane, 13 Dec (KPL)--A Lao cultural delegation led by Bouakham Chansi, deputy head of the office of the Propaganda, Information, Culture and Tourism Ministry, December 11 arrived here from the People's Republic of Bulgaria. The Lao delegation attended the cultural conference held in Sofia from December 2 to 6. The conference was attended by delegates from 73 countries and other cultural organisations. The participants studied the important role of the cultural works in the construction and development of the society. [BK150517 Vientiane KPL in English 0925 GMT 13 Dec 80 BK]

CSO: 4220

BRIEFS

OIL PRODUCTS--Pakistan has finalized arrangements with Kuwait for the import of oil products which are not produced by the oil refinery in the country. The commitment to meet the entire need of the finished oil product for the new calendar year, amounting to 1.5 million tons, was made by a high level Kuwaiti delegation. The commitment is part of a 4-year agreement between the two countries under which Kuwait has agreed to supply specific finished oil products to Pakistan and also accord preferential treatment to Pakistan in case of price [as heard] of various petroleum products. A spokesman of the Ministry of Petroleum told a Radio Pakistan representative today that quantities to be imported next year included 1 million tons of high speed diesel and 400,000 tons of kerosene. As against this, Pakistan's imports of finished oil products during the current year amounted to 1.8 million tons. The reduction of 300,000 tons in the import of finished oil products is due mainly to increased domestic oil production and conservation measures adopted by the government for gradually decreasing the use of petroleum products. Pakistan's total imports for 1981 are expected to be worth $1.5 billion, of which finished products will cost $530 million. [Text] [BK261017 Karachi Domestic Service in English 1700 GMT 25 Dec 80]

CSO: 4220

ISOC: PSYWAR AGAINST CPT IS WORKING

Bangkok SIAM RAT in Thai 7 Nov 80 p 3

[Article: "ISOC Says That Activities Have Achieved Results. The Communist Terrorists Are Being Defeated Concerning Both Theory and Practice"]

[Text] Major General Seni Chamnienwai, the head of the Psychological Operations Section of the Internal Security Operations Command (ISOC), talked with a reporter about the activities of the communist terrorists after important student leaders surrendered to government officials. He said that their activities have declined greatly. This is because the psychological operations of the ISOC have achieved results and this has led to the terrorists suffering defeats in practice and also on the theoretical front.

Concerning the activities of the ISOC that have achieved results, Major General Seni affirmed that, based on documents that have been captured, it has been learned that the communist terrorists have sufferred heavy losses. For example, the Fourth Plenum of the Communist Part in Thailand had to be cancelled. Also, in some places the terrorists have had to move their base camps and they face starvation because of a lack of food.

As for the surrender of the students who were misled [after] the incidents of 6 and 14 October and other terrorists, the ISOC believes that they have common sense and good intentions toward society. When the fight in the jungle continued, they returned and surrendered. This is better than bringing in a foreign country to invade Thailand like neighboring countries.

"The misguided students who fled into the jungle and who have now surrendered say that, even among the terrorists, there are class divisions and a dictatorship and so they could not join them." Major General Seni talked about the statements of the students who have had a change of heart. He stressed that it is pleasing that these students have returned and surrendered to officials with an awareness of things. This has been of great benefit to government officials

because, at the very least, it has been possible to cut the manpower of the terrorists in one direction by more than 400 men.

Major General Seni added that the trend seems to be that other important student leaders and many other misguided students who fled into the jungle will return and surrender to government officials. But the ISOC cannot disclose their names.

Concerning the matter of those who have had a change of heart engaging in activities in those areas, Major General Seni stated that it must be determined whether they are engaging in illegal or constitutionally legal activities. If they are violating the law and if they intend to harm the country, this will not be allowed because we must preserve our beloved institutions.

11943
CSO: 4207

DEPARTMENT CHIEF CALLS FOR PROPAGANDA TRAINING OF MUSLIMS

Bangkok SIAM RAT in Thai 7 Nov 80 p 3

[Article: "Administrative Policy Stipulates That 'the Southern Border' Is Extremely Important"]

[Text] Mr Phisan Mulasatsathorn, the director-general of the Local Administration Department, stated that government officials believe that solving the southern border problem is a very important goal because the southern border has problems that are very different from those of other regions.

Mr Phisan stated that in other regions, the problems stem from the lack of raw materials and the poor economy. But the south has other conditions such as ethnic and religious differences, language differences and cultural differences, for example. To completely solve the southern problems, things must be carefully discussed in great detail. The Local Administration Department has carried on things using various methods. For example, seminars must be held to provide the government officials who will work in the south with basic information, mobile public relations units and units to promote the education of Thai Muslims must be established, there must be coordination between the local southern leaders and the government officials, seminars must be held for members of the Islamic committees in the southern border provinces and there must be teacher seminars and training sessions for the students who attend public schools that teach Islam.

The director-general of the Local Administration Department further stated that another important method for solving the problems is to select knowledgeable and capable officials to go work in these areas; this will be implemented next year. Also, training seminars will be held for Thai Muslim youths to inspire patriotism in them, to keep them from mistakenly joining the enemy and to keep them from being taken abroad for training and then sent back to cause trouble in the country. These training sessions for youths will be held for for groups of 50 people each. A total of 4,200 people will undergo such training, with each session lasting 5 days.

Mr Phisan added that the Local Administration Department will arrange things for the districts and subdistricts, which are the smallest units in the area, so that the district officer and the deputy district officer are close to the people. This will be done by appointing rotating deputy district officers who will take turns carrying out the duties in the districts and in helping the people or those who contact them.

11943
CSO: 4207

BREAKDOWN OF FOREIGN LOANS: 24 PERCENT GOES TO BANGKOK

Bangkok SIAM RAT in Thai 10 Nov 80 pp 1, 12

[Article: "Breakdown of Foreign Loans to Thailand Shows That 24.18 Percent Goes to Bangkok Alone"]

[Text] The Office of the National Economic and Social Development Board has proposed that in considering loan programs for future development, thought should be given to programs that are in accord with the goals of the economic and social development plans that have been formulated. Consideration must also be given to what is fair in society.

The Office of the National Economic and Social Development Board has issued a memorandum concerning "The Foreign Loans of Thailand and Economic Development." A summary of the important points stated that from the implementation of the First National Economic and Social Development Plan through the first half of the Fourth Development Plan (1961-1979), thegovernment borrowed a total of 78,044.60 million baht from foreign countries, money that was alloted for development projects. The energy sector received the most, receiving 32.91 percent of the total amount borrowed. Next were the communications sector and the agriculture and irrigation sector, which were alloted 28.68 and 16.27 percent respectively.

As for development expenditures based on region, the north was alloted more of the money than other region, receiving 15.02 percent of the total amount. However, Bangkok alone was alloted the most money for development, receiving approximately 24.18 percent of the total amount.

The summary of the results of borrowing money stated that this has enabled economic growth to proceed at a satisfactory rate and at a rate that is better than that of other developing countries in Asia. In agriculture, the yearly rate of growth averaged 5.3 percent. In industry, the rate of growth was 10.7 percent. The Gross Domestic Product increased 7.7 percent a year, the population increased 3.1 percent a year and the per capita national income increased at a rate of 4.6 percent a year.

"The economic growth of Thailand in the past 20 years is very satisfactory but beneath this growth is concelaed great disparities in development and in the characteristics of the development of sectors and vocations, which have figures that differ greatly," stated the summary.

As for the question of whether or not this debt owed to foreign countries will be a heavy burden for futrue generations, the introduction to the summary stated that, concerning this, it must be admitted that borrowing money from abroad now means that future generations will have to repay the debts. However, the things that the people of today have done to develop the country now will create things of benefit that later generations can use in the future.

The summary of the loans made in accord with the Fourth Development Plan stated that the effect has been to raise the amount borrowed to 7.5 billion dollars. This is because the world economic situation is worse due to [higher] oil prices and because new projects, such as the natural gas project and the project to improve Bangkok airport, have been started. Besides this, the shortage of joint capital for foreign loan projects has made it necessary to borrow large sums of foreign currency and convert it to baht, and money has been borrowed to develop the army too.

In conclusion, the summary recommended that, in borrowing from abroad, thought must be given to social justice. For example, in investing in state enterprise projects using domestic loans, the people who use the services must be the ones to bear the greatest burden in paying for the services. As for loan projects in very poor areas that have little promise of development, much consideration should be given to loans that have grace-period stipulations for use in rural area development projects.

11943
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U.S. VISA ISSUANCE PROCEDURES CRITICIZED

Bangkok SIAM RAT in Thai 7 Nov 80 p 7

[Article by Maitri Rakthai: "The Ugly American"]

[Text] By accident I read a story in a September 1980 issue of the newspaper THAI RAT that was entitled "U.S. Consulate Discloses That It Is Not Issuing Visas to Thais and, At the Same Time, Says That Thais Have Clever Schemes."

Later, I had an opportunity to read the newspaper THE DAILY MIRROR. I felt that the story contained only the views of American officials concerned with issuing visas.

It is true that there are several facts that I have to recognize and that I sympathize with them about. But there are also many other facts that that they may not be aware of.

I feel that if I express the Thai point of view, this will be beneficial for both sides, especially for the basic policy that each country has with respect to the other. My aim is to promote good relations and mutual cooperation. If the officials of the U.S. Consulate are allowed to understand things only from their own point of view as expressed in the news reports they have issued, this will cause misunderstandings and lead to mutual dislike.

And this may also lead to Thailand's changing its political policy in the future.

If any harm befalls Thailand, this will also affect all the other Asian countries because, at present, Thailand is the front line. Or it can be said to be the fence of all the other Asean countries. If the fence falls, the other Asean countries will fall too, slowly or quickly depending on the time.

The United States will suffer an even greater loss of credibility and even greater economic and military losses than it did in Vietnam. Everyone who is interested in and who has followed the situation in Asia is well aware of this.

The words "ugly American" can be translated simply as a "despicable American." I do not mean to refer to any person in particularbut I feel that these words are a good warning because they are in widespread use.

I think that it was the Americans themselves who coined these words. They mean that some Americans believe that, since they come from a large country, they are the leaders of the free world. [They think that] since their country is prosperous everybody wants to go visit or work in the United States. Regardless of what they think or do, they think that they are always right. Some people have very poor manners and, even though they are very wealthy, they come from a class that has not received training in proper manners.

In the United States, with luck, it is easy for anybody to become rich.

Another meaning is that some American political figures like to interfere in the internal affairs of other countries. They exceed the limits to the point where they often produce a reaction. It can easily be seen that the people in various countries are constantly holding demonstrations to drive out the Americans and shouting the slogan "Yankee go home."

While the basic policy of the United States is a very good one, that is, [the policy] is to try to help develop countries throughout the world, and even though their annual aid budget is very large, the people of these countries still hate them.

This is because some people of the "ugly American" type give cause [for hatred].

A good example that can be seen clearly is the situation in Iran, where 52 American diplomats are being held hostage. This situation is the result of the great hatred that some "ugly Americans" generated there in the past.

I have many American friends. In fairness, I mustsay that there are many "lovely Americans" who are wonderful people and who are pleasant to associate with. And there are many more "lovely Americans" than "ugly Americans." However, a Thai proverb says that a single rotten fish may spoil all the good fish in the trap.

The Thais who go to the American consulate to apply for visas to the United States are of four types:

The first type is businessmen who go to the United States on business, which is of economic benefit to both countries. Speaking about economics, the United States has a very favorable balance of trade with Thailand, trade [with the United States] being second only to that with Japan. Stated simply, the United States makes a

profit from Thailand every year. These Thai businessmen have commercial companies as security and so they should be encouraged and it should be convenient for them to obtain a visa easily.

The second type is composed of the many Thai students who really go to study. When they finish their studies, they return to work in Thailand. These Thai students should be helped to obtain a visa if they correctly follow the regulations stipulated by the U.S. Consulate.

The third group is composed of tourists or people who go to visit relatives. Things should be made convenient for these people too. This is a time when travelling is popular. This is true not only for Thais but for people from almost all countries. And each year, many Americans visit Thailand. Obtaining a visa should not be a problem.

The fourth type is composed of those who are seeking their fortune. These are the people who intend to go try their luck at finding work in the United States, which is in violation of United States laws. These Thais call themselves "Robin Hoods." The policy of the United States Consulate is to keep these people from entering the country and to not issue visas. According to the consular officials who were interviewed, the Thais in this category have many tricks.

I feel that it is a country's right to allow in or deny entrance to the people of any country it wishes. I am not arguing about this right of theirs.

But the thing I want to say is that of the four types of people who go to apply for a visa, the first three types are friends of the United States. They are not dangerous and they are not tricksters. These three types should be encouraged and aided in obtaining visas in order to create friendly relations between the two countries.

It is only the fourth type that should not be issued visas. But almost all of the American officials and some of the Thai officials at the consulate assume that the Thais who apply for visas are all tricksters.

For example, the newspaper SIAM RAT published an interview in which a high-ranking American consular officials named Mr Richard Milton said that "Thais are clever cheaters."

This is a broad generalization. It sounds like he is referring to Thais in general and it can be taken as an insult. But if we want to respond by saying that Americans are tricksters too, we can say the same thing and there are many examples that can be cited -- Watergate, Lockheed, Billygate, motion pictures such as The Godfather and various crimes, for example. But I do not want to respond by discussing this point too much.

But I do want to say that "nothing good, only bad, can result from high-ranking diplomatic officials talking like this." If both sides have a bad opinion of the other like this, how can there be friendly relations?

All Thais who go to apply for a visa feel that the American consular officials have a condescending attitude. This can be observed from their facial expressions, manners and their impolite speech. Some of these officials work in accord with their mood. Some people who should not be issued a visa are issued one while others who should be issued one are not granted one. Sometimes they act like they are annoyed and they ask for additional documents that are not pertinent. This causes the people applying [for a visa] to have to waste much time going back and forth many times.

One very wealthy Thai businessman, whose name would be recognized throughout Thailand if I mentioned it, applied for a visa in order to go visit his son who was studying in the United States, but he was turned down. A close relative of the wife of a deputy prime minister applied for a visa but was turned down also. A Thai diplomat stationed in the United States applied for visas for his staff but he had trouble obtaining them even though he had letters of guarantee from the Ministry of Foreign Affairs. Some Thai students whose documents have been in order have been denied visas. They were told that their past grades were not good and that they should continue their studies in Thailand.

In actuality, in the United States there are many classes of colleges that students of various levels of intelligence can choose from in accord with their abilities. They should not be denied their rights, which is contrary to the "human rights" policy of the president of the United States. Many Thai students who do poorly in school in Thailand do well in school when they go to study in the United States, and some have returned and become high-ranking government officials. Some students have answered "incorrectly" during their interview with the American vice consul and they have not been allowed to go study.

That is, they have said that the reason that they want to go study in the United States is that they want to learn to speak English well. The reply has been that, if they want to learn to speak English well, they can go study at AUA [the American University Association].

Sometimes, the consulate is not willing to accept the I20 form of the Department of Education of the United States and they make the students appling for a visa go obtain additional documents. When these students again contact the Department of Education, they are told that the I20 form given them comes from the United States government. How can the American consulate not believe its own

government! Some large universities are the same. They issue an I20 and mention only that [the students] must pay the same tuition as an American student. But the American consulate will not issue a visa and has them go obtain additional documents confirming that they are to pay the same tuition as American students. These Thai students must call long distance several times, which costs them several thousand baht, in order to ask the university and this also makes the university angry.

Is something wrong with the American consulate in Thailand? Why doesn't it trust the I20 forms issued by the universities?

It is the consulate's duty to know the laws and regulations of its own country. If it does not know them, it should make inquiries itself rather than shifting the burden and having the foreign students make inquiries and explain things, which is very embarrassing.

Some people say that the consulate is really trying to find an excuse for not issuing visas. Those who apply for a visa are asked the standard questions of the consulate: Are you going to look for work? Are you going to marry an American? Will you go to America and not return? Think about how effective such questions are! All those who intend to go there to work or to get married will answer no.

As for those who really do intend to go study or who go there on business, they will think that these are insulting questions. Why should they have to go marry an American? Are there no longer any fitting marriage partners in Thailand?

These really are insulting and silly questions.

Thais of the first three types are greatly inconvenienced and before they can obtain a visa they have to go and explain things many times. Each time they go they have to wait a long time. Some people become angry and give up trying to go. Some people hurriedly try to contact people at the ambassadorial or ministerial level. And some have met with Mr Milton in order to obtain a visa.

But meeting Mr Milton is even more difficult than meeting a Thai minister.

But those who have been able to meet him have all been helped. Some people say that Mr Milton is a very friendly person. Why, therefore, are all the officials under him so arrogant? The important thing is that all of these people are diplomats and it is well known that diplomats are supposed to be people who have received training and who are well versed in diplomatic etiquette before being sent abroad to work. After they have been assigned to work in a country, they

must try to create a friendly relationship with that country. If there are any problems, they must try to solve these problems. If any major problem arises, they must try to make the problem a minor problem. They must try to make friends out of enemies.

But the diplomats at the American consulate are different from this. They turn minor matters into major problems, make problems out of a good situation and turn friends into enemies. Although there are only a few tricksters, they have assumed that all the people in the country are tricksters. Concerning some Thais who were friends of America, some very wealthy people, some government officials and well-known businessmen and some MPs who applied for visas, it was assumed ahead of time that they were all tricksters.

I am not sure whether these people have come to work in Thailand in order to create good relations or in order to destroy them.

Few people want to be communist but the number of people in the world who hate the United States is growing daily.

I was at one time surprised at why people hated the United States even though they were annually receiving large sums of money to aid development. But when I went and saw the officials at the American consulate, I immediately understood the reason.

I would like to ask: Isn't it time that high-ranking people in American diplomatic circles analyze the facts, teach their diplomatic officials to have the manners of diplomats and change their views about other people so they hold more fitting views?

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COLUMNIST COMMENTS ON DISSOLUTION OF 'YOUNG TURK' GROUP

Bangkok SIAM RAT in Thai 6 Nov 80 p 7

[Thoughts From the News column by Prachuap: "The Dissolution of the Young Officers Group"]

[Text] The group of young officers called the "young turks " has sent a notice to all the people concerned in both military and political circles announcing the dissolution of their group and the definite end of any further activities. The officers gave four main reasons for this action:

1. At present, the situation in the country is normal since we have political and military leaders who have widespread support. The political system in Thailand is moving toward a sound democracy in accord with the type aimed for in the present constitution. Thus, the young officers group does not feel that there should be any power groups acting jointly outside the system.

2. In the past, the young officers group came into being at a time when the country was in a crisis, or abnormal situation. Thus, they joined forces to solve the problems both directly and indirectly in order to maintain the security of the country and the monarchy and to respond to the needs of the people. They did not join together for personal gain or power. Thus, they have decided to disband the group before something happens that is damaging to the group.

3. [This is being done] in order to end the criticism and blame, especially the criticism that they are a base of support for some people.

4. If it should become necessary, the group will be formed once again. The group holds the interests of the country above those of individuals and affirms that it will support good people in obstructing bad people in accord with the ideal: "Ww are for the country and king and do not expect to get anything in return."

In actuality,the above announcement by the group of young officers that they are disbanding their group is the affair of officers who are in control of forces or who are commanders at the battalion

level. Not all young officers of every branch are involved. The important goal of these young officers in forming the group was to present their views about how to solve the various political and military problems, views that these officers felt should be presented to the government through their immediate superiors. Their goal was also to oppose some actions that they felt were improper. They did not join together to use the forces under their control to unconstitutionally pressure the government to take some action.

Since the coup d'etat of 20 October 1977, it has seemed that the group of young officers would play a greater role in various political movements and there have frequently been newspaper reports about them. But even though people believed that these young officers, who were called "young turks," had good intentions, or wished to see the country governed in a democratic way, they did not do things openly and their group was not formed openly. That is, they did things just like other power groups that have been formed in Thailand. The only difference is that the people who formed this group held government positions and, what is even more important, they controlled weapons and military forces. Thus, it is natural that some people thought that these young officers had formed a group with at least some intentions and aims other than those cited.

The truth about the Thai system of democracy that must be generally admitted is that most people who serve as prime minister and who are able to carry out their administrative duties smoothly must have the support of the army. They cannot rely solely on their political base in parliament. It can be seen that most Thai prime ministers were military men, or the top military commanders. For this reason, even though the ideas of these young officers stemmed from pure intentions, or good wishes, toward the country, it has not been possible [for them] to avoid having people mistakenly think that they were using their influence to force the government to listen to them or to take certain actions in order to preserve the stability of the government outside parliament.

Concerning this mistaken notion, besides the fact that it damages the reputation of the young officers and the government, which is carrying out its duty of governing the country, I think that it may also affect the people's trust in the system of government since it is the same as saying the the government administers the country by following the demands of this group of young officers, who are in fact only a minority of the soldiers in the country, instead of listening to or paying attention to the voice of the majority of the people, whose wishes have been shown by the results of the election.

Thus, concerning the decision of the young officers to announce that they are disbanding and that they will not engage in any more political movements, I agree that this is a good decision because, regardless of whether they really disband the group or not, at least the young officers have shown, or pledged, that they are prepared to accept the democratic system and will not do anything outside that system.

The interesting point is that after the events of 14 October 1973 and during the period when the transition government administered the country and entrusted the National Legislative Council with the task of formulating a constitution, many power groups were formed. Each group claimed that it represented the people in the various work sectors and each tried to get the government of that time to do the things it wanted. The result was confusion for the government and the people in general since no one knew whether these demands really represented the real desires of the people or not.

The government of that time had to put up with the confusion created by these power groups. When the new constitution was finally promulgated and general elections were scheduled, the system of government began to follow the democratic path by giving the people a chance to elect MPs and choose the government they wanted. But these various power groups that had previously been formed were not willing to disband. They continued to engage in movements and tried to play a political role instead of entrusting such matters to parliament and the government.

In the end, these power groups became obstacles that blocked a democratic form of government [from being implemented], or that destroyed the aims expressed by the students and people on 14 October. But the worst thing is that some of these power groups were "bought" or they because the tools of certain people who did not intend to allow the administration of the country to be carried on in a democratic way and of people who wanted to create disorder so that they could use force to restore order and take control of the country.

Besides this, even though many political changes have taken place since then, these power groups have maintained their position. The only thing is that they are quiet, or they have temporarily stopped engaging in political movements, because later governments have had the support of military forces and they have been prepared to use force to settle matters with those power groups that violate the law. It appears that some of these groups were formed in order to use the name of the power group as a tool to make money by making threats. For example, they threatened to demand the profits of others, claiming that they would hold public gatherings, or Hyde Park gatherings, if they were not given the money demanded. In some

cases, it is thought that they maintained their position for the profits to be made from secretely withdrawing government funds, for example.

When the group of young officers announced that it was disbanding as an example to others, I thought that this might cause other power groups to disband or cease engaging in activities outside the system. This would make it easier for government, as set forth in the present constitution, to become democratic. Because from now on, the people must exercise their voting rights more carefully so that the majority in parliament are in accord, or in harmony, with the real desires of the people. Otherwise, someone will form a power group, claiming that he is representing the people outside parliament. But, in fact, he will be doing this for the benefit of some people or some group. And this will make for an imperfect democracy as in the past.

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NEW GAS WELLS FOUND IN GULF

Bangkok SIAM RAT in Thai 6 Nov 80 pp 1, 12

[Article: "Two New Gas Wells Have Been Found In the Gulf of Thailand"]

[Text] Thailand has found a new natural gas well in the Hat Hua Khao Daeng area in Songkhla Province while dredging the chanlel in order to build a new deep-water port. At the same time, Union Oil, which has received exploratory drilling rights, found a large new gas well in the Gulf of Thailand off the coast of Surat Thani. It has approximately 28.6 million cubic feet of gas.

The discovery of the first new natural gas well took place after the contracting construction model and planning company of the deep-water port construction project drilled well No 12, which is located approximately 2 kilometers from Hat Hua Khao Daeng and which is only 14.5 meters deep. They found methane gas, which spurted up and could be clearly seen.

The Ministry of Communications informed the Department of Mineral Resources, Ministry of Industry, about this and the department sent officials to conduct a survey. At present, the company has sealed the opening of the well to keep the gas from escaping.

At the same time, another gas well was found in the Gulf of Thailand at the "Satun-1" well, which is in the concession area of the Union Oil Company. Gas was found at a depth of between 6,962 and 8,360 feet. It is located near the "Erawan" well, where gas has been discovered and where preparations are being made to put gas to use next year.

The amount of gas found at the Satun-1 well has been estimated at around 28.6 million cubic feet. There is also about 708 barrels of liquid gas. The exact amount of gas will be determined for certain after additional wells have been sunk in the area.

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EGAT TO BUILD HYDROELECTRIC PLANTS IN LOEI

Bangkok SIAM RAT in Thai 8 Nov 80 p 2

[Article: "EGAT Has Plans to Develop the River Basins In Loei and Channel the Water For Irrigation and to Obtain More Than 100,000 Kilowatts of Electricity"]

[Text] Mr Chaloemchai Rattanarak, an official of the Projects Formulation and Planning Section of the Electricity Generating Authority of Thailand, has disclosed that EGAT has plans to develop the river basins in Loei Province, where three dams can be built in order to generate electricity and [obtain] water for irrigation.

Mr Chaloemchai stated that, in order to build these dams, EGAT has coordinated the work with the National Energy Administration. Initial studies, which have been completed, of the suitability of the river basins in Loei Province [have shown] that dams can be built. One dam will be built in northern Loei in Wang Saphung District. It will channel the water to the Pasak River and generate 18,000 kilowatts of electricity from channeling the water. The second dam is the San River Dam in Phu Rua District. It will channel the water from the San River to the Pasak River, generating 58,000 kilowatts of electricity. The third dam is the Man River Dam in Dan Sai District. It will channel the water from the Man River to the Phung River, generating 26,000 kilowatts of electricity. Building dams in the three river basins will generate a total of 102,000 kilowatts of electricity.

Mr Chaloemchai also pointed out that, concerning this entire project, EGAT is asking for a loan from the Asian Development Bank in order to make final detailed studies and make project models. If things go according to plan, construction will begin around the end of 1983 or the beginning of 1984. The San River and the northern Pasak River dams will be built first with construction taking approximately 5 years.

On the same day, the president of the Gasoline Dealers' Association told the minister of industry that he will propose that the government consider increasing market prices for the dealers so that they make profits of at least 5 percent of the sales price.

Mr Thep Limpaphorn, the new president of the Gasoline Dealers' Association, spoke about this with Major General Chatichai. He talked about the troubles that the oil dealers have encountered because oil prices have constantly increased while market prices received by the dealers have not increased accordingly. This has kept the dealers from making a profit. Calculating things, the profit made by the dealers from selling gasoline is only 2.9 percent of the price of the gasoline before subtracting expenses and taxes.

Those who met with the minister gave the example that, at present, their market profit is only 26-28 satang [1 satang equals 0.01 baht] per liter while that for sola gasoline is only 15-17 baht per liter.

Besides this, they complained about other problems facing the gasoline dealers. For Example, cash must be used to purchase gasoline and so there is the problem of safety. Besides this, it requires an investment of approximately 5 to 6 million baht to build a service station and hiring people to operate the station is expensive.

Major General Chatichai asked the dealers to write down these problems since this matter will have to be considered by the oil policy subcommittee.

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BRIEFS

MUSLIM CENTER--At a cabinet meeting yesterday, a resolution was passed giving permission to allocate funds, part of which are support funds, to build the Muslim Center of Thailand. Concerning the details, the Ministry of Education is to reach an agreement with the Office of the Budget. The cabinet gave its permission because of the reasons advanced by the Ministry of Education, which stated that the construction of the Muslim Center of Thailand is aimed at spreading the Islamic religion since all religions provide a basis for living virtuously. Also, the Thai constitution gives the Thai people freedom of religion, with the king serving as patron. [Text] [Bangkok SIAM RAT in Thai 12 Nov 80 pp 1, 12] 11943

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PRIME MINISTER DISCUSSES REGIME'S SUCCESSES

Dacca THE BANGLADESH OBSERVER in English 22 Nov 80 pp 1, 12

[Excerpt] Bogra, Nov. 21:--Prime Minister Shah Azizur Rahman today said that the politics of the Baksalites was politics of violence and frustration, reports BSS.

Addressing a public meeting here at the local Apfatunnessa playground. Shah Aziz said that the politically conscious people of Bangladesh would never accept the medieval concept of one-party regimented system.

Presided over by Advocate Zahirul Islam President Bogra District BNP the meeting was also addressed by Mr. Abdul Alim Minister for Railways, Roads Highways and Road Transport, Mr. K.M. Obaidur Rahman Minister for Civil Aviation and Tourism and Mr Abdul Hasnat Mayor Dacca city.

The Prime Minister said that during the Baksalite government their was no opposition inside or outside Parliament and dissenters were ruthlessly crushed. There was no fundamental rights he added.

Shah Aziz said, the right of unfettered criticism and right of strike and hartal have been given by the government of Ziaur Rahman. But, he said the right of hartal must not be construed as a licence to destroy public property at will.

The Prime Minister said, democracy is fully implemented in the country with the restoration of all fundamental rights, withdrawal of Martial Law and lifting of emergency. He said many political leaders some of whom were convicted on charge of corruption have been released and added, nearly 5,000 prisoners were released from January 77 to April 80.

Shah Aziz said this has been done to create a political atmosphere conducive to functioning of multi-party system.

The Prime Minister said that the Bangladesh Nationalist Party firmly believed in multi-party democratic and peaceful transfer of power through periodical election. President Ziaur Rahman unlike Khondoker Mushtaque was directly elected by the people and is firmly established among them.

Shah Aziz said, President Zia has fulfilled all his pledges and commitments by restoring democracy a sovereign Parliament, holding elections and by establishing buoyant economy. The President has established internal stability and earned prestige internationally.

Continuing he said under the enlightened leadership of President Ziaur Rahman, the people had received a new sense of direction and the countryside was now throbbing with brisk nation-building activities.

The Prime Minister said, the different phases of peaceful revolutionary programme of canal digging mass literacy family planning and establishment of Gram Sarkars had generated much enthusiasm among the people. He said the 200 canals dug last year had already yielded results and the food production has already gone higher than expectation and we would be able to export foodgrains abroad.

Shah Aziz said that in fact the Baksalites were upset by the massive development activities undertaken by the Government and taken once again to politics of violence and subversion on being uprooted from the villages. The Baksalites had now concentrated in the urban areas. He said and added they were now being chased out from the cities as they have no positive politics.

The Prime Minister called upon the people to consolidate national unity and promote politics of peace and production.

CSO: 4220

JUTE MINISTER REPORTS ON U.S., EUROPE VISIT

Dacca THE BANGLADESH OBSERVER in English 24 Nov 80 p 1

[Text] Mr. Habibullah Khan, Minister for Jute returned to Dacca on Sunday morning after a 16 day tour of the United States and Belgium, reports BSS.

Talking to newsmen at Kurmitola International Airport, the Minister said that Bangladesh jute goods would be exported to European market in increased volumes till 1983. An agreement to this effect was signed on Friday with EEC in Brussels, the Minister said.

Mr. Habibullah Khan and Mr. Wilhelm W. Haferkamp, Vice-President of the EEC signed the agreement on behalf of their respective sides.

Mr. Khan said all jute goods from Bangladesh would find free access into nine countries of the EEC from January 1984.

The Jute Minister during his two-day stay in Belgium called on the Belgian Foreign Trade Minister Mr. Robert Urbainn and discussed with him further expansion of bilateral economic relations between the two countries.

Mr. Khan said that he also held discussions with the members of the European Jute Goods association. He said that Bangladesh carpets had a bright market abroad particularly in the EEC.

About his trip to the United States, the Jute Minister said that Bangladesh was dominating the market there because of its quality and price. He hoped that Bangladesh would be able to export more during the coming years.

Mr. Habibullah Khan said that he had held talks with the officials of International Finance Commission (IFC) in the states for financing the diversifying use of jute. He said that they had shown keen interest, and further talks would be held in the near future.

The Minister also held discussion with the Conference Lines for reducing the rate of freight for carrying carpet backing cloth (CBC) and other materials. He expressed the confidence that the Conference Lines would consider the proposal and reduce the rate.

Mr. Khan described his tour as "successful" and said that our all out efforts now to increase in the mills to cope up with the growing demand of our products abroad.

He said some mills were already working in three shifts while the remaining mills would start their third shift after necessary balancing.

Mr. Manzur Morshed, Chairman Bangladesh Jute Mills Corporation (BJMC) also accompanied the Minister.

CSO: 4220

JSD PLANS STRUGGLE AGAINST GOVERNMENT

Dacca THE BANGLADESH TIMES in English 23 Nov 80 p 12

[Text] A joint workers meeting of Jatiya Samajtantrik Dal (JSD) Sramik Jote and Krishak League at JSD central office in Dacca on Saturday chalked-out six-point programme for launching a united movement against the Government, reports BSS.

Presided over by JSD President, Major (Retd) M.A. Jalil, the meeting observed that only the issue-based programme cannot bring about a united movement. The speakers of the meeting said that for launching a united and concentrated mass-movement against what they called 'autocratic rule' there has to be a complete programme for the welfare of the commonman.

According to a party Press release, the programmes, which the meeting has chalked out on Saturday are among others, representation of all professionals in the parliament including all representative bodies, organising the workers in the fields and factories for establishing the right of free trade unionism, fixation of the ceiling of lands, introduction of cooperatives in the rural areas formation of people's army for consolidating independence and sovereignty, compulsory military training to all able persons, formation of autonomous bodies both in towns and the villages for democratisation and recognition of the nationhood of the tribal people and to give them autonomy.

CSO: 4220

AWAMI LEAGUE GROUP ASKS UNITED OPPOSITION

Dacca THE BANGLADESH TIMES in English 27 Nov 80 pp 1, 8

[Text] Awami League (Malek) Parliamentary Party on Wednesday called upon the opposition parties and groups in parliament to launch "united movement" against what it called "terrorist and fascist rule" in the country, reports ENA.

At the end of a two-hour meeting of the ALPP leader of the opposition in parliament Mr Asaduzzaman Khan told newsmen that the ALPP took stock of the prevailing political and economic situation in the country, which it noted, had deteriorated to the detriment of the nation." He said such situation should not be allowed to continue in the greater interest of the nation.

Mr Asaduzzaman Khan said the ALPP in a resolution "condemned the government decision to observe the Independence Day as National Day" and demanded withdrawal of the decision.

He said in another resolution the ALPP condemned the series of incidents inside jails particularly in Khulna and Rangpur jail. He said the government "totally failed to tackle the situation" following which a series of incidents took place inside jails.

The ALPP, Mr. Khan said, took stock of the existing price spiral of essentials. He said the government failed to check upward trend of the prices. "ALPP strongly protest this situation," Mr. Khan added.

Mr. Khan said the ALPP noted with concern that the election of the members of the Gram Sarkar has led to "lot of violence" in the rural areas. This is spoiling the peaceful atmosphere in the villages, he added, "the process of the election to Gram Sarkar is undemocratic" Mr. Khan said.

Mr. Khan alleged that due to ruling party bungling" in the paddy procurement, the growers are deprived of fare prices of their products.

He said the ALPP also demanded tax exemption and waiving of agricultural credit to the people of the flood affected areas.

CSO: 4220

DACCA ELECTED CHAIRMAN OF ISLAMIC GAMES GROUP

Dacca THE BANGLADESH OBSERVER in English 22 Nov 80 pp 1, 12

[Text] Bangladesh has been elected Chairman of the 11-member ad-hoc committee of "Islamic Solidarity Games" (ISG) to finalise its organisation structure, Sports and Cultural Affairs Secretary Mr. M. Siddiqur Rahman said in Dacca on Friday.

Mr. Rahman said that the election took place at the meeting of the sixth Islamic Commission held in Jeddah from November 16 to 18. Mr. Rahman who represented Bangladesh in the meeting returned to Dacca on Thursday.

Saudi Arabia would be the rapporteur of the committee while Turkey would be the other member.

He told BSS in an interview that eight other members of the committee would be appointed by the Secretary General of the Islamic Conference, Mr. Habib Chatty on the basis of regional representation including one from the Islamic Secretariate.

The Secretary informed that the ad-hoc committee would take all necessary measures for the establishment of the confederation of national sports organisations of Islamic countries and its functional organs and would also prepare the regulations of the confederation and the Islamic Solidarity Games (ISG).

In reply to a question Mr. Rahman said that the National Olympic Committee or other appropriate national sports organisations of the Islamic countries would be affiliated with this confederation which would be known as "Islamic Solidarity Games Confederation."

He said that the functions of this confederation will vest in a General Assembly consisting of representatives of all the Solidarity member countries and an elected executive board. The Islamic Solidarity Games would be held once in four years, he added.

It may be mentioned here that the proposal for organising international games among member countries of Islamic countries was first placed by Bangladesh in the Fifth Session of the Economic, Cultural and Social Affairs Commission of Islamic Conference held in Conakry (Guinea) in January this year. Mr. Rahman said Bangladesh's initiative was highly praised by the member countries.

Besides Mr. Rahman the expert group meeting was also participated by Mr. Shah Jahan Secretary General Bangladesh Olympic Committee, Kazi Anwarul Maswood, Counsellor Bangladesh Embassy in Jeddah, and Syed Moazzem Ali Director, Ministry of Foreign Affairs.

CSO: 4220

AGENDA OF HOUSE WINTER SESSION EXAMINED

Dacca THE BANGLADESH TIMES in English 27 Nov 80 pp 1, 8

[Text] The Jatyia Sangsad winter session tomorrow (Friday) at 10:30 a.m. in the backdrop of a national effort at doubling food production, removing illiteracy and implementation of the Second Five-Year Plan for improving the quality of life of the people.

The Sangsad reconvenes on Friday exactly after 124 days of conclusion of the Budget session, which had lasted 65 days, the longest in the Parliamentary history of Bangladesh.

Most of the winter session of the Sangsad is likely to be devoted to legislative business of the House.

In addition to the 22 outstanding bills, carried over from the last session, three new bills and four ordinances may come before the House for consideration. The 22 bills were sent to the various Standing Committees of the House for examination.

It is gathered that notices have been given for 17 private members bills so far for the consideration of the House. Till Wednesday more than 5,000 questions had been submitted to the Parliament Secretariat. A few notices for moving adjournment motions in the House have also been served.

New Look

Meantime, the Sangsad Bhaban has been given a new look, with its walls white-washed, improved interior lightings and replacement of other old fittings. The corridors have been decorated with brass-plates bearing inscriptions of verses from the Holy Quran, with translations in Bengali.

New Bills

The three new bills to be moved before the House are: (a) Emergency Requisition of property Bill (1980), (b) Red Cross Society (amendment) Bill, 1980 and (c) The Ansars (amendment) Bill, 1980.

Outstanding

The bills carried over from the last session include: Bangladesh Tobacco Bill, 1979, Bangladesh Merchant Ships (registration) Bill 1979 the Police Officers Bill 1979

Animal Slaughtering (registeration) and Meat Control Bill 1980 Bangladesh Umani and Ayarvedic Practitioner Bill, 1980 Bangladesh Homeopathic Practitioners' Bill 1980, the Ferry (amendment) Bill, 1980 Bangladesh Shipping Corporation (amendment) Bill 1980 Bangladesh Rifles (special provisions) Bill 1980 the Employment of Labour (standing orders) Bill 1980 Members of Parliament (rights) Annulment Bill 1980 the Bangladesh Sangbad Sangstha (amendment Bill 1980, Bangladesh Muktijoddha Kalyan Trust (amendment) Bill, 1980, Forests (preservation) Bill 1980 Bangladesh Export Processing Zones Authority Bill 1980 the Supreme Court Judge (leave persion and privileges) Amendment Bill, 1980 and the Islamic University Bill 1980.

Apart from these there are 16 more pending bills moved by Opposition bench members.

ALPP Meets

Meantime, the Awami League (Malek) Parliamentary Party (ALPP) met in the Cabinet room of the Jatyia Sangsad under the chairmanship of Mr Asaduzzaman Khan Leader of the Opposition in the House on Wednesday afternoon.

Talking to newsmen later in the evening Mr Asaduzzaman Khan said that the ALPP had reviewed the socio-political situation in the country with special reference to the law and order situation, rise in the prices of daily necessities, the Awami League--organised hartal of November 3 and its aftermath the constitution of Gram Sarkars, Government's programme of internal procurement of foodgrains jute price and the youth complexes.

The meeting in a resolution condoled the death of Mr Moinirul Islam Monir of Narayanganj, Mir Moshtaque Elahi of Rajshahi University, Dr Monsin of Raipur and Mr Rafiq of the High Court all of whom got killed on November 3, as well as of Treasury Bench MP Syed Habibul Huq of Laksam.

The ALPP in a resolution, condemned the Government for what it termed, unleasing its "private forces of terror in a bid to foil the hartal of November 3". It accused the Government of pursuing a policy of oppression and harassment of the Awami League workers.

The ALPP also denounced the Government for its alleged failure to maintain law and order in the country, control prices of day-to-day essentials raising the price of fertilizers and raising power rates sugar cement, billets, iron rods and writing paper prices.

The ALPP criticised the Government for constitution of "Gram Sarkars in total disregard of democratic norms and laws of the land". It alleged that this was giving rise to groupings and factionalism in rural Bangladesh.

CSO: 4220

NEW PLAN ALLOWS TEXTILE MILLS IN PRIVATE SECTOR

Dacca THE BANGLADESH OBSERVER in English 22 Nov 80 pp 1, 12

[Text] The Government has decided to install 4.25 lakh new spindles in the 26 new textile mills to be set up in the country during the Second Five-Year Plan (SFYP) period, Textile Minister Mr. Mansur Ali said on Friday. The installed capacity of each mill would be 12,500 to 25,000 spindles to attain self-sufficiency in yarn production, he said and added that the new textile mills would produce only yarn.

Mr. Mansur Ali said this while announcing the textile policy at a Press conference at the Secretariat on the day.

The Textile Minister said that the Government has also decided to allow setting up of textile mills in the private sector with installed capacity not exceeding 12,500 spindles each to promote healthy competition in the textile industry. The production of cloth would however, not be allowed in such proposed mills he said.

At present, there are 9,46,000 spindles in the 53 textile mills under the Bangladesh Textile Mills Corporation (BTMC) which are in operation, the Minister said. The decision to add 4,25,000 spindles has been taken to increase the per head annual quota of coarse cloth from eight yards to 12 yards during the Second Five-Year Plan period, Mr. Mansur Ali said.

The previous annual requirements of 64 crore yards of cloth was met through the production of cloth in the BTMC mills and handloom industries, Mr. Mansur Ali said. The annual production of cloth by the BTMC mills was 11 crore yards while that of handloom industries was 44 crore yards, he said.

The Textile Minister said that the new mills would be set up in the less developed areas which would help develop the backward areas on the one hand and solve unemployment on the other. The Handloom Board has undertaken 17 pilot schemes during the current year to help the poor weavers of the country Mr. Mansur Ali said. The weavers under the pilot schemes of the Handloom Board would get 50 per cent of their required quota of yarn through the Handloom Board, he said. The weavers would also be advanced bank loans as financial assistance, he said.

Under the Second Five-Year Plan period, the country's annual requirement of cloth would be 120 crore yards and the production of handloom industries is estimated to be around 103.62 crore yards and that of the BTMC mills 16.38 crore yards, the

Minister said. The annual requirement of yarn will be 30 crore pounds of which 28.40 pounds would be produced locally while the rest would have to be imported, the Minister said.

Dwelling at length on different aspects of losses and profits of the textile mills under the BTMC, the Minister said that 30 mills had made a profit of Taka 25 crore but 10 mills incurred a loss of Taka 11 crore in one particular year. Terming these 10 mills as "sick mills" the Minister said these were being brought under balancing, modernisation and replacement (BMR) at an estimated cost of Taka 47 crore. Mr. Mansur Ali said that of the estimated BMR expenditure of Taka 22 crore has already been spent. The Minister said that BTMC earned a profit of Taka 4.74 crore in two years (1978-'79 and 1979-'80) through reducing the overhead expenditures.

At present BTMC has 108 sales centre in the country. The Head Office of Bangladesh Handloom Board would be shifted to Serajganj soon to better service the weavers, he said.

Mr. Mansur Ali said in reply to a question that the government had no plan to disinvest any of the nationalised textile mills.

Referring to the utilisation of the "surplus" workers employees and officers in the BTMC mills he said they were being employed in the newly constructed mills. The total number of workers in the 46 textile mills which was 48,000 during the pre-liberation period increased to 60,000 according to a new set-up, the Minister said.

CSO: 4220

ARMED LOOTING OF PADDY FROM FARMERS ALLEGED

Dacca THE BANGLADESH OBSERVER in English 24 Nov 80 pp 1, 12

[Text] The President of Bangladesh Coastal Farmers Association, Maulana Alauddin Al Azhari, on Sunday alleged that certain "armed gangs were looting paddy" from the fields of poor peasants in the coastal belt since the beginning of the current harvesting season, reports BSS.

Addressing a Press conference at the National Press Club in Dacca, he alleged that such "armed gangs of miscreants" were carrying out the mischiefs "with direct or indirect support" of corrupt local administration officials and a "powerful section of the government".

He mentioned Char Osman, Char Clerk, Bashua, Thanar Hat and Char Borhan in particular and all the coastal char areas of Noakhali, Barisal and Patuakhali in general, where such things were going on for a long time.

Maulana Azhari giving details said the "armed gangs" and the miscreants had looted over 1,600 maunds of paddy from the peasants of Char-Osman alone. The miscreants, on many occasions, are getting assistance from the police he alleged.

Referring to the "unprecedented harassments" meted out to the poor peasants of the coastal char areas, the association President placed a seven-point demand calling for the return of the "looted" paddy to the peasants, immediate arrest of the "looters touts, and miscreants", release of all arrested peasants withdrawal of cases against the peasants of Char-Osman and other char areas trial of the office bearers of the so-called agriculture farm in Hatiya and allocation of lands of Hatiya Krishi-Khamar and Multi Purpose Cooperative Society.

CSO: 4220

GUARDS TO BE PROVIDED FOR BORDER HARVESTING

Dacca THE BANGLADESH TIMES in English 27 Nov 80 pp 1,8

[Text] The farmers of Bangladesh and India will harvest paddy from their lands in adverse possession near the Tamabeel boundary under joint supervision of the border guards of the two countries, reports BSS.

It was decided at a meeting of the BDR Sector Commander of Sylhet and the DIG of Indian BSF of Jayantia Hills held on Tuesday at the Indian border town of Dawky, official sources said in Dacca on Wednesday.

The Indian farmers, according to the boundary meeting decision will not cross into Bangladesh land for harvesting crops anymore.

The meeting was requested by the BDR Sector Commander a few days back following Indian farmers efforts at forcibly harvesting paddy from Bangladesh farmers, land and intermittent firings by the Indian BSF.

For about a week the Indian farmers crossed into Bangladesh territory and tried to harvest paddy with the backing of BSF. When the Bangladesh farmers resisted, the Indian BSF had intermittenly fired on them. The BDR the source said, had to fire in reply.

CSO: 4220

AGRICULTURAL LAND BOUNDARIES TO BE REMOVED

Dacca THE BANGLADESH OBSERVER in English 22 Nov 80 pp 1, 12

[Text] Manikganj, Nov. 21:--The Chairman of Union Parishads of the Dacca Division and the heads of Gram Sarkar of Dacca and Faridpur districts today gave their consent to President Ziaur Rahman to strike out the boundaries of agricultural land holdings to make available more land for cultivation, reports BSS.

They also pledged to the President to give leadership in this direction to encourage others to follow suit.

The pledge came when the President was addressing a conference of the UP Chairmen of the Dacca Division and heads of Gram Sarkar of Dacca and Faridpur districts here today.

President Ziaur Rahman told the conference that if the land boundaries of our country were pieced together they would be equivalent to the size of a district. It had been calculated that the utilisation of such land alone would not only help meet our food deficit but also leave a surplus foodgrains of several lakh tons, he added.

The UP Chairman and the Gram Sarkar chiefs also expressed their solidarity with the declaration of March 26 as the National Day in addition to the Independence Day when the President explained to them that it had been made so because it constituted most glorious day in our national life.

President Ziaur Rahman said that the Union Parishads were not given the responsibility in the past as was due to them. The smooth administration of the government was not possible unless there was proper coordination between the central government and local bodies, he said adding there was no use of fuming over the past lapses and worngs.

Referring to the price-hike of essential commodities, the President pointed out that it was not something unusual at a time which the price of oil which we were to import, had been increasing steadily. In this connection he said that Bangladesh had to import oil worth Taka one thousand crore annually for cars, vehicles, factories and industries and for the operation of agricultural machinery.

We are dependent on oil for all these and the continued rise of its price in the international market is beyond our control, he said.

He further said that the developed countries had also raised the prices of machinery and equipment following the increase in the price of oil. It was our misfortune that we had to give enhanced price not only for oil but also for machinery imported from abroad. We were making exploration for oil, he said and hoped that it would be struck in our country.

President Ziaur Rahman also brought home to the Chairmen and Gram Sarkar chiefs the paramount need for containing the population explosion which is telling heavily on the economy of the country. All our development efforts and their fruits were being neutralised by the population boom, he said and urged the Chairmen and Gram Sarkar chiefs to put in concerted efforts for increasing production and checking population.

He told them that, the demands of all had gone up without corresponding increase in their income because, he said the able-bodied persons of a family were inactive. Moreover, the womenfolk constituting half of the country's population were not engaged in production oriented work. This state of affairs should have to be changed and everybody would have to work. In this connection, he reminded the UP Chairmen and Gram Sarkar chiefs of their responsibility to inspire the people and give leadership to them to work hard. The days of the politics of slogans were over now, he added.

The President maintained that the price of fertilizer was raised only to check its smuggling across the border where its price was higher than that of Bangladesh. Not only fertilizers but also other commodities imported from abroad at the cost of huge foreign exchange were finding their way across the border. Consequently the national economy was suffering collosal damages, he said adding the only way of escape from this situation was the dedicated efforts of all to augment production.

President Zia said that the tolerance was a must for proper growth of democracy that had been established in the country. He said that the development process would be impeded if we were engaged in unnecessary squabbles and quarrel.

We have to launch industrial revolution along with the agricultural revolution for manufacturing necessary equipment and machinery within the country, he said.

President Zia said that the formation of Gram Sarkar had not curbed the responsibility of any other institution rather it would be supplementary for proper execution of the development programmes in the rural areas.

He said that with the proper functioning of Gram Sarkar and other organisation of the villages there would be no more problems.

CSO: 4220

SOURCE DISCUSSES NEW AGRICULTURAL PLAN

Dacca THE BANGLADESH TIMES in English 25 Nov 80 pp 1, 8

[Article by Shamsul Huq Zahid: "No Budgetary Cuts in Agri Sector During SFYP"]

[Text] There will be no budgetary cuts in the agricultural sector during the implementation of the Second Five-Year Plan of the country, according to an authoritative source.

The Government has taken measures to ensure planned investment of Taka 5,100 crore for the implementation of a medium-term food production programme (1981-85) that, among others, aim at making the country self-sufficient in food.

Under this programme, if implemented properly, about 15.6 million tons of food would be produced by 1983 leaving a surplus of about 30,000 tons, by 1985, the surplus would be around 2.1 million tons.

Government's commitment at th highest level to agriculture led growth is best indicated by the substantially increased allocation of resources to the agriculture sector in the Second Five-Year Plan.

The sources indicated that the priority was given in view of the lapses in the investment in the agriculture sector during the seventies.

This was clearly demonstrated in the low and erratic supply of fertilizer or lack of irrigation. The entire sector suffered from stop and go financing, allowing only inflation to erode cost estimates, fund allocations and profitability.

Inadequate Investment

Inadequate investment in the agricultural sector, lack of institutional reforms and organisation of the rural farming communities and absence of rural and small farmers bias of the development plans demonstrated the fact that the political will was not there in the past to develop the agriculture improve the lot of the small farmers as well, the source maintained.

Dependence on import of vital equipment and spares stunted the growth of potential of irrigated acreage. Besides, uncertainty regarding timely availability of seed, fertilizers, fuel, uncertainty of market price at the time of harvest, absence of

government food grain procurement with support price till the later part of the seventies, lack of storage facilities have been the major factors restraining farmers from investing fully or at all in the seed-based technology.

The problems in the agriculture sector have been compounded by the structural and bureaucratic constraints.

Structural Constraints

The pre-dominance of subsistence level family farming and heavy pressure of population on land have led to a shrinking land-man ratio. The ratio has declined to 0.29 acre in 1979-80 from 0.40 acre in 1960-61.

Land ownership and land tenure patterns have acted as disincentives to the adoption of modern technology. Lack of access to the institutional credit of the small farmers has been another institutional constraint.

The strategy for the implementation of food production programme of the SFYP is to introduce the seed-based technology through expansion of irrigated acreage and through drainage and flood control.

The Government has already issued licences to five local enterpreneurs for manufacturing irrigation equipment beside the public sector enterprise of diesel plant to lesser dependence on foreign supplies and with the objective of local manufacturing of pump engines and accessories. The country is already producing all the pumps it needs.

In line with the same policy and in order to involve the beneficiaries directly the Government has taken up a programme this year for setting up workshops in the private sector for repair and maintenance of irrigation facilities. The programme includes provision for extending credit facilities to the private sector for purchasing equipment and tools and for imparting technical guidance and providing training to the mechanics.

Similarly, input-supply is being progressively handed over to the private sector to the extent possible. The government has already handed over pesticides and retail fertilizer distribution to private sector along with the sale of shallow tubewells. Arrangements are in progress regarding the sale of deep tubewells and low-lift pumps to the cooperative groups or individual farmers.

The Government has also taken up measures to enable the farmers to purchase the supplies and equipment by increasing the availability of credit to the cooperatives, farmers and suppliers opening of more credit channels and liberalizing credit procedures.

Moreover the government to ensure the growers a fair price, have undertaken to construct feeders and access roads to markets and procurement centres as well as to increase the government grain storage capacity including improvement in storage management. Besides, the private grain traders are being encouraged through access to credit for trading and construction of private storages.

CSO: 4220

BRIEFS

VISIT TO AIRBASE--Jessore Nov. 21:--President Ziaur Rahman visited Jessore cantonment and BAF Base Matiur Rahman here this morning says BSS. President Zia inspected training activities at the cantonment. He also witnessed a nicely staged demonstration by the jawans. The Chief of Army Staff Lt. General H.M. Ershad and the local Area Commander Major General Mohammad Abdur Rahman received the President when he arrived at the cantonment last evening. Later President Zia visited BAF Base Matiur Rahman and went round different wings and squadrons of the base. The President was received by Chief of Air Staff Air Vice Marshal Sadruddin and the local Base Commander Group Captain Sultan Mahmood when he arrived at the base. [Text] [Dacca THE BANGLADESH OBSERVER in English 22 Nov 80 p 1]

INDONESIAN MINISTER ARRIVES--Indonesian Minister for Health Dr. Soewardjono Suryaningrat arrived in Dacca on Friday on a four-day official visit to Bangladesh "to exchange views and experience" of the two countries in health and population planning. He was received on arrival at Kurmitola airport by the Minister for Health and Population Control Dr. M.A. Matin. Talking to BSS, Dr. Suryaningrat said that Bangladesh and Indonesia had been cooperating in the field of family planning. He referred to the prevailing five-year exchange programme on family planning between the two countries and said that his country would send some of its experienced personnel for the success of the population control programme in Bangladesh. The Indonesian Minister who is accompanied by his wife Madame Suryaningrat, said that he was carrying the greetings of President Soeharto for President Ziaur Rahman. [Excerpt] [Dacca THE BANGLADESH OBSERVER in English 22 Nov 80 p 1]

AMBASSADOR TO SPAIN--Madrid, Nov. 21:--King Carlos I o Spain said here yesterday that his government would like to see increased cooperation between Spain and Bangladesh, reports BSS. The King asked the Bangladesh Ambassador to Spain, Mr. Momin, to convey his "warmest greetings" to President Ziaur Rahman, under whose leadership he hoped, Bangladesh will make rapid progress toward prosperity. Mr. Momin was presenting his credentials to the King as Ambassador of Bangladesh to Spain with residence in Paris. Ambassador Momin assured the King that it would be his constant endeavour to strengthen the relations between the two countries in every field. [Text] [Dacca THE BANGLADESH OBSERVER in English 22 Nov 80 p 12]

PRAISE FROM PRC, DPRK--Bangladesh foreign policy, has been "very much appreciated" in North Korea and People's Republic of China Mr. Q. G. Ajmeri, President of Bangladesh-North Korea Friendship Association said in Dacca on Monday reports ENA. Mr Ajmeri who recently attended the sixth founding anniversary of Democratic Peoples Republic of Korea (DPRK) and visited China was explaining his experience at an informal meeting with newsmen. He said the peoples of both DPR Korea and China lauded Bangladesh's struggle against hegemonism imperialism and expansionism and expressed their solidarity with the people of Bangladesh in their struggle. [Text] [Dacca THE BANGLADESH TIMES in English 25 Nov 80 p 8]

GREETINGS TO LEBANON--President Ziaur Rahman on Saturday greeted Lebanese President Elias Sarkis on the occasion of Independence Day of Lebanon. In a message to President Sarkis on the occasion, the President expressed confidence that the existing friendly relations between the two peoples will be further strengthened in the years ahead. He also wished for the continued peace, progress and prosperity of the people of Lebanon. [Text] [Dacca THE BANGLADESH OBSERVER in English 23 Nov 80 p 1]

GREEK AMBASSADOR--The Ambassador-designate of Greece, Mr. Dimitry Manoltof, on Saturday presented his credentials to the President Ziaur Rahman at Bangabhaban, reports BSS. He conveyed the greetings of the Greek President, Mr. C. Kramanlis to President Ziaur Rahman he sought for guidance and cooperation from the Bangladesh President for his successful mission in Dacca. President Ziaur Rahman reciprocated the sentiment and assured the Greek envoy of all possible cooperation during his tenure of office in Dacca. [Text] Dacca THE BANGLADESH OBSERVER in English 23 Nov 80 p 1]

COOPERATION WITH JAPAN--Mr. Keisika Arita, President of Japan International Cooperation Agency (JICA) called on Foreign Minister Prof. Muhammad Shamsul Huq Saturday morning at the Foreign Office, reports BSS. They discussed the possibilities of further expanding cooperation between Bangladesh and Japan. Mr. Arita expressed special appreciation from the people and the Government of Japan for the visit of President Ziaur Rahman to Japan on the occasion of the funeral of late Prime Minister Mr. Ohira. Prof. Mohammad Shamsul Huq thanked him and the Government of Japan for their valued cooperation with Bangladesh in various fields of development. The Foreign Minister requested Mr. Arita to convey his warm regards to Foreign Minister Mr. Ito and former Foreign Minister Sonada. [Text] [Dacca THE BANGLADESH OBSERVER in English 23 Nov 80 p 12]

COMMUNIST'S RELEASE DEMANDED--The Central committee of Communist Party of Bangladesh on Wednesday demanded release of Mr Mohammad Farhad, General Secretary of the party, according to a Press release. The demand contained in a resolution, which was adopted at the meeting of the central committee of the party. The meeting began on Tuesday under the presidentship of Mr Moni Singh, chief of the party. [Text] [Dacca THE BANGLADESH TIMES in English 27 Nov 80 p 8]

CSO: 4220

MINISTER SUPPORTS TRANSFER OF CHIEF JUSTICES

Madras THE HINDU in English 27 Nov 80 p 9

[Text] New Delhi, Nov. 26. The Law Minister, Mr. P. Shiv Shanker, today said the interest of justice itself required that the post of Chief Justice of High Courts should be transferable.

Replying to the debate in the Lok Sabha on High Court and Supreme Court Judges (Conditions of Service) Amendment Bill, the Minister also announced that some of the vacancies in the Supreme Court would be filled shortly.

He said amidst cheers that selection of the first Harijan Judge for appointment to the Supreme Court had already been made. He did not disclose the name, however. The Bill was passed after a brief debate.

The Minister said every possible effort was being made by the Government to expedite filling of the vacancies in the high courts too.

He pointed out that recommendations for appointment of High Court Judges should originate from the Chief Justice of the High Court concerned. The State Government too had a role. The Centre counted for very little in the process.

The present delay in filling the High Court vacancies was due, in some cases, to the delay in proposals coming up; in other cases, the need for consultation on some issues with the Chief Justices.--

Mr. Shiv Shanker said that bodies like the Bar Council, Bar Associations and eminent individuals, including retired judges and famous jurists, have favoured the idea that posts of Chief Justices of High Courts should be transferable.

He said it was a fact of life that complaints kept coming up from time to time that some Chief Justice was favouring one or the other set of advocates in a State. This Chief Justices might also have prejudices peculiar to that social ethos.

The idea of a 'selective transfer" of Chief Justices, that is to say the transfer of only those Chief Justices who showed prejudice or partiality, had serious pitfalls of its own, the Minister observed.

First, if there was a selective transfer, the transfer would mean a stigma. Secondly, if a man was not good enough in one State, how would he be acceptable to another State? Thirdly, the practice would give the executive more, rather than less, opportunity to interfere with the judiciary.

So it was better that transfers of Chief Justices be made transferable as a matter of course, the Minister said.

Quoting figures, he said it was not true that this Government had defaulted in any marked manner in filling vacancies in the High Courts or the Supreme Court. On November 1, 1977, when the sanctioned strength of the judges was 366, the number of vacancies was 88. The corresponding figures for November 1 this year were 406 and 74 respectively.

With regard to Supreme Court vacancies, Mr. Shiv Shanker said these started arising from August 1980. The first judge retired on July 31, 1980 and four more by November.

The Chief Justice of India sent his proposals some time in September, 1980. There was a procedure to be gone through under Article 124.

He criticised some newspapers for putting out slanted versions blaming the Centre for delay. This was possibly due to their "political alignments," he added.

Committed Judges

Replying to the allegation that the Government wanted "committed" judges, Mr. Shiv Shanker said they should be "committed to the Constitution" for the simple reason that they were taking an oath to uphold the Constitution and laws.

Earlier during the resumed debate, Mr. Mool Chand Daga (Cong-I) suggested that the practice of appointing judges on different commissions or giving them jobs after retirement should be discontinued.

He said there should also be "some qualification fixed" for becoming MPs so that laws enacted by them would be better.

Mr. Daga opposed a provision in the Bill which necessitated production of a medical certificate by judges when they went on medical leave for more than 45 days to en-cash their full salary. "It is not fair to ask Supreme Court judges to produce medical certificate" he said and added that the judges were supposed to be very honest.

Mr. N.K. Shejwalkar (BJP) said the amending Bill gave hardly any relief to judges who should be able to live without fear or lure.

Mr. Nawalkishore Sharma (Cong-I) suggested that while appointing judges, their "social outlook" should be taken into consideration.

Prof. P.J. Kurien (Cong-U) wanted permanent benches of the Supreme Court in the south and east. Similarly Benches of the High Courts could be constituted in the districts, he said.

Poorly Paid Judges

Mr. Harish Chandra Singh Rawat (Cong-I) supported the Bill but severely criticised the provision for more facilities to judges of only the Supreme Court and High Courts, "the hunting ground of big landlards, wealthy people and the privileged classes as well as of fabulously paid lawyers".

The majority of the litigants were poor, common people in district towns and cities where local judges continued to be poorly paid and with "shocking" lack of facilities, he added.

Mr. G.M. Banatwalla (Muslim League) refuted the charge repeatedly made by the ruling party that the judges acted as "a stumbling block" on the path to social progress. It was trotted out as a platitude that several judgments had negatived social justice measures.

He said that quite often the judges were helpless in the face of "defective laws" framed for achieving social justice objectives.

Taking an overall view, he said that in the interests of the litigants, accused, witnesses and all, there was "a need for justice to judges."--PTI.

CSO: 4220

CONTRADICTIONS WITHIN MARXIST PARTY NOTED

Bombay THE TIMES OF INDIA in English 28 Nov 80 p 7

[Text] New Delhi, November 27. The decision of the West Bengal unit of the CPM to organise the bandh in protest against alleged Central neglect is an indication of a sharpening of contradictions within the party.

Whatever substance there may be in Mr. Jyoti Basu's complaints, it is very unlikely that the state government would have opted for military so soon had the ruling group in the state unit been comfortably placed.

Reports from the state indicate that this is no longer so. The militant group, known to be pro-Chinese, has become more active presumably because it finds the situation now congenial for it to assert itself.

The entry into the party of diverse elements who, according to the party leaders, lack in "proper motivation", has created some confusion in the ranks. It is in such confused situations that the militants thrive.

An indication about which group is gaining ascendency in the state party unit, is the type of pronouncements made by its secretary, Mr. Promode Dasgupta. He reflects the views and attitudes of the rank and file. His recent statements have undoubtedly assumed a harsh and strident tone.

The Bengal bandh may well signal the end of a phase in the party. So far, the party's central leadership has been engaged in a delicate exercise of balancing between the pro-Soviet and pro-Chinese groups by making such high-sounding declarations as that the party is committed to bringing about unity in the world communist movement. Actually, it has been an exercise in avoiding the kind of split in the late sixties that gave rise to the Naxalite movement.

The party would perhaps have adopted a more straightforward policy in respect of its attitude to the two communist giants and its relations with the CPI but for the sizable pro-Chinese group in West Bengal. The West Bengal unit being the mainstay of the CPM, it was impossible for the central leadership to ignore the pro-Chinese group.

Dominant Group

A crisis has clearly developed in the West Bengal unit of the party, but how deep it is will be indicated by whether Mr. Promode Dasgupta ultimately goes to Hanoi in response to a Vietnamese invitation along with the party's polit bureau member, Mr. Harkissen Singh Surjeet.

Mr. Dasgupta himself is not committed to any particular line, but it will be difficult for him to ignore the wishes of the dominant group in the state unit. It will also depend on which group is now dominent.

A cleavage in the party's rank and file in West Bengal will not only seriously threaten the continued existence of the state government but will cause a grave set-back to the CPM itself.

CSO: 4220

MANIPUR DEPUTY CHIEF IS CLP(I) LEADER

Madras THE HINDU in English 27 Nov 80 p 11

[Text] Imphal, Nov. 26. Mr. Rishang Keishing, Deputy Chief Minister of Manipur, has been unanimously elected leader of the Congress (I) Legislature Party.

The election of the leader was conducted last night by the AICC(I) general secretary, Mr. Satyanarayana Rao, who announced the result today.

The delay in the announcement was in deference to the wishes of party members, Mr. Rao told newsmen.

The new coalition Ministry led by Mr. Keishing is expected to be sworn in tomorrow. Mr. Keishing succeeds Mr. R.K. Dorendra Singh, who tendered his resignation following his appointment as India's Ambassador to Norway.

Mr. Rao said Mr. Keishing had been nominated by the Congress(I) president, Mrs. Indira Gandhi and elected by CLP(I) members unanimously.

He expressed the hope that Congress(I) members would work shoulder to shoulder to implement various developmental schemes and to restore peace in Manipur.

Congratulating the new leader, Mr. Dorendra Singh said there was no difference in the party and the policy and programme of his Ministry would be implemented by the new Government.

Referring to the combing operations by the Army against insurgents in the State Mr. Singh said "Innocent persons had been killed" and he had brought this to the notice of the Army authorities.

Mr. Keishing thanked the party members for electing him unanimously and assured them that he would do his best to maintain the unity of the party and work for all-round development of the State.

He said a "direct contact" with the insurgents would be developed to pave the way for an acceptable solution and to restore complete peace and amity in the State.--PTI.

CSO: 4220

HARDCORE MAOISTS REPORTED FLEEING INDIA

Calcutta THE STATESMAN in English 27 Nov 80 p 9

[Text] Shillong, Nov. 26.--The Maoist hardcore unit of Muivah's National Socialists across the Indo-Burma border is on the run, according to informed sources. They are believed to have taken shelter in a village, Lao, three days' trek from the international border.

Lao is a Konyak village. Some of the Konyaks back Muivah, but not because of his ideology. They are possibly ignorant of Muivah's long-term objectives and acceptance of class struggle. They are loyal as soldiers of the original underground or federal set-up.

Rumours about radical Left activity in Nagaland's backward Tuensang and Mon districts are grossly exaggerated. It could be said that a number of tribes, like the Konyaks of Mon, are seeking greater autonomy and a greater share of the funds. The Khiamungans are one of them. Nagaland's first Khiamungan, Mr Pongom, was sworn in here yesterday as a Minister of State. The young energetic MLA from Thonokyu will look after Information. Publicity and Tourism.

The Khiamungans were major victims of Muivah's extremists but hit back causing the present plight of the group.

A Khiamungan in the federal set-up, Ghing Shingnya of Sanglao village and his command killed 75 of Muivah's men at Langnoa on the Burmese side on October 27. "Lieutenant-Colonel" Shingnyu was promoted "brigadier".

The strength of the trans-border group is being eroded. It is rumoured the largest group is that of the Hemis of Burma led by Khaplang, followed by the Konyaks and a few Semas under Isak who is a Christian. The Tangkhuls are less than 30 but include young men who learnt about Marxism in universities. One of them is JNU. One of the Tangkhuls killed at Pang a few months ago was an M.A. student named Mark.

The Tangkhuls of Ukhrul, a district in Manipur, have perhaps links with the PLA in the contiguous Imphal valley. There are reasons to believe that they obtain arms from the PLA and vice versa. The PLA leader, Bishewar Singh, speaks of mobiling the tribals of the north-east to fight the "Delhi bandits" in the first phase. He dreams of emulating Mao in the counter-offensive.

Revivalism is attributed to various factors. But a little advertised and less understood concerns their claim to the Kabaw valley now in Burma. Quite apart from

theories about Bebensraum--once voiced by the Nagas in their border dispute with Assam--the Kabaw valley could absorb the overflow from the Imphal valley which housed a fairly sizable settlement of Nepalis after world war II.

Whatever the real or amorphous links among Muivah's group, the PLA and other ethnic groups like the Kachin Independence Army or the Eastern Naga Revolutionary Council, the prospects of talks between the federal set-up and the National Socialists are practically ruled out for two good reasons. Ruthless killings by Muivah's men--about 300 to date--cannot be forgotten nor can Christian Nagas overlook Muivah's advocacy of Maoism. Maoist techniques may be acceptable but not as the life style.

Muivah, meanwhile, may be wanting to carry the battle into Nagaland by sending killer squads to eliminate certain leaders. The attempt on Ramyo's life could be owing to Tankhul rivalry. The bid to kill Vamuzo by a fellow Chakhesang is said to be different. The alleged assassin was a frustrated job seeker with perhaps an underground background.

CSO: 4220

STEPS TO PROTECT HARIJANS, TRIBALS URGED

Bombay THE TIMES OF INDIA in English 27 Nov 80 p 13

[Text] New Delhi, November 26 (PTI): The government has asked the states to take "preventive" action against "powerful" people who hired or employed musclemen or engaged gang leaders in villages to commit atrocities on Harijans and tribal people.

An illustrative list of numerous measures to be taken against the people instigating crimes against the weaker sections was given by the minister of state for home, Mr. Yogendra Makwana, in the Lok Sabha today.

In his reply to a question by Mr. Ram Vilas Paswan, the minister said Mr. Zail Singh, Union home minister, had written to all chief ministers and union territories in September that at least one of the officers in "sensitive districts" should belong to one of these communities.

Administrative heads of districts and superintendents of police should be held personally responsible for ensuring prompt and effective action, not only by themselves but by all officers of their districts, along the lines of the Central directive.

They should be responsible for fully achieving the objectives of effectively preventing atrocities, apprehending criminals and visiting them with condign punishment with deterent rapidity and quick and complete rehabilitation of the victims and their families", the Centre has instructed.

Apart from taking appropriate disciplinary action against irresponsible officials, the state governments have also been asked to treat as "a grave dereliction of duty" any failure to undertake prompt and efficient action or exercise adequate supervision at the preventive, or punitive, or rehabilitation stage.

As one step to bring prestige to the "least prestigious" locality occupied by Harijans in the village, all collectors and police superintendents and their subordinates should be required to spend a substantial part of the time there during their tours of villages, and transact from these localities their work pertaining to the "general advancement and general problems of the village."

But, the Centre has warned, "on no account should the district administration lend the weight of its prestige to that part of the village where the powerful of the village reside" by transacting work pertaining to the general public, or specific occupational groups there.

CSO: 4220

MINISTER DENIES DISCRIMINATION AGAINST BENGAL

Calcutta THE STATESMAN in English 26 Nov 80 p 1

[Text] New Delhi, Nov. 25.--The Centre is not discriminating against the West Bengal Government, Mr Yogendra Makwana, Minister of State for Home Affairs, told the Rajya Sabha today. "On the contrary, it is creating problems for the Centre though we want to help it", he said during a debate on a call-attention motion.

The motion was tabled by Mr Bhupesh Gupta (CPI) and seven others. The subject of the motion was: "The recent reported observations of the Chief Minister of West Bengal regarding the discriminatory policy being pursued by the Centre against the Government of West Bengal, consequently causing difficulties in the functioning of the State Government, and undue delay in taking action and decisions on certain urgent matters relating to that Government, including assent to the Bills passed by the State Legislative Assembly".

Though the range of the topic was wide, the debate centred round the figures of allotment of foodgrain and its use under the Food-for-Work programme. Mr Makwana said the West Bengal Government "wants to dictate to us. We refuse to be dictated to by it. But we can consider its request in respect of guidelines for the programme".

Besides Mr Gupta, those who pleaded the cause of the West Bengal Government included Mr P. Ramamurthy (CPI-M), Mr Sourendra Bhattacharjea (RSP), Mr Ladli Mohan Nigam (Lok Dal), Mr J.P. Mathur (BJP) whose support was conditional, Mr V.B. Raju (Con-U) and Mr B.P. Maurya (Ind).

Mr D.P. Chattopadhyaya (Con-I) alleged that there had been "political murders" in the State and accused the Left Front Government of being "really partisan". Mr Makwana said Mr Chattopadhyaya had given "a befitting reply to them". He could not do that as "I did not want to bring in politics".

There were altercations between the Treasury Benches and the Opposition and interruptions. Mr Gupta had an angry exchange with Mr Shyamlal Yadav, Deputy Chairman. He charged him with "interference" and said he was taking all the time.

Mr Chattopadhyaya was repeatedly interrupted by Mrs Kanak Mukherjee (CPI-M) and others, Mr Pranab Mukherjee, leader of the House, angrily remarked that the ruling party benches would not permit the Opposition members to speak "if this goes on". The discussion, scheduled for 60 minutes, lasted 150 minutes.

CSO: 4220

CONTRACT CHANGE ENDANGERS WORLD BANK AID

Calcutta THE STATESMAN in English 26 Nov 80 pp 1, 9

[Article by Warren Unna: "World Bank's Controversy With India"]

[Text] Washington, Nov. 25.--The World Bank, India's main source of foreign aid loans and India, the World Bank's principal and showcase client, are engaged in the first really serious controversy in their long and basically congenial relationship.

It involves what the World Bank suspects is hanky-panky in the reworking of a contract long ago negotiated and agreed upon. The bank thinks that if this reworked contract is allowed to proceed it could compromise both the bank's reputation for integrity and expertise and India's need for the best possible economic development assistance. The contract is to help India build her biggest-ever fertilizer plant, and the first in a projected series which are to make use of the waste natural gas now being burned off in the Bombay High oil extraction.

All this comes just as the World Bank is struggling to maintain India's traditional level of loan money as China, with a considerably larger proportion of the world's needy, has joined the bank to put in its own bid for large-scale loans. It also comes as the World Bank is having more difficulty than ever coaxing already pledged financial support from its largest single donor, the USA, because of the increasingly negative and indifferent attitude of the U.S. Congress.

At issue is a $250-million loan the World Bank agreed to provide India on June 28, 1979. The loan was to enable India to build $812-million natural gas-based ammonia and urea Rashtriya Chemicals and Fertilizers complex at Thal, south of Bombay. By 1983 the complex was to begin producing 2,700 tons of ammonia and 4,500 tons of urea daily and thereby, permit India to save some $200 million a year in foreign exchange for fertilizer imports.

The consultant's fee, variously estimated at between $25 million and $42 million (in the event of a second complex being built in Gujarat), was to go to a U.S. engineering firm, C.S. Braun of Southern California, which had been selected by Rashtriya. Braun was to be responsible for design, engineering and primary construction of the two-unit plant.

But, even though the then Government of India signed the agreement with the World Bank in June 1979, a little more than a half year later the new Indira Gandhi Government ordered a review of all major foreign contracts. And, even though the

two high-level technical committees of business and civil servant experts had by then approved Braun as the most qualified consultant, and the one which offered energy-saving technology, the matter was sent on for further review by a group of Cabinet Ministers.

Apparently, there was a division and the majority went against Braun.

Then, this spring, the full Cabinet decided that the highly-lucrative consultant's fee for the Thal fertilizer complex should go to a group which earlier had been passed over in the original selection, the Danish firm of Haldor Topsoe and its reportedly 50% owner, the Italian firm of Snam Progetti.

When India suddenly informed the World Bank of this change, bank officials were taken aback. They knew Haldor Topsoe was reputable, but not for such large-scale and innovative projects as the one agreed upon for Thal. The World Bank has a policy of not specifying consultants, but instead indicating a panel of approved firms over which it maintains the right to veto. It asked India to justify the unusual change in an agreed-upon contract, and also to justify the change to a business group which by Indian officials' own acknowledgement, would be charging India a "slightly less advantageous fee".

The World Bank set October 31 as a deadline for this justification. India then asked for a two-month extension.

Now unless India is able to justify its change in the original contract, the World Bank threatens to allow the contract to lapse at the end of this year, on December 31. This will mean no $250 million loan issued on the highly-advantageous terms of 20 years with the first five years considered as a no-payment grace period and a very low interest rate of 7.9%. This, presumably, would kill the project and further defer India's need to become more self-sufficient in fertilizer and avoid paying scarce foreign exchange for imports.

Mr David Hopper, the World Bank's Regional Vice-President for South Asia, a Canadian national and the official responsible for certifying the correctness of the transaction, said he "assumed" India would provide a satisfactory technological assessment (i.e., justification) before the December 31 cut-off date for the loan. This, of course, is the diplomatically proper thing to say.

Others don't see how India will be able to document her switch in principals. The explanations submitted by India so far--that the Danish-Italian group will provide India with more transfer in technology, and a more rigorous performance guarantee--are regarded as wishful after-the-fact rationalizations.

Mr David S. King, the U.S. alternate executive director on the World Bank board and a lawyer, put it more bluntly: "Originally, Braun got all of the high marks in both price and quality. Then the Indians demanded that the bids be re-evaluated. But, even after that, Braun still came out ahead. Then, when the Cabinet split, the Prime Minister and the Minister who had been very vocal in countermanding the whole thing said it had to go to Haldor Topsoe a top outfit, but one with no experience in this sort of thing. And, their bid was clearly inferior. In this case, apparently, the thing was so foul and irregular that the bank, which ordinarily might have closed its eyes, figured it could not close its eyes to this. They thought the thing was so smelly it was not even in the ballpark".

CSO: 4220

SHILLONG MIZO STUDENTS SUPPORT LALDENGA

Calcutta THE STATESMAN in English 26 Nov 80 p 9

[Text] Shillong, Nov. 25.--The Mizo Students Union of Shillong has submitted a memorandum to the Prime Minister with two main demands, described as suggestions. First, that no third party should be associated with the peace negotiations without the approval or concurrence of the MNF leader, Mr Laldenga. Second, that Mr Laldenga should be allowed to visit Shillong and Mizoram before the end of the year to explain "doubts that may arise out of the current negotiations" and clear doubts whether he is really free to go to Mizoram or other places".

This is the first mention of Shillong in any itinerary for the MNF leader.

Reiterating their stand in an earlier memorandum to the Prime Minister in July, the new memorandum stresses that "you two (Mrs Gandhi and Mr Laldenga) alone can ensure a settlement which would make Mizoram feel secure and content".

According to the students, Mr Laldenga's alleged dishonesty was a canard spread by the Janata regime and abetted by "tools" like Mr Biakchhunga, former MNF "commander-in-chief" former top commanders like Zamana and Mr Laldenga's former bodyguard, Mr Lalsangliana Sailo.

The students union is largely symbolic although Mizos are trying for an Assam-style movement. Overt criticism of political parties and their leaders seeps through. The memorandum notes that the Mizoram Congress (I) is "largely accepted by the people because of the professed support for the MNF led by Mr Laldenga", but it adds sceptically: "Of course, whether they genuinely support the MNF or not, you know better than us".

Mizo students in Shillong are pro-Laldenga but were never so active. The ruling Peoples Conference perhaps organized the youth with flattering results since 1978; the MPCC (I) leader, Mr Lal Thanhawla and the breakway faction of the Conference are in the game now. The election of office-bearers to the Mizo Zirlai Pawl, the prestigious apex student body in Mizoram, is a setback for the brigadier.

There are clear indications of a campaign to oust the Chief Minister using students power. But the demand that all MLAs should resign may be counter-productive. Brig. Sailo, now in Delhi, has virtually challenged Mr Laldenga to face him at the polls--inevitable if Mizoram is granted Statehood. Hitherto, Mr Laldenga had

pressed for President's Rule prior to an election, obviously apprehensive of a caretaker Government by the Peoples Conference. Almost to allay such fears, Brig. Sailo has declared that his Ministry would go out of office simultaneously with the grant of Statehood, which could be Mr Yash Pal Kapoor's promised Christmas gift to the Mizos, announced in Aizawl a few weeks ago.

Whatever the prospects, MNF activists and the hardcore have stepped up tax collections, recruitment and training. Official sources are disturbed by reports of MNF bands allying themselves closely with rebel ethnic groups in the Chittagong Hill Tracts and the Arakans. President Ne Win's visits to New Delhi and Dacca are significant in this context.

One school maintains that the MNF units across the border have established links, if not regular communication channels, with the Manipuri Peoples Liberation Army and Muivah's Maoist cadres further north. The other school holds that the MNF's operational links with the Tripuri tribals and other splinter groups in the Chittagong Hill Tracts, east towards the Arakans, may be to carve out a sphere of influence, largely Christian and hence insulated against Maoist winds.

CSO: 4220

SPACE CENTER DIRECTOR TELLS ROCKET LAUNCHING PLANS

Bombay THE TIMES OF INDIA in English 28 Nov 80 p 5

[Text] Bombay, November 27: India will launch a rocket of the SLV-3 type once in every six months from early next year. During the launches many indigenous substitutes for the imported components will be tested.

This is one of the several major features of the profile for the decade 1980-90 of the Indian Space Research Organisation, approved by the Union cabinet recently, according to Dr. Vasant Gowarikar, director of the Vikram Sarabhai Space Centre, Triyandrum.

Delivering the sixth Vikram Sarabhai memorial lecture under the auspices of the Institution of Engineers (India), Maharashtra state centre and other associations of engineers, here today, Dr. Gowarikar said the ISRO had achieved the goals set by the late Dr. Sarabhai for the decade 1970-80 and in certain respects its accomplishments had exceeded the targets.

India's capacity in solid propellant technology was total and it could make every chemical component required, he said.

The augmented satellite launching vehicle (ASLV), weighing 40 tonnes, is scheduled to be launched by 1983-84 and this will enable Indian scientists to put in orbit a satellite weighing 150 kg.

By 1986-87 ISRO is expected to launch an Indian remote sensing satellite in polar orbit and the satellite will weigh 600 kg. The rocket, polar SLV, will weigh 330 tonnes, according to Dr. Gowarikar.

CSO: 4220

AIR FORCE MEDICAL CHIEF DISCUSSES PROJECTS

Madras THE HINDU in English 27 Nov 80 p 11

[Excerpt] Bangalore, Nov. 26. The Institute of Aviation Medicine here will shortly launch a research project on the comparative benefits of yoga and physical training on Air Force personnel.

Announcing this at a press conference here on Tuesday, Air Vice-Marshal Mulk Raj, Director of Medical Services (Air), said that a liquid cool suit to be worn by pilots for mitigating the heat stress, particularly while flying high-speed, low-flying military aircraft was in an advanced stage of development.

The Institute had conducted pioneering work in the field of hyperbaric medicine (any agent having a specific gravity greater than that of spinal fluid). With the application of this therapy the lives and limbs which would otherwise have been lost had been saved. He said the Institute had been authorised to treat civilians by means of hyperbaric therapy as the facility was not available elsewhere in Bangalore. A case of gas gangrene was recently saved by the application of this therapy, he said.

A large number of cases involving extensive injuries to blood vessels had also been successfully treated.

Air Commodore Sant, Air Officer Commanding Institute of Aviation Medicine told pressmen that a pilot study on the benefits of yoga had already been completed at the Institute and the Armed Forces Medical Development committee had been approached for finance for research on a comparative study of the benefits of yoga and physical training.

CSO: 4220

MINISTER SPEAKS AT TEXTILE SYMPOSIUM OPENING

Bombay THE TIMES OF INDIA in English 28 Nov 80 p 5

[Text] Bombay, November 27. The need for transfer of technology from the developed countries to the developing nations and for building a collective self-reliance among the third-world countries themselves was stressed here today by Mr. V.C. Shukla, Union minister for civil supplies, and president, Indian Standards Institution.

Inaugurating the international textile engineering symposium, the minister said the transfer of technology could not just be effected by agreement at the government level, but could be transmitted more effectively through technical conferences. He was sure that in the fields of textiles and textile machinery, the developed countries would become willing partners in transferring their technology to the developing countries in their own long-term interest.

Collective Self-Reliance

At the same time, the developing countries, he said, should build a collective self-reliance, particularly in exchanging their experiences and information relating to the adaptation of the imported technologies to suit their needs. He hoped that the Indian industry would be willing to share its experience and expertise with other developing countries for the growth of their national infrastructure in textiles.

The development of the textile machinery industry in India, Mr. Shukla said, had not reached a stage where, apart from catering to the domestic need, the country had started exporting them. The total value of the textile machinery and accessories produced in the country was only Rs. 80 million in 1958. It increased to about Rs. 1,500 million in 1976-77 and was of the order of over Rs. 2,300 million in 1979-80. Exports of textile machinery for the last five years had amounted to over Rs. 700 million. The country, he pointed out, had also taken a lead in executing turnkey and semi-turnkey textile mills' projects in different countries.

The minister said the theme of this symposium--"Latest development in textile engineering as relevant to the textile industry in the third-world countries"--was particularly significant in the background of the development of textile industry in India at this juncture! He was happy that the symposium was being followed by an international exhibition displaying the latest textile machinery produced all over the world.

Mr. Suresh Mehta, chairman, India--ITME, steering committee, in his welcome address, said that in recent years, the Indian textile machinery manufacturers had made some

original contributions in the development of textile machinery and processing technologies. India today manufactured a complete range of textile machinery and accessories not only for the cotton textile industry but even for synthetic and man-made fibre, and some major items for woollen and jute textile industries.

Mr. Mehta said the third-world countries had great problems for choosing appropriate technology, though there was the need for acquiring such technology which would enable them a faster rate of industrialisation than would be possible otherwise. There had been clear indications in the recent past, he said, that the process of selecting and implementing relevant technologies in most of the third-world countries had been haphazard causing a great deal of concern among the technocrats in such countries.

The management side of sophisticated technologies, Mr. Mehta said, was equally important. Even in India, a few textile units in their eagerness to modernise, adopted wrong priorities and in that process came to grief after making huge investments.

Mr. K. Rajagopal, president, Indian Cotton Mills' Federation, said that on account of the interaction between the textile industry's necessity to acquire a keen competitive edge and the textile machinery manufacturers' anxiety to ensure supplies from domestic production to the maximum extent, it had been possible for both the mill and machinery industries to take the right steps at the right time.

Referring to the integrated textile policy, he hoped that the government would take all possible steps to ensure increased production of the industry. The industry, he said had occasions to impress upon the government the need for initiating a series of steps to facilitate modernisation without tears.

Mr. Atul Bhagwati, chairman, Textile Machinery Manufacturers' Association, proposed a vote of thanks.

CSO: 4220

INDO-EUROPEAN ENGINEERING COOPERATION STUDIED

Bombay THE TIMES OF INDIA in English 27 Nov 80 p 23

[Article by Ramesh Chandran: "Conference on Tie-ups With W. European Contractors"]

[Text] Paris, November 26: A two-day conference on cooperation between West European contractors and Indian engineering firms interested in subcontract work, organised by the Engineering Export Promotion Council, opened here on Monday.

The largest of its kind to be held here, it has attracted a sizable Indian delegation of 50 members and 173 representatives from West European countries. France leads with 45 delegates, followed by West Germany and Italy, 34 each. The other countries represented are Belgium, the U.K. the Netherlands, Denmark, Austria and Spain.

The purpose of the conference is to enable Indian and European firms to "co-tender" and "co-contract" in projects in the developing countries, especially in West Asia and Africa. Conference officials maintained that such joint working would contribute to more-effective cost competitiveness and efficiency, "displacing mutual rivalry, unhealthy competition and unethical business practices".

The tie-ups between Indian and West European firms have hitherto been on an ad hoc basis. So it is thought necessary to co-ordinate the efforts, even institutionalise them, in a bid to achieve a measure of regulation in areas like markets, specialisation, project location and overall project economy.

Better Equipped

The European delegations are being briefed about the capacity and skills of the Indian engineering and construction firms where quite often they are better equipped to attain economy in the cost of capital goods which is so vital to certain project costs, India is often better placed to cater for the equipment requirements of projects in West Asia and Africa on this basis.

Moreover, Indian contractors have already undertaken projects, including turnkey plants, in West Asia and Africa. Since the European contractors and suppliers are also already participating on a massive scale in the industrial and developmental programmes of the developing countries in West Asia, the scope of co-operation is said to be "limitless".

As one official pointed out, one of the aims of the conference is to draw up an "inventory of mutual capabilities with a view to providing the most economical and optimistic project package by the two sides."

For the uninitiated Western industrialist, lists of material in whose production India has achieved advance skills are readily made available. It was pointed out that the country ranked tenth among the most-industrialised nations and the eighth largest producer of industrial goods. It also had the third largest reservoir of technical and scientific manpower.

Appropriately, the phenomenal strides made in exports by the engineering industry in the past 25 years is being emphasised. The exports have increased from Rs. 5 crores in 1956-57 to Rs. 900 crores in 1980-81. A wide range of primarily iron and steel-based items, consumer durables, capital goods, projects and services are being exported by the country. The European industrialists are told that the Indian industry has planned to step up the present level of exports to Rs. 10,000 crores by 1990-91.

Overseas Contracts

The Indian industiralists have also attempted to analyse the magnitude of the success achieved by India in civil construction in securing contracts from overseas countries to the tune of $3,000 million in the face of stiff competition. These include the construction of hydro-projects, bridges, dams, international airports and townships.

To those overseas industrialists who are hesitant to tangle with India's proverbial bureaucratic red tape, the delegates have been quick to point out the changing composition of national production being reflected in the changing pattern of India's foreign trade. The process of transfer of technologies has already been set in motion. Of the 199 joint venture projects entered into by July 31, 109 have already gone into production and 83 are under implementation. The investment involved in these projects is nearly $100 million.

The Engineering Export Promotion Council, which is heading the Indian delegation, is striving to stress its role as a catalyst in the promotion of export of India's engineering goods through its network of ten foreign and four regional offices within the country.

As one delegate has pointed out, their task is to convince Western industrialists that in a space of two decades Indian engineering industries have matured from being supplies of basic products to the domestic market protected by a thick wall of import restrictions to outward-looking and dynamic traders, seeking and winning big foreign contracts.

Publicity Drive

Among those participating in the conference included Mr. Khurshid Alam Khan, minister of state for commerce, Mr. M. Rasgotra, ambassador to France, Mr. P.K. Dave, ambassador to Belgium and the EEC and special economic envoy in West Europe, and Mr. G.D. Shah, chairman of the council. The French minister of external trade, Mr. Michel Cointat, addressed the conference.

There has been a well-orchestrated publicity campaign for the conference here. Paris's leading daily, Le Monde, carried a six-page supplement on India's industrial potential. It also featured articles on the Tata empire and the prospects for closer

French co-operation with India's industry. Elsewhere, this week's European edition of Time magazine issued a 12-page special advertising section on India which also mentioned the conference.

At the conference, among one of the widely-distributed printed notes was a statement on India's industrial policy by the minister of state for industry, Dr. Charanjit Chanana, in both French and English. In an otherwise cohesive analysis, it contained severely-critical references to the performance of non-Congress governments and flattering reference to the Congress government.

In a paragraph on the "take-off stage", the minister's statement said: "The industrial progress of India during the past three decades can be attributed to the policies pursued by the Congress governments. While the country reached a take-off stage in mid-1970s, both the growth channels--optimum utilisation of installed capacity as well as expansion of industries--were choked off by the 33-month rule of the Janata party and its successor government.

CSO: 4220

DELHI INVESTIGATES CHANGE IN PRICE INDEX BASE

Calcutta THE STATESMAN in English 26 Nov 80 p 9

[Text] New Delhi, Nov. 25.--Having rejected the Rath Committee's report on correcting the consumer price index, the Government has decided to go through another exercise of investigating the preparation of a new series with 1980-81 as the base.

The exercise will be undertaken by a committee headed by Mr K. C. Seals, Director-General of the Central Statistical Organization. The committee has been asked to submit its report in two months' time.

The consumer price index, on which the dearness allowance formula is based, is supposed to be revised every 10 years. This revision is considered necessary in order to link the series with the prevailing consumption pattern and prices. The changes in the index are expected to take care of the changes in the consumers' tastes, habits, income and the average expenditure on consumption items.

The present series of consumer price index numbers for workers have been compiled by the Labour Bureau, Simla, on base 1960-100 and are based on the family budget enquiries conducted in 1958-59. The Labour Bureau prepared a new series with 1971 as the base year but there was strong opposition to it from trade union organizations. The bureau was told that the old system of compilation was faulty and there was no point in introducing a new series with the same old faults. Thus, the 1971 consumer series remained merely an official exercise.

The Rath Committee, which had been appointed to rectify the consumer price index numbers three years ago, submitted its report to the Government in January, 1978. But, the Government rejected the unanimous recommendations of the tripartite Rath Committee on the plea that their implementation might generate more inflation. The implementation of the committee's report would have meant a minimum seven-point rise in the consumer price index, making another instalment of dearness allowance due for employees in the Centre and State Governments. Quite apart from the additional financial burden on the private sector units, increased dearness allowance for Government employees would have meant an additional monthly expenditure of Rs 2 crores to the Central Government alone.

The Rath Committee had not favoured any fundamental departure in collection of price indices as was demanded by trade union representatives, but only suggested the correction of some faults in the computation of indices in regard to some items.

The rejection of the committee's report has been criticized by trade unions on the ground that this amounted to denial to the workers of neutralization of the cost of living through additional dearness allowance due since the 60s.

CSO: 4220

JUTE GROWERS REPORTED IN 'DISTRESS SEASON'

Calcutta THE STATESMAN in English 27 Nov 80 p 10

[Text] This has been another season of distress for the jute growers. Prices in the open market have crashed to Rs 50 a quintal below the statutory minimum, probably the lowest ever.

According to informed sources, the main reason for the prevailing low prices is the high production in the past three years. In 1978-79, the production was an all-time record of 8.2 million bales. In 1979-80, it was 7.6 million bales and this year it is estimated to be between 7.5 million and 8 million bales.

In addition to the high production, substantial quantities of raw jute are regularly being smuggled in from Bangladesh, where production has been so high in recent years that the Government there has been forced to do away with the system of having "floor prices" for the crop. It is believed that the jute is smuggled into West Bengal in exchange for items like paddy or salt.

According to the sources, the total availability of raw jute this year is about 11 million bales including a carry-over stock of 3.4 million bales from last year. Since the consumption is estimated to be only about 8 million bales, there are believed to be no chances for the farmers getting a remunerative price as long as there is such a huge glut in the market.

As in the past few years, the performance of the Jute Corporation of India has not been satisfactory. Till now, it has been able to procure only about 600,000 bales. Since only about 50% of this quantity has been bought directly from the growers, it has not been able to make any impact on the price situation.

Since its inception in 1971, the JCI has never been able to procure more than 11% of the total jute crop. Its share this year is not likely to go beyond 5%. The JCI is burdened with a huge unsold stock of about 1.3 million bales. This has led to the blocking of costly space in the godowns.

One way to ease the glut in the market is through the export of raw jute. But in this, the JCI has not met with much success. Till now, it has been able to export only about 100,000 bales.

CSO: 4220

TENSION REPORTED IN WEST BENGAL HARVEST

Calcutta THE STATESMAN in English 27 Nov 80 p 16

[Text] Burdwan, Nov. 26.--The countryside in West Bengal looks lovely at this time of the year. As you drive out of any mofussil town you see fields of golden paddy ready for the sickle. In some areas harvesting has just begun. Women are seen in fields tying paddy stocks in bundles.

The scene is idyllic. But there is considerable tension during the harvesting season. In Burdwan district, which has witnessed many wild fluctuations in the past years in the political fortunes of the two main rivals--the CPI(M) and the Congress (I)--clashes during harvesting are a regular feature. This year the tension is brewing between the Congress (I) and the CPI(M).

According to official sources, at least 25 clashes have so far taken place in which no less than 55 people, including women, were injured and about 40 people arrested. So far, 18 police camps have been opened. At least, one camp for each thana will be set up soon. A special control room has started operating with five deputy magistrates on round-the-clock duty.

The district authorities fear the situation may deteriorate during the first week of December when harvesting will be in full swing. Clashes reported so far have been mainly over daily wages to farm labourers.

Senior police officials feel that more vehicles and men are needed. The district with an area of 7,007 sq km and a population of 5.5 million, has only about 2,800 policemen. The authorities have asked for more force and vehicles. So far, one company of police has arrived and four vehicles have been available, according to Mr H.A. Safwi, Superintendent of Police. There are more than 300 "traditional trouble spots" in the district.

More than 10 people, said to be CPI(M) supporters, were injured when a jotedar allegedly fired on them when they were harvesting paddy in a plot at Mollasarui in Galshi area on November 20. More than 12 persons including seven alleged Congress(I) men were arrested. Police seized two guns from the jotedars.

Commenting on an incident of alleged forcible harvesting at Maro in the Budbud thana area by the CPI(M-L) followers a spokesman of the party said: "Our party will side by actual bargadars".

The main issue of trouble in the villages at present is the strike by agricultural labourers. A strike has been called over the demand for a minimum daily wage of Rs 8.10. According to official sources, there are about 304-500 agricultural labourers in the district. The landowners say it is "simply impossible" for them to pay such a "high amount". One of them said: "We are ready to pay Rs 3 and a certain amount of rice, apart from conventional mustard oil and bidi. A daily wage of Rs 8.10 will compel us to abandon farming.

The controversy may have a long term effect on relations between the landowners and labourers, nearly 50% of whom come from other districts. The CPI(M) leaders are determined to champion the cause of the labourers. However, Mr Mehboob Zahidi, chairman of the Burdwan Zilla Parishad, said that some sort of a "compromise" was being allowed between the landowners and the sharecroppers. "Our panchayats have been asked to urge those who can afford to pay not to deprive the labourers", he added. An all-Party meeting was held here yesterday on this issue, with Mr Zahidi in the chair.

Congress (I) sources, however, allege that the CPI(M) men are not allowing even "willing workers" to harvest and that they are terrorizing farmers who are harvesting with labourers brought from outside. Small and marginal farmers who did not contribute to the CPI(M) fund are not spared, it is alleged.

Some followers of the Forward Bloc (Marxist) were allegedly assaulted by members of the Krishak Samity, the peasant organization of the CPI(M) when they were working in the fields on November 12 violating the strike call by the Krishak Samity to press their demand for the minimum daily wage.

Another major point of dispute is land tenancy. According to official sources, many peasants who were allotted land during the second United Front regime were evicted by the Congress after its 1972 victory and plots were redistributed mainly among Congress supporters. The present landowners fear their crops would be harvested "forcibly" by others. They do not appear to draw much comfort from official assurance that only those who had sown paddy seeds would be allowed to harvest.

The CPI(M) leaders make no secret of their intention to take over land which was "distributed improperly" during the Congress regime. Mr Zahidi said that his party would help harvest crops on land bargadars had done the sowing. According to him there are about 1.15 million acres of agricultural land in the district. During the past three years about 24,500 thousand bargadars have been recorded. About 75 cases concerning land disputes are yet to be settled.

The police face a tricky situation because in many cases court injunctions and Government directives appear to clash. There are instances of jotedars obtaining injunctions on harvesting where bargadars claimed to have actually done the sowing.

The police in some cases have been asked to seize the disputed crop but the bargadars, it is felt, cannot afford to wait until disputes are resolved. Efforts are being made to sort out such cases through negotiations at the block-level committees comprising block development officers, junior land reforms officers and officers-in-charge of the police stations concerned.

CSO: 4220

BENGAL FLOUR MILLS HIT BY IRREGULAR WHEAT SUPPLY

Calcutta THE STATESMAN in English 26 Nov 80 p 4

[Text] The irregular supply of wheat has seriously affected production at flour mills in West Bengal. Some time back, the Centre, in order to conserve the wheat component in the Central buffer stock, had reduced the wheat quota of the State's flour mills by half. But during the past two months, the flour mills in the State had not received even this reduced flour quota, it is learnt.

As a result, the capacity utilization of the flour mills has not dropped to 35%. There are 35 flour mills in the State and of these, 21 are in the greater Calcutta area. It is stated that the wheat supply to the mills in Calcutta and Howrah was short by 1,000 tons and 1,800 tons in September and October, respectively.

The situation in the districts was worse. The monthly wheat quota of the mills in the districts was 6,000 tons. Supply to these mills fell short by 50% and 35% in September and October, respectively. The shortfall in supply is said to have been caused by the depletion of stocks at the Food Corporation of India's godowns.

Apart from the shortfall in the supply of wheat, the mills were handicapped by the suspension of wheat supply by lorry transport contractors from November 4. The contractors demanded an increase in the transort charges by 25% to 40%. But the flour mill industry, being a controlled trade in terms of price, production and distribution of the end product, considered the demand excessive.

Several mills were compelled to suspend their production as they had no wheat stock left. The contractors, however, resumed supply from November 13 when talks for a settlement of the dispute started. An agreement is expected to be signed shortly ending the disputes between the mill owners and the contractors, it is stated.

The mills, it is learnt, are not happy with the wheat stock position in the FCI godowns in and around Calcutta. There have been occasions in the past few weeks when no delivery programmes could be given by the FCI because of lack of stocks at the godowns. At times, mills had to lift wheat straight from the rakes to maintain their production.

CSO: 4220

BRIEFS

MERCURY DEPOSIT DISCOVERED--New Delhi, November 26 (PTI): The Geological Survey of India has located an occurrence of native mercury at the southern tip of the Arnala Island near Bombay. The spot is about 1.5 km away from the sea coast submerged under a column of 1.5 metre deep seawater. It is exposed periodically for an hour or so twice a month when the tide is very low during new moon or no moon days, says an official release. The GSI has initiated action for investigating on a priority basis the collection of basic geological data. The investigation would enable the GSI to draw up further exploration programme. [Text] [Bombay THE TIMES OF INDIA in English 27 Nov 80 p 13]

CONGRESS(U) SESSION CANCELED--Ajmer, November 26: The plenary session of the all-India Congress committee (U), which was scheduled to be held next month in Jodhapur, has been cancelled. It is understood that the pradesh Congress (U) chief, Mr. Nathu Ram Mirdha, has expressed his inability to hold it. [Text] [Bombay THE TIMES OF INDIA in English 27 Nov 80 p 14]

DOWRY CRIMES--New Delhi, November 26 (PTI): The government has ordered compulsory investigation and post mortems in cases of married women dying in unnatural circumstances during the first five years of their marriage. This was stated in the Lok Sabha today by the minister of state for home affairs, Mr. Yogendra Makwana. A circular had been issued to the states and territories with instructions that "serious notice" should be taken by the police of all cases of "attempted suicide" or death in suspicious circumstances of young married women. Officers not below the rank of deputy superintendent of police should personally investigate such cases. A team of doctors should do the post-mortem where required. The government has further directed that disposal of bodies without post mortems should not be permitted except with "no objection" certificates by the police and the police should not give such certificates unless the bodies had been seen by parents, guardians or other close relatives from the woman's side. [Text] [Bombay THE TIMES OF INDIA in English 27 Nov 80 p 14]

TANK PURCHASE PROPOSAL--New Delhi, November 26 (PTI): The Indian government proposes to acquire some more sophisticated battle tanks from abroad as an interim measure, the Lok Sabha was informed today. The country was, however, trying to develop its own main battle tank (MBT), which would incorporate futuristic technological advancements, the minister of state for defence, Mr. Shivraj Patil, said. Mr. Patil told Mr. Chintamani Jena and Mr. Chhitubhai Gamit in a written reply that the Vijayanta tank was not likely to become out-of-date soon. It had a 105-mm gun, which was considered to be the optimum tank gun during the sixties and had been adopted by most advanced countries at that time. [Text] [Bombay THE TIMES OF INDIA in English 27 Nov 80 p 14]

NEW MANIPUR OFFICIALS--Imphal, November 27 (PTI): Mr. Rishang Keishing, newly-elected leader of the legislature Congress(I) party, was sworn in today as chief minister of Manipur. Along with him two cabinet ministers and a minister of state were also sworn in. The governor of the north-eastern states, Mr. L.P. Singh, administered the oath of office and secrecy to the ministers at Raj Bhavan here. The former chief minister, Mr. R.K. Dorendra Singh, and high civil and police officials were present. The ministers sworn in today are: Mr. I. Tompok Singh, leader of the Congress(U) legislature party, and Mr. Ngurdienglen. Mr. Th. Krishna Singh of the Manipur People's Party (G) was also sworn in as a minister of state. Mr. Keishing heads a three-party coalition ministry, comprising the Congress(I), the Congress(U) and the Manipur People's Party (G) with a total strength of 36 in the 60-member legislative assembly. The new ministers, including Mr. Keishing, were members of the previous coalition ministry headed by Mr. Dorendra Singh who had resigned following his appointment as ambassador to Norway. [Text] [Bombay THE TIMES OF INDIA in English 28 Nov 80 p 9]

JAGUAR PURCHASE PLANS--New Delhi, November 27: Sir Frederick Page, chairman of British Aerospace, announced today that the Jaguar deal with India was going ahead as originally planned. The deal falls into three parts--purchase of a certain number of Jaguar planes from Britain, their assembly in India and finally their manufacture in Bangalore. Sir Frederick, who is a member of the British industrialists' delegation to India, told newsmen that all the three phases were intact. Some Jaguar planes had already been bought by the Indian Air Force and the supply of further aircraft was proceeding. Sir Frederick prefaced these remarks by expressing his "happiness" with the statement made by Mrs. Indira Gandhi on January 19 on the Jaguar deal. [Text] [Bombay THE TIMES OF INDIA in English 28 Nov 80 p 9]

SINO-INDIAN INSURANCE TALKS--Beijing, November 27 (PTI): Sino-Indian bilateral cooperation in the field of general insurance moved a step forward following just-concluded talks between the New India Assurance Company, a public-sector undertaking and people's Insurance Company of Chian. The two-member Indian delegation was led by Mr. A.C. Mukherji, chairman-cum-managing director. The Hong Kong based manager of the company, Mr. Samarth, also participated in the talks. During its visit here, the delegation had wide-ranging discussions to define the areas of cooperation between the two insurance organisations. [Text] [Bombay THE TIMES OF INDIA in English 28 Nov 80 p 12]

STATISTICS ON POVERTY--New Delhi, November 27 (UNI): More than 48 per cent of the country's total population is below the poverty line, according to the latest

assessment of the planning commission. Giving this information in the Rajya Sabha today, the planning minister, Mr. N.D. Tewari, said this fresh estimate of percentage of people living below the poverty line had been prepared by analysing consumer expenditure data for 1977-78. The estimates were derived by using the poverty line of Rs. 65 per capita per month in 1977-78 prices corresponding to a minimum daily requirement of 2,400 calories per person in the rural areas and the poverty line of Rs .75 corresponding to requirement of 2,100 calories in the urban areas. According to these estimates, 50.82 per cent of the rural population and 38.19 per cent of the urban population and 48.13 per cent of the country's total population is below the poverty line. [Excerpt] [Bombay THE TIMES OF INDIA in English 28 Nov 80 p 20]

NEW NAGALAND MINISTER--Shillong, November 26: Mr. Pongam was yesterday sworn in as the minister of state in the Nagaland council of ministers, headed by Mr. J.B. Jasokie. With the induction of Mr. Pongam, the strength of the Jasokie ministry has increased to 19. Mr. Pongam fills the vacancy caused by the resignation of the former industries minister, Mr. K. Chishi. [Text] [Bombay THE TIMES OF INDIA in English 27 Nov 80 p 22]

COOPERATION WITH SENEGAL--Ahmedabad, November 26: The Indian Farmers' Fertilizers Cooperatives (IFFCO) will, in a multi-national project, set up a phosphoric acid plant in Senegal, on the west coast of Africa. The Rs. 100-crore project to be set up with Senegal, French and IFFCO collaboration will be assisted by the World Bank. Mr. Brahmkumar Bhatt, chairman of IFFCO, told reporters here yesterday that the entire production of the plant would be imported to the IFFCO's Kandla plant for producing phosphatic fertilisers. This was being done because at present the Kandla plant, with an annual production capacity of 3.75 lakh tonnes, had at times underutilised its capacity for want of adequate supply of phosperic acid. At present the raw material was being imported from five countries. The IFFCO investment in the Senegal project would be Rs. 8 to Rs. 10 crores. [Text] [Bombay THE TIMES OF INDIA in English 27 Nov 80 p 22]

SUBMARINES TO INDIA--Kiel (West Germany), Dec. 11: A shipbuilders firm is close to conclusion of a contract for the supply of two submarines for the Indian Navy, Indian Ambassador Ali Mohammad Khusr said on Thursday after three days of talks in this North German city--PPI. [Text] [Karachi DAWN in English 12 Dec 80 p 20]

CSO: 4220

REAGAN'S VIEWS ON RELIGIOUS WAR ANALYZED

Karachi THE MUSLIM WORLD in English 13 Dec 80 p 2

[Article by Dr Viqar A. Hamdani]

[Text] The President-elect, Mr. Reagan, in an amazing remark (ridiculing Muslim religious feelings) in an interview to Laurence I. Barrett, Time Senior Correspondent, published in its issue of Nov. 17, 1980, has reportedly said, "and lately we have even seen the possibilities of, literally, a religious war—the Muslims returning to the idea that the way to heaven is to lose your life fighting the Christians and Jews," and consequently drew countrywide indignant protests from numerous American Muslim and religious organizations. Also, some of the representatives of Christian and Jewish NGO's at the United Nations privately expressed in no unmistakable terms their dismay and disapproval of such an irresponsible remark. At the same time, no such protest or even response to my knowledge was expressed by any responsible Muslim government in the Middle East or any of its representatives at the U.N. or in Washington.

One is therefore naturally tempted to ask as to why Mr. Reagan went out of his way to make a belligerent attack on Islam and stranger still, why the Arab and Muslim governments did not utter a single word of protest. In fact, the leading Saudi newspaper, Al-Riyadh, in its issues of Nov. 12 and 16 reproducing the above interview clearly expunged the unpalatable reference to "religious war." It is possible that the Time International or Middle East edition itself did not carry that portion of the statement.

The possibility of inadvertence or ignorance on the part of Mr. Reagan seems remote. In fact, Mr. Barrett of the Time Magazine deliberately prefaced his question with the words : "You have been very explicit in your support for Israel including its West Bank settlements ;" an obvious reference to Mr. Reagan's election campaign statements. So, after winning a landslide victory, Mr. Reagan was no longer a prisoner of his earlier campaign statements on Israel. In fact, it was an opportunity for him to express his views more freely away from the "campaign rhetoric."

In preparation of his important policy statement, Mr. Reagan seems to rely heavily on his expert advisers which include a number of Begin allies holding the President-elect to a tight pro-Israeli policy as well as some others who advocate a more balanced and even-handed approach to the Middle East policies endeavoring to pull the President-elect back from an all-out support for Israel. Thus, this aggressive reference to "religious war" and by inference to the Islamic doctrine of Jehad,

with all its ugly connotations in the Western mind, might well have been inspired by some of his advisers and aimed at Khomeini and Co. ; the company has lately been enlarged by the free and unorthodox use of the term "Jehad" by at least two more leaders.

President Saddam Hussain, the Arab nationalist leader of Iraq, declared on Nov. 9 marking the start of the new Islamic year 1401 that Iraq was engaged in a holy war to defend ideals of the message of Islam. The other Arab leader, Libyan President, Muammar Qadhafi, also called for Jehad or holy war "to liberate the House of God in Mecca."

One should further recall when Prince Fahd of Saudi Arabia enraged at the Israeli rejection of his offer of cooperation toward a full settlement and further tightening of its control of Al-Quds and expansion of settlements, rhetorically asked whether any one might blame the Arab world for turning to an Islamic holy war instead.

Finally, the question of reticence of the Arab world on this provokingly anti-Islamic remark of the President-elect can be explained by its hope that it will be able to bargain a better deal once Reagan is in office as President. This is reinforced by the view expressed by Mr. Habib Al-Chatti Secretary-General of the Organization of Islamic Conference that Reagan will be a better partner of the Islamic world than Mr. Carter.

CSO: 4220

GOVERNMENT FAMILY PLANNING PROGRAM SUPPORTED

Karachi DAWN in English 18 Dec 80 p 7

[Editorial]

[Text] AFTER a lean period of some years during which population planning was relegated lower down in the list of priorities, the Government has finally come out with approval for a programme to check the rapid population growth in the country. In giving approval to a 'comprehensive' three-year plan the Government hopes to bring down the population growth rate from the steady three per cent of the last many years to two and one half per cent. Details of exactly how the Government proposes to go about this have not been released, but, broadly, one intention is to integrate all Government and non-Government departments, including the Family Planning Association, for providing motivation and services. It is also intended to use large organisations like the railways and others in industry to promote the concept of family planning in the urban areas, while these services will be performed by local bodies in rural areas, in addition to normal departmental methods. This departure from the earlier procedure of almost exclusive dependence on the Government's agencies for providing services and motivation is, of course, a welcome step. Specialised Government agencies will find it difficult, or at least very expensive, to disseminate information properly to the entire population. The involvement of local bodies, and large organisations, in both public and private sectors, will be a great help and the relevant agencies should draw up schemes which can be conveniently adopted.

This three-year programme is part of the overall population welfare plan which does not isolate population planning. Instead, it seeks to integrate it with activities aimed at the general welfare of the people, through uplift of women, among other methods. The plan also aims at mass involvement which, apart from the role of large organisations, will also involve the services of diverse factors like social security institutions, small industries and trade union representatives. If the plan really gets off the ground successfully, then it will be an occurrence of considerable significance. The essential prerequisites for success are, of course, first of all an adequate allocation of funds by the Government, which has been very close-fisted in this matter in the last few years. Apart from this, there is a need for honest and imaginative implementation of the plan, in its direction and execution. Given these factors, there is no reason why a family planning programme cannot be successful in this country. Other developing countries have proved that effective programmes can be mounted: for instance, between 1960 and 1978 the crude birth rate in India dropped almost 19 per cent, and in Indonesia 21 per cent. Even more important and indicative of the people's receptivity to family planning are the results of some surveys which have been carried out in the country. One, in 1976, showed that only 10 per cent of the sample group adopted family planning measures, but 52 per cent were interested in them. It was not revealed why this 52 per cent could not take steps when

they wished to, but the likely reasons are probably lack of information and high cost. The more recent World Fertility Survey also showed that half the married women in Pakistan did not want any more children but less than a sixth of them went in for modern ways of contraception. There can be little doubt, therefore, that if an efficiently run family planning programme is introduced, then it can be successful in reducing the birth rate fairly quickly. The urgent need for this cannot be overstressed, for a high rate of population growth is at the root of many of the country's worries.

CSO: 4220

INTEREST-FREE BANKING FROM 1 JANUARY

Karachi DAWN in English 19 Dec 80 pp 1, 20

[Text] ISLAMABAD, Dec 18: The Federal Cabinet today gave approval to amendments in several banking laws in order to pave way for the introduction of interest-free banking from Jan 1.

Mr H. U. Beg, Federal Finance Secretary, said procedures had been worked out for establishing Profit and Loss Sharing (PLS) deposit counters from Jan 1 in all branches of the nationalised commercial banks.

The Finance Secretary gave details of the introduction of Islamic reforms in banking in Pakistan at a Press conference and said during the initial phase the interest-based system in banks would continue to exist parallel with the interest-free system. Foreign banks had been given option to introduce interest-free counters and the Finance Secretary claimed that at least one American bank intended to do so while other foreign banks also showed interest in introducing the Islamic reform.

Mr Beg said the amended banking laws would be published in a couple of days.

According to him, Pakistan's experiment in Islamic banking was the first statutory effort in the Muslim World although Saudi Arabia also did not recognise interest in banking. Asked whether the commercial banks in Pakistan commanded enough confidence of the people so as to induce them to respond to PLS system, the Finance Secretary said, it would be apparent when the system opened for public participation. Their response should indicate people's confidence in the Islamic reform, he said.

The Finance Secretary explained that it was necessary to go slow in introducing the interest-free banking in place of the present system so as not to upset the whole system. He, however, expressed his confidence in the new Islamic system as the ultimate banking system for Pakistan and its people. He said the advantages of interest-free banking would be clearly visible in time to come.

Replying to a question, the Finance Secretary said Pakistan would adopt interest-free banking in international transactions as well if and when the foreign banks and agencies also stopped charging interest on their loans and financial transactions.

Mr Beg said funds mobilised through interest-free counters would be investible in interest-free avenues. In the first phase it was intended to invest such funds in the financing of commodity operations of the Federal and provincial Governments and other agencies, export bills purchased or negotiated under letters of credit, NIT units and House Building Finance Corporation.

TEXT OF STATEMENT

Following is the text of the statement made by the Secretary, Ministry of Finance:

"In his broadcast on the 12th Rabi-ul-Awwal, 1399 (Feb 10, 1979), the President had given an assurance to the nation that interest-free banking will be introduced in the country in a phased manner.

At the time of presentation of the last Budget, the Government announced that separate counters in the nationalised commercial banks for accepting interest-free deposits will be opened not later than Jan 1, 1981. The task involved reviewing of the present banking and other relevant laws. The exercise is complete and a package has been evolved.

"Interest-free banking based on the principle of profit and loss sharing will be introduced in a phased manner. The Profit and Loss Sharing (PLS) deposit counters will start functioning in all branches of the nationalised commercial banks with effect from Jan 1, 1981 for which a procedure has been worked out.

"During the initial phase the interest based system will exist parallel with the interest-free system. Foreign banks operating in Pakistan will have the option to open interest-free counters.

"Interest-free accounts can be opened either as saving account or term deposit account of maturities varying from six months to five years and above. The PLS savings account will be opened with a minimum of Rs 100/- and PLS term deposit account with a minimum of Rs 1,000/-.

"These accounts can be opened either by depositing cash or by conversion of an existing interest bearing fixed deposit. In case of conversion the depositor will not suffer any loss. Funds mobilised through interest-free counters will noly be investible in interest-free avenues. The investment thus made will be on the basis of participation in profit and loss, mark-up in price, lease and hire-purchase. The assets in which investment will be made in the first phase have been identified. These are financing of commodity operations of the Federal and provincial governments and other agencies, export bills purchased/negotiated under letters of credit, inland bills purchased/discounted, import bills drawn under letters of credit, investment in NIT units and participation term certificates and provision of finances to House Building Finance Corporation.

"The accounts relating to such funds would be maintained separately from the interest-bearing funds. Based on their earnings the banks shall work out the rates of profit for different types of deposits.

The profits will be distributed to the PLS account holders six-monthly. Details of the new system of "interest-free banking" will be publicised by the Pakistan

Banking Council and the nationalised banks.

"Although interest-free banking is founded on the principle of Profit and Loss Sharing, the banks would endeavour to deploy PLS funds efficiently so as to earn better profits.

"As part of the programme of Islamisation of the banking system an interest-free Qarz-i-Hasna scheme has been devised in which all the five nationalised commercial banks will participate. Under this scheme, financial assistance will be provided to students of outstanding calibre who are unable to pursue their studies due to financial difficulties in selected subjects like oil technology, electronics, engineering, medicine, agriculture etc.

"It also provides for expenses of higher scientific, technical and professional studies abroad as also for travel cost connected therewith.

"No interest will be payable by the recipient of the loan. But he will have to serve the country for a period till the repayment of the loan".

CSO: 4220

FIRST INSTALMENT OF 99M SDR'S RECEIVED

Karachi DAWN in English 19 Dec 80 p 1

[Text] ISLAMABAD, Dec. 18: Pakistan has received the first instalment of 99 million SDRs, equal to about 133 million dollars, from the International Monetary Fund against the IMF commitment to provide in the next three years 1.7 billion dollars as extended fund facility.

Today's Cabinet decision to enlarge the scope of imports, while maintaining the import range, is stated to be a manifestation of the availability of larger funds from the IMF. Mr. Izharul Haq, Commerce Secretary, said the IMF commitment had facilitated the enlargement of imports.

He contested the assertion that Pakistan was obliged to remove the current ban on certain items of imports under the terms of the IMF facility. But all the same, he said, availability of funds for imports could induce the Government to remove ban on the import of certain items if that was considered desirable from the national point of view.

He said the foreign exchange reserve had also improved and from about 100 million dollars about 14 months ago, these had risen to 480 million dollars. This was in addition to the gold held by Pakistan.

The Commerce Secretary hopefully observed that the stress on balance of payments due to increased imports, as permitted by the Cabinet, would be offset by greater industrial activity in the country. The present facilities, he said, should help increase industrial capacity and generate interest for additional investment, leading to import substitution.

CSO: 4220

UNICEF-AIDED PLAN FOR DADU, THARPARKAR

Karachi DAWN in English 16 Dec 80 p 9

[Article by Izharul Hasan Burney]

[Text] Water supply and sanitation to over 60 per cent of the total population (2.35 million) of Dadu and Tharparkar districts, training of 3,000 (out of possible 5,000) indigenous mid-wives, and completing the network of immunisation centres in the province are some of the features of the six year UNICEF-aided Action Plan for the development of the child in Sind which goes into operation on Jan 1 next.

Of all Sind regions, drinking water supply problem is most acute in Tharparkar and Dadu districts which are also part of the Indus Basin believed to be world's biggest sweet water reserve underground.

Surveys indicate that in Tharparkar District wells drilled to the depth of 400 to 500 feet reach the source of an enormous and almost inexhaustable supply of sweet water. [as published]

The Action Plan therefore envisages substantial rise in per capita consumption of water by spudding wells in the dry zones, (ii) renovation, improvement and expansion of the existing surface water sources, and (iii) deep bore holes to supplement surface water source in deficient areas, priority going to villages where the water source is more than two miles away. [as published]

In the dry zones of Tharparkar District eight exploratory wells will be spudded by end-1981 and will become functional with suitable additions during the Plan period.

Since increased per capita consumption of water also increases incidence of water-related diseases unless improvements in environmental sanitation and personal hygience are also provided, the scheme provides for hygienic disposal of refuse in the remotest areas of the two districts. [as published] This includes training of elected councillors, teachers and student community, and others who should be the first beneficiary and should set the pace of public education in personal hygiene and environmental sanitation.

Training of Mid-wives

This was started as a pilot project in Mirpur Sakro in 1976. Mobile training teams were formed, spearheaded by the Lady Health Visitor. So far, 45 mid-wives

(daees) have been trained in the use of drugs, anti-septics etc and safe methods of handling pre and post natal cases/problems.

Indigenous mid-wives are an integral part of our society, rural areas in particular, and are destined to play a very important role for a long time to come.

The Action Plan therefore, envisages similar training to 'daees' in other parts of the provinces--to cover 75 per cent of their known strength of 5,000 by 1986.

Under a project director, five mobile teams will be organised at Karachi, Hyderabad, Sukkur, Larkana and Mirpurkhas or Nawabshah. Each team will have two Lady Health Visitors and a social worker besides other staff. They will organise 15-day training programmes for 'daees' who would get a daily allowance and the kit (free) at the end--certificate also.

To protect children from measles, polio, pertussis, TB, whooping caugh, diptheria, tetanus, and tetanus mecnatomum, the Action Plan envisages establishment of 200 main static CPI centres all over the province, consolidation of existing centres, and setting up of sub-centres at the rate of 2-3 per main centre.

The target will be coverage to 50 per cent of the population by 1983-84, extend it to 60 per cent in 1984-85, and to 70 per cent in 1985-86 including all school-going children and 60 per cent of pregnant women.

A large team of vaccinators will be trained to cover the remotest areas, mobility will be ensured for personnel and vaccines, and a surveillance network and evaluation system will be developed to make sure that the EPI centres and sub-centres work efficiently.

Efficacy of the vaccines being of paramount importance, special care will be taken to organise a highly efficient system of procurement, storage and supply at all stages including cold-chain system from the airport to the consumer end.

The scope of this extended project is to cover 150 girls schools (30 each year from 1982 onwards)--30 in Karachi and 120 in Hyderabad division.

Skills will be introduced for girls of Class IV and V in knitting, sewing, embroidery and local craft, to enable girls to earn an average of Rs 30 per month.

During experimental stage in 1979-80 in Karachi, it proved very successful and girls earned extra by selling products in specially organised bazaars.

On the same basis, primary schools will be selected for the introduction of the selected skills.

Popularising ORS

The scheme aims production and consumption of five million oral rehydration salts (ORS) packets annually and their mass distribution by bringing down the activity from the district headquarters level to taluka and village level.

Because of the limited capacity of the National Health Laboratories, Islamabad, some pharmaceutical company will be enlisted for the manufacture of desired

quantity of ORS, while at least 1,000 para-medical personnel will have to be trained for distribution, monitoring and surveillance including reduction in morbidity due to diarrhoea/gastroenteritis.

Mohalla Schools

The objective of this scheme is to fully utilise facilities existing at the mohalla schools by providing extra facilities like a small black-board, jute matting, basic work material like pencils, slates etc and reading materials including books and exercise books.

Slum Improvement

A scheme has been prepared to extend the scope of the Baldia Sanitation Pilot Project to some other 'Kutchi Abadis' like Baluch colony where sewerage system has not been laid as yet and environmental sanitation is a dire necessity.

On an experimental basis, a total of 125 soak pits had been built in Baldia till August last. Sixty more were being built--averaging about Rs 1,800 per unit.

These became so popular that the pending requests exceed the work-pace and better-of residents have built these out of their own resources. [as published]

The objective is that residents of 'kutchi abadis' should built such soak pits themselves or with institutional help to find way for hygenic disposal of refuse and thus bring overall improvement to heal the conditions in the slum areas. [as published]

Repair of Schools

A very important part of the Action Plan is the scheme to repair and overhaul primary school buildings, particularly in the rural areas.

This has been preferred to the alternate plan for in-service training of teachers as it is felt that large drop-outs were also due to the dilapidated state of the school buildings.

The multi-million scheme will be financed to the extent of 95 per cent through UNICEF funds, while Sind Government's contribution of matching funds would be limited to just about five per cent.

Projects for which funds have already been appropriated are worth Rs 144.55 million--UNICEF's contribution Rs 127 million (86.3 per cent) Sind Government's Rs 17.466 million (13.7 per cent).

The following is the complete list and rupee cost of these schemes:

S. No.	Scheme	UNICEF	Sind	Total
1.	Mid-wives training	16,397,000	4,876,800	21,273,800
2.	Health Education	7,140,000	1,000,000	8,140,000
3.	Oral Rehydration Salts	3,618,000	171,900	37,88,900 [sic]
4.	EPI	37,288,000	9,117,700	36,405,700
5.	Income generation (women)	5,700,000	600,000	6,300,000
6.	Girls Income Generation	1,919,000	139,500	2,058,500
7.	Mohalla Schools	2,965,000	60,000	3,025,000
8.	Reading improvements	9,609,000	300,000	9,909,000
9.	Slum improvement	5,730,000	--	5,730,000
10.	Planning Capacity	7,800,000	600,000	8,400,000
11.	Community development	6,500,000	500,000	7,000,000
12.	TB and other drugs	22,420,000	--	22,420,000
	Total:	127,086,000	17,465,900	144,551,900

In addition to the above UNICEF will contribute 95 per cent of the cost of scheme for repair and renovation of primary schools, while its contribution to the scheme for rural water supply and sanitation will be to the extent of 70 per cent.

CSO: 4420

PARCO COMPLETED AHEAD OF SCHEDULE

Islamabad THE MUSLIM in English 12 Dec 80 p 1

[Article by Sikander Hayat]

[Text] The Karachi-Mahmoodkot oil pipeline project of Pak-Arab Refinery Company (PARCO) has been completed ahead of schedule, saving 15 million dollars it was learnt here today.

The 869-kilometre pipeline is now undergoing debugging operation and it is hoped that it would come on stream by February next year.

The entire project has been done by Pakistani engineers and technicians. Explaining the complex nature of the project, an expert said that welding joints alone were over 70,000.

He said that the mechanical work of the pipeline had proved satisfactory and during the first two weeks of the debugging operation no snag had been detected.

The PARCO Board, which met in Abu Dhabi under the chairmanship of Pakistan's Secretary of Petroleum and Natural Resources Mashiuddin, was reportedly conveyed the appreciation of the United Arab Emirates for the ahead-of-schedule completion of the project.

The work on UAE-Pakistan 195 million dollars joint venture started in October 1978.

The 16-inch pipeline is designed to be used for the movement of high speed diesel, kerosene and light diesel oil from Karachi to market in the north.

It is believed that the pipeline will considerably ease the transportation load of the railways which is now the main source of oil movement from Karachi to the up-country.

CSO: 4220

OIL AND GAS EXPLORATION

Lahore THE PAKISTAN TIMES in English 14 Dec 80 p 4

[Editorial]

[Text] A Canadian delegation of experts and financiers has arrived in Pakistan to talk about the expansion of the existing co-operation between Pakistan and Canada in the field of oil and gas exploration. In view of the prospect of serious energy shortage in Pakistan this visit is of immense significance. By the end of the present century, Pakistan will require 27,000 MW of installed power capacity but will have achieved only the output of 6,000 MW by the end of the current Five-Year Plans. Even putting all the energy sources together, like oil, coal, gas and hydro-electricity, the total production will not be more than 11,000 MW. There are, therefore, only two courses open to us to reach the extremely tough energy targets. We must use energy sparingly, cutting consumption wherever we can, and must step up our efforts to find more oil and gas in the country to curtail the crippling oil-bill which is expected to spiral further in the coming years. We have been rather complacent about our gas reserves and have allowed large-scale non-productive use of gas as fuel. An early prediction that our gas-deposits would last 50 years perhaps inspired this complacency but a revision of estimates now warns that the gas will be exhausted in 20 years. Unless more gas is discovered in the country, the great gas revolution of Pakistan may come to an abrupt end. There is no limit to the accelerated use of gas and oil in our daily lives. This year the consumption of oil as an energy source, instead of going down following economy measures, has gone up by 17 per cent mostly in the transport sector. Given the state of our transport system the consumption of oil will go further up in the coming years rather than go down.

While the mechanics of conservation and the installation of newly-developed solar and biogas facilities may be complex and unpredictable, the process of exploring additional oil and gas sources is clear-cut and predictable in terms of cost. Recently, foreign experts have once again estimated that there are vast untapped reservoirs of oil and gas in Pakistan. The Indus Basin and the area of Baluchistan together are supposed to contain 53 billion barrels of oil which should be tapped and made available for consumption to remove the burden of foreign debt and to meet the requirements of energy in the growing industrial sector. On the basis of past record, foreign firms should be interested in prospecting in Pakistan. So far 175 wells have been drilled with a strike-rate of 20 per cent. At this rate, the volume of extraction is expected to rise from 10,000 barrels a day to 36,000 barrels a day in 1982. But so far success in the field of oil and gas exploration has eluded us. The prime cause of this delay in achieving autarky in energy is the lack of indigenous technology required for drilling and the unwillingness of foreign prospectors to undertake deep drilling to get at the reservoirs. Most oil reservoirs turn out to be gas

reservoirs upon drilling and are abandoned because of underground pressure of gas which cannot be easily controlled. Deep drilling is, however, the answer and has now become feasible after the steady increase in the international price of oil. The new efforts must be in the direction of deep drilling. At present 75 per cent of the domestic industry is dependant on gas. Oil provides only one-third of our energy needs and we pay one-half of our foreign exchange earnings to purchase it from abroad. The need for oil is increasing at seven per cent annually. The quest for oil and gas must proceed at great speed.

CSO: 4220

OIL SEARCH PROGRESS REPORT PUBLISHED

Karachi PROGRESS in English Dec 80 p 1

[Text]

At the end of last month:

PPL: Sui No. 27 reached T.D. (b) Cellar excavation for Sui No. 28.

POL: Meyal No. 8 drilling below.....

Union Texas: Damiri No. 1 drilling below 9120 feet.

Gulf: Fim Kassar: preparing to set casing below 7500 feet.

OGDC: Production testing was on at Dhodak No. 3 and (b) Tut No. 11; (c) Surjan No. 1 drilling below 3515 m and (d) Dhermund No. 1 below 4332 m, and (e) Tut 12, spudded in 14-11-80, drilling below 158 m.

CSO: 4220

SUI FIELD PRODUCTION FIGURES, JANUARY-OCTOBER 1980

Karachi PROGRESS in English Dec 80 p 1

[Text]

	DAM³	Mil. CuFt.
Jan.——Max./day (13-1-1980)	2 095 709	743.849
„ Av./day	2 022 716	717.941
Feb.——Max./day (10-2-80)	2 114 938	750.674
„ Av./day	1 979 741	702.687
March——Max./day (2-3-80)	1 996 577	708.663
„ Av./day	1 867 435	662.826
April——Max./day (15-4-80)	1 941 491	689.111
„ Av./day	1 822 373	646.831
May——Max./day (14-5-80)	2 015 185	715.268
„ Av./day	1 896 005	672.966
June——Max./day (18-6-80)	2 020 958	717.317
„ Av./day	1 867 735	662.932
July——Max./day (29-7-80)	1 857 398	659.263
„ Av./day	1 704 199	604.887
Aug.——Max./day (24-8-80)	1 787 924	634.604
„ Av./day	1 624 007	576.423
Sept.——Max./day (1-9-80)	1 772 851	629.254
„ Av./day	1 695 745	601.886
Oct.——Max./day (8-10-30)	1 837 682	652.265
„ Av./day	1 673 305	593.921

CSO: 4220

ADB LOAN FOR FISHERIES

Lahore THE PAKISTAN TIMES in English 15 Dec 80 p 6

[Text]

KARACHI, Dec. 14: The Asian Development Bank has granted the $52 million loan to Pakistan for the second Pakistan Marine Fisheries Development Project.

The amount includes 12 million dollars grant from the European Economic Community for the expansion of existing Karachi fish harbour.

The four-member Pakistani delegation which signed the agreement in Manila in this connection said here on arrival that Asian Development Bank will provide $30 million from its special funds resources to complete the project.

The delegation leader explained it that out of the $52 million dollers 12 million are grant while the remaining amount will be in the shape of loan.

The main portion of the loan will be spent on the construction of second fish harbour at Korangi in the first stage on shore facilities will be provided at the site of the new fish harbour which include development work for the tie up of freezing plants and other infra-structure while the second phase will include the construction of jetty and main market.—PPI.

CSO: 4220

MINERAL PRODUCTION

Karachi PROGRESS in English Dec 80 p 3

[Text]

Commodity	1977	1978	1979
Chromite	10,000	10,000	11,000
Gypsum	422,000	275,000	234,000
Limestone	4,000,000	3,681,000	3,298,000
Magnesite	3,200	1,038	3,042
Rock salt	412,000	427,000	486,000
Marble	51,000	59,000	119,000
Silica sand	70,000	62,846	83,752
Coal	1,120,000	1,120,000	1,261,000
Barytes	16,000	18,000	26,000
Feldspar	2,700	4,597	17,289
Sulphur	2,000	1,127	1,068
Others	10,500	14,843	796
Fire clay	40,000	52,200	52,000
Antimony	250	92	69
Fullers earth	19,000	19,000	34,000
Bentonite	1,000	1,175	1,468
Cement	3,091,000	3,224,000	3,250,000
Phosphate rock	NA	6,000	NA
Bauxite	NA	1,000	1,726

NA. Not Available. Source: Statistical Division, Government of Pakistan, Karachi.

CSO: 4220

PUNJAB RICE CROP LOSSES MINOR

Karachi DAWN in English 18 Dec 80 p 6

[Text] Islamabad, Dec. 17: Rear Admiral Mohammad Fazil Janjua, Minister of Food and Agriculture, said here yesterday that the losses suffered by rice crop in the Punjab had nothing to do with withdrawal of subsidy on insecticides.

Talking to newsmen on his return here after attending the annual meeting of the Governing Council of the International Fund for Agricultural Development (IFAD), the Minister said that only Irri-6 was slightly damaged in the Punjab and would not make any difference in overall performance of the agriculture sector.

He said Irri-6 variety of rice crop was excellent in Sind while the Punjab had a bumber crop of Basmati rice. [as published] The production of sugarcane also registered an increase. Similarly, cotton production was also satisfactory with a turnout of over 40 lakh bales.

He said the target of rice export would be met by gearing up the procurement and thought that from the next crop procurement prices of Punjab Irri would have to be revised. This is because of its greater demand abroad as it is of better quality.

Describing a newspaper survey of the rice crop as "sensational" the Minister said the subsidized insecticides always benefitted the big landlords while small farmers could not avail of the facility.

He said the IRRI crop suffered in Punjab because of reluctance of farmers to operate tubewells to irrigate the crop at the time of transplantation while in Sind where canal water was available the crop was not damaged. Moreover the Minister said in Punjab farmer preferred to grow Basmati instead of Irri.

He said fertilizers were still being heavy subsidized and was of the view that the new agriculture policy would have a welcome effect and ensured a better performance of the agriculture sector. [as published]

He was confident that the private sector would manage properly the sale of insecticides and also ensure its quality.

He said interest-free loans were being given to farmers through co-operatives and commercial banks to enable them to improve inputs.

About sugar, the Minister said the country would produce more sugar than required by the Government for distribution through ration depots. He said sugar mills would be allowed to sell the surplus sugar in the open market. He said the Government had no intention to increase the prices of sugar and it would continue to be sold at ration depots at the current officially fixed prices.

International Fund

Talking about IFAD, Rear-Adm. Janjua said the Fund would extend financial assistance of 1,500 million dollars to the developing countries during the next three years.

Pakistan was elected chairman of the IFAD Council having representatives of 135 nations. The Fund was created by the United Nations to boost agriculture production of the developing nations.

The Minister was confident that the target of raising 1,500 million dollars would be met and IFAD would continue to play a positive and effective role in eliminating hunger from the world.--APP.

CSO: 4220

RECENT RICE CROP PROBLEMS REVIEWED

Islamabad THE MUSLIM in English 14 Dec 80 p 4

[Editorial: "Bitter Rice"]

[Text] The survey carried out by this newspaper on the rice crop raises several issues of immediate and long-term concern. With reports coming in of acreage and production fall from several districts, the government needs to think to what extent its own policies have led to the near-debacle on the rice front. Trouble started when the pesticide subsidy was withdrawn this year, causing a great hopper invasion in August. Pleas to the authorities for emergency assistance fell on deaf ears. It is said that the Basmati output may not fall alarmingly but Irri-6 may be anything from 12 to 30 per cent lower than last year. Since Basmati is our main foreign exchange earner, the overall fall in our exports may not be significant. Pakistan earned 421.8 million dollars from the export of rice last year of which Basmati accounted for as much as 225.07 million, while all other varieties sold for 196.80 million dollars. It is said that the international market for Basmati and all other polished grain is contracting gradually and Basmati may soon cease to be the great money-spinner it has been hitherto. Add to this India's recent debut as a rice exporter and the prospects become bleaker for the decade ahead.

The most immediate cause of the rice crisis has of course been the withdrawal of the aerial spray facility by the government. The dreaded hopper caused millions of rupees worth of loss because it could only be contained through sprays. The Basmati is attacked by the borer which requires granular pesticides. Since five commercial concerns have a monopoly in pesticides, they have tended to raise prices at will, greatly reducing consumption. Farmers maintain that at current prices, pesticide purchase means an expenditure ranging between Rs. 200 to Rs. 227 per acre which is simply not an economic proposition. Other vitally needed inputs have also gone up with the result that they require an additional Rs. 500 all told to put just one acre under rice whereas procurement prices have been increased only nominally. This may or may not be true but the fact remains that the agri-sector as a whole deserves a better deal. An interesting fact that may be noted here is that in the Punjab, PASSCO has been asked not to buy Basmati paddy from the growers. This has left the field wide open to the arhtis who are not in business for the love of it. Yet they are buying Basmati paddy at seven to ten rupees higher than the minimum procurement rate of Rs. 75. What does it prove but that the middlemen expect that even Basmati production will be much lower than originally estimated. It is the arhtis who, it is alleged, have put pressure

on policy-makers not to raise the procurement price so that they have the growers constantly on their knees. Which farmer would like to sell his produce to the government when the kind arhti is willing to pay him seven to ten rupees more? The difference between the official procurement price and the rate at which arhtis are willing to lift paddy is, according to knowledgeable circles, the true index of the expected shortfall this year.

So far so bad. What of the future? An expert recently estimated that Pakistan lost an unbelievable 45.8 per cent of its produce to pests, plant diseases, weeds and rodents. This does not include storage and transportation losses. Official circles broadly agree with these findings but maintain that so far as rice is concerned, crop loss on account of the factors enumerated above is 'only' 30 per cent. It is also conceded that five per cent of the grain is lost because of improper storage. The emphasis so far has been on increasing output rather than creating a transportation and storage infrastructure and assuring scientific methods would have made Pakistan self-sufficient in food nearly ten years ago. Thanks to the injection of billions of petro-rupees in the economy, the ordinary investor has learnt to put his money into projects which promise immediate returns. Hence the craze about real estate, legally and illegally imported gadgetry and commerce rather than industry. In a society in which consumerism has gone berserk and in which people want to make a hundred for each hundred invested, long-gestation nation-building activities are always at a discount. Only the other day, the State Bank Governor lamented at the constant fall in national savings at a seminar in Lahore. But with the dramatic decline in the value of the rupee, this should be hardly surprising. In the last three decades, the private sector has learned nothing but to demand tax holidays, exemptions from this social charge or that. After 1970, most private investment has been in commerce rather than industry because commercial returns keep pace with inflation while industrial returns do not. It is imperative therefore that private enterprise be given social direction at least if not social control. There is enough money in private hands. If properly channelled, it could lead to a spectacular increase in agricultural production and make ours a country permanently self-sufficient in food. We have enough shops and more than our share of shopkeepers. It is time we put our men and money to productive work.

END

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16 January 1981

South and East Asia Report

No. 958

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16 January 1981

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No. 958

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DWINDLING FORESTS IMPERIL ASEAN TIMBER INDUSTRY

Kuala Lumpur BUSINESS TIMES in English 17 Nov 80 p 6

[Text]

ASEAN COUNTRIES

INDONESIA
Total Area: 1,904,154 sq. km.
Remaining Forest: 850,000 sq. km.
Deforestation Rate: More than 15,000 sq. km. annually

PHILIPPINES
Total Area: 299,990 sq. km.
Remaining Forest: Less than 100,000 sq. km.
Deforestation Rate: 7,000 sq. km. annually

MALAYSIA
Total Area: 327,662 sq. km.
Remaining Forest: 72,000 sq. km.
Deforestation Rate: About one hectare a minute

SINGAPORE
Total Area: 616 sq. km.
Remaining Forest: None
Deforestation Rate: None

THAILAND
Total Area: 519,953 sq. km.
Remaining Forest: 132,000 sq. km.
Deforestation Rate: 14,000 sq. km. annually

SOUTH-EAST Asian forests are known to be the most productive in the world. Currently, 70 per cent of the world's tropical wood exports come from Asia and the Pacific.

Among the countries of the Association of South-East Asian Nations (Asean), timber and timber products have been one of their top dollar earners. In fact, the prospects for the region's logging and timber industry never seemed brighter as the world demand for these items increased.

But not for long. Dwindling forest resources and the resulting adverse environmental effects have forced Asean governments to either ban logging totally or strictly regulate log exports.

The state of the region's timber industry may be summed up by a remark of one Malaysian government official: "The current operations of the timber industry are haphazard, ill-conceived and speculative."

World Bank statistics show that tropical wood production grew at an average rate of 5.8 per cent annually from 1961-1976. The forecast for 1976-1990, however, is only 3.5 per cent.

Scientists predict that unless rampant logging and slash-and-burn agriculture — the two major causes of deforestation in the region — are stopped or minimised, Asean forests will be totaly consumed by the year 2000.

Among the five member-states of the Asean, four have extensive forest resources while one, Singapore, has none. Singapore, however, is the leading wood processor in the region.

The rate of exploitation of Asean forests varies from country to country. In Malaysia, nearly one hectare of forest is logged every minute: Thailand's forests only occupy 20 per cent of the total land area and they are declining by 10 per cent annually.

Indonesia has earmarked nearly one-third of its 122 million hectares of remaining forests for logging. In the Philippines, one-third of the land area is still forested but this is being reduced by 7,000 square kilometres annually.

All the five Asean countries depend on exports of logs and wood products as a major source of foreign exchange.

Indonesia's log exports of US$1234 million in 1979, for example are second only to the country's oil earnings.

In Malaysia, the logging industry generates US$1,000 million in dollar earnings. It ranks fourth

after palm oil, rubber and tin.

The logs are exported to Singapore, the European Economic Community, Japan and the US.

While the logging industry generates millions of dollars for Asean countries, it has resulted in unquantifiable environmental damage. Despite massive reforestation programmes and responsible forest management, they have not been able to stem the tide of destruction wrought by deforested areas.

The Philippines provides an excellent example of the rampant logging and the inability of reforestation programmes to repair the damage.

Floods always tend to wipe out the rice crops of the Luzon plains during the rainy season. Minidust storm rage through northern Philippines. And some of the country's once-surging rivers are clogged with silt flowing down from barren mountains.

Scientists do not doubt that these phenomena are indicative of environmental stress brought about by deforestation and excessive logging.

Asean's timber industry is still basically a logging and saw-milling affair, with the exception of Singapore. But even then, spiralling energy costs are cutting into the profits of timber companies.

There have been government attempts to encourage the secondary processing of home-grown timber but the reception has been largely lukewarm.

In Indonesia, the government requires that 45 per cent of its timber production is processed locally. However, only eight per cent of the timber production was processed locally in 1978. Even so, Agriculture Minister Sreadarsono Hadisupoetro says that only 41 out of the 84 wood-processing factories established comply with government regulations.

"Diversification into secondary and tertiary processing," say Malaysian officials, "could turn tons of wood into export dollars."

In Thailand, wastage from its nearly 500 sawmills is being minimised by several Forest Industry Organisation (FIO) export-earning projects.From the wood wastes, the organisation now produces charcoal, hardboard, fiberboard and parquet flooring.

The country earned US$5.35 million out of parquet floors produced from wood wastes in 1979.

Diversification, however, has its drawbacks in the timber trade. Ironically, Malaysia, the Philippines and Thailand face a raw materials shortage when these countries are net exporters of sawn logs.

Added to this problem is the increasing cost of timber, with prices increasing sometimes by as much as 100 per cent. In mid-1978, imported logs cost from US$122 to US$143 per cubic metre. Currently, the asking price is US$173-US$223 per cubic metre.

Thailand, for example, has become Singapore's biggest customer in ungraded sawn timber. Last year, it imported over US$12.6 million worth of timber or roughly 116,330 cubic metres.

Thailand's overall timber imports amounted to US$45 million in 1978 and was expected to reach US$47 million last year. Apart from these legal imports, substantial amounts of Burmese and Kampuchean timber are smuggled in by guerilla groups operating along the rugged frontiers.

The Thai government estimates that it would need 40 million cubic metres of timber by year 2000 unless 14 million hectares of land are reforested soon.

If Singapore remains a paradox in the cut-throat timber industry, it is with good reasons, too. Despite its lack of forests, it ranks as one of the major producers of wood products in the region.

From January-September last year, Singapore exported US$394 million worth of timber and timber products. This represents a 30 per cent increase over the same period in 1978. The bulk of these export earnings comes from sawn timber and plywood.

Singapore's timber industry ranks as the sixth largest export earner and employs five per cent of the country's industrial workforce. Its supply of logs comes from Asean neighbours, with Burma and India supplying the more exotic species.

Its pre-eminence in the industry can partly be traced to Singapore's pioneering lead in the sawmilling business. Its first commercial sawmill was established in 1902.

But even so, the boom days did not arrive until the 1960s when the country's construction industry expanded rapidly and industrialisation of the region grew space.

Despite the generally optimistic outlook for Singapore's timber industry, it cannot be issued a clean bill of health. Like other Asean countries, its timber industry is plagued by labour shortages, rising costs and stricter enforcement of environmental control measures. — Depthnews Asia

CSO: 4220

JAPAN-MALAYSIA ECONOMIC CONFERENCE IN TOKYO

Positive Influence Despite Alienation

Kuala Lumpur BUSINESS TIMES in English 18 Nov 80 pp 1, 20

[Text]

IT IS not altogether a case of plain sailing for Japanese investors in Malaysia. The sheer size of their investment in this country does not automatically make them model investors.

In fact as revealed by a senior Malaysian official in Tokyo, Japanese investors are far from being exemplary. Not only have they failed to bridge the language gap, they have also been less than willing to transfer their technology to Malaysians.

The observation was made by no other than Datuk Jamil Jan, chairman of the Malaysian Industrial Development Authority (Mida). He said these facts might be unpalatable, but unfortunately they were true.

In respect of technology transfer, Datuk Jamil pointed out that Japanese technicians and production managers had to resort to manuals to convey their instructions to local workers instead of verbal coaching.

Even at the management level, Malaysian managers were alienated by their Japanese employers, who choose to communicate in the Japanese language with headquarters personnel.

Speaking on "Japanese investment in Malaysia — performance and prospects," at the fourth Majeca-Jameca conference, Datuk Jamil pointed out "resentment, suspicion and misunderstanding are certainly not the elements that contribute to the strengthening of economic cooperation between our two countries."

This far-from-satisfactory situation could be remedied by the Japanese offering training opportunities more readily to their Malaysian employees. Even so, this was only a short term solution to bridging the language gap.

Datuk Jamil noted that some headway had been made in this direction. Japanese investors are now offering to train Malaysian workers for varying periods depending on the demands of the particular job.

A long term solution would be for the Japanese to learn more English or Bahasa Malaysia or the Malaysian partner learning Japanese. The latter, he said could be done by the Japanese (both government and private sector) offering more scholarships and incentives for study and training of Malaysians in Japan.

"If Japan would only widen the doors of its training institutions as well as institutions of higher learning to Malaysians, we will be on the right path towards inculcating in our leaders of tomorrow a better understanding and appreciation of the mode of conduct, culture and thinking of the Japanese and Malaysian people, thereby creating a positive climate for future business activities," Datuk Jamil added.

On prospects of Japanese investment in Malaysia, Datuk Jamil said the coming decade would witness the carrying forward of Malaysia's industrial strategies of the 1970s.

While continuing to encourage export-oriented and labour intensive industries, this would, however, take a new direction in that these industries would be dispersed away from the traditional urban centres into high unemployment areas of the east coast of Peninsular Malaysia.

The 1980s will also see Malaysia entering the heavy and engineering industries. Datuk Jamil described this as "an ambitious plan" but added that if Malaysia hoped to make further progress in industrial development it must increase and strengthen the foundation of its industrial sector. "The heavy and engineering industries will contribute to this end," he added.

These had been made desirable and feasible by Malaysia's industrial de-

velopment today combined with its resources. Currently under planning are an iron and steel mill, capital goods manufacturing, aluminium refining and petrochemical plants, and pulp and paper mills.

Reviewing Japanese investments in Malaysia, he pointed out that as at August 1980, a total of 249 projects with Japanese interest had been approved.

There were 165 projects in production as at December 1979 with total investments of $848.8 million. The largest investment was in the textile and textile products industry at $187.7 million followed by transport equipment industry at $164.5 million. The electrical and electronics products industry ranked third with total investments of $61.8 million.

Datuk Jamil pointed out that unlike some other countries which find Japanese dominance objectionable, Malaysia continues to welcome Japanese presence. Malaysia would continue to regard Japanese presence as exerting a "positive influence".

In the past, the sogo shoshas, trading houses, had been instrumental in chanelling trade and investment from Japan. On their own or in partnership, the sogo shoshas had established numerous joint venture projects in Malaysia. A number of these companies' shares are being traded on the Kuala Lumpur Stock Exchange.

Referring to dispersal of industries, Datuk Jamil said that directing industries to certain locations in conformity with the policy was done with due consideration to the availability of infrastructure facilities in these areas.

The dispersal policy, he said, was formulated to achieve balanced growth between the urban and rural areas, between commercial and agricultural areas as well as to reduce the strain on labour and physical infrastructure in the developed areas, by providing the firms an opportunity to enjoy surplus labour and infrastructure facilities in the less developed areas.

Malaysian Export Content Unsatisfactory

Kuala Lumpur BUSINESS TIMES in English 18 Nov 80 p 20

[Text]

MALAYSIA can expect significant changes in the form and pattern of its trade with Japan. This stems from the fact that Malaysia is unhappy over the composition of its exports to Japan and the imbalance in the services account.

Encik Ramli Kusheiri, secretary-general, National Chamber of Commerce and Industry, said for this reason Malaysia intends to step up the exports of processed and manufactured goods to Japan. Japanese trading companies could play their role in meeting Malaysia's aspirations.

Presenting a paper at the Majeca-Jameca conference in Tokyo yesterday, Encik Ramli noted that Japan was Malaysia's largest export market, accounting for about 23.4 per cent of Malaysia's global exports last year, the bulk of exports last year consisted of crude natural rubber, tin, sawn logs and sawn timber, petroleum crude and partly refined and palm oil.

"From Malaysia's point of view, the actual content of its exports to Japan gives no cause for satisfaction. In the decade of the 1980s, Malaysia is expected to intensify local processing of its primary commodities," Encik Ramli added.

In this respect, Malaysia's lack of success in gaining access to the Japanese market for its manufactured and semi-manufactured products was a matter of serious concern. Efforts, however, had to be made — on a bilateral basis — to secure easier access into the Japanese market.

Encik Ramli pointed out that at the present rate of economic development in Malaysia, particularly with the implementation of the Fourth Malaysia Plan, the demand for machinery and equipment and iron and steel products in general (which constitute the bulk of imports from Japan) was expected to grow in the next few years.

With rising inflation in Japan and other developed countries, the price of these goods was expected to rise as well. In view of this, Encik Ramli added, taking the overall trade into account including invisibles, trade surpluses in Malaysia's favour were more likely to be reduced drastically, if not completely eliminated.

"Easier access for Malaysia's manufactured and semi-manufactured products into Japan therefore becomes an important element of Malaysia's trade policies," he said.

Pointing out that Malaysia's exports to Japan consisted of a narrow range of exports, the market prospects of which was also dependent on the well being of the Japanese economy. These products also faced keen competition from Indonesia and Thailand.

Malaysia's market share of tin in the Japanese market had declined from 75 per cent in 1971 to 50 per cent in 1978.

There had also been a decline in Malaysia's market share of natural rubber in the Japanese market from 37.6 per cent in 1973 to 28.2 per cent in 1978. The decline could be attributed to the fact that Japan had emerged as the world's leading producer and exporter of synthetic rubber.

However, Malaysia's exports of palm oil (crude) to Japan had increased from 57,706 tonnes valued at $50.3 million in 1971 to 99,843 tonnes valued at $139.3 million last year.

Encik Ramli, who is also group managing director of Kumpulan Fima Berhad, said that there was a market in Japan for rubber and timber products, furniture, frozen sea food and canned foods provided Japan liberalised its import policy.

CSO: 4220

DIFFICULTIES IN INDO-BANGLADESH TRADE CITED

Calcutta THE STATESMAN in English 29 Nov 80 p 16

[Text] DESPITE the [illegible] steps for export and industrial collaboration in Bangladesh, the progress made by Indian industrialists in developing trade and commerce with Bangladesh has not been encouraging, according to chambers of commerce sources in Calcutta. Inadequacy of transport and communication between the two countries is said to be the major constraint in the development of trade relations between the two countries.

During a recent discussion on the steps necessary for improving economic ties between India and Bangladesh, organized by the Association of Indian Engineering Industry, Mr M. Dubey, Indian High Commissioner in Bangladesh, felt that poor transport and communication were severely hampering India's export efforts and in many cases had virtually neutralized the advantage of proximity that Indian exporters enjoyed in relation to Bangladesh.

Though some improvement in the field of communication had been made since the liberation of Bangladesh, it had not been up to the desired extent because of lack of incentive to do so. He pointed out that emphasis of trade between the two countries was expected to give the necessary incentement for improvement of the infra-structural facilities in Bangladesh.

He felt that apart from export of goods, Indian industrialists should participate in collaboration projects in Bangladesh to build up additional productive capacity of that country. This was all the more necessary because a healthy and balanced economy could enable Bangladesh to forge an abiding economic and commercial relationship with India. The fear of a section of Indian business men that building of additional productive capacity in Bangladesh would go against the interest of India was not correct, he added.

Other speakers at the meeting said that Bangladesh importers often complained of sub-standard quality of the Indian goods exported to Bangladesh, late delivery and failure of Indian exporters to remit agency commission. It was felt that organizations like the AIEI and Engineering Export Promotion Council could provide advisory service to the entrepreneurs and importers in Bangladesh for purchase of quality goods and for obtaining modern technology from India.

Mr Ashok Bir, chairman of the AIEI, Eastern Region, said that an Indian industrial delegation, which visited Bangladesh in November last year, had identified the fields in which Indian industrialists could collaborate with Bangladesh entrepreneurs for industrial development of that country. Since then Bangladesh had begun its Second Five-Year Plan in July this year. The plan envisaged an industrial investment of Taka 2,600 crores in the private sector.

The industrialization programme under the Second Plan envisages modernization of the old industries in Bangladesh, setting up of some basic industries as a first step towards industrial self-reliance and finally, expansion of industry to help import substitution of some of the essential commodities. No doubt, similarity in the geographical and socio-economic conditions between the two countries and their proximity will give Indian industrialists an immense opportunity to supply equipment and technical know-how for the development of Bangladesh during its Second Plan.

CSO: 4220

INDIAN PARTICIPATION IN JAKARTA PROJECTS NOTED

Madras THE HINDU in English 1 Dec 80 p 5

[Text]

In its efforts at industrialisation Indonesia finds India a more suitable partner than countries like the U.S. or Japan, according to Prof. Mochtar Kusumaatmadja, the Indonesian Foreign Minister. Our South-East Asia Correspondent, V. T. Sambandan talked to Prof. Mochtar in Jakarta recently.

The interview covered a wide range of issues. The questions and answers on India-Indonesia economic cooperation are of topical interest in view of President Suharto's visit starting today.

QUESTION: What do you think is the significance of the visit now of President Suharto to India? The last visit of this Indonesian President was that of the late Sukarno more than a generation ago.

ANSWER: It is timely and it is mainly a goodwill visit to underline the good relations we have had ever since both countries became independent. We have never forgotten the role India played in our struggle for independence. It was the first country which helped Indonesia gain independence through concrete acts. One of the first Indonesian foreign missions was established in New Delhi. India gave rice to Indonesia breaking the blockade.

We have both fought for the retention of the purity of the non-aligned movement, as we and India see it, fighting off the notion of 'natural allies'.

We also appreciate India's steadfast and able support on the Timor issue. In this sense this visit serves to underscore our relationship.

Technically, of course, it is a return visit. (Mrs. Gandhi visited Indonesia in June 1969 and President Fakhruddin Ali Ahmad in May 1975).

During my visit to India two years ago, I saw the possibilities of increasing trade and economic relations between the two countries. I suggested the Minister of Industry go there. He was impressed.

It is a mistake for a developing country like Indonesia, in its efforts at industrialisation, to always think of countries like the United States, Japan, France and Europe, whereas for certain products countries like India, which are more alike in many respects, are more suitable. That is why I took this up in Pattaya (the ASEAN Foreign Ministers meeting in 1978) for a dialogue with India, instead of the stereotyped dealings with developed countries.

But unfortunately the Indian Foreign Minister did not come (for the ASEAN Ministers' meeting in Kuala Lumpur in June this year). We could have discussed a common stand like that against protectionism and compared notes. It is a pity there has been a setback.

Q: There are 11 Indian joint ventures in Indonesia with more under completion or negotiation. How are they contributing?

A: They are beneficial to Indonesia. For example, there are more and more Bajaj (motorised tri-wheeler) on our streets and helping the small man. You cannot get such vehicles from the U.S. or from France. Italy used to produce them, but no more.

This is a perfect example of cooperation with a country like India that fits with Indonesia's needs. Your engineers do not ask to be put up in expensive hotels. This cuts overhead. They create no resentment with local populations.

Q: Indonesia seems to be now encouraging small-scale industries. Would foreign participation be allowed in them?

A: That would depend on the type of industries open to foreigners, based on the Board of Investment guidelines.

Q: Over the last two years there have been a number of visits at ministerial and other levels between India and Indonesia. Do you think the visit of President Suharto would contribute to expediting projects and further economic cooperation?

A: Sure. Economic cooperation has got to a stage that it has its own momentum. We don't mix up trade and economics with politics. For example, our differences on Kampuchea would not interfere with this.

CSO: 4220

THRIVING MARKET FOR ILLICIT FOREIGN TRADE

Kuala Lumpur BUSINESS TIMES in English 17 Nov 80 p 19

[Article by Jim Wolf in Rangoon]

[Text] SAPPHIRES, rubies and jade of matchless quality are being smuggled out of Burma to pay for goods from toothpaste to car parts.

But the huge illicit market is grey, not black — a crucial, officially condemned, adjunct to the prime economy in this isolated, socialist nation of 35 million people.

In come everyday items like soap, toothpaste and underwear as well as canned food, bottled drinks and whisky.

Out go rubber, silver, teak and tin in addition to Buddhist art treasures and sacks of the uncut precious and semi-precious stones, their quality unmatched anywhere in the world.

The market — variously termed free, shadow or unofficial — is estimated to handle more volume than its legitimate counterpart, and smugglers are said to "import" and "export" more than the official foreign trade.

It is also believed to be the country's fastest-growing sector.

The commerce thrives because cash-poor Burma, a staunch champion of self-reliance, is unprepared and unwilling to do the importing itself and because state-run cooperatives fail to meet the demand for even basic consumer goods.

While essential foodstuffs like rice and milk, plus limited selections of household goods, are available in the cooperative stores, virtually every Burmese who can afford the mark-up turns to the parallel market for better quality and variety.

Here in the capital and in Mandalay, the second city to the north, streetside stalls in bustling shadow markets feature bright-coloured Thai cottons, German beer, Chinese thermos bottles, Japanese stereos and hundreds of other items.

With Burma's introduction of television earlier this month, pirated video cassettes and players are also finding their way in, leading the strong government of President Ne Win to extend censorship to home movies last month.

Significantly, the clampdown on videotape came after a raid in the Chinatown area of downtown Rangoon netted pornographic tapes including, it is said, the classic "Deep Throat".

The main source of finished products is neighbouring Thailand, with which Burma shares a 1,200-km (1,160-mile) border, parts of which are controlled by drug-running ethnic separatists.

The rebel hill tribes men and the estimated 12,000 guerillas of the banned Burmese Communist Party are deeply involved in the illicit trade, which also reaches across Burma's borders to China, India, Bangladesh and Laos.

In the opium-rich Golden Triangle where Burma, Laos and Thailand meet, much of the commerce centres on the poppies, which are used to produce No. 4 heroin, the most potent variety.

The communists, reportedly getting less aid from Peking than earlier, deal in drugs to fund their operations and buy arms, the only Communist Party known to do so.

Burma has been fighting the rebels, including Shans, Mons and Karens, whose states abut Thailand, since independence from Britain in 1948.

But the long, porous borders, lack of security and huge scale of the smuggling makes it virtually impossible to stop.

Burma is also bounded by the Bay of Bengal and Andaman Sea, plied by Chinese junks that ferry out raw materials to Singapore and Malaysia and smuggle in modern appliances and luxury goods.

The fast-paced illicit trade contrasts sharply with most other aspects of what makes Burma one of the world's most secluded nations, strongly rooted in custom and tradition.

When President Ne Win took power in 1962, he introduced "the Burmese way to socialism," an austere blend of tight military control, neutrality in foreign affairs and socialist economics meant to erase the legacy of the colonial hold on resources.

The country still does not allow private foreign investment and "looks a million times," in the words of one diplomat here, before accepting bilateral aid to ensure no strings are attached.

Recent reports indicate the official economy, spurred by bumper rice harvests and some institutional reforms, has overcome the stagnation of the late 60s and early 70s and is on the path to steady, sustained growth.

With its vast natural resources — Burma is a net exporter of oil and its hardwood forests contain 80 per cent of world teak stocks — the country is potentially one of the richest in Asia.

The shadow market remains a two-edged sword. While it deprives the government of significant revenues from the export of valuable commodities, it provides essential goods that Rangoon is not yet geared to produce.

Over the last few years the gap between official and free market prices has narrowed considerably, reflecting what analysts say is an improvement in the government's production and distribution networks. — AFP.

CSO: 4220

HAIG NOMINATION SEEN OPENING 'OLD SORES'

BK041441 Bombay THE TIMES OF INDIA in English 23 Dec 80 p 8

[Editorial: "Mr Reagan's Nominees"]

[Text] General Alexander Haig's nomination as secretary of state is more controversial than of other men named by Mr Reagan for cabinet posts earlier. Indeed, the president-elect's initial list surprised those who thought Mr Reagan a hardline, dyed-in-the-wool conservative. Maintaining a tradition of continuity, he has chosen mostly lawyers and business executives belonging to the "East Coast establishment," which has always provided most of the top men in goverment departments. The members of this "set" are generally regarded as moderates whether they be of Republican or Democratic hue. They are more technocrats than ideologues. Though it is far too early to say for sure, Mr Reagan's selections do suggest that there will not be any drastic changes of direction in domestic policy. Of late Mr Carter's Administration was drifting to the right anyway.

General Haig's appointment as secretary of state is, however, something else. For a start, it is bound to rake up old sores. The general was closely associated with Mr Nixon and the Watergate affair; already many Democratic congressmen are decrying the appointment on that account. On the other hand, he enjoys the support of Republican members of the former Senate Watergate committee and his confirmation is not in doubt even though some dust may be raised in the process. Mr Reagan's willingness to take the risk is significant. It shows that he wants a forceful personality to assisthim in the field of foreign affairs. In this sphere, the American President has always had much greater freedom of action than in domestic matters. By choosing Mr Haig, who is an experienced administrator and a respected figure in his own right, Mr Reagan is also downgrading the importance of the post of national security adviser. Mr Kissinger and Mr Brzezinski who previously occupied this post were generally able to get their way and outmanoeuvre whoever happened to be at the helm of the State Department at the time. Friction between the latter and the national security adviser or the coterie round him has been a feature now of as many as three administrations in Washington. Mr Reagan's move will hopefully eliminate it and thus make for greater cohesion in the collective functioning of the U.S. Government. General Haig's views on detente are well-known. He supports the "linkages theory," according to which, U.S. relations with the USSR are strongly contingent on Soviet "good behavior" elsewhere. It is not this that worries some of General Haig's detractors. They feel he is not sufficiently flexible in his thinking to be able to seize the opportunities for accommodation that may arise. Be that as it may, his appointment certainly confirms the view that America is steadily drifting towards greater militarism and a "toughter" approach towards the USSR.
CSO: 4220

RELIANCE ON SOVIET PROMISE TO SELL CRUDE OIL

Kuala Lumpur BUSINESS TIMES in English 18 Nov 80 p 6

[Article by Prakash Chandra in New Delhi]

[Text] INDIA has been caught in the oil trap due to the Iran-Iraq war.

The situation, experts warn, may become desperate soon. But top officials are taking care to scotch all talk of panic, sudden shortages or even difficulties in procuring oil from an already shrinking world market.

A top Indian official told *Depthnews*: "Why should we worry? The Soviets have agreed to help us. They are producing 600 million tons of oil. And we are raising bumper crops of rice and wheat. Rice alone will amount to 50 million tons during the current season. So, a swap of rice for oil is logical."

Also, both the Iranian and Iraqi governments have assured New Delhi that they would maintain the supply of oil through whatever routes still open to them. Furthermore, the movement of Indian oil carriers will not be impeded in any way.

All this sounds fine until the crunch arrives. Fears are that if the war escalates, it will be almost impossible for New Delhi to procure the six to eight million tons of oil products and some three million of crude still needed for the current year.

Reports suggest that there might be a cut in the use of furnace oil by a government order. There were also rumours that eventually the government may have to resort to petrol rationing.

But it seems that the Cabinet is dead set against oil rationing. What may well happen is a deliberate effort by the government to reduce consumption of petroleum and oil products by public-sector companies which depend on imports for the manufacture of their products such as fertilisers.

India is banking on Russia's assurance to sell at least six million tons of crude to alleviate the crunch. The assurance was given during Indian President Sanjiva Reddy's recent visit to Moscow.

Also, the government has resorted to spot buying on the world market. A spokesman refused to reveal details, but reports suggest that India has already bought some 300,000 tons of crude from the international market.

At the same time, the government has decided to step up oil search to reduce the rising oil bill now estimated at 30,000 million rupees (US$4,000 million).

In a dramatic departure from its earlier policies, the government suddenly called in the "Seven Sisters," the seven oil majors, to bid for collaboration in the digging of wells for oil and offshore exploration for both gas and petroleum.

The government has not revealed so far the exploration terms. But one well-informed source suggests that it may be a 50 per cent buy-back guarantee from the oil companies who may have to spend about 60 million rupees (US$7.5 million) for the drilling of each well.

The Oil and Natural Gas Commission (ONGC), the State-owned body which is already producing 20 million tons of oil from Bombay High and Assam, is planning to go in a big way to increase oil production from its offshore fields.

Already, production is expected to go up to 12 million tons a year.

However, leading scientists of the ONGC and leftwing critics are unhappy over the government's move to invite foreign oil explorers.

"Are we inviting them to loot us?" asked one senior ONGC expert.

According to government experts, India's crude oil requirements may go up to 43 million tons, including refined products, by 1984. If the demand escalates because of mounting industrial production every five years, India may end up by importing 115 million tons of oil and petroleum products by 1990. And the cost is staggering — about 210,000 million rupees (US$27,000 million) annually.

One well-known oil economist says it means India will have to increase its oil production to 55-70 million tons a year from its present production of 12 million tons over a period of 20 years. He feels that it is not "impossible" to achieve this if foreign oil firms are allowed to get in the act.

But an official which has reported on the energy situation recently sounds a rather disappointing note. Its report says: "It is reasonable to assume that the production of 24 million tons would be reached by 1987-88 and this level of production would be retained up to the year 2000."

This is regarded as highly conservative estimate. Even the Russians feel that India can produce more than 30 million tons a year if efforts are made by the government.

Top ONGC experts have prepared a 30,000 million rupee (US$3,700 million) programme for the next five years. This covers 95 exploratory and 200 development wells offshore and 200 exploratory and 300 developments wells onshore.

However, senior Ministers and policy advisers are not satisfied with this forecast of oil resources. Hence, the sudden move to invite foreign oil companies to look for oil.

CSO: 4220

INFORMATION MINISTER SPEAKS AT ASIAN CONFERENCE

Madras THE HINDU in English 1 Dec 80 p 12

[Text]

BANGALORE Nov. 30.

The Union Minister for Information and Broadcasting, Mr. Vasant Sathe on Sunday gave a call to the developing nations to combat the "invasion" of their countries by the advanced countries through the media.

Mr. Sathe was inaugurating a six-day regional conference on "Media for Development" organised by the Asian Mass Communication Research and Information Centre (AMIC) with the help of the Bangalore University.

The Minister said, "We have to strive collectively to combat the media invasion which, in a very subtle and sustained manner, is trying to undermine our independence and self-reliance. Having substantially overcome political imperialism and colonialism, except in some pockets like South Africa, the developing world is now confronted with economic colonialism and information imperialism."

According to Mr. Sathe in the developing countries of the southern hemisphere, there were imbalances in information flow, not only in the shape of deficiency in volume but also in the content of news as between one country and another.

This realisation prompted the setting up of the Non-aligned News Pool in 1978, to enable each country bring the information media to a level where it could meet the national needs without undue dependence on the media of the advanced countries.

The monopoly of international information media and modern telecommunication technology by the advanced countries on the one hand and the demand for a fair deal for themselves by the developing countries in the area of international communication on the other, was leading to a kind of confrontation. The debate on this issue had given rise to the North-South dialogue, the Minister said.

Mr. Sathe said the mass media in the developing countries, particularly in the Asian region, had to play a vital role in the context of the overall development strategy and programmes of the Government. People should be mobilised towards the goals and public support had to be mustered for the programmes. The media had to strengthen the confidence of the people, promote self-reliance and encourage the forces of unity and national harmony. They had to attempt this with a certain degree of creativity, originality and ingenuity so that the media would remain credible as well as interesting to all sections of the people.

However, he added, the media should not be expected to have an unlimited power. "Its contribution is confined to influencing social norms, focusing attention and demonstrating opportunities."

The Karnataka Chief Minister, Mr. R. Gundu Rao, said the monopoly over the dissemination of news enjoyed by the advanced countries was leading to distortion of news pertaining to the developing countries.

The Chief Minister, whose speech was read in his absence by the Minister for Urban Development, Mr. Dharam Singh, said five news agencies were disseminating 75 per cent of the news. These agencies decided what information about a country the other countries should get.

During the freedom struggle an impression was given that the country was not fit for independence. Now it was being said that the right climate for foreign investment did not exist in the developing countries. Their poverty and ignorance were being highlighted.

The conference is being attended by 35 participants from 14 Asian countries.

Mr. T. R. Jayaraman, Vice-Chancellor, Bangalore University, welcomed the gathering. Dr. P. R. R. Sinha, Director of AMIC, spoke.

Dr. H. K. Ranganath of the Song and Drama Division proposed a vote of thanks.

CSO: 4220

INDIA, ROMANIA SIGN LONGTERM TRADE AGREEMENT

Bombay THE TIMES OF INDIA in English 3 Dec 80 p 13

[Text]

NEW DELHI, December 2: India and Romania today concluded a new long-term trade and payments agreement stipulating the continuance of bilateral trade in non-convertible Indian rupees.

A long-term trade plan covering major commodities and a trade protocol for 1981 were also concluded.

The agreements were signed by Mr. Pranab Mukherjee, commerce minister, on behalf of India and Mr. Corneliu Burtica, Romanian deputy prime minister and minister of trade, on behalf of Romania. They come into effect from January 1 and will remain valid for five years.

TEN-P.C. INCREASE

The trade protocol for 1981 envisages a trade turnover of Rs. 240 crores both ways, indicating an increase of ten per cent over the 1980 targets.

The trade plan for 1981-85 covers the supply of major commodities essential to the economies of the two countries. The plan includes iron-ore, mica, finished leather and leather products, machine tools, engineering goods, jute manufactures, pepper and electronic equipment for export to Romania and fertilisers, rolled steel products, newsprint, cement, chemicals, cargo vessels, pharmaceuticals and capital goods for import from Romania.

India's trade with Romania has registered a consistent growth over the last few years. Bilateral trade is expected to have reached a record level of Rs. 95 crores this year. Romania is the second biggest buyer of Indian iron-ore after Japan and it is an important source of supply of chemical fertilisers to India.

CSO: 4220

FINANCE MINISTER CONFIDENT OF BRIGHT ECONOMIC PROSPECTS IN 1981

BK311217 Delhi Domestic Service in English 0830 GMT 31 Dec 80

[Text] Finance Minister Venkataraman is confident that higher foodgrain availability will be the most stabilizing factor for the economy in the new year. Addressing the forum of financial writers in New Delhi today, he said we can step into 1981 with an assurance of no shortage of food. Referring to the farmers agitation, Mr Venkataraman said it has caused great harm to the economy. The optimistic projection for the coming year may be severely affected if such agitations both in agriculture and in the industrial fields are continued.

Expressing dissatisfaction with the poor production of pulses and oil seeds, the finance minister said intensive efforts are being made to improve the situation. While the sixth plan will give a high priority to research in the field of pulses and oil seeds, the government has evolved a support-price policy to pulses to insure an adequate return to farmers.

Mr Venkataraman spoke of the remarkable improvement in infrastructural facilities in the last few months. There has been steady improvement in power generation leading to increased production of coal, cement and steel. However, the fertilizer output showed a decline as compared to the position last year.

Turning to deficit financing, Mr Vankataraman indicated that the deficit in the current year may exceed the budget estimates of 14,000 million rupees. He was, however, hopeful that the deficit limit will be under control in view of increased tax collection and revenue.

About foreign trade, Mr Venkataraman said the gap will be about 43,000 million rupees and the deficit in the balance of payment will be 5,000 million.

CSO: 4220

GOVERNMENT STUDIES CUBAN TRADE POSSIBILITIES

Madras THE HINDU in English 2 Dec 80 p 22

[Text]

NEW DELHI

An Indian Commercial Delegation, which visited Cuba recently, has identified several areas for increasing India's exports to, and collaboration with, Cuba.

For detailed examination of the Indian potential in meeting the Cuban requirements, specialist delegations from Cuba will visit India, according to the Commerce Ministry. To begin with, a delegation connected with sugar mill machinery, will arrive next month.

The Indian Delegation to Cuba was led by Mr. Suresh Chandra, Executive Director, Projects and Equipment Corporation. Its meetings in Cuba provided an opportunity to observe at first-hand areas of common interest in regard to bilateral trade and exchange of technology and industrial collaboration including joint ventures in third countries. India's capabilities in different spheres of industrial activity and as a supplier of quality goods at various levels of technology on a competitive basis, were also put across.

The supply of sugar mill machinery, parts and accessories was identified as a major area for increasing exports to Cuba. The possibilities of technical collaboration in manufacturing various items of sugar mill machinery in Cuba, and joint collaboration for establishing complete sugar production plants in third countries, were also explored.

The Indian Delegation found possibilities of supply of railway equipment, parts and accessories, particularly passenger coaches and locomotives, to the Cuban National Railways, and for technical collaboration to establish in Cuba manufacturing and assembly facilities for certain types of imported railway equipment like bogies and couplers.

Other areas of export opportunities to Cuba, identified by the Indian Delegation, were handtools, tools and tubes, bicycle and bicycle components, machine tools and other mechanical machinery items, electric power transmission and distribution equipment, sports equipment, industrial fasteners, sanitary equipment and fittings, electronic equipment, tobacco processing plant, bottling and canning plant and mining machinery and equipment.

CSO: 4220

REVISED REPORT ON VIZAG STEEL PLANT GIVEN

Madras THE HINDU in English 1 Dec 80 p 1

[Text]

VISAKHAPATNAM, Nov. 30.

The revised project report for the Visakhapatnam Steel Plant, finalised by the Soviet experts and Dastur and Company, was presented today to Mr. V. Subramanian, Managing Director, Visakhapatnam Steel Plant at a brief function here by Mr. Supriya Dut Gupta, Director, Metallurgy, Dastur and Co.

The Rs. 2,250-crore coast-based steel plant will have a production capacity of 3.4 million tonnes and is based on the latest proven technologies in coke, sinter, iron and steel-making rolling mills.

Briefing newsmen, Mr. Subramanian said that the use of the universal beams would lead to considerable savings of 30 hundred, avoiding costly and time-consuming site-fabrication.

All major raw materials, required for the steel plant exceptional part of the coking coal, would be met from domestic sources. Iron ore and flux will be supplied by deposits number four and five of Bailadila, the limestone would come from Jaggayyapet and Bodaipur.

While utilising foreign credit of Rs. 700 crores in the initial stage and the like amount in the subsequent period for the import of sophisticated machinery, the Vizag Steel Plant would use locally fabricated machinery to a great extent, he said.

The project is estimated to be completed in six years to produce as finished products for sale, 7.1 lakh tonnes of light merchant products, seven-lakh tonnes of medium merchant products, six lakh tonnes of wire rods, eight lakh tonnes of universal beams and 1.7 lakh tonnes of billets.

CSO: 4220

DELHI ALLOWS CREDIT FOR UK CAPITAL GOODS

New Delhi PATRIOT in English 28 Nov 80 p 1

[Text] IN a significant policy departure, the Government has approved commercial credit from Britain for capital goods industries. Until now foreign credits have been permitted for technical know-how only.

Two private companies, Simpson (Madras) and TISCO have contracted major credits. British business is taking a long term view of overshadowing Indian private and public sectors as partners in setting up capital goods industries, as also in joint ventures for export to third countries.

This was disclosed at a press conference on Thursday by Lord Limerick, chairman of British Overseas Trade Board, at the end of four days of intensive discussions with the Indian Government and businessmen. The 14-member team of senior British businessmen met the Prime Minister and the Commerce Minister on Thursday.

In Lord Limerick's words, this is the "most powerful team of British industrialists ever to come collectively to India, representing many types of interests."

He said the Indian Government's response to his team was "very favourable." He was told by the Prime Minister, he said, that his team had correctly identified the areas of cooperation with India. They are coal production, transportation, power generation, steel, aircraft, railways, oil and gas exploration, and fertilisers and petrochemicals. Cooperation will include financial packages, technology transfer, and training facilities.

The £20 million credit to Simpson is for import of Ford trucks. It is for five years at 7.25 per cent interest. The £14 million credit to TISCO is for expansion and modernisation and this is largely from the Davy Group and British Oxygen.

Lord Limerick and his team explained to newsmen that now British business could move capital abroad more freely as it had so many companies on account of gas finds in the North Sea. British industry, they said, was in a healthy state, contrary to reports, with monthly exports standing at £1,000 million.

They emphasised that immediately on the cards was the involvement of UK as a major power project in India, and in coal mining. In January, a team will come from Britain to do feasibility studies for new mines.

CSO: 4220

HOUSE INFORMED OF RAILWAYS 5-YEAR PLAN

New Delhi PATRIOT in English 28 Nov 80 p 5

[Text] THE railways plan to acquire about 1.10 lakh wagons in the sixth Plan, subject to availability of resources, to cater to the increase in traffic and to provide for adequate replacement needs, the Lok Sabha was informed on Thursday, reports PTI.

There was no shortage of wagons in absolute terms, keeping in view the existing targets for movement of traffic, but wagon availability was not, however, satisfactory from 1978-79 onwards due to various reasons, Railway Deputy Minister Malliarjun said.

In written replies to questions on wagon availability, Mr Malliarjun said fresh wagon orders have been placed taking into account price escalations. The outstanding wagon orders as on 11 November were 41,352 wagons in terms of four wheelers.

The Indian Railways, Mr Malliarjun said, were meeting their present requirements of wheel sets, tyres and axles from two plants, Hindustan Steel, Durgapur and TISCO, and about 80 per cent from imports.

In order to prevent a heavy drain on foreign exchange, it had been decided to set up a wheel and axle plant at Yelahanka, Bangalore, at an estimated cost of Rs 38.30 crore. The plant will go into phased production in 1982-83, he added.

He said the percentage of ineffective wagons and coaches was above the prescribed targets w/e trade and the Durgapur steel plant to supply spare components and other accessories and due to poor electric power supply.

The Minister also said that the remaining portion of the West Coast Konkan Railway, from Roha to Mangalore (823 km), with present day estimated cost of Rs 254 crore, is one of the 18 new rail links under consideration for inclusion in the sixth Plan.

Also under construction were six rail links in the Northeast Frontier Railway, which were because of the failure of pri- expected to be opened from the middle of 1982. These rail links covering 208.97 kms were estimated to cost Rs 50.20 crore, the Minister said.

A provision of Rs 50 lakh has been made in the current year's budget for doubling the Phulera-Kishangarh (50.9 km) metre gauge line to broad gauge on the Ahmedabad-Delhi via Jaipur and Ajmer rail link, he said.

The Minister informed Mr A K Ray that the Government was considering the introduction of third and fourth generation computers on the railways.

CSO: 4220

NATIONAL POLICE COMMISSION REPORT SUMMARIZED

New Delhi PATRIOT in English 27 Nov 80 p 10

[Text]

THE National Police Commission has recommended more powers for district superintendents of police so that they can take initiative to improve the police functioning and operations in their areas.

The police superintendent should not be subordinate to the district magistrate, (an administrative or civil service officer in operational functioning, the Police Commission report's fifth volume says. It, however says that district magistrates should play an overall coordinating role.

The fifth volume of the commission's report was submitted to the Home Minister by commission chairman Dharam Vira on Wednesday. The commission, which was set up in 1977-end, and started functioning from June 1978, submitted the first volume of its report in February 1979. The fourth volume was submitted in June this year.

The commission had been charged with studying the police functioning, its training methods, the personnel and police-public relations in depth and to come up with concrete proposals to vitalise the police forces so that they could meet the challenges of the growing law and order problems and could also reverse the negative public image that had developed in recent years.

In each of its volumes, the commission deals at length with each of these subjects. The fifth volume analyses the relationship between the district magistrate and the superintendent of police, and the parallels between civil and police officers down the line. It also reports on the status and scope of women police, training and recruitment of personnel and the police-public interaction.

According to sources, the commission has pointed out that because of the colonial heritage, the police forces and officers in the basic district units had been made totally subservient to the civil officers. This, the report says, has made the district magistrate (or district collector) the lynchpin of the law and order operations in the state.

The report pleads for giving the district superintendent of police his powers so that he can meet his responsibilities better with the district magistrate having a coordinating function in law and order. "There should be no subordination", says the report.

The commission also recommends expansion of women police units and better training and facilities for them. Sources said the commission has also recommended changes in recruitment policies and the training of police personnel to equip them with the latest in crime fighting. The training changes would inculcate in the force that they are meant for the welfare and protection of the people, and are not an instrument of terror.

The report also discusses at length police-public relations and the police image in the public mind. It says the public should be educated in the powers and limitations of the police force. The public should be specially told as to what the police can do and what they cannot do under the laws of the land.

CSO: 4220

MISSILE ENGINE WORKSHOP OPENED IN BOMBAY

Bombay THE TIMES OF INDIA in English 3 Dec 80 p 5

[Text]

A NEW missile engine workshop has been added to the existing units at the sprawling complex of the naval dockyard in the city.

It takes about a month to overhaul an engine of a missile boat in this workshop. Whilst some parts of the boat are manufactured locally, a few are still being imported.

INS 'Vikrant', which saw colours during the Goa operations and the Bangladesh war, is now berthed in a corner of the dockyard. The aircraft-carrier is being refitted — a process which started last year —and the job is expected to be completed in a couple of months. Every part of it has been stripped and the ship was unrecognisable with thousands of parts scattered all over.

INDIGENOUS BOILERS

With the indigenous manufacture of shop boilers the dockyard is now able to make an annual saving of Rs. 40 lakhs. Eight to 10 boilers are produced annually in the dockyard. Soon even raw materials will be procured from Durgapur.

The dockyard has an industrial engineering department that has done a lot of work in introducing better work practices and methods.

There is a quality assistance and reliability department and a modern stream test house.

The financial resources allotted to the navy in the early years after independence was limited. The navy was, therefore forced to keep warships which had exceeded their lifespan.

DIVING UNIT

There is a diving unit across the dockyard which is equipped with what is known as a "chariot". This vehicle looks like a cross between a submarine and a jet fighter.

It is mainly used for attacks. The pilot and the co-pilot are enclosed in two small compartments. Its main purpose is to carry out a successful attack below the target by placing an explosive.

A charge of 250 volts is enough to destroy and sink an enemy ship.

A little away from the dockyard, situated in the Bhor Ghats near Lonavla, is INS 'Shivaji' whose intake of foreign cadets has been increasing annually.

The naval college of engineering conducts basic courses, the mechanical training school organises professional courses, and the steam and controls training complex gives practical training.

CSO: 4220

NEW SYSTEMS INTRODUCED ON NAVY'S NEW FRIGATE

Bombay THE TIMES OF INDIA in English 3 Dec 80 p 5

[Text]

BOMBAY, December 2: Nearly 10 new systems have been introduced in the Indian Navy's fifth Leander class frigate, INS "Taragiri", commissioned some months ago.

According to the ship's captain, S. M. Gadihoke, these systems were "being tried out for the first time in any navy in the world". For instance, he said, the navy had made history by making facilities for a huge 10-tonne helicopter to touch down and take off from a warship of such enormous dimensions. "It can be flown at all times and can be recovered under all conditions", he said.

"Launching and recovery of the large-sized Seaking helicopter from a rolling and pitching deck is a delicate operation. On the 'Taragiri' this is achieved with the help of the RAST (Recovery, Assist, Secure and Traverse) system", he stated.

The helicopter operations are controlled from the landing safety officer's position on the deck. The entire operation is monitored by the command with closed-circuit television system.

Another significant aspect of this vessel is that anti-submarine warfare is controlled by a computer and fitted with the latest sensors. This computer, according to Captain Gadihoke, has been introduced for the first time in the Indian Navy.

The ship now stands in a corner of Bombay dockyard just a few feet away from Tiger Gate.

CSO: 4220

PLANS FOR EXPANSION OF DEFENSE SCHOOL TOLD

Bombay THE TIMES OF INDIA in English 3 Dec 80 p 5

[Article by Srinivas Laxman]

[Text]

BOMBAY, December 2: The nuclear biological, chemical, defence and damage control school located at INS Shivaji in Lonavla may be expanded with the possible inclusion of army and air force officers as well for its different courses. At present, the training is purely restricted to various categories of naval officers and sailors.

This scheme is stated to be under the consideration of the army, navy and air force headquarters. The institute's authorities have also asked for 51 extra films from the U.K. on various methods of self protection in the event of a possible nuclear war.

Situated in a somewhat obscure corner of INS Shivaji, the unit is one of its kind in India. Apart from a large number of naval personnel, the institute has also been training officers from the ONGC, the Shipping Corporation of India and civil defence organisations.

According to the naval authorities, the role of this school might gain considerable significance in the coming years in view of Pakistan's decision to go in for the controversial "Islamic bomb."

TRAINING FACILITIES

A part of the course is conducted in a specially-equipped chamber where officers and sailors put on protective clothing and get acquainted with different types of instruments such as the anti-gas respirator. At present, they are not exposed to actual radiation fall-out. However, there is a talk of giving them this experience under simulated conditions. Most of their equipment have been procured from the U.K.

The school is equipped with, among others, a smoke chamber, a fire pit and a stability demonstration room. There is also what is known as a "double decker unit" (DDU) which explains to trainees the methods of tackling floods.

There are similar institutes in the U.S., the U.S.S.R. and other countries. The Lonavla school, moreover, has details of different types of chemical gases likely to be used by various countries during a war.

CSO: 4220

AGRICULTURAL EXPORT SEMINAR RELEASES REPORT

Bombay THE TIMES OF INDIA in English 3 Dec 80 p 6

[Text] New Delhi, December 2.

The nine-day seminar on "agricultural co-operative marketing with special reference to export trade" has recommended the formulation of a regional co-operative trade plan for the southeast Asian countries for the next three to five years.

It has also suggested the setting up of joint ventures by co-operative organisations in different countries in the region. The committee on trade development for south-east Asia of the International Co-operative Alliance (ICA) has been proposed to be the focal point for transnational co-operative trade matters within the region.

The seminar was organised here jointly by the ICA, the National Agricultural Co-operative Marketing Federation of India (NAFED) and the National Co-operative Union of India (NCUI). About 28 experts from 11 countries and the representatives of UN bodies and other international organisations participated in the seminar.

The tentative report of the seminar released yesterday highlighted the need for strengthening commercial and trade links between co-operatives of all countries and recommended that the gap between the co-operative importers and exporters should be bridged. The ICA should provide greater opportunities to representatives of co-operative trading organisations in the region to discuss problems of mutual interest and establish trade contacts.

It urged the financial institutions to provide adequate credit at reasonable terms to co-operatives dealing with marine products, fruits and vegetables, cattle feed raw material, tea and spices. The developed co-operatives should buy their requirements of tea and other agricultural commodities from the co-operatives in developing countries.

The setting up of an international co-operative market information bureau was suggested for providing accurate and up-to-date market information to co-operatives. The proposed bureau could be set up within the framework of the economic bureau of the agricultural committee of the ICA. The governments of the countries in the region should include trade between co-operatives as a regular feature in bilateral trade agreements.

Stressing the need for a well trained management cadre for the fisheries co-operatives at various levels, the seminar suggested that the governments should provide financial incentives to these co-operatives to take up the export of fisheries products. A system of internal taxation should be established to generate resources for financing development projects on fruits and vegetables with an eye on exports.

CSO: 4220

UNION PUBLIC SERVICE COMMISSIONS HOLD PARLEY

Bombay THE TIMES OF INDIA in English 29 Nov 80 p 9

[Text] NEW DELHI, November 28.

THE Union Public Service Commission received applications only from a very few candidates wanting to take their tests in regional languages, but finds in it a lot of lessons for the future.

First, objective evaluation shows the percentage of qualifying candidates who opt for regional languages is almost the same as for those who opt for English or Hindi.

Secondly, more universities now go for regional languages as medium of instruction, and thirdly, persons and candidates are still wary of tests, particularly in optional subjects in regional languages.

The language break-up shows that the majority of candidates prefer English. Of about 7,000 candidates for the civil service examination, 6,000 opt for English, 900 for Hindi and the rest for regional languages. But none of these languages has more than 25 takers. Urdu had one, Malayalam four, Tamil seven, Telugu 23 and so on.

A conference of chairmen of the Union and states public service commissions concluded a two-day session here today after discussing several issues related to recruitment.

To facilitate the selection process, most of the commissions have initiated measures like objective and semi-objective questions and computerisation. It is stated that through electronic data processing at the UPSC the answer papers of as many as 30,000 candidates are evaluated in just ten hours.

There was considerable discussion on recruitment philosophy. The tone had been set by the Prime Minister who stressed the special responsibility of the service commissions to devise methods which would ensure that any educational, economic and social disparities do not tilt the balance in favour of the privileged, and the Harijans, tribals, minorities and the rural poor get their share in government jobs.

The conference agreed that it was necessary to ensure that candidates from rural and backward areas do not suffer from any handicap in selection and all candidates are judged on the basis of their intrinsic merit and potentiality and not merely on the basis of articulation and urban or metropolitan attainments.

They also recommended to the government that action should be initiated to construct hostels where candidates could be accommodated at subsidised rates.

The issue of keeping posts out of the purview of the public service commissions particularly through *ad hoc* appointments on political considerations was another issue that came up for discussion. In some states, the trend had been growing while in others like Kerala, *ad hoc* appointments would have to be regularised within three months by the public service commission.

TRIBUNALS PLANNED

The subject had come before the conference on previous occasions. The conference held in 1976 recommended that the convention followed at the Centre about the UPSC being consulted and their advice duly taken into account before a post is excluded from the purview of the commission should be adopted by all states.

The Central government commended the suggestion to the state governments for acceptance. The government of India did not, however, accept the recommendation of the conference that uniform guidelines should be evolved on the basis of which a post should be excluded from the purview of the commission.

The conference held the following year (1977) felt that it was anomalous that while additional functions can be assigned to the commission only by legislation, exclusion of matters from the purview of the commission can be done by means of regulations issued by the government.

In his address to the closing session of the present conference, the home minister, Mr. Zail Singh, said the government was actively considering to establish administrative tribunals to settle disputes relating to promotions and the like so as to avoid litigation.

He stated that in "translating policies into action and implementing them on the ground, it would require a team of dedicated and dynamic officers who can identify themselves totally and unequivocally with the politics of the government."

According to him, the public service commissions instilled a sense of security and confidence in government service as the interests of the employees are safeguarded by an independent agency with a constitutional status.

CSO: 4220

DELHI PHYSICIST CLAIMS UFO'S IN INDIAN HISTORY

Bombay THE TIMES OF INDIA in English 29 Nov 80 p 9

[Text]

AHMEDABAD, November 28.

MOST of the natural disasters in the recent past in the country were caused by the Unidentified Flying Objects (UFO), according to a Delhi university physicist, Prof. Swadeshkumar Trika.

Prof. Trikha, who was addressing a meeting of scientists at Gujarat university here, made some startling revelations today.

Referring to the Morvi tragedy, which was caused due to the bursting of Machchu Dam-II, he said the presence of a higher level of radio-activity in the flooded areas in Morvi indicated the presence of an UFO propelled by a small nuclear reactor.

He was convinced that the Morvi disaster was not a natural disaster.

Prof. Trikha also claimed that the Brahmastra used in the Mahabharat was a neutron bomb. He came to the conclusion after making intensive survey of the areas mentioned in the Mahabharata.

Prof. Trikha said that soon after the Morvi tragedy, he had been to the site of the tragedy carrying the necessary equipment to record the radio-activity in the area.

CALL TO SCIENTISTS

He found an enormous increase in the radio-activity in the areas inundated by the flood waters.

Similarly, on June 16, 1979, the Wankaner township, about forty km. from Rajkot, was hit by a 'tornado and hailstorm' for five minutes. Prof. Trikha visited the area on October 4 last year and recorded 75 per cent increase in the level of radio-activity in the area hit by the tornado.

According to Prof. Trikha, a nuclear reactor installed in the UFO might have caused the radiation.

Referring to the possible use of a neutron bomb in the Mahabharata war, he said in the Kurukshetra area (Haryana), he found an increased level of radio-activity. In addition, he found deep underground shelters in the area indicating that they might have been used as shelters against "Brahmastra", the ultimate weapon.

Prof. Trikha urged scientists to make a deeper study of his findings, which might throw new light on Indian history.

CSO: 4220

EXECUTIVE MEMBER, OTHERS RESIGN FROM LOK DAL

Bombay THE TIMES OF INDIA in English 30 Nov 80 p 1

[Text] New Delhi, November 29: Chaudhari Brahm Parkash, a member of the national executive of the Lok Dal, has resigned from the party along with eight local Lok Dal leaders.

Mr. Brahm Parkash told reporters today that the president of the Lok Dal, Mr. Charan Singh, had been behaving in an authoritarian manner. He neither consulted nor discussed any issue with members of the national executive. Even on such an important issue as the selection of candidates for the assembly elections, he said, Mr. Charan would not consult other party workers.

In his long letter of resignation to Mr. Charan Singh, Mr. Brahm Parkash has said: "Your unilateral decision to boycott the national integration council and later the all-party meeting on Assam called by the Prime Minister has came as a shock. [as published] Whatever our differences with Indira Gandhi no responsible party in a democracy can legitimately keep away from the effort to deal with issues of such crucial importance for the nation. A dialogue is necessary in a democracy, however, wide the range of differences."

He told reporters the Lok Dal had neither a policy framework nor any kind of organisational set-up. The party, he said, had been limited to a few castes in some specific areas. It needed to be widened and have contact with labour, youth, minorities and women.

CSO: 4220

MINISTER SPEAKS TO CONSTITUTIONAL LAW SEMINAR

Bombay THE TIMES OF INDIA in English 30 Nov 80 p 7

[Text] The Union law minister, Mr. P. Shiv Shankar, today spoke on the varying importance given to the fundamental rights and directive principles of our constitution by the supreme court.

Inaugurating a national seminar on constitutional law to mark the silver jubilee celebrations of the People's Education Society's Siddharth college of law here today, Mr. Shiv Shanker said if the principles of the preamble had been kept in the forefront, to a large extent, the controversy over the supremacy of the fundamental rights or the directive principles could have been avoided.

He quoted Dr. Ambedkar and stated that the directive principles did not merely contain the "direction" but also had the content of the future socio-legal order.

The role and eminence of our supreme court was unmatched by the judiciary in any other part of the world and there was a great burden on those who moved the court to serve the lofty goals set by the founding fathers in the constitution. It was appropriate that the seminar would discuss the approaches shown by individual judges of the court as also its role as a whole, the minister observed.

He also suggested studies of the judicial approaches of the individual judges to analyse how the "judicial behaviourism" had affected the constitutional concepts.

Minerva Mills Case

Citing the Minerva Mills case decision, Mr. Shiv Shanker pointed out the view that "it was wholly unnecessary for the court to go into the question of constitutionality of article 31-C as it stood after the constitution (42nd amendment) act." The preliminary objection raised by the attorney-general on this ground was overruled by a majority of the judges.

"There are also grounds for urging that the orders passed by the judges in the Minerva Mills case do not constitute a decision by the supreme court but only opinions by individual judges who heard the case. On this ground, it is felt that the orders passed are devoid of legal effect," according to the Union law minister. The Union government has prayed for listing the Minerva Mills batch of cases for hearing before a larger bench of not less than seven judges.

Referring to the directive principle on legal aid, inserted by the 42nd amendment, Mr. Shiv Shanker said: "Here, at least, we are not bothered by the supposed conflict between fundamental rights and directive principles."

Legal aid clinics could be set up under the aegis of the law colleges and the law colleges could organise and co-ordinate legal literary schemes for the common man," he said.

Mr. D. N. Sandanshiv, principal of the Siddharth law college, welcomed the guests and Justice R. R. Bhole, MP and chairman of the People's Education Society, delivered the presidential address. Justice P. N. Bhagwati of the supreme court, was among those present.

CSO: 4220

REVIEWER DESCRIBES BOOK ON INDIAN INTELLIGENCE

Bombay THE TIMES OF INDIA in English 30 Nov 80 p 8

[Text]

"This book should never be written," said R. N. Kao, the first director of the Research and Analysis Wing (RAW), the mysterious super-secret foreign intelligence agency which reported directly to the Prime Minister. The eye-opening extracts from "Inside RAW" by ASOKA RAINA detail a story of political interference, bureaucratic machinations and bungled operations which have stifled India's intelligence-gathering activities.

THE declaration of the emergency on June 26, 1975, the lifting of the emergency, the formation of the Janata Party on March 22, 1977, the Janata Party victory in the elections by an overwhelming majority and formation of the Janata government were the forerunners that would herald an unprecedented change in the foreign intelligence bureau, for an appreciable part of the Janata government's wrath was aimed at RAW.

They appeared to have firm faith that RAW had played a major role during the emergency, the firm belief that RAW was "IG's storm troopers" and were also instrumental in transferring hordes of money abroad for Mrs. Gandhi. The Janata government let loose all the vengeance it could muster against RAW. With it, the decay in RAW set in.

SN: RAW is not an organisation to be ashamed of.

MD: I hope so. I believe your department has appointed a large number of retired people.

SN: Yes Sir, but these people have been re-employed according to the rules and are experts in their own fields.

MD: All of them should be turned out. I believe RAW was involved in the internal affairs of the country.

SN: No Sir, that is not correct; all were external operations.

MD: But your activities were highly immoral, highly irregular. . . .

SN: These are RAW's external operations, Sir . . . .

MD: This does not reduce the immorality. Stop all operations you are handling at present.

SN: If we do that Sir, some of them might mean a loss of faith in our promises and in the credibility of the government.

MD: I do not care. Stop all operations and also reduce the RAW strength by fifty per cent. We do not need such a large outfit . . . Let me have the details as soon as you can.

The above conversation is reported to have taken place between the then Prime Minister Morarji Desai and K. Sankaran Nair, shortly after the Janata government came to power and Nair was made secretary and chief of RAW. (After Nair had resigned as chief of RAW he confirmed, in the course of an informal conversation with the author, that the conversation between Desai and him and taken place.).

The organisation built over the years with tremendous effort and devotion was shattered in a few moments. Twenty-five per cent of the investment on highly developed human resources was written off. The remaining 75 per cent were mauled, perhaps beyond repair.

The raw deal was finally taking shape. It started with the unceremonious sacking of the first RAW chief, R. N. Kao, soon after the Janata came to power. Nair, who was then joint secretary, was asked to take over on April 4.

Nair had been very unhappy with these developments. "Anybody," he had then remarked, "can see the need for an effective foreign intelligence agency. It is as clear as the nose on one's face that India would be the object of increased superpower attention."

Soon after his encounter with the executive head of the country, it is said that Nair in close company remarked in utter disgust, "Prime Minister Morarji Desai is the greatest enemy of India's national security."

Mukerjee, the cabinet secretary, seemed adamant in playing a double game. Not wanting to offend Nair and at the same time to please Desai, he called for Nair. Mukerjee went to great lengths to explain what "the PM desires" and how he had tried to fight it out. He went on to explain that this might be for the good, because inspite of the downgrading of the post, Nair's salary would remain the same and at the same time, he (Mukerjee) could act as a buffer.

He went on to assure Nair that, unofficially, Nair would have the powers to do what he liked and all he had to do was to keep him informed.

Nair by now had seen through Mukerjee's game and it was obvious what Mukerjee was striving at. He had informed Mukerjee that if the orders did come through, he would resign. Mukerjee for quite some time believed that Nair was playing a game of brinkmanship. But he was wrong. Nair was a man of strong beliefs and rarely opened his mouth. When he did, one normally listened to him carefully, so the saying went among the men he worked with.

To put matters to a close, Nair sought his second appointment with Desai. That resulted in a shouting match, it is said. Nair had wanted clarifications on the rantings of Mukerjee and, to his mind, it was just right to meet the chief. In his case, it was the Prime Minister.

The Confrontation

Confronted once again, Desai lost his temper and instead of talking, shouted as he spoke. But after a while, sensing Nair was not a man to be bullied, he formally accepted Nair's resignation from RAW and allowed him to proceed on long leave. The two shook hands and parted.

V. Shankar, who had been sitting all along during the Desai-Nair confrontation, possibly came across for the first time in his life someone who stood up to Desai.

Nair's sudden exit left RAW in a state of limbo. Taken aback by the developments they had not foreseen, the cabinet secretariat desperately looked for a successor. In the meanwhile, two contenders had already begun sending out feelers. They were Narain Rao, inspector general of police, Andhra Pradesh, and S. N. Santook, chairman of the joint intelligence committee.

Mukerjee at the same time wanted to bring in an Indian Police Service officer (because of his old association with the police), but more so because the new chief would accept his tutelege, since Rao had worked under him in the Intelligence Bureau, when Mukerjee was home secretary.

Nair had recommended Santook, before he had proceeded on long leave, for under the circumstances Santook fitted the bill. Having been brought into RAW by Kao six years ago from the North East Frontier Agency, Santook was attuned to the philosophy of RAW. Like Kao, Nair did not want the organisation to suffer, inspite of what had happened to them personally.

Santook came. Left with an organisation cut in half, with half his powers taken away, he was only a "head of the department". Being a man of different caliber than the two chiefs he succeeded, Santook, it is said, "was afraid of his own shadow".

Morale in the foreign intelligence bureau was sinking slowly. From outside, the difference was hardly noticeable. To quote a man who was holding the reigns of the system, "Our mood was one of gnawing anxiety in 1977."

The system had started to break up. As the Chinese would have put it, "a loss of face", for the ones that had trusted RAW found themselves betrayed and could not understand why.

By now, many of the special operations RAW had been handling had been ordered to be shut down—the follow-up of the Desai-Nair dialogue by the Janata government, irrespective of the price involved.

The government, it seems, had been very moralistic in its views. Kao, before quitting, is reported to have told Desai, "There are no legal means of collecting intelligence abroad," to which Desai is believed to have retorted, "Then I do not want an organisation that conducts such business."

How many of the special operations had been closed will be impossible to say. But those that can be told spell out a gruesome story, not because of the operations in themselves, but because of the obsession against RAW and all that it did.

The end result of the Janata government's RAW sanctions had one factor in common — those involved felt betrayed and wondered why.

THE prelude: December 16, 1971, at 1100 hours, somewhere in East Pakistan, a self-styled general, Abdel Kader (Tiger) Siddiqi, a young revolutionary, flamboyant and fearless leader of an effective band of insurgents, the Mukti Bahini, climbed into a Pakistani staff car flying the 2nd Indian Mountain Division flag on its bonnet.

The bizzare scene was enacted a few hours before the instrument of surrender was signed at 1631 hours in Dacca, by Lt-Gen. Abdullah Khan Niazi for Pakistan.

The Mukti Bahini had dominated the Tangail area and certain areas of Mymensingh district and Dacca. The Bahini had played a crucial role in the Indian Army's plans along with RAW for the liberation of Dacca and the installation of Sheikh Mujibur's government in January 1972. A dramatic turn of events took place subsequently with the formation of the Bangladesh Krishak Sramik Awami League with Mujib as its Chairman in 1975, followed by his assassination the same year on the night of August 14, with the coup installing Khandokar Mushtaq Ahmed as President.

Once again, history seemed to repeat itself in Bangladesh when Ahmed, too, was overthrown by General Zia ul Rehman. That was followed by a referendum a month later, confirming Rehman in the presidency by an incredible 98.87 per cent vote of confidence.

Tiger Siddiqi, who had fought for the liberation of his country, was determined to keep alive the memory of "Bang Bandhu" Mujibur Rehman. He, along with the now dwindled Mukti Bahini of 1971 (from 16,000 to 2,000) crossed over the India-Bangladesh border in West Bengal.

Tiger Siddiqi, who had contacts with members of the RAW during the Bangladesh operations, is reported to have made contact with them again, asking for support, for in Bangladesh he and his followers were wanted men. According to sources, the hastily reassembled Mukti Fouj was aimed at renewing "Mujibism". Siddiqi, along with three others, made their way to New Delhi. Their demands were simple, as they put it—unofficial support as in the past and funds to regroup themselves.

The Indian government acceded to their demands. However, there was a clause—the Mukti Fouj was to operate from within Bangladesh and for the time being for the limited purpose of reviving the aspirations of Mujib. They would also only use Indian

sanctuary when they found themselves in a desperate situation. This suited the Mukti Fauj, for the Bangladesh Rifles rarely troubled them, as they were inactive most of the time.

Besides holding a great affection for Sheikh Mujib, as far as the Indian government point of view was concerned, the possible reason for supporting this group was the information that the Bangladesh government was harbouring Mizo rebels and allowing China to train them in Bangladesh. The Siddiqi group was expected to prevent such activities and so the Indian government support continued via RAW.

The coming to power of the Desai government changed the picture rapidly. Mukti Fauj sources claim that the Desai government not only withdrew its support but also (three months after coming to power), handed over a large group of 200 Mukti Fauj members who had come across the border when chased by the Bangladesh Rifles.

On government instructions, the group of 200 were handed over (then under RAW protection) to the Border Security Force (BSF). The BSF in turn later handed them over to the Bangladesh Rifles on specific instructions from the Prime Minister. The carnage that the Muslim Bengalis had seen during the liberation struggle was once again enacted.

Massacre Of Bengalis

These men are reported to have been persuaded to go back on the Indian assurance of amnesty. But that was not to be. Almost all were annihilated. A few survived to tell the story. Among them was Tiger Siddiqi.

Tiger Siddiqi's survival was largely due to the instance of his RAW contact, Major Menon. For Siddiqi was not among those handed over. He was lucky. Living somewhere in Siliguri, he is reported to be still unable to understand why they had been betrayed. To him it was nothing but a breach of trust.

THE Prelude: April 10,1973.

The National Assembly of West Pakistan adopted a new constitution. The four provinces of Sind, Punjab, Baluchistan and the Frontier Province combined to form a new Pakistan. However, the general elections of March '77 saw the accusations being hurled at Z. A. Bhutto for having rigged the elections. It was said that but for the large scale rigging, Bhutto would never have returned to power. Bhutto, adamant in staying on, used his heavy hand. Riots broke out everywhere.

On July 5, 1977, General Zia ul Haq, the army chief, took over. Martial law was once again enforced. Zia, like all martial law dictators, promised free and fair elections and a civil government thereafter.

"We have come to the close of 1980 with the old game continuing," said a Pakistani refugee in Afghanistan. The statement coming from a Pakistani in Afghanistan does seem a bit odd. But the circumstances that brought it about started soon after the adoption of the new constitution. The exodus, however small, from the North West Frontier began. With it fled Wali Khan and a group of political refugees seeking asylum in Afghanistan.

Aid Denied

General Mohammed Daoud, who only a short while ago had assumed power after abolishing the monarchy, had declared Afghanistan a republic and had installed himself as president on July 18, 1973.

Not wanting to burden himself and his country with the cost of maintaining the refugees from Pakistan, he gave permission for them to stay, provided they found funds to support themselves. It did not take Wali Khan long to find a solution.

RAW operatives had already established contact with Wali Khan in Kabul and his request for financial assistance did not come as a surprise. Another factor that prompted Wali Khan to ask for assistance was his close association with Badsha Khan, the "Frontier Gandhi", and his personal association with Indian leaders during the Indian independence movement. The negotiations did not take long to finalise. The situation suited both Afghanistan and India.

Once again, fate did not seem to favour Wali Khan. The Desai government found it horrifying that India had been supporting a political group in a third country. Morarji Desai is reported to have himself ordered Nair to cut down this support drastically. Thus ended yet another RAW operation (It is believed that the KGB took over where RAW had left off).

If there is any truth in the matter, it will be a long time before Wali Khan and people like him trust India again.

CSO: 4220

MORE CONTENTS OF BOOK ON INTELLIGENCE GIVEN

Calcutta THE STATESMAN in English 1 Dec 80 p 9

[Text] New Delhi, Nov. 30.—The massacre of Mujibur Rahman and his family on August 14, 1975 might have been averted had the Bangladesh President heeded a personal warning from the senior Indian intelligence officer, according to a new book on the Research and Analysis Wing, says PTI.

Asok Raina, New Delhi journalist, in his book writes also of a plan to abduct and save Mujib, but the conspirators struck an hour before the plan was to go into action.

Mr R. N. Kao then Chief of RAW, Raina claims that Mr Rao gave Mijib the name of the conspirators—Major Rashid, Major Farooq, Lt-Col Usmani and Zia-ur-Rahman—but the President insisted that "these are by children and they can do me no harm" [as published]

A plan of Mujib's two nephews, Sheikh Moni and Sheikh Islam, to "physically abduct" the President came just an hour too late, says the author who interviewed RAW's present and past officials to check his facts.

Raina traces Indian intelligence involvement in the affairs of erstwhile East Pakistan back to 1962-63 when a meeting took place in Agartala between the pro-Mujib faction and intelligence bureau operatives.

Mr K. Sankaran Nair, who was later second to Mr Kao in RAW, is named as the main liaison man with the pro-Mujib group. Pakistanis got on to it when the pro-Mujib faction jumped the gun and made an unsuccessful raid on the [word illegible] Bengal rifles armoury in Dacca. They could not however make the charges against Mujib and other stick in the "Agartala conspiracy case" because of incomplete information secured by Pakistani authorites. [as published]

Later, when Pakistan launched its oppressive policies in the eastern wing and resistance groups were formed, the newly-created RAW set up cells all along the India-East Pakistan border, Raina says.

Mr Sankaran Nair met Colonel M. A. G. Osmani, later commander-in-chief of the Mukti Bahani, Major Khaled Musharraf, Major Saifullah and Abdul Kaer Siddiqi. RAW operatives trained the freedom fighters recruited by the resistance groups.

When Yahya Khan agreed to the December 1970 elections to the Pakistan National Assembly, RAW bigwigs were unable to believe that the military junta could concede a step that would see Mujib in power at Islamabad. When the Awami League won the elections as foreseen by RAW, Yahya indefinitely postponed the opening of the National Assembly precipitating the Bangladesh war of liberation.

Raina says RAW was tipped off about Tikka Khan's March 3, 1971 crackdown in Dacca and tried to persuade Mujib to leave Dacca, but the Bangangandhu declined to do so.

Mujib, however, agreed to Tajuddin Ahmed and a few others travelling to Mujibnagar near Jessore and establish the Bangladesh Government in exile. With Tajuddin were Nasrul Islam, Mushtaq Ahmed, Sylhet Azad and four student leaders.

The Government-in-exile subsequently functioned from "a nondescript house in the heart of Calcutta."

"RAW sanctuaries all along the India-east Pakistan border provided adequate cover and the vast border made it difficult for Pakistani security forces to ferret out out the Mukti Fauj" according to the author. [as published]

The Fauj, renamed Mukti Bahini, ganied in strength as Pakistani repression caused thousands of students, teachers farmers, soldiers and para-military personnel to revolt. [as published] RAW helped Mukti Bahini become an effective fighting force by setting up guerrilla training camps all along the border. By early December 1971, the Bahini was over 100,000 strong--and growing.

The War Council

Some observers thought the Mukti Bahini was capable of driving out all Pakistani forces from Bangladesh but only after a very prolonged guerrilla war and a lot of bloodshed. Indian Army involvement was therefore considered but General Manekshaw Chief of Army Staff wanted political involvement of the Government, Raina says. So, for the first time, a political representative was inducted into the War Council, in the person of D. P. Dhar designated as chairman of the Planning Committee of the Ministry of External Affairs. RAW was involved through a joint intelligence committee.

By opting for an all-out war, Yahya Khan made the military solution possible, the author says. RAW agents in Peshawar provided the tip-off on the December 3 attack on India by Pakistan in the west. During the march of the Indian Army to Dacca, the Mukti Bahini fought side by side.

Raina says that a message intercepted by intelligence possibly enabled India to give the final blow, leading to the surrender of the Pakistani troops.

As the Indian Army was poised on December 12 for a decisive victory on the battle-field, Pakistan proposed in the U.N. a cease-fire without a political settlement. The message intercepted on that day spoke of a igh-elevl meeting at the Government House in Dacca, and the Indian Air Force Hunters bombed it at the scheduled noon hour of the meeting. [as published]

Dr A M Malik, then Governor of East Pakistan, rushed down into the cellar. When the raid was over, he announced his resignation. His cabinet colleagues dissociated

themselves from the Yahya Government. Left to carry on the fight alone, General Niazi surrendered two days later and Bangladesh was born.

Raina repeats the charge denied by the Desai Government that during the Janata regime, India handed back to Bangaldesh 200 Mukti Fauz men who has crossed the border, chased by Bangladesh Rifles. [as published] He says all of them were killed, except a few including Tiger Siddiqi, who was not sent back at the instance of Sankaran Nair.

CSO: 4220

GANDHI SPEAKS AT RAE BARELI, AMETHI MEETINGS

Calcutta THE STATESMAN in English 1 Dec 80 p 1

[Text] /Rae Bareli, Nov. 30.--Mrs Gandhi today warned of a further rise in the prices of petrol and petroleum products because of the Iran-Iraq war, report UNI and PTI. If the conflict did not end petroleum prices would go beyond the Government's control, the Prime Minister told her party workers at a meeting here./ [in boldface]

She said her Government had taken various measures to check rise in prices as a result of which the increase in recent months had been only 13%. During the Janata regime the rise has been 23%.

The Prime Minister, during a quick tour of the Rae Bareli and Amethi, addressed the district development conference and warned Opposition parties that their agitations would not cow her down. On the other hand they would drain away the little resources meant for development.

In Amethi, the Prime Minister was confronted by demands from her party men to induct Mr Rajiv Gandhi into politics and to put him up as the Congress (I) candidate for the by-election to the Lok Sabha from Amethi.

Mrs Gandhi said that the decision in the matter would be entirely her son's. However, she told her party men that she would convey their wishes to Mr Rajiv Gandhi.

The Prime Minister burst into tears while referring to Sanjay Gandhi at a development seminar held in the Lok Sabha constituency which had elected him in the last general elections.

The Prime Minister said the seminar had been planned by Sanjay Gandhi and had he been alive, he would have been present today.

"One tree after every child" was the new slogan given by the Prime Minister at the development conference. She said trees were most useful for the country and their plantation should be taken up on a big scale.

To cope with the current energy crisis, the Prime Minister stressed the need for exploration of solar energy which alone could help India in meeting this crisis in view of the scarcity of petrol.

The Prime Minister admitted that there were many backward areas, but all of them could not be improved overnight because of various factors.

She said progress had been seriously impeded during the three years her party was not in power. In fact, in the name of the Rolling Plan, the Government at that time not only rolled down the entire Plan but also the country.

At the district development conference, Mrs. Gandhi made it clear that she was not going to concede any demand under threat or pressure.

Referring to the Opposition parties' threat to launch an agitation from December 7 for higher sugarcane and paddy prices, she said the Government had already offered higher prices. If the Opposition parties tried to get everything done through agitations, the development work would obviously suffer.

Mrs Gandhi said the Government would be forced to spend money on dealing with the agitations if they were not given up or suspended. The money, thus saved, could be diverted to development projects.

Commenting of yesterday's incident in Allahabad, Mrs Gandhi said violence by students was unfortunate. She was all the more sorry because responsible people, belonging to Opposition parties were trying to instigate them. It was most unfortunate that students had set some buses and other property on fire.

She said that the Government would examine the cases filed against her party workers and some others in various courts by the Janata Party Government.

She also promised her party workers to consider the question of releasing pension to all genuine freedom fighters whose pension was stopped by the Janata Party.

CSO: 4220

COMMUNISTS SAID TO ADVISE DANGE NOT TO RESIGN

Calcutta THE STATESMAN in English 1 Dec 80 p 7

[Text]

MR Dange has been advised by the All India Communist Party not to resign from the CPI till he has held a discussion on the inner-party crisis with the Soviet team, led by Mr Brezhnev, when it arrives in Delhi this month. The AICP feels that since Mr Dange is a Communist leader of international stature, it is only proper that he should consult the teams before taking any decision.

An AICP source said in Calcutta on Sunday that Mr Dange had wanted to resign after his experience at the recent conference of the All India Trade Union Congress, where his close supporters, including his daughter, Mrs Roza Deshpande, and Mr K. G. Srivastava were removed from the posts of treasurer and general secretary and replaced by members of the anti-Dange group.

Mr Dange was said to have been so unhappy at the way Mr Rajeshwara Rao, Mr Biswanath Mukherjee and other anti-Dange leaders made their moves at the AITUC session that he wrote a letter to the party weekly, New Age but it was not published. The AICP leaders allege that the CPI leaders had tried their best to split the AITUC by provoking the AICP delegates, but their ploy did not work.

A similar move to disrupt the Bengal Provincial Trade Union Congress, the State unit of the AITUC, might be made, but the AICP leaders say that they are determined to prevent it. Mr Jagadish Dasgupta, AICP leader, said in Calcutta on Sunday that a party might break up, but a split in an organization of the working class adversely affected the workers' movements.

The last session of the BPTUC was held in 1973. Normally, it is held immediately after an AITUC conference, but no session could be held after the 1976 AITUC conference, because at that time, the differences in the party between the supporters and opponents of Mrs Gandhi and the Emergency had surfaced.

According to a BPTUC source, it became evident during the 1976 AITUC session that the workers had become restive under the Emergency (which was then in force), mainly because the management was having a "field day". It was felt at the time that since the majority of the BPTUC leaders were against the Emergency and Mrs Gandhi, a conference would only bring into the open the division in the CPI.

Now that the party has actually split, the BPTUC leaders would face the same problem at the forthcoming session. A CPI leader said, however, that since the parent body, the AITUC had not split, it was not likely that the BPTUC would break up. However, since the AICP has about 10 members in the 60-odd member working committee, the preparation of resolutions, especially on the attitude towards the Left Front Government, would not be easy. Besides the AICP members, there are several CPI members in the working committee who are supporters of Mr Dange. They include the BPTUC general secretary, Mr Bhowani Roy Chaudhury.

CSO: 4220

ALTERNATIVE TO CONGRESS(I) REPORTEDLY SOUGHT

Calcutta THE STATESMAN in English 1 Dec 80 p 9

[Text]

CHANDIGARH, Nov. 30.—Mr H. N. Bahuguna is trying to form a viable national alternative to the ruling party which can bring about basic reforms in electoral and administrative system in the country. But such an alternative cannot come so quickly, as, in his view, any national alternative to the Congress (I) would have to do "apprenticeship" for at least two to three years in the service of the nation.

Mr Bahuguna who is on his "Bharat Darshan" tour—today being the 64th day of the tour which would continue till January 3 next year—was talking about his scheme to reporters here yesterday. He said that he was meeting likeminded people who agreed with him on his assessment of national problems, was educating himself about the conditions in the country and talking about his views to the people. If he had not undertaken the tour, he would not have known what the genesis of the problem in Chhotanagpur Santhal Parganas region was or why the farmers' agitation in Nasik was necessary or why the paddy growers of Pilibhit were the losers.

He said that, after his trip was over, a national convention would be called on January 23 to 25 in Bombay—the venue had been chosen to be of convenience to the people from the south because of Bombay's moderate climate—where various proposals would be placed for discussion. The meeting, dubbed All-India Democratic Socialist Convention, would find ways and and means to help create a viable national alternative. It would seek to fight the management organization system rather than the Government. And this would be within the framework of the parliamentary democracy and secularism.

He was hopeful that many political activists and people who had nothing to do with politics would attend it. The activists could be from different parties, some from Congress(U) and Congress(I) and many from the Janata Party. Suggestions from various people would be received for discussion by December 15

The future programme of people like him would be decided at this convention, but efforts would be made for two to three years to achieve the ultimate objective. These efforts were necessary to create a credibility which had been lost by political leaders. But a beginning would be made next year. What he had in mind were things like eliminating money power from elections, wider powers for the Election Commission, administrative reforms and an improved political party system.

He said that there was no question of his joining the Congress(I) as it was only a one-person party. But he was not an enemy of Mrs Gandhi at a personal level. He would support whatever she did right and would oppose any wrong done by her. He said that the Sixth Plan approach paper circulated by the Union Planning Minister did not show any direction and had not tried to tackle the most important problems before the country. He also took note of the talk of condemning the Opposition without concrete charges by the ruling party and creation of an illusion in the people's mind. There was a danger behind this trend for such talk preceded the emergency. This might be the basis for use of draconian measures by the Government, he said. It was in this context that non-issues were being raised these days.

CSO: 4220

PAPER REPORTS BAUXITE RESERVES 'ADEQUATE'

Calcutta THE STATESMAN in English 1 Dec 80 p 15

[Article by C. S. Raja Rao]

[Text] Aluminium is the most abundant metal in the crust of the earth. Most minerals, which make up the rocks, contain this metal. But all these rock-forming minerals cannot be used in the manufacture of the metal. Bauxite is the most commonly used ore. It contains hydrated oxides of aluminium like gibbsite, boehmite and diaspore, with other impurities like iron oxides, clay, silica and titanium. Gibbsite, the trihydrate of alumina, is the most favoured mineral constituent as it is easy to digest in soda during extraction of the metal.

Bauxite is a product of weathering of rocks having a high proportion of aluminium-bearing minerals. The organic acids released by decaying plant material seep through porous, weathered rocks and leach out the other constituents, leaving hydrated alumina as a crust. This process is known as bauxitization and it takes place extensively in tropical regions. Bauxite-bearing areas are common over broad, gently sloping plateaus with a cover of forest.

In India bauxite has been derived from such varied rocks as Deccan Trap, granite, khondolites, schists and sandstones. Bauxite deposits are closely associated with laterites or the reddish crusts, which are commonly seen in the plateau terrain. Gibbsite is the major mineral in Indian bauxite, and boehmite and diaspore, the monohydrates, are present in traces.

Bauxite with over 40 per cent alumina and less than 50 per cent silica is considered as ore. Bauxites containing over 50 per cent alumina are considered to be high-grade ores. Prospecting for bauxite is time consuming as the ore bodies have varied shapes and show much variation in grade. Pitting, trenching, drilling and shaft-sinking are undertaken in order to collect representative samples and to note the limits of the ore bodies. The work of prospecting is rendered difficult as the areas where bauxite occurs are on tops of plateaus and are difficult to reach.

In India, much exploration has been done and a good idea of the reserves of bauxite is available. The reserves estimated of the various grades are as follows: Maharashtra-66 million tonnes, Madhya Pradesh-53 million tonnes, Bihar-31 million tonnes, Gujarat-22 million tonnes, Karnataka-16 million tonnes, Orissa-15 million tonnes, Tamil Nadu-8 million tonnes, Goa-7 million tonnes, Kerala-3

million tonnes, Jammu and Kashmir-2.5 million tonnes and Uttar Pradesh-2 million tonnes.

Recently, large deposits have been discovered along the east coast. The deposits are on large plateaus extending from Orissa to Andhra Pradesh. The reserves estimated in these deposits are of the order of 2,000 million tonnes. Thus the total reserves now known are about 2,226 million tonnes. The country is fortunate in having such large reserves. This will be evident when the known reserves in other parts of the world are compared with what is available in India. The reserves of bauxite in other parts of the world are as follows: Africa--6260 million tonnes, Oceania-3065 million tonnes, Asia (other than India)-1,600 million tonnes, the USA-3,075 million tonnes and Europe-1,250 million tonnes.

India produced 390,000 tonnes of ore in 1960. This increased to 1.68 million tonnes in 1972. But production dropped to 1.11 million tonnes in 1974 due to curtailment of aluminium production as a result of power shortage, transport difficulties, and a decline in exports. India's contribution to world production of 79 million tonnes in 1974 was quite meagre, indeed. Nearly 80 percent of world production of bauxite is consumed by the metal industry and the remaining by refractory, abrasive, chemical, steel and cement producers and also by petroleum refineries.

In 1980, Bayer discovered the industrial process for extracting alumina from bauxite. This involves leaching of bauxite at high temperatures and pressure by caustic soda. The sodium aluminate solution produced is separated and the hydrated aluminium oxide is precipitated by seed crystallization. The latter is roasted to yield alumina. This method is still in use. Aluminium metal is finally extracted by the electrolytic process. For this, the alumina is dissolved in molten cryolite, which acts as an electrolyte. The anode is carbon, while the cathode is molten aluminium. The aluminium produced at the cathode is tapped off from time to time, at around 900°C. This process needs nearly 20,000 KWH of electricity and five to six tons of bauxite to produce a ton of the metal.

In order to reduce the dependence on electricity, several new processes have been evolved. One such process uses chlorination of ore and treatment by manganese to isolate the metal. This is considered to be a much cheaper process and is being developed in the USA.

Aluminium was first produced in India in 1943. By 1948 the production had reached 3,360 tons. The production then rose to 192,000 tons by 1979-80. The present demand for the metal in the country is placed at 325,000 tons.

The first aluminium plant was built at Alwaye in Kerala. Now there are aluminium palnts at Hirakud (Orissa), Belgaum (Karnataka), Ranikoot (Uttar Pradesh) and Korba (Madhya Pradesh). [as published] Another plant at Jakaynagar (West Bengal) has not been working for the past few years. The plant at Ranikoot is the largest and that at Korba is in the public sector. The built-in capacity of the different plants is put at 331,000 tons of metal.

In INdia, unserviceable aluminium vessels containers and scrap are systematically collected and used for making the fresh metal. [as published] It is estimated that 24 per cent of production from aluminium plants is produced from the scrap.

This recycling reduces to a considerable extent the pressure on import. Aluminium is used in the manufacture of utensils, construction materials, railway carriages, aircraft, automobiles, electric transmission cables, machine parts, paints, explosives, chemicals, cement and in powder metallurgy. The demand for aluminium is therefore growing year by year.

The Task Force for Non-Ferrous Metals (Aluminium and Magnesium), Government of India, in its report of January, 1973, indicated the requirement of the metal at 1.01 million tons at the end of Seventh Five-Year Plan and two million tons by 2000 A.D. For production of this much metal, six million tons of bauxite are to be produced by 1969 and 12 million tons by the turn of the century. Other materials needed for production of aluminium are caustic soda, fuel oil, cryolite, calcined petroleum coke, pitch and carbon blocks. Most of the caustic soda and pitch are produced in the country. Part of the requirements of cryolite and petroleum coke are met by imports. Carbon cathode blocks are mostly imported.

In order to produce the metal at a reasonably low cost, raw materials and electricity have to be fairly cheap. The cost of raw materials other than bauxite art reported to be two to four times higher in India than elsewhere. [as published] The cost of producing electricity is going up day by day, hydel projects do not meet the needs of the industry throughout the year as production of electricity goes down during the summer months.

Today, the country has adequate bauxite resources to support an increased production of aluminium. The extensive deposits along the east coast are favourably located for extensive mining, as individual plateaus hold 20 to 50 million tons or even more of reserves. One deposit has as much as 317 million tons. The Government has already taken steps to utilize this large resource. Indian bauxites are known to contain titanium, vanadium, gallium, phosphorus and a few other rare elements. Processes should be evolved to recover and utilize these useful constituents.

CSO: 4220

FUTURE STUDIES PARLEY WITHDRAWN FROM INDIA

Bombay THE TIMES OF INDIA in English 26 Nov 80 p 13

[Text] NEW DELHI, November 25.

AN international conference scheduled to be currently on in New Delhi could not be held as the Indian council of social sciences research (ICSSR) developed certain reservations about the agenda and came out with last-minute modifications in the programme and a suggestion to drop "politically controversial" subjects from the agenda.

The organisers regretted the last-minute changes suggested by ICSSR, rejected the proposal for postponing the conference and withdrew the conference from India. Thus, the 1980 world congress of the world future studies federation (WFSF) is not being held in India.

According to Mr. Ramesh Thapar, vice-president of WFSF, it virtually amounted to banning an international conference. It had raised the issue whether a government should be permitted to inhibit the autonomy of intellectuals to meet and discuss issues of vital concern to the future, said Mr. Thapar.

The decision to hold the 1980 world congress in New Delhi was taken at the 1978 session held in Cairo. It was accepted by the then chairman of the ICSSR, Prof. Rajni Kothari. The theme chosen for the congress was "Future societies: power, lifestyle and world order." The hosts were to be the ICSSR and the centre for the study of developing societies. The ICSSR had formally agreed to this collaboration.

The theme of the congress was developed by a 25-member steering committee, which included Prof. M. G. K. Menon, Mr. Ashok Parthasarathy, Dr. O. P. Pant, Mr. Mrinal Dutta Chaudhuri, Mr. Ramesh Thapar, Mr. G. D. Deshingkar and Mr. Mr. Ashish Nandy. The detailed programme formulated by the committee was approved by the executive council of WFSF.

The ICSSR was to spend Rs. 30,000 for the congress and main support was to come from a UNESCO grant of $ 15,000. The centre for the study of developing societies decided to put in another Rs. 50,000 in the form of staff salaries and organisational infrastructure.

CLEARANCE DELAYED

The government was approached by the ICSSR in early 1980 for clearance to hold the conference. This clearance was delayed for months. In August, the new chairman of the ICSSR, Mr. G. Parthasarathi, voiced some reservation about the programme during his conversation with Prof. Kothari, the outgoing chairman of the ICSSR.

According to Mr. Thapar, it is only in September—barely two months before the conference — that the first indications were available that the clearance was conditional on changes being made in the contents of the conference programme.

Mr. Parthasarthy, sent a communication to Prof. Eleonora Masini, secretary-general of WFSF, saying that, first, the conference should be postponed to the spring of 1981 and, second, instead of "politically controversial" subjects, science and technology should find a prominent place in the conference. It also said that the department of science and technology would be a co-sponsor of the conference.

According to Mr. Thapar, accepting Mr. Parthasarthy's suggestions would have led to leaving out five invited theme papers from the conference.

The implications of the altered programme and of the attempts to make the government of India supervise the holding of the congress through a national steering committee and through its department of science and technology were obvious to everyone.

In October, the WFSF executive council decided by a majority to spurn the offer of the Indian government and to withdraw the conference from India.

CSO: 4220

FINANCE MINISTER SPEAKS IN DEBATE ON INFLATION

Bombay THE TIMES OF INDIA in English 26 Nov 80 p 15

[Text] New Delhi, November 25.

The finance minister, Mr. R. Venkataraman, today tried to dispel the impression about "gallopping price rise" by pointing out that the average rate of price increase in the last three months had been only one per cent. [as published]

"I claim this to be a great achievement for any developing country," he told the Lok Sabha while intervening in a debate in a motion by the Janata party leader, Mr. Madhu Dandavate, expressing concern at the inflationary trend and rising prices.

The finance minister asserted that the situation did not justify the alarmist note struck by the opposition members. Though the government was concerned at the present situation, there was no reason to believe that things were going out of hand.

He said that, no the contrary, he could confidently say that inflation had been contained and that the country could now look forward to a "bright future." [as published] Production was picking up and, if labour relations improved helping productivity, the country could except a rise in the GNP by five per cent. [as published]

Initiating a six-hour debate on his motion, Mr. Dandavate said it seemed to him that the country was entering the inflationary situation of the preemergency days. "I think the situation is extremely dangerous both economically and politically," he added.

While conceding that the oil import bill might have been a contributory factor in the inflationary trend, he felt that the main reason was deficit financing. He pointed out that the sixth plan frame envisaged a Rs. 300 crore loss in the public sector and the losses of the state plans added up to Rs. 800 crores. All these contributed to pushing up prices.

Among others who participated in the debate, Mr. Y. B. Chavan (Cong.-U), former finance minister, sought to correct the impression that prices had started to come down during the emergency. He said the downward trend started in October 1974 and this was the result of a package of unpopular decisions taken by him as finance

minister. The present government seemed to treat the situation with complacency. There was no sense of direction, he added.

The Congress (I) members sought to put the blame for the price rise on the failures of the previous Janata government and urged the present government to take stern steps against "anti-social elements--hoarders, blackmarketeers and smugglers, who were responsible for creating an artificial scarcity and pushing up prices."

The finance minister said that though the government had succeeded in controlling inflation, it needed to be controlled further. He appealed to the members not to create a psychology of scarcity because that would lead to hoarding and frustrate the measures to bring down prices.

He said the price rise was due to factors some of which were beyond the government's control. The chief among them was the oil price hike and this was bound to have an impact of the price situation. He disagreed with Mr. Dandavate's estimate that the rise was only two per cent and said, according to the government's estimate, it was 21 per cent of the total increase.

But he claimed that the price situation in the country was much better than in many other countries. This was acknowledged the world over. While, in a three-month period the rate of inflation was seven per cent in the U.S. and 11 per cent in the U.K., it was three per cent in India. The rise in the cost of living index in the three countries was seven percent, nine per cent and 4.4 per cent respectively.

Mr. Venkataraman said that an incorrect sugar policy followed by the Janata government was responsible for the present sugar crisis. When it came to power, it inherited a sizeable stock of sugar from the previous government, but frittered it away by indiscriminate releases instead of building up a buffer stock.

/By the indiscriminate releases, the Janata government was able to bring down the price of sugar to Rs. 2.85--lower than the cost of production--but it laid the foundation for the present shortage. The present government was handed over a stock of 3.5 million tonnes with which it had to manage. Two-thirds of that quantity was distributed at levy price rate./ [in boldface]

The finance minister said that in a situation of shortage, it was quite in order to sell a commodity at a low price to the poor and charge a higher price from those who could afford to pay more. When the opposition members were complaining about the high price of open-market sugar, they were actually speaking for the affluent classes, he added.

The finance minister claimed that the economy was gradually picking up. Power generation was expected to go up by ten per cent and so also the food production. The production of foodgrains was expected to touch the all-time high of 132 million tonnes this year. Industrial production might not rise by six to eight per cent as envisaged earlier, but it would not be less than four per cent.

He said the main constraint on industrial production was labour trouble. The government was trying to see that matters improved. It was trying to persuade both industry and labour to link revision of wages and productivity. If this could be achieved, the production situation would improve considerably.

CSO: 4220

PLANNING COMMISSIONER ADDRESSES RUBBER MEETING

Madras THE HINDU in English 26 Nov 80 p 9

[Text] Kottayam, Nov. 25.

Dr. M. S. Swaminathan, Member, Planning Commission (Agriculture), called on the rubber scientists and technologists to come out with technologies using the vast human resources available in the country.

Addressing the delegates of the International Rubber Conference at the Rubber Research Institute near here on Monday, Dr. Swaninathan said researchers should orient their efforts in bridging the gap between actual and potential yields of rubber, at the current technological level by effectively transferring them to small planters.

The Planning Commission had revised the production target for natural rubber from 1.92 lakh tonnes, projected by the Rubber Board, to two lakh tonnes by the end of the Sixth Plan period, Dr. Swaminathan said.

This would lead to an additional production of about 45,000 tonnes of natural rubber in the country. The annual growth rate of rubber which was only three per cent, should be increased to seven, he said.

Dr. Swaminathan earlier released a hand book of 'Natural Rubber Production in India' brought out by the Rubber Board commemorating its silver jubilee.

Mr. S. G. Sundaram, Chairman, Rubber Board, highlighted the role of rubber in the industrialised world.

Three technical sessions followed Dr. Swaminathan's key-note address.

CSO: 4220

TAMIL NADU PIG IRON BLACK MARKET THRIVING

Madras THE HINDU in English 26 Nov 80 p 11

[Text]

COIMBATORE, Nov. 25.

The small scale industries and foundries in Tamil Nadu are faced with a piquant situation due to the inadequacy of supplies of essential raw materials, pig iron and coke, through the official channels and the prevalence of blackmarketing in private trade.

The scarcity conditions have led to over-dependence on the official trade channels, and the uncertainty in supplies caused by bottlenecks in wagon movement for transporting these raw materials has seriously affected production of castings in Coimbatore, the leading and predominant foundry centre in Tamil Nadu.

The small industries have formed a new association styled the "Coimbatore Small Foundrymen's Association which contends that the foundries in Tamil Nadu will have to close down in the near future throwing out of employment about 10,000 workers, if steps are not taken immediately to ensure supply of pig iron and foundry grade coke in adequate quantities to actual users.

Increase in Demand

The demand for iron castings has increased considerably in recent years with the rapid growth of industries here and elsewhere. The small foundries manned and run by skilled artisans have been catering to the needs of both the small and large scale industries and they are preferred both for their quality workmanship and price competitiveness. They thus form an important link in the country's industrial production.

There is good lot of money in this occupation for one who knows the job and many a skilled worker has made his fortune in recent years. The constraint are the availability of finance and regular supply of raw materials.

There has been a phenomenal growth of foundries in the country during the last 10 years. The development is described as 'fantastic' in Bihar, Punjab, Haryana and other centres in the north. In Tamil Nadu itself, the number has been almost doubled. Coimbatore and its suburbs with their 400 units, both medium and small, claiming the lion's share of this development. There are also some unregistered units started by individual artisans with limited resources and thriving on a day-to-day production and sale basis.

The Coimbatore District Small Scale Industries Association, the leading small scale sector association in the State, has come out with the allegation that the southern States, especially Tamil Nadu, have suffered due to a steep reduction in the allocation of pig iron during the last five years.

Progressive Reduction

In a statistical review of the position, the CODDSIA contends that the share of Tamil Nadu in 1973-74 which was 49.332 (11 per cent) tonnes out of the total national availability of 4,48,968 tonnes has been progressively reduced over the years, in terms of percentage last year it being only 63.293 tonnes against the national availability of 11,47,308 tonnes representing 5.51 per cent.

Though the arrivals indicate a small increase quantum-wise, the allocation of pig iron to this State has been disproportionate to the growth registered here, with the result that the foundries are faced with the problem of inadequacy of supplies.

The CODDSIA, as also the newly formed Coimbatore Small Foundrymen's Association, are aggrieved by the fact that while the share of Tamil Nadu has been reduced in stages, the allocations made to centres like Bihar, Orissa,

> Punjab, Haryana and Uttar Pradesh have been increased by 774 per cent, 649 per cent, 627 per cent, 450 per cent and 416 per cent respectively during this period at the cost of Tamil Nadu.

Stocks Through Private Trade

Though semi-starved due to the general shortage in the quantum of availability of pig iron, the foundries have been managing with the stocks made available, by the private trade channels and the scrap materials offered by traders which has now become a lucrative trade.

Resourceful traders manage to get these scarce raw materials, both pig iron and coke, from the producing centres using their ingenuity and influence and their efforts at mobilisation of such resources are sometimes aided by some foundries parting with their allotments for a good consideration.

While the exact number of such foundries which part with their raw material is not known, what prompts them to dispose of their allocations is the big difference in the open market price of the raw materials and the finished products. In view of the huge profit margin got by the sale of raw

> materials, the surplus available in the neighbouring States freely flow into

the stockyards of the Coimbatore private traders.

Paradoxical

> Mr. S. Lakshmanan, Secretary, Coimbatore Small Foundrymen's Association,

says that it is paradoxical that while the Steel Authority of India pleads non-availability of adequate stocks of pig iron to meet the local demand, the private traders have piled up huge stocks of different varieties and sold them at exorbitant prices. He says that as against the SAIL price of Rs. 1,100 per tonne the traders sold pig iron at Rs. 2,600 per tonne in the open market.

Mr. Lakshmanan alleges that a flourishing black-market has seriously affected the working of small foundries as most

of them, already suffering from severe finacial strain, do not have the wherewithal to meet the inflated cost of raw materials and compete with others in marketing their castings.

When the going was good some years ago, the small foundries secured their requirements from the private traders in preference to SAIL as the former gave credit facilities and other accommodation. This has now worked to their disadvantage, with the raw materials becoming scarce and the allotment being fixed by SAIL on the basis of the foundries' previous off-take.

Industries Look up to SAIL

Their concern now is that if the SAIL does not meet their requirements in full, which they put at 10,000 tonnes a month (against about 4,500 tonnes made available now), it would seriously cut at their competitiveness in the market besides leading to their ultimate closure.

The foundrymen allege that the coke supplied by SIDCO is not also of the foundry grade quality with the result that they are not able to lift their allotments.

As a corrective, the Coimbatore Foundrymen's Association has demanded that pig iron must be classified as an essential commodity and brought under the purview of the Essential Commodities Act and its distribution regulated through the SAIL to actual users. The association has urged that the sale of such scarce raw materials like pig iron and coke by the private trade must be banned by legislation.

In the light of past experience, the association has further demanded that the system of allocation of pig iron on the basis of the previous offtake be scrapped and that the allocations be made on the basis of the fresh assessment made of the requirements of the foundries.

CSO: 4220

CONGRESS(I) MPS ELECTED TO AICC(I)

Bombay THE TIMES OF INDIA in English 26 Nov 80 p 9

[Text] New Delhi, November 27 (UNI): Mr. Kartik Oraon, Union minister of state for communications, and Mr. Prakash Mehrotra, secretary of Congress (I) party in Parliament, were among the 15 members unanimously elected to the AICC (I) from CPP (I) today.

Although 62 members had filed their nominations to fill the 15 seats, all but the 15 candidates withdrew today, the last day for withdrawals.

According to CPP (I) sources, all the 62 contestants had offered to withdraw their nominations to enable the Union minister for parliamentary affairs, Mr. Bhishma Narain Singh, and the Union commerce minister, Mr. Pranab Mukherjee, to work out a consensus.

In fact, the deadline for withdrawal was extended by a couple of hours to enable the leaders to arrive at an agreed list of 15 members, who were later declared unanimously elected.

The following members of the Congress (I) party in Parliament were unanimously elected to the AICC (I):

Lok Sabha: Mr. Kartik Oraon--Bihar, Mr. Harish Rawat--UP, Mr. Ajitsinh Dabhi--Gujarat, Mrs. Mohsina Kidwai--UP, Mr. Rajmallu--Andhra Pradesh, Mr. Chiranji Lal Sharma--Haryana, Mr. R. Y. Ghorpade--Karnataka, Mr. Mahabir Prasad--UP, Mr. Santosh Mohad Deo--Assam, Mr. Xavier Arakal--Kerala and Mr. Arjun Sethi--Orissa.

Rajya Sabha: Mr. Srikant Verma--Madhya Pradesh, Mr. M. S. Ramachandran--Tamil Nadu, Mr. Ramanand Yadav--Bihar and Mr. Prakash Mehrotra--UP.

CSO: 4220

CONGRESS(I) GAINS IN HARYANA BYELECTIONS

Bombay THE TIMES OF INDIA in English 26 Nov 80 p 9

[Text] Chandigarh, November 25: The ruling Congress (I) in Haryana yesterday consolidated its position by winning the Ateli and Bhattu Kalan assembly seats but yielded the Beri seat to the Lok Dal.

With yesterday's election results the strength of the Congress (I) in the 90-member state assembly rose from 50 to 52. The Lok Dal's strength increased from 21 to 22. The position of the other parties is BJP 11, Janata 4 and Janata (S) 10.

The most impressive victory of the Congress (I) was from Ateli where its candidate, Mr. Bansi Singh, won by a margin of 27,668 votes. The remaining four candidates, including the Lok Dal candidate, lost their deposits.

The by-election was caused by the Union agriculture minister, Mr. Rao Birendra Singh, vacating the seat following his election to the Lok Sabha.

The by-election to the Bhattu Kalan constituency was caused by the former state chief miniser, Mr. Devi Lal, vacating the seat on his election to the Lok Sabha in January.

Mr. Ran Singh wrested the seat from the Lok Dal by a margin of about 10,000 votes, defeating his nearest Lok Dal rival, Mr. Sampat Singh, in a seven-cornered contest.

The Lok Dal retained the Beri seat from where its nominee, Mr. Ajit Singh, was declared elected by a margin of 2,257 votes. The by-election was caused by the resignation of the Lok Dal legislator, Brig. Ran Singh, who later joined the Congress (I).

CSO: 4220

KERALA MARXISTS ASKED TO PROMOTE LAW AND ORDER

Bombay THE TIMES OF INDIA in English 30 Nov 80 p 10

[Text] Trivandrum, November 29:

The KPCC (U) president, Mr. A. K. Antony, asked his Marxist allies today to correct the distortions in the administration of law and order "immediately and effectively."

He added that the KPCC thought a section of the people was feeling insecure. The farm and industrial sectors were disturbed. The CPM and the RSS were at each other's throat.

Implied in this call to the CPM was a clear warning that the Congress-U would take up the cause of law and order as its watchdog and would not tolerate any deviation from the democratic functioning of the coalition as it (Congress-U) envisaged.

Addressing a news conference on conclusion of the two-day conclave of the party's leadership, Mr. Antony cautioned the CPM that it would not tolerate in Kerala the style of functioning of the West Bengal left front or the CPM-led united front of 1967 in Kerala.

Anti-Cong. Drive

This was in effect an indictment of the Marxist-style of functioning in Kerala.

The Congress-U leader accused the lower-level Marxist workers of continuing anti-Congress campaign even after the formation of the coalition. The estrangement between the Marxists and the Congressmen was widening.

At the same time, Mr. Antony welcomed the CPM politburo resolution on the need to strengthen the working of the Kerala coalition. But its "baseless" charge against the Congress that it was blindly retaining an anti-Marxist policy was "unfortunate."

He reminded the politburo that it was the CPM that first inflicted an injury to the concept of left and democratic unity when it insisted on impossible conditions for unity. One such condition was that the parties, including the Congress-U which supported the land gift bill, should withdraw its support to the bill. This was before the last election.

Subsequently, after much discussion, the CPM returned to the fold of left democratic unity. But even now a section of the Marxists failed to understand the significance and peculiarities of the Kerala experiment, he said.

The Kerala experiment reflected the broadest possible unity among different strata of society--the poor, the weak, the middle and the working class, the teachers, the students and the youth.

CSO: 4220

LITTLE INCREASE IN TELUGU USAGE IN ANDHRA

Bombay THE TIMES OF INDIA in English 29 Nov 80 p 8

[Article by K. K. Sastry]

[Text] HYDERABAD: The Telugu-speaking people were the first to agitate for and get a separate state for themselves, carved out of composite Madras in 1953, sparking the move for the reorganisation of states on a linguistic basis. But 27 years after its creation, little progress has been made towards making Telugu the official language even at the taluka level.

One often hears criticism of the officials for their lack of enthusiasm in introducing it as the language of administration but the leadership's tardiness is evident. It took two years for the new state to adopt a resolution making Telugu the official language. The official language act was passed in 1966, ten years after Andhra Pradesh was created under states reorganisation.

Eight more years elapsed before an official language commission was set up and four years more before it became really effective. Nearly two years after that, the state lags far behind not only the northern states, but even some southern states.

ONLY ONE ACT

Even at the level of the Centre which has the responsibility for translating the Union legislation into regional languages, Telugu has only one act to its credit, compared with 16 in Gujarati, 44 in Punjabi, 23 in Kannada, nine in Malayalam and four in Tamil. The Telugu version of the constitution was released only in June this year, long after the translation into Hindi, Punjabi, Marathi, Urdu and Bengali were issued.

Last year was declared as the official language year but it saw no appreciable acceleration in the adoption of Telugu even in moffusil government offices. Mr. Vandemataram Ramachandra Rao, chairman of the official language commission, whose term has been indefinitely extended, laments about the officials' lackadaisical attitude and the dust and rust gathering on Telugu typewriters. He continues to set up ever-receding deadlines for the introduction of the language at various levels of the administration. No special drive has been announced so far for speeding up the process in this "silver jubilee year" of the state.

Telugu, which was the language of the administration and of the courts before the territory passed under alien rule, presents many paradoxes. Its first classical grammar was written in Sanskrit. Its first grammar and dictionary on modern lines were composed by a British administrator, Mr. Charles Philip Brown, in mid-nineteenth century.

While the drive is on for greater use of Telugu, the association of unemployed Telugu pundits has complained that "a large number of qualified Telugu pundits remain jobless while a large number of vacancies remain unfilled." The gist of a passage set for translation in the tenth standard examination last year was that Telugu, with its great dependence on Sanskrit, would "collapse" if the Sanskrit words were withdrawn but it was not the case with Tamil and that every pundit should learn Tamil. Though it caused a furore, Telugu dependence on Sanskrit is undeniable. For instance, there are no genuine Telugu equivalents for word, sentence, north, south and many more terms.

There are also mechanical handicaps to faster adoption of Telugu. According to Mr. Vandermataram, there are only 750 Telugu typewriters available against a requirement of at least 10,000. The old keyboard facilitates a speed of only 18

words per minute but prototypes with a new keyboard capable of thrice that have been developed. The commission has ordered 2,000 new machines, to be delivered at the rate of 100 a month. Eight Telugu lino machines will soon be set up in the government press.

The most controversial aspect of the language problem is the use of Telugu as the court language. In a few districts, it is being used for depositions and arguments, though the judgments are still written in English.

Another difficulty arises from the great chasm between "bookish" Telugu and "spoken" Telugu. A movement was started 70 years ago by Gidugu Rama Murthy Pantulu to release Telugu from the rigidity of traditional grammar (the coils of a boa constrictor, as a poet put it) and frame new and relaxed rules to "refine" colloquial Telugu.

CSO: 4220

COMMAND CHIEF EXPLAINS ARMY ROLE IN ASSAM

New Delhi PATRIOT in English 2 Dec 80 p 4

[Text]

CALCUTTA, Dec 1

LT-GEN E A VAS, GOC-in-C, Eastern Command said here today that "Assam is the most important challenge that has arisen in the country after 1974." The challenge should be met quickly, intelligently and wisely.

The general was sure that unless the problem was immediately solved, "some of the foreign countries will certainly try to take advantage of the situation."

Regarding the Army's position in Assam, General Vas said that "it is only the Army presence in Assam. So far the Army "has not fired a single shot in Assam," he added.

Regarding, the Manipur situation the Army commander felt that he would be able to say something definite about the containment of the situation there by the end of December. But so far the Army's achievements in Manipur were considerable, taking into account the various difficulties including that of "authentic intelligence." Only recently the Army "has been able to nab the second man in the PLA—their vice president Raili Singh."

Nagaland and Mizoram were remaining peaceful now, the general said.

INSURGENCY

Regarding the seven North Eastern States and territories—the so-called seven sisters—General Vas said that they "have a border length of 3,700 kms with foreign countries, while the internal borders between them and other parts of India are only 70 kms."

But everywhere the situation was not that of insurgency. Insurgency, he said, "denotes some specific aspects such as proximity to foreign borders, certainty of sanctuary in foreign territory, foreign aid, armed rebellion and total violence." All these factors "are not present in all the seven sisters," he said and added, "certainly these are present in some areas, for instance Manipur."

Replying to a question he said that insurgents from some of these seven states go abroad, particularly China, via Kathmandu.

The general also explained in some detail the tasks set to the Army on the oil front in Assam and the achievements made by the Army in that respect.

ARMY ROLE

The Army was called upon to collect oil from the wells and store that in the storage tank, and also to condition the oil. The second important task was to reduce viscosity by flushing the stagnant oil from the pipes. The Army engineers, two regiments of them completed the tasks in 23 days, ahead of schedule.

Before taking up the job the Army engineers underwent training for one and half months in Gujarat, Bihar and West Bengal. The task of flushing the oil and refilling the tanks was achieved with complete success. At present the Army is also engaged in collecting oil, but from the ONGC wells only. The Army engineers have left the Oil India installations.

General Vas said that the Army in Assam has been performing the duty of security checks even today. In the limited scope of the tasks the Army had never given any reason to anyone to suspect that the engineers were there to defeat any trade union or any such thing.

He said that the Oil India workers and employees have taken over the jobs from the Army two days ago. But as of now the pipe lines are again idle. General Vas expected that the Oil India workers and employees would soon start their work, because he found them with very good intentions. But the fact was that many of these workers were being threatened by some agitators.

In 23 days the Army engineers were able to pump 94,000 kilolitres of oil.

CSO: 4220

ECONOMIC DAMAGE OF ASSAM AGITATION ASSESSED

BK021111 Delhi Domestic Service in English 0830 GMT 2 Jan 81

[Text] The loss to the country because of the Assam agitation has reached a staggering figure of over 10 billion rupees in foreign exchange alone. This was stated by Union Finance Minister R. Vankataraman in an interview with PTI in New Delhi.

Replying to questions on the direct loss to the economy on account of the agitation, Venkataraman said that since the beginning of the agitation in December 1979, the production at the three refineries at Digboi, Gauhati and Bongaigaon as well as the Barauni refinery in Bihar, has been reduced drastically. While the Barauni and Bongaigaon refineries remained closed totally, the Gauhati and Digboi refineries have been functioning intermittantly. As a result the country has lost 3.9 million tons of crude output valued in the international market at about 9 billion rupees. The government has been forced to import large quantities of petroleum products during the last year to avoid shortages and to cater to the basic consumption needs of the different sectors of the economy.

Venkataraman said besides the loss in foreign exchange, the economic flow to the state has already been considerable because of the disruption of the normal development process. The other sector of the national economy mostly affected is fertilizers, which is a crucial imput for increasing the production of foodgrains.

Vankataraman said that the agitation has disrupted the flow of basic feed stocks to the fertilizer plants. Production losses in those fertilizer plants are estimated to be about 1 million tons of fertilizers valued at 2.26 billion rupees at international prices.

The finance minister said the government has been forced to resort to import to make adequate stocks of fertilizers available both for the kharif and ravi crops in different states.

Venkataraman said that it is most unfortunate that the economy has to sustain an additional burden of over 10 billion rupees in foreign exchange at a time when the balance of payments position is severely strained.

CSO: 4220

CPI GENERAL SECRETARY NOTES FAMINE IN ANDHRA

New Delhi PATRIOT in English 2 Dec 80 p 4

[Text]

HYDERABAD, Dec. 1.

FAMINE conditions in 13 districts of Andhra Pradesh, particularly in Rayalaseema and Telengana districts are so serious that already a score of starvation deaths have been reported in these districts, CPI general secretary C. Rajeswara Rao told newsmen here today.

Mr Rao, who toured these districts intensively for nine days charged both the State and Central Governments with grossly underestimating the seriousness of famine conditions in the State. He said that both Central and State Governments "fight shy of calling it famine, because they have some serious obligations under the famine code if they accept that it is famine".

Hence they call it a drought and announced a paltry sum of seven and half crores rupees which is a drop in ocean, the CPI leader said. He said that about 18 lakhs people were affected by famine in any one of these districts, while Union Minister K V Swaminathan had announced in Lok Sabha that people affected in Andhra Pradesh were 14.19 lakhs as if he had counted heads and arrived at that figure.

Narrating sorrowful situation and the pathetic conditions of people in these districts, Mr Rajeswar Rao said that Government should immediately declare these 13 districts as famine-affected areas and provisions of the famine code be implemented. He demanded that the Central Government should grant Rs 200 crore and 20 lakhs tonnes of foodgrains to meet the immediate challenge posed by the famine unheard of in these areas.

He said the State Government should immediately come forward with a bang and procure the entire paddy available with farmers by paying support price and that paddy be sold at cheaper price through fair price shops at every village.

JOB SCHEMES

He said that all agriculture workers and other needy people be provided with work mainly in productive schemes like desilting of tanks, deepening of wells, digging of canals and construction of roads. He said these schemes should be implemented through representatives of village committees and not through contractors who swallow money with the cooperation of corrupt officials. Loan, tax and electricity arrears of farmers must also be waived in these districts and fresh loans be given. Drinking water must be provided to these villages through deep bore wells, deepening of existing wells and tankers whenever it was not possible to provide water locally.

State CPI leaders V K Adinarayan Reddy and S Sudhakar Reddy accompanied Mr Rajeswar Rao throughout his nine-day tour of the famine-affected districts in Rayalaseema and Telangana regions.

Mr Rao warned that if no effective steps were taken by both the State and Central Governments immediately to meet the famine and help people, several lakhs of people would fall dead like dried leaves and the remaining cattle would also be lost.

CSO: 4220

PAPER REPORTS, DEPLORES BIHAR BLINDINGS

Bhagalpur Report Cited

Bombay THE TIMES OF INDIA in English 26 Nov 80 pp 1, 13

[Text] Patna, November 25:

In a report to the state government, the Bhagalpur jail authorities have confirmed that about 40 undertrials in their custody had been rendered blind allegedly by the police in the course of investigation of cases against them.

The report was submitted to the inspector-general of prisons recently though officials refuse to acknowledge this fact. On the contrary, the government is making desperate attempts to hush up the case or at least absolve the police of blame.

The chief minister, Dr. Jagannath Mishra, while maintaining that he could not say anything until he received the report of the inquiry he had ordered, said it was quite possible that the undertrials were blinded by villagers in the course of an encounter before their arrest. Villagers might have done so in collusion with the police.

The chief minister said it was highly unlikely that the Bhagalpur police, which was headed by a Harijan superintendent of police, would resort to such inhuman methods.

"In fact, the entire district administration is headed by a good chap. I do not think there is any basis for the allegation." In any case, if the allegation had some truth, the government had no means of discovering it. No opposition leader had raised the issue.

Inquiries reveal that the Bhagalpur jail authorities were first concerned not so much with what had been allegedly done to the undertrials by the police as the problems they were causing in the prison due to the loss of sight.

First, the jail administration had made a case for posting additional warders in the prison for escorting the blinded undertrials from their cells to places of convenience and other places in the prison.

The most shocking case of the alleged police torture in Bihar came to light as a result of a petition filed in the supreme court by Mr. Hingorani in New Delhi.

The supreme court directed the Bihar jail department to report if there were some sightless undertrials and the possible reasons for their loss of sight. The Bihar inspector-general (prisons) had called for the report from Bhagalpur after this petition.

The undertrials had been allegedly rendered sightless in the course of the first ten months. According to an unconfirmed report, the first case took place in February when the police sought to bring down the rising crime graph in the district by allegedly rendering a jail bird blind with the use of acid. Encouraged by the results, they allegedly applied the sovereign remedy to a number of other suspects for dealing with crime.

The irony of the situation is that the officer now asked by the Bihar government to investigate the allegation was earlier divisional commissioner of Bhagalpur and most of the cases of blinding of criminals occurred when he was in charge of the administration there.

It is quite possible that the junior level police functionaries in order to win laurels from their seniors, might have resorted to barbaric methods in dealing with suspects without his knowledge.

The home commissioner, who is conducting the inquiry, said in an interview shortly before leaving for Bhagalpur: "The allegation might be true." Asked to confirm the Bhagalpur jail superintendent's report, he said: "I cannot say anything about it. After all, we receive several hundred reports from different places all over Bihar every day. If it was sent, it might have been lying buried in files somewhere."

It is stated that the jail authorities had summoned the district eye specialist for treatment of the blinded undertrials. He had reportedly stated that most of them appeared to have been deprived of their sight by the application of some method.

Relatives of the suspects and a lawyer engaged for their defence made the story of the alleged police torture known to a voluntary organisation concerned with the welfare of convicts.

Bail Refused

In what must be regarded as a remarkable feat, a local photographer chasing the story along with a reporter of a Delhi newspaper, managed to smuggle himself inside the Bhagalpur jail to take photographs of blinded undertrials who have reportedly refused to get themselves released on bail as a protest against the treatment meted out to them by the police.

While the Bhagalpur police methods in dealing with suspects have come to light, even worse atrocities are allegedly committed by the guardians of law and order in different parts of Bihar.

For instance, a common method employed in liquidating criminals is to give out the story of encounters after they had been done to death. Unfortunately, the victims of such cases do not survive to tell the tales of their woes. The Bhagalpur

undertrial story has become known only because the police allegedly contented themselves by robbing them of their sight.

Referring to reports of torture on Adivasis in Adhoura in Rohtas district, which appeared recently, the chief minister said a wireless operator who had allegedly raped a tribal woman had been suspended. The divisional commissioner, Patna, had been asked to investigate the allegations and report to the government for further action.

'Shocking Brutality' Claimed

Bombay THE TIMES OF INDIA in English 27 Nov 80 p 8

[Editorial]

[Text]

Blinding of several dozen under-trial prisoners by the Bhagalpur police, apparently with cynical deliberation one after the other, is one more grim reminder that Bihar is the worst administered state in the country. Ironically, the atrocities might have never come to light but for the request of the jail authorities for more staff to escort the sightless men around inside the prison. Even now, an attempt is evidently being made at the highest level in Patna to hush up what is probably the most brutal instance since independence of "goring human rights to death", as the Supreme Court put it not too long ago in another case of torture perpetrated by the Haryana police on a helpless prisoner. For the last ten months, policemen in five different police stations in Bhagalpur have been systematically selecting their victims, forcibly puncturing the retinas of their eyes, and pouring strong acid to disfigure the face and close the eyelids permanently. Some reports suggest that senior police officials were commended this so-called *gangajal* treatment to deter some suspected criminals from breaking law and order for good and to deter the others. But, at least according to one version, corruption is the root cause: known "bad characters", who grease the palms of the local policemen suitably, are spared. Be that as it may, the state home secretary's callous disregard of the Bhagalpur jail superintendent's report, confirming the police excesses, is truly reprehensible. Shortly before leaving for Bhagalpur to investigate the allegations, he is said to have told newsmen: "If the report was sent, it might have been lying buried in files somewhere.... After all, we receive thousands of reports from all over Bihar every day". Equally astonishing is the chief minister's *sang froid* in the face of what is, to say the least, a heinous scandal. He has tried to make out that the men were blinded by villagers in "encounters before their arrest"!

It is true that third-degree methods are routinely used by the police everywhere to extort confession from alleged criminals and that conditions in jails all over the country are deplorable. But nowhere else are the poor singled out on such a scale for beating, torture or worse by the police as in Bihar. Only last year the Supreme Court had ordered the release of scores of the under-trial detenus in the state because they had been longer in prison than would have been the case if they had been tried promptly and awarded the maximum punishment provided in the law for the offences with which they were charged. The only reason why they were not released on bail was that they were too

poor to furnish the requisite surety. Apparently, the Supreme Court's strictures on that occasion have failed to mend matters. While the ruling party and the state administration are squarely to blame for their shocking apathy to the police brutality in Bhagalpur jail, the opposition, too, cannot shrug off its responsibility. At the very least, it abysmally failed to exercise the requisite vigilance.

CSO: 4220

PARLIAMENT DISCUSSES BIHAR BLINDINGS

Mishra Resignation Demanded

Madras THE HINDU in English 2 Dec 80 p 11

[Text] New Delhi, Dec. 1.

The Minister of State for Home, Mr. Yogendra Makwana, announced in the Rajya Sabha today that the Bihar Government had ordered the arrest and prosecution of officers allegedly involved in the blinding of undertrials in Bhagalpur jail.

Mr. Makawana's announcement came while replying to the points raised by the Opposition leader, Mr. I. K. Advani (BJP), who initiated a calling attention motion on the "brutal act of blinding of undertrial prisoners by the police in Bhagalpur jail in Bihar".

The Government was "shocked" to learn about the atrocities committee on undertrials and the Chief Minister had already suspended the officials. The State Government had also ordered the arrest and prosecution of officers allegedly involved in the crime, Mr. Makwana said.

Raising the motion, Mr. Advani said the world and the country were watching about the firm steps the Government proposed to take to deal with persons involved in the crime.

He demanded the resignation of the Chief Minister, Dr. Jagannath Mishra, saying there appeared to be "total collapse of rule of law in the State".

'A Minister Aware of Incidents'

Mr. Advani said the matter was raised before a Sessions Judge and the Supreme Court and the newspapers had mentioned that one Minister the Cabinet and senior officers knew about the happenings in the Bhagalpur jail and nobody had done anything to stop this campaign of blinding of undertrials.

Mr. Makwana said he came to know only today from newspapers that one Minister of the Mishra Government knew about the incidents and he had asked for information.

Mr. Bhupesh Gupta (CPI) said the least Chief Minister, Mr. Mishra could do was to resign in the name of democracy.

Amidst interruptions from women members of the Congress(I) that the Opposition should not politicise the issue, Mr. Advani said the incidents were symptomatic of "deadening of conscience and deadening of sensitivity" in the Government.

It was all the more astounding that such an "outrageous" incident should have taken place in Bihar "which is the land of the Buddha, an embodiment of compassion."

The least that should have been done by the Centre, Mr. Advani said, was to ask the Bihar Chief Minister to resign.

In a democracy, responsibility for all failures, whether it amounted to acts of omission or commission, lay at the political level.

"You cannot make scapegoats of petty police officials." It was not a question of one man becoming a beast but of the whole system becoming beastly.

The women members from the ruling party, particularly Miss Saroj Khaparde, Mrs. Pratibha Singh and Mrs. Monika Das, asked Mr. Advani whether the Janata Government had the same sense of shock and shame when Harijans were burnt alive.

Belchi and Bhagalpur

Amidst interruptions and shouting, Mr. Advani said the Janata condemned the Belchi incidents. "Belchi was bad but Bhagalpur is outrageous. I am surprised that they are comparing the two."

What happened in Bhagalpur "is unprecedented in the annals of Indian history".

Mr. Advani also recalled Mr. Jaiaprakash Narayan's call to the police not to obey illegal orders and said "I am sure many of these constables would have acted against their conscience when they poured acid "(into the eyes of the prisoners)."

Mr. Advani wanted to know whether press reports that the Home Minister of the State was aware of the incidents taking place were correct and whether the IG of Police had written a letter of appreciation to the Superintendent of Police.

He also enquired whether a meeting of officials was held to devise ways

of controlling law and order and whether secret instructions were issued to district magistrates to ensure that no news items were sent without their approval.

Mr. Makwana pointed out that that the incidents had been taking place since October 1979 and Mr. Mishra came to power only in June this year. He, however, wanted notice to reply to the queries raised by Mr. Advani.

Amidst interruptions from the Opposition, Mr. Makwana said in the Belchi incident that took place when the Janata was in power, even children were thrown into the fire.

Parliamentary Probe Urged

Mr. Ramanand Yadav (Cong-I) wanted the Government to take stern action against those who had perpetrated such barbarity on prisoners.

He wanted a committee to be constituted with two members from each House to enquire into the Bihar incidents.

The Minister assured Mr. P. Ramamurthi (CPI-M) that he would write to the Patna High Court for action, if necessary against the district judge, Bhagalpur, for not taking adequate action on receiving representations from the blinded undertrials.

Mr. Ramamurti demanded the arrest of all those guilty under Section 326 IPC (voluntarily causing hurt resulting in loss of limb), an offence punishable with transportation for life.

Mr. Makwana agreed with the member that the undertrials had been unauthorisedly taken to police stations after they were remanded to judicial custody.

Mr. V. Gopalasamy (DMK), said there was no necessity for a judicial enquiry into the incident but the guilty should be prosecuted. Investigation, however, should not be left to the Bihar police but to the CBI.

Mr. Bhupesh Gupta (CPI) wanted to know whether there was any truth in reports that the Bihar Chief Minister asked officers at a meeting to use all methods to stop crimes.

He said police used brutal methods only against the poor. In this connection, he said, the General Manager of Bokaro steel plant, who was arrested regarding with the pilferage of stores, was released on bail at the intervention of a State Minister.

Mr. Gupta said that even though the Minister in charge of jails was not directly responsible for the incidents, he should resign on moral grounds.

Action should also be taken against the Inspector General of Police as he was responsible for the police force.

The Home Minister, assured the member that all those found guilty would be punished. He had never approved use of third degree methods by the police.

He had been told by the Chief Minister that action was being taken against the jail official.

The question of assisting families of those blinded would be decided after cases pending against them were disposed of. "Many of them had indulged in heinous crimes".

Several members, including Mr. Ramamurti, Mr. Ladli Mohan Nigam and Mr. Gupta, demanded that the police must stop using third degree methods on undertrials.—PTI.

Zail, Others Comment

Madras THE HINDU in English 2 Dec 80 p 11

[Text]

NEW DELHI, Dec. 1.

The Home Minister, Mr. Zail Singh, today assured the Lok Sabha that no stone would be left unturned to enquire into the alleged blinding of undertrial prisoners by the Bihar police and punish the guilty, howesoever high.

Replying to a calling attention motion, he said it was strange that though the first blinding took place in October 1979, neither the State nor the Central Government nor Parliament came to know of them.

"There have been three elections since then—to the Lok Sabha, State Assembly and the Zilla Parishad. There must have been some conspiracy behind it and neither the previous Government nor the present one can escape responsibility. As for myself I am ready to own it".

While describing the incident as "unfortunate, unhuman and barbarous", Mr. Zail Singh did not agree with the Opposition demand for a judicial enquiry and said he was afraid that it would delay action.

He agreed with Mr. A. B. Vajpayee that the incident tarnished the country's image abroad and steps must be taken to see that such thugs did not recur.

On the demand for the resignation of the Bihar Chief Minister, Dr. Jagannath Mishra, the Home Minister pointed to the Opposition and said "You are also responsible for the incident, specially Mr. Dhanik Lal Mandal, who was then Minister of State for Home Affairs (in 1979)".

The motion stood in the name of Mr. Ram Avtar Shastri, Mr. Dhanik Lal Mandal, Mr. R. K. Mahalgi, Mr. Vajpayee and Mr. Mool Chand Daga.

Mr. Shastri (CPI) and Mr. Daga (Cong.-I) were not present in the House when called.

Mr. Vajpayee congratulated the Indian Express for exposing the "terrible crime" which, made every one hang his head in shame. He doubted whether even freedom of the press was safe in Bihar.

Amid interruption by some Congress (I) members, he said in August last, the Bihar Government had issued a secret circular prohibiting officials from giving information to the newspapers.

The crime was sought to be justified by saying the crime rate had come down in Bihar. "They do not do it even in Russia where criminals are sent to Siberia", he said.

Mr. Vajpayee wanted to know the difficulty in having a judicial enquiry into the matter as CID was part of the same establishment which was callous and heartless".

Asking what had happened to the so-called doctor who pierced the eyes with the 'takwa' (big needle) and put acid in them, Mr. Vajpayee wanted the medical reports to be placed on the table.

He reminded the Government that India was a signatory to the Charter on Human Rights. What answer it would give at the United Nations, he asked.

Mr. Mandal blamed feudal elements and high officials who were in league with the police for various crimes against the weaker sections in the State. During the Emergency, they had killed 148 Harijans in the name of naxalites, he alleged.

In Bodh Gaya, an agitation was going on against a Mahant who owned 18,000 acres of land. But no action was being taken against the Mahant whose crops were being 'harvested with the help of the Government'.

In Moradabad the police had mutilated the fingers of brassware workers.

Mr. Mandal wanted to know the action being taken to discipline the police and remove the officials involved in the blinding incident, which, was a 'conspiracy hatched at a high level'.

Action taken by Bihar Govt.

Mr. P. Venkatasubbiah, Minister of State for Home in his reply said criminals were criminals and caste combinations and permutations as given by Mr Mandal did not hold good. In fact, the Superintendent of police of Bhagalpur was a harijan.

The Bihar Government, had taken immediate action and had constituted a committee of legislators, including Mr. Karpuri Thakur, to go into it. Mr. Thakur, had been the Chief Minister of the State and in his time caste conflicts took place.

Amidst cries of shame from the ruling benches, he said there was no Congress (I) Government in Bihar in 1979 when the first blinding incident occurred.

Mr. Venkatasubbiah told Mr. R. K. Mahalgi that it would not be possible to constitute a parliamentary committee as the State Government had already set up a committee of legislators to go into the matter.

He said he did not know whether any Minister or the Minister for Jails had visited the Bhagalpur Jail during the last six months.—PTI.

CSO: 4220

CORRESPONDENT REPORTS BIHAR BLINDING COVERUP

Bombay THE TIMES OF INDIA in English 3 Dec 80 pp 1, 9

[Text] PATNA, December 2.

THE Bihar government was fully aware of the happenings in Bhagalpur in September but chose to sleep over the matter, virtually allowing the gouging out of the eyes of habitual offenders as part of the anti-crime operations up to the second week of November, according to well-informed sources.

It is reliably learnt that the inspector-general of prisons in a report to the home commissioner in September had mentioned allegations that the police were blinding undertrials and urged the government to look into the matter, especially in view of the fact that the number of eyeless undertrials in the custody of the Bhagalpur and Banka jails had been increasing.

That this important communication contained in a top-secret file marked urgent remained unnoticed by the home commissioner until the barbaric methods employed by the Bhagalpur police were reported in newspapers in the third week of November is difficult to understand.

Soon after the first report had appeared in a Delhi newspaper, this correspondent contacted the home commissioner who denied any knowledge about it and added he was making inquiries with the Bhagalpur police.

BID TO SUPPRESS CASE

Had the Bihar government woken up in September and shown even a little concern for the plight of the undertrials, the eyes of at least ten persons who were taken to Rajoun on October 6 or 7 for blinding operations could have been saved.

One of these victims allegedly died during the barbaric operations. These blinded undertrials were lodged in the Bhagalpur jail. One more eyeless undertrial was brought to the jail on November 10. Apparently, the eyes of the last such inmate of the jail were gouged out early in November.

Unfortunately, the government tried its best to suppress the case which rocked Parliament yesterday and shocked the whole country. Even after a report mentioning that there had been 40 cases of blinding of undertrials had appeared in this newspaper on November 26, the chief minister, Dr. Jagannath Mishra, did not reveal the full facts. He maintained that there were only 13 eyeless undertrials in the jail. After the issue had figured in Parliament, he conceded that their number was 31.

A state minister, who is said to be quite close to the chief minister, became fully aware of the methods being adopted by the Bhagalpur police several months ago because of his friendship with an outlaw, two of whose lieutenants were blinded, the first in February and the second later. It is stated that this minister had first sought to put pressure on the Bhagalpur police to stop the practice. That he did not mention this fact to the chief minister is incredible.

According to unconfirmed reports, the number of habitual offenders who had been given the barbaric treatment is larger. It is stated that people in Naughachia near Bhagalpur had been blinded. It is difficult to check the veracity of these reports, especially now that the whole government machinery is engaged in suppressing the facts.

'DERELICTION OF DUTY'

Though the Union home minister has assured Parliament that all those involved in this case, which had impaired the nation's image, would be dealt with severly, there is so far little evidence of any concerete measures being taken in this rgard. There is a feeling in political circles here that whatever is being done by the state government is an "evewash."

There appears to be some truth in this view. For instance, all 15 suspended police officials have been charged with only dereliction of duty. After departmental inquiries, they will manage to get away with mere adverse entries in their confidential reports.

Officials, who were allegedly responsible for the adoption of barbaric methods in dealing with the criminals and their execution may not be hauled up in court and given punishment commensurate with the nature of their crime.

In all cases of blinding of undertrials by the police, there were no public witnesses. That any one of the policemen who were around will come forward to give evidence is unlikely. Ironically, three FIRs lodged with different police stations do not mention that the police were responsible for the operations. Only persistent questioning by impartial judges and prosecutors' can bring out the truth. But no such process has been set in motion.

According to some reports, the opposition leaders included in the legislators' committee are not at all happy with its composition and may boycott it. Reports have already appeared in local newspapers that Mr. Thakur will not associate himself with the committee because the government has set it up only as a "sop" to the critics.

A comparatively junior Congress (I) MLA has been made convener of the body. That the status of the opposition leader in the vidhan sabha is not is not more than that of an ordinary member in the committee is galling to the critics.

There is a feeling in political circles that the Bihar government, shamed by the Bhagalpur incidents, has already embarked on a witch-hunt.

Several opposition leaders feel that the suspension of the Bhagalpur jail superintendent, who had forwarded the petitions of the sightless undertrials to the supreme court and allowed a couple of newsmen to meet them inside the prison, is highly unjustified. The charge levelled against him that he had not recorded the injuries of undertrials does not wash.

The district superintendent of police, who had apparently played a key role in the whole operation, has only been shifted to Patna. It is stated that any inquiry committee will find it difficult to arrive at the truth so long as the top officials are not transferred from the district.

It is alleged that if an impartial inquiry is held into the happenings a very important official, who was transferred from Bhagalpur recently, would have a lot to explain. It is doubtful that the legislators' committee appoint-

ed to uncover the facts can succeed in its purpose. In view of the serious nature of the crime, only an inquiry by a senior and seasoned judge can help in uncovering the truth.

PTI adds: The Bihar government is making arrangements for shifting six blinded prisoners from the Bhagalpur jail to the Patna Medical College Hospital, it was officially learnt.

A team of eye specialists of the hospital deputed by the state government to examine the eyes of the blinded prisoners in the jail had suggested the immediate shifting of the six prisoners as there was a possibility of their sight being restored.

Altogether, 18 blinded prisoners were examined.

The sources said the team in its 18-page report said corrosive substances were inserted in the eyes while some were blinded with blunt weapons.

CSO: 4220

BRIEFS

TWO FRENCHMEN ARRESTED--New Delhi, 6 Jan (AFP)--Two Frenchmen have been taken into custody in Kerala on the charge of trespassing into the protected area around the Space Research Centre at Tumba, near Trivandrum, capital of the southernmost state. Reports reaching here today said the arrested had been identified as Beyard Daniel and Assale Jean Jacques. They had arrived by a dinghy from Maldives and were arrested by police as they came ashore--Jacques on Saturday and his accomplice on Monday. Mr Jacques has been remanded in judicial custody till tomorrow while the other was being interrogated by police, the reports said. [Text] [BK061617 Hong Kong AFP in English 1454 GMT 6 Jan 81]

CREDIT TO SRI LANKA--India and Sri Lanka have signed an agreement providing for a credit of 100 million rupees to Sri Lanka for buying machinery and equipment from India. The agreement was signed by Union Finance Minister R. Venkataraman and Sri Lank's Finance Minister Ronald de Mel in Colombo today. The Indian side has indicated that it will consider as a special case any further financing of any project after utilizing the credit now agreed upon. Addressing a news conference after signing the agreement, the finance minister said that the India-Sri Lankan relations are at their best and no problem of any kind exists between the two countries. He declared that there is close cooperation between them in all fields. Mr Venkataraman told a questioner that there is no misunderstanding between the two countries over Mrs Gandhi's comments on the expulsion of Mrs Bandaranaike from Sri Lanka's Government. He said the statement by Mrs Gandhi is nothing more than a comment by an international statesman. [Text] [BK061243 Delhi Domestic Service in English 1230 GMT 6 Jan 81]

ROK ENVOY CREDENTIALS PRESENTATION--New Delhi, 5 Jan (AFP)--President Neelam Sanjiva Reddy today spoke of the need for the peaceful reunification of Korea. He expressed the hope that it would be realised through bilateral negotiations. Mr Reddy was welcoming South Korea's new Ambassador Kim Tae-chung who presented his credentials to him this morning. [Excerpt] [BK051527 Hong Kong AFP in English 0827 GMT 5 Jan 81]

TUNGSTEN ORE--New Delhi, 5 Jan (AFP)--Huge depoists of tungsten ore have been detected at Sirohi in the western border state of Rajastan, the PRESS TRUST OF INIDA (PTI) reported today. The agency said that the new discovery would make India one of the leading producers of this strategic material. It quoted Dr V. S. Krishnaswamy, director-general of the Geological Survey of India, which made the discovery, as saying at Varanasi (Banaras), northern India, that the area was being developed intensively under a four-year programme. However, no approximate estimate was available of the deposits. At present tungsten is produced only from Degane area, also in Rajastan and the country's needs are mostly met by imports. [Text] [BK051527 Hong Kong AFP in English 1121 GMT 5 Jan 81]

REPRESENTATIVE AT UNITED NATIONS--New Delhi, 3 Jan (AFP)--Natarajan Krishnan, additional secretary in the Foreign Office, has been appointed India's new permanent representative at the United Nations, it was officially announced here today. He succeeds Brijesh Mishra. [Text] [BK041045 Hong Kong AFP in English 1425 GMT 3 Jan 81]

INDO-SOVIET PLANNING GROUP--The fifth meeting of the Indo-Soviet planning group would discuss monitoring of plan implementation and project construction, formulation and selection of projects and mathematical models of planning. The date and place of the meeting of the group were not yet fixed, but the meeting might be held here early next year. This was stated by Union Planning and Labour Minister Narayan Datt Tiwari in a written reply to Mr Balasaheb Vikhe Patil, reports PTI. Mr Tiwari said the planning group at its fourth meeting held in New Delhi in April 1978, set up a working group which discussed the subject "energy planning" and presented a report to the group. [Text] [New Delhi PATRIOT in English 27 Nov 80 p 5]

NEW TRAVEL REGULATIONS--New Delhi, November 28: The reserve bank will introduce from January 1 a new travel scheme under which Indians visiting Sri Lanka, Pakistan, Bangladesh, Burma, Malaysia, the Maldive Islands, Male, Mauritius and Seychelles can get $250 in exchange per person once in two years. The existing Mauritius travel scheme and the special exchange facilities available for travel to Sri Lanka and Bangladesh will be withdrawn from that date. The foreign travel scheme under which persons visiting any country other than Nepal, Bhutan and South and South-West Africa (including the countries covered by the new scheme) can avail of foreign exchange of $500 once in two years will, however, continue to be operative. [Text] [Bombay THE TIMES OF INDIA in English 29 Nov 80 p 9]

MINORITIES PANEL MEMBERS--New Delhi, November 28: Dr. Rafiq Zakaria, M.P. has been appointed member-secretary of the high-power panel on minorities, scheduled castes, scheduled tribes and other weaker sections with immediate effect in place of Mr. Khurshid Alam Khan, M.P., who has been inducted into the Union council of ministers as minister of state for commerce. Dr. Gopal Singh continues to be the chairman of the panel. Mr. Hokishe Sema, former chief minister of Nagaland, Mr. Arvind Netam, M.P. and former Union deputy minister, Mr. L. Bullayya, former vice-chancellor, Andhra University, Mr. N. C. Parasher, M.P., Mr. I. D. Jawahar Raj, advocate from Tamil Nadu, Mr. L. R. Naik, former M.P., Dr. J. Leon D'Souza, M.P., and Mrs. Aloo Chibber, MLC, Maharashtra, are other members of the panel. [Text] [Bombay THE TIMES OF INDIA in English 29 Nov 80 p 13]

NIGHT BORDER MOVEMENT BAN--New Delhi, 6 Jan (AFP)--A night ban on movement of people has been imposed within a three km belt along the border with Bangladesh in disturbed Assam's Goalpara District from last Monday, it was reported today. The ban will be in force from 2200 hours to 0400 hours Indian Standard Time till February 26 next. PRESS TRUST OF INDIA (PTI) News Agency in a dispatch from Gauhati, capital of the eastern frontier state, said that the order promulgated by the district magistrate gave no reason for the decision. Assam is rocked by an over 15-month-old mass agitation against "illegal" immigrants from Bangladesh and Nepal. Strict press censorship has been imposed recently. In the state as the agitationists rejected a recent fresh offer by the government of Prime Minister Mrs Indira Gandhi to resume talks with them and stepped up their campaign by organising state-wide general strike and mass demonstrations. [sentence as received] A representative of the agitationists, however, announced here last evening that they were now willing to resume the dialog. [Text] [BK061615 Hong Kong AFP in English 1443 GMT 6 Jan 81]

MAHARASHTRA BIENNIAL ELECTIONS--Bombay, Dec 1. The Congress(I) bagged five seats and the Congress(U) one in the biennial elections to the Maharashtra Legislative Council from six Local Authorities Council which went to the poll yesterday. The successful Congress(I) candidates are: Mr. P. S. Deshmukh (Thane), Mr. Abdul Shaffi (Chandrapur-Bajura), Mr Keyalchand Jain (Bhandara) Mr. J. R. Dhange (Yavatmal-Wardha) and Mr. Dajiba Patil (Jalgaon). [as published] The Kulaba seat was won by Congress(U) candidate Mr. P. N. Dharkar, who was supported by the six-party Left and Democratic Front. Mr. Dharkar defeated Mr. Bhai Dandekar (Cong-I). The result of the elections from two graduates' and three teachers' constituencies, which also went to the poll yesterday, will be announced on Wednesday.--UNI. [Text] [Madras THE HINDU in English 2 Dec 80 p 9]

EUROPEAN ELECTRONICS DELEGATION--A delegation sponsored by the Electronic Component Industries Association to Europe has come back with very good impressions of Indo-European ties in the field of electronics. According to the delegation, there was enthusiastic response from all over Europe for setting up joint ventures with Indian parties and to act as agents for distribution of electronic components from India. It was able to allay fears about the lengthy government procedures for setting up new projects. The success of ELCINA delegation's visit is evident from the fact that a number of countries have offered to send similar electronics delegations to India to conclude the negotiations started by the Indian team. The first to arrive will be a British team sponsored by the Electronic Components Industry Federation of the U.K. which will be in India in March next. [Text] [Bombay THE TIMES OF INDIA in English 26 Nov 80 p 10]

TRADE WITH FINLAND--New Delhi, November 25 (UNI): India has secured considerable liberalisation in its textile trade pact with Finland. This was achieved when an Indian delegation led by Mr. B. K. Zutshi, joint secretary in the ministry of commerce, visited Helsinki recently and reviewed the operation of the memorandum of understanding on textiles and colthing between the two countries concluded in May 1978. [as published] Despite its limited product coverage the agreement continued several restrictive provisions. These restrictions related to non-exempt status to handlooms and cottage industry folklore products, absence of inter-product transfers (swing) and small growth rates. These new arrangements will take effect from the beginning of 1981. [Text] [Bombay THE TIMES OF INDIA in English 26 Nov 80 p 10]

COASTAL SHIPPING PANEL--A committee for formulating a plan for the development of coastal shipping through 1980s had its first meeting here yesterday. It discussed the problems of the ailing coastal shipping with shipowners and the customs and heard some suggestions for its improvement. The committee, headed by the director-general of shipping, Mr. R. D. Pradhan, and consisting of representatives of the Indian National Shipowners' Association, the shipping development fund committee, the customs and port trusts, was trying to ascertain the present cargo movement, potential for development of coastal shipping and constraints in its operation. One suggestion was that the customs and port formalities should be done away with as they were elaborate and unnecessary. It was pointed out by shipowners' representatives that no such formalities existed for rail and road transport. The customs formalities tended to discourage the diversion of vessels operating in the adjacent trades to coastal trade. The coastal fleet today consists of 38 vessels, 12 of them engaged in carrying only coal and salt. In 1979, the coastal cargo

movement amounted to 900,000 tonnes. [Text] [Bombay THE TIMES OF INDIA in English 26 Nov 80 p 7]

INTERNATIONAL WOMEN'S CONFERENCE--The sixth international conference of women engineers and scientists will be held in Bombay between September 7 and 12, 1981. Subjects such as technology transfer, nutrition and health disease and population problems will come up for discussion. The deadline for "abstracts" and registration is March 31, 1981. Interested parties may contact, Dr. (Mrs.) Sumati V. Bhide, Cancer Research Institute, Tata Memorial Centre, Parel, Bombay 12. [Text] [Bombay THE TIMES OF INDIA in English 26 Nov 80 p 5]

HARIJAN JUDGE NAMED--New Delhi, November 29 (UNI): The government today named its first Harijan judge in the supreme court ever since independence by appointing Mr. Appajee Varadarajan, a judge of the Madras high court, to the highest judicial forum of the country. Another judge appointed was Mr. Baharul Islam, a retired chief justice of the Gauhati high court. The government is expected to announce the appointment of a few more judges shortly to fill the vacancies that have arisen. There are six vacancies and one more judge is retiring by January next year. [Text] [Bombay THE TIMES OF INDIA in English 30 Nov 80 p 1]

NEW SIKKIM GOVERNOR--New Delhi, November 29 (PTI): Mr. Homi J. H. Taleyarkhan has been appointed governor of Sikkim in place of Mr. B. B. Lal. The appointment will take effect from the date Mr. Taleyarkhan assumes charge of his office, a Rashtrapati Bhavan communique said today. Mr. Taleyarkhan was formerly a minister in Maharashtra and later ambassador to Libya. [Text] [Bombay THE TIMES OF INDIA in English 30 Nov 80 p 1]

INDO-SOVIET TEXTILE DEAL--A Rs. 70-crore contract to supply 107 million metres of textile fabrics has been signed here today between the Indian suppliers and Exportljon, a Soviet organisation. Last year, the USSR had bought textile fabrics worth Rs. 56 crores. Mr. G. P. Bykov, director, Exportljon, said the agreement was the manifestation of close relations between the two countries. He was proud that it was signed a few days before Mr. Leonid Brezhnev's visit to India, he added. [Text] [Bombay THE TIMES OF INDIA in English 3 Dec 80 p 10]

VICE ADMIRAL'S REMARKS--Visakhapatnam, December 2: The Indian Navy's role has been considerably enlarged by the declaration of the 200-mile exclusive economic zone, Vice-Admiral M. K. Roy, Flag-officer commanding-in-chief Eastern Naval Command, said here yesterday. He told a press conference that besides maintaing our sinews of war, the new talks entailed guarding against poaching by foreign vessels, protection of offshore installations and the wealth of our oceans. [as published] Vice-Admiral Roy said the financial stringency necessitated the marine force to tailor its needs within these constraints. [Text] [Bombay THE TIMES OF INDIA in English 3 Dec 80 p 7]

CSO: 4220

OFFICIALS COMMENT ON U.S. ELECTIONS

Jakarta SINAR HARAPAN in Indonesian 6 Nov 80 pp 1, 3, 12

[Article: "Foreign Minister Mochtar on the Election of Reagan; New U.S. President Must Pay Attention to the Developing Countries"]

[Excerpts] Minister of Foreign Affairs Mochtar Kusumaatmadja believes that with the election of Ronald Reagan it is certain that the policies which Reagan will adopt will show some differences from the policies of Carter up to now. However, Minister of Foreign Affairs Mochtar said that Indonesia hopes that President Reagan will continue to pay attention and show understanding regarding the interests of the developing countries. "We also hope that the U.S. will continue to pay attention to and to support the efforts of ASEAN to reach a peaceful solution for the question of Kampuchea, in the interests of the peace and stability of Southeast Asia."

Lt Gen (wartime) Dr T.B. Simatupang assumes that there will not be much difference in U.S. policy toward Indonesia and ASEAN under the new U.S. president. According to T.B. Simatupang, during the presidential election campaign in the U.S., the policy of the U.S. toward Indonesia as well as ASEAN did not become an issue. T.B. Simatupang has the impression that during the campaign the differences which appeared between Carter and Reagan did not concern very fundamental matters.

For the president of Parliament, Daryatmo, although there has been a change of leadership from the Democrats to the Republicans, it is hoped that relations between Indonesia and this super power will not deteriorate. "God willing, they may be improved." According to Daryatmo, if Indonesia becomes a strong country, the U.S. will also obtain benefits from that. However this may be, Indonesia cannot be separated from being a strong link in a chain in facing the chain of the opponents of the U.S. in the world.

Regarding Reagan, the chairman of Parliament said that he is not yet able to express an opinion on what the effect of his leadership role will be in the future. "It would be better for us to wait and see," he said, adding, "although Reagan made many promises during the campaign, a campaign is a campaign." He said that the question is how will the policy presented by Reagan be applied.

Regarding the defeat of Carter, Daryatmo agrees with other politicians like Sugiharto and Usep Ranawidjaja that the weakness of Carter in resolving the question of the 52 hostages in Iran and the economic situation within the country had led to his defeat.

Dr Juwono Sudarsono, an instructor in politics at the Faculty of Political Science of the University of Indonesia, considers that we have no need to fear that the "hard line" which Reagan will use will be absorbed into his position as president of the U.S. Commenting on the Reagan victory to SINAR HARAPAN, Juwono saw that "hard line" as merely a matter of campaign rhetoric and that it will not be applied in Reagan's new position. "Usually, if a candidate is elected, his conduct in office is not so extreme," he said. From his private review during the campaign of the former governor of California and during the past 2 weeks, Juwono concludes that Reagan's statements are beginning to shift away from a "hawkish line" and toward a rather "dovish" line.

Commenting on the rather major defeat of Carter, Juwono thinks that this was a matter of "Jimmy Carter defeating Jimmy Carter." According to Juwono, Carter gave the impression of a person who lacked presence and often changed his views, both on domestic as well as on foreign policy. "Consistency is not the special mark of a politician," he went on to say, "but Carter showed more of a lack of consistency."

The doctor of political science continued, saying that 4 years ago Carter emerged with all simplicity, and it was considered that he could remove the "trauma" that Americans suffered from as a result of the Vietnam war and the Watergate affair. "Now he is encountering a backlash in his country," Juwono said, adding that, "it seems that many Americans are more comfortable having a president who, if necessary, will play dirty, rather than an honest man who appears to be weak." What will perhaps influence the attitude of the Third World toward the Reagan administation will be a lessening of attention to human rights questions such as Carter previously displayed. "For some countries which take a hard line toward human rights, the Reagan victory will be rather advantageous."

The coordinator of the Indonesian Democracy Party [Partai Demokrasi Indonesia], Prof Usep Ranawidjaja, at this point is not fully in agreement with Sugiharto from the Functional Development [Karya Pembangunan] group that the election of Reagan will weaken all of the commitments made by Jimmy Carter in the world political game. Usep inclines to the view that the main line of policy of the U.S. under Reagan will still be the same.

When it is recalled that Ronald Reagan once promised to resolve the matter of U.S. diplomatic relations with Taiwan, Usep states, perhaps Reagan will only seek to ensure that Taiwan will not become an enemy easily "incited" by the Soviet Union.

Resolving diplomatic relations with Taiwan and then destroying existing relations with the PRC is the same thing as "abandoning a friend." In this connection, at present the foreign policy of the U.S. seeks to find friends, including the PRC, and on the other hand the PRC indeed seems to value its relations with the U.S. What is interesting in the different concepts of Reagan and Carter is in regard to Middle East policy. His analysis concludes, "Therefore, if there is a change, it will only be in the Middle East, but not in the Pacific."

A member of the Unity for Development [Persatuan Pembangunan] group, H. Amin Iskandar, agrees with Vice President Adam Malik that, whoever becomes president of the U.S., everything will be just fine, and there will be no problem. He also agrees with Sugiharto that Reagan, if he attempts to follow the line of his past campaign, will have to make large scale changes in view of the world situation. He notes that, in the first place, the U.S. faces some tension with the PRC and,

secondly, with Israel, if Reagan holds to his campaign line. Regarding Israel, if the U.S. provides more support to it, this could lead to more aggressive action by Israel in the Middle East in confronting the Arab countries. "The expansion of Zionism will be more aggressive," says the ambassador of one country in the Middle East. The U.S. will be more determined in facing up to Iran. The U.S. will not display a soft attitude toward the Soviet Union. Thus, wherever one looks, the U.S. will be on the attack, in Vietnam, in South Yemen, Ethiopia, Angola, and Afghanistan, and Reagan will face the situation with a "hard line."

A member of Parliament of the Indonesian Democracy Party [PDI], Dr Soeryadi, thinks that whoever won, as between Jimmy Carter and Ronald Reagan in the presidential elections in the United States, will have no direct influence in Indonesia.

In answer to a question Dr Soeryadi said that American attention is no longer directed to Southeast Asia since America's defeat in Indochina. In his view American attention is largely directed to the Middle East, Western Europe, East Asia, and America itself. For example, America has asked Japan to increase its role in the international world. Soeryadi says that America will not consider human rights in helping another country. "Assistance to other countries will certainly be regarded from the point of view of national interests," stated Dr Soeryadi, the chairman of Committee 10 of Parliament.

The chairman of the Functional Development group in Parliament, Sugiharto, considers that the president elect, if he follows what he previously said, will provoke a major change in the map of world politics. And if this happens, it will mean that we too in Indonesia must begin again from the very start.

Like Sugiharto, Sarwono Kusumaatmadja, who, throughout the election campaign, followed the campaigns of the two candidates, points to statements by Reagan on foreign policy toward the China question, which could lead to the re-establishment of diplomatic relations with Taiwan. If this happens, it will certainly change the attitude of the PRC toward its commitments and other matters which have been resolved in the Southeast Asian region up to now. Sarwono added that with the Reagan victory it is possible that the American human rights policy will be abandoned and that relations between governments will be given greater importance.

5170
CSO: 4213

JAPAN PROVIDES $500 MILLION CREDIT FOR OIL REFINING

Jakarta KOMPAS in Indonesian 5 Nov 80 pp 1, 12

[Article: "Japanese Minister for International Trade and Industry Received by President; Japan Provides $500 Million Credit for Oil Refining in Indonesia"]

[Text] The Japanese government is prepared to provide credit assistance to Indonesia amounting to $500 million for the construction of an oil refinery in Cilacap and expansion of an oil refinery in Balikpapan. The credit will be provided by the Export Import Bank of Japan, with ordinary conditions attached. This was stated by Japanese Minister for International Trade and Industry Rokusuke Tanaka on Tuesday [4 November] after his conversation with President Soeharto at the Bina Graha offices. The minister arrived in Jakarta Monday evening [3 November] and will be in Indonesia until 6 November.

The expansion of the oil refinery in Balikpapan will require expenditure of about $800 million. For the construction of the project the Bechtel Co of the U.S. has won the tender.

In his conversation of almost 1 hour with the president Minister Tanaka delivered to him a private letter from Prime Minister Zenko Suzuki. He himself made clear to the president the views which he holds on the questions of energy, medium and small industrial development, increasing the production of the ASEAN countries for export, and expansion of the opportunities for work.

At the meeting President Soeharto described the Indonesian effort to increase oil production by using new technology. In addition he discussed the efforts to develop generation of electricity using hydropower and geothermal resources, as replacements for oil.

He also described to Tanaka Indonesian policy on petroleum exports, paying particular attention to the ASEAN member states which have no oil resources. "I quite understand this Indonesian policy," Tanaka stated through an interpreter.

Taking note of the president's statement, Rokusuke Tanaka made it clear that his government was ready to help Indonesia in the field of technology, in order to increase its production of petroleum. Japan also attaches great importance to Indonesia, because 15 percent of Japanese oil requirements come from Indonesia, Tanaka added.

In response to a question Rokusuke Tanaka stated that the technological assistance referred to above can be provided by the Japanese Petroleum Board. The Japanese government always supports the efforts of the Board to develop petroleum resources.

According to Rokusuke Tanaka, President Soeharto also stated that Indonesia has extensive deposits of uranium. If Indonesia and Japan could cooperate in the exploration activity, it is possible that Indonesia could export uranium to Japan. Asked whether it was true that Japan would send a joint survey team to Indonesia from the Japan Energy Development administration to explore the uranium reserves in Indonesia, Tanaka said, "Discussions have not yet reached the stage of an agreement but are only at the stage of asking about the uranium deposits and the possibility that Indonesia would export it."

Regarding production of LNG (Liquified Natural Gas), according to Tanaka Indonesia is ready to go ahead in a cooperative way, provided that Japan is also ready to help in its development. Beside that the president hopes that Japan will be ready to raise the level of its relations with Indonesia, on the basis of mutual respect for each other's sovereignty.

"I myself have said that Japan is aware of how important it is that relations between the two countries be continued. Relations between Japan and Indonesia meet each other's needs. Therefore the effort to develop relations is very important," Tanaka said.

In answer to a question Tanaka stated that Japan continues to be ready to assist in the development of the ASEAN area fertilizer project in Aceh, if it is clear that the project will go forward. However, up to now there has been nothing certain about the planned project, according to Rokusuke Tanaka.

5170
CSO: 4213

PERTAMINA PERSONNEL INVOLVED IN OIL SWINDLE

Kuala Lumpur NEW SUNDAY TIMES in English 16 Nov 80 p 3

[Text]

JAKARTA, Sat — Indonesian authorities have uncovered the theft of US$17 million ($28 million) worth of oil from Pertamina, the State-owned oil company, a spokesman said today.

The spokesman said a Singapore-based network operating with the complicity of 16 Pertamina officials and employees has succeeded in stealing some 35,500 tons of oil refined products worth US$13 million over the past several months.

Administrative sanctions have been taken against the Pertamina officials involved and they also may face legal suits, the spokesman said.

Mr Judo Sumbono, Pertamina's director for domestic oil supplies, said the oil was stolen from company stocks refined in Singapore and shipped back to Indonesia.

Indonesia, although an oil producing country, has limited refining facilities. Large amounts of its crude are refined in Singapore and shipped back to Jakarta for domestic consumption.

Tankers operated by the network to return the refined products to Jakarta unloaded only part of their cargo in Indonesia. The spokesman said the Pertamina officials involved then issued false certificates stating the total cargo had been unloaded.

The tankers then returned to Singapore to pick-up new shipments and set up rendezvous at sea with other tankers which collected the stolen oil, the spokesman said.

The network then sold the stolen cargo in Singapore.

Pertamina began its investigation when figures showed that oil amounts allegedly lost during transhipment in Jakarta were far above the maximum 0.5 per cent loss percentage. — UPI

CSO: 4220

FINANCIAL DETAILS OF OIL AGREEMENTS REPORTED

Kuala Lumpur NEW STRAITS TIMES in English 19 Nov 80 p 4

[Text]

JAKARTA, Tues. — The Indonesian Government has signed exploration and production sharing agreements worth up to US$583.5 million (about M$1,300 million) with five foreign oil companies covering nearly 70,000 square kilometres of the Java Sea. The signing is the second largest in Indonesian oil history.

The contracts were signed with Union Oil, Conoco and Atlantic Richfield, all of the US, with Agip of Italy and Ina Naftaplibn of Yugoslavia.

The companies must spend a total of not less than US$223 million on exploration in the first six years.

Pertamina, the state oil company, is to receive from the companies US$35 million in signature bonuses and, if eventual output from the companies' blocks reaches specified levels, it will receive a further US$270.5 million in production bonuses.

Under the production sharing side of the agreements, Pertamina will receive 85 per cent of oil production and 70 per cent of gas production, after deductions for cost. The foreign companies will meet all exploration costs.

The new agreements, signed at the weekend by Pertamina Director Piet Haryono and Minister for Mines and Energy Mr Subroto, reflect the major revival of interest in the Indonesian archipelago among foreign oil companies over the last 18 months.

Bonuses

In the last six months, Pertamina has signed eight production sharing contracts and signature bonuses received this year so far have reached US$36 million.

The latest contracts bring the number of exploration blocks awarded this year to 11, the same as for the whole of 1979. Foreign companies this year have committed themselves to spend not less than US$423 million during the next six years.

Pertamina expects that more than US$600 million will be spent on oil and gas exploration this year. This is nearly 60 per cent more than in 1979. And the high level of expenditure should be maintained over the next few years, following the signing of the latest contracts.

CSO: 4220

OIL EXPLORATION ACTIVITY INCREASES

Jakarta HARIAN UMUM AB in Indonesian 15 Nov 80 p 3

[Article: "Budget for Oil Exploration Continues to Rise"]

[Excerpts] Minister of Mining and Energy Soebroto states that exploration activity to find new sources of oil is increasing from year to year.

The budgetary expenditures by foreign contractors and Pertamina itself totaled $189.6 million in 1978, $290 million in 1979, and $591 million in 1980. Pertamina itself, in its budget for this activity, spent $29 million in 1979 and $118 million in 1980.

In 1978 the total number of wells drilled was 126, in 1979 the total number was 130, and in 1980 it is estimated that the total number will exceed 200 wells drilled.

This was stated by Soebroto in his speech on the occasion of the signature of a production sharing contract between Pertamina and 6 foreign oil contractors, including Union Oil Java Sea Ltd, Conoco Java Sea Inc, Atlantic Richfield Bali North Inc, AGIP (Overseas) Ltd, Union Texas Oil, and Ina Naptalin. On the program for the meeting, which was held yesterday [14 November] at the Ministry of Mining and Energy, the minister stated that the signature was the eleventh of its kind to be held in 1980.

In 1977 only 2 production sharing contracts were signed. In 1978 there were 4 such agreements signed, and in 1979 there were 11 production sharing contracts signed between Pertamina and foreign contractors. With the signature of the 11th production sharing contract in 1980, this means that up to now 39 production sharing contracts have been signed, 10 joint operation contracts have been signed, 3 contracts of work have been signed, as well as 2 technical assistance contracts.

5170
CSO: 4213

CONTRACT SIGNED FOR GENERAL MINING IN IRIAN JAYA

Jakarta HARIAN UMUM AB in Indonesian 15 Nov 80 p 3

[Article: "Contract of Work Signed by PT Anggi Chemalloy and Indonesian Government"]

[Excerpt] The Indonesian government, represented by Minister of Mining and Energy Soebroto, yesterday [14 November] signed a contract of work agreement with PT Anggi Chemalloy (a joint venture between PT Danau Anggi Indah and PT Puncak Maoka with International Chemalloy Limited of Canada and Howe Pty Ltd of Hong Kong) for the development of a general mining enterprise (not including oil and gas) in an area 95,000 ha in extent in the "Bird's Head" [Kepala Burung] region of Irian Jaya.

In his speech Soebroto stated that the signature of the contract of work covering the general mining area was the first to be entered into in 1980. He admitted that interest in carrying out general mining activity was rather slight, compared with mining of oil.

A contract of work in the general mining field was signed for the first time in 1967. The signature of a first generation type of contract of work was followed by development of a second generation type of contract. In all there have been 17 contracts of work in this field. However, of that total 9 contracts have been withdrawn, 3 contracts of work are still in the exploration stage, and 5 others are at the production stage, with exports of nickel, copper, tin, and granite taking place.

In the recently signed contract of work PT Anggi Chemalloy has assumed the obligation to use Indonesian labor to the maximum possible extent within the limits of the practical and efficient and to provide training for them. The period of validity of the contract is 30 years, beginning with the date of entry into production.

The opportunity for Indonesian participation in the capital of the company extends to 51 percent. At the time of the signature of the contract 20 percent of the capital was Indonesian and 80 percent was of foreign origin. After 5 years of production the balance will become 51 percent Indonesian capital and 49 percent foreign capital.

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CSO: 4213

SINGAPORE CAPITAL INVESTMENT OF BATAM ISLAND

Jakarta KOMPAS in Indonesian 5 Nov 80 p 12

[Article: "20 Singapore Firms Request Business Licenses on Pulau Batam"]

[Text] The Indonesian Embassy in Singapore has approved requests from 20 firms in various fields of activity in that country to invest capital on Pulau Batam. Only one firm has been given a license and begun operating. This is a 200 room hotel whose capital investment will total $200 million.

Indonesian Ambassador to Singapore Subjatmiko made this statement after being received by President Soeharto at the Bina Graha offices on Tuesday [4 November]. He reported to President Soeharto that a cooperation agreement has been signed between Indonesia and Singapore to accelerate the development of the industrial area of Pulau Batam. The agreement was signed last Friday [31 October] by Ambassador Sudjatmiko in the name of the Indonesian government and Minister of Trade and Industry Goh Chok Tong in the name of the Singapore government. With the signature of the agreement only technical accords remain to be resolved, such as questions regarding immigration, transfer of funds, and so forth.

Discussions on cooperation in this area were begun in June, 1978, when Singapore Prime Minister Lee Kuan Yew visited Pulau Batam. The conversations were later carried on at the government level, when President Soeharto visited Singapore in September, 1979, and when Prime Minister Lee visited Yogyakarta in July, 1980.

The ambassador estimates that the total number of Singapore workers who are now employed on Pulau Batam is between 350 and 500. This total changes every day, depending on the work available.

Asked about the effort to agree on an extradition treaty between Indonesia and Singapore, Sudjatmiko said that efforts continue to be made in that direction. In the field of cooperation within ASEAN agreement can be reached in the economic and other areas, so that in the judicial field also it is desirable to cooperate. Singapore up to now has declined to recognize the existence of the crime of smuggling as a matter for extradition.

The ambassador is of the opinion that smuggling between Indonesia and Singapore has begun to decline, since Singapore industry, which previously processed raw materials, now has turned toward "capital intensive" industry and high technology industry. On the other hand smuggling from Singapore to Indonesia has also declined because the cost of goods in Indonesia is not far different from the price in Singapore, according to Indonesian Ambassador to Singapore Sudjatmiko.

5170
CSO: 4213

IRIAN JAYA DISSIDENT SURRENDERS

Jakarta HARIAN UMUM AB in Indonesian 3 Nov 80 pp 1, 3

[Article: "Chief of Staff of OPM Bandit Group in Irian Jaya Surrenders to Indonesian Armed Forces"]

[Text] Jayapura, 2 November. Paulus Kuntuy Pesakor (37 years old), who described himself as the chief of staff of the bandit group "Free Papua Organization" [OPM], on Friday, 31 October 1980, surrendered, together with his wife and 7 followers, to the Indonesian Armed Forces [ABRI] post near the village of Wembi in the Jayapura area, after having wandered in the jungle for about 12 years.

The chief of the special branch information department in Irian Jaya, Lt Col Yulius Harun, Communications Corps, in a special statement to Antara on Saturday [1 November], declared that this step was taken by the person concerned on his own, after reflecting that there was no use in continuing to wander in the jungle and in view of his desire to return to living like other Indonesians.

He and his wife, Beatrix Boroktian (30 years old), had previously worked, respectively, as a teacher in the Catholic Mission in Wamena and as a teaching assistant in Kampung Amgoto, sub district of Ubrub, in the Jayapura area. Later, influenced by OPM agitation, he joined the bandits in 1968. In 1978 he was appointed by Martin Tabu and Yacob Pray as deputy chief of staff of the National Liberation Troops [Pasukan Pembebasan Nasional--PAPENAL], and in 1979 he was confirmed as chief of staff of that organization.

The bandit leader was subsequently flown to Jayapura by helicopter, together with his wife and followers. In view of their weak physical condition and the illnesses they were suffering from it was necessary to give them medical attention, according to the special branch information department.

The continuous decline in numbers of the leaders and followers of the OPM this year, according to an Irian Jaya community leader, is evidence of the success of the "Smiling Policy" which was undertaken by the commander of Military Region XVII/Irian Jaya, Brig Gen C.I. Santoso, as well as by the special branch in Irian Jaya.

5170
CSO: 4213

RELATIVELY HIGH GROWTH RATE ANTICIPATED IN COMING DECADE

Kuala Lumpur BUSINESS TIMES in English 18 Nov 80 p 6

[Text]

INDONESIA can expect a growth rate of 6.5 to seven, and possibly eight per cent per year, in the 1980's, according to Minister of State for Development Control and Environment, Dr Emil Salim.

At the recent seminar on *Trends in Indonesia* organised by the Institute of South-East Asian Studies, Dr Salim said that after the relatively high growth rate of 7.8 per cent during the years 1970-73, Indonesia was well placed for further growth.

But though Indonesia's resources base had widened because of the income from oil exports, there were political and institutional limitations to its growth.

However, the country lacked indigenous managerial skill and the ability to mobilise massive domestic savings.

Both managerial skills and savings can be "borrowed" from abroad, but with the increase of per capita income and rising expectations, "it is reasonable to expect that there is strong pressure to prefer indigenous skill above others," he added.

The major sector whose contribution has a decisive impact on the overall rate of growth was agriculture. The growth rate in this sector had actually declined to 3.4 per cent during the last five years from the four per cent growth achieved in the early seventies.

With an increasing population, which was expected to reach 160 million in the mid-80s, despite population control measures, it was important to emphasise the increase of food production. Not only was the population rising, but rice consumption also had increased from 106 kg per capita in 1970 to 126 kg in 1977.

Prospects for further increases in industry and other non-agricultural sector were potentially "very good".

The level of Indonesian industry was at the infant state and there was a strong inclination to keep the domestic market protected until the industry has been consolidated.

Such an inclination would hamper the rapid development of a common market among the Association of South-East Asian Nations (Asean) and Dr Salim said: "It is realistic to assume that the pace towards faster economic cooperation in Asean is closely related to the pace of the Indonesian domestic industries towards becoming strong enough to meet external competition."

Dr Salim expected huge investments to be made in the cement and fertiliser industries to boost food production, and oil products. The supporting economic infrastructure such as roads, harbours, airports and electricity will also call for huge investment resources.

But a "heated" economy would lead to a revival of inflation which reached a frightening 33 per cent in 1974 but brought down to seven per cent in 1978.

However, in 1978, inflation rate had jumped to 22 per cent, at least partly as a result of the devaluation of the rupiah.

An inflation rate of more than 10 per cent can be expected in the 80s, and a maximum of 20 per cent would be tolerable.

Monetary measures would still be necessary in controlling the inflation rate. The growth in exports should be matched by deflationary and compensating policy measures in the budget and credit expansion.

A balanced budget, tight credit and a firm control on the factors affecting the balance of payments, which were successfully tried out in the 70s, would still be valid in the next decade.

"This is not an easy task as the availability of foreign reserves leads to the temptation to embark the economy upon constructing large projects," Dr Salim said.

The rapid economic growth of the 70s had led to a widening of the gap between the traditional (indigenous Indonesian) and the modern sector represented by non-indigenous (Indonesian Chinese) and foreign sectors.

This phenomenon was noticeable not only in industry, but also in the agriculture, trade and the services sectors.

Various measures have been instituted by the Suharto government to assist the indigenous entrepreneurs including direct funding of special projects, reservation of certain contracts for the economically weak and various credit schemes. However, the inability of the bureaucracy to implement these measures was a major constraint in doing more for the poor.

Indonesia, Dr Salim said, would not allow timber-based industries to be set up in Batam, an island off Singapore which Indonesia is planning to develop in cooperation with Singapore.

The government was gradually shifting the emphasis from log production to processed timber production "recognising the fact that Indonesia possesses an increasingly scarce forest resource in Asia."

In the eighties, the emphasis will not be on quantity, but more total value of processed logs. "The days of simple logs exports will be over and a gradual shift toward increased value added in processed logging will be the case," he added.

Timber-based industries would be sited in future in places where the resources exist, such as Kalimantan and Sumatra.

Along with timber, emphasis on non-oil exports in the eighties will also apply to the plantation sector, such as rubber, which is Indonesia's second largest foreign exchange earner outside oil, palm oil, copra, tobacco, coffee and tea. — AFP

CSO: 4220

INDICATIONS OF MAJOR OFFSHORE TIN DEPOSITS

Kuala Lumpur BUSINESS TIMES in English 18 Nov 80 p 20

[Text]

BANGKOK, Nov. 17

THERE are some indications that major undersea tin deposits have been found in Indonesia, an expert in offshore prospecting said here today.

Following the conclusion of a two-week meeting of the committee for coordination of joint prospecting for mineral resources in Asian offshore areas (CCOP), the coordinator, Mr A. Johannes, said that a geological survey between May and August 1979 showed that strata over a wide area were consistent with nearby tin-producing areas.

The area surveyed occurs in the so-called tin belt, which stretches from southern Thailand into Malaysia and Indonesia, including offshore areas.

The tin belt already accounts for 60 per cent of the world's production.

Mr Johannes said that more than 7,800 line-kilometres were surveyed in an area between the Sinkep, Bintan and Karimu islands, but that final confirmation of tin deposits awaited the drilling of test bores.

The meeting of the CCOP also heard reports that significant discoveries of oil and natural gas continue to be made in the offshore areas of China, Indonesia, Malaysia, the Philippines and Thailand.

It said prospecting for offshore natural gas and oil in Indonesian waters between January 1979 and June 1980 yielded 42 successful wells out of 82 drilled. — AP

CSO: 4220

EFFORT TO IMPROVE DISCIPLINE OF CIVIL SERVANTS

Kuala Lumpur BUSINESS TIMES in English 25 Nov 80 p 6

[Article by Warief Djajanto in Jakarta]

[Text] THE government has ordered a crackdown on erring and corrupt officials and employees in its two-million-plus bureaucracy.

The "get-tough" stance was adopted following rampant public charges and complaints of bureaucratic red tape and inertia. These include: employees trimming work hours, senior officials playing golf on work days, slowness in getting work done and corruption.

Working with the State Employees Administrative Agency (BAKN), Minister of State for Administrative Reforms J.B. Sumarlin drew up rules and regulations on employee discipline. The regulations took effect on Aug. 30 when it was approved by President Suharto.

In essence, the regulations spell out in black and white the do's and don'ts for officials and employees. They also provide a three-level penalty mechanism for any violation.

There are 26 obligations and 18 prohibitions civil servants must observe.

The do's include reporting to superiors when in knowledge of matters that endanger or harm the state or government, especially in the areas of security, finance and property; observing regular work hours; providing as best a service as possible to the public; finalising as best as possible every report on breach of discipline.

On the other hand, the don'ts cover working in league with superiors, colleagues, subordinates or others within or outside the job area in activities for self-gain or for groups or other parties which either directly or indirectly harm the state; receiving gifts in whatever form from anyone for which it is known or suspected that such gifts affect the function or work of the civil servant in question; engaging in business activities either officially or "on the side," by becoming a director, manager or board supervisor *(komisaris)* of a private company; acting as middleman for a business concern or group seeking work or orders from a government agency.

Violators are liable to face one of three levels of disciplinary action. In level one, the lightest penalty is a verbal reprimand, followed by a written reprimand, and then a written statement of dissatisfaction.

Disciplinary action at the intermediate level is postponement of periodic pay raises, decrease in salary, postponement of promotion.

The heaviest penalty covers demotion, suspension from duty, and dishonourable discharge from the service.

Any disciplinary action in any of the three levels does not rule out the possibility of criminal action according to the regulations.

Civil servants, in most instances, cannot appeal their case once their superiors pass the disciplinary verdict against them. In cases involving senior government officials, it is the President who passes judgment. And his decision will be final.

In his first move to assert the weight of the new government legislations, Minister Sumarlin reminded civil servants of two presidential orders in 1964 and 1972 regulating government work hours.

In Jakarta, government employees must work between 8am and 3pm. On Fridays, the Muslim holy day, work ends at 11.30am. On Saturdays, work stops at 2pm.

In the provinces, government employees start earlier at 7 am and leave at 2pm.

At the same time, Minister Sumarlin has called on senior officials to set an example to their staff on government work hours.

Sports during work hours are not allowed, he added, referring to government golfers playing the courses on work days. Underscoring this point, senior officials playing golf with staff members when work should be done are "wrong," he said.

But perhaps, the most effective way of ensuring work-hour discipline is for the boss to set an example. The Governor of Jakarta, for instance, promptly arrives for work at 7am. Any staffer who is not behind his or her desk at 8am when the Governor frequently phones his aides would need a convincing story to explain why his call was not answered. — Depthnews Asia

CSO: 4220

BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesian personalities has been extracted from Indonesian language sources published in Jakarta.]

AIR VICE MARSHAL SRI MULJONO--After treatment at Gatot Subroto Hospital in Jakarta for an illness which he was suffering from, Air Vice Marshal Dr Sri Muljono, private assistant to the chief of staff of the Air Force for social and functional affairs, died on Wednesday [12 November] at 5:00 AM. That same afternoon at 2:00 PM the deceased was buried in Kalibata cemetery, in the presence of Air Marshal A Alamsjah, deputy chief of staff of the Air Force, The late Air Vice Marshal Sri Muljono was born in Klaten in 1930. He began his career in the Air Force in 1959, after completing his studies at the Faculty of Civil Engineering [Fakultas Tehnik Sipil] of the University of Gadjah Mada. Among other assignments he held was that of military secretary to the president, planning director of the Halim Perdanakusuma airport project, chief of the technical implementation bureau for the Cengkareng airport project, and his final post as private assistant to the chief of staff of the Air Force for social and functional affairs. Service medals which he held included the Guerrilla Star [Bintang Gerilja]; Order of Merit of the Independence War [Satya Lancana Perang Kemerdekaan], first and second class; Order of Merit of Operation Merdeka [Satya Lancana GOM], sixth class; Veteran of the Indonesian Independence War [Veteran PKRI], group B; Good Conduct Medal [Satya Lancana Penegak]; Air Force 10 Year Service Medal; Order of Dwija Sistha [Satya Lancana Dwija Sistha]; and Order of Functional Service [Wira Karya]. [Text] [Jakarta HARIAN UMUM AB in Indonesian 14 Nov 80 p 2] 5170

POLICE BRIG GEN R SOETRASNO--The governor of the police section of the Indonesian Armed Forces Academy, Police Brig Gen R. Soetrasno, died on Friday [7 November] at 12:30 AM at Dr Karyadi Hospital in Semarang after falling ill and being treated for four days. The deceased leaves a wife, 3 sons, and 3 daughters. He began his service at the Indonesian Armed Forces Academy in 1974, serving as deputy governor of the police section until 1979. On 2 April 1979 he was appointed governor of the police section. The deceased was born in Banjarnegara (Central Java) on 1 August 1926. He was married to R Idrijati in Madiun in July, 1956. Police training courses he attended included: Police Inspector Course at Mertoyudan, 1948; Company Commander Course at Porong, 1954; Scout Ranger Class in the Philippines, 1955; further training in the United States, 1957; Staff and Command School, 1967, and the National Defense Institute, 1972/1973. The deceased began his career as a police officer in 1945 as commander of the Police Office of the Regency of Kebumen. Later, from 1950 to 1952

he was chief of police in Madiun, from 1960 to 1963 he was commander of Mobile Brigade Region IV (East Java), and from 1964 to 1971 he was an officer on the staff of the Assistant for Operations at Police Headquarters. The deceased held 10 service medals, including the Order of Merit of the Independence War, first and second class; the Order of Satya Dharma, the Bhayangkara Nararya Star, and the Order of Dwija Sistha. [Text] [Jakarta KOMPAS in Indonesian 8 Nov 80 p 12] 5170

BRIG GEN EDDY SABARA--The inspector general of the Ministry of Internal Affairs, Brig Gen H Eddy Sabara, has been appointed Acting Governor of the province of Central Sulawesi, replacing Col Eddy Djadjang Djajaatmadja, who held the position for 13 months. This matter was made public in Presidential Decision No 150/M/80, dated 6 November, but the appointment will take effect at the time of the transfer of office on 25 November at the Ministry of Internal Affairs. This was stated by the spokesman of the Ministry of Internal Affairs, Dr Feisal Tamin, on Tuesday [11 November] to the press. With this appointment Eddy Sabara will hold both the position of inspector general of the Ministry of Internal Affairs and acting governor of Central Sulawesi. Feisal Tamin did not answer clearly whether the replacement of the acting governor was a consequence of the long drawn-out process of the election of a governor of Central Sulawesi. In this connection one of the major tasks of the acting governor of Central Sulawesi is to carry out the election of a permanent governor. The current acting governor of Central Sulawesi was installed in office by Minister of Internal Affairs Amir Machmud on 22 October 1979, based on Presidential Decision No 177/M/79, dated 17 October 1979. [Text] [Jakarta KOMPAS in Indonesian 12 Nov 80 p 12] 5170

IZAAC HINDOM--Based on Presidential Decision No 146/M/80, dated 27 October, a member of the Second Committee of Parliament, Izaac Hindom of the Functional Development group, was appointed deputy governor of Irian Jaya, replacing Ellias Paprindey. According to present plans the transfer of office ceremony will be held in Jayapura on 22 November. Ellias Paprindey was appointed deputy governor of Irian Jaya on 11 March 1977 by Minister of Internal Affairs Amir Machmud. Prior to that he was chairman of the Provincial Council of Irian Jaya. Izaac Hindom, who will replace him, was born in Adora (Regency of Fak-Fak) on 23 December 1934. He has been a member of Parliament, representing the electoral region of Irian Jaya for the Functional Development group since 1971. He is a member of the Second Committee, which is concerned with the Ministry of Internal Affairs, oversight of the state appartus, the office of the state secretary, the State Administrative Institute, the Body for Administration of State Employees, and the National Archives. [Text] [Jakarta KOMPAS in Indonesian 12 Nov 80 p 12] 5170

FIVE NEW AMBASSADORS--President Soeharto has urged all countries in the world to halt all wars, including limited wars as well as a new world war. President Soeharto made this statement when he installed in office 5 new Indonesian ambassadors, respectively, M S Mintaredja, ambassador to Turkey, replacing Nurmanli Aman; Barli Halim, ambassador to France, replacing Mohammed Noer; Janwar Marah Djani, ambassador to Poland, replacing Tamtomo; Husni Thamrin Pane, ambassador to Mexico, replacing Ben Mang Reng Say; and Teuku Mohammad Mochtar Mohammad Thajeb, ambassador to Tunisia, replacing Ilen Surianegara. The installation of the 5 ambassadors in office was

carried out at the State Palace, witnessed by Vice President Adam Malik and ministers from the Cabinet. The chief of state stated that it was the moral duty of all countries of the world to halt, not to spread, and even to prevent the possibility of war erupting, including both limited war and even more a new world war. "To that end all countries, both large and small, must limit themselves," said President Soeharto. Recent experience, said the president, shows that following the course of war and confrontation clearly cannot resolve conflicts. [Text] [Jakarta MERDEKA in Indonesian 10 Nov 80 p 1] 5170

DR H SUTAMI--The former minister of public works and electricity, Prof Dr H Sutami, on Thursday [13 November] at 11:15 PM died at Cipto Mangunkusumo Hospital in Jakarta, following a long illness. President and Mrs Soeharto on Friday [14 November] visited the home of the deceased at Jalan Imam Bonjol 24, preceded by the coordinating minister for politics and security, M Panggabean, who will act as presiding officer when the remains are moved to Tanah Kusir cemetery. The expression of condolences by President and Mrs Soeharto was received by the Sutami family with tears. Vice President and Mrs Adam Malik came to pay their respects, followed by a number of members of Parliament. Dr Sutami was born on 19 October 1928 in Surakarta. He graduated as an engineer from the Technical High School in Bandung in 1956. Later, he was an instructor at the Faculty of Technology [Fakultas Tehnik] at the University of Indonesia in Bandung. On 25 May 1965, he was appointed minister of state for construction review affairs in the Dwikora Cabinet. Subsequently, he held the post of minister of public works in the reshuffled Dwikora Cabinet, in the Ampera Cabinet, and in the Development Cabinet, up to 1978. He obtained an honorary doctorate from Gadjah Mada University for his work in the field of construction technique on 3 May 1976. Later, on 20 May 1976, he was appointed full professor at the University of Indonesia. Throughout his life Sutami was in the forefront in the use of reinforced concrete, in the theory of ultimate strength design, in technical calculation by use of computers, and in modern management technique in public works in Indonesia. The deceased also wrote 17 scientific studies in the field of construction technique. The service medals which he held included the Mahaputera Adipradana, the Order of Development [Satya Lencana Pembangunan], the Piagam Anugerah Award of the Ministry of Education and Culture for his work as a practitioner and supporter in the field of science and technology, the Star of the Ancient Order of Sikatune, the Maginoo Medal from the government of the Philippines, and the Grand Cross of Leopold II from the Government of Belgium. Sutami leaves a wife and 5 children. [Excerpts] [Jakarta SINAR HARAPAN in Indonesian 14 Nov 80 pp 1, 12] 5170

5170
CSO: 4213

CORRESPONDENT VIEWS PRK DEVELOPMENT

Hanoi VIETNAM COURIER in English Sep 80 pp 26-30

[Article by Thanh Tin]

[Text]

AFTER completing a tour of Kampuchea during which I met with many people, I am now convinced that the country is no longer what it was last year.

Services and trade

Each day begins early for the 100,000 inhabitants of Phnom Penh and hundreds of thousands of other people on the outskirts.

Children go to school on foot or by bicycle. Schools have been opened in all parts of the city. Workers head for the power station, the textile mill, the printers', the waterworks, the rice mill, the mechanical engineering factory, the soft drink plant, or the tobacco factory. The main streets are lined with State or private stores, restaurants, barbers', hairdressers' and tailors' and shops repairing bicycles, motorbikes, watches and electrical appliances.

Cinemas ran three or four shows for children on June 1, the International Children's Day. Shoppers go to the old market north of the Royal Palace, or to new ones near the former Chinese Embassy and at Monivong Bridge, where are sold dry goods, vegetables, fish, palm sugar, salt, bread and sweets. There is a great number of shops specializing in the famous "Phnom Penh noodles", but they are outnumbered by roadside refreshment counters set up under tamarind or flame trees, which sell iced fruit juices.

The new *riel* issued in April has become a familiar feature. A kilogram of rice is sold at one *riel*; a kilogram of fish costs 2.5 *riels*. A *riel* also buys five bundles of green vegetables or two glasses of sweetened seaweed jelly.

The new currency has been readily accepted at western border areas, at markets in Battambang, in shops along Highway 5, in the countryside.

Customers can find a wide range of goods in Phnom Penh or in provincial townships — cloth, ready-made clothes, toys, China, detergent, towels, mirrors, leather goods, vacuum flasks, stationery, and so on.

At the Phnom Penh University of Medicine and Pharmacology

People are eager to study, and classes are held at all government offices. More and more functionaries of the old regime have enrolled for the Political School run by the National United Front, and there is enthusiastic participation in discussions on current events, on State policies, or on the role of intellectuals in the new society. There are courses on foreign service, trade, financing and statistics. On June 12, a course on foreign trade was opened. The Education Ministry is busy compiling textbooks for the schools.

At the Public Health Ministry we were told about the good results of the first year of the University of Medicine and Pharmacology. The 726 students, who still had five more years to go, had begun their studies before April 1975. Now they were revising what they had already learnt while continuing with the syllabus. They are expected to be fully qualified in both theory and practice by any world standard

Late in June eight doctors graduated after the required examinations. Professor Mi Samadi, the director, headed the jury which included professors of cardiology, pediatrics, external diseases, radiology, ear-nose-throat diseases, epidemiology and pharmacology. We congratulated Ich Sunnara on the excellent marks he had obtained for his entry exams to the sixth year. We first met Sunnara when he was returning with his father, Ich Kim Seng, M.D., from Takeo where, for three years, they had slaved, tending cattle. They were but two living skeletons then, and the black pyjamas they wore were in rags. Dr. Ich Kim Seng, now nursed back to health, was working at the Health Ministry. Sunnara had put on ten kilograms to his wasting body and was working hard for his graduation next year, reading specialized journals from foreign countries.

At the university library housed in the biggest hall on the second floor, we were received by Mrs Kim Phuon and Miss Sara. Mrs Kim Phuon worked there from 1963 to 1975 before she was deported to the mountains in Kompong Thom province. Her husband, a teacher, was beaten to death at the camp. Miss Sara, a former law student, was helping Mrs Kim Phuon acquire books for the library which, in five months, had over 3,200 titles in addition to more than 200 specialized books and journals received from Hanoi, Moscow, Berlin, Paris, London and Bern.

The library was well frequented by the students who mostly were boarders, living on a monthly State allowance of 45 *riels*, a sum sufficient for their meals, clothes and other necessities.

A research project completed

I was received by Vandy Kaonn at his office at the Social Science Committee under the Front's Central Commission of Propaganda and Training. Frangipanis filled the air with their fragrance in the first-floor room in which we talked for a whole morning.

"It's wonderful," our host exclaimed. "The way things have taken place is so unexpected. It surpasses one's imagination. Only a year and a half have gone by, and our country has changed so much."

During our first meeting last year Vandy Kaonn had won our hearts with his warm personality and openness. He had obtained a degree in Social Sciences from the Sorbonne and is a leading intellectual in his country.

"It's true that my hands are full," he admitted with pride. "I give lectures, talk to intellectuals, help the Constitution Drafting Committee, and recruit for the Social Sciences Committee. Recently I stopped over in Vietnam and the Soviet Union on my way to an international conference in Budapest. The trip was very instructive, but it was too short because I was in a hurry to get back to my work here."

"What's your main job for the moment?" I asked.

"We have three projects on hand," Vandy Kaonn replied. "I'm seconded by four other intellectuals, in addition to more than 30 others on our staff. The number is too small, and I intend to have some 200 experts on philosophy, history, literature, political economics and statistics."

"The first and most important project," he continued, "concerns genocide, its nature, its political, ideological and philosophical basis, its effects and origin, its international supporters. Its political and legal aspects were already dealt with during the Phnom Penh Trial last year. Now we must take upon ourselves the task of explaining this historic phenomenon to the civilized world. This is a scientific project, an in-depth study with serious and objective analysis. For this we work 12, even 14 hours a day. I read a lot, take notes, talk with people, discuss and especially do a lot of thinking. My four young assistants are a great help, and we strictly observe our schedule. We expect to complete our work in another two months and the result will be some two hundred typewritten pages."

Then Vandy Kaonn talked about the characteristics of genocide, about the nature and destructiveness of Maoism, about Khieu Samphan's sickly philosophy of man, about Pol Pot's megalomania, and about Ieng Sary's craftiness.

Expanding greenness

A welcome sight in Kampuchea that summer was the expanding greenness of the paddy fields. Officials at the Ministry of Agriculture said the sown area would have reached almost one million hectares by the end of July and would further increase, since planting would continue into late August.

Fields around Tonle Sap Lake had been sown with rice seedlings of the floating variety supplied by the Vietnamese provinces of An Giang and Cuu Long, and special attention was being paid by the Government and the Ministry of Agriculture to Prey Veng and Battambang, the fertile eastern and western regions. We had a very instructive conversation with Koong Yat, an agricultural technician and head of the agricultural office of Sang Ke, the largest district in Battambang. He received us in his office next door to the district's seed depot where 290 tons of seed were stored with good ventilation. From where we were we could see long lines of ox-drawn carts coming from other areas to collect the seed. Koong Yat said the main rice crop the previous year had been a complete failure because of drought, the most serious in 20 years, which lasted a whole month. The loss covered as much as 4,000 hectares. This year, he said, the district was striving for 43,700 hectares, and what was encouraging was that by the end of June peasants had already tilled almost 30,000 hectares including 3,000 hectares for floating rice. Rain had come a little late, but then it had poured for weeks. So there was enough water for transplanting, and the crop was expected to be a good one. The district, however, still needed 50,000 kilograms of seed, which would be supplied in good time by the province.

Koong Yat showed us the seed supplied by Vietnam, the FAO and UNICEF. The Vietnamese variety IR26, we were told, suited Battambang. The Thai-grown varieties ED1 and ED9 were supplied by the FAO and UNICEF.

Another improvement in the general situation was that law and order had been strengthened. Disbanded Pol Pot troops were being tracked down relentlessly by the army and militia, and so the peasants, even those in the mountains, could work their fields in safety.

Koong Yat also told us that industrial crops would become another of Battambang's assets. Thousands of hectares, he said, used to be grown with cotton, coffee, orange trees and beans, and there used to be vast mulberry fields on either side of the Sang Ke River devoted to silkworm-breeding. Mat-making used to be another source of income, Koong Yat added.

Tonle Sap Lake—inexhaustible fishing grounds

Having planned our visit to Tonle Sap Lake to coincide with the fishing season, we made a detour to Boribo, a district in the province of Kompong Chhnang. Boribo means "plentiful" in the Khmer language. The area, indeed, is a rich and beautiful one. Kampuchea is a country of sugar palms, and Kompong Chhnang leads all other provinces in this kind of crop. Sugar palm juice is sold on stalls strung along Highway 5. Fresh, it has a sweet flavour. Fermented for a few days it becomes slightly intoxicating. Foreigners used to call it "Pochentong beer" instead of the local name "toithenet". A kind of brown sugar is derived from the juice and is sold in cakes wrapped in palm leaves. A reporter of the paper "Revolutionary Army" told us that there were as many as three millions sugar palm trees in the whole country. In Kompong Chhnang a tree can give up to 20 kilograms of sugar a year. The previous year, we were told, had been very good for sugar. Palm sugar and fish from Tonle Sap Lake have done a great deal in nursing back to health a nation exhausted by Pol Pot's genocide.

Snok Tru, or "Fish Village", pop. 1,300, consists of hundreds of floating houses. It is one of the largest fishing community on Tonle Sap Lake. Some houses are quite big, with plank floors and corrugated iron roofs, separate compartments for living quarters, fish storage, and tool sheds. It is impossible to get an idea of the vast resources of this lake without seeing it for oneself. We were told that a good fisherman could catch from 150 to 200 kilograms of fresh fish a day, and that some fish could weigh up to 15 or 20 kilograms. One, caught in 1979, weighed almost 200 kilograms.

The fish is left to dry on the shore for four or five days. It is then packed into bags, loaded onto ox-drawn carts and transported to Pon Lay, where it will be sent on trucks to Phnom Penh. There are fish markets all along Highway 5, from Kompong

Chhnang to Pursat. Fresh fish and shrimps are kept in big oil drums. Some shrimp species, like the white and pink ones, can be very big. Only five or seven such shrimps can add up to a kilogram.

We learned that fishing on Tonle Sap Lake was being restored. More boats, nets, electric generators, and outboard motors had been supplied, and boat-building was being developed. Fish, shrimps and crabs were being exchanged for rice, textile goods, salt, tobacco, bread, ice, soft drinks, and medicines from the State or private traders.

Public security had been guaranteed. The year before, Pol Pot troops would roam the lake at night and rob the population of whatever they could. Then they had been put to flight, cornered and wiped out. Snok Tru was now guarded by a militia force of more than 30 well-trained members armed by the regular army.

In a western border area

We arrived at the western border in the midst of great tension caused by Thailand.

Bangkok was saying that it was neutral, that it had nothing to do with the Pol Pot clique, and that it respected Kampuchea's sovereignty. But what it was doing belied its claims.

Pol Pot troops captured by the revolutionary army in Battambang and Siem Reap all said that their sanctuaries were on the other side of the border. They said there were a dozen Pol Pot camps in Thailand, that they had received assistance from the Thai administration at both provincial and district levels. They said Thailand was their "close friend", that food, medicines and weapons were being sent them by China via Thailand. Hospitals, training camps and munition depots had been built along the Thai-Kampuchean border for use by the Pol Pot army.

In Phnom Penh in early June, we attended the trial of 16 leading Sreika men arrested by the security forces with the help of the population. They had formed a "cabinet" complete with a "prime-minister", a "deputy prime-minister", many "ministers", and a flag — a triple-dome temple in gold on a white and green background. The "prime-minister", Hem Krisna, was a sergeant in the Lon Nol military police and later worked as an army reporter. He told the court that he had had direct or indirect contacts with the Bangkok authorities through his liaison officers — Phiep, Muon and Pa; that his group had been recognized as the internal section of the Sreika by the external section headed by Son Sann and Dien Del and based in Thailand; and that Bangkok had promised immediate "recognition" as soon as they were officially set up.

The "deputy prime-minister" Ma U Bon Phon, a bullnecked man with shifty eyes, had been a professional footballer before becoming a police sergeant. He said that among the ASEAN nations, Thailand was the "friendliest". He said China, the United States and Japan had promised them uniforms, weapons and money, but Thailand had allowed them to use its territory as basecamp, springboard and contact point, and had helped them recruit troops among Kampuchean refugees.

We had a meeting with Koi Bien, commander of the revolutionary forces in Battambang. He showed us a map on which were marked a series of Thai-based Khmer Rouge camps. "Whatever they may say," Koi Bien told us, "the Bangkok authorities are encouraging crimes. They are partly responsible for the murders and robberies committed by Pol Pot men on either side of the Kampuchean-Thai border." He said that Pol Pot troops were in better shape now because they had been fed, trained and equipped in Thailand, but morally they were on the decline. Those forced to return to Kampuchea for sabotage would avoid contacts with the revolutionary forces. The only thing they did was to ambush traders, even Thai citizens, and rob them of their goods, money and gold. Koi Bien also said that a great many bandits had been captured by the revolutionary forces.

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Road communication has vastly improved. Most of the bridges have been repaired to accommodate trucks and lorries. It takes only two hours and forty

minutes to go by car from Phnom Penh to the port of Kompong Som on the 235-km long Highway 4, on which between several dozen and one hundred vehicles run a day, singly or in convoys. On Highways 5 and 6 there is a constant flow of ox-drawn carts, bicycles, motorbikes, trucks and small cars. On either side one can see peasants busily planting and ploughing, young volunteers rebuilding irrigation canals, and militia training in the shade of luxuriant orchards.

Traffic on the Tonle Sap River has trebled. A train is run to Battambang every other day, instead of the weekly trip previously run. Soon the train service will become daily.

Kampuchea is reviving despite a genocide of a kind which no other country has ever experienced.

CSO: 4220

BRIEFS

WAPI LITERACY WORK--The committee in charge of literacy training in the district of Wapi, Saravan Province, conducted a ceremony for the purpose of officially declaring that illiteracy has been eliminated from among the district's 6,121 polyethnic inhabitants, including 4,449 women. [Text] [Vientiane BULLETIN QUOTIDIEN in French 27 Oct 80 p 4] 11,464

HOUA PHAN TEXTILE WORK--(KPL)--Workers at the 12 October weaving plant, under the Houa Phan Province Department of Industry and Commerce, have concentrated their efforts on production since 1975. Over the past 5 years, they have turned out 556,800 meters of fabric for skirts, 279,840 meters of material for mosquito netting and made over 2,300 blankets and 364,100 bath towels. [Text] [Vientiane BULLETIN QUOTIDIEN in French 29 Oct 80 p 4] 11,464

SAYABOURY DISTRICT LITERACY WORK--(KPL)--On 30 October, the committee for the eradication of illiteracy in the district of Xieng Hon, Sayaboury Province, officially announced that illiteracy had been eliminated from among its 11,740 inhabitants, including 2,762 women and 934 Lao Soung, in 12 communes and 112 villages. To date, illiteracy has been stamped out in six districts of the province. [Text] [Vientiane BULLETIN QUOTIDIEN in French 31 Oct 80 p 4] 11,464

LUANG PRABANG RICE SALES--In the course of this quarter, members of agricultural cooperatives in the district of Nan, Luang Prabang Province, have sold the government stores over 21 tons of their surplus paddy rice. [Excerpt] [Vientiane BULLETIN QUOTIDIEN in French 6 Nov 80 p 4] 11,464

LUANG PRABANG ROAD REPAIR--To commemorate the national holiday of 2 December, cadres and blue- and white-collar workers in the Department of Communications, Public Works and Transport in Luang Prabang Province devoted their efforts to repairing the road from Luang Prabang to Pak Mong (district of Oudomsai). They completed over 60 kilometers of repairs and built a ferry on the Nam [stream] Suang. [Text] [Vientiane BULLETIN QUOTIDIEN in French 6 Nov 80 p 4] 11,464

CHAMPASSAK RICE EXCHANGE FOR GOODS--Since the beginning of September, inhabitants of the Khong commune in the district by the same name, located in Champassak Province, have traded 36 tons of paddy rice for manufactured products from government stores. In the lead are the residents of the village of Done San, with 20 tons of paddy. [Text] [Vientiane BULLETIN QUOTIDIEN in French 10 Nov 80 p 3] 11,464

PHON HONG HARVEST--Farmers in the district of Phon Hong, Vientiane Province, began their seasonal harvest in October and to date, have completed work on 50 percent of their more than 4,500 hectares of rice paddies. Some areas are already beginning the new cycle of irrigated rice growing. [Text] [Vientiane BULLETIN QUOTIDIEN in French 11 Nov 80 p 3] 11,464

ROUTE 13 ROAD REPAIR--(KPL)--The Road 1 Construction Company, under the Ministry of Communications, Public Works and Transport, has already completed repairs on a portion of National Road 13, a 40-kilometer stretch linking Pak Kading and Nam Thone, before its deadline of 29 days was up. This success is due to the spirit of emulation in honor of the fifth anniversary of 2 December. Company workers are actively continuing their work in order to complete the second phase of repair work on the road successfully. [Excerpt] [Vientiane BULLETIN QUOTIDIEN in French 11 Nov 80 p 4] 11,464

PHONG SALY TRADE--The personnel of the state store in the Khoua District, Phong Saly Province, sold to the multiethnic population between June and August 1980 more than 22 tons of salt, over 2 tons of sugar, 600 cans of foodstuffs, 3,300 cans of condensed milk, 613 outfits of clothes, 488 blankets, 297 meters of fabrics for skirts, 135 pairs of slippers, 340 kg of spools of cotton thread, 2,222 basins and cooking pots, 1,454 bars of soap, 726 kg of detergent, and 2,275 liters of kerosene. During the same period the state store bought from the multiethnic inhabitants 2.7 tons of forestry products. [Article by KPL] [Text] [Vientiane BULLETIN QUOTIDIEN in French 10 Oct 80 p 3] 2662

NORTHERN REGION ROAD WORK--Since the end of August 1980 the functionaries and workers of the provincial unit of the Luang Prabang public works department have managed to repair National Highway 13 along that section which falls under their jurisdiction, that is, 160 km of roadway and 19 bridges. During the same period the inhabitants of the 3 communes of Houa Muong District (Houa Phanh), those from the 10 communes of Khoua District (Phong Saly), and the members of the cooperative of Na Hoi Village, Pek District (Xieng Khouang), also set out to recondition dozens of kilometers of roads linking the villages to the communes and the district. [Article by KPL] [Text] [Vientiane BULLETIN QUOTIDIEN in French 11 Oct 80 p 4] 2662

SARAVANE TRADE--The personnel of the state stores of Saravane Province sold to the multiethnic population during the third quarter of 1980 more than 4 tons of sugar, 4,300 cans of condensed milk, 8,200 meters of fabrics, more than 2,000 skirts, 500 blankets, 1,080 outfits of clothes, 890 mosquito nets, 12,180 bars of soap, 2,050 tubes of toothpaste, more than 2,700 boxes of matches, 1,950 pots, 2,400 bowls, 280 plowshares, 200 spades, and a large amount of school supplies and kitchen utensils. At the same time, said personnel bought from the multiethnic inhabitants more than 33 tons of agricultural and forestry products, namely, paddy, peanuts, and wildlife bones and skins. [Article by KPL] [Text] [Vientiane BULLETIN QUOTIDIEN in French 14 Oct 80 pp 2,3] 2662

ATTOPEU ROAD WORK--This year the blue- and white-collar personnel of the provincial unit of Attopeu's public works department have managed to repair National Highway 13 and National Highway 18 among other major roads along a total length of 386 km, have built 9 large and small bridges, and repaired a garage and 4 small craft. Said personnel say they are always fired to work hard in commemoration of the second of December anniversary. [Article by KPL] [Text] [Vientiane BULLETIN QUOTIDIEN in French 16 Oct 80 p 4] 2662

CSO: 4200

THOROUGH SCREENING FOR ALL MUSLIM MISSIONARIES

Kuala Lumpur NEW STRAITS TIMES in English 24 Nov 80 p 8

[Text]

KUALA LUMPUR, Sun. — Those wishing to give lectures on Islam will now be subject to "thorough screening" by the religious authorities before they are allowed to do so.

Deputy Information Minister Datuk Haji Embong Yahya said today the new move, being adopted by all State Religious Affairs Departments, was to ensure that only "bona fide" candidates were allowed to preach the religion.

In the past, there was some form of screening, but the exercise was not thorough, he added when opening a day-long civics course

for leaders and members of the Sungei Besi Umno division here.

Candidates will be quizzed on Islam and their religious orientation. Their background, like their education and connections with political parties and other affiliations, would be looked into before approval is granted.

Datuk Haji Embong assured that the move was not intended to curb genuine missionary activity but aimed at weeding out those wanting to capitalise on religion for selfish ends.

The Deputy Minister stressed that the Government was eager to see missionary activity flourish among the Muslims but would not tolerate any deviant teaching or opportunists operating under the cloak of religion to whip up anti-Government sentiments.

Target

The Government, he added, had long recognised the dangers that might be brought about by deviant teachings but had not taken measures to restrict them for fear of being branded "anti-Islam."

However, the Batu Pahat incident showed that such measures were now necessary.

Datuk Haji Embong said investigations showed that Muslim youths had been used as a target group by the religious opportunists to spread anti-Government propaganda.

The Government, while encouraging missionary activities in the country, would not tolerate religious forums being used to propogate anti-Government feelings.

Datuk Haji Embong, who is also Umno Chief Publicity Officer, urged party leaders and members to be always on guard against religious opportunists operating in their areas.

He said they should realise that opposition parties were going all out to spark off misunderstanding and disunity through religion.

CSO: 4220

DEVIANT MUSLIM GROUPS BEING INVESTIGATED

Kuala Lumpur NEW STRAITS TIMES in English 26 Nov 80 pp 1, 32

[Text] **KUALA LUMPUR, Tues. — The Government has received intelligence reports that a deviant religious group is planning to assassinate Cabinet Ministers and political leaders.**

Minister without Portfolio in the Prime Minister's Department Datuk Haji Mohamad Nasir, who said this here today, said action would be taken against these people.

"From the documents and records that we have, there is evidence that the group will resort to such actions," he said.

He, however, did not say who or which deviant group was involved.

"The Government will take stern action on this matter as it can jeopardise the nation's security," he said.

"The people responsible could be charged under the Internal Security Act because the lives of the rakyat will be at stake."

Strategy

He was speaking on deviant Islamic teachings at the University of Malaya.

He also touched on the background and ambitions of Ismail Nasir, the self-proclaimed "Messiah" and "Imam Mahadi" and leader of the group which attacked the Batu Pahat police station last month.

Datuk Mohamad said latest police investigations revealed that the group had planned a strategy to seize power in Johore after which they would attack Kuala Lumpur.

"After they had conquered Malaysia, the group planned to attack Thailand, Kampuchea and the Soviet Union — all these to have been completed in 73 days," he added.

He described the group as "lunatics".

On false Islamic teachings, Datuk Mohamad said so far the Government had been able to trace more than 30 such religious groups out to influence other Muslims.

Every State Islamic Affairs Department was investigating and collecting information on the activities of deviant groups, he said.

The feedback obtained by the Government on these false teachings would be discussed at the next meeting of the National Islamic Council to be chaired by Datuk Hussein Onn.

"It is time for the Government to take appropriate action on such teachings," he said.

"We have to resort to legal means if efforts to stop the deviant groups from carrying out their activities proved futile."

Datuk Mohamad also spoke on the activities of subversive elements out to create disunity among Muslims here and to mar the good name of the country.

"A magazine published in Egypt recently reported that the Government had persecuted and executed Muslim missionaries in Johore, which is something that is not true and baseless," he said.

Book

He added that he had directed the Malaysian embassy in Egypt to investigate the false report and wrongful accusation and to give the right picture of . . what the Government had done for Islam here.

The Government had also seized a book published here which accused and branded Muslim political leaders here as "murtads" (those who had swayed from Islam). The book also accused them of encouraging vices and not implementing the syariah laws in the country.

To counter all the false teachings and other deviationist activities, which could endanger Muslim unity and Islam, Datuk Mohamad said the Government planned to set up a research unit under the Prime Minister's Department to carry out studies on Islam for the benefit of young Muslims.

The unit would be ready by 1983 with backing from the Kuwaiti Government. Muslim scholars are expected to help in the research.

CSO: 4220

MANUFACTURERS' TRADE MISSION TO CHINA TERMED SUCCESS

Kuala Lumpur BUSINESS TIMES in English 18 Nov 80 p 20

[Text]

THE first Malaysian manufacturers' trade mission to China which returned yesterday, netted on the spot sales of about $8 million and identified the prospect of selling another $10.5 million worth of goods in the next year.

Two manufacturers sold refined palm oil worth $8 million while another two manufacturers hoped to conclude a deal amounting to $10 million next year. Yet another manufacturer of raw rubber processing machinery and equipment anticipated a potential sale of about $500,000.

The mission, organised jointly by the Ministry of Trade and Industry and the Federation of Malaysian Manufacturers (FMM) was led by Tan Sri Nazrudin bin Mohamed, secretary-general of the Ministry of Trade and Industry, with Tunku Tan Sri Mohamed, president of the FMM as the deputy leader.

The mission, comprising four senior government officials and 16 manufacturers, including FMM executives, was the first overseas sales mission undertaken by the FMM.

According to the FMM, keen interest was shown by Chinese trading corporations in refined, bleached and deodorised palm oil and related products, raw rubber processing machinery and equipment, cigarette tipping materials, heavy duty tyres, plywood and blockboard and asphalt plant.

The two-week mission visited Peking, Shanghai and Canton. While in Canton, the mission visited the Canton Autumn Trade Fair.

The mission also took the opportunity to explore the possibility of obtaining coal from China for use as fuel by Malaysian manufacturers, especially those in energy intensive industries.

With this objective, the mission made contact with the China National Metals and Minerals Import and Export Corporation. Follow-up action will be taken by the relevant Malaysian manufacturers with the corporation.

Mr Wang Runsheng, Vice-Minister of Foreign Trade, and Mr Wang Yaoting, chairman of the China Council for the Promotion of International Trade (CCPIT), at separate meetings with the mission, stressed the importance of sending more trade missions to China to promote the export of made-in-Malaysia products.

En route to China, the mission stopped over in Hong Kong and held useful discussions with the China Resources Company, which is the general agency in Hong Kong for various import and export corporations in China.

CSO: 4220

BELGIUM SELECTS MALAYSIA AS TRADE, INVESTMENT TARGET

Kuala Lumpur NEW STRAITS TIMES in English 25 Nov 80 p 19

[Text]

KUALA LUMPUR, Mon. — Belgium has chosen Malaysia as the "priority" country for investment and trade in the Asean region for the next three years, a member of a visiting Belgian economic mission said here today.

The deputy counsellor of the Belgian Foreign Trade Office, Mr Georges Van Dyck, said Belgium had decided to concentrate on Malaysia instead of the other Asean countries because of her sound and rapidly growing economy.

Belgian investment in Malaysia was still quite small, he added, amounting to only $2 million at present.

He said Belgium would also like to export more to Malaysia to improve the current trade balance between the two countries, which was in Malaysia's favour.

The leader of the 27-member mission, Mr Edward Wauters, said he was convinced there were ample opportunities for trade and investment in Malaysia.

Members of the mission, organised by a leading Belgian bank, Kredietbank N.V., would be interested in investing in agro-based industries, wood industries, feedmills, steel wire factories and other industries.

Mr Wauters, who is also the managing director of Kredietbank, added that mission members would be holding discussions with local industrialists and businessmen on the possibility of setting up joint-ventures on these industries.

He said the mission, which included representatives of 20 leading Belgian companies from a cross-section of industries, was also keen to sell products to Malaysia as well as to buy some local produce, such as cocoa.

"In many ways we are complementary — Malaysia has the natural resources while we have the technology and modern management," he said.

He said Malaysia should send promotional materials such as films and samples of products to Belgium to promote business opportunities.

"Malaysia is not really well known in Belgium and Europe and these promotional materials will help," he added.

The mission, which arrived yesterday for a week-long visit, was given a briefing today at Mida.

Mission members would also be meeting officials of the Malaysian Industrial Development Finance as well as local bankers.

CSO: 4220

TALKS WITH SEOUL ON PETROCHEMICAL PLANT

Kuala Lumpur BUSINESS TIMES in English 18 Nov 80 p 1

[Text]

THE proposal for the setting up of a petrochemical complex on a joint venture basis between Malaysia and South Korea moves a step closer to realisation today as technical experts from the two countries begin discussions on the project in Kuala Lumpur.

The visiting South Korean Trade and Industry Minister, Mr Suh Joon Suk told reporters yesterday the final decision on the proposed venture will depend on the outcome of the current discussions.

Mr Suh was speaking at a brief interview following his visit to the offices of the national petroleum corporation, Petronas, where he and members of his delegation were briefed on Petronas' plans and activities by its chairman, Tan Sri Abdullah Salleh and senior Petronas officials.

(A Petronas official later said a special Press conference will be held next Monday to announce the outcome of the talks on the petrochemical project as well as other aspects of the South Koreans visit).

According to Mr Suh, the availability of abundant gas supplies in Malaysia was a crucial factor in its favour for the setting up of a petrochemical plant.

He explained that the basic need of a petrochemical venture is the availability of raw feedstock at reasonable prices to ensure viability.

From this viewpoint, there appears to be a good possibility that users of petrochemical inputs or "intermediates" in South Korea can get their supplies from Malaysia.

"Whether it is possible to identify a specific project (to exploit the available opportunities in Malaysia) will depend on the discussions of the technical experts from tomorrow," Mr Suh said.

He said that, from South Korea's viewpoint, a petrochemical project set up in Malaysia must, of necessity, be "narrow-based" in scope because of the nature of its gas supplies.

He explained that South Korea's existing petrochemical industry is essentially based on the use of naphtha as its basic input. (Naphtha is "the vital, oil-based petrochemical raw material", as distinct from gases like methane and ethane which are said to be more efficient as petrochemical feedstocks).

Mr Suh said that whereas Korea's naphtha-based plants can cater for the making of a variety of end-products, the proposed plant in Malaysia (with natural gas as its raw input) will only be able to produce intermediates catering for the fairly limited needs of the plastics industry.

Mr Suh added that apart from the possibility of a petrochemical joint venture between Malaysia and South Korea, other fields of cooperation were discussed although not at great length.

These included South Korean aid and participation in Malaysia's shipping and automotive industries.

Earlier, after the South Koreans visited his office, the Deputy Prime Minister, Dafuk Seri Dr Mahathir Mohamad told a Press conference that the main topic discussed was the petrochemical plant.

He explained that South Korea's interest in such a venture was disclosed to him during his visit to the country early last month.

Dr Mahathir said he had then suggested that since Malaysia has abundant natural gas supplies and since it is nearer to Korea than countries like Saudi Arabia, the South Koreans should come to Malaysia to see the country for themselves and hold talks with Petronas on the possibility of a joint venture to produce the needed intermediates.

He added that, apart from the abundant supply of natural gas, Malaysia would also offer such advantages as lower costs and a low inflation rate.

Dr Mahathir made it clear that Malaysia's present thinking was that such a petrochemical project would best be based in Trengganu, partly because Sabah and Sarawak already have a number of major projects (petroleum related and otherwise) under consideration or implementation but mainly because Trengganu has rich reserves of unassociated gas.

In this connection, he said that in producing polyvinyl chloride (PVC) or intermediates for the plastic industry, it is necessary to set up a reasonably big plant whose output must therefore be sold internationally as the domestic market is too small.

In this light, he added, a joint venture with South Korea has the added advantage of ensuring the Malaysian plant of a captive market.

The two leaders also discussed the participation of South Korean contractors and specialists in the construction industry and the South Korean assistance in the promotion of Malaysia's shipbuilding and repairing industry.

CSO: 4220

CONSTRUCTION OF HYDROPOWER FACILITIES IN SARAWAK

Time, Money Problems

Kuala Belait BORNEO BULLETIN in English 22 Nov 80 p 10

[Text] KUCHING. — Unlike the situation in many other parts of the world, there is no energy crisis in Sarawak.

Instead the state faces a twin crisis of time and capital — time to get energy projects off the ground ... and the money to pay for it all.

At least this is how the general manager of the Sarawak Electricity Supply Corporation (SESCO), Mr William Lai, sees the situation.

It's a view few experts would argue with.

For, as Mr Lai was at pains to point out during a recent energy seminar in Kuchung organised by Jaycees Malaysia, Sarawak has one big energy card up its sleeve — water power.

The two biggest sources of such energy in the state are the Rajang River, in particular the Pelagus Rapids area, and Batang Ai.

But while the energy potential is there, there is a lot of difference between the force of a fast-flowing river and the availability of usable power.

So the state's crisis of time and money; dams and generating facilities are not built overnight and they certainly don't come cheaply.

Despite this, Sarawak should have its first substantial supply of hydro-electric power on stream by mid-1985, courtesy of the Batang Ai.

A sizeable river in the Second Division running close and parallel to the Kalimantan border, the electricity it will supply should meet the needs of the First and Second Divisions.

Certainly both Kuching and Bandar Sri Aman will be geared to switch from oil fired to water-powered ciectricity generating stations.

According to Mr Lai, this hydro scheme will be able to generate an average of 580 billion watt hours of energy annually.

Since the total electricity consumption in the state last year was 275 billion watt hours, it is clear the Batang Ai project is a big step forward in energy availability.

However, anyone who thinks it is the total answer to Sarawak's electrical energy needs would be well-advised to think again.

For when account is taken of the major energy-hungry resource projects planned for the 80s, the overall picture is less rosy.

As explained by Mr Lai, the electricity needed for these schemes will push the state's electricity consumption to 1,243 billion watt hours in 1990.

This represents a five-fold increase in just one decade and is more than double the amount of electricity which will be available from Batang Ai.

The projects which will require all this extra electricity are the urea-ammonia plant, the Tanjung Kidurong deepsea port and the University Pertanian campus, all of which are in Bintulu, together with new Sarawak Shell installations in Miri and a cement clinker plant in Kuching.

According to Mr Lai, SESCO regards these electricity demands as "committed loads" which his corporation will definitely have to supply.

If three yet-to-be confirmed projects are given the go-ahead the total demand will jump even higher.

The projects in question, which are all in Bintulu, are the proposed aluminium smelter, the iron ore direct reduction plant and an electric arc steel factory.

If all three eventuate, the total electricity demand by 1990 will reach the quite staggering figure of 4,502 billion watt hours.

As noted, consumption last year was a mere 275 billion watt hours.

The energy, if it is to be available can really only come from one source — the Pelagus Rapids.

According to Mr Lai the Rajang River basin has the potential to generate more than 10 times the amount of electricity needed by 1990, even if all the proposed projects are operating by then.

And while there are other rivers in the state which might eventually provide hydro power, the total electricity which could be produced by all of them together would still fall short of the Rajang's potential.

But once again the twin problem of time and money raises its unwelcome head.

This time it is probably money which is the bigger stumbling block.

The Batang Ai hydro scheme was originally estimated to cost $600 million. With inflation and interest charges hitting the project the final outlay could touch the billion dollar mark.

And although very important, Batang Ai is a tiny undertaking compared to what might be built on the Upper Rajang.

With so much money involved, it is hardly surprising the whole project is being subject to exhaustive examination regarding its economic viability.

Yet given the cost and supply uncertainties surrounding oil-generated electricity the government probably has little choice but to opt for hydro-power if it wants Sarawak's economic development to maintain its momentum.

According to Mr Lai, the fuel oil crisis of 1973 and the continuing difficulties with oil supplies brought this fact home to many in the administration.

And although Malaysia has oil now, at the present rate of production it will last only another 15 to 18 years unless there are some substantial new discoveries or there is a technological breakthrough in the oil industry.

At present, Sarawak, which depends entirely on fuel oil for generating electricity, is in a particularly vunerable position.

If the present hydro-electric plans are carried into effect all this will change by the end of the decade.

Twelve Major Projects

Kuala Lumpur NEW STRAITS TIMES in English 24 Nov 80 p 8

[Text]

KUCHING, Sun. — The Sarawak Electricity Supply Corporation expects to spend $867.1 million on various projects under the Fourth Malaysia Plan (FMP).

Under the plan, the rural electrification programme would be expanded to benefit about 106,000 people in the interior, a spokesman said today.

Besides the construction of several minor power stations, 10 mini-hydro schemes would be developed to extend supply to remote kampungs in the State, the spokesman said.

Under the TMP only 71,000 people benefitted from the rural electrification programme compared with 5,600 under the SMP.

Of the 42 rural power stations targetted under the TMP, 25 had been completed at a cost of $200,000 each while the other 17 were expected to be operational next year.

The spokesman said the second and final phase of detailed engineering and design works were in progress on the Batang Ai hydro project in the Second Division.

Assistance

Work on the project would be intensified during the FMP period with assistance from the Snowy Mountain Engineering Corporation of Australia.

The project with a 92-megawatt capacity was expected to be commissioned in 1985 and would meet the power needs of Kuching and the surrounding areas.

The Batang Ai project, expected to cost about $700 million, had the least capacity of the 12 major hydro schemes that had been identified for feasibility studies in the State.

The Pelagus hydro electricity project with a capacity of 1,700 megawatts in the Seventh Division was another of the 12 major schemes identified in the master plan study carried out by international consultant groups.

Feasibility studies on the project to be continued under the FMP would involve the determination of the project's economic viability and a study on the high voltage direct current (HVDC) transmission from Sarawak to Peninsular Malaysia.

If all went well the project would be launched by the end of the FMP period (1985), the spokesman said.

Schemes

The other 10 major hydro schemes were at Balui (2,830MW), Baram (1,070MW), Murum (970MW), Baleh (880MW), Tutoh (470MW), Linau (380MW), Belaga (320MW), Limbang (230MW), Katibas (190MW), and Belepeh (160MW).

All the schemes, except the one at Limbang, are in the upper reaches of the Rajang river.

Under the FMP, a $40 million 60 megawatt power station would be constructed in Bintulu in the Fourth Division.

The station would complement the present supply to the town proper from two stations.

The major industrial projects sited in the area such as the liquefied natural gas (LNG) project, the deepwater Tanjung Kidurong port and the urea plant would have their own power stations. — Bernama.

CSO: 4220

STRUGGLE FOR LEADERSHIP IN SARAWAK NATIONAL PARTY

Kuala Belait BORNEO BULLETIN in English 22 Nov 80 p 4

[Text] KUCHING. — The political dust is finally settling in the Sarawak National Party. And from it has emerged the figure of political veteran Datuk James Wong Kim Ming as the party's chief.

Apart from being party president, he now also holds the reins as chairman of its central executive committee.

Meanwhile, retaining the two positions of SNAP's secretary-general and secretary of the central executive is Datuk Leo Moggie, the federal Minister of Telecommunications, Energy and Posts.

It was the tussle between these two for the top position that provided four stormy months within the party.

It was stirred with the resignation of former president-executive chairman Datuk Amar Duncan Endawie when he was appointed Malaysian High Commissioner to New Zealand in July.

As the question of who should become party chief dragged on for several weeks, Datuk Moggie won a vote (narrowly by 7-6) at a central executive meeting that appointed him acting party leader.

But Datuk Wong and a group supporting him as leader (he had been the long-serving deputy president of SNAP) questioned the validity of this position for Datuk Moggie.

It was pointed out the party constitution did not provide for an acting party chief (there was even mention that some of the SNAP hierarchy were considering taking the issue to court for a ruling).

In a move to resolve the matter, Datuk Wong and six other central executive members wrote to Datuk Moggie asking him to convene a meeting of the executive with a view to the fixing an early date next year for a general delegates' conference of the party.

Instead, Datuk Moggie called a meeting of another party sector, its 36-member central committee, which is SNAP's policy-making body.

This was held on November 6, lasted more than five hours, with 32 members present and Datuk Wong in the chair.

Datuk Wong's appointment as president was, like Datuk Moggie's earlier acting appointment, a closely fought affair. In fact, at the end of the voting the result was deadlocked 16-all for both candidates.

As meeting chairman, Datuk Wong had the casting vote and he gave the vital vote to himself.

Another important appointment to emerge from the meeting was Encik Daniel Tajum SNAP's senior vice-president as deputy chairman of the central executive.

Encik Tajum recently became the successor to Datuk Amar Endawie as the party's Deputy Chief Minister and Minister of Communications and Works.

◆ The meeting also decided, in a review of SNAP positions in both the state and federal cabinet, Datuk Wong should be appointed to a full Sarawak ministership and Encik Grumong Juna (a new member of the central executive) as an assistant minister.

This, however, could present problems.

There are only two vacancies for full ministers. One portfolio is that of Minister of Housing, which is being held in a temporary capacity by Datuk Haji Nor Tahir (he was named for the position last month at the same time as he was appointed Forestry Minister).

The other is Minister of Welfare — a position another party of the National Front, the Parti Pesaka Bumiputera Bersatu Sarawak, wants Puan Hafsah Harun, the present minister, appointed to.

It is also understood the third Front party, also wants a full ministership for its secretary-general, Datuk Stephen Yong and an assistant ministership.

Chief Minister Datuk Patinggi Tun Sri Haji Abdul Rahman Ya'kub will make a decision when he resumes duty, probably in early January.

In the present state Cabinet, SNAP has two full ministers and two assistants, while at the federal level there is one full minister, a deputy and a Parliamentary secretary.

It wants the latter. Encik Luhat Wan, the Beram member, elevated to full ministerial rank.

CSO: 4220

OIL, MINERAL PRODUCTION IN FIRST HALF OF 1980

Kuala Lumpur BUSINESS TIMES in English 19 Nov 80 p 20

[Text] MALAYSIA produced 58.9 million (US) barrels of oil during the first half of this year, against the estimate of 100.4 million barrels for the whole of the year and 103.3 million barrels during 1979.

According to the latest quarterly data from the Mines Department, the output for the second quarter (at 28.9 million barrels) reflected a decline from 27.0 million barrels during the first quarter.

The mining returns showed that oil production rose from 8.6 million barrels in April to 8.9 million barrels in May but fell back to 8.5 million barrels in June.

The bulk of the output during April came from Trengganu (with 3.6 million barrels), followed by the only other oil-producing states of Sarawak (2.7 million barrels) and Sabah (2.2 million barrels), giving a total of 8.5 million barrels for the month.

The cumulative total for the first four months came to 35.4 million barrels.

The tin-in-concentrates production for the first half of the year totalled 30,522 tonnes, compared with an estimated 62,000 tonnes for the entire current year and 55,000 tonnes for 1979.

A total of 14,936 tonnes was produced during the second quarter, down from 15,586 tonnes in the previous quarter.

The number of dredging units in active operation during June was 53 (down from 55 in April), while non-dredging units totalled 842, up from 835 in April.

Mine stocks at the end of June stood at 15,094 piculs of tin concentrates, up from 12,324 piculs in April.

The average true assay of domestic tin concentrates exported during the April to June period was 75.44 per cent.

Iron-ore production declined markedly from 100,522 tonnes in the first quarter to 65,120 tonnes in the second quarter (giving a total of 165,642 tonnes for the whole period, compared with 350,498 tonnes for 1979.)

The decline took place despite an impressive outturn of 29,963 tonnes during June, up from 15,614 tonnes in the previous month and 19,543 tonnes in April.

The detailed figures for April showed that more than 50 per cent of the month's output came from Kedah (10,800 tonnes) followed by Perak (6,101 tonnes) and the only other iron-ore producing state of Johore (2,642 tonnes).

Significantly, Kedah's output came from a single active unit, compared with five in Perak and two in Johore.

Bauxite production for the first six months of the year showed a spectacular rise to 436,435 tonnes, compared with 398,530 and 615,060 tonnes respectively for the whole of 1979 and 1978.

The second quarter's contribution totalled 259,836 tonnes, a marked rise from 176,599 tonnes during the first quarter.

The production of china clay (kaolin) also increased during the second quarter, totalling 12,600 tonnes compared with 9,343 tonnes during the first quarter.

The total for the first six months (21,943 tonnes) compares with 32,934 tonnes for the whole of 1979.

CSO: 4220

SWEDEN SEES TREMENDOUS TRADE POTENTIAL IN MALAYSIA

Kuala Lumpur BUSINESS TIMES in English 25 Nov 80 p 6

[Text] MALAYSIAN and Swedish trade policies are heading towards greater economic complementation and increased bilateral relations in the 1980s.

According to Swedish trade officials in Stockholm, Sweden's trade policy is shifting away from the import of traditional raw materials to imports of semi-finished and finished goods from the developing countries.

At the same time, Malaysia's policy is moving away from the export of only raw materials and commodities to the industrialised countries.

According to Malaysian trade officials, Malaysia is keen to add value to her raw materials so that they can be exported in semi-finished and finished forms to the industrialised countries.

Swedish trade officials are optimistic that the complementation of trade policies will bring about mutual benefit to the commercial and industrial sectors of both countries.

According to Mr Curt Wijk, Deputy Under-Secretary, Swedish Foreign Trade Department, the decade of the 1980s will see a greater flow of Swedish investment into Malaysia.

At the same time, Malaysia will be exporting a larger volume and variety of goods and services to Sweden.

Among the Asean countries, Malaysia has caught the attention of Swedish public and private sector interests as a country with tremendous potential for trade and other economic joint ventures.

Proof of Swedish confidence in Malaysia is embodied in the investment guarantee agreement signed between the two countries in July last year.

The agreement provides for mutual protection of Swedish and Malaysia investors in either host country.

Malaysia is the only Asean country which has such an agreement with Sweden.

Referring to the Fourth Malaysia Plan, Mr Wijk says it stands out as a document and programme which will provide the Swedes many opportunities to enhance their economic and other involvement in Malaysia.

Swedish industrialists are especially interested in the Malaysian forestry and wood industry with regard to investment and transfer of technology.

With their vast technological experience in the forestry and wood industry, the Swedes are keen to assist Malaysia in setting up pulp and paper mills and timber processing into value-added export forms.

A Swedish wood products industry delegation was in Malaysia recently to study business possibilities.

The Swedes also see tremendous potential in the production and transmission of hydro-electric power from Sarawak to Peninsular Malaysia and have indicated their interest in participating in such a project.

Mr Wijk assures that the Indochina conflict has not in any way dampened Swedish investment interests in Malaysia.

"Malaysia's strong political and economic base is well known to Swedish investors and businessmen.

"In fact, a group of Swedish industrialists has requested the Swedish Department of Foreign Trade to organise another trade mission to Malaysia next year," he adds.

Over the last five years, trade between Sweden and Malaysia has shown progressive growth.

In 1975, Sweden's exports to Malaysia totalled $104 million against $99 million for imports from Malaysia.

In 1978, Swedish exports to Malaysia rose to $178 million against $96 million for Malaysian imports.

Last year, the volume of trade peaked at $202 million worth of Swedish exports to Malaysia against $128 million worth of imports from Malaysia.

Major Swedish exports to Malaysia include vehicles, various types of pumps, paper, iron, steel and certain metals.

On the other hand, Malaysian products include palm oil and vegetable oil, textiles, rubber and foodstuff.

Although the trade balance has hitherto been in Sweden's favour, Mr Wijk is confident that the 1980s will see the imbalance being gradually reduced. — Bernama

CSO: 4220

PETRONAS SEEN AS PEERLESS IN MALAYSIAN CORPORATE WORLD

Kuala Lumpur BUSINESS TIMES in English 17 Nov 80 p 20

[Article by A. Kadir Jasin]

[Text]

THERE is no ready or fair comparison in judging the stature of Petronas at home. With a turnover of $3,963.9 million (for the year ended March 31), it leaves its closest big league sister Sime Darby Berhad quite a distance behind (with turnover of $2,322.5 million for the year ended June 30).

This is not a good comparison because the two companies are engaged in two very different lines of business. Nevertheless it serves to indicate what sheer size the state-owned oil corporation has acquired since the signing of production sharing contracts with the oil companies at the end of 1976.

The very nature of the industry has made it possible for Petronas to record this kind of turnover and turn virtually almost every cent of revenue into profit, as its pre-tax figure of $3,860.7 million illustrates.

A moderate rise in production coupled with an unprecedented rise in prices has enabled the oil corporation to improve its profit position by two and a half times from the previous year.

Petronas earned an average daily income of $10.9 million, of which $10.52 million is profit before the tax-man's cut. At this level of turnover Petronas ranks among the 500 largest corporations outside the USA. On the basis of *Fortune* magazine's rankings for 1979, its position would be about 210.

Should Petronas be listed in the *Fortune* survey, it would be one of the 35 largest petroleum companies outside the US, falling in the class of Exxo of Netherlands and Texaco of Canada. Its turnover is also comparable to that of Alfa Romeo of Italy, CSR of Australia and Sharp of Japan.

While Petronas and the nation can boast of the fact that correct decisions and policy measures have been taken resulting in the country gaining absolute control over its oil and gas resources, these changes have brought along with them significantly heavier responsibilities.

The bottom line to the rapid development of the oil industry in general and Petronas in particular is the undisputed fact that the bigger they become the heavier would the impact be on the country should anything adverse happen to them.

It therefore comes as a great relief to learn that Petronas is humming along in sound health. For its promptness in preparing its annual accounts for submission to the Registrar of Companies, the management deserves a bouquet.

This praise is even more deserved when it is realised that not many public enterprises have been able to prepare their annual statements and accounts promptly. As recently revealed by Public Enterprises Minister, Datin Paduka Rafidah Aziz, some are in arrears of up to five years in presenting their statements.

Although Petronas, for one reason or the other, has not made a general disclosure of its accounts apart from the obligatory submission to the Registrar of Companies, it is to be hoped that it will keep up this good record.

Even in its healthiest state, Petronas' decisions significantly affect the economy. With huge cash reserves at its disposal, Petronas has been a significant determinant of the banking environment. On many occasions, the tightness or looseness of the money market has been attributed directly to the ebb and flow of Petronas' funds.

A simple statistic shows the weight of its influence. At the end of the last financial year, Petronas had $4.7 billion in deposits, more than double that of the previous year.

Although a beginning has been made to rationalise and conserve oil re-

sources through the National Depletion Policy adopted in the middle of the year, Petronas would continue to reap handsome revenue due to higher oil prices and exercise this role.

However, the time is fast approaching when Petronas will start to increasingly utilise its profits to meet its commitments in the development of the various oil and gas related projects currently being undertaken either by itself or in partnership.

As its latest accounts indicate, Petronas had approved and contracted $1,434 million worth of equipment and services for the group and $29.2 million for the company. A further $2,398 million for the group and $1,900 million for the company had been approved in principle.

This means that Petronas will not be as bountiful a source of funds. However, its moves in development work will have as stimulative an impact on the economy as it releases funds into the system.

With its revenue and investment burgeoning, the pressure on its managerial capability will increase too. After having succeeded in getting the best possible deals from oil and gas for the country, Petronas is now responsible for ensuring that the part of oil revenue accruing to it (after paying taxes) is well spent: for in reality the money it earns is not "profit" but should be considered capital to ensure the nation's future well being when oil and gas have become depleted.

In this respect, Petronas has to be doubly sure its projects are viable for it will take full blame if at a later stage something adverse happens to its undertakings.

Although it is in a totally different field, the national oil company could learn from the experiences of its sister organisations like Pernas and the Malaysian Rubber Development Corporation.

The one fact that none of these agencies can dispute is that expansion which is not properly planned and conceived could spell trouble. Both Pernas and Mardec expanded too rapidly and both have found themselves in trouble. Mardec is completing a major consolidation phase, expected to end this year, while Pernas is still in the midst of one.

Manpower is perhaps the most critical factor in the expansion of the national oil company and its subsidiaries. With little indigenous expertise, they are depending heavily on the good faith of partners and contractors. Unfortunately, good faith is highly subjective in business.

True, as top Petronas officials repeatedly contend, the national oil company could buy the services of foreign consultants and advisors but this, at its best, can only be considered temporary arrangement and short term. In the long run it has to develop its own core of experts.

Another interesting aspect is the fact that oil is rapidly turning into a major political issue. This is unavoidable because while no one politician can successfully make use of oil as his political base (as opposed to say rubber or padi) the impact of the industry is too widespread to be ignored.

Petronas has already felt the heat of political pressure as seen in the somewhat "cold" relationship at one time between it and the leadership in Sarawak and Trengganu. At the national level, Petronas and oil are highly politicised subjects as indicated by the number of questions raised on them in Parliament.

It is, of course, too much to expect a totally trouble free relationship between a huge agency like Petronas and the politicians. Nevertheless, even if Petronas is subject to the political system, the national oil company should be looked upon as an authority on oil and that its advice be heeded.

It has to be acknowledged that a good business decision does not always fit into the shape of things a politician envisages. The mixture of business and politics is like drinking and driving. A bad mix could end in a crash. — *By A. KADIR JASIN*

CSO: 4220

COUNTRY SAID TO LACK CLEARCUT FOREIGN TRADE POLICY

Kuala Lumpur BUSINESS TIMES in English 28 Nov 80 p 6

[Article by Aditya Man Shrestha in Kathmandu]

[Text] NEPAL'S efforts at import substitution and export diversification have been unsuccessful.

Simply put, "the gap between words and deeds is too distant," said Dr Bruno Knall, professor of development economics at Heidelberg University, West Germany.

Dr Knall, who is also the director of the university's South Asia Institute, examined Nepal's performance at reducing import of finished goods and expanding the export items.

He found the performance disappointing because of the low "talk-action ratio," particularly among government officials.

Dr Knall said: "A clear-cut foreign trade policy has not been formulated so far; nor is there any hint as to how the overall efforts for economic diversification of the country should be meshed with foreign trade activities."

He is pessimistic that Nepal now has the capacity to produce local goods to reduce imports.

"The fact that Nepal is in an early phase of industrial development is revealed by the composition of its imports," Dr Knall said.

Statistics show that manufactured goods have a dominant place in Nepal's imports (about 30 to 40 per cent), followed by food and live animals (between 15 and 20 per cent), machinery and transport equipment (between 10 and 20 per cent) and mineral, fuel and lubricants (around 10 per cent).

However, if the whole range of industrial goods, including drugs and chemicals is taken into account it will occupy two-thirds of Nepal's import.

In the two decades reviewed, Nepal developed a number of enterprises which are now producing consumer goods like textiles, ready-made garments, household equipment, plastic goods, shoes, soap, biscuits, sugar, liquor, drugs, cigarettes and matches as well as fertiliser, cement and agricultural tools.

But Dr Knall pointed out that these enterprises preferred capital-intensive technology to labour-intensive technology. As a result, imports did not go down even when "industrial development of sorts" occurred.

Capital-intensive technology was encouraged even by the government's dual exchange rate policy. When it reduced the second exchange rate from 16 to 14 rupees (US$1.20-US$1.15) per US dollar on Feb. 21 this year, it facilitated and encouraged more imports.

For industrial development, Dr Knall said public sector enterprises are inadequate. He urged private entrepreneurs to invest in industries. But it isn't enough for the government to modify the existing fiscal policies and complicated customs regulations to encourage private businessmen.

It is also necessary for government, he said, to reduce if not completely remove the cumbersome and harassing bureaucratic procedures involved.

Dr Knall also opposed short-term-high-profit-making activities which are relatively productive in terms of national interest. He cited the example of the production of stainless steel utensils and synthetic fabrics in the mid-'70s.

Although very profitable for private entrepreneurs, he said the government missed a chance to skim off some of the profits through excise taxes. Using these revenues, the government could have implemented development projects beneficial to the entire population.

On the export side, Dr Knall found the problem more acute. Imports far outweigh exports by a high ratio of 2:1 in the recent years. The imbalance has been offset by Nepal's hard currency earnings in foreign aid as well as revenues from tourism and private remittances.

But nevertheless, the foreign trade deficit has been increasing over the past few years, reaching a new peak of more than 1.6 billion rupees (US$122 million) in 1978-79. "The huge trade deficit which is expected to increase in the future is certainly a good reason to take the outward-looking strategy of export promotion more seriously than has been the case in the past," said Dr. Knall.

The bulk of Nepalese exports consists of food and live animals, crude raw materials and animal and vegetable oils and fats, which account for about 30 to 35 per cent of the total. Manufactured goods and articles range between 10 and 16 per cent, and their share in exports is increasing.

Nepal now exports 45 different items to more than 40 countries. The major exportable goods are raw jute and jute goods, rice, handicraft products, woolen carpets, goatskin, spices, herbs, Nepali papers, ready-made garments, shoes, leather goods, wooden and bamboo goods and brittles.

But there's an urgent need for the government to standardise export production. An Institute of Standard has already been established although its activity is "hampered by the prevailing ignorance of what 'standard' means."

Nepalese exporters were also encouraged by the change in the second exchange rate. The government pays 14 rupees instead of 16 rupees per dollar earned by the exporters.

Dr Knall said the government should have introduced other incentives like export credit facilities, cash subsidies for new exports, tax rebates and tax holidays, duty rebates and exemptions which it has obviously failed to do. — Depthnews

CSO: 4220

BRIEFS

GDR ENVOY CREDENTIALS PRESENTATION--His majesty the king received credentials from the Ambassador of the German Democratic Republic Walter Schmidt at a special function held in Narayanhity Royal Palace on 19 December. [BK051145 Kathmandu THE RISING NEPAL in English 20 Dec 80 p 1]

ENVOY TO OMAN, UAE--His majestythe king has appointed Royal Nepalese Ambassador to Saudi Arabia Kedar Prasad Koirala ambassador to Oman and United Arab Emirates as well, reports RSS. This was stated in a notice published in Katmandu on 22 December by the principal press secretariat to his majesty the king. [Text] [BK051145 Katmandu THE RISING NEPAL in English 23 Dec 80 p 1]

CSO: 4220

FIELD PARTY MAKING GEOLOGICAL MAPS IN ANTARCTIC

Wellington THE EVENING POST in English 6 Dec 80 p 2

/Text/ Christchurch, Dec 5 (PA)--A four-man field party has left Scott Base on what will be the longest toboggan journey by New Zealanders during the 1980-81 summer season in the Antarctic.

On their 10-week trip to Ferrar Glacier, 70 kilometres west of Scott Base, they will make geological maps in the area. The work is part of a continuing programme to provide detailed mapping from the Koettlitz-Blue Glacier region northward to the Dry Valleys.

Led by Dr R H Findlay, a Christchurch geologist with the Antarctic division of the Department of Scientific and Industrial Research, the expedition is being made on two motor toboggans.

Three sledges will haul about a tonne of equipment across the sea ice, including dehydrated food designed to last for 18 weeks.

CSO: 4220

MARCOS TO ENCOURAGE MORE FOREIGN INVESTMENT

Manila DAILY EXPRESS in English 11 Dec 80 p 6

[Text]

PRESIDENT MARCOS said yesterday that the government will encourage more foreign investments "to help sustain the momentum of the country's economic growth."

In a talk with newsmen, the President said, "I am looking forward to encouraging more equity or outright investments instead of loans because the atmosphere seems to be just right."

Already, the President said, several international banking institutions, including some in the United States and Japan, have openly pledged support to the country's 11 major industrial projects.

He also mentioned bankers from West Germany, Sweden and Britain as among those interested in investing in the country, particularly in mining.

* * *

THIS COMING year will see the opening of more gold, copper and nickel mines with the participation of foreign investors, the President said.

He said that the country's economic growth this year is between 6 and 7 percent and that this momentum is expected to be sustained with more foreign investments.

The President attributed the ideal investment climate in the country to what he said is its ability to cope with the present economic crisis arising out of the energy problem.

He cited the International Monetary Fund and the World Bank which said recently that the Philippines is one of the few countries which have sustained momentum in reducing inflation and unemployment rates.

The President said the pushing through of the 11 industrial projects despite recession will help reduce unemployment and inflation.

* * *

THE PROJECTS to be undertaken include a copper smelter, phosphate fertilizer plant, Tongonan geothermal project and the production of heavy equipment.

CSO: 4220

NEW FOREIGN INVESTMENT INFLOW REACHES $182 MILLION

Manila DAILY EXPRESS in English 9 Dec 80 p 16

[Article by George T. Nervez]

[Text] Direct foreign investments amounting to $181.74 million flowed into local enterprises during the first ten months of the year, the Central Bank said in a recent report.

The amount was $54.75 million more than direct foreign investments in the same period last year which reached only $26.99 million, the CB said.

For the month of October alone, direct investments in local enterprises amounted to $19.64 million, an increase of $7.90 million compared to the same month in 1979.

The 10-month investment inflow far exceeded the foreign exchange which flowed out of the country during the same period last year due to withdrawal of foreign investments and capital for direct investment abroad, the CB said.

During the period, a total of $47.23 million flowed out of the country as capital for direct investment abroad. In addition, $98.02-million worth of foreign investment was withdrawn, the CB added.

The CB also noted that during the period, personal income remitted inwardly by seamen and contract workers amounted to $282.45 million, slightly down from the previous year's $303.34 million.

Tourism earned for the country a total of $215.03 million, an increase of $73.88 million over the 10-month dollar earnings from tourism in 1979.

The CB data showed that a big portion of dollar earnings from non-merchandise trade (also called invisible receipts) during the period was interest income which amounted to $233.98 million. From January-October 1979, interest income amounted to only $145.02 million.

On the other hand, the big expense items in invisible trade were interest payments which amounted to $617.72 million, freight and insurance--$113.88 million, other transportation--$162.95 million, and profits, earnings and dividends--$130.37 million.

Only $90.88-million worth of foreign exchange was spent for travel purposes from January to October 1980, the CB said. Last year, it amounted to $63.8 million.

The biggest expense-interest payments--represents interest on both government and private sector loans which fell due during the period.

CSO: 4220

INCENTIVES TO BE GRANTED TO 20 INVESTMENT AREAS

Manila DAILY EXPRESS in English 6 Dec 80 p 9

[Article by R.A. Liquicia]

[Text] President Marcos has authorized the Board of Investments (BOI) and the Ministry of Finance to grant incentives to 20 investment areas under the country's various priorities plans for 1981.

The new areas eligible for government incentives were included in five ongoing priorities plans.

The incentives are mostly in the form of tax holidays and financing support from government institutions.

There are seven new additions to the 13th investment priorities plan (IPP), 10 to the 11th export priorities plan (EPP), and one each to the third agricultural investment priorities plan (AIPP), sixth public utilities priorities plan (PUPP), and in the 1980 energy priorities program.

The inclusions to the 13th IPP are the manufacture of leguminous and other vegetable-based protein, pure refined lead, automotive-grade iron castings, caustic soda, xanthates, titanium dioxide, electronic telephone switching equipment and telephone sets.

The new investment areas included in the 11th EPP which are now eligible for incentives are the production of processed sheepskin, wooden clog components, copper metal, food-grade phosphoric zcid, sizing agent compound (modified starch), reclaimed rubber and rubber sheets, laminil board, high pressure and hydraulic rubber hose, candles, artists' and writing brushes.

Mushroom culture is now entitled to incentives under the AIPP; the manufacture of district cooling systems in the PUPP; and the manufacture of aircon water heaters in the 1980 energy priorities plan.

These new inclusions were approved last December 2. However, the BOI will start to accept applications under the amended listings on December 8.

These inclusions are actually amendments to the 1980 priorities plans. Every year, the Board of Investments comes out with updated priorities plans where some areas are either added or scrapped.

Investment activities that are scrapped from the list of preferred areas are those whose measured capacity has now been filled, or where in private firms have not shown any interest.

The 20 new inclusions in the 1980 priorities plans will form part of the 1981 priorities plans.

CSO: 4220

AGREEMENT TO EXPAND TRADE WITH SOUTH KOREA

Kuala Lumpur BUSINESS TIMES in English 24 Nov 80 p 20

[Text]

MANILA, Nov. 23

THE Philippines and South Korea have agreed to further expand their bilateral trade and economic relations, a government report said yesterday.

A joint communique signed on Friday said there are "promising opportunities for expansion and trade in view of the complementary nature of the two economies" of the Philippines and South Korea.

The communique was signed by Trade Minister Luis Villafuerte and South Korean Minister of Commerce and Industry Suk Joon Suh in Manila after a two-day meeting between the technical panels of both countries.

The Korean delegation requested the Philippines to increase its imports from their country in view of the existing trade imbalance in favour of the Philippines.

Total volume of trade between the two countries reached more than US$231 million in 1979.

The Philippines wanted the Koreans to diversify their imports from raw materials like sugar and coconut oil to items like canned pineapple, coffee beans, abaca cordage and pulp, electronic components and other manufactured products. — UPI

CSO: 4220

SMALL FARMERS COMPLAIN OF COCONUT MONOPOLY

Kuala Lumpur BUSINESS TIMES in English 25 Nov 80 p 6

[Article by Adlai J. Amor in Manila]

[Text] SEVENTY-YEAR-OLD Nathan Fagel came to Manila late last month from the southern Philippine city of Davao. He is a coconut farmer, one of the few who have refused to join the government-organised Philippine Coconut Producers' Federation (Cocofed).

Mr Fagel, who is president of the 30-member Bunawan Coconut Planters and Copra Producers Association in Davao City, came to Manila bringing dire predictions for the troubled coconut industry.

"The small coconut farmers down south are hopping mad. If the government does not listen to our appeal now, we might be driven to violence," the wiry, white-haired farmer said.

Since the middle of this year, he and his colleagues have been bombarding government officials, legislators and other coconut farmers with appeals pressing for the abolition of the "monopolistic control" of the industry by the Cocofed and its milling arm, the United Coconut Oil Mills Inc (Unicom).

Officials of the two organisations were not available for comment.

However, an official of the Philippine Coconut Authority (PCA) — which helped to establish the Cocofed and the Unicom — said that the so-called monopoly is a "gross misconception."

"They were established using funds collected from the farmers themselves. The Cocofed and the Unicom belong to them," said PCA administrator Lt Col Felix V. Duenas, Jr. "And the government does not own any of it."

The Cocofed is the largest and only recognised coconut farmers association in the country, accounting for over 90 per cent of the 800,000 registered farmers with the PCA. The Unicom, organised by the United Coconut Planters Bank which, in turn, is owned by the Cocofed, now controls 98 per cent of the country's coconut crushing capacity.

Underlying the discontent of coconut farmers is the fact that current prices for coconuts are low. For the more than 70 per cent coconut farmers with less than five hectares of land, their earnings have been slashed by as much as 80 per cent compared to last year.

For the last four years, the coconut industry has been the Philippines' premier dollar-earner despite violent price fluctuations. It posted US$1,019 billion last year or nearly 30 per cent of the total export earnings.

Almost one-third of the population rely on coconuts for their livelihood — either as farmers, tenants, traders or millers. They produce from 1.8 million tons to 2.6 million tons of copra annually; about 80 per cent of this is exported.

This makes the Philippines the world's largest coconut producer, accounting for 60 per cent of the total output. It is also the market leader in the world coconut trade, commanding 80 per cent of the world market.

Contrary to earlier reports, however, the Philippines is not trying to create a coconut cartel. "We cannot dictate the world price for coconut since it is such a small market," Col. Duenas said. Coconut oil comprises only eight per cent of the total world market for fats and oil. It can also be easily substituted for any other vegetable oil, like soybeans for example.

Because of this, coconuts are subject to violent price fluctuations. The PCA administrator says that current prices are low because of a glut in the world fats and oils market, the US embargo on the Soviet Union for its Afghan invasion and world-wide inflation.

Mr Fagel says that the current prices for copra are "starvation prices." The international price of copra fell from a high of 423 pesos (US$28) per 100 kilos in 1979 to 282.86 pesos (US$23.60) last April. It has continued to decline since then.

Col. Duenas says that the world prices of coconut oil are currently 27 US cents a pound. The prices four years ago, however, were much lower: 14 US cents per lb.

But the prices actually paid to coconut farmers are even lower

after the middlemen have taken their cut. On the average, copra passes through five middlemen before it reaches the oil mill.

In some parts of the country, the prices of copra have dipped to as low as 100 pesos (US$12.50) per kilo. And in the central Philippine island of Samar, the prices have gone to as low as 80 pesos (US$8) per 100 kilos. Other farmers have simply refused to harvest their coconuts since they invariably lose money.

Added to the low prices paid to the coconut farmers is a 60-peso levy the government collects per 100 kilos of copra. Since this levy was first collected in 1973, it has been increased eight times from the original 15 pesos (US$2).

In May 1980, however, the burden of collection was shifted from the small coconut farmers to the exporters. This levy — which is now called an "assessment" — was increased to 80 pesos (US$11) per 100 kilos for export, with 60 pesos for domestic use. About 80 per cent of the coconut production in the Philippines is exported.

Despite the complaints of many farmers that the levy had been too onerous for them, the funds were instrumental in improving the coconut industry. These improvements have benefited even those coconut farmers who have not joined the Cocofed.

Since 1973, over six billion pesos (US$800 million) were collected and it is estimated to grow by 1.5 billion pesos (US$200 million) annually.

With these funds, the government helped the farmers to organise the Cocofed, helped them to acquire their own bank — the United Coconut Planters Bank — provided scholarships, provided insurance for the farmers, purchased the oil mills, funded the PCA and financed coconut trading.

No plans, however, have been made for the allocation of the recent 20-peso (US$2.75) increase in the export levy.

The funds are also being used for the government's coconut planting programme.

The programme, which started this year, seeks to replace the more than 40 per cent coconut trees in the country which are considered old. When finished 40 years from now, it is expected to result in a five-fold increase in coconut production.

But despite efforts to stabilise the Philippines' coconut production and cushion the farmers from violent price fluctuations nobody really knows how far the world prices will fall. — Depthnews Asia

CSO: 4220

SINGAPORE BECOMING INTERNATIONAL OIL TRADING CENTER

Kuala Lumpur BUSINESS TIMES in English 20 Nov 80 p 6

[Article by Peter Knight-Barnard in Singapore]

[Text] SINGAPORE's role as an international oil trading centre has expanded over the last two months as a direct result of the Iran-Iraq war, according to oil traders based here.

Countries which have traditionally relied on oil supplies from the two Gulf neighbours are now venturing into the Singapore spot market in order to replace Mid-East oil with Asian crude and oil products, they said.

Fears that members of the Organisation of Petroleum Exporting Countries (Opec) may raise their official oil prices soon, possibly even before next month's scheduled Opec meeting in Bali, has also panicked some countries into hastily trying to arrange long-term contracts with Malaysia and Indonesia.

"Suddenly, a lot of people are looking to this part of the world," one oil trader said.

He noted this was despite the fact that the quality of the Asian crude may not exactly match customer requirements or be on a par with the benchmark Saudi Arabian light oil.

A number of foreign oil trading firms which moved to Singapore during the last 18 months principally with the intention of doing regional business have been swiftly propelled into the international arena by recent events.

Traders are starting to ship cargoes of fuel into Europe and the United States from this region where higher prices can be obtained than in the local spot market.

"You can pick up naptha here for US$27 a barrel, sell at US$42.20 in Europe, and after allowing for around US$4 a barrel freight charge, depending on quantity, the net-back price in Singapore is still US$32.20," a trader said.

"Until recently, crude and oil product prices had tended to be higher in Singapore than in Rotterdam, for example, but now Europe is taking the brunt of the upward pressure on prices," he explained.

Refined oil products are also being moved into North America and recently, oil traders reported three 25,000-tonne cargoes of naptha, produced by Singapore refineries, shipped to the US.

Apart from its newly-discovered role as a major spot oil market, Singapore is also the third largest refining centre in the world after Houston and Rotterdam with a refining capacity of more than one million barrels per day.

Naptha, which is used in petrochemicals and processed in reformers to produce petrol, has been a particularly active market in Singapore.

A suspected downturn in Soviet naptha production which some traders said could delay deliveries to Europe and elsewhere is also contributing to the shortfall.

Petrochemical companies are particularly concerned about whether they have sufficient stocks of the product for the end of this year and 1981 and this has been putting pressure on prices.

Although Indonesia is a major supplier of naptha, it may soon be overtaken by China.

One firm is already planning to ship 18,000 to 20,000 tonnes of the product from China to Europe, industry sources said.

India has been tendering here for 25,000 tonnes of naptha and although Japanese firms have not been buying naptha, they are in the market for kerosene if the price falls below the US$47 a barrel cost, insurance, freight Japan, currently being offered in the spot market, Japanese traders said.

However, not all product prices in Singapore have been moving upwards. High sulphur fuel oil has slipped back to around the US$225 to US$230-a-tonne level after fetching more than US$230 about two weeks ago.

India paid US$250 a tonne for a recent 50,000-tonne cargo but the fact that local refiners appear to have already covered their requirements has now depressed the price slightly.

Gas oil has dropped to around US$35 to US$39 a barrel fob Singapore from US$40 10 days ago, and some parties offering the product at US$42 have found no takers.

Although Singapore is essentially a market for refined products, crude oil has also been changing hands here.

The absence of Japanese firms from the market in response to pressure by the Japanese government which is trying to curb soaring spot oil prices has had little apparent effect, traders said.

A top quality Indonesian attaka crude recently fetched US$41 a barrel for delivery in Bombay.

It is likely that Singapore will continue to play an expanding role in international oil trade in the foreseeable future, one foreign trader said.

"So long as we have this crazy imbalance in world oil stocks and the farther away we see Iraqi crude from the market, the oil business in this region will continue to grow," he said.

"Demand for petroleum in some of the newly industrialising and developing countries of Asia is projected to grow at 20 to 30 per cent a year compared with a negative growth in oil demand some areas," he noted.

"Yet at the same time," he lamented, "refining capacity is not keeping pace with demand."

But aside from the supply and demand factors, the oil trading business, which has attracted a large number of Japanese and other foreign firms to Singapore, can be lucrative. One oil trader said his firm made after-tax profits of around US$300 million in 1979 and expects to top that figure this year.

CSO: 4220

BRIEFS

MINISTER ON OIL BILL--Minister of Finance and Planning Ronny de Mel has said that our oil bill this year will exceed 11.5 billion rupees. Addressing a meeting of secretaries of the ministries in Colombo, the minister said that this sum represented more than 42.5 percent of the national budget and 58 percent of the country's export earning. De Mel said that with a 10 percent price hike for oil already announced by OPEC and further increases anticipated in the future, the oil bill will exert a tremendous pressure on the country's economy. The minister pointed out that the oil bill alone this year will be much more than the entire annual budget in the time of the Sri Lanka Freedom Party government. The government had been able to carry forward the economic development programs and to maintain imports, including oil, without a break only because of nearly 10 billion rupees foreign aid on the most concessional terms. [Text] [BK041131 Colombo International Service in English 1045 GMT 4 Jan 81]

ADB GRANT--The Manila-based Asian Development Bank has approved a technical assistance grant for graphite mining project in Sri Lanka. The ADB technical assitance is designed to formulate a project which will help Sri Lanka produce an additional 17,000 tons of graphite ore annually for export. The technical assistance study is expected to begin in March 1981. [BK031055 Colombo SUN in English 25 Dec 80 p 1]

CSO: 4220

COLUMNIST SAYS VIETNAMESE REFUGEES SEIZE THAI BOATS

Bangkok TAWAN SIAM in Thai 8 Nov 80 pp 6, 2

[Commentary by Dr Preecha Hongkrailert: "Political Happenings of Interest"; passages enclosed in slantlines printed in boldface]

[Text] /The Vietnamese refugee problem/ is again becoming a political issue for this Thai Government, because the Vietnamese refugees have /"plotted"/ to enter Thailand by a new method: bringing their boats into the Gulf of Thailand and lying in wait to seize Thai fishing boats and foreign vessels of every kind, thus finding ways to wangle themselves into Thailand under the guise of the /"humanitarianism"/ of Thailand and of foreigners.

Recently two Thai commercial ships apparently picked up and brought in some Vietnamese refugees. One of these ships, the "Sri Siam II," brought in a total of 78 refugees. The ship's captain claimed he was "forced." And these Vietnamese refugees had destroyed their own boats in the Gulf of Thailand to prevent the Thais from pushing them back out to sea in the gulf as had been done in the past.

At the same time a separate incident occurred involving the British ship "Logos," registered in Singapore. The "Logos" called at Klong Toey Port, bringing its international book exhibition to Thailand as part of its tour. It picked up and brought in 93 Vietnamese refugees. As has been trumpeted in the news, /the British government has tried to persuade the Thai or Singaporean government to accept the refugees from the ship./ The "logos" is now anchored at Klong Toey Port.

/In this matter the Thai government ought to adhere to a "push-back policy" of forcibly turning Vietnamese boat people away from Thai territorial waters. It ought to announce to all Thai and foreign ships/ intending to enter Thai waters that Thailand will not accept Indochinese refugees, no matter what the situation may be. The government policy should possibly include a stipulation forbidding ships which are in violation of the policy to anchor at Thai ports.

/It is clear that/ the Vietnamese refugees' new method of wangling entry into Thailand is /"the world's clearest case of barging in,"/ replacing the old methods which failed the refugees in the past. At the same time the Vietnamese refugees have cried out against Thai fishing boats, accusing fishermen of piracy and rape. /These accusations have tarnished Thailand's image in the eyes of the world./

The accusations are simply the Vietnamese refugees' tactics to force Thailand to accept the boat people who enter Thai waters.

/Furthermore,/ in the case of the refugees aboard the ship "Sri Siam II," this writer disagrees with initiating court procedures against them for their violation of the law in forcing the ship captain to pick up 78 refugees. If we were to follow the /"court trial"/ route, these Vietnamese refugees would be very satisfied since they would not be pushed away. They would have less to risk and much to gain. At the least they might be jailed inside Thailand or fined, but would still have the opportunity to stay in Thailand. /In the end we would have Vietnamese refugees regularly entering Thailand through this means./

9748
CSO: 4207

CHAIYAPHUM MP SAYS CPT STILL THREAT

Bangkok BAN MUANG in Thai 8 Nov 80 p 6

[Article: "MP Requests Troops to Suppress Communists. Threat Forces the Hoisting of White Flags"]

[Text] Mr Sihanat Rucha, a member of parliament from Chaiyaphum Province, said that Prime Minister Prem Tinsulanon had responded to Sihanat's request for assistance by ordering the troops of Army Region Two to suppress the communists in Nongbuadaeng District, Chaiyaphum Province. He said he had asked the Prime Minister to help solve the problem of a communist threat to that district's inhabitants because communists had infiltrated the area and had fatally shot some and had wounded others of the subdistrict chiefs and village chiefs who lived along the right bank of the Chi River. Some of the remaining headmen and village chiefs had therefore fled their areas. No one dared to run in elections. Teachers were scared to teach. Communists had taken away almost all the guns belonging to the Thai Volunteers for National Defense. Some villages had even hoisted white cloths as flags in front of their villages, signaling their surrender.

MP Sihanat recommended that when the troops of Army Region Two have finished their suppression operation, the soldiers should remain in the area permanently to help develop the villages and to prevent the communist terrorists from returning. He also suggested that the village chiefs who had fled should be helped to return to their duties and that urgently needed elections for subdistrict headmen and village chiefs should be held quickly to replace those who were gunned down. A bridge across the Chi River should be built, and the roads leading to the villages should be made passable in all seasons. Teachers should be provided help and security so that they can go back to teach their students in their respective schools.

9748
CSO: 4207

MPS DENOUNCED FOR SUPPORT OF RIGHTIST PARTY

Bangkok TAWAN SIAM in Thai 3 Nov 80 pp 5, 14

['Half a Leaf is Half a Leaf' Column by Pet Banlaem; passages enclosed in single slantlines printed in boldface; passages enclosed in double slantlines printed in italics]

[Text] /Mr Anuwat Watanapongsiri, who is both the Minister of Science, Technology, and Energy and also the Deputy Secretary General of the Chart Thai [Thai Nation] Party, gives his opinion regarding the case of some Chart Thai Party members who joined the newly organized Naew Mahachon [Mass Line] Party, which is headed by Major General Sutsai Hatsadin./

Mr Anuwat's thinking in this matter must be considered rather strange, and it reflects the nature of Thai politicians.

/The crux of the matter is that the Thai pattern of thinking about political parties has not been adequately developed. It can also be said that this inadequacy is the main cause for the failure--evidenced as stagnation--of the political party system and the democratic system in Thailand./

More evidence is that members of the Thai parliament are still firmly linked to political interests and positions.

Mr Anuwat told reporters that the Chart Thai members who joined the new political party still come to his party's meetings as usual. They will follow whoever entices them with money.

At the same time Mr Anuwat revealed that some members of his party even said that being members of the Chart Thai Party is like being legally married to the party. Therefore members can sleep with prostitutes anywhere they want, as long as they do not bring diseases home. In other words, the Chart Thai Party registration gives the party the position of major wife.

The Chart Thai Party regards such action and frank speaking by its members as sportsmanlike conduct and, furthermore, as their personal affair. In the past, MPs have acted the same way, accepting money from other parties and then pooling and sharing it. They have enjoyed such conduct openly.

Scrutiny of Mr Anuwat's point of view reveals two important facts.

/First, it is obvious that the newly founded Mass Line Party employs the method of using money to buy members from other political parties./

//And second, the acceptance of money or benefits by some members is a normal practice and is considered the private business of each individual. The party does not consider their actions a serious matter because some past members of parliament also practiced such activities.//

After listening to the tale of this incident I was awfully saddened, because if any Thai political party considers it a normal or personal affair, and not a serious matter requiring corrective action when members of parliament elected under the party banner sell themselves to or join other political parties for personal gain, then /I must say frankly that this kind of political party should not be called a political party; but the best it can be called is a mob of political gangsters./

This kind of political party is founded only so that its chief or key party leaders can use it as a bargaining tool in seeking benefits and positions with those who hold political power.

Such a party is not founded to serve the people or to protect the benefits, rights, and freedoms of the people, which is the purpose of political parties in other democratic countries.

I consider any members who resign from their own parties and join others for money or benefit, without thought of their obligations to the people who elected them, /as not only traitors to their party but also as traitors to the people, double crossing them./

Any political party that considers such practices to be normal and acceptable, rather than improper, should not be supported by the people.

/Furthermore, if the new allegiance of such a party member is temporary, like that of a man who has a wife but goes with prostitutes once in a while,/--in other words, if the member is not serious about the new party he joins—I consider this conduct even more vile, because the member who conducts such activities is no different at all from a criminal who dupes his victim.

For these reasons and for the promotion of the democratic form of government in a system of political parties, I consider it the duty of the political party whose members left or sold themselves to another party to severly punish in some way its members who practice such actions.

/One should not sit and put up a smokescreen of eloquence or witty rhetoric to protect such members, because this might discourage other members who uphold the party's high ideals and policies./

//But the most important thing is that if wrong practices continue, the people will lose their faith in the political party system, and that will open the door for the easy entry of government by dictatorship.//

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END

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(DAILY EXPRESS, 18 Dec 80) 105

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BRIEFS

SWISS GRANT--Bangladesh is to get about 130 million taka as a grant from Switzerland for part financing of 9 import programs. An agreement to this effect was signed between Bangladesh and Switzerland in Dacca on 31 December. [BK011011 Dacca Domestic Service in English 0835 GMT 31 Dec 80 BK]

ENVOY TO CANADA DIES--The government has announced with profound sorrow the death in Ottowa on 2 January of Bangladesh High Commissioner in Canada Hussain Ali. [BK021625 Dacca Domestic Service in English 1530 GMT 2 Jan 80 BK]

CSO: 4220

COMBAT NEWS FROM MYITKYINA AREA, SOUTHERN SHAN STATE

Myitkyina Area

BK071228 (Clandestine) Voice of the People of Burma in Burmese to Burma 0030 GMT 7 Jan 81

[Text] Combat news from Sadon and Lauhkaung areas, located east and northeast of Myitkyina:

On 30 October, an attack by a small unit of the People's Army below (Kyungaw) killed two and wounded one enemy from the military government's mercenary 2nd Chin Rifles regiment.

Between 23 and 28 November, mine attacks by small units of the People's Army killed two enemy troops including a mercenary corporal.

On 3 and 5 December, guerrilla and mine attacks conducted by small units of the People's Army killed two mercenaries from the military government's mercenary 29th infantry regiment.

On 7 December, a small unit of the People's Army attacked a military convoy on the Myitkyina-Chipwe Highway, destroying two vehicles and wounding and killing some enemy troops.

Myitkyina, Southern Shan State

BK021444 (Clandestine) Voice of the People of Burma in Burmese to Burma 0030 GMT 2 Jan 81

[Text] Combat news from Sadon and Lauhkaung areas located east and northeast of Myitkyina: On 27 November, the People's Army and militias jointly attacked a mercenary platoon of the military government stationed at (Pha La) village located between Sawlaw and Chipwe; the mercenaries had been harassing the people living in nearby areas. The enemy retreated along with the wounded. Some ammunition and military equipment were seized from the enemy and the enemy's camp was burned down.

On 19 December, an enemy soldier was killed as he stepped on a mine planted along the (Nyanchangmaw) Stream by the People's Army. In the same evening, a small unit of the People's Army staged a surprise attack on the (Haw Gaw) enemy camp, wounding and killing some enemy soldiers.

On 22 December, a small unit of the People's Army attacked mercenaries of the 3d company of the military government's mercenary 2nd Chin Rifles regiment who came to destroy Ngamaw village. The attack killed two enemy soldiers and wounded five including a mercenary corporal. On the next day, on 23 December, the People's Army pursued and attacked the mercenaries from the 1st and 2nd companies of the military government's mercenary 2nd Chin Rifles regiment while they were retreating after burning and looting Ngamaw village again. The enemy fled in disarray with five wounded.

Combat news from the southern Shan State: On 21 December, a small unit of the People's Army attacked the enemy from the military government's 6th infantry regiment near Keng Tawng, killing one and wounding four.

CSO: 4211

'VOPB' REPORTS PEOPLE'S ARMY ACTIVITIES IN DECEMBER

BK091254 (Clandestine) Voice of the People of Burma in Burmese to Burma 1200 GMT 9 Jan 81

[Text] Combat news from Central Shan State:

On 3 December, a small unit of the people's army made an attack on the enemy at (Kwehkalang). The enemy fled. On 16 December, mines planted by the people's army killed two enemy soldiers at (Kyarudi Gway). On 26 December, an attack by a small unit of the people's army at (Wan Pang) River, (Hai Hkawng) region, killed two enemy soldiers and wounded three others.

Combat news from Eastern Keng Tung District:

On 15 December, mines planted by the people's army near (Hpang Mawng-Yong) and Loi Mwe killed one enemy soldier. On 20 December, a clash broke out between a people's army unit and enemy transportation troops at Wan Pa-hok. The people's army captured 9 rice bags and over 200 tins of canned food.

On 21 December, the people's army clashed with the enemy near (Ya Hpang) Village. Two enemy soldiers were wounded and the enemy fled leaving a body behind. Three G-2's were seized by the people's army. The people's army captured over 3,000 rounds of ammunition and over 100 explosives and bombs in a clash which took place at the foot of the eastern mountain in Mong Yawng field on the following day, 22 December.

On 26 December, a small unit of the people's army attacked and overran the enemy camp at (Nanthalin) in Mong Lin field. The camp was burned and destroyed. On 17, 19, 20 and 21 December, the communications links used by the mercenary army to oppress the people--the (Loi Hpaw) bridge between Mong Yawng and Mng Hpayak; the bridge between Mong Hpayak and Mong Lin; the road between Mong Hpayak and Mong Lin; the (Long Hsan) bridge on Mng Tong-Mong Hpayak road; and the bridge between Keng Tung and Loi Mwe--were dynamited and destroyed by small units of the people's army.

Combat news from Maw Hpa region, Southern Wa District:

On 30 December, an attack by people's armed forces around (? Yawng-U) killed seven enemy soldiers and wounded four others. On 31 December, five enemy soldiers were killed and five others wounded in a clash which was between (? Yawng-U) and (Tapaw).

CSO: 4511

BRIEFS

COMBAT NEWS--On 8, 9, 10 and 13 November, small units of the people's army conducted mine and guerrilla attacks around (Hsuppa), Mong Yang and Mong Lwe areas in Mong Ngen District, killing or wounding almost 20 enemy soldiers. On 20 November, a small unit of the people's army staged a guerrilla attack on the first column of the military government's mercenary 80th infantry regiment between (Loi Tung) and (Loi Ta) in Mong Mit region, wounding three mercenaries. On 8 December, mines planted by a small unit of the people's army near Htawgaw Camp, northeast of Myitkyina, killed one enemy soldier. On the same day, an attack by the people's army in Yawng Aw region, southern Wa District, killed 12 enemy soldiers and wounded 6 others. On 10 December, a guerrilla attack by a small unit of the people's army at Mong Yang-Wan Ke wounded two enemy soldiers. Several guerrilla attacks by small units of the people's army in Maw Hpa, Yawng Aw, (Pang Hong) and (Na-Kong) in southern Wa District on 8, 10, 11 and 12 December resulted in more than 20 enemy soldiers killed and almost 30 wounded. [Text] [BK310905 (Clandestine) Voice of the People of Burma in Burmese to Burma 0030 GMT 31 Dec 80]

CSO: 4511

PRESS REPORTS DETAILS OF CONGRESS(I) SESSION

First Day's Proceedings

Calcutta THE SUNDAY STATESMAN in English 7 Dec 80 p 1

[Text] New Delhi, Dec. 6.--While several members withdrew amendments to the political resolution of the all-India Congress (I) Committee today, suggesting a switch-over to the presidential form of Government, others made a strong plea for reimposition of the Emergency, if necessary, to curb the activities of anti-social elements.

Later, Mr Kamalapati Tripathi, who officiated for Mrs Gandhi for almost the whole day's session, suggested that the switch-over to the presidential form be debated.

The AICC (I) session was the first to be held since the party's return to power in January this year.

Mr Tripathi had moved the resolution on the political situation which the AICC (I) meeting adopted unanimously after a 10-hour debate.

Winding up the discussion, he said he had received a number of amendments to have the AICC (I) incorporate in the resolution the move for a changeover to the presidential form of Government.

However, he did not find it possible to accept the amendments which were withdrawn.

Mr Bhagwat Jha Azad, Minister of State for Supplies, who made the last speech supporting the resolution, thought that "if necessary, we should discuss a change in the Constitution".

He pointed out that these days almost any law passed by Parliament was being taken to courts and challenged. Although the Indian Parliament was based on the Westminster model, people in Britain did not take the laws passed in Parliament and challenge them in courts. He therefore felt it had become necessary to consider "what constitutional changes are needed" and posed the question: "Are France and the USA (which have presidential forms of Government) dictatorships"?

Several members, including Mrs Vidyavati Chaturvedi (Madhya Pradesh), Mr Lakshmi Narayan Acharya (U.P.), Mr M. M. Jacob, general secretary, Kerala PCC (I) and

Mrs. Kamla Ajmera (Maharashtra) went to the extent of suggesting that Government should not hesitate to reimpose the emergency for curbing the activities of anti-social elements.

Some members also suggested the revival of the Maintenance of Internal Security Act. The main thrust of the debate on the "political situation" resolution was an attack on the Opposition parties--and many of the 40 members who spoke singled out the CPI(M)--for attempts to subvert democracy and foment trouble, and instead of gracefully accepting the popular verdict.

/The resolution itself contained a bitter attack on the Opposition parties, the AICC (I) alerting party Governments, both at the Centre and in the States, to be vigilant against the "machinations" of anti-social forces and devote themselves to solving the problems of the people./ [in boldface]

The resolution deplored the "open involvement of the Marxist-led Kerala and West Bengal Governments in agitations and bandhs causing untold hardships to the people".

The other parties--Mr Charan Singh's Lok Dal and the Bharatiya Janata Party--came in for comments too, but the criticism against them was muted and the Bharatiya Janata Party was not mentioned by name, except that the speakers suspected the RSS hand behind communal riots. They charged thatthese constituents of the former Janata Party were attempting to create chaos and conditions of instability only to hide the "Janata's incompetence and bankruptcy".

The main brunt of the criticism was against the CPI(M) which the speakers said was ruling in Kerala, West Bengal and Tripura. The CPI(M)-led Governments, they said, were openly involved in agitations and bandhs threatening law and order.

Mr C. M. Stephen, Union Minister for Communications, was most vocal in criticizing the Left Front Governments in the three States for "fomenting trouble rather than safeguarding the life and property of the people". He said the two Governments of West Bengal and Kerala were "instigating violence and murder against the constitutional responsibility bestowed on them". They were also throwing challenges at the Centre, he said in a hard-hitting speech.

/Mr Stephen virtually served notice on the Marxist Governments by declaring: "If there is a breakdown in law and order anywhere in the country, the Centre is duty-bound to set things right"./ [in boldface]

Mr A. P. Sharma, another senior Minister, also strongly criticized the Left Front Governments and asserted they were creating trouble for themselves.

Gandhi's Opening Address

Calcutta THE SUNDAY STATESMAN in English 7 Dec 80 pp 1, 7

[Text] New Delhi, Dec. 6.--Mrs Gandhi said today that India had not changed its policy of total disapproval when a foreign country intervened in another country and this applied to Afghanistan. At the same time, she said, the perspective must not be lost and those who complained of "intervention" should not forget the power confrontation that had developed in the Indian Ocean.

In her opening speech to the AICC (I) session--the first since her party was returned to power after a break of three years--Mrs Gandhi also said that those who talked of intervention in Afghanistan should remember how some countries are turned by others into military bases and pads for atomic weapons. These efforts at arms race and expansionism must be met.

She referred to the visit of the Soviet President, Mr Brezhnev, beginning Monday and said he was an honoured guest. When such great leaders come, people who do not like their policies feel unhappy. They could, she said, express their views, or write to the Government. But it was improper for them to resort to anything like agitations, which would only sully India's name. She thought that some Opposition parties should reconsider their attitude.

Mrs Gandhi said a new administration would come to power in the USA. "We do not know what its attitude towards India will be, but our policy towards the USA has always been one of friendship, and we hope they too will maintain this policy of friendship towards us". She was sure the new Administration would forget the past and strengthen friendship with India, keeping in view the position India held in this part of the world and how helpful India could be in maintaining world peace".

Regretting that Iran and Iraq, both friends of India, were wasting their energies in war, Mrs Gandhi said their emissaries had come here and ours had gone to the two countries. India's efforts were to see that the war ended soon.

It was strange, she said, that in such situations, only big Powers benefiter and the smaller and under-developed countries suffered. [as published]

In her other references to foreign relations, Mrs Gandhi said her Government's policy had always been one of friendship with all. It was she who had initiated steps to improve relations with China and Pakistan.

Without mentioning anyone by name, she said some people alleged that India wanted to attack Pakistan. This was wrong and without any foundation.

India had never committed aggression on any country, though it had been invaded several times. "We will never commit aggression on anyone, and we will not attack anyone, but if other countries attack us, it is clear that we shall have to be prepared". Mrs Gandhi thought the best way India could be ready to meet such an eventuality "is to strengthen our friendship with others and this is what we are trying to do".

The highlight of Mrs Gandhi's 40-minute speech was, of course her comments on international affairs, on which a party resolution is to be debated tomorrow, but Mrs Gandhi also dwelt on the recent spurt in communal incidents, casteism, the economy, Assam and the Opposition.

She said that a sinister propaganda was on--that the Congress (I) had not fulfilled its election promises. This was being repeated time and again so that people would start believing it. "But there is no truth in this propaganda".

In 1966, when she took over, Mrs Gandhi said, the situation was not bad, though there was slackness. The Janata Government had deliberately demolished whatever the predecessor Congress Governments had done.

She held that the Janata Government could function in the beginning because of the sound base left by the Congress. She regretted that the Opposition parties had taken to an agitational approach--and some of these agitations had turned violent--from the very day the Congress (I) Govenrment came back to power. [as published]

She deplored attempts being made perpetually to weaken the Government. In a democratic set-up, the Opposition should remember that an elected Government should be given time to work. How could the Government implement its programmes if agitations were started from the very day it took over?

Mrs Gandhi also regretted that whenever there was an agitation, the Opposition parties encouraged it.

She asked her partymen not to get elated over success, nor disappointed over set-backs. Her partymen, she was sory to say, became dejected fast when they met with reverses. [as published]

Amid cheers, the Congress (I) president reminded her partymen that the massive victory in the elections had added to their responsibilities and they could not afford to relax. They must fan out to the villages and do some work. It was time to work with greater vigour and zeal.

Assam Agitation

Mrs Gandhi said some of the complaints of Assam agitators were correct. It was true that development work had been very slow in the north-eastern region. Her Government had initiated action in that direction soon after it came back to power.

But the foreigners issue was a complex one, involving humanitarian and international considerations. From the very beginning, she had been saying that the work of detection should start, but the agitators insisted in 1951 as the base year--"either 1951 or nothing".

The agitation in Assam, she said, was sectional. The tribals did not support it. This point had to be considered. She was in favour of settling the issue through negotiations and talks, because she did not want people to suffer.

Mrs Gandhi blamed the previous Janata and Lok Dal Governments for giving a new lease of life to communalism, casteism and regionalism.

Expressing her sympathy with those who had lost their lives and property in the recent violence in Moradabad and elsewhere, she said the Government was doing everything possible to stop such disturbances, but the Opposition parties were out to exploit the situation and fan trouble. Sometimes Congressmen also got involved in them.

Sometimes there was confrontation with the police. This was not proper. Bad elements, however, should be weeded out of the police. If the police personnel got the feeling that the people did not have confidence in them, how could they discharge their duty, she asked. In Aligarh, this was the complaint of the police.

Mrs Gandhi said that the economy had shown a distinct improvement. The effect of certain steps taken by the Government would be visible after some time.

Concluding Day's Session

Calcutta THE STATESMAN in English 8 Dec 80 pp 1, 9

[Text] New Delhi, Dec. 7.--The All-India Congress Committee (I) concluded its two-day session here today after adopting two resolutions on the economic and international situations, report UNI and PTI. The six-page resolution on economic affairs directed the Centre and the States to take "strong and effective" action against economic offenders, such as hoarders and profiteers and to curb the circulation of black money.

Members expressed concern over the scarcity of essential commodities. The resolution also emphasized the role of the public distribution system and called upon Congressmen to help in building a strong consumer movement to hold the price-line.

In its five-page resolution on the international situation, the AICC (I) supported the Centre's stand on the Afghanistan crisis, thus reaffirming its opposition to foreign intervention in the affairs of sovereign States.

The resolution recalled the talks India had had with non-aligned and other countries. It said the talks showed "a wider acceptance of inadmissibility of such interferences". It was said that India wanted to share the desire for friendship between the two countries with the people of Pakistan and the resolution asked the party to continue its efforts in this direction.

Before concluding the two-day session, the AICC(I) adopted a resolution on the economic situation predicting a five per cent rate of growth of the economy in 1980-81 and said that a trend towards price stability had been achieved. The resolution claimed that the ruling party's tax, industrial and export policies were imparting buoyancy to investment.

The main thrust of the attack by more than 30 speakers who participated in the debate was against the Janata regime for "bungling" the foreign affairs and the economic front, and destroying whatever the previous Congress regimes had built up.

A new feature during the debate on the economic situation was to blame the bureaucracy and the administrative machinery for standing in the way of carrying out development programmes and work for the amelioration of the conditions of the poor.

A large number of speakers, including Mr Nawal Kishore Sharma (Rajasthan), Mr Manoranjan Bhakta (Andaman and Nicobar Islands) and Mr Vithal Gadgil (Maharashtra)

said rules and regulations should be changed if they were obstructing the development programmes.

Moving the resolution on international situation, Mr Shankar Dayal Sharma, a former Congress president, said India would like to befriend a "strong Pakistan".

He, however, observed that if Pakistani leaders sought to raise any bogey to ward off trouble from "rebellious elements" in their country, India would not be caught napping.

Mr Sharma denounced the former Prime Minister, Mr Morarji Desai's statement (regarding the USSR instigating India, during his regime as Prime Minister, to attack Pakistan and dismember it) and asked the AICC (I) members not to take Mr Desai seriously for he had been occasionally "talking irresponsibly and against national interest".

He held that the Janata Party Government had damaged India's respect and honour in the comity of nations, especially in the non-aligned and developing countries.

Mrs Sheila Kaul, Union Minister of State for Education, said India did not believe in confrontation, but that should not be mistaken as its weakness. Mr Zainul Basher (U.P.) said he foresaw a confrontation with China in the next 10 years.

Moving the resolution on the economic situation the Maharashtra Chief Minister, Mr A. R. Antulay asked for drastic constitutional changes to ensure steady economic growth.

Two Chief Ministers, Mr Darbara Singh (Punjab) and Mr Jagannath Pahadia (Rajasthan) held that the Janata Government had immeasurably harmed the country's economic set-up. They joined several other delegates in attacking the Opposition parties for creating impediments in the way of Congress (I)'s socio economic programmes aimed at removing the suffering of the downtrodden poeple. Mr Darbara Singh also attacked the communal forces for demanding a separate State. Without naming the Akali Dal, Mr Darbara Singh said these forces wanted to disintegrate the country.

The Union Planning Minister, Mr N. D. Tiwari, said he proposed to give the highest priority to petroleum exploration and production.

Mr Pranab Mukherjee, Union Commerce Minister, said that there could not be any anomaly on abolition of sales tax. A committee of Chief Ministers had been constituted to go into the question and its recommendations were awaited. "We have to take hard decisions, strong decisions, if necessary" he said.

Mr Mukherjee refuted the charge of the Opposition parties that Mrs Gandhi's Government was a "non-performing" Government. The situation he said, had to be viewed in the background of the "mess" created by the Janata Government. It would take some time to correct the distortions.

Gandhi's Concluding Remarks

Bombay THE TIMES OF INDIA in English 8 Dec 80 p 1

[Text] New Delhi, December 7. The Prime Minister indicated today that she would keep her options in her talks with the President Leonid Brezhnev, during his visit here beginning tomorrow.

In her concluding remarks at the AICC(I) session this evening, Mrs. Gandhi said India welcomed the visit of the Soviet President and reminded the audience that the Soviet Union had always stood by this country at times of difficulties.

"But that does not mean that we will say yes to everything he says," she added. "We will have to decide."

She said that tension and conflicts were growing in the region with the increase in the big-power presence. Some attempts were being made to destabilise governments which were working for complete independence.

Economic factors, she added, were at the root of these conflicts and India was pursuing a path of self-reliance to strengthen its independence.

Mrs. Gandhi said that because of this reason India was being accused of being "isolationist." This was not true, but there was nothing wrong in being isolationist. "We have to decide for ourselves which policy suits our interests. If it serves us to stay in isolation for some time, what is wrong in it? We must see that we are going in the right direction."

India, she added, did not want to give leadership to anyone in the international sphere but wanted to work in partnership with countries willing to co-operate with it.

Charge Refuted

Turning to domestic affairs, Mrs Gandhi refuted the charge that her government was non-performing and the ministers were inexperienced. "We have a number of chief ministers who have a good record in office. Some new persons have of course been taken, but no government can go ahead without new persons."

She claimed that in its ten months in office, her government had been able to arrest the drift. There was no drift now and also there was no complacency. The government was aware of the anxiety among the people over the rising prices.

Mrs. Gandhi said that a lot of propaganda was being made that the government was not sympathetic towards the farmers. This was not correct because farmers had been meeting her and they had told her that they were satisfied.

This was because the government was pursuing a correct policy. Conditions were being created in which the farmers could produce more. The Indian farmer was not conservative. He could accept new things.

She said that it had to be recognised that there were limitations to giving more to the farmers. If some restraint was not observed, the whole economy would collapse. Everything was interconnected--the prices of farm products and industrial goods. They could not be separated.

She said that there was an epidemic of agitations to disrupt the life of the nation. "How can we help you in these condition?"

Mrs. Gandhi pleaded with the opposition parties to take a "national perspective". They should try to look at the problems from a wider perspective.

Referring to the communcal situation, Mrs. Gandhi said that every effort should be made to remove suspicion from the minds of the minorities. It was only then that harmony would be restored.

Saying that there was need to adopt a modern outlook, Mrs. Gandhi said: "Since I have been going to some temples, some people have been saying I am an obscurantist. I am not an obscurantist. We have always to see that something goes forward. We must not be bogged down in tradition, but we must also take care that we are not cut off from our roots."

She said the country's survival depended on attaining self-reliance and for achieving this there should not be hesitation to bring in modern technology from outside. There was a wrong idea that modern technology would lead to unemployment. It was only high technology which could lay the foundation for future employment. "There can only be a temporary dislocation, but we have to take a long-term view."

She referred to the experience of China which had tried to develop herself on her own for about two decades. Ultimately, it had to go to the West for technology. "I don't blame China. Every system has its difficulties." There were now two systems in the world--the capitalist and the socialist systems, but none of them was working well.

India, she thought, had to chart out its own path, as either of the two systems might not be suitable to it.

Draft of Political Resolution

New Delhi PATRIOT in English 7 Dec 80 p 5

[Text]

Following is the text of the draft resolution on the political situation finalised by the Congress-I Working Committee.

Early this year the people of India, by a massive mandate in the Lok Sabha mid-term poll, called the Congress Party, under the dedicated leadership of Mrs Indira Gandhi, back to office in order to pull the country out of the morass into which the Janata and Lok Dal Governments had let it slide. They reaffirmed their support to the Congress-I and to the leadership of Mrs Indira Gandhi in the elections to the Legislative Assemblies in many States in June 1980 and in the Assembly byelections in several areas last month. With this consistent endorsement, the people have demonstrated their determination to stand solidly behind the Congress-I, its policies and programmes and have given a fitting reply to the charges levelled against the party and the Prime Minister by diverse Opposition groups. The AICC expresses its deep gratitude to our people and reiterates its pledge to prove worthy of this confidence.

Every aspect of the national situation, inherited from the previous Governments, was in such a frightening state of drift and deterioration that a concerted and determined effort was necessary to put the nation back on the rails. The people, by their electoral verdict, had assigned to the Congress the task of leading the nation in this mammoth effort. The Prime Minister, on her part, began with an impassioned plea for cooperation from all. It is, however, unfortunate that instead of bowing to the unmistakable verdict of the people and taking their own defeat with the grace befitting the democratic spirit, some political parties have chosen once again to follow the path of confrontation and chaos. On several crucial issues which were in fact a consequence of the failure of the previous two regimes, these parties seem to be bend upon fanning unrest and instigating violence and extra-constitutional courses of action.

Attempts at destabilisation began almost immediately after the Congress Government took over at the Centre. They rose in intensity and tempo when Congress Governments assumed office in eight out of the nine States which went to polls in June 1980. While the Congress Governments grappled with the myriad intractable problems created by the incompetence and bungling of the previous three years,

violent, obstructionist and premeditated agitations were fomented. Particularly deplorable is the encouragement given to communal or caste tensions and parochial agitations. The situation has reached an absurd and highly dangerous state when the pattern of opposition has been characterised by the open involvement of two State Governments in agitations and bandhs, causing untold hardship to the people of those States. Another characteristic of the pattern of agitation has been that the very segments of the population, viz. women, minorities and weaker sections, who have always lent solid support to the Congress, have been systematically involved, the obvious intention being to allenate them from the Congress. However, the AICC notes with satisfaction and profound gratitude that one by one, these attempts have failed and the vast base of the Congress among the people of the country remains intact. Indeed, the people have seen through the game of destablisation and have rallied round the banner of the Congress with determination.

The norms of democratic functioning demand that the electoral verdict be fully respected, while the right of dissent and criticism shall be available to the Opposition. But repeated acts of violence, sabotage and destruction have no place whatsoever in democracy and those who indulge in these methods are seeking to subvert democracy itself. The AICC unequivocally condemns such reprehensible trends and all acts of violence and vandalism witnessed at various places, and pays homage to those who have lost their lives and offers condolences to those who have suffered in other ways. It urges Congress Governments as well as Congressmen to do all that is possible for their relief and rehabilitation. The AICC is gratified to note that that energetic steps have been, and are being, taken by the Governments to restore conditions of peace and harmony and to create a new atmosphere of national integration by reviving the National Integration Council and similar useful measures.

The AICC compliments the Government on the utmost forbearance and tact with which it has been handling the complicated problem of foreign nationals in Assam. In view of the far-reaching implications of the agitation and the enormous losses it has already caused to the people of the State as well as to the nation's economy, the AICC, while welcoming the cooperative role of many other political parties, appeals to the leaders of the agitation to call it off without further delay. The establishment of a popular Government in the State will, it is hoped, pave the way for a satisfactory solution of the question. The AICC, while expressing its distress at the hardships caused to the people of the State during the agitation, appeals to them to cooperate in terminating the agitation and restore conditions of normalcy, amity and goodwill in the State so as to set it once again on the path of orderly progress and development.

Our nation has been built up by the suffering and sacrifice of the people of India during almost a century. The Indian National Congress, which led this long and arduous struggle to a successful conclusion, has during its long history, upheld freedom and democracy at home and abroad. It will continue to dedicate itself to strengthen the democratic vision and to concretise it so that it permeates the lives of the people. The Congress has integrated the nation on sound and strong foundations and will do all that is in its power to isolate, expose and combat the forces of disintegration and discord. The AICC appeals to the people to be forewarned to the dangers ahead and to stand by the forces of integration spearheaded by the Congress. The sinister attempts to divert the nation's attention and to deflect the Government's concentration from single-minded attack on poverty and its concomitanty, shall be defeated at all costs. The AICC calls on the Governments at the Centre and the States to ensure that their employees are vigilant against the machinations of anti-social forces and responsive to the people's problems and needs. The administration should become more efficient and at the same time more humane.

To the teeming millions of the people, the Congress has always been the sole symbol of their aspirations and a many-splendoured replica of the entire nation, integrating all sections and spanning all age-groups. Its history has been singularly free of the generation gap—it has welded the wisdom of the seasoned and the enthusiasm of the resurgent in a harmonious fabric which has stood the test of time. It is this all-inclusive phenomenon called new India that transcends all distinctions and differences and which shall endoure for ever, in protecting and preserving this ideal, this reality, this truth, the AICC invites the people of India be they peasant, workers, scientists, intellectuals, administrators of all ranks, political activists and cadres in the socio-economic fields to stand by the Indian National Congress, its objectives and programmes.

Draft of Economic Resolution

New Delhi PATRIOT in English 7 Dec 80 p 5

[Text] Following is the text of economic resolution finalised by the Congress-I Working Committee.

Long before Independence, the Indian National Congress pledged itself to create a just society which ensured to every Indian human dignity and a decent standard of living. Efforts have been made since the inception of a planned economy in the early '50s to create a self-reliant and dynamic economy for meeting the needs of the millions of people spread over this vast sub-continent. The results have been remarkable.

Thus, when the Congress demitted office in 1977 there was self-sufficiency in food with 20 million tonnes of buffer stock, comfortable foreign exchange reserves, spectacular export

growth, rising industrial productivity, harmonious labour relations, optimum utilisation of infrastructural facilities and a buoyant and vibrant economy. The public sector displayed notable advances both in productivity and profits which contributed both to capital formation and economic resilience. These achievements were made possible by a carefully integrated and coordinated planning process which led to the adoption of growth stimulant measures and the creation of suitable mechanisms for an equitable sharing of gains among all sections of the society.

The advent of the Janata Party in 1977, however, set the entire economic process in a rapid reverse gear and as observed by the AICC meeting in 1979, gave rise to a situation causing serious concern all round.

It was, therefore, no surprise that when the Congress assumed power early this year it found that the economy was shattered all round — a yawning balance of payments gap; mounting inflation serious infrastructural deficiencies, crippling inflation, growing unemployment and a teeming of general discontent all round. There was decline in exports resulting in wide balance of payments gaps. The performance of the public sector fell sharply. As a consequence during 1979-80 the gross national product declined by almost 3 per cent while agricultural production fell by over 10 per cent. Widespread shortages of essential commodities with serious dislocation in the distribution system contributed to the misery of the common man. A rapid inflation of over 20 per cent was the result of a wide constellation of factors, in particular the pursuit of irresponsible fiscal and monetary policies.

The All-India Congress Committee is conscious that the inheritance of such a shattered economy would require a great deal of sacrifice and sustained efforts for the restoration of its economic health. In its election manifesto, the Congress had promised that it would resuscitate the economy and make a two-pronged attack in respect of demand and supply for containing inflation and to formulate new policies on various fronts.

The All-India Congress Committee welcomes the tax reliefs granted to almost every section of the society and the measures initiated to revive the stagnant economy.

There has been a sharp improvement infrastructural facilities — congestion in the ports has been eliminated, coal output has improved, movement of railways rationalised. The announcement of a new industrial policy has imparted greater buoyancy to investment. With a record food production of over 130 million tonnes, a good sugarcane crop, easier supply of oil seeds and a slow but steady improvement in industrial investment and production the AICC is confident that a five per cent growth in gross national product can be achieved during the current year. It also endorses the steps taken by the Government for expanding the role of the public sector which continues to be a strategic instrument in our national planning and an effective safeguard to our economic independence in the difficult days ahead.

The All-India Congress Committee notes with satisfaction the series of measures taken by the Government for giving a new orientation and imparting greater dynamism to the country's exports sector. In the long run the deterioration in the international economic situation the difficulties in the north-south dialogue and increasing protectionist measures being pursued by the developed countries will require vigorous and unconventional techniques like some of the measures recently adopted for promoting exports and minimising the constraints in our balance of payments.

The AICC welcomes the Government's new industrial policy statement made on the 23rd July 1980. The statement was framed within the broad parameters of the Industrial Policy Resolution of 1956 and was primarily intended to emphasise the areas of policy focus and direction with clarity and precision. The objectives that were spelt out in the statement included optimum utilisation of installed capacity, maximisation of production with higher productivity and employment generation, correction of regional imbalances through preferential development of industrially backward areas, promotion of agro-based industries equitable opportunities for investment and dispersal of small and growing units in rural as well as urban areas. The policy also set before it as an objective, faster promotion of export-oriented industries as well as self-reliance through deliberate and systematic import substitution.

A number of steps have been towards implementation of the policy and achievement of objectives set before it. The approval procedure including procedures of import of technology as well as capital goods critical to development have been streamlined to make them trigger points of growth. Specific policies have been initiated for export promotion and totally new line of organisations and infrastructure have been provided for 100 per cent export industries. Fiscal discipline, administered prices and a vastly strengthened public distribution network have been selectively applied to contain the situation.

As results in the recent months indicate, it is clear that the trend towards price stability has been established. The Government has placed highest emphasis in monitoring, organising and promoting industrial infrastructure with power and transport, as also availability of producer materials like steel, coal and cement.

The AICC notes with satisfaction that while the Government has not in any manner compromised on the basic structures of industrial policies, the statement is also in consonance with socio-economic objectives and would provide answers to the inflationary trend. Policies and programmes of deliberate growth pattern are not only being taken in the framework of industrial policy but also sought to be brought in different amendments to legislation impinging on the corporate sector. As a result, it is expected that the negative trend of industrial growth which has cast a shadow on the economy for some time would be reversed and it would be possible to create the base and environment on which a steady 10 per cent growth in industrial production can be framed from 1981-82 onwards.

The All-India Congress Committee is happy to note the steps taken for fulfilling the party's promises to the working class, i.e. enacting the new Bonus Act, which only confirms that our party shall be in the forefront in safeguarding the interests of the working class.

The committee also endorses the rational approach adopted by the Congress Committee towards demands of our farmers for getting fair prices for their produce and in this connection the enlargement of the terms of

reference of the Agricultural Prices Commission and the decision to accept higher prices for foodgrains, sugarcane, cotton than those recommended by the APC are important steps in this direction.

The committee views with concern the developments in the price front and notes the efforts made by the Government to control money supply, curb in public expenditure. While the inflationary forces operating in the world economy would continue to create difficulties, there is great need for the Government to be vigilant and strengthen the public distribution system so that the vulnerable sections of the society can be protected from growing burdens of inflation.

The other front where vigorous action will have to be taken relates to the resource mobilisation where public sector will have to be a pace-setter of capital accumulation. This will require a qualitative change in the pricing policy pursued by them and the committee urges the Government to implement the appropriate price reforms for the output of public sector enterprises so that more efficient use of our human and material resources is ensured in all the sectors of the economy.

Keeping in view the international factors, high priority needs to be attached towards the evolution of a sound energy policy consisting, inter-alia, of stepping up coal production, intensifying of exploration and exploitation, increasing efficiency in the use of energy, formulation of our R and D plans for utilising other energy resources, like solar, hydel and nuclear.

The committee welcomes the massive investments of over 90,000 crores in the sixth Plan and urges the Government to formulate regional and sub-regional developments strategies, particularly programmes for backward regions and hill areas, towards which a beginning has been made in the States of Assam and other north-eastern States.

The All-India Congress Committee is convinced that we as a nation can meet the challenges that are posed by the external and internal economic forces and committee resolves continue the efforts of building up a vigorous, dynamic and self-reliant economy to eradicate poverty and injustice.

The All-India Congress Committee is aware of the enormous task before the party and the people in meeting the challenges which lie ahead but is confident with the cooperation of the people at large the party would be able to overcome the crisis and lead the nation to its cherished goals of creating an economic order free from exploitation hunger, inequality and injustice.

CSO: 4220

UTTAR PRADESH CABINET EXPANDED TO 34 MEMBERS

Bombay THE TIMES OF INDIA in English 5 Dec 80 p 1

[Text] Lucknow, December 4:

Fourteen members were added to the Vishwanath Pratap Singh ministry today, raising its strength to 34.

At a simple ceremony at Raj Bahvan this evening, the governor, Mr. C. P. N. Singh, administered the oaths of office and secrecy to eight ministers of state and six deputy ministers. With the inclusion of the deputy ministers, the state now has a three-tier ministry.

Meanwhile, Mrs. Swarup Kumar Baxi, minister of state for education, and Mr. Bhanu Pratap Singh, minister of state for sugarcane, have been promoted to cabinet rank.

The ministry now has 15 cabinet ministers, 13 ministers of state and six deputy ministers.

Mr. Nirmal Kumar Khatri, who has been appointed deputy minister, could not be sworn in as he was out of the city.

The new ministers of state are Mr. Kashinath Mishra, Mr. Sachidananda Bajpai, Mr. Rajendra Tripathi, Mr. Shivanath Singh Kushwaya, Mr. Ram Ratan Singh, Mr. Dayal Krishna, Mr. Gulab Singh and Mr. Shivraj Singh.

The deputy ministers are Mr. Javed Ali Khan, Mr. Zafar Ali Naqvi, Mr. Sarjoo Prasad Saroj, Mr. Sitaram Nishad, Mr. Sunil Shastri and Mr. Jairam Gautam.

The chief minister, who returned from New Delhi after consultations with the party chief, Mrs. Indira Gandhi, finalised the list of new ministers this morning.

According to observers, the list of new entrants into the ministry indicates a move by the chief minister to consolidate his position in the Congress (I) legislature party and to win over dissidents.

Mr. Kashinath Mishra, a former student leader from eastern U.P. and a former Lohia socialist, has been a "vocal member of the Bidhan Sabha. He was considered close to Mr. Kalpanath Rai, general secretary of the AICC (I), a known detractor of Mr. V. P. Singh. In Mr. Mishra, who has been appointed a minister of state,

the chief minister now has an articulate defender on the floor of the assembly and a supporter inside the CLP (I).

Similarly, the inclusion of two more Brahmins, Mr. Rajendra Tripathi and Mr. Sachidananda Bajpai, in the ministry, is expected to help the chief minister gain greater support in the so-called "Brahmin lobby."

He has also included two Muslims, Mr. Zafar Ali Naqvi and Mr. Javed Ali Khan, a former Youth Congress (I) leader from Lakhimpur Kheri. This is seen as an attempt at placating the "Muslim lobby" in the context of the Moradabad riots.

CSO: 4220

VAJPAYEE ELECTED TO PRESIDENCY OF BJP

Bombay THE TIMES OF INDIA in English 13 Dec 80 p 1

[Text] New Delhi, December 12: With almost all state units of the Bharatiya Janata Party proposing Mr. A. B. Vajpayee, as its president, his election to that office was announced here today. There was no other candidate.

He will preside over the plenary session of the party to be held in Bombay from December 28 to 30. The meeting will be preceded by a session of the party executive.

The party returning officer, Mr. Jagannath Joshi, announcing Mr. Vajpayee's election also stated the entire process of organisational elections from the panchayat to the plenary level had been completed.

The party general secretary, Dr. Murali Manohar Joshi, claimed that since the founding of the party on April 5 last, it had enrolled 2.5 million members. The largest membership for any state was in Maharashtra--500,000. The figure was exclusive of membership of 125,000 in Bombay city.

He said the membership drive in U.P. could not be pursued in time because of floods and communal incidents.

Interestingly, according to figures supplied by him, the BJP has established base in places, including Kerala, where the Jana Sangh had none.

The elective offices in the party are for a two-year term. Mr. Vajpayee will appoint a 51-member executive.

CSO: 4220

PARTY LEADERSHIP CHIDES WEST BENGAL CPI(M)

New Delhi PATRIOT in English 10 Dec 80 p 4

[Text] Calcutta, Dec. 9.

Three Politburo members headed by party general secretary E M S Namboodiripad have reportedly criticized the West Bengal leadership of the CPI-M for its limited vision. Mr Namboodiripad along with Mr B T Ranadive and Mr Basavapunniah held wide-ranging discussions on 6 and 7 December with the State unit in respect of ideological and organisational questions.

Ideologically, the Central leadership impressed upon the Bengal party the point the task of building up the Left-Democratic understanding has not been carried out properly so far in the State. The State unit, they held, tend to get pre-occupied with West Bengal alone, more often than not, leaving out of account the national scene. [as published] But even the political co-relation of forces in the State and the party-led Government, they stressed, could hardly continue to ignore the overall situation in the country and the emergence of authoritarian and obscurantist trends. In order to do that successfully, the Central leaders, along with Jyoti Basu and Samar Mukherjee, maintained, the Left-Democratic base in general and CPI-M's own influence in particular, have to be widened.

In this context it was found out that the Salkia plenum's aims to expand the party's influence in the non-traditional areas and forge friendly relations with the democratic elements, have largely remained unattained. Partly this failure was traced to the Bengal unit's narrow vision in respect of the Left-Democratic concept, largely conditioned by the specific situation in the State.

The Central leadership was wholly for strengthening the State's Left Front, but simultaneously they laid stress on two equally important aspects involved in measuring the Front's solidity. Firstly, the proportionate growth of the parties involved and that of their class organisations like trade union and peasant bodies and secondly, widening of the front's relationships with all democratic forces.

In the background of the strident demand at the AICC(I) session to get tough with the Left-ruled States and even to reimpose emergency, despite Mrs Gandhi's contrary note, even Mr Promode Dasgupta seems to have appreciated the views of the other PB members. After the meetings were over, Mr Dasgupta in briefing the press avowed that excepting the communal BJP, the State CPI-M would invite all democratic forces to join in an anti-authoritarian platform to defend democracy.

CSO: 4220

'AUTHORITARIAN TREND' AT AICC(I) SESSION DEPLORED

Calcutta THE STATESMAN in English 9 Dec 80 p 1

Text]

NEW DELHI, Dec. 8.—Eight members of Parliament belonging to the CPI(M), CPI and Forward Bloc said today they were greatly disturbed by the exhibition of "anti-democratic and authoritarian trends" at the just-concluded AICC (I) session held in New Delhi.

In a joint statement, Mr P. Ramamurthi, Mr Samar Mukheree, Mr Bhupesh Gupta Mr Indrajit Gupta, Mr Chitta Basu, Mr Tridib Chaudhury, Mr Harkishen Singh Surjit and Mr Amar Chakravarti asked all "democratic-minded people" to raise their voice against this "conspiracy to destroy democracy and to attack the people".

Instead of critically examining the discredited economic and other policies which were causing so much suffering to the people, the AICC(I) had done an "orchestrated propaganda" for the presidential form of Government to introduce "an authoritarian personal rule totally unaccountable to Parliament" they said.

The "so-called presidential system" was sure to spell not only a variant of dictatorship but would also disrupt national unity, they said.

It was significant, they said, that the Prime Minister and other Central Ministers did not speak against this propaganda and "attack" on democracy.

The Left Party M.P.s also viewed with apprehension the demand voiced at the AICC(I) for reimposition of the Emergency although Mrs Gandhi had proclaimed that "there will be no Emergency for a thousand years".

Besides this, they said, the Governments of West Bengal Kerala and Tripura were "violently attacked" and "false cries" of breakdown of law and order were raised.

CSO: 4220

PROBLEMS OF MANIPUR CHIEF MINISTER EXAMINED

Problems Under Singh

Madras THE HINDU in English 5 Dec 80 p 8

[Text] The foreigner issue was almost settled in Manipur when Mr. Dorendra Singh gave up office a few days ago as Chief Minister. But the new head of State, Mr. Rishang Keishing still has to grapple with the unresolved insurgency.

Mr. Rishang Keishing has assumed office as Manipur's Chief Minister, at a time when none would fancy taking up the post for whenever the law and order situation deteriorates the entire blame is placed on the Chief Minister.

On instructions from the Union Minister, Mr. Zail Singh, the former Chief Minister, Mr. Dorendra Singh had to declare Manipur disturbed. Despite amnesty offers with rosy pictures of rehabilitation and stepping up of counter-insurgency operations, the legacy left by Mr. Dorendra Singh is formidable.

It is difficult to predict who will be the winner of the tug of war between the Army and the insurgents. Almost everyday the Army either kills or arrests insurgents while at the same time underground activities are only increasing.

No Novice in Politics

Mr. Keishing is no novice and has been in politics for over 35 years. He was elected twice as Member of Parliament. Since 1972, he has been associated with State politics. He has held important portfolios in successive ministries. During the Janata regime he was the Opposition leader.

Mr. Keishing and Mr. Dorendra Singh were responsible for toppling the Janata Ministry by exposing its acts of omission and commission. In the last general election, Mr. Keishing was returned on the Congress ticket and has been Deputy Chief Minister. He is popular among the masses as a teacher. He established several schools in his backward tribal area and did teaching work without remuneration. He is a teetotaller.

Charges have been made that Mr. Keishing is communal and that under his rule, non-tribals will suffer. In his first press conference after assuming office, he challenged his political adversaries to cite a single instance during his political career to support such a charge.

Initially there were three contenders for the chief ministership. The two others were Mr. Yaim Singh, Speaker, and Mr. Ngurdinglien, Agriculture Minister. However, Mr. Keishing was the consensus candidate and Mrs. Gandhi endorsed his choice.

No Policy Change

Both Mr. Dorendra Singh and Mr. Keishing have said that there is no change in the policy and programme of the Coalition Ministry. No new face or reshuffle of the Cabinet is expected.

Mr. Keishing can be confident of a stable ministry as the hopelessly disorganised opposition will not be able to rock the boat. However, he will have to work overtime to contain underground activities. At the same time he has to see to it that the security forces do not commit excesses in the name of maintaining law and order.

It is felt that if insurgency cannot be contained in the near future, President's rule may be imposed to give the Army a free hand as in Nagaland and Mizoram to extirpate insurgency effectively and quickly.

Mr. Dorendra Singh's decision to resign as Chief Minister to take up a new assignment as Ambassador in Norway was kept a closely guarded secret. His family members, close associates and the Secretariat had no inkling of his decision. Just a few days ago, Mr. Dorendra Singh had said in a radio interview: "I will have to go to Norway or somewhere else if I can be of better service to my country". But observers had felt that he would not go to Norway, a politically unimportant country be giving up the chief ministership since he enjoyed a comfortable majority. [as published] Besides he came in to limelight following his involvement in the Assam tangle.

From the moment Mr. Dorendra Singh was sworn in Chief Minister of the coalition Ministry, he had been facing difficulties from all directions. The most challenging was the burgeoning insurgency which completely paralysed the normal administration.

As Chief Minister in 1974 also, he faced the underground movement, under Mr. O. Sudhir Singh, leader of the Revolutionary Government of Manipur when Bangladesh hounded out the underground elements.

The undergrounds readily accepted the amnesty offer by Mr. Dorendra Singh. One of the leaders who surrendered and availed himself of the rehabilitation programmes was Mr. Bisheswar Singh who later went to China. He came back to India to form the People's Liberation Army during the Janata regime.

PLA made its presence felt towards the end of 1978 and struck terror throughout 1979. When Mr. Dorendra Singh was swornin in January this year, he announced an amnesty offer promising adequate rehabilitation to those who joined the national mainstream. [as published]

But by now the undergrounds had cemented their hold on the masses. None of the members of PLA and the People's Revolutionary Party of Kungleipak (P-REPAK)

surrendered. Some members of the Meitei State committee, the first underground organisation in Manipur, surrendered to the Chief Minister. As promised, they were immediately absorbed in the BSF.

Some months later, Mr. R. K. Tulachandra, PREPAK leader and Miss Sushila Devi, "charge d'affaires" were arrested from an underground hideout. Apparently under duress, Mr. Tulachandra made an appeal to his comrades to eschew violence. The followers of Mr. Maipak Sharma (Mr. Sharma has surrendered to the CRPF at Shillong, according to latest reports) branded him a counter-revolutionary. Eventually, he was expelled from the party.

A factional war followed in which R. K. Chitrasen, younger brother of Mr. Tulachandra, was killed by the Maipak group. Later, Leishabi Singh, commander-in-chief of PREPAK, was shot dead near Kohima, Nagaland by the Armed Nagaland police on July 23. Recently, Mr. Krishna Chandra, "Finance Minister" of PREPAK was nabbed from his residence.

Despite its encounters with the Army and other security forces, PLA seems to remain unscathed. In a recent press handout, it said that as it enjoyed support from the people, the Army could not make any dent on PLA. After the Army crackdown, the suicide squad of PLA has started killing persons said to be counter-revolutionaries.

Apart from insurgency, Manipur reeled under the anti-foreigner agitation. The matric examination was postponed after two examinees had been shot dead. All government offices were forcibly closed by the students.

Mediatory Role

Mr. Dorendra Singh, who is suffering from hypertension, thought several times of quitting office as he found the burden unbearable.

At this juncture, Mrs. Gandhi asked him to use his good offices to bring the Assam students to the negotiating table for talks with the Central leaders. After the two rounds of Delhi talks, when the Shillong meet was arranged, it became clear to Mr. Dorendra Singh that some bureaucrats were trying to ease him out of the Assam scene. He was not invited to the Shillong talks despite the repeated demands of the students that he should be present.

Nothing came out of the Shillong talks. Slowly but steadily, he extricated himself from the Assam quagmire. But he was summoned to New Delhi the moment some hitch developed on the basic issues. He made it clear to the Central leaders that he could not attend the talks as Manipur itself was in turmoil over the foreigner issue.

While he was hopping from Assam to New Delhi, the Manipur students accused him of neglecting the same issue in his home State in order to earn cheap popularity.

Manipur Accord

Mr. Singh signed an accord with the Manipur students according to which the District Commissioners would begin the process of detection of foreigners with 1951

as the base year. It was also agreed that the students could supervise the identification process. New Delhi seems to have no answer to the question how Manipur is going ahead with detection of foreigners with 1951 as the base year while the same has been denied to the Assam students.

Mr. Zail Singh tried to explain it away by saying that the identification in Manipur was being done without the knowledge and consent of New Delhi.

Over 29,000 foreigners appear to have been identified all over the State. Some of them have been deported to Nepal and Bhutan. However, indications are that it has opened the Pandora's box. The Assam students have decided to stick to their point. If Manipur can be conceded the demand, there is no reason why Assam should be denied the same, they argue.

Mr. Dorendra Singh has contained the armed rebellion to a considerable extent. He has almost solved the foreigner issue. His Ministry has done well in other spheres also. Yet how is it he has been removed from State politics at this critical hour?

Reports are that New Delhi has collected enough incriminating material to show that Mr. Dorendra Singh really had some connections with underground organisations. In the recent past, the Army has been arresting undergrounds with valuable documents. Several national dailies had published reports that many Manipur politicians and VIPs had helped the undergrounds with money. Two IAS officers were arrested recently in this connection.

Despite this serious charge, Mrs. Indira Gandhi could not just ask him to step down. During the Janata regime, both of them had to suffer hardship before the Manipur Emergency Excesses Authority. Besides, Mr. Dorendra Singh stood by her while she was out of power. It was in consideration of their past relationship that the Prime Minister has asked him to go to Norway as envoy.

Poster Campaign

Handbills and leaflets have appeared saying that liberation is not far off. Walls are daubed with slogans like "Indian Army should surrender to PLA".

On the other hand, the State Government has started issuing posters and handbills challenging PLA to come out and face the people if they have any conviction in their ideology. Although it has been proclaimed that change of leadership does not necessarily mean that the policies and programmes of the coalition ministry will be changed, intensification of counter-insurgency activities has been observed since Mr. Keishing took office.

Army officials are inclined to believe that sophisticated arms had been smuggled out of Burmese jungles where PLA and Naga rebels under the leadership of Mr. Tangkhul Muviah are camping. The PLA suicide squad is retaining small arms to kill counter-revolutionaries supporting the Army and police.

Although about 100 youths belonging to several underground organisations have surrendered, any large scale exodus as had happened in Nagaland is not in sight.

Meanwhile the Army officers are reported to have urged the Centre to give them a free hand to flush out the insurgents because they are concerned over their increasing alienation from the general public.

Growth of Insurgency

Madras THE HINDU in English 5 Dec 80 p 8

[Text] Parts of North-East Manipur for instance look like Nagaland and Mizoram as they were a decade ago, when insurgency had gained considerable inroads. While the Indian Army has rounded up significant elements of the Peoples' Liberation Party, including its vice-president, Ranjit Singh, military solutions alone cannot be expected to lead to a general improvement in the political climate. Defence authorities believe that action on the psychological, political and economic levels are as important as administrative action to maintain law and order.

The number of hard-core PLA elements was estimated at around 40 only. But these men, who had access to weapons and ammunition from the former Mukti Bahini elements in Bangladesh, had imparted training to at least 400 others. Many of the latter are on the run at present.

Defence authorities, however, do not think that the situation in Manipur has stabilised. According to them, stock-taking might be possible only in the middle of January. For the moment, the Army would continue its operations, so far conducted with great tact, without alienating the local citizens. Incidents, it was expected, would continue for some more time.

They pointed out that the seven north-eastern States shared a border over 4,800 km long with other countries like Bhutan, China, Burma and Bangladesh and only 110 km with India. Hence their feeling of isolation was as natural as it seemed to be complete. Communication with the rest of the country was hardly effective. It was a comprehensive policy that had led to the relative peace in Nagaland and Mizoram.

On the whole, the Burmese authorities cooperated with the Government of India, in keeping down the movement of hostile activists. But the Burmese themselves were under pressure from the insurgents. They met the Indian authorities from time to time to discuss the situation.

The psychological nature of the problem was underscored by the defence authorities by pointing out that the standards of living in the north-eastern States was on whole higher and better than those prevailing in areas like Himachal Pradesh. It was not a question of financial neglect, as one of battling for the hearts and minds of the local people, they believed.

CSO: 4220

ARMY REGIMENTS TO RETAIN CASTE NAMES

Bombay THE TIMES OF INDIA in English 13 Dec 80 p 9

[Text] Belgaum, December 12: The naming of army regiments after castes and regions will continue as it helps to inspire the soldiers, the chief of the army staff, Gen. O. P. Malhotra, said here today.

Earlier, he presented colours to the 14th and 18th battalions of the Maratha Light Infantry (MLI) at an impressive ceremony held at the MLI Regimental Centre here.

Honorary naib-subedar Namdeo Jadav, the only surviving winner of the Victoria Cross, honorary captain Keshavrao Talakdar, a centenarian who was decorated for bravery in World War I, and Mrs. Yashavanath Ghadge, whose husband was awarded the Victoria Cross posthumously, were among those who witnessed the presentation of colours.

The new colours were uncased and consecrated by Hindu, Muslim, Sikh and Christian priests before being presented to the two battalions. Captain R. Parmar of the 14th battalion and Captain Ravi Padman of the 18th battalion received the colours.

The army chief said the presentation of colours to the two battalions signified their coming of age and the confidence reposed in them by the nation. He was confident that the men of the two battalions would cherish their colours and add to their honour when the call for arms was sounded.

He extolled the great martial traditions of the Marathas dating back to the times of Chhatrapati Shivaji.

The general released the second volume of the history of the regiment titled "Valour enshrined" which covered the history of the MLI from independence to 1971.

He also released a first-day cover and card prepared by the Army Postal Corps to mark the occasion.

CSO: 4220

EASTERN NAVAL COMMAND DESCRIBED

Madras THE HINDU in English 5 Dec 80 p 11

[Text] Visakhapatnam.

"Navy Week" is being celebrated from December 1 to project the importance of the Navy. As ususl, route marches, Navy Mela and Helicopter displays are being organised in Visakhapatnam as well as in the other bases of the eastern region, namely, Calcutta, Madras and Port Blair.

The eastern fleet was born two months before the 14-day Indo-Pakistan conflict in 1971, during which it went through its baptism in fire at Coxi s Bazaar, Chitagong, Khulna and other ports of what was once East Pakistan. December 4, is observed as Navy Day, because it was on this day in 1971 that the Indian Navy crowned itself with victory over Pakistan. The Navy continues to wear its laurels well.

The Eastern Naval Command has the responsibility of watching over a stretch of over 3,000 km. of the country's coastline.

With several naval establishments, dockyard facilities and ships at Visakhapatnam and other ports on the east coast and the Bay islands, its area of responsibility extends south of Sri Lanka into the Indian Ocean and the expanse of the Bay of Bengal up to the Malacca Strait.

Despite the formation of the Coast Guard which is still in its infancy, the responsibility of rendering assistance to vessels and craft in distress in this vast area is also one of the main tasks of the eastern fleet.

The major establishments in Visakhapatnam under the administrative control of the Eastern Naval Command are INS Circars, which provides base support facilities to ships and personnel, INS Virbahu which is responsible for all submarine training and exercises, INS Satavahana which trains sailors serving in submarines and anti-submarine vessels and INHS, Kalyani, the naval hospital.

There are three naval officers in charge at Calcutta, Visakhapatnam and Madras, who head the establishments of INS Netaji Subhas, INS Circars and INS Adyar, respectively.

A fortress commander is stationed at Port Blair for the administrative control of the naval establishments, INS Jarawa and INS Kardip and the naval hospital INHS

Dhanvantari and the operational control of all Army, Navy and Air Force units stationed in the islands.

To improve the shore support and training facilities, the Naval dockyard project including a dry dock, the largest in Southeast Asia, has been started at Visakhapatnam. A new basic training establishment, INS Chilka, has been commissioned at Chilka in Orissa recently. It is equipped with all modern facilities for theoretical and professional training of recruits to all branches.

Expansion of facilities at Calcutta, Paradeep and Madras is under contemplation, to improve the flexibility of operation.

CSO: 4220

KERALA LEADER ASKS DELHI FOR DEFENSE PLANTS

New Delhi PATRIOT in English 8 Dec 80 p 4

[Text]

TRIVANDRUM, Dec. 7 (UNI).

KERALA Chief Minister E. K. Nayanar has asked Prime Minister Indira Gandhi to consider the legitimate claims of Kerala and locate the new ordnance factories and defence equipment plants in the State.

In a letter to Mrs Gandhi, Mr Nayanar said Kerala's efforts at industrialisation were not likely to bear fruit without the active support of the Central public sector units which could provide large scale employment.

Making an analysis of the 145 enterprises promoted by the Union Government with a total investment of Rs 11,100 crore between 1951 and 1977, Mr Nayanar said Kerala's share had been negligible. Moreover, the Ministries of Defence, Railways and Steel and Mines had totally neglected Kerala in the location of their industrial parts, he said.

Mr Nayanar said, the Defence Ministry, for instance, had under its control 32 ordnance factories located in six States providing emloymeht to about 1.4 lakh workmen, and nine defence units in the public sector employing about 84,000 persons. The total annual turnover of these undertakings was worth about Rs 770 crore. None of the units was located in Kerala.

CSO: 4220

PLANNING MINISTER SPEAKS ON SIXTH PLAN PROVISIONS

Calcutta THE STATESMAN in English 8 Dec 80 p 9

[Text] New Delhi, Dec. 7.--The Sixth Plan envisages an aggregate investment of Rs 1,56,000 crores in the economy in the five years between 1980-1985, Mr N. D. Tiwari, Planning Minister, told the AICC(I) session here today.

He said the plan was currently under formulation and wanted "advice and guidance" from the members present.

At this level of investment, he expected the domestic savings to go up from 22.8% in 1779-80 to 25% in 1984-85, implying a marginal saving rate of 31%. [as published]

The public sector plan outlay, he said, was placed at Rs 90,000 crores. To finance this outlay without generating uncontrollable inflationary pressures on the economy, it would be necessary for the Central and State Governments and their enterprises to undertake additional resources mobilization of Rs 19,000 crores. The Central Government and its enterprises will have to mobilize additional resources of Rs 13,000 crores while the State Governments and their enterprises will have to mobilize the balance of Rs 6,000 crores.

Since taxation as a percentage of the national income already stands at 20%, it may not be possible to raise more than Rs 7,500 crores by way of additional taxation, Mr Tiwari said. The balance of the additional resources will have, therefore, to be raised mainly through a reduction in subsidies, higher financial returns from public enterprises and other non-tax measures.

He said it would be necessary to bring about a significant reduction in the amount of subsidies from the level contained in the 1980-81 Budgets. In the case of public enterprises, it would be necessary to improve management and operational efficiency, besides adopting appropriate pricing policies. Major Central public enterprises, including the Railways, steel and coal, will have to generate much larger internal resources than they have done in the past. In the States, determined efforts will have to be made to improve the financial returns from irrigation, State electricity boards and road transport corporations.

The magnitude of additional resource mobilization in nominal terms may have to be higher if prices continue to rise, leading thereby to a rise in project costs.

Finally, he said, it would be necessary to take note of the international developments and the emerging balance of payments situation. To deal effectively with the situation it will be necessary, on the one hand, to reduce dependence on imports in general and on imports of crude oil and petroleum in particular and, on the other, to pursue a vigorous export promotion policy. The export policy should aim at securing a volume growth rate of about 10% a year.

CSO: 4220

CENTRAL COMMITTEE ORDERS MARXIST PLENUMS

Bombay THE TIMES OF INDIA in English 7 Dec 80 p 1

[Text] Calcutta, December 6.

The CPM central committee has directed the West Bengal, Kerala and Tripura state committees to hold organisational plenums in the next three months so that more purposeful steps might be taken to implement the decisions taken at the 1978 Salkia plenum of the party.

The decisions at the Howrah plenum covered some of the vital organizational aspects and issues over which there had been inner-party resentment and frustration for a long time. These included adoption and implementation of the principle of federalism and democratic centralism, expansion of the party and front bodies in the Hindi heartland, especially Uttar Pradesh, and a systematic drive to educate the rank and file in principles of Marxism and Leninism as applicable to politics and organisation.

The experience of the last two years seems to have convinced the leadership that the party has not been able to make any fresh headway at all in Uttar Pradesh. Moreover implementation of the Salkia plenum decisions in more important states like West Bengal and Kerala, which account for about 80% of the CPM in organisational terms, has not been quite satisfactory, even though it is acknowledged that the party had to face up too many changes in the overall political context in the country, including two general elections. [as published]

Three politburo members--Mr. E. M. S. Namboodiripad, Mr. M. Basavapunniah, and Mr. B. T. Ranadive--have been having a series of discussions with the state committee secretariat to arrive at a consensus on why implementation of Salkia decisions might have been tardy in West Bengal and what should be done now to revamp the process.

CSO: 4220

COMMISSION APPROVES MAHARASHTRA PLAN OUTLAY

Bombay THE TIMES OF INDIA in English 13 Dec 80 pp 1, 9

[Text] New Delhi, December 12.

The planning commission today approved an outlay of Rs. 6,175 crores for Maharashtra for the sixth plan beginning 1981. The outlay on the 1981-82 annual plan is Rs. 1,080 crores.

Present at the discussions held today at Yojana Bhavan were Mr. A. R. Antulay and his cabinet colleagues, Mr. Ramrao Adik, Mr. N. M. Tidke and Mr. S. N. Desai and from the planning commission were Dr. M. S. Swaminathan, Mr. Mohammed Fazal and Mr. Manmohan Singh. The planning minister, Mr. N. D. Tewari, presided.

Sixty per cent of the plan outlay is for the development of agriculture and allied sectors and irrigation and power. The commission agreed to Mr. Antulay's proposals for setting up a comprehensive university with medical and engineering colleges and polytechnics in the backward Konkan area from which he hails. The outlay for a medical college in the Konkan is Rs. 5 crores.

As a result of the plan investment, production in various sectors is expected to increase. The projected increase in foodgrain production is from 103.12 lakh tonnes to Rs. 125 lakhs, in cotton from 17 lakh to 20 lakh bales, in oilseeds from 8.58 to 11.60 lakh tonnes, and in sugarcane from 198.15 to 260.44 lakh tonnes.

Irrigation Potential

The irrigation potential is to be raised from 9.8 to 15.3 lakh hectares. In the power sector, the installed capacity is to be increased from 3,857 to 6,648 Mw. Of Maharashtra's 35,778 villages as much as 71 percent or 25,459 are already electrified and the rest are to be completed by the end of the sixth plan.

The number of pumpsets is to be raised from 5.98 lakhs to 8.48 lakhs. In the field of transport all villages with a population of 1,000 and above are to be linked by roads. There are 6,181 villages with a population of over 1,500 and 5,143 with a population of 1,500. An additional 10,620 buses are to be acquired for road transport. All "problem" villages are to be provided with drinking water by the end of the plan period.

Reviewing the state plans, Mr. Tewari commended the employment guarantee scheme, which had benefited villagers. He suggested that, to assist the educated

unemployed, the state could set up new units or expand existing ones, especially in backward areas. The state could also consider the feasibility of setting up "van vigyan kendras" for the Konkan and other backward areas.

The planning minister urged the speeding up of the Bombay water supply project and the Maharashtra water supply project. He also desired that the irrigation potential be created and the command area development projects accelerated.

Mr. Tewari also advised intensification of efforts to mobilise resources through economy measures and the plugging of leakages in some areas.

The chief minister suggested extension of the railway lines from Konkan to Ratnagiri, expansion of inland water transport and priority in the supply of offshore and onshore gas from Bombay High to industries in these backward regions of the state.

According to Mr. Antulay, two dams could be built, one in the upper reaches in the Sahyadris for power generation and another in the plains for irrigation. This would put to good use the large volume of water flowing waste into the Arabian Sea. His estimate was that it would cost nearly Rs. 200 crores to utilise the rain water in this region for productive purposes.

CSO: 4220

TRIPURA POLITICIANS SAID EXPLOITING TENSION

Calcutta THE STATESMAN in English 11 Dec 80 pp 1, 9

[Text] Agartala, Dec. 10.--Even six months after the June massacre in which, according to official figures, 1,200 people were killed an uneasy calm prevails in Tripura. The causes of the flare-up still exist and are getting more numerous and acute.

The three major parties in the State--the CPI(M), Congress (I) and the Tripura Upajata Juba Samiti--instead of removing the sources of tension existing between the Bengalees and tribals are trying their best to exploit them to their political advantage. Party leaders, through their speeches and actions, are not only maintaining the ethnic division, but also encouraging the hostile postures of both the communities which are now building up their own private arsenals lest they should be caught unawares again.

The hard-core extremist section of the TUJS, which has been on the run since the massacre, has divided itself into small groups and in the last few months has amply demonstrated its insurgency capability and potential. It has attacked two police camps and looted arms and ammunition, committed more than 30 dacoities to replenish its funds and essential supplies and killed and terrorized non-tribals to instill fear in their mind regarding its strength. The CPI(M) has been the main target of attack and four of its gaon pradhans and an MLA have been killed. Hundreds of tribal youths, who are still in jungles evading arrests, are swelling the ranks of the extremists about 100 of whom are in Bangladesh. The situation in the State, according to observers here, is grave and is again reaching a flash-point.

Although Mr Nripen Chakraborty, the Tripura Chief Minister, has said that the creation of a tribal autonomous district with a council is the only way to defuse tension and that the Centre should help the State Government in doing this, neither he nor the Congress (I) has the political will to do so. Besides, this is hardly the time to do it. Even now over 15,000 people, mostly Bengalees, are living in camps and places like Mandhai and Borakha are deserted.

The State administration, specially the police set-up, is in a shambles. Its virtual non-performance and failure to protect life and property during the June riots have rudely shaken people's confidence in the force. Trade unionism has also divided the force into two factions--one owing allegiance to the CPI(M) and the other to the Congress (I). The CPI(M) section of the force swears by

the Left Front Government's policies and programmes and gives red salute to Mr Chakraborty publicly, while the Congress (I) section which has a larger following does everything possible to erode the Chief Minister's authority.

As a result, discipline and morale in the force are virtually non-existent. The Chief Minister has little confidence in the force because even now he has to depend heavily on the BSF, CRP, the Assam Rifles and the Rajasthan Armed Constabulary for internal security. The State Secretariat and the district administration are the tribal support for the CPI(M) in the control of the CPI(M)-supported Coordination Committee of State Government Employees who not only change or tear up orders of departmental secretaries at their will but also pressurize the Chief Minister to withdraw his own orders.

However, it will be the outcome of the political battle between the CPI(M) and the joint front of the TUJS and the Congress (I) which will decide the future course of political events in the State. The CPI(M) is doing its best to divide the TUJS. Though the Chief Minister is trying to come to a political understanding with the arrested extremist TUJS leader Vijay Hrankhal, who has reportedly confessed to TUJS' involvement in the massacare and may turn approver when the tribunal starts its hearing later this month, he has taken the rigid stand of not having any talks with what is called the democratic section of the TUJS led by Mr Shyama Charan Tripura and the party MLAs. [as published]

The CPI(M)'s strategy is that if Mr Hrankhal with whom Mr Chakroborty is on good terms can be won over, the young extremist leader might be able to neutralize the militant youths and thus weaken the TUJS. The Marxists are more afraid of the democratic section than the extremists because the former has been able to sway the sentiment of the tribals with issues which vitally concern them. Although the CPI(M) is committed to safeguarding the tribal rights and preserving its identity, it was the democratic leaders of the TUJS who were the first to articulate clearly and forcefully the tribal demands including the creation of an autonomous district council.

Since the riots in June, there has been considerable erosion in the tribal support for the CPI(M) and the TUJS has been able to further enlarge its tribal base. The TUJS has organized social boycott of tribal CPI(M) leaders to protest against "maximum victimization" of tribals after the masscare. [as published] Many of the CPI(M) gaon pradhans, as in Amarpur, have not yet been able to return to their respective areas. It was because of the pressure from the tribal leaders in the party, some of whom have openly blamed Bengalees for the riots, that the Chief Minister was forced to release more than 1,000 prisoners, mostly tribals from jails.

To keep its tribal base in tact the party is now trying to save even those whose involvement in the massacre of Bengalees are well known. [as published] Mr Shyama Charan Tripura alleged that while cases against prominent CPI(M) activists involved in the riots had been dropped Mr Chakraborty was choosing leaders for being tried by the tribunal. "The objective of the tribunal is to crush our party politically and to enable the CPI(M) to expand its base among the tribals. The CPI(M) is eager to settle the fact as to who leads the tribals--they or us," Mr Tripura added.

An interesting development in Tripura in recent weeks has been the forging of an undeclared joint front of the Congress (I) and the TUJS against the CPI(M) which is considered their common enemy. Although the Congress (I) has never supported the demand of an autonomous district council became the interests of its Bengalee refugee supporters would be seriously affected and has nothing in common with the TUJS, it thinks that it can create problems for the CPI(M) by paying lip service to some of the tribal demands and aspirations. [as published] The party continues to be in a moribund state and the appointment of a new ad hoc committee has made matters worse for the party.

The ad hoc committee is "not acceptable" to the senior leaders of the party like Mr Sukhamoy Sengupta, a former Chief Minister. Even ordinary supporters openly say that it consists of defectors with proven bad record.

CSO: 4220

CPI SECRETARIAT DEPLORES BIHAR BLINDINGS

New Delhi PATRIOT in English 7 Dec 80 p 5

[Text] THE Central Secretariat of the CPI National Council, now in session in the Capital, has expressed its shock at the "savagery of the Bihar Police engaged in gouging out the eyes of scores of alleged criminals in Bhagalpur district" and called for resignation of the State Government.

The first report of such methods employed by the Bihar police was published in a section of the press in the Capital on 22 November.

The Secretariat issued a statement on the subject on Saturday after hearing a detailed report on the issue from Mr Jagannath Sarkar, Bihar CPI leader.

According to the Secretariat statement, the Bihar Government is resorting to "barbarous methods like blinding undertrial prisoners" and "trying to justify it in the name of so-called popular sanction" in order to hide the Government's bankruptcy. "A Government which resorts to such methods has no right to continue in power for a single day," it noted.

Referring to the protest actions by certain sections of the people against the measures taken to bring the culprits to book, the statement said: "Gangs of criminals have established a reign of terror over large parts of the State. The administration fails to protect the people from murder, loot, arson, rape and pillage. Many of these gangs flourish under the political patronage of the leaders of the ruling party who prevent their arrest or ensure their acquittal. It is widely known that a Minister of State from Bhagalpur protects gangs of hardened criminals. Capturing of polling booths with the help of known criminals has become regular practice of the cynical leaders of the ruling party. This has led to complete loss of faith in the Government the law enforcing machinery."

It further alleged that the Bihar Chief Minister tried to shield the police even after lurid disclosures were made in the Supreme Court. "It was only under the pressure of countrywide revulsion and anger of the people against such unheard of police barbarity the Bihar Chief Minister was compelled to suspend some minor police officials," the statement charged.

CSO: 4220

MINORITIES PANEL TOLD CHRISTIANS' GRIEVANCES

Bombay THE TIMES OF INDIA in English 5 Dec 80 p 5

[Text] New Delhi, December 4: Representatives of the Catholic Bishops Conference of India, the Young Men's Christian Association and the All-India Christian Forum, yesterday, presented memoranda highlighting the grievances of Christians to the chairman of the high-power panel on minorities, scheduled castes, scheduled tribes and other weaker selections, to the minister of home affairs, Dr. Gopal Singh.

The leaders included Msgr, Freustac d'Lima, deputy secretary-general of the CBCI, Dr. V. S. Lall, director of the National Council of the YMCA, Dr. M. Moses, M.P., Prof. Alexander Warjiri, M.P., Mr. I. F. Franklin, general secretary of the AICF, and Mr. K. C. Sebastian, M.P., according to an official press release.

In their discussions with the chairman of the high-power panel, the Christian representatives pointed out that concessions for scheduled castes and scheduled tribes were not made available to Christians converted from these sections. In Kerala, the state government was not allowing Christians to open private schools and colleges, although the government could hardly cater to the educational needs of 50 per cent of the student community.

'Poor Representation'

Although the representation of Christians was adequate in the armed forces and legislatures, it was very low in departments like the railways, Posts and Telegraphs, banks and public-sector undertakings.

The Christian representatives also pointed out that while certain tribes were recognised as scheduled tribes in one state, they were not recognised as such if they moved to another and were, thus, denied the concessions guaranteed to them by the Constitution.

Also, while government funds were given to private social organisations for development work, these were not extended to Christian agencies.

The representatives also gave specific examples of harassment by several state governments of schools, hospitals and welfare projects run by Christians on various pretexts. One major grievance was that even Indian Christian missionaries were not allowed to conduct services in Arunachal Pradesh, which was very humiliating to an Indian national, as this was against the Constitution.

They wanted representatives of the minorities to be nominated on all the service selection boards, public-sector corporations and banks.

A similar meeting is being held by the panel chairman, Dr. Gopal Singh, with Muslim leaders on December 6.

CSO: 4220

FAMINE 'AT DANGER POINT' IN ANDHRA PRADESH

Calcutta THE STATESMAN in English 8 Dec 80 p 11

[Text] New Delhi, Dec. 7.--Mr C. Rajeshwara Rao, CPI general secretary, has submitted a report to Mrs Gandhi on famine in the Rayalaseema and Telengana regions of Andhra Pradesh.

In a letter to the Prime Minister, Mr Rao has said: "The situation has already reached danger point. It is no exaggeration to say that if effective steps are not taken immediately, a calamity comprarable to the 1943 Bengal famine will take place in Andhra Pradesh".

Mr Rao has said that he is submitting the report after his tour to the affected areas of the districts of Nalgonda, Mahboobnagar, Kurnool, Anantpur, Chitoor and Cuddapah between November 21 and 29, along with his party colleagues.

The situation is much more serious than one thinks it to be. The irrigation tanks and wells are dried up completely. The crops have completely failed except in the areas which are irrigated by the canals of the rivers Krishna and Tungabhadra. The greenary in a few areas of black cotton soil which received rain in the recent cyclone, will, however, yield no crop. This has only eased food problem in the areas to a certain extent.

In Nalgonda and Mahboobnagar districts even the hardy castor crop has dried up as there was no rain. In Cuddapah and Anantpur districts, orange and grape gardens have been destroyed. Among the big tanks the Bukkapatnam tank in Anantpur district, which irrigates 5,000 acres and the Elagonda tank in Mahboobnagar district which irrigates 1,150 acres have not a drop of water. Under Dindi reservoir in Nalgonda district, only 3,000 of 15,000 acres could be irrigated this year.

Of 70,000 wells in Anantpur district, 50,000 have completely dried up. The same is the case with other famine affected districts. Though the peasants have removed the electric pump sets from the wells and have brought them to their houses, the electricity department is forcibly collecting Rs 15 every month as fixed charge for five horse power sets.

The report reveals the horrible state of the cattle wealth. Cattle, including bullocks, are being sold at a throwway price for lack of fodder. [as published] Some are let off so that they can fend for themselves and they are dying. Butchers while taking away cattle from the farmers are cutting off the animals legs to provide space for more cattle in the lorry.

Peasants are leaving for big cities in other States in search of work. In some villages even the well-to-do peasants are also leaving their homes in search of work and some are working as labourers in towns.

Mr Rao has appealed to the Prime Minister to take immediate steps to tackle the famine in the two regions. Mr Rao fears that "people will fall dead like dried leaves and the remaining cattle will be lost, causing untold calamity to Andhra Pradesh".

It is unfortunate that the Central and State Governments have "grossly underestimated" the seriousness of the famine in Andhra Pradesh. They fight shy of calling it a famine. They call it drought and announced a paltry sum of Rs 7.5 crores to meet the situation, which is a drop in the ocean, Mr Rao said.

CSO: 4220

MORE DETAILS ON SOVIET-INDIAN ECONOMIC COOPERATION

New Delhi PATRIOT in English 8 Dec 80 pp 7, 9

[Article by N. D. Rodionov, Economic Counsellor of the USSR Embassy in India]

[Text] SOVIET-INDIAN economic and technological cooperation has made an immense contribution to the economic self-reliance of India, and to the formation and development of various key branches of the State sector of the Indian economy. Over 70 projects in the branches of oil-extraction and oil-refining, mining and non-ferrous industry, power and coal, machine building, medicine, agriculture, education and so on, have been built or are under construction in India with the help of the Soviet Union.

At present the enterprises of Soviet-Indian cooperation produce over India's 35 per cent of steel, extract over 80 per cent and refine 30 per cent of oil, produce over 20 per cent of power, as well as the major part of electrical, metallurgical and other kinds of heavy machine equipment. The Soviet Union also helps India in developing research and designing base and training of national cadres. The Long-Term Programme, signed during the visit to India of L I Brezhnev in November 1973, envisages the implementation of cooperation in the traditional branches—ferrous and non-ferrous industry, oil and coal, machine-building and so on, as well as cooperation in new branches, such as light industry, food pulp and paper, building material industry, irrigation and so on.

FERROUS METAL INDUSTRY

Ferrous metal industry is a special branch of Soviet-Indian cooperation whose history began with the signing on 2 February, 1955 of the first agreement on cooperation in erecting a steel plant at Bhilai. At present, the Bhilai Steel Plant has 2.5 million tonne annual capacity, and the expansion of the plant up to 4-5 million tonne annual steel capacity is under completion.

The second giant of Soviet-Indian cooperation—the Bokaro Steel Plant—with 1.7 million tonne annual steel capacity will also be expanded up to 4 million tonne. In June 1979 an inter-governmental agreement on cooperation in setting up another steel plant at Vishakhapatnam with 3 million tonne annual steel capacity was signed.

NON-FERROUS METAL INDUSTRY

The Soviet Union is giving assistance in the construction of the first aluminium plant in the public sector at Korba with 100 thousand tonne annual capacity. Soviet organisations are preparing the feasibility report on the construction of an alumina plant in Andhra Pradesh with 600-800 thousand tonne annual capacity on commercial basis. An agreement on the construction of this major project is underway. It is not ruled out that in the near future the USSR and India will cooperate in setting up one more big aluminium plant.

The USSR is giving aid to India in developing the production of other non-ferrous metals. The investigations conducted by Soviet organisations for washing polymetallic ores, for extracting precious and rare metals from slags and wastes of copper-smelting production, will help to increase production of these metals and raise economic efficiency of the funtioning enterprises.

COAL INDUSTRY

The Soviet Union is rendering substantial aid in the development of India's coal industry. In the '60s, a number of modern coal enterprises were built with Soviet assistance. They included mines at Banki and Surakachhar, coal mines at Manikpur, coal washing factory at Kathara, and the central electro-mechanical workshops in Korba. In the '70s, Soviet and Indian specialists prepared a report on the complex development of the Singrauli and Raniganj coal fields. Soviet organisations have executed projects of some of the coal enterprises for these deposits and for Ramgarh, as well as a project of central mechanical workshops at Singrauli. The development of these deposits [illegible] enable India to increase [illegible]er coal extraction by 70-80 [illegible]ion tonnes annually.

On 31 October, 1980, a working programme of cooperation in coal industry was signed which envisages increase in coal production in India. It provides for cooperation in equipping Jayat, Jahangir mines, and Jharia open cast mines with two washing factories and their own thermo-electric power station.

OIL EXTRACTING AND REFINING INDUSTRY

The Soviet Union has rendered great assistance in the formation and development of India's oil extracting industry. The discovery of deposits at Cambay, Ankleshwar, Rudrasagar, Kalol and other places with Soviet assistance firmly put India as one of the oil-extracting countries. The USSR also helped India in exploring sea deposits of oil and gas. Today, the Bombay basin oil is the biggest one in India.

Soviet assistance to India in creating the national oil industry is not limited to exploration and extraction of oil exclusively; it was the logical continuation in the construction of oil refineries at Koyali and Barauni with 3 million tonne oil-refining capacity each annually.

In 1979, Indian organisations independently expanded the capacity of the Koyali Plant up to 7.3 million tonne. The construction of the Mathura oil refinery with Soviet assistance is nearing completion. Its capacity will be 6 million tonne annually.

POWER

Eleven thermo-electric power stations with a total of 3 million kilowatt capacity have been built in India with Soviet assistance. Besides this, at a number of major industrial enterprises of Soviet-Indian cooperation as the steel plants at Bokaro and Bhilai, oil refineries at Koyali and Barauni and so on, power stations for them were also built which play an important part in ensuring power to them. Thus the total power capacity built in India with Soviet assistance is 3.45 million kilowatt.

Principled agreements have been reached on cooperation in the construction in India of a big thermo-electric power station on coal. The question of cooperation in the construction of high power tension lines is being considered. The most important task of more fully using the existing power capacities is under consideration. Soviet specialists, with this aim, will assist in organising repairs and maintenance of stations built with Soviet assistance.

MACHINE-BUILDING

The successes achieved by India in the development of steel, mining, oil industries, power and other key branches of national economy are connected to a great extent with the setting up in India of heavy machine-building plants. Three big heavy machine building plants have been set up in India with Soviet assistance. They are Heavy Electricals Plant at Hardwar Heavy Machine Building Plant at Ranchi and Heavy Mining Equipment Plant in Durgapur.

Heavy Electricals Plant at Hardwar, the biggest enterprise of its kind in South-East Asia, is capable of producing annually steam turbo-generators of a total capacity equalling 1,500 MW, hydro-turbo-generators — 1,200 MW, and electrical machines — 515 MW. At present the plant meets 50-60 per cent of requirements of India.

Soviet organisations continue to render assistance to the plant in mastering new kinds of production. The production-technical cooperation of the plant with the biggest Soviet manufacturers of eletricals, 'Electrosila' and "Leningrad Metallic Plant" is underway.

The Heavy Machine-Building Plant at Ranchi with an annual capacity of 80 thousand tonnes of heavy machines and the Heavy Mining Equipment Plant at Durgapur with annual capacity of 45 thousand tonnes of various types of mining equipment play a great role in making India self-reliant in these kinds of products.

The Soviet Union's big orders for the plants at Ranchi and Durgapur, to be executed between 1980-1985, have a great significance in this connection. The orders are for about 1,200 thousand tonnes of equipment to the tune of over 3 billion rupees. These products will be supplied to the USSR and to the projects being built with Soviet assistance in third countries.

MEDICAL INDUSTRY

Soviet assistance in setting up a public sector medical industry in India is like an insurance against blackmail by the multinational drug houses. Today, the Hyderabad bulk drugs plant, the anti-biotic plant at Rishikesh, and the instrumentation plant in Madras, set up with Soviet assistance, and other public sector plants set up by India, provide a strong base for an Indian medical industry.

The Rishikesh plant meets much of the demand for life-saving antibiotics, while the Hyderabad plant meets most of the demand for bulk drugs. Today, India's public sector has a share of 40-50 per cent of the medical industry and a decisive position in bulk drugs.

The USSR is also a major buyer of pharmaceuticals from India. The two countries have plans to cooperate in the production of medicines in India from bulk drugs supplied by the USSR for export to Third World countries. A working programme of cooperation in the sphere of pharmaceuticals for the period 1980-1985 was signed on 23 May, 1980.

AGRICULTURE

Cooperation in the field of agriculture began in 1956, when the USSR helped India to set up a State farm at Suratgarh in Rajasthan. Later, the USSR helped India set up the Jetsar farm in Rajasthan and five more State farms in different parts of the country. Another significant area of Soviet cooperation is in the development of animal husbandry. Already, the USSR has supplied over 10,000 fine fleece Merino sheep and 250 Karagul sheep.

The USSR has supplied about 30,000 tractors for farm mechanisation, and is assisting India in developing sunflower and beetroot, which have significance for the edible oil situation in the country, as also for the sugar industry.

Following the working programme of cooperation in irrigation signed in April 1980, the Soviet Union is to provide know-how in the construction of canals using the 'directional' technique of blasting, a plant to manufacture pre-fabricated materials for canal construction, and also

know-how for construction of certain types of dams, etc.

NEW BRANCHES OF COOPERATION

The Long-Term Programme of Economic, Trade, Scientific and Technical Cooperation provides for the study of possibilities of cooperation in the branches of national economy which are new for the Soviet-Indian economic ties. First steps have already been taken in this direction. As a result, working programmes of cooperation in the pulp and paper industry, building materials industry, fishery in internal reservoirs, and geology have been signed. In the nearest future, working programme of cooperation in the sphere of food and light industry will also be signed.

CSO: 4220

INDO-SOVIET INDUSTRIAL COOPERATION DETAILED

New Delhi PATRIOT in English 8 Dec 80 p 5

[Text]

The USSR has committed a major financial assistance of over Rs 2,000 crores for the new four million tonne capacity steel plant in Visakhapatnam in Andhra Pradesh as part of its massive assistance programme for development of steel and other industrial base in India, reports UNI.

Some of this assistance has already been made available in the construction of 79 projects contributing to the development of basic and heavy industries in the public sector.

Among the projects of Soviet-Indian co-operation, four enterprises are in ferrous and non-ferrous metallurgy, seven in coal and mining industry, eight in oil industry, six in machine building, ten power stations, six agricultural projects and ten academic and scientific institutions.

Soviet assistance will also be forthcoming for major expansion programmes in two of the most prestigious integrated steel plants at Bhilai and Bokaro which have been built with Soviet assistance.

The Visakhapatnam plant, the agreement for which was signed between USSR and India earlier this year is expected to incorporate the latest achievements of the Soviet steel industry. Giving details of Visakhapatnam project, Mr I Kazanets, USSR Minister of Iron and Steel Industry, said the plant will have 3,200 cubic metre blast furnances, coke-oven batteries with seven metres high chambers, selective coke grinding and dry quenching, converter steel production with 100 per cent continuous casting and modern efficient rolling mills.

Mr Kazanets said in the next ten years the annual capacity of Soviet assisted steel plants in India will reach nearly 14 million tonnes, almost as much as the present production of all other developing countries of Asia and Africa.

The installed capacity of ingot steel in the six integrated steel plants, at present 11.74 million tonnes. By the mid-eighties, the installed capacity is expected to reach 14.6 million tonnes with the completion of the modernisation programmes for these plants which are already in the process of implementation.

The capacity at the Bhilai Steel Plant will be expanded from 2.5 to four million tonnes and Bokaro from the present 2.5 to four million tonnes of ingot steel. Eventually the capacities at Bhilai and Bokaro are to be increased to 5 and 5.5 million tonnes respectively. By the same period,(the produc duction of the Vizag plant will also be around 3.5 million tonnes. Including the estimated 1.5 million tonnes from the new steel plants to come up in the coming years, the total output from all the steel plants in India put together will be about 22.9 million tonnes Adding the output of the alloy steel plants and mini plants, the total figure will cross the 26.5 million tonnes mark.

By the end of the century, the figure of steel production in India may well be 40-45 million tonnes.

CSO: 4220

BIHAR CPI(M) ISSUES PRESS NOTE ON URDU

New Delhi PATRIOT in English 12 Dec 80 p 5

[Text] Patna, Dec 11--The Bihar State CP-M committee secretariat has expressed "regret and profound concern" over the 'hue and cry' raised by "certain sectarian elements in general and anti-democratic, communal, reactionary and parochial elements in particular" on the declaration of Urdu as the second official language of the State.

A press note issued by the party office here says this is an attempt to set one section of the people against the other which is frought with great danger to disturb the peaceful atmosphere of the State, the CP-M fears.

The communique further says "it may be noted here that making Urdu as the second language of the State was one of the democratic demands of the people since time memorial; [as published] As such, wise counsel over the issue, is the need of the hour which enables the vast Urdu knowing people, irrespective of caste, creed and religion, to have their day-to-day communication with the Government in Urdu as is now available to the people to have it either in Hindi or in English".

The secretariat, under the circumstances, fully disapproved these exercises of certain communal, elements in Bihar and demanded that the State Government should explain the reason behind its "rational declaration" and remove the loopholes at the earliest, if there is any, in the declaration. [as published]

The secretariat also appealed to all the left and democratic forces to extend their support and remain alert and vigilant so that these reactionary elements could not poison the peaceful atmosphere of the State on this issue.

CSO: 4220

INDIA AIDS MOSCOW IN GAMMA RAY ASTRONOMY

Bombay THE TIMES OF INDIA in English 10 Dec 80 p 15

[Text] For a change, the Soviet Union is the receiver and India, the donor. This little publicised aspect of Indo-Soviet collaboration in space sciences has now come to light with the successful completion of the first phase of an agreement, a couple of weeks ago.

The Indians Space Research Organisation and the INTERCOSMOS of the USSR Academy of Sciences signed an agreement in 1976 for a collaborative programme in gamma ray astronomy. The main objective of the first phase of the agreement was to conduct joint investigations of gamma rays through scientific balloon flights.

The Russians had to take help because India's balloon technology is well advanced. This can be compared to the ISRO utilising the Russian launch vehicles for putting its satellites into orbit.

The national balloon facility of the Tata Institute of Fundamental Research, situated at Hyderabad, places India among the world's only four countries with advanced balloon technology.

Soviet Instruments

The balloon launching station at Hyderabad offers another unique advantage to scientists from all over the world. The location is near the geomagnetic equator and the atmospheric gamma ray and X-ray background at high altitudes is relatively low. This enhances the sensitivity of the experiments.

In 1977, 1979 and 1980 scientists from Moscow Physical Engineering Institute and P. N. Lebedev Physical Institute, Moscow, brought their "Anna-6" and Natalya-1" gamma ray telescopes and integrated them with the orientation platforms fabricated by the TIFR scientists in Bombay. During the three years, nine flights were carried out.

The design of balloons, launching and tracking them and recovery of the payload were all the responsibility of the Indian side while the basic telescopes were made by the Russians. The telemetry system was also supplied by the TIFR.

Data analyses were conducted simultaneously at the TIFR and in Moscow. The earlier results were reported at the international "committee on space research" (COSPAR) proceedings.

Future Studies

The last flight was conducted on November 6 this year when Natalya-1 (named after the daughter of a Soviet scientist) floated for seven hours in space at an altitude of about 36 km and the volume of the balloon was about 5.5 million cubic feet.

The "Quick Look Data" processing was done with the TIFR computers. Further analyses will be carried out both in Bombay and Moscow. Interpretations of the latest data will be jointly presented by Indian and Soviet scientists at an international conference to be held in Paris in July next year.

The collaborative programme in gamma ray astronomy may be continued for the future satellite-borne studies too.

The study of gamma ray astronomy offers an entirely new look at our galaxy and the universe. The gamma rays--the highest energy electro-magnetic radiation--are an effective "tool" to unravel the mysteries of high energy astrophysics.

These include the formation of galaxies and interstellar clouds and even the fundamental process of creation of elements.

The principal scientists involved in the Indo-Soviet gamma ray programme, among others, are Dr. S. V. Damle of the TIFR, Dr. M. Fradkin of P. N. Lebedev Physical Institute, Moscow, and Dr. Y. D. Kotov of Moscow Physical Engineering Institute.

The United States is planning a multi-billion dollar gamma ray observatory programme during the 1980s.

The national balloon facility at Hyderabad was used by the US scientists in 1961 and 1965 for cosmic ray studies and they conducted 41 flights. The Japanese also used the Indian facility for 13 flights during 1969-74 to conduct X-ray astronomy studies.

CSO: 4220

HEAVY ENGINEERING FIRM SECURES SOVIET ORDERS

New Delhi PATRIOT in English 11 Dec 80 p 4

[Text] Calcutta, Dec 10.

Export orders worth Rs 7 crores from the Soviet Union were secured by the Heavy Engineering Corporation following a visit there by HEC chairman S R Jain.

Further orders for 15,300 tonnes of HEC equipment worth Rs 30 crore are likely to follow soon.

These orders are a sequal to the Soviet pledge to buy from the HEC on a regular basis. [as published]

The Union Government on its part has granted a non-Plan support of Rs 6 crore so that the HEC recovers from its sickness of the past few years, largely due to the stalemate in the Indian planning process.

In the next few months another non-plan grant of an equal amount, if not more, is expected from the Union Government.

Further, Union Industry Ministry and the HEC are jointly making efforts to obtain bulk orders from SAIL's Visakhapatnam Steel Project and every indications show that SAIL will place orders for machinery etc with HEC, valued at Rs 150 crore by 1983-84. [as published]

From public sector coal industry the HEC has already secured orders for 18 excavators, 17 overburden drilling rigs and two draglines. These orders are valued at Rs 40 crore, while further orders are expected from Coal India. Altogether, the HEC has orders in hand worth Rs 300 crore, out of which Rs 57 crore is from the overseas markets.

At the unit level, Mr Jain's immediate concern is to increase the operational efficiency of his enterprise. He is going all out to enlist the cooperation of the managers, executives and the work force. Fortunately the power position has improved and the plant's captive 3.5 MW generating set, diesel run, is likely to be commissioned by March next.

CSO: 4220

GANDHI TOLD COAL OUTPUT TARGET TO BE REACHED

Bombay THE TIMES OF INDIA in English 13 Dec 80 p 9

[Text] New Delhi, December 12.

The chairman of the four public-sector coal companies have assured the Prime Minister that they would be able to reach the total targeted coal production of 113.5 million tonnes for the current year and 124 million tonnes for next year. [as published]

The Prime Minister had called a meeting of the chairmen of the four companies as well as of Bharat Coking Coal Limited and the Central Mine Planning and Design Institute, Ranchi, to inquire about the reasons for stagnation in coal production and the steps that should be taken to break it.

She was informed that there had been stagnation in the eastern coalfields since 1977 but not in the central and western coalfields, which had shown substantial increases in production.

There were several reasons for the stagnation in the eastern coalfields. First, investment in coalfield development had been considerably reduced owing to slackness in demand since 1976 and the accumulation of stocks. That was a major cause for the setback. The floods of 1978, followed by poor power supply situation, were the additional contributory factors.

The constraints, she was told, had been substantially removed and production had started picking up in all these coalfields.

The Prime Minister was keen that modernisation plans should be put through without interruption so that a constant increase in production could be maintained. She also wanted productivity norms to be fixed.

Labour Co-operation

On these points, she was informed that ten-year development plans had been prepared for each mine and each project to be taken up till 1990, detailed plans for the first five years and perspective plans for the remaining period.

As regards modernisation, the chairmen told her that only equipment that were not available indigenously or within a particular time-frame would be imported.

The chairmen, on their part, wanted that there should not be any interruption in the implementation of the development programme, irrespective of whether there was demand or not.

The Prime Minister was informed that the workers were fully co-operating for fulfilling their commitment in achieving the targeted production level. They were working on all seven days in the week.

As an additional incentive for increasing production, the chairmen urged the Prime Minister to ensure a remunerative price for coal. At present, the companies are losing to the tune of Rs. 19 per tonne.

CSO: 4220

NOVEMBER INCREASES IN POWER GENERATION NOTED

Calcutta THE STATESMAN in English 8 Dec 80 p 9

[Text] New Delhi, Dec. 7.--The total power generation in November was 9,801 million units, an increase of 21% over that of November last year. For the first time thermal generation went up by 22% in a month. Another achievement has been the generation of 340 million units on November 28--the highest ever recorded on a single day, according to a Press Note. Hydro-electric production during the month achieved a growth of 20%.

The increase in generation was the maximum in the southern region at nearly 33%. In the northern region it was 20%, in the western 16% and in the eastern 14%. The Damodar Valley Corporation generated 660 MW as against 550 MW two months earlier. The improved power supply in the eastern region, particularly DVC, is reported to have established supply to the steel plants and collieries. This is reflected by the 9% increase in coal production and an output of 1.65 lakh tons of saleable steel last month by Durgapur, Bokaro and TISCO.

In order to give a new management bias to the power industry, evolve development programmes and introduce modern planning and monitoring concepts, a Central team led by the Power Secretary has been visiting different States to give on-the-spot guidance to the State Electricity Boards. Assistance is being given in the allocation of scarce material like steel and cement.

Supply of coal of required quality to power houses has gone up from 2,400 wagons to nearly 3,300 wagons a day. Efforts are being made in coordination with the Railways to step up the supply to the required level of nearly 4,000 wagons a day.

As a result of these measures, the capacity utilization has risen from nearly 42% earlier to nearly 47% at present. Official sources expect this to rise in the coming months.

The Department of Science and Technology has agreed to set up an informal working group to review plans and programmes on energy conservation and development of alternative sources of energy.

This emerged at the first national workshop on energy conservation organized by the Association of Indian Engineering Industry and the Department of Science and Technology.

The workshop agreed that the creation of awareness through a programme of publicity and films was essential to bring about energy conservation at the national and industry levels. This would be done by the Government and industry, separately and jointly. The Department of Science and Technology said it would shortly release, for public screening, two special documentary films on energy conservation.

The workshop recommended a complete review of the system of power cuts now being followed in the country. The need for taking advantage of technical development in other countries was emphasized by Mr Gurpreet Singh, chairman, AIEI Northern Region, and supported by other participants.

CSO: 4220

FOREIGN FIRMS CHOSEN FOR OIL EXPLORATION PERMITS

Calcutta THE STATESMAN in English 8 Dec 80 p 9

[Text] New Delhi, Dec. 7.--The Government has decided that the contracts with foreign oil companies for exploration in on-shore and off shore areas will be on a production sharing basis. The contractors will be expected to sell cost oil to the Government for domestic consumption at a fair market price. Preference will be given to those who offer to sell their entire share of the profit oil as well to the Government.

It has decided to offer 32 selected blocks--17 off-shore and 15 on-shore--to 34, short-listed foreign parties for oil exploration.

The 34 short-listed parties have been chosen from 67 who had submitted pre-qualifying bids in response to the Government nominee organization, the Oil and Natural Gas Commission's invitation to show interest in the exploration and development of hydrocarbons.

The negotiating team, with the secretary in the Department of Petroleum as its chairman, and secretary (Expenditure), secretary (Economic Affairs), secretary (External Affairs) and chairman, ONGC, as its members, evaluated the offers and selected 34 foreign companies, including 10 selected provisionally on the basis of their financial and technical capabilities.

Technical dockets giving geological, geophysical and other relevent information on the blocks being offered will be made available to the 34 short-listed parties at the ONGC's office in Delhi and at the Indian embassies in Washington and Paris from Monday.

Technical discussions for any further information will be arranged with specialists at Dehra Dun and will be expected to be completed by January 15. On the conclusion of the discussions, the Government will expect a specific offer in respect of a block or blocks in which foreign parties might like to work.

While the format for making the offer is being prepared, the Government, in its communication to the short-listed parties, has indicated the arrangements envisaged by it.

All liabilities under Indian laws will be on the contractor's account. The parties have been asked to indicate the share of profit oil they would like to

retain (a) if the levies are on the contractor's account and (b) if the corporate income-tax, cess and royalty paid by the contractor is reimbursed to them.

The Oil and Natural Gas Commission will be a party to the "operating agreement" as the Government's nominee.

The ONGC will be a "non-operating" partner in the exploration phase and thereafter have full rights accruing to a "non-operating" partner for effective say in decision-making.

After the short-listed parties, which include oil companies from the USA, France, the U.K., West Germany, Canada and Japan, have submitted their specific bids following clarificatory technical discussions with the ONGC, their offers will be evaluated by the Government and the contracts will be finalized with the approval of the Cabinet.

The off-shore blocks include the West Bengal off-shore (Block I and II) in the Bay of Bengal, roughly covering an area of 10,750 sq km and 12,500 sq km.

The on-shore blocks include the Sarda depression (Blocks I, II and III), which forms part of the Canga basin, with Block I covering 19,250 sq km and Block II covering about 25,000 km and the Gandak depression (Blocks I and II), forming the eastern part of the Ganga basin, covering about 26,000 sq km and 21,250 sq km.

The 34 foreign companies invited to make specific offers include the British Petroleum company, ESSCO (USA), Burmah Oil (U.K.), Gulf Oil (U.K.), Shell Exploration (Holland) and Shell Oil (USA).

CSO: 4220

PROGRAM TO EXPLORE FOR MINERALS PLANNED

Calcutta THE STATESMAN in English 9 Dec 80 p 7

[Text]

NEW DELHI, Dec. 7.—The Geological Survey of India has drawn up a big programme of mapping, investigation and exploration for various minerals during the October 1980 field season. It has deployed 340 geologists for mapping in the interior areas of the Eastern Ghats, Deccan Trap country, high altitude areas in the Himalayas and the ophiolite belt in the rugged terrain in Nagaland and Manipur. More than 45% of the total area of the country has been mapped on modern sheets. Mapping of the quaternary sediments will be undertaken in the major river basins.

Under the regional exploration for various minerals, 270 geologists and 157 rigs would be deployed for 189 investigations. In the last season ending September 1980, only a small area could be covered by air-borne survey in Andhra Pradesh because of shortage of aviation fuel. It is proposed to continue the work in the western parts of the Son-Narmada and Andhra Pradesh. Selected areas in Kerala and Rajasthan are proposed to be explored.

For iron ore, work would be continued in the Sandur-Chist belt of Karnataka and for manganese in Karnataka, Madhya Pradesh and Maharashtra. Investigation for chromite is to be taken up in the Sukinda and Nausahi areas of Orissa by drilling.

The time-barred programme for exploration of gold would be continued in the northern part of the Kolar Gold Field and its southern extension in Chittoor district of Andhra Pradesh. Under the national project for diamond exploration, the work in Madhya Pradesh and Andhra Pradesh would be expedited. A search would be conducted in parts of the southern region for precious and semi-precious stones.

During the 1979-80 field season ending September 1980, the GSI located new bauxite cappings in Visakhapatnam district of Andhra Pradesh and two mineralized zones in Chandrapur district of Maharashtra besides mapping in hard rock and quaternary areas.

CSO: 4220

SHORTFALL IN 1980 FERTILIZER PRODUCTION LIKELY

Bombay THE TIMES OF INDIA in English 5 Dec 80 p 10

[Text] New Delhi, December 4.

The production and consumption of chemical fertilisers in the country during the current year may fall short of earlier expectations.

According to the latest estimates of the Fertiliser Association of India (FAI), the total output of nitrogen this year may not exceed 22 lakh tonnes, against 27 lakh tonnes anticipated earlier.

The growth in the consumption of nutrients may be only five to six per cent against the 15 to 16 per cent estimated in the beginning of the year.

The FAI chairman, Dr. Easo John, told newsmen on Tuesday that the inadequate supply of power, coal and feedstock to the fertiliser industry were the main constraints responsible for the shortfall in production. The average capacity utilisation in the industry during the first six months of the year was only about 50 per cent against 61 per cent last year and 69 per cent in 1978-79.

Transport Bottlenecks

Transport bottlenecks had been creating further problems for the movement of inputs, as well as end-products in the industry.

The total loss in production due to the shortage of power and feedstock was estimated at 0.5 million tonnes in terms of nutrients. At least three plants had to be shut down for varying periods during the current year because of labour trouble.

The steep hike in fertiliser prices in June, last year, was one of the major reasons for the low growth rate in fertiliser consumption. The prices of agricultural products had not been raised sufficiently to compensate the farmers for the increased cost of fertiliser input, he maintained. Certain other factors, including constraints on the availability of adequate credit to farmers, were also responsible for the low consumption.

The cost benefit ratio of fertiliser use had deteriorated following the estimated 40 per cent rise in nutrient prices. Every rupee invested on nitrogenous fertiliser now brought a return of about Rs. 2.90 in the case of paddy, against

Rs. 3.62 prior to the fertiliser price hike. In the case of wheat, the return now was Rs. 3.23, against Rs. 4.46 earlier.

According to Mr. Satyanand, executive director of the FAI, the consumption of fertilisers during the current rabi season might be only four per cent higher than in the last season. The earlier expectations of achieving some 18 per cent increase in consumption would not be materialised. Apart from adverse weather conditions in some parts of the country, an inadequate availability of the right type of fertiliser material at the right time was likely to affect nutrient consumption.

The availability of railway wagons was grossly inadequate to ensure the smooth movement of fertilisers from producing units to consuming areas. Not more than 60 to 70 per cent of even the sponsored movement programme under priority was likely to materialise, he said. Road movement was hampered by diesel shortage and competing demands from other industries which could afford to pay higher freight.

Mr. Satyanand said the total capacity of nitrogen and phosphates produced in the country was expected to rise to 6.57 million tonnes and 2.37 million tonnes, respectively, by the end of the sixth plan period. It would rise further, to about 9.62 million tonnes of nitrogen and 2.85 million tonnes of phosphates by 1989-90.

Gap in Consumption

The gap in the consumption and indigenous availability of fertilisers was expected to rise from 1.34 million tonnes of nitrogen in 1980-81 to 3.10 million tonnes in 1989-90. In the case of phosphates, it would go up from 3.5 lakh tonnes now to 4.9 lakh tonnes in 1989-90.

The FAI, which was celebrating its silver jubille this year, will hold a seminar on "fertilisers in India in the 80s" here from today to Saturday, at which leading Indian and foreign experts will discuss various aspects of fertiliser production, marketing, distribution and use.

Several awards instituted by the FAI to commemorate its jubilee will also be distributed at the inaugural function of the seminar, which will be presided over by Mr. P. C. Sethi, minister for petroleum, chemicals and fertilisers.

CSO: 4220

BRIEFS

INFRARED PROJECT--Kolhapur, December 12 (UNI): The University Grants Commission has sanctioned a project--infra-red sensors--to the physics department of Shivaji University. The project is intended to develop infra-red-light sensitive materials and fabrication of infra-red photo cells. They are useful for defence equipment like radar indicators and guided missiles. This was announced here by the vice-chancellor, Mr. R. K. Kanbarkar, while welcoming Dr. Raja Ramanna, who was the chief guest at the 17th convocation. [Excerpt] [Bombay THE TIMES OF INDIA in English 13 Dec 80 p 7]

SOUTH KOREAN AMBASSADOR--Seoul, December 12 (AP): South Korea has selected Mr. Kim Chungtai, ambassador to Portugal, to fill the vacant post of ambassador of India, the foreign ministry said today. The action was the first major diplomatic shake-up since Mr. Chun Doohwan formally was installed as Korean President in September. [Text] [Bombay THE TIMES OF INDIA in English 13 Dec 80 p 13]

GUPTA ON PRESIDENCY--New Delhi, December 12 (UNI): Mr. Bhupesh Gupta (CPI) today urged the Prime Minister, Mrs. Indira Gandhi, to make a categorical statement that no change was called for in the existing system of government. Speaking on a bill moved by him in the Rajya Sabha seeking an amendment to the second schedule of the constitution, Mr. Gupta said under the constitution, the President enjoyed no executive powers. All the powers were vested with the Prime Minister, who was accountable to Parliament. Mr. Gupta appealed to the ruling party members to close the controversy once for all whether the present system should be replaced by a presidencial one. Mr. Gupta, said the demand voiced by some ruling party members, including the Maharashtra chief minister, Mr. A. R. Antulay, for the presidential system was unwarranted and provocative. He said the country wanted a president in Rashtrapati Bhavan with high moral authority to look into complaints from anyone. He suggested improving the present system further by granting proportional representation in legislatures. Mr. Gupta later withdrew his bill. [Text] [Bombay THE TIMES OF INDIA in English 13 Dec 80 p 13]

STEEL IMPORT PLANS--New Delhi, December 12 (PTI): The Centre has liberalised imports of steel as indigenous production was likely to be inadequate to meet the demand, the Lok Sabha was informed today. Steel Authority of India Limited (SAIL) was planning to import 692,000 tonnes of steel under the buffer scheme, the commerce and steel and mines minister, Mr. Pranab Mukherjee, said. Adequate foreign exchange has been made available to SAIL, as the canalising agency to fulfill the demands for imported steel placed on it by engineering units, Mr. Mukherjee told Mr. Chiranji Lal Sharma in a written reply. Mr. Mukherjee said that these would be over and above the buffer imports. In addition, actual users have also been allowed direct imports of "restricted items". [Text] [Bombay THE TIMES OF INDIA in English 13 Dec 80 p 13]

SUBMARINES TO INDIA--A shipbuilders firm is close to conclusion of a contract for the supply of two submarines for the Indian Navy, Indian Ambassador Ali Mohammad Khusr said on Thursday after three days of talks in this North German city. [Text] [Karachi DAWN in English 12 Dec 80 p 20]

OIL FROM ALGERIA--India has signed an agreement with Algeria for import of 500,000 tons of crude oil. The bulk supply will be available during the current year at $40 a barrel. The agreement was signed in Algiers yesterday. [Text] [BK061600 Delhi Domestic Service in English 1530 GMT 6 Jan 81]

TRADE WITH GDR--The two-way trade between India and the GDR is expected to touch 2 billion marks during the current year. Under a trade agreement signed in Berlin, trade and technical cooperation between the two countries will be enlarged over a 5-year period. Talks are in progress for cooperation in utilization of lignite in Rajasthan, Gujarat and Jammu and Kashmir. [Text] [BK071625 Delhi Domestic Service in English 0830 GMT 7 Jan 81]

EXPORT-IMPORT BANK--The government has decided to set up an export-import bank with an authorized capital of 2 billion rupees initially which may later be increased to 5 billion rupees. The decision to set up the bank has been taken in view of the growing volume and complexity of international trade and its credit needs. It will function as a lead bank for financing and promoting exports and will be the principal institution for coordinating the working of another financial institutions. Briefing newsmen about the union cabinet's decision on 7 January, an official spokesman said short-term export credit will continue to be handled by the commercial banks. He said the proposed bank will be a statutory corporation owned by the government. [Text] [BK071625 Delhi Domestic Service in English 1530 GMT 7 Jan 81]

NEW BHUTANESE AMBASSADOR--New ambassador of Bhuta Dr Tashil Tobgyel, while presenting his credentials to President Sanjiva Reddy at Rashtrapati Bhavan in New Delhi on January 7, said that his country has been able to establish social and economic infrastructure with the cooperation extended by India. [Excerpt] [BK071515 Delhi ISI Diplomatic Information Service in English 1436 GMT 7 Jan 81]

CEMENT FACTORY IN INDONESIA--The Projects and Equipment Corporation of India, a government of India undertaking, has been awarded a contract in Indonesia for setting up Indarung III Cement Plant at Pandang (Indonesia). This was one of the projects identified and discussed in detail during May 1980 when an Indian delegation led by Dr Charanjit Chanana, minister for industry, visited Indonesia. [Text] [BK071515 Delhi ISI Diplomatic Information Service in English 0845 GMT 7 Jan 81]

THREAT FROM PAKISTAN--The Communist Party of India central executive says that the danger to the country's security has increased in view of acquisition of arms by Pakistan in a big way and, what it called, the U.S.-China axis. Briefing newsmen on the 4-day meeting of the executive in New Delhi, party General Secretary C. Rajeshwar Rao said the executive felt that a negotiated settlement of the foreigners issue in Assam is now possible. He said the Assam agitation leaders have alienated themselves from the people and cannot prolong the movement. [Text] [BK091041 Delhi Domestic Service in English 0240 GMT 9 Jan 81]

GOODS TO USSR--The Soviet Union is to import from India cosmetics, detergents and chemicals worth about Rs. 217 crores under contracts signed in Bombay and New Delhi for the purchase of washing powders, dyes, perfumes, shampoos, soaps, toothpaste and chemicals and detergents, to be supplied to the USSR in the period 1981-85. The contracts were signed by V. A. Ganko, director, "Arochim", from the Soviet side, and from the Indian side, by representatives of the firms Tata exporters, Hindustan Lever, Lakme and Sarabhai International, etc. Speaking at a press conference, Mr. Ganko said that such large-scale imports on a long-term basis facilitate the growth of Indian production and sales on a planned basis meeting the interests of both the peoples, thereby serving the purpose of expanding bilateral trade. [Text] [Bombay THE TIMES OF INDIA in English 5 Dec 80 p 10]

CPI(ML) SPLIT--The split in the CPI(M-L) between the two groups led by Mr Satyanarain Singh and Mr Chandra Pulla Reddy appears to have affected the trade union wing. In a recent move, the Reddy group removed Mr Dev Nathan from the post of general secretary of the Indian Federation of Trade Unions. He has been replaced by Mr Phani Bagchi, who belongs to the Reddy group. A spokesman of the Satyanarain Singh group said in Calcutta on Friday that the members of this group were not aware of Mr Dev Nathan's removal. [Text] [Calcutta THE SUNDAY STATESMAN in English 7 Dec 80 p 3]

NEW BENGAL COMMANDER--Major-General S. S. Pathania took over in Calcutta on Monday as the General Officer Commanding, Bengal area. According to a Press Note issued by the Defence Ministry, Major-General Pathania, an infantry officer, had been commanding a division before assuming the new charge. He succeeded Major-General Salim Caleb, who retired recently. [Text] [Calcutta THE STATESMAN in English 9 Dec 80 p 3]

CP(ML) LEADER ARRESTED--The CPI(ML) Mr Santosh Rana, has condemned the arrest of the party's general secretary, Mr Satyanarayan Singh on Sunday at Jadugode in Bihar under the National Security Act. Two other workers of the party, Mr Biren Ghosh and Mr Nimal Pal, were also arrested under the same Act in Santal Parganas in Bihar. [Text] [Calcutta THE STATESMAN in English 9 Dec 80 p 13]

BREZHNEV BOOK TRANSLATIONS--Soviet Union President Leonid Brezhnev's three books, Small Land, Rebirth and Virgin Land in Hindi and Urdu translation were released on Tuesday by CPI Leader Bhoginder Jha, MP, in New Delhi at a simple function. The books deal with various impediments faced by the Soviet Union. They heavily draw on the personal experience of Mr Brezhnev in a war ravaged economy after the Nazi invasion. A senior diplomat in the USSR Embassy Mr S L Semivols said Indo-Soviet friendship had been strengthened during Mr Brezhnev's leadership. Hindi CPI daily JANYUG's Editor Mr H K Vyas also spoke on the occasion. The reprints of Mr Brezhnev's book have been published by the People's Publishing House.

BHILAI RECORD OUTPUT--Raipur, December 4: The Bhilai steel plant recorded its highest production of the year last month when 152,222 tonnes of saleable steel and 178,220 tonnes of ingots were produced. Availability of coal enabled the plant authoritis to recommission the blast furnace number six which had been lying idle so far. [as published] [Text] [Bombay THE TIMES OF INDIA in English 5 Dec 80 p 10]

DEFENSE HELICOPTER--New Delhi, Dec 3. Hindustan Aeronautics is designing an advanced light helicopter for meeting the future needs of the three defence services, the Prime Minister Mrs. Indira Gandhi said in a written reply in the Lok Sabha today.--PTI. [Text] [Madras THE HINDU in English 5 Dec 80 p 6]

BIHAR MINISTER DIES--New Delhi, Dec. 7.--The Bihar Minister of State for Education Mr Hardeo Upadhyaya died at the All-India Institute of Medical Sciences here early today, reports UNI. He was admitted to the institute on December 3 after a paralytic stroke. Mr Upadhyaya was born in a village in the Dhanaha police station area of West Champaran district, adds PTI. He was 57. After completing his school education he went to Varanasi where he did his M.A. in Hindi. He was a freedom fighter and was jailed in 1942. He courted arrest when Mrs Gandhi was sent to jail during the Janata regime. He was elected to the Bihar Assembly in 1972, 1977 and 1980 from the Dhanaha constituency. He is survived by his wife, two sons and a daughter. The body of Mr Upadhyaya was taken to Patna in a specially chartered plane piloted by Mr Rajiv Gandhi. [Text] [Calcutta THE STATESMAN in English 8 Dec 80 p 9]

CONGRESS(I) ELECTIONS--New Delhi, December 7 (PTI): Organisational elections in the Congress will be held in April-May, 1981, after a lapse of nine years, Mr. Karunakaran, former chief minister of Kerala, announced in the AICC (I) today. The elections are being held on the recommendation of the three-member committee constituted by the party president, Mrs. Indira Gandhi, in August. The election schedule recommended by the committee was approved by the Congress (I) working committee on Friday, Mr. Karunakaran said. The time-table for election of the party president is: Last date of nominations, May 16, scrutiny and publication of list, same day, last date for withdrawal, May 25, and poll, if necessary, on May 31. [Text] [Bombay THE TIMES OF INDIA in English 8 Dec 80 p 1]

CSO: 4220

APPOINTMENT OF IZAAC HINDOM AS DEPUTY GOVERNOR OF IRIAN JAYA

Jakarta TEMPO in Indonesian 29 Nov 80 p 39

[Article: "From Deputy Governor to Trikora [People's Tri-Command]"]

[Text] Minister of Internal Affairs Amir Machmud at the end of last week installed Izaac Hindom in office as deputy governor of Irian Jaya, replacing Ellias Paprindey. Has this native son already had more opportunity?

The appointment of Izaac Hindom, 45 years old, born in Fak-fak, as deputy governor of Irian Jaya, tends to bring out two different views at present. That is, whether or not the office of governor of that province must be entrusted to a native son of that area.

The difference of view began to be heard strongly as the assignment of Governor Soetran came to an end in the middle of August and until he was installed in office as acting governor. Those who wanted Soetran's post to be turned over to a native son of the area hold the view that the position will be the key to the future success of the development of the area. This would also mean giving a greater opportunity to people from the region joining in developing their own area.

People holding this view go so far as to say that, no matter what happens, the post of deputy governor should not be held by an outsider. This view starts from the complaint that, up to now, native sons have not had the opportunity to hold important positions in Irian Jaya. Indeed, it is charged that Fllias Paprindey, as deputy governor under Governor Soetran, was just a symbol. But this group feels that their efforts will have been wasted after the installation of Izaac Hindom in office. "This means that the combination of Soetran (from outside the area) and Paprindey (a native son) will be repeated," said one of this group, a university student from Irian Jaya who is studying in Yogyakarta.

On the other hand there is the view of those who attach no great importance to the question of whether an official is a native son of the area or not. "That difference involves a view which is no longer needed," says an official in the Ministry of Internal Affairs who did not wish to be named. "The important thing is whether a governor is considered capable of doing the job or not."

However, is it true that native sons have not had an opportunity? "It is time for native sons of Irian Jaya to be given more opportunity," said Vice President Adam Malik, when he visited the area 2 months ago. Nevertheless, Adam Malik also admitted that, up to now, "the preparation of officials who are native sons of the area has not been given enough attention."

For Izaac Hindom, who began his career as a subdistrict officer in Teluk Etna, District of Kaimana, Regency of Fak-fak, opportunity for native sons of the area does not mean that they must remain in their own region. "A native son of Irian must be able to hold any job, anywhere in Indonesia," he says. If a native son must be the leader of his own area, Izaac Hindom fears, that may lead to a kind of tribal feeling.

Opportunities for native sons of Irian Jaya in fact do exist. Apart from the post of deputy governor, 4 out of 9 bureau heads (Health, Development, Supply, Regional Economic Development) are also native sons of the region. Of 4 governors of Irian Jaya the first 2 were native sons, that is, E J Boney and F Kaisiepo. In addition 5 out of 9 regents are also native sons. That is, the regents of Jayapura, Merauke, Yapen Waropen, Paniai, and Manokwari are native sons, as is the mayor of the administrative city of Jayapura.

Trikora

There is still one matter which has become a kind of crutch. That is, the difference of treatment between former government employees and those who fought to liberate Irian Jaya under the Trikora--as also mentioned by Adam Malik. The government's appreciation of the latter was shown in 1979 in the form of gifts of money. However, later on a scandal arose out of the manipulation of the money in the form of "Trikora prizes," which was discovered by the Irian Jaya Regional Security Office last August. Those involved in the manipulation of funds reportedly were allowed to leave office in an honorable way and then were attached to the staff of the governor as office specialists.

Up to the present people are still coming in to the Veterans Administration Office in Jayapura, registering as having fought in the Trikora campaign. An opportunity to register indeed is still open until 31 December 1980. Up to the middle of November the total number of those who fought in the Trikora campaign is listed at 3246 (of whom 140 were killed). Meanwhile, state employees having the right to receive "Trikora prizes" in Irian Jaya total 1328.

Willem Ayatanoy, 45 years old, a former combatant in the Trikora campaign, currently lives in a hut in Bukit Polimak II. He has no permanent job. He is the father of 5 children and says, "I can only work when someone needs a worker." Aser Samory, 63 years old, who once was a member of the Trikora Revolution Command in Yapen Waropen, and was once even a veterans" representative in the provincial council, is now a daily-paid harbor worker in the area where he was born.

5170
CSO: 8127/0402

'VODK' REPORTS RESULTS OF FIGHTING AGAINST VIETNAMESE

Southwest Region

BK180235 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 17 Dec 80

[Excerpt] In November, our comrades in arms on the southwestern region battlefield put out of action 671 troops of the Vietnamese aggressors, including 3 Soviets, a Vietnamese provincial governor and a Vietnamese deputy provincial governor dead. We destroyed 2 trucks, 4 motorcycles, a pistol, an M-30 machinegun, an M-79, 6 B-40's, 9 AK's, a C-25 radio set and 10 military barracks; and seized an M-79, 17 AK's, a carbine, 32 B-40 rockets, 910 AK rounds, 10 mines, 7 handgrenades, 50 cans of humanitarian food aid and a quantity of other materiel. Compared with the 500-enemy-loss-per-month plan, our comrades in arms carried out 134.2 percent of the plan, overfulfilling it by over 34 percent. In their efforts to build a primitive weapons system, our comrades in arms produced and planted 1,612,000 new punji stakes and dug 1,200 punji pitfalls.

Moung-Pursat-Koas Kralar

BK241430 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 21 Dec 80

[Excerpt] In November our comrades in arms on the Moung-Pursat-Koas Kralar battlefield, fully supported and assisted by our people, put 158 of the Vietnamese aggressors out of action. We destroyed a truck and an AK, and seized 500 rounds of AK ammunition.

Concerning the system of primitive weapons, we made and planted 94,000 new spikes, dug 450 punji pitfalls, and set 200 automatic bows.

Snipers in Phnom Penh

BK260624 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 25 Dec 80

[Text] On 10 December, our guerrilla snipers shot at Vietnamese troops in Tuol Tapung market in Phnom Penh city, killing two of them.

Long live our courageous guerrillas of the Phnom Penh battlefield!

Destruction of Two Tanks

BK270450 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 24 Dec 80

[Excerpts] On the eastern region battlefield, Memot District, on 15 and 16 December our guerrillas attacked the Vietnamese troops at Toek Chreou and ambushed them while they were moving from Dambe, killing five and wounding two. On 18 December, we attacked the enemy between Phumi Roluos and Phum Dong, setting a truck on fire, killing three and wounding four. We seized a rifle and quantity of documents. In all, in Memot District we killed or wounded 14 enemy troops.

On the Sisophon south of Route 5-Bavel battlefield, on 18 December an SRV truck and two T-54 tanks ran over our mines and were destroyed. Over 10 Vietnamese troops who were riding these truck and tanks were killed.

Enemy 'Routed' From Positions

BK280243 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 24 Dec 80

[Text] After successively attacking the defense system east of the Samlot District office, our armymen and guerrillas besieged the Samlot defense system and the positions between Samlot and Route 10.

From 10 to 17 December, we exerted strong pressure on six positions along the road from Samlot to Route 10 and routed all Vietnamese forces from them. These positions were at O Smach, Khbal Pralean, O Chak Khnea, Khbal Phe Chunlong Pnhiev, Kompot and Dodong. In these positions, we noted foul-smelling waste in the trenches.

During this attack we put 58 enemy troops out of action and destroyed 8 AK's and 3 B-40's. We also destroyed four barracks and a quantity of other materiel. The communication line from the Samlot District office to Route 10 was cut.

Long live the valiant armymen, guerrillas and people on the Samlot battlefield, Battambang Province!

Eastern Region Battlefield

BK020858 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 1 Jan 81

[Except] On the eastern region battlefield, in Memot District, our guerrillas attacked the Vietnamese enemy aggressors at the Phum Roluos barracks and east of Toek Chreou on 20 and 22 December respectively, killing five and wounding four. In Snuol District, they attacked the Vietnamese east of Snuol on 20 December, killing two and wounding four.

Attack at Sisophon Battlefield

BK020900 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 1 Jan 81

[Text] From 26 to 29 December some 3,000 Vietnamese troops escorted by 6 tanks and several 105mm and 130mm cannons launched an operation in an attempt to wrestle (Phum Ta Pum) in Sisophon District, south of Route 5, back from us. Our army and guerrillas attached to the Sisophon battlefield south of Route 5 split into small groups to attack the Vietnamese aggressors from every direction. After 3 days and nights of fierce fighting, we killed 137 Vietnamese troops, wounded 129 others--a total of 266 casualties--and destroyed 2 tanks, completely blocking the advance of the enemy. We seized a large quantity of assorted weapons, ammunition and war materiel. Our army and guerrillas are continuing to smash the Vietnamese enemy operation.

Long live our courageous army, guerrillas and people of the Sisophon battlefield south of Route 5!

CSO: 4212

PRK LEADERS STRESS INCREASING LITERACY

Heng Samrin at Meeting

BK290644 Phnom Penh SPK in French 1430 GMT 26 Dec 80

[Text] Phnom Penh, 26 Dec (SPK)--A meeting held by the Ministry of Education to review the anti-illiteracy campaign ended on Tuesday [23 December] in the presence of several ministers and vice ministers. Heng Samrin, president of the KNUFNS and KPRC and chairman of the Central Anti-Illiteracy Campaign Committee, was also present.

In his report, Minister of Education Chan Ven revealed that some 471,260 adults have attended 14,313 illiteracy elimination classes. Throughout the country there are 20 teachers' schools, 1,443 level-II and level-III teachers, 22,000 level-I teachers and 20,118 retrained teachers, the minister pointed out.

Speaking at the meeting, President Heng Samrin stressed that the KNUFNS and KPRC have paid proper attention to mass education work and called on the cadres of the Central Anti-Illiteracy Committee to do their best to make the 3-year anti-illiteracy plan a success.

Minister of Information, Press and Culture Keo Chanda highly appraised the initial successes of the campaign and praised the great efforts of both teachers and the people.

Literacy, Pedagogic Congress

BK271402 Phnom Penh Domestic Service in Cambodian 0400 GMT 24 Dec 80

[Text] On the afternoon of 23 December a ceremony closing the literacy and pedagogic congress was held at the Phnum Don Penh High School in the presence of Comrade Keo Chanda, minister of information, press and culture, chairman of the national anti-illiteracy committee and high representative of Comrade President Heng Samrin; Comrade Chan Ven, minister of national education and chairman of the Phnom Penh Municipal People's Revolutionary Committee; and Comrade Men Chhan, minister of agriculture. Also attending as guests of honor were comrade vice ministers, the comrade chairman of the Kampuchean Youth Association for National Salvation, comrade cadres and

personnel of various offices and ministries under the central organization, comrade cadres from all provinces in the PRK and several comrade Vietnamese experts. The participation of pioneer youths further heightened the solemnity of the ceremony.

On this occasion, the comrade minister of national education delivered a detailed speech summing up the work of the literacy and pedagogic congress. He said that the main points of literacy reported on by provincial and municipal delegates drew the attention of the congress to the key procedures for motivating and exhorting illiterate people to attend courses and the instructors to teach them. He stressed that the illiteracy eradication effort was a revolutionary duty, meaning that this campaign should be carried out indefinitely. Therefore, you must learn in order to gain approval from the higher authorities and to improve your own livelihood as well as to avoid personal shame, he said. In order to improve the revolutionary process, our duty is to fight against the three basic enemies--namely, the aggressors, famine and ignorance. Your study, he stressed, is a show of gratitude to the front, and a show of affection for the KNUFNS. To make your study successful, the comrade minister emphasized, the provincial and municipal committees should issue circulars and other notices to their subordinates so that literacy courses are opened everywhere and that literate heads of production solidarity groups capable of teaching are appointed literacy course instructors in order to facilitate the assembling of pupils and the scheduling of courses at the convenience of the pupils to ensure their punctuality. Regarding the technique of classifying pupils, the comrade said that the pupils should be classified according to their age in order to avoid reticence among them.

In conclusion, the comrade stressed: On behalf of the Education Ministry, I sincerely praise all of you for making every effort to make our education sector progress rapidly along the socialist educational path.

Later on, after awards were distributed to provincial cadres attending the literacy and pedagogic congress, Comrade Presidium Chairman Keo Chanda made a recommendation to the congress participants coming from all parts of the PRK. The highly significant address of the comrade presidium chairman is as follows:

[Begin recording] Up to the present, the education sector, including general education and adult education, has been gaining great momentum throughout the country. At the same time, however, we should not overlook the question of the quality of knowledge. Therefore, pedagogy is an important matter in our new educational system. It is in this sense that we have opened the pedagogic congress along with the literacy congress. You comrades have discussed scientific and technical ways to promote education and pedagogy along the Marxist-Leninist socialist line, seeking means to make our new educational system truly democratic and revolutionary and to advance it toward genuine socialism. [words indistinct] we are greatly proud of the success of this literacy and pedagogic congress. It is one more success on top of the many brilliant successes we have already achieved in every field. These results eloquently prove that the pure Marxist-Leninist line of our KPRC is strongly supported by national and international circles.

Within a period of only 2 years, many countries have recognized us. This testimony should be enough to convince some other segments of international opinion that the correct policy of our new regime certainly serves national interests and seeks justice, peace, unity, progress and happiness for the people.

Dear friends, it is true that we have won successes, but we should not become complacent because of these successes. On the contrary, we should heighten our revolutionary vigilance in order to be more successful in our tasks of serving the nation. Upon your return, all you comrades should reassess the new duties regarding adult education and pedagogy by convening meetings of anti-illiteracy committees from the provincial to the grassroots level in order to make consultations, discuss questions relating to the people's livelihood and formulate plans to fight illiteracy. Cooperation should be strengthened among all services concerned in order to completely eradicate illiteracy. The question of illiteracy is an important issue. We must combine our forces in order to achieve success. For this reason, the KPRC regards this illiteracy eradication campaign as a major task among the most urgent tasks to be carried out. Therefore, all the educational cadres, personnel and representatives of all offices, ministries, factories, enterprises and associations throughout the country at all echelons should fight, create conditions and provide each other with facilities in order to make the literacy effort a complete success. [words indistinct] various mass organizations, such as trade unions, women's leagues and associations, and youth associations play an important role in promoting adult education.

I am confident that all of you will make this congress a worthwhile effort by making the development of adult education successful. The results of your work will be tabled at the congress to be held by the end of next year. [end recording]

This ceremony ended at 1730 in an excellent atmosphere of cordiality and solidarity.

CSO: 4200

'MOSCOW RADIO' INTERVIEWS PRK'S MEN CHHAN ON AGRICULTURE

BK271129 Moscow Radio in Cambodian to Kampuchea 1330 GMT 20 Dec 80

[Text] The Kampuchean people are exerting efforts gradually to eradicate the consequences left behind by the oppressive claws of the Pol Pot-Ieng Sary regim, stooges of Beijing. One of the most important features in the reconstruction of the devastated national economy is the daily growth of agricultural production.

Our Phnom Penh-based correspondent interviewed Comrade Men Chhan, minister of agriculture of the PRK, who said: among the most urgent tasks of rehabilitation and revival of Kampuchea facing the KNUFNS and KPRC following the liberation of Kampuchea from the claws of the murderous regime, there was at the forefront the task of reactivating agricultural production. The agricultural field of my national economy, like all other fields, was badly damaged, said Comrade Men Chhan. Moreover, during their hasty flight from the country, the Pol Pot elements destroyed all the rice grain and seeds which were stockpiled at that moment in their brutal attempt to starve the populace. For this reason, the first year after liberation was a most difficult year for us. However, thanks to the fraternal assistance of Vietnam, the Soviet Union and other socialist countries, our Kampuchean people were able to stave off the danger of famine.

Now, as the second anniversary of liberation is drawing near, we can say with a legitimate pride that we have achieved great successes and have rebuilt agricultural production. Thanks to the permanent support and encouagement of the KNUFNS and KPRC, in 1980 our rice acreage has been expanded to an adequate extent. Of the targeted 1.5 million hectares of land, 1.3 million hectares have already been sown to rice seeds. In this connection, some provinces have even overfulfilled plans. We expect to harvest 1.5 million tons of unthreshed rice this year. We are confident that, in fact, rice cultivated in Kampuchea will gradually increase in volume. All the successes achieved are not confined to the agricultural field alone. There are many other sectors which are as important to our Kampuchean people such as fisheries and rubber plantations. Our successes in the agricultural field is only a part of the overall achievements of the PRK, a country which is confidently overcoming all hardships in the era of national reconstruction, concluded Comrade Men Chhan.

CSO: 4212

BRIEFS

JAPANESE TRADE UNION DELEGATION--Phnom Penh, 20 Dec (SPK)--A youth delegation of the Japanese Trade Union, Sohyo, led by Shoji Ohhara, head of department of the Sohyo Central Council, arrived in Phnom Penh on Friday [19 December] for a visit to Kampuchea at the invitation of the Central Committee of the Kampuchean Trade Union for National Salvation [KTUNS]. The delegation was welcomed upon its arrival by Lim Try, KTUNS Central Committee representative, and other personages. On the same day, the delegation was received by Lim Try, who informed it of Kampuchean trade union activities and Kampuchean workers' efforts in national rehabilitation and reconstruction. Shoji Ohhara declared that he would do his best to explain to Japanese opinion the truth in Kampuchea and to denounce the Pol Pot-Ieng Sary clique's barbarity. [Text] [BK210842 Phnom Penh SPK in French 1430 GMT 20 Dec 80] Phnom Penh, 24 Dec (SPK)--The youth delegation of the Japanese Trade Union, Sohyo, led by Shoji Ohhara, head of department of the Sohyo Central Council, left Phnom Penh on Monday [22 December], ending its 4-day visit to Kampuchea. Seeing the delegation off were KNUFNS Central Committee deputy secretary general Khieu Kannharith, Kampuchean Trade Union for National Salvation [KTUNS] Central Committee representative Lim Try, and other personalities. While in Kampuchea, the delegation visited the Pol Pot clique's center of torture at Tuol Sleng, mass graves at Phum Choeung Ek, "7 January" Hospital, Orphanage No 2, a rubber factory, the Tuol Kauk Weaving Mill, the Central Trade Union School and the ancient Royal Palace. The delegation was cordially received by KNUFNS Central Committee deputy secretary general Khieu Kannharith and KTUNS Central Committee representative Lim Try. [Text] [BK240942 Phnom Penh SPK in French 0400 GMT 24 Dec 80]

'TASS' DELEGATION VISITS--Phnom Penh, 19 Dec (SPK)--At the invitation of the press agency of Kampuchea, SPK, a delegation of the Soviet press agency, TASS, led by Kaljo Krell, director of the telegraphic agency of the Soviet Socialist Republic of Estonia, arrived in Phnom Penh today for a friendship visit to Kampuchea. The delegation was welcomed at the airport by Dith Mounty, deputy director general of SPK, and other SPK officials. [Text] [BK200620 Phnom Penh SPK in French 1432 GMT 19 Dec 80] Phnom Penh, 29 Dec (SPK)--The delegation of the Soviet press agency, TASS, led by Kaljo Krell, director of the telegraphic agency of the Soviet Socialist Republic of Estonia, left Phnom Penh on Monday [29 December], ending its 10-day visit to Kampuchea. On hand to see the delegation off were Em Saman and Dith Mounty, deputy directors general, and other personnel of SPK. While in Kampuchea, the delegation was

cordially received by Minister of Information, Press and Culture Keo Chanda and SPK deputy director general Em Saman. The Soviet guests visited the Toul Sleng Prison, the National Museum, the ancient Royal Palace, the Kompong Speu Orphanage and a textile mill in Phnom Penh and attended a reception given in their honor by the SPK management. [Text] [BK300955 Phnom Penh SPK in French 1436 GMT 29 Dec 80]

SRV WOMEN'S UNION CONGRATULATED--Phnom Penh, 23 Dec (SPK)--On the occasion of the 36th founding anniversary of the VPA, Mrs Mean Saman, chairperson of the Kampuchea Women's Association for National Salvation Central Committee, has sent a message to Mrs Nguyen Thi Dinh, chairperson of the Vietnam Women's Union, expressing her gratitude to Vietnamese mothers and spouses whose sons and husbands have taken part in the liberation and defense of the Kampuchean people. On the same occasion, Mrs Mean Saman has sent a message of congratulations to the Vietnamese combatants. The message expressed the admiration of the Kampuchean Women's Association for the Vietnamese combatants' spirit of proletarian internationalism and its profound gratitude to those who have sacrificed themselves for the life and security of Kampucheans and for Kampuchea's revolutionary cause. [Text] [BK230936 Phnom Penh SPK in French 0359 GMT 23 Dec 80]

ARMY AUTOMOBILE REPAIR WORKSHOP--Phnom Penh, 19 Dec (SPK)--An army automobile repair workshop in Tuolkouk, Phnom Penh, was inaugurated on Monday [15 December] in the presence of Di Phin, chief of the General Logistics Department of KPRAF. Speaking at the occasion, Di Phin stressed the great contributions made by the party, government and people of Vietnam, in particular, the cadres and workers of Vietnam People's Army Factory 2,715, for the restoration of the KPRAF logistical units. He also praised the efforts made by Kampuchean military officials in recovering and repairing damaged machinery. Di Phin thanked the personnel of factory 2,715 for the sympathy, militant solidarity and friendship accorded to its twin factories in Kampuchea. [Text] [BK200658 Phnom Penh SPK in French 1430 GMT 19 Dec 80]

BREZHNEV, TIKHONOV RECEIVE GREETINGS--On 9 December, Comrade Leonid Brezhnev, secretary general of the CPSU Central Committee and chairman of the Presidium of the USSR Supreme Soviet, and Comrade Nicolay Tikhonov, chairman of the USSR Council of Ministers, sent a thank-you message to Comrade President Heng Samrin. The message reads: We extend our deepest thanks to you for your warm greetings and sincere wishes on the occasion of the 63d anniversary of the Great October Socialist Revolution. Based on the principles of Leninism and proletarian internationalism, the Soviet Union has pledged to further strengthen the relations of friendship with your country for the benefit of the Soviet and Kampuchean peoples and for enhancing peace and stability in Southeast Asia and in the world. We wish the heroic Kampuchean people greater successes in reviving the nation and in building a peaceful, free, independent and Democratic Kampuchea and in advancing toward socialism. [Text] [BK200923 Phnom Penh Domestic Service in Cambodian 0400 GMT 17 Dec 80]

INDIAN ARCHEOLOGY DELEGATION--From 14 to 24 November, a three-member Indian delegation in archeology paid a visit to the PRK in order to conduct an investigation on and prepare a plan for repair and protection of the ancient temples. The delegation visited the ruins in Siem Reap Province and called at the minister of information, culture and press and chairman of the board of directors for the conservation of national heritage. A memorandum was signed to pave the way for future action between the Indian and Kampuchean governments. [Phnom Penh Domestic Service in Cambodian 1100 GMT 6 Dec 80 BK]

CINEMATOGRAPHIC DELEGATION RETURNS--According to a station correspondent, after successfully taking part in the movie festival held from 21 to 28 November in Leipzig, the GDR, the PRK cinematographic delegation led by Comrade Mau Ayut, deputy head of the cinematographic directorate of the Ministry of Information, Culture and Press, returned to Pochentong Airport safely at 1130 on 12 December. At the airport the delegation was cordially greeted by Comrade (Soen Kun), chief of the foreign cultural relations service, many cadres and personnel of the ministry's cinematographic directorate. [Text] [Phnom Penh Domestic Service in Cambodian 1230 GMT 13 Dec 80 BK]

CSO: 4212

ENEMIES OF LPDR, STATUS OF SRV TROOPS IN PRK DISCUSSED

Vientiane SIANG PASASON in Lao 4 Oct 80 p 2

[Article in "Letters Answered" Column]

[Excerpt] [Question] Who are our enemies at present?

[Answer] The Party Central Committee Resolution 7 identified the nation's enemy as primarily imperialist America. A dangerous enemy directly opposed to our revolution is the reactionary Beijing power holders.

[Question] To the editor. What is the objective and the target of the Vietnamese troops in Kampuchea? The imperialist and international reactionary groups speak of this matter continuously. Please take time to explain this to me. Bouakeo, worker, Vientiane Port.

[Answer] The Vietnamese troops in Kampuchea are acting at the request for aid by the Kampuchean People's Revolutionary Council to wipe out the "Pol Pot-Ieng Sary" remnants and lackeys of the Beijing power holders. This is in accordance with the treaty of friendship, peace, and cooperation that both parties signed. Both nations have fallen victim to the same aggression from outside and have the same enemy. Therefore, it can be said that the Vietnamese soldiers are fighting the enemy in Kampuchea or in the northern part of Vietnam itself. They are fighting the doctrine of Chinese big-nation expansionism.

Vietnam sent troops to Kampuchea not to invade, as the Chinese big-nation expansionists and the imperialists have said. We look at history and recognize the problem very clearly. The Vietnamese forces entered Kampuchea on this occasion, not for the first time but for the third time. The first time was to oppose French colonialists. The French were defeated. The Vietnamese soldiers returned to their own land. The second time was to fight American imperialism. After America was defeated, the troops went back to Vietnam. The third time was to confront Chinese big-nation expansionism. When China ceases to conspire with imperialists in support of the Pol Pot-Ieng Sary remnants and the Khmer reactionary faction, Vietnam is ready to withdraw its troops to return home.

The past is like the present. The imperialists and international reactionary forces have propagandized falsely, slandered, and repeatedly misrepresented the facts about Kampuchea and all the nations in Indochina. They act as people of good will and with concern for bringing peace in this region. They speak only of Vietnamese troops but they do not address what occurred before the Vietnamese troops entered Kampuchea.

The progressive peoples of the world will not forget that 3 million Kampuchean people perished and the social and economic base was destroyed. Why? Who caused it? On this subject children without knowing the situation thoroughly understand and recognize that it was the Chinese power holders. At the time of the American war of aggression in Indochina, the American imperialists punished the Kampuchean people without limit.

The American shells and B 52 bombs became the painful sears and wounds that the Kampuchean people suffer right up to now. Looking at the world in broad terms, we see that America has built more than 200 military bases throughout the world. For what purpose? If not for aggression, it is to threaten peace and for the rights and benefit of American capitalists in taking everything for themselves. On the contrary they do not talk of withdrawing troops from those military bases. Therefore, the fact that they slander and press demands against the Vietnamese troops in Kampuchea is not unexpected. But these are the words of people who are on the losing side.

9615
CSO: 4206

COLUMNIST STATES HOPES FOR GOOD RELATIONS WITH THAIS

Vientiane VIENTIANE MAI in Lao 17 Oct 80 pp 2, 4

[Article in 'Talking Together' column: "Good Will Can Never Spoil" by Thipthieng-chan]

[Text] On 11 October 1980 Phao Phimmachan, [as published], chairman of the Vientiane Province administrative committee, sent a letter of invitation to Kuson Santitham, governor of Nong Khai. In this letter he stated as follows. "I have received your letter NKh 25/17665 of 4 October 1980 sent to Vientiane Province and am pleased that you, the governor of Nong Khai Province, have invited Vientiane Province to join in consultation on the boat races for 1980, for which Nong Khai will be the host." The letter of invitation continued: "to develop and revive the fine relationship of solidarity between Vientiane Province and Nong Khai Province to its former status I again invite you and your delegation to visit Vientiane because on several occasions I with my group have visited Nong Khai on your invitation. On 25 March 1980 and on 27 June 1980 I myself invited you and your committee to come to Vientiane by oral communication. Then I sent an official letter No 1370, Vientiane Province, 19 June 1980 and No 1472, 2 July 1980, but you did not reply."

The letter closed with "I hope that you and your committee will visit Vientiane Province at this invitation."

It is generally known that the friendly relationship between Laos and Thailand in general and between Vientiane and Nong Khai in particular, was broken in June 1980, because the ultra-rightist reactionaries, Beijing's henchmen caused confusion and destruction in order to damage the friendly relationship between the Lao and Thai people. Although the tense border conditions and relations on both sides became even more seriously clouded, with the good will of the Lao and to operate in conformity with the spirit of the joint Lao-Thai communique, signed by Kaysone Phomvihan and General Kriangsak Chamanan in 1979, in particular for Vientiane Province in June 1980, Phao Phimmachan [as published], chairman of the Vientiane Province administrative committee, in his capacity as the chief of the Border Commission, went to Nong Khai to discuss and to rectify the quarrels and murky disputes, to answer the aspirations of the peoples of both sides. Not only that but Phao Phimmachan also issued an oral invitation and a letter directly to the governor of Nong Khai Province to visit Vientiane. His purpose was to seek ways to resolve the obscure contentions that had arisen from the unilateral actions of the ultra-rightist [illegible] of Beijing and to restore normal relations. But he did not receive an answer from [illegible] Thai. However, with the good intentions of [illegible]tiane Province toward Nong Khai Province, once again Phao Phimmachan sent a letter of invitation to Kuson Santitham to ask him to come to Vientiane. The substance of the letter was given above.

Certainly this would be one more crystal-clear demonstration of good will of the Lao, particularly Vientiane Province, who at all times seeks a means to boldly resolve the various quarrels and restore normal conditions, to answer the aspirations of the Lao and Thai peoples, and to follow the joint communique of the two governments signed in 1979.

Vientiane Province and Nong Khai Province have territory that is almost contiguous, separated by the Mekong River. The Mekong can be compared to the blood of the peoples of both sides. It is a river of peace. The peoples from both banks from ancient times considered it a source of mutual livelihood. There never was any ill feeling or distrust. Both sides are of the same family. They have similar beautiful traditions and customs continuing from long ago and no enemy has been able to fracture their solidarity and friendship.

The Lao and Thai people, and particularly those of Vientiane and Nong Khai recall the incident of last year very well. That day the friendship of the two sides bloomed like a shinning star, like the sun that appears at dawn. The rays overcame the darkness of dogma [lattikan] by their brightness. Lao-Thai friendship opened up. The Mekong River at that time was a witness. The current of friendship opened its arms to the rowboats of both sides, Lao and Thai, cheering and hailing each other. Both sides were full of enthusiasm, smiling faces, showing a spirit of friendship. Every one of us Lao is proud of this friendly relationship and praises tirelessly the results of the friendship agreement that is being brought back to bloom. We feel that the tears of gladness glad to show the true spirit of the Thai people sitting on the dias at Wat Khok Nin. These sounds of joy are buried deeply in our hearts. The Mekong is an excellent witness to the cordiality and friendship of our two peoples. Situations pass away like the flow of the river, but in our hearts we bear and remember. We long for and hope in those things that join us in peace, friendship as neighbors and brothers.

This incident occurred a year ago. Our feelings are the same as if it had been an hour. We still hope and wait with attentive spirit. The energy of hope in the hearts of the Lao-Thai brothers will truly have fruitful results when the Thai accept the proposal with the good intentions of the Lao through the letter of invitation from Phao Phimmachan. Only then will the dark clouds become bright and Lao-Thai friendship will be serene as the Beijing lackey ultra-rightist reactionaries disappear from Thailand.

[Photo [not reproduced] caption: Although time passes friendship and memories lie deep in our hearts (Festival of friendly boat races Vientiane-Nong Khai 7 October 1979)]

9615
CSO: 4206

LAO-THAI AGREEMENT ON ELECTRICITY PURCHASES NOTED

Vientiane VIENTIANE MAI in Lao 18 Oct 80 pp 1, 4

[Text] On 16 October 1980 the Electricity Generating Authority of Thailand [EGAT] representatives, with Kasem Chatikawanit, EGAT director as chief, paid a friendly visit to Vientiane at the invitation of the director of the Lao Electric Company to attend a conference on the problem of the sale of electricity between the two electricity authorities of Laos and Thailand.

The consultative conference opened at 1500 hours on 16 October and continued until the morning of 17 October 1980 at the auditorium of the Lao Electric Company.

Khammon Phonkeo, director of the Lao Electric Company, was the leader of the Lao delegation, while Kasem Chatikawanit, EGAT director, was head of the Thai group.

On this occasion Khammon Phonkeo spoke of the purpose of meeting together, referring to the good relations between the two organizations. However, in the recent past world economic conditions have changed and [prices] have become very high, the Lao are proposing to the Thai a change in the price of electricity that Laos furnishes to Thailand, to conform to the new situation and the spirit of the joint Lao-Thai communique, with equity for both and to their mutual advantage.

Kasem Chatikawanit expressed pleasure on their visit to Vientiane to discuss electricity with the Lao delegation at this time, along with stating his deep appreciation for the warm welcome by their close Lao neighbors, mentioning the continual history of good relations between the Lao and Thai electricity organizations. After frank discussion the two sides agreed as follows.

1. The Lao Electricity Authority is pleased to sell as much electricity as it can and the Thai Authority is ready to purchase electricity from Laos after the expiration of the present agreement, by making a new agreement.

2. The Thai authority will purchase an increased amount of electricity from Laos after the Lao authority has installed a new generator, the fifth one, at the Nam Ngeum Dam.

3. Since at present international organizations are doing research on the cost of installing the fifth unit at Nam Ngeum Dam and research on the data and various figures concerning EGAT, both sides agree to take the research data of the international organization for study as a reference in deciding the new price of electricity that Laos will sell to Thailand.

4. In the event the international organization gives the data before the expiration of the present treaty, that is, before November 1980, both sides agree to meet for negotiation at a suitable time, with the approval of their respective governments, to draw up a new purchase agreement to replace the present one, although the present agreement has not yet expired and is still in force.

The EGAT delegation which came to Laos returned to Thailand in the afternoon of 17 October 1980.

9615
CSO: 4206

MEMORANDUM REFUTES THAI FEARS OF ELECTRICITY CUTOFF

Vientiane VIENTIANE MAI in Lao 21 Oct 80 p 2

[Text] On 16-17 October 1980 the delegation of the Electricity Generating Authority of Thailand [EGAT], led by Kasem Chatikawanit the director, came to Vientiane at the invitation of the head of the Lao Electric Company to attend a consultative conference on problems of interest to both parties, which concern the sale of electricity between the two organizations.

Both parties reviewed various problems that remain, particularly the adjustment of the price rate structure according to the supplementary agreement signed at Bangkok, Thailand, 6 October 1975, to preserve the fairness and equality for each side to receive mutual benefit, conforming to the new conditions and in the spirit of the joint Lao-Thai communique.

At the same time both sides are prepared to study a new sales agreement to replace the old one which expires at the end of 1980. A summary of the substance of that agreement follows.

The Lao Electric Company is pleased to continue the sale of electricity it produces to Thailand, according to the agreement. In addition the Lao Electric Company has arranged for the installation of the fifth electric generator at Nam Ngeum Dam to distribute electricity for sale to Thailand according to demand. The Thai will continue to purchase electricity from Laos and are pleased to buy more, after the installation of the fifth new generator at Nam Ngeum Dam is completed and put into operation.

There were other questions which the Lao Electric Company and EGAT agreed upon, such as cooperation on a draft agreement that both sides would submit to their respective governments. The agreement that the Lao Electric Company proposed to EGAT received unanimous approval. The Thai expressed their appreciation for the visit to Laos and the joint study of problems relating to electricity with the Lao, which created warmth, satisfaction and a good relationship based on being brothers and neighbors. They praised the Lao who received the Thai delegation with honor.

In addition to consultation and signing the agreement for the sale of electricity, the Thai delegation fruitfully considered their past cooperation and looked to the future with confidence. An EGAT representative gave an interview to Lao press and radio representatives emphasizing the cooperation of both organizations which facilitated these proceedings in every instance. The Lao have arranged to sell electricity to Thailand as usual on a continuing basis.

Previous distorted propaganda and slanderous Thai mass media reports that Laos would cut off the electricity sent to Thailand were meant to create problems between Laos and Thailand. The answer given by the EGAT representative in response follows.

"The reports issued by the Thai mass media that Laos would cut off electricity sold to Thailand is, I believe, a misunderstanding. Good understanding sometimes is misrepresented in other matters and is of no benefit. As for the rumor that Laos would cut off electricity published in the Thai press, I myself informed the Thai press and think that it was a misunderstanding. This report had no basis in fact but was simply a fabrication by some elements of the media and some people. The cooperation between the Lao Electric Company and EGAT has been excellent because the sale of electricity is beneficial for both sides. We think there will be no further obstacles."

After the interview the host arranged a reception and proposed a toast to unity and success in the meetings of the two groups. At 1030 hours the delegation returned home.

9615
CSO: 4206

HATSAIFONG FLOOD LOSSES DESCRIBED

Vientiane SIANG PASASON in Lao 26 Sep 80 p 2

[Excerpt] Foodstuffs that all the people in the Hatsaifong District area worked hard to produce in the cultivation season this year were first rice, then sugarcane, beans, hot peppers, eggplant, and other crops. An estimate of the losses from the floods this year throughout Hatsaifong District, affected more than other locales in Vientiane City-Province, was, of the total 6,272.5 hectares planted in rice, about 1,581.5 hectares or 25.21 percent. The figures for loss in this year's flood, compared to past years, were at a much lower level, because both the party and state were concerned and kept in close touch by rallying a group to fight the flood vigorously and promptly, to meet the situation. This group consisted of all the soldiers, cadres, the irrigation technicians, workers, organization workers from ministries, sections, departments, and factories at various places throughout the province. The Vientiane Municipality joined with the local administrative authorities and the people of Hatsaifong District. They put forth effort, fighting against time and current, to save the crops that were disappearing, along with dispersing the water that flowed in, to give a better life for a new day to come.

To compensate for the losses from this natural disaster Comrade Saiphon Nolavong, Hatsaifong District Agricultural Service Committee, stated that the district agricultural service was undertaking three major actions: surveying the loss after the flood, mobilizing the people in the disaster area to plant replacement crops, or preparing and expediting the transplanting of a second crop of rice, or preparing dry season rice fields, such as in Sithan Tai Canton, Sala Kham Canton, Ban Hom Canton, and Pho Si Canton. Along with this, in order to meet the threat of plant pests that might arise in the flooded area, the district agricultural service prepared insecticides, sprayers, oil, and cadres to combat the pests in time. Especially in Hatsaifong District our people had anti-pest units assigned to the Sala Kham Rice Experimental Center, which were on alert at all times. Those who went to mobilize the people planting replacement crops or for transplanting a second crop of rice, or preparing dry season rice fields, were cadres of the intensive agricultural program joinung with the Mobilization Committee and the administrative authority of each locality. According to the plan that the district issued for planting in the coming dry season, they will rally the people to plant dry season rice to raise the living standard, plant tobacco to supply the Lao Tobacco Factory, plant corn to supply the Tha Ngon Animal Food Factory. In Sala Kham Canton alone, according to the records which that canton committee forwarded,

eight villages that reported they will work dry rice fields have a total of 376 households as members, working 174 hectares of rice fields. However, the district still will have to survey first the actual conditions in each place, in order to study what produce is suitable for each locale, in what form, or determine whether any place ought to pursue agriculture, to act in accord with the substance of the spirit of Resolution 7 of the Party Central Committee.

9615
CSO: 4206

FINANCE MINISTRY REVEALS SHORTAGES OF FUNDS FOR SALARY PAYMENTS

Vientiane VIENTIANE MAI in Lao 3 Oct 80 p 1

[Text] In many provinces and regions the payment of salaries to all the state cadres, especially the cadres who work in scattered locales, such as teachers, and particularly for these teachers, has a bad effect on their morale, their living standards, and their teaching.

After research and inquiry into the reasons for the delays in payment the Finance Ministry advised the provincial finance departments and the provincial education departments to take the following remedial steps.

1. The Standing Committee of the Council of Ministers is of the opinion that in cases where the provinces' budgeted income is not sufficient to pay salaries, all the state cadres in that province will draw funds for national defense and for teacher pay first.

2. Where the revenue is inadequate the provincial administrative committee is authorized to borrow in advance funds from the provincial bank to pay for national defense and for the teachers.

3. The solution to the cash funds must receive immediate attention. If the cash received at the bank is not enough for the payments, the provincial administrative committee has the duty and must help encourage the flow of cash into the bank as the highest priority. The bank then will be asked to issue payment.

4. In keeping records for disbursements, to avoid red tape, follow these procedures.

--Once every 3 months the principal of the school makes a list of names of those to be paid monthly. Then he submits it to the province.

--The chief of the provincial education department, the budget chief for the provincial education department, and the chief of the provincial finance department, sign in acknowledgment and consider this document the basis for authorization of salary payments.

--The provincial bank will designate a bank branch to receive funds and will write this agreement on the withdrawal account.

5. At the beginning of the month or term, for teachers in remote areas each person will receive his salary at the designated bank branch. In emergency circumstances he must give a letter of authorization to another person to accept in his stead, on each occasion, the salary due. If the school principal receives the salaries for all, he must have a letter of authorization from each person, for each occasion, likewise. When he has received the money, he is prohibited from using those funds for any other purpose. He must turn the money over to each teacher.

This order will be in effect as of the beginning of September 1980.

Vientiane 29 August 1980
Deputy Minister of Finance

Signed and sealed Boutsabong Savannavong

9615
CSO: 4206

PROBLEM AREAS OF RURAL TRADE, FOREIGN STUDY, FOOD SHORTAGES DISCUSSED

Vientiane NOUM LAO in Lao, No 42 15 Sep-1 Oct 80 pp 4, 13, 16

['Answers to Letters' Column]

[Excerpts] [Question] What is our state doing to distribute goods to improve the living standards of the people in rural areas everywhere?

[Answer] In reference to the movement and distribution of goods it is necessary to speak of routes and vehicles. According to the policy and decisions of the upper echelon that were just issued, the communication routes that are militarily strategic and important are built by the state. The roads between local areas are controlled by those areas, with the state giving aid as needed. The means of transportation that we must depend on in the final analysis are such that we have, cars, carts, wagons, horses, boats. But there is the problem that our people must move from the mountains in remote areas to settle on the plains or along the rivers for convenience in building communications routes. Another matter for the local administration organizations is that the trade cadres must be concerned for the people in distant regions. If we understand this and act, we could be able to gradually correct the situation.

[Question] Not very many students from rural areas have gone to study abroad. The authorities make the criticism that they don't have enough education. How can they when there is only an elementary grade school? Therefore in some areas people do not want their children to further their schooling because then cannot go anywhere to study.

[Question] Some rural areas have food and goods shortages, but we think that the leadership in these places have not given sufficient attention to the matter.

[Answer] When students are sent abroad to study or take specialized subjects, the educational level is a vital problem, but more important is that the job requires that person to acquire knowledge to use in his work. In each province there is an upper secondary school. The districts have secondary schools, with two or three exceptions. When a pupil completes elementary school, he continues at secondary and upper secondary school. When he does not study abroad after graduation, he continues at the university or technical schools. There are still many important fields. Isn't that so, comrade? Therefore, you shouldn't raise the issue that although one studies, one can go nowhere, thus clouding the future of their children. If it is done that way, it would be a great mistake. Right, comrade?

[Answer] Since the destruction caused by ruinous natural disasters, the people have resettled. If any place still has a shortage of food or necessities without reason, it is because there is little liaison. The people are not yet in control of production, because the leadership in local areas lacks close contact and fails to guide their people in raising their living standards.

9615
CSO: 4206

USE OF PRIVATE TRADERS BOOSTS PRODUCTION AT GARMENT FACTORIES

Vientiane VIENTIANE MAI in Lao 26 Sep 80 pp 1, 4

[Text] According to the report of Comrade Soulivong, Committee for Garment Factories, under the Vientiane City-Province Industry and Trade Service, since 1 September 1980 the garment factories consolidated various sections and work units to conform with the performance standards of an independent enterprise. As owners they aimed at doubling their capability and expanded production day by day to a higher level in order to meet society's demands sufficiently and on time.

Only a short time after the improvement they have increased tremendously their production capacity in every garment factory. Before the improvement of the garment factory they were able to make only some 4,000 garments of various types a month, averaging 33 per worker per month, but afterwards in a period of over 20 days they were able to produce more than 10,000 sets of work clothing, school uniforms, business suits, and a variety of ready-made clothing. In this amount there were 60 ready-made business suits and more than 10,000 trousers, jackets, and work clothes. Therefore, if a worker could raise his average output to 60-80 pieces a month, for one day it was a triple increase in production.

Comrade Soulivong reiterated that besides the factory production they have put private traders under contract to make various garments. On this basis both parties have reaped great benefits. Thus the factory production capacity expanded greatly ansering fully and continually the mass desires and needs.

At present the state garment factory cadres and workers in Vientiane City-Province have raised their morale as factory owners and have concentrated their efforts on making goods to serve students and workers. They have produced 60,000 ready-made garments in enthusiastic endeavor. Their purpose was to score achievements for the celebration of the fifth anniversary of National Day on 2 December.

9615
CSO: 4206

BIOGRAPHIC INFORMATION

[The following biographic information is extracted from Vientiane publications as indicated or from Vientiane Domestic Service radio broadcasts]

Amto
Deputy Party Secretary, Saravane Province; Chairman, Saravane Province Lao Front for National Construction (KHAOSAN PATHET LAO 17 Sep 80 p A 5)

Asang Laoli
Vice Minister of Interior (KHAOSAN PATHET LAO 17 Jul 80 p A 8)

Boualang Boualapha
See also Bolang Boualapha (KHAOSAN PATHET LAO 16 Jun 80 p A 5)

Boualai Senchonghak
Member of Party Committee and Administrative Committee, Vientiane Province (VIENTIANE MAI 13 Sep 80 p 1)

Bounpon Sottachit
Committee member of Association of Lao People in France (KHAOSAN PATHET LAO 1 Aug 80 p A 1)

Bounseng Phengsouk
Member, Party Committee and Administrative Committee, Vientiane Province; Chief, Vientiane Province Tax Department (VIENTIANE MAI 5 Aug 80 p 1)

Khambou Soumisai
Alternate member Party CC; Chief, Labor and Salary Committee (KHAOSAN PATHET LAO 13 Oct 80 p A 5)

Khamkeng Saignakeo
Secretary, Sayaboury Province Party Committee; Chairman, Sayaboury Province Administrative Committee. He chaired a meeting of People's Revolutionary Council on 1 Jul 80 (KHAOSAN PATHET LAO 12 Jul 80 p A 7)

Khampa Chaleunphonmisai, Brig Gen
Secretary, Regional Party Committee; Chief, Northern Region Command (Vientiane Domestic Service 0400 GMT 14 Dec 80)

Khamphon Boutdakham, Brig Gen
Deputy Minister of Interior (VIENTIANE MAI 10 Dec 80 p 1)

Khamsouk
Secretary, Xiang Kho District Party Committee, Houa Phan Province (SIANG PASASON 5 Nov 80 p 2)

Khamsouk Keola
Vice President and Secretary General, Supreme People's Council (SIANG PASASON 8 Nov 80 p 4)

Khoun Chandeng
Vice Minister, Ministry of Foreign Affairs
(SIANG PASASON 8 Nov 80 p 4)

La Sou Kan
Member of Phou Noi minority group; on the Supreme People's Council and central Nationalities Committee (SIANG PASASON 25 Nov 80 p 2)

Latsami Khamphoui
Vice Minister of Agriculture, Forestry and Irrigation (KHAOSAN PATHET LAO 6 Aug 80 p A 3)

Mountha
Saravane Province Party Secretary (KHAOSAN PATHET LAO 17 Sep 80 p A 5)

Nong Inthavong
Secretary, Saisettha District Party Committee, Vientiane Province; member, Vientiane Province Party Committee (VIENTIANE MAI 30 Sep 80 p 1)

Oula
Chairman, Saravane Province Administrative Committee (SIANG PASASON 22 Aug 80 p 2)

Oula
Identified as part of the Central Public Security Unit. Author of items in SIANG PASASON 11-13 Sep 1980 p 2 on arrest of spies and agents (Thais and Lao exiles) in Sisattanak District, Vientiane Province.

Ounneua Phimmason
Vice Minister of Justice (VIENTIANE MAI 3 Jul 80 p 1)

Phairot Vongvilat
Doctor of Law; cadre in Department 1, Ministry of Foreign Affairs (SIANG PASASON 18 Nov 80 p 2)

Phonsai Sonthikhamphoi
Member, Provincial Party Committee, Vientiane Province; Secretary, Nasaithong District Party Committee, Vientiane Province. (VIENTIANE MAI 6 Dec 80 p 1)

Phonsai Sonthikhamphong
Member, Vientiane Province Party Committee; Secretary, Hatsaifong District Party Committee, Vientiane Province (VIENTIANE MAI 14 Oct 80 p 1)

Sompheng Sengsoulignavong, Gen
Department Chief, Ministry of Interior (VIENTIANE MAI 10 Dec 80 p 1)

Sai Khou Kham
Deputy Chief, Central Nationalities Committee (Acting chief) (SIANG PASASON 25 Nov 80 p 2)

Siang Pha
Secretary, Party Committee and Chairman, Administrative Committee, Sepone District, Savannakhet Province (KHAOSAN PATHET LAO 7 Jul 80 p A 6)

Sisavat Keobounphan
Member, Party Secretariat; Minister in Charge of Premier's Office; Minister of Interior, War Veterans and Social Affairs; Chief of Staff, LPLA (SIANG PASASON 8 Nov 80 p 4)

Sivon
Chairman, Keo-Oudom District Administrative Committee, Vientiane Province (VIENTIANE MAI 3 Jul 80 p 1)

Somphong Khammoungkhoun
Chairman, Kasi District Administrative Committee, Vientiane Province (SIANG PASASON 28 Jul 80 p 2)

Sot Phetlasi
Governor, National Bank (SIANG PASASON 28 Jul 80 p 1)

Sounthong Thammavong
Chairman, Khong Sedone District Administrative Committee, Saravane Province (SIANG PASASON 22 Aug 80 p 1)

Thongdam Manivan
Member, Party Committee and Administrative Committee, Vientiane Province; responsible for guidance in Vang Vieng, Kasi and Saisomboun Districts, Vientiane Province (VIENTIANE MAI 16 Sep 80 p 1)

Thongin Thammakot
Chairman, Champassak Province Administrative Committee (SIANG PASASON 30 Oct 80 p 2)

Thongmani Thiphommachan
Commander, Vientiane Province police (SIANG PASASON 16 Sep 80 p 3)

Thongpen Souklaseng
Member, Party Committee and Provincial Administrative Committee, Vientiane Province (VIENTIANE MAI 13 Sep 80 p 1)

CSO: 4206

BRIEFS

NAM SOUANG IRRIGATION WORKS--In the first 6 months of 1980 all the workers of Construction Company 1, Department of Irrigation, Ministry of Agriculture, Forestry, and Irrigation, scored achievements with excellent results in welcoming National Day. In that period in actual performance they were able to complete 40 percent of the construction work on the Nam Souang Reservoir Irrigation Works. They dug 150,000 cubic meters of canal, covered the dam with 242,483.69 cubic meters of dirt, excavated 58,762.68 cubic meters of canals, dug 23,958.63 cubic meters of dirt from canals, screened 2,000 cubic meters of stone and sand, planted 1,500 cubic meters in grass, excavated 24,390 cubic meters for the base of the dam, and dug up 7,98..66 cubic meters of rock [as published]. In working with reinforced concrete, they put in 423 cubic meters, and made concrete support pillars for a bridge amounting to 132.52 cubic meters. At present the workers continue to strive in their specialized tasks determined to complete the Nam Souang construction project quickly. [Text] [Vientiane VIENTIANE MAI in Lao 26 Sep 80 pp 1, 4] 9615

NAIL FACTORY PRODUCTION--In the first 6 months of 1980 the workers of the nail production unit under the Lao Industrial Factory, Vientiane Industry and Trade Service, performed their specialized tasks enthusiastically and scored achievements with great success to welcome the National Day. During this period they were able to produce nails of various kinds as follows: 2.784 tons of size 15 nails, 3.537 tons of size 12 nails, 1.794 tons of size 10 nails, 5.115 tons of size 6 nails, 0.093 tons of size 5 nails, 0.093 tons of size 4 nails, 0.923 tons of size 3 nails, 1.023 tons of size 2 nails. These are used in construction throughout the country. The workers are now striving to fulfill the plan for the last 6 months of the year and exceed the estimated target. [Text] [Vientiane VIENTIANE MAI in Lao 29 Sep 80 p 1] 9615

ELECTRICITY PRODUCTION--From January to August 1980 all the workers of the Lao Electric Company, which is under the Ministry of Industry and Trade, raised their sense of responsibility on their jobs to achieve splendid results. In this period they were able to produce at the Nam Ngum Dam 546,798,280 kilowatt hours of electricity. They distributed a total of 208,331,500 kilowatt hours and completed 98 percent of the expansion of the network from Km Post 21 (Paksan) to Nabong, a distance of 12 km, in order to serve the irrigation system. They finished five percent of the work from Nabong to Naphok, 15,88 percent complete to the Land Control Department, a distance of two km, 79 percent to the Administrative Center, a distance of four km, 20 percent to the Veun Kham Agricultural Settlement, a distance of six km. The workers are now continuing to put forth great effort on their specialized tasks with enthusiasm to fulfill the plan for the last 6 months of the year and exceed the target. [Text] [Vientiane VIENTIANE MAI in Lao 1 Oct 80 pp 1, 2] 9615

SRV ART TROUPE--Hanoi, VNA, December 25--The Bong Sen (Lotus) ensemble of Ho Chi Minh City left Vientiane today, concluding its tour of Laos in honour of the fifth anniversary of the founding of the Lao People's Democratic Republic. In its 25-day tour, the ensemble gave 30 performances to audiences totalling forty thousand. Prime Minister Kaysone Phomvihane, secretary general of the People's Revolutionary Party Central Committee; chairman Souphanouvong, president of the People's Supreme Assembly; and other high-ranking Lao officials attended the first performance. The ensemble's tour included performances in the southern province of Champassak, and at army units and factories. [Text] [OW251651 Hanoi VNA in English 1539 GMT 25 Dec 80]

HOUAI SAI POPULATION STATISTICS--Houai Sai is one of the several district towns of Luang Namtha Province. Houai Sai District has a contiguous border with Thailand. Its population exceeds 20,000 persons. [Excerpts] [Vientiane SIANG PASASON in Lao 14 Oct 80 p 2] 9615

GYPSUM MINING--Vientiane (KPL). At the end of September all the workers of the Dong Hene Gypsum mine, Savannakhet Province, began in competition to score achievements to celebrate the fifth anniversary of National Day on 2 December with enthusiastic endeavor. The gypsum mine in Savannakhet Province started experimental production from the end of March 1980. In the past period all the workers united their efforts with full alertness in production, so that their productive capacity continually increased day by day. In scoring achievements to welcome National Day on 2 December they set for themselves an estimated goal. Along with production they strove to open up the surface of the ground to achieve greater production. Up to now they have excavated 10,000 cubic meters. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 4 Oct 80 p A5] 9615

TEXTILE PRODUCTION--From January to September 1980 all the workers at the Phon Sa-at textile factory, which is under the Vientiane City and Province Trade Service, scored excellent achievements. During this period they were able to produce cloth and knitted goods exceeding their estimated goal: 16,404.87 meters of cloth, exceeding the plan's goal by 19 percent; 3,888 striped skirts; 1,215 "khan" skirts; 140 flower patterned skirts; 12 silk skirts; 807 sarongs; 886 bath cloths; 4,729.67 meters of cloth for dressmaking of all kinds, with a value of 288,400.31 kip. According to the plan the goal was 3,000 pieces of embroidered and knitted goods, but they were able in fact to produce 9,094. Among these were 771 tablecloths, 81 dish towels, 1,115 cotton bags, 450 shirts, 244 dolls, 67 belts, 256 hats, 552 wood boxes, 1,025 purses, 14 pairs of small shoes, 2.82 embroidered skirt borders [as published], 119 articles of silver, 1,559 pieces of other knitted items, exceeding the estimate by 303 percent. The cadres are now continuing their work joyfully to welcome the fifth anniversary of National Day on 2 December. [Text] [Vientiane VIENTIANE MAI in Lao 17 Oct 80 pp 1, 4] 9615

SAYABOURY TRADE FIGURES--Vientiane (KPL). In 1980 products of Sayaboury District, which it received from the provincial trade company for sale to the people, were valued at 2 million kip. Among these textiles accounted for 70 percent, agricultural tools 10 percent, school supplies 10 percent, and the rest miscellaneous. Besides this they purchased from the people forest products worth 11,683 kip, most of which were nothaphoebe umbelliflora Bl, bamboo, animal bones and valuable hides. They exceeded the estimate of the plan. In 1980 the Trade Service of Sayaboury District established two additional people's cooperative stores. Beginning in 1976 there were

eight people's cooperative stores in the district. The district administrative authorities encouraged many private businessmen to receive their trade rights from the state to sell to the people of the small villages at a distance from the district town at official prices. The trade organization of the district appointed cadres to buy and sell, going not less than four times a year to various rural areas. So it made possible the flow of goods into the hands of all the people who live in remote places. Every person could buy, sell, or exchange goods with others everywhere. Thus they were able to fulfill the plan beyond the estimate. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 16 Oct 80 p A4] 9615

SAYABOURY LUMBER EXPORTS--Vientiane (KPL). From the beginning of the year to September 1980 the sawmill at Pak Lai District, Sayaboury Province, produced 1,755 cubic meters of finished lumber. In the spirit of emulation the more than 70 workers in the sawmill scored achievements. In the past 5 years the Pak Lai District sawmill had an important role in the development and building of the new regime, consisting of the construction of a hospital, school, rice warehouse, and shops. It exported lumber, to exchange for imported products. It sold wood to the people for a great deal of housing. [Excerpts] [Vientiane KHAOSAN PATHET LAO in Lao 16 Oct 80 p A2] 9615

SAVANNAKHET LUMBER PRODUCTION--Vientiane (KPL). From the beginning of the year to the present all the workers at Sawmill No 6, Savannakhet Province, put forth effort to fulfill the production plan: 1,159,426 cubic meters of finished lumber. In this amount were 993,825 cubic meters of softwood. Sold domestically and abroad were 1,102,589 cubic meters, which brought good revenue to the local area. The sawmill workers are now determined to produce much more than formerly to score achievements in welcoming the fifth anniversary of National Day on 2 December with enthusiasm. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 15 Oct 80 p A3] 9615

VIETNAMESE IRRIGATION DELEGATION--Vientiane, 29 Dec (KPL)--A delegation from the Socialist Republic of Vietnam headed by vice-minister of irrigation, Dinh Gia Khanh, on December 27 arrived here for a friendship visit. Welcoming the delegation at the Wattai Airport were Khamphet Phommavan, vice-minister of agriculture, forestry and irrigation and other high-ranking officials. Dam Xuan Dung, economic counsellor of the Vietnamese Embassy to Laos, was also present at the airport. During its visit to Laos, the delegation will review the implementation of the cooperation in the field of irrigation between Laos and Vietnam in 1980 and will map out the programme of cooperation for 1981. [Text] [BK291028 Vientiane KPL in English 0930 GMT 29 Dec 80]

LAO RESIDENTS IN FRANCE--Vientiane, 26 Dec (KPL)--The Central Committee of the Lao People's Revolutionary Youth Union [LPRYU], on December 24 held here a reception in honour of the delegation of the Union of Lao Residents in France, led by its secretary general Sithamma. Among those present at the reception were Thonglai Kommasit, president of the LPRYU CC, and Souvannalat Saingavong, vice secretary general of the People's Supreme Assembly. Speaking on the occasion, Sithamma expressed his joy over the great achievements gained by the Lao people of all nationalities in national construction and defence under the clearsighted leadership of the Lao People's Revolutionary Party Central Committee and the government of the Lao People's Democratic Republic. He said that he has witnessed with his own eyes the tasks carried by the Lao people for leading the motherland towards prosperity and socialism. "Everything is completely different from the fabrications made by the Lao reactionaries living in France," Sithamma said. The head of the visiting delegation of the Union of Lao Residents in France also told the participants about the living conditions of Lao refugees in France which he said are conducted under the oppression of the French capitalists. [Text] [BK271009 Vientiane KPL in English 0911 GMT 26 Dec 80]

CSO: 4220

CPM NEW YEAR MESSAGE BROADCAST

BK021535 (Clandestine) Voice of the Malayan Revolution in Malay to Malaysia and Singapore 1030 GMT 1 Jan 81

[Communist Party of Malaya Central Committee's New Year Message]

[Text] In conjunction with the arrival of 1981, the Party Central Committee and Comrade Chin Peng extend their warmest greetings and pay their highest tribute to all party members, all commanders and fighters of the Malayan National Liberation Army, all members of various revolutionary mass organizations, revolutionary comrades and patriots who never yield in enemy's jails and to the revolutionary people of all nationalities.

In the past year the Revolutionary Army and people were united in action and scored new achievements on all fronts. Our base areas and guerrilla zones have become more stable and extensive. The struggle launched by workers, peasants and the people of all strata against exploitation and persecution continued to make headway.

On 30 April last year, the Revolutionary Army and people warmly celebrated the 50th anniversary of our party. The CCP and other fraternal parties sent congratulatory cables or letters to our party and highly appraised our party's heroic struggle over the past 50 years. This is a powerful support and great encouragement to our revolutionary struggle.

On 28 April our Party Central Committee issued a programmatic statement entitled: Long Live the Communist Party of Malaya. It reaffirms the party line and program, sums up our past experience, analyzes the present situation, puts forth a specific program for the present time and shows the direction of our struggle in the days ahead.

In the new year, under the guidance of the 28 April statement we should unite all the forces that can be united, actively develop and expand the National Liberation Front, vigorously launch a mass movement and strive to win new victories in the struggle to protect the people's immediate interest and to oppose the Soviet-Vietnamese aggression and expansion.

CSO: 4213

STATE BANK GOVERNOR REPORTS ON ECONOMIC STATE

Karachi DAWN in English 25 Dec 80 pp 1, 17

[Text]

The State Bank Governor, Mr. A. G. N. Kazi, yesterday said with higher rate of growth achieved in the first four months in agriculture, manufacturing sector and exports, economic outlook for the current year was bright.

Addressing the 29th annual general meeting of the Institute of Bankers in Pakistan, he discussed the progress achieved during the first four months of the current fiscal year in various sectors and noted that overall performance had been satisfactory.

At the very outset, he said it had been customary at the meetings of the Institute to say a few words about the prevailing economic situation. The annual report of the State Bank in respect of the last financial year was published recently and it was not necessary to deal with the past economic performance. He accordingly confined his comments to the recent developments in the current fiscal year.

Mr. Kazi said the Annual Plan for the current year projected an overall growth rate of 6.6 per cent which was in line with the growth actually attained over the last three years.

The target for agricultural growth was five per cent and that of manufacturing 10.6 per cent. So far, by and large, agricultural production had been satisfactory, he noted.

COTTON CROP

Mr. Kazi pointed out that the latest assessments of cotton crop were that the crop would be around 4 million bales which was less than the record crop of last year's 4.3 million bales. Paddy crop was also reasonably good except that in the Punjab both the acreage and production of IRRI rice had gone down. In the circumstances, significant agricultural growth would be attained only if there were exceptionally good harvest of wheat and sugarcane crops.

Referring to industrial production, he said the position was that the figure for the first four months showed a satisfactory growth.

Mr. Kazi said, "Even our chronically sick textile industry recorded a growth of 10 per cent as compared to corresponding period of last year."

Due to completion of major fertilizer projects, the output of fertilizer had increased by 23 per cent. Cement production had gone up by 10 per cent, cigarettes 11 per cent, paper-board and chip-board by 10 per cent, chemicals 7.3 per cent and mild steel products by 28 per cent. The only items which had so far recorded a decline were safety matches and caustic soda. Given a reasonably good production of sugar this year, it should not be too difficult to attain the largetted growth in industry, he remarked.

EXPORT TARGET

Mr. Kazi said exports for the first five months from July to Nov. 1980 stood at more than 9 billion rupees being about 13 per cent higher than the exports during the corresponding period of last year. This was slightly less than the export growth target of 15 per cent and it was likely that the export target would be attained.

Referring to remittances from overseas Pakistanis, the State Bank Governor said the amount thus received during the first quarter of the fiscal year was much higher than what had been projected. Accordingly he expected that the total foreign exchange earnings were likely to be substantially above the level budgeted.

However, partly due to rise in oil prices imports totalled about 21 billion rupees during the first five months of the current fiscal year, representing a sharp rise of 29 per cent over the imports during the corresponding period of last year.

Mr. Kazi pointed out that despite the growth in the volume of exports, the trade gap had continued to widen. The gap, he said, would be covered by the increased remittances and to the extent necessary from Extended Fund Facility finalised recently with the IMF.

RATE OF INFLATION

The State Bank Governor also referred to prices and said consumer price index had risen by 8.2 per cent during the first four months as compared to the increase of 7.3 per cent recorded during the corresponding period of last year.

He said if the average consumer price index for the period July to Oct. 1980 was compared to the average index for the same period last year, the annual rate of increase worked out to about 11.4 per cent, which was close to the rate of inflation registered during the last fiscal year.

If monetary expansion was held down to the agreed ceiling of 14 per cent during the current fiscal year, the price situation should gradually improve. Upto November 1980, monetary expansion had been only 2.3 per cent and domestic credit expansion 6.2 per cent. Banks could make a significant contribution to price stability if they adhere to credit ceilings assigned to them, he observed.

Earlier, the State Bank Governor distributed prizes relating to Banking Diploma and Certificate Examinations.

The M. A. Mozaffar Memorial Gold Medal for 1980 was awarded to Mr. Kassim Parekh, Senior Executive Vice-President of Habib Bank, for rendering valuable services to banking.

CSO: 4220

TRIPARTITE LABOR CONFERENCE TO BE INSTITUTIONALIZED

Karachi DAWN in English 22 Dec 80 p 1

[Excerpts]

The Government today announced its intentions to institutionalise the tripartite labour conference to govern future labour-management relations and boost productivity of industry in public and private sector.

At a Press conference, the Labour Secretary Mr M. A. Kazmi said the forthcoming tripartite labour conference was going to be of "vital importance" and its recommendations would guide "heavily" the formation of new labour policy.

President Gen. Mohammad Zia-ul-Haq will inaugurate the three-day conference on Dec 28. Immediately after the inaugural session, 180 delegates would go into business sessions.

Draft labour policy will be circulated among the delegates and groups would be formed to analyse the draft policy and other steps being taken by the Government for the welfare of workers. The plenary session will be held on Dec 30.

Mr Kazmi said the participants will be given adequate time to study the draft policy and the Government would also try to publish the policy before the inauguration of the conference.

Out of 180 delegates, 60 each have been drawn from workers, employers and Government and Mr Kazmi said every shade of opinion among the worker would be represented in the conference. He said delegates had been selected in a manner that would ensure representation of workers and employers to have a meaningful dialogue.

CSO: 4220

NOTIFICATION ON LIBERALIZED IMPORT POLICY

Karachi DAWN in English 22 Dec 80 pp 1, 8

[Text]

ISLAMABAD, Dec 21: All registered importers were today officially informed that they can now apply in respects of the items of part 'A' and 'B' the restrictions on import of which were withdrawn a few days ago.

A public notice issued by the office of the Chief Controller of Imports and Exports said that the items concerned can now be imported for any values required by the importers.

It also said that the limit of 125 per cent as was in force till today, was no longer applicable.

Following is the text of the public notice issued here today by the office of the Chief Controller of Imports and Exports:

"In modification of the provisions of paras 1 and 2 of this department's public notice No. 45(80)/Imp. I, dated the 3rd July, 1980, all registered importers are hereby informed that they can now apply in respect of the items of part A and B given below for any values required by them and the limit of 125 per cent as was in force till today will no longer be applicable:-

PART A — SECTION I

(The serial number of the Free List precedes the name of the item.)

3: Artificial limbs and hearing aids and parts thereof; 8: Books N.O.S. including microfilms editions, bound or unbound or in sheets including blue prints, proofs, manuscripts; 9: Books, Holy Quran; 12: Carbon ribbons for electric typewriters; 16: Denture powder; 19: Duplicating stencils; 26: Igniters for gas stoves and flints thereof; 27: Journals, magazines, periodicals and daily newspapers (excluding horror comics, anti-Islamic, obscene and subversive literature); 30: Locks and fittings for suitcases, automatic door locks, locks for automotive vehicles; 32: Medical appliances made of silk; 36: Mustard oil; 39: Olive oil; 44: Photographic films, plates and paper including sensitised paper; 45: Plastic packing material including plastic cartons but excluding poly propylene and polyethylene bags; 46: Polishes and compositions, N.O.S. excluding shoe polishes but including such shoe polishes as are meant for application to shoes; 47: Polishing cloth; 48: Pulses; 52: Ribbon cloth/tape for typewriters; 53: Ribbons for typewriters computers and data processing machines; 54: Rubber contraceptives; 55: Rubber patches and solutions excluding hot patches; 56: Saccharine; 58: Sago; 59: Sago flour; 60: Scientific and surgical instruments, made of rubber; 61: secondhand clothing including caps, curtains, blankets other than ..... 63: Shoe lasts; 69: Steel wool; 74: X-ray films and plates.

SECTION II: All items with the exception of those covered by Serial numbers 83, 147, 148 and 164, licensing of which is subject to specific basis of licensing according to instructions indicated in tht Import policy under column No. 4.

Sections III and IV—all items.

PART B

1: SECTION I:

The following items in the Free List. The serial number of the Free List precedes the name of the item.

353: Egg tray (paper); 354: Fibre glass; 355: Gelatine capsules.

2: SECTION II:

All items except the following:

1): Yarn and thread of manmade fibre (S. No. 374).

3. Section III: All items.

4. Section IV: All items except the following which will continue to be licensed to concerned industrial units on the basis of their sanctioned capacity:

I): Components for the assembly/manufacture of

A): Air conditioners (domestic) (S. No. 388).

B: Refrigerators (domestic) (S. No. 389).

C): T.V. sets (S. No. 392).

D): Motor cycles and motor scooters (S. No. 404).—APP.

CSO: 4220

CRITERIA FOR JOINT FISHING VENTURES

Karachi DAWN in English 22 Dec 80 pp 1, 6

[Text]

The Federal Government has announced criteria for joint fishing ventures in exclusive 200 nautical miles economic zone of Pakistan.

This has been done to facilitate the intending Pakistani entrepreneurs to collaborate with foreign fishing companies to exploit the marine resources.

The criteria for joint ventures include certain clauses to protect the interest of small fishermen as well as to benefit the country.

According to the criteria the duration of joint venture agreement, that would be extendable by Government, shall not be less than one year, and it would be counted from the date of arrival of foreign vessels in Pakistan waters.

Under the agreement the Pakistan Government will be eligible to terminate the agreement at any time by a written notice, but the period of notice will not be less than one month.

Fishing will be allowed beyond 25 miles along the Sind coast and beyond 12 miles along Baluchistan coast upto 200 nautical miles in the exclusive economic zone of Pakistan. No fishing for any kind of fish will be allowed in the territorial waters, it adds.

The marketing and export of catch will be sujected to prior permission in writing from the Government and to the prevalent rules and regulations.

According to the criteria, the percentage of equity to be shared between the Pakistani firm and their collaborators as well as other terms and conditions of sharing the operational expenditure of the vessels and catch will be determined by mutual agreement between the Pakistani firm and their collaborators.

It stipulates that the contracting party shall pay to the Government royalty as high as possible, but not less than 10 per cent of the total catch. The contracting party shall open, maintain and operate a foreign exchange account and deposit therein for payment to Government as high as possible but not less than 30 per cent of the exportable catch value.

The income from the joint fishing ventures shall be exempted from Income Tax duties until June 31, 1985 and subject to such further extension or otherwise as allowed by the Central Board of Revenue.

The criteria also stipulates that foreign fishing vessels during their presence in Pakistani waters will employ Pakistani crew which will not be less than 50 per cent of the total deck-hands on board.

The foreign collaborators will also impart training to Pakistanis in the marine fisheries so that the local fishermen could use the latest techniques and benefit from their experience.

The foreign vessels in Pakistani waters will abide by all the laws, rules and regulations in force in Pakistan and shall be liable to the prescribed penalties applicable for violating any such laws, rules and regulations, the criteria adds.—PPI

CSO: 4220

BRIEFS

OUTGOING SRI LANKA AMBASSADOR--Outgoing ambassador of Sri Lanka A.T. Moorthy made a farewell call on the President Gen Mohammad Ziaul Haq in Rawalpindi on 8 January. [BK081545 Karachi Domestic Service in English 1005 GMT 8 Jan 81]

ADB LOANS--The Asian Development Bank is to provide three loans to Pakistan totalling $122 million. The agreement was signed in Manila between Pakistan and the Asian Development Bank. [BK 010919 Karachi Domestic Service in English 1005 GMT 24 Dec 80 BK]

JAPANESE LOAN--Under an agreement Japan is to provide a loan of 9 billion yen to Pakistan for the purchase of railway engines. In addition, Japan will also extend assistance for the setting up of a factory for manufacturing railway engines in Islamabad. [Karachi Domestic Service in Urdu 1500 GMT 29 Dec 80 BK]

YUGOSLAV ASSISTANCE--Under an arrangement between Yugoslavia and a private sector entrepreneur in Pakistan, agricultural tractors will be manufactured in the country. This has been stated in Karachi by the Yugoslav trade commissioner. He said the plant to be set up at Lahore will initially assemble 1,500 tractors annually. Later, it will assemble and manufacture up to 10,000 tractors a year. [Karachi Domestic Service in English 1005 GMT 31 Dec 80 BK]

CHOLISTAN OIL DRILLING--Islamabad, Dec. 24--The Pakistan Shell Petroleum Development B.V. of the Netherland started drilling its first deep exploratory well located about 45 km east of Bahawalpur in the Cholistan desert on Dec. 19. The well will be drilled to a depth of 10,170 feet and it was expected to be completed in two to three months' time. The company has also delineated another structure to carry out additional drilling in its concession area. Under the joint venture with the Government of Pakistan, Shell was granted an area covering 13960 Sq miles in the districts of Bahawalpur, Bahawalnagar, Faisalabad, Jhang, Muzafargarh, Multan, Sahiwal and Vehari in the Punjab on Sept. 20, 1979. Shell has so far carried out 2400 line miles of seismic survey. Based on the results of the seismic survey, the drilling sites have been delineated.--APP [Text] [Karachi MORNING NEWS in English 25 Dec 80 p 4]

SIND RICE OUTPUT TARGET--The rice production target of 15 lakh metric tonnes fixed for the Sind province for 1980-81 has been achieved. This was stated by the Director-General of the Agriculture Extension Sind, here on Sunday. In this connection a meeting of the provincial rice board was held, with Mr. A.B. Soomro in the chair. The Board was informed that paddy was sown on 7,46,036 hectares against the target of 7,45,000 thousand hectares, and 15,02,549 tons have been produced, while harvesting in certain areas of the Upper Sind was still continuing. [Text] [Karachi MORNING NEWS in English 24 Dec 80 p 8]

LOAN ACCORD WITH JAPAN--Pakistan and Japan signed two loan agreements in Tokyo yesterday for 21 billion yens, one commodity loan of 12 billion yens and other project loan of nine billion yens respectively. The Pakistan Ambassador, Mr Qamar-ul-Islam, and Deputy President, OECF, Mr Shinzo Aokinsignef, signed the agreements on behalf of their respective governments. Each loan carries a repayment period of 30 years with a grace period of 10 years with an interest rate of 2.75 percent. Proceeds under the commodity loan will be utilized for procurement of commodity and services from eligible sources. The proceeds under the project loan will finance procurement of 30 complete units of diesel electric locomotives and eight complete units of same locomotives from Japan in knocked-down condition including their spare parts, machinery and tools. [Text] [Karachi MORNING NEWS in English 24 Dec 80 p 8]

CSO: 4220

PHILIPPINES SEEKS 800 MILLION DOLLAR LOAN

Manila DAILY EXPRESS in English 18 Dec 80 pp 11, 12

[Text] The government plans to raise $800-million worth of financing from foreign and local sources to finance the additional cost and safety equipment for the country's first nuclear power project in Bataan.

Finance Minister Cesar Virata said in an interview Tuesday night that about $550 million will be raised from foreign sources, while the remaining $250-million will come from the government.

The finance minister said he has started talks with the Export Import Bank of the United States to provide the bulk of the funds through additional loans or the grant of guarantees.

An alternative is for the government to float bonds again in the United States, Japan or Western Europe.

The nuclear power project was originally estimated to cost $1.1 billion, but this went up to $1.8 billion because of the additional safety equipment that have to be installed.

To finance the project, the government had floated bonds in the US capital market, and got loans and guarantees from the US Eximbank.

Virata said that $250 million of the additional financing required will be in the form of equity contribution of the government through the National Power Corp.

The finance minister said that a big portion of the additional financing required represents interest costs. About $80 million needed to buy the safety equipment.

Virata also disclosed that he has negotiated for a $100-million multi-purpose credit line from the US Eximbank for the Development Bank of the Philippines.

He added that the country will seek $1-billion worth of official development assistance (ODA) from its major creditor countries during the World Bank-sponsored consultative group meeting to be held in Paris from January 29-31, 1981.

On top of the ODA, additional financing for development in 1981 will come from the World Bank, Asian Development Bank, the Overseas Economic Cooperation Fund

(OECF) of Japan, the US, OPEC fund, International Fund for Agricultural Development (IFAD) and the Kuwait Fund among others.

Furthermore, the Philippines is entitled to draw about 200 million special drawing rights (SDR) from the International Monetary Fund (IMF), and $100 million from the structural adjustment loan granted by the World Bank.

CSO: 4220

BRIEFS

JAPANESE AID--Tokyo, 24 Dec KYODO--Japan and the Philippines exchanged notes Wednesday on yen 2,000 million (about dollar 9.5 million) grant aid designed to increase the later's food production, the Foreign Ministry said. A ministry spokesman said the notes were exchanged in Manila between Japanese Ambassador Hideo Tanaka and Philippine Foreign Minister Carlos Romulo. The grant will be used to purchase fertilizer, agricultural chemicals and machinery, the spokesman added. [Text] [Tokyo KYODO in English 0924 GMT 24 Dec 80]

FISHERIES IMPROVED--President Marcos today disclosed the government's plan to restore the subsidy on fuel used by small fishermen on their motorized fishing boats, the president announced this following receipt of reports that many small fishermen had stopped going out to sea because of the prohibitive cost of fuel. According to the president, he has already ordered a study on the restoration of the subsidies. In another move, the president also disclosed that some local fishing firms are tying up with New Zealand companies in joint fishing ventures. This means Filipino fishermen can fish in New Zealand seas for mackerel, while New Zealanders can also come here to fish for tuna. The president said this joint venture arrangement could help the country become self-sufficient in fish. [Text] [HK040421 Manila FEBC in English 0400 GMT 4 Jan 81]

CSO: 4220

BRIEFS

EEC SPONSORS TRADE MISSION--The European Economic Community is to sponsor a Thai trade mission to visit Belgium, West Germany and the United Kingdom during March to April. According to the commercial center of the commercial relations department, the trade mission, to be the eleventh of its kind under the European Economic Community's sponsorship, will make a 3-week visit to publicise and market Thai products to European buyers. Among the products to be displayed during the visit include household utensils. The other goods including bags, belts, kitchen utensils and table wares. [Text] [BK011408 Bangkok Voice of Free Asia in English 1100 GMT 1 Jan 81]

FRG WATER WORKS AID--The FRG Government has agreed to provide a gratis aid of $2 million to the provincial water works authority for next year. The aid is for financing the project to develop the administrative and financial assistance of the authority. [BK241313 Bangkok Domestic Service in English 0000 GMT 15 Dec 80 BK]

ADB LOANS--Thailand has been granted a loan of 1,007 million baht by the Asian Development Bank for the Electricity Generating Authority of Thailand to expand existing lignite-fueled electricity generation facilities in Lampang and extend transmission lines to cover rural towns. The bank is also loaning 1,003 million baht to the Thai Government to meet capital expenditure requirements for the first 2 years of a 5-year project to upgrade the country's vital road links. [Bangkok Domestic Service in English 0000 GMT 22 Dec 80 BK]

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END

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JAPANESE ASSURE NEW ZEALAND ANTARCTIC SURVEY ONLY SCIENTIFIC

Wellington THE EVENING POST in English 13 Dec 80 p 9

/Text/

AN executive director of the Japan National Oil Exploration said yesterday that a seabed survey in the Bellingshausen Sea was purely scientific and not aimed at developing the area's oil resources.

Mr Yasufumi Ishiwada is the leader of a team of scientists on board the Hakurei Maru, now visiting Wellington on the way to the Antarctic. The ship will arrive on site for its first round of sampling on Christmas Eve.

Speaking through an interpreter, Mr Ishiwada said that the report on the survey would go to the Japanese Ministry of International Trade and Industry, which is funding the expedition, but results would also be published and data could be made available to other countries on a reciprocal basis.

Studies

He said the team would be studying the source rock potential for hydrocarbons, the type of reservoir rocks on the seabed, the age of organic material there, and the geological age of the sediments.

Asked how he could separate the scientific from the commercial implications of such a study, he said Japan would hardly publish the results if its purposes were commercial. Japan, with 3 percent of the world's population, used 10 percent of the world's oil, and had a responsibility to prospect for oil.

If New Zealand wanted printouts and tapes from the survey, it could make an approach through diplomatic channels. Japan would provide the information according to the information it could get back or the state of scientific contacts with another country.

Mr Ishiwada said the United States' National Science Foundation was already advanced in its oil explorations with the ship Glomar Challenger, and had begun seabed drilling. Japan had no immediate plans to start Antarctic seabed drilling.

He cited West Germany, Poland and the Soviet Union as countries that were making similar studies in the Antarctic, but said that, because of the technical problems, there was unlikely to be exploitation of Antarctic oil until next century.

The six-year-old Hakurei Maru is a 1821-tonne geological survey ship designed to investigate seabottom minerals. She has five laboratories on board, and equipment for sample dredging and taking core samples as well as seismic reflection surveys.

Of the 23 scientists on board, most are from the oil corporation and the Japanese Geological Survey. One represents a private petroleum exploration company.

The ship will sail south on Monday. She will take a short break from drilling to visit Chile next month, and then call at Wellington on February 22 after drilling at four sites in the Bellingshausen Sea.

CSO: 4220

BRIEFS

AMBASSADOR TO LEBANON--The government has decided to accredit concurrently Mr Humayun Kabir, at present Bangladesh ambassador in Tehran, as ambassador to Lebanon, according to an official announcement in Dacca on 4 January, reports BSS. [Text] [BK130223 Dacca THE BANGLADESH OBSERVER in English 5 Jan 81 p 1]

AMAN CROP PRODUCTION--Production of aman crop in Bangladesh this season is estimated to have reached a record peak of 8 million tons. The last biggest aman crop production was recorded at 7.4 million tons in 1978-79. [BK120313 Dacca Overseas Service in English 1230 GMT 10 Jan 81]

CSO: 4220

RAO QUESTIONED ON AUSTRALIAN PRESS LEAK

Calcutta THE STATESMAN in English 5 Dec 80 p 9

[Text] NEW DELHI, Dec. 4. -- The Minister for External Affairs, Mr P V Narasimha Rao, told the Lok Sabha during question hour today that the Indian High Commissioner in Canberra had been in touch with Australian Foreign Office officials over the remarks made recently by the Australian High Commissioner in India about the functioning of the Government of India.

The Indian High Commissioner had written to the editor of The Age--which had published the remarks--saying that the assessment attributed to the Australian diplomat was far from correct.

Mr Rao was asked by two members whether in a recent despatch appearing in Australian newspapers, the Australian High Commissioner in India had made certain remarks about the functioning of the Government, stating that a military type of Government was talked about in certain quarters, and, if so, the details thereof and the reaction of the Government.

The External Affairs Minister's reply to the first part was: "Yes, sir".

To the second part of the question his reply was: "An Australian daily, The Age, published an article by one free-lance journalist--Laurie Oakes--on November 6, 1980, citing excerpts from the despatch (which was apparently leaked to Mr Oakes) sent by the Australian High Commissioner in New Delhi, Mr Gorden Noel Upton, to his foreign office on October 3, 1980, wherein Mr Upton is alleged to have made critical comments on the performance of the Prime Minister since she assumed office and alluded to the possibility of a military take-over.

"It is usual for diplomats to send their assessments to their Governments on the situation prevailing in the country to which they are accredited and these assessments are treated as confidential. The Indian High Commissioner in Canberra has been in touch with the Australian Foreign Office officials. He has also written a letter to the editor of The Age to show that the assessment attributed to Mr Upton was far from correct.

On November 17, 1980, the Ministry of External Affairs in New Delhi was informed by the Department of Foreign Affairs in Canberra that the Australian Government attached the greatest importance to relations between India and Australia, and that they were concerned over recent developments. They have since issued an official Press release expressing their deep regret for the embarrassment this article had caused in particular to the Prime Minister of India.

> The Press release said that the High Commissioner had made clear his constructive concern about the problems facing India, as he saw them, and his desire to see relations between Australia and India continue to develop in a positive way. They said it was the journalist who, while commenting on the stolen report, had alleged that the Australian High Commissioner had held Mrs Gandhi "in low esteem" or "had a lack of respect for her". In view of the above circumstances, the Government does not feel that any further action is called for".

CSO: 4220

COMMERCE MINISTER ON INDO-SOVIET COOPERATION

New Delhi PATRIOT in English 9 Dec 80 Supplement pp 1,2

[Article by Pranab Mukherjee, Minister of Commerce: "Partners In Trade and Development"]

[Text] INDIA and the Soviet Union have had many and varied links in the course of centuries. From the early days the Soviet Union has commanded our respect and admiration. Their understanding of and sympathy towards the struggles of colonial and newly freed peoples was evident from the beginning. There has been similarity of outlook between our two countries on these and other issues and the area of mutual understanding has steadily enlarged. This association was consecrated in the Treaty of Peace, Friendship and Cooperation which we concluded in 1971, providing for a comprehensive framework for our relationship. The USSR has consistently supported India's efforts at achieving economic self reliance. The 15-Year Treaty lays down the concrete guidelines for the further strengthening of cooperation between the two countries to consolidate and expand mutually advantageous and comprehensive cooperation in the fields of economy, trade, science and technology as well as to expand trade. I have no doubt that the Treaty has so far served its aims and objectives fully and adequately.

Ever since the dawn of independence, India has been seeking for cooperation and friendship with all countries The response from the leaders of the Soviet Union have assured us that the two countries, having two different economic and a social systems, can co-exist peacefully and march ahead on the basis of mutual friendship and understanding. In the beginning there was no effective channel of established economic links between India and the USSR. New instruments of trade and economic relations were therefore designed. As a part of the pursuit of these objectives, the first Trade Agreement with the USSR as signed in 1953, for a period of five years.

India's total volume of trade with the USSR during 1953 amounted to only Rs 1.3 crore (imports: Rs 0.7 crore; exports: Rs 0.6 crore). But in the following years after the signing of the Trade Agreement, an impressive expansion took place and by the end of 1958, the total volume of trade recorded a peak level of Rs 88 crores (imports: Rs 67 crores; exports: Rs 21 crores). The Trade Agreement did not stipulate any definite commitments on either side regarding the volume representing quantum and value of each commodity traded and the trade deficit on either side was agreed to be adjusted against payment in covertible currencies.

Both countries had a fresh look at the pattern of trade and particularly the imbalance and decided to enter into a balanced bilateral trade with payments in Indian rupees. This Trade and Payments Agreement which was to be valid from 1959 till 1963 helped to a considerable degree in scaling down the continuing trade imbalance. The large trade deficit which amounted to Rs 45.3 crores in 1958 dwindled to Rs 6.4 crores in 1963. A new system of trading based on bilateral clearing arrangement through rupee account in India was thus initiated. The beginnings were small and the range of commodities traded was narrow. Imports consisted of a few non-ferrous metals, dyeing and tanning materials, newsprint, raw coton and some chemicals and exports consisted of traditional commodities, like Pepper, Shellac and raw hides and skins. In the first five years, the total trade turnover amounted to Rs 440 crores.

In the Agreement beginning

In 1964, the two countries entered into long term planning of imports and exports for the first time and a long term plan for the first three years was prepared. The period 1964-70 (the Trade Agreement, initially valid for five years till 1968, was rolled on for two more years till 1970) saw a significant diversification of India's exports through the addition of a range of textile products, including cotton and woollen knitwear, bed linen, coir goods, various drugs and chemicals, automobile parts and miscellaneous engineering goods, and the two way trade reached a figure of Rs 1226 crores (imports: Rs 902 crores; exports: Rs 1 024 crores).

The fourth plan (1971-75) maintained the growth trend of trade and the total turnover during this period increased to Rs 2,481 crores (imports: Rs 838 crores; exports: Rs 1,593 crores). The exports from India saw a substantial diversification when items, like storage batteries, batteries, garage equipment, hand tools, miscellaneous consumer goods, paints, varnishes, etc. entered the Soviet market.

During the last visit of President Brezhnev to India in 1973, the two sides took note of each other's long term requirements and agreed to consider these in the formulation of their respective Five Year Plans and to meet each other's requirements to the extent possible so that trade between the two countries may expand substantially by one-and-a-half to two times by 1980. The joint Indo-Soviet declaration signed by Mrs Indira Gandhi and Mr Brezhnev made a specific mention of this objective.

The current Trade Agreement for the period 1976-80 was signed in New Delhi on the 15th April 1976 and took special note of the objective in the joint Indo-Soviet Declaration. The Agreement continues the existing pattern of trading in rupees through a single clearing system. The two sides have agreed to facilitate participation in trade fairs and exhibitions and to strengthen and expand business contacts between Indian trading and industrial organisations and the Soviet Foreign Trade Organisations. The Trade Agreement envisages a total trade turnover of Rs 5,000 crores during 1976-80. USSR has agreed to take new items like dry core cables, wood veneers, etc. The two day trade is likely to reach a figure of Rs 1600 crores in 1980, the last year of the Agreement period, which will be nearly four times the level reached in 1973 and thus far exceed the objective of the Joint Declaration.

Traditional goods such as tea, coffee, spices, tobacco, cashews, jute and cotton textiles still constitute an important share in India's exports to the USSR. For these products we have found in the USSR an assured and additional market. It has contributed towards realisation of a stable unit value in the international markets. For some of these goods, the USSR has been the principal market. Over the years, we have established a steady and growing market in the USSR for our exports like tea, coffee, spices, etc. In terms of value (year 1978-79) USSR accounts for 17% of our total exports of tea, 24% of Coffee, 30% of cashew, 22% of tobacco, 20% of jute goods, 33% of mica.

For a number of manufactured products, USSR is a growing market. Drugs and medicines, paints, enamels, dyestuffs, cosmetic goods, carpets and a host of engineering goods have found their way to the USSR market in recent past and it is our expectation that there will be greater demand for consumer goods

for which India has built up and can build up enough capacity to cater to the Soviet market. Indian goods, especially in the engineering sector are getting popular for their quality and workmanship and are increasingly accepted in the Soviet market.

To popularise the Indian goods and to bring them nearer home to the people of the USSR, we conducted a wholly Indian Exhibition in Moscow in August 1978. The exhibition, the largest of its kind by any other country, attracted a record crowd and has created a greater awareness of the quality and competitiveness of Indian goods especially in the manufactured sector. Cosmetics handicrafts, spectacle frames, fruit juices, hand tools machine tools garage equipment and a number of other consumer durables were a big attraction. The exhibition has resulted in additional contracts worth more than Rs 100 crores.

The bilateral rupee trade with the USSR has enabled India to obtain essential import requirements, like crude oil, other oil products, fertilizers, steel, non-ferrous metals newsprint, asbestos and other industrial raw materials, essenital for the growth of the economy. These important raw materials are made available to us under rupee payments for which we would otherwise have to spend from free foreign exchange resources. Our total imports from the USSR increased from Rs 0.7 crores in 1953 to Rs 83 crores in 1963, Rs 114 crores in 1973 and Rs 328 crores in 1978. This increase in imports is partly due to the increase in prices of various important commodities, particularly petroleum products, and others. Our endeavour has been to import only such machinery, equipment and raw materials which are not indigenously manufactured or indigenous manufacture is short of our demand. The requirement is carefully screened by the authorities concerned and only essential imports are allowed. The quality of some of the machinery and equipment manufactured in the USSR compare favourably with world standards.

The composition and structure of our imports have also been changing in keeping with the changing requirements of Indian economy. In the beginning machinery and equipment constituted the most important items of import. With the growth in indigenous production there has been a steady decline in the import of conventional machinery and its place is now being taken by items such as petroleum products, fertilizers, non-ferrous metals, etc. Crude and petroleum products from the USSR account for nearly 65% of our total imports from the country; non-ferrous metals asbestos, news print, fertilizers and other industrial materials 17%; and machinery 13%.

During the visit to India of the former Prime Minister of the USSR, Mr Alexei Kosygin, a long-term Programme of mutually beneficial economic cooperation in the development of important sectors of the Indian economy and bilateral trade exchanges was concluded in March 1979. The Programme envisages among other things, a growth rate of mutual trade by one-and-a-half to two times between 1981 and 1985 and similar rate of growth between 1986 and 1990. This Programme is expected to go a long way in determining the trade perspective for mutually beneficial respectives for mutually beneficial economic trade scientific and technical cooperation on a long term basis proiding for rapid growth of trade between the two countries.

The distinctive feature of Indo-Soviet economic cooperation in the last 25 years has been the Soviet Union's willingness to assist India in the key sectors of economy in India's efforts to achieve economic self reliance, as for example, steel, heavy machine building, power generation, oil exploration, refining, coal mining, agriculture drugs and pharmaceuticals. In the field of steel, in particular, Bhilai and Bokaro stand out as monuments of Indo-Soviet cooperation. Vishakhapatnam is yet another milestone in this direction. With the expansion programme envisaged for Bhilai and Bokaro and the commissioning of Visakhapatnam steel plant, I expect that the growing demands of India for steel required for the many sectors of the economy will be adequately met. The Long-term Programme of economic, trade, scientific and technical cooperation signed last year has set the pace for increasing and diversifying such cooperation.

We are in the process of concluding a new Trade Agreement for the next five years and it is our aim to double the two way trade during this period (1981-85). We also propose to supply to the Soviet Union new engineering goods, like freight containers, electric motors, folk lift trucks, handloom manufactures and handicrafts in a large measure having regard to the declaration in the Long-term Programme to promote labour intensive goods from India.

The expansion of the two way trade and the multi-faceted cooperation between the two countries underlines the basic faith in the principles of co-existence and cooperation between States irrespective of their political and social ideologies.

CSO: 4220

HOUSE TOLD DETAILS OF NATIONAL SECURITY BILL

Madras THE HINDU in English 11 Dec 80 p 7

[Text]

NEW DELHI, Dec. 10.

The National Security Bill contains sufficient safeguards against misuse and ensures justice and fairplay to the person prepared to be detained under it, according to the Home Minister, Mr. Zail Singh.

Moving the Bill for consideration in the Lok Sabha today, the Home Minister said the Bill enables the Central Government or the State Government to order detention of a person if it is satisfied that it is necessary to do so to prevent him from acting in any manner prejudicial to the defence of the country or its security.

It also enables the Central or State Government to order detention of a person, if satisfied with respect to him, that with a view to preventing him from acting in any manner prejudicial to the security of the State or the maintenance of public order or the maintenance of supplies and services essential to the life of the community, it is necessary to do so.

Mr. Zail Singh said the Bill further enables the State Government to authorise a District Magistrate or a Commissioner of Police to exercise the detention powers in his jurisdiction during such period as the State government may specify in the order of conferring such powers.

He said that under Section 8, the authority ordering the detention shall communicate to the person detained ordinarily, not later than five days and in exceptional circumstances not later than 10 days from the date of detention, the grounds for the detention and shall afford him the earliest opportunity of making a representation against the order.

Further, under Section 9 of the Bill, the Central or State Government shall constitute advisory boards. These boards will review all the detention orders passed under the Bill seven weeks from the date of detention. The detention can continue only if the advisory board is of the opinion that there is sufficient cause for the detention.

Maximum Period of Detention

The Home Minister said "If the advisory board does not find sufficient cause for detention, the Government shall revoke the order and release the person forthwith. The maximum period for detention under Section 13 of the Bill will be 12 months but the Government has power to revoke or modify the detention order at any earlier time".

Mr. Zail Singh said some members expressed certain apprehensions of the possible misuse of the enactment and recalled in this connection the applications of provisions of Maintenance of Internal Security Act.

"Apparently their fears and apprehensions grow out of a wrong interpretation of the provisions of the ordinance, which have been incorporated in the Bill with only one exception. There is no justification to say that a person can be detained for an indefinite period, or that the grounds of detention need not be disclosed to the detenu. The provisions are specific and leave no room for surmises", he said.

"Ushering in Totalitarianism"

Mr. A. B. Vajpayee, leader of the Bharatiya Janata Party, assailed the National Security Ordinance as a measure "ushering in totalitarianism" in the country.

Moving a resolution disapproving the orddinance promulgated on Sept. 22, he said power was being "centralised in an uncontrolled and unlimited way into a despotism".

Mr. Vajpayee said the measure was positively an alarm bell. "Today it was the liberty of the individual, tomorrow it would be the fundamental rights of the citizens", he warned.

He said an atmosphere was unwarrantedly built up that the security of India was imperilled and individual liberty meant nothing. But the fact was that social tensions were increasing on account of inequalities and Government was not prepared to face the situation.

CSO: 4220

DETAILS OF WORLD BANK LOAN FOR BOMBAY HIGH TOLD

Madras THE HINDU in English 11 Dec 80 p 6

[Text]

NEW DELHI, Dec. 10.

The World Bank has officially announced the grant of a loan of $400 million (about Rs. 320 crores) to the Oil and Natural Gas Commission to finance the foreign exchange cost of the development of the Bombay High offshore oil and gas fields, located about 160 km from Bombay.

The loan is repayable in 20 years including a five-year grace period. It will carry interest at the rate of 9.25 per cent. However, the Government of India which will be the recipient of the loan will charge an interest of 10.75 per cent to ONGC which will be utilising the loan.

The Bombay High development programme, the total cost of which is at present estimated at Rs. 658.56 crores aims at achieving a production potential of 240,000 barrels of oil per day (equivalent to about 12 million-tonnes a year) by mid-1982.

The principal components of the project are the drilling of 64 development wells, construction and installation of 15 production platforms, construction and installation of a three-deck processing platform in the Bombay High South and a separate living quarters platform.

The project also includes about 133 km of sub-sea flow lines, expansion of shore facilities, extension of telemetry and tele-control installations, engineering and technical services and reservoir consultancies.

The present loan of $400 million is the second to be sanctioned by the World Bank which had earlier given $150 million in 1977 for Bombay High Phase III which included production wells, production and production processing platforms with a combined capacity of 180,000 barrels per day (about nine million tonnes of oil per year) and ancillary facilities. This phase is expected to be completed later this month.

The total cost of the Bombay High development programme which will be financed by the World Bank loan had shot up from the earlier estimate of about Rs. 515 crores to over Rs. 600 crores on account of the slippages in the programme and the consequent escalation in costs.

The total proposed outlay on off-shore oil and gas exploration and production during the Sixth Plan period is Rs. 2,232 crores. Apart from its efforts to step up off-shore production to 12 million tonnes by 1981-82 and to 15 million tonnes by the end of 1985 in the Bombay High, ONGC is hoping to squeeze an additional production of about 5 million tonnes per year from the other off-shore structures at R-12 (Ratnagiri), B-37, B-38, R-7, R-9 and North Bassein.

With luck, therefore, the offshore production could go upto 20 million tonnes by 1984-85. ONGC also proposes to incur an expenditure of Rs. 1,138 crores for onshore exploration during the Sixth Plan and if onshore production yields eight million tonnes the total indigenous oil production might go upto 28 million tonnes by the end of the Sixth Plan.

During the Sixth Plan, ONGC is planning to carry out 100,000 line km of seismic surveys in the off-shore areas and will be drilling 95 exploratory wells and 230 development wells. This is regarded as a big increase in view of the fact that ever since offshore oil production began in the Bombay High in 1976, ONGC has drilled only 88 exploratory and 40 development wells.

CSO: 4220

SATHE DEFENDS ALL-INDIA RADIO OBJECTIVITY

Bombay THE TIMES OF INDIA in English 11 Dec 80 p 5

[Text]

NEW DELHI, December 10 (UNI): The information minister, Mr. Vasant Sathe, today denied in the Lok Sabha the allegation made by Mr. Chandrajit Yadav (Lok Dal) that All India Radio and Doordarshan were not objective and impartial and blacked out opposition viewpoints in their bulletins.

Mr. Sathe said in a statement that an analysis of about 300 major news bulletins of AIR since September showed that the news of opposition parties figured in the bulletins almost every day. Opposition items were carried nearly 450 times during the period. The opposition parties and leaders figured on more than 350 occasions in the parliamentary reviews in about 15 working days beginning from November 17. The coverage of the opposition members was sometimes as much as 44 times in a day, Mr. Sathe said.

Mr. Sathe said that a detailed study of the major English bulletins and "Today in Parliament" revealed that the number of Lok Sabha opposition MPs mentioned in about 15 days from November 17 to December 4 was 47 as against 34 of the Congress (I). The number of times Lok Sabha opposition MPs were mentioned was 151 against 73 of the Congress (I).

CSO: 4220

ENERGY MINISTER TELLS SIXTH, SEVENTH PLAN AIMS

Bombay THE TIMES OF INDIA in English 1 Dec 80 p 6

[Text] Cochin, November 30 (UNI): India plans to add 20,000 Mw. of power-generating capacity during the sixth plan and has identified 27,000 Mw. of new projects for the seventh plan period, according to Mr. D.V. Kapoor, secretary, Union ministry of energy.

Inaugurating a two-day national convention of the Indian Institution of Plant Engineers, he said an integrated 15-year power plan was also under preparation.

Mr. Kapoor, however, stressed the vital importance of conservation of energy. Predictions indicated that the world oil supplies would peak off by the early nineties and then show a declining trend for the next 30 years before finally depleting themselves. Large areas remained unexplored. But even if more oil and other fossil fuels were discovered, this would only delay the day of reckoning, he said.

Mr. Kapoor called upon plant engineers to develop and implement an integrated approach towards "optimum energy utilisation."

He said the government was actively engaged in organising an enlarged and modern braining programme for operators and engineers in the power supply industry to sort out their technical problems.

The cost of installing one kw. of power together with associated transmission and distribution network was roughly Rs. 13,00 and it was therefore unforgivable to compromise with inefficient operation, he pointed out.

Mr. Kapoor said that at the present level of electricity consumption, conservation of ten per cent of electricity could reduce the capacity requirement by about 2,000 Mw. leading to a saving in investment of over Rs. 1,000 crores apart from substantial recurring savings in the consumption of fuel.

This meant that 8,000 million units of energy could be saved and made available to overcome power shortages experienced in the country.

Mr. Kapoor asked power engineers to identify such possibilities in existing industries and to pursue their implementation.

He suggested better insulation, installation of waste-heat boilers, improved bearings and a system of "energy audit" as some methods to achieve significant energy savings.

About 150 delegates from all over the country were attending the convention.

CSO: 4220

DELHI APPROVES MANIPUR SIXTH PLAN OUTLAY

Bombay THE TIMES OF INDIA in English 11 Dec 80 p 5

[Text]

NEW DELHI, December 10: The sixth five-year plan of Manipur will have an outlay of Rs. 240 crores and the annual plan for 1981-82 Rs. 43 crores.

Approval of the size of the plan was given at a meeting between Mr. N. D. Tiwari, Union planning minister, and the chief minister of Manipur, Mr. Rishang Keishang.

Mr. Tiwari advised the state to improve the quality of implementation of plan schemes and ensure achievement of physical targets.

Mr. Tiwari asked the chief minister to have the irrigation projects of Thoubal and Khuga properly investigated and examined by the Central water commission and the Central electricity authority.

The chief minister remarked that the state plan would help create more employment opportunities and improve the living standards of hill people.

He assured the Centre that the state would not take recourse to deficit financing and would plug leakages in the collection of electricity tariff and take measures to reduce losses in electricity generation and transmission as well as management of the state transport.

Among the industries proposed to be set up in the state are a starch and glucose project, sugar and distillery plant, spinning mill, khandsari factory and cement factory.

CSO: 4220

OFFICIAL RELEASE ON CPI(M)-RSS CLASHES NOTED

Madras THE HINDU in English 28 Nov 80 p 1

[Text] Trivandrum, Nov. 27. The leaders of the CPI-M and the RSS, at a conference convened by the Chief Minister here on Wednesday night, agreed to help in restoring peace in Tellicherry and other places in the State but, according to reports reaching State headquarters, clashes erupted in Tellicherry this morning too, resulting in the death of one more RSS man.

The conference with the Chief Minister was preceded by talks between RSS leaders and the marxist Home Minister, Mr. T.K. Ramakrishnan. The RSS leaders are reported to have expressed fear that the police was in league with the CPI-M in the latter's "operation wipe-out" launched against the RSS.

The Home Minister is understood to have assured the RSS leaders that neither the CPI-M nor the Government believed in physical confrontation and that violence, from whichever quarter, would be put down without fear or favour.

The RSS leaders later met the Chief Minister. The Home Minister and three representatives of the CPI-M were also present then. The Chief Minister urged both sides to desist from continuing the physical clashes and promised impartial action while dealing with cases of violence.

Both the RSS and CPI-M leaders told the Chief Minister that they would impress upon their ranks to give up the path of violence. Since this would take a couple of days, they suggested that the police vigil be stepped up. The Chief Minister particularly expressed his appreciation of the gesture of cooperation from the RSS leaders.

Meanwhile, the Government in an official release described as "exaggerated" reports in a section of the press on the political clashes in the State. The release reiterated the claim that political clashes had been on the decline since the LDF Government came to power in January last.

The release added: "As a result of the 343 clashes had taken place in different parts of the State since January 25, 1980, 187 CPI-M workers have been injured. Also injured were 138 RSS workers and 17 others. Of those killed in these clashes nine belonged to the CPI-M and six to the RSS.

"In Tellicherry where the largest number of clashes had taken place, the number of RSS men responsible for the clashes was 82 and that of the CPI-M workers 60. The number of victims was 75 CPI-M workers and 60 RSS workers. What is clear from these facts and figures is that these clashes do not denote either the strength or weakness of the organisations. On the contrary, they prove that all sections have suffered losses.

CSO: 4220

INFORMATION MINISTER SPEAKS TO PRESS IN BANGALORE

Bombay THE TIMES OF INDIA in English 1 Dec 80 p 9

[Text] Bangalore, November 30: The alternative to the present government is chaos, the Union minister for information and broadcasting, Mr. Vasant Sathe, said here today.

He said by supporting the farmers' agitation and the agitation against the price rise at the same time "you will be pushing the country towards anarchy."

Participating in a "meet the press" programme of the Karnataka Union of Working Journalists, Mr. Sathe said the only force that one could see around was the military force. But was there any country where the military had taken over and democracy thrived, he asked.

He said he could understand enlightened and constructive criticism. "But for heaven's sake, do not encourage anarchy and destabilisation."

Mr. Sathe justified the national security ordinance which was aimed at checking anti-social elements and economic offenders. No one in a democracy had a right to uproot rail tracks or destroy public property. If the government brought in a measure to check such activities, "are you going to make a hue and cry in the name of individual freedom?"

No Censorship

Mr. Sathe said there would be no press censorship. There was not a single act of his ministry so far to bring pressure on the press. Yet what was the situation? There was an attempt to shake the confidence of the people in measures taken by the government to control anti-social and lawless elements, he said.

He referred to reports of the blinding of undertrial prisoners by the police in Bihar. He had no doubt that this would be dealt with firmly and the guilty would be punished. But if the press played it up, it would demoralise the police force.

Mr. Sathe criticised the tendency in a section of the press to publish news without verification and then publish the contradiction without giving it the same importance as the original story. He had been trying to be fair to the press, but he himself had been misquoted "deliberately."

CSO: 4220

MORARJI DESAI HOLD DELHI PRESS CONFERENCE

Bombay THE TIMES OF INDIA in English 6 Dec 80 p 13

[Text]

NEW DELHI, December 5.

MR. MORARJI DESAI today predicted that Mrs. Indira Gandhi's government would collapse under the weight of its own sins and then a national government could be formed to fill the vacuum and hold fresh elections.

At a crowded press conference here this morning, the former prime minister said this was not an astrological prediction — "I never go to astrologers" — but one could call it a "hunch."

After the mid-term poll, any government that came in would be a better government than the present one which had proved its incapacity to solve the peoples problems.

Mr. Desai said the presidential form of government was not the panacea for the present ills. On the contrary, it could easily lead to a dictatorship.

Mr. Desai refused to go into details about his controversial remark made yesterday that the Soviet leaders had told him, when he was prime minister, that "India should teach a lesson to Pakistan." He brushed aside a question by saying: "Whatever I have revealed is enough."

MID-TERM POLL

About the formation of a national government, he said it could be an all-party government, but it would be only an interim arrangement — until the elections were held.

The mid-term poll would throw up the alternative leadership. Even the Janata party could become strong enough to form a government on its own.

The Janata party would welcome back those who had left it — but not those who had broken the party — unless of course they publicly apologised for what they did.

Mr. Desai felt that the by-election results were never a proper index to the people's will when it was pointed out that the recent by-elections had returned the Congress(I) candidates with overwhelming majorities.

The veteran Janata leader, however, did not think that emergency conditions had returned to the country. The passing of the national security ordinance was not equal to imposing an emergency, but if the ordinance was misused, "the people will throw this government out."

Regarding Assam, Mr. Desai said it was wrong on the part of the Congress (I) to form a government in the state without solving the problem. When it was pointed out that the installation of a government had become imperative for fulfilling a constitutional obligation, he replied: "Why not hold elections? If they hold elections, they will be voted out."

"I could have solved this problem within one month. During the Janata government this problem did not appear. Even then, we took certain measures," Mr. Desai asserted.

He supported the students' demand that the problem should be solved according to the constitution. When he was prime minister, he had not seen in the film any commitment made to Bangladesh.

PTI & UNI add:

The Janata party president, Mr. Chandra Shekhar, and the party general secretaries, Mr. Surendra Mohan, Mr. Ramakrishna Hegde and Dr. Subramaniam Swamy, were present during the 45-minute press conference.

The former prime minister ruled out any possibility of military take-over of the country. The military was far more disciplined and patriotic. Moreover, the people too would not allow dictatorship to establish itself in the country, he added.

Commenting on the Australian envoy's despatch, Mr. Desai said there was nothing unusual about all envoys sending reports to their countries and asked newsmen to leave the matter at that.

Asked if he would write to the Prime Minister about the solution he had in mind to settle the Assam tangle, Mr. Desai said he was not in favour of writing to her. But he would not mind meeting Mrs. Gandhi if the latter invited him.

CSO: 4220

MARXIST LEADERS DISCUSS PRESIDENTIAL SYSTEM

Bombay THE TIMES OF INDIA in English 6 Dec 80 p 9

[Text] BANGALORE, December 5.

MR. E. M. S. Namboodiripad, CPM leader, today warned Mrs. Gandhi that if she went in for a presidential form government, she would meet with the same fate as that of Bangladesh's Mujibur Rahman.

Mr. Rahman had thought that a presidential system was a solution to save Bangladesh from chaos, but he himself had become its victim, Mr. Namboodiripad pointed out.

His party would tell Mrs. Gandhi, he said, that she was wrong in thinking in terms of a presidential system in place of the present system of parliamentary democracy. "We are in the midst of a crisis and a presidential system is not a way out." Neither a presidential system nor a parliamentary democracy could survive without certain basic principles.

He argued that someone might opt for a military rule if both the parliamentary and presidential systems were thought to be failures. Pakistan provided an example of how the presidential system and military rule alternated. A change in the system would not help even Mrs. Gandhi.

Asked if he was committed to parliamentary democracy, Mr. Namboodiripad said he was not prepared to discuss the merits and demerits of parliamentary democracy or a presidential system since "we are not starting on a clean slate." But he added that any upsetting of the system now would be harmful.

PM'S STAND

Mr. M. Basavapunniah, a member of the CPM politburo, recalled that his party had long ago spelt out its policy in favour of parliamentary democracy and the necessity to have two houses of legislature.

Mr. Namboodiripad said that there was nothing new or wrong in the CPM government in West Bengal organising a bandh. A similar bandh had been organised two months ago in Kerala by the left alliance government there, with the Congress (I) also calling for the bandh on the same issue (price rise) and on the same day. The difference was that the thrust of the left alliance was against the Centre and that of the Congress (I) was against the state government. Dr. B. C. Roy, when he was Bengal's chief minister, had organised such a demonstration against the Centre. When Mr. Nehru was the Prime Minister, Mrs. Gandhi, as the Congress president, had started the "notorious liberation" struggle in Kerala with the intention of paralysing the state government (of which Mr. Namboodiripad was the head at that time).

Mr. Namboodiripad and Mr. Basavapunniah shared the view that the people had to be told the truth about prices. What could the states do when there were no stocks from the Centre? The responsibility of distributing whatever was available rested with the state government. Mr. Namboodiripad claimed that Kerala had the best distribution system.

Mr. Namboodiripad sought to play down the clashes between the CPM and the Congress (U) elements, both partners in the Kerala government. Quarrels among left and democratic forces were the birthpangs of a new force, while disputes in some other parties, such as the Congress (I), were the agony of a dying force. This distinction had to be understood clearly.

He did not want the press to whip up the dead horse of the clashes between the CPM and the RSS in Kerala. The chief minister had called for a conference and some agreement had been reached. On a merger of the CPM and the CPI, Mr. Namboodiripad said that while the two parties were not interested in any merger, the press seemed intent on merging the two parties.

Mr. Namboodiripad and Mr. Basavapunniah rejected the contention that the farmers' stir was organised by "kulaks" and, therefore, left parties should stay out of it. They wanted remunerative prices for the peasantry and also a wage rise for the working people. Anyone who opposed either was not genuinely left. There was nothing wrong in left parties participating in the farmers' agitation. A parallel was drawn with the freedom movement, led by "capitalists," but "did we not also participate in it?"

CSO: 4220

SOUTHERN NAXALITES HOLD SECRET CONVENTION

Bombay THE TIMES OF INDIA in English 6 Dec 80 p 9

[Text]

TRIVANDRUM, December 5.

NEARLY 200 Naxalites of southern states held a secret convention recently at Trichur in Kerala and drew up a plan to spread the movement among students.

According to reliable sources, the strategy would be to gain influence among the students by cultural and political propaganda.

At present, all student organisations, particularly in Kerala, are controlled by political parties which are opposed to the Naxalites.

The Naxalites are reported to have decided not to expose themselves too much to the police who were on the offensive in all the southern states. Propaganda must precede action, the Naxalites felt.

The convention concluded that the political situation in the country as a whole was appropriate for the movement to spread. The deepening economic crisis and disenchantment of the people with almost all the political parties would be conducive to the spread of the extremist political philosophy.

Although there is no formal ban on the Naxalites in any part of the country, the leaders of the movement felt that repressive measures had been launched against them by the police. The police action in Tamil Nadu proved this.

The only way to keep the police off the Naxalite track, the leaders felt, was to confine the activities to open propaganda. The essential message of the propaganda would, however, be the elimination of all vested interests by mass action.

The Naxalites have been encouraging the show of a Chinese film, "From victory to victory", in theatres in Kerala. The censor board had cleared it. Legally, therefore, there was no ban on screening it.

But in certain places like Trivandrum, theatre owners refuse to screen it. Pressure has allegedly been brought to bear on them to keep away from the "victory" picture.

CSO: 4220

DETAILS OF GANDHI 30 NOV PRESS CONFERENCE REPORTED

Bombay THE TIMES OF INDIA in English 1 Dec 80 pp 1, 9

[Article by K. Vikram Rao: "Pak Build-Up May Figure in Talks"]

[Text] Rae Bareli, Nov. 30. The issue of Pakistan building up its war machine may figure prominently at the high-level Indo-Soviet talks on Monday, when the Soviet President, Mr. Leonid Brezhnev, arrives in New Delhi on a state visit.

This was indicated here today by the Prime Minister, Mrs. Indira Gandhi, at a press conference. Earlier Mrs. Gandhi said at a rally of Congress (I) and Youth Congress (I) workers that a threat of war had emerged. She added: "There is no reason for a war to break out. Still we shall have to prepare ourselves to face it." After every war India had emerged stronger, she said, recalling the 1971 Bangladesh victory.

Mrs. Gandhi's remarks came 48 hours after the disclosure by the external affairs minister, Mr. Narsimha Rao, in the Rajya Sabha that Pakistan had frequently violated Indian air space and the United States, China and Saudi Arabia had supplied arms to Pakistan.

Asked if she proposed to discuss the issue with the Soviet President, the Prime Minister told newsmen that this would be a topic of discussion and mutual interest. Asked if she would review the offer of a no-war treaty with Pakistan, Mrs. Gandhi said: "We had made such an offer in the past and Pakistan had turned it down. Why again?"

When a newsman drew her attention to the reported statement by the Chinese vice-premier that Sino-Indian talks on the border issue could be held despite the fact that some Indian territory was under Chinese occupation, Mrs. Gandhi replied that she favoured negotiations.

Mrs. Gandhi ruled out any change in the leadership of the U.P. Congress(I) ministry in the wake of reported criticism by party MPs of the style of administration of the chief minister, Mr. Vishwanath Pratap Singh.

"The press reports of my party MPs' meeting were not accurate. Not a single MP or MLA of my party ever complained to me against the U.P. government," she said.

Opposition Flayed

Mr. Vishwanath Pratap Singh was present when she told newsmen that perhaps the only issue was that the chief minister could not give time to some party MPs who sought

an appointment with him during his recent visit to New Delhi. "He (Mr. V.P. Singh) was busy with the planning commission. Hence he could not meet them", she remarked.

Asked about the role played by opposition parties in national development, Mrs. Gandhi remarked: "They are irresponsible." Earlier she said at the Rae Bareli development seminar, that opposition parties had launched the so-called kisan agitation for a higher sugarcane price.

She stated: "When they were in power, the standing sugarcane crop was burnt down by cultivators because of low cane prices. We raised the cane price to Rs. 20 a quintal."

The Prime Minister said she would not be cowed down by such threats of agitation. "I have never given anything under duress." She ridiculed the Lok Dal and other opposition parties, which campaigned for higher sugarcane prices for growers on the one hand and demanded sugar at a lower price on the other.

Inflation Checked

Mrs. Gandhi held the opposition parties responsible for destroying the country's economic infrastructure, particularly in the sphere of industry. She reminded them that huge amount of government money wasted on meeting the agitation threat could well be used in schemes for helping agriculturists.

In a passing reference to yesterday's violent incidents in Allahabad, Mrs. Gandhi said students who complained of shortage of buses tried to set fire to buses in protest.

About the price situation she said at the seminar that the Union finance minister, Mr. R. Venkatraman, had told her that there was a rise of 23 per cent in the price level during the Lok Dal regime. Now it was only 13 per cent.

She said the phenomenon of high prices was the result of the damage done to the national economy by the previous Janata and Lok Dal regimes and the Iraq-Iran war, which affected oil supply.

Mrs. Gandhi said in Nigeria a stretch of desert had been developed into a green belt through large-scale plantation of neem trees. This had been conveyed to her by the Indian envoy in Nigeria.

Mrs. Gandhi gave a new slogan: to the nation: "Grow one plant for every child." She said usar (arid) land could be reclaimed by growing plants requiring less water and using chemical fertiliser.

She later addressed another seminar on development at Amethi, a constituency represented by the late Sanjay Gandhi. The Prime Minister was accompanied by Mr. Vishwanath Pratap Singh, and the MP from Rae Bareli, Mr. Arun Nehru. Ministers of the U.P. cabinet were also present to take any on-the-spot decisions that might have to be taken in regard to development schemes in the district.

Stressing the need for the people's involvement to make development plans a success, Mrs. Gandhi commended the Haryana experiment. She said: "In Haryana the government

took one single project every year, like irrigation, road repair and link roads, and completed it before taking up another scheme. With the result, the state developed from a backward state into a highly advanced state."

Addressing the seminar in Amethi, Mrs. Gandhi broke down while referring to her son, Sanjay Gandhi, who had launched development schemes in backward Amethi.

Human Resources

Mrs. Gandhi pleaded for harnessing human resources for accelerating the growth rate. Accusing the opposition parties of impeding the nation's march to progress, the Prime Minister said agitations merely diverted one's attention from important economic projects.

She said with the oil crisis becoming sharper people would have to resort to other energy sources. Solar energy could be one. "In my own household we have been using solar energy for heating water," she said.

Mrs. Gandhi declared that freedom fighters would get more benefits. The U.P. chief minister stated that all freedom-fighters in the state would now get Rs. 100 a month.

PTI adds: Mrs. Gandhi said that she would not decide whether Mr. Rajiv Gandhi should contest a Lok Sabha by-election. "Who am I to decide," she remarked at a press conference.

It was the Congress (I) parliamentary board alone which would decide who should contest an election from where, she added.

New Delhi (PTI): The Prime Minister, Mrs. Indira Gandhi, returned here after a two-day tour of Uttar Pradesh.

CSO: 4220

INTELLIGENCE AGENCY 'RIDDEN WITH DISCONTENT'

Calcutta THE STATESMAN in English 3 Dec 80 p 9

[Text] New Delhi, Dec. 2.--The Research and Analysts Wing, which was viewed with awe and even with a certain amount of dread till recently, has surfaced as a discontent-ridden agency. This, at least, is the impression one gets after the recent incidents involving men and officers of the organization in the capital.

As is natural in such a situation, when the spotlight is turned on a secret service organization, there is embarrassment all round.

While much has already been said about the immediate cause of the recent trouble, senior officials feel if the staff of such an organization resort to agitation the service gets demoralized.

What is more sinister, for the information-gathering sources at home and abroad, is that the agitationists have named some of the officers. Once the names and areas of responsibilities of the officers, even some of them, are revealed, the cover is lost. The gainers invariably are the counter-espionage agencies of foreign countries, particularly Pakistan and China.

Officials say that any intense spotlight on RAW would do the organization incalculable harm. And it is not the same things as, say, the exposes on the CIA which has, over the years built up a lot of resilience. RAW, on the other hand, despite its despicable though brief involvement in gathering domestic intelligence, is truly RAW in many respects.

The organization was formed in September, 1968 by bifurcating the Intelligence Bureau with officers and men working on foreign intelligence being transferred to the new agency. In its anxiety to build up the administrative infrastructure quickly the agency recruited a number of officers and men at different levels, not being very particular about their age group and other such criteria. The pre-Bangladesh situation resulted in more recruitment of a similar type.

When the Desai Government assumed power in 1977, it viewed RAW with a lot of suspicion because of its involvement in domestic intelligence. The organization was put on a massive reduction diet, which meant lesser avenues of promotion.

The Haphazard recruitments and the sudden choking of promotional avenues have been the twin major causes of discontent. The authorities are reported to have resorted to a lot of permutation and combination to ease the situation at least partially.

Staff councils were formed in various regions and an apex council at the headquarters in July last year. After a series of meetings the council made 41 recommendations of which 18 were implemented. Seven recommendations were rejected as not feasible. The others are in different stages of implementation.

Impartial observers feel that while the genuine grievances of the staff should be attended to, any involvement by politicians in the name of taking up the employees' causes would, in the long run, destroy the organization.

RAW employees of cabinet secretariat continued their pen-down strike for the sixth day today, adds PTI.

The employees have been demanding withdrawal of criminal prosecution and suspension of 32 employees.

Meanwhile, large police forces have been deployed outside the multi-storey RAW building in south Delhi as a "precautionary", measure and to prevent law and order problem, police sources said.

CSO: 4220

INTELLIGENCE FEARS 'FOREIGN' DANGER IN ASSAM

Calcutta THE STATESMAN in English 2 Dec 80 p 9

[Text] The Army intelligence feels that the Centre must find an early solution to the Assam problem if certain foreign Powers are to be prevented from taking advantage of the situation in the strategically vulnerable areas in the North-east. The possibility of certain foreign powers being already interested in the area cannot be ruled out, it added.

Senior officials of the Eastern Command said in Calcutta on Monday that the North-eastern States, such as Manipur, Tripura, Nagaland, Mizoram and Arunachal Pradesh had only a 700 km border with the mainland. India, as compared with a 3,400-km-long border they had with the neighbouring countries.

The officials feel that the police and para-military forces are in a position to deal with the disturbances in Assam though the presence of the Army is also required. The direct involvement of the Army in Assam now consists only in guarding some oil installations and pipelines. The official sources did not rule out the possibility of violent incidents in Assam if the Government took some strong measures, but did not think that there was any fear of the movement going underground and the growth of insurgency.

The growth of insurgency was likely to occur when a supply of foreign arms and aid was available and the insurgents found a safe sanctuary in an adjoining foreign territory. The problem in Manipur had been aggravated by the State's proximity to Burma. The insurgents could cross over and seek refuge in Burmese territory. The Army was handicapped by the nature of the terrain at the Burmese border and it was difficult for them to seal the border.

The Army officials fear that violent incidents will continue in Manipur. They cite the instances of Nagaland and Mizoram. It is believed, however, that the Army will be in a position to declare the situation in Manipur to be "under control" by the middle of January next year. This will mean that there will be no open terrorist activity, that the insurgents will not be in a position to do what they like and threaten people.

The Army is proceeding gradually to control the situation in Manipur. A few arrests are made every day. The deputy commander of the PLA, Mr Ranjeet Singh, has already been arrested. It has been estimated that there are about 40 hard-core PLA elements in Manipur with about 400 followers. The Army has succeeded in arresting several of these hard-core elements. The activities of PREPAK, they say is already under control. The PLA, however, is reportedly training new recruits.

The official sources ruled out the possibility that arms and weapons controlled by the Army were finding their way to the insurgents in Manipur. They agreed, however, that there was a thriving market in arms mainly rifles. Weapons used in Nagaland and Mizoram fetch a high price in Manipur. Mortars that the insurgents use are said to be old ones which activists who had gone to Lhasa for training had brought with them.

Following the resumption of duty by the employees of Oil-India on Saturday the Army engineers have stopped pumping oil through the pipeline from Jorhat to Barauni. The employees of the Oil and Natural Gas Commission were, however, yet to resume duty. Army engineers were manning the installations of the ONGC and carrying out the collection and conditioning of oil. They were hauling out oil from wells and storing it in overhead tanks.

The Army was told to flush the oil accumulated in the pipeline for over 10 months. It was feared that the oil inside the 7-30-km long pipeline would become stagnant and damage the pipeline. The Army engineers flushed out more than 90,000 kilolitres of oil from the pipeline and pumped in fresh oil. They also lifted oil from wells at the ONGC installations at Jorhat, but did not lift oil from the Oil India installations, for the machinery there was too sophisticated to be handled with only a few weeks' training. The flushing operation started on November 3 and lasted for 23 days.

At present, some Army units were guarding the pipeline along with police and paramilitary forces. Though the Oil India employees have resumed duty oil is not being pumped out of Assam. The total storage capacity of oil in the tanks in Assam is about 75,000 kilolitres. The tanks would be full if the Army continued its collection and conditioning operations for another week the official sources said.

CSO: 4220

CIRCULATION OF INDIAN DAILIES INCREASES

New Delhi PATRIOT in English 3 Dec 80 p 5

[Text] The circulation daily newspapers in India for the first time crossed the one crore mark in 1977 reports UNI.

The circulation was estimated at 10,472,000 in 1977 as against 9,383,000 in 1976--an increase of 14.3 per cent.

This has been stated in 'Press in India 1978', which was laid on the table of the Lok Sabha on Tuesday. The registrar of newspapers for India is required under the press and registration of books act to present a report on the state of papers to Parliament every year.

The total number of newspapers in the country rose from 13,320 in 1976 to 14,531 in 1977. The circulation of newspapers increased from 34,075 copies in 1976 to 37,437,000 copies in 1977, representing--a growth of 9.9 per cent.

Hindi continues to have the largest number of newspapers 3,736 but English newspapers, with a circulation of 90 lakh copies, continued to lead. Bengali had the distinction of having the highest circulated daily as a single edition.

Maharashtra had the largest number of newspapers, followed by Uttar Pradesh, Delhi, West Bengal, and Tamilnadu. Out of 14,531 newspapers, 9073 were owned by individuals.

Out of 14,531 newspapers in the country, 929 were dailies and 4,225 weeklies.

As many as 1,210 newspapers began publication in 1977. Of these 430 were in Hindi, 166 in English and 124 in Bengali and rest in other languages. The newspapers were published in 68 languages and dialects.

There are 23 newspapers which are being published for more than 100 years and 300 are more than 50 years old.

Among big newspapers, 53 were dailies and tri/bi-weeklies. There were 94 medium and 499 small dailies including tri-bi-weeklies.

In circulation, small newspapers had the largest share with 41.1 per cent, followed by big newspapers with 40.6 per cent. Medium newspapers claimed the remaining 18.3 per cent.

'Individuals' continued to be predominant unit of ownership. As many as 9073 or 52,4 per cent of the total. Newspapers published in 1977 were owned or 37.6 per cent belonged to by 'individuals' Remaining 5,458 societies/associations firms partnerships, joint stock companies and the Government, among others.

Central and State Governments accounted for 516 newspapers, including one daily. Of these 286 belonged to Central Government and the rest to various State Governments.

CSO: 4220

EDITORIAL SCORES 'BARBARISM' IN BIHAR

Calcutta THE STATESMAN in English 2 Dec 80 p 8

[Editorial: "Barbarism in Bihar"]

[Text] That the quality of certain features of life in Bihar falls rather short of civilized canons was evident last year when the Supreme Court found it necessary to order the State Government to release hundreds of prisoners who had already languished in jail far longer than they would have been imprisoned even if awarded the maximum sentences for the offences with which they had been accused, but never tried. But not even persistent violation of legal morality offered reason to suspect the authorities in Bihar of the kind of brutality that has now been exposed. The Chief Minister's plea that 15 police officials have been suspended for "negligence" cannot exonerate an administration that, in certain respects, seems as barbaric as it is callous; nor does Mr Jagannath Mishra gain much by arguing that 31, not 87 prisoners were blinded. The cruelty would have been as heinous, and the Government's guilt as ineradicable, even if a single man had been deprived of his eyesight. It is pointless, perhaps, to dwell on human aspects of this tragedy in a State whose norms so often violated ordinary notions of decency. But all the evidence suggests a degree of criminal complicity that demands the Centre's instant investigation if India is to preserve any self-respect as a modern nation.

The Chief Minister's present not very convincing display of concern, for instance, should not distract attention from the fact that he tried for as long as it was possible to make out that the victims were blinded by villagers in "encounters before their arrest". No less culpable was the cavalier attitude of the State Home Secretary who not only took no notice of the Bhagalpur Central Jail Superintendent's report confirming the outrage, but sought to justify official callousness by arguing that Patna receives "thousands of reports from all over Bihar every day". Given this implicit condonation at the highest levels of State administration, it might be morally wrong to punish only those who were directly responsible for the atrocities. Nevertheless, the pattern that appears to have emerged calls for detailed inquiry into the methods of the police force, especially in the five thanas of Bhagalpur district where the crimes seem to have been committed over a period of ten months. The sequence appears to be to accuse men of dacoity and haul them to the police station where they are first beaten up, their eyes then punctured and finally, their faces disfigured with acid. No question of justice or even of maintaining order is even remotely relevant to such enormities. It also goes without saying that people who are able to gratify corrupt officials are spared the treatment. The final irony is that such brutality might never have come to light if jail personnel had not applied for additional staff to escort blinded prisoners.

Horror over these revelations must, admittedly be tempered with the awareness that atrocities are a feature of India's prison life. Inhuman congestion, the frequent absence of basic sanitation facilities and the resultant squalor neither indicate, nor encourage, respect for people who may have fallen foul of the law even if no attempt is ever made to establish their guilt. But indifference is also compounded by the cynicism of legal officials, policemen and warders, all of whom distort the corrective system into a vindictive one. Bihar is by no means the only State where prisoners are bullied, deprived of their rights and subjected to various forms of savage treatment. But nothing quite so repugnant as the Bhagalpur outrage has ever before been reported. It is a sombre reflection not only on Bihar's police and civil service, but also on the political leadership and social climate of a State that not only perpetrates such evil but tries to cover it up until confronted with irrefutable evidence.

CSO: 4220

INTUC WARNS SIXTH PLAN MUST AID 300 MILLION POOR

Bombay THE TIMES OF INDIA in English 1 Dec 80 p 9

[Text] Udaipur, November 30 (PTI). The Indian National Trade Union Congress (INTUC) today warned of a "law and order problem" if the sixth plan failed to provide basic amenities to the over 300 million people who were still below the poverty line.

The INTUC, currently holding its 22nd session here, pointed out that the "impressive record of achievements during the last 30 years was insufficient to meet the increasing demands."

Unemployment had increased, prices had gone up, inflation was running high and communal tensions continued, felt over 3,000 delegates, including a dozen from foreign countries.

The INTUC said disparities in income and earnings between sections of the population and between rural and urban sectors were widening and above all the people's moral fibre was gradually "weakening".

The Union communications minister, Mr. C.M. Stephen, and the minister for civil aviation and tourism, Mr. A.P. Sharma, who is also president of the INTUC, are also attending the session.

The INTUC session also expressed "deep concern" over the increasing signs of Naxalite activities, which were reflected in the "indiscriminate violence and killings."

It, however, pointed out that an analysis would show that all this was a manifestation of the "twin problems of poverty and unemployment". The INTUC felt that it was, therefore, imperative that the eighties should become a "different and new decade."

"Moral values will have to be restored so that instead of mutual suspicion, mutual conflict and mutual rivalry we open up a new era of mutual trust, mutual service and mutual co-operation," the INTUC appealed.

Mr. Sharma, in his presidential address, appealed to the people, particularly the labour class, to help the Prime Minister, Mrs. Indira Gandhi, solve the formidable problems left by the Janata and the caretaker governments earlier.

He said the new government was faced with an economy which was in a mess. "Prices had soared high beyond the limit. The rate of inflation was beyond comprehension and unemployment was unmanageable," he said.

CSO: 4220

HISTORY OF INTUC SUPPORT FOR GANDHI REVIEWED

Bombay THE TIMES OF INDIA in English 6 Dec 80 p 7

[Article by T. E. R. Simhan: "INTUC Links With Cong.(I) Strengthened"]

[Text]

THE Indian National Trade Union Congress (INTUC) has come a full circle since its Nagpur session held in November, 1971. The just-ended Udaipur session of the organisation completed the unfinished political tasks and set at rest, at least for the time being, all its earlier conflicting, contradictory and confusing stance in regard to its relationship with the Congress party led by Mrs. Indira Gandhi.

The Nagpur session was held at a time when Mrs. Gandhi's leadership and popularity was unassailable and all-pervasive, thanks to her role in the liberation of Bangladesh and the massive election victory she achieved subsequently. That was also the time when the INTUC, claimed to be India's largest trade union centre on the basis of verified membership, was virtually "orphaned" by the exit of the Textile Labour Association in Ahmedabad, which nurtured the former till 1971. The organisation was thus faced with a situation where its political options were limited. The only course left to it then was to extend its "unstinted and unreserved co-operation and support" to what it termed with a pride, "the man of the hour" viz. Mrs. Gandhi.

The Nagpur resolution paid its quick dividends. The INTUC was allowed to remain unchallenged and undisturbed. But the Congress party shrewdly permitted the existence of the newly-floated labour cells both at the AICC and DCC levels, thus introducing a diarchy on the labour front. The Congress ministers conferred both with the INTUC and cells while at the same time proclaiming in public that the INTUC was the accredited platform for the Congress trade unionists. Interestingly, many of the INTUC leaders hold responsible positions in the labour cells along with the HMS leaders who have joined her camp. Mr. Nand Kishore Bhatt, the newly-elected president of the INTUC, is the chairman of the AICC labour cell.

Be that as it may. The period between post-emergency and pre-1977 election saw the INTUC adopting a detached attitude to Mrs. Gandhi's leadership with some top leaders adopting in private a different, if not diffident, posture about the organisation's support to Mrs. Gandhi in the 1977 elections. The results of the 1977 elections encouraged such leaders to adopt a lukewarm attitude towards Mrs. Gandhi. Indeed, some prominent leaders of the INTUC joined the Janata party after her defeat while some even talked of forming a labour party. They, however, continued to be in the INTUC which situation eminently suited the top echelons to proclaim that the INTUC was independent and not an appendage of Mrs. Gandhi as was being propagated by many. Even during Mr. Nehru's time, similar accusations were made, which the INTUC promptly rebutted citing its constitution and many other instances when it adopted in independent time of thinking.

DIVIDED HOUSE

Thus one found the INTUC to be a politically divided house even as late as 1979 end. No wonder, therefore, when the organisation's highest policy-making body viz. general council met in October, 1979, it could adopt only a one-line "majority" resolution recommending to the affiliated unions to support Mrs. Gandhi's candidates in the January, 1980 general elections. There were many who advocated a neutral stand by the INTUC. Some of the prominent office-bearers were not enthusiastic in adopting any open stand.

Contrast this situation with the way the organisation faced the assembly elections held after the 1980 Lok Sabha polls. The tone and tenor of the resolution supporting Mrs. Gandhi speaks for itself: "The INTUC is convinced that it is imperative that in all these states the Congress (I) must be returned to power in order to have a stable government which can work in complete harmony and understanding with the Centre. This can quicken the pace of economic growth and at the same time ensure social justice to all sections and minorities."

Perhaps, it was this kind of indecisiveness on the part of the leadership that prompted the Congress party to create labour cells so that the party is not failed at a crucial hour on matters pertaining to the industrial workers.

In line with its recent thinking, the Udaipur session, while reiterating its Nagpur policy of unstinted co-operation, went one step further to assert that the relationship between the INTUC and Mrs. Gandhi was inseparable and inevitable. Mr. G. Ramanujam, general secretary, was perhaps not exaggerating when he told the delegates that the INTUC looked upon Mrs. Gandhi as its "mother" for support and care. Mr. Ramanujam and his colleague Mr. C. M. Stephen, communications minister, naturally, therefore, exhorted the workers to extend all their support and co-operation to Mrs. Gandhi.

The Udaipur session has thus positively answered the oft-repeated question about the nature and content of the INTUC-Congress (I) relationship and put an end to all the suspense and vacillations that it maintained since 1971.

Of course, the top bosses of the organisation would continue to assert that the INTUC is an independent institution, having its own constitution,

rules and regulations as they did during Nehru's time. But the fact remains that the organisation chose only those as president and general secretary who had received Mrs. Gandhi's blessings.

The team chosen at Udaipur (Mr. Bhatt and Mr. Ramanujam) too, was the choice of the Prime Minister.

Until the TLA parted company in 1971 from the INTUC, it used to be the king-maker of the INTUC.

But the moot question is not so much whether or not the INTUC considers Mrs. Gandhi as its "mother", but if she travels in the same wave length as the former does.

The question assumes added relevance when one looks at the matter-of-fact routine message she sent to the Udaipur session. Not a line has been mentioned in that message about the role of the INTUC, leave alone giving a word of appreciation.

This is not, however, to deny the fact that Mrs. Gandhi did pay fulsome tributes (particularly during the 1974 railmen's strike) in the past for its role. One possible explanation to her subdued interest in the INTUC may be that she is only reciprocating now the same lukewarm attitude she got till the other day from the top brass of the INTUC. All the same, she is too shrewd a politician not to recognise the vital role of the INTUC can play in her efforts to lift the economy from its slumbers.

The INTUC rose as one man when occasion demanded and gave its mite to boost production and increase productivity. There is, therefore, no reason to even think that it will not do so in future given its due place and recognition. Now that the emotional integration of the INTUC with her is total and spontaneous, it is a safe guess that Mrs. Gandhi will be equally unreserved and responsive to the sentiments of the INTUC.

LINKS WITH REDS

Another significant political feature of the Udaipur session is the attendance of the TLA leaders as "distinguished guest" on the invitation of Mr. A. P. Sharma, the outgoing president of the INTUC and transport minister in Mrs. Gandhi's cabinet.

Mr. Kanti Mehta, a senior vice-president with constructive and sober attitude, has been chosen by the INTUC to meet the TLA leaders and work out modalities and areas of co-operation between the two centres, who believe in freedom, democracy and all that it goes with it.

The task of bringing the two organisations closer, if not total merger, is not going to be easy, particularly when their political thinking and inclinations are dissimilar.

One of the major grievances of the TLA when it decided to "keep aloof" from the INTUC in 1971 was that the latter was hobnobbing with the communists. Such a situation ceased to exist today from all available indications though there may be individuals in the organisations who might have been at one time card-holders. (The Congress party too is faced with a similar situation).

TLA's major grievance having been removed, one hopes that it takes positive recourse to close the gap between it and the INTUC. In this connection, the TLA's call on the occasion of its foundation day on December 4 to national trade union centres like the INTUC to forge a united battle for the amelioration of working and living conditions of labour as a welcome step in the right direction.

CSO: 4220

CLOSING DAY OF INTUC CONVENTION REPORTED

Marked by 'Angry Speeches'

New Delhi PATRIOT in English 3 Dec 80 p 7

[Text] Zawar Mines (Udaipur), Dec. 2. The concluding session of the 22nd convention of the INTUC was marked by angry speeches against the rising prices. It was felt that resolutions alone could not solve the problem.

Some of the delegates went to the extent of saying that the price level today was much higher than that during the Janata regime and that the present ministers were in conclusion with the traders. While another felt that it was not sufficient to say that Mrs Indira Gandhi was worried about the situation.

The INTUC out going President and the Union Minister for Tourism Mr A P Sharma who was presiding over the session clarified the position.

Mr Sharma said that the prices of sugar had gone up because of the previous government had not handled the situation properly, with the result that the production of sugar cane had gone down. But he expected the price of sugar to decrease once the present harvest came in the market.

Earlier general secretary Ramanujam while presenting his report said the problems of unemployment, price rise economic disparity inflation, and welfare of the workers had assumed new dimensions. He demanded a greater role for the workers in the economic planning of the country he asserted that trade union should also be modernised. The trade union movements should not stop at the gates of the factory and industries, he added.

He gave a call to deal with the problem of unemployment on a war footing. Mr Ramanujam expressed concern over the under utilisation of capacity in the key industries. He felt unless these industries were properly managed low industrial growth and a poor production level were bound to be there.

Replying to a question Mr Sharma revealed that the INTUC wanted to implement the Rath Committee report for the time being till connection were made in it.

He also made it clear that he stood for productivity linked bonus policy. He also subscribed to the idea of Workers representation on the Planning Commission.

Officials Elected

Bombay THE TIMES OF INDIA in English 3 Dec 80 p 15

[Text] Udaipur, December 2 (PTI): Mr N. K. Bhat was yesterday unanimously elected president of the INTUC for 1980-81. Mr. A. G. Ramanujan was re-elected general secretary.

Mr. V. R. Hoshing of Maharashtra president of the Rashtriya Mill Mazdoor Sangh, was elected treasurer. The election was held at the general council meeting of the INTUC which concluded its two-day session here last night.

The council also elected seven vice-presidents. They are Mr. Kanti Mehta (Bihar), Mr. Subroto Mukherjee (Bengal), Mr. V.P. Marakkar (Kerala), Mr. B.G. Gopal (Bihar), Mr. A. T. Bhosle (Bombay), Mr. S. Sanjiva Reddy (Andhra Pradesh) and Mr. K. P. Tripathi (Assam). It also elected a 41-member working committee.

CSO: 4220

ANDHRA PRADESH CABINET EXPANDED TO RECORD 61

New Delhi PATRIOT in English 3 Dec 80 pp 1, 7

[Text] Hyderabad, Dec 2 (UNI) Andhra Pradesh today set a new Indian record for the largest Council of Ministers as the strength of the Anjiah Ministry rose to 61 with the induction of 16 Ministers of Cabinet rank and 22 Ministers of State.

Thirty-seven Ministers were sworn in this evening, raising the strength of the Ministry to 60. Half an hour later, the figure went up to 61 with the swearing in of one more Minister of State.

Governor K C Abraham, administered the oath of office and secrecy to the new entrants.

The Ministry now comprises 39 Ministers of Cabinet rank and 22 Ministers of State.

The Chief Minister told newsmen that he might add one or two in order to ensure representation to all districts.

ARC Limit Exceeded

By having a Ministry of 61, Mr Anjiah has far exceeded the prescribed limit of 10 per cent of the combined strength of Assembly and Council suggested by the Administrative Reforms Commission. Even so, Khammam district has gone unrepresented while seven Ministers hail from Guntur district.

When the Channa Reddy Ministry bowed out of office, it had a strength of only 27.

Among the 38 sworn-in today was Mr M A Aziz, president of the APCC-I.

There was a last minute change in the list of Ministers of State from the one announced to the press earlier by Mr Anjiah. While Mr G Vedantha Rao found himself included Mr Venkateswara Rao whose name appeared in the first list was omitted.

However, half an hour later Mr Venkateswara Rao was the 38th to be sworn-in as a Minister of State.

The following Ministers were sworn in today:

Ministers of Cabinet rank: E Ayyappa Reddy, M A Aziz, Chebrolu Hanumiah, M M Hashim, C Jagannathrao, N Janardhan Reddy, Mrs T Lakshmikanthamma, M Manik Rao, D Munuswamy, R Ramalinga Rao, K Rosiah, N Srinivasulu Reddy, Bhattam Sriramamurthy, G V Sudhakar Rao, Sangeetham Venkatreddy and G Vedantha Rao.

Ministers of State: S Alwar Das, T Bala Goud, N Chandrababu Naidu, P Janardhan Reddy, K E Krishnamurthy, G Nageswara Rao, N Narasappa, K Uapiah, C H Parasurama Naidu, Gyana Prakasa Rao, C Rajanarasimha, Y S Rajasekhar Reddy, Goka Ramaswamy, D Ravindra Naik, Mrs B Rukmuni Devi, K Sathyanarayana Raju, M Srinivasa Rao, Majji Tulsidar, P Venkatrao, Mrs M. N. Vijayalakshmidevi, K.V Krishna Reddy and Mr Venkateswara Rao.

Twelve former Ministers are back in the Cabinet with the inclusion of Mr N Janardhan Reddy, Mr M M Hashim and Mr K Rosiah, all those in the Channa Reddy Ministry, barring four are in Mr Anjiah's Cabinet.

The Chief Minister also set a new record by including four women in his team, two of them with Cabinet rank.

There are n all 27 Ministers belonging to the minorities, backward classes, scheduled castes and tribes. There are three Muslims and two Christians.

Thirty-four of the 61 Ministers hail from the Andhra region and the remaining from Telangana.

Return to Cabinet

Also back in the Cabinet are three of the seven Ministers dropped by Dr Channa Reddy in May 1979--Messrs M. Manik Rao, G. V. Sudhakarrao and S Venkat Reddy--and Mr G Ramaswamy who resigned from Channa Reddy Ministry in March 1979.

Six new faces among the New Cabinet Ministers include PCC-I president M.A. Aziz chairman of Coastal Andhra regional planning and development committee, G. Vendantharao, Mrs T Lakshmikanthamma, Messrs. E. Ayyapu Reddy C. Jagannadharao and N Srinivasui Reddy.

Four other ex-Ministers staging a come-back are: Messrs Ch. Hanumayya D. Muniswamy, R Ramalinga Raju, Bhattam Sreeramamurthy and C. Rajanarasimha (Minister of State).

Two Parliamentary Secretaries have been promoted to the Rank of Minister of State. They are: Mr K E Krishna Murthy and Mr D Ravindra Naik.

CSO: 4220

VACANCIES IN CENTER, STATE ASSEMBLIES NOTED

Calcutta THE STATESMAN in English 3 Dec 80 p 5

[Text] New Delhi, Dec. 2.--Nineteen seats are vacant in the Lok Saba, two in the Rajya Sabha and 30 in State Assemblies, the Lok Sabha was told during question hour today. Of the vacancies in the Lok Sabha, 12 are from Assam.

Elections seats from Assam, it was stated in a written reply to a question, were to be held "after the situation in the State is normalized."

There was one vacancy from Meghalaya Election to it was to be held "only after the issue of foreign nationals is settled".

There were five vacancies from Uttar Pradesh and one from West Bengal. These seats had become vacant during the past few months.

As for the Rajya Sabha, one vacancy was from Delhi and it was caused by retirement. The biennial election to fill it would be held "after the election to the Metropolitan Council of Delhi". The second was a "casual vacancy" from Andhra Pradesh.

The vacancies in Legislative Assemblies were: Andhra Pradesh--2, Assam--2, Bihar--4, Himachal Pradesh--2, Manipur--1, Meghalaya--2, Tripura--3, Uttar Pradesh--7 and West Bengal--7. No decision had been taken to hold by elections till now.

The question, a starred one requiring oral answer, evoked a volley of supplementaries.

Mr. Shivraj Patil, Minister of State, who replied on behalf of the Law Minister repeatedly refuted, by implication, the charge that the Election Commission was prepared to hold some of those by-elections but that it was under pressure from the Government not to do so.

Mr. Patil, kept saying that the commission was an independent body under the Constitution, it was strictly for it to take whatever decision had to be taken, and there was no question of anyone directing it one way or another. The only factor influencing commission in reaching a decision was the "prevailing situation" Mr Patil added.

The answer did not convince several members, most of them from West Bengal. Mr. Niren Ghosh (CPI-M) pointed out that some by-elections had been announced and then cancelled on instructions from the Centre.

Mr Indrajit Gupta (CPI) had a very pertinent question to ask: If the commission was an independent entity, how was it that questions relating to it were admitted for answering and a Minister actually answered them? "He should not take it upon himself to answer them."

Mr Balram Jakhar, Speaker, told him: "I shall look into it."

In a written reply to another question whether it was a fact that some by-elections in some States had been postponed, the Government said: "Under Section 149 and Section 150 of the Representation of the People Act, 1951, when the seat of a member elected to the House of the People/Legislative Assembly of a State, becomes vacant or is declared vacant or his election to the House of the People/Legislative Assembly is declared void, the Election Commission shall subject to the provisions of sub-section (2) thereof, by a notification in the Gazette of India, call upon the Parliamentary constituency/Assembly constituency concerned to elect a person for the purpose of filling the vacancy so caused before such date as may be specified in the notification. The Election Commission has not so far issued the notification for holding by-elections in some States."

CSO: 4220

GOVERNMENT REVISES ROAD DEVELOPMENT POLICY

Bombay THE TIMES OF INDIA in English 1 Dec 80 p 13

[Article by Mavin Kurve: "Policy Switch in Nepal Road Development"]

[Text] Kathmandu, November 30. After six friendly nations, including India, have helped build 2,500 km. of roads in the last 25 years in Nepal, the Nepalese government has been forced, by economic considerations, to review and partly reverse its own road development policy.

Informed sources say that the unexpected change has been prompted by the high annual cost of repair and maintenance, low utilisation of highways and above all, the spiralling costs of fuel, on the one hand, and of road construction material on the other. (Both fuel and construction material are imported).

Programmes for the next five years lay greater stress on trek trails, mule trails, suspension bridges, ropeways, river navigation and electric railways.

Yet another factor for the policy switch is said to be "ecological damage caused by road development" in areas where forests have had to be felled and alignments cut through hills for economic reasons.

Experts concede that "as far as they go" highways built in Nepal with Indian, Chinese, British, Swiss, Soviet and American aid have helped in national and emotional integration, in evolution of national markets and obviating journeys through Indian railheads and customs, check-posts to reach neighbouring Nepalese districts.

Economic surveys in districts adjoining highways have, however, revealed that only "nominal benefit" has accrued from such facilities. The policy makers now want some time to consolidate the cost-benefit aspect of the highways to promote transport and trade and "make them pay more" before launching new road construction programmes.

CSO: 4220

SOVIET MILITARY EQUIPMENT FOR INDIA LAUDED

New Delhi PATRIOT in English 9 Dec 80 Supplement p 10

[Text] Given the tricky nature of arms deals wherein the supplier seeks to gain political leverage over the buyer, Indo-Soviet cooperation on military equipment is unique in that it allows full reign to Indian perception of its national interest and at the same time promotes self-reliance in its own defence. Indo-Soviet military cooperation was born because of attempts to circumscribe this country's freedom of action as a sovereign, non-aligned nation and it has grown under the compulsion to be able to make a free choice on international issues.

It is the end product of bitter lessons learnt at the hands of those who profess to be protectors of the free world. Similar lessons have been learned by emergent nations of Asia, Africa and Latin America whose leaders had to break the yoke of colonialism or overthrow a dictatorship. They have had eventually to turn to the Soviet Union for help.

For India, the MiG aircraft has come to symbolise Indo-Soviet military cooperation. Yet it was with a helicopter, the Mi-4, bought specifically for logistic support and utility duties on the Himalayan front in October, 1980, that the two countries began the long cooperation. The Mi-4 has been used in every military operation since then--in Goa in 1961; it was for many forward troops the only tenuous link during the 1962 Chinese invasion; it was operational in 1965 against Pakistan and in 1971 did a grand job of "airbridging" during Operation Cactus Lily in Bangladesh.

Since then the Soviet role in Indian defence preparedness has been two-ply -- that of stepping into the breach left by Western governments' refusal to supply the requisite equipment and of modernising the three wings of the Indian armed forces at prices generally less than half those of Western equipment and payment in rupees instead of scarce hard currency.

[as published]

Thus the acquisition of the AN-12 medium transport aircraft in March, 1961, upgraded the IAF's ability to reach out into the wastes of Ladakh to air-supply the forward pickets. It is only just now, after nearly 20 years of service that the Government of India, has decided to replace it with another Antonov of modern design.

The late 50s and the turn of the decade witnessed several developments that changed the geo-stratgic environment in the subcontinent. Pakistan had opted for a Western military alliance, joining Cento and Seato in a bid to bolster the policy of US Secretary of State John Foster Dulles to create a ring of pro-American alliances around the Soviet Union and China, the two Communist monoliths. The Government of India was under pressure to join the US and Britain as a bulwark against communism. For throwing in its lot with US-sponsored alliances Pakistan not only received support at all world forums for its claims on Kashmir but its troops were provided with sophisticated weaponry like the Patton tanks and the Sabrejets.

Drawing from post-Independence experience Mr Krishna Menon, when he became Defence Minister decided to implement a plan for self-sufficiency in weaponry. India signed an agreement with the Soviet Union in 1961 to purchase some MiG-21s and manufacture the rest within the country. The MiG-21 gave the IAF mach 2 capability, a quantum jump in speed compared to the redoubtable Gnat interceptor. The MiG project has improved from generation to generation and it is now proposed to acquire the swing-wing MiG-23s and a more powerful power plant.

about, the Chinese attacked in 1962. The US and Britain led a Western task force to refurbish India's northern defences. The US set up radars to give early warning against China and Britain helped train Indian air crew and ground engineers to the use of the new system. All along, Prime Minister Jawaharlal Nehru, a man broken by the perfidy of the Chinese, was subjected to heavy pressure to bring India under the US nuclear umbrella like Japan and to lend this country to anti-communist activities. The founder of non-alignment staved them off, all the while striving to find equipment for the massive expansion of the Indian armed forces. The strength of the Air Force and the Army was doubled but from the start both the US and UK were reluctant to supply much-needed combat aircraft and the French refused to allow the manufacture of the Mirage in India.

The Soviet Union on the other hand showed no such hesitation. While they are reputed to be hard bargainers they made available to India surface to air missiles (SAM) to tackle high-flying aircraft, bringing India into the missile age. Since then other generations of SAMs have been added to India's air defence ground environment system (ADGES) which is a network of radars, anti-aircraft guns and missiles stretching from Kutch to Arunachal Pradesh

Simultaneous with strengthening the air environment against intruders the Soviet Union helped modernise and equip an expanding Indian Army. The British-made 20-pounder field gun was inadequate. The 130 mm medium guns and tanks, bridging equipment and armoured personnel carriers came from the Soviet Union and other socialist bloc countries. All this brought India up-to-date with the modern concept of swift mobility which paid off dividends in 1971 in Bangladesh. To cater to the changing tactics of warfare and provide infantry and armour with better protection against air attacks India has received rapid-fire multi-barrel weapons which can be used against static defences as well. The latest is the T-72 tank.

The Soviet Union has made significant contribution to the development of the Indian Navy from a coastal defence force to a "blue water" navy. Previously, Britain had the monopoly as suppliers of ships to this country but after the 1965 war with Pakistan and NATO decision to throw its weight behind the Cento member to offset the effect of the arms embargo imposed by the US and Britain, the Soviet Union became a major supplier to the Navy Submarines were acquired in 1968 followed by fast patrol boats and the missile-boats that set Karachi aflame. Since 1971 missile carrying corvettes and long-range maritime reconnaissance and anti-submarine warfare aircraft the IL-33, had been added to the fleet. Most recently, the first of three Kashin-class destroyers arrived off Bombay, ships which can form the nucleus of very powerful task forces to protect

Indian maritime interests far across the oceans that surround us.

All this has been achieved at minimum cost to the exchequer. Similar equipment bought from western sources would have drained the economy and emptied the coffers of foreign exchange and the rate of import of inflation would have been vastly greater were it not for the rupee arrangement with the Soviet Union. We in this country know how much it has helped this country on its chosen path of self-reliance.

—C. V.

CSO: 4220

INDIAN NAVY TO BE REPLENISHED TO MEET CHALLENGES

Bombay THE TIMES OF INDIA in English 2 Dec 80 p 16

[Text] Bombay, December 1. "The Indian Navy is in the process of replenishment despite financial constraints to meet increasing threats".

This was stated by Rear-Admiral S. Mookerjee, flag officer commanding Western Fleet, in a brochure distributed to newsmen on board "INS Shakti" during a day at sea recently.

According to Rear-Admiral Mookerjee the threats came mainly from submarines and highly-sophisticated missiles. He said Pakistan had acquired a new and powerful submarine and hence the Indian Navy had to furnish herself with more submarines. He stressed the need for a "three-dimensional navy" which would effectively integrate air, surface and below the surface warfare.

Asked if India had decided to collaborate with any other country for the production of submarines, he said. "We are fully capable of absorbing the transfer of technology", adding that he was proud of the technological competence of the Indian Navy.

It may be recalled that during the last session of parliament it was stated that India had decided to collaborate with West Germany for manufacturing submarines. The Rear-Admiral had no comment to offer on this issue except to say that West Germany had always maintained the tradition of making good submarines. According to him, it takes two to three years to make a submarine.

Thrilling Demonstrations

As the skyline of Bombay faded out of sight, newsmen saw demonstrations simulating the mood of a real sea battle. For instance, there was an exercise called "anti-submarine cruising screen" in which ships, planes and helicopters searched the approaches to Bombay harbour to spot and destroy enemy submarines.

The most thrilling demonstration was seeing a submarine dive and surface, operating on diesel engines above the water level and on electric motors below the surface.

During the anti-submarine firing, frigates went into action first. This was followed by rocket firing and then a helicopter dropped charges, its sound echoing below the water. These weapons are underwater bombs which can be set off at pre-determined depths.

As the battle sounds went on and on all through the afternoon, a Dakota flew past us and the 76.2 guns on the ship's deck began to boom. Earlier, there were the usual rescue demonstrations by Alouette helicopters, missile ships and boats and jackstay operations. During this, Sagar Samrat was spotted on the radar and everyone waited for it to appear in the distant horizon. And there was considerable excitement when the oil rig came to sight for a brief while. "We are in the Bombay High region", an officer remarked.

CSO: 4220

CPI GENERAL SECRETARY TALKS TO NEWSMEN

New Delhi PATRIOT in English 6 Dec 80 p 4

[Text]

UDAIPUR, Dec 5.

GENERAL secretary of the Communist Party of India C Rajeswara Rao said here yesterday that the security of the country was threatened by the US-China-Pakistan axis.

Addressing a press conference Mr Rao said Pakistan had attacked India thrice with the help of the US which had always tried to block the industrialisation of India.

Ridiculing the assurance given by China that it would no longer assist the separatist forces in the North Eastern region of the country, the Communist leader said China had been imparting training to the separatists of Nagaland, Mizoram and Meghalaya.

He did not agree with the idea that China and the US will become friends if India broke its friendship with the USSR. As they (the US and China) had always opposed the Indian interest while the USSR had always stood with us. He was hopeful that the ensuing visit of Soviet President Brezhnev will further the industrialisation of our country. The USSR had already helped India establish 80 industrial units.

Mr Rao did not subscribe to the economic philosophy of "calculated risk" envisaged by Finance Minister Venkataraman that by giving more concessions to monopolists and industrialists the production will increase and bring about a fall in prices. He said, this policy had already helped to escalate the prices.

In this context, he cited the US example where President Carter's policy had failed resulting in an increase in the price level and unemployment.

He demanded abolition of the dual price policy and the take over of the sugar industry by the Government. He said because of this policy the sugar tycoons had made a profit of Rs 150 crore.

Mr Rao wanted that foodgrains edible oil, sugar, clothes and kerosene should be sold through the public distribution system.

The Communist leader also wanted the withdrawal of the National Security Ordinance and the Preventive Detention Act.

Condemning the recent blindings in Bihar Mr Rao demanded stern action against the police officers.

He said the Centre should provide Rs 350 crore to the State for the completion of the Rajasthan canal project.

He also called for relief measure to the drought-hit in the State.

CSO: 4220

NEWSMEN VISIT NAVAL COMMAND ESTABLISHMENTS

New Delhi PATRIOT in English 3 Dec 80 p 4

[Text] Bombay, Dec 2 (PTI). "Paddle your own canoe" has become the watchword of the men and officers of Bombay's naval dockyard as it is poised to become self-sufficient, through self-reliance, in providing material and logistic support to the Indian Navy.

This was the impression of a group of journalists who visited the establishments of the Western Naval Command on the eve of the current navy week.

The most challenging job taken on hand by the dockyard is the extensive refit and modernisation of the aircraft carriers, INS Vikrant, which is expected to emerge as one of the most modern and striking warships of its kind record time by the middle of next year.

Yet another significant step towards self-reliance is the acquisition of know-how and modern technique of manufacturing leander boilers. The naval dockyard's boiler manufacture project, setup in 1970, is in a position to make boilers for the leander class frigates under construction at the Mazagaon Dock. This phased programme has made such progress that the dockyard is now capable of manufacturing pressure parts which used to be imported till recently.

Already five leander class frigates have been manufactured indigenously and commissioned, latest being the most sophisticated INS Taragiri.

The weapon workshop of the dockyard, has acquired skills to be able to tackle almost any type of electronic and missile repairs. The weapon testing and tuning team had also earned praise for the work on the missiles fitted on rocket boats in the 1971 conflict with Pakistan by securing 100 per cent hits.

Most of the work system in the dockyard have been computerised, resulting in better utilisation of man-power and their skills and accuracy in its turnouts.

Fiery Exercise

UNI adds: An 'enemy' submarine quietly sneaked into the Indian waters and lurked there to launch a torpedo attack on the advancing western fleet of the Indian Navy.

"She is snorting", came a message and a Seaking helicopter was immediately despatched to 'kill' it. It dropped a depth charge and simultaneously patrol and missile boats closed in and fired a barrage of anti-submarine rockets.

After a three-hour operation the intruding submarine was sunk. The western fleet of Indian Navy was simulating a submarine attack, an action-packed spectacle it organised in connection with the navy week.

A party of newsmen on board INS Shakti, the Indian Navy's tanker, sailed 100 kms into the Arabian Sea to watch "a day at sea" with the western fleet.

CSO: 4220

SOVIET SCIENTIST TALKS TO DELHI NEWSMEN

New Delhi PATRIOT in English 4 Dec 80 p 7

[Text] An Indo-Soviet symposium on 'Rational utilisation and conservation of renewable natural resources for regional development' will be inaugurated on 8 December, said vice president of the USSR Academy of Sciences Yuri Ovchinikov on Wednesday.

Mr Ovchinikov is in the Capital as head of a three-man team which is attending a global seminar on the role of scientific and engineering societies in development.

Talking to newsmen, he pointed out that Soviet-Indian ties in the scientific field have been developing at a rather rapid pace in recent years, undergoing as it were, a transition from a mere exchange of views to closer ties that include joint publications and bilateral conferences.

To plan and coordinate these activities, he said, the Joint Soviet-Indian Commission for Cooperation in Social Sciences had been established.

In pursuance of long-term projects said Mr Ovchinikov, the USSR Academy of Sciences and the Indian National Academy of Sciences signed up last summer a programme of scientific exchanges and cooperation for 1980-85. The project incorporates new subjects for cooperation--radio astronomy, radioscience, pure and applied mathematics and some aspects of modern biology.

Joint research, he said, is also going on deep seismic sounding on the Hindustan shield since 1972, and from data collected as a result of this cooperation it will be possible to predict mineral deposits and seismicity of the area.

CSO: 4220

PRESS PANEL HEAD TALKS TO NEWSPAPER GROUP

Bombay THE TIMES OF INDIA in English 11 Dec 80 p 4

[Text]

BOMBAY, December 10: The chairman of the press council of India, Mr. Justice A. N. Grover, has favoured wide coverage of human interest items in newspapers.

Addressing the standing committee of the all-India small and medium newspaper association here today, Mr. Justice Grover said the print media now devoted as little as 0.72 to 1.82 per cent of their editorial space to socio-economic problems.

The bulk of the space was taken up by political affairs. "Is it only politics and politicians who impinge upon our lives", he asked.

For according a greater measure of freedom to the press, he said the council was making a review of the relevant legal provisions.

The laws of libel, privilege and contempt of court were all being studied to specify what constituted their validity.

Some of the changes suggested by the council to the government were being favourably considered by the latter, he said.

He also sought more powers for the council so that it could question the authorities in the government who were vindictive to particular newspapers.

Mr. Justice Grover did not believe in the need for a code for journalists though he suggested a framework of principles to maintain high journalistic tastes and ethics and maintenance of independence.

These would outline the right to privacy and safeguards against eruption of communal and caste feelings.

He asked journalists to eschew character assassination arising from personal vendetta.

Referring to reports of a change in the judicial system, Mr. Justice Grover said that while he was in agreement with the need for it, he was disappointed at the lack of an alternative set-up.

"I am not against the change but I should have the blueprint of the alternative system," he said, obviously reacting to those suggested the reform without providing the alternative model.

Mr. Prem Chand Varma, chairman of the association, said the press must shake off its orthodoxy and devote more space to news of society's interests. The press was given considerable importance by society and the former should discharge it with responsibility.

CSO: 4220

STATISTICS ON SETTLEMENT OF DP'S GIVEN

New Delhi PATRIOT in English 3 Dec 80 p 5

[Text] Over 80 lakh displaced persons and 1.40 lakh families, displaced or repatriated, have been settled in different parts of India since Independence, the Lok Sabha was informed on Tuesday, reports PTI.

The displaced persons and repatriates came from Chhamb, Pakistan, Bangladesh, Sri Lanka Uganda, Zaire and Vietnam, Deputy Minister of Supply and Rehabilitation P K Thungon said.

Rehabilitation of displaced persons from West Pakistan (now Pakistan) and Chhamb and repatriates from Uganda, Zaire and Vietnam was almost complete, Mr Thungon told Mr A T Patil (Cong-I) in a written reply to a question.

Mr Thungon said that 4,600 displaced persons and families displaced in the 1971 conflict in Rajasthan and Gujarat, 4041 families from former East Pakistan (now Bangladesh), about 5,000 families of repatriates from Sri Lanka and 500 from Burma were proposed to be rehabilitated during the current financial year, under various programmes like agricultural and non-agricultural occupations.

Mr Thungon gave the following figures for the number of families or persons settled up to 31 October:

Chhamb 3,737 families, Former West Pakistan (now Pakistan) 47,64,800 persons. Displaced persons of 1971 conflict 5,600 families Former East Pakistan (now Bangladesh) 32,56,465 persons, Repatriates from Burma 68,557 families Repatriates from Sri Lanka 60,376 families Repatriates from Uganda 2,000 families, Repatriates from Zaire 35 families and Repatriates from Vietnam 508 families.

In a written reply to a question by Mr C Nahata, Deputy Minister said of the displaced persons from Bangladesh, 4.64 lakh were settled in Assam, 3.49 lakh in Tripura, 74,200 in Bihar, 41,500 in Madhya Pradesh 28,850 in Uttar Pradesh, 27,700 in Maharashtra, 14,200 in Orissa 9,700 in Meghalaya, 8,600 in Andhra Pradesh, 5,500 in Rajasthan, 2,900 each in Karnataka and Manipur, 15 in Punjab and 20.95 lakh in West Bengal.

Besides 15,300 were settled in Andaman and Nicobar Islands, 13,00 in Arunachal Pradesh and 1.03 lakh at Dandakaranya.

Of the displaced persons from West Pakistan 27.37 lakh were settled in Punjab (including Haryana), 4.80 lakh in Uttar Pradesh, 4.15 lakh in Maharashtra and Gujarat 3.73 lakh in Rajasthan, 2.09 lakh in Madhya Pradesh, 9,000 in Tamilnadu, 7,000 in Karnataka, 5,000 in Himachal Pradesh and 4,000 in Andhra Pradesh, the Minister said.

Besides 5.01 lakh of them were also settled in Arunachal Pradesh, the Minister added.

He said that there was still place in the Dandakaranya project for 6,500 families to be settled.

He told Mrs Sanyogita Rane and others that 500 Burmese refugees in Bihar, West Bengal, Tamilnadu, Andhra Pradesh, Tripura, Uttar Pradesh, Assam, Orissa and Kerala were awaiting settlement in the country.

CSO: 4220

DELHI PLANNING SOLAR ENERGY UTILIZATION

Calcutta THE STATESMAN in English 5 Dec 80 p 4

[Text]

NEW DELHI, Dec. 4.—The Centre will take up a project for utilization of solar energy to provide electricity, drinking water and minor irrigation in villages, reports UNI.

The Rs 120-million-project, to be implemented over the next five years, will make use of photovoltaic systems for direct conversion of solar energy into electricity to meet the energy needs of the rural masses.

The Government has already taken up a short-term scheme to fabricate solar photovoltaic pump sets of 25 kW capacity. Field trials of these pumps are to be completed by the end of next year.

A scheme is also under way to provide 5 kW capacity photovoltaic modules for domestic and other related applications.

India's first solar power-based lighting system was installed recently at Chagismaar, a remote village in Ladakh. The system is providing electricity to light 17 fluorescent lamps in a 20-bed hospital by a 348 peak Watt solar photovoltaic array and 15 lamps in a central kitchen and a community hall by another 192 peak Watt array.

The Department of Science and Technology is now working on reducing the cost per peak Watt by developing low cost solar grade silicon material and improving the efficiency of solar cells and panels.

The public sector Central Electronics Limited has fabricated single crystal silicon cells at the laboratory scale to bring down the per peak Watt.

Solar photovoltaic modules developed by CEL are being used in the lighthouse beacon at Dwaraka port for ship navigation, for pumping water in the solar distillation plant at Awania village in Gujarat and for providing drinking water at Tijara village in Rajasthan.

Scanning auger spectrophotometer facility has been set up at the Indian Institute of Technology in Delhi for research on thin film solar cells and selective coatings.

The Government proposes to increase the use of photo voltaic systems as a substitute for petroleum products.

Present efforts are to reduce the cost of per peak Watt which is between Rs 80 and Rs 120.

CSO: 4220

DELHI BLAMED FOR WEST BENGAL MONEY PROBLEMS

Bombay THE TIMES OF INDIA in English 9 Dec 80 p 9

[Text]

CALCUTTA, December 8.

WEST Bengal's overdraft as of today is Rs. 61 crores. The finance minister, Dr. Ashok Mitra, said it was so only because the Centre had not been disbursing funds or fulfilling its commitments.

Apparently provoked by the criticism in the AICC(I) yesterday about some unnamed states not enforcing fiscal discipline and running into heavy overdrafts, Dr. Mitra said while the Centre could print as much notes as it liked to bridge budgetary deficits, the state governments could neither suspend expenditure nor stop note-printing. They were always at the receiving end in terms of criticism.

About pending Central disbursement, Dr. Mitra said the state's share of small savings (estimated at an average of Rs. 11 crores a month) had been due since June.

As regards unfulfilled commitments, he referred particularly to the question of revision of coal royalty which was now at 3.3 per cent of the value of coal raised, though such a revision, statutorily provided, had been due in August 1979 and the Centre had promised to give it by August this year. West Bengal had asked for 15 per cent royalty, which in terms of the current year's production, could yield over Rs. 30 crores against only Rs. 6.6 crores at 3.3 per cent.

Secondly, Dr. Mitra referred to the army occupying and using since 1962 substantial areas of forest land in northern districts and paying ground rent on only one-ninth of the area at Rs. 15 per hectare and nothing for the balance of holding. The state government had suggested that land under permanent occupation should be acquired by the army after paying proper compensation and for the balance suitable ground rent paid. Because of this occupation, forest department was losing nearly Rs. 1 crore every year, besides the money value for the agricultural crop which could be grown.

CSO: 4220

RISE IN COSTS OF INPUTS HITS ENGINEERING UNITS

Calcutta THE SUNDAY STATESMAN in English 30 Nov 80 p 15

[Article by M. Vinayak]

[Text] A recent study of the Association of Indian Engineering Industry reveals that all-round escalation in raw material, energy and labour costs in the '70s has considerably eroded the profitability of the engineering industry during the period.

According to A.I.E.I.'s latest data sheet on cost inflation which covered its top 100 member-companies, costs of raw materials, fuel and power labour, construction maintenance, shipping, transport including shipping, and finance have all recorded sharp increases during the nine-year period ending July 1980.

The cost-push has eroded the profitability of A.I.E.I's top 100 companies in terms of gross profit as percentage of sales from 7.3% in 1977-78 to 7% in 1978-79. A sector-wise analysis showed the aluminium industry as the worst hit with a fall in its profitability to 9.8% from 10.5%, followed by electrical machinery, apparatus and appliances, etc, (from 9% to 7.6%) transport equipment (from 7% to 6.5%) and total engineering (from 7.3% to 7%).

According to the data sheet raw materials, components, stores and spares constituted over 45% of the expenditure of the engineering companies covered by the A.I.E.I. study in 1978-79 against 43.8% in 1977-78.

With regard to raw material costs, the percentage-wise increases were up by 12.0% in aluminium, 10.4% in copper and copper alloys and 10.8% in tin during 1980 (July) over 1979-80.

In the energy sector, almost all items were hit by the cost inflation. Coal, petrol diesel oil and lubricating oils were costlier by 12%, 20.3%, 53.2% and 18.2%, respectively, in July this year over 1979-80 levels. The power-intensive industries like aluminium and electric arc furnace sectors were particularly hit hard, following the sharp increase in their energy bills.

Construction and maintenance costs have also shot up as follows:

Bricks (11.9%), paints and varnishes (8.5%) fireclay (32.2%), and limestone (6.8%).

In transport and shipping, short and long rail transport charges are now (1980-81) subject to additional supplementary charges of 15% over 1979-80. Shipping freight charges for Calcutta to New York and West Coast of India and U.S. Atlantic/Gulf Ports have gone up ranging from 38% to 80%.

Labour costs constitute roughly 14% of the engineering industry's expenditure. The A.I.E.I. study indicates a 19.2% increase under this head for the iron and steel industry during the period under reference. Surprisingly, the increase was particularly high in Bombay (12.1%), followed by Bangalore (11.8%), Madras (8.8%), Calcutta (8.7%) and Delhi (7.9%).

In the case of engineering units employing more than 1,000 workers, the increase in labour costs in May this year over the same month last year was 3.6% and 3.2% in the case of unskilled and skilled workers, respectively.

The minimum wages for unskilled workers has risen by 151% in such units, from Rs 210 per month in 1971 to Rs 526.20 this year, reflecting an annual growth rate of 16.8%.

The skilled workers' wages have gone up by 117.5% to Rs 589.20 per month this year from Rs 270.90 per month in 1971.

Wages for unskilled and skilled workers in units employing a workforce ranging from 250 to 1,000 the minimum wages have gone up from Rs 210 per month and Rs 270 per month to Rs 523.20 and Rs 585.20 per month, respectively, during the period under reference.

The wholesale price indices for the engineering industry reveals steep increases in the basic metals, alloys and metal products section during the period 1971-72 to 1980 (July). The index for steel bars and rods (with 1970-71=100) was up by 208.9% to 317 in July 1980 from 102.6 in 1971-72, ferro-silicon by 348.7% to 499.4 from 111.3, tinplates to 216 from 104, ferro-manganese by 171.7% to 271.7 from 100. steel wires by 162.5% to 293 from 111.6 steel semis by 166.5% to 309.4 from 116.1.

The index for tin showed a fourfold rise to 452.9 from 89.3, aluminium by 191.6% to 293.4 from 100.6 lead by 187.2% to 270.8 from 94.3, nickel by 124.7% to 157.3 from 70, barrels and drums by 169.7% to 274 from 101.6, non-ferrous metals and alloys by 175.9 to 274 from 99.3 during the period under reference.

The sharp increases in the costs of main factors of production as also the distribution costs would add to the inflationary pressures in the economy and weaken the industry's competitive strength in overseas markets. Erosion of profitability may slacken capital investments in the industry and thus retard expansion of capacities in critical sectors, which may add to the sectoral imbalances already plaguing the economy.

CSO: 4220

BASU DEFENDS FOOD PROGRAM ADMINISTRATION

Calcutta THE STATESMAN in English 5 Dec 80 pp 1, 9

[Text]

MR JYOTI Basu, in a letter to the President, has sought constitutional protection against "the wrong statements of the Union Agriculture Minister and his spokesmen" in regard to utilization fo foodgrain in West Bengal under the food-for-work programme. He has suggested that the issue be referred to the Supreme Court for its opinion.

Mr Basu said that the "honour and dignity of the State Government" had been affected by "the wrong statements" of the Union Minister and his spokesmen. He appealed to the President under Article 143 of the Constitution, saying that since a question of fact had arisen" which is of such a nature and of such importance" it was expedient to obtain the opinion of the Supreme Court on it.

The Chief Minister said the West Bengal Government was "deeply disturbed" our certain statements by the Union Minister for Agriculture and Rural Reconstruction. Both in Parliament and outside, the Union Minister had gone on record, suggesting that the West Bengal Government had not submitted certificates of utilization covering even 30% of the foodgrain released. Other spokesmen of the Union Government had made similar statements. "We have tried to convince the Union Minister that he was wrong. But he had not withdrawn any of them". Under the circumstances, the Chief Minister, in his letter, suggested to the President that the question whether the State Government submitted certified reports of utilization covering 50% of the foodgrain supplied to it by the Union Government be referred to the Supreme Court for determination.

At a Press conference at Writers Building in Calcutta on Thursday, Mr Ashok Mitra, Finance Minister, gave the figures of allocation, release and utilization of foodgrain under the food-for-work programme in West Bengal. He expressed that during the period between 1977-78 and 1980-81 (up to October 31) 413,272 tonnes of foodgrain were released of which 379,384 tons had been utilized. This showed that more than 91% of it had been utilized. He alleged that the Union Agriculture Minister, Ram Dhandra Singh, in reply to a question in the Rajya Sabha on June 11 had said that the amount of utilisation reported by the Government of West Bengal fell short of 30% of the quantity of foodgrain available with it during 1979-80. But the secretary of the Union Ministry of Rural Reconstruction, in a letter to the Chief Secretary, West Bengal, on June 3, had himself said that utilization report of 137,278 tons of foodgrain was received against the availability of 244,886 tons. The figure represented 84.2% utilisation according to Mr Mitra

The Minister alleged that the Union Minister for Agriculture and Rural Reconstruction "lacked integrity and what he had been telling was not correct at all." Replying to a reporter's question whether this was a deliberate attack by the Centre on the State, he said this was the character of authoritarianism.

The Centre was trying to embitter unnecessarily its relation with the State Government, he said.

CSO: 4220

WHOLESALE PRICE INDEX CONTINUES TO RISE

Calcutta THE STATESMAN in English 6 Dec 80 p 7

[Text]

NEW DELHI, Dec. 5.—For consumers, there is no respite from rising prices. The official wholesale price index for all commodities moved up for the second week in succession to 258.9 during the week ending November 22 after dropping for three consecutive weeks ending November 8.

The rise in the index was on account of an increase in the prices of non-food articles, many groups of manufactured goods, including sugar, gur and khandsari.

The Government had drawn a lot of comfort and made much of the drop in the index number of wholesale prices (base: 1970-71-100) in the two weeks ending November 8.

The all-commodity official wholesale price index had reached the peak at 265.7 during the week ending October 18, 1980. Thus, there was an increase of 20.4% in a year. However, the index came down to 262.8 on October 25, 1980 and to 258.1 on November 1, 1980. The fall in these two weeks was by 7.6 points or 2.8%.

This fall in the two weeks in succession was mainly accounted for by sudden drop in the prices of sugar, gur and khandsari. This had made the Union Finance Minister to proclaim recently both in Parliament and outside that the Government had checked inflation.

He claimed that the phenomenal rise in the price index was mainly due to the increase in the prices of sugar, gur and khandsari.

Now that the price index has risen for the two weeks in succession, it is evident that the sharp increase in the overall price level in the current year cannot be attributed mainly to the rise in the prices of the three commodities.

There have been sharp increases in the prices of many groups of manufactured goods and the trend continues.

CSO: 4220

ECONOMY ENTERS BALANCE OF PAYMENTS CRISIS

Bombay THE TIMES OF INDIA in English 2 Dec 80 p 8

[Editorial: "An Adverse Balance"

[Text] It is becoming increasingly clear that the economy has entered a period of balance of payments crises. The deficit in 1980-81 is expected to be more than Rs. 4000 crores--nearly twice the figure recorded last year and over six times that in 1977-78. Imports in 1979-80 were about 25 per cent higher than in the previous year. Data that has become available for the first quarter of the current financial year suggests that this rate of increase will be maintained. Meanwhile, the annual rate of growth of exports has fallen in the last three years to around six per cent as against the 27 per cent in the preceding three-year period. The chief causes of the crisis are well known. The outgo on crude and petroleum products has mounted to account for as much as 70 per cent of the total foreign exchange earnings. Exports are up against trade barriers. The inflow of remittances from abroad has also declined. The commerce ministry has said that bold initiatives are required to deal with the situation. It has not spelled out what these might comprise. But it has emphasised the need to expand the production of important export items and to diversify the export basket by placing emphasis on non-traditional goods and markets. The authorities have taken significant steps in furtherance of this objective. Apart from the many subsidies and incentives that continue to be provided, statutory changes have now been made to encourage production for export. The monopolies and restrictive trade practices act has been amended to exclude goods exported from the total production taken into account for determining whether a firm is a "dominant undertaking". In addition, units exporting their entire production are to be treated, for tax and other purposes, at par with those located in free trade zones.

How far measures of this kind can help remains to be seen. As the experience in respect of engineering goods exports suggests, incentives by themselves may not be of much avail in the absence of a systematic search for new markets. In spite of the need for this having been reiterated periodically by both the private sector and the government, little has so far been done in this direction. The pattern of the country's trade continues to be determined largely by history. Vast markets in Latin America and Africa remain untapped, largely one suspects, for linguistic and psychological reasons. Indeed, the country does not have enough language experts who could undertake wide-ranging negotiations. This is especially surprising in view of the expertise potentially available in the Union territories of Goa and Pondicherry that could literally "open up" the hitherto neglected regions for Indian goods. Much can immediately be done to tap this potential. For a start, the Indian Institute of Foreign Trade could be asked to expand its activities to the two Union territories.

CSO: 4220

CANADIAN TEAM OFFERS TO AID INDIAN OIL HUNT

Bombay THE TIMES OF INDIA in English 9 Dec 80 p 5

[Text]

BOMBAY, December 8.

THE high-level trade mission from the Canadian province of Alberta, which accounts for more than 85 per cent of that country's natural gas and oil, has offered India co-operation in oil prospecting and optimising yield from existing wells.

The Alberta minister for economic development and international trade, Mr Horst A. Schmid, who is leading the mission, visualises promising scope for his province's participation in India's ambitious petroleum development programme.

In an exclusive interview with "The Times of India," Mr. Schmid, said here today that India could profit from the $ 15-million Canadian line of credit to develop its petroleum industry and ancillaries.

Canada has offered that aid free of interest, repayable in 40 years after the initial 10-year moratorium. It is intended to help India develop its petroleum industry and also buy Canadian equipment.

TECHNOLOGY TRANSFER

At a later date, it might also be possible to manufacture suitable equipment for supply to Canada or other petroleum countries. The aid could also be utilised to promote technology transfer, the minister pointed out.

Mr. Schmid's opinion of India's ability to profit from the aid rests on the fact that his own country had achieved self-sufficiency within 30 years.

"When we began prospecting for crude, everything — technology and equipment — was imported from the U.S. Today, we sell $ 2.3 billion worth of natural gas and $ 1.8 billion of oil to the U.S., beside shipping out some sophisticated equipment", the minister said.

He was confident India too could emulate Canada's example, if not improve upon it.

Alberta alone drilled 5,800 oil wells last year, 400 more than the previous year. Besides, drilling contractors and experts from that province are active in oil-rich countries round the world.

Alberta's strength, according to Mr. Schmid, lies in heavy oil technology. "Light oil area is rather easy, but the heavy one is more challenging", said Mr. Schmid, supporting his contention by referring to a lot of innovative practices the Canadian engineers have adopted.

Earlier, the Alberta mission organised a seminar on Canadian oil and gas industry to familiarise Indian petroleum experts with developments in that country.

DORMANT WELLS

The seminar highlighted the role of petroleum services industry which helped to reactivate dormant wells by infusion of liquid nitrogen, cementing, acidation, foaming — all of them modern technologies.

Canada has also pressed a barge, equipped with suitable tools, into service in South-East Asia. It had helped oil countries in that region obtain more yield from the ongoing wells.

Mr. Schmid said India could substantially augment production of oil with Canadian assistance.

Petroleum experts in Canada had helped stimulate gas and oil production in 90 per cent of the North American wells, the rejuvenation had been made possible by adoption of modern technology, the seminar was told.

The 17-member delegation is scheduled to leave on Tuesday morning.

CSO: 4220

DOUBLED OIL OUTPUT POSSIBLE WITH BETTER TOOLS

Madras THE HINDU in English 8 Dec 80 p 7

[Text]

NEW DELHI, Dec. 7.

A study carried out by the Institute of Petroleum Exploration (IPE) at Dehra Dun has come to the conclusion that India's reserves of "oil in place" which can be tapped by improved production methods and secondary reserve techniques is around 2,400 million tonnes while the "producible oil" which can be produced with the existing tools and techniques is around 400 million tonnes in the currently known and explored on-shore areas.

The IPE has taken the view that in the context of the present international oil crisis when every country is stepping up oil production, it should be possible for India to produce straightway 20 million tonnes from the onshore areas as against not more than 10 million tonnes at present per year.

It has pointed out that the rate of production by the United States and other oil-producing countries shows a far bigger ratio between producible and actually produced oil and the danger of the depletion of India's oil reserves from a higher rate of oil production is much less than is feared.

The IPE has also arrived at another tentative estimate that the "ultimate oil reserves" of India are much higher amounting to as much as 15,500 million tonnes. This figure has been arrived at from a calculation of the volume of sedigestits and the source rocks.

Though the ultimate reserves are estimated to be so high, it will not be possible for the Oil and Natural Gas Commission or Oil India to produce even 10 per cent of these prognosticated reserves unless there is a big breakthrough in exploration and drilling technology.

However, there should be no despondency over the availability of oil reserves in the country's sedimentary basins of the country and the anticipated advances in exploration and drilling technology should provide India the techniques and tools required to step up its oil production to far higher levels in the years to come.

CSO: 4220

RISE IN COAL INDUSTRY PRODUCTION REPORTED

Bombay THE TIMES OF INDIA in English 1 Dec 80 p 14

[Text] New Delhi, November 30: As a result of the steps taken by the government, the coal industry has achieved a major breakthrough in production for the first time in many years.

During the first seven months of the current financial year, says an official press release, coal output has gone up by seven per cent over the corresponding period last year against an annual increase of one to two per cent during the previous three years.

Coal production during the seven months from April to October this year, touched 59 million tonnes against 55 million tonnes during the same period last year.

The rate of growth has shown further buoyancy. In the first three weeks of November, the production has recorded an increase of nine per cent over the corresponding period last year.

From the present trend of growth, the production target of 113.5 million tonnes for the current financial year, is thought to be well within reach.

The rate of growth would have been still higher but for certain constraints in the Bengal-Bihar area in inputs like power, steel, cement and the law and order problem.

To step up coal production still further, efforts are being made to increase power output which has already risen by nearly seven per cent. The government proposes to set up 5 to 10 Mw gas turbine sets in coalfields and instal captive thermal power stations to supply 60 Mw to 120 Mw to meet the demand of the coal industry.

Allocation of cement for the coal sector has been increased from 30,000 tonnes a quarter to 60,000 tonnes. Attention is also being paid to make adequate supplies of steel and mining machinery. The indigenous coalmining machinery manufacturing industry, which was languishing for want of sufficient orders, has now received a shot in the arm.

The coal stocks in the country totalled 13 million tonnes at the end of October against ten million tonnes last year. The stocks include nearly 2.25 lakh tonnes of soft coke required by domestic consumers. The problem of transportation of coal and availability of wagons is being tackled in coordination with the railways.

CSO: 4220

INDO-USSR COLLABORATION IN COAL INDUSTRY TOLD

New Delhi PATRIOT in English 9 Dec 80 Supplement p 14

[Text]

THE collaboration that the Indian coal industry is having with USSR, can be considered in two distinct phases. The first phase relates to the decade prior to nationalisation of coal mines in this country. During the pre-nationalisation decade only one public sector company was operating the coal mines in the States of Bihar, Orissa, Madhya Pradesh, Uttar Pradesh and Maharashtra. This was National Coal Development Corporation. The first phase of collaboration with the Soviets therefore, pertains to coal mines belonging to NCDC. The second phase of collaboration pertains to post-nationalisation period. This phase can be sub-divided into two sub-phases, the first sub-phase relating to collaborations entered into during 1973-74 and the second sub-phase of collaboration entered into during 1980.

In early 60s, the first protocol was signed with USSR by NCDC for development and construction of two coal mines in Madhya Pradesh—Banki and Surakachar. Both these mines were developed with total assistance from USSR. The assistance was in the form of planning and designing of the mine, providing equipments, and constructing the mine to achieve the rated capacity of production. These two mines were a sort of turn-key projects where the Soviet assistance was provided to achieve a rated capacity of 0.6 million tonnes per annum for Banki and 1.1 million tonnes for Surakachar.

In 1966, a 300 million roubles aid was agreed to by USSR, for development of coal industry in this country. Unfortunately, coal industry failed to utilise much of the aid given, owing to slump in demand of coal. A large part of aid, therefore, remain unutilised and not much of benefit could accure to the coal industry.

The coal mines were nationalised in two steps. The coking coal mines were nationalised from May 1972, whereas the non-coking coal mines were nationalised in the next year, bringing all the mines under public sector management except for a few mines belonging to TISCO-IISCO. In the 3rd quarter of 1973, a visit was made by the then Honourable Minister of Coal for USSR. This visit proved a turning point in the history of mutual collaboration between the coal industries of the two countries. During the above visit, a protocol was signed for giving financial as well as technical assistance for development of both coking and non-coking coal mines. A contract was signed between Coal Mines Authority Ltd. —the Holding Company in charge of coal mines nationalised during the second phase, and Tevetmetprom-Expert of USSR in 1974. This contract broadly included the three following areas:

(1) Development of mines in Singrauli field.
(2) Development of mines in Raniganj field.
(3) Development of mines in Bokaro-Ramgarh field.

The Singrauli field spreads over the two adjoining States of Uttar Pradesh and Madhya Pradesh. A Master Plan was prepared at CMPDI, Ranchi with the help of Soviet experts who stayed with us and collaborated with Indian engineers. This was a unique document which gave in detail the following:

— Identification of potential blocks for coal production.
— Production programme from different blocks up to 2000 AD.
— Capital investment required up to 2000 AD.

The same team prepared a feasibility report for Jayant Block of Singrauli colliery to achieve a production level of 10 million tonnes per year. The production from this block was linked with the Super Thermal Power Station to be established in future. The Government has already sanctioned investment for achieving a rated capacity of 6 million tonnes from this mine. A detailed project report was also made by the Russian experts for a Central Workshop to cater the needs of Singrauli field.

A preliminary study was carried out to identify potential areas of collaboration in Raniganj field. The study resulted in the identification of three areas where the collaboration was agreed to. These are—Chinakuri, Jhanjra and Nakra-Konda. Chinakuri mine of Eastern Coalfields Ltd., was chosen for undertaking caving for coal extraction departing from the prevalent practice of extraction with hydraulics and stowing. Dissergarh seam of Chunakuri yields the best long flame blendable coal for metallurgical purposes. This mine was suffering from problems of sand stowing, water

and humidity. It was, therefore, decided to undertake investigation so as to determine the properties of roof, floor and coal with objectives to determine the gassiness of seam, proneness of the seam to bumps and cavability of the seam. The investigation can be termed as a clasic one, because it did result in suggestion of three alternative methods of coal extraction by caving. A contract is expected to be signed shortly with a view to introducing one of the caving methods for extraction of coal in this mine.

Jhanjra Block belonged to erstwhile NCDC. Initially two sub-blocks were identified for underground mining with a rated capacity of 2.8 million tonnes and 2.5 million tonnes per annum. A feasibility report was made in collaboration with 82 Russian experts. During the detailed explorations that were carried out to gather more informations, it was found out, that the major fault that was supposed to exist as per GSI report, did not exist. As a result, the entire Jhanjra Block is being considered as one block and decision has been taken to construct underground mine for producing 2.8 million tonnes per annum. A report has already been received from the USSR suggesting introduction of caving in this mine. An offer has been made to USSR for unedrtaking construction of this mine on turn-key basis. Necessary informations have already been collected and it is expected that Soviet offer will be forthcoming by December'80-January'81 for sinking of two vertical shafts and one incline shaft for production of coal.

Kakra-Konda is a part of Jhanjra Block, Earlier it was decided to open an experimental panel of caving in this block. Now this idea has been abandoned. Instead, this block will be worked with open cast system of mining.

To mine medium coking coal from the field of Bokaro-Ramgarh an opencast was planned for 3 million tonnes per annum with a washery. The feasibility report was prepared with the help of Soviet-experts at Ranchi. The detailed project report, however, did not include washery but included proposals for mine construction to produce 3 million tonnes per annum. Washery is being constructed as a turnkey venture with indigenous expertise.

The second sub-phase of collaboration during post-nationalisation period related to collaborations entered into during 1980.

The new collaboration includes the following:

- Introduction of shield mining in Assam;
- Extraction of developed pillars in Argada seam.
- Review of Sudamdih mine;
- Open cast in Jharia field;
- Updating of existing coal washeries.
- Shaft sinking in Jhanjra.
- Spare parts for Russian equipments.
- Coal analysis.
- Strata Control.
- Collaborstion for taking up mining projects in 3rd countries.

Shield mining in Assam: A contract has been signed to introduce Shield mining in Tipong mine of Assam. Relevant informations have been collected and LC is being opened. A Soviet team is expected to arrive soon to undertake study and prepare detailed project report.

Extraction of developed pillars in Argada Seam: Soviet assistance was sought for evolving a method of extraction of developed pillars in Argada Seam of Karanpura field. A team of 9 experts (including one interpreter) worked on this project and has already submitted the preliminary report. They have suggested three alternative methods of extraction, so as to achieve a rated production capacity of 0.6 million tonnes per annum. At Argada 70 million tonnes of coal are lying locked up in pillars. Application of this method at Argada will evolve a viable method of coal extraction from developed pillars for all other areas.

Sudamdih Mine: Soviet experts have reviewed the conditions of the mine and the present methodology of working at Sudamdih mine, so as to suggest ways and means for achieving the original planned target of 1.8 million tonnes per annum. The report has already been received and is under study.

Opencast in Jharia field: A seven-member team of Soviet experts worked at the Regional Institute, Dhanbad, and have submitted their report for opening out an opencast mine in Makunda of Jharia coalfield to a depth of 600 metres in order to achieve a rated capacity of 12 million tonnes per annum. Out of 12 million tonnes, prime-medium coking coal production will be to an order of 7 to 8 million tonnes, whereas non-coking coal prduction will be 4 to 5 million tonnes per annum. A capital investment of Rs 500 crores which includes erection of washeries have been made. It is expected that coking coal production will start by the year 1985 and non-coking coal production will start from 1987. A detailed feasibility report is expected by mid 1987.

Updating of existing coal washeries: A Soviet team has already prepared feasibility report for updating two existing washeries of Kathara and Patherdih. Updating is being planned to achieve the rated capacity of these washeries which are 3 million tonnes and 2 million tonnes per annum respectively. A contract is now awaited.

Shaft sinking in Jhanjra: As already indicated above, a proposal is being made for sinking of two vertical shafts and one incline shaft on turn-key basis at Jhanjra Block of Eastern Coalfields Ltd.

Spare parts for Russian equipments: A contract has been finalised for providing spare parts for equipments received from USSR in the past. A three-prolonged attack is being made to sort out the problem. USSR has agreed to supply drawings of spares of those equipments which had become obsolete in their country. They have also agreed to assist in erection of manufacturing facilities of these spares in our country. Some spares are expected to be received from USSR. They have also agreed to advise us on replacement of such equipments.

Coal analysis and strata control: In the areas of coal analysis and strata control, concrete proposals are awaited.

Collaboration for taking up mining projects in 3rd countries: An agreement has been signed in the month of October, 1980 which will have a time span of 5 years, for collaboration in coal projects for third countries. The coal projects will be prepared with details of technical processes technical solutions and equipments required. Necessary innovations will also be provided in the report. Third country projects will also include utilisation and development of process of coal products production of gas, liquid fuel, and chemicals from coal.

Indo-Soviet collaboration coal mining industries have been very fruitful. It is expected that future collaborations will provide necessary expertise in the matter of technology transfer and its adoption in our country

CSO: 4220

STEEL IMPORTS PLANNED TO MAKE UP SHORTFALL

New Delhi PATRIOT in English 29 Nov 80 p 5

[Text] An estimated 1.4 million tonnes gap between the total requirement of steel in the country and its indigenous production will be met by imports under various schemes such as "back-to-back" OGL (Open General Licence) and "buffer imports", the Lok Sabha was informed on Friday, reports PTI.

Steel and Mines Minister Pranab Mukherjee, said in a written answer that the main factors responsible for the shortfall in production at public sector steel plants during the six months from April to September this year was of the order of 7.14 lakh tonnes.

Severe restrictions in power supply and inadequate availability of coking coal to the steel plants were the main factors responsible for the short-fall in steel production against the target. During October, contrary to the trend in the previous six months, the actual production of saleable steel was "marginally higher" than in the same month last year. Power shortage, however, continues to be a serious impediment to increased production.

The Minister said the important steps taken to augment production in the country's six integrated steel plants also included import of coking coal, maximisation of power generation from the plants' captive units, close and constant liaison with inputs supplying agencies and regular monitoring of power and coal position at various levels through inter-ministerial and inter-departmental committees.

Steps had also been taken to install additional captive power generating capacity at Dungapur and Bokaro plants.

CSO: 4220

CPI ASKS KERALA LPF FOR 'CODE OF CONDUCT'

New Delhi PATRIOT in English 7 Dec 80 p 4

[Text]

THE Communist Party of India has called upon the constituents of the Left Democratic Front in Kerala to evolve a "code of conduct" and ensure that their members strictly implement it.

This was stated by CPI Central Secretariat member N K Krishnan (directly in charge of Kerala in the CPI leadership) in the course of an interview on Saturday.

The CPI, which has played a key role in securing the emergence of the LDF by working closely with both the CPI-M and the Cong-U, is keen to see that the LDF is preserved and strengthened. That is why, Mr Krishnan said, this is a matter of crucial national importance".

In recent days differences have plagued the ruling coalition on account of high-handed tactics of some CPI-M elements who have been served with disciplinary action by that party's state leadership. In this context, the CPI's role in protecting the LDF is of exceptional and vital significance.

Mr Krishnan said that it was imperative to "see that differences arising among the constituent parties are not aired in public but are discussed inside the Front and resolved on the basis of a fraternal give and take policy."

He assured that on its part, the CPI "will do everything possible to ensure the unity and cohesion of the Kerala LDF and to defeat all attempts to disrupt this unity".

Mr Krishnan said at a time when frantic efforts were being made to subvert law and order in Kerala, West Bengal and Tripura, in order to topple those governments, "it is the paramount duty of all-India Left and democratic parties to defeat these attempts" This, he explained, can only be done by "strengthening and extending democratic unity and cohesion of the fronts in these States."

CSO: 4220

BRIEFS

HARIJAN ATROCITIES PANEL--New Delhi, 8 Dec--A nine member group of MPs has been set up to study atrocities on Harijans and Adivasis. Mr. Balkrishna Wasnik, member of the Lok Sabha from Maharashtra, is the convener of the study group set up by the Chairman of the committee of the Welfare of Scheduled Castes and Scheduled Tribes. Other group on will study the socio-economic conditions and the position in public service and employment of Harijans and Adivasis. [Text] [Madras THE HINDU in English 9 Dec 80 p 9]

EARTHQUAKE PREDICTION CELL--Shillong, 8 Dec--A cell comprising scientists and technicians has been set up here for earthquake prediction in the north-eastern region. The Meghalaya minister of state for civil defence and home guards, Mr H B Dan, said on Saturday that a working group of 12 scientists from various research institutes in the country had recommended the establishment of the cell for short-term prediction of earthquakes. He pointed out that the north-eastern region had been identified as one of the quake-prone zones in the world at a UNESCO conference held in Honolulu. Mr Dan expressed the hope that the precautionary measures now being taken and the training being imparted to volunteers in various earthquake disaster relief centres in various district and sub-divisional headquarters would help ensure timely relief and reduce hazards in the event of an earthquake. [Text] [Bombay THE TIMES OF INDIA in English 9 Dec 80 p 23]

ASSAM CABINET EXPANDED--Shillong, 10 Dec (UNI)--The Assam chief minister, Mrs Anwara Taimur, today took two more members in her council of ministers to increase its strength to ten. The governor, Mr L P Singh, administered the oath of office and secrecy to Mr Dhani Ram Rongpie, as a cabinet minister and to Mr Joychandra Nagbangshi, as a minister of state, at a simple ceremony at Raj Bhavan here this evening in the presence of the chief minister and other dignitaries. With oday's additions, the Assam council of ministers will comprise seven cabinet members, including the chief minister, and three ministers of state. [Text] [Bombay THE TIMES OF INDIA in English 11 Dec 80 p 9]

MARXIST LEADER DIES--Trichur, Dec 2 (UNI)--Mr T K Krishnan, CPI-M leader and a former member of the Kerala Assembly, died here today following a heart attack. He was 57. He is survived by his wife, Mrs Sumathi Amma, a Professor in Kerala Varma College, Trichur, and two sons. Mr Krishnan was the secretary of the All-Cochin Students Federation. Later, he worked with a news agency in Bombay, from 1949 to 1951. [Text] [New Delhi PATRIOT in English 3 Dec 80 p 4]

GROSS NATIONAL PRODUCT--The Gross National Product at current prices for the year 1978-79 showed an increase of 7.4 per cent, Finance Minister R. Venkataraman told the Lok Sabha on Friday, reports UNI. In a written reply to Mr A.K. Roy, the Minister said that the official estimate of GNP for 1979-80 was not yet available. He said the outstanding money supply with the public for the week ended 31 October 1980 (the latest week for which information is available) stood at Rs 22,599 crore. The gap between the growth rates in money supply and real gross national product was an important reason for the rise in the price level. [Text] [New Delhi PATRIOT in English 29 Nov 80 p 5]

SIKKIM GOVERNOR--Mr Homi J.H. Talyarkhan has taken over as Governor of Sikkim. Chief justice of Sikkim high court Mr Justice M.S. Gujral administered the oath of office to him in Gangtok. [Text] [BK120305 Delhi Domestic Service in English 0240 GMT 10 Jan 81]

OIL FROM COAL SCHEME--A scheme to convert coal into oil is being prepared. Instructions to this effect have been given to the department of coal. This was stated by Energy Minister Ghani Khan Choudhury while addressing the annual day celebrations of the National Project Construction Corporation in New Delhi today. He said that he will hold discussions with the World Bank president in this regard. If this scheme is implemented, India will be the second country in the world to produce oil from coal. [Text] [BK120305 Delhi Domestic Service in English 1230 GMT 9 Jan 81]

ROK RELATIONS--South Korea is to improve bilateral relations with India. In an interview with PTI South Korean Foreign Minister No Sin-Yong said in Seoul today that his country will buy more Indian goods to balance its big trade surplus. With the increase in the South Korean exports to India, it is likely to accumulate a record trade surplus of over $150 million. No Sin-Yong said more visits of trade delegations between the two countries will be undertaken after the presidential election in March next. [Text] [BK111020 Delhi Domestic Service in English 0830 GMT 11 Jan 81]

LADAKH PROBLEM--Jammu and Kashmir Chief Minister Sheikh Mohammad Abdullah has said his government would have no objection if a separate division is created for the Ladakh region and does not stand in the way of declaring Ladakhis a schedule tribe. He was talking to a group of newsmen in Jammu today. He said the creation of the new division, however, would depend upon the agreement between the people of Kargil and Leh Districts as to the location of divisional headquarters. Sheikh Mohammad Abdullah said the cabinet subcommittee comprising State Finance and Planning Minister D.D. Thakur, Works and Power Minister S.G. Shah and Revenue and Forest Minister G.N. Kochak set up to go into the demands of the people of Ladakh would begin its work tomorrow soon after its arrival in Leh. The chief minister discounted reports appearing in a section of the press that he is joining the center. There is no such move at present, he added. [Text] [BK111343 Delhi Domestic Service in English 1230 GMT 11 Jan 81]

PETROLEUM PRICES INCREASE--Petroleum products will cost more from today. The price of kerosene goes up by 10 paise per liter. Petrol, diesel oil, both high

speed and light will cost another 37 paise per liter. Cooking gas will cost 5 rupees and 3 paise more per cylinder. The prices of lubricants of different grades are up by about 45 paise per liter. The quantum of increase varies according to the grade. The price of naphtha for fertiliser use is increased by 300 rupees per ton and for non-fertiliser use by 100 rupees per ton. The price of bitumin goes up by 235 rupees per ton and that of aviation turbine fuel by 320 rupees per kiloliter. Corresponding increases have also been announced for a number of other petroleum products. The outlet price of each of these products may be actually slightly higher due to sales tax, octroi and other state levies. The announcement made after a cabinet meeting says that the raise was necessitated by the very significant increase in the OPEC prices since June of last year when domestic prices of petroleum products were last revised. The country has also borne a heavy burden by way of expensive spot market purchases which had to be made because of the conflict between Iraq and Iran and the continued blockade of oil from Assam. State governments and union territories have been advised to review the fares of taxis and autorikshaws. [Text] [BK130408 Delhi Domestic Service in English 0240 GMT 13 Jan 81]

PARTY MERGER--The national convention of the Janata-S [Party] in Varanasi yesterday endorsed the draft resolution on its merger with Janata Party. Earlier, the party national executive had a prolonged discussion. According to general secretary of the party Bhola Prasad Singh, the decision has been conveyed to Janata Party Chief Charashekhar. [Text] [BK130404 Delhi Domestic Service in English 0240 GMT 13 Jan 81]

DEFENSE SABOTAGE DENIAL--New Delhi, Nov. 27. The Minister of State for Defence, Mr. Shivraj Patil, today denied a news report that a top defence project at the solid state physics laboratory was sabotaged. Replying to a question in the Rajya Sabha, he said the allegation was without basis. "The work on development of infra-red detectors is still being continued even on a larger scale." To a question whether two scientists working on the project had been eased out. Mr. Patil said one scientist had resigned voluntarily and the other was transferred to the Institute of Armament Technology in Pune. To another query if the management information report (MIR) had recommended the removal of people responsible for sabotage. Mr. Patil said "any recommendation in the so-called MIR is not correct." He said the allegations in MIR were investigated and "nothing of substance was found in them"--PTI. [Text] [Madras THE HINDU in English 28 Nov 80 p 7]

NAXALITE ACTIVITY REPORTED--New Delhi, Nov. 27. There has been an increase in the activities of naxalites in different parts of the country since 1977, Mr. Yogendra Makwana, Minister of State for Home, said in the Rajya Sabha today. He told Mr. Jagannath Rao Joshi and two others that the increase related to membership of the movement, naxalite violence, setting up of mass front bodies and propaganda campaign. --PTI. [Text] [Madras THE HINDU in English 28 Nov 80 p 7]

CARPETS TO USSR--The Soviet Union will buy Rs 20 crores worth of carpets from India this year, reports UNI. Contracts for this were signed by Soviet foreign trade agency Novoexport with 20 Indian machine carpet producers on Friday. [Text] [New Delhi PATRIOT in English 29 Nov 80 p 7]

ANDHRA PRADESH PLAN OUTLAY--New Delhi, 10 Dec--The Sixth Plan outlay for Andra Pradesh (1980-85) will be Rs. 3,100 crores. This is more than double the Fifth Plan outlay. Out of the Rs. 3,100 crores, over Rs. 2,000 crores will come from State's own resources including market borrowing. Central assistance will be available to the tune of Rs. 900 crores. The State would mobilise additional resources of Rs. 150 crores. The draft Sixth Plan was finalised here today by Mr T Anjiah, AP Chief Minister, and Mr N D Tiwari, Planning Minister and Deputy Chairman of the Planning Commission. During the discussions the 1981-82 annual Plan outlay was also finalised at Rs. 531 crores. Out of the Sixth Plan outlay of Rs. 3,100 crores, irrigation, flood control and power have been allocated Rs. 1,600.99 crores, power sector getting Rs. 789.70 crores. The other sector-wise allocations are as follows: Agriculture and allied services (Rs 357.54 crores); cooperation (Rs. 29.51 crores); village and small industries (Rs. 30 crores); large and medium industries and mining (Rs. 75.66 crores); transport and communications (Rs. 236 crores); education (Rs. 73 crores); medical and public health (Rs. 63 crores); sewerage and water supply (Rs. 203 crores); housing (Rs. 105 crores); other social and community services (Rs. 280 crores); economic services (Rs. 28.30 crores) and general services (Rs. 16 crores). [Text] [Madras THE HINDU in English 11 Dec 80 p 1]

BUDDHIST TO MINORITIES PANEL--President Sanjiva Reddy has appointed Lama Lobzang as a member of the high power panel on minorities, Scheduled Castes, Scheduled Tribes and other weaker sections, reports UNI. Mr Lobzang is the only Buddhist member on the panel. The 47-year-old Buddhist monk is the founding general secretary of the Simant Pradeshiya Bauddha Mahasabha. He is also the secretary in charge of the Ladakh Bauddha Vihara, Delhi. [Text] [New Delhi PATRIOT in English 6 Dec 80 p 10]

INDUSTRIAL LICENSE STATISTICS--New Delhi, 7 Dec (PTI)--During the first 11 months of this year (January-November) 733 letters of intent and 439 industrial licences were issued, compared to 421 letters of intent and 324 industrial licences issued during the corresponding period of last year, showing an increase of 74 per cent and 36 per cent, respectively, according to an official release. A record number of 1,651 industrial licences applications were also disposed of during the first 11 months of 1980. Foreign collaboration applications totalling 618 were disposed of during January-November 1980 compared to 339 applications during the corresponding period of 1979. The value of capital goods approvals accorded during January-November this year amounted to Rs. 338 crores compared to Rs. 212 crores during January-November last year, representing an increase of 60 per cent. [Text] [Bombay THE TIMES OF INDIA in English 8 Dec 80 p 4]

ELECTRONIC VOTING MACHINE--Panaji, 7 Dec--The electronic battrey-operated voting machine, developed by the Electronic Corporation of India in Hyderabad, was demonstrated to the chief electoral officers, now attending their all-India meet here. The machine would cost Rs. 2,000 when produced on a large scale. Nearly five lakh such machines would be required to cover 4.5 lakh polling stations in the country. Introduction of these machines and preparation of identity cards with the candidates' photographs would cost the country nearly Rs. 216 crores, if the suggestion of the chief election commissioner to introduce them was

accepted. The secretary of the election commission, Mr K Ganeshan, said this expenditure was worth incurring taking into consideration the benefits. The expenditure would be recovered after two general elections, he added. [Text] [Bombay THE TIMES OF INDIA in English 8 Dec 80 p 6]

MEDICAL GOODS TO USSR--New Delhi, 5 Dec (PTI)--TB patients in the Soviet Union will receive anti-tuberculosis drug produced in India. A contract worth over Rs. 15 crores for export of goods, including ready-made medicine, spectacle frames and some rubber products was signed here today by Mr A Petrenko, of Medexport and the representatives of some Indian firms. With this contract, the total volume of goods to be exported to the Soviet Union under various agreements signed during the last three weeks had gone up to Rs. 280 crores. [Text] [Bombay THE TIMES OF INDIA in English 6 Dec 80 p 12]

NEW CONGRESS(I) NAME--New Delhi, 8 Dec--The Congress (I) Working Committee, at its meeting here this evening, decided that the party should be called the Indian National Congress (I)--the 'I' obviously devoting "Indira". The decision follows the massive mandate received by the party in the last elections. The nomenclature will continue until the Election Commission settled dispute between the two Congress parties, each claiming to be the real Congress. It was said that "from tomorrow" the party would be called the INC(I) and not the INC. The meeting of the Working Committee was presided over by Mrs Gandhi. A resolution on international affairs said that in regard to Afghanistan, as a result of India's efforts, there had been wider acceptance of the inadmissibility of interference in the internal affairs of sovereign States. [Text] [Calcutta THE STATESMAN in English 6 Dec 80 p 1]

NAGA LEADER KILLED--Kohima, Nov. 29.--"Major" Sungsen Konyak of the Muivahisak faction of the underground Nagas was killed in an encounter with the pro-Phizo group led by "Colonel" Singyan near Waillamsanghu village in northern Burma recently, according to a report received here from across the border, says UNI. Meanwhile about 40 people, belonging to the Khiemungan tribe from Nagaland, recently sneaked into northern Burma to join the "Colonel" Singyan group to fight the Muivah-Isak group, the report said. [Text] [Calcutta THE SUNDAY STATESMAN in English 30 Nov 80 p 9]

CALCUTTA TEA SEMINAR--Siliguri, December 1: The first international seminar on tea has been organised by the Indian Tea Association to synchronise with its centenary on January 12 and 13 at Calcutta. It will be inaugurated by the Union commerce minister, Mr. Pranab Mukherjee. Industry sources said nearly 350 delegates, including 25 from abroad, were expected to attend the seminar. The participants will include 78-year-old author of the "Indian Tea History," Sir Parcival Griffiths, the executive director of the International Tea Promotion Association (ITPA), Mr. T.S. Broca, and other high officials from the Union commerce ministry and producing states. The delegates are expected to visit the major tea producing areas. [Text] [Bombay THE TIMES OF INDIA in English 2 Dec 80 p 5]

COAL SALE REGULATIONS--New Delhi, December 1: The free sale of inferior grade of non-coking coal has been further liberalised and made applicable to more collieries. The sale will be free from all restrictions. A number of additional collieries where stocks of coal are very substantial have been identified and the coal has been placed on free sale. As a result, there are now approximately 5.5 million tonnes of stocks of inferior grades of coal which are now on free sale. This liberalisation will benefit large number of consumers. [Text] [Bombay THE TIMES OF INDIA in English 2 Dec 80 p 10]

NEW NAVAL VESSEL--Bombay, November 30: The second Landing Craft Utility Mark II will be handed over to the Indian navy by Goa shipyard tomorrow. It is one of three vessels specially designed by the Indian Navy for transporting troops, vehicles and stores and being built by Goa shipyard. The first vessel was commissioned on January 28. The third vessel, launched on March 16, is expected to be commissioned next year. The vessels designed such as to use indigenous machinery and equipment to the maximum can negotiate shallow waters and land men and material on beaches. This type of sophisticated vessels are being constructed by Goa shipyard for the first time, according to Commodore V.A. Dhareshwar, general manager. [Text] [Bombay THE TIMES OF INDIA in English 1 Dec 80 p 14]

FORECOST COMPUTER DEVELOPED--New Delhi, November 30: A computer which will forecast the likely flow in power-generating plants several hours in advance facilitate prompt removal of defects and effective plant control, is being developed by the government-owned Uptron Digitals System Limited here. The computer has been designed by the research and development laboratory of the company with purely indigenous technology. It is shaped like an almirah, but has an opening in the rear as well. The Uptron Digitals will manufacture 15 such computers a year. The production cost of each computer will range between Rs. 8.50 lakhs and Rs. 10 lakhs, depending on the size. [Text] [Bombay THE TIMES OF INDIA in English 1 Dec 80 p 14]

1980 INFLATION PREDICTION--New Delhi, November 30 (PTI): A 20 per cent inflation has been predicted for this year again by Dr. Malcolm Adiseshiah, eminent economist, who suggests that government and business base their planning on this forecast. Since the formulation of the sixth plan on the basis of the 1979-80 prices, prices have risen by over 13 per cent up to October 1 this year. This, Dr. Adiseshiah says in a midyear review of the economy for a workshop here next week to be held under the auspices of the Associated Chambers of Commerce and Industry of India, means that the public sector outlay be increased to Rs. 100,000 crores or the growth rates and targets be lowered. [Text] [Bombay THE TIMES OF INDIA in English 1 Dec 80 p 14]

FOREIGN COMPANIES DECLINE--New Delhi, November 30 (PTI): There have been a steady decline in the number of branches of foreign companies operating in India from 510 in 1974-75 to 358 in 1978-79. Similarly, the number of subsidiaries of foreign companies functioning in the country also came down from 183 in 1974-75 to 125 in 1978-79. There has, however, been an increase in the paid-up share capital of subsidiaries of foreign companies working here. It had gone up from Rs. 305.6 crores for 183 companies in 1974-75 to Rs. 360.1 crores for 125 companies in 1978-79.

The total assets of branches of the foreign companies, however, remained static around Rs. 2011.4 crores, despite the fact that the number of branches operating here had dwindled substantially during the year period. [Text] [Bombay THE TIMES OF INDIA in English 1 Dec 80 p 14]

GUJARAT REFINERY FINANCING--Gandhinagar, November 30 (PTI): Some industrialists from Dubai and an Abu Dhabi Oil Magnate, have proposed to invest "OPEC" money, over seven million for setting up a refinery-cum-petro-chemical complex in Gujarat in a joint sector company, a Gujarat government spokesman said today. The state finance minister, Mr. Sanat Mehta, has already completed the first round of negotiations with these Arab entrepreneurs in Bombay last month and he was planning to visit the Gulf countries soon for a final agreement the spokesman said. The state government has taken up the proposal with the Centre for its approval and also requested for a letter of intent to set up a Bombay High gas-based petro-chemical complex in the state government sector, he added. The Chief minister, Mr. Madhavsinh Solanki, had announced yesterday in Ahmedabad that the petroleum ministry had chosen Kavas, a village in Surat district, for a gas-cracker plant based on the Bombay High gas. [Text] [Bombay THE TIMES OF INDIA in English 1 Dec 80 p 15]

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OPPOSITION JOINT FRONT--Colombo, Nov. 29. For the first time since the 1977 elections, Sri Lanka's Opposition parties have decided to form a "common front" against the ruling United National Party. The front, comprising the former Premier, Mrs. Bandaranaike's Freedom Party, the Tamil "United Liberation Front, the Trotskyst Party and the pro-Chinese Communist Party, has decided to support a candidate of the pro-Moscow Communist Party at a coming by-election by not contesting themselves. --UNI. [Text] [Madras THE HINDU in English 30 Nov 80 p 12]

KNITWEAR TO USSR--New Delhi, December 1 (UNI): The Soviet Union will import Indian woollen and cotton knitwear garments worth over Rs. 60 crores during 1981. Mr. A.S. Evdokimov, deputy director general of V o Raznoexport, who is leading a Soviet delegation now in India, and Mr. V.A. Markov, deputy director of the Soviet firm "Trikotazh", signed 18 contracts with different Indian exporters in this connection here today. Among the exporters are some of the leading firms of Ludhiana like Oswal Woollen Mills, York Hosiery Mills, Hind Woollen Mills and Sind Knitwear Pvt. Ltd. Mr. Evdokimov later said at a press conference that the progress of Ludhiana's woollen industry was a vital link of Indo-Soviet friendship. Mr. Raj Chaudhry, chairman of Hosiery Exportres' Association, said that Indo-Soviet co-operation in this field has enabled the Indian economy to attain stability and growth. Mr. J.L. Oswal, chairman of Wool and Woollen Export Promotion Council, said he hoped that in 1981, the exports of knitwear to the USSR would exceed Rs. 100 crores. [Text] [Bombay THE TIMES OF INDIA in English 2 Dec 80 p 10]

CSO: 4220

REASONS FOR ABUNDANCE OF GOODS IN FREE MARKET DISCUSSED

Vientiane VIENTIANE MAI in Lao 14 Nov 80 p 2

[Conversations With the Editor column: "What is the Purpose of Allocations for the Cadre and Free Stores?"]

[Text] Mr V.L. from the Ministry of Foreign Affairs wrote a letter to the newspaper VIENTIANE MAI and asked the following questions:

1. What is the purpose of allocations for the cadre and free stores?

2. [Why do] the cadre stores usually have nothing for the cadres to buy while the free stores have almost everything in stock?

Thank you.

[Answer]: Mr V.L., based on the views of the newspaper VIENTIANE MAI, I would like to answer your questions but this is somewhat difficult. However, concerning your questions, Mr Thongphet Sisouwong, the head of the Vientiane industry and trade service, has given the following views:

Concerning the separation of stores into two types, the principal aim of this was to make things convenient and easy for people who buy goods, regardless of whether they are cadres or people and to maintain the trade system in accord with the stipulations of the state. But concerning some things, after plans were made and things were implemented, some things were found to have weak points.

The primary reason was that some of our trade cadres were not familiar with things and they did not have enough experience. Thus, internal causes appeared and these negative phenomena gave rise to bad results. For example, some contraband goods flowed to the free markets. There have been complaints that trade has been divided by sector but, concerning these complaints and these phenomena that have been stated, it can be said that some of the complaints were justified while others were not.

However, the phenomena that has been criticized has been investigated by the guidance committees, especially the sector committees, in order to discover the causes. A committee has been established to investigate all trade sectors and obtain data to discover the facts in order to eliminate the weaknesses. In particular, attention has had to be given to upgrading the trade regulations where

weaknesses have arisen and to [narrowing] the gap that has given rise to criticisms. Thus, it can be said that, in the past, some trade activities have not really responded to the needs of the consumers.

When such is the case, things must certainly be improved and the weaknesses mentioned above must be overcome. Only after unified agreements have been reached can new regulations be formulated.

At the end [of his letter], Mr Thongphet also thanked those who have criticized the weaknesses in the trade sector.

As for the newspaper VIENTIANE MAI, we sympathize with the trade sector. Normally, most of us are not yet familiar with this work. We do not have to look far. We, the publishers of the newspaper VIENTIANE MAI, feel that we still have weaknesses concerning many things. We lack [certain] capabilities. In some cases, we have not satisfied the needs of the people. But, regardless of this, we have used these weaknesses as a lesson and have tried to find a way to overcome the weaknesses.

11943
CSO: 4206

BRIEFS

CHAMPASSAK ELECTRICITY PRODUCTION--Vientiane, KPL--During the past 5 years, the workers of the Lao State Electricity Enterprise, which is subordinate to the Champassak provincial industry and trade service, have diligently emulated with each other and continually achieved good results. During this period, the workers repaired hydroelectric turbines in Paksong District, expanded the power lines around the Kmi stadium, installed water pumps in one place, finished installing power generators in Phon Thong District, generated 24,044,110 kilowatt-hours of electricity for the people, finished repairing two machines at Selabam and assembled turbines and power units 1, 3 and 4 in order to increase the power capacity from 400 to 600 kilowatt-hours. [Excerpt] [Vientiane KHAOSAN PATHET LAO in Lao 14 Nov 80 p A5] 11943

KASI BANK BRANCH--Vientiane, KPL--On the afternoon of 10 November, the Vientiane City and Province National Bank held a ceremony to open a bank branch in Kasi District, Vientiane Province. Attending the ceremony were members of the Vientiane City and Province administrative committee, representatives of the Vientiane Province national bank, members of the Kasi District administrative committee, canton administrative officials and people from the locality. On this occasion, Mr Wongsai Lothantu, the manager of the Vientiane City and Province bank, stated that, in the past period, bank branches have been established in 10 places. This has been done in order to support production, the circulation of goods and the lives of the people. The national bank branch in each district is responsible for receiving deposits from the people, state stores, state economic organizations and cooperative units. Along with this, the bank is responsible for making things convenient for the state economic organizations and the cooperative production units of the people that borrow revolving and fixed capital to support the construction of an economic base. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 14 Nov 80 p A5] 11943

SAYABOURY RICE SALES--Vientiane, KPL--Since October, the farmers in various localities in four communes in Sieng Hon District, Sayaboury Province, have diligently brought their surplus rice not consumed in the family and sold it to the state stores. The total amount sold was 53 tons. In this, the cadres in the district public security sector together sold 4 tons of rice that they had grown. This is considered to be an important factor in increasing government funds for state economic development. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 13 Nov 80 p A4] 11943

TEXTILE PRODUCTION--Vientiane, KPL--During the past 5 years, the cadres and workers at the Lao Vieng Textile Factory, which is subordinate to the Ministry of Industry and Trade, have promoted the collective ownership rights of the working class. They have worked diligently and boldly in carrying out their tasks in order to achieve results in commemoration of the Fifth National Day on 2 December. Concerning actual achievements, during the first 10 months of 1980, they have been able to produce 240,000 meters of cloth for society, which is 90 percent of the planned quota for the year. It is expected that, by the end of November, the workers will have produced enough cloth to have completely fulfilled the quota. [Excerpt] [Vientiane KHAOSAN PATHET LAO in Lao 11 Nov 80 p A5] 11943

CSO: 4206

GOVERNMENT SEEKS TO ATTRACT FOREIGN CAPITAL

Bombay THE TIMES OF INDIA in English 8 Dec 80 p 10

[Article by Mavin Kurve: "Nepal Steps to Attract Foreign Capital"]

[Text]

KATHMANDU, December 7.

WIDE-ranging concessions to attract foreign investors and multi-national companies to Nepal are proposed in the new "perspective industrial development plan" of the government, it is learnt. It is to be announced soon.

The concessions include a doubling of the existing facilities which hitherto permit the annual repatriation in foreign exchange of ten per cent of the capital and 25 per cent of the profits.

The government of Nepal will further enter into agreements with different countries for treatment of taxes in Nepal by foreign nationals and companies to avoid double taxation.

CHEAP LABOUR

The new policy also will provide guarantees for compensation in the event of nationalisation or expropriation of any industry having foreign participation.

It appears that both the new industrial policy of 1974 and the industrial enterprises act are to be suitably amended so that commercial guarantees will be given for the repayment of foreign loans borrowed by investors for capital investment in priority industry.

At present, industries in Nepal having foreign investment are those in lead and zinc, magnesite mining and bricks, leather tanning, fruit processing, jute and textile units.

To attract foreign investors, it is pleaded that Nepal provides political stability, tremendous hydro-power potential and cheap, disciplined and easily trainable labour. It appears that the government favours private industrialists in Nepal to enter into international subcontracting system with multi-national companies.

It is learnt that over the next five years the government proposed to launch 187 small, medium and large industries and 1,800 cottage and rural industries involving an investment of Rs. 4,027 million. This will facilitate the creation of 31,000 new jobs.

TARIFF POLICY

From available information, it appears that Nepalese planners realise that so far a major deterrent to industrial growth has been the lack of a rational tariff policy which has been "inward-looking and resource-oriented rather than development-oriented".

Recently the planning commission also proposed scientific control and regulation of open border with India to protect Nepalese units.

It is now proposed to have an "innovative customs tariff policy to attract new kinds of industry with export potential and also to protect industries in Nepal".

Twenty-four new public-sector units are proposed in the next five years though experience with over 60 public undertakings in the past decade has been quite disheartening.

CSO: 4220

OFFICIAL GOVERNMENT POLICY ON ANTARCTIC REVIEWED

Christchurch THE PRESS in English 5 Dec 80 p 12

/Report by Oliver Riddell in Wellington/

/Excerpts/

The 30-year-old Antarctic Treaty is due to expire in 1990. Under the treaty, the Antarctic may be used only for peaceful purposes — mainly scientific research. Increasingly the conservation achievements of the treaty are coming under economic and political pressures, on both the continent and its surrounding seas.

Official New Zealand Government policy is:

—The extension of the Antarctic Treaty regime to encompass all possible resource exploitation.

—The careful regulation of all exploitation to afford the widest possible protection to the fragile Antarctic environment.

—To ensure that New Zealand itself benefits under such a regime to the maximum extent from the exploitation of any resources in the New Zealand Antarctic territory.

—To ensure the acceptibility of any regime to the international community at large (possibly by way of some form of revenue-sharing arrangement following the precedents already established at the Law of the Sea Conference) in an effort to head off the growing pressure from developing countries that Antarctica should be internationalised for the benefit of all mankind.

—To maintain the New Zealand Antarctic research programme at its existing level.

—To review this programme in order to direct its activity as far as possible in the direction of resource-related research, including research into the possible environmental impact of resource development.

New Zealand's efforts concerning marine life in the Antarctic have been considerable. In 1975, it canvassed the idea of preserving Antarctica as a world park free from commercial activity. The concept of a total prohibition on the exploitation of resources proved unacceptable to other treaty members.

CSO: 4220

BRIEFS

MISSION IN SAUDI ARABIA--A permanent Sri Lanka mission is soon to be opened in Saudi Arabia. A Foreign Ministry official has just returned after making preliminary arrangements. The Saudi ambassador to Sri Lanka with residence in New Delhi, who was in Colombo in connection with the signing of the two Saudi loan agreements yesterday [8 January], said that reciprocally Saudi Arabia hoped to open its own mission in Colombo. He said this would help expedite the granting of visas both for Haj pilgrims and those seeking employment in Saudi Arabia. The issue of visas for Sri Lankans is currently handled by the Saudi consulate in Bombay. [Text] [BK120313 Colombo International Service in English 1045 GMT 9 Jan 81]

CSO: 4220

RED GAUR, MASS LINE PARTY LINK EXAMINED

Bangkok BAN MUANG in Thai 14 Nov 80 p 4

[Nui Bangkhunthien column: "The Party of the [Red Gaur] Leader"]

[Text] There has been widespread criticism about the defections of large numbers of MP's to the Mass Line Party of the head of the Red Gaurs, Major General Sutsai Hatsadin.

The Mass Line Party came into existence when the head of the Red Gaurs (not the same person who is the head of the Sieng Hai) retired from government service. Even though the newspapers have nicknamed him the "wrinkled breast leader," he is still strong and fit. He is still engaged in business activities that give him large profits and so he must continue to engage in politics.

The cabinet foresees benefits that can be obtained from him and has, therefore, passed a resolution making him the head of the Express Transportation Organization of Thailand.

The Mass Line Party has announced that it will support the government of General Prem Tinsulanon but that it will not join the government. What this really means is that it will provide support from the outside and serve as supporters or buffers.

Concerning this announcement that it is bound to the government like this, if this is considered carefully, it means that the party is ready to support the government on all matters large and small.

Small matters refer to voting with the government in parliament, carrying out tasks entrusted to it by the government and creating an atmosphere in which the government has the advantage and in which it has the political advantage over other parties and is the balance of power in parliament.

Large matters refer to the fact that if the government gets into so much political trouble that the coalition parties break away and there is no other way out, the Mass Line Party will take their place in the cabinet and cooperate with the head of the government in governing the country.

Sutsai Hatsadin has, therefore, suddenly become a very important person in Thailand. With one had, he controls the Red Gaurs and, with the other, he controls the Mass Line Party. And if he uses these two sources of power to support each other, for example, when it comes time for byelections or regular elections, it will be up to members of the Red Gaurs party to serve as the mechanism of the party system in the election campaign and in obtaining the votes of the people (in the style of the Red Gaurs) and there will be a great opportunity for the members of the party to be elected. As for the members of this party, they in turn will help the Red Gaurs through their influence, with money and through the parliamentary process in making laws.

The problem that many people are becoming aware of is:

How closely will sutsai Hatsadin follow the plans that have been made? Because, sometimes his actions are governed by intelligence while at other times they depend on the "stars."

Man is born with many natural limitations. The first thing is that all people must die. The next thing is that the minds of men are limited and they have different abilities. Some are very intelligence while others are stupid. Many men make good plans but they make little progress in implementing them.

Anything can happen. Uncertainty is the challenge and we will have to wait and see whether the "head of the Red Gaurs" is the "head" or the "toe."

11943
CSO: 4207

PATENT CENTER TO CONTROL TECHNOLOGY TRANSFER

Bangkok SIAM RAT in Thai 22 Nov 80 p 3

[Article: "A Patent Information Center Will Be Established to Transfer Modern Technology"]

[Text] Mr Chalieo Surasit, the director-general of the Department of Science Services, stated that the Department of Science Services has seen the importance of the benefits of patent documents in transferring technological knowledge that will be used to develop the country. Thus, it has established a patent information office in order to carry out things in making patent information services more widespread. In addition to suggesting patent documents and giving advice on how to search for information needed in patent documents by using the various documents and manuals already at the center, the center will procure complete patent documents from all countries and will even procure [information] about the activities in patent circles and about new technological advances, or developments.

The director-general of the Department of Science Services stated that the Patent Information Center will benefit inventors because patent documents are a great source of technical information. They furnish more information concerning the details of product elements, the making of products, machine production techniques and product designs in industrial business circles than do other types of documents. Another thing of interest is that patent documents provide information that is different from that provided in journals. This is because the information, data and ideas appearing in recent patent documents are all new. Improvements or new methods that result from research studies are revealed for the first time in the documents applying for a patent, that is, before such information appears in journals. Thus, the information in the patent documents that the Patent Information Center has compiled is useful for development in the country's industrial business circles.

The director-general of the Department of Science Services also stated that there are two types of patents in Thailand: The patent on inventions is for 15 years and the patent for product designs is for 7 years. As for those products whole patents have not expired,

people in the country can make use of them from the standpoint of knowledge only. They cannot use them in trade. As for products whose patents have expired, anyone can use them in whatever way they want. Thus, it can be said that knowledge of the inventions revealed in the patent documents is a public asset.

Concerning patents thathave not expired, the rights protected are protected only the country where the patent was registered; such rights are not protected in all countries. Knowledgeable people in other countries can use the product for profit in business circles and do not have to pay any compensation. He also revealed that,at present, approximately 1 million new patents are issued each year throughout the world. More than 27 million patents have been issued by the various patent offices. These patents have been divided into approximately 54,000 groups based on the branch of technology.

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CSO: 4207

PRESENT CONSTITUTION SEEN AS LIMITING FREEDOM

Bangkok SIAM RAT in Thai 11 Dec 80 p 7

[Article in 'Thoughts from the News' Column by Prachuap: "Problems That Should Be Solved Even More Than the Constitution"]

> [Text] Col Somkhit Srisangkhom, head of the Socialist Party [as published] in his capacity as the chairman of the working groups that are fighting to amend the constitution so as to make it democratic has made an announcement to newsmen concerning arrangements for Constitution Day, the 10th of this month. The purpose of this is to remember the date on which Thailand promulgated the kingdom's constitution and to review the importance and the usefulness of having a democratic constitution so that the people may know and understand the problem of underdevelopment of Thai democracy and to demonstrate the solidarity of all Thai who support amending the constitution so that it will have real guarantees of the rights, freedoms and interests of the people.

There are 12 major aspects of the constitution which that group is struggling to have amended. These are: 1. To have a provision of equal rights between males and females 2. Defendants in criminal cases must receive justice 3. To give freedom of speech, writing, publishing and advertizing 4. To provide freedom of association 5. To have methods of fair elections 6. To reduce the limitations on candidates and those who have the right to vote 7. To reduce the number [of members] and the role of the Senate 8. To separate professional civil servants from politics 9. The prime minister is to be elected 10. Martial Law must be approved by the [National] Assembly 11. To promote local government and 12. Do not let foreign troops violate sovereignty. If we analyze this group's thinking concerning amending the constitution to make it democratic, it appears that they are thinking along the same lines of people in general. They see that the constitution currently in force is not yet democratic and does not yet give the people the democratic rights of genuine self-government as is the case in other democratic countries. If there are differences of opinion, they are probably only on very minor details.

However, because it is specified in the constitution that the constitution may be amended by only two groups: one group from the Cabinet or one group from the Members of Parliament. For the MPs, there is the condition that not less than

one-third of the members must be involved or not less than 101 persons and the party to which those members belong must pass a resolution of recommendation.

In the past the Cabinet has concurred that constitution would be amended in the provisional sections dealing with new political parties. This would be done so as to bring into force right away the law on political parties. This includes the requirement for those who run for office to do so in the name of the political party or that when they resign from a party, their status as an MP expires.

In the National Assembly, there has also been an extraordinary committee established to study the amendments to the constitution because they consider that the present constitution was written to further the interests of the executive branch more than those of the legislative which was elected by the people. This has made it so that conduct of political affairs cannot reach the people. This committee has met many times and finally it passed a resolution to amend many provisions of the present constitution. Specifically, the first issue that everyone sees eye to eye on is the need to amend it because it makes the constitution undemocratic [as published]. This is the provisional section. For example, it is thought that the Extraordinary Commission to Draft Laws should be abolished. They are asking for a general debate on individual ministers or the entire Cabinet. This should be done at a joint session of both chambers. The sole right of the Cabinet to say whether any given draft bill is a matter of national security should be abolished. The National Assembly should consider abolishing the exceptions to regulations concerning political parties.

Aside from this there is a resolution to make changes in a great many other matters in the section on the rights of the people and in the section on the National Assembly. This would involve making the President of the National Assembly the President of Parliament, and [would concern] the nationality of parliamentary candidates. The section on the Cabinet would include reducing the number of ministers and one-half of them would have to be MPs. Before taking office the Cabinet would have to announce its policies and ask for a vote of confidence from the MPs to include having to declare [Cabinet members'] assets and debts to the President of the National Assembly in the same way as do MPs.

The discussion on amending the constitution by this committee has been completed and they are only waiting to submit [the results] to the National Assembly once again. If the National Assembly approves, the resolution will be submitted as draft constitutional amendments for consideration by Parliament, or alternatively, because at the moment most of the MPs are in support of the government, it may be necessary to submit the amendments to the government first in order to avoid problems of conflicts and in the hope of gaining cooperation from the Senate by letting the Cabinet submit the constitutional amendments in accordance with the resolution passed by the National Assembly.

In the course of discussions on amending the constitution by the Extraordinary Committee, suggestions have been received from the general population or from outsiders. But when the discussion has been completed, it is probable that no further amendments to the constitution can be made which are desired by the groups struggling to amend the constitution to make it a democratic one. Therefore, the only thing left for the latter to do is to urgently summarize their views or the aspects they wish to change and submit them to Parliament or to the Cabinet.

Thailand has had 13 constitutions since the change from absolute monarchy to democracy 48 years ago. It may be said that this is a country where constitutions are considered expendable, but the really interesting thing is that there have been a profusion of amendments and changes to the constitutions or efforts to make twists and turns in various ways aimed at making the national government more democratic. In fact, it appears that Thai democracy has steadily declined and ways must be found to amend the constitution again hoping that it will bring full democracy to the nation.

In fact, if we look at the various constitutions promulgated in Thailand, there are only two important differences: one group of those who drafted the constitutions or have had power and influence in putting their imprimatur on the constitution believe that Thailand is not yet ready to allow its people the freedom of self-government as is generally the case in democratic countries. Thus, it is necessary to have a government with absolute power without being under the control of the National Assembly. Therefore, the various provisions of the constitution are aimed at primarily reinforcing the power of the administration. An example of this type of constitution is the 1932 Constitution, the 1968 Constitution and the one currently in force.

Another factor is that those who draft the constitutions believe or understand that the reason democracy has failed stems from the fact that the constitutions have not been democratic or do not honor and support the importance of rights and freedoms of self-government by the people as much as they should have. If a constitution is written so that it will be democratic in nature, such as encouraging the rights and powers of MPs who are elected by the people directly, it would give the nation a chance to have more democracy, because then the people would take an interest in and come to play a role in governing the nation themselves without leaving it to some individuals or groups who come to determine the nation's fate instead of the people as has happened before.

Examples of this type of constitution are those of 1949 and 1974. Both of these constitutions were ripped up and thrown away by groups of individuals whose ideals or opinions agreed with the first type of constitution. They viewed subsequent constitutions as too democratic for which the people were not yet ready.

So, concerning the issue of whether the national government can be made democratic, I see that the real obstacle does not at all lie in the constitution because we have had various types of constitutions, one after another. When the time comes to draft or write another one, we cannot get away from the principles already held. When we think of taking the time to change the constitution with an eye toward making the national government democratic, I see it as just a waste of time and if it makes the people sick of and bored with democracy, it is even a greater danger.

In my view, I should like to state that the obstacle to democracy in Thailand lies more in the election process than in other reasons.

Because, as long as elections are unable to be the true instrument of the will of the majority of people what with the corrupt vote buying or the low voter turnout, and the performance of their responsibilities on the part of the MPs it is difficult to feel that it is in conformance with or desired by the majority of the

people. So when it comes to writing a constitution democratic to whatever extent, a truly democratic system for the nation will not come to pass just as before.

For these reasons I think that if we want to help each other find ways to solve problems concerning honest and fair elections for MPs that will be favored by the majority of people, it would be more useful or would provide the opportunity to bring democracy to the nation more than just sitting around thinking of ways to change this or that constitution.

CSO: 4207

PREM VIEWED AS WEAK BY COLUMNIST

Bangkok BAN MUANG in Thai 15 Nov 80 p 5

[Ta Mo Lo column: "Two Plus Two Equals Six -- the New Equation In 'Politics' Given to the Prime Minister"]

[Text] The honey has turned bitter. The people, who once had great faith in Prem are beginning to change their minds and they are daily voicing loud complaints to the effect that Prem is "worthless."

Prem is as "weak" as Jimmy Carter, a humanitarian, and he will fall just like Jimmy Carter.

Comparing the situation in which the "young turks" have been disbanded, the situation during the third Kriangsak government was much better than that of the present Prem government.

I do not know whether Prem still sleeps soundly at night or not.

The people are beginning to shift their attention from the ministers to Prime Minister Prem, saying that Prem is too submissive, that he is such a "good person" that he is weak and that he is so mild that he is like a tepid drink that is neither cold nor hot.

He has given the ministers so much responsibility that it is as if the prime minister has separated himself from the cabinet. He is like a person who takes the credit but does not have to take the blame.

I agree with this!

The truth is that Prem's present style of administration, in which he gives the ministers complete freedom in implementing the policies and full responsibility for their positions without any interference, is completely correct for a person who holds the position of prime and who is in charge of the ministers.

Many people used to complain that previous prime ministers "played ball alone" and did everything themselves and that everything depended on the prime minister.

There is a great lack of development.

I would like to repeat once again that Prem's style of doing things is correct.

But concerning what has been called good, when used in Thailand, things do not work.

The reason is that our original base is not good. Whenever something too good is used, it breaks down, just like an airconditioner does when used in a hut in a slum.

For example, there is Mr Tamchai Khamphato, the minister of commerce, who is showing signs of losing his position because of the sugar affair.

Mr Tamchai is a good, knowledgeable person but the Ministry of Commerce provides a poisonous environment. Some government officials who are addicted to corruption and profits and who have joined with the merchants are like spears prodding Mr Tamchai.

The merchants, who fight for their own interests so much that they forget their obligation to the country, use various tricks to fight, using dirty means, both in and outside the game.

And there are politicians who make things even worse.

The government officials, merchants and politicians who are attacking Mr Tamchai are all like fierce tigers and lions.

As for Mr Tamchai, he is almost finished.

Thailand's economy is an unorthodox economy whose system, mechanism and everything else is rotten.

The person who becomes the economic minister must eliminate the "rot."

And he must also act like a "cockatoo stabbing the tiger."

Even if the entire economic team of Mr Boonchu is changed and a new team is brought in, it will have to confront the rot and these tigers and lions.

If we select a type of tiger to fight the lions, the "fish" tiger that eats the meat floating on the water will be even worse.

Do not believe the eloquent talk of gifted speakers.

Similarly, changing the government will create even more problems. The country cannot have a "honeymoon" government every 6 to 8 months.

But returning to Mr Prem, the major question is what he will do about this confused situation.

What has happened shows the good qualities and coolness of Mr Prem. It also shows that governing the country by giving the ministers complete freedom in carrying out their policies and making them fully responsible in accord with their positions, which I feel is the proper way for the prime minister to govern the country, cannot be done successfully in Thailand because the base is rotten and doing things this way creates even more problems.

Do not think that I would be audacious enough to try to teach those older than I. I think, in my own way, that in governing the country, the prime minister (and each of the ministers) should use the theory that two plus two equals four and not six.

That is, "knowledge of what the other is up to" should be counted as one and personality should be counted as one more, that is, a personality that can make others afraid, regardless of whether they are government officials, merchants or politicians.

Mr Prem has two assests about him, otherwise he would probably not have "hit the jackpot" and become prime minister. But he has not used them.

The time has come when he must intervene in the problems that the ministers cannot solve and be a real Thai prime minister before someone comes and says "it is too late."

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CSO: 4207

COLUMNIST CALLS FOR PREM INTERVENTION ON POLICE CORRUPTION

Bangkok BAN MUANG in Thai 25 Nov 80 p 4

[Nui Bangkhunthien column: "Smuggled Ore Influence"]

[Text] I do not know what orders General Prem Tinsulanon has given to the people responsible in the case of police at the deputy superintendent level being involved in escorting smuggled ore in Nakhon Sithammarat. This matter has become so well known that it has caused shock waves in the Ordance Department.

This seizure of smuggled ore took place more than a month ago. At that time, the newspapers did not print sensational stories and when no high-ranking person took up the matter, the matter quieted down.

But then when General Prem travelled to the south and gave specific orders to the provincial governor in the presence of others, the matter came to life for the second time.

Mr Banyat Bantadtan, the deputy minister of interior, has expressed doubts.

Since it has been over a month, the police will not be able to arrest the people who directed the transportation of the smuggled ore or even the high-ranking policemen who are known to have been involved.

Mr Banyat has confirmed that the evidence that has been examined is very clear.

Everyone feels that if General Prem had not personally gone and given orders, the matter would have ended with the arrest of only the drivers of the smuggled ore and the workers.

The influential people, both those in uniform and the "rulers" of Nakhon Sithammarat, would have gone free and continued to make money illegally.

And looking into the matter more deeply, the transportation of smuggled ore has been going on for more than a year; it did not just start. Why couldn't these people have been arrested sooner?

Those transporting the smuggled ore passed through many localities. Didn't the police and soldiers in these areas have any inkling of what was going on?

I am worried about Mr Samphan Thongsamak, an MP from Nakhon Sithammarat. His life is in danger.

Mr Samphan has openly fought to protect the interests of the country and to put a stop to the illegal activities of the influential people. He is a good citizen who is worthy of praise but how much protection and support do people like Mr Samphan receive from the government?

Many good people have died like dogs on the streets.

Many have fled.

They have been able to kill everyone because they have weapons, [men in] uniform, lawyers and much money.

Has General Prem ever considered the danger to the good citizens?

Concerning those who are patriotic and who maintain their ideals to the point where they are killed by gangsters like this, the government must find a way to help them and help them while they are still alive so that something besides their bodies remains. That is the first thing. The second thing is that they must be praised and honored. As for the third point, when such people are killed because of their patriotism, their families must be supported.

They must not be left to fight empty handed any more.

I believe that it will be verydifficult to eliminate the influential people in each area unless the government of General Prem strikes hard at the "influential people in uniform," who are subordinate to him, so that things become calm.

Clapping with just one hand does not make much noise. How can clapping the air make any noise? If the people in the government do not cooperate with each other, they will not be able to accomplish anything.

And if the "influential people in uniform" are really suppressed, in just 1 month Thailand will become peaceful, the people will live happily and we will be fully prepared to fight the enemy that is threatening us.

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CSO: 4207

EDITORIAL: POLICE CORRUPTION AIDS ORE SMUGGLERS

Bangkok SIAM RAT in Thai 22 Nov 80 p 5

[Editorial: "Ore Smuggling In the South"]

[Text] It is well known that the southern region of Thailand is rich in mineral resources. It can almost be said that every square kilometer of this region, and not just on the land but over several hundred kilometers of ocean to, is filled with natural resources such as tin.

Tin is a resource used to earn foreign currency. Or it can be said that it earns a great income for the country that is equal to that earned by other types of goods.

Concerning the people who engage in the smuggled ore trade, we have heard that these people are all wealthy and very influential merchants who live in the southern provinces. They are supported by politicians and government officials in Bangkok and it is known that local government officials are their accomplices.

Among the criticisms made, at present, there are reports that from the arrest, at the end of last month, of a person who was secretely transporting smuggled ore in the south, a police officer of the rank of deputy provincial superintendent was implicated too. According to the report, several other policemen of various ranks are in collusion with the influential merchants.

We have no doubts about who these influential merchants are because it is natural for the merchants who are concerned only with profits to use tricks and to violate the laws of the country. They completely destroy the country's public assets without considering anything else. But the thing thing that shocks us is the "influence" they have over the apparatus of the state. Does this refer only to the fact that they pay bribes to government officials?

Even MP's from the south and the commanding general of the Fourth Army Area, who is responsible for maintaining peace in the south, admit that the ore smugglers who secretely transport ore out of the

country have great influence. They have nonchalantly smuggled ore out of the country and this has caused the government to lose billions of baht each year. It is this that makes us doubt whether it is just lower echelon officials in the state apparatus who are involved. The word "influence" refers to those at much higher levels than deputy provincial police superintendents.

Do not forget that tin is not some trifling thing that can be smuggled out of the country easily. Those who smuggle tin must make large investments. They must use large ships and many accomplices. Besides paying bribes to the local officials, they must also have the support of very large numbers of people. Certainly, concerning such large-scale and audacious acts, administrative-level officials in the government cannot deny things or disclaim responsibility.

We are glad that the prime minister has ordered an investigation to find out who is guilty of smuggling ore. It is hoped that this will not be a "whitewash" as some people expect. This should be done so that we investigate matters and find out for certain who the influential people behind the merchants are -- people who are continually destroying the country's resources.

There are many more problems in the south that the government must make an effort to solve. Sadly, not only is this because the government burearcracy is "twisted," but there are also many unbelievable political intrigues that give rise to various forms of influence.

Let us hope that the orders of the prime minister bear results. This case will enable us to see whether we will be able to preserve the existing resources for future generations or not.

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CSO: 4207

FIRINGS INCREASE, UNIONS THREATEN ACTION

Bangkok SIAM RAT in Thai 15 Dec 80 p 2

[Text] From the way workers are being fired wholesale, especially now, things could reach the boiling point with the three latest cases. Some 15 workers were fired from the restaurant of the Royal Hotel on the 20th of last month; 18 were fired from the Loris Factory's filling department [phanek banchu]. Before that on the 16th, two workers were fired from the Isuzu Corporation.

These events appear to have reached the boiling point because the workers who were fired from all three places were all either labor union presidents, secretaries-general or important members in each location who had important roles in bargaining with the bosses.

Several labor leaders, including Phaisan Thawatchainan, chairman of the Employees' Organization Council of the Labor Council of Thailand; Chin Wutinawin of the Dock Workers Labor Union of Thailand and Ekachai Ekhankomol of the Capital Water Works Labor Union, and including Sawat Lukdot, secretary-general of the Labor Council, all evaluated the meaning of the bosses' action as the bosses' response to employees who become active in seeking their rights to their own voices by establishing labor unions and demanding better employment conditions from the employers.

However, Ekachai and Sanan Boon-ngok of the Operations Section of the KhSMK [Bangkok Metropolitan Mass Transit Authority] labor union, two judges working with the labor court on the side of the employees, have said that in accordance with labor laws, the employer may terminate the employment of workers with the payment of mandated severance pay.

"This point is a big loophole in the labor law because it gives the employers the opportunity to legally harrass the employees," stated Chin Wutinawin, another judge. He added, "The way to solve this problem right off is to change this awful law. Otherwise, the employers will utilize this legal loophole to harrass employees without letup."

Although those actions of the employers are legal, the employees are not going to take it lying down. They have begun to respond to the employers with vigorous activism among the workers.

It began with the Rangsit group in the lead with about 30 labor unions of Rangsit area factories. They called meetings of their membership at the end of November

and invited representatives from groups of workers who were fired from each of the above-mentioned three locations to present the facts.

There was a joint resolution passed which called for drafting a letter to the employers to have the fired workers return to work. Otherwise, the response would be to call a boycott of the goods and services of those concerns.

Subsequently, on 7 December, the Rangsit group invited another six groups from Phrapradaeng, Singtho, the hotels, food and beverage concerns, the Federation of Labor Unions and the students from the 19 Institutions to a meeting at the New Amarin Hotel and passed a similar resolution.

The next day, Phaisan Thawatchainan made an announcement at the Labor Union Council. This is felt to be his first appearance since the Executive Committee election on 1 June.

Phaisan stated that "the reason there have been so many firings is because employers are getting support from some individuals in the government." He also said, "The fact that the minimum wage has been increased to 54 baht and that the government will announce the revocation of the Ministry of Interior order on banning strikes and lockouts [has caused] the employers to fire workers to nip the problem in the bud."

Phaisan also referred to the frightening statistics from the Labor Department which reveal that over the last 3 months more than 15,000 workers have been fired and the firings continue apace.

Charoen Siriphan, deputy director-general of the Labor Department admitted that over the last few months before the announcement of the increase in the minimum wage, employers have been engaging in mass firings of workers and would continue to do so until the beginning of next year.

Phaisan announced that when the employees are unjustly harrassed in this fashion, it is time for them to band together to fight. He said that the first stage in the workers' response would be to draft a letter to the government to halt the employers' unjust actions. At the same time a letter would be sent to the employers to get them to rehire the fired workers.

"If the employers do not pay attention to our demands, the next step would be to boycott the goods and services of those concerns along with calling protest demonstrations in front of their businesses. If the government does not see fit to stop the actions of the employers, we will call mass rallies even to the point of calling nation-wide general strikes," Phaisan stated.

Phaisan then called a meeting of all 89 member unions of the Council on 11 December but only about 10 people showed up. So, of all Phaisan's tough measures, the only thing left was to present a letter to Deputy Minister of the Interior Kasem Sirisamphan in the evening of the same day.

Most of the Council's members went to another meeting at the New Amarin Hotel at the same time Phaisan had called his meeting. They joined together in a protest in front of the Royal Hotel, the Loris Factory and the Isuzu Corporation.

The Federation of Labor Unions which is composed of nine state enterprises' labor unions including the Metropolitan Electricity Authority, the Regional Electricity Authority, the Electricity Generating Authority of Thailand, the Metropolitan Waterworks Authority, the Port Authority of Thailand, the National Housing Authority, the Telephone Organization of Thailand, the Bangkok Metropolitan Transit Authority and the National Institute for Scientific and Technological Research, participated in another meeting in the evening of the 12th at the Metropolitan Electricity Authority's labor union.

At the meeting there was wide-ranging discussion over these matters. Statistics were brought up showing that the employers had met many times and had agreed to fire a total of 30,000 workers.

Furthermore, Ekachai and Chin proposed the view that "These acts by the employers are only the beginning of such a trend which is an indicator that the state enterprises will be the next victims because most state enterprises are operating in the red and the labor union leaders in the state enterprises will be first on the list to be raked over the coals by getting fired from their jobs."

"There have been examples of this where state enterprises have been in the red such as in the case of the Mae Mo Fertilizer Factory, the Nonthaburi Gunny Bag Factory which were closed down. Therefore, in the face of this, we should be certain of things," said Ekachai.

Thus, the conference agreed to really press ahead with this struggle by cooperating with the other six groups.

However, what is significant about this matter is that in the Council, aside from Phaisan, the other committee members (except Ekachai and Chin who are in the Federation of Labor Unions) have not really put their hearts into this matter which prompted Ekachai to remark that "What the council is doing at this time is what is set down on paper; it is not really working in the interests of the workers." On this subject, Phanat Thailuan of the Thai State Railway Labor Union whose group is in agreement with the views of Ekachai and holds executive power in the Council at this time said:

"Regarding this matter, Kasem Sirisamphan has stated that he will take care of things. So why are we worried? I don't agree."

Phaisan also spoke out with discouragement from his disappointment that fewer people than he had expected had attended his meeting. He said, "This matter has become a struggle for leadership between two groups."

Therefore, the matter of the workers who were fired from their jobs, aside from being a struggle between the employers and employees, it has become a struggle between the leaders of two groups which is what has happened on every previous occasion.

CSO: 4207

FORCED REPATRIATION OF REFUGEES DISCUSSED

Bangkok SIAM RAT in Thai 18 Nov 80 p 2

[Outside SIAM RAT column by Nincha: "The Refugees Are Being Neglected"]

[Text] There have been rather saddening reports that the Thai government may forcibly repatriate the Khmer refugees living in the border camps back to Kampuchea if the International Red Cross and UNICEF withdraw the aid in food given to these people, which they may do because of the reports that the emergency situation that arose because of the food shortage in the refugee camps has begun to improve.

The reaction of the Thai government has been a natural one and has not been at all unusual in that it looks like Thailand is becoming the one country that will have to look after the Khmer, Lao and Vietnamese people, which is what was expected to happen from the very first.

Concerning the reasons given by the International Red Cross and UNICEF, who say that the food shortage has abated and that they will gradually withdraw [their support] and let private organizations, which have little support capabilities, take responsibility for the situation, it is not certain how or where such data were obtained.

It may be that both of these large organizations feel that Kampuchea can now produce some rice (concerning this, Radio Phnom Penh has reported that [Kampuchea] can produce more rice). But there is no way that any of this rice will reach the Khmer people living in Thailand. Thus, concerning providing these Khmer people with food, there is no better way than to "force" them to return to their own country again.

The Heng Samrin government is certainly not "kindhearted" enough to send food to help these Khmer people. Because, isn't it better to keep it for its own use? Or if it really wanted to send food, vietnam would not allow this because the Vietnamese soldiers in Kampuchea need this rice too.

Thus, the plans of the International Red Cross and UNICEF lack a factual basis. That is, it is not possible to claim that the food shortage has abated.

What both of these organizations have done is equivalent to shifting the burden to Thailand.

Such action is considered to be contrary to the original principles agreed on. Thailand was to provide land for these people to live on. Food was to be the responsibility of kindhearted relief organizations that were to come in and provide help.

If the International Red Cross and UNICEF really do what they have said they will do, it is felt that there will be no other recourse but to forcibly repatriate the Khmer refugees.

I once heard officials of the United States Department of State in Washington say that the United States is glad to give total and unreserved support for this. Thus, I would like to suggest that the Thai government try discussing this with the United States to see if it will give aid as it said it would. Concerning this aid, the requests should be made through the Volunteers Office on Refugees located on Sathorn Road near the American Embassy. Or the request can be made through Mr Lionell A. Rosenblatt, the refugee coordinator of the American Embassy (he holds the position of First Secretary at the embassy). We can then see if the United States really is prepared to provide aid to compensate for that lost by the withdrawl of the International Red Cross and UNICEF.

This action should be taken quickly before the administration of Ronald Reagan takes over because if this is put off until after Reagan takes over, the new government of the United States may change its old policy; that is, it may reduce the amount of aid given to aid the Indochinese refugees.

Thus, during this period, there should still be enough time during which the Thai government can hold back from "forcibly" repatriating the Khmer refugees until it receives a definite answer from the United States.

And at the same time, the Thai government should make at least one more attempt to find provisions and money to replace the aid withdrawn by the International Red Cross and UNICEF. It should not just place the entire burden on the United States.

Only after our request, or appeal, has received an unsatisfactory reply should we decide to "forcibly" repatriate the Khmer refugees.

After they have been repatriated, regardless of what happens to them, we must remember that Thailand did not cause this problem. It was Vietnam that caused this problem.

Thus, if the Khmer refugees are "forcibly" repatriated, the execution of these people is a matter for which Vietnam and the government of Heng Samrin must take responsibility. Thailand will not bear any responsibility for this.

Yes! Sometimes a person who is too kindhearted and who takes too much responsibility will be taken advantage of by bad people.

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COAL DISCOVERIES REPORTED IN NORTH

Bangkok SIAM RAT in Thai 15 Nov 80 p 3

[Article: "The Heat Value Is Similar to That of Lignite: Coal of Great Value Has Been Discovered In Several Northern Provinces"]

[Text] Mr Prawit Ruyaphon, the secretary-general of the National Energy Administration, haa revealed that coal deposits have been discovered in several more places in the northern provinces. The deposit in Haeng Village in Ngao District, Lambang Province, has approximately 23 million tons of known coal reserves. The coal has a heat value similar to that of the lignite deposits at Mae Moh. Another deposit, also in Lampang Province, is the deposit at Chae Khon in Chaeng Hom District. This is thought to be a large deposit and it is thought to be the most suitable one of the deposits just surveyed. Based on the results of the survey drilling, it has been found that there are at least 35 million tons of coal reserves, the heat value of which is similar to that of the lignite at Mae Moh.

The secretary-general of the National Energy Administration also stated that coal deposits have been found in several places in outlying districts in Chiang Mai Province such as in Hot, Sanpatong, Mae Chaem, Amkoi and Samoeng districts. The total amount of coal reserves found here exceeds 10 million tons. The interesting thing about the coal in Chiang Mai Province is that it has different characteristics from the coal in Lampang Province. It is of higher quality and it contains very little sulfur. In addition to the deposits already mentioned, from the surveys conducted by the National Energy Administration, mass deposits of coal have been found in several provinces such as Lampang, Phaya, Tak and Nan. The coal layers vary in thickness from 1.5 to 8 meters. The total coal reserves exceed 12 million tons. Concerning the various deposits where coal has been found, the National Energy Administration has made plans to develop them and use [the coal] in the energy field.

The secretary-general of the National Energy Administration stated that, at present, survey drilling continues to be carried on in

order to find more coal deposits in the northern provinces. The work is being carried on jointly with the Department of Mineral Resources since geological surveys have shown that the northern provinces still have at least 15 more coal deposits scattered throughout the various provinces.

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MORE GAS WELLS FOUND, PROSPECTS DISCUSSED

Bangkok DAO SIAM in Thai 25 Nov 80 pp 3, 12

[Article: "Two More Large Gas Wells Have Been Found"]

[Text] Mr Thongchat Hongladarom, the head of the Petroleum Authority of Thailand, stated that two more natural gas wells have been found in the Gulf of Thailand in the Satun Area, where there are large quantities of gas. To date, 34 natural gas and liquid natural gas wells have been found in the Gulf of Thailand and another area in the Gulf of Thailand has been found where it is believed that there are more than 10 more gas wells that can be developed and used. As for the natural gas wells in the Gulf of Thailand that have already been discovered, they can be developed and used at least 70-80 years. Thus, it can be said that developing the natural gas that has been found in the Gulf of Thailand is a project that will yield great economic benefits for the country.

The head of the Petroleum Authority of Thailand pointed out that it will be possible to put the natural gas to use sooner than stipulated because the laying of both the sea and land gas pipelines will be completed around next June. Thus, it is certain that natural gas will go into production on schedule by 15 September 1982. Because the construction of the gas pipeline will be completed ahead of schedule, it will be possible to put gas into production ahead of schedule too and the construction of the gas turbine power plant will be completed at the beginning of next year in accord with the first phase project. This will make it possible to use the time between June and September to fully inspect the production of gas, the transporting of gas by pipeline and the use of the gas by the power plant. If there are any problems or obstacles, it will be possible to solve them immediately. The inspections mentioned above mean that it will be possible to put the natural gas into use ahead of schedule.

The head of the Petroleum Authority of Thailand also pointed out that during the first year, 1980, 200 million cubic feet of gas will be used each day. In the next several years, the amount used will be

increased to 250 million cubic feet per day and in the next 3 to 4 years, the amount of gas produced and consumed will reach 450 to 500 million cubic feet per day. In 5 to 6 years, 750 million cubic feet of gas will be produced and consumed each day. During this period, there will be widespread use of gas. It will be used to produce electricity, it will be used in the home and for vehicles and it will be used as a fuel oil and as a raw material in industry.

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EDITORIAL: CABINET FORCED TO DECIDE ON OIL PRICE HIKE

Bangkok SIAM RAT in Thai 20 Nov 80 p 5

[Editorial: "Fuel Oil"]

[Text] During an interview, Mr Wisit Tansatcha, the deputy minister of commerce,who just returned from an official trip abroad concerning fuel oil, stated that the market price of (crude) oil will increase after the new year. The price will increase from $30 a ballel to $40 a barrel.

This increase in the price of (crude) oil will certainly affect the entire world and all countries will experience serious economic problems. Concerning Thailand in particular, which must purchase oil from various countries, it too will be affected. But how great the effect is depends on the capabilities of the people who govern the country, that is, the cabinet.

At present, it is recognized that the government has slowed down the rise in fuel oil prices to keep the people from being affected or troubled by the price of oil. The government has done this by paying part of the cost instead of the people who use the oil. Thus, the price of fuel oil in Thailand has remained unchanged.

But concerning the fact that the government is paying part of the cost of the oil, when the price of foreign oil increases again next year, will the government continue to slow oil prices using the same methods as before?

We do not feel that this will be possible. How much money will the government have that it will be willing to use to keep oil prices at their original levels? And the important point is that this money is budgeted money that the government must use for other things in developing the country that are more important than using the money to keep oil prices the same.

We believe that it is true that,after oil prices on the world market increase next year, it will not be possible to keep the price of fuel oil in Thailand at the same level as it is today. In saying

this, we mean that the government will have to announce a new price for fuel oil. That is, the price will rise from its present level.

And it is certain that after the price of oil has increased, the price of other goods will rise in accord with the price of oil.

When the government can no longer avoid this problem, we feel that there is only one thing to do. The government must ask understanding from the people, especially from those who use oil. That is, the government must ask the people to be understanding about the need to set new prices that are higher than before.

Concerning asking the people to be understanding, we think that, at present, the government should start taking steps now. That is, it should show the reasons for this so that the people understand why it is necessary for the government to increase oil prices. At the same time, it should look for ways to guard against and solve other problems, such as the problem of various goods increasing in price in accord with the price of oil.

We believe that if the government begins to tell things to the people so they understand what is happening in this matter and so that they can prepare themselves mentally and physically to accept the oil price situation, which Thailand cannot avoid at present, when the time arrives in the coming months, the people will understand and sympathize with the government. This is better than a sudden announcement that oil prices are increasing.

We ask that action be taken today.

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CSO: 4207

NEW HYDROELECTRIC PROJECTS PROPOSED FOR SOUTH

Bangkok SIAM RAT in Thai 15 Nov 80 p 3

[Article: "Construction on the Chieo Lan Dam Will Begin In 1981. The Dam Will Help [Generate] Electricity and Aid Agriculture In the South"]

[Text] Mr Kasem Chatikawanit, the head of the Electricity Generating Authority of Thailand, has revealed that construction on a new dam in a southern province will begin next year. This is the Chieo Lan Dam in Surat Thani Province. Besides benefiting the production of electricity, this will also benefit irrigation, fishing and tourism. Construction on this project will be completed in 1986.

The head of the Electricity Generating Authority of Thailand stated that, concerning the Chieo Lan Dam project, a dam and reservoir will be built in the area of Chieo Lan Village in Khao Phang Commune, Ban Takhun District, Surat Thani Province. As for the large dam, it will be 90 meters in height and 680 meters in length and there will be three retaining walls. The dam reservoir will have a capacity of 5.6 billion cubic meters [of water]. It will have an area of 105 square kilometers. The Chieo Lan Dam will be installed with three power generators, each having a capacity of 80,000 kilowatts for a total power generating capacity of 240,000 kilowatts.

The head of the Electricity Generating Authority of Thailand also pointed out that when construction on the Chieo Lan Dam is completed, [the dam] will benefit approximately 91,825 rai of agricultural, or irrigated, land.

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BRIEFS

GAS SEPARATION PLANT--The head of the Petroleum Authority of Thailand has disclosed that a natural gas separation plant will be built in order to produce cooking gas and use it as fuel oil for vehicles. Mr Thongchat Hongladarom, the head of the Petroleum Authority of Thailand, has disclosed that after construction of the sea and land pipes for transporting natural gas has been completed and natural gas has been sent from the Gulf of Thailand for use as a fuel oil in generating electricity at the gas turbine power plant at Bang Prakong, the next task of the Petroleum Authority of Thailand is to build a natural gas separation plant in order to produce cooking gas for use in the homes of the people in general. Because, normally, raw natural gas contains several types of gas mixed together. The type of gas suitable for home use, that is, cooking gas, must be separated out. It is expected that this natural gas separation plant will be completed within 2 years from now. The head of the Petroleum Authority of Thailand also disclosed that, concerning the separation of cooking gas, besides the fact that it can be used for cooking, it can also be used as a fuel for vehicles in place of gasoline. [Text] [Bangkok SIAM RAT in Thai 24 Nov 80 pp 1, 4] 11943

NEW FORCE PARTY LEADER--Mr Suthep Wongkamhaeng, an MP from Nakhon Ratchasima, in his capacity as spokesman for the New Force Party, denied the reports that General Kriangsak Chamanan, the former prime minister, will become the leader of the New Force Party. He said that this is not true and that, to date, the New Force Party has not been approached by General Kriangsak, who is still not a member of any party. The spokesman for the New Force Party stated that, according to the party's constitution, the person who becomes the leader of the party must first be a member of the party and he must also receive the approval of the party at a conference. However, if General Kriangsak becomes the leader of the party after first fulfilling the conditions mentioned above, there should not be any problems. He stated that theNew Force Party once supported General Kriangsak in his bid for election as an MP from Nakhon Ratchasima in order to show his intentions in a democratic manner. The spokesman for the New Force Party also revealed that the party will hold a meeting around the beginning of next year to choose a leader of the central committee and an executive committee. This is because the meeting originally scheduled for 11 October was cancelled because of the floods. [Text] [Bangkok BAN MUANG in Thai 20 Nov 80 p 16] 11943

CSO: 4207

NEW BRANCH DISTRICT--On the afternoon of 12 November, Mr Pratuang Kiratibutra, the minister of interior, signed his name dividing off an area of Wang Saphung District in Loei Province to form Phu Luang Subdistrict. This was done because the district was very large and the area was located far from the district seat. Also, officials could not look after things everywhere. For the benefits gained in administering things and in making things convenient for the people, the powers given by the Local Administration Act of 1932 were used to separate an area from Wang Saphung District to form Phu Luang Subdistrict, which is composed of two communes, Phu Ho Commune and Nong Dan Commune, that are under the administrative jurisdiction of Wang Saphung District. [Text] [Bangkok BAN MUANG in Thai 16 Nov 80 p 6] 11943

ALCOHOL PLANT FUNDING--A private Japanese company has proposed giving Thailand 120 million baht in unencumbered aid in order to build a plant in Khon Kaen Province to produce alcohol for fuel. Mr Thanu Wicharangsan, the secretary-general of the Commission for the Production of Alcohol from Agricultural Materials, has revealed that a private Japanese company, the Nicho Iwai Company, has proposed giving the Thai government 120 million baht in unencumbered aid to build a plant to produce alcohol from agricultural materials in Khon Kaen Province. This is to be carried out through the Industrial Finance Corporation of Thailand. Mr Thanu stated that the alcohol production plant will be built in Khon Kaen and that it will have a capacity of 10,000 liters per day. It will be possible to use the materials in production from various types of crops, including sugarcane and cassava. [Text] [Bangkok SIAM RAT in Thai 22 Nov 80 pp 1, 12] 11943

OIL CONSUMPTION PLANS--In the next 8 years, Thailand will have to reduce its consumption of oil as a [source of] energy to only 45 percent of the total amount of energy consumed. Mr Phayap Phayomyong, the head of the economic analysis section of the Office of the National Economic and Social Development Board, has revealed that, based on the targets of the National Energy Administration for reducing the percentage of oil used as energy, by 1988, Thailand must reduce the consumption of oil as energy to only 45 percent of the total amount of energy used. The present rate of consumption is 80 percent. Mr Phayap stated that because Thailand must now rely almost entirely on oil as a source of energy, Thailand's economy has been seriously affected each time the OPEC countries have raised the price of oil. Reducing the rate of consumption as mentioned above will also have the effect of reducing these effects [on the economy]. The head of the economic analysis section also stated that the alternate sources of energy that will be used in Thailand include natural gas, lignite and water power. At present, such sources are being used [to produce] less than 20 percent of the total amount of electrical power generated. [Text] [Bangkok SIAM RAT in Thai 22 Nov 80 pp 1, 12] 11943

SELF-DEFENSE VILLAGES--In 1980, the Ministry of Interior increased the number of People's Volunteers for Development and Self-Defense villages by a total of 800 villages. A report from the Ministry of Interior stated that, the Ministry of Interior began to establish People's Volunteers for Development and Self-Defense villages in 1979, and in 1980 the Ministry of Interior has held many training sessions and seminars for People's Volunteers for Development and Self-Defense. And in 1980 alone, it has established a total of 800 such villages in 38 provinces in areas infiltrated by terrorists. The establishment of People's Volunteers for Development and Self-Defense villages has political and economic goals and is aimed at making the people in the areas capable of defending themselves. [Text] [Bangkok SIAM RAT in Thai 24 Nov 80 pp 1, 12] 11943

PASSPORT SCHEME--The Bank of Thailand has seized at least 25 passports belonging to Thais during the first 6 months of this year after it had discovered that some people were in possession of several passports each hoping to take funds out of the country. News reports from the Bank of Thailand disclosed that the exchange control which is responsible for buying, selling and exchanging currency has from January to the present discovered that many persons coming in to purchase non-Thai currency to take with them overseas for expenses along the way have in their possession more than one passport. They use these passports in successive rotation to present when making arrangements to take more foreign currency out of the country than the regulations permit. The Bank of Thailand has reported this to the Foreign Ministry and has received an admission from the Foreign Ministry that there may have been some slip-ups in control. From January to June, the Bank of Thailand had seized 25 of these passports. [Text] [Bangkok SIAM RAT in Thai 11 Dec 80 p 3]

COMMANDER SUPPORTS ECONOMIC POLICIES--Gen Pin Thammasri, deputy RTA commander gave his views concerning the nation's economic problems. He said that price increases are a world-wide occurrence and that it is necessary to face reality. It is necessary to acknowledge that the oil prices which will rise soon will cause further problems. He said that personally, he agrees with Deputy Prime Minister Boonchu Rojanasathien's economic ideas, in particular the initial plans to bring natural gas from the Gulf of Thailand on stream. However, Gen Pin stated that with the problems that have arisen, it is only natural that there must be demonstrations in terms of meetings or debates. But he believes that whatever may happen, there is no cause for concern or panic and he believes that things will be done rationally and that the government is ready to listen. Gen Pin made the observation that it is easy to criticize but that he sees no one offering any solutions or doing anything. [Text] [Bangkok SIAM RAT in Thai 15 Dec 80 pp 1, 12]

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END

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COOPERATION WITH MALAYSIA IN PALM OIL PROJECT

Kuala Lumpur BUSINESS TIMES in English 9 Dec 80 p 20

[Text]

MALAYSIAN investors are to set up a palm oil refinery in Bangladesh on a joint venture basis, the Bangladesh ambassador to Malaysia, Major-General K. M. Safiullah, said in Kuala Lumpur yesterday.

He said that a Malaysian team was already in Bangladesh for a detailed study of the project.

Malaysia will provide the technical expertise and knowhow for setting up the refinery which will be labour intensive.

Gen Safiullah told *Bernama Economic Service* that if the venture proved successful, he was sure that many more would come up in the future as Bangladesh was looking into the possibility of converting refined palm oil into edible oil.

Bangladesh is turning towards refined palm oil to meet its edible oil needs and reduce the huge expenses incurred in purchasing soya oil.

He explained that it was now becoming increasingly expensive to buy soya oil from America and that Bangladesh planned to switch to palm oil instead.

Bangladesh, he said, hoped to buy palm oil from a nearer destination like Malaysia. This would not only reduce production costs but also the cost of transportation, he added.

The Malaysian study team now in Bangladesh will also help to determine the capability of the country's present 50 soya oil mills to switch to the processing of palm oil and later for production of edible oils.

Gen Safiullah was confident that once the palm oil refinery and the switch from soya oil to palm oil became a reality, Bangladesh's import of palm oil from Malaysia would increase tremendously.

Bangladesh imported $30 million worth of goods from Malaysia from January to June this year, the bulk of which was palm oil which accounted for $15 million.

Its exports to Malaysia for the same period hardly reached $3 million.

Gen Safiullah said that his country was now embarking on oil palm cultivation.

He said that for this purpose, an order for 500,000 oil palm seeds had been placed with the government of which 200,000 seeds will be delivered the next three years.

To date, 100,000 seeds have been shipped and planting is now under way.

The only setback oil palm growers would face is the country's variable climate which might affect yield.

A study team from the Palm Oil Research Institute of Malaysia has gone to Bangladesh to assess the situation and render technical assistance. — Bernama ES

CSO: 4220

ASTUTE MOVES HELP NE WIN STRENGTHEN HIS POSITION

Kuala Lumpur BUSINESS TIMES in English 15 Dec 80 p 8

[Article by Paul Wedel]

[Text] WHEN Burmese President Gen Ne Win failed to appear in public for several weeks earlier this year, the inevitable rumours of failing health and weakening grip began to circulate.

Several Western reporters flew in to be there at the end.

Then the 69-year-old leader allowed newsmen to be present as he returned from an overseas trip, smiling and striding briskly from the plane, looking as healthy as he has in years.

Although he has his share of problems politically, Ne Win and his 18-year-old regime are healthier than ever and a recent series of astute moves has strengthened his hold on the levers of power.

First Ne Win displayed the weaknesses of his opponents and his own self-confidence by offering an amnesty that drew a number of weary communist guerilla leaders out of the hills.

Then aging, longtime foe, former Prime Minister U Nu, returned from exile to a carefully guarded retirement in Burma where he is allowed to speak to newsmen only about his religious studies.

U Nu, toppled by Ne Win in a 1962 coup, had sworn to return to Burma only to overthrow Ne Win. His return makes obvious the end of ethnic Burmese middle class resistance to the Ne Win regime.

Then Ne Win launched public debate on a new citizenship law that is expected to result in second class citizenship for naturalised Burmese and make it tougher for anyone to become citizen.

Though the draft law has not been finalised, it will undoubtedly strengthen Ne Win's hand in dealing with rebellious ethnic minorities.

The law also appears aimed at discouraging the flow of immigrants from neighbouring Bangladesh. Those immigrants, attracted to relatively richer and underpopulated western Burma increased the government's security problems in the area.

A tough law is likely to be popular among easy-going, Buddhist Burmese who distrust the fiercely religious Islamic immigrants.

Another widely-publicised new law establishing pensions for political workers has further tightened the Burmese leader's control over the carefully built-up party and government apparatus.

Since taking power in 1962, Ne Win has systematically eliminated the remnants of the bureaucracy left behind by the British colonialists.

Army officers party workers and "people's councils" now do everything from administering local government to running government enterprises and even acting as judges.

Many of these are only part-time officials, driving trucks or following a plow to earn a living.

They were supposed to serve out of patriotism, but as Ne Win asked when he introduced the pension bill, "Well, in reality will the stomach endure emptiness? Will it be sustained without eating?"

The power their positions gave them enabled the party workers to make tidy sums from those who sought to avoid numerous government restrictions and the system of citizen officials became widely corrupt.

Ne Win declared that the new pensions "will remove the cause of corruption" and end party officials' "worry about their livelihood once they go on retirement.

While few observers believe the pensions alone will stop corruption, it establishes a system of rewards that give party leaders new means to win the allegiance of party workers at the lower levels.

To top it all off, a record rice harvest and a gradually improving economy, have taken some of the pressure off the government which has been widely criticised for badly overmanaging the economy.

Burmese political observers believe one aim of the latest moves is to established Ne Win's policies so they persist after his long dominant figure is gone from the political scene.

In a system where Ne Win's pensonal power has been overwhelming, all the top people in the government owe their positions to him.

"When Ne Win calls, they jump,' a diplomatic source said of the group of four or five top men behind Ne Win.

"Since none of them have their own power base they will be forced to share control, like (former Yugoslav leaader) Titi's successors have," he said. "And with the system here so well established they can only continue Ne Win's policies for along while after he is gone." -- UPI

CSO: 4220

KAREN REBELS CONTINUE STRUGGLE WITHOUT HOPE OF VICTORY

Kuala Lumpur BUSINESS TIMES in English 16 Dec 80 p 6

[Article by Anuraj Manibhandu on Thai-Burmese border]

[Text] THE revolution turns 32 years old next month and the Karen National Union (KNU) fighting for independence from Rangoon admits that victory is out of sight. Yet, without foreign aid, the ethnic separatists struggle on.

"We are not fighting the Burmese because we hate them," KNU strongman Gen Bo Mya told *AFP* in a border camp close to Thailand's Mae Sariang district. But "unless we are free and independent, with our own land, we will always be under the heel of other people," he added.

The 54-year-old General, born of peasant stock, leads a two-million strong population settled in the eastern hills of Burma. He is president, defence and foreign minister of the KNU, and supreme commander of its military arm, the Karen National Liberation Army (KNLA), a 10,000-strong force by his reckoning.

The right-leaning rebel leader described the KNU's political view as "national democratic." "We will never come under the Communist Party of Burma (CPB)" which is Peking-backed, he stressed.

Resisting the rule of Rangoon since 1948, the KNU, rallying an ethnic minority said to be the first settlers in Burma, is demanding a separate state with a voice in the central government. This demand was put forward before Rangoon obtained independence from Britain in 1948

The KNU is demanding the eastern Tenasserim division, part of which is in its present territory, to the delta area around Rangoon and the Central Pegu division as the Karen state.

In Burma's eastern hills, today's Karen state as delineated under former Premier U Nu is "useless," Gen Bo Mya said.

Formed by a British-trained lawyer, the KNU rejected the general amnesty granted by the Ne Win government almost immediately after it was announced in May this year.

"A general amnesty is for people who have done wrong. We are confident that our cause is right and just," declared the betel-chewing Gen Bo Mya.

Over 1,[illegible]00 insurgents surrendered to Rangoon under the 90-day amnesty which ended on Aug. 25. KNU officer said they were mainly followers of former Premier U Nu, with some elements of the CPB and the Shan state.

Just over a month after the amnesty expired, Rangoon launched what KNU leaders said was the most violent suppression campaign to date.

The campaign started on Sept. 28 and was planned to last four months. But since the retreat on Oct. 5 of Burmese troops from the KNU's strategic camp at Mae Taweh, near Thailand's northwestern Tak Province, there has been in uneasy calm.

During the week, the KNU took 16 dead and 15 slightly wounded while Rangoon took almost 200 dead and 330 wounded, Gen Bo Mya recalled.

The present operation marked the second suppression drive against the KNU this year. In March, the KNU lost a security guard and a saw mill when clashes with Rangoon developed after talks failed, recalled a KNU officer.

The talks split the KNU and the then president Hunter Thamwe defected to Rangoon, taking with him "several hundred" soldiers of the KNLA's 3rd and 5th brigades.

A fierce suppression campaign followed at the end of 1963 and "we underwent a very difficult period up till the end of 1967," he noted.

Mr Hunter Thamwe, the KNU's second president, is reported to have died in Rangoon last year regretful of his decision.

Gen Bo Mya, the KNU's fourth president, said the 10,000 fighters in the KNLA are ill-armed. Officers noted that the arms in use include M-16 assault rifles, 57-mm recoilless rifles, mortars and M-79 grenade launchers.

The rebels fight guerilla-style, using tactics possibly inherited from the reputed Force 136, set up by British officers in 1945 to harass Japanese occupation troops in Burma.

At least three ministers in the KNU's 11-member cabinet were in Force 136. Gen Bo Mya himself was a member, together with fishery and farming minister Shaw Leitaw and finance minister Phu Leiwah.

Recalling their service with the British during World War II, the Karens sent a mission to London in August 1946 to present their case for Independence. But the then Burmese Premier, Mr Aung San, had already presented Rangoon's case and, along the line, claimed "amicable" relations with the Karens.

When the Aung San-Atlee agreement was signed in the following January (1947), there was no mention of the Karens and the KNU was set up the next month.

Mr Saw Ba U Gyi, a British-trained lawyer, headed the mission to London and became the KNU's first president in 1949. He was killed in action a year later.

The KNU made another appeal to London in the mid-1950s but it was rejected, Gen Bo Mya recalled. He said several Free World countries were approached for support but to no avail.

Yet the KNU has made ends meet, said finance minister Phu Leiwah. With government expenses running up to about US$10 million

per year, bills have been paid by income from Customs duties, mineral resources and mass support, he noted.

In a bid to strengthen resistance against Rangoon, the KNU under its third president Mahn Ba Zan in 1976 formed a National Democratic Front (NDF) which rallies eight minority groups.

New chaired by KNU president Bo Mya, the NDF is demanding a federate system where each minority group is given a state with a say in the central government's decisions.

Meeting on an annual basis, the NDF this year agreed to set up a permanent headquarters in KNU territory. Work on the headquarters is to begin this month to be operable by January 1981.

NDF joint secretary Soe Aung, a KNU central committee member, said the NDF's military programme includes the setting up of a permanent joint force.

The NDF's foreign policy is identical to that of the KNU which is to befriend all countries regardless of political systems, respect sovereignty and territorial integrity and co-exist peacefully with neighbours.

In the name of the NDF, Gen Bo Mya in 1977 wrote to US President Jimmy Carter offering help in narcotics suppression in return for economic aid for the minorities. But there was no reply.

Officers of the KNU, which plays no part in the narcotics trade in the Golden Triangle area where the borders of Burma, Thailand and Laos meet, say the racket can be stopped if economic aid is forthcoming.

Reflecting on the revolution which began with the battle of Insein on Jan. 31, 1949, Gen Bo Mya admitted that "victory is unforeseen."

CSO: 4220

SOVIETS OFFER MORE OIL FOR ACCEPT`BLE COMMODITIES

Kuala Lumpur BUSINESS TIMES in English 13 Dec 80 p 2

[Text]

NEW DELHI, Dec. 13

THE Soviet Union has offered additional crude oil and petroleum products to India in exchange for other commodities, Indian official sources said yesterday.

Under the Indo-Soviet trade plan for next year, the Soviet Union will supply to India 1.5 million tonnes (30,000 barrels per day) of crude and 1.9 million tonnes of products.

But the sources said deliveries would be increased to 2.5 million tonnes (50,000 BPD) of crude and 2.25 million tonnes of products if India was able to supply to the Soviet Union mutually acceptable commodities.

Such arrangements, the sources said, would then remain in force for the duration of a 1981-85 trade agreement which the two countries signed during Soviet President Leonid Brezhnev's visit to India. Mr Brezhnev left for home yesterday.

The sources said commodities which India could supply in exchange for oil were under consideration. But Moscow is known to be interested in cereals, and India already exports rice to the Soviet Union.

New Delhi had originally asked the Soviet Union to provide 2.5 million tonnes (50,000 BPD) of crude and 2.5 million tonnes of products next year because of a shortfall in supplies from Iran and Iraq. The two warring countries accounted for two thirds of India's oil imports.

India also hoped that Soviet supplies could be further increased in the following years. But the Soviet Union apparently did not commit itself beyond 1981.

Details of the new Indo-Soviet trade agreement have yet to be published. But official sources indicated earlier that the two countries would aim at boosting trade exchanges to a total US$13 billion during the next five years compared with an estimated US$6.5 billion under the 1976-80 pact.

Mr Brezhnev and Mrs Gandhi called on the countries of the region to quickly end their armed conflicts, exercise restraint and cooperate constructively for reducing tensions and restoring peace.

They said India and the Soviet Union were opposed to "all forms of outside interference" in the countries of the region — a phrase designed in the Indian view to include the Soviet presence in Afghanistan.

In Soviet eyes, the phrase will be taken as referring only to the West and China. Moscow has always denied any interference in Afghanistan and has said its forces are there at Afghan request.

The declaration said the two sides "are confident that a negotiated political solution alone can guarantee a durable settlement of the existing problems of the region."

The document also included a call for the establishment of a zone of peace in the Indian Ocean and the dismantling of all foreign military and naval bases in the area.

It singled out in particular Diego Garcia, the small British Indian Ocean island on which the United States has built a naval and air base, and condemned "any attempts to build up foreign military presence in the Indian Ocean under any pretext whatsoever."

The declaration expressed broad Indian support for Soviet disarmament proposals, and Soviet backing for India's role in the non-aligned movement.

India will host the next ministerial meeting of the non-aligned movement here in February, and according to some commentators Mrs Gandhi does not want her government to be seen as too pro-Soviet, especially on the Afghan issue.

Indian officials said a five-year trade agreement and an economic and technical cooperation agreement signed during Mr Brezhnev's visit would not be published immediately.

But official sources said the Soviet side had offered India an increase in supplies of oil and oil products in exchange for acceptable commodities, possibly cereals. — Reuter

CSO: 4220

LOWER HOUSE PASSES NATIONAL SECURITY BILL

Madras THE HINDU in English 17 Dec 80 p 1

[Text]

NEW DELHI, Dec. 16.

Opposition members walked out shouting "shame, shame" as the Lok Sabha today passed the National Security Bill providing for preventive detention.

The Opposition fought the Bill every inch and forced a division even at the third reading but lost the final battle by 74 votes to 190.

As the Speaker announced the result of the division and the passage of the Bill, most Opposition members shouted full-throated slogans against it and tore up its copies.

Even as the division had been called, one CPI(M) member asked the Speaker not to preside over the "liquidation of democracy".

Zail Singh's Assurance

The Home Minister, Mr. Zail Singh, replying to the debate during the third reading, assured the Opposition that while the Government did not accept its amendments,it would keep in view their sentiments while implementing the law.

He reiterated that the Government had no intention of using the law against political opponents.

"We will not act with vendetta for the persecution inflicted on Mrs. Gandhi", he said.

As they walked out, Opposition members shouted that "today is the darkest day for democracy" and raised slogans against the measure.

Although the Government wanted the Bill to be passed by 2 p.m. today, the Opposition members were not willing to allow the Government to rush through it without proper discussion. They insisted on their right to move all their amendments and presented for division on every clause of the Bill. Clause 3 of the Bill could be adopted by the House only after more than two hours of debate. The second reading of the Bill went on for nearly six hours.

While moving their amendments, the Opposition members sought, among other things, exclusion of political leaders including MPs and MLAs from the purview of the Bill, detention in local jails, no handcuffing or roping of detenus, and payment of maintenance allowance to the families of detenus.

The highlight of the acrimonious debate, which lasted more than 15 hours and was spread over four days, was a scathing attack on the Bill by the Lok Dal leader and former Prime Minister, Mr. Charan Singh.

The Opposition attacked the Bill from all angles — legal, constitutional, political and moral — calling it a "monstrous, draconian and black" piece of legislation.

Mr. Charan Singh warned that like MISA, the National Security Bill would also sound the death-knell for the ruling Congress.

In his hour-long speech at the third reading stage of the Bill in the Lok Sabha, Mr. Charan Singh faced prolonged interruptions from the Congress(I) Ministers as well as members, which subsided only after the Opposition benches retaliated in strength and threatened not to allow further proceedings in the House.

Mr. Charan Singh vehemently protested against the Ministers joining other party members in "barracking" him continuously.

The CPI leader, Mr. Indrajit Gupta, the Janata Party leader, Mr. Madhu Dandavate, the CPI-M leader, Mr. Somnath Chatterjee, and many more also invited the Chair's attention to the "unseemly spectacle".

After Mr. Vasant Sathe, Mr. C. M. Stephen and Mr. Buta Singh, all Union Ministers, had repeatedly and heatedly joined issue with Mr. Charan Singh, Mr. Indrajit Gupta rose to ask the Deputy Speaker (then in the Chair): Is the decorum of the House not affected when so many Ministers go on shouting like this? We can understand other members doing it, but not Ministers.

The Communication Minister, Mr. Stephen, was again on his feet to challenge Mr. Gupta's observation, asserting that "the Ministers, like any member, have every right to interrupt and ask questions".

Mr. Charan Singh said no amount of assurances or statements on oath by the Home Minister or any other Minister or even the Prime Minister was a guarantee against application of the powers under the Bill for suppressing people's movements and peaceful political protests.

Nothing less than specifically amending the Bill to ensure that it was not invoked against political agitators as well as independent organisers of movements for different political and economic causes would bring credibility to the Government, he added.

The Bill empowers the Government to detain any person at any place in the country to prevent him from acting in a manner prejudicial to the defence of India, the relations of India with foreign powers or the security of India, or to the maintenance of public order, or to the maintenance of supplies and services essential to the community. Even a foreigner can be detained to ensure his continued presence in India or to make arrangements for his expulsion from the country.

The period of detention will be for a minimum period of three months and can be extended by any period not exceeding three months at a time with a maximum detention period of 12 months.

The detenu will be communicated the grounds for detention within 10 days to afford him an opportunity of making a representation against the order to advisory boards to be constituted for the purpose.

Every advisory board will consist of three persons who are retired or serving judges or are qualified to be appointed as judges of a High Court. The Government will have to place before the boards all cases of detention within three weeks. If the boards find no sufficient cause for detention, the order against the persons concerned will be revoked and the persons released forthwith.

The Bill also provides for release of a detenu for specified periods on executing bonds.—UNI and PTI.

CSO: 4220

AUTHORITIES WORRIED BY GROWING NAXALITE INFLUENCE

BK151452 New Delhi INDIAN EXPRESS in English 12 Jan 81 p 5

[Text] Chandigarh, Jan 11 (UNI)--The law and order authorities in Punjab are feeling gravely concerned at the activities of Naxalites in the state, who are now reported to have made inroads into schools.

After having successfully infiltrated into colleges, the Naxalite activists had also found their way into the industrial training institutes in the state.

Official sources here said the educational institutions were being invaded by teachers with Naxalite leanings, primarily to influence students.

The current drive was concentrated in the districts of Bhatinda, Sangrur and Jullundur. Some parts of Ropar, Patiala, Hoshiarpur and Amritsar districts had also been included, the sources said.

The movement, the sources said, was in pursuance of the top-secret "oil spot strategy" of the Naxalites, to enlarge their area of influence.

The "oil spot strategy" was based on the fact that if oil was sprinkled on a bucketful of water, numerous oil spots were formed. The water, when stirred and allowed to rest, would have one big oil spot floating on the surface.

The strategy was aimed at creating small pockets of influence all over the state to unite them at a suitable time.

The sources, who believe that the recent students' agitation in Punjab was engineered by Naxalites, said they had "adopted" strategic pockets in the low-lying backward areas along the Sutlej Beas and Ravi Rivers.

These areas made favourable breeding ground for Naxalities owing to their backwardness. The socio-economic condition of the people there was being exploited, the sources said, adding that some of the people there were also being trained in subversive activities.

After the reported large-scale "killing" of Naxalites in Punjab in what were officially stated to be "police encounters" in the early 70's the activists had taken a low stance. They had now reorganised themselves, the sources said.

They did not rule out possession of sophisticated arms by the Naxalites, some of whom were understood to be highly educated.

Meanwhile, police were having a hard time tracing the leaders as they frequently changed their names and guise, the sources added.

CSO: 4220

MODEST GROWTH SEEN IN KEY SECTORS OF ECONOMY

Madras THE HINDU in English 18 Dec 80 p 9

[Text] NEW DELHI, Dec 17.

The Government circles are heaving a sigh of relief that with all its bottlenecks the Indian economy has started showing up in bits and pieces, although the country has still to go a long way before turning the corner and looking forward to the future with renewed confidence.

The Prime Minister has been told by her top economic advisers that compared with last year's poor performance, which was the worst year of the Janata-Lok Dal rule, the key sectors of the economy have registered modest growth this year, despite the shortages of power and raw materials, labour unrest and inflation.

Power Generation up: The total generation of power from April to November this year was 74046 GWH (Gross Watt Hours) as against 72128 GWH during the corresponding eight months last year. In October, 1980, hydel power was 1.12 per cent more than in the same month last year, and thermal power 2.3 per cent. There was a marked increase in November with the generation of 19.8 per cent more hydel power and 21.1 per cent more thermal power, which together have stepped up the availability by 20 per cent during last month.

Coal Production Below Target: Coal production from April to November, 1980, was 5 per cent more than the corresponding figure of last year-66 million tonnes as against 63 million tonnes. But the present level of coal production is far below the Sixth Plan target of 130 million tonnes per year, although a maximum of 113 million tonnes was reached a few years back before the industry suffered a severe setback for whatever reason.

Higher Steel Production: The Government claims that from October onwards the production of saleable steel has also increased over last year's corresponding figure. During November steel production was 17 per cent higher than during the same month last year. Production of pig iron throughout 1980 has been higher than in 1979 by about 60 per cent.

Fall in Rly Loading: The loading on railways registered a fall till October during this year, but in November it increased by 2.7 per cent and 5.6 per cent on both broad and metre guage over last year's poor performance. But the Railways have still a long way to go before they can meet the targets fixed for the year on the basis of earlier projections.

Consumer Items: A number of industries engaged in the manufacture of capital goods, intermediate products and consumer durables have registered increases during April-September, 1980, compared with the same period last year.

These include aluminium products, electric fans, forged hand tools, motor cycles, scooters, mopeds, autorickshaws, jeeps, pencils, tea, vanaspati, soap, babyfood, leather footwear, dry cells, metallurgical machinery, diesel engines, ball and roller bearings, machine tools, commercial vehicles, power transformers, cotton yarn and tyres.

The increase ranged from 12.8 per cent in the case of capital goods, 2.8 per cent in respect of intermediate products and 3.4 per cent in relation to consumer durables. But here again the current productivity is far below the peak levels achieved during better years in the past.

Achilles' Heel: The public sector remains the Achilles' heel of Indian socialism with its poor productivity, top heavy administration and continued mismanagement. The Government continues to defend the investments of over Rs. 15,000 crores in State-owned enterprises with the plea that it was necessary to control the commanding heights of the economy, so that the private sector could flourish in the valleys of intermediate production. Except for a few of them, the public sector units continue to remain in a bad shape.

The Prime Minister, Mrs. Indira Gandhi, wants to take up the major sectors like steel, coal, oil, power, fertilizer, cement and transport to see what could be done to improve their performance. She is still caught up on the horns of the old dilemma whether greater governmental control or increased decentralisation would contribute to enhanced production. She has been subjected from time to time to all kinds psychological pressures to opt for one of the other on the basis of onesided and often biased advice.

Mrs. Gandhi has been toying with the idea of opting for greater pragmatism with no rigid dividing lines laid down. As a shrewd politician, she is not unaware that the oft-repeated apologia that the country has yet to recover from the hang-overs of Janata misrule is not going to wash any longer, unless the present Government can give a better account of itself with superior performance. Though some of the figures of modest increases in production furnished by the bureaucracy are music to her ears, she cannot project them as part of a success story, as a starting point for sustained growth to leave the bad days far behind.

The Government is making an all-out effort to step up exports to bridge the trade gap in the face of frequent hikes of oil prices. It is planning to drastically cut down imports of even essential items like steel, cement and aluminium, if the shortage could be met even partly through increased domestic production.

The foodgrain situation in 1981 is going to be quite comfortable, but a shortfall in pulse production is anticipated which could put further pressure on prices. The edible oil position also is not comfortable, although the Government hopes to tide over the shortage partly with increased oilseed production.

CSO: 4220

BRIEFS

DELEGATION VISITS PAKISTAN--New Delhi, 15 Jan (AFP)--An important opposition political party here announced today it will send a "goodwill" delegation to Pakistan in the third week of February to promote Indian-Pakistani relations. Subramanium Swamy, general secretary of the Janata party, which claims a membership of 3 million, told newsmen that the former Prime Minister Morarji Desai was being persuaded to head the delegation. This will be the first time since India's independence in 1947 that an opposition political party delegation will visit Pakistan he said. Mr Swamy, who is also a member of Parliament, said his party strongly advocates signing of a peace and friendship treaty with Pakistan. "The proposal for a no war pact has a negative tone. It will be better if India and Pakistan sign a peace and friendship treaty with a provision that the countries will come to each others help in the event of foreign aggression," Mr Swamy said. Mr Swamy thanked Prime Minister Indira Gandhi for assuring Pakistani President General Ziaul Haq of India's support for Pakistan's "independence, integrity and sovereign status." "We sincerely hope that Mrs Gandhi's commitment is genuine," Mr Swamy said. [Text] [BK151502 Hong Kong AFP in English 1435 GMT 15 Jan 81]

GANDHI HEARS COMPLAINTS--A delegation of district congress-I presidents of Jammu and Kashmir met the prime minister in New Delhi this morning and apprised her of the situation in the state. According to PTI, (G.M. Nirlasjan), who led the delegation, later said that they have told the prime minister that Sheikh Abdullah's government is fanning regionalization and creating division among various communities of the state. They charged the Sheikh with creating a wedge between the Buddhists and non-Buddhists in the frontier region of Ladkh and encouraging RSS [Rashtriya Swayamsevak Sangh, rightwing Hindu militant organization] in Jammu region and the Jammat-I-Islam [extreme rightwing Muslim organization] in the Kashmir Valley. The delegation also told Mrs Gandhi that the Sheikh's government is misusing plan funds on nonproductive schemes instead of spending them on projects. Another member of the delegation, (Shati Shaihzda), told PTI that the delegation complained to the prime minister of the impediments being put by the ruling national conference party in the way of the opposition. [Text] [BK161613 Delhi Domestic Service in English 1530 GMT 16 Jan 81]

KARNATAKA PLAN OUTLAY--New Delhi, Dec. 17. The Outlay for the Sixth Plan for Karnataka has been fixed at Rs. 2.265 crores. Of this Rs. 419 crores have been earmarked for the annual Plan of 1981-82. This was finalised after discussions which the State Chief Minister, Mr. R. Gundu Rao with the Union Planning Minister, Mr. N. D. Tiwari, here today. [Text] [Madras THE HINDU in English 18 Dec 80 p 9]

SUGAR EXPORTS PLANNED--New Delhi, Dec. 16. India is committed to export sugar in 1981 under the Indo-EEC agreement and against the import contract of two lakh tonnes concluded in April last, the Rajya Sabha was informed at question time today. The Commerce Minister, Mr. Pranab Mukherjee, assured Mr. Prakash Mehrotra that the Government was not going to do anything which could adversely affect the domestic situation. Mr. Mehrotra had asked whether sugar export would be stopped in view of shortage and high prices in the country. Answering supplementaries, the Minister said that sugar had been exported to Nepal and Bangladesh for political reasons. Both were getting the most favoured nation treatment. Mr. Mukherjee said that India had imported sugar at the rate of $660 per tonne. Export prices were a matter of negotiation. [Text] [Madras THE HINDU in English 17 Dec 80 p 7]

FORMER MINISTER DIES--New Delhi, Dec. 16. Dr. Ram Subhag Singh, first leader of the Opposition, died here tonight. Dr. Singh, 65, held the position after the Congress split of 1969 when the splinter Congress(O) commanded the minimum strength in the Lok Sabha to be recognised for the first time as the official Opposition to the ruling Congress led by Mrs. Indira Gandhi. He was admitted to hospital on Nov. 26, following a cerebral stroke. The Prime Minister, Mrs. Indir Gandhi, several Central Ministers including Mr. Zail Singh, Mr. A. P. Sharma, Mrs. Ram Dulari Sinha, Mr. B. Shankaranand and several members of Parliament visited the hospital on hearing Mr. Singh's death. He is survived by his wife, four sons and one daughter. Dr. Singh began his parliamentary career in 1952 and became Minister of State in 1962. He was given the portfolio of Railways in 1966 in Mrs. Gandhi's Cabinet. But at the time of the Congress split in 1969, he went over to the Congress (O). He fought the 1977 elections on Mrs. Gandhi's party ticket but lost. He unsuccessfully contested the 1980 general elections as an independent from Arrah. [Text] [Madras THE HINDU in English 17 Dec 80 p 9]

CSO: 4220

OIL PRICES, RICE CROP, BUDGET SPUR GROWTH RATE

Kuala Lumpur BUSINESS TIMES in English 5 Dec 80 p 6

[Article by Richard Cowper in Jakarta]

[Text]

A SUBSTANTIAL increase in rice production, improved exports — notably of oil — and an enlarged development budget will push Indonesia's growth rate to well over 7 per cent this year. This will make the country one of the fastest growing in Asean — a group which itself can boast of being one of the world's most impressive growth areas.

The forecast (which some economic commentators say errs on the conservative side) comes in a review of the economy by one of Indonesia's most respected economists, Dr Sumitro Djojohadikusumo, a former Minister of Finance and one-time dean of the economics faculty at the University of Indonesia.

Most economists expect real growth of around 6 per cent for 1980, although Dr Sumitro said in an interview that he felt it could be as high as 10 per cent, making Indonesia the fastest growing economy in all South-East Asia to 1980. Singapore — the star performer until now — is expected to record growth of around 8 per cent this year, while the weakest members of Asean, the Philippines and Thailand, are likely to have rates of around 5.5 per cent.

"My estimate of 7 to 7.5 per cent in my study is a cautious one. My view is that the official figures will not record the real extent of growth this year. Evidence elsewhere, particularly in research at the village level, suggests that it could end up as high as 10 per cent," Dr Sumitro says.

Whatever the official result for the year — and Indonesian statistics are notoriously inaccurate — Indonesia's economic performance in 1980 is certain to be a considerable improvement on that of 1979, when real gross domestic product, according to Dr Sumitro, grew at 5 per cent, the lowest rate in Asean.

At the heart of Indonesia's improved performance, he says, has been a sharp increase in oil prices, an expansionary budget and a record rice crop, coupled with the willingness of a normally extremely conservative group of economic planners to allow money supply to expand at a fairly high rate. In particular, the increase in oil prices in the latter part of 1979 and in the first half of this year has meant that Indonesia — the largest oil and gas exporter east of the Gulf — has, as Dr Sumitro puts it, grown rich without really trying.

The first wave of the oil profit windfall (in the second half of 1979) was accompanied by no great increase in imports. The economic planners — after having screwed down the hatches with a 33 per cent devaluation of the rupiah in 1978 — unexpectedly found themselves with the problem of deciding how to use this enormous wealth without feeding inflation, then running at around 27 per cent.

Their immediate reaction was to sit tight. The result was that the 1979/80 fiscal year saw a

50 per cent increase in the value of exports and a record balance of payments surplus on the current account of US$2 billion compared with a US$1.2 billion deficit the previous year.

In the same period, gross exports rose, according to a recently published US Embassy economic report, from US$11.3 billion in 1978/79 to US$17.58 billion in 1979/1980, while imports grew by only 15 per cent from US$9.8 billion to US$11 billion. The trade surplus soared from US$3 billion to a record US$6.5 billion.

Foreign exchange reserves also grew fast up from US$2.9 billion in April 1979 to US$5.2 billion in April 1980.

In an effort to spend some of this money and get the economy moving, the government early this year announced a 50 per cent increase in the state budget for 1980-81 to US$16.8 billion. Although all the money allocated to development is unlikely to be spent, the government has moved fast on some big projects, and a 50 per cent salary increase for some 2 million civil servants has undoubtedly helped to put new life into what last year was generally regarded as a sluggish economy.

The rice crop, which most experts now expect to be around 20 million tonnes, up by more than 2 million tonnes from last year, has also improved rural incomes. Money supply in part reflecting the growth of the foreign exchange reserves, has grown by over 40 per cent when inflation has, perhaps surprisingly, been kept at less than 16 per cent this year.

The result is likely to be a major improvement in economic growth this year, with gross domestic product at current prices set to increase from US$48.1 billion in 1979 to around US$60 billion in 1980, and gross domestic product per capita from an estimated US$353 last year to around US$430 in 1980.

The growth in economic activity is likely to be reflected in a sharp increase in imports. Forecast to go up by 37 per cent from US$11 billion in 1979-80 to around US$15 billion in 1980-81. Gross exports too are set to increase by more than 30 per cent in the same period from US$17.5 billion to more than US$23 billion in 1980-81, giving Indonesia at around US$8 billion, its largest ever visible trade surplus.

In Dr Sumitro's review, he expects Indonesia this year to record a further surplus on the current account of the balance of payments of between US$1.5 billion and US$2 billion, while he estimates that official foreign exchange reserves will increase by over 70 per cent, from US$5.2 billion in April 1980 to US$9 billion by April 1981.

But Dr Sumitro cautions against getting carried away with what he calls the "basic aggregate indicators." Indonesia — the world's fifth most populous nation — with between 145 million and 150 million people — remains one of the world's poorer countries. Living standards for the lowest income group may have improved considerably since 1966, but unemployment and underemployment have been accompanied since the mid-1970s by what Dr Sumitro calls "worsening conditions or relative inequality." The poverty in Indonesia is daunting. — FT

CSO: 4220

PERTAMINA OIL SUPPLIES STOLEN, RESOLD ON SPOT MARKET

Kuala Lumpur BUSINESS TIMES in English 6 Dec 80 p 6

[Article by Colin Bickler in Jakarta]

[Text]

THE state oil company Pertamina, one of the major forces in developing Indonesia's economy, faces its third major scandal in five years.

According to the company, Pertamina has discovered massive pilfering of its oil supplies, resold through a Singapore-based syndicate comprised largely of Indonesians.

The company says that since January it has lost at least US$12 million and some officials fear it may be only the tip of the iceberg.

The oil has disappeared on the high seas and in transport around Indonesia. Crews of ships under charter to Pertamina are suspected of transferring part of their Indonesian-destined cargo to other vessels for sale on the spot market with profits going to the syndicate.

More than 50 people have been arrested, some of them Pertamina employees. Judicial authorities say that charges against seven of them have already been prepared.

The Greek captain and Polish first officer of a Panamanian-registered vessel are facing court charges over alleged transfer at sea of cargo destined for Pertamina.

The charges alleged that about 9,000 tonnes of oil loaded in Singapore were sold on the high seas and sent back for sale in Singapore.

Foreign oil company officials told *Reuters* that this could be only a small part of the leak. Pertamina head Piet Haryono told reporters that he believed at least eight chartered tankers had been involved in the racket since January.

The scandal comes at a bad time psychologically for Pertamina. The company is already engaged in a three-cornered legal battle in a Singapore court over possession of some US$35 million deposited in a bank account of the late Haji Ahmad Thahir, who once worked for Pertamina in arranging overseas contracts.

When he died his widow, Mrs Kartika Thahir sought possession of the money held in a Japanese bank in Singapore. She said it was part of a joint account which included her husband's earnings.

Haji Ahmad's children from an earlier marriage also claimed the money while Pertamina stepped in declaring the funds actually belonged to the company and that it was held by Thahir on its behalf.

The scandals blew up while the company, responsible for both production of Indonesian oil for export overseas and the distribution of imported oil, was trying to live down the disclosure five years ago, that it was more than US$10 billion in the red.

The company had to be bailed out by the state banks and the head of Pertamina former General Ibnu Sutowo, resigned.

Under General Sutowo's leadership, Pertamina developed a reputation for getting things done in Indonesia that others could not, but a great deal of money was apparently spent in the process.

As a result, Pertamina owns a string of motels and tourist resorts and is involved in several enterprises not directly related to oil production or distribution.

Under the new leadership, the company was expected to adopt a less diversified profile while building up the energy industry.

Authorities are still investigating the impact on the company of the latest trouble and the extent of involvement by senior officials.

Nor is it clear how the racket was organised.

When it was first disclosed, Pertamina's domestic supplies director Yudo Sumbono told reporters that a 0.5 per cent cargo loss was allowed for in shipment because of evaporation.

But in the five months up to September when the racket was exposed, shipping losses were up to six per cent, a sizeable amount at the present spot market prices.

According to industry sources, investigations suggest that onshore officials must have been involved in issuing false certificates to show that the total cargo was fully unloaded.

Investigators also believe that while some tankers might have transferred cargo at sea to other vessels — involving the risk of a lot of people knowing — others might have not fully unloaded in Indonesia and perhaps returned with part of their cargo.

Investigations are being complicated by the fact that some of those thought to be involved are foreigners who are no longer in the country and thus out of Indonesian jurisdiction. — Reuter

CSO: 4220

GOVERNMENT IS MAIN USER OF COMPUTERS

Kuala Lumpur BUSINESS TIMES in English 13 Dec 80 p 6

[Article by Chakravarthi Raghavan in Geneva]

[Excerpts] BATTLE Operations Strategy System is one application of the Defence and Security Department's large Univac 1106 computer.

The Department of Public Works has a big IBM S/370-145 to cope with increasing demands for project calculations, project monitoring, inventory control and personnel applications.

And following these mammoth types, Wang broke into the scene in 1973 when it saw a market for minicomputers for small users in the Indonesian private sector.

Since the first use of the so-called third generation electronic computers in the late 1960s, a mixture of 13 manufacturers — from giant IBM to minicomputer marketeer Wang — have installed 196 systems for 173 customers in Indonesia.

The Government is the top computer user in the country. Most of the computer uses are administrative — statistics, billing and revenue calculations, personnel and logistics.

"But a close analysis of the thousands of application areas will reveal there are few activities in Indonesia that cannot employ computer technology to some degree," said Rudy J. Pesik, president of P.T. Pusat Information and former vice president of the Indonesian Computer Society (IPKIN).

In a paper on the state of computer technology in Indonesia presented during the third Southeast Asian Regional Computer Conference (SEARCC '80) in Jakarta last month, Mr Pesik says the Government is the biggest user because it is "the biggest influence on the Indonesian economy."

Apart from the armed forces and the Department of Public Works, major computer users are the Central Bureau of Statistics, the Department of Finance, the State Telecommunications Corp. (PERUMTEL), Garuda Indonesian Airways and Pertamina, the state oil company.

The private sector, however, is slow to adopt computerisation due to its relative small size.

Those that do mostly have minicomputers, such as foreign oil companies like Arco and Mobil.

Very few manufacturing industries are big enough to justify computers. Even multinationals like Unilever have only recently started using minicomputers.

Also, the availability of the Palapa domestic communication satellite launched in 1976 dovetailing with the recent major expansion of the island nation's telephone network enables the linking of various minicomputers in the provinces to the main computer in Jakarta.

However, several obstacles bar the further use of computers in the country. This includes the fear of unemployment since computers in the are not associated with labour intensive methods. The overpowering supply of cheap labour in Indonesia often competes with computerisation.

Inadequate training in data processing is another problem. This is coupled by a lack of executive interest and insufficient understanding of the information system.

The Government established an agency, BAKOTAN, to coordinate the automation (including computerisation) of the national administration . Its work is to provide guidance to government agencies and enterprises in the use of computers.

In tandem with BAKOTAN is the Indonesian Computer Users Association, IPKIN. With about 400 members, the five-year-old IPKIN has conducted two national seminars and one national computer conference, as well as playing host to SEARCC '80.

Some of the computer suppliers have for their part formed an association of national suppliers of informatics the APNI. It has sponsored a joint exhibition of computer hardware and has held several dialogues with the Government.

"Through better coordination and cooperation between computer suppliers, users and the Government, better and more satisfying results could be achieved," says Mr Pesik.

However, BAKOTAN IPKIN and APNI are still in their formative stages. It may take some time before a common computer language for use among them could be programmed.— Depthnews

CSO: 4220

SUMATRA HAS POTENTIAL AS REGIONAL ENERGY CENTER

Kuala Lumpur BUSINESS TIMES in English 2 Dec 80 p 20

[Text]

WEST and Central Sumatra have the potential of becoming an energy centre for the region in future. The area has vast energy potential from coal, oil, hydro and geothermal sources.

Recent reconnaissance surveys show that the rivers and lakes in the area are rich in hydro power. This hydro power can be converted into electrical energy, which could amount to more than 4,400 gigawatt hours (GWH) per annum at approximately 800 MW.

Latest estimates show the potential of Indonesia's main islands, including West Irian, was as much as 30,000 MW.

Dr F. Tambunan and Drs C.S. Hutasoit of Indonesia told the five-day Far East Conference in Electric Power Supply Industry that the area also had the potential for 300 MW of power from geothermal and sources and more than 1,000 MW from coal that could last 100 years. (Total coal deposits are estimated at more than 10 billion tons.)

The total energy available from all sources will permit installation of capacity yielding 17,000 GWH per year in energy, which according to the authors of the paper, was "substantial anywhere in today's energy hungry world."

The paper is entitled the prospects of West and Central Sumatra as an energy centre for the region.

Dr Tambunan and Drs Hutasoit point out that considering the hydro power and coal deposits along (good grade bituminous coal of about 300 to 450 million tons) the area had good potential to become an energy centre in the future.

(The bituminous coal has an average calofiric value of 5,000 kcal/kg that could be raised to 7,500 kcal/kg with washing.)

The authors point out that with the present technology in electric power transmission, the energy when developed could be made available for other regions, as far as Malacca in Peninsular Malaysia and Kuala Tanjung in North Sumatra.

The Lake of Singkarak with the Ombilin coal mine in West Sumatra is only about 500-600 km from Johore Baru in Peninsular Malaysia. A biopolar High Voltage Direct Current (HVDC) line with 250 KV (kilovolt) can economically transmit 600 MW over the distance.

The length of the submarine cables required for power transmission would be about 50km.

The areas though rich in power is industrially under developed. The only industry of substantial significance in operation is the P.T. Semen at Indarung, producing cement and uses coal for its kilns.

The annual production of the indsutry is projected to increase from 330,000 tons to about 1.33 million tons in 1983 with a corresponding rise in annual coal consumption from 70,000 to 250,000 tons.

Other local consumers of coal are the railways, lime stone kilns and small electric power plants. Total consumption is projected to be 600,000 tons by 1983.

Development of energy sources are being undertaken by a number of parties. Swiss and Japanese consultants were constructing a power station at the mouth of the Antokan River in West Sumatra.

The construction, financed by the Asian Development Bank, is expected to be completed in 1982. It is expected to have an annual energy production of 314.5 GWH.

CSO: 4220

GUERRILLAS COOPERATE WITH KHMER ROUGE AGAINST VIETNAMESE

Kuala Lumpur BUSINESS TIMES in English 2 Dec 80 p 6

[Article by Jim Wolf in Bangkok]

[Text]

ANTI-VIETNAMESE guerillas in Laos — the "X" in the Indo-China equation — remain a problem for Vientiane and Hanoi, but not a real threat, according to a new scholarly study.

The study, by a recognised expert, holds that the resistance is hamstrung by internal divisions, lack of political will and a lack of outside support. An advance copy of the study signed by David Stone was made available to *Agence France-Presse*.

Although it notes that China recently stepped up its broadcast references to the guerillas, a sign of approval, the paper suggests Peking will never embrace them fully.

This is because the guerillas, estimated to number at least 5,000, are nationalists and anti-communists, an unacceptable vehicle for China's overall drive to tame Soviet-backed Vietnam.

Hanoi maintains about 50,000 troops in Laos to protect the Pathet Lao government it helped create, five years ago today after the communist victories in Indo-China.

Stepped-up resistance there could force Hanoi to divert men and resources from the main event in Kampuchea, where the Chinese-backed, ousted Khmer Rouge regime remains a much more serious threat to Vietnamese domination.

To date, there has been only scattered, hit-and-miss resistance to the rule of Lao Prime Minister Kaysone Phomvihan, but recent reports indicate a toughening of resolve in the land-locked, impoverished state of about 3.4 million people.

The regime has been plagued by severe economic dislocation and a massive and continuing outflow of refugees, equal to about 10 per cent of the population — the largest per capita of the three Indo-Chinese countries.

According to reports from Lao resistance sources here, the guerillas agreed earlier in November to "cooperate fully" with their Khmer Rouge counterparts in Kampuchea in a stepped-up fight against the Vietnamese presence in both countries.

The sources said the Chinese-backed Khmer Rouge had already begun delivering arms to the Lao-guerillas close to the point where the borders of Thailand, Laos and Kampuchea converge.

They also reported the guerillas had blown up a strategic bridge at Paksan, near the Thai border, eight days before this fifth anniversary celebration of the communist takeover.

Earlier, the Lao guerillas claimed in a communique to have set up a united front at a meeting in the southern province of Champasak last Sept. 15.

But the new study, to be published this month in the Singapore-based quarterly *Contemporary South-East Asia* says the Lao rebels are hindered by a lack of the ruthlessness typical of the Indo-Chinese communists.

"They apparently cannot bring themselves to intimidate their own countrymen to a point equal to... that the government side has already attained," said the article.

The article maintains the guerillas have broad popular support but are unwilling to solidify it by provoking the government forces into the kinds of retaliatory attacks that would leave the population no option but to join them.

"This is the ends-justify-the-means kind of provocation that can force a population to choose, despite itself, to resist a government to

the point of self-sacrifice," the article said.

Referring to what it called the "cold-bloodedness of the Chinese and Indo-Chinese communists," the paper implies the Lao rebels are qualitatively different, softer and more humane.

In an interview before leaving Thailand, the author said he had spent three months travelling clandestinely inside Laos with the guerillas, apparently the longest such stretch by any Westerner.

He based his conclusions on these tours, the most recent of which was last year, and an apparently extensive network of Lao exile sources.

In the interview, the author estimated the guerillas' armed strength at 3,000-3,500 south of Vientiane and about 1,500 in north. He declined to estimate the strength of the H'mong hill people component, but said the movement overall was neither gaining nor losing strength.

The writer said there was "no possibility" of a north-south guerilla link-up because of the rudimentary road network and difficult terrain, unless an outside power lent support — up to and including air drops of supplies.

He said China apparently believed Laos would be a sufficient drain on Vietnam without outside prodding and could eventually be weaned away to a "satisfactory extent," with Thailand's "insistent friendliness to Laos as the cutting edge."

Stressing that China would only support a resistance it had created itself, the author said the most the guerillas could expect was "experimental help" probably mainly in the north.

One question mark remained the formation of a Lao Socialist Party reported earlier this year by Chinese radio. Nothing has been heard of it since, though this could prove a vehicle for more Chinese aid.

He said Thailand, meanwhile, would limit its help to intelligence gathering for fear of giving Vietnam a legitimate reason to attack, as it did briefly last June from Kampuchea.

The United States, for its part, would steer "completely clear" of the resistance because of what the author called the "timidity" of the Carter administration's foreign policy.

He left open the possibility of a change under the incoming administration of President-elect Ronald Reagan.

He dismissed as a "reflex reaction" the arrest of 300-500 people in Vientiane in October, calling it a routine purge, not indicative a serious threat to the government. — AFP

CSO: 4220

FOREIGN TRADE TIES EXAMINED

Vientiane SIANG PASASON in Lao 10 Nov 80 p 3

[Article: "The Foreign Trade of the P.D.R.L." by Khamphan Chittavong]

[Text] In the five-year period since the complete victory of the revolution production and exports of the Peoples' Democratic Republic of Laos have been organized and exports and imports have been well controlled. The annual volume of goods has increased incrementally and has strongly expanded economic relations of our country with the outside world.

Now the trading partners of the Peoples' Democratic Republic of Laos number more than 10 throughout the world including mostly fraternal socialist countries and some capitalist countries that are able to cooperate on the basis of mutual equality and benefit and mutual respect for independence and sovereignty. All this creates conditions for facilitating national economic expansion and steady improvement of living conditions of our multi-ethnic people.

Trade generally operates under the policy guidance of the party and state and specifically in accordance with the provisions of resolution no 7. The framework for our country to exchange goods with foreign countries is composed of the guidelines and principles of national economic development. Thus in building sources of exports we have organized purchase and storage of goods and production of goods of high value to be exported and sold abroad. Examples are wood, wood products, coffee, false cardamom, native handicrafts, salt, alabaster, stick lac, soda, etc.

Turning to imports we have also purchased needed imports and have secured non-reimbursable aid from socialist countries and international organizations. Examples are consumer goods for agricultural production and building a new life for the people of Laos. To carry out these duties by means of foreign aid and trade two import-export companies have been set up.

Under conditions where our country is progressing from small-scale production to socialist, large-scale production our country's trade with foreign countries has encountered numerous difficulties, for one thing because our country has no outlet to the sea. In addition our enemies have never abandoned their plots to destroy our economy.

Under the leadership of the Lao Peoples' Revolutionary Party the current management of foreign trade activities has been clearly divided between state government

and state enterprises. This arrangement makes it possible for state enterprises to conduct the business of trade with great efficiency and to make the purchase, sale, exchange, and distribution of goods more convenient. Statistics for the first six months of 1980 show that our foreign trade has progressed tremendously when compared with previous years.

Trade with neighboring countries is conducted via two methods: government-to-government--exports consist of coffee, false cardamom, wood and forest products and imports are consumer goods, medicines, etc.--and people-to-people trade which is conducted along the borders.

In socialist bloc trade we export coffee beans, wood, and wooden manufactures while the types of goods we import from fraternal socialist countries are goods used in daily life, implements for use in production and construction, and heavy machinery. Most of this is sent to us by socialist countries, in excess of the value of our exports to them, in the form of aid.

Operating under the slogan "Use trade as the harness to encourage production work!," after imported goods are received at border depots, the central trading companies sell them to provincial trading companies to be distributed for sale to cadres, combatants, and people at the production bases.

Even though in the past this work has been hampered by the lack of export-import shipping routes, thanks to the attention paid to it by higher levels, it has shown solid progress.

The entirety of this represents favorable conditions for greatly facilitating foreign trade of which the more it rises the more it will influence changes in the living conditions of the Lao masses to ever greater abundance.

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CSO: 4206

STRENGTH OF PRIVATE INDUSTRY, TRADE IN SAVANNAKHET NOTED

Vientiane SIANG PASASON in Lao 7 Nov 80 p 2

[Article: "Savannakhet is Progressing" by Nopphalat]

[Text] IV Industry and Trade.

A. Industry.

Savannakhet is a province where industry has been developed. The industrial sector of the economy is divided into two parts, the state sector and the private sector. In the state sector there are 7 sawmills, a rice mill, 2 bakeries, a fish sauce plant, a vehicle repair plant, a carpentry plant, a foundry, a carbonated beverage plant, a noodle factory, a tailoring plant, a kalem plant, a chalk factory and a rubber bag factory. Besides these there are also privately-owned factories, i.e., 5 sawmills, a plowshare factory, an ice plant, 18 rice mills, a carpentry plant, a tailoring plant, 4 smoothing plants, 6 large vehicle repair shops, 3 bakeries, and 2 wooden furniture plants.

These privately-owned factories are under the direct guidance of the state and are obligated to form a portion of the capital of the state.

B. Popular Handicrafts.

After the liberation of our nation the people of Savannakhet Province who already possessed firm confidence, ambition, and creative minds worked hard in concert to restore and build production of handicrafts. Today throughout Savannakhet Province there are 364 blacksmith units, 9 pottery units, 4 boiled salt units, and 25,352 weaving looms plus silkworm raising and basket weaving, etc.

Even though the production of these factories and of the people of the province is not capable of satisfying demand it does represent partial satisfaction and a good foundation for advancing to self-sufficiency in the future.

C. Trade.

In order to achieve steady improvement in the living conditions of cadres, workers, and multi-ethnic people during the past five years the administrative authorities of Savannakhet Province and the provincial department of trade have concentrated on expanding state stores and have opened 25 new ones bringing the total in the province to 37 or an average of 4 or more in each district.

Coupled with this expansion of state trading outlets, the provincial department of trade has urged the people to establish cooperative stores widely. There are throughout Savannakhet Province 56 cooperative stores including 40 which have been established in the past five years. In Savannakhet City there is a cooperative slaughterhouse which provides daily service to the market.

D. Market Controls and Private Commerce.

In the past five years, operating in accordance with party and state guidelines and on the basis of actual conditions in the province, the administrative authorities of Savannakhet Province have concentrated on controlling and guiding private trade and have organized it into units with strict inspection and registration. Currently there are 495 private stores and 7 private markets in Savannakhet Province.

These activities have played not a small role in achieving a steady improvement in the living conditions of the people of Savannakhet Province.

8947
CSO: 4206

PREVIOUS TAX, PURCHASING POLICIES CRITICIZED, NEW POLICY UNVEILED

Vientiane SIANG PASASON in Lao 7 Nov 80 pp 1, 4

[Editorial: "Warm Praise for Agricultural Tax and Rice Purchasing Policies"]

[Excerpt] In a few days our young Peoples' Democratic Republic of Laos will enter its sixth year. We are proud to observe that by making use of the strength, intelligence, wealth, even the flesh and blood of all classes of patriotic and socialism-loving people, such as workers, farmers, cadres, soldiers, and intellectuals, our country has overcome numerous obstacles not just to remain in existence but to make general and appropriate growth. At no previous time in history have our people had as much mastery over their country, as much honor and glory, and as much steady improvement in living conditions and has our country had such great status and roles in world political circles as they do today.

Nevertheless our highest hopes have yet to be attained. Our path is still strewn with obstacles. Poverty and backwardness, both evil legacies of the old system, still persist. The imperialists and international reactionaries who are the enemies of peace, independence, and prosperity are still seeking to destroy our efforts. We cannot eliminate these enemies with our bare hands. We have friends to aid us materially and psychologically but if we do not have internal strength we will not be able to settle basic disputes. Therefore the campaign to lift ourselves up, to sustain ourselves, and to build our own strength is a decisive element for the success of our struggle and is something for us to take pride in. There probably are many ways to accomplish this but, based on the special characteristics of our country and people, agricultural taxes and purchasing of agricultural production are the best bets. This year the collective and private farmers in our country, having been enlightened by resolutions of the party central committee, having become better trained and organized, and having gained experience from fighting natural disasters for two consecutive years, have been able to increase agricultural production above all previous years. This has brought the people happiness and deeper faith in and involvement with the new system. Our people are determined to preserve and build the new system in the form of paying agricultural taxes in accordance with their duty to the nation as well as selling rice to the state in order to gain income to improve living conditions and to expand production especially to push production during this dry season.

Although agricultural tax collections and rice purchases have been performed before, experience of the past several years confirms that localities that underestimate indoctrination and rely on issuance of orders not only are unable to

fulfill their quotas for tax collection and rice purchases but also generate harmful effects on the belief of the people in the policies of the party and state and if that is not enough they are soft spots for the enemy to take advantage of disagreements among cadres to sew division between the people and the party and the state and to confuse the situation. The organizations guiding tax collection and rice purchasing have an interrelationship with every problem and every sector and it is necessary that they all be worked on and that many problems be solved simultaneously. There must be coordination with trade plans and monetary plans. These two areas are closely interrelated as goods must be prepared and at the same time preparations must be made to have money in every locality to disburse as rice is purchased and there must be goods to sell to the people so money will circulate and preserve a balance between expenditures and receipts at a certain level. Another problem is that there must be a firm grasp of the relationship between money and trade, i.e., between collection and purchasing. For example, when all taxes are collected in a canton, the tax collection cadres must turn over all tax rice to trade officials separately and there must be absolutely no mixing of accounts for tax rice and purchased rice.

This is because tax rice is the source of local budget revenue whereas rice purchasing is a commercial enterprise. Nevertheless in the conduct of tax collection and rice purchasing the two departments must aid, support, and cooperate closely with each other.

In addition there must be better coordination with transport so rice can be hauled to granaries. There must be coordination of tax collection and rice purchasing plans with the propaganda machinery so the people can be mobilized to pay their taxes and to sell rice to the state. At the same time there must be timely countering of distorted enemy propaganda. There must be close coordination with military and peace-keeping activities and policies regarding agricultural taxes, purchase prices, and industrial goods prices to farmers must be coordinated because if these policies are not right there will be great losses. It would impact adversely on rice collection and purchasing as well as on increased production by the people.

The performance of this work is very involved. Therefore party committees and administrative authorites at all levels must make plans for their own jurisdictions so that the work will be done well. At the same time there must be effective control of collected and purchased rice. There should be absolutely no carelessness or mindlessness which result in a useless loss of state property.

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CSO: 4206

SAVANNAKHET ROAD NETWORK DESCRIBED

Vientiane SIANG PASASON in Lao 8 Nov 80 p 2

[Article: "Savannakhet is Progressing" by Nopphalat]

[Text] Savannakhet is a province with an extensive road network divided into three classes with a total length of 8,095 kilometers. Strategic highways, which are the responsibility of the central government total 400 [sic] kilometers in length including 249 kilometers of route 9 and 161 kilometers of route 13 as it passes through Savannakhet. There are 12 provincial highways totalling 510 kilometers in length which are the responsibility of the provincial department of public works. There are 51 kilometers of route 11 from Savannakhet to Kengkok, 50 kilometers of route 25 from Phin District to Sepa-eum, 41 kilometers of route 28 from Savannakhet to Saravane Province, 45 kilometers of the road from Savannakhet to Kengkabao, 8 kilometers from route 13 to Nongsaphang, 47 kilometers from route 13 to Ban Dan, 27 kilometers from Kengkok to Lahanam, 40 kilometers from Lahanam to Thapasum, 42 kilometers from route 13 to Houei Mun, 18 kilometers from route 13 to Heuan Hin, 20 kilometers from route 9 to Sakhin via Khok Hinkea, and 105 kilometers from route 9 to Nhommalat in Khammouan Province. District and canton roads total 7,225 kilometers in length and are the responsibility of the people. Highways in Savannakhet Province make it possible to go from Savannakhet City to all eight districts, every canton, and about 80 percent of all the villages.

In the past five years the Savannakhet Province Department of Public Works, Communication, and Transport has constructed 67 kilometers of new road and have concentrated especially on upgrading the roads mentioned including 10 kilometers repaved with asphalt. In addition they have built 22 steel bridges with a total length of 622 meters to replace wooden bridges or ones that had been destroyed.

Of the roads mentioned, strategic and provincial highways can be counted on to carry traffic and transport all year long. Some district and canton roads can be counted on only in the dry season.

Besides land communications routes Savannakhet Province has water communications routes, namely the Mekong River, Sebangfai, and Sebanghian, and air communications routes, namely Savannakhet-Vientiane and Savannakhet-Pakse.

Based on these conditions the Savannakhet Province Transport Unit will be able to haul a total of 913,198 tons of goods a total of 11,533,045 ton/kilometers. In

addition passenger travel, which is organized as a state enterprise and a bus owners association, operates 14 land routes and 3 water routes and is capable of carrying a total of 1,227,397 passengers.

These accomplishments play an important role in improving living conditions, building the economy and spreading culture within the province.

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CSO: 4206

SAVANNAKHET FORESTRY EXPLOITATION, STATISTICS REPORTED

[Vientiane SIANG PASASON in Lao 6 Nov 80 p 2

[Article: "Savannakhet is Progressing" by Napphalat]

[Excerpts] II Forestry.

Savannakhet is a province with abundant natural forests which are valuable national resources. They cover a total area of 328,300 hectares. The broadest area with the most trees is the Phu Sanghe jungle but under the old regime with reactionaries, militarists, and capitalists unashamedly competing with one another to scoop up these resources to build their own fortunes plus the ten years of terrible destruction by the American imperialists in the air war have reduced the area covered by this broadest forest to only 43 percent.

A. Preservation of Forests.

In addition propaganda has mobilized over 530 families from mountainous regions to abandon shifting cultivation and take up rice paddy farming. This has reduced the destruction of forests due to shifting cultivation techniques.

B. Surveys, Inspections and Planning.

Recognizing the value of forests, since 1976 the Savannakhet Province Department of Agriculture and Forests has been conducting an urgent inspection of forest areas which as of now has been completed over almost 100,000 hectares. Included therein are the Dong Lau Forest in Sepon District with an area of 32,182 hectares and a total timber quantity of 35,000 cubic meters composed mainly of maikacha, maibak, maila-en, maisakham, maipeui, and gurjun-oil trees and the Phu Viang Forest with an area of 50,000 hectares and a timber quantity of 43,000 cubic meters composed mainly of gurjun-oil trees, maibak and maihualon which are types of wood quite valuable for construction use.

In addition they have urged the districts to keep up with forest conditions, to set aside forest reserves, and to help inspect for exploitation.

C. Nurseries and Reforestation.

Continuing to improve and expand the two existing nurseries at kilometer post 4 and Nonglom which cover 10.5 hectares, during the past five years the provincial

forestry department has given special attention to nurseries and reforestation. As of now they have been able to raise over 762,200 seedlings and this number of seedlings has been distributed to offices, organizations, and other production units which have planted them on 105 hectares. Most have been native trees such as maikha, maikhem, maibak and teak.

Planting of trees is done in two ways: seedlings are grown in nurseries and then transplanted or they are grown in forests directly. In addition the province has set a basic policy on tree planting to get people all over the province to plant income producing trees. It also urges the districts to establish their own nurseries in order to distribute more seedlings to the people.

D. Extraction.

In the past five years operating under party and state guidance regarding making agriculture and forestry the foundation for expanding industry, the Savannakhet Province party committee and administrative authorities have urged the districts and departments concerned to gather old logs cut by capitalists and use them for production and sale. In addition, they have organized extraction of timber, with the state acting directly as the extractor, and have extracted 33,359,554 cubic meters.

E. Processing.

In order to satisfy the demands of national construction following restoration of mills and factories the workers of sawmills throughout Savannakhet Province have resolutely mastered their duties. From 1978 through June 1980 they have been able to produce a total of 5,306,085 cubic meters of finished lumber.

8947
CSO: 4206

DEVIANT GROUPS CONFUSE JOHORE MUSLIMS

Kuala Lumpur NEW STRAITS TIMES in English 2 Dec 80 p 20

[Text] JOHORE BARU, Mon. — The Ministry of Home Affairs has been urged to take action against 20 deviant Islamic religious groups which are exerting a strong influence on the people of Johore.

These groups have tentacles reaching out into the most remote villages and settlements, said a member of the Johore Religious Council, Haji Maon Omar.

"Their number is 20 and not 12 as announced by the State Government recently," he told reporters today.

Haji Maon, who is also the State Assemblyman for Johore Lama, said most of these groups were active in Felda settlements and a few had following in towns, including Johore Baru.

He said the council was aware that many leaders of these groups had received training outside the country.

Members of these groups, he said, usually conduct house-to-house lectures and seemed to have exerted considerable influence on the people.

Confusion

He said: "The existence of so many groups is not healthy as people are confused over the correct Islam to follow.

"I am afraid this confusion will be exploited by anti-national elements to sow discord and disunity among the people."

Haji Maon urged the Government to look into the matter quickly so that action could be taken against the groups.

He said many high-ranking government officials had been known to be members.

Therefore, it was easy for these groups to conduct their lectures, as through the government officials they could easily obtain permission from the Religious Affairs Department to conduct their activities.

"It is because of this that action could not be taken against them," he added.

CSO: 4220

PETRONAS TO WORK OUT OIL REFINERY DETAILS WITH KUWAIT

Kuala Lumpur BUSINESS TIMES in English 15 Dec 80 p 1

[Text]

THE national oil corporation, Petronas, will send a high level team to Kuwait in February to finalise details on the proposed cooperation between the two countries in the setting up of an oil refinery in Malacca.

On leaving Kuala Lumpur yesterday, Kuwait's Oil Minister Sheikh Ali Al-Khalifah Al-Sabah said that he had invited the Petronas managing director, Encik Rastam Hadi to lead the mission.

According to him, Finance Minister Tengku Razaleigh Hamzah will also visit his country in March to give his Ministry's approval to the arrangement to be worked out with Petronas regarding the Malacca oil refinery.

The Kuwaiti Oil Minister said his country is interested in exploring all avenues of cooperation with Petronas. He identified the three possible areas of cooperation in terms, firstly, of Kuwait's participation in the Malacca refinery due to be completed in two years time; cooperation in exploration work and the exchange of crude oil produced by the two countries.

The Kuwaiti Minister said he preferred to work things out with Petronas before committing himself. "Oil refining is a complex business and all details have to be studied very carefully," he said.

The Minister stressed his country was willing to cooperate with Malaysia not only in the oil business but also in other areas.

One example of this is the Malaysia-Kuwait Investment Corporation established in May this year. The corporation will be used to facilitate the inflow of Arab petrodollars and the export of Malaysian goods.

Bernama adds: Kuwait has agreed to take up 20 per cent equity in the proposed oil refinery project at Malacca.

Disclosing this yesterday, Finance Minister Tengku Razaleigh Hamzah said the Kuwaiti participation would be in the form of supplying crude oil for the project.

In return, Malaysia had agreed to ensure its crude oil supply to Kuwait.

Speaking to reporters after inaugurating Pakatan Darul Naim Malaysia — a voluntary welfare association formed by the Kelantanese in Kuala Lumpur, at City Hall, the Minister said these agreements were reached in his talks with the visiting Kuwaiti Oil Minister Sheikh Ali Al-Sabah on Saturday.

Tengku Razaleigh said Kuwait had also agreed on a joint venture with Petronas to carry out oil exploration.

The other area agreed to by both sides was to work out an arrangement to swap oil.

Tengku Razaleigh said the "deal" was to ensure Malaysia's crude oil supply to meet its domestic needs.

Tengku Razaleigh described his talks as "fruitful" and he thanked the Kuwaitis for showing tremendous understanding of Malaysia's problems.

CSO: 4220

PAPER SUSPENDED FOR ARTICLE CRITICAL OF ISLAM

Kuala Lumpur NEW STRAITS TIMES in English 4 Dec 80 p 32

[Text]

KUALA LUMPUR, Wed. — The Government will not allow anyone to belittle Islam, the country's official religion, Deputy Minister of Home Affairs, Encik Sanusi Junid said today.

It would also keep a look-out for any attempt to divide the Islamic faith into such categories as Scientific Islam, Progressive Islam and Islamic Socialism.

Encik Sanusi was speaking to reporters after a seven-man delegation representing the Tanjung Muslims Action Committee from Penang called on him at his office here.

The meeting was in connection with an article which criticised Islam, published by the Tamil Malar recently.

The Deputy Minister said the Government took a serious view of the attitude shown by the paper in publishing an article which could incite the people.

Encik Sanusi said in Malaysia, an anti-Islam attitude would be construed as "anti-God, anti-King, anti-Constitution and anti-Rukunegara."

He said that Tamil Malar's apology on Nov. 29 was not its first on matters pertaining to Islam. On May 18, 1975 the paper also apologised for belittling Islam.

He added that certain people and the communists were also out to downgrade Islam.

He noted that certain people professing socialism had taken it upon themselves to come up with new theories on Islam.

The Communist Party of Malaya was also showing increasing interest in Islam and had formed the so-called "Parti Persaudaraan Islam (Paperi)."

Encik Sanusi said the Government was keeping an eye on self-proclaimed "prophets" and "messiahs" who were out to win over Muslims in the country.

He said that in 1972 a man of Indian origin identified only as "Fatah" somehow managed to find a place in public forums and rallies organised by Muslims.

The man fled when it was discovered that he was not a Muslim.

Meanwhile, two more Indian Muslim organisations have come out in support of the Government's decision in suspending the Tamil Malar.

The Selangor and Federal Territory Kerala Muslim Jama'at in a statement today, appealed to the Government to investigate the motive behind the publication of the article.

The Malaysian Muslim Indian Congress (Kimma) hoped the Government would keep close watch on Tamil Malar in future should the suspension order imposed on it be lifted.

CSO: 4220

NAVY DISCONTINUES USE OF ARMY RANK DESIGNATIONS

Kuala Lumpur NEW STRAITS TIMES in English 11 Dec 80 p 11

[Text]

KUALA LUMPUR, Wed. — Naval officers and men have reverted to their former ratings instead of using army ranks.

The move is aimed at overcoming difficulties whenever the Royal Malaysian Navy conducts joint-exercises with naval forces of other nations.

In the past, foreign naval officers had difficulty in addressing RMN officers due to their army ranks.

This is because an RMN naval Kapten is actually the rank of Leftenan. But in naval ratings, a Kapten's rank is equivalent to the rank of Kolonel in the army.

RMN officers switched to army ranks about seven years ago.

The highest ranking officer in the Navy is now known as Laksamana Muda, equivalent to a Jenoral in the army.

The ratings for naval officers with their equivalent in the army in brackets: Leftenan Muda (Lt. Muda), Leftenan Madya (Leftenan), Leftenan (Kapten), Leftenan Komander (Mejar), Komander (Lt. Kol.), Kapten (Kol.), Laksamana Pertama (Brig. Jen.)

For the sailors: Laskar Muda (Rekrut), Laskar Kelas 2 (Prebet), Laskar Kelas 1 (Lance Koperal), Ketua Laskar (Koperal), Bentara Muda (Sarjan), Bentara Kanan (Setaf Sarjan), Pegawai Waran 11, and Pegawai Waran 1.

CSO: 4220

BRIEFS

AMBASSADOR TO BRAZIL--His majesty the king has appointed Mr Uddav Dev Bhatta royal Nepalese ambassador to Brazil, reports RSS. This was stated in a notice issued by the principal press secretariat of his majesty the king on 2 January. Mr Bhatta is the permanent Nepalese representative to the United Nations in New York. [Text] [BK150207 Katmandu THE RISING NEPAL in English 3 Jan 81 p 1]

CSO: 4220

ECONOMIC REVIEW FINDS GROUNDS FOR OPTIMISM

Kuala Lumpur BUSINESS TIMES in English 21 Nov 80 p 6

[Article by Philip Bowring]

[Excerpts] JUDGED by the exacting standards of the capitalist East and South-East Asian region in which it is situated, the performance of the Philippines economy has been weak.

In particular, critics are quick to point to an external debt now totalling nearly US$12 billion and growing at a rate of US$13 billion annually.

Certainly, the economy's 6 per cent annual average growth rate leaves room for improvement even at a time when world conditions are unfavourable.

With three-quarters of the current year gone, the figures look quite respectable. Agriculture has grown by 6 per cent and mining by 7 per cent in real terms; exports in dollar money terms were up 27 per cent compared with only 15 per cent for imports.

Export achievements were not solely due to sharp improvements in sugar, copper, nickel and gold prices. Manufactured exports were up 35 per cent, even though the performance of manufacturing as a whole continued to be a drag on GDP performance, growing at an annual rate of only 4 per cent in the nine months.

However, the full year's figure seems unlikely to be as good as for the period because it appears that agricultural output will be affected by falling coconut production as a result of low prices. Sugar output will take a season or two to show major recovery after several years of decline due to low prices.

Copper and nickel output have probably seen their best now that the metals boom early in the year has subsided. Conditions in manufacturing remain slack as consumer buying power has been affected by a tendency for oil-induced consumer prices to outrun family incomes.

Private investment is showing some signs of recovery from very low levels early in the year when companies were frightened by record dollar interest rates. At one time, credit to the private sector was expanding at a significantly lower rate than price increases, but it is still slack.

The public sector continues to act as a stimulus despite delays in project implementation. Government spending has risen by 27 per cent while revenues, held back by weak business conditions, have grown by only 15 per cent. However, there are physical limits to the government's ability to spend, not to mention International Monetary Fund (IMF) guidelines on domestic credit expansion and the size of the government deficit.

As it has been for several successive years, the most consistently bright spot of the economy remains grain production, which has been persistently outrunning the rate of consumption growth.

From being an importer of rice, Philippines is now a significant exporter, and last year the nation reached self-sufficiency in corn for the first time. The reasons have been heavy investment in irrigation, improved credit supply, fertiliser and extension work and — perhaps most important — regular increases in padi prices which have kept returns from rice growing roughly in line with general price rises.

Traditional export crops have fared less well. Sugar output suffered for several years from low prices, coconuts enjoyed a boom which has now passed and banana exports have come up against the saturation of the Japanese market.

Timber output has been static in the face of declining forest reserves and efforts by the government to aim for lower volume but higher value added in exports.

Overall volume increases in agricultural output have barely offset the losses of real income and the demand for manufactured goods caused by the fall in copra prices.

Coconuts are the most ubiquitous cash crop in the Philippines and, because of the long chain of middlemen involved in collection, milling and export, changes in export prices have a particularly acute impact on growers' incomes.

While copra has been falling, sugar has been rising. But as it does not involve so many people and as the quasi-government monopoly which dominates sugar exporting has been remarkably slow to pass on benefits to the grower, who in turn has delayed paying his abysmally badly paid labourers, output gains in agriculture have not been fully reflected in disposal incomes.

Philippines commodity exports are sufficiently diverse to ensure that there is never a time when all are up or down together. However, the nation has to face the fact that its terms of trade may have yet to bottom out.

Last year, despite the oil price increases, they actually improved by 4 per cent to reach their best level since the 1973-74 oil crises. However, that still left them 20 per cent below pre-oil crisis average, the fall almost directly matching the growth of the trade deficit.

Improvement in the terms may have continued into the first few months of this year as a result of the mineral boom. But they are now clearly declining again as oil price rises have continued to flow through while export prices, with the exception of sugar, have been static or declining. There is not much prospect of near-

term improvement.

Good first-half terms of trade and weak import demand caused by rising prices and slack private investment should see the trade deficit for 1980 not much above last year's US$1.55 billion, and below the projected US$1.8 billion.

However, the overall current deficit will be around the projected US$2 billion mark because of a worse-than-expected performance by the services. High interest rates in the Philippines, about US$5 billion in floating rate debt, have been the major cause.

But tourism growth also has slackened sharply and earnings and remittances from the Middle East have eased — and may actually fall because of withdrawal of labour from Iran and Iraq.

Early action by the government and willingness to submit to external monitoring have meant that the financing of the deficit has not been a significant problem.

At the end of last year, the Philippines served overseas development and commitments for 1980 of US$1 billion including US$300 million in a quickly disbursing World Bank "structural adjustment" loan — a euphemism for a balance of payment loan.

It also secured 410 million Special Drawing Rights (SDRs) over two years — equal to US$533 million — from the IMF's supplementary financing facility, taking it to the beginning of its third IMF credit tranche.

This year, some US$900 million of the expected increase in gross debt of US$2.8 billion will be financed by revolving trade credits, mostly related to the increased price of oil, with drawdowns on concessional and Eximbank loans that will leave only about US$500 million to be raised in medium to long-term syndicated loans. Most of that has already been arranged.

From the lenders' viewpoint, the preference this year has been for several smallish "club" loans rather than a very large consolidated borrowing programme by the central bank syndicated among a large number of banks.

Spreads on Philippines loans have been kept down to around 0.75 per cent but maturities have short-ended markedly. Money over eight-year-term is now very difficult to find.

For 1981, the Philippines hopes to be able to keep its requirements from the commercial banks at around this year's level despite an expected borrowing requirement of around US$2.5 billion to cover a current deficit of US$2.2 billion and increase in reserves of US$0.3 billion.

Less rapid increases in revolving credits can be expected, as the nation will be looking to much faster drawdowns of concessional loans — including the fast acting World Bank balance of payments loans — and an increase in Eximbank and suppliers' credit reflecting some recovery in the level of investment.

Despite the high level of borrowings, the Philippines' debt service is not yet a major problem. By the IMF's definition, it is 14.9 per cent this year, rising to 18.0 per cent by 1982.

Some consider that the IMF's assumptions on interest rates, available maturities and trade growth, necessarily based on projections from the past, could prove very optimistic.

Philippines foreign debt is now equal to over 40 per cent of GDP and increases in borrowing are not being matched either by increase in capital formation or in the efficiency with which capital is used.

However, in current world circumstances, it is probably necessary to take an optimistic view and accept the advantages that the borrower has over the lender and keep borrowing.

The Philippines does have hefty backing from bilateral and multilateral long-term lending sources and, despite the size of its deficit, is not as dependent on the whims of foreign commercial bankers as is often supposed.

As a last resort, its gold holdings, if revalued at the current price, would add US$1 billion to the nation's current US$2.7 billion in international reserves.

There is obviously a political element in the international support the Philippines has been receiving. But there are economic motives too.

Leading agencies have been genuinely impressed with the vigour with which the country has pursued its energy policy, raising prices to cut consumption and investing in a wide range of alternatives to imported oil, such as coal, geothermal heat, domestic oil, hydro-electric and nuclear power.

Industries are being encouraged to switch from oil. The company is hoping for a loan from various sources to speed the change.

The second aspect is willingness to follow IMF guidance on fiscal and monetary matters. In effect, the international agencies give the technocrats in the Philippines Cabinet added weight in persuading the President not to be too swayed by short-term considerations.

Consumer price inflation, which was nearly 17 per cent last year and will probably average around 14 per cent this year, cannot be entirely blamed on imported factors. Part of it is attributable to the belated removal of some price controls last year and some compensating wage rises.

However, with money supply so far this year expanding at a rate of only 17 per cent and domestic credit at 28 per cent, there is every likelihood that barring further oil price rises, inflation next year will fall to 10 per cent or less.

The outcome will partly depend on what the government decides to do with the exchange rate. The dollar remains the yardstick against which the peso is mostly measured, despite intentions to move towards a trade-weighted basket.

Against the dollar, the peso has fallen 1.5 per cent this year but by more against the yen. Exports are mostly measured in dollars while a large proportion of imports is in yen.

The third area where the views of international agencies has coincided with that of the technocrats is tariff reform. It may seem obvious enough. Local industry has for far too long been protected by high tariffs and import licensing. In the process, it has become a serious drag on the economy and a burden to the consumer.

But it takes political courage, or the clout of a martial law regime, to start as from January next to lift import barriers at a time when local industry is in a depressed state. Considering Filipinos' preference for imported goods, it is very difficult to assess the impact of the move on manufacturers or on the balance of payments.

Given the amount of leeway to be made up by local industry if it is to compete internationally, and given the tide of protectionism in the world, one needs to be an optimist to believe that liberalisation will have significant long-term export benefits.

But it is more than justified in terms of equity as well as economics, and at the least should benefit hardpressed consumers and thus in turn spur demand for manufacturers.

In the short run, however, it could cause the urban unemployment situation to deteriorate further. Many thousands of workers have been laid off by industry in Manila so far this year and real wages have probably started to slip back after rising last year. The employment growth rate has fallen to 2.5 per cent, well below the labour force growth rate.

But it is in the rural areas and provincial towns that most people live and it is there that employment is most needed. Government policies by and large are generating rural output and employment but spending power is yet insufficient to spur really large-scale production of many consumer items.

Meanwhile, much industry revolves around high cost production of semi-luxury items for the large urban middle class.

Government rural investment and industrial reform policies should help change that situation. But so long as the trade-dependent Philippines is caught on the oil hook, it can at best expect only very modest gains in real incomes for its rapidly growing population. — FT

CSO: 4220

GEOTHERMAL ENERGY SOURCES HAVE STAGGERING POTENTIAL

Kuala Lumpur BUSINESS TIMES in English 4 Dec 80 p 6

[Article by David Dodwell]

[Text]

THE Philippines, with meagre oil or other fossil fuels of its own, is more than usually alarmed about its soaring oil import bill. But it has one rare resource that may just prove to be its salvation — geothermal energy.

The Philippines meets more than 96 per cent of its fast growing commercial energy needs from oil. In the first five months of this year, oil imports cost almost US$200 million — and the full year total is likely to be almost double 1970 imports worth US$1.4 billion. Energy experts at the Asian Development Bank in Manila estimate that the Philippines' oil bill will account for almost 32 per cent of all imports in 1980, and will eat up almost 44 per cent of all export earnings.

Extensive searches for fossil fuels inside the Philippines have produced little. The World Bank estimates proven oil reserves to be about 25 million barrels of oil equivalent (boe). There are an estimated 57 million tonnes of coal reserves. Neither source is likely to go far in meeting commercial energy needs, which this year stand at 92 million b/doe, and are expected to rise to 124 million b/doe by 1985.

In an attempt to avoid the two equally unpalatable options of cutting back on industrial development plans or moving even more deeply into the red, the government of President Ferdinand Marcos has been forced to search out other indigenous energy sources.

Hydro-electric power plants are being built (between now and 1985, installed capacity is expected to rise from 934 MW to 2,831 MW). Local coal will be used to generate around 780 MW by 1985, while nuclear power plants may generate 620 MW. Total electricity generating capacity should rise from 4,100 MW at present to over 7,000 MW. Even wood-burning power plants and factories making sugar alcohol are to be built in a bid to reduce the country's dependence on imported oil.

But the most novel and exciting potential lies in geothermal energy. Set in the Pacific "firebelt," the Philippines has at least 15 sites where underground steam can be tapped for power generation. If estimates just made by the Asian Development Bank are accurate, then the potential of these resources is staggering; compared to current electrical power resources of more than 4,100 MW, geothermal energy could generate 38,000 MW. Less than 2,000 MW of this can be expected to be on steam by 1985, but political commitment on the part of the Philippines government could mean geothermal energy will meet a substantial proportion of the country's power needs.

Pursuing the geothermal option involves risks; the technologies used for generating electricity from this source of steam are novel and barely tested. The life of a geothermal well is uncertain, and so the overall costs of tapping underground steam are unknown. But taking all of these factors into account, energy experts from Berkeley University in the United States who have examined the Philippines' geothermal resources conclude:

"Geothermal electricity plants are clearly superior to any plant using oil and competitive with all but the most optimistic scenario for coal."

Experience of tapping geothermal energy is scant. New Zealand and Italy lead the field among the developed nations, but their experience may not be very valuable to the circumstances found in the Philippines. Among developing countries, El Salvador, Indonesia,

Kenya, Mexico, Nicaragua and Turkey have geothermal resources, but none has carried research as far as the Philippines.

Two sites on the main northern island of Luzon are already in production — Tiwi and Los Banos, while on Leyte island a site at Tongonan has been developed. Between them they provide 257.5 MW — about 5 per cent of the country's total installed electricity capacity. Experience so far has been encouraging.

Wells vary between 2,300 and 7,000 feet deep. Steam has been located at high pressures with temperatures ranging from 258 degrees Centigrade to 307 degrees. A common problem found elsewhere — particles carried in the steam which tend to damage or erode machinery — has so far been negligible. Steam at Tiwi carries 5-6 particles per million while at Los Banos, a particle content of 10,000 per million is thought unlikely to cause problems. Some wells at Tiwi are near limestone deposits that are likely to cause sealing over time. The most pessimistic estimates suggest one new well a year may have to be drilled.

Disposal of water which emerges once steam has been driven through the turbines might cause environmental problems at Los Banos, so it has been decided to reinject the water underground. Some experts argue this may shorten the life of a well by "drying up" underground steam, but there is no firm evidence as yet.

The Tongonan plant, operated with aid from New Zealand worth US$10m since 1974, is currently producing 37.5 MW of power for the nearby community at Ormac. Capacity could be boosted to 112.5 MW by next year, but it is uncertain whether sufficient demand exists to justify such an expansion. A local copper mine is the only heavy power user.

While Tiwi and Los Banos each generate 110 MW at present, they are due to boost output to a total 550 MW in due course, and could technically produce more than 1,000 MW between them.

Of the other 12 sites identified, two are due to be developed commercially — Palimpon-Bavin on Negros island and Manat, which is north of Davao on Mindanao island. Exploration is currently taking place at Batong on Kalinga and Montelago on Mindaro.

The fact the resources are so widely scattered across the archipelago — often far from centres of population or heavy industry — may well inhibit development of some sites.

Development is also being hampered by a row between the Philippines government and potential contractors because of terms being proposed in all new contracts. Since the precise costs of developing and maintaining geothermal fields are unknown, estimates of investor risk can only be approximate. New contractors are arguing that risks involved are higher than the government is prepared to accept and are therefore pressing for higher returns on investment than the government will agree to.

The government seems to be driving a hard bargain: it wants contractors to bear all exploration risks. The price of steam is to be limited to the cost of contractor expenses plus a profit margin which gives contractors an 18 per cent return on investment. The government wants to split profits 60:40 in its favour. Four potential investors are currently discussing contract terms for new development, but little progress is likely until the government shifts its ground a little. It has been rumoured that President Marcos himself is about to step in to resolve differences.

Despite the tremendous potential of geothermal resources in the Philippines, a number of practical and political factors could put a much lower ceiling on exploitation. The pressing need to find alternatives to oil as soon as possible could prompt the government to opt for coal as the main new source of electricity generation unless the pricing row for geothermal energy is quickly resolved. — FT

CSO: 4220

BRIEFS

GROWTH RATE--Economic Planning Minister Gerardo Sicat told newsmen on 3 December that the estimated growth rate of the gross national product for 1981 has been scaled down to 5.5 percent, about the same as this year. The 1981 estimate was lowered in October from 6.5 to 6 percent. The minister blamed the revision on the increasing cost of imported crude. The country needs about 235,000 barrels of oil a day and imports 90 percent of this amount. The cost was $1.44 billion during the first 10 months of this year, or 27 percent of import payments. [Kuala Lumpur BUSINESS TIMES in English 5 Dec 80 p 1]

BALANCE OF PAYMENTS--The central bank announced on 1 December that the Philippines had a balance of payments deficit of $283 million in the first 10 months of 1980. The figure is 44 percent lower than the deficit for the same period of 1979. The reduction was attributed to improved performance by the export sector. Exports were $3.92 billion and imports $5.23 billion in the first 10 months, up 24.38 percent and 14 percent over the same period in 1979. The payments deficit is expected to expand by $120 million, pushing the total to about $400 million by the end of the year. The country has an outstanding foreign debt of $12 billion. [Kuala Lumpur BUSINESS TIMES in English 3 Dec 80 p 1]

EXPORT GROWTH--Philippine mineral exports reached $1.007 billion in the first 10 months of 1980, up 185 percent from last year's $486 million. Copper concentrates accounted for $584 million, gold $196 million, and silver $132 million. Nontraditional exports, led by garments at $255 million, were up 23.65 percent to $962 million. Coconut was down 24.22 percent to $626 million because of depressed world prices, but was still the third biggest earner. Sugar exports were up 93.3 percent to $377.19 million because of high prices on the world markets. [Kuala Lumpur BUSINESS TIMES in English 6 Dec 80 p 20]

CREDIT RATING--On the basis of a worldwide survey of creditors, the firm Institutional Investors has given the Philippines a credit rating of 46.8 percent. This puts it in 59th place of the 98 countries surveyed. The global average is 52.2 percent and the average in the Asia Pacific region is 61.3 percent. In the Asia Pacific region the Philippines is in 13th place out of 16 countries. [Kuala Lumpur BUSINESS TIMES in English 9 Dec 80 p 16]

CSO: 4220

GOVERNMENT EFFORT TO ENFORCE USE OF MANDARIN

Kuala Lumpur BUSINESS TIMES in English 8 Dec 80 p 20

[Article by Paul Wedel in Singapore]

[Text] SINGAPORE is stepping up its most ambitious social engineering effort ever — an attempt to change the language of 75 per cent of its people.

Speak more Mandarin and less dialects the signs everywhere sternly, if ungrammatically command. Mandarin lessons pour out of television and radio, civil servants agonise over their language lessons and now the names of the nation's school children will be changed to Mandarin names.

Begun more than a year ago the "Mapdarin compaign" is designed to reduce a virtual Tower of Babel created in Singapore by immigrants in British colonial times who came from all over Asia, speaking varied languages.

The campaign is not supposed to affect the 25 per cent of the population who speak English, Tamil (an Indian language) and Malay, the other three official languages of the Republic.

But for the 1.7 million ethnic Chinese on the 587 square kilometre island it means replacing nearly a dozen different dialects with Mandarin, also the language of the governments in both Taipeh and Peking.

Cynics point out that Singapore plans to cash in on the modernisation of mainland China. With a technically educated, Mandarin-speaking population, Singapore will have the inside track for lucrative Chinese contracts, they say.

But Prime Minister Lee Kuan Yew gives a deeper, less commercial reason for the wrenching change.

Fearing that the confusion of dialects will force Chinese Singaporeans to become second rate English speakers without a sense of Asian identity, Mr Lee thinks Mandarin will help preserve a Chinese heritage needed for social cohesion and moral standards.

"Confucianism preserved by the Chinese heritage is of great use in solving present problems," he says.

Though of Chinese ancestry himself, Mr Lee was educated in English and did not learn Mandarin until he was in his thirties.

Now with a Mandarin tutor he speaks it nearly flawlessly. "My world views before and after I learned Chinese are completely different," he said earlier this year.

More than 4,500 government officials are following in his path with special government Mandarin courses. They have been ordered to speak with the Chinese public first in Mandarin rather the English or a Chinese dialect.

Television and radio have played a major part in the campaign.

More than 10,000 minutes of air time have been devoted to the campaign in the past year, according to Singapore Broadcasting Corporation figures.

And that does not include entertainment shows in Mandarin which replaced dialect shows to the immense disappointment of the addicts of Cantonese opera and sword films.

A Mandarin campaign song has been composed and all new housing projects will be given Mandarin names.

Taxi drivers have complained that they must speak Mandarin before their licences are renewed.

But the most personal and startling measure so far is the announcement that starting next year all first and second year Chinese school children will be called by Mandarin names, no matter what names their parents have given them.

This means that most children will no longer have the same names as their parents.

"It may give the impression that I am not my daughter's father," one clerk worried.

Some extremely family-conscious Chinese parents are uneasy about the whole campaign, concerned their children will no longer be able to speak to their parents or even have the same names.

Mr Lee has set definite goals for the massive and growing effort: that within five years most of the people will be able to speak Mandarin and within 10 years even the old will speak it.

So far the government has not used coercion to push the new language, but Mr Lee has said that "administrative measures" may be used after the first year or two.

Among the better-educated Chinese, who see their heritage slipping away through use of English the campaign has strong support even as the difficulties become more obvious.

Malay and Indian groups, however, worry whether they will be at a disadvantage eventually because they do not speak Mandarin.

So far they are not directly affected.

The campaign even has international implications.

Neighbouring Malaysia and Indonesia have substantial ethnic Chinese minorities and fear any return to Chinese nationalism, even from tiny Singapore.

But clearly the Singapore government, which has transformed the "colonial slum" left by the British into a modern state with the second highest per capita income in Asia, has considered the risks of its latest social project and is determined to push ahead for however long it takes. — UPI

CSO: 4220

PREPARATIONS MADE FOR GASOLINE RATIONING

Kuala Lumpur BUSINESS TIMES in English 3 Dec 80 p 6

[Article by Clarence Fernando in Colombo]

[Text]

SRI LANKA, which has to import every drop of oil it consumes, is preparing to ration petroleum products to tide it over an impending fuel crisis caused by the Gulf war.

A spokesman for the state-owned Petroleum Corporation said ration cards for petrol, diesel and kerosene were issued from Monday.

No date has been set for the introduction of rationing. But the spokesman said existing stocks would last only until the end of this year and rationing would become inevitable if the supply position did not improve by then.

About 40 per cent of Sri Lanka's annual oil requirements of 2.2 million tonnes (44,000 barrels per day) was supplied by Iran and Iraq before most of their oil exports were suspended.

The rest comes from Saudi Arabia which, the spokesman said, was finding it difficult to meet its commitments.

He said the Petroleum Corporation was also making spot purchases, but gave no details.

About 35 per cent of Sri Lanka's energy requirements are met by oil.

The bulk of Sri Lanka's oil imports comes in the form of crude which is processed by the country's only refinery outside Colombo.

The refinery, which handles about 5,000 tonnes of crude a day, belongs to the Petroleum Corporation, which has a monopoly for the import and distribution of oil and petroleum products.

Last year, Sri Lanka imported 1.4 million tonnes of crude, and about 530,000 tonnes of petroleum products at a total cost of 3,912 million rupees (about US$200 million).

This years oil import bill is expected to be about nine billion rupees (US$500 million), the spokesman said. Import requirements in 1981 will be about the same as this year.

The government is trying to develop other sources of energy and is speeding up a multi-million dollar World Bank-aided project, which is expected to double the country's hydro-electric power to 900 megawatts by 1984.

"There will then be a surplus of hydro-power to be exported to neighbouring India," a government spokesman said.

This Indian Ocean island of 14.7 million people, lying just six degrees north of the Equator, enjoys abundant sunshine throughout the year and has begun to tap solar energy.

Solar-powered lighting units, costing between US$125 and US$251, are being installed in mainly rural areas under a project launched by Prime Minister Ranasinghe Premadasa to modernise backward villages.

Windmills too have become very popular and methane gas units for lighting and cooking are also being set up in Colombo and rural areas.

Wood remains the second most important source of energy, mainly in rural homes where it is used for cooking. The government is now introducing *ipil-ipil*, a tree from the Philippines which grows to a height of 30 feet (10 metres) in only three years.

This fuel-wood tree will be planted over 200,000 hectares (50,000 acres) of the upper watershed of the Mahaveli River over the next five years. — Reuter

CSO: 4220

COLOMBO PAPER ON PLAN TO WATCH FOREIGN MISSIONS

BK191300 Colombo THE SUN in English 12 Jan 81 p 7

[Editorial: "The Price of Liberty"]

[Text] At long last the Sri Lankan security services have awoken from their slumber to the realities of 20th century global politics. Sri Lanka is no longer Lipton's tea garden under the protection of the colonial armour. We are independent and have to protect ourselves now. We are strictly non-aligned, therefore we must be more self-confident and assuring.

Geographically Sri Lanka is in a very enviously strategic location. And that makes us more vulnerable than others. Today international politics centers a great deal on Asia and we are the cynosure of many an Asian desk in foreign and defence offices of the major power blocs.

Therefore it is up to our own intelligence network to feel the sense of any clandestine activity against the security and sovereignty of the state.

In many instances even in recent times they have been found wanting in their duty.

For instance, a few months ago some British mercenaries arrived in Sri Lanka, stayed in hotels at Negombo and at Mount Lavinia, went to the neighbouring Maldive Islands, in an attempt to assassinate the republic's president. They returned to Colombo and went on to London but our security was blissfully ignorant of all this. What was worse is that British intelligence had given an alert to our own intelligence men about these mercenaries.

Big powers, rich countries and revolutionary organisations financially backed by them, thrive on internal chaos of another country. As a result they find like-minded groups in countries and politically minded Sri Lanka is certainly no exception.

The Defence Ministry is therefore, to be complimented for its move, even at this already late stage, to invite the attention of our foreign office to keep a tab on foreign missions in the country which are funding these so-called revolutionary groups which have no faith in the parliamentary democratic process because the people, the voters of this country have turned them out on a number of occasions.

Many leaders of these splinter organisations with the financial assistance of these missions keep the cadre militant and give the vociferous ones a few crumbs in the form of overseas jaunts while keeping for themselves the plums.

We see in neighbouring countries political turmoil of the worst kind. Democracy through elected representatives has helped Sri Lanka to keep its head up in this regional turmoil. But there are many, and the number is increasing, with vested interest motivated only by personal considerations who are not interested in representative democracy because they have been rejected by the people.

If they want to foist themselves upon an unwilling people with or without external assistance, then they must be severely dealt with. For, that our intelligence network must be more vigilant, rather than merely following their archaic practices.

CSO: 4220 END

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South and East Asia Report

No. 962

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28 January 1981

SOUTH AND EAST ASIA REPORT

No. 962

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JUTE-PRODUCING COUNTRIES HOLD DACCA PARLEY

Dacca THE BANGLADESH OBSERVER in English 19 Dec 80 p 1

[Text] The three-day conference of the jute producing countries concluded in Dacca on Thursday with general agreement in principle on the establishment of an association of jute producing countries, says an official source.

Jointly sponsored by ESCAP and the Government of Bangladesh, the conference was attended by delegates from Bangladesh, Brazil, Burma, India, Nepal and Thailand and representatives from UNCTAD, UNDP, ESCAP, FAO and ITC.

The conference however felt the need for further careful consideration of the specific objectives functions and other related aspects of the proposed association by the individual governments concerned.

The conference accepted the draft constitution of the jute producing countries' association presented by Bangladesh for use as a reference by the governments to make the necessary amendments. It requested the concerned governments to circulate through ESCAP Secretariat their amended draft or other proposal if any four to six weeks in advance of the next meeting for consideration.

The conference agreed that an examination in depth of the draft text constitution of the proposed association should take place at the next session and decisions taken in what form the institutional arrangement should be established.

The conference reaffirmed the need for jute producing countries to meet as frequently as possible to discuss problems of common interest.

Meet Begins

A three-day meeting of the jute producing countries began in Dacca on Thursday under the auspices of UNCTAD.

The meeting is being participated by Bangladesh Brazil Burma, India, Nepal and Thailand. Representatives of UNCTAD, FAO UNDP and ITC are also attending.

The meeting will discuss and formulate their joint strategy for jute producing countries for the forthcoming final round of negotiations for the formation of International Jute Organisation (IJO) under the auspices of UNCTAD to be held in Geneva from January 12.

Mr. Salahuddin Ahmed, Secretary, Ministry of Jute Government of Bangladesh was elected chairman of the meeting; Mrs. Apiradi Tantraporn, executive chairman, Jute Development and Trading Corporation Kathmandu Nepal was elected vice-Chairman cum.

CSO: 4220

BANGLADESH-KAMPUCHEA COMMITTEE MEETS IN DACCA

Dacca THE BANGLADESH OBSERVER in English 20 Dec 80 p 12

[Text] The Preparatory Committee of Bangladesh-Kampuchea Peoples Solidarity Council at a meeting held in Dacca on Thursday formed the National Movement and World People's Solidarity Council (NMWPSC) reports BSS.

The meeting elected a 57-member committee of NMWPSC with Mr Enayetullah Khan as Chairman and Mr Shahadat Chowdhury as General Secretary.

Presided over by Mr Enayetullah Khan, the meeting took resolutions "strongly condemning" the invasion of Kampuchea and Laos by the Soviet aided Vietnamese forces. It demanded immediate withdrawal of all Vietnamese occupational forces from Kampuchea and Laos. Expressing full solidarity with the Afghan freedom fighters, the meeting, in a resolution demanded immediate and unconditional withdrawal of all Soviet troops from Afghanistan.

In a resolution the meeting strongly condemned the expansionist Israeli Zionism supported by the US. The meeting expressed complete solidarity with the struggle of the Palestinians for their inalienable right to a homeland in their own land.

The meeting strongly condemned India for its illegal occupation of Talpatty island.

The resolution also condemned the Bangladesh Government for "its inactivity on the question of the Talpatty islands".

The meeting in a resolution, expressed full solidarity with the Polish peoples struggle for establishment of socialist democracy. [as published] It added that the Soviet Union alone would be responsible for the consequence of intervention in Poland.

The meeting lent its support to the demand of Khmer Rouge for withdrawal of foreign troops from Kampuchea to elect a representative government through a fair and neutral elections as a democratic and justified demand. [as published]

The meeting also lent support and expressed revolutionary solidarity to the resistance struggle of the Khmer Rouge against the occupation forces in Kampuchea.

The Council decided to hold an Asian regional conference in Dacca in March 1981 to express solidarity with the Kampuchean people in their struggle to free their motherland from foreign troops.

CSO: 4220

BANGLADESH, BURMA SIGN BORDER PROTOCOL

Dacca THE BANGLADESH OBSERVER in English 19 Dec 80 pp 1, 12

[Text] Bangladesh and Burma signed a supplementary protocol on Wednesday in Rangoon on demarcation of a fixed boundary in the Naaf River, reports BSS.

According to message received in Dacca on Thursday Bangladesh Ambassador to Burma Syed Nizamuddin Hashim and the Director General of the Burmese Ministry of Foreign Affairs, Mr Tin Tun signed the supplementary protocol on behalf of their respective side.

The supplementary protocol incorporated the specific location on the newly established reference markers and description of the existing boundary points in the Naaf River in relation to the new reference markers.

The supplementary protocol was necessitated following the repair and reconstruction last year of the reference markers and beacons found missing, damaged or destroyed, subsequent to a joint survey conducted by the hydrographic survey teams of the two countries in October last year.

The original reference markers and beacons were constructed under the Naaf river protocol of April 28 of 1966.

Mr Lun Pe, Director General of the Burmese Survey Department was among those present at the signing ceremony held at the Office of the Ministry of Foreign Affairs of Burma.

CSO: 4220

DACCA, DELHI TO FORM JOINT BUSINESS COUNCIL

Dacca THE BANGLADESH OBSERVER in English 20 Dec 80 pp 1, 12

[Text] Bangladesh and India have agreed to form a Joint Business Council (JBC) for bilateral trade and industrial relations at both the public and the private sector level, it was officially learnt in Dacca on Friday reports BSS.

An agreement to this effect was reached between the Federations Chambers of Commerce and Industry of both the countries at a meeting between the two sides at the office of Metropolitan Chamber of Commerce and Industry in Dacca on Friday morning. The talks were led by Mr Iftakharul Alam President of the Federation of Bangladesh Chambers of Commerce and industry and Mr K. N. Modi, President of the Federations of Indian Chambers of Commerce and Industry, on behalf of their respective sides.

An official source told this correspondent that both government had consented to the formation of JBC which shall hold annual meetings alternatively in Dacca and Delhi to discuss ways and means for promotion of trade and industrial relations as well as to overcome problems. [as published] The agreement would be formally signed between the two sides today (Saturday).

Mr Modi, who is leading a seven-member Indian trade delegation, told BSS after the meeting that the JBC has been agreed upon as a forum for accelerating more economic and industrial relations to the mutual benefit. The FICCI chief observed that his organisation has such councils with counterpart chambers of 17 different countries and it was found very useful for closer economic relations.

During discussions with the Bangladesh industrial circles, the Indian side has shown interest in setting up joint ventures in the field of manufacturing of tractors, motor cycles, man made fibres such as nylon and polyester staple fibre based industries and machinery of jute and textile mills.

Later the FBCCI chief hosted a lunch in honour of the Indian delegation at a city hotel in which the leader of the Indian team expressed the hope that the visit of his delegation would be helpful in removing the existing misunderstanding and lack of rapport in the field of bilateral trade. Mr Modi also stressed the need for more exchange of delegations between the two countries and observed that trade and joint ventures between the two countries would increase to the benefit of both the countries.

Speaking on the occasion, Commerce Secretary, Mr M. Matiur Rahman, said that there was a lot of scope to increase imports by India from Bangladesh. Indian government

has opened a focal point in the Ministry of Commerce to monitor and supervise Indian imports from Bangladesh but expectations were yet to be fulfilled, he said. The Commerce Secretary observed that the private sector of both the sides could give a new dimension to the promotion of Indian imports from Bangladesh.

Earlier on Friday the delegation called on Chowdhury Tanbir Ahmed Siddiky, Minister of State for Commerce, and held discussion on the scope of bilateral trade and industrial relations.

The visit of the delegation is a follow up of the decision to develop institutional links between the apex national chambers of the two countries reached during the visit of the Indian Commerce Minister, Mr Pranab Mukherjee, in October last. A similar delegation from Bangladesh has also been invited to visit India.

CSO: 4220

IRANIAN DELEGATION MEETS WITH FOREIGN MINISTER

Dacca THE BANGLADESH OBSERVER in English 2 Dec 80 pp 1, 16

[Text] Mr Hojjatul Islam Muhammad Emamin e Kashani leader of the visiting Iranian partiamentary delegation had a meeting with Foreign Minister Prof Muhammad Shamsul Huq at Foreign Office on Monday says a PID handout. [as published]

He was accompanied by Mr Manoucheher Muttaqi and Mr Sadeq Ibadi Members of the Iranian Parliament. The Iranian leader explained the position of Iran in Iraq-Iran conflict.

Bangladesh Foreign Minister thanked the leader of the Iranian delegation for visiting Bangladesh and assured that Bangladesh attaches great value to the close ties between the peoples of Iran and Bangladesh which rooted in their shared history, religion and culture. In this connection he referred to the efforts of Bangladesh for ending this fratricidal war. Such efforts were being made at various levels including the Islamic Conference and the United Nations Security Council and also the personal efforts of President Ziaur Rahman.

He assured the Iranian delegation that in concert with other Islamic countries Bangladesh would continue her efforts for an early just and honourable solution of this conflict which was hurting not only Iraq and Iran but the entire Islamic world.

The two sides also exchanged views on various international issues and the possible ways of restoring peace in the Middle East.

The leader of the Iranian delegation expressed his deep satisfaction at the fraternal feeling that he found among the people of Bangladesh for the people of Iran.

CSO: 4220

PAPER GIVES DETAILS OF MESSAGES SUPPORTING PLO

Dacca THE BANGLADESH TIMES in English 30 Nov 80 pp 1, 12

[Text] President Ziaur Rahman has sent a message to PLO leader Yasser Arafat reiterating Bangladesh's total support for the exercise of the inalienable rights of the Palestinian people and the need for a just and lasting peace in the Middle East, reports BSS.

In his message on the occasion of the International Day of Solidarity with the Palestinian peoples, President Zia also reiterated that any comprehensive settlement in the area must take into account the question of Palestine which "lies at the very heart of the Middle-East problem."

President Zia said it is a blot on the conscience of the civilised world that Israel continues to violate with impunity the various resolutions adopted at the UN and in other international forum calling for the restoration of the inalienable rights of the Palestinians including their right to have a state of their own.

He said as a member of the Jerusalem Committee and also of the coordination committee on Jerusalem at the UN, Bangladesh's stand regarding complete solidarity with her Arab and Palestinian brethren is well known.

Bangladesh, the President said believes that peace through justice alone can endure in the Middle East and such a peace is yet to be achieved.

The components of any settlement that could guarantee a just and lasting peace in the Middle East must embrace the following essentials--an acceptance of the fact by all parties that the question of Palestine lies at the heart of the Middle East problem, that no solution can be envisaged without the restoration of the inalienable rights of the Palestinian people to return to their homeland as well as to self-determination, independence and territorial sovereignty, that the legitimate representative of the Palestine people, on an equal footing with all other parties is indispensible in all efforts towards a solution, that the inadmissibility of the acquisition of territory by force imposes an obligation on Israel, under international law, to withdraw completely and quickly from all the territories it occupied since 1967 including the Holy city of Jerusalem.

In his message, President Zia conveyed the deep appreciation of the Government and the people of Bangladesh to the committee on the exercise of the inalienable

rights of the Palestinian people for their commendable efforts in projecting the just cause of the Palestinian people.

Prof Huq

According to another message: Foreign Minister Prof M. Shamsul Huq on Saturday urged the world community to realise the gravity of the situation in the Middle East and cooperate fully in the immediate implementation of the United Nations resolutions and decisions requiring Israel to vacate all illegally occupied Arab territories.

In a message to Mr Farouk Kaddoumi, Prof Huq reaffirmed Bangladesh's complete solidarity with the PLO in their just struggle.

The Foreign Minister said the International Day of Solidarity was being observed on world in pursuance of a United November 29 throughout the Nations resolution adopted in 1977. [as published] The day has been earmarked by the UN to express total solidarity with the Palestinian people in their just struggle for the realisation of their inalienable national rights to establish an independent and sovereign state in their own homeland.

CSO: 4220

FOREIGN MINISTER ANSWERS MIDEAST POLICY QUERIES

Dacca THE BANGLADESH OBSERVER in English 20 Dec 80 pp 1, 12

[Text] Foreign Minister Prof Mohammed Shamsul Huq told the Jatiya Sangsad on Friday that Bangladesh had extended full diplomatic recognition to the Palestine Liberation Organisation (PLO) and always supported the cause of the Palestinian people in the different international forums.

Replying a question of Mohammed Mosharraf Hossain of Mymensingh, the Foreign Minister said that the Bangladesh Government had provided the P.L.O. with an office, residential accommodation and a car free of cost to establish its mission in Dacca.

Prof. Mohammed Shamsul Huq said that Bangladesh was one of the three-members of Jerusalem summit committee which had been working for the cause of the Palestinian rights. The other two members of the Jerusalem committee are Morocco and Guinea, he added.

Replying to a supplementary question, as to whether Bangladesh had supported the Camp David agreement, the Foreign Minister said Bangladesh did not support any agreement which was contrary to its principle and the P.L.O. cause. He said Bangladesh will not endorse any agreement that does not seek to resolve the Middle East crisis in its totality.

Prof. Mohammed Shamsul Huq informed the House that Bangladesh had signed nine agreements and seven protocols with China since 1976.

He was replying to a question to Mohammed Mosharraf Hossain of Awami League (Malek). He said that the two countries were still continuing talks to establish an link between them under an agreement signed earlier on July 23 this year. [as published]

Replying to supplementary question from the leader of the opposition Mr. Asaduzzaman Khan, the Foreign Minister said that the copies of agreement did not come before the House under constitutional agreement. Analysing he said Bangladesh had not signed any treaty with China, and signed only agreements and protocols. Only the copies of treaty if signed would have been placed before the House.

The Foreign Minister replying to a question of Shah Mohammed Abu Zafar (AL-M) said that no Bangladesh was either killed or injured during the present Iran Iraq war. He said that at present 2059 and 7157 Bangladeshi nationals were employed in government and private services in Iran and Iraq repectively. [as published] He

also said that the government had no plan to bring the Bangladeshi nationals back from these two countries.

Replying to another question, the Foreign Minister said that the Bangladeshis in those countries were safe. The information on the whereabouts of the Bangladeshis were gathered by the Ministry through the Bangladesh embassies in those two countries, he added. [as published]

The Foreign Minister told the House on Friday that the number of Pakistani citizens (non-locals) now staying in Bangladesh would be 462116, according to government statistics. He said that since 1973-74 one lakh twenty two thousand ninty three Pakistanis were repatriated to Pakistan. [as published]

He told a questioner that the government had no information yet that the United States had agreed to supply a huge quantity of most sophisticated weapons to India.

Prof. Mohammed Shamsul Huq told the Jatiya Sangsad on Friday that Bangladesh had so far established diplomatic relations with 17 countries. Bangladesh has been maintaining Ambassadorial level relations with these countries, he added.

Replying to a question by Maulana Nurunnabi Samdani (Jessore), the Foreign Minister said that of the total countries Bangladesh had resident embassies in 39 countries and had accredited ambassadors concurrently in 32 countries.

Besides, Bangladesh has two permanent missions, one at the United Nations (New York) and another in Geneva.

CSO: 4220

PETROLEUM MINISTER RETURNS FROM JAKARTA TALKS

Dacca THE BANGLADESH OBSERVER in English 1 Dec 80 pp 1, 12

[Excerpt] Petroleum Minister Akbar Hossain returned to Dacca on Sunday from Jakarta with a firm assurance that Indonesia will supply Bangladesh three lakh tons of crude oil during 1981, says BSS.

He told newsmen at the airport that he had very fruitful talks with his Indonesian counterpart Dr. Subroto on matters of mutual interest. Agreement to provide two lakh tons of Indonesian crude was signed in June this year and the bulk has already reached the country, it was learnt.

Mr Akbar Hossain who was in Jakarta to attend the 28th consultantive meeting of Colombo Plan said he was very confident of getting crude from friendly and brotherly countries. [as published] Describing the Colombo Plan meeting a very "successful" one, the Minister said Bangladesh had asked for capital investment and called for time saving in the execution of development programmes.

During his stay in the Indonesian capital, Mr Hossain called on General Sudharmono, Special Assistant to President Suharto and the Religious Minister of the country. On his way home, the Petroleum Minister visited oil refineries at Singapore.

CSO: 4220

MARXIST-LENINIST LEADER CALLS FOR UNITED FRONT

Dacca THE BANGLADESH TIMES in English 29 Nov 80 pp 1, 8

[Text] Mr Mohammad Toaha MP Chairman of Bangladesher Sammyabadi Dal (M-L) on Friday called upon all patriotic political parties to build up a united movement to form a patriotic democratic government.

Adressing a public meeting at Baitul Mukarram Square Mr Toaha observed that only such a government could solve the numerous problems that the people and the country were facing.

The meeting presided over by Mr Toaha was arranged at the conclusion of his party's national ouuncil. [as published] Among others it was addressed by Messrs Shanti Sen Asaddar Ali Prof Yakub Ali and Mrs Selina Sultana.

Mr Toaha said that the government had failed to solve the problems of the peasants, workers and all other sections of people whose condition had been deteriorating day by day. He pointed out the problems of the peasants particularly the landless ones. He also highlighted the repressions on the poor peasants by hire hoodlums of landlords in char areas during harvesting season.

Indian Attack

Condemning the Indian occupation of South Talpatty Island attacks on Muhurir Char and at Tamabeel and intransient attitude towards solution of the Farakka problem the Sammyabadi Dal chief alleged that the government had remained silent on these problems.

Mr Toaha advised the BNP and Awami League to read the writings on the wall. He particularly told the AL to abandon its role as servitors of the Indo-Soviet axis and to join the ranks of the people through admission of past crimes and repentance.

Resolution

The meeting in a resolution criticised the continued threat to the independence and sovereignty of the country following rehabilitation of the Awami-BKSALites in politics.

In another resolution the meeting expressed conern at the price spiral of necessities, deterioration of law and order situation and smuggling. [as published] It also demanded release of the patriotic political prisoners.

CSO: 4220

ZIA GREETS YUGOSLAVIA, MAURITANIA, ALBANIA

Dacca THE BANGLADESH OBSERVER in English 29 Nov 80 pp 1, 12

[Text] President Ziaur Rahman has sent the following message of greetings to Mr. Cvijetin Mijatovic, President of the Presidency of the Socialist Federal Republic of Yugoslavia, on the occasion of the National Day of Yugoslavia, says a PID handout.

The Government and the people of Bangladesh join me in extending to Your Excellency and the Government and the friendly people of Yugoslavia our hearties greetings and warm felicitations on the occasion of the National Day of the Socialist Federal Republic of Yugoslavia. [as published]

Yugoslavia's constructive and outstanding role in the non-aligned movement, its consistent efforts for the consolidation of peace and stability in the world are highly appreciated by the peace loving people of the world particularly by those of the Non-aligned countries.

Bangladesh and Yugoslavia have been closely cooperating with each other in all international forums for achieving their common goal. We are confident that our friendly relations and close cooperation in international as well as bilateral fields will continue to deepen and widen in future.

On this occasion I would like to convey our best wishes for Your Excellency health and happiness and for the friendly people of Yugoslavia greater success and peace. [as published]

Please accept, Excellency, the assurances of my highest consideration.

Mauritania

President Ziaur Rahman has sent the following message of greetings to Lt. Col. Mohamed Khouna Ould Haidalla, President of the National Salvation Military Committee of the Islamic Republic of Mauritania, on the occasion of the Independence Day of Mauritania:

"On behalf of the Government and the people of Bangladesh and on my own behalf I wish to convey to Your Excellency and to the Government and the people of the Islamic Republic of Mauritania our warmest greetings and fecilitations on the happy occasion of the Independence Day of the Islamic Republic of Mauritania. [as

published] I am confident that the bonds of friendship and cooperation which so happily exist between our two countries will be further strengthened in the years to come.

"I avail myself of this opportunity to extend my very best wishes for Your Excellency's personal health and happiness and for the continued peace, progress and prosperity of the great people of Mauirtania". [as published]

Albania

President Ziaur Rahman has sent the following message of fecilitations to Dr. Haxhi Lleshi President of the Presidium of the People's Socialist Republic of Albania, on the National Day of Albania: [as published]

On the occasion of the Liberation Day of the People's Socialist Republic of Albania, the Government and the people of Bangladesh join me in conveying to Your Excellency and the people of Albania our sincere felicitations and warm greetings. I also wish to take this opportunity to express our best wishes for Your personal health and happiness and continued peace and prosperity of the people of Albania.

CSO: 4220

JAPAN INVESTS, AIDS IN DACCA FOOD PROGRAMS

Vice Foreign Minister Arrives

Dacca THE BANGLADESH OBSERVER in English 3 Dec 80 pp 1, 12

[Text] The Vice Foreign Minister of Japan Mr. Kazuo Aichi said in Dacca on Tuesday that in the changed climate for foreign investments in Bangladesh "things will move favourably", reports BSS.

Mr Aichi was talking to newsmen at the Kurmitola airport on his arrival in Dacca on a three-day goodwill visit to further strengthen the mutual relationship between the two countries.

Mr. Aichi told a questioner that the Japanese private sector had some reservations about investments in Bangladesh in its initial years caused by nationalisation of industries.

That situation was changing and the things will now move faavour ably. [as published]

He said that during his stay in Dacca he would sign three exchange notes for grants for promotion of food production in Bangladesh and for food assistance.

Mr. Aichi said there was a "great scope" for advancement of relations and cooperations between Bangladesh and Japan who, he said, were similar in many ways. Japan also is over populated, having scarcity of land and resources, he added.

He said Japan is eager to help people of Bangladesh develop their economy and society.

Foreign secretary Mr S. A. M. S. Kibria received Mr Aichi.

During his stay in Dacca Mr. Aichi and Foreign Secretary Mr Kibria will have talks covering the bilateral cooperation between the two countries.

Mr. Aichi said that the Japanese Foreign Minister was due to pay a visit to Bangladesh in August which he said could not take place and added "so in his place I am here."

He expressed "deep thanks" on behalf of the people of Japan to President Ziaur Rahman for his attending the funeral of the Late Prime Minister Ohira in July.

Replying to a question on the Afghan and Kampuchea situations Mr. Aichi said that his country was always opposed and protested invasion of one country by another.

"We protested such invasions" he said and added Japan was making efforts to restore peace in Afghanistan.

He said "we wish the people of Kampuchea peace in their own homeland" and added Japan is trying to play an important role for restoraison of peace in the area. [as published]

On bilateral cooperation Mr. Aichi said that during his stay in Dacca he would take the opportunity to discuss the Japanese aid programme.

He said that there was scope for exchange of people and cultural and economic exchanges between the two countries.

"We welcome the recent moves of Bangladesh to attract foreign investments," he added.

Agreements Signed

Dacca THE BANGLADESH OBSERVER in English 4 Dec 80 pp 1, 12

[Text] Japan will provide three grants worth Taka 38.08 crore yen (5.33 billion) to Bangladesh during the current fiscal year, under separate exchange notes signed in Dacca on Tuesday, for food production projects and also as food assistance, reports BSS.

The visiting Japanese Vice-Foreign Minister Mr. Azuo Aichi and the Secretary External Resources Divison, Mr A. M. A. Muhith signed the three exchange notes on behalf of their respective governments.

After the signing of the notes Mr. Aichi in a brief statement told newsmen that Japan intends to continue its cooperation "as much as possible" for the development of the economy of Bangladesh.

Bangladesh, he added, is the largest recipient of Japan's grant assistance programme. The grant already extended or to be extended during this fiscal year will total ten billion yen (nearly Taka 76 crore) Mr. Aichi said.

Thanking the Government of Japan for the aid Mr. Muhith said the funds provided were for the "extremely important" agriculture sector of Bangladesh. Most of the grants, he added, were related to agricultural production. He said till today exchange notes for five grants have been signed and two are to be concluded in the near future.

The first exchange note signed on Wednesday is for a grant of yen 2.9 billion (Taka 20.71 crore approximately) for raising food production.

Bangladesh Agricultural Development Corporation (BADC) will utilise Taka 10 crore of the grant for purchasing fertilisers and the remaining amount for shallow tube-well equipment.

The second note is for a grant of yen 1.7 billion (Taka 12.14 crore) which will be utilised by the Ministry of Food for Procurement of rice from Japan an additional amount of yen 230 million (Taka 1.64 crore) will also be provided under the grant for meeting the cost of transportation of the rice. [as published]

Another grant of yen 500 million (Taka 3.57 crore) will be utilised for procurement of telescopic steel tubla poles and cross arms for improvement of power transmission and distribution system by Power Development Board. [as published]

Under the terms of the tied grants the proceeds will be disbursed within coming March and the commodities will be procured from Japan.

Mr Aichi hoped that the friendly relationship between the two countries will be enhanced and the economic cooperation will continue.

CSO: 4220

THIRD WORLD INDUSTRY MINISTERS HOLD DACCA MEETING

Rahman's Opening Speech

Dacca THE BANGLADESH OBSERVER in English 3 Dec 80 pp 1, 12

[Text] President Ziaur Rahman stated in Dacca on Tuesday that Bangladesh would welcome effective foreign participation in her industrialisation programme through transfer of technology skills and resources. He felt that the solidarity meeting of the ministers of industry would show the developing countries the way for a more durable constructive and cooperative arrangement between and among them.

He was inaugurating the four day "Solidarity Meeting of the ministers of Industry of the Developing Countries" at the Bangladesh Institute of Engineers. The meeting sponsored by the United Nations Industrial Development Organisation ((UNIDO) in cooperation with the Government of Bangladesh was being attended by the representatives of the developing countries. [as published]

In his inaugural speech the President stressed the need for cooperation among the developing countries on various common issues and called for continued and vigorous efforts on their part to ventilate their resentment over the apathy of the developed and industrialised world for a new and just international economic order. "Every opportunity must be exploited and every occasion utilised to make our voice heard" he observed.

About the solidarity meeting, the President maintained that it represented an important segment of the Group of 77 who had collectively played a key and decisive role in its dialogue and negotiation with the North for a new and just international economic order. "This meeting is being hosted by a country which is one of the least developed for whom the need for a separate programme of action for the eighties has been recognised", he said. He noted that the occasion of the meeting should also be profitably utilised to reiterate the demand of the Third World and the Least Developed Countries for their due share in the total productive capacity of the world, for a greater share of the world resources and for doubling the official development assistance to the less developed economies.

President Ziaur Rahman gave a detailed background of the process of socio-economic development in the country and observed that the nation had recently embarked upon her Second Five-Year Plan to offer her deprived people a better future and a ray of hope in their dark horizon and to assure them respite from hunger, poverty and disease which had so long engulfed them. He termed the development tasks ahead

the nation as herculean in view of the population pressure, high degree of dependence in agriculture, extremely limited resources and a high rate of illiteracy. [as published] "The greater is the challenge, the more determined we are, the heavier the odds, the greater is our resolution to overcome them", he observed in this connection.

He said that the nation "is fully aware and conscious that our balance of payments will not register significant improvement unless our dependence on export of primary goods is reduced and share of manufactured goods rapidly increased". The country's endowment of natural gas, limestone, coal and hard rock, agricultural produce like jute, sugarcane, fruits and vegetables, bamboo; soft-wood, agricultural waste of jutesticks, rice and wheat straw, molasses etc. make excellent raw materials for further processing for domestic use and export markets, he added.

Industrial Revolution

President Zia observed that the massive industrialisation programme which the country had now embarked upon was aimed at bringing about an industrial revolution for supporting modernisation of agriculture, improving transportation, providing rural housing and extending to the people the basic necessities and amenities of life. "While we plan to utilise fully the existing public sector agencies towards reaching this goal, we are convinced that without active association of the people without tapping the resources and entrepreneurship of the private sector our dream to industrialise the country will not materialise", he felt.

He pointed out that the Government as a matter of its firm policy would continue to welcome external participation in national industrialisation programme in both private and public sectors while noting that the industrial strategy had been designed in such a manner as it would support and supplement our efforts to achieve over all economic progress. He said that the country's dependence on foreign aid however would be well-matched with the 'total mobilisation of our own resources both human and material.' He referred to the massive national canal digging programme mass literacy drive and population control strategy in this connection.

The President hoped that the deliberations at the Solidarity Meeting would bring in 'better appreciation of our industrial strategy and pave the way for greater inflow of assistance.'

Earlier, Mr. Jamaluddin Ahmed Deputy Prime Minister holding the charge of the Ministry of Industries welcomed the participants in the solidarity meeting. In his address of welcome, he recounted the recent efforts of the country to improve the industrial production capability and performance in both the public and private sectors. While noting a great deal in operational performance of the public sector corporations over the last few years, he observed that the private sector had also been assigned new a greater, effective and dynamic role in the industrialisation process [as published]

The Deputy Prime Minister reiterated Bangladesh's total commitment to the concept of solidarity and cooperation among the developing countries while stating that the developing countries among themselves 'have the resource endowment, reasonable technological base and know-how and some investible surplus and a vast potential market."

Dr. Khane

In his opening address Dr. Abdel Rahman Khane, Executive Director of UNIDO said that the Solidarity Meeting is structured to allow us to discuss proposals where the nature and extent of assistance will be spelled out in clearly identifiable terms.' [as published] He observed that the spirit of solidarity would be strengthened and fortified by the idea that developing countries had something to offer to each other, even at this relatively early stage of their development. "With each passing day, it is more widely recognised that the experience and knowledge of each developing country is highly relevant to others in view of the similarity of their situations", he said.

The UNIDO Executive Director observed that the fact that developing countries located at distances apart 'are represented at this meeting is in itself an impressive indication of the determination of the Third World to fight a common battle and to win a common future." [as published]

Lt. General Golam Hossain Khan Federal Minister for Industries of the Islamic Republic of Pakistan offered the vote of thanks at the inaugural session.

2 Dec Proceedings

Dacca THE BANGLADESH OBSERVER in English 3 Dec 80 p 1

[Text] The delegates of the participating countries in the fourth Solidarity meeting of developing countries for co-operation in industrial development expressed on Tuesday their earnest desire to foster wider co-operation among themselves.

The first working session of the four-day meeting being held under the auspices of the United Nations Industrial Development Organisation (UNIDO) and the Ministry of Industries, began on the day with the election of Mr. Jamaluddin Ahmed Deputy Prime Minister in charge of the Ministry of Industries, as its Chairman. The leader of the Turkish delegation Mr. Shahap Kotchopeu Minister of Industry and Technology was elected the Vice-Chairman of the meeting.

Sree Vardene, Deputy Executive Secretary of ESCAP made a statement before the beginning of the session. Bangladesh Planning Minister Dr. Fasihuddin Mahtab presented the key-note speech at the session. He explained in detail the industrial development strategy of Bangladesh during the Second Five-Year Plan (1980-85) and underlined the need for effective co-operation among the developing countries for an effective industrial development programme within the conceptual framework of Economic Co-operation among the Developing Countries (ECDC) and Technical Co-operation among the Developing Countries (TCDC). The Planning Minister brought into focus at the session the economic problems faced by the country and the efforts made by the government for overcoming the obstacles to accelerated growth and development.

The delegates from India, Republic of Korea, Yugoslavia, Turkey and Indonesia made their general statements at the first working session of the day which continued fo. about two hours.

The delegates from Pakistan, China Malaysia the Philippines Kenya Iraq and Sri Lanka presented their papers at the second working session of the day in the afternoon which lasted for about an hour and forty five minutes.

In all, 13 countries including Bangladesh took part in the day's deliberations at the meeting. The participating developing countries offered bilateral technical assistance according to capacity of each in several area of industrial development in Bangladesh particularly in the fields of textiles sugar leather mini hydro-power generation bio-gas paper and pulp, development of agricultural tools and implements, processing of fruits and vegetables. [as published]

They were appreciative of President Zia's inaugural speech at the meeting and lauded the efforts of Bangladesh for speedy economic growth and development.

The Solidarity meeting sources told the newsmen that the participating countries made positive proposals, promising both technical and economic co-operation in industrial projects being undertaken by the government of Bangladesh. Technical assistance for training purposes were also proposed by the delegates in which their respective countries have expertise.

About the specific and concrete proposals, India promised at the meeting a technical assistance worth Taka 10 million for feasibility studies on industrial projects in Bangladesh. The Indan proposals for joint collaboration with Bangladesh covered the areas like sponge iron, soda ash, cement, paper, softwire for development of small-scale industries in the country. [as published] On her part China placed proposals for joint collaboration in the field of mini hydro-power generation, rice bran oil extraction mills, etc.

Meanwhile, the authoritative sources told this correspondent that bilateral talks between the delegates of participating developing countries and the officials of the External Resources Division of the government of Bangladesh would begin today (Wednesday) to sort out specific areas of co-operation. Bangladesh, to mention here, submitted a list of 42 specific projects, seeking the co-operation of the participating countries at the Solidarity meeting.

A total of 19 countries are taking part in the Solidarity meeting. Among the 21 invited countries, only Thailand and Kuwait are yet to send any delegation to the meeting.

Bangladesh Asks Aid

Dacca THE BANGLADESH OBSERVER in English 3 Dec 80 pp 1, 12

[Text] Bangladesh on Tuesday introduced 44 industrial projects in both public and private sectors where it will "welcome financial and technical" assistance from "friendly" developing countries, reports BSS.

The total foreign exchange component of the projects will be around 636.67 million dollars which according to portfolio of projects circulated in the four-day Solidarity meeting of Industry Ministers from 21 developing countries, Bangladesh expects in equity participation as well as in grant form. The projects include enterprises both based on local and imported raw materials as well as oriented to meet needs of the domestic and export markets.

The documents also indicated that the government in certain cases would welcome technical assistance only as an alternative to the financial assistance. It was

also explained that the projects in the public sectors would have to be backed up by detailed feasibility study in certain cases if financing was bilaterally agreed upon "in principle". The Government of Bangladesh also expressed its readiness to initiated discussions on collaboration and financing of industrial projects from within and outside the portfolio.

The projects are two cotton spinning mills, one jute carpet factory, Rangpur, two jute mills machinery and spare manufacturing plants, one weaving wood manufacturing plant (Tongi), one soda ash plant (Chittagong) one polyester plant, one tripple superphosphate plant (Khuma), one polythelene plant, one cigarette paper manufacturing plant, one pulp and paper mills, four sugar mills (Natore) Nilmoniganj, Jhikargadha, and Jhenidah, two fruits and vegetable processing and canning plant (Rajshahi and Rangamati), two distillery plant (northern region), one cattle seed plant (northern region) one sponge iron complex, one electric cables plant, one aluminium extrusion plant (Sylhet) two leather manufacturing plants (Chittagong and one dye stuff plan (Rongpur) four cold storase plants Bogra and Rajshahi) one tobacco redrying plant one shoe manufacturing plant one solvent extraction plant one jute yearn manufacturing plant one cigarette manufacturing plant one starch and glucose manufacturing plant and one cottonspinning mills. [as published]

Earlier while speaking in the inaugural function, Deputy Prime Minister for Industries Mr Jamaluddin Ahmed stressed the "greatest merit and relevance" of the economic and technical cooperation among the developing countries.

Reflecting his government's attitude to these two aspects Mr Ahmed said "the developing countries among themselves have the resource endowments reasonable technological base and some investible surplus and a vast potential market. Bangladesh he said has a total commitment to the concept of solidarity and cooperation among the developing countries. [as published]

The Bangladesh leader also urged the ministers and delegations to deliberate on the mechanism of transfer of investible surrplus and identify concrete steps to establish workable and practical mechanism for sharing technological know how and thereby facilitating transfer of appropriate technology on a continuing basis. [as published]

Indian Offer

Dacca THE BANGLADESH OBSERVER in English 3 Dec 80 p 1

[Text] India has offered to provide technical and economic assistance worth Taka one crore to Bangladesh, reports BSS.

The Indian State Minister for Industry Dr. Charanjit Chanana and the leader of his country's delegation on Tuesday said this at the UNIDO sponsored solidarity meeting of Industry Ministers of developing countries.

At the end of the two closed door sessions held on Tuesday an Indian delegation spokesman told BSS that the technical assistance was meant for undertakening feasibility study of projects identified in the UNIDO portfolio. [as published]

Dr. Chanana who spoke at the first working session of the solidarity moot in the morning said Bangladesh and India had "a long and satisfying history of economic cooperation. [as published]

Giving a resume of the cooperation between the two countries, Dr Chanana said his country would provide soft-ware assistance for the development of small scale industry here. He said the two countries were cooperating in some joint venture projects.

Explaining his country's limited capacity to provide assistance Dr. Chanana said being a capital importing country, India's major constraint is the paucity of financial resources. Nevertheless, he added his country will endeavour to provide as much resources as it can afford for the UNIDO identified projects under mutually acceptable terms and conditions.

3 Dec Proceedings

Dacca THE BANGLADESH OBSERVER in English 4 Dec 80 pp 1, 12

[Text] The delegates of the participating countries in the Fourth Solidarity Meeting of the Ministers of Industry in the Third World had a detailed round of discussions on matters relating to economic and technical co-operation in several concrete fields with the Bangladesh authorities on the second day of the meeting on Wednesday. The delegates were divided into 16 working groups to carry out the negotiations with the relevant government agencies and public sector corporations.

A spokesman of the meeting, sponsored jointly by the United Nations Industrial Development Organisation (UNIDO) and the Government of Bangladesh, told the newsmen on Wednesday evening that the outcome of the discussions had been "quite positive, fruitful and constructive". There was a great deal of keen interest on the part of the fellow developing countries to extend cooperation and support to Bangladesh in her efforts for industrialisation, he observed.

The 19-nation Solidarity Meeting in its second day on Wednesday had been successful in identifying many areas of techno-economic cooperation and collaboration between Bangladesh and the participating developing countries, the spokesman said.

The specific offers for assistance, both technical and economic, were made by India, Pakistan, Republic of Korea, the UAE, Rumania, Iraq, Peru, Yugoslavia, China, Malaysia and Turkey. Sri Lanka, Algeria, the Philippines and Kenya also expressed themselves clearly in favour of more meaningful and positive cooperation with Bangladesh, while some of the participating countries with whom Bangladesh has already some kind of cooperation in the economic fields made concrete proposals to widen and extend the same. The other participants put forward proposals to the Bangladesh authorities for exploring the potential fields of collaboration in the industrial sector.

India, on her part offered technical assistance worth Taka one crore to carry out feasibility studies for some of the projects listed in the investment portfolio which Bangladesh placed before the Solidarity Meeting. The projects would include TSP, paper and pulp including newsprint, manufactuirng of basic electronic compoments, soda ash, sponge iron units. Out of this allocation, Taka three

million have been proposed for small and cottage industries to develop two or three rural work shops, demonstration-cum-production units in the fields of handloom, cement made of rice-husking, mini paper mill etc.

The Indian delegation had further indicated the possibility of technical assistance for setting up mini sugar mills in the private sector and also of soft loans for establishing regular sugar mills in the public sector. Besides, India had made assurances about consideration for funds worth Taka 2.5 crore for the purchase of rehabilitation equipment for sugar mills.

Pakistan offered technical cooperation in the fields of leather, engineering, machine tools and textiles. She had suggested for collaboration between the two investment advisory centres in the two countries and stressed the need for encouragement to the private sectors in both the countries to set up joint venture projects. Pakistan had also offered the proposal for setting up of a sugar plant in Bangladesh on credits to be offered by the former.

The Republic of Korea expressed her keeness to promote joint industrial ventures either through public or private sector in Bangladesh. The areas of cooperation suggested by her in this connection, included the following fields: ceramics, clinkers, ship-building, wagon and railway carriages, PVC sheet fabrcation. [as published] The ceramic unit would alone have an indicated cost of around three million US dollars and the Korean side had stated that if the equity participation could not be obtained for it locally, it would arrange loan-financing from its financial institutions.

Korea had also offered a technical training programme for cotton spinning cement and catching and canning of sea food. A joint working group with Bangladesh had been suggested by Korea for the study of the fishing industry in the country.

The Iraqi side showed interest in jute carpet, cotton spinning, sugar mills, fruit processing and canning and any other project enlisted in the portfolio. Its offers pertained exclusively to public sector projects. Besides, Iraq reiterated its firm desire to continue its support to the on-going projects being assisted by her.

Rumania showed interest in trolley bus component manufacturing unit, manufacturing of rigs, and PVC manufacturing units. The new areas of technical and economic cooperation, proposed by her, included the fields of distillery, cold storages, soda ash, cement etc.

The UAE delegation stated that they were prepared to consider any project in the public sector in Bangladesh. The specific projects for which Bangladesh sought assistance from the UAE covered the Joypurhat Limestone Mining Porject, Jamalgani Coalmine Project, Biman hanger complex paper and pulp mill based on jute cuttings and jute stock, TSP plant etc. The two sides underlined the need for the formation of a joint investment company for promotion of collaboration between the private sectors of the two countries.

The Philippines agreed to consider assisatnce for setting up of small sugar plants against loans. [as published] She agreed to offer cooperation in the field of production of high-yielding varieties of sugarcane in the country. She further indicated her desire to import shrimps from Bangladesh.

Indonesia expressed her readiness to cooperate in 22 listed projects. She also offered 155 man-months of training in the form of technical assistance to Bangladesh within the existing framework of technical cooperation agreement between the two countries. The assistance would cover the fields of sugar mills, leather, chemicals, processing and canning of fruits, sea-fish processing, small sponge iron units, electrical cable, pulp and paper mills, cattlefeed, cigarettes, cement etc.

Kenya showed interest in importing jute technology from the country. She also expressed her desire to buy tea machinery from Bangladesh.

Turkey offered consultancy and engineering services in sectors like aluminium extrusion cement cotton spinning sugar mills etc. She expressed her desire to promote collaboration in the private sector between the two countries in jute carpets poliyster electrical cables, jute yarn paper and shoe manufacturing fields. [as published]

China offered cooperation in rice bran extraction plant and mini hydro-electric plant. She also agreed to allow Bangladesh the concessional facility of importing equipment worth ten million US dollars from other than China against that allocation made to the country out of the Chinese contributions to the UNIDO fund.

Malaysia offered technical assistance including feasibility studies and training and fellowship in engineering and rubber plantation sectors. She had also indicated the possibilities of cooperation in rubber plantation production and marketing as well as palm oil farming and extraction.

Sri Lanka expressed her willingness to offer technical assistance in the manufacturing of ceramics glass etc. Her offer further included collaboration proposals in the private sector for fruit and milk processing.

Yugoslavia indicated her preparedness to finance for mango and pineapple processing units. She suggested further help for silo storage capacity in Bangladesh. She felt that Bangladesh and herself should join hands for carrying out construction work in the [as published]

Algeria offered proposals for further strengthening of technical assistance programme for Bangladesh. The specific commitments from her side to different industrial projects would be made after a detailed scrutiny of the proposals by the relevant authorities in Algiers. "Absence of any specific commitment should not be taken as a negative attitude" the Algerian delegation told the Bangladesh authorities.

Peru placed offers for cooperation in the field of paper mills sugar industry fish preservation technology etc.

Before the working groups sat in separate meetings on the day the delegates from Peru Algeria Rumania and Saudi Fund for Development made general statements at the solidarity meeting. The Saudi Fund delegate told the partipants that they would see the developments in the solidarity meeting and would sit later with the Bangladesh authorities to discuss bilateral economic cooperation.

Press Conference on Meeting

Dacca THE BANGLADESH OBSERVER in English 6 Dec 80 pp 1, 12

[Text] Deputy Prime Minister Mr. Jamaluddin Ahmed in-charge of the Ministry of Industries stated in Dacca on Friday that the fourth Solidarity Meeting sponsored by the United Nations Industrial Development Organisation (UNIDO) in cooperation with his Ministry had succeeded to provide a stable framework for economic cooperation between and among the developing countries. "We are overwhelmed by the encouraging and very satisfying responses of the participants in the meeting to the proposals made by us for techno-economic co-operation to support our industrailisation" he observed.

Mr. Jamaluddin Ahmed who was the President of the fourth Solidarity Meeting of the Ministers of Industry of the developing countries was addressing a Press conference at a city hotel. Mr. Abd-el-Rahman Khane Executive Director of UNIDO also adressed the Press conference. [as published]

The Deputy Prime Minister told the newsmen that an inter-ministerial body comprising of the representatives of the Ministry of Industry the External Resources Division and the Planning Commission would be set up immediately to take appropriate follow-up action with a view to fulfilling the bilateral commitments made by the developing countries at the Solidarity Meeting. About the outcome of the meeting he noted that the commitments were received from different participating delegations for all the 42 projects listed in the project portfolio which was circulated among the concerned developing countries by the Government at the meeting. Besides some commitments have been made for projects not listed in the portfolio he said.

Replying to a question the Minister said that the formalities in connection with related bilateral arrangements for co-operation and collaboration would be completed within the next two months' time. He contended that the onus of materialising the bilateral deals in connection with the proposed industrial ventures with the technical and economic cooperation from the fellow developing countries would now lie "solely on our side".

Mr. Jamaluddin Ahmed termed the fourth Solidarity Meeting of the Ministers of Industry of 20 developing countries as an important milestone for strengthening solidarity and cooperation between and among the developing countries which the UNIDO had been trying to pursue as its noble cause. "Bangladesh, one of the least developed countries in the Third World has been able to put across her views hopes and aspirations to a cross section of developing countries" he said while noting that the country's industrial development strategy had been appreciated well by the participants at the meeting. "Our industrial development process has now been internationalised" he felt.

He noted with great optimism that the total commitment of the participants in the Solidarity meeting to share their experiences, technology and investible surplus of Bangladesh in an ungrudging manner was "a priceless achievement for us". He was very much appreciative of the sentiments of the participants in the conference, some of whom came from long distances spread over three continents of the globe.

The Executive Director of the UNIDO told the newsmen that the Solidarity meetings, being sponsored by his organisation, were something of a new approach towards

technical and economic cooperation among the developing countries. This aproach is gaining momentum, he said while stating that as far as his organisation was concerned there was still a long way to travel to achieve the extent of solidarity which it wanted. [as published] He felt very satisfied at the outcome of the fourth Solidarity meeting, which concluded in Dacca on Friday.

Mr. Abdel-Rahman Khane lauded the role of the Government of Bangladesh in creating the right kind of atmosphere for the success of the solidarity meeting. About the need for follow-up action to translate the pledges and commitments by the participating countries at the meeting to the process of industrialisation in the country, he observed that the greater part of the responsibility would now lie with the relavant Government agencies in Bangladesh. [as published] On its part, UNIDO Secretariat would assist the Government to keep up the momentum with the concerned countries in this connection.

The Executive Director of the UNIDO observed that the capital of sympathy which Bangladesh "has in the developing Third World makes it amply clear that everyone would be ready to render all possible assistance for her needs".

Replying to a question, Dr. Abdel-Rahman Khane said that the UNIDO had a some kind of machinery of its own to review the outcome of the solidarity meetings and to monitor the progress relating to the implementation of the recommendations at such meetings. [as published]

Deputy Prime Minister Mr. Jamaluddin Ahmed told a questioner at the Press conference that the quantification in terms of money of the specific commitments made by various participating countries at the solidarity meeting was neither wise nor feasible at this stage. Replying to another question, he observed that the proposals for joint industrial ventures in Bangladesh would need to be vigorously pursued from Bangladesh's side in particular.

Meanwhile, the conclusions and recommendations which were adopted unanimously at the closing session of the meeting on Friday noted the solidarity of all the participating countries with Bangladesh. The participants affirmed their willingness to render the technical and other assistance which they may be in a position to provide to the country in the industrial fields. "The offers of assistance included provision of loans on soft terms export credits for the purchase of machinery and equipment, steps for promotion of joint industrial ventures, undertaking of feasibility studies and preparation of bankable project profiles, provision of consultancy and engineering services, provision of experts, training facilities etc", the Press release on the commendations of the Solidarity meeting said.

CSO: 4220

DACCA URGES MORE ASIAN TECHNICAL COOPERATION

Dacca THE BANGLADESH OBSERVER in English 6 Dec 80 pp 1, 12

[Text] Bangladesh has urged the eighth Asian and the Pacific Labour Ministers' Conference to formulate regional programmes for increased technical cooperation and training.

Talking to BSS on his return from the conference held in the Philippines capital Manila Labour and Industrial Welfare Minister Mr. Reazudin Ahmed on Friday said that the regional moot had agreed to identify the fields for such cooperation and training.

He said there were many fields in which some advanced and developed Asian countries could provide excellent cooperation within the framework of the Technical Cooperation among Developing Countries (TCDC).

Mr. Reaz said that he had also strongly urged the conference to recommend measures for formulating labour policies in the Asian countries keeping in view the rural bias of their economy. He said efforts should be made to bring rural avocations within the fold of labour laws.

The Labour Minister said that the Bangladesh delegation along with others from the developing countries expressed deep concern at the growing trend of protectionism among the developed countries which hindered industrial growth in the region.

The Labour Ministers' conference which concluded on December 1 also recommended to the International Labour Organisation to take realistic steps toward easier access of the indutrial products from the developing countries into the markets of the developed world Mr. Reaz said. [as published]

He said the conference had formed four committees on regional technical cooperation labour migration protectionism and working conditions and environment to deal with the matters relating to labour and industrial welfare in region. The committees would recommend measures to the ILO for policy formulation.

Bangladesh was unanimously made Chairman of the Labour Migration Committee at the four-day conference participated by 28 countries.

CSO: 4220

SOURCES SAY FOOD DEBT TO USSR SOON TO BE CLEARED

Dacca THE BANGLADESH OBSERVER in English 3 Dec 80 p 1

[Text] Bangladesh will soon clear off her debt of two lakh tons of foodgrains that she had borrowed from the Soviet Union to meet her serious food crisis in 1974, reports ENA.

According to reliable sources, Bangladesh already returned 1,20000 tons of wheat out of two lakh tons to the Soviet Union in three instalments out of five, beginning in 1977. [as published] The remaining two instalments each of 40,000 tons, will be returned by end of the current fiscal year.

It is learnt that Bangladesh has offered rice, instead of wheat, to the Soviet Union for return of the remaining 80,000 tons. The Soviet Union, it is known has agreed to the proposal and is now examining the quality of rice she will take.

According to the sources an international tender would be called to this effect for return of the last two instalments of grains to the Soviet Union.

It may be recalled here that the Soviet Union had diverted two lakh tons of wheat to Bangladesh from her huge purchase-pipeline when the then Bangladesh government approached the Soviet government for the food debt to meet the "famine situation" in 1974.

Bangladesh also returned 40,000 tons of wheat out of another two lakh tons foodgrains borrowed from India last year to meet her exigency.

The sources said India had also been offered rice in return for her wheat.

It was learnt that India is "examining" the varieties of rice she will take.

It may be mentioned here that India sent last year two lakh tons of foodgrains in pursuance of the agreement reached between former Indian Prime Minister Morarji Desai and President Ziaur Rahman during the former's visit to Dacca in March last year.

CSO: 4220

PETROLEUM MINISTER SAYS OIL PROSPECTS 'BRIGHT'

Dacca THE BANGLADESH OBSERVER in English 3 Dec 80 p 12

[Excerpt] Lt. Col. (Rtd) Akbar Hussain Minister for Petroleum and Mineral Resources told the Jatiyo Sangsad on Tuesday that there was bright possibility of striking oil in Bangladesh. He said that if the geological survey of Burma and India is correlated with the findings of our survey there should be oil in Bangladesh.

Replying to a question by Mr. A. B. M. Taleb Ali the Petroleum Minister said that the work in Bakhrabad-Chittagong Gas Line started in June last and it will be completed by 1982. He told a questioner that an amount of 170 million US dollars would be required for completing the project and the fund would be provided from the following sources: World Bank 80 million dollars Japan 30 million dollars Kuwait 25 million dollars and OPEC 10 million dollars.

Replying to a question by Mr A. K. M. Akhtaruzzaman Alamgir the State Minister for Petroleum Mr. Sunil Gupta told the House that no decision had yet been taken to export gas to India. He said that the final decision would be taken after examining the economic and technical aspect of the proposal earlier given by India to import gas from Bangladesh. Replying to a supplementary the Petroleum Minister said that Bangladesh had a reserve of over 10 trillion cubic feet of gas and at present rate of consumption at the rate of 0.042 trillion cft annually the country can run with the reserve for 240 years. He however said that with the improvement in the rate of consumption the period would come down. Replying to a question by Mr M. A. Matin State Minister for Petroleum Mr. Sunil Gupta told the House that there are 10 gas fields in the country. These are: Haripur Chhatak Titas Habiganj Kailashtila Bakhrabad Rashidpur Shimutang Begumganj and Kutubdia. The gas reserve in these fields are as follows: Haripur 0.2398 trillion cft. Chhtak 0.0193 trillion cft. Titas 2.0647 trillion cft Habiganj --12410 trillion cft. Kailashtila --0.6000 trillion cft. Bakhrabad --2.7800 trillion cft Rashidpur --1.0600 trillion cft. Shimutang --0.0300 trillion cft. Begumganj --0.0600 trillion cft and Kutubdia -- 2.000 trillion cft. [as published]

The Petroleum Minister told a questioner that by 1985 all the eastern districts of the country would be supplied with gas.

Replying to a question by Mr Mosharrai Hossain Mr. Sunil Gupta told the House that LPG as substitute of petrol and C.N.G. as substitute of diesel can be used in different vehicles and for the purpose an experimental project has been taken up.

Replying to another question the Minister said that the drilling in Singra Gas Feld in North Bengal was going on. [as published]

CSO: 4220

BANGLADESH, ALGERIA SIGN JUTE AGREEMENT

Dacca THE BANGLADESH OBSERVER in English 4 Dec 80 p 1

[Text] Bangladesh will export about 10,000 (ten thousand) metric tons of raw jute to Algeria annually under a three-year agreement signed between the two countries in Algiers recently, says a PID handout.

This was stated on Wednesday by Mr. Salahuddin Ahmed, Secretary, Ministry of Jute, on his return to Dacca after leading a five-member Bangladesh jute delegation to Algeria from November 26 to November 29.

The other members of the delegation which comprises members from both public and private sectors, are continuing their explorative and fact-finding mission in some north-west African countries such as Tunisa, Ghana, Nigeria Guinea Ivory Coast Senegal and Cameroon. [as published]

The Jute Secretary said that the newly signed agreement which would continue upto 1983 has placed Bangladesh raw jute exporters in direct contact with the consumers of raw jute in Algeriaa, namely Sonitex Corporation for Jute and Textiles, for the first time. [as published] Earlier he said Algeria used to get Bangladeshi raw jute on adhoc and sporadic basis through other sources operating from out side Bangladesh which did neither ensure timely shipment nor competitive price and quality.

The Jute Secretary said that the visit of the Bangladesh delegation has opened up wider possibilities of raw jute trade between the two countries.

CSO: 4220

JUTE MINISTER REPORTS TO HOUSE ON PROFIT, POLICY

Dacca THE BANGLADESH OBSERVER in English 19 Dec 80 pp 1, 12

[Text] Jute Minister Mr Habibullah Khan on Thursday reiterated the Government determination not only to retrieve jute but also to restore it to its proper place says BSS.

The Government efforts had resulted in earning a profit of Taka 116 crore last year by the jute industry for the first time since independence, the Jute Minister said.

Mr Khan expressed the hope that the Government would be able to rectify the lapses that had crept into the jute sector for historic reasons and ensure that this sector did not incur loss anymore in future. In this context, he told the House that the jute sector incurred a loss of Taka 360 crore during the last eight years.

The minister was winding up the discussion on the private member's resolution brought by A. B. M. Taleb Ali (wami League-Malek) for fixation of the statutory minimum price of jute at Taka 200 per maund. [as published]

The Jute Minister assured the Opposition that the Government would leave no stone unturned to sustain jute in the years ahead. He appealed to them to keep jute above politics emphasising that any unfounded criticism at home would jeopardize the interest of jute in the global Market. Our politics should be directed to the restoration and sustenance of our golden fibre in the international market in the teeth of stiff competition the Jute Minister cautioned.

Mr Habibullah Khan listed the Government measures to decentralise and diversify the use of jute and increase production in the mills and factories. The success of all these measures would enable us to fix the statutory minimum price of jute at Taka 200 per maund and even more in future, he said adding that fixation of this price at the moment as demanded by Mr. Taleb Ali in his resolution was not tenable as it involved many factors including the cost economics.

Referring to the Opposition criticism that it was not the growers but the farias, middle men and businessmen who were getting fair prige for jute the Jute Minister pointed out that the 1962 ordinance providing for the appointment of jute trade licence-holders in the vaious categories could not be knocked out by a stroke of pen overnight. [as published] Majority of these jute trade licence-holders made their inroad in jute trade before 1975, he added.

Referring to the Opposition demand for fixing statutory minimum price of jute Mr. Habibullah Khan said that the statutory minimum price was prevalent in the country for the last several years. There was no guarantee that only by fixing statutory minimum price could the price to the growers be ensured, he said.

Refuting the contention of JSD member Mr Latif Mirza that the international jute trade was now under the control of India the Jute Minister told the House that Bangladesh share in he international jute market constituted 61 per cent today. [as published]

He informed the House that of the 65 lakh bales produced in the country, 30 lakh bales were consumed internally by Bangladesh Jute Mills Corporation (BJMC). Efforts were underway to utilise 40 lakh bales of jute by the mills, he added.

Referring to the Government efforts to diversify the use of jute, Mr. Habibullah Khan said that measures were being taken to produce pulp for newsprint from low quality jute.

He agreed with the Opposition charge that more workers had been recruited in the jute mills than their requirements to the detriment of jute industry and said that employment in jute mills was increased since 1972 without creating employment opportunities. Instead of retrenching this large number of workers overnight, the Government was trying for their better utilisation by introducing three shifs thereby increasing production in jute mills, he said. [as published]

The Jute Minister said it was not correct that the price of synthetics was increasing with the rise in the price of petroleum. He said with the use of by-products the developed countries were producing synthetics at a lower cost and as such they were offering the synthetics at a lower price. He pointed out that in Bangladesh the people were also using paper bags and plastic bags instead of jute bags due to lower price of synthetics.

After the Minister's statement the resolution was put to vote. The resolution was rejected.

CSO: 4220

FOREIGN MINISTER SAYS DACCA-MOSCOW RELATIONS NORMAL

Dacca THE BANGLADESH OBSERVER in English 18 Dec 80 p 1

[Text] Foreign Minister Prof. Muhammad Shamsul Huq on Wednesday described the bilateral relations between Bangladesh and the Soviet Union as "normal" reports BSS.

Replynig to a call attention notice of Mr. Salahuddn Quader Chowdhury (Muslim League) at the Jatiya Sangsad, the Foreign Minister said the foreign policy of Bangladesh was guided by the principles of sovereign equality, peaceful co-existence, territorial integrity, and non-interference in the internal affairs of others. [as published]

Prof. Huq said that Bangladesh's bilateral relations with all countries including the Soviet Union were based on this policy.

Under normal diplomatic practice any two states can exchange views on bilateral, regional and international matters, the Foreign Minister said.

Accordingly, he added, Bangladesh also exchanged views with the Soviet Union on such issues including the Afghanistan problem.

The Foreign Minister said that it would not be proper to describe "such exchange of views" as creating pressure by one state on another.

Mr. Salahuddin Quader Chowdhury had said quoting a news paper report that the Soviet Union was creating pressure on Bangladesh in various ways.

The Opposition member quoting an ITTEFAQ report lifted from a foreign newspaper said the Soviet Union was creating strong pressure against the principled stand of Bangladesh on the Afghan question.

The Foreign Minister categorically said that [word illegible] the papers had "totally failed to reflect the real situation."

Refuting the comments in the newspaper report, the Foreign Minister said under the present government's all-out drive to boost the country's exports, Bangladesh exported her traditional commodities like jute, tea, telephone and electric cables, jute carpet and other items to different countries including the Soviet Union.

The Foreign Minister said among the major items that Bangladesh imported from the Soviet Union were kerosene, diesel, M.S. billets, iron ore, steel equipment and spares.

The Foreign Ministre contradicetd the comments in the report that the Soviet Union was trying to build pressure to compel Bangladesh to export jute, tea and leather. [as published]

The newspaper report also said that the Communist parties of a number of countries, including the Soviet Union, had launched a propaganda for the release of the arrested members of the Bangladesh Communist Party. It added that PRAVDA and the media of the other Communist countries had made allegations of repression on the "progressive elements" in Bangladesh.

Replying to these, the Foreign Minister said that if any country took legal steps against its citizens according to its constitution it cannot be described as "repression".

The report lifted by the ITTEFAQ from a foreign newspaper had also said that the Communist countries themselves consider the activities for which some of the members of Bangladesh Communist Party have been arrested as "anti-state".

CSO: 4220

BILL TO SET UP EXPORT PROCESSING ZONES PASSED

Dacca THE BANGLADESH OBSERVER in English 18 Dec 80 pp 1, 12

[Text] The Bangladesh Export Processing Zones Authority Bill-1980 was passed in the Jatiya Sangsad on Wednesday evening. The House earlier rejected a number of proposal for circulating the Bill for eliciting public opinion by Opposition members. [as published] The House also rejected a total of 41 amendments proposed by five Opposition members by voice vote.

The Bill seeks to attract foreign investors in export oriented industries in Export Processing Zones in the country.

Professor Mofizul Islam moved 20 amendments, withdrew 10 and did not move 14 amendments. Mr. A. B. M. Taleb Ali moved 2, Mr. Assaduzzaman (Awami League Malek) moved 3, Mr. Shudhanshu Shekhar Haldar moved 14 and Mr. Rafiqullah Chowdhury (Ganofront) moved 2 amendments.

Mr. A. S. M. Solaiman (Ganofront), Mr. M. A. Matin (MI-Sabur), Mr. Rezaul Alam Khondakar (IDL) and Mr. A. B. M. Taleb Ali (AL Malek) participated in discussion on proposal to circulate the Bill for eliciting public opinion.

Before taking up amendments Professor Mofizul Islam on a point of order said that if the House passed the Bill it will be illegal as the standing committee in its report to the House had recommended to adopt the Bill 'as amended' by the committee. He said that the committee can only propose amendments and cannot amend the Bill. The Deputy Prime Minister Mr. Jamaluddin Ahmed who piloted the Bill opposed professor Islam. However, Prime Minister and leader of the House Shah Azizur Rahman said that the point of order raised by Prof. Islam was valid and suggested to amend the report accordingly to avoid violation of rules of procedures. Mr. Sultan Ahmed Chowdhury, Deputy Speaker who was in the chair accepted the suggestion made by the leader of the House.

Mr. Assaduzzaman Khan, leader of the Opposition, Mr Muzaffar Ahmed (NAP), Mr. Salauddin Yusuf (AL Malek), Mr. Almas Hossain (ML Sabur) participated in general discussion on the Bill. Mr. Asaduzzaman Khan observed that the Bill was an effort of the present government to establish capitalism in the country which was contradictory to the state principles. [as published] He held that through this processing zones only those who will participate in joint ventures will enjoy benefits and the poor people of the country will not benefit from it. He said that the government started spending money and acquired land for the zone by passing the Parliament and has now brought the bill before the House.

He also said that constitution of the authority was another proof of the government's despotic character.

Mr. Muzaffar Ahmed said that the objective of the bill was good but may be very harmful if not handed carefully. [as published] He suggested strict regulation of the activities of the multi-national corporation so that "this country does not become another Afghanistan".

Participating in discussion while moving amendments a number of members alleged bureaurucratic control in the processing zone authority as proposed in the bill. [as published]

Mr. Jamaluddin Ahmed, Deputy Prime Minister assured the House that the government would gurantee against entry of any multinational company which may be a threat to the independence and sovereignty of the country. [as published] He however said that government would welcome investment because the flow of capital, technology and market will be helpful for industrialisation of the country.

Regarding beaurucratic control he said that the Awami League government also handed over all wealth in the hands of the beaurucrats. [as published] He observed that beaurucracy was the strongest force in the country. [as published]

The Deputy Prime Minister also said that there are two Export Processing Zones in India. Refuting allegation that this government was trying to establish capitalism in the country he said that Awami League government in the past also tried to declare Chittagong port as free port.

After passage of the bill the House was adjourned till 11 a.m. today (Thursday).

CSO: 4220

AGRICULTURE MINISTER: FOOD OUTPUT TO DOUBLE

Dacca THE BANGLADESH TIMES in English 19 Dec 80 pp 1, 12

[Text] Mr. Nurul Islam, Minister for Agriculture and Forests told the Jatiya Sangsad on Thursday that food production of the country expected to be doubled by 1987-88 next. [as published]

Replying to a question by Principal Md. Nazrul Islam of AL (Malek), the Agriculture Minister said that 1979-80 had been taken as the bench mark year in regard to the objective of doubling food production. The year had been considered a normal crop year in which food production had been estimated at 135 crore tons, he said.

In reply to question by Mr. Farhad Ahmed Kanchan of BNP, Mr. Islam said that average per acre yield of high yielding variety of paddy was 2557 maunds during the years 1978-79 and 1979-80.

He said that there had been an "encouraging yield" of paddy during the current season. Additional measures had been taken during 1980-81 to increase per acre yield, he said adding that the measures include intensive Transplant Aman Production Programme (ITAP), intensive aus production programme and intensive rabi crop production programme.

Acreage Data

Replying to a supplementary by Mr. Asaduzzaman of AL (Malek), the Agriculture Minister said that the data in regard to acreage under different crops during the previous governments including Awami League were erroneous. He said that in 1973-74, the HYV boro acreage was shown as 14 lakh acres as against 10 lakh acres in the previous year. In the next year, HYV aman and HYV atts acreages were raised to 20 lakh and three lakh acres respectively as against 14 lakh acres and one lakh acres of the previous year.

He said that a task force constituted by the Government in 1977-78 for HYV aman had found that only 5.66 lakh acres were actually under HYV aman.

Referring to increase in the irrigational facilities during the present Government, the Agriculture Minister said that 36,730 low lift pumps (LLPs), 7,453 deep tube wells (DTWs), and 6,447 shallow tube wells (STWs) had been fielded in 1977-78 as gainst 35,374 LLPs, 1494 DTWs, 1,928 STWs in 1974-75. [as published]

Replying to another supplementary question, Mr. Islam said that a record number (38,000) LLPs were fielded during the last boro season. Beside the canal digging programme, the Government intends to field 40,000 LLPs during the ensuing boro season, he said.

The Agriculture Minister replying to a question by Mr. S. A. Khaleaque of BNP, said that the survey and investigation section of the Bangladesh Agriculture Development Corporation had found that a total of 52,000 LLPs could be fielded in the country. Programme had been taken to field 51,000 LLPs in 1984-85, the last year of the Second Five Year Plan of the country, he said.

He told a questioner that 3000 to 4000 tons of pesticides worth Taka 10 to 12 crores in foreign exchange were imported to meet the pesticide requirement of the country.

The Agriculture Minister in reply to a question by Mr. Md. Mozammel Huq (IDL) said that agricultural production of the country had not decreased despite increase in the prices of fertilizer, pesticide and diesel.

He said that despite increase in the price of fertilizer the sale of fertilizers during November 1980 was almost equivalent to that of November, 1979.

CSO: 4220

MINISTER REPORTS 47 FOREIGN VOLUNTEER GROUPS

Dacca THE BANGLADESH TIMES in English 18 Dec 80 pp 1, 12

[Text] State Minister for Manpower and Social Welfare Mr Atauddin Khan told the Jatiya Sangsad on Wednesday that there were 47 approved registered foreign voluntary organisations in the country.

In a written reply to a question by Mr A S M Solaiman of Ganofront, Mr Khan said that applications from another 15 foreign voluntary organisations for approval were under consideration of the government.

The names of the approved organisations: concern, Care, Balm International Oxfam, Bangpur-Dinajpur Rehabilitation Service, Finish Foreign Mission, Swalez in Danmark the Swalez Association Asian-American Free Labour Institute Terrides Homes, United Towns Organisation, the Salvation Army Voluntary Service Overseas, Save the Children Fund (UK), International Voluntary Service International Union for Child Welfare Mennonite Centre Committee, Terrides Homes International Federation, Terrides Homes (Switzerland), Christian Reformed World Relief Committee World Vision of Bangladesh, Inter Pers, Swedish Free Church Aid Under Privilaged Children Education Programme (UCEP) Danish Bangladesh Leprosy Mission Save the Children (USA) Community Development Foundation, Hellen Killer International Radda Barnen Families for Children, Rangpur self-help aid project Ramkrishna Mission Canadian University Service Overseas, World Missionary Avenselism, the Society for those who have less, Swedish Free Mission, Newzeland Baptist Missionary Society, Church of God Mission, Bangladesh Mission Royal Commonwealth Society for the Blind, Japanese Missionary Fellowship, Bangladesh Lutharen Mission (Finland) Missionary for Charity, Jhalchhatra Hospital and Leprosy Control Project Association of Baptists, the Path Finder Fund S O S Children Village International in Bangladesh. [as published]

CSO: 4220

LICENSES OF 14 LABOR RECRUITING AGENCIES CANCELED

Dacca THE BANGLADESH TIMES in English 18 Dec 80 p 12

[Text] The Government has so far cancelled the licences of 12 to 14 agencies engaged in recruiting people for employment abroad.

Replying to a question at Jatiya Sangsad Mr Atauddin Khan State Minister for Manpower Development and Social Welfare said this on Wednesday.

He said that the Government was also examining allegations of corruption against a good number of such recruiting agencies.

The State Minister said that the recruiting agents who functioned under the immigration Act 1922, cannot select or recruit people without prior permission of the Government. They also have to collect clearances from the Government before sending recruits abroad.

The Government took disciplinary measures by way of cancellation of licences, confiscation of deposits and other legal measures like jail or fines if the agents disregarded the procedure or harassed candidates, he said.

Vagrants

There are 1,917 vagrants in six vagrants rehabilitation centres in the country now of them 213 are males 819 females 701 boys and 164 girls. [as published]

Replying to a question by Mr Md Asaduzzaman Advocate at the Jatiya Sangsad Mr Atauddin Khan said this on Wednesday.

The Minister said that the vagrants were being provided with training facilities in different trades to enable them grow up as worthy citizens. [as published]

He said that the vagrants centres were Dhala in Mymensingh district, Pubail, Kashimpur Mirpur Godnail and Baleswar in Dacca district.

CSO: 4220

TEXT OF DISCUSSION PAPER ON GANGES TALKS

Dacca THE BANGLADESH TIMES in English 30 Nov, 1 Dec 80

[Paper presented by B. M. Abbas A.T. entitled: "The Meandering Course of Ganges Talks" presented at the discussion seminar held at the Institute of Law and International Affairs, Dacca, 10 Nov 80]

[30 Nov 80, pp 5, 9]

[Text] Bangladesh is situated in the delta of two great rivers the Ganges and the Brahmaputra. These rivers flow to Bangladesh through India, meet within Bangladesh and, joining lower down with another big river the Meghna, flow into the Bay of Bengal.

The Ganges rises in the south slope of the Himalayas and traverses through India receiving the flow of a number of big tributaries. Three of these, the Karnali (Chagara), the Gandak and the Kosi flow from Nepal and together contribute 40 per cent of the annual flow and 70 per cent of the dry season flow of the Ganges. The river Bhagirathi-Hooghly on which the port of Calcutta is situated takes off from the south bank of the Ganges a short distance above the point of entry of the Ganges into Bangladesh. After crossing the Indo-Bangladesh border, the Ganges forms the boundary of the two countries for a distance of about 80 miles. Then it flows for another 70 miles wholly through Bangladesh before it joins the river Brahmaputra at Goalundo.

India has constructed a barrage on the river Ganges at Farakka, eleven miles upstream of its border with Bangladesh. The barrage blocks the perennial flow of the river Ganges and diverts its water through a feeder canal into the Bhagirathi-Hooghly river for the purpose of flushing the silt of the river Hooghly to improve navigation for the Calcutta Port.

Bangladesh as a lower riparian objected to and protested the Indian scheme of diversion of water from the river Ganges. The centuries old flow of the Ganges has shapped the ecological, environmental, economic, social and cultural pattern of Bangladesh. [as published] Although Bangladesh has too much water during the wet season from June to October, it has too little during the dry season from November to May. Bangladesh is dependent on the waters of the Ganges for irrigation, navigation, drinking water, fishery, forest and industry. The river flow also helps in keeping back the saline water from the Bay of Bengal.

After a quarter century of protracted negotiations regarding the construction of the barrage at Farakka, Bangladesh and India on the 5th November, 1977, entered into an interim agreement for the sharing of the waters of the Ganges and promised to seek a long term solution of the problem.

The problem preceded the establishment of Bangladesh in 1971 by almost two decades. When India was partitioned and Pakistan was created in 1947, the eastern part of Bengal, now Bangladesh, formed part of Pakistan (East Pakistan). In 1951, the Indian plan for diversion of Ganges water by constructing a barrage on the Ganges at Farakka was reported in the press. In anticipation of the effects of the proposed barrage on its the then eastern wing, Pakistan protested against the plan and a series of protracted negotiations at various technical and official levels followed between Pakistan and India. In 1957 and 1958, Pakistan proposed, a) securing advisory and technical services of a United Nations body to assist in planning for the co-operative development of the eastern river systems and, b) examination of the projects of the two countries jointly by the experts of the two countries before their implementation. Neither of the two proposals was accepted by India. In 1960, nine years after the issue first came up, it was agreed that experts of the two countries would meet to exchange information and data on projects of mutual interest. However, even this exchange of data was limited to the Farakka Barrage Project of India and projects of the then East Pakistan. India did not agree to furnish any information on its other projects on the river Ganges upstream on the plea that these were situated far away to affect Pakistan.

The experts of the two countries met on the 28th June, 1960 in New Delhi and on the 1st October, 1960 in Dacca. On the 30th January, 1961, India informed Pakistan that it had started work on the Farakka Barrage. The issue was taken up by the President of Pakistan with the Prime Minister of India. The Indian Prime Minister did not agree to the Pakistani proposal for a meeting of the ministers of the two countries to discuss the issue but said that this could be done after 'full' data were available. Further meetings of the experts took place on the 28th April, 1961 in Calcutta and on the 27th December, 1961, in Dacca. The next and the 5th meeting at experts' level did not take place till the 13th May, 1968 in New Delhi. In the meantime India and Pakistan went to a war of short duration in 1965.

In 1968, Pakistan raised the issue in the United Nation's General Assembly. [as published] It noted that no political discussion with a view to a settlement had taken place in seventeen years of effort which had resulted in only five meetings at the technical level. It charged that India wanted to present it with a fait accompli. India expressed herself against internationalising the issue, which it asserted was purely bilateral in character. It alleged that Pakistan had refused to furnish the required technical data. Pakistan refuted this allegation and pointed out that continued Indian insistence on the supply of technical data was an obstacle to the two sides coming to grips with the substantive issue of the exact amount of water that India would be prepared to give to Pakistan on a regular basis. India contended that the problem was technical and practical rather than juridical and insisted on holding more talks at the offical and technical level. It offered to meet the ministerial level if "the need for it ever arose".

The meetings between the two countries were raised to the level of Secretaries of the two Governments in December, 1968 and five meetings at that level were held.

The last of these meetings held in New Delhi in July, 1970 could only agree that i) the point of delivery of supplies to the then Pakistan of such quantum of water as may be agreed upon will be at Farakka and, ii) constitution of a body consisting of one representative from each of the two countries for ensuring delivery of agreed supplies at Farakka is acceptable in principle. Meanwhile, India having started construction of the Farakka barrage in 1961, completed the barrage in 1970. The Feeder Canal, however, remained to be done.

In negotiations with India at these stages, Pakistan was in a disadvantageous position. Apart from being a lower riparian, the then East Pakistan had to contend with the backlog of centuries of neglect. Till partition, practically no development was done in this region and information about the major rivers, land and soil were lacking. These data were gradually built up and schemes were prepared to develop different areas and the requirements of water for irrigation established. But India argued against Pakistan's claim for the waters of the Ganges stating that East Pakistan's problem was excess of water and not lack of it, that diversions at Farrakka would not result in any shortage of water for "East Pakistan's" "genuine" requirements and, that the amount of water that would be generated in the river between Farakka and Hardinge Bridge in 'East Pakistan' would be adequate for Pakistan's requirements. India regarded the Ganges as an 'almost Indian' and not an international river and would not recognise Pakistan's rights on the waters of the Ganges.

The Pakistan side refused all these arguments. It pointed out the lack of water during the dry season and 'East Pakistan's' urgent need of extensive irrigation for increased food production to meet the demands of its people. Regarding possible regeneration of water in the river, studies made (on the Bangladesh side) showed that this was a highly uncertain factor and, if at all there was some regeneration, the amount was not likely to be significant. About the international character of the river Ganges, there could be no doubt on the point as the Ganges traverses through the territories of four countries China, Nepal, India and Bangladesh.

It was also pointed out to India that the water required by it was all for long-standing existing uses whereas she wanted water for a few use which was for the wasteful method of flushing silt from a river. [as published] World renowed experts like Arthur T. Ippen who made a study of the problem gave the opinion that the proposed diversion of sweet water into the Hooghly river would not have a beneficial effect on the problem of Calcutta Port, on the other hand, the introduction of sweet water into a tidal channel was likely to accentuate the shoaling problem, and that the problem of Calcutta Port was not due to progressive reduction in the spills into the Bhagirathi river from the Ganges but to the inherent nature of an estuary to deteriotate with respect to navigation unless it was effectively maintained. [as published] It was suggested that the method of dredging followed at the Calcutta Port should be improved and the dredged silt from the river should be deposited on land instead of leaving the dredged silt in the river which got washed back into the dredged channel. An eminent Indian Engineering Mr Kapil Bhattacharya had also pointed out that decreased flood discharge and controlled flows of the Damodar and Rupnarayan rivers were the causes of the deterioration of the Hooghly river. [as published]

Different opinions had been expressed in India itself regarding the quantity of water to be introduced into the Hooghly to arrest the deterioration in the

navigation condition of the lower Hooghly. While approving the Farakka Barrage Project, the Indian Planning Commission noted the general concensus of technical opinion that the scheme was technically sound even inspite of the full suspension of withdrawals in periods during March-May. [as published] The approved project made provision for only "upto 20,000 cusecs (as available)" for this period. [as published]

With the emergence of Bangladesh in December, 1971 there was a radical change in the situation. Bangaldesh and India decided in March, 1972 to establish the Indo-Bangladesh Joint Rivers Commission comprising experts of both countries on a permanent basis to carry out a comprehensive survey of the river systems shared by the two countries and to develop waters of these rivers on a co-operative basis. However, when the statute of the Commission was drawn up, it's scone was restricted and its activities were limited to projects of flood control and drainage in areas around the border of the two countries. [as published] The question of the sharing of the waters of the Ganges and the Teesta rivers was kept outside the purview of the Commission, being left to be decided by the Prime Ministers of the two countries.

In the meantime, a sustained publicity was carried out in the Indian Press for at least 40,000 cusecs for the Calcutta Port. On the 16th August, 1972 Dr K. L. Rao, the then Union Minister of Irrigation and Power made a statement in the Indian Lok Sabha regarding the Farakka Project. In this statement he referred to the hydraulic model studies on which India based its demand for water for the Calcutta Port and observed as follows: "Due to difficulties of simulation, model tests, specially for large rivers, have serious limitations in giving any precise quantitative answers to problems and can at best be indicative. It is difficult to quantify precisely at this stage as to what is the discharge required to meet the needs of Calcutta Port. The exact amount of water can best be determined by observation in the prototype itself".

The Ganges Waters dispute was discussed at a ministerial meeting held in New Delhi in July, 1973, at which the parties agreed that a mutually acceptable solution would be arrived at before operating the Farakka Barrage Project. This agreement was confirmed in a joint communique issued during the visit of the Indian Minister of External Affairs to Dacca in February, 1974. At a later meeting held in New Delhi in May, 1974, the Prime Ministers of Bangladesh and India recognised that during the periods of minimum flow in the Ganges there might not be enough water to meet the needs of Calcutta Port and the full requirements of Bangladesh and therefore, the fair weather flow of the Ganges in the lean months would have to be augmented to meet the requirements of the two countries. The Indo-Bangladesh Joint River Commission was asked to study the matter and to make suitable recommendations on the best means of augmentation of the dry season flow of the Ganges to meet the requirement of both the countries. The two sides also expressed their determination that before the Farakka Barrage was commissioned, they would arrive at a mutually acceptable allocation of the water available during the periods of minimum flow of the Ganges. This declaration of the two Prime Ministers made an agreement on the allocation of the Ganges waters obligatory before the commissioning of the barrage.

The Indo-Bangladesh Joint Rivers Commission took up consideration of proposals for augmenting the dry season flow of the Ganges at its 8th meeting held in Dacca in June, 1974. The two sides put forward two entirely different schemes viz:

a) Augmentation through storages in the Ganges basin--proposed by Bangladesh.

b) Augmentation through diversion of water from the Brahmaputra to the Ganges at Farakka by a link canal--proposed by India.

The Commission examined the avaibility of water in the Ganges at Farakka and the requirements of the two countries. The minimum demand of Bangladesh was 55,000 cusecs and that of India for the Calcutta Port 40,000 cusecs. The total demand thus came to 95,000 cusecs against the availability of 55,000 cusecs at Farakka during the leanest 10-day period of 21st to 30th April. This left a shortfall of 40,000 cusecs.

According to Bangladesh, there was enough water in the Ganges to meet the present as well as future requirements of the two countries if its surplus monsoon water was stored for use during the dry season for which there were enough storage sites available in India and Neapl. According to India, additional storage possibilities in India were limited and the question of storage in Nepal, at third country, was outside the Commission. [as publshed] Bangladesh was of the opinion that the requirements of the situation did not warrant transfer of water from the Brahmaputra to the Ganges because there was enough water in the Ganges. The Indian proposal of the link canal was totally unacceptable to Bangladesh as it would also produce far-reaching adverse consequences and cause permanent damage to Bangladesh. As alternative solutions to the problem, Bangladesh suggested amending the pattern of diversion of the Ganges water into the Hooghly to obviate the shortage in the lean period and also referred to an earlier Indian scheme for constructing a direct navigation link from the Calcutta Port to the sea through the Sundarbans. India would not consider either of these suggestions. The Commission could not come to an agreement on the subject of augmentation and submitted its report containing the differing views of the two countries, to the two Governments in June, 1975.

Further talks were held at ministerial level in February, 1975, in New Delhi and in April, 1975 in Dacca. India proposed at the latter meeting that while discussions regarding allocation of fair weather flows of the Ganges during lean months in terms of Prime Ministers' Declaration of May, 1974 were continuing, it was essential to run the feeder canal of the Farakka Barrage during the current lean period. Bangladesh agreed to the proposal but insisted that only a limited amount of water should be diverted for the test running of the feeder canal. It was ultimately agreed on the 18th April, 1975, that India may run the feeder canal of the Farakka Barrage during the remaining dry season from 21st April, 1975, to 31st May, 1975, with discharges increasing from 11,000 cusecs to 16,000 cusecs in 10-day periods ensuring the remaining flows to Bangladesh. The agreed period of diversion ended on the 31st May, 1975, but India continued to divert water from the Ganges at Farakka to the full capacity of the feeder canal i.e. 40,000 cusecs.

The effect of India's continued large scale unilateral diversion of water from the Ganges at Farakka began to be felt in Bangladesh after the monsoon season was over and a critical situation developed for it during the dry season of 1975-76. From December, 1975 the Ganges at Hardinge Brigde began to record drastically low water levels and discharges. [as published] By end of January, 1976, the discharge fell to 54,000 cusecs against the normal of about 95,000 cusecs. On the

23rd March, 1976 the water level came down to 16.5 feet compared to an average of about 22 feet at this time of the year. The minimum discharge reached a record low of 23,200 cusecs as compared to the normal average of 64,000 cusecs. The repercussion on agricultural production was severe and so was the effect on salinity, fishery, forestry, navigation industry, health and ecology. The salinity line moved inland from the normal 170 miles to about 270 miles i.e. about 100 miles further inland. The desperate situation forced Bangladesh to bring up the matter in internatinal forums including the United Nations in order to enlist world opinion in persuading India to desist from the unilateral diversion of the Ganges water to the detriment of Bangladesh.

After repeated protests by Bangladesh against the continued massive unilateral withdrawals of Ganges water at Farakka, India agreed to discuss the matter and several meetings between the two countries were held at experts and ministerial level but to little effect. Further negotiations on the issue broke down in September, 1976. Bangladesh decided to take the matter to the United Nations. The General Assembly decided to include the item in the agenda of its 31st Session and allocated it to the Special Political Committee.

Raising the question of sharing the waters of the Ganges in the United Nations created a historical precedent. For the first time, such a dispute involving two countries was included in the items of the General Assembly. There was no direct breach of the peace or threat to the peace but disputes over sharing of scarce water resources affected many countries and there were strong lobbies for both upper and lower riparians. Many felt that unequal relation among states should not militate against the smaller neighbour in the determination of rights. There were about 200 river basins in which bilateral agreements had been reached on less than half. Disputes over competing uses of scarce water resources was an area where the potential for dispute was very great. The need for progress in the rule of law and conduct governing such uses was manifest. Bangladesh's case was an unique recognition of this lacuna in the development of the law.

In the Special Political Committee, India challenged Bangladesh's move to internationalise the matter and contended that the issue was intrinsically bilateral. It contended that because of lack of co-operation on the part of the Government of Bangladesh, India had no option but to continue to withdraw water in accordance with the 1975 agreement. Bangladesh, on the other hand pointed out that the 1975 agreement was an interim arrangement, in which there was no provision for any withdrawal beyond May 31, 1975. It introduced a draft resolution which, interalia, requested the Secretary General to assist the parties concerned in the immediate resolution of the dispute. This resolution was, however, withdrawn later in place of a consensus statement which was the result of an initiative taken by some non-aligned nations. Agreement was reached between Bangladesh and India on the text of the concensus statement on the 24th November 1976 before it was adopted by the Special Political Committee and recommended to the General Assembly. The General Assembly on the 26th November 1976 adopted the Special Political Committee's recommendation by concensus. According to the concensus statement, the parties agreed, interalia, to meet urgently at Dacca at the ministerial level for negotiations with a view to arriving at a fair and expeditious settlement.

[1 Dec 80, pp 5, 7]

[Text] Negotiations at ministerial level began in Dacca on the 6th December, 1976 and were continued in New Delhi in January, 1977. These did not produce any tangible result. In March, 1977 a general election in India returned a new political party to power. In the next ministerial meeting held on the 16th April, 1977, in Dacca, for the first time in the negotiation between the two countries, the question of an agreement and the essential points to be incorporated in it were discussed and drafts were exchanged. On the 18th April, 1977 at Government level, an understanding was reached, the details of which were decided to be worked out at a meeting of the officials of the two governments. The understanding was with regard to the shares of the two countries of the Ganges waters during the last 10 days of April, the leanest period of the year. It was agreed that out of the total availability of 55,000 cusecs of water at Farakka during this period, Bangladesh will get 34,500 cusecs and India 20,500 cusecs.

The official level talks began in New Delhi on the 5th May, 1977. The major issues that had to be settled by the official were: a) the total period of the dry season for which the shares will be fixed. b) the actual shares for the different 10-days periods other than the leanest period for which an understanding had been reached. c) machinery for implementation of the agreement and for settlement of disputes. d) long-term measures. e) duration of the agreement. Bangladesh was also concerned about the quantum of flow that would be continuously available at Farakka and about guaranteed delivery of its share below Farakka through the long common reach of the river.

India had maintained that the difficult period was only the lean period of the months from mid-March to mid-May. Bangladesh did not agree with this and wanted the sharing for the entire dry season from November to May, specially as the dry period had now advanced following withdrawals at Farakka and consequent reduction in Ganges flows in Bangladesh. Ultimately, it was agreed that the period of sharing will be from January to May.

India proposed the shares to be worked out according to availability; without reference to month or period or the established pattern of flow. Bangladesh did not agree to this as this would have left India free to withdraw any amount of the Ganges water upstream. India was also against any limitation on its use of water upstream or downstream of Farakka. Bangladesh pressed for regulating the unrestricted use of water by India which would reduce the share of water for Bangladesh. Both India and Bangladesh were keen on long-term measures though they had different ideas on these. Bangladesh wanted to ensure also that its proposal on storage dams in Nepal could not be objected to by India as done before. It wanted to incorporate such a provision in the agreement itself but as it related to a country which was not a party to this agreement, the two sides agreed to cover this by separate side letters to the agreement incorporating such assurances.

Three rounds of official level talks held between May and September, 1977 resulted in a detailed agreement which was initialled by the leaders of the two delegations in New Delhi on the 30th September, 1977. The agreement was formally signed in Dacca by Ministers of the two countries on the 5th November, 1977. Two side letters were also exchanged at the time of signing the agreement. These side letters contain an understanding between the two Governments to the effect that

the schemes to be proposed by either government under the provision of the agreement on long term arrangements will not exclude any scheme for building storages in the upper reaches of the Ganges in Nepal.

India for a long time had maintained that the Ganges was "overwhelmingly" an Indian and not an international river. Indian publicists asserted that in accordance with customery international law, a state has exclusive control over the waters of international rivers which pass through its territory. [as published] By the Agreement of 1977, India recognised the international character of the river Ganges and agreed to the concept of equitable apportionment of the waters of an international river.

The preamble of the agreement also expressed the desire of the two Givernments of sharing by mutual agreement the waters of the international rivers flowing through the territories of the two countries. [as published] The Helsinki rules include an international river in the term "international drainage basin" which has been broadly defined as "a geographical area extending over two or more states determined by the watershed limits of the systems of water,...flowing into a common terminus." The river Ganges, which traverses through the territories of China, Nepal, India and Bangladesh clearly falls within this definition.

Bangladesh pressed for its rights to the waters of the Ganges not only because of its historic flow through Bangladesh but also because of Bangladesh's overwhelmingly dependence on the river. Consequently, Bangladesh contended that it was entitled to the "natural flow" of the Ganges, at least in the dry season. However, the Farakka Barrage presented Bangladesh with a fait accompli. In the interest of good neighbourliness and in a spirit of co-operation, Bangladesh agreed to sacrifice its entitlement of the historic flow temporarily with the hope that a long term solution will not only restore this flow but also augment it to enable Bangladesh to meet the increasing needs of water for full development of the area dependant on the Ganges. [as published]

The purpose of the Agreement is two fold: to share the waters of the Ganges at Farakka and to find out a long-term solution of the problem through the augmentation of the dry season flow of the Ganges. The duration of the Agreement is five years and may be extended for a specified period by mutual agreement in light of the review or reviews as provided for in the Agreement. The first review is to beat the expiry of three years and another six months before the expiry of the Agreement or as may be agreed upon between the two Governments.

The Agreement provides for the sharing of the Ganges waters at Farakka from 1st January to 31st May every year. Allocation of water has been fixed on the basis of flows reaching Farakka based on 75% availability calculated from the recorded flows of the Ganges at Farakka from 1948 to 1973. The release of waters to Bangladesh is to be by 10-day periods in quantum shown in the schedule annexed to be Agreement. [as published]

The minimum flow is calculated as 55,000 cusecs between April 21 and April 30. During this period India will withdraw 20,500 cusecs and release to Bangladesh 24,500 cusecs. The Agreement stipulates that if the availability of water at Farakka during any 10-day period is higher or lower than the quantum shown in the Agreement, it shall be shared in the proportion applicable to the period,

provided further than if during a particular 10-day period, the Ganges flows at Farakka come down to such a level that the share of Bangladesh is lower than 80% of the stipulated share, the release of waters to Bangladesh during that 10-day period shall not fall below 80% of the quantum shown in the Agreement. Bangladesh's share has thus been protected. The Agreement also provides that there will be no reduction in Bangladesh's share as long as it is in force. It is also stipulated in the Agreement that the waters released to Bangladesh at Farakka shall not be reduced below Farakka except for reasonable uses of waters, not exceeding 200 cusecs, by India between Farakka and the point of the Ganges where both its banks are in Bangladesh.

The Agreement provides for a joint committee of the two Governments to oversee observation and record at Farakka the daily flows below Farakka barrage and in the Feeder canal as well as at Hardinge Bridge in Bangladesh. The Joint Committee is responsible also for implementing the arrangements of sharing and resolving any difficulty arising in the matter and in the operation of the Farakka Barrage.

The Indo-Bangladesh Joint Rivers Commission set up in 1972 is entrusted under the Agreement with the task of finding a solution to the long term problem of augmenting the flows of the Ganges during the dry season and is required for this purpose to carry out investigation and study of schemes relating to the augmentation of the dry season flow of the Ganges proposed or to be proposed, by either Government. The Commission is to submit its recommendation in the matter within a period of 3 years.

Differences and disputes regarding the Ganges waters agreement are to be settled bilaterally. The test of the Agreement lies in the faithful observation of the provision that it will be implemented by the parties in good faith.

The conclusion of the Ganges Water Agreement reaffirms the obligation of states to negotiate and conclude a treaty in case of a conflict of interests regarding international rivers.

In the ultimate analysis, although the Farakka dispute reflected a lower riparian's relative helplessness, the fact of the Ganges Water Agreement also indicates that even a relatively strong party in the negotiation has to keep with the current trends in international relations and law and its relative strength alone does not determine its posture in negotiation.

The Agreement was hailed at the United Nations and the international community expressed its readdiness to render technical and financial assistance to any joint projects that might be proposed by the countries of the region India, Nepal and Bangladesh for the Development of its water resources. [as published] King Birendra of Nepal in a speech at the plenary session of the Colombo Plan Consultative Committee in December, 1977 had proposed regional co-operation for joint utilisation of the water resources of the region for irrigation, power generation, flood control and navigation.

The Indo-Bangladesh Joint Rivers Commission was raised to Ministerial level in December, 1977. It met in Dacca for its fourteenth meeting on January 20, 1978 after gap of two and a half years and took up the same assignment on which it had reported its failure at its last meeting held in Dacca in June, 1975 i.e. to find

out the best means of augmentation of the dry season flow of the Ganges. At the fourteenth meeting, the Commission decided that the two countries would submit their proposal on the long term scheme by mid-March, 1980. Proposals were accordingly exchanged in Dacca on the 25th March, 1978. As could be anticipated, the two countries reintroduced their earlier proposals viz Bangladesh for augmenting Ganges flow by constructing storages in Nepal and India proposing diversion of Brahmaputra water to the Ganges by means of a link canal through Bangladesh.

The two proposals wtre taken up for consideration by the Commission in New Delhi at its fifteenth meeting in July, 1978. [as published] India proposed initiating the study of the two proposals and for this purpose to set up joint teams. Bangladesh pointed out as it did at the previous meeting also that its proposal which involved construction of storage dams in Nepal required association of that country in the study. India was against this and suggested that the proposal might be studied on the basis of whatever data were available in the matter with India and Bangladesh. Bangladesh said that such data would ont be adequate and further that what was required was not only collection of data but exploration of feasible storage sites in Nepal which could not be done without the active association of that country in the matter. [as published] India said that the work could be started and the matter could be examined further later on. This was not acceptable to Bangladesh as it would mean ruling out the Bangladesh proposal at the very outset and only the Indian proposal holding the field. The Commission then set up a joint committee to prepare draft terms of reference for jointly approaching Nepal. But the Committee also failed to agreed on the matter. [as published] Attempts to narrow down their differences did not succeed.

In January, 1980, there was again a general election in India in which the party in power was defeated and a new Government took over. There were further meetings of the Joint Rivers Commission but with no progress on the long-term scheme.

As per provision of the Agreement, Ministers of the two Governments began the review which was due at the expiry of 3 years of the Agreement on the 5th November, 1980 in Dacca. The meeting as adjourned to meet in New Delhi again towards the end of the December, 1980.

The concern caused by the failure of the Joint Rivers Commission to make any headway on the long-term scheme has been increased by another matter of equal if not greater concern. This is the gradually dwindling dry season flow of the Ganges at Farakka. There was a drastic fall in the quantum of flow in the river at Farakka during the last dry season of 1980 causing a much reduced share of water for the two countries. The flows were abnormally low throughout January to April. In the last 10 days of March, it was 40,000 cusecs against 61,000 cusecs availability as shown in the schedule annexed to the Agreement. In the first 10 days of April it was only 39,000 cusecs against 59,000 cusecs of the schedule. Such extreme low flows can be only partly due to drought. It is mainly the result of large scale withdrawals of water from the Ganges in the upper reaches of the river lying in Uttar Pradesh and Bihar in India.

The Govt. of India sanctioned for this region a number of irrigation projects. In addition to this there is increasing uplanned withdrawals of water from the Ganges. [as published] The pattern of filling the many reservoirs created on the tributaries of the Ganges is also a factor to be considered as the antecedent

post-monsoon flows have a definite bearing on the dry season flows in the river. The unregulated withdrawals of waters from the Ganges is causing siltation and raising of the river bed, reduction of flows in the lower reaches of the Ganges and lowering of water levels in the river during the dry season.

The United Nation's Conference on Human Environment at Stockholm in 1972 recommended strict control and integrated water resources planning. [as published] This calls for planning on the basis of the entire basin and handling of water within the basin as the property of all the peoples of the basin. Unless this is done only partial appraisals of the problem and its piecemeal treatment will permanently damage a vital resource and cause suffering to the people of the lower basin.

The best interest of the peoples inhabiting the Ganges basin demand the optimum development of the natural resources of the basin. It's abundant water resources should not only be harnessed to yield multiple benefits including increase in the dry season flows of the river but also to ensure co-ordinated planning of its use to serve the needs of all the peoples of the region. [as published]

With regard to the long term scheme, it is hard to find justification of the Indian proposal of constructing a 1/2 mile wide and 30 feet deep link canal to transfer 100,000 cusces of water from the Brahmaputra river to the Ganges river to augment the dry season flow of the latter. The dry season flow of the Brahmaputra is not adequate to develop the land in its own basin. As enunciated by the International Commission on Irrigation and Drainage, the internationally accepted basic principles of inter basin transfer of river water are a) the present & future requirements of the exporting basin must first be met or safeguarded. b) the requirements of the basin or region in which the water is to be imported should be reduced to the minimum by tapping alternate sources of water. c) impact on account of such mass transfer of water in the region from where the water is to be exported on river regime, ecology, environmental pollution etc. are minimum. The adverse economical, ecological, social and political impact on Bangladesh of the construction of such a huge canal involving acquisition of valuable agricultural land and displacement of a large number of people would be very great.

An annual run-off of 372 million acre feet is available in the Ganges. Much of this occurs during the monsoon season. Thus the development of large reservoirs to store the monsoon flow of the tributaries of the Ganges is the main key to the solution of the problem of shortage of water during the dry season. Exploitation of the water resources potential in the tributaries of Nepal is most important in this matter as not only these tributaries are the nearest to the lower Ganges but they also receive the highest precipetation as compared to other tributaries. [as published] Studies made so far of possible storage sites on the tributaries of the Ganges in Nepal by reputed international Engineering Firms have established that is is possible to increase the lower Ganges dry season flow to the extent of 140,000 cusecs or more over and above the present natural dry season flows which are used in Nepal and India. This will also develop continuous hydropower generation of the order of 9,000 M.W. or more with installed capacity of about 15,000 M.W. at the sites studied so far and will provide substantial reduction of flood flows which devastate large areas every year. Other direct benefits will ge substantial improvement of navigation, recreation and environment. [as published]

The present stalemate in the search for a long term solution should not make us lose hope or impatient. [as published] Water disputes have occured and continued for many decades before solutions could be found on many rivers in different countries of the world and even between states of the same country as in India. [as published]

However, it is now evident that any agreement on the allocation of the residual Ganges flows at Farakka between India and Bangladesh or future augmentation of the dry season flows of the river will be of little avail unless effective action is taken to check the increasing depletion of the flows reaching Farakka. It is, therefore, urgently necessary that India and Bangladesh review this situation and agree on a basin wise inventory of the water resources the requirements of the countries and budgeting of the water use by regions and reaches of the river. Unless this is done, there may in the future be little water coming to Farakka for Bangladesh to get a share of.

Admittedly, there are difficulties inherent in the complex nature of the problem. The technical proglems are heightened by social, economic and political factors in which the sensitiveness of the peoples concerned is particularly acute. However, what stands out in this case is the interdependance of the co-basin states of the Ganges river basin. [as published] We must therefore, recognise the imperative of an integrated approach to the problem and to develop the water resources of the river basin keeping in view the total demand on the scarce water whose use must be regulated in the light of the requirement of all the claiments. [as published] There is a basic compulsion that should urge us forward. This is the future well-being of all our peoples. The problem can be solved with political will.

CSO: 4220

MINISTER GIVES DATES OF 1982 ELECTIONS

Dacca THE BANGLADESH OBSERVER in English 18 Dec 80 pp 1, 12

[Text] Mr. Abdul Halim Chowdhury Minister for Local Government Rural Development and Cooperatives disclosed in the Jatiya Sangsad on Wednesday that the elections to Union Parishads and Pourashavas would be held in January and August, 1982 respectively.

Replying to a question from Principal Md. Nazrul Islam (Al-Malek) the Minister said that there was no reason why the elections to these bodies would not be completed immediately before the end of the current tenure.

In reply to a question from Advocate Shahadat Hossain Chowdhury the Minister said that the possible time for election to District Parishads could not be announced as government was thinking more regarding this. The last elections to District Parishads were held in 1966's, he said. [as published]

Replying to a question from Sheikh Selim (Al-Malek) the Minister said that till now no fund was allocated for the formation of Grain Sarkars. No money was spent so far for the formation of Gram Sarkars, he added.

CSO: 4220

PRESIDENT SPEAKS ON MEET-THE-PEOPLE TOUR

Dacca THE BANGLADESH OBSERVER in English 28 Nov 80 pp 1, 12

[Text] On Board Special Train Nov. 27:--President Ziaur Rahman said on Thursday that the Union Parishad election will be held in January, 1982. He dismissed the possibility of any mid-term polls.

Talking to OBSERVER on board the special train during his two-day meet-the-people tour from Dacca to Chittagong President Zia said there was no reason to hold the mid-term polls. When asked about the possibility of mid-term polls he posed a counter question "Why, what is the issue?" He pointed out that his party had an absolute majority in the Parliament and there is no need of holding mid-term election.

President Zia said that the functional relationship between the Union Parishad and Gram Sarker will be determined by natural adjustments through a gradual process. Nothing will be done hurriedly.

During his two-day whirl-wind tour President Zia addressed 24 largely attended meetings in different railway stations. In his speeches President Zia cautioned the people against Baksalites who were propagating "foreign ideals" and reminded them that the imposition of foreign ideals resulted in foreign domination in the past. He asked the people to be imbibed with Bangladeshi nationalism.

He also asked the people to double food production, arrest baby boom, remove illiteracy and to conserve water for irrigation. The jubilant crowd in all the meetings responded to his messages spontaneously and pledged to work hard to build a self-reliant nation.

When asked why he was cautioning the people against foreignism so emphatically, he said people should be warned against various interacting forces--both national and international. He hoped that through this process the people will remain united against any conspiracy.

He was happy to note that the nationalist forces were now better organised and stronger adding that there are three political forces in the country--the nationalists anti-nationalists and re-actioneries. [as published] He observed that the number of anti-nationalists was very meagre and there are nationalists among the re-actioneries. [as published]

Replying to a question on the successes of his meet-the-people tour President Zia said the people are now aware of their responsibilities, feels the urgency of conserving water for irrigation, adopting family planning and increasing crop intensity.

When asked if his messages were fully backed by implementation programmes, he said "It is not possible at the moment to give total back-up. We are trying and it is improving."

President Zia happily mentioned in all the meetings that the united efforts of the people had started paying the nation.

He said the food stock will stand at 16 to 17 lakh tons by June next year. Replying to a question President Zia said storage problem was the biggest problem before us.

Due to storage problem a small quantity of foodgrain and fertilizer will be exported. When asked if the seller nation will soon be turned into buyer nation, he said the export was due to storage problem and the donor nations had been consulted on this issue. He, however, said that the country has now enough food to face drought or flood.

People against Politics of Slogan

President Ziaur Rahman said that there is only one politics in the country now and that is politics of production and development on the basis of Bangladeshi nationalism. He further said that people do not want politics of slogan anymore.

He also urged the people to discard foreign ideals which may lead the nation to foreign domination. President Zia said that Baksalites were trying to establish foreign ideals in the country.

He made this call in his speech at railway station on the second day of his fourth meet-the-people tour by trains. On Thursday he addressed 12 public meetings at different railway stations.

President Zia who is also the Chairman of the Bangladesh Nationalist Party covered 740 miles during his tour by train in seven days beginning on October 5. He addressed 105 public meetings during these four train tours.

He began his tour today at Comilla and addressed the first public meeting at Laksam junction in the morning. He also addressed public meetings today (Thursday) at Nagalkot, Gunabati in Comilla, Feni and Fazilpur in Noakhali, Chinki Astana, Miresarai, Sitakund, Barabkunda, Kumira, Fauzderhat and Chittagong Railway Stations in Chittagong.

He returned to Dacca from Chittagong by a special flight of the Bangladesh Biman. President Zia was accompanied by Railway Minister Mr. Abdul Alim, Dr. Quamrunnabar Zafar, Deputy Minister for Cooperatives, Mr. Ferdaus Ahmed Qureshi Joint Secretary-General of BNP, President and Secretary-General of Bangladesh Federal Union of Journalists Mr. Ahmed Humavun and Mr. Reazuddin Ahmed.

resident Zia called upon all to work unitedly for the development of the country's economy. He said that only then we can achieve prosperity which will be enjoyed by our children. He said the nation fought the liberation war to get rid of foreign domination and economic emancipation.

President Ziaur Rahman also said that the reason of our backward economy was idleness. He observed that political leaders also do not work. The leaders live in cities after the election was over and engaged themselves in trade to earn money. The BNP Chairman said that this type of politics is no longer acceptable to the people. He said that the BNP would organise the people to achieve the objectives of the peaceful revolution of production. BNP leaders and workers shall participate in development work in rural areas.

Calling upon the people to politically eliminating the Baksalite elements from the society President Ziaur Rahman stressed the need of establishing the ideals of Bangladeshi nationalism.

Earlier on Wednesday night while addressing the members of the Comilla Bar President Zia said that his Government wants to consolidate the country's manpower through a democratic process. He said democracy only can bring solution to our problems, regimentation was no solution. He also said that no foreign political theory was suitable for our country because that cannot meet our needs. Nation demands a political system which would meet the needs and that again will come out of the soil of the country.

He further said that politics of nationalism pursued by BNP was a positive and constructive programme which can solve national problems. He said his Government was trying to put an end to the imbalance in society, industry and other fields.

In his speech at the Bar Association President Zia said that the rise in price of commodities was mainly due to rise in price of oil. In 1975-76 oil worth Taka 150 crore was imported whereas this year the oil bill would be nearly Taka 1000 crore. Moreover on the plea of oil price increase price of machineries also were raised. He said that the Government can give subsidy which is no solution. He further observed that politics on the basis of subsidy would lead the country to ruination. He emphatically said that this was the reality and as this Government was an elected one we have no fear to say this straight.

CSO: 4220

PLAN TO AUGMENT BRAHMAPUTRA DRY SEASON FLOW TOLD

Dacca THE BANGLADESH OBSERVER in English 28 Nov 80 p 10

[Text] Fulchhuri (Rangpur) Nov 26:--Projects will soon be taken up to augment the dry season flows of the Brahmaputra to meet the requirement of water for irrigation and other needs of the people dependent on the river, Mr. L. K. Siddiqui, State Minister for Power, Water Resources and Flood Control said here on Sunday, reports BSS.

Addressing a largely attended public meeting in a school ground close to the river, Mr. Siddiqui said that the Brahmaputra flow during the dry season was one laks cusecs less than the water required by the people dependent on it.

The State Minister said that there was not a single drop of Brahmaputra waters which could be wasted or spared in any way. He added that half of the country's population and cultivable land was dependent on the Brahmaputra waters.

A programme, he said has been chalked out under the National Water Plan for augmentation of the dry season flows of the Brahmaputra to meet the demand.

The State Minister said that keeping the salinity front at a safe distance also needed water so that more cultivable land and sweet waters of the river were not destroyed by saline intrision from the Bay. [as published]

Water requirement of the country for irrigating land already on the increase because of meeting food shortage, Mr. Siddiqui said, will go up considerably in the coming years. The nation was already facing shortage of water and will be hard pressed for it in the coming days, he added.

The State Minister said that survey work already undertaken for the projects to augment the dry season Brahmaputra flows was progressing will. [as published] The Minister inspected the survey work accompanied by the Chairman and water resources experts of the Water Development Board.

The State Minister said that suitable hydraulic structures would be built for augmenting the dry season flows of the river so that the farmers' irrigation needs could be fully met.

He said that the Government was fully conscious of the erosion problem caused by the river and added measures were underway to check it (erosion) on both its banks.

Replying to local leaders, Mr. Siddiqui said that a cross dam will soon be set up to protect Fulchhuri from the river's erosion.

Local leaders said, a large chunk of land was eroded during the last flood from the area, rendering many people homesless and without their cultivable land. [as published]

The meeting was also addressed by Mr. Serajul Islam, MP, District Development Coordinator of Rangpur, Mr. Rustam Ali MP, and Mr Mustafizur Rahman, Chairman, Water Development Board.

The local leaders said that but for the prompt actions taken by the WDB, more areas would have been eroded by the river during the last flood.

CSO: 4220

PAPER REPORTS PROVISIONS OF DISTURBED AREAS ACT

Dacca THE BANGLADESH TIMES in English 2 Dec 80 pp 1, 8

[Text] Home Minister Mr Abu Saleh Mohammad Mustafizur Rahman on Monday introduced the Disturbed Areas Act 1980, in the face of stiff opposition in the Jatya Sangsad.

The Opposition Bench members, who termed the Bill as "worse than a Martial law", staged a walkout when the Deputy Speaker refused to allow more than two Opposition Bench MPs to speak opposing the introduction of the Bill. The Deputy Speaker followed a convention of the Indian Lok Sabha in allowing two of the Opposition MPs to oppose the introduction of the Bill. Several Opposition MPs demanded that they be allowed to address the House.

According to the statement of objects and reasons, the Bill is to make better provision for the restoration and maintenance of public order in the disturbed areas "for matters ancillary thereto or connected therewith."

Objective

The Bill seeks to make provision for declaration as a disturbed area of any part of Bangladesh so as to deal with any abnormal law and order situation or insurgent activity existing therein which cannot be effectively contained under the existing laws of the bill defined "unlawful activities" as "any action (taken whether by committing an act or by words, either spoken or written or by visible representation or otherwise) which is (a) prejudicial to the sovereignty or territorial integrity of Bangladesh (b) which is prejudicial to the security of Bangladesh or the maintenance of public order" etc., it lays down:

If the Government is of opinion that any part of Bangladesh is in such a disturbed or dangerous condition that the use of defence services in aid of the civil power is necessary for the restoration and maintenance of public order, it may by notification in the official GAZETTE, declare that part of Bnagladesh to be a disturbed area.

Any officer of the defence services or any Magistrate or any officer of the Police not below the rank of Sub-Inspector of Police or any officer of the Bangladesh Rifles not below the rank of Havilder may, in a disturbed area,--

(a) if he is of opinion that it is necessary so to do for the maintenance of public order: after giving such warning, if any, as he may consider necessary: fire

upon; or otherwise use force, even to the causing of death, against any person who is engaged in any unlawful activity or acting in contravention of any law or order for the time being in force in the disturbed area prohibiting the assembly of five or more persons or the carrying of weapons or of things capable of being used as weapons or of fire-arms; ammunition or explosive substances;

(b) if he is of opinion that it is necessary so to do, destroy any arms, ammunition or explosive dump: prepared or fortified position or shelter from which armed attacks are made or any structure used as a training carp for armed volunteers or utilised as a hideout by armed gangs or absconders wanted for any offence; [as published]

(c) arrest, without warrant, any person who has committed a cognizable offence or against whom a reasonable suspicion exists that he has committed or is about to commit a cognizable offence and may use such force as may be necessary to effect the arrest;

(d) enter and search without warrant any premises to make any such arrest as aforesaid or to recovery any person believed to a wrongfully restrained or confined or any property reasonably suspected to be stolen property or any arms, ammunition or explosive substances believed to be kept unlawfully or for unlawful activity in such premises, and may, for that purpose, use such force as may be necessary. [as published]

Any person arrested and taken into custody under this Act shall be made over to the officer in charge of the nearest police station at the earliest opportune moment; together with a report of the circumstances occasioning the arrest.

In this section: an officer of the Police shall include an officer of Ansar embodied in the Police.

Power for detention.--(1) A District Magistrate may, it satisfied with respect to any person that with a view to preventing him from doing any unlawful activity in a disturbed area, it is necessary so to do make an order directing that such person be detained. [as published]

If a District Magistrate is of opinion that any person is engaged or likely to be engaged in any unlawful activity in a disturbed area he may, by order in writing, restrict the movement of such person to such extent as may be necessary.

Any person aggrieved by an order made under sub-section (1) may: within thirty days of the making of the order make an application to the Special Tribunal and on receipt of the application, the Special Tribunal shall; after giving the parties an opportunity of being heard: decide the question.

Subject to any rules that may be made under this Act, the procedure to be followed by the Special Tribunal in disposing of any application made under sub-section (2) shall, so far as may be, be the procedure laid down in the Code of Civil Procedure; 1908 Act V of (1908), for the investigation of claims and the decision of the Special Tribunal shall, subject to the provisions of this Act, be final. [as published]

Whoever (a) takes part in or commits an unlawful activity in a disturbed area; or (b) advocates, abets, advises or incites the commission of any unlawful activity in a disturbed area:

shall be punishable with death, or tarnsportation for life or with rigorous imprisonment for a term which may extend to fourteen years and shall also be liable to [word illegible]. [as published]

When a person is sentenced to death under this Act, the sentence may be executed by hanging him by the neck till he is dead or by shooting in the prescribed manner till he is dead as the Special Tribunal may direct.

The Government may, by notification in the official GAZETTE, make rules to carry out the purposes of this Act.

CSO: 4220

MINISTER REPORTS ON NEWSPAPER MANAGEMENT BOARD

Dacca THE BANGLADESH TIMES in English 16 Dec 80 pp 1, 8

[Text] Information and Broadcasting Minister Mr Shamsul Huda Chowdhury told the Jatiya Sangsad on Monday that Government had no plan to dissolve the Government-owned Newspaper Management Board and transfer the newspapers under it to private ownership.

The Information Minister was replying to a question by Maulana Muhammad Abdur Rahim of Islamic Democratic League (IDL).

In reply to another question by the same member, Mr Chowdhury said that the Government had not provided any subsidy to the newspapers managed by the Newspaper Management Board during 1977-80. But, he said, he Government had sanctioned an interest-free loan of Taka 22,40,000 to the DAINIK BARTA, a Daily published from Rajshahi. [as published]

Replying to a question by Mr. A. B. M. Taleb Ali of AL (Malek), the Information Minister said the DAILY BANGLADESH OBSERVER had received Government advertisement worth Taka 6,49,095 lakh during first three months of the current fiscal year while the DAINIK BANGLA received advertisements worth Taka 5,19,082 during the same period.

Replying to a supplementary question, the Minister told the House that the DAILY ITTEFAQ and he DAILY SANGBAD had received Government advertisements worth Taka 2.70 lakh and Taka 1.07 lakh during the first quarter of the current fiscal year. [as published] He also told a questioner that DAINIK DESH had received Government advertisement worth Taka 2.84 lakh during the same period.

In reply to supplementaries by a number of Opposition members, Mr Chowdhury said that Government did not interfere in the distribution of advertisement by the corporations. The Corporations released their advertisements to the newspapers according to their commercial viewpoint, he said.

The Information Minister said that the basic policy of the present Government was that it favoured the growth of newspapers in the country. He said that the Government had to give advertisement to a number of dailies and weeklies to keep them alive.

Mr. Chowdhury said that the Government had to face many odds to bring the number of newspapers to existing 479 from only four in 1975. He said that the newspapers

excepting four, had been closed down in 1975 and journalists of the annulled newspapers were thrown out of their jobs.

He said that the Government owned four newspapers in the country and it was the responsibility of the Government to keep these newspapers alive.

The Information Minister while replying to a question by Mr Mohammad Mohsin, AL (Malek) that Government had a plan to set up a 100 kilowatt transmitter at Rajshahi Radio Centre which will be implemented in 1982-83.

CSO: 4220

DEPUTY PRIME MINISTER REPORTS NEWSPRINT PRICES

Dacca THE BANGLADESH TIMES in English 16 Dec 80 pp 1, 8

[Text] The prize of newsprint had been raised seven times since Liberation. [as published]

This was stated by Deputy Prime Minister Jamal Uddin Ahmed at the Jatiya Sangsad on Monday in reply to a question by Mr Shahjahan Siraj, a JSD Member from Tangail.

The Deputy Prime Minister said that the cost newsprint reel was Tk 1198 per ton while that of sheet per ton was Tk. 1313. These were being sold at Tk 9966 and Tk 10466 per ton respectively now, he said.

However, the Deputy Prime Minister said, the price had been reduced by Tk 1000 per ton for newspapers only.

Mr Jamal Uddin Ahmed said that since Liberation newsprint had been exported to 14 countries. These countries are: India, Singapore, Hongkong, Nepal, Japan, Egypt, Sri Lanka, Burma, Indonesia, Iran, Pakistan, Malaysia, Thailand and China.

The Deputy Prime Minister denied that the export price was much lower than the home price.

CSO: 4220

JOURNALISTS UNION HOLDS CHITTAGONG PARLEY

Dacca THE BANGLADESH OBSERVER in English 6 Dec 80 p 12

[Text] Bangladesh Federal Union of Journalists (BFUJ) has demanded a separate wage board for journalists in commensurate with their professional dignity, distinctiveness and risks, reports ENA.

It also demanded that the proposed board should immediately declare an award in keeping with the present cost of living.

In a series of resolutions adopted at its three-day biennial conference held in Chittagong beginning November 9 the BFUJ observed that the award of the 1977 wage board did not recognise the importance, distinctiveness and dignity of the profession. As such, it had obstructed the growth of journalism in the country.

Even the facilities and opportunities extended by the 1977 wage board, the BFUJ said, had become virtually meaningless because of price spiral of the essentials.

The conference observed with concern and resentment that a section of newspaper owners in Chittagong, Khulna and Bogra had refused to implement the 1977 Wage Board Award even after three years of its declaration. In violation of the Factory Act, many of the owners are not issuing appointment letters to the working journalists and denying them minimum wages and other benefits.

On the other hand, the same newspaper owners are getting regular advertisements and other facilities from the government. It condemned the actions of those newspaper owners and demanded immediate implementation of the agreed minutes and the award.

It demanded immediate formation of a Press commission with a view to bringing an end to what it called, "a state of anarchy now prevalent in news paper industry". It recalled that there had been a series of negotiations and discussions with the government in this regard but to no effect.

It noted that in the absence of a clear government policy with respect to newspaper a state of anarchy was now prevalent in the industry. As a result newspapers are being utilised as "an instrument of whims of a section of individual owners", it added.

The conference in a separate resolution demanded introduction of house rent ceiling for journalists as extended to the employees of different autonomous bodies.

The BFUJ deplored that the BSS had been totally brought under control of the government by promulgating a series of ordinances. Still worse, it said, such ordinances contained provisions which denied the facilities and opportunities extended to the journalists under Wage Board Award.

It demanded repeal of the BSS Ordinance so as to make it totally free from government control. It declared that BFUJ was opposed to government control of newspapers. BSS would not be able to reflect the hopes and aspirations of the people in a free and fair manner if it remained under government control, it said.

The conference also demanded guarantee of freedom of the Press to express and publish all opinions without distortion, abolition of the Management Board formed under a black law, handing over the management of government-owned newspaper to unit trusts of respective papers, repeal of the circular prohibiting the government servants to divulge information to Press and removal of all obstacles in the way of defunct newspapers.

CSO: 4220

JOURNALIST UNION EXECUTIVE COUNCIL MEETS

Dacca THE BANGLADESH TIMES in English 16 Dec 80 pp 1, 8

[Text] The Bangladesh Federal Union of Journalists (BFUJ), will observe January 10, 1981, as demand day to press its 8-point demands, reports BSS.

The decision was taken at the two-day meeting of the newly-elected Federal Executive Committee (FEC) which concluded in Dacca on Monday, a BFUJ Press release said.

The meeting presided over by Mr Ahmed Humayun, President of BFUJ, after detailed discussion on various problems confronting the journalist community and problems of national importance, adopted a number of resolutions.

Following are the resolutions:

(1) All existing black laws should be repealed forthwith. The Disturbed Areas Bill should immediately be withdrawn. (2) Unit Trusts should be formed for all the Government controlled newspapers and news agency and Board of Management for Government Controlled Newspapers should be abolished. (3) Press Commission should be formed. (4) A separate wage board for the journalists should be constituted. (5) House rent ceiling should be introduced. (6) Agreed Minutes should be implemented in all newspapers establishments. (7) Night Allowance should be paid at the rate of 50 per cent of the basic salary for each night. (8) The provisions laid down in the Newspaper Employees (Condition of Service Act) must be observed in all newspaper establishments.

CSO: 4220

BRIEFS

NEW SWEDISH AMBASSADOR--Mr. Peder Olof Hjalmar Akesson Hammarskjold has been appointed Ambassador of Sweden to Bangladesh it was officially stated in Dacca on Wednesday reports BSS. Mr. Hammarskjold was born in the Hague on July 3, 1923. after completion of his education he joined the Swedish foreign service in 1949. [as published] He served in different missions of Sweden abroad in various capacities. At present he is the head of the Swedish Embassy in Santiago De Chile with the rank and status of a Minister. Mr. Hammarskjold is married and has two daughters. [Text] [Dacca THE BANGLADESH OBSERVER in English 18 Dec 80 p 12]

GREETINGS TO BAHRAIN--President Ziaur Rahman has greeted Shaikh Isa bin Salman Al-Knalira; Amir of Baharain, on the occasion of the National Day of Bahrain, reports BSS. In a message to the Amir president Zia said on behalf of the Government and the people of Bangladesh and on my own behalf, I convey, to your highness our heartiest greetings and felicitations on the auspicious occasion of the National Day of Bahrain. May the cordial relations so happily existing between our two brotherly countries continue to grow in the years ahead for the benefit of our two peoples. I avail myself of this opportunity to convey to your Highness my very best wishes for your personal health and happiness and for the continued peace progress and prosperity of the brotherly people of Bahrain.' [as published] [Text] [Dacca THE BANGLADESH TIMES in English 18 Dec 80 pp 1, 12]

GREETINGS TO BHUTAN--President Ziaur Rahman has sent the following message of felicitations to His Majestry King Jigme Singye Wangchuck, King of Bhutan, on the occasion of the National Day of the Kingdom of Bhutan, says an official announcement. [as published] The Government and the people of Bangladesh join me in extending to Your Majesty our sincere greetings and felicitations on the happy occasion of the National Day of the Kingdom of Bhutan. I hope that the friendship and cooperation which so happily exist between our two countries will be further strengthened in the years ahead to our mutual benefit. I wish Your Majesty long life, good health and happiness and continued progress and prosperity of the friendly people of Bhutan. [Text] [Dacca THE BANGLADESH TIMES in English 18 Dec 80 p 1]

AUSTRALIAN WHEAT--Australia will provide Bangladesh 80,000 tons of wheat as grant under a memorandum of understanding signed in Dacca on Wednesday, reports BSS. The grant is part of Australian food aid programme for Bangladesh in 1980-81. Official sources said that 30 per cent of the wheat, which is likely to be available for shipment by March next would be utilised for Food-for-Work Programme. The Ministry of Food will make arrangement for shipment and distribution of the wheat under this grant. Mr Mack Williams High Commissioner of Australia in Bangladesh signed the memorandum with Mr Mohammed Ali Joint Secretary External Resources Division at the latter's office. [Text] [Dacca THE BANGLADESH TIMES in English 18 Dec 80 p 12]

COMMISSIONER TO BARBADOS--The Government of Bangladesh has decided to accredit concurrently Mr K M Kaiser at present Permanent Representative of Bangladesh to the United Nations in New York as High Commissioner to Barbados, says a PID handout. [Text] [Dacca THE BANGALDESH OBSERVER in English 4 Dec 80 p 12]

MESSAGES TO THAILAND, FINLAND--President Ziaur Rahman has greeted King Bhumibol Adulvadej of Thailand on the occasion of his birth day reports BSS. In a message to the King President Zia expressed confidence that the very cordial relations existing between the two friendly countries would continue to be strengthened in the years to come for the mutual benefit of the two peoples. The President also expressed his best wishes for the long life, health and happiness of King Bhumibol and for the well-being and prosperity of the friendly people of Thailand. President Ziaur Rahman has felicitated Finish President Dr. Urho Kaleva Kekkonen on the occasion of the National Day of Finland. The President in a message expressed his best wishes for the health and happiness of President Kekkonen and for the continued well-being and prosperity of the people of Finland. [Text] [Dacca THE BANGLADESH OBSERVER in English 6 Dec 80 p 1]

COMMISSIONER TO MAURITIUS--The Government has decided to accredit concurrently Mr. Abul Ehsan, at present High Commissioner for Bangladesh in New Delhi as High Commissioner to Mauritius says a PID handout. [Text] [Dacca THE BANGLADESH OBSERVER in English 20 Dec 80 p 3]

MONGOLIAN VISITORS--A five-member Mongolian Parliamentary delegation will arrive in Dacca today (Saturday) on a five-day visit to Bangladesh, according to a Press release of the Jatiya Sangsad, reports BSS. Led by Mr Bazarya Shirendev, Deputy Chairman of the Great People's Khural (Parliament) of the Mongolian People's Republic the delegation will be received at the airport by Deputy Speaker, Mr Sultan Ahmed Chowdhury and Members of the Jatiya Sangsad. The other members of the delegation are: Mr Tserendashi in Namsari, Mr Bugyn Nasanjargal, Mr W. Wanchindorj and Mr Ts. Erdenebold. During its stay the delegation will call on President Ziaur Rahman, Vice-President Mr Justice A. Sattar, Prime Minister Shah Azizur Rahman, Health Minister Dr M. A. Matin, Deputy Speaker Mr Sultan Ahmed Chowdhury leader of the opposition Mr Asaduzzaman Khan and State Minister for Science and Technology Dr R A Gani. The delegation will attend a Parliament Session on Monday. [as published] [Text] [Dacca THE BANGLADESH OBSERVER in English 20 Dec 80 p 12]

AID FROM PRC--Bangladesh and China on Thursday finalised technical details for the construction of Taka 158 crore urea fertilizer factory to be set up with Chinese loan. Under the programme finalised at end of discussion between visiting Chinese high-powered technical delegation and Bangladeshi experts, China will supply plant machinery and technical know-how while Bangladesh side would be fully responsible for execution of the project. According to Bangladesh Chemical Industries Corporation sources this will be for the first time that the Bangladesh experts had been given responsibility to handle execution of a major industries like this. [as published] The factory will have an annual production capacity of one lakh ton, will be completed by December, 1984. [Text] [Dacca THE BANGLADESH TIMES in English 19 Dec 80 p 1]

MALAYSIAN DELEGATION--A 19-member Malaysian officials team now in Dacca on a three-day visit in connection with the celebration of the 15th century Hijrah, called on Religious Affairs Minister Mr Abdur Rahman, at his chamber in the secretariat on Saturday, reports BSS. The Malaysian team led by Datuk Haji Abdul Hamid Egoh, State Secretary Sabah, discussed Islamic Affairs with the Religious Affairs Minister. They also exchanged views on further strengthening Islamic brotherhood. Particulalry the existing friendly and fraternal relations between Bangladesh and Malaysia. [Text] [Dacca THE BANGLADESH TIMES in English 30 Nov 80 p 3]

NEW PACT ENVISAGES MASSIVE EXPORTS TO USSR

New Delhi PATRIOT in English 18 Dec 80 pp 1, 7

[Text] The long-term Indo-USSR trade agreement for 1981-85, signed during the Soviet President L. I. Brezhnev's visit envisages massive Indian exports to USSR as well as diversification of products, reports PTI.

The agreement, which was signed by Soviet Deputy Prime Minister I. V. Arkhipov and Minister for Commerce Pranab Mukherjee affirms that the two countries would continue with the present rupee payment system for the next five years.

Both countries have undertaken, under the agreement, to consult each other for the exploration of new avenues in the fields of industrial cooperation as well as for further utilisation of existing and the creation of additional production capacities in each country on a mutually beneficial basis with a view to bring about further increase in bilateral trade.

A significant clause in the agreement stipulates development of cooperation between industrial and commercial enterprises in the two countries for pooling their resources and knowhow with a view to jointly cultivating markets in third countries and meeting their needs arising from the programmes of industrial development in third countries.

Under the agreement, USSR will continue to supply machinery, equipment and spare parts for the mining, construction, power and other industries, crude oil and petroleum products, fertilizers, chemicals and pharmaceutical products, steel, non-ferrous items like zinc and nickel, cotton, asbestos, refractories, newsprint, woodpulp and pedigree sheep.

Over 100 Items

From the Indian side, more than a hundred items are expected to be exported yearly. Among agricultural products are tea, coffee, pepper, cashew, groundnuts, tobacco, fruit juices, fresh and canned fruits.

India is also expected to export fresh and dehydrated vegetables, including onions and garlic. Among minerals, the major items of export will be mica, alumina and pig iron.

India is also expected to export a wide variety of chemicals and allied items and these will include medicines and pharmaceutical preparations, paints, dyestuffs,

castor oil, sandalwood oil, detergents, cosmetic goods, linoleum, vacuum flasks and wire enamel.

A major thrust in the export of Indian leather and leather manufactures is also envisaged. Among the textile and other items to be exported in the next five years are printed cotton cloth, industrial fabrics linen and other materials, readymade garments, knitwear, carpets, jute goods and coir products.

CSO: 4220

OPEC ACTION RAISES INDIA'S CRUDE OIL PRICE

Bombay THE TIMES OF INDIA in English 17 Dec 80 p 1

[Text] Bali, December 16 (UNI).

India's crude oil import bill will go up by at least Rs. 500 crores per year as a result of the latest OPEC oil price hike announced here today, according to authoritative oil industry sources.

The increase in the prices, expected to be effective from January, works out at an average of ten per cent in the case of countries from where India is importing.

The new OPEC oil prices range from $32 to a maximum of $41 a barrel. Existing OPEC member country prices vary from $30 to $37 per barrel.

The price of marker crude (Arabian light) produced by Saudi Arabia has been raised by two dollars per barrel to $32.

Study Planned

Announcing the new price decision at a press conference, the OPEC secretary general, Mr. Rene Ortis, said prices would be reviewed at the OPEC ministerial conference scheduled to be held in Vienna on May 25, 1981.

OPEC's new president, Dr. Subroto, who is Indonesia's minister for energy, said oil importing developing countries would be assisted "as much as possible."

India could hopefully expect substantial financial assistance to meet its balance of payment difficulties on the basis of the latest OPEC proposals. OPEC will finalise these proposals in the new year on the criteria of low per capita consumption of oil and per capita income.

The oil ministers, at their two-day session here, decided to authorise its secretary-general to conduct a feasibility study for setting up an institute for higher education in science and technology for developing countries.

India's oil import bill officially estimated at Rs. 5,000 crores earlier in the current financial year was expected to touch Rs. 5,500 crores because of spot purchases following the disruption in oil supplies from Iran and Iraq.

With the latest price hike, the import bill will go up to Rs. 6,000 crores in foreign exchange.

The government is expected to raise domestic petroleum prices by at least ten per cent in the new year.

India plans to import over 16 million tonnes of crude and seven million tonnes of petroleum products in 1981-82.

CSO: 4220

INDIA, UK WORK OUT HARRIER DELIVERY SCHEDULE

Bombay THE TIMES OF INDIA in English 17 Dec 80 p 7

[Text] New Delhi, December 16 (PTI): The delivery schedule for the jump-jet Harriers for the Indian navy has been worked out between the British Aerospace and the defence ministry.

The first squadron of the veritical and short take-off and landing naval jet planes with fixed wings would be delivered to the Indian navy sometime next year.

The squadron would also include two trainer aircraft required for training naval pilots.

The Indian version of the Harrier would be known as FRS-MK-51.

The aircraft would be able to operate from the Indian navy carrier, INS "Vikrant," which had recently undergone significant changes.

The Harriers have been modified to meet the requirements of the "customer country."

The Harriers will be single-seater close support and tactical reconnaisance aircraft fitted with a Pegasus engine.

The trainer will be a two-seater version, retaining the full combat capability of the single seater in terms of equipment and weapon carriage.

The advance version of the Harrier now incudes a "ski-jump" launching ramp designed to boost the short take-off performance of vectcted thrust aircraft. [as published]

The single-seat Harrier can fly for about seven hours and cover the range of 5,560 km.

It can fly at a speed of 1,186 km. per hour at a low height.

CSO: 4220

CPI(M) INVITED TO SEND DELEGATION TO PRC

Calcutta THE STATESMAN in English 22 Dec 80 p 9

[Text]

THE Chinese Communist Party has invited a CPI(M) delegation to visit that country. It is expected that a high-level CPI(M) team will go there to resume talks on the establishment of a party-to-party relationship between the two.

The CPI(M) leader, Mr Promode Das Gupta, said in Calcutta on Sunday that there was nothing new in the move to have this kind of relationship. At its seventh party congress in 1964, the CPI(M) had decided to send its political documents to all the Communist parties so that they could make their assessments.

He said there were differences within the international Communist movement, but there was one common point on the stand against imperialism. A party-to-party relationship could help in maintaining a dialogue on this issue. Although the CPI(M) had always stressed the importance of such party-to-party relationship, it was the Chinese who had now shown some interest in having links with the CPI(M).

Mr Das Gupta said that the establishment of such a relationship would not mean that "they can dictate to us or we can dictate to them". The current situation was such on account of the "uneven development of mass movements" that each Communist Party must make its own assessment of the situation in its country. One party could not simply follow another.

He said that by following the Soviet line, the CPI became isolated during the Emergency. Similarly, the Naxalities by following the Chinese had now broken up into many groups. "They used to call Mao Zedong their chairman. Now even in China that position is changing. Unless you apply your intelligence, it will lead to trouble".

The CPI(M) leader denied that his party had maintained a position of "equidistance" from both Russia and China. He said the term was a coinage of newspapers. It had no meaning. "Equidistance from what?" he asked, "not from Marxism-Leninism?"

He said the establishment of a party-to-party relationship with China would make no difference to the CPI(M)'s present position. The Chinese party had made many mistakes and the CPI(M) had many differences with it, but the CPI(M) believed that China was still a socialist country. Moreover, the Chinese were trying to correct the mistakes they had made in the past.

CSO: 4220

BENGAL CPI LEADERS CONCERNED OVER CONGRESS TRENDS

New Delhi PATRIOT in English 17 Dec 80 p 7

[Text] Calcutta, Dec 16--The State executive of the CPI expressed its deep concern at the anti-democratic trend displayed in the recently held AICC-I session.

The executive was concerned that "a large number of members including prominent Central Ministers spoke in favour of dismissing the Governments of West Bengal and Kerala".

It said that the mounting struggles of every section of the people against the steadily worsening conditions of life and for their just demands and democratic rights were described as anti-national attempts to create instability and chaos.

Introduction of Presidential form of Government in place of the present system was also freely achoed in the AICC-I session, it said.

The CPI warned all the citizens of West Bengal to be aware of this danger and build up powerful united protest of all-left and democratic forces against this threat and trend.

The executive committee also welcomed "the movement of the broad sections of the peasant masses including the agricultural workers that is sweeping across the country".

It added that the remunerative price of the agricultural commodities shall not automatically result in rise of price of the consumer goods and daily necessities.

For according to the State party "it is the traders and middlemen financed by the blackmoney and monopoly capital who, while cheating the peasants of reasonable price of the commodities they produce, fleece the common people by charging exorbitant price for the same commodities".

While the State party appreciated the West Bengal Government's decision to step into the market and purchase a large quantity of paddy, it regretted that price fixed by the Government, is Rs 109 per quintal, instead of what the peasant organisations had demanded.

It called upon the State Government to fix the paddy price at Rs 130 per quintal and the price of potato at Rs 100 per quintal.

CSO: 4220

FRENCH FIRM CONTRACTS TO BUILD ALUMINUM PLANT

LD131449 Paris LE MONDE in French 11-12 Jan 81 p 14

[Dispatch by Patrick Frances: "Agreement on Construction of Aluminum Plant by Pechiney Worth FR6.8 Billion"]

[Text] New Delhi--During President Giscard d'Estaing's visit to India in January 1980 several draft agreements were signed including the one of the aluminum complex in Orissa--a state situated on the country's eastern side south of Bengal. The agreement was part of a huge aluminum production program in which France was to head the technical, industrial and financial spheres. At the time Mr Deniau, then foreign trade minister, described the program as a "pilot project" in bilateral cooperation between the two countries.

The final contract between the French aluminum company, Pechiney--a branch of Pechiney Ugine Kuhlmann--and its state-owned Indian partner the National Aluminium Company was signed in New Delhi on Friday, 9 January, after several months of negotiations. After 5 years of studies and work the complex thus installed is to extract 2.4 million tons of bauxite annually from which 800,000 tons of alumina will be extracted with which 218,000 tons of aluminum will be produced in 1987--a figure higher than current Indian production which is around 200,000 tons.

In 1979-1980 India imported 76,000 tons of aluminum, which represents for that country a currency loss equal to 1.1 billion rupees (Note: 1 rupee equals around FR0.6).

The finance for this project, totaling $1.5 billion (the biggest investment ever made in India in the sphere of nonferrous metals) will be provided partly by $400 million from the French treasury (half in export credits and half in government-to-government credits), and also by a Euro-currency loan totaling $680 million granted by a consortium of French banks (Banque National de Paris, Societe Generale and the Bank of America-Paris), joined by the Central Bank of India. The rest will be contributed by the Indian Government.

In French economic circles the signing of this contract is regarded as a "major event," on the one hand because of the amount of money invested and on the other because of the use of advanced French technology in India. While the financial effort made by France is stressed, it is pointed out that this project will have positive effects on French industry (purchase of equipment), and it is pointed out that other factories which will use the aluminum produced should be installed around the development zone thus created in Orissa.

GANDHI SPEAKS TO DEFENSE MINISTRY COMMITTEE

Bombay THE TIMES OF INDIA in English 17 Dec 80 pp 1, 9

[Text] New Delhi, December 16.

The Prime Minister, Mrs. Indira Gandhi, said here today that India was not interested in destabilising Pakistan but the danger was that the leadership in that country might try to divert the attention of the people and for that "India is always there".

She told the members of the consultative committee of parliament attached to the ministry of defence that there were many problems in Pakistan, on its borders and inside the country.

Replying to a member who referred to the "liaison" between Pakistan and a West Asian country, Mrs. Gandhi said that did not make much difference to the geo-political situation in the Persian Gulf. The situation in the gid area was unstable even before the Iran-Iraq war.

A survey officially circulated to the members of the committee said the recent events in the region around India had a direct bearing on this country's security. The government was justifiably concerned over the recent moves to augment Pakistan's military capability. Such induction of arms could convert South Asia into a theatre of great power confrontation and threaten India's security.

The survey said the government had expressed concern that such developments could decelerate the process of normalisation of Indo-Pakistan relations. India's effort had been to take steps to defuse this situation. The Simla agreement had to be the basis of the efforts to normalise Indo-Pakistan relations.

India's geo-political and geo-strategic environment had become more complex and complicated because of big power confrontation into its immediate neighbourhood. The survey said the risk of the war between Iran and Iraq escalating further and, in the process, enlarging the area of confrontation had to be guarded against.

Mrs. Gandhi said while building up indigenous production India must go all out to get the latest technology. Agreeing with the suggestion of a member that India must strengthen its defence potential in terms of convential weapons Mrs. Gandhi said the government was keeping a watch on the new developments around the country, including in the nuclear field. "We have to be alert on our borders, including our long coast line," she said.

The minister of state for defence Mr. Shivraj V. Patil, told a member that retro-fitting of the Centurion tanks still with India was not an economic proposition. Retro-fitting would cost per piece about Rs. 19 lakhs and make the tank operational for seven more years. Against this a new tank would cost about Rs. 9 lakhs and be usable for 15 to 20 years. Experts were against retro-fitted Centurions, he said.

Mr. Patil assured the members that care had been taken to see that the tanks sold by Inida did not reach undesireable distinations. [as published] The spares of Centurions India had sold had been with this country for 20 to 22 years. The sale proceeds were much higher than their scrap value.

Detailing the various measures being taken to get reemployment for about 60,000 armed forces' personnel, including 900 officers, who retire every year Mr. Patil said one of the proposals under consideration was to create a national ecological development force and recruit ex-servicemen in a peace-keeping force.

He said several steps were being taken to improve the equipment used by troops deployed in high altitude areas.

CSO: 4220

DEFENSE PRODUCTION INCREASE PLAN APPROVED

Calcutta THE STATESMAN in English 15 Dec 80 p 1

[Text]

NEW DELHI, Dec. 14.—The Government has approved plans to increase by three to five times the indigenous production of aircraft, warships and sophisticated electronic equipment in the next five years, reports UNI.

Reliable sources say that year-to-year targets have been set for Hindustan Aeronautics, the Mazagon Docks, Bharat Electronic and the six other Defence public sector undertakings.

The plan seeks to increase the present level of HAL's annual production of Rs 170 crores to Rs 500 crores by 1988 and the Mazagon Docks' production level of Rs 60 crores to Rs 300 crores.

The plan takes note of Pakistan's massive build-up after the 1971 defeat and envisages the acquisition and development of contemporary technology in manufacturing items of bulk requirement. Discussions with some countries in this regard have either been completed or are nearing finalisation.

Pakistan has doubled its armed strength since the 1971 conflict and over Rs 3,000 crores of war equipment has been supplied to it free of cost by a West Asian country. At the same time, it has acquired the latest Crotale and Roland missile systems from France, which continues to supply modern aircraft to it.

The Indian plan, considered important by experts, will replace several of the obsolete items purchased during the 1964-68 period, like the Sukhoi SU-7 aircraft. But this time, the emphasis is on indigenous development rather than direct acquisition although technology for a particular system may be acquired.

In accordance with the plan, the Mazagon Docks is evolving a new missile boat design, integrating the Soviet and the Western systems. Such a concept has already been used by it in developing the British-origin Leanders, construction for which has started.

CSO: 4220

NORTHEAST CHIEF MINISTERS MEET AT BURNIHAT

Bombay THE TIMES OF INDIA in English 22 Dec 80 p 9

[Text] Shillong, December 21: The chief ministers and some opposition leaders of Meghalaya, Manipur, Nagaland and Mizoram yesterday appealed to the Assam agitation leaders and the Union government to find a solution of the "foreign nationals" problem expeditiously so that peace and normalcy could return to Assam and other parts of the north-eastern region.

The chief ministers and opposition leaders, who met at Burnihat, near Gauhati, adopted a resolution calling upon the agitation leaders to abjure violence and abstain from anti-national activities.

A committee comprising the chief ministers of Meghalaya, Manipur and Nagaland was constituted at the meeting. It had been entrusted with the task of contacting the concerned leaders in a bid to solve the "foreign nationals" problem.

The Meghalaya chief minister, Mr. B. B. Lyngdoh, who convened the meeting, told newsmen later that the chief ministers and opposition leaders of six states and Union territories in the region and offered their services for finding a solution to the problem.

While expressing concern over the sufferings of the people of the region because of the Assam agitation, the leaders decided to apprise the Prime Minister, Mrs. Indira Gandhi, of the deliberations of the Burnihat conference.

The chief ministers left for New Delhi today to attend a special meeting of the north-eastern council. They would raise the matter at the NEC meeting with a view to exploring avenues for ending the impasse in Assam.

CSO: 4220

INFORMATION MINISTER SPEAKS TO BIHAR NEWSMEN

Bombay THE TIMES OF INDIA in English 22 Dec 80 p 9

[Text] Patna, December 21: The minister for information and broadcasting, Mr. V. P. Sathe, yesterday repeated his advice to journalists not to sensationalise incidents like the Bhagalpur blindings or the Moradabad riots.

Inaugurating a conference of the Bihar working journalists' union, he said what had happened in Bhagalpur was very abominable but still the press should not go on repeating the same story.

He said exaggerated accounts of atrocities by the police only weakened the morale of the police force. Nothing should be done to make the guardians of law and order feel small.

He said there was need for discipline in society. No nation could progress without self-imposed discipline. Everybody must realise that, in a democratic society, there was greater need for discipline that in a totalitarian regime. [as published]

He announced that two transmitters each of 100 kw. would be installed in Bihar to strengthen the radio network in the state. The vividh bharti programme, which at present was relayed from one kw. transmitter in Patna, would in future be relayed from a more powerful transmitter of 20 kw.

CSO: 4220

NEWSPAPER REVIEWS INDIA'S PROGRESS IN SPACE

New Delhi PATRIOT in English 15, 16, 17, 18, 19 Dec 80

[15 Dec 80, pp 1, 7]

[Text] "No country will part with rocket technology for love, money or politics", says Dr V. R. Gowariker, director of the Vikram Sarabhai Space Centre at Thumba--Trivandrum in Kerala. What that means is that India, the seventh nation to send its own satellite into orbit atop its own rocket from its own base has had to develop the technology ab initio of industrial support, Indian space scientists still look forward to being able to launch their own geo-stationary multipurpose satellite, comparable to the best in the world, by the end of the 1980s. Our Special Correspondent, who recently toured Indian Space Research Organisation's bases at Shriharikota, Thumba, Ahmedabad and Bangalore, reports on the country's space progress.

Bangalore:

Space scientists treat rockets as babies. And when they themselves have given birth to these babies, the excitement and enthusiasm can become really infective. More so now when Indian space scientists confidently project that by the end of 80's, India would have:

--launched as many as 23 satellites with payloads up to 600 kg;

--launched two SLV-3 vehicles every year from March 1981;

--by 1986 build and launched its own 600 kg remote sensing satellite (IRS-One) in a polar orbit aboard a ultra-modern PSLV rocket with additional strap on rockets; [as published]

--a geo-stationary satellite aboard a still undisclosed multistage gigantic booster in the early 1990s that will bring India into the "state of the art" super space club, now dominated only by the US and the USSR. Astronauts, cosmonauts, space-labs and inter-planetary research would then become just a question of logistics.

Not a mean achievement, this, for a nation that gingerly stepped into space by firing a now primitive Nike-Apache rocket borrowed from the US from the coconut

groves of distant Thumba near land's end in Kerala, in 1963. Within six years it fired its own puny 10 kg rocket, sent the Aryabhatta into space on board a Soviet rocket a decade and a half later, and has only this year (in July) successfully orbitted the Rohini satellite, stop the indigenous SLV-3.

The Indian Space Research Organisation with its headquarters in Bangalore, is set with its Rs 800 crore, 10 year perspective plan in high technology self-reliance. And according to ISRO chief Prof Satish Dhawan, his senior space managers and the 10,000 scientists, engineers and technicians on the staff will achieve the target.

GIANT LEAP

The technological infrastructure has been expanded and geared up for the 'giant leap' and vigorous expansion is projected for all units of ISRO—the Vikram Sarabhai Space Centre at Trivandrum, where rockets are developed, the Space Applications Centre at Ahmedabad which designs uses for the satellite; the ISAC at Bangalore which designs satellites themselves; and the Sriharikota island launching range which occupies the entire island to launch, monitor and control rockets and satellites with the most sophisticated technology.

The effort, according to Prof Dhawan, is to create total self-sufficiency in research and engineering of rocket fuel, the rockets themselves the launch, the satellites and their ultimate exploitation in its entire field, including military possibilities. All these are highly sensitive in international geo-politics, and therefore demand total self-reliance at all stages.

MANY HURDLES

After a fortnight and a few thousand kilometres with space scientists at all the ISRO centres it seems clear that the ISRO programme has been able to progress at a rapid pace despite a near total lack of support in ancillary activity from the electronics and chemical industries paucity of funds for pure research and the inability of other governmental departments like the P and T the Agriculture Ministry and the I and B to schedule their projected programmes in pace with the ISRP progress.

There is considerable heartburning among senior scientists also to lack of governmental support to their projects at many levels and what some allege to be "positive reluctance to let us develop fully". As chief of the Space Applications Centre Prof Yash Pal bemoaned: "We can build all the ground stations needed for the Indian National Satellite to be launched by NASA in the US from Cape Kennedy space base but government still wants to import many of them."

There are also indications of simmering labour problem among technical staff and semi-trained labour. The large number of highly-trained junior and middle level scientists, as also a section of the handful of top-level science managers, complain of stagnation and atrophy in some of the research projects. But all of them agree that the frustration and professional problems in the ISRO are infinitesimal when compared to other organisations like the Bhabha Atomic Research Centre or electronics research.

According to Prof Dhavan, efforts are being made to ensure that such discontent is identified and remedial actions taken. A process has been initiated to let junior scientists approach the top man direct if they feel their research is being throttled by their immediate superiors. "Our 1500 scientists are our greatest asset and resources", says he.

Briefing newsmen at the end of their space centre tour, Prof Dhavan said the 10-year profile created by Vikram Sarabhai to give a direction to Indian space research had been followed, and exceeded. The next 10-year profile has also been created, and awaits execution. Sanction is also awaited for some of the more ambitious projects, including powerful multi-stage rockets for geo-stationary orbit launches and the mammoth liquid-stage rockets that are imperative for high-orbit satellite launches.

MANY MORE YEARS

Prof Dhavan denied that India's space effort was veering off at a tangent. "We are on proper course", he said. He, however, admitted that there was a large gulf between India's capacity and technology in developing sophisticated satellites and its booster technology. "It will take many years before we can use our own rockets to put our own satellites in geo-stationary orbits", he said.

Research, he said was going on at a high pace in all three spheres of ISRO's activity—launch vehicles, satellites, and application, apart from pure research. He denied that pure research was getting a disproportionate funding or that India was succumbing to international pressures which wanted it not to develop rocketry to its full potential.

In the 10-year scheme enunciated by Prof Dhavan, who is also Secretary to the Government in the Department of Space, the imminent next step in space is the launching of the APPLE satellite which will be boosted into space together with a European payload while sitting on the European Space Agency's ARIANNE rocket from Couron French space base in Latin America. APPLE, fabricated at ISAC at Bangalore, underwent rigorous tests on its sensitive sensing and recording equipment as well as its control rocket systems. The launching has been repeatedly delayed because the European rocket developed trouble but when launched in the first or second quarter of next year, APPLE will provide interesting data on water in the atmosphere.

From March 1981 onwards, the SLV rocket will become operational after a couple of developmental flights. Twice every years thereafter, the SLV series will put payloads into orbit, carrying a series of monitors and sensors now being developed for earth resource monitoring, climatology and the like. The payloads will be heavier than the 45 kg Rohini satellite which was shot up by SLV-3.

ISRO's ace-up-its sleeve is the 600 kg indigenously built Indian Remote Sensing Satellite (IRS-I) scheduled for launch in 1983. Not only will the most sophisticated of its kind, its launch

rocket, the Polar Satellite Launch Vehicle, will be the heaviest and most complicated so far, incorporating two 'strap-on' rockets with the main vehicle. In other words, it will be almost like three SLVs glued together for more power. The technology, however, is not simple, and the mathematics of the project are still being worked out.

POLAR ORBIT

The Polar orbit planned for IRS-1 is a complicated one, as it involves the satellite revolving around the earth from north pole to south pole, instead of along the equator, east to west. This requires high power, but because of its orbit which maintains its place with respect to the sun in space, it offers a wider scope of mapping the earth.

According to Prof Dhawan, on the success of the PSLV-IRS combination will hang the future of the most amoitious project of them all — the coveted geo stationary orbit. Geo-stationary orbits have to be put into space at a distance of 36,000 kilometres. At that height, and moving at speeds of over 23,000 km per hour, they look as if they are stationary when seen from any point on the surface of the earth covered by them. This is essential if they are to be used for communications, constant weather forecast, telephones or television broadcasting on an all-India basis.

It is learnt that Government has taken a policy decision to sanction the project also.

While India is buying the INSAT satellite from NASA and paying for its launch next year, it will send up Bhaskara-II later next year atop a Soviet rocket to save time and money. The USSR has agreed to launch it free of cost under an agreement signed in June last year.

Bhaskara-II will look like its first namesake, but will have modified TV and other systems to prevent the type of 'blindness' that struck Bhaskara-I whose camera failed. Solar energy and other experiments are also planned.

Prof Dhavan said India was launching INSAT — total cost exceeding Rs 80 crores — so that it did not lose 'parking space' allotted to it in the geo-stationary orbit. This space is allotted by the UN sponsored International Wireless Authority to ensure that the space is not monopolised by a few. Countries wanting space have to apply beforehand and have to put in their satellites within a few years, or the space is given to someone else. India has so far not been able to get the best position in the orbital parking lot, but what it has been given is still very good, Prof Dhavan said.

The space chief also disclosed that both Indonesia and Britain had shown interest in the fast developing rocket launch facilities in India, and were asking if they could launch their satellites from ISRO's facilities.

[16 Dec 80, pp 1, 8]

[Text] Trivandrum:

With "bigger, stronger better" as their motto, Indian rocket scientists are experimenting with radically new fuels, construction materials and sophisticated guidance and control gadgetry to bridge the gap between the country's booster technology and its satellite sophistication.

A large chunk of highly trained manpower and funds is being used to provide ultra-modern test and research facilities, and fabrication "clean rooms" clear than most operation theatres for the purpose of the Vikram Sarabhai Space Centre on Veli Hills near Trivandrum and Thumba and the lush tropical island of Sriharikota off the Andhra coast north of Madras, called SHAR. [as published]

Working totally on their own and starting from first principles, the ISRO launch vehicle, auxiliary propulsion package engineers and fuel chemists have made many breakthroughs that are not as spectacular perhaps as the launching of the SLV in July last year, but far more important to the future of rocketry in the country.

The current goal of much of this research is the gigantic Polar Satellite Launch Vehicle (PSLV), a complex multi-stage rocket needed to put a heavy satellite into orbit around the earth's poles instead of the simpler equitorial orbits generally used. The polar orbit, though requires high energy in its boost rockets, offers tremendous advantages for earth observation because of its peculiar movement around the earth in a circle that keeps it always in line with the sun even as the earth rotates beneath it.

[illegible] system

The development of a rocket system demands parallel research in three differing branches of science--chemistry for the fuel compositions, metallurgy for the [illegible] structures and rocket bodies, and electronics for the "brain" of the rocket. In contrast to popular imagination that all the "brains" in the rocket are in its nose, pay-load or satellite, every "stage" of the rocket has its on-board integrated system of processors and timers that monitor pressure and temperatures, [illegible] and angles and take instant corrective action.

Among the developments that have been successful are a new variety of polymer fuel made not from petroleum, but from castor oil, apart from fibre-glass technology for rocket tanks and motors and for antennas, high technology machining apart from the entire casting of huge rocket motors in a single high-precision [illegible].

The [illegible] perhaps would have been much faster if Indian industry, specially the [illegible] and electronics group, had a research and development area which could [illegible] the rocket scientists of primary and time-consuming developmental activity [illegible] other fields. As it is, though the engineering industries are coming up [illegible] way to supply sophisticated and cumbersome equipment and fabricating [illegible] test and launch facilities, scientists still have to produce--from cost [illegible] pilot plant stage--everything else they need.

[illegible] is the worst offender, and most space-rated components, cheap or [illegible], still have to be imported, according to the scientists. The director [illegible] the Vikram Sarabhai Space Centre, Prof Gowriker, and chief of the SHAR [illegible] facility Colonel Pant are unanimous in their opinion that [illegible] industry [illegible] up with their R and D things would go much faster.

[illegible] is the main centre for research and development of rockets. [illegible] primarily as a gigantic launch pad, carries on significant [illegible] [illegible] the initial research has been completed. Both SHAR and Thumba, or [illegible] Thumba Equitorial Rocket Launching Station) as it is called, have highly [illegible] launching pads and huge antennas linked to computers to track and monitor [illegible] and issue them commands from the ground. Unlike Thumba, SHAR also has a [illegible] in keeping track of satellites.

[illegible] when the sleepy fishermen's hamlet of Thumba was chosen [illegible] launch [illegible] it was. Just on the magnetic equator of the earth--the pathway [illegible] the north pole and the south pole as pointed out by the needle [illegible] a [illegible] compass. With scientists working their offices out of a disused church and [illegible] stage, which still stand, India entered the space age when a [illegible] rocket was fired in 1963. [illegible] published. In 1969, Thumba saw the [illegible] the first Indian made rocket--[illegible] ten kg in weight, but [illegible] the fore-runner of the 17-tonner SLV-3 of 1980.

2

[illegible] and tremendously, and today employs over 5,000 men and women. [illegible] research and development, a Space Science and Technology Centre [illegible] set up in the complex in 1965. Today there are six main centres [illegible]

activity within the complex. They are, apart from SSTC, the Rocket Propellant Plant (RPP), the Rocket Fabrication Facility (RFF), the Propellant Fuel Complex (PFC), the Reinforced Plastics Centre (REPLACE) and the Ammonium Perchlorate Experimental Plant (APEP).

The main continuing projects at VSSC include the Rohini Sound sounding rocket programme for probing the earth's atmosphere, the Monex experiment series sponsored by the UN in which Soviet rockets are fired every Wednesday and development of the future generations of the SLV rocket and the PSLV.

How exactly is a rocket developed? It begins on the drawingboard in the Avionics group headed by Dr Abdul Kalam, chief for the SLV-3 project. Aeronautics and avionics combine to calculate the shape and how the rocket will stand up to the strenuous business of flying off in the face of gravity. Theory has to be repeatedly verified, and the centre boasts of highly complex testing facilities that practically tear a rocket apart before passing it for the actual launch. Most equipment for this is made at the centre itself, or under its supervision.

This includes a hypersonic wind tunnel which can develop air speeds many times the speed of sound. As also a gigantic shaker that can jolt every nut, bolt and welded joint out of kilter. Such tests are needed for developing the stabilisation system for rockets and to prove that every component will live through the launching.

The centre has also developed sophisticated telemetry and control systems, both for equipment on board the rockets and for ground monitoring.

FUEL EXPERIMENT

Its most challenging, and the most dangerous, work is of the fuel selections. Working through remote control and seeing through closed circuit television monitors, they experiment with different plastic and solid fuels and highly corrosive liquids, each gram of which can explode with blasting force. At every stage, repeated tests are carried out in actual models of the rockets.

As a result of this activity, VSSC scientists have created high-energy propellants name by a confusing array of acronyms, including HEF-20, PBAN, CTBP and CMDB. UDMH, a widely used storable liquid fuel has now been licensed to a public sector manufacturer. The centre is looking for more manufacturers to take bulk production of many fuels while it continues further research.

With the fuel available, the VSSC also casts the smaller rockets itself in huge machines. The bigger rockets are cast at SHAR where they also undergo similar tests.

At Thumba, the space centre actually fires its rockets in test flights. Thumba is also a major international facility for environment and climatology experiments and is freely used by many nations.

The Government has reassured that there are no plans to shift the focus from VSSC and Thumba. On the other hand, they are in for further expansion. The assurance comes in the wake of protests from staff unions who feared that facilities and equipment were being shifted from Trivandrum.

The other rocket area is SHAR, an island that has stepped from nude tribal age straight into the space age, and promises to become one of the biggest space centres in the world. Having an entire island is a great advantage, and ISRO is using it to the full. SHAR was chosen because it is on the east coast. Space-going vehicles are launched in an easterly direction so they can use the force of the earth's west-to-east movement also. The firewood jungle growth has now given place to compact buildings separated from each other by miles of jungle as much for security as for safety because of the highly explosive nature of the activities going on there.

SHAR made the world map when its launch pad was used on 18 July 1980 to launch SLV-3 which put the Rohini satellite into orbit. The satellite is alive and well, says Colonel Pant, the chief and promises to send data for many more months.

Located on the island are factories for manufacturing rocket propellants, for static ground testing of large rockets and flight tests of other rockets developed at VSSC.

CONTROL ROOM

SHAR, with a huge computer system, is also the nerve centre for tracking and communicating to satellites. For this, it has a highly sophisticated control room.

For launching of rockets, which is its prime activity, SHAR boasts of a universal launching pad and F-4 launchers as part of its launch complex. No man can go near the pad when a rocket is in position, and the block house has equipment to monitor and control all activities automatically, including the moving away of a huge pre-fabricated shed weighing 200 tonnes. In bad weather, the huge building covers the launch pad, but just prior to countdown, it is towed away by a huge winch.

SHAR's computers have their information cables connecting all major facilities on the island for instant decision making. They take over the last ten minutes of the launch, when only electronic machines can keep track of many thousand of different equipments at the same time. The actual countdown, "T MINUS ONE MINUTE .... Ten, nine eight ... three, two ... one" is spoken by an engineer in the block house more for the benefit of the human listeners.

Once the rocket, and hopefully its satellite, are aloft, the complicated and extensive antennas of the telemetry system take over. The record the journey of the

rocket, its health and the information that it relays. Once the rocket is spent and the satellite is in orbit the antennas keep track of it, receive the data it sends—5 million "bits" of information at a time, perhaps—and relays commands to it for opening a camera, or making a specific experiment.

The primary tracking station ISTRAC is located at SHAR, and forms a crucial link with the Ahmedabad ground station, the Car Nicobar and Trivandrum systems—and a new one coming up in the Fiji islands in the Pacific—for letting scientists know what is happening to a rocket or satellite at any given moment.

[17 Dec 80, pp 1, 8]

[Text] Ahmedabad:

India's satellite-makers are in an embarrassing quandary. [as published] They have done what they were asked to, at record speed, but are discovering that they will have to wait quite some time because everybody else, their foreign collaborators and Indian users including, have still to catch up.

India built the APPLE satellite, a fully indigenous experimental communications satellite meant to be put in a geo-stationary orbit by the Arianne rocket of the European Space Agency. APPLE (for Arianne Payload Experiment) was tested rigorously in India, and again in Toulouse in France. It was then taken to the Courou launch pad in French Guiana in Latin America to be "mated" to the Arianne rocket. [as published] APPLE was the middle satellite in a package of three--the other two European--which Arianne would put in a "parking orbit" over the earth. From there on, the three satellites were to be on their own, and India itself was to control APPLE's further journey into a geo-stationary orbit.

The entire project has gone into a long, and suspenseful wait because the European rocket has hit unsuspected snags. Its first test launch was successful, but the second launch met with a diaster. For the third launch, various target dates were fixed, but none has been kept. It is still uncertain when APPLE will be sent aloft--perhaps in March or June—and according to one pessimistic opinion, only towards the end of next year. Scientists are keeping their fingers crossed, because much hope rides with APPLE, which is to test Indian space technology and a host of equipment in deep space.

A different form of wait is on for the first Generation Indian National Satellite System INSAT-I being build by Ford Aerospace and scheduled to be launched from NASA's Cape Kennedy by their own rockets for a total payment of about Rs 50 crores. The satellite is to be launched either by a Delta rocket or the reusable futuristic space shuttle vehicle of NASA.

It has been designed as a joint project of the Indian Space Research Organisation, the P and T, the Communications, Agriculture and Information and Broadcasting Ministries and the meteorological office. It would help the Communications Ministry expand telephone and microwave grids, the met office to forecast weather and the I and B people to give every village a television if they desired.

Space scientists however fear that most of the users will not have the infrastructure nor the readiness to use the facility when it becomes available. The worst off is the Information and Broadcasting Ministry. A Cabinet committee has now been set up to coordinate the activity of the Ministries.

Scientists are also sore at what they say is the reluctance of the authorities to let them go full steam ahead with building of ground stations for INSAT and its succeeding satellites--the fuly indigenous one being ready in a decade. The Department of Space finally decided it will import only four ground stations. Scientists maintain that even this import is not necessary.

The two centres directly involved in making and exploiting satellites are the Space Applications Centre (SAC) near Ahmedabad headed by Prof Yash Pal and the ISRO Satellite Centre (ISAC) stationed in a series of industrial hutments in Punea near Bangalore.

The difference between the two is that while ISAC actually builds the satellites and tests them for space-worthiness, SAC has to develop the technology to make the satellite serve the nation's use. SAC also involves itself in the technology for on-board monitors, cameras and sensing equipment and acts as a liaison with satellite users, providing them ground stations, training and the like.

Both of them are gearing themselves for the country's satellite programme which began when Aryabhatta went into orbit atop a Soviet rocket. On 7 June, 1979, Bhaskara was also launched into orbit, again from a Soviet cosmodrome. Bhaskara had been totally fabricated by ISAC and SAC. ISAC was responsible for the over-all management of the satellite, while SAC provided the two main application payloads--a TV camera system and a microwave imaging system to map weather, climate and geological profiles of the Indian land-mass.

After the successful launching of Rohini on the Indian vehicle SLV-3 this year, ISAC posted the APPLE craft to France. It is now working on the Satellite for Earth Observation (SEO). SEO-II, as it is called, is a modification of Bhaskara, and is expected to be launched some time in the second half of 1981. It will concentrate on mapping the water content in the atmosphere for predicting famines and monsoons, floods and droughts.

SEO-II is near complete, and ISAC has moved ahead with the Indian Remote Sensing Satellite (IRS) which is being designed to carry even more sophisticated equipment, including multi-spectral scanners and linear imaging self-scanning systems, for photographing the earth. The target is the polar satellite of the 1990s.

The point about ISAC is its utilisation of Indian capability in non-space technoloy towards the making of satellites, says director U R Rao. [as published]

While ISAC is oriented towards technology and space engineering, SAC at Ahmedabad is a multi-discipline unit where sociologists and film makers, TV producers and story-tellers have equal pride of place. This is because SAC deals as much in the solf-ware of space as in its hardward, according to Prof Yash Pal, the ebullient director who has no patience with departments that cannot keep pace with India's space progress.

SAC, set up in 1972 on a futuristic garden complex designed by Vikram Sarabhai, the father of Indian space research, shows in every brick the foresight of the pioneers at indigenous space endeavour--Nehru, Bhabha, and Sarabhai.

SAC has many sectors of activity, including communications, remote sensing and software projects, apart from highly modern technical services, test and evaluation

organisations and the clean-room for fabricating the actual space-going payloads. An incongruous facility is a small television studio which has been set up to prove that colleges, universities and evey Doordarshan can set up a TV studio on a humble scale with only about 2 to 5 lakh of rupees, without compromising on quality.

Sociological research on the impact of mass communications is a major activity at SAC, which was deeply involved in the Satellite Instructional Television experiment in 1975.

Scientists and technicians at SAC have developed ground receiving and telecommand equipment to keep in touch with satellites, to tell them what to do, and to receive information they send for processing and use.

As part of this activity, they have developed many payload components, including cameras and radio-equipment. A ship-borne communications terminal is being constructed and a large number of mobile antennas have already been completed. In the more complex research activity they have developed multi-spectral scanners and an image processing in which a satellite image can be instantaneously colour coded to tell what crops are being grown where, what are the temperature zones, and where it is likely to rain.

SAC is the real link between the space craft and the common man. It has developed a complete computer based system for converting the space data into usable information. As an example of this, Prof Yash Pal cites the example of the Kerala Idduki Project in collaboration with the State Land Board. The SAC trained personnel, and prepared land-use, geological and other maps of the district. The maps were presented to the Kerala Chief Minister in October last and will be of tremendous use for planning various projects in the area.

A little known aspect of SAC is its soft-ware involvement. The software group called SSG is over-all in charge for programmes ranging from TV plays and educational films to social research on how science interacts with society, developing low cost communications hardware and other equipment models.

At present, it produces a 30-minute TV programme every day for the Kheda area in Gujarat. It is continuing research in the post-SITE activity and its social scientists have published a series of detailed analysis on how the coming of TV affected the 2,400 villages covered by the SITE experiment in which a borrowed satellite was used to bring television to the country's hinterland.

[18 Dec 80, pp 1, 7]

[Text] Trivandrum:

What does a Malabar pearl fisherman have in common with a heart surgeon, an anthropologist with the University Grants Commission and a district collector in the coastal Andhra area with a resident of a village in the Uttarkhand area of UP?

They are all benefiting from the activities of India's space scientists who have issued a general invitation to entrepreneurs and industry to come take up for production the many innovations that have successfully done at ISRO's centres in

Ahmedabad, Trivandrum, Bangalore and in laboratories all over the country. [as published]

For instance, the Vikram Sarabhai Space Centre (VSSC) here has done tremendous research in fibre-reinforced plastics which they use in rocket cones as heat shields and in satellites as fuel tanks. The same material they have used to make high-strength and indestructible floats that are being used in the sea-cultivation of oysters. They can also be used for fishermen's boats and anywhere else where the corrosiveness of the sea poses a threat.

For the heart surgeon, the ISRO satellite centre at Bangalore has developed an intravenous blood pressure device that measures even minute changes in the pressure even as a heart surgery is in progress. The device is a direct off-shoot of highly sensitive "transducers" developed for gauging all sorts of pressures on board rockets and satellites. The medical transducer can be sterilised, is comparatively cheap and promises to become an integral part of the equipment of all operation theatres, scientists say.

The anthropologists and archaeologists have been more aware of the developments at ISRO's physical research laboratory where not only are moon rocks sliced and studied, but major emphasis is laid on the carbob-dating unit. [as published] The unit, which helps archaeologists to accurately find out the date of cultures and ancient men by analysing pieces of wood or shreds of other artifacts, has already done many surveys, including one on the pre-history of the Kashmir valley.

For the farmer and the deputy collector, the spin-off from space is of a more vital nature. Bhaskara for instance has been sending photographs of the snow on the Himalayas--how it melts and how much it melts, information which can determine how much water will the rivers have and if there is danger of landslides.

The coastal district collector can benefit from early warning about cyclones, and about monsoons, and can plan evacuation strategies or fertiliser and pest control measures to help the farmers. However, much still needs be done on the ground to make the disaster forecast really effective, because the slow moving traditional procedures have not got used to the space speed. "At our own island base at Sriharikota, which is prone to cyclones, we can take precautions within hours of a warning, but it is a moot question how long it will take for entire villages to be evacuated even if the satellite sends a warning", said a concerned scientist.

And finally, ISRO's lasting contribution to the general development of science and technology in the country is its fruitful colaboration with the UGC and laboratories in various institutions for pure research and science education, says Prof Yesh Pal. [as published]

ISRO has a very active unit for technology transfer at the VSSC, whose only grudge is that it is not getting more clients. In a two-way transaction, ISRO promises technical help for production of various items, and then promises to buy them back so that it does not have to divert its energies into production of ancillaries.

In collaboration with the Hindustan Aeronautics, ISRO has supplied technology and is training personnel in telemetry, fabrication and other sensentive chores. [as published]

In the power sector, ISRO and the Kerala State Electricity Board are jointly developing infra-red sensors for remote-detection of cable faults. With the HMT and the Central Machine Tools Institute, ISRO is developing special machine tools for its future rocket programme.

ISRO signed agreements with the Gujarat Communications and Electronics for close circuit television, as also with Keltron for various sophisticated equipment. As an aside, it is helping two industries to manufacture highly effective fire-fighting chemicals, including a dry extinguisher.

Trial marketing has also started for ISRO Polyol, a polymer developed from castor oil.

The VSSC has also designed and developed silos for grain storage and fibre-glass slotted pipes for tube-wells which will neither rust nor decay even in hostile conditions. Cheaper than steel pipes, they can be used on all types of soils.

ISRO research has also finished the need to import impeller blades for the chemical industry plants. These blades, used in pumps of various sorts, become inoperative very fast because the chemical eats away the metal. The high-strength fibre glass substitutes are as strong, and last many times longer.

An exciting prospect lies in the development of using fibre-glass technology for protuded sections, which are likely angle-irons and can be used in prefabricated structures. [as published] The pricing is still a problem because the ingradients have a high excise levy, but the Government has been approached to help private entrepreneurs set up industries to manufacture the item. [as published]

ISRO takes pride in its link with the educational and research institutes and the University Grants Commission. It is subsidising research in scores of laboratories all over the country in diverse fields.

A UGC-ISRO coordination committee was constituted towards the end of 1976 for joint cooperative programmes on teaching, training and research at the universities and academic institutions in the broad areas of space sciences, applications and technology.

ISRO plans to make its centres a training ground for university scientists in applications of space technology and its spin-offs.

[19 Dec 80, pp 1, 7]

[Text] Sriharikota:

This island in the Bay of Bengal is known as Shar in the jargon of India's space scientists. Like many other places (Ahmedabad's Satellite Applications Centre for instance), it was almost personally chosen as the site of India's ultra-modern rocket base by Vikram Sarabhai himself long before India had even launched its first puny home-made rocket.

Sarabhai's credo about India's self-sufficiency in science and technology permeates the space-base, as it professedly does the handful of men, many picked personally by him, who are in charge of the Indian Space Research Organisation and its projects.

SRO, with the Physical Research Organisation, forms part of the Department of Space, directly under the charge of the Prime Minister. Under ISRO are the four centres--the SAC of Ahmedabad, the Vikram Sarabhai Space Centre of Trivandrum, ISAC at Bangalore and the launchpad at Shar.

Each of the centres has a director, who together form the ISRO council headed by Prof Satish Dhawan which oversees the functioning of the various units, formulates guidelines for execution of Government policies and ultimately is responsible for the country's space endeavour.

The persons heading the various units share many things in common, although their basic fields of training or studies differ widely--from pure physics to engineering to the army. Fiercely committed to the concept of self-sufficiency, they display a childlike enthusiasm as they talk of the achievements, major or minor. Each one, also, is an internationally known scientist in his own right.

Prof Satish Dhawan, the ISRO chief and secretary to the Government of India in the Department of Space, is an aeronautical engineer, who also holds an MA degree in English literature. Trained at Minnesota and the California Institute of Technology, he received a Ph D in aeronautics and mathematics in 1951. Beginning his career as a senior scientific officer at the Aeronautics Department of the Indian Institute of Science at Bangalore, he rose to be its director in 1963, and continues to hold the post.

In June 1972, he was appointed chairman of ISRO and secretary in the Department of Space. He is also the chairman of the National Committee for Space Research, a member of the National Committee on Science and Technology, the Aeronautics Research and Development Board and president of the Indian Academy of Sciences.

He has authored many research papers on fluid mechanics and issues of super-fast flight. Much honoured by Indian educational institutions, he was awarded the Padma Shri in 1966, and the Padma Bhushan in 1971.

Prof Yash Pal, who this year was awarded the Marconi International Fellowship award, heads the Space Applications Centre at Ahmedabad where he is directly in charge of not only what instruments are put aboard a satellite, but also about how the satellite can be used for the betterment of the people's lot. A Padma Bhushan, Prof Yash Pal is a physicist who received his doctorate from Massachusetts Institute of Technology and has conducted extensive research on cosmic rays, fundamental particles and infrared astronomy.

A professor of physics at the Tata Institute for Fundamental Research at Bombay, he has been active in initiating a programme of curriculum development in school science. He was also deeply involved in the Satellite Instructional Television Experiment in 1975.

An enthusiast on the software aspects of space research, Prof Yash Pal is a member of the Film and Television Institute Academic Council and chairman of the National Council of Science Museums. He has been appointed the secretary general for the second United Nations Conference on the Exploration and Peaceful Uses of Outer Space to be held in 1982.

Dr Vasant Gowariker heads the Vikram Sarabhai Space Centre at Trivandrum and is responsible for developments in booster technology and research in rockets. A Ph.D in chemical engineering from Birmingham, UK, he was a senior scientist with the UK Atomic Energy Authority before coming to India. He headed the propellant engineering division at ISRO from 1967, and took over as director of VSSC in 1979. At ISRO, Dr Gowariker has been responsible for the establishment of the Solid Propellant Space Booster Plant, the Ammonia Perchlorate Experiment, the propellant fuel complex and the latest polymer complex.

The head of the ISRO Satellite Centre (ISAC) at Bangalore is Prof U Rao, the man actually responsible for the fabrication of Indian satellites. Educated at Benares and Madras, he joined the Physical Research Laboratory in 1954 and worked under Dr Vikram Sarabhai in the field of cosmic rays.

Going for a teaching assignment to the US, Prof Rao was the principal investigator scientist for the cosmic ray experiments which were successfully flown on the space crafts Pioneer 6, 7, 8 and 9 deep space probes and Explorer 34 and 41 satellites, his researches being hailed as pioneering efforts bringing new insights into interplanetry physics.

Prof Rao joined the PRL in 1966 and continued his investigations into X-ray, cosmic rays and baloon, rocket and satellite payloads. He was asked by Vikram Sarabhai to organise the satellite systems division at VSSC in 1970 and when ISAC was established he took over the charge of designing, fabricating

and launching all ISRO satellites. In fact, the 'house-hunting' for the SHAR island was done by Prof Rao with Prof Chitnis.

Prof Rao is a winner of the NASA group achievement award as well as a medal of honour by the USSR Academy of Sciences. He was awarded the Padma Bhushan in 1976.

The director of the SHAR Space base in Col N Pant, former army officer with a degree in advanced physics. Deputed from the Army to the Department of Atomic Energy in 1965, he specialised in satellite communications. He was the chief systems engineer for India's first commercial earth station at ARVI.

A former Professor of wireless at the Military Academy, Col Pant is responsible for the actual launching of satellite bearing vehicles, tracking them during flight and then communicating with the space craft.

CSO: 4220

FAILURE OF FIRST ROCKET BLAMED ON SOLENOID

New Delhi PATRIOT in English 15 Dec 80 p 7

[Text] WHY did the first launch of The satellite Launch Vehicle (SLV) fail? Considerable controversy still shrouds the answers although a high level technical committee appointed by the Indian Space Research Organisation has already submitted its report after going through the research data the blue-prints of the rocket and innumerable replays of the video-taped launch from Sriharikota earlier this year.

"SLV-3 E-1," as the ill-fated rocket was called (SLV) in the name of the rocket class, and E-1 for experimental rocket one its ISRO designation) plunged into the Bay of Bengal about 300 KM from its launch pad on the island of Sriharikota in Andhra Pradesh. There have been no efforts to salvage it from the turbulent depths of the bay, and there it lies, keeping its secrets to itself.

The enquiry report however puts the blame on a "solenoid," an electro-magnetic device that acts like a valve for the liquid fuel used in a ring of small control rockets on the second stage of the massive vehicle. The fuel used was the highly corrosive red fuming nitric acid and hydrazine, with the acid helping as an oxidizer for the hydrogen in hydrazine to burn.

Each stage of the four stage rocket has these control systems to keep it on course. As the rocket goes upwards, the control mini-rockets come into play to offset wind buffeting on minor malfunctions which can sway the long main rocket and take it off its course.

"It was a silly thing," says the Head of Rocket Research Dr Gowarikar at Thumba. The second stage failed because there was no fuel in the control rocket system. Why was there no fuel? 'Because it had all leaked out when the valve failed and no one knew.' Why did the valve fail? "Because a speck of dust may have jammed its pistons which have so close tolerance that even a particle of microscopic dimensions can stop them. They do not use lubricants as they have to work in space vacuum."

And why could no one notice the fuel running off although there were reports that, ground scientists saw an un-explained puff of smoke belching out of the rocket fuselage as it stood on its launch pad just six minutes before take off?

According to ISRO Chief Satish Dhawan, the test launch was not a failure as its first stage worked perfectly and 85 per cent of the systems on board had sent back relevant date. But, as he pointed out, a lakh of components and scores of kilometres of wiring went into the vehicle, and though repeatedly tested any one thing could have malfunctioned.

"We could have aborted the launch, and faced a possible explosion on the pad itself. We decided to go through with the launch," said Prof. Dhawan.

He said the enquiry report had found that the solenoid was to be blamed. About eight minutes before lift-off —or 'T minus Eight and counting', as it is called in the count-down jargon — the computer which was finally in control send a pulse to open the valves so that catalysts could activate the hydrazine and prepare the hydrogen fuel gas for the mini-control rockets.

The computer than sent another pulse to close the valves. All of them closed, barring one. The computer data coming into control room denoted some fall in pressure in the fuel vessel on stage two, "but it was within the control limits" and at first glance did not dictate drastic action, Prof Dhawan said.

(The last 10 minutes of the countdown are taken over by the computer as no human being can take decisions for the 6,000 parameters that have to be continuously checked).

Ideally, the countdown should have been stopped at this stage, and efforts made to find the fault, scientists say. Prof Dhawan demurred. "We would have faced an explosion", he said though agreeing that the control scientists could take over from the computer if the programme director so ordered.

The decision for lift off was maintained. The rocket lifted off and the first stage fired beautifully. After the first stage separated after burning out, the second stage also fired in the proper manner. Then the rocket went out of control. It veered to one side, went into a bullet like trajectory and fell into the sea. The control system had just not worked.

The scientists involved in the solenoid development hotly contest that their equipment failed. "The solenoids worked", said a senior scientist. "It was a human error", he maintained.

The scientists subscribing to the human error theory say, the safety parameters had not been calculated properly, otherwise the drop in pressure if 12 litres of acid drained out of its bottle could have become immediately noticeable and the launch could have been delayed till the mistake was corrected.

However, much has flown from the E-1 failure, which will mark the SLV-3 series of launchs

which are projected to take off successfully. The D-1 and successive series, developmental in nature before they become classified as "operational" for routine take-offs, have incorporated many modifications.

The major modification is in the solenoid which has now been fitted with a very fine filter system. The parameter limits for the pressure gauges have also been narrowed down so that minor changes in the fibre-glass vessel lined with indestructible teflon plastic bottles can be noted and taken care off.

However, scientists say, more pressure gauges to find out the pressures inside the bottles and in the surrounding envelope have still not been put in.

CSO: 4220

SPACE DIRECTOR REVIEWS PROGRESS, PROBLEMS

Madras THE HINDU in English 15 Dec 80 p 7

[Text]

MADRAS, Dec. 14.

The ten-year objectives of the Indian space programme, as envisioned by Dr. Vikram Sarabhai, has been exceeded on all accounts, through the application of technology for the use of the common man needs to be developed.

Dr. Satish Dhawan, Chairman of the Indian Space Research Organisation, told a party of visiting journalists recently that the basic infrastructure had been established over the last 15 years, during which the focus was on learning and working with potential users.

Elaborating, he said the country first learnt about managing programmes based on the Satellite Instructional Television Experiment and the Satellite Telecommunication Experiment with borrowed satellites.

The ground stations, which were set up during this time, also understood how to cope with various problems that would be thrown up when the country acquired its own satellite. This had given the scientists and engineers a lot of self-confidence, he said.

Dr. Dhawan lamented that the industrial back-up had not developed adequately. For example, rockets and satellites had to be built by ISRO and not by the aircraft industry as is the practice elsewhere.

There was also a mismatch between ISRO and the user. For instance, even if cyclones could be predicted accurately, there was no proper groundwork to evacuate the people and provide assistance to them. This was one of the reasons why the space programme had to develop gradually.

If the Government wanted to expedite the space programme, the necessary equipment could have even been bought off the shelf. "But at what cost?" he asked. The developments, though slow, helped in building greater amount of self-reliance. Should any country completely stop giving India the technology, the scientists would still be in a position to develop it indigenously.

Military Implications

Asked why the rocket technology in the country had not kept pace with the developments in satellite design and fabrication, Prof. Dhawan said rocketry also had military implications, and hence no country was willing to share its knowledge with anyone. And without industrial support, even basic chemicals required for rocket fuel had to be produced by ISRO itself.

But the situation had improved considerably of late, he said. The technology for various items was being transferred to industry on the assurance that the products would be consumed by ISRO. Gone were the days when the country had to import most of the items used in rockets and satellites. Now, nearly 80 per cent of them were being manufactured indigenously, he said.

The support from academic and research institutions was also being strengthened. Several lakhs of rupees was being diverted annually for universities to do research on topics in which ISRO was interested.

All this had paid dividends and the planners had been educated on use of the data which the Indian National Satellite (INSAT) and the Indian Remote Sensing Satellite (IRS) would generate.

The use of land, types of crops and pests affecting them (some of which cannot be identified on ground quickly), existence of mineral deposits etc. would be got from satellites. The telecommunication network would be greatly improved and there was a possibility of better television coverage using INSAT.

Referring to the question of job satisfaction offered by ISRO, Prof. Dhawan said newer challenges were being thrown up at the scientists and more projects evolved. Periodical reviews were also being conducted and scientists were encouraged to write to the chairman if they had problems.

Would India be in a position to launch satellites of other nations? Yes, he said. In the next six years India would have acquired a lot of knowhow in launching and might one day help other countries send up their satellites. Already, the knowhow acquired by ISRO was being transferred to friendly countries which sought help, he said.

On the question of Russia offering to train an Indian cosmonaut, Prof. Dhawan said he personally did not think the space programme would derive any benefit from this. Several countries were thinking of setting up stations in space for materials processing and scientific experiments which would require a large body of trained personnel. But this did not fit in with the objectives of the Indian programme, he said.

Space Programme for Peaceful uses

The successful launch of the Rohini satellite early this year has automatically bracketed the country with those that have acquired the Intermediate Range Ballistic Missile capability, a fact which was accepted by Dr. Satish Dhawan. "Any country which can place a satellite in orbit can develop an IRBM", he said shortly after the launch. The Government has been quick in allaying the fears of other countries that it would be used for military purposes. The 10-year profile, drawn by the late Dr. Vikram Sarabhai, lays stress on the use of space for peaceful purposes.

Experts say that solid fuel for missile technology (it was used in SLV-3) is not very reliable. Four stages, which have to ignitee one after another at the proper time, leave too many chances for problems to develop. Better control and guidance systems, improved quality of heat shield and a reliable re-entry system have to be designed and developed if rocket technology is to be used for military purposes.

While giving shape to the space programme, the Indian Government, unlike the Chinese, picked the least expensive route of putting a satellite into orbit, skipping the more important rocket technology, which would be needed if our aims were purely military.

Pressmen who visited the four centres of ISRO recently found that the amount of work done on liquid fuel war not much. Even the little work that is being done is with reference to use in future types of launch vehicles for peaceful purposes. Scientists, however, admit that given the green signal, they could develop the necessary technology for military purposes in two years.

But as it is, the country will be developing a series of launch vehicles designed to take heavier payloads (40 kg to 700 kg) and numerous satellites including one for communication and another for remote sensing.

The country's latest launch puts India in exclusive company.

CSO: 4220

STUDY OF MULTINATIONALS, CONGLOMERATES REPORTED

Bombay THE TIMES OF INDIA in English 16 Dec 80 p 18

[Text] New Delhi, December 14 (PTI): A study on conglomerates and multinationals in India says that the government's industrial and licensing policies have been unable to check the disproportionate growth of larger industrial houses.

Time study, sponsored by the Institute of Economic Growth, Delhi, deals with the investment and profit behaviour of firms belonging to the Birla and Tata conglomerates and the Indian subsidiaries of the foreign firms operating in the engineering and chemical industries.

Mr. C. N. Hanumantha Rao, director of the innstitute, points out in a foreward to the study that the larger firms had "the best of both worlds--they not only enjoyed higher profitability compared to the smaller ones but also were able to simultaneously reduce fluctuations in profits." [as published]

Among the larger business houses, Birla and Tata accounted for 41 per cent of the paid-up capital, and 40 per cent of the total assets of the larger houses, according to the study made by Mr. N. S. Sidharthan.

Despite the indianisation programme in the engineering and chemical industries, the multinational not only maintained their already larger market share but were also able to improve it. Multinational investment also went with profitability--they were not willing to go into areas where profitability was low.

Mr. Rao notes that the results of the study further indicate the possibility of firms diverting their resources into wasteful expenditures on staff and management during periods of control on profits and management. "Multinationals have multiple objectives and control of one objective by the government could result in its substitution by others."

The study says that the market structure of most commodities produced in the corporate sector has been by and large non-competitive, large conglomerates often controlling a substantial portion of the total corporate assets. The dependence on multinationals in high technology industries such as engineering and chemicals has not shown any decreasing sings. [as published]

Market Structure

The top four producers accounted for 80 per cent of the commodities (excluding food and textile products). Only 20 per cent of the products produced by the

corporate sector had more than four firms producing them. Further in 95 per cent of the commodities, the share of the top four firms accounted for more than 75 per cent of the total output.

In an evaluation of the industrial policy, which has been revised from time to time, the study says that it does not take into account the influence of market structure on the behaviour of conglomerate firms.

It treats the firms belonging to a given industrial house but functioning in different market structures uniformly as if they are homogeneous groups.

If the variables that influence the investment and profit decisions of the conglomerate firms functioning under different market structures are different, a uniform policy will not be effective in influencing the investment decisions of all the firms.

On the other hand, a discriminatory policy which takes into account the objectives of the firms explicitly may prove more effective.

CSO: 4220

NEEDS OF IRON AND STEEL INDUSTRY TOLD

Calcutta THE STATESMAN in English 15 Dec 80 p 15

[Article by Sunil Bhattacharya]

[Text] THE role of iron and steel in India's development needs no elaboration. The country is gifted with abundant of raw material resources for production of iron and steel.

Industrial development in this field commenced with the setting up of the Bengal Iron Company at Kulti towards the end of the 19th century and the Tata Iron and Steel Company at Jamshedpur early this century. The Indian Iron and Steel Company with which the Bengal Iron and Steel Company was amalgated started its activity in the same Kulti-Burnour area immediately after the First World War. However, steel producing in the public sector began with the unit at Bhadravati (Karnataka) in 1923.

The urge for development in this industry was intensified immediately after independence when the Industrial Policy Resolution (1956) was formulated. The later part of the fifties saw the commissioning of the modern steel plants of the public sector at Durgapur, Rourkela and Bhilai. These were followed by recent addition of the steel plant at Bokaro, and taking over of the IISCO by the Government for better management. At present steel producing capacity of the six integrated steel plants is nearly 11 million tones. The individual capacity of the plants are given in the following table:

Production Capacity

Plants	Rated Capacity Ingot Steel (in '000 tonnes)	Saleable Steel (in '000 tonnes)
Bhilai	2,5000	1900
Durgapur	1,000	1230
Rourkela	1,800	1225
Bokaro	1,700	1355
IISCO	1,000	800
TISCO	2,000	1600

Apart from the production of mild-steel, an alloy steel plant with a capacity of nearly 100,000 tones of ingots has been set up in the public sector, at Durgapur, to cater to the need of special steels. Arrangements for further production of alloy and special steels have also been made at the Visweswaraya Iron and Steel Plant at Bhadravati where the capacity of alloy and special steels is about 72,000 tons and that of mild steel ingot 48,000 tones.

A number of mini-steel plants (about 150) are also in operation in the country which help to augment the total steel production. They use medium or small sized furnaces and scrap as the raw material. At present their total output is about 1.5 million tons. Our need for steel is continuously increasing, the target of production by 2000 A.D. being 75 million tons, and nearly half of that by the middle of eighties. To achieve these targets introduction of new steel plants as well as expansion of the capacities of the existing plants is needed. Bhilai and Bokaro steel plants are being expanded to increase the capacity by about four million tons. Expansion of the Bokaro Steel Plant is expected to be completed by the end of 1982, and that of Bhilai by the middle of 1983. Introduction of improved technology is also under consideration to cope up with the rising demand, two more integrated steel plants, one at Hospet (Karnataka) and one at Visakhapatnam (Andhra Pradesh) are going to be erected in the public sector. The Government has also a proposal to erect a plant at Paradeep in order to facilitate export in this sector. The following table gives the targets of production of steel ingots and pig-iron from all the plants by the end of the sixth Plan.

Plants	Steel Ingots (in '000 tons)	pig-iron (in '000 tons)
Bhilai	4,000	5,200
Durgapur	2,000	2,600
Rourkela	1,800	2,340
Bokaro	4,500	5,850
IISCO	1,500	1,950
TISCO	2,000	2,600
Other plants	21,000	27,400

A total outlay of Rs 2,547 crores is envisaged for the public sector steel plants during the Sixth Plan of which nearly 60% is intended for normal running of the existing schemes. The rest is for additions, alterations, modifications and introduction of new schemes. The Government has set up the Steel Authority of India (SAIL) to coordinate the development of iron and steel industry both in the public and private sectors and to strengthen the involved systems for better potentialities.

The ambitious plans regarding production of iron and steel is supported by ample reserves of iron ores (hematitic and magnetic) which is nearly 10,000 million tons. Nearly half of this amount belongs to the proved category.

Major iron ore deposits are located in Madhya Pradesh, Orissa, Bihar, Karnataka and Goa, although the occurrences of Tamil Nadu, Maharashtra, Assam Rajasthan and Himachal Pradesh are not negligible. Near surface occurrence of the iron ores, in most cases, has rendered them easily recoverable by open cast mining methods. During mining of the ore about 60% comes as the lump variety and the rest as the powdery fines. The lump ore being the traditional feedstock in the extraction of iron the part of powdery fines posed a problem since long regarding its disposal. The production picture is indicated in the following table:

Year	(in tons)	(in '000 Rs)
1960	16,609,397	140,361
1965	23,873,785	206,160
1970	31,366,315	369,118
1975	41,794,389	766,971
1978	38,445,265	932,851

Thus production of iron ore shows a steady rise. The present production is of the order of nearly 40 million tons. The production is expected to rise to 75 million tons by the end of the Sixth Plan. In the meantime our exploration activity will certainly indicate augmentation of our reserve position. The known reserves are likely to persist for about 100 years at an assumed rate of 75 million tons of extraction a year. Therefore, India is certainly in a comfortable position regarding the reserve of this chief raw material.

Prior to the setting up of the steel plants in the public sector, during the post-independence period, a major part of the iron ore production used to be exported. The internal consumption has been continuously increasing to meet the demand of the iron and steel plants already set up in the country. Thus, the consumption of our iron ore is directly linked with the level of iron and steel production in India. It has already been mentioned that a large fraction of the iron ore production is exported every year for earning a good amount of foreign exchange. However, the country imports a small quantity of spathic iron ore which is utilised in connection with refining of vegetable oils.

A progressive step has recently been taken to solve the problem of the powdery fines. A considerable amount of the mined ores, in the powdery form, used to be treated as a rejected part in the earlier days. Modern technological improvement in ore-preparation has enabled us to make agglomerated products out of these fines known as sinters and pellets which have found utilization in the feedstock of the furnaces along with the lump ores.

At present nearly half of the ore production is exported. The table below gives the figures of the quantities of ore exported since 1960.

Year	(in '000 tons)	(in '000 Rs)
1960	9,080	326,228
1965	11,364	386,078
1970	21,206	1,186,210
1975	22,796	2,064,610
1978	19778	2,189,156

The chief buyers of Indian iron ores are Japan and some European countries. India has purchased a lot of finished products concerning iron and steel from these countries. Thus, our policy of export has been able to maintain good relationship with those countries.

Most of the iron ore resources are located far away from the ports. However, the shipping points of Goa, Ratnagiri Mangalore, Kandla and Paradeep are not far from the iron ore deposits. The bulk of the export trade of the iron ores belonging to eastern and central India is made through the ports of Calcutta, Visakhapatnam and Madras. The ports of Bombay, Cochin and Mangalore act as the exporting centres for the southern and south-western States, and the ports of Kandla and Bhavnagar on the western coast serve Rajasthan and Gujarat.

Although this country enjoys a comfortable position regarding the iron ore reserves, the amount of export should be gradually reduced. There is a good sign of increasing demand in the internal market whereby India can secure her position as self-sufficient in finished products. In the next stage we should find external market for finished and semi-finished products. The time has come to review and reorient the policy of export in this sector.

The aspect of quality and grade in iron ore export should also be reviewed. The high grade ores of which a huge amount has already been exported, should be conserved as far as possible. We have certainly improved our position now regarding the technique of ore beneficiation, and attempts should be made for ungradation of the low-grade ores in a large scale which may also find a market in the export trade.

The huge quantity of powdery ore which had so far been dumped as waste material now finds use in agglomeration, either by sintering or pelletization. Preparation of pellets or sinters on a large scale will not only help the country in conservation of the iron ore resources but also fetch some foreign exchange in course of export business.

India has by now acquired a fairly good degree of technological expertise regarding iron and steel industry and is qualified not only to manage its own plants or expansion but is capable of erecting new plants. The country is in a position to lend its expertise to other less developed countries.

Although the iron and steel industry is quite developed it needs technological improvement in ore-preparation, utilization of raw material in a more efficient process, search for substitutes among the raw material, and qualitative improvement of the finished product in more economic ways. All these call for research. Initiation in this direction has been made in some plants and in some of the National Laboratories.

CSO: 4220

FIRST SPONGE-IRON PLANT TO OPEN AT PALONCHA

New Delhi PATRIOT in English 15 Dec 80 p 7

[Text] The country's first sponge-iron plant to be commissioned at Paloncha in Andhra Pradesh on 31 December would considerably revolutionise steelmaking in India, steel secretary S Samaddar told newsmen on Sunday.

The Paloncha plant, a pilot unit with 30,000 tonnes capacity will be run on a semi-commercial basis and if the process stabilises on this scale, another such plant of 120,000 tonne capacity would be set up in Bihar. Already a letter of intent has been recommended and a memorandum of understanding concluded between the Bihar State Industrial Corporation and Lurgi Chemie of West Germany, which have provided the technology for the Paloncha plant.

Research in India for steelmaking through sponge-iron has been going on for the last 17 years, and commercial break-through has been achieved only now. The process has come not a day too soon as coking coal is in short supply, with known reserves at the present level of use not expected to last more than 40 years.

The new process is also expected to have a positive dispersal effect since it uses inferior coal found in all parts of the country. In contrast, the traditional method of iron-ore and blast furnace technology forces concentration of integrated steel plants in the Bihar-Bengal Coal belt, where required grade, coking coal is chiefly found. Even so Indian coking coal is not of prime quality and has high ash content that adversely affects the blast furnaces.

However, sponge-iron production involves uses of electric arc furnaces, 500 of which are dispersed throughout the country, and have potential of free coordination with non-coking coal which is also available almost everywhere.

Sponge-iron steel can be easily made by mini-steel plants also, which traditionally use scrap-iron. Scrap is also in short supply, leading to a major problem in capacity utilisation in the mini-steel plants. Sponge-iron is not only considered a superior substitute for scrap, but is also cheaper. Scrap costs Rs 1700 a tonne against Rs 1300 of sponge-iron.

The capacity of electric arc furnaces in the country is about three million tonnes, but the availability of melting scrap is only 1.7 million tonnes. If the sponge-iron is substituted for it, the production could nearly double, other variables remaining constant. Electric furnaces are also said to provide higher productivity than blast furnaces, and consume less power.

The Paloncha plant uses Singareni coal and Bayaram (Andhra Pradesh) ore. Sponge-iron could also be made from natural gas, but gas-based plants necessarily have to be restricted to Gujarat, Assam and Tripura where gas is found.

The new plant is owned jointly by the Public Sector Sponge Iron India Ltd (SIIL) and the Andhra Pradesh government. The total cost is about Rs 16 crores with a foreign exchange component of about one third the cost being met by the UNDP (United Nations Development Programme). UNDP has also provided technical assistance of the UNIDO (United Nations Industrial Development Organisation).

CSO: 4220

STATISTICS ON EDUCATED UNEMPLOYED GIVEN

Madras THE HINDU in English 15 Dec 80 p 9

[Text]

NEW DELHI, Dec. 14.

There are at least 72.97-lakh educated job-seekers on the live registers in the Employment Exchanges in the country as on June 30 this year.

According to official sources, the educated unemployed included 1.11.837 post-graduates, 13.03.154 graduates, 19.11.438 undergraduates and 39.70.541 matriculates.

West Bengal had the largest number of educated unemployed. Of the 11.04.754 educated job-seekers on the live register, 5.193 were post-graduates, 1.87.840 graduates and 4.70.389 were undergraduates, besides 4.41.332 matriculates.

Uttar Pradesh, the biggest State had the second largest number of educated unemployed. Of the 7.79.735 educated job-seekers, 1.87.840 were graduates and 5.193 were post-graduates.

One of the backward States, Bihar, had the third largest number of educated job-seekers with a total of 7.11.619 on the live register.

Kerala and Andhra Pradesh were the other two States which had a fairly large number on educated unemployed. Kerala had 7.10.856 educated job-seekers including 66.839 graduates and 4.947 post-graduates while Andhra Pradesh had 6.01.587 educated unemployed including 1.06.527 graduates and 10.476 post-graduates.

Maharashtra had 5.94.245 job-seekers, while Karnataka had 3.63.288 educated unemployed.

Among the job-seekers in Maharashtra, 91.699 were graduates and 9.314 post-graduates.

In Karnataka, 70.684 were graduates and 5.394 post-graduates.

The total number of job-seekers, both educated and uneducated as on June 30, was 1.51 crores.

Tamil Nadu had 4.77 lakh of educated unemployed.—PTI.

CSO: 4220

CRACKDOWN ON ECONOMIC OFFENDERS CONTEMPLATED

Madras THE HINDU in English 15 Dec 80 p 1

[Article by G. K. Reddy]

[Text] New Delhi, Dec. 14.

The Prime Minister, Mrs. Indira Gandhi, is reported to be contemplating a series of deterrent steps, with her characteristic secrecy and determination, to curb the economic malpractices which are assuming unmanageable dimensions in the wake of two-digit inflation.

The latest income-tax raids in several cities on film magnates are only the starting point for a countrywide crackdown on the big offenders who have amassed enormous fortunes through black money operations, making a complete mockery of all governmental controls on the monetary system.

It has been brought to her notice that in a place like Bombay, the country's financial capital, some luxury apartments have lately changed hands for as much as Rs. one crore each with three-quarters of the payment made in black money or bogus business transactions. The new rich, thriving on the present permissive atmosphere, have been purchasing imported cars for as much as Rs. 10 lakhs under the very nose of the Government.

The Prime Minister, who will be completing in another month the first year of her current tenure, is keen on combining punitive measures with regulatory steps to deal firmly with the big sharks, while encouraging normal economic activity to step up production and ease the pressure on prices. She wants to disprove the charge that she is heading a government that does not work, relying on a bureaucracy that has lost all professional zeal for better performance, and looking around for alibis to justify her own inability to cope with the mounting challenges.

Serious Situation

Though the Finance Ministry has been painting a reassuring picture of the economy to mollify the hard-pressed people, it has been telling the Prime Minister in private memos about the seriousness of the present situation. The Government has learnt the hard way that the old facile theories--that a succession of good crops plus a comfortable foreign exchange position were the best guarantee against price inflation--stand disproved in the light of the current Indian experience.

As a capable and conscientious colleague, the Finance Minister, Mr. R. Venkataraman, has been telling her that the Government has to act with firmness and imagination to restore the missing sense of direction in the higher management of the country's resources. At this time of the year, when the Government is engaged in the first phase of the budget exercise, the Finance Minister has to give serious thought to problems of economic revival within the parameters of Congress (I) socialism.

But it is basically the Prime Minister's responsibility to decide how far the Government can afford to go politically in administering some degree of shock treatment to put the economy on the rails again. She is, therefore, seeking the advice of several experts on what exactly could be done, without rocking the boat too hard, to revive the economy by generating a new psychology of liberalisation along with a sense of retributive justice for exceeding the limits of tolerance.

PM's Worry

But Mrs Gandhi's big worry at the moment is how to carry out any such plan of action, in the face of bitter opposition from the politically influential vested interests, with the badly run-down administrative infra-structure at her disposal, whether it is at the Centre or in the State. The policy of promoting favourites and punishing others who have fallen from grace has played havoc on the morale of the services.

The Central and State Governments have arbitrarily retired, transferred or downgraded so many senior officials for political reasons that not many of the newly promoted ones are prepared to take any hard decisions for fear of being held personally accountable. The sad state of the bureaucracy is only a disconcerting reflection of the poor calibre of the Central and State Governments.

The Prime Minister has tried to rebut this criticism with the claim that the present Central Cabinet consists of as many as six former Chief Ministers, but she has not been able to proffer such an argument in support of the Congress (I)-run State Governments. The fact remains that the present administrative machinery in the country cannot be geared at short notice to cope with the consequences of a major economic shake-up even if the Government possesses the necessary political will to punish the big offenders and compel them to disgorge their ill-gotten wealth with harsh fiscal and monetary measures.

The Prime Minister is reported to be quite worried about the corrupting impact of party fund collections, because the evil has now reached such proportions that it has become an integral part of the political system. It is impossible to catch the big sharks in this permissive atmosphere in a country where some of the richest pay no income-tax or pay only nominal amounts with no fear of prosecution.

Govt.'s Dilemma

A few of the top economists have been suggesting a series of drastic measures including demonetisation to curb the evil of black money, but the Government continues to shy away from such pleas for fear of creating more serious problems by destroying the public faith in the country's monetary system. The real problem of the Government is how far to go, and where to draw the line, in deciding upon some stern steps to get the economy under control before the country is faced with bigger bouts of inflation.

The proposed economic crackdown is also linked up, in one way or the other, with the Prime Minister's efforts to improve the quality of government, at the political as well as the bureaucratic levels, both at the Centre and in the States. The second year of her tenure will inevitably witness some major changes in the composition of the Central and State Cabinets, without the appearance of a sudden political shake-up or an abrupt let-down of trusted party colleagues, to give the impression that Mrs Gandhi means business and dispel the growing public disillusionment with the faltering performance of the Government on the economic front.

CSO: 4220

CPI(M) POLITBURO SCORES FARMERS' ARREST

Calcutta THE STATESMAN in English 22 Dec 80 p 9

[Text] New Delhi, Dec. 21.--The CPI(M) has demanded the withdrawal of all "repressive" measures against farmers agitating in Maharashtra and the release of the leaders arrested, reports UNI.

In a statement released here today, the party's Politburo said the arrests "clearly show that the Maharashtra Government is determined to crush all manifestations of popular protest against its policies".

However, the Maharashtra Government had to admit that the demands of the farmers were just and therefore it was compelled to request the Union Government to raise the prices for certain agricultural produce. "It shows, therefore, that the steps taken against the morcha are vindictive", the statement said.

The CPI(M) Politburo also mourned the death of the former Soviet Prime Minister, Alexei Kosygin.

In its condolence resolution the Politburo of the party praised Kosygin's role in restoring peace between India and Pakistan at the Tashkent conference and his contribution to the defence of world peace through the process of detente.

CSO: 4220

INCREASED ORISSA SIXTH PLAN OUTLAY APPROVED

Calcutta THE STATESMAN in English 22 Dec 80 p 9

[Text]

NEW DELHI. Dec. 21.—The Planning Commission has fixed Orissa's Sixth Plan outlay at Rs 1,500 crores, which is Rs 375 crores more than that of the interim plan.

Our the total outlay of Rs 1,500 crores. Central assistance will be of the order of Rs 725 crores. The State's share of Rs 775 crores includes additional resources mobilization of about Rs 250 crores.

The State's Chief Minister, Mr J. B. Patnaik said the size of the Plan would be Rs 4,500 crores. This is because nearly Rs 2,000 crores would be invested in the State through Central projects, including a proposed steel plant and an aluminium complex, development of infrastructural facilities like the new rail links and an investment of Rs 1,000 crores expected from the private sector.

Mr Patnaik said that although sectoral allocation would be made later emphasis would obviously be laid on irrigation and power development. The State Government planned to have 3,000 MW of power generation in anticipation of new industries.

The Chief Minister said that a Rs 300-crore phosphatic fertiliser plant in the Central sector would be set up in the State. Industrial projects in the pipeline envisaged an investment of Rs 600 crores. The paper plant would alone cost Rs 100 crores, he added.

UNI adds: Mr Patnaik said two charge chrome plants, nine spinning mills one polyester fibre plant, one rayon plant and one paper plant would come up in the State in the next few years. They would provide employment to more than 30,000 people.

Mr Patnaik said the State Government was serious in implementing the new scheme to rehabilitate the rural poor. Already 25,000 such families had been covered under the scheme out of 60,000 identified. Their rehabilitation would be ensured through allotment of land, in fisheries and dairy industries and small business activities. The families would be selected by the village itself. More than 130,000 acres had been allotted for the programme.

CSO: 4220

ENERGY MINISTRY CRITICIZED BY HOUSE COMMITTEE

Calcutta THE STATESMAN in English 18 Dec 80 p 9

[Text] New Delhi, Dec. 17.--The Union Energy Ministry was severely criticized by members of the consultative committee of Parliament attached to it for the unsatisfactory production of coal and under-utilization of capacity in coal washeries and inefficient operation of the State-owned Coal India and its subsidiaries.

Among the members was Mr Kalyan Roy (CPI), who said that the underground production of coal was going down and neither Eastern Coalfields nor Bharat Coking Coal had been able to reach the production level of 1975-76.

It was pointed out at a meeting of the committee here that ECL had produced 26.18 million tons in 1975-76. It had produced 20.53 million tons in 1979-80. The increase in coal production was only in the open cast mines. Therefore, it was difficult to believe that the contry would achieve the target of 113 million tons fixed for the current year. [as published]

The CPI member said the capacity utilization of the washeries of Coal India had declined. The Rs 14-crore Sudamdih coal washery had been found defective.

The Minister for Energy, Mr A. B. A. Ghani Khan Chaudhary, admitted that the underground production of coal had gone down and that the Sudamdih washery had been found defective. He informed the members that he had instructed the Additional Secretary for Coal and the Chairman of Coal India proceed to Sudamdih and other washeries and take steps to improve their operation.

The Ministry was criticised by some members for the increase in the overtime bill of Rs 35 crores for raising coal and for forcing miners to work for seven days continuously in violation of the Mines Act.

In his reply to the Congress (U) member, Mr S. W. Dhabe, Mr Chaudhary expressed his regret for the incomplete audited accounts of Coal India.

The Minister informed the committee that India and Nepal had reached an agreement for an investigation of the Karnall hydro power project.

The Cabinet had approved the team, headed by the Energy Minister, to investigate the project.

Mr Chaudhary told the members that the hydel project, when completed, would generate 4,000 MW to 5,000 MW "at one place". A decision on the financing of the project would be taken as soon as its investigation was through.

CSO: 4220

MOVE TO REVITALIZE JANATA PARTY REPORTED

Calcutta THE STATESMAN in English 18 Dec 80 p 9

[Text] Several leaders of the Lok Dal and Janata (S) have expressed their desire to return to the Janata Party. Among them is Mr S. N. Mishra, who was the External Affairs Minister in the Charan Singh Cabinet. He met Mr P. C. Sen, Mr P. C. Chunder and other Janata leaders in Calcutta recently and discussed the possibility of bringing together members from other parties, excepting the Congress (I) and the Communist parties, under Janata. It was suggested that the name of the new party could also be changed to Janata Congress.

According to informed sources, Mr Mishra is no longer as close to Mr Charan Singh as before. He had indicated that although he was still in the Lok Dal, he would not hesitate to leave it if the Janata Party was revived.

A senior Janata Party leader said in Calcutta on Wednesday that Mr Raj Narain had also indicated that he would wind up the Janata (S) and join the Janata Party. Mr Chandra Shekhar has welcomed this move. The Janata source said that the fact that Mr Raj Narain was once instrumental in breaking up the party would not be held against him. He said for the sake of a greater national interest, it was better to forgive those who were willing to rectify their past mistakes. Some Janata leaders had insisted, however, that if Mr Raj Narain was serious about joining the party, he must first wind up the Janata (S). Otherwise, that party was likely to continue to maintain a factional identity even after the merger with Janata.

According to present indications, while almost the entire Janata (S) was likely to join Janata, a sizable section of the Lok Dal might desert Mr Charan Singh. The Janata source said that the departure of Chaudhury Brahm Prakash and other had shown that Mr Charan Singh was losing his grip on the Lok Dal.

Among the other former constituents of the Janata Party, there has not been any overture as yet from either the Bharatiya Janata Party or the Socialists. However, the Janata source made it clear that if anyone from the BJP wanted to Join Janata, he must accept clause 5 in the party constitution which prohibited "dual membership". This was one of the issues which led to the break-up of the party. The attitude of the Socialists, some of whom are in the Lok Dal, is not yet clear. It is well known, however, that some Janata leaders have strong reservations about people like Mr Madhu Limaye.

CSO: 4220

CONTINGENCY PLANS FOR OIL GOODS CONSUMPTION URGED

Calcutta THE STATESMAN in English 17 Dec 80 p 7

[Text] The Centre has asked the State Governments to prepare contingency plans for controlled consumption of petroleum products on the basis of a 50% cut of their existing allotments. The contingency plan is to be prepared on the basis of priority and minimum demands of different sectors. The instruction has been issued by the Oil Coordination Committee of the Union Petroleum Ministry, it is learnt.

The committee has also asked the State Governments to prepare a five-year demand projection of petroleum products on a monthly basis. The demand projection is expected to be made on the basis of a five per cent growth rate. The committee is also considering a proposal to bring light diesel oil, which is still freely available, under some controlled distribution arrangement.

Meanwhile, the West Bengal Government is concerned at the fact that its monthly petroleum products allotment is not being fully released because of some technical difficulties at the Maurigram installation of the Oil India. The difficulty is particularly being faced with regard to the release of additional monthly allotments made by the Centre. As for example in November the total allotment was 54,000 tons, but the actual release was only 48,260 tons.

The drop in the supply of petroleum from the Haldia refinery is said to be the reason behind the difficulties of the Maurigram installation. Since the Barauni refinery is not receiving a drop of oil from Assam, Haldia has been asked to release more oil through the Haldia-Barauni pipleine to meet the demands in Bihar and Uttar Pradesh. As a result, the supply to Maurigram has dropped to some extent, it is officially learnt.

The Budge Budge oil installation, which receives oil from ships, is not, however, able to come to the aid of Maurigram as it has got only two bays, compared to 16 at Maurigram, and not all the oil firms have domestic distribution arrangements at Budge Budge. The State Government is likely to take up the matter with the oil coordinator of the area for an early solution of the problem so that the State can obtain its full allotment for December.

It is learnt that the Centre is likely to raise the initial allotment of 51,900 tons for the State for December by another 5,000 tons. Last year the off-take in December was 57,000 tons, against an allotment of 62,000 tons.

CSO: 4220

CENTRAL AID RECOMMENDED FOR DROUGHT-HIT STATES

Calcutta THE STATESMAN in English 18 Dec 80 p 9

[Text] New Delhi, Dec. 17.--The Central teams have recommended Rs 28.75 crores for two drought-affected States--Andhra Pradesh and Rajasthan--the Rajya Sabha was told today.

Of this, Rs 7.56 crores is proposed for Andhra Pradesh and Rs 20.19 crores for Rajasthan. Besides, a short-term loan of Rs 12.5 crores has been sanctioned for Rajasthan for purchase and distribution of agricultural inputs, according to Rao Birendra Singh, Union Minister for Agriculture.

The Minister, who was making a statement in response to a call-attention motion, said that 13 districts had been affected by drought in Andhra Pradesh. But the entire State of Rajasthan, excepting one district, had been affected by severe drought.

The Centre was "deeply concerned" about the drought in Andhra Pradesh and Rajasthan. "The situation is being kept under constant review and all assistance to the affected States will be provided", Rao Birendra Singh said.

He said that in Andhra Pradesh most of the rainfall was received in the months of June, July and August, 1980 while in September, a crucial month for ripening of the crop, the rainfall was deficient--as much as 46% in Rayalseema and 28% in Telengana region. Out of 13.6 million acres normally sown under kharif crop, 1.5 million acres were left unsown and crops under 4.2 million acres were damaged for want of sufficient rainfall. The total loss of kharif production was reported to be about 700,000 tons. The north-east monsoon, essential for rabi crops, was also erratic and deficient in the Rayalseema region and parts of the Telegana region. As a result, most of the area under rabi crop had been left unsown and where the crops had been sown, they withered due to lack of moisture. This had resulted in loss and deprivation to small and marginal farmers and landless labourers in 13 districts of the State. Problems of drinking water supply and scarcity of fodder were also coming to the surface.

The State Government had asked the Centre for Rs 159.33 crores for employment-oriented works, drinking water supply, fodder supply, public health services, contingency agricultural programme, nutrition programme and loans to farmers. A ceiling of expenditure of Rs 27.56 crores had been recommended by the Central high-level committee for approval of the Ministry of Finance. The State Government had

also been sanctioned Rs 20 crores for short-term loan--Rs 14 crores during kharif season and Rs 6 crores during rabi season for purchase and distribution of agricultural inputs. In addition, the Ministry of Rural Reconstruction allocated 63,000 tons of foodgrain to Andhra Pradesh earlier this year under the Food-for-Work programmes. Under the national rural employment programme another 42,000 tons of foodgrain and Rs 7.39 crores had been allocated to the State Government recently, the Minister said.

For providing drinking water, a ceiling of expenditure of Rs 6.84 crores had been recommended, which included flushing or repair of bore wells, boring of new wells, deepening of open wells and installation of power pumps. The State Government had 39 rigs in the drought-affected districts and proposed to engage 80 private rigs. The Ministry of Works and Housing was mobilizing as many rigs for the State Government as possible.

CSO: 4220

PAPER SCORES 'MUDDLE' IN RAILWAY OPERATIONS

Calcutta THE STATESMAN in English 17, 18 Dec 80

[17 Dec 80, p 9]

[Text] New Delhi, Dec. 16.--Every time a Railway Minister is appointed, senior officials quickly look at the new incumbent and mentally draw a red line from Delhi to the Minister's constituency or the capital of the State he comes from.

There might well be a railway link between Delhi and the Minister's hometown, but this has seldom checked his enthusiasm to do good for his State. Successive Railway Ministers in the past, with notable exceptions in the early years, have all been guilty of it.

There is no wonder then that officials are awaiting directives from the new Railway Minister, Mr Kedar Pandey, about a possible new passenger train--would it be a super-fast express to Patna. He has already been quoted as thinking of setting up another Railway zone in Patna which, according to his line of thinking, means more jobs for the people of his State.

Seasoned Railway officials say that every time a new passenger train is introduced on a busy or saturated trunk route, it sweeps away two freight trains.

The state of affairs now is anything but happy. Hauling freight ought to be the main concern of the Railways for that is the bread and butter of the undertaking. The Railways hauled a total 74 million tons of freight, excluding what it moved for its own maintenance. The graph showed a gradual increase until 1964-65 when it touched 134 million tons.

In the past 15 years, the freight carried by the nation's largest transport undertaking hovers around 200 million tons. Last year the haulage totalled 193 million tons. This year in the first six months, there has been a shortfall of 13.64 million compared to the proportionate target, leading to a loss of Rs 49.34 crores in revenue.

If the planners' earlier visions had been fulfilled, the production of coal and steel, among other things, would have been much higher than at present and the Railways would have been called on to haul between 300 million and 350 million tons. One can well imagine the chaos that has been avoided by lesser-than-anticipated production in some of the key sectors.

Experts feel that the Railways should consider themselves happy if they are able to reduce the shortfall of 13 million tons by by three million tons. [as published] For to increase the freight by 1.3 tons during the year, about 500 more wagons a day would be needed for the rest of the four months of the year. Or, 5,000 wagons to meet the shortfall of 13 million tons.

The total loading in October (broad guage) has been 2,289 tons by the Central Railway, 5,523 tons by the Eastern Railway, 2,064 tons by Northern Railway, 1,016 tons by the Southern Railway, 1,642 tons by the South Central Railway, 7,983 tons by the South-Eastern Railway, and 1,833 tons by the Western Railway. [as published] Against this, the outstanding demands for loading in the same month are: 39,665 tons in the Central, 48,813 tons in the Eastern, 12,144 tons in the Northern, 4,000 tons in the North-East Frontier, 2,652 tons in the Southern, 18,631 tons in South Central, 25,206 tons in South Eastern and 12,047 tons in the Western Railway.

The Railways at present have 415,000 broad gauge wagons. Wagons on the sick and overhaul list should not exceed 4%. But for over a year it has been more than 5%. However, the Railways hope to add 11,500 more wagons by March.

But, as a senior Railway official put it, success in such an operation involves putting the wagons on the move and reduce their turn-around time. In this context, one of the major bottlenecks has been in the movement of coal. Railway officials say that the charge against them on this score is highly exaggerated since the production of coal itself has gone down.

It is true that coal sector might not be able to achieve its target, but production would still be around 110 million tons, 4 million tons more than last year's production.

The Tundia-Agra-Mathura line is cited as an instance of overcrowding of passenger trains. With constant shunting of bogies, attaching or detaching from one train or another, the lines are constantly engaged, giving little time for moving freight.

A retired official says that politicians have a wrong notion that by putting more passenger trains, they would be helping the common man. But in reality this has a reverse effect since more passenger trains mean less freight trains which, in turn, results in lesser production and he has to pay more for essential items.

[18 Dec 80, p 9]

[Text] New Delhi, Dec. 17.--Varanasi has no coal depot. And yet the citizens' coal needs are met. How? From Mughalsarai, which is next door, of course. Mughalsarai is reputed to be not only the biggest railway yard but also the centre where the most goods are pilfered from the Railways.

The story about Varanasi not having a coal depot may be apocryphal, but the reputation of Mughalsarai is not. The knowledgeable say that the "chor bazaars" of Bombay or Calcutta are insignificant compared to the one at Mughalsarai. It is also said that almost all the items sold at Mughalsarai are pinched from Railway yards. This might be an exaggeration, but it is not totally untrue.

Mughalsarai is but one of the many notorious centres. So bold are the regular criminals who manage the yards at Mughalsarai and elsewhere that railway protection staff, for fear of their lives, are said to often ignore the mischief that goes on.

It is well known that gangs which operate in railway yards have a well-oiled system of draining out sealed wagons of foodgrain or what have you. The method is simple--a loaded wagon is hit about the middle with a sharp hook. From the hole thus punched the cargo, usually wheat, rice, sugar or pulses pour out into gunny bags.

Last month a special train comprising 59 wagons loaded with wheat bags was sent from Patti in Punjab, to Subzimandi. On arrival, the sealed wagons were opened but it was found that 305 bags of wheat and loose wheat weighing about 833 quintals valued at Rs 1,08,277 were missing.

There are other forms of corruption. Not so long ago, the then chariman of the Railway Board, who was sent out in unhappy circumstances, lamented that he was paying the price for trying to smash corruption in the allotment of wagons. He hinted that his efforts had hurt some bigwigs in the ruling party and the Government.

The situation has not changed much since. When there is so much talk of shortage of wagons, those in the private trade know their way around--they can get a wagon reasonably quickly.

An old railway hand says that a private sector thermal plant manages to get all the coal it needs--the right quality and quantity--without any hitch.

/All the stations en route, from the coal dump to the destination, give something like a "red alert" for the train carrying the precious cargo to the private unit. All this magic happens as a result of what has come to be known as "speed money"--if you want anything done speedily you pay something extra./ [in boldface]

The speed money also gets things done on the platforms of major stations. The charts might tell you that there is no seat available, but there are station staff and touts who could get you a berth or a few berths, at practically no notice at all. In Calcutta, as published in this newspaper some time ago, a veritable parallel reservation system operates. The story is similar in Bombay, Delhi and other busy junctions.

A senior retired officials says that employees' indiscipline is often the cause of corruption. [as published] Some time ago, the station superintendent of an important junction was ordered to be transferred by a junior Railway Minister on complaints from some of the unions that the official harassed workers. After some days, the order was cancelled.

The official is reported to have called his staff, specially those in the parcel booking office, and asked them to increase his share of the daily pay-off. His argument was that he had to pay several thousand rupees to the union leaders who had earlier asked for his transfer. The union leaders had, in turn, gone in a deputation to the senior Railway Minister and insisted that the official's transfer would create chaos in the station.

The same Railway Minister was known to have a soft corner for the employees at the lower levels. On one occasion when a senior officer complained to him that he had been slapped by a junior employee, the Minister is reported to have virtually asked for the officer for an explanation--for giving so much provocation to the junior.

On the plea of union work, several of the "leaders" are known to do no work but, collect their pay and "production bonus" from the workshops they are engaged in. What effect this has on others can well be imagined.

"The labour mafia must be hounded out", says an official. Where there is corruption and indiscipline, robberies and dacoities cannot be far away.

According to official statistics, in the past four months there were nine robberies and two dacoities in the Central Railway, six robberies and six dacoities in the South-Eastern Railways, four robberies in the South-Central Railway, three robberies and three decoities in the North-East Frontier Railway, three robberies in the Southern Railway, 10 robberies and three decoities in the Northern Railway, four robberies and four dacoities in the Western Railway, 16 robberies and 11 dacoities in the Eastern Railway, 24 robberies and six dacoities in the North-Eastern Railway. [as published]

This might be a reflection of the general deterioration in law and order, but the Railways have a responsibility to ensure that passengers can travel safely, even as they cannot shirk the responsibility of seeing that passengers are not fleeced by touts and corrupt station staff and consignees do not have to use "speed money" to get their cargo moved.

CSO: 4220

GANDHI PRESENTS JNANPITH LITERARY AWARD

Bombay THE TIMES OF INDIA in English 16 Dec 80 p 1

[Text] New Delhi, December 15 (PTI & UNI).

The Prime Minister, Mrs. Indira Gandhi, said today that the Nobel peace prize had been politicised.

Mrs. Gandhi was speaking after presenting the 15th Jnanpith award for 1979 to 56-year-old Dr. Birendra Kumar Bhattacharyya for his "Mrityunjaya", an outstanding Assamese novel dealing with the Quit India movement of 1942 in Assam.

The world was poorer by ignoring writers of this continent, she said apparently referring to Nobel prizes.

In India, she said, literary resurgence had grown hand in hand with national renaissance.

The Prime Minister felt that India had too many inter-provincial bickerings with authors also contributing to it to some extent.

"I am not suggesting any code for writers. Authors must be free to write," Mrs. Gandhi said adding that they at the same time also had a sense of responsibility.

Authors, Mrs. Gandhi pointed out, were open to judgment by others. Personally, she was not in favour of banning any books except in cases when issues such as communal harmony were involved.

Turning to Assam, Mrs. Gandhi said that the agitation there had caused pain to others.

She was hopeful that a solution could be found if a "give-and-take" approach was adopted and people saw in a wider perspective the issues involved.

Earlier, Mrs. Gandhi presented a copper scroll, a statue of Vagadevi, the award symbol, and a cheque for Rs. 1 lakh to Dr. Bhattacharyya.

The citation described "Mrityunjaya" as "an outstanding novel dealing with the Quit India movement of 1942 in Assam. It is an intensely human presentation of this movement on the common man in Assam, his aspirations and his agonies, his

disenchantment and unconquerable hope. The novel sumps up in miniature, as it were, what was happening all over India at that time." [as published]

Described as "the gentle rebel", he is the youngest recipient of the Jnanpith award, just as at the age of 37 he was the youngest Indian writer to get the Sahitya Akademi award.

Two other celebrated novels of Dr. Bhattacharyya, "Iyaruingam" and "Pratipad", also crystallised the contemporary political consciousness, the problem of tribal awareness and labour.

He has also struct a new path in Assamese poetry and done commendable work as a short story writer and biographer.

Accepting the award, Dr. Bhattacharyya said art must aim at remaking man. "Man is not undimensional but multi-dimensional. Unless we have a new vision of integrated man, we cannot place him at the centre of our art or being."

Urging all writers, whether they be from Meghalaya or Kerala, to write as Indians, he said there was something lacking in modern Indian literature. "No modern work has endeared itself to the masses as the Mahabharata or the Ramanaya did one. Those of us who are concerned with the realist in literature do not seem to be realistic enough. It is time we learnt from our literary tradition the secret of that art for our millions."

Dr. Bhattacharyya said this was all the morenecessary "as we have before us the great task of building up the base simultaneously with the superstructure, the body with the mind." [as published]

Describing himself as always having felt "as one with rebels," he said this was because wherever they are, "like the artist, they want to reform the chaotic world by imposing on it a form of material unity."

Dr. Vinayak Krishna Gokak, chairman of the selection board, in his address said "Mrityunjaya," as also "Iyaruingam" and "Pratipad" contained "unforgettable dramatic situations, brilliant character sketches and moving descriptions of nature scattered throughout the novels. The world is caught in a moment of crisis and all the pageantry and variety of life are built around that moment.

An audio-visual programme based on "Mrityunjaya" was also staged on the occasion.

Dr. Bhattacharya is the 15th recipient of the award, instituted in 1965. Prominent among the previous recipients are: G. Sankara Kurup, Umashankar Joshi, Sumitranandan Pant, Firaq Gorakhpuri, Bishnu Dey, Ramdhari Singh Dinkar, Ashapurna Devi, K. Shivrama Karanth, and S. H. Vatsyayan-"Ajneya."

CSO: 4220

INDIAN BOOK EXPORTER RECEIVES ORDERS FROM PRC

Bombay THE TIMES OF INDIA in English 16 Dec 80 p 18

[Text] New Delhi, December 15 (UNI): India has for the first time entered the book market in China through the efforts of a leading book exporter here.

Mr. Amar Nath, who was the first Indian book exporter in the last two decades to visit China in August, has been receiving frequent orders for books from the country since his return.

The exporter, who visited China on the invitation of the China Publication Import Corporation (CPIC), told UNI that with the launching of the modernisation drive, China had allowed import of books with a view to acquiring varied knowledge to speed up its development.

The subjects in which the Chinese have evinced particular interest are engineering, medicine, agriculture, electronics, economics, industry and urbanisation.

Mr. Amar Nath says the U.S. and Britain are at present the main suppliers of English language books to China. He has submitted a report to the federation of Indian publishers suggesting how India could cultivate the Chinese market for its book exports.

According to him, China will be more inclined to import books from India rather than the U.S. and Britain for two reasons.

First, the books from those countries are too expensive to be purchased by the Chinese individuals whose earnings are low. Secondly, the Chinese are not in a position to grasp the much advanced knowledge of those countries and books from the developing countries like India could serve their purpose better.

Mr. Amar Nath, who has reached an agreement with the CPIC--the only book importing concern in China--to supply all types of Indian books in the next three years, says he will hold an exhibition of 1,000 titles in China in August next year to promote the sale of books of Indian publishers.

The exhibition will be the first to be held in Peking. Later, it will be taken to five or six other centres of China for which the Chinese government has promised him full publicity campaign as an incentive.

He has called upon the Union government not to treat the exports of books like any commodity export but take it as a cultural promotion effort and extend incentives to the book trade industry accordingly.

CSO: 4220

BRIEFS

AUTOMATED TELESCOPE--Ahmedabad, December 21 (PTI): An infra-red telescope, claimed to be unique in the world, is to be installed at Gaurishikher atop Mount Abu for seeing plenty of infra-red stars which do not emit any visible light. Control, computer and data-acquisition system for this telescope of 1.2-metre diameter were prepared at the physical research laboratory here. This telescope will be the first of its kind in the world in the sense that it will be operated fully automatically through a multi-processing technique, Mr. H. S. Mazumdar, head of the electronics division at the PRI, told PTI. Latest micro-processors are used in designing the telescope so that its complex control functions digitally. Different processors would perform different jobs simultaneously for increasing the flexibility and speed of the instrument. [Text] [Bombay THE TIMES OF INDIA in English 22 Dec 80 p 13]

HELP IN GOLDHUNT--Visakhapatnam, December 21 (UNI): The Geological Survey of India (GSI) in collaboration with Soviet scientists will embark on a detailed investigation of gold deposits in Orissa, Bihar, Madhya Pradesh and the Saurashtra area of Gujarat, Mr. M. K. Chandra Chowdary, deputy director-general, GSI (eastern region), said yesterday. He told newsmen here that the Soviet scientists had developed special methods for detection of even low deposits. He said the Soviet experts would be associated in the exploration of non-ferrous metal deposits in the Bhilwara region of Rajasthan. Considerable deposits of lead, zinc and streaks of silver had been found by the GSI in Ajmer and Fatehnagar areas, he said. [Text] [Bombay THE TIMES OF INDIA in English 22 Dec 80 p 13]

SMALL AIRCRAFT PRODUCTION--Chandigarh, December 21 (UNI): India intends to go in for the production of small transport aircraft. A proposal to this effect was being considered by the government, minister of state for tourism and civil aviation, Mr. Chandulal Chandrakat, said while inaugurating the annual general meeting of the Aeronautical Society of India here today. The need for indigenous production of small transport aircraft, he said, had assumed importance following the government's acceptance of the concept of a third level airline for more intensive coverage of selected areas. It had already been decided to provide supplementary air services to the north-east region through such an airline, he added. [Text] [Bombay THE TIMES OF INDIA in English 22 Dec 80 p 13]

CONGRESS(I) ELECTION PLANS--Ahmedabad, December 21 (PTI): Organisationel elections to the Congress (I) would be held in May next year, the AICC (I) secretary, Mr. S. S. Mahapatra, said yesterday. [as published] Orgranisational elections at the pradesh and the district levels would be over by March next year, he told newsmen.

Mr. Mahapatra arrived here yesterday on a day's visit mainly in connection with the coming panchayat elections in the state. He said the present appointments of the party office-bearers were purely on ad hoc basis. Barring some inevitable exceptions, no minister would be allowed to hold party positions, he said. Regarding the selection of the new president for the GPCC (I), Mr. Mahapatra said the high command would announce its choice by the end of next week. [Text] [Bombay THE TIMES OF INDIA in English 22 Dec 80 p 22]

EXPORTS TO KENYA--Nairobi: In an essentially European dominated market of engineering goods in Kenya, India has come on top in the import list in respect of electrical wire fittings, tea machinery and cycle parts. India's annual export of these three items alone to this East African country amounts to nearly Rs. 117 lakhs. The official figures available here show that India has not only emerged as the largest exporting country in these items but has also made considerable headway in case of wheel barrows, sack trucks and hand trolleys. Their export is estimated to be nearly 30 per cent of the import of these items made here.--PTI. [Text] [Madras THE HINDU in English 15 Dec 80 p 5]

SIKKIM PARTY DISSENSION--Gangtok, Dec. 14. Sikkim's largest Opposition party, the 14-month old Sikkim Congress (Revolutionary) was on Friday plunged in a deep crisis following the resignation of two of its top leaders from party posts. The two leaders, Messrs. Bhim Bahadur Gurung Sor, Legislative Party leader and Jagat Bandhu Pradhan, General Secretary, however told newsmen that they had resigned only from their party posts and not from the party. The resignations are attributed to inner party squabbles. Top leaders who had been to New Delhi recently quarrelled among themselves over the question of the presidentship of the proposed Congress (I) unit in the State. One section of the party wanted to leave the choice to the High Command, while the other group insisted that the presidentship should go to Mr. Ram Chandra Poudyal. The ruling Sikkim Parishad has been working as an affiliate of the Congress (I). PTI reports: According to party sources, Mr. Gurung's resignation had come in the wake of demands for his removal from the leadership of the legislative wing. [Text] [Madras THE HINDU in English 15 Dec 80 p 7]

SCANNING ELECTRON MICROSCOPE--New Delhi, Dec. 14. A salable model of scanning electron microscope (SEM) is now nearing completion at the Central Electronics Ltd., a public sector undertaking in Sahibabad near here. This is the outcome of a four-year-old research project, with a number of institutions participating in it. According to official sources, the Central Scientific Instruments Organisation, Chandigarh, the National Physical Laboratory, New Delhi, the Central Electronics Engineering Research Institute, Pilani, the Banaras Hindu University and the Central Electronics Ltd. had successfully developed the different sub-systems of SEM and these were finally integrated in CSIO to make up the first prototype. The first pictures of this completely integrated system were shown in 1978 and, based on this accomplishment, the engineering development of a salable model was undertaken by CEL with the assistance of the Indian Institute of Technology, New Delhi and the Bhabha Atomic Research Centre, Bombay. This continuing project is meant

to encourage advanced research and development work in the frontier area of electron optics. Efforts are now in progress to develop more advanced technologies and accessories of SEM for different applications. [Text] [Madras THE HINDU in English 15 Dec 80 p 9]

LEH-DELHI AIR LINK--New Delhi, Dec. 13. Leh, capital of Ladakh district, located at an altitude of 10,400 ft. will be air-linked to Delhi and Chandigarh from December 15. Indian Airlines will be operating Boeing 737s, every Monday between Delhi and Leh via Chandigarh. [Text] [Madras THE HINDU in English 15 Dec 80 p 16]

SOVIET HELICOPTERS ARRIVE--India has received a new batch of MI-8 tactical support helicopters from the Soviet Union, which have been despatched to their stations, reports UNI. The MI-8 agreement, signed with the Soviet Union over 10 years ago, had envisaged its continued supplies to the Indian Air Force. The first MI-8 had arrived in India in 1971 by ship. Since then, it has successfully been used in the mountainous regions of the country, particularly in the north-east. [Text] [New Delhi PATRIOT in English 19 Dec 80 p 1]

ARMY TRAINING DIRECTORATE--New Delhi, December 15: The government of India has decided to set up a special examination research and reform cell in the military training directorate in order to evolve an objective system for promotions and competitive examinations. This was disclosed here on Saturday by Dr. R. G. Mishra, head of the measurement and evaluation department, National Council of Educational Research and training (NCERT), at the concluding function of the 12-week training course in examination reform and research conducted by the NCERT. The four brigadiers and 21 lieutenant-colonels, who attended this course, will now train a number of examiners in the army, prepare examination handbooks and familiarise candidates with the new system of examinations. They will also be required to man this new cell and formulate the objectives of the promotion and competitive examinations conducted by the directorate. [Text] [Bombay THE TIMES OF INDIA in English 16 Dec 80 p 18]

RICE TO RUSSIA--Karnal, December 16. India will export four lakh tonnes of rice worth over Rs. 100 crores to the Soviet Union, the Union agriculture minister, Mr. Rao Birendra Singh, told a rally in Unjha village near here. Addressing the rally, he said the Centre would spend Rs. 1250 crores on agriculture during 1980-81. The government had also earmarked Rs. 1,500 crores in the fifth plan for the rural development programme, which would cover 1,500-lakh people. Potable water facilities would also be extended to two-lakh problem villages over the next five years, he said.--UNI. [Text] [Bombay THE TIMES OF INDIA in English 17 Dec 80 p 9]

URDU IN BIHAR--Patna, December 16 (UNI): The Bihar assembly today adopted the government's official language (amandment) bill according the status of the second official language to Urdu by a voice vote. [Text] [Bombay THE TIMES OF INDIA in English 17 Dec 80 p 6]

RAO CONDEMNS GANDHI--Contrary to the hopes entertained by supporters of Mr. S. A. Dange, the CPI has not taken a soft line towards Mrs. Indira Gandhi following the party leaders' meeting last week with the Soviet President, Mr. Leonid Brezhnev. On the contrary, NEW AGE, the official organ of the Communist Party of India, in its latest issue, has strongly come out against Mrs. Gandhi's government and the deliberations at the recent AICC(I) session. In a front-page article, Mr. C. Rajeswara Rao, general secretary of the party, has condemned the allegedly retrograde economic policies of the Congress (I) and its government. Mr. Rao says that at the reception to Mr. Brezhnev, Mrs. Gandhi even went to the extent of calling the left parties as the "so-called left" which were allegedly obstructing her efforts to end economic inequality. [Text] [Bombay THE TIMES OF INDIA in English 17 Dec 80 p 6]

MANIPUR CABINET SHUFFLE--Imphal, December 16 (PTI): The chief minister of Manipur, Mr. Reishing Keishing will hold home, general administration, food and civil supplies, and panning under a reallocation of portfolios announced by him today. [as published] Mr. Keishing will also hold labour, cabinet and personnel departments. The distribution of portfolios among other ministers is as follows: Mr. Ngurdienglem--agriculture, irrigation, flood control and tribal wefare; Mr. I. Tompok Singh--education, finance and revenue; Mr. T. H. Chauba Singh--industries; Mr. Sosho Larho--medical and electricity; Mr. Helaluddin--forest and co-operation; and Mr. R. K. Radhabinod Singh--local self-government and public health engineering department. [as published] [Text] [Bombay THE TIMES OF INDIA in English 17 Dec 80 p 13]

CSO: 4220

EFFORTS TO INCREASE FOOD PRODUCTION

Jakarta KOMPAS in Indonesia 5 Nov 80 p 12

[Excerpts] President Suharto has requested that the interests of farm workers be safeguarded in an attempt to increase food production in the future, or else they could have no zest to produce food.

Thus said Vice Minister for Food Affairs Achmad Affandi last Tuesday after meeting with President Suharto at Bina Graha together with Wardojo, director general of food plants; Surjono, director general of irrigation; Sudjanadi, director general of cooperatives; Sukrya Atmadja, deputy chief of Logistics Board; Permadi SE, director in chief of People's bank of Indonesia. "We will do our utmost to implement the protection of farm workers," declared Affandi.

In reply to questions, he said that efforts will be made to oversee the implementation of the Profit Sharing Law.

He could not say how many farm workers there are in Indonesia because of their variety--100 percent farm workers, 75 percent farm workers and even 50 percent farm workers.

He divulged that President Suharto brought up the idea of enlisting students to participate in food production. Consequently, students' practicum would be conducted to coincide with the planting season.

The Vice Minister for Food Affairs said he reported to the President on the summary and resolutions of the 1980 National Congress on Food Production held recently. According to the President, the key still lies in its intensification.

The role of Village Unit Cooperatives, which has been slack in alloting production resources, will be intensified, for which purpose 4,000 kiosks and 999 barns will be constructed by the cooperatives during 1980-81, Affandi said.

The People's Bank of Indonesia will set up 5,000 more village-unit branches in an effort to grant more credit to farmers, besides the Village Unit Cooperatives which, as the bank's clients, have been distributing credit, Affandi added.

He continued to say that the President would like the general public to understand that the decrease in Bimas [government-supported agricultural production project] arable land area does not mean the decline of intensification of food plants. The

government has no intention of expanding the Bimas arable land without limit, but to further intensify the food production.

Without mentioning the shrinkage of Bimas arable land area, Affandi opined that this is probably because the farmers concerned no longer need credit and are capable of intensifying food production without taking part in Bimas anymore.

He admitted that some farmers refuse to join Bimas because they still owe Bimas some old credit, but apparently some farmers can carry out intensification by themselves, although they have not paid back the credit they borrowed from Bimas before, the vice minister for food affairs concluded.

9300
CSO: 4213

ECONOMIC GROWTH RATE MAY REACH 7 PERCENT

Jakarta KOMPAS in Indonesian 7 Nov 80 pp 1, 12

[Excerpts] During 1979-80 Indonesia's economic growth rate was up, although the level of growth in Indonesia's neighboring countries showed a decline in general. One of the reasons for the increase in the growth rate in Indonesia was the hike in food production which was much enjoyed by the farming group.

Indonesia's economic growth rate in 1979 reached 4.9 percent only, but it can reach 7 percent in 1980. Her foreign exchange reserves will also register an improvement from $6.7 billion to about $8 billion by the second semester of 1980.

These figures were given by Minister of Finance Ali Wardhana during a work conference with House National Budget Commission last Thursday.

The Minister explained that due to worldwide recession, the economic growth rate of various countries in 1979 was generally lower. Industrial countries which reached a growth level of 3.4 percent in 1979 will probably get a growth rate of 1.1 percent in 1980 and 1.2 percent in 1981.

During the same period under review, oil exporting countries may reach a growth rate of 2.5 percent in 1979, but only 0.3 percent in 1980 and, hopefully, it will go up again to reach 3 percent in 1981. Developing countries which do not export oil could get an economic growth rate of 4.8 percent in 1979 and again in 1980, while in 1981 it can go up to become 5.1 percent.

As a comparison, according to Ali Wardhana, it is estimated that Singapore, which enjoyed a growth rate of 9.3 percent in 1979, will get only 8 percent in 1980; Thailand's growth will drop from 5.8 percent to 5.5 percent; the Philippines from 5.3 percent to 3.8 percent; Malaysia from 8.3 percent to 7.9 percent; South Korea from 6.4 percent to -2 percent in 1980. "Even so, Indonesia must not rejoice yet, because our level of growth is still below Singapore and Malaysia," said the Minister.

In reply to questions concerning inflation in Indonesia, Ali Wardhana said it is still difficult to calculate its rate because of various factors, including the flexible changes in price increases. What we can say at present is that the level of inflation, based on the April-October (7 months) budget for the fiscal year 1980-81, has reached 10.6 percent.

This represented a decrease, as compared with the inflation rate for the corresponding period in 1979-80, which at the time reached 14.8 percent. For the January-October, 1980 period, the inflation level was 13.49 percent, whereas the figure stood at 20.2 percent for the corresponding period in 1979. "This means that the inflation can be controlled," the Minister of Finance assessed.

In connection with Indonesia's success in improving her economic growth rate, in controlling inflation and augmenting her foreign exchange reserves to reach about $8 billion by the end of the second semester of 1980, certain foreign circles have appraised that Indonesia should no longer be granted "soft" loans and credit. It appears therefore that offers of "soft" credit to Indonesia will decline in number.

Nevertheless, the Minister of Finance explained, this does not mean a narrowing of opportunities for Indonesia to obtain foreign credit for her national development, for creditors still see the necessity for Indonesia to acquire larger funds. It is still possible to obtain credit from foreign countries, except that the terms are no longer "soft" as before.

9300
CSO: 4213

FOREIGN EXCHANGE RESERVES REACH $7.2 BILLION

Jakarta KOMPAS in Indonesian 12 Nov 80 pp 1, 12

[Excerpts] Indonesia continues to carry out her development endeavors calmly and confidently, although the world is still suffering economic uncertainties. The reason is that her foreign exchange reserves in custody of Bank Indonesia total $7.2 billion at present, explained Rahmat Saleh, governor of the Central Bank/Bank Indonesia, before House VII Commission yesterday.

Rahmat Saleh expressed calm confidence in facing development work because, he said, current foreign exchange reserves are equal to Indonesia's expenditures for imports during an 8-month period. In the first six months of the 1980-81 fiscal year Indonesia's imports reached $5.4 billion or $900 million per month.

The imports are not only consumer goods but cover capital goods for national development as well, thus representing Indonesia's total imports, Rahmat Saleh added.

With the "strength" of the foreign exchange reserves comparable to the total value of Indonesia's imports for eight months, "we can breathe with relief now, compared with the situation two or three years ago," he said. At that time, our foreign exchange reserves were sufficient to cover imports for five months only, and that's why we can now carry on with our development projects with a sense of relief.

At the start of the New Order, Indonesia had no foreign exchange reserves at all. "Our reserves were zero," declared Rahmat Saleh in early December, 1979.

The situation improved gradually then, but during the Pertamina crisis several years ago, the foreign exchange reserves dwindled to about $500 million, because the government was compelled to earmark certain amounts to repay Pertamina's short-term loans.

However, the situation subsequently turned for the better and by the end of November, 1979 the foreign exchange reserves rose to $4.1 billion from the figure of $3.2 billion three months previously.

The rapid increase was attributed to abundant revenues accruing from oil and non-oil exports. "Practically all export commodities registered a price increase

and I believe this was the result of our November 15, 1978 Decision," Rahmat Saleh said in early December, 1979.

With the approach of the first anniversary of that government decision, Widjojo Nitisastro, minister of economic, financial and industrial affairs, said last September that Indonesia's foreign exchange reserves had reached $6.7 billion. The increase was also due to the rise in export revenues.

Now, in early November, 1980, the foreign exchange reserves have again reached the high level of $7.2 billion. Rahmat Saleh explained that this steep increase was due to payments in late October by oil contractors to the Indonesian government, a periodic obligation to the said oil enterprises.

9300
CSO: 4213

DEVELOPMENT OF OIL REFINERIES TO BE SPEEDED UP

Jakarta KOMPAS in Indonesia 13 Nov 80 pp 1, 9

[Excerpts] President Suharto has instructed Minister of Mines and Energy Subroto to urgently complete the hydrocracker project in Dumai and oil refineries in Cilacap and Balikpapan by 1983. Likewise, the implementation of other projects are to be speeded up, such as the polyvinyl project in Aceh, methanol in East Kalimantan, aromatic center in Plaju and the carbon black project likely to be erected in Cilegon.

Completion of these projects needs to be speeded up, because they not only represent sources of foreign exchange for the state, but also will produce the direly-needed industrial materials for Indonesia's burgeoning industries.

The Chief of State also requested that domestic products and services be utilized to the fullest extent for the development of the said projects, according to Minister Subroto who added that capabilities of many domestic enterprises have been investigated and that some of them have even been invited to take part in project execution.

Minister Subroto explained that negotiations for the Dumai hydrocracker project have been held and would be continued with respect to its funding and construction. The funds will be acquired from export credit and commercial credit, the negotiations for which will be conducted by the Department of Finance and Bank Indonesia. Negotiations concerning construction will be initiated forthwith by Pertamina assisted by a Presidential Directive 10 team of experts on the one hand and contractors on the other.

Contractors for the Cilacap and Balikpapan oil refineries have been officially appointed and terms for the agreement are being prepared. "Fluor" has been picked to build the Cilacap project, and "Bechtel" the Balikpapan project.

Besides the three abovementioned projects, the President has also instructed a study of the feasibility of a fourth refinery, according to Minister Subroto. Originally, he added, it was planned to build it in Sorong, Irian Jaya, but this plan needs further investigation, and its construction will be expedited.

Thus, during the 1983-84 period, the capacity of refineries in Indonesia will be doubled from the present production of 400,000 barrels per day to 800,000 barrels per day.

As regards the Aceh polyvinyl project to make plastic products, the minister divulged that tenders have been received from three enterprises, one French and two American. The government is studying as to which enterprise will be invited to collaborate in the project construction in the form of a joint venture.

The methanol project in the northern part of East Kalimantan will be entirely funded by the government and constructed by Pertamina. Likewise, the government will also be fully responsible for the construction of the aromatic center in Plaju to make synthetic fiber for textile industry in order to better guarantee its completion. The carbon black project for automobile tires, likely to be set up in Cilegon, will take the form of a joint venture between Pertamina and an enterprise from Australia.

9300
CSO: 4213

DEVELOPMENT OF EXPANSION PROGRAM PROMOTES FOOD PRODUCTION

Jakarta KOMPAS in Indonesian 14 Nov 80 pp 1, 12

[Excerpts] Ir Wardoyo, director general of Food Plantation Agriculture, is convinced that with the implementation of special intensification of proper paddy planting, the increase in food production, particularly rice, will exceed the population growth rate. Consequently, it is hoped that food self-support will be attained by the end of the Third Five-Year Plan (Pelita III).

Director General Wardoyo told this newspaper that per capita rice consumption in Indonesia has been steadily increasing from 114.24 kgs in 1975, to 116.24 kgs in 1976, to 120.85 kgs in 1977, to 123.35 kgs in 1978 and to 130 kgs in 1979. The average rate of increase in rice consumption per head becomes 1.2 percent per year, while the population growth rate has been 2.3 percent per year. Therefore, the increase in rice supply requirement in the period under review is 3.5 percent per year.

On the other hand, the increase in rice production during the First Five-Year Plan reached 4.7 percent per year, which dropped to 3.78 percent during the Second Five-Year Plan. During the first and second years of the Third Five-Year Plan, rice production registered a big leap, with an average yield of 20.24 quintals per hectare. Higher yields are still to be expected, because special intensification of rice planting will be extended to more arable land.

Therefore, Director General Wardoyo expressed his conviction that rice requirements for the people can be fulfilled by domestic production, as long as the development of the increase in rice demand and of rice production follows the existing pattern. He is convinced that domestic production will be able to provide enough food for the people.

He admitted, however, that by "enough," he does not include stock of food reserves, explaining that food reserves keep changing in quantity and category. Rather, he based his understanding of "enough" on the "food balance sheet," that is, the figure for food stock at year's end, plus food produced during the year concerned, minus rice seedling requirement (about 5 percent of the rice production), minus again spoiled and lost rice, and minus again for livestock feed requirements. The rice component in this food balance sheet still exceeds the increase of the rice requirements of the population.

Increase in production, said Ir Wardoyo, may be attained through improvement in that quality of intensification and expansion of arable land area. He added that there is still room for improving the quality of intensification up to a certain point, besides extending the area for the special intensification and utilizing a special fertilizer.

There are three ways of expansion of arable land, according to Ir Wardoyo, that is, by gradual agricultural expansion related to transmigration, by creating a new field and by a People's Nucleus Food Plantation.

Regarding the transmigration-geared gradual expansion, he said that this would depend on the transmigration program, capabilities of the farmers and other factors.

The irrigation system must also be improved for expansion of the field. It is planned to create 350,000 hectares of field during Pelita III. The government will make all the necessary arrangements in connection with ownership and tilling of the land in order to forestall any obstacles. The system of funding has been revised through advance payment earmarked from the budget of the Directorate General of Food Plantation Agriculture, before bank credit is available. This way it is hoped the question of financing will run smoothly.

9300
CSO: 4213

MOZAMBIQUE AGENCY GIVES TRACTORS TO REVOLUTIONARIES

Maputo NOTICIAS in Portuguese 12 Dec 80 p 1

[Text] The Mozambican Caritas (Catholic Church agency) gave the FRETILIN--Revolutionary Front for East Timor Independence--representatives in Mozambique two tractors and four pieces of agricultural equipment to help in the opening of the future farm of that Timorese group in the zone of Umbeluzi, Maputo Province.

That gift, the first of that type seen up to now, was personally delivered to the foreign relations secretary of the FRETILIN Central Committee, Mari Alkatiri, by the archbishop of Maputo.

Speaking at the time of the delivery of the aforementioned agricultural implements, the archbishop began by praising the government for the way in which it welcomes and provides the conditions for the FRETILIN representatives to establish themselves in Mozambique to live from their own work, developing the cultural values of their own people, who fight for peace and freedom.

The FRETILIN Central Committee secretary, after expressing his thanks for the gift, said: "We are certain that with this type of help the people of East Timor will be able to turn Umbeluzi into a true production center so that in the future, after our country is freed, we shall be able to take something from here we raised through our own efforts."

3908
CSO: 4401

STATUS OF ROAD CONSTRUCTION REVIEWED

Vientiane SIANG PASASON in Lao 11 Dec 80 p 2

[Text] In the last 5 years, the land communications network has been expanded. Along with that, some important sections have been repaired, enlarged and upgraded to guarantee communications from the center to the localities and from inside the country out to the sea. Of these, the national highways are:

Route 9: It is 246 kilometers long of which 35 kilometers has been paved (from Savannakhet to Seno). By the end of 1980, work on enlarging this will have been completed on 24 kilometers. Large bridges have been built to replace old bridges in 69 places with a total length of 1,813 meters. Preparations have also been made to organize road- and large-scale bridge construction units in five places to join with the assistance and cooperation of fraternal socialist countries like Bulgaria, Hungary, Czechoslovakia and Poland. This route can be considered to guarantee communications in both seasons.

Route 13: This route is 1,245 kilometers long (from Luang Prabang to the Lao-Kampuchean border). It is paved from Vientiane to Phon Hong 70 kilometers away. There has also been regular maintenance work. Aside from that, old bridges in disrepair have been replaced in 33 locations.

Route 13: (From Nam Bac to Luang Prabang), 110 kilometers have been broken through to join with Route 1.

Routes 1, 2 and 3 in the north: Some sections of these have been repaired, primarily the parts that had collapsed or eroded. Approximately 48,000 cubic meters have been excavated.

Route 8: This is 144 kilometers long. By the end of 1980, approximately 20 kilometers of the road's surface had been built. Planning, checking and calculations have been completed.

Bridges: Some 511 bridges with a combined length of 13,408 meters have been restored and repaired. These are located on Routes 1, 7, 8, 9 and 13.

Over the past 5 years, the large bridges on which construction has been completed are: the bridge at the Nam Neun River on Route 6, the Nam Mat, Nam Tian (Route 7), the Dong Hene Bridge, the Phalan Bridge, the Se Tamouak Bridge, the Kong Kam Bridge (on Route 9). Another 18 bridges with combined length of 425 meters were rebuilt.

Provincial Highways

Route 42: This route is 64 kilometers long (from Khoua District to Tai Chang). Some 24 kilometers have been paved and some parts have been repaired.

Route 10: This has been restored to a normal condition.

The Nam Neun-Meuang Hiam Route: This is 67 kilometers long and some parts have been repaired for transport in the dry season.

Route 217: This is 65 kilometers long (Meuang Liat Na Naeo) and some deteriorated sections have been repaired.

Route 23: This is 118 kilometers long (Phin District-Saravane) and bridges have been restored and some parts are guaranteed for transport in the dry season. (From Tha Teng to Saravane, a distance of 50 kilometers is guaranteed for transport in both seasons.)

Route 18: This is 194 kilometers long (from Route 13 to the Lao-Vietnamese border) and has been broken through on the portion from Attopeu to the Vietnamese border.

Route 16: This is 150 kilometers long and is guaranteed for transport all year long from Paksong to Pakthon, or 95 kilometers.

The Nong Te-Kampuchean Border Route: This is 102 kilometers long and can only be guaranteed for transport in the dry season.

The Thathom-Chomthong Route: This is 98 kilometers long. It has been restored and can be guaranteed for transport in the dry season.

Aside from this, in the localities, new roads have been opened up. These are:

--The Pak Nam Noi-Meuang Gno route, of which 10 kilometers has been done.

--The route from Route 13 North (Hin Heup) to Ban Don Sanakham which is 760 kilometers long.

--Route 13 to Ban Houai Meun (Savannakhet) has been opened up to a length of 35 kilometers.

--The road from Khok Van to Na Tan (40 kilometers long) has been opened up and is guaranteed for travel for 34 kilometers.

Along with restoration and construction of land communications routes, there has also been an upgrading of riverine transport along the Mekong River from Luang Prabang to Savannakhet. Primarily this has meant the installation of 90 permanent river sign-posts and 236 temporary sign-posts. It has guaranteed barge crossings in all locations, especially at the Tha Na Leng Dock.

Moreover, retaining walls have been built at Thakhek and work has begun on the Keng Kabao Port. Some 30 percent has been completed. Installation has been made

of a system to measure water levels at Houai Khweng and the Km 19 Riverine Transportation School has been built along with four warehouses and residences for workers in the training of the first class.

These successes have done a good job of facilitating the distribution and circulation of goods and travel and is a condition for bringing the new culture to the rural areas.

CSO: 4206

KHANTHABOULI DISTRICT STATISTICS, ECONOMIC DEVELOPMENT NOTED

Vientiane SIANG PASASON in Lao 12 Dec 80 p 2

[Excerpts] Khanthabouli District is located in the center of Savannakhet Province's provincial municipality and lies along the Mekong River. Routes 9 and 13 pass through the center of the district. This district is the focal point of political, economic, cultural and social activity. It has 13 cantons, 124 villages, 13,922 families with a population of 77,992 of whom 41,161 are female.

Agriculture: In 1975 the annual wet rice acreage was 6,786 hectares with 1,166 hectares of upland fields, and over 20 hectares of dry-season rice fields. But in the past 5 years, with deep awareness of the new directions of production and construction in agriculture, believing firmly in the party and state direction and leadership, Khanthabouli District has expanded its annual wet rice crop acreage by 40 percent when compared to that of 1975. Aside from that, so as to protect the forests, Khanthabouli District has reduced the shifting cultivation acreage of 1975 by 70 percent. Along with the single crop of wet rice of the last 5 years, they have increased the planting of wet rice to two crops per year. In the last 5 years, when compared to 1978, [as published] the dry season rice has increased from 20 hectares to nearly 10 times that. Thus, the crops reflect this and gradually meet the needs and are raising the living standards of the people of Khanthabouli District. In the last 5 years, the entire district has taken part in payment of taxes to the state amounting to 1,505.5 tons. Along with doing a good job in agriculture, the entire district has also planted starchy crops. In the last 5 years they planted 76,856 tons of corn seed, 216,561 hills of taro, 375,126 hills of sweet potatoes, 123,217 hills of manioc and 27.2 tons of peanuts and mung beans.

Being aware of the party and state's directive on expanding livestock raising, in the last 5 years this activity has been greatly expanded. In 1975, there were 14,798 buffaloes, by 1980 there had been a 20 percent increase. In 1975 there were 13,385 head of cattle. By 1980 there had been a 15 percent increase.

Banking: Aside from doing a good job in guaranteeing the income and expenditures, in the last 5 years, soldiers, cadres and people have deposited 11, 196 kip of their savings in the state bank.

Trade: In order to guarantee the circulation and distribution of goods between the state and the people who live in remote areas throughout the district, Khanthabouli has further expanded the stores which now number 22. Of those, 11 are canton cooperative and production base stores.

CSO: 4206

ORGANIZATION, PRODUCTIVITY OF STATE FARM NOTED

Vientiane SIANG PASASON in Lao 17 Dec 80 p 2

[Article by H. Phomvilaivong: "Results of Army Settlement 23, Southern Region"]

[Excerpt] Army Settlement 23, Southern Region is a settlement that is famous throughout Champassak Province and throughout the Southern Region. This settlement is located on Kong Toun Hill about 67 kilometers away from Pakse District. Initially, it was established as Production Battalion 401 with seven companies. Production was only on a self-sufficiency basis among the production units. Not very much crop land was opened up until 1977 when the party committee and the regional command, with the approval of the Central Party Military Committee changed the name to Settlement 23. From then until 1978 to 1980, the fame of this settlement gradually emerged. From the step-by-step transformation and construction, the settlement gained the praise and approval of all classes of people as it moved from small-scale production to large-scale collective production as described to me by the responsible comrade:

"From the time it was established to the date it was named Settlement 23, things were not easy at all. In 1977 we divided the production work as follows: There were eight production companies of which 2 were wet rice companies primarily. There was one livestock-raising company and 5 upland field rice companies. There were only 88 hectares of upland fields and 36 hectares of wet rice fields. The harvest was 352 tons. This year there were 17 hectares of corn that yielded 8,646 kilograms. In 1978, a great deal of crop land was opened up for planting. There were 57,800 hectares of wet rice land and 21,118 kilograms of seed was used. The harvest was 55 tons. Sixty-one hectares of corn were planted using 1,364 kilograms of seed. The harvest was 22,600 kilograms. Some 152 hectares of upland field rice were planted using 6,113 kilograms of seed. The harvest was 211 tons. They also planted 9 hectares of manioc in 211 hills. They also planted 15 hectares of sweet potatoes and 8 hectares of man sakhou [translation unknown] using 800 kilograms of seed.

"By 1979, the wet rice area had been increased to 215 hectares and 25,600 kilograms of seed were used. The upland field rice area was 417 hectares and the harvest for both wet- and upland rice was 1,000 tons. Some 80 hectares of corn were planted using 4,080 kilograms of seed resulting in a harvest of 85 tons. They planted 40 hectares of manioc, 18 hectares of sweet potatoes, 10 hectares of potatoes using 12,600 kilograms of seed and got a harvest of 166 tons. They planted 500 hectares in coffee, an increased planting of 300 hectares and harvested 47 tons."

Coming to 1980, an additional 162 hectares in [wet-rice] fields and another 306 hectares of upland field rice were planted, along with 281 hectares planted in tobacco and coffee, 295 for corn, 249 in chili, 3 for pineapple, 20 for potatoes, 10 hectares for old and new tea, and 10 hectares for peanuts and soybeans. The harvest this year will certainly not be disappointing. In terms of overall production, they have increased and expanded things in accordance with the demands of the nation and are constantly forging ahead.

CSO: 4206

BRIEFS

OPEN MARKET, STATE GOODS--Bouaphet, one of several members [as published] of VIENTIANE MAI has written a letter asking the following: The problem of female market vendors with baskets getting into buying goods around state stores and then selling them in the markets... [Answer] As a matter of fact, in the circulation of goods from the people to the state and from the state to the people, we feel that the basket-holders in the markets are still friends of the farmers, so why do you say such things? There is nothing odd about this because at a time when we have still not expanded the trade sector to serve the people and do as good a job of meeting their needs as we should, the problem of the middle-man vendor is likely to arise, as you have pointed out. However, that is only for a while...Resolution 7 of the Party Central Committee clearly states that "in turning private trade into the collective, private trade will be utilized step by step as appropriate to the situation in each phase"...This speaks to the heart of the matter. For the details, you should reread Resolution 7, especially concerning trade matters. [Excerpts] [Vientiane VIENTIANE MAI in Lao 17 Dec 80 p 2]

CSO: 4206

MAJOR CHANGES IN CONSTITUTION ANNOUNCED

Bombay THE TIMES OF INDIA in English 16 Dec 80 p 1

[Article by Mavin Kurve]

[Text] Kathmandu, December 15.

Major changes have been made in Nepal's constitution in a royal proclamation made by King Birendra today.

The long-awaited reforms have given constitutional sanctity to assurances given by the Kng a year ago (before the referendum) that whichever side wins the mandate the statute would be changed to incorporate three major democratic attributes. [as published]

These are adult franchise for all future elections to partyless panchayat bodies, election of premier by elected representatives and accountability of council of ministers to national legislature.

A provision has been made for a council of co-ordination to achieve better rapport among the government's executive, legislative and judicial wings "to unite all countrymen and preserve national independence and sovereignty." At a public rally, the King noted that checks and balances were necessary for democracy between constitutional organs and legislatures, if democracy is not to degenarate into despotism. [as published]

Until new election and new legislature, the Thapa ministry and Rashtriya Panchayat are to continue.

The King, under the new provisions, is empowered to suspend certain articles of constitution relating to the appointment of council of ministers etc. following death, resignation or vacation of office for any other reason by the prime minister "for a period not exceeding three months." Under special circumstances, the King may constitute a council of ministers or "make any arrangement". These powers are over and above the emergency powers of the King already in the constitution.

It appears that the original draft of the constitution has been considerably changed to give verbal and legal sanctity to royal assurances to the people. Also some of the disabilities proposed for those contesting election but not subscribing to the partyless system have been deleted.

As matters stand, the official explanation was that anybody could stand for an election provided he gave a pledge to uphold the constitution and belonged to any of the six class organisations which so far have no specific admission rules.

Multi-party leaders seemed to be willing to consider the new phase in post referendum politics. The banned Nepali Congress partymen are meeting tomorrow to consider the situation arising, according to the acting chairman, Mr. K. P. Bhattarai.

The left Communist leader, Man Moham Adhikari, said his partymen would meet later this week to formulate its plans in the wake of the reforms. The rival Subarna group of the banned Nepali Congress has not yet made up its mind. Its leader, Mr. S. P. Upadhva, said "no comments."

Indian and Foreign brides marrying Nepalese citizens will become Nepalese nationals on renunciation of their original citizenship under the new dispensation.

King Birendra's remark that the third amendment makes "all Nepalese panchas and all panchas Nepalese" at a public rally and his statement that every Nepali national may contribute freely to the overall development are taken as tokens of generous gesture to the dissidents.

CSO: 4220

ENERGY PROGRAM GIVEN PRIORITY

Manila DAILY EXPRESS in English 7 Jan 81 pp 1, 6

[Article by Miguel Genovea]

[Text]

PRESIDENT MARCOS said yesterday that the energy development program will be given top priority by the government this year.

Disclosing his projections for 1981, the President said that energy development is still the main concern of the government because of the escalating prices of crude oil.

After energy, the other projects to be pursued by the government are the 11 industrial projects costing some P6 billion, labor-intensive projects and short-gestation, productive enterprises.

To stimulate economic development in the various regions, the President said the government will determine the appropriate industries to be set up in each region.

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IN THE depressed areas of Leyte and Samar, for example, studies will be made on what other industries are suitable besides coconut and cattle-raising.

"The general idea is to start new economic activities that are labor-intensive and have already been proven profitable in experiments," the President said.

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THE ASEAN industrial project for the Philippines, possibly copper fabrication, will also be pursued this year, the President said.

The government will seek the assistance of Japan and European countries for the ASEAN project, he said.

The establishment of this project is one of the points to be taken up by President Marcos and Japanese Prime Minister Zenko Suzuki when the latter arrives here tomorrow for a three-day state visit.

Construction and tree-farming projects will also be undertaken this year to generate more jobs, the President said.

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THE COUNTRY'S energy development program was compressed from 10 to five years last year because of the rising cost of crude oil.

"We have reached that point in our development where we cannot afford even a moment's hesitation," the President said.

Besides oil exploration, the government has stepped up geothermal, alcohol and coal production, and set up numerous mini-hydroelectric and dendrothermal plants.

This year the Philippine National Oil Company Exploration Corp., the exploration arm of the government-owned PNOC, will drill three wells under an 18-well program until 1985.

The wells will be drilled in the Cagayan basin where encouraging signs of gas deposits were earlier encountered by explorers.

The industrial projects to be undertaken by the government to boost the country's industrial base are copper smelter, phosphate fertilizer, aluminum smelter, diesel engine, manufacturing, cement industry expansion, coconut industry rationalization, integrated pulp and paper, a petrochemical complex, heavy engineering industries, integrated steel mill and alcogas.

CSO: 4220

CADLAO OIL FIELD PRODUCTION TO START IN JUNE

Manila DAILY EXPRESS in English 9 Jan 81 p 9

[Article by Samuel V. Senoren]

[Text] CADLAO field off Northwest Palawan will be put into commercial production in June this year at an initial rate of 9,000 barrels per day, Energy Minister Geronimo Z. Velasco disclosed yesterday.

Velasco said that Amoco which is the service contractor in the Cadlao area is about to complete installation of production facilities in Cadlao.

Amoco will use the subsea development system. Under this method, Amoco will pump oil from Cadlao-1 and Cadlao-3 wells into a storage tanker.

* * *

CADLAO was discovered in 1977 and oil in the area has been graded at 47.7 degrees API.

Amoco had programmed the two wells to produce at least 14,000 barrels per day.

But the experience of Cities Service in the Nido field prompted Amoco to scale down production output.

Amoco officials fear that by going for 14,000 barrels per day production difficulties could arise as was the case with Nido when water seeped into system.

Oil experts say the unwanted water mix isn't really unusual for oil extraction from reefal structures.

In the case of Nido, Velasco said "the reserves are there but we can't pump them out as fast as anticipated."

* * *

AFTER Amoco, the Cities Service group will also put the Matinloc field on stream late this year at an initial rate of about 11,000 barrels per day. The production target at Matinloc is less than the original expected output of 18,000 barrels per day also for similar reasons.

Velasco said that Nido will continue producing at the rate of 3,500 to 4,500 barrels per day. Both the Nido and Cadlao output is expected to fill in about five percent of the country's energy requirements this year.

As of end 1980, Nido produced 12.2 million barrels since production started in February 1979.

On the exploration front, Velasco said that the pace last year is expected to be kept for the rest of 1981.

* * *

LAST YEAR, a total of 21 wells were drilled of which three were oil discoveries and one a gas discovery.

"For 1981, we have forecast drilling of 27 wells of which seven are onshore and 20 are offshore. The increase in drilling this year can be attributed to the aggressive seismic activities conducted in 1980," the energy minister said.

CSO: 4220

RP COTTON SECTOR GETS ADB AID

Manila DAILY EXPRESS in English 5 Jan 81 p 10

[Text]

THE Asian Development Bank (ADB) has extended to the Philippines a technical grant to help the country determine the feasibility of developing the local cotton industry.

Under the technical assistance, the bank will provide a team of experts to conduct the feasibility study.

ADB said, once the study show that the cotton industry should be developed, a project will be formulated to raise financing for the industry.

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THE project will include: (a) the provision of support to smallholders, including provision of farm machinery and equipment, credit and input supply; (b) strengthening of cotton research and extension; (c) the provision of product processing facilities; and (d) the provision of consultant services and overseas training.

The executing agency for the technical assistance will be the Philippine Cotton Corp. (PCC), which will call on the Cotton Research and Development Institute (CRDI), the University of the Philippines Los Banos, and other agencies concerned, to assist in the implementation of the technical assistance study.

CSO: 4220

JAYEWARDENE SPEAKS TO 26TH ANNUAL PARTY SESSION

Bombay THE TIMES OF INDIA in English 22 Dec 80 p 9

[Text] Colombo, December 21.

President Jayewardene yesterday warned opponents of his right-wing United National Party government that if they resorted to unlawful means to topple the government, he would follow methods "not normally resorted to by democracies."

Addressing the 26th annual party session at the Sugathadasa Stadium here, the President said the opposition should realise that the government had received an overwhelming mandate from the people in the 1977 election to implement its policies and programme. "We will implement them, what may come," he added.

Mr. Jayewardene called upon his party to launch its campaign for the 1983 general election now itself, with leading members going from village to village to keep alive the flames of freedom kindled after the 1977 UNP victory.

He said his government was committed to establishing a just and free society in Sri Lanka by protecting all rights, including freedom of speech, expression and publication. It was important for the opposition not to exploit these freedoms or disrupt the government's work through strikes and other means.

India Cited

He said the economy, which was "ruined by the previous regime" was now well on the road to recovery despite problems created by inflation throughout the world and the oil price hike. He cited the example of India where, he said, Rs. 5,000 million more had to be spent on oil imports as a result of the recent price hike.

Observers noted that for the second year running, Mr. Jayewardene's confidante, Mr. N. G. P. Panditharatna, was appointed UNP chairman, thus checkmating sections within it demanding on amendment to the constitution to enable the holding of election of office-bearers. [as published]

When Mr. Jayewardene, who held this post, gave it up on becoming President in 1978, most observers expected the new Premier, Mr. R. Premadasa, to succeed him as chairman. But this did not happen revealing a deep-seated power struggle within the party with an eye on the next presidential election in 1984.

CSO: 4220

FIRST HIGH TECHNOLOGY EXPORT ZONE TO OPEN 15 DECEMBER

OW150403 Taipei CNA in English 0254 GMT 15 Dec 80

[Text] Taipei, 15 Dec (CNA)--The Hsinchu science-based industrial park will be formally opened Monday in Hsinchu in Northern Taiwan. The Republic of China Economic Affairs Minister Chang Kwang-shih and other dignitaries have been invited to address the opening ceremony. The industrial park, the nation's first high-technology export processing zone, was established under the direction of President Chiang Ching-kuo and through the cooperation of the National Science Council, the Ministry of Economic Affairs and the Ministry of Education. Construction of the industrial complex started in 1976. With the establishment of the park, which is considered a milestone in the history of the Republic of China's endeavor to upgrade its technological level, the industrial and technological level here is expected to change rapidly.

Some 14 firms have been approved to move into the park. They include: Wang Computer and Sigma Delta Ltd, specializing in the production of computer systems; Micro Tek International, makers of micro computer systems; General Micro System Corporation and Union Microelectronics Corp, makers of integrated circuits; Sino-American Silicon Products Inc and Advanced Device Technology Inc, makers of semiconductor materials and components; Teco Corp, makers of terminal communication systems; Kuang Yi Co, makers of laser components and laser and optical lenses; Quartz Frequency Technology, makers of quartz filters; and Flow Far East Corp, makers of flow waterknife systems.

CSO: 4220

U.S. ASYLUM SOUGHT FOR ILLEGAL HONG KONG IMMIGRANT

OW151015 Hong Kong AFP in English 0651 GMT 15 Dec 80

[Text] Hong Kong, Dec 1 (AFP)--A group of protesters held the U.S. consulate-general here responsible for whatever might happen to an illegal immigrant whose request for political asylum was turned down by the consulate last Friday.

They made the stand after petitioning the American consulate today on behalf of the refugee.

Lau Fat-sung, 35, attempted suicide by banging his head against a wall inside the consulate after hearing the consulate's refusal, and the tragedy was stopped short only by the marine guards on the spot last Friday.

Earlier Lau had reached Hong Kong by train from Inner Mongolia.

Lau was escorted (?away by) the police pending a decision by the immigration department on whether to repatriate him to China.

After the Friday incident, a group of 280 former illegal immigrants gathered together to raise protests on the grounds that Lau is not an ordinary illegal who came to Hong Kong merely to seek a life of comfort.

"He was classified as a landlord in China and experienced a political purge," said a spokesman for the group.

"All his family died during the land reform movement [words indistinct] to wander across China to avoid being killed. If he is sent back to China, he will surely get into a very difficult situation," the group's spokesman said.

The group would write to President Jimmy Carter to protest against the policy of the American consulate.

Meanwhile Taiwan's human rights association has appealed to the United Nations in a bid to prevent the Hong Kong authorities from repatriating Lau.

The group of protesters and the Free China Relief Association have both urged the American consulate here to change its decision and grant Lau political asylum.

CSO: 4220

INFORMATION INDUSTRY DEVELOPMENT PLANNED

OW170317 Taipei CNA in English 0238 GMT 17 Dec 80

[Text] Taipei, Dec. 17 (CNA)--The Government of the Republic of China may take a series of measures including tax exemption and tariff reduction to help stimulate the fast development of the information industry of this nation, K. T. Li, minister without portfolio, said Tuesday.

Addressing an opening ceremony of the 1980 international computer symposium in Taipei, Minister Li said the government will spare no effort to promote the application of modern technology, especially in the information field, so as to enable people of this nation to meet new challenges.

As development of information industry of this nation has lagged behind that of Hong Kong and other nations, the government is planning to take some concrete measures to encourage development of the industries concerned, Minister Li said, adding, these incentives will be incorporated in the ten-year development plan which is to become effective next fiscal year.

Minister Li said the incentives include tax exemption and tariff reduction. The government will reduce duty on some imported spare parts of the information machinery, and raise tax for those imported which can be produced locally.

Minister Li expressed his confidence in the future development of the information industry of this nation under the joint efforts of the government and enterprises.

The international symposium, sponsored by the National Chiaotung University, was opened at the Chiaokuang Hall with hundreds of experts at home and from abroad participating.

Education Minister Chu Hui-sen also made a speech at the opening ceremony which was presided over by Kubdanan-Huang, president of NCU.

Minsiter Chu reported to the participants the current development policies of the information industry and of this nation.

Participants will read more than 100 papers at the meeting which is scheduled to end Dec. 18.

They are from the United States, Britain, France, West Germany, South Korea, Japan, New Zealand, Australia, Brazil, Thailand, India, Hong Kong and the host Republic of China.

CSO: 4220

BRIEFS

TONGA FISHERY AGREEMENT--Taipei, 15 Dec (CNA)--Governments of the Republic of China and the Kingdom of Tonga have signed a fishery agreement. According to the agreement, Chinese fishing boats are allowed to operate in the 200-nautical mile economic zone announced by Tonga in 1978. Representing the governments of the two nations, Kao Cheng, Chinese ambassador to the Kingdom of Tonga, and Tu'ipelehake, minister of foreign affairs and defense, signed the pact early this month at Nuku'alofa, capital of the kingdom. In order to safeguard the development of this nation's deep sea fishing in the South Pacific area, similar agreements are being negotiated between the Republic of China and those island countries in that region. [Text] [OW170621 Taipei CNA in English 1445 GMT 15 Dec 80 OW]

SOUTH AFRICAN POLICE MINISTER--Taipei, 10 Dec (CNA)--Minister of Police L. le Grange and Chief Police Commissioner M. C. Geldenhuys of the Republic of South Africa visited Ho En-ting, director general of the National Police Administration of the Republic of China Wednesday morning. During the visit, they exchanged views on the police affairs of the two countries. The police leaders of South Africa praised the Chinese police for their high efficiency. The South African officials arrived here Monday for a 5-day visit at the invitation of the Chinese Government. [Text] [OW170621 Taipei CNA in English 1405 GMT 10 Dec 80 OW]

LOAN RATES--Taipei, 16 Dec (CNA)--Despite foreign wire reports on rising international prime rates, the Central Bank of China has decided not to consider readjusting bank lending rates in the Republic of China. At a regular meeting of local banking representatives held recently in Taipei, a Central Bank spokesman said the ceiling of loan rates will be maintained at 16.2 percent annually. The Central Bank's decision meant that domestic banks may charge borrowers for annual rates up to 16.2 percent or under, depending on customers' credit standing, and that loan rates should not exceed that level for the time being. [Text] [OW170643 Taipei CNA in English 0246 GMT 16 Dec 80 OW]

FOREIGN INVESTMENT PROGRAMS--Taipei, 15 Dec (CNA)--The investment commission of the Ministry of Economic Affairs Monday approved a number of applications by foreign and overseas Chinese enterpreneurs for making investments of about U.S. dollars 1.3 million in the Republic of China. Investments will be made

for the production of electronic guns for use in b/w and color TV tubes, precision machinery, diamond saws and other diamond cutting tools, and other products. The commission also approved to applications by foreign manufacturers for technical cooperation with local enterprises for producing chemicals and pharmaceutical raw materials. [Text] [Taipei CNA in English 1412 GMT 15 Dec 80 OW]

ANIMAL FEED FACTORY--Taipei, 16 Dec (CNA)--An l-lycine factory invested by Taiwan Sugar Corp. (Tai-sugar) will be completed and begin operating early next year. The factory should help improve the production of animal feed and reduce the island's dependence on soybean imports. L-lycine is a protein substitute used in animal feed. Japan and South Korean reportedly developed the technology to cultivate l-lycine, but were unwilling to divulge the process. After completion, the plant will have an annual production capacity of 400 metric tons. Tai-sugar invested about NT dollars 200 million in setting up the factory. Tan Hsiang-sun, president of Taisugar, reported that if the plant succeeds in production, the American Cyanamid Co. will consider purchasing the technical know-how. Meanwhile, Taisugar has decided to invest in other ventures, including: --a large-scale meat processing factory; --production of alcohol with molasses for use as a fuel source and; new equipment for its Pingtung Bagasse Pulp Factory to boost production to 300 tons per day. [Text] [Taipei CNA in English 0243 GMT 16 Dec 80 OW]

OFFICIAL TO RIYADH MEETING--Taipei, Dec. 20 (CNA)--The Sino-Saudi cultural and educational relations are expected to be further strengthened in the future, political vice minister Li Mo of the Education Ministry said Saturday. Li made the statement at the Chiang Kai-shek International Airport before departing for Saudi Arabia to attend the third Sino-Saudi Cultural Cooperation Standing Committee conference to be held in Riyadh Dec 22-24. Besides reviewing the implementation of resolutions reached at the previous two sessions, the two sides will also discuss ways on the promotion of university education cooperation, interflow of scholars and students, and holding shows of books and cultural products, Li added. [Text] [OW201459 Taipei CNA in English 1448 GMT 20 Dec 80]

MARKET STABILITY--Taipei, Dec. 19 (CNA)--Premier Sun Yun-hsuan Thursday instructed the Ministry of Economic Affairs and other government agencies concerned to control the factors affecting commodity prices so as to maintain the market stability. Premier Sun gave the instructions after hearing a report on economic situation by Economics Minister Chang Kwang-shih. Minister Chang said that the hike of commodity prices has been affected by the upward trend of prices of imported goods, labor wages, oil, and real estate, and the higher loan interest rate in the black market. However, Minister Chang said, the increase rate of commodity prices in this country is lower than that in Korea, Thailand, the Philippines and Indonesia, although the same as that in Singapore and Japan. [Text] [OW190305 Taipei CNA in English 0243 GMT 19 Dec 80]

HUA RESIGNATION--Tokyo, Dec 17 (CNA)--Chinese communists have accepted resignation of Hua Guofeng and at the same time decided to demote him to a vice chairman of the party, Central News Agency learned exclusively Wednesday. Hua tendered his resignation voluntarily in late November to take responsibility for "failures in carrying out economic and particularly energy policies." He also admitted blunders in following "an extremely leftist course" by strongly advocating "up the proletarians and down the capitalists." Hua in his resignation held himself responsible for the huge budgetary deficits of the Peiping regime in the past 3 years as well as the fast worsening inflation as a result of his administrative failures. [Text] [OW171035 Taipei CNA in English 1022 GMT 17 Dec 80]

TONGA OFFICIAL TO TAIWAN--Crown Prince Tu'ipelehake, minister of foreign affairs and defense of the Kingdom of Tonga Saturday ended his 7-day visit to the Republic of China. Upon Crown Prince Tu'ipelehake's departure, Chu Fu-sung, foreign minister of the Republic of China, saw him off with a military parade at the armed forces airport at Sungshan in Taipei. [Text] [OW141110 Taipei International Service in English 0100 GMT 14 Dec 80]

AUDIT MINISTER'S REAPPOINTMENT--Taipei, 9 Dec (CNA)--Legislative Yuan Tuesday approved the nomination of Chang Tao-ming by President Chiang Chin-kuo as minister of audit for another year. In accordance with the 104th clause of the Constitution of the Republic of China, extension of Minister Chang's tenure of office needs confirmation by the Legislative Yuan. Of the 260 legislators present at a meeting Tuesday, 238 voted for Minister Chang's reappointment. Minister Chang, 72, a native of Hupeh Province, graduated from Wuchang Chunghua University and he had also done research at London University. He served as director-general of the directorate general of budget, accounting and statistics before his present position. [Text] [OW101155 Taipei CNA in English 1335 GMT 9 Dec 80 OW]

LONG-TERM COAL PURCHASES--Taipei, 9 Dec (CNA)--The state-run Taiwan Power Company (Taipower) recently disclosed that it will purchase the fossil fuel from overseas by signing long-term supply contracts rather than on the spot market to ensure an adequate supply of coal. This year, Taipower has already signed contracts with South Africa for 2 million tons of coal, and 6 contracts with the United States for 20 million tons. A contract for an undisclosed volume has also been initialed with Australia. In addition, Taipower has invested in one South African mine, one Australian mine and two American ones. Discussion of joint exploration of two Canadian mines is also underway. Taipower hopes that installed capacity of coal-fueled thermal power plants will account for 36 percent of electricity needs by the 1990s, up from the current 12 percent. The island's demand for coal is expected to jump from this year's 3 million tons to 50 million tons by the end of the century. [Text] [Taipei CNA in English 0244 GMT 9 Dec 80 OW]

DEVELOPMENT GROWTH--Taichung, Central Taiwan, Dec. 15 (CNA)--Unless the island's family planning program becomes more successful, the Republic of China's population growth, currently maintaining at the annual rate of 1.9 percent, will be an obvious deterrent to social and economic development.

Taiwan's population density, recorded at 485 persons per square meters, is the second highest in the world, next only to Bangladesh, according to Sun Teh-hsiung, director of the Taiwan Provincial Family Planning Research Institute. In a recent report, Sun said that an estimated 1.9 percent increase in population means Taiwan will have an additional 340,000 persons each year, adding that the population growth must be controlled under a level on a par with the advanced countries. Sun cited the population growth rates in advanced countries--the United States 0.7 percent, Japan 0.9 percent, France 0.04 percent. [Text] [OW150330 Taipei CNA in English 0252 GMT 15 Dec 80]

CSO: 4220

LAMPANG GOVERNOR CONCERNED OVER CPT ACTIVITY

Bangkok BAN MUANG in Thai 14 Dec 80 pp 1, 2

[Text] Lampang communist terrorists "show their mettle," expand territory to become "liberated zone" from Sermngam to Chao Hom and to Hang Chat districts. They have gone there to control tin mining and clandestine cutting of trees to the point where officials dare not exercise their authority. The governor admits that these problems are forcing the government agencies directly responsible to take action to correct the problems.

News reports from Lampang Province yesterday (13 December) state that the Mae Liang Mine in Sermkhwa Subdistrict, Sermngam District is another tin mine in the north which has become a liberated zone. Government officials, whether police or administrators, cannot go there to take care of things as they used to because the villagers who had gone there to dig the ore have joined the communists, creating a tense atmosphere in the mines. The miners have organized watch shifts to prevent attacks by officials and are ready for combat at all times.

News reports stated that prior to the villagers' cooperation with the other side, the communists had infiltrated. This began after the 6 October 1976 bloodshed. They have made all-out attempts to persuade villagers in nearby areas and miners to join a united front. Regardless of what the villagers do, the communists will render all-round aid, while at the same time disseminating their doctrine. It appears that there are some villagers who become followers of the communists, but there are also quite a few who know what is going on and try to distance themselves, but they are threatened by the communists to the point where they have to flee. There is evidence that dozens of households in Ban Pong Pa Pi in Sermngam District have abandoned their village to flee to safety, leaving the village empty.

Reports state that after they met with failure in their propaganda, the communists began a new plan to create violence. On 25 November a communist armed force attacked a suppression police task force house whose higher headquarters had sent them to investigate the clandestine cutting of wood which was destroying the forests in the area of the Mae Liang mine. The result was that Pol MSgt Chalerm Keopinchai and two villagers were shot and killed. Aside from this another two policemen, MSgt Sombat Sutawong

and Private Suthep Duangkeo were seriously wounded. The communists burned the bodies of the dead and seized government weapons including M-16's, NATO .05's and .357 pistols from the victims.

These events made the villagers who went there to mine ore turn to the communists indirectly because they were accused of killing the police officers. When they withdrew, their lives were threatened. Left with no choice, the villagers had to cooperate with the communists. As a result of the assassinations of police and villagers, the communists have been even more active and have been expanding their zone of operations to many places. There are also reports that they are operating in Chae Hom District and Hang Chat District.

It has reached the point of combat with officials in Chae Hom District. In Hang Chat District, they are gathering supplies because this is the harvest time. There are reports that a communist supply cache was discovered accidentally by a worker of the Thawi Phon Construction Corporation of Mae Mo, a government contractor building high-tension concrete electric power poles from Ban Thung Kwian, Wiang Tan Subdistrict, Hang Chat District to Chieng Mai. The worker was using a tractor to plow land near a creek only 200 meters from Km 34 on the Kampang-Chieng Mae highway. Buried there were 18 20-liter plastic containers filled with milled rice. Each container was tightly sealed to prevent moisture. Following the discovery, instead of reporting it to officials, the worker reburied the goods, giving the reason that he was afraid of the communists' influence. Not many days later, the communists moved those supplies to be hidden elsewhere.

BAN MUANG reporters met with Mr Samruay Phungprasit, Kampang governor to discuss these issues and their solution in the morning of 11 December. He said that the Mae Liang mine situation had been known for some time prior to his taking up his duties. It is possible for things to be that way because it borders on Thung Hua Chang Branch District of Lamphun Province where the communists are operating.

The Lampang governor further pointed out that in terms of preventive and corrective measures, Headquarters 371 with Pol Col Wirun Pheunsaen, deputy commander for direction of the 3rd BChPh [?3rd Army Region] as the chief of the unit directly responsible is working on the problem with the close coordination of the provincial authorities.

CSO: 4207

CPT FORCE HITS CHUMPHON OUTPOST

Bangkok DAO SIAM in Thai 15 Dec 80 pp 7, 8

[Text] At 0400 hours on 8 December 1980 Pol MSgt Erp Kertnet, of the Ban Khuam Subdistrict Police Station, Lang Suan District, Chumphon Province reported to Pol Sub Lt Udom Chaimongkholrat, the duty officer at the Lang Suan District, Chumphon Provincial Police Station that at slightly after 0200 hours approximately 100 communists staged an armed attack on the subdistrict police station and the police houses. He returned the fire but thought that the police were outgunned and so tried to find a way to flee so as to report the incident and ask for immediate assistance.

Pol Sub Lt Udom received the report and passed it on to Pol Maj Chalin Wichaidit, the chief inspector of the Lang Suan District Police Station and radioed to the command to inform Pol Col Chayan Chumwisut, the police superintendent of Chumphon.

When Pol Maj Chilin Wichaidit [as published] received the report, he alerted a number of policemen who traveled by motor vehicle to the scene of the incident. However, when they reached the Phetkasem intersection to enter the police barracks at Ban Khuan, the roadway was partially concealed in places by dense forest and travel was difficult. They feared it would be dangerous and so left their vehicle with the villagers. The police then walked approximately 6 to 8 km until nearly dawn at which time they reached the clearing around the area of the barracks. They discovered that one of the barracks buildings, the residence of the subdistrict police chief, and 10 police residences were burned to the ground by the communists. They then discovered the bodies of Pol MSgt Neuang Buachakeo, Pol MSgt Kanok Laisanthat, a boy named Wanna (em) Keonapho, age 1, the son of Pol Sgt Suthon Keonapho. Sgt Suphan was seriously wounded by the communists as was Mrs Noo Laisanthat, the wife of Pol MSgt Kanok. Aside from that, Pol Pvt Phisan Rengrabam and another officer were wounded but not seriously.

Pol Maj Chalin ordered the wounded policemen sent to the Chumphon hospital and sent the bodies by pick-up truck to await the families' funeral arrangements at the Wat Prasatnikon in Lang Suan District.

From investigation by police and those living close to the barracks it was learned that during the day of 8 December, two young women had come to sell barbecued chicken at the Ban Khuan intersection at the police barracks and residences. The women had said that they had come from the Lamae District market. This made the police and villagers suspicious that they might be communist agents. Boonleuan Daoreuang, the subdistrict police chief ordered the police to go on the alert and he himself did not sleep in the barracks, but went on the alert underneath it. At a little after 0210 hours he heard a dog barking and at that same moment the sounds of the communists firing. They fired many different kinds of weapons and hundreds of rounds at the barracks and residences in a deafening blast. Boonleuan then ordered his subordinates to fight to the end. They fought for about 30 minutes before giving up in the face of the communists' superior force and weaponry as his subordinates were cut down by communist fire before his eyes. When Boonleuan announced the surrender, it was not known where additional gunfire was coming from. This made the communists think that the officers were firing at them and the communists fired another two bursts and the cries of surrender from the officers made the communists cease firing. When they saw that police resistance had ended, the communists entered the barracks to collect radios and government weapons. They then rounded up the policemen, keeping them in the residence of Pol Sgt Seri Chuayphikul who pleaded with the communists to allow his wife to remove just a few possessions from the home. The communists then poured oil they had prepared and burned the buildings to the ground. They fired weapons to scare the police and then withdrew in the direction of Lamae District. In the morning of 9 December, the police checked the area of the barracks and found one carbine belonging to the communists, serial number 5553354 and one 30-round magazine. There were many blood trails leading to the back of the barracks and to a rubber plantation. It is thought that at least four or five of them were killed by the police. They also found hundreds of shell casings.

CSO: 4207

EX-SOCIALIST PARTY CHIEF CALLS FOR ECONOMIC REFORMS

Bangkok BAN MUANG in Thai 15 Dec 80 pp 1, 16

[Text] Yesterday at the Royal Hotel, the Social Democratic Party arranged a discussion on "Problems of the Economy and Their Solutions." The party leader of the Social Democratic Party, Col Somkhit Srisangkhom; Sunthon Thaisai, Nakhon Ratchasima MP in the Social Action Party; Sutham Saengprathum, former secretary-general of the National Students' Center of Thailand, and Khomsan Phonsutham participated in the discussion. A fair number of people were in attendance.

Colonel Somkhit Srisangkhom said that economic problems are long-standing issues because economic development is based on freedom. Material wealth is in the hands of the minority. He said the important factors in people's lives such as agriculture, industry and money and banking lies in the hands of a small number of families. In agriculture, aside from farmers being taken advantage of by capitalists, they must make their livings catch-as-catch can. Although it can be said that they are the backbone of the nation, it is a backbone that is disintegrating by the day. In comparison with other countries, the government gives them very little assistance. A survey of farmers' living conditions of 40 years ago and one of today reveals very little difference. There is only increasing indebtedness. The reason for this is because the farmers must depend on the middle-man who mercilessly exploits them. Farmers sell their crops without getting the full benefit and the profits fall into the hands of middle-men from the local merchant to the few exporters who get rich. They then take the money abroad. The government's rice price supports are an after-the-fact solution.

Colonel Somkhit also said that the sugar and oil industries have also fallen into the hands of just a few people. No one knows how the figures are manipulated because the properties are in the hands of those individuals. Financial and banking matters are a most important factor. If things are bad there, it is difficult to develop the economy. The circulating money of the people in the hundreds of thousands of baht are used by the merchants and bankers for manipulative purchases of goods which are hoarded and then sold at exploitative prices. Even the prime minister himself has appealed to the merchants and bankers to have pity on the poor people. This is certainly a big fraud because in this world, no one does this. The merchants have a big laugh when they hear this.

Colonel Samkhit put forth a suggestion for a solution saying that the important thing is that the framework is [based on] freedom, because the means of production in all sectors of the economy are in the hands of a few. Therefore, the social structure should be changed. The government should take over in whatever has an impact on the lives of the people, such as the matter of oil.

Sunthon Thasai, the MP from Nakhon Ratchasima said that the economic problems Thailand confronts now, in particular, the high prices of goods, in all probability comes from two sources: first of all because the resources and abundance of cereals are decreasing while the population is increasing. Another reason is that economic system is not arranged properly. From the Petroleum Authority of Thailand's figures, Thailand pays 6 trillion baht per year for oil, but the entire country's agricultural product is sold for only 43 trillion baht. Next year, it will be necessary to increase purchases to 7 trillion baht which is more than one-half of the entire national budget of 140 trillion baht. This is taking the money earned by the sweat of the farmers and using it for the pleasures for only one group.

Sunthon also said that our economy is dropping because we are following the behinds of the Americans. When OPEC punishes the United States, we get clobbered also. Another problem is the unfair distribution of income. The more the nation develops, the richer the minority gets. The majority who are farmers, get poorer. The construction of roads into the rural areas looks as if it were done to give the capitalists a chance to depress prices and exploit the farmers with even more facility because the farmers are unable to set the prices for their own products.

Khomsan Phonsutham said that several years ago the Statistical Institute reported that the lowest income of the population of Srisaket Province was 1,800 baht per person per year. After the economic team came in to fix things, the people's income dropped to 1,000 baht per person per year. It is not known how these people can live on an average daily income of only 2.70 baht. They must be the most patient people in the world. The [Boonchu] economic team has said that it would solve the economic problems within 6 months. Now that the time is up, they have taken off their clothes to cover their face.

CSO: 4207

MUSLIM STUDENTS HOLD DEBATE ON ISLAMIC AFFAIRS

Bangkok TAWAN SIAM in Thai 12 Dec 80 pp 1, 16

[Text] Thammasat University Muslim students organized a debate on "The Situation in the Muslim World." They forecast that before long, Saudi Arabia will have events like Iran because it has many resources given them by God which must be distributed throughout the world, and not just be kept for the upper levels of the ruling classes, making them richer and richer.

Yesterday afternoon (11 December) the Thammasat University Muslim Students organized a debate on the topic "The Situation in the Muslim World" on the occasion of the "10 December Thammasat Experts" in the A.T. room. Taking part in the debate were Mr Ong-at Khlamphaiboon, Mr Kamol Khemthong, Mr Aphinan Buranaphong, Mr Kulit Chalermthai, Mr Yuthaphum Sakkitticha and Mr Sanan Santiya.

Aphinan started things off by saying that Islam is a way of life given by Allah to mankind which governed all aspects of life whether political, economic or social. The world is divided into two large camps: communist and free, but Muslims only hold to the Islamic way. It seems as though Muslims are in conflict with both great powers. The original cause of that is the loss of Muslim military power under the dictates of imperialism, but the Muslim people still hold to their beliefs and will never follow any leader of either major power. The reason for this is because they hold firmly to the belief of separating religion from politics. Although there are constant conflicts, Islam holds to the thought given it by Allah. When another belief comes along Islam rejects it, whether free or communist. Therefore, in viewing events in the Muslim world, it is necessary to view them as a Muslim would. Problems in the Muslim world must only be given to those who live in the Muslim way of life to solve.

Kamol Khemthong stated that there are two major Islamic sects which has caused conflict in the Middle East between Iran and Iraq. Khomeyni, the Iranian leader who is a Shiite, says that the Iraqi leadership of another sect are infidels. He is trying to draw the Iraqi people, mostly Shiites into Middle Eastern chaos. This is a result of the great power Soviet Russia

wanting to have influence while the United States is striving to safeguard its interests: oil. There is also a struggle in an effort to provoke the Muslim nations into fighting each other so that they will be weak and then they will intervene. The Libyan leader submitted a letter of protest to Saudi Arabia which allowed U.S. spy planes to be based there. This tarnished Mecca's reputation. The Saudi king responded that Libya is a tool of Israel that will destroy the Arabs.

Mr Ong-at Khlamphaiboon, the foreign news editor of the CHAO THAI [THAI PEOPLE] newspaper said that aside from the internal conflicts of the sects, there are other matters that bear watching. For example, after the United States lost its power in Iran, it tried to change its role again, because it had once been successful: following the overthrow of the Shah's regime, it brought the Shah back to rule for a long time. The United States and its lackeys are short of oil, so they must make the effort. However, in some of the events, the Soviets are likely to have had a part, because the Russians want to come into Iran to use the Strait of Hormuz to keep in touch with Africanistan [as published]. As for the events in Iran, Iran is the first nation to promulgate Islamic law, which if successful, will awaken Muslims in other nations and the great powers will intervene.

CSO: 4207

EDITORIAL SUPPORTS OPENING OF EMBASSY IN IRAQ

Bangkok SIAM RAT in Thai 12 Dec 80 p 5

[Editorial: "Something That Must Be Done Quickly"]

[Text] A SIAM RAT news item in the 11 December issue reported that Sa'dun Hammadi, Iraqi minister of foreign affairs would be visiting Thailand between 15-19 December. If true, it would be a very good occasion, although these reports have not yet been confirmed by the Ministry of Foreign Affairs.

The reason we say it would be a very good occasion is because there can be discussions, in particular concerning the problems of Thais working in Iraq who are stuck there. There are reports that they are in great difficulty: They are unable to return to Thailand because no one will take responsibility.

There are reports that there are a total of approximately 5,000 Thais who have gone to work in Iraq. But when the war started there, some of the Thais tried to find ways to flee. Some have fled to Turkey. As of now, there are about 3,700 Thai workers who cannot return to Thailand: in the first place because the contractual agreements with the companies have not been completed and because of outstanding obligations to the employment agencies. Therefore, it should come as no great surprise that these people are stranded there, threatened by war. Some Thais have already lost their lives in the war between Iraq and Iran.

From reports by "Tun Sirikulphiphat" in the story "Treading on Arab Lands" in the newspaper THAI RAT, it is known that most of the Thai workers going to Iraq did not pass through the examination process of the Labor Department. These workers have been badly taken advantage of by employers: Wages are insufficient, with no fringe benefits or else they do not get overtime pay in accordance with generally applied international labor laws.

There are only a few who have gone through the Labor Department who are in good shape. Those people go abroad after they have been approved by the Labor Department.

It would be easy to solve problems with Thais in Iraq if Thailand were to open an embassy in the Iraqi capital.

At present the only place where there are Thai officials with responsibility for Thais in the Middle East is Riyadh, Saudi Arabia. This embassy does have a labor attache, who is overwhelmed with work in having to take care of Thais who have gone to work in various countries of this region and it appears that this oversight responsibility is not being done thoroughly. This has made the problem one in which we should ask why the government is paying so little attention. These [workers] send home a lot of money every year.

During the Iraqi foreign minister's visit, we take this opportunity to suggest to the Thai Government that in open discussions,in the first place to urgently find ways to help hardship-stricken Thais return home. In the second place, Thailand must find a way to open an embassy in Iraq right away to safeguard the interests of the Thais, because the [Arab] side opened an embassy in Bangkok about 2 weeks ago.

CSO: 4207 END

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OPPOSITION PARTIES HOLD JOINT CONFERENCE

Dacca THE BANGLADESH OBSERVER in English 8 Dec 80 pp 1, 12

[Text] The two-day National Democratic Convention (Jatiyo Ganotantrik Convention) of four opposition political parties began in Dacca at the Ramna Green on Sunday with a declaration that they would forge unity to form a single party which would take the final shape at the convention.

The components of the convention are: NAP (Mirza Zahid), JAGMUI, Gano Front and a faction of the UPP which is in favour of the merger.

Addressing the inaugural session the speakers pledged to forge greater unity among the patriotic and democratic forces to establish democracy and exploitation-free society in the country. They also called upon the people to resist the local agents of the "imperialist and expansionist forces" to consolidate national independence and sovereignty.

Mr Nurul Huda Mirza, Convenor of the convention presided over the function and Haji Mohamed Danesh inaugurated it. Mr. Sirajul Hussain Khan Mr. Mohammad Toaho MP of Bangladesher Shaymabadi Dal, Mr Tajul Islam of Bangladesh Chhatra League (Prodhan) Mr Bimal Biswas and Mr Iqbal Hussain Vice-President of the student front of the Jatiyo Ganotantrik Convention addressed the meeting.

Haji Danesh called upon the patriotic forces of the country to foil the evil design of those conspirators who are trying to foil the country's independence and sovereignty.

Mr Nurul Huda Mirza said that the main aim of the Jatiyo Ganotantrik Convention was to resist and remove the bureaucratic, feudal and comprador forces of the country. The changes of governments during the last ten years did not change the fate of the people of the country, he said.

Mr Sirajul Hussain Khan explaining the purpose of the convention said that four political parties had been united together to give its political programmes.

The delegates who came from different areas of the country later brought out a big procession which paraded some of the city streets.

The inaugural session was followed by a cultural function.

CSO: 4220

TEXT OF FOREIGN MINISTER'S SPEECH ON PALESTINE

Dacca THE BANGLADESH OBSERVER in English 8 Dec 80 pp 5, 6

[Speech by Professor M. Shamsul Huq, minister for Foreign Affairs, Government of the People's Republic of Bangladesh, at the Institute of Law and International Affairs 6 Dec 80]

[Text] It is indeed a matter of great personal satisfaction for me to have the opportunity of addressing this distinguished gathering on one of the crucial problems of the contemporary world, namely the Problem of the Palestinians. My sincere thanks go to the members of the Bangladesh Institute of Law and International Affairs for organizing the meeting. We are today passing through a most critical juncture in the history of the world, in particular of the Islamic World. We cannot help recalling with deep dismay and anguish that the fundamental values and human rights which form the basis of the very existence of our civilized planet stand in jeopardy. The flagrant injustice and naked aggression committed by the Zionist entity against a whole race, the Palestinians, constitute a gross violation of human rights international law and the resolutions of the United Nations, the Non-aligned Movement and the Islamic Conference. The Zionist aggression is an affront to all humanity and a threat to world peace and security. The Palestinians are, indeed, the victims of a grim tragedy surpassing even the tragedy the Zionists suffered at the hands of the Nazis. Forcibly evicted from their own homeland they have been subjected to brutal atrocities aimed at their annihilation as a national entity.

The problem of the Middle East is no doubt most complex and the events in the region tend to move with an often bewildering swiftness. During the last sixty years, a series of development, such as the now infamous Balfour Declaration, the subsequent creation of a Jewisrh state in spite of the protestations of the entire Arab World and the hurried withdrawal from Palestine of the British mandate authorities, the 1967 war and the October war of 1973, constitute the main episodes in the making of the tragic and chequered history of the Middle East. [as published]

It would perhaps be appropriate to recapitulate briefly the events leading to the tragic eviction of the Palestinians from their ancestral homes. The Near East was for centuries under the Ottoman rule which ended with the collapse of the Ottoman Empire after the First World War. The Anglo-French Declraration of 1918 guaranteed the establishment of national governments and administrations of their own choice by the peoples of this region. [as published] To the utter surprise and shock of these native populations, the two colonial powers divided this region

and placed it under their colonial mandate. The origin of the Palestine problem as an international issue thus lies in events occurring during and after the First World War. The Mandate was meant to be of a transitory nature until Palestine attained the status of a fully independent state. But, in fact, the mandate's historical evolution did not result in the emergence of Palestine as an independent nation. Britain, as the administrator of the mandate over Palestine, endorsed in 1917 the Zionist aim of a Jewish national home (the Balfour Declaration). As a result, a non-Arab and non-Mulsim community gradually established itself in the heart of the Arab world. The Palestinians, whose forefathers had inhabited this land for virtually the two preceding millenia were forced into exile and eventually the Zionist state was created in clear violation of the natural and inalienable national rights of the indigenous people of Palestine.

Three decades ago, the Palestinian people belonged to one country with its distinctive geographical, political and cultural identity. During the subsequent years, the Zionist regime perpetrated new acts of aggression through annexation, by force, of additional Arab territories and unleashed a reign of terror, death and destruction. There are today about 4 million Palestinians the majority of whom are living in exile., More than 650,000 Palestinians live in squalid overcrowded camps scattered across the Middle East. This gifted race is blessed with a wide array of talents and has produced eminent artists, poets, doctors engineers and scholars. Their industry and zeal for learning has earned them both fame and respect in intellectual and academic circles the world over. It is indeed most heart-rending that the vibrant Palestinian people are today deprived of their basic human rights.

There have been various attempts to bring about a solution of the complex problem of the Middle East. The United Nations has been engaged in a continuing search for a solution to this problem which is potentially a major threat to world peace. In the course of this search, a large majority of the member states of the United Nations have recognized that the Palestine issue continues to lie at the heart of the Middle East problem and constitutes the most serious challenge to the fulfilment of the charter obligations of the UN for the preservation of international peace and security.

Involvement of the United Nations: Britain referred the problem of Palestine to the United Nations in 1947. The UN General Assembly created the U.N. Special Committee on Palestine (UNSCOP) in May 1947 which produced a very complicated partition plan for Palestine--three Arab and three Jewish segments linked in a sort of economic union with Jerusalem under international trusteeship. This partition plan was accepted by the Jews but naturally rejected by the Arabs, as it deprived the Palestinians of their right to fully exercise self-determination on the whole of their national soil. Fighting therefore started and in the October war of 1948 Israel occupied further Arab lands. By the end of 1948, the war was virtually over. Palestine and Jerusalem itself had been partitioned by the verdict of arms and during the first half of 1949, armistice were effected between Israel and four Arab states--Egypt, Lebanon, Syria and Jordan. By 1949, the Zionists had secured their sovereign state by force and started consolidating their gains. The Arabs including the Palestinians launched an all out boycott of the illegally established Jewish entity in the heart of the Arab land.

In 1967 Israel launched a full-scale aggression against Egypt Syria, Jordan the West Bank and the Gaza strip and occupied the whole of Palestine including

Jerusalem and parts of Egypt and Syria. The Zionist forces however did not rest after occupation of the Arab land forcibly; they started taking measures to change the physical demographic and cultural character of the Holy city of Jerusalem and establishing illegal Jewish settlements in the occupied territories with a view of judaization of the illegally occupied Arab territories.

The Security Council called for the withdrawal of Israeli forces from the occupied territories and a just settlement of the "refugee" problem, but unfortunately failed to deal with the Palestine question directly (resolution 242 of November, 1967). On May 21, 1968 the Security Council adopted resolution 252 affirming that all legislative and administrative measures and actions taken by Israel including expropriation of land and properties thereon, which tended to change the legal status of Jerusalem were invalid. The Council also called upon Israel to rescind all measures already taken and to desist forthwith from taking any further action which tended to change the status of Jerusalem. The Security Council reiterated this call in subsequent resolutions.

The Palestinian Liberation struggle entered a new era in 1970 when a resolution was adopted for the first time by the General Assembly providing for the right of the Palestinian people to self-determination. In resolution 2628--(XXV) adopted on November 4, 1970, the General Assembly recognized that respect for the rights of the Palestinians was an indispensable element in the establishment of a just and durable peace in the Middle East.

The Palestine problem entered a new phase in 1974 when the UN General Assembly adopted a resolution agreeing for the first time to deal with the question in its totality: not only in its humanitarian manifestations but also in its juridical and political contexts.

The General Assembly went further by recognizing the Palestinian Liberation Organization as the sole and legitimate representative of the Palestinian people. In October 1974, the General Assembly, considering that the Palestinian people were the principal party to the question of Palestine decided by its resolution 3210 (XXIX) to invite the PLO, the representative of the Palestinian people, to participate in the deliberations of the General Assembly on the question of Palestine. In the same year, the General Assembly reaffirmed the inalienable rights of the Palestinian people in Palestine including (i) the right to self-determination without external interference, (ii) the right to national independence and sovereignty and (iii) the right to return to their homes and property from which they had been displaced and uprooted. It also granted the PLO the status an observer and the right to participate in its deliberations in that capacity. [as published]

We however note with great regret and disappointment that despite U.N. resolutions both in the Security Council and the General Assembly, Israel has continued to flout with impunity international opinion and move ahead with its illegal policy of judaization through building settlements in occupied Arab territories. This systematic disregard of the international low and opinion was put into the focus of world attention with the submission of a report in February, 1980 by the Commission of the Security Council established under resolution 446 (1979) to examine the situation relating to settlements in the Arab territories occupied since 1967 including Jerusalem. [as published] On March 1, 1980 the Security Council adopted unanimously Resolution 465, the operative paragraphs of which stipulated that all

measures taken by Israel to change the physical character demographic composition, institutional structure or status of the Palestinian and other Arab territories occupied since 1967, including Jerusalem have no legal validity and that the Israeli policy and practices of setting parts of its population and new immigrants in those territories constituted a liargrant violation of the Forth Geneva Convention and a serious obstruction to achieving a comprehensive, just and lasting peace in the Middle East. In its Resolution 478 of August 20, 1980 the Security Council censured Israel in the strongest terms for her enactment of the so-called "basic law" on Jerusalem which has altered or purported to alter the character and status of the Holy city and declared the "basic law" as null and void.

This sinister Israeli move to make Jerusalem as her "eternal and undivided" capital under the cover of an illegal law is not only outargeous and preposterous it is also an affront to the sentiments of Muslims and Christians alike all over the World. [as published] This insolent and impetuous act on the part of Israel has awakened the Islamic world to a new sense of urgency for concrete action and determination.

Palestine Problem and OIC: As you are aware, the idea of the Islamic Conference was born out of the Jerusalem issue at the First Islamic Summit Conference in Rabat in September 1969 convened following the desecration of the Holy Al-Aqsa mosque in August 1969 by the evil Zionist forces. Though the organization of the Islamic Conference has since grown and encompasses a whole gamut of socio-economic political and cultural matters, the Jerusalem and Palestine problem still continue to remain at the centre of its attention. [as published]

The concern of the members of the OIC over the Palestine problem in general and the continued occupation of Jerusalem by Israel has led to certain concrete steps by them. At the 6th Islamic Foreign Minister's Conference of OIC held in Jeddah in 1975, a Permanent Committee on Jerusalem was created to coordinate efforts of the Islamic countries for the solution of the Palestinian problem including the restoration of the Holy city of Jerusalem to its Islamic and Arab sovereignty. Bangladesh was elected a member of the Jeruslaem Committee at the 9th Islamic Foreign Minister's Conference in Dakar. This Committee was upgraded to the Ministerial level with the King of Morocco as its Chairman at the 10th annual meeting of the Islamic Foreign Ministers' held Fez in 1979 at the instance of king khaled. [as published] As a further important step in this direction the Extraordinary Session of the Jerusalem Committee held in Casablanca in August 1980 set up a 3-member Committee of Head of States consisting of the King of Morocco and the Presidents of Bangladesh and Guinea to evolve a new strategy to liberate Al-Quds Al Sharif and to restore to the Palestinians their inalienable national rights.

The first meeting of the Summit Committee was held in Rabat on November 6-8, 1980. The President of Bangladesh who has all alrong taken a keen personal interest in the Palestine problem presented a concrete action-plan for the solution of this problem. [as published] The Committee is scheduled to meet again shortly to finalize its strategy.

Middle East Problem and the Non-aligned Movement; The Non-aligned Group also played an important role in efforts to find a just and durable solution of the Middle East problem. The Algiers meeting in 1974 included a comprehensive Declaration on

the Middle East demanding the unconditional withdrawal of Israel from all occupied Arab territories and restoration of the Palestinian people's national rights including their right to self-determination as indispensible pre-reffuisites for durable peace in the Middle East. [as published]

The Colombo Meeting of 1976 stressed for the first time the Non-aligned countries' support for the preservation of the national, religious and spiritual values of Jerusalem and regarded all annexation measures taken by Israel as null and void. The Havana Summit of 1979 also reffirmed that no just and durable peace can be achieved in the Middle East unless the Palestinian question is considered as the crux of the problem. [as published] It reaffirmed the right of the Arab countries and the PLO to continue their just struggle in all forms to achieve the liberation of their occupied territories and the realization of the inalienable rights of the Palestinian people and to take all steps to oppose all compromise solutions which ignore those rights.

We are happy to note that there has been a very marked shift in the West European opinion towards the Palestinian issue in recent months. The European States now appear to be inclined to recognize the Palestinian right to self-determination. France has formally endorsed the participation of the PLO in the peace talks and the Palestinian people's right to self-determination and so has Belgium. The EEC also recently underlined the importance of the PLOs participation in any talks involving the Middle East issue.

The position of Bangladesh on the Palestine issue has been clear and unambiguous. She has always expressed her complete solidarity with her Palestinian and Arab brethren in their struggle and lent her full support to their just cause of regaining from Israel all illegally occupied Arab territories including Jerusalem and the restoration of the inalienable national rights of the Palestinians including their right to a State of their own. This principled position has consistently been reflected in the Security Council the U.N. General Assembly, the Non-Aligned meetings, the Islamic Conference, and in our statements on various occasions. Bangladesh has been observing 21 August each year in a befitting manner as the Day of Jerusalem and Solidarity with the Palestinian people. This year, Bangladesh also issued a commemorative stamp on this occasion. The Hon'ble President of Bangladesh sent a special message to His Excellency Chairman Yasser Arafat reiterating Bangladesh's solidarity with her Palestinian brethren. [as published] A similar message was sent by the Bangladesh Foreign Minister to Mr. Farouk Kadhumi Head of the Political Department of the Executive Committee of PLO.

We have time and again, underscored in no unmistakable terms the paramount importance of the immediate vacation of Israel from all illegally occupied Arab lands including Palestine Jerusalem that is Al-Quds Al-Sharif as a pre-requisite for a lasting and durable peace in the Middle East.

Today, the need for closer cooperation among the members of the Islamic 'Ummah, politically and economically, has assumed a new urgency. The success of the efforts of the world in general and the Islamic nations in particular for a comprehensive and just peace in the Middle East depends on our united efforts and determined will.

I am confident that the day is not far off when the cause of justice will triumph, our Arab and Palestinian brethren will regain their lost lands and the legitimate rights of the Palestinian people will be fully restored to them.

May Allah help and guide us along the path of victory, long live Bangladesh and Palestine friendship.

CSO: 4220

SCIENCE MINISTER CALLS ENERGY PROBLEM 'ACUTE'

Dacca THE BANGLADESH OBSERVER in English 8 Dec 80 pp 1, 12

[Text] Dr R A Ghani State Minister for Science and Technology, said in Dacca on Sunday that the energy problem in the country was too acute and "we are stepping into a crisis level" soon reports BSS.

He said this was due to noncommissioning of any new power generating plants during the last ten years.

The Minister was speaking as the chief guest at a seminar on "utilisation of solar energy" held at the Chemistry Lecture Gallery at the Curzon Hall premises. The seminar was jointly sponsored by the Department of Applied Physics and Electronics and the Bose Centre for Advance Study and Research Dacca University. [as published]

Prof M. S. Huq of Applied Physics Department was the key note speaker while Prof Fazlul Halim Chowdhury Vice Chancellor Dacca University was in the chair. Other speakers at the seminar were Prof S Z Haider Dr Sultan Ahmed Dr A Hasnat Prof A K M Siddiq Port Muhtasham Hossain and Prof A R Khan participated in the discussions. [as published]

Dr Ghani said that Bangladesh was in a take off state in research and development of solution of the energy problems depended on utilisation of solar energy and the future solar energy which is also pollution free.

The Minister called for starting immediately a pilot project in the Physics Department Dacca University to develop and fabricate solar cells for conversion of solar radiation directly into mechanical and electri- ent aspects of solar energy utiancial assistance to revitalise the Bose Centre for advance study and research. [as published]

Prof M. S. Huq presented a detailed paper on the different spects of solar energy utilisation. [as published]

Prof S. Z. Haider explained how solar energy could be converted for utilisation through inorganic complexes.

Dr Sultan Ahmed briefly discussed on the gradual development of solar cells in different countries and techniques and materials involved in it. He said that a project was being taken up by the Physics Department in collaboration with the Atomic Energy Commission for developing solar cells.

CSO: 4220

PARLIAMENT PASSES DOWRY PROHIBITION LAW

Dacca THE BANGLADESH TIMES in English 13 Dec 80 pp 1, 8

[Text] The Jatiya Sangsad on Friday passed the Bangaldesh Anti-Joutuk Bill, 1979 to make provision for "protection and preservation of rights and dignity of women."

It was the first private member's bill, moved by Mrs Daulaton Nessa Khatun, a BNP member, passed by the second Parliament unanimously.

The bill makes payment or receipt of dowry--different in meaning from 'mohrana'--by any party punishable by imprisonment of one year and with or without fine of Taka five thousand.

Speaking on the bill, Leader of the House Prime Minister Shah Azizur Rahman said that the passage of the Bangladesh Dowry Prohibition Bill by the Parliament would be written in the history as a red letter day.

He said that no law was permanent and there could be no stagnation in the legislation. Laws were amended to suit the changing need of the society.

He said that the Dowry Prohibition Bill was just the beginning of a war against the social malice. We shall make necessary amendments if necessary in due course according to the needs and requirements. "Let us consider the bill as a sheeb-anchor" of women's right, he said.

The Prime Minister said that the bill would act as a moral booster to fight against the social menace.

The Prime Minsiter said, "morality cannot be legislated. It can only be motivated."

Asaduzzaman

Leader of the Opposition Asaduzzaman Khan hailed the bill and said that those who had introduced the bill at the Parliament had good intentions. "I have my blessing for the bill," he said.

He, however, said that steps should be taken for effective implementation of the bill.

Mr Khan thought that he did never oppose the Bill but thought that it should have been better framed.

Moving her Bill Mrs Daulaton Nessa Khatun asked the Opposition members to withdraw their amendments as they did not reflect the people's aspiration.

In the statement of objects and reasons for introducing the Bill, the member in charge said that the demand for 'Joutuk' at the time of marriage has become so rampant and so extensive in nature that it has emerged as a national problem of immense dimension. This system has been of late widely criticised and there has been a popular public demand for its abolition. It is a social evil which cuts at the root of an affectionate and loving relationship between the husband and the wife after marriage and has played a very vital role for breach of relation between them.

Victims of this abhorable system are numerous and its effect is excessively extensive in nature and dimension that many families have ruined themselves under its cruel clutches.

The Bill prohibited any citizen from demanding 'joutuk' at the time of marriage or before or after marriage.

Any body may lodge a complaint with the family law tribunal against any person recieving or paying 'joutuk' affixing a court fee of Taka one only. [as published]

Opposition Members

Four Opposition members proposed that the Bill be circulated eliciting public opinion while five lady members of the Treasury Bench opposed the motion and said that the people were against the dowry system and this had been proved through various mass media.

Mr Imazuddin Pramanik of Awami League (Malek) hailed the Bill but said that it could be made better if public opinion was sought.

Mr Abdul Latif Mirza of JSD withdrew his motion saying that his party had full support for the Bill.

Mrs Ayesha Sarder of BNP said that the Bill would safeguard the interest of the commonman who had been suffering for ages at the time of marriage of their daughters.

Mrs Gul Badan Begum of BNP suggested that a bill regarding food control at the time of marriage ceremonies be also considered by the House.

Mr A B M Taleb Ali of Awami League (Malek) said that the legislation would be effective if the anti-dowry attitude could be developed among the people. Mr Sudhangsu Sekhar Halder said that after the passage of the Bill, he would not able to give presentation during the marriage of his only daughter whom he loved much.

Whip Mrs Farida Rahman said that presentation and dowry were two separate things. "In case of dowry coercion is used", she said.

She said that the bill was not be passed hastily since it was introduced to the House in 1979. [as published] Meanwhile, he said they had received thousands of

letters congratulating the Bill and none opposed it. [as published] She thanked the Opposition for supporting the Bill.

Mr M A Matin of Muslim League said that the punishment for the violation of the law should have been severer.

Mrs Hosne Ara Khan and Mrs Fatema Rabbani of BNP and Syeda Begum Razia Faiz also spoke over the Bill.

CSO: 4220

MINISTER REPORTS ON CIVIL AVIATION, TOURISM

Airline Operations Described

Dacca THE BANGLADESH TIMES in English 5 Dec 80 p 12

[Text] The Bangladesh Biman carried a total of 2.62 lakh passengers in international routes during the year 1979-80.

Replying to a question by Shah Md Abu Zfar at Jatiya Sangsad on Thursday, Civil Aviation and Tourism Minister K. M. Obaidur Rahman said that during the year Biman was able to maintain 80 per cent regularity in international flights.

During the year Biman flew a total of 5,038 international flights with a total cargo carrying capacity of 8000 tons.

H said that Biman earned profits in its international flights but incurred loss in the domestic flights. [as published]

Replying to another question he said that the income of Bangladesh Biman increased by 16 per cent per flight on an average after enhancement of fares.

The Minister said that Biman did not treat passengers of domestic flights with snacks and a sum of Taka 73.27 lakh was saved by September this year due to this.

He said that the government had a plan to purchase two F-23-4000 aircrafts and spare parts worth Taka 49.23 crore during the Second Five Year Plan period. The government was also considering the purchase of other aircrafts during the period.

Turning on another question from Sheikh Selim the Minister said Biman faced a total of seven accidents since the independence of the country. Four of those were major accidents.

Five crew of Bangladesh Biman including two pilots and three cadet pilots died in accidents so far. No Biman passenger died in any of the accidents, he said.

The Minister said that the losses suffered by Bangladesh in all accidents since the independence of the country have been realised from the concerned insurance companies.

Replying to another question he said that Bangladesh Biman had 155 motor vehicles which burnt 58.48 thousand gallons of petrol, 21.36 thousand gallons of octane 12.13 thousand gallons of diesel during the year 1979-80.

Tourism Statistics Given

Dacca THE BANGLADESH TIMES in English 5 Dec 80 p 12

[Text] A total of 41,998 tourists visited Bangladesh upto the month of August of the current calendar year as against 57,282 during the preceding year. [as published]

Replying to a question at the Jatiya Sangsad, Civil Aviation and Tourism Minister K. J. Obaidur Rahman said the number of tourists visits in Bangladesh were 34,680, 63,647 and 50,228 in 1972; 1975 and 1978 respectively.

He said that the government had already implemented a number of projects for making tourism facilities more attractive. These included arrangement of boarding, dinning, transport and recreation facilities for tourists at Dacca; Sylhet; Khulna; Cox's Bazar; Kartai; Rangamati; Chittagong; Bogra; Rajshahi; Nagarbari and Daudkandi. [as published]

He said that the government had also introduced training for Parjatan personnel to make optimum utilization of the labour force. Arrangement have also been made to make tourism in Bangladesh more attractive through regional and international tourism organisations. [as published]

The Minister said that quite a good number of development projects in tourism are likely to be implemented during the Second Five Year Plan period. The government was now considering a 10-year big development plan (1980-90) in this regard.

CSO: 4220

PETROBANGLA CHIEF ON OIL, GAS EXPLORATION

Dacca THE BANGLADESH OBSERVER in English 7 Dec 80 p 7

[Article by M A Maroof Khaii, Director (Exploration): "Oil and Gas Exploration in Bangladesh"]

[Text]

THE development of the resources of the earth is a basic necessity for economic development of the country and an important pre-requisite for development of such resources is the adequate geological know ledge of the country. The geological outline of the country needs to be clearly known for identification of the most promising areas for petroleum exploration. Geological mapping in relation to stratigraphy, structure sedimentation and depositional environments of sedimentary rocks help to understand process of origin, migration and accumulation of hydrocarbons in sedimentary rocks.

The first geological mapping was carried out by Burmah Oil Company (B.O.C.) in 1908 in the Sitakund areas in Chittagong District. Geological investigations of the same area were done by White Hall Petroleum Corporation during 1922—23.

Further geological mapping was carried out by B. O. C. in selected areas of Sylhet, Chittagong and Chittagong Hill Tracts during the years 1923-48. The other foreign oil companies like Pakistan Shell Oil Company (P. S. O. C.) and Pakistan Petroleum Limited (P.P.L.) also carried out geological investigations over the selected structures of the hilly areas of the eastern part of the country between 1947 and 1959.

In 1961, the Government of Pakistan took specific steps for the exploration of oil and gas by creating the Oil and Gas Development Corporation (O.G.D.C.) with Soviet Technical Assistance. The O.G.D.C. mapped many promising structures in Sylhet, Chittagong and Chittagong Hill Tracts. After the emergence of Bangladesh, O.G.D.C. was absorbed in Petrobangla in 1974. Since independence, its geological party has mapped an area of about 4435 square kilometers (2545 L/Km) on 1:50,000 scale in the districts of Sylhet, Chittagong and Chittagong Hill Tracts.

Petrobangla geologists in cooperation with the geologists of the German Geological Advisory Group carried out geological investigations on 1:50,000 Scale from 1977 for sedimentological studies of rock sections between Ranirhat and Rangamati and between Chandraghona and Kaptai in Chittagong Hill Tracts.

A geological reconnaissance was done between Taktanala and close to the Indian border in Chittagong Hill Tracts and also in areas near Cox's Bazar, Sitakund and Sandwip with the aim of obtaining specific information on unconformities and/or thrust faults in the areas studied in order to better understand the regional geologic and tectonic features of the south-eastern part of the country. Another geologic traverse was made in the Chittagong Hill Tracts from Myani Khal in the west to Sazal Lui in the east which borders India in relation to palynology, sedimentology and tectonics followed by yet another geological field work in the Bandarban and Sitakund anticlines and also near Cox's Bazar and at the mouth of the Meghna River near Raipur of Noakhali District in relation to sedimentology.

About 160 line kilometers so far have been covered geologically. Systematic collection of samples was done for palynologic and petrographic laboratory tests for age determination and correlation of exposures from place to place. The study of heavy minerals will make possible to determine the provenance environment of deposition and directions of sediment transport.

Carbon-isotope (13C/12C) analyses on gas samples from all producing onshore gas fields and from natural gas seepages elsewhere have been carried out in the laboratories of the Federal Institute for Geosciences in HANNOVER, F.R.G. The results indicate that all these natural gases are derived from marine organic substances and not from coal or humic organic matter and are generated under conditions obtaining in the so-called oil-window (oil kitchen) of hydrocarbons formations and maturation. They are neither immature biogenic swamp gases nor over mature (over-cooked) dry gas; though they consist mainly of methane. Especially the gases of the Chhatak and Sylhet gas fields point to migration distances of gas between 2 and 5 kilometers. These gases may well have been generated together with oil but were subsequently separated from it during migration. If that was indeed the case, there must be a good chance to find also oil in this seemingly highly gas-prone country.

Petrobangla have established geological laboratory where intensive laboratory investigations relating particularly to palynologic, micropaleontologic sedimentologic petrographic and geochemical studies will considerably support the oil and gas exploration activities.

GEOPHYSICAL ACTIVITIES

Seismic Survey: The purpose of seismic survey is to evaluate subsurface structural conditions. In Bangladesh, Standard Vacuum Oil Company (S.V.O.C.) first conducted the seismic survey in 1956 mostly in the north-western part of the country.

Pakistan Shell Oil Company (P.S.O.C.) Pakistan Petroleum Limited (P.P.L.) and G.S.L. as contracter of S.V.O.C. P.P.L. and P.S.O.C. carried out seismic reflection survey from 1950 to 1964 covering selected areas of north-western, middle and eastern region of the the country. Seismic Survey was also carried out by O.G.D.C. (now Petrobangla) from 1963 till date in a few areas of the districts of Rangpur, Dinajpur Mymensingh. Tangail Dacca Comilla, Sylhet Noakhali, Barisal Chittagong and Chittagong Hill Tracts and have covered 6069 line kilometers. Except the hilly areas of the northern and the eastern part of the country, conditions for the rest of the areas are very favourable for short-hole drilling and good reflection horizons are easily mapped. The Eocene Sylhet Limestone is the excellent reflector in the shelf areas. Gentle anticlinal structures are found in the Surma Basin and also at the eastern part of the frontal fold belt where the subsurface structure is relatively more simple. In absence of seismic survey in the Chittagong Hill Tracts, the structural style at depth is now known. Under the Production Sharing Agreement, six foreign oil companies started seismic survey in the Bay of Bengal in 1974--76 and covered 31979 line kilometers and quite a good number of structures were located.

Under the Technical Aid Agreement with the Government of the Federal Republic of Germany, the Prakla-Seismos, a German Geophysical Contractor is engaged in digital seismic exploration surveys in co-operation with Petrobangla in the Raishahi-Pabna-Bogra-Faridpur, Sitakund and Sylhet areas and it has covered a total of 1024 linear kilometers. The results of this seismic survey in the Hinge-Zone area have yielded important new information for exploration targets. Thick sedimentary rocks occur below the Sylhet Limestone. The Hinge-Zone Area covered by PK--1 represents the transition zone between the Paleocene Eocene

basin facies in the south-east and shelf facies in the north west. Such areas with an interfingering of sediments exhibiting a good source rock (shale) and reservoir rock potential (sandstone) are of great interest for exploration of oil and gas (see figure—1). This survey in the Hinge-Zone area has also proved the presence of a drillable structure (Singra) with a direct indications for the presence of hydrocarbons. Other positive geological trap situations were also indetified.

The seismic survey carried out so far over the Sitakund Structure does not give any clear picture of the crestal part of the Structure because it seems to be heavily tectonised. The first processed digital seismic section of Prakla-Seismos also fails to reveal the subsurface geology of the crestal part of the Sitakund anticline. The processed results of the Surma Basin are excellent. Seismic correlation of the gas bearing reservoir rocks from Chhatak to Sylhet through Kailas Tila have been eventually become possible.

Gravity And Magnetic Survey. Aeromagnetic and gravity surveys have found a wide application for the location and definition of geological structures of interest to hydrocarbon exploration. Both methods provide a rapid and comparatively inexpensive approach to regional geologic problems. The aeromagnetic survey helps in establishing the depth and topography of the basement surface and thus allow estimates of the thickness of the overlying non-magnetic sediments. It always helps in selecting the priority areas for further investigations.

A reconnaissance aeromagnetic survey was carried out over the whole of Bangladesh by S.V.O.C. and O.G.D.C. in 1952 and 1953—64 respectively. G.S.I. as a contractor for P.P.L. and P.S.O.C. continued gravity survey from 1955 to 1958. Exploration Department of Petrobangla (former O.G.D.C.) started gravity survey in 1963—64 in different parts of the country and continuing till date. This survey has aided to recognize the shallow basement in the shelf areas and deep troughs in Faridpur Hathia and Sylhet areas.

DRILLING ACTIVITIES

Three exploratory shallow wells were drilled near Sitakund on the Sitakund Structure between 1910 and 1914 by the Indian Petroleum Prospecting Company. The Burmah Oil Company drilled the first exploratory shallow well in 1914 on the same structure. But all these wells were abandoned as dry holes. Subsequently between 1923 and 1933, the B.O.C. drilled two shallow wells on Patharia Structure. Though indications of oil were found but no commercial production was established. Sue to the second world war and the partition of India, no drilling was done in this part of the world during 1934--50. The exploration activities entered into a new phase after 1951 and in subsequent years, most part of the country was geophysically surveyed. During 1951--64 the Pakistan Petroleum Ltd. (P.P.L.) drilled 13 wells at Patharia, Patya, Sylhet, Lalmai Chhatak and Fenchuganj. This time Perseverance paid dividends and P.P.L. discovered commercial quantity of gas in Sylhet--3 near Haripur in 1957 and at Chhatak in 1959. Between 1960 and 69 the Pakistan Shell Oil Company (P.S.O.C.) drilled 11 wells, 10 onshore and one in the Bay. It is remarkable that Shell Oil Company discovered gas in all the wells except that of Lalmai and Cox's Bazar. The Stanvac drilled one well each at Kuchma Bogra and Hazipur during 1959--60 but all the three wells proved to be dry.

Former O.G.D.C. started its first drilling in November 1964 at Jaldi with the help of Soviet built drilling rig. Till January 1971, 3 exploratory 4 apprisal and 3 geological information bore holes were drilled in Jaldi and Semutang in the Chittagong Hill Tracts. Among 5 wells in Semutang, only two wells were reported to be gas producer. Though there was gas shows in Jaldi--2 but the well was depleted after two months. Testing in Jaldi--3 were carried out in 1974--75 but there was no indication of any commercial flow of gas and hence the hole was abandoned.

Petrobangla started drilling at Hijla-Muladi-1 on May 31, 1975 and reached a total depth of 4732m on December 16, 1976. On the basis of gas shows, six zones were selected for production testing at the following depth from bottom: 4704m-4631m-4615m 4586m-4565, 4524m-4508m, 4458m-4447m and 3644m-3634m. The bottom two zones were tested with drill stem by Halliburton but there was no flow. The third zone had to be plugged due to technical reasons The other horizones finally could not be tested due to stuck of pipes.

Begumganj Well No. 1 spudded on January 19, 1976 and reached the total depth of 3656m on January 27 1977. Eight zones were selected for testing from bottom to top: 3644m-3642m, 3626m-3621m and 3588m-3585m, 3547m-3542m, 3532m-3528m, 3479m-3475m, 3441m3426 m- 3012m-2995m and 2903m-2887m. The zone 3012-2996m was tested in March-April. 1980 and a commercial flow of gas is established. The lower zones could not be tested due to some unavoidable circumstances.

Begumganj Well No. 2 was located at about 4 5 km. along the anticlinal axis towards NW from Begumganj Well No. 1 The well was spudden on March 11, 1978 and reached a total depth of 3577.6 meters on August 28, 1978. A total of six zones was selected for production testing from bottom to top: 3436m-3428m. 3382m-3374m, 3148m-3140m, 3032m-3026m, 2887-m2878m and 2815m-2807m. The tested horizons could not show any flow of gas. How ever retesting of his well has been planned.

Hijla-Muladi Well No. 2 was spudded on February 23, 1979 and reached a total depth of 4556m on July 23, 1980 After logging 3 zones are selected for production testing. The drilling at Singra and Feni is under progress.

It may be mentioned here that the regional office of the former O.G.D.C. was established at Chittagong in 1967 just to look after the survey par ties but all the geological geo. physical and drilling reports including maps and illustrations were deposited in the Head Office at Karachi without keeping any documents in the re. gional office Thus all the infor. mation and reports prior to 1971 are in the Head Office at Karachi So is the case of all the foreign companies e.g. B.O. C. P.P.L., S.V.O.C. and P.S. O.C who carried out exploration before Liberation of the country. Only a few reports of P.P.L. and P.S.O.C are avail. able

The search for oil and gas entered into a new interesting phase in 1974 when 6 foreign oil companies entered into the agreement under the Produc. tion Sharing Contract for oil exploration in the offshore areas of Bangladesh After comple. tion of seismic surveys the Ben gal Oil Development Corpora. tion (BODC) started drilling in 1976 followed by Atlantic Richfield (ARCO) Ina-Naftaplin (BINA) and Union Oil Company (UNION) BODC drilled three holes BINA and Union drilled 2 holes each and only one hole was drilled by ARCO between 1975 and 78 The maxi. mum drilling depth reached in BODC—1 was 4,598m. Except Kutubdia Well No. 1, all other holes were found dry The Ku. tubdia well flowed at a rate of 17.9 M M C F D from a 30 feet interval between 8760—3739 ft. through a 8 inch choke The exploration activities in the Bay has stopped at the mo ment due to withdrawal of foreign oil companies Exploration activities so far have been carried out in our country in relation to geology geophysics and drilling are shown in table —1. During the last 70 years 29 exploration wells have been drilled onshore resulting in 9 discoveries a success ratio of 3.2 This is considerably higher than world average. In addition 14 appraisal and six geological information wells have also been drilled Offshore the suc. cess ratio is lower being 1 in 9 since the nine offshore wells have resulted in only 1 disco. very the Kutubdia field.

Manpower requirement : Well trained and experienced staff are pre-requisite for any suc. cessful exploration. The lack of experienced staff in the field of geology geophysics and drilling are severely felt. Due to equilization in pay and in ab. sence of adequate financial terms coupled with opportuni. ty for employment abroad with better salary it is difficult to attract the promising profes. sional. However, there are qua lified professional (148 officers and 375 staff) to support the exploration effort. Petrobangla is in a position to support the operation of three rigs and can raise five seismic one gravity and two geological parties.

Tranning programme : Training is a continuous process. It is equally good both for the experienced and fresh profes. sional. It is always considered flexible and tailored to the spe cific requirements of each person in the context of his previous experiences. Petrobangla is puting emphasis to practical training on the job.

[courtesy : Petroleum and Mineral Resources of Bangladesh].

CSO: 4220

MANPOWER MINISTER REPORTS ON LABOR EXPORT

Dacca THE BANGLADESH TIMES in English 4 Dec 80 pp 1, 8

[Text] The Government was formulating a fullfledged principle regarding manpower export, the guidelines for which had already been placed before the Cabinet by its committee on manpower and foreign employment.

This was stated in the Jatiya Sangsad on Wednesday by Mr Atauddin Khan, State Minister for Manpower Development and Social Welfare during the question hour.

He told leader of the Opposition Mr Asaduzzaman Khan that persons going abroad with jobs were being selected on the basis of some principles The Government was now formulating a permanent set of principles.

Replying to a question of Mr Farhad Ahmed Kanchan (BNP) Mr Atauddin Khan disclosed that a total of 94,311 persons have gone abroad with jobs during the period between mid-1975 till now.

He told Professor Mofijul Islam (BJL) that according to statistics available from the Bangladesh Bank, Bangladeshis working abroad have remitted a total of Taka 573.02 crore during the period between 1979 and August 1980.

Of the total number of persons who went aboard with employments 29,652 persons were sent by the Ministry while 12,338 had gone abroad through manpower recruiting agencies. The remaining 52,321 had gone abroad on the basis of [an] objection certificate (NOC), the Minister said.

Mr Atauddin Khan told Md Mohsin that there are 307 Government recognised recruiting agencies for manpower export. The Minister further told Mr A S M Solaiman (GF) that licences of 12 recruiting agencies were cancelled on charges of malpractices regarding sending of Bangladeshis abroad with jobs. Besides licences of agencies were held up for renewal pending enquiry into allegations against them, he said.

The Minister told another questioner that 33 doctors and 284 engineers went abroad with employment from January this year.

CSO: 4220

BRIEFS

INDONESIAN JUTE PURCHASE--Indonesia will import 40,000 tons of raw jute from Bangladesh, it was officially stated in Dacca on Thursday, reports BSS. A letter of intent was signed on Wednesday in Jakarta between the visiting Bangladesh jute delegation and Indonesian Gunny Bags Producers' Association according to an official source, Bangladesh has also signed another letter of intent to sell two million pieces of gunny bags to Indonesia. [as published] The delegation led by Mr. Afazuddin Fakir, MP, Chairman Bangladesh Jute Association also held meetings with Indonesian Trade Minister, Mr. Radius Prawiro and Junior Minister for Cooperatives Mr. Bustanil Arrifin. [Text] [Dacca THE BANGLADESH OBSERVER in English 5 Dec 80 p 1]

TRADE WITH ROK--Bangladesh and South Korea on Thursday agreed on "frequent" exchange of trade teams at both public and private sector levels for promoting bilateral trade relations says BSS. Visiting South Korean Vice Minister for Commerce and Industry Dr Sun Kil Kim held a meeting with State Minister for Commerce, Chowdhury Tanvir Ahmed Siddiky at his office on Thursday and agreed that there was a lot of scope to expand areas of cooperation in the trade and economic fields between the two countries. The Ministers also discussed propects of setting up joint ventures in export oriented and ship building industries. [as published] Mr Siddiky urged the visiting Minister who is leading a five member delegation in connection with the Solidarity Meeting of the Industry Ministers of Developing countries now being held in Dacca, to cooperate in the increasing volume of South Korean imports from Bangladesh. [Text] [Dacca THE BANGLADESH OBSERVER in English 5 Dec 80 p 12]

SAUDI DONATION--The Government of Saudi Arabia has donated 4 (four) million US dollars towards President's Relief and Welfare Fund, reports BSS. A cheque for the amount was handed over by Saudi Ambassador in Bangladesh Sheikh Fouad Abdul Hameed-al Khateeb to Vice-President Justice Mr Abdus Sattar at the later's Secretariat chamber in Dacca on Wednesday morning. While receiving the cheque, the Vice-President thanked the Ambassador and through him to the Government of Saudi Arabia for the donation. The Saudi Ambassador expressed his deep concern at the loss of life and property during recent floods and prayed for the protection and well-being of the brotherly people of Bangladesh. [Text] [Dacca THE BANGLADESH TIMES in English 4 Dec 80 p 1]

CSO: 4220

ALL-INDIA COMMUNIST PARTY PLANS MEETING

Calcutta THE SUNDAY STATESMAN in English 14 Dec 80 p 9

[Text] The first party congress of the newly-formed All-India Communist Party will be held in Delhi at the end of January. The party's central unit will be set up then. At present it is run by an All India Consultative Committee, whose secretary if Mrs Roga Deshpande.

An AICP leader, Mr Ananta Majhi, said in Calcutta on Saturday that the party has not been able to set up units in all the States. Its largest unit was in Uttar Pradesh where it claimed to have about 13,000 members. A membership drive was going on in other States, including West Bengal. Mr Majhi said the party was being strict in admiting new members.

A newsweekly, sympathetic to the party's political line, is being published from Bombay. Its editor is Mr Bani Deshpande of the Congress (I). In its first issue, it alleged that the police and the CPI have been jointly harassing the AICP workers in Andhra Pradesh, the home-State of the CPI general secretary, Mr Rajeshwara Rao.

Referring to the meeting between the Soviet President, Mr Leonid Brezhnev and the CPI leaders in Delhi, Mr Majhi said the Communist Party of Soviet Union was bound to tell the CPI that it was following a wrong line by opposing Mrs Gandhi, who represented the anti-imperialist national bourgeoisie in India and who was the "only friend" of the Soviet Union in South Asia.

CSO: 4220

PUBLIC ACCOUNTS OFFICE REPORTS ON FOREIGN EXPERTS

New Delhi PATRIOT in English 19 Dec 80 p 5

[Text] The Public Accounts Committee has criticised the lack of a set policy 'at any stage' in respect of engagement of foreign technicians in India, reports PTI.

It has suggested that Government should find out complete details connected with the employment of foreign technicians and the availability of Indian expertise so as to formulate such a policy and the tax concessions to be given to them.

The committee made the remarks in its twenty-sixth report presented to the Lok Sabha on Thursday. The report followed that of the comptroller and auditor general relating to assessment of foreign technicians.

Employed in India which disclosed erroneous exemptions and loss of tax revenue of several lakhs of rupees in test checks.

Among the instances of such irregularities pointed out by the audit report, for 1976-77 were:

A test check conducted in Andhra Pradesh, Maharashtra, Tamilnadu and West Bengal revealed 46 cases of foreign technicians where tax exemption was granted though the approval of the Central Government was not obtained within the prescribed time. The loss of tax revenue in 43 cases amounted to Rs 28.2 lakhs exclusive of interest that could be levied under the Act.

In another test check in Assam Madhya Pradesh and West Bengal, exemption was allowed in the case of 10 foreign technicians under the provision which was not admissible for those in the employment of foreign enterprises. The loss of revenue was Rs 9.38 lakhs.

The committee was also 'deeply distressed' that concerned ministries failed to maintain appropriate records of the particulars of the contracts of service of the foreign technicians who came to serve in India.

The PAC in its 30th report has told the Government that the money in the agricultural produce cess-fund should be strictly utilised for research work and not spent on construction of office buildings hostel and staff quarters.

CSO: 4220

KARNATAKA LEADER APPOINTS SEVEN NEW MINISTERS

Madras THE HINDU in English 13 Dec 80 p 1

[Text]

BANGALORE, Dec. 12.

Seven new Minis s were inducted into the .1-month-old Gundu Rao Ministry here this morning, taking its strength to 26—18 Cabinet rank and eight Ministers of State.

The new Ministers were sworn-in by the Karnataka Governor, Mr. Govind Narain, at Raj Bhavan. They are: Mr. H. C. Srikantiah, Mr. Mallikarjuna Kharge, Mr. G. Made Gowda, Mr. Manik Rao Shamarao Patil, (all Cabinet rank), Mr. K. Gangadhar, Mr. B. B. Chimmankatti and Mrs. Nagamma Keshava Murthy (Ministers of State). This is the third expansion of the Ministry.

Mrs. Renuka Rajendran, who was Minister of State for Sericulture, has been elevated to Cabinet rank and has also been given additional charge of Small-scale Industries. She was also sworn in today.

In a reshuffle, the Revenue and Agriculture Minister and No. 2 in the Cabinet, Mr. S. Bangarappa, considered the centre of dissident politics, has been stripped of the Revenue portfolio and left with Agriculture.

Similarly, Mr. C. M. Ibrahim, who had been relieved of his Food portfolio in the last reshuffle, has again been divested of the Labour portfolio and has now been put in charge of Planning and Wakfs.

Despite his earlier indications that he was likely to drop some Ministers, the Chief Minister has kept all of them intact except for a shake-up in some of the portfolios.

Resolution of Controversy

A feature of the latest expansion is the resolution of the major in-party controversy over accommodating "defectors"—the erstwhile supporters of Mr. Devaraj Urs who switched their allegiance to Mr. Gundu Rao, enabling him to form the Congress(I) Government on January 12.

More than 80 MLAs, led by Mr. Srikantiah, opted for Mr. Gundu Rao's leadership, within hours of Mr. Urs bowing out of office, in the wake of the Congress (U)'s rout in the Lok Sabha mid-term poll.

Mr. Srikantaiah, who was Municipal Administration Minister in the Urs Cabinet has now been assigned Cooperation.

Mr. Mallikarjuna Kharge, who was previously Rural Development Minister has been given the Revenue portfolios. Mr. Made Gowda gets Forests, Mines, and Geology. Mr. Manik Rao Shamarao Patil who was the Chief Whip in the Assembly, has been put in charge of Food and Civil Supplies held by Mr. Kagodu Thimmappa who has been shifted to Public Works.

The change of portfolios was announced to newsmen by the Chief Minister after a brief meeting of his expanded Council of Ministers.

He indicated that the Ministry had been more or less fully constituted and that he might induct a few more in course of time.

Education Portfolio Split

The portfolios of the three new Ministers of State are: Mrs. Nagamma Keshava Murthy: Primary and Secondary Education: Mr. K. Gangadhar: Independent charge of Information and Youth Services; and Mr. B. B. Chimmankatti, Major and Medium Irrigation, attached to the Chief Minister.

There is no change in the portfolios of the existing Ministers of State—Mrs. Manorama Madhwaraj (Women and Child Welfare), Mr. D. B. Pawar, (Fisheries and Ports), Mr. Sudhindra Rao Kasbe (Museum), Mr. Aswath Reddy (Electricity) and Mr. K. Yenkatappa, (Horticulture). However, the additional charge of Primary Education, held by Mrs. Madhwaraj, has been transferred.

The Education portfolios has been split. Mr. G. B. Shankar Rao will retain Higher Education and parts with Primary and Secondary Education going to Mrs. Keshava Murthy.

Following the reshuffle, the Planning portfolio which was with the Finance Minister, Mr. Veerappa Molly, has been assigned to Mr. Ibrahim. The Cooperation Minister, Mr. A. B. Jakanur, is now put in charge of Labour.

The Cabinet Ministers who retain their portfolios are: Mr. Y. Ramakrishna (Minister for Law and Parliamentary Affairs), Mr. A. K. A. Samad (Health), Mr. P. Ramaiah (Rural Development), Mr. M. Sadiyojatha (Transport), Mr. P. Venkataramana (Social Welfare and Backward Classes) and Mr. Dharam Singh (Urban Development).

Mr Gundu Rac said representation to the various communities and districts was the feature of the Cabinet expansion. Tumkur and North Kanara are the two districts yet to be represented.

The Chief Minister replied in the negative to a query if the party's high command had advised him against dropping any Minister.

CSO: 4220

LOK DAL PRESIDENT SUSPENDS SENIOR LEADER

Madras THE HINDU in English 20 Dec 80 p 1

[Text]

NEW DELHI, Dec. 19.

Mr. Chandrajit Yadav, senior Lok Dal leader, was today suspended from the party by its President, Mr. Charan Singh.

The suspension follows a show-cause notice served on him on December 15, accusing him of hobnobbing with the Congress (I).

Mr. Charan Singh, in a letter to Mr. Yadav today, said he was left with no alternative but to suspend him from the party membership with immediate effect since he had not replied to the notice and instead issued a statement to the press on the issue.

Mr. Charan Singh, in a statement issued later, warned the party rank and file "to beware of the attempts being made by Mr. Chandrajit Yadav to give an ideological colour to his anti-mass struggle and pro-Congress (I) activities".

Giving reasons for the suspension of Mr. Yadav, Mr. Charan Singh said "instead of giving a satisfactory explanation of his pro-Indira Congress activties", he was "continuing his work of disruption".

Mr. Devi Lal, former Chief Minister of Haryana and Moulana Hashmi, a Lok Dal member of the Rajya Sabha, and also a member of the national executive, who were present at the press conference described Mr. Charan Singh's action as "most undemocratic".

Mr. Yadav released to the press today a four-page reply written in Hindi to Mr. Charan Singh. In his letter Mr. Yadav explained how "baseless and concocted the charges levelled against him are".

Mr. Yadav said he had met the Prime Minister thrice: first at her invitation to discuss the Assam issue, then after returning with a delegation from Kampuchea, and the last time after returning with a delegation from Sofia. "I had to inform her of certain things, because she is the Prime Minister of a country and I happened to be a member of the delegations".

CSO: 4220

BHARATIYA JANATA ISSUES 'POLICY DOCUMENT'

Bombay THE TIMES OF INDIA in English 15 Dec 80 p 1

[Text] NEW DELHI, December 14 (UNI).

IN a major policy change, the Bharatiya Janata Party (BJP) has accepted "Gandhian socialism" as its political ideology.

Formed out of the erstwhile Jana Sangh for which socialism had been an anathema since its inception in the early fifties, the BJP's Gandhian socialism aims at "ultimately replacing both capitalism and statism by principles of a cooperative trusteeship in all fields of economic activity."

A 33-page "policy document" titled "our five commitments", prepared for the BJP's first plenary session in Bombay beginning on December 28, pledges itself to the observance of five principles on the basis of which it says a national consensus can be created.

These five principles are: nationalism and national integration, democracy, positive secularism, Gandhian socialism and value-based politics.

Elaborating its concept of "Gandhian socialism", the party says bread, freedom and employment are the first Gandhian principles. The BJP will make these principles the core of development strategy and try to build a national consensus around them.

It warns against the danger of concentration of economic power either in the hands of the state or individuals. It invariably leads to corruption of power.

The BJP favours gradual transformation of society towards trusteeship and cooperative commonwealth through non-violent means.

Explaining the first principle — nationalism and national integration — the policy paper explains that India is one nation and Indians are one people, constituting and mutually accommodating plurality of religious faths, ideologes, languages and interests.

The BJP believes that people of different faiths and different ideologies should be able to co-exist in peace and harmony with one another.

It says national consensus will be possible when the development of one social group leads to the development of other social groups. Those who have external or extra-territorial loyalties or are engaged in anti-socialist objectives cannot be by definition expected to contribute to national consensus and, therefore, will have to be kept out.

A fundamental plank of the Jayaprakash Narayan's movement and so also of he BJP approach has been commitment to democracy, it says adding: it will be the endeavour of the BJP to defend democratic institutions and norms and fight ceaselessly against emerging fascist trends.

The BJP will cooperate with other democratic parties for the defence of democracy and fundamental rights.

Describing Congress secularism as "totally immoral and opportunistic and a fraud played on the people", the BJP policy document says the party will ensure full protection to the life and property of the minorities.

The policy paper commits the BJP to the building up of a "value-based politics" and thus seeks to cleanse the filth abounding in public today."

With the overall ideological framework of these five commitments, the BJP will take a flexible stand on other issues.

Other items listed in the policy document include electoral reforms, a planning and industrial policy to end concentration economic power be it in industry, business or agriculture,

CSO: 4220

INDO-UAE JOINT COMMISSION DECISIONS TOLD

Bombay THE TIMES OF INDIA in English 21 Dec 80 p 9

[Text]

NEW DELHI, December 20.

DECKS have been cleared for major investments by the United Arab Emirates in oil refining and hotels and hospitals in India. The two countries are expected to collaborate in a sponge iron plant in the UAE, based on Indian iron-ore and indigenous gas.

A proposal for a 12-million tonne refinery envisages equal financial participation and production sharing by the two countries. The UAE has agreed to raise its crude supplies from one million tonnes to 1.5 million tonnes next year and also to consider long-term arrangements for additional crude supplies.

A breakthrough in economic collaboration between the two countries was made during the meeting of the Indo-UAE joint commission held here today.

The minister of state for foreign affairs of the UAE, Mr. Rashid Abdullah Al-Noaimi, and the external affairs minister, Mr. P. V. Narasimha Rao, led the two delegations. The Indian team included Mr. Romesh Bhandari, secretary in the ministry of external affairs.

It was decided to set up an Indo-UAE investment corporation. Talks would begin soon for quick implementation of projects and joint ventures. The UAE would send a team of the Abu Dhabi fund for Arab economic development to India for discussion.

The next meeting of the joint commission will be held in Abu Dhabi next year and both the leaders hoped considerable progress would have been made by them in further strengthening the economic ties.

Mr. Rashid Abdulla, who is leading a 19-member delegation, called on the Prime Minister, Mrs. Indira Gandhi, yesterday and had a separate meeting with the external affairs minister. The Iran-Iraq conflict figured in the discussions of the two foreign ministers.

CSO: 4220

KERALA BJP LEADER SAYS MARXISTS ABUSE LAW

Bombay THE TIMES OF INDIA in English 21 Dec 80 p 12

[Text]

TRIVANDRUM, December 20.

THE Kerala chairman of the Bharatiya Janata Party, Mr. C. Rajagopal, today accused the CPM of using the criminal procedure code and the police to suppress the opposion.

He told a news conference that already 104 people — either the BJP workers or the RSS men—had been arrested and harassed according to section 151 of the criminal procedure code throughout Kerala.

This section empowered the police to arrest a person as a preventive measure. In effect, it was as bad as the national security ordinance of the Congress (I), he said.

His claim was that while the Congress (I) was resorting to the national security act, the CPM was misusing existing laws for the same purpose. The CPM chief minister, Mr. E. K. Nayanar's claim that Kerala would not use the national security act was only meant to deceive the gullible people, he added.

Mr. Rajagopal said after the CPM-led coalition came to power in Kerala 11 months ago 45 people had been murdered in political clashes.

Kozhikode, Malappuram, Quilon and Wynad were the only districts free from political murders, according to him. He listed the names of victims and organisations involved in the clashes.

Cannanore, the hotbed of political clashes chiefly between the Marxists and the RSS or the BJP workers, claimed 15 lives, Trichur nine, Trivandrum six, Palghat three, Idukki and Kottayam and Alleppey two each and Ernakulam one.

Among the murdered were 18 Marxists, 13 BJP and RSS, six Congress (I), Bharatiya Hind Mazdoor, Janata, NDP, CPI, Congress (U) and independent one each.

He said the local Marxist leaders and the police under their orders were responsible for the deterioration in the law and order situation in Kerala. Where the police remained above the Marxist influence there would be no violence. Where justice was denied to the non-Marxists violence spread under Marxist instigation, he said.

Mr. Rajagopal said the Marxists were choosing the line of political violence out of frustration. The frustration arose from the fact that many of the ideological Marxists were joining the Naxalite movement and others were joining the RSS.

The BJP leader met the Marxist chief minister, Mr. E. K. Nayanar, yesterday and conveyed the party's anxiety over the worsening law and order situation. He requested compensation for the families of the murdered people.

CSO: 4220

BJP GENERAL SECRETARY TALKS TO PRESS

Bombay THE TIMES OF INDIA in English 15 Dec 80 p 5

[Text]

BOMBAY, December 14.

THE general secretary of the Bharatiya Janata Party, Mr. L. K. Advani, today termed the Maharashtra chief minister, Mr. A. R. Antulay's advocacy of a presidential form of government for the country as a command performance and said all democratic parties should ensure that "this design of the ruling party is frustrated."

He was addressing a news conference here in connection with the plenary session of the BJP, to be held at the Bandra reclamation grounds for three days from December 28.

Mr. Advani said Mr. Antulay's "unceasing campaign against the present constitutional set up" could not be regarded as merely the expression of an individual's views," as the (Union) law minister seemed to suggest the other day."

He looked upon it as a command performance, part of a deliberate design to undermine the faith of people in democracy and to supplant the present system by an autocratic rule for the present and dynastic rule for the future, he said.

Mr. Advani added that Mr. Antulay had shown his hand clearly when he said at the AICC session that the Prime Minister, Mrs. Indira Gandhi, should be named President for life.

HURDLES IN W/AY

The BJP leader listed two hurdles in the way of a change-over — the Keshavanand Bharathi judgment which made a change impossible and the fact that the ruling party did not have a two-thirds majority in the Rajya Sabha.

Mr. Advani said it would be the endeavour of the ruling party to see by 1982 that both these hurdles were overcome. It should be regarded as the duty of all democratic parties to ensure that this design was frustrated.

The plenary session was likely to discuss the political situation in the country in general and the party's organisational strategy for the future and look back upon the performance of the ruling party in one year.

There could be a separate resolution on Afghanistan. The omission of Afghanistan in the Indo-Soviet joint communique was an ominous sign, he said. Both parties were guilty in that one intervened (in Afghanistan) and the other acquiesced in it, he said.

In this context, Mr. Advani said the credibility built up with neighbours had been impaired. The country's credibility in the international field had been weakened.

It would be for the subjects committee to decide on the topics and the number of resolutions to be adopted. A statement on economic policy would be made at the session. Final shape was being given to it by a sub-committee which had discussions with economists and former members of the planning commission.

The people were disillusioned with the present situation and the ruling party and were groping for "an alternative focus of faith." It would be the BJP's earnest endeavour to provide this 'focus of faith' and restore the confidence of the people in the political system.

Asked about Mr. Morarji Desai's statement that the USSR had asked him to launch an attack on Pakistan, Mr. Advani said he was not aware of the position, but would only say that Mr. Desai would not tell an untruth.

LAWYERS' CONVENTION

A "national convention of lawyers for democracy" would be held at Bandra (at National College) on the eve of the BJP session on December 27 and the lawyer-delegates attending the plenary session would be requested to come one day earlier and participate in the convention. Mr. Advani said. Mr. Ram Jethmalani would preside over the convention.

Arrangements for the three-day session were on and the city unit of the party was well set to give a fitting reception to more than 25,000 delegates expected to participate. Of them, nearly 8,000 delegates would come from the four southern states.

A township, "Samatanagar", was being constructed at the venue. The national executive of the party would meet at the venue for two days on December 26 and 27. A presidential procession from the venue to Shivaji Park would precede the plenary session and a public meeting at Chowpatty would mark the conclusion. A women's conference would be held on the second day of the session.

CSO: 4220

CPI(M) LEADER REPORTS ON KERALA CONFERENCE

New Delhi PATRIOT in English 14 Dec 80 p 4

[Text]

CALCUTTA, Dec. 13.

MR Benoy Chowdhury, president of CP-M-led kisan sabha and the Minister of Land Reforms, on his return from the all-India conference of his organisation held in Kerala, has made a major announcement.

Mr Chowdhury told a press conference here that in the Kerala conference they have decided to strive for the broadest possible alliance of peasant organisations to defend and further the interests of the rural proletariat and small and medium farmers all over the country.

The endeavour of his kisan sabha, Mr Chowdhury explained, would not only be to forge understanding with the left-led kisan organisations and their allies, but also simultaneously attempt to bring into their struggle the Cong-I-led peasant bodies. After all the rural poor and small and medium farmers, irrespective of political persuasions, as a class, suffer from the same disadvantages stemming from imbalance of trade between manufactured produce and those of agriculture, in addition, this is compounded by the rapacious role of the grain traders and various other middlemen.

For instance, Mr Chowdhury added, within a year alone the price of a manufactured direct input for agriculture, namely fertiliser, has gone up by 37 per cent, while the prices of other essential consumer items like fuel, cloth, edible oil etc are also sky-rocketing daily.

KISAN MARCH

Purely on these considerations, Mr Chowdhury informed, his organisation supported the struggle of Nasik kisan and is a part of the six-party kisan march in Maharashtra. Even Cong-I peasants are sympathetic to it.

Mr Chowdhury, however, stressed that his organisation along with its partners and prospective allies would launch movements in order to ensure that the genuine discontent of rural poor and working peasants is not headed by the rural rich. In the present situation, this tend happens wherever the left is weak and the Cong-I is either clandestinely helping the kulaks or is inactive.

From what Mr Chowdhury said it was obvious that the organised peasant bodies are still largely in the formative stage, excepting partly in West Bengal and Kerala. The total strength of the Marxist-led kisan sabha, Mr Chowdhury informed, is 45 lakhs, out of which West Bengal alone accounts for 32 lakhs, followed by Kerala and then at a much lower level, States like Andhra, Punjab, Tamilnadu etc.

This organisational weakness evidently often allows the rural rich the option to disorient the discontent of actual sufferer in the villages for their own narrow purposes.

CSO: 4220

CPI(M) POLITBURO COMMENTS ON BREZHNEV VISIT

Calcutta THE SUNDAY STATESMAN in English 14 Dec 80 pp 1, 9

[Text]

NEW DELHI, Dec 13.—The CPI (M) Politbureau has welcomed Mr Leonid Brezhnev's recent visit to India in relation to what it perceives "a rapidly deteriorating international situation following the aggressive reversion to cold war policies of the USA, a military threat to India via Pakistan and the U.S. presence in the Indian Ocean".

The Marxist Communist leadership says that the joint declaration signed at the conclusion of Mr Brezhnev's talks with the Government of India is a "positive factor" in favour of peace forces in the world and "a big rebuff to the U.S. warmongers and their supporters, including those in our own country".

The CPI(M), which has come closer to Russia in recent months, has, however, avoided to equate China with the USA, as the pro-Moscow CPI has done in its welcome reaction to Mr Brezhnev's visit. The CPI leadership had said yesterday that the Soviet troops in Afghanistan would leave that country and a political settlement reached "the moment intervention through the armed gangs (Afghan rebels) is stopped by the U.S., Chinese and Pakistani axis".

The CPI(M) Politbureau also points out that the visit of the Russian leader took place in the midst of "serious accumulation" of rams across the border, including preparations for the production of atomic weapons and open conspiracies against the integrity and sovereignty of India.

The party leadership also says various elements in India, not excluding some in the ruling Congress (I), also had been making efforts to get India to change its position, especially on Afghanistan. The Politbureau seems happy because the efforts of such elements to make the Government of India condemn the military presence of Russia in Afghanistan have not succeeded. The CPI(M) Politbureau statement says that this is clear from the Indo-Soviet joint declaration.

The CPI(M) agrees with the statement made by Mr Brezhnev that once the activities of intervention against Afghanistan are ended, prerequisites will emerge for the full political normalization of the situation, including withdrawal of Soviet troops.

The Marxist Communists are also happy because Mr Brezhnev's visit has strengthened the Indo-Soviet friendship treaty. Significantly, the CPI(M) Politburo is silent over the effects the Brezhnev visit will have on efforts to normalize relations between India and China.

The statement contains a line on the South-East Asia region. It, however, only quotes the joint declaration calling for "a normalizing situation in that area for making it a region of durable peace and stability".

The CPI(M) leadership has described as "very important" Mr Brezhnev's five-point plan for the Gulf States and hopes that it will find support from all those who have been concerned with the U.S. military build-up in the region.

PTI adds: The highest party and State organs of the USSR, the Politburo of the Soviet Communist Party Central Committee and the Council of Ministers, yesterday approved the Indo-Soviet joint declaration signed in New Delhi on conclusion of Mr Brezhnev's visit. They proclaimed that friendship between the two countries was not directed against any other country.

The Politburo described Mr Brezhnev's visit as an important historic milestone in consolidating friendship between the two countries, whose durable foundation, it said, was the treaty of peace, friendship and cooperation.

The Chinese Deputy Foreign Minister, Mr Han Nianlong, today termed as "hypocritical" the Soviet President, Mr Brezhnev's invitation to China, America, Japan and others to join Moscow in a network of guarantees against foreign military bases, development of nuclear weapons and use of force in the Gulf.

CSO: 4220

MONGOLIAN DELEGATION CALLS ON PRESIDENT

New Delhi PATRIOT in English 14 Dec 80 p 10

[Text]

A five-member Mongolian parliamentary delegation headed by Prof Bazaryn Shirendyb, Deputy Chairman of the Great People's Khural and President of the Mongolian Academy of Sciences, arrived in the Capital on Saturday at the invitation of the Lok Sabha Speaker.

The delegation, which comprises chairman of the GPK's standing committee for legislative Proposals and nationalities Tserendashyn Naansarai, member of the GPK's standing committee for culture-education-health Bugagyn Nasanjargal, Mr W Wengchindorj and Mr T Erdenebold (from the GPK's legal department presidium), was warmly welcomed at Delhi airport by the Lok Sabha Deputy Speaker G Lakshmanan.

Later, the delegation called on President N Sanjiva Reddy and handed over a message from Chairman of the GPK Presidium Y Tsedenbal. The delegation members had a half an hour cordial talks with Mr Reddy.

At a press conference in the Mongolian Embassy the delegation members said that they had also brought a message from Mr Tsedenbal (who happens to be the President of Mongolia besides being first secretary of the Mongolian People's Revolutionary Party) for Mrs Indira Gandhi

In a written statement, the delegation members affirmed that being an Asian country Mongolia was 'vitally interested' in establishing 'durable peace and stability' in Asia.

Asked if the recent changes within China had led to any alteration of the Chinese foreign policy in relation to Mongolia, Mr Namsrai said Peking continued to pursue 'great power expansionist policy towards Mongolia' carrying on their subversive activities and ideological propaganda against the MPR.

CSO: 4220

CPI LEADER ISSUES STATEMENT ON GANDHI APPEAL

New Delhi PATRIOT in English 14 Dec 80 pp 1,5

[Text]

CPI general secretary C Rajeswara Rao has stated that Mrs Indira Gandhi's appeal for reconciliation on national issues which she made at the recent AICC-I sesion in Delhi, 'is meant only for public consumption and cannot be taken seriously by Left and democratic forces'.

In a statement on Saturday, Mr Rao took strong exception to the fact that Mrs Gandhi had not uttered a word of protest against the dangerous 'hysterical demands' some of her important followers made at the session for reimposition of emergency and suppression of mass movements with an iron hand. This approach he said, was sufficient to show that she was not serious in her appeal for reconciliation.

Elucidating the CPI position in this complex situation, he states: 'While making common cause with all possible forces for strengthening the progressive foreign policy of the country and defending our national security the CPI will not flinch from making any kind of sacrifice in defence of the interests of our people and the unity and integrity of our country'.

He said whatever might be Mrs Gandhi's attitude towards the Left and secular democratic parties in future, 'they will not desist from the path of channelling the mass discontent into united mass movements for getting relief for the people, while at the same time, fighting the reactionary and divisive chauvinist and communal forces'.

ANTULAY'S CAMPAIGN

Mr Rao assailed Maharashtra Chief Minister A R Antulay for openly decrying parliamentary democracy as the 'fountainhead of all evil' in the country. 'Antulay', he said, 'is running riot running down parliamentary democratic system day in and day out. Obviously Mrs Indira Gandhi is bent upon introducing the presidential system in our country when she gets a chance'.

Sharply denouncing the move, Mr Rao stressed that the presidential system would be the single biggest factor of destabilisation in a country like ours with all its diversity.

He said the political resolution of the AICC-I session was fully in tune with the Congress-I's economic policies and draconian repressive law as it tried to lay the entire blame for the present situation on the Left and secular-democratic parties.

In this context he sarcastically referred to Mrs Gandhi's attack on the 'co-called Left' at the civic reception to Mr Brezhnev. This took place when she was claiming that she was being obstructed in her efforts to end economic inequality and social injustice and completing the 'infinished revolution'.

Mr Rao pointed out that the Left and secular-democratic parties were not responsible for anarchy and chaos but the 'anti-people policies of the Congress-I Governments, alongwith the activities of the reactionary forces'. He also noted that the deteriorating law and order situation under the Janata was no better under Mrs Gandhi's regime. The police itself was the biggest culprit as reflected in the Baghpat atrocity on a woman and the blinding of undertrials in Bhagalpur.

He further urged the Congress-I not to disturb the legitimately elected State Governments of West Bengal, Tripura and Kerala and respect the electoral verdicts there in the same way as the AICC-I resolution wanted the Opposition to respect the electoral verdicts elsewhere.

CSO: 4220

GANDHI CLARIFIES STAND ON GOVERNMENT FORM

Bombay THE TIMES OF INDIA in English 12 Dec 80 p 9

[Text]

NEW DELHI, December 11 (PTI):

THE Prime Minister, Mrs. Indira Gandhi, has categorically ruled out proportional system of representation and denied any suggestion that she was advocating any particular form of government.

Referring to the debate on the presidential form of government, Mrs. Gandhi said she was not for or against it. She had only said that there should be a public discussion on all forms of government. Every system had its good points and deficiencies.

In an interview to a correspondent of "Le Figaro" recently, she reacted with surprise at the suggestion that the Soviet President, Mr. Leonid Brezhnev's visit was fixed in a hurry as a reaction to Mr. Ronald Reagan's election as President of the United States. The visit, she reminded the correspondent, was fixed long ago and finalised when President Sanjiva Reddy visited the USSR.

Asked whether in view of the failure of non-aligned group to do something effective in Afghanistan and the Iran-Iraq conflict, the movement served any purpose, Mrs. Gandhi said its validity should not be judged only with reference to these two issues.

Non-alignment was essential for peace, she said but conceded that divisions within the movement made it less effective.

Mrs. Gandhi said it was in everyone's interest that the Iran-Iraq war should end because not only both the countries were being hurt but also there was chance of its spreading. But it was wrong to think that if India came out and took sides, it would help.

Asked about her reaction to the US presidential election, Mrs. Gandhi said she had all along expected Mr. Reagan to win. As far as India was concerned, there was no difference between Republicans and Democrats and there were individuals in both camps who had been sympathetic to India.

The Prime Minister said she wanted American people to know that India was not against them. In the long run, everybody wanted peace and "we are for peace.

Replying to a question on China, Mrs. Gandhi said it was claiming land not only from India but from Burma, Vietnam and Malaysia.

CSO: 4220

TAMIL NADU FORMS BACKWARD CLASSES CORPORATION

Madras THE HINDU in English 14 Dec 80 p 1

[Text]

THANJAVUR, Dec. 13.

With view to improving the economic conditions of backward classes, the State Government has decided to form the Tamil Nadu Backward Classes Economic Development Corporation.

Announcing this, Mr. D. Sundaresan District Collector, said here on Saturday that the Corporation would provide margin money to backward classes at low interest rates. It would also enable them to take up trading, commercial and industrial activities.

The corporation would secure finances from the State Government, banks and other sources and would participate vigorously in the Integrated Rural Development Programme, Small Farmers Development Agency and other economic programmes of the State.

The Corporation would be registered as a Public Limited Company with an authorised share capital of Rs. 10 crores divided into ten lakh equity shares of Rs. 100 each. The Government would release the share capital of Rs. one crore during this year.

The Commissioner and Secretary to Government Social Welfare Department would be the Chairman. The Corporation would have three other official members. The Director of Backward Classes would be Managing Director. Two non-official members would be nominated separately.

The Government had sanctioned Rs. 1 lakh towards registration of the corporation and for other incidental expenses.

CSO: 4220

GANDHI SEEKS FORMULA TO DEFINE BACKWARD CLASSES

Madras THE HINDU in English 13 Dec 80 p 7

[Text]

NEW DELHI, Dec. 12.

The Prime Minister, Mrs. Indira Gandhi, said today that a widely acceptable formula for categorisation of backward classes should be devised.

There was a controversy whether the economic factor or caste should be the basis for determination, she said addressing the valedictory function of the Backward Classes Commission.

The Commission, headed by Mr. B. P. Mandal, is likely to submit its report to the President by the end of this month.

Mrs. Gandhi said categorisation of backward classes had always been difficult.

"Sometimes it seems to us that there is a competition to be categorised as backward classes", she added.

The Prime Minister said the Directive Principles and other provisions in the Constitution enjoined upon the State to make special provisions for the uplift of weaker sections of the society. "These provisions reflect the nation's understanding of the problems of weaker sections".

The provisions, however, were not intended to create new disparities, but to redress the grievances, she said.

"We are committed to a secular, socialistic society and planned development of the country. This is meaningful only when the backward classes are helped to share the progress", the Prime Minister said.

The Prime Minister said the question of backward classes did not concern them alone "It was a national question".

She said that the recommendations of the Commission, set up in January, 1979, would receive full consideration from the Government.

"We would be righting the longstanding wrong", Mrs. Gandhi added.

In his address the Home Minister, Mr. Zail Singh, said the Congress(I) and the Government were committed to uplift the weaker sections of the society.

"Loopholes Plugged" Welcoming the Prime Minister, Mr. Mandal said his commission had tried to improve upon and plug the loopholes in the Kaka Kalelkar report submitted in 1955.

Mr. Mandal said the Commission had adopted a multiple approach for collection of evidence and the report had "very solid and very extensive data base".

The backward classes reposed high hope in the Government's positive response to the recommendations, he said.

"If this report also meets the same fate as that of Kaka Kalelkar commission, the legitimate hopes and aspirations of the socially and educationally backward classes, which constitute a bulk of our population, will be dashed to the ground" Mr. Mandal pointed out.

The terms of the six-member Commission were to:

Determine the criteria for defining the socially and educationally backward classes; recommend steps to be taken for their advancement; and examine the desirability of reserving jobs for those not adequately represented in public services and posts connected with the affairs of Union or State.—PTI.

CSO: 4220

GANDHI SPEAKS AT KOLAR GOLD MINES CELEBRATION

Bombay THE TIMES OF INDIA in English 21 Dec 80 p 9

[Text]

KOLAR GOLD FIELDS, December 20.

THE centenary celebrations of the gold mines here today saw the Prime Minister, Mrs. Indira Gandhi, reiterate the vital role of gold in economy.

Gold standards might have been replaced but the standard of gold continued to fly high and gold mocked at economists from the vaults of central banks, she said.

Mrs. Gandhi remarked that the policies of various governments over the years had consolidated the hold of gold as the only store of enduring value in a world of depreciating currencies and undependable financial assets.

Fortunately, some changes had occurred in the relative scale of values. Today, gold was challenged as a medium of exchange. It had to compete with art and antiques in its role as a store of value. Real estate was another powerful rival. In international banking, there were "SDRs" (special drawing rights) and petro-dollars.

Mrs. Gandhi's remarks on the role of gold were considered important in economic circles. These were coupled with an announcement by Mr. Pranab Kumar Mukherjee, Union commerce minister, that the government had chosen to place increased emphasis on locating gold reserves in the existing gold mines and also in new areas.

NEW MINERAL POLICY

Mrs. Gandhi spoke of the need for a new mineral policy, which would take care of both conservation and development aspects and aim at and achieve self-reliance in as many minirals as possible.

Mineral resources were not renewable and the needs of the future generation had to be kept in mind. She also stressed the importance of the ecological aspect. Of 65 minerals produced in the country, 36 were from small deposits and mines, which should be encouraged to adopt scientific mining methods and take care of the welfare and safety of miners.

This mining town rose to the occasion to celebrate the hundredth year of organised gold mining in the area, initiated by John Taylor and Sons, a British firm. The undertaking was nationalised 25 years ago.

Workers in their thousands were present at a rally addressed by Mrs. Gandhi. Also present were some former employees — Mr. Alexander Cave, superintendent of the Champion Reef for 36 years, now settled in Australia. Mr. R. S. Stapleton, retired chief engineer, Mysore mine, who like his father, served the gold mines for many years, and Mr. Max Dunlop, retired electrical engineer.

The function was presided over by Mr. John, the oldest employee with 48 years of service, who joined as a fitter. His father and grand father too were employees of the gold mines.

The Kolar gold mines are among the deepest in the world and, as Mrs. Gandhi mentioned, their resources are virtually becoming exhausted. However, the high international gold price has given a new lease of life to the mines for at least 20 years.

Bharat Gold Mines Ltd., a government of India undertaking in charge of the mines, is gearing itself to exploiting lower grade ore available in substantial quantities. Old tailings will be re-treated. Exploration for gold in the southern and northern extensions of the mining belt are being intensified.

According to the Union commerce minister, two small gold prospects have been located in the Mallpakonda and Chigarguntu areas of Chittoor district in Andhra Pradesh. A feasibility report on developing the Yeppamane mine in Anantapur district in Andhra Pradesh is being prepared.

Drilling at Hutti gold mines, located in Karnataka, where sporadic gold values as high as 14 to 15 grams per tonne of ore have been found, is continuing. Another area of exploration is Gadag, also in Karnataka. Exploratory work is also being done in Singhbhum district of Bihar and Keonjhar District of Orissa.

Mr. Mukherjee announced that the Central geological programming board had formulated a five-year plan (1980-85) for a systematic study of old gold workings. The scheme included seven projects in Karnataka, three in Andhra Pradesh and one each in Kerala, Tamil Nadu, Orissa and Bihar.

Mrs. Gandhi stated: "We are entering an era of prospecting in the oceans." The results in this sphere were slow and hard to reach, but in today's world, many other minerals (apart from gold) were no less sought after — petroleum, called liquid gold, coal, "black gold," and uranium.

The oil crisis had made all nations realise that the easily exploitable resources of the earth were limited. As petroleum became dearer, industries were paying attention once again to coal. There was increasing recognition of the need to conserve mineral resources, minimise waste and optimise benefits.

PLANT INAUGURATED

Going back to the past, Mrs. Gandhi explained how gold had attracted men and women from the dawn

of civilisation. Many museums preserved ancient gold jewellery of exquisite beauty. Every language conferred the best qualities on gold.

There were golden ages in history and people with golden hearts. But, for saints and philosphers, gold was the symbol of greed and irrational elements, which governed human behaviour, for it had wrought havoc and brought in its trail misery, crime and violence.

The centenary celebration of the Kolar gold mines got a new dimension with the inauguration of a scheelite (tungston) plant by the Union commerce minister, who is also in charge of mines.

Tungston will be recovered from gold-bearing ore and tailing sands. At present, all the tungston available in the ore is lost. At the same time, the country is importing tungston. The tungston plant, besides being a conservation measure, is import-saving, adding to the financial strength of Bharat Gold Mines Ltd

Mr. C. M. Stephen, Union communication minister, presented to the Prime Minister an album of stamps brought out by post and telegraphs to commemorate the centenary of the gold mines.

CSO: 4220

CORRESPONDENT TELLS STORY OF KOLAR GOLD MINES

Calcutta THE SUNDAY STATESMAN in English 21 Dec 80 p 7

[Text]

BANGALORE, Dec. 26.—Systematic exploitation of gold at Bharat Gold Mines, whose centenary celebrations were held in Kolar today, began only in 1880 when Messrs John Taylor and Sons, a British company, in the Kolar area paid a royalty to the Government of the Maharaja of Mysore. For 76 years the company mined gold and made it a profitable venture. In order to do this it went as deep as three km, making KGF the deepest mine in the world.

In 1956, the then Government of Mysore, under the Chief Ministership of the late K. Hanumanthaiya, nationalized the mines by paying the British company a compensation of nearly Rs 2 crores and renamed it as the Kolar Gold Mining Undertakings. After working the mines for six years during which time the State Government found it hard going because of diminishing yield and high cost of production, the Government of India took over the management in 1962. For 10 years it was run a departmental undertaking by the Economic Affairs Department of the Finance Ministry. In 1972, it was converted into a public sector company and renamed Bharat Gold Mines Limited.

In the last 100 years the Kolar Gold Fields area has yielded 785 tons of the precious metal worth over Rs 12,000 crores. Last year the mines produced 1,650 kg of gold and in the current year the estimated production will be 1,778 kg. But this is nowhere near the world production, which is about one million kg. Over 85% of the world's gold comes from South Africa, the Soviet Union, Canada and Australia.

Gold is produced in India in three States—Karnataka, Andhra and Bihar. The contribution of Andhra and Bihar is almost negligible. Almost the entire Indian output comes from Karnataka which has two gold mining areas, the Kolar Gold Fields and the Hutti Gold Fields (in Raichur district, about 400 km from Bangalore). The Kolar mines contribute nearly 75% of the total output.

Gold mining in Kolar is confined to a small area, 3 km long and 2 km wide. In this small area man goes down to a depth of 3 km to bring out the yellow metal. During the last 100 years, 46.5 million tons of the gold-bearing ore has been mined and 785 tons of the metal recovered.

The mining for gold at KGF has passed through many vicissitudes. At one time it looked as though the mines would have to be closed because of the high cost involved in working it and fall in production. Added to this the cost of production was higher than the Indian and international market prices for gold.

What saved the industry and gave a new lease of life for KGF was the spurt in world market prices for gold in recent years and the discovery of a new oil-bearing reep in the area. This is reflected in Bharat Gold Mines earning a record profit of Rs 3.3 crores last year, the highest in the last 23 years.

Since last year, the Geological Survey of India and Bharat Gold Mines have taken up an intensive programme of gold exploration. They are carrying out exploratory activities in the Mallappakonda and Chigarkunta hill areas in the southern extension, the Manighatta area in the northern extension and Ratrayaswamy block of KGF.

CSO: 4220

DELHI REPORTED CONCERNED OVER GROWING DEFICIT

Madras THE HINDU in English 14 Dec 80 p 13

[Text]

MADRAS, Dec. 13.

the Union Commerce Minister, Mr. Pranab Kumar Mukherjee, said here today that the Centre was concerned about the widening trade gap, which was expected to touch the figure of Rs. 4,000 crores by the end of the year. "Therefore, concerted efforts have to be made to reduce the trade deficit", he told newsmen at the Raj Bhavan.

Mr. Mukherjee who arrived this morning from Delhi en route to Kumbakonam said one of the ways to reduce the gap was to restrict imports, confining it to oil, critical inputs, essential equipment and technology. Imports of consumer durables and other types of goods could be stopped and the country should be made self-reliant in these respects.

The Minister said in the current year alone, import of aluminium, cement and edible oils so far had accounted for around Rs. 2,000 crores. If only production of these commodities within the country were stepped up, he was sure that there could be a saving of nearly Rs. 1,000 crores in foreign exchange.

Mr. Mukherjee envisaged that the current decade would be one of deficit in foodgrains throughout the world. India should mount an all-out effort to produce more foodgrains so that the country could reach a position of "net exporter of food during the 1980s".

The Minister felt that if the country could increase its total food production from the present 160 million tonnes to about 200 million tonnes, he did not expect any difficulty about the country exporting foodgrains. He felt that the quantum of import of edible oils was "rather on the high side".

The Minister said this situation could not be attained overnight, but felt it should be possible over the next three years, for which a beginning had to be made right now.

'Outlook for Steel Output Bright'

He found that the outlook for steel production had brightened, because from a deficit of two lakh tonnes some time back, production had picked up and the gap had been reduced by one lakh tonnes.

In the case of aluminium, the production of the metal which was 1.8 lakh tonnes sometime ago, had been stepped up to two lakh tonnes. A similar attempt could be made in the case of cement also, he said.

Our Tiruchi Staff Reporter writes:

Mr. Pranab Mukherjee said even after pumping in substantial amount as subsidy, the public distribution system had not given us satisfaction. The system was meant to protect the consumers' interests and peg prices at reasonable levels, he told pressmen in Trichy on his assessment of the working of the public distribution system.

To a question, Mr. Mukherjee said the Centre had no proposal to nationalise the private trade. Private trade had its own role to play and would be allowed to do so.

About the prospects of extension of the free trade zone from the eastern sector to other sectors, the Commerce Minister replied that any unit which is 100 per cent export oriented would receive all the facilities of the free trade zone.

Answering questions on replacement of Sales Tax by Excise levy, the Minister said a committee with some Chief Ministers had been constituted to go into this issue and the rationalisation of the sales tax structure.

CSO: 4220

INDIA REPORTED TO DEVELOP MISSILE CAPACITY

New Delhi PATRIOT in English 13 Dec 80 pp 1, 7

[Text]

INDIA has achieved the capability to manufacture and launch intermediate-rang ballistic missiles, space research scientists have said.

Basic capability has been achieved not only in the booster technology, which in fact is smoothly progressing towards sending high-altitude heavy weight satellites in orbit, but also in essential systems for payload and booster guidance, re-entry, mobile ground control telemetry and higher resolution optical and infra-red sensing devices.

The senior science managers of India's space programmes point out that the research is committed to peaceful needs as a matter of policy. However, they say, the project engineers and scientists working on the Satellite Launch Vehicles (SLV)—SLV-3 was launched successfully in July this year—and its successor systems have developed a pool of information and technology which will make India self-sufficient in all respects of boosters.

Experimentally, highly technical systems of heat protection and guidance have been test-rsted, it is learnt. 'All they need is further refining, a senior scientists said when talking of sensitive trajectory and position correctional instruments now being developed for the peaceful space programme.

Although Indian Space Research Organisation chief Prof Satish Dhawan described the traditional 'ablative heat shield' systems as being in a primitive stage, scientists say they have solve the heat shield problems through basic research for the protection of the payload both through launch and through re-entry when it has to face more vicious forces of resistance and heat. An ablative heat shield removes the heat by melting itself with the molten bits thrown off. The coated fibre glass heat shields for the payload during the launch on the other hand act as a physical and insulating bulwark

According to scientists, the factors concerned in re-entry of missile payloads are guidance through the launch, guidance of the payload during the ballistic trajectory back to earth (when the booster is no longer aiding its movement, and the forces of gravity have taken over), the finding of the 're-entry window' through the outer layers of the earth atmosphere, and high resolution sensing systems operating on either infra-red heat-seeking principles or pre-programmed terrestrial coordinates.

Launch guidance systems have been thoroughly tested and the principle was used in the successful SLV-3 and other minor launches preceding it.

For the booster itself, rapid research in the last five years has shown India's competence in both solid state rocket propellents —some of which are said to be better than similar polymer fuels developed in other countries—as also in liquid propellent motors. Development is now under way to refine the liquid fuel motors for using liquid hydrogen instead of hydrazine which is now being used in the fourth stage motors of SLV-3.

'BLACK BOX'

At the heart of the guidance system is a 'black box' which is a super-secret gyroscopic arrangement which senses the position of the rocket and payload. Hitherto, even in the high secrecy field of rocketry, the inertial guidance system, was the most secret of all components. So much so that a simpler device used in commercial aircraf for their autopilot systems is sealed by the manufacturers with the condition that any buyer country which has the aircraft cannot open it. The purchase contract is terminated automatically if the seal is broken, and an embargo placed on all spare parts and facilities.

Indian scientists have developed this black box 'ab initio,' based on their own research, and numbers of them are being fabricated.

The other important part is the sensing device that can locate any area on earth, or for that matter a distant star in a galaxy. Research now underway seeks to increase the resolution of various types of sensing devices to narrow down the minimum distances the sensor can differentiate.

Once the sensing is done and the position known, the rocket

with its payload has to be controlled at two different points. One is at the moment of re-entry. Because of the earth's atmosphere and the speed of the missile, the payload will bounce off—or skim off—the atmospheric layers if it is not angled properly. This angle of re-entry has to be defined and controlled within small tolerances.

Later, during targeting also, control of the payload is necessary. Indian scientists have already perfected a system of on-board correctional boosters for space use—including the three-directional correctional device which can keep satellites free of unnecessary movement in the pitch, roll and yaw directions.

Research is also under way to further improve on-board computer systems for control and guidance systems, as also for miniaturised mobile telemetry systems.

All these, scientists say, are resultant spin-offs from the space programme which is now entering its second decade in which India hopes to send its first geo-stationary satellite by its own booster launcher from its own launching pad.

The space programme itself, Prof Dhawan said, is committed to peaceful uses of space, specially on agriculture, climate forecast, communications and education.

CSO: 4220

DIFFERENCES AMONG MARXIST COMMUNISTS TOLD

Bombay THE TIMES OF INDIA in English 14 Dec 80 p 9

[Text]

NEW DELHI, December 13.

THE inner contradictions of the CPM has accentuated and this has led to the indefinite postponement of a party delegation visiting Vietnam and Kampuchea for opening a dialogue on establishing relationship with the sister parties there.

This is a clear outward manifestation of the crisis overtaking the party. If it could, the party would not have cancelled the trip, because of the ideological implications, so soon after Mr. Brezhnev's visit. Obviously it thought it prudent to put it off.

Mr. Promode Dasgupta, secretary of the West Bengal unit, making the trip as one of the two members of the delegation, had always been in doubt. But he appears to have given an assurance to the Central leadership about going on the tour when our senior politburo members had gone to Calcutta last week to sort out ideological issues with the state unit.

Mr. Dasgupta, now suddenly changing his mind "for health reasons," indicates that the pressures being exerted on him by the pro-Chinese factions have more destructive potentialities than had been suspected.

He is not a recalcitrant. He is quite prepared to go along with the Central party's ideological formulations. This was indicated by his accepting the Salkhia plenum resolution, reversing his own previous stand. But he carries on his shoulders the onerous responsibility of keeping the diverse elements in the Bengal unit together.

The Central leadership obviously sympathises with Mr. Dasgupta because he is performing a task crucial to the party's future.

The party cannot afford to weaken its Bengal unit, which provides sustenance to the entire CPM movement besides giving important support to the other left parties.

The CPI owes to it all its three MPs from West Bengal and the other regional left parties of the state would be nowhere without being partners of the left front.

The Central leadership was prepared to play it cool for some time, not pushing the ideological issues too hard. The Brezhnev visit appears to have changed the situation.

Apparently, the CPM leadership sees in the visit a new Soviet initiative in the region and wants to be an active participant in it, whatever the objective.

This was indicated by the fact that the party leaders were present in strength at the airport to receive Mr. Brezhnev. They were keen for an audience with the Soviet President, which did not come off indicating continued Soviet reservations against them.

Anticipating this, four senior party leaders travelled to Calcutta on the eve of Mr. Brezhnev's arrival in an attempt to bring the Bengal unit to accept the Central line, ideological issues having now assumed an importance as never before.

They were able to bring round Mr. Dasgupta. But, obviously important elements in the Bengal unit are resisting.

Before long, the Central leadership will have to settle the Vietnam and Kampuchea issue with its Bengal unit. This has become imperative in order to straighten out its ideological line with the CPSU and end its isolation from the regional communist movement. The China line has few takers in the politburo.

It is obviously faced with a dilemma. If it precipitates the issue, it will quite certainly split the Bengal party and weaken it, will mean a serious setback to the communist movement in the country.

CSO: 4220

MEGHALAYA CABINET RESHUFFLE REPORTED

Bombay THE TIMES OF INDIA in English 12 Dec 80 p 9

[Text]

SHILLONG, December 11 (UNI): The Meghalaya chief minister, Mr. B. B. Lyngdoh, today reshuffled the portfolios among his council of ministers, ending the long speculation about his dropping a cabinet member following certain allegations against him.

The reshuffle came after the induction of one more member to the cabinet this morning raising the total strength of the ministry to 14 including the chief minister.

The political and home (including passport and jails) departments held by the chief minister have now been given to the deputy chief minister, Mr. S. D. Khongwir, from whom finance had gone to Mr. Maham Singh.

The chief minister will hold general administration, district council affairs, election, education, soil conservation, cabinet affairs, general co-ordination of all departments and port-folios not allotted to other ministers.

The newly conducted minister Mr. Endro Iawphniaw, has been allotted community development forests, printing and stationary.

CSO: 4220

NATIONAL PLAN TO INTERLINK RIVERS DESCRIBED

Bombay THE TIMES OF INDIA in English 14 Dec 80 p 13

[Text]

AHMEDABAD, December 13.

A PERSPECTIVE plan to inter-link the Damanganga River with the Tapi and the Narmada rivers has been formulated by the Union irrigation ministry and the Central Water Commission to provide irrigational facilities to about 680,000 hectares of land in the Saurashtra and Kutch regions.

Under the scheme, a link canal has been suggested to run northwards from the Damanganga and connect it with the Tapi and the Narmada rivers. Backed by the construction of as much storage capacity as possible, such a link canal will provide the requisite supply to the Ukai left bank and the Kakrapar left bank canal areas and release about 3.5 million acre feet of Tapi waters which can be used in the lower areas of the Narmada canal releasing in turn a corresponding quantity of water for extension of irrigation to the Saurashtra and Kutch areas from the Narmada high level canal.

It is estimated that the water to become available by inter-linking the rivers will be adequate to provide irrigational facilities to about 680,000 hectares of land in the Kutch-Saurashtra region by providing various alternative alignments at different levels.

The inter-linking of the Damanganga with the Tapi and the Narmada rivers in a part of the "national perspective for the water resources development" plan framed by the Union irrigation ministry to augment the irrigational facilities by inter-linking various major rivers in the country.

The national plan is estimated to cost Rs. 50,000 crores giving additional benefits of 25 million hectares of irrigation by surface waters, 10 million hectares by increased use of ground waters and generation of 40 million kilowatts of power, apart from the benefits of flood control and navigation.

The scheme, the planners believe, will not only be technically feasible but also economically viable when compared to the present cost development of irrigation facilities. The technology proposed in the scheme is already known and tried successfully in the country and do not involve experimentation or research. Besides, it is capable planning and implementation by the Indian experts without any foreign assistance.

By inter-linking various major rivers, the scheme is estimated to benefit nine states covering particularly such areas at present depending on the vagaries of the monsoon. The state-wise benefits worked out by the ministry include availability of additional quantum of six million acre feet of water in Orissa covering an additional 11.71 lakh hectares of land under irrigation, about 24 MAF. of water in Andhra Pradesh covering 46.85 lakh hectares. 6.5 MAF water in Maharashtra covering 12.69 lakh hectares, another 6.5 MAF water in Karnataka covering another 12,69 lakh hectares, about 12 MAF water in Tamil Nadu covering 23.42 lakh hectares, about five MAF water in Kerala covering 9.76 lakh hectares, about 2.5 MAF in Madhya Pradesh covering 4.88 lakh hectares, about 2.5 MAF in Uttar Pradesh also covering 4.88 lakh hectares and about 3.5 MAF in Gujarat covering 6.83 lakh hectares (approximately 17 lakh acres).

In addition, the plan estimates that from the Himalayan rivers development, major irrigation benefits will also go to Bihar and West Bengal besides U.P. while substantial benefits will also accrue to M.P. and it may also be possible to extend some benefits to Haryana, Punjab, Rajasthan and Gujarat.

HELP TO SAURASHTRA

The total surface water available in the country is nearly 1,440 million acre feet but of which only about 220 million acre feet are now being used. The rest is flowing waste causing disastrous floods every year. It has also been assessed that at the most, the plans evolved by various state governments can utilise not more than 540 MAF of water including various inter-state irrigation schemes.

In view of the Narmada tribunal's award giving a share of only nine million acre feet of the Narmada waters to Gujarat, the plan to inter-link the Damanganga, the Tapi and the Narmada will come as very handy to the state government to provide irrigation facilities in the Kutch and the Saurashtra regions which had very little scope of surface water irrigation.

Before the tribunal's award was announced, the state government, hoping for a much larger share of the Narmada waters, had expected to provide irrigational facilities to about 37 lakh hectares of land in the Saurashtra region. The tribunal, however, has since rejected the state's plea to allow it to utilise the surplus water till such time M.P. was in a position to make full utilisation of its share.

The tribunal has made it clear that such surplus water could be used by Gujarat only for power generation and not for irrigation.

CSO: 4220

COMMERCE MINISTER TELLS STRATEGY TO COVER DEFICIT

Bombay THE TIMES OF INDIA in English 14 Dec 80 p 13

[Text]

MADRAS, December13.

A LONG-TERM strategy to deal with the country's mounting trade deficit by slashing imports of consumer goods and exporting foodgrains was spelled out by the Union commerce minister, Mr. Pranab Mukherjee, here today.

The import of goods, like edible oils, steel, aluminium and cement, could be reduced to the extent of Rs. 2,000 crores, he said. The foodgrain production could be stepped up from 130 million tonnes a year to 200 million tonnes by the end of the decade. However, this exercise could not be begun this year or the next, for obvious reasons. The process could start in a couple of years.

"A beginning can be made immediately" in regard to steel as steel production had gone up this year. Mr. Mukherjee said that the country's trade deficit was expected to go up to Rs. 4,000 crores by the end of 1980-81. The new import strategy would give priority to critical equipment, technology and so on.

The commerce minister said the cutdown would be phased in such a way that imports would be reduced as internal production of the particular commodity — say oilseeds — was stepped up, so that a price spiral would not be created.

As regard the future of the giant Buckingham and Carnatic Mills employing over 10,000 in Madras, now under notice of closure from January 1, Mr. Mukherjee said the Centre would be prepared to take over the sick undertaking only if the workers agreed to rationalisation of the work force, wages and production norms, to bring them on a par with the rest of the textile industry.

He said the Centre had received the report of the chief minister of Tamil Nadu and had already told him about its attitude.

As things stood, with the workers opposing retrenchment and rationalisation as the basis for talks, Mr. Mukherjee said he was "not interested in taking over junk."

"I am interested in creating jobs", he said. "I am not prepared to pump in any more money into the mill if it is not going to be viable. I can invest the same money in some other project and create more employment.

CSO: 4220

USSR REPORTEDLY WILL SUPPLY INDIA WITH MIG-25S

Bombay THE TIMES OF INDIA in English 14 Dec 80 p 1

[Text]

NEW DELHI, December 13 (PTI): THE Soviet Union is reported to have agreed to supply India with MiG-25 reconnaissance aircraft.

According to reliable sources, the aircraft will be purchased by the Indian Airforce. The number of planes India is likely to purchase is being kept a closely guarded secret.

The MiG-25 is considered one of the most sophisticated reconnaissance planes with capability of flying at very high altitudes.

The Air Force is receiving two versions of the aircraft — trainer as well as reconnaissance. The Russian plane is known to NATO as "Foxbat".

According to defence ministry sources the delivery schedule of MiG-25 has been worked out and the planes were expected shortly.

The reconnaissance plane is fitted with five cameras. The aircraft has various flush dielectric panels and a very small dielectric nosecap for radar. Other equipment is believed to include the doppler navigation system and a side-looking airborne radar. There is no armament in this version of the plane. The MiG-25 was developed as an interceptor in the Soviet Union.

The MiG-25, known as Mach-3 aircraft, is capable of flying at a speed of nearly 2,900 km. per hour.

It has been flown by a number of Russian pilots in speed and height records and has achieved the maximum height of 35,000 metres in a 4 minutes 11.3 seconds.

In 1973 Dr. Robert C. Seamans, the then American secretary of the Air Force described the MiG-25 as probably the best interceptor in production in the world.

Dr. Seamans had said that the Mach-3 aircraft could "perform both interceptor and reconnaissance missions, can operate at 80,000 feet and has highly capable avionics and missile systems."

The first opportunity to study the MiG-25 interceptor outside the Soviet Union came when Lt. Viktor Belenko flew with an aircraft from one of the Soviet bases to Japan on September 6, 1976.

The maximum speed at which the reconnaissance aircraft can fly is reported in the Jane's All The World's Aircraft Book as about Mach 3.2.

CSO: 4220

INDO-BULGARIAN GROUP HOLDS NATIONAL PARLEY

New Delhi PATRIOT in English 14 Dec 80 p 5

[Text]

The economic progress of Bulgaria, basically an agricultural country, disproved the theory that industrial progress is antagonistic to development in agriculture.

This was highlighted by speakers at the first national conference of the Indo-Bulgarian Friendship Association, on Saturday.

Among the speakers were CSIR vice-president Nurul Hasan, CPI leader N K Krishnan, former Union Minister S.D.Sharma, Cong (U) MP N P Nanda, leader of a Bulgarian delegation P.Cholakov, Bulgarian ambassardor Tocho Tochev.

Presiding over the two-day conference, prof Nurul Hasan said that Bulgaria had made a phenomenal progress in all branches of science.

Referring to the nature and depth of the friendship between India and Bulgaria, he referred to a recent offer made by Bulgaria to bring whatever was available in this country.

Mr N. K. Krishnan drew the attention of bulgaria's heroic struggle against fascism and imperialism which provided inspiration to all those facing such forces.

Dr S.D.Sharma spoke about the support Bulgaria had given to India in her moments of crisis and said that more exchanges of delegations in various fields between the two countries should be encouraged not only at the official level but also at the non-official level.

Mr P.Cholakov said that Bulgaria considered India as one of the most valued friends and hoped that this friendship would continue to grow.

CSO: 4220

REPORTER DESCRIBES MARATHA LIGHT INFANTRY

Madras THE HINDU in English 12 Dec 80 p 11

[Text]

BELGAUM.

The process of giving the finishing touches to Ganapat is on. What scores of men have been concentrating their energies to achieve perfection is not to be confused with the clay model of Lord Ganesha worshipped by the devout Hindus.

Ganapat is a popular name for the Maratha Light Infantry, one of the oldest and most cherished regiments of the Indian Army.

He is a raw youth, wiry, supple, moderately-built, with a dark complexion: coming from a rural area, he is not even a matriculate. The youth is now at the threshold of realising his long-cherished dream of joining the elite band of Ganapats, who are known for bravery and valour in the midst of adversity.

Only 22 Minutes

In the midst of the thick jungle, infested with wild boars, leopards and snakes, this youth is waiting anxiously for the completion of the final lap of the 10-month training to make him a disciplined soldier. It is at once arduous, a test for endurance, quick reflexes and physical fitness. As he gets ready in his olive-green battle dress, with the slow-loading rifle slung on his shoulder, a mixed feeling of apprehension and confidence grips him. All the theory that has been dinned into his ears all along, is now to be practically applied.

As he and his comrades get set for the kilometer-long obstacle-course, which requires them to negotiate as many as 25 obstacles like crossing ravines, monkey-crawling and sliding through low-wire entanglements, the atmosphere acquires the tone and tenor of a battlefield. A smoke-screen throws a veneer over his movements, while the sound of distant firing fills the air.

Even as the bullets zoom across overhead, he reaches his destination—the firing range. He tackles standing and lying dummies for close bayonet fighting, and with a steadied hand, aims at a target lying 100 metres away with the help of the slow-loading rifle, he is carrying.

All this has to be accomplished in just 22 minutes and most of the time, as the training period reach the finale, he seldom misses the target. Thus begins his career in a regiment, sanctified by the memory of the historic exploits of the greatest of the Indian soldier-kings—Shivaji.

This youth can rise to the rank of Subedar Major, and given a bit of luck and gumption, he can even be in the line for the honorary rank of captain.

Diverse Training

For well-nigh four decades, the 800-acre range, safely ensconced amidst dense forests, 23 km. from Belgaum, has been reverberating with the sounds of rifle shots, and the rhythmic footfalls of trainee soldiers. The approach to the site is rough. There is no movement except of the army vehicles. The undulating terrain, criss-crossed by nullahs and wild jungle growth, is the baptising ground for the infantry in all aspects of warfare.

As Col. N. V. Subbaran, Commandant, Maratha Light Infantry Regimental Centre, puts it, the training area and the immense scope for providing diverse training, has been a special feature of MLI's activities.

Major Kadam, the officer-in-charge of the jungle training camp, says it is possible to give training in the camp in all aspects of warfare, except desert warfare. Not many of the regiments in the country have been blessed with such an all-purpose, training ground as MLI, he says.

Every new batch of recruits, joining the 40-week course, is put through the mill of a four-week obstacle course, to top off the training. "What we give here is a basic course", says Col. Subbaran. An inexperienced youth coming from the countryside is moulded into a soldier and as he returns to the battalion, he gets specialised training.

"In the army, it is training all through", he observes. The recruit learns the use of weapons, like the LMG, Stenguns and SLRs.

The Maratha Light Infantry, which in the words of late Zakir Hussain, a President of India, has added many a brilliant chapter to the glorious annals of the Indian Army, has a more than 200-year-old history, replete with heroic sagas in all major war theatres, relating to the days of the East India Company.

Even since its first battalion, known also as the Jangi Paltan, was made the second battalion of the Bombay Sepoys, in 1768, to protect the East India Company's possessions in the island of Bombay, the MLI has not looked back. It was in 1841, that the 8th regiment Bombay Infantry—now known as the second MLI,—by its stubborn defence of the tribal fort of Kahun, was honoured by being made "Light Infantry" for its "gallantry, prudence, skill under circumstances of unusual trial and difficulty".

Twenty-seven years later, the third and 10th regiments (later the first and 33rd Maratha respectively) were made Light Infantry.

From the jungles of Java, and the barren mountains of Ethiopia, to the deserts of North Africa and mountains and rivers of Italy, the MLI battalions were in the fore front during World War II. Two of its soldiers etched their names in letters of gold in the Scroll of Honour by earning the Victoria Cross.

One of them—Naik Yashwant Ghadge who was leading the rifle section during the Italian campaign in July 1944 was given the award posthumously for his courage, determination and devotion. The other winner of the Victoria Cross was Sepoy Namdeo Jadhav, who showed exceptional bravery and outstanding gallantry during the war in the Italian front in 1745.

After independence too, MLIs' exploits have remained heroic. Besides participating in every armed conflict, starting from the Jammu and Kashmir operation in 1947, to the Bangladesh operation, it has been an active participant in all the theatres of war. The record of the second Marathas as a part of the United Nations Emergency Force in Gaza, in the Middle East in 1962, has been outstanding too.

In the Bangladesh operations, one battalion in the battle of Jamalpur won five Vir Chakras and 2 Sena medals. Its tally of medals since Independence is impressive—four Maha Vir Chakras, 30 Vir Chakras, one each of Ashok and Kirti Chakras, five Saurya Chakras, 41 Sena Medals, 39 commendation cards and 31 mention-in-dispatches. During the 1971 Indo-Pakistan operations, the MLI increased its tally of battle honours by another nine.

Belgaum, a leading town of Karnataka, has been the home of the MLI since 1922. There are barracks that were constructed by the regiments troops over hundred years ago, which are in use even today.

Though originally, it had only the Marathas—the sturdy youths belonging to the caste that goes by that name in Maharashtra—the MLI has been thrown open its door to others too, of late. "We have gone cosmopolitan" says, Col. Subbarao.

The MLI infantry according to available information, is always a step ahead of the others with its brisk 140 paces to the minute, and that is why takes all orders from the "Vishram" position, and marches at the "trial" instead of at the "slope" like other infantrymen. The MLI is the only regiment in the Indian Army, to wear brass shoulder titles with its regimental crest. The battle cry was the traditional "Har Har Mahadev" which was changed over to "Bolo Chhatrapati Shivaji Maharaj ki Jai" from the days of World War II.—Our Hubli Staff Reporter.

CSO: 4220

PADDY PROCUREMENT FOR 1980 UP BY 1.5 MILLION TONS

Bombay THE TIMES OF INDIA in English 15 Dec 80 p 20

[Text]

NEW DELHI, December 14.

THE paddy procurement this year is far higher than in the corresponding period last year. According to the latest information available with the Food Corporation of India (FCI), official agencies have already purchased over 3.6 million tonnes of paddy under price support operations. This is about 1.3 million tonnes more than the purchases made during the corresponding period last year.

With about seven lakh tonnes of rice coming to the Central grainpool primarily from millers during this period, the total procurement in terms of rice is estimated at about 3.1 million tonnes, against two million tonnes till this date last year.

Although the peak kharif marketing season is almost over, large stocks of paddy are still pouring into the mandis of Punjab and Haryana. Some stocks are also being procured in Uttar Pradesh and Madhya Pradesh.

Punjab continues to maintain its lead in rice procurement. Over 2.5 million tonnes of paddy and nearly 4.5 lakh tonnes of rice have been procured so far in this state alone. In terms of rice, the state's contribution so far amounts to about 2.17 million tonnes. The procurement during the entire marketing season last year was about 2.27 million tonnes. This year, in view of the bumper crop, the procurement is expected to set a new record.

Rice procurement in Haryana so far is estimated at nearly 4.2 lakh tonnes, against 2.7 lakh tonnes in the corresponding period last year. This includes 3.3 lakh tonnes of paddy purchased directly from the growers by official agencies and nearly two lakh tonnes of rice collected from rice mills as levy. The total contribution of this state to the Central grainpool may also exceed last year's level of 5.56 lakh tonnes.

MARKET ARRIVAL

Rice procurement in Uttar Pradesh is also higher this year compared to last year. About 5.1 lakh tonnes of paddy has already been purchased in the state, against only about 9,500 tonnes purchased last year by this time.

Estimates for other states indicate that the rice procurement so far has been over 54,000 tonnes in Tamil Nadu, 43,000 tonnes in Madhya Pradesh, about 42,000 tonnes in Jammu and Kashmir, nearly 36,000 tonnes in Andhra Pradesh, about 7,700 tonnes in Maharashtra and about 9,500 tonnes in Orissa.

Rice millers have bought less paddy in Punjab this year. Of the total market arrivals of about 4.26 million tonnes, millers have purchased only about 17 lakh tonnes. Last year, they had bought over 21 lakh tonnes by this time.

In Haryana millers have mopped up about 11.7 lakh tonnes of paddy out of about 15 lakh tonnes that have reached the mandis so far. The bulk of these stocks would be passed on to the FCI after milling under the levy system in these states.

CSO: 4220

TATA INSTITUTE SCIENTISTS SEEK LOST BALLOON

Madras THE HINDU in English 13 Dec 80 p 1

[Text]

HYDERABAD, Dec. 12.

Ships of the Indian Navy and radars of the Meteorological and Civil Aviation departments are now scanning the skies to locate a giant balloon carrying a 900-kg infra red ray (IR) telescope, the heaviest payload ever launched from a balloon in India.

At the national balloon facility of the Tata Institute of Fundamental Research (TIFR) here, from where the zero-pressure polyethylene balloon with a gross lift of 1850 kg was sent up, scientists are "praying that the wayward balloon should somehow drift back inland."

The 1.31-lakh-cubic-metre balloon, which took off at 8.50 p.m. on Wednesday, was to release the infra red ray telescope through a twin parachute at about 6 a.m. yesterday somewhere near Yadagiri in Karnataka. The payload failed to get released owing to a malfunction of the release mechanism, with the result that the balloon and the payload reached the programmed altitude of 32 km, which is the stratospheric region, and drifted towards the west coast.

The ground control at the balloon facility and the Selenia radar at the air traffic control (ATC) at the Begumpet airport lost contact with the balloon at 7.11 a.m. on Thursday when it was 250 km south-west of Hyderabad.

Good News

As the scientists waited anxiously for four hours, in came the good news that the radar at the Santa Cruz airport in Bombay spotted it 180 nautical miles off Bombay. The TIFR headquarters in Bombay requested the airport to track the balloon.

The ATC at Santa Cruz kept feeding the balloon facility here with the balloon flight position regularly and at 5.25 p.m. on Thursday it crossed the coast and headed on to the sea, 164 nautical miles south of Bombay. The Santa Cruz radar also lost track of the balloon at 7.20 p.m. (Thursday) when it lay 196 nautical miles off Bombay.

Mr. R. T. Redkar, scientist in charge of the TIFR balloon facility, told THE HINDU this morning that the radar at the Colaba regional meteorological centre tried in vain in the early hours to track the balloon. Besides the radars, ships of the Indian navy have also been requested to help locate the balloon.

Anxious Moments

The launch of the balloon itself was dramatic. After days of waiting, the surface and upper wind data were found to be favourable and all was set for the launch on Wednesday night. At exactly 8.50 p.m. the giant balloon fluttered in the wind and then moved horizontally over the ground some distance picking up on its way the IR telescope attached to a launch vehicle.

As the payload did not come off smoothly, the ascending craft lifted the front wheels of the vehicle and spun it round. The sophisticated IR telescope hit the ground and was dragged a few yards. Scientists watched breathlessly as the balloon, instead of picking up altitude, moved horizontally, narrowly missing the roof of the BCIL complex nearby.

As the ballast (iron powder) was shed, the balloon rose and the relieved scientists at the TIFR control room found that by 10-15 p.m. the balloon had entered the 'critical' tropopause region (altitude 15-17 km) where several balloons in the past had burst on encountering extreme cold. Within minutes of the launch it was also clear that the IR telescope did not suffer any serious damage and was sending data normally.

Dr. T. N. Rangarajan of the TIFR School of Physics, Bombay, said they had carried out checks on some planets and other astronomical sources with the IR telescope in the far infra-red region lying between 40 and 200 microns. "We are satisfied with its performance."

Barring some anxious moments at the time of the launch, the balloon performed all the tasks set for it. It reached the altitudinal ceiling of 32 km and stayed aloft for six hours before slightly coming down at dawn.

Scientists were only sorry that because of the failure of the release mechanism, the sensitive IR telescope, representing three years of ceaseless effort, seemed destined to go waste.

CSO: 4220

KAUL: FOREIGN EXCHANGE NEEDED FOR OIL IMPORTS

Bombay THE TIMES OF INDIA in English 21 Dec 80 p 7

[Text]

BOMBAY, December 20: Mr. P. K. Kaul, secretary in the ministry of commerce, has called for serious and concerted efforts to increase exports to earn as much foreign exchange as possible to meet the staggering oil import bill of Rs. 500 crores a year.

Mr. Kaul, speaking at the awards function of the Engineering Export Promotion Council (EEPC) (western region) here today, felt that engineering goods exports could play a vital role in earning the much needed foreign exchange.

He assured the council of a full supply of steel and extension of time limit for concessional credit of pre-shipment finance for the exporters. He pointed out that the cabinet committee decision about free trade zone status for 100 per cent export-oriented units and exemption of export production from industrial licencing were some other steps taken by the government to boost exports.

Mr. Kaul complimented the EEPC for achieving a 30 per cent rise in exports during the first half of the current year, thereby regaining the position of prominence in India's export list.

Earlier, Mr. A. K. Jajodia, EEPC chairman, said the only way to increase the country's exports of engineering goods was to create surplus production with the help of advanced technology. Mr. Jajodia appealed to the government to continue compensating the exporting community, treating export credit as an additional requirement and meeting it in full and in time, permitting exporters to undertake off-shore banking operations and restoring facilities under section 35B of the I.T. act immediately.

Mr. Kaul awarded certificates of export recognition to various members of the western region on the basis of export performance during 1978-79 and 1979-80.

Mr. S. Rajgopal, secretary to the government of Maharashtra, department of industries, energy and labour, presided over the exporters' meeting and open-house discussion.

CSO: 4220

ANDHRA PRADESH NAXALITES STEP UP ACTIVITY

Bombay THE TIMES OF INDIA in English 15 Dec 80 p 1

[Text]

CHANDRAPUR, December 14.

ANDHRA Pradesh Naxalites have stepped up their actitities in the forest area of Sironcha tehsil of Chandrapur district, it is learnt from reliable sources.

Presumably, they are using the dense forest of Bhamragad as their underground headquarters.

Sironcha tehsil is on the Maharashtra-Andhra Pradesh border.

According to information reaching here, nearly 1,000 Naxalites have earned the sympathy of the rural people.

In an "encounter" last month, a 28-year-old Naxalite, Paddi Shankar, was killed by an SRP squad near Sironcha. He was in the process of crossing the border with many other Naxalites.

As the SRP men tried to apprehend them, the Naxalites were reported to have opened fire with their .12-bore country-made guns. Paddi Shankar was gunned down when the SRP men returned the fire. One extremist was arrested while the other made good their escape.

The police seized a .12-bore gun, some incriminating leaflets, a first-aid and ration kit from Paddi Shankar. The leaflets in Telugu and English described the police as the enemies of their struggle. This obviously is an indication that these Naxalites are the followers of Charu Mazumdar who, in his later days, spearheaded a drive against the police.

Those who have infiltrated Sironcha tehsil are believed to have been trained in guerilla activities. The first infiltration was in 1978 when they entered Bari village of Rajura tehsil and committed large-scale decoities. Since then, they have been indulging in terrorist activities and robberies in the villages on the border.

CSO: 4220

BRIEFS

TRIPURA BORDER CONTROL--Agartala, 12 Dec: The Tripura Government today decided to seal some portion of the State's north-eastern border near the tri-junction with Mizoram and Bangladesh. The Chief Minister, Mr Nripen Chakravorty, told newsmen that the decision was taken at a meeting of the State Cabinet. [Text] [Madras THE HINDU in English 13 Dec 80 p 9)

LOK DAL DEFECTORS--New Delhi, 14 Dec: Several Lok Dal leaders in Maharasatra and Uttar Pradesh joined the Congress (I) here today. They were admitted to the party by Mrs Indira Gandhi. According to Mr Vasantrao Patil, AICC (I) general secretary, they include Mr Shanker Rao Patil, general secratary of the Hamirpur District Bar Association in U.P., Mr Dinesh Kumar Kanwar of Ghazabad, Mr Ram Pravesh Giri, organising secretary of the Rajya Police Karmachari Parishad, U.P. and Mr Gaje Singh, former general secretary of the Delhi Lok Dal. [Text] [Bombay THE TIMES OF INDIA in English 15 Dec 80 p 1]

UAE INVESTMENT PLANS--Abu Dhabi, 14 Dec: The United Arab Emirates would like to invest its petro-dollars in Indian industry and "for India there will be no limits from our side." This was stated by the UAE minister of state for foreign affairs, Mr Rashid Abdullah, in an interview with PTI today. Mr. Abdullah leaves this week for India to take part in the Indo-UAE joint commission meeting in Delhi from December 19. He said tha UAE would like to have a part in India's new investment plan. During his visit to India, he said, he would look into this policy. In the past, Mr Abdullah said, this matter had been considered both in Delhi and Abu Dhabi. Mr Abdullah said, "I am going to Delhi with an open mind and if some specific programme is put before me, it will be looked into. We are prepared to share this plan." He said the UAE would be interested in joint projects in which its gas and oil is used with India's raw materials and technical knowhow. Such joint projects, he thought, would benefit both India and the UAE. Mr Abdullah thanked India for its support in the Palestinian cause. He said India and the UAE had excellent relations and "we are happy and satisfied with what we get." [Text] [Bombay THE TIMES OF INDIA in English 15 Dec 80 p 6]

ANDAMANS TERRITORIAL COUNCIL--New Delhi, 20 Dec: The Andaman and Nicobar Islands will have a territorial council within the next three months, Mr Zail Singh, Union home minister, announced today. The Union territory now has no representative body of its people although it sends a member to the Lok Sabha. Mr Zail Singh told his ministry's advisory committe on the islands that the proposed council would give the people of the Union territory a meaningful say in its administration and on programmes for their betterment and welfare. The 19-member advisory

committee is composed of the sole MP and prominent citizen of the territory, including municipal and block development board members, and meets irregularly. Mr Yogendra Makwade, minister of state for home affairs, was present at the committee meeting which lasted almost three hours today. [Text] [Bombay THE TIMES OF INDIA in English 21 Dec 80 p 9]

AID TO NAXALITES--Trivandrum, 20 Dec: The Kerala home minister, Mr T K Ramakrishnan, has claimed that Canadian aid for the Naxalite movement in the country had been proved. In an article he has contributed to "Chandrakantam", a Congress (U) magazine, Mr Ramakrishnan said the financial aid was coming as subscription to Naxalite publications and advertisements in them. He also said that Naxalite literature circulated in the country had been printed in Canada. Mr Ramakrishnan also disclosed that the government had in its possessions enough evidence to anticipate that the Naxalites in Kerala were planning to repeat terrorism and murder as they did in the state in 1969-70. The evidence came from some of the Naxalites who were arrested, he said. [Text] [Bombay THE TIMES OF INDIA in English 21 Dec 80 p 13]

JAMMU, KASHMIR, TRIPURA PLANS--New Delhi, 20 Dec: The Sixth Plan outlay for Jammu and Kashmir will be Rs 900 crores, and the size of its annual plan for 1980-81 will be Rs 160 crores, reports UNI. Tripura will have an outlay of Rs 245 crores for its Sixth Plan, and the size of the annual Plan (1981-82) will be Rs 45 crores. While the Kashmir Plan was finalized here today at a meeting between the State Chief Minister, Sheikh Abdullah and the Union Planning Minister, Mr Narayan Datt Tiwari, that of Tripura was decided on yesterday. The Tripura Chief Minister, Mr Nripen Chakravorty was with Mr Tiwari when the Plan was being finalized. [Text] [Calcutta THE SUNDAY STATESMAN in English 21 Dec 80 p 1]

DELHI POPULATION FIGURES--New Delhi, Dec 11: Delhi's population is expected to be 12.2 million by the turn of the century, the Minister for Works and Housing, Mr Bhishma Narain Singh, told the Rajya Sabha yesterday. This figure was double that of the present population. The Minister also disclosed that the Delhi Development Authority had begun the "necessary exercise" for the second development plan for Delhi. The present master plan envisaged to accommodate 4.5 million people. This had been revised to accommodate about 5.3 million people. [Text] [Calcutta THE STATESMAN in English 12 Dec 80 p 4]

RAJASTHAN SIXTH PLAN APPROVAL--New Delhi, December 20--Rajasthan has been allocated an outlay of Rs. 2,025 crores for the sixth plan. This is Rs. 275 crores more than the last plan allocation. The total plan expenditure in the state since the inception of planning in 1951 has been Rs. 1963 crores. Thus, the outlay for the sixth plan is more than the plan investment over the last 30 years. The allocation was finalised at a meeting of the chief minister of Rajasthan, Mr. Jagannath Pahadia, with the Union planning minister, Mr. N.D. Tewari. Mr. Pahadia said that the power potential of the state will be substantially increased to help accelerate the pace of growth in the key sectors. The Kota thermal project will have the first phase commissioned in January, 1982, with another 110 Mw. In addition, the extension of this project would provide another 420 Mw in the next five years. In addition to the state plan investment, Rs. 500 crores would be spent through the Centrally-sponsored schemes. An additional Rs. 1,500 crores is envisaged to flow through institutional sources. An outlay of Rs. 340 crores has also been approved for 1981-82. [Excerpt] [Bombay THE TIMES OF INDIA in English 21 Dec 80 p 1]

CSO: 4220

BRIEFS

RURAL WORKERS AID--Labor Minister Blas F. Ople cited yesterday a package of measures to be implemented by his ministry this year aimed at increasing the income of rural workers. Ople said the labor ministry, through its Rural Workers Office, had completed plans that would permit intensification of present socio-economic and income-generating programs for rural labor. He said the social amelioration program found effective in helping sugar workers will be recommended for adoption in other industries, especially the distressed coconut industry. Ople said the annual cash bonuses distributed to sugar workers coupled with several socioeconomic projects proved successful in protecting their well-being. [Text] [Manila DAILY EXPRESS in English 10 Jan 81 p 3]

CSO: 4220

BRIEFS

PRC TRADE PACT--Colombo, 20 Dec: The rubber-rice trade pact between Sri Lanka and China has been renewed for another year, following week-long trade talks held in Colombo with the visiting trade delegation from China. The pact, valid from January 1, to December 31, 1981, provides for Sri Lanka to export 20,000 tonnes of rubber in exchange for 80,000 tonnes of rice. The figures for this year are 30,000 tonnes of rubber and 150,000 tonnes of rice. The trade protocol between the two countries was signed at a ceremony held at the Bandarnaike Memorial International Conference Hall yesterday. It is the fourth annual contract concluded under the sixth five-year trade agreement which was signed in Peking in October 1977 between the two countries. The agreement also provides for Sri Lanka to purchase diesel oil, kerosene, chemicals, textiles and light industrial products from China and for Sri Lanka to export coconut oil, cocoa, medicinal herbs, tea and precious stones. [Text] [Bombay THE TIMES OF INDIA in English 21 Dec 80 p 9]

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END

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2 February 1981

South and East Asia Report

No. 964

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2 February 1981

SOUTH AND EAST ASIA REPORT

No. 964

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ATROCITIES REPORTED AGAINST SCHEDULED CASTES

Karachi DAWN in English 31 Dec 80 p 12

[Text]

ISLAMABAD, Dec. 30: An alarming rise in the number of atrocities against scheduled castes and tribes in India, with the situation "drifting towards a kind of class war" has been reported to Parliament by the Commissioner for Scheduled Castes and Tribes.

The number of these atrocities like murder, rape, arson and other kinds of violence — has registered a three-fold increase during the last three years, according to the Commissioner, Mr. Shishir Kumar.

The malady appears to be deep-rooted and requires more drastic steps to attack it, "he says in his report covering the period March 1978 to December, 1979.

The Commissioner has called for effective intervention by the Union Government to check atrocities. He has strongly contested a view that this subject falls exclusively within the jurisdiction of the state governments and that the Centre can content itself by only issuing guidelines to the states. In a correct legal and constitutional appreciation of the issue, the Centre has an over-riding responsibility to ensure protection to the weaker sections, he added.

According to the Commissioner, the number of atrocities on scheduled caste increased from 6, 197 in 1976 to 10,979 in 1977, 15083 in 1978 and almost the same figure in 1979. This marks an increase of about two and half times in 1979, compared to 1976. In the case of tribes, the number increased from 1,085 in 1976 to 1,138 in 1977 and 1,832 in 1978.

Crime-wise, in 1978, a total of 456 murders of members of scheduled castes were brought to notice—with Uttar Pradesh reporting 219 cases, Bihar 63, Madhya Pradesh 41, Rajasthan 38, Maharashtra 26 and Karnataka 17.

The number of rape cases was 541, which included 188 cases reported from Uttar Pradesh, 94 from Madhya Pradesh, 76 from Bihar, 48 from Rajasthan and 35 from Maharashtra.

The number of arson cases was 1262—with Uttar Pradesh again reporting as many as 445.

According to the report, about 66 per cent of the bonded Labourers in the country belong to scheduled castes. They should be released promptly and rehabilitated, the report said.—PPI.

CSO: 4220

UNREST AMONG FARMERS SPREADING

Islamabad THE MUSLIM in English 5 Jan 81 p 5

[Text]

NEW DELHI, Jan.4:Fresh violence in India's southern state of Tamil Nadu is the latest flashpoint in spreading farmers unrest for higher crop prices which is troubling Prime Minister Indira Gandhi's government.

As many as people were killed in clashes between farmers and police and more than 6,000 farmers have been arrested in Tamil Nadu since the agitation began there on Dec. 23.

The trouble in the south follows massive demonstrations by the farmers in the Western state of Maharashtra last month in which 10,000 farmers and several opposition leaders were arrested.

The farmers, who were later released, had underlined their grievances with a 365-Km (226-mile) long march across the state, demanding higher support prices for sugarcane and other crops.

The farmers movement has also spread to the northern state of Uttar Pradesh, one of the biggest sugar-growing states, where the state government has already increased the price paid for sugarcane from Rs. 18 (about two dollars) to Rs. 23 per 100 kilograms.

But the farmers are demanding at least Rs. 30 per 100 kilos and also want more for their onion, cotton and rice crops.

While Mrs. Gandhi's government has agreed that some crop price increases are justified, it feels that to meet all the farmer's demands would only result in more inflation.

Maharashtra farmers leader Sharad Joshi, who claims no political affiliations, claims that successive Indian governments have kept farmers hovering around the poverty line so industry could be developed.

Foodgrain output is officially expected to reach a record 135 million tons in the current agriculture year ending in June, but Mr. Joshi says little of the benefit funds its way back to the farmers.

Mr. Joshi maintains that crop price rises have not kept pace with increased electricity costs for irrigation water pumps and other farm expenses.

"A farmer sells his produce cheaply and buys his needs at any prices, he told reporters.

The trouble in Tamil Nadu was sparked by farmers, who refused to pay arrears of their electricity bills and consequently their power supplies were disconnected.

Their leader, Nanjunaswamy Naidu, also pressed for an increase in procurement prices of up to Rs. 150 (19 dollars) per 100 kilos for paddy.

M.G. Ramachandran, the Chief Minister of Tamil Nadu, had earlier raised the price for paddy from Rs. 105 (13 dollars) per 100 kilos recommended by the central government to Rs. 115.

The farmers seem determined to gain their ends by every available means, including violence. In Tamil Nadu they put salt into milk cans, burnt buses and trucks carrying farm produce to the cities, destroyed bridges and attacked police parties.

The Indian Express newspaper said in an editorial that while it was distressing that the farmers movement there had turned violent, the Tamil Nadu government will do well to make another attempt to evolve a peaceful settlement of the agrarian unrest.

The Express added: "the voice of the country's primary producers of food needs to be heard with respect and such urban bias as there is in development policies has to be corrected.—AFP

CSO: 4220

BRIEFS

SMALL TRANSPORT PLANE PLAN--New Delhi, Jan. 7--India proposes to go in for the production of small transport aircraft. A proposal to this effect is being considered by the Indian Government, the Minister of State for Tourism and Civil Aviation, Mr. Chandulal Chandrakar has said. The need for indigenous production of small transport aircraft he said had assumed importance following the Government's acceptance of the concept of a third level airline for more intensive coverage of selected areas. It had already been decided to provide supplementary air services to the northeast region through such an airline.--PPI. [Text] [Lahore THE PAKISTAN TIMES in English 8 Jan 81 p 4]

BOATS FOR CUSTOM FLEET--New Delhi, Jan 11--About 100 ocean-going vessels, interceptors and patrol boats will be added to the Indian customs fleet in the next two years in a drive against increased smuggling along the country's western coast. The decision was announced yesterday at the end of a meeting of senior customs officials at Kalol, western India. Minister of State for Finance S.S. Sasodia, who chaired the one-day meeting, later told newsmen that about 70 percent of smuggling activities in India was being carried out along the western coast. Sasodia said that contraband goods worth more than 60 million dollars were seized in India last year. He said that smuggling was also on the increase along India's borders with Nepal and Bangladesh. The Customs now have a fleet of 86 boats, including 60 seized from smugglers, according to the United News of India (UNI), the news agency said the additional boats would be built in India.--Reuter [Text] [Karachi BUSINESS RECORDER in English 12 Jan 81 p 3]

DROUGHT IN RAJASTHAN--New Delhi, 7 Jan--Acute drought conditions threaten more than one million people in the western Indian desert state of Rajasthan, the Press Trust of India said Wednesday. The news agency said 1,739 villages and half a million cattle are affected by the drought resulting from poor rainfall for the second successive year. In some of the affected districts less than 50 percent of the average annual rainfall (633 millimetres) was recorded last year, PTI said. The Rajasthan Government has already declared the affected villages as "scarcity-hit" and appealed to the federal Government help finance a project to fight the drought relief operations have been launched, the news agency said. NAB/UPI [Text] [Rangoon THE WORKING PEOPLE'S DAILY in English 9 Jan 81 p 7]

NATION'S LARGEST REFINERY--New Delhi, Dec 21--India and the United Arab Emirates (UAE) yesterday agreed to jointly set up a 12-million tonne oil refinery in India, official sources said here today. The two countries will share the cost of the refinery which will be the biggest in India. The agreement was reached at an Indo-UAE joint commission presided over by UAE minister of state for foreign trade Rashid Abdullah al-Noaimi, who arrived here yesterday on an eight-day visit, and Indian foreign minister P.V. Narasimha Rao.--REUTER. [Text] [Karachi BUSINESS RECORDER in English 22 Dec 80 p 2]

CSO: 4220

DEVELOPMENTS IN PORTUGUESE RELATIONS WITH EAST TIMOR

FRETILIN Leader Lobato Interview

Lisbon EXPRESSO REVISTA in Portuguese 5 Dec 80 pp 13R-15R

[Interview with Rogerio Lobato, FRETILIN Central Committee member, commander of East Timor National Liberation Forces and minister of defense of the Democratic Republic of East Timor, by Carlos Gil; date and place not given]

[Text] Next Sunday will mark the fifth anniversary of the invasion of the Portuguese colony of East Timor by Indonesian troops. Despite the thousands of deaths, deportations and banishments, that middle island has not even yet been "pacified." With greater or lesser intensity, the people of East Timor are still fighting against the passivity of public opinion and international governments and ill-concealed neglect by the successive governments in Lisbon. Last month, Rogerio Lobato, a member of the Central Committee of the FRETILIN [Front for an Independent East Timor], commander of the East Timor National Liberation Armed Forces, and minister of defense of the Democratic Republic of East Timor, agreed to an interview with Carlos Gil (who thus became one of the few Portuguese journalists to interview that East Timor leader). During the interview, Rogerio Lobato told how and why this struggle is being waged in East Timor, along with many criticisms of the conduct of various successive Portuguese political leaders who, in one way or another, were involved in the "exemplary decolonization" of East Timor.

Along with this, we are publishing a short report by our London correspondent, Maria Teresa Guerreiro, on revelations made in Australia, and reported in Great Britain by the weekly NEW STATESMAN, according to which the British and American governments connived in the Indonesian invasion of East Timor.

Carlos Gil: On 15 August 1975, the Central Committee of the FRETILIN appealed for armed resistance throughout the territory of East Timor. Civil war developed in the most distant Portuguese colony. The Portuguese army disintegrated, while its native soldiers deserted, taking their weapons with them, to join the parties in conflict, mainly the FRETILIN. The pro-FRETILIN troops commanded by

Rogerio Lobato succeeded in reversing the situation to their own benefit, and a month later they controlled the greater part of the territory. Who was this young guerrilla leader, only 25 years of age?

Rogerio Lobato: Long before 25 April 1974, I attended the Dare Seminary. In 1971, already having left the seminary, I was drafted into the Portuguese colonial army, like all the young men of my age at that time. My political affiliations began after 25 April, and were the product of the fact that I served in the Portuguese colonial army as a militia supply corporal, in which capacity I began to pursue political tasks of mobilization with the soldiers. Later, the Central Committee of the FRETILIN entrusted me with the first and only course which was finally offered for militia officers. The UDT coup on 10 August 1975 found me at the general headquarters of the Portuguese colonial army. As of that date, I was chosen by the entire East Timor military who had joined the FRETILIN to command our forces. The Portuguese army was made up for the most part of native troops. Despite the apolitical propaganda pursued by the Portuguese colonialists in East Timor, the truth is that the soldiers were above all nationalists and could not be diverted from the problems which affected our country, and the future of East Timor, at that time.

Carlos Gil: You said that the people of East Timor are essentially nationalist. But in October of 1974, when he returned from a visit to East Timor, the then-minister for interterritorial coordination, Almeida Santos, told the mass media about the patriotism and love of Portugal and the Portuguese flag he had seen among its citizens.

Rogerio Lobato: There were people in East Timor who defended links with Portugal and created conditions for persuading some that the people loved Portugal and wanted to continue to be Portuguese. The Portuguese colonials always promoted this propaganda about the love of the flag.

Carlos Gil: Curiously, there is no word for flag in the Tetum dialect of East Timor!

Rogerio Lobato: Well, this does not mean that the people of East Timor have no understanding of the meaning of the word flag. We have the FRETILIN flag, which the people truly love. But it is an insult to say that our people always loved the Portuguese flag. For us it is a strange and unfortunate attitude which a man who claimed to be progressive, Almeida Santos, adopted after 25 April, saying that the people of East Timor loved Portugal, solely because he saw some persons at demonstrations organized by the former UDT waving Portuguese flags. At that point, we had occasion to see evidence of the contrary. Almeida Santos went to see East Timor with the eyes of a colonial and not the eyes of a decolonizer. He saw what the former UDT did, but he did not report what the FRETILIN revealed in East Timor. He went to East Timor with the intention to promote the former UDT and to exclude the FRETILIN.

Carlos Gil: What did the FRETILIN make clear to Almeida Santos?

Rogerio Lobato: At that point, the FRETILIN was already the party with the most support, the greatest acceptance among the people of East Timor. The FRETILIN

had shown this in large demonstrations held for Almeida Santos. When he came, we protested against the statements he had made.

Carlos Gil: I would like to note that 28 November is precisely the fifth anniversary of the unilateral proclamation of the independence of East Timor. This fact may have been the detonator of the imminent invasion of the Indonesians, on 7 December 1975. On that day, Radio East Timor made the following statement: "The Indonesians have invaded. Their soldiers are in Dili. They will kill without discrimination. Women and children will be fired on in the streets." Then it ceased broadcasting. Later that day, the Portuguese government informed the president of the Security Council that Indonesia had invaded East Timor with naval, air and land forces, and it termed this intervention an "act of aggression." On that same day, Portugal broke off all diplomatic relations with Indonesia. I want to refer again to Minister Almeida Santos. Some months before the Indonesian invasion, he answered a question from the newspaper O SECULO on "the risk of a possible military intervention by Indonesia in East Timor" with the following statement: "It is important in connection with the unlikely nature of such intervention is the consistent and clear official position of the authorities in Djakarta, reaffirmed a number of times, including to me personally when I went there, to the effect that Indonesia does not nurture any territorial ambitions with regard to Portuguese Timor." And he went on to say: "Military intervention by Indonesia would be a serious error, and so universally and promptly criticized that I cannot imagine this step being risked for uncertain future gains. Sensible politicians do not put the cart before the horse." I would ask you now what, 5 years after the Indonesian invasion, the political and military situation in East Timor is?

Rogerio Lobato: The invasion of East Timor by Indonesia was a military venture with unforeseeable risks. The plans of the Indonesian generals for controlling East Timor in 3 days, as they had initially planned, failed. On the contrary, the FRETILIN has been able to resist until now, inflicting more than 30,000 casualties on the invading army. The people of East Timor will have had to pay a very high price for their liberation, for they suffered some 30,000 casualties. Given the geopolitical situation of our country, the political-military situation is difficult, but we cannot regard it as lost. We find ourselves in the phase of struggle regarded as strategic defense, in which we launch attacks and armed actions which are small in scale and of a tactical nature. The strategic objective is to sustain the forces of the FRETILIN, to resist as long as possible, so that the prolonged nature of the armed struggle will make the contradictions among the various Indonesian generals' factions more acute. One of our goals is also to create the conditions so that the guerrilla army can give rise to a regular army, and to pursue the efforts necessary so that within a few years we can reach a balance with the invading forces.

Carlos Gil: Isn't it utopian to believe that a balance of forces can be achieved?

Rogerio Lobato: We are speaking in relative terms. We will not achieve absolute parity. This would be very difficult, because we do not have the logistic support means the invading army has, with the full support of imperialism.

Carlos Gil: The manuals written by guerrilla technicians make a statement which is well known, and not only among the military: If there is not concrete support from the population, guerrilla fighters will find it difficult to triumph over the occupying or invading army. It is a question of being in one's own element.

Rogerio Lobato: We too adhere to the principle that the guerrilla fighter must live in his surroundings like a fish in water. For us the water would be the people. The FRETILIN, even before the war against the Indonesian aggressors began, weighed this point and mobilized the people. I remember having said to the Australian television and radio journalists in December of 1975 that apart from the regular troops joining the FRETILIN as of 20 August 1975, we had already trained several thousand militiamen throughout the country. Our concern at that point was to provide them with a minimum of knowledge about weapons and firing, to teach them to put the bullet in the chamber, to aim and to kill the Indonesians.

Carlos Gil: Is the FRETILIN experiencing great difficulties?

Rogerio Lobato: We are having difficulties, certainly. I would not say that they are completely overcome. We began the struggle with thousands of weapons captured from the Portuguese colonial army. We had thousands of armed men at the time of the invasion.

Carlos Gil: Were there heavy weapons?

Rogerio Lobato: There were some, but those we had were very ancient. Some 75-millimeter guns the Portuguese brought to East Timor, but they had dumped the ammunition in the sea long before 25 April, worried about what might happen one day. Even before that date they wanted to send us back to Portugal, but some military units protested, because we knew the Indonesians were on the other side of the border. Governor Lemos Pires, when he fled from East Timor, allowed 600 G-3 machine guns to remain behind, but he gave orders that the breeches should be hidden. I remember that on the day we proclaimed independence, 28 November 1975, the battalion which marched in the official ceremonies did so with guns lacking breeches.

Carlos Gil: We know that the struggle in East Timor is difficult because there is no rear guard.

Rogerio Lobato: There is in fact the problem of supplying our forces, but we believe that the best system of transporting munitions and weapons to the FRETILIN is the Indonesian army. The United States, France, the FRG and England manufacture weapons, Indonesia brings them to East Timor, and the FRETILIN captures them. To turn to the new aspect of the struggle in East Timor, if we were to analyze the war theories of great thinkers, we will see that completely new experiences are occurring in East Timor. Look at the military writings of Mao Zedong. Some things do not apply to East Timor, where the conditions are different from those in China. For example, in the war between Japan and China, one of the tactics used was retreat. China is a vast territory, and it is possible to retreat as far as Tibet, and there is a great potential for maneuvering against the invader or occupant, for deploying forces and attacking the enemy from the rear or the flank.

Carlos Gil: Retreat in East Timor means backing into the sea.

Rogerio Lobato: Well, if the enemy attacks us in the mountains in East Timor, we often go to the beaches, or vice versa. The secret of war in East Timor lies in this mobility within very limited territorial space. It is for this reason that we are recording new experiences. An analysis of the experience of Cuba, also an island, also shows differences. Cuba achieved a rather substantial level of industrialization and the production forces were very different from those in East Timor when the armed struggle began. We did not even have anyone who could fly a plane. In Cuba, there were Cuban pilots to do this. We had no sailors. In 500 years of colonialism, the Portuguese did not train one of us as a sailor, a pilot or a physician. This is the specific situation which must be analyzed in order to understand the struggle in East Timor. Faced with these difficulties, the resistance for 5 years of the Mauber people, led by the FRETILIN, represents a victory. Timor is an island without a rear guard, and we are surrounded by countries with reactionary governments. It is under these difficulties that we developed our creativity. If we are asked where the weapons come from, we will say that the majority come from the Indonesians. Some are won in combat, others are traded for our coffee, with the corrupting of Indonesian soldiers and officers. This is no secret to anyone.

Carlos Gil: Has Indonesia increased its occupation forces recently?

Rogerio Lobato: Currently there are thousands of Indonesian soldiers in East Timor. We have reports that they want to reinforce their ranks in December with another 20 to 30,000 soldiers in order to put an end, they hope, to the FRETILIN guerrilla fighters. Clearly the new offensive represents a threat, but if in 5 years they have not succeeded in defeating the FRETILIN, they are not going to do so now.

Carlos Gil: There has been yet another debate in the United Nations on the East Timor question. What is the position of the Central Committee of the FRETILIN in the diplomatic struggle it has undertaken?

Rogerio Lobato: We must develop parallel struggles on the military and diplomatic levels. When there are great military victories, there are great diplomatic victories as well. At this moment we are seeing a number of imperialist maneuvers on the diplomatic level, and the most dangerous is the desire to hold a referendum in East Timor. Unfortunately this imperialist position is defended by the Sa Carneiro government. Our position on this matter is rejection of a referendum in East Timor. The Central Committee of the FRETILIN, when it proclaimed independence on 28 November 1975, interpreted the desires of the Mauber people and at this time we are fighting as an independent but occupied country, which has been attacked and which has had its sovereignty and territorial integrity threatened by a foreign power. When the Portuguese government speaks of a referendum, it ignores the situation in East Timor, the tremendous sacrifices and privations our people have agreed to and tolerated throughout these 5 years of heroic resistance and national liberation struggle. The most proper and just position, which the Portuguese government should have adopted, was to: I. Recognize the FRETILIN as the legitimate representative of the people of East Timor; II. Recognize the Democratic Republic of East Timor; III. Demand the withdrawal

of all the Indonesian forces of aggression from East Timor and condemn the Indonesian invasion in harsh terms; and IV. Contribute on the diplomatic level to the international recognition of the FRETILIN and the RDTL [Democratic Republic of East Timor]. If the Portuguese government were to adopt this position, it would create conditions for the establishment of an atmosphere of good relations with the RDTL in the future.

Carlos Gil: But the Portuguese government does not regard the FRETILIN as the sole representative of the people of East Timor, and in its recent plans for East Timor it calls for "hearing all the movements representative of the people of East Timor."

Rogerio Lobato: Obviously it is unaware and has even created some puppet movements, seeking to place on a level of equality with the FRETILIN movements which represent nothing but themselves. Basically, the so-called UDT is now defunct, as is the APODETI. What they called the UDT in Portugal is not that, because the UDT which developed in East Timor made a public statement of its support of Indonesia in 1975 and its president is currently the puppet vice governor of the Indonesians in Dili. There are some individuals who do not want to accept the facts. They yearn for the past, are proud and arrogant. The head of the so-called UDT in Portugal is Moises Amaral, an individual who during the colonial period was an agent of the former PIDE/DGS [Police for the Control of Foreigners and Defense of the State/Directorate General for Security] in what was formerly Porto Amelia, in Mozambique. If we analyze the other movement, the National Movement for the Liberation of Timor (MONALIT), the people involved are not serious either. One of its two most outstanding leaders, Jacob Xavier, has a police record for illegal trafficking in diamonds in Angola, where he was in prison for 2 years. The so-called UDT in Portugal is an extension of the CDS [Social Democratic Center Party]. The MONALIT is a creation of the PSD [Social Democratic Party], or at least of one of its leaders. Are these the factions which want to direct our people? It is impossible, and an insult to our people. In addition to all of this, they are not even nationalists. The so-called UDT in Portugal believes that the Indonesian occupation is a fact. Not even Portugal recognizes it. The MONALIT says that it is a Portuguese movement. After all, how can they defend the interests of the people of Timor?

Carlos Gil: What is the position with regard to the speech to the United Nations by Freitas do Amaral?

Rogerio Lobato: We believe that it is important for Portugal to assume its historic and moral responsibilities, but intentions are not enough. When Portugal says it is assuming its responsibilities and establishes contact with Indonesia without consulting the FRETILIN, it is engaging in demagogy. We are watchful and vigilant of the maneuvers of the Portuguese government. Moreover, we do not believe in the good intentions or the good faith of the Portuguese government, because in practice it reveals the opposite. It contacts the Indonesians without consulting the FRETILIN, it says it wants to negotiate with Indonesia, with or without the FRETILIN, it wants to place the FRETILIN on a plane of equality with other movements which are not even in the struggle but are living comfortably at the expense of the refugee commission in Portugal.

The mysterious mission entrusted to Moraes e Silva in East Timor by the reactionary government of Sa Carneiro bears witness once again to the demagogy, the hypocrisy and the lack of seriousness on the part of the AD [Democratic Alliance] government. The FRETILIN will respond to the maneuvers of Portuguese colonialism and imperialism by intensifying the armed struggle in East Timor and in Indonesia. If necessary, we will fight another 20 years, in the certainty that the solution to the East Timor problem will always be imposed by the force of the armed struggle headed by the Central Committee of the FRETILIN.

Carlos Gil: The Portuguese plan for East Timor further calls for a series of measures of humanitarian support, calling for the repatriation and return of the citizens of Timor.

Rogerio Lobato: We do not need acts of charity from Portugal. The problem is above all political. As to the humanitarian question, the steps Portugal wants to take in this sector will basically only serve to favor the Indonesian plan. Portugal says it wants to reunite families from Timor. This is an old Indonesian plan which is designed to get all of its citizens out of East Timor in order then to repopulate it with people from other Indonesian islands. There is an Indonesian plan for the forced migration of 300,000 people from the islands of Bali and Java to East Timor. The purpose of this plan is the forced repopulation of our country, and it is designed to alter the demographic situation in favor of Indonesia. This plan is sinister and macabre because it seeks to annihilate the cultural and national identity of our people and remove the base of support for the armed resistance and national liberation struggle.

Carlos Gil: Has this already been done by the Indonesians on other islands?

Rogerio Lobato: It is true that it has. The Indonesians plan to take hundreds of thousands of Javanese to Papua New Guinea, and also to the Moluccas, Borneo, Celebes, Sumatra and Flores. Portugal plans to aid Indonesia in recolonizing East Timor. These are the good intentions of the Portuguese government. We do not ask Portugal to send weapons or troops to East Timor. It would be unrealistic for us to think in these terms. We only want political support from Portugal. I reiterate that the Central Committee of the FRETILIN does not believe in the good intentions or the good faith of the Portuguese government. If there are people who do, this is an isolated and opportunistic position adopted against the interests of our people.

Carlos Gil: How do you view the role of other earlier governments?

Rogerio Lobato: It was a role of total complicity with the American imperialists. We know that the government of the United States exerted pressure on the Portuguese government at that time to prevent it from moving forward in any way in regard to East Timor. General Costa Gomes was president of the republic. The FRETILIN, on the contrary, has always had very serious intentions of negotiating with Portugal, but unfortunately nothing was ventured by Costa Gomes. Ironically, General Costa Gomes is today a member of the World Council of Peace, while at that time he did not want to contribute to peace in East Timor. What is the peace which he defends, after all? I would like to note further that there have been large demonstrations of solidarity with the struggles of other peoples in

Portugal throughout these 5 years. Last year there was a campaign of solidarity with the struggle of the Palestinian people. We support the struggle of the Palestinian people, but we find it very strange that, since our people were directly colonized by the Portuguese, there has never been the slightest attention paid by the Portuguese antifascists or internationalists.

Carlos Gil: The president of the republic, General Ramalho Eanes, met with the highest leader of the Palestinian people, Yasser Arafat, last year, during this solidarity campaign. The PLO was given the reception of a chief of state in Portugal. Has Ramalho Eanes ever welcomed a member of the FRETILIN or a minister of the Democratic Republic of East Timor?

Rogerio Lobato: To date, the president of the republic has never welcomed any of us, and this is because he himself deemed it untimely. We would like to know when it will be timely. After East Timor is liberated? At this juncture, the president would even like to establish a Portuguese embassy in the RDTL. It is interesting that the president was so sensitive to the Palestinian problem, that of a people who have nothing to do with Portugal historically. I think this was an attitude which developed out of the interest in relations with Arab countries because of the oil market. But we should have been welcomed first. It would appear that the cart has been put before the horse.

Carlos Gil: What are the prospects in the struggle the FRETILIN is waging against the Indonesian invaders?

Rogerio Lobato: It is in the 1980s that we will free East Timor from the Indonesian yoke. It is not only the FRETILIN which is fighting against the Indonesian generals at this time. Within Indonesia itself we are witnessing armed uprisings in Sumatra and in Papua New Guinea, where the National Liberation Front of Acheh-Sumatra and the Organizasi Papua Merdeka (OPM) also exist. In July of this year, when the FRETILIN attacked Dili, the OPM forces simultaneously attacked Jayapura, the capital of Papua New Guinea, where an Indonesian colonel and seven lower-ranking officers were captured. In that same month, the OPM forces annihilated 2 Indonesian platoons near the Mamberamo River, taking 60 prisoners. The FRETILIN is now coordinating its war efforts with those of these movements. Our struggle has ceased to be only a struggle within East Timor, and has become one within Indonesia itself as well. Ours is a common struggle, because we have a common enemy--the bloody and fascist Suharto regime.

Carlos Gil: Will this common struggle have a common direction?

Rogerio Lobato: Today a process which is unknown to many people exists on the various Indonesian islands. We have been contacted by the armed opposition in Indonesia so that we can coordinate our war efforts against Suharto. We drafted an agreement for the creation of a joint general staff for the anti-Suharto forces, and such a general staff has already recently been established in Southeast Asia.

Carlos Gil: The situation in Indonesia does not seem to be very favorable to Suharto, since there are contradictions among the generals.

Rogerio Lobato: Yes. The situation is good for the struggle against Suharto. General Ali Moertopo does not exclude the possibility of civil war in Indonesia if Suharto is not elected in 1982. The contradictions among the Indonesian generals benefit our struggle, which will cover all of Indonesia. If Indonesia wants to integrate us by force, we have no alternative but to disintegrate it, also by force. Suharto will not succeed in controlling his archipelago of 13,700 islands with his old vessels and scrap iron from World War II. The FRETILIN and all the movements waging the struggle in Sumatra, Borneo, Celebes, the Moluccas, Flores, Java and Papua New Guinea will determine what the fate of this bloody fascist called Suharto, the shah of Southeast Asia, will be. The future is bright and belongs by right to the people of the Democatic Republic of East Timor and the East Indies. Time will tell who was right.

Morais da Silva Visits

Lisbon EXPRESSO REVISTA in Portuguese 15 Nov 80 pp 1R-2R

[Article by Augusto de Carvalho: "Timor Community, Apprehensive, Wonders About the 'Mysterious' Visit"]

[Text] "Colonel Morais da Silva, please excuse the inconvenience. We here at EXPRESSO have sought you out to obtain exact information about your trip to Timor. Can you tell us something?"

This was the nature of the short telephone conversation we had with Air Force Colonel Morais da Silva at 1500 hours on Wednesday, before the UN vote on the East Timor issue was known.

[Answer] I can tell you nothing.

[Question] Why not?

[Answer] A very serious matter is involved.

[Question] But couldn't you meet me for an informal talk so we could exchange some impressions?

[Answer] Impossible.

[Question] Can you give me at least the exact date of your trip?

[Answer] As to that, you must consult the TAP [Portuguese Airlines] lists.

[Question] The fact is we will have a report this week and we have some information on your trip which we would like if possible to confirm.

[Answer] I have already said that a very serious matter, with grave implications, is involved, and therefore I cannot discuss it at all.

Enlightening Mystery

After this talk, which moreover was cordial, we felt certain that the terms "mysterious" and "secret," used about this trip, were fully applicable.

Mysterious because almost no one knew about it, mysterious because every means was used to envelop it with secrecy and mystery. To judge from the letters from many citizens of Timor who, breaking through the close network of Indonesian vigilance, succeeded in reaching Portugal as free men, "apparently a Portuguese named Morais da Silva made a trip there." But all this mystery in the end provided some clues for its clarification: everything suggested that it came within the framework of Portuguese diplomatic contacts with Indonesia, in the hands of a Portuguese citizen with prestige in that zone. And not only that. One who enjoys the profound sympathies of the local authorities and who supports Timor, to the exact extent that East Timor incorporated in his personality Portuguese components which gave him his own characteristic aspect, and who even points to his Timor origin. At least this is what Morais da Silva told EXPRESSO, precisely on 30 July 1976, when he was a general and chief of the air force general staff. This was during an informal talk after the trip which took him to the Orient to effect the liberation of 23 Portuguese citizens held as hostages by Indonesia.

What we wrote at that time as a result of this conversation may cast some light on the nature of the trip and the internal aspects of Portuguese diplomacy in the case under study, enabling us to detect its directions in this complicated international political meandering in which there are conflicting hegemonies, with a new element now provided by the election of Ronald Reagan.

We wrote then: "We also obtained from Morais da Silva and other Portuguese political circles the impression that the integration of Timor in Indonesia is an irreversible fact and that Portugal can do nothing, in terms of efficiency, to prevent it." And again: "In any case, the path of Timor seems irreversible, and Portugal will have to save what can be saved in terms of political realism. What we succeeded in establishing is just this, which remains to be done. And this, basically, was the information gathered by Morais da Silva." Morais da Silva who completed his secondary studies in Timor, where he left many friends.

The air force general then worked to save what could be saved (for which read the survival of the Portuguese culture in that zone) and he regarded integration in Indonesia as inevitable, reasoning, according to what he said, from a realistic point of view, on the basis of a study of the forces in play. And he will have made his report to the Ministry of Foreign Affairs along these lines, also based on elements gathered from Indonesian military sources, although not exclusively.

Support

If indeed there have been no substantial changes in the balance of forces sector, the cause of East Timor has succeeded in mobilizing considerable support since 1976 in the diplomatic sector, calling attention to the brutal and expansionist aggression.

It is this support which has culminated now in the United Nations vote approving the resolution asserting the right of East Timor to self-determination. There were 58 votes in favor, 35 against and 46 abstentions. The resolution said that "the people of East Timor must be able freely to determine their own future, under the auspices of the United Nations." Thus the Indonesian claim, to the effect that East Timor has been an integral part of its territory since 1976 "by the express will of the local population," was not recognized. The Indonesian delegate, Sumayo Suryokusumo, rejected the resolution. Indonesia will continue the struggle on the diplomatic and practical level.

The genocide which Indonesia has been perpetrating in East Timor since that time, attempting to reduce the voice of a people to silence by force, is beginning despite everything to become known in the international arena.

Meanwhile, although the positive action pursued by our diplomats at the United Nations should be stressed, the people of Timor fear that other actions are being planned so that the annexation by Indonesia will become little by little an accepted fact, being forgotten in the end or still worse being sanctioned by the international community.

The Purpose of the Trip

According to representatives from Timor with whom we talked, Colonel Morais da Silva's trip may come precisely within the context of this complex of operations, which will develop in the near future in favor of Indonesia.

Morais da Silva went to that region, according to our information, and according to his own statements in talks with friends, "at the invitation of a friend in Indonesia." Who this person is is not publicly known, but through information we were able to gather we are led to believe that he is closely linked with the government, above all that group of generals already known to Morais da Silva in 1976. Thus he was royally welcomed in Djakarta "like a prince" (he was accompanied by his wife) they told us.

His wife was even the guest in Indonesia in the home of an officer, now a general and at that time a colonel, who commanded the attack operations in East Timor in 1976, remaining on duty there until 1977. He is a general currently serving in the region including Flores and Timor.

It was in the company of this general precisely that Morais da Silva paid a visit to the invaded zone, leaving his wife at his home, since there were other individuals interested in going to Timor as well, and to this end she surrendered her seat to a member of the delegation.

In Dili, Morais da Silva was officially welcomed by the head of Indonesian intelligence, Colonel Sinaga, who is the strongman of the invading power, a man who according to eyewitnesses who talked with us and the testimony of refugees massacred the people in Timor and documented various executions in his account. He is, from all points of view, the military strongman of Indonesia in that occupied territory. He was also welcomed by Guilherme Maria Goncalves, the Indonesian governor, once a powerful member of the Apodetti, the party which

advocated integration even prior to the invasion. Sinaga and Guilherme Maria Goncalves accompanied Morais da Silva throughout the day and a half of guided tours he made in East Timor. Morais da Silva flew over a part of the territory to observe military operations in the field, which he could do with relative ease, given their technical simplicity. He also went to the Maliama zone, where Indonesia is trying to carry out a pilot project in the farm sector. In fact, Indonesia is concerned currently with developing the educational and agricultural sectors above all, as a means of winning popular sympathy.

According to our reports, Morais da Silva had yet another meeting with a group of Portuguese still living there, a meeting of a humanitarian nature, in this case.

On the basis of this information, it is legitimate to ask what kind of report Morais da Silva may have given the Portuguese government, in view of the sources on which at this point he can rely. It was this question which individuals in the Timor community wanted to make public through EXPRESSO, which now has a more detailed account of the trip made by this prestigious air force officer. Morais da Silva is reported to have said in talks with citizens of Timor that despite a collective sadness to be seen in the people, they are living rather better today than before 25 April, and that this fact is due to integration in Indonesia.

However, the general impressions of Morais da Silva are not at all consistent, we are told by the majority of individuals in the Timor community in Lisbon, with "the letters reaching us secretly, letters which come to us via even Indonesian military personnel themselves, and they are also inconsistent with the most recent reports of the refugees."

In fact, an average of 100 refugees a month are arriving, effecting their escape as they can, bribing the Indonesian authorities with sizeable sums. They begin by paying $500, more or less, to the officers in East Timor, to obtain free passage to Djakarta, and there, with $1,000 or more in addition, they manage to resolve their problems.

In this connection, some citizens of Timor told us that "we do not doubt the honesty of Morais da Silva, whose conduct at various times we have valued, to the point that we awarded him a decoration only given to great friends, but we have the right to ask what value there is in his views, with a certain tendency to defend integration as the only viable solution, given the forces in play, based only on the persons to whom he listened and who accompanied him."

However, as we said at the beginning, it was not possible for EXPRESSO to talk with Morais da Silva. Naturally, after what we have written in these pages, the illustrious air force officer felt obliged to respond. We told him on the telephone that he could do so even "after the fact." In any case there is an impression, with a certain justification, that Morais da Silva can through his Indonesian friends influence the future actions of the Portuguese executive branch. The United Nations vote, if indeed it was important, may be but a brief episode in the interplay of international expediencies operating in that area, in which Portugal has historic responsibilities.

5157
CSO: 3101

SITUATION IN OIL CITIES OF DUMAI, CEPU DESCRIBED

Jakarta TEMPO in Indonesian 20 Dec 80 pp 43-44

[Article: "Dumai and Cepu, Sources of Oil"]

[Text] Dumai, an oil city in Riau, is developing quickly. However, the gap between the oil workers and the local residents is also rather wide. There is also Cepu, the oldest oil city in Central Java, which is now being turned into an educational center. It is dirty and run down.

Dumai, an oil city on the shores of Rupat Straits (Riau), is developing quickly. Originally, it was only a poor and quiet fishing village, inhabited by less than 500 people. Now it is a city with very good facilities. All of that is due to a flow of oil of more than 800,000 barrels per day from the fields of P T Caltex Pacific Indonesia (CPI) in Riau, which has been in operation for 30 years.

Dumai became important in 1958 when Caltex began to produce oil at Minas (30 km from Pakanbaru) and Duri (110 km from Pakanbaru). To expand its oil business, Caltex built a network of roads from these oil fields to Dumai as a center for transportation and as an oil pipeline distribution point. Later on a harbor for the tanker armadas was also built at Dumai.

This activity awoke Dumai from its sleep. Large numbers of people work there. In a period of only 4 years, since the road was completed and the harbor was ready, the population of Dumai has increased by 60 times. Homes, markets and shopping centers have emerged on several corners. Its status quickly became that of a city that was the headquarters of a subdistrict, and last year it was officially designated as an incorporated city.

About 10 years ago Dumai further increased its standing when Pertamina opened the Putri Tujuh [Seven Daughters] oil refinery there. The total number of people living there had swollen to 80,000. After Pertamina designated it as Working Region II [Wilayah Kerja II], Dumai also became the second largest city in the province after Pakanbaru, which is the provincial capital. About 6 km outside Dumai Pertamina has built Pinang Kampai airfield, which can take F-28 transport aircraft.

Ocean Harbor

Dumai, which occupies an area of 5 square kilometers, appears to have an increasingly open future, especially after agreement was reached with the provincial government

authorities in Pakanbaru to construct a 178 km oil road to Dumai. "This will begin next year. The road will be paved with cement and asphalt," says the mayor of Dumai, Wan Dahlan. Connecting roads to several areas in Riau will also be built, including the Siak River bridge, 350 m in length. The bridge will cost more than Rp 1.2 billion and will be the first road across the width of Sumatra, connecting Dumai on the east coast with Pandang on the west coast.

The future prospects are pushing the provincial government of Riau to move the capital of the Regency of Bengkalis to Dumai. Without waiting any further a number of office buildings of a permanent kind will immediately be constructed. The Ministry of Communications does not want to be left behind and has designated Dumai as an ocean harbor. Piers and warehouses are being constructed. Indeed, Ocean Communications Regional Office II for Riau and West Sumatra will be located in Dumai.

Slowing Down

However, the dream suddenly disappeared in 1974 when Pertamina activity slowed down. A number of construction projects were stopped, thousands of workers were thrown out of work, and even the population declined to 65,000 people. The roads which were not yet completed are now dusty in the dry season and muddy in the rains. The dream of obtaining a supply of clean water also disappeared. The only source of clean water is a water storage tank belonging to Pertamina, with a capacity of 100 m^3.

However, those who have an opportunity to enjoy the blessings of oil, in a direct way, are few in number. The mining sector in Riau only absorbs 70,000 workers, or 5 percent of the total population of 1.8 million people.

Nevertheless, it cannot be denied that there is a kind of gulf between the oil workers and the rest of the population. The lowest income of Caltex workers is Rs 148,000 per month. This gulf appears clearly in the Pakanbaru markets on Saturday and Sunday. On those days the wives of Caltex employees, who live in the housing complex at Minas or Rumbai, get out of their buses and flood the market. Then the price of fish, which is usually Rp 700 per kilo, leaps to Rp 1,500 per kilo, while vegetables or textiles increase by 30 to 40 percent. And all of the goods on sale appear still fresh and new, as if they were prepared for the Caltex families.

Cepu

Another oil city which is also rather well-known is Cepu, which is really a sub-district of the Regency of Blora (Central Java), on the border with East Java. It began in 1890 when a Dutch company found oil in Ngareng village in Cepu. In the course of its development up to now Cepu has become the Training Center for the Oil and Gas Industry. In 1967 there was also established the Oil and Gas Academy.

The choice of Cepu as the Training Center for the Oil and Gas Industry and the Oil and Gas Academy was perhaps the result of the fact that it was there that the first drilling for oil was carried out. Old oil wells are now used for demonstration purposes for the hundreds of government-sponsored university students who come from all parts of Indonesia. The wells still produce, but their production is very

small. Now, for example, of the 235 wells in the Ledok oil field, 11 km Northwest of Cepu, only 15 wells are producing. The wells have been producing since 1893.

Cepu as a city has a larger population compared to Blora, the capital of the regency. Some 25,000 people live there; only a few of them are supported by the oil industry. About 60 percent of the population is composed of farmers, with the remainder composed of manual workers, government employees and merchants. Among the latter, about 200 heads of families are of "nonindigenous" origin (about 10 percent of them are foreign nationals).

Unfortunately, this oil city is dirty. Trash and horse droppings are scattered around the streets. Grass is allowed to grow anywhere. Trishaws and oxcarts are allowed to park anywhere, so that the streets are often choked. However, there is a facility of the Oil and Gas Foundation [LEMIGAS] which can be used by some of the people of Cepu, the drinking water installation. "However, only one-third of the people can use this drinking water," said the subdistrict chief of Cepu, Mohammed Hussein.

Other facilities which can also be used by the public are the swimming pool, the golf course, the soccer field and the tennis court. However, all of this is only for the upper levels of the community. As is the case with the housing complex for other oil workers, the complex of the Oil and Gas Academy at Mentul is well known and stands by itself.

5170
CSO: 8127

CHAMPASSAK GUERRILLAS FIGHT TERRORISM FROM THAILAND

Growth of Units Noted

Vientiane SIANG PASASON in Lao 22 Dec 80 p 2

[Article by Champassak correspondent: "Non Khoun, A Solid Outpost"]

[Text] Because it is one of the strategic areas of the southern border of our country, since the founding of the LPDR Non Khoun Canton, Phon Thon District, Champassak Province, which has a 20-kilometer long border with Thailand, has become a stronghold in the fight against sabotage and destruction by the American imperialists and exiled reactionaries. [These people] stubbornly spew forth bandit soldiers and reactionary criminals to join with their henchmen from the days of the old regime who are still hiding out among the people to carry out disturbances, murders and threats against the new authorities. They pillage the people's property and have created insecurity throughout the canton as well as nearby areas such as Veun Sai, Sak Meuang, Dong Gnang and Dou cantons. However, at the same time, they have suffered painful defeats due to the efforts of the people who have desired independence for a long time. They have joined with the mobile village guerrilla forces who are very strong in this canton.

As that canton's guerrilla chief pointed out to me, by implementing the party's correct, creative revolutionary line, and a fighting, courageous, militant and unyielding solidarity that dares to think, dares to act, both working and studying to implement all plans of the party, state and administrative authority. Our armed guerrilla units, from the time they were newly established to the time when they became large, at all times have been faithful to the party and to the revolutionary tasks to the utmost. At all times they have a high sense of awareness, firmly grasping weapons in hand night and day. They have overcome all difficulties and shortages with diligence and initiative, mobilizing themselves to fulfill all duties in defending their locality, to preserve the new life of the new regime.

When first established, we had only a few overt guerrilla units. Others were covert, hiding in each village with only three guns. As of the beginning of 1979, we had widely expanded our guerrilla units and armed them with dozens of weapons which included mortars, firepower [kamlangfai] and others. Aside from training in combat strategy and tactics, studying political theory and boosting production, over the last 5 years the guerilla units of each village have emulated to achieve step-by-step victories. During that time, they have been active in stopping the

ideology of the robbers, criminals and exiled reactionaries on dozens of occasions. They have killed 43 of them, 2 surrendered, and they seized 12 weapons. They hit and stopped them from stealing cattle and buffalo and recaptured those animals stolen by the reactionary exiles and returned 331 animals to the people. They also joined with the border defense forces to kill the robbers and protect public security on dozens of occasions.

All of this not only does a good job of defending public security, but it also allows them the right of being masters of the nation, and collective mastery in preserving, defending and building the people's new regime, making it grow bigger and stronger, purer and cleaner.

Along with that, all of Non Khoun Canton, today as in the future has become a garden of the new socialist man, the working people who have a spirit of being masters of the nation, of collective master, who know patriotism, and love the socialist regime with a revolutionary aggressive spirit, who never back away from difficulties and want to respect and preserve the collective property, and respect the laws of the state. They have a spirit of great love, solidarity, and mutual assistance between working people in order to build new lives. They know enough to combine the common good with their individual interest. They know how to make happy families with a total sense of responsibility in looking after and raising their children.

Non Khoun Canton is now a firm outpost of Champassak Province. It is now reinforcing and expanding its strong points in its national defense tasks and public security work and in the work of building its locality into a more progressive, stronger one.

Thai-based Insurgency Noted

Vientiane SIANG PASASON in Lao 24 Dec 80 pp 2,3

[Article in "Good Subject, Better Person" Column by B. Vatthananon: "Uncle Pian Phanphila, Brave of Heart"]

[Excerpt] Pho Kham Canton, Phon Thong District, in Champassak Province is one of the cantons along the Thai border, not very far away at all from the enemies who regularly carry out acts of disturbance and insecurity. Although our country has been completely liberated, the counter-revolutionaries have not abandoned their schemes and wicked tricks. They are coming over to cause trouble and sabotage our new regime in many ways in order to put pressure on us and prevent us from building and developing our nation as we want.

To stop and wipe out these counter-revolutionaries, the district and provincial administrative authorities have promptly upgraded and built bases and organized a guerrilla network within this canton.

Uncle Pian Phinphila is one person who became conscious and volunteered, along with his family, to take part in the public security work within his canton. Although he is elderly--46 years old--his spirit is still strong, filled with patriotism and a love of the new regime. This is what drew him to his responsible duty as one of

the committee members of the Pho Kham Canton guerrilla platoon. Four or five years ago, since the unit was armed as a guerrilla unit, he has brilliantly fulfilled his duties, making the multi-ethnic population in the canton dearly love and trust him. Wherever and whenever the enemy comes to operate, the people come to inform him promptly, making the enemy give up in defeat and death to return to Thailand dispiritedly. Recently, he has been in large-scale combat four times. He killed four enemy and has been in many small-scale actions. Primarily, in October of 1979, his guerrilla platoon was surrounded by the enemy. Although on the brink of defeat, his guerrilla unit was not demoralized and brought to bear strategy and tactics skillfully, making the enemy flee in disarray. His troops pursued them, wiping them out of the canton. In this pursuit, they came under heavy enemy fire, with less than 20 meters between them and the enemy. He fired to stop them and ordered his own son to wipe out the enemy, but the enemy shot him first. His precious son lay bathed in blood as Uncle Pian snatched up a gun and took after the enemy and then took up his son in his arms. When he could no longer bear to look at his son's condition, he spoke to him before he died: "You have died with the glory befitting a Lao youth and a child of your father." The youth simply turned his head and died. The tears and blood of hatred welled up. Uncle Pian rose up and grabbed his weapon solidly and blasted the enemy, chasing them until he cornered them, holding down the enemy guns with his feet and then slaughtering them.

Although he has lost his beloved son, he is not sorry and is not faint-hearted in his task. He has a spirit of hatred for the enemy and will sacrifice everything for the collective good. He is determined to take part in public security work in his canton unirngly. No matter where or under what weather conditions or time of day, when he learns that the enemy is active, he and his guerrilla unit goes right out to stop them and pursue them.

CSO: 4206

BRIEFS

VAPI DISTRICT STATISTICS--This district [in Saravane Province] comprises three cantons: Houai Khon, Saphat and Samia. It has a total of 58 villages and a population of 18,970 people which include two nationalities: Lao Theung and Lao Loum. Its economic base is mainly the production of rice. [Excerpt] [Vientiane SIANG PASASON in Lao 12 Dec 80 p 2]

SANAKHAM RICE SALES--Since the beginning of December, the Vientiane Trade Corporation has sent trade cadres to Sanakham District, Vientiane Province to join with the administrative authorities in the localities to purchase rice from the people living in the production bases throughout the district. This has been done with a spirit of urgency and dilligence. In making the purchases from the people, they set up 10 mobile purchasing units, each of which took various types of goods such as kerosene, bicycles, cloth, corrugated metal roofing, salt, blankets and household goods with them to sell to and barter with the multi-ethnic population in each locality. In attentively performing their duties, to date they have been able to purchase more than 200 tons of rice from the people in the various localities of Sanakham District. Of that the movement to sell rice to the state obtained much rice in Nam Kouan, Na Sak, Na Phieng and Sanakham cantons. The people in each locality were proud and happy to take part in selling their surplus rice to the state to form the capital to build and develop the nation so that it would steadily grow stronger and more prosperous. [Text] [Vientiane SIANG PASASON in Lao 20 Dec 80 p 1]

NEW COOPERATIVES FORMED--Because they understood clearly the party and state directives in building the economy that would preserve, defend and build socialism in our country at the present time, making it prosperous and strong, in 1980, the multi-ethnic population in Luang Prabang Province has voluntarily turned from small-scale, scattered production to collective production in accordance with the directive of large-scale socialist production. They organized 74 agricultural cooperatives with 17,086 members, 2,620 hectares of wet-rice fields, 1,816 draft animals and a complete set of production implements. The best performance was from Nan District which was able to set up 23 agricultural cooperatives. [Excerpt] [Vientiane KHAOSAN PATHET LAO in Lao 16 Dec 80 p A 8]

THAKHEK TAX COLLECTIONS--After completely collecting and storing their annual wet-rice crop, recently the farmers in Na Se, Ban Tham, Dong Tai, Sikhot, Chomthong and Na Ngeo cantons in Thakhek district, Khammouan Province joined together to pay on their annual crop to the state based on their harvest income. They paid with pride. Of the total involving more than 140 tons of rice paid, Dong Tai Canton paid nearly 55 tons of rice to the state. [Excerpts] [Vientiane KHAOSAN PATHET LAO in Lao 16 Dec 80 pp A 9, 10]

SARAVANE RICE SALES--Since the beginning of October, the multi-ethnic population of Toumlan and Khong Sedone Districts in Saravane Province have voluntarily brought in their families' excess rice for sale to the state at the set price. They did this happily. The total amount involved was more than 180 tons. Of that, the people of Khong Sedone District sold nearly 171 tons of rice to the state. Selling rice to the state not only brings more income to the family, but also makes a contribution to building capital for the state to use in its task of preserving, defending and building socialism in our country, becoming prosperous and strong. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 17 Dec 80 p A 6]

TAX PAYMENTS, SALES TO STATE--According to news reports from the Ministry of Industry and Trade, since the middle of November to the beginning of December, the multi-ethnic farmers of all races in the production bases in the localities of various provinces throughout the nation have strengthened and expanded their rights as masters of the nation and rights to collective mastery along with a high sense of decisiveness to take part in paying agricultural taxes and selling excess rice to the state in a wide-spread and joyous movement. According to still incomplete figures that have been reported from nine provinces, to date some 5,080 tons of rice have been purchased from the people, of which 5,000 is unhusked rice. The movement to pay the state agricultural tax has yielded 1,846 tons. In the movement to sell rice to the state, the best performance was turned in by Attopeu, Savannakhet, Vientiane and Sayaboury provinces. At present, the sales of rice to the state and the payment of agricultural taxes by the farmers in each locality are coming along in a spirit of fun and vigor. It is felt to be a great contribution by Lao farmers to use rice in building and developing the nation to become bigger and stronger step-by-step [Text] [SIANG PASASON in Lao 24 Dec 80 p 1]

CSO: 4206

ISLAMIZATION OF COMMERCIAL BANKS DESCRIBED

Islamabad THE MUSLIM in English 30 Dec 80 pp 4,7

[Article by Abdul Jabbar Khan, president, Habib Bank Limited]

[Text]

IN VIEW of the clear and unequivocal commandments of the Holy Quran on the subject, the elimination of 'riba' is the bounden duty of an Islamic State. The Constitution of Pakistan 1973 in its Article 227 provides that all existing laws shall be brought in conformity with the injections of Islam as laid down in the Holy Quran and Sunnah. There is complete unanimity among all schools of religious thought that the term 'riba' covers interest in all its manifestations. It is unfortunate that during the first three decades of the country's existence as an independent state, no attention was paid to the elimination of 'riba'. The work of finding ways and means to eliminate interest started in right earnest only in the second half of 1977.

Since July, 1979 under a Presidential Order, the working of (1) Mutual Funds floated by Investment Corporation of Pakistan, (2) National Investment Trust and (3) House Building Finance Corporation has been so remodelled that these bodies have totally done away with the element of interest. Investors' scheme of Investment Corporation of Pakistan has also been brought under the interest-free system from 1st October, 1980. Very encouraging is the fact that they are not only free from interest-based investments but their business also is steadily growing.

Effective from 1st January, 1981, arrangements have also been made in all the nationalised commercial banks throughout the country to accept deposits on Profit and Loss Sharing basis.

TWO SUGGESTIONS

During discussions held at various forums, on the Islamization of commercial banks, the following two suggestions were made in respect of acceptance of deposits by banks:-

One suggestion was that with effect from the appointed date, depositors be given the following options:-

(a) They may keep their savings with the banks as loans to the latter without sharing the profit and loss of the bank. They can withdraw the money any time they like. The Federal Government would guarantee the safety of their loans with nationalised commercial banks as at present. These loan accounts would be just like present current accounts of banks. It has been stated by persons having knowledge of 'Shariah' that unless such deposits are treated as 'loans', the banks/financial institutions would not be able to use the funds. Or:

(b) They may keep their funds in interest-bearing accounts just as they do now. This option will be available during the interim period of, say, three years. Deposits kept on interest basis during the interim period would continue earning interest till their respective maturity dates, even if the maturity dates fall beyond the interim period. This arrangement during the interim period, is essential to retain confidence of the depositors so that shift to the new system does not adversely affect the resources of the banks. Or:

(c) They may open deposit accounts on profit and loss sharing basis. These accounts may also be of any duration, i.e., they could operate like savings accounts through cheques or they could be for a fixed period like short term or fixed term deposits. As at present, deposits of different maturities will have different weightages for sharing profit and loss. These weightages will be laid down by the State Bank of Pakistan. It was hoped that with the successful operations of the new system more and more accounts would come over to this category even during the interim period.

Supporters of above alternatives felt that if any depositor wanted to shift to the Islamic System immediately he should be provided with such an opportunity. Besides banks would gain experience in handling such accounts. Such experience would be useful when the banking sector shifts to Islamic system *in toto* at the end of the interim period.

The other suggestion was that instead of giving the above three options to depositors during the interim period, deposits be allowed to remain under the present system of interest and at the end of the interim period, should be brought under the Islamic system *in toto* and no fresh deposits be accepted or renewal of the existing ones be made on the basis of interest after that date. Advocates of this alternative argued that assets side of the banks/financial institutions should first be cleaned, so that income from sources other than interest was sufficient enough to be distributed among deposits made

with the banks on profit and loss sharing basis.

The Federal Government ultimately decided to adopt the first view, i.e., depositors have been given the option of keeping their deposits either on Profit & Loss Sharing basis or under the existing interest-bearing system during the interim period.

Information about rules governing the PLS deposits can be obtained from any branch of the five nationalised commercial banks or branches of other banks which are accepting such deposits. Some salient features of PLS deposits are, however, given below for general information:-

(i) Following categories of accounts can be opened in the nationalised commercial banks on profit/loss sharing basis:-

(a) PLS Savings Accounts.
(b) PLS Term Deposit Accounts.

(ii) PLS Saving accounts can be opened by individuals in their own single or joint names. The PLS Savings accounts can also be opened for Provident Fund or other benevolent funds of companies, firms, organisations of Welfare and Educational institutions. These accounts can be opened with a minimum sum of Rs. 100.00 Money can be withdrawn only through cheques from the accounts. To share in the profit, it is also essential to maintain a minimum balance of Rs. 100.00 in the Accounts.

(iii) PLS Term Deposits Accounts with a sum of Rs. 1000.00 or its multiple can be opened by individuals, in their own single names, or joint names. The companies, firms and other organisations may also keep PLS term deposits. PLS term deposits would be for following terms:-

(a) For six months and over but less than one year;
(b) For one year and over but less than two years;
(c) Two years and over but less than three years;
(d) Three years and over but less than four years;
(e) Four years and over but less than five years;
(f) Five years and over.

The Account can be opened with a cash deposit or by converting existing (existing on the day of introduction of the new system, i.e., on 1st January, 1981) interest bearing Term Deposits into PLS Term Deposit Account. Special facility has been provided in the latter case, i.e., the loss otherwise suffered in encashing premature Term Deposits will not occur in this changeover, provided that PLS Term Deposit is taken for, or more than, the unexpired period of the interest-bearing term deposit being converted.

Besides in the existing interest-based system, the fixed deposits are transferred to a separate overdue fixed deposit account on maturity whereafter the deposit ceases to earn interest. As such, the account holder loses interest on matured fixed deposit unless he obtains renewal. Under the new PLS Term Deposits, more liberal facility is offered. If, under certain circumstances, the depositors fails to withdrew his/her/their PLS Term Deposits on maturity, the funds will remain temporarily in use for profit sharing and out of profits earned a reasonable share would also accrue to such (overdue) PLS Term Deposits.

The PLS Term Deposit holders may also be allowed at the discretion of the banks, some interest free credit facility against the security of their PLS Term Deposits kept with the bank duly discharged and subject to recovery of a service charge. The amount of credit so allowed to a term depositor shall not qualify for participation in the profit.

(iv) All profit and loss sharing accounts in the banks shall be kept absolutely separate from interest-bearing accounts. Differently designed account opening form, pay-in-slips, term deposit receipts, cheque books etc., will be used for PLS accounts.

Devising a framework of interest-free banking is a challenging assignment. The task is all the more formidable because of the nature of the economy Pakistan inherited from the West and which we have continued to develop on the same pattern. Interest happens to be the main pillar of the economic edifice. The country's internal and foreign transactions and particularly its financial policies and institutions all are geared to this vital principle.

Replacement of the present structure by a more just and equitable system in conformity with the injunctions of Islam demands wholesale changes in every sector of our economy. The task becomes more difficult in view of the fact that we have no precedent before us to follow. We will have to charter our own course.

During discussions on this subject it was soon realised that while there would be no problem in cleansing up-the liabilities' side of the commerical banks' balance sheets, formidable difficulties would be faced when the assets' side of the bank's balance sheet, i.e., loans and investments, particularly the loans, is brought under the purview of 'Shariah'. Keeping this in view three different options were considered. The first was that a beginning may be made by setting up a model bank which may start operations on interest-free basis and from the experience gained from its working, the operations of the commercial banks and other financial institutions may be reorganised on interest-free basis subsequently. But this option has the following disadvantages:-

DISADVANTAGES

a) Setting up a new institution will take time and still longer time will be taken before it takes any root in the system. The question of gaining from its experience would arise much later.

b) It would be waste of money and experienced hands when both are not available in abundance in the country, particularly when, existing commerical banks can also do the job perhaps in a better way because of larger resources of men and money and wider network of branches at their disposal.

c) If the borrowers have the choice either to borrow money from commercial banks at a fixed rate of interest, or borrow from the new institution on profit and loss sharing, all highly profitable projects would borrow from commercial banks and less profitable and loss-incurring projects would come to the new institution for accommodation. Earmarking of certain field of finance exclusively for the new institution may also not be easy as commercial banks with much larger resources available at their disposal would not be kept away from any field of finance. Examples of already existing specialised institutions like ADBP, IDBP, ICP etc., are before us.

d) If a model bank is floated in the midst of competition with added disadvantage of 'lack of precedent', its success, if at all it comes, will take a very long and gradual course. The depositors will be faced with a dilemma 'to bank' or 'not to bank' to the detriment of the model bank.

The second option was to prepare a comprehensive scheme for a complete switch over to the

interest-free economic system and then decide on the timing of such a switch over. This option did not commend itself as the elimination of an institution as deep-seated and pervasive as interest at one stroke at any future date and replacing it by a new system could give rise to a number of intractable problems and adjustment.

The third option was to eliminate interest from the economy under a phased programme. Since this appeared to be most practicable and reasonable, the Council of Islamic Ideology recommended it and the Federal Government decided to follow this course of action. As such, the cleansing up of assets side of the banks would be done in three or more phases. The first phase begins from 1st of Jan., 1981. Effective from this date the deposits received on PLS basis will not be used by the banks in interest-bearing operations. Councils of Islamic Ideology, Government of Pakistan, while pointing out that ideal alternatives to interest in an Islamic economic system are Profit and Loss Sharing and Qarz-e-Hasna, have also cleared the following devices to replace the fixed interest system in some cases in view of the difficulties in the practical application of system of Profit and Loss Sharing in these cases:-

i) Time Theory/Fractional or Time Multiple Counter-loans.
ii) Discounting of equity.
iii) Leasing.
iv) Hire purchase.
v) Investment Auctioning;
vi) Bai Muajjal or Mark up;
vii) Bai Salam.

However, in the first phase commencing from 1st January, 1981 the banks would make use of the Bai Muajjal, i.e., 'mark up', device to finance all or some of the following:-

a) Foodgrains and commodity operations of the Federal and Provincial Governments and their organisations.

b) Documentary export bills negotiated under Export letters of credit.

c) Documentary Inland bills.

d) Trading operations of the Rice Export Corporation of Pakistan (RECP), Cotton Export Corporation of Pakistan (CECP) and Trading Corporation of Pakistan (TCP) and

e) Documentary Import Bills, drawn under import letters of credit. In addition to the above, banks may also purchase NIT Units, ICP Mutual Funds, Participation Term Certificates and shares of ICP and Bankers Equity Limited out of the funds received by them in PLS deposits. Besides, banks may also provide funds to House Building Finance Corporation and share in latter's income.

(i) Profit received under 'mark up' by the banks on transactions (a to e) mentioned above, (ii) share of profit, if any, on Participation Term Certificates, (iii) Dividends received on NIT Units, ICP Mutual Funds and on shares of ICP and Bankers Equity Limited, and (iv) income received in respect of finances provided to House Building Finance Corporation would be distributed half yearly after deduction of normal bank expenses and making of normal provisions, among the depositors etc., on daily product basis. Share of loss, if any, on Participation Term Certificates purchased out of the PLS deposit funds would, however, be deducted from the profits received from other investments mentioned earlier, before distribution among PLS Depositors.

The Federal Government has agreed that the profits accruing to PLS deposits shall be reckoned as dividened which as per the present Income Tax Rules, is exempted from Income Tax upto Rs. 15,000/- per annum.

It would be of interest to know that discussions by the bankers on Islamisation of banks held with members of Islamic Ideology Council, its Chairman and other learned theologians have been very fruitful. During discussions, 'Shariah' experts showed a deep sense of understanding of the problems and have always endeavoured to find workable solutions thereof by interpreting 'Shariah' in the context of present day social order. This appreciation of modern banking complexities and willingness to do 'ijtehad' should augur well for the Islamisation process of banks. For the sake of smooth and proper shift over to the Islamic banking system, dialogue between bankers and theologians should continue.

Effective from 1st January, 1981 the nationalised commercial banks are also introducing Qarz-e-Hasna Scheme for Education. Under this scheme loans may be granted to all nationals of Pakistan including those from Azad Kashmir who are of an age not exceeding 35 years and are desirous of pursuing studies within and outside Pakistan.

The facility will be limited to studies in subjects approved by the Federal Government. The amount of loan for studies in Pakistan will not exceed Rs. 6,000.00 per annum with a maximum of Rs. 25,000/00 for the entire duration of the course. An essential condition in this regard is that access to the loan facility and its continuation shall be subject to satisfactory performance of the student and shall be renewable on year to year basis.

As for studies abroad, no loan will exceed U.S. dollar 5,000.00 per annum. However, if the period of study is more than two years, the total advance for the entire duration of the course will not exceed U.S.$ 10,000.00. Maximum limit of loan under this scheme for studies outside Pakistan will be foreign exchange quota fixed by the State Bank of Pakistan for such studies less the amount of scholarship etc., if any, granted by the foreign university/institution. A grace period of two years will be allowed after the completion of studies. Thereafter repayments will commence in monthly instalments till full repayment is effected within ten years.

In case of a drop-out, unsatisfactory academic performance or breach of any clause of the loan agreement, loan will become repayable immediately. The borrowing student will have to furnish a bond that after the successful completion of the studies for which a loan has been granted to him, he would serve in Pakistan at least till his loan is fully repaid, failing which he would pay penalty equal to twice the amount of the loan outstanding. Of course, after successful completion of the studies for which loan has been granted to him, the borrower would be provided an opportunity to serve in Pakistan.

The dawn of the new calendar year will witness beginning of a new era in the banking history of the country. The

measures proposed towards the implementation of first phase for purifying operations of the commercial banks will mark revolutionary start to the first initiation of Islamisation of the national economy. The process will reinforce the conviction of all those who have sincerely been cherishing attainment of a true and real Islamic order in all facets of national activity. It will also expose bogy of contention raised by vested circles that the intricate and complex character of present-day economic functioning is so well-entrenched that it cannot be re-structured outside the parametres of capitalism and socialism. While it may for the time being be interpreted as the mere fancy of Islamic jurists, there cannot be any shade of doubt about the inherent strength of Islam as the most comprehensive and all-pervasive lasting code of human life which is capable of regulating it in all its hues and colours. What is demanded is unflinching faith in this reservoir of vitality and an unshakable will to conduct affairs of the state under the beacon light of Islam. It is the utmost satisfying that presently there is no lack of this will in the ranks of the nation as well as in the national leadership.

CSO: 4220

INTEREST FREE BANKING DECLARED SHAM

Karachi BUSINESS RECORDER in English 12 Jan 81 p 2

[Editorial: "Where Is the Difference?"]

[Text]

What we were afraid of and the risk on which we had tried to focus attention in an editorial entitled Asl and Riba published on November 22 last year, has unfortunately come to pass. Champagne will still be champagne even if we call it Bint-e-Enab and bear will be bear even if it is called Aab-e-Jao. And if fixation of time and return on a loan constitutes Riba, then give it whatever name you will—profit, commission, service charge or mark-up —it will still be Riba. And if bank interest is Riba and a thorn in our economy, then a thorn will remain a thorn by whatever name you may call it. Just because banks cannot be trading organisations involved in Bai (trading) and currency transactions would not be accepted by fundamentalists as leasing, we seem to have played the same game as has been played in some other countries and that is attempting to get around our own given definition of Riba through the medium of semantics.

The State Bank of Pakistan's circular published in the daily newspapers of Saturday last makes it so obvious even to persons of below average intelligence that the system of fixed return over a fixed time period which was hitherto known as interest, will henceforth be known as mark-up. And what is worst is that not only the usurous system of compounding has not been given up but has been made more lucrative for the

banks under the mark-up method.

Islam stands for speaking and observing truth in words, deeds and spirit. Let us pause and think as Muslims if the mark-up system as announced differs in word, deed and spirit, except for nomenclature from the system of commission and returns to the banks as at present. And if there is no alternative, then do we make anything Islamic just by giving it a new name? The impression that prevails in the minds of the people regarding the interest-free banking system is that the banking institutions will be participants in the profits or the losses of the clients who would be transacting business with them. One fails to understand how with this mark-up method the banks will involve themselves in the gains or losses of their clients. They would mark up or mark down the prices and would charged their commission irrespective of what fate their clients meet. If it has to be so and if the word interest has become so obnoxious and synonymous with Riba and usury, why did we not simply adopt the word profit which is now being widely used abroad and has been so successfully adopted by the Directorate of National Savings for its various schemes? Indeed, it would have been more honest. The Islamic Ideology Council owes it to itself and the people of Pakistan to publish its opinion on the mark-up method. So far as we can see the mark-up method as has been spelled out is neither Islamic nor un-Islamic. Why give it a name it does not deserve?

CSO: 4220

SUBVERSIVE LITERATURE RING UNCOVERED

Lahore VIEWPOINT in English 9 Jan 81 p 14

[Article by Iqbal Jaffery]

[Text]

INTELLIGENCE agencies here have unearthed a ring engaged in clandestinely printing and dissemnating subversive literature.

A few arrests have been made in Karachi and further investigations are in progress, according to an official handout issued on January 3 by the Government of Sind.

On January 3, all those arrested were produced before the Summary Military Court at the MPAs Hostel and all of them were remanded to police custody till January 10.

According to official sources, the arrests made so far are said to total 52. A few journalists working in a local Urdu Weekly, 'Al-fatah', are among those arrested on January 1 from various parts of the city.

Prominent among these are Irshad Rao, Wahab Siddiqui, Wahid Bashir, Editor and Assistant Editor, respectively, of 'Al-Fatah', Naeem Arvi of the Daily 'Mashriq' and Sharaf Ali. They have been charged under various Martial Law Regulations.

In September last, a cell working underground in Karachi & Hyderabad was traced and a number of arrests made. A few days later, a similar cell was unearthed in Multan. The most recent case was reported from Islamabad last month.

CSO: 4220

POLICE ORDERED TO ADMINISTER FAIR JUSTICE

Islamabad THE MUSLIM in English 27 Dec 80 p 3

[Text]

ISLAMABAD, Dec. 26: The Punjab Government has directed high police officials to take certain measures for expeditious and fair dispensation of justice. It has also pinpointed areas of weaknesses in the functioning of Police and Magistracy.

These include hardships the people face in the registration of cases with the police; absence of the accused from the Courts; undue delay in the submission of challans; poor turn-out of the prosecution witnesses; huge, unmanageable number of summary cases; long delay in the disposal of criminal cases and lastly, the malpractices in the examination and checking of traffic and vehicles.

REGISTRATION OF CASES: It has been observed that the ordinary persons, specially in the rural areas, can seldom hope to get a case registered even though the crime may be as serious as burglary. At times the poor villagers have to 'move mountains' for getting police help.

It has been suggested that the Local Councils could be of help in the reporting of crimes within their jurisdiction. This, in fact, is one of the duties of the elected Local Councils as incorporated in the Ordinance of 1979.

The Government plans to make it obligatory for the local police to register a case as and when the commission of an offence is reported by a Union Council. This, the Government feels, would definitely help in ensuring free registration of cases.

It has been noted that a large number of cases has been lingering on for years, thus eroding public confidence in the Administration.

In certain Districts, the number of cases which are pending because of the non-appearance of the accused is as high as 20 per cent.

The Government may launch a whole-hearted campaign against such absconders.

It is pointed out that often the submission of challan is delayed for months which could lead to enlarging the potential of mischief by investigating agencies.

The District Magistrates and Police Superintendents have been asked to ensure that challans are submitted within the specified period of 15 days.

On the summoning of the witnesses, it has been observed that unless at last 50 per cent summoned by the Courts are made to attend, the judicial system cannot be made to function ever at the optimum level.

A plan of action has to be devised by every District Magistrate for the disposal of all pending summary cases within less than three months.

Special attention has to be paid to the disposal of old criminal cases pending for years. All such cases pending for more than two years must be disposed of within three months.

It is alleged that huge amounts of black money changes hands in the process of examination of public vehicles as well as during traffic checking. Both systems require to be re-examined and improved. For example, traffic checking can be done by teams of officers instead of individuals.

All concerned departments have been asked to send their progress reports on the implementation of the suggestions made by the Government to Lahore.

CSO: 4220

PROVINCES ASKED TO FORM LAW, ORDER COMMITTEES

Islamabad THE MUSLIM in English 5 Jan 81 p 1

[Article by Qaiser Butt: "Law & Order Bodies Soon"]

[Text]

ISLAMABAD, Jan. 4: The Federal Government has asked all Provincial Governments to set up law and order committees in their respective provinces to strengthen the law and order situation in the country, an official source told The Muslim here today.

Following the directive, the Punjab Government has already set up a six-member committee, the source said and added that its first meeting would be held in Lahore on Jan. 24. The committee was constituted from among the Chairmen of various District Councils' Corporations and the other officials. The Governor, who is also the Chairman of the Provincial Council, has approved the constitution of the committee, he added.

The members of the committee are: Mohammad Raja Basharat, Chairman Rawalpindi District Council, Mohammad Riaz, Mayor of Faisalabad Corporation, Ch. Mohammad Iqbal Dar, Chairman of Sheikhupura Municipal Corporation, Nawab Liaquat Ali Khan, Vice-Chairman of Multan District Council, Khakan Babar, President of All-Pakistan Free Legal Aid Association, Lahore, and Maj. (Retd) Mohammad Akbar, Chairman of District Council, Attock.

The source said the committee would discuss the current law and order situation in its meeting this month in Lahore. Such committees in the other provinces would be set up soon, he added.

CSO: 4220

AUTHORITIES URGED TO DEVELOP NORTHERN AREAS

Lahore THE PAKISTAN TIMES in English 7 Jan 81 p 4

[Editorial: "Uplift in Northern Areas"]

[Text]

The Northern Areas Council has just concluded its latest session and finalised the various public sector projects for the next fiscal year. The commissioner and the councillors taking part in the discussions underlined the need of continued central subsidy for items like kerosene, wheat and sugar whose supply in the Northern Areas is conditional to good communications during climatically difficult winter months. The representatives also discussed the development schemes proposed and in progress in the areas. The Northern Areas have a characteristic economic pattern. Subject to a climate unique in the country and difficult of access from the plains, they are rich in the production of fruit while lacking in conventional food crops like wheat. Cold but dry for months, they need an efficient system of irrigation in the valleys. In Gilgit agency, for instance, the valley's fast running streams have to be controlled and channelled for agriculture and prevented from pouring headlong into the Gilgit river. The economy of fruit has to be supported with the setting up of canning and drying factories.

Rural uplift in the Northern Areas is the backbone of the development planning of the region. Its Directorate of Local Bodies and Rural Development was given Rs. 10 million late last year to spend on projects providing drinking water, roads, bridges, water-channels, rural electrification, cottage industry and local handicrafts. Although not a big allocation in itself, the amount, if spent in good time and on projects directly affecting public welfare, will change the complexion of the Northern Areas. In the circumstances that prevail, the public servants will have to participate whole-heartedly in the development work. There is no room for taking things easy, and there must be strict safeguards against such a tendency. For instance, in the last six-month period the allocation of Rs. 63 million for various schemes could not be fully utilised and only Rs. 40.8 million were disbursed on running projects by November. The Government has taken note of this slow-down and has pulled up the region's administration and has appealed to the people's representatives to work with dedication for the improvement of their constituencies. The economic possibilities in the Northern Areas are infinite; we need enthusiasm, creative thinking and application on the part of administrators and representatives to realise them.

CSO: 4220

BALUCHISTAN TO GIVE FOOD, FRUIT PRODUCTION PRIORITY

Karachi MORNING NEWS in English 10 Jan 81 p 2

[Article by Asif Ali]

[Text]

QUETTA, Jan 9: The Baluchistan Government had attached top most priority to the production of food and fruit in the province, official sources said here today.

Wheat-sowing was in full swing over an area of 4.47 lakh acres of land during the current rabi season.

More than 50 per cent of sowing has been completed while remaining sowing will be over by next month.

The wheat target has been fixed at 2.4 lakh tons this year as against 2.25 lakh tons during the corresponding period last year.

The Government has given facilities and incentives to the farmers to maximise wheat production.

These incentives include provision of Rs 30 lakh taccavi loans and 25,000 maunds of good quality high-yielding wheat seed for the farmers.

A chain 58 fertilizer depots has been set up to ensure easy supply of fertilizes to the farmers throughout the province

About fruit production, he said that 2.62 lakh tons of different types of fruits have been produced this year.

Valued at Rs 12 crore fruit had been produced by the farmers in the province during the corresponding period last year. Fruit production was 2.52 lakh tons.

CSO: 4220

JOINT FISHING VENTURE CRITERIA ANNOUNCED

Lahore THE PAKISTAN TIMES in English 22 Dec 80 p 10

[Text]

KARACHI, Dec. 21: The Federal Government has announced the criteria for joint fishing venture in exclusive 200 nautical miles economic zone of Pakistan.

This has been done to facilitate the intending Pakistani entrepreneur to collaborate with foreign fishing companies to exploit the marine resources.

The criteria for joint ventures include certain clauses to protect the interest of small fishermen as well as to benefit the country.

According to the criteria the duration of joint venture agreement, that would be extendable by Government, shall not be less than one year, and it would be counted from the date of arrival of foreign vessel in Pakistani waters.

Under the agreement the Pakistan Government will be eligible to terminate the agreement at any time by a written notice but the period of notice will not be less than one month. Fishing will be allowed beyond 25 miles along the Sind coast and beyond 12 miles along Baluchistan coast upto 200 nautical miles in the exclusive economic zone of Pakistan. No fishing for any kind of fish will be allowed in the territorial waters, it adds.

The marketing and export of catch will be subjected to prior permission in writing from Government and to the prevalent rules and regulations.

According to the criteria the percentage of equity to be shared between the Pakistani firm and their collaborators as well as other terms and conditions of sharing the operative expenditure of the vessels and catch will be determined by mutual agreement between the Pakistani firm and their collaboratory. It stipulates that the contracting party shall pay to Government royalty as high as possible, but not less than 10 per cent of the total catch. The contracting party shall open, maintain and operate a foreign exchange account and deposit therein for payment to Govrnment as high as possible but not less than 30 per cent of the exportable catch value.

The income from the joint fishing venture shall be exempted from income tax duties until June 31, 1983 and subject to such further extension or otherwise as allowed by the Central Board of Revenue.

The criteria also stipulates that foreign fishing vessels during their presence in Pakistani waters will employ Pakistani crew which will not be less than 50 per cent of the total deckhands on board.

The foreign collaborators will also impart training to Pakistanis in the marine fisheries so that the local fishermen could use the latest techniques and benefit from their experience.

The foreign vessels in Pakistani waters will abide by all the laws, rules and regulations in force in Pakistan and shall be liable to the prescribed penalties applicable for violating any such laws, rules and regulations, the criteria adds.—PPI.

CSO: 4220

FISHERIES DEVELOPMENT PROJECTS FOR SIND REPORTED

Islamabad THE MUSLIM in English 20 Dec 80 p 6

[Text]

KARACHI, Dec. 19: Fish and shrimp production of Sind Province could be increased from 24,000 million tons in 1979 to over 150,000 million tons by the year 2000.

The feasibility studies carried out by the Asian Development Bank indicate that the sea fish production from National waters could be increased from 500,000 million tons in 1979 to over one million tons by 2000.

The Provincial Government had sought technical and finance assistance in early 1979 from the Asian Development Bank to undertake detailed feasibility studies.

The country is faced with serious animal protein gap to an extent of about 80 per cent of the optimum requirements. Sind, which can meet the requirements of protein to a great extent commands 70 per cent of the fresh water and about 60 per cent of the marine fisheries resources of the country. The inland fisheries resources comprise an area of 7.6 million hectares, whereas the marine resources stretch to about 42.2 million hectres in exclusive economic zone.

On the basis of the studies made by the Consultants, two major development projects were formulated. Foreign consultants and local officials are being appointed for the execution of these projects and other measures are also in progress.

Under one of these projects a loan agreement was signed between Pakistan Government and the Asian Development Bank of Dec. 20 last year. The Project involves a total cost of Rs. 230 million, about Rs. 110 million in foreign exchange. Out of it the Sind Province component shall cost Rs. 70 million in public sector and Rs. 70 million in private sector through the Agriculture Development Bank of Pakistan.

Under the other Development Project, credit facilities will be available to fish farmers and fishermen, for setting up fish farms and fish ponds over 2,600 acres, ice plants and cold storages at Kinjhar and Bakar Lakes, besides operating insulated and refrigerated fish farms, and to supply 100 boats and 200 outboard motors, better gears and equipment through the Agriculture Development Bank of Pakistan.

This project is anticipated to be completed in June 85. It will result in increasing inland fish production from 24,000 million tons in '79 to 49,000 million tons in '85, increase exports by Rs. 10 million.

To develop marine fisheries the Karachi harbour is to be rehabilitated and improved at a cost of Rs. 120 million. It is expected to be available as a grant from the European Economy Community both in foreign exchange and local currency.

A new fish harbour is to be constructed at Korangi Greek at a cost of Rs. 335 million the Karachi fish harbour improvement is expected to be completed in 1983 and the Korangi fish harbour in 85.

Negotiations with the Asian Bank have been concluded for this project at Manila in the second week of November last and the loan agreement is expected to be signed sometime this month.--APP

CSO: 4220

CARBON BLACK PLANT ENTERS EXPORT MARKET

Karachi BUSINESS RECORDER in English 21 Dec 80 p 1

[Text]

The public sector carbon black plant, first in the country set up by National Petrocarbon Limited, a company of State Petroleum Refining and Petrochemical Corporation (PERAC) has entered the export market.

Accorrding to PERAC sources the maiden consignment of 125 tons of carbon black against an initial total export order of 1,345 tons valued at Rs 8.7 million was exported yesterday.

The plant which started production in the current fiscal year has met the total requirement of carbon black for the current year. The present domestic demand is around 2,000 tons annually.

The plant will save Rs 12.2 million annually by way of import substitution and earn between Rs 20-30 million through export of surplus products in the initial years of its operations.

The plant will meet the entire demand of the country's tyre and rubber industries.

The plant which has brought a new technology in Pakistan has been set up at Bin Qasim under the "pay-as-you-earn" scheme at an estimated cost of Rs 160 million including Rs 90 million in foreign exchange.

A French company has designed and established the plant on turn-key basis under a suppliers' credit of Rs 76.8 million repayable in 10 half yearly implements. The process is of an American concern.

The raw material for the manufacture of carbon black would be a bye-product of the "furfurol" extraction unit of the National Refinery Limited. The raw material would be transported to the plant by road in tankers in 7,000 tonnes capacity tank built at the refinery. About 2,500 tonnes carbon black would be used per annum in the country to improve the abrasive quality of rubber.

According to National Petrocarbon Limited sources export enquiries were received from Yugoslavia, Sri Lanka, Iraq, Egypt and Philippines to which samples of carbon black were sent for chemical tests.

The plant war working in three shifts with 87 Pakistani hands and the number would later go to 133.—APP.

CSO: 4220

PRAGMATIC MEASURES URGED FOR FAMILY PLANNING

Lahore THE PAKISTAN TIMES in English 16 Dec 80 p 4

[Editorial: "Population Master Plan"]

[Text]

The Government has approved a master plan, effective from 1981 to 1983, which will seek to bring the growth-rate of the country's population from the current 3 per cent to 2.5 per cent. Pakistan's population is expected to double by the year 2001. According to the statistics compiled by the World Fertility Survey this year, only 8 per cent women in Pakistan use contraceptives. Our family planning programme has been in operation since 1965 but such is the enormity of our failure in this crucial sector that our population growth rate, instead of going down, has climbed to alarming proportions. In 1976-77 we spent on it a total of Rs. 202 million, some of which was money given by international organisations, without achieving any results. According to the world survey, ours is one of the highest fertility rates in Asia. Our economic position is such that our dependency ratio now stands higher than that of India, 93 dependents to every 100 persons out of which children constitute 44 per cent. The newly born in Pakistan are exposed to disease to the tune of 80 per cent. Despite hectic Government efforts, the basic requirement of total child vaccination against disease will not be realised in this decade. The children that we send to school do not always get education. The drop-out ratio at the primary school level is a startling 60 per cent; girls are virtually all kept illiterate. Such is the inadequacy of our educational system in the face of an exploding population that in certain areas the literacy ratio is actually going down.

It is quite evident that we cannot adequately support the number of children born at the rate of four a minute. The family planning programme has failed miserably at the level of propaganda for various reasons, the big-

gest one being the illiteracy of the target individual who makes up most of the population of the country. Propaganda and motivation campaigns have presumed a basic susceptibility to literate rationalisation among the population. Governments have been indecisive about family planning and have relied too much on external assistance. Terrifying prognostications about all economic growth being nullified by growth in human numbers seem not to have persuaded the planners in the past. Although a number of seminars held under the auspices of the Islamic Conference have endorsed family planning and have categorically accepted the system as non-repugnant to the teachings of Islam, the average citizen seems to be confused about it. This psychological impediment to the implementation of family planning programmes in Pakistan must be removed before the task of arresting the growth rate of the population can be effectively undertaken. Family planning needs to be brought down from its macro-level objectives to micro-level targets where its operational aspects can make direct contact with the individual in need of contraception. Recently, an organisation called Fertility Regulation Association announced that it would open control centres in the major cities of the country and try to achieve 2,000 sterilisations at each city over the duration of one year. If family planning is to come to Pakistan it will be through pragmatic measures like this undertaken on a scale compatible with the problem we face.

CSO: 4220

GOVERNOR OPENS IODIZED SALT FACTORY

Peshawar KHYBER MAIL in English 24 Dec 80 p 1

[Text]

N.W.F.P. Governor Lt Gen. Fazle Haq has said that the government was spending a huge amount on the improvement of public health sector and crores of rupees were earmarked for this purpose every year in the budget.

Inaugurating the Goitre Control Project in the Industrial Area at Jamrud Road here on Tuesday he said that the manpower was a great asset of the country, therefore it was necessary to maintain this power for the effective functioning of all the projects of development.

He said that it was the endeavour of the present government to bring at par the areas which were neglected in the past with the comparatively developed areas of the province and expediciously completed the projects of social welfare.

The districts of Swat and Chitral were also amongst those areas, he remarked, adding that not only the work in the fields of education and health but the development projects were undertaken on priority basis in these areas

He said that despite its limited resources, the government was providing every facility to the people of these areas as was provided in other developed areas of the province.

He appreciated the invention of cure of endemic goitre at a low-cost and said that it was a remarkable and commendable invention.

He expressed the hope that the iodized salt produced in the factory would be easily transported to the Northern Areas of the country so as to rootout this disease and to maintain the health of the people of those areas.

The Governor thanked the UNICEF for providing machinary for the project and expressed the hope that the project would play a vital role in fields of health and social welfare.

Earlier, in his welcome address the Chairman of the Sarhad Development Authority Mr. Azam Khan, said that the authority had established the factory on priority basis at a cost of about Rs. 15 lakh and the machinary for the factory had been provided by the UNICEF which cost about Rs. 14 lakh.

CSO: 4220

COTTON EXPORTS REACH 4.37 LAKH BALES

Karachi DAWN in English 4 Jan 81 p 10

[Text]

Exports of cotton from Pakistan made by the Cotton Export Corporation (C.E.C) during the current fiscal year till November last stood at about 4.37 lakh bales valued at 106.23 million dollars and sizeable shipments were to follow in the coming months, the C.E.C. sources said in Karachi.

The sources here said that in spite of slack demand in the world market, the C.E.C. hoped that all the exportable surplus during the current year was expected to be disposed of. The current year's revised target of export is 393.5 million dollars which is based on the production target of 4.3 million bales. During the outgoing year, exports of cotton made by CEC reached a record level of about 340 million dollars. It is hoped that if the production target is achieved, it may be possible for the CEC to achieve the enhanced export target.

The CEC, the sources said, had been successful in diversifying export markets, exploring new markets such as Philippines, South Korea, Indonesia and others. Some buyers were expected to visit Pakistan soon to explore the possibility of buying more cotton from here.

The sources further said that an office of the CEC is proposed to be opened shortly in Hong Kong which has remained a traditional buyer of Pakistan cotton. This step would be of great assistance to the buyers and spinners of Japan, Hong Kong, South Korea and other countries in this region which faced difficulties in visiting Pakistan to negotiate and finalise business. This would also help to the CEC to keep close liaison with the buyers and enable it to obtain information on current market situation directly through its own sources as well.

This proposal, they said, had already been welcomed by the cotton community in the Far East.

An International Cotton Club of Pakistan, the sources said, had been sponsored by the CEC, a branch of this Club would be opened in Multan shortly. The membership of the club will be open to cotton traders, export agents and procurement agents of CEC, growers, ginners, textile mills and international firms. This club is intended to provide a forum to all the sections connected with the cotton economy where they can discuss the cotton situation.

The CEC said that at the moment, due to the threat of recession, the mills in the country were not coming forward to purchase cotton in big quantities. Although the prices have been generally firm, the demand has been slack and low. Even the international merchants are very cautious and not coming forward to buy in a big way.—APP

CSO: 4220

BRIEFS

RICE EXPORT TO SENEGAL--Karachi, Dec 21--Pakistan is to export 50,000 tons of rice worth Rs 135 million to Senegal. An agreement for the sale of rice was signed here today between a visiting 3-member official team from Senegal and the Chairman of Pakistan Rice Export Corporation, Mr Riaz Naik. The Chairman RECP later told Radio Pakistan that the shipment of the rice will start from February and the entire shipment will be carried by the Pakistan National Shipping Corporation. This will earn substantial foreign exchange for Pakistan, Mr Naik said.--APP [Text] [Lahore THE PAKISTAN TIMES in English 22 Dec 80 p 5]

PAMPHLETS, CASSETTES SEIZURE--Quetta, Dec 21--The Government of Baluchistan has immediately forfeited a pamphlet consisting of eight pages issued by the defunct National Democratic Party which contains objectionable material falling under the West Pakistan Press and Publications Ordinance, 1963, says an official handout. The Baluchistan Government has also immediately forfeited cassettes containing propaganda material in Baluchi and Pushto smuggled into Pakistan from Afghanistan. An official handout issued here today said that these cassettes are highly objectionable and prejudicial to national integration.--APP. [Text] [Lahore THE PAKISTAN TIMES in English 22 Dec 80 p 10]

LICENSE FOR OIL EXPLORATION--Karachi. Dec 26—The Federal government has granted Petroleum Exploration and Prospecting Licence to a British firm B.P. Petroleum Development Limited and Oil and Gas Development Corporation, Karachi over Dadhar area covering 5460 square miles in Sibi, Kalat, Khuzdar and Nasirabad Districts in Baluchistan and district Larkana, Sind, for a period of four years, it was learnt from official sources. [Text] [Quetta BALUCHISTAN TIMES in English 27 Dec 80 p 4]

ABU DHABI INDUSTRIES--Lahore, Dec 23—Abudhabi has shown keen interest for financing and the setting up of a number of industrial units in Pakistan in collaboration with local industrialists. A leading businessmen of Abudhabi on behalf of his country has approached the Investment Promotion Bureau (IPB) of Pakistan for setting up of 13 various types of industrial units in this country. The IPB has circulated a letter to various business organisations in the country inviting applications from interested businessmen and industrialists. The industrial units envisaged to be set up by Abudhabi entrepreneurs include power engineering, solar energy conversion petroleum and petrochemicals mining, water engineering, communication (roads highways), bridges,

railways and (telecommunication), steel mills and fabrication and heavy inorganic chemicals. The entrepreneurs have also shown special interest for financing units for manufacture of grid overhead transmission line and power stations, telephone system (fully electronic switching system (digits), cement factories and sugar mills.--PPI [Text] [Karachi BUSINESS RECORDER in English 21 Dec 80 p 1]

BALUCHISTAN RURAL PROGRAM--Quetta, Dec 22--The Baluchistan Government has undertaken a crash programme costing about Rs 40 million for the benefit of the people living in the tribal and rural areas of the Province. Our Representative says under this programme construction of rural roads, development of drinking water resources, improvement of health and sanitation services have been undertaken. The programme also provides for better education facilities for the rural and tribal children. The Programme is expected to be completed by June next. [Text] [Quetta BALUCHISTAN TIMES in English 23 Dec 80 p 4]

12 GAS FIELD DISCOVERIES--Quetta, Dec 18--Twelve more gas field have been discovered in the country raising the total to thirteen. Eleven exploration companies including eight international are engaged in determining the extent of gas deposits. Official sources said here this morning that of the total gas fields recoverable reserves of nine gas fields have been estimated at over 17 thrillion (17000 billion) cubic feet. [as published] Nearly fifty per cent of the gas is available at Sui, meeting more than 80 percent of the natural gas requirements for the country. At present Sui is producing about 650 million cubic feet of the total production of 800 million cubic feet of gas per day. The balance is met by gas fields from Sari Sing, Hundi and Mari. These sources said that as a result of discovery of gas, Pakistan has been saving during the current financial year foreign exchange valued at about 750 million dollars. [Text] [Quetta BALUCHISTAN TIMES in English 19 Dec 80 p 1]

NO-RISK INVESTMENTS--Karachi, Dec. 23--The interest-free deposits received by nationalised commercial banks on voluntary basis from Jan 1, 1981, will be invested in clearly defined fields on "Bai Muajjal" or "mark up" basis, it was learnt here today. Under the "mark up" system, the normal profits of a particular line of business or trade will be determined and a fixed return on investment will be sought by the concerned banks. The investments would, therefore, carry no risk. Investments made on "Bai Muajjal basis" will cover financing of foodgrains and commodity operations of Federal and Provincial Governments and semi-government organisations like trading, Cotton Export and Rice Export Corporations, documentary export bills, inland and import bills. Besides, the banks will also be authorised to buy NIT Units, ICP Mutual Funds, Participation Term Certificates (an instrument which will replace debenture financing), shares of Bankers Equity and Investment Corporation of Pakistan with the interest-free deposits received by them. These investments along with finances, provided to the House-Building Finance Corporation, will be on the profit and loss basis. Although the ratio of profit and loss to be shared between depositers and banks was not immediately known, the profits on interest-free deposits will be treated as dividend and exempted from income-tax up to Rs 15,000 per annum. Meanwhile, necessary amendments in the banking laws, including the State Bank Act, will be announced before January to enable the commercial banks to start the first phase of their interest-free operations. [By Jawaid Bokhari] [Text] [Islamabad THE MUSLIM in English 24 Dec 80 p 1]

KUWAIT DEFICIT OIL PURCHASE--Islamabad, Dec 24--Pakistan will buy 1.5 million tons of deficit oil products from Kuwait during 1980-81 under an agreement signed here today. The agreement, which reportedly offers highly competitive prices to Pakistan, was signed by Masihuddin, Secretary Petroleum and Nadir Sultan, a high official of the Kuwait National Petroleum company. The agreement also includes a clause under which Pakistan would be entitled to reopen the question of prices. So far it was the sole right of the supplier. The contracted quantity includes one million tons of High Speed Diesel (HSD) 0.4 million tons of kerosene, and the balance of Light Speed Diesel (LSD) and High Octane Blending Component (HOBC). Last year Pakistan purchased 1.8 million tons of deficit oil products from Kuwait, which meets the entire demand of Pakistan in this sector. The reduction has been due to conservation measures and more production in our own plants, Mr Masihuddin told THE MUSLIM. About 120,000 tons of the import would be used as filler for the newly-commissioned PARCO pipeline. The new deal also gives some advantage to Pakistan in the freight charges because from Jan. 1 next bigger ships would be able to enter the Karachi Port where the draught has been increased. Pakistan has been reportedly given preference over India, Iraq, Iran and some other countries who also requested Kuwait to sell these products. Inspite of scarcity of these goods in the region due to Gulf War the KPTC agreed to meet the full requirement of Pakistan, it was further learnt. [By Sikander Hayat] [Text] [Islamabad THE MUSLIM in English 24 Dec 80 p 1]

STEEL MILLS COMMISSIONING DELAY--Karachi, Dec. 29--The commissioning of the first phase of the multi-billion rupee Karachi Steel Mills project has been delayed because the firing of the first blast furnace originally scheduled to be commissioned in the current month will now take two to three months more. Sources close to the Mills' administration told THE MUSLIM that the delay was basically due to the general "testing of auxiliary units," which was now in progress. They, however, did not confirm or deny the reports that some defects had been discovered in the coke oven complex, particularly its generating unit which would take some time for completion. The raw materials needed for the commissioning of the first phase have already been obtained such as the pig iron and the coal, partly from India. The administration and the technical staff, however, are working day and night to ensure early commissioning of the project which will usher in era of gradual self-sufficiency in steel. [Text] [Islamabad THE MUSLIM in English 30 Dec 80 p 1]

SUBVERSIVE LITERATURE SUPPRESSED--The Sind Government forfeited all copies of an Urdu novel, 'Zinda Bhutto, Murda Bhutto,' written by Sattar Tahir and published by Syed Qasim Mahmood, Maktaba Shahkar, Clifton Road, Lahore. The Government thinks that the book contains material which tends indirectly to incite hatred against the Government. The order was published in the Sind Government Gazette on January 1. [Text] [Lahore VIEWPOINT in English 9 Jan 81 p 14]

CSO: 4220

KRIANGSAK TO FORM PARTY, STILL SUPPORTS PREM

Bangkok SIAM RAT in Thai 3 Dec 80 pp 1, 12

[Article: "Kriangsak Encourages the Government to Complete Its Term"]

[Text] General Kriangsak Chamanan has confirmed that he will definitely establish a political party and will engage in politics. But he will wait until a political party law has been enacted.

The former prime minister has confirmed that he will resolutely refrain from taking MP's from other parties to form his party. He stated that he does not want to comment on the matter of MP's causing trouble except to state that it is natural for political parties to guard their interests. However, they must also consider the common interests of the country and people.

General Kriangsak also confirmed that he wants the government of General Prem Tinsulanon to continue governing the country until the end of its term of office. The troubles of the government are natural and they arise during every administration.

"Anyone can form a government but a frequent change of governments is a step backwards," stated General Kriangsak.

Concerning the present economic problems, the former prime minister stated that it is very saddening that the income of the people has not increased quickly. This has created hardships for them. But the people must help themselves because this is a problem that is affecting the entire world.

"We must all help each other and make sacrifices. The government must not be the only one to make sacrifices. These days, if people still try to gain the advantage for themselves, in the future there will not be any chance for gaining the advantage," stated General Kriangsak.

11943
CSO: 4207

KRIANGSAK RETURN TO ELECTIVE POLITICS DISCUSSED

Bangkok TAWAN SIAM in Thai 8 Dec 80 pp 5, 2

[A Half Is a Half column by Phet Banlaem]

[Text] Although he resigned the position of prime minister, or retired from politics, General Kriangsak Chammanan acts as if he is thinking about returning to politics again, waiting only for the right time or a suitable chance.

Concerning the right time, when a political party act has definitely been promulgated, General Kriangsak has confirmed that he will establish a political party and get involved in politics seriously. It is thought that this means that he will seek election to parliament.

Concerning the fact that General Kriangsak is thinking about returning to the political arena following constitutional, or demoractic, methods -- that is, by establishing a political party and standing for election -- this is a right and freedom and, as a government leader, he should do this and he should be supported.

General Kriangsak once governed the country, even though he did not come to power in a democratic way. He came to power by luck, or on the top of a tank, but it must be recognized that he experienced many problems and various important events and, therefore, he should have adequate political experience.

If he enters politics again, this should give the people a broad field from which to choose.

In particular, General Kriangsak has stated, in forming his political party, that he will resolutely refrain from taking members of other political parties into his party.

In other words, he will not form a political party by "fishing in a pond" and getting MP's who were elected on the basis of their affiliation with some other political party to join his new party as some people like to do.

I admire this correct and reasonable decision. It shows his intention of engaging in politics in a really democratic way, that is, he will allow the people to decide whether or not to support him and to decide how much they trust him rather than buying people or using political positions to induce people to join his party, which teaches some MP's who were elected by the people first to betray the people.

Concerning this type of political party, I think that such parties are very dangerous, and not just to the democratic form of government. They are also a threat to the security of the country.

Besides this, a party that is established by inducing MP's who were elected in the name of other political parties to become members of the party frequently fails to gain the confidence of the people, who question the party's honesty and sincerity.

Or it can be seen that some political parties were not established to serve the majority of the people or protect their interests, although that is what they claimed. Rather the party was established in order to gain positions or personal benefits for certain people or groups.

The reason that I have constantly opposed, or not agreed with, this way of forming a political party is not that I am not satisfied with or prejudiced against those involved in establishing these parties. Rather it is because I want the people in general to help preserve the proper political party principles, or correct party system.

Because, from what I have seen, such political parties have tended to destroy the political party system and democracy in Thailand since the people think that these political parties are only the tools of certain politicians, who use them to justify their search for benefits and power in parliament.

There is nothing binding them to the people at all.

For these reasons, I was happy to hear General Kriangsak Chamanan announce that he intends to enter politics again following democratic methods. I support him and hope that the people welcome this and give him proper support.

11943
CSO: 4207

SOVIET SUPPORT OF SRV ROLE IN INDOCHINA ANALYZED

Bangkok SIAM RAT in Thai 8 Dec 80 p 11

[Article by Kasem Achasai: "Moscow's Attitude Toward Asean"]

[Text] An international political theorist once made the statement that the Indochina problem will be solved, with Vietnam withdrawing its troops, only when this is supported by the Soviet Union since the Soviet Union gives Vietnam financial aid to carry on the war in Kampuchea in order to completely suppress the Pol Pot group.

This way of thinking has been implicitely applied in the policies for solving the Indochina problem. The Asean countries have joined together in stipulating that they will "ask" or "force" the Soviet Union to do this. They have sent a representative, Mr Arun Phanuphong, the deputy minister of foreign affairs, to meet Mr Andrey Gromyko, the Russian minister of foreign affairs, in order to discuss a "formula for solving the Indochina problem using political means" by stipulating the important goals as a starting point in this matter and holding a multi-nation conference for the countries concerned. But the reports that have been issued have not stated whether the Soviet Union opposes or supports the plan calling for a multi-nation conference.

The person who released this information for the first time was Air Chief Marshal Siddhi Savetsila, the minister of foreign affairs, who has constantly been kept informed by Mr Arun Phanuphong during his visit to Western Europe.

Concerning the indifferent response of the Soviet Union, if we discuss things superficially, it seems that Thailand has met with failure in its efforts to have the Soviet Union support the "single game" concerning Asean. But, it was expected from the very beginning that the Soviet Union would react this way.

In reality, the main reason behind Mr Arun Phanuphong's trip to the Soviet Union was that Asean wanted to officially inform the Soviet Union of its position, or policy, in detail.

"In reality, the Soviet Union does not want to have control over Vietnam. The real benefits to the Soviet Union are that it wants to use Vietnam to cause trouble for China and it wants to use Vietnamese territory for the benefits in implementing its worldwide strategy. For example, the Soviet Union is making use of the port at Cam Ranh Bay and has installed electronic equipment in order to intercept messages there," remarked a diplomat who is an expert on Indochinese affairs to the newspaper SIAM RAT recently.

"In fact, the Soviet Union wanted to help Vietnam settle matters with the Pol Pot government in just 1 month and so it sent military weapons by air. Thailand openly protested that the Soviet Union was secretly sending aircraft across Thai air space in excess of the number of flights approved. But it has been more than a year and Vietnam has still not been able to completely suppress the Pol Pot forces. This diplomat also observed that one day soon the Soviet Union may have to cut back on the 2.5 to 3 million dollars a day in aid that it has given to Vietnam up to now. This is because the Soviet Union itself is experiencing great domestic economic problems and there are not enough products for consumption. At the same time, it is having to spend large amounts of money to suppress the liberation movement in Afganistan, which is a serious situation at present.

Some news sources have reported that, in Vietnam's high-level administrative circles, at present serious opposition is arising to the "militaristic" policy of the older leaders who are very nationalistic.

This opposition [is said] to have arisen even within the Political Bureau, which is the important body in governing the country. New members of the Political Bureau feel that waging war at this time in order to realize the high ideals of Ho Chi Minh in creating an Indochinese Federation is an extravagence and that it will harm the economy of the country in general.

"But it is most unlikely that these differences will give rise to a reversal of policy since Vietnam has been able to withstand hardships for more than 30 years now," explained this diplomat.

The above is the position of Vietnam and efforts are being made to determine what its response will be to Asean's peace plan, particularly with regard to holding the multi-nation conference that Asean has requested, or wants to hold.

It is expected that Vietnam will hold firm to its original position. That is, it will not take part in such a multi-nation conference and will continue with its plans to hold elections in Kampuchea in order to be able to claim that the Khmer people approve of the Heng Samrin government.

The thing that should be known is that, in fact, Vietnam does not want the Soviet Union to come in and be their "lord" either. The fact that Vietnam "said goodby" to China after achieving victory in the war against America and the government of South Vietnam even though China constantly supported [North] Vietnam in its efforts to destroy the Saigon government shows that Vietnam has a great desire to be its own "boss" and does not want to be under the influence of anyone.

Concerning this matter, there is the story that even China did not believe that Vietnam would ever be able to be its own boss.

Once when Kukrit Pramot was prime minister, he told Mr Deng Xiaoping to be very wary of Vietnam because of its tendency to become a small great-power [nation] in this region. This is becoming a reality. But at the time Deng Xiaoping never imagined that Vietnam would be able to do this.

The Soviet Union is aware of this. But because it wants to use Vietnam as a "deadly enemy" to harass China, which is an old enemy of the Soviet Union, it is somewhat reluctant to abandon Vietnam.

Besides this, the Soviet Union wants to make China anxious about Vietnam, from which it would benefit.

This may be one reason why China remains unwilling to withdraw its support from Pol Pot as Vietnam's "deadly enemy." This is destressing to the Asean countries because Asean does not want any great-power nation to support any side in Kampuchea. It wants the people of Kampuchea to be able to decide their own fate.

One thing that is interesting is the attitude of the Soviet Union toward Asean. Mr Arun Phanuphong has revealed that Mr Andrey Gromyko has given assurances that the "soviet Union does not have any intention of destroying Thailand or any of the other Asean countries.

Besides this, Mr Gromyko also said that the Soviet Union wants to have close relations with the Asean countries.

Concerning this, for the first time, Mr Arun Phanuphong openly expressed the feeling that the attitude of the Soviet Union "shows that consulting with the Soviet representatives has achieved results that are satisfactory to both sides."

But some news sources have stated that the trip by Mr Arun Phanuphong (the former Thai ambassador to Russia) has achieved even greater results than were hoped for.

Since Thailand has shown such a reaction, this may force Vietnam to review its policy of how it will "retaliate."

Thus, I think that if Vietnam is smart, it will agree to the visit of Ahmad Rithauddeen, the Malaysian minister of foreign affairs, who is to visit Hanoi in the near future.

Perhaps it will even be possible to find a way to solve the problems without Vietnam having to waste time discussing matters with the Soviet leaders.

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CSO: 4207

COLUMNIST SUPPORTS BALANCE IN RELATIONS WITH USSR, PRC

Bangkok TAWAN SIAM in Thai 26 Nov 80 p 6

[Politics, an Interesting Subject column by Dr Pricha Hongkrailoet]

[Text] Mr Arun Phanuphong, the deputy minister of foreign affairs, recently headed a delegation from the Thai government on a goodwill trip to the Soviet Union and the socialist bloc countries in Eastern Eurpoe.

The Thai deputy minister of foreign affairs received a warm welcome from the leaders of the socialist bloc countries in Eastern Europe. In particular, in East Germany, he signed a trade agreement with East Germany. This is the first agreement signed with that country and it should be beneficial for friendly relations with the socialist bloc countries in Eastern Europe.

But the news reports coming from the Foreign News Office made it appear that the Soviet government was "cool" to the visit by the Thai delegation and that they were not as enthusiastic as they should have been. Foreign news sources observed that this may have been because Thailand is following a policy that is rather slanted toward China, a country which the Soviet Union regards as a great enemy.

One purpose of the trip to the Soviet Union by the Thai delegation concerned the fact that the Soviet Union sent a flotilla near the Gulf of Thailand. This generated much criticism in the Asean countries, especially by the Thai people. The Thais felt that it was improper for the Soviet Union to do this. The trip to the Soviet Union was thus equivalent to holding "discussions" in order to end the matter satisfactorily between the two countries.

Another purpose undoubtedly concerned the fact that General Prem Tinsulanon, the prime minister, recently visited China. This led the Soviet Union to understand that Thailand was leaning more toward China than tothe Soviet Union. Thus, this shows that the trip to the Soviet Union was meant to create a "balance" of political power between the two communist superpowers.

This writer heartily supports a policy of creating a balance of power between the countries in these two communist camps. This will be more beneficial than leaning toward one of the camps, which may be dangerous. In any case, we cannot trust communism because the final objective in communish is world rule, regardless of whether the Soviet Union or China is the leader of the revolution.

Throughout history, following this policy of "linking interests" has amazingly enabled Thailand to preserve its independence for generations. It is proper that this policy continue to be followed rather than following only one path.

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CSO: 4207

THAILAND

RESERVE CALL-UP, TRAINING EVALUATED; RTA EXPRESSES CONCERN

Editorial Comment

Bangkok SIAM RAT in Thai 1 Dec 80 p 5

[Editorial: "The Army Trains Reserves"]

[Text] Several months ago the Royal Thai Army began doing something that it had not done for decades -- it began calling up reservists for training in order to test their combat readiness.

This training period came to an end at the end of November. As people who continually followed this story for the newspaper SIAM RAT and who had a chance to participate in this training, we have obtained enough data to be able to present a number of ideas concerning this training that the army can consider as fitting.

First of all, we wish to express our support for this action, which showed initiative and which is good preparation for the situation presently facing the country. This is a period when we must be in full control of our own destiny in order to be ready to handle very uncertain situations such as those that have now arisen in neighboring countries.

However, whether it was because the army was unfamiliar with holding such training exercises or because of a lack of care in making plans and stipulating policies, the results of the training clearly revealed several weaknesses.

The first weakness concerns the lack of explanations, or good public relations. This can be seen from the fact that, during the first period when the reservists "unwillingly agreed" to undergo this training, they lacked morale and spirit and many thought that they were being mobilized to go to the battlefield. This lack of understanding could be seen when they parted from their relatives and when they took along various charms. It even reached the point where some were suspicious about why they had been called up and they wondered what measures the army had used in selecting people. In particular, they even wondered if there had been any corruption in selecting people.

Luckily, after some time had passed, such doubts subsided somewhat. However, the second weakness, which concerns the reservists' worries about loss of work, is someting that the army should discuss.

Because this call-up for training was for 60 days, because of the length of time involved the reservists who were not government officials or employees of state enterprises became apprehensive. In particular, those who worked for companies and stores and, even worse, those who had just started jobs, were very apprehensive about whether or not they would still have a job after the training was over. In this case, the army solved the immediate problem but its only reassurance was that it would appeal to the employers. We do not feel that this statement provides any credible guarantee unless the army considers revising the labor laws concerning the call-up of troops so that things are clear.

The final weaknesses are the various weaknesses directly concerning the training. We learned that there were many weaknesses but in the interest of army security, we will not go into specifics except to express the hope that the army keeps investigating things, or evaluating the results, until it discovers the weaknesses, either by analyzing the data or by examining the reports of credible officials in the field. [Officers] should not give attention only to the nice reports of their subordinates.

If it is asked what the achievements were in this training, our answer is that the most important achievement was discovering the above weaknesses. We say this in all honesty and with the hope that, since the army has encountered these difficulties, it will discuss ways to correct the shortcomings in order to improve later training exercises.

As mentioned above, we support the call-up of troops for such training. We feel that this is good. As for the accomplishments, or good results, we feel that there will be better results if the army holds training exercises every year and continually improves the training so that it benefits every sector. Because by carrying out such activities in a serious way, besides giving the reserve forces throughout the country a feeling that they all have equal duties, this will also increase the strength of the army by virtue of the fact that the army will have reserve forces that are ready to support the army when necessary. This should also increase the willpower of the regular soldiers, the people whose duty it is to fight to defend the country.

RTA Fears Embarrassment

Bangkok SIAM RAT in Thai 10 Dec p 4

[Letter From RTA Chief of Public Relations to SIAM RAT]

[Text] Bangkok 0344 (305)/2022
Army Operations Center
December 1980

Subject: Request for cooperation in disclosing information to the public.

To: The editor of SIAM RAT

The army held training exercises for the reserve forces for a period of 2 months, from October through November 1980. The reservists who took part in the training came from all walks of life. There were government officials, state enterprise personnel, merchants and [other] people. The training period lasted longer than any previous training period. Also, those taking part in the exercises included officials from all sectors, including reservists, officials, regular army personnel, civilians and state enterprise personnel, and there was cooperation from the private sector and from various companies and stores. The exercises were held in order to see whether, in the event of a real war, the reservists would be able to immediately perform as a combat ready force in accord with the needs. Because these training exercises were the first exercises to test the deployment of the reserve forces, it was only natural that there were shortcomings. These served as lessons that the army will have to improve. However, if people with bad intentions toward the country use these shortcomings in a way that is damaging to the army, this may make it impossible to achieve the proper results in preparing the reserve forces to become a combat-ready force and play a part in weakening the army. The reserve forces are very important forces of the army. Such damage may cause uncalculable harm to the country in the future. As for the reservists who took part in these training exercises, most were understanding and were very glad to be able to make sacrifices in the interests of the country.

For the reasons mentioned above, I ask your cooperation and the cooperation of your newspaper. Please consider things before you publish stories about the training of the reserve forces. If it is something that may harm the army and the country, please refrain from publishing that material. Or it would be very beneficial if you informed the Public Relations Section, Army Operations Center, or checked the story beforehand.

I have informed you about this to ask for your cooperation. The army hopes for your cooperation and also wishes to thank you in advance at this time.

Respectfully,

General Wichit Bunyawat
Head of the Public Relations Section, Army Operations Center
11943
CSO: 4207

INTERVIEW WITH DEPUTY PRIME MINISTER BOONCHU

Bangkok BANGKOK POST in English 31 Dec 80, THE ECONOMY REVIEW Supplement pp 17, 19

[Interview with Boonchu Rojanastien, deputy prime minister, date and place not given]

[Text]

Question

Mr Boonchu you and your team have been in charge of the country's economy for a little over nine months now. What would you say were the highlights of your activities so far and were these the things you hoped to do on accepting this job?

Answer

I can best answer this by saying that before I accepted this job, I had ideas and plans, which I conveyed to the Prime Minister, about what I felt had to be done, what needed to be changed. I felt that the way the economy was being developed was wrong in a number of ways.

For one thing, past efforts have resulted in industrialists and businessmen reaping the benefits rather than the people who had the most need — the rural population. Everyone talks of inequalities, but the country's development efforts in the past have accentuated this inequality and, by doing so, have created social problems such as crime and lack of security.

I felt, too, that government action in getting involved with market forces, such as through the imposition of price controls, was bad economics as well as bad politics, for it meant that the Government ended up having to accept responsibility for everything. Market intervention is all right but not market interference to the extent of imposing price controls on more than 30 items!

I pointed out that these were the issues we would have to face, and pointed out, too, that these problems could not be solved immediately as the marketing system and the ethics of businessmen here, are not very good. However, they have to be dealt with, and this is what we have been trying to do in the last nine months.

Question

How successful have you been in dealing with these problems?

Answer

We have had succcess in some areas, but many problems still remain. Some people have said that we haven't achieved anything because prices of certain commodities such as sugar and vegetables are high. But if they are fair about it, they would realise that we are hardly to blame for the drought!

However, there are still problems such as income increasing at a very low rate, insufficient savings to meet our needs for investment capital, our increasing indebtedness which is very high and which is nearly at the alarming point.

We still have to find solutions to the rising cost of living, the oil problem. Our energy policy is still vague, the development of our gas project beset by problems and controversies on pricing. People's incomes are not increasing as fast as inflation so that this is still a burden for everyone.

We are now dealing with these problems but it will be some time still before they can be solved. However, what we have done is to try to have prices increase slowly and in a stable manner rather than in leaps and bounds, increase rural income through our 3,500 million baht rural development project,

and through the new budget, decentralise government by giving more authority to provincial governors, create an awareness of the need to conserve energy and so on.

We have had some success, but the success lies only in dealing with the immediate problems. We still have to go to the root of these problems and that is why we are putting such emphasis on and careful consideration into the next five-year plan.

Question

And what of next year? Do you see the problems becoming more acute or do you think things will be better in 1981?

Answer

There is nothing to say that there will be any significant changes next year, except for the start of production of the natural gas project. We hope that this will be in July rather than the scheduled date of September, but no matter when, it will help us save some funds.

Next year too, we hope to see changes in the country's energy picture for plans are being generated now to bring coal into the country as well as to further develop hydro-electric power and gas. We want to see electricity being generated by fuels other than fuel oil.

We are making efforts to keep inflation at a manageable 12% to 13% a year. However, world events affect us too and right now, the one factor that no one can predict is what is going to happen to oil prices. There are signs that they will not increase as rapidly as this year, but no one knows just what oil politics are going to be next year.

We will have to tighten our belts next year, but after a while, things should be better. We are determined to pull back inflation as much as possible, even if it means having to subsidise certain commodities, for we know that there is an end to it — that the cost to the country will be limited.

This has to be done next year, otherwise the burden to be borne by the public will be too heavy. Many people will not agree with this plan of action because it is going against nature, but we can't just walk away from it, especially as we are convinced that things will be better by late next year or early 1982.

Question

A while ago, you went public to say that the inflation rate this year is around 12% even though just about everyone else has put it close to 18%. How do you reconcile this great difference?

Answer

Determining the inflation rate for any period of time depends on where you start. My figure of 12% is based on the nine months I have been responsible for the economy and does not include the first three months of the year which was someone else's responsibility.

Inflation during those first three months was very high, and it would be unfair to add that in to the inflation during the last nine months in evaluating what our team has done, because it doesn't show what really happened — that we slowed inflation down. If you look at inflation for the whole of 1980, the rate would indeed be about 18%, but if you look at the inflation rate during our administration then it is only 12%.

Question

Mr Boonchu, the Government has indicated that it will stand or fall on its rice support scheme. As many people are still confused by this, do you think you could clarify just what you are trying to do and how you plan to do it?

Answer

We are not expecting this scheme to be 100% successful, but our strategy is such that we believe it should be possible to have an 80% success rate.

The paddy is harvested from mid-November, with the peak in March. This means, there will be 10 to 11 million tons of paddy coming onto the market out of a total production of about 17 million tons over a period of five months.

Our strategy is to build up demand for paddy from the millers and the traders, both domestic traders and exporters. In the past, exporters were not able to enter into long term contracts but were limited to contracts for one or two months forward because they didn't know if the rice premium was going to be changed or not, or what the reserve requirements were going to be.

Now, we are introducing a new system which should allow exporters to sell eight or 10 months ahead of time, for what we are doing is giving assurance that these costs to them will not change. That is, whatever the premium and the rice reserve requirement is the day they enter into a contract, that will be the premium and reserve requirement applicable to them no matter what the new figures might be.

By knowing in advance what their costs will be, exporters will be able to sell forward. We have also indicated to the exporters that we will give them their

export permits immediately they sign the contract, on the condition that they do not use the rice for speculative purposes but prepare it and hold it for export as they committed.

This will encourage the exporters to make their purchases from the millers immediately and these in turn will have to buy the paddy at once. At the same time, exporters have to build up a buffer stock of rice as well as their own reserve stocks and this will mean a large volume of rice being demanded and bought. By creating this demand, farmers should be able to get good paddy prices.

Question

The point however, is that the prices set by the Government are support prices, not guaranteed prices, so how are you going to get the millers to pay this price to the farmers, short of subsidising them?

Answer

What everyone tends to forget is that there are three groups of people in the rice trade — the millers, the exporters and the Government. We are planning to hold stocks too, and we've already started doing so by opening bids for rice which is to be sold to us in the future.

As a result of our purchases, it is possible for other rice traders to see just what rice prices are going to be like in the future so that both millers and exporters realise that if they put off their purchases, they are going to end up making less profit as the price trend is upward. If they don't buy now, it's going to cost them more later on — and they are catching on to this very fast!

The result is that there are now three groups of people competing to buy this paddy rice and farmers are getting the price we want them to get for their paddy. In a way, you could say that this is the beginning of a commodity futures exchange, for in the future, we plan to have similar schemes for other products.

Question

In view of the great controversy over whether Laem Chabang or Rayong is to be the site of the country's soda ash project, can you clarify whether the proposal to develop the eastern seaboard as well as the port at Laem Chabang is still going ahead? There has been some talk that if Rayong wins out over Laem Chabang as the site for the soda ash project, then the plans to develop the eastern seaboard could be shelved.

Answer

We are still going ahead with our plans for the development of the eastern seaboard and for the development of Laem Chabang port, so that any other plans for the development of industries or whatever, will have to be complimentary to this. For example, if we plan to import coal, we are going to need port facilities — and even if we don't import coal, we will need more port facilities!

What we are studying now is the possibility of building a floating dock which could be used in the Laem Chabang area in the initial stage and then towed elsewhere once the Laem Chabang port is opened. Our studies on this matter should be completed in one or two months, after which it should take only 11 months before we have a floating dock in operation.

Question

Mr Boonchu, earlier on in the interview you mentioned that you were looking to the fifth five year plan to solve Thailand's problems. What are the guidelines set for the formulation of this plan?

Answer

Basically, to alleviate the difficulties which are domestic in nature and which have been accumulating for some time as well as to promote further development of the Thai economy.

The basic objective to be met is improvement of the economic conditions of the country in the 80s, and this is to be done through various major policies such as a fiscal policy which will see the budget being balanced before the end of the fifth plan. This will call for government revenue to increase at not less than 25% a year while government expenditures are to increase by no more than 20% a year. These figures we feel are realistic given past performances.

On the revenue side, we believe this can be done through improvement in the efficiency of the tax collection system, especially in the areas outside the Bangkok Metropolis. Less than a quarter of government revenues in the form of taxes are now collected from outside Bangkok. These would include direct and property taxes.

We also plan to collect new taxes as well as adjust some tax rates to get increased revenues as well as better income distribution.

The policy on government expenditure is that because certain categories such as debt servicing and national security expenditure will have to increase at a higher rate, the Government's current expenditure is not to increase by more than 12% a year in order to remain within the 20% limit set. To control the rate of increase, the Government will monitor and evaluate the operations of all the Government agencies, control staff expansion and turn work over to private firms in case where they can do it more effectively. At the same time, steps will be taken to improve the efficiency of public agencies.

Question

Does this mean then that state enterprises will finally be expected to operate like a business? If so, what are the policies on this and on public utilities?

Answer

We are determined that the total efficiency of operations of public enterprises will be improved. This will be done through close supervision of their balance sheets and financial structures and operations, and wherever necessary changes will be made in top management. All public enterprises have been told to prepare a detailed plan of operations and this will be analysed by experts with monthly monitoring of their finances and production.

What we are looking to is a public enterprise system that is financially viable without having to depend on subsidies from the Government. In fact, they should be in the position to make a substantial contribution to government revenue. At the same time, we want to see public enterprises able to generate at least half their capital expansion plans from their own resources, and to achieve this public utility rate will be adjusted regularly to reflect the real cost of production. In some cases, some public enterprises might be turned over to private business.

Question

And what of the Government's energy policy?

Answer

We consider the ever-expanding foreign exchange requirements for oil imports as one of the most important development problems that have to be tackled, so the Government is seeking ways to lessen the country's dependence on imported oil.

A long range energy plan now being completed takes into account the availability of natural gas at the end of 1981, and increasing the use of lignite and importing coal as an oil substitute. The target for the fifth plan is that total energy demand is not to increase faster than the GDP growth rate and electricity, which used to expand at twice the rate of overall energy expansion, will now be limited to an expansion rate of 10% a year.

To be able to do this, means that serious measures to control demand are needed and these will include conservation measures, and the development of alternative sources of fuel such as natural gas, lignite and coal. Our target is to reduce heavy oil and diesel oil use for power generation by more than 80% by the end of the fifth plan. At the same time, savings will be introduced in transport and industry so that the total volume of oil imports will be reduced by 3% a year throughout the fifth plan.

Special incentives and privileges will be given industries which introduce oil saving measures, and prices and rates for electricity will be adjusted regularly in order to reflect the cost of production as well as to discourage wasteful use.

Effort will also be put into research and development of alternative sources of energy such as oil shales, alcohol, fast growing timber, bio-gas, and geo-thermal, solar and wind energy. These measures, we hope, will bring this problem down to manageable proportions.

Question

The cornerstone of the Government's policies has been rural development. What are your plans for the next few years?

Answer

It is a policy of the Government to promote rural development during the fifth plan, because raising rural incomes is the only way of bridging the income gap between urban and rural areas between the rich and the poor and between Bangkok and elsewhere. The only permanent solution to this lies in the generation of more employment in the rural sector so that they have at least, a sufficient minimum level of regular income.

We want to see agicultural output increased through higher yields, to make the best use of water resources, increase

productivity in rain-fed areas throughthe use of appropriate seeds and better cropping patterns, insecticides and fertilisers. We also want to promote agricultural products that can be exported or used as raw materials for processing industries.

We intend to increase credit facilities, give the farmers assurances on prices and markets, and introduce employment generation schemes particularly for off-season rural employment. This will be expedited through decentralisation of the Government. Given these things, we hope to achieve our targets by the end of the fifth plan.

Question

The policies that you have outlined, Mr Boonchu, are indeed desirable. However, given the frequency of government changes here, are you optimistic that this Government will be able to see these policies through?

Answer

I am not concerned whether I will be here or not in one year, two years or five years time. The most important thing is that these are basic policies which the country has to follow if it is to overcome its problems — not in a cosmeticfashion, but by actually solving the problems at their roots.

If the policies are appropriate then I am not afraid that future governments will throw them out. They too, will follow them. Besides, the NESDB is still here and we now have a very good man as Secretary General Dr Snoh Unakul is a very practical man and he can see the need for policies such as these.

Thank you Mr Boonchu.

CSO: 4220

REGIONAL INCOME FIGURES, EXTENT OF SEVERE POVERTY DETAILED

Bangkok SIAM RAT in Thai 2 Dec 80 p 4

[High Skys, Low Lands column by Chalom: "The Danger to the Thai Farmers"]

[Text] Today, there are 10 million poverty-stricken people in Thailand.

These 10 million people are poor because of the development in the country during the past 20 years. That is, after the various programs were formulated and implemented, we created 10 million poor people.

There were not this many before.

As our development plans were implemented, more and more poor people came into being. It is the "classic" example of plans achieving exactly the opposite [of what was intended].

The magazine TRADE BUSINESS, which is the organ of the Thai Chamber of Commerce, provides information that can be believed. Because these people are merchants outside the development plans, they are probably wealthy.

The "merchants" have said that, each day, the income gap between various segments of the Thai population is widening. This is because these development plans have created great differences between the cities and the rural areas.

These 10 million people, whose fathers before them were poor, live in the rural areas and work as farmers.

If international standards are used to measure the income of these people, things will look terrible. It is better to use Thai standards.

If we use an income of 150 baht per person per month as a measure of the poverty level, we find that, concerning the number of

people with this income, one-third of the people in the south and in the north have such an income while in the northeast two-thirds do.

Now let us look at family income. If we assume that each family that has a monthly income of 500 baht is living at the poverty level, we find that more than half of all the families in the south and north have such an income.

And in the northeast, two-thirds of all the families have a monthly income of only 500 baht.

Yes! A background of poverty.

The cause of this poverty is the uncertainty in occupation.

And concerning the reasons for the uncertainty in occupation, it has been proven that this arises in part from selling produce at unfair prices, which leads to failure in their occupation.

Almost all of these 10 million people who are living in absolute poverty are farmers.

These people who engage in farming are as poor as their grandparents before them and they have no idea what to do about this.

As for those who have gone to the Middle East to work, they are only leaving their position temporarily.

It can be seen that our various development plans show a great lack of smypathy for farming. Most of our poor people are farmers and, therefore, the development plans have benefited them very little.

Thus, it is not surprising that, in the past 20 years, many of the daughters of farmers have become prostitutes and many young children have been sold to work as slaves in the cities as Westerners have reported. These stories are true.

Concerning the policy of a rice price guarantee, I think that this is one thing in implementing development plans that will help improve the lives of the farmers somewhat. At least, there is the hope that they will be able to sell rice at better prices.

The fact that the government has made an effort to help the farmers so they can sell rice at higher prices, even if only a little higher, means that the incomes of these 10 million people who are living in absolute poverty have been increased.

Ten million people is not a small number! An increase in income will generate great changes within the country.

The important thing is the hope of being able to continue working as farmers.

With a monthly income of 150 baht, which is the income found by the journal of the Chamber of Commerce during its survey, no one can continue to engage in farming. In not too many years, the number of farmers will decline -- if not because of utter poverty then because of having to change occupations.

When that day arrives, the price of rice will be much higher than today.

Thai farmers today must fight against droughts, floods, insects and diseases. Let's not add the selfishness of city dwellers to this list.

The farmers do not have the strength to fight this last threat.

11943
CSO: 4207

SOUTHERN SCHOOLS TO TEACH ISLAM

Bangkok SIAM RAT in Thai 6 Dec 80 pp 1, 12

[Article: "Primary Education Seminar Arranged For Four Southern Provinces"]

[Text] The Office of the National Primary Education Council has made preparations to hold a major seminar for the school administrators in four southern provinces in order to reduce the disparities between Buddhism and Islam.

Mr Rung Kaeodaeng, the deputy secretary-general of the Office of the National Primary Education Council, has revealed that, at present, the council is considering taking action concerning Islam in the primary schools of four southern provinces in order to reduce the disparities between Buddhism and Islam so that the students in the four southern provinces gain a greater knowledge of the Thai language.

Mr Rung stated that the council will hold a seminar for the primary school administrators of all four southern provinces in March 1981 so that things proceed in accord with the goals mentioned above.

Mr Rung also stated that, normally, when Thai Muslims in the four southern provinces finish grade 4, their parents enroll them in private schools that teach Islam. These are known as pondok schools and they adhere to Moslem practices very strictly. Thus, these children have little knowledge of the Thai language and they do not complete the minimum grade level stipulated, which is grade 6.

"The Ministry of Education has plans to allow schools whose studentbody is at least 50 percent Moslem to teach Islam so that these students complete the compulsory curriculum.One teacher seminar has already been held,and we will review the new courses that will be offered in 1981 at a future seminar to be held in Yala Province," stated Mr Rung.

11943
CSO: 4207

IMPACT OF RISING OIL PRICES, CONSERVATION MEASURES DISCUSSED

Bangkok SIAM RAT in Thai 9 Dec 80 p 5

[Editorial: "A Way Out of the Energy [Crisis]"]

[Text] It is almost the end of the year and there is much talk that the price of oil will have to be raised again in Thailand. Even though the new year may arrive on a note of fear concerning the cost of living, the fact that we know ahead of time what is going to happen at least allows everyone to make plans for this. As for this problem that we may face, it is an important problem that all sides must work to solve.

The government has begun to greatly restrict energy consumption. The latest announcement by the government that was issued last week warned all sides of the truth of the fact that oil is becoming a weight that is preventing Thailand and the Thai people from making progress on all fronts. Thailand will have to use shocking amounts of money to purchase oil to produce other types of products. That is, it will have to use up to 44 percent of the total budget on oil. If this had happened to the business of an individual, the person would be considered to be very unlucky.

The plan to conserve oil by closing the service stations and fuel oil distributions stores on Sundays and by restricting sales to before 1800 hours only throughout the country as was announced earlier by the government has had the effect of forcing businesses to review their activities. Before 14 December, which is the day announced for the implementation of the plan, land transportation businesses have been making appeals and showing concern over the difficulties that will arise when all the transport trucks operate on days when there is no gasoline and about the great danger that will result from the trucks having to carry rather large quantities of reserve gasoline for use on days when there is no gasoline. Concerning these problems, these are matters that the government should quickly discuss and [try to] solve because they are important problems that may give rise to difficulties for the people concerning trade and prices.

The plan to conserve oil will certainly receive opposition if the government becomes stricter with those who use gasoline. We feel that in such a situation, the government may not be able to avoid having to raise oil prices. The thing that the government must do will be an important step that will generate criticism and unrest in Thai society for another period of time, just as past governments have learned. We believe that the people will cooperate in the fight against the various problems and cooperate with the government when they have the same understanding about the problems as the government does because this is a matter that directly concerns the stability of the income and expenditures of the people. We should begin to do something and do it regularly so that when it becomes necessary for the more than 40 million Thais to face this situation, we will be able to solve the problems in a peaceful and beneficial way.

11943
CSO: 4207

COLUMNIST DISCUSSES RESTRICTIONS ON FOREIGN LABOR ORGANIZATIONS

Bangkok TAWAN SIAM in Thai 9 Dec 80 p 6

[Politics, an Interesting Subject column by Dr Pricha Hongkrailoet]

[Text] The National Security Council has proposed rules for receiving support from foreign labor organizations. This is because, in the past, many foreign organizations have freely come in and played a role in Thai labor groups without any supervision by government units. Sometimes these foreign organizations have played political roles that have involved the security of the country.

From the statement by the National Security Council mentioned above, we can see that, at present, there is much interference in Thai politics through the use of various interest groups in Thailand such as the laborers, the farmers and the students. Also, these foreign organizations often carry on their activities in the form of "providing help" in various forms, such as by giving money to hold seminars, conferences and meetings, which seems to have become so widespread in Thailand today that it is a "fashion."

Sometimes foreign organizations enter by providing support to hold academic seminars, using "academics" as a cover. In reality, these organizations use the opportunity to "sell their political views" to the members who come to listen. We can often see such seminars being arranged this way for various groups.

Concerning requests for support by these labor groups, Mr Charoen Siriphan, the deputy director-general of the Labor Department stated that, at present, the Department of Foreign Cooperation will serve as the body responsible for supervising foreign organizations that want to provide help to the labor unions. The Labor Department will be responsible only for supporting and cooperating with labor.

Mr Charoen Siriphan, the deputy director-general of the Labor Department, also stated that "concerning the many labor organizations that enter [the country], there are both underground and open organizations. They provide money for seminars in order to propagate

their improper ideologies and views among the various labor unions. In the past, we have infiltrated people [into the unions] to follow the activities of these illegal organizations in order to stipulate set courses [of action]."

Thus, this writer feels that in order to prevent trouble before it starts and to have the supervision of the government bring results in an efficient manner, we should stipulate measures concerning both proper and improper requests for suppot from foreign organizations in accord with the law. This should also be expanded to include requests for support by other groups and not just the labor groups.

11943
CSO: 4207

POLICE CORRUPTION, INTERNATIONAL LINK EXAMINED IN ORE SMUGGLING

Bangkok TAWAN SIAM in Thai 29 Nov 80 p 2

[Editorial: "Don't Just Speak Well"]

[Text] Concerning the recent arrest of smugglers in Nakhon Sithammarat Province who were transporting smuggled ore out of the country, it is openly known that government officials were involved in this. They gave protection by supervising the transporting of the ore and preventing officials from other sectors from making arrests. Besides this, it is believed that some influential people and high-ranking police officials gave secret support.

It has been known for a long time that ore is being secretly smuggled out of the country and sold abroad. But it appears that serious and resolute efforts to suppress this have not been made, except for the occasional seizure of small quantities of ore, and suspects have not been arrested. It is thought that the smugglers who smuggle ore out of the country for sale abroad have formed illegal organizations and that there are widespread, closely-knit networks, or in other words, there are government officials involved too. Thus, the smugglers have continually been able to avoid arrest, even though the smuggling of ore requires the use of many workers and large means of transportation.

How well-organized the smuggling of ore for sale abroad is can be seen from the fact that Singapore has built an ore smelting plant even though Singapore does not mine ore itself. This shows that great quantities of ore are smuggled out and sold abroad every year. And when we consider the fact that those who sell this ore at low prices do not have to pay duties or taxes, it can be seen that this unfortunately causes Thailand to lose income and valuable resources.

We agree with a report by military officials that states that the reason why suppression this is so difficult and has not achieved results is that high-ranking local officials have become involved with the influential investors. They have given protection to or invested money in such operations. This has completely discouraged the lower ranking and honest officials. Thus, in order to solve this problem, efforts should be concentrated on those officials who

support ore smuggling in the south and who protect these smugglers. For these reasons, it is time that the government made a serious and resolute effort to solve this problem, or suppress this, before the people start thinking that government honesty, or the policy of suppressing the influential people in the localities, is just talk and nothing else.

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BRIEFS

PARAMILITARY FORCES STRENGTH--Mr Phisan Mulasatsathorn, the director-general of the Department of Local Administration, has revealed that between the time of the training of Thai Volunteers for National Defense (TVND) and the end of September 1980, the total strength of the TVND was 634,748. Of these, those of the self-defense type numbered 415,990 and those of the guard and development type numbered 218,758. Of the total number of Thai Volunteers for National Defense, the northeast had the largest number with 380,373. There were 44,433 in the north, 86,171 in the Central Region and 73,771 in the south. [Text] [Bangkok SIAM RAT in Thai 29 Nov 80 p 1] 11943

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END

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8 June 1981

South and East Asia Report

No. 1012

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NEW PAKISTAN AMBASSADOR--Rangoon 4 May--The Government of the Socialist Republic of the Union of Burma have agreed to the appointment of Mr Afzal Mahmood as Ambassador Extraordinary and Plenipotentiary of the Islamic Republic of Pakistan to the Socialist Republic of the Union of Burma in succession to His Excellency Mr S Irtiza Husain. Mr Afzal Mahmood was born in 1925. A graduate in Arts and Law, he is a lawyer by training. He joined the Foreign Affairs Group in October 1973, served as Director-General at the Ministry of Foreign Affairs in Islamabad from 1973 to 1974 and as Minister at Pakistan Permanent Mission to the United Nations in Geneva from 1974 to 1976. He was then appointed as Director-General at the Ministry of Foreign Affairs in Islamabad from 1976 to 1979. He has been serving as Minister in the Embassy of Pakistan, New Delhi since December 1979. Mr Afzal Mahmood is married. NAB [Text] [Rangoon THE WORKING PEOPLE'S DAILY in English 4 May 81 pp 1,4]

CSO: 4220

EDITORIAL QUESTIONS U.S.-PAKISTAN RELATIONS

Bombay THE TIMES OF INDIA in English 2 May 81 p 8

[Text]

It is perhaps realistic on the Reagan administration's part to conclude that it has no option but to terminate prematurely the 1963 agreement with India on the supply of enriched uranium for Tarapur. For it is possible that the U.S. Congress will not modify the 1978 anti-proliferation act which makes it difficult for the executive to maintain nuclear co-operation with a country which refuses to accept, as India does, the so-called full-scope safeguards. President Reagan could, as President Carter did, use his right to waive this condition and sanction a shipment subject to congressional approval or rejection. But this is, as President Carter found, not a dependable procedure which can assure smooth relations. Even so, it is, from the American point of view, truly extraordinary that the Reagan set-up should on its own initiative wish to terminate the agreement with India just at this stage when it is planning to extend substantial economic and military assistance to Pakistan.

U.S. military aid to Islamabad may weaken rather than strengthen Pakistan's long-term security and as such hurt rather than promote America's own interests in the region. This is, however, a separate issue which we do not propose to discuss here. Washington's decision to arm Pakistan raises other issues which are more pertinent in the present context. Before deciding to resume aid to Pakistan, Washington has not asked it for an assurance that it is not engaged in developing nuclear weapons. Indeed, the administration's spokesmen have said that it has not sought such an assurance because it knew it could not have secured one. This means that the U.S. government is prepared to acquiesce in Pakistan's bid to acquire nuclear weapons. This must involve waiver by Congress of the Symington amendment which prohibits U.S. aid for countries which go in for nuclear weapons. It is possible that Congress will reject the administration's proposal to waive the amendment and thus cripple its programme to arm Pakistan. But if Congress accepts this proposal, which is surely what the administration thinks, it will be interesting to find out why it is not proposing a similar waiver in respect of the supply of enriched uranium for India.

The obvious answer, of course, would be that Washington regards Pakistan and not India as vital to its struggle against the Soviet Union. On a surface view, this is understandable. But the proposition is full of so many loopholes that the U.S. policy-makers must be very naive indeed to

accept it without qualifications. The qualifications in respect of the Zia regime in Islamabad are obvious enough and need not be rehashed once again. There are others which it may still be worth our while to state. If Pakistan is to play any role at all in the U.S. plans for the region, both Washington and Islamabad need India's acquiescence. Pakistan cannot but be paralysed if it is not assured of its security vis-a-vis India and has to take steps to safeguard it. Thus, not only must Washington do all it can to persuade Islamabad to befriend New Delhi but it must also seek to retain some leverage in India. And what better leverage could it have than to continue to keep this country dependent on it for the supply of enriched uranium? Washington cannot lure India into joining its senseless anti-Soviet crusade. But it need not push this country closer to Moscow and thereby increase the odds against itself.

India has, of course, considerable stakes in good relation with the United States. As such, it would have liked Washington to continue to honour its agreement regarding Tarapur so that the ties between the two countries did not come under unnecessary strain. But apart from this, it has no reason to regret the termination of the 1963 deal. Pakistan's decision to go in for nuclear weapons has left it no choice but to exercise the option it has maintained in this field at considerable cost to itself all these years. The best of relations with the United States cannot guarantee this country's long-term security against a Pakistan in possession of the bomb. That apart, India needs to be free of the stipulations which it accepted under the agreement with the United States in 1963, the most irksome of these being the obligation to pile up irradiated fuel rods and keep its reprocessing facilities idle. It had no choice so long as it was not in a position to produce an alternative fuel for Tarapur. Since it has produced and tested such a fuel — Dr. Homi Sethna has said so publicly — it is ready to be on its own in respect of Tarapur.

CSO: 4220/7690

RAJYA SABHA DISCUSSES FOREIGN POLICY DEVELOPMENTS

Bombay THE TIMES OF INDIA in English 1 May 81 p 15

[Text] New Delhi, April 30 (PTI).

Mr. Bipin Pal Das (Cong-I) sounded a note of caution in the Rajya Sabha today over a "threat to encircle India by forces not friendly to our country" and called for the nation's armed forces to be kept in a state of readiness to face any eventuality.

Initiating a discussion on the working of the external affairs ministry, Mr. Das warned against designs of a Washington-Beijing-Islamabad axis to create instability in the region.

Pakistan's plans to manufacture nuclear bomb would have serious consequences because in that case India too will have to keep its options open, the former deputy external affairs minister said.

Welcoming the forthcoming visit of the Chinese foreign minister to India, Mr. Das told Mr. Narasimha Rao not to expect too much of it.

He was all for complete normalisation of relations with China but this could not be achieved without resolving the border dispute between the two countries, Mr. Das said.

According to him, the British Prime Minister, Mrs. Margaret Thatcher, during her visit to India, failed to give any concrete assurance to the Indian people on the issue of racial discrimiination and West's arms supply to Pakistan. "It appears that Mrs. Thatcher did not care about our interests on the issues," he said.

Mr. Das wanted the non-aligned group to launch a vigorous peace offensive and a campaign against war, arms race and nuclear armament.

The non-aligned countries should be told to deny military base facilities to super powers. If any country fails to comply with this directive it should be expelled from its membership, Mr. Das said.

Mr. N. P. Nanda (Cong-U) said the government should expand and intensify its diplomatic activities in Latin America. He was highly critical of the United States for adopting an anti-India posture. "Whenever we try to be friendly with

the US, they kick us. The US always adopts different standards with regard to its approach towards India."

Mr. Nanda asked the external affairs minister to deal with utmost caution the proposed visit of the Chinese foreign minister.

Mr. Syed Shahabuddin (Janata) said some cracks were clearly visible in the foreign policy of consensus evolved during the Nehru era. There was a definite tilt in our foreign policy towards a super power. A deliberate campaign was being launched to create a war psychosis, he said adding that this might be to cover up the incompetence of the present government.

During the past one year, the Janata leader said, there has been no progress in the working of the foreign ministry either in matters of bilateral in regional or global relations.

Mr. Shahabuddin was of the opinion that India was following double standards in its foreign policy, leading to its isolation in the United Nations and other forums. India's dialogue with the ASEAN had come to a halt he said.

Mr. Dinesh Singh (Cong-I) said the new cold war between the two super powers had its centre in South Asia.

Mr. Dinesh Singh wanted India to have a frank and detailed discussion with China and thrash out problems between the two countries.

Referring to Pakistan's efforts to acquire arms on a large-scale, he wondered whether Pakistan wanted to become a "client state of the U.S."

Mr. Prakash Mehrotra (Cong-I) felt that the super powers were involved in the arms race and had once again revived the slogan "peace through strength."

CSO: 4220/7684

MANIPUR INSURGENTS SAID TO USE 'SOPHISTICATEL ARMS'

Madras THE HINDU in English 29 Apr 81 p 9

[Text]

IMPHAL, April 28

An indefinite dusk-to-dawn curfew has been imposed in Greater Imphal from Monday in view of the recrudescence of violence. Unlike in the past the army will be patrolling during the curfew hours.

A spate of violence in various parts of Manipur has rocked this insurgency-hit border State. For the first time the insurgents belonging to the People's Liberation Army (PLA) have started using sophisticated arms and explosive devices like land mines.

Further, they are using balloons for dropping propaganda material in inaccessible hill and jungle areas. It is feared that these balloons are also used as signals among underground camps. The timing and number of balloons seem to coincide with the ambushes and encounters.

The PLA has started operating in large numbers. It has been lying low except for killing those whom they consider as counter-revolutionaries.

Mr. Romen Kumar Singh, Additional Superintendent of Police, had a chance encounter with ten PLA members at Keishamthong bridge near here recently. Police sources said the insurgents could not fire more than two rounds as the ammunition was defective.

Two escaped, and out of eight arrested, two were killed. One of the dead was Joybi Singh, who was an expert bomb-maker.

Underground sources said both of them were deliberately bayoneted to death.

On the following night, a group insurgents planted a land mine at Kongba. An army jeep patrolling the area was blown up. The insurgents continued to fire from both sides at the surviving jawans for about 15 minutes.

The combing operations, conducted ostensibly to round up these insurgents, have drawn blank.

Meanwhile, the killing of police informers and counter-revolutionaries has been on the increase. Reports in the local press say that some PLA members were also killed by members of other ground organisations.

It has become increasingly clear that some anti-social elements have taken advantage of the fluid law and order situation to earn quick money.

Every second young man seems to have illegal firearms. Recently, four armed youths entered a hotel and demanded money. Three of them escaped after firing a shot at the manager. The fourth was caught and handed over to the police.

CSO: 4220/7680

INDIA MAY BORROW FROM ASIAN DEVELOPMENT BANK

Madras THE HINDU in English 3 May 81 p 12

[Text] Honolulu, May 2.

India will consider drawing funds from the Asian Development Bank's Development Fund after 1986, marking the first time the country has come to the Bank for assistance, Mr. R. Venkataraman, Finance Minister, said here on Friday.

He told the Bank's annual meeting that India had unilaterally refrained from borrowing from ADB, even though, on any objective criteria, it would have been entitled to a substantial proportion of its lending resources.

"However, circumstances have undergone a dramatic change in recent years, compelling a review of our earlier position. The past few years have seen sharp increases in the prices of oil and related commodities, imposing a heavy burden of adjustment on the economy.

"If this adjustment is to be achieved without undue disruption of our development effort, India has to raise adequate resources through still greater effort at home and a larger inflow of external resources," he added.

Eligible to Receive Largest Share

Mr. Venkataraman said that on the basis of the Bank's criterion of income per head and population, India would be eligible to receive the largest share both from the Asian Development Fund and from the ordinary capital resources.

"The Government of India has come to the conclusion that in spite of its large requirements of concessional funds on account of its low per capita income, population and balance of payments difficulties, it should refrain from borrowing from ADF till 1986.

"However, India would be interested in drawing on the resources of later ADF replenishments," he said.

The Bank is currently discussing the receipt of more funds from developed countries from 1983, although the outcome of these discussions is far from clear yet.

Mr. Venkataraman said "India's approach assumes the country's requirements will be adequately met by ordinary capital resources of the Bank--lent at 9.25 per cent--from 1983.

He also announced India would add a further $300,000 to the ADB Technical Assistance Fund to bring its contribution to over $ one million.

The Deputy U.S. Treasury Secretary, Mr. Timothy McNamar, said "this will not be an easy year for foreign assistance. Eighty-six domestic and foreign assistance programmes have been targeted for spending cuts of roughly $56 billions in the 1982 fiscal year".

The U.S. administration intended to complete a review of its assistance to international development banks by September and hoped to set out shortly afterwards a timetable for negotiations on the subject.

CSO: 4220/7698

RESERVE BANK REVIEWS COOPERATIVE MOVEMENT PROGRESS

New Delhi PATRIOT in English 2 May 81 p 7

[Text] Bombay, April 30.

The Reserve Bank's biennial review of the cooperative movement in the country for 1976-77 and 1977-78 reveals the failure of cooperative credit policy in reducing regional imbalances.

The review observes that the thrust of cooperative policy during the two years was mainly to gear up the cooperative credit institutions in meeting the credit needs of the hitherto neglected weaker sections of the rural poor and to reorganise and strengthen the credit structure with a view to improving its performance and reducing regional imbalances.

The review records that the performance of the cooperative credit structure continued to remain uneven among the States. Of the total loans of Rs 1,273 crore issued in 1977-78 by the primary agricultural credit societies for the country as a whole, the combined share of just five States of Maharashtra, Gujarat, Tamilnadu, Uttar Pradesh and Punjab was nearly 55 per cent.

Mounting overdues at various levels continued to smother the progress of the cooperative movement. The large-scale overdues constituted a major obstacle in meeting the short-term and medium-term credit needs of agriculture on an increasing scale year after year. The review brings out that the total overdues including unsecured cash credits and overdrafts of the Central cooperative banks further increased from Rs 460 crore in 1975-76 to Rs 754 crore in 1977-78 while the overdues of primary agricultural credit societies rose from Rs 561 crore in 1975-76 to Rs 809 crore in 1977-78.

The high-levels of overdues thus "calls for concerted and sustained efforts on the part of the cooperative banks, primary credit societies and State Governments to further intensify recovery efforts.

As regards the reorganisation of primary agricultural credit societies, the review notes, considerable progress was achieved in several States. During the period the re-organisation was more or less complete in Andhra Pradesh, Assam, Haryana, Karnataka, Kerala, Orissa, Rajasthan, Tamilnadu and Uttar Pradesh while in the remaining States much work remained to be done. A few States such as Maharashtra were still having reservations in completing the programme on the lines agreed.

Giving its overall view, the review report increase in the total loans, outstanding at the level of the State cooperative banks by nearly 50 per cent from Rs 894 crore in 1975-76 to Rs 1,339 crore in 1977. [as published]

CSO: 4220/7693

NEW FICCI HEAD HOLDS DELHI PRESS CONFERENCE

Madras THE HINDU in English 2 May 81 p 7

[Text] New Delhi, May 1.

The business community feels optimistic of achieving a growth rate of ten per cent in industrial production and 12 to 15 per cent increase in exports during 1981-82 if adequate infrastructure facilities are made available.

This optimism was expressed by Mr. Arvind Lalbhai, at his first press conference after assuming the presidentship of the Federation of Indian Chambers of Commerce and Industry here.

Mr. Lalbhai, however, said that the growth of industry and of trade would depend on the availability of adequate infrastructure facilities including power, coal and transport. Recently, there had been significant improvement in power generation, coal production as also rail movement, and he hoped that these trends would be carried forward in the coming months.

"If for any reason the growth of infrastructure does not match the requirements, the production programmes of industry will not be realised," he added.

Referring to generation of resources, Mr. Lalbhai said that even with a ten per cent return, public enterprises could generate resources to the extent of Rs. 2,000 crores per year.

This could be mobilised without any rise in prices or creating any adverse results like those stemming from taxation. It was therefore of utmost importance that the working of public enterprises was put on a sound footing.

Mr. Lalbhai said it was necessary to combine public accountability with commercial independence.

'Dismantle Controls'

Referring to the Government charge that the industry had not responded fully to the various incentives given to it to boost production and exports, the FICCI president said for any scheme to bear fruit some gestation period was required. He said he was confident that the desired objectives of growth and exports would be gradually achieved.

He said the industry should work in comparative freedom and the 30 years of controlled economy had generated a psychosis that if these controls were removed there might be chaos.

He felt that all controls should be dismantled as far as possible to impart necessary efficiency.

He said industries in which price control existed, had tended to become unproductive. He felt that excise duty rebate allowed to the tyre and tubes industry should be extended to other industries also.

The corporate sector, Mr. Lalbhai said, was faced with a paucity of resources. The Sixth Plan envisaged a corporate investment of Rs. 5,000 crores by 1984-85--a fivefold increase over the level obtaining last year. If this stupendous target was to be met, the present high level of corporate taxation would have to be reduced, Mr. Lalbhai said.

'Cut Corporate Taxation'

If the Sixth Plan target was to be achieved, the new issue market should absorb industrial securities worth Rs. 1,000 crores which amounted to a tenfold increase over the present level, Mr. Lalbhai said. The terms offered by financial institutions were difficult. These institutions, moreover, did not have adequate resources.

The need of the hour, therefore, was the reduction of corporate taxation to 50 per cent, Mr. Lalbhai said.

To create a market for debentures and other corporate securities including deposits, the private sector should be allowed to run unit trusts on the lines of the Unit Trust of India, Mr. Lalbhai suggested.

Referring to the rising cost of plant and machinery replacement, Mr. Lalbhai said such escalation had hampered efficiency. The problem was aggravated by the inadequacy of the depreciation allowance allowed under the Income Tax Act. He called for a system of inflation accounting.

Draconian Bill

Mr. Lalbhai criticised the Essential Commodities (special provision) Bill as "draconian".

The Bill provided, among other things, for summary trial by special courts, mandatory imprisonment of not less than three months and making offences non-bailable.

CSO: 4220/7688

CHIEF OF STAFF REPORTS ON ARMY READINESS

New Delhi PATRIOT in English 3 May 81 p 4

[Text] Calcutta, May 2--Chief of the Army Staff General O P Malhotra said here today that the Indian Army was at present operationally well-equipped to face any challenge.

Talking to newsmen, Gen. Malhotra said that modernisation of equipment, increase in fire power and a satisfactory state of combat readiness, including mobility, were the salient features of Indian Army today.

The Army chief said that the well-being of the man who hand the equipment was his main consideration. [as published] Happiness of the individuals contributed a great deal towards improving their personal and operational efficiency, he felt.

The General said he was proud to say that everything "has been done on our part" to keep the army operationally fit and its very high. [as published]

General Malhotra said that as Army chief has was able to ensure modern weapons to the army and welfare of its personnel. [as published]

He was given an impressive cereonial [as published] guard of honour this morning by the troops of Madras Regiment. The General and Mrs Malhotra were later given a touching send-off by Lt-General and Mrs E A Vas, and Maj General and Mrs Pathania, and other senior military officers.

CSO: 4220/7699

FRONT SEEKS TO FORM MANIPUR GOVERNMENT

New Delhi PATRIOT in English 3 May 81 p 5

[Text] The People's Democratic Front (PDF) has said it should be allowed to form a popular government in Manipur, now under President's rule, reports UNI.

Addressing a news conference on Saturday PDF leader K H Chaoba said the party had submitted a memorandum to the Governor, now in Delhi, on the demand The Front had strength of 31 MLAs in a House of 59. It comprises the Communist Party of India, the Communist Party of India (Marxist), the Congress(U), the Manipur People's Party and the Janata.

PTI adds: Mr Chaoba, who had met Governor of North-Eastern States L P Singh on Friday said the Governor seemed helpless to give him any positive answer.

Mr Singh who was to have relinquished his post, is still holding the office and is now camping here.

Mr R K Vyas, who was to have replaced Mr Singh, died recently before assuming office.

Mr Banka Behary Das, AICC(U) general secretary, who was present at the press conference, intervened to say that it was their feeling that by delaying to call on the PDF to form a government, the Congress-I was trying to form a government on its own after securing some defections to its ranks.

The Congress-I attempt would not succeed as all the 31 members of the PDF were united, Mr Chaoba and Mr Thombi Singh asserted.

CSO: 4220/7699

GANDHI SAID TO ALLAY FEARS OF OPEC INVESTORS

New Delhi PATRIOT in English 3 May 81 p 1

[Text]

INDIA is assuring OPEC investors from West Asia that they need not be afraid of their investments in this country being nationalised.

This assurance is learnt to have been given to the visiting dignataries of the Gulf region on whom the Government has impressed the scope that India offers to investors in special fields.

These fields include petrochemicals, fertilisers and engineering, according to sources.

Prime Minister Indira Gandhi has herself assured OPEC investors that they should not be wary of investing in India for the fear of nationalisation.

Discounting such fears, she told the press corps in the entourage of the Amir of Baharin —who has just concluded a four-day State visit to India—that 'we do not nationalise just for the sake of nationalisation'. Nationalisation, she said, was resorted to only if that was imperative for the country's development.

The Prime Minister said one of the main reasons that increases in oil prices affected the developing nations far more than the western nations was that the OPEC had made massive investments in the West

India, she told them, understood the OPEC feeling on oil prices. The resources of these nations had been exploited by the western nations, and when the Arab countries took control of their own oil, it was natural that they would take steps to their advantage.

In the rise in oil prices, however, it was not the western nations that suffered, but developingirg countries like India. India for instance bought oil not for luxuries but for essential transport and for fertilisers. Although some economising could be done there was not much scope to reduce the oil imports.

She said OPEC nations were also spending the oil money in buying many goods from the West. by which they could largely manage to offset the rise in oil prices and did not feel the pinch as much as the developing nation.

The Prime Minister also pointed out that India, with its economic and political stability, was a good place to make investments.

CSO: 4220/7699

INDIA, USSR SIGN SUPPLEMENTARY PACT ON OIL SUPPLY

Bombay THE TIMES OF INDIA in English 2 May 81 p 14

[Text] Moscow, May 1 (PTI): The Soviet Union will receive from India this year cereals and goatskin besides a few other items in exchange for the additional 1.35 million tonnes of crude and petroleum products in the current year.

This was stipulated in a supplementary protocol signed here last night by a visiting Indian delegation led by the commerce secretary, Mr. P. K. Kaul, and the Soviet authorities.

This was a sequel to the trade agreement for 1981 signed in December.

Two other agreements, one concerning banking arrangements for the 520 million rouble credit offered by the USSR for the next five years and the other relating to commercial credits for the import of equipment and machinery into India from the USSR for the various Soviet-aided projects in the next five years, were also signed.

The Soviet Union had been providing India in the past on a long-term basis crude and petroleum products amounting to a little over three million tonnes. It had agreed to supply for the next five years an additional 1.35 million tonnes of crude and oil products annually on India's request.

From next year, this additional quantity will be absorbed in the normal annual trade plan.

The agreements were signed for India by Mr. P. K. Kaul and Mr. D. K. Chatterjee, a joint secretary in the finance ministry, and the deputy minister for foreign trade. Mr. Grishin and the chairman of the foreign trade bank of the USSR, Mr. Iranov, signed on behalf of the Soviet Union.

CSO: 4220/7690

CONCERN EXPRESSED OVER TREATMENT OF WORKERS ABROAD

Madras THE HINDU in English 29 Apr 81 p 6

[Text] New Delhi, April 28.

The Lok Sabha Estimates Committee has expressed serious concern over the exploitation of Indian girls, "enticed" into marriage by foreign nationals particularly from West Asian countries, and later deserted or ill-treated.

In its 16th report on "Indians in West Asia, Sri Lanka, Malaysia, Burma, Indonesia and Singapore" presented to the House on Tuesday, the committee has also expressed its distress over the harassment and exploitation of Indian workers in the West Asian countries.

It has expressed strong criticism of the "smugness" displayed by the External Affairs Ministry towards such a large number of cases of ill-treatment and exploitation.

"Thorough enquiries made in 1976," says the committee, "confirmed that a large number of Arab nationals, aged 60 to 70, got married to young girls who were later sold to Arab households as domestic servants or to some agents and in some cases were forced to take to unpleasant and indecent practices. [as published]

In 1977 the Regional Passport Offices were instructed by the Ministry to issue passports only after verification of facts from various sources and after satisfying themselves that Indian women were not being cheated.

The committee is unhappy over the failure of the Indian missions in Abu Dhabi and Doha to carry out the instructions to interview Arab husbands personally before attesting their sponsorship delegations and over the Ministry's attempts to whittle down its lapses.

Publicity: While agreeing with the Ministry that the precautions taken to regulate passport facilities to Indian Muslim girls married to Arab nationals are applicable only after such a marriage has been solemnised, it, however, says "The Ministry should not sit as idle spectator when it known that exploitation is taking place."

It has suggested that cases of desertion and exploitation of Indian wives by Arab husbands should be given discreet publicity to caution people about the dangers inherent in such matrimonial alliances with unknown foreigners.

The Ministry should also do its utmost to avoid fake marriages as cover for taking Indian girls out of the country for unauthorised employment, or marriages with maimed, sick or old persons. The Indian missions should be instructed to keep a close watch on such matrimonial alliances.

Since these cases relate mostly to Indian Muslim girls, the committee expresses the wish the "it should be possible for the Government to bring about, with the consensus of the minority communities concerned, a suitable system of compulsosry registration of all such marriages. [as published] This will minimise exploitation of Indian women by foreign nationals and safeguard their interests in the event of desertion or divorce.

Maid-servants: The committee has also expressed its distress over the ill-treatment, beating and molestation of Indian maid-servants, who had emigrated to Qatar and who wished to return to India at any cost.

In the past the Government had put a ban on Indian women going out to take an employment of this character in a household. But subsequently and particularly after a Supreme Court judgment the Ministry felt a total ban on women going out for employment could not be enforced.

The committee says that if requests from foreigners for employment of Indian women as ayahs or maid-servants or governesses are scrutinised closely with reference to the social stature, reputation and family background of the households concerned, the chances of ill-treatment can be minimised.

It expects the Indian missions to act as true guardians of the dignity of Indian women employees abroad and spare no effort to safeguard their honour.

Workers: As for the plight of Indian workers abroad, the committee says their harassment is taking place openly in most of the West Asian countries.

During the last three years, according to the figures given by the Ministry itself, "there have been 108 cases of harassment in Qatar, 300 in Saudi Arabia (in two years), 257 in Bahrain, 39 in Jordan, 1,000 in Kuwait, an undetermined number in Iraq, Iran and the United Arab Emirates, 11 in Lebanon, 9,965 in Omen and 617 in Yemen Arab Republic.

Taking strong exception to the Ministry's statement that these cases of harassment and exploitation coming to about 11,400 in three years or about 4,000 a year "are not really of any unusual magnitude", the committee says, "It is an astounding statement". If 4,000 cases of exploitation a year are not considered unusual, how many more should take place to convince the Ministry of the seriousness of the situation? The smugness displayed by the Ministry in the face of such a large number of cases of ill-treatment and exploitation is deplorable.

In a matter concerning the honour and prestige of Indian nationals abroad, the Ministry should view every such case seriously and not try to derive unwarranted consolation from statistical comparisons.

The committee has urged the Ministry to undertake a study into why the Indian workers, known to be hard-working, sincere and dedicated and not interfering in

the affairs of the country in which they work, are not treated properly. The Indian missions should consider every case of complaint, irrespective of the status of the complainant and follow it up vigorously with the employers and the local Government till a satisfactory solution is found.

On Indians in Sri Lanka, it has found that the implementation of the 1964 and 1974 agreements has not made satisfactory progress.

It has not accepted the statement of the Ministry that the people of Indian origin in Sri Lanka are reluctant to be repatriated.

CSO: 4220/7680

ELECTION COMMISSION ANNOUNCES VOTING DATES

Bombay THE TIMES OF INDIA in English 1 May 81 p 7

[Text]

NEW DELHI, April 30 (UNI): The election commission has announced the programme for holding seven by-elections to the Lok Sabha from Orissa, Uttar Pradesh and West Bengal.

Simultaneously the poll will also be held in three assembly constituencies in Bihar and four in Uttar Pradesh where it was countermanded during the general election held in May-June, 1980, according to an official release.

Following is the state-wise break-up:

Lok Sabha:

Orissa — Cuttack: Uttar Pradesh — Garhwal, Bareilly, Amethi, Mirzapur and Allahabad.

West Bengal — Serampore.

Assemblies:

Bihar — Dhanaha, Parsa, Bakhtiarpur, Sandesh, Hisua and Giridh.

Karnataka — Dharwar, Rural.

Uttar Pradesh — Bilaspur, Bisauli, Shahjanapur, Tindwari Lakshmipur, Jahanabad, Patiali and Sikandrao.

West Bengal — Darjeeling, Kumarganj, Kharba, Suzapur, Jadavpur, Dum Dum, Manicktola and Midnapore.

The tentative programme for holding the by-elections except in respect of Karnataka and Orissa is as under:—

Date of notification — May 6; Last date for filing nominations — May 13; Last date for withdrawal of candidature — May 16 and Date of poll, if necessary — June 14.

In the case of Karnataka, the tentative programme is as under: Date of notification — May 8; Last date for filing nominations — May 15; Date of scrutiny — May 16; Last date for withdrawal of candidature — May 18, and date of poll, if necessary — June 14.

CSO: 4220/7683

SHEIKH ABDULLAH SPEAKS AT SRINAGAR RALLY

Bombay THE TIMES OF INDIA in English 1 May 81 pp 1, 9

[Text] Srinagar, April 30.

The chief minister, Sheikh Abdullah, said today that the federal structure of the country was in danger of cracking up if the Congress(I) did not abandon its attempts to overawe governments and create conditions of instability in states where its writ did not run.

Addressing a rally at Iqbal Park, the first after his return here following the "darbar move", the Sheikh said in the federal structure the country had adopted, both the Centre and the states had their own roles to play and this was clearly defined in the constitution, and for Jammu and Kashmir, as one of the constituent states, by the instrument of accession.

In his hour-long speech, which was heard with rapt attention, the Sheikh dwelt on Centre-state relationship, the criticism that the minorities were feeling unsafe in the state and attempts by the Congress(I) to topple governments in the non-Congress(I)-ruled states.

He said there was no need for a confrontation to develop between the Centre and any state. Both had to realise the roles they had to play. But this relationship could not remain stable if the Centre sought to make its will prevail by force over the states. It had to retain parity between all states, even those where non-Congress(I) parties were in power.

The Sheikh alleged that after the 1980 parliamentary and state elections which had returned the Congress(I) in a majority of states and at the Centre, its partymen, "drunk with the heady wine of power," had initiated a systematic campaign to dislodge non-Congress(I) governments.

Bandhs had been observed in West Bengal during which many lives were lost. A communal problem had been created in Kerala and now similar attempts were being made to create a law and order problem in Jammu and Kashmir and then impose governor's rule.

The chief minister felt that the Congress (I) thought it could capture a majority of seats in the subsequent elections to the state assembly.

He said the Congress (I) campaign in the state had started by raking up the grievances of the people of Ladakh. After this, the agitation was shifted to Jammu, as a result of which the Sikri commission had been appointed. The commission's findings revealed that it was the people of the Kashmir valley who had suffered the most from regional imbalances.

When all these tactics failed, the Congress (I) president, Mrs. Gandhi, came here early this month and remarked that the minorities were unsafe in the state, he alleged.

/The campaign against the ruling party had been intensified by the spate of theft of idols from the shrines of the minority community and the more recent income-tax raids, he alleged./ [in boldface]

The chief minister regretted that while Mrs. Gandhi had expressed her sympathies with the plight of the minorities, she did not have a single word of cheer for the majority community in the valley.

He refuted the allegation that minorities were unsafe in the state. During the tribal invasion of 1947 when all members of the minority community had fled, it was the Muslims who had guarded the shrine of Khur Bhuwani in the valley.

The state had acceded to India voluntarily and not "through bribes or threat". The instrument of accession clearly laid that only defence, communication and foreign affairs were to be conducted by the Centre. He would strive to ensure the individuality and autonomy of the state.

Raising his voice, he said: "We will not permit anyone to play with our fate. Anyone questioning the individuality of the state or its interests could only do so over the bodies of the Kashmiris." He had made this clear to Mrs. Gandhi and Pakistan earlier.

CSO: 4220/7683

JANATA LEADERS ADDRESS BANGALORE YOUTH RALLY

Bombay THE TIMES OF INDIA in English 1 May 81 p 9

[Text] Jayaprakash Narayan Nagar (Bangalore), April 30.

The Janata president, Mr. Chandra Shekhar, today accused the Prime Minister of trying to take advantage of the arms race in the Indian sub-continent.

He said that more and more tension was being injected into the residers did but because it was accentuated by the behaviour of Mrs. Gandhi. [as published] However, when the USSR intervened in Afghanistan, the government of India did not raise its "powerful voice" against it, he said.

The situation in the country was worsening every day in all spheres. Political and economic problems had mounted, law and order had deteriorated and the people were getting frustrated. It was to give a new turn to the country's development that the youth should strive through organised work among the people, Mr. Shekhar stated while inaugurating a two-day national meeting held by the Yuv Janata.

A similar call to the youth was also given by the former prime minster, Mr. Morarji Desai, in his "blessings" to the youth rally.

The youth rally, being held on the polo grounds of the Bangalore palace, once a property of the Mysore Maharaja, precedes the national executive committee meeting of the party which will be followed by a two-day convention of the workers of the south.

Both Mr. Shekhar and Mr. Desai spoke against the agitation initiated in Gujarat against reservations. The Janata chief said he could understand the need to remove the anomalies that had crept into the reservation scheme, but certainly not the agitation for doing away with certain facilities created for the benefit of the scheduled castes and tribes. This was a dangerous tendency, which the youth should guard against, Mr. Shekhar said.

Mr. Desai assrted [as published] that the reservation scheme should go on as long as untouchability remained. This was the time for those who had kept the untouchables in a state of oppression for centuries to repent for their past mistakes and allow the scheduled castes and tribes to come up the socio-economic ladder.

Mr. Shekhar put the problems of the nation, with 50 per cent of the people below the poverty line, 65 per cent of the people being illiterate and 80 per cent of the people without any medical aid, before the youth. Poverty was a curse, but disparity between the poor and the handful of the rich complicated the problem and created growing tension. There were regional imbalances and the tribal belt was in a turmoil, he said.

The Janata wanted these problems solved thorugh a democratic process, mobilising the enthusiasm of the people. It did not want to follow the Indira Gandhi regime which was a past master in making promises without fulfilling them he said.

Mr. Shekar [as published] wanted the youth to recognise the boys and girls belonging to the scheduled castes and tribes in colleges no longer believed that God was responsible for their miseries. It was the social structure that was responsible. Similarly, rural people had become restive because they felt neglected.

Mr. Shekhar recalled that a hue and cry was raised when the Janata government headed by Mr. Desai gave a subsidy of Rs. 500 crores to fertilisers to give an impetus to the agricultural sector. Nobody bothered about the subsidy being given to the corporate sector, amounting to Rs. 1,000 crores every year in terms of tax relief. The Indian corporate sector had the lowest taxation in the world.

Mr. Desai took his audience back to 1977, when the Janata was born to save the country from the "terrorism" of the then government. Democracy was in danger and emergency had been imposed because Mrs. Gandhi wanted to remain in power at any cost, he said.

The Janata had been voted to power in the subsequent election, but it fell because of elements which were obsessed with what he called "office-bearer mania" and political ambition and worked towards division rather than unity. They did not allow even organisational elections to be held. With a sigh of relief Mr. Desai said that these forces had left the Janata, which had emerged, at Sarnath, as a dynamic political organisation, free from dissensions.

Mr. Desai also outlined the Janata ideology as Gandhian. It did not believe in hero-worship. It wanted to become strong by reinforcing itself from within and not by destroying or weakening other political parties.

Mr. Desai referred to newspaper reports that there were differences between himself and the party president. "There can be differences between two intelligent people. Otherwise, they are not intelligent. Only fools have only one view. But in a democracy, one respected the other's view and did not quarrel. Democracy meant a spirit of reconciliation, he added. [as published]

He also referred to reports that he was leaving the Janata party and even politics and would take sanyas. "I do not believe in sanyas; I believe in the service of the people and this is to go on till the end of my life." Some people thought that it would be better if he went away. "I don't want to oblige them." Some others, who had left the Janata, spread the rumour that he was going to join them. "I have not lost my senses. My loyalty is to the Janata party."

Mr. Desai reiterated his belief in non-violence. While he wanted Janata workers to engage themselves in work and even agitations, if necessary, these should be

peaceful. He did not believe in "rasta roko," "rail roko" and bus-burning which had become part of today's agitations.

Mr. Desai felt that the Janata had not only become purified with divisive elements leaving it but it had become stronger as well. Some people thought that after the last Lok Sabha elections, the Janata had disappeared from the scene. This was not so. It had become a party with a better quality of people. Its popularity was increasing, as was his experience during his recent tours of Andhra Pradesh and Karnataka. People in unprecedented numbers came to his meetings spontaneously, unlike the people brought to Mrs. Gandhi's meetings in trucks, he said.

CSO: 4220/7683

MAY 1 RESOLUTIONS OF JANATA EXECUTIVE REPORTED

Bombay THE TIMES OF INDIA in English 2 May 81 p 9

[Text] Jayaprakash Narayan Nagar (Bangalore), May 1.

The dismissal of the "discredited" Congress(I) government headed by Mrs. Anwara Taimur in Assam was demanded by the national executive committee of the Janata party here today.

This, a resolution passed by the committee said, should enable a democratic alternative to emerge.

Mr. Ramakrishna Hegde, general secretary, explained that the Assam governor should invite other political parties to form a government.

The brief resolution pointed out that the recent session of the assembly, when a cut motion on the budget demands was adopted, had demonstrated that the Taimur government had forfeited the confidence of the assembly as well as of the people. Its continuance was, therefore, repugnant to the letter and spirit of the constitution and accepted norms of parliamentary democracy.

It noted that Mrs. Taimur should have resigned, and might have done so but for the "brazen and partisan" manner in which the Central government had used its authority to prop up a "discredited" government, put together through defections. The Centre also permitted the governor to take the unprecedented step of authorising expenditure by the exchequer through an ordinance which was promulgated after the prorogation of the assembly.

The resolution was moved by Mr. Morarji Desai, who happened to be the chair in the absence of Mr. Chandra Shekhar.

Mr. Desai had earlier offered his good offices in finding a solution to the Assam problem and Mr. Shekhar had suggested a round-table conference of all concerned parties, including the opposition. But since these have been reportedly shelved by the Prime Minister, no fresh proposal emerged at the meeting.

However, the meeting welcomed the resumption of the dialogue on the foreigners' problem between the Centre and leaders of the Assam movement and hoped that a satisfactory solution would emerge.

While condemning acts of terrorism as well as separatist tendencies in the north-eastern region, the committee was of the opinion that it was the unimaginative

and inept handling of the situation by the government and its tactics of "procrastination and divide and rule" that had led to the worsening of the situation.

Electoral Reforms

Two other resolutions emerged from the national executive committee in the first half of the proceedings today--one on electoral reforms and another on tribals.

The committee said that what was urgently needed was the expeditious adoption of a suitable Central legislation on electoral reforms on the basis of various suggestions made so as to make the working on the parliamentary democracy more meaningful.

The present electoral laws, in the opinion of the Janata executive, had failed miserably to them the growing malpractices in the electoral system. "Suitable amendments" were suggested to the electoral laws and the constitution. The broad areas to be covered by such amendments were outlined as gerrymandering, faulty preparation of electoral rolls, flagrant use of force to stop legitimate voters from exercising their right to vote, capturing of polling booths, tampering with ballot boxes, partisan attitude of officers at polling station as well as in the counting of votes and declaration of results, impersonation of voters, defections and floor-crossing in legislatures leading to political instability.

Tribals' Problems

The resolution, however, appeared to stay away from suggesting any specific remedies.

One point on which the committee members were united was that the age of voting should be reduced to 18. This, as the resolution explained, was intended to involve the youth in the electoral processes--a "fitting" response to their urges and aspirations.

On the problems facing tribals, leading to growing discontent among them, the committee advocated a positive forest policy which should prohibit the felling of tress, promote forest-based cottage and small industries, harness research for commercial use of forest produce and employment of the tribal people, encourage community-based afforestation in a massive way and ensure the formation of co-operative societies, gradually eliminating contractors.

CSO: 4220/7690

WRITER ANALYZES POSITION OF BHARATIYA JANATA

Bombay THE TIMES OF INDIA in English 1 May 81 p 8

[Article by A. S. Abraham]

[Text] The Bharatiya Janata Party's choice of Cochin for its national council session was doubtless designed to make a political point as much as its choice of Bombay for its first national convention some four months ago had a similar purpose. Then, because Bombay had been consistently more sympathetic to the opposition parties and more hostile to Mrs. Gandhi, the BJP was able to make a big splash.

In Cochin, it was, in fact, making two political points: one, that it was no longer a "northern party", but had a southern presence as well, and two, that in Kerala in particular, it had some say in the affairs of the state.

In Kerala, the former Jana Sangh, the BJP's parent party, did not win even one seat in the legislature. But the violent clashes between CPM and RSS cadres in the state are evidence that the BJP has made some headway, although how much it is difficult to say.

These clashes are one reason why the BJP has decided to have nothing to do with the Marxists politically. The BJP-CPM estrangement, in turn, is affecting Kerala's politics. The BJP, though not a member of the coalition ruling the state, wants the home ministry to be taken away from the CPM minister now running it and given to a non-Marxist cabinet member. And while the BJP has reaffirmed its opposition to any Congress(I) attempts to bring down non-Congress(I) state governments, there has been talk of joint BJP-Congress (I) efforts in Kerala to keep the Marxists at bay. What this adds up to is that the BJP, whatever its actual strength in Kerala, has become a factor for political parties to reckon with there. By holding its national council meeting in Cochin, it drove the point home.

Credit

What the BJP is striving after, however, is to become a force to reckon with in national politics, to be a, if not the, "national alternative" to the Congress(I). To its credit, it has emerged as one of the three major parties in the country today, the others being the Congress(I) and the CPM. Its membership is growing steadily, its overall sobriety has begun to win praise, however grudging, from

its severest critics, and its emphasis on "Gandhian socialism", however amorphous the term, may in course of time convince not a few sceptics that it is not a communalist wolf in Gandhian sheep's clothing.

In some ways, it is in a better position than the CPM or the Congress (I). The former remains, essentially, a regional party, albeit with national connections. Its efforts to win adherents on a large scale in the Hindi belt have not met with significant success and, Kerala notwithstanding, it has a distinctly Bengali ambience. The BJP, like the Jana Sangh out of which it grew, is strongest in the Hindi heartland and has substantial support in states like Maharashtra and Gujarat. It is making strenuous attempts to reach out to the south. While it is still far from being a truly all-India party in the way the Congress(I) is, it has much more of a national presence than the CPM.

Where it scores over the ruling party is in not depending on one individual for its effectiveness in the way the Congress(I) does today. True, the BJP has set about building up Mr. A. B. Vajpayee, its president, as its pre-eminent leader. But, firstly, Mr. Vajpayee is at best a reluctant leader and, secondly, the BJP is unlikely to link its fortunes with Mr. Vajpayee's fate in the way the Congress (I) has tied its fortunes to Mrs. Gandhi's future.

Mrs. Gandhi has ensured that her party will be all but rudderless when she is not at its helm. Whether Mr. Rajiv Gandhi will fill the bill remains to be seen. Even if he does, however, the Congress (I) will remain the one-person band it is today. The BJP, on the other hand, bids fair to become a party with a wide band of leadership, supported at lower levels by capable juniors moving gradually upwards. The cadre structure, in the case of both the BJP and the CPM, guarantees in some measure that there will be no paucity of leaders emerging from the ranks in time.

Support

The BJP's big problem remains the RSS. As far as all the other parties are concerned, this is always a good stick to beat it with. The CPM, for instance, in effect invited the BJP to join it in the struggle against "authoritarianism"--read, Congress (I)--when Mr. Jyoti Basu said, after a CPM politburo meeting, that there was no reason to keep the BJP out. When the BJP did not seem likely to accept the invitation (it didn't, eventually), the CPM made out that it never made the offer! The Kerala chief minister, Mr. E. K. Nayanar, spelt out this new line when he said that, at least in Kerala, the CPM could hardly discuss collaboration with the BJP unless that party first clarified where it stood /vis-a-vis/ [in italics] the RSS.

The CPM needed BJP support, rather than /vice versa./ [in italics] The RSS-CPM cadre clashes were seen by the Congress (I) at the Centre as strengthening its claim that the breakdown of law and order was a worrying enough feature of CPM-led state governments to consider having them dismissed. It was crucial for the CPM to pre-empt any move for a Congress (I)-BJP link-up in Kerala and to include the BJP among the "anti-authoritarian" forces that would oppose any attempt to prise the CPM out of office not only in Kerala but in West Bengal as well. Despite this, the CPM did not hesitate to tar the BJP with the RSS brush when the Marxists' effort at roping in the BJP for their purposes came unstuck.

The BJP's own confusion about the RSS factor encourages equivocation and impairs its coherence. At Cochin, the differences between the "moderates," led by Mr. Vajpayee, and the "hardliners" over how the party should handle this factor were only too evident. The "moderates," favouring the "Vajpayee line," seem to believe that the RSS connection lends the party misleading and damaging associations which only joint action with other parties, not excluding the Congress (I), can help immediately to blur and eventually to make invisible, Mr. Vajpayee's inaugural address at Cochin was an expression of this line and it is clear that he wanted the party to view the CPM offer more favourably than it finally did. The division between the two sides on the CPM invitation to co-operate was papered over at Cochin only at the very end of the national council meeting in the form of an amendment to the political resolution. Where the pre-amendment version had fudged the issue, the amendment categorically ruled out collaborating with the CPM.

The BJP cannot hope to present a "national alternative" to the Congress (I) unless it cures itself of its schizophrenia over its RSS links and gives up wanting to be a part, however vital, of a wider opposition grouping against the Congress (I) or "authoritarianism" of call-it-what-you-will.

Nurtured

It cannot survive for a day without the RSS network. If its roots go deep into some sections of Indian political soil, it is only because they have been carefully nurtured for decades by RSS cadres. Since it has no identity outside the RSS and cannot be viable without the latter, it is futile for it to try and dissemble by subordinating its interests to those of a larger opposition entity in the hope that this will make everyone forget its RSS base. The miserable experience it had in the Janata should have convinced it once and for all of the stony barrenness, for it and for the others, of that kind of fractious enterprise.

Instead of hankering after some form of political association with the other opposition parties that would all but resurrect the Janata (1977 model), an association that would seek as impossibly now as then to reconcile irreconcilable constituents merely on the basis of a shared enmity towards Mrs. Gandhi, the BJP should muster the courage, will and self-confidence to go it alone. It should openly declare its RSS links, assert that they cannot be equated with communalism and justify them on political, electoral, cultural and other grounds.

This approach would have the merits of enabling the party to speak with one voice, promoting coherence in national politics through the accumulation of social forces around two or three major parties (instead of these forces splintering into any number of pieces clustering round myriad parties to the benefit of none), and leaving it to the people to choose from among the political wares on offer without any of the vendors attempting to present their goods as something other than what they are.

Following its association (in its previous incarnation as the Jana Sangh) with the JP movement just before, during and after the emergency, the BJP has acquired political respectability in substantial measure. This did not prevent it from being humiliated by those with whom it was once allied. More recently, however, as those erstwhile allies have languished, it has grown stronger. Now, it is well-positioned to cut the umbilical cord of its past alliances and grow to political maturity on its own.

CSO: 4220/7684

DISGRUNTLED KERALA MARXISTS JOINING BJP

Bombay THE TIMES OF INDIA in English 1 May 81 p 14

[Article by K. C. John]

[Text]

TRIVANDRUM, April 30.

ELEZHIKODE in Kerala is a cent per cent Muslim village. The CPM had just three followers there. The three have now joined the Bharatiya Janata Party, because they were disillusioned with Marxist promises and because the BJP alone could offer them "physical protection" against possible retaliation from the CPM musclemen.

A party member who left the CPM and joined the CPI was done to death a few days ago. Former CPM followers feel that the BJP alone could offer them protection through their trained RSS workers.

It is not as if there is an exodus from the CPM. But the BJP claims that most of the disillusioned Marxists prefer their party to any other. The "deserters" largely belong to the lower strata of society. One view is that the benefits of power that the CPM functionaries and prominent workers enjoy may not have percolated to the lower cadres.

Seizing the opportunity, the BJP has begun a systematic operation to identify the frustrated elements and win them over. Its cadres appear to be well-trained to provide the "converts" with both political and physical support. Years ago, it was the undivided Communist Party that attracted the Congress workers in Kerala. Now it seems to be the privilege of the BJP to welcome the politically disgruntled CPM men.

A BJP worker has said in a lighter vein that some three decades ago the communists used to stage a popular drama, "You made me a communist". The theme was that the rich forced the have-nots to seek asylum in the Communist Party. Today it could be another drama entitled "You made me a BJP man". The theme would be disenchantment with the CPM.

However, things are not as rosy as the BJP workers would have one believe. Though its volunteers earned the admiration of one and all with their organising capabilities at the BJP's recently concluded national council session at Mattancherry, there were no crowds to greet the party demonstrations passing by.

CSO: 4220/7684

WEST BENGAL CPI LEADER COMMENTS ON DANGE EXPULSION

Calcutta THE STATESMAN in English 6 May 81 p 3

[Text] The West Bengal CPI leader, Mr Biswanath Mukherjee, has ruled out the possibility of a large-scale erosion of the party membership following the expulsion of Mr Dange by the national council and his reported decision to lead the All India Communist Party.

This is because, according to him, the former party chairman is not being supported either nationally or internationally. Not even one-third members of any State Council of the CPI are behind Mr Dange while the Soviet and other Communist parties of the world have no difference with the CPI on this issue. Only Mrs Gandhi and "some agencies" are trying in vain to break the party by their open support to the breakaway AICP.

Show cause notices, Mr Mukherjee said on Tuesday, were proposed to be served on 11 members of the party's Calcutta District Council, the unit most affected by the Dange problem while such notices had already been served on three other members of the council. The CDC has 63 members.

The State executive of the party, which will meet on May 21, has been empowered to study the organizational position in all districts and take disciplinary action wherever necessary. The party, according to Mr Mukherjee, takes steps only when the members concerned flout party discipline openly. The affected CDC members had violated discipline by holding a convention denouncing the party line. Mr Mukherjee added that Mr Dange's expulsion had had no impact on the BPTUC.

The CPI leader said that political bitterness at the lower level had stood in the way of finalizing the overall seat adjustments among the constituents of the Left Front and the CPI for the coming municipal elections. There had been agreement over 140 seats and disagreement in about 80 cases, mostly in Kharagpur, Contai, Garden Reach, Cooch Behar Dinhata and Purulia.

Despite this setback he maintained, the cause of Left unity had gained because of the agreement among Left parties for the majority of over 1,500 seats. "I do not hold anybody responsible for this setback" he added.

CSO: 4220/7708

DANGE NOT ALLOWED TO SPEAK AT BOMBAY WORKERS' MEET

Bombay THE TIMES OF INDIA in English 3 May 81 p 5

[Text] May 2.

A peculiar aspect of the May Day celebrations in Bombay was that Mr. S. A. Dange could not address the joint meeting organised by the AITUC and the CITU at Bhoiwada Maidan yesterday though he is the president of the AITUC.

The Maharashtra executive of the AITUC at a meeting had decided a few days earlier that Mr. Dange should not be allowed to address the May Day rally in view of his activities against the CPI.

It seems Mr. Dange was keen on addressing the joint meeting so that he could make clear publicly his stand regarding his expulsion and other issues before the CPI and CPM workers. However, according to sources close to Mr. Dange, a note from the state AITUC executive asking him not to address the rally was delivered to him two days ago. The letter was signed by Mr. G. V. Chitnis, general secretary of the Girni Kamgar Union, who had been close to Mr. Dange for several years.

Mr. B. S. Dhume, AITUC leader, told this reporter that there was nothing wrong in asking Mr. Dange not to address the rally. In fact, last year, Mr. Dange had himself ignored the AITUC by refusing to address the May Day rally organised by the AITUC and the CITU. Instead, he had then chosen to address a meeting convened by his daughter, Mrs. Roza Deshpande.

Yesterday too, Mr. Dange had to address a meeting organised by his daughter and her All-India Communist Party which he had joined earlier in the day.

The Maharashtra AITUC executive meeting deciding against Mr. Dange's speech was attended by the president, Mr. A. B. Bardhan, Mr. B. S. Dhume and all other members.

At the Maharashtra Maidan meeting last night, Mr. Dange made only an indirect reference to his expulsion from the CPI and announced his joining the AICP.

The AITUC-CITU rally was addressed by Mr. S. Y. Kolhatkar, Mr. P. K. Kurane and Mr. K. L. Bajaj of the CITU, and Mr. B. S. Dhume, Mr. G. V. Chitnis and Mr. Sitaram Jagtap of the AITUC.

The Hind Mazdoor Sabha held a rally at the Podar College hall yesterday morning. Mr. B. R. Dandavate, the new president of the HMS, strongly attacked the government for the price spiral and anti-labour policies.

Among other speakers were Mr. K. A. Khan, dock workers' unionist, Mr. Vasant Gupte and Mr. Prabhakar More of the textile unions.

CSO: 4220/7697

DANGE JOINS ALL-INDIA CP, MAKES MAY DAY SPEECH

Bombay THE TIMES OF INDIA in English 2 May 81 p 12

[Text] May 1.

Mr. S. A. Dange, veteran communist leader, today joined the All-India Communist Party founded by his daughter, Mrs. Roza Deshpande, a few months ago.

Mr. Dange, who was expelled from the CPI last month, made the announcement of his joining the AICP at a May Day rally organised by a "May Day Joint Committee" at the Maharasthra High School ground tonight.

He said he had filled the membership form of the party at 5 p.m. before coming for the meeting. Later, Mrs. Roza Deshpande announced towards the end of the meeting that she had resigned as the secretary-general of the party to make way for Mr. Dange.

The 82-year-old former CPI chairman and founder of that party, said sarcastically that he did not have to leave any party to join the new party for which he was thankful to Mr. Rajeshwar Rao. This was an indirect reference to his expulsion from the CPI.

May Day was celebrated by a number of trade unions during the day today. The AITUC and the CITU, the trade union organs of the CPI and the CPM, held a joint meeting at Bhoiwada Maidan, indicating the coming closer of the two parties.

Mr. Dange made his appearance at a public meeting after quite some time and his advanced age seemed to have had some visible effect on him.

At the very beginning, he said he would not be able to speak for long and old people should not talk much. He referred to his 82 years and said he might enter the 83rd soon.

He told the fairly large gathering that imperialism was the first enemy of the country and imperialist forces surrounding us were out to attack us.

However, Mrs. Indira Gandhi was taking steps to prevent imperialists from taking over India, he said. Mr. Dange also demanded the nationalisation of 75 monopoly houses in the country.

Indira's Offer

He quoted Mrs. Gandhi as telling him that she would do this if there was a strong agitation on the issue as there was before bank nationalisation.

He called upon the AICP to launch a programme on the issue. How could he give such advice to the party, he asked and then disclosed that he had joined the party.

He called for a tripartite management of industrial units and called for building up of a strong trade union movement. It was easy to talk of revolution, he said, and asked why the CPM government had not nationalised jute mills in West Bengal though the demand for the take-over dated as far back as 1925.

He also made a reference to the need for left parties coming together but did not elaborate. Mr. Dange defended the Soviet presence in Afghanistan.

He also explained that the purse of Rs. 2 lakhs presented to him on his 75th birthday seven years ago had been utilised for building a trade union study class centre at Khandala. Only through training could the class struggle be conducted property, he said.

Mr. Dange also attacked certain socialist leaders who ridiculed Karl Marx's Capital. He said even the capitalists in West Germany treated the book with great respect.

Earlier, Mr. Dange was profusely garlanded by several people. Among others who spoke on the occasion were Mrs. Roza Deshpande, Mr. Bhagwan Thorat, president of the Girni Kamgar Union, and Mr. Kari Jadhav.

The committee which organised the meeting consisted mainly of the Girni Kamgar Union and the All-India pharmaceutical employees' union led by Mrs. Deshpande.

CSO: 4220/7690

URBAN INSURGENCY MAKES APPEARANCE IN ASSAM

Bombay THE TIMES OF INDIA in English 2 May 81 pp 1, 9

[Text] Shillong, May 1.

Urban insurgency, which continues to convulse the frontier state of Manipur, has apparently surfaced in Assam as well.

Attempts by small groups of terrorists in Assam at selective killings and engineering a series of bomb blasts along the railway track and the oil pipeline between Duliajan in upper Assam and Barauni in Bihar are reminiscent of the early stages of guerilla warfare in Manipur.

Alarmed by the spurt in subversive activities of the extremist elements in Assam, the state government has alerted the security forces throughout the state and tightened the security measures around the state secretariat complex in Dispur and vital installations in various parts of the state.

Many parts of Assam have already been declared "disturbed areas" and provisions of the Armed Forces (Special Powers) Act invoked, giving the security forces extraordinay [as published] powers.

The bomb attack outside the bedroom of the Gauhati residence of Dr. Tarini Mohan Barua, president of the Assam Janata Dal (AJD) and former minister, on Wednesday was the fourth attempt to liquidate marked men in the last six weeks.

Two bomb blasts, believed to have been set off to kill two legislators, rocked the heavily guarded MLA's hostel in Gauhati on March 17, on the eve of the budget session of the state assembly. In another explosion in Jorhat on April 6, Mr. E. S. Parthasarathy, commissioner of upper Assam, was killed in his office chamber.

The bomb blast at Dr. Barua's residence assumes significance in the light of his reported decision to quit the AJD and join the ruling Congress (I) with an important position in the Taimur ministry.

The dastardly attack on Mr. Parthasarathy is believed to have been an act of reprisal for the tough line he had adopted towards the Assam agitators.

The CBI, which has taken over investigations of the series of bomb explosions since December 6, when the Taimur ministry was installed in Assam, is reported

to have made a breakthrough in detecting the hidden hand behind the acts of sabotage.

Investigations made so far by the CBI team, led by Mr. C. N. Sharma, deputy inspector-general of CBI, have revealed that a number of small but determined groups of terrorists are active in Assam. The authorities have, however, not yet determined whether the groups are working in close concert or independently.

Some of these groups include die-hard members of the little known Jatiyu Rahi Bahini, founded in September by the former officer of the Special Security Bureau (SSB), Mr. Birkuju Choudhri, a section of the Purbanchaliya Lok Parishad (PLP) led by Mr. Hemanta Gogoi, a faction of the Jatiatabadi Yuba Chhatra Parishad, the Binode Mishra group of Naxalites and the militant elements the All-Assam Students' Union (AASU) and the All-Assam Gana Sangram Parishad (AAGSP).

The CBI also suspects the involvement of some leading members of the Assam Jatiatabadi Dal, a constituent of the AAGSP, in the recent bomb blasts.

Nripen Goswami, general secretary of the Gauhati unit of the parishad, Pudma Choudhury, president of the unit, and Abdul Jabbar, a prominent member, have been arrested.

Investigations in connection with the bomb blasts killing Mr. Parthasarathy reportedly indicate that a group of extremists has recently returned from the Akehin area in Burma, across Tirup district of Arunachal Pradesh, after having been trained in guerilla warfare and subversion techniques at a camp organised by the pro-Beijing underground Naga leader, T. Movia.

Another batch, which is believed to have completed its training at a camp in Kaintiapur in Bangladesh, across Jaintia Hills district of Meghalaya, is understood to be ready to return to Assam.

A third batch of militants is reported to have gone to Manipur to take training in the outlawed people's liberation army camp organised by the Tibet-returned Manipur underground leader, Iseshwar.

The Maipka Sharma faction of the banned PREPAK party in Manipur is also reported to have established links with extremists in Assam.

CSO: 4220/7690

GANDHI CHAIRS MEETING ON INDIAN SCIENCE POLICY

New Delhi PATRIOT in English 2 May 81 pp 1, 5

[Text] India's science policy for the future emphasises the need for active research on the frontiers of the new sciences apart from effective implementation of all the continuing and projected schemes in the science and technology sector.

A joint meeting of the Cabinet Committee on Science and Technology and the Science Advisory Committee to the Cabinet, held on Friday under the chairmanship of Prime Minister Indira Gandhi, decided on measures towards successfully implementing these twin goals.

Among the decisions taken were the drawing up of a short-term plan to find gainful employment for the about three lakh unemployed scientific and technical personnel, the creation of a national registry on the technology of all foreign collaborations and the need to percolate science awareness not only to the school level, but to rural areas as well.

Mrs Gandhi, in her address, remained the scientists that self-reliance should be the core of all scientific and technological endeavours in the country. [as published] Special efforts, she said, were needed to develop the capacity to absorb imported technology and to ensure implementation of the proposals made in the Rs 3,400 crore science and technology section of the sixth Plan.

Briefing newsmen on the deliberations at the meeting, Planning Commission member Dr M S Swaminathan and Department of Science and Technology secretary Prof M G K Menon said it was also felt that India should continue to work towards breakthrough in 'frontier fields' like genetic engineering, and the atomic and space sciences despite the scarcity of resources.

Genetic engineering specially was of vital significance in many fields, including medicine and agriculture and it was decided to create a work force to study its scope, they said. Emphasis was also placed on continued development of alternate energy sources, waste processing and the like.

The Science Advisory Committee to the Cabinet (SACC), created recently to advise the Government on science and technology, will meet four times a year. It met on Thursday also.

In her address, Mrs Gandhi asked the SAC not to ignore the social implications of technological changes. She pointed out that many aspects in rural development

programme seemed to hurt the weaker sections most. "This must be avoided," she said.

She called for a social impact analysis in transferring new technologies to the field.

The Prime Minister stressed the need to consolidate the existing infrastructure while embarking on newer areas. She called for better utilisation of local resources and appropriate technologies for recycling wastes.

Emphasising the need for inculcating greater scientific consciousness among the people so that science and technology encompassed all aspects of life and living, Mrs Gandhi felt schools, universities and voluntary and non-voluntary organisations could join hands in promoting a 'climate of science'.

The Prime Minister called for coordination and the establishment of more effective linkages to ensure optimum utilisation of available resources. [as published]

Referring to the energy sector where different departments and ministries were involved, Mrs Gandhi said there was need for an effective coordinating mechanism where in aspects of energy conservation, generation and utilisation were attended to speedily and effectively.

On the information gap prevailing in several areas, Mrs Gandhi said this was because of the absence of integrated information regarding the on-going programmes in backward areas.

She suggested charting of a map in which accurate data on the existing facilities for science and technology and industrial units could be plotted.

Dr Swaminathan told newsmen that SAC had decided to develop the science and technology base of the universities. SAC was of the view that educational institutions should be provided with adequate funds for this purpose.

It was agreed that there was need for internal reorganisation of the educational institutions. The rules and regulations should be framed to absorb and effectively utilise the resources meant for them.

SAC suggested that to begin with, a provision of Rs 50 crores for more science and technology efforts in the university sector should be made.

To remedy regional imbalance in science and technology the SAC approved the establishment of a science and technology centre in Arunachal Pradesh as a 'test case'.

On a suggestion by Foreign Minister Narasimha Rao, who is a member of cost, it has been decided to set up a programme office for technical cooperation among developing countries (TCDC) with a programme director in the DST.

In the case of medical research the SAC decided to set up a department of medical research and education in the Ministry of Health with scientists, who would be secretary and Director-General of the Indian Council of Medical Research.

The meeting was attended by all except two scientists of the SAC and Finance Minister R Venkataraman, who is away.

Dr Swaminathan said the SAC will meet at least four times a year. The next meeting will be held in July.

CSO: 4220/7693

HIDAYATULLAH SCORES INDIAN PLANNING PROCESS

Bombay THE TIMES OF INDIA in English 1 May 81 p 7

[Text]

NEW DELHI, April 30 (UNI) : Vice-President M. Hidayatullah today criticised planning in India as being based more on idealism than on needs.

Various plans formulated since independence had never been fully implemented, he said, while inaugurating a seminar on the sixth five-year plan and national objectives.

Referring to Jawaharlal Nehru's vision on planning as means for country's development, Mr. Hidayatullah said he had been greatly inspired by the Japanese example of industrialised economy. He said Nehru felt this would be the best example for India to follow in our bid to achieve industrialisation without realising the basic character and needs of the people.

The vice-president said that the Japanese have been one of the most industrious and hard working people in the world dedicated to the cause whereas an average Indian did not possess those qualities.

Mr. Hidayatullah said the need of the country today was food and, he thought, the earlier plans should have laid more emphasis on agriculture rather than industrialisation.

He said the Indian concept of planning was based on the Russian model and it had to be remembered that even in USSR, there had been no appreciable development after the first few plans. It was the success of the subsequent plans which had made them one of the most advanced industrialised nations in the world.

The vice-president throught that the Indian concept of planning had also suffered because of too much centralisation. This had resulted in a spoon-feeding to the states which preveted them from becoming self-reliant and conscious of their own development potential.

Delivering a keynote address the minister of state for industry, Dr. Charanjit Chanana, said planning as a process of development had not been greatly liked by the industry because they thought it was controlled. He said planning was necessary to translate a country's imagination into various schemes of development.

CSO: 4220/7683

CPI-M POLITBURO ISSUES STATEMENT ON BIHARSHARIF

Calcutta THE STATESMAN in English 6 May 81 p 1

[Text] New Delhi, May 5.--The CPI(M) Politburo today expressed its grave concern over the tragic developments in Biharsharif and the neighbouring villages in Bihar.

In a statement in New Delhi, it said that as in several previous cases of atrocities against the weaker sections in the communal riots too, the local administration and the Congress (I)-led State Government in Bihar had completely failed in their elementary duty to protect the minorities.

The Politburo noted that the Biharsharif riots were a continuation of the Aligarh, Jamshedpur and Moradabad--all of them occurring in Congress (I)-ruled States. This underlined the total "unreality" of the ruling party's talk of national integration. It mentioned the atmosphere of communal tension created by those committed to such disruptive ideologies as "Hindu Rashtra", "Islamic fundamentalism", "Khalistan" etc. The forces representing these ideologies had been and continued to be busy setting one community against another and thus paved the way for the riots. The Ruling Congress (I) and its Central Government were using their control over the State-owned media like the All India Radio and doordarshan not to fight, but to encourage these ideologies, it alleged.

The Bharatiya Janata Party Parliamentary group at its meeting this morning expressed concern over the outbreak of communal violence in Biharsharif and called for the appointment of an inquiry commission.

CSO: 4220/7708

AGRICULTURE MINISTER: NO PLANS FOR LEVY ON FARMERS

Calcutta THE STATESMAN in English 6 May 81 p 9

[Text] New Delhi, May 5.--The Government made two important denials in the Rajya Sabha today. First, it had no proposal to impose a levy on farmers, and, secondly, the Government had no plan to import wheat.

However, Rao Birendra Singh, Minister for Agriculture, told the House that he would "welcome" a levy on traders.

The Minister, who was replying to points raised by members during a discussion on the call-attention motion tabled by Mr Stapal Malik (Lok Dal) and others, denied that the farmers were not selling wheat to the Government agencies.

Rao Birendra Singh denied that the State Governments were imposing restrictions on the movement of foodgrain and said that Mr Satpal Malik's complaint about the sealing of borders in Haryana was not true as far as he knew. He agreed to the suggestion made by Mr K. C. Pant (Cong-U) that an inquiry should be made into the reported restrictions imposed by the Madhya Pradesh Government. As for the denial of wagons, his Ministry had been demanding wagons on a priority basis to supply foodgrain to deficit areas and the north-eastern region.

Most of the speakers had doubts whether farmers were coming forward to the Government agencies to sell wheat. Mr Malik, Mr Bhanu Pratap Singh, Mr Kalraj Mishra (BJP) were the main speakers to highlight this point. Mr H. K. Singh Surjeet (CPI-M) wondered whether the minimum support price was remunerative--a point also stressed by Mr Bhanu Pratap Singh.

Mr Kalraj Mishra alleged that in some districts in eastern U.P., officials were absent at procurement centres and were in league with the traders. But the Minister said that these were the deficit areas. Mr Mishra said that the Minister was "parrying" the question.

Earlier, the Minister said that some reports had appeared in the Press that certain political parties were asking the farmers not to take their produce to the mandis. However, the State Governments had not reported any such attitude on the part of the farmers.

According to information available yesterday 11.23 lakh tons of wheat had been produced as against 13.31 lakh tons on the same date in the last season. The

harvesting of the crop in Punjab and Haryana as well as in certain parts of western U.P. was delayed because of unseasonal rain. The peak season had not started and it was hoped that in the coming weeks more crops would arrive in the market and procurement would go up.

The Central Government had not asked the States to restrict the free movement of wheat. To maximise procurement, the Government of Madhya Pradesh had imposed "with our concurrence," a 50% levy on licensed dealers in the State except in the Chhattigarh region.

CSO: 4220/7708

DEVELOPMENT OF KARNATAKA FARMERS' AGITATION TOLD

Calcutta THE STATESMAN in English 6 May 81 p 8

[Article by C. N. Vijaya]

[Text] The farmers' agitation in Karnataka has got enmeshed in a war of words between the Chief Minister, Mr R. Gundu Rao, and Opposition leaders and the president of the State Farmers' Association, Mr H. S. Rudrappa. The main demands of the farmers are remunerative prices for their produce and writing off of all agricultural loans. In the beginning the agitation did not hit any headlines because it was confined to a small section of farmers in one district. For four years farmers in the Malaprabha Command Development Area in Dharwar district in North Karnataka had made repeated representations to the Government about the arbitrary levy of betterment and water taxes by officials of the Irrigation Department and nonpayment of compensation to those farmers whose land had been acquired to build the Malaprabha irrigation project.

Finding that their representations had no effect on the Government, the farmers launched an agitation last May by offering "dharna" before irrigation and revenue offices in the area. The police watched and did nothing as the agitation was peaceful. This went on for more than two months. But the Government was unmoved. To draw the Government's situation to their demands, the farmers gave a call for Dharwar "bandh" on July 21. The violent incidents which occurred that day at Nargund and Navalgund, two interior towns in the district, and the police firings resulting in four deaths made it a "black Monday".

Lack of Tact

It was stated that the lack of tact on the part of the tehsildar of Nargund provided the spark to light the day's fiery incidents. He reportedly ignored the pleadings of farmers to close his office for the day. They requested him with folded hands, but the tehsilder trod on them to open his office. Whatever the provocation, the violence unleashed by the agitators was unprecedented. The tehsildar's office was ransacked, all files in the irrigation office at Navalgund were thrown into a bonfire, Government vehicles were damaged and three policemen were killed. After seeing the extent of the damage in the two towns, the Chief Minister reported to the legislature, both Houses of which were in session, that a situation like the one obtaining in Assam was sought to be created in the State. He alleged that it was pre-planned by anti-social elements and that in the name of farmers shops were looted and wives and children of officials threatened. "Such things are not done by agriculturists", he said.

The Nargund and Navalgund incidents snowballed. Soon a number of districts, most of them in North Karnataka, were affected by the farmers' agitation. Violence was widespread and the police fired at a dozen places killing over 40 people. No month in the past seven months was free from violence and police firings. Like the Government, the Opposition parties too started taking note of the farmers' demands only after the Nargund and Navalgund incidents. The police firings gave the parties, the Congress (U), the Janata, the CPI, the CPI(M) BJP and the Lok Dal, the opportunity they were waiting for to jump into the fray and try to take over the leadership of the agitation.

In an attempt to isolate the Opposition, the Chief Minister invited the farmers' leaders to Bangalore for talks on their demands. Mr Rudrappa, president of the Farmers' Association, put forward 19 demands and the Chief Minister accepted as many as 16 of them. He announced that acceptance of the demands would result in the farmers benefiting to the extent of Rs 86 crores. Thus an euphoric atmosphere were created [as published] which made the Farmers' Association suspend the agitation. But the euphoria did not last long. When break-up of the Rs 86-crore concession was made available, the farmers' leaders and Opposition parties found that the real benefit was small and that the main demands for better prices for farm produce and writing off all agricultural loans had been ignored. The Government improved on the support prices for grain announced by the Centre but this did not satisfy the farming community as its demand was for a much higher price. As for waiving agricultural loans, the Government pleaded its inability to do so since the Reserve Bank, the main source of credit, was opposed to that.

It took some time for the Opposition parties, particularly the Congress (U) and the two Communist parties, to reestablish their identity with the farming community. This they had to do carefully. They had to support the Farmers' Association, which was conducting the agitation by scrupulously avoiding identifying itself with any political party, and at the same time organize the farming community. With this end in view the Progressive Democratic Front, consisting of the Congress (U), the CPI, the CPI(M) and the Lok Dal, came into being. The BJP and the Janata Party were kept out.

The Front saw in the just ended Maharashtra "long march" of farmers a welcome opportunity to organize a similar march in the State. The Nargund-to-Bangalore march (460 kilometres) was organized to focus attention on the farmers' demands and press for a judicial inquiry into the police firings on agitating farmers. The response to the march in the beginning was moderate, but it picked up as the farmers' trek progressed. The reception on the way, particularly by villagers who came forward spontaneously to feed the marchers, and the publicity in the local Press helped. The march ended peacefully before the Vidhan Soudha (State Secretariat) in Bangalore and the Front leaders presented a memorandum to the Chief Minister detailing the farmers' demands. The Chief Minister refused to meet the marchers despite pleadings by Mr Aziz Sait, who was a colleague of Mr Rao in the Devaraj Urs Cabinet. But he did not lose the opportunity to score a political point against the Opposition, particularly the Congress (U) which had taken a leading part in the march, by dubbing the marchers as "hired men". The farmers felt hurt by the uncharitable remark and demonstrated before the Secretariat demanding an apology from the Chief Minister. Mr Rao refused and the police had to remove the demonstrators.

From then on the Chief Minister has made it a point to denounce the agitation and their leaders. Speaking at a function in Sagar, in Shimoga district, he dismissed the State Farmers' Association as a "spurious organization". Without referring either to Mr Rudrappa, president, or other office-bearers of the Association, he challenged them to contest the Assembly elections due in 1983. "Prepare yourselves from now for the elections. If you win I will accept you as leaders", he told them and added significantly, "I will see to it that none among you will be able to save the deposit."

Feeling of Hurt

Apparently the Chief Minister suffers from a feeling of hurt. He has said it repeatedly that his is the first Government in 25 years to invite farmers' representatives to the Secretariat, entertain them over talks and to issue orders accepting 16 of the 19 demands. His predecessors, he points out, never allowed farmers' representatives to climb the steps of the Vidhan Soudha. He sees a "force" behind the farmers' agitation but does not spell out what it is. Perhaps he feels the agitation is by "rich farmers" to derive benefits for themselves and small and marginal farmers and landless workers are not with them. The leaders of the agitation, he says, own 150 to 200 hectares each in the name of their daughters, sons-in-law and grand-children and pay hardly Rs 3 a day to farm labourers.

The Chief Minister's charge has been denied by Mr Rudrappa and Opposition leaders. The Farmers' Association chief has accused Mr Rao of having a "jaundiced mind" and challenged him to prove that the leaders of the agitation had extensive land holdings. He said: "Mr Rao is not an agriculturist, neither is he a decent politician. We have made representations to solve the farmers' problems, but we get bullets instead. So far 60 people have been killed in police firings. The State will not stand to gain anything by such a person". But the briefest, and significant, comment comes from Mr D. B. Chandre Gowda, president of the PCC(U) and leader of the Opposition in the Legislative Council: "I do not expect anything better from him (Mr Gundu Rao)".

CSO: 4220/7708

WORK OF VIZAG STEEL PLANT TO BEGIN IN OCTOBER

Madras THE HINDU in English 1 May 81 p 9

[Text] New Delhi, April 30.

The construction work for the steel plant at Visakhapatnam will begin next October, the Steel and Mines Minister, Mr. Pranab Mukherjee, told the Parliamentary Consultative Committee for the Ministry on Wednesday.

The total area of land needed for the project is 10,800 hectares of which 6,400 hectares have already been acquired.

The current year's budget provides Rs. 130 crores for the steel plant. Earlier Rs. 71 crores had been spent on it.

An inter-ministerial committee had held negotiations with foreign firms in regard to the terms and conditions and cost of the plant.

The final decision about the plant will be taken shortly, after the recommendations of the inter-ministerial committee are received.

Meanwhile, a token provision of Rs. 1 crore has been made for preliminary expenses.

Metallurgical and Engineering Consultants Ltd (MECON) has submitted a report on alternative technologies and product mix for the proposed Vijayanagar steel plant.

The study was undertaken for assessing the suitability of iron-making, independent of the blast furnace route and of coking coal which has been proving a handicap in existing steel plants.

The detailed project report for the Vijayanagar plant, based on traditional technology, was being updated by MECON to incorporate techno-economic advances so as to optimise the economic viability and operational efficiency of the project.

CSO: 4220/7686

BRIEFS

NEW VIETNAMESE AMBASSADOR--New Delhi, May 1 (PTI): The new ambassador of the socialist republic of Vietnam, Mr. Nguyen Quang Tao presented his credentials to the President, Mr. N. Sanjiva Reddy, at Rashtrapathi Bhavan here today. [Text] [Bombay THE TIMES OF INDIA in English 2 May 81 p 9]

ASSAM OIL PROSPECTS--Shillong, May 1: Studies conducted by Oil India experts so far indicate sizable oil reserves in the Bogapani area, near Duliajan in upper Assam. According to Oil India sources, there is a possibility of a new oilfield being developed in the area. A detailed seismic survey has been taken up. Oil India is reported to have modified its drilling programme, taking into account the intensified exploration work in the area. [Text] [Bombay THE TIMES OF INDIA in English 2 May 81 p 7]

CONGRESS-I MAYORAL WIN--Jabalpur, May 1 (PTI): The Congress (I) retained the mayoral post of the Jabalpur municipal corporation. Mr. Shivnath Sahu defeated his nearest rival, Mr. Jitendra Sharma (BJP), by a margin of 36 votes in the election to the 66-member body. Mrs. Annapurna Tiwari (Cong.-I) was elected deputy mayor, securing 49 votes, against her BJP rival, Mr. Raghunath Yadav, who got 16. [Text] [Bombay THE TIMES OF INDIA in English 2 May 81 p 7]

CABINET SECRETARY--New Delhi, May 1: Mr. Krishnaswamy Raosaheb, former principal secretary to the Prime Minister, has taken over today as cabinet secretary. Mr. P. C. Alexander takes over tomorrow as principal secretary to the Prime Minister. The cabinet has placed on record its appreciation of the services rendered by the outgoing cabinet secretary, Mr. S. S. Grewal. [Text] [Bombay THE TIMES OF INDIA in English 2 May 81 p 12]

BOMBAY SUBAREA CHIEF--April 30: Brig. N. C. Mehra today took over as Bombay sub-area commander from Brig. S. Krishnamurthy, who has been appointed provost marshal at army headquarters. Passing out from the Indian Military Academy, Brig. Mehra was commissioned in the Gurkha Rifles in 1952 and served later with the UN peace-keeping force in the Congo. He was for some time the chief instructor at the Counter-Insurgency and Jungle Warfare School. He was promoted brigadier in 1975. [Text] [Bombay THE TIMES OF INDIA in English 1 May 81 p 4]

PROJECT IN INDONESIA--New Delhi, April 30 (UNI): The Projects and Equipment Corporation of India Limited (PEC) today signed an associateship agreement with Walchandnagar Industries Limited for setting up of a Rs. 100 crore cement plant at Padang in Indonesia on turn-key basis. The 2,000-tonne-per-day cement plant would be completed within a period of three years. The contract was signed in Jakarta by Mr. Anand Krishna, executive director, on behalf of PEC and Mr. Joni Marsinih, president-director on behalf of P. T. Semen Padang of Indonesia. Mr. Krishna told newsmen that the present contract was the largest industrial turn-key project ever signed by India for execution abroad. [Text] [Bombay THE TIMES OF INDIA in English 1 May 81 p 7]

BONN INVESTMENT GROWS--April 30: After years of stagnation, German investment increased substantially during the year 1980. Latest statistics from Germany reveal that German investment in India increased from Rs. 714.8 million to Rs. 767.6 million in 1980. This increase is due mainly to the formation of new Indo-German joint ventures. However, as compared to the main competitors for German investment in Asia, India continues to receive only a small portion of new German investments abroad. As compared to to previous year, [as published] German investment in Singapore increased from DM 225.9 million to DM 367.6 million in 1980. German investment in Hong Kong went up from DM 152.8 million to DM 216.2 million, in Japan from DM 385.1 million to DM 416.1 million and in Saudi Arabia from DM 89.2 million to DM 117.8 million. India's investment in Germany amounts to DM 22.7 million as per 31st December 1980. [Text] [Bombay THE TIMES OF INDIA in English 1 May 81 p 14]

CSO: 4220/7685

NEWS COVERAGE OF GARUDA DC-9 HIJACKING

Hijacked After Leaving Palembang

Jakarta SINAR HARAPAN in Indonesian 30 Mar 81 pp 1, 12

[Text] Penang, 29 March--Mrs Hulda Panjaitan, nee Tobing, who is 76 years old, was the only passenger freed by the hijackers of the Garuda DC-9 aircraft when it made a stop in Penang on Saturday afternoon [28 March]. She prayed continuously from the time of the hijacking until she descended from the aircraft.

The story of the trip of this grandmother begins in Ampenan (Lombok). She had gone ther to see her son. Last Thursday [26 March] Mrs Panjaitan was taken by her son to Denpasar. She spent a night in Jakarta, and it was only on Saturday morning [28 March] that she took the Garuda DC-9 flight to Medan, which stopped off at Palembang. In Palembang Mrs Panjaitan did not descend from the aircraft, as did all the other passengers.

The aircraft took off again for Medan. Shortly after it was in the air, and after the warning lights had been turned off and the stewardesses began to serve refreshments, a commotion was heard in the rear of the aircraft. Mrs Panjaitan said, "I didn't know what was going on in the back there. It was as if some people were involved in a fight. Suddenly, two men came from the back of the aircraft, going forward. They said, 'All right, hands up, everybody! Go to the back of the aricraft!'"

As Mrs Panjaitan remembers it, everyone was led to the back of the aircraft to occupy the seats there, leaving the front section empty. She couldn't recall when the hijackers appeared, one by one. As she saw it, there were four men actively moving about and giving orders. One of them had white skin or rather white skin, a mustache, and reddish hair. He spoke in a language which, according to Mrs Panjaitan, was English.

Later, the passengers were ordered to put their watches, rings, necklaces, bracelets, other jewelry, money, and identification cards on a table. A stewardess, watched by a hijacker, put all of these items into a plastic bag. When the aircraft landed, Mrs Panjaitan did not know where they were. All of the passengers were ordered to remain quietly in their seats and were not allowed to talk. Mrs Panjaitan was crying and her legs hurt her because she had been sitting for too long a time in conditions of tension. She told SINAR HARAPAN that, suddenly, a hijacker came to her and said, "Come on, lady, you're getting out. You're on in years. Just go."

When she had gotten down from the aircraft and was walking toward a motorcycle, Mrs Panjaitan looked around her and saw banana trees and some old buildings. This did not look like an airport to her. "I thought that here I was going to be shot to death. But why just me," she said, repeating the feeling she had at the time. However, her escort, Police Inspector Nasir, calmed her and told her not to be afraid because he was a Malaysian police officer.

The control tower at Bayan Lepas (Penang) knew of the hijacking incident when the Garuda aircraft was 140 miles (224 km) away or about 50 minutes after takeoff. The aircraft did not ask permission to land. At 1148 hours it stated that it would land. All aircraft in the air were instructed by the tower to keep away from Bayan Lepas, and the hijacked Garuda aircraft was requested to park in an isolated area at the north side of the landing strip, near the factories in the free trade zone. Minister of Home Affairs Tan Sri Ghazali Syafie, who also has the Malaysian police force under him, was informed. An operations center was established in the tower, under the chief of police of Penang, Haji Zaman Khan. For communications with the aircraft the hijackers were only willing to deal with the head of the Garuda office, Supangat Yuzar, through the captain of the aircraft, Herman Rante.

The first request of thehijackers was that they be sent a map of the world with international air routes on it. They also asked for additional fuel. Later, they asked for packages of cooked rice for 60 people. There was heard from the tower the voice of a hijacker who said to the Garuda captain, "No delay is permitted."

The hijackers asked that the map of the world be brought to the aircraft by a 15 year old child, traveling on foot. The tower rejected this because the aircraft was too far away. Finally, it was agreed that the map be brought by a man wearing only shorts and who could ride on a motorcycle, but this would have to be parked about 50 meters from the aircraft.

At 1355 the hijackers agreed to release an old woman and asked that she be met by a young woman wearing shorts and a short-sleeved shirt. The tower replied that it would be difficult to find such a young woman who would be willing to approach the aircraft. Finally, it was agreed that the man bringing the map, Police Inspector Nasir, would return to accompany the old woman, named Hulda Panjaitan, nee Tobing, who was 76 years old.

The hijackers of the Garuda DC-9 appeared to be very careful about everything. A tank truck with fuel which came to the aricraft at 1445 had to go around the aircraft twice. The purpose of this was apparently to let the hijackers see if there were police hiding behind the tank truck and waiting to attack them, as once happened in another place. The total amount of fuel loaded into the aircraft was reported to be about 10,000 liters. With its tanks full the DC-9 aircraft could fly for 4 hours and one-half hours, but usually, because of the security factor, it was only flown a maximum of 3 and a half hours.

The request of Garuda representative Supangat that a Garuda crew more experienced on international routes be permitted to go aboard the aircraft was rejected by the hijackers. In fact, in Penang there was such a Garuda crew led by Captain Sayogo which on the following day, according to the plan, was to fly to Medan. Captain Herman Rante was reported to be not yet qualified for flying international air routes.

At about 1500, when a small aircraft with the party of Minister Tan Sri Ghazali was about to land, the hijackers rejected the landing, perhaps because they thought that the aircraft was bringing assault troops. The entire international airport at Bayan Lepas was closed from 1200 to 1800, with the result that hundreds of passengers were filling the restaurant and waiting rooms.

The hijackers were beginning to lose patience in waiting for food in the form of packages of cooked rice. They must have been convinced that it was not easy to find a catering firm in a short time. Finally, at about 1545 two police officers wearing only shorts and singlet approached the hijacked aircraft, bringing packages of rice and a side dish of chicken, together with a large thermos bottle filled with tea.

At 1607 the Garuda DC-9 took off from Penang, but the operations center in the tower continued to follow it until a report was received that the aircraft had landed in Bangkok. It is reported that Minister Tan Sri Ghazali instructed all airports in Malaysia not to permit the Garuda aircraft to land if it returned from Bangkok.

Passenger List

Jakarta SINAR HARAPAN in Indonesian 30 Mar 81 p 1

[Text] The list of passengers who boarded the hijacked Garuda aircraft in Jakarta on Saturday morning [28 March] is as follows: 1) Badi Suwandi, 2) Ali Umar Biem, 3) Darma Wijaya, 4) Anwar, 5) Asmar Pohan, 6) Higa, 7) Heischaan, 8) Eddy Mulyono, 9) Irawan, 10) Kusdiarso, 11) Lukman, 12) Panjaitan, 13) Manurung, 14) Nurhadidjah, 15) Schneider, 16) Siesem, 17) Zuraida, 18) Sembiring, 19) Silitonga, 20) Siregar, 21) Wainwright, 22) Trimurniabid, 23) Mursidin, 24) Humt, 25) Adi Karang, 26) Junaedi, 27) Roy Sekewagl, 28) Abidin, 29) Abidin Usman, 30) Musril Hanafiah, 31) Tijipto Harsono, 32) Kai Siu Yan, 33) Sianturi, 34) Pasaribu.

The passengers who boarded the aircraft in Palembang, according to data obtained by SINAR HARAPAN on Sunday [29 March] were as follows: 1) Wendy, 2) Sofyan, 3) Maluizal, 4) Susanto, 5) A Aulaitupa, 6) Mulyono, 7) Zulfikar, 8) Marsi, 9) Budianto S, 10) Prapat, 11) David Manos Wendy, 12) Budi Nararja, 13) Wahono, 14) Mahyuddin.

Two Passengers Escape

Jakarta SINAR HARAPAN in Indonesian 30 Mar 81 pp 1, 12

[Excerpts] Don Muang Airport, Bangkok, 29 March—The eyewitness report of SINAR HARAPAN journalist Panda Nababan from Don Muang international airport in Bangkok states that the Garuda DC-9 aircraft "Woyla," which was hijacked Saturday morning [28 March] at 1730 [Sic; probably should read 0730] local time (same as Jakarta), arrived this afternoon [28 March] at this airport [Don Muang International Airport, Bangkok].

The first Indonesian journalist on the scene, who arrived Saturday evening at Don Muang International Airport in Bangkok, reports that the hijacked Garuda aircraft is parked at the southern end of the landing street, about two kilometers from the passenger terminal. Its position is just to the right of the Thai Air Force VIP building.

The position of the Garuda aircraft does not interfere with the flow of civilian as well as military ari traffic. Since the aircraft landed from Penang, Malaysia, after having been hijacked, Thai Air Force police and special troops of the Thai Army have been continuously watching it, from a distance of 300 meters. The hijackers do not allow anyone to approach it.

On Saturday night [28 March] all lights in the aircraft were turned off, and that night there was no request for food. It is believed that the ransom received from Penang, Malaysia, is still available. [Sic; the word "ransom" here may refer to food provided at Penang airport to the hijacked aircraft.]

The SINAR HARAPAN reporter states that at the time the aircraft landed in Bangkok the hijackers asked to establish contact with an Indonesian official. All communications are carried on in Indonesian. When the Garuda aircraft landed, precisely at 1600, the Indonesian ambassador to Thailand, Hasnan Habib, was already at Don Muang airport. The Indonesian Embassy in Bangkok, since 1100 had been monitoring the hijacking, including developments in Penang.

The Thai chief of police, the chief of staff of the Thai Air Force, the minister of communications, the chief of Thai intelligence, and a number of other military officers, were gathered together at Don Muang airport. Indonesian officials and Thai officials set up a command post in the KLM office (the Dutch-owned airline) on the second floor of the Don Muang terminal.

At 0618 on Sunday morning [29 March] the hijackers asked for food to be supplied at 0720, in accordance with their directions. The food and the person bringing it were to be in position 30 meters in front of the aircraft, and the hijackers could easily watch him from the cockpit. A Garuda employee from the Bangkok office, Subhaard (a Thai citizen), volunteered for the task. As soon as he arrived before the aircraft, he set the food down on the ground. Subhaard's upper clothing had to be open, and he was prohibited from carrying anything in his pockets, in accordance with the hijackers' instructions.

A British passenger named Robert Wainright (27 years old) is the manager of PT Micchem, which operates in Indonesia. Wainright jumped out of an emergency window on the right hand side of the aircraft. The window was very easy to open. By pulling the level inward and making no loud noise, he was able to escape when all of the hijackers were in the cockpit. This lack of attention was used for his excape. After he succeeded in getting out of the fuselage, he jumped onto the wing of the aircraft and them jumped 1.5 meters to the ground. He immediately ran to the after section of the aircraft to hide under it and then ran quickly to the edge of the airstrip. He was immediately seized [sic] by Thai air force military police.

The command post in the KLM office on the second floor of Don Muang airport was moved to the fourth floor in the operations office and called the "crisis center." The Indonesian officials who were directly handling the "crisis center" were the chief of BAKIN, Yoga Sugomo; the assistant for intelligence in the Ministry of Defense and Security, Lt Gen Benny Murdani; Director General of Air Communications Sugiri; and Ambassador Hasnan Habib.

Wainright, who succeeded in getting free, was immediately taken to the command post and interviewed by an Indonesian official and by high-ranking Thai officials. Also attending the interview were Thai Foreign Minister Siddhi Savetsila, Minister of Communications Amorn Sirigaya, and Deputy Prime Minister Prachuap. Wainright said that the total number of hijackers was five and that they were between 20 and 40 years old. As he had observed, the hijackers had an FN pistol and carried three hand grenades and a knife. Wainright's statement contradicted a previous report which said that there were six hijackers. The hijackers were led by a man who had a small beard.

The treatment of the passengers by the hijackers was very crude. Wainright said that the hijackers also beat up an American passenger after he tried to go to the toilet. According to Wainright, there were still two Americans, two Japanese, and one Dutchman in the aircraft.

At 1600 on Sunday [29 March] the hijackers asked for additional fuel and oil. At the time the tanks were to be filled the temperature inside the aircraft was already very high, and the service door, on the right hand side forward but just aft of the pilot's seat, usually used to load catering supplies. [Sic; sentence is incomplete; presumably, the service door was open].

An Indonesian technician with Garuda, Supangat, at the request of the hijackers, was invited to supervise the filling of the tanks with fuel. "Supangat clearly saw the co-pilot of the DC-9, Juwantoro, standing in the door, with a hijacker behind him, pointing a pistol. Supangat and four Thai technicians had only been working on the refueling for a few minutes when suddenly an American passenger, Karl Schneider, burst through the service door and tried to jump out. When he started to jump, a hijacker fired his pistol, and Schneider was hit in both shoulders. Panic broke out. Supangat and the other Thai technicians immediately ran from the aircraft to the edge of the landing strip, where they lay flat. It was only 20 minutes later that a military ambulance came on to the landing strip and approached the aircraft. Schneider was picked up and was immediately given first aid at the Thai Air Force emergency hospital.

Assault on Plane

Jakarta SINAR HARAPAN in Indonesian 31 Mar 81 pp 1, 12

[Excerpts] Don Muang Airport, 31 March--A tense drama carried out also for humanitarian reasons saved 40 passengers and five crew members of the Garuda DC-9 which was hijacked by six terrorists. The action took place at Don Muang airport in Bangkok, early Tuesday morning [31 March] at 0245, in the most amazing fashion, according to a report of SINAR HARAPAN correspondents Panda Nababan and Suryohadi, who reported from the scene of the events on Tuesday morning.

The tense moments began about 2145 on Monday evening [31 March] at the "crisis center" at Don Muang airport, after brief and heart-stopping discussions with the hijackers. Meanwhile, there were already available to the "crisis center" 35 special anti-terrorists troops led by Lt Col Sintong Pandjaitan. The special anti-terrorist troops remained aboard the Garuda DC-10 which had brought them from Jakarta to Don Muang airport on Sunday [29 March].

At 2145 on Monday evening [30 March] the assistant for intelligence at the Ministry of Defense and Security, Lt Gen Benny Murdani, who directly led the operation to save the passengers and crew, left the "crisis center" at the Don Muang passenger terminal to supervise the rescue operation. Since 1900 all of the special anti-terrorist troops had been in position about 400 meters behind the plane, where it was dark and protected from view from the plane.

The 35 brave ABRI troopers had been in place and ready to attack, the time depending on the threat and the moment for the assault to be launched, whose timing was only known to the chief of BAKIN, Gen Yoga Sugama, and HANKAM assistant for intelligence, Lt Gen Benny Murdani.

As had been the case with the previous nights, for about 100 meters around the hijacked Garuda DC-9, the ground was brightly lit by Royal Thai Air Force lights. It seems that the experience of the hijackers on Sunday and Monday night, when their requests were never rejected, such as requests for food, fuel, and cleaning of the aircraft, etc., had made the terrorists feel secure and in a strong position. This circumstance made them careless and left them feeling "on top of things." It was this situation which was used by the ABRI troops to launch the rescue operation effectively and quickly.

The SINAR HARAPAN reporter who directly followed the rescue operation from up close saw body shapes emerge from the dark from a direction in a straight line with the tail of the aircraft. About 15 anti-terrorist troops, wearing camouflage uniforms and without berets, formed into a single line. They were followed by a second file of about 20 soldiers wearing dark clothing.

The first group was clearly seen to be moving in a slow, orderly fashion but with steady strides that convinced an observer that without any doubt they would move on to their objective, while carrying three ladders! One ladder was placed at the tail door of the aircraft, while the other two were respectively placed on the right and left wings. Things were tense, as they are on a stage. When the order to attack came, the 35 special anti-terrorist soldiers went into action in lightning fashion. The placing of the three ladders only took 7 minutes.

From the time the doors of the aircraft were successfully opened in the lightning operation at 0242, it took 3 minutes for the whole rescue operation and the freeing of the hostages to be completed. The operation went on in a fantastic and orderly way, in accordance with the scenario for the operation as it was planned.

At the same time as the five doors of the aircraft were successfully opened there was immediately heard a volley of shots which broke the silence of the night and only lasted for a few seconds. Between the noise of the individual shots it could be seen that the forward door of the aircraft was open, and at the same time, before the ladder fell, a body was thrown out of the door which, from its clothings, must have been that of one of the terrorists.

Although the shooting had stopped, the troops were increasingly active. Members of the sepcial anti-terrorist squad were clearly seen climbing the ladder, with the passengers descending by the forward ladder. Although in fact the situation was fully in the control of the attacking troops, the passengers, who had spent almost 65 hours in a state of tension and threats of death, were still hurrying down the ladder.

Immediately after the rescue operation was completed, it was officially made public that the hijacking drama had ended. It had taken about 65 hours and cost the lives of three terrorists who were shot and one passenger (a child 4 years of age). In addition, the pilot, Captain Herman Rante, and a member of the special squad were wounded.

However, a short time afterward the announcement was corrected. The child, Abidin, had not died, and had not even been wounded, although his whole head was covered with blood. A terrorist who had been wonded later died at the scene of the action.

Before the rescue operation began, communications between the negotiator, the chief of BAKIN, Yoga Sugama, as representative of the Indonesian government at the "crisis center," with the hijackers, which had gone on Monday evening, ended at 0115. After the hijacker received the list of the names of the 84 people they demanded, the hijackers then asked that a man named Salman be added to the list of 84. A person representing the hijackers said, "And ask Salman whether there are more names which Salman wants to add to be flown abroad."

The hijacker also demanded that the next contact take place at 0630 on Tuesday morning [31 March]. In the final contact the hijacker no longer mentioned the sending of $1.5 million. Perhaps this was because the hijackers were busy examining the total number and the names of the people whom they wanted to be flown abroad. "It will be tomorrow morning at 0630 [31 March] before we decide when the 84 people and additional persons will be flown out," said a hijacker over the radio. After that, radio communications were broken off.

Troops Practiced Assault

Jakarta SINAR HARAPAN in Indonesian 31 Mar 81 pp 1, 12

[Excerpts] Immediately after Minister of Defense and Security Gen M Jusuf received a report on the success of the operation to rescue Garuda passengers, which was carried out by ABRI soldiers commanded by Lt Col Sintong Panjaitan, this important matter was immediately made known to all those attending the ABRI 1981 exercise in the VIP room at Pattimura airfield in Ambon.

From available information it appears that the commander of the assault troops planned that the attack would take 8 and one-half minutes, but it turned out that the entire operation was successfully completed in only 3 minutes.

The first comment from the minister of defense and security on the success of the special anti-terrorist troops was: "It is clear that our boys were able to handle this very dangerous matter in a relatively short time, 3 minutes. This is an achievement which is very impressive, compared with the same kind of rescue efforts against terrorists in other countries."

The "raid" against the hijackers early on Tuesday morning [31 March] was carried out by 32 members of the special anti-terrorist squad, led by a middle grade officer. Among the 32 soldiers was a doctor. The attack only took about 3 minutes.

The soldiers had gone through special training for raids of this kind and for anti-terrorism operations. Before they departed for Bangkok on Sunday [29 March] in a Garuda DC-10, they had again gone through intensive exercises on attacking an aircraft, lasting several hours.

Troops Return

Jakarta SINAR HARAPAN in Indonesian 31 Mar 81 pp 1, 12

[Excerpts] At 0802 Jakarta time Tuesday morning [31 March] the commando troops which brilliantly completed the rescue operation of the Garuda aircraft and its passengers who were held as hostages at Don Muang airport in Bangkok, safely arrived at Halim Perdana Kusuma Air Base.

Lines of ABRI military police were on guard to see that reporters, who were filling Halim Perdana Kusuma Air Base, did not go out on the airstrip. In addition, the commando troops were "quarantined" and not permitted to speak to reporters.

Lt Col Pieter Sitompul, an officer who followed the planning and execution of the operation at Don Muang airport, told SINAR HARAPAN that preparations for the operation were undertaken immediately after the hijacking took place. "Therefore, it was not too long afterward," he said, in explanation.

He said that the operation carried out by the commando troops, although a short one, was prepared in a careful way. "We can learn from the book, and other people can learn the tasks involved in operations to wipe outhijacking," he said. Lt Col Sitompul was not prepared to state whether the rescue operation to free the passengers of the hijacked Garuda aircraft was inspired by the Israeli troops at Entebbe a few years ago.

Lt Col Sintong Panjaitan, the officer who led the troops in the attack on the aircraft at Don Muang airport, was not prepared to duscuss in detail the successful operation. "Yeah, things went off normally," he said by way of comment, when asked by SINAR HARAPAN for his impressions when he was leading his troops.

Identity of Hijackers

Jakarta TEMPO in Indonesian 4 Apr 81 pp 17, 18

[Text] Who carried out the hijacking? Until Monday night [30 March] there had been no official statement. The first official statement was given by the assistant for intelligence at the Ministry of Defense and Security, Lt Gen Benny Moerdani, Saturday afternoon [28 March] in Ambon. It merely said that the hijackers were five unknown persons who knew each other, all of whom spoke Indonesian.

However, it appears that our security apparatus moved quickly. On Saturday [28 March] the Hotel Lusyana, located at the corner of the intersection of Jalan Letkol Iskandar and Jalan Sudirman, in Palembang, was visited by a security officer. Three employees of the hotel were interrogated. The owner of the hotel, Husein bin Asari, was also interrogated. Room 14 at the hotel was later sealed by the authorities.

The former occupants of room number 14, which cost Rp 4,000 per night, were strongly believed to be the hijackers of the Garuda aircraft, "Woyla." The four friends there were joined by a person who previously had been in Palembang, registered as coming from and staying at the same hotel on 26 March. A railway ticket stub was found in their room, and it was deduced that they had come to Palembang by land. "A few words were also found on the wall of the room, including writing which expressed the view: kill or be killed," said an official.

The friends left the Hotel Lusyana on 28 March at 0600. It is believed that loose security supervision at Talangbetutu airport in Palembang made it possible for the five hijackers to board the aircraft carrying firearms and a sharp weapon.

It is a matter of record that there were 14 passengers from Palembang who on 28 March boarded the Garuda DC-9 aircraft with the registration number GA 206. Six of them who are believed to be the hijackers are listed under the following names: Wemby, Sofyan, Machrizal, Zulfikar, Masri, and Machyuddin. It is Machrizal, a young man who is believed to have come from Saudi Arabia, who is the leader of the group. Meanwhile, Zulfikar, according to an informed source, once worked as a security officer at the Hotel Hilton in Jakarta.

Not only in Palembang were the security officials effective in their investigations. In Jakarta on Saturday evening [28 March] security officers searched a house on Jalan Bogor Lama, in the Pasar Manggis district, located in the Pasar Rumput area. It is reported that they detained two young men.

At various other places security sweeps were also undertaken. For example, at Duripolo district, West Jakarta, beginning on Sunday [29 March]. "They are looking for Ali Yusuf. I don't know why," said Mansyur, Ali's eldest brother. According to Mansyur, his younger brother had left home several months ago. In his own family Ali, 28 years old, is known as a stubborn young man who has often been in conflict with his family, particularly regarding religious questions. "I have heard that Ali was associated with a man named Imran," said Mansyur.

Who is Imran? Is it true that his followers are involved in the hijacking of the Garuda aircraft? Imran bin Muhammad Zein, known to his followers as "Imam," began to be known widely after theIstiqamah Mosque affair in 1980. The so-called "Istiqamah Affair" occurred on 4 August 1980. On that day at Istiqamah Mosque, which is the favorite mosque for the young people of Bandung, there was a fight. The program for that day of "training of religious officials" changed into ridicule of the senior religious officials [ulama] and the government. Fearing that a fight would develop, a security officer present at the mosque reported to the Military District Command at Cibeunying.

An Army garrison detachment from Cimahi in Bandung and the local police immediately came to the scene. As a result, 44 young men were picked up and held overnight. A few people who said they belonged to the Istiqamah youth group later came to the home of H M Rusyad Nurdin, chairman of the Istiqamah Mosque Foundation. They denounced the detention of their comrades as unjust.

It turned out that they also went to the home of the chariman of the Council of Ulama of the city of Bandung, Yunus Nataatmaja, and the home of the chairman of the West Java Council of Ulama, K H E Z Mutaqqien. They also went to the home of Mohammad Natsir in Jakarta with the same demand: free their comrades.

At Istiqamah Mosque they were only a few in number--about 25 to 30 people--but they were in control of the office of the Istiqamah Mosque youth organization. For that reason the mosque council dissolved the organization. The total number of "members of this doctrinal group" was estimated at 500, with about 150 of them from Bandung and Cimahi.

Those who entered their group had to show a firm intent and change or add to their names the name of one of the adherents of the prophet Mohammad. The expression of this firm intent was made to Imran, who was regarded as their Imam.

The West Java Council of ULama a few months ago had reported the activity of a group which it regarded as "rather strange." It made this report to the government and added to it six cassette recordings of speeches of Imran. They were also forbidden to carry out their activities at Istiqamah Mosque.

However, it turned out that their activity did not stop. About two months later the group was reported involved in a stabbing attack on Dr Syamsuddin, one of the directors of the mosque. As a result 11 members of the group were arrested by the West Java Special Branch office. The group was also stated to be involved in the attack on Cicendo police post in Bandung, in which three policemen were killed. It is reported that the group had destroyed a house of prostitution in Bandung.

A high ranking official confirmed that it is the Imran group which hijacked the Garuda DC-9 aircraft "Woyla" last week. "Their purpose is to escape abroad, together with their friends," he said. It was because of that consideration that they demanded the freeing of a number of prisoners, some of whom were their friends. This group, the same source said, had chosen the path of radical and revolutionary force.

Can this group be called extremist? In an interview with TEMPO last year, after the "Istiqamah Affair," Imran did not reject this view. "If they say we are extremists, let them," he said. "Because we are still weak, we are regarded as troublemakers and extremists. But if we are strong, big, numerous and disciplined, will there be anyone who will dare to say that we are extremists?

"What is clear is that we are firm in our views and don't want to fool around. For example, if the prophet Mohammad said that alcoholic drinks or pork are prohibited, even though we would be shot, we would say that these are prohibited," he said.

Imran bin Muhammad Zein, 31 years old, was born in Bukittinggi as the eldest of 10 brothers and sisters. Open in manner, with light brown skin, he is a young man who is engaged in the watch business and speaks calmly and clearly. He admits that between 1971 and 1976 he was in Saudi Arabia, studying religion with religious teachers there. "I didn't study in a systematic way, like in a university. For me the important thing was the matter of religion itself, and not the way to learn it," he said.

Imran stated that he only believed in the Koran and the Muslim traditions [Hadith]. "I want religion to be in its original form. I do not like to see religion politicized. Whatever the form of the state, the Islamic religion should control

it," he said. "Because of that I have not been in agreement with the old-style leadership. For if the old-style leaders were sincere in carrying out the teachings of our religion, it would be impossible for us to be faced with a situation like the present one."

He referred to his relations with the youth group at the Istiqamah mosque as a normal matter. Since 1978 he had been in touch with them as an ordinary preacher. Was it true that in that group there was a kind of devotion to the leadership? He answered, "I think this way. We joined together, having the same beliefs. Then we took an oath that we would truly remain within the Islamic faith, even if we should have to sacrifice ourselves: for Islam." He also admitted that he felt a bit strange to be called a "government man" and was startled to have his name mentioned as the leader of the Istiqamah youth group.

A conviction of Imran's is that, "humanity will return to its religious practices." "If a man is a Muslim, he will return as a Muslim. If he is put under pressure and provoked, a time will come when he will defend himself. And in the course of this self-defense, the consequences can be.... We all know," he said with a voice full of spirit, last August. And now, eight months later, is it true that we all know?

Imran Bin Muhammad Zein

5170
CSO: 4213/59

GENERALS COMMENT ON NORMALIZING RELATIONS WITH PRC

Not in 1981

Jakarta KOMPAS in Indonesian 11 Mar 81 p 1

[Excerpts] Indonesia is not thinking of normalizing its diplomatic relations with the PRC in 1981. Indonesia is in no hurry to do this, but it is important that all matters involving these relations be noted and itemized so that political and other fields are well protected when relations are normalized.

M. Panggabean, minister coordinator for political security and foreign minister ad interim, gave this response to newsmen's queries after he had been received by President Suharto at the Istana Merdeka on Tuesday [10 March].

The minister coordinator said it is important to study past experience and the experience of other nations in normalizing relations with the PRC, "since the PRC has said it would cooperate with a neighboring country but not with its Communist Party."

He admitted that a certain group feels that business perhaps would be promoted if relations were normalized with the PRC. However, we cannot view this matter from one aspect solely but must view it from all aspects. "Therefore, the government is obliged to investigate all aspects, say the G-30-S/PKI [30 September Movement/Indonesian Communist Party] remnants, the status of foreign-born citizens, and other matters," the minister said.

Sooner or Later

Jakarta SINAR HARAPAN in Indonesian 4 Mar 81 pp 1, 12

[Text] Gen TNI [Indonesian National Army] M. Yusuf, minister of defense and security concurrently Armed Forces commander, told Japan's Foreign Minister Masayoshi Ito that Japan could obtain more assistance in settling the Kampuchea problem by offering more aid to ASEAN [Association of Asian Nations] countries than it does to Vietnam.

In a 30-minute meeting at the Seoul Hotel, South Korea, on Tuesday [3 March] the two ministers discussed the situation in Asia, particularly the Kampuchea problem and Indonesia's relations with the PRC, according to Japanese officials as reported by the Kyodo news service.

The officials said Foreign Minister Ito further clarified Japan's support for holding an international conference to discuss the Kampuchea problem.

Gen Jusuf told Ito that ASEAN nations held high expectations for the Japanese role in carrying out the UN resolution.

According to the Japanese officials, Gen Jusuf told Ito that one way to settle the Kampuchean problem was for Japan to furnish more aid to ASEAN countries than it did to Vietnam.

The Japanese foreign minister asked Gen Jusuf about the possibility of restoring relations with the PRC and said relations between the PRC and ASEAN member nations were needed for peace and stability in the region.

Minister Jusuf replied, "This matter will be settled sooner or later," but added no further information, the Japanese officials said.

The two ministers are in Seoul to attend the inauguration of South Korea's president Chon Tu-hwan.

6804
CSO: 4213/54

BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesian personalities has been extracted from Indonesian language sources published in Jakarta.]

COL SARWONO--On Thursday [12 March] Col Sarwono (Corps of Engineers) was installed in office as the new chief of staff of Military Region VII/Diponegoro, replacing the former incumbent, Brig Gen Sawarno. The change of office ceremony took place in Semarang at the Sasana Judha offices of Military Region VII/Diponegoro, in the presence of Maj Gen Ismail, commander of Military Region VII. [Excerpts] [Jakarta HARIAN UMUM AB in Indonesian 16 Mar 81 p 2]

AMBASSADOR A KOHIR SASTRADIPURA--The Italian government has given its agreement to the appointment of A Kohir Sastradipura as Indonesian ambassador to Italy, replacing R Sri Soebiyakto. Ambassador Kohir was born in Ciamis on 2 May 1929 and obtained his senior high school certificate at the Foreign Service Academy. He obtained an M A degree from Columbia University in the United States and attended the first Senior Foreign Affairs course. He entered the Ministry of Foreign Affairs in 1955. In 1970 he was appointed counsellor at the Indonesian Permanent Delegation to the UN in New York. In 1971 he was transferred to the Indonesian Embassy in Tokyo and in 1972 he was appointed minister counsellor at that post. In 1976 he became Indonesian Minister in Tokyo. In 1977 he returned to the Ministry of Foreign Affairs as an inspector for the general program and for the Development Project in the Inspectorate General of the ministry. Later in 1977 he became chief of the Bureau of Personnel Affairs in the ministry and finally, before being appointed ambassador to Italy, he was deputy chief of mission at the Indonesian Embassy in London. [Text] [Jakarta HARIAN UMUM AB in Indonesian 20 Mar 81 p 1]

COL E KUSNANDAR--The post of deputy commanding general of the Navy Training Command was recently transferred from Commodore Dick Isnyoto to his replacement, Col (T) E Kusnandar, at a military ceremony attended by commanders of the Training Center and military and civilian employees of the Navy Training Command. Commodore Dick Isnyoto had served as deputy commanding general of the Navy Training Command for one year and will be assigned to new duties at Navy Headquarters in Jakarta. Col (T) E Kusnandar previously was deputy assistant to the chief of staff of the Navy for planning and budget. [Excerpt] [Jakarta HARIAN UMUM AB in Indonesian 21 Mar 81 p 10]

AIR COMMODORE SURYONO HARDJOSUBROTO--Air Commodore Suryono Hardjosubroto, a member of parliament in the ABRI fraction, on Tuesday [wr March] died at the Jakarta branch of "Saryanto" hospital, aged 55. The remains of the deceased lay in state at the

family residence, Jalan Iskandarsyah 1/22 B, Kebayoran Baru, South Jakarta. The deceased was born in Banjarnegara on 12 December 1926. Before becoming a member of parliament he was deputy for administration in the office of the commanding general of AKABRI. The deceased had been a member of parliament since 1977. [Excerpt] [Jakarta HARIAN UMUM AB in Indonesian 25 Mar 81 p 2]

PROF A MADJID IBRAHIM--The governor of the Special Area of Aceh, Prof A Madjid Ibrahim (54 years old) died on Sunday [15 March] at Husada Hospital in Jakarta, after being ill since 24 February. The remains of the deceased will be buried at Seulimum, about 40 kilometers from Banda Aceh, on Tuesday [17 March]. Prof A Madjid Ibrahim was born in Seulimum, Aceh Besar, on 19 November 1926. During his life he was active in the field of education and held several important posts in the government. His career in the service of society began in 1945, when he became editor of the magazine API MERDEKA, which was published in Yogyakarta. He also became a member of the Student Army in East Java. Around 1953 he was chosen to be a member of the Executive Board of the HMI [Indonesian University Students Union]. After graduating from the Faculty of Economics at the University of Indonesia in 1957 he was appointed a permanent instructor at that faculty. Until 1963 he taught at a number of other universities. In 1963 he returned to Banda Aceh and became dean of the Faculty of Economics at the University of Syiah Kuala. In 1965 he was appointed rector of the University of Syiah Kuala. In 1973 he was appointed deputy chairman of the National Planning Board [BAPPENAS] for regional affairs. On 27 July 1978 he was installed in office at governor of Aceh. The deceased leaves his wife, Mrs Rohani, four sons, and one daughter. The eldest is in second year in junior high school, while the youngest child, a girl, is still attending kindergarten. [Excerpts] [Jakarta KOMPAS in Indonesian 16 Mar 81 pp 1, 12]

COL MOKHTAR HARAHAP--The inspector general of the Ministry of Trade and Cooperatives Col Mokhtar Harahap (Judge Advocate General's Corp), 52 years old, on Friday [20 March] at 0740 died at St Luke's Hospital in Houston, Texas, after undergoing a heart operation. The remains of the deceased will be returned to Indonesia and buried on Monday [23 March]. Mokhtar Harahpa became inspector general of the Ministry of Trade and Cooperatives on 8 July 1978. Previously, he had been a member of the MPR for Jakarta and Bandung from 1977 to 1979. He had also been a judge [Oditur Militer Tinggi] in the High Military Court in Bandung from 1972 to 1978. Mokhtar Harahap leaves a wife and four children (two sons and two daughters). [Text] [Jakarta KOMPAS in Indonesian 21 Mar 81 p 12]

SOEMARSO SOEMARSONO--Soemarso Soemarsono, former editor of ABADI, on Friday [20 March] died at the Islamic Hospital in Jakarta after being ill for some time. His remains were buried at Menteng Pulo on Friday. Soemarsono, who died at 53, left a wife and four children, three of whom were sons and one daughter. Since he was a young man the deceased had been active in several Islamic organizations and had been a member of the Students' Army during the independence war. He became a journalist in 1952, beginning at PEWARTA SURABAYA and later became editor of HALUAN RAKJAT, also in Surabaya, in 1955. In 1959 Soemarsono moved to Jakarta, where he was deputy editor of ABADI until the newspaper closed down due to pressure from the "Old Order" [of President Sukarno]. When the newspaper was authorized to be published again in 1968, the deceased became its editor until the newspaper was prohibited from publishing in 1974. The deceased was born in Magetan on 19 August 1928. He wrote a book entitled, "Pengalaman Dalam Tiga Penjara" [Experiences in Three Jails], which

contained his notes on his experiences in going in and out of jail during his life. During the period of the "Old Order" he was jailed in 1963 and released in 1966. He was later jailed in connection with the 20 March 1978 affair. Until the end of his life the deceased was under open arrest, confined to Jakarta. At a memorial service on Saturday [21 March] those attending included Dr Anwar Harjono, Mohammed Roem, and Chudori, the latter representing the Central Executive Board of the Indonesian Journalists' Association [PWI]. They spoke of the courage of the deceased during his life, heedless of risk. The deceased was a fighter who underwent considerable suffering and self-sacrifice, these leaders stated. [Text] [Jakarta KOMPAS in Indonesian 22 Mar 81 pp 1, 12]

IRAWAN DARSAH--Irawan Darsah, who is presently director of Multilateral Economic Cooperation Affairs in the Ministry of Foreign Affairs, has been designated ambassador and permanent Indonesian representative at the UN office in Geneva, replacing Atmono Suryo. Irawan Darsah (50 years old) is a career diplomat. He began his career in the Ministry of Foreign Affairs in 1955. He has served as third secretary at the Indonesian Embassy in Brussels, as second secretary at the Indonesian Embassy in Berne, as first secretary and then counsellor at the Indonesian mission at the UN office in Geneva. Later he was minister counsellor and then minister at the Indonesian permanent mission at UN headquarters in New York. He holds an M A degree in international law from New York University. According to available information Ambassador Atmono Suryo will be assigned to new duties as general secretary of the National Secretariat of ASEAN, replacing Umaryadi Nyotowiyono.

AIR COMMODORE SURYONO HARDJOSUBROTO--The remains of the late Air Commodore Suryono Hardjosubroto, a member of Committee I of parliament, on Wednesday [25 March] were buried at Kalibata cemetery, after having lain in state in the parliament building. The deceased died on Tuesday [24 March] at "Saryanto" hospital, East Jakarta branch, at age 55. He was born in Banjarnegara (Central Java) on 12 December 1926. He became a member of parliament as a representative of Golkar in 1977. During his life the deceased was very active in military affairs, since becoming a member of the Student Engineers Army in 1945 and until he entered parliament in 1977. He was an engineering specialist during his life. He underwent training in Great Britain (1954-1955) to study maintenance of jet aircraft. In 1958 he went through further training in Czechoslovakia in the form of a conversion course in MIG and IL-28 aircraft. He later attended a course in "overhaul" management of jets in Poland (1960). During the 3 years he was a member of parliament he was a member of Committee X (Technical Research) and then moved to Committee I (Defense and Security, Foreign Affairs, and Information). The deceased leaves a wife and four children (one of them a son and three of them daughters). [Excerpt] [Jakarta KOMPAS in Indonesian 26 Mar 81 p 9]

5170
CSO: 4213/58

PERTAMINA DEBT REPAYMENT DISCUSSED

Jakarta KOMPAS in Indonesian 13 Mar 81 p 2

[Article: "Pertanima is Still Repaying Its Debts"]

[Text] Pertamina has been working hard to repay its debts up to the present time. An agreement is expected to be made with the government in this next year for a complete settlement of its debts.

Drs Dicky J. Turner, chairman of the Treasury Subdirectorate of the Pertamina Directorate of Finance presented this information in Jakarta on Thursday [12 March].

Drs Dicky, a former official of the Department of Finance, is now working in Pertamina and concurrently holds the position of special assistant to the Pertamina director. He said Pertamina's debts have been divided into three parts.

The first part covers Pertamina's debt to the Bank Indonesia; the second, its debt to the government, and finally the money owed to a third party.

Pertamina at this time owes the Bank Indonesia a total of about 1.3 trillion rupiah, including 500 billion rupiah in interest while 800 billion rupiah represents the basic debt. The debt includes funds used for Pertamina project development such as the liquified natural gas project, the Cilacap refinery, the pipeline project, and other projects. Some of this debt has been repaid but about 1.3 trillion rupiah are still owed.

Of the amount owed the government since 1974, an estimated 484 billion rupiah have been repaid as of the end of January 1981. Included in this total is the repayment of about $999 million to the Department of Finance which was settled by turning over certain Pertamina assets to the government, such as airfields and buildings.

Drs Dicky did not say how much of the Pertamina debt has been repaid to the third party. However, he said as of 1980 Pertamina had repaid $452 million to banks while another $192 million were deposited through the Bank Indonesia.

These three types of debt cover all the money owed by Pertamina including debts incurred by affiliates of this company.

Drs Dicky said Pertamina debt to the third party is less significant than the money owed the government or the Bank Indonesia. A long-term loan must also be repaid. In the interest of repaying these debts as quickly as possible, Pertamina has repaid a portion of this loan although it does not come due until 1984. The longest loan period is that for the third party loan which runs until 1986.

Questioned about the 1980/81 budget, Drs Dicky replied, the company's operations budget for that fiscal year was $8.1 billion as submitted to the Government Commissioners Council for approval. However, the expenditure budget was estimated at about $7 billion; therefore, there is a surplus of about $1.1 billion. These surplus funds, in addition to being used to finance the investment program, will be used to help repay the remaining indebtedness.

In regard to investments, Drs Dicky said many new projects were still being discussed with the government including the Cilacap refinery, the Balikpapan hydrocracking plant in Dumai as well as the methanol projects in Bunyu and Balikpapan. "Pertamina's current financial policy is limited to investments with the lowest risk," he added.

6804
CSO: 4213/54

AVAILABILITY OF PUBLIC HOUSING DISCUSSED, IMPROVEMENTS NECESSARY

Jakarta TEMPO in Indonesian 25 Apr 81 pp 61-66

[Article: "Housing for Wahyudi and Teacher Sitorus"]

> [Text] A bajaj and pedicab driver is confounded by the electric lights in his new home. Further he is becoming accustomed to living in a flat. The first flats are to be inaugurated by President Suharto this week. But what has been done to date by the government to meet housing needs?

He is a bajaj driver. It had never crossed his mind that he would ever live in a sub-basic house with sturdy walls in a healthy environment in the capital city.

But luck, of course, brings surprises. Wahyudi, 44 years old, born in Pekalongan, moved into his new home at sundown on 1 February several days before the Klender sub-basic complex was inaugurated.

Happily, an elder of the citizen's association in Karet Tenssin, South Jakarta, was the first key to this lucky period. One day he forwarded a housing registration form to Wahyudi. The form was filled out immediately but thereafter the bajaj driver thought no more about it because he knows PERUMNAS [National Housing Corporation] housing was only slated for government workers and ABRI [Indonesian Armed Forces] personnel. That in the end he would be alloted one, that was too much!

Wahyudi was astonished, happy but nervous. Moreover, even now when he speaks of his good fortune, he does so meditatively. "Someone actually did show some interest in me," he mutters.

One can say this has been the experience of almost all of the occupants of sub-basic housing. No one could believe that out of the thousands of houses built by PERUMNAS, a house could be made available for the likes of persons such as they--pedicab drivers, broom sellers, bus drivers, taxi drivers, miscreants.

Such an attitude is understandable, of course, because 75,842 houses have been built in 17 cities in Indonesia since PERUMNAS was established in 1974. However, initially all were purchased by ABRI personnel, Grade I and II government workers, or middle class private individuals. It was only later that poorer people such as Wahyudi were able to purchase these houses.

During PELITA II [second 5-year development plan] the government began to build public housing on a large scale but the results were not readily apparent because not enough houses were built to accommodate the number of persons who needed them, especially in urban areas, and also because the houses that were built were restricted to basic houses (with a minimum floor space of 20 square meters) and simple houses (with a minimum floor space of 36 square meters).

The reach was extended for PELITA III. For instance, 150,000 houses (twice the number built during PELITA II) were planned to be built in the 1979-84 period in 77 cities in Indonesia.

Also housing has become more varied since four-storied walk-up flats and small, sub-basic houses (maximum floor space of 15 square meters) were introduced. The first walk-up flats in Tanah Abang, Jakarta, were inaugurated by President Suharto on Tuesday of this week [21 April]--a symbol of the government's attention to the problem of resettling the lower classes.

The first sub-basic housing was the pilot project in PERUMNAS II Mandala, Medan--occupied since early 1980. Here 401 sub-basic units were built, categorized as 72 units of type D-15, 181 units of type D-12, 148 units of type D-9. A sub-basic complex for Jakarta was built in Klender consisting of 190 units while in Surabaya 318 units were built which well be occupied at the end of this year.

Although the sub-basic house seems very small with its cinder block walls, asbestos [tile] ceilings, and cement floors, occupants view them as far better than their former homes. The average people lived in houses that did not meet sanitary requirements. For the most part, they had no electricity nor was a WC always available and if it was, it was used by several families. Further, the rooms had no windows, the walls were made of woven bamboo, and the floor was hardened earth. Not to mention the arguments with the neighbors.

The situation is different in the new housing, moreover, from what can be observed in Mandala II, Medan, it is far different now that it was when the first occupant moved in. The sub-basic houses were changed to meet the needs and capabilities of each occupant. Pedicab drivers gave priority to building garages for their pedicabs. Some added kitchens first.

Muhammad Nurdin, 49 years old, a pedicab driver, has added a bedroom, a living room, and a kitchen. With a wife and six children, of course, they could not be crowded for long in a 9 square-meter-room.

To make their surroundings more pleasant, the Nurdin family painted their fence and planted flowers, cassava, and corn in the yard. Their cleared land--not extensive, of course, only 60 square meters--is very well taken care of and is attractive

In the Mandala II complex the day begins about 8 am with clean pedicabs ready and waiting in the yard. Several bare chested men are standing there erect and challenging the sun's rays. Young girls come out of the house to discard the garbage in a bin at the edge of the street. Meanwhile Malay songs float out from several houses--and music in the Hong Kong rhythm is also heard. Children leave for school on a public bus at 7 am.

About mid-day, it is rather quiet, but toward evening those who have a TV gather around their sets. It is hard to gain a livelihood, a mouthful in the morning and a mouthful in the afternoon, but this doesn't prevent the people from enjoying a new peaceful life in the sub-basic housing environment.

Also there is a very noticable feeling of solidarity among the occupants. If someone adds on to his house, neighbors on both sides help and, moreover, they have formed a group called the Mutual Aid Society (STM) which, among other things, is responsible for local security. The occupants rotate on evening patrols. The lane chief, although located in a different place, functions like the chief of the neighborhood or citizen's association and rarely has come in to handle problems arising among the inhabitants of the lane. "We can settle them ourselves," Nurdin remarked confidently.

Neverthelsss, there are some limitations here and there. Eng Budi Prabowo, 36 years old, chairman of the Medan PERUMNAS project, is very dissatisfied with this inadequate garbage collection and environmental sanitation, responsibility for which rests with the contractor. Further some occupants are sloppy; garbage is thrown about anywhere. Complaints are also heard that potable water supplied by PAM [Potable Water Company] is limited and has even been turned off completely. Nurdin and his neighbor, Mochtar, were forced to dig a well--meanwhile the bill of PAM water keeps coming.

In the Klender complex in Jakarta, the PAM water supply initially operated smoothly but several days later it became irregular. Wahyudi and his neighbors, in a self-help way, set up a pump. Ten persons paid the 55,000 rupiah cost. But as soon as the pump began working, the expensive water supplied by PAM suddenly flowed again except there was not enough pressure to fill a bathtub.

One complaint has not yet been heard. For shopping, wives do not have to go far There is a market in the middle of the complex. Children also go to the available elementary school, two junior high schools and one senior high school. These were ready when the families moved in. There is a People's Health Center and a few general practitioners have opened offices in the complex.

Since the sub-basic houses in Klender have been occupied for only 2 months, no significant changes have been made in them. At present Wahyudi only plans to save so that he can make his house more attractive later. He is still unable to build a fence, much less add a room. A belimbing [Averrhoa belimbi] tree grows in his yard--a "gift from Mother Tjokro"--meaning Mrs Tjokropranolo, the wife of the governor who assisted in making the area green.

A neighbor, Ahmad Sobirin, 41 years old, an employee of the Special Capital Region Sanitation Service, has just finished building a fence, installing a roof over the outdoor bathroom and is busy building an additional room. He knows his monthly income is insufficient to buy food let alone pay for his monthly instalment, electricity bill, and monthly security fee. Therefore, Sobirin, who has a wife and one child, sells cigarettes in front of his house and at the Taman Mini [mini-garden] on his day off.

Since the sub-basic house in Klender covers only 15 square meters, crowding is inevitable. At first glance from the outside, the houses look like "mini" garden houses emerging from a growth of trees but filled with children. They sit around or race their bicycles through the lanes which are kept neatly. There are volley-ball fields to the south. In back of the houses wet ricefields spread out filled with yellowing paddy. The Pondok Kelapa housing is also visible and is clearly more attractive than the PERUMNAS housing.

The occupants of the sub-basic housing project do not need to envy the people in the Pondok Kelapa housing which was built by a real estate company for wealthy people. Wahyudi, for instance, is happy when he presses the button on the wall and the electric bulb lights, which is hard to understand. "You don't have to use a match to light the lamp," he remarks simply.

In this respect, the man with two children acts like a child in the Medan sub-basic housing complex. Eng Budi Prabowa tells about the children, who several days after they moved in, kept turning the lights on and off. They enjoyed seeing them light up and go out--this moved Budi Prabowo.

However, what Nurdin said is more to the point. "This PERUMNAS house makes me happy," he remarked slowly. "Till now I didn't even think about owning a house. Earlier I rented one room for 15,000 rupiah a month and could have kept on paying rent without ever owning the house. Now I look toward becoming the owner of a PERUMNAS house on the instalment plan."

The rising expectations of these people--as pointed out by Eng Soenaryono Danoedjo, executive director of PERUMNAS--makes even these occupants without any regular income zealous in keeping up their monthly payments. They couldn't be more grateful

However, both sub-basic houses and walk-up flats in Tanah Abang are something new greated with joy--plus an irritation. Not only to those living there--who are higher on the social scale than Nurdin--but also to the people who live around the housing area. The project was built on 4 hectares of land that formerly was a cemetery. Now there are 60 blocs of apartments soaring upward.

Those who live around the project, in the words of a neighbor, are reminded of Taman Ria when they look at the groups of flats, possibly because they see lovely park lights, neatly kept trees, grass growing as well as inviting park benches. The children in particular throng there. They play ball or fly kites there and roasted peanuts are sold there. The project children mingle with children of the surrounding area who roller skate and ride minibikes there.

In the early morning people from the surrounding area walk through these well-ordered areas inhaling the fresh air.

These flats can hold 960 families. Earlier 2,853 indicated they were interested but 1,967 completed and returned the application. Of the total number of families the project can support, 128 were approved during the first phase--as of last week only 30 families had moved in.

What is their impression of the flats?

Mrs Eman and Mrs Sitorus, who live on the fourth floor, say the water pressure is intermittent. Mrs Alex Miraza on the first floor of complex A (built by PT Pembangunan Jaya) has been able to use her gas stove while Mrs Eman in complex B (built by PT Wijaya Karya) is forced to use an oil stove because the gas is not hooked up to the kitchen.

PAM's water pressure was believed to be enough to get water to the top floor because every bloc has its own underground reservoir and two water tanks on the roof. There are no bath tubs because it was felt a "shower"--a shower bath--would be sufficient.

However occupants may install a bath tub. This, among other things, was done by the new occupants soon after moving in. Alex Miraza, for instance, did not wait a long time. He immediately painted, installed an etermit, and even bought new furniture. Eman Siswanto covered the floor of his living room with a green carpet and arranged a cupboard so that it divided the room. This had to be done to break up the open space.

The stairs apparently are a problem for many residents. Mrs Eman (who lives on the fourth floor) admitted that her four children happily run up and down the stairs but she gets very tired. To keep up her strength, she plans to shop once every 3 days. However, in order to be able to do this, one of her first steps will be to buy a refrigerator. A new problem arises as to whether the 450 VA available for each unit will be enough to run the refrigerator.

Mrs Sitorus, a 44 year old teacher, clearly cannot be stopped because of the stairs. She is tired every day but is cheered by the fact that there are two sets of stairs in her bloc (B) while bloc A has only one. "I can vary the climb," she remarks exhaling cigarette smoke.

Most occupants feel at peace in the flats. The concrete walls are thick enough to keep out the sounds of other people's voices. The sun shines through the windows into every room, but rain also comes in freely. To keep it out, PERUMNAS will install awnings on each window.

In addition to being sprayed by the rain, Mrs Eman had a minibike stolen one day. One of her children left the bike down below and someone took it immediately.

How can guests be accommodated in a unit that measures 6 x 6 meters and has only two small bedrooms? "I believe I could accommodate a family with two or three children, but for 2 or 3 days only. If they stayed longer, that would create other problems," remarked Miraza carefully. Other occupants feel the same way.

Apparently it is not always true that transportation to one's job is facilitated by living in a walk-up flat. It's still the same problem for Eman Siswanto. He takes two buses and now adds another ride on a bemo to get to his office in Kemayoran. Sukardi feels he must travel further, and Mrs Sitorus must travel almost the same distance she did before moving. Miraza, of course, is much closer to his office.

But all this is not too bad. What people are really wracking their brains about is where to dry clothes for which few preparations have been made. "The biggest problem is where to dry sheets," Sitorus, the teacher with 22 years experience, remarked.

Actually both the sub-basic housing and the walk-up flats need improvements, The difference lies in the degree of improvements that must be made. In the flats with a floor space of 36 square meters almost nothing needs to be added except room dividers and a bath tub. But Wahyudi, Nurdin, and Sobin must sweat to improve the sub-basic housing with a floor space of 9, 12, or 15 square meters.

Nevertheless sub-basic housing can be equated to simple housing with a floor space of 36 square meters on 60 square meters of land. This is the minimum standard for low-cost housing, meaning housing subsidized by the government.

Because it is calculated that more than 50 percent of urban residents are unable to buy a simple house (their average monthly income is 30,000 rupiah and under), housing experts in both the Department of Public Works and in PERUMNAS concluded that sub-basic housing (with fooor spaces of 9, 12, 15, 20, 21, and up to 33 square meters) should be built. This is still far below the minimum standard of 45 or 50 square meters for this type of housing in advanced nations.

Taking into account the ability to pay of those owning sub-basic housing, occupants in Medan must pay a daily installment of 180 rupiah. In Jakarta the instalment is 270 rupiah per day. Some of the occupants may feel overburdened, "but isn't it hard to find a house like this?" Sobirin said staunchly.

Soenaryono, executive director of PERUMNAS, admits that housing built by PERUMNAS, in many respects, is not free from defects. In Cirebon, for instance, such housing is flooded and many walls are cracked. In Depok some houses have no potable water supply and the same is true for some housing in Medan. In Surabaya housing allocation has not been very orderly.

On the other hand, he also feels some things should not be demanded of PERUMNAS, for instance, repeated demands for housing for two or three wives (this actually has happened), demands for more space but unwillingness to pay the extra cost, the purchase of land with the hope that PERUMNAS housing will be built on it in the future.

He recalled that a mass approach was used for PERUMNAS housing development. There are shortcomings in its implementation. However, a few shortcomings out of the 1,000 good results are normal. "We encounter a strange society," remarked Soenaryono. "If all goes well, there is peace, but there is a loud outcry when there are a few shortcomings.

Alex Miraza, who lives in a walk-up flat, has another outlook. "I am very grateful to the government, particularly to PERUMNAS," he remarked, "because they paid some attention to people who had no houses." He also sees the advantages gained by living in the flat; a person can move up the social scale gradually and the environment is good for growing children and the family.

In general occupants of the flats make intelligent judgments. For instance, they accept the big difference in the amount of the instalment depending on the floor they occupy. The higher the floor, the lower the instalment. (The instalment for the first floor is 61,710 rupiah a month, for the second floor 57,390 rupiah; third floor 53,060 rupiah; fourth floor 48,740 rupiah). Allocation of flats is done through a lottery system.

Two contractors, PT Pembangunan Jaya and PT Wijaya Karya, built the walk-up flats in Tanah Abang. They built 32 blocs and 28 blocs, respectively. Those built by Pembangunan Jaya are visible from afar because some of the outside walls are covered with red brick. The model chosen is called a mushroom flat because each bloc consists of four floors, with four units on each floor, and a central stair well connects each floor. The model selected by Wijaya Karya has two stair wells for every bloc, built in columns of flats rather than in clusters of flats.

The Cortina system, considered a modern system, was selected by PT Jaya. It was imported from Mexico, is more efficient and construction is speedy. For this system "lifting equipment" was imported, that is, special cranes, costing 300 million rupiah. "Conventional methods were used for casting the concrete but it is put up in a modern way," said Eng Ferdinandus, manager of the Pembangunan Jaya housing unit.

But why must such high technology be used? "First, of course, is speed of construction so time is gained. More precision can also be expected; the use of concrete forms makes for more accurate construction than other systems," he explained further.

Did PT Wijaya Karya use its own concept for the concrete panel system? According to Eng Yoyon Mulyana, who was assigned as technical manager for this company, this system was selected because "the foreign system was very expensive." No significant problems arose in its implementation except those regarding the site, which apparently had once been a swamp. "Here we planned to use a pillar foundation but were forced to replace this system with a piling foundation," said Yoyon.

And this clearly affected the cost. Both Ferdinandus and Yoyon said their companies "made no profit" from the walk-up flat projects. Construction costs were estimated at about 1 billion rupiah but were overrun because of increasing costs for building materials.

It is not clear whether PT Hutama Karya had the same problem. This company built four-storied flats on 2.5 hectares of land in Sarijadi, Bandung. They were planned to be finished by May. The project consists of 11 matching blocs (with 32 units in each bloc), costing about 1.25 billion rupiah. Dr P. Sibayang, chief of the subsection for allocation of PERUM PERUMNAS, Bandung, was not prepared to say what the monthly instalments would be but ventured to say that they "clearly would be less than those in Jakarta."

Nevertheless thus far no one has indicated his willingness to live in the Sarijadi flats. "The problem is if one lives on the top floor of the project, one might feel like a pigeon," remarked Yayat Hidayat, who lives in the old-style PERUMNAS housing in Bandung. "It may also be that this is the first time walk-up flats have been available here," Yayat added.

Walk-up flats, of course, are something new in both Jakarta and Bandung. Later this will be true for Medan and Surabaya.

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MINISTER SPEAKS ABOUT URBAN RENEWAL

Jakarta TEMPO in Indonesian 25 Apr 81 pp 64-65

[Article: "With No Satellites, Go Into the Slums"]

[Text] Cosmas Batubara is noted as a minister who travels a good deal around Indonesia. Almost no PERUMNAS [National Housing Company] complex escapes his attention. This April alone his visiting schedule covered seven cities including Banda Aceh and Palangkaraya.

The minister is young (42 years of age), the father of four children, slim and tanned. His darker skin could be the result of his outdoor assignments outside the city, but it also might be the result of playing tennis, usually three times a week.

At first glance, he is no different than anyone else. He is open and smiles readily. Persons close to him, including the executive director of PERUM PERUMNAS, Eng Soenarjono Danoedjo, have their own impressions of him. According to them, this minister is "more Javanese than the Javanese." In other words, the minister, born in Tapanuli, is very refined.

Below is part of the interview given to Isma Sawitri of TEMPO by Vice Minister Cosmas Batubara at the end of last month.

[Question] What is the government's resettlement strategy at this time?

[Answer] At our present level of development we can only formulate a strategy for simple housing for Indonesian families, that is, housing with a 36 square meter floor space, with two bedrooms, a living room which includes a dining area, a bathroom, a WC, and a kitchen. This is the minimum standard in line with available funds.

I am not speaking of an attractive standard--that is another problem. Of course, the housing development concept has been simplified for PELITA III [third 5-year development plan]. But former housing concepts will be continued.

In PELITA II we just had simple and basic housing. In PELITA III we have tried something called sub-basic housing in four cities: Jakarta, Surabaya, Medan, and Bandung. This type of housing is intended for people who have no regular income, of whom there are very many in urban areas.

[Question] Housing construction initially was directed toward opening up new satellites such as Depok, Tangerang, Bekasi, Helvetia, and so on. More recently the government has tried again to rebuild the cities with walk-up flats such as those in the Tanah Abang, Jakarta, area. Why?

[Answer] After we reviewed the situation, we saw that if we continued to build satellites no wet ricefields would exist around the cities. So, for instance, Depok must not be expanded.

Because buildings do not absorb water but rather discharge water. If water from 6,000 hectares is not absorbed, think what will happen during the rainy season when water from the flooded Ciliwung River pours into Jakarta. So let's first give some thought to the higher regions above Jakarta if we want to spare Jakarta. So, in the framework of looking far into the future, we began what is now called urban renewal. In this framework we prepared the Tanah Abang flats.

[Question] What advantages are gained frmm walk-up flats?

[Answer] A number of steps are achieved simultaneously with urban renewal and walk-up flats. If you build a satellite, you must build roads, but if a slum area is upgraded, the government does not need to build roads. If a slum area was frequently flooded in the past, it can be redesigned. For instance, by constructing drainage to keep pools of water from forming. For children who did not have "space" to play in, "open space" is provided for them. If the area formerly was barren, it can be made green. Musollas, mosques, shopping centers, and the reaction of occupants can be studied and thereafter improvements can be made.

Clearly if one just uses common sense, the walk-up flats were a solution not only for overcoming the problem of limited land available in the urban areas but also to facilitate transportation and cut down the "slums."

From another aspect, occupants of the flats must be very well disciplined. As to whether the occupants are or are not, there are two answers: they are or they are not yet. If I had my say, I'd say let's begin to discipline them.

[Question] In their efforts to get land in the urban areas, if I am not wrong, the government ran into the land owners. And the situation became more complicated because these land owners felt they were entitled to receive priority for PERUMNAS housing.

[Answer] If land is needed by those who want to build on it, land owned by others, the matter must be discussed with the owners. For this reason perhaps, the Special Capital Region proposed to begin with state-owned land. In our way of thinking, the problem was that people's lives should be improved. I went through the kampungs around the flats. Housing there was far below standard. If they wanted to improve the environment there, it could be done. The problem here is "desire." If the people do not want to do this, how can the government improve the situation?

Housing priority continues to be given to those who have no houses. In the next phase, the landowners get housing. Mutual desire is important. Details of the problem can be discussed on a case by case basis.

[Question] Is the housing pattern implemented by the government in the same way in all regions of Indonesia?

[Answer] The same way. The types of houses and the land area are the same, because housing is being built and not a house. Housing consists of houses and the surroundings which consist of infrastructure and facilities such as roads, drainage, water, electrictty. The maximum standard for all this is 200 square meters. It is different for a private home. However, a house subsidized by the government is always built using the same standard.

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FISCAL YEAR TRANSMIGRATION TARGETS OUTLINED

Jakarta PELITA in Indonesian 6 Mar 81 pp 1, 7

[Article: "Government Faces New Challenges for Developing Transmigrants"]

[Excerpt] The government faces new challenges in developing transmigrants in resettlement areas compared to those for transmigrants who have already been moved.

From January to December 1979, 13,010 families were moved. This grew to 62,339 in 1980 and during the 2 months and 4 days of 1981 (from January to 4 March), 14,361 families were moved. The 64,000-family "carry over" from the 1981 target of 100,000 families as of 1 April 1981 must be added to this year's total. In the new fiscal year of 1981/82, therefore, 164,000 families must be resettled. The 1 April carry over is far less than the 79,556 families that were carried over as of 1 January 1979.

This transmigration problem was reported to President Suharto on Thursday [5 March] at the Bina Graha by Prof Drs Harun Al-Rasyid Zein, NAKERTRANS [manpower, transmigration, and cooperatives) minister along with Vice Minister for Transmigration Martono and Transmigration Director General Kadarusno.

Kadarusno said the new challenges for this year are more training for specialists in agriculture, animal husbandry, fisheries, and veterinary medicine as well as for graduates of senior agricultural high schools and agricultural technical schools so that they can immediately handle problems arising in the transmigration sites. The period for developing specialists should be cut from 5 to 3 years, better yet if it were cut to 2 or 2 and 1/2 years. When this development period is completed, they will be sent to the various regions involved to develop transmigrants in the new sites.

Meanwhile Vice Minister Martono said the Lampung transmigration project requires special handling since a resettlement area financed through the budget is planned for Lampung as of 1 April.

Four ministers recently made an observation tour of Lampung to study what preparations need be made for resettlement there and to determine how those methods can be applied in other provinces. The four ministers were NAKERTRANS Minister Harun Zein, Agriculture Minister Sudarsono, Research and Technology Minister Habibie, and Vice Minister of Transmigration Martono. They were accompanied by Transmigration Director General Kadarusno.

On that occasion the feasibility of starting an "energy estate" in the transmigration project was studied. Two hundred hectares have been cleared for this estate in the Tulang Bawang transmigration project. The Tulang Bawang energy estate is a pilot project for all the provinces. Here tubers (particularly cassava) will be planted. These will be converted into ethanol. If this pilot project is successful, it will be carried out in other provinces.

The transmigration resettlement target for Lampung is 50,000 families, of whom 5,000 have already volunteered to move to the area and the remaining 45,000 will follow, including 10,000 who will be resettled in 1981/82.

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AGRICULTURAL PROBLEMS OF FUTURE OUTLINED

Jakarta PELITA in Indonesian 4 Mar 81 pp 1, 7

[Article: "Agricultural Sector Will Face Huge Problems in the Next Twenty Years"]

[Text] PERAGI (Indonesian Agronomy Association) members feel the agricultural sector will be faced with huge problems in the next 20 years, particularly with regard to food crops.

The problems facing the country in the coming 20-year period and the measures to be taken to resolve them will be discussed at the second PERAGI Congress and the National Agronomy Conference to be held in Jakarta for 3 days beginning 31 March.

The opinions of these experts were reported to President Suharto on Tuesday [3 March] at the Bina Graha by Eng Ahmad Afandi, vice minister for food affairs and acting chairman of PERAGI, who was accompanied by other executives of the organization, Prof Dr Eng Gunawan Satari, Dr Eng Sjamsoe'oed Sadjad, Eng Soemantri, and Eng Djatiyanto.

PERAGI Chairman Eng Ahmad Affandi said PERAGI's view is supported on eleven counts:

1. The preliminary report on the national census shows a total population of 147.86 million and a population growth rate of 2.34 percent.

2. Half of the gross domestic product (GDP) comes from the agricultural sector and most of it depends on smallholder agricultural units.

3. The 14 million depressed smallholder agricultural units have little capital, little knowledge and technology and management, and use traditional farming methods.

4. These small units consist of arable plots averaging less than 1 hectare; their numbers will increase, and the size of the arable plots will be reduced.

5. More than 60 percent of Indonesia's food is grown in Java which is densely populated and whose arable land continues to decrease with the increasing encroachment of residential developments and allocation of land for industrial purposes.

6. An estimated 12 million economically depressed farmers produce almost all the food (paddy, secondary crops, vegetables and fruits) and they are spurred on to increase food production at the rate of 4 percent per year.

7. The threat of depletion of natural resources has been with us for a long time.

8. The continuing increase in manpower and unemployment, totaling 1.6 million persons per year, causes concern.

9. Non-fossil fuel consumption is increasing at the rate of 14 to 15 percent a year. This is of concern because the supply must not run low in the next 20 to 25 year period, considering that fossil fuel is still expected to play a role as the primary producer of foreign exchange.

10. The organizational and institutional structure of the Department of Agriculture at present continues to use an information system approach.

11. The production, stockpile, and marketing systems are being handled by a variety of agencies. The production, stockpile, marketing, and consumption systems actually comprise a supra system that should be considered as a whole to facilitate handling its various elements intensively to maintain a balance among the elements to achieve benefits in each of the systems.

According to PERAGI, the congress and conference will seek ideas on how to solve these problems. About 400 participants are expected to contribute ideas on formulating new concepts for both micro- and macroagriculture models, based on observation and analysis.

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BRIEFS

ECONOMIC RETALIATION--Drs Sudardji, chairman of Commission VII of Parliament, affirmed that we must "show our fangs" to Italy and France for their sudden halt to importing readymade clothing from Indonesia. When questioned about a response to the Italian and French sudden cancellation of orders for Indonesian-made men's shirts, as reported in PELITA on Tuesday [3 March], Sudardji replied, "We must take another look at our imports from these two countries and then import the same items from other countries." We must cut off items used for development as well as those used for ordinary business purposes which we have been importing from Italy and France and seek them in other countries. We must stop all government imports as well as private sector imports, he added, further clarifying what he meant by "showing our fangs." Sudardji reminded us that Britain had taken the same step some time ago and we retaliated by stopping our imports from Britain. This produced good results for Britain changed its attitude, Sudardji said. We must also be resolute now in confronting Italy and France, he added. The step taken by Italy and France against Indonesia is an indication of continuing conflicts of interest between advanced and developing nations. This is why the nations in the Group of 77 must remain vigilant, Sudardji said. If European Economic Community nations do this, they are not supporting the dawn of world economic peace. [Excerpts] [Jakarta PELITA in Indonesian 4 Mar 81 pp 1, 7] 6804

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INFORMATION ON PRK AND SRV MILITARY UNITS

[The following information was extracted from Phnom Penh Domestic Service broadcasts at 1200 GMT unless otherwise indicated or from Vietnamese press material as indicated. Unit designators and locations are as given. The remarks include a brief summary of the information available in the source.]

Unit	Remarks
317th Gp	Unit members who completed military service in Kampuchea were feted by the 1st Precinct, Ho Chi Minh City on 5 Dec 80 (Ho Chi Minh City 6 Dec 80 p 1)
38th Gp	Serving in Kampuchea. Commended for improved discipline (NHAN DAN 8 Jan 81 p 3)
7708th Gp	A headquarters officer: Lieutenant Colonel Vo Hoang Minh [VOX HOANGF MINH]. This unit is serving in Kampuchea (Ho Chi Minh City TIN SANG 26 Dec 80 p 8)
82nd Gp 4th Bn	Serving outside Vietnam (QUAN DOI NHAN DAN 13 Jan 81 p 2)
Dong Bang Div 48th Regt 52nd Regt 64th Regt 16th AA Machine Gun Co, M.8 Gp	Deputy Division Commander: Le Nong [LEE NOONG]. In 1980 was withdrawn from Kampuchea for intensive training (QUAN DOI NHAN DAN 16 Jan 81 p 3)
7th Plat, 3rd Co, 1st Bn, M.32 Gp	Located at Dum Dam Prey Hamlet, Ta Rop Village, Chuong Prey District, Kompong Cham Province, Kampuchea (QUAN DOI NHAN DAN 6 Jan 81 p 2)
75th Gp, Kampuchea Revolutionary People's Army	This recently activated unit is one of several main force border defense units (Ho Chi Minh City SAIGON GIAI PHONG 7 Jan 81 p 2)

3rd Group, Kampuchea Revolutionary Army	Photos of unit members training meeting with local villagers and reading newspaper (QUAN DOI NHAN DAN 22 Jan 81 p 2)
6th Bn, Vinh Quang Gp	Located in Kampuchea. Deployed on Highway 4 (QUAN DOI NHAN DAN 9 Feb 81 p 3)
H.70 Gp, 5th MR	Photo of unit bridging a body of water in support of VPA forces "performing an international mission" (QUAN DOI NHAN DAN 10 Feb 81 p 1)
2d Battalion, Koh Kong	Statement by commander on achievements made by his unit last year and targets for this year: 6 ha of crops planted, 15 houses built for people, vigilance heightened (12 Feb 81)
First Battalion, Krakor District, Pursat	Helped people in rice planting, house building (14 Feb 81)
86th Battalion of Cavalry Force, Kong Pisei District, Kompong Speu	Station correspondent describing training and building unit. Unit took part in maintaining security and providing food for people. Paramedics also provided medical treatment for civilian patients (17 Feb 81)
12th Co, 3rd Bn, B.32 Gp	Has served and may still be serving in Kampuchea (QUAN DOI NHAN DAN 23 Feb 81 p 2)
72d Battalion of Signal Corp	Station correspondent article on changes in training of cadres and combatants in signal technique (24 Feb 81)
3rd Infantry Regt, 9th MR	Located in Kampuchea (QUAN DOI NHAN DAN 27 Feb 81 p 3)
19th Battalion in Kompong Thom Province	Report on achievements of mass agitation effort (28 Feb 81)
3rd Battalion, Takeo Armed Forces	Newspaper article telling how members of this unit kept themselves fit by drilling constantly and upheld high sense of discipline by emulating with each other in work and combat (9 Mar 81)
8th Battalion of Kompong Cham Province	Successfully built its units. Political and military training were emphasized and stimulated. Presents impressions by Battalion Commander (Yin Hong) (12 Mar 81)

19th Battalion, Kompong Thom Province	Rescued a group of fishermen being robbed by Pol Pot remnants at (Stoeng Cho) 2 km away from Tonle Sap Lake (14 Mar 81)
Kpraf Infantry School	Held meeting to study Defense Ministry's circular on election 11 Mar in presence of school officials (19 Mar 81)
81st Battalion	Statement hailing draft constitution favorably comparing PRK Constitution with early Cambodian constitutions (19 Mar 81)
H.4 Regt	Component of a Corps [Binh Doan] of which Major General Nguyen Chon [NGUYEENX CHOWN] may be a member and which appears to be in the south or in Kampuchea (NHAN DAN 26 Mar 81 p 2)
H.03 Tank Brigade	" " " "
M.64 Artillery Regt	" " " "
Units of 1st Division	Harvested 50 tons of rainy-season rice, bred 21 oxen, 37 hogs and 207 chickens, helped people harvest 80 ha of rice, build 16 houses (28 Mar 81)
23d Battalion of 2d Division	Provided protection of people harvesting rice, helped them harvest and thresh rice. It tended gardens and bred hogs and chickens for own needs (28 Mar 81)
12th Battalion of Kompong Som City	Opened 2-month political study course for cadres and combatants. It planted vegetables and bred hogs and chickens for own needs (28 Mar 81)
17th Battalion of Kompong Thom	Reconnaissance group uncovered and foiled an attempt by Pol Pot remnant troops to steal people's rice in Khar Village, Stoung District, on 12 Feb (28 Mar 81)
23d Battalion	Holding political course for cadres, combatants; helping local people in harvest and reconstruction; tending vegetable gardens for own needs (4 Apr 81)
23d Battalion of 2d Regiment	Article by correspondent on building of units hails efforts by leading cadres to improve units through political education, material care, civic action and gaining people's confidence and support (7 Apr 81)

Battalion 16-A, Svay Rieng Province	Article by correspondent notes successes of unit in sweep operations and mass agitation work in Romeas Hek District (11 Apr 81)
2d Battalion of Kompong Speu Province	Station correspondent article describing encounter with cadres and combatants who praised Commander (Mor Chor) for his excellent performance in leading unit in all operations--sweeps against enemy remnants, mass persuasion work and unit building (18 Apr 81)
1st Battalion of Takeo Provincial Armed Forces	Article describing growth, interviewing provincial forces commander on steps taken by unit to improve itself and become outstanding unit in observing discipline, dealing with masses and conducting operations (21 Apr 81)
5th Task Group, Samraong Tong District, Kompong Speu	Feature telling how (Chea Sat), 34, head of the group, worked in mass persuasion operation trying to win over people misled by Pol Pot remnants. Notes success of his group's effort to make people understand KNUFNS and KPRC policies (21 Apr 81)
Political and Military Training School in Phnom Penh-Dei Eth area	Opening fourth political-military training course for cadres and combatants. In addition to giving training, school also promotes production drive. So far, over 3,500 kilograms of various vegetables were planted; 4 oxen and 25 hogs were raised (25 Apr 81)
2d Battalion of Kompong Speu Province	Made good achievements in mopping up enemy elements and supporting people. Since Jan 81 the battalion captured 35 reactionary elements, seized 112 weapons and helped people to reap 50 ha of rice (25 Apr 81)
2d Battalion of Koh Kong Province	Opened training courses for cadres, combatants to study four documents to strengthen discipline and understand central policy (14 May 81)
91st Battalion of Koh Kong Province	Attending training course, maintaining security and assisting people (16 May 81)

6th Battalion, Kompong Thom Province	Attending political courses, planting crops and raising animals (16 May 81)
9th Battalion in Kompong Thom Province	Article by correspondent depicting development of cadres and combatants (21 May 81)
Vietnamese company of Battalion 30, Chamar Bang District, Koh Kong	Helped four old women from the jungle (23 May 81)

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TEXT OF HINDU INTERVIEW WITH PAKISTAN FOREIGN MINISTER

Madras THE HINDU in English 1, 2 May 81

[Interview with Agha Shahi, foreign minister of Pakistan, by N. Ram at the United Nations on 24 April 1981]

[1 May 81 p 8]

[Text]

QUESTION: Mr. Foreign Minister, in the recent period and particularly since 1977, there appears to have started a process widely welcomed in our countries. A process of normalisation or all-round improvement of ties, on the diplomatic, trade, cultural and other fronts, including sports. And some of the major landmarks after the Simla Agreement appear to be the Salal Dam Agreement, your visits in May 1978 and in 1980.

Meanwhile, there was a return visit by the Indian Foreign Minister. And in November 1980, President Zia advised Prime Minister, Mrs. Gandhi of his "keenness to normalise relations". Quite recently, something seems to have happened to upset this. Coming from India, I see quite a lot of concern over what has happened. How would you place it in this context of what has happened, particularly since 1977?

Answer: Well, we made considerable progress towards normalisation of relations. And this was being done irrespective of the regime in either country. Actually, the movement towards normalisation started in the time of Mrs. Gandhi herself, from 1974-75. I, was then Foreign Secretary and I and my Indian counterpart made an agreement for the restoration of diplomatic relations, resumption of trade, travel. Some of this we have been implementing.

I think there is a totally unfounded fear in India about what is called the 'arming of Pakistan. This is a very unfortunate phrase because it raises the spectre of some fearful shadow falling over India. If you look at it dispassionately, what is this 'arming' of Pakistan?

Arms embargo

You know, from 1965, military aid from the United States stopped. We tried to buy something while they said, 'you can buy spare parts, non-lethal weapons, or supplies'. Then, again, for one reason or another, they clamped down the embargo. And it was lifted in 1975. Even then...we got supplies, because most of our equipment has been of American origin...then came President Carter and he introduced a new arms policy. He said he would not allow new weapons to go into areas where they do not exist. This had reference to our interest in some A-7 aircraft at that time. And then they offered us some other aircraft, F-5 or something.

Then, they made an issue of our agreement with France on the nuclear reprocessing plant. Even though we were bound hand and foot...there was no possibility of cheating, to secrete plutonium. We offered all kinds of guarentees. We said, 'you take away all the plutonium and place it under international control and give us only what we may need' But the U.S effectively sabotaged that agreement. And after some time, President Giscard froze it. That agreement wasn't implemented. So that was used as an excuse for embargo on supplies...even purchases.

What we need is...you understand. You have said in India that you need to replace your obsolete military equipment. I'm sure that every fair-minded Indian would say that Pakistan also has the need to replace obsolete equipment. You know we have some squadrons of F-86 aircraft, which were phased out all over the world in the 1960s. And we are using them,

cannibalising them, and several of our pilots have been lost on account of...we have grounded this. We have the Chinese F-19s, we have a few Mirages.

Suddenly, India felt it must upgrade, replace its obsolete squadrons. And you went in for some 200 Jaguars costing two billion dollars. I believe 40 of them have already been delivered. Well, we were worried, but we didn't raise a furore. You know, any expert will tell you that this is a long-range aircraft which avoids radar by flying low and it carries heavy payloads, and the Americans offered to give you navigation and guidance equipment. We didn't raise a furore. And in our professional military judgment, these 200 aircraft are only good against Pakistan. Because they don't have the range to be a threat to Chinese industrial or military centres. But still still we — since 1978 — have been trying to get some modern aircraft.

Military balance

We have told you repeatedly that we shall in no way enter into an arms race with India. We have no resources to match your build-up, nor do we have any desire to do so. But we do need a certain kind of modern aircraft - of the interceptor type. And whatever we get, given our resources, will be only a fraction...do you think that about three to four squadrons of interceptor aircraft will threaten the security of India when you have 200 Jaguars?

Q.: These will be F-16s/79?

A.: Well, whatever it is. Supposing, they are interceptors, they are not long-range aircraft. Suppose we get a few squadrons of them. Does the military balance which is so much in your favour — get upset? So we ask ourselves: why is India so worried?

Similarly, there are critical shortages in our army...in terms of tanks. We have Chinese tanks and you have T-72 tanks. I told Mr. Rao when I visited Delhi last year (July 1980)... and I met Madam Gandhi and she said they were worried about. I said, 'Madam, why are you to worry about this? Because we are ready to sit with you instead of making these public statements which only confuse'. The laymen in both countries get worried. They don't know what to make of these statements.

What level of forces and armaments from Pakistan will constitute a threat to india should be a matter of professional military judgment — on both sides. So I suggested, 'we can sit down together with our military experts and discuss what should be the level of forces and ratios of armaments. If you feel that Pakistan is a threat anyway, taking into account our total number of forces and defence equipment and location (and similarly your location along our borders and all that), we can be assured we can reach an agreement.

Because we have no intention of going to war with India under any circumstances.

A no-war pact

Use of force is ruled out by the Simla Agreement. Even the status quo in Kashmir is not to be disturbed by military means. We have eschewed the use of force. So this is a no-war pact. What more? You can give it any title you want. But what the Simla Agreement says is a no-war pact.

So we made this proposal in order to reassure India and convince them of our *bona fides*. But India reacted strongly. They said, 'you made this public statement. And this you should not have done'. So I told Foreign Minister Rao, the next day when I met him, I said, 'well, we didn't do this in order to create any propaganda. It was sincerely meant. If you feel you don't wish to discuss this matter, we'll drop this'. But, then, you know that the Indian 'press' about the visit that I had paid. They said they wrapped me on the knuckles.

Q.: But I'm told that that misunderstanding was set right...by a telephone call...

A.: Yes, it was set right by a number of people. They published something to have transpired which did not figure in our talks. So anyway...

Q.: But that was set right, is that clear...

A.: Well, more or less. But, you know, the purpose of the visit was largely undermined. But anyway...now there is a great anxiety in India. I wish to state categorically that Pakistan will never commit aggression against India. We are not for trying military conclusions. You can rest assured that anything we get...naturally, every country will defend itself if attacked, with whatever it has. But we face a difficult situation. You know what the position in the West is.

Supposing even there is a local attack. Well, with what will the local attack take place? It will take place with more modern and sophisticated armaments than we have.

So, if we want to replenish some equipment, this should not be a cause of concern to India.

Now, you're worried that we are going into an aid relationship. I want to tell you categorically we have told the U.S....We think India's fears are so baseless as to be incomprehensible...Nevertheless, we would prefer not to have an aid relationship. We want...

Military sales

Q.: How would you define an 'aid relationship'?

A.: That they, under the legislation, extend to us grant aid. We said, we're interested in economic aid and we want suppliers' credits to go to the manufacturers...

Q.: But it is classified as "security assistance" under their budget...

A.: That is for their own purposes, you see. But if we go to the manufacturers and we arrange the terms of repayment and rate of interest, then all we need from the U.S. is political clearance. But we're told that in the U.S., there's no system of suppliers' credits by the arms manufacturers. We have to go to their loan institutions and borrow money. Which will be 12-13 per cent, I don't know. It keeps changing according to the going rate of interest.

So we are exploring an economic aid and military sales relationship. Not a military aid relationship — meaning grant aid.

Now, I also said, in a public statement before I went to Washington: India got highly favourable terms for purchase of armaments — 17 years' payment, two-and-a-half per cent interest, and 10 years' grace period. We like that the U.S. extend similar terms to us. Then they gave me the answer. They said, "The U.S. administration has no authority to reduce prices"...

Q.: Are you suggesting that prices were discounted...

A.: ...Yes, in your agreement...

Q.: ...Apart from low interest rates?

A.: Your agreement...although on this, I don't wish to provoke a controversy. You may publish it if you like or not...

Q.: We will publish what you say...

A.: No, no, your agreement — 1.6 billion dollars. If the same quantity and quality of equipment were bought in the international market...and considering the terms of payment that you have secured, which are so favourable over the maximum terms that would be available through commercial credits in Europe...we think your deal is worth between six to eight billion dollars. And your Jaguars, you had given out the figure, they are two billion dollars.

Needless worry

Therefore, I ask you: if we, even through these loans which will be a very big burden on us and some economic aid, buy military equipment of the order of two billion dollars in five years...and in five years who knows whether the programme can go through, it is subject to appropriation by the Congress every year...

Will that be a threat to India? You must be fair-minded. So we don't understand why our Indian friends are worried. We pay great attention to their susceptibilities. Mr. Rao is coming to Pakistan.

We are ready. If you think that we're going to arm ourselves to the teeth and become a threat to you, we're ready to undertake an agreement to say that we will not arm ourselves to the teeth.

Q.: A formal agreement?

A.: Yes. We have said we will not seek parity of armaments. We can agree on ratios, a reasonable ratio. You see, if we want to commit aggression against you, we must be militarily stronger than you. So that is impossible.

Q.: Is that the way it has always happened in the past?

A.: Of course. After all, any soldier will tell you...After all, look at all the professional soldiers, this is all very scientific. That a country which wants to attack must commence with a three-to-one superiority. Now after five years, we get two billion dollars' worth of equipment. Does it give us any aggression capability against India?

I want to tell you in reasonable talk. And I'm sure if your military men and our military men were to sit opposite each other, they would at once reach understanding. And your military men will be able to assure your Government that whatever arms Pakistan would be able to get...would not be arming itself to the teeth. And it would never enable Pakistan to try military conclusions with India.

So we ask you to take an understanding attitude. Recently, words have been used to say that the storm clouds of war are gathering...

Q.: You're referring to Mrs. Gandhi's...

Limiting factors

A.: ...What I wish to say is that in Pakistan we have no such clouds. They are peaceful skies. We are ready to enter into a discussion with India to allay mutual apprehensions. Why not try a dialogue? Is it our fault you don't want to discuss with us, you don't want to try a dialogue, and you build your fears on...no basis?

We're not getting into an aid relationship. And secondly, I will tell you...that we have said that our relationship with the U.S. must take into account limiting factors on both sides. To be a durable relationship, they must take these into account.

Limiting factors on our side are: our relationship with the U.S. must be consistent with our allegiance to the principles of the non-aligned movement. This rules out multilateral military arrangements, formal or informal. They...

Q.: For the region, of any kind?

A.: Of any kind. For the region, naturally. We will not be drawn into NATO (laughs) or some such thing!

Q.: Okay.

A.: There is no question of giving any bases. To be fair to the Americans, they have told us that all this talk in the press about a 'strategic regional consensus' does, in no way, represent the thinking

of the Reagan Administration. It is based on ideas put out by various people and press speculation, stories. They said, 'we would never think of asking you to give us bases. Your non-alignment we consider to be important to the peace and stability of the region. And we have admiration for the way you have conducted yourselves and tried to steer the non-aligned movement towards true non-alignment'.

We made it clear to them we're committed to the positions of the Islamic Conference on the Palestine question, on the Middle East. We would not be in a position to support any 'Camp David' or some other 'peace' process. We support the Arab cause. And on the question of Jerusalem, our position is well known.

The U.S. Administration have assured us that they do not want to involve us...or, to use your Foreign Minister's phrase, to be 'sucked into' these things. You see, we want to build a new durable relationship taking into account all these limiting factors. And a relationship consistent with Pakistan's non-alignment, and the positions to which it is pledged as a member of the Islamic Conference.

Gulf's security

We also told them that on the question of the Gulf, we are committed to the Mecca Declaration which says that the security of the Gulf and the safety of its sealanes is the exclusive responsibility of the Gulf States. So we cannot support any proposal put by one superpower or the other superpower for the security of the Gulf. We feel that if the Gulf States guarantee the uninterrupted flow of oil, then all the global interests would be, should be fully met.

And there's no reason for superpowers to come and inject their military presence in the region in order to 'protect' it. Because there will be a danger. If both come in, then there is a danger of confrontation. Or there would be a danger of mutual accommodation over the heads of the regional States...

Q.: Here, unless I'm cutting off your train of thought, it might be relevant to raise this concern with you. Now you have dwelt in detail on your position — as a member of the non-aligned community, as a leading power in the Islamic Conference, your own bilateral relations with India, as you see it. I'd like you — if you will — to sit back and look at the U.S. role in this...looking at its overall record.

You point to Afghanistan. But given the militarisation on the part of the U.S. of the Indian Ocean and Gulf region...regardless of what India or Pakistan might went to do, isn't there a sucking in effect? Isn't there something which is tension-raising?

A.: Not at all. As far as Pakistan is concerned, what the U.S. is going to do vis-a-vis the Soviet Union as far as our position is concerned as to the region of the Persian Gulf, we have a say. We're not a Gulf country, we will support the positions taken by the Gulf States. We are clear about it. And we have been assured in these talks that the U.S. fully respects Pakistan's position as a non-aligned country. They desire nothing more than that Pakistan should strengthen its security interests...

Q.: But does not their military activity, their considerably enhanced and strengthened military activity cause concern?

A.: Considerable military activity where?

Q.: In the Indian Ocean and Gulf region.

A.: You know they have concentrated their forces in the mouth of the Persian Gulf,because of the hostages question. The hostages' question has been resolved. Now we are trying to do our best to bring an end to the Iraq-Iran war.

And we are on public record as saying that the American military presence from the mouth of the Persian Gulf must be withdrawn. We have said that — in the resolutions of the Islamic Conference, in our statements, my statements.

Now, the question of the Indian Ocean had best be tackled under the auspices of the United Nations. There was a proposal for a world conference.

Blow to detente

I'm afraid that the Soviet military intervention in Afghanistan has poisoned the world political atmosphere. It has inflicted a blow to detente and it has retarded the prospects of Strategic Arms Limitation Talks. It has led to the determination on the part of Western countries to (what they call) modernise their theatre nuclear weapons. And so on.

What we envisaged step by step is that if we improve our relations with the Soviet Union, and I said on the basis consistent with our non-alignment, recognising the limiting factor...we will persist in our policy of seeking a political solution of the Afghanistan situation through the intermediacy of the Secretary-General and his Special Representative.

Our position has in no way changed. We came under great pressure from all sides not to undertake a dialogue even on the basis of non-recognition. But we maintain our position. The moment Iran agrees to participate, we will have a bilateral conference...

Q.: Would not that be putting a very 'high', difficult condition, given the attitude of Iran? Couldn't Pakistan take a positive step by itself?

A.: We can take the step through the intermediacy of the representative of the

Secretary-General. If you mean we have to sit across the table, that will not be possible. Why, of course, we do not want to go against the wishes of so many countries of the world which are supporting us. We do not want to isolate ourselves.

But the Secretary-General's representative can go to Kabul, come to Islamabad, practise such diplomacy...

Q.:Which he did recently...

A.:It was only the beginning, and an encouraging step forward has been taken, in that Kabul has accepted the good offices of the Secretary-General.So this can continue. But we feel that it's not impossible that Iran will participate. You must make allowance for the fact that Iran is at war with Iraq, that their whole time and energies are absorbed in this war. That also there is an internal unresolved political situation within Iran. So we've had talks with them. We believe they understand the situation better. But we need to have this communication. We would hope that the Secretary-General's Special Representative will go to Iran.

Meanwhile, there is nothing to prevent him from trying to advance. We would be carrying on a dialogue through his intermediacy and not across the table.

Q.:You think that is quite satisfactory given the present constraints?

Common elements

A.: No, for instance, see what the Islamic Committee of Heads of State. It went to Teheran, it went to Baghdad. It made shuttle trips, came forward with a very good peace plan — ceasefire, withdrawal, the reference of Shatt-al-Arab to a committee. And we provided for observers. We provided for a commission to go into the question of sovereignty over Shatt-al-Arab. A commission to investigate the responsibility for the war. And then a peacekeeping force to ensure the freedom of navigation in Shatt-al-Arab pending settlement of the issue between Iraq and Iran. And we were all ready to come with our forces. We even agreed to earmark them, we agreed on financing.

The result is that although neither side has fully accepted these proposals, both want us to continue with this effort. So we have made very encouraging progress in studying the respective positions and coming forward with something we think is practical and pragmatic and which would bring about a quick end to the war.

There are great possibilities provided the will is there to cooperate, and there is will on our part to cooperate with the representative of the Secretary-General. We have said our stand will be based on the November 20 resolution of the U.N. General Assembly. The Soviet Union doesn't accept the resolution. Well, we don't want to quarrel with that. We will base our stand on that resolution, the Soviets or Afghan authorities can say they take their stand on the May 14 proposal. There are some common elements. Then the Secretary-General's representative would try to bring the positions close.

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[Text]

QUESTION.:So, to sum up. Your position now is that it remains what it was. (Mr. Shahi nods) And has responded to the specific problems of Iran. And therefore you are putting all your emphasis on the Secretary-General's intermediacy or representation through him...

Answer.:Yes.

Q.:And you remain committed to some form of exchange, however indirect, with the Karmal regime as a party, as a political party or a force that has to be reckoned with?

A.:That is being accepted.

Q.:That remains...

A.:That, yes, we will...The point is that without Iran we won't sit at a conference table with the representatives of Babrak Karmal even as a political party. But there is no impediment to a dialogue with the opposite side as representing a political party and ourselves through the personal representative of the Secretary-General.

Q.:You see no obstacle or no impediment brought against this by either the U.S. or the Soviet Union?

A.:I think the encouraging factor has been the Soviet Union has not objected to the appointment of a personal representative. He has been received in Kabul. And we hope he can go with the Secretary-General to Moscow early next month.

And as for the U.S., they know our policy is clear, we have enunciated it publicly. We have stood firm against criticism from various sides — from our closest friends — and we reiterated our policy in my talks in Washington.

Q: Mr. Shahi,let me ask you about another aspect of your Government's policy towards Afghanistan. Recently, Mr. Ronald Reagan made the not very subtle suggestion that the U.S. funnel arms into Pakistan for the Afghan resistance...

A: I was told that it was an off-the-cuff remark. I have made it clear that Pakistan would adhere to its position. We do not want to get involved in this. And there was no challenge to our position. Of course, some Congressmen want Pakistan to commit itself to such a role. You know that the U.S. people speak out freely. But our policy has been accepted.

Q: Would you say your Government considers itself bound by the formulation in the New Delhi non-aligned declaration that has two elements — a call for withdrawal of foreign forces and respect for the principle of non-intervention?

A: Yes. We want the solution to be on the basis of the right of the Afghan people to self-determination.

Q: Mr. Foreign Minister, let me ask you about your reported arrangement with Saudi Arabia...

A: We have a training mission in Saudi Arabia. But they are all engineers, technicians, signalmen and so on. They are there to provide administrative and such types of support. This talk of Pakistan sending a division to Saudi Arabia is false...our relationship will be strictly bilateral and we have made it clear there will be no arrangement with the U.S.

What I said earlier can be given a slight twist, and you have this story! I said that if we could have some financial assistance, we could be more at ease. It was reported (by a Syrian journalist) that I said: "If Pakistan is given upto five to seven billion dollars, we can become the policeman of the Persian Gulf"...We don't want to become a policeman. We want to maintain our independence. If others consider us important to the stability and peace of the area, they are welcome to help. But from us, there will be no *quid pro quo*...

Q: Thank you. If I may take up very quickly specific questions related to what you said earlier about buying arms, about 'legitimate' security concerns and so on. The question has been raised in India...They are cognisant of your argument that it is a move to 'defend' Pakistan...and here comes the grey area. Is it against the possible fall-out of the Soviet presence in Afghanistan? If that were the case, they are raising the question: how important is the task of improving bilateral, State-to-State relations with India.

There is, on the one hand, the reason given which makes your security concern particularly 'pressing' or 'urgent', namely what has happened in Afghanistan. As against that, you have the impact on the military balance in South Asia, specifically between Pakistan and India...

A: I don't think there is any impact on the military balance. I say, let us discuss this question...whether the acquisition of arms on the scale that we have in mind will have an impact. You assume it will have an impact. We don't think it will. So why not let us sit down down across the table and convince each other?

Q.: I have a related question. It is also contended in India that the types of weapons you are seeking are basically offensive in character. They are seen in Indian strategic thinking, even in articles by military personnel, as basically offensive in character. And not at all suited to the 'defence' of your western front. Given the deployment that both countries, for whatever unfortunate historical reasons, have...on your eastern front, isn't there — whatever the intention — a danger of the kind of weapons you are seeking being attracted to this front?

A: We have committed ourselves to no confrontation, to non-use of force under the Simla Agreement. Now, you see the types of weapons we have in mind to purchase, are they offensive weapons?

Q: Yes?

A: This is not so. This again should be a matter of professional military judgment, not what you say or I say. So why can't our experts sit down and see if certain types of interceptors are offensive or defensive. But there's no question your 200 Jaguars are offensive weapons. So India should not be unreasonable and say, "I will have overwhelming offensive capability. Pakistan should not even have some offensive capability" That is one question.

Secondly, I think the difficulty in both countries is that we are only told of Indian power and Indian deployment and you are told only of Pakistan power and Pakistan deployment. There again, I think much is known. Because I think you have all your cantonments along our border. And deployment...much of your strength is known to us. And our strength is known to you.

So the question that you have raised, I think can easily be resolved and fears allayed to mutual satisfaction if there is a sincere...dialogue between us.

Because what is the best policy for a country? A friendly country. I don't want to go into this point. I think we face such an entirely new qualitative situation that we need to make mental adjustments. And the first thing we've got to do is to reassure each other. Because old syndromes are revived and we must guard against this.

Let us talk to each other and convince each other. Because what you possess and what we are going to possess...Will it represent a threat to you? If so, how we can so deploy our respective armaments in order to reinforce mutual assurance.

Q: Could you sketch for us how you see the purpose of the Indian External Affairs Minister's visit to Pakistan? What could be achieved?

A: I think if it contributes to allaying unfounded apprehensions, it would be a great success. And we are ready to talk to him frankly and sincerely, as we've always done.

Q: Mr. Foreign Minister, let me put to you a question which has perhaps been put bluntly before. The question is often raised in India and elsewhere...the U.S. comes to this question of Afghnistan with its own angle, it has a particular set of

policies. Its contention is that the present situation in that region is so "tense", so "special" that "we have to resort to these steps in relation to Pakistan". It is that Pakistan must be built up as a power that will be able to "stand up" to "pressure" or "threat" (or whatever the word) that has arisen after the Soviet Union moved into Afghanistan. The question asked to Pakistan, often bluntly, is: Do you seriously believe you will be able to counter the overwhelming military capability, the power, the deployment of the Soviet Union...

Theoretical fear

A.: This is a purely theoretical question. It is based on theoretical fear. We don't believe that the Soviet Union will launch a massive military attack against Pakistan. Because if it does that, then the situation in that kind of event can precipitate a truly global crisis.

What is relevant is a limited attack. And even that limited attack will be undertaken with much more modern weaponry than what Pakistan possesses. What if MIG-23s attack us? And the scale of the purchase we have in mind is only to meet a local attack. In these days of inflation, how much military equipment does two billion dollars buy? How much does it buy? We have to purchase at market rates...

Q: But we are told that apart from FMS (U.S. Foreign Military Sales) credits, you're also interested in commercial transactions which would be facilitated through other resources. And in that connection you've read the reports about Saudi Arabia...

A: My friend, don't worry about it. Two to three billion dollars over five years is not going to make any difference.

Q: That's the range you're talking about. Thank you.

A: You have already procured 10 billion dollars' worth...Why are you worried about it?

Nuclear weapons

Q.: May I get your thoughts on the issue of nuclear non-proliferation? You have already mentioned the U.S. response, which you considered unwarranted, to your reprocessing arrangement with France in an earlier period. Now, there seem to be common elements in India's and Pakistan's positions. They are rather well known. But there is also talk about developing a 'nuclear strategic capability — on both sides, of course...

A: On your side. Because you're turning to rocketry. You're close to the Soviet Union. You've already put something into orbit. We haven't even started...

Q: Let me ask you this question, Mr. Shahi, if you would care to respond to it directly. You mentioned that reprocessing...When you enter into that arrangement, there is no problem. Now Pakistan has no way of using enrichment, enriched uranium in the near future...

A: Excuse me, we have. We're going to go in for a power water reactor. And all the uranium we can enrich will be barely sufficient for that reactor. Six to eight hundred million dollars...We delayed this because we had some difficulty in raising finances...You know the cost of nuclear power stations has been going up. We have plans for a nuclear power reactor based on enriched uranium. This is what we are going to do.

The U.S. says, 'your programme is a threat, you open it for inspection'. We say, 'don't be discriminating'. They say, 'give us an assurance'. We have given them an assurance that we are not engaged in the manufacture of nuclear weapons, that we are not conceiving aid for this programme from any source. And I even told them that the question of a peaceful nuclear explosion is also not a foregone conclusion. When and if we attain the capability, we will take into account all the various factors. Let us wait and see what the Committee on Disarmament does on peaceful nuclear explosions.

I'm told that the three nuclear powers — the Soviet Union, the U.S. and the U.K. — have drafted a protocol on these nuclear explosions. And the other countries — Argentina, Brazil and others — said: Why should only the nuclear weapons powers have the privilege of carrying out nuclear explosions? So we may have a regime for peaceful nuclear explosions and that is something in the future.

But we do not have a nuclear weapons programme. I challenged Mr. Vance (Mr. Cyrus Vance, former U.S. Secretary of State) and I challenge anybody today: produce any evidence. It's not enough to say, 'you're engaged in this, you're suspected of this'. You have so much intelligence capability. Produce some evidence - before us and the world — that we are engaged in manufacturing nuclear weapons. But if you charge us and accuse us and say we've got money from Col. Qadhafi...it is totally false. I said, 'all right, if we got this money, produce some evidence'.

So, you know, they are making these accusations and I'm sorry to say that in India it is assumed we are engaged in manufacturing nuclear weapons. And, therefore, India must do it.

We're worried now that you're going to carry out some tests. If we don't say anything, it is again not to enter into a controversy. But what have you to fear?

And I can tell you categorically we're not engaged in the manufacture of nuclear weapons. About nuclear explosions, we shall see if and when we get the capability. We will find out what international regime is envisaged. And we have told you we're ready to talk to you, to exchange mutual assurances. If you want, let us agree to

reciprocal inspection — if you don't agree to international agreement. And I say, all right, even without inspection let us engage in a binding declaration not to manufacture nuclear weapons. What more can we do? Short of saying, 'you come and inspect us and you will not let us inspect your facilities'...

Q: Nobody would make that demand, or take that unreasonable position.

A: Short of that what more you want us to do, we're ready to do.

Trade relations

Q.: Thank you. Some disappointment has been expressed in India over the loss of momentum in the development of trade relations, cultural,people-to-people contact, without assigning blame...Let us note the feeling that the inhibiting factors seem to have gained the upper hand. Naturally, people in India look to Pakistan to produce other results. How would you see that? Do you see any specific problems on that front?

A: There are some problems. Because you know we have a nascent industry and certain elements are worried about Indian competition. And we have engaged in a dialogue for a long time and there was a technical team to come from India. But the real difficulty is that there is nothing that India can buy from us, it seems. Except it's bought some fuel oil.

Therefore, this is the problem. But we don't think this should be made into a political issue and a test of our willingness to continue with normalisation. I don't think that this should be brought in. It should be approached on its own merits. And on this, considerable discussion has taken place and there has been considerable meeting of minds. Our contention is that we have 412 items on the, open list for imports. India has a very small list...So there are technical problems.

Cultural and other exchanges have taken place. How many visas...you know the number of people who are going and coming back...15,000 visas are being issued by us...and on your side, you have the figures, they are no less. There was some hitch about this, because India didn't give sufficient foreign exchange to its visitors to Pakistan.

There have been considerable cultural exchanges. These can all be done. But the point is that when the political climate becomes adverse, it has its effect on all that. So the first thing to do is to talk in terms of permanent peace between India and Pakistan.

Again I say you may rest assured there is no danger to India from Pakistan. That anything that we do to build our relationship with the U.S. naturally, we don't want the U.S. as an enemy. I mean, we can't but deal with the superpowers, but we do not want a close embrace...

Ram :Thank you, Mr. Foreign Minister, for responding to these questions in detail.

CSO: 4220/7687

EDITORIAL SAYS FREEDOM IS NEEDED TO FIGHT ANTISTATE ELEMENTS

Lahore NAWA-I-WAQT in Urdu 20 Mar 81 p 3

[Editorial: "Give Freedom to Friends and People Loyal to Pakistan"]

[Text] Just because the patriots of Pakistan are keeping quiet should not be taken to mean that they are weak. Should the integrity of Pakistan be threatened, they will not remain inactive. They love Pakistan above everything else. Politics comes later. These are the words of a distinguished tribal leader, Sardar Mir Taj Mohammad Khan Jamali, of Baluchistan, who said them in Quetta. He said that to meet the threat posed by the activities of the anti-Pakistani elements, all rightwing parties whose activities are banned have been holding talks and very soon will unite and form a common front against them. The unity that Mr Jamali mentions as being under consideration has also been given clear expression by Pir Sahib Pagara, who also spoke of talks regarding the establishment of such union.

The lawlessness and disturbances that took place after the grief-striken victims of revenge established a front in Karachi and the conspiracy plot of the hijacking clearly unveiled its purpose provide all the justification necessary at present to effect the unity of the patriots of the country and the supporters of the ideology of Pakistan. This in itself is a satisfactory thing--that this need is not only felt but that necessary steps and talks are also taking place for its implementation. But freedom of thought and expression are also required to do this, and the ruling party should not further delay reviewing this freedom.

The enemies of freedom and of the solidarity of Pakistan are black thieves (in different colors and styles). Therefore, their way of action can spin around the axes of conspiracy, treachery and terror. So they have chosen to work underground, whereas Pakistan and its patriots, by their nature, are not like this, because loving your religion and country is not a crime that must be expressed and pursued in secrecy. It is a well-known duty that should only be performed in the open.

President Gen Zia-ul-Haq, after attending the welcoming ceremony for the freed hijacked hostages and crew members in Peshawar, told the press that Pakistan is an ideological country and the negation of this ideology should not be permitted. When and how this ban might be implemented, he did not say at that time. There can be no denying the fact that all those people working for the betterment of the state should be, within the bounds of law and ethics, be given a chance to discharge their duty. The uncertainty and terror that the antistate foreign culprits are trying to create, and which the president also referred to, can be effectively countered by patriotic Pakistanis. In this respect, the performance and promptness of the

administrative machinery is such that the hijackers have already struck a full blow and from that the details of their criminal records are now emerging, when they are already out of the reach of the law. Anyhow, with all the antistate activities that their comrades are involved in, besides activating a more active and responsible administration there is another basic need that those people in Pakistan who want to see neither events like those Afghanistan nor conditions like those in Iran should be kept well aware of--the determination and activities of the anti-Pakistan elements. It is an educational type of conscious activity that the patriotic quarters of the country can only perform under freedom of speech and thought. Enemies and traitors have undoubtedly already been unveiled, but to counteract the conspiratorial activities taking place outside the country, it is essential to gain the confidence and help of the sincere and devoted people of this country, and this can only be achieved by creating an environment of freedom, not suppression. The patriotic unity that Mr Jamali has referred to can also come into existence by including it in freedom of movement This unity cannot take place by victimizing both the enemies and faithful under the same restrictions. They can also consider these restrictions as reflections on and lack of confidence in their sincerity and faith. This is food for thought for the president and his associates who are most accountable to the people through their control of the administration of the country.

9778
CSO: 4203/55

PAKISTANI COMMUNISTS, JOURNALISTS ATTEND SOVIET, OTHER RECEPTIONS

Lahore CHATAN in Urdu 23 Mar 81 p 27

[Article by N.R. from Islamabad: "The Presence of Pakistani Reds in the Functions of the Russian Embassy"]

[Text] Islamabad is the national capital, and so all the countries' embassies are located there. Because of this, there are always diplomatic receptions taking place. On occasions such as Independence Day, Defense Day and National Day, when foreign ambassadors are invited to a reception, people from Rawalpindi and Islamabad are also present. At certain diplomatic receptions, "special faces" are seen representing people not only from other walks of life but also lines of federal capital journalists who visit certain embassies late at night in quest of drinks. Certain busy "pretty faces" also seen at diplomatic receptions do not belong to a particular walk of life but are always there at every reception, making contacts with ambassadors, wherever drinks are served.

Dear readers! This week our topic of discussion is the journalists of Rawalpindi and Islamabad and the embassies. A few days ago, the news published in the paper unveiled some journalists of Rawalpindi and Islamabad who were arrested on their way home by the police because they were intoxicated. What happened was that about a week or so ago, a reception took place in the Russian embassy in connection with Defense Day. At that reception, many foreign diplomats were invited and a great number of Pakistani reds participated. There was also a group of journalists whose mecca is Moscow. Some journalists were intoxicated and when two of them were seen weaving along the Islamabad streets, the police arrested them. The Rawalpindi newspapers did not publish their names and so we will not, although they do not deserve any concessions. It is worth noting that although with the exception of the socialist block more or less all the countries including China did not participate in the Russian Defense Day reception because of the Russian invasion of Afghanistan, a great number of Pakistani reds did actively participate. Embassy vehicles were busy transporting communist invitees to and from the airport.

The 'wine loving; journalists' friends struggled to free them. Nevertheless, the government made it clear to them that no one is superior to or above the law. Talking to the newspaper correspondents in the School of the Army Association, President Zia said that every individual was equal in the eyes of the law; they may be journalists, but they deserve punishment if they break

the law. Now it has become known that they have been released. Their fellow journalists have also become careful. Now they will not dare to walk along the Islamabad streets while they are intoxicated. It is worth noting that a few months ago, the government of Pakistan issued a circular requesting that guests, especially Pakistani guests, not be served drinks at embassy receptions. Many countries conformed to that directive, but some embassies totally ignored it and by taking advantage of diplomatic concessions continued to serve wine. Social circles in Rawalpindi and Islamabad have brought these matters several times to the attention of the Pakistani government and have demanded strict action against the defaulters who, for the sake of wine, talk nonsense against Pakistan in front of the foreign ambassadors. The new federal cabinet has been formed and patriotic circles rightfully expect that necessary actions will be taken in this connection.

Faiz Ahmed Faiz's 70th anniversary was lavishly celebrated at the Hilton in Lahore. In imitation, Halqa-e-Arbab-e-Zoq [literary circle] also announced a celebration of Faiz's anniversary in Rawalpindi. The said Halqa-e-Arbab-e-Zoq has been using the auditorium of the Pakistan National Center for quite some time but was not allowed to use it for the Faiz anniversary; so the press club was elected for the ceremony. During that occasion, an employee of the Literary Academy was seen very actively involved. Prof Fateh Mohammed Malik presided over the ceremony. The guest of honor was Mrs S. Faiz. The communists had invited Mrs Faiz as the guest of honor to the Faiz anniversary celebration in Lahore, too. Dr Mohammad Ayub, Prof Sajjad Haider Malik, Prof Khuaja Masud and Sarmad Suhbai expressed their faith in Faiz. Prof Khuaja Masud is a strange character. The news that he published said: "On the occasion of the 70th anniversary of the great poet of the present day, Mr Faiz Ahmed Faiz, a memorial celebration was held at the local press club under the management of Halqa-e-Arbab-e-Zoq." The said newspaper reporter, mentioning Faiz as the great poet of the present and describing the gathering of a few people for a memorial celebration, does not make it known whom he wants to please. In reference to the so-called memorial celebration, let me bring something to the attention of the government. While celebrating Faiz Day, vehicles of the Pakistan National Council of Arts were busy transporting people to the gathering. High officials of the council were present at the airport to recieve Mrs S. Faiz.

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CSO: 4203/56

PAPER WONDERS IF VIOLENCE IS BEING ACCEPTED AS NORMAL

Karachi JASARAT in Urdu 13 Mar 81 p 5

[Editorial: "What Is Happening?"]

[Text] At a time when all the various sections in the country are condemning the air pirates and praying for the safety and security of the hostages, certain quarters inside the country are preaching violence and are trying to prove that the atrocities committed on the hostages conform to the normal everyday conditions of life in Pakistan. We have before us an agenda of the subjects for debate at the NED Engineering College in Karachi. The subject for debate on Wednesday, 18 March, at 10 am is, "Violence Is the Only Solution." The same subject will be debated in Baluchi on Thursday, 19 March, at 10 am. On Sunday, 22 March, at 10 am, the subject debated in Urdu will be "We Are All Hostages." A mere glance at these subjects is enough to point out that the main idea behind these debates is to pave the way for violence and to organize public opinion to favor violence. It is said that the atrocities that the hostages were subjected to were not an out of the ordinary occurrence but a condition of everyday life that we are all undergoing. Therefore, it should not be taken that seriously. We want to know if the preaching of violence is being declared just. In no society in the world, whatever its ideologies and beliefs are, is the preaching of violence permitted. If it was lawful today, then tomorrow looting, mugging, murder and kidnaping would also be declared lawful and schools would open for professional training in these fields. After all, who are these people who are providing all the opportunities to a selected group practicing violence? Will the governor of Sind feel it necessary to attend to it?

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CSO: 4203/55

MOSCOW SENDS RED GREETINGS TO SOCIALIST AGENTS IN PAKISTAN

Karachi JASARAT in Urdu 13 Mar 81 p 10

[Article by staff reporter concerning a letter addressed to former General Secretary of Karachi University Rafiq Patel from Lumumba University]

[Text] Circulation of foreign ideology and support for the influence of a superpower is openly pursued in educational institutions throughout the country. In this respect, student union members are being instigated to bring about communist revolutions and to follow the path of Afghanistan. Recently, literature from a superpower conveying red greetings was circulated among communist agents.

In this context, Mr Rafiq Patel, former general secretary of Karachi University and a so-called progressive, received a message from Patrice Lumumba University in Moscow that says: "Socialist countries' success in economic and political fields, and the national peoples' revolution in the neighboring country of Afghanistan, gave new life to the struggle of the depressed people of Pakistan. We . . . look with respect to the joint struggle of the progressive unions. We understand that the working peoples' front to oppose imperialism and achieve democracy is the most important need of the time." It is worth noting here that Patrice Lumumba University is quite famous for providing a communist education for Asian students from backward countries through scholarships that inspire revolution.

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CSO: 4203/55

CRIMINALS FROM INFLUENCIAL FAMILIES SAID TO GET SPECIAL TREATMENT

Lahore CHATAN in Urdu 13 Apr 81 pp 6,39

[Article by Tanweer Shahid: "Why Do Criminals Belonging to Influential Families Escape Punishment?"]

[Text] It is neither an undeserved compliment or flattery for a person in authority nor a desire to overpraise or placate the current government, but it is a fact to say that since attaining power, President Gen Zia-ul-Haq has taken some steps on political and social levels to eradicate hooliganism in Pakistan. This achievement is undoubtedly praiseworthy. So far, those convicted murderers who have been executed include former prime minister Zulfiqar Ali Bhutto, Ghias-ud-Din, alias Ghiasa, and two of his accomplices, Wajid, alias Pappu, and Naeem Akhtar Shah and various other people. When there was a delay in carrying out the death sentence against the former prime minister, people generally felt that as some big powers and friendly countries had recommended mercy for him, he would not be executed by President Zia. Despite external and internal pressure, however, he did carry out Bhutto's execution. The current government has imposed death sentences against several people for serious crimes. The most recent incident against acts of terrorism, murder and gang robbery involves death sentences for notorious criminals Ghias-ud-Din, alias Ghiasa; Wajid, alias Pappu; and Naeem Akhtar Shah. All three have attained their final destiny. Another criminal member of this gang, Arshad Mahmud, alias Bhola, has also been arrested, and he too is awaiting his end.

Criminals should be punished for their crimes and from this viewpoint these are undoubtedly praiseworthy steps. At this stage, however, many questions of the common people remain unanswered. There are rumors among the people that the government executes only those people who are pursued personally by some high-ranking officials and who are not supported by any strong recommendation that could rescue them from the gallows. According to the people, there is hardly an example in the history of Pakistan when a person of any influential family has been punished for murder. Recently, a high-ranking official's son was arrested for car theft. The comments made by the police in this connection would never have been expected from a responsible institution. Referring to this case, the police said that he is a "spoiled child" of an influential family.

The people involved in the Shabnum case have committed more serious crimes than Ghias-ud-Din and his accomplices. The court ordered death sentences for them, but they are still alive. Why? The perception of the people in this case is

that our spoiled officials play a dual role in the enforcement of law and this perception could be correct.

It is essential to point out here that it is not easy to run the affairs of even a single house. Running a country with a population of about 80 million, while taking good care of its organization and administration based on justice, is much more difficult. The writer does not believe that the responsibility of the delay in the Shabnum case lies solely on the head of state. Surely, this situation is proof of the incapability and moral weakness of the high-ranking officials. It is worthwhile noting here that in an Islamic social structure, the responsibility for injustice or its results after all have to be accepted by the people in authority, especially the head of state. History bears witness that usually the aides and assistants to the head of state are at fault, but it is the head who falls prey to the misunderstandings and suspicions of the people. Hazrat Omar's well-known proverb, which can actually be regarded as the cornerstone of the Islamic governmental structure, is that terror, murder and dacoitism taking place anywhere in the country will have to be answerable by the ruler of the time. Hazrat Omar said, "Even if a baby goat dies of hunger on the banks of Furat River, I swear that God will question Omar as to why it happened."

Therefore, we respectfully request of our president that he investigate those high-ranking officials who are accused of criminal negligence as to why, despite the government's sentence of death, the accused in the Shabnum case have not yet met their fate, whereas Ghiasa and his companions were hanged instantaneously? After all, what is the reason behind this discrimination and criminal negligence?

According to the Islamic justice, Hazrat Ali and the Jews deserve equal treatment and according to the law both parties are liable to conviction if proven guilty. The Holy Prophet rejected the recommendation of his close disciples for Fatima, a woman belonging to a respectable Quraish family of Mecca, and her hands were severed. The Holy Prophet said that he would have ordered the same punishment had his own daughter Fatima committed theft. Therefore, when a criminal is convicted, why is there discrimination between rich and poor and high and low people in the society? Why are the people of high society and capitalists not duly punished for their crimes?

There is a general perception that people of high society avoid law enforcement by dint of their influence and wealth. On the other hand, criminals belonging to a low class or who are unable to approach higher authorites are punished.

This does not mean that attention should be drawn only to the Shabnum case. It is to point out a comprehensive principle. The people involved in the above-mentioned case were from influential and wealthy families. Therefore, there is a general feeling that if Shabnum forgave those people, there were motives behind it that compelled her to do so. The people who asked Shabnum for mercy (or, as it is generally felt, who put pressure on her) were influential people. Thus, an oppressed woman was forced to forgive them. If the criminals of the Shabnum robbery case were from ordinary families and she had granted them mercy, the situation would have been completely different. Therefore, it is not easy

to shed misconceptions caused by this situation. The manner in which the newspapers gave publicity to and advertised the death sentences of Ghiasa and his accomplices is also saddening. Was it not agonizing to see the frightful pictures of the hanged bodies displayed on the front pages of the newspapers? The grief of the common people is that our newspapers did unveil their horrible crimes and gave detailed information about their acts of terrorism and looting, but they failed to tell the public who was responsible for turning a school teacher and educated youths of decent families into murders and dacoits? What were the motives and factors on the basis of which civilized citizens of Pakistan acquired the role of dangerous criminals? Alas! Our newspapers had also pointed out those sinister factors of society that compel youths to commit crimes. The public's question is that after all, who were the criminal and evil-minded people who diverted them towards such terrible crimes against society? What were oppressions and deprivations that gave birth to animosity and revenge in their hearts against the society? It was essential to emphasize these factors, too. Alas! Nobody has ventured to explore the motives that caused these decent youths to be pushed into the dark alleys of crime. If an investigation is made in this connection, certainly there will be some conspicuous individuals who deserve much more punishment than Ghiasa and his accomplices. Will the law enforcement authorities pay heed to this?

9779
CSO: 4203/67

INCREASES IN PRICE OF ESSENTIAL GOODS REPORTED

Lahore VIEWPOINT in English 16 Apr 81 pp 10, 11

[Article by M.A. Kamran]

[Text]

DESPITE administrative measures to keep the prices of essential goods under check, certain items continued their upward march while some showed stability.

According to figures officially available from the Punjab Bureau of Statistics for March 30, rock salt (crushed) had gone up by 25 per cent as compared to the fourth week of February. It was being sold for Rs. 1.25 per kilo. Shakkar and gur had also gone up by 5.3 and 6.7 per cent, respectively, during the period under review. Shakkar was priced at Rs 5 per kg and gur at Rs. 4 per kg. Among pulses, masoor (whole) had shot up by 16.8 per cent and was selling at Rs. 7 per kg and mash (split, unwashed) had gone up by 2.9 per cent.

Similarly, eggs shot up by 30.4 per cent and were available at Rs 7.50 per dozen against Rs. 5.75 per dozen in the last week of February. Potatoes were up by 50 per cent, spinach by 33.3 per cent, peas by 77.8 per cent, carrots 50 per cent, brinjal (round) 33.3 per cent, radishes by 50 per cent and cauliflowers by 100 per cent.

Against this, wheat atta (bag) went down by 2 per cent, desi ghee by 2.9 per cent, grams by 7.7 per cent, gram dal by 13.3 per cent (but it was scarcely available), moong (split, unwashed) 1.5 per cent, sugar desi by 20 per cent, onions by 25 per cent and tomatoes by 11.1 per cent during the same period.

Record increase

Over a year (March 1980 to March 1981), wheat atta (loose) went up by 2.9 per cent, maida by 6.1 per cent, rawa and suji by 4.2 per cent, desi ghee by 10 per cent, butter (Nurpur) by 26.7 per cent and 18.8 per cent respectively, for packing of 200 and 100 grams, rice Basmati by 20 % rice broken by 16.7 per cent, grams by 140 per cent, gram dal by 160 per cent, dana (cattle feed) by 122.2 per cent, masoor (whole) 40 per cent, masoor dal by 75 per cent, mash (whole) b 16.7 per cent, mash (split, unwashed) by 33.3 per cent, mash (split, washed) by 45.4 per cent, moog (whole) by 9 per cent, moong (split, unwashed) by 23.8 per cent,

moong (split, washed) by 27.3 per cent, rock salt (crushed) by 25 per cent, double roti by 33.3 per cent, chicken meat by 14.3 per cent, mutton by 20 per cent, beef by 25 per cent, milk by 16.7 per cent, potatoes by 200 per cent, spinach by 60 per cent, carrots by 27.1 per cent, radishes by 20 per cent, cauliflowers by 77.8 per cent, kerosene oil by 38.9 per cent per bottle and 36.4 per cent per litre.

During this period, maize went down by 25.6 per cent, sugar desi by 33.3 per cent, shakkar by 27.9 per cent, gur by 33.3 per cent, turnips by 15.3 per cent, tomatoes by 28.1 per cent and brinjal (round) by 2.9 per cent.

The prices of mutton and beef stabilised at Rs. 22 to 24 per kg and Rs. 9 to 10 per kg. The controlled price for mutton was Rs. 18 per kg that of beef Rs. 9. Chicken was sold at Rs. 24 to Rs. 32 per kg and fried fish was priced at Rs. 32 per kg and raw fish was also being sold at Rs. 12 to Rs. 16 per kg.

Milk prices also rose in some areas of Lahore from Rs. 3.50 to Rs. 4 per kg on the pretext of cattle feed prices having gone up.

CSO: 4220

BRIEFS

TERRORIST RECRUITING CENTERS -- Government authorities have started working to bring to task recruiting centers that train Pakistanis in subversive and terrorist activities. The authorities are gathering the necessary information. According to reliable sources, the government has been informed about some recruiting centers responsible for training people in subversive activities in the country. In those centers, Pakistanis were being sent abroad on the pretext of taking jobs. In this respect, facts are being gathered about the rest of the recruiting agencies, too, so that it can be proven that Pakistanis were sent to an African country specifically to be trained in subversive activities and so that the necessary action can be taken against recruiting agencies that recruit people for subversive activities. [Text] [Karachi JASARAT in Urdu 25 Mar 81 p 1] 9778

4203/56

OPPOSITION BLOCS FORMING COALITION

Manila PHILIPPINES DAILY EXPRESS in English 1 May 81 pp 1, 2

[Article by Mel Parale and David C. Borje]

[Text]

A NEW umbrella organization of opposition groups which do not share the ideals of the United Democratic Opposition is now being formed to field a common candidate who could give President Marcos a good fight in the June 16 presidential polls.

About 100 opposition leaders supporting the movement will convene in Cebu City on Sunday to work out an agreement.

Prime movers met in an urgent session yesterday in Manila and came up with provisional general principles as starting point for the envisioned political compact.

* * *

ASSEMBLYMEN Filemon L. Fernandez, one of those present in the Manila meeting, said the Cebu convention on Sunday may also pave the way for the reunification of the warring factions of Pusyon Bisaya.

Convention organizers said elements identified with other opposition groups -- notably the Bicol Saro, Nacionalista Party, Mindanao Alliance and the Concerned Citizens Aggrupation -- were set to join the convention.

Andres Corominas, head of the Cebu United Opposition, said a search is on for a common candidate to be drafted by the emerging opposition union to oppose the President in the polls.

Organizers of the movement expressed optimism that they will find the "worthy candidate" before the nomination deadline is over. Under the law, political groups have until May 16 to nominate their candidates.

* * *

THE CEBU convention is expected to be capped by the election of a new set of officers of the strife-torn Pusyon Bisaya, an event regarded by observers as a prelude to the Pusyon reunification and mobilization for the polls.

Vying for the Pusyon overall leadership were Batasan Minority Floorleader Mariano R. Logarta, Assemblyman Alfonso N. Corominas Jr. and Hilario Davide Jr., insiders said.

Former Con-Con Delegate Casimiro Madarang Jr., Pusyon Bisaya chairman, signified intention to stay away from the race.

* *

AT THE Commission on Elections, the ruling Kilusang Bagong Lipunan beat five other political parties yesterday in the contest for submission of complete evidence for accreditation by the Commission on Elections in the June 16 presidential elections.

Under Batas Pambansa Blg. 126 (former Cabinet Bill No. 44), approved by President Marcos the other day, only two political parties or groups shall be accredited in accordance with certain rules embodied in the law.

Because the KBL petition appeared to be supported by evidence tending to show that the party possesses all the relevant factors and standard for accreditation, the Comelec is expected to rule favorably on the KBL petition not later than Monday.

Chairman Vicente M. Santiago Jr. said the poll body, under the law, is mandated to decide any petition for accreditation within three days from the submission of the case for resolution. The three-day period ends on Monday.

* * *

AT THE HEARING yesterday conducted by the Comelec en banc, the five other political parties -- the Nacionalista Party, Pusyon Bisaya, Bicol Saro, Federal Party of the Philippines and the Sovereign Citizens Party -- asked and were granted until Monday to submit documentary evidence for accreditation in compliance with the law.

During the hearing, Commissioners Luis L. Lardizabal and Jaime Opinion questioned the capability of the Sovereign Citizens Party to conduct a nationwide drive.

Opinion remarked that the founder, president and presidential bet of the Sovereign Citizens Party, Lucio Ebraham Hingpit, won only 6,272 votes out of the 7,759,460 votes cast or .80 percent for the Batasang Pambansa seat in the April 1978 election in Region 10 (Northern Mindanao).

CSO: 4220

VIRATA REPORTEDLY FIRST CHOICE FOR PRIME MINISTER

Manila PHILIPPINES DAILY EXPRESS in English 9 May 81 pp 1,6

[Text] Finance Minister Cesar E. A. Virata appears to be the first choice of President Marcos as Prime Minister if the President wins the June 16 elections under the new semi-parliamentary setup.

The possible nomination of Virata was revealed by the President in an interview with ASIAWEEK, wherein he said that Virata is the probable choice as chairman of the Executive Committee, a constitutional body that assists the President in running the government.

Virata is now chairman of the Cabinet Standing Committee, which was created by the President not only to assist him in the exercise of his executive powers but also to train his successor.

The President earlier said the present members of the Cabinet Standing Committee will automatically be members of the Executive Committee. Aside from Virata, the Cabinet Standing Committee is composed of Industry Minister Roberto Ongpin, defense Minister Juan Ponce Enrile, Local Government Minister Jose Rono, Economic Planning Minister Gerardo Sicat and Budget Minister Manuel Alba.

"He (Virata) and the existing members of the Standing Committee will be the ones running the government after I have taken my oath, if I win the election. And that would be after June 30," the President told ASIAWEEK.

The Prime Minister, under one of the constitutional amendments approved in the April 7 plebiscite, shares the executive functions with the President and is head of the Executive Committee.

The President said if he is reelected he will train second and third echelon leaders through the Executive Committee.

"The first mission is to train the second and third echelons of leaders--younger than my generation--while training a group that can immediately take over if, God forbid, anything untoward happens to me," he said.

"These leaders have to learn to be both wise and practical. They have to be politicians as well as technocrats. They have to be wordly as well as fresh and vital. This I consider of primary importance. There must be leaders who

are acceptable to the people, who understand the New Society program, who are incorruptible and hardworking," the President said.

"The Technocrats have to learn to be pragmatic and acquire a common touch," the President said. He noted that Finance Minister Cesar Virata and Central Bank Governor Jaime Laya "are not backslappers. 'They will have to learn," the President said.

He added that "I would like Education Minister O. D. Corpuz to enter politics and participate in developing new leaders."

He said he would like "to draw leaders from the academic circle, and executives from the private sector."

Other points raised by the President during the interview:

--On the opposition boycott: "That's their privilege." But the question that now arises is a constitutional one: Under the Constitution and the Election Code one has to participate in this election in order to be accredited--for 1984 and subsequent elections. How do they get official candidates on a block-voting system, on a regional basis, without accreditation? They will now come before the Batasang Pambansa and ask for special privilege."

The President observed that "apparently, they (the opposition) are now trying to agree to put up a token Nacionalista candidate. If the candidate doesn't get 10 percent (of the votes cast), they will appeal to the Comelec and to the Batasan: 'You must have an opposition party, so you might as well give (the job) to us.' This seems to be the game plan."

ASIAWEEK noted that "in the Chief Executive's view, the oppositions attitude (to boycott) is attributable to rather more basic instincts: fear of losing. Unido's refusal to field a candidate, he claims, is less a moral exercise than an acknowledgement of public opinion surveys that suggest the Opposition's strongest candidate (apparently ex-Senator Salvador Laurel) would get no more than 12 percent of the votes." Marcos said he would get at least 57 percent of the votes.

--On granting general amnesty to all detainees: "It could be disastrous. We'd have to give amnesty to (Communist Party chairman) Jose Maria Sison, to (New People's Army) Commander Dante, to the members of the Communist Party central committee, to those guilty of rape, murder, things like that. I am not ready to give a general amnesty because there are many members of our society who would feel offended if I were to do so."

--On Former Sen. Benigno Aquino Jr. if he decides to return from the US: "He has to answer to the courts. He's already beyond my jurisdiction. I don't know exactly what the courts will do with him. The Supreme Court directed that his case be returned to the military tribunal. I cannot disregard that order.

The President added: "I personally have nothing against him (Ninoy). I'm willing to give him a chance to lead a normal life. As you know, I offered his conditional amnesty and conditional pardon. But he has hemmed and hawed."

--On the Mindanao problem: "We are trying to get a conference going again with Nur Misuari (the MNLF chieftain) through the Islamic Conference."

--On a supposed visit to the United States this year: "I don't know. I haven't been invited. I have not tried to wangle an invitation."

He described the US-Philippines relations as "mutually beneficial and cooperative." "There's an atmosphere of mutual respect. The Americans understand us much better now than they did before."

CSO: 4220

POWER RIVALRY SPLITS NPA, SAYS MILITARY

Manila PHILIPPINES DAILY EXPRESS in English 1 May 81 pp 1, 2

[Text] Camp Olivas, Pampanga, April 30--A rift within the ranks of New People's Army was bared here today by a ranking constabulary official.

Brig. Gen. Vicente Eduardo, PC region 3 commander, said in a press briefing that Rodolfo Salas, alias Commander Bilog, is splitting from the Communist Party of the Philippines.

Eduardo, quoting intelligence sources, told newsmen that Salas was disgruntled over the appointment of Juanito Rivera, alias Commander Juaning, to the top post vacated by captured dissident leader Bernabe Buscayno, alias Commander Dante.

Eduardo said Rivera, the NPA field commander for Tarlac, is senior in the rankings, and Salas is known to be the more ideologue and appropriate replacement for Commander Dante. Salas was third year engineering student of the University of the Philippines before he joined the NPA movement.

Salas, a native of Mexico, this province, was reported to be moving about in some western towns of this province and was believed to be meeting with other dissidents to back him in the power struggle.

Eduardo said the power struggle sort of toppled Horacio Morales, a former professor at the Development Academy of the Philippines who was reported to have been aspiring for chairmanship of the CPP.

Earlier, Defense Minister Juan Ponce Enrile disclosed that Rafael Baylosis, 35, a lawyer and former student leader of the University of the Philippines, recently took over as head of the CCP.

The revamp in the CPP and NPA hierarchy has caused a split in the loyalties of the rank and file of the two organizations according to Eduardo.--MS

CSO: 4120

MARCOS ASSURES ASSISTANCE TO NIGERIA

Manila PHILIPPINES DAILY EXPRESS in English 23 Apr 81 p 6

[Text] President Marcos, assured yesterday the government of Nigeria that the Philippines is ready to extend agricultural technology expertise to Nigeria.

The President gave the assurance to Nigerian Agriculture Minister Ibrahim Gusau, who called on the President.

The Nigerian Minister is leading a mission exploring areas of cooperation in agriculture, particularly rice production, storage, milling and marketing, and fish farming.

Minister Gusau said he was impressed by the strides made by the Philippines in agricultural production, and would like to invite agricultural technicians to help improve his country's agricultural production.

The President, briefed Minister Gusau on Masagana 99, Biyaya ng Dagat, Maisan ng Bayan, fresh and brackish water fishing, supervised credit, and blue farming or sea farming.

The Nigeria delegation included Agriculture Director O. Awoyemi, Fisheries Director B. Dada, Livestocks Director Dr J. David West, Mrs G. Samorin. E. U. Aklang and E. A. Onyiri, charge d'affaires and second secretary, respectively, of the Nigerian embassy.

Present during their call were Agriculture Minister Arturo R. Tanco, Natural Resources Minister Jose Leido Jr., Deputy Agriculture Minister Orlando J. Sacay, and Assistant Agriculture Minister Salvador Escudero III.

Later, the President also received Knut Hammarsjold, director-general of the International Air Transport Association (IATA), who paid his respects and exchanged views on problems facing the air transportation industry. He was accompanied by Philippine Air Lines President Roman Cruz Jr.

Also received by the President was Richard Thomas, president of the First National Bank of Chicago, who informed the President of the increasing investments of his company particularly in copper mining and in the Filipino contracts in road-building in Iraq. Thomas was accompanied by Panfilo Domingo, president of the Philippine National Bank, and Rodolfo Cuenca, president of the Construction Development Corp. of the Philippines.

CSO: 4220

MORO NATIONAL LIBERATION FRONT MEMBERS SURRENDER

Manila BULLETIN TODAY in English 9 May 81 pp 1, 14

[Text] Zamboanga City, May 8--Forty-five leaders of the Moro National Liberation Front (MNLF) from eight provinces in Southern Philippines have surrendered.

They are scheduled to meet with President Marcos and the First Lady of Malacanang tomorrow.

Twenty-five of the surrenderers are from Jolo, Sulu, Basilan, Zamboanga del Sur, Zamboanga del Norte and Tawi-Tawi, while 20 are from Maguindanao and Lanao del Sur.

The surrenderers were headed by "Kumander" Barawir Baranga, chairman of Patikul MNLF Revolutionary command. Barawir headed the revolutionary command after "Kumander" Usman Sali escaped from government troops after his band massacred Brig. Gen. Teodulfo Bautista and his 34 officers and men at Patikul on Oct. 10, 1977.

Among those who surrendered were three foreign-trained MNLF commanders. They are Jelene Janggay, MNLF overall commander in Siocon, Zamboanga del Norte; Aniaman Tanajalan, MNLF chief of the Mindanao Central Intelligence unit and chairman for mass media for the entire province of Basilan; and Kumander Sultan, who headed MNLF group in Lanao del Sur.

The group has a total armed followers of 794. They surrendered 501 assorted high-powered firearms and thousands of ammunition.

In an interview, the MNLF surrenderers said they decided to return to the fold of the law because they were convinced by the tangible accomplishments of the government and its effort to rehabilitate their social and economic conditions.

The surrenderers also said they came to know that the top MNLF leaders who now live in style and comfort abroad have deceived them.

"We now want to live a peaceful life and be useful citizens again," the MNLF commanders added.--Roy C. Sinfuego

CSO: 4220

POSSIBLE OIL FIND REPORTED OFF NORTHWEST PALAWAN

Manila PHILIPPINES DAILY EXPRESS in English 12 May 81 p 10

[Article by Samuel V. Senoren: "Cities Service Excited Over Tara-1 Drilling Off Palawan"]

[Text]

PHILIPPINE Cities Service Inc. may have struck oil in a well called Tara-1 off Northwest Palawan, industry sources disclosed yesterday.

Tara is located in a cluster of oil bearing reefal structures that include Pandan, Matinloc, Cadlao and Libro. It is closest to Libro which flowed 1,100 barrels of oil per day in July last year.

According to sources, Cities Service drillers were excited about a new find because of strong indications of an oil presence as the well went to its final depth of 7,107 ft.

Confirmation of the new strike was to have been made over the weekend when drillers were scheduled to conduct a drill stem test (DST). The first DST however was not successful due to some technical difficulties.

Cities Service drillers are now preparing to conduct a retest of the first DST.

* * *

THE DST will determine the properties of the rocks penetrated by the drill bit. Succeeding DSTs would enable to determine the flow rate and quality of newly discovered oil.

Sources say an oil discovery in Tara is not surprising since the well is still in an area that's considered an oil province stretching for about 50 kms. nearly parallel to coast of Palawan.

Tara is being drilled by a consortium of oil exploration companies led by Cities Service and composed of Basic Petroleum, Landoil Resources, Oriental Petroleum, Philippine Overseas Drilling and Husky Oil of Canada.

Hopefully, it could become the first oil find for the year. Last year, exploration companies made three discoveries. These were Pandan-1, Libro-1 and S. Pandan-1 which were all drilled by Cities Service.

The three oil discovery wells were among 21 wells drilled by service contractors throughout 1980.

* * *

THIS year, service contractors have committed to drill a total of 27 wells – seven onshore and 20 offshore.

Aside from Tara, three other wells are in various stages of drilling operations. They are:

- Caverna-1 – Amoco has resumed drilling and the well has reached a depth of 2,750 ft.
- Cowrie-1 – Total exploration drilled down to a depth of 4,477 ft. Preparations are underway to perform a DST to fully evaluate the engineering properties of the rocks penetrated. Target depth is 5,500 ft. although total may decide to drill further down.
- Galoc-1 – Cities Service has resumed drilling after conducting a suite of wireline logs. The well is now at 8,070 ft. out of a target depth of 12,500 ft.

CSO: 4220

STATUS OF MEDICAID PROGRAM FOR INDIGENTS

Manila PHILIPPINES DAILY EXPRESS in English 9 May 81 pp 1,6

[Text]

TACLOBAN CITY, May 8 -- The innovative Kalusugan sa Bagong Lipunan medical aid project has grown nationwide, the First Lady and Human Settlements Minister Imelda R. Marcos was informed here today.

Mrs. Marcos flew here this morning for a visit to this city and her hometown Tolosa. She was welcomed by local officials and civic leaders upon her arrival.

In a progress report, the First Lady was informed that starting with 43 MARCOS clinics in Metro Manila, the project now has 390 mobile teams in all parts of the country. MARCOS stands for Medical Assistance for the Rural Communities and OtherSectors.

* * *

THE PROJECT was launched last May 1 on the occasion of the First Couple's 27th wedding anniversary. It provides free medical treatment and medicine for the poor. President Marcos has set aside P150 million for the program.

The report said more than 2,000 doctors and nurses and 7,000 support staff have volunteered their services for the success of the project which delivers one of the 11 basic needs of man.

The MARCOS clinic in Tacloban City treated more than 489 people during its opening yesterday. Estimates are that it will exceed that number today as more people lined up for treatment and free medicine.

* * *

MARCOS clinics are also operating in the towns of Palo, Tanawan, Tolosa and Maras-Baras in Tacloban.

Upon her arrival at the airport, Mrs. Marcos proceeded directly to downtown Tacloban to inspect the progress of work on the Shrine of the Sto. Nino Heritage Museum which is nearing completion. The shrine and the imposing People's Center and Library for Leyte and Samar nearby will be inaugurated soon.

From Tacloban Mrs. Marcos motored to her hometown Tolosa. Her arrival was cause for rejoicing by the 15,000 residents who are celebrating their town fiesta. The First Lady is the town's most illustrious daughter.

* * *

MRS. MARCOS, who maintains a house in barrio Olot near the town proper, prayed in the town church and later mingled with her townmates in a seaside pavilion.

She also visited the memorial grounds of the Romualdez family where her parents, a brother and a stillborn son are buried.

The hermano mayor of this year's celebration, in honor of St. Michael Archangel, is Daniel Andrew Gomez Romualdez, a son of Gov. Benjamin Romualdez.

* * *

TOLOSA, named after the Spanish town of Tolouse, became the base of American liberation forces after the Battle of Leyte Gulf in World War II.

It was also in the town's barrio Tanghas that the famed American composer Irving Berlin first presented his famous composition "Heaven Watch the Philippines" to a Filipino-American audience led by the late President Sergio Osmena, Sr.

Mainly through the efforts of the late Speaker Daniel Z. Romualdez, and later of the First Lady and Governor Romualdez, Tolosa has become a model community in Leyte, winning prizes in cleanliness, beautification, and community development contests.

CSO: 4220

GOVERNMENT SPEEDS UP MINDANAO DEVELOPMENT

Manila PHILIPPINES DAILY EXPRESS in English 2 May 81 p 2

[Article by Norbi Edding]

[Text]

THE GOVERNMENT believes that the Mindanao problem cannot be solved by using guns, bullets and grenades but by operating tractors and road graders and setting up factories.

It believes that lasting peace can be attained in strife-torn Southern Philippines if its people are given not just the promise but the reality of a better life.

And that is why the government is undertaking a massive social and economic development program in the South which is being administered and supervised by the Southern Philippines Development Authority.

* * *

ACTUALLY, the government had been carrying out a development program in Southern Philippines even before trouble broke out shortly after the declaration of martial law.

Many of the development projects had to be suspended because of the fighting but since the ceasefire declared in December 1977 in accordance with the Tripoli Agreement, these projects have been resumed.

The Southern Philippines Development Authority, which is supervising these projects, was created on April 22, 1975. At that time it was known as the Southern Philippines Development Administration. Presidential Decree No. 1703, issued on July 26, 1980, revised the SPDA charter and changed the word "Administration" to "Authority."

An indication of the importance being given by the government to SPDA is the fact that no less than the First Lady, Imelda Romualdez Marcos, was appointed by the President as its chairman.

* * *

THE SPDA has a capital stock of P500 million and a P2-million yearly outlay for operating expenses.

The SPDA took over the functions of four agencies which were abolished: the Mindanao Development Authority (MDA), the Commission on National Integration (CNI), the Presidential Task Force for the Reconstruction and Development of Mindanao (PTFRAD) and the Special Program of Assistance for the Rehabilitation of Evacuees (SPARE).

* * *

THE REASONS for the creation of the SPDA are:

- To hasten the balanced growth of Southern Philippines and thus promote national economic, social and political stability.
- To sustain the development of the region, relying heavily on the capability of the people in the area to participate in the development effort.
- To make the region more responsive to national plans and policies within the context of national solidarity.
- To serve as the government agency responsible for starting and carrying out development projects in Southern Philippines.
- To promote lasting peace in Southern Philippines through a development program which would make the fullest use of resources, open new jobs, increase business and technical efforts and supplement the efforts of the private sector.

To these ends, the SPDA is undertaking development and business projects in agriculture, power, infrastructure, energy, public utilities, land development, manufacturing, exploration, use of natural resources and other fields and is making investments in various ventures.

CSO: 4220

FRG GRANTS LOAN FOR HOUSING PROGRAM

Manila PHILIPPINES DAILY EXPRESS in English 9 May 81 p 2

[Text]

THE GOVERNMENT'S low-cost housing program recently received a timely boost with the granting of a loan amounting to P445 million by the West German goverment.

Most of the amount will go to the National Housing Authority's Dagat-Dagatan II A/B project in Tondo.

Over 3,000 squatter families are beneficiaries of the project which is principally aimed to solving the displacement to be created by the establishment of the Manila International Port project in the area.

The loan, which was formalized by Finance Minister Cesar Virata in Frankfurt, West Germany, was extended through the Kredistanstalt Fuer Wiederaufbau (KFW), the West German government's principal development finance agency, with the National Housing Authority as project proponent.

* * *

GAUDENCIO TOBIAS, NHA general manager, said that the KFW loan to the Philippine government is a significant development in the country's housing program as undertaken by the First Lady and Human Settlements Minister Imelda R. Marcos since it marks the recognition and acceptability of the country's low-cost housing programs by international finance institutions outside of the World Bank, the traditional fund source.

Tobias also said that the West German government's assistance is founded on socially-oriented concessional terms which carry a 2 percent per annum interest only.

Total repayment period is 30 years and will be completed in year 2011.

* * *

MEANWHILE, the Ministry of Public Highways said yesterday that it has embarked on a P345-million infrastructure program in the Visayas and Mindanao that includes farm and road projects.

Highways Minister Jesus Hipolito said part of the money for the projects came from the Asian Development Bank which gave a $30-million loan to the government.

Hipolito said that all national roads in the islands of Panay, Palawan, Masbate, Marinduque, Tablas and Mindanao will be widened and asphalted under the project.

Construction starts next year and will be completed in two years, he added. A total of 1,201 kilometers of asphalted major and secondary roads in these areas will be improved, Hipolito said.

Feeder roads, irrigation systems and bridges in Mindanao and Visayas region will also be put up by the MPH to help farmers increase the harvest, he said.

CSO: 4220

BANKS PLEDGE 1 BILLION ₱ TO HOUSING PROGRAM

Manila PHILIPPINES DAILY EXPRESS in English 7 May 81 p 6

[Text]

THE FIRST LADY and Human Settlements Minister, Imelda Romualdez Marcos, paid tribute Tuesday to the social conscience of Filipino businessmen which she said has provided the breakthrough in the solution of the once formidable housing problem.

The First Lady made the observation in a speech at commitment ceremonies marking the Chamber of Thrift Banks' participation in the government's social housing program, held at the Philippine International Convention Center.

Mrs. Marcos said the decision of the private sector, through the Chamber of Thrift Banks, to participate in the government's housing program has given the people, particularly those in the low-income groups, an opportunity to own homes.

SHE SAID: "This is the substance of your commitment to provide up to one billion pesos for the secondary mortgage market through the Bahayan certificates program. With your one billion combined funds backing up primary mortgages, housing credit becomes easier to obtain at affordable interest rates and with the stretched out repayment schedules that sufficiently bring down amortization rates to the reach of the workers."

Under the agreement, the Chamber of Thrift Banks, composed of the Development Bank of the Philippines, Savings Bank and the Savings and Loan Bank, agreed to buy P1.1-B worth of Bahayan Mortgage Certificate of Participation from the National Housing Mortgage and Finance Corp., an agency of the Ministry of Human Settlements.

CSO: 4220

GROWTH OF FOOD, FISH PRODUCTION NOTED

Manila PHILIPPINES DAILY EXPRESS in English 29 Apr 81 p 16

[Text]

In the past decade, the economic face of the country has improved significantly, as the major industries constituting the Philippines' Agricultural and Fishing Resources have shown remarkable changes.

Since 1974, the combined productions of food crops and fish have grown at an annual rate of 5.3%, resulting in the country's self-sufficiency in rice as of 1975, and the Philippines' becoming a rice exporter in 1978, where previously the Philippines had been importing rice. This reversal was made possible through the support given these industries by government and private financing and technological institutions.

The Philippine Sugar Industry has generated millions of dollars in earnings, thus contributing to the National Treasury through the exportation of more than half of the industry's annual production to the world market. Credit for this development is due the banking institutions, both private and governmental, which have totally subsidized the sugar industry.

The Coconut Industry has earned over a billion dollars in the past year as the leading supplier of coconut products in the world market, making the Philippines the top foreign exchange earner for the fourth consecutive year.

After its subsidy was scrapped in 1973, the Virginia Tobacco Industry today subsists on its own, generating some P2 billion annually. It employs 12,000 people while 14,000 more are engaged in planting, selling and re-drying

During the decade of the Seventies, the volume of fisheries production had an annual growth rate of 5.4%. Keeping up with the developments in agriculture, the fisheries production continues with an annual growth rate of 22.1%.

The Philippine Fertilizer Industry has played a major role in the country's food production programs, providing the agricultural sector with the required input to improve the productivity of the soil and to maximize farm production

CSO: 4220

BRIEFS

LOAN FOR GAS FIRM--Singapore, May 11 (AFP)--A Philippine company manufacturing medical and industrial gases has procured foreign currency facilities amounting to about $9.5 million for its expansion program. An agreement for a credit of $4.98 million and another $4.5 million loan was signed in Hongkong today by Consolidated Industrial Gases (CIGI), a Filipino-Australian joint venture and the Singapore-based Private Investment Corporation of Asia (PICA). According to a PICA announcement here, the suppliers credit facility of $4.98 million is guaranteed by PICA and partially counter-guaranteed by Bank of America, Bank of New South Wales, Barclays Bank International Ltd. and Banco Urquijo. The $4.5 million eight-year loan is provided by Bank of America, Australia-Japan International Finance Ltd.,-Bank of New South Wales and Chemical Bank. In addition, CIGI has also secured a P50 million term loan facility provided by the Philippine-American Life Insurance Co. The announcement said the funds will be used for CIGI's current expansion program, costing approximately P150 million, to meet the growing local demand for industrial liquid nitrogen. [Text] [Manila PHILIPPINES DAILY EXPRESS in English 12 May 81 p 10]

RICE HUSKS FOR ENERGY--Rice husk or the lowly "ipa" lying in waste in various parts of the country may yet prove to be another major source of nonconventional energy. Fifty per cent of 1.5 million metric tons of the 2.5 million metric tons of rice husk produced in the country annually (based on 1980 figures) is convertible to energy equivalent to that generated by 2.4 million barrels of oil, government sources said. At current prices of oil, this could mean a savings of $83 million a year in oil bills. The National Food Authority (NFA) said the potential of rice husk as an alternative energy source has been confirmed through its successful utilization in NFA's Southern Philippines grains complex in Tacurong, Sultan Kudarat. The NFA said that during the past few years, rice husk has been the fuel of the grains complex's power plant which is capable of producing 1,200 kilowatts of electricity. Aside from supplying electricity for the complex's milling and related operations, the SPGC power plant also sold electricity amounting to P70,000 a month to nearby towns before the installation of the Maria Cristina power lines, NFA officials said. The NFA said that other power plants in the country could also utilize rice husk as fuel-source in the wake of skyrocketing oil prices. (AML) [Text] [Manila BULLETIN TODAY in English 11 May 81 p 36]

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16 June 1981

South and East Asia Report

No. 1015

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No. 1015

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PAPER REPORTS ZIA'S ACTIVITIES IN DAMASCUS

Talks with Al-Asad

Dacca THE BANGLADESH OBSERVER in English 5 May 81 p 1

[Text] Damascus, May 4:--Bangladesh and Syria on Sunday struck uniformity of views for further consolidating the solidarity of the Islamic countries and also close cooperation among them in resolving the Middle East problems and facing economic challenges reports BSS Special Correspondent Hamiduzzaman.

The visiting Bangladesh President Ziaur Rahman and Syrian President Hafez Al Assad held formal talks lasting over two hours at the presidency here on Sunday evening and agreed that the core of the Middle East problems lay in the illegal Israeli occupation of Arab and Palestinian territories including Jerusalem.

The two leaders stressed that united and concerted efforts by the Islamic countries were a paramount need of the hour to solve the problems.

After the talks Bangladesh Foreign Minister Prof. Shamsul Huq told the accompanying newsmen that the two leaders also expressed great anguish and concern over the fratricidal conflict between the two brotherly Islamic countries--Iran and Iraq which is diverting the attention from the major problems of the Middle East. Besides it is also undermning [as published] the unity and solidarity in the rank of the Islamic countries.

The two sides reviewed their bilateral relations and decided to set up a joint Foreign Ministers level committee to be supported by appropriate experts for further deepening and diversifying cultural and technical fields.

President Hafiz Al Assad and Madami Assad have accepted an invitation from President Zia to visit Bangladesh Prof. Huq said.

During the meeting the two leaders also reviewed regional and international issues.

President Assad characterised the visit of Bangladesh President to Syria as a historic landmark in the development of brotherly relations between the two countries.

Reciprocating, President Zia paid tributes to President Assad for his courageous and dynamic leadership in the struggle of the Islamic world against Israel.

Prof. Huq said the meeting was held in a friendly and cordial atmosphere.

Bangladesh President was assisted in the meeting by Foreign Minister Prof. Shamsul Huq, Adviser to the President Dr. M. N. Huda and Additional Foreign Secretary Mr. Ataul Karim.

The Syrian President was assisted, among others, by Deputy Premier and Minister for Foreign Affairs Mr. Abdul Halim Khaddam.

President Ziaur Rahman on Sunday afternoon placed wreaths at the cemetery of martyrs dedicated in memory of those who laid down their lives in the struggle against Zionism in the outskirt of the city.

Wide Coverage

Meanwhile, the Syrian news media on Sunday gave wide coverage of President Ziaur Rahman's visit to the Syrian Arab Republic.

All the four major dailies including the English language daily the SYRIAN TIMES published photographs of President Zia and carried lead items welcoming the honoured guest. The Arabic language daily AL THAWRA carried a front page editorial on the visit of President Zia to Syria. The editorial describe [as published] the Bangladesh President as a prominent leader of the Third World and praised his leadership as a member of the summit level sub-committee on Al Quds.

The radio and television also put on special programmes on President Zia's visit here.

Message on Departure

Dacca THE BANGLADESH OBSERVER in English 5 May 81 p 1

[Text] Damascus, May 4:--President Ziaur Rahman was accorded a hearty send off when he left here this morning ending a two day visit to Syrian Arab Republic, reports BSS.

President Zia accompanied by his host President Hafez Al-Assad drove in a ceremonial motorcade from the State Guest House to the airport, 15 miles away from the city.

President Zia who was accompanied by his wife during the visit took salute from a smartly turned out regiment of presidential guards while the national anthems of the two countries were played. The two presidents then inspected a guard of honour.

President Assad escorted President Zia to the presentation line which included members of the Syrian cabinet, ruling party leaders and diplomats.

The two Presidents embraced each other, before President Zia boarded the special plane.

In a farewell message from the aircraft on way to FRG President Zia felicitated the Syrian President and the people for the warm hospitality they had shown to him, his wife and members of his entourage. He also wished continued progress of the brotherly people of Syria.

CSO: 4220/7759

TEXT OF PRESIDENT RAHMAN'S DAMASCUS BANQUET SPEECH

Dacca THE BANGLADESH OBSERVER in English 4, 5 May 81

[Article by Fazle Rashid]

[4 May 81 pp 1, 12]

[Text] Damascus, May 3:--The tenor of banquet speeches tonight by Bangladesh President Ziaur Rahman and Syrian President Hafez Assad was similar excepting for the fact that President Zia in his speech touched upon the crisis in Afghanistan while the host made no reference to it.

President Assad regretted the absence of many-sided relations between Syria and Bangladesh but he hoped President Zia's visit would serve as a prelude to developing friendship and expansion of avenues of cooperation.

Mr. Assad said Islam was a powerful link and principles of Non-alignment is our common guide.

The Syrian President expressed gratitude for President Zia's stand on Middle East. He lauded his initiative in building a modern Bangladesh and strengthening ties with Islamic countries.

President Assad expressed grave concern at efforts at partitioning Lebanon and Israeli domination over it.

President Zia said Muslim world is passing through its most critical phase. The brotherly peoples of Iran and Iraq are tragically engaged in fratricidal armed conflict. Continuing crisis in Afghanistan is yet another cause of our great concern.

President Zia reiterated the urgency of an immediate solution of the crisis through withdrawal of all foreign troops from the soil of Afghanistan and creation of conditions in which the people of Afghanistan would be left free to determine their destiny.

BSS adds: President Ziaur Rahman today called for global cooperation to tackle effectively the chronic problems stemming from the state of under development of the Third World countries.

Bangladesh President reiterated the urgent need for restructuring the system leading to the establishment of a New International Economic Order based on equity and justice in the interest of an enduring world peace.

President Zia who is now on a two-day official visit to Syria at the invitation of President Assad said Bangladesh valued greatly the friendship with the brotherly people of Syria, which was rooted in shared history, religion and values and common aspirations. As a natural corollary, the pace of development of the relations between the two countries must be accelerated for the mutual benefit President Zia said and hoped that his current visit would initiate a process for rapidly expanding relations in all fields between Syria and Bangladesh.

He recalled that as fellow members of the Organisation of Islamic Conference and the Non-aligned Movement Bangladesh and Syria were cooperating in various forums for unity and solidarity among the Islamic and the Non-Aligned countries.

President Zia said that decisions adopted at the third Islamic Summit meeting in Mecca and Taif and the historic Mecca Declaration presented new charter for the entire Islamic world and provide a blue print of increasing co-operation among the Islamic countries and also between Islamic and other countries that shared the Islamic values of justice, equality human dignity and universal britherhood [as published] of mankind.

He reiterated Bangladesh firm conviction that an enduring peace in the Middle East could be established only on the basis of total and unconditional withdrawal of Israel from all Arab territories including the holy city of Jerusalem and the restoration of the legitimate rights of the heroic peoples of Palestine including their right to an independent state in their own homeland.

The President denounced heinous Zionist attempt to annex the holy city of Jerusalem as its "eternal and undivided capital" as illegal and invalid. He also condemned the Zionist attempt to annex...the Galan feights [as published] in utter violation of ethics morality and all canons of international law. He appealed to the international community to stand unitedly against the decision of Zionist regime and force it to vacate the agression [as published] by restoring the Golan heights to Syrian sovereignty.

Zia's Speech

Following is the text of speech delivered Sunday night by President Ziaur Rahman at the baquet [as published] hosted by President Hafez Al-Asad:

"Your Excellency, The President of the Syrian Arab Republic,

Madame Hafez Al-Assad, Excellencies, Ladies and Gentlemen,

Assalamu Alaikum Wa Rahmatullah Wa Barakatahu.

We are, indeed, very happy to be in the midst of our esteemed friends and brothers of the Syrian Arab Republic in the historic city of Damascus. I bring with me the warm greetings and best wishes of the people of Bangladesh for the brotherly people of Syria.

We are deeply touched by the heart warming welcome and generous hospitality accorded to us. On behalf of my wife, members of my entourage and also on my own behalf, allow me Excellency, to express our most sincere thanks for this fraternal welcome and gracious hospitlity. [as published]

Excellency,

We have been watching with great admiration the rapid strides made by the Syrian Arab Republic under your able and dynamic leadership in all fields. Your brave and tireless efforts for the cause of the people of Palestine have won for you the high esteem of the Muslims throughout the world.

In Bangladesh we are currently engaged in a nationwide drive for achieving a self-reliant economy designed to improve the quality of life of the 90 million people of our country. It is no doubt a challenging task; but we are confident that through the determined efforts of our people and cooperation of friendly countries we shall be able to meet this challenge.

Global Peace

Our deep commitment to global peace and progress is total and unequivocal. We desire to live in peace, freedom honour and dignity. We stand for strict adherence to the principles of peaceful co-existence, sovereignty equality of all nations, respect for territorial integrity, noninterference in the internal affairs of other states, non-use of force and peaceful settlement of all disputes. We are firmly of the view that it is possible to resolve all disputes and problems through peaceful means and negotiations, given an atmosphere of mutual trust and understanding.

As fellow members of the Organisations of the Islamic Conference and the Non-aligned Movement, our two countries are cooperating in various forums for unity and solidarity among the Islamic and the Non-aligned countries. We believe that the decisions adopted at the Third Islamic Summit Meeting in Mecca and Taif and the historic Mecca Declaration present a new charter for the entire Islamic world and provide a blue-print of increasing cooperation among the Islamic countries and also between Islamic and other countries that share the Islamic values of justice equality, human dignity and universal brotherhood of mankind.

Palestinian Cause

The peace loving nations of the world, especially the Islamic nations, are today greatly dismayed by the deepening crisis in the Middle East. Our heroic Palestinian brethren are the victims of most inhuman atrocities. We reiterate our firm conviction that an enduring peace in the Middle East can be established only on the basis of total and unconditional withdrawal of Israel from all Arab territories including the holy city of Jerusalem and restoration of the legitimate rights of the heroic peoples of Palestine including their right to an independent state in their own homeland.

We reject the heinous Zionist attempt to annex the holy city of Jerusalem as its "eternal and undivided capital" as illegal and invalid. It is also an affrent [as published] to the sentiments of all Muslims as well as Christians alike. We strongly condemn the Zionist attempt to annex the Golan Heights in utter violation

of ethics, morality, and all canons of international law. We earnestly appeal to the international community to stand unitedly against this illegal act of the Zionist regime and force it to vacate the aggression by restoring the Golan Heights to Syrian sovereignty.

We view great anguish and concern the present crisis in Lebanon. The Zionist intervention in this crisis and interference in the internal affairs of Lebanon and an attack on her sovereignty and territorial integrity resigned to weaken Arab deterrant posture. We sincerely hope that joint efforts will lead to national reconciliation and peace and order will be restored with full respect to Lebanon's sovereignty and territorial integrity.

[5 May 81 p 4]

[Text] Following is the remaining part of the text of speech delivered on Sunday night by President Ziaur Rahman at the banquet hosted by President Hafez Al Assad in Syria.

We view with great anguish and concern the present crisis in Lebanon. The Zionist intervention in this crisis tantamounts to interference in the Internal Affairs of Lebanon and an attack on her sovereignty and territorial integrity. We urge upon the parties concerned to cease hostilities immediately and reach a just and honourable settlement through peaceful negotiations in the interest of peace in the region.

At a time when the Muslim world is passing through its most critical phase, the two brotherly peoples of Iraq and Iran are tragicaly [as published] engaged in a fratricical armed conflict resulting in loss of valuable lives and resources. On behalf of the good offices Committee I declare we shall not, Inshallah relent in our efforts to end this unfortunate conflict through a just and honourable settlement.

The continuing crisis in Afghanistan is yet another cause of our great concern. We reiterate the urgency of an immediate solution of this crisis through the withdrawal of all foreign troops from the soil of Afghanistan and creation of conditions in which the people of Afghanistan would be left free to determine their own destiny without any external interference or intervention.

In the context of our policy of firm opposition to imperialism colonialism, neocolonialism, racism, domination and hegemonism in any form or manifestation we condemn once again in unequivocal terms the apartheid policy of the racist regime of South Africa and reiterate our unstinted support for the heroic peoples of Azania and Namibia in their just struggle for freedom and justice.

Excellency, I cannot help emphasising that the chronic problems stemming from the state of under-development of the Third World countries results of centuries of neglect and exploitation cannot be tackled effectively without global cooperation meant specifically to reverse the exploitive trends of the past. We reiterate the urgent need for restructuring the system leading to the establishment of a New International Economic Order based on equity and justice in the interest of an enduring world peace.

Excellency, We greatly value the friendship between our two brotherly peoples rooted in our shared history religion and values and common aspirations. As a natural corollary the pace of development of relations between our two countries must be accelerated for our mutual benefit. This visit, I hope, will initiate a process for rapidly expanding relations in all fields between our two countries.

Your Excellency Brother Hafez Al-Assad, as I conclude I wish to thank you Madame Assad, Government and brotherly people of Syria once again for your gracious hospitality. I wish to extend a very cordial invitation to you and Madame Hafez Al-Assad to visit our country which will provide our people with an opportunity to demonstrate their high esteem for you and your great country.

I wish Your Excellency long life happiness and success and the brotherly people of the Syrian Arab Republic continued peace progress and prosperity". [as published]

CSO: 4220/7758

PRESIDENT'S SPEECH OPENS MAY DAY CELEBRATION WEEK

Dacca THE BANGLADESH TIMES in English 3 May 81 pp 1, 12

[Text] President Ziaur Rahman on Friday evening inaugurated the 'week for implementation of industrial revolution in the spirit of May Day' with a call for establishing an exploitation free society inspired by Bangladeshi nationalism, reports BSS.

The President said that the ideal of Bangladeshi nationalism backed up the process of establishing an exploitation-free society and added, language, culture, land, religion, economy and the struggle for liberation comprised the corner stone of Bangladesh nationalism.

President Zia said establishment of an exploitation free society meant ensuring of five basic requirements for all citizens, the five basic needs for a human life are education, shelter, food, clothing and health and family planning.

He said, we have to ensure equitable distribution of wealth for meeting these basic needs and for that matter the production at all levels has to be increased.

The President said, the massive force latent in working class has to be organised through institutions for increasing the production at all levels, for organising the working force for enhancing production. The political, social, economic and religious rights of the workers have to be granted through the functioning of multi-party democracy.

President Zia described himself as a worker and said, all the citizens should feel honour by identifying themselves as workers as we have to be workers in our action and makeup for developing the country.

He said, the developed nations have increased their production level by following the spirit of 'May Day' and added, we all should endeavour to increase the national production through our best efforts.

President Zia said, the organised labour force has to be involved in production for strengthening the national economy through peaceful revolutionary process and added, we have to quicken our development through peaceful resolution to make good the losses of centuries colonial rule and exploitation on this land.

Continuing, he said, the implementation of the development programmes are to be processed through peaceful revolution and added, we have experienced much blood shedding during our independence war.

The function held at the Shilpakala Academy in Dacca was also addressed by Labour and Industrial Welfare Minister Mr. Reazuddin Ahmed and Labour Secretary, Mr A. B. M. Golam Mustafa. The inaugural function was attended, among others, by Vice-President Mr Justice Abdus Sattar, Members of the Cabinet, diplomats, civil officials and workers.

Speaking on the occasion, Mr Reazuddin Ahmed said, increase of national production is essential for all our socio-economic development. He referred to President Zia's call for peaceful industrial revolution and said, for this reason, this year's May Day bears special significance for our workers who have spontaneously responded to the call of the President.

The Labour Minister expressed the hope that the lessons of May Day will inspire us to adopt Bangladeshi nationalism which will help develop a happy and prosperous country and serve as motivating force for bringing about economic emancipation for all.

CSO: 4220/7757

TEXT OF PRESIDENT RAHMAN'S MAY DAY MESSAGE

Dacca THE BANGLADESH TIMES in English 1 May 81 p 1

[Text] President Ziaur Rahman on Thursday called for increasing production in fields and factories for further strengthening the economic foundation of the country, reports BSS.

In a May Day message the President said the working class of the country inspired with the ideal of Bangladeshi nationalism could positively contribute to attaining this goal through their relentless efforts. He said this is their (workers) responsibility towards the nation and the country and added "I have the faith that they will fulfil their responsibility with sincere dedication."

The President extended his felicitation to all the working people on the occasion saying that the memory of self-sacrifice of this day will remain evershining in the mind of the workers of the world.

President Zia said peaceful revolution has begun in the industrial sector in Bangladesh side by side with the revolutionary process going on in the agriculture sector. The peaceful revolution aimed at establishing a welfare and exploitation free society. He said and added to attain this goal we require to increase production in the field and factories for further strengthening of the national economic foundation. [as published]

CSO: 4220/7754

ACTIVITIES OF VISITING QATAR MINISTER REPORTED

Visits to President, Foreign Minister

Dacca THE BANGLADESH OBSERVER in English 29 Apr 81 p 1

[Text] The visiting Qatar Minister for Industry and Agriculture, Sheikh Faisal Bin Thani-Al Thani called on President Ziaur Rahman at Bangobhavan in Dacca on Tuesday afternoon and remained with him for some time says BSS.

Foreign Minister Professor M. Shamsul Huq, Agriculture Minister Mr Nurul Islam and Jute Minister Mr Habibullah Khan were present on the occasion.

Sattar

Sheikh Faisal Bin Thani Al-Thani called on Vice-President Mr Justice Abdus Sattar at his Secretariat office on Tuesday morning.

During the meeting the Vice-President informed the visiting Minister of the developmental efforts particularly in the field of agriculture now underway in the country.

The country hopes to attain not only self-sufficiency in food but also to export foodgrains in the next five years or so, the Vice-President told the Minister.

Sheikh Faisal appreciated the efforts for boosting agricultural production in Bangladesh.

Justice Sattar reciprocated the sentiments expressed by the Minister of Qatar to forge a closer bond of friendship between the two brotherly Muslim countries.

Shamsul Huq

Foreign Minister Prof Muhammad Shamsul Huq and the visiting Qartar [as published] Minister for Industry and Agriculture on Tuesday expressed keen interest for increasing bilateral cooperation between the two countries.

Prof Huq and Sheikh Al-Thani held discussions informally in a friendly and cordial atmosphere covering bilateral, regional and international matters of mutual interest at the Foreign Office. The Foreign Minister earlier warmly welcome his guest at the Foreign office. [as published]

The Qatar Minister who is leading a nine-member high-powered delegation of his country expressed the keen interest of Qatar in increasing closer cooperation with Bangladesh in various fields.

The two Ministers noted with satisfaction the emphasis laid on the need for closer cooperation among the Islamic countries in the Mecca Delcaration and the communique adopted by the third Islamic Summit held in Mecca and Taif.

They expressed "deep anguish and concern" over the continuing conflict between Iran and Iraq and stressed the "imperative need" for ending the conflict not only in the interest of the two warring Muslim countries but of the entire Islamic world.

The Qatar Minister extended an invitation to the Foreign Minister to pay a visit to his country.

Agricultural, Industrial Cooperation

Dacca THE BANGLADESH OBSERVER in English 29 Apr 81 p 1

[Text] Bangladesh and Qatar have decided to cooperate in the agricultural field and set up some joint venture industries in the two countries reports BSS.

This was stated at a Press briefing addressed jointly by Qatar Minister for Industries and Agriculture Sheikh Faisal Bin Thani Al-Thani and Bangladesh Agriculture Minister Nurul Islam at the end of official talks between the two countries.

Sheikh Thani summed up his week-long visit to Bangladesh as "very successful" in knowing the country and exploring the possible areas of future cooperation between the two countries.

Giving his impression about Bangladesh which Sheikh Thani described as "a brotherly country and our second home;" the Qatar Minister also visualised a good future for Bangladesh "with the type of people you have."

Asked about specific areas of future collaboration the Qatar Minister listed agriculture, joint venture industrial projects export of surplus rice and agricultural commodities to Qatar as the possible fields where the two countries could fruitfully cooperate.

Bangladesh Agriculture Minister Nurul Islam said that the talks covered wide ranging subjects relating to agricultural development joint ventures in petrochemical industries, fish cries [as published] and livestocks and exchange of manpower and expertise.

He described the visit of the Qatar Minister as "just the beginning" of bilateral economic cooperation.

The Agriculture Minister said that he had accepted an invitation of the Qatar Minister to visit his country soon to follow up the talks.

Earlier, official-level talks were held between Bangladesh and Qatar at the State Guest House.

Bangladesh side was led by Secretary Ministry of Agriculture and Forest Mr. A. Z. M. Obaidullah Khan while Mr. Sultan Al-Kuwari; Director of Agriculture affairs of the State of Qatar led his country's delegation at the talks.

Bangladesh Agriculture and Forest Minister Nurul Islam and Qatar Agriculture and Industries Minister Sheikh Faisal Bin Thani Al-Thani also held separate meeting.

CSO: 4220/7746

FOREIGN MINISTER SPEAKS AT JAPANESE RECEPTION

Dacca THE BANGLADESH OBSERVER in English 30 Apr 81 p 1

[Text] Foreign Minister Prof. Muhammad Shamsul Huq on Wednesday hoped that the bilateral friendly relations between Bangladesh and Japan would grow from strength to strength, reports BSS.

Speaking at a reception accorded by the Ambassador of Japan to mark the National Day of Japan Prof. Huq praised Japan for its commitment to world peace and progress.

Prof. Huq wished long life to the Emperor of Japan on whose birth day the National Day of Japan is observed.

Lauding the progress made by Japan, a fraternal Asian country, the Foreign Minister said that Bangladesh admired Japan's commitment to the cause of the developing countries as well as world peace.

"The Foreign Minister observed that the relations between the two countries have reached a new height during the past few years, for which Prof. Huq congratulated Ambassador Otsuka of Japan. [as published]

The Foreign Minister recalled the warm and friendly welcome accorded to President Ziaur Rahman during his visit to Japan in 1978.

The Foreign Minister wished continued peace and progress for the people of Japan.

A number of Cabinet Ministers including Mr. Obaidur Rahman, Minister for Civil Aviation, Mr. Saifur Rahman, Minister for Finance and Mr. L K Siddiqui, State Minister for Power, Water Resources and Flood Control, attended the reception.

CSO: 4220/7750

PRESS REPORTS ACTIVITIES OF DELEGATION IN BRUSSELS

Dacca THE BANGLADESH OBSERVER in English 30 Apr 81 pp 1, 8

[Text] Brussels Apr. 29:--King Bouduin of Belgium desired that the existing friendly bonds between the two countries would lead to much wider economic relations to their mutual advantages when Bangladesh could mark her economic development further particularly in the rural and agricultural fields, reports BSS.

The Belgian King said this when he received the visiting Bangladesh Deputy Premier Jamaluddin Ahmed yesterday morning at the Royal Palace. Mr. Jamaluddin is in Brussels as the head of a highpowered delegation to four EEC countries including its headquarters in Brussels pleading for investment in Bangladesh due to conducive climate and legal protection.

The Belgian King showed keen interest in the economic course of the meeting and praise Prisident [as published] Ziaur Rahman for his "remarkable leadership" he was providing to his country as well the role he had been playing in the international sphere. During their discussion of the forthcoming visit of the Belgian monarch an [as published] Queen Fabiola to Bangladesh in late May the Deputy Premier handed over to the King a personal "written message" from President Zia.

The Belgian Prime Minister Mark Eyskens noted with satisfaction the expanding relations between the two countries and recalled his visit to Bangladesh while he was Minister for Development Cooperation. He referred to the economic development taken place since then in Bangladesh with satisfaction when the Deputy Premier called on the Belgian Premier yesterday.

The Deputy Premier thanked the Belgian leader for his interest he showed in the development of relations between the two countries.

The visiting Bangladesh minister had a working session later with the Belgian Foreign Trade Minister in which officials of both the sides were present when various aspects of economic relations between the two nations were discussed.

It was followed by a luncheon at the Egmont Palace in honour of the Bangladesh Deputy premier hosted by the Belgian Foreign Minister Charles Ferdinand Nothomb which was attended by Foreign Trade Minister Robert Urbain high officials and leading people from different walks of life. Bangladesh Ambassador to the EEC and the Benelux nations Faruq A Chowdhury accompanied the Deputy Premier in all the occasions.

The Deputy Primier [as published] addressed members of the Belgo-Bangladesh joint economic committee later in the afternoon at the World Trade Centre detailing on the investment climate and preferential measures adopted as a matter of policy to attract ventures from abroad in the fields of leather footwear electronics, canning and preservation, cottonisation and woolonisation of jute, shipbuilding pharmaceuticals agro and gasobase industries etcetera. [as published] He also detailed on the Export Processing Zone at Chittagong ready for possible investors.

Chaired by Mr. Dahlmann President of Belgo-Bangladesh Joint Economic Committee the gathering was attended by a large number of Belgian entrepreneurs who showed keen interest to talk to undertake projects in Bangladesh. It was attended also by the high officials of the Bangladesh desk of the Foreign Office and the Foreign Trade Ministry of the Belgian government. The committee threw a dinner in honour of the visiting delegation from Bangladesh.

Earlier in the morning a hectic session packed with industrialists from various countries of the Common Market was held arrange by the EEC headquarters enabling members of the delegation to get closer contact with them. [as published]

Rashidul Hasan Director General of Industries addressed the European Community of industrialists about the Bangladesh Government policy for foreign investment. Bangladesh EEC Mission Economic Minister Syed Shamim Ahsan was present to assist the delegation in answering querries on the investment climate and other related issues. The European entrepreneurs demonstrated keen interest coming even from Denmark and Switzerland Holland Germany France U.K. and of course from Belgium with specific proposals for setting up undertakings in Bangladesh. Members of the Bangladesh delegation freely exchanged enquiries and proposals with their West European counterparts including the financing aspects of the possible projects. Many of them desired to visit Bangladesh for on the spot exploration of their proposals.

They also took up the possible constraints and limitations they might have to face going to Bangladesh which was clarified by the Bangladesh side. Director General of the Directorate General of Industries Number Three of the Common Market presided over the session taking place at the Manhattan Centre of the Sheraton Hotel Brussels.

CSO: 4220/7750

REPORT ON DEMOCRATIC LEAGUE EXECUTIVE MEETING

Dacca THE BANGLADESH TIMES in English 29 Apr 81 p 3

[Text] The National Executive Committee of Democratic League at a meeting on Sunday urged the people to participate in constitutional movement for establishment of sovereign parliament to achieve national unity for preserving the independence and sovereignty of the country.

Presided over by Khandkal Mushtaq Ahmed chief of the party the meeting in a resolution said only the use of joint efforts of the better talents by way of a sovereign parliament could solve the problems that the country was facing now.

The meeting said that the country was now faced with a critical situation. It alleged that the Government was leading the country towads irustration [as published] anarchy and aggrandisement when national unity for facing aggression was the need of the hour.

The meeting said that a political party based in a foreign country and the Government were competing to show their allegiance to a foreign country thus taking the independence and sovereignty of the country under threats.

The meeting said that corruption had reached its highest peak and the people were burdened with taxes. The economy was in bad shape. Religious beliefs and moral values were being destroyed. The law and order situation had also deteriorated the meeting observed.

In another resolution the meeting demanded return of nationalised industries banks and insurance companies to the private sector.

CSO: 4220/7748

AGENCY INTERVIEWS EEC PRESIDENT ON AID TO DACCA

Dacca THE BANGLADESH OBSERVER in English 29 Apr 81 pp 1, 12

[Text] Brussels Apr. 28:--EEC, Commission President Gaston Thorn reiterated the Community's allout cooperation and assistance to help win Bangladesh her economic challenge when their bilateral relations were strengthening very happily.

The European Community President told BSS following his meeting with Bangladesh Deputy Premier Jamaluddin Ahmed here Monday at the EEC headquarters that the Community would certainly do its best to help and assist Bangladesh in her search for economic development despite the calamities it faced from the nature and the worldwide recession.

The Deputy Premier is leading a highpowered delegation to four EEC countries, Britain, Belgium and Denmark to attract possible investors in bilateral and joint ventures in different sectors of traditional, nontraditional agro and gas based industries.

On the first leg of his hectic trip to the EEC countries, Mr Ahmed had a long and detailed session with the community's Vice-President Wilhelm Haferkamp Monday morning at the EEC headquarters accompanied by Bangladesh Ambassador Faruq A Chowdhury and other aides.

At a formal luncheon hosted by him Mr Haferkamp recalled President Ziaur Rahman's visit to the EEC in 1979 and said our relations since then intensified and we noted with admiration and sympathy the remarkable development Bangladesh so far made.

"We can extend our hands in cooperation, but it is the people of Bangladesh to mark their achievement" he said adding, "Bangladesh was very well contributing in North-South Dialogue, Non-aligned conference and Islamic moot." He recalled his visit of Bangladesh in March last when he had met President Zia and Cabinet members to come to know its economic plan and found development in industry and agriculture interestingly encouraging. The Commission Vice-President described the Bangladesh legislation on foreign investment protection and taxation as an "important development" and as a very positive outlook on the part of Bangladesh by which she could attract investors.

Asked to opine on President Zia's proposed South Asia moot for cooperation, the EEC Vice-President said, we are in full sympathy with the move as it transpired the urge of cooperation conciliation and pragmatism towards development in peace for prosperity.

CSO: 4220/7746

CONFERENCE PARTICIPANTS SKEPTICAL ON FOREIGN AID

Dacca THE BANGLADESH OBSERVER in English 4 May 81 pp 1, 12

[Text] The participants in the concluding day's session of the special conference of the Bangladesh Economic Association (BEA) on Sunday were quite sceptical of the role of foreign aid in generating real productive growth of the economy.

The main tenor of discourses and discussions at the session on various aspects of foreign aid and its impact on the economy was that dependency on foreign aid would lead to ever-deepening crisis without helping the least to retrieve the economy from its existing state of structural imbalances.

The broad consensus that emerged in the course of deliderations [as published] by the participants was that foreign aid was 'inextricably linked with political strings' and resulted in external interference and 'donor dictates' much to the detriment of the 'national interests'.

In all, ten papers were read at the day's session. Among those who presented the papers included Dr. Quazi Kholiquzaman Prof. Mosharraf Hossain, Dr. Sofia Hasna Jahan Ali, Dr. Mohammad Ali Akbar, Mr. Atiar Rahman, Mr. Mohammad Mahmood, Mir Obaidur Rahman, Mr. M. A. Jalil, and Mr. K. M. Matin, Prof. Raihan Sharif, Prof. Abu Mahmood, Dr. M. A. Atahar, Dr. Sheikh Maqsood Ali, Syed Jamaluddin Mr. Abdus Samad and Kazi Akram Hossain took part in the discussions.

The participants observed that foreign aid was 'a tool of economic exploitation' and integration of our economy with international capitalist system that resulted in political, economic and cultural domination. Dependency on foreign aid, they noted, dampens the initiative for national self-reliance.

Various issues which came up for close scrutiny in connection with the discussions on foreign aid included transfer of inappropriate technology, consultancy fees, distorted allocation pattern, sectoral imbalances, maintenance of the socio-political status quo, etc.

In his paper, Prof. Mosharraf Hossain maintained that there was no immediate prospect for a dramatic change in the power and class structure as well as in the internal resource mobilisation strategy. He felt that the aid-givers must be persuaded hard in this context to allow potentials of engineering and technological facilities to help support raising of new industrial facilities in the organised sector of the economy.

Dr. Kholiquzzaman discussed the strategic importance of Bangladesh in big power rivalry and in the context of the Indian Ocean and the natural resource endowment that allured the Western aid to the country.

The contention of Syed Jamaluddin in favour of accepting foreign aid in the country was strongly contested by Prof. Abu Mahmood in the session. While Syed Jamaluddin felt that Bangladesh would not be able to run herself without foreign aid for the next ten to 15 years Dr. Abu Mahmood observed that Western countries were funneling funds to Bangladesh recognising the potentials of exploiting the country's resources.

Referring to the contention of some that the Eastern Socialist countries were also accepting foreign aid, Dr. Mahmood Noted that aid to dependants [as published] and aid to equals were not the same.

Mr. Abdus Samad suggested that the economists should suggest a future course of development and alternatives for domestic resource mobilisation in case of non-acceptance of foreign aid. He was however of the view that planning for a mixed economy would always involve an element of uncertainity [as published] about resource flows.

CSO: 4220/7758

PARLIAMENT DICUSSES GOVERNMENT EDUCATION POLICY

Dacca THE BANGLADESH OBSERVER in English 1 May 81 pp 1, 16

[Text] Shah Azizur Rahman, Prime Minister and Leader of the House said that a planned education system was the objective of the present government's education policy. The government was making efforts in that direction. He said that the universities of the country were own autonomous.

The Prime Minister was speaking while winding up the discussion on the Dacca University (amendment) Bill on Thursday in the Jatiya Sangsad in the evening. The bill passed by voice of vote after the PM's speech. Shah Aziz further said that 20,000 primary schools have been brought under development scheme. Under this sceme [as published] a new curriculum will be introduced which, includes vocational course. Under the development plan 700 nongovernment schools have also been included. 145 government schools and 37 government colleges will be included in the scheme.

He also said that within only nine months 27 lakh people were given functional education in the country under literacy programme. Within next four year the country will be freed from illiteracy. [as published] The prime Minister who is also in charge of the Ministry of Education said. [as published]

He furher [as published] said that it was a prde [as published] of the present government that it has restored some descipline [as published] in the Dacca University after introduction of semister [as published] system. During the last three years attendance in classes in the university rose to record number.

Shah Aziz also said that during the Awami League regime election to Dacca University Students' Union was not held. Students' right to voice their demands were curtailed. The present government restored the right and election to DUCSU was held after six years.

Leader of the House refuting the allegation said that all the universities were autonomous during their regime. Universities, he said, decide about the examination, curriculum and even the expenditure of the government money which constitutes 90 per cent of the spending. But the universities are not accountable to government. He said the government decides only the poiicy. [as published]

Regarding appointment of Vice-Chencellors the Prime Minister said that Professor Fazlul Halim Chowdhury and Professor M. A. Bari were elected by the respective

universities as number one candidate for appoinment as Vice-Chancellors. He said that he had no alternative but to appoint the number one man. He said that late Sheikh Mujibur Rahman made the provision of appointing a Pro-Vice Chancellor to provide party supporters in administration in universities. He further said that Professor Afsaruddin was appointed Pro-Vice Chancellor in the Dacca University which was resented he said that negotiation with the university teachers were going on for a solution. [as published]

The Leader of the House said that another credit of the present government was introduction of scholarship for meritorious students in the country. An amount of 50 crore Taka would be given as scholarship in five years, he said.

A Victory

Earlier in the same session Mr. Asaduzzaman Khan, Leader of the Opposition while speaking on the bill suggested resotration of all the povisions [as published] of 1973 Dacca University Order which was amended by an ordinance in 1977. He observed that the 1973 order was the result of long years of struggle by teachers and students for autonomy of the universities. But by the 1977 ordinance the autonomy of the university was curtailed, he said. This has resulted in movement by the teachers and students due to which the government was restoring only two provisions of the earlier order. This was a victory of the struggle by the teachers and students.

A total of 11 Opposition members participated the discussion on the bill in the morning and nine members participated the discussion in the evening session. Those who participated the discussion (morning session) are: Mr. Muzaffar Ahmed (NAP) Mr. Almas Hossain (ML), Mr. Imajuddin Pramanik (AL-H), Mr Asaduzzaman Advocate (AL-H), Mr. Rafiqullah Choudhury (Gano Front) Col. (Retd) Anwarullah (AL-H), Mr Shudhangshu Shekhar Haldar (AL-H) Mr. Rashed Khan Menon (Ganotantrik Andolan) Principal Nazrul Islam (AL-H) Mr. Suranjit Sen Gupta (Jatiyo Ekota Party), Mr. A. S. M. Solaiman (Ganofront).

In the evening session Professor Mofizul Islam (BJL) Mr hahjahan Siraj and Mr. Golam Mostafa (JSD), Mr. Mozammel Huq (IDL), and from (AL-H) Mr. Salauddin Yusuf, Mr A. B. M. Taleb Ali, Mr. Profullah Kumar Shil, Mr. Abdul Jabbar, Mr. Sirajul Islam and Mr. Habibur Rahman, took part in the discussion.

Proposals for circulation of the bill for elicting [as published] public opinion were rejected by voice vote.

CSO: 4220/7753

MINISTER REPORTS 24.3 PERCENT LITERACY RATE

Dacca THE BANGLADESH TIMES in English 30 Apr 81 p 1

[Text] The literacy rate in 1979-80 in the country was 24.3 per cent.

This was stated at the Jatiya Sangsad by Mr Abdul Baten, State Minister for Education on Wednesday in a written reply to a question from Ukil Shahadat Hossain Choudhury (BNP).

He further said that there were one crore 19 lakh 68 thousand children in the 5-9 year age group who were eligible to study at primary schools. The number of primary students during the same period was 82 lakh 36 thousand 526 studying at 43 thousand 936 primary schools. The number of primary teachers were one lakh 88 thousand 234.

Mr Abdul Baten while answering another question said that during the same period the number of high schools students (10-16 year age group) was one crore 47 lakh four thousand studying at 8 thousand 6 hundred 42 high schools of which 155 were Government schools. The number of high school teachers were 82 thousand 61, he said. [as published]

CSO: 4220/7751

PRESIDENT OPENS ECONOMIC ASSOCIATION MEETING

Dacca THE BANGLADESH TIMES in English 1 May 81 pp 1, 8

[Text] President Ziaur Rahman on Thursday advised the economists to be pragmatic and shun their text book approach, patterned on Western thinking, to the problems faced by the country.

Inaugurating the four-day general meeting and conference of Bangladesh Economic Association (BEA) at the Engineers, Institute auditorium, the President noted that the economists often make excellent theoritical [as published] exposition based on unrelated academic theories. "But we have to find out our solutions in our own way," the President said.

President Zia spoke at length on various criticisms against Government's economic policies and regretted that the economists had hardly been able to offer practical solutions to the economic problems.

Presided over by Dr Abdul Gafur, President of BEA, the inaugural session of the conference was addressed by Prof. Fazlul Halim Choudhury, Vice-Chancellor of the Dacca University and Mr A F Mustahid, General Secretary of the BEA.

President Ziaur Rahman said that the economists had been criticising the Government for its failure in solving economic problems over the years. But, he asked them what solutions they could give.

President Zia said that those who discuss and often criticise the economic policy, had no idea about the real condition of the country. He told them to ask themselves how many of them had connections with the rural people who constituted the overwhelming majority of the population. "You want to solve the problems of Bangladesh following which system?", he asked them.

Gram Sarkar

President Zia said, "I have been moving round the rural areas almost everyday. This is my firm conviction that the self-reliant Gram Sarkars can only solve the problems of the country." He advised the economists not to challenge the Gram Sarkars, because it had already started producing good results.

He reminded that during colonial period the grass-root level was never allowed to be organised. Under the present social system, the Gram Sarkar was highly essential, he said.

President Zia said that Bangladesh was one of the least developed countries and in the past neither the country nor its economy was ever free. "We have a long past of colonial subjugation and exploitation and now we need foreign assistance to make up the resources gap," he said.

President Zia said that it was very easy to solve the problems academically. But, in reality it was very difficult to run a country like Bangladesh which had resource constraints. He said that the world economy had been in a bad shape due to world-wide inflation, pricehike of oil and war at places. "You should appreciate our problem that we have started our development process in such a difficult situation," he said.

President Ziaur Rahman said that the country at present had to spend Tk 1000 crore per year for importing oil as against Tk 150 crore spent a few years back. The prices of jute country's main foreign exchange earner were not increasing compared to the price-hike of other commodities and products. The Government had to give subsidy totalling Tk 500 to 600 crore annually on different items. Under such circumstances, he said "We have to take foreign assistance". It would not create any adverse effect on the economy if "we can pursue a correct plan", he said.

President Zia referred to the canal digging programme and said that it had resulted in increasing food production. He said that it would not be possible to develop the country without the assistance and support of the masses. "We are organising them socially, economically and politically", he said.

Basic Shift

Dr Abdul Gafur said that a basic shift in the national economic policy and development strategy was brought recently. The major aspect of the shift was to abandon the goal of socialism of First Five-Year Plan. He said that the FFYP was framed to create preconditions of establishing socialism.

Dr Gafur said that the Two-Year Plan (1978-80) and the Second Five-Year Plan aimed at flourishing capitalism in the economy. He said that priority of private sector in agriculture, industries and trade and commerce was the main basis of the Second Plan.

Dr Gafur observed that capicalistic [as published] development strategy creates unemployment and increases exploitation tremendously. Mass poverty, unemployment and malnutrition in Bangladesh were increasing as the second of this process, he said.

Prof Fazlul Halim Choudhury said that the Western economic concepts were firmly active in all economic activities of Bangladesh. "We want an end to this situation", he said.

Prof Choudhury said that elderly and promising economists of the country would have to come forward with correct direction to improve the lot of 80 per cent people living below poverty level and to bring out the nation from the situation created by worldwide economic crisis and local population explosion.

The Vice-Chancellor of Dacca University said that many of the young brilliant economists and senior teachers engaged in various research projects financed by different international organisations. By this, he said, the researchers benefitted themselves financially. But, it should be assessed how much they could contribute to their country and the society in this way.

Prof Choudhury said "I think such researches, which have no link whatsoever with the society, is a sort of luxury". He said "we will become bankrupt soon if we allow to waste local talents in this way".

CSO: 4220/7754

PRIME MINISTER SPEAKS AT END OF BUDGET DEBATE

Dacca THE BANGLADESH OBSERVER in English 29 Apr 81 pp 1, 12

[Text] Prime Minister and Leader of the House Shah Azizur Rahman on Tuesday gave a clarion call for harmony and homogeneity in diversity and protecting the Parliament which is the last hope of the people. Otherwise he asserted anarchy will be let loose and independence and sovereignty will be in jeopardy.

Winding up the 40-hour-long general discussion on President's address to the Jatiya Sangsad the Prime Minister said the President Ziaur Rahman has decentralised power. The President never interfered in legislature and other business of the House. The President has no veto power. The Parliament is sovereign and can pass any bill, he added.

The Jatiya Sangsad approved through voice vote a motion of thank to the President for his address to the House on April 10.

The Prime Minister said that during the Awami League rule late President Sheikh Mukibur Rahman had the power to veto and the Parliament was not sovereign. Recalling the past rule the Prime Minister said that within 15 to 20 minutes a fundamental change in the Constitution was made thereby establishing a one-party rule on January 25, 1975. None in the Parliament was allowed to speak and even the elderly leader Mr. Ataur Rahman Khan could not say anything. The then President was brought down from the highest pedestal and made Revenue Minister, he added.

Refuting the allegation made by the Leader of the Opposition about the changing of the Constitution by President Ziaur Rahman the Prime Minister said that the Constitution was changed through a referendum before the presidential elction. [as published] The Prime Minister said that secularism has been dropped from the Constitution at popular will. From 1972 to 1975 the people of Bangladesh have seen the ugly face of 'no religion' in the name of secularism. He called upon the Opposition to demand a referendum for establishing secularism replacing 'Bismillaher Rahmanir Rahim'. The Government will readily accept the demand, he added.

The Prime Minister pointed out that every religion helps build moral values and in Bangladesh everybody was free to profess his respective religion. We stand for religious freedom and are trying to help build places of worships, he added.

FFs Being Rehabilitated

Speaking about the freedom fighters the Prime Minister said that the present Government has made elaborate arrangements to rehabilitate the freedom fighters. Due attention has been given to the crippled freedom fighters and the Muktijoddha Kalyan Trust is entrusted with nine industries for their benefit. Allocation to the tune of Taka three crore will be made in the next year's budget for the welfare of the freedom fighters. Today the freedom fighters enjoy due social honour. Over 200 freedom fighters have already been sent abroad on employment. No freedom fighter will remain unrehabilitated, the Prime Minister declared. During the Awami League rule thousands of freedom fighters were kept in jails and now President Zia has released them from prison. Today we find the portraits of Shaheed freedom fighters hung on the walls of Bangabhaban he added.

Referring to the Opposition move to divide the people the Prime Minister said that President Ziaur Rahman has build up [as published] national unity irrespective of party, class and opinions and none can break it.

Contradicting the Opposition allegation the Prime Minister said that the Government did not want to destroy the Opposition rather law has been enacted providing privileges to them. The Government was eager to see that the Leader and Deputy Leader of the Opposition in Parliament grow as institutions. He regretted that the Government vehicles and fuel have been used by the Opposition leaders in the Parliament in organising demonstrations against the Government.

The Prime Minister categorically said that the generosity shown by the Government in dealing with political elements should not be taken as weakness. He cautioned that the Government would take appropriate measures against those who indulge in subversive or anti-state activities or work against the independence and sovereignty or attempt to launch Afghan-type revolution and wage war against the country in any part of Bangladesh.

Foreign Policy Acclaimed

BSS adds: Prime Minister said that Bangladesh was playing the role as harbinger of Islam's message of peace and universal brotherhood of mankind.

The Prime Minister said that the inclusion of Bangladesh in various Islamic committees and conferences including the Jerusalem Committee and the Islamic peace mission was an eloquent testimony of the confidence and trust reposed in Bangladesh by the Islamic world. He said that President Ziaur Rahman was the first leader from the developing world to address the 11th special session of the United Nations General Assembly on the North-South dialogue last year to spotlight the pathetic plight of the least developed countries.

Shah Aziz told the House that the scramble for global supremacy power rivalry and escallation of arms race had plunged the world into growing tension and insecurity. He said that in such a situation Bangladesh had been playing an effective role in different international and regional forums to defuse tension and restore peace and stability in the world.

Explaining Bangladesh's foreign policy the Prime Minister said thatour foreign policy was based on moderation and pragmatism with non-alignment forming the

corner stone. He said that the positive non-alignment pursued by Bangladesh had been reflected in our stand on Kampuchea, Zimbabwe, Namibia Afghanistan South Africa and the Middle East.

Referring to the dispute on the question of south Talpatty island Shah Azizur Rahman said that the island was not practically in possession of any country. The two Governments were exchanging additional information and data on the issue he said and hoped that the problem would be resolved through bilateral discussion.

The Prime Minister denied allegations that the foreign bases were allowed to be set up in the St. Martins Island. He declared in categorical term that there could be no foreign military bases in the St. Martins.

CSO: 4220/7746

REPORT ON OPPOSITION LEADER'S SPEECH IN BUDGET DEBATE

Dacca THE BANGLADESH OBSERVER in English 29 Apr 81 pp 1, 12

[Text] Leader of the Opposition Mr. Asaduzzaman Khan said in the Jatiya Sangsad on Tuesday that if the government fails to over come the present political and economic erosion in the country femine [as published] and bloodshed were inevitable. He opined that the crisis could be overcome only through implementation of the resolution initiated by Sheikh Mujibur Rahman.

Participating in the debate on President's speech Mr. Asaduzzaman Khan said that the speech was frustrating and unfortunate. He claimed that the economic condition had deteriorated in the country and production in agriculture and industry had fallen. He said that the President in his speech tried to cover the failures in all fields using rhetorics.

The Leader of the Opposition who spoke for more than an hour claimed that the Parliament was fully sovereign and was not a rubber stamp after the passing of the Fourth Amendment which created one party rule in the country. He said that the Parliament at that time had the power to impeach the President. He feels that the Present Parliament is not sovereign.

Mr. Asaduzzaman Khan said that President Ziaur Rahman had distorted the state principles of nationalism, democracy socialism and secularism replacing these by nationalism; democracy socialism for social justice and dropping secularism. [as published] He also said that the history of liberation struggle had been distorted by calling the liberation struggle--struggle for independence. He said that President Zia was trying to confine the liberation struggle within the period from March 26 to December 16.

Mr. Asaduzzaman Khan alleged that the President had violated the constitution by defining nationalism in his speech which was completely different from the definition given in the Constitution. He also said that the ruling party was killing and harassing the political workers and leaders of the Opposition. He said that although the President had called for democratic tolerance, he was uttering most intolerant words against the Opposition.

Mr. Khan said that the Ministers were not answerable to the Parliament and the Democracy permitted in the country was suitable for establishing one-man rule in the country. He told the House that the right of changing the Constitution by the Parliament had been taken away. He said that now the Constitution could be amended only through referendum.

Less Production

Speaking on economic situation of the country Mr Asaduzzaman Khan said that production had fallen in agricultural and industrial fields and the prices of essential commodities were going up. He said that the rate of inflation had gone up. Mr. Khan regretted that President had not given any programme for ending the exploitation of the rural people. He said that the people were convinced that they would not be benefited through Gram Sarker and village cooperative banks. He alleged that the government had spent huge amount of money for organising the Gram Sarker conference in Dacca in which 70,000 people attended. He further said that the government had asked the Gram Sarkers to buy 270 maunds of paddy and they bought it at much lower price than that of the fixed price. He alleged thus the present government was indirectly bribing these people to muster their support.

The Leader of the Opposition said that although the present government was talking of rural development the allocations for the rural development had been reduced from 34 per cent in 1973-74 to 29 per cent in 78-79 and 21 per cent in 1980 81. The allocations in agricultural sector had come down from 35 per cent to 24 per cent.

Criticising the canal digging in the country Mr Asaduzaman [as published] Khan said the target of doubling the food production was not feasible in such a short time. He said that if the food production was to be doubled the irrigated areas must be increased. He clamed [as published] that the irrigated areas after canal digging had come down from 35 lakh acres in 1974-75 to 32 lakh acres at present. He also alleged that the canal digging was a wastage. Citing an example, Mr. Khan said that 400 students participated at a canal digging programme on voluntary basis and the total expenditure for them was 25 000 Taka. He said that according to experts the quantum of work done by 400 students could be completed by four labourers and the cost would have been only 200 Taka.

Mr Asaduzzaman Khan said that the food production had come down and so the production of jute, sugarcane etc. He also alleged that the production of fertilizer, jute goods, cement also fell short of the target. He expressed concern at the unemployment problem and said that the President had not said anything about unemployment problem in the country. Mr Khan also claimed that the government had failed to tackle the population problem and arrest the baby boom.

Foreign Policy

Speaking about the foreign policy Mr Asaduzzaman Khan said that the present government was the stooge of the imperialists and was dependent on others. He alleged that the present government was actually working against the Non-aligned policy. He said that the government maintained complete silence on issues like what he called Chinese aggression of Vietnam, Camp David agreement Afghan issues, Indian Ocean and South Africa. He said that the government was working as the stooge of the US imperialism.

Mr Khan said that the government of President Ziaur Rahman had failed to resolve the Farakka and Talpatti problem, transfer of assets from Pakistan and repatriation of stranded Pakistanis.

CSO: 4220/7746

REPORT ON JUTE MINISTER'S SPEECH TO DACCA MEETING

Dacca THE BANGLADESH OBSERVER in English 29 Apr 81 pp 1, 12

[Text] Jute Minister Mr. Habibullah Khan, on Tuesday reiterated Bangladesh's total support to the formation of the proposed International Jute Organisation (IJO) and stressed the need for a greater unified front among the producers to protect their interests, reports BSS.

Mr. Khan was addressing the delegates to the negotiating meeting of the five major jute producing nations on the second day and the concluding day on Tuesday. The meeting presumed to be the last one before the next meeting in Geneva in May began in Dacca on Monday, under the aegis of UNOTAD.

The Minister said that for the interests of the producers 'we must have a common unified front to settle our issues with the North.' He said IJO was not a dream it must be brought into reality.

The Jute Minister reminded the delegates that several rounds of meeting were held during the last six years for such an organisation 'when we have reached a common accord, we must forget small differences for a better future tomorrow,' he maintained. [as published]

He said the earlier efforts of the producing countries had failed as there existed no common approach and the producers were blamed [as published] for not forging an unity among themselves he said.

Giving a background of the proposed IJO the Minister said that the producing countries were misunderstood at the initial stage. But a series of seminars and meeting have helped overcome that problem he said and added a stage had come where IJO was likely to be born in the next Geneva meeting.

Mr. Salahuddin Ahmed Chairman of the negotiating meeting and Mr. S. K. Sarkar leader of the Indian delegation also spoke at the meeting.

Mr. Habibullah Khan said Bangladesh was ready to make some concessions regarding the IJO voting system. This gesture he said would facilitate the fellow partners to plead their respective cases. He however, reminded the delegates not to misunderstand 'our desire for concession as our weakness.' In that case he warned 'we will go by voting formula accepted the United Nations. We will follow the UN charter in letter and spirit and not make any concession before any threat.'

CSO: 4220/7747

JUTE ASSOCIATION MEMBERS NOT TO RENEW LICENSES

Dacca THE BANGLADESH TIMES in English 3 May 81 p 12

[Text] The Bangladesh Jute Association in its meeting on Saturday decided that its members would deposit all their jute traders' licences with the Association and would refrain from seeking to renew them until the Government took positive steps for removing the problems of private sector jute traders and shippers.

The BJA also resolved that none of its members would make any sale of the new crop of jute until further decision. The meeting also called upon the Government to accept the various recommendations made by BJA at its meeting on April 17. These inclue the following:

Procurement policy: "Whatever be the size of the crop and whether there is a Statutory Minimum Price or not adequate arrangements must be made for proper marketing of jute from 67,000 villages so that the growers may receive a fair return for their produce. The private traders who handle about 85 per cent of the exports should, therefore, be assisted to play their due role in both procurement and export of raw jute so that interests of growers and the country do not suffer."

Export price: In the absence of MEP in any other producing/exporting country this is a handicap for us in a competitive and free world market leading to adoption of unethical business practice by both buyers and sellers. Hence it should be totally abolished." [as published]

Committee: To regain the lost markets and maximise Bangladesh interests a "Negotiating Committee" may be set up under the Ministry of Jute with adequate representation from BJA with the authority to negotiate and conclude all barter and bulk sales so that business may not go out of Bangladesh." [as published]

Export duty: Duty should be wholly abolished. The reduction of duty to 5 per cent in case of lower grades could not substantially achieve the desired effect as a difference of even 1/2 per cent in the price in the international market often becomes the deciding factor.

Licence fee: "The Licence Fees should be reduced to the pre-1980 levels and all superfluous conditions recently imposed should be abolished as no such conditions exist in any other case of trade licence."

CSO: 4220/7757

ESSENTIAL COMMODITY PRICES 'MORE OR LESS STABLE'

Dacca THE BANGLADESH TIMES in English 28 Apr 81 p 1

[Text] State Minister for Commerce Chowdhury Tanvir Ahmed Siddiky on Monday told the Jatiya Sangsad that the prices of essential commodities were more or less stable at present.

Replying to a question by Begum Ayesha Sardar (female seat) the State Minister said that the Government had taken all measures to keep prices at a certain level.

Replying to a supplementary the minister said that in urban areas prices of essentials showed frequent fluctuations but in rural areas they remained fixed at times.

The foreign cigarettes now available in the country were generally imported by travellors. [as published] Some foreign embassy also import foreign cigarettes for their own consumption, he said.

The State Minister said that some international hotels were allowed to import foreign liquors.

CSO: 4220/7745

FOOD MINISTER EXPLAINS INCREASE IN PRICE OF RICE

Dacca THE BANGLADESH TIMES in English 3 May 81 pp 1, 12

[Text] Food Minister Mr. Abdul Moman Khan said on Saturday that the prices of rice and wheat distributed under the rationing system were increased in the interest of the farmers as well as the interest of the nation.

He was speaking on a short discussion on the question initiated by Mr. Asaduzzaman of Awami League (Hasina) at Jatiya Sangsad.

The Minister said the Government increased the food procurement prices to ensure fair prices to growers and as such it had to increase the sale price to reduce Government subsidy.

He said that the measure was also intended for generating more savings so that more investments could be made for increasing production. If we are to reduce dependence on foreign aid there is no alternative but to increase savings for more and more investment, he said.

He said that the recent increase in the price of rice and wheat under rationing system would cost only an additional 0.55 paisha for each adult each week. We should be prepared to make this sacrifice to ensure a better future he said.

The Minister said that the Government was empowered by an act to increase the price of such items through executive orders. The earlier Government also increased the price of such items in the same way on three occasions. He thus argued that the measure did not lower the prestige of the Sangshad. [as published]

The Food Minister said the Government's aim was to attain self-sufficiency in food within the shortest possible time and it was necessary to make more and more investments for increasing production by reducing subsidy.

He informed the House that the subsidy on food would be reduced to from Taka 157 crore in 1979-80 to about Taka 112 crore this year. Recent increase in prices of rationed rice and wheat would help save Taka two crore.

The Minister denied the allegation that the Government was not looking after the interests of the fixed income group by saying that the Government had given new pay scales and compensatory allowance to the group while the previous Government had limited the salary at Taka two thousand.

CSO: 4220/7757

MINISTER REPORTS REDUCTION IN FOOD DEFICIT

Dacca THE BANGLADESH OBSERVER in English 4 May 81 pp 1, 12

[Text] Fulpur (Mymensingh) May 3:--Mr Abdul Momen Khan, Minister for Food, said here today the government had given top priority to agricultural development so as to make the country self-sufficient in food soon. Inaugurating the Boro procurement programme of 1981 at Fulpur 14 miles from Mymensingh today the Minister said that as a result of which the current food deficit of the country had come down to 10 lakh tons from 22 lakh tons of the last year, says a PID handout.

The Minister said that government had intensified the procurement drive only to ensure fair prices for the products to the farmers. The Minister said that government had so far procured nine lakh tons of foodgrains since July 1. The Minister urged the farmers to grow more food and sell their rice and paddy of good quality to the government so that the activity of profit mongering elements could be curbed down. In this connection he referred to the government's plan to build a reserve of 15 lakh tons of foodgrains to meet any calamity. The Minister called upon the people to be united being imbued with the spirit of Bangladeshi Nationalism to devote their energy to increase the resources of the country.

The Minister urged the food department officials to give all cooperation to the farmers and warned that any unfairmeans by food officials during the drive would not be tolerated. The procurement began with a ceremonial purchase of 1500 maunds of paddy. It may be mentioned here that Mr. A. S. Prue Chowdhury Minister of state for food and Mr. Iqbal Hossain Chowdhury Deputy Minister for food on Saturday inaugurated the same programme at Narayangonj and Sunmgonj respectively.

CSO: 4220/7758

COMMERCE MINISTER: NO SHORTAGE OF BABY FOOD

Dacca THE BANGLADESH TIMES in English 28 Apr 81 p 1

[Text] State Minister for Commerce, Mr. C. T. A. Siddiky on Monday ruled out the necessity of introducing price ontrol because, "there is no shortage of baby food or powdered milk in the country".

Replying to a supplementary by Sheikh Selim (AL-H) the Minister said that Trading Corporation of Bangladesh (TCB) sold powdered on "no loss, no profit" basis while the private sector pursued its own price policy.

Replying to another supplementary Mr. Siddiky said that an adequate quantity of powdered milk was available with both TCB and private sector. He said at present TCB has 25 lakh pounds of powdered milk at its stock and another 35 lakh pounds are in the pipe line now.

The Commerce Minister informed the Parliament that the total requirement of powdered milk was one crore pounds annually. He said the government imported powdered milk and baby food worth Taka 18 crore while private sector imported powdered milk or baby food valued at Taka 8 crore this year. Besides the country produces 25 lakh pounds of powdered every year", he said. [as pulished]

CSO: 4220/7745

WATER RESOURCES MINISTER LECTURES ON GANGES PROBLEM

Dacca THE BANGLADESH TIMES in English 29 Apr 81 pp 1, 8

[Text] Mr B. M. Abbas, AT, a former Minister of Water Resources on Tuesday said that Bangladesh could jeopardise its future development by agreeing to Indian proposal for diversion of the Brahmaputra river to the Ganges basin.

He said that the Ganges, an international river had enough water to meet the needs of its basin with potentiality of raising dry season flow from possible storages in India alone by about 181,000 cusecs.

The storage in India "can easily meet the shortage of water at Farakka. But India maintains that it can not spare any of the additional water for augmenting the dry season flow of the Ganges at Farakka," he said while delivering a lecture at a Seminar on Ganges water--its problems and solutions" at the Institution of Engineers. [as published]

Indian Threat

Mr B. M. Abbas said that instead of agreeing on augmentation of dry season flow of the Ganges as stipulated in the Indo-Bangladesh agreement on the Ganges water of 1977 "there is now an implied Indian threat of rescinding the agreement or not renewing it after it expires on November 5, 1982."

Sponsored by the Bangladesh Institution of Engineers, the seminar was also participated by State Minister for Flood Control and Water Resources Mr L. K. Siddiky, Dr Alimullah Khan presided over the session.

Mr B. M. Abbas further said that "India wants the entire Ganges water. India will not spare any of its water even for West Bengal, not to speak of Bangladesh which is using it from time immemorial. India insists that the supply from the Brahmaputra be diverted to the western region of India outside its own basin. Bangladesh can not afford this," he noted.

Mr Abbas further noted that "the Brahmaputra is the most important source of water for Bangladesh. About 12.7 million acres of net irrigable area is dependent on the waters of this river. The irrigation requirement alone is far above the average availability of water in the river during the dry season."

Serious Jeopardy

He observed that diversion of water from the Brahmaputra will seriously jeopardise agricultural devlopment of a vast area and added that apart from the question of technical and economic feasibility of the Indian proposal it would have serious social and physical impact on Bangladesh.

Turning to other rivers, Mr Abbas said that a situation similar to that of the Ganges was also developing in river Teesta on which India was constructing a barrage. While Bangladesh was kept at the negotiating table India went ahead with own projects. "It has built or building control structures on other rivers like the Gumti and the Khowai, blocking smaller streams for utilising their dry season flows and diverting the course of the many border river like Kusiyara, Muhuri, Feni to the detriment of the interests of Bangladesh. Bangladesh, therefore, has cause for great concern not only for the Ganges waters but also for the waters of its other rivers."

Mr Abbas noted that as the present dry season flows in the Ganges, Brahmaputra and other rivers were not adequate for the development of lands in Bangladesh, these needed to be augmented by storing a part of the abundant monsoon flows. But such measures were not available to Bangladesh. This underlines he imperative need of the basin wise development," he argued. [as published]

The Agreement

Giving a background of the protracted negotiations between India and Bangladesh on sharing of the Ganges water since the completion of the Farakka Barrage in 1975, Mr Abbas said that the two countries reached an interim agreement for the sharing of the waters of the Ganges at Farakka for a period five years on November 5, 1977. It also promised to seek a long term solution to the problem through the augmentation of the dry season flow of the Ganges.

Abnormal Flow

The accord on sharing the waters at Farakka was based on the premise that the historical pattern of the flow reaching Farakka should not be disturbed. But in 1980 dry season, the flow reaching Farakka dropped abnoramlly throughout January to April, forcing a big reduction in the Bangladesh share of the Ganges water. Compared to the calculated 75 per cent availability, the monthly total flow at Farakka was less by 33.4 per cent in March and 24.7 per cent in April. During the first 10-days of April, the flow reaching Farakka was only 39,000 cusecs against 59,000 cusecs as noted in the schedule of the agreement. The entire basis of sharing the Ganges water was therefore upset," he observed.

Mr Abbas said that the question of augmentation of the dry season Ganges water flow was crucial to finding a long-term solution to the problem. He said despite provisions in the Ganges water agreement the two countries had been unable to agree on the approach to the longterm solution to the problem.

Key to Solution

Mr Abbas further said that a solution of the Ganges water problem lied in cooperation between all the riparian countries. He pointed out that it was an

international river with drainage basin in China (Tibet), India, Nepal and Bangladesh.

He said that three of its important tributaries Karnali (Ghagra), Gandak and Kosi which flowed from Nepal contributed together 41 per cent of the total annual flow and 71 per cent of the dry season flow of the Ganges.

He pointed out that to augment the dry season flows development of large reservoirs to store a part of the excess monsoon flow (2 million cusecs at peak) was the key to the solution of the problem. This would make up the shortage of the water during the dry season and would also help in controlling the recurring annual floods.

Mr Abbas pointed out that studies made so far of possible storage sites on the tributaries of the Ganges in Nepal by reputed international engineering firms had established that it was possible to increase the lower Ganges dry season flow to the extent of 140,000 cusecs or more with an aggragate active storage of 80 MAF (million acre feet) over and above the present natural dry season flow which were used by Nepal and India.

This; he said; would develop continuous hydropower of 9000 mega watt or more with installed capacity of about 15;000 MW at the site studied so far. This would also help substantially reduce flood flows which devastate large areas every year in India and Bangldesh. Other direct benefits would be improvement of navigation; recreation facilities and environment. Besides; storages on the Arun and Tamur rivers of the Sapta Kosi basin could further increase the dry season flow of the Ganges.

Indian Insistence

Mr Abbas said that India always insisted on keeping Nepal out of the Indo-Bangladesh study of the long term scheme proposed by Bangladesh on the plea of bilateralism though the river was not bilateral. 'Nepal he said; was very much a co-riparian and Indian argument that there could not be a tripartite talks made little sense. [as published] He further said that a river could not be treated piecemeal but must be taken as a whole from its source to the outfall for the optimum development of its water resources.

Bangladesh Requirement

Mr B. M. Abbas said that the south western part of Bangladesh was largely dependent on the ganges water for its net irrigable area of 7.3 million acres. Its full development would require 120,000 cusecs flow. In addition to other uses the river Garai-Madhumati required a minimum flow of 5000 and cusecs for checking salt water intrusion. The total water requirment, [as published] therefore, was far more than the supply.

He said Bangladesh's major policy objective was to acquire self-sufficiency in food. But he added that called for raising three crops in about 13 million acres of land which were now single crop producing land.

The irrigation and land development suffered from three main problems flood, droughts and saline water intrusion in the southern belt. He suggested a long

term water development plan including a barrage across the Ganges below Hardings Bridge, Festuary [as published] control and a barrage across the Jamuna near Bahadurabad.

Only a barage [as published] over the Ganges, he said can ensure utilisation of whatever water flow was available in that river, it would help irrigation to the southern districts of Faridpur, Rajshahi Pabna Khulna, Jessore Barisal and Patuakhali.

Mr B M Abbas said the Brahmaputra Barrage was the key to the future development programme of the country. It would irrigate at a comparatively low cost a large area of land in both banks of the river.

Regulation of the tidal inflow from the Bay of Bengal, he said was necessary to halt the increasing inroads of saline water. He also emphasised the need for fresh water reservoir in the southern belts.

He also called for preparing a long term regional water development plan to ensure flood protection, drainage and irrigation. A major part of the regional water plan, he said, could be implemented by mobilising local people.

L K Siddiky

Speaking on the occasion with the help of slides and maps State Minister for Water Resources Flood Control and Power Mr L K Siddiky declared that just share of the Ganges water was a birth right of Bangladesh which no body could deny.

Rejecting the proposal for Brahmaputra link canal Mr L K Siddiky questioned the justification of the 207 mile canal apart from its technical feasibility. He also questioned the Indian argument on using the Ganges water diverted from the Farakka Barrage to flush silts from the Calcutta Port. He said that it was futile to use 40 thousand cusecs of the Ganges water to clear silts when daily tides and ebbs and monsoon waters failed to clean the Calcutta Port from siltation.

Turning on the harnessing of the Ganges water upstreams in Nepal the State Minister said that Nepal was keen on development of the water resources and stressed the need for a long term solution. He said "we have also got indications about help from the World Bank in harnessing the waters of the Ganges provided the three co-riparians Nepal India and Bangladesh cooperates." [as published]

CSO: 4220/7748

STATISTICS ON INADEQUATE GANGES WATER SUPPLY GIVEN

Dacca THE BANGLADESH TIMES in English 1 May 81 p 1

[Text] The quantum of Ganges water released by India during dry months of January to March this years [as published] was not adequate for Bangladesh, according to Mr L K Siddiqui, Minister of State for Power, Water Resources and Flood Control.

The Minister was replying to a question by Mirza Abdul Latif of JSD at the Jatiya Sangsad on Thursday.

Following is the statement of 10-day period-wise discharge of water by India during the months of January, February and March, 1981.

January

1 to 10--56,866 cusecs, from 11 to 20--51,114 cusecs, from 21 to 31--46,600 cusecs.

February

From 1 to 10--49,139 cusecs, from 11 to 20--44,747 cusecs, from 21 to 28--38,532 cusecs.

March

From 1 to 10--35,814 cusecs, from 11 to 20--34,152 cusecs, from 21 to 31--33,129 cusecs.

CSO: 4220/7754

MINISTER REPORTS ON DIVERSION OF KUSHIYARA WATERS

Dacca THE BANGLADESH OBSERVER in English 3 May 81 pp 1, 12

[Text] The government is aware of the Indian efforts to change the course of the River Kushiyara in Sylhet by throwing a large quantity of boulders Power Water Resources and Flood Control Minister Kazi Anwarul Huq told the Jatiya Sangsad on Saturday, reports BSS.

He told the House that the Ministry was taking effective measures against the efforts from Indian side, which he said would result in the change of the international boundary.

Replying to a call attention motion of Mr. M. A. Huq (Independent), Kazi Anwarul Huq also informed the House that the government had earlier protested against the creation of groynes in the Kushiyara River and hoped that the question of throwing boulders in the river would be settled through discussions.

Earlier Mr. M. W. Huq said in his call attention motion that India was regularly throwing a huge quantity of boulders in the River Kusiyara [as published] which flows through Jakigonj thana under Sylhet district. He pointed out that by throwing boulders from the other side of the border, India was trying to change the course of the river in violation of the Intenational Law. [as published]

He also said that the Indian government had already occupied a large area formed as a result of the change of course of the river on the other side and demanded immediate steps against the illegal Indian occupation.) [as published]

Kazi Anwarul Huq Minister for Water and Power development told the Jatiya Sangsad on Saturday that steps have already been taken to improve supply of power to the areas under western grid. He said distribution system has also been improved substantially.

He was replying to two separate call attention notices in the House by Mr. Almas Hossain (ML) and Mr. Salauddin Yusuf (AL-H).

The Minister said that due to shortage of fuel the power supply in the western grid suffered for a short period. But suply [as published] of fuel was arranged and the supply has been restored. He said the 60 megawatt Goalpara power station which was under repair will come into operation in August or September next.

The crisis started when this power station was under repair the barge mounted power station did not function as was expected up to its capacity. [as published]

The Minister further said that with the completion of the East West Inter-connector the situation in the western grid will improve. The East West Inter-connector is likely to be completed by the middle of next year, he said.

Kazi Anwarul Huq, however, admitted that load shedding in the western grid was necessary because production of power in the grid was lower than the demand. He said load shedding was done from 6 p.m. to 9 p.m. the pick hour. He suggested suspension of production in industrial units during this three hours to minimise loss.

CSO: 4220/7755

INCREASE IN PETROLEUM PRODUCT PRICES ANNOUNCED

Dacca THE BANGLADESH OBSERVER in English 4 May 81 p 1

[Text] The Government on Sunday night announced revision of prices of petroleum products equalising the prices of korosene [as published] with diesel, reports BSS.

With the revision the prices of kerosene have been increased from Taka 17.65 to Taka 22.50 ex-depot.

Prices of diesel have not been increased but that of petrol (motor spirit) and octane increased slightly, according to the Bangladesh Petroleum Corporation sources.

The revised prices will come into effect from Sunday midnight.

Prices of petroleum products were increased last time on July 21, 1980.

Petroleum Minister Mr. Akbar Hossain told BSS that the revision of prices were designed mainly to equalise the prices of kerosene with high speed diesel.

The minister said that the domestic prices of petroleum products had not increased since last July athough [as published] OPEC prices increased nearly 13 per cent in the meantime.

He described the increase as adjustment which would help slightly reduce the loss incurred in the petroleum sector. This year the Minister said the Petroleum Corporation would have to incurr [as published] a loss to the tune of Taka 105 crore which was Taka 50 crore last year.

Giving rationale for increasing the prices of kerosene the Minister said that some unserupulous [as published] people had been using kerosene for diesel purposes.

From Today (Monday) the ex-agency prices of kerosene would be Taka 23.03 and that of diesel Taka 23.06 in Dacca Chittagong and Khulna.

Pump selling prices of petrol within 25 miles radius of Dacca and Narayanganj will be Taka 50 and that of octane Taka 54.23.

CSO: 4220/7758

PETROLEUM MINISTER: NO CRISIS IN OIL SUPPLY

Dacca THE BANGLADESH OBSERVER in English 1 May 81 p 1

[Text] Minister for Petroleum and Natural Resources Lt. Col. (Retd) Akbar Hossion said in Dacca on Thursday night that there is no crisis of oil or oil products in the country, reports BSS.

He said during the recent years the government was successful in averting any crisis in this vital sector of economy due to proper procurement of crude from abroad and satisfactory distribution system within the country.

The Minister was speaking at the annual dinner of Bangladesh Petroleum Corporation Officers' Association at a local hotel. President of the association Mr. M. H. Chowdhury also spoke on occasion.

Lauding the role of the BPC in maintaining a normal situation in the petroleum sector, the Minister called upon the officers of the corporation to work with honesty and dispense justice at the appropriate time.

Referring to the various demands of the association the Minister assured the members that he would seriously endeavour to turn the BPC into A category corporation and further assured that he would sympathetically look into their demands.

CSO: 4220/7753

BRIEFS

INVESTMENT CORPORATION CHAIRMAN--Mr. Zahirul Huq Chairman of the Investment Corporation of Bangladesh died of heart attack at his residence in Dacca on Saturday morning. He was 70 reports BSS. Late Zahirul Huq was the former Chairman of University Enquiry Commission and Deputy Chairman of the Planning Commission. He was also the ex-Managing Director of erstwhile Industrial Development Bank of Pakistan. The deceased left behind his widow, three sons and two daughters. [Text] [Dacca THE BANGLADESH OBSERVER in English 3 May 81 p 1]

JSD MP RESIGNS--Mr. Abdur Rashid a member of Parliament from Comilla belonging to the Jatiya Samajtantrik Dal (JSD) has resigned from the Jatiya Sangsad it was announced on Saturday night, reports BSS. The Parliament Secretariat in a notification also said the parliamentary seat (Constituency No. 250 Comilla Eight) had fallen vacant. The notification said Mr. Abdur Rashid, a member of parliament elected from Constituency No 250 Comilla Eight, having resigned his seat in Parliament in the afternoon of April 30 1981 the seat has become vacant under Clause (2) of Article 67 of the Constitution. With the resignation by Mr. Rashid the total number of members belonging to JSD now stood at seven. [Text] [Dacca THE BANGLADESH OBSERVER in English 3 May 81 p 1]

PAKISTANI REPORT DENIED--A Foreign Office spokesman on Saturday said that a report published by the Pakistani daily JASARAT and lifted by PPI news agency (Pakistan Press International) quoting the Bangladesh President on the matter of arms and economic aid to Pakistan had "no basis at all", reports BSS. The spokesman in a statement told newsmen that the attention of the Government of Bangladesh had been drawn to a report carried by PPI and published in a section of Pakistan Press quoting the Bangladesh President on arms and economic aid to Pakistan. The PPI report is claimed to be based on an exclusive interview by the Dacca based correspondent of the daily JASARAT. The spokesman categorically said that the President of Bangladesh did not grant any interview to JASARAT correspondent and therefore the said report and the views attributed to him in that report had no basis at all. [Text] [Dacca THE BANGLADESH OBSERVER in English 3 May 81 p 1]

FRENCH DRILLING COMPANY--Petrobangla signed a contract with a French Firm named Dresser France for procurement of a modern Ideco Drilling Rig, requipment [as published] and ancillaries at a cost of 84.00 million French francs. The purchase will be financed under France-Bangladesh financial protocol. The French Government is taking keen interest to assist Bangladesh in the energy sector, says a Press release of Petrobangla issued in Dacca on Saturday. [Text] [Dacca THE BANGLADESH OBSERVER in English 3 May 81 p 12]

TEAM TO DAKAR--A three-member Bangladesh delegation left Dacca for Dakar to attend a 10-day interregional meeting on international rivers sponsored by the United Nations which begins in the capital of Senegal on May 5. The delegation comprises Mr M. F. A. Siddiqui Secretary, Ministry of Relief and Rehabilitation and Member of Indo-Bangladesh Joint Rivers Commission, Mr. Muhammad Muniruzzaman Additional Secretary, Ministry of Power Water Resources and Flood Control and Mr. Amjad Hussain Khan Director Joint Rivers Commission. The meeting is being held in pursuance of the Resolution Number 7 of the UN Water Conference held in Mardel Lata Argentina, in 1977. The meeting will mainly consider institutional and legal arrangements, progress in cooperative arrangement and economic and financial matters. [Text] [Dacca THE BANGLADESH OBSERVER in English 3 May 81 p 12]

STATEMENT ON ISRAEL--The Government of Bangladesh has been deeply shocked at the recent Israeli attempt to commit sacrilege on the mosque 'Majid Al Ibrahimi' in the village of Arbaa in the city of Hebron says an official announcement. The Zionist regime also prevented the Muslims from offering their Friday prayers in the said mosque. The Government of Bangladesh strongly condemn this act of sacrilege and considers it yet another example of Zionist aggression against the Arab and Palestinians and an affront to the sentiments of Muslims. [as published] [Text] [Dacca THE BANGLADESH TIMES in English 30 Apr 81 p 1]

VICE CHANCELLOR TO WASHINGTON--Services of the former Provice-Chancellor of Dacca University Prof Afsaruddin have been placed at the disposal of the government for appointment as education attache in the Bangladesh Embassy in Washington, according to a reliable source. It is learnt that Prof Afsaruddin has been advised to apply for leave without pay for a specified period as professor, Department of Sociology; DU. [Text] [Dacca THE BANGLADESH TIMES in English 30 Apr 81 p 8]

CHHARTA LEAGUE OFFICIALS--A 45-member Central Committee of the Bangladesh Chhatra League (pro-BSD) was elected on the concluding day (Tuesday) of its central conference for the next one year with Messrs Akhtaruzzaman and Ziauddin Ahmed Bablu as President and General Secretary respectively. [as published] The other office-bearers are Vice-Presidents--Abdul Malek Ratan, M. A. Muktadir; Rezwan Ahmed; Salekur Rahman Masum; Mustakimul Haider Khan; Assistant Secretaries--Hamde Rabbi; A. F. M. Ayub Ali; Shahidur Rahman; Khan Akhteruzzaman and Jalaluddin Mantu; Organisational Secretary--Delwar Hossain Raja; Office Secretary--Anwar Hussain; Cultural Secretary--Golam Quddus, Information Secretary--M. Zahitul Islam; Literary Secretary--Maruf Chinu; Finance Secretary--Najir M. Khan Khasru. [Text] [Dacca THE BANGLADESH TIMES in English 30 Apr 81 p 8]

CSO: 4220/7752

KARENS OPTIMISTIC OF ACHIEVEMENTS

Bangkok BANGKOK POST in English 19 May 81 p 2

[Article by Pairoj Poompradit]

[Text] NATION NEWS Editor Pairoj Poompradit last week ventured into the jungled area on the Thai-Burmese border to assess the latest developments there.

He had an exclusive interview with one of the important rebel leaders, Gen Bo Mya, leader of the Karen National Union, who discussed the latest thinking among the armed minority rebels. Here is his report:

IT HAS BEEN almost 33 years of tough and difficult struggle for independence against Rangoon. But the Karen National Union (KNU) appears determined to fight on.

Gen Bo Mya, leader of the KNU, said in his jungle headquarters last week: "We strongly believe that victory will be with us in the near future."

The 55-year-old well-built Karen guerrilla leader may not be all that convincing in his litany of propaganda statements. But he does exude confidence.

"We believe that we are almost winning the war. But the problem is that our enemy, the Ne Win group – is still being aided by some foreign countries up to this day. It is a very big problem for us to overrun them now," he said.

Bo Mya admitted that his guerrillas were short of arms and ammunition. He claimed about 10,000 "regular troops" on his side.

"We have tried our utmost to get arms from abroad. We have asked for arms from the United States and Taiwan. But our efforts have been in vain. So, we have to snatch arms from our enemies in the battlefield," he said.

A KNU official said every guerrilla ordered to go out to do battle against Burmese government troops would normally be given about 150 bullets each time while every Burmese trooper is known to carry about 300 rounds of ammunition each.

"Right from the beginning until today, we have had no foreign support. But we continue to survive because not only the Karen people are on our side, the entire nationalists are also against the Burmese Government," Bo Mya said.

Bo Mya was speaking in Karen while Saw Than Aung, the KNU's prime minister, acted as interpreter translating into English.

Bo Mya, who concurrently holds the posts of the president, defence minister and foreign minister, claimed that even the "oppressed Burmese people" supported the Karen revolution.

"We are not fighting against all Burmese. We are fighting the Burmese who adopt "Great Burmesenism." His greatest enemies, he said, are Ne Win himself and his army.

"Our political demand is for the formation of a genuine federal union in which every nationality has a state of its own with equal status in every respect," Bo Mya said.

Burma, he said, may officially call itself a union. "But in fact, it's not a genuine union. It is a country where all nationalities are oppressed by the Burmese Government," he claimed.

The Karen rebels had earlier demanded an autonomous and independent status. But now, they want a federal union.

"At the time we were fighting alone against the Burmese Government, our political demand was our own freedom. But now that we have united with other groups, our demand is a federal union," Bo Mya said.

He added: "When we started the revolution, only the Karens were fighting the Burmese Government under the premiership of U Nu. Later, we grouped together all the revolutionary parties. On that ground, our demand has been changed so that our goal could serve all the nationalities."

The KNU was pivotal in forming the so-called "National Democratic Front (NDF)" which is made up of several minority groups all opposed to the Burmese Government.

The NDF, in which Bo Mya serves as the president, currently comprises seven groups namely the KNU, the Karenni National Progressive Party, the Shan State Progressive Party, Paluang State Liberation Organization, Pa-o National Organization, the Arakan Revolutionary Party and Lahu National United Party.

The NDF's political line, Bo Mya said, is to stand for national democracy.

"We are neither rightists or leftists," he said.

He did admit that some members of his group had "long time ago" accepted the doctrine of the Burmese Communist Party (BCP). But they soon discovered that their efforts were in vain.

"The BCP doesn't stand for all nationalities. They don't stand for the cause of the people. They simply want to usurp power. That's why those who were initially inclined towards the leftist ideology returned to be united with us," he said.

Th left-leaning members had tried to approach some Communist countries, including China, for help. But the move proved futile.

But Bo Mya admitted that the joint armed struggle of the NDF had not been too well in its joint military actions.

"When we formed the NDF in 1976, we also set up the NDF's military committee with its secretary general being the second in command of our armed forces – the Karen National Liberation Army (KNLA). But in practice, we still cannot fight under one single command because each party faces its own difficulty in sending troops to the NDF headquarters here," he said.

But Bo Mya said he continued to try to persuade each party to station one company of troops at the NDF headquarters. "In that case, we would have seven companies of fighters ready to take on the enemy," he said.

Coordinated attacks were planned occasionally, Bo Mya said. "For example, when we struck a town, others in the front would strike another town or another place at the same time," he said.

Bo Mya said that the whole "armed personnel" of the NDF was in the range of 40,000 to 50,000 – and 20,000 of these belong to the KNU while of these about 10,000 are regular troops."

He said that plans for launching heavy offensives against the government troops had been planned. But the main problem is the lack of arms.

"We can get thousands and thousands of soldiers in a month's time because all nationalities are willing to fight."

Bo Mya was careful in his statements about Thailand. He said. his movement had tried to avoid involving Karens who had moved into Thailand.

"We never tried to persuade them to join us. But if they volunteer, we would accept them. However, so far, there aren't too many in this category," he said.

Asked for his comments on Thailand's attitude towards his movement, Bo Mya said:

"We are not against Thailand. And we hope Thailand would not be against us. So far, we have been getting along fine ..."

CSO: 4220/294

BRIEFS

CLASH IN 'LIBERATED AREA'--We will not tolerate any enemy who comes into our liberated area; if his foot trespasses on our area we will cut it off. At 0400 on 26 May, two regiments from the military government's mercenary army, under the cover of darkness, intruded into our liberated area in (?Namtaung) township of Kutkai region. The people's army and the people lured the intruding enemy soldiers from the mercenary 3d and 9th infantry regiments into terrain which they know very well. The permanent army, the regional army and the people's militia later surrounded and annihilated the enemy. In a battle which lasted for about a day on (Mabayang) hill near (Yang Tawng) village, the enemy ultimately regrouped the remaining troops, left behind their corpses and fled hurriedly. When the people's army and the people cleared the battleground after the battle, 43 enemy corpses were found. Searches have yet to be conducted in the long grass plains and deep ravines. Among the corpses were three officers. It is also learned that a major was among the scores of enemy soldiers wounded in the battle. So far, among the supplies seized from the enemy are 1 pistol, 1 G-2, 1 Sten, 3 artillery shells for a 75 mm recoilless fieldgun, 24 shells for an 81 mm mortar, 3 shells for a 50 mm mortar, 5 mines, 12 shells for a collapsible mortar, 3,000 rounds of other assorted ammunition, important documents, medicines and other war materiel. [Text] [BK311232 (Clandestine) Voice of the People of Burma in Burmese to Burma 1200 GMT 21 May 81]

CSO: 4211/21

GANDHI'S 7 MAY GENEVA PRESS CONFERENCE DETAILED

Calcutta THE STATESMAN in English 8 May 81 p 7

[Text] Geneva, May 7--Mrs Gandhi told a Press conference here last night that while India intended to stick to her policy of using nuclear energy only for peaceful purposes, it had to be prepared to face what Pakistan did, reports PTI.

On the U.S. decision to arm Pakistan with sophisticated weapons, she said this was bound to increase tension in the region although it would not be fair to deny Pakistan its legitimate defence needs.

To an American correspondent who thought that with its decision to arm Pakistan with weapons, the Reagan Administration had signalled another tilt towards that country, Mrs Gandhi said: "We have faced this tilt for many years, and we have survived it."

At the same time, the Prime Minister hoped that the U.S. Government would face up to the realities and not have global strategies which could increase tensions. On its part, India, she added, continued to make efforts to be friendly and to improve relations with the USA.

Mrs Gandhi also said that while Pakistan had been telling India that it had no intention of making nuclear weapons, "we do not know what the (real) situation is."

At her hour-long Press conference at Hall of Nations, Mrs Gandhi was asked questions by the international Press on India's nuclear programme, U.S. move to arm Pakistan, the Afghan issue, family planning programme in India and her "serious accusation" in her address to the World Health Assembly yesterday about dangerous drugs being used in developing countries.

An American journalist reminded Mrs Gandhi about her statement that India would have to respond in an appropriate way if Pakistan went nuclear and he referred to a PTI report that Pakistan was evacuating villages in the border in Rajasthan area for that purpose. How would India respond, he asked.

Mrs Gandhi told him that India had been using nuclear energy for agriculture, medicine, power and other peaceful purposes. "That is what we intend to do," she added. However, she went on to emphasize that any country had to be prepared to face what its neighbours did.

On Afghanistan, Mrs Gandhi did not see a way out at the moment. She reaffirmed the need for a political solution and again warned that mere condemnation of anyone would not help.

The Prime Minister rejected a suggestion for mediation by her to end the seven-month-old Iran-Iraq war, saying that others were trying for it. India was in a four-member non-aligned peace committee set up for this purpose, she added.

Asked what would be India's reaction if Switzerland supplied Pakistan material to help in its nuclear programme, Mrs Gandhi said it depended on whether Pakistan made weapons or used it for peaceful purposes.

/The Prime Minister refuted propaganda that Pakistan had started its nuclear programme only after India's peaceful nuclear explosion in 1974 by pointing out that it had now been established that Pakistan had started its investigation to get knowledge of the subject "even before we did anything."/ [in boldface]

Elaborating her reaction on the U.S. decision to give sophisticated arms to Pakistan, Mrs Gandhi pointed out that there was a general increase in tension in the region and a war (between Iran and Iraq) was going on in India's neighbourhood.

The question was why some countries were trying to help Pakistan with arms at this time. Would it not increase tensions, she asked, adding that she did not see this issue purely in the Indo-Pakistani context but in a broader perspective. "If there are tensions, we move closer towards a war," she remarked.

The Prime Minister reminded the Reagan Administration that giving arms to other countries never strengthened them.

On Sino-Indian relations, Mrs Gandhi said both the countries were trying to strengthen friendship. They were in touch with each other and the Chinese Foreign Minister was expected to visit India soon. "We hope the relations will improve," she added.

About her recent talks with the British Prime Minister, Mrs Margaret Thatcher, Mrs Gandhi said that their views differed on a number of matters.

In her opening remarks at the Press conference, the Prime Minister said that the world today faced a large number of problems. It was time for a greater exchange of views and cooperation to find areas of agreement.

/Asked for her views on the Brezhnev proposal to make the Persian Gulf a region of neutrality, Mrs Gandhi said that the world situation was so serious that any suggestion that would help should be given due consideration./ [in boldface]

Mrs Gandhi faced a large number of questions on her statement yesterday morning about the drug industry having become very powerful and that sometimes new drugs were used in weaker countries for experimentation.

In response, she pointed out that, for instance, the USA had lifted restrictions (for export) on several drugs not allowed for use within that country. It might be so in other places.

She told another questioner that while India had liberalized its general import policy, it had to protect its interests and see that prices of drugs did not become prohibitive. If these could be produced within the country, that would be better.

She described as "delicate" a question as to what measures her Government proposed to take to control population. She felt that education would have to be stepped up and people would have to be persuaded and convinced.

The Prime Minister reiterated that nobody would be forced to undergo sterilization.

Replying to a question on brain drain, she said that during her previous regime a large number of scientists had returned to India. The Government had now been able to enthuse the scientific community again and she hoped more would return to the country.

When a reporter asked how she reconciled her health policy and "imprisonment of medical students" on the reservation issue, Mrs Gandhi said she did not think they had been imprisoned as such except for a day or so. However, if anyone committed a crime, action had to be taken.

On the Indian Ocean, Mrs Gandhi said the situation had deteriorated of late because of tremendous competition among Superpowers which was dangerous for the whole world. But she did not agree with the questioner that the situation had reached a "point of no return."

About oil prices, she said that India had been hit the hardest but the oil-producing countries could not be blamed because they had been exploited for long. Western countries were not really suffering because they could afford to pay more.

CSO: 4220

PAPER REPORTS GANDHI ACTIVITIES IN BERNE

Calcutta THE STATESMAN in English 8 May 81 pp 1, 7

[Text] Berne, May 7--Mrs Gandhi today appealed for an immediate end to the "blatant confrontations" in many parts of Asia, which she said were "neither local nor unconnected events," reports UNI.

Speaking at a luncheon in her honour hosted by the Swiss President, Mr K. Furgler, the Prime Minister said the time had come for diplomacy to re-establish confidence and India would consider it a privilege and a duty to do what it could. "We are engaged in efforts to reinforce trust in our immediate region."

She expressed her anxiety about the conflict between Iran and Iraq and said that in Afghanistan conditions were not being created for the withdrawal of foreign presence. These developments were not causes but consequences of events in the neighbourhood and even further afield.

She agreed with Mr Furgler that recourse to armament was the reason for and not the result of international tension. Mrs Gandhi also referred to the atmosphere of suspicion in Europe and the tremendous increase in the arms build-up in the Indian Ocean region.

Mrs Gandhi said confrontation must be stopped. She referred to an Indian saying: "when elephants fight the bushes are trampled" and said that nuclear armament, and even deadlier methods of war, threatened not just one country or another but human civilization itself.

/On disarmament, Mrs Gandhi said: "Like Switzerland, we stand for total and universal disarmament. The cost of military defence of strong nations rises every day and commands the major share of world resources and researchers neglect the more worthwile and immediate responsibility of the social defence of the weakest and the poorest of the earth./ [in boldface]

"Peaceloving people should continue their efforts to redress the balance in the international community. Man's intelligence will redeem itself not by making death more deadly, but by making life more livable."

"Deep-Rooted Suspicions"

Mrs Gandhi said there was no problem which could not be solved through negotiations. As regards East-West or North-South problems dialogue must be continued.

The process of dialogue was even more valuable at this point of time because of deep-rooted suspicions. The East-West dialogue might not yield quick results. Old prejudices were blocking North-South discussions.

She said Switzerland, which had a deservedly high reputation for mediatory diplomacy, could do much to break the deadlock in the efforts to usher in a more equitable international economic order.

National sovereignty and the rule of law, friendship and good neighbourly relations, economic cooperation and international friendship, non-interference and regard for human dignity should be the basic principles which govern international relations. That could be the only sound base for inter-dependence, she said.

PTI adds: Mrs Gandhi described her current visit to Switzerland as a homecoming, saying that it reminded her of her own ancestral home Kashmir which had similar snowny mountain peaks azure lakes and flowering meadows.

Mrs Gandhi today invited Mr Kurt Furgler and his wife to visit India. The Foreign Minister of Switzerland was also invited.

Mrs Gandhi today advised the Indian community in Berne to act and behave in a manner so as to project a true picture of India.

Addressing them at the residence of the Indian Ambassador in Berne, she said the Western Press and the media were biased against India. The Indian Press too, at times, did not project the true picture of happenings within the country, she added.

Mrs Gandhi said the Indians living abroad were the unofficial emissaries of their country and people abroad joined their opinion about India by coming into contact with them.

She asked them to keep in touch with the developments, both economic and political, in India and strive to improve the image of the country which, she assured them, was "on the march again." She said the economy had started picking up and good and prosperous days were ahead.

Visit to School

Earlier, Mrs Gandhi drove 80 km from Geneva to Bex, a picturesque village, to visit the La Pelouse Institute where she studied in her childhood. She went round the institute, where she was a student in 1925-26 and again in 1935, and planted a sapling there. She said her memories of Bex were evergreen.

From Bex, she went to Berne.

Mrs Gandhi will make a night halt at Vitznau. Tomorrow she will go to Zurich and spend the night there before leaving for Kuwait on May 9.

Western Media

Last night, the Prime Minister has deprecated the tendency in the Western media to look down upon the poverty in India and the lack of literacy in the country.

Speaking at a dinner hosted in her honour by the permanent Indian representative at the United Nations office in Geneva, Mrs Gandhi said that as a person who always had close contact with the people and who was exposed to them all the time she was greatly impressed by the degree of understanding shown by ordinary Indian people.

The Prime Minister said: "What made her most proud of her people was their spirit of accepting challenges and their whole attitude towards life." Mrs Gandhi said she had come across the expression of this spirit at her daily open-house meetings with the people, a practice she had begun in her father's time. Anyone could call on her at these meetings.

She said this practice brought her closer to the people, their feelings, and their aspirations.

The President of the Republic and Canton of Geneva, Mr Andre Chavanne, who was also present at the occasion said that the people of Geneva were honoured by her presence specially as she (Mrs Gandhi) had an older association with the city. He paid tribute to the people of India who he said were the true inheritors of ancient culture, wisdom and philosophy.

Thanking Mr Chavanne for the warm welcome accorded to her in the city, the Prime Minister said she was very happy to be back in a city with which she had such old association.

Recalling that a part of her schooling had been in Geneva, Mrs Gandhi said "this for her" had been significant experience because her stay here had enabled her to meet different kinds of people--intellectuals and others--and exposed her to a different culture.

The president of the 34th World Health Assembly, Mr Violaka Parasekva, the director-general of the World Health Organization, Dr Mahler, the director-general of the United Nations, Dr Luigi Cottafavi, and the Health Minister, Mr B. Shankaranand, who is leading the Indian delegation to the Assembly, were also present at the dinner.

CSO: 4220

GANDHI GIVES INTERVIEW TO PAKISTAN DAILY

New Delhi PATRIOT in English 11 May 81 p 7

[Text] Islamabad, May 10 (PTI). Prime Minister Indira Gandhi has assured the people of Pakistan of the "fund of good-will which exists in India towards them," an Islamabad daily reported today.

In an interview featured on the front page, independent English language daily THE MUSLIM quoted Mrs Gandhi as saying that her Government had a feeling of good-will and concern for the people of Pakistan.

"We feel that a stable Pakistan and progress of its people is as much in India's interest as it is in Pakistan," she said during a 40-minute question answer session in her office in New Delhi.

The MUSLIM report said she appeared to be at pains to erase the impression that she was less friendly towards Pakistan and its people than many opposition leaders in India.

"We believe in co-existence. We would not let any system of government stand in the way of attempting friendship with Pakistan," she said in reply to a question about the current state of Indo-Pakistan relations.

Asked about the present health of the Simla spirit, Mrs Gandhi said, "I think it is a bit weak at the moment. That is why we have asked our Foreign Minister to go there."

The Prime Minister told the newspaper "There is no specific proposal" that Mr Rao would be taking to Islamabad on his visit later this month or in early June. But "we are constantly trying to see that the climate does improve."

The MUSLIM report said Mrs Gandhi seemed to have softened her attitude a little over arms purchases by Pakistan but had not ceased opposing it.

She told the newspaper: "We are not afraid of Pakistan having arms or of Pakistan attacking us. We can deal with it. The impression that India was afraid of Pakistan was deliberately created."

But, Mrs Gandhi added "When Pakistan once becomes part of global strategies then I think it becomes much more dangerous." India did not want the area to be caught in global rivalries. "We think that is a great danger."

Asked if acquisition of the capability by Pakistan to explode a nuclear device would amount to possessing the bomb, Mrs Gandhi said, "No. Just an experiment would not."

But, the Prime Minister added, "The information is not that it will acquire nuclear capabilities but actually the making of a bomb. Now, that does change the overall situation, tensions and so on. We know that there are a lot of people interested in this," she said. Asked if she meant outsiders, Mrs Gandhi replied, "Also, I think."

Motivations

In reply to another question the Prime Minister said: "It is quite true we do not favour military dictatorships and things like that. But we believe in coexistence."

India had not let this stand in the way of attempting friendship with Pakistan, she said reminding the questioner that it was she who took the initiative for Simla talks.

She said at no time would India stand in the way of Pakistan's legitimate needs of defence or anything else. It was because they got combined with a particular attitude that misgivings and apprehensions arose in Indian people's minds.

India, she said did not want an arms race and "We think Pakistan, as a trusted friendly neighbour, would be a very great advantage to India."

In airing views about Pakistan's decision to acquire arms, Mrs Gandhi said India was not interfering with it." We are just saying that experience has shown that this is not strengthening the country.

Need for Talks

Asked if it meant she proposed to take certain steps in the immediate future, Mrs Gandhi said, "Steps can only be mutual. We can talk to the Government of Pakistan. I do not think one can just mention something in the air here."

CSO: 4220

GANDHI INTERVIEWED ON KUWAITI TELEVISION

Bombay THE TIMES OF INDIA in English 11 May 81 p 9

[Article by M. Shanim: "PM Warns Against Rivalry in Ocean"]

[Text] Kuwait, May 10. The Prime Minister, Mrs Indira Gandhi, said today that if the 'presence' kept on growing in the Indian Ocean, it would pose a threat to us all.

In an interview to Kuwait television here, Mrs Gandhi said India was not the only country in the region which was concerned with the situation in the Ocean. The littoral states had passed a resolution seeking to convert the region into an area of peace. But "the presences" kept growing and one (power) tried to outdo the other. This kind of confrontation could be dangerous to all the countries in the region.

Mrs Gandhi was asked what should be done in the Arab-Israel conflict after the failure of the Camp David agreement. She said there had been a noticeable change in the attitude of Israel. Those who had friendly relations with that country should exert greater influence on it.

About the Iran-Iraq war, Mrs Gandhi said India wanted an early solution, "not because we were friendly with both the countries, but because that kind of conflict in the neighbourhood could open doors to interference by others."

Mrs Gandhi welcomed the idea of a Gulf council but advised that the impression should not go around that it had been set up against anyone, because it would then have an adverse reaction.

About Afghanistan, Mrs Gandhi said the situation called for a political solution and not apportioning blame. Asked what solution she would suggest, Mrs Gandhi said, "Well, it is very difficult at the moment. Life is full of difficulties." The interviewer then said that she had faced many challenges "and that is why we are looking forward to you to find a solution," Mrs Gandhi smiled and said the solution could be found "if all of us put our heads together."

The interviewer told Mrs Gandhi that India's support to the Arabs and to the PLO was greatly appreciated in the Arab world.

Answering another question, Mrs Gandhi said India believed in a just economic order. It also believed that the developing countries should cooperate with each other. "There should be a south-south dialogue before a north-south dialogue."

Briefly tracing the history of the non-aligned movement, Mrs Gandhi said it was true that it had weakened recently because members concentrated on the aspects that divided them. However, the Western press was always giving the impression that the movement could collapse any minute. Despite that, the members of the movement recently produced a working document.

Abu Dhabi (WAM): "The Americans have decided to store nuclear arms in the Indian Ocean island of Diego Garcia at a time when the international situation is drifting towards confrontation," Mrs Gandhi has said.

Mrs Gandhi told the Emirates news agency (WAM) in an interview, "The increased foreign presence in the Ocean, the actual war going on in Asia and the thriving of the armament industries are all signs of the international situation drifting, willingly or unwillingly, towards a confrontation.

Mrs Gandhi agreed that it would be impossible to go to the other extreme of achieving total neutrality of the Ocean but at least an effort should be made towards this end.

Asked about the nature of the effort which should be made to ensure the neutrality of the Ocean. Mrs Gandhi said all the countries concerned should try to persuade the super powers that neither should take attitudes which would aggravate the situation any further.

CSO: 4220

GANDHI SPEAKS TO INDIANS LIVING IN KUWAIT

New Delhi PATRIOT in English 11 May 81 p 7

[Text] Kuwait, May 10 (PTI)--Prime Minister Indira Gandhi today said her visit to "this friendly country is to take a step forward in strengthening our age-old ties and not to ask for anything." "I have brought the message of friendship," she said.

Addressing a large gathering of Indian community at which she was given a traditional welcome with "arati" by young girls attired in dancing costumes and showering of rose petals, Mrs Gandhi expressed the hope that Indians working in the Gulf region would help further strengthen friendship and good neighbourliness by hard work and disciplined conduct. Thereby, they would help enhance the image of their country, she said.

Mrs Gandhi said Indians living abroad could in every way possible assist their motherland in its efforts to build a self-reliant economy. They could do so through investments of their earnings in India and other ways. Each person could do this according to his capacity and even smallest remittances would help improve India's foreign exchange problem.

Mrs Gandhi did not directly refer to the memorandum submitted on behalf of Indians in the Gulf region seeking certain facilities by way of reduction in air fares and better returns on foreign exchange remittances. Later, informally talking to local Indian journalists, she said all these would be looked into.

Mrs Gandhi said India's relations with Kuwait and other Arab countries are long standing. There are traditional ties of friendship of culture and ties of trade and commerce, but in this fast changing world there are many problems which have arisen in the region. It is important to keep in constant contact and exchange views so "we can cooperate in many matters in trying to help resolve these problems."

She recalled the visit to India last year of the Amir of Kuwait and said "we received him with love and respect. I then thought I should also come here--to this very friendly country."

Mrs Gandhi expressed her thanks to the Indian community in Kuwait for helping Indians who were stranded when the Iran-Iraq war broke out and enabling them to go back to India. Mrs Gandhi was greeted by a large crowd and she in turn walked around offering her greetings to them.

CSO: 4220

PAPER GIVES DETAILS OF GANDHI TALKS IN KUWAIT

Calcutta THE STATESMAN in English 11 May 81 p 1

[Text] Kuwait, May 10--Mrs Gandhi and the Amir of Kuwait today discussed super-Power confrontation in the Gulf and the Indian Ocean even as their Ministers and officials were paving the way for additional Kuwaiti financial investments in India, reports PTI.

On the second day of her three-day official visit to this oil rich nation, Mrs Gandhi had wideranging discussions on the international situation with the 54-year-old Amir, Sheikh Jaber al-Sabah, and separately with her Kuwaiti counterpart and Crown Prince, Sheikh Saad al Abdullah al-Sabah.

The Afghan issue, militarization of the Indian Ocean and the situation in the Indian sub-continent, possibly including Pakistan's nuclear programme are believed to have figured at Mrs Gandhi's talks with Kuwaiti leaders but no official word was available on the details of the talks.

Kuwait today agreed to provide a loan of Rs 52 crores for the Anpara thermal power station in Uttar Pradesh. An agreement for this was signed.

Later, Kuwait showed interest in financing part of the foreign exchange component of the Thal Vaishet fertilizer project in Maharashtra.

On Afghanistan, the joint communique to be issued tomorrow is believed to have expressed deep concern and calls for a comprehensive political solution based on withdrawal of foreign troops and ensuring its sovereignty and integrity. They expressed hope that the non-aligned Ministers' committee would be able to make some headway in bringing the Iran-Iraq war to an end.

India and Kuwait have also voiced the grave concern over the latest development in Lebanon and hoped it would not be allowed to escalate.

The Crown Prince and Prime Minister of Kuwait reportedly told Mrs Gandhi that the Kuwaiti fund for economic development would continue to assist India, especially in oil-related industries and fertilizer production.

While Mrs Gandhi and the Kuwaiti leaders held talks, India's Minister of State for Commerce, Mr Khursheed Alam Khan, and the Kuwaiti Commerce Minister, Mr Jasim Khaled, discussed the general possibility of Kuwaiti investments in India

through the Kuwaiti Development Fund and the Kuwaiti financial market. India pointed out that it had recently relaxed rules for foreign investment.

Another topic discussed by the two Ministers related to manpower problems such as issue of visas for Indian workers. India offered to provide a draft agreement for the purpose and the Kuwaiti side reacted favourably. The two sides also considered the possibility of entering into an agreement to avoid double taxation.

During the talks, Kuwait complained of delays in the supplies of iron and steel from India. The Indian side agreed to look into it. It was also agreed to activate the Indo-Kuwaiti Joint Economic Commission.

Mrs Gandhi, speaking to a wide Gulf television audience tonight, warned of grave dangers arising from big Power confrontation in the Gulf and the Indian Ocean region.

In a prime time television interview to the Kuwaiti TV, Mrs Gandhi pointed out that all littoral States had favoured the Gulf and the Indian Ocean to be kept free from foreign presence, but in spite of that such presence was increasing.

"This type of confrontation with each Power wanting greater presence is threatening us all" she added.

Mrs Gandhi arrives in Abu Dhabi tomorrow on the last leg of her nine-day three-nation tour of Switzerland, Kuwait and the United Arab Emirates.

CSO: 4220

DETAILS OF INDIAN-KUWAITI JOINT COMMUNIQUE GIVEN

Bombay THE TIMES OF INDIA in English 12 May 81 pp 1, 13

[Text] Kuwait, May 11: Both India and Kuwait have called for the restoration of the non-aligned status of Afghanistan, withdrawal of Israeli forces from Arab territories and reduction and eventful withdrawal of the "presence" in the Indian Ocean. The two countries expressed full support to the efforts made by non-aligned countries to bring about an end to the Iran-Iraq war.

A joint communique, signed by the Prime Minister, Mrs Indira Gandhi, and the Crown Prince and Prime Minister of Kuwait, Mr Saud Abdullah al Salem al-Sabah, said there were vast possibilities for further increasing economic exchanges.

The communique noted that Mrs Gandhi and the accompanying delegation were given a warm welcome in Kuwait, reflecting the age-old relations between the two countries.

It stated that during the visit, the Prime Minister of India had called on His Highness the Amir of Kuwait. The two leaders exchanged views on bilateral relations as well as regional and international issues. The talks reflected similarity of views in regard to a wide range of issues which were discussed.

The Crown Prince and Mrs Gandhi had detailed discussions on matters of common interest and these discussions were held in an atmosphere of cordiality, mutual trust and understanding. They recalled with profound satisfaction the traditional and close relations between Kuwait and India. The leaders expressed their determination to further develop these relations to the mutual benefit of the peoples of both countries on the basis of equality and mutual respect.

Stress on Non-Alignment

They noted with concern the deterioration in the international situation, the persistence of unresolved problems and the emergence of new areas of tension. Both sides were convinced that in the period of acute international crisis today, the movement of the non-aligned countries and the policy of non-alignment were indispensable for the promotion of international peace, cooperation and progress.

The two sides felt that there was need, more than ever before, to reassert the role of the non-aligned movement as an independent non-bloc factor in international relations and as a positive, moral and political force for the preservation and strengthening of peace and security in the world.

The communique noted with concern the deteriorating situation in West Asia and emphasised that it was a source of grave danger for the peace and stability of the region and the world as well. No just and durable peace in the region could be found without the immediate and complete Israeli withdrawal from all Arab territories, including Jerusalem, occupied by Israel since 1967, and the restoration of the inalienable rights of the Palestinian people, including the right to return to their homeland, and to establish their independent state. They reiterated their full support for the PLO.

The Kuwaiti side expressed deep appreciation of India's consistent and firm policy of supporting the Arab cause. The Indian side reiterated that this policy would continue. The two sides also expressed grave concern over the situation in Lebanon and called for an urgent and peaceful solution. They strongly condemned the Israeli aggression against Lebanon and Israel's illegal intervention in the internal affairs of Lebanon.

The two sides noted with grave concern the situation in Afghanistan and called for an urgent, peaceful, comprehensive and just settlement on the question on the basis of the withdrawal of foreign troops, return of the refugees to their homes in safety and honour, strict observance of the principles of non-intervention and non-interference and full respect for the independence, sovereignty, territorial integrity and non-aligned status of Afghanistan.

Grave Concern

They expressed their deep concern and distress at the Iran-Iraq conflict. They hoped the two would sort out their differences peacefully. Kuwait and India expressed full support for the efforts being made by the non-aligned ministerial committee to restore peace.

They also expressed their grave concern at the increasing escalation of the great power presence in the Indian Ocean against the declared wishes of the littoral and hinterland states of the Ocean. They called on the great powers to progressively reduce and eventually eliminate their military presence from the Ocean. The two sides reaffirmed the need to redouble the efforts for the speedy implementation of the declaration of the Ocean as a zone of peace, as contained in the 1971 United Nations general assembly resolution.

They affirmed their conviction that safeguarding and maintenance of peace and security in the Gulf region was the responsibility of its states alone without any foreign interference. While reviewing the situation in the Gulf region, the Kuwaiti side explained the objectives behind the establishment of the cooperation council for the Arab states of Gulf. India expressed its best wishes for the success of the step.

They agreed that tension and confrontation in southern Africa could not be eradicated and no peace established until the liberation of Namibia from the illegal occupation of South Africa and the dismantling of the structure of apartheid in South Africa. They called for total support to the decisions taken by the non-aligned foreign ministers' meeting on Namibia held in Algiers.

The two sides noted with deep concern the acute crisis facing the world economy and in particular the developing countries. They underlined the urgent need to make structural changes in the present international economic system.

India expressed its great appreciation to the government of Kuwait for the assistance that had been extended over the past few years by the Kuwait fund for Arab economic development. Kuwait assured India of continuing willingness in assisting in the economic development of India. The Kuwait fund for Arab economic development would explore new avenues including projects relating to oil-related industries and fertiliser production.

Economic Links

The communique expressed satisfaction at the satisfactory increase in economic exchanges between the two countries. They believed that in the present situation and in the context of developments taking place in both countries, there were vast possibilities for further increasing economic exchanges and for their diversification. In particular, mutually beneficial possibilities existed in areas of investment and joint ventures in India, Kuwait and in third countries. The possibility of devising a suitable arrangement for facilitating such investment would be further pursued by the two sides.

Kuwait and India expressed Profound satisfaction at the positive outcome and results of Mrs Gandhi's visit to Kuwait. This visit had made a significant contribution to increased understanding and cooperation between the two countries. Mrs Gandhi invited the Crown Prince and Prime Minister of Kuwait to visit India. The invitation was accepted.

CSO: 4220

HISTORY OF SINO-INDIAN BORDER DISPUTES OUTLINED

Calcutta THE STATESMAN in English 11 May 81 p 8

[Article by Karunakar Gupta: "Sino-Indian Relations: Getting the Facts Straight"]

[Text] Discussing the border dispute between China and India in the context of Mr Huang Hua's forthcoming visit to India, the author sees the best solution in the offer of "the actual line of control" as the basis for a settlement of the dispute. Especially so, he says, because "distorted records" influenced India's notions about its frontiers with China. Repeating the claim that the McMahon Line is not based on a legally valid treaty, he urges a scrutiny of fresh evidence to expedite a compromise settlement.

Karunakar Gupta, who did his Ph.D. in International Relations at the London School of Economics, has written several books on Indian foreign policy, including one on Sino-Indian frontier problems.

THE recent meeting of the Chinese Vice-Premier, Mr Deng Xiaoping, with the Janata Party M.P., Dr Subramaniam Swamy, and the Indian Ambassador in Beijing, hit the headlines in the Indian and foreign Press. Not only did Mr Deng break the news of the forthcoming visit of the Chinese Foreign Minister, Mr Huang Hua, to India this summer, but he also gave a clear indication of his approach in tackling the long-standing problems between the two countries, complicated since 1959 by a succession of event such as the Tibetan uprising and the flight of the Dalai Lama to India, the border skirmishes and then, the Chinese invasion in 1962.

Mr Deng's formula for the settlement of the border dispute was Chinese acceptance of the McMahon Line in exchange for an Indian agreement to the Chinese claim to Aksai Chin. In June last year, Mr Deng had made a similar suggestion in his interview with an Indian journalist. He said, "China has never asked for the return of all the territory illegally incorporated in India by the old colonialists ... China suggested that both countries should make concessions, China in the east sector and India in the west sector, on the basis of the actually controlled border line so as to solve the Sino-Indian border question in a package plan...." There is reason to believe that Zhou En-lai offered a more or less similar formula to Nehru in April 1960. The Chinese proposal is not all that different from the proposal India has made, again and again, to Pakistan since 1955 to accept the actual line of control as the boundary between the two countries in the Jammu and Kashmir region

DISPUTED AREA

This formula for the settlement of the Sino-Indian border dispute had been commended by Mr K. P S. Menon in December 1969 in the following terms: "When Chou En-lai came to India in 1960 ... there was a hope that a settlement could be reached, under which the Chinese Government would recognize the McMahon Line, which no previous Chinese Government had recognized, in return for some recognition on our part of Chinese claims in the disputed Akasi Chin area. I deliberately say 'disputed', because the maps, treaties, agreements and other documents on which both sides

rely cannot be said to place the boundary, as conceived by either party, beyond the region of doubt or the need for negotiation. The watershed principle, on which we have heavily relied in other sectors of the frontier, is, in the Aksai Chin area, not in our favour. Moreover, Aksai Chin is of no importance to India, whereas, to China, it is of utmost importance, because it is the link between two historically troublesome regions, Tibet and Sinkiang". (Mr. Menon is, perhaps, the most knowledgeable person in India in regard to the legacy of the British Raj and the Northern frontier.)

Nehru, however, was misled by a group of officials in the External Affairs Ministry, who distorted official records of the Raj to convince him, his Cabinet and the Indian Parliament about the so-called "sacrosanct" nature of India's border claims. While China extended de facto recognition to the McMahon Line in 1950, the India Office Records in London show that it was not based on any legally valid treaty. Nehru told Parliament on August 13, 1959, "The McMahon Line is the firm frontier, firm by treaty, firm by usage, firm by geography". As a geographical boundary, the McMahon Line, roughly following the crest of the Himalayas, may be regarded as the natural division between India and China in the Eastern sector. But up to 1947, it was not regarded as a "firm" frontier, either by "treaty" or by "usage".

A careful examination of the official documents available in the India Office Records does not bear out the veracity of this claim; nor was this recognized as such by the British Government at that time, which becomes clear from the official correspondence between the Governor General, Lord Hardinge, and the Secretary of State for India, Lord Crew, in July, 1914.

In the late thirties, however, an attempt was made by some Indian officials, under the inspiration of Sir Olaf Caree, to give the McMahon Line an ex post facto legal basis by changes in Volume XIV of the 1929 edition of the Aitchison's Treaties, which contained the original official version of the proceedings of the Simla Conference, as follows: "In 1913, a conference of Tibetan, Chinese and British Plenipotentiaries met in India to try and bring about a settlement in regard to matters on the Sino-Tibetan frontier; and a Tri-partite Convention was drawn up and initialled in 1914. The Chinese Government, however, refused to permit their Plenipotentiary to proceed to full signature".

This authentic volume was withdrawn from circulation in 1938 and replaced by a faked version with an imprint of 1929. This concocted volume of Aitchison's Treaties remained a continuing source of confusion in free India about the true position of the British Raj in regard to the North-eastern frontier. It was unfortunate that none of the senior officials in the External Affairs Ministry was aware of the dubious legal status of the McMahon Line when the border dispute began in the wake of the Tibetan rebellion.

OFFICIAL MAPS

From the official Indian point of view, the Sino-Indian border dispute is now limited to the Chinese occupation of about 14,000 square miles of territory in the Kashmir-Ladakh region. According to the authoritative Aitchison Treaties, Volume XII (1931), however, the Northern and Eastern frontier of Kashmir remained "undefined" during the Raj. Also, many official maps, including the map of India attached to the Report of the Indian Statutory Commission (Simon Commission), Volume I (1930), and the map of India submitted by the General Staff of the British Indian Army (marked "Top Secret") to the British Cabinet Mission in 1946, show the crest of the Karakoram Mountains as the approximate alignment of the Northern and Eastern frontier of Kashmir. So the question arises: How did some officials conjure up a border claim of 14,000 square miles in the Western sector, which remains a stumbling block in resolving the border dispute today?

During the Raj, however, there were two other versions of the Northern and Eastern frontiers of Kashmir, one proposed by Sir Ardagh (1897), and the other by Macartney-Macdonald (1899), which tried to push the Kashmir frontier beyond the Karakoram ranges. But these lines were never officially accepted. In July 1954, however, the Indian Government, following the advice of the North and North-east Border Committee, published a new official map of India showing a boundary line in the Kashmir-Ladakh sector which took the crest of the Kuenlun range and placed within the Indian territory, for the first time, the whole of the Aksai Chin area, notwithstanding the fact that the area was at that time under the actual control of China. This new boundary line was a version of the John Ardagh Line, which had been dismissed by the General Staff on the ground that it was difficult to defend, and, strategically, useless in comparison to the Karakoram line

From the legal point of view, this unilateral alteration of the Survey of India maps in July 1954 did not establish any right to extend India's boundary in the North-west, including Aksai Chin. As successors to the Raj, free India has to accept whatever legacy was left by the British in this respect. The British Government, however, remained discreetly silent about the matter all these years.

WESTERN SECTOR

But in 1977, Sir H. A. F. Rumbold, a senior official of the India Office, revealed the truth about the Western sector of the Northern frontier of British India in a review article in "Asian Affairs" (June, 1977). He said that in the north-west, "in the frozen, uninhabitable, wilderness of the Aksai Chin", there was no defined frontier. He further said. "In researching this point, I found nothing in the India Office Records to justify the line on the Kuenlun range indicated on some maps and the (Simon) Commission's map accordingly adopted a line roughly along the crest of the Karakoram ranges."

The Indian Government should set up an independent fact-finding commission under the chairmanship of a Supreme Court Judge to scrutinize the new evidence on the Sino-Indian boundary question brought to light by independent researchers in the India Office Records in recent years, instead of relying on the Officials' Report of February 1961. This will help them understand why a compromise settlement of the Sino-Indian boundary question is imperative on both the sides.

In reply to a discussion on the subject in the Lok Sabha on July 31, 1980, the Foreign Minister, Mr P. V. Narasimha Rao, said that "the Government, who keep abreast of all important research on the subject, are fully convinced that the alignment shown in our maps conforms to the true international border." This shows that our Foreign Minister is still being kept ignorant of the facts by his officials, just as Nehru had been by the Historical Division of the External Affairs Ministry, who misquoted documents in 1959, particularly regarding the Western sector of the Northern frontier.

Mr Deng, in his interview, suggested that, in case of difficulty on the Indian side, the border issue might be set aside for the moment, while progress is made in other directions. This shows a keen desire on the part of China to normalize relations with India.

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MILITARY PROBLEMS OF NORTHEAST ANALYZED

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[Text] The military problem in the North-East of India can be dealt with under the following headings:

1. The Indo-Tibetan border problem.
2. The northern frontiers of Sikkim and Bhutan.
3. Relations with Bangladesh.
4. The problems of the Indo-Burma border.
5. The insurrection in Nagaland & Mizoram.

Receding Threat & a Better Position

The border between India and Tibet was, is, and continues to be the still controversial McMahon line. It is too late at this stage to go into the long drawn-out controversies about this line. Of late China has expressed a keen desire to get this question settled amicably. In fact there is no serious problem or dispute except Aksai Chin.

Aksai Chin is the north-eastern most corner of the old undivided Kashmir. It is a central region with easy access to Gilgit to the west, to Sinkiang in the north, to Tibet in the west and southwest. China has built a road through this region to Sinkiang from Tibet and claims it to be part of Tibet and hence part of China.

China took three years to build this road and we knew nothing about it as our troops were not there to patrol the frontier. When we came to know what had happened it was too late.

After the 1962 invasion, China made an offer to settle all the border problems by agreeing to our version of the McMahon line in the northeast if we did not raise any question about Aksai Chin. Wounded pride and prestige fouled the atmosphere then for a settlement. Now that tempers have cooled, China has repeated the offer giving also an indication that the details are negotiable.

Looking at it without prejudice, it sounds very reasonable and so deserves a detailed study. China's offer bids fair to put an end to a quarrel of over 25 years standing, both sides having strong and weak points. To accept the solution offered is indeed a pragmatic approach.

But there are a few snags. China has not always been dependable or trustworthy and so the actual wording of the treaty or agreement will have to be carefully studied. They have given an indication of a few conditional clauses. There may be more coming as the negotiations progress. We have also a few conditional clauses.

Settling the McMahon line is not the last word for settling all the problems we have with China. The indications are that with a little bargaining China may be prepared to concede a lot. India's approach has been very cautious and halting. We have to take some risks. He who risks nothing gets nothing.

Why is China so suddenly anxious to normalise relations? We can only guess some of the reasons. The others would become clear when China comes forward and puts all its cards on the table.

The Chinese want to extricate themselves from the blunders of the Mao regime, which are still hanging like a millstone round their neck. There are many raw products that China needs that India can supply very cheap. All these are possible only if unpleasant memories of the past are wiped off. China's motivation can be genuine.

New Situation

There is another very strong reason why China wants to take a pragmatic view and settle its disputes with India. This is the new situation that has developed due to the Russian occupation of Afghanistan.

Quite a few Soviet divisions are massed in the Kunar province in the north-east of Afghanistan. A whole division is deployed on the border of Afghanistan with Chitral and Swat States.

To the north of this area is Sinkiang, the troubled province of China. To the east lies the strategic area of Gilgit, Aksai Chin, and the highway to Lhasa and Peking, as also the Karakorum pass through which runs the road to Islamabad.

To the south lies what was known to the olden days as Malakand Agency, the northern part of Pakistan. These regions are thinly populated, highly strategic areas. There is every likelihood that Russia will sooner or later make a thrust into this area. We can be sure that it will be specially timed. As and when it happens, it will be a challenge to more than one country, the countries being powerless to retaliate with force.

This area has no railways, no waterways, not many motorable interconnecting roads, is not industrially advanced, and is thinly populated by a few tribals. It is one of the world's most undeveloped areas. Yet when this intrusion takes place the entire world will be frightened and alarmed, because of its possible repercussions.

In this venture who profits and who loses? First Pakistan will raise a hue and cry that their country has been invaded. The Russian reply may be somewhat on the following lines: "We have not come anywhere near Pakistan. This is part of Kashmir and so part of India so far as we are concerned. If anybody has any right to question us, it is India. When India asks the question we will answer them."

Then China: It has no locus standi in that region, yet Russian intrusion into this region will definitely constitute a serious threat to Sinkiang and Tibet. If Russia pushes further on to Aksai Chin, then the two strategic highways in which China is vitally interested will be cut. If China confronts Russia in Aksai Chin, Russia will give China the same reply as given to Pakistan.

With this one move, Russians would unilaterally have closed the Kashmir dispute, and not a dog will bark.

It may not end there. The western powers, the U.S. and Britain, supported by some of the Muslim States of West Asia would try to launch a well planned programme to oust Russia from this region as well as Afghanistan.

But who can do it and how? Only Pakistan and China can try. India will certainly not get into this fray. Pakistan is determined not to confront Russia directly now, either in Afghanistan or in Chitral and Swat. But it seems half willing to let the U.S. land its army and air force in Pakistan and march against the Russian intervention in the north or in Afghanistan.

The only other country that may try to combat Russia in the regions of the Hindu Kush, Pamirs, the Karakoram, and the Baltistan States is China. In fact, China cannot afford to sit on the fence and watch the developments. It has to act and will be forced to act. Otherwise it may be too late.

No country big or small wants a war now. No country can afford that luxury. But the superpowers are all the time trying to put the rifle on somebody else's shoulder and pull the trigger. They succeed very often, but they do not achieve their aim or object. War solves no problems generally, but often paves the way for future wars.

If Russia and China confront each other in the Karakoram region and in the area of Baltistan and Chitral, then it will be a war between two superpowers, a situation which the whole world as well as the superpowers themselves would like to avoid.

In the event of such a collision, Pakistan will be pushed into it in a matter of hours. To start with India will try its best to keep out, but will ultimately be dragged into this vortex. It will be the collapse of the flimsy protective wall of non-alignment. Under those circumstances we will be confronting China once again all along the Himalayan frontier.

Now let us switch back once again to the Northeast of India.

The defence of the Indo-Tibetan border is the first major problem of the Northeast. This can be understood in depth only by taking into consideration a typical situation like the one mentioned above.

China Wary

There has been some misunderstandings about the Chinese invasion of 1962 across the Himalayas. Everyone talks as if we suffered a very heavy defeat. This is not so. There was fighting all along the Himalayan frontier from Ladakh and Leh to

the easternmost tip of Lohit bordering on Yunnan. We held our own in all sectors except in the Kameng division of Arunachal Pradesh. Here it was a total rout with heavy losses. Some of the funniest things happened.

What is the present position? China is getting wary. About 1954 when the Aksai China problem came up we had a few conferences with the Chinese in Delhi. At that time Marshal Chen Yi addressing the Cabinet Ministers said: "We don't want to fight a war on two fronts. Gentlemen I don't think that you wish to fight a war on two fronts either, if it is three fronts it is still worse." It was a challenge and a threat. The meaning will be clear. The implication was that China had Pakistan as an ally.

Now the boot is on the other leg. If Russia and China should clash on the Karakorum, China would very much like to avoid fighting on many fronts. How India will react to the situation is their question. Since we have during the last few years been tilting more towards Russia, we may be forced to jump into the fray. We can take this opportunity to straighten out our Himalayan border with Tibet to suit our requirements. It will be a strain for China to deploy large forces on the Himalayan front to prevent incursions from our side.

At present China seems to be the only country able to look into the future and see the new writing on the wall. So they are now willing to concede all our claims about the McMahon line provided we concede all that they want on the Aksai Chin sector.

What is our present position on the Himalayan front? In 1962 we had no roads or other types of communications in that area, worth mentioning. Now we have a complete set of tarmac roads, mostly 24 feet wide with cross links. In 1962 we had only the BSF to patrol the border. We have now more than eight divisions suitably deployed in the eastern sector. In 1962 it was not a case of China being extremely strong, but it was a case of India being weak and unprepared.

China is now being pushed into a tight corner. It is natural that it should try to avoid fighting a battle on many fronts if it is to fight Russia. If the border problem with India is settled, one great danger is over. China will pretend to be tough but will concede all our reasonable demands regarding the settlement of the border disputes in the north-east.

But there will be one condition, that in the event of China and Russia confronting each other on the Karakoram, we should give a guarantee that we will not join with Russia as an ally and stage a diversionary attack on the Tibet--Arunachal Pradesh border. It is certainly to our advantage to be non-aligned. But will that be our position?

Peking's Handicaps

China's difficulty on the Himalayan front is one of logistics. Much of Tibet is barren territory over which blows for four months the cold winds from the Gobi desert. All military supplies have to come from the main line of China. A five-tonne lorry loaded with 60 drums of diesel uses 42 drums to travel from Peking to Lhasa and delivers 18 drums for stock. This is a ridiculous state of affairs.

There is no railway to Tibet. There were no proper roads either. China embarked on a crash programme and made a long metalled trunk road along the valley of the Tsang Po to Aksai Chin with connecting roads to Lhasa. They are metalled but not asphalted inside Tibet.

China tried extensive reforms in the field of agriculture in Tibet to produce more food. It was not a great success. You can't squeeze blood out of stone. A vast majority of the Tibetans are still loyal to the Dalai Lama. They have no strength or power now to resist or revolt, but the Chinese also do not enjoy their support or loyalty.

A ferocious tribe known as Kampas is operating on the Himalayan border regions against the Chinese forces harassing them at many points. They were going strong even during the years 1972-73. What happened to them afterwards is not clear.

North of the upper triangle of Burma, north-east of the Lohit division of Arunachal, and east of Tibet and west of Yunnan is a mountainous gorge known as the Chamdo region. It is the only link between China and Tibet, it is not more than 100 km long, rather narrow and in its broadest portion is about 30 km broad. It is a very strategic area. During the last 1,000 years whenever there was a clash between Tibet and China, big or small the battles used to be fought in this region only.

If this corridor or communication link could be cut effectively, the Chinese position in the whole of Tibet will be very seriously jeopardised. In the event of a major hostility between India and China, our natural aim should be to try this stunt of blockading the Chamdo region. Can it be done? Is it possible?

Between 1962 and today two decades have elapsed. Today we are in a very much better position on the Himalayan front for both offence and defence. From Sadiya to Kibitoo on the Chinese frontier we have today a very broad excellent road specially designed for heavy two way military traffic. Our second echelon bases and the supply lines are all properly laid on. Our logistics today is far better than that of China.

All the same the threat of a confrontation between India and China is receding.

The military problem on the northern frontier with Tibet can be considered as settled if a compromise solution as suggested by China is accepted. It will however require a few amendments and modifications. These are not very difficult under the circumstances. The prospects appear to be very good.

Weak Link

Sikkim is a small State now part of India. It was previously a protectorate. Bhutan is a different story. It is considered to be a small independent kingdom ruled by a king. Between these two lies the V shaped Chumbi valley. The lower apex of this wedge is nearly touching the strategic area of the Siliguri gap, our only communication link with Assam. China is well entrenched in this valley, the Yatung region being their headquarters. It is a base well organised, garrisoned, and well furnished, now after many years of effort.

Sikkim lies on the western side and Bhutan on the eastern side of this wedge. The border of Sikkim with Tibet in the north and Chumbi valley in the east is well guarded by Indian troops in strength and in depth. This is not the case with the border between Bhutan and the Chumbi valley. It is virtually undefended. There are two rivers from the Chumbi valley flowing into Bhutan, the Amo Chu and the Ha Chu. The valleys of these two rivers are the channels of communication between the valley and Bhutan.

On the northwest of Bhutan lies the gigantic Chomolhari range forming a natural barrier between Bhutan and Tibet. On its western side this range curves down south, its southermost tip reaching to the valley of the Amo Chu. On the northern side of this Chomolhari range runs the frontier between Bhutan and Tibet. This boundary is yet undefined. It is however shown on the maps by a dotted line. This is a rough marking following the watershed principle, not ratified by the two countries.

China does not accept this customary watershed boundary as valid. It has claimed about 780 sq. km. of northeastern Bhutan as also some substantial areas north of Punakha the old time capital of Bhutan. Chinese maps show substantial chunks on the Indo-Tibetan border including that of Sikkim and Bhutan as Chinese territory. During the last 15 years there has been many incursions of Chinese troops into these regions.

Under a treaty relationship, Bhutan is guided, in its foreign relations, by India. Bhutan is not to have direct consular or other relations with any foreign country, but it has to go through the Government of India. In return India accepts the responsibility for Bhutan's defence and its strategic communications.

This treaty however has a funny provision to the effect that India may not station its troops inside Bhutan, but it can and has to come in as and when so requested by the King for the defence of Bhutan against external aggression. This virtually makes the responsibility for defence practically meaningless.

The only danger to Bhutan comes from China. With an undefended border with Tibet, China can run over the whole of Bhutan in the matter of a day or two at the most. Then it will not be defence of Bhutan but expelling an invader.

Looked against the background of this weak point, the idea of our being able to stop the Chinese at Chamdo is childish tall talk. Tibet's border with Nepal, Sikkim, and Bhutan are all part of the same McMahon Line. When China agrees to accept our version of this line on the eastern sector, does it include Sikkim and Bhutan also? will China also recognise our special relations and rights in China's offer would be worthless if Bhutan is to be left out. [as published] Meanwhile Bhutan will continue to be the weakest link in the chain of our Himalayan defences.

There are four divisions in Arunachal Pradesh, Kameng, Subansiri, Siang, & Lohit. Kameng division is the westernmost bordering on Bhutan. We have today in this division, a long road starting from Misamari on the plains to Khinzamane a border town on the Tibetan frontier in the north. This road passes through Tanga valley, Bomdilla and Tawang in the inner Himalayas. Tawang is a village full of Buddhist monasteries and gumphas.

During the 1962 war the Chinese entered deep into Bhutan along the valley of Tawang river, turned south, reached Lumithoung and then turned east, re-entered Kameng division very much to the rear of our forward divisions, thereby cutting off our supply lines. Our forces sandwiched between two Chinese forces one to the north and another to the south, had to suffer heavy casualties.

Private Armies

Let us have a look at Burma. We have a common frontier of about 320 km with Burma. It has been demarcated and deleneated--no problems. Burma has remained friendly.

But our northeastern frontier with Burma is not under the control of the Rangoon Government. It is for all practical purposes under the control of the Chinese. This upper triangle of Burma as it is called is the valley of the Chindwin and the Upper Irrawaddy.

On the western side of this triangle close to the Indo-Burma border live many tribes, Kachins, Chins, Nagas, and Lushais. On the eastern side, this upper triangle of Burma has a common frontier with the Yunnan province of China, Laos and Thailand. In this area are the Shans and the Karens. The Karens, before the Second World War, inhabited areas in Central Burma, Lower Burma and Tennasserim. During the years 1890 to 135 nearly 90 per cent of them became Christians and sided with the British against the Burmese nationalists. The British recruited large numbers of them into an auxiliary force known as the Karen Irregulars and used them against the Burmese. After World War II, the Burmese people drove them out of lower Burma and then they took refuge in the upper triangle.

In the northernmost reaches where Tirrup and the Lohit division have a common frontier with Burma live the Kachins. That region is also known as the Kukawing valley. Putao or Ft Hertz located in this region was the northernmost military outpost in those days. The famous Ledo Road also known as Stillwell Road passes through this region.

Coming south we have the common frontier with Nagaland. In this region we have the Burmese Nagas. The last remnants of the rebel Nagas from the Indian side under the leadership of Izak and Muivah have taken asylum in this region. Another small group of the rebel forces, the pro-Phizo group also has joined with them.

Coming further down, we have the Chin Hills region with a common frontier with Manipur. This area is inhabited by the Chins. Still further south the area adjoining Mizoram is inhabited by the Lushalis and the Kukis. Mizos are also Lushais, Lushai, Mizo, and Kuki, are all closely allied groups. They are only different sub-sects of the same tribe. To the south we have the Chittagong Hill region of Bangladesh.

All these tribes have formed themselves into private armies declaring their territories independent. The Government of Burma is militarily too weak to subdue them or liquidate them.

A major portion of the sophisticated weaponry for these private armies has come from the U.S. and China has also made a substantial contribution.

The tribes on the Indo-Burma border are all of specific ethnic groups. Their opposition to the Government of Burma is based on religion. As Christians they refuse to accept the overlordship of a Buddhist government. The Shan State Army, however, is predominantly Buddhist. It claims Burma as its country.

Twenty years ago all these insurgent forces constituted not more than 24,000 armed men. But today their strength is estimated to be upto two divisions, more than half deployed on the Indo-Burma border. So far we have had no direct encounter with these forces. But there had been some stray incidents as they are collaborating actively with the Nagas and the Mizos.

Even though our border with Burma is at present peaceful, this state of affairs may not continue for long. The Second World war left the socioeconomic set up of Burma completely shattered. When the war ended and Burma got Independence, it had no army worth mentioning for its own defence. It had to start from scratch.

It could not have a settled government for some time. Then came the socialistic experiment of General Ne Win. It was not a success in any sense of the term. It brought Burma very close to economic ruin. Result--the rebel elements in the north had a field day.

Burma is now faced with the problem of eliminating and if necessary even destroying altogether the rebel armies of the tribals in the northwestern region of the Chindwin valley. This is an operation which will take some time and is not likely to be so very easy unless it has the full cooperation and assistance of India on the western side of the border. Burma's headache is our headache too, so it is in our own interest to help it in whatever way we can.

During our operations in Nagaland, the rebel forces when hardpressed used to retreat across the border into the Chindwin valley. Burma pleaded inability to deal with the problem as it did not have enough armed forces to deploy on the border. It, however, conceded to India the right to enter its territory and deal with the rebels in any manner we chose. It was willing to give whatever other help it could with its limited resources.

Burma helped us at the time. It is now for us to reciprocate by deploying enough troops on the border to prevent Burmese rebels crossing into Indian territory. We have also to prevent the tribals from our side of the border going into the Chindwin valley to assist the tribals there.

During the last five years in particular our forces have been more and more successful in preventing the rebel elements from sneaking out to China for training and they have also successfully prevented their return to Indian territory. Large numbers have been rounded up.

In the beginning the insurgents passed through Mizoram and then into Bangladesh. From Bangladesh they entered Burma through the Chittagong Hills region and then worked up the Chindwin valley, crossed over to Bhamo on the Irrawaddy and passed into China. This was very tedious and very difficult of course.

Ever since the U.S. and China established friendly relations, the Chinese have been encouraged to maintain the fires of insurgency in this area. There were plans for China to establish an alternative training centre at a spot south of Lhasa on the north bank of the river Tsang Po (Brahmaputra). The idea was to send the new rebel recruits for training to Tibet through Arunachal Pradesh.

Simultaneously a massive programme of conversion of the tribals in Arunachal Pradesh was planned. The basic issue of the tribal problem in the northeast is that the Christian tribals are hostile to the Government of India, while the non-Christian tribals are friendly. The move was to make the friendly tribals of Arunachal hostile by converting them first and then indoctrinating them.

Christian missionary activity is forbidden in Arunachal. So the churches, schools and other installations were put up just a kilometre or two south of the border line and all kinds of indirect methods were being used to gain converts.

The tribals were then alerted about the dangers involved in repeating the situation of Nagaland and Mizoram in Arunachal. They got alarmed and in a body went up and blew up the churches and schools. There were casualties among the clergy too. Thus the transit camp and base for channeling Naga and Mizo hostiles to the training camp south of Lhasa in Tibet fell through.

Since then China has been more explicit in withdrawing support to the hostile tribals. It has also told Pakistan clearly not to bank on it for any further substantial supplies of arms and ammunition. The final settlement with China and the normalising of relations will depend on the stand it wants to take on these problems. Indirectly it can influence Russia's plans and intentions for any intrusion into the Baltistan area.

However, Burma is not India. Will China agree to withdraw from the upper triangle of Burma and stop giving aid to the hostile tribals of the Chindwin valley? The indications are it will agree to withdraw.

Not a Skirmish

China seems to have put up a very interesting explanation and excuse to justify its new alignment. When the Burma Government starts military operations against the Kachins, Nagas, and the Lushais on their side of the border, if China should come in the way, then they fear a large influx of Vietnamese and Kampuchean troops assisted by the Cubans, who will spread and take positions along the China-Burma frontier. That will be Russia's challenge brought nearer home. The Armed forces of the Burmese Communist Party now in the Shan States will join these forces. Then it will not be a skirmish but a war.

One trend is very clear China is in no mood to take a belligerent attitude unless forced into it by a very difficult situation. China's cooperation with the U.S. will not be unconditional. It will be circumscribed and limited.

pages tightly bound

Bangladesh Unfriendly

On the Tibetan frontier and the Indo-Burma border there is no war or threat of war at the moment. Even latent tensions are not there to any marked degree. The case of Bangladesh is different. Tension between India and Bangladesh is escalating during the last five years. It can ultimately lead to a blow-up and that may not be far off.

For nearly three decades East Pakistan has been a thorn on our side, the border problems, the sharing of the Ganga waters, trade relations, driving out the Bihari Muslims into India, persecution and harassment of the last remnants of the Hindu population and many more problems have bedevilled the relations between the two countries.

During these years, East Pakistan and later Bangladesh has been helping the Naga rebels and the Mizos with asylum, arms, ammunition, and training facilities. During the short regime of Mujib Rehman the rebel camps were closed and facilities denied. After Mujib all these troubles have arisen again.

The rebel army of the Mizo National Front has established its base headquarters in the Chittagong Hills region, with the help and support of Bangladesh. It is alleged that large numbers of Chinese officers came in as instructors to train the rebel army in guerilla warfare. Most of them appear to have gone back in more recent months.

Whenever the insurgents cross into Mizoram and confront the units of the Indian army, there is a skirmish. The remnants after the battle are chased and they retreat into Bangladesh. We normally have the right to chase. Under similar circumstances, Burma has cooperated with us. But Bangladesh is a different story. This is a matter over which tension between the two countries can escalate.

The treaty of friendship with Bangladesh is a peculiar one. It is more or less a personal understanding between Mujib and Mrs Gandhi. Once Mujib and his group had been assassinated and wiped out, this treaty ceased to be relevant. The later events in Bangladesh are not in agreement with the provisions of this treaty.

There is a provision in the treaty conceding to India the right of entry and passage for Indian defence forces through Sylhet and Mymensing in the event of warlike operations in the northeastern regions.

There is another provision that India should not repatriate the Bihari and Bengali Muslims who migrate to India. This provision is quoted as an excuse and a valid reason for the Government of India refusing to deport these Muslims now referred to as foreigners in Assam. The snag is that this provision is no more valid in the present context.

There was a vaguely worded report in the papers some months back saying that Bangladesh gave some indication that it intended to repudiate the provision granting Indian troops the right of passage through Sylhet and Mymensing. The Government of India is said to have replied that in that case we will be compelled to push the Muslims now in Assam back into Bangladesh. Dacca is said to have remarked that such a move was sure to precipitate a war between the two countries.

It should be clear to everyone that the Assamese are not prepared to let the foreigners stay in Assam. It is necessary to take a pragmatic view. International law, treaty obligations and humanitarian grounds are not relevant in this case. In fact, a stage has been reached when these considerations threaten the freedom, security, and safety of the local population.

It appears that there is a new trend in the northeastern regions, which may result in the Muslims of Assam being pushed back into Bangladesh in large numbers. Then Bangladesh can declare a war if it so felt.

More than six months ago Izak and Muivah, leaders of one of the rebel Naga groups, started seeing the writing on the wall. They felt that a concentration of 47 lakh Muslims from Bangladesh in Assam constituted a serious threat and danger to Nagaland, Manipur, and Mizoram.

These three tribal areas are now thinly populated. The aggressive Bengali Muslim with his expansionist ideology, trained to invade neighbouring territories will very soon become a serious danger to the tribals also.

Some interested party or parties seem to have put into their head the idea that the Government of India is trying to retain the maximum possible number of Bengali Muslims in Assam to be used against the rebel forces operating in the tribal areas. They then worked out a plan for all the rebel elements in Assam, Meghalaya, Magaland, Manipur and Mizoram to rally under one flag, and take joint action to go to the aid of the Assamese Hindus, and drive the Bengali Muslims back into Bangladesh.

All the rebel groups appear to have agreed to the proposal in principle. But the non-Christian tribals refused to accept their leadership on the ground that the Christian tribals, because of their religion, argue that they are not Indians.

Muivah reacted promptly by agreeing to give up that stand. It resulted in the pro-Phizo group deserting him. The Mizos of the Mizo National Front also objected to this idea of giving up the Christian stand. Hrankal, Koloi, Nripen, the PLA, and the TUJS seem to have remained with him.

According to a statement made by Hrankal after his arrest the whole scheme was toppled by a group of American Baptist missionaries, previously expelled from the tribal areas, but now stationed with the headquarters of the MNF in the Chittagong Hills area. These missionaries appear to contend that any move to jump into the Assam fray might help India indirectly, but will definitely affect Bangladesh adversely.

Muivah recently seems to have been making renewed efforts to rally the tribal forces once again under the same flag and go to the help of the Assamese Hindus, and thereby forestall a serious danger which might threaten them as well. The Assam Hindus, however, have not asked the tribals to come to their aid.

Mizoram Still in Hot Waters

That leavessus with the internal problem, the military operations in Nagaland, Mizoram, etc. There is no tribe known as Nagas. It is a generic name given to a large number of tribes, e.g., Sema, Ao, Lohta and Angami. They are racially similar but with small differences in their ethnic identity. The same Naga group of tribes are spread over in the Chindwin valley also.

All the tribes are Mongoloid, falling broadly under two categories, Tibeto-Burman, and Indo-Chinese. The Daflas, Apatani, Sherduks, and Monpas of Arunachal are Tibeto-Burman, as also the Nagas. The Lushais, the Mizos, and the Karens of Burma are Indo-Chinese types.

The Nagas have claimed that they were not Indians because they were Christians. This was the position up to 1965. That is what they were taught to believe by the foreign missionaries, who were playing havoc in those areas particularly after Independence. Many of them were espionage agents of foreign countries and they were as a rule hostile to our country.

Their main job was to organise the tribals of the northeastern territories to rebel and declare themselves independent. No Government worth the name can tolerate this kind of threat to the safety, security and independence of the country.

Under these circumstances arriving at a compromise solution through negotiations does not arise. Might is right. One major mistake that these foreigners committed was to make the tribals believe that they could win the war against India. The Nagas realised the folly of this line of thinking even as early as 1960. Many surrendered and laid down their arms. A provisional civil Government was formed and it has now come to stay.

By the time the Nagas realised their mistake a very large number of casualties had been inflicted. There was at the time a hard core that would not surrender and it continued to fight.

About the year 1959 General Thimmayya made an offer to the Government of India, to finish the Naga problem if only he were given a free hand. Nehru turned it down and took the view that the hostile tribals should be won over by sweet words. The Nagas did not understand that language. The trouble continued and a large number of casualties had to be inflicted over a period of 10 to 12 years before the situation could be effectively brought under control.

A military operation is always the last resort. Once it is launched sweet words are taboo. We have to make a thorough job of it by taking drastic action irrespective of consequences. Soft pedalling in a military operation is a crime. Whenever the rebels succeed in inflicting a few casualties on the armed forces, it becomes necessary to inflict a deterrent punishment. During these operations, the civil population who are noncombatants also suffer sometimes.

As time passed many elders in the community as also a section of the clergy got very much upset over this trend. They started agitating that this war of the Christian Nagas against a Hindu army should be stopped forthwith. Twenty years ago theirs was a voice in the wilderness. Today they are in power controlling the local administration.

The rebel army beleagured and depleted retreated to the Chindwin valley in Burma and established its headquarters there. In consequence rebel activity is now very much on the decline in Nagaland, and has practically tapered off.

When a civil elected government was established, the army still retained its powers and responsibilities to liquidate the remnants of the rebel forces. That job has more or less been completed now. The remnant of the rebel forces now in exile in the Chindwin valley under Muivah is said to be about 960 to 1000 strong.

So the war in Nagaland is supposed to have ended. But it will take at least one more decade to restore normality in the area.

Mizoram in 10 years has suffered more casualties than Nagaland in 20 years. For obvious reasons the correct figures are not published, the rebel armies are a hundred per cent Christian. The young able bodied section of the population only are recruited to the rebel army, and these became the casualties.

A small tribe of not more than six lakhs in Nagaland and about three lakhs in Mizoram is being continuously depleted of its youthful manpower. The number of middle aged widows and unmarried girls are continuously on the increase. The number of children born in the community has gone down considerably; so also the population. In Nagaland at least this state of affairs seems to have been halted, but not Mizoram so which is still in hot waters.

The population of Mizoram 15 years ago was not more than 3.2 lakhs. Now it is 2.6 lakhs. The Mizo rebels have been reckless dare-devil types, and as a result have suffered much heavier casualties. What is happening can be described as a mild form of genocide. But this word has not yet been flung on us. Obviously the reason is that they do not wish to admit or disclose the fact that they are now fighting a losing battle.

If the Mizos try to keep up the tempo of the struggle for another decade the population there will be more than decimated. Now the elders in these two areas as also a section of the clergy are very much worried and are vehemently opposing the way the youngsters have been made a cat's paw by the foreign missionary element.

The rebel Mizo forces are now compelled to have their base and headquarters in Bangladesh. It has its implications for the future. All the same, the end to hostilities in Mizoram is not far off. More than a year ago, the Government of India took the view that it would better to force a military solution there with speed. Laldenga's dilatory tactics appear to have stalled the issue.

Speedy, Efficient Military Solution

It has been suggested and legitimately too that the root cause of the internal troubles should be gone into and the defects rectified. This is an oversimplification of the case. Two main reasons are usually given. The tribals feel that they have been badly neglected, and the other is that they are frightfully anxious to safeguard their ethnic identity.

The so-called neglect was neither intentional nor deliberate. It was about the year 1952, that Nehru had a discussion with Dr Verrier Elwin the famous anthropologist, who was then settled in Meghalaya. During this discussion Dr Elwin is said to have cautioned Nehru against introducing too rapidly into the tribal set up western technology and rapid industrialisation, but to take it easy and go slow. There are different versions of what Dr Elwin's remarks were. Whatever was said, it is likely that it was not understood in the correct perspective.

Today this charge of 'neglect' is no more relevant. Roads have been laid, hospitals have come up, postal and telecommunication facilities are fast expanding.

This is the case in Nagaland, the same will be the case with Mizoram after the rebel activities have been effectively suppressed.

There is a note of dissent even in this. It appears that all welfare activities are being directly controlled and administered by the Government of India. The local church dignitaries do not seem to like it. They seem to think that someone else is stealing the thunder. This is inevitable. Once thier isolation is neutralised, it is only a question of time for the tribals of these territories to get more and more integrated with the rest of India.

The second grievance is about the preservation of the "ethnic identity." This is just a high sounding phrase intended to confuse the issue. The tribals, the Christians in particular, have already lost their ethnic identity long ago. From the year 1832 when the first British expedition into Nagaland took place the ethnic identity of the tribals all over the northeast has been undergoing a continuous metamorphosis. From headhunters they have evolved into university graduates, civilised men adopting western modes of life. Under the impact of modern trends these changed and changing patterns are being still further modified.

Their ethnic identity was changed beyond recognition by the British Government and not by the Government of India. And the Government is not interested in restoring to them the ethnic identity they had a hundred years ago. That is not our responsibility. Do the tribals want to go back to their headhunting days?

In 1964 I met Mr Jasokie at a dinner party in the Station Headquarters near Nichoogad. I asked him what was actually meant by this preservation of the ethnic identity. The following is roughly the gist of what he said: "Let us get back to the position as it was a 100 years ago. Delhi was only vaguely aware of our existence. It was only in 1880 worthwhile contacts started coming up. Thereafter it was a case of continuous change.

"In 1900 the tempo started increasing. Our society was being swept along a new groove. There was a slight slackening of the tempo during the first world war. By 1925 or about that time we can say that we have emerged from our seclusion. Our contact with the outside world was gaining tempo. Christianity had come in by that time. English education came in, and you can call it a revolution.

"Every twenty years we passed from one stage to the next. It was all very nice, it was a peaceful revolution. But by that time we had ceased to be what we were, when the second world war overtook us. Some of the worst fighting took place in our territory, just around our villages, you can say in our backyards.

"The events of the period 1935-50 remoulded us into a totally new pattern, we lost our identity. The Government of India cannot give it to us. We have to find it ourselves."

The position should be obvious. The Nagas have lost their identity because of the heavy impact of western civilisation. They would not like to be headhunters once again. Their present identity is rootless, they have to come out of their isolation and mix with the rest of the people around them in the country, and then they will discover once again a new identity which may be worth preserving.

The tribals of the northeast today are a bitter and disillusioned people, more offended against than offending. All this military adventure against them could have been avoided if only they had been properly advised by their own leaders and if they had been left free to negotiate with the Government of India for an amicable settlement. This was not the case.

Once the Government is in full control, the missionary influence will automatically decline and taper off. The foreign elements could not reconcile themselves to it. But this phase is passing in Nagaland, it is not yet over in Mizoram.

The British during a period of 80 years from 1832 sent many punitive expeditions into Nagaland and inflicted heavy casualties. Despite this, during the period from the beginning of the first world war to the end of the second world war the tribals in the areas of Nagaland, Mizoram and Manipur were very loyal to the Government. There are thousands of these tribals who bemoan the sudden withdrawal of the British in 1947-48, something which they never anticipated.

The time has come for India to enforce a military solution with speed and efficiency, wherever rebel activity continues and then close the case. Then there will be a clear line for the constructive work of building up lasting goodwill.

Procrastination of the type we find in Assam will give the politics of the tribal areas a very serious setback. The problems confronting us in the Northeast are variegated and far too numerous. But they are not insoluble. We have only to approach the problem with courage and determination.

CSO: 4220

LOK SABHA DISCUSSES SALES OF CENTURIAN TANKS

New Delhi PATRIOT in English 9 May 81 p 5

[Text] The Government denied in the Lok Sabha on Friday that there was any sale of Centurian tanks since the proposal of 9 obsolete ones during the Janata regime in 1977, report agencies.

Mr C P N Singh, who was Minister of State for defence in 1980 said the proposal for sale of 190 centurians initiated by the predecessor regime in November 1979 was called off in June 1980.

Mr Singh made a statement of personal explanation to refute certain allegations by Mr K P Unnikrishan during the debate on the defence demands.

Mr Singh, however, said that 2000 tonnes of Centurian spares were sold to M/s Levy Auto Parts Co of Canada for 0.9 million dollars after due consultations with different government agencies and the Ministries. The payment was received well before shipment.

The sale was against import license issued by the Canadian Government and the Canadian High Commissioner had informed that reexport from Canada would need Government approval.

The Minister said the enquiry for the sale of 190 tanks included one for spares and ammunition. This was widely circulated. The ocers [as published] were considered by an interdisciplinary committee headed by the then secretary (Defence Production).

The statement said: "Having been informed that the tanks sold in 1977 did not reach Spain it was proposed in consultation with the Ministry of External Affairs to take all possible precautions to ensure that the tanks do not find their way to a country which is politically unacceptable. Since the offer of M/s Ferro-Import was considered the most acceptable, it was proposed to seek necessary guarantees in case the offer of M/s Ferro-Import was to be accepted.

"The papers were put up to the Prime Minister and the Finance Minister as required and their directions were fully implemented. The sale was deferred: I called off the negotiations on 3-6-1980 for the sale of the remaining Centurian tanks.

"Offers were invited for sale of spares along with tanks and ammunition. Since there was no worthwhile offer for spares, the negotiating committee recommended re-invitation of bids for sale of spares separately. All the bidders who had submitted offers for tanks and/or spares were invited to submit their offers.

"The bid of M/s Levy Auto Parts Co of Canada was the only one fulfilling the conditions laid down regarding earnest money deposit and end user country.

There was no prescribed price: The sale was to take place on the basis of the highest acceptable offer. The initial offer of M/s Levy Auto Parts Co was 900,000 dollars for 5,000 tonnes of spares.

"When the initial offer of M/s Levy Auto Parts Co was considered by the negotiating committee, a view was expressed and duly recorded in the minutes that it was on the low side, it was precisely for this reason that the likely scrap value was got assessed by the representatives of the Iron and Steel Controller and the Metal Scrap Trading Corporation after physical inspection and a higher price negotiated. The Ministry of Steel was consulted.

"While the transaction of the sale of tanks did not take place at all, the one relating to sale of spares was concluded with the concurrence of the ministries concerned. It is unfortunate that Mr Unnikrishnan unnecessarily attributed ulterior motives on my part."

CSO: 4220

NAVY DEEMED ILL-EQUIPPED TO CARRY OUT MISSION

Madras THE HINDU in English 10 May 81 p 2

[Article by G. K. Reddy: "Two Fleet Navy To Mind Coast"]

[Excerpt] The unfolding superpower rivalry on the high seas leading to a fresh scramble for bases has set the smaller powers thinking seriously about their own responsibilities in defending their shores and safeguarding their maritime interests.

A country like India with a vast coastline and offshore installations has to evolve a naval strategy designed to serve the dual purpose of containing any possible threat from the sea by Pakistan and protecting the two million sq km of sea constituting its exclusive economic zone.

It is not India's intention to compete with the big powers in the scramble for the control of sea routes, but it cannot afford to neglect the duty of guarding the approaches to its coastline. The tiny Indian Navy cannot discharge these functions without a well phased expansion and modernisation programme.

If it beyond India's financial resources to have two independent fleets operating in the Bay of Bengal and the Arabian Sea with all the paraphernalia of shore-based installations, it has to make the next best choice of two self-contained task forces stationed on either side of the peninsula with offensive-defensive capability for keeping the enemy at bay and protecting its off-shore interests.

The Navy is often described as a silent arm of a country's defence forces, but its very silence makes it also a neglected arm in the conventional environment of military power primarily designed to defend the land frontiers and, if necessary, carry the fighting across the borders into enemy territory.

The thinking and training of the Army and the Air Force is "border oriented" in the sense that the battle lines are well demarcated and, even when the frontiers are crossed, it is only to relieve the enemy pressures along the country's frontiers through interdictory action.

No Physical Frontiers

The Navy has no such defined physical or psychological frontiers for its obligations, since it has to look upon the entire ocean expanses as a battle zone.

It is trained to think and react in terms of varied chores, ranging from offensive-defense operations against enemy craft and protection of the country's coastline to interception of contraband on high seas in times of war and the chasing away of foreign trawlers fishing clandestinely in its exclusive economic zone. It has also to safeguard the seabed mineral resources and off-shore oil deposits especially in areas where the maritime boundary is in dispute.

The Indian Navy with its modest complement of only 47,000 men, is hopelessly ill-equipped to discharge these onerous responsibilities whether in peacetime or wartime. It has to be expanded and reorganised into virtually two independent task forces, each with an aircraft-carrier, destroyers, frigates, submarines, missile boats and other craft.

The smaller Pakistan Navy is more comfortably placed to operate as a single fleet, since it has no responsibilities left in the eastern region after the emergence of Bangladesh as an independent nation. It is doubly necessary, therefore, for India to have a two-fleet navy to keep an eye on the vast expanse from the Straits of Malacca to the Gulf of Aden on either flanks of the Indian Ocean.

The Indian Navy now consists on paper of one aircraft-carrier undergoing extensive refitting and renovation, two old cruisers which have been phased out, eight out-dated submarines, 28 frigates out of which only eight are of the latest types, dozen corvettes and missile boats and the usual complement of mine sweepers and landing craft.

The Navy has also an independent air arm with about 50 aircraft for carrying out reconnaissance and providing land-based support for anti-submarine and other operations nearer the coastline.

There are plans under way to acquire Sea Harriers for the refitted aircraft-carrier Vikrant, three destroyers, two modified frigates, two submarines, two minesweepers, six landing craft and some more patrol boats.

Two Pronged Policy

The Pakistan Navy with a complement of 13,000 men consists of one cruiser, six destroyers, six submarines, five midget submarines, three patrol boats and 12 Chinese-built torpedo boats, besides a minesweeper, some missile boats and a few aircraft and helicopters for anti-submarine warfare.

It is basically intended as a hit and run navy with no pretensions at all about commanding the sea lanes, much less venturing out on the open seas in the event of a conflict. It managed to sink an Indian frigate and a few cargo vessels during the Bangladesh war, but lost heavily when the Indian missile boats attacked and sank several of its ships in Karachi port. It also lost a submarine outside Visakhapatnam.

The old warships, used to be scrapped or phased out after 20 years of service, but the costs of replacement have gone up so high that almost all the countries, including the two superpowers, prefer to repair and refurbish them with the latest weapon systems about half way through their normal life.

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The Indian aircraft carrier Vikrant has been in the dockyard for the last two or three years undergoing extensive repairs and refitting, and it will be as good as a new ship equipped with the very latest vertical take-off Sea Harriers when it gets back into service.

The Indian Navy has been pursuing the two-pronged policy of buying and building under licence the latest frigates, submarines and missile boats, while reconditioning the old ones to make them equally versatile with their new weapon systems.

The navy has set its heart on acquiring another aircraft-carrier to give itself a two-fleet capability with independent and self-contained task forces operating in the Bay of Bengal and the Arabian Sea. Despite its modest size, the Indian navy is the only one in the entire Indian Ocean region which has the potential for developing in due course into a full-fledged naval force.

The other 35 littoral countries, including Australia and New Zealand, stand no comparison with it. The very smallness of the Indian Navy has also helped its personnel to develop high technical skills and establish a first rate command, communications and maintenance structure.

It has the capacity to expand at a much faster rate than other comparable navies in the region because of the rigorous standards observed in the training of its personnel, the maintenance of the ships and the conduct of operations.

The intention is to go in for a balanced development within the country's financial limits without entertaining any illusions of matching the big powers or entering into an arms race with them in the Indian Ocean.

CSO: 4220

NAVAL CHIEF HAPPY OVER MAJOR TEST EXERCISES

Bombay THE TIMES OF INDIA in English 10 May 81 p 13

[Text] New Delhi, May 9 (PTI)--The Indian Navy is in a fighting fit condition. The combat worthiness and operational efficiency of ships, submarines and naval aircraft were tested recently at sea in a major naval exercise lasting three days, according to defence sources.

The exercise, was held in the north Arabian Sea, the Chief of the Naval Staff, Admiral Pereira, and Vice-Admiral M. P. Awati, flag-officer-commanding-in-chief, Western Naval Command, witnessed various phases of the exercise.

Units of the Western Naval Command, including the Leander class frigates like "Dungiri," "Udaygiri," "Himgiri," missile frigate "Talwar," tanker "Deepak," minesweepers of the 19th mine-counter measure squadron, submarines "Vagir" and "Gagsheer" and naval aircraft IL-38 superconnies, Alises, Seakings and ship-borne Alouette helicopters took part in the exercise.

The sources said the exercise was carried out under simulated war-time environment in three phases, each phase corresponding to one of the roles of the Indian Navy in war.

The first phase covered mine-sweeping operation, second related to the protection of the country's offshore assets and harbours, and the third was a tactical exercise involving the escort of merchant ships carrying vital cargo against the threat of submarines.

The Chief of the Naval Staff expressed great satisfaction at the results achieved during the various tactical exercises.

CSO: 4220

SEMINAR DISCUSSES INDIAN-PRC RELATIONS

Calcutta THE STATESMAN in English 8 May 81 p 7

[Text] New Delhi, May 7--A seminar on "India, China and Tibet," organized by the "Group of Eighty" today suggested that Indian leaders avail themselves of the Chinese Foreign Minister, Mr Huang Hua's visit to Delhi next month "to raise the whole gamut of issues, from the Sino-Indian border question, to Afghanistan, to Tibet and seek a friendly discussion with Mr Huang on them."

There was consensus at the seminar that India had a big role to play in resolving the problems of the sub-continent and neighbouring regions, and there were favourable circumstances in which India could play this role to its own advantage. "There are cards in the hands of our diplomats that they play, but whether they will play those cards remains to be seen," Mr Badruddin Tyabji, a former diplomat, said, summing up the discussions.

Most of the speakers found "an interesting parallel" between Afghanistan and Tibet, and suggested that it would be good for India "to drive the advantage home," especially because the Soviet Union and China were now in conflict with each other.

Mr Tashi Wangdi, representative of the Dalai Lama discussed how important Tibet had become after the Chinese had turned it into a formidable military base, posing questions of defence and security for the different regions in Asia. He wanted India to "redeem its pledge" with regard to Tibet and in this connexion quoted Jawaharlal Nehru's assurance in Parliament on December 7, 1950: "It is not right for any country to talk about its sovereignty or suzerainty over any area outside its own immediate range...It is a right and proper thing to say, and I see no difficulty in saying it to the Chinese Government, that whether you have suzerainty over Tibet or sovereignty over Tibet, surely, according to any principles you proclaim and the principles I proclaim, the voice in regard to Tibet should be the voice of the people of Tibet and of nobody else." According to Mr Wangdi, "China cannot be good friends with India without solving the Tibetan problem."

Mr Lobsang Zinpa and Mr Raptan Chazotsang, members of the Dalai Lama's second and third delegations to Tibet, sent there at the instance of the Chinese Government, said that during their extensive, though conducted, tours, they had

found monasteries ravaged and destroyed, the roads used by the Chinese only for military movement (in 3-1/2 months they had found only 10 civilian buses on the roads carrying Tibetans), acute food shortage, grain being given only to those who worked for the Chinese and education far worse than what it had been when the country had been taken over. The people they had met had all wanted "independence of Tibet" and they "all want to live under the rule of His Holiness the Dalai Lama."

Professor M. L. Sondhi, convenor of the "Group of Eighty," wanted Indian foreign policy makers to respond adequately to the situation in Afghanistan and Tibet. He said there should be nationwide debates on foreign affairs and more awareness on the part of the people about what was happening around. That alone would compel the Government to take the right attitudes in foreign affairs.

General Rajinder Singh Sparrow, M.P., said the "situations around India are developing ominously" and he found no alternative for India, which was so strategically placed, but to aim to be a "super Power." Mr Farukh Abdullah, M.P., felt the Tibetan situation could not be settled only through a dialogue.

Mr Tyabji said both Afghans and Tibetans were in a difficult plight because they had to fight a super Power. The only "fortunate thing" was that the Soviet Union and China were not friends any more. India should take note of this. "I think that India has cards to play in this situation, because China has also taken a large part of India. I think there are still ways of reaching a settlement with China."

CSO: 4220

'FRIENDS OF AFGHANISTAN' SOCIETY MEETS IN BOMBAY

Organization Meeting Reported

Bombay THE TIMES OF INDIA in English 4 May 81 p 14

[Text] Bombay, May 3--Friends of Afghanistan held a convention here today to denounce the Soviet military intervention in the neighbouring land-locked country, but spent considerable time debating the Maharashtra government's measures to debar the public meeting at Chowpatty.

There was suspense over that jinxed meeting till noon today when the court ruled against the state government. The legal complications attending on the meeting became equally topical, if not more than the cause of Afghanistan, at the afternoon convention held at the Indian Merchants' Chamber.

Making his observations on the meeting's legitimacy, Mr Ram Jethmalani, Bharatiya Janata party MP, said that the refusal of permission to hold a meeting at Chowpatty was "unprecedented" as the option was not exercised even by the British government at the zenith of its tyranny.

Jinxed Meeting

The meeting became jinxed from the time permission for holding it was sought some two weeks ago. Mr Jethmalani also attributed Sheikh Abdulla's absence in the city today to the uncertainty over the meeting because of legal complications.

"I don't know the reason or all the reasons for the Sheikh's absence but the suspense over today's evening meeting was one of them," he said.

Mr Atal Behari Vajapayee, former Union external affairs minister, arrived towards the close of the afternoon meeting. On being pressed to speak, the unwilling Mr Vajapayee--he had planned only to speak at Chowpatty--said that he had come to the association's platform as a "friend" of the Soviet Union. "As a friend I am obliged to caution the Russians for their wrong steps," he said.

"We want friends, not masters," he stated, adding that the Russians must quit after occupying Afghanistan for 18 months.

He said there was no justification for Russia to "interfere and intervene" in Afghanistan. There was much less justification for India to hold a brief for the Soviet Union, he pointed out.

"Threat to Security"

Referring to the Prime Minister's fears of a war, he said, at least on such alarming situations the opposition should be taken into consideration. " I want to know where is the threat coming from and who is issuing it," he said.

To those who wished Mr Vajapayee to carry on with his speech, the former minister replied: "This is only the trailer. Watch the main event in the evening at Chowpatty."

Most speakers pointed out that early invasions of India had all started from Afghanistan and, therefore, the presence of the Soviet Union in that country was a threat to national security.

Mr Arun Sathe welcomed the guests. Mr A. G. Noorani, Mr Arif Beg and Mr Dhanmendranath also spoke. It was pointed out that the U.S. arms aid to Pakistan was a consequence of the government's Afghan policy.

An eight-point resolution condemning the Soviet Occupation of Afghanistan was adopted.

Vajpayee Addresses Public Meeting

Bombay THE TIMES OF INDIA in English 4 May 81 p 1

[Text] Bombay, May 3. Mr A. B. Vajpayee, former external affairs minister, said here today: "We are for continuing our relations with Russia, but it should not be at the cost of Afghanistan.

Mr Vajpayee was addressing a public meeting organised by the Friends of Afghanistan Association at Chowpatty to denounce the Russian action in Afghanistan. The meeting passed off peacefully.

Mr Vajpayee and other speakers at the meeting strongly condemned the earlier attempt of the Maharashtra government at not permitting the meeting. He would have even defied the ban to address the meeting. But the high court, however, brought the state government to proper path.

Though it was stated that such meetings might adversely affect the relations with Russia and Afghanistan, he felt that our relations with Russia was not so weak to be affected by a few speeches here.

He cannot understand why Mrs Indira Gandhi was hesitating to call an aggression by that name and trying to hold brief for Russia. This had hit our reputation among other countries.

While he was thankful to Russia for its help, India should not hesitate to tell that country when it had committed a mistake. India should take the initiative in bringing together the nations in the region and bring pressure on Russia to quit Afghanistan, he added.

Continued presence of the Russian army in that country posed a threat to India's independence, he added. He did not think Pakistan posed a danger to India.

Mr Ram Jethmalani presided over the meeting. Mr Ziauddin Bukhari and Mr Arif Beg also spoke. Mr Arun Sathe, convenor, earlier welcomed the leaders.

CSO: 4220

JAPAN REPORTED UNLIKELY TO INCREASE AID TO NATION

Bombay THE TIMES OF INDIA in English 4 May 81 p 20

[Text] Tokyo, May 3 (PTI): Japan, which feels that India is no more a developing but a developed country, is unlikely to make any substantial increase in its loan assistance for 1981-82 when the aid-India consortium meets in Paris next month.

This was indicated by a spokesman of the Japanese government who told a visiting PTI correspondent here: "We hope to at least maintain the last year's level, if not increase it." Last year Japan had pledged 30 billion yen to India.

Disbursement of Japanese assistance announced last year is yet to take place. The clearance is likely to be given this month except for about 10 billion yen which India had sought for the Oil and Natural Gas Commission (ONGC).

The Japanese government had insisted that unless all projects finalised under the 1979-80 assistance programme were tied up, they would not proceed with the 1980-81 programme.

India has recently sent documents for all such projects to the Japanese government except that meant for the ONGC. It hopes that the projects under the 1980-81 programme would be taken up now.

While the Japanese side complains that it found it difficult to locate "good projects" for assistance in India, Indian sources feel that Japan's procedures are most demanding and create a problem in the utilisation of such assistance.

Since 1979-80, Japan, taking note of India's improved foreign exchange reserves, has switched over rather drastically from commodity to project aid. Commodity aid was stopped in 1979-80.

The Japanese finance ministry points out that India was giving aid to Bhutan, Bangladesh and Nepal and was a donor country in the ADB, it was not really a developing nation.

"Our finance ministry feels that India is a developed country," the spokesman said but added that at the Paris meeting Japan would announce its aid pledge not less than last year's.

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"We will continue to provide assistance to India despite such difficulties," he said, pointing out that India was the first country to which Japan provided overseas developmental aid since 1958.

Asked about the prospects of an increase in the trade between India and Japan, the spokesman said that the Japanese government was looking forward to expanding trade with India and was encouraging a continuing dialogue between the two governments and businessmen.

"But frankly speaking, there is not much sense of confidence between businessmen and economists of the two countries. Efforts at expanded trade must be accompanied by efforts to develop mutual trust," he said.

The spokesman saw room for import of manufactured goods from India. "We hear about the success story of India in the manufactured goods sector but we do not really know much," he added.

Other items in which he felt there was scope for Japan to import included spices, coffee, textile and marine products.

Out of the 1979-80 aid pledge, India is likely to import cross bar telephone exchanges worth nearly 7 billion yen, railway equipment worth 1.8 billion yen and equipment worth 7 billion yen for the power sector.

One of the projects that the Japanese government is considering for assistance is for the manufacture of encephalitis vaccine in India.

The two countries have been involved in protracted negotiations for the project over a long period of time, but it now appears to have reached an advance stage.

A Japanese study team visited India recently in connection with the vaccine project and, according to the Japanese government spokesman, found that "there is room for setting up the project on certain conditions."

"We have not yet committed ourselves to the project but we are tackling in a positive manner," he said.

CSO: 4220

CONGRESS-U LEADER MEETS PRESS, DENIES RUMORS

New Delhi PATRIOT in English 10 May 81 pp 1,5

[Excerpt] Congress-U president Devraj URS at a morning press conference on Saturday categorically repudiated all rumours of any impending merger or understanding with the Congress-I. The Congress-U, he declared, stood on its own and there was no move to join the Congress-I. "Individuals can say whatever they like, but they do not speak for the party," he added.

Mr Urs was sarcastic in his reply when asked to comment on reports that his party leaders had been praising Mrs Indira Gandhi. "There is place in the Congress-I for those who admire her," he said.

Replying to questions on statements by Maharashtra Chief Minister A. R. Antulay and other State Ministers about an impending merger of the Congress-U and the congress-I, Mr Urs said it was wishful thinking. His own partymen, he said, had not spoken on the issue.

Mr Urs vehemently denied reports that he had met Mr Rajiv Gandhi recently. "I have not met him at all. He was not even pilotting planes I took in my recent tour" Mr Urs said. He had met Mr Rajiv Gandhi only when he used to go to Mrs Gandhi's house to see her. "We used to casually greet each other in passing. You cannot call that a meeting," he added.

Mr Urs and party general secretaries Mr Banka Behadi Das, Mr K P Unikrishnan and Mrs Ambika Soni were non-commital when asked if the party intended taking disciplinary action against persons who had spoken in favour of Mrs Gandhi.

Referring to the Lok Sabha motion of Mr Bhagat, Mr Urs said Mr Bhagat had claimed that he had discussed the issue with Mr Chavan. The issue could be taken up at the Parliamentary Party meeting on Sunday. It was for the CPP again to discuss the performance of party MPs during discussions and debates, he added.

Mr Unnikrishnan, in reply to a direct question, however admitted that Mr Ram was speaking on behalf of the party in his speech on the no-confidence motion. The Congress-U, Mr Unnikrishnan said, had supported the no-confidence motion. 'If Mr Ram said anything, it was his way of developing his argument,' he added.

Mr Devraj Urs also expressed surprise at Mr Ram's press statement criticising the Friday Working Committee decision to postpone the presidential elections

till early November. 'I am surprised at such a senior leader going to the press. Mr Ram was a party to the decision. Whatever he had said in the CWC was an internal matter.' (Mr Ram had called the postponement of the elections as an unprecedented and undemocratic step.)

Mr Urs, however, clarified that the entire organisational elections had not been put off. Elections to the pradesh, district block Congress committees would be held on schedule and would be completed by 20 May, he said. Only the presidential elections had been put off.

Mr Unnikrishnan said that efforts were afoot to get a consensus on the party president.

The CWC authorised the president to allow the State units to put off by some days the organisational elections in view of municipal or other elections. In the case of UP, Delhi and Madhya Pradesh, where internal differences continued and various factions had challenged memberships, the president was authorised to resolve the matter.

The party is holding a leaders' camp in Bangalore in July to thrash out the party's responses to various problems as also its long range political programme.

Meanwhile, the Congress-U Working Committee at its Friday meeting passed a resolution condoling the death of Northern Ireland martyr Bobby Sands and expressed a party's solidarity with the struggle of the people of Northern Ireland.

Soon after the CWC meeting, Mr Jagjivan Ram strongly criticised decision and described it as "undemocratic and unprecedented."

Mr Ram told UNI after the two-hour meeting that despite his strong opposition, the committee by a majority resolved to postpone the poll.

"Whatever be the majority, verdict should be binding on all," he said.

Mr Jagjivan Ram is one of the contenders for the prestigious post for which the poll was scheduled for 20 May.

Mr Ram said it was strange that they should have come to this conclusion when elections to various other levels, including that of the choice of the PCC presidents were being allowed as per schedule.

He added that at no time in Congress history, the election of the party president has been delinked from the election to the PCCs.

The only inference he could draw was that 'some leaders were afraid that the majority of the rank and file' in the party would back his claims, he stated.

The meeting, presided over by party chief Devraj Urs, was attended, among others' by Mr Jagjivan Ram, Mr A. K. Anthony, Mr Priya Ranjan Das Munshi, Mr Shrad Pawar was a special invitee.

Mr Y. B. Chavan, a senior member of the working committee, did not attend the meeting as he was away from Delhi.

SHEIKH SUSPECTS DELHI'S INTENTIONS TOWARD KASHMIR

Calcutta THE STATESMAN in English 5 May 81 p 9

[Text] Shrinagar, May 4.--The Kashmiri leaders, Sheikh Abdullah notably, have become very suspicious about Central intentions. The ruling National Conference's rank and file also seem convinced that the Centre is not going to rest until the Sheikh's Government is dislodged. Mrs Gandhi and the Centre's assurances (that nothing of the sort is contemplated) carries little conviction with them.

Why did Mrs Gandhi have to refer to the sense of insecurity among the minorities in the State? The short answer given by the Sheikh is: "politic." He cannot understand why Mrs Gandhi, of all persons, should have levelled such a charge against his administration.

Then comes the question of Central financial assistance to the State. The Sheikh claims, that Kashmir simply does not have the kind of resources which the Planning Commission expects it to generate internally. The state does not have any industry worth the name. He argues that he is trying his best to mobilize internal resources "but there simply isn't much scope left."

The basic problem, the Sheikh's men argue, remains Mrs Gandhi's refusal to countenance a non-Congress(I) Government in the State. In the prevailing atmosphere, anything approximating criticism of the State administration by Mrs Gandhi or her men often gets distorted. In the latest round of acrimony, triggered off by Mrs Gandhi's speeches in Jammu, the Sheikh's men perceive a challenge thrown to their leader. And they are determined to meet that challenge.

The party rank and file is already functioning as if it were in the middle of a full-scale war. Party men have fanned out into the interior and questions are being posed. Would the Kashmiris be party to "another 1953?" (The allusion is to the Sheikh's dismissal in August that year.)

The upshot of the exercise is that Kashmiris are once again beginning to feel politically threatened. Against this background it is not strange that while some people have welcomed the recent income-tax raids on several establishments in Srinagar, these raids should have generated sympathy for the Sheikh and his party. The fact is that the majority of the establishments that have been raided belonged to men, who have backed the Sheikh for years. This is seen as another act of "vindictiveness" on the part of the Centre.

CSO: 4220

BENGAL TRADE UNION LEADER SCORED CPM 'MONOPOLIST' TIES

New Delhi PATRIOT in English 6 May 81 p 4

[Text] Calcutta, May 5: President of the West Bengal National Trade Union Congress Subrata Mukherjee said here today that the CPM in West Bengal "has tied itself" to the service of the monopolists and transnational corporations. It was for this reason that more than 100 medium-scale industrial units and more than 400 small units remained closed during the CPM rule in the State. As a result, more than one lakh workers were jobless. Taking five members per family, it would mean five lakh people in the State "are starving."

Mr Mukherjee was addressing a press conference here today. Present at the conference were Mr Kali Mukherjee, the veteran INTUC leader, Mr Lal Bahadur Singh and Mr Samar Chakravorty.

Mr Mukherjee said during the CPM rule in West Bengal, there were 706 lockouts in industrial units. The CPM did not do anything about these lockouts.

He recalled that during the earlier Congress regime there was an enactment by which a State Government could declare any lockout illegal. It was strange that the CPM could find no time or opportunity to implement this enactment.

Mr Mukherjee also said that the CPM-led Government here allowed the employers in jute, engineering and textile industries to go without any industrial agreements for 24 months after the lapse of the earlier agreements. As a result of this, the employers could gain an additional amount of Rs 100 crore.

The INTUC leaders said the CPM and the CITU were preventing the working people from starting any movement against the monopoly exploitation. The INTUC would hold a public rally of working people in Calcutta on 28 May, they informed.

CSO: 4220

ANALYST DESCRIBES CASTE TENSIONS IN BUJARAT

Bombay THE TIMES OF INDIA in English 7, 8 May 81

[Article by Inder Malhotra: "Gujarat's Caste Conflict"

[7 May 81 p 8]

[Text] To be in Ahmedabad these days is to be in two states at the same time. One is, of course, the state of Gujarat; the other a state of despair. This is because the continuing antagonism between the caste Hindus and the Harijans there is so great as to be a source of grave concern. In fact, it has to be seen to be believed.

Contrary to the impression prevailing elsewhere and the claims made locally, the end of the antireservation agitation has in no way abated the caste conflict in Gujarat. Only the overt violence has died down or has been brought under control for the time being. Mutual bitterness between the two sides, however, is both spreading and taking deep roots. Nothing could have illustrated this more vividly than the recent brutal attack on Dr Murgesh Vaishnay, the leader of the junior doctors' struggle against reservations in medical colleges, especially at the post-graduate stage. His assailants were not Harijans but his own erstwhile supporters and followers who openly said that by agreeing to withdraw the antireservation agitation he had let the side down.

Embittered

For their part the Harijans are even more embittered than they might have been because they have good reason to feel that the local language press has unfairly made them out to be the villains of the piece even though they were at the receiving end of violence most of the time.

Surely this distressing situation would not have existed today if, as is generally made out, the caste conflict in Gujarat had been the result only, or even principally, of the anti-reservation agitation. The reservation issue is a highly complex and emotive one no doubt. But its role in the tragedy that has unfolded itself in Gujarat has been and continues to be limited. There are other more powerful reasons for a sudden accentuation of the caste tensions in that state and these can be understood only in proper historical perspective.

The most important of these is a drastic disturbance of the traditional balance of caste forces in the state as a result of Mrs Gandhi's return to power at the Centre and the subsequent victory of the Congress(I) in the state assembly election. In Gujarat today, KHAM has become an abbreviation as well known as say, CPWD is in Delhi. The four letters stand for the new ruling combination of Kshatriyas, Harijans, Adivasis and Muslims. This means that the political power of the hitherto dominant caste of Patels or Pattidars has been destroyed almost completely though it retains its substantial economic and social clout.

For the first time in Gujarat's history, there is not a single Pattidar in the state cabinet that previously was virtually run by Patels. Ironically, the Harijans, too, have no representation in the cabinet today. But that is a different story that has more to do with the rivalries within the ruling party than with the caste configuration in the state's politics.

A major conflict, if not an upheaval, would have been inevitable in these circumstances. Two factors appear to have hastened and accentuated the process.

First, Mr Solanki's government, having deprived the Patels of political power, has embarked on an attempt also to erode their economic power base, the formidable cooperatives controlled so far almost exclusively by Pattidars. Most of the apex committees of cooperatives would have been totally reconstituted by now under a new law but for the fact that it has been challenged in the Gujarat high court.

Secondly, the first taste of real power has made the hitherto docile Harijans rather assertive which is tantamount to sprinkling salt on the wounds of those unable to distinguish between natural assertiveness and intolerable aggressiveness. Mr Yogendra Makwana's appearance on the scene, his appointment as Union minister of state for home affairs and his ill-concealed ambition to play in the new dispensation the role that Mr Jagjivan Ram did in old days, have also had their impact on the troubled situation.

The unchallenged dominance of the Patels and the generally complacent behavior of the Harijans, combined with the Gandhian tradition, had mercifully kept Gujarat free from such outrages as Belchi or Narainpur during the last 33 years. But by December last the situation had changed so radically that precisely such a horror was perpetrated on Christmas day at a village called Jaitalpur, barely 18 km away from Ahmedabad.

A Harijan youth of the village, accused of theft, was first beaten up brutally and then burnt alive. Almost immediately all hell broke loose. Led by Mr Yogendra Makwana's wife, Shantaben, who is herself a vocal MLA, Harijan leaders of all parties, including the militant Dalit, Panthers who have made an appearance on the Gujarat scene for the first time, descended on Jaitalpur and demanded that all the local Pattidars be arrested. The police resisted this demand and eventually took into custody only ten people of whom five, named in the dying declaration of the Harijan youth, have since been denied bail.

Misinformation

Tension, however, mounted fast, especially because during the motorcade to Jatalpur, led by Mrs Makwana, a Harijan in one of the jeeps hurled a stick on a Pattidar driving a tractor. This led to a fatal road accident. The upshot of the whole traffic affair was rather curious. Instead of there being sympathy for the Harijan there was much resentment against them, especially in Ahmedabad.

Against this backdrop it is only fair to conclude that the antireservation agitation, which began 11 days after the Jaitalpur burning, did not touch off the caste conflict but was itself an outcome of the growing caste antagonism. Moreover, it is rather strange that the agitation should have lasted more than three months although all the demands of the agitating doctors, except that for a total abolition of reservations, had been conceded within the first few days.

A close look at the course of the agitation and the claims and counter-claims made during it also reveals that even on the issue of distortions and aberrations in the implementation of the reservation policy much misinformation was spread, wittingly or unwittingly. That only added to the sentiment against the Harijans.

Far more vicious was the campaign to malign the Harijans, on the basis of rumours, half-truths, innuendo and downright fabrication. During the days that the city was caught in the grip of violence, it is not that the Harijans did nothing wrong. They surely did. But, by and large, they were the target of attacks rather than the attackers. And yet they were depicted as the aggressive party.

The pattern of wholly false rumours, fostered so sedulously that they circulate till today, was revealing. The Harijans were accused of attacking successively a Jain mandir, the office of the Khoja association, the Guru Nanak Bhavan and St. Xavier's Ladies' Hostel. None of these incidents ever took place. Nor did the alleged attack on a marriage feast at Khambatwala Hall which is supposed to have "put into shade even the Rabindra Sarovar outrage in Calcutta a decade ago."

No wonder, in such an inflamed atmosphere, trouble quickly spread from Ahmedabad to villages where, as at Detroj, their homes could be burnt down in a jiffy. Social boycott or Harijans in some villages persists even today.

Rivalries

It is possible, indeed probable, that the caste conflict in Gujarat could have been prevented from assuming the ugly proportions it did were it not for multiple rivalries within the Congress (I) and the diverse, often conflicting pressures on the state chief minister.

From the other side of the political fence, the BJP made things difficult by fanning the anti-Harijan sentiment. Mr Atal Bihari Vajpayee reportedly remonstrated with local leaders and advised them not to alienate the Harijans completely. But he was curtly told that since the Harijans were "lost" to Mrs Gandhi anyhow, the BJP should try to win over the caste Hindus at least, rather than allow them to rally round the Lok Dal leader, Mr Chimanbhai Patel of the Navnirman notoriety.

The police and its leadership also showed signs of strain and there came a stage when clashes between the caste Hindus and the Harijans ceased and the public versus the police battles began.

In this connection it is significant that the clashes between the caste Hindus and the police were far more widespread than those between the Harijans and the police force. There were 176 cases of stonethrowing on the police by the Harijans and 1,263 by the caste Hindus. The police found it necessary to open fire on the Harijans 14 times, and on the caste Hindus 125 times. For "substantive offences" 335 Harijans and 2,003 caste Hindus have been arrested.

Perhaps the most telling indicator of the situation in Ahmedabad is that the Magsaysay award-winner, Mrs Ila Bhatt, was the only caste Hindu leader of stature to have spoken out in favour of the Harijans as well as the reservations. Her house was immediately and repeatedly stoned. For the last two months she has had to take shelter in her parents' home in a different part of the city.

More chilling than this is the comment of some respectable citizens of Ahmedabad that she deserved no better.

[8 May 81 p 8]

[Text] Evidently, the caste polarisation in Gujarat cannot be allowed to remain at its present fevered pitch without risking a major upheaval in the state's body politic. But the trouble is that on both sides of the dividing line, even those aware of the danger ahead seem unwilling or unable to do anything about it.

On the contrary, a lot is "being said and done to exacerbate feelings. For instance, a federation of students, bank employees, traders, doctors, lawyers and others, cutting across party lines, has been formed to "renew" the struggle against reservations and to "carry it through this time." It is also noteworthy that the associations and unions of the Gujarat police, the quarter million state government and panchayat employees and the Central officials and workers posted to that state have all passed resolutions demanding that the reservations be scrapped completely.

This may be no more than a tactical move. By pitching their demand too high, the babus and bureaucrats may be hoping only to get rid of the roster system under which officials belonging to the scheduled castes and the scheduled tribes can be given accelerated promotions. A commission, headed by Mr Samdhani, a retired chief secretary, is, in fact, looking into this very problem which has undoubtedly caused a lot of heartburning in the bureaucracy at all levels. But the extreme stand taken by those who are supposed to implement the reservation policy, to which not only the government but also the entire Parliament is committed, does create grave misgivings among Harijans and Adivasis.

Overblown Rhetoric

By comparison the advocates of reservations continue to be disorganised and somewhat weak. But the lack in unity and strength they are trying to make up by overblown rhetoric which is often self-defeating. The Dalit Panthers are not the only ones to provoke many caste Hindus by their militancy.

There is an equally strong feeling agaist the utterances of a senior and respected Congress (I) leader, Mr Jinabhai Darji. He is not a Harijan but belongs to the backward caste of tailors which should explain his surname. But on the issue of justice to the socially deprived, he is uncompromising to the point of being unrestrained. He has been proclaiming from the housetops, for instance, that the centuries-old injustice in Hindu society would be undone only when high-caste women in large numbers start working as maidservants in Harijan and Adivasi homes.

In such an inflamed atmosphere how can one hope for an amicable settlement of the ticklish issue of the roster system when a consensus on it would have been difficult even at the best of times? Unfortunately, matters have been made a lot worse by two parallel but conflicting developments.

In the first place, those opposed to reservations have succeeded in spreading so much misinformation on the subject as to cloud the issue, mislead the gullible and infuriate the Harijans. For instance, the impression that brilliant caste Hindu students are being turned back by medical colleges by the dozens while mediocre Harijans and Adivasis can have their pick of post-graduate medical courses is a grotesque distortion of reality.

In the B.J. Medical College of Ahmedabad that became the epicentre of trouble, there are 56 post-graduate seats. Of these, only three are reserved for Harijans and another six for Adivasis. During the last six years since reservations at the post-graduate stage were introduced, the reserved seats have never been fully utilised despite the now discarded carry-over and inter-changeability systems introduced by the Janata ministry, headed by Mr Babubhai Patel, in 1978.

Because of the roster system, it does happen that a solitary seat in, say, the pathology department may be reserved for Harijans or Adivasis one year and thus out of the reach of general students. But then the next year it is bound to be reserved for general students and unavailable to Harijans irrespective of their marks. And it needs to be added that, contrary to the general impression, Harijan students do sometimes get higher marks than their caste Hindu counterparts.

Furthermore, while there are strident objections to reservations for Harijans and Garijans, there has not been even a whisper of protest against the reservation of seats in medical colleges for the children of "donors," irrespective of their academic performance.

Insidious Canard

Perhaps the most insidious canard successfully spread in Gujarat is that reservations at the post-graduate stage in medical colleges were introduced by the then governor, Mr K. K. Biswanathan, to facilitate the admission of his own son, Mr K. K. Venuraj. The truth of the matter is that the young man joined the post-graduate course in 1973, while the reservation principle was extended to the post-graduate level two years later. Another small point is that Mr Viswanathan is neither a Harijan nor a Girijan. [as published]

In any case the reservation issue affects only a small proportion of the Harijans, while the caste Hindu resentment is directed against all of them.

The second development that has muddied the waters further is the addition of 82 castes to the list of backward classes. This was done in accordance with the recommendations of a commission headed by Mr Justice Buxi, and the 82 castes have been collectively nicknamed the "Buxi panch." Another commission, presided over by Mr Justice Rane, is now busy examining the claims of several other castes to be recognised as backward. All this has fed the fear of the anti-reservationists that reservations may be increased from 25 per cent at present (seven per cent for the scheduled castes, 13 per cent for the scheduled tribes and five per cent for other backward classes) to 45 per cent, the maximum permissible under a Gujarat high court judgment.

However, this dark picture is not without the proverbial silver lining. For one thing, the Congress(I) in Gujarat has been shocked into recognising the dangers ahead. New Delhi's plain-speaking also has had some effect on the ruling party's squabbling leaders.

On the other hand, even behind the smokescreen of angry rhetoric, Harijan leaders have realised that by carrying things too far they might invite disaster on the Harijan population scattered most vulnerably in tiny pockets across thousands of villages. This is the foundation of which men of goodwill anxious to restore sanity and harmony in Gujarat will have to build brick by brick.

CSO: 4220

VENKATARAMAN SPEAKS IN DEBATE ON 1980-81 BUDGET

Bombay THE TIMES OF INDIA in English 8 May 81 p 13

[Text] New Delhi, May 7 (UNI). The finance minister, Mr R. Venkataraman, today indicated his preference for market borrowing for raising resources to a heavy dose of taxation.

Replying to the debate on the finance bill giving effect to the 1980-81 budget proposals in the Rajya Sabha, Mr Venkataraman said the government had resorted to the mobilisation of resources through borrowing, as he wanted to avoid "savage taxation."

The house later returned the finance bill, 1981, as passed by the Lok Sabha, without any modification.

He said the sale of special bearer bonds, issued to mop up black money, had yielded Rs 374 crores, according to the final figures.

The minister admitted that the court case had hampered the sale of the bonds. The sale proceeds of the bonds would have crossed Rs 1,000 crores, had their issue not been challenged in the court, he said.

Asked what would happen if the court invalidated the bonds scheme, the minister said the government would pay the money immediately if the individuals so wanted. "In case they wanted it after ten years, we will pay then," he added.

In his reply lasting more than one hour, the minister dealt with various points made by members including the state of the economy and taxation.

The minister listed various signs of the recovery of the economy and said it was now poised for a "moderate rate" of growth of five per cent as envisaged in the plan.

Mr Venkataraman hoped the price level would remain at a "moderate level of increase" if international oil prices remained stable.

He said oil prices might not go up further in the current financial year, because of the declining demand and more availability. The "whip hand" of oil-producing countries was somewhat loosening, he added.

Mr Venkataraman said the rate of inflation had been moderated during 1980-81 and he hoped the declining trend of inflation witnessed during the last financial year would continue in the current year.

The minister said the government had referred to the Jha commission on economic administration the re-codification of income-tax laws.

Mr Venkataraman also informed the house that the proposed income-tax appellate tribunal would start functioning very soon. The government had decided to appoint a retired or sitting high court judge as its chairman.

The minister defended the import duty on newsprint and said, "it does not deserve any special treatment."

He did not favour the introduction of an expenditure tax as suggested by some members as experience had shown that this tax did not yield much revenue.

CSO: 4220

NORTH INDIAN MUSLIM LEAGUE FORMS NEW PARTY

Bombay THE TIMES OF INDIA in English 10 May 81 p 13

[Text] Agra, May 9: The north Indian group of the Indian Union Muslim League (IUML) has "revolted" against the party leadership and formed a separate independent party known as the Indian Muslim League (IML).

Mr Shujatullah Khan, former chairman of the parliamentary board of the IUML, has assumed chairmanship of the newly constituted unit.

Addressing a press conference here yesterday, Mr Khan said that the split had been the result of deep-rooted differences. The party leaders wanted the League to extend full support to the ruling Congress(I). They refused to raise their voice of dissent even on such vital questions as the police firing on farmers in Andhra Pradesh or on a congregation engaged in Id prayers at Moradabad. The party legislators did not register their protest on many other questions involving basic interests of the minority communities.

Fissures in the party fold were noticed before the last parliamentary elections, when the party leadership in the southern states, decided to support the Congress (I) and the CPM, whereas in the northern states, the League refused to have any truck with Mrs Indira Gandhi's party. Since then, there had been heated discussions within the party during which Mr Sulaiman Sait was criticised for his pro-Congress(I) posture.

Although the IUML had come into existence nearly ten years ago, a constitution had not yet been adopted. Party elections had not be held for the past eight years, he said. [as published]

Mr Khan announced that the IML would shortly hold party elections in the states of U.P., Rajasthan, Madhya Pradesh, Haryana and Delhi, where ad hoc party units had already been constituted.

In Bihar, the establishment of a party unit was under consideration. In the southern states, his party would work for the establishment of a strong base.

His party would also hold a conference of Muslim jurists and "ulemas" at New Delhi shortly to discuss possible areas of reforms in the Muslim personal law in the light of the Holy Quran and other tenets of Shariat.

"Certain practices under the Muslim personal law have become obsolete and these must be changed to meet the challenges of the present times," he said.

His party, he said, would not field candidates for the forthcoming by-elections for parliament and state assemblies. But the IML would support opposition efforts to field common candidates against the Congress(I).

CSO: 4220

'PATRIOT' INTERVIEWS NAXALITE LEADER PATNAIK

New Delhi PATRIOT in English 11 May 81 pp 1,7

[Interview with Nagabhushanam Patnaik, Naxalite leader, by the PATRIOT on 10 May 1981; place not given]

[Text] The politics of annihilation is not a pragmatic political philosophy, said ailing Naxalite leader Nagabhushanam Patnaik on Sunday in an interview with this reporter.

Mr Patnaik, a free man after 11 long years in detention, concedes: "We did commit an error by implementing this erroneous line."

The ailing leader also does not see cause for consternation in the so-called repeated splits in the left movement. In fact, he sees hope in the recent phenomenon of major revolutionary groups assiduously hunting for grounds they can rally themselves together on.

Mr Patnaik hopes that other political sufferers, like him, too will be released by the Government.

Question: Are you in favour of politics of annihilation?

Answer: We are against annihilation of class enemies. There are only a negligible number of revolutionary groups that still believe in this philosophy. But the major groups have understood the futility of such politics. We did commit an error by implementing the erroneous line. Annihilation can never be a political campaign or line of any political organisation much less a Marxist-Leninist organisation.

In the course of the development of the agrarian revolution, there may be sparse instances where people are roused against some atrocious landlord. There can be appropriate punishment awarded by the people but such practices cannot form part of a general political campaign. By practising this kind of politics, we give a handle to the enemy to come down heavily on people with the worst kind of white terrorism.

Splinter groups have to learn the lesson and it will be through discussion they will have to be brought round the corner.

Left Unity

Question: Sometime back you had given a call for left unity?

Answer: Call of left unity, if it is not well defined, may lead us like the six blind men who are to describe an elephant. When I gave the call for unity, I gave it for revolutionary forces, groups and individuals and when I spoke of . united front in mass struggles it was to get together against a common enemy.

Today fascism rules the roost. There is a great need for antifascist forces to get together and fight the common enemy.

Question: But it is being observed that leftist parties are sometimes splitting and drifting away from each other?

Answer: The phenomenon of splitting under the Marxist-Leninist dialectics is not exasperating. We are not disheartened by the so-called splits. It is in the general stride of the development of struggle and development of revolution.

In the great Lenin-Bolshevik party there was a time when there were seven groups but the effort and endeavour should be to unite the revolutionary forces.

I see a basis for the principle of unity of all revolutionary forces. There is not much ideological difference between major groups as I see... Its only the tactical questions which have been worked up to such a high pitch and hence stand as barricades to unity.

There is a very happy trend today that all major revolutionary groups are able to see eye to eye and together are in search of grounds on which they can rally themselves together. This figures well for the Indian revolution.

Politics

Question: You had mentioned that you planned to enter the mainstream of national politics. How do you plan to do so?

Answer: Before anything else, I plan to build up my health to my normal self. As I have said before, politics is our life blood.

When I say that I would be in the mainstream of country's national life with politics I believe in, I mean I would be with my people--involved in their issues and carrying on anti-feudal struggles. I visualise it as the practical first step I have to take. The first mission is to strive for left unity of the revolutionary forces, groups and individuals.

Question: What are your views on parliamentary politics?

Answer: We are of the view that the parliamentary path is a negation of the new democratic revolution we believe in. We had given the 'boycott election' slogan earlier while we were in the united party as a general political line of ours which we corrected later and treated the slogan as a tactical line.

Participation in elections here and there, now and then to further the immediate cause is one thing and believing in the parliamentary path is another.

Question: Which was the first case instituted against you by the Government and in how many cases were you allegedly involved?

Answer: After we formed our movement, the ruling classes were in tantrums and in their attempt at the usual suppression, they did nab me as long back as June 1969 and involved me in a case that came to be known Nagavani Pelem case with murder charges. I was sentenced to death since, despite being a lawyer, I did not defend myself as a disciplined soldier of the organisation. I did not beg for my life from the State.

There were at least eight cases instituted against me by the Government of which quite a few were those of murder. One murder case is still pending.

Question: How did you lose your health?

Answer: Repeated hunger-strikes during my imprisonment which was torturous did tell upon my gastric system resulting in two surgical interventions in the abdomen. Major portion of my stomach had to be removed. The imprisonment may have broken my health but not my spirit.

I came to the AIIMS to be treated for fever I had been continuously running since last five months. For the first time on 1 May, the temperature came under control.

I am a bundle of bones in a sack of skin with no flesh on my body.

Question: How do you view your new-found freedom?

Answer: I take it in my stride. Nothing euphoric about it. I was surprised since I never had expected this from the law courts.

Release or no release, I hail the valiant efforts put up by the democratic forces of the country in attempting to set political prisoners free including myself.

This spirit has to be kept up for the benefit of many other prisoner comrades confined in different jails in the country.

Question: When the Government started a crackdown on your party, many of your comrades dropped out of the movement. How do you feel towards them since you stuck to the cause through thick and thin?

Answer: In every movement every one will not reach the destination and drop-outs are bound to be there. We are not antagonistic to these dropouts, since we consider them to be political sufferers as well. Its just that these people could not contribute to the cause to that extent. The Government should release such people first.

CSO: 4220

FINANCE MINISTER SCORES PUBLIC SECTOR PERFORMANCE

Madras THE HINDU in English 12 May 81 p 1

[Text] Mr R. Venkataraman, Union Finance Minister, today said "the managements of public sector enterprises, whose capacity utilisation has been woefully unsatisfactory, owe the nation an explanation for their poor performance. It is unacceptable that some units should work at high levels of efficiency while others languish."

The Finance Minister was inaugurating a two-day seminar organised by the Centre for Public Sector Enterprises in collaboration with the Bureau of Public Enterprises in collaboration with the Bureau of Public Enterprises (BPE) and the Standing Conference of Public Enterprises.

Expressing concern over the deterioration in labour-management relationship and professional morale in the public sector, Mr Venkataraman said: "At present labour as well as managers have no sense of belonging to the unit and adopt an attitude of confrontation with each other. The champions of the public sector should realise that unless productivity and profitability improve, it will be difficult to face parliamentary and public criticism of the public sector."

The Minister said a big improvement in the performance of the public sector had now assumed greater urgency, because of the huge expansion of some of the public sector activities in the core sector, envisaged during the Sixth Plan.

"The Government placed great faith in the public sector. It has progressed in several directions, but has not yet delivered results commensurate with the massive investments which have gone into it at great public sacrifice. If the public sector enterprises are to deliver the results expected of them, they will require the unstinted support from all concerned--Parliament, Government, labour and management."

Managements Accountable

Stressing that the public sector managements should be held accountable for achieving the tasks allotted to them, the Finance Minister also took note of some of the constraints. To some extent, unsatisfactory power availability and transport bottlenecks and also the disruption caused by the Assam situation, might have contributed to the loss of output in some public sector enterprises. "But were these the only reasons for their poor performance?," he asked.

"I am sure there were other factors within the control of Government, management and labour which caused the shortfalls in performance," he said.

He called upon the employees of the public sector "to appreciate the national purpose of their employment and the public trust reposed in them. They should develop productivity-consciousness and eschew demands for higher remuneration not matched by increased productivity."

Expressing distress over the poor capacity utilisation in many public sector units, the Finance Minister said this was one of the reasons for their declining profitability. In 1979-80, capacity utilisation in steel was only 66 per cent, in fertilizers 52 per cent, zinc 59 per cent and copper 53 per cent. He, however acknowledged the encouraging performance in respect of coal, and the 100 per cent capacity utiliations [as published] of the Brahat Heavy Electricals and 85 per cent by the Hindustan Machine Tools.

Plan of Action

Mr Venkataraman said that in order to identify clearly the goals of corporate management, the BPE had requested all public enterprises to prepare a plan of action for 1981-82 and 1982-83 indicating their physical and financial targets. Once these plans were made available, the BPE would consolidate them for monitoring the projected achievements of the enterprises.

Though Mr Venkataraman expressed his distress over the poor performance and the declining profitability of a number of public sector enterprises which perpetuated their continuing dependence on budgetary support, he acknowledged that the public sector was not guided by profit motive and that its performance should not be judged only on the basis of profitability.

A deliberate policy decision had been taken to peg prices in public enterprises below cost. To that extent, the losses of the public sector might be explained. But losses in excess of the allowable limit called for managerial accountability.

Minimum Standards

"It is for this reason that in drawing up performance evaluation criteria for public enterprises, the BPE has evolved a set of "required rate of return for various public sector enterprises. I hope the public sector managers will be able to achieve these minimum standards of performance expected of them," he said.

Mr Venkataraman said in the public sector, the return on investment measured in terms of gross profit before tax as a percentage of the capital employed, rose from 4.2 per cent in 1969-70 to 7.6 per cent in 1979-80. But considering the return after payment of tax, which is the corresponding yardstick of performance in the private sector, the rate of profit was negative in the last two years in the public sector.

PTI reports: A separate Department of Public Undertakings was suggested by Mr D. N. Tiwari, president of the centre, and former Chairman of the

Parliamentary Committee on Public Undertakings. The proposed department should be directly under the Prime Miniser, he said.

He also suggested the formation of a committee of MPs, headed by the Speaker, to lay down norms and guidelines to ensure accountability without eroding the autonomy of public enterprises.

Mr Chintamani Panigrahi, MP and covener of the seminar, emphasised the need for a positive and vigorous public relations policy for the State units.

CSO: 4220

MNF LEADER LALDENGA REPORTS ON PROGRESS OF TALKS

Bombay THE TIMES OF INDIA in English 11 May 81 p 9

[Text] New Delhi, May 10 (UNI). The discussions on the 26-point political demands submitted by the Mizo National Front (MNF) for arriving at a permanent solution to the Mizo problem are likely to be completed in the next two weeks the MNF leader, Mr Laldenga, said today.

Mr Laldenga told UNI that the first round of discussions with the Union government on these demands had been completed and that the final round was likely to commence some time next week.

Mr Laldenga has had four rounds of meetings with the Union home minister, Mr Zail Singh, in this connection.

He said that some sort of a broad agreement and understanding of each other's viewpoint had emerged out of these discussions.

Mr Laldenga expressed confidence that the day was not far off when a permanent solution to the Mizo problem would be found within the parameters of the constitution.

Mr Laldenga was assisted in the talks by two of his underground "cabinet colleagues," who have been camping here since the demands were presented to the Prime Minister, Mrs Indira Gandhi, early last month.

The home secretary, Mr S. M. H. Burney, and other officials assisted Mr Zail Singh. Mr Yashpal Kapoor was also present at the meetings.

The likelihood of the Laldenga-led three-member MNF delegation entrusted by the underground movement with the task of holding discussions with the Union government returning to the MNF headquarters is not ruled out.

The delegation, in any case, would like to return to their headquarters to apprise the rank and file of the MNF about the outcome of the discussions on their demands.

About the MNF's demand for the merger of Mizo-speaking areas of states adjoining the Union territory of Mizoram, Mr Laldenga said that this would be the most opportune moment to settle this issue once and for all.

Mr Laldenga pointed out that in Manipur the Meitis considered themselves a superior race and looked down on the Mizos.

In such a situation, how could a large population of Mizos in Manipur live in peace and harmony, he asked.

He said that this was not merely a political problem. It was also a human and social problem. The Mizos, living in Manipur bordering Mizoram had been subjected to a lot of indignities for over a century, he added.

CSO: 4220

WEST BENGAL CHIEF MINISTER TALKS TO NEWSMEN

New Delhi PATRIOT in English 10 May 81 p 4

[Text] Trivandrum, May 9 (PTI)--West Bengal Chief Minister Jyoti Basu said today that Pakistan backed by "US imperlialism" posed a real threat to our country.

"Pakistan by itself is no danger. But US imperialism is behind it and India should take note of it," he said at a "Meet the Media Programme" of the Press Club here.

Mr Basu was happy that the Government was aware of it. Military strength should be there, but that alone was not sufficient. Democracy had to be strengthened further which, however, was not the case at present, he regretted.

Mr Basu expressed himself against creation of any "war psychosis" in the country. Asked if it would not help people rally round, he countered "Why did we then run away during the Chinese Attack?"

The Chief Minister devoted considerable part of the time to explain his present mission which would take him to different States. Though he did not see any imminent danger of his Government being toppled, he felt such a possibility was certainly on the cards. The Cong-I was an 'undemocratic party" and he didn't want the people to be taken by surprise as happened in the case of imposition of emergency.

The Chief Minister refuted the charge that his Government was attempting at indoctrination through the educational system. It was his Government which introduced Tagore's "Sahaj Path" in the primary classes, but later found it was too tough for the tower standards, he said.

Mr Basu also criticised the Election Commission's action in postponing the by-elections as demanded by Cong-I legislators.

Before emplaning for Bombay just afternoon, Mr Basu spoke on the topic 'West Bengal experience' at a function organised by the Indian School of Social Science.

Centre Desperate

West Bengal Chief Minister Jyoti Basu has said the public utterances of Prime Minister Indira Gandhi dissociating from the toppling non-Cong-I governments, moves should not be taken at their face value.

Addressing a public meeting here last evening Mr Basu said for the last 17 months, ever since the Cong-I returned to power at the Centre, its leaders like Mr C M Stephen and others, had been calling for Presidential rule in States ruled by the non-Congress-I Governments. Mrs Gandhi, on her part had not even once reprimanded these leaders "flying wide to discredit such Government," he added.

Mr Basi said the Cong-I was creating trouble in the non-Cong-I States to oust the Governments there, because its Government at the Centre had not been able to fulfil is election pledges. [as published]

Mr Basu said the Cong-I Government at the Centre had become desperate for its failure to redeem its election pledges to solve economic, political and other problems facing the country.

He alleged that most of the activists of the Cong-I in West Bengal were gangster and anti-social elements trained in all sorts of anti-people activities.

They have been let loose to create a situation that would attract a Central intervention under Article 356 of the Constitution, he added.

Mr Basu said during the opposition sponsored Bengal Bandh on 3 May, they killed as many as 23 innocent persons, five of them women.

CSO: 4220

CONGRESS-U REPORTED PLANNING JULY MEETING

Bombay THE TIMES OF INDIA in English 12 May 81 p 7

[Text] Cochin, May 11 (PTI): A party leaders' camp of two or three days' duration will be held in Bangalore in July to discuss and decide on the Congress-U's new political line.

Mr A. K. Antony, Kerala PCC-U president, who returned here today after attending the party's working committee meeting at Delhi during the week-end, told PTI that the over-all political situation obtaining in the country would be taken into consideration while giving final shape to the political line of the party. He did not elaborate further.

Mr Antony said there was no change in the venue of the AICC(U) session which would be held in November at Aurangabad. The election of the party president would be held a month earlier. He said the election to this post was postponed because of by-elections to the Lok Sabha and assemblies in five or six states next month. In all other states, including Kerala, organisational elections were going on as scheduled. In Kerala, these elections would be completed by May.

Mr Antony said there was bound to be contests for some posts in the party. "There cannot be any wonder in it. This is how a democratic organisation functions."

He said attempts were being made by some people to create "confusion" among party workers. He asked the workers to be vigilant and remain firm within the party fold.

CSO: 4220

CPI LEADER RAO COMMENTS ON BIHARSHARIF INCIDENTS

Judicial Inquiry Opposed

Bombay THE TIMES OF INDIA in English 12 May 81 p 5

[Excerpt] Bhubaneswar, May 11 (PTI)--The communist party of India is opposed to holding an "immediate" judicial inquiry into the Biharsharif disturbances as it felt that this would stall action against a section of the police and administration which "colluded with communal forces," CPI general secretary, Mr C. Rajeshwar Rao, said today.

Mr Rao told a press conference here that the demand for an immediate inquiry made by the Bharatiya Janata party president, Mr Atal Behari Vajpayee, was meant to cover up "the mischief of the RSS," which, he alleged, was responsible for the riots and to prevent action being taken against the culprits.

Mr Rao said the judicial inquiry into the Jamshedpur riots two years ago, was yet to be completed, pending the inquiry, no action had been taken against mischief makers in Jamshedpur, he added.

Mr Rao, answering questions, said: the CPI did not believe in banning the RSS. They should be fought politically, exposed wherever they caused mischief and administrative action should be taken against them.

Alien Hand Seen

Bombay THE TIMES OF INDIA in English 12 May 81 p 5

[Text] BHUBANESWAR, May 11: The CPI general secretary, Mr. C. Rajeshwara Rao, said here today that the believed there was a connection between the recent communal and fratricidal conflicts in some parts of the country and the Washington Beijing-Islamabad axis building up a threat to the security of the country.

Mr. Rao told a press conference here today that the anti-reservations agitation in Gujarat and the communal clashes in Biharsharif had taken place "precisely at a time" when the country was concerned over the external threat arising from the massive arming of Pakistan by the US and Chinese expansionism.

According to Mr. Rao, while the Bharatiya Janata Party and the RSS had played "a sinister role" in fanning communal flames, the Congress (I) governments were responsible for encouraging chauvinist conflicts. The Congress (I) had joined hands with the RSS with the objective of toppling the Left Front government in Kerala and the Antulay government in Maharashtra was "openly befriending the Shiv Sena" to crush people's movements. He alleged that in Orissa, the Patnaik regime was hand in glove with RSS-dominated student organisations like the Vidyarthi Parishad.

Mr. Rao alleged that the ruling party in Orissa was sheltering anti-social elements.

CSO: 4220

MUSLIM LEAGUE DEMANDS RESERVATIONS FOR MUSLIMS

Madras THE HINDU in English 11 May 81 p 10

[Text]

CALICUT, May 10.

The national executive of the All India Muslim League at its meeting here on Sunday demanded due representation for Muslims for jobs in Government and quasi-Government institutions.

It said that Muslims were far behind the Scheduled Castes and Tribes in getting jobs in the IAS, IPS, Railways and Posts and Telegraphs and other departments. Immediate steps should be taken to give them their due share.

The national executive adopted a resolution urging the Centre and State Governments to declare Muslims as a 'backward community'.

The principle of reservation in educational and job opportunities should be applied to Muslims also. A separate Ministry or department should be set up by the Centre and States to deal with their problems, it said.

The meeting demanded that Urdu be recognised as an official language wherever it formed the mother-tongue of the majority of Muslims. The minority character of the Aligarh Muslim University should be restored without any delay.

'Check communal incidents'

Describing the Biharsharif incidents as the "latest shock" to Muslims, it urged the Centre and State Governments to crush communal incidents with a iron hand. It deplored that even 33 years after Independence communal incidents continued to rock the country and all Governments had "miserably failed" to contain them.

A resolution demanded statutory powers for the minority Commission.

The meeting deplored that Waqf properties were being "trespassed" and "alienated indiscriminately".

It appealed to the Centre to solve the citizenship issue in Assam by adopting Constitutional means.

The meeting supported the Centre's foreign policy and condemned the Soviet intervention in Afghanistan and the U.S. attitude to the Palestinian issue.

It urged the Centre to appoint at least one officer knowing Malayalam in Indian embassies in the Gulf countries so that the large number of Keralites employed in these countries could get the maximum help.

Mr. P. M. Abu Backer, Kerala PWD Minister, participated in the meeting.

Mr. Ziauddeen Buhari, president of the all India committee of AIML presided.

CSO: 4220

PAPER REPORTS NO-CONFIDENCE DEBATE IN LOK-SABHA

Madras THE HINDU in English 10 May 81 p 12

[Text] NEW DELHI, May 9

After a nine-hour debate lasting till 2-15 this morning, the Lok Sabha rejected a no-confidence motion — the first since Mrs. Indira Gandhi was returned to power 16 months ago — by 275 votes to 90.

The ruling party members greeted the declaration from the Chair that the motion had been lost.

The House then adjourned sine die.

Replying to the debate, hilarious and at times boisterously acrimonious, the Finance Minister, Mr. R. Venkataraman, asserted that most of the promises his party had made in the poll manifesto had been implemented.

The economy, which was in a very poor shape, had been completely resuscitated — from a position of near-sickness to one of moderate growth.

Intervening in the debate the Home Minister, Mr. Zail Singh, twitted the sponsors of the motion by saying that everyone knew what would be the fate of the motion.

'In delirium'

Amidst cheers from the ruling party members, Mr. Venkataraman said: "We had inherited an economy which was in a state of delirium".

It was in a poor shape. Now it had been resuscitated — from near-stagnation to one of moderate growth.

Countering Opposition criticism point by point, Mr. Venkataraman said the claim of Mr. George Fernandes, that the Congress (I) got only 42 per cent of votes, had no force.

In a multi-party system, it was seldom that any party got an absolute majority, total vote-wise. Even the Janata Party in 1977 got only 41.23 per cent of the total votes polled.

Mr. Venkataraman said the Congress (I) was the only party which had complete coverage of all parts of the country, and commanded the confidence of the people.

On the other hand, the Janata Party, which had two-thirds majority in Parliament after the 1977 poll, had no representatives in many parts of the country.

Drought

Mr. Venkataraman said that when his party came to power it had to work under certain constraints like drought. The price level in 1979 spurted to 24.4 per cent and the deficit had gone up to Rs. 2,700 crores. The infrastructure was in a shambles.

"From this condition we have brought about a marked change in the economy", he said. Food production had reached 132 million tonnes last year. The country hoped to achieve the same figure this year, if not surpass it.

Industrial production, which was minus 1.4 per cent in 1979-80 had registered plus 4.1 per cent in 1980-81. It had gone up to 8 per cent in the second half of 1980-81.

In spite of the low per capita income, India was giving food aid to five developing countries. Besides, the country was giving Government-to-Government aid, including technical assistance, to a number of other countries.

The span of life, which was 31 years immediately after independence, was today 52 years, which was higher than in many other countries with a higher per capita income. The increase in longevity was mainly because of better medical, health, food, educational and nutritional facilities made available to the people.

Inflation

Though the Government had succeeded in reducing the rate of inflation from 21.4 per cent in 1979-80 to 16 per cent this year, Mr. Venkataraman said he was not happy with it. But no miracle was possible in economics.

Inflation was being handled in a scientific manner by supply management and demand management. It was a new concept. Even the United Kingdom had not accepted supply management. As a result, their industry and economy faced recession.

Barring Japan and Federal Republic of Germany, almost all other countries in the non-communist bloc had a higher rate of inflation than India, the Finance Minister said.

Mr. Venkataraman denied Mr Fernandes' charge that the Congress (I) had not implemented the election manifesto and recalled that even last year, he had mentioned in reply to the budget debate how a "whole lot" of promises, including the 20-point programme, had been fulfilled.

So far as the complaint that promises to farmers were not kept, he pointed out how the Government had directed the Agricultural Prices Commission (APC) to take into account the cost of inputs and how, for example, the wheat price was raised from Rs. 117 last year to Rs. 130 this year, more than what the APC recommended.

The Finance Minister said the foreign exchange reserves had been depleted only by Rs. 1,000 crores, which was not too high compared to the Rs. 2,400-crore rise in the oil bill to Rs. 5,400 crores in 1980-81.

On the charge of extravagant spending on the Asian Games coming off in 1982, the Finance Minister said it was an international responsibility. It would not be proper for the country to go back. It was first proposed and decided upon in 1976 and confirmed by the Janata Government. The successor Government did not take any decision to withdraw it.

Referring to Mr. Madhu Dandavate's complaint about Clause 8 (2) of the National Security Act, by which the grounds of detention need not be disclosed in the public interest, he said it was based on the provision under Article 22 (6) of the Constitution.

He said the Prime Minister's programme for Geneva was fixed long ago. It would be improper for any leader to cancel a pre-fixed programme in another country.

The Finance Minister said Mr Vajpayee should either have the courage of disclosing the name of the Minister who, according to him, beat up a sentry in Parliament House premises, or should not have said such a thing at all on the floor of the House.

Mr. Venkataraman refuted the charge that the Government was stifling the voice of dissent. He said it was not the Government's wish to impose emergency, whatever the Opposition might say.

SLOW PACE OF REPATRIATION FROM SRI LANKA REPORTED

Madras THE HINDU in English 10 May 81 p 13

[Text] Madras, May 9. The completion of repatriation of persons of Indian origin from Sri Lanka to India may take another 10 years or so due to the slow progress in achieving the target set under the 1974 accord.

This is stated in a policy note on rehabilitation of Indians overseas presented to the Tamil Nadu Assembly today.

Under the agreement reached between the two Prime Ministers, Mrs Indira Gandhi and Mrs Sirimavo Bandaranaike in 1974, it was agreed that the pace of repatriation would be progressively increased by 10 per cent each year over the figure of 35,000 persons contemplated in the Shastri-Sirimavo accord of 1964.

The terminal year for the completion of the repatriation under the agreement between Mrs Gandhi and Mrs Bandaranaike is 1981.

A total of six lakh persons accounted for in the two agreements, are to be repatriated to India from Sri Lanka.

Taking into consideration their natural increase, the final number may be 7.5 lakhs.

Up to February end this year, 86,805 families consisting of 3,52,748 persons have been repatriated.

On February 28 this year, out of 86,805 families which came to India, 59,979 families have been rehabilitated in Tamil Nadu alone.

During 1981-82 it is proposed to provide employment to 2000 repatriate families under the Khadi Commission scheme in the following industries: village oil, toilet soap, match, dyeing and printing and polyvastra.

Four polyester khadi textile units are proposed to be stated for employment of 240 repatriate families at the rate of two members from each family. [as published]

Employment would be provided to 75 families at the rate of two from each family in polyester khadi textile centre under a Gandhigram Trust scheme.

CSO: 4220

BIHAR REPORTEDLY ATTEMPTS TO SUPPRESS RIOT NEWS

Bombay THE TIMES OF INDIA in English 10 May 81 p 9

[Text] Patna, May 9. The leader of the opposition, Mr Karpoori Thakur, and even several members of the ruling Congress(I), have strongly condemned the reported move of the state government to seize the copies of THE TIMES OF INDIA at the airport here a few days ago.

Mr Thakur said today that the move showed that the Mishra ministry was losing its grip on problems facing the state. Instead of taking effective measures to deal with the Biharsharif riots, the government had attempted to curb the freedom of the press.

Several Congress(I) members, who belong to the dissidents' camp, said that THE TIMES OF INDIA reports had focussed the attention of the people on the failure of the administrative machinery to deal with the riots which had claimed 47 lives, according to official sources, but unofficially the number was higher.

Mr Mritunjay Prasad, former MP, said attempts to gag the press would not enhance the reputation of the ruling party. In a state like Bihar, where the law and order machinery seldom functioned effectively, the press had a great role to play. But for the newspapers, the Bhagalpur blinding cases would never have come to light, he pointed out.

Again, the newspapers had brought to light the serious situation in Biharsharif, while the government apparently wanted to suppress information relating to the riots.

Mr Prasad said the fact that the chief minister had not visited Biharsharif until the Prime Minister made an airdash to the affected town, was another instance of the fact that the state government was not bothered about the problems of the people.

"Unfortunately, well-meaning Sarvodaya workers and others who want to visit Biharsharif to heal the wounds are not being allowed to do so on one pretext or the other," he added.

CSO: 4220

NEW TWO-TIER MINISTRY INSTALLED IN MEGHALAYA

New Delhi PATRIOT in English 9 May 81 p 4

[Text] Shillong, May 8 (UNI). A 16-member, two-tier Meghalaya ministry, headed by Captain Williamson Sangma, was inducted in office today, replacing Mr B. B. Lyngdoh which bowed out yesterday by a unique arrangement of sharing the leadership in a single term of the legislature.

Capt Sangma, his 13 Cabinet colleagues and two Ministers of State were sworn-in as the new Council of Ministers at a Raj Shawan ceremony by Governor L. P. Singh this afternoon.

Capt Sangma's Ministry comprises all but one member of the outgoing Council of Ministers, Mr Printington Sangma, who was a Minister of State in Mr Lyngdoh's Ministry has been appointed deputy chairman of the State Planning Board which will now be headed by Capt Sangma who has taken over as the board's chairman from Sangma. The only new entrant to the Sangma Ministry is Mr Upstar Kharbuli who has been given a Cabinet rank. Earlier during the day, Capt Sangma submitted the list of his Council of Ministers to the Governor.

Mr S. D. Hongwir was sworn-in as Deputy Chief Minister. He held the same post in the outgoing Ministry.

The following is the full list of Ministers:

1. Captain Williamson Sangma (Chief Minister), 2. Mr S. D. Khongwir (Deputy Chief Minister), 3. Mr Maham Singh, 4. Mr Humphery Hadem, 5. Mr Salseng Mara, 6. Dr Berister Pakem, 7. Mr Peter Garnet Marbaniang, 8. Mr Fuller Lyngdosh Mawanai, 9. Mr D. D. Lapang, 10. Mr M. Reidson Momin, 11. Mr Iawphnew, 12. Mr Gosswell Mylliemng, 13. Mr Albinstone Sangma, 14. Mr Upstarkharbuli.

Ministers of State: 15. Mr H. Dan, 16. Mr G. B. Momin.

The Lyngdoh Ministry was sworn-in on 7 May, 1979 after four political parties--The Lyngdoh Faction of PAHLC, the Congress-I the HSPDP and the Jaintia National Union--signed a solemn agreement on 17 April 1979, forming the United Meghalaya Parliamentary Democratic Forum (UMPDF).

The agreement had envisaged that Mr B. B. Lyngdoh (APHLC) would hand over leadership of the Legislature party to Capt Sangma, leader of the Congress-I after a tenure of two years in office.

CSO: 4220

BANK STUDY SHOWS IMPROVEMENT IN PRIVATE SECTOR

Calcutta THE STATESMAN in English 8 May 81 p 11

[Text] The confidence in equity is reinforced by the improved performance of the private corporate sector as is evident from a study made by the Company Finances Division of the Department of Statistics, Reserve Bank. The study is based on 426 selected large non-financial public limited companies with a paid-up capital of Rs 1 crore and above.

Gross profits of such companies amounted to Rs 1,548 crores during 1979-80 showing an increase of Rs 264 crores over those of 1978-79. The operating profits increased by Rs 203 crores to Rs 1,066 crores, revealing a growth of 23.5%.

After taking into account the rise of Rs 24 crores in non-operating surplus profits before tax rose from Rs 894 crores in 1978-79 to Rs 1,121 crores in 1979-80. The rate of growth in profits after tax was 32.4%. Since the payment of dividends rose from Rs 218 crores in 1978-79 in Rs 241 crores in 1979-80, the growth rate of ploughed-back profits dropped from 55.4% to 52.7%. The ratio of gross profits to total net assets increased from 12% to 12.6%, while the margin on sales as measured by gross profits rose from 10.5% to 11%. The return on shareholders' equity increased from 11.7% in 1978-79 to 14% in 1979-80.

The value of production and sales at Rs 14.286 crores and Rs 14,090 crores, respectively, during 1979-80 disclosed increases of 15.2% and 15.3%, respectively, in comparison with the corresponding growth rates of 12.6% and 11.6% in the previous year. It may be noted that all the main heads of expenditure contributed to the increase in total expenditure. Manufacturing expenses and remuneration to employees increased by 15% and 11.5%, respectively.

The significant point is the substantial decline in the share of bank credit in their total borrowings. The proportion of bank credit dropped from 64.1% in 1978-79, to 42.6% in 1979-80. More than half of the total assets formation, to the extent of Rs 1,099 crores, was financed by external resources. Among internal sources, totalling Rs 863 crores in 1979-80, depreciation provision contributed Rs 411 crores.

CSO: 4220

SUPREME COURT RULES ON JUDGE TRANSFER CIRCULAR

Bombay THE TIMES OF INDIA in English 9 May 81 p 1

[Text] New Delhi, May 8. The supreme court today gave directions that additional high court judges who did not want to respond to the circular of the Union law minister for indicating their consent to their transfer outside their state need not do so.

The general directions, which virtually operate as an injunction against the circular, were given by a four-judge bench on an application filed for an interim order in the writ petitions challenging the constitutional validity of the circular.

Directive to Government

The bench headed by Mr Justice P. N. Bhagwati also directed that an additional judge shall not be refused extension of his tenure or appointment as a permanent judge of the high court on the ground that he had not indicated his preference as asked for by the law minister in his circular.

The impugned circular was addressed by the law minister to the chief ministers requesting them to obtain consents from additional judges in their states to transfers to high courts in other states.

The court ordered the Union government to decide within less than ten days from today whether the additional judges of high courts should be reappointed for a further period as additional judges or appointed as permanent judge or otherwise.

It noted that one of the petitioners, Mr V. M. Tarkunde, a senior supreme court lawyer, had stated in his petition that the extended terms of the three additional judges on the Delhi high court were expiring on June 6 and that it was not possible for the court to hear the writ petition when the court reopened after the summer vacation.

The direction for deciding the fate of additional judges in advance was given to the government as Mr Justice Bhagwati felt that an additional judge must know what is to happen to him. "It would be much fair (to the judge)," he added. [as published]

Earlier, the attorney general, Mr L.N. Sinha, after consultation with the government submitted that his instructions were that the decision about additional judges would be taken by May 31. The court did not agree and issued the directive.

The court's directive will remain in force until the decision on the writ petitions of Mr Tarkunde and others.

The two writ petitions, which came up before the court today, were filed originally in Delhi and Allahabad high courts. These were later transferred to the Supreme court at the instance of the Union government.

The supreme court has given notice already on a petition for transfer to it of a similar writ petition, which was admitted by the Bombay high court.

The bench also declined to look into the special leave petition filed by the Union government challenging the order of the Bombay high court in the writ petition (which is sought to be got transferred to it) restraining the government from further implementing the circular.

When the attorney-general of India wanted Mr Justice Bhagwati, Mr Justice A. C. Gupta, Mr Justice O. Chinnappa Reddy and Mr Justice R. B. Mishra to hear the special leave petition, which in a way seeks vacation of the restrain order, they told him they could not hear it as it had not been listed before them.

Mr Soli Sorabjee, who appeared for Mr Tarkunde, had objected to the hearing of the special leave petition on the ground that it was highly irregular if petitions presented right in the court room itself were entertained for hearing.

When Mr Sinha submitted that the government had mentioned to the chief justice, Mr Y. V. Chandrachud, that the special leave petition was being filed, Mr Justice Bhagwati told him that directions for its hearing had to be obtained from the chief justice.

Later, the chief justice said special leave petition could be taken up by the vacation judge on Monday. He said the matter could be mentioned to Mr Justice D. Tulzapurkar, who would be sitting as the vacation judge.

The chief justice also fixed August 4 for hearing on the writ petitions challenging the circular. The parties have been directed to file their written briefs by July 21.

CSO: 4220

ASSAM STUDENT LEADERS ISSUE JOINT STATEMENT

New Delhi PATRIOT in English 10 May 81 pp 1,5

[Text] Gauhati, May 9 (PTI)--The All Assam Students Union said here today that the Centre's willingness to bear the burden of those foreigners who could not be deported would pave the way for a solution to the foreign nationals issue in the State.

In a joint statement, Mr Prafulla Mahatna and Mr Bhrigu Phukan, president and general-secretary of the AASU said that the ensuing talks might suffer if the Government again failed to demonstrate "a strong political attitude lacked during the previous rounds of discussion."

The AASU leader reiterated that there would not be any compromise on their stand that every foreign nationals fliegally [as published] residing in the State must be detected.

The statement said a six-member AASU delegation was likely to participate in the ensuing talks in New Delhi on 16 May.

The AASU leaders alleged that the State Government to obstruct the proposed talks had stared "provocative actions" like indiscriminate arrest of students and youths, assaults on them in police lock up and filing fabricated cases against them. [as published]

The AASU had decided to observe 'protest day' on 12 May next against such "tyrannical act." The leaders said adding that a memorandum requesting the Government to withdraw all such repressive action had been submitted yesterday to the Chief Secretary to the Government of Assam.

They expressed the hope that the Government would come out with a open mind to create a congenial atmosphere for the discussion.

Meanwhile, several Assam Opposition leaders today alleged that Chief Minister Anwara Taimur was trying to stall the proposed talks by creating 'unfavourable conditions in the State.'

The leaders belonging to the Assam Janata Dal (AJD) Progressive Democratic Front (DF) and Lok Dal said to a press conference here that the State Government was trying to 'vitiate the present congenial atmosphere by indiscriminate arrests of students and other agitation leaders.

Among the leaders at the press conference were former Chief Minister and AJD leaders J. N. Hazarika and Tarini Das, PDF leaders Premadhar Bora and Atul Goswami, and Lok Dal leader Ramesh Mohan Kuli.

They claimed that the Taimur Government had allotted plots of land to "foreigners and persons holding dubious citizenship documents" in tribal belts of the State in the past five months.

They said the allotment was in contravention of the Central Ordinance promulgated during President's rule in the State banning land-allotment to "foreigners."

They also alleged that the State Government had "illegally withdrawn about 5,000 'quit India' notices served on people during President's rule."

CSO: 4220

1981 CENSUS RESULTS FOR GOA, DAMAN, DIU REPORTED

Bombay THE TIMES OF INDIA in English 9 May 81 p 7

[Text] Panaji, May 8. Mormugao is now the "most thickly populated" town in the Union territory of Goa, Daman and Diu. Panaji, its capital, takes the second place.

The provisional report of the 1981 census says that in Mormugao about 5,962 people dwell within a square kilometre as compared to Panaji's 5,699 people. The other thickly populated towns are Daman, Quepem and Margao, with density of population between 3,000 and 4,000.

The report expresses concern that Mormugao and Panaji are "growing much too fast" and if this trend continues "it will not be long before these towns become too congested to be places of happy domicile and safe transport."

The phenomenal post-liberation spurt in population growth--from under ten per cent at the turn of the century to 36.9 per cent during 1961-71--has eased, and the rate of 1971-81 decadal growth has stabilised at 26.15 per cent. The report observes that this percentage of growth is "normal" in comparison with the rest of the country.

The territory's total population has crossed the one-million mark at 1,082,117. The population is distributed among the territory's three districts--Goa (1,003,141), (1,003,141), Daman (48,557), and Diu (30,419).

During 1971-81, according to the report a "high rate of urbanisation" has been noticed. The urban population in 1971 was only 2.27 lakhs or 26 per cent of the total population. Today, 3.51 lakhs people (32 per cent of the total population) live in towns.

Besides, the erstwhile rural localities of Calangute and Siolin in Bardez taluka, Cuncolim in Salcete taluka and Curchorem in Quepem taluka are now considered "non-statutory" towns, because of their growth in size, density of population, types of jobs performed by men and availabiilty of civic amenities. This change from rural to urban status is also responsible for the high rate of urbanisation, says the report.

The census also reveals that the territory has achieved a "high rate of literacy" (55.86 per cent of the population as compared to 44.75 per cent in 1971). Today, 65 out of 100 men are literate, but among women the percentage is 47, says the report. Among talukas, Bardez tops with a literacy rate of 67 per cent followed by Tiswadi with 63 per cent.

CSO: 4220

TATA TALKS TO NEWSMEN ON FAMILY PLANNING PROGRAM

Madras THE HINDU in English 8 May 81 p 6

[Text] New Delhi, May 7. The Family Planning Foundation, a voluntary body devoted to population control, has suggested to the Government an increase in the outlay for the family planning programme in the Sixth Plan and also a sizable step-up in the monetary incentive for sterilisation cases.

The Chairman of the Foundation, Mr J. R. D. Tata, who disclosed this at a press conference here today, said he had recently met the Union Finance Minister, Mr R. Venkataraman and discussed this matter.

Mr Tata said that the allocation for family planning in the Sixth Plan was only one per cent of the total plan outlay and this was grossly inadequate to achieve the desired results. As regards monetary incentives, he felt that if the amount was increased from the present level of Rs 200 to Rs 2,000 or even Rs 5,000 per vasectomy or tubectomy, spectacular results could be achieved.

He argued that the capital cost to the nation to meet the minimum necessities of life for every additional citizen had been estimated at Rs 7,000. Every birth would lead to at least five more births during the next two generations. Therefore, a birth prevented now would mean a saving of Rs 42,000 in capital expenditure. It would therefore be worthwhile to raise the incentive amount substantially. In response to enhanced monetary incentives, 50 million briths could be prevented in the next five years and our population could be reduced by 300 million by the year 2030, he pointed out.

Mr Tata regretted that there was not sufficient awareness in the community about the threat posed by unchecked population growth. In order to bring about a national consensus in favour of family planning, the Foundation had secured an appeal signed by leaders of all political parties and a cross section of eminent men. The two communist parties had not signed the appeal but had expressed themselves in favour of family planning. Mr Tata wanted mass media like newspapers to devote more space to the problem of population growth and exert pressure on the Government to take effective measures for family planning.

Mr Tata pointed out that at the present rates of population growth and of economic growth, the per capita income would only double in the next five decades. The real income would be much less than now. Hence, the imperative need to control population.

This, he felt, could not be achieved by voluntary organisations only. The major effort should come from the Government, particularly the State Governments. In States where the Government was conscious of the problem, considerable advance had been made in family planning and these States included Kerala, Goa and Maharashtra. But in most other States, the Government had not evinced adequate interest or shown concern to the problem.

Replying to a question, Mr Tata and Dr Bharat Ram, Vice-Chairman of the Family Planning Foundation agreed that the private sector industries could do a lot more to promote small family norms among the workers. They also agreed that there were numerous bottlenecks in the spread of family planning services. They wanted the mass media to highlight these and bring pressure on the Government to take remedial measures and implement the programme more effectively.

CSO: 4220

ENERGY MINISTER ADDRESSES MINERS DAY RALLY

Calcutta THE STATESMAN in English 5 May 81 p 13

[Text] Ranchi, May 4--The Union Energy Minister, Mr A. B. A. Gani Khan Choudhury, has reiterated that the headquarters of Bharat Coking Coal may be shifted from Dhanbad if the activities of the "Mafia" continued there reports PTI.

Addressing a miners day rally organized by the Central Coal fields Limited at Kargali colliery stadium about 130 km from here, yesterday, Mr Chowdhury claimed that the administration of the Dhanbad-Jharia coalfield was in the hands of a "mafia." "Gangsterism controls the administration in which there is corruption from top to bottom," he alleged. Not only the CIL officers but the police and the railway were involved in corruption, he said.

The Minister urged the people to raise their voices against the "mafia." He said that he wanted to stop corruption in the coal industry.

Mr Khan Choudhury ruled out the possibility of handing over some of the nationalized mines to the private sector. He reminded the miners that politicians who were spreading the rumour that coal was "a sick industry" and hence should be handed over to the private sector, were lobbying for the private sector.

The Minister said that the economy was in danger owing to the energy crisis. The coal industry would have to play a major role during the next five years. Power generation would be increased to 23,000 MW at the end of the sixth Plan. Of this, 15,000 MW would be hydel power. A number of super thermal power stations were being set up in the Sixth Plan and would consume about 70% of the coal production, he said.

Earlier, the Minister faced a "black flag" demonstration in the pandal. The demonstrators shouted slogans against Mr Khan Chowdhury saying: "go back Energy Minister." Some Congress-I workers shouted counter slogans. Police chased away the demonstrators after making some arrests.

Mr B. L. Wadhera, chairman-cum-managing director of the CCL, welcoming the miners, said that production of the CCL had increased from 78 million tons to 114 million tons during the eight years of nationalization.

Mr Ram Das, MLA, informed the Energy Minister that the move to shift the BCCL headquarters from Dhanbad and the CCL offices from Ranchi would be strongly resisted by the miners of the respective collieries.

Mr R.N.S. Sharma, chairman of the CCL, congratulated the miners for achieving a remarkable production last year and said that 50 miners would be sent to Poland, USSR and the U.K. for training every year.

CSO: 4220

SAUDI AID FOR POWER, OTHER PROJECTS REPORTED

New Delhi PATRIOT in English 9 May 81 p 5

[Text] An agreement was signed by Finance Minister with the Vice Chairman and Managing Director of the Saudi Fund for Development for a loan of 32 million dollars for the Koel Karo Hydro-Electric Project in Bihar, reports PTI.

The loan carries an interest of 4 per cent per annum and is repayable in 20 years including an initial grace period of five years.

This was stated by the Finance Minister R. Venkataraman, in reply to Mr Ramjibhaimavani in the Lok Sabha on Friday.

Mr Venkataraman said assistance from the Saudi Fund for Development for the Rajasthan canal phase two and connected command area development was also discussed.

Other possible areas of cooperation between the two countries by way of joint ventures and investments figured in the discussions.

In a written answer, Minister for External Affairs said the Government of India had repeatedly indicated its willingness to sign a no-war pact with Pakistan.

CSO: 4220

DETAILS OF NEW ONGC DRILLING PROGRAM REPORTED

Madras THE HINDU in English 8 May 81 p 16

[Text] New Delhi, May 7. The Oil and Natural Gas Commission (ONGC) has drawn up a programme for offshore and onshore exploration in the Krishna-Godavari basin.

Estimated to cost Rs 275 crores, the foreign exchange component of the programme will be $244 millions (Rs 195 crores). The ONGC has sought World Bank assistance of $120 millions, to finance part of the cost.

The ONGC has told the Government that the Rs 275 crores programme was the minimum for arriving at a final assessment of the oil and gas resources in the Krishna-Godavari basin.

The programme provides for the drilling of 10 offshore and nine onshore exploratory wells. The drilling is for a total projected depth of 87,500 metres comprising 49,000 metres for offshore and 38,500 metres onshore. The ONGC will seek foreign assistance and engage drilling consultants to overcome the several problems it faces.

These include the presence of soft clay mud, extreme ocean current velocity, huge water depths, rapid and unpredictable variations in formation characteristics, as well as what is known as "artesian water flow."

It was because of these problems that the ONGC ran into bad luck with the five wells it had drilled in the Godavari offshore basin between December, 1979, and 1980 and the drilling was abandoned.

The new programme includes the carrying out of seismic surveys for a total of 14,950 line kilometres made up of 9,600 offshore and 5,350 onshore line kilometres.

CSO: 4220

INCENTIVES FOR ELECTRONICS INDUSTRY PLANNED

New Delhi PATRIOT in English 9 May 81 p 5

[Text] The Government has accepted Sondhi Committee's recommendations on fiscal incentives to electronics industry, but has turned down most of its suggestions, including the abolition of the Electronics Commission and liberalising import of foreign technology, reports PTI.

Rejecting the Sondhi Committee's observation that the Commission was only playing a regulatory role, the Government said the "present regulatory system has to be kept continuously under review to import even greater momentum to the electronics industry."

The Government's final decisions on the Sondhi report placed in the Lok Sabha on Friday stressed the need for self-reliance and support of the public sector and small scale industry.

Turning down the Sondhi recommendation for import of ready-to-use electronics equipment, the Government said that present policy under which fully assembled electronic items are banned "should continue."

The Government decided that industrial licences to the private sector for manufacture of various electronics items should be given under the condition that two per cent of their turnover would be invested in research and development.

A specific assurance to this effect should be obtained from the company before the licence is issued.

The Government also turned down the recommendation for ending canalisation of imports of such items as picture tubes and electronic watch modules.

It also did no accept the recommendation for raising the investment limit for delicensing from Rs 30 million to Rs 100 million [as published].

Regarding small scale electronics industry, the Government accepted Sondhi recommendation that items reserved for this sector should be reviewed annually.

The recommendation exempting capital goods, test equipment, raw materials, and components from customs duty was not accepted by the Government.

The Government decided it was not necessary to set up an electronics research and development organisation as recommended in the report. It also was not necessary to merge the computer division of Electronics Corporation of India with the Computer Maintenance Corporation (CMC).

Rejecting the Sondhi recommendation that maintenance of imported computers should also be done by firms other than CMC the Government said that "maintenance of all imported computers should be the responsibility of the Computer Maintenance Corporation."

CSO: 4220

STEEL INDUSTRY OUTPUT REPORTED BELOW TARGET

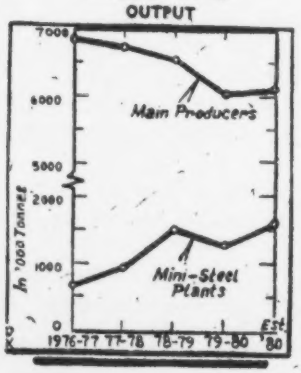
Calcutta THE STATESMAN in English 11 May 81 p 15

[Text] ALTHOUGH steel production improved marginally during the last few months, the problems in the steel sector are mainly due to what has been called "abysmally" low level of production. The country is still grappling with a total steel production of well below 10 million tons a year. The average annual per capita steel consumption continues to be at a rock bottom level of 15 to 16 kg, against an average annual per capita consumption of 100 kg in the developed countries.

Because of the low level of production the internal price of steel is still ruling much above international prices. The very nature of the steel industry is such that economies of scale could be enjoyed only at a very high level of production and efficiency. Thus the ultimate price could be pegged down to a low level only when the volume of production is large. Japan, which has to import all its iron ore requirements from outside and pay much higher wages, could yet sell steel far below the Indian prices mainly because of economies scale it enjoys from largescale production.

The Union Steel Ministry itself is far from satisfied with the performance of the industry. At the beginning of the last financial year, it was planned to make available 10.18 million tons of steel to the economy, compared with the actual availability of 8.61 million tons in the previous year (1979-80). However, with the production of 6.13 million tons of saleable steel by the integrated plants, another 1.73 million tons from the mini-steel plants and imports of 1.46 million tons, total availability of steel during the last year (1980-81) would be only 9.26 million tons. Even then, this would represent an increase in availability of a little more than seven per cent.

SALEABLE STEEL OUTPUT



The six integrated steel plants production of 6.13 million tons during the last fiscal year showed a shortfall of 16.3% from the target of 7.32 million tons for the year. In its report to Parliament, the Steel Ministry recently admitted that the overall performance was substantially lower than the target and was far from "satisfactory". Apart from the well-known constraints like shortage of power and coal, the management of the plants have no less been responsible for the performance.

Against the installed capacity of 11.4 million tons, ingot steel production in the integrated steel plants in 1980-81 was only 7.21 million tons. In 1979-80, production of ingot steel was higher at 8.02 million tons and it is expected that actual ingot steel production in 1980-81 would be about 10% lower than in 1979-80. Of course, the decision to lower production of ingot steel was taken deliberately in view of the huge stock of the item in the stockyards of the Steel Authority of India.

Undaunted by the performance, the Steel Ministry has set substantially higher production targets for the current year. The tentative production plans envisage an output of 7.21 million tons of ingot, 5.73 million tons of saleable steel, and 1.42 million tons of saleable pig iron, representing growth rates of 35.5%, 24.8%, and 8.5% respectively, over the last year's production.

However, the Joint Plant Committee, an independent body, has estimated that the country was likely to face a shortage in steel to the tune of 1.6 million tons during 1981-82. While the shortage would be across the board for all items, some of the priority items would be more acutely affected. The shortage in structurals was feared to be the worst of at least 63.00 tons. In tested quality heavy

plates the committee anticipates a shortfall of 49.000 tons, in hot rolled coils 14.000 tons and railway material 11.00 tons. The availability of pig iron would be lower than the requirements by about 16.00 tons.

The JPC assumed the steel requirements to go up by 10% over the actual consumption during 1980-81 While total demand has been estimated at 10.52 million tons, bars and rods which are used in building construction has been identified as the item of highest consumption of 4.2 million tons. The second-highest consumption item is structurals component, with a demand of 1.6 million tons, followed by plates, cold rolled sheets, railway material, hot rolled sheets, and galvanized plate and corrugated sheets.

In view of the internal shortage of steel, the Government has been obliged to allow imports of steel on the basis of actual users' licence to keep on-going and priority projects running. Here the Ministry has to take into account the interests of the principal domestic producers and also the need for executing various programmes and essential production. However, on the whole the import policy folowed during 1979-80 was largely adhered to.

The SAIL's plan for 1980-81 provided for imports of 1.46 million tons, including 692,000 tons under the buffer import programme. Buffer imports are made to supplement indigenous availability and in 1979-80 buffer imports were much higher at 950,000 tons. For the 1980-81 fiscal year up to end-December, total import orders placed were worth Rs 382.88 crores, involving imports of 1.17 million tons. Buffer imports constituted mainly of high-consumption items like structurals, plates, hot-rolled coils, cold-rolled coils and tin mill black plates. It is regrettable that the country has to import steel when the annual requirements are a mere 10 million tons, after the substantial investment in the steel sector over the last several years.

Where the inefficiency of the steel sector has become most palpable is in the execution of new projects. Delays in the execution of projects have become a rule. All the major projects like Salem and Vizag steel plants Kudremukh iron ore pelletization plant and even expansion projects for the existing steel plant are running behind schedule.

Early in 1970, the Government announced to put up three new steel plants in the South to meet the increasing demand for steel at home. Of these, work has started on the Salem plant alone; the SAIL board is still struggling with finalization of the project costs and detailed project reports for the Vizag plant; the fate of the Vijaynagar plant is still uncertain. Originally, it was thought that the Salem plant would be complete in 54 months from the date on which the project was sanctioned. Since official sanction was given in March 1977, the project should have gone on stream by September this year. However, that hope seems to be far too ambitious now.

With delays in execution project costs are also mounting. The ultimate cost of the Vizag plant is expected to touch the Rs 4,000-crore mark, while the original estimate put the cost at Rs 2,258 crores. In the last 11 months not a bit of progress could be made in respect of either the Kudremukh pelletization project or the Paradeep plant. Out and out bungling marred the timely execution of the Kudremukh plant from the beginning.

According to a reliable source, while the Union Minister for Steel and Mines, Mr Pranab Mukherjee, urged the Kudremukh Board to quickly finalize the award of the contract for the project, the latter has deliberately restored to dilatory tactics. The Kudremukh Board extended the date of submission of tenders by a month last December to allow the Soviet Union to bid for the job through "back-door", shortly after Mr Mukherjee announced in Parliament that the last date of submission of tenders was December 15. Indeed, the extension of the date of submission of the contract was an open defiance of the Steel Ministry by the Kudremukh Board.

Once again, sitting over the tenders for two months after they were submitted, the Kudremukh Board asked the bidders to submit fresh tenders on the revised basis of "engineering consultant-cum-constructor" approach. Knowledgeable sources point out that the revised estimates are nothing but prepared after adding another 10% as consultancy fees on the earlier estimates submitted. Two more weeks were wasted by the board in deciding upon the award of the contract because of this "avoidable" exercise.

It appears that the principal snag which is affecting the Kudremukh project is that it has ben willy nilly tagged to SAIL. Having a common chairman with SAIL, the Kudremukh project has been taken for a baby of SAIL and it has to be admitted that an authority engaged in the day-to-day running of a steel plant is not the eminently suitable agency for execution of a new project. For better management of both SAIL and the Kudremukh project the chairmanship of the two should go to two different persons.

CSO: 4220

STEEL TUBE INDUSTRY ASSURED OF IMPORTS

Madras THE HINDU in English 12 May 81 p 11

[Text] New Delhi, May 11. The Deputy Minister of Industry, Mr P. A. Sangma, today assured the steel tube and pipe industry that about 50,000 tonnes of steel would be made available to it this year.

In addition the industry would also be allowed to import hot rolled coils up to 2.5 mm thickness under OGL. These measures should lead to higher production and better capacity utilisation.

Inaugurating the second annual meeting of the Federation of Engineering Industries of India (Steel Pipe and Tube Panel) he said he was not sure however whether it was better to have 50 units working at an average of 20 per cent capacity utilisation or half that number working at full capacity.

"It would be interesting to find out who pays for the underutilisation of capacity and consequent inefficiencies and/or larger fixed costs or overheads," he said.

Mr Sangma said in view of the fact that the industry would be a net importer of its raw material even with regard to domestic demand for tubes, the Government had no option but permit exports only against imported raw material.

There was no bar on the export of tubes against imported raw materials. As and when the domestic availability of raw materials led to a surplus in relation to domestic demand, the Government would review the situation.

Mr Moni Bose, outgoing Chairman of the FEII (Steel Pipe and Tube Panel), wondered why the price of indigenous hot rolled coils and skelp should be around Rs 4,000 per tonne when imported materials were being offered at Rs 2,200 per tonne FOB.

The tube industry was a continuous process industry and high frequency welders and galvanising plants could only be run if power was available on an assured basis, he said.

Units facing power shortages could put up their own generators and it would be helpful if a Central directive was issued to the State Governments to give some subsidy to units putting up their own generators.

Mr Bose called for streamlining the distribution of hot rolled coils and skelp, and said the release of quarterly allocations was generally not in time.

The steel tube industry, he said, had 50 units licensed to produce 20 lakh tonnes but the present demand for steel pipes and tubes was six lakh tonnes. There was also an export market for two lakh tonnes. By 1984-85 the domestic demand was expected to rise to 10 lakh tonnes.

There had been a fall in output in the past few years. From 5.22 lakh tonnes in 1977-78 production came down to 4.48 lakh tonnes in 1978-79 and to four lakh tonnes in 1979-80. The 1980-81 output would not be very encouraging and radical steps were needed to boost production, Mr Bose said.

CSO: 4220

PROBLEMS OF COAL MINING, DISTRIBUTION DISCUSSED

Bombay THE TIMES OF INDIA in English 9 May 81 p 7

[Text]

NEW DELHI, May 8.

THE scheme for free sale of coal has been further liberalised to enable genuine consumers of high-grade coal to get their requirements without difficulty.

This was stated here yesterday by the energy minister, Mr. A. B. A. Ghani Khan Choudhury, while addressing the parilamentary consultative committee attached to his ministry. Mr. Vikram Mahajan, minister of state for energy, was also present.

Mr. Choudhury said under the scheme of free sale of coal nearly nine million tonnes of comparatively low-grade coal has been put on unrestricted sale. Coal India has modified its distribution system to meet quickly the actual requirement of consumers of high-grade coal.

The minister told the members that vigorous steps were being taken for stepping up coking coal production. This would, however, depend on the progress of the Jharia reconstruction plan. In order to accelerate the pace of work a high-power committee had been constituted under the chairmanship of the energy minister. The committee includes the mines minister of Bihar and officials of the Central and state governments.

CENTRALISED DUMPS

Mr. Ghani Khan Choudhury said the government had drawn up a scheme to set up centralised coal dumps in Bharat Coking Coal Ltd., in order to benefit those consumers who take coal by road. Similar schemes are being drawn up in Eastern Coalfields Ltd. and Central Coalfields Ltd., the minister said.

Action was being taken to eliminate private contractors from transporting coal and sand and entrust some of this work to ex-servicemen, he said.

The minister told the members that the government had accorded high priority to the welfare of coalmine workers. The government proposed to double the number of houses constructed for coal mine workers by next year.

Referring to the problems of land acquisition for implementing new mining projects, the minister said he had told the Bihar chief minister that the government should be liberal in awarding compensation. In order to expedite matters money had been deposited in advance with the state government so that the compensation could be promptly disbursed.

ALL-TIME HIGH

The minister said coal production in 1980-81 reached an all-time high of 114 million tonnes exceeding the target by half a million tonnes. Coal India exceeded its target by two million tonnes despite the constraints faced by it in the first half of the year. He said for the current year a production programme of 121 million tonnes had been drawn up and he was confident the target would be achieved.

The minister said as a result of various measures taken by the government capacity utilisation of thermal plants had gone up from 41.1 per cent in October, 1980, to 52 per cent in March, 1981. He was hopeful that the capacity utilisation would reach 55 per cent by next year. The performance of 200 M.w. units had considerably improved.

CSO: 4220

COMPOSITION OF RAILWAY REFORMS COMMITTEE ANNOUNCED

Bombay THE TIMES OF INDIA in English 12 May 81 p 1

[Text] New Delhi, May 11 (UNI)--The Union government today set up a high power "railway reforms committee" to review the organisational structure of the railways including that of the railway board.

The five member-committee of experts, headed by Mr B. D. Pande, would also suggest measures for improving the capacity of the railways to handle higher volume of traffic in future.

Mr Pande, as chairman, would have the status of minister of state.

It is understood that the committee would also examine the question of running the railways as a departmental undertaking or converting it into a public sector corporation.

Besides Mr Pande, the committee consists of the five members: Mr Ravi Mathai (Indian Institute of Management, Ahmedabad), Mr H. C. Tripathi (retired judge, Allahabad high court), Mr Rusi Modi (chairman, TISCO), Dr Manmohan Singh (member-secretary, Planning Commission) and Mr M. S. Gujaral (chairman, railway board), Dr S. K. Ray, an officer of the railways, will be the secretary of the committee.

The non-official part-time member of the committee will have the status of secretaries to the government of India.

Railway minister, Mr Kedar Pandey, had indicated in his budget speech in parliament on February 19 that a high power committee of experts would be appointed to go into the entire gamut of the railway administration and recommend measures for improvement.

CSO: 4220

PROBLEMS, PROGRESS IN GRAIN PROCUREMENT TOLD

Bombay THE TIMES OF INDIA in English 10 May 81 pp 1,9

[Text] New Delhi, May 9. The enthusiasm of private traders to mop up large quantities of wheat from the new crop seems to be on the wane now. The purchases being made by them in the major wheat-surplus states of Punjab and Haryana have come down considerably. Consequently, wheat prices in most mandis in those states have nose-dived, facilitating larger purchases by official grain procuring agencies. However, the target of procuring 9.5 million tonnes of wheat during the current rabi marketing season may not be attained, agricultural experts feel.

The total quantity of wheat bought by the private trade has not been unusually large this year. According to the latest figures available from Punjab and Haryana, traders have bought only about 1.2 lakh tonnes of wheat so far out of the total market arrivals of over 16.9 lakh tonnes.

In Punjab, wheat arrivals till yesterday were estimated at about 11.48 lakh tonnes. Of this, the traders are reported to have purchased only a little over 66,700 tonnes, the rest going to the official agencies. In Haryana, the procurement is estimated at over 4.9 lakh tonnes of the total arrivals of over 5.4 lakh tonnes. The traders bought only about 50,000 tonnes.

The quantity of wheat mopped up by the private trade in these two states, however, is likely to be more than the figures computed from market records as some transactions are reported to have taken place at the village level, outside the regulated mandis. The situation now seems to have changed drastically. The denial of railway wagons to private traders for transporting wheat to outside regions and the curbs imposed on the stocks allowed to be held by them seem to have dissuaded them from buying more wheat.

Some experts, in fact, feel the government should not be unduly perturbed over grain purchases by traders. This might ultimately prove to be a blessing in disguise. The public distribution system being as it is, sufficient grain stocks in the private sector are indeed desirable as they can help maintain grain prices and their availability in the open market. Paucity of supplies in the open market can lead to the escalation of prices in major consumption centres, especially during the lean season.

The pessimism regarding prospects of procuring 9.5 million tonnes of wheat during the current season stems primarily from the fact that the target is too high to attain. The maximum quantity of wheat procured in a single season so far was nearly eight million tonnes in 1979 out of the total production of 35.5 million tonnes. This year, the wheat output is expected to be around 36 million tonnes. The procurement cannot be expected to exceed the previous peak by 1.5 million tonnes, especially when the production is up only by 0.5 million tonnes, experts maintain.

The government itself is partly to blame for dismal procurement prospects. The very announcement of a high procurement target followed by repeated official statements showing undue anxiety to make large grain purchases to replenish the depleting grain coffers gave a cue to the traders to enter the market in a big way. They anticipated the food situation in the country to turn critical in the later part of the year.

Krishi Bhavan's move to cut down the allocation of wheat to the states only weeks before the harvest of an expected record crop further encouraged pessimistic speculations regarding the wheat stock situation in the country.

The call given to farmers by some political parties to withhold the sale of their produce, however, is not likely to have any impact on the total wheat procurement. The growers by and large, can ill-afford to store their entire produce. The grain has to come to the market sooner or later, experts believe.

CSO: 4220

MORE DETAILS OF GRAIN PROCUREMENT PROBLEMS GIVEN

Madras THE HINDU in English 10 May 81 p 6

[Article by Leo: "Crucial Role of Foodgrain Buffer Stocks"]

[Text] The rebound in foodgrain production in the current agricultural season has helped avert a crisis on the food front and obviated the need for marginal imports. As the disastrous drought of 1979-80, resulting in a sharp decline in the yield of food crops by 23.05 million tonnes to 108.85 million tonnes, was experienced, after the harvesting of bumper crops in 1978-79, the buffer stocks could be drawn upon liberally for overcoming the shortfall in production. The surpluses with growers from earlier crops also were useful in minimising sales through the public distribution system.

Large sales through fair price shops

The offtake through fair price shops and under the food-for-work programme was nevertheless quite high at 14.84 million tonnes in 1980 against 11.66 million tonnes in 1979 and 10.18 million tonnes in 1978. Even with regulated releases of wheat, the total offtake in 1980 was substantial at 8.85 million tonnes while rice accounted for 5.87 million tonnes. The food-for-work programme absorbed 2.07 million tonnes out of this total, roughly in equal proportions of wheat and rice.

As the quantity procured in the 1979-80 marketing season was only 9.8 million tonnes against 14.46 million tonnes in 1978-79, buffer stocks registered a drop of over five million tonnes. But for the pick-up in procurement of rice out of the kharif crops in the current season the decline would have been more pronounced.

The total stocks stood at 11.4 million tonnes at the beginning of February this year against 16.7 million tonnes in February 1980. The procurement of rice upto February 25, 1981 were quite satisfactory at 4.77 million tonnes against aggregate procurement of 3.23 million tonnes in the previous marketing season. It can be expected that an additional five lakh tonnes can be procured before June.

A further drop from the existing levels can be prevented only if aggregate procurement in 1981-82 exceeds 17 million tonnes and there is also reduced pressure on the public distribution system.

Higher target for 1981-82

After the performance of the agricultural sector in 1977-79 and 1980-81 it is confidently expected that higher targets can be fixed and achieved. Accordingly, it is estimated that an output of 138 million tonnes can be secured in the 1981-82 agricultural season. If this target can be realised with normal behaviour of the monsoons, it will not then be difficult to step up procurement of wheat and rice especially as there will be a fairly large carryover from 1980-81 assuming that there will be no downward revision of estimates in the final tally.

It is reiterated in the annual report of the Union Ministry of Agriculture for 1980-81 that the production of all food crops will exceed the record of 1978-79. Immediately, it is expected that purchases of wheat can be effected in large volume as the crop is likely to constitute a new record at over 36 million tonnes. (The previous best was 35.51 million tonnes in 1978-79).

A target of 9.5 million tonnes has been fixed for wheat procurement but of the new crop and it is hoped that it will be achieved. Even so, total purchases of rice and wheat may not be more than 15 million tonnes in 1980-81, which is only slightly more than the withdrawal of 14.84 million tonnes from buffer tocks in 1980.

A drop in buffer stocks is also due to the fulfilment of export commitments. The return of loan wheat to the Soviet Union has been completed as total shipment upto 1980 amounted to 14.96 lakh tonnes out of a commitment of 14.98 lakh tonnes and shipment to Vietnam 2.99 lakh tonnes. This obligation to USSR was fulfilled even earlier. The Soviet Union however, imported 1.99 lakh tonnes of wheat and 60,560 tonnes of rice from India against additional supplies of crude and refined products.

Only about 52,000 tonnes of rice was sent to Vietnam. Mauritius got 24,000 tonnes of rice on a commercial basis and Bangladesh 1.49 lakh tonnes by way of commodity loan.

It is the intention to enter into export contracts for upto one million tonnes of rice in 1981-82 and augment foreign exchange earnings. The existence of large buffer stocks has, therefore, been useful in overcoming a critical situation. There are also indications that food production is getting stabilised at higher levels with the extension of irrigation facilities and the adoption of improved techniques of cultivation in the rain-fed areas.

Even the low level of 108.85 million tonnes in 1979-80 was considerably higher than the yield of 99.83 million tonnes in 1974-75 which also witnessed drought conditions in some regions. If the target of 138 million tonnes for 1981-82 is achieved, as stated above, the offtake through the public distribution system aNd under the food-for-work programme may be significantly lower and buffer stocks can rise to the earlier levels even with limited exports.

CSO: 4220

NEW HIGH-YIELDING PULSE VARIETY DEVELOPED

Madras THE HINDU in English 11 May 81 p 16

[Text]

NEW DELHI, May 10

A breakthrough in pulses production is not far off with farm scientists having come out with new high-yielding varieties in bengalgram — which account for nearly 50 per cent of total pulses output — close on the heels of development of high-yielding varieties of redgram.

According to Dr H. K. Jain, Director, Indian Agriculture Research Institute (IARI) here, for the first time in the world bengalgram varieties, having an altogether new form, have been evolved to meet the requirements of a more modern agriculture.

The new varieties have been evolved by crossing the Indian stock with certain selected ones of the Mediterranean and Russian varieties. The new ones are found to have 30 per cent higher yield potential than traditional varieties.

The blue-prints were prepared by Dr. Jain, Dr. Bahl and their colleagues at IARI 10 years ago and their efforts have borne fruit.

The first generation of these new varieties are now in advanced stages of testing at IARI fields. They will be subjected to various other trials and in two years' time they are expected to be released for largescale cultivation.

Dr. Jain said traditionally pulses had been grown in drylands and they had been selected more for adaptation to moisture stress conditions than for high yields. With the rapid development of irrigation, scientists felt that pulses could be given a better deal.

They could be fitted into intensive cropping patterns with cereal and other crops in irrigated lands and in lands where at least one protective irrigation could be provided.

This concept had led the plant breeders to develop varieties, very different in their form from the crops with which the Indian farmers had been familiar for thousands of years.

In the new varieties, the plant stands erect like wheat. This allows greater light penetration through its foliage and diverts more of its energy to the pods rather than the vegetative parts.

Scientists believe that these varieties of bengalgram will have an yield potential of about 50 quintals per hectare provided farmers provide protective irrigation and improved management practices. The maximum yield potential of traditional varieties is 30 quintals per hectare.

More flexible: The new varieties are more flexible in their sowing dates so that, unlike the traditional ones which must be sown towards the end of October, these new groups can be sown as late as middle of November and can be fitted in new cropping patterns such as rice followed by bengalgram in eastern parts of India. Also, their maturity duration has been reduced and this again helps in fitting them in new crop rotations with the central crops.

The new bengalgram varieties constitute a development which is claimed to be parallel to that relating to the improvement of the arhar (redgram) crop.

CSO: 4220

BRIEFS

DEATH OF MP--New Delhi, May 4--A minute's silence was observed in the Rajya Sabha today as a mark of respect to Nargis Dutt, a sitting member of the House, who passed away in Bombay yesterday, report PTI and UNI. The Chairman, Mr M. Hidayatullah said the country had lost a "great humanitarian." The Lok Sabha today mourned the death of Mr Y. S. Parmar, who was a member of the Constituent Assembly, the provisional Parliament and the second Lok Sabha. [Text] [Calcutta THE STATESMAN in English 5 May 81 p 9]

SIKKIM POPULATION GROWTH--Gangtok, May 5 (UNI)--Sikkim registered the highest rate of population growth among all States in the country during the 1971-81 decade. The decennial growth rate in Sikkim during this decade was 50.44 against the all India average of 24.75, according to the Sikkim Census Directorate. At the same time Sikkim, the youngest member of the Indian Union having joined it only six years ago, also claimed the distinction of having the lowest density of population among all States. The population density per square kilometre in the State is 44 against the all India average of 221. In 1971, when Sikkim was not a part of India, it had a population of 209,843. In 1981, the State's population increased to 315,682. [Text] [New Delhi PATRIOT in English 6 May 81 p 7]

NEHRU UNIVERSITY VICE CHANCELLOR--New Delhi, May 6 (PTI)--Dr Y. Nayudamma, a distinguished scientist, has been appointed vice-chancellor of Jawaharlal Nehru University (JNU) Dr Nayudamma will hold office for a term of five years from the date on which he assumes office. Meanwhile, President Sanjiva Reddy has been urged by 161 MPs to set up a commission to inquire into the affairs of the University. In a memorandum to the President, the five MPs of the opposition parties said charges of corruption, misuse of public funds and violation of rules had been levelled at the university authorities. The allegations by the different sections of the university community--students, staff and teachers--were serious, the memorandum said. The MPs have also demanded the revocation of the expulsion of Rajan G. James, a Ph.D. student and convener of the democratic students' front. His expulsion was "political victimisation," the memorandum said. [Text] [Bombay THE TIMES OF INDIA in English 7 May 81 p 13]

THREAT TO RAJIV--Raigarh (MP), May 7 (PTI)--Three persons involved in the alleged conspiracy against the life of the Prime Minister's son, Mr Rajiv Gandhi, were rearrested here immediately after they were released on bail today.

The three persons--Raghunath Singh, Satnarain Singh and Bhaskar Singh--had allegedly sent telegram to Mr Rajiv Gandhi containing the "threat" and asking him to quit India. The three had been first arrested earlier this week under section 151 for breach of peace and remanded to custody till May 7. They were released on a bail of Rs 5,000 each by the magistrate, but police again arrested them under section 506 (B) (conspiracy for threat to life). [Text] [Bombay THE TIMES OF INDIA in English 8 May 81 p 1]

WESTERN COMMAND ADMIRAL--Bombay, May 7--Rear Admiral Gulab Mohanlal Hiranandani took over here today as the new chief of staff, Western Naval Command, from Rear-Admiral S.C. Chopra. Prior to his new appointment, Adm. Hiranandani was commanding officer of the guided-missile destroyer, I.N.S. "Rajput." Trained at Royal Naval College, Dartmouth in U.K., Admiral Hiranandani was commissioned in the navy in 1952. He distinguished himself as fleet operations officer winning the Nao Sena Medal in 1971. He was awarded the Ati Vishisht Sena Medal in 1978 for his services as director of combat, policy and tactics at naval headquarters. [Text] [Bombay THE TIMES OF INDIA in English 8 May 81 p 4]

SRINAGAR ISLAMIC CENTER--Srinagar, May 7--The establishment of a permanent "Islamic centre" here was among several decisions taken by the recently constituted Jammu and Kashmir 15th Hijrah celebration committee, which met yesterday under the chairmanship of the chief minister, Sheikh Abdullah. [Text] [Bombay THE TIMES OF INDIA in English 8 May 81 p 9]

FAMILY PLANNING AID--New Delhi, May 7--Norway will grant Rs. 3.5 crores for financing extension of the all-India hospitals' post-partum family welfare programme under an agreement signed here today. The programme seeks to maximise effective contraception among the target population by upgrading hospitals to enable them to focus attention primarily on obstetrical and abortion cases. Support for the programme comes from the Norwegian Agency for International Development. In recent years, Norway has actively co-operated with the Indian family welfare programme providing assistance totalling Rs 33 crores. This is mainly used for family planning facilities in hospitals. [Text] [Bombay THE TIMES OF INDIA in English 8 May 81 p 14]

MISSION STAFFS REDUCED--New Delhi, May 7--Staff strength in the Indian Missions abroad has been brought down following last year's review exercises in respect of the staffing requirements in London, Dacca, Kathmandu, Bangkok and Karachi, Mr P. V. Narasimha Rao, External Affairs Minister, told the Lok Sabha today. Similar exercises, he said, were being undertaken in the U.S.--PTI [Text] [Madras THE HINDU in English 8 May 81 p 6]

BABABUDAN IRON ORE--Chikmagalur, May 7--The Bababudan hills in Chikmagalur taluk has deposits of 3,000 million tonnes of iron ore according to Mr Venugopala Rao, Chairman and managing Director of the National Mineral Development Corporation (NMDC). Talking to pressmen at the iron ore investigation complex, he said a special team of the Corporation took up investigation work in 1975 and had nearly completed its survey work. They would be submitting their report to the Centre shortly. The ore contained 35 per cent of magnetite which after crushing and refining could be raised to 65 per cent and above. The Bababudans deposits,

he said, was much larger than the ones at Kudremukh and extended to a length of 20 km. The prospecting team had divided this area into three sectors--Rudragiri, Attigundy and Mahal Blocks. Eight hundred million tonnes were available in the Attigundy block itself. Mr Rao said if iron ore extract were to be approved by the Centre necessary care would be taken to maintain the ecological balance on the Bababudan hills and the coffee plantations would not be disturbed. [Text] [Madras THE HINDU in English 8 May 81 p 9]

KERALA MOLYBDENITE FIND--Reserves of "molybdenite," a strategic material, the supply of which was being either withheld or made at exorbitant cost by the developed countries, have been located in Kerala, according to a spokesman of the Geological Survey of India. Molybdenite is the disulphide of molybdenum and is used as a lubricant in hot extrusion process for seamless stainless tube manufacture and other chemical, metallurgical and special alloy industries. The reserves, believed to be of economic level according to preliminary reports, have been found in the Ambalavayal and Kalpatta areas of Wynad district and Pathanamthitta taluk of Quilon district in Kerala. The mineral, which had not been found in adequate quantities in India earlier, was imported and cost the country Rs 61 lakhs for 44 tonnes in 1975, according to the official. [Text] [Bombay THE TIMES OF INDIA in English 10 May 81 p 9]

RECORD TRADE DEFICIT--New Delhi, May 9--The trade deficit in the first eleven months (April-February) of 1980-81 has reached an all-time record of Rs 4693.52 crore, which is even higher than the Government's own estimate of Rs 4500 crores for the whole year. The 1980-81 provisional figures, according to official sources, show exports at Rs 5915.26 crores and imports at Rs 10608.78 crores against the provisional export and import figures of Rs 5474.10 crores and Rs 7373.59 crores respectively for the first eleven months of 1979-80. If the present trend continues, it is likely that the year 1980-81 may close with a deficit of over Rs 5000 crores, which would be the highest ever on record.--PTI [Text] [Madras THE HINDU in English 10 May 81 p 6]

INDO-CZECH FRIENDSHIP--The Indian National Cong-I is with the socialist countries of East Europe, in their fight for equality and better opportunities, All India Congress Committee general secretary Shyam Sunder Mahapatra said on Saturday. Mr Mahapatra was speaking at a function to mark the 36th anniversary of the liberation of Czechoslovakia. Indo-Czech friendship, Mr Mahapatra said was going from strength strength, in the nations' efforts to build an egalitarian society based on the norms of socialism. The Soviet Union, which had been India's friend in its hour of need during the seventies he said, was instrumental in liberating Czechoslovakia 36 years ago, from the clutches of Nazism. The AICC general secretary later inaugurated an exhibition of photographs depicting Life in Czechoslovakia. [Text] [New Delhi PATRIOT in English 10 May 81 p 10]

ANDHRA PRADESH MINISTER--Hyderabad, May 10--The Finance Minister of Andhra Pradesh, Mr G. Rajaram, died in a road accident near Ramayampet in Medak district this morning, reports PTI. He was going from his native place (in Nizamabad district) to attend a Cabinet meeting. The car in which he was travelling skidded and hit a tree. The Minister and his bodyguard died before being taken

to hospital. The superintendent of the Nizam's Orthopaedic Hospital said Mr Rajaram was injured in the chest and his thigh bone was fractured. The President, Mr Sanjeeva Reddy, condoled the death of Mr Rajaram whom he described as "a popular figure and an able administrator." [Text] [Calcutta THE STATESMAN in English 11 May 81 p 1]

ASSAM MINISTER RESIGNS--Gauhati, May 11 (PTI)--Mr Joy Chandra Magbanshi, minister of state for labour, today resigned from the Assam ministry. Mr Nagbanshi is one of the six Congress(I) MLAs representing the tea garden labour community who announced their decision to resign from the ACLP (I) membership last week. [Text] [Bombay THE TIMES OF INDIA in English 12 May 81 p 1]

LOK DAL CANDIDATES--Lucknow, May 11 (UNI)--The Lok Dal general secretary, Mr Mandu Limaye, today announced the names of party candidates for four of the five Lok Sabha and eight vidhan sabha seats in the by-elections in Uttar Pradesh, polling for which will be held on June 14. Mr Limaye told newsmen that he would announce the party's decision on the Pauri Garhwal parliamentary seat by tomorrow after consulting the party chief, Mr Charan Singh. He said the Yuva Lok Dal chief, Mr Sharad Yadav, a former member of the Lok Sabha, would oppose Mr Rajiv Gandhi in the Amethi parliamentary constituency. Mr Limaye said he was sorry that despite their best efforts, no understanding could be reached among opposition parties to jointly oppose Congress(I) nominees. [Text] [Bombay THE TIMES OF INDIA in English 12 May 81 p 9]

NORTHEAST GEODYNAMIC MONITORING--Shillong, May 11--The programme relating to the study of geodynamic problem and the establishment of effective monitoring network in the seismic north eastern region has been intensified, according to a spokesman of the Regional Research Laboratory in Jorhat. Its geoscience division, in collaboration with the National Geoscience Research Institute in Hyderabad, has established four seismic surveillance stations in the north-eastern region. Eight other stations are to be set up in the region. The geoscience division has carried out a statistical analysis of earthquake data relating to the 1923-1977 period. The analysis has revealed that the probability of an earthquake of magnitudes between 7.5 and 8.0 on the Richter scale occurring in the region is "significantly high." [Text] [Bombay THE TIMES OF INDIA in English 12 May 81 p 7]

ARGON FOR EXPORT--New Delhi, May 11--The Fertilizer Corporation of India is now the country's biggest producer of argon, a product in increasing demand for precision welding in sophisticated industries. There is now a surplus in the country. The corporation is exploring possibilities of exporting argon to neighbouring countries. The purity of argon produced in FCI's plants is over 99.995%--the purest in the country, because of the particular recovery process. Besides, the oxygen content is low. The corporation has taken the lead with the commissioning of the coal-based projects at Talcher and Ramagundam, where argon recovery plants have been installed with an annual capacity of 900,000 cubic metres at each project. Earlier, argon was being produced only in the Gorakhpur unit of the FCI. The corporation has now an installed capacity of over 2 million cubic metres, which is considerably in excess of the present domestic requirement. [Text] [Calcutta THE STATESMAN in English 12 May 81 p 9]

WORLD BANK LOANS--Washington, May 11--The World Bank today announced three interest-free loans worth $88 millions (Rs 70 crores) for farm training in Tamil Nadu, Madhya Pradesh and Maharashtra. Madhya Pradesh will get $37 millions (Rs 29 crores) Tamil Nadu $28 million (Rs 22 crores) and Maharashtra $23 million (Rs 18 crores). Repayment of the loans from the bank's International Development Association will take 50 years, including a ten-year grade period.--AP. [Text] [Madras THE HINDU in English 12 May 81 p 1]

CSO: 4220

MEMBER OF PARLIAMENT URGES GOVERNMENT TO TABLE NEW LABOR LAW

Jakarta KOMPAS in Indonesian 19 Mar 81 p 9

[Article: "DPR Member Asks Government to Quickly Submit New Labor Law"]

[Excerpt] DPR [Parliament] member from Central Java Imam Churmen has urged the government to quickly submit to the DPR a new labor law.

According to Imam who represents the Development Union Party faction, the law now in effect in Indonesia, as the government has already said, is no longer applicable to the present situation.

Imam told reporters that for 3 years the government has been working on this. But its results are still being awaited by the DPR as nothing has been submitted for discussion by the respreentative body.

Imam feels that a new labor law is important because the sanctions imposed by the old law are not as clear or as strict as hoped for. For example, at present there are no adequate sanctions for the businessman who won't obey the decisions of the P4D [Regional Committee to Solve Workers Disputes] or the P4P [National Committee to Solve Workers Disputes]

The P4D and P4P have decided that a worker who has a problem with his employer must be rehired. But many employers have refused to obey this decision and have continued to not rehire the worker. This is done by the businessmen because the sanctions imposed by the present labor law are considered light.

FBSI

Also the FBSI (All-Indonesian Labor Federation) as the workers organization is limited and regulated by the law. The FBSI often still doesn't have the power to help make a decision in a labor disagreement.

There is the proposal that in every problem the police as the public security and order apparatus should be included. Imam feels that as long as the problem can be handled by existing organizations, it would be

better to leave out involvement by a third party outside labor and management.

Imam also complains about the right to strike. The right to strike is guaranteed by law and workers can carry out "rest" action orderly. But workers are under pressure by the government not to initiate work stoppages and in fact action is taken against those who do strike by the security forces.

7785
CSO: 4213/62

REAGAN DESIRES INCREASED COOPERATION WITH INDONESIA

Jakarta KOMPAS in Indonesian 20 Mar 81 pp 1, 12

[Article: "Reagan Hopes for Increased Cooperation With Indonesia; Indonesia Desires Liberalization in Trade Relations"]

[Excerpts]In his special message to President Suharto, U.S. President Ronald Reagan hopes that Indonesia will continue and increase its cooperation with the U.S. The message from Ronald Reagan was delivered by former President Gerald Ford to President Suharto at the Istana Merdeka on 19 March.

Gerald Ford arrived in Jakarta by special plane on the afternoon of 19 March and that evening paid a courtesy visit on Vice President Adam Malik. Following discussions with President Suharto he met with Coording Minister for Ekuin [Econocy, Finance and Industry]/Chairman of Bappenas [National Development Planning Board] Widjojo Nitisastro and Minister of Industry A.R.Suhud along with Minister of Mining and Energy Subroto. On 20 March he left Indonesia enroute to Hong Kong and then on to Osaka (Japan).

In answer to a question Minister of State and State Secretary Sudharmono said that Ford had explained the new U.S. government policies in both the economic sector and in foreign relations. President Reagan hopes that with Indonesia in particular and with the countries of Southeast Asia in general the present cooperation can be increased.

"In addition an exchange of ideas took place on various world problems. President Suharto gave Indonesia's viewpoint on the problems, particularly concerning the Indochina situation. Indonesia's attitude is still as it has been often expressed, so that there is nothing special to report."

Answering a question Sudharmono said that the economic relations between Indonesia and the U.S. and the U.S. and other countries were explained generally by Ford, particularly as the U.S. is giving more attention to its domestic economy at present. When asked if the coming of Gerald Ford was as a special envoy of the U.S. President, Sudharmono said "I believe so. He is helping Reagan by delivering his special messages."

Did Ford ask about Indonesia's diplomatic relations with PRC ? Sudharmono answered "no". But President Suharto did explain the Indonesian attitude which has been stated many times. It is that Indonesia is in no hurry to unfreeze its diplomatic relations and in addition PRC must convince Indonesia that it really won't interfere in Indonesia's internal affairs, Sudharmono said.

Concerning U.S. foreign aid, Sudharmono added that Gerald Ford explained that what will be decreased is the increases in foreign aid. But the overall total won't be decreased. However, he didn't give any detailed explanation. "However, for Indonesia," the minister said, "in developing economic cooperation, it is not entirely a matter of aid being cut off."

He said that what Indonesia hopes for is liberalization of trade relations so that there won't be any difficulty for the entry of goods produced by developing countries like Indonesia into U.S. markets. Among other matters, there are the tarrifs and the tin quotas. The U.S. has just issued an announcement releasing its tin reserves. As a result producing countries like Indonesia have concerns, said Sudharmono, using this as an example.

7785
CSO: 4213/62

OVERSEAS CHINESE IMMIGRATION PICTURE CHANGING

Jakarta KOMPAS in Indonesian 21 Mar 81 pp 1, 12

[Article: "Indonesian Consulate General in Hong Kong Points Out That Thousands of Former Hoakiao Have Given Up Their Intentions of Coming to Indonesia"]

[Excerpt] The Indonesian Consulate General in Hong Kong has pointed out that thousands of former Hoakiao [Overseas Chinese] in Hong Kong have given up their intention of returning to Indonesia because they consider that living conditions in Indonesia have become as difficult as their present living conditions.

From late 1979 to early 1980 it is estimated that 4,000 former Hoakiao lined up to leave the British colony with the intention of returning to Indonesia. To carry out their intention, there were those who tried to enter by falsifying the contents of passports (replacing the photo in someone elses passport) falsifying passports and disguising themselves as sailors.

The staff at the Indonesian Consulate General told KOMPAS in Hong Kong last week that it is thought that the illegal immigrants were aided by an international overseas Chinese syndicate. The syndicate helps foreign overseas Chinese to settle in certain places and indeed arangess citizenship applications.

But recently the Consulate General has been hearing different reports, that lining and seeking work in Indonesia is "extremely difficult". So instead of seeking a new place full of risks, in addition to having to adapt to a new environment, the Hoakiao feel it is better not to leave Hong Kong. They have also heard about what happened in Solo [Surakarta] and Semarang last year which has been exaggerated by their own people.

To substantiate this report, KOMPAS sources at the Indonesian Consulate General point to the tours to Indonesia. Seven recent tours (each group had at least 50 participants) to Indonesia arranged by one company,

all returned in tact as they left Hong Kong. There was no one who deserted to remain in Indonesia.

The report has also been partially confirmed by Chief of public relations at the Directorate of Information Drs Subagio.

Answering a KOMPAS question on 20 March, Subagio added the element of tightened sucurity as the main obstacle for illegal immigrants entering Indonesia. "At present security is more intensive and more attentive to their job," he added.

The change factor in the political life in mainland China has also played a role in obstructing the entry of illegal immigrants into Indonesia. He said as an example that western life style has begun to infiltrate mailand China. There is also the threat from the north (USSR) which requires people who can be called on from time to time to defend their country.

Although there is the indication that the entry of illegal immigrants into Indonesia is slackening off, the chief of the public relations for the department of immigration called on all parties to continue to maintain vigilence. Consciousness must be planted from below beginning with RT [neighborhood associations] and RW [citizens associations]. This is because officials at the lowest levels know the most about new people and foreigners who are in their areas.

7785
CSO: 4213/62

RELATIONS GOOD WITH NORTH KOREA

Jakarta SINAR HARAPAN in Indonesian 19 Mar 81 p 12

[Article: "Minister of Foreign Affairs Mochtar: Indonesia-North Korea Relations Good for Some Time"]

[Text] Minister of Foreign Affairs Mochtar feels that Indonesia's relations with North Korea are extremely good at present, and this not only includes official relations. He gave as an example the fact that in international forums Indonesia and North Korea often cooperate.

He pointed out that in the Non-block conferences since Havana, Indonesia and North Korea have always had close cooperation. A SINAR HARAPAN reporter who covered the Non-block summit conference in Havana in 1979 reported that Indonesia's good offices were used to help North Korea get a seat on the coordination bureau.

Mochtar spoke of the good and more than official relations while commenting on an analysis broadcast by BBC London in Indonesian on the morning of 16 March during which it was reported that the President of North Korea Kim Il Sung in an interview with several Japanese reporters had said that he desires to stimulate friendship with the non-communist countries of southeast Asia.

Relations between Indonesia and North Korea have been established for a long time. Since the days of the previous government (Orde Lama) those relations haven't ever been disturbed. In fact since the relations have been established for several years, Indonesia is in a more favorable position than the other four members of ASEAN [Association of South East Asian Nations] because it isn't necessary to make approaches to open relations.

7785
CSO: 4213/61

DISUNITY IN GOVERNMENT CAUSED BY POWER CENTERS

Jakarta KOMPAS in Indonesian 25 Mar 81 pp 1, 12

[Article:"According to Dr Juwono Sudarsono, Certain Power Centers Have Caused Disunity]

[Excerpts] Dr Juwono Sudarsono sees the presence of certain Indonesian national sicknesses which obstruct the progress of the nation. Among others there is the tendency that anything called government has never been unified.

Juwono said this on 24 March to participants of the National Study Forum held by the Indonesian National Student Movement(GMNI) in Ciawi Bogor.

He said that as a result of this lack of unity in the government, every time an economic problem or political problem arises, it is always handled by special groups as power centers, depending on what kind of problem it is.

For example, there was a problem with Japan and so there were special groups of officials who had good relations with Japan who were prone to favor Japan. According to Juwono this isn't unusual. Only it is to be regretted that these power centers that form special groups aren't united.

This kind of government, consisting of power centers that form their own special groups, is always bargaining among itself about what it is doing. As long as there isn't one power center that is able to overpower the other power centers, there will always be compromise. In this way every policy issued will be the results of compromise and will be a half hearted policy.

Juwono said that the presence of these power centers will in a short time cause the governmental elite group not to be able to make its selections on foreign capital investments. "Most of them are already caught up in this important matter for what they can get," he added.

Juwono also said that he could understand the demands by students and others that officials be honest and not accept commissions. "This demand can be

understood because the students have never had the experience or faced those who want to give commissions," he said.

In return Juwono asked the students whether in 10 years time when they have become high officials they will be invunerable to the offer of commissions? "It is uncertain whether I myself could reject them and such a question can't be settled academically because it is one of political practice," he added.

He feels that Indonesia will experience critical years in 1985-1990, because during that period Indonesia must pay the highest debt installments it has ever paid since the New Order began. He estimates that 20 percent of the value of all exports will have to be used to pay the installments, while national resources for export, especially petroleum, will decrease.

In addition between 1985-1990 Indonesia's role and credibility as the Non-block country which could motivate a desire to strive for a new international economic system, will face severe tests, particularly in its efforts to strengthen the "South-South" unity in the "North-South" struggle.

Indonesia's diplomatic picture will also become increasingly questioned during this decade because of the critical problems being faced domestically, which in part will disrupt the ability to take an active role in efforts to create world peace.

Meanwhile there is the long-continuing sickness, namely that no government whatever its stripe, has been free from the reality that it hasn't been able to be self-sufficient in food. Each year the forwign exchange reserves are used to import rice at an ever increasing rate.

According to Juwono, the policy being implemented is in reality altogether different from the policy implemented by the Sukarno government. At that time Indonesia wanted to play a political role which was very important outside, but which didn't destroy the domestic economy. But at present, we are busy destroying the domestic economy by many shortages and the political role being implemented isn't too outstanding, even though it is being carried out in the Non-block and ASEAN [Association of South East Asian Nations] groups.

Juwono feels that now is the time to seek a balance so that Indonesia's political role can become a kind of lamp or star light that can become a guideline for other development.

7785
CSO: 4213/61

ATTACK ON POLICE SECTOR COMMAND SEEN AS HAVING POLITICAL BACKGROUND

Jakarta KOMPAS in Indonesian 20 Mar 81 pp 1, 12

[Article: "Kopkamtib Explains Attack on Cicendo Police Sector Command in Bandung; Three Police Killed, Instigators Apprehended"]

[Text] On 11 March 1981 around 100 hours WIB [West Indonesian Time] the Cicendo Kosekta [city police sector command) 8606 in the city of Bandung was attacked by an unknown bank of 15 people using a truck and carrying both firearms and knives. Resistance was carried out with three Indonesian policemen being killed and another being seriously wounded.

The Commander of Kopkamtib [command for the restoration of security and order] Adm Sudomo told this to the press on 19 March at the press room of the department of defense and security. During the press conference, Adm Sudomo was accompanied by Commander of Kodam [military command region] VI/Siliwangi Maj Gen Yogie Suardi Memed as special executive officer (Laksus) for the West Java Kopkamtib and Commander of Police Region VII/ Langlangbuana Police maj Gen Drs Muryono and Information Service Chief for police headquarters Police Brig Gen Darmawan and others.

Adm Sudomo added that "the band then fled after burning documents, releasing four detainees accused of automobile theft and carrying away equipment and several motocycles, some of which were being held as evidence in traffic violations."

On the same day, a chase operation was launched by regional Laksus and the Indonesian police. Eventually the instigators were apprehended and the four detainees they released were recaptured.

The operation also succeeded in seizing four firearms, four motorcycles and other equipment that had been carried off.

From investigations it can be reported that the motive behind the attack was to get weapons and funds to support operations that have a specific political background. The process of investigation continues and it is expected that in a short time this case can be legally completed by being brought to trial.

It should be remembered that following the incident both central and regional Kopkamtib have called on the press to not write up articles about the case for the time being, not to cover it up but because of the secrecy and follow-up of the security operation which is being carried out by the West Java Laksus and the Indonesian police.

In reality the "off-the-record" call was not heeded by two newspapers, the "M" in Bandung and the "SIB" in Medan. In fact this seems to have been done deliberately for specific reasons, so that the operation underway had to be stopped and changed.

Strong action has been taken by the department of information against the two newspapers because of the violation of the ethics code. And following discussions with the Press Bureau, the owners and reporters of the two newspapers were detained by local Laksus for the time being for further investigations relating to the deliberate leaking of military secrets.

To the public a call has been issued to increase watchfulness so as not to be caught up in side issues relating to the case which have been deliberately thrown in for specific purposes.

Aften giving this information Sudomo answered many questions at the press conference about the incident at Bandung but almost all were declared as "off-the-record".

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LABOR UNEASY OVER GOVERNMENT POLICIES

Jakarta KOMPAS in Indonesian 26 Mar 81 pp 1, 12

[Article: "Indonesian FBSI, KADIN: Workers Uneasy Because Government Policies Not Consistent"]

[Excerpts] The all Indonesian Labor Federation (FBSI) and the businessmen's organization KADIN (Indonesian Chamber of Commerce and Industry) are in agreement that the recent unrest in the labor sector, particularly in the textile and lumber industries, has been due to the inconsistency in government policies.

This statement was issued together by FBSI chairman Drs Agus Sudono and a KADIN chairman A. Baramuli S.H. during a press conference on 25 March at the Dshif Jaya Boulevard Hotel in Jakarta.

According to Agus Sudono, the recent inconsistent government policies particularly relate to the textile and lumber industries. In these sectors the regulations for issuance of Export Certificates have made it impossible for businessmen to export goods. Also the rumors about a decrease in import taxes for all imported textile components from raw materials to ready-made goods have caused uneasiness in the business community.

All of this has produced a sluggishness in the textile world recently. This doesn't include the imprt quotas fixed by some West European countries, such as Britain, France, Netherlands and Luxemburg, which add to the increasing seriousness of the situation in the textile world and at the same time have an effect on workers because businesses aren't on full time operations.

The textile quotas for western Europe also are one reason for the weaknesses of the government's representations at the Republic of Indonesia embassies in western Europe. Embassy officials are indirectly responsible for the low textile quotas for Indonesia. For example, textile production in Indonesia which is 2.240 billion meters a year was only reported to be 1 billion meters by officials of the embassies in Europe. Also the amount of ready-made clothing exports were listed by embassy officials as being far below

the actual amounts exported by Indonesia. Because of these mistaken reports by officials some western European countries have fixed their quotas very low.

Both Baramuli and Agus Sudono agree that the number of uneasy workers is around 1.5 million at present. Most of them are textile and lumber industry workers. This uneasiness is caused by the lack of assurance about the fate of the businesses where they work.

Concerning the lumber industry at present, it seems that the three-minister SKB (Joint Directive) issued by the ministry of industry, the minister of trade and the minister of finance, clearly has created difficulties for the other ministers. Because in accord with the three-minister SKB as it effects the lumber sector, exports are only permitted in the lumber industry when a certain round figure of lumber for domestic industry has been met. This has caused many businesses to stop because they couldn't export.

Agus Sudono further said that up to the present there are 7.6 million people in the work force that need jobs. This 7.6 million total was figured to the end of Pelita III so that if following Pelita III that total can't be put to work, it will continue to increase.

The FBSI chairman feels that a National Work Opportunity Council should be formed to provide a listing of workers needed and coupled with this should be a listing of the education needed. In this way there would be a plan for the use of workers.

A. Baramuli admits that private companies have been slow in developing their activities and aren't filling their need for workers. But all of this is due to the government policies which often don't support the development of business. With the development of business, the businessmen could save funds which could then be used to expand their businesses.

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MONEY IN CIRCULATION UP SHARPLY

Jakarta KOMPAS in Indonesian 21 Mar 81 p 2

[Article:"Minister of Finance Ali Wardhana: Money in Circulation Has Increased 20 Fold"]

[Text] Minister of Finance Ali Wardhana said that the money in circulation in Indonesia has increased 20 times in the last 10 years. This is from 250 billion rupiahs in 1970 to 7 trillion rupiahs in 1980. It has increased more than 25 times in the credit sector, from 300 billion rupiahs in 1970 to 0.5 [sic] trillion rupiahs in 1980.

Minister Ali Wardhana said this during an installation ceremony for several bank officials at the department of finance on 20 March. The bank officials installed are: Engineer Kuntoadji appointed as principal director of the Indonesian Development Bank (Bapindo); Drs Subekti Ismaun as Bapindo director; R. Djamu Achmad S.E. as director of the State Commerce Bank (BDN); Surasa as BDN director and Drs. Marzuki Usman M.A. as member of the board of directors of Bumi Daya Bank (BBD).

Minister Ali Wardhana admitted that in development before Repelita III [third 5-year development plan] in certain situations stresses often took place on the economic stability, particularly in the monetary sector. In addition, price increases were very high. All of this was caused by sharp increases in the money in circulation.

The amount of money in circulation will continue to increase sharply, in particular because the APBN(National Income and Expense Budget] will continue to increase. For fiscal 1980/1981 it is estimated that the APBN will end with a 11 trillion rupiahs total and this will be 14 trillion rupiahs in the 1981/1982 APBN. These increases will increase the amount money in circulation.

With the increased amounts of money in circulation, the responsibility on the banks in managing it becomes increasingly difficult. The amount of money in circulation has sharply increased. In 1978 there was o.5 trillion rupiahs in circulation. In 1979 it increased to 1 trillion rupiahs and increased again in 1980 to 1.5 trillion rupiahs according to Ali Wardhana.

JOINT OIL EXPLORATIONS TO BE CONDUCTED IN WEST SUMATRA

Jakarta KOMPAS in Indonesian 16 Mar 81 pp 8, 9

[Article: "Pertamina-Caltex Contract; Oil Exploration in West Sumatra to Cost $60 Million"]

[Excerpts] On Thursday 12 March a joint Pertamina [National Oil and Natural Gas Company]Caltex team began exploring the possibility of carrying out oil exploration in West Sumatra in a concession area of 7,625 square kilometers. They will meet with local government and civilian leaders in the three districts of the concession area, namely Sawahlunto/Sijunjung, Solok and Tanah Datar.

This is the outworking of the production-sharing contract signed by Pertamina and Chevron Singkarak Inc/Texaco Singkarak Inc which was approved by the President on 8 January 1981. The exploration contract was signed on 12 February 1981 by Chevron/Texaco as contractors and Pertamina and Caltex Pacific Indonesia as operators. Caltex will invest $60 million for exploration and implementation costs over a 6-year period. If there are no delays, explorations will begin in April 1981.

Normally oil wells are found in low lying plains or even off-shore. So, this will be the first time in Indonesia than explorations will be conducted in a high hilly plateau area such as West Sumatra.

Harun Al Rasjid, chairman of the board of directors of Caltex said if the exploration is successful, oil production will be increased in Indonesia. At present Caltex production alone is 780,000 barrels a day from 65 oil fields. "We hope and feel sure that the explorations in West Sumatra using the latest technological equipment will succeed," he said.

Chairman of Pertamina's Foreign Contractors Coordination Board (BKKA) Engr D. Zahar said that in the production sharing contract, management is completely in Pertamina's hands. All exploration, investment and production costs are the responsibility of the contractor who will get back all operational costs. There is a production-sharing division of

85-15 for oil and 70-30 for gas.

The contractor must pay corporate taxes and taxes on interest, dividends and royalties directly to the government. Concerning control of the oil, the government has the option of selling to the contractor a part of its oil as long as the oil sold or received is not less than 50 percent of the total production.

If oil is found, the contractor will set aside 10 percent of its interests for participation by an Indonesian company to be determined by Pertamina. The contractor must be prepared to turn over 28.57 percent of its production share to be processed in Indonesia and construct an oil refinery or petrochemical plant in Indonesia, if there is no guaranteed processing available and if its share is in excess of 100,000 to 175,000 barrels a day.

According to Zahar, after the 5th year the contractor must make oil available for domestic fuel oil on a proportional basis at a price of 20 cents to the dollar. The original concession area will be returned in stages so that at the end of the 6th year no more than 20-25 percent will remain with the contractor.

Chief of the geological section of Chevron/Texaco Chaidar Makki said that geological discoveries around Danau Singkarak have met the conditions needed to surmise that oil is to be found in the region. Original stone,that with oil seeping from its sediment has been found in the Sangkarewant and Ombilin regions. Also there has been discovered oozings of oil in the Sijunjung and Singkarak areas with the oil type being the same as the oil from Duri (Riau) that has been changed by bacteria.

In the exploration strategy preliminary seismic exploration to determine the basin configuaration, the thickness of the sediment, how the oil is entrapped coupled with gravity and magnetic investigations, geological maps of the surface and the interpretation of aerial photos reveal petroleum possibilities in the Ombilin basin, according to Chaidar Makki.

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LIMITED VISION SEEN AS MAJOR ERROR IN AGRICULTURAL POLICY

Jakarta KOMPAS in Indonesian 26 Mar 81 pp 1, 9

[Article: "Professor Gunawan Satari: Natural Resources Have Reached Critical Point"]

[Excerpts] At present the natural resources found in Indonesia have reached a critical point, due to the condition of land, water, forest and genetic resources. Almost all of them are in poor condition.

This was stated by first chairman of Peragi (Association of Indonesian Agronomy experts) Professor Dr Engr Gunawan Satari at a press conference on 25 March. The press conference was held to prepare the way for the second national congress of Peragi which will be held in Jakarta from 31 March to 2 April.

The first chairman of Peragi said "Agriculture efforts occupy an important place and role in Indonesia. But we have made a major error in thinking that the agriculture sector is only working the soil and planting the crops.

So as quickly as possible we must desire and be able to chang this wrong thinking. Farmers must be enabled to use the advances made in the developing agriculture technology sector while they become progressive businessmen or industrialists.

Up to now our thinking and actions have been more harmful than beneficial to the farmers. Agriculture officials too have made the same mistakes. Right now farmers are only "helped" and guided from above. The result is that they have succeeded in increasing agricultural production but aren't able to process and market their produce. In other words, farmers have not been stimulated to develop creativity and capabilities.

The result of this limited agricualtural thinking is that without realizing it they are ruining the natural resources (land, water, forests and genetic resources).

Recognizing this, according to Prof Gunawan Satari, the members and supporters of Peragi, a total of around 468 people (active members) will endeavor to improve this sad situation. The second Peragi congress will formulate a proper operational strategy which will then be submitted to the government.

Various activities will be undertaken to improve the damage to the existing natural resources. Efforts will be made to improve the damaged condition of thousands of DAS (river flow areas) regions. This will be done by creating a unified development area for the DAS regions. Agricultural activities, developed around the DAS regions, will be limited and managed through a coordinated agricultural activity pattern. In this way the natural resources (water resources) and total environmental conservation can be reunited as it was originally.

In addition, the level and role of farmers, which has been considered low will be changed and increased in a proper proportion. In particular the small farmer whose role is very importenat will be guided to become a businessman and industrialists in addition to being able to use developments in agriculture technology.

These activities will be undertaken in a variety of ways. For example, the agricultural activities of the small farmer will slowly be united into farmers' groups, so that the production unit per hectare can be increased and a shorter time used.

This increase in production will result in additional income for the farmers and will have a possitive effect on the program to adequately meet the people's need for calories and protein. In fact, indirectly the increases in agricultural production and the small farmer's income, will also motivate the development of activities in the industry and other sectors.

Prof Gunawan Satari admits that in the carrying out of this program Peragi will face various complex and difficult obstacles and problems. So, this effort will require help and support from various competent agencies to handle the agriculture problems and natural resources needed by the whole nation.

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EDITORIAL VIEWS LIBYAN-U.S. RELATIONS

Peshawar KHYBER MAIL in English 20 May 81 p 3

[Editorial: "Libyan-U.S. Fall Out"]

[Text]

A recent action by the United States in expelling Libyan diplomats from the country was not only sudden but also drastic. It has come to as close to breaking of diplomatic relations as is possible under the circumstances, with the United States purchasing a substantial portion of Libyan oil and having a large number of Libyan students getting educated in the country. The charge levelled by Washington is that Libya supported international terrorism. It is surprising that a nation which has had a long record of similar activities, albeit in a more sophisticated frame of reference, the Central Intelligence Agency and the multi-national commercial concerns, should dare to make such a charge. For the greater part of this century, the American streets have been dipped in the blood of honest-to-God men by the gangsterism of the notorious Mafia, the organisation with the lowest moral values, involved in white-slave trade, narcotics, gun-running, with the godfathers coming direct from Sicily. But, no political action was ever taken against Italy. The latest sample of American politics by distant blackmail is the presence of an active Zionist lobby and the expansionist mechanism of Israel which the United States is forced to patronise. The terrorism which Israel has let loose in Lebanon has been tacit if not openly supported by the White House because it dare not go against the Jewish Big Business at home.

The only charge of which Libya can be said to be guilty is its burning desire to see justice done to the Palestinians, whose homeland has been usurped by alien immigrants under the patronising wings of the world powers, and wanting the Islamic world to be most completely united in persuance of the edicts of the Holy Quran. It has been in the context of the latter that it has provided assistance to Muslim insurgents in the southern Phillippines, in Chad and elsewhere. Libya's positive concern to strengthen itself is the outcome of a normal desire of every sovereign and independent nation to defend its integrity. If the country's leaders find the friendship of America less fruitful in this respect and they turn to the Soviet Union for achieving the objectives, the fault could not be found in Libya but in the unreliable friendliness of the United States itself. The latter has on record of leaving its closest friends in the lurch in moments of crisis, and Pakistan is one of the countries which can bear positive witness to this. One can see the lukewarm attitude of the American security advisors and officials in acceding to an incomplete assistance to this

country while it stands four-square on the edge of a precipice since the incursion of the Soviets into Afghanistan. The trouble is that all American foreign policies are governed by the insensate patronage given to the Israelis for which it would not like any Muslim nation to be strong enough even if in the process it has to face severe dangers from Soviet expansionism. The latest sign of Libyan devotion to the unity of al-Islam came from Moscow where Col. Muammar al-Qadhdhafi pulled the leg of his greatest friend, President Brezhnev, on the matter of the Soviet policy in Afghanistan. It is only a part of the diplomatic game that in the final communique words had to be carefully inserted in order to bring out a measure of unanimity for international consumption.

The American animosity seems to be placed in a different context. There have been gathering cloud of of military action within the programme of Israeli expansionism, this time against Lebanon, and the likely explosion that may result from it. The United States Rapid Deployment Force has been gathering up in the Indian Ocean, obtaining right-of-way for arms and men from the NATO countries, not so much to face the Soviet threat but to contain Arab and Muslim resistance to the Israeli programmes. Immediately following the break in diplomacy with Libya, Washington has been pressurising NATO countries not to sell arms to it. France has already suspended the despatch of missile patrol boats to Tripoli, though already paid for and ready for their maiden trip. These efforts had already been planned and the action of diplomatic expulsion was only an excuse. Libya sells a substantial portion of its oil to the United States, and a complete break of relations at this stage was inadvisable. In the meantime, the situation in Lebanon has taken a serious turn, as expected. Syria's installation of its SAM missiles in Lebanon has brought matters to a head, though it was only a defensive action against the terrorism spread by Israel through a series of uncalled for attacks by air, sea and land on that country. Now, President Reagan's representative cools his heels in the Middle East to delay matters while Israel prepares. Libya has already thrown its lot with Syria if things go worse. There seems to be a method in the American madness!

CSO: 4220/293

RAMPANT CORRUPTION CALLED MAIN CAUSE OF KARACHI PROBLEMS

Karachi MORNING NEWS in English 23 May 81 p 8

[Text]

The Senior Sind Minister, Mr Rasool Bux Talpur, last night called for strict measures to curb corruption in the civic bodies of Karachi and help solve the multifarious problems of this metropolis.

Presiding over a seminar on the problems of Karachi held under the auspices of Association of Young Social Workers at a local hotel, he said the main cause of our problems are rampant corruption in almost all walks of life. Unless people shed their present attitude of trying to get rich quick through fair means or foul, the collective problems would continue to multiply. He advised all people to make conscious endeavour to earn "Rizq-i-Halal" (lawful income) and to do away with temptations of making money by questionable means.

The Senior Minister said there should be strict accountability of all those involved in publis affairs, whether they were in power or out.

Pointing to the present shortage of electricity in Karachi, he said it was mainly due to "thefts" of electric power.

Mr Talpur said the unwieldy migration of people from upcountry to Karachi was another major cause of the problems of this city. He advocated to check of this migration.

The Senior Provincial Minister said the spawning Katchi Abadis had turned entire Karachi into an almost "katcha" city. It was the duty of civic bodies' officials and police to prevent further growth of such Katchi Abadis. "Those found wanting in their performance of duties should be taken to task," he added.

Mr Talpur suggested that an effective coordination agency should be instituted for the several dozen civic agencies in the city. He said Karachi was the very heart of Pakistan, and unless the problems of this metropolis were solved, the country's future prosperity and well-being would be affected.

The Commissioner of Karachi, Mr M. M. Usmani, in his speech proposed that a federation of various civic agencies in Karachi should be formed. He said it was not practicable to merge all the civic bodies.

Brigadier S. S. Qasim, Chairman, Karachi Transport Corporation, explained the various steps taken by KTC to increase the number of buses in the city for solving the transport problems of the people.

Other speakers included Khanum Gohar Ejaz, Mr Ishtiaq Azhar, Mr Abdul Hakim and Mr Mahfoozun Nabi Khan.

Earlier, Mr Kemran Mirza Rizki, President of the Association, welcomed the chief guest. —APP.

CSO: 4220/293

SATELLITE LAUNCHING CAPABILITY DISCUSSED

Karachi DAWN in English 29 May 81 Supplement p IV

[Article by Muhammad Ali Siddiqi]

[Text]

With more and more satellites going up into space and with the neighbouring 'science superpower' joining the exclusive club of satellite-spinners, where does this country of ours stand in this most modern of man's techniques to conquer the Universe?

Can Pakistan, for instance, hope to put a satellite of its own into orbit in the near future – not by just pressing the button of a rocket made by others but as part of a project visualised, handled and executed entirely by Pakistani engineers themselves?

The reply comes from an expert: some two decades back, this country was firing rockets that went upto 160 kilometres into space. Today, we have more powerful rockets that can, and do, go upto a height of 500 kms. (For putting a satellite into space, a rocket must be able to cross the atmosphere and reach a minimum height of 100 kilometres). This means technically speaking Pakistani rockets today have a thrust that can easily put a crescent on the horizon.

The expert here is Salim Mahmood, who has been associated, directly or indirectly, with the firing of no less than one hundred and fifty rockets on behalf of SUPARCO – the national agency for space and upper atmospheric research which he now heads and with which he has been associated since its inception some twenty years ago.

The way SUPARCO came into being and the part Salim played in it constitute an interesting episode.

Way back, in 1961, when Salim was working in the US at the Oak Ridge School of Reactor Technology, Tennessee, he received a telephone call. The Pakistan Embassy wanted him to rush to Washington for a hush-hush meeting with a top personage, and no time was to be lost.

Salim dashed to Washington, along with another Pakistani scientist, Tariq Mustafa, and in walked into the Embassy lounge Pakistan President's Chief Scientific Adviser, Prof. Abdus Salam.

Salam told Salim in no uncertain terms Pakistan had to have a rocket programme, that his qualification both as a nuclear engineer and as an electronics expert stood him in good stead for piloting such a programme and that he had to return home post-haste.

This was in September 1961. In less than three months, SUPARCO was born, a rocket firing range at Sonmiani, some 50 kms northwest of Karachi, organized and work got going with top speed.

I remember I had come out of a cinema hall on the evening of June 7, 1962, and found crowds looking up into a sky that had more than the usual twilight hue. The horizon was red and people were wondering.

An hour later, in its 8 p.m. bulletin, Radio Pakistan announced SUPARCO had fired its first rocket, Rehbar One, carrying a sodium payload whose release had turned the sky scarlet.

Useful scientific data had been collected and plans were on for further launching. Four days later, Rahbar II, a two-stage rocket, was fired and it went to an altitude in excess of 160 kms. This was nearly a year before India could fire its first rocket of similar type.

Since then, for understandable reasons, but to Salim's utter distaste, SUPARCO has come to be associated with meteorology.

"This is not the case," he insists. "Our rocket programme is an entirely scientific programme."

Why should we go in for rocketry? Isn't this a waste of valuable resources, technical and financial, for a developing country like ours that imports milk powder and razor blades?

No, says Salim. "It is neglecting rocketry that is a luxury."

In fact, a broad-based rocketry programme, he feels, will be the precrusor of Pakistan's overall lift-off into the realm of higher and sophisticated technology. For, rocketry, he says, is not an isolated and self-contained discipline; "it is a conglomerate of technologies – electronics, computer science, avionics, thermodynamics, nuclear physics, metallurgy and even medicine – that go into the firing of a rocket or the launching of a satellite."

Why is it, however, that we do not hear of SUPARCO anymore? – Security reasons?

No, he says. "I believe in maintaining a low profile. But this does

not mean SUPARCO has been dormant all these years."

He dwelt at length on SUPARCO's future plans, the progress his organisation has made all these years and the major breakthrough that has been achieved in the manufacture of rockets entirely within Pakistan.

In the 60's, during the Rehbar generation of rockets, "we only assembled parts obtained from abroad. Now we manufacture all parts of the rockets ourselves, including electronic parts and computers."

In fact, he claimed, the electronics instrumentation lab facilities available to SUPARCO were the best in the country.

Future plans

What specifically, then, are SUPARCO's future plans?

First, there is a slowing down of rocket-firing activity throughout the world, because satellites have taken over the functions of the rockets. So, SUPARCO will now concentrate on making use of satellites already in space.

In other words, SUPARCO will make use of foreign satellites for economic purposes, like probing the geological formations, so as to locate and exploit Pakistan's mineral wealth, gather more information about glaciers in Pakistan's snowy heights, develop TV and microwave communication and ensure the transmission of TV's educational programmes to Pakistan's teeming millions in the villages.

Second, SUPARCO should develop its own satellite-launching capability, given financial commitment, sufficient time and technical collaboration from friends.

In fact, he said, "It is not beyond our capability to make and launch satellites entirely on our own". When? He didn't say. "Soon?" He kept quiet.

Third, he emphasized the need "to have our own national program, even if it is modest".

Talking to him makes it clear Salim is the man the nation can rely upon to do the job, for there is no position he has not held in Pakistan's rocket programme.

He began by building the SRR (Sonmiani Rocket Range) and then was associated with Pakistan's rocket programme in various capacities – Director (Operations and Instrumentation), Director (Space Technology) and Deputy Executive Director, until the Government asked him to become SUPARCO's Executive Director, i.e., its chief, on January 1, 1976.

An M.Sc. in Physics from the Punjab University and post-graduate qualifications in nuclear engineering with specialisation in electronics, Salim has experience of work at some of the world's most advance space stations, including the Wallops Flight Test Centre run by NASA at Wallops Island, Virginia.

It was, however, his irresistible energy and a passion for service to Pakistan that often brought him in conflict with his superiors and even led, for about a year, to his absence from the national programme.

An example of his enterprising nature was his insistence that he would build a ground station at Dacca for receiving pictures from Tiros, a weather satellite. His bosses opposed him, and Dr. I. H. Usmani, never at a loss for words, gave him the go-ahead with the words: "Either you go up like a rocket or get fired – like a rocket!"

Well, Salim went up – like a rocket. For the ground station that he built in 1968 correctly forecast the terrible 1970 cyclone, rated as the century's worst, when it was still 700 miles away in the Bay of Bengal.

CSO: 4220/293

PAKISTANI YOUTH UNION STATEMENT ON CONDEMNED PRISONERS

LD261010 Kabul Domestic Service in Dari 1600 GMT 25 May 81

[Report on statement issued by the Pakistani Federal Union of Students--date not given]

[Text] The Pakistani Federal Union of Students declares its deepest hatred and wrath at a situation brought about by the military clique in Islamabad which could lead to the death of Habib Baluch, the well-known political leader of Baluchi youth, and eight other youth leaders, who have been convicted as the result of a ludicrous military court verdict.

The Pakistani Federal Union of Students points out that the courageous and democratic students of Baluchistan and other provinces defend the claims of Hamid Baluch and the other eight Baluchi youth leaders who have the courage and daring to oppose the military government, do not want their country to be a crossing point for imperialist aggressors and are attempting to raise and reflect the indignation and anger of the courageous Baluchi people in connection with the employment of Baluchi youths as the soldiers of the client regime of Soltan Qabus, that imperialist tool, against the revolutionaries and progressive forces in the Persian Gulf.

The use of tear gas and police nightsticks against the recent student gatherings on the campus of Quetta University and in Moltan, and the arrest of several hundred students has once again revealed the reactionary and fascist nature of the military gang and their actions in violating the sanctity of educational institutions. Similarly, it must be pointed out that educational institutions and centers in most Pakistani cities have been closed by the military clique, as a result of which youth education has been severely disrupted.

The Pakistani Federal Union of Students points out in its statement that the speeding up of the extensive arms buildup in Pakistan, the adventurous, expensive and harmful projects of the Pakistani military rulers in manufacturing a nuclear bomb and the oppression and force applied to various strata of the masses of the people and progressive youths by the military clique are all closely linked. But various students, youths, workers, peasants and intellectuals, who are under severe pressure from the socioeconomic crisis today, which has increased as a result of the antipeople's and undemocratic policy of the military regime, will never slacken their struggle to bring back the sovereignty of the people and

their democratic and civil rights, flouted by the heretic and brutal power of the militarists.

The union congratulates students and the youths of Pakistan on carrying out their responsibilities to society by courageously opposing the military regime, defending the people's democratic and civil rights and opposing imperialist and hegemonist designs for the disruption of peace and security in the region.

In its statement the Pakistani Federal Union of Students condemns the unjust and illegal nature of all imprisonment orders, and particularly death sentences given by military courts against political workers, while civil courts have been deprived of their authority in exercising justice in political cases, and it demands that the death sentence on Habib Baluch and the other youth leaders should be nullified immediately and all political prisoners and arrested students should be freed.

The Pakistani Federal Union of Students warns the tyrant band of Ziaul Haq that it will account for every drop of blood that is shed by every patriot. The death of Hamid Baluch and others, if they are executed, will not be allowed without retribution from the courageous, democratic students and peace-loving youths.

CSO: 4903/13

BRIEFS

POLISH DRY CARGO VESSEL DELIVERY--Pakistan will get the delivery of the first of eight dry cargo vessels, nearing completion at the Gdansk Shipyard in Poland in the third week of June this year. The 15,000 deadweight tonnage vessel, which has been named mv Nawabshah, was actually scheduled to be delivered on May 31. Under an agreement, Poland will supply eight ships to Pakistan National Shipping Corporation at a cost of 87 million dollars. According to the agreement, 90 per cent cost of the vessels under-construction will be met from the yard credit provided by Poland and the PNSC will only be required to pay 10 per cent of the cost of each vessel as downpayment. The rate of interest on the credit is seven per cent per annum. The re-payment of the credit will be due in 10 to 15 years. Each of these vessels will have air-conditioned accommodation for 50 officers and crew members. There will also be a mosque on board each vessel for offering prayers. [By Mansoor Alam] [Text] [Karachi MORNING NEWS in English 23 May 81 p 8]

CSO: 4220/293

BRIEFS

POLICE WARNED ON POLITICAL INVOLVEMENT--Major-General Fidel Ramos has warned the Philippine Constabulary and the Integrated National Police against involvement in partisan politics. The PC chief also called on all the personnel of the twin commands to exert all efforts to make the forthcoming June 16 presidential election clean, orderly and honest. The appeal of the PC chief was sounded in a conference with Central Visayas Constabulary and police commanders at Camp Seri Osmena SR in Cebu City. In his speech Major-General Ramos said that the only time the constabulary or policeman can participate actively in an election is when he goes out to vote. [Text] [HK230004 Manila FEBC in English 2330 GMT 22 May 81]

NEW MUSLIM AFFAIRS MINISTRY--Manila, May 29 (AFP)--President Ferdinand Marcos created today a new Ministry for Muslim Affairs to "enhance the full integration of Muslim Filipinos in the body politic" in the face of an eight-year Muslim secessionist war in southern Philippines. Former southern command chief, Admiral Romulo Espaldon, was named to head the new ministry which will coordinate with local Muslim groups and foreign agencies or organizations which are involved in Muslim projects and activities. The creation of the Muslim Affairs Ministry comes on the heels of the (?42-) nation Islamic Conference (IC) foreign ministers meeting in Iraq where leaders of the separatist Moro National Liberation Front (MNLF) are expected to lobby for more support. The Philippine Government had recently sent a delegation of Filipino-Muslim leaders to Iraq to counter MNLF appeals. Last year, some members of the IC urged economic and political sanctions against the Philippines for their failure to implement a 1976 Tripoli agreement with the MNLF calling for the setting up of autonomous Muslim regions. [Text] [OW291055 Hong Kong AFP in English 0904 GMT 29 May 81]

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U.S. RELATIONS WITH ASIA SHAPED BY SOVIET FACTOR

Kuala Lumpur BUSINESS TIMES in English 10 Jun 81 p 6

[Article by Tan Siok Choo]

[Text] ALTHOUGH there has been no clear enunciation of the American foreign policy towards Asia, at least the outlines are discernible. The main theme of the Reagan administration is the need to contain Soviet expansionism, particularly in Third World countries.

This has given rise to marked support for right-wing, authoritarian regimes in Asia which are avowedly anti-communist and unabashedly capitalist, coupled with increased military aid in order to bolster their defences against external and internal threats. In the process, the issue of human rights is being down-played.

Although officials have taken pains to stress the Reagan administration's concern about the plight of political dissidents in Asia, this will be expressed, not publicly or in strident tones, but sotto voce through diplomatic channels.

It was, therefore, no coincidence that the first foreign head of government to visit the Reagan White House this year was President Chun Doo Hwan of South Korea, a leader with the same lively concern about Soviet intentions as President Reagan.

Th visit gave the US President the opportunity to signal to the communist bloc the US intention to maintain a military presence in the Asian continent as well as a determination to stand by US allies in the face of communist aggression or a threat thereof.

The US-South Korean joint communique stated bluntly that "the United States has no plans to withdraw ground combat forces from the Korean peninsula," adding that "appropriate weapons for enhancing Korea's capability to deter aggression" would be sold to it. This fulfilled a long-standing Korean demand which went unheeded during the Carter years in line with the promise he had made during his campaigning in 1976 to withdraw all US ground troops from the country.

The warmth of President Chun's welcome was all the more remarkable in view of his controversial rise to power. Although he has now legitimised his position, it will be recalled that President Chun, who was then an army major-general, withdrew frontline troops to Seoul in December 1979 to back his takeover of the government, without US approval and in defiance of the South Korea-US agreement governing the deployment of troops placed under their joint command.

Seoul-Washington relations were further strained by the death sentence imposed on dissident leader Kim Dae Jung, which was later commuted to life imprisonment, thus paving the way for the Korean President's visit to the US.

Predictably enough, despite his election campaign rhetoric which advocated improved relations with Taiwan, President Reagan decided on assuming office to place US-Taiwan ties on a back-burner because of fears of jeopardising the fragile links between Washington and Peking.

Moreover, the new administration perceives Peking as an integral part of a tacit strategic alliance, linking Washington-Tokyo-Peking together against the Soviet Union.

However, US efforts to persuade Japan to increase its defence spending elicited only a response that it would "make all efforts" to carry out its defence plan of building a 180,000-man army backed by a 60-ship navy and 450 frontline aircraft — a force modest enough not to aggravate Japanese taxpayers or Moscow.

Moreover, the use of the word "alliance" in the joint US-Japan joint communique issued after Prime Minister Zenko Suzuki's talks with President Reagan precipitated a political crisis which culminated in the resignation of Foreign Minister Masayoshi Ito within one week, despite the fact that the communique stressed that "the alliance between the United States and Japan is built upon their shared values of democracy and liberty."

This is due to the reluctance of the Japanese to be seen as part of an anti-Soviet alliance because of fears among the Japanese business community that such a move might jeopardise their business opportunities in the USSR.

The Americans are incensed with Japanese parsimony on defence spending, maintaining that Tokyo is getting a free ride at the expense of the American taxpayer, as illustrated by the fact that Japan spent only US$87 per person on defence while the corresponding US figure is US$520.

Although economic aid has fallen foul of Budget Director David Stockman because of his zeal in pruning public expenditure, security assistance to Asia is being maintained at near current levels. For some countries, the allocations have in fact been increased, in line with the

US policy of arming not only itself but also its allies.

Therefore, countries like Indonesia will receive a 50 per cent increase in credit under the foreign military sales programme, from US$30 million to US$45 million in order, "to restore Indonesian confidence in the US commitment to regional security while assisting Indonesia to counter the growing Soviet and Vietnamese naval presence in South-East Asia." However, Indonesia will receive only US$30 million this year in food aid compared to the previous year's US$60 million, some 50 per cent less.

The largest Asian beneficiary of military assistance programmes so far presented to Congress is Thailand. Compared with US$50 million in 1980-81, it has been allocated US$80 million for 1981-82 to enable it to purchase small arms and helicopters, replace aging patrol aircraft and upgrade its anti-tank, anti-aircraft and communications system.

However, because of Thailand's crushing burden of debt, US$50 million of the foreign military sales credits will be on concessional terms. The Thais will have to pay only three to six per cent interest, payable over 12 years.

President Reagan obviously hopes that this largesse will be seen as concrete evidence of the administration's firm support for a regime, perceived to be threatened by Soviet initiated aggression carried out by its proxy, the Vietnamese-backed Heng Samrin regime.

Another equally massive military aid package for Pakistan is in the pipeline, presumably to enable the country to defend itself against possible threats from Soviet-controlled Afghanistan. Pakistan, like Thailand, is next door to a Soviet-controlled regime.

Another US$100 million in security assistance has been earmarked for the Philippines — another staunch pro-US, anti-communist ally. The aid package, half in foreign military sales credits and half in economic support, is part payment of the US$500 million President Carter promised President Marcos for the five years until 1985 in return for the renewal of the agreement for continued American use of Subic Bay and Clark Air Force Base.

Malaysia and Singapore will also receive additional military aid under the aegis of the foreign military sales programme together with some help in training their men.

This indicates that the disbursement of funds will, from henceforth, be dictated largely by military and strategic considerations while economic assistance will get lower priority. The danger, however, is that such policies, far from promoting stability in Asia may lead to increased instability.

It is noteworthy that the main recipients of American military assistance are, with some exceptions, authoritarian regimes, which, with American support, are becoming more entrenched in power. Any change of government is likely to be achieved through force of arms. Because of the perception of American support of such regimes, the incoming governments may be stridently anti-American, like Imam Khomeini's Iran.

In the realm of economic relations, the Reagan administration's policies are overtly biased in favour of American businesses. For example, the refusal of the US to endorse an international code of conduct to restrict the advertising and marketing of milk powder was seen, even by American health officials some of whom resigned in protest, as caving in to pressure by three American firms — American Home Products, Abbot Laboratories and Bristol-Myers — which together account for 20 per cent of the world market.

Again, American mining companies were responsible for the Reagan administration's decision to review its policy on the nearly-completed Law of the Sea treaty. The volte face would seem to have come about because of claims by these companies that certain treaty provisions limit American access to deep-seabed minerals, force them to share their technology with competitors and submit to Third World dominance in deep-seabed mining operations.

This move has jeopardised seven years of hard bargaining. It also aroused fears among Third World countries that the US would renege on the commitment by three previous administrations of President Nixon, Ford and Carter — two Republicans and one Democrat — of the concept that the deep-seabed is the common heritage of mankind. The supreme irony, however, is the fact that the US negotiating team was always headed by Republican lawyers and that the policy was usually evolved on a bipartisan basis.

The Reagan administration has adopted a similar go-it-alone attitude in the negotiations for the next International Tin Agreement, with the dispute around the size of the buffer stock and the right of producer countries to impose export controls as a last resort to prop up falling prices.

President Reagan has also tightened up the rules governing the duty-free entry goods into the US under the Generalised System of Preferences (GSP). This has affected exports from Hong Kong, Taiwan and South Korea. Asean countries are exempt except for three items exported by Singapore — radio/telegraphic equipment, solid state radios and electric irons — because of claims that the exports from the island republic exceeded the ceiling set by the US administration last year.

The Reagan administration has, however, reaffirmed President Carter's commitment to pledge to the World Bank's International Development Association US$3.4 billion for 1981-1983.

However, in order to appease congressional conservatives, this sum will be paid in three instalments so that two-thirds will be deferred until much later. IDA is the World Bank's soft loan organisation which lends to the world's poorest countries without any interest charge.

Although the Reagan administration has asked Congress for US$7.6 billion for economic aid programmes, this represents a cut-back from the US$8.7 billion proposed by President Carter for 1981-82, although it represents an increase over current spending levels.

The tendency of the new administration to place greater importance on buttressing allies by supplying military aid and arms and its outmoded perception of the world as divided into two distinct camps, pro and anti-Soviet, is, however, too simplistic for this era.

CSO: 4220/629

ASEAN, AUSTRALIA, UK RESOLVE AIR DISPUTE

Kuala Lumpur BUSINESS TIMES in English 3 Jun 81 p 6

[Article by G.O. Kuah]

[Excerpts]

AFTER two-and-a-half years of stormy talks and seething frustrations, the air row between the Asean five and Australia and Britain came to an abrupt end about a fortnight ago.

The sudden ending of this long bitter story came about when Qantas, the Australian airline, met the five Asean national flag carriers with a new set of proposals that the five had been glamouring for in the face of the restrictions placed on them in their rights to the lucrative "Kangaroo" route.

The restrictions or curtailment, which became the bone of contention, took the form of the International Civil Aviation Policy (ICAP), or cheap fare scheme, imposed by both Australia and Britain about two-and-a-half-years ago that initially kept the Asean airlines out of the "Kangaroo" route.

The ICAP brought with it a storm of protests and criticism from the Asean five who regarded the ICAP as a form of protectionism.

The result was a series of spluttering talks between Asean and Australia, each of which dragged on for days and nights, leaving much bitterness particularly in Asean when no conclusion was reached.

The Asean five were somewhat "appeased" when some form of limited participation was allowed them in cheap fare scheme through a "package settlement" worked out with Australia.

But even then, the problems for the five partners were far from over: they had to meet the British to seek the British endorsement to the package settlement so that the Asean airlines too could take to their wings in the cheap fare scheme.

The British, however, not only refused to endorse the package settlement but also came up with their version of Asean's participation (or rather non-participation) in the cheap fare scheme.

But the Asean aviation officials were left in quandary as to whether they should accept the British proposals for it would mean having to start the negotiations all over again with Australia.

The result was that the talks ended inconclusively in Genting Highlands about six months ago. Another attempt between the Asean airlines and British airways to work out an acceptable stopover fare also met with the same fate.

The British-Asean air talks was then left "hanging" in the air till Qantas appeared with the settlement, which they claimed to have the concurrence of the British.. And the British confirmed their consent in the meeting between the British Airways and the Asean airlines about a week ago.

The new proposals or air fares, in fact, has come into effect from Monday following the endorsement by the Asean economic ministers in their Jakarta meeting last week-end.

In a nutshell, the new air fare scheme is basically a reversion to the pre-ICAP days when all the airlines were "free" to ferry any number of passengers along the "Kangaroo" route, including with stopover in any of the Asean capital.

What then could have prompted Australia as well as Britain to adopt this "sudden reversal" in their stance when the ICAP was introduced with so much trouble and labour?

Firstly, as the leader of the Qantas team to the final talks, Mr Keith Hamilton said the ICAP did not work. Both Qantas and the British Airways found themselves in the red last year even with the ICAP.

And secondly, the Asean airlines, so claimed the British at the Genting Highlands talks, had actually seen an increase in their traffic along the "Kangaroo" route — again despite the ICAP.

Thirdly, according to aviation officials, both Qantas and the British Airways would find themselves in a better position to ask their respective governments for a fare increase under this new set of fares.

Fourthly, there is the other factor of other airlines playing the "Kangaroo" route with even cheaper fares. For example, the KLM has unilaterally lowered its fares resulting in a diversion of travellers from London to Amsterdam to catch the KLM flights to London and vice versa.

Fifthly, there is the domestic and government pressures on Australia and Britain to discard the ICAP.

In this respect, the questions raised were: why should the Asean airlines be the only ones to be penalised when other airlines were dishing out their own low fares, and why should the travellers be limited in their choice of air travel?

All said, the controversy brought about by the ICAP episode is like a bad dream to the Asean airlines, particularly SIA, which brings in a huge chunk of the tourist trade to Singapore from the "Kangaroo" traffic. — Bernama

CSO: 4220/629

FIVE-POWER DEFENSE ARRANGEMENT BEING REVITALIZED

Kuala Lumpur NEW SUNDAY TIMES in English 7 Jun 81 p 4

[Text] CANBERRA: The joint military exercises to be staged in the South China Sea and Australia over the next two months will mark a revitalisation of the five-power defence arrangement set up 10 years ago, linking Australia, New Zealand, Britain, Singapore and Malaysia.

But the manoeuvres are also a clear reaction to the Soviet intervention in Afghanistan and the presence of troops from Moscow's ally, Vietnam, in Kampuchea.

Australia sees the two developments as major threats to its own interest and those of non-communist South East Asian States.

The joint operations will be the first under the FPDA. But 20,000 men from the armed forces of the five countries took part in a manouvres code-named "Bersatu Padu" in 1970, the year before the FPDA was set up, marking Britain's decision to withdraw from east of Suez.

Australian Prime Minister Malcolm Fraser said last September the five nations had agreed to a series of exercises.

The move followed a series of military measures initiated by Mr Fraser in reaction to the Soviet action in Afghanistan.

One of these was an increase in combined exercises with Australia's South East Asian neighbours.

Facilities

The revival of FPDA was the first evidence of this, but Australian defence co-operation with other non-communist South East Asian nations has also been considerably boosted over the last year.

The biggest sign of this so far has been a jump in the number of officers from South East Asian states training at Australian military colleges.

In other measures, Australia has granted staging facilities for American B-52 bombers and boosted defence spending by at least A$95 million (M$245 million) in the last year.

It also ran a very successful $3 million advertising campaign which looks like reaching its target of adding 6,000 men to the army reserve in one year instead of five years.

Revitalisation of FPDA seems a response to the link Mr Fraser sees between Soviet actions in Afghanistan and the consolidation of Vietnam's position in Kampuchea.

The latter is the most serious foreign policy concern of Asean to which both Malaysia and Singapore belong.

So, in the words of a Defence Ministry official here, Canberra's initiative over FPDA fell on "receptive ground" in Singapore and Malaysia.

The revival of the quasi-dormant FPDA was also a subtle way of organising joint military exercises without prejudicing the sensitive South East Asian situation with aggressive new military groupings.

This would appeal particularly to Malaysia which is anxious to avoid the appearance of being linked too closely militarily with Western countries, defence analysts said.

FPDA is not a strong military alliance. It's terms merely say that the five nations will consult on appropriate action in the event of an attack on Singapore or Malaysia.

Nevertheless its revitalisation is a way of responding to the dangers created in the region by Vietnam's presence in Kampuchea, according to senior defence officials here.

The joint exercises are seen here as a way of signalling the region's resolve in the face of external threats.

Such threats have come closer to Australia with the establishment of Soviet bases in Vietnam from where air attacks could be launched on this country.

Joint air exercises have been held regularly during the life of FPDA but the first joint naval manoeuvre for 11 years, codenamed "Starfish 81" will take place off the east coast of Malaysia from June 23 to 26. Some 16 ships will take part including two British vessels from Hong Kong.

This will be followed between July 24 and August 5 by the "Platypus 81" land exercise in Shoalwater Bay, Queensland, to be attended by company strength contingents from all five countries.

This will constitute a small, battalion strength exercise but military officers here say that after 11 years the five forces must establish joint operating procedures and communications before the exercises can be expanded.

"These exercises will be conducted on a military training basis not as a public relations exercise. Otherwise there will be a bloody shambles and no-one will learn anything," one Australian officer said.

Mr Fraser has said Australia would like to see at least one significant joint exercise a year and a land manoeuvre in New Zealand and maritime exercise off Singapore have already been lined up for next year. — Reuter.

CSO: 4220/629

DRIVE LAUNCHED TO INCREASE JUTE EXPORTS

Kuala Lumpur BUSINESS TIMES in English 1 Jun 81 p 6

[Article by Alamgir Hossain in Dacca]

[Text] BANGLADESH has launched a new export drive for raw jute and its diversified products, the country's principal foreign exchange earner, by setting up five marketing offices overseas.

Manned by high-ranking experts, the offices are located in Nairobi, Melbourne, Brussels, Singapore and Atlanta (USA). More such offices are planned to tap new markets on a global basis.

The drive abroad is backed by several measures taken on the home front to ensure the continued supremacy of Bangladesh as the world's principal supplier of jute and jute goods, in the battle against new rivals and the threat of synthetics.

A new department for market research and exports promotion has been set up at the headquarters, while 73 jute mills in the country are paying more and more attention to developing new varieties of jute products, such as well coverings, union fabrics curtains and multi-colour upholstery furnishings. Many of these products, including jute carpets, have been successfuly marketed abroad.

Another breakthrough is the completion of two ultra-modern ten-loom carpet factories, using jute as the raw material, costing US$20 million and financed by a soft loan from Iraq. Now fully operational, the two factories are expected to earn US$10 million worth of foreign exchange for the country from next year.

To meet this anticipated increased world demand for jute goods, the mills are to reach a new target in production this year, set at 610,000 tons of jute products, up from 510,000 tons of last year.

The new export drive, backed by increased domestic production, comes against the background of a steadily pronounced upturn in the country's jute production as much as in the performance of jute mills.

For years, a variety of problems — ranging from fluctuations in production of raw jute and price for the grower to continual labour unrest in jute mills — cast their shadow over the future of the biggest foreign exchange earner of this populous nation in South Asia. The crisis also threatened the livelihood of an estimate 22.5 million people, or more than 30 per cent of the country's total population who are engaged annually in growing what is known in Bangladesh as the "golden fibre".

The turning point came in 1978 when production of raw jute almost reached the level of 1969-70, the last year when Bangladesh was a part of Pakistan. Despite labour unrest in jute mills, the country exported 512,000 tons of jute goods and earned US$248 million in foreign exchange.

Since then, the upward trend has continued. Last year, the country exported jute goods worth about US$400 million.

Credit for this success primarily goes to Bangladesh Jute Mills Corporation, a semi-government autonomous body set up by the authorities when jute mills and jute export trade were nationalised in January 1972. While the corporation owns 73 mills in the country, the private sector is now also encouraged to move into the jute industry to provide the much-needed competition to the state-run enterprise. This flexibility is regarded as a factor in the changed outlook for the jute industry as a whole.

The jute trade of Bangladesh has certainly regained its position of strength. But it must still reckon with a number of old problems.

One is posed by competition from synthetics.

However, experts here argue that foreign buyers, by and large, recognise that as compared to its synthetic competitors, jute goods are versatile, durable, reusable and free from health hazards. Some developed countres, including Japan and the United States, have put severe restrictions on the use of synthetic bags for packaging food products.

The other threat to Bangladesh jute comes from other jute growing countries, especially India, and from some South-East Asian nations, like Thailand and the Philippines, which produce kenaf and abaca — regarded as minor rivals of jute in certain uses.

To deal with the second problem — the competition from other Asian countries — Bangladesh officials show considerable interest in developing collective marketing strategy with its "rivals" to ensure continued exploration of the global market against both unfavourable fluctuations in export price and the threat of synthetics.

Here, too, one answer lies in setting up a multilateral research organisation to develop new uses of jute and similar raw material like kenaf and copra.

Experts here say that such research could well produce a new kind of plastic produced from jute, to serve as a substitute for wood and other construction materials, even for building vehicle bodies and boats. — Depthnews Special

CSO: 4220/630

AGREEMENTS SIGNED WITH SAUDI ARABIA

Jakarta PELITA in Indonesian 21 May 81 pp 1, 8

[Article: "MENLU Mochtar Signs Two Cooperation Agreements with Saudi Arabia"]

[Excerpt] On Tuesday afternoon [19 May] in Riyadh Foreign Minister Dr Mochtar Kusumaatmadja and his counterpart Saudi Foreign Minister Prince Saud al-Feisal signed two cooperation agreements between Indonesia and Saudi Arabia, one covering the economic and technological sector and the other Islamic teaching and science.

The economic agreement states that in an effort to strengthen the closely knit friendly relations and with expectation of obtaining mutual benefits, both sides agree to attempt to increase and strengthen economic and technological cooperation in a spirit of mutual understanding.

The cooperation sectors intended in this agreement cover, among others, support for agricultural project development, animal husbandry, industry, technology; exchange of information linked to science, research, technology; trade in a number of commodities and products; as well as exchange and training of manpower needed to implement these cooperation programs.

The agreement also states that the two sides are attempting to support an increase in economic and technological cooperation among their respective citizens, including those in legal bodies and project development as well as joint ventures in various fields.

The two sides will attempt to support investment and the free movement of capital between the two countries and the exchange of visits by economic and technological experts, delegations, and missions as well as hold exhibitions for the purpose of strengthening cooperation.

Under this agreement the two sides will form a joint committee which will meet alternately in these countries at the request of one of them to discuss ways and means to strengthen and increase economic and technological cooperation.

The agreement just signed by Foreign Minister Mochtar and Foreign Minister Saud al-Feisal is in effect for 3 years and is automatically extended for another year unless one of the two sides informs the other in writing 6 months prior to its termination of the intention to terminate the agreement.

On that occasion Foreign Minister Mochtar conveyed President Suharto's greetings to King Khalid and extended an invitation to the Saudi Arabian chief of state to visit Indonesia.

In this connection, the Saudi Arabian king expressed his appreciation and high esteem for the invitation and asked Foreign Minister Mochtar when it would be best for him to visit Indonesia.

6804
CSO: 4213/79

BORDER TALKS HELD WITH VIETNAM

Jakarta SINAR HARAPAN in Indonesian 16 May 81 pp 1, 12

[Article: "RI-Vietnam Border Negotiations To Be Continued in Hanoi"]

[Text] The sixth meeting to establish a continental shelf boundary was held in Jakarta by Indonesian and Vietnamese delegations of experts from 11-16 May. It ended on Saturday [16 May] afternoon with a very brief press release issued. Both sides agreed to recommend to their respective governments that the seventh meeting be held in Hanoi at a mutually convenient time.

The press release said the meeting was held in a friendly and informal atmosphere, underscored by a spirit of cooperation and good will. Both delegations renewed attempts to achieve an agreement.

Some advancement was noted at this meeting compared with earlier meetings but no information was provided on what advancement had been achieved.

The Vietnamese delegation also visited Bali for 2 days (visiting the airfield there, according to information received from a senior official in the Department of Foreign Affairs). This was believed to be important because the Bali Airport is similar to the airport just inaugurated by Indonesia on Natuna Island. The dual-purpose airport, serving both civil and military aircraft, is on an island which lies in Indonesian waters opposite Vietnam and is the closest island to Vietnam.

Some time ago Indonesia entered into an agreement with four foreign contractors to explore for oil offshore Natuna Island.

Mining Minister Soebroto had said this exploration area was located very far from the median boundary line between the two countries.

At the meeting which was still underway when the brief press release was issued, the Indonesian delegation, headed by Zakar Arifin, international agreements director of the Foreign Affairs Department, and two representatives from MIGAS [Oil and Natural Gas Directorate].

The Vietnamese delegation consisted of its head, Nguyen Thuong of the Legal Directorate of the Vietnamese Foreign Ministry, Vice Chairman Ta Ngoc, and one member, Kruong Gia Nhan, an expert from the Vietnamese Foreign Ministry.

6804
CSO: 4213/79

STANDARD WEAPON SELECTED BY POLRI

Jakarta SINAR HARAPAN in Indonesian 22 May 81 p 12

[Article: "Clarification of KADISPEN POLRI on the SK Standard Weapon"]

[Excerpts] Police Brig Gen Drs Darmawan, chief of the Information Service for POLRI [Republic of Indonesia Police Force] informed SINAR HARAPAN on Thursday evening [21 May] of the decision by the POLRI chief on standardizing the police weapon. The U.S. carbine is to be used.

He explained that POLRI was now carefully researching various types of the U.S. carbine, including those made by Iver Johnson and Ruger. Tests have been made of both types. Arrangements have been made to use the U.S. carbine, Darmawan said. A final decision to use this weapon was made by the chief of POLRI, and it is to be submitted to the minister for defense and security for approval.

The decision to use this weapon was taken after careful consideration of the fact that the police are accustomed to using this weapon and that it has already been in use for many years.

However, in tests conducted, the U.S. M-1 carbine failed to meet the technical standards. The test of the U.S. Ruger carbine, carried out on 17 May appeared better to meet the requirements.

The "U.S. carbine" is the name given to a long barreled rifle (assault rifle) made and designed in the United States. However, since the outstanding rifle used during the World War II period was the 30-caliber MI carbine, this is what the well-known U.S. carbine has been called popularly since October 1941.

Actually this rifle is also well known as the Garand, and therefore some call it the "M-1 Garand." [as published]

In the past few days, the POLRI chief has also tested the Ruger 5.56-mm carbine made by Sturm Ruger & Co., also of America. This company has produced four types of rifles beginning with the 5.56-mm Ruger Mini-14, the Ruger AC-556, the 5.56-mm Ruger AC-556K, and the 5.56-mm lockless rifle.

This company is still producing these rifles. This rifle can use bullets made for the M-16 A-1, the standard rifle used by the ABRI Raider troops. Ammunition for this rifle is produced domestically by a plant located in Turen Village, Malang.

6804
CSO: 4213/79

CUT IN PL 480 FOOD AID DISCUSSED

Jakarta SINAR HARAPAN in Indonesian 21 May 81 pp 1, 12

[Article: "Cut in PL 480 Funds Will Not Affect Food Supplies"]

[Excerpts] Sukrya Atmadja, BULOG [Logistics Bureau] vice chairman, said the cut in food aid under Public Law 480 of the United States Government to Indonesia this year will not affect domestic efforts to supply and stock food.

The cut in the "soft loan" (a loan on soft terms) food aid from the United States was announced for the first time by Dr. Sumarlin, minister for the reform of the state aparatus, after he was received by President Suharto at the Binha Graha on Thursday of last week [14 May]. The cut in funds was submitted by the U.S. government delegation to the 24th annual session of IGGI (Intergovernmental Group on Indonesia] nations held in Amsterdam at the beginning of last week.

Sukrya Atmadja, a member of the Indonesian delegation to the IGGI session, said it was planned to grant Indonesia $20 million in PL 480 funds, a 60 percent drop from last year's figure of $50 million.

The United States grants PL 480 food aid to developing nations, particularly to those nations believed to be experiencing difficulty in obtaining foreign exchange to meet their food requirements. This aid is extended on soft terms (average repayment period is 30 years), with a grace period averaging 8 years (at 2 percent interest) and 3 percent interest during the repayment period.

The BULOG vice chairman said the reduction in PL 480 funds would have no affect whatsoever in view of current food stocks. On 19 May BULOG's food stocks totaled 1.8 million tons equivalent of rice. Meanwhile domestic production accounted for 900,000 tons equivalent of rice as of the same date.

Sukrya Atmadja estimated that as of the end of June food stocks will reach 2 million tons, which is equal to the highest amount stocked by Indonesia in the past year.

For this year (within the framework of ASEAN friendship) Indonesia signed a contract to import 300,000 tons of rice from Thailand, 100,000 tons from Burma, and 30,000 tons from Pakistan (within the framework of IIPECC). The total amount, 450,000 tons, is estimated to arrive during the famine season prior to harvest in July. Shipping was arranged for that period because Indonesia's godowns could not handle it if it were shipped now, the BULOG vice chairman said.

While the cut in PL 480 funds will have little affect on domestic stocks, this aid is still needed in the coming years to ensure the availability of foreign exchange. Moreover the amount of PL 480 funds granted for 1981 is still felt to be too low so an augmentation must be obtained from the U.S. government.

Sukrya Atmadja explained that food aid is only a small item if viewed from the aspect of the composition of funds needed within the IGGI framework, that is, funds needed to support development. However, viewed from the aspect of BULOG interests, these funds are very advantageous "because we can augment our domestic food supplies without direct use of our foreign exchange."

This means we help to save foreign exchange at least while we are still dependent on overseas supplies of additional food. In other words, maximum use can be made of the foreign exchange now accumulated by the government to import goods which aid development and minimal use can be made of these funds to import consumer goods.

In reply to questioning, Sukrya said that even though the food aid is in loan form and must be repaid in yearly installments, and even though it has been offered on soft terms (meaning that is has a grant element), it is advantageous if viewed from the economics aspect. "We buy a certain amount of food at a certain price now, and we repay it 30 years from now. Wouldn't you call that advantageous?" the BULOG vice chairman asked.

Sukrya Atmadja said the cut in PL 480 funds was inherited from President Carter's administration but it also derives from President Reagan's overall economic policy which aims at cutting all budget items except defense.

The cut in PL 480 funds, of course, "was plotted" when the Carter administration was leaving the White House and was submitted to Congress for ratificaiton, to take effect in fiscal 1981-82, beginning next October. The cut in PL 480 funds was not only directed at Indonesia but at all the developing nations that ordinarily received such funds.

In view of this, the BULOG vice chairman said, the Indonesian government will approach persons in Washington who make budgetary decision. We must convince them that more funds are needed to accelerate the rate of development in Indonesia. "Meaning, determining how much the global PL 480 funds will be cut and even indicating the desirability of increasing the share allotted to Indonesia over that planned by Carter," Sukrya Atmadja said.

At the IGGI session in Amsterdam, he had approached the U.S. delegation requesting their assistance in obtaining a larger share of the funds. At that time it appeared that they would respond to our request.

Further, due to subsequent efforts by the government, the impression was gained that the allotment would be increased, due, among other reasons, to the efforts of friends of Indonesia in Washington. These friends had promised they would help Indonesia by "approaching" the "budget cutters" in the United States.

Our devoted friends in Washington indicated they would fight to obtain more than $20 million," the BULOG vice chairman said.

It should be possible to obtain this augmentation, Sukrya Atmadja said, as evidenced by the materialization of PL 480 food aid in 1980 which initially was planned to be eliminated. "As long as we keep fighting and presenting strong reasons for obtaining more funds, there is a good possibility that more funds will be granted."

On being questioned, the BULOG vice chairman replied that PL 480 funds for this year, whether $20 million or more, most likely will be used to buy rice. Various factors must be taken into account including whether Indonesians have "become accustomed" to eating U.S. rice and "whether the U.S. wheat price (C&F) is higher than that for Australian wheat."

Under decisions already taken, nations receiving PL 480 funds alone decided on which commodities to buy. The U.S. government merely allocates the funds and the recipient government buys the commodities it desires, depending on prices in effect on the market.

6804
CSO: 4213/79

NATUNA AIRFIELD STRENGTHENS PERIMETER DEFENSES

Kuala Lumpur BUSINESS TIMES in English 3 Jun 81 p 6

[Article by Colin Bickler in Jakarta]

[Text]

INDONESIA has taken another important step in strengthening its perimeter defences by opening a new runway in the remote South China Sea islands of Natuna, opposite Vietnam and Kampuchea.

The move takes on added significance because the surrounding waters are believed rich in oil and gas and a dispute between Vietnam and Indonesia on their exploitation remains to be settled.

Officials point out that contrary to some reports, no new Indonesian base has been built on the island and that there is no build-up of forces in the sensitive region.

The 2,250-metre long Ranai airfield, opened earlier last month by Defence Minister General Mohamed Yusuf, will however allow sophisticated jet combat planes to fly in an out of one of the far-flung archipelago's furthest points.

It should also mean easier access to services for American oil companies prospecting offshore areas for the Indonesian government.

It will reduce the isolation of the Natuna islands' 10,000 scattered people and officials say they will now be able to get relief supplies in quickly to island areas frequently battered by wind driven high waves.

Vietnam has long claimed rights to the waters near the Natuna islands, though not the islands themselves. Fresh talks between officials of the two sides in Jakarta earlier last month failed to resolve a dispute which has dragged on for several years.

Vietnam is also apparently anxious to prospect and exploit the area which geologists believe may have huge desposits of oil and gas and has invited the Soviet Union to help.

American companies have already found some oil and large quantities of gas though there are problems still to be solved in its exploitation, including ways to eliminate some noxious gases that have been found mixed with the natural gas.

The possible eventual presence of both American and Soviet oil prospectors in the area has its own clear security implications.

Indonesian Foreign Minister Mochtar Kusumaatmadja has said that he believes the Vietnamese are willing to compromise on where to draw the ocean boundaries eventually. Until recently both sides were approaching the problem with a conflicting set of principles for drawing the lines.

But some officials are less optimistic than the minister, who told reporters before the last round of talks began, that he believed the matter could be settled in "one or two more sessions."

He also emphasised that talks so far had been strictly technical. Political differences on international and regional issues had not been brought into the discussions.

Vietnam says this is interference in internal affairs and will agree to no more that regional consultations to resolve differences.

While this gap exists, Hanoi's readiness to get an agreement on dividing the South China seabed could be a barometer of the goodwill it seeks to promote, diplomats say.

Indonesian officials believe Jakarta's relations with Vietnam are on a better basis than between Hanoi and other Asean states because both nations fought for their independence from colonial powers. This promoted better understanding of each other's attitudes.

Whether there is better understanding or not, the dispute remains to be settled and the extension of the Natuna islands' runway suggests Jakarta is taking no chances.

New naval facilities are also planned for the area. Like the runway these can be justified by the need to help the civilian population, to protect internal security and to prevent smuggling.

But as one Indonesian newspaper pointed out recently, the Natuna islands, in facing Vietnam and Kampuchea, are a key link in a defence chain that stretches from Sabang in the far northwest of Sumatra to Jayapura, Irian Jaya, in the far southeast. — Reuter

CSO: 4220/631

PRELIMINARY TALKS WITH SOUTH KOREA ON LNG PROJECT

Kuala Lumpur BUSINESS TIMES in English 15 Jun 81 p 20

[Text]

JAKARTA, June 14

SOUTH Korea has opened preliminary negotiations with Indonesia for the eventual supply of some three million tonnes a year of liquefied natural gas (LNG) in a project that could cost over US$1.5 billion, South Korean Ambassador Woo Suk Han said yesterday.

The sales would be worth hundreds of millions of dollars annually for Indonesia.

South Korea expects to invest some US$700 million at least in building production units and terminal facilities near Indonesias Arun Field in Sumatra.

A similar amount will be spent on receiving facilities in South Korea, the ambassador said.

Mr Han was giving a Press briefing on the forthcoming visit beginning in Jakarta on June 25 of South Korean President Chun Doo-Hwan at the start of a tour of the Association of South-East Asian Nations (Asean).

He said it was hoped that the first LNG train (production unit) built by and for South Korea will be operational by 1985, with a capacity of 1.5 million tonnes a year, followed by a second train of similar capacity to be operational three years later.

South Korea would use most of the gas for power generation, but a small amount would also be used for city domestic supply, Mr Han said

Contract and tender details have still to be worked out and it is unlikely that final agreement will be reached until some time after President Chun's visit here.

This will be the second and biggest arrangement on energy between South Korea and Indonesia.

Last month the Kodeco (Korean Development Company) Energy Company signed an agreement with Indonesia's state-owned Pertamina Oil Company to explore and exploit potential oil fields offshore in West Madura at a minimum investment of between US$30 million and $40 million.

At present Indonesia's biggest LNG customer is Japan, which last year took some seven million tonnes, worth around $2 billion to Indonesia.

Under new contracts signed with several Japanese companies this year, this will double and possibly treble the value and volume from the mid 1980s.

The Korean participation will also considerably increase its investment in Indonesia, at present some US$45 million with a further $47 million approved, the ambassador said.

About $17 million of the investment is in logging, an area of some problem since Indonesia is banning log exports and demanding that foreign companies process timber in Indonesia for export.

Mr Han said two Korean companies had already begun plywood manufacture and some of the other five are taking steps to do so.

This is a topic that is expected to figure in the talks that President Chun and his Economic, Foreign Affairs and Defence Ministers will have here during their five-day stay. — Reuter

CSO: 4220/631

PT TIMAH TO MAINTAIN TIN PRODUCTION WITH PRICE DROP

Jakarta HARIAN UMUM AB in Indonesian 21 May 81 pp 1, 8

[Article: "DIRUT PT Timah Tells DPR Commission VI Drop in Tin Price Will Not Affect Production Targeted at 23,800 Metric Tons"]

[Excerpts] Although PT Timah's 1981 income is estimated to fall by 13 percent compared with that of 1980 because of the continuing decline in the price of tin on the international market, PT Timah will try to meet its original production target of 23,800 metric tons.

In the exchange of views with Parliamentary Commission VI yesturday [20 May] in Senayan, Rachman Ramli, PT Timah executive director, said further that PT Timah will make internal adjustments to maintain its initial work schedules. For instance, expenditures will be restricted, efficiency will be increased, limitations will be placed on any extraordinary activities but those closely connected with production will not be postponed and any drain on PT Timah [resources] will be countered to the extent possible.

According to Ramli, the highest price for tin recorded in Penang in 1980 was 16,387 per metric ton; the price has now dropped to $12,500 per metric ton. The price is estimated to rise only to $13,000 per metric ton in 1981.

At the current price level, PT Timah income is estimated to be 207 billion rupiah, a drop of 74 billion rupiah compared to the 1980 income. A profit of 55 billion was estimated in PT Timah's 1980 budget if the price of tin was $14,500 per metric ton. However, with a price of $13,000 per metric ton, the profit will drop to 32 billion rupiah.

Although the price has reached a very low level and forces PT Timah to tighten up its operations, Ramli said PT Timah will not introduce any policies that will bring hardship to the workers such as wage cuts, reduced bonuses, or limited vacation pay.

Speaking about the lack of success in arriving at a formula for the sixth International Tin Agreement (ITA) despite the fact that negotiations have been held three times on the matter, Ramli noted that the failure was due to the inflexible stance of advanced nations such as the United States, Germany, and Britain.

Originally the United States intended to radically reorganize the existing ITA concept by introducing new elements, namely, it did not want to accept the principle of limiting exports as one of the mechanisms for stabilizing the price, huge bufferstocks (70,000 metric tons), and the application of a reference price.

In regard to the sixth ITA, the government had established the policy that all efforts would be made to achieve a sixth ITA even though, Ramli said, "We can only accept a tin agreement that functions for and is of benefit to Indonesia in particular and to tin producers in general."

The director admitted that if a sixth ITA cannot be achieved, it will mean the end of the International Tin Agreement which has been in effect for 25 years. This would be a bad example, for to date the International Tin Agreement has been considered a good model for organizing international agreements for a number of commodities.

6804
CSO: 4213/79

BRIEFS

BOOKS BANNED--Attorney General Ismail Saleh, under Decision no Kep 052/JA/5/1981, banned the circulation in Indonesia of two books written by Pramudya Ananta Toer, entitled "Bumi Manusia" [World of Man] and "Anak Semua Bangsa" [Child of All People], effective 29 May 1981. Anyone storing, owning, and selling these books is obligated to turn them over to the chief public prosecutor or chief of the local office of the public prosecutor, for forwarding to the Indonesian attorney general. The decision which bans the circulation of the books published by PT Hasta Mitra and printed by "Ampat Lima," both in Jakarta, states that the "contents create certain reactions in various social circles and have affected public security and order." It was also stated that when the contents of the two books "were scrupulously studied," it was apparent that with the skillful and flowing use of his pen, the author subtly and under the cloak of historical data was able to introduce "Marxist-Leninist theory." The contents of the books were considered clearly to conflict with MPRS Regulation No XXV/MPRS/1966, dated 5 July 1966, on the abolition of the Indonesian Communist Party, declaration of the Indonesian Communist Party as an organization banned in all regions of the Republic of Indonesia. [Text] [Jakarta SINAR HARAPAN in Indonesian 30 May 81 pp 1, 12] 6804

DJUARSA ON IMRAN--M. Ishak Djuarsa, who had been in contact with Imran, the leader of the plot to hijack the Garuda aircraft some time ago, said he met with Imran because he was interested in a business connection with a Saudi Arabian company. In his letter to this daily newspaper, the veteran major general added that he had not met with Imran after 1979. Moreover, "I felt there no longer was any hope whatsoever of concluding a business arrangement with the Arab world." Ishak Djuarsa's letter in full follows: "1) Imran came to visit me at my home at the end of 1979 and introduced himself as a representative of Saudi Arabian company and carried a letter of introduction from the company concerned. 2) At that time I had just gone through the MPP period and was studying to enter the business world. 3) Imran came to my house several times and, of course, we talked about the struggle, but I never took this seriously because I was more interested in contacting the Arab world. 4) Imran did not meet with me after 1979, and there was no more contact with him. Moreover, I felt there no longer was any hope whatsoever of concluding a business arrangement with the Arab world. 5) I was very surprised when Imran reappeared suddenly in 1981 at the time of the Garuda hijacking when my address was used as the address of the branch office of the Imran Revolutionary Council. I have no knowledge whatsoever as to why it was used and, moreover, I never authorized its use." [Text] [Jakarta MERDEKA in Indonesian 18 May 81 pp 1, 8] 6804

CSO: 4213/79

VARIOUS DISTRICTS REBUILD AFTER LIBERATION

Leach District

BK070646 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 6 Jul 81

[Text] After invading and occupying Leach District, Pursat Province, the Vietnamese enemy began to massacre our people by using all types of weapons, spraying poisonous chemicals, firing toxic gas shells and looting and destroying the property, houses, cattle and crops of the people in order to create famine to starve them to death.

After the liberation of their villages and communes from the evil claws of the Vietnamese enemy aggressors, our people in Leach District, assisted by our army and guerrillas, have strived to rebuild their villages, houses and farmland and prepared the fields and seed for production. They have pledged to jointly fight in all available forms against the Vietnamese enemy aggressors for national salvation.

In this year's rainy season, despite uncountable obstacles and difficulties caused by the Vietnamese war of destruction, our people have held aloft the combative banner and helped each other in the production for self-consumption. Various kinds of crops, such as rice, corn, potatoes, beans, cucumbers, pumpkins and various other vegetables, are growing well in the fields and around the people's houses. Our people are striving to increase production and take care of their crops by weeding out the undergrowth and preventing wild animals and insects from destroying their crops.

The brothers and sisters pledge that they would protect this year's crops from being looted and destroyed by the Vietnamese enemy as it did last year.

Samlot District

BK120840 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 11 Jul 81

[Text] The soil in Samlot District, Battambang Province, is very fertile and is good for growing all kinds of crops, particularly fruits, such as durian, potato-fruit, rambutan, mangos, oranges, coconuts, jack-fruit, bananas and pineapple.

During their invasion of Samlot District, the Vietnamese aggressors massacred our people, young and old alike, even babies in cradle, in a most cruel and barbarous manner. At the same time, the Vietnamese aggressors looted the property, rice and seeds of our people and destroyed and burned their houses, villages and all kinds of crops in an attempt to starve them in accordance with their policy of genocide. However, the people of Samlot District, who have a tradition of struggling valiantly since time immemorial, would not stand idle nor allow themselves to be starved to death as the Vietnamese enemy wished. They fought in close unity with our Democratic Kampuchean army and guerrillas to drive out the Vietnamese criminals from their district.

After driving all the Vietnamese aggressors out of their district and villages, our people in Samlot District, assisted in all aspects by our Democratic Kampuchean Government, have helped each other in reclaiming the ricefields and land destroyed by the Vietnamese enemy in order to grow rice, corn, beans, cassava, sesame, bananas and various other vegetables for consumption and to improve their strength so that they can fight more vigorously against the Vietnamese enemy. At the same time, they have gradually rebuilt their houses and villages.

The brothers and sisters pledge to increase production vigorously and to improve their strength and health so that they can help fight the Vietnamese enemy in all forms available, thus contributing to the rapid liberation of the entire Kampuchean nation and people.

Svay Leu District

BK150300 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 14 Jul 81

[Text] Our soldiers and guerrillas in Svay Leu District, Siem Reap Province, just as others throughout the country, are children of the people of all nationalities. They have endured all the difficulties of our struggle filled with its twists and turns, valiantly and courageously shared the people's weal and woe, and constantly demonstrated their determination. Now at this difficult time they continue to live with the people sharing their difficulties to fight against the Vietnamese Le Duan aggressors.

In Svay Leu District, Siem Reap Province, amid the people's untold plight--extreme suffering, separation from relatives, and lack of shelter, food, clothing, medicine and other things caused by the Vietnamese devastating war--the Democratic Kampuchean army and guerrillas are committed to defending their lives and wholeheartedly solving their problems. Following the liberation of the villages and communes in the district, and the salvation of the people's life from the monstrous claws of the Vietnamese enemy, our soldiers and guerrillas have helped to revive villages and to steadily repair and rebuild wrecked houses. They have provided necessary tools and seeds to allow the people to work and restore their badly affected health. In the areas temporarily controlled by the Vietnamese enemy, whenever they encounter hungry and suffering people, our guerrillas sacrifice their rations for them and even give them their clothes and scarves. These gestures have induced the people in the district to feel confident in the Democratic Kampuchean army and guerrillas and consider them as their trusty supporters. Our people have also pledged to support them in return, and have closely contributed to struggling with our army and guerrillas against the Vietnamese aggressors, expansionists, annexationists and race exterminators until the final victory.

CSO: 4212/25

'VODK' REPORTS ON VARIOUS BATTLEFIELD SUCCESSES

Battambang Province

BK140830 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 13 Jul 81

[Excerpt] In June, our comrades in arms on the sisophon-south of Route 5-Mongkolborei-Bavel battlefield in Battambang Province killed 436 Vietnamese aggressors troops and wounded 557 others, for a total of 993 casualties.

We destroyed a ten-wheel truck, a C-25 radio, a 12.7-mm machinegun, an M-30, an RPD, an M-79, 2 B-40's, 19 AK's, 57 barracks, 29 trenches and a quantity of other materiel. We seized a 60-mm mortar, a 12.7-mm machinegun, a Goryunov, an RPD, an M-79, 4 B-40's and B-41's, 15 AK's, 20 M-79 grenades, 27 B-40 and B-41 rockets, 10 crates of AK ammunition, 5 cartridge magazines, 12 Soviet landmines, 9 grenades and a quantity of other materiel. We cut 260 meters of telephone line.

Compared with the monthly plan to inflict 800 casualties on the Vietnamese enemy troops, our comrades in arms achieved more than 124 percent--24 percent more than planned.

Concerning the smashing and liberation of enemy positions, our comrades in arms destroyed two independent Vietnamese positions--one platoon-sized and one battalion-sized position. They liberated and occupied two independent Vietnamese positions--a battalion-sized and a regiment-sized position. We smashed and routed two Vietnamese attacks--a platoon and a battalion assaults.

Concerning the production of primitive weapons, we made and planted 191,000 new spikes, dug 120 new punji pitfalls and set 180 new automatic bows.

FULRO Successes

BK140736 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 13 Jul 81

[Text] The (Bigiar)-FULRO [United Front for the Liberation of Oppressed Races] guerrillas have actively and vigorously stepped up their attacks against the Le Duan Vietnamese enemy, inflicting constant losses on them and gradually gaining strength.

The Cong Tum battlefield:

On 2 September 1980, the (Bigiar)-FULRO guerrillas ambushed Vietnamese vehicles on Route 14 between Dak To and Cong Tum. They seized 9 AK's, an M-79, 3 M-16's and 1,000 dong.

On the same day, they ambushed Vietnamese vehicles on Route 14 between Cong Tum and Pleiku, destroying two jeeps, killing four Vietnamese enemies and wounding four others. They seized 3 pistols, 3 AK's, 1,000 dong and a suitcase.

Also on the same day, they ambushed Vietnamese vehicles moving from (Be) Village to Cong Tum, destroying a jeep, killing three enemies and wounding four others. They seized three AK's and a crate of TNT powder.

On the same day, the (Bigiar)-FULRO guerrillas attacked two Vietnamese positions in (Cong Loi Sai Na) and (Ton Mang Lang) in Cong Tum Province, killing four enemies and wounding nine others. They destroyed two houses of Vietnamese commanders, a storehouse, three radios and a typewriter. They seized three AK's.

On 5 and 6 September 1980, they ambushed Vietnamese enemies on the route out of (Plei Kleng) and attacked an emeny position at (Plei Sa), killing six and wounding eight others. They destroyed a rice storehouse and seized an AK, three CKC's and an M-79.

In sum, during these 3 days the (Bigiar)-FULRO guerrillas on the Cong Tum battlefield inflicted 60 casualties on the Vietnamese Le Duan enemies, destroyed 4 vehicles, 2 houses of commanders, a storehouse and a rice warehouse. They seized 19 AK's, 3 pistols, 2 M-79's, 3 M-16's, 3 CKC's, a crate of TNT powder and a quantity of other materiel.

Pleiku Successes

BK150622 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 14 Jul 81

[Text] The (Bigiar)-FULRO guerrillas have actively and vigorously stepped up their attacks against the Le Duan Vietnamese enemy, inflicting constant losses on them and gradually expanding the areas of their activities.

The Pleiku battlefield:

On 2 September 1980, the (Bigiar)-FULRO guerrillas ambushed the Vietnamese enemies when they attacked (O Leav), killing one and wounding four others. They seized an AK.

On 20 and 21 September 1980, they ambushed Vietnamese vehicles moving from Cheo Reo to Pleiku, and attacked a Vietnamese position in Pleiku. They ambushed some Vietnamese vehicles moving from (An Tho) to Pleiku. During these operations they killed 10 enemies and wounded 13 others. They destroyed a jeep and two commanders' houses. They seized two pistols, five AK's and a radio receiver.

On 23 and 25 September 1980, the (Bigiar)-FULRO guerrillas ambushed Vietnamese troops moving from (O Yiem) to Cheo Reo and from (Phu Vien) to Pleiku, killing four enemies and wounding seven others. They seized five AK's.

In sum, during these 5 days the (Bigiar)-FULRO guerrillas on the Pleiku battlefield inflicted 39 casualties on the Vietnamese Le Duan enemies, and destroyed a jeep and 2 commanders' houses. They seized 2 pistols, 11 AK's and a radio receiver.

CSO: 4212/25

FURTHER ON MESSAGE ON POLAND'S ANNIVERSARY

BK290355 Phnom Penh Domestic Service in Cambodian 1100 GMT 27 Jul 81

[Text] Comrade Heng Samrin, chairman of the Council of State, and comrade Pen Sovan, general secretary of the KPRP Central Committee and chairman of the Council of Ministers have recently sent a message greeting comrade Henryk Jablonski, chairman of the Polish Council of State, and comrade Wojciech Jaruzelski on the occasion of the 37th anniversary of Poland's rebirth.

The message reads:

We are extremely elated to extend to you and the Polish people most warm felicitations on the occasion of the 37th anniversary commemorating the rebirth of Poland. We are firmly confident that the 9th extraordinary congress of the Polish United Workers Party will bring about significant solution for the future of the Polish people, give an impetus to the Polish economy and effectively counter the maneuvers to undermine socialism by the counterrevolutionaries, who are organized by the imperialists.

We are strongly confident that the fraternal bonds of friendship and cooperation between our two countries and peoples will vigorously develop on the basis of proletarian internationalism for the benefit of peace and the socialist community.

We wish you good health and more successes in fulfilling your lofty mission.

CSO: 4212/25

BRIEFS

KAMPOT TREE PLANTING CEREMONY--On 15 June 1981 a tree planting ceremony was held at (Boeng Ta Pream) school in Traeuy Kaoh Commune, Kampot District, Kampot Province, to mark the anniversary of the KPRAF. Present on that occasion were Koy Luon, Kampot provincial party committee secretary; (Im Chira), provincial military commander; (Mao Chun), chairman of the Traeuy Kaoh commune people's revolutionary committee; as well as many cadres, combatants, people and teachers. (Mao Chun) and (Im Chira) gave speeches in which they stressed the struggle of the army in defending the country. [Phnom Penh Domestic Service in Cambodian 0400 GMT 26 Jun 81]

KAMPOT POLITICAL COURSE--On 15 June 1981 the first phase of the third political course was opened for 130 trainees at the Kampot Political Orientation School. Present on that occasion were Koy Luon, provincial party committee secretary; Hang Samoeun, chairman of the provincial people's revolutionary committee; as well as many cadres representing different offices in the province. Hang Samoeun and Koy Luon presented their speeches in which they hailed the KPRP and the KPRAF in their struggle to liberate the country from the genocidal Pol Pot-Ieng Sary-Khieu Samphan clique. [Phnom Penh Domestic Service in Cambodian 0400 GMT 27 Jun 81]

VIETNAMESE SELLING POISONOUS MEDICINE--In order to further massacre and exterminate the Kampuchean people, the Vietnamese aggressors in Phnom Penh are selling medicine mixed with poison to the people. For example, on 25 June some of our people in Kbal Thnal were sick after taking medicine bought from the Vietnamese aggressors. After the people asked them why they were selling medicine mixed with poison, the Vietnamese aggressors threatened the people and told them not to complain about this matter. In this connection, we call on our people in Phnom Penh and other areas under the temporary control of the Vietnamese enemy to be careful. You should not use anything produced or sold by the Vietnamese because you might be poisoned by it. The Vietnamese are very cruel and barbarous. They are only looking for an opportunity to massacre our Kampuchean people in accordance with their genocidal policy so they can plunder and annex our territory as they did in Champa City and our Kampuchea Kraom territory. [Text] [BK031135 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 1 Jul 81]

CAVALRY'S BATTALION 86--The cavalry's battalion 86 has just summed up its emulation drive to mark the 30th anniversary of the KPRAF. Thanks to good training and because of their determination to carry on the glorious revolutionary struggle

tradition of the Issarak army, the battalion's cadres and combatants have achieved excellent results in learning combat theory and performing drills. The second company obtained 80 percent marks, the first company 75 percent and the third company 73 percent in night shooting practice on the tank-mounted K53 guns. So far, the battalion's cadres and combatants have proved to be skillful in operating the TO-model tanks and have grasped the technical aspects and tactical use of various types of tanks. They have also engaged in production efforts by planting 445 banana trees, 1 ha of green beans, 85 coconut trees, 10 mango trees and 400 beds of vegetables and raising 8 pigs and dozens of chickens. [BK111341 Phnom Penh Domestic Service in Cambodian 1200 GMT 4 Jul 81]

KOH KONG-KOMPONG SOM BATTLE REPORT--Last June, our comrades in arms on the Koh Kong-Kompong Som battlefield killed 331 Vietnamese aggressors and wounded 298 others for a total of 629 losses. Among the killed were 3 lieutenants and a platoon commander. We destroyed a pistol, 2 DK-82's, a 60-mm mortar, a 12.7-mm machine gun, an M-30 machine gun, 8 B-40's, 3 M-79's, 51 AK's, 4 trucks, 3 boats, 7 barracks, 3 trenches, 5 telephones and a quantity of materiel. We seized 5 AK's, 3 crates of AK ammunition and 37 A-2 land mines. We cut 500 meters of telephone wire and seized a quantity of materiel. We attacked and liberated 4 independent Vietnamese positions--one of platoon size, two of company size and one of battalion size--and routed 5 Vietnamese operations--four by platoons and one by a company. Concerning the production of primitive weapons, we made and planted 65,000 punji stakes, dug 120 punji pitfalls and set 100 new snares and 95 new automatic bows. [Excerpt] [BK100818 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 9 Jul 81]

WESTERN LEACH DISTRICT BATTLE FIGURES--Last June, our comrades in arms on the Western Leach District battlefield put 835 SRV troops out of action. We destroyed a B-40, a Goryunov gun, nine AK's, five military barracks and a trench. We seized an AK, 10 A-2 landmines, 1,970 m of telephone cable and a quantity of other materiel. We raided and liberated four independent Vietnamese positions which included a platoon-sized position and three company-sized positions. Concerning the production of primitive weapons, we made and planted 154,000 new spikes, dug 9,800 punji pitfalls, and set 100 snares and 500 automatic bows. [Excerpt] [BK110617 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 10 Jul 81]

SAMLOT BATTLEFIELD REPORT--Last June, our comrades in arms on the Samlot battlefield in Battambang Province killed 385 Vietnamese aggressor troops and wounded 429 others--a total of 814 enemy casualties. They destroyed an 82-mm mortar, an M-30, 4 AK's, an ammunition depot, 16 military barracks, 7 trenches and a quantity of war materiel. They also seized an AK, 500 AK rounds, 200 meters of telephone cable and various other items. Compared with the 800-enemy-loss-a-month-plan, our comrades in arms fulfilled 101.75 percent of the target, overfulfilling the plan by almost 2 percent. Our comrades in arms also routed a platoon-strong Vietnamese intervention unit. With regard to the production of primitive weapons, our comrades in arms made and planted 750,000 new punji stakes, dug 190 punji pitfalls and set 100 automatic bows. [Excerpt] [BK120834 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 11 Jul 81]

BATTAMBANG BATTLEFIELDS REPORT--In June, our comrades in arms on Route 10, Pailin battlefield, killed 355 Vietnamese troops and wounded 360 others, for a total of 715 casualties. Among those killed were three company commander lieutenants and two platoon commanders. We destroyed a pistol, a B-40, an M-79, 9 AK's, 10 barracks, 5 trenches and a quantity of other materiel. We seized a 60-mm mortar, 14 AK's, 630 rounds of AK ammunition and a quantity of other materiel. We cut 1,500 meters of telephone wires. Compared with the monthly plan to inflict 700 casualties on the Vietnamese enemy troops, our comrades in arms achieved 102.14 percent--2 percent more than planned. We smashed and routed a platoon intervention force. Concerning the production of primitive weapons, we made and planted 770,000 new spikes, dug 180 new punji pitfalls and set 260 new automatic bows. [Excerpt] [BK130801 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 13 Jul 81]

ROADS CUT--On 2 July our army and guerrillas attacked and cut a 2-km portion of the road leading from Samlot to Treng, Samlot District, Battambang Province. They took control of this road portion and are continuing to attack and cut more portions of it. Long live our valiant and courageous army, guerrillas and people on the Samlot District battlefield in Battambang Province! [Text] [BK140826 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 13 Jul 81]

BATTLE ACTION REPORTS--On 6 July our army and guerrillas attacked and cut two bridges between Treas Village and Thmar Puok. The first bridge was 25 meters long and the second 9 meters long. On 7 July our guerrillas attacked and cut a 6 meter-bridge between Svay Chek and Treas Villages, and ambushed Vietnamese enemies moving from Bek Chan to Khvav on the sisophon-north of Route 5-Thmar Puok battlefield. The Vietnamese soldiers fell into our ambush only 100 meters from Bek Chan. Three of them were killed and five others wounded, for a total of eight casualties. We destroyed 3 AK's and a B-40. In sum we inflicted eight Vietnamese casualties, destroyed three AK's, a B-40 and cut three bridges with a total length of 38 meters [figure as heard]. Long live our valiant army, guerrillas and people of the sisophon-north of Route 5-Thmar Puok battlefield! [Text] [BK140310 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 13 Jul 81]

SISOPHON BATTLE FIGURES--In June, our comrades in arms on the battlefield of sisophon-north of Route 5--which includes Thmar Puok, Phnum Srok and Preah Net Preah--killed 354 Vietnamese aggressor troops and wounded 372 others, for a total of 726. We destroyed a T-54 tank, a 10-wheel truck, a Goryunov gun, a B-40, eight AK's, four military barracks, three trenches and a quantity of military materiel. We seized 10 DK-82 rounds, 20 82-mm mortar shells, 20 60-mm mortar shells, 4,700 rounds of AK ammunition and a quantity of other materiel. Compared with the 700-casualty target for the month, we achieved 103.71 percent or almost 4 percent above the plan. As for the routing of positions and crushing of suppressive drives, we destroyed an independent company-sized position and crushed three suppressive drives--twice of [words indistinct] and once for a company. Concerning the production of primitive weapons, we made and planted 137,000 new spikes, dug 210 punji pitfalls and set 190 automatic bows. [Excerpt] [BK150236 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 14 Jul 81]

HENG SAMRIN RECEIVES THANKS--On 10 July, Comrade Samora Moises Machel, president of the People's Republic of Mozambique, sent a message thanking Comrade Heng Samrin, chairman of the PRK Council of State. The message reads: On behalf of the Frelimo party, the Government of the People's Republic of Mozambique and in my own name, I extend my most sincere thanks to you for your warm greeting on the occasion of the 19th anniversary of the founding of the Frelimo party on 25 June 1981 and on the occasion of the 6th anniversary of the People's Republic of Mozambique. I take this opportunity to affirm my firm confidence that the good relations and cooperation between our two countries will contirbute to promoting our mutual prosperity of our two countries. [Text] [BK191007 Phnom Penh Domestic Service in Cambodian 1230 GMT 18 Jul 81]

USSR HEADS GREET HENG SAMRIN, PEN SOVAN--Phnom Penh, 13 Jul (SPK)--The leaders of the USSR have sent their congratulations to Heng Samrin and Pen Sovan on the occasion of the latter's elections respectively to the posts of chairmen of the Council of State and Council of Ministers of the PRK. In their messages, Leonid Brezhnev, chairman of the Supreme Soviet Presidium, and Nikolay Tikhonov, chairman of the Council of Ministers of the USSR, pointed out that the completion of the process to establish the Kampuchean state structure marked an important stage in the strengthening of the people's power, the vital force of the new regime. It also marked the successful development of independent Kampuchea under the leadership of the KPRP, the vanguard of Kampuchean society. The Soviet leaders expressed their conviction that the cooperation and friendship between the Soviet Union and the PRK, based on the unalterable principles of Marxism-Leninism and proletarian internationalism, will be developed and strengthened for the good of the two peoples and in the interest of peace and security in southeast Asia and the world. [Text] [BK140903 Phnom Penh SPK in French 1442 GMT 13 Jul 81]

CSO: 4200/52

BIOGRAPHIC INFORMATION

[The following information is extracted from the Vientiane publications SIANG PASASON [SP], VIENTIANE MAI [VM], KHAOSAN PATHET LAO [KPL] or from Vientiane Domestic Service Broadcasts [VDS] as indicated.]

Col Boualai Senchonghak
Member, Standing Party Committee; Chief, Vientiane Military Command (VM 21 May 81 p 1)

Boualang Boualapha
Member, Executive Committee, Party Central Committee (SP 2 Jun 81 p 2)

Boun Panhong
Secretary, Sayaboury Province Party Committee (SP 12 Jun 81 p 3)

Bounhom Souphanthon
Member, Party Committee, Vientiane Province; Chief, Provincial government office (VM 5 Apr 81)

Brig Gen Bounyeun
Deputy Chief, LPLA Technical Department (SP 21 Jan 80 p 1)

Gnouat Phanthavong
Chairman, Phon Hong District, Vientiane Province Administrative Committee (VM 4 Jun 81 p 1)

Brig Gen Keo Douangsena
Chief, LPLA Logistics Department (VDS 23 Apr 0400 GMT)

Khamgnot
Member, Vientiane Province Party Committee; Secretary, Sikhottabong District Party Committee (VM 12 Dec 80 p 1) No mention in foregoing item of previously held post of Chairman, Sikhottabong District, Vientiane Province Administrative Committee (mentioned in VM 4 Oct 77 p 4)

Khamkheng Saignakeo
Secretary, Sayaboury Province Party Committee; Chairman, Sayaboury Province Administrative Committee; Chairman, Sayaboury Provincial Assembly (SP 10 Apr 81)

Khamla
School Director, LPLA Signal Training School, Vientiane (VDS 25 Feb 81 0400 GMT)

Brig Gen Khamphon Boutdakham
Vice Minister of Interior (VM 10 Dec 80 p 1)

Khamphon Pathammavong
Chairman, Chathabouli District, Vientiane Province Administrative Committee (VM 24 Feb 81 p 1)

Brig Gen Kithoummala
Deputy chief, LPLA Political Department (SP 21 Jan 81 p 1)

Maino
Chairman, Paklay District, Sayaboury Province Administrative Committee (SP 5 Jan 81 p 3)

Brig Gen Nakhor
Deputy chief, LPLA Quartermaster General Department (SP 21 Jan 81 p 1)

Nong Inthavong
Member, Vientiane Province Party Committee; Secretary, Saisettha District, Vientiane Province Party Committee; Acting Chief, Vientiane Province Propaganda, Information and Training Service (VM 21 May 81 p 1)

Nout
Acting Secretary, Phong Saly Province Party Committee; Chairman, Phong Saly Province Administrative Committee (KPL 29 Jan 81 p A 5)

Oudom Khattigna
Secretary, Xieng Khouang Province Party Committee (SP 12 Jan 81 p 1)

Pheo Saignavong
Secretary, Attopeu Province Party Committee (SP 23 Jun 81 p 2)

Philakhoun Phaphali
Secretary, Hatsaifong District, Vientiane Province Party Committee (VM 11 Dec 80 p 1)

Maj Phomma
Member, Vientiane Province Military Command; Chief of Staff, Vientiane City-Province Military Command (VM 24 Jan 81 p 4)

Col Saisompheng Sengsoulignavong
Office Chief, Ministry of Interior (VM 10 Dec 80 p 1)

Samlan Phomphiphak
Chief, Phon Hong District, Vientiane Province Public Security Service; member, Party and Administrative Committee in district (VM 4 Jun 81 p 1)

Maj Savang
Chief, Political and Propaganda Department, Vientiane Provincial Military Command (VM 24 Jan 81 p 4)

Seng Li
Deputy Party Secretary, Oudomsai Province Party Committee; Acting Chairman, Oudomsai Province Administrative Committee (SP 22 Jun 81 p 2)
Possibly identical to following entry:

Seng Si Hong
Acting Chairman, Oudomsai Province Administrative Committee (SP 20 May 81 pp 1, 4)

Sengchan Senchonghak
Secretary, Phon Hong District, Vientiane Province Party Committee (VM 12 Dec 80 p 1)

Maj Gen Siphon Phalikhan
Alternate member, LPRP Central Committee; member, Party Military Committee; Vice Minister of Defense (SP 20 Jan 81 p 1)

Sithamma
Secretary General, Union of Lao Residents in France, met Gen Sisavat Keobounphan (KPL 24 Dec 80 pp A 5, 6); name spelled Sithammalai in VM 26 Dec 80 p 1

Sivilai Soulivong
Member, Vientiane Province Party Committee, Chief, Vientiane Province Agriculture, Forestry and Irrigation Service (VM 5 Apr 81 p 1)

Sivon
Chairman, Keo-Oudom District, Vientiane Province Administrative Committee (VM 15 Jun 81 p 1)

Somchan
Chief of Staff, Phong Saly Provincial Military Command (KPL 29 Jan 81 p A5)

Soua Pao
Chairman, Hom District, Vientiane Province Administrative Committee; member, District Party Committee. He is a 58-year-old Lao Soung (VM 25 Apr 81 p 2)

Lt Col Souban
Chief, Propaganda and Training Office, Army General Political Department (VDS 1 Mar 81 0400 GMT)

Col Soutchai Thammasat
Chief, Cadre Organization Department, Ministry of Interior (SP 25 Feb 81 p 1)

Thongdam Manivong
Secretary, Vang Vieng District, Vientiane Province Party Committee; member, Vientiane Province Party Committee (VM 20 Dec 80 p 1)

Thong-in Thammakot
Deputy Party Secretary, Champassak Province Party Committee; Chairman, Champassak Province Administrative Committee (SP 2 Jul 81 p 1)

Thongmani Thiphommachan
Member, Vientiane Province Party Committee; member of Vientiane Province Public Security Service Command (VM 16 May 81 p 1)

Thongpen Souklaseng
Member, Vientiane Province Party Committee; Chief, Propaganda, Training and Culture Service of province (VM 15 Dec 80 pp 1, 4)

CSO: 4206/64

CULTIVABLE ACREAGE STATISTICS, COOPERATIVIZATION OF FARM LAND

[The following information was extracted from Vientiane publications SIANG PASASON [SP], VIENTIANE MAI [VM], KHAOSAN PATHET LAO [KPL] as indicated. The remarks include a brief summary of the salient information available in the news item.]

Location	Remarks
Paksan District, Vientiane Province	5,625 hectares of rice fields, 50 percent plowing completed (SP 25 Jun 81 p 2)
Saithani District, Vientiane Province	16,400 hectares of rice fields. District Administrative Committee Chairman in charge of promoting production (SP25 Jun 81 p 2)
Oudomsai Province	Has 9,712 hectares of wet rice fields of which more than 8,000 are in cooperatives (SP 1 Jul 81 p 2)
Ngoi District, Luang Prabang Province	One cooperative established with 47 families, land area not given (KPL 1 Jul 81 p A 3)
Nga District, Oudomsai Province	One cooperative set up with 72 families, 27 hectares of rice fields. Oudomsai Province now has 93 agricultural cooperatives (SP 30 Jun 81 p 1)
Kasi District, Vientiane Province	50 percent of the plowing finished, on total of 4,750 hectares of rice paddies. Labor exchange teams basic form of labor; some localities have gone to complete agricultural cooperatives (VM 30 Jun 81 p 1)
Phon Hong District, Vientiane Province	9,000 hectares of paddy rice to be planted this season according to plans (SP 29 Jun 81 p 2)
Phon Hong District, Vientiane Province	80 percent of paddy area transplantation completed (VM 29 Jun 81 p 1)
Champhon District, Savannakhet Province	Sowing of rice paddies 95 percent complete with more than 700 tons of seed (KPL 25 Jun 81 p A4)

Saithani District, Vientiane Province	Another six cooperative units established, involving 159 families, 199.8 hectares of paddy fields (SP 8 Jun 81 p 1)
Sam Tai District, Houa Phan Province	During this production season two cooperatives formed with 62 families, 450 people, 20 hectares of rice paddies (KPL 3 Jul 81 p A 1)
Luang Prabang District, Luang Prabang Province	More than 3,000 hectares of rice sown with more than 100 tons of seed (KPL 3 Jul 81 p A 2)
Chanthabouli District, Vientiane Province	More than 50 percent of the 656 hectares of rice paddies transplanted (VM 4 Jul 81 p 1)
Saisettha District, Vientiane Province	Plowing completed on 417 hectares of paddies and the transplanting is finished on 95 percent of the lowland, 70 percent on the higher land (VM 4 Jul 81 p 1)
Pathoumphon District, Champassak Province	Recently three more cooperatives formed with total of 124 families (KPL 4 Jul 81 p 4)
Thoulakhom District, Vientiane Province	Transplantation completed on 75 percent of 4,057 hectares of rice paddies (VM 7 Jul 81 p 1). District has total of 5,501 hectares of rice fields plus 1,921 hectares of upland fields (SP 8 Jul 81 p 2)
Saithani District, Vientiane Province	Completed transplanting on 1,067 hectares of a total of 14,198 hectares of rice paddies (VM9 Jul 81 pp 1, 2)
Champassak District, Champassak Province	During this production season, another 36 cooperatives have been set up. They include 2,220 hectares of rice paddies, 4,342 members, 870 draft animals (KPL 9 Jul 81 p A1)
Sikhottabong District, Vientiane Province	Transplantation, begun in June 1981, is now 65 percent complete out of a total rice paddy area of 19,860 hectares (VM 10 Jul 81 p 1)
Sanasomboun, Champassak Districts, Champassak Province	Completed transplantation of more than 11,000 hectares of rice paddies. This is 46 percent of the total. Sanasomboun District has transplanted 60 percent of its 13,113 hectares (KPL 13 Jul 81 p A4)
Nga District, Oudomsai Province	During this production season, another cooperative has been established with 65 families, 37 hectares and 63 draft animals (KPL 13 Jul 81 p A 5)

CSO: 4206/65

HOME MINISTER SEES PRC, USSR AS EQUALLY DIABOLICAL FORCES

Kuala Lumpur BUSINESS TIMES in English 3 Jun 81 p 20

[Text]

NOTING the Chinese communist threat to Malaysia and its neighbours, the Home Affairs Minister yesterday warned the free world leaders against making China "the sole restraining hand" against the Soviet Union in safeguarding South-East Asia's freedom.

For the United States and other world powers to fall for the Chinese ploy, Tan Sri Ghazali Shafie said, would be "letting the fox among the chickens" and a cause for despair in this region.

Speaking on the possible sources of insecurity during the Fourth Malaysia Plan at a business opportunities seminar in Kuala Lumpur, the Minister reminded the audience that China is dedicated to establishing a Marxist-Leninist proletarian dictatorship spiced by Mao Zedong's thoughts under the leadership of the Chinese Communist Party.

Any interactions with the outside world will continue to be regulated by the political system in spite of Mr Deng Xiaopeng's new "economics in command" motto, he argued.

"The only converging interest which the US and the West have with China is the Soviet factor," he stressed.

Admitting the "overwhleming" importance of this factor, he nevertheless hoped it would not be so blinding as to cause miscalculations over the true aims of China's hegemonism "and future unpredictable changes in China's policies."

In this light he said the transfer (by the US) of military equipment and high technology to China may be desirable "but it will have to be done with prudence without fostering a security threat to friends and allies (of the free world) in this region."

He pointed out that in dealing with the Communist powers, the US had obviously learnt a number of bitter lessons particularly over the period of the so-called detente "when among other things the assembly line for sophisticated diesel engines was shipped to the Kama River plant which produced the trucks and perhaps the tanks that recently rolled into Afghanistan."

Turning to the activities of Russia as another external source of insecurity in Malaysia and South-East Asia, Tan Sri Ghazali said like China, the Soviets too have their potential assets "ready-made for conspiratorial exploitation with their specialised methods for deception, disinformation, manipulation and penetration".

"The Soviets cannot be expected to sit idly while the Chinese Communist Party with its "sweet and sour fish" policy is making efforts at building its strength and influence in the region," he warned.

He continued: "Because of our awareness of the dangers to national security (posed by these) equally diabolical forces committed to the destruction of our free enterprise way of life, the government (despite its major successes) could never be complacent.

Tan Sri Ghazali added that together with such precautions, Malaysia has need for the best in the conduct as well as the substance of its foreign policy such as Zopfan (zone for peace, freedom and neutrality) and the Suharto-Hussein Kuantan declaration.

On threats from within the country, he outlined these in terms of overt as well as covert Communist activities, the extremist groups, dadah or drug addiction, crime and the isolated outbreaks of "the lunatic fringe" like the desecration of the Hindu temple at Kerling and the attack by Muslim extremists on a police station in Batu Pahat.

He gave the assurance there were no internal factors which should give rise to concern or feelings of insecurity during the period of the Fourth Malaysia Plan.

CSO: 4220/633

NO JOINT MILITARY OPERATIONS AGAINST MUSLIM REBELS IN THAILAND

Kuala Lumpur BUSINESS TIMES in English 15 Jun 81 p 6

[Article by Thaung Myine in Bangkok]

[Text] RECENT high-level meetings between Thai and Malaysian officials appear to have removed suspicions between the two neighbours on the prickly issue of minority Thai Muslims who had been fleeing across the border into Malaysia.

Two small groups of Muslims returned home over the weekend from the Malaysian frontier district of Kroh following a border meeting between Thai Prime Minister Prem Tinsulanonda and Malaysian Inspector-General of Police Tan Sri Haniff Omar.

Thai officials said later that more such groups would return to their homes soon.

Some 2,000 Thai Muslims fled to Malaysia last April to escape from frequent clashes between Muslim separatist rebels of the Pattani United Liberation Organisation (Pulo) and mainly ethnic Chinese guerillas of the Communist Party of Malaya (CPM) in Thailand's Betong salient.

The Muslim refugees also said they had been harassed by some Thai local officials who suspected them of supporting Pulo rebels who want a separate Muslim state in the border area.

Insistence of the Muslims that their safety be guaranteed by Thai authorities on their return home held up the repatriation until General Prem's visit to Betong and his meeting with the Malaysian police chief.

General Prem later told reporters that the problems in border provinces affecting both Thailand and Malaysia were caused by long-standing racial animosity between ethnic Chinese and Thai Muslims and by the activities of CPM guerillas and Muslim rebels.

He also acknowledged that the Muslims had been harassed by some Thai officials and promised to see that the officials changed their ways.

Thailand's population of 47 million is predominatly Buddhist. Its 4.5 million Muslims live mostly in southern Thailand in an area which was once a Malay sultanate.

General Prem expressed the hope that his trip to Betong might make the Malaysian government focus more attention on these problems in Thailand's border provinces.

He said that if left unresolved, the Muslim issue would lead to ethnic and religious polarisation in Thailand and also cause friction with Malaysia.

Thailand and Malaysia have a general border agreement which defines CPM guerillas as the common enemy to be jointly suppressed but the pact is silent about Muslim rebels.

The reason is that Malaysia considers the Muslim rebellion as strictly an internal affair to be dealt with by the Thais. Malaysia has taken this stand to resist pressure from militant Islamic groups to help the cause of Thai Muslims.

Malaysian Home (Interior) Minister Tan Sri Ghazali Shafie came here recently to attend an annual conference of the Thai-Malaysian Border Committee and said that Malaysia would not support any group working for dismemberment of any country.

But, he made it clear that Malaysia could not join Thailand in combined military operations against Muslim rebels. The armed forces of the two countries have mounted several joint drives against CPM guerillas.

"There are certain things which Malaysia can do and some things which it cannot do. Thailand had never asked Malaysia to do what we cannot do," Tan Sri Ghazali told reporters.

He reaffirmed that Malaysia was committed to helping Thailand resolve the Muslim minority problem but that to fulfil the commitment his country must have full options.

"Malaysia must have the credibility to speak outside, in the Muslim conferences and everywhere, to tell the story of Thailand," Tan Sri Ghazali said.

He disclosed that he had held detailed discussions with Thai Foreign Minister Siddhi Savetsila on how Malaysia could play an effective role in helping Thailand on the Muslim separatist problem in international forums.

Malaysia has so far helped block attempts to raise the Thai Muslim issue at gatherings of Islamic countries. — Reuter

CSO: 4220/633

ROYAL MALAYSIAN AIR FORCE MARKS 23RD ANNIVERSARY

Growth of Air Force

Kuala Lumpur NEW STRAITS TIMES in English 1 Jun 81 p 4

[Text]

THE Royal Malaysian Air Force had a humble beginning with just a Twin Pioneer aircraft named *Lang Rajawali* on June 1, 1958.

The force then had only 12 officers. It has now grown into a powerful arm of the Armed Forces with about 10,000 personnel serving in various bases throughout the country.

More than 100 aircraft of at least a dozen types are in service at present.

The force is expected to be strengthened to 18,000 by 1983.

The first pilots received their training in Chipmunk aircraft at the base in Sungei Besi, Kuala Lumpur in December 1958.

The base became fully manned by Malaysians in 1960, a year after the Chipmunks were replaced with Provosts.

As the defence needs of the country grew, five more bases were set up all over the country.

The base at Alor Star was set up in 1964 together with an aviation school where the Provosts from Sungei Besi were used for training flights. These aircraft were used from 1961 to 1975.

From 1971, the Bulldog proved useful for basic traning courses while the Cessna was used from 1975 for advanced courses.

Other bases sprang up in Labuan (1965), Kuching (1967) and Kuantan (also in 1967).

The Butterworth base was started under the watchful eyes of the Royal Australian Air Force in 1969.

In 1964, an engineering school was opened at Kinrara, Kuala Lumpur, to train personnel in aircraft maintenance.

Strategic

These were vital as they monitored the skies, for any sign of an air invasion, every minute of the day.

The schedules of all aircraft are decided at the Air Headquarters in Mindef, which is in constant contact with the aircraft.

A helicopter pilot training school came up in Kuala Lunpur in 1975 to train personnel using the Bell 47G Chopper.

Three years later, the school was transferred to Kluang, Johore, where it now turns out Chopper pilots and quatermasters.

As the number of aircraft grew, a depot for overhauling aircraft was set up at Subang in 1976.

The depot has advanced rapidly and is now able to produce its own spare parts for overhauling even supersonic aircraft. The RMAF will hopefully be making its own aircraft by 1985.

Presently there are at least a dozen major types of aircraft in active service.

The Bulldogs and Cessnas are used for training while the F1S fighter jets and Tebuans are for advanced flying courses.

The F28 jets are used for transporting VIPs both withing the country and outside.

The Hercules Charlie C130H has a daily shuttle service between Kuala Lumpur and Kuching and Kota Kinabalu.

It transports troops (92 passengers) and cargo up to 42,000 pounds on short legs. Six aircraft were purchased for $93.4 million.

The Caribou is a transport plane dropping supplies to troops while the Hercules PC130 is a maritime aircraft mainly used for patrols. It can stay airbourne for 19 hours.

The F1E are fighter jets capable of great speeds.

There three types of choppers in the force — the Alouette III being the most versatile and is mainly used for transporting VIPs and others from ship to ship or ship to land and is also useful for reconnaisance work.

Mercy

It is also a gunship and usually escorts the bigger Nuris.

Pilots receive four months training on the Alouette after finishing an eight-month course on the Bells.

The Nuris are very important for carrying troops to operational areas and transporting supplies.

They are also in demand for mercy flights, medicare and during disasters like floods where people have to be evacuated to safer areas.

These aircraft form the 14 squadrons of the force. They are named Squadron 1 to 14 and there is no Squadron 13, probably because of the obvious reason.

Here is a look at the various squadrons.

Squadron 1 (formed in 1958) grew up side by side with Britain's Royal Air

Force in Kuala Lumpur. They had 14 Twin Pioneers, which were later replaced by the Caribous in 1969.

Squadron 2 (formed in 1960) also in Kuala Lumpur had Doves (1960) and Herons (1963). These aircraft were scrapped in 1976.

The HS125 (Merpati) communications jet joined the squadron in 1970, followed by the F28s and the Cessna 402 in 1975.

Souadron 3 (1963) was initially set up in Kuala Lumpur but operations have now been transferred to Butteroworth. They have the Alouette III choppers.

Squadron 4 (1964) also in Kuala Lumpur used the Dart Herald planes until they were scrapped due to old age several years ago and the division dissolved.

Squadron 5 (1964) based in Labuan has more Alouette III helicopters.

Squadron 6 (1967) is based in Kuantan with the Tebuan jets (formely known as Canadair CL41G).

Squadron 7 (1968) is based in Kuching with the Nuri (Sikorsky 961) choppers. Seven of the aircraft were bought at $6.5 million each.

Squadron 8 (1966) has the Caribous based in Labuan.

Squadron 9 (1967) has Tebuans based in Kuantan.

Squadron 10 (1967) has nine Nuris based in Kuantan.

Squadron 11 (1969) was formed in Butterworth with Sabre jets which were later replaced with F1Es.

Squadron 12 (1975) has F5E and F5B jet planes based in Butterworth.

Squadron 14 (1976) consists of the Hercules Charlie C130H.

Training Center Under Construction

Kuala Lumpur NEW STRAITS TIMES in English 1 Jun 81 p 4

[Text]

THE RMAF's biggest and premier training centre is being built at Gong Kedak, near Pasir Puteh, Kelantan, at a cost of $1.4 billion under the Fourth Malaysia Plan.

Once completed in 1984, it will have a population of nearly 12,000.

When it is fully operational, the Kinrara aircraft engineering school in Kuala Lumpur will concentrate on technical training while the Gong Kedak base would offer advanced training in all military aspects, including supply, administration and flying courses.

The Kinrara school, which was set up 1963, now trains personnel in aircraft engineering, engines, radio engineering and administration.

At present it also trains police personnel in aeromechnanics to help them maintain the aircraft just acquired by the force.

The Ipoh based training programmes are also expected to be transferred to Gong Kedak in 1987.

Besides this ambitious Gong Kedak project, the overhaul depot at Subang is also to be expanded under a $50 million programme.

The base is being built on a 200 acre site.

Objective

The RMAF's main objective is to provide a sound foundation for the development of a future national aeronautical industry in our country.

A manufacturing workshop would be set up to fabricate airframe and aircraft parts as well as components while aircraft assembly facilities are also on the drawing board.

Eventually the depot is expected to be capable of designing and manufacturing light aircraft and helicopters.

The depot would be expanded to do repair and overhaul of more engines and aircraft equipment, including major airframe refurbishing repair and modification tasks.

The A-4 Skyhawks are expected to be assembled locally there in the near future to increase the technical competence of the RMAF personnel.

Overseas

It was also reported recently that four major aircraft manufacturers were competing to set up an aircraft assembling plant at the Subang base.

The Subang base will have more operations because the Sungei Besi base is becoming hazardous for operating bigger aircraft.

However, the Air Headquarters and Air Support Command controlling movement of RMAF aircraft would continue to be stationed at Sungei Besi, Kuala Lumpur.

The RMAF training school in Kluang will also become another full-fledged airforce base.

An initial $5.5 million has been received for the carrying out various projects there.

The helicopter training centre set up in Kluang in 1979 is the first of its kind.

About $2 million has been allocated for expansion of facilities at the Kepala Batas (Alor Star) training school as well and more men are also being sent overseas for training as part of the expansion project.

About $2.2 billion is expected to be spent on strengthening the force during the Fourth Malaysia Plan.

Part of the amount will be used to equip our airmen with the latest knowledge of piloting new planes and improving their technical skills.

More than 500 men are now in the United States studying aircraft maintenance and attending other courses. Another 100 to 300 are in the United Kingdom, Autralia, India and Pakistan.

Last year the Air Force recruited 200 women for the first time. They form only one per cent of the total strength.

The RMAF expects to take in 1,200 women this year and hopes to increase the woman's participation to four per cent of the total strength.

Quality

About 2,400 recruits are being churned out at the training centre in Kuala Lumpur. Others are being trained at Port Dickson and other RMAF installations.

However as the Chief of Defence Forces Jen. Tan Sri Ghazali Mohamed Seth has said, we must keep in mind not to overlook quality in our drive to train more men.

Pains are being taken to ensure that the traning standards are kept high and that there is strict discipline among all members of the force.

Purchase of Skyhawks

Kuala Lumpur NEW STRAITS TIMES in English 1 Jun 81 p 5

[Text]

THE RMAF will be the first to engage the enemy if the country is attacked from outside.

Therefore it is essential that the country has a modern, well equipped and efficient force to face the challenge of the future.

With this in mind, the Government has announced it would spend $2.2 billion on expansion of the air force during the Fourth Malaysia Plan period from now until 1985.

This will include the purchase of the US-made Skyhawks.

Malaysia hopes the withdrawal of the 38 Mirage jet fighters from Butterworth by the RAAF would coincide with the setting up of the A-4 Skyhawk fighter bomber squadron.

Although Canberra has informed us about its decision to withdraw its Mirage squadorons, the withdrawal schedule has yet to be decided.

The Defence Ministry has said the withdrawal will not affeect Malaysia's air defence system.

Two bids

A large part of the country's defence capability is based on the Integrated Air Defence System (IADS) under the five-power defence pact still in effect.

Malaysia is reported to be buying the aircraft at a cost of $1.039 million and the first delivery is expected later this year.

The first Skyhawk squadron is expected to be based in Kuantan.

The *Asian Aviation* magazine said in April that two American aerospace companies were vying for the $440 million contract to refurbish and equip 68 ex-US Navy Skyhawk fighters for the RMAF.

The magazine added that it would take several months for the Malaysian Government to evaluate the two bids and a decision was expected only later this year.

The contract involves the conversion of 88 Skyhawks into 54 single-seat fighters and 14 two-seat trainers over a 3½ year period, followed by a 12-year commitment to provide technical and maintenance support for the aircraft.

The Skyhawks are at present mothballed at the US Air Force base in Arizona.

The work, according to the magaizine, is to be carried out in two phases.

The first includes the turning out of 48 aircraft — 34 fighters and 14 trainers — over a 2½ year period.

During this time, the RMAF will send 75 technicians to the U.S. to work on the air frames and engines, plus trainee pilots and a technology transfer team.

The second part could require an additional 20 aircraft to be assembled from refurbished parts at the RMAF's overhaul and maintenance base at Subang.

New Skyhawaks would cost between $14 and $15 million, compared to only $7.5 million for the refurbished ones.

The first Skyhawk squadron would replace the old Tebuans by next year while another squadron of the fighter jets would operate in 1983 or 1984.

Studies have shown that the 14-year old Tebuans were still safe for training and the RMAF cannot stop using them at once as it would affect their pilot training programme.

The Tebuans (eight have crashed since 1967) costing $2 million each, will be phased out in stages by 1983.

The RMAF would purchase six advanced jet trainers up to 1983 and six more after that.

The Bulldog aircraft would be replaced by more modern turbo trainers for basic flight traning purposes by 1983.

These will have better training facilities including armament equipment now lacking in the Bulldog.

The RMAF hopes to train about 120 pilots yearly to cope with its expansion plans.

In April the RMAF took delivery of another Hercules C130H aircraft. It will join two other similar aircraft being used in maritime patrol operations.

The Hercules is operated by a seven-man crew, with equipment for detection, identification and interception of maritime surface patrols.

The aircratf can ply at high altitudes to search large areas or at low altitudes for detailed surveillance to intercept "questionable" inbound vessels.

The RMAF also has a fleet of six transport Hercules C130 delivered in 1976.

Overhaul Depot

Kuala Lumpur BUSINESS TIMES in English 4 Jun 81 p 6

[Excerpts]

MANY may have noticed the hive of constructional activities which will culminate in a giant military complex next to the Subang International Airport.

The 55-acre complex accommodates the RMAF overhaul depot which will be officially opened on June 6.

Also known as Airod, the depot will provide support to the RMAF's operational activities by overhauling and repairing engines including airframe, avionics and specialist vehicles.

It is also one of the logistics units under the newly-formed RMAF Support Command specially designed to enhance the RMAF's capabilities to support itself in the areas of training and logistics.

Growing rapidly since it began operations in 1976, the depot is acquiring more land for its expansion programme designed to make it self-reliant.

Under the programme, a manufacturing division has been established to produce specific spares for RMAF aircraft.

It is also expanding the capabilities of all production divisions to encompass more component and item types. For instance, more types of aeroengines will be inducted into the aeromechanical division for overhaul and repair.

Before the formation of Airod, the RMAF was completely dependent on overseas facilities for major repairs and overhaul of its aeroengines, airframe and other electrical components.

When sophisticated aircraft were introduced into the RMAF the maintenance costs became increasingly prohibitive.

This was mainly due to the escalation of expertise and labour costs abroad and freight and handling charges which cost the government millions of dollars.

Even the planning and development of the depot was undertaken entirely by RMAF personnel.

At present the depot is an independent unit within the RMAF under the command of an engineer who holds the rank of colonel.

It has four divisions — the aeromechanical aircraft, electronic and aerospace ground support divisions.

The aeromechanical division is equipped with modern facilities for the repair and work of parts to support aeroengine and airframe components overhaul.

It is also equipped with sophisticated testing equipment and a variety of precision measuring equipment to test and accomplish the visual and dimensional inspection of parts to ensure that various tolerances and limits are set.

With these facilities, the aeromechanical division has the full capabilities to repair and overhaul general electric engines as well as the Alouette III and Sikorsky.

Since its inception, the division has overhauled and repaired more than 400 engines and 1,200 components.

Plans are under way to undertake the repair and overhaul of Hercules aircraft, aircraft propellers and hydraulic components.

The electronics division, already in full operation, was established to cater for the repair and overhaul of aircraft electrical instruments, communication and radar equipment.

The precision measuring equipment laboratory at the RMAF base, Kuala Lumpur, is responsible for the calibration and repair of all electrical and mechanical precision measuring equipment in the RMAF.

The ground radio overhaul flight has been upgraded and is now responsible for the repair, overhaul, on-site servicing and calibration of airfield navigational aids and communication equipment.

The division is undertaking the overhaul of most of the RMAF avionic equipment.

On the other hand, the aircraft division, otherwise known as the technical support unit, was established in 1967 with limited functions such as straightforward assembly of aircraft and trial installation.

The division is now able to provide a side range of in-depth engineering support to the RMAF fleet of aircraft.

Among its functions are aircraft crash recovery and salvages, refurbishment of old aircraft, fuel tank repair or non-destructive testing of aircraft structures.

Plans are afoot for the division to undertake manufacturing of the non-stressed frames and spares. A new hangar is being built for this division in Subang.

The aerospace ground suppport division is a newly-established division which will undertake, for the first time, the repair and overhaul of RMAF aerospace ground equipment such as aircraft starting trolleys, hydraulic test rigs and the like.

With the establishment of this division, prolonged and more economic usage of these types of ground equipment and vehicles is ensured.

CSO: 4220/632

ANNUAL OPENING OF OFFSHORE AREAS FOR OIL EXPLORATION

Kuala Lumpur BUSINESS TIMES in English 12 Jun 81 pp 1, 20

[Excerpt]

PETRONAS plans to open up two or three new offshore areas for exploration each year to locate additional petroleum reserves so that the country will be able to postpone the day when it becomes a net importer of crude oil.

Without additional reserves, Malaysia is expected to become a net importer of oil by about 1985, according to Encik Hashim Salleh, special projects department's manager of Petronas. As at Jan. 1 this year, the country's oil reserves were estimated at 1.97 billion barrels and about 30 trillion standard cu ft of natural gas.

Encik Hashim outlined these and other programmes when presenting a working paper at a seminar on industrial development in Trengganu in the state capital. The seminar ended on Wednesday.

He said that in Trengganu alone, approximately $3 billion will be spent on gas related projects in the next 10 years. Encik Hashim called on local and foreign investors, in particular Bumiputras, to take advantage of these massive developments.

Elaborating on oil and gas exploration activities, Encik Hashim said in view of the importance of drilling rigs, the national oil company is presently examining the feasibility of purchasing them.

For a start the company hopes to purchase a jack-up rig and a drillship.

Due to the complex nature of the business and high technology involved, said Encik Hashim, it may be necessary for Petronas to invite foreign capital and expertise.

But for simpler activities like the operation of supply vessels, priority will be given to local entrepreneurs. Encik Hashim noted that at present supply vessels servicing Malaysia's offshore oilfields are foreign-owned.

The major oil and gas related projects earmarked for Trengganu include a gas-fired power station, whose construction is being handled by the National Electricity Board, a crude oil terminal, a supply base and an oil refinery.

With the development of gas, Trengganu also holds the potentials of hosting such industries as methanol and ammonia plants, ceramics, cement manufacturing, glass and brick making and the manufacture of carbon ck and nitroparaffins.

As some of the projects currently being planned or undertaken will come on stream before the completion of the NEB power station in 1984, Petronas will build and operate its own power station to meet the requirement.

The fuel for the proposed power station will be the "boil off" gas derived from the crude oil terminal.

At the retailing end, Petronas which entered the kerosene, diesel and LPG market in 1979, is expected to start marketing motor gasoline (petrol) as well. Its first permanent station is likely to be opened this month.

Altogether Petronas is planning to open 146 stations by 1985. (Oil marketing companies had claimed that unless Petronas made clear its stand on oil product retailing, they might not be able to plan their own expansion).

Referring to Trengganu, Encik Hashim said that large scale development of gas will act as catalyst for the industrial development of the state.

CSO: 4220/633

CARIGALI'S AGREEMENTS WITH FOREIGN OIL COMPANIES

Kuala Lumpur BUSINESS TIMES in English 15 Jun 81 p 6

[Article by A. Kadir Jasin]

[Excerpts] A CASUAL observer taking a look at Petronas Carigali Sdn Berhad, a wholly-owned exploration and development company of Petronas, may conclude that it is moving backward.

This is because with each new venture it enters into, its participation becomes smaller and smaller. But both Carigali and its parent company have a good reason for adopting this course.

Immediately after it was formed in 1978, Carigali was faced with the task of having to take over a 7,400-sq mile exploration area relinquished by a consortium headed by Continental Oil Company (Conoco) in August that year.

The speed with which it all happened forced Carigali to undertake the development of the contract area all by itself. The company is committed to land the gas by 1984.

Therefore, in the subsequent contracts, Carigali has sought to cover itself from the high risk of oil exploration and development by not only reducing its participation but also by seeking the best possible financial and monetary terms.

This has resulted in Carigali deciding to become an equal partner in a joint operating arrangement with British Petroleum (BP) further to explore and develop a 1,000-sq mile contract area initially held and explored by Oceania off the coast of Sabah.

In a more recent development, Carigali is believed to be planning to acquire a 15-per cent "riding interest" in two exploration blocks that Petronas is offering to three foreign oil contractors.

Petronas chairman Tan Sri Abdullah Salleh, said recently that exploration Block 1 would be awarded to Cities Services of the US and Idemits of Japan and Block 3 to Elf Aquitaine of France. Production sharing agreements for these blocks are expected to be negotiated soon.

Block 1 covers 6,280 sq miles and Block 3 extends over 4,884 sq miles. They are situated to the north of Kuching. Block 3 shares its eastern boundary with Central Luconia gas fields belonging to Sarawak Shell.

By riding interest it is understood that Carigali does not have to contribute funds to explore the two areas. But if oil or gas is discovered, Carigali will be eligible to share 15 per cent of the output.

In the search of appropriate technology, Carigali has entered into several technical and engineering agreements with a number of international companies.

It's earliest known cooperation was with British National Oil Corporation (BNOC) which assited in pre-planning of oil and gas drilling to confirm the potentials of the two commercial discoveries made by Conoco.

For actual drilling of the fields — Duyong (gas) and Sotong (oil/gas) Carigali is being assisted by BP under a technical agreement. Four confirmation wells have been completed and the drilling rig *Ocean Digger* has moved to Sotong.

More recently, Carigali appointed Crest of the US as its engineering consultant for the gas production facilities. Crest is presently doing conceptual engineering to determine the type of design most suitable for the kind of gas found at Duyong.

The first customer for the gas is the National Electricity Board which is building a gas fired power station at Paka in Trengganu. The proposed power plant will have an initial capacity of 450mw and an ultimate capacity of 900mw.

To produce the gas from Duyong, several platforms and infield pipelines will have to be established. Similar facilities will be required for Sotong which, although an oilfield, has extensive reserves of associated gas.

The gas tapped from these fields will be transported to the coast of Trengganu via a 100-mile pipeline. To economise the use of resources, negotiations are in progress on the proposed link-up of the Carigali production facilities with the one being planned by Esso Production Malaysia Incoporated (EPMI), which holds a contract to the area in the north.

The proposal calls for the establishment of a gas collection network within the EPMI contract area. This network will then be connected to that of Carigali and subsequently to the shore facilities.

The shore facility will include a gas processing plant capable initially of treating 130 million standard cu feet per day of natural gas and ultimately 400 million cu feet a day. This plant is expected to cost $200 million.

A similar arrangement is being considered for crude oil as EPMI, which is currently producing in excess of 100,000 barrels a day from offshore Trengganu, plans to construct a pipeline to the land the oil.

Crude oil from EPMI contract area is currently loaded onto a storage tanker. But with rising production, an onshore storage facility is deemed essential. If this materialises, oil from the Sotong field could be transported through the EPMI system.

The proposed pipeline will be about 127 miles long and will have at the end of it a storage facility capable of handling two million barrels. These facilities are expected to be ready by the end of 1982.

CSO: 4220/633

SOUTH KOREAN FIRM WITHDRAWS FROM SABAH SPONGE IRON PROJECT

Kuala Belait BORNEO BULLETIN in English 13 Jun 81 pp 1, 52

[Excerpts] KOTA KINABALU.—Labuan's $450-million sponge iron project is going ahead, despite disclosures that South Korea's Daewoo Industrial — one of the original major partners in the scheme — is pulling out.

Last week's Bulletin described how Daewoo was to take 30 percent of the shareholding in the Sabah Iron and Steel Company, the firm that will run the industry and was to buy half the factory's output as raw material for conversion into steel in its Korean mills.

A government spokesman for the project confirmed for the Bulletin this week Daewoo did tell Sabah officials of its intention to withdraw at a recent meeting — although the decision has yet to be put in writing.

A memorandum of understanding between Daewoo and the Sabah government last year gave the South Korean company the option to take up to 30 percent of the shares and and half the output if the project proved viable and if both Daewoo and Sabah still wished to be partners.

But Daewood subsequently lost interest after losing out to Voest Alpine, of Austria, in the bid for the $326m contract to build the sponge iron plant at Rancha Rancha on Labuan.

The choice of Voest Alpine was announced on April 10 and the contract between the company and the Sabah government was signed on Mav 19.

The deadline for Daewoo to take up its option has now passed and the South Koreans will no longer be given preference if they want to buv the sponge iron, said the spokesman.

He added that replacing Daewoo with other investors and buyers "should not be a problem."

The Heavy Industries Corporation of Malavsia (known as Hicom), owned by the federal government, has already said it will take at least some of the shares turned down by Daewoo. Hicom has been seen as a minor investor since the early planning stages but now seems to be a major one, although its share of Sabah Iron and Steel has yet to be determined.

The corporation will make a natural partner for the Sabah government (which owns 51 percent of the sponge mill scheme) as Hicom was created to operate an integrated steel mill in Peninsular Malavsia.

That project includes a sponge iron plant in Trengganu with the same capacity as the Labuan operation to provide all the raw material needed by its associated steel-producing mills.

The Trengganu project is scheduled for completion in mid-1984, just half a year after Sabah's effort is due to start producing.

The spokesman said that if Hicom does takes 30 percent ownership of Sabah Iron and Steel, the state government must still find buyers for 14 percent of the equity (the other five percent has already been taken by Voest Alpine).

That 14 percent is likely to be taken by investors from Singapore, Thailand, Japan and the Philippines, added the government official.

He mentioned that the problem of finding buyers for the sponge iron could be solved soon if negotiations with a European trading company succeed. This company has indicated it would like to buy the mill's entire output for resale to steel-makers world-wide.

If these negotiations break down, there are several other potential customers each interested in 20 to 30 percent of the output.

CSO: 4220/633

TIN INDUSTRY NEEDS ALL THE HELP THE GOVERNMENT CAN AFFORD

Kuala Lumpur BUSINESS TIMES in English 2 Jun 81 p 6

[Article by Ho Sook Han]

[Excerpts]

AT LAST week's annual general meeting of the States of Malaya Chamber of Mines, chamber president Rahim Aki left little doubt that the tin industry was in bad shape, reeling from the twin blows of rising costs and declining prices.

Tin prices have indeed been falling since March last year but amid the current gloom, it seems forgotten that the long-term price of the metal, unlike those of other mineral commodities such as lead, zinc, iron ore and manganese, has been going up.

In view of the favourable long-term price trend, tin consumers — mainly the developed countries — argue that producers should stop agitating for higher prices; they should take the lean years with the fat.

But producers — all except Australia are developing nations — counter that tin, like oil, is a non-renewable resource and prices should reflect this fact. Producers are worried by the fact that tin reserves will be fully depleted by the year 2020.

Malaysia, the largest producer, accounting for 44 per cent of the production of the seven tin majors, is expected to have reserves which will last only 34 years more, according to estimates by the International Tin Council.

In Malaysia, tin's contribution to government revenue through foreign exchange earnings last year rose to $2,505, about eight per cent up from the previous year's $2,315 million.

Taking into accounts the $545 million collected through export duty, the industry accounted for 21 per cent of the country's total revenue. Its share in the total of merchandise exports has declined, however, from 19.6 per cent in 1970 to 8.8 per cent in 1980.

Producing countries have to contend with the fact that tin mining is becoming more and more uneconomic as a result of the narrowing gap between production cost and selling price.

While prices have fallen to the lower reaches of $1,650-$1,815 range, production costs of the energy-intensive mining industry continued to rise.

In Malaysia last year, the average production cost rose by more than a third to $1,627 per picul for gravel pump mines which account for more than half the country's production.

With the inclusion of export duty, the average production costs rose to $2,112 per picul. These figures, however, have yet to reflect the higher charges for electricity which account for more than a quarter of the production costs for gravel pump mines.

In order to develop Malaysia's tin and other mineral resources fully, miners want the government to dispense with the export duty and implement a tax system based entirely on profits.

The idea is conceptually sound but is less appealing when weighed against the benefits of an export duty, which is based on fact that tin is a depleting resource.

The government is seeking not just a share of the profits from tin but also a premium from the buyers in the developed countries in return for selling a non-renewable resource.

Last year, the government also helped the industry by raising the threshold price for calculating the tin export duty from $1,200 to $1,400.

Miners have frequently appealed for subsidised power rates, arguing for a 20 per cent discount on electricity charges in view of the importance of their industry to the national economy.

But such concessions should not be granted in view of the fact that the end product is almost wholly exported.

Why should Malaysia indirectly subsidise tin consumers of the developed countries, particularly when they themselves have partly contributed to higher production costs through more expensive capital equipment such as dredges?

While there is no reason for giving subsidies, the government could offer other incentives and reliefs to encourage the exploration for tin and other minerals.

There is scope perhaps for reducing the tax on tin profits to a flat rate of 10 per cent, as miners have suggested. The rate was increased last year from 12-and-a-half per cent to 15 per cent because the government thought that the new "cost plus" formula for export duty would lead to a fall in the duty revenue. (Under the formula, duty would be imposed only at prices above the prevailing cost of production.) This, Encik Rahim pointed out, did not happen and revenues from the duty went up to $545 million.

And, unless fiscal incentives are adequate, investors will not commit themselves to the high risks and large capital outlay involved in prospecting and mining mineral deposits in general and non-alluvial deposits, in particular.

The future of the mining industry, as Encik Rahim said, lies in the development of lower-grade ores and less-accessible mines.

As the cost of finding and exploiting new mineral deposits will be high, miners will have to be given all the aid the government can afford.

CSO: 4220/633

AFGHAN REFUGEES BECOMING PERSISTENT PROBLEM

Paris LE MONDE in French 7 Jul 81 p 5

[Article by Patrick Frances]

[Text] Today more than 2 million Afghan refugees have arrived in Pakistan since the communists took power in Kabul on 27 April 1978 and Soviet forces entered Afghanistan on 27 December 1979.

Following the failure of the alliance formed at the prompting of the Islamic Conference, the groups of Afghan underground fighters based in Peshawar in Pakistan, who represent only a part, and not the most progressive part, of the resistance movement--which incidentally is very fragmented in the field--are currently trying to unite in their efforts to drive out the Soviet "invader." There are still great differences between the two main lines of thought currently prevailing among the leaders in exile--the moderates and the Moslem fundamentalists--and they concern in particular the issue of American aid.

Our special correspondent in Pakistan, Patrick Frances, presents in a series of three articles the problems raised by the arrival of such a high number of displaced persons and the organization of the resistance movement.

Peshawar--On 31 May 1981, a census showed nearly 1.7 million Afghan refugees officially registered by Pakistani authorities in North West Frontier Province. On that same date, there were about 400,000 in neighboring Baluchistan Province. Those figures back up Pakistan's claim to have the heaviest concentration of officially registered refugees anywhere in the world, and the situation represents an increasingly heavy financial burden for Pakistan.

F.R. Safi, assistant commissioner for Afghan refugees, says: "It's a race in which we are always behind." The day before in Islamabad, Brigadier General Azhar, the chief commissioner, had been commenting to us concerning the graphs and statistics decorating the walls of his office. From November 1979 to November 1980, the number of Afghan refugees rose from 314,600 to 1,309,500--an increase of nearly 1 million in 1 year. On an average, the monthly increase at the time was 83,660. During the first 2 weeks of January 1981, the figure was over 72,000 for the two provinces taking in the most refugees.

There is no better illustration of the extent of the problem than those graphs we saw in an office of the UNHCR (UN Office of High Commissioner for Refugees) in Peshawar. Those for the districts of Peshawar and North Waziristan, for example, are literally "exploding."

In the field--in the district of Peshawar, for example, which is sheltering the largest number of refugees (more than 300,000) and where Pakistani authorities have decided to suspend registrations in order to encourage new arrivals to settle elsewhere--the runaway tide is generating discouragement but also a certain amount of pride.

Safi said: "Elsewhere in the world it may be possible to cope, but here the situation is uncontrollable." He admits: "Our plans are constantly out of date, and due to the lack of personnel and administrative sluggishness, the number of refugees has already doubled before those plans go into effect. But even so"--and here visible pride shows through--"foreign visitors generally acknowledge that, given the means at our disposal, we are working miracles."

Fraud and Corruption

Fraud? Corruption? "There is no country without such unfortunate occurrences when aid as sizable as this is involved," noted Roman C. Kohaut, head of mission, but he immediately deplored the fact that such an issue was being made of facts that could just as well be true of Thailand or Somalia.

People at the Peshawar office of the UNHCR are both more annoyed and even more pragmatic: "The words 'fraud' and 'corruption' are totally inadequate for describing a situation in which underadministration and tribal hierarchy explain and excuse many things." That is the substance of what they say.

The same realism exists on the Pakistani side. Brigadier General Azhar admits: "It would be dishonest of me to tell you that such schemes are not going on." But he denies that there is fraud or corruption "on a large scale."

Asking the same question of Safi in Peshawar brought a long silence and an icy look. Was it an embarrassing question? No, an insulting one, because let us not forget that here we are among Pathans, whether they be Pakistanis or Afghans. His answer had two parts. First the thunder: "With respect to those found guilty of fraudulent activities, we will make no compromise. They will be answerable to military justice--to courts-martial--and they deserve to go to jail and to receive a few blows with the whip."

Then came the speech for the defense and the mitigating circumstances. "Don't forget that at the beginning, we had to cope with this sizable influx with just a handful of government officials who were already overburdened with the tasks assigned to them." There was the case, for example, of a single official, helped by two assistants, who was put in charge of from 30,000 to 40,000 refugees. "In those conditions, how can you expect to exercise effective control over registration and detect double registrations?" Safi went on: "So we decided last September to reorganize the refugee administration completely so as to have the situation totally under control within 6 months--including both registration and the distribution of Pakistani and international aid."

It was decided, first of all, to beef up the staff considerably: from 5,000 to 6,000 people were specially recruited. The second decision was to set up smaller basic units--that is, villages or tent cities with a maximum of 5,000 people or 1,000 families, each of which will be administered by about 30 people. The objective: to know each refugee personally within those units.

Parallel with that important administrative reform, there will be a policy aimed at preventing the establishment of refugee camps less than 10 kilometers from the Afghan border. It is recognized, of course, that refugees have settled in tribal areas where the Pakistani central government cannot intervene, but it is asserted that in such cases, they receive no aid. Spokesmen for the UNHCR are more moderate in their remarks. While they understand the Pakistani concerns (to prevent the refugees from being the victims of reprisals), they say they are incapable of simply cutting off food supplies for the women and children living in those areas. The United Nations has decided, however, to give the Pakistani Government financial assistance to help it enforce that policy. A subsidiary problem, but one which is nevertheless a matter of growing concern to Pakistani authorities, is the presence of some 3 million animals belonging to the refugees. The damage they do constitutes a serious threat to a natural environment that is already very fragile. The UNHCR acknowledges the gravity of the problem but admits that it is powerless on that particular point.

The same powerlessness, or something close to it, exists with respect to another problem that Afghan adults[1] are becoming more aware of every day: that of employment. One official at the UNHCR observed: "As time passes, they realize that they are not going to go home tomorrow and that they will consequently have to find work. It is up to us to support all their efforts, but we must also take local Pakistani unemployment into account and avoid creating problems. This considerably limits our action." He explained that generally speaking, "whatever we offer to the refugees, we must also offer to the local population. That is what we are doing, for example, in the health field."

Since the number of Afghan refugees is increasing constantly (and it is emphasized that "it is one-way traffic"), the financial burden being imposed on the Pakistani Government is growing steadily greater. The average monthly cost of a family of refugees (about 10 persons) amounts to $150. In 1980, an overall sum of $200 million was spent, half of it provided by contributions from the international community--that is, the UNHCR, the World Food Program, and national and private humanitarian organizations.

Of the approximately $100 million thus expended by Pakistan, the lion's share consisted of the payment to each officially registered refugee of a monthly allowance of 50 rupees.[2] That allowance cannot exceed 500 rupees per family. It was reduced from an initial amount of 120 rupees after the World Food Program went into operation, since that program now provides each refugee with a monthly ration of food.

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1. According to official statistics, 28.3 percent of the Afghan refugees registered as of 15 January 1981 were men, 28 percent were women, and 43.7 percent were children under 12 years of age.

2. One Pakistan rupee = 0.45 French franc.

While those rations seem to be distributed quite regularly, especially in the case of wheat and sugar, the same is apparently not true of the Pakistani monthly allowance. The latter had not been paid for several months at the Kacka Garhi camp on the northern outskirts of Peshawar (18,000 persons) when we visited there. But it is true that while the Pakistani Government intends to respect its generous commitments, doing so is going to cost it a cool $90 million in 1981. So it is easy to understand the urgent appeals being made by Pakistan to the Islamic community.

In addition to the payment of that allowance, the Pakistani Government is also in charge of forwarding international aid, most of which arrives at Karachi: some 500,000 tons of miscellaneous products in 1980. That represents a sizable expenditure, since Quetta and Peshawar, the two main distribution centers, are located 500 and 1,000 kilometers respectively from that port.

Lastly, Pakistani authorities are thinking of paying financial compensation to the owners of land occupied by the Afghan refugees.

Some people say that such a measure is indispensable if the government does not want a feeling of hostility toward the refugees to develop among the local inhabitants.

In one office, some of the figures posted on a board--the highest--show the percentage of refugees in relation to the total population of the receiving districts. In some cases--Kurram and North Waziristan, for example--it is on the order of one-third. In Baluchistan, in the district of Chapai, it exceeds 40 percent.

When one examines the figures, confides one UNHCR official, one always expects problems to appear at some point, but what is thought to be the "critical threshold" is passed every time. One is forced to note that so far, Islamic hospitality and Pathan fraternity ("they have never stopped fighting among themselves, but they form a common front in adversity") have been more than words.

11798
CSO: 4619/12

RELIEF TO AFGHAN REFUGEES ESTIMATED AT RS 400 CRORE

Karachi MORNING NEWS in English 22 Jul 81 p 1

[Text] Rawalpindi, July 21: An annual amount of Rs. 400 crore is being spent on humanitarian relief to Afghan refugees in Pakistan, half of it provided by international agencies and the rest met by Pakistan from its own limited resources, the Chief Commissioner for the Refugees, Brig. Saeed Azhar was quoted as saying today.

The PTV quoted him as saying in an interview that there were about 23 lakh Afghan refugees in Pakistan and their number continued to grow. This number is confirmed by the United Programme and other international organisations, he added.

Brig Azhar said the average monthly increase in the number of Afghan refugees last year was 80,000 while this year it had doubled.

The Afghan refugees are lodged in more than 300 tented villages in the North West Frontier and Baluchistan provinces, he said, adding that besides accommodation and clothing, they are provided with edibles, including wheat, edible oil, dried milk, sugar and tea, monthly allowance of Rs. 50 per head to meet other necessities, drinking water facilities, medical treatment, educational facilities and limited opportunities for employment.

He said adequate arrangements had been made to distribute relief among the refugees, and efforts to guard against any pilferage had produced satisfactory results.

The international organisations are fully satisfied with the relief distribution work and they have praised the spirit and services of Pakistan Government, he added.--APP.

CSO: 4220/362

EXPENDITURES PLANNED FOR TRIBAL DEVELOPMENT

Karachi DAWN in English 22 Jul 81 p 3

[Text] PESHAWAR, July 21: Over Rs 83.36 million will be spent by the Federally Administered Tribal Areas Development Corporation on the implementation of various socio-economic development schemes, during the current financial year.

The current year's allocation shows an increase of 22 per cent over the last year's budgetary development provisions. Over Rs 66.1 million will be spent on the water sector in which 22 schemes, including sinking of 75 tubewells will be implemented.

The break up of this allocation under various sectors is as follows: Water Sector Rs 66.100 miillon; industriai sector Rs 8.730 million mineral sector Rs 3.150 million; physical planning and housing Rs 4.882 million, and agriculture sector Rs 0.500 million.

Under the water sector 22 schemes including 75 tubewells would be completed bringing 4121 acres as of new area under irrigation besides supplies to 5737 acres as of existing irrigated areas.

INDUSTRIAL SECTOR

Under the industrial sector, oil-expelling and refining plant in Bajaur Agency would be completed. Survey and investigation for preparing industrial projects continue and work on a few new industrial units would be started.

Investigation for minerals will continue and economic minerals would be exploited.

Accommodation, both residential and office, would be provided where it is not available at present.

Under the agriculture sector feasibility for establishment of agriculture and livestock farms would be examined. Such venture would be undertaken in case feasibility is determined.

The Corporation has already utilized Rs 64.174 million out of an allocation of Rs 68.524 million in the last financial year on irrigation, industries and minerals development schemes, 28 irrigation schemes were completed at a total cost of Rs 55.011 million.—APP.

CSO: 4220/362

KUWAIT AID FOR PAKISTAN PROJECTS NOTED

Karachi DAWN in English 21 Jul 81 p 10

[Text] ISLAMABAD, July 20: The Kuwaiti Government recently agreed to finance several social sector projects in Pakistan's backward areas by extending loans amounting to about 70 million dollars. This is apart from 144 million dollars in three other major projects, including a joint venture — Kuwait-Pakistan Holding Company and 130 million dollars as support to Pakistan's balance of payment position.

It was authoritatively stated here today that the Kuwaiti Government offered loans for several social, sector projects, including three for Pakistan's under-developed areas, following the discussion the Amir of Kuwait had held here last year. This covers part of the Baluchistan development programme requiring foreign assistance.

The Kuwaiti Government had provided 44 million dollars for Guddu-Karachi Power Transmission lines and 25 million dollars for consultancy to the railways. Three projects for which the Kuwaiti Government has pledged assistance relate to provision of natural gas pipeline to Quetta, rural electrification programme and drinking water facilities for Quetta. It has also offered 11 million dollars for a Fauji Foundation fertilizer factory in Punjab.

The Quetta gas pipeline project is expected to get assistance of 34.7 million dollars and the rural electrification project, which will provide power to 150 villages, 500 tubewells and small scale industrial units, will receive 15 million dollars out of the Kuwaiti Development Fund. An agreement for the 11 million dollars Kuwaiti loan for water supply from Gaddani to Quetta is expected to be signed in September this year.

Kuwaiti Government had extended balance of payments support to Pakistan to the tune of 130 million. The Kuwait-Pakistan Holding Company, launched with initial Kuwaiti capital of 25 million dollars, has now a paid-up capital of 100 million dollars and 200 million dollars authorised capital, equally divided between the two countries.

CSO: 4220/362

SEVERE MEASURES PLANNED AGAINST 'UNSCRUPULOUS' TRADERS

Karachi MORNING NEWS in English 21 Jul 81 p 1

[Text] The Martial Law Administration in Sind has taken a serious view of the steep rise in the prices of essential commodities and is contemplating the imposition of severe punishments on those responsible it was reliably learnt here yesterday.

The ML authorities were especially perturbed over the sharp hike in prices of such foodstuffs as meat, vegetables and fruits.

Action is to be taken against those merchants and middlemen who are taking advantage of Ramazan to make huge and unjustified profits by fleecing the public.

According to reliable sources the authorities cannot permit some black sheep in the business community to gouge the public by creating artificial shortage and raising the prices of essential commodities to astronomical levels the sources added.

They said since all sorts of appeals and reasonable words as well as attempts to control the prices of essential commodities through normal means had failed the authorities intended to take some drastic steps soon.

The sources stated that these measures would include some sort of public punishment aside from the fines and other penalties provided for under the existing laws against hoarding and unjustified rise in prices of commodities of daily use.--APP.

CSO: 4220/362

RASH OF LABOR STRIKES FOLLOWS LIFTING OF MARTIAL LAW

Kuala Lumpur BUSINESS TIMES in English 3 Jun 81 p 6

[Article by Lysander Garcia in Manila]

[Text] FILIPINO workers have increased demands for a full restoration of the right to strike, and even employers support them, provided they have proper safeguards.

The demands of labour unions and managements were aired at a public hearing on a new labour code now being considered by the Philippines National Assembly.

Strikes in officially-designated "vital industries" have been officially banned since the imposition of martial law in 1972 by President Ferdinand Marcos.

The ban was not ended with the lifting of martial law in January, yet there have been a rash of strikes accompanied by some violence.

The hearings, held by Labour Minister Blas Ople, arose from the assembly's finding in April that more discussions were required on a government bill which would have restored the right to strike under certain conditions.

Felixberto Olalia, chairman of the Militant Union of Filipino Workers (PMP) told the hearing "the right to strike must be restored immediately, if only to stop company officials from shooting and killing workers on strike and from beating up even pregnant women."

"Let President Ferdinand Marcos restore this right now and then let us sit down to our labour laws," Mr Olalia said.

Leaders of two major trade unions accused company officials of paying soldiers and hooligans to intimidate striking workers, resulting in seven deaths in the last two months.

On the management side, Benildo Hernandez, said the Employers Confederation, of which he is acting president, agreed that the right to strike and the right to lock-out be restored.

But there must be proper safeguards so the economic gains of the country in the past several years will be preserved, Mr Hernandez said.

He said vital industries must be exempted from strikes as the Philippines could ill-afford a continuing loss of production man-hours. The private interests of citizens should be subordinated to the interests of the nation and the economy, he added.

Manuel Dia, dean of the Asian Labour Education Centre, a unit of the University of the Philippines, asked the national assembly to restore to government workers the right to organise unions, also banned under martial law.

Labour leader Antonio Policarpio questioned the morality of having a list of vital industries where strikes would be illegal under any circumstances.

The list is long and covers almost all important economic activity and labour leaders say, in effect, the total strike ban remains.

However, the ban has not stopped workers from going on strike. In the four months since martial law was lifted, a total of 123 strikes have hit big industries throughout the country, according to a Labour Ministry report.

The number of strikes is said to be far greater than in any year before or after the declaration of martial law. About 45,000 workers were involved, with the loss of more than one million man-hours.

Among other industries, the strikes paralysed six luxury hotels, two major commercial banks, two large bus companies, lumber yards, textile mills, and two mining firms.

Four out of five strikes hit firms in the capital city. Almost half were over alleged violations of wage laws and management refusal to negotiate new collective agreements.

Most strikes have been settled in about a week, but workers at the Construction and Development Corp of the Philippines, the country's biggest construction company, have been out for nearly three months.

At least four of the strikes were "not peaceful," a Labour Ministry report said.

In one incident on May 11, three union officials were shot and killed by men believed to be company guards or officials of a textile firm in Calamba, south of Manila. Of nine suspects, eight are still at large. — Reuter

CSO: 4220/634

INTEREST RATES A PROBLEM FOR CENTRAL BANK

Kuala Lumpur BUSINESS TIMES in English 11 Jun 81 p 16

[Text]

MANILA, June 10

THE Philippines Central Bank may find it difficult maintaining interest rates at reasonable levels after July 1 without fanning inflation and without going beyond growth targets of monetary aggregates stipulated by the International Monetary Fund.

This view seems to be the general opinion of many bankers who are now busy preparing for the lifting of interest rate ceilings which will take effect on July 1.

CB Gov. Jaime C. Laya has promised to maintain interest rates at reasonably low levels once the ceilings are lifted.

The CB hopes to do this through a more active open market trading operation, whereby the CB would buy government securities now in circulation in order to infuse more funds into the financial system. This infusion of fresh funds is intended to make enough available funds for credit and thus lower the rates.

Conversely, the CB would sell government securities, particularly its certificates of indebtedness (which may be redesigned) when interest rates are too low.

At this point, the banking system still does not know the level of interest rates which the CB would consider too high or too low.

The present fixed rates are 16 per cent for short-term loans secured by real estate and 18 per cent for loans backed by other types of collaterals. For over two-year loans, the interest rate is 21 per cent.

The bankers' belief that keeping rates low would be at the expense of inflation is based on the economic thinking that expanding the money supply without a corresponding increase in production would trigger price increases. This economic theory is otherwise known as "too much money chasing the same amount of goods."

At present, inflation — although still double-digit — is not much of a problem, averaging 14.1 per cent for the first quarter this year.

Interest rates versus inflation could become a thorny problem once the inevitable increase in prices of petroleum products comes again.

Additionally, the bankers said, the CB is constrained from infusing all the funds needed to keep interest rates low since the country has agreed to abide by certain conditions with the IMF for availing of the latter's credit facilities.

One such IMF credit facility is the two-year standby facility and also the supplemental financing facility (SFF), obtained last year to enable the country to ride out last year's and this year's expected payments deficits.

The balance of payments this year is projected to be negative by US$300-US$350 million. For the first quarter, the deficit already stood at US$188.81 million.

These conditions stipulated by the IMF range from allowable growth rates for domestic credits, money supply, new foreign commercial borrowings, and the BOP.

Thus far, money supply, for instance, has been allowed to increase by 10 per cent annually. As of March, money supply, consisting of pesos in circulation and also those in chequing accounts, totalled P21,655 million. The 10 per cent annual growth rate was well within the 15 per cent benchmark ceiling set by Republic Act No. 265, as amended (otherwise known as the CB charter).

With such conditions, bankers believe the CB may find it difficult abiding by the stipulations while trying to maintain interest rates at reasonable levels. — Business Day

CSO: 4220/634

INVESTMENT BANKS BARE 20 PERCENT DROP IN ASSETS

Manial BULLETIN TODAY in English 4 Jul 81 p 9

[Text] **TOTAL** resources of the country's investment houses dropped by nearly 20 percent during the first quarter of 1981. An industry study showed that assets of the 12 operating investment houses shrank to P6.9 billion from January to March from P8.6 as of year-end 1980.

Among those which reported declines in assets were State Investment, PAIC, AEA Development Corp., Philippine Pacific Capital Corp. and First Metro Investment Corp.

Some investment houses, however, registered increases in assets. Among them was Merchants Investment Corp. which reported first quarter resources of P341 million, up from P332 million at the end of the previous year.

According to Ernesto Rufino, MIC president, Merchants also showed an increase in receivables and loans despite a restrictive credit environment prevailing in the financial system.

* * *

AMONG the investment houses, Private Development Corp. of the Phils. ranked first in terms of assets with resources of P1.54 billion, followed by Bancom with P1.15 billion and Ayala Investment and Development Corp. with P1.08 billion.

The industry average, based on total assets of 12 investment houses, was P576 million. Only four companies had assets over the industry average. These are PDCP, Bancom, State Investment and AIDC.

In terms of receivables and loans, a minimal increase of 3.7 percent was noted or P2.7 billion in the first quarters as against P2.6 billion during the last quarter of 1980.

Ranked first was PDCP with P1.1 billion, Bancom came in second with P343 million, State Investment with P276 million, PISO with P220 million and AIDC with P144 million.

The minimal growth reflected extreme cautiousness in lending operations precipitated by the P643-million Dewey Dee scandal.

CSO: 4220/361

SWITCH TO COAL WILL ALLEVIATE ENERGY PROBLEMS

Kuala Lumpur BUSINESS TIMES in English 4 Jun 81 p 6

[Article by Manolo B. Jara in Manila]

[Text] COAL is set to regain its status as a major factor in the remodelled Philippine energy strategy.

And the pace is being accelerated by the government's determined attempt to reduce the country's heavy dependence on imported petroleum in just five years. Last year, its oil bill was estimated to have reached a staggering US$2.8 billion.

Not even a critical World Bank confidential report could seem to dissuade officials from pursuing the ambitious energy development programme.

The programme stresses the use of three indigenous energy resources — coal, hydroelectric and geothermal — to cushion the impact of the energy crunch. These are expected to account for 45 per cent of the country's energy requirements by 1985.

However, the World Bank, in a confidential report completed last January, said the Philippines had grossly overestimated the amount of energy it can generate in the 1980s from these three sources.

The report also criticised the government's emphasis on non-conventional energy, saying it was not geared to satisfy the market demand for these products.

In the Ministry of Energy's reckoning, coal will get the lion's share of the country's non-oil energy sources in the next five years.

Energy Minister Geronimo Velasco said that by 1985 coal production would reach 17.9 million barrels of oil equivalent representing 13.4 per cent of the country's energy needs.

Minister Velasco's optimism is based on the "increasingly tangible proof of the country's excellent coal potential." According to the latest energy ministry figures, the country's proven coal reserves have jumped from 175 million tons to 186 million tons of which 134 million tons are "mineable."

Some "forward-looking" policies have been implemented to encourage coal production and development. This includes the creation of the National Coal Authority (NCA) mainly to assure various industries shifting from oil to coal of adequate and stable supply.

Toward this end, the NCA is entrusted with the task of establishing an integrated system for coal handling, including importation, storage, blending and transportation facilities.

Under the government programme, the cement industry — one of the biggest oil users — will be the first to shift from petroleum to coal. Target date for the complete shift of the country's 18 cement plants is 1982.

By that time, according to estimates, the oil savings would total US$100 million a year. The amount is equivalent to about three million barrels of oil which the cement industry consumes annually.

But this is easier said than done. In fact, doubts have already been expressed not only by the World Bank but also by responsible cement industry officials about meeting the 1982 target date and other related problems.

For instance, the World Bank said the Philippines "set a very high target for the expansion of domestic coal production, hoping that the output could be increased over 20-fold during the decade, from a quarter of a million tons in 1979 to over six million tons by 1989."

Actual production, however, will only be in the range of 2.5 million tons, according to the bank. And the reason is simple. Although the country has good quality coal, its production technology is primitive.

The coal industry, the bank added, is dependent on underground mines which produce an average of 26 tons daily or 8,000 tons annually. About 80 per cent of the total output comes from the Central Philippine island of Cebu where 32 of the country's 37 coal mines are located.

At the same time, local cement industry officials have expressed fears that the government was not moving fast enough to meet the demands of the switch-to-coal programme. Right now, these officials said, only four cement plants have been using coal and at minimal quantity at that.

Besides the infrastructure for the shift has to be set up fast. The government is investing about one billion pesos (US$135 million) for a nationwide coal distribution network to be completed by 1985.

The project involves the construction of coal terminals to receive and blend the product and mine outloading ports where coal from the mining sites will be housed before these are transported to the terminals.

But government officials are confident of meeting these problems by 1985, the end of the accelerated five-year energy development programme.

They emphasise that the switch-to-coal programme is so far the only logical answer to the manifold problems besetting the cement industry.

"What the country needs is to try to correct those uneconomic operating practices developed during the bygone days of cheap fuel," said an energy ministry official.

And in this regard, coal offers a way out of the energy squeeze. But time is of the essence if the government wants to achieve its ambitious programme of reducing its heavy dependence on imported petroleum in just five years. — Depthnews

CSO: 4220/634

BRIEFS

FURTHER ANTISMUGGLING ACTION--Philippine customs authorities have started rigid inspection of diplomatic and government shipments to stop the use of these facilities for smuggling. This move was begun yesterday by Customs Commissioner Ramon Farolon, ending the traditional leniency on government importation and diplomatic shipments. The action was in line with the order by President Marcos for a strict inspection of all cargoes coming to all Philippine ports of entry. The order intensified the government campaign against all forms of smuggling. Customs authorities say there are several cases in the past where diplomatic and government cargoes were found to contain contraband. [Text] [HK210038 Manila FEBC in English 2330 GMT 20 Jul 81]

CSO: 4220/360

EFFORTS TO REHABILITATE RUBBER INDUSTRY

Kuala Lumpur BUSINESS TIMES in English 11 Jun 81 p 6

[Text] SRI LANKA, trailing far behind Malaysia as a bulk exporter of natural rubber could be leading the world in the search for higher yielding strains, in the race for high quality sheet and block rubber and in the pursuit of new applications for the product both at home and abroad.

Rubber was for long years Sri Lanka's second largest export earner but it has along with other major crops, shown a decline in production over the past few years.

The decline stemmed partly from the nationalisation of all major estates by the former government. It is believed that owners, agency houses and planters alike, fearful of expropriation for several years, cut down on fertiliser, replanting, weeding and plant care. The adverse effects of the neglect were compounded by adverse weather conditions.

Business circles fear Sri Lanka's rubber production will continue to drop to around 100,000 tonnes by the middle of the present decade from 160,000 tonnes in 1970.

But the Central Bank of Ceylon has forecast increases in production of 12 per cent by 1984.

Thus Sri Lanka's weather proof latex bowl and protected tapping lines ingeniously mainpulated by the Sri Lanka Rubber Research Station are facing the lash of other storms with its sheltering cover.

Natural rubber in Sri Lanka, in line with the pattern throughout producer areas in the world, is primarily a smallholder's crop. Some 70 per cent of Sri Lanka's natural rubber is grown in blocks of 10/15 acres or less. Its fortunes thus have immediate consequences for the rural population who make up three quarters of the island's inhabitants.

Alive to the issues involved, the government now headed by President J.R. Jayewardene is exerting itself to stabilise the position of rubber, indeed to effect a rise in yield and price if possible.

Unlike Malaysia and some of the other rubber growing countries, Sri Lanka faces the handicap that it is without new areas to bring under rubber.

It has, therefore, to stimulate its crops to higher levels: to make the most of land already planted in rubber to push up its yields rather than the acreage, and above all to push up its quality.

Earlier in the year, the Rubber Control Department stepped up its campaign to rehabilitate the industry by announcing a scheme to supply budded rubber stumps on credit to all holdings less than 50 acres in extent in a number of districts.

Replanting subsidies have been provided for several years now. It is now at the level of Rs 6500 ($810) per acre. This is to be treated as a non-repayable grant if the replanting is satisfactorily completed within a stipulated period.

Apart from high yielding planting material, fertilizer is also provided on concessional terms. Finally the current programme seeks also to encourage inter-cropping with cash crops such as bananas, passion fruit and coffee in replanted areas.

Meanwhile, the Sri Lanka Rubber Research Institute has launched a revived advisory services programme to ensure the rapid transference of scientific advances to smallholdings.

With tremendous development projects under way, with inflation buffeting the nation's cherished hopes, the authorities have recognised that as a potential exchange earner, rubber cannot be neglected. The government is relying heavily on the SLRRI to restore rubber's bounce.

By using yield stimulants local scientists have been able to effect a 20 — 30 per cent increase in yield.

The use of special rainguards over the tapping cut has made it possible to tap even in rainy weather. The SLRRI is also developing methods designed to bring new plantations into early production. Hitherto, local rubber has taken 6 — 7 years to come into tapping.

By the introduction of a nursery system followed by transplantation the Institute hopes to reduce this period by half. Highly complex studies in soil treatment are also being steadily pursued.

Beyond the area of cultivation and production, Sri Lanka has inaugurated its own rubber auctions in Colombo to counteract the manipulation of overseas vested interests. Besides, new incentives in the form of reduced duties are being offered to exporters.

Today Sri Lanka has embarked on a replanting plan covering 47,000 acres of old rubber, over a period of five years. World Bank assistance to the extent of US$16 million has been obtained to meet this target.

Last but not least is Sri Lanka's dream of emerging as a manufacturer of finished rubber goods. Already the country's tyre corporation has linked up with Goodrich Tires of the US.

More rubber from better trees on revived soil, and using some of the rubber to export value-added manufactures — that is the guideline along which Sri Lanka is proceeding.

CSO: 4220/635

COL PRACHAK SUPPORTS KRIANGSAK IN ROI ET ELECTION

Bangkok THE NATION REVIEW in English 14 Jul 81 p 3

[Text]

TWO Young Turk military officials yesterday threw their support behind former Premier Gen Kriangsak Chomanan, now contesting the by-election in Roi Et.

"Gen Kriangsak is the most appropriate person to run the government under the current situation," said Col Prachak Sawangchit who is one of the most outspoken Young Turks.

He said that the longer the government remained in office, the more divided the country would become as the people were getting fed up with the repeated failure of the government intacklingthe deteriorating economic andpolitical problems.

The current government has been too slow in tackling the problems besetting the country and only Gen Kriangsak is capable enough to avert the problems now surrounding the country in both home and foreign affairs.

Prachak also urged the former premier to join hands with former Deputy Premier Boonchu Rojanasatien in setting up a coalition to tide over the political and economic woes.

Refusing to estimate the possibility of his proposal, the Young Turk said he would like the duo to overlook their own prestige and jointly work for the good of the nation.

He also said that he was ready to throw his lots behind Gen Kriangsak in his election campaign on grounds that "the ex-premier is treading the democratic path."

He said, however, that he has not yet decided to travel to Roi Et to canvass for Gen Kriangsak. "The time is not ripe for me to do so and after all, there are other means to canvass for Gen Kriangsak," he added.

Meanwhile in Roi Et, another Young Turk said that he and his relatives and friends in the northeastern province would vote for Gen Kriangsak in the poll scheduled for August 9.

Lt Col Ronnachai Srisuworanan, a native of Roi Et, said that he would throw his full support behind the ex-premier in the by-election on similar grounds.

He said that should Gen Kriangsak win the by-election to the House, the domestic politics would undergo a drastic change, but he did not elaborate.

Most Young Turks, who had been dismissed for their roles in the April 1-3 abortive coup, were still quiet and neutral over the political situation because their political activities might affect their attempts to be reinstated in the military service.

CSO: 4220/365

PAPER VIEWS NGUYEN CO THACH'S PARIS COMMENTS

BK270215 Bangkok NATION REVIEW in English 27 Jul 81 p 4

[Editorial: "Phichai-Thach Talks Reveal a Few Key Points"]

[Text] It is of great significance that Vietnamese Foreign Minister Nguyen Co Thach and former Foreign Minister Phichai Rattakun held talks in Paris for two days just before the conference in New York convened to find a political solution to the invasion and occupation of Kampuchea by the Vietnamese and the guerrilla war that is being fought to oust them. The unofficial talks were of course extremely useful to Thailand but both Hanoi and Bangkok have still to assess how much mileage Vietnam got out of it. The talks, from Thailand's point of view, confirmed the ASEAN line of thinking about Vietnamese objectives.

It would have been very easily possible for Thach to meet Foreign Minister Sitthi Sawetsila in Bangkok or Hanoi or any other place. From the Vietnamese point of view Phichai was an obvious choice because he was the man who went to Hanoi and formalized diplomatic relations between Thailand and that country in 1976. There was also a seven point joint communique which, as almost all other agreements, Vietnam has consiged to limbo. Further, Thach might have thought that he would be able to influence Phichai's thinking who in turn might have some influence on both the Thai Government and on public opinion.

In this line of thinking the leaders in Hanoi were correct, but they failed to assess what sort of influence Phichai will have. Possibly they did not know that Phichai is one of the very few in Thailand who can be called an expert on foreign affairs and is nowhere near as naive as some American congressmen and senators manipulated by Hanoi during the Vietnam war. In the two-day talks in Paris, it appears that Thach wanted to convince Phichai, and through him the Thai Government and Thai public opinion, of Vietnam's genuine desire to bring peace to Kampuchea and even threw a sop in the form of going back on a regional conference--the effort was obviously made in vain and it also revealed that it was miscalculation on the part of Thach.

However, two basic assumptions held by ASEAN leaders were confirmed indirectly during the Paris talks. 1. Vietnam is hurting; 2. Vietnam wants to talk. That was why Thach proposed regional consultations, agreement on major points, and then an international conference. This is not a comedown on the part of Vietnam since the major points were only hinted at, one of them being Chinese leaving Paracels,

Americans leaving Subic Bay, Indonesians leaving East Timor, etc. And as usual the "Chinese threat" was always there. Phichai, of course, as a private citizen who is also a foreign affairs expert, suggested some lines for regional consultations which must have been quite unpalatable to Thach.

The Phichai-Thach talks also reveal that the approach taken by the 92 countries attending the New York conference on Kampuchea less than a fortnight ago was correct. It has been interpreted by Singapore Prime Minister Lee Kuan Yew as the hard-line approach by China and the U.S. and the soft-line face-saving approach by ASEAN and Japan. We agree with Lee's conclusion, that Vietnam needs to make peace with her neighbours and call off her confrontation with China, on the condition that the operative word in that sentence is needs. It is altogether another question whether Vietnam will act according to her needs. To some extent the Phichai-Thach talks reveal that Vietnam is beginning to realize her needs.

CSO: 4220/364

PIRACY SEEN AS DETERRENT TO REFUGEE MIGRATION

Paris LE MONDE in French 9 Jul 81 p 5

[Article by Jacques de Barrin]

[Text] Song Khla--"They did the stupidest things," one Vietnamese refugee says simply, as if there were no need to say more in order to be understood. And indeed, the violence to which the boat people are subjected when they fall into the hands of the pirates before reaching land is a well-known fact. "We were very lucky," a doctor from Ho Chi Minh City says. "We were attacked only three times." It is true that the crossings are sometimes much rougher. During the first five months of this year, out of the 323 boats that reached Thai shores and unloaded 10,963 refugees, 239 had been stopped by pirates. During that same period, there were 364 deaths or murders, 461 rapes and 134 kidnappings.

However precise these figures may be, they must be viewed cautiously insofar as they are based only on the accounts of the boat captains, gathered by officials from the UN High Commission on Refugees (HCR). The boat people are naturally tempted to exaggerate their accounts in the secret hope that the tale of their trials will bring them favorable treatment, priority settlement in a third country.

The exodus of Vietnamese refugees gives special emphasis to the scourge of piracy that has never ceased to run rampant in the region. Here, the sea is safe for no one. In April, a 160,000-ton oil tanker anchored only 3 miles off the coast of Singapore was attacked by six armed men, who managed to board it and then get away in a motorboat.

Organized into syndicates, the real professionals who enjoy a disturbing immunity "work" the high seas on big trawlers. Others are content to patrol the coasts. There remain the run-of-the-mill pirates: the Thai fishermen. A number of them, tired of putting down their nets into waters that yield fewer and fewer fish when the price of fuel makes it increasingly costly to operate their fleet (there are some 15,000 boats), do not hesitate to make up their losses on the backs of the boat people, if only by going to help vessels out of fuel or having suffered a breakdown and then demanding in return a "remuneration" out of all proportion to the service rendered.

The material means which the Thai Task Force has to fight piracy might appear ludicrous: one patrol boat equipped with machine guns and two small reconnaissance planes. One goes out to sea 4 days a week and the others fly 4 hours a day.

This six-month-old program, which began in February, was financed by a gift from the United States of $2 million. Discussions are underway to renew it.

In addition, local authorities have repaired a Vietnamese boat which they use as a trap in which armed soldiers put to sea. Since the beginning of the year, they have captured three gangs of pirates. Sailors have also been posted on Kra Island, where pirates were previously used to relaxing with their victims.

Deterrent Effect

Playing cops and robbers is not a pleasure game for the cop when one knows the area of the Gulf of Thailand, slightly larger than half that of France. Bangkok has therefore drawn up an exhaustive list of equipment, from boats to binoculars, which it would need to be able to handle the situation. The tab amounts to $34 million. The United Nations transmitted the request to member countries, who do not seem to be in any hurry to answer it.

Things would perhaps go a little better if the local authorities would control the activities of fishermen a little better. However, the absence of any registration of equipment, the lack of any knowledge about the destination of the boats and the dubious reliability of registrations of vessels complicate the task of finding the authors of violations or crimes, who are essentially of Thai nationality, although in the beginning of their adventure, the boat people sometimes have to deal with Vietnamese.

Some 20 Thai are now behind bars, accused of robberies, rapes or murders. Six trials are underway, but justice moves forward with often strange and exasperating delays. For the time being, one case seems to attract more than the usual amount of attention. It concerns 19 refugees suspected of having killed Thai fishermen who attacked them. Not sure of their rights, the two survivors, summoned as witnesses, preferred to flee (LE MONDE, 22 April).

In this regard, others state that excessively harsh repression of piracy may have -- has already had, according to some -- unexpected results, such as an increase in the number of murders and disappearances. In order to avoid run-ins with justice, the pirates are in fact inclined to simply do away with the subject of the litigation. No witnesses; no trial.

Worried about their country's image, Thai authorities fear that in the long run, these cases of piracy may tarnish their reputation. They therefore seek to fight the problem with the means on hand. And they must not be too zealous for fear of offending public opinion. In this case, public opinion would willingly take the side of the thief against the victim because of the solid antipathy for the Vietnamese, even if they are harmless refugees. Many Thai people have come to think that in a way, pracy is good insofar as it deters a certain number of Vietnamese from taking to the sea. "If the crossing were without risk," they say, "you can bet that countless boat people would come to our shores." Bangkok's concern, like that of the neighboring countries, which is expressed more loudly than ever today, is precisely to stop the flow that appears to be endless.

"The problem has to be solved at the source, in Vietnam," the Thais insist. Foreign affairs ministers from the Association of Southeast Asian Nations (ASEAN) meeting in Manila once again asked Hanoi to organize the departure of its natives legally instead of letting them flee haphazardly and exposing them to the stupidities of the pirates.

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RTA ORGANIZATIONAL STRUCTURE REPORTED

Bangkok SIAM RAT SAPPADA WICHAN in Thai 14 Jun 81 pp 17-22

[Text] The Thai armed forces have permeated every aspect of the life of the people, whether in defense, political, social or economic affairs, but nevertheless are almost "taboo." There are few people who know and clearly understand the Thai armed forces in the matter of structure, personnel, regulations, or duties.

SIAM RAT SAPPADA WICHAN itself has published very little on the Thai armed forces when compared to other similar categories. Therefore, on this occasion it wishes to present general data on a broad scale relating to the Thai armed forces, with emphasis on the army.

It Begins at the Ministry of Defense

Under the 1960 Act Regulating the Ministry of Defense, the Ministry of Defense, to which the Thai armed forces are responsible, has powers and duties relating to the defense of the kingdom, by organizing military forces "to protect national independence and interest". The Minister of Defense gives the orders.

The Minister of Defense is responsible for employing the military forces according to the national defense plan, with the approval of the Cabinet. He has the power to designate any area as a military sector and/or a restricted zone when there is a war situation or a proclamation of martial law. This Act authorizes the Minister of Defense to stipulate units in the Ministry of Defense and appoint officials, defining new duties for those units as appropriate. This Act specifies that when a war situation is over or martial law is lifted, the Minister of Defense may abolish those government units and dismiss those officials.

Defense Council

This Act established a "Defense Council" to advise the Minister of Defense, with the following members.

1. Minister of Defense

2. Under Secretary, Ministry of Defense

3. Deputy Under Secretary, Ministry of Defense

4. Supreme Commander

5. Deputy Supreme Commander

6. Assistant Supreme Commander

7. Chief of Staff, Supreme Commander

8. Deputy Chief of Staff, Supreme Command

9. Commander-in-Chief, Royal Thai Army [RTA]

10. Deputy Commander-in-Chief, RTA

11. Assistant Commander-in-Chief, RTA

12. Chief of Staff, RTA

13. Commander-in-Chief, Royal Thai Navy [RTN]

14. Deputy Commander-in-Chief, RTN

15. Assistant Commander-in-Chief, RTN

16. Chief of Staff, RTN

17. Commander-in-Chief, Royal Thai Air Force [RTAF]

18. Deputy Commander-in-Chief, RTAF

19. Assistant Commander-in-Chief, RTAF

20. Chief of Staff, RTAF

21. Not more than three officers of general rank or above whom the Minister of Defense will appoint.

When there is a Deputy Minister or an Acting Minister he will be a member of the Defense Council also.

The Minister of Defense is chairman of the Defense Council ex officio. He will appoint the secretary and deputy secretary of the council.

The Defense Council has the duty to advise the Minister of Defense on the following subjects.

1. General military policy

2. Policy on complete mobilization to aid military

3. Administrative policy and command within the ministry

4. Military budget review and budget allocation for ministry

5. Review of draft laws dealing with the military

6. Any matter on which the Minister of Defense consults it

Divisions of the Ministry of Defense

The Ministry of Defense has these divisions:

1. Office of the Secretary to the Minister

2. Office of the Under Secretary, Ministry of Defense

3. Supreme Command Headquarters

1. Office of the Secretary to the Minister

The Office of the Secretary to the Minister has duties dealing with political affairs. The Secretary is the responsible official. The office is divided into a political section and an inspection section. The political section handles political matters that concern the Ministry of Defense and has a section chief in charge. The inspection section examines files, finances, and quartermaster functions of the office. A section chief is in charge.

2. Office of the Under Secretary, Ministry of Defense

The Office of the Under Secretary handles general routine functions of the Ministry and any not assigned to other units. The Under Secretary (at present Gen Thep Kranloet) is the responsible officer.

The Office of the Under Secretary is divided into:

1. Secretariat Department (Lt Gen Sangiam Rotthong, chief)

2. Judge Advocate General Department (Lt Gen Prathin Phatthanatham)

3. Finance Department (Lt Gen Phat Trakunladit)

4. Royal Aide-de-camp Department (Adm Niran Sirinawin)

5. Defense Energy Department (Lt Gen Chitrayut Kraisaraphong)

6. Armed Forces Industrial Department (Lt Gen Kamchon Phromyothi)

The duties of the departments follow.

The Secretariat Department handles correspondence, personnel, recruitment, and business of the Defense Council as well as routine functions of the ministry. The director is the responsible officer.

The Judge Advocate General Department is concerned with military courts, military prosecutors, judge advocate officers, and matters of administration and expertise in legal and sociological affairs. The Judge Advocate General is the chief of the department.

The Finance Department deals with the budget, finance, government and ministry accounts, under a department chief.

The Royal Aide-de-Camp Department has duties under the aide-de-camp law, with the chief aide-de-camp to the king as director.

The Defense Energy Department functions in planning, operations, supervision, research, development, procurement, storage, and services dealing with fuel oil or petroleum products and other types of energy, in accord with ministry policy. It supervises and promotes the activities of organizations that produce or market fuel oil or petroleum products, as it has received such assignments. A Director-General is in charge of the department.

The Armed Forces Industrial Department plans and operates industry related to the military, in accord with ministry policy, coordinating with other ministries involved in industry, which might be useful for the military. It supervises and promotes the activities of various industrial organizations, as it is assigned. The director is the responsible officer.

3. Supreme Command Headquarters

The Supreme Command Headquarters is responsible for preparing fighting forces and defending the kingdom. The Supreme Commander (at present Gen Soem na Nakhon) is in charge.

The Supreme Command Headquarters may appoint committees, sub-committees, or any individuals to pursue any subject concerning plans for protecting the independence and interests of the nation. The Supreme Command Headquarters is divided into: 1. Royal Thai Army 2. Royal Thai Navy 3. Royal Thai Air Force 4. Other departments as set forth by law.

The powers and duties of the services under the Supreme Command Headquarters are as follows.

The RTA prepares land forces and defends the kingdom under a commander-in-chief.

The RTN prepares naval forces and defends the kingdom under a commander-in-chief.

The RTAF prepares air forces and defends the kingdom under a commander-in-chief.

The Supreme Command Headquarters, the RTA, RTN, RTAF have status as juristic entities.

The 1963 Decree on the Divisions and Duties of Units of the Supreme Command Headquarters, Ministry of Defense, named other sections as follows.

1. Office of the Supreme Command (Gen Rian Ditbanchong)

2. Adjutant-General's Department (Lt Gen Banchoet Khongkhachan)

3. Directorate of Joint Personnel (Vice Air Marshal Sansoen Wanit)

4. Directorate of Joint Intelligence (Lt Gen At Chatinakrop)

5. Directorate of Joint Operations (Lt Gen Phin Kasen)

6. Directorate of Joint Logistics (Maj Gen Thawip Ratthanon)

7. Directorate of Joint Communications (Vice Adm Panya Khachasangsi)

8. Survey Department (Lt Gen Sawat Patchimsakun)

9. Directorate of Education and Research (Vice Adm Praphat Chanthakhet)

10. National Defense College (Lt Gen Nuan Hinchiranan)

11. Armed Forces Staff College (Air Vice Marshal Kiat Fuangwuthiran)

The functions of these units are as follows.

1. The Office of the Supreme Command conducts public relations, budget matters and performs other duties not assigned to special units in the Supreme Command Headquarters [SCH].

2. The Adjutant General's Department carries out duties regarding business, administration, finances, procurement of goods and services, transportation, lawsuits, and legal instruments.

3. The Directorate of Joint Personnel reviews and makes proposals on personnel policy and plans for assignments, promotions, discharges, and transfers. It considers plans and coordinates the plans of the RTA, RTN, and RTAF on recruitment of personnel, replacement of forces, discharges, observance of regulations, discipline, military police, preservation of tradition, and maintenance of morale.

4. The Directorate of Joint Intelligence reviews and makes proposals on intelligence policy and planning to protect national security. It directs and implements plans, coordinates the intelligence operations of the RTA, RTN, RTAF, and keeps in touch with the intelligence work of other government divisions. It administers and maintains the security of SCH. It coordinates and directs intelligence training and meteorology. It designates the distribution of military maps and coordinates requests. It reviews, assigns, and coordinates secret intelligence.

5. The Directorate of Joint Operations reviews and makes proposals on military policy and strategic planning. It coordinates the operational plans of the RTA, RTN, and RTAF. It plans joint defense under international treaties and military treaties. It coordinates national security activities with the Interior Ministry. It coordinates plans for air defense with the civilian sector. It carries out matters with foreign forces. It proposes policy and plans for joint training, combined training, special operations, and protection in war time.

6. The Directorate of Joint Logistics reviews and makes proposals on logistical policy and strategic planning for supply. It coordinates the logistical plans of the RTA, RTN, and RTAF, and logistical planning for joint defense under international treaties and military treaties. It coordinates logistical activity with other government units. It coordinates foreign military assistance. It collates evidence and statistics on resources which are useful in supporting operations aside from statistics on personnel.

7. The Directorate of Joint Communications directs and operates communications, communications intelligence, and war communications. It reviews communications plans to support military operational planning in national defense. It coordinates the communication plans of the military and civilian sectors. It operates the communications for the SCH in peace and war time. Besides the communications of the RTA, RTN, and RTAF it conducts communications with foreign countries under the international and military treaties.

8. The Survey Department makes land and aerial surveys to produce maps within the country for government use. It trains survey personnel and map experts for government service. It engages in geodetics and geophysics work.

9. The Directorate of Education and Resaerch reviews and makes proposals on military education and research on national security in military fields. It disseminates military knowledge. It keeps in touch and coordinates with educational and research institutions of other government sections and of foreign countries. It implements the work of the Military Education Council. It studies and collects military history, organizes and operates museums and libraries. It directs schools for the military as ordered by the Minister of Defense.

10. The National Defense College instructs high ranking officials, both military and civilian, in the science of national defense to impart an understanding of their joint responsibility in maintaining national security, useful in making policy for planning and administering national security.

11. The Armed Forces Staff College instructs high ranking military officers in joint operations combined operations and other knowledge profitable for planning and directing operations.

Main Element--the RTA

The army prepares land forces. It has a commander-in-chief (at present Gen Prem Tinsulanon).

The 1970 Decree on the Divisions and Duties of the Units of the RTA, SCH, Ministry of Defense, named these sections.

1. Office of the Secretary, RTA (Col Wichit Bunyawat)

2. Directorate of Personnel (Maj Gen Nop Phinnasaikaeo)

3. Directorate of Operations (Maj Gen Chawalit Yongchaiyut)

4. Directorate of Intelligence (Maj Gen Kamhaeng Khanthawirat)

5. Directorate of Logistics (Maj Gen Wichit Chittasewi)

6. Office of the Comptroller (Lt Gen Phaichit Somsuwan)

7. Reserve Affairs Department (Maj Gen Mana Rattanakoset)

8. Finance Department (Maj Gen Chot Mankhong)

9. Provost Marshal General Department (Maj Gen Pringkrai Krairik)

10. Inspector-General Department (Maj Gen Urai Sukhanthanak)

11. Special Services Department (Maj Gen Atsani Samutsen)

12. Adjutant-General's Department (Maj Gen Yongyut Kunladan)

13. Transportation Department (Maj Gen Phingkhan Sutcharitkun)

14. Engineering Department

15. Signals Department (Maj Gen Chaloem Karinayawat)

16. Veterinary and Remount Department (Maj Gen Prasat Chinerawat)

17. Quartermaster's Department (Maj Gen Chania Karunyawanit)

18. Medical Department (Maj Gen Yong Wirakhup)

19. Directorate of Army Construction (Maj Gen Fangphon Bunliang)

20. Ordnance Department (Lt Gen Thong-at Suphamat)

21. Chemical Department (Maj Gen Prayut Sutchaplum)

22. Army Area 1 (Lt Gen Athit Kamlang-ek)

23. Army Area 2 (Lt Gen Lak Salikhup)

24. Army Area 3 (Lt Gen Sima Panikkabut)

25. Army Area 4 (Lt Gen Chuan Wannarat)

26. Army Field Forces Department (Lt Gen Sak Buntrakun)

27. Army Institute (Lt Gen Sup Aksanranukhro)

28. Chulachomklao Royal Military Academy (Maj Gen Yutthasak Khlongtruatrok)

29. Territorial Defense Department (Lt Gen Thaimchai Sirisamphan)

30. Special Warfare Center (Maj Gen Anek Bunyathi)

31. Other military units which have status comparable to company, battalion, regiment, or division, directly under the army (previously for example, Division 9, which has now been transferred to the command of Army Area 1)

The functions of the 31 sections are as follows.

1. The Office of the Secretary, RTA, handles the routine administrative work of the commander-in-chief, the deputy commander-in-chief, the assistant commander-in-chief, the army chief of staff, and others, as designated by the commander-in-chief. It plans, directs, and coordinates army public relations.

2. The Directorate of Personnel plans, directs, coordinates, and controls all personnel action, that is, preparation of personnel, determination of needs, supervision, administration, and morale support. It advises and supervises the Reserve Affairs Department, the Provost Marshal General Department, the Special Services Department, and the Adjutant General Department on personnel matters.

3. The Directorate of Intelligence plans, directs, coordinates, and controls action concerning intelligence. It operates in affairs of intelligence, security, secret intelligence, and Thai military attaches abroad. It maintains contact with foreign military attaches in Thailand. It supervises diplomatic ceremonies in which the army must participate, the training and education of intelligence officers, and the preparation of intelligence operation teams. It determines the needs and supervises the distribution of military maps.

4. The Directorate of Operations plans and directs military strategy and operations. It plans the utilization of forces, as assigned, determines the organization and places the military units. It makes plans and policy in training, mobilization, demobilization, army aviation, special warfare, and war time administration. It carries on the work of military history and museums. It is in charge of and coordinates work in accord with plans and policy already set. It implements mutual defense treaties as they apply to the army. It directs, plans, coordinates, and controls army research. It supervises edcuational activities of the army.

5. The Directorate of Logistics plans, directs, and sets policy for programs and budgets concerning logistics. It establishes policy, coordinates, and controls requisitions and procurement of goods and military supplies. It supervises and controls storage, distribution of medical supplies, shipping, transportation, logistical services. It manages property. It coordinates, supervises, and oversees operational services in determining responsibilities, establishing regulations for operations, personnel action, logistical technical training, budget for research and development, including setting policy for business and industry that are involved.

6. The Office of the Comptroller collates and analyzes the results of inspection and analysis of army programs as whole. It handles, coordinates, and controls the budget, financial accounts, and audit. It stipulates the reporting system according to the program and the statistical reports. It supervises the reports. It makes inspections to improve management and operations in general. It sets standards for administration in the army. It supervises the Finance Department, defining responsibilities, regulations for operation and financial administration.

7. The Reserve Affairs Department coordinates, advises, and controls preparation, determination of needs, supervision, administration, morale support, training and education for all reserve forces. It coordinates, advises, and is in charge of setting standards, preparing texts, directing training and education for civil affairs and military administration. It works with recruiting officers and cooperates with the Adjutant General's Department in teaching recruitment techniques.

8. The Finance Department draws, receives, disburses, and maintains funds and financial accounts of the army in accord with government regulations. It trains finance officers.

9. The Provost Marshal General's Department plans, coordinates, and controls matters concerning the maintenance of disciplinary regulations, the arrest of military malefactors, prisons, military traffic, security maintenance, military police training, criminal investigation which is under the authority of the military courts, prevention and investigation of crime in the army. In wartime it is in charge of deserters, prisoners of war, aliens, enemies, and refugees.

10. The Inspector General's Department carries out government inspection, inquiries, and investigations concerning efficiency and activities of various army units.

11. The Special Services Department deals with welfare, promoting well-being, both in assets and consumer goods. It advises and develops vocations and sports, both for the military, civil servants and families in the army.

12. The Adjutant-General's Department handles routine business, the official paper work, ceremonies, procurement and distribution of printed material. It deals with personnel management, laws, and the training of adjutant officers.

13. The Transportation Department plans, directs, coordinates, advises, controls, conducts research and development on procurement, shipping, repair, and service. It sets standards, produces texts for training, on activities and supplies for transportation units.

14. The Engineering Department plans, directs, coordinates, advises, controls, conducts research and development on production, procurement, transport, repair and maintenance, and service. It sets standards, produces training texts for activity and supplies of engineering units.

15. The Signals Department plans, directs, coordinates, advises, controls, conducts research and development on production, procurement, transport, maintenance, and service. It sets standards and produces training texts for the activity and supplies of the signals units.

16. The Veterinary and Remount Department plans, directs, coordinates, advises, controls, conducts research and development on production, procurement, transport, maintenance, service, disease prevention, medical care, breeding, and animal feed. It sets standards and produces training texts on activity and supply of veterinary units.

17. The Quartermaster's Department plans, directs, coordinates, advises, controls, conducts research and development on production, procurement, transport, maintenance, and service.

It sets standards and produces training texts.

18. The Medical Department plans, directs, coordinates, advises, controls, conducts research and development on production, procurement, transport, maintenance, service, disease, preventative medicine, dentistry, and nursing care. It sets standards and produces training texts on activity and materiel for medical units.

19. The Directorate of Army Construction plans, directs, coordinates, advises, controls, conducts research and development on procurement, transport, construction and maintenance concerning army buildings and property.

20. The Ordnance Department plans, directs, coordinates, advises, controls, conducts research and development on production, procurement, transport, maintenance, and service. It sets standards and produces training texts on activities and materiel for ordnance and chemical warfare units.

21. The Chemical Department plans, directs, coordinates, controls research and development on production, transport, maintenance, and service. It sets standards and produces training texts on operations and chemical, biological and radiological protection, including the scientific activities.

22. Army Area 1 commands Army Circle 1, Army Circle 2, the Lop Buri military province, and military units designated by the Defense Ministry.

23. Army Area 2 commands Army Circle 3, Army Circle 6, the Udon military province, and military units designated by the Defense Ministry.

24. Army Area 3 commands Army Circle 4, Army Circle 7, and military units designated by the Defense Ministry.

25. Army Area 4 commands Army Circle 5 and units designated by the Defense Ministry.

26. The Army Field Forces Department coordinates, advises, controls, and inspects the training and education of individuals and units inside and outside the army and abroad. It directs the training of the infantry, cavalery, artillery, and army air units, and army chaplains. It commands units designated by the Defense Ministry.

27. The Army Institute trains commissioned officers in strategy, tactics, campaign, and staff work for units of division level and up, so they can perform the duties of a commander. It sets standards and conducts research and development in the areas concerned.

28. The Chulachomklao Royal Military Academy instructs and trains officer cadets.

29. The Territorial Defense Department develops army forces to protect the nation. It plans, directs, coordinates, and conducts training for commanders of reserve and volunteer defense forces.

30. The Special Warfare Center plans, directs, controls, and conducts training in special warfare, airborne troops, and airborne operations. It engages in research and development. It sets standards and produces texts in the field of knowledge concerned. It commands units designated by the Defense Ministry.

31. Other units which have a status comparable to company, battalion, regiment, or division, directly under army command, have duties as designated by the Defense Ministry.

Army Components

In brief, the army components are divided into five main groups: 1. Command 2. Field 3. Support 4. Provincial 5. Training

These components have the following divisions.

1. Command

a. Command headquarters: commander-in-chief, deputy commander-in-chief, two assistant commanders-in-chief, chief of staff, two deputy chiefs of staff, five assistant chiefs of staff.

b. Office of the Secretary

c. Staff departments: Directorate of Personnel, Directorate of Intelligence, Directorate of Operations, Directorate of Logistics, Office of the Comptroller.

d. Special activities departments: Finance Department, Reserve Affairs Department, Provost Marshal General's Department, Special Services Department, Adjutant General's Department, Inspector General's Department.

e. Military service departments: Engineering Department, Signals Department, Veterinary and Remount Department, Transportation Department, Medical Department, Quartermaster's Department, Directorate of Army Construction, Chemical Department, Ordnance Department.

2. Field

a. Army Area 1 is made up of:

1. Div 1 King's Guards, Inf 1 King's Guards, 11 King's Guards
2. Div 2, Inf 21 King's Guards, RCT 2

b. Army Area 2 is made up of:

1. Div 3 divided into RCT 3, RCT 6, RCT 13, RCT 23

c. Army Area 3 is made up of:

1. Div 4 divided into RCT 4, RCT 7

d. Army Area 4 is made up of:

1. Div 5 (RCT 5), RCT 15

e. Cavalry Division consists of:

1. Cavalry Regiment 1 2. Cavalry Regiment 2

f. Anti-aircraft artillery division consists of:

Anti-aircraft artillery regiment 1
Anti-aircraft artillery regiment 2

g. Division 9 consists of:

1. Inf Reg 9 2. Inf Reg 19

At present transferred to Army Area 1 command

h. Other support units

3. Support

Army logistics are the responsibility of nine service departments. There is a support headquarters for each army area (except Army Area 1). The service departments consist of units that support other units under army jurisdiction and warehouses (except Construction has a warehouse alone).

4. Provincial

a. Army Area 1

1. Army Circle 1 Bangkok military province (not full strength), Rat Buri military province, Rat Buri military province (Kanchanaburi section), Phet Buri military province, Sara Buri military province.

2. Army Circle 2 Chon Buri military province, Prachin Buri military province (under strength), Prachin Buri military province (Aranyaprathet section).

3. Lop Buri military province
Military units at strength stipulated by Defense Ministry

b. Army Area 2

1. Army Circle 3 Nakhon Ratchasima military province, (under strength), Khon Kaen military province, Surin military province.

2. Army Circle 6 Roi Et military province, Ubon military province

3. Udon military province, Udon military province (first section Sakon Nakhon), Udon military province (second section Nakhon Phanom)

c. Army Area 3

1. Army Circle 4 Nakhon Sawan military province (under strength), Phitsanulok military province, Uttaradit military province (under strength).

2. Army Circle 7 Chiang Mai military province, Chiang Rai military province, Lampang military province.

3. Military units as designated by Defense Ministry

d. Army Area 4

1. Army Circle 5 Chumphon military province, Nakhon Si Thammarat military province (under strength), Songkhla military province, Songkhla military province (Pattani section)

2. Military units designated by Defense Ministry

In summary, the provincial segment consists of 4 Army Areas, 7 Army Circles, and 22 military provinces.

5. Training

Army Field Forces Department

a. Infantry Center, Cavalry Center, Artillery Center, NCO School (under command of Infantry Center)

b. Army Institute, Army College, Army Staff College

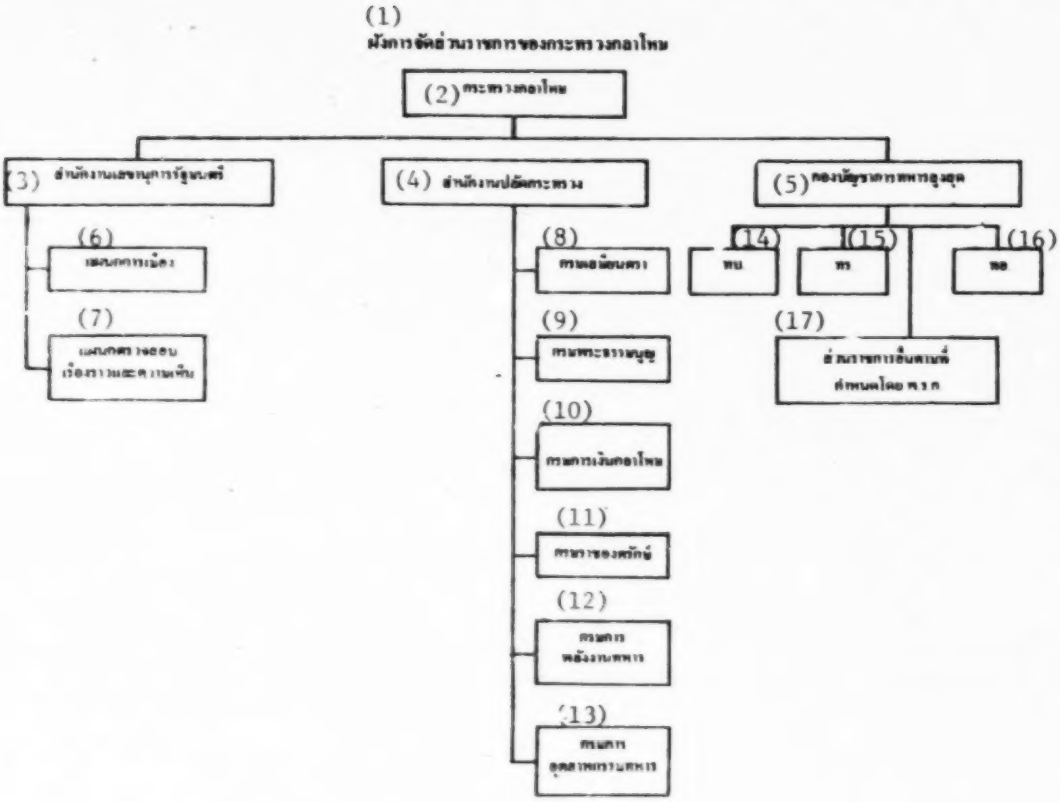
c. Chulachomklao Royal Military Academy
Territorial Defense Department

d. Special Warfare Center

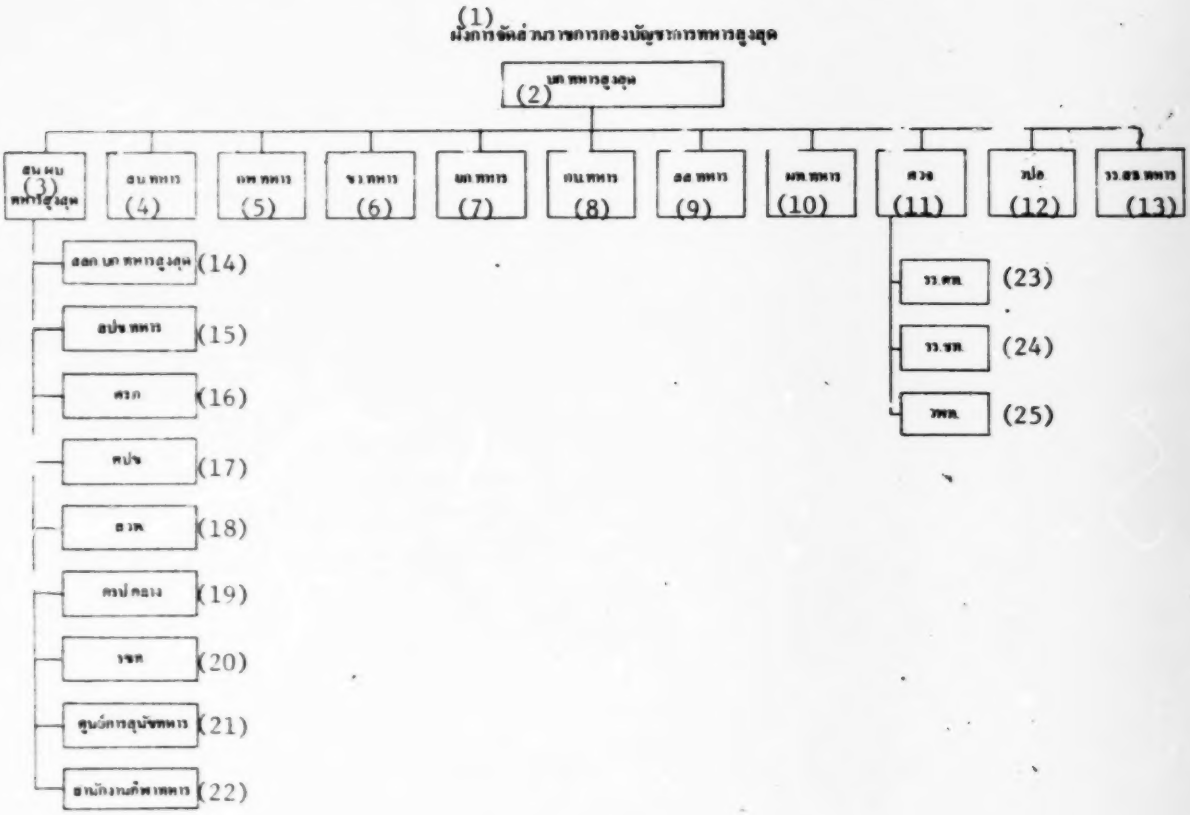
Summary

Most of the material in this article came from the Government Gazette, which included laws, Acts, Decrees, and royal appointments of officers.

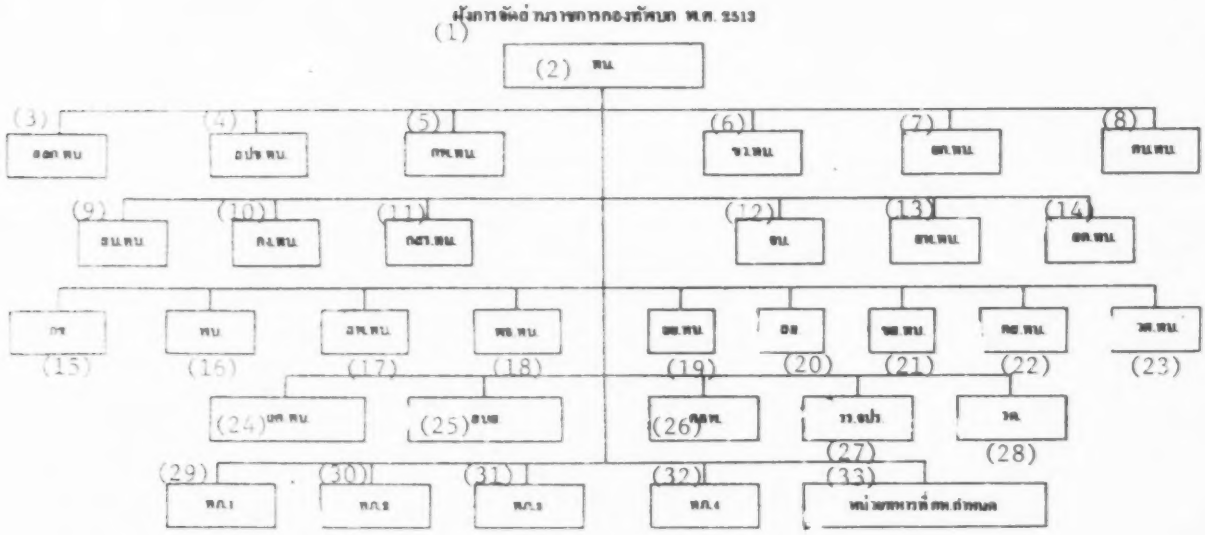
These documents are all open to the public. SIAM RAT SAPPADA WICHAN simply collated them.



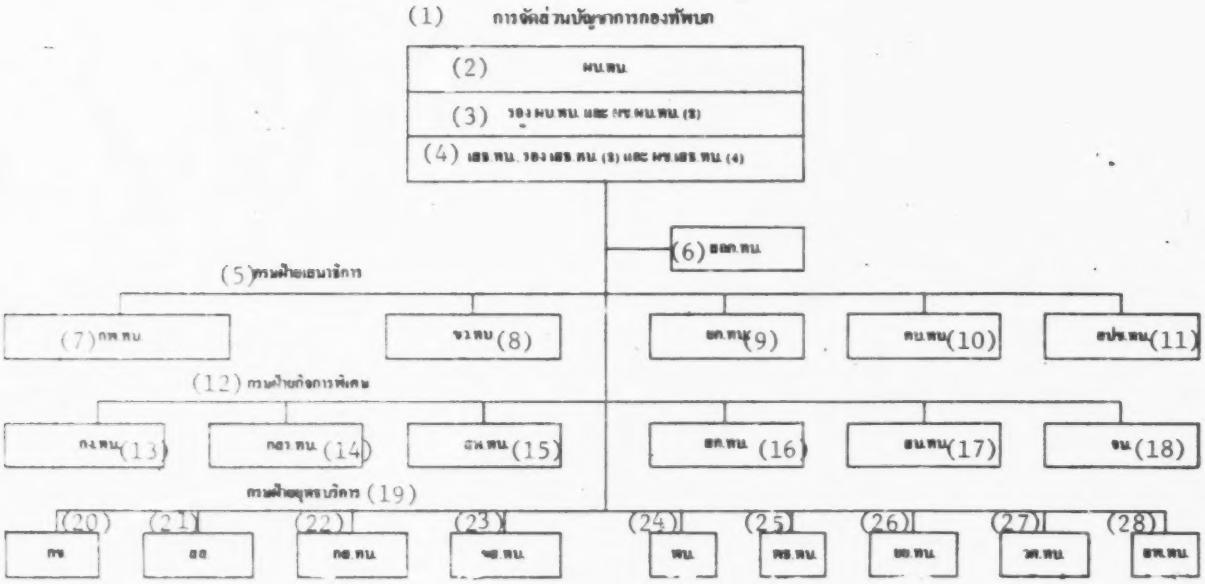
1. Organizational Chart of Ministry of Defense
2. Ministry of Defense
3. Office of the Secretary to the Minister
4. Office of the Under Secretary, Ministry of Defense
5. Supreme Command Headquarters
6. Political Section
7. Inspection Section
8. Secretariat Department
9. Judge Advocate General Department
10. Finance Department
11. Royal Aide-de-Camp Department
12. Defense Energy Department
13. Armed Forces Industrial Department
14. Royal Thai Army
15. Royal Thai Navy
16. Royal Thai Air Force
17. Other departments as set forth by law



1. Organizational Chart of Supreme Command Headquarters
2. Supreme Command Headquarters
3. Office of the Supreme Commander
4. Adjutant-General's Department
5. Directorate of Joint Personnel
6. Directorate of Joint Intelligence
7. Directorate of Joint Operations
8. Directorate of Joint Logistics
9. Directorate of Joint Communications
10. Survey Department
11. Directorate of Education and Research
12. National Defense College
13. Armed Forces Staff College
14. Office of the Secretary
15. Office of the Comptroller
16. Armed Forces Security Center
17. Armed Forces Intelligence Operation Center
18. SEATO Medical Research Laboratory
19. National Security Command Headquarters
20. [ro. cho. tho.- abbreviation unknown]
21. Canine Center
22. Sports Office
23. Armed Forces Academies Preparatory School, SCH
24. Military Technical Training School
25. Research and Development



1. Organizational Chart of RTA
2. RTA
3. Office of the Secretary
4. Office of the Comptroller
5. Directorate of Personnel
6. Directorate of Intelligence
7. Directorate of Operations
8. Directorate of Logistics
9. Adjutant-General's Department
10. Finance Department
11. Reserve Affairs Department
12. Inspector General's Department
13. Provost Marshal General's Department
14. Special Services Department
15. Engineering Department
16. Medical Department
17. Ordnance Department
18. Quartermaster's Department
19. Directorate of Army Construction
20. Signals Department
21. Transportation Department
22. Veterinary and Remount Department
23. Chemical Department
24. Army Field Forces Department
25. Army Institute
26. Special Warfare Center
27. Chulachomklao Royal Military Academy
28. Territorial Defense Department
29. Army Area 1
30. Army Area 2
31. Army Area 3
32. Army Area 4
33. Other units designated by Defense Ministry



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4. Chief of Staff, Deputy Chief of Staff (2), and Assistant Chief of Staff (4)
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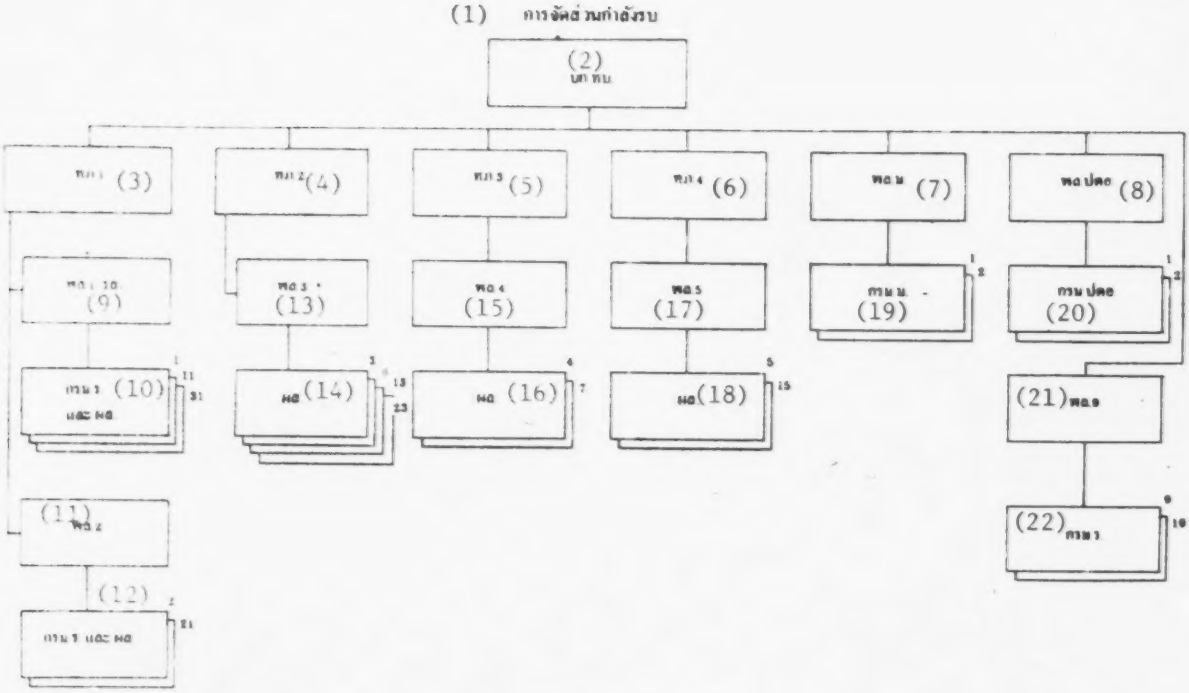

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24 August 1981

South and East Asia Report

No. 1040

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PARLIAMENT DISCUSSES POLLS, FORM OF GOVERNMENT

Prime Minister's Speech

Dacca THE BANGLADESH OBSERVER in English 26 Jun 81 p 1

[Text] Prime Minister Shah Azizur Rahman called upon the Opposition parties to go to the people in the coming election and seek their mandate on their political programmes.

Taking part in the general discussion on the National Budget for 1981-82 in the Jatiya Sangsad on Thursday the Leader of the House said that the Opposition parties had a greater responsibility to ensure the proper functioning of a democratic system. The Government believes in peaceful transfer of power through periodic elections and not through adventurism he noted.

He defended the announcement of the date for the presidential elections and observed that there was no need for any discussion with the Opposition parties on the issue since it was a routine affair of the Government.

He commended the role of the Opposition parties in extending support for upholding the constitution and the democratic order following the assassination of President Ziaur Rahman.

Prime Minister termed the debate over the presidential system versus the parliamentary democracy as a healthy one. But he felt the sweeping observation of the Opposition parties about the presidential system as baseless. The presidential system is also democratic and the parliamentary form can as well degenerated into an autocratic rule he maintained. He cited examples from the USA and France to point out the democratic character of the presidential system. He referred to the instances from Pakistan India and Sri Lanka where parliamentary form of Government debased itself into a despotic rule.

He stated that there were merits and demerits of both forms of Government. The seizure of power by extra-constitutional methods through coups can take place under both parliamentary and presidential systems he said.

The Prime Minister observed that the form of Government was an electoral issue during the last presidential election. He contended that nowhere the legislative powers of the Parliament irrespective of the form of Government was absolute. He further observed that the Parliament in Bangladesh under the existing constitutional order was more democratic than the legislature in the USA or France

since the President had no veto power over the legislation enacted by the Jatiya Sangsad.

He stated that the common people were not really bothered about the system or form of Government. What they are interested in relates to peaceful living continuing stability and progress of the nation.

Referring to the Awami League (Hasina) demand for parliamentary form of Government Shah Azizur Rahman noted that it baffled all [word illegible] to find the member of the AL (Hasina) demanding [word illegible] introduction of the parliamentary system which was not compatible with Baksal philosophy. He urged the concerned party members to change their party manifesto first and then raise demand for parliamentary form of Government to make their stand on the issue a logical and consistent one.

Justifying the proclamation of the state of Emergency, he felt that it was proclaimed at a time when there existed an imminent danger to internal security following the assassination of President Ziaur Rahman. He, however, stated that the proclamation was only an enabling provision and observed that in case the Government decided to formulate the Emergency Rules, it would move a bill for enactment of such rules in the Jatiyo Sangsad. No fundamental rights of the individual citizens have as of now been suspended in effect under the Emergency Proclamation Order, he added. There is either no restriction on processions, demonstrations and meetings, he observed while pointing out that the last presidential and parliamentary elections were held also under a state of emergency.

Shah Azizur Rahman defended the Fifth Constitutional Amendment which, he claimed, ensured the continuity of Martial Law Regulations proclaimed between August 15, 1975 till April 19, 1979. He observed that the transition from Martial Law to democracy including the functioning of the present Parliament, the restoration of the fundamental rights and the formation of a Supreme Judicial Council were all covered under the Martial Law Regulations. This has ironically the case with us, he maintained.

He maintained that President Ziaur Rahman did neither proclaim Martial Law nor dissolve the Parliament. The Martial Law was proclaimed by the Government which came to power after the revolution on August 15, 1975 and the Parliament was dissolved by President Sayem on November 6, 1975, he noted.

He said that the Fourth Constitutional Amendment enacted during the Awami League regime had abridged the fundamental rights of the citizens and had given the President the absolute powers in all matters including the "hiring and firing of judges".

The Leader of the House felt that no analogy could be drawn between the killing of Sheikh Mujibur Rahman and that of President Ziaur Rahman. The coup in which Sheikh Mujib was killed a successful one and all successful coups have been taken cognizance of by the higher judicial institutions like the High Court and the Supreme Court, he said. The rebellion against President Ziaur Rahman that led to his assassination was the act of some miscreants and that was crushed, he added.

He termed the allegations of Mr. Sirajul Islam (AL-Hasina) about President Zia's having 472 pieces of "safari suits" as utterly false and baseless. He said that

late President Ziaur Rahman had only five pieces of safari suits made of cloths available in Dacca and made by a local tailor. The similar allegations made by the AL (Hasina) about the late leader's personal assets were also wild and figment of imagination, he added while pointing out that the total bank balances of President and Begum Zia would not exceed Taka 40,000. He noted that the three-roomed house where the late President living had no capacity to contain goods worth Taka 25 crore as alleged by Mr. Sirajul Islam.

Opposition Leader's Speech

Dacca THE BANGLADESH OBSERVER in English 26 Jun 81 pp 1, 8

[Text] Mr. Asaduzzaman Khan, Leader of the Opposition (AL-H) called for introducing the parliamentary form of government in the country. He suggested that the government should invite all Opposition parties in a meeting to jointly evolve ways for transition to parliamentary democracy.

Participating in the general debate on national budget for the year 1981-82 Mr. Asaduzzaman Khan said that after the death of President Ziaur Rahman a big void had been created in the country and the nation had been plunged into a deep crisis. The crisis has been created due to concentration of all powers in the hands of one man under the presidential system.

The Leader of the Opposition regretted that the government had announced the election date without consulting the Opposition. He said that on May 30 last all the Opposition parties extended full cooperation to the government for upholding the Constitution and the democratic process in the country. He said that due to united efforts of the people, Armed Forces, BDR, Police and Ansars the country was able to overcome the crisis. "The entire credit goes to the nation as a whole for overcoming the crisis" he added.

Mr. Asaduzzaman Khan said that if all the political parties agree to amend the Constitution, the referendum will not be any problem. Earlier he said late President Ziaur Rahman had introduced the system of referendum which was a costly affair.

Mr. Asaduzzaman Khan alleged that the government has launched a propaganda to tarnish the image of Bangabandhu Sheikh Mujibur Rahman. He said that propaganda on the inventory was motivated and false. He also said that to undermine the role of Sheikh Mujibur Rahman the Treasury Bench had claimed that late President Ziaur Rahman had proclaimed the independence.

Quoting from the book written by Freedom Fighter and the then Major of EPR Major Rafiq, Mr. Khan said that President Zia read out the proclamation of independence announced by Sheikh Mujibur Rahman on March 26. Mr. Asaduzzaman Khan said that the message of independence was passed on to Chittagong which was first announced by late Mr. Hannan, an Awami League leader.

Mr. Khan termed President Ziaur Rahman as the killer of democracy. He claimed that President Ziaur Rahman while he was Deputy Chief Martial Law Administrator had dissolved the Parliament. Later replying to Mr. Asaduzzaman Khan, Leader of the House Prime Minister Shah Azizur Rahman said that the Parliament dissolved

by a Martial Law proclamation on November 6, 1975 when late Maj. Gen. Khaled Musharraf was in power. Ziaur Rahman became Deputy Chief Martial Law Administrator on November 7, 1975.

Mr. Asaduzzaman Khan criticised the government for retaining emergency in the country. He said that under the emergency the Opposition political workers were being harassed. He also demanded fresh enrolment of the voters.

Mr. Asaduzzaman Khan demanded release of all persons convicted under Martial Law and to allow the convicted persons the right of appeal. Mr. Asaduzzaman Khan urged the government not to arrest and harass the political workers. He alleged that even the people of a particular community whom the BNP say vote for us are also being harassed.

Commenting on the budget the Leader of the Opposition said that the budget would benefit only 15 per cent people of the country which include high civil and military officers, industrialists and rising capitalists. He said that the rural development has been ignored in the budget and there was no provision for checking the increase of the number of landless in the country. He claimed that the number of landless people were increasing.

Speaking on the Second Five Year Plan Mr. Asaduzzaman Khan said that the plan was dependent on foreign aid and the aid oriented plan cannot be implemented. He criticised the aid received from the western capitalists adding that the western aids are not without strings. He also said that for the petro-dollars this government had compromised the values of the Liberation War. He demanded that all aid agreements should be placed in the Jatiya Sangsad. Mr. Khan said that the multinational companies were exploiting the country.

EPZ Criticised

The Export Processing Zone was also an instrument for exploitation. Mr. Asaduzzaman Khan criticised the price spiral and inflation in the country. He said that the government had resorted to deficit financing which had aggravated the price situation. He said that the government had failed to achieve the production target in all fields. He, however, said that the food production had increased and that was due to favourable weather. He demanded fair price for agricultural produce and urged the government to fix the jute price at Taka 200.

Mr. Asaduzzaman Khan expressed concern over the deteriorating law and order situation in the country. He said that crimes had increased and there was political and secret killings. The government had failed to tackle the situation, he claimed.

The Opposition Leader demanded dissolution of the Newspaper Management Board and opposed the idea of keeping the newspapers under government control.

Speaking about the foreign policy Mr. Khan alleged that the government had failed to get the due share of the Ganges water and resolving the Talpatty crisis. He said that it was not true that he had said to all India Radio that the island belongs to India. "Talpatty is ours and we must have it," he added. He emphatically said that the government says the island is disputed, I say it is ours.

He, however, said that the Talpatty issue must be resolved peacefully and not by creating chaos.

Mr. Asaduzzaman Khan said that the government had also failed to get the assets from Pakistan and to resolve the problem of stranded Pakistanis. "We are spending Taka six crore every month for them," he added.

Criticising the tax proposals, Mr. Khan said that the new tax would affect the lower income group and the incidence of the taxes would fall on the poor people.

CSO: 4220/7228

KRISHAK SRAMIK LEADER DISCUSSES ELECTION, GOVERNMENT

Dacca THE BANGLADESH OBSERVER in English 29 Jun 81 pp 1, 12

[Text] Mr. A. S. M. Solaiman, MP and Chief of Krishak Sramik Party, on Sunday urged the government to defer the date of Presidential election till November to facilitate participation of the Opposition parties in the polls, reports BSS.

He, however, spelt out a 10-point precondition, which includes the formation of Electoral College for elections of President and Vice-President for his party's participation in the election.

Addressing a Press conference in Dacca at the Jatiya Press Club, Mr. Solaiman said that the electoral College should comprise nine members from each union who would be elected through adult franchise.

Replying to a question, he said that the Electoral College should be automatically dissolved after the Presidential election and so it was not like the basic democracy system which was once introduced by General Ayub Khan, he pointed out.

The KSP leader said that this system was needed to make the Presidential election simple as it would not be possible for the Opposition to organise the four crore voters.

Mr. Solaiman demanded that the functions and responsibilities of the Prime Minister under a democratic system should be well defined and said that the Prime Minister must have the right to advise the President about formation of the Cabinet.

He said the present system in the country was neither Presidential nor Parliamentary".

The KSP Chief said that there should be provision to make the Minister's responsible to Parliament and the Parliament should have the power to move no confidence motion against the Cabinet.

Mr. Solaiman said that the appointment of the Ministers had to be approved by the Jatiya Sangsad.

He demanded release of all political prisoners irrespective of party affiliations.

The KSP leader told a questioner that his party would not participate in the Presidential election if those demands were not met.

He said that constitutional amendments would be required to meet his demands but there would be no need of referendum.

Mr. Solaiman said that a statement of Syed Azizul Huq Nanna Mia had created confusion about the KSP's joining with the 18-party alliance.

He pointed out that Syed Nanna Mia had no connection with KSP. The decision of the party regarding joining with the 18-party alliance would be taken at its Council Session to be held on August 2.

Mr. Solaiman described as "false" the claim of Nanna Mia that he (Nanna Mia) was elected KSP President at a meeting of the party's national committee on May 26.

He said that Syed Nanna Mia had joined BNP and had tried to seek the BNP nomination in 1979.

CSO: 4220/7235

THREE-PARTY ALLIANCE TO TAKE PART IN ELECTIONS

Dacca THE BANGLADESH TIMES in English 26 Jun 81 pp 1, 8

[Text] Leaders of the three-party opposition alliance at a public meeting at the Baitul Mukarram Square on Thursday announced that they would take part in the coming presidential election.

Presided over by Major (Retd.) M. A. Jalil President, Jatiya Samajtantrik Dal (JSD), the meeting was also addressed by JSD General Secretary, A. S. M. Abdur Rab, Mr Shahjahan Siraj MP, Mr Rashed Khan Menon MP, Mr Haider Akbar Khan Rono, General Secretary, Bangladesh Workers' Party, First Secretary of Sramik Krishak Samajbadi Dal, Siddiqur Rahman and another member of the Party Khan Saifur Rahman.

The leaders of the three-party alliance appealed to all the progressive political parties to sit together, confer on election issue and decide a unified programme. "If there is no response from other parties, the three-party alliance will not allow the presidential election to go unchallenged," they declared.

They urged the Government to withdraw the emergency law, repeal all black laws and create conditions for holding of free and fair polls.

Major (Retd.) M. A. Jalil said that they did not want to enter into any debate on the system of Government at present. He said that the alliance considered both the presidential form and parliamentary form as unsuitable for the country. It was only a Parliament, duly represented by professional groups, could solve the problems of the people.

Abdur Rab

Mr A. S. M. Abdur Rab said that the alliance was not afraid of election but it must be free and fair. He said that there was no constitutional crisis in the country. "There is political crisis and it is yet to be over," he said.

He criticised the nomination of Mr Justice Abdus Sattar as a presidential candidate.

He urged the Government to hold enquiry into the killing of Major General Manjoor in order to correctly investigate the case of President Zia's assassination. He said that the three-party alliance was opposed to any killing.

Mr Shahjahan Siraj said that under the present Government the country did not make any progress in the economic fields. He criticised the Government for spending huge sums of money for non-productive sector.

Menon

Mr Rashed Khan Menon said that President Ziaur Rahman was assassinated when the three-party alliance was going to launch a massive movement against his Government. He described the assassination as a part of international conspiracy to divert the attention of the people from real problem.

He said that the people fought the War of Liberation to establish an exploitation-free society with a socialist economy. The hope of the people was frustrated by the betrayal of the Awami League Government he said.

He said that the Awami League which had fought for democracy for years killed democracy and imposed a one-man rule in the country against the wishes of the people.

Haider Rano

Mr Haider Akbar Khan Rano said that the root of the conspiracy which killed President Zia was deep-rooted and far away from the common man's imagination.

Siddiqur Rahman

Mr Siddiqur Rahman said that President Zia was killed because the super powers wanted to make Bangladesh subservient to them. 'Such killings take place whenever a leader tries to lead his country towards progress and tries to pursue independent policy' he said.

CSO: 4220/7230

AMENDMENT TO ENABLE SATTAR ELECTION INTRODUCED

Dacca THE BANGLADESH OBSERVER in English 2 Jul 81 pp 1, 8

[Text] The Constitution (Sixth Amendment) Act, 1981 was introduced in the House by Prime Minister and Leader of the House Shah Azizur Rahman on Wednesday.

The entire Opposition excepting Mr. Rafiqullah Chowdhury of Gono Front staged a walk out protesting the introduction of the Sixth Amendment Bill.

In the objective of the Bill it is said that the Amendment seeks to remove certain anomalies in the Constitution regarding the eligibility of a sitting President and Vice-President for election to the office of the President. Under the Amendment of Article 51 for Clause (4) the following shall be substituted, namely "if a Vice-President is elected as President, he shall be deemed to have vacated his office on the date on which he enters upon the office of President." The Amendment of Article 66 in clause (2a) when passed will read as follows for the words "he is a Prime Minister", the words and commas "he is a President, Vice-President and Prime Minister" shall be substituted.

Replying to the objection and protest of the Opposition, Prime Minister Shah Azizur Rahman said that the Amendment was not "substantial but technical." He said that even if President Ziaur Rahman were alive this Amendment would have been necessary. This "certain anomaly" did not come before the notice of President Ziaur Rahman and so it was not amended when President Zia was alive the Prime Minister said. This anomaly, he further added, was an "inadvertent lapse" when the Constitution was "democratised" in 1978.

The Prime Minister refuted the Opposition's charge and said that the Amendment was not introduced for Acting President Mr. Justice Sattar or for BNP but for the institution and the nation. He said that Constitution is not a closed chapter and, if necessary more Amendments would be introduced.

Replying to the comments on the fitness and health of BNP presidential candidate, Acting President Mr. Justice Abdus Sattar, the Prime Minister said that such comments on an "honest and able person like our candidate were unfair". He told the Opposition members "if you meet our candidate you will find him quite fit." He assured all that Mr. Justice Adbus Sattar with his present health could give leadership to the nation for a long time. He told the Opposition that not only the old ones had diabetes but the younger ones could also suffer from the disease. He said that the Opposition was afraid of Mr. Justice Abdus Sattar's

nomination and so the Opposition members were trying to raise a storm over a cup of tea by protesting the introduction of the Amendment.

Referring to Awami League (Hasina) members, Prime Minister Shah Azizur Rahman said that if the Bangabandhu were alive such Amendments for reelection would have been necessary. 'Bangabandhu has no substitute and he does not come in every decade,' the Prime Minister said.

Earlier, the Opposition members raised a point of order objecting to the introduction of the amendment without the stipulated seven-day notice. They said that no bill could be introduced without this notice and the Speaker should not also waive this procedure. They also argued that the Leader of the House did not give reasonable explanation for the necessity of introducing the amendment. They accused the Government of introducing an amendment of the Constitution which is the sacred document of the nation only to "suit the interest of one single person and his election".

Leaders of the Opposition Mr Assaduzzaman Khan Mr. Yusuf Salahuddin Mr. Sudhangshu Shekhar Haldar of Awami League (Hasina), Mr. Mizanur Rahman Chowdhury (AL-Mizan), Mr. M. A. Matin (ML-Sabur) Mr. Salahuddin Quader Chowdhury (ML-Siddiqui) Mr. Suranjit Sen Gupta (Ekota Party), Mr. Rashed Khan Menon (Gonotantrik Andolan) Mr. Shahjahan Siraj and Mirza Abdul Latif of JSD, Mr. A. S. M. Solaiman (Gono Front) and Mr. Rezaul Alam Khondokar (IDL) talked on the point of order objecting to the introduction of the bill without proper notice.

Replying to the objection of the Opposition members Prime Minister Shah Azizur Rahman said that the Speaker had the right to waive the rule for seven days' notice in introducing a bill. He said that in 1975 the Fourth Amendment was introduced without proper notice and that set a bad precedence in the Parliament. At that time there was no discussion on the amendment but, he assured this time we would allow any discussion on the Sixth Amendment Bill.

The Opposition members retorted back and told the Leader of the House that one bad precedence does not justify creation of another. They said that history had ample evidence that no bad precedence could do anything good for the nation. They warned the ruling party of the same consequences of the bad precedence.

Deputy Speaker Mr. Sultan Ahmed Chowdhury who was in chair during the session in his ruling said that the Speaker was satisfied with the reasons for introducing the bill. He ruled out the point of order of the Opposition and advised the Opposition members to speak if they wanted to oppose the introduction of the bill.

Opposing the introduction of the bill Leader of the Opposition termed the amendment as malafide. He said the BNP always talks of upholding the ideals of their late leader President Ziaur Rahman but in their deeds the BNP members were violating his policies. President Ziaur Rahman, he said, had given the Fifth Amendment of the Constitution in which the Vice-President is not eligible to contest the presidential election as he holds a post of profit. While BNP was mourning the death of President Ziaur Rahman it was trying to amend the Constitution of the late President only in the "interest of one single person". He said that the BNP had introduced the amendment when the Election Commission had already announced the election schedule and the ruling party had nominated the Acting President as their

Presidential candidate. The BNP, he observed, was trying to legalise the nomination of the Acting President by amending the Constitution. He criticised the BNP for not moving any Amendment for a parliamentary form of government which the people wanted now.

Mr. Sudhangshu Shekhar Halder said that the structure and the very substance of the Constitution was going to be changed by the amendment. He said that no amendment should be introduced only to suit the interest of a single person.

Mr. Yusuf Salahuddin said that there was no need to bring this amendment. He observed that the amendment was not for the nation but for "one man".

Demanding the withdrawal of the Bill Mr. Shajahan Siraj said that the BNP members who took the oath to uphold the Constitution their leader President Ziaur Rahman had given were now trying to amend it in the interest of one single person. He demanded a referendum on the amendment.

Mr. Rashed Khan Menon said that the amendment had been moved only to legalise the nomination of a particular person totally ignoring the interest of the people.

Mr Mizanur Rahman Chowdhury advised the ruling party not to introduce any amendment in the interest of one single person. He said that the Opposition would support any amendment if it was aimed at introducing parliamentary form of Government.

Mr Salahuddin Quader Chowdhury termed the amendment as a personalised bill for "one man's interest and one man's election". He criticised the ruling party of creating another bad precedence only to remain in power.

Mr. Suranjit Sen Gupta said that the amendment had become necessary not for the interest of the nation but to suit the interest of the BNP presidential candidate. He challenged the BNP candidate to resign the post of Acting President and see how he could save his deposit money in the election. He observed that the Amendment was introduced to meet the crisis in BNP regarding the nomination of its presidential candidate."

Mr. Mohammad Toaha (Samyabadi Dal) said that no constitutional amendment should be introduced "only to meet the crisis in BNP". He demanded amendment for introducing parliamentary system and he said that both the Government and the Opposition should move a joint amendment on this.

IDL member Mr Rezaul Alam Khondokar said that the Sixth Amendment would meet the same fate of the Fourth Amendment. He termed the amendment for perpetuating the rule of one man of the ruling party.

Professor Muzaffar Ahmed said that while the Government was not eager to introduce any amendment for parliamentary system it did not hesitate to move an amendment to serve the interest of its candidate.

After the Opposition members spoke opposing the amendment the Leader of the Opposition declared that they were staging a walk out in protest against the introduction of the bill. Opposition members followed him.

IDL leader Moulana Abdur Rahim who entered the House minute before the walk-out took over the microphone and announced his party decision to walk out in protest against the introduction of the bill. He said that when all Opposition parties and people were demanding amendment for parliamentary system the ruling party had totally ignored their sentiment and moved this amendment only to elect its candidate". With these words he walked out of the House with his members.

The Deputy Speaker allowed the Leader of the House to introduce the bill. The Leader of the House sought the permission of the House to introduce the bill and in the absence of the Opposition and Independent Members he introduced the Bill.

As soon as the Leader of the House introduced the Bill the Opposition members led by the Leader of the Opposition re-entered the House and Mr. Asaduzzaman Khan told the Leader of the House and BNP Members that the Opposition would not allow the Government to pass the Bill without challenge.

Without allowing the session to continue further the Deputy Speaker adjourned the House till this (Thursday) morning.

CSO: 4220/7243

BNP NOMINATES ACTING PRESIDENT SATTAR FOR PRESIDENT

Dacca THE BANGLADESH OBSERVER in English 23 Jun 81 p 1

[Text] Bangladesh Nationalist Party (BNP) has unanimously nominated Acting President Mr Justice Abdus Sattar as the presidential candidate for the ensuing election scheduled to be held on September 21.

The National Standing Committee of the Party which is the highest policy making body of BNP has endorsed the recommendation of the extended meeting of BNP held on Monday morning. The extended committee recommended the lone candidature of Mr. Justice Abdus Sattar as the party's presidential nominee.

The National Standing Committee meeting was attended by Dr. A. Q. M. Badruddoza Choudhury, State Minister Mr. Jamiruddin Sirker Dr A. F. M. Yusuf, Sheikh Razzak Ali, M. P. Prof. Md. Ekramul Huq, State Minister Syed Mahibul Hasan, Mr. Abdur Razzak Choudhury Dr. Mrs. Amina Rahman M.P. and Barrister Nazmul Huda.

Shah Azizur Rahman, Vice-Chairman of the Party who is also the member of the standing committee presided over the Standing Committee meeting.

Earlier in the morning the extended committee of the BNP consisting of Speaker, Deputy Speaker members of the National Standing Committee, office-bearers of the BNP Executive Committee, all members of the Council of Ministers, all members of the BNP Parliamentary Party, Presidents of all district units of the party and President and Secretaries of all front organisations unanimously recommended the candidature of Mr. Justice Abdus Sattar as the BNP Presidential candidate to the National Standing Committee for nomination. The name of Justice Abdus Sattar was proposed by State Minister for Youth Development Mr Abul Kashem and was seconded by Mr S. A. Bari A. T.

Talking to newsmen at his chamber at the Jatiya Sangsad Prime Minister Shah Azizur Rahman said there was no dissenting voice and the decision was unanimous. He said if there is any group against this decision within the party they were free to make a statement.

He further said that the mechanism for nominating the Presidential candidate was discussed in the meeting and it was decided that the extended meeting would recommend the candidature of the presidential candidate to the National Standing Committee which will act as the Parliamentary Party.

Replying to another question Shah Azizur Rahman ruled out the possibility of changing the polls date.

When asked if some other parties would support BNP candidate Shah Azir said "we will discuss this with different parties".

BSS adds: The decision to nominate Justice Sattar who is also the acting chairman of the party was approved at a meeting of the National Standing Committee of the BNP presided over by party Vice Chairman Prime Minister Shah Azizur Rahman.

Life Sketch

Born in 1906 Mr. Justice Abdus Sattar received his education in Calcutta. He obtained M. A. and B. L. degrees in 1928 and 1929 respectively and started legal career. He was Councillor Calcutta Corporation in 1939 and Assessor Member, Calcutta Improvement Tribunal from 1940 to 1942. He was enrolled as an Advocate in the Calcutta High Court in 1941. He was appointed Chief Executive Officer Calcutta Corporation in 1945.

Mr. Justice Sattar joined the Dacca High Court as an Advocate in 1950. He was elected Member of the second Constituent Assembly of Pakistan in 1954.

Mr. Justice Sattar was Minister for Interior and Education of Pakistan in 1956. He was appointed a Judge of the High Court of East Pakistan in 1957 and of the Supreme Court of Pakistan in 1968. He was appointed Chief Election Commissioner of Pakistan in 1969.

Mr. Justice Sattar was Chairman of the Board of Directors of Bangladesh Life Insurance Corporation in 1973 and Chairman of the Bangladesh Journalists Wage Board in 1974. He was Convener, Bangladesh National Group for Nomination of Members to the International Court of Justice. He is President of Bangladesh Institute of Law and International Affairs.

Mr. Justice A. Sattar had been Special Assistant to the President since 1975 and was in charge of Ministry of Law and Parliamentary Affairs till his appointment as Vice President of the People's Republic of Bangladesh on June 3 1977. Mr. Justice Sattar took active part in politics and was closely associated with Sher e Bangla A. K. Fazlul Haque and Mr. H. S. Subharawardy.

Mr. Justice Sattar has performed the Haj. He has visited a number of Asian and European countries. He takes interest in special work. His hobbies are reading and gardening.

CSO: 4220/7222

MUSLIM LEAGUE NOMINATES SABUR FOR PRESIDENT

Dacca THE BANGLADESH OBSERVER in English 29 Jun 81 pp 1, 12

[Text] The Central Working Committee of Bangladesh Muslim League (Sabur) in its meeting on Sunday decided to contest the ensuing Presidential election and nominated party chief Khan A Subur as party candidate. Kazi Abdul Kader Party's General Secretary announced this decision in a Press release on Sunday.

The meeting demanded shifting of the date of Presidential election to November 23 instead of September 21. The resolution said that due to month of Ramadhan and rainy season election campaign would be difficult. The meeting called upon the people irrespective of caste and creed to extend support to ML "to establish Islamic Republic a welfare state". It may be mentioned that Muslim League (Sabur) is not a component of the 18 party alliance. Party's other faction led by Mr. Justice B. A. Siddiky is a component of the 18 party alliance.

CSO: 4220/7235

COMMUNISTS, OTHERS SCORE ELECTION ANNOUNCEMENT

Dacca THE BANGLADESH OBSERVER in English 21 Jun 81 p 12

[Text] The Communist Party of Bangladesh which had only the other day called upon the political parties not to raise any controversy on the form of Government at this juncture joined eight other parties in criticising the Government for its "unilateral" action in announcing the date of the coming presidential election.

A statement issued on Saturday by the leaders of nine political parties said that the announcement of the election date reflected the "autocratic" character of the Government. The statement said the Government had by-passed the Opposition demand for switching over to parliamentary form of Government. The announcement of the election date the nine party feel had only demonstrated the narrowness of the Government. The nine parties also feel that the present situation was not conducive to the holding of election. By announcing the date of presidential election the Government had only vindicated its anti-people stand. The nine party warned the Government that it would have to bear the responsibility for all the consequences arising out of the Government's decision.

The signatories to the statement were leaders of AL(H) JSD NAP (Muzaffar) Ekota Party Workers Party CPB NAP(H) Samajbadi Dal and Gano Azadi League.

A political scientist asked to comment on the Opposition stand on the announcement of election date said he did not know of any instance where a Government in office had sought Opposition's view before announcing the date of election. He said the announcement of election date had always been the prerogative of the Government.

The political scientist said he had never come across a situation like the present one in which the Opposition is objecting to the holding of elections.

CSO: 4220/7219

DEPUTY PRIME MINISTER SPEAKS AT CHITTAGONG PORT

Dacca THE BANGLADESH OBSERVER in English 29 Jun 81 pp 1, 12

[Text] Chittagong, June 28:--Deputy Prime Minister Mr. Jamaluddin Ahmad disclosed today that a urea fertilizer plant costing Taka 800 crore would be set up here under the private-sector, reports BSS.

The proposed plant would have an annual production capacity 5,60,000 tons.

He was inaugurating Taka 1.35 crore newly built lighterage jetty of Chittagong Port at Sadarghat here this morning. The Jetty with four hundred feet in length and about 42 feet breadth will facilitate berthing of small coasters for lighterage purpose. Syed Mansurul Huq, Chairman of Chittagong Port Authority also spoke in the function.

Mr. Jamaluddin Ahmad said that Taka 750 crore urea fertilizer plant now under construction on the other side of the River Karnaphuli would be completed by 1984. The plant with an annual production capacity of five lakh tons is being constructed under public sector.

The Deputy Prime Minister said negotiations are on, with some foreign countries regarding the setting up of the urea plant under private sector. He hoped that the negotiations would be fruitful.

Mr. Jamaluddin Ahmad said that a new steel mill based on natural gas would be set up in Chittagong in the near future. The mill, he said, would produce sponge iron. He said that the existing Chittagong Steel Mills would be expanded to enable it to increase its production for this purpose, he added. Necessary allocation has been made under the Second Five-Year Plan.

He said that there was an increasing pressure on the Chittagong Port with the increase in the volume of trade as well as cargo handling. The port, he said, has to be expanded and modernised to meet the increasing need. Under the Second Five-Year Plan Tk. 200 crore has been allocated for expansion and development of Chittagong Port. He further added, the entire expenditure for port expansion would be met from its own resources he said.

He said that the development of national economy was inextricably linked with the development of Chittagong Port as it is regarded as the economic gateway to Bangladesh.

Mr. Jamaluddin Ahmad said that the late President Ziaur Rahman had introduced a massive development programme in the country because he was anxious to bring about peace and happiness for the teeming millions. We will never lag behind in implementing the development programmes left before us by our beloved late President, he said.

The Deputy Prime Minister called upon the people to extend whole-hearted cooperation to the Government to carry on economic, social and political programmes at its hand. He hoped that there would be no hindrance on our onward march. He said that the commissioning of the lighterage jetty at Sadarghat was yet another achievement for Chittagong Port Authority.

Earlier, on Saturday Mr. Jamaluddin Ahmad addressed three condolence meetings at Situkunda Mirsaraj and Ramgarh. In these meetings he explained to the people the massive development programmes implemented during President Zia's rule. He urged the people to remain united and extend whole hearted cooperation to the Government in carrying on its uplift programmes.

CSO: 4220/7235

DEMOCRATIC LEAGUE NATIONAL EXECUTIVE COMMITTEE MEETS

Dacca THE BANGLADESH OBSERVER in English 30 Jun 81 pp 1, 8

[Text] Democratic League at its national executive committee meeting held on Sunday demanded Parliamentary form of Government with sovereignty of the Parliament.

The meeting held under the chairmanship of Khondakar Moshtaq Ahmed at his residence at Agamasih Lane hailed the 18-party alliance and said that it has been formed for the greater interest of the nation at this hour of crisis.

The meeting in a resolution demanded repeal of black laws including Press and Publication Act release of all political prisoners now under detention and those convicted under Martial Law. It also criticised the Government for ignoring the Opposition political parties on the announcement of presidential polls date.

In another resolution, the meeting expressed its concern over the presence of Indian warships at South Talpatty and recent airport incident involving the illegal import of electronic equipment by the Embassy of USSR.

The meeting also expressed its deep condolence at the assassination of President Ziaur Rahman and conveyed its sympathy to the members of the bereaved family.

CSO: 4220/7237

APPOINTMENT OF ELECTION RETURN OFFICERS ANNOUNCED

Dacca THE BANGLADESH OBSERVER in English 21 Jun 81 p 1

[Text] The Election Commission in a Gazette notification issued on Friday has appointed the Secretary of the Election Commission the Returning Officer and all Sub-Divisional Officers of the country Assistant Returning Officers for conducting the presidential polls to be held on September 21. The Assistant Returning Officers have been entrusted with the responsibility of the areas falling within their respective jurisdiction for the purpose of election to the office of the President, says an Election Commission Press release.

It further says the above mentioned appointments have been made in pursuance of the provisions of Sub-section (1) of Section 4 of the Presidential Election Ordinance, 1978 (Ordinance No. XIV of 1978).

It may be mentioned here that the Election Commission has already announced the schedule for the ensuing presidential election and this was disclosed by the Chief Election Commissioner, Mr. Justice A. K. M. Nurul Islam, on Wednesday in a nation-wide radio and television address.

As per the schedule, nomination papers will be received by the Returning Officer on August 10 and scrutiny of the nomination papers filed will be held on August 11, while the last date for withdrawal of candidature remains on August 17, 1981.

CSO: 4220/7219

GANOTANTRIK CENTRAL COMMITTEE MEETING REPORTED

Dacca THE BANGLADESH TIMES in English 25 Jun 81 p 3

[Text] The three-day meeting of the Central Committee of Ganotantrik Party which concluded in Dacca on Monday said that the landing of troops on South Talpatty island by India backed by Soviet hegemonism the coup attempt at Chittagong and the assassination of President Ziaur Rahman within three weeks of the incident were not isolated events.

Presided over by Mr. Nurul Huda Mirza, Chairman of the Party, the meeting in a resolution said that although timely steps by patriotic people and the armed forces foiled the attempt by the identified local and foreign enemies of independent national existence to capture power, the planned and surprise attack had depended the political crisis in the country. Under such situation it has become clear that the present political system based on centralisation of powers in one hand was not suitable for the country, the resolution said.

In another resolution the meeting said that the occupation of South Talpatty by expansionist India was still continuing. And although the identified enemies of independence and sovereignty temporarily stepped back, they were yet to be suppressed. Under such situation the people have become more vocal about the demand for establishment of a sovereign parliament. The meeting criticised the hurried and unilateral announcement of the date of Presidential election by which, the meeting aid, effort had been made to continue the autocratic system. Such lack of foresightedness would further deepen the crisis instead of solving it, the meeting said.

The meeting called upon all patriotic and democratic-minded people to build united resistance against hegemonism expansionism, aggression and conspiracies for upholding national independence and for establishing the political and economic rights. The meeting also demanded immediate withdrawal of emergency, said a press release.

CSO: 4220/7226

OPPOSITION COALITION CALLS FOR SHIFTING POLL DATE

Dacca THE BANGLADESH OBSERVER in English 1 Jul 81 pp 1, 12

[Text] Leaders of the 18-party alliance at a public meeting at Baitul Mukarram on Tuesday called for switching over to parliamentary form of government. They held that only a democratic government responsible to the Parliament could ensure solution of all national issues.

The leaders said that it is possible for the Government to hold a parliamentary election on the basis of adult franchise within 180 days by bringing necessary amendments to the Constitution through the present Jatiya Sangsad.

The meeting of the 18 party alliance held under the chairmanship of Mr. Ataur Rahman Khan MP, President of the Bangladesh Jatiya League, made six demands including shifting of the date of presidential election to the third week of November from September 21, offering of equal rights and facilities to all the Opposition political parties in all the publicity media including radio and television withdrawal of emergency, barring the ruling party candidate in the election from using government funds and vehicles for electioneering repeal of all black laws including the Press and Publication Act Special Powers Act, present labour laws and lastly release of all political prisoners.

The public meeting was addressed by Khondakar Mustaq Ahmed, Mr. Justice B. A. Siddiky Maulana Abdur Rahim of IDL, Kazi Zafar Ahmed of UPP, Shafiul Alam Prodhan of Jatiya Ganatantrik Party Nurur Rahman of NAP (B), Maulana Abdul Matin of Labour Party, Mrs. Amena Begum of Bangla Jatiya League M. Formanullah Khan of Bangladesh Islamic Party, Nurul Huda Mirza of Ganatantrik Party Syed Azizul Huq (Nanna Miah of KSP, Mr. Nurul Huq Mehdi Mr. Abu Nasser Khan Bhashani (NAP) Mr. T. Ali of Muslim League Mr. D. Barua of Samyabadi Dal Syed Manzurul Ahsan of Nezam-e-Islam.

Addressing the meeting Khondakar Mushtak Ahmed demanded of the government to hold a parliamentary election on the basis of direct franchise. He said that presidential form of government cannot bring welfare to the people as it leads to dictatorship.

He said that the present Government was sitting on a living volcano as it did not take lessons from the past. The Democratic League chief criticised the Government for unilaterally announcing the date of presidential election hastily only to stay in power. He termed it as a selfish trick by the ruling party.

Criticising the nomination of Mr. Justice Abdus Sattar by BNP, as presidential candidate Khondakar Mushtaq Ahmed said that the Acting President could not seek election constitutionally as he was holding the office of profit.

Slating the move of the ruling party to amend the Constitution to legalise the nomination of Mr. Justice Abdus Sattar, the DL chief said if it is done, it will be audacity of the ruling party.

Kazi Zafar Ahmed, Chairman of the United Peoples Party in his address criticised the Foreign Policy of the Government. He termed the present Foreign Policy as "submissive". He was also criticial of the illegal import of specialised electronic equipment by the Soviet Embassy in Dacca recently. He said that such equipment were very much dangerous for our sovereignty.

Mr Ataur Rahman Khan in his presidential speech, strongly favoured parliamentary form of government. Mr Khan alleged that the Constitution of the country was being defied for legalising the candidature of Mr Justice Abdus Sattar by the ruling party. He demanded shifting of the date of presidential election to November as the Ramzan and the rainy season would make it difficult for electioneering.

Criticising the weak Foreign Policy he said the country's sovereignty was in danger in the wake of Indian aggression at Talpatty.

CSO: 4220/7240

ACTING PRESIDENT GREETS NEW CCP CHAIRMAN

Dacca THE BANGLADESH OBSERVER in English 1 Jul 81 pp 1, 12

[Text] Acting President Mr. Justice Abdus Sattar has sent the following message of warmest felicitations to Mr Hu Yaobang, Chairman of the Central Committee of Communist Party of the People's Republic of China on his assumption of the high office of the Chairmanship of the Party says a PID handout, issued on Tuesday.

In his message the Acting President said that under Mr Hu Yaobang's able guidance and leadership the friendly people of China will continue their onward march towards peace, progress and prosperity.

The Acting President said that as close neighbours China and Bangladesh are bound by ties of friendship dating back to centuries. He also said that during Mr Hu Yaobang's term of office Bangladesh looks forward to further widening and deepening of these friendly ties and increasing cooperation between these two countries in all fields.

On behalf of the Government and the people of the People's Republic of Bangladesh and on my own behalf I have pleasure in extending to your excellency our warmest felicitations on your assumption of the high office of the Chairman of the Central Committee of Communist Party of the People's Republic of China.

We are confident that under your able guidance and leadership the friendly people of China will continue their onward march towards peace, progress and prosperity.

As close neighbours China and Bangladesh are bound by ties of friendship dating back to centuries. During your term of office we look forward to further widening and deepening of these friendly ties and increasing cooperation between our two countries in all fields.

"I avail of this opportunity to wish your excellency happiness, long life and success and the friendly people of China continued progress and prosperity.

CSO: 4220/7240

UNITED PEOPLE'S PARTY CHAIRMAN RESIGNS FROM PARTY

Dacca THE BANGLADESH OBSERVER in English 2 Jul 81 pp 1, 8

[Text] Mr A. K. M. Golam Kabir, Vice-Chairman of the United People's Party, on Wednesday resigned his post and primary membership of the party condemning the "anti-state and anti-people" stand taken by the party. The evaluation by the UPP of late President Zia was totally wrong and biased the statement added.

Mr Kabir in his statement said that the leadership of UPP wants to hide the truth and is afraid to announce the party decision for the fear of the people. Such attitude on the part of the party leadership was nothing but hypocrisy he added "I consider the present role of the UPP as being devoid of political honesty, dubious and deceiving" he pointed out.

The statement said that "during my long association with the UPP I have found that the party gives importance to tactics rather than principles. At the time of joining the Jatiyatabadi Front it was said that it was for tactical reasons and similar argument was advanced while quitting the Front. Mr Kabir reasoned that the condolence resolution sent to Begum Zia by the Central Committee of the party was also tactical. And it was not possible to accept such series of tactics obviously adopted to fulfil somebody's personal gain and ambition Mr Kabir asserted.

Mr Golam Kabir in his statement viewed that he was concerned about the adventurism and wrong politics of UPP following its underestimation of late President Ziaur Rahman at the party Central Committee meeting on May 30 and May 31. "I became disrespectful of the party and its leadership when I saw that they were unconcerned and jovial while the whole nation was mourning and anxious after the tragic death of President Ziaur Rahman. I feel that personal vengeance was given priority over the uncertain future of the people and the country and this was no honest political thinking" the statement pointed out.

CSO: 4220/7243

AGREEMENT FOR JAPANESE AID SIGNED IN DACCA

Dacca THE BANGLADESH OBSERVER in English 23 Jun 81 pp 1, 12

[Text] Japan will provide Bangladesh 3.44 billion yen (over Tk. 26 crores) as grant for the establishment of a college of agricultural science and a national broadcasting house under two separate exchange of notes signed in Dacca on Monday reports BSS.

The grant of two billion yen (Taka 15.24 crore) for Bangladesh college of agricultural sciences to be set up at Joydevpur will be utilised by Bangladesh Agricultural Research Institute. The other grant of 1.44 billion yen (about Taka 11 crore) for national broadcasting house to be built at Sher-e Banglanagar will be used by Radio Bangladesh. The grants will be tied for procurement of equipment materials and services.

Japan which becomes the single largest contributor of bilateral aid to Bangladesh during the current financial year has provided about 226 million dollars as loans and grants. She (Japan) has been providing substantial economic assistance both in the form of grants and loans in vital sectors of the economy also topped the list of bilateral donors in 1978-79 with an aid amounting to 192 million U.S. dollars.

The exchange of notes were signed by Mr. A. K. M. Muhith Secretary External Resources Division Ministry of Finance and Mr. Hirohiko Otsuka Ambassador of Japan to Bangladesh on behalf of their respective governments.

Some of the projects recently financed under Japanese Government assistance are the Institute of Cardiovascular diseases BRTC central workshop Foodgrain Store House and the Central Extension Research Development Institute (CERDI). The projects which were either executed or under execution are Sonargaon Hotel Goalpara-Mongal-Barisal 132 K. V. transmission line procurement of 4 ocean-going vessel barge mounted power plant at Khulna Bheramara-Faridpur Barisal 132 K.V. transmission line BMR and E of Karnaphully Rayon Mills and Bakhrabad [word illegible] Field Development. Besides Japan will also be one of the largest co-financiers of the proposed Chittagong Urea Fertilizer Plant.

With the signing of notes on Monday total Japanese aid to Bangladesh since its birth rose to 222.196 billion yen (1058.07) million U.S. dollars) making her (Japan) the 2nd largest bilateral donor to this country.

The Japanese Ambassador said the signing symbolised Tokyo's continued determination to cooperate fully with the people and the Government of Bangladesh at its hour of difficulties. He said it also reflected Japan's eagerness to help build new Bangladesh a policy pursued by late President Ziaur Rahman. He assured that Japan would not spare any effort to assist Bangladesh in her development endeavours.

Mr. Otsuka said during the last three years Japan has increased its global economic assistance by 100 per cent and Bangladesh became the second recipient country. Paying high tributes to the leadership of President Ziaur Rahman the Japanese envoy said the late President was a great friend of Japan and visited his country twice.

Reciprocating Japanese gesture of goodwill Mr. Muhith said the signing demonstrates continuity of economic activities with that country. He said it indicates that economic cooperation with various other countries will grow.

CSO: 4220/7222

DOCUMENT DETAILS APPROVED CHANGES IN '81-82 BUDGET

Dacca THE BANGLADESH OBSERVER in English 30 Jun 81 p 8

[Text] Notifications for implementing the announcement of the Finance Minister Mr. Saifur Rahman on Friday regarding some taxation proposals will soon be issued by the Internal Resources Division of the Finance Ministry an official source said on Monday reports BSS.

The notification will cover realignment of fiscal measures on various items.

A Press release issued on Monday said in his reply on June 26 at the end of the general discussion on the Budget proposals of 1981-82 Minister for Finance announced the following changes in the budgetary proposals after discussion with the Ministry of Law and Parliamentary Affairs about the legal aspects. The manner of giving effect to the announcements of the Finance Minister has been decided upon and necessary notifications are being issued.

Customs: (1) announcement of the Finance Minister: The proposal regarding the conversion of specific rate into an advalorem one and enhancing the same to 125 per cent adval from Taka 11.00 per KG, on betelnuts is withdrawn.

Implementation: an amendment notification is being issued subjecting betelnuts to the specific duty of Taka 11.00 per KG, as before giving effect on and from the 6th June 1981 (the date of announcement of budget).

(2) announcement of the Finance Minister: Withdrawal of the duty concession and sales tax exemption from the machinery and spares imported subsequent to the initial installation BMR and E will be modified subjecting these articles to a concessional duty rate of 40 per cent plus normal sales tax.

Implementation: a notification is being issued in implementation of the above announcement giving effect from the 6th June 1981 the date of budget announcement.

(3) announcement of the Finance Minister: The proposal regarding unifying the rates of duty at 40 per cent from 30 per cent 75 per cent and 15 per cent on fabrics having 85 per cent or more by weight of cotton in which the constituent year is below 57 counts (excepting jeans broken jeans, cord denim twill etc.) is withdrawn.

Implementation:--A notification going back to the tariffs of 30 per cent 75 per cent and 150 per cent depending on the counts of such fabrics as prevailed prior to the Budget proposals (except jeans cord etc.) is being issued.

Excise:--(4) announcement in Budget speech of the Finance Minister: It was proposed to impose 10 per cent adval duty on wooden furniture. Accordingly a new item 12.04 wooden furniture all sorts with 10 per cent duty was inserted in the First Schedule to the Excises and Salt Act, 1944 vide Second Schedule of the Finance Bill, 1981.

The Finance Minister also declared in the Parliament on June 26 that furniture of value up to Taka 250.00 per piece would be Exempted from excise duty.

Implementation:--An exemption notification is being issued under Section 12A of Excises and Salt Act 1944 with the concurrence of the Ministry of Law who have agreed to this procedure.

(5) announcement of Finance Minister's Budget speech: aluminium fittings and fixtures were subjected to duty of 20 per cent under heading No. 10.07 in the First Schedule to the Excises and Salt Act 1944 vide Second Schedule of the Finance Bill, 1981. The Finance Minister declared before the Parliament on June 26 reduction of rate of duty from 20 per cent to 10 per cent.

Implementation:--This is being implemented through an exemption notification under Section 12A of the Excises and Salt Act 1944 being issued with the concurrence of the Ministry of Law.

CSO: 4220/7237

ISRAELI RAID ON IRAQI NUCLEAR PLANT CONDEMNED

Dacca THE BANGLADESH OBSERVER in English 23 Jun 81 p 1

[Text] United Nations, June 22.--Bangladesh has condemned the Israeli bombing of a nuclear plant in Iraq as "an unprovoked act of aggression", reports BSS.

Speaking at the United Nations Security Council debate on Wednesday last Bangladesh permanent representative K. M. Kaiser said the international community must condemn with one voice the irresponsible act of Israel and ensure that it was not repeated.

He said, "we view the situation with grave alarm". He said that on a stunned world the news broke of the sneak attack of Israel creating chaos and anarchy and sabotaging the attempts to establishment of rule of international law and efforts to control the demon of brute and naked use of military might in the region.

Bangladesh has repeatedly pointed at the root cause of the Middle East problem was Israel's greed for dominance, its arrogance, and its utter contemptuous disregard of all legal and human rights of other people of the region.

He said that the growing armed might of Israel poses a threat not only to the Middle East but also to the international peace and security and the principles and values which the international community is committed to uphold and defend.

Mr. Kaiser said that the denial of the inalienable rights to homeland to the Palestinians in their own land, usurpation of Arab and Palestinian territories by force and Israel's repeated aggressive activities in Lebanon were causing repeated set-back to establishment of peace in the region.

CSO: 4220/7221

AWAMI LEAGUE HEAD URGES PARLIAMENTARY GOVERNMENT

Dacca THE BANGLADESH OBSERVER in English 27 Jun 81 p 12

[Text] Chittagong: June 25:--Mr Mizanur Rahman Chowdhury Chief of Awami League (M) today reiterated his call for introduction of Parliamentary democracy in the country to avoid confusion and constitutional crisis; reports BSS.

Addressing members of the Chittagong District Bar Association at the Bar Library Hall here in the afternoon he said that decentralisation of administrative power was necessary in the interest of the people.

The elected representatives of the people should have power and authority while the officers and employees of the government should be made responsible to the people's representatives for quick solution of problems.

Mr. Chowdhury said that many laws introduced during the colonial rule were still in vogue and that those were meant for oppression and divide and rule. He called for introduction of new laws to save the people from harassment in an independent and sovereign country colonial laws should not be allowed to function said adding that the people who are the source of power should also exercise authority otherwise their power would be meaningless.

The Awami League (M) Chief was critical of the Presidential system of government and said that under this system power concentrates in one hand for which administration can not be run smoothly. He said that 1972 making provision for Presidential system he pleaded for restoration of 1972 constitution and said that his party would continue to reiterate the demand.

Mr. Mizanur Rahman Chowdhury also called for evolving a welfare state by taking all good principles from different systems there is no harm in accepting good principles from different systems. There is no harm in accepting good things from any economic or political system he said. He opined that problems facing the country cannot be solved by increasing number of officers and employees but through evolving a system for quick solution of the problems.

Paying tributes to Mr. H. S. Suhrawardy Maulana Bhashani and Sheikh Mujibur Rahman Mr. Chowdhury said that the contributions of the late leaders should have to be acknowledged by one and all. He said that he had no hesitation in acknowledging the contributions of late President Ziaur Rahman as a freedom fighter for as President of the country.

Regarding the present constitution of the country he said it can be amended through an elaborate discussion with the Opposition or by holding a referendum.

CSO: 4220/7231

ISLAMIC DEMOCRATIC LEAGUE TO TAKE PART IN POLL

Dacca THE BANGLADESH OBSERVER in English 28 Jun 81 pp 1, 12

[Text] Islamic Democratic League on Saturday announced its decision to participate in the ensuing Presidential elections scheduled to be held on September 21 next. The decision to participate in the election has been taken as part of the party's programme to implement Islamic ideology and introduce parliamentary democracy in the country.

Addressing a Press conference on Saturday the Chairman of IDL Moulana Abdur Rahim, MP said that the country was now facing grave political and constitutional crisis after the tragic death of President Ziaur Rahman. The neighbouring country in collusion with foreign power is trying to undo our independence and national sovereignty to fulfil expansionist design he added.

The chief of IDL, a component of the 18 party alliance, told the Press conference that India has forcibly occupied South Talpatty Island and the Indian troops and warships have entered the territorial waters of Bangladesh. Such Indian aggression amounted to undeclared war against Bangladesh he viewed.

Moulana Abdur Rahim said that an eleven member subcommittee has been formed by the Executive Committee of IDL to discuss about nominating a Presidential candidate and exchange views with like minded parties.

CSO: 4220/7233

LEADERS DISCUSS DEFENSE BUDGET IN PARLIAMENT

Dacca THE BANGLADESH OBSERVER in English 28 Jun 81 pp 1, 12

[Text] Prime Minister Shah Azizur Rahman on Saturday stressed that consolidation and stabilisation of democracy was the strongest bulwark against any adventurism in the country reports BSS.

He further pointed out that the best way to keep the country free from the curse of Martial Law was to uphold the democracy and democratic values and discourage strictly the politics of terrorism and destruction.

The Prime Minister who was speaking on the demand for grant for the Defence sector in the Jatiya Sangsad in the evening made it clear that Martial Law was imposed in the country in the past only when some one had indulged in capturing power through the act of destruction and terrorism throwing away all democratic values to the wind.

He reiterated that democracy was like a child. We should nourish and nurture democracy with care and exercise utmost tolerance to the views of others so that it could consolidate and stabilise in the country to withstand all onslaughts against it.

Shah Azizur Rahman who is also the Leader of the House was happy to note that late President Ziaur Rahman during his tenure had been able to make our Armed Forces respectful to democracy. He was confident that the country would not be taken over by Martial Law in future "if we do not deviate from the path of democracy."

He therefore laid emphasis on the stabilisation of democracy in the country saying "it is the earnest desire of our Armed Forces that democracy sovereignty of people and sovereignty of Parliament are upheld in our country".

The Prime Minister emphatically dismissed the allegation of some members of the Sangsad that the Armed Forces were indulging in politics. He declared "They were not involved in any kind of politics and they are playing their patriotic role".

Paying tributes to the Armed Forces Shah Azizur Rahman said that they had earned the admiration of the people for their allegiance to our Constitution during the most turbulent time of the country.

He stated that the entire Armed Forces could not be blamed for the act of a handful of miscreants who had killed our President Ziaur Rahman. He appealed to all not to make any comment that amounted to aspersion on the whole Armed Forces and could create despondency in the minds of our people. The way our Armed Forces had expressed their allegiance to democracy Constitution and to the constitutional Government would be written in letters of gold in our history. He once again clarified that our armed forces were never involved in political affairs and "they are not doing them now."

The Leader of the House dismissed as sheer untrue the allegation that two Cabinet Ministers had recently been relieved of their duties at the behest of the Cantonment. There was no iota truth in it he said adding such rumour was being circulated by some quarters to create confusion.

Quoting constitution he told the Sangsad that the Ministers held office at the pleasure of the President alone.

Referring to the criticism of some members against the Acting President for his visit to Cantonment Shah Azizur Rahman noted that the Acting President had to visit Headquarters of Army Navy and Air Forces as a routine work to perform his function as the Supreme Commander of the Defence Forces. Such allegation was motivated to confuse the people he added.

The Leader of the House refuted the charge of Prof. Muzaffar Ahmed (NAP-Muzaffar) that sovereignty lies with the armed forces in Bangladesh. He declared that "sovereignty lies with the people and the Jatiya Sangsad which was the custodian of the people's sovereignty exercises the absolute power on behalf of the people".

Mr. Asaduzzaman Khan Leader of the Opposition said that people never sought any dictation from the army but would always hail such role as had been played by the Armed Forces during the national crisis following the killing of President Ziaur Rahman.

The people unitedly demonstrated their pledge to continue to uphold democracy when the Armed Forces lent their support which drew admiration of the people for them. The Opposition Leader said adding that they should stay in their own area and field.

The Armed Forces must not be utilised by anyone as "power base" he warned.

The necessary allocation for the Armed Forces will have to be provided with the hope that they would play their due role from their own locus standi Mr. Asaduzzaman Khan further told the Sangsad.

The Opposition Leader referred to Article 61 of the Constitution and said that with the changed circumstances laws regulating the Armed Forces should also be changed.

In this connection he mentioned how Bangobandhu Sheikh Mujibur Rahman had started building up the country from the ravages of a war when he even went for raising and building up the country's Armed Forces. But conspirators within the country with

the help of the imperialists finally succeeded in killing Bangobandhu Sheikh Mujibur Rahman who had resisted the cliques and conspiracies of the imperialists.

The situation was then driven by enemies of the country to a pass through machinations following the scourge of flood and its resultant afterrath refusal by America to supply food with the intention to prove to the world that Sheikh Mujib's Government was not capable of running the country Mr. Asaduzzaman Khan recalled. Besides Mr. Khan recalled the country faced inimical posture adopted by China which did not support our freedom struggle and the natural calamities. The Bangobandhu was killed and no trial could be held he regretted saying such thing must be opposed.

Mr Khan thanked the Armed Forces for its role in upholding the supremacy of democratic rule during the recent crisis.

CSO: 4220/7233

PAPER GIVES DETAILS ON ILLEGAL SOVIET SHIPMENT

Airport Incident Described

Dacca THE BANGLADESH TIMES in English 22 Jun 81 pp 1, 8

[Text] The Soviet Embassy which imported sophisticated electronics equipment on Tuesday last under the label of construction materials was not given clearance to take them out of the airport till Sunday night.

The Embassy earlier tried to remove them from the airport without valid clearance and in the process assaulted security personnel of the airport.

When contacted Foreign Secretary Mr Humayun Rashid Chowdhury said that he was awaiting a report of the incident which he expected today (Monday). Official reaction would be given then, he said.

Asked if the Soviet Embassy imported these materials with the clearance of the Government Mr Chowdhury mentioned the Geneva Convention. Und the Geneva Convention any foreign embassy is under obligation to submit a list of things they propose to import for getting clearance. Normally embassy imports are not customs-checked if there is prior clearance by the Foreign Ministry.

But the Foreign Ministry can order customs check if it considers that imports contained contraband items. In this particular case the Soviet Embassy did not submit nor inform the Foreign Ministry about the import of these materials. Therefore, the question of Foreign Ministry's clearance did not arise.

Foreign Secretary Mr Chowdhury said "I have every intention to enforce the Geneva Convention as we are a sovereign and independent country."

According to airport sources, a special Aeroflot cargo flight brought in hundred forty crates of cargo on Tuesday night. On Saturday Soviet Embassy officials with their own trucks and pick-ups entered the airport forcibly brushing aside security guards at the gate. Then they tried to load the trucks and pick-ups. When airport employees asked them to produce documents they failed.

Meanwhile, other employees of the airport arrived and asked the Soviet embassy officials to produce the clearance by Foreign Minister before they could remove the crates.

Later, they were asked to get these crates which were supposedly carrying building materials checked by the airport customs. At the checking Soviet diplomats and Foreign Ministry representatives were present.

It is learnt that when a crate was opened it was found to contain sophisticated communication equipment. A National Security Intelligence official tried to take photographs of these items which is normal for keeping record. At this a Soviet diplomat reportedly punched upon him and snatched the camera and banged it on the floor. The NSI official also got hurt, it is learnt.

According to reports, the communication equipment include highly sophisticated frequency analyser which can be used to listen to any wireless communication around the region. Besides, there are signal generators, transmitters and other equipment weighing ten tonnes.

Party Leaders React

Dacca THE BANGLADESH TIMES in English 22 Jun 81 pp 1, 8

[Text] Political parties on Sunday condemned the activities of the Soviet Embassy officials in Dacca and expressed concern over the import of "prohibited goods" such as highly-sensitive electronics equipment used for espionage" by them.

They demanded expulsion of Soviet Embassy personnel who were engaged in espionage. While condemning the assault on security officials on duty at Dacca International Airport, Kurmitola, the political leaders expressed concern that such activities could not but be a part of a deep-laid conspiracy.

Ganotantrik Party

The Central Committee of the Ganotantrik Party which was in session since Saturday was of the opinion that these items were imported for exchange of secret information affecting the security of Bangladesh and said that such activity by the embassy of an expansionist power at the present situation was unholy and significant."

The Central Committee of the Party said that import of such wireless equipment under the guise of construction materials was a misuse of diplomatic privileges and demanded appropriate action against such activity.

Samyabadi Dal

Messrs Mohammad Toaha, Chairman and Prof Yusuf Ali, General Secretary of Bangladesher Samyabadi Dal in a joint statement to the Press urged the Government to publish a white paper as to when the Soviet plane landed at Kurmitola Airport without prior permission and what "secret arms" were brought in by it.

They also urged the nine crore people of the country to resist any conspiracy of "social imperialists."

They alleged that the Government had failed to tackle the incident. They said that the conspiracy at the airport and the attack on security officials by the

embassy employees amounted to open threat to the independence and sovereignty of Bangladesh.

UPP

Kazi Zafar Ahmed, Chairman and Mr. Mostafa Jamal Haider, General Secretary of United Peoples Party in a similar joint statement to the Press demanded immediate publication of a white paper on the "dubious activities by the Soviet Embassy in Bangladesh."

They said that the Embassy which imported wireless items in the name of importing construction materials by taking advantage of diplomatic privileges even employed physical force to get those items transferred from the airport by receiving the airport security staff.

They said that these activity leave enough reasons to doubt that social imperialists were engaged in a "deep-laid all-out conspiracy."

The UPP leaders said that such doubt had been deepened because of threat of "Afghan style revolution in Bangladesh" and the recent activities of the "identified lackeys of Indo-Soviet axis" said a Press release.

Jamaat-e-Islami

Mr Abbas Ali Khan Acting Amir, Jamaat-e-Islami in a similar statement said that the import of prohibited items by the Soviet Embassy by passing diplomatic norms was dubious and conspiratorial to the independence and sovereignty of Bangladesh.

He said that the entrance to the prohibited zone of the airport without permission, attempt at loading imported goods on trucks without necessary Customs clearance and the attack on security officials and then breaking his camera by the embassy employees were dubious, mysterious and audacious.

While protesting against such activity on the part of the embassy; he urged the Government to lodge strong protest against this and to stop such antidiplomatic, dubious and conspiratorial activity. He said that the people of Bangladesh were determined to resist any conspiracy by imperialist and expansionist forces, said a Press release.

Mr Garib Newaz Chairman Bangladesh People League (Newaz) expressed his deep concern over the import of prohibited items by the Soviet Embassy and said this amounted to threat on the independence and sovereignty of Bangladesh.

He demanded expulsion of the Soviet diplomats in Dacca saying that it could not be beyond doubt whether the embassy did not import such prohibited items in the past and that the continuance of the status quo might further endanger national security.

IDL

Moulana Abdus Sobhan Secretary General Islamic Democratic League in a similar statement to the Press condemned the import of prohibited items and urged the

Government to take appropriate action against such "serious espionage under the cover of diplomatic activities."

He said that detection of the import of "sensitive equipment" in the name of bringing construction materials was a cause of concern and highlighted fact that such "espionage equipment were imported by the embassy in the past."

Moulana Sobhan said that a large numbers of diplomats and cars of the Soviet embassy in Bangladesh and the establishment of a large consulate at Chittagong by it was a proof of a network of espionage. He urged the Government to expel diplomats engaged in espionage and called upon the people to organise resistance against such activities.

Tanzim-ul Ulema

In a similar statement the Members of the Central Convening Committee of Tanzim-ul-Ulema Bangladesh condemned the activity of the Soviet embassy in Dacca and urged the government to take appropriate steps against such activities.

More Reaction Reported

Dacca THE BANGLADESH OBSERVER in English 23 Jun 81 pp 1, 12

[Text] Different political and students organisations on Monday condemned the illegal import of specialised electronic equipment by the Soviet Embassy in Dacca in the name of building materials and behaviour of some of the Embassy officials defying the diplomatic norms at Dacca International Airport on Saturday.

Mr. Atiqul Islam General Secretary of Jubo Muslim League and Mr. Mamunur Rashid Convener of Dacca City Jubo Muslim League in a statement on Monday condemned the illegal import of high powered electronic equipment by the Soviet Embassy in Dacca. They said that the attempt of some Soviet Embassy officials to get those equipment released forcibly was equally unfortunate and devoid of normal diplomatic behaviour.

The National Awami Party (Bhashani) condemning the illegal import of electronic equipment in the name of building materials demanded of the government to keep watch on the activities of the Soviet Embassy officials in the interest of the nation.

Mr. Matiur Rahman and Principal Sirajul Huq President and General Secretary respectively of the Progressive Democratic Force demanded of the Government to investigate into the activities of the Soviet Embassy in Dacca and publish a White Paper in this regard. They also condemned the illegal import of electronic equipment in the name of building materials by the Embassy.

Other organisations which expressed their concern over the airport incident were Banglaldesh Jubo Muslim League Farakka O Simanta Hamla Protirodh Committee Jamiat e Ulama e Islam Bangladesh Mr. Shamsul Huda Chairman Gono Muslim League Mr. Shafiqur Rahman (IDL) Major (Retd.) Afsaruddin President NDP, Dr. K. N. Islam Convener Jatiya Sevak Dal Mr. Abdul Khaleque Joint Convener NAP (Bashani) Advocate Golam Mohiuddin Convener Jatiya Dal (Mohiuddin) Sarafat Hossain Chairman Rep Republican Party Syed Sirajul Huda President Jatiya Dal (Huda) and Hazrat Ali Sikdar of Jatiya Sevak Dal. These organisations also demanded closure of Soviet Consulate in Chittagong.

CSO: 4220/7221

NURUL ISLAM LEAVES CABINET POST, JOINS BNP

Islam, Hossain Relieved

Dacca THE BANGLADESH OBSERVER in English 21 Jun 81 p 1

[Text] Major General (Retd) Nurul Islam and Lt. Col (Retd) Akbar Hossain have been relieved of their duties as Ministers with immediate effect, an official announcement said, reports BSS.

The announcement made on Saturday night from Bangabhaban said: "The Acting President Justice Abdus Sattar has been pleased to relieve Major General (Retd) Nurul Islam and Lt. Col. (Retd) Akbar Hossain of their duties as Ministers with immediate effect".

Islam Joins BNP

Dacca THE BANGLADESH OBSERVER in English 21 Jun 81 p 1

[Text] Major General (Retd) Nurul Islam, Minister for Agriculture and Forest on Saturday formally joined the Bangladesh Nationalist Party (BNP) reports BSS.

Disclosing this the Joint Secretary General of the BNP, Mr. Ferdous Ahmed Quoreshi said that General Islam had formally signed the membership form on Saturday morning.

Later in a statement, General Islam said "I have thought myself as an integral part of the BNP right from its inception and even before its inception. At the request of the respected Secretary General, Dr. Badruddoza Chowdhury, Joint Secretary General Messrs Ferdous Ahmed Quoreshi and Julmat Ali Khan, and other well wishers in the party and in the front organisations, I have formally signed the membership form today. In fact, I have only formalised my emotional attachment with the party its philoosphy and its late great leader Ziaur Rahman.

The late President was the source of inspiration behind all my activities for the last five and a half years and today his memory is my basic strength and most significant inspiration."

CSO: 4220/7218

NURUL ISLAM CONGRATULATES SATTAR ON NOMINATION

Dacca THE BANGLADESH OBSERVER in English 26 Jun 81 pp 1, 8

[Text] Major General (Retd.) Nurul Islam congratulated Acting President Mr. Justice Abdus Sattar for being nominated by Bangladesh Nationalist Party (BNP) as Presidential candidate. He pledged all his support in the victory of Justice Sattar in the next election. He also admired the Acting President Mr. Justice Sattar for tackling the crisis successfully after the death of President Zia.

Following is the full text of the statement issued by Major General (Retd) Nurul Islam.

"I congratulate the Acting President Mr. Justice Abdus Sattar for being nominated by Bangladesh Nationalist Party as a candidate for the next Presidential election. As a member of the Party, I sincerely pray to the Almighty God for his good health and victory in the elections. It is indeed creditable that in spite of being ill at the time of the tragic death of our late President Acting President Abdus Sattar has steered the country admirably towards a constitutional transition. The Acting President during the last five years in his capacities as Special Assistant and Vice-President has provided invaluable support to all the political and economic programmes of our beloved late President.

"I would like to express my deep personal gratitude to him for all the support cooperation and affection that I enjoyed from him in the last five years and a half during my association with the Government in different capacities. I pledge all my support to his victory to the ensuing election. In the interest of democracy and in the interest of a continued economic development programme, which is so vital to our people majority of whom are still living below the subsistence level we should all pray for his victory and work wholeheartedly towards that goal".

CSO: 4220/7228

SATTAR MESSAGE TO U.N. ON AFRICAN SOLIDARITY REPORTED

Dacca THE BANGLADESH OBSERVER in English 21 Jun 81 p 1

[Text] Bangladesh has reaffirmed once again its "total and unflinching support" to the just struggle of the people of Southern Africa for the elimination of all forms of racial discrimination and apartheid, reports ENA.

The Bangladesh stand was reiterated in a message sent by Acting President Abdus Sattar to a meeting in New York held recently in observance of the International Day of Solidarity with the people of South Africa.

The message which was available here today was read out at the meeting by the Bangladesh Permanent Representative at the UN.

It said "we salute the countless victims of apartheid who have to suffer daily humiliation and indignation under the repressive laws of the racist regime".

"Year after year the special committee against apartheid had catalogued the extent and escalation of the policy of discrimination based on apartheid and racial discrimination. The policy of apartheid has meant denial of representation to the overwhelming majority of the people which has perpetuated economic discrimination on an unprecedented scale and dispossession and forcible transfer of millions of Africans under restrictive laws curtailing their elementary freedom in their own country.

Thousands of Africans have been tortured or murdered. Intimidation and harassment has been sanctioned by law. The humanitarian and the political dimension of apartheid needs no elaboration. It has rightly been termed by international community as a crime against humanity.

The message said the people of Africa have secured remarkable achievements in their struggle against colonial domination and racism. The final elimination of the last vestige of colonialism racism and apartheid in the Southern Africa is inevitable it added.

Our support to the legitimate rights and aspirations of the struggling people of South Africa is total and unequivocal. We believe that the universal commitment of the international community as demonstrated by the international conference on sanctions against South Africa will provide a fresh impetus to the continued struggle of the people of South Africa for the final elimination of all forms of colonial and racist oppression in Southern Africa" the message said.

CSO: 4220/7218

ZIA'S WIDOW DENIES MEETING WITH BEGUM MANZOOR

Dacca THE BANGLADESH OBSERVER in English 21 Jun 81 pp 1, 12

[Text] Begum Khaleda Zia on Saturday described as "fabricated and motivated" the report published in the weekly ITTEHAD that she had "secretly met with Begum Manzoor and none of them believed that Manzoor had killed Zia" reports BSS.

The widow of the late President in a statement said at a time when the whole nation was passing through a critical juncture following the tragic assassination of her husband publication of such baseless and confusing story is not only against honest journalism but also a sign of mad taste.

Begum Zia said: "The rumour-based report connecting my name which was published in the June 19 issue of the weekly ITTEHAD has come to my notice. It said I had a secret meeting with Begum Manzoor and neither Begum Zia nor Begum Manzoor believes that Manzoor had killed Zia". The report in ITTEHAD further mentioned that "they met on Friday in a house in the Cantonment".

Although this imaginary story was described as rumours yet attempt is being made to pass it as a true story.

"When the whole nation is standing at a critical juncture following the tragic assassination of my husband and when I and my two minor sons are in deep grief publication of such baseless and confusing report is not only against the policy of honest journalism but also a sign of bad taste.

I want to make it clear for the information of the people of the country that the report published in the ITTEHAD is totally fabricated and motivated and I have no language to condemn it.

I do not know what action Government will take against such misleading propaganda. I also do not want to make a comment in this regard. However I believe that Government will take appropriate steps to check a repetition of such things.

In this connection I appeal to all the newspapers as well as the people of the country to refrain from involving my name with such imaginary stories in the greater interest of the nation.

CSO: 4220/7218

AMENDMENT TO ENABLE SATTAR ELECTION RECOMMENDED

Dacca THE BANGLADESH OBSERVER in English 1 Jul 81 p 1

[Text] The BNP Parliamentary Party unanimously recommended introduction and consideration of the Constitution 6th Amendment during the current session of the Jatiya Sangsad at its meeting held on Tuesday morning with the Leader of the House and Prime Minister Shah Azizur Rahman in the chair.

The proposed Amendment to the Constitution will be to remove anomaly for the eligibility of the Acting President to seek the presidential election the Prime Minister Shah Azizur Rahman told BSS.

The proposed Constitution Amendment Bill is likely to be introduced in the House today (Wednesday).

At the end of two-hour-long meeting the Prime Minister said the Parliamentary Party which constituted a committee to suggest "any further Amendment" to the Constitution also set up another committee to prepare a draft of the privileges of the members and enactment of a law for establishment of the District Development Boards.

Headed by the Leader of the House Shah Azizur Rahman the BNP Parliamentary Committee formed to suggest amendments to the Constitution comprises among others Dr A. Q. M. Badruddoza Chowdhury Secretary-General of BNP and Deputy Leader of the House two Deputy Prime Ministers Mr Jamaluddin Ahmed and Mr S. A. Bari A.T. Civil Aviation Minister Mr Obaidur Rahman Mr Moudud Ahmed the Railway Minister Mr Abdul Alim Begum Taslima Abed Mr Anisul Islam Mahmud and Mr Nur Mohammad.

The BNP Parliamentary Committee to prepare the draft of the privileges of members will be headed by Mr Justice T. H. Khan as Convener.

CSO: 4220/7241

PRELIMINARY REPORT ON 1981 CENSUS RELEASED

Dacca THE BANGLADESH TIMES in English 28 Jun 81 pp 1, 12

[Text] The total population of Bangladesh now stands at 8 crore 99 lakh and 40 thousand, according to the preliminary report on the Population Census of Bangladesh, 1981, formally released at a Press conference in Dacca on Saturday.

Planning Minister Dr. Fasiduddin Mahtab addressed the Press conference held at the state guest house 'Meghna'.

Dr. Fasihuddin Mahtab pointed out that on the basis of the preliminary count, the total population of Bangladesh comes to 87,052,024 with 44,849,973 males and 42,202,051 females. He said that since under-count of population was common in all national censuses, a post enumeration check (PEC) was undertaken which indicated that there had been a national under count of 3.3 per cent. After adjusting the estimated undercount, the population of Bangladesh was shown at 89,940,000.

Dr. Mahtab told the news conference that about 206,000 enumerators and 46,000 enumerator's supervisors (including a 5 per cent reserve in both categories) were engaged during the enumeration conducted on March 6, 7 and 8, 1981. He said that the preliminary report of the census was formulated on the basis of manual tabulation.

The Planning Minister announced that the final report of the census would be published sometime in June, 1982--although efforts were underway to publish it earlier.

Sex Ratio

According to the preliminary report, the sex ratio (males against 100 females) is 106, the number of households is 15,135,000. The density of population per square mile, including river area has been shown at 1566 (excluding river area--1,675). Per capita availability of land is estimated at 0.38 acres.

The report shows that on the basis of adjusted population of 1961, 1974 and 1981 the computed growth rates were as follows: from 1961 to 1974 2.70 per cent, from 1974 to 1981 2.36 per cent and from 1961 to 1981 2.59 per cent.

Sample Survey

The Planning Minister told a questioner that a detailed sample survey would be conducted in November this year to gather data on housing, income, assets,

profession and cultural patterns in rural Bangladesh. The sample survey would form a part of the census and would cover about one per cent of the total households in the country.

Dr. Mahtab said that the sample survey would provide answers to 59 questions which are not covered by the census.

Cost of Census

He told another questioner that the total cost of the national population census would run into Tk. 15.7 crore, of which Tk. six crore would come from the UNFPA. The remaining portion would be funded by the government of Bangladesh.

The Planning Minister pointed out that urbanisation was a relatively new phenomena in Bangladesh--the rate of urbanisation being between 12 to 13 per cent. He said that in the neighbouring countries like India and Burma the rate of urbanisation was above 30 per cent.

Growth Centres

He disclosed that the government had taken up a scheme to build up 1200 growth centres in the country where attempts would be made to stimulate non-agricultural economic activities.

He added that these growth centres would be provided with basic infrastructural facilities like electricity and road communications with a view to setting off a multiplier effect. This, he went on, would take off the undesired pressure on the existing urban areas where all the non-agricultural economic activities are concentrated.

79 Municipality

The 1981 population census covered 79 municipality (poura shava) locations. The population of the Dacca Statistical Metropolitan Area (SMA) was shown to be 3,458,602 including 73,788 floating and transient persons (counted on March 5 night). The population of Chittagong SMA was found to be 1,388,475 including 24,883 floating and transient persons.

The population of Khulna SMA is 623,184 which includes a floating and transient population of 8,175. The Rajshahi SMA has a population of 171,600 including a floating and transient population of 2,117.

Sunderbans

For the first time, an attempt was made to enumerate the population in the Sunderbans during this year's census. The entire population of the Sunderbans area was divided into two groups viz floating persons who go there temporarily and the household persons who generally live inside the forest.

Total population recorded during the census night in the Sunderbans area is about 20,682 of which 17,853 belong to the floating group and 2,829 are household group. Almost all the floating people are male.

Population of Bangladesh By District, 1901 to 1981 (in 000)

District	1901	1911	1921	1931	1941	1951	1961	1974	1981
Chittagong	1383	1508	1611	1797	2153	2309	2983	4315	5476
Chittagong H.T.	125	154	173	213	247	286	385	508	746
Comilla	2139	2455	2696	3056	3860	3792	4389	5819	6880
Noakhali	1143	1303	1473	1707	2217	2274	2383	3234	3813
Sylhet	2031	2241	2298	2466	2832	3059	3490	4759	5650
Dacca	2617	2929	3172	3449	4224	4073	5096	7612	10049
Faridpur	1781	1963	2030	2163	2650	2710	3179	4060	4768
Jamalpur	-	-	-	-	-	-	1449	2059	2445
Mymensingh	3922	4531	4842	5135	6030	4558	4083	5508	6543
Tangail	-	-	-	-	-	1227	1487	2078	2444
Bakergonj	2485	2613	2844	3194	3811	2636	3068	3928	4688
Jessore	1647	1597	1590	1552	1695	1703	2190	3327	4016
Khulna	1268	1380	1472	1629	1944	2076	2449	3557	4353
Kustia	885	842	783	808	920	884	1166	1884	2273
Patuakhali	-	-	-	-	-	1006	1194	1499	1840
Bogra	884	1017	1083	1122	1260	1278	1574	2231	2718
Dinajpur	1126	1168	1220	1236	1[illegible]36	1365	1710	2571	3196
Pabna	1418	1425	1385	1438	1696	1584	1959	2815	3418
Rajshahi	1902	2000	2028	1993	2198	2205	2811	4268	5263
Rangpur	2202	2434	2555	2646	2924	2916	3796	5447	6490
TOTAL	28928	31555	33255	35602	41997	41932	50840	71479	87052

Dahagram

The Planning Minister told a questioner that census would be undertaken in the Bangladeshi enclaves of Dahagram and Angorpota between July 6 and 13, as per an agreement with the Indian authorities.

65487 Villages

The preliminary report showed that there were 65487 villages--with 50 or more households--in the country (with an average population of 1276). There were also 20163 smaller settlements around the villages (whom the local people called villages) with less than 50 households each (and an average population 172 each). The report explained that according to the 1974 census "there were 68385 villages and subsequently some of the large villages were split into "Paras" or hamlets as new settlements came up".

The census report showed the number of police stations to be 469 (excluding five new ones created after the census) with an average population of 185000.

The number of unions (rural) was shown as 4365 with an average population of 17820.

Highest Population

BSS adds: The District of Dacca has the highest population of 1 crore 49 thousand according to the preliminary report of the census.

The report revealed that the population of Comilla district is 6880000 followed by Mymensingh 6543000 and Rangpur 6490000 Chittagong Hill Tracts with 746000 population is the smallest district.

The growth rate over 1974 in Chittagong Hill Tracts is the highest (46.85 per cent). This is mainly due to in migration from other districts. Dacca with 32.02 per cent and Chittagong with 26.91 per cent have the second and third largest growth mainly due to rapid urbanisation in and around the two metropolis where population increased very sharply according to the report.

Growth rates in Faridpur (17.44 per cent) Tangail (17.62 per cent) and Noakhali (17.90 per cent) are among the lowest growth rate areas of Bangladesh the report said.

CSO: 4220/7234

OPPOSITION LEADERS SPEAK IN HOUSE BUDGET DEBATE

Dacca THE BANGLADESH OBSERVER in English 20 Jun 81 pp 1, 12

[Excerpt] The general debate on national Budget for 1981-82 continued at the Jatiya Sangsad for the third consecutive day on Friday. The Opposition members participating in the discussion mostly concentrated on political issues and paid little attention to Budget.

Some Opposition members interrupted the proceedings a number of times and drew the attention of the Speaker to the announcement of presidential election date without what they called consulting the Opposition political parties. The Leader of the House Shah Azizur Rahman referred to his statement made at the Sangsad on Wednesday about the announcement of election date. He called upon the members to go through his statement.

It may be mentioned here that the Prime Minister and Leader of the House Shah Azizur Rahman made it clear on Wednesday's session of the Parliament that the fixation of a date for presidential election was not a national problem but the fulfilment of a constitutional obligation by the Government. He informed the House that leaders of each political party will be invited by the Acting President for discussion about the presidential election to be held on September 21.

Participating at the debate Professor Muzaffar Ahmed (NAP-M) viewed that the 84 per cent of the total population of Bangladesh who are below the poverty level are not interested in the form of government. Their main problem is poverty and they want a better life he added. Criticising the demand by certain quarters for a national government Professor Muzaffar Ahmed said that the national crisis was over and there was no need for a national government now. He said that many are interested in grabbing power. Professor Ahmed said that he was in favour of parliamentary form of government. Calling for forging greater national unity he said that the struggle over the issue of freedom fighters and non-freedom fighters should have ended by this time.

Turning to the social system he said that production was going on but there was no equitable distribution of wealth. Exploitation of the Third World nations by the imperialist countries was going on. And the Third World countries must continue the struggle against the imperialist powers he added. He opined that Islam in its true form can be established through socialism. Islam was a religion of peace he said.

On the new Budget Professor Ahmed said that it would protect the interest of the rich and not the interest of the peasants and workers who constitute 95 per cent of the population.

Professor Ahmed demanded the release of Mr. Mohammad Farhad General-Secretary of the Communist Party of Bangladesh.

Participating in the discussion Mr. Salauddin Yusuf (AL-H) said that the BNP has been formed by left over elements of other political parties. He however admitted that there were also some good and talented people in the BNP. Mr. Yusuf said that people have no confidence in BNP. He said that the BNP came to power because people had confidence in late President Ziaur Rahman and since he is dead the Parliament should be dissolved and fresh election be held.

Mr. Yusuf criticised the Government for its Foreign Policy. He felt that the Foreign Policy pursued by the Government was biased towards the United States.

Mr. Yusuf termed the new Budget as dependent on foreign aid through which exploitation aid could continue by the imperialist powers. The number of landless peasants was increasing day by day and the Government has failed to set up mills and factories he added. On the other hand he said that luxury and electronic goods have flooded the market.

CSO: 4220/7215

OPPOSITION LEADERS REACT TO ELECTION ANNOUNCEMENT

Dacca THE BANGLADESH OBSERVER in English 17 Jun 81 pp 1, 12

[Text] The Jatiya Janata Party chief General (Retd) M. A. G. Osmani in a statement on Tuesday night said "the Government should have consulted the opposition political parties before the announcement of the date for holding the presidential elections by Acting President Mr Justice Abdus Sattar reports ENA.

In his statement M. A. G. Osmani said this is in violation of what Prime Minister Shah Azizur Rahman committed in the Jatiya Sangsad that the opposition political parties will be consulted in matters of taking any decision.

He said the announcement of election date proves that the Government has no intention to seek cooperation from the opposition parties to overcoming the present crisis.

Democratic League President Khandkar Moshtaque Ahmed on Tuesday night said 'it was expected of the Acting President to discuss the leaders of political parties before announcement of date for presidential polls.

He was commenting on the announcement of the presidential polls. He said all political parties irrespective of differences of opinion had extended their cooperation in facing the national crisis on May 30.

Major (Retd) M. A. Jalil and Mr. A. S. M. Abdur Rab President and General Secretary respectively of Jatiya Samajtantric Dal on Tuesday said unilateral decision on the question of holding presidential elections by the Government is the reflection of 'obduracy' on the part of it.

In a joint statement to the Press on Tuesday night the JSD leaders said that they urged the Government to consult the opposition parties before taking any decision to hold presidential elections as it did not overcome national crisis following assassination of President Ziaur Rahman.

CSO: 4220/7213

PARLIAMENT DISCUSSES BORDER CLASHES, OTHER PROBLEMS

Dacca THE BANGLADESH OBSERVER in English 20 Jun 81 p 1

[Text] Indian Border Security Forces (BSF) came into clash with Bangladesh Rifles (BDR) seven times along the border last year Home Minister A.S.M. Mustafizur Rahman informed the Jatiyo Sangsad on Friday reports ENA.

Replying to a question from Treasury Bench member Jahangir Mohammad Adel the Home Minister said five persons were injured in these clashes. He however denied that the BSF and organised gangs of Indian citizens enter into Bangladesh territory and take away cows cattles buffalos and other things.

In reply to another question from Muslim League member Mohammad Almas Hossain Mustafizur Rahman said the authorities of Bangladesh and India held 22 meetings to establish law and order along the border from 1975 till May this year. He said these meetings succeeded in stopping exchanges of fire checking of smuggling illegal infiltration and forcible harvesting of paddy etc.

1729 Smugglers Held

Meanwhile BSS adds: Smugglers numbering 1,729 were arrested and smuggled goods worth Taka 2.85 crore were recovered by the Bangladesh rifles (BDR) in the border areas in the last five months (January to May) this year the Home Minister Mr Mustafizur Rahman told the Jatiyo Sangsad.

Replying to Md. Asaduzzaman (AL-H) the Home Minister informed the House that the smuggled goods recovered by the BDR included cattle head cloths yarn churi medicine sugar Bangladesh currency machinery parts spiies old clothes fish jute cassette recorder and powder milk. [As published]

CSO: 4220/7215

NEW LEADER'S FOREIGN POLICY CONSISTENT WITH ZIA

Dacca THE BANGLADESH TIMES in English 16 Jun 81 p 5

[Editorial]

[Text]

Soon after the Bangladeshis won the struggle for their independence they had announced their solidarity with the rest of the world, especially the oppressed and liberation-seeking peoples. Working on the plank of peace and fraternity this country gradually found acceptance by all. Those experiences had remained a beacon in guiding our foreign policy. More than that it lent a sincerity of purpose in our endeavours to seek peace in this strife-torn world.

Late President Ziaur Rahman, with his experiences gained in the War of Independence and later the insight earned into the sufferings of a poverty-stricken people, felt the needs of kindred masses all over the world in a way which it is not possible to understand by many. So he took the urgent messages of the Third World to the rest of the globe with undiminished fervour till the very last moment of his life. This championing of the cause of the under-developed earned respect and love for Bangladesh and its people in countries far and wide.

Under the guidance of President Zia Bangladesh went to the Security Council, the crucial meetings of the Non-Alignment Movement members, the Islamic Conference and the Commonwealth taking principled stand on issues, championing the cause of independence and sovereignty and canvassing for peace and cooperation. It would have been so much a matter of satisfaction had he been able to see the end of the Iraq-Iran war.

But even so, it is a fact that he and thus Bangladesh came to be trusted in the capitals of both the warring nations. May be the ground that he did with the other members of the OIC peace mission will soon produce beneficial results.

One dream of the late President was that Bangladesh come to be considered as a bridge between South Asia and South East Asia. A part of the strategy adopted by him was a relentless pursuit of friendship with our neighbours while retaining the basis of sovereign equality in such relationship. At his untiring and undaunted efforts the idea of regional cooperation in South Asia was beginning to take shape. Bilaterally, our cordial relationship stretches from western Africa to Japan, from West Europe to the Americas across the Atlantic.

We recall these facts today to emphasise that these fundamental characteristics of our international relations and foreign policy will continue to be nurtured as the Acting President Mr. Justice Sattar and Foreign Affairs Minister Professor, Shamsul Huq have assured.

CSO: 4220/7212

REPORT ON VISIT OF AUSTRALIAN SPECIAL EMISSARY

Dacca THE BANGLADESH OBSERVER in English 16 Jun 81 pp 1, 12

[Text] The special emissary of the Australian Prime Minister, Mr. Ian Macphee, called on the Acting President, Mr. Justice Abdus Satter, at Bangabhavan on Monday afternoon, reports BSS.

Mr. Macphee delivered to the Acting President a personal invitation from the Australian Prime Minister Mr. Malcolm Fraser to attend the Commonwealth summit meeting to be held in Melbourne towards the end of September this year.

During the meeting the special emissary reiterated Australia's continued cooperation with Bangladesh.

Earlier, Mr. Ian Macphee discussed the agenda of the forthcoming Commonwealth summit meeting with Foreign Minister Prof. Muhammad Shamsul Huq.

Mr. Macphee called on the Foreign Minister at his office.

The special emissary and the Foreign Minister exchanged views of contemporary economic issues of concern to the two Commonwealth Nations.

They noted with satisfaction the growing bilateral relations between Australia and Bangladesh. He assured the Foreign Minister of continuing cooperation of his country, to Bangladesh.

The special emissary said that the untimely death of President Ziaur Rahman was not only a loss for Bangladesh but also for the Commonwealth and the international community.

Mr. Macphee said that late President Ziaur Rahman was held in high esteem not only for the valuable leadership that he provided for economic development of Bangladesh and establishment of democratic institution in the country but also for his outstanding contributions in the cause of peace and progress of international community including the Commonwealth.

Mr. Macphee is in Dacca as special envoy of Prime Minister Mr. Malcolm Fraser carrying a personal invitation for Acting President Mr. Justice A. Sattar for the Commonwealth summit meeting to be held in Melbourne beginning September 30.

He also conveyed the condolence of the people and Government of Australia at the tragic assassination of President Ziaur Rahman.

The visiting Australian Minister had an hour long meeting with the Speaker, Mirza Gholam Hafiz at the Sangsad Bhaban in the morning.

The Speaker informed the visiting dignitary the working of the Bangladesh Parliament multi-party representation in it and the system of elections. He stressed the need for development of closer relations among the people's and parliaments of the Commonwealth countries.

CSO: 4220/7210

MINISTER NOTES INDIAN'S ARREST, PASSPORT STATISTICS

Dacca THE BANGLADESH TIMES in English 20 Jun 81 p 8

[Text] Home Minister Mr A. S. M. Mustafizur Rahman told the Jatiya Sangsad on Friday that a total of about 15.64 lakh passports were issued since the independence of the country till April 30 this year.

Replying to a written question by Mr S. A. Khaleq (BNP) the Home Minister said that so far 558 cases related to forging of passports were initiated. Of these 296 cases were proved he said.

Replying to a separate written question by Mr Ukil Shahdat Hossain (BNP) the Home Minister said that a total of 1.80 lakh passports were issued from July 1 1980 to April 30 1981. He said that Tk 4.25 crore was earned as fees by issuing these passports.

Replying to a separate written question by Sheikh Selim (AL-H) Mr Mustafizur Rahman said that a total of 9228 foreign nationals were at present living in Bangladesh. Of them 717 were working in the foreign diplomatic missions he said. These included 385 diplomatic and 332 non-diplomatic personnel.

Replying to a separate written question by Lt. Commander (Retd) Mahbubul Islam (BNP) the Home Minister said that it was true that one youngman was arrested on the night of May 7 last from a Indian vessel--M. V. Biswa Parimal--anchored at Chalna Port with a special type of wireless set. He said that the arrested person was Shahjahan Choudhury son of Abdul Barek Choudhury of Savar Dacca. He said that the name of the set was Tagblock (telecommunication apparatus). He said that the motive of the arrested person was not yet known.

CSO: 4220/7217

SHEIKH HASINA SHOWS NEWSMEN OVER MUJIB'S HOUSE

Dacca THE BANGLADESH TIMES in English 20 Jun 81 pp 1, 8

[Text] Mrs Sheikh Hasina Wazed, President of Bangladesh Awami League (Hasina) said on Friday that she had signed the government prepared inventory without physical verification when the house of her father, Sheikh Mujibur Rahman, was formally handed over to her on June 12.

She told newsmen that it appeared that many articles had been missing including gold ornaments, other valuables and books. She did not elaborate on the missing list.

Newsmen were invited on Friday to see the condition of the house particularly the first and second floor of the three-storied building. The doors of the rooms in the first and second floor were "formally opened" in front of the newsmen at 11-30 a.m. on Friday. Sheikh Hasina claimed that these rooms were not opened by them since the house was under government custody.

A large number of Awami League leaders were present when the newsmen were shown the rooms. They included Messrs Abdul Malek Ukil, Abdur Razzak, Abdul Manan, Abdul Momen Talukder, Abdus Samad Azad, Tofael Ahmed, Amir Hossain Amu, Syed Ahmed and Mrs. Ivy Rahman. Mr. Syed Hossain an uncle of Sheikh Hasina was also present.

When the rooms were being opened one after another, Mrs. Hasina was visibly moved and wept profusely.

The living rooms of Sheikh Mujibur Rahman, Mrs. Hasina Wazed. Sheikh Rehana and Sheikh Jamal were on the first floor while the rooms of Sheikh Kamal and sitting rooms of Sheikh Mujibur Rahman were located on the second floor. The sitting rooms could not be opened owing to problem in the lock.

Mr. Abdur Razzaque showed the newsmen marks of bullet shots and stains of blood in some rooms and the bathroom of Sheikh Jamal. A portion of the staircase was found covered by a national flag. The Awami League leaders said that the body of Sheikh Mujibur Rahman lay there after he was shot dead on August 15, 1975.

Later talking to the newsmen Sheikh Hasina Wazed said that she was mentally disturbed when the house was handed over to her on June 12. As such she said, she did not have the chance to see ornaments and other valuables by opening all the boxes.

According to the inventory, there were 503 tolas of gold diamond and platinum ornaments and 4,054 tolas of silver in the house. Sheikh Hasina received these ornaments by signing the inventory in presence of her relations and party leaders.

Mrs. Hasina said that only one box of jewellery was opened in her presence. She said that these ornaments were weighed by a goldsmith engaged by the government.

Justifying the presence of huge gold and other ornaments in the house, Sheikh Hasina said that all these things belonged to the families of her father her two brothers, her sister and also to herself. She said that even some of their relations had kept their ornaments in that house for safe custody.

She said that the family had received large presentations on various occasions. "Even Shah Azizur Rahman presented one gold guines either to me or to Russel on a birth day function", she said.

She said that she was not at all prepared to receive the articles in her father's house. She said that she thought that the entire house had been looted and robbed. "However", she said; "we have not received whatever we were supposed to receive".

Sheikh Hasina said that she was never interested in goods. "I only wanted the house back. I signed the inventory list when I was told that without signing the list I shall not get the house", she said.

In reply to a question, Sheikh Hasina Wazed said that some of her relations were present when the house was handed over to her. She said that she was mentally very disturbed and did not notice as to who among the Awami Leaders were present on the occasion.

Mrs. Sheikh Hasina Wazed repeated that she did not want the list of goods but the list of those killed on August 15. "I have not been furnished with that list despite reminders", she said.

When the Awami League President was reminded that it was the Awami League that had formed the government after the killing of her father and she could obtain the list from the Awami League leaders she said, "I want the list from them. I want the list from you. I want the list from the people of the country".

Sheikh Hasina said that she was yet to decide about the future of the house and the property.

Asked whether she had any plan to convert the house into a museum in memory of her father, Sheikh Hasina said that she had not thought over the matter as yet. "Rehana is there. I shall discuss with her about the house and the goods received and take a decision subsequently", she said.

The newsmen were interrupted on several occasions by some Awami League leaders present on the plea that Sheikh Hasina was not holding any Press conference.

In all the rooms, the fixtures and furniture were not in order dirt, accumulated in years was found on the floors and soots in the ceilings.

CSO: 4220/7217

HEAD OF NAVY MAKES SPEECH IN CHITTAGONG

Dacca THE BANGLADESH OBSERVER in English 16 Jun 81 p 1

[Text] Chittagong, June 15:--Chief of the Naval Staff Rear Admiral M. A. Khan visits the BNS Issa Khan here today reports BSS.

Addressing the officers and sailors, Admiral Khan said that the naval personnel would continue to remain united and discipline to perform their duties with more vigour and enthusiasm. Continued training and exercise will help raise their efficiency he added.

He congratulated the Naval personnel at Chittagong who maintained the Chittagong port coast line and the outer anchorage free from intrusion of the miscreants during the crisis which the nation had overcome.

The Naval Chief paid rich tributes to the late President Ziaur Rahman and others who died with him and expressed his profound sympathy for the members of the bereaved families.

The Chief of Naval Staff was received and seen off at the Chittagong Airport by Commodore Commanding Chittagong, Commodore K. M. J. Akbar and other senior officers of the Naval area.

CSO: 4220/7210

PAPER PUBLISHES GOVERNMENT PROMOTION LIST

Dacca THE BANGLADESH OBSERVER in English 3 Jul 81 pp 1, 8

[Text] According to the notification of the Establishment Division 114 officers have been promoted as Additional Secretary Joint Secretary and Deputy Secretary. Of them 12 are Additional Secretaries, 24 Joint Secretaries and 78 Deputy Secretaries say a PID handout in Dacca on Thursday.

Besides another two officers working abroad have been promoted to the NNS of Tk 2375 2750 and their names enlisted with the Joint Secretaries in the list of officers in the Senior Services Pool. Six retired personnel of the Armed Forces have been appointed Senior Scale Section Officers Section Officer.

Present posting of the officers are as follows:--

Additional Secretary

Mr A K Md Hedayetul Huq, to continue in the same post in the Prime Minister Secretariat; Khandaker Mahbub-e-Rabbani, Foreign Trade Division, Ministry of Commerce; Mr Abdus Salam, Establishment Division; Mr Muhammad Abul Fazal Choudhury; Ministry of Religious Affairs; Mr Md Khaney Alam Khan; Cabinet Division Mr A H Nurual Islam; Establishment Division Mr Sadat Hossain Establishment Division; Mr Qamrul Huda; Inspection Division Mr A. N. M. Eusuf, Establishment Division; Syed Hasan Ahmed, Establishment; Mr Md Abu Syed, Inspection Division and Mr Manzurul Karim, Ministry of Education.

Joint Secretary

Mr M. A. Shafiqur Rahman Inspection Division Ministry of Finance; Mr Shahabuddin Mahtab Financial Adviser Finance Division; Mr. Ataur Rahman Chowdhury, Establishment Division; Mr Afzalur Rahman, Ministry of Relief & Rehabilitation; Mr Nur Mohammad Akand, Ministry of Fisheries & Livestock; Mr Nur Mohammad, Ministry of Railway; Roads; Highways and Road Transport Mr Ali Reza, Financial Adviser Finance Division; Mr Sultanuddin Bhuiya, Parliament Secretariat Mr Jalaluddin Ahmed Establishment Division; Mr A. B. M. Siddique Ministry of Food; Mr Lutful Matin Ministry of Finance; Mr Md Akbar Hossain, Land Reform Commissioner Ministry of Land Administration & Land Reform Mr A B Chowdhury Implementation Division Ministry of Finance; Air Commodore Moinul Islam Establishment Division; Major (Retd) Ali Ahmed Khan; Establishment Division; Mr Malik Siddiqullah Foreign Trade Division Ministry of Commerce; Mr A. H. M. Abdul Hye Cabinet Division; Dr A K M

Mashhur Rahman Ministry of Public Works & Urban Development; Dr Muhiuddin Khan Alamgir External Resources Division; Dr Syed Abdus Samad Establishment Division Mr Md Abdul Hakim Establishment Division; Mr Md Akhtar Ali Ministry of Water & Power; Mr Nazrul Islam; Ministry of Finance; Mrs Nazma Ahmed Ministry of Women's Affairs; Mr Waliur Rahman Counsellor New York and Brig A N M Nuruzzaman B U (Released) Consul-General; Consulate General of the People's Republic of Bangladesh in Sydney Australia.

Deputy Secretary

Mr A F M Walior Rahman Khondker, Establishment Division; Mr Muhammad Ansar Ali Siddiquee Establishment Division Mr Md Abdus Shahid Choudhury Establishment Division Mr Maizuddin Ahmed; Establishment Division; Mr Abul Khair Mohammad Abdus Salam; Establishment Division; Mr Farruk Ahmed, Establishment Division; Mr Mozammal Hossain Md Siddique, Establishment Division; Mr Sadiduddin Ahmed Salik Establishment Division Mr Mohammad Abdul Ali No 11, Establishment Division; Mr A H M Nurul Huda Chowdhury, Establishment Division; Mr A S M Nasiruddin Ministry of Public Works and Urban Development; Mr Abdul Hai Sarkrer Establishment Division; Shyam Sunder Nath, Ministry of Women's Affairs; Mr. Abdul Maleq Establishment Division; Mr Akramul Islam Establishment Division; Mr Bibekananda Majumder, Ministry of Food; Khandaker Abul Hussain, Establishment Division; Mr Shahryar Zeyaur Rahman Iqbal Establishment Division; Molla Mahammad Abdul Matin Ministry of Fisheries and Livestock; Mr Mohammad Abdur Rashid, Establishment Division; Mr Mohammad Maqbul Husain, Establishment Division; Mr Azizur Rahman No III, Establishment Division; Mr Waliullah Siddiqui Ministry of Agriculture and Forest; Mr Tofail Ahmed Choudhury; Establishment Division; Mr Shamsuddin Ahmed No VI Establishment Division Mr Aziz Ahmed Establishment Division; Mr Abu Nasar Md Hafizul Islam Establishment Division; Mr Mofizuddin Sikder, Establishment Division; Mr Muhammad Anwarul Hoque, Establishment Division; Mr Muhammad Serajul Haq Ministry of Land Administration and Land Reforms; Mr Md Abdur Rouf, Ministry of Home Affairs; Mr Md Kobad Hossain, Establishment Division; Mr Md Sultan Molla, Science & Technology Division; Mr S A Y M Ziauddin Cabinet Division; Mr A F M Ziauddin Ahmed, Finance Division, Ministry of Finance; Mr Mohammad Mozharul Islam, Cabinet Division; Mr Md Abul Kalam Azad, Establishment Division; Mr Md Aminul Islam, Establishment Division; Mr Abdul Mannan Howlader, Establishment Division; Mr Md Giash Uddin Pathan, Cabinet Division; Mr Md Abdul Halim; No II, Ministry of Land Administration & Land Reforms; Mr Md Alaur Rahman Choudhury, Establishment Division; Quazi Abdul Bayes, Ministry of Fisheries & Livestock; Mr Gopi Mohan Mandal, Establishment Division Mr Abul Hasnat Muhammad Fazlul Haque, Cabinet Division; Mr Muhammad Sakhawat Hossain Ministry of Education Mr Abdul Muktadir Choudhury Cabinet Division; Mr Mahibul Islam Chowdhury, Establishment Division; Syed Nurul Islam Banking & Investment Division, Ministry of Finance, Mr Bazlur Rahman Siqder, Finance Division, Ministry of Finance, Mr Md Akhtar Hussain Khan, Establishment Division; Syed Abdur Rob, External Resources Division, Ministry of Finance; Mr Md Matiur Rahman Shah, Ministry of Land Administration and Land Reforms; Mr Md Mahfuzur Sobhan, Ministry of Local Govt, Rural Development and Cooperatives; Mr Md Helal Uddin Khan, Establishment Division; Mr Manik Lal Somaddar, Finance Division, Ministry of Finance; Mr Md Matiur Rahman; Establishment Division Mr Abul Quasem Md Quamrul Huda Implementation Division Ministry of Finance; Mr Dhiraj Kumar Nath Population Control and Family Planning Division, Mr Ziaul Islam Chowdhury, Commerce Division; Ministry of Commerce; Mr Badiuzzaman Khan Ministry of Education; Mr Mofazzal Hossain, Ministry of Water

Resources and Flood Control; Mr Abdul Latif Mondal, Establishment Division; Mr Md Shamsul Islam; Finance Division Ministry of Finance; Mr Khairuzzaman Chowdhury; Ministry of Education; Mr Ashraf Hasan; Finance Division; Ministry of Finance, Syed Tanveer Hossain, Establishment Division; Mr Md Nurul Huda, Ministry of Youth Development; Mr B R Zulqarnine, Finance Division; Ministry of Finance; Mr Atahar Islam Khan Commercial Secretary Dakar; Mr Khorshed Alam; Establishment Division; Mr Fazlul Kabir, Ministry of Finance (Finance Division); Mr A F M Abdur Rashid Mian, Ministry of Finance (Inspection Division); Syed Mosarraf Hossain, Ministry of Finance (Finance Division); Mr Md Nazimuddin Establishment Division Major Altafur Rahman; retired; Inspection Division, Ministry of Finance; Major Abdus Sattar, Retired, Ministry of Food and Col. Syed Shahabuddin, Retired; Health Division; Ministry of Health; Population Control and Family Planning.

Senior Scale Section Officer/Section Officer

Major (Rtd) Mohd Masud, Ministry of Relief & Rehabilitation; Major (Rtd) Syed Ahmed; Ministry of Sports & Cultural Affairs; Capt (Rtd) Syed Sajauddin Ahmed, Ministry of Information & Broadcasting; Capt (Rtd) Jamilur Rahman, Ministry of Ports; Shipping & IWT Capt (Rtd) Mazharul Karim Ministry of Finance (Finance Divn) and Ft Lt Quader, Ministry of Education.

CSO: 4220/7245

JOURNALIST UNION LEADERS PROTEST CENSORSHIP

Dacca THE BANGLADESH OBSERVER in English 3 Jul 81 p 8

[Text] The following statement issued by Mr. Ahmed Humayun and Mr Reazuddin Ahmed President and Secretary General of Bangladesh Federal Union of Journalists (BFUJ) and Mr Iqbal Sobhan Chowdhury and Mr Amanullah Kabir President and General Secretary of Dacca Union of Journalists (DUJ) on Thursday reports BSS.

"We are constrained to note that the Government has imposed pre-censorship upon some weeklies under the provisions of the infamous Special Powers Act. We note with regret that this step has been taken at a time when the Parliament is in session, the Press Council is in operation and the whole nation is committed to uphold the democratic process in the country.

The government measure militates against the fundamental principles of democracy, Press freedom and the people's right to know. We resolutely demand that the pre-censorship order of the Government should be withdrawn immediately in the greater interest of the nation at this critical juncture.

We also like to reiterate the demand of the journalists community for repeal of all black laws including the infamous Special Powers Act for ensuring freedom of Press and restoring fundamental rights of the people.

CSO: 4220/7245

'OUT OF ORDER' CONSTITUTIONAL QUESTION ANSWERED

Dacca THE BANGLADESH TIMES in English 23 Jun 81 pp 1, 8

[Text] Speaker Mirza Galom Hafiz on Monday ruled a constitutional question raised by Moulana M A Rahim of Islamic Democratic League out of order as the chair was not competent to give explanation on it.

Moulana M A Rahim demanded the explanation of the chair as to what would be the fate of the Parliament if a man belonging to a party which was in minority in the Parliament was elected the President of Bangladesh in the next election.

He said that it was also to be clear what would be the position of the existing Parliament if an independent candidate was elected to the presidency.

After the question was ruled out, Prime Minister Shah Azizur Rahman, upon permission from the chair said that Moulana M A Rahim had raised a hypothetical question.

The Prime Minister, however said that the Parliament would continue to function if it was not dissolved. He said that the next elected President would do whatever was necessary in keeping with the powers vested in him by the Constitution. But it was not necessary that the Parliament would have to be dissolved after election of a new President.

CSO: 4220/7224

PAKISTAN PRESIDENT SENDS MESSAGE ON ZIA DEATH

Dacca THE BANGLADESH TIMES in English 3 Jul 81 pp 1, 8

[Text] Mr Mahmood A Haroon Interior Minister of Pakistan who arrived in Dacca on Tuesday night leading a five member delegation of his country to pay homage to Shaheed President Ziaur Rahman on Wednesday handed over a message from President Ziaul Huq to Acting President Mr Justice Abdus Sattar, reports BSS.

The message was handed over to the Acting President when the delegation members called on him to express condolences on behalf of the Government and People of Pakistan at the martyrdom of President Ziaur Rahman.

The goodwill delegation included Pakistan's Information and Broadcasting Minister Raja Zafarul Huq Local Bodies and Rural Development Minister Mr Fakhre Imam Minister for Culture and Sports Mr Niaz Muhammad Abbas and Minister of State for Health and Social Welfare Mrs Afifa Mamdot.

Foreign Minister Prof Muhammad Shamsul Huq the counterparts of Pakistani Ministers and the Foreign Secretary were present at Bangabhaban when the delegation called on the Acting President.

The goodwill delegation came for offering Fateha at the Mazar of Shaheed President Ziaur Rahman.

In his message the Pakistan President said 'the agony of Bangladesh in the wake of the tragic death of President Ziaur Rahman and the courageous response of its government and people have moved us deeply.'

President Ziaul Huq said "Our prayers and good wishes have always been with you and we are filled with admiration for the manner in which your Excellency and your colleagues have faced the aftermath of a national calamity of such magnitude'.

He said 'it is reassuring for us to know that the institutions founded by the Late President and nursed by him and his dedicated associates like yourself have stood the strain of circumtances and will by the grace of Allah almighty steer Bangladesh safely through all difficulties.

The President of Pakistan in his message said that he had decided to send a five member delegation to pay a goodwill visit to Dacca.

He said "it is my wish that the leader of the ministerial delegation conveyed to you personally my sentiments and feelings for your excellency and for the people of Bangladesh."

President Ziaul Huq expressed the earnest hope that the visit of the ministerial delegation would contribute towards further strengthening of brotherly relations between the two countries.

Visits Smrity Shoudha

The Pakistani goodwill delegation on Wednesday morning offered Fateha and laid wreaths at the Mazar of Shaheed President Ziaur Rahman.

The Pakistani Ministers in the delegation in white sherwani and pajama wore black bands.

Earlier the delegation laid wreaths at the Jatiya Shaheed Smrity Shoudha at Savar.

The Pakistani delegation members stood in silence before the memorial of martyrs of the War of Independence as the National Flag was lowered and there raised to the tunes of the lust post and reveille played by the Army band.

Bangladesh Additional Foreign Secretary Mr Abdul Bari and Pakistan Ambassador Dr. Humayun accompanied the delegation.

Meets Begum Zia

The Pakistani goodwill delegation comprising five ministers on Wednesday called on Begum Ziaur Rahman to express condolences of the government and people of Pakistan at the martyrdom of President Ziaur Rahman.

Foreign Minister Prof Muhammad Shamsul Huq was present at the residence of Begum Zia when the delegation called on her.

CSO: 4220/7244

NEW GUINEAN AMBASSADOR PRESENTS CREDENTIALS

Dacca THE BANGLADESH TIMES in English 3 Jul 81 p 1

[Text] The Ambassador designate of the Revolutionary Peoples Republic of Guinea Mr Thierno Habib Biallo presented his credentials to the Acting President Mr Justice Abdus Sattar at Bangabhaban on Wednesday morning, reports BSS.

While presenting the letter of credence, the Guinean Envoy said he would work for further strengthening the already existing friendly relation between the two countries. The friendship between Bangladesh and Guinea would conitnue to grow in the years to come, he added.

Reciprocating, the Acting President recalled the special relationship that the Late President Ziaur Rahman had established with Guinea under the leadership of President Seouke Toure Justice Sattar expressed the confidence that the special relation will continue to be strengthened, he also recalled the visit to Bangladesh by Guinean President.

Mr Biallo who is the Resident Ambassador of Guinea in Peking concurrently accredited to Bangladesh has been specially instructed by President Seouke Toure to present his credentials in Bangladesh before he presented his letter of credence in Peking.

CSO: 4220/7244

MINISTER TALKS TO PRESS ON IMPORT, EXPORT POLICIES

Dacca THE BANGLADESH OBSERVER in English 3 Jul 81 pp 1, 8

[Text] The overall performance of the import substituting and the export-oriented industries will be reviewed by the Government from the current financial year on a continuing basis. The review to be undertaken jointly by the related agencies of the Government, will be aimed at assessing the actual contributions of the concerned agencies in the field of import substitution and export promotion.

Disclosing this at a Press conference, Chaudhury Tanbir Ahmed Siddiky Minister of State for Commerce said on Thursday that the monitoring of the performance on effective lines would enable the Government to examine all details relating to import entitlements, capacity utilisation, growth of physical output of the concerned industrial units and to assess the real impact of various concessions given to such units on their actual operations.

The State Minister observed that the Government would provide adequate safeguards to the local industries by way of either tariff protection or banning the import of items which were locally manufactured. But he added the local industries must convince the Government first of all that they were capable of meeting the domestic requirements out of their production in their respective fields. He stressed that the local industries must also make effective efforts to improve the quality of their products and also to ensure the availability of the same at the fair price to the consumers.

He assured the local manufacturers of spare parts that they would be given all protection provided they would ensure the availability of their products in the local markets at fair prices.

Dilating on the salient features of the new Import Policy, he noted that the allocation under it had been raised by about Taka 350 crore over the allocation made in 1980-81 with a view to ensuring the wider availability of various imported consumer goods and to accelerating the pace of performance in the industrial sector through adequate imports of raw materials and spares. He felt that another important objective of the Import Policy for 1981-82 was the protection given to the local industry by way of banning the import of some categories of spares and cotton yarn.

Chaudhury Tanbir Ahmed Siddiky gave a detailed breakdown of the funding pattern for the import programme of Taka 2950 crore in 1981-82. The cash resources for

the programme will be sized at Taka 1550 crore, the commodity assistance at Taka 530 crore and the remittances under the Wage Earners Scheme at Taka 600 crore. A sum of Taka 220 crore will come from the barter STA (Special Trade Agreements) sources. The rest Taka 50 crore will be mobilised through subsequent adjustments of funds from all the available sources such as cash, commodity assistance, WES barter STA.

The State Minister said that the industrial imports (raw materials and spares) would account for 79 per cent of the total import allocation in 1981-82. The finished and semi-finished items i.e. the commercial imports in 1981-82 will be about 21 per cent of the total allocation.

Commenting on the resource allocation pattern between the industrial imports and the commercial imports, he observed that the actual picture would amply bear out the fact that the bulk of the imports in the country were made for meeting the needs of the local industries for raw materials and spares. The criticism that the Import Policy has been responsible for the "flooding" of consumer goods in the country much to the detriment of the local industrial growth is not founded on facts, he added.

He stated that the Government was determined to stop the entry of smuggled goods into the local markets. Such smuggled goods in huge quantum have been responsible for the "flooding" of the markets with luxury goods he added.

He told the newsmen that the agencies of the Government carried out 'a mild operation' on July 1, '81 after the new Import Policy was announced to seize the smuggled goods and the operation succeeded to detect about 5,000 pieces of smuggled sarees from one marketing centre in the city. The drive against the smuggled goods would be strengthened further, the State Minister added while appealing to all sections of people to extend all-out co-operation in making it a success.

Choudhury Tanbir Ahmed Siddiky noted that the share of public sector in the overall import allocation in 1981-82 would stand at 63 per cent and the private sector, at 37 per cent. The public sector will import about 53 per cent of the industrial raw materials and spares and the private sector about 26 per cent, the overall share of the industrial raw materials and spares being 79 per cent of the total import allocation. In the case of import of finished and semi-finished goods which would account for 21 per cent of the total allocation, the private sector will be responsible for eleven per cent of the related imports and the public sector for ten per cent of the same he added.

He said that about 9800 new importers, mostly from the under-developed regions like Khulna and Rajshahi Divisions would be able to participate in the import trade in 1981-82.

The Minister of State for Commerce pointed out that the small-scale industries, having their import entitlements at Taka 50,000 or below, would be getting their licences at a time under the new Import Policy. This provision has been made with a view to helping the units to make viable operations he added. He stated that a block provision of Taka five crore had been made under the Import Policy for export-oriented industries in 1981-82.

He disclosed that the importers of palm oil would require to obtain valid certificates from the Ministry of Health and the Chamber of Commerce & Industry of the exporting countries with a view to dispelling any doubt in public minds about the quality of imported palm oil in the country.

Chaudhury Tanbir Ahmed Siddiky noted that instructions had already been given to the office of the Chief Controller of Imports and Exports to issue licences forthwith for the import of "sensitive" consumer goods.

He pointed out that the import bill on account of petroleum imports would be about Taka 902 crore in 1981-82.

Giving a review of the export performance in 1980-81, the State Minister said that the country had succeeded to raise its physical quantum of exports in case of all major items during the year but the sharp decline in the export prices in the international markets had caused lower level of export earnings. This resulted in a shortfall of about 300 crore Taka in the projected level of export earnings at Taka 1500 crore in 1980-81.

He stressed the need for more vigorous efforts to attain the export target of Taka 1500 crore in 1981-82. He felt that the emphasis should be placed on diversification of the country's export markets with a view to stabilising the export earnings.

He estimated that the country's cumulative trade deficit--the gap between the payments made on account of merchandise imports and the receipts earned through exports of commodities--would stand at about Taka 5315 crore during the last four-year period ending in 1980-81. Besides a vigorous export drive the promotion of industrial growth basing on local resources and raw materials should be encouraged to meet such huge trade imbalances, he observed. The more industrial units based on local raw materials and resources are set up in the country the less will be the import burden, he felt while pointing out that the existing industrial units with their production based on the availability of imported raw materials and spares as of now accounted for about 80 per cent of the total import allocation.

CSO: 4220/7245

MINISTER ANNOUNCES IMPORT POLICY FOR '81-82

Summary of Radio Speech

Dacca THE BANGLADESH OBSERVER in English 1 Jul 81 pp 1, 12

[Text] The new Import Policy for 1981-82 envisages a total allocation of Taka 2950 crore as against the provision of Taka 2600 crore for 1980-81. The increased allocation under the new Import Policy has been made with the aim of ensuring the wider availability of imported goods in the market for maintaining price stability.

Announcing the Import Policy for 1980-82 over the national radio and television on Tuesday Chaudhury Tanbir Ahmed Siddiky, Minister of State for Commerce stated that the new Import Policy had been formulated with its main theme focused on expediting the process of national development through adequate imports of essential consumer goods and industrial raw materials and spares.

The Import Policy for 1981-82 provides for continuing sanction of licences at 150 per cent of entitlements for the pharmaceutical industry. The industries in the Priority List I and II will get licences at the rate of one hundred per cent and 70 per cent of their entitlements while the new industries will be provided with licences at 30 per cent of their entitlements on a primary basis.

The import of spares which are manufactured in the country has been banned under the new policy. The usual importers will get the licences for the import of spares at the rate of only 50 per cent in 1981-82 of their requirements in place of the rate of 75 per cent in 1980-81. The import-substitution industries will get licences in proportion to their actual production during the last two years and their aggregate contribution (as per the recommendation) to the import-substituting sectors.

The Minister of State for Commerce noted that the new ban on import of such spares as weilding electrodes some bicycle, jute and textile spares etc had been imposed to protect the domestic industry. He added that arrangements had also been made to offer tariff protection to some local industries. The process for giving protection to the domestic industry will continue, he noted while urging the owners of the domestic industries to improve the quality of their products and to ensure fair and reasonable price for such products.

Under the new Import Policy the export-oriented industries must submit their account about the utilisation of import licences and the aggregate contributions

to the export earnings in 1980-81 for the sanction of licences in 1981-82. Such industries must also give undertaking to the effect that they would export at least 15 per cent of their total production in 1981-82.

The export-oriented industries will continue to enjoy the facilities of advance import licences and XPL. Some new items have been included for import in the XPL list. The import allocation under the XPL list has been raised from Taka 45 crore to Taka one hundred crore. The importers under the Wage Earners' Scheme will also be eligible to utilise the XPL licences.

As a promotional measure for small and cottage industries the small-scale industrial units having import entitlements below Taka 50000 will get their licences at a time.

The target for import under the Wage Earners' Scheme in 1981-82 has been set at Taka 600 crore. The actual import under the WES in 1980-82 stood at Taka 475 crore as against the target of Taka 350.

About the commercial imports in 1981-82 the Minister of State for Commerce announced that the OGL system would continue but imports of some spare parts had been banned to protect the domestic industries. The allocation for the import of pesticides has been raised, he added.

The procedure for the time-limit set for opening the letters of credit has been simplified under the new policy. The commercial importers will be allowed to arrange the shipment within six months after registration of the L/Cs. In case of industrial importers, the time-limit as such would remain valid up to nine months. The shipment of machinery and spares needed for manufacturing and assembling will be allowed within the 12 months after the registration of L/Cs.

The minimum import allocation for the commercial importers has been set at Taka 30,000. The importers will however be allowed to form groups both after and before the registration of L/Cs. The importers from Rajshahi and Khulna Divisions which are the under-developed regions will be eligible to form groups with importers in their respective divisions.

The private importers have been given the last opportunity to utilise their licences for the import of cement. Such importers have not succeeded to utilise their licences for the import of cement in the previous years, the Minister of State noted.

Giving a review of the overall import performance in 1980-81 Chaudhury Tanbir Ahmed Siddiky stated that the utilisation was made in full to the amount of allocation at Taka 2600 crore during the year. The cash resources to the tune of Taka 1500 crore for funding the import programme were provided by the middle of the year, 1980-81. Effective measures were also taken for the import of milk food, pulses chillies onion ginger salt etc. to meet the temporary shortfalls in domestic supply. Besides the import by the private sector to improve the availability of some essential items, the Government arranged the import of such items through its interventionist policy during the year, he added.

The State Minister pointed out that many industrial units were given advance allocation to build up advance reserve in the industrial sector. Additional

funds were provided for the import of petroleum and petroleum products by way of implementing the related import programme he added.

Chaudhury Tanbir Ahmed Siddiky observed that the new Import Policy for 1981-82 had been formulated against the backdrop of world wide recession and inflation resulting in deteriorating terms of trade for the country. He felt that the new policy within the existing operational constraints had been a liberal, production oriented and pro-people one.

Highlights of Policy

Dacca THE BANGLADESH OBSERVER in English 1 Jul 81 pp 1, 12

[Text] Following are the highlights of the Import Policy for fiscal 1981-82 announced by the State Minister for Commerce Chowdhury Tanbir Ahmed Siddiky over Radio and Television on Tuesday evening reports BSS.

Total import under the Wage Earners Scheme (WES) has been raised from Taka 350 crore to Taka 600 crore in the new Import Policy. Educational toys and silk yarn have been withdrawn from the WES.

Pharmaceuticals industries put on priority list and will continue to get licences worth 150 per cent of their entitlements. Industries under priority list number one and two will continue to get licences respectively worth 100 per cent and 75 per cent of their entitlements. But the new industries would get licence worth 30 per cent of their entitlements.

Minimum share of commercial imports of Taka 30,000 to continue. Import under Open General Licences to continue.

Imports of over four feet lathe machines, low lift pumps and shallow tubewells have been banned. Nylon rope has been withdrawn from the import list.

Imports of GI wire up to 30 SWG welding electrodes some spares of bicycles and those of jute and cotton mills have also been banned.

Licence allocation under Export Performance Licences (XPL) has increased to Taka 100 crore from Taka 45 crore. Importers under WES will get XPL facilities along with commercial and industrial importers.

CSO: 4220/7240

BNP NOMINEE WINS IN COMILLA BYELECTION

Dacca THE BANGLADESH OBSERVER in English 1 Jul 81 p 1

[Text] The BNP nominee, Al-Haj Munshi Abdul Ali on Tuesday won the Comilla bye-election to a Jatiya Sangsad seat defeating his lone rival, an independent candidate by a huge margin according to results available in Dacca on Tuesday midnight.

The Election Commission sources told BSS that the BNP candidate was leading by 63 thousand 959 votes against his rival, Dr. Md. Mujibur Rahman (Independent) in 91 polling centres out of total 93 centres. Results from remaining two polling centres are yet to be available.

Out of total one lakh 63 thousand 276 votes in the Jatiya Sangsad Constituency Comilla 8, Al-Haj Munshi Abdul Ali polled 80 thousand 711 votes while his rival Dr. Mujibur Rahman secured 16 thousand 752 votes in 91 centres.

The seat fell vacant with the resignation of JSD member Mr. Abdur Rashid Engineer on April 30 last.

With the victory of Al-Haj Munshi Abdul Ali the Bangladesh Nationalist Party (BNP) will have 250 members in the 330 member Jatiya Sangsad.

CSO: 4220/7241

PAKISTAN GOODWILL TEAM ARRIVES IN DACCA

Dacca THE BANGLADESH OBSERVER in English 1 Jul 81 pp 1, 12

[Text] A five-member Ministerial goodwill delegation of Pakistan led by Mr Mahmood A Haroon, Interior Minister arrived in Dacca on Tuesday night "to share the tragic loss and grief" with Bangladesh at the martyrdom of President Ziaur Rahman, reports BSS.

Talking to newsmen at Kurmitola Airport Mr Haroon said that President Ziaul Huq would have come himself to share the tragic loss and shock with Bangladeshis and added he could not come for some preoccupations at home.

The delegation included Raja Zafarul Haq, Minister for Information and Broadcasting Mr Fakhre Imam, Minister for Local Bodies and Rural Development, Mr Niaz Muhammad Arab, Minister for Health and Social Welfare.

Home Minister Mr A. S. Mustafizur Rahman, Information Minister Mr Shamsul Huda Choudhury, State Minister for Women's Affairs Mrs Taslima Abed and Deputy Minister for Local Government and Cooperatives Mrs Qamrunnahar Zafar received the Pakistani delegation at the airport.

Mr Haroon said that President Ziaul Huq had conveyed his feelings on the loss of Bangladesh and added he was carrying a special message from the President of Pakistan to the Acting President Mr Justice Abdus Sattar.

CSO: 4220/7241

SEIZED COMMUNICATIONS GEAR FLOWN BACK TO MOSCOW

Dacca THE BANGLADESH TIMES in English 30 Jun 81 p 1

[Text] Sophisticated communication equipment that were brought by the Soviet Embassy in Dacca illegally were flown back to Moscow by Aerofloat aircraft on Monday according to a source.

The communication equipment that included signal generator multimeter, frequency analyser and electric filter were brought in here in boxes along with construction materials. The airport customs seized both construction materials and communication equipment when some Soviet Embassy officials tried to take away them without going through normal customs check.

Bangladesh lodged strong protest with Soviet Union for bringing the equipment in an unauthorised manner and the issue was discussed in the Bangladesh Parliament which is now in its Budget Session.

Earlier, the head of the Press Information Department of the Soviet Embassy in a Press conference claimed that there was nothing other than construction materials brought by Soviet airliner. He said "enemies of friendship between Bangladesh and Soviet Union have raised the question about Soviet communication equipment".

CSO: 4220/7238

SEMINAR DISCUSSES INDIAN AGGRESSION AT TALPATTY

Dacca THE BANGLADESH OBSERVER in English 29 Jun 81 pp 1, 12

[Text] National politics must be geared to face a growing but crucial challenge posed by external expansionist powers which threatened to foil the independence and sovereignty of smaller countries of South and South East Asia, reports BSS.

This was observed by speakers at a seminar entitled "Indian aggression on South Talpatty and our national politics" held at the Dacca District Sports Association auditorium under the auspices of the Research Bureau of United People's Party (UPP) on Sunday.

Speakers at the seminar observed that in view of the recent development in Afghanistan and Kampuchea and the mounting tensions generated elsewhere in the world the sovereignty and independence of smaller countries were at stake as never before.

The speakers condemned the incident in which neighbouring India had violated the territorial waters of Bangladesh and forcibly occupied the South Talpatty island which belonged to Bangladesh.

The seminar was addressed among others by Kazi Zafar Ahmed Chairman of the UPP. Mr. Justice B. A. Siddiqui President of Bangladesh Muslim League Mr. Nurur Rahman President of NAP Kazi Mujibur Rahman Vice Chairman of UPP, Mr. Mostafa Jamal Haider General Secretary of UPP and Mr. Gias Kamal Choudhury an eminent journalist Dr. Syed Safiullah Director of the Research Bureau of UPP conducted the seminar.

Speaking at the seminar Kazi Zafar Ahmed was highly critical of the Government for what he said "its kneel down policy" in dealing with the Indians with regard to the South Talpatty island. He alleged that it was due to this policy that "we are about to lose the island."

The UPP chief alleged that during the tenure of the present Government the country's independence and sovereignty had been at stake at different times in different forms.

He said India wanted to grab "our land and capitulate our country to make it a market and a protectorate."

Kazi Zafar said that because of her geopolitical situation in the region, Bangladesh was important to the Indo Soviet axis which he alleged, was engaged in a conspiracy to transform the country into a sphere of influence.

He also condemned a recent incident at Dacca International Airport where security personnel unearthed an illegal attempt by the Soviet Embassy to import radio equipment and described it as part of a greater Soviet hegemonistic design to extend her sway around the world.

Justice B. A. Siddiky in his speech expressed gratitude for Indian help during the War of Liberation at the same time lambasted "their unfriendly activities afterwards."

After the Independence of Bangladesh India had looted the country and tried to cripple "our economy", he said that the Farakka might be an Indian installation against Pakistan but today. It proved as a great threat to Bangladesh's very existence.

Justice Siddiky strongly criticised the present Government for what he said failure in establishing Bangladesh sovereign rights on the South Talpatty island the possession of which should have been taken in 1977, he observed.

National Awami Party leader Nurur Rahman addressing the seminar observed that the White Paper issued by the Bangladesh Government was not properly drafted which rather confused the people. He said that the failure on the part of the Government had proved its total apathy and independence to the vital issue.

Mr. Rahman observed that today the country need a Government which could defend the country against external aggression.

In his address, Mr. Mostafa Jamal Haider said that in the last few years, India had at least twenty times violated Bangladesh's territory. Talpatty was the latest in a series of such aggressions against the country's sovereignty.

He alleged that "the Soviet social imperialists" in collusion with the "Indian expansionists" were preparing to divide between themselves the sovereignty of the smaller countries in the periphery of the Indian Ocean.

Describing South Talpatty as "a test case" for probably future designs of the Indian expansionists to grab our land" and make it a sphere of influence Mr. Haider stressed the need for generating a greater political consciousness among the people and political parties to guard against such evil designs.

The UPP leader suggested that in the national politics there was need for identifying the agents of the expansionist powers to fight them out to save national independence and sovereignty.

In his speech Mr Gias Kamal Chowdhury stressed the need for unity among the smaller Third World countries to protect their sovereignty from the evil hands of the expansionist powers.

CSO: 4220/7235

WITHDRAWALS, REDUCTIONS IN TAXES, DUTY ANNOUNCED

Dacca THE BANGLADESH OBSERVER in English 27 Jun 81 p 1

[Text] Finance Minister Mr. Saifur Rahman announced on Friday the withdrawal of the new tax proposal on betel nuts in the Budget for 1981-82.

He also stated that the duties proposed on the import of industrial spare parts, cotton yarn, aluminium goods and also on the sale of wooden furniture had been reconsidered and the rates of such duties had now been proposed at a level lower than the ones proposed earlier.

His announcement on the withdrawal of proposed duties on betel-nuts along with the reconsideration of the original tax proposals on the import of industrial spare parts, cotton yarn, aluminium goods and also on wooden furniture came in the course of his winding-up speech in the Jatiya Sangsad on the day.

He stated that the reconsideration of the new tax proposals including the withdrawal of duty on betel-nuts had been made as a mark of respect to the suggestions made by the members from the Treasury as well as the Opposition benches.

The Finance Minister said that duty on import of industrial spare parts had been reduced to a concessionary rate of 40 per cent in view of the demands made by most members of the House. He said all items of spare parts would now be subject to only 40 per cent of duty. Earlier the Budget proposed withdrawal of concessionary duty rate of 20 per cent and fixation of 50, 75, 100, 25 and 150 per cent duties on various items of spare parts to encourage the local engineering industries. With the withdrawal of the new tax proposal on import of spare parts, the Government will loose a revenue of Taka 6 crore.

On the aluminium door and window frames 20 per cent duty had been proposed in the Budget. The Finance Minister said that in view of the request made by the Ministry Industries it had been decided to reduce the proposed rate from 20 to only 10 per cent.

The Finance Minister Mr. Saifur Rahman announced that the wooden furniture valued less than Taka 250 would not be subjected to new proposal to impose excise duty of 10 per cent. This meant that wooden furniture costing above Taka 250 would be subjected to excise duty of 10 per cent.

The Finance Minister also made strong defence of the reduction of excise duty on colour television to Taka 2,000 and Taka 3,000 per set from Taka 3,000 and Taka 4,500 respectively. He said that colour television should not be owned by the richer section in the society only. He said the reduction of duty had been proposed so as to give the common people easy access to colour T.V.

CSO: 4220/7231

MINISTER INAUGURATES NEW PETROBANGLA DRILLING PROJECT

Dacca THE BANGLADESH OBSERVER in English 26 Jun 81 p 1

[Text] Zakiganj (Sylhet) June 25:--Petrobangla today embarked on yet another drilling project as part of its country-wide search for oil and gas with the spudding of Atgram Test Well No. Nine reports BSS.

Kazi Anwarul Huq Minister for Power and Water Resources who is also in charge of the Minister of Petroleum inaugurated the drilling near here today.

In a brief speech at the drilling site Kazi Anwarul Huq listed political stability and smooth administration as the two basic preconditions for uninterrupted and successful implementation of national development programmes.

Given the two preconditions hard work and honest conviction can achieve the goals of national development he said "Even it would not be difficult for us to dig out the hidden wealth which Allah has bestowed for us beneath the earth".

The Atgram Test Well previously known as Zakiganj Drilling Project is being implemented under Petrobangla's Multi-well Drilling Programme (MDP) with a major West German grant.

Kazi Anwarul Huq referred to the optimism and convictions of late President Zia who always believed that there was an untold and invisible reserve of resources beneath our land which "we must dig out" with all sincerity and hard work.

He called upon the Petrobangla experts and technicians to be inspired with the enthusiasm and zeal of the late President in exploring and exploiting the country's natural resources to step up national development.

The function was also addressed among others by Mr. Sunil Kumar Gupta, State Minister for Petroleum and Mineral Resources Syed Muhibul Hasan State Minister for Social Welfare and Manpower Mr S. Hasan Ahmed Chairman of Petrobangla and Mr. Umbruster, Economic Counseller of the FRG Embassy.

The Atgram test well being drilled at an estimated cost of about Taka 28 crore, is scheduled to be completed by the middle of September this year. It is the second well under the multiwell drilling project the first being Beanibazar which has yielded commercial quantity of natural gas and liquid hydrocarbon.

The Atgram Drilling Project at Zakiganj is said to be one of the promising ventures in the Surma Basin and "there is a good possibility of striking oil" as some experts believed. The target is to drill up to a depth of 16,500 feet although experts are expecting to encounter gas and condensate from 5,000 feet and downwards.

The success at Beanibazar has led the experts to believe that positive results would be yielded at the Zakiganj structure since it was located in the similar oil and gas prone area on the north eastern periphery of the Surma Basin.

A total of 10 wells will be drilled under the Multiwell Drilling Project for which the West German Government has so far committed nearly Taka 78 crore as grant.

CSO: 4220/7228

EXPORT POLICY FOR '81-82 PRESENTED TO NATION

Summary of Radio Speech

Dacca THE BANGLADESH OBSERVER in English 2 Jul 81 pp 1, 8

[Text] The Export Policy for 1981-82, announced on Wednesday has set the target of export earnings at Taka 1500 crore for the year as against the anticipated level of foreign exchange earnings through exports at Taka 1200 crore in 1980-81.

With its main focus put on an all-out drive for producing more exportable surpluses in the country the policy for its smooth implementation will rely mainly on 'improving the existing procedures and formalities involved in the export trade, strengthening the facilities and incentives to the exporters raising the levels of investments in export-oriented industries and expanding the base of export-biased activities'.

Announcing the new Export Policy over the national radio and television on the day, Chowdhury Tanbir Ahmed Siddiky Minister of State for Commerce stressed the need for continuing the export drive at a faster scale to counter the adverse balance of trade of the country. He felt that the rate of import growth had exceeded that of exports over the last few years resulting in huge trade imbalance on a recurring basis with many adverse consequences for the economy. He called for vigorous efforts on the part of all producers, suppliers and exporters along with persistent endeavours of the Government to reduce the continuing huge gap between the import payments and the export earnings of the country.

The new Export Policy projects that the jute sector including raw jute, jute goods jute carpets, jute yarn and rope etc would contribute to the national exchequer Taka 915 crore in 1981-82 which would be 61 per cent of the overall projected export earnings. The commodity-wise export target for other items has been set in the following manner: naptha furnace oil and bitumen Taka 66 crore; hides and skin Taka 120 crore; frozen food Taka 90 crore; tea Taka 77 crore; vegetables fruits betel leaves tobacco potato and other agricultural commodities Taka 113.50 crore newsprint paper and other paper products Taka 27 crore readymade garments Taka 14 crore; handicrafts Taka nine crore; electric cables, telephone wires, G.I. pipe super enamel cooperwire and other engineering products Taka three crore specialised textile household linen and cotton fabrics Taka three crore and animal fodder animal casings, molasses crude fertiliser glycerine, dried and salted fish etc. Taka 53 crore.

The Minister of State for Commerce maintained that the export target for 1981-82 had been set on a realistic basis after taking into consideration the prevailing situation in the international market, the prospects for production supply and domestic surpluses of export items, the proposals and recommendations of public and private trading circles Export Development Council, and the approval of the Government. The Government he said sincerely hopes that all agencies, both in public and private sectors will put in their best of efforts to attain the target and to help reduce the existing imbalances in the country's overall balance of trade position.

Under the new Export Policy two separate lists under the Export Performance Licencing (XPL) schemes at the amended rates of 60 and 40 per cent respectively would continue. Four new items--animal hooves and horns betel leaves, rice bran and wheat bran extracts and frozen frogs will be added to the XPL list and these items will get the licences under the scheme at the rate of 40 per cent of the respective export earnings. With the inclusion of four new items in the XPL list the total number of items in the related list will stand at 85.

The existing facilities for the exporters like customs rebate and duty refund income tax rebate, allocation of foreign exchange funds for meeting the business tours of the exporters abroad provision of concessional bank credit facilities at the rate of 12 per cent interest, etc will continue under the new Export Policy for 1981-82.

Chowdhury Tanbir Ahmed Siddiky stated that the concerned authorities was examining the issue of withholding fresh sanction to any new cold storage plant until the existing cold storage capacity for preservation of fish and shrimps was fully utilized. Similar step for ensuring the optimum utilisation of existing export-oriented industries by way of withholding sanction to creation of any new capacities is also under the active consideration of the Government.

He stated that more lands would be allocated for raising of shrimps and frog production on a priority basis. The cold storage units will get the preference in matter of sanction for the purchase of trawlers for deep-sea fishing he added.

Two More Export Zones Planned

The Minister of State observed that efforts must be continued to attract more joint venture projects in the export-oriented sectors. The work on the Export Processing Zone at Chittagong is in progress and projects for setting up two more export processing zones have been taken up he added. He called upon the private investors to avail themselves of the liberal facilities of the Government for the export-oriented industries. He also stressed the need for stepped-up efforts on the part of all concerned to improve the quality and standards of all exportable items.

Giving a review of the export performance in 1981-82 he said that the extreme form of recessionary and anarchial situation in the international markets and the drop in the demand for and the prices of export items had been responsible for our export earnings at a level below the related target. He observed that the prices of our principal export items registered a fall within the range of seven to 52 per cent depending on the nature of export items. Under such circumstances, the

country had earned less in financial terms during the year under review from her exports although the export trade in terms of physical volume in the case of some main export items had recorded an increase.

Chowdhury Tanbir Ahmed Siddiky stated that if the country's export items would have fetched the same prices as those of 1979-80, the export earnings would have increased by about more Taka 210 crore over the level of actual earnings in 1980-81. He added that the actual export earnings of the country during July-May period of 1980-81 totalled Taka 1059.16 crore. The overall yearly export earnings during the year would be around Taka 1200 crore which would be 20 per cent lower than the related target for the year, he mentioned.

Giving an item-wise breakdown of export earnings he stated that the share of primary products in the overall export earnings during July '80 to May '81 would be around 28.49 per cent while that of the industrial products at around 70.51 per cent. He pointed out that the export earnings from jute and jute goods would total Taka 718.76 crore and those from non-jute items, Taka 340.40 lakh during the same period of the last fiscal year.

Enumerating the export-promotional arrangements during 1981-82, he pointed out that the national export fair like the practice in the previous years would be held in this year. Besides, the practice for the award of the President's Export Trophy and awards will also be continued.

He announced that a high-level national committee had been formed to hold the second international Islamic Export Fair in Dacca. He noted that the decision to hold the fair in Dacca was taken at the Islamic Foreign Ministers' Conference.

Highlights of Policy

Dacca THE BANGLADESH OBSERVER in English 2 Jul 81 p 1

[Text] Following are the highlights of the Export Policy for fiscal 1981-82 announced by the State Minister for Commerce, Chowdhury Tanbir Ahmed Siddiky over Radio and Television in Dacca on Wednesday, reports BSS.

--Export target Taka 1500 crore.

--Share of jute and jute goods Taka 915 crore or 61 per cent.

--Share of non-jute products Taka 585 crore or 39 per cent.

--A new export baggage rule providing tourists to take local products mainly jute carpets and handicrafts after buying them in foreign currency to be introduced.

--Four new items included in the new export policy under XPL schemes.

--Second International Export Fair to be held in Dacca during the Islamic Foreign Minister's Conference.

--Bangladesh to participate in 17 export fairs including 13 international fairs.

--President's trophy for export to continue.

CSO: 4220/7243

COMMERCE MINISTER REPORTS PROGRAM TO STOP PRICE HIKES

Dacca THE BANGLADESH OBSERVER in English 17 Jun 81 pp 1, 12

[Text] An elaborate action programme has been chalked out by the government to improve the availability of critical consumption items with a view to containing the price pressures. The programme would include measures to augment supplies of items of daily consumption through imports by both Trading Corporation of Bangladesh (TCB) and the private sector, extended sales operation by the Consumers Supplies Corporation (COSCOR), increased quota for items for distribution through the public rationing system, effective monitoring of price movements throughout the country, etc.

Addressing the programme at a Press conference at his office chamber, Chowdhury Tanbir Ahmed Siddiky, Minister of State for Commerce, said in Dacca on Tuesday that the government attached special importance to the maintenance of adequate supply and stable prices of critical items of consumption, especially during the month of Ramzan. Mr. Abul Hasnat, Mayor, Dacca Municipal Corporation, was also present at the Press conference.

Detailing the programme, the Minister of State for commerce said that supply of sugar, edible oil and salt for distribution through ration shops in the statutory rationing area would be doubled for a period of six weeks commencing--from June 27, '81'. Additional quantities of edible oil, sugar and salt would be released for distribution in the modified rationing area. Besides, both sugar and edible oil will be available on free sale and in COSCOR shops at fair price, he added.

Mr. Siddiky noted that the supply of kerosene through the normal distribution network would be raised by about 20 per cent to make available this essential item available to the people at reasonable and fair price. The sale operations through the COSCOR will be strengthened and items like chilli, onion, pulses, gram etc would be supplied in increasing quantum for sales through the COSCOR shops in the country, he added.

He stated that supplies of meat, poultry and fish would be augmented in Dacca city and some principal consumption centres like Chittagong, Khulna and Rajshahi. He pointed out that the Dacca Municipal Corporation (DMC) would take measures to ensure the availability of mutton and beef in an increasing proportion during the month of Ramzan and also refix, the prices of the same items. Arrangements have also been made to augment supply of vegetable growth in four agriculture development estates in the country, he observed while pointing out that Bangladesh

Fisheries Development Corporation (BFDC) would concentrate its efforts on making arrangements for availability of fish in increasing quantum. BFDC will also reduce the price of some varieties of marine fish during the month of Ramzan, he added.

The state Minister said that the distribution chain of agencies like BFDC and BADC would be expanded as a part of the governmental action programme for stabilising the prices of essential items. Directorate of Livestock has taken up a programme for the first time, to arrange the sale of beef in packets at fair-price, he observed. In addition to COSCOR outlets all over the country, municipal community centres may also be utilised for the purpose of distribution of critical items of daily consumption, he added.

About milk food, he stated that TCB and COCSOR would put additional quantities of milk food on sale. While noting that a sufficient quantity of milk food has also been imported by the private sector, he said that Milk Vita would increase the supply of liquid milk and distribute increased quantities of powdered milk received from BEC through its dealers throughout the country.

Mr. Siddiky ruled out the possibility of any rise in the price of rice and noted that the government had adequate stocks of foodgrains. If the price of rice registers any rise in the market, the government will release additional supplies from its stocks, he said.

He admitted that damage to the production of onion, chillis, ginger, etc was due to off-season excessive rainfall and that of pulses due to the alternative use of land for wheat production. The ICB is importing sufficient quantities of chillis, onion, dal etc to meet the shortfall for distribution through COSCOR and ration shops, he pointed out. The Private Sector importers have been allowed to import chillis, onion dal ginger and salt free of duty and sales tax under the Wage Earners scheme, he added. When asked about the additional quantum of foreign exchange likely to be involved because of such imports to improve the domestic availability he said that it was not possible to answer this off-hand. He however assured there would no shortfall in foreign exchange for arranging needed imports of these critical items of consumption.

Replying to a question, he said COSCOR had as of now 164 sales centres throughout the country. The number of such sales centres in Dacca is 17, he added.

CSO: 4220/7213

ANNIVERSARY OF 1975 NEWSPAPER CLOSINGS OBSERVED

Dacca THE BANGLADESH OBSERVER in English 17 Jun 81 pp 1, 12

[Text] The journalists all over the country observed the Black Day on Tuesday in response to a call by Bangladesh Federal Union of Journalists. On this day in 1975 all the newspapers of the country except four government controlled dailies and some weeklies were closed down by a stroke of pen by the then Baksal Government. Hundreds of newsmen and other employees of the industry were thrown out of employment.

The newspapers were closed down to gag the freedom of Press and to suppress expression of multi-party opinion in the society.

The Dacca Union of Journalists with Mr. Iqbal Sobhan Chowdhury in the chair held a discussion meeting on the day at the National Press Club on Tuesday. The speakers at the meeting vowed to resist one-party rule in the country and to uphold the freedom of Press. They also said that the journalists of the country were committed to multi-party democracy and opposed to fascist rule.

The speakers demanded the abolition of Management Board and decontrol of the government owned newspapers. They criticised the present government for protecting the Baksal law which aimed at gagging the Press and controlling the newspapers.

ENA adds: Mr. Ahmed Humayun speaking at the meeting said the Journalists Union could not take stand against the annulment of newspapers and gagging of freedom of Press in 1975, but that did not imply that they would not be able to resist any move against freedom of the Press now.

He said the journalists union stood for the freedom of expression of all political views, irrespective of party affiliations and this must be ensured for healthy growth of multiparty democratic system in the country.

The BFUJ leader said the incident that took place on Jun 16, 1975 was a manifestation of "one party fascist politics" and no amount of "white wash" could conceal that stain". He said after the changes of 1975, the journalists union had upheld the cause of freedom of the Press and expression and continued their struggle uncompromisingly. He pointed out that when the government had cancelled the declaration of the weekly REPORTER the journalists union took up the issue and declaration was restored.

Mr. Enayetullah Khan said annulment of newspapers in 1975 by the then government was not an isolated event but part of its politics to suppress the democratic rights of the people and as such it must be condemned by all democratic forces.

Mr. Reazuddin Ahmed said the journalists would resist if there any fresh move to suppress the freedom of the Press or to impose an one party rule. He said the journalist community did not back out from its commitment to bring an end government control over newspapers. He pointed out that the journalists union was fighting for dissolution of Newspaper Management Board.

Mr. Iqbal Sobhan Chowdhury said the journalist could not be complacent only by government assurance of uphold the freedom of the Press, he said "freedom of press cannot be secured unless it was institutionalised".

Mr. Amanullah Kabir said journalists community alone could not uphold the democratic values in the face of all powerful political force but it can very well serve as an "auxiliary force" to resist any anti democratic and anti people move. He hoped the journalist community will play its role unitedly to safeguard the democratic rights of the people in future.

CSO: 4220/7213

OIL MINISTER SPEAKS AT GAS WELL OPENING

Dacca THE BANGLADESH OBSERVER in English 17 Jun 81 pp 1, 12

[Text] Brahmanbaria, June 16:--The fifth well of Titas gas field with a capacity to produce an additional 30 million cubic feet daily was commissioned here today reports BSS.

This will bring the total production capacity of the Titas field to 150 million cubic feet daily.

The project was implemented under a British grant worth over Taka eight crore. The British grant helped finance the foreign exchange component of the Taka 10 crore project.

Petroleum Minister Akbar Hossain inaugurated the Titas well no 5 at a simple function at the site near Brahmanbaria town.

Work on the project started in October last year and the drilling was completed in January.

Inaugurating the production well and its dehydration plant, the Petroleum Minister said that economic constraints in the field of exploration stood in the way of implementing different projects.

But he thanked the British Government as well as the governments of Federal Republic of Germany (FRG) USSR, Belgium Holland France and other countries which had been supporting Bangladesh's oil and natural and exploration efforts and development programmes.

The Minister said that the new well at Titas would produce as a by product 45 barrels of condensate oil, besides the Minister disclosed that the Titas well no. 5 would enable an additional sale of gas worth Taka 14 crore providing oil import replacement worth Taka 70 crore.

The function was addressed among others by Mr. S. S. Hasan Ahmed, Chairman Petrobangla Mr. Charles Clift First Secretary of the British High Commission Mr. Charles Whitbourn, British Petroleum Project Coordinator and Mr. Anwarul Islam Chairman of Bangladesh Gas Fields Company Limited which own the Titas gas field.

Paying tributes to late President Ziaur Rahman, the Minister described him as the main driving force behind all exploration and development projects in the oil and gas sector of the country.

He said the late President had the farsight and prudence about the potentials of the country's natural resources particularly in the energy sector and that was why he had always emphasised the need for quickly exploring them for the benefit of the people.

CSO: 4220/7213

FOOD MINISTER ANSWERS MP'S QUESTION ON RATIONING

Dacca THE BANGLADESH TIMES in English 25 Jun 81 p 1

[Text] Food Minister Mr Abdul Momen Khan told the Jatiya Sangsad on Wednesday that the Government had no plan to withdraw the present rationing system.

He was replying to a question by Kazi Mohammad Abu Yousuf, in reply to a separate question by Mohammad Joynal Abedin Bhuiya, the Food Minister said that the Government had given a total subsidy of Tk. 46.15 crore for the items under ration during 1979-80.

Mr Momen Khan said that at present six cities and towns were covered by full rationings system. A total of 2.46 lakh tons of rice, 2.46 lakh tons of wheat, 47 thousand tons of sugar, about 11 thousand tons of salt and 24 thousand tons of edible oil were distributed in the rationing areas during 1979-80.

The Food Minister said that a total of 4.47 lakh tons of rice, 14.62 lakh tons of wheat, 36 thousand tons of sugar, 51 thousand tons of salt and 14 thousand tons of edible oil were distributed in the rural areas and the areas outside the statutory rationing areas in 1979-80.

Mr Momen Khan said that the Government had plans to reduce the subsidies on the rationed items in phases.

Food Stock

Mr Momen Khan told the Sangsad that a total of 12.71 lakh tons of foodgrains was in the Government stock on May 31, 1981. The stock included 7.31 lakh tons of rice and 5.40 lakh tons of wheat, he added.

The Food Minister said that agreements were signed with 11 countries and international organisations to import 6.72 lakh tons of foodgrains during 1980-81 to meet the deficit.

Replying to a separate question by Mr Awsafur Rahman, the Food Minister said that the Government had purchased 2.51 crore maunds of paddy from the growers and others during 1980-81 (till June 16) at a cost of Tk. 284 crore. Of this, he said, 1.76 crore maunds were stored in Government godowns 73 lakh maunds were stored in hired godowns and 1.75 lakh maunds were kept outside the godowns.

Indian Rice

Mr Momen Khan also revealed that the Government made final arrangements to give back 50,000 tons of rice to India during the current financial year.

Replying to a question by Mr S A Khaleq (BNP) in the Jatiya Sangsad during the question hour, the Food Minister said that 1.5 lakh tons of rice was imported from India in 1978-79. He said that the remaining one lakh tons would be given back during the next financial year (1981-82).

Profit Bonus for Workers

Labour and Industrial Welfare Minister Mr Reazuddin Ahmed told the Jatiya Sangsad on Wednesday that the Government was actively considering to increase the existing two and a half per cent profit bonus to the industrial workers.

He was replying to a written question by Mr Mohammad Toaha (BSD) during the question hour. Replying to a separate written question by Mr Mahbubur Rob Sadi Choudhury (JSD), Mr Reazuddin said that there was a provision under the present Labour Law to form "participation committee" comprising equal number of members of the management and the workers representatives in nationalised industries where the number of workers were 50 or above. Replying to another question by Al-Haj Shafiqullah he said that arrangements were made to settle labour cases in the labour courts within 60 days.

Aid for Flood Victims

Mr Emran Ali Sarkar, Minister for Relief and Rehabilitation told the Jatiya Sangsad on Wednesday that the Government had sanctioned Tk. 12 lakh as house building grant, 33,149 maunds of wheat as free distribution and another 28,500 maunds of wheat for test relief for the victims of recent tornado, cyclone and sudden floods in the country.

He was replying to a question by Mr Abdul Matin.

CSO: 4220/7226

BRIEFS

BRITISH HIGH COMMISSIONER--Mr. Frank Mills, CMG, has been appointed British High Commissioner to Bangladesh, according to a Foreign Office announcement in Dacca on Thursday, reports BSS. Mr. Mills will succeed Sir Michael Scott, the present British High Commissioner at Dacca. An experience career diplomat, Mr. Frank Mills was born in 1923, joined British Commonwealth Relations Office in 1948 and served in various capacities both in Commonwealth Relations Office and in different British missions abroad. He was appointed British High Commissioner in Ghana in 1975. At present he is an Assistant Under-Secretary of State, Commonwealth Relations Office in London. Mr. Frank Mills is married and has three children. [Text] [Dacca THE BANGLADESH OBSERVER in English 26 Jun 81 p 1]

FOOD WAREHOUSES--Chittagong, June 25:--Mr. A. S. Prue Chowdhury, Minister of State for Food, said here on Wednesday that concerted efforts had already been made to ensure godown facilities in every procurement centres says a PID handout. The Minister was visiting a number of newly constructed food godowns at Hathazari and Dewanhat, in Chittagong on Wednesday. He was addressing a cross section of people on Wednesday at Dewanhat Central Storage Depot. Explaining the measure taken to expedite setting up of food godowns, the Minister said that about 100 food godowns had already been constructed in Chittagong Division during this financial year and 100 more will be completed soon. Referring to the role of internal procurement to ensure fair prices to the farmers the Minister said that Government had already intensified internal procurement and 10 lakh tons of foodgrain had so far been procured during this year he added. He urged the officials to work honestly and sincerely to achieve the objective of procurement drive so that the growers are benefited. [Text] [Dacca THE BANGLADESH OBSERVER in English 26 Jun 81 p 8]

FOREIGN AID UTILIZED--Bangladesh utilised 7,800 million US dollar out of a total 10.700 million dollars mobilised as external assistance during the current financial year, the Prime Minister Shah Azizur Rahman told Jatiyo Sangsad on Thursday night reports BSS. Speaking on the coming year's Budget the Prime Minister told the House that the commitment of foreign aid was 1.710 million dollar and disbursement was 1200 million dollar. The commitment for the coming 1981-82 year was estimated at 2.300 million dollar while disbursement at 1.400 million dollar. The Prime Minister said the net inflow of foreign aid in Bangladesh was "very low" in comparison to other developing countries. The per capita inflow of foreign aid to Bangladesh is 10 US dollar this compares with Indonesia at 20 dollar Kenya at 21 dollar Egypt at 60 dollar Tanzaniq at 38 dollar Sri Lanka at 16 dollar and Philippines at 25 dollar. [Text] [Dacca THE BANGLADESH OBSERVER in English 27 Jun 81 p 12]

HEALTH MINISTRY CHANGE--The Acting President Justice Abdus Sattar on Monday assigned the charge of the Ministry of Health and Population Control to Dr M A Matin also in addition to Ministry of Youth Development according to an official announcement in Dacca on Monday night reports BSS. [Text] [Dacca THE BANGLADESH TIMES in English 30 Jun 81 p 1]

SOCIAL RECONSTRUCTION ORGANIZATION--A new organisation under the name of Social Reconstruction Organisation was formed at a meeting of people representing different shades of opinion on Sunday at Abu Dhar Giffary College premises. Presided over by Mr Mohammad Mozammel the meeting was largely attended. A 37-member convening committee with Mr Abdul Gaffur as the Convener was formed at the meeting. [Text] [Dacca THE BANGLADESH OBSERVER in English 3 Jul 81 p 8]

ELECTION DATE PROTEST--An emergency meeting of Bangladesh Workers Party held on Tuesday demanded of the Government to shift the date of presidential polls, lift emergency, stop arresting political workers and ensure neutrality of the mass media. The meeting presided over by Mr. Haider Akbar Khan Rano, General Secretary, expressed its opposition to any amendment to the constitution that sought to serve the interests of "any individual" and demanded re-introduction of the constitution of 1972. [Text] [Dacca THE BANGLADESH TIMES in English 3 Jul 81 p 3]

AMBASSADOR TO SYRIA--The Government has decided to accredit concurrently Mr Humayun Kabir at present Bangladesh Ambassador in Teheran; as Ambassador to Syrian Arab Republic; says an official announcement in Dacca on Wednesday. [Text] [Dacca THE BANGLADESH TIMES in English 3 Jul 81 p 3]

NEW MEXICAN AMBASSADOR--Mrs Graciella De La Lama has been appointed Ambassador of Mexico to Bangladesh with residence in New Delhi. She held important positions in the Government of Mexico prior to her appointment as Ambassador to India, according to an official source. Born in 1933 Mrs Graciella obtained her Master's Degree in Philosophy from National Autonomous University of Mexico and Phd from Sorbonne University, Paris. Mrs Graciella is a reputed scholar and noted author of many publications. She knows English, French, Sanskrit and German. [Text] [Dacca THE BANGLADESH TIMES in English 3 Jul 81 p 3]

PRESIDENTIAL CANDIDATE--Bogra, July 2: Mr. Zillur Rahman an advocate declared his candidature for the coming presidential poll. He is son of one jute traders of Tallatola village under Gabtali PS. Mr. Rahman claimed that he had been supported by large people and the members of Bogra Bar. [Text] [Dacca THE BANGLADESH TIMES in English 3 Jul 81 p 8]

SRAMIK DAL EXPELLEES--A meeting of the Executive Committee of the Tongi regional unit of Bangladesh Jativatabadi Sramik Dal has expelled Mr Mohammad Hossain Mr Abul Kalam and Mr Kasim Uddin Vice-President Joint Secretary and Sports Secretary respectively of the unit from the organisation and stripped them of their official positions. According to a Press release the action was taken against them in view of their anti-organisational and anti-people activities. [Text] [Dacca THE BANGLADESH TIMES in English 29 Jun 81 p 8]

ELECTION COMMISSION SECRETARY--Mr. Hossain Ahmed formerly Secretary Ministry of Fisheries and Livestock has taken over-charge as Secretary Bangladesh Election Commission on Tuesday an official handout said in Dacca reports ENA. Md. Khorshed Anwar, former Secretary of the Election Commission has assumed the charge of the office of the Secretary Ministry of Fisheries and Livestock on Tuesday. After assuming the charge of his office in the Election Commission on Tuesday Mr. Hossain Ahmed met the officers of the Election Commission where the Chief Election Commissioner Mr. Justice A. K. M. Nurul Islam and the Election Commissioner Mr. A. M. Choudhury were also present. [Text] [Dacca THE BANGLADESH TIMES in English 25 Jun 81 p 8]

BNP EXPELLEE--Dr. Md. Muibur Rahman member of Comilla Sadar North political district of BNP, has been expelled from the party for violation of discipline, a BNP press release said, reports BSS. The decision of expulsion was taken unanimously at a special meeting of the National Standing Committee of the BNP on Monday. The Press release said Dr. Rahman had been expelled because of the violation of party discipline by contesting in the coming by-election of Comilla-8 as independent candidate without the approval of the party. [Text] [Dacca THE BANGLADESH OBSERVER in English 16 Jun 81 p 1]

BURMESE JUTE PURCHASE--Bangladesh will export jute goods worth about Taka five crore to Burma, reports BSS. According to a report reaching Dacca on Monday, the two countries signed an agreement Saturday in Rangoon under which Bangladesh will sell gunny bags worth 12 lakh 74 thousand three hundred and 20 Pound sterling (about Taka five crore). The agreement was signed between Myannma Export Import Corporation of Burma and Bangladesh embassy in Rangoon on behalf of Trading Corporation of Bangladesh. [Text] [Dacca THE BANGLADESH OBSERVER in English 16 Jun 81 p 12]

ILO MEMBERSHIP--Bangladesh has been elected a member of the Governing Body of International Labour Organisation (ILO) for another three year term getting the highest number of votes among the Asian Group according to a message received in Dacca on Tuesday says a PID handout. Elections to the ILO Governing Body were held at the 67th Annual Conference of the ILO now in session in Geneva. Minister for Labour and Industrial Welfare Mr Reazuddin Ahmed led Bangladesh delegation to the conference which commenced on June 3. Mr. Ahmed returned to Dacca on June 5. Election of Bangladesh to the ILO Governing Body for another three year term is a testimony to the prestige earned for the country by the dynamic leadership of late President Ziaur Rahman the source added. [Text] [Dacca THE BANGLADESH OBSERVER in English 17 Jun 81 p 12]

IRAQI AID--Iraq has donated an amount of US $3,60,000 for same Islamic projects and organisation in Bangladesh, says a PID handout. Cheques for this amount was handed over to Religious Affairs Minister Mr. Abdur Rahman by the Iraqi Ambassador Mr Arif Mohammed Ali Karim on Friday. Out of this total amount US $2,50,000 has been provided to the Ministry of Religious Affairs for same projects of the Ministry. The remaining US $1,10,000 will be received by the Institute of Islamic Education and Research, Gulshan Central Mosque and Eidga and the World Islam Mission. The Iraqi donation has been made as per discussion held between Religious Affairs Minister Mr Abdur Rahman and Iraqi Minister for Awqaf and Religious Affairs Mr. Noori Faisal Shahir during the latter's visit to Bangladesh last month. [Text] [Dacca THE BANGLADESH OBSERVER in English 20 Jun 81 p 3

AMBASSADOR TO NEPAL--The Government has decided to appoint Mr. Harunur Rashid at present Deputy High Commissioner of Bangladesh in Calcutta as Ambassador of Bangladesh to Nepal said an official handout on Saturday says ENA. [Text] [Dacca THE BANGLADESH OBSERVER in English 21 Jun 81 p 1]

ELECTION DATE PROTESTED--Eighteen political parties on Monday jointly called for refixing the date of Presidential election in the third week of November, reports ENA. The meeting was presided over by elderly leader Ataur Rahman Khan. In a resolution they said the "hastily" announced election date by the government without any consultation with opposition parties was designed to hold the election anyway to remain in power. Moreover, the resolution said the election date has been fixed without taking into consideration the practical difficulties which will arise because of coming Ramazan and rainy season. The resolution said when there is Constitutional provision for holding election within 180 days the Government could refix the date on a more favourable date ensuring larger popular participation in the polls. [Text] [Dacca THE BANGLADESH OBSERVER in English 23 Jun 81 p 12]

UNICEF AID AGREEMENT--An agreement for 1.4 million U.S. dollar for development of social services in Bangladesh was signed in Dacca on Monday between the government of Bangladesh and the United Nations Children's Emergency Fund in Dacca, says an official announcement. The programme of operation will cover the areas of activities of basic functional education and income generation skill training in children's homes and Care Protection Centres, training in different trades and skills for women belonging to disadvantaged families in rural and poor urban locations. Mr. A B S Safdar, Secretary, Ministry of Manpower Development and Social Welfare signed the agreement on behalf of the government of Bangladesh while Mr. Yoon Gu Lee, Officer-in-Charge of Dacca Office, on behalf of the UNICEF. [Excerpts] [Dacca THE BANGLADESH TIMES in English 23 Jun 81 p 8]

CSO: 4220

UTTAR PRADESH CHIEF MINISTER RESHUFFLES CABINET

New Delhi PATRIOT in English 8 Jul 81 p 1

[Text] Lucknow, July 7.

In a sudden move today Chief Minister V. P. Singh divested his senior-most colleague Brahma Dutt of his portfolio of Power, leaving with him planning and Finance.

During her last visit to Lucknow, Prime Minister Indira Gandhi had criticised the poor performance of the power department.

In the reshuffle of portfolios, a surprise change was withdrawal of Information, National Integration, Cultural Affairs, Panchayat Raj and Rural Development from Mr Ammar Rizvi, who was supposed to be very close to the Chief Minister. Mr Rizvi was, however, allotted the important portfolio of PWD.

Mr Jagdish Prasad, who was so far Minister for PWD has been allotted Law and Justice.

Another senior Minister, Mr Brahma Singh, has lost Agriculture. He has been allotted Rural Development and Panchayat Raj.

Mr Bhanu Pratap Singh, who was so far holding the portfolio of Cane Development has been given Agriculture. The other portfolios have been retained by the Chief Minister himself.

The Chief Minister inducted only two Ministers of States Bachcha Pathak and Ram Naresh Shikla in the Council of Ministers. They are said to be close to former Union Minister Kamlapati Tripathi.

Governor C P N Singh administered the oaths of office and secrecy to the two new entrants at a simple but impressive ceremony at Raj Bhawan, add agencies.

With the swearing-in of the two new Ministers of State, the strength of the Vishwanath Pratap Singh Ministry has risen to 44 including 19 Ministers of State and eight Deputy Ministers.

The Chief Minister told newsmen that expansion of the Ministry was a continuous process.

Chief Minister V P Singh was today sworn in as a member of the State Vidhan Sabha.

Mr Singh was elected to the Vidhan Sabha in the by-election from Tindwari Assembly constituency last month.

Seven other newly-elected members who were sworn in by the Speaker are: Mr Krishan Veer Singh, Mr Jagdish Narain, Mr Daljeet Singh, Mrs Pushpa Chauhan, Balik Mohammed Zahir Ahmad and Mr Siamder Ali Khan, all belonging to Cong-I and Mr Virendra Pratap Shahi (Ind).

CSO: 4220/7206

MANIPUR PLA REPORTED ALMOST TOTALLY CRUSHED

New Delhi PATRIOT in English 8 Jul 81 p 1

[Text] Calcutta, July 7.

In a major swoop by the security forces, seven top activists of the outlawed Peoples Liberation Army of Manipur were killed and its leader N. Bisweswar Singh arrested last night.

According to a spokesman of the Eastern Command, with this operation, the PLA in Manipur has almost been totally crushed.

This great success was achieved after a 2-hour gunbattle at a tiny village called Tekcham, about 40 kms from Imphal.

Eastern Command BGS Brig V K Sood told a hurriedly called press conference at Fort William this afternoon that during special operations launched in areas around Thoubal, about 30 kms from Imphal on the same day Bisweswar Singh was apprehended along with another extremist.

Bisweswar Singh is the undisputed leader of the banned revolutionary government of Manipur and has been the brain behind the activities of the People's Liberation Army (PLA) in that State.

In all there were 19 hardcore extremists in PLA, who got training in Lhasa in 1978-79. Now only one of them, Kunja Behari Singh, still remains in large. Brig Sood said the most significant success was the capture of Bisweswar Singh, who is a committed Maoist and a legendary figure in Manipur and had a prize of rupees one lakh over his head.

Brig Sood said one contingent of Jammu and Kashmir Rifles went into operation after receiving secret information about the group's whereabouts. There was heavy exchange of fire between the security forces and the extremists, and the commander of the operation himself got injured.

Four among the seven extremists killed in the encourter were identified as Thougan Kobi Charan Singh, Althokpam Rajan Macha Singh, Ladegram Indrajit Singh and Khoijan Bir Mangal Singh.

In reply to a question, Brig Sood said there was no doubt about the identification of Bisweswar Singh. It was cross-checked from many sources. He is a sick man suffering from tuberculosis he added.

CSO: 4220/7206

GANDHI ALLEGED TO PLAN PRESIDENTIAL GOVERNMENT

New Delhi PATRIOT in English 8 Jul 81 p 1

[Text] Allahabad, July 7 (PTI)--Democratic Socialist Leader H N Bahuguna alleged today that Prime Minister Indira Gandhi was secretly continuing an exercise to introduce the presidential form of government and dispense with the Parliamentary system of democracy.

On the on-going exercise, Mr Bahuguna told newsmen here some foreign constitutional lawyers and jurists had also been involved by Mrs Gandhi.

Mr Bahuguna said the current study covered political systems of such countries as that of Philippines, Japan and Australia in the eastern hemisphere and France, West Germany, Ireland, USA, Canada and some Scandinavian countries.

But Mr Bahuguna said he was confident that a section of Congress-I members of the Lok Sabha would foil Mrs Gandhi's bid to 'foist' on the country 'a hodgepodge' presidential system.

He said he had already got assurances from them as from certain opposition groups supporting her at present that they would come out openly whenever a motion was made.

Mr Bahuguna called for opposition unity in preserving the right of vote which he said was now in 'grave peril.'

Mr Bahuguna indicated that the efforts now 'under way to bring together opposition parties on the limited issue of safeguarding the Parliamentary system of democracy in the country would take a 'concrete shape' by the end of the month.

CSO: 4220/7206

STUDY ON FREEDOM OF PRESS IN INDIA SUMMARISED

New Delhi PATRIOT in English 8 Jul 81 p 5

[Text] A indepth study undertaken at the request of the Press Council of India has pinpointed provisions of certain existing statutes as being inconsistent with the concept of freedom of the press in India reports UNI.

The study has also highlighted certain other provisions which need to be amended as these have a tendency to fetter the free flow of information.

The study was undertaken by the Indian Law Institute New Delhi to find out the damage done to the freedom of the press by the Official Secrets Act, the Contempt of Courts Act, parliamentary privileges and other statutory provisions.

The study has called for liberalisation of the present strict rules of Official Secrecy "to enable the press to discharge its social function of informing the public about the policies and programmes of the government"

It says: "The two wings of the Government, namely, the legislature and the judiciary, function in the open....on the other hand, the executive does its business in its secret chambers to which the people have hardly any access.

"India with its pattern of mixed economy and socialistic state is one of the most governed nations in the world: the state fixes prices, acquires goods and property, regulates sale, purchase and distribution of goods through licensing and other means, carries on trade and business, runs industries and other services controls regulates and gives credit and money, gives bounties of various kinds detains persons in preventive detention affects personal liberty in various ways and regulates the economic and social life of the people".

It warns there is an inherent danger that the vast powers of the executive may not be used for public welfare but used for private gain or with corrupt motives or arbitrarily and capriciously. In this context it is essential for the public to know what the Government is doing.

PROPER BALANCE

While stressing that openness is essential to the functioning of a democratic society, the study concedes that secrecy is also necessary to protect certain vital national interests such as defence, national security, foreign relations, criminal law, personal privacy and trade secrets.

It is however, of the view that while a proper balance has to be drawn between the needs of openness and the requirements of secrecy, this balance has to be tilted in favour of openness than it has been hitherto.

The study says "innumerable instances can be given where the most trivial matters are treated as secret which do not serve any interest of the nation except saving the government from embarrassment. The reports of various inquiry committees and commissions (like plane crashes or accidents) are treated as secret. The recent reports of the Bihar CID and DIG into Bhagalpur blindings of the undertrials are being treated as secret and all kinds of subterfuges are being used by the Bihar Government to withhold their production before the Supreme Court".

Another extremely odd instance of government secrecy is that by an administrative order issued on 30 April, 1976 the government directed its departments not to submit confidential files of policy questions to the Comptroller and Auditor General of India. The idea was to stall the possible adverse comments of the Comptroller on the very large amounts spent on 'populist programmes' by the Government. Fortunately, these instructions were later withdrawn.

DISMAY

The study has expressed dismay that quite often the Government uses the weapon of "official secrecy" to prevent investigation by the press, or publication of a news. This may be by way of threat which takes place quite often, or even prosecution. Even in England with its traditions of individual liberty and press freedom the government has behaved similarly.

A study of the public prosecutions and private pressures applied in Britain to newspapers under the Official Secrets Act during the last 50 years shows all too clearly that this law has often been used to restrict free expression and investigation on the activities of the government. It says the position is the same in India. In India for giving communication to the press there is the government's Press Information Bureau (PIB).

"Its original idea was to supply news to the press, but according to one journalist, PIB

has failed to discharge its function of providing news and has deterred access to information. It acts as a good public relations office on behalf of the Government by highlighting its good performance or only giving 'development news' aimed at projecting the good work. "Uncomfortable facts are not allowed to be checked. This is true in particular of news concerning foreign relations, nothing that the South Block does not consider 'news' is accessible to newsmen. Both the timing and context are decided by it. And quite often journalists are supposed to publish the official line but make it appear as their own. This is considered to be in national interest.

The judiciary has not yet taken the view that if disclosure is justified in the public interest no prosecution can be launched against the persons concerned.

The fact that the Official Secret Act has hitherto been reasonably administered is no guarantee that it will continue to be so administered in future.

The study feels that Section 5 of the Official Secrets Act is a catch-all provision and hinders the publication of information which is not prejudicial to legitimate national or private interests but whose publication may be in the interest of the community as against the interests of the political party in power. It is therefore essential to restrict its operation by specifically defining the types of information which need protection from disclosure.

ANOTHER SAFEGUARD

The study feels it is essential to have another safeguard for the individual and this pertains to control of prosecutions. In England the Attorney General exercises control over prosecutions under the Official Secrets Act. But this has been subject to criticism. The Attorney General is a politician and a member of the Government and this creates a doubt in his objectivity. In India though the Attorney General is not a politician or a member of Parliament yet he is a political appointee and he is more concerned with protecting the interests of the party in power than the individual.

Giving of control over prosecutions to the Attorney General does not seem to be a satisfactory solution. Alternatives should be explored. It may be appropriate to entrust the task to a committee consisting of the Attorney General the chairman of the Press Council and another nominated member of the Council.

CSO: 4220/7206

REPORT ON PAPER TO BE PRESENTED AT UN ENERGY MEET

New Delhi PATRIOT in English 8 Jul 81 p 5

[Text] Orthodox kitchen traditions are as much a handicap in harnessing the sun the wind or organic waste as high capital cost and the still inclusive search for a package of alternate energy sources for a particular area.

The Indian experience is highlighted in a paper prepared by the Department of Science and Technology's special commission for alternate sources of energy for presentation at the UN conference to be held in Nairobi in August.

The National Paper, as it is called, stresses the importance of a massive public relations programme to bring home the advantages of harnessing renewable energy sources even as the research continues to make the projects economical and efficient.

Towards this composite goal, India feels that while developing countries will have to do much work themselves, the developed countries, who are the major consumers of oil and coal should take the initiative.

It calls for eliminating tariff and non-tariff barriers against products relating to alternate energy technologies exported by developing countries, subsidies for research and development and bilateral and multi-lateral arrangements for transfer of technology.

The paper surveys the progress made by India in various fields — including solar energy, wind energy, hydel energy and researches in even tapping energy of the seas.

In a special section, the National Paper analyses the factors that have slowed down the development and adoption of these technologies.

CONSTRAINTS

The most important constraints in the wider utilisation of renewable energy systems are the high initial capital costs. The cost of a solar or wind device today is considerably higher than that of the product based on conventional fuels. In a country like India, where capital is relatively scarce and where individual earnings are not high, this indeed is a deterrent to most potential users of renewable energy systems.

The low level of production on account of this in turn inhibits any cost reduction that may be achieved through a large volume of production. Once again it is developing countries which are more seriously affected by this vicious circle.

Even in the case of hydropower where the technology is already well developed, large initial investments are required to fully exploit the hydroelectric potential in addition to long gestation periods for hydroelectric projects. Relatively simple unit such as biogas plants are also beyond the reach of a large percentage of farmers.

The problem of high cost of renewable energy system can only be overcome through technology improvement, material and manufacturing development, and a package of fiscal and other promotional measures, the paper says.

For example, a breakthrough in solar photovoltaic systems can be expected if the costs of producing solar grade silicon and solar cell manufacture are brought down to a fraction of the current levels. Cheaper windmills and accessories will become available when material and component costs are brought down.

Likewise, developments in technology are necessary to bring down the cost of batteries for energy storage or electric vehicle applications, mini and micro hydro sets and other devices' systems for the utilisation of renewable energies.

India points out that there is a fear that developing countries will not be able to benefit from advances in technology as long as there are difficulties in having access to these advances.

NEED FOR SUBSIDY

The conventional energy structure is artificially priced in many countries including India. The capital investment in conventional energy supply is borne by the energy supplies (in India, largely the public sector) while for renewable energy utilisation, the user has to incur the initial investment also.

It is therefore essential that a system of subsidies and inventives is introduced at least in the initial stages so that renewable energy systems become economically competitive. Such a scheme is already in vogue in India in the case of biogas plants. This calls for action largely at the national level though international agencies and financial institution may have a role here.

As the use of conventional fuels increased in the past decades, a vast infrastructure for manufacture, distribution, supplies, maintenance and servicing has been built up in most countries. Even in India where only 25,000 out of the total 5,70,000 villages have been electrified, there is a significant infrastructure for the generation, transmission and distribution of electricity and for the manufacture, sales and servicing of devices which run on electricity.

This infrastructure will expand further during the sixth Plan when an additional 100,000 villages are expected to be electrified.

Also, in spite of certain shortcomings, a distribution network has been built up for the supply of conventional fuels such as coal, kerosene and diesel oil. There is no such infrastructure to match in the renewable energy sector. Any widespread utilisation of renewable energies will require a suitable infrastructure for the manufacture, installation and servicing of renewable energy systems.

This is even more important when decentralised autonomous installations are to be propagated, India notes.

INADEQUACY

The inadequacy of institutional framework has been felt even in the case of biogas where the technology has been commercialised for long time in India and the plants are basically simple. A socio-economic evaluation of biogas systems in India carried out under the sponsorship of Department of Sciences and Technology has brought out many issues related to technical information, promotional agencies, manpower, manufacture and maintenance. For instance, out of 173 plants surveyed in four States 96 were located in villages which had no repairing centre. Only about 22 per cent of the plants had a service centre within a distance of five km.

The problem of infrastructure development obviously related to economic considerations, socio-cultural parameters and general awarences. Special efforts will be needed for the development of infrastructure for the expected to pose serious maintenance problems, the paper says. If community biogas plants and integrated energy systems are to be installed in village, trained workmen will be required to operate and maintain them.

The problem of spreading awarences of renewable energy systems is common to many countries of the world. Even in India where there have been certain traditional ways in which renewable energies have been used, awareness have to be promoted for new techniques for efficient utilisation of solar energy. Even in industry, the paper notes, a large section not aware of the need for, or the ways of, conserving energy and utilising renewable sources.

STRESS ON PUBLICITY

India stresses the need for an organised programme of publicity and promotion which can lead to useful results. Most owners of biogas plants became aware of such plants only during the 1970s' when significant efforts in this direction were launched. Owners decided to install the gas plants the same year in which they became aware of such plants. Significantly, this is true irrespective of the level of education of the owners (at the same time only 5 per cent of the plant owners surveyed were illiterate, the paper says.

The spread of modern renewable energy may also be limited by the fact that large percentage of the population is illiterate and the people themselves divided into a large number of languages and dialects; these two factors affect communication which is essential for any awarences programme.

Any technical literature will have to be prepared in as style that is easy to understand and translated into various languages. Enough experience in this regard is however available through other national programmes relating to agriculture and health.

CSO: 4220-7207

DECLINE IN REMITTANCES FROM INDIANS ABROAD NOTED

New Delhi PATRIOT in English 8 Jul 81 p 8

[Text] Madras, July 7 (PTI).

Remittances from Indians residing in the West Asia countries of late has shown a marked decline and the trend is likely to continue owing to the war raging in that region, according to the additional secretary, Union Commerce Ministry C Venkataraman.

In a paper placed before the two-day seminar on import policy organised by the Delhi based Indian Institute of Foreign Trade (IIFT) here, Mr Venkataraman has voiced concern at this trend, which will erode the country's foreign exchange position.

Mr Venkataraman has said "our import bill will increase rapidly, rather dangerously on account of further hikes on oil prices. In such a situation, it might be difficult to keep up the tempo of liberalised imports".

The paper was submitted before the conference in absentia by Mr Narayan Datt, assistant chief of IIFT.

Mr Venkataraman, however, pointed out that "imports have necessarily to be liberal not only for our industrial development but also for export production".

He said under the circumstances the best source for financing the imports was through physical exports of commodities and invisible exports of skills and services. "In the eighties, India is likely to launch a massive export drive to earn foreign exchange for meeting the requirements of its liberalised imports".

In the context of the growing protectionist trends by developed countries, India's liberal import policy would be an eye opener. If a developing country like India could keep up the tempo of liberalised imports, it was quite likely that the protectionist trends presently apparent in some of the developed countries would slowly diminish, he said.

CSO: 4220/7207

FLOW OF SMUGGLED GOLD FROM DUBAI INTO INDIA REPORTED

Calcutta THE STATESMAN in English 20 Jul 81 p 9

[Text]

DUBAI, July 19.—More than 5,000 tolas of gold is being smuggled into India every day from this West Asian trading post, reports UNI. Business sources say that due to the recent fall in the international prices of gold substantial quantities of the yellow metal are being imported from London and Zurich and then sent to India via Pakistan.

The difference between the prices of gold in India and Dubai averages about Rs 30 to Rs 40 a gramme, making smuggling lucrative. At the same time, India offers the best market for gold because of the traditional habit of its people to hoard the metal as a measure of security.

The staggering damage being done to the Indian economy by this smuggling is indicated by the fact that in May alone, Dubai traders imported 3,000 kg of gold, most of which found its way into India in return for silver. Reports from London suggest that in the same month, Dubai traders supplied the bullion market there with 51,000 kg of silver, while 9,000 kg and 8,000 kg respectively were supplied to the markets in Zurich and France. Western countries require large quantities of the white metal for industrial consumption

Sources said that in January 1980, when international prices of silver had gone up substantially than those in India, more than 9,000 kg of silver was smuggled out of the country. Silver has always been cheap in India, where even the poor maintain good stocks. Sources said that certain factors were responsible for the smuggling into and from India.

THIRST FOR GOLD

Smuggling is not considered a crime, morally or legally West Asian countries. Secondly, Indians have an unquenchable thirst for gold "consider the number of marriages in a year and calculate the demand even at the rate of one tola a family", said one source.

Sources said that because of the legitimacy given to smuggling here operations were often supported by banking consortiums "if a consignment is intercepted by the Customs, it is considered a normal business risk and another despatch is sent immediately to keep the commitment with the Indian counterpart".

About the modus operandi, sources said that the hideouts along the vast Indian west coast were known well to the smugglers. Care is taken to ensure that the crew of the dhows can mix with the local population in India and accordingly, most of the smuggling boats are now manned by Pakistanis, who not only speak Indian languages well but also have relatives in the coastal and other towns.

After lifting the consignment from Dubai or a neighbouring point, a dhow first goes to Pakistani points and then to international waters near the Indian coast. On a predetermined date and time, the dhow touches the rendezvous point on the Indian coast and makes the "switch" — gold for silver and currency.

In case the Indian contacts do not show up, the dhow retreats to international waters after a couple of hours and tries to make the switch again, normally, at another predetermined place. The process continues till the operation is complete.

Modern dhows have speeds up to 40 knots and are equipped with enough fuel and refrigerated food to stay at sea for several days. The speedboats with the Indian Customs, obtained from Norway in 1974, are slower than the dhows.

Asked how it could be said that Pakistanis were manning the dhows, the sources replied that by and large the Arabs did not like to take risks themselves also, now that the West Asian countries had become highly affluent, there was little need for an Arab to involve himself directly.

CSO: 4220/7355

CANADIANS, SOVIET TO REPAIR GUJARAT OIL WELLS

New Delhi PATRIOT in English 8 Jul 81 p 5

[Text]

Oil and Natural Gas Commission has reached an agreement with a Canadian firm — Nowsco for stimulation of sick wells in Gujarat, according to ONGC sources, reports UNI.

The agreement is for a period of two years and Nowsco will start work very soon.

Nowsco will supply stimulation equipment and after the expiry of the agreement, the Canadian firm will leave back the equipment.

The import cost of equipment and the consultancy fees together are worked out at seven million dollars.

The Canadian International Development Agency (CIDA) has offered 15 million dollars of credit to India. Fifty per cent of this will be made available to the ONGC for revival of sick oil wells in Gujarat, the sources told UNI.

The ONGC has over 250 sick wells in the Gujarat region. Of the 200 sick wells in Gujarat, some would be entrusted to the Canadian firm for stimulation work and increasing the oil production.

The remaining sick wells would be taken up for repair by the Soviet experts. The ONGC sources said the Soviet Union would soon be sending two teams for the purpose.

The reactivisation programme is part of a four-year-plan — drawn up by the ONGC to increase oil production.

The ONGC, however, could not exactly specify the additional quantity of oil which would be made available after the stimulation and repair works.

However, the additional availability of oil from these wells would help make good the depletion of oil in the Ankleshwar fields.

The sources denied reports appearing in a section of the press that it had drawn up a programme in collaboration with a Mexican oil exploration company PEMEX — for conducting seismic surveys in Saurashtra off-shore areas.

CSO: 4220/7207

BRIEFS

SIKKIM PARISHAD MERGER--The ruling Sikkim Parishad led by Chief Minister Nar Bahadur Bhandari on Tuesday merged in the Congress-I at a simple function held at the Prime Minister's residence. The Parishad has 22 members of the 32-member Sikkim Assembly. Welcoming the 47-member delegation of the Parishad, including its president Loden Tsering, Congress-I president Indira Gandhi hoped that the new unit would work for the betterment of the people of the State. Mr Bhandari later told newsmen that the Parishad was virtually functioning as a unit of the Congress-I right from February, 1980. [Text] [New Delhi PATRIOT in English 8 Jul 81 p 1]

BENGAL HILLS MINISTER--Calcutta, July 7--Mr Tamang Dawa Lama was today sworn in as Minister of State for Hill Affairs of the Planning and Development Department. Governor T N Singh administered the oath of office in Nepali. Chief Minister Jyoti Basu along with other Ministers and dignitaries were present at the ceremony. Mr Lama will function under the Chief Minister. He will function mainly from Darjeeling, according to a Government pressnote, for ensuring better monitoring and quicker implementation of the development programmes for the hill sub-divisions of Darjeeling district. The Government has also decided to nominate Mr Lama as one of the vice-chairmen of the Darjeeling Hill Areas Development Council of which the Chief Minister is chairman. [Text] [New Delhi PATRIOT in English 8 Jul 81 p 4]

CSO: 4220/7208

FINANCE MINISTER IN MEETING WITH PARLIAMENT'S COMMITTEE

Fuel Oil Subsidy Up

Jakarta KOMPAS in Indonesian 3 Jun 81 pp 1, 9

[Excerpts] The fuel oil subsidy for 1981/82, which was planned at Rp 1.5 trillion, will be more than that, it is believed. This means that the actual subsidy is expected to be larger.

Concern regarding the size of the fuel oil subsidy during this fiscal year was expressed by Minister of Finance Ali Wardhana during a working meeting with the Parliamentary Budget Committee on Tuesday [2 June]. The meeting, which was presided over by Committee Chairman Sugandi, was reviewing actual budgetary expenditures have tended to increase also."

In fiscal year 1980/81 the fuel oil subsidy was planned to amount to Rp 828.5 billion, but actual expenditure was Rp 1,021.7 billion, with a volume of 22 million kiloliters covered by the subsidy. According to the minister of finance, of the eight types of fuels, four of them bring in a profit to the government, while the other four types must be subsidized.

The four types of fuels which bring in a profit are aviation gasoline which, in fiscal year 1980/81, brought in a profit of Rp 679 million for 20,938 kiloliters sold; jet fuel brought in a profit of Rp 17.155 billion for 515,900 kiloliters sold; high octane gasoline brought a profit of Rp 6.369 billion for 77,700 kiloliters sold; and regular gasoline brought in a profit of Rp 101.1 billion for 3.7 million kiloliters sold.

The oil products which had to be subsided were kerosine, whose subsidy was Rp 551 billion for 7.8 million kiloliters sold; automotive diesel fuel, whose subsidy was Rp 366.8 billion for 6.3 million kiloliters sold; industrial diesel fuel, whose subsidy was Rp 76.5 billion for 1.2 million kiloliters sold; and fuel oil, whose subsidy was Rp 152.5 billion for 2.4 million kiloliters sold.

On this occasion the minister of finance also stated that during the first 5 months of 1981 (January-May) the inflation rate was only 3.79 percent. In the same period last year the rate was still from 7 to 8 percent. From month to month in 1981 the inflation rate has always been under 1 percent, except for January, when it was

1.3 percent. In February it was 0.7 percent; in March, 0.7 percent; in April 0.9 percent; while in May it was very low at 0.15 percent.

Answering questions about the sale of government obligations abroad, Minister Ali Wardhana said that the Indonesian government on six occasions has carried out the sale of obligations abroad. The first occasion was in Japan on 6 July 1978, when the total sold was 10 billion yen, at an interest rate of 7.5 percent and 10 years for redemption. The second occasion was in the Federal Republic of Germany on 29 September 1978, when the total was 100 [amount not fully given, but must have been 100 million] West German marks, at an interest rate of 7 percent per year and a period of maturity of 6 years. The third occasion was in the Netherlands on 17 March 1979, when the total was 75 million guilders at an interest rate of 9.25 percent and a maturity period of 10 years. The fourth occasion was in Kuwait on 11 July 1979, when the total was 7 million Kuwaiti dinars, at an interest rate of 8.75 percent and a period of maturity of 12 years. The fifth occasion was in Switzerland on 26 September 1980, when the total was 75 million Swiss francs, at an interest rate of 6.5 percent and a period of maturity of 5 years. The sixth occasion was again in Japan, for a total of 10 billion yen, at an interest rate of 8.6 percent and a maturity period of 10 years.

Revenue from Oil Taxes

Jakarta KOMPAS in Indonesian 6 Jun 81 pp 1, 9

[Excerpts] With the establishment of an OPEC consensus state receipts from the oil sector apparently will decline but will still be within the limits of financial security. This was stated by Minister of Finance Dr Ali Wardhana in his working meeting on Friday [5 June] with the Budget Committee, presided over by Soedandi, the chairman.

The OPEC conference held in Geneva on 28 May resulted in a consensus which will be applied by all members, except for Saudi Arabia. The OPEC consensus provided for a decrease in production of 10 percent until the next OPEC meeting in December,11981.

The statement by Minister of Finance Ali Wardhana was in answer to questions from committee member Soesanto regarding the influence of the OPEC consensus on state receipts. The minister stated that the figures on Indonesian oil production, according to the Ministry of Mining and Energy, show production at 1.64 million barrels per day. Of this total not everything is exported, as domestic consumption accounts for 500,000 barrels per day.

In the minister's reply to Siregar, a member of the committee, some details were provided on the company tax and on the tax on oil dividends. He said that the company tax and the tax on oil dividends included in the budget are a part of the profits from contracts of work (KK), production sharing contracts (KBH), and others. The increase in tax receipts from the oil sector resulted not only from increased production but also from the higher oil prices on the world market.

During the period from January to 19 May 1980 receipts from contracts of work were $29.50 per barrel and from production sharing contracts were $31.19 per barrel.

Later, during the period from 20 May up to and including 31 December 1980 receipts from contracts of work were $31.50 per barrel from contracts of work and $32.52 per barrel from production sharing contracts. During the period from January to 31 March 1981 there was a further increase: receipts from contracts of work rose to $35 per barrel and from production sharing contracts rose to $36.50 per barrel.

Later, Minister of Finance Ali Wardhana referred to the 7 percent growth per year in our economy. He provided details, sector by sector. He said that in the agricultural sector alone the increase was 5 percent. In the sub-sector of food plantings the increase was 6.9 percent, while in other agricultural sub-sectors the increase was 2.3 percent. This was followed by mining, with an increase of 1.5 percent; industry, with 11.5 percent; electricity, gas, and aluminum, 7.8 percent; transportation and communications, 9.9 percent; and trade and services, 9.1 percent.

Answering a question from Mustofa Hafas, the minister said that small investment credits (KIK) and permanent working capital credits (KMKP) increased by leaps and bounds. Later, he gave comparative figures which were astonishing. In 1978 total KIK/KMKP credits extended were Rp 80 billion. However, now they total Rp 1.6 billion per day.

The rate of development of our economy continues to increase. Apart from the results in the oil sector, the results from the non-oil sector show a sharp increase. On this basis the provision of credit to the economically weak sector can also be expanded on a large scale.

In the sector of non-oil commodities over the next 3 years which are expected to show explosive growth are the estate-produced commodities. According to Minister of Finance Ali Wardhana, the handling of this sector should be on a wider and more serious basis. He later gave an example regarding the activity of the PRPTEI program [Program for the Rejuvenation, Rehabilitation, and Expansion of Indonesian Agricultural Exports], as a result of providing funds totaling Rp 165 billion. Later, he referred to the PIR program (People's Estate Nucleus). The PIR local program was provided with Rp 13.7 billion; the PIR special program was provided with Rp 31.2 billion; and the PIR assistance program was provided with Rp 37.9 billion. All of these funds total Rp 248 billion. This does not include foreign assistance in the same sector, which totals Rp 39.4 billion. If all of this is added up, it will amount to something approaching one-third of a trillion rupiahs. This is a very large figure, and it is expected that its impact will result in an explosion in estate production.

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CSO: 4213/85

SHARP INCREASE IN TRANSPORTATION FACILITIES PLANNED

Purchase of Trucks, Ships

Jakarta PLEITA in Indonesian 3 Jun 81 pp 1, 7

[Excerpts] In the next 2 to 3 years the government will buy a large number of trucks and ships in order to ensure the transportation of domestic production goods which, it is believed, will rise sharply.

Without stating a definite figure Minister of State and State Secretary Sudharmono said that the land and sea transport units that will be purchased include railroad cars, ships, and trucks in a large number. "Because our production will be large later on, the transportation facilities required will also be large," Sudharmono said, answering a question on how many ships, railroad cars, and other items will be pruchased.

Minister of State and State Secretary Sudharmono discussed this matter with reporters on Tuesday [2 June] outside the Bina Graha offices, after President Soeharto had received the cabinet ministers from the economic and financial sectors. He said that the funds provided for the purchase of the equipment would be more than Rp 85 billion. Regarding the acquisition of the equipment, Sudharmono said that invitations to bid were now being prepared.

Restructuring of Transport System

Jakarta KOMPAS in Indonesian 8 Jun 81 pp 1, 12

[Excerpts] The coordination of production activity with the distribution system will become a major problem which will be faced in carrying out development activity over the next 2 to 5 years. The two forms of activity must be coordinated and synchronized, because if not, there will be undesirable confusion. Industry will produce goods, but the production will not be transported or sold.

Minister of Industry Abdoel Raoef Soehoed made the foregoing statement to KOMPAS as a further explanation of the policy of the government which was made public by Minister of State and State Secretary Sudharmono after a meeting between the president and a number of ministers from the economic and financial sectors last Tuesday [2 June].

The coordination effort, according to Soehoed, will begin with large-scale industry or basic industry. Ideally, the coordination of production and distribution activity should be for all categories of industry, including large-scale, medium-sized, and small industry. However, in accordance with the principle of developing industrial growth centers, this effort always begins with large-scale industry, everywhere in the world. One or two large-scale industrial plants in a growth center will encourage the growth of several medium-sized and small industries. For that reason the principle of managing distribution also follows that concept.

Minister Soehoed said that the provision of adequate transportation and the construction of highways, ports, terminals, and freight depots, all of which constitutes physical infrastructure, constitutes the beginning phase of this effort. This must be followed by the creation of administrative infrastructure or trade patterns, including the development of "trading houses" assisted by banking infrastructure and several other forms of support facilities.

In his speech at Surakarta City Hall before the Central Java branch of the Association of Indonesian Engineers on Friday [5 June] the minister of industry gave a picture of the extent of the problem of distribution as a consequence of the increase in production which will take place in the next 2 to 5 years. He said, "If the basic industrial sector only produced 2 to 5 million tons of goods per year, perhaps there would be no problem."

He estimates that, in the next 2 to 5 years, from Lhokseumawe in Aceh, it will be necessary to transport 6 to 8 million tons of freight (fertilizer, paper, plastic materials, etc); from Padang, 4 to 5 million tons (cement); from Cilegon and other areas of South Sumatra, 4 to 5 million tons (steel, fertilizer, and cement); from Cilacap in Central Java, 2 to 3 million tons (cement); from Gresik, East Java, 4 to 5 million tons (cement, fertilizer); and from Cibinong, West Java, 7 million tons (cement). "For the raw materials required by these industries a transportation capacity of 30 to 40 million tons will be needed," Soehoed said. [Sic; not stated whether these tonnages must be transported in one month or one year, but probably it is the latter]. These figures do not include transportation of fuel for these industries and the production of agricultural commodities like rice, palm oil, and other items. "For that reason, in the future we need a large-scale logistics system with the backbone in transportation," he added.

However, to resolve this problem it is not enough simply to provide any number of trucks and ships, Soehoed said. He pictured the consequences if only this were done, taking as an example the transportation of cement from Cibinong in West Java. The cement can no longer be placed in sacks at the factory and then transported away by truck. "Why the Jagorawi highway would be filled with trucks. Just imagine, 3 million tons of cement! Put it all in sacks, each truck carries 10 tons. How many truckloads would be needed to move this tonnage? About 30,000 truckloads," Soehoed said.

Because of that the cement is not transported in sacks to the consumer but in the form of slurry to the terminal or storage depots built from 50 to 100 km around the factory. It is only at the terminals that the cement is put into sacks and transported to the consumer. "This is why in the developed countries there are

depots for important products. If the commodity is in the form of slurry, storage can be handled in siloes and not in an ordinary warehouse, he said.

The minister of industry used the terms "trunk lines," "feeder lines," terminals, and depots to make his meaning clear. "Trunk lines" are transportation lines from the factory to the terminals or depots. "Feeder lines: are transportation lines from the terminals to the consumer.

In increasing production, Soehoed said, the whole transportation system in Indonesia must be reorganized with networks of "trunk lines" and "feeder lines."

In handling transportation by ship, arrangements must be made so that the ship sails with a load of cargo and returns also loaded with cargo. "We don't tell Minister of Communications Roesmin, 'Here is my product, please move it,'" Soehoed said. "We must try to locate our factories so that Roesmin's ships can get there with a full load and leave from here with a full load also."

The ministry of industry gave the example of what will be done in this direction by pointing out that the plastic materials factory in Lhokseumawe needs chlorine, while the aluminum factory at Kuala Tanjung in Asahan needs caustic soda. The two products are made from salt. For that reason it is planned that salt produced in Madura, East Nusa Tenggara, or West Nusa Tenggara will be transported to Lhokseumawe by ship. From Lhokseumawe the ships will carry plastic materials or aluminum from Kuala Tanjung, or possibly also carry rubber or palm oil.

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CSO: 4213/85

TRADE COOPERATION WITH SOVIET UNION TO IMPROVE RELATIONS

Jakarta HARIAN UMUM AB in Indonesian 6 Jun 81 p 3

[Excerpts] Trade cooperation has been arranged between the Indonesian Chamber of Commerce and Industry [KADIN] and the Soviet Union Chamber of Commerce and Industry. The cooperation will be important for the later improvement of relations. The Soviet foreign trade organization and Indonesian business circles have tried to raise the volume of trade in both directions in general.

The beginning of trade transactions between Indonesia and the USSR goes back to the early years of the 1950's. In August, 1956, the USSR and Indonesia signed their first trade agreement. The signature of a new trade agreement by the two countries in March, 1974, provided encouragement to continue the development of trade on the principle of mutual benefit. According to the 1974 trade agreement, the two countries promised to accord each other the same treatment and to pursue mutual benefit in the fields of trade and navigation.

According to statistical data the volume of trade between the USSR and Indonesia in 1974 amounted to 27.9 million rubles, or about $37 million. This means that trade had increased by four times, compared with 1973. In the following years the volume of trade between the two countries continued to increase. In 1975 it amounted to 28.6 million rubles or more than $38 million. In 1976 and 1977 trade was about 32 million rubles (more than $45 million) per year. In 1979 the level reached 49.3 million rubles, or more than $70 million. In 1980 it amounted to 59.9 million rubles or about $86 million.

The volume of trade in the last 2 years is the maximum of trade between the two countries during the past 15 years. This proves that after the signature of the 1974 trade agreement trade relatinns between the two countries have become firmer.

The level of Soviet imports from Indonesia in the last few years far exceeded the level of its exports to Indonesia. In 1974 the trade surplus for Indonesia in its trade with the Soviet Union amounted to about $16 million. In 1975 the surplus for Indonesia was $18 million. In 1976 the surplus amounted to $33 million. In 1977 the surplus for Indonesia was $41 million. In 1980 Soviet exports to Indonesia were valued at more than $21 million, while Soviet imports from Indonesia totaled $64 million. This means there was a surplus for Indonesia of $43 million.

The principal item imported by the USSR from Indonesia is natural rubber. Apart from that the Soviet Union also has imported black pepper, coffee, semi-processed hides, essential oils, latex, and several other kinds of goods from Indonesia.

5170
CSO: 4213/81

WORKERS' WAGES IN INDONESIA REMAIN MATTER OF CONCERN

Jakarta HARIAN UMUM AB in Indonesian 2 Jun 81 pp 1, 2

[Excerpts] Medan--The All-Indonesian Labor Federation (FBSI) considers that the average worker's income in Indonesia is a matter of concern because it is not enough for the workers' daily needs.

The deputy general chairman of the Executive Council of FBSI, Dr Sukarno, said, "We call on employers to raise the workers' wages or salaries from 20 to 40 percent." He was speaking at a ceremony commemorating the eighth anniversary of the foundation of the federation, in Medan on Sunday [31 May]. Such an increase, he said, was proper and just when it is recalled that workers' purchasing power declined by up to 60 percent in 1980.

Violations of Law Stimulate Inflation

Sukarno refuted the view that raising workers' wages amounted to increasing the inflation rate. He declared that it is violations of the law, leaks in the system, and hidden costs which really promote inflation in this country. His opinion was based on an analysis which showed that labor costs in Indonesia were still very low, amounting from 0.5 to 10 percent of the cost of production. This was far below the corresponding labor costs in other ASEAN countries or in the developed countries, where the labor costs reach 20 to 30 percent.

He said that the concept of labor relations in the Pancasila (HPP) is the way to resolve all aspects of labor questions in Indonesia. Restlessness and strike activity on the part of labor in recent years occurred only because labor's basic needs were not satisfied.

He noted that workers increasingly knew their rights and duties as a consequence of the rapidity of national development in the field of education. The dynamic spirit of 45 percent of the young workers (14 to 20 years old) out of the 59.5 million members of the working force in Indonesia finally will give shape to a variety of labor demands.

Sukarno said that present problems will be quickly resolved if the concept of labor relations in the Pancasila is fully applied, that is, by treating the workers as associates in enterprise, with all of the difficulties and advantages involved, rather than by treating them simply as a factor of production.

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CSO: 4213/81

LEADING FIGURES CALL FOR MUTUAL TRUST

Jakarta KOMPAS in Indonesian 6 Jun 81 pp 1, 12

[Article: "Reaction to the President's Appeal: Mutual Trust Must Begin With the Government Itself"]

[Excerpts] Several observers feel President Suharto's pronouncement during the celebration of Isra Mi'raj on 31 May at the Istiqlal Mosque, which stressed the need to develop an atmosphere of mutual trust among us as a people, is "precisely what's needed."

Dr Frans Seda, former member of the cabinet, said, "The pronouncement by Pak Harto is precisely what is needed. It points up the present social crisis which has occurred as we are improving economically. If we are not all mistaken, the social crisis could turn into social disintegration," Frans Seda said.

Jusuf Hasjim, member of parliament from the Development Unity faction, felt the president had presented "a clear view." He is of the opinion that the president's challenge must be received favorably to "continue to develop an atmosphere of mutual trust and openness as well as mutual riddance of suspicion."

Dr Sarlito Wirawan Sarwono, a psychologist from the University of Indonesia, confirmed President Suharto's statement that there is mutual distrust and suspicion in our society.

Dr Frans Seda pointed out that historically mutual suspicion is a new phenomenon. In the history of the republic, from the Proclamation to Bung Karno's regime, little distrust developed. This is now a general phenomenon as politics have developed. "Politics are the source of the mistrust," Seda said.

Recently a student came to Seda and told him, "Pak, I am afraid of the government." Seda then replied, "Not only are you afraid of the government but the government is also afraid of you."

Even though the interviews were held separately, Dr Sarlito, Dr Alfian, and Jusuf Hasjim held the same opinions in regard to the relationship between the government and the people, to the effect that the disparity between what the government says and what it does creates mutual distrust.

"Actions which are not consistent with what is being said will only aggravate mutual distrust," said Dr Alfian, director of the National Cultural Research Institute of the Indonesian Science Institute.

"This means that what the leadership tells the public as well as what the government says must be followed with measures which parallel their statements so they reflect the desires behind those statements," repeated Jusuf Hasjim. Dr. Salito said trust in an individual increases if he takes consistent steps. Consistency between what is said and what is done is right and this holds no less for promises. "The more an individual is inconsistent, the more he is distrusted," Sarlito said.

Dr Frans Seda felt public participation in all political fields must be expanded to erase distrust. "And the government must begin by trusting the people. Our trouble now," Seda said, "is that although we support the government, we are considered 'opponents' or 'anti-government' if we criticize it."

Meanwhile Dr Sarlito felt the government could take two steps as a way out of this distrustful state. First, the government should not be embroiled in considering that anything contesting it is done in "opposition" but it would be desirable if the government considered this as a suitable alternative which should be taken into consideration. Second, the government should not be embroiled in taking police measures to settle all sorts of public matters. "Believe in the people and don't start distrusting them. This is the beginning of the growth of mutual trust for allying us as a people," said Dr Sarlito.

Sarlito used the example of a well-known group in the past whose opinions should have been viewed as an alternative but apparently the group was considered to be opponents.

Mutual trust, Frans Seda said, can grow, among other ways, by expanding the avenues for public participation, that is, by creating five political parties: GOLKAR, two Islamic parties, and two national parties. At present these have been narrowed down to only three political forces: GOLKAR, PPP [Development Unity Party], and PDI [Indonesian Democracy Party].

Further, there must be a "LUBER" (direct, public, free, secret) guarantee for the general election. ABRI [Indonesian Armed Forces] must actually be above all groups. It must not be a "cover" for any group. "If ABRI wants to be one with the people, then ABRI also must be one with the /rights/[emphasized] of the people in the general election is a reflection of the people's right to elect, /not/ the right of the official to be elected," said Frans Seda.

Jusuf Hasjim also said the rules of the game, which are strict and clear, must be adhered to in politics.

Concerning the rules of the game mentioned above, Jusuf approached the problem from the aspect that there are two systems in society: the "formal authority" system and the "informal authority" system. The first is formed by the state political body with its bureaucracy, with a monopoly on despotism as well as a "top to bottom" heirarchical order. The second consists of the various social organizations and forces that exist in a nation.

The second system, according to Jusuf Hasjim, has its own protocol. "Therefore, if an element of the formal authority system operates in the informal authority system, that element must act as a 'visitor,'" Jusuf said.

This principle is often violated so what happens is that one system "intervenes" in the other. "This must be mended," Jusuf Hasjim remarked. "The impression gained now is that the formal system is the dominant one and dominates the informal system. Conversely, the informal system tries to prevent this domination. So, there is a continuous 'display of muscles,'" Jusuf remarked.

The government, Sarlito said, has opened up and knows the conditions in society, but often this openness doesn't go as far as strategic matters.

For instance, many state institutions such as LEMHANAS [National Defense Institute] and others invite public figures to speak in their institutions. It appears that frequently decisions are taken subsequently which differ from the opinions that were delivered in those speeches. So, the government has its own opinions. Strategic points are not presented openly to the public, he said.

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CSO: 4213/83

PROFESSOR CALLS ENERGY CONSERVATION ESSENTIAL

Jakarta KOMPAS in Indonesian 1 Jun 81 pp 1, 9

[Article: "Prof Johannes Warns: Several Years Hence Indonesia May Be Expelled From OPEC"]

[Excerpts] Without serious efforts to conserve oil in the coming years, Indonesia may lose its membership in OPEC, Dr Herman Johannes warned. The Gadjah Mada University professor presented graphs showing the annual increase in Indonesian energy consumption, which averaged 12 to 14 percent.

With only a 12 percent annual increase, energy consumption will be doubled in the next five and one-half years. This means that daily energy consumption is estimated to be the equivalent of 900,000 barrels of oil before the 1990s.

Using a stern voice, Prof Johannes said that if we are unable to export oil, we will definitely be expelled from OPEC because OPEC is a grouping of oil exporting nations while we, in these later years, may no longer be an oil exporting but rather an oil importing nation in order to meet our domestic energy requirements.

Addressing this problem on Friday evening [29 May] in a lecture on the "Use of Non-conventional Energy to Conserve Oil" in Yogyakarta, Prof Johannes presented a gloomy picture of what may be in store for us in the coming years. He said that we in Indonesia actually are in an alarming and serious situation.

To clarify the picture Johannes noted that although the graphs show that our energy consumption could increase at an annual average rate of 12 to 14 percent, our rate of oil production as yet does not register a comparable increase. In 1977 Indonesian oil production totaled 1.7 million barrels a day. In the next 2 years it dropped to 1.6 and 1.5 million barrels a day. It amounted to about 1.5 million barrels a day in 1980 and is estimated to rise again this year only to 1.6 million barrels a day.

Touching on the statement of Eng Wahjoedi Wisaksono, chairman of the Oil and Natural Gas Technological Research Center (PPTMGB) of the Oil and Natural Gas Institute, during an opinion sharing session with Commission X which covers the research and technology sector in parliament, to the effect that Indonesia had oil reserves of more than 50 billion barrels scattered throughout 40 inland and offshore reservoirs, Prof Johannes said all of us hope that these reservoirs have a potential for producing oil.

Then he added that we all, nevertheless, must be aware of the potential danger if no serious efforts are made to economize on the use of energy. Our requirements continue to increase but are not balanced by a similar increase in oil production. We now import diesel fuel and sell it in the market place at a price far lower than the actual cost of production. "What will happen when the subsidies are withdrawn and we must face the truth?" Johannes asked.

The professor, former rector of Gadjah Mada University and member of the DPA [ASEAN Oil Council], reminded his audience that oil and natural gas are far more valuable as a raw material for the petrochemical industry than as a fuel. Obviously oil should not be used as a source of energy but for the sake of economy should be replaced with some sort of nonconventional energy. Economic use of oil is an absolute necessity because oil and natural gas are nonrenewable fossil fuels which can only be extracted once from the earth.

Referring to this year's RAPBN [draft budget], Dr Johannes noted that about 200 million cubic feet of natural gas are unused (978.5 million cubic feet are produced and 771 million cubic feet are used). Prof Johannes said at present associated natural gas is being burned off uselessly by the oil companies at a cost of more than $1 billion a year!

In regard to ethanol production, Dr Herman Johannes remarked that the government plans to build thousands of ethanol factories using sweet potatoes (Impomoe batata) and cassava (Mahinot utilissima) as raw materials. "Actually I don't quite agree with Pak Habibie's plan," Johannes said frankly. Preparations must be made to plant hundreds of hectares on tuber estates and to provide fertilizer and water. "Why don't we use the hundreds of thousands of hectares of existing nipah [thatch palm] forests which can produce ethanol without irrigation, fertilizers, or special care?" he said. Producing ethanol from nipah palm is easier than producing it from tuber powder. Moreover nipah can produce 24,800 liters per hectare of ethanol while cassava can only produce 4,300 liters per hectare.

Waving his notes in the air, Dr Johannes concluded by saying local governments report 350,000 hectares of nipah forests are already available in the East Kalimantan region alone. "Why don't we use these forests first rather than setting up cassava and sweet potato estates to produce ethanol?"

In a calmer voice and raising both hands, the high spirited old professor continued, "I don't know why not."

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CSO: 4213/83

PEKANBARU AIR FORCE BASE TO HAVE SKYHAWK SQUADRON

Jakarta HARIAN UMUM AB in Indonesian 2 Jun 81 p 1, 3

[Article: "Pekanbaru Air Force Base to Be on Same Level As Halim Perdanakusuma"]

[Excerpts] Pekanbaru (AB)--The commander of Air Region I, Air Commodore Ibnu Subroto, stated that in the near future a squadron of Skyhawk aircraft will be stationed at Pekanbaru Air Force Base. With the stationing of these U.S. made aircraft there the Indonesian Air Force unit in this region will have awesome striking power.

According to the Air Commodore, on 19 May the aircraft arrived in Medan, North Sumatra. Their stationing at Pekanbaru Air Force Base can only take place after the construction of the required facilities is completed over the next 2 years, at a cost of Rp 2 billion from the 1981/82 budget. This statement was made by Air Commodore Ibnu Subroto last week in Pekanbaru when he was making a one day working visit to Pekanbaru Air Force Base. According to Ibnu Subroto, when he was appointed commander of Air Region I at the time only involved 11 work unit projects, with a value of Rp 149 million.

However, after the Air Region I defense concept was revised, it turned out that there were many air bases which were very much needed, in the Natuna, South China Sea, Riau Archipelago area. With this defense concept the Headquarters of the Indonesian Air Force and the Ministry of Defense and Security developed it further. As a result the budget which only amounted to Rp 149 million in fiscal year 1978/79 was raised to Rp 279 million in fiscal year 1979/80 and to Rp 2.7 billion in 1980/81, including funds for construction at Natuna Air Force Base.

In fiscal year 1981/82 Air Force facilities amounting to Rp 2 billion will be built at Pekanbaru, with Rp 5 billion already allocated for construction at Natuna.

With the future stationing of a squadron of Skyhawk aircraft at Pekanbaru, this means that Pekanbaru will be at the same level as Halim Perdanakusuma and Abdurachman Saleh Air Force Bases.

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CSO: 4213/81

PRAMOEDYA ANANTA TOER BOOKS BANNED

Jakarta KOMPAS in Indonesian 1 Jun 81 pp 1, 12

[Article: "Bumi Manusia' and 'Anak Semua Bangsa' Written by Pramoedya Are Banned From Circulation"]

[Text] Two books written by Pramoedya Ananta Toer, "Bumi Manusia" and "Anak Semua Bangsa," were banned from circulation by the Republic of Indonesia attorney general as of 29 May 1981.

His decision No Kep-052/JA/5/1981 states the books, published by PT "Hasta Mitra" on PLN 36 Pancoran Street, South Jakarta, are prohibited from being stored, owned, or sold in Indonesia. Anyone storing, owning, or selling these books is obligated to turn them over to the chief of the public prosecutor's office or the chief of the district attorney's office for forwarding to the attorney general.

This decision was issued after the decision of the commander of the Security and Order Command No K-22/kopkam/V/1981 was read. It concerns the banning of any circulation of "Bumi Manusai" and "Anak Semua Bangsa."

In the opinion of the decision makers, the books written by Pramoedya Ananta Toer and printed by "Ampat Lima" in Jakarta had "created certain reactions in various circles of the public and had promoted and influenced a public security and order (KAMTIB) situation."

The decision said that "subtly and insidiously, through skillful and flowing use of his pen, and in the guise of presenting historic data, the author inserted Marxist-Leninist teachings."

According to the decision, the books' contents definitely contravened MPRS Regulation No. XXV/MPRS/1966, dated 5 July 1966, on the Abolition of the Indonesian Communist Party juncto article 3 of MPR Act No. V/MPR/1973, dated 22 March 1973.

By Saturday afternoon [30 May] Pramoedya Ananta Toer and the publisher PT "Hasta Mitra" said they had not received the attorney general's decision that banned the books. Yoesoef Iskak, publisher of PT "Hasta Mitra," therefore, intended to call on the attorney general that afternoon.

Anak Agung Gde Ngurah, chief of the Information Service of the Attorney General's Office, said the decision regarding the banning of the two books "is on its way" to the publisher.

Regarding a meeting between the publisher and the attorney general, A. A. G. Ngurah said, "It usually must be done according to protocol!" The chief of the Information Service had not yet heard that any such meeting was planned.

Yoesoef Iskak said he had frequently been requested to stop publication of the two books written by Pramoedya even before he heard of the attorney general's decision.

"Bumi Manusia" was reprinted five times and "Anak Semua Bangsa" twice. Each printing consisted of 5 to 10,000 copies. The two books were part of a series entitled "Tetra Logi" by Pramoedya, which was to consist of four volumes. As planned, books three and four were entitled "Jejak Langkah" and "Rumah Kaca."

The publisher could not say whether the two books still to be published will meet the same fate as the first two volumes.

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PLANNED COAL PRODUCTION, PETROCHEMICAL PROJECTS DESCRIBED

Jakarta KOMPAS in Indonesian 5 Jun 81 p 2

[Article: "Minister Subroto Says Coal Will be Used Solely for Domestic Purposes"]

[Excerpt] Mining and Energy Minister Subroto pointed out that in the coming period coal will be used solely for domestic purposes, replacing oil, so that oil can be used for more important purposes such as export and as a basic material for the petrochemical industry.

In making this clarification during a working meeting with parliamentary Commission VI, chaired by Rahmat Witular, on Thursday [4 June], Minister Subroto said coal will be used mainly in cement projects. Only if it cannot be used there, will natural gas be used, or if necessary [another type of] coal will be imported.

The role of coal is becoming increasingly important for the coming period as attempts are made to diversify energy resources to reduce the use of oil as the primary energy source.

Increased domestic coal production is linked to these efforts, Minister Subroto said. Indonesia now has three main sources of coal. The largest fields are located in Ombilin, Bukit Asam, and in the East and South Kalimantan regions.

Bukit Asam production is handled by PT Bukit Asam. The [illegible]ction of some 225,000 tons of coal will be doubled to 500,000 tons by 1984 [illegible] about 3.3 million tons by 1990.

Ombilin coal mines, which produced about 205,000 tons in 1981 [as published] will be producing about 435,000 tons by 1981 and about 1,352,000 tons by 1990.

Meanwhile coal mines are being developed in East and South Kalimantan jointly with foreign contractors under production sharing agreements. Cooperative projects are being pioneered with Utah and Arco. For this region in particular, bids are awaited from other contractors who might be interested in production sharing contracts with Indonesia such as Agip, Riotinto, Sumitomo, and other companies. It is planned that 4.5 million tons will be mined by 1990 from fields which are believed to have good potential reserves. It is anticipated that 5,000 tons of coal will be produced from various small mines scattered throughout West, Central, and East Java and South Sulawesi by 1982. Production should increase to about 100,000 tons by 1990.

Production of anthracite coal alone, which will be about 47,000 tons in 1981, will increase to about 115,000 tons by 1990. This coal will be used mainly as a basic material for metallurgical processes and for firing in mini-cement plants.

Total coal production in the coming ten years is planned to increase from about 430,000 tons in 1981 to about 10,252,000 tons by 1990. Among efforts at cooperation with foreign companies, the project pioneered with Utah and Arco under a production sharing agreement will be a model project.

In addition to presenting information on major oil and gas projects handled by the Department of Mining and Energy, the minister also said the petrochemical industry uses oil and gas as basic materials.

The Oleifin Center, which is to be built in Lhoksemawe, Aceh, is included among these projects and will use natural gas from Arun. The project will manufacture plastic for domestic requirements. Two companies, from France and the United States, have indicated their interest in a joint venture with Pertamina. The government is still conducting investigations in search of a suitable partner that would hold 70 percent of the company's shares. A 60-month construction period is needed for this enterprise which would begin commercial operations in 1986. About 1,800 workers would be employed per day and about 4,500 per day at peak production.

Another project is the Aromatic Center in Plaju, South Sumatra, to produce primary materials for the domestic textile industry, using naptha as a raw material. Capital investment is about $800 million, and it should be completed in about 1985. This project will employ 1,800 to 4,500 persons per day.

The carbon black project will use residues from the oil refineries. The product of this company will be used in tire and paint manufacture. Planned production is 20,000 tons a year. This material is being imported from overseas at present.

This project will be a joint venture between Indonesia and an overseas company. Costs of construction are about $20 million, and the project will be located in Cilegon. It will employ 500 workers per day. The project is expected to be moving along well by 1983.

The methanol project will use natural gas from Bunyu Island in East Kalimantan and is expected to begin operations in July 1989. Negotiations for this project, which will employ about 900 workers at peak production, are still underway with a foreign contractor.

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CSO: 4213/83

OMBILIN COAL MINE INVESTMENT SET AT $100 MILLION

Jakarta HARIAN UMUM AB in Indonesian 5 Jul 81 p 5

[Article: "$100 Million for Development of Ombilin Coal"]

[Excerpts] Padang, AB--The secretary general of the Ministry of Mining and Energy, Sutarjo Sigit, has stated that the development of the first phase (1981/82) of the Ombilin coal project will be undertaken at a cost of $100 million (Rp 62.6 billion). Assurances of export credits from the countries belonging to IGGI [Inter-Governmental Group on Indonesia, an aid coordinating body] for the development of the Ombilin coal project have been received from the Nationsl Planning Body [BAPPENAS], he added.

He stated the foregoing to the press on the occasion of the installation in office of Dr Syahrial Husein as chief of the Regional Office for Sumatra, Riau, and Jambi of the Ministry of Mining and Energy, in Padang on Saturday [30 May].

In the development of this first phase the firm PN T B O Sawahlunto must be able to mine 200,000 tons of coal in 1982, which will later rise to 400,000 tons in 1983 and 725,000 tons in 1985. For that purpose studies on the implementation and preparation of operations have been undertaken well in advance, with the cooperation of Canada and by using equipment from the former Polish credit, which was used to increase the capacity for mining and transporting coal.

Mining coal these days is not just carried out in underground mines but also on the surface of the ground, in the form of open pit mining.

With the entry into operation of the 12 megawatt steam electric generator (PLTU) at Solok, Sawahlunto, the firm PN T B O Sawahlunto has enough power for mining, transportation, and exploration for coal. Indeed, there is an excess of about 6 megawatts left over from current operations which, according to present plans, will be transmitted to Padang via a high tension network.

The secretary general of the Ministry of Mining and Energy went on to say that in the second phase of mining operations in the late 1980's T B O Sawahlunto must be able to produce 1.3 million tons of coal per year. For that purpose the government will seek credits both in the form of export credits from IGGI countries as well as from other financial groups such as the World Bank, the Asian Development Bank, or from the national budget itself.

He declared that the coal produced, either from the Ombilin mine or from the Bukit Asam, Mahakam, and other mines will be used for domestic requirements, such as cement factories, electricity generation, and other purposes. He said that we will get more benefit out of exporting oil than exporting coal. For that reason fuel requirements within the country will be met primarily from coal. One ton of coal will produce energy equivalent to 3.5 barrels of oil, and for the Ombilin coal the ratio is 1.4.

In that connection Sutarjo Sigit stated that if oil exploration being carried on by two Caltex contractors in West Sumatra is successful, the area will be the best situated in Indonesia from the point of view of energy. There are four large lakes and dozens of rivers in that area having the energy potential of hundreds of megawatts. The coal deposits at Ombilin, Sinamar, and Lumpa contain hundreds of millions of tons of coal. Geothermal resources have been discovered in Solok, on the south side of Kerinci mountain, near Pasaman, and also around Talang and Merapi which can produce dozens and even hundreds of megawatts of electricity. Beside that, in cooperation with the Federal Republic of Germany, the Batan (Indonesia) Company has undertaken a uranium survey in West Sumatra, especially in the regency of Limapuluh Kota, because it is believed that there are resources of this form of energy.

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CSO: 4213/81

BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesian personalities has been extracted from Indonesian language sources published in Jakarta.]

COMMODORE S REKSODIHARDJO--The post of chief of the Office of Hydrography and Oceanography (KAJANHIDROS) on Friday [29 May] was transferred from the incumbent, Commodore D U Martoyo, to his replacement, Commodore S Reksodihardjo, at a cermony in the Office of Hydrography and Oceanography in Navy Headquarters, Jakarta. Commodore Martoyo has been appointed head of the Survey and Mapping Center (KAPUSSURTA) of the Indonesian Armed Forces in Jakarta. Commodore S Redsodihardjo was previously commander of Navy Region 7 in Ujung Pandang [Sulawesi]. As is known, the Office of Hydrography and Oceanography has performed a variety of functions for the armed forces, the Navy, and the Ministry of Defense and Security, as well as in the general, national interest, carrying out surveys and preparing ocean charts through cooperation with friendly countries like ASEAN, Japan, and the United States. It has prepared books, nautical almanacs, and lists of other books on the sea. [Excerpts] [Jakarta HARIAN UMUM AB in Indonesian 4 Jun 81 p 6] 5170

POEDJI KOENTARSO--The office of chief of the Directorate of Multilateral Economic Cooperation (KSEM) has been transferred from Irawan Darsa, the new Indonesian deputy permanent representative in the UN office in Geneva, to Poedji Koentarso. Poedji Koentarso was born in Barut on 28 April 1932. Before his appointment as chief of the Directorate of Multilateral Economic Cooperation, he was chief of the Economic Section of the Indonesian Embassy in London, with the title of Minister Counselor and then of Minister. The transfer of office ceremony took place in the Ministry of Foreign Affairs in Jakarta on Friday [12 June]. [Excerpts] [Jakarta HARIAN UMUM AB in Indonesian 13 Jun 81 p 2] 5170

KUSUMASMORO--The position of chief of the Directorate of Foreign Social and Cultural Affairs of the Ministry of Foreign Affairs has been transferred from Dr Sukadiah Pringgohardjoso to Kusumasmoro on Friday [12 June] at the Ministry of Foreign Affairs in Jakarta. Dr Sukadiah Pringgohardjoso has been appointed Indonesian ambassador to Denmark, her first ambassadorial assignment. Kusumasmoro was born in Semarang on 14 October 1924. Before his new appointment Kusumasmoro was Indonesian ambassador to Argentina, Chile, and Uruguay. After returning to Jakarta he was appointed director for international organizations in the Directorate General for Political

Affairs, immediately prior to his assignment as chief of the Directorate of Foreign Social and Cultural Affairs. [Excerpts] [Jakarta HARIAN UMUM AB in Indonesian 13 Jun 81 p 2] 5170

COMMODORE BASUKI--The post of chief of staff of the Indonesian Fleet, which until now has been temproarily held by Colonel (Navy) Sriwaskito, on 8 June 1981 was transferred to Commodore Basuki in the Gadjah Mada building at the Indonesian Navy Base in Surabaya. Colonel Sriwaskito, beside acting as chief of staff of the Indonesian Fleet, is assistant for operations to the commander of the fleet, while Commodore Basuki, in addition to his new post as chief of staff of the fleet, continues to be commander of the Nusantara Squadron. Commodore Basuki was born in Banyuwangi, East Java. He is a graduate of the Navy Academy (now the Navy Section of AKABRI) in the class of 1958. He has had considerable experience at sea in several types of submarine and has also served in the higher command offices of the Navy. As commander of the Nusantara Squadron since the beginning of 1980 he was assigned to additional duty as commander of Operation Guruh, a special task force operation in East Indonesian waters, which he carried out with great success. [Excerpts] [Jakarta HARIAN UMUM AB in Indonesian 13 Jun 81 p 6] 5170

MAJ GEN R SUKOTJO--Minister of Trade and Cooperatives Radius Prawiro on Monday [8 June] installed Maj Gen R Sukotjo (Ret) in office as inspector general of the Ministry of Trade and Cooperatives. The former commander of Military Region VII/Diponegoro replaced Brig Gen Anumerta Mokhtar Harahap, who died in the United States on 20 March 1981. Sukotjo retired from military service on 31 December 1980. He was born in Purwokerto on 21 December 1925. During his service in the Army he was commander of Military Region IX/Mulawarman, commander of Military Region II/Bukit Barisan, and was commander of Military Region VII/Diponegoro before retiring. [Excerpts] [Jakarta KOMPAS in Indonesian 9 Jul 81 p 12] 5170

HERO U KUNTJORO-JAKTI--Hero U Kuntjoro-Jakti was born in Serang on 3 July 1946. He is a staff instructor in the Faculty of Social Sciences of the University of Indonesia and is a member of the editorial staff of that faculty's publication, JUENAL PENELITIAN SOSIAL. He graduated with a major in political science from the Faculty of Social Sciences of the University of Indonesia (September, 1973), and graduated from the Department of Diplomatic History, Faculty of Law, University of Hiroshima (master's degree in law), March, 1980. [Text] [Jakarta PRISMA in Indonesian No 3, Mar 81, p 111] 5170

M DAWAM RAHARDJO--M Dawam Rahardjo was born in Surakarta (Central Java) in 1942. He is the director of the Association for Economic and Social Research, Education, and Information (LP3ES) in Jakarta. He graduated in 1969 from the Faculty of Economics, Gadjah Mada University. He is active in conducting survey and research projects, including a survey of the rattan industry in Central and South Kalimantan and a feasibility study on wood industrialization in East Kalimantan. He attends seminars within Indonesia and overseas. He has written several books published by the LP3ES, including: "Hasil Penelitian Kerajinan Rakjat Jawa Timur" (Results of Research on East Java Village Industry), "Unit Perencanaan Daerah" (Regional Planning Unit), "Hasil Penelitian Industrial Craft dan Design" (Results of Research on Industrial Craft and Design), "Pesantren dan Pembaharuan: (editor) (Religious Training Centers and Renewal), and "Profil Pesantren" (Profile of a Religious Training Center). [Text] [Jakarta PRISMA in Indonesian No 3, Mar 81, p 111] 5170

SOEHARSONO SAGIR--Soeharsono Sagir was born on 17 January 1934 in Tegal, Central Java. He graduated from the Faculty of Economics of Padjadjaran University in Bandung in 1960. He obtained an Economic Planning Certificate from the Advanced School of Planning and Statistics, Warsaw University, in 1963. He attended the doctoral program at Padjadjaran University, under Dr Sumitro Djojohadikusumo. He is a teacher in the Indonesian Armed Forces Education Institution and is a permanent teacher in the Faculty of Economics of Padjadjaran University, conducting classes in analysis of Indonesian economic policy and monetary and bank economics. He is an assistant at the Bandung Technological Institute and Parahiyangan University in Bandung. He is an economics columnist in several daily newspapers, including PIKIRAN RAKYAT (regional publication) and KOMPAS and SINAR HARAPAN (Jakarta). On numerous occasions he has attended seminars, both within Indonesia as well as abroad, both attending and presenting working papers. He has served as dean of the Faculty of Economics, Padjadjaran University, between 1968 and 1972. [Text] [Jakarta PRISMA in Indonesian No 3, Mar 81, p 111] 5170

CSO: 4213/86 END

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South and East Asia Report

No. 1041

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No. 1041

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GANDHI REMARKS REFLECT FOREIGN POLICY DILEMMA

Bombay THE TIMES OF INDIA in English 11 Jul 81 p 8

[Editorial]

[Text]

Much of what Mrs. Gandhi said at her press conference in New Delih on Friday reflects the excruciating dilemma facing the government and the country. On the one hand, New Delhi must strongly oppose, as indeed it has been doing for some time, the Western, principally American, policies which are pushing the sub-continent into a dangerous — and horrendously expensive — arms race. On the other, it has come to depend more and more on Western, again largely American, funds to help finance its mounting oil import bill and keep up the momentum of growth. With its Mirages, the deep-strike capability of Pakistan's air force, as the Prime Minister was at pains to emphasise, already is, and will continue to remain for some years, "three times that of our own". The induction of American F-16 aircraft into the PAF will tilt the balance of air power even more decisively in favour of Islamabad. With so many key industries — fertiliser plants, petro-chemical complexes, nuclear stations and oil installations — sited at vulnerable locations, no government worth its salt in New Delhi can afford to sit back and do nothing to redress the balance. Mrs. Gandhi has expressed scepticism, justified in the immediate context, about the theory of nuclear deterrence. But this can only further impel the government to step up expenditure on conventional weapons even though it needs to conserve every penny for development. The government has already initiated whatever is needed by way of new programmes, policies or priorities to achieve a faster rate of economic growth and ensure a more equitable distribution of its fruits, and Mrs. Gandhi had nothing more to reveal. The fact remains that all this is not enough to bring the goal of self-reliance, let alone self-sufficiency in energy and key commodities, within sight. On its own showing, the government will import substantial quantities of wheat, edible oils and sugar in this year of bumper harvests as part of its strategy to control inflation. And it has asked for the biggest ever loan of four billion dollars from the IMF — on top of its sizable borrowings from the Eurodollar market, the Aid-India Consortium and the oil-rich states — to get over its balance of payments difficulties.

How long can the country rely on external assistance on such a scale? True, the need to secure massive injections

of foreign "aid" would have been even greater but for the energetic steps taken by Mrs. Gandhi and her cabinet colleagues last year to improve the infrastructure. But the signs are that the impetus imparted to the economy in consequence is beginning to wane. Almost all the economic indicators for the last two or three months are pretty depressing. While the government's policies and programmes are reasonably well-conceived, the administration is simply unable to implement them efficiently and in a sustained manner due to either a lack of firm direction from the top or its own incoherence. Ironically, this is happening when Mrs. Gandhi and her party are politically supreme at the Centre and in most of the states. At her first press conference in New Delhi in October, she had left open the possibility of another cabinet reshuffle to get rid of "dead wood" and induct new talent. Ominously, this time she has ruled it out, possibly because there is none.

CSO: 4220/7267

REPORT ON GANDHI ANSWERS TO NEWSMEN'S QUESTIONS

New Delhi PATRIOT in English 11 Jul 81 pp 1, 7

[Excerpt] The Prime Minister's press conference which lasted 75 minutes, covered a wide variety of subjects such as India's nuclear option, performance of Congress-I Chief Ministers, the role of the Opposition, Mr Y B Chavan's entry into the Congress-I, conversion of Harijans to Islam the Khalistan movement the postponement of the Garhwal parliamentary election and the Government's attitude towards the judiciary and the election Commission.

No Cabinet Expansion

Mrs Gandhi said there was no proposal at present to expand her Cabinet.

She was asked: What is delaying expansion of your Cabinet? Do you propose to do it before the monsoon session of Parliament beginning next month.

Mrs Gandhi: Since there is no proposal, there is no question of delay.

Mrs Gandhi denied that the Government is planning to amend the Constitution to introduce the presidential system of Government in the country.

She said it was not true that the Government had set up a committee to study the various governmental systems.

Mrs Gandhi did not agree with a questioner that she had gone back on her commitment to maintain the basic features of the Constitution.

She said the basic feature was not changed by the constitutional amendment during her emergency rule making India not only a democratic but a socialist and secular republic.

The Prime Minister said that the Centre was not interested in toppling non-Congress-I State Governments, some of which were nearing the end of the five-year period.

Asked at her press conference about statements of some Union Ministers and whether these had her 'blessings', Mrs Gandhi said, "we were not and we are not interested in toppling any Government".

She said what any Union Minister said was not to 'threaten' any non-Congress-I Government but 'merely echoed' what the people there had said, namely, that the law and order situation was very grim.

The Prime Minister referred to political murders in Kerala which, she said, were 'quite frequent'. She said her party was 'not in that battle'. But a number of people were killed. Basically, it was another grouping. "I am told a lot of Marxists are leaving their party and joining this group. This is what the ordinary people say, not the rich or middle class but the poor people who say these things.

If a (Central) Minister goes to a State, he should draw the attention of that Government to expression of the feelings of the people", Mrs Gandhi added.

Mrs Gandhi said States were welcome to attract petro-dollars for investment in development but they must do so in concurrence with the Centre.

She said "we welcome the State Governments' efforts to get petro-dollars from many countries. But the Finance Minister must look into every deal.

"The States should go through the Centre. They can make efforts through the Centre", she said.

Asked if she proposed to change leadership in some States, she said: when a leader (in the State) is changed you will know about it. I do not think one can keep it a secret.'

The Prime Minister did not make any comment on the question if she was satisfied with the performance of some of her Cabinet colleagues.

Assam Issue

Mrs Gandhi was asked about the present performance of the Railway Ministry, as compared to when it was headed by Mr Kamlapati Tripathi. The Prime Minister replied she had not made any comment on the performance of the Railway Ministry even then when Mr Tripathi was the Minister. What she had said was that the railways were in a bad way. It was not easy to bring them on the level of earlier performance.

"I had also said a lot had been done but much remained to be done. I made similar comments about other Ministries. I did not single out any Ministry", she added.

The Prime Minister denied that the public distribution has collapsed with the exit of Mr V C Shikla from the Union Cabinet.

"It is a gigantic problem and we have to proceed as fast as possible. In some places communications are not there, especially during monsoons" she said while replying to a questioner.

The Prime Minsiter was asked to comment on Karnataka Chief Minister Gundu Rao's interview to a weekly criticising some of the Central Ministers.

Mrs Gandhi replied: I believe he has apologised (to the Ministers).

She said she could not say anything at the moment on "the home coming" of Mr Y. B. Chavan. The party leaders had to meet and take a decision. Most of them were out of the country, she added.

Asked if norms were to be set up for admission of those desirous of joining the Congress-I, Mrs Gandhi replied norms were already there but views of local leaders of the party had to be taken into consideration.

Mrs Gandhi said she was not aware as to how her son, Mr Rajiv Gandhi was shaping in politics.

Replying to a question by a foreign correspondent, Mrs Gandhi said he had just been elected to Parliament. He had not even attended Parliament so far.

She remarked "you will all see for yourself his performance."

The Prime Minister said that the atmosphere for settlement of the foreigners problem in Assam was "very much better now than it was at the previous get together."

She said she was taking personal interest in the continuing talks although she was not physically present.

Mrs Gandhi said the Assamese have "genuine problems and we must try to solve them but we must see that the solution is in accordance with the national policy, international obligations and humanitarian considerations.

She said the All-Assam Students Union and the All-Assam Gana Sangram Parishad mostly agreed with Government "on the basic points."

Mrs Gandhi declined to comment on the reported move of Jammu and Kashmir Chief Minister Sheikh Abdullah to remain in office for six years, making use of the six-year term of the State Assembly.

A newsman asked Mrs Gandhi that now she looked at the reported move of Sheikh Abdullah to make use of the provisions enacted during her previous regime for a six-year term, Mrs Gandhi said 'I have no comments to make.'

In reply to another question why displaced persons from Pakistan in the Jammu area of the State were not allowed to vote in the Assembly elections, Mrs Gandhi said "it was a knotty question. I have really no comment to make. We have gone through this question number of times and I have really no answer for this.'

The Prime Minister stressed the need for remaining 'very vigilant' about the flow of foreign funds into the country.

Asked for her comment on the reported use of foreign money for religious conversion, Mrs Gandhi expressed herself strongly against the exploitation of peoples' poverty and hardships for conversion.

Mrs Gandhi said much of the foreign funds from the Arab world were coming into India for educational purposes, repairing or building of mosques. Some funds

were also coming to India from known or unknown sources and it was necessary to know how these funds were being used.

'Nobody will have any objection if anybody changed his religion voluntarily, but what is objectionable is if people's poverty and hardships are exploited for conversion,' she said.

The Prime Minister said that so far Khalistan existed only in Canada and the United States. But this did not mean 'we should lower our guards and vigilance.

Replying to a question, Mrs Gandhi said such movements had to be carefully watched and she was sure that the Sikh community, which had proved its patriotism, valour and deep involvement with development in India, 'will rebuff it.'

Mrs Gandhi had been asked about a statement of the sponsors of the Khalistan movement that they would make an 'important announcement' about a new state on 15 August.

Mrs Gandhi told a questioner that the 'impression' that the Punjab Government was not cooperating with the CBI investigations into the murder of Nirankara chief Baba Gurbachan Singh was 'unfortunate and incorrect.'

She said six persons had already been arrested in connection with the case and further investigations were on.

Such matters, she added, did take a long time in other countries too.

The Prime Minister said that she was against the use of students and teachers in the universities to serve the political interests of others.

Replying to a question, she said she was not aware of any code of conduct for universities but agreed with the questioner that students and teachers should not be used for political purposes.

She said Aligarh University was facing problems like any other university and "I don't think anything new has happened there.'

Replying to a question, she said 'we must see that such things (communalism) disappear from the country altogether. Our sympathies are with those who suffer.'

Mrs Gandhi said the question of communalism was no longer religious and it was more a political and economic matter.

The questioner had sought Mrs Gandhi's comments on what he described as renewed activities of communal and reactionary elements at Aligarh University.

Mrs Gandhi said that the money being spent on the 1982 ninth Asian Games was an investment for the future.

Replying to a question, she said the games were not a 'lop-sided priority' and though the previous estimates had gone up, it was not to the extent made out in newspaper reports.

She said in the present conditions she might have had second thoughts on holding the games, but initially when the country accepted to host the games the budget was well within its capacity.

An experimental beginning in colour television will be made soon, the Prime Minister told the press conference.

Replying to a question, she said TV transmission in black and white would continue. But 'we will make an experimental beginning in colour TV soon.'

Mrs Gandhi said she was deeply distressed over the liquor tragedy in Bangalore and felt that there should have been stricter control over liquor to prevent adulteration.

'My deep sympathies to the families of those who have died,' she said.

Asked whether in view of such tragedies, there would be any change or liberalisation in the prohibition policy, Mrs Gandhi said that many States had relaxed the prohibition policy and made some provision for drinks with very little alcoholic content.

The Prime Minister said that family planning programme was successful to the extent that it prevented 39 million births.

Expressing her concern at the unabated population growth, Mrs Gandhi said though some success had been achieved in the field, still a lot had to be done to bring the population under manageable level.

If population growth went on at the present rate, it would be difficult to provide clothing, shelter and other basic necessities to the people she warned.

She, however, expressed satisfaction that family planning was one issue on which there was a national consensus. Population control movement required active support of all. It was not for the Government alone to solve this problem.

CSO: 4220/7271

LEFT FRONTS CLASH WITH MS GHANDI

London 8 DAYS in English 1 Aug 81 pp 24-25

[Article by Sumanta Banerjee]

[Text]

AT A TIME when Indira Gandhi's party, the Congress-I (the 'I' stands for Indira) is sweeping its way through the country, the Indian communists constitute the only major opposition force to hold its ground. In Kerala at the southwestern tip, and West Bengal and Tripura in the northeast of the country, the Communist Party governs under a constitution which allows opposition parties limited power.

When by-elections were held recently in a number of parliamentary and state assembly constituencies in India, the Congress-I candidates (including Mrs Gandhi's son, Rajiv) swept the polls everywhere except West Bengal where they were beaten by candidates sponsored by the ruling Left Front government controlled by the CPI(M) — the Communist Party of India (Marxist). Other partners of the coalition are small leftist groups which also claim to be marxists.

Similar leftwing coalitions dominated by the CPI(M) govern Kerala and Tripura. In West Bengal and Tripura, the Left Front has been in power since 1977 (when general elections for the first time brought to power a coalition of non-Congress parties). In Kerala the left gained office in 1980, when elections to the state assembly there were held simultaneously with the parliamentary elections that brought Mrs Gandhi back to power.

There have not been any revolutionary changes in Kerala, West Bengal and Tripura, a fact acknowledged by the leftist ministers. According to West Bengal's chief minister, Jyoti Basu: 'Our measures have given the weaker sections in villages a sense of confidence that they never enjoyed before.' He hastened to add at the same time that there was no immediate solution to the problems of unemployment and electric power shortage that plague the state's social and economic life.

In all three states, the Left Fronts have concentrated on the rural areas — where some 80 per cent of the population live. In Kerala, a land reform act has enabled nearly half a million agricultural labourers to become owners of small plots of land on which they live. Arable land has been distributed among landless peasants and smallholders.

In West Bengal and Tripura, a major step was the registration of 'bargadars' or share-croppers — a class of poor peasants who work on the land of rich farmers. Until recently they had no security of employment, or any right to a share of the crop. The 900,000 sharecroppers registered so far will be legally entitled to retain their tenancy and keep their portion of the produce.

In a move to decentralise power, the West Bengal and Tripura governments

have introduced village self-government. Known as panchayats, these institutions are elected by the villagers, and decide on the local distribution of financial and food aid among agricultural labourers working on development projects. Critics, however, allege that these resources rarely reach the poor and distressed, but are cornered by CPI(M) leaders and activists.

While allegations of corruption cannot be ruled out completely, industrial strife and communal clashes in Kerala, West Bengal and Tripura are far less frequent than elsewhere in India. Since the left parties have considerable influence in the trade unions, they have been able to avert strikes. The number of working hours lost in West Bengal in 1980 in the last seven years has plummeted, a remarkable achievement in a state hitherto notorious for violent industrial relations.

Except in Tripura, where more than 1,200 people were killed in ugly clashes between tribals and non-tribals last year, the Left Front governments in both Kerala and West Bengal have been able to avoid fighting between Hindus and Muslims, or attacks on 'untouchables' (the lower caste people known as Harijans) and linguistic minorities.

The apparent caution of the Left Front governments may be explained by the ability of the New Delhi cabinet to dismiss any state government. India's first communist state administration — the Kerala government of 1957 — was sacked by Nehru after the communists pressed ahead with land and education reform. Congress-I members in the three communist run states are now pressing Mrs Gandhi to dismiss the Left Front governments.

CSO: 4220/275

REPORT ON ALL-INDIA SIKH INTELLIGENTSIA PARLEY

Madras THE HINDU in English 12 Jul 81 p 3

[Text] GIVEN the green signal by the Prime Minister, Mrs. Indira Gandhi, and inaugurated by the Union Home Minister, Mr Zail Singh, the All India Sikh intelligentsia convention held in Delhi last Sunday looked more an affair of the Congress (I) than a Government sponsored show. It was not much different from the earlier "all world" and "all India" meetings of Sikhs in the style of deliberations

The one difference was that it was called at short notice and restricted to the intelligentsia — about 200 to 300 persons.

The invitations were issued by Dr Gopal Singh Dardi, Chairman of the high-power panel for minorities and scheduled castes who also delivered the keynote address. Dr Dardi is a Congress (I) leader

The initiative, however, obviously came from Mr Zail Singh who also presided over the convention, not in his capacity as the Union Home Minister but as a Sikh.

Observers' dismay

Observers wondered what the provocation was for calling the convention at such a short notice without forming a preparatory body

In fact there was no debate on any important controversial issue and the condemnation of the concepts of 'Khalistan' and "Sikhs-are-a-nation" was of a distinctly restricted character Most of the resolutions were not much different in their content and tone from those passed at the 'all-world' or 'all-India' conventions held in recent months.

The convention was originally intended to be a part of a Union Home Ministry scheme to counter the slogan of 'Khalistan' This slogan had been raised by a section of extremists belonging to two organisations "Dal Khalsa" and All-India Sikh Students Federation — neither of which had been able to muster much following

The two organisations, however, made their existence felt lately by launching an agitation for a ban on the sale of tobacco in the city of Amritsar which, they demanded, should be declared a 'holy city' for an effective enforcement of this ban This "tobacco war" evoked the sympathy and interest of a significant proportion of the Sikh population The sponsors of this demand simultaneously displayed the 'Khalistan' banners.

These developments are stated to have stirred the Union Home Ministry into action. Earlier, it was believed, Mr. Zail Singh had turned a Nelson's eye to these agitations in his home State, as part of the game of factional animosity between the Union Home Minister and the State Chief Minister No doubt the 'Khalistan' slogan had been causing headache to Mr Darbara Singh

Watch on extremists

According to press reports the Union Home Ministry is keeping a vigilant eye on the activities of some leading Sikh extremists in Punjab and elsewhere and also on movements of Sikh leaders touring regularly or for short periods in some foreign countries

At the Delhi convention Mr Zail Singh said that "a small non-political committee would soon be set up to watch the secessionist tendencies which are raising their ugly head in the country and that the committee would tour the States with a view to educating public opinion on this vital issue concerning the integrity of the country It was, however, not elaborated as to who will set up this committee and when it will start functioning

The Home Minister strongly criticised the Akali Dal and SGPC which, he said, were supporting the "Khalistan" slogan. This served to reveal the one-party character of the convention However, neither of the two Akali Dals has explicitly said anything so far to signify support to the demand for "Khalistan" though both have acclaimed the "Sikhs-are-a-nation" concept.

In his keynote address Dr Gopal Singh asserted that a separate Sikh State would mean the economic downfall of the community which is now enjoying enviable prosperity as part of the democratic polity of this country. But some of his observations endorsed the complaints that the Sikhs were suffering discrimination in various spheres.

Intriguing

An intriguing aspect is that instead of assuaging the feeling of discrimination most of the resolutions passed at the convention were akin to those adopted at Akali conventions and conferences where some extremist elements used to have an effective say No wonder spokesmen of the two Akali Dals have expressed their satisfaction over some of the resolutions adopted at the convention which only endorsed the notable features of the policy and programme of Akali Dals and supported, what they called, some of the just demands which they have been voicing from time to time

Besides the main resolution declaring the Sikhs an integral and inalienable part of Indian polity the convention passed some other resolutions, including the one demanding expeditious transfer of the city of Chandigarh to Punjab without making it contingent on the transfer of Fazilka and Abohar

to Haryana. Another protested against the displacement of Sikh farmers from the Terai region of Uttar Pradesh, which had been developed by them after prodigious efforts over decades since Independence, and the last one demanded declaration of Punjabi as the second language in Delhi, Haryana and Himachal Pradesh.

Invitations had been issued to a large number of Sikh leaders and intellectuals all over the country, including Sant Harchand Singh Longowal, and Mr. J. S. Talwandi, Presidents of the two Akali Dals, Mr. Prakash Singh Badal, former Chief Minister of Punjab ad Mr. G. S. Tohra, President, SGPC None of whom attended.

Among the messages received a significant one was from Mr. Hukam Singh, former Speaker of the Lok Sabha and one-time President of the Akali Dal, which reads as follows: "I am definitely of the opinion that the slogan of Khalistan is dangerous and suicidal for the Sikhs but it cannot be taken in isolation. There are certain factors that are contributing to this frustration and they must be condemned along with it."

CSO: 4220/7277

FORMER ARMY COMMANDER VIEWS POLITICAL SITUATION

BK251201 Delhi INDIAN EXPRESS in English 18 Jul 81 p 6

[Letter to the editor by retired General K. M. Cariappa, former commander in chief of the Indian Army 1949-1953]

[Text] Sir: It is most distressing to read daily in our newspapers the sad news of burglaries, thefts, murders, dacoities, students everywhere burning houses, cars, shops and furniture of their own universities and colleges. Raping continues, so does police firing all over the country against unruly masses and murdering of important officials of state and civilians. In my humble memory I have never known earlier such things happening in our beloved India. I am nearing 83 years of age. There seems to be, according to press reports, almost complete mass indiscipline everywhere with little or no respect for law and order.

The unfortunate and underprivileged millions of our country face very distressing economic problems--cost of foodstuffs soaring, no roofs to sleep under, education of the children not being properly provided for by the state, insecurity of all kinds etc.

We have today in our country two sets of people who cause all this unhappiness. They are:

1. Some wrong type of politicians--there are many of them who take large sums of money as bribes from industrialists seeking such favours as contracts, etc. They use such money to cause workers to go on strike--kill, destroy public property and so on. We do have some very great politicians, very able administrators.

2. Those with distressing greed for money. People are not all honest in their business dealings. The main aim of some of them is to amass wealth by foul means.

We do not work enough. One has to work for at least 8 hours a day. People spend most of the time in tea breaks, meal breaks and rest. We have not got enough really able leaders in our country. We have far too many holidays excluding Sundays and Saturdays.

I feel the government of today has a very, very big job to handle with all these happenings in our country. Unfortunately, we have not got enough really able administrators.

The whole picture of the country today is very saddening--language problems, communal problems and the continuing sufferings of the most unfortunate harijans--all need immediate attention.

I am not in politics. I am just a simple retired officer of our army. I have always had and will continue to have my deep interest in the welfare of three people I got "wedded" to just before I retired from the army over 28 years ago and these are: A. ex-servicemen and their dependants of our defence services; B. the youth of our country, and C. the people of our country.

In the present circumstances, I strongly feel that the only way to put things on an even keel is to have president's rule, not national government under the president, for at least 5 years with political parties banned. The country's administration could be carried on as before with the governors and heads of various departments such as food, agricultural, medical, education, police and so on. A team of specially selected persons of known ability, honesty and a team of old retired officers--one general, one air chief and one admiral--all to form an advisory council. All political parties should be banned immediately. One or two states whose people are causing local unrest should be handed over to the defence services under martial law, for a year or two at least, until things return to normal in those states, after which these states will return to the president.

Later when the president finds the situation in the country is normal, people are well disciplined with respect for law and order, people work hard to produce the needs of the country in all respects and the internal and external security of our land is assured, he will announce publicly that there will be only three political parties, equivalent of labour, liberal and conservative. There will be no other political parties at all. When elections are being held, if anyone is caught bribing for votes he should be disqualified. After the elections the party that wins will become the government of the country, the second party will be the "opposition" and the third party will be "neutral." The president will then hand over the country to the newly elected government.

Democracy in our country must prevail forever and the people must continue to have the privilege of choosing their government.

In all that I have said above I assure you I have not the slightest personal interest of any kind except my continuing love for our simple millions who deserve a good democratic government.

[Signed] Gen. K. M. Cariappa (retd.)

Bangalore

CSO: 4220/372

KERALA APPOINTMENT BRINGS DELHI-STATE CONFRONTATION

Calcutta THE STATESMAN in English 11 Jul 81 p 9

[Text] Trivandrum, July 10.--The appointment of Mr A. V. Varghese as Vice-Chancellor of Kerala University in succession to Mr V. K. Sukumaran Nair, who lays down office on July 15, by the Governor, Mrs Jyothi Venkatachellum, has led to yet another confrontation between the CPI(M)-led Left Democratic Front Government and the Centre.

Although the Governor, in her capacity as Chancellor of the university, is entirely within her rights to choose a candidate from a panel of names put before her, by convention, the State Government is taken into confidence before the announcement is made. Her alleged departure from this practice has been viewed by the ruling front as interference into the State's affairs by the Centre.

The issue was discussed by the Kerala Cabinet on Wednesday when Marxist members expressed concern over the Governor's alleged failure to consult the State Government on such an important appointment.

Mr S. V. Achutanandan, State secretary of the CPI(M), saw behind Mr Varghese's appointment the Centre's "hidden hand" to bypass the Governments of non-Congress (I) ruled States. The Governor's action was described as "an assault on the rights of the State Government."

Mr Varghese, who is now professor of English at Bentley College, Waltham, Massachusetts, had been associated with the Congress party in Kerala before his departure for the USA. In the Kerala Assembly, a Marxist member, Mr M. V. Raghavan, even questioned the nationality of Mr Varghese who continues to retain Indian citizenship even after two decades of residence in the USA.

Mr Achutanandan said in a statement that when the selection committee submitted a panel of names to the Chancellor, the opinion of the State Government was sought before making the final choice. By hastily appointing one from the panel without consulting the Government, the Governor had violated the precedence she herself had followed so far, he said.

Under the Kerala University Act, the Chancellor should nominate a person to the three-member committee to submit a panel of names for the post of Vice-Chancellor. The panel had recommended besides Mr Varghese, Mr Vasu and Mr Kaleeswaran, an IAS officer who is the Vice-Chancellor of the Kerala Agriculture University.

The CPI(M) wanted Mr Vasu to succeed Mr Sukumaran Nair. There is an accepted convention in Kerala that the post of Vice-Chancellor should go by rotation to the major communities. Mr Sukumaran Nair's predecessor was Mr George Jacob, a Christian, of the same community as Mr Varghese. Mr Vasu belongs to the numerically strong backward community of Ezhavas, from whom the Marxist party draws its strength.

Fifty-one-year-old Mr Varghese, who graduated from Travancore University, took his M.A. degree in English from Madras Christian College, and Ph.D. from Denver University, Colorado. He did post-doctoral research at Harvard University before joining Bentley College. He is due to take over as Vice-Chancellor on July 16.

CSO: 4220/7269

CPI-M INNER PARTY DEBATE REPORTED AT DEAD END

Bombay THE TIMES OF INDIA in English 12 Jul 81 p 7

[Text] Calcutta, July 11.

The CPMs inner-party debate on an immediate tactical issue seems to have reached a dead-end, without a solution in sight, and this prompted the central committee to postpone it to another occasion in the future, allowing time for cooling off of sentiments as well as refreshing the members' thinking.

Many in the party seem to believe that ultimately the issue will have to be clinched at the next party congress, scheduled for February next year. But there are serious doubts about keeping to this schedule because if the West Bengal unit has to fight the next general elections in June-July or earlier in February next year, this timing will be most unsuitable.

The unresolved tactical issue, as is well-known, relates to whether the party's emphasis should be on left unity, as practised i-West Bengal, or left and democratic unity, as underlined by the party's Howrah plenum, relating it to the need for expansion in the Hindi belt. In other words, this concerns the party's attitude towards other opposition organisations like the Congress (U), the Janata, BJP and the Lok Dal.

The Two Views

Exponents of the left and democratic unity idea maintain that only this can facilitate the party's growth in the Hindi belt, and, therefore, the West Bengal unit's emphasis on left unity is anomalous, a wrong implementation of a vital party decision and creates difficulties for the party in other parts of the country.

As the last central committee discussions are said to have brought out, the West Bengal unit is no longer isolated in its view in this regard. It has been getting support from some members from other states. To its critics, its reply broadly is: "Where is your Congress (U) about which you have been creating such a din?"

But what might be irritating the critics more is the West Bengal leadership's attitude, reflected in the argument that the necessity of drawing in democratic elements arises or is felt only where the party is weak.

This, again, has brought to the fore another related controversy over whether the party should seek to exploit its association with allies to strengthen and expand itself or to try and develop laboriously a grassroots organisation and then seek expansion.

Party sources say neither controversy could be resolved at the last five-day central committee session in Calcutta. Attitudes on both remained as sharply divided as ever, which even had led to the exchange of harsh expressions. Hence the need for a cooling off period, and a time for a fresh reappraisal.

As for the West Bengal unit, it was pointed out on its behalf that in course of time, it had been possible for the left front to draw closer the CPI, socialists and the Lok Dal elements.

It was not averse to being conciliatory towards the Congress (U), despite its leadership's role in the 1970-71 attacks on the CPM, but there had been no opportunity so far to get closer on the basis of any common programme or issue.

West Bengal leaders think that by the time the central committee meets next, the position and character of the Congress (U) will get clearer and add more substance to their line of argument.

But one important pointer of the committee's last session was that the party leadership has already initiated a process of re-thinking on the BJP's role and composition and will not rule out common or simultaneous action on specific issues inside and outside the legislature.

CSO: 4220/7273

WEST BENGAL CPI EXPULSION OF MEMBERS APPROVED

Calcutta THE SUNDAY STATESMAN in English 12 Jul 81 p 3

[Text]

THE West Bengal State Council of the CPI at its meeting in Calcutta on Saturday accepted the recommendation of the party's State executive committee for the expulsion of 15 members, including four members of the State Council, for anti-party activities. These members had organized the West Bengal State Communist Convention in Calcutta on June 20.

A spokesman of the CPI told reporters that so far 10 members of the State Council had been expelled, including the four against whom steps were taken on Saturday. These members were given an opportunity to explain their conduct before the State Council, but they did not do so.

He said that the party's district councils had been instructed to take a lenient view of those misguided members who reformed themselves. They had, however, been asked to take stern disciplinary measures against those members who continued to participate in disruptive activities.

The State Council in another resolution urged the President, Mr Sanjiva Reddy, to cancel his proposed visit to the U.K. on the occasion of the wedding of Prince Charles in protest against the race riot now raging in that country. The Council condemned the Thatcher Government's immigration policy.

CSO: 4220/7276

CPI-M POLITBURO MEMBER COMMENTS ON GANDHI REMARKS

New Delhi PATRIOT in English 12 Jul 81 p 5

[Text] CPI-M Politburo member P Ramamurti noted on Saturday that the Prime Minister had correctly highlighted the danger to the subcontinent from Pakistan's acquisition of F-16 aircrafts, but 'failed to pinpoint and castigate the real villain--the US imperialism'.

In a statement, Mr Ramamurti said 'verbal protests, however strongly worded, lodged with the US Government is futile'. Instead he underscored the need to rouse the people of India against the US imperialism's menacing challenge to the country's independence, unity and integrity.

But it was his strong belief that this, neither the Prime Minister nor her party is able to do because of her policies if increasing dependence on western aid, chiefly from America, the World Bank, the IMF and other international financial institutions largely financed by the US.'

Mr Ramamurti said Mrs Gandhi's efforts to explain away the Indo-Pak Joint Statement that every country has the right to acquire arms for its defence 'has no meaning whatsoever'. Since, Mr P. V. Narasimha Rao during his visit to Pakistan knew that Islamabad was trying to negotiate the F-16 deal with Washington, he felt 'it was absolutely necessary for our External Affairs Minister to explicitly state, without any ambiguity, that we are firmly and totally opposed to the induction of this offensive weapon into Pakistan.'

CSO: 4220/7277a

DISSIDENCE IN PUNJAB CONGRESS-I REPORTEDLY CONFIRMED

New Delhi PATRIOT in English 12 Jul 81 p 4

[Text] Chandigarh, July 11 (PTI).

Congress-I general secretary Kalpnath Rai said here yesterday that he would submit his report relating to 'important matters' of the party and the Government in Punjab to Prime Minister Indira Gandhi later today.

Several Punjab Cong-I legislators, who have been described as 'dissidents' including some Minister and many party workers met Mr Rai and are understood to have expressed their 'dissatisfaction' with what they called 'slow functioning of the Government and the party' in the State.

Mr Rai at a press conference later refused to disclose what was discussed but said that he would convey their feelings to party president Mrs Indira Gandhi.

Mr Rai appealed to Mr Dev Raj Urs to dissolve the Cong-U as it had become 'irrelevant following the acceptance of Cong-I party and its leader, Mrs Indira Gandhi by the people.'

Addressing the press conference Mr Rai said that he was making this appeal on the eve of the working committee meeting of the Cong-U in Bangalore on Sunday to decide party's future course of action.

Mr Rai said that Mr Urs should dissolve his party 'in the interest of the country' and moreover, the people could not be confused any more.

'Mr Urs himself and the entire rank and file of the Cong-U in their heart of hearts want to join Cong-I but there is slight hesitation on the part of some leaders mainly because of the question of adjustment, he said.

Asked whether Cong-U leaders, including Mr Urs and the workers would be admitted to the Cong-I in case the party (Cong-U) was dissolved, Mr Rai said each case would be decided on merit.

CSO: 4220/7277a

PRADESH CONGRESS-I COMMITTEES TO BE REORGANIZED

New Delhi PATRIOT in English 12 Jul 81 p 5

[Text] Pradesh Congress-I Committees in the Cong-I-ruled States will be re-organised by September or latest by October next, according to AICC-I general secretary Vasantdata Patil.

New PCC-I president will be elected or nominated where the post is held by the Chief Minister, he told newsmen on Saturday.

At present, the Chief Ministers of Punjab and Gujarat are holding dual posts.

The re-organisation of the party's State units is intended to strengthen them and ensure better coordination and harmony between the organisational and Governmental wings. The party High Command is also worried over the factionalism within the party which continues unabated in many States.

Mr Patil, who visited Gujarat, said in reply to a question that except for 'differences of views' among a few individuals in the State, the Cong-I was a well-knit organisation there.

The AICC-I general secretary told newsmen that the question of Mr Y B Chavan's admission to the Cong-I was expected to be discussed at the party's working committee meeting in the last week of this month or during the first week of August.

But the issue of admission of people including former Lok Sabha Speaker Bali Ram Bhagat, Haryana's former Chief Minister Banarsi Das Gupta, Mr K C Pant and Mr S C Shukla will be decided only after consulting the PCC-Is of their respective States.

CSO: 4220/7277a

RAJIV GANDHI MEETING WITH SHEIKH ABDULLAH REPORTED

New Delhi PATRIOT in English 12 Jul 81 p 4

[Text] Srinagar, July 11 (PTI)--Mr Rajiv Gandhi, MP who is here in connection with the two-day meeting of the national executive of the Youth Cong-I, had a meeting this morning with Chief Minister Sheikh Mohammad Abdullah. The meeting lasted an hour.

The meeting took place at the residence of the Chief Minister, shortly before the national executive began its meeting.

It was not immediately known what transpired at the meeting, but a source close to the Chief Minister said the two are believed to have discussed the present state of relations between the Cong-I and the ruling National Conference.

Later addressing a party rally, Mr Rajiv Gandhi announced a new organisational programme for the Cong-I in Jammu and Kashmir with village as the base.

He urged the PCC-I to fix the target of building a network of organisational units, with a minimum of five workers in each village.

The PCC-I, he told the rally, should prepare for the "coming elections" to ensure a massive victory.

The Cong-I workers in the State should take to constructive work and agitate for the peoples grievances without fear, but avoid politics of mud-slinging and leg-pulling, he said.

Mr Gandhi said the Cong-I was for a constructive approach. At the same time it was also fighting for the people's cause.

Our battle will not be fought on the streets, but at the polling booths, he added.

CSO: 4220/7277a

STUDY ON BYELECTION STATISTICS SUMMARIZED

Madras THE HINDU in English 12 Jul 81 p 2

[Text] New Delhi

Some interesting trends are revealed by the comparative study, just made available, of the data of the recent by-elections and the behaviour of these constituencies--six of the Lok Sabha, 23 of State Assemblies--on earlier occasions. Particularly striking is the point that while the total number of voters, as was natural, went up practically in each case, those who turned up at polling booths were fewer, in most cases. This trend is uniform in the case of Lok Sabha seats but mixed in Assembly constituencies except in West Bengal.

The number of votes cast in the four Lok Sabha constituencies in U.P., as also one each in West Bengal and Orissa is less now than in 1980. As regards the Assemblies, there is an even division in two States--in U.P. four constituencies registered an increase in the valid votes polled, four showed a drop and in Bihar, the number was higher in three constituencies and lower in the other three. West Bengal had the distinction of registering an increase in seven out of eight Assembly constituencies. The lone seat in Karnataka, however, attracted fewer voters this time.

Surprisingly, the entry of star candidates in the contest for the Lok Sabha, of Mr. Rajiv Gandhi in Amethi and Begum Abida Ahmed in Bareilly, failed to enthuse voters, as a whole, though the winners romped home with much bigger margins.

In Amethi, for instance, the total electorate increased to 6,79,469 from 6,75,683 last year but those who appeared at the booths totalled 3,07,523 against 3,27,413 last time. That Mr. Rajiv Gandhi polled more votes than his brother, Sanjay Gandhi last time--2,58,884 compared to 1,86,990--is another question.

It was the same story in Bareilly. The electorate increased from 6,14,536 to 6,31,825 but the number of valid votes dropped from 2,68,950 to 2,47,613. Here again, the fact that the Congress (I) wrested the seat from the Janata (S), the party of the former Prime Minister, Mr. Charan Singh, and Begum Ahmed, the present winner polled 1,14,231 votes against 75,448 of the successful contestant last year, Mr. Misar Yar Khan, are different matters.

Here is the comparative data, constituency-wise:

Constituency	Contestants		Electorate		Votes Polled	
	1981	Previous	1981	Previous	1981	Previous
Lok Sabha						
Amethi	14	12	6.79.469	6.75 683	3.07.523	3.27.413
Bareilly	9	20	6 31 825	6 14 536	2.47.613	2.68.950
Mirzapur	13	13	7.32.498	7.23 350	2.03.448	3 63.841
Allahabad	16	20	7 21 822	7.11 146	1 83.023	3.34.526
Cuttack	6	4	7.22.704	7.04 852	2.80.472	3.57.238
Serampore	4	6	7.80.608	7.74.081	4.38.769	4.88.854
Assembly						
Bihar						
Dhanaha	5	8	94.768	94 219	43 149	40.617
Bhaktiarpur	12	3	1.33.833	1.33 873	88 209	1.13.994
Giridih	9	9	1.02.989	89 745	52.051	37.659
Parsa	9	9	1 28.132	1.28.132	51.989	80.582
Sandesh	20	11	1.33.841	1.15.406	58.876	58.122
Hisua	14	8	1.27.543	1.10.580	56.024	59.369
Uttar Pradesh						
Bilaspur	9	11	1.58.750	1.58.373	65.219	82.059
Bisauli	9	9	1.28.807	1 28.836	53.374	69.292
Shanjahanpur	10	19	1.36.037	1.35.851	58 993	59.968
Tindwari	7	15	1.30.409	1.29.818	69.768	55.019
Lakshmipur	18	10	1 38 986	1.16.391	74.629	62.419
Jahanabad	12	7	1.28.342	1.16.387	65.249	66.679
Patiali	11	4	1 29.878	1.19.509	73 895	57.686
Sikandra Rao	20	5	1.41.709	1.33.369	68.705	52.225
Karnataka						
Dharwar Rural	5	4	77.827	72.498	44.479	47.633
West Bengal						
Darjeeling	2	10	1.07.323	91.260	42 807	39.705
Kumarganj	3	4	1.15.309	87.224	81 911	59 834
Kharba	3	6	96.520	81 841	77 324	55.058
Suzapur	4	3	91 159	82 839	63.986	57.920
Jadavpur	4	3	1.23.914	1.00 947	67 979	55.139
Dum Dum	4	4	1.35.899	1.21.527	76 487	65.299
Maniktola	4	7	1 15.615	1.06.411	54.909	55.070
Midnapore	5	5	1.10.525	95.944	68.665	52.230

General Apathy

Opinions differ on what it all means. Some feel it is due to the general apathy of voters to political processes, which failed to attract them, in their present sullenness over economic condition particularly rising prices and shortages of essential items.

Having seen their hopes dashed because of the broken promises of the rulers, they, so goes this argument, were not keen to associate themselves with elections in a "plague be on both their houses" mood. Others describe it as the normal phenomenon

in by-elections. Because of the limited interest of scattered contests, as against the all-pervading zest during general elections, parties and candidates find it hard to mobilise their support to the full extent.

Exception

The higher turn-out of voters for the Assembly contests in West Bengal--an exception to the general trend--is ascribed to the peculiar situation of the State, particularly the different impact of the Left Front Government. The presence of the Congress (I) in the Opposition camp added a dimension to the campaign which was not there elsewhere.

The margins of the winners in the Lok Sabha contests were bigger now in U.P. but narrower in West Bengal and Orissa. This, say political observers, reflects the state of the Opposition. In U.P. areas, the Opposition is far more fragmented than in the other two cases. Whether this generalisation could be stretched to cover entire States is the subject of hesitant comments. In two Assembly constituencies, one of U.P. and another of Bihar, there is a slight decline in the electorate. This is a freak development and no proper explanation is available. It was, perhaps, because there were far too many errors in the old voters' list and the revision led to pruning.

Or, perhaps, migrant labour was a sizable segment of the electorate which was reduced when workers moved to other areas.

CSO: 4220/7277

BANKING ORDINANCES ISSUED, BANK RATE RAISED

Calcutta THE SUNDAY STATESMAN in English 12 Jul 81 pp 1, 7

[Text] New Delhi, July 11.--In a fresh bid to curb inflation and stabilize the economy, the President today promulgated two Ordinances, raising the rate of compulsory deposits for the affluent and making bank repayment of deposits through payee accounts obligatory, report PTI and UNI. In a matching move, the Reserve Bank of India today raised the bank rate by one per cent. Today's Ordinances follow last night's announcement of an increase in the prices of petroleum products, and official sources said that more such measures were in the offing.

Today's Ordinances were approved by the Union Cabinet here yesterday. The Finance Minister, Mr R. Venkataraman, flew to Hyderabad, where President Sanjiva Reddy signed the Ordinances.

The Compulsory Deposit scheme (Income-Tax Payers) Amendment Ordinance, while increasing the rates, does not make any change in the existing rates in respect of current incomes up to Rs 50,000.

For incomes in the range of Rs 50,000 to Rs 70,000, the rate of compulsory deposit is up from 12.5% to 15%; and for incomes exceeding Rs 70,000, the rate has been raised to 18% from the existing 15%. The Government believes that this measure will help "restrain conspicuous consumption", the announcement said.

Under the second Ordinance--Income-Tax Amendment Ordinance--banks, companies, cooperative societies and partnership firms will be required to repay deposits made with them by any person through account-payee cheques or account-payee bank drafts, where the deposit with interest is Rs 10,000 or more.

"However, banks, including cooperative banks, will be permitted to repay any deposit made with them by a person who has an account with the bank by crediting to the account of such person", the announcement added. Failure to comply with this requirement will involve imprisonment for a term up to two years and a fine equal to the deposit.

Under the Income-Tax (Amendment) Ordinance, which covers deposits with banks, companies, cooperative societies and partnership firms, the depositor can no longer be "benami", as the Income-Tax authorities will now know to whom the deposit has been repaid. There is no exact information on how much black money is held in benami deposits.

The ordinance does not apply to savings bank or current account deposits, it was officially clarified.

The Finance Ministry announcement said the Ordinances would apply in relation to the assessment years 1982-83 and 1983-84.

The bank rate stands raised from nine per cent to 10%. The new rate comes into effect from the close of business today (July 11), the Reserve Bank of India said in a Press release.

The bank also announced that the second phase of the increase in the case reserve ratio of scheduled commercial banks, originally to be effective from September 11, was now being advanced to August 21.

The statutory liquidity ratio is to be raised from 34% to 35% of total demand, and time liabilities in two phases--34.5%, effective from September 25, 1981, and 35%, effective from October 30, 1981.

The minimum margin against stocks of wheat, paddy/rice, and other foodgrain will be raised with immediate effect by 10 per centage points across the board, with the exception of advance paid to roller flour mills against wheat.

The package of monetary measures announced by the RBI today will reduce the capacity of bank loans to industry and trade by about Rs 880 crores at the beginning of the busy season in November, according to banking circles in Bombay.

The bank rate rise will also hit the borrowers, as the lending rate structure of the commercial banks is linked with the bank rate, barring certain categories of priority sectors. This will augment the earnings of the banks by about Rs 350 crores on an annual basis.

The monetary measures will hit industry and trade by making credit costlier and also reducing its availability, trade circles feel.

Good Response

The Bombay Share Market reacted favourably to today's Ordinance on the package of anti-inflationary steps, as well as to the one per cent hike announced by the RBI.

Though the market remained officially closed during the entire week for completion of outstanding settlement work, share prices had been declining in kerb dealings on the belief that the impending anti-inflationary measures would include dividend curbs.

But the absence of any dividend freeze and other harsh measures in today's announcement generated confidence among share-brokers, though the increase in the bank rate had a restraining influence, brokers said

The president of the Indian Merchants' Chamber, Mrs Sharayu Daftary, said that the RBI's package of monetary measures, including the rise in bank rate, would affect trade and industry by making credit costlier and restricted.

CSO: 4220/7276

CENSUS FIGURES ON URBAN, RURAL POPULATION RELEASED

Bombay THE TIMES OF INDIA in English 12 Jul 81 p 6

[Text] New Delhi, July 11 (PTI): India continues to be predominantly rural although its urban population increased by more than 49 million during the 1971-81 decade.

The rural-urban distribution of the population obtained from the quick tabulation of provisional totals of the 1981 census shows that 76.27 per cent of the population is rural.

The census commissioner today released figures putting the urban population at 156,188,507. The balance of the total population of 658,140,676 is considered rural.

These figures exclude Assam, where the census has not so far been held, and Jammu and Kashmir, where the census was taken two months after the February-March enumeration in the rest of the nation.

The urban population had grown from 17.62 per cent in 1951, when the first post-independence census was taken, to 18.26 per cent in 1961, 20.22 per cent in 1971 and to 23.73 per cent in 1981.

The urban population was a mere 10.40 per cent in 1911.

Dadra and Nagar Naveli as well as Lakshadweep entered the stream of urbanisation for the first time during the 1971-81 decade.

Maharashtra is the most urbanised state with 35.05 per cent of its population in the urban areas.

Tamil Nadu, Gujarat, Karnataka, Punjab and West Bengal follow in descending order. These states have a higher urban population than the national average of 23.73 per cent.

At the other end, Himachal Pradesh, Dadra and Nagar Haveli and Arunachal Pradesh have more than 90 per cent of their population in rural areas.

Kerala, Meghalaya, Uttar Pradesh, Sikkim, Nagaland, Bihar, Orissa and Tripura have more than 80 per cent rural population.

Nagpur, Lucknow and Jaipur crossed the one million mark at the 1981 census. They join the group of Calcutta, Greater Bombay, Delhi, Madras, Hyderabad, Ahmedabad, Bangalore, Karipur and Pune as big cities or urban agglomerations.

Together the 12 cities and urban agglomerations account for 44.56 per cent of the urban population.

CSO: 4220/7275

GULF LOSSES PROJECTED FOR INDIA

London 8 DAYS in English 1 Aug 81 pp 36-37

[Article by Sundar Rajan]

[Text]

INDIAN PUBLIC sector construction companies working on projects in several Middle East countries are doing badly because of delays and inefficiency. Engineering Projects India (EPI), which holds responsibility for these projects, has reportedly suffered 'staggering losses'.

According to the *Economic Times*, India's most prestigious financial newspaper, EPI is heading for a total loss of Rupees 600m ($53m) on 11 projects — six in Iraq, three in Kuwait and one each in Abu Dhabi and Jeddah.

'Not a single project — not even the first prestigious Ain Baghaze housing project in Kuwait won in September 1976 — has so far been completed,' the newspaper said. 'The over-run is two to three years. While the loss in construction itself is about IR280m ($25m), the penalties EPI has to pay to the authorities in Kuwait, Iraq, Abu Dhabi and Jeddah for non-performance of contractual obligations on time is estimated to amount to IR320m ($28m). Having failed to put its house in order, EPI today finds itself in the unenvious position of its competitors, mostly giant corporations from Japan and elsewhere based in Jordan, taking advantage of the situation and pricing EPI out.'

It appears that EPI's predicament is not new. Two years ago, the EPI board appointed a committee to investigate the operation of a number of projects in the Middle East. Following on-site studies, the committee presented a report which was extremely critical of the public sector. The Janata Party government of the then prime minister, Morarji Desai, hesitated to publish the report. While some ministers felt that the findings could be used to discredit Indira Gandhi (prime minister when EPI negotiated its major Middle East contracts), Desai reportedly decided that the publicity would only harm India's image abroad. According to press reports, the committee itself advised that the report be suppressed.

While EPI is reluctant to comment on the press reports, the *Economic Times* claims that one of the committee's most startling findings was that 'an investigation into past purchases would reveal a story of corruption and pilferage of large proportions.' The paper's special correspondent also alleges that a brief report, attached as an appendix, informed the government that the money siphoned off from the construction work purchases had found its way into Swiss bank vaults. 'This report,' the correspondent adds, 'was however withdrawn at the instance of the then powers.'

The Gandhi government is apparently planning to make major changes in EPI's operations. It will also negotiate with the Middle East governments concerned to waive or reduce the time-clause penalties. New Delhi considers some of the conditions imposed on EPI too strict. The company will also seek greater control over the labour force, particularly Indian nationals working on the Middle East projects.

Observers feel that EPI's troubles are only a reflection of the domestic problems experienced by the Indian public sector, with excessive bureaucracy as the main reason for poor performance.

CSO: 4220/275

DETAILS OF POWER PLANT PLANS, FINANCING TOLD

Calcutta THE STATESMAN in English 11 Jul 81 p 11

[Text] New Delhi, July 10.--The International Development Association, the World Bank's soft loan affiliate, has approved a credit of $400 million for the second stage of the Korba thermal power station in Madhya Pradesh. The first stage, financed by an IDA credit of $200 million approved in April 1978, is presently under construction.

West Germany is co-financing the project to the tune of $150 million.

The project involves construction of three 500 MW turbogenerators, three 1,725 ton-an-hour boilers, auxiliary equipment and related works, and about 1,100 km of 400 kV transmission lines. These additions will bring the power plant to its final installed capacity of 2,100 MW by December, 1988. The first 500 MW unit is expected to be commissioned by December 1, 1986, with the remaining two following at one-year intervals.

The construction will be carried out by the National Thermal Power Corporation over an eight-year period (1982-89) as part of its current power development plan. The bulk of the power generated by the plant will be conveyed to State Electricity Boards in Gujarat, Maharashtra and Madhya Pradesh and to the electricity department of Goa.

The plant will use coal supplied by the nearby Kusmunda II and Gevra mines. The plant's coal requirements are expected to be 7.8 million tons annually. Equipment for coal handling and transportation has been included under the project.

The demand for power in India has consistently been greater than the available capacity. The country is pursuing an ambitious investment programme for the power sector aimed at reducing the gap between power supply and demand. The addition of the project's 1,500 MW by 1988, representing about 13% of the peak demand in the region will help avoid power shortages in the western region towards the end of the decade.

CSO: 4220/7269

NEGATIVE REACTIONS TO OIL PRICE HIKE REPORTED

Bombay THE TIMES OF INDIA in English 12 Jul 81 p 9

[Text] Calcutta, July 11.

Voicing the West Bengal government's "strongest protest" against a fresh revision of petroleum products prices, the finance minister, Dr. Ashok Mitra, today spoke of organising a nation-wide compaign against the Centre's "anti-people" policies which, in his view, sought to favour a small section but threatened the future of the nation. This would be done within the existing constitutional and legal framework.

Reacting to the Centre's decision in this regard a senior vice-president of the Bharat Chamber of Commerce Mr. C. I. Gandhi, said the decision would have "obvious cascading effects on costs and prices adversely affecting quite a wide range of essential commodities and provide further fillip to the upswing in prices."

Dr. Mitra, on his part, roughly estimated that the Centre's decision would push up prices of petrol, diesel oil, kerosene, gas and fertilisers by ten to 12 per cent and with an overall price increase of three to four per cent. It would widen the states' budgetary deficits, because states like West Bengal would not like to raise the sales tax rates in keeping with the Centre's decision, but at the same time its earnings from small savings would tend to fall. This would be entirely the Centre's responsibility.

He repeated that the state government had been trying to impress at various national forums that prices could not be lowered by raising them. But the Centre, while talking about bringing down prices, was actually pushing them up by its policies. This would raise the cost of living, resulting in pressures for wage compensation which the states, and not the Centre, would have to face. As a result, he felt that the "entire system is getting unmanageable."

Our special correspondent adds from Bhopal: The sudden increase in the price of petroleum products has provoked sharp reaction from almost all opposition parties.

Janata Party leaders, in a joint statement, said that in the past two months the prices of crude and petroleum products had been falling in countries while OPEC countries had decided against any price hike for their exports.

New Delhi (UNI): The upward revision of prices of petroleum products have come under severe criticism from various quarters.

The All-India Trade Union Congress general secretary, Mr. Indrajit Gupta, MP, said the hike would inevitably boost inflation and prices in a chain effect.

Mr. P. Ramamurti, Centre of Indian Trade Unions general secretary, feared that the hike would lead to increase in price of essential commodities also.

CSO: 4220/7273

DELHI REPORTEDLY PLANS TO TRIPLE CRUDE OIL PRICES

Bombay THE TIMES OF INDIA in English 12 Jul 81 p 1

[Text] New Delhi, July 11:

The Centre is understood to have decided to raise by about 300 per cent the prices of domestic crude oil to make available larger funds at the disposal of the Oil and Natural Gas Commission and Oil India--the two premier agencies engaged in the production and exploration of oil.

The finanacing of higher prices of the domestic crude is expected to be done from the additional revenue that would be generated as a result of a sharp increase in the prices of petroleum products announced yesterday by the government.

The higher prices of petroleum products would fetch to the exchequer over Rs. 1,050 crores in a full year, it is reliably learnt. During the remaining period of the current financial year, the government expects to mop up about Rs 825 crores.

Inquiries from official circles show that the price of indigenous crude is now being uniformly fixed at Rs 1,180 per tonne against the existing average price of about Rs. 400 per tonne.

While fixing the revised uniform price of Rs. 1,180 for both on-shore and off-shore crude, the government has decided to do away with the dual pricing system. At present, on-shore crude is priced at Rs. 324 per tonne and off-shore crude at Rs. 458.

Sources here point out that keeping in view the resources constraint, the government had to resort to jacking up the petroleum products' prices. This will help mop additional resources for financing a significantly higher tempo of exploration activity both on-shore and off-shore. For the step up of crude oil exploration and production programmes, the government had also sought huge financial assistance from the World Bank. Moreover, the ONGC had borrowed money from the international market.

The government has already decided to step up production of indigenous oil because of the mounting burden of oil and petroleum products imports. In the plan document, crude oil production from the offshore areas of Bombay High is

estimated at 51.3 million tonnes during the sixth plan period. The revised estimates of production subsequently compiled by the petroleum ministry have placed the total oil output at 60 million tonnes--nine million tonnes of additional oil resulting in a colossal saving of foreign exchange.

Oil exploration and production programme has assumed added significance in view of huge trade deficit. Higher domestic production of oil can provide some relief to the adverse balance of payment position.

As a result of the various measures already taken by the petroleum ministry to raise domestic production of oil, it would be possible to curtail the import bill for crude and petroleum products next year by about Rs.1,000 crores, cutting the imports from 16 million tonnes of oil and 6.5 million tonnes of products this year to 14 million tonnes of oil and about three million tonnes of products next year.

CSO: 4220/7273

INCREASE IN PETROLEUM, TRANSPORT PRICES ANNOUNCED

Calcutta THE STATESMAN in English 11 Jul 81 p 1

[Text] New Delhi, July 10.--All petroleum products will cost more from tomorrow (July 11). Besides an increase in the price of petrol, kerosene, diesel and domestic gas, this will mean an increase in the costs of road and air transport. The Government announced late tonight an increase of 53 paise a litre in the price of petrol, 32 paise a litre for high speed diesel and 15 paise for kerosene.

The maximum increase of about Rs 5 is in the case of domestic gas. A 15-kg cylinder in New Delhi will cost Rs 50.55, against Rs 45.54 at present.

Similarly, subject to variations on account of local taxes, petrol in the Capital should cost Rs. 6.07 a litre from tomorrow, against Rs 5.50. Kerosene has gone up from Rs 1.64 a litre to Rs. 1.77 a litre, and diesel Rs 2.67 to Rs 3.02 a litre.

The price of furnace oil has been raised from Rs 2,502.55 a kilolitre to Rs 2,737.55 a kilolitre.

The price of other petroleum products, which have also consequently gone up are being notified separately. The actual price increase will vary from place to place, depending on sales tax, freight charges, etc.

The State Governments and Union Territories have been advised to revise the fare structure of taxis and auto-rickshaws.

The prices of petroleum products were last increased on January 12, when kerosene was made dearer by 11 paise, a gas cylinder cost Rs 5.25 more and petrol, high speed diesel and light diesel 37 paise more per litre.

It is too early to calculate what the latest price hike will fetch the Government, but the last rise yielded the Government about Rs 1,200 crores.

A Government Press Note said that the latest price revision was due to "the steeply rising costs of the greatly expanded oil exploration and development programme, the continuing strain on balance of payments and the need to moderate the growth of demand for petroleum products and to promote their economic and efficient use".

PTI adds: India plans to boost its indigenous production to meet the growing demand and cut down progressively the import of crude oil and petroleum products.

The total imports this year are 15 million tons of crude oil and 6.5 million tons of petroleum products. As the Finance Minister, Mr R. Venkataraman, said recently oil imports alone account for 72% of the total export earnings.

/The price of urea has been increased by Rs 3,50 a ton, with immediate effect./ [in boldface]

A Staff Reporter adds: Describing the increase in the prices of petrol and high speed diesel as a "heavy blow" to transport operators, Mr Kalyan Bhadra, secretary of the Joint Action Committee of the Taxi Operators and president of the Bengal Bus Syndicate, said that a further revision in the fares of both taxis and buses would be unavoidable. Without a revision, it would be impossible to ply taxis and buses in Calcutta and other parts of the State.

Mr Bhadra, who is also the president of the West Bengal Petroleum Dealers Association, felt that the increase was, "without justification", as the tax on petrol in the country was already the highest in the world. He said that he would consult the respective associations of transport operators, before approaching the Government regarding a further increase in the fare structure.

CSO: 4220/7269

SIXTH PLAN EARMARKS FUNDS FOR FAMILY BIOGAS PLANTS

Bombay THE TIMES OF INDIA in English 11 Jul 81 p 7

[Text] New Delhi, July 10 (PTI).

A sum of Rs. 500 million has been earmarked during the sixth five-year plan for setting up one million family-size biogas plants.

About 75,000 biogas plants are at the moment operating in the country. The government is also planning to set up 100 community-size biogas plants as demonstration units.

Amongst the major sources of alternative energy, biogas is seen by India's energy planners as the most promising at the current level of technological development.

The aim is to help villages become self-reliant in their fuel needs. By reducing the demand for firewood, the biogas programme should also check deforestation and reduce the burning of cowdung.

Subsidy

Biogas is mainly used for cooking but it can also be used for lighting, running diesel engines for irrigation and for generation of electricity. The use of biogas plants in villages, when linked to toilets, can also help in improving sanitary conditions.

Most of the funds allocated by the government will be spent on providing subsidies for the erection of family-size plants and for training people to construct them. Anyone setting up a family-size plant gets a 25 to 50 per cent government subsidy.

Community-size plants will probably be totally subsidised by the government. But even this major programme will tap only a fraction of the country's total biogas potential.

According to the former secretary of the planning commission's working group on energy policy, in India cowdung alone has a potential of 18.75 million family-size biogas plants and 5,60,000 community biogas plants, with a daily capacity of 1.7 and 142 cubic metres of gas respectively.

The one-million target of family-size biogas plants under the sixth five-year plan will, therefore, cover just five per cent of the potential capacity.

There are three major thrusts of biogas research in the country. The first is to design and construct cheaper biogas plants, using local skills and materials. The second is to find new feeds for biogas plants to supplement cowdung. The third is to design and construct community biogas plants to suit even those who do not have cattle.

The most common design in India is the one developed by the Khadi and Village Industries Commission (KVIC). It consists of an underground cement pit covered by a metal gas-holder which floats over the gas produced in the cement pit by the fermentation of the cowdung. The metal drum in the kvic design generally comes from an urban workshop.

The drumless design, known as the Janata model, has been developed by the gobar gas research centre of the Planning Research and Action Division (PRAD) of the government of Uttar Pradesh at Ajitmal. The design is similar to the Chinese biogas plants. In this, the gas holder and the fermentation pit are combined into one brick and cement structure. The advantages of this design are that it is as much as 50 per cent cheaper and it is possible for a trained villager to build the entire plant himself.

But it is not possible to build community-size Janata plants. There are about 72,000 KVIC plants and about 2,500 Janata plants in the country. Technically, the main problem with the KVIC model is the corrosion of the metal drum. In the Janata model, leakage can occur if it is not constructed properly.

The application of science and technology to rural areas body of the Indian Institute of Technology, Bangalore, has modified the KVIC design so that it is possible to get gas within only 35 days of feeding the plant. The KVIC usually takes 55 days. The ITI body has set up two plants on an experimental basis and claims that they are 40 per cent cheaper than the KVIC plant.

The A. M. M. Murugappa Chettiar research centre in Madras is designing a biogas plant in which the gasholder is made of PVC plastic.

The Structural Engineering Research Centre (SERC), Roorkee in Uttar Pradesh, has developed ferro-cement gas-holders made of wire gauze coated with cement.

CSO: 4220/7267

GUJARAT HARVEST PROSPECTS BRIGHT DESPITE WEATHER

Bombay THE TIMES OF INDIA in English 11 Jul 81 p 6

[Article by T. E. R. Simhan]

[Text] Ahmedabad.

The prospects of a rich kharif crop this year are bright in Gujarat despite a slight delay in the onset of the monsoon.

Rains have been fairly satisfactory and generally widespread all over the state excepting in a few pockets.

Sowing operations have been virtually completed in all the areas receiving good rains, according to Mr. S. N. Joshi, additional director of the state agricultural directorate.

Reports reaching here speak of pre-monsoon sowing of roundnut over 80,000 hectares in Rajkot and Baroda where irrigational facility is available.

The flowering stage has also reached in some areas. In a few pockets of Kutch like Bachau and Lakhpat, however, rains have not been so widespread as to induce farmers to commence sowing in the first round of rain. Meanwhile, according to the latest reports, the second wet spell is on, bringing fresh hopes to the farmer.

Official statistics indicate that gradually both the total cropped area and kharif crop production are on the increase since 1979-80. For instance the total area cropped for kharif foodgrains in 1979-80 was 32.94 lakh hectares which yielded 23.07 lakh tonnes. This rose to 33.95 lakh hectares in 1980-81 with an output of 26.28 lakh tonnes of foodgrains.

The forecast for 1981-82 is 27.20 lakh tonnes of foodgrains over the same acreage as in 1980-81.

The state hopes to reap a bumper groundnut crop in 1981-82 to the tune of 23.00 lakh tonnes, against 16.31 lakh tonnes in 1980-81. This optimism stems from the fact that sanction has been received from the Centre for the Rs. 35-crore project for improving cash crop production over a period of three and a half years in the state.

Gujarat's total agricultural income, from both rabi & kharif, is estimated around Rs. 1,700 crores, the latter contributing nearly two thirds. Kharif crops include, besides the major ones, cotton and groundnut, rice, jowar, bajra, maize, ragi, kodra, small millets and pulses like tur.

Green Picture

Farmers in Baroda, Broach and Kheda have done drilled paddy operation, i.e., paddy not needing transplantation.

On the whole the picture painted by the officials is green with granaries overflowing.

Interestingly, however, despite increased foodgrains output, the state's overall position is one of deficit. Gujarat will still have to depend upon other states for many of its food needs, particularly pulses and wheat.

CSO: 4220/7267

BIHAR AUTUMN HARVEST MAY EXCEED LAST YEAR'S

Bombay THE TIMES OF INDIA in English 12 Jul 81 p 6

[Article by Janak Singh]

[Text] PATNA.

THANKS to widespread rains especially in areas under paddy and several new incentives given to farmers for using seed and fertilisers, the kharif crop in Bihar is expected to be better than last year.

With the monsoon continuing to be active, the yields of some crops like pulses may even surpass the targets. According to agricultural experts of the state government, rice production may increase from 5,600,000 tonnes last year to 6,140,000 tonnes, pulses from 150,000 tonnes to 200,000 tonnes and of jute from 1,900,000 bales to 10,250,000 bales.

But these bright prospects can be upset by floods if they are of greater intensity than is the case in a normal year.

Due to plentiful rains, paddy transplantation could be started much earlier in some areas. According to reports reaching the state capital, 30 to 35 per cent of paddy transplantation had been completed in the Kosi and Gandak command areas by the end of June.

Besides nature's bounty, additional inputs like distribution of 58,000 quintals of paddy seed against 46,000 quintals last year and 92,000 tonnes of fertilisers against 72,000 tonnes previously are likely to ensure that the size of paddy and other kharif crops this year would be bigger than ever before.

According to a new scheme of incentives launched by the state government last year, farmers are entitled to a subsidy of Rs. 30 per quintal on certified seeds and Rs. 20 per quintal on "truthfully levelled" seed. Power concessions offered to farmers in areas dependent on tubewell irrigation are also likely to improve the size of the crop.

In Bihar, out of net 8,400,000 hectares where rabi and kharif crops are raised, 5,500,000 hectares are under paddy, 850,000 hectares under maize, 300,000 hectares under pulses, 200,000 hectares under oilseeds, 187,00 hectares under jute and mesta, and 140,000 hectares under sugarcane.

While the onset of monsoon rains earlier than usual has benefited most kharif crops, it has had an adverse effect on maize. Due to continuous rain, the maize crop has not been able to grow well.

In certain areas, maize sowing has been delayed by rains. Some experts fear that the maize crop loss may be 15 per cent or more. As such, maize yields may fall below the target of 1,025,000 tonnes for this crop.

FLOOD THREAT

Since maize is both a kharif and a rabi crop in Bihar, better rabi yields, if possible, could make good the poor kharif yields.

According to a crop expert of the agriculture department, the state continued to remain dependent on rain. Of the total area under kharif operations, only 18 per cent has assured irrigation. The rest depends on rain.

The swollen rivers of north Bihar may submerge 800,000 to 900,000 hectares. At least 200,000 hectares where kharif crops are sown remain under water up to September.

Every year, agricultural planners make ambitious proposals to achieve higher targets. Usually, the schemes are considered and approved by the state cabinet. Huge allocations are made for their implementation. The process is repeated year after year.

FOOD DEFICIT

While there has been some improvement, it is not of the scale and order required to make Bihar self-sufficient in foodgrains. Last year, both kharif and rabi crops accounted for 10,600,000 tonnes. This was the highest yield ever attained in the state. Even this was about 2,000,000 tonnes short of the total annual demand of the state.

While there can be many reasons for this, inquiries reveal that an important factor militating against better agricultural growth is the slow pace of agricultural extension operations in the rural areas. A very large number of posts both at junior and senior level remain unfilled.

FARMING NEGLECTED

For the past two years, Bihar has been without a director of agriculture. Sometime ago, due to caste politics, an attempt was made to appoint an agricultural engineer as director of agriculture.

Luckily, the move was given up. Bihar is predominantly an agricultural state. Yet problems of farm and crop husbandry do not receive the attention they deserve.

Bihar is one of the important centres for the production of chemical fertilisers in the country. Yet, the allocation of chemical fertilisers to the state is always short of the demand.

While the bulk of poor farmers with small holdings cannot afford fertilisers to raise production, those who can go in for such inputs are often denied their supply.

CSO: 4220/7273

KERALA URGES DELHI TO KEEP RICE COMMITMENTS

New Delhi PATRIOT in English 11 Jul 81 p 3

[Text] Trivandrum, July 10

The Kerala Assembly has urged of the Centre to keep its rice supply commitments to the State in order to meet in full the statutory rationing obligation made imperative by the exigencies of price rise and shortage felt during the months.

A non-official resolution that was carried without division today estimated the monthly requirement of rice at 1.94 lakh tonnes on the basis of 12 of ration per head per day as the minimum quantum statutorily accepted against this physical target actually needed the Centre slashed its commitment to 1.35 lakh tonnes but the actual availability from the Food Corporation of India had been much less--65,000 tonnes in May and 84,000 tonnes in June, Minister for Food and Civil Supplies S E Chandrasekharan Nair disclosed while summing up the debate on the resolution.

Opposition benches, particularly Cong-I members, sought to lay the blame on the State Government for the difficultues experienced in ration distribution in many parts of the State and the price spurt for rice in the open market becuase, they argued the public distribution system failed to take advance measures to cope with the situation. Minister Chandrasekharan Nair conceded that the FCI had its own problems in overcoming the frequent bottlenecks in keeping the railway wagons moving.

However, attempt to absolve the Centre of its food supply commitments to Kerala and blame the State for the disruption in ration will only help aggravate the situation, not absolving it, the Minister said.

Mr Nair reminded the Opposition that the State Government had not remained indifferent to the price rise trend in the open market as has been alleged.

The State Civil Supplies Corporation continued to act in vigorous way to effectively counter the price rise not only in rice but in most other essential articles and sell at controlled rates.

CSO: 4220/7271

SUGAR PRODUCTION THROUGH 15 JUN HIGHER THAN LAST YEAR

Bombay THE TIMES OF INDIA in English 12 Jul 81 p 6

[Text] New Delhi, July 11 (UNI): Sugar production during the first fortnight of June, 1981 was about 4,000 tonnes as against 3,000 tonnes during the corresponding period last year, according to the Indian Sugar Mills' Association.

This brings the total production till June 15 for the season 1980-81 to 50.45 lakh tonnes against 38 lakh tonnes during the corresponding period last season.

The off-take of sugar from factories during the first fortnight of June 1981 was about 2.02 lakh tonnes for internal consumption and nil for export against 1.88 lakh tonnes for internal consumption and nil for export during the same fortnight last season.

The total off-take till June 15 was about 32.50 lakh tonnes for internal consumption and 60,000 tonnes for exports against 38.33 lakh tonnes for internal consumption and 2.3 lakh tonnes exports during the corresponding period last season.

The total closing stock of sugar with the factories as on June 15, 1981, was 22.20 lakh tonnes against 17.10 lakh tonnes on the same date last season.

CSO: 4220/7273

BRIEFS

ANDHRA PRADESH MINISTER'S DEATH--Hyderabad, July 11 (UNI): The Andhra Pradesh panchayati raj minister, Mr. P. Seshavatharam, died at the Gandhi Hospital here this afternoon. He was admitted to the hospital in a critical condition with abdominal bleeding this morning. Mr. Seshavatharam, 55, is survived by his wife, two sons and two daughters. He had come out of a cabinet meeting yesterday evening complaining of abdominal pain. Mr. Seshavatharam, who belongs to West Godavari district, had participated in the freedom struggle. He was elected to the assembly from Narsapur. He is the second Andhra Pradesh minister to die in office during the last two months, the other being Mr. G. Rajaram, finance minister, who was killed in an accident. [Text] [Bombay THE TIMES OF INDIA in English 12 Jul 81 p 7]

ANDHRA PRADESH MINISTERS RESIGN--Hyderabad, July 11 (UNI): Two Andhra Pradesh ministers, Mr. G. Sriramulu Naidu and Mr. K. E. Krishnamurthy, today resigned from the cabinet following their selection as Congress (I) candidates to contest the chairmanship of zilla parishads of Srikakulam and Kurnool districts. The governor has accepted their resignation. Mr. Sriramulu Naidu was the minister for medium irrigation, while Mr. Krishnamurthy was minister for small-scale industries. [Text] [Bombay THE TIMES OF INDIA in English 12 Jul 81 p 7]

WEST BENGAL FRONT--Lucknow, July 11 (UNI): The socialist leader, Mr. Raj Narain, said today his party would support the CPM-led government in West Bengal and try to foil all attempts of Congress(I) leaders to topple opposition governments in West Bengal and other states. Addressing the first state conference of the Uttar Pradesh Socialist Party, Mr. Raj Narain said he was definitely in favour of unity of the opposition parties on the basis of a common agreed programme. The unity of like-minded opposition parties was necessary for a strong opposition in the country, he added. The formation of a strong opposition party after merging various like-minded political parties to provide a viable national alternative to the Congress(I) would be the second step toward opposition unity, he said. [Text] [Bombay THE TIMES OF INDIA in English 12 Jul 81 p 7]

KHALISTAN CURRENCY--Amritsar, July 11 (UNI)--The National Council of Khalistan will issue Khalistan currency on 22 November, the birthday of Guru Nanak Dev. Council-Secretary-General Balbir Singh Sandhu told newsmen here today the council would also install "Radio Golden Temple" in the Temple premises here by that time. He claimed that despite oppression and repression by the Government, the Khalistan movement was gaining momentum. [Text] [New Delhi PATRIOT in English 12 Jul 81 p 5]

POLITICAL CONFRONTATION IN OCCUPIED KASHMIR--Sialkot, 3 July (NAWA-I-WAQT Correspondent) - In view of the confrontation that is shaping up between the ruling National Conference headed by Shaykh Abdullah, chief minister of Kashmir, and Congress-I, there are strong speculations that the political situation in the state will take a new turn. According to one source, Shaykh Abdullah has summoned his party's assembly members to Srinagar, the capital, for consultation. Reports say that the National Conference has sent clear signals to the opposition parties that it is not afraid of their challenge in the elections, that it has the power of the people's support, and that it is always ready to show its political muscle. According to reports, Congress-I is not popular among the people of occupied Kashmir and it merely wants to create problems for the Abdullah administration by starting some sort of movement against the ruling party. [Text] [Lahore NAWA-I-WAQT in Urdu 4 Jul 81 p 6] 9612

MARITIME AIR WING CHIEF--Bombay, July 10: Air Vice-Marshal Brij Lal Chadha took over command of Headquarters Maritime Air Operations from Group Captain H. S. Goraya, here today. Commissioned in June, 1951 in the flying (navigation) branch, he not only bagged the sword of honour but also the air works and ground subjects trophies. He has had a very distinguished career with varied experience in operations, administrative and training role. He also had a tenure in the UAR on instructional duties. Prior to his present appointment, Air Vice-Marshal Chadha was deputy director-general, National Cadet Corps, New Delhi. [Text] [Bombay THE TIMES OF INDIA in English 11 Jul 81 p 5]

SOLAR CELL MANUFACTURE--Bangalore, July 10. The control equipment division of the Bharat Heavy Electricals Limited (BHEL) will manufacture solar cells for the use of the Indian Space Research Organisation. An agreement to this effect was signed here on Thursday by Prof U. R. Rao, Director, ISRO Satellite Centre, Bangalore, on behalf of the Department of Space and Mr. K. R. Parameswar, Executive Director, BHEL, Bangalore. BHEL, under the agreement, will supply about one-lakh space-qualified solar cells to ISRO during the next five years. These cells will be assembled into panels by ISRO and used on space missions. The Bhabha Atomic Research Centre (BARC) has provided technical know-how to BHEL for the manufacture of solar cells. BARC developed cells were tested and qualified at the ISRO Satellite Centre, Bangalore, earlier and a few of them were successfully flown on Bhaskara and Rohini satellites. BHEL has plans to extend the technology to terrestrial applications, for which potential exists in the country. [Text] [Madras THE HINDU in English 11 Jul 81 p 9]

NAGALAND INSPECTOR GENERAL--Kohima, July 10 (UNI)--Mr V Tripathy, IPS, today took over as Inspector-General of Police, Nagaland. Prior to his appointment here, Mr Tripathy was additional IGP, Orissa. Outgoing I G Siva Swarup will take over his new assignment as Inspector-General of Border Security Force, Jammu and Kashmir. [Text] [New Delhi PATRIOT in English 11 Jul 81 p 3]

TEAM TO UGANDA--Delegation of the Association of Indian is to night Uganda at the invitation of that government Engineering Industry to assess the possibilities of bilateral trade, and investments in that country, according to an AIEI press release. The statement said that possible areas of cooperation could be in the establishment of new textile units, manufacturing and service centres for two-wheeler scooters, battery units, manufacturing and service centres for two-wheeler scooters, battery units, manufacture of steel and PVC pipes for water and sewage and bicycle assembly plants. [Text] [New Delhi PATRIOT in English 12 Jul 81 p 10]

CSO: 4220/7278

NATIONAL DEFENSE INSTITUTE HEAD FEELS WORLD WAR III UNLIKELY

Jakarta HARIAN UMUM AB in Indonesian 20 May 81 pp 1, 3

[Article: "Governor LEMHANNAS Sutopo Yuwono: There Will Be No World War III, Only Limited Wars"]

[Excerpts] Governor LEMHANNAS [National Defense Institute] Sutopo Yuwono feels that World War III so often prophesied in relation to the restless world situation recently won't take place. What will occur will be limited regional wars that are determined by and dontrolled by the giant powers. In addition, wars of subversion will continue as can be seen in several areas right now.

Suyono Yuwono said this in a press conference held in connection with the dwi windu [16th] anniversary celebrations of the higher institute of learning.

He said that there is no power in the world in its right mind that wants to see war between the two giant powers, which would mean involving the world in a great disastrous distruction. He feels the possibility of this is very slight.

Suyono Yuwono said that to safeguard the balance, each of the giant powers should see to it that one doesn't become superior to the other. Because if it happened that one were to become superior to the other this would motivate and tempt that one to launch an attack.

In relation to the Indian Ocean region where it appears an arms race is on and where there is the presence of the two giant powers, the ideal would be to create the Indian Ocean as a neutral and peaceful zone. However, if this isn't possible, then there must be a balance between the giant powers in the Indian Ocean.

Touching on Kampuchea, he said it is necessary to find a solution in a reasonably short time. He hopes all parties will be realistic. In the solution to the Kampuchean problem Indonesia can play an important role because of its good relations with Vietnam and also its strong position in ASEAN [Association of South East Asian Nations].

Suyono Yuwono added that an international conference on Kampuchea would not succeed if the USSR andVietnam don't take part.

On the other hand Vietnam and the USSR must also understand the situation realistically, that the Kampuchean problem can't be solved without the agreement of the neighboring ASEAN countries and other countries in the world.

To guard against the danger of the involvement of the two giant powers in ASEAN countries, it is proper for regional defense to be increased. The defense of each ASEAN country and the willingness among ASEAN countries to carry out cooperation would represent a regional defense which would become a shield capable of overcoming every kind of danger from without.

It would seem that threats in the form of open large-scale invasions won't take place. Still what clearly will continue as actual threats are infilfration and subversion which could come from every side. Subversion is not only political but can also be economic, cultural or even in defense and security.

During celebrations of LEMHANNAS's dwi windu anniversary the press asked what successes LEMHANNAS had achieved. In this relation Lt Gen Suyono Yuwono explained that much has been accomplished, including a large number of alumnae scattered all over who have been entrusted with leadership of important sectors. In the field ofconcepts, Suyono Yuwono mentioned the National Defense Doctrine and the archipelago concept which are contained in the GBHN [broad outline of state policy and direction] of 1973 and 1978.

Concerning future plans he said LEMHANNAS will continue to improve the concepts already formulated. It will also formulate concepts for national defense and make proposals as a contribution towards formulating future GBHNs. Other things just as important are national leadership and national management.

In finishing the press conference Lt Gen Suyono Yuwono also answered a question concerning restoration of Indonesian-PRC relations. He said that from a diplomatic standpoint, relations are essential with a country as large and important as PRC. But every country must consider its own national interests in restoring diplomatic relations. If the advantages of opening diplomatic relations with PRC are greater than the disadvantages, then we ought to normalize those relations.

7785
CSO: 4213/78

INCREASE IN ECONOMIC GROWTH RATE HELPS NATIONAL BUDGET

Jakarta HARIAN UMUM AB in Indonesian 16 May 81 pp 1, 9

[Article: "Minister of Finance To Plenary DPR: Indonesian Economic Growth Up Seven Percent"]

[Excerpt] The Indonesian economic growth rate for 1980 has reached 7 percent, a figure which exceeds the estimate for Repelita III [Third 5-year development program] which was 6.5 percent. This has produced a 10 percent increase in the APBN [national budget] from 10.556 trillion to 11.720 trillion rupiahs.

In this government announcement presented on 15 May by Minister of Finance Ali Wardhana to the DPR [Parliament] while announcing the changes in the APBN for fiscal 1981, he said this was possible as a result of increased activities in various sectors such as agriculture, industry, construction, trade, mining as well as increased income from exports.

He said that agricultural production of unhulled paddy had increased in 1980 to 20 million tons as compared to 18 million tons in 1979.

Other sectors such as construction, communications, transportation and trade also showed encouraging increases. Also it is estimated that actual income from exports for fiscal 1981 will increase by $22.7 billion, an increase of 27.6 percent over export income for the previous year.

In addition, the occurrence of a surplus in continuing transactions for fiscal 1981 has resulted in an increase in Indonesia's foreign exchange reserves.

At the same time inflation control efforts are being carried on in the country so that the rate in fiscal 1981 was held to 15.9 percent, a rate lower than the previous year. This has resulted in the development of fairly stabile prices for basic needs and export commodities.

With these increases and additions the government estimates that the APBN for fiscal 1981, which was originally estimated at a balanced 10.556 trillion rupiahs, will become 11.720 trillion rupiahs. However of this 11.720 trillion rupiahs, expenses will only total 11.716 trillion rupiahs. So at the end of the fiscal year there will be a surplus of 4.7 billion rupiahs.

On other main points the minister said it is estimated that actual domestic receipts will reach 10.227 trillion rupiahs, an increase of 1.117 trillion rupiahs over that ratified by the DPR.

Routine expenditures will be 5.8 billion rupiahs, an increase of 220.7 billion rupiahs, so government savings to implement development will be 4.427 trillion rupiahs, while the original estimate was only 3.526 trillion rupiahs.

At the same time, actual receipts of foreign aid income will reach 1.493 trillion rupiahs or 7.8 billion rupiahs lower than planned. So the actual development budget income will be 5.9 trillion rupiahs or 1 billion rupiahs more than the routine budget.

According to the government, there will be an increase in routine expenditures due to larger payments of interest and debt installments, increases in subsidies for food and petroleum raw materials and increased costs for the 1982 general election as compared with original estimates. But on the other hand the expenses for the purchase of commodities and employees salaries will actually decrease over what was estimated.

Actual employees expenses will be 2.02 trillion rupiahs or a "little lower than the original budget". This is partially due to thae fact that not all employee positions have been filled and in addition the salaries earmarked for village chiefs and officials who were scheduled to become government employees in fiscal 1981, will only be used in fiscal 1982.

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CSO: 4213/78

PELITA III TRANSMIGRATION GOAL OF 500,000 FAMILIES WILL BE MET

Jakarta HARIAN UMUM AB in Indonesian 22 May 81 pp 1, 7

[Article: "Department of Nakertrans Should Be More Considerate; Moving of 500,000 Family Units Can Be Reached By End of Pelita III"]

[Excerpt] Minister of Nakertrans [manpower and transmigration] Harun Zain is Optimistic that the moving of 500,000 transmigrant family units can be achieved by the end of Pelita III [third 5-year development plan]. Cooperation between departmental agencies in the Transmigration Implementation Coordination Board (Bakoptrans) is considered satisfactory and running smoothly.

In commenting on the results of the working session of the department of nakertrans held in Jakarta on 18-20 May Minister Harun Zain said that transmigration reporting can now be handled every day through continual monitoring.

"So, the actual movement of people in Aceh, for example, to Cot Girek in Irian Jaya and to other areas can be known quickly," he stressed.

He said his feeling of optimism is based on the carrying out of the movement of people in the past. If 500,000 family units is the figure for 5 years, then the number to be handled each year is 100,000 family units. This means 8,333 family units must be moved each month.

For the March April-May period, 8,500, 8,836 and 5,122 family units were moved. At present in the third year of Pelita III 50 percent of the work has been completed. The remainder will be finished in the 2 1/2 years remaining in Pelita III. Noting the facility he believes the target of 1/2 million family units can be completed within the allotted time.

Answering a reporter's question on the location changes for transmigration areas, he said there are 100 locations that must be moved from jungle areas to more permanent locations.

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CSO: 4213/78

SOME HASAN TIRO FOLLOWERS RELEASED

Jakarta HARIAN UMUM AB in Indonesian 23 May 81 pp 1, 9

[Article: "Thirty-Three GPLHT Detainees Released"]

[Excerpts] On 18 May the commander of Laksusda [special executive officer-regional level] Aceh Brig Gen R.A. Saleh freed 33 detainees of the Hasan Tiro Terrorist Group (GPLHT). The release of the 33 detainees was based on results of investigations of them during their detention of 2 years to 3 years 1 month.

Before being released they made declarations and oaths to be faithful and loyal to the Pancasila [ideological basis of the country] and the 1945 Indonesian constitution.

In responding to the release of the detainees, Laksusda Aceh said that their release in addition to being based on humanitarian reasons, had also been decided based on their attitudes while being held and investigated.

However, those who have continued to resist, and only a few of these remain, will be pursued and hunted down until they are found whether they are dead or alive.

Laksusda Aceh explained that there are still a number of GPLHT detainees who will be tried in court because their guilt as followers of the GPLHT is very great.

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CSO: 4213/78

AIRFIELD ON NATUNA ISLAND OFFICIALLY OPENED

Jakarta SINAR HARAPAN in Indonesian 18 May 81 p 12

[Article: "Ranai Airfield Officially Opened"]

[Text] On 16 May Minister of Defense and Security/ Commander of the Indonesian Armed Forces Indonesian Army General M. Jusuf officially opened the Ranai airfield on Natuna Island.

The airfield, which is one of the most northernly located airfields in Indonesia, is very strategic from every viewpoint, both for military needs as well as for the needs of Indonesia's economic development. In his speech Gen M. Jusuf said he considered the construction work on the airfield very difficult because most of the construction equipment and workforce was brought in from outside Natuna Island.

In the past the people of Natuna Island have been dependent on the coming of ships for transportation of the foodstuffs and other necessities needed.

Head of the Ranai airfield construction project Maj EngineerC. Muis explained that following its upgrading, the Ranai airfield has a landing strip 2,250 meters long and 43 meters wide. The 1980-1981 upgrading included completion of the runway, taxi way, apron drainage shelter, work shop and [installation] of visual equipment.

The airfield can be used by all kinds of airplanes owned by the Indonesian government, both civilian and military. Pertamina [National Oil and Natural Gas Co] also lands its regular airplanes at the Ranai airfield to service off-shore drilling programs being conducted by its contractors.

In support of the transmigration program, transport planes carrying transmigrants from their departure areas can land at the airfield. After the official opening Indonesian Airforce planes, OV-10s and A-4 Skyhawks which had taken off from airbases at Pontianak and Madiun landed. Construction of the airfield was planned in 1977 and implementation was speeded up during these last 3 years. Formerly the Ranai airfield was of grass and one third of the strip was covered with water at certain times so it was totally unusable.

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CSO: 4213/78

INDONESIA WINS TENDER FOR LARGE SAUDI ARABIAN PROJECT

Jakarta HARIAN UMUM AB in Indonesian 19 May 81 p 3

[Article: "Indonesia Wins Tender for Large Project in Saudi Arabia"]

[Excerpt] Indonesia has won the tender for construction of the Raja Azis Military Academy in Saudi Arabia, woth $205 million. Minister of PU [Public Works] Purnomosidi said this during installation ceremonies for commissioners for state owned companies in Jakarta on 18 May.

According to the minister, in addition to the military academy, there are other tenders for Saudi Arabian military projects that have been won, with contracts worth $77 million.

He said that Indonesia can be proud of its victories because in addition to the value of the contracts which are fairly large by present standards, it also means we are able to compete with international contractors.

According to the minister, the Raja Azis Military Academy project is located in the midst of projects by strong Asian contractors such as South Korea, Taiwan and Japan.

The Indonesian contractor that succeeded in getting the contract is the ICCI, a large Indonesian consortium which has 18 contractor members at present.

The ICCI was established some time ago on the initiative of Minister of PU Purnomosidi. At present most of the members of ICCI are state owned companies.

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CSO: 4213/78

INDONESIA TO PRODUCE CARGO TRANSPORTS, HYDROFOILS

Jakarta HARIAN UMUM AB in Indonesian 22 May 81 pp 1, 3

[Article: "Nurtanio-produced CN-235 Planes To Be Displayed in Paris"]

[Excerpts] Indonesia will introduce the Nurtanio-produced CN-235 airplane to the international world at the "aero salon le Bourger" in Paris in June. This information is from Dr Ing B.J. Habibie.

According to Habibie, Nurtanio is at present making the prototype of the CN-235. But at the same time Cassa of Spain is also making another prototype.

In introducing its prototype Indonesia will be represented by officials from the depearment of communications. Cassa will be represented by officials from there.

He said that to make a series of planes, there must be proper permits gotten beforehand.

According to Habibie, the CN-235 airplane has already been introduced to the international world through magazines.

But at the show it will be officially introduced. At that time we will be prepared to accept orders from all parties.

He told of the desire expressed by Federal Express to purchase CN-235 planes. They need them for cargo transports.

Minister Habibie also explained that in 1983 Indonesia will produce a passenger ship of the hydrofoil type.

This ship which will be similar to one produced by Boeing will be given the name Bima Samudera by the President, Habibie said.

According to plans, the Bima Samudera will carry 297 passengers. It will not use a propeller system but a jet system.

To evaluate the ship, Indonesia has ordered a hydrofoil from Boeing. It is expected the ship will arrive here next February, he added. The hydrofoil of the Boeing type will be produced at the Navy base in Surabaya. Its designed

speed is around 40-45 knots per hour.

Minister Habibie also said that the actual export of Indonesian helicopters to Iraq hasn't taken place.

"There are problems that must be solved and they are a country still at war," He said.

He added that there is no use in using a helicopter without guided missles.

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CSO: 4213/78

BRIEFS

AGRICULTURAL PLANNING COURSE--At 0900 on 11 August 1981, the second agricultural planning study course opened at the Chamka Dong Agricultural Institute. Present were Comrade Mat Ly, vice chairman of the National Assembly and vice minister of agriculture; Comrade Luong Kim Pao, the course supervisor; cadres and employees of various departments of the Ministry of Agriculture; as well as more than 100 trainees. After the flag ceremony and paying respect to the fallen, Comrade Luong Kim Pao addressed the audience on the importance of this agricultural planning study course. After that Comrade Mat Ly gave a speech in which he stressed and highly praised the agricultural planning study course which was very important in building the nation and in rehabilitating the national economy. In conclusion, he emphasized that our entire people, army and all strata of our state power have scored all their great successes by following scientific socialism and Marxism-Leninism. These results were obtained because of our people's understanding and the implementation of the guidelines of the KPRP and our Council of Ministers. At the same time, the firm support and assistance from all friendly socialist countries, especially from Vietnam, Laos and the Soviet Union, has contributed to these achievements. The ceremony successfully ended at 1000 in a sincere and revolutionary atmosphere. [Text] [BK140920 Phnom Penh Domestic Service in Cambodian 0400 GMT 12 Aug 81]

CSO: 4212/26

LEGALITY OF WAKHAN TRANSFER TO USSR QUESTIONED

Lahore THE PAKISTAN TIMES in English 30 Jul 81 p 4

[Editorial: "The 'Gift' of Wakhan"]

[Text] According to reports, Babrak Karmal, Kabul's puppet ruler, has handed over to Soviet leader Brezhnev a note formalising the cession of Afghan territory of Wakhan to the Soviet Union. Radio Kabul has been reported as lauding the 'exchange of documents' as the 'historic gift of Babrak Karmal,' an obedient communist, to 'the Soviet bulwark of world communism.' An international frontier, touching the territories of Afghanistan, China and Pakistan, has been modified under duress after a century of international custom. It appears that Babrak Karmal went through a farcical ceremony of a legal hand-over at Moscow's Lenin Museum which now houses a record of documents relating to what is purported to be a long negotiated territorial realignment. The record, needless to say, begins with the first Soviet-supported governments of Nur Mohammad Taraki and Hafizullah Amin, both of them assassinated, and culminates with Babrak Karmal.

What can be the international legal status of this cession of territory? Is the Karmal regime a legal regime? Does it even pretend to function with any semblance of national consensus? Since the arrival of 85,000 Soviet troops in Afghanistan, more than three million Afghans have fled their homes to seek shelter in Iran and Pakistan, upwards of half a million have been killed by the Soviet armies, and from among the remaining population most are engaged in guerilla warfare against the puppet regime in all parts of Afghanistan.

In view of these facts on the ground all international and regional forums, including the U.N. General Assembly and the Non-Aligned Movement, have called on the Soviet Union to withdraw its armies from Afghanistan in order that the Afghan people may choose a sovereign government and re-emerge as a free country in the comity of nations. The Soviet Union, practised in the various modes of annexation illustrated in Eastern Poland, Moldavia and other areas since the Second World War has, it appears, added another trophy to its array of terri-

torial gains. Already in April this year the district of Wakhan, a corridor 341 kilometres long and 40 kilometres wide separating Pakistan and China from the Soviet Union, had physically gone under Soviet administration. All the outlets had been sealed off, the local Afghan administrator driven out and the local population forced to migrate to Pakistan as refugees. This action was preceded by an intense propaganda campaign from Radio Moscow accusing China and Pakistan of operating arms supplies and guerilla bands through a piece of high-altitude territory known to history as the Roof of the World for its extremely difficult access. The net result of the Soviet occupation and administration of Wakhan is that the Soviet Union now abuts on Pakistan and the People's Republic of China. A protective buffer has in effect been eliminated. The present trend in international law goes against revisions of international frontiers under duress because such revisions threaten to expose most national boundaries to negotiation all over the world. Neither the Karmal regime, which takes orders from Soviet generals in Kabul, nor the Soviet Union, which has violated the sovereignty of Afghanistan, are qualified in the eyes of the international community to negotiate the 'gift' of Wakhan as a permanent arrangement.

CSO: 4220/276

RAJAI VICTORY HAILED AS TRIUMPH FOR ISLAM

Karachi MORNING NEWS in English 28 Jul 81 p 4

[Editorial: "Fundamentalists' Victory in Iran"]

[Text]

THE election of Prime Minister Mohammad Ali Rajai as the President of Iran is an event of great significance from the Islamic and the political points of view, not only for Iran but also for the Islamic countries and the world at large. Mr Rajai won with a thumping majority of 87 per cent votes cast as against the 75 per cent secured by Mr Banisadr in the first Presidential election in the country. In both the cases, about 14 million votes, out of the 22 million eligible, were cast. Mr Rajai's greater popularity is a good omen for the stability of the country and the future of the Islamic revolution brought about by the Muslims in Iran. It settles finally that fundamentalists drawing inspiration from Islam and the native soil will rule Iran. From now on the so-called modernists, liberals and leftists will have to fight a defensive and a losing battle. Mr Rajai's election as the President is reassertion of the faith of the Iranian Muslims in Ulema as rulers of the country and also a ratification of the policies being followed by them to consolidate the revolution.

The Islamic Revolution in Iran has reaffirmed the eternal truth that Islam is a dynamic and a progressive code of life which has the capacity to inspire even the most suppressed people on earth to topple the most ruthless monarchy of the age. Mr Rajai's victory ensures that none but the Ulema have the power and authority, and confidence of the people, to lead the country. In the last few months of the tenure of the deposed President, the fight between the fundamentalists, consisting of Ulema and their followers and the so-called modernists and liberals, as represented by Mr Banisadr, had come in the open. There were violent street fights in Tehran and

other cities between the supporters of Mr Banisadr and Ulema, in which many people lost their lives. That Mr Banisadr did not in fact belong to the group of the architects of the Islamic revolution, and was not serious about it either, is evident from the fact that after being disowned by Ayatollah Khomeini he was readily owned by the leftist Khalq-i-Mujahideen who saw a chance of distorting the course of the Islamic revolution in Iran under his cover. Ayatollah Khalkhali said in an interview, while passing through Karachi a few months back, that (President) Banisadr was not serious about the Islamic revolution.

In the context of the 73-year-old fight of the Ulema for the restoration of Islamic law in Iran, dating back to 1906, costing much in blood and tears, Mr Banisadr's bid to usurp the arbitership of the nation's destiny from the real architects of the revolution is quite untenable. His attempt to set up a parallel government, his call to boycott the present presidential election and his exhortations to stir up trouble, all point to the fact that he is totally out of tune with the mood of the country and has missed the message of the great revolution. It is surprising that the anti-revolutionary essence in the makeup of Mr Banisadr was totally missed earlier. Iran would have been spared much trouble if Ayatollah Khomeini and other Islamic leaders had thoroughly scrutinised Mr Banisadr's credentials for heading the Government at this crucial period in the history of Iran. And that makes it utmost necessary for them to be vigilant in future. The fight of Iran with the internal and external enemies of Islam has not yet ended and these elements have the whole wide world as their hinterland to draw upon for support and guidance. The Islamic revolution in Iran has yet to be consolidated on so firm a base as to make it safe against all attacks. As the new President of Iran, Mr Rajai will have to shoulder heavy responsibilities at the most critical period in the nation's history. We hope he will act with sagacity and prudence and will see Iran safely out of its present travails.

CSO: 4220/276

DISSENSION REPORTED IN AL-ZULFIQAR BASE

GF081205 Karachi DAWN in English 6 Aug 81 pp 1, 3

[Text] Peshwar, 5 Aug--More reports trickling from across the borders regarding incidence of violence at the "al-Zulfiqar" base in Kabul last week reveal intriguing details of internal strife and dissensions among members of the terrorist organization and involvement of Karmal regime.

Some foreigners reaching here from Kabul, quoting diplomatic sources said, the incident on 26 July reportedly resulted in 12 casualties, dead and wounded, as a result of exchange of fire inside the premises which Kabul authorities have provided to "al-Zulfiqar" for use as its base.

According to a police patrol party, a burst of fire was heard first from within the building on the morning of 26 July. It was followed by an exchange of fire which continued for about 15 minutes.

These reports said the Pakistan terrorists residing in the building seem to be divided into two groups, one led by hijackers of PIA Boeing and the other by agents provocateurs being trained by Kabul authorities for subversive activities in Pakistan.

The bone of contention between the two groups has been the distribution and control of funds provided by Kabul authorities and the tussle of control the terrorist organization.

It is believed in Kabul that as a result of an earlier scuffle the two groups again fell out on the day of incidence and resorted to sporadic firing at each other killing and seriously wounding 10.

The group opposing hijackers is reported to have been voicing protest at the discriminatory treatment meted out to them at the base. Several of them showed reluctance to accept orders to go to Pakistan on errands of sabotage and subversion. They have been publicly saying that they were not told at the time of coming to the base that they would be deployed to do this type of work.

Another report from Kabul said the three Afghan guards posed at the entrance of the al-Zulfiqar base were also killed during this firing incident.

On hearing gunfire a crows gathered outside the premises and the guards tried to disperse them. In the confusion which followed, the guards opened fire resulting in some casualties among the crowd. In retaliation shots were fired from among the crowd killing all the three guards, the reports said.

Reports circulating in Kabul further indicate that Kabul authorities have felt pretty embarrassed over growing world revulsion to its act of protection of hijackers. The recent resolution at the Ottawa summit asking Kabul to return hijackers to Pakistan and threatening international action in case of its failure, certainly had its impact on Kabul authorities.

In the recent past Soviet bosses in Kabul have also been showing their growing dissatisfaction over poor performance of the hired Pakistanis and the hijackers. Doubts were also expressed about credentials of a number of these hirelings, and a general feeling was that steps would be taken by Kabul on the instance of Russians to get rid of some of them.

So far the Kabul authorities have remained silent on the incident and tried to hush it up. There has been no Kabul version which strengthens the belief that the Karmal government might have something to do with this incident.--APP.

CSO: 4220/371

SAUDI PEACE PLAN EXAMINED

Karachi DAWN in English 10 Aug 81 p 9

[Editorial: "Fahd's Plan"]

[Text]

CROWN Prince Fahd's seven-point plan for a Middle East peace settlement and its categorical rejection by Israel serve to illustrate the moderation and pragmatism of the Arabs on the one hand and the growing intransigence of the Israelis on the other. The plan put forward by the Saudi Arabian leader comes as a major development in the international quest for peace in the Middle East. Until now proposals of this nature have been sponsored by outside Powers and, with the exception of Egypt, no other Arab State has so far shed its ambiguous posture towards the question of Israel's recognition. The Saudi Arabian plan speaks of the recognition of the right of all States in the region to live in peace, which amounts to a conditional de facto recognition of Israel. This could prove to be a major breakthrough in the Middle East stalemate only if Israel were willing to meet the Arabs half way. The plan put forward by Prince Fahd is most realistic and balanced in all respects. Based on various UN resolutions, it is pragmatic in that it does not make excessive demands on any party but is also juristically valid since it conforms to the precepts of international law. Thus, it calls for the Israeli withdrawal from occupied territory and yet guarantees the freedom of worship for all religions in the holy land. It calls for the removal of Jewish settlements from the West Bank, Gaza and the Golan Heights and the establishment of a Palestinian State with the Arab sector of Jerusalem as its capital. But as a transitional measure the plan envisages a UN trusteeship over the West Bank.

The success of Prince Fahd's plan now depends on the response it receives from the other States. The Israeli Government's prompt rejection is not really surprising. Its stand on Jerusalem and the Jewish settlements has been in blatant violation of basic human rights and all norms of international law.

Moreover, given the stepped-up belligerence Israel has of late been displaying, the attack on Iraq's nuclear reactor and the air raids on Beirut being the latest demonstration of Mr Begin's brand of state terrorism, Tel Aviv could have hardly been expected to respond more positively to Prince Fahd's offer. But it is more important that the American Government should grasp the full implications of the Saudi Arabian plan and the potential it holds for bringing peace to the Middle East. Although the Reagan Administration has refused to change its policy vis-a-vis the PLO, it seems to be inclined to show an understanding of the fundamental importance of resolving the Arab-Israeli dispute. But the Camp David process to which the American Government has reverted holds no promise for a permanent settlement in this crisis-ridden region.

The urgent need for a new approach can hardly be overemphasised, and the Saudi plan offers just the opening that can initiate progress towards peace. Mr Philip Habib's success in arranging a cease-fire between the PLO and Israel, however tenuous it might be, speaks of the leverage Washington has with Tel Aviv. It should not be impossible for the US to prevail over its protege to open negotiations on the basis of the Fahd plan, rather than try to resuscitate the Camp David process which can never lead to a settlement of the Palestinian issue.

CSO: 4220/276

ITALIAN FIRM OFFERS TECHNOLOGY ON WOOD DEBARKING MACHINERY

Karachi MORNING NEWS in English 6 Aug 81 p 8

[Text] An Italian firm has expressed keen interest in the transfer of know-how for partial total production in Pakistan of their debarking machines, according to the Italian Embassy in Pakistan.

Potential machinery manufacturers in Pakistan have been advised to contact the Italian firm (Mundus-Officina Mecchanica Galliatese Galliate Italy) directly.

The firm has been manufacturing a full range of debarking machines. These machines can debark every type of wood and in different conditions.

During the first five-year cooperation, the sale of the debarkers manufactured in Pakistan will be effected in Pakistan only. After five years, the Pakistani partner can manufacture the whole machine in his country without payment of any royalty.--APP

CSO: 4220/276

DEVELOPING COAL PROCESSING INDUSTRY URGED

Karachi DAWN in English 9 Aug 81 p 5

[Article by Mohammad Nasir Khan]

[Text]

COAL is now considered as the main future source of energy supply in Pakistan. At the moment the largest share in the supply of energy is that of oil, the import of which is a very big drain on the country's meagre foreign exchange sources and amounts to over $1.5 billion a year.

Moreover, the oil prices have risen 5 to 6 times since 1973. The reserves of gas, which forms about 42 of the total energy supply, are rapidly depleting. Nuclear power supply is uncertain. Renewable energy sources such as solar, wind, tide and thermal are incapable of meeting more than a small proportion of energy needs and are not yet fully commercially exploited. Only coal is left and it holds the prospect of bearing the main source of energy supply.

Fruitful technology

Coal composed of carbon, hydrogen and oxygen is used for generation of electricity, steam power, for transportation and industrial uses, comfort heating, metallurgical processes, the firing of ceramic products, etc. It is carbonised to become coke, ammonia, coal tar, coal gases and benzol from which a big number of chemicals are derived. Fuel gases are produced by complete gasification of coal.

Carbon products are made by heat treatment. Relatively small amounts of coal are used direct for miscellaneous purposes such as fillers, pigments, foundry facings, and for water filteration. Almost any organic chemical can be produced from the products of coal carbonisation.

Coal produced in Pakistan is lignite to sub-bituminous, showing non-coking or weakly coking properties. These have low content of fixed carbon, high sulphur and ash and low to moderate calorific values.

Major coal fields are located at Pir Ismail Ziarat, Sore Raseg Deghari, Mach, Harvai, Sharigh, Khost and Duki in Baluchistan, Dandot, Ara, Kattia, Chamlol, Pir Jabanian, Makerwal in Punjab, and Metting, Jhimpir and Larkana in Sind. Recoverable reserves are estimated at 430 million tons.

A large quantity of coal reserves has been recently found near Thatta. The work is continuing to determine the size and quantity of this reserve. The present production of coal in Pakistan is estimated at 1.5 million tons a year. The following has been the production of coal during the last six years.

Year	Production
1974-75	1,295,000
1975-76	1,055,000
1976-77	1,400,000
1977-78	1,231,000
1978-79	1,387,000
1979-80	1,569,000

SOURCE: Statistics Division

A small quantity of coal was also imported. However, the import has jumped from 16,000 tons in 1977-78 to 600,000 tons in 1979-80. The import figures are given below:

IMPORTS

	(Tons)
1974-75	17,000
1975-76	13,000
1976-77	23,000
1977-78	16,000
1978-79	—
1979-80	600,000

SOURCE: Statistics Division

The sudden increase in the import may be on account of the Steel Mills.

The major consumption of local coal is in brick kilns. The use of coal for power generation, domestic and other purposes forms only 3 per cent of the total consumption.

According to knowledgeable persons the consumption of coal in Pakistan is higher than the above estimates at about 1.8 million tons in 1979-80. However, the growth rate of about 5 per cent during the last six years is almost negligible as compared to that of other sources of energy in the country. In fact the use of coal as a source of energy has dropped from 5.3 per cent in 1958 to 3.5 per cent in 1979-80 as a result of increased use of oil and gas. It is the third lowest after LPG (0.3 per cent) and nuclear energy (0.2 per cent).

Uses

Although the per capita consumption increased from 0.130 T.O.E. in 1975-76 to 0.157 T.O.E. in 1980-81 or at the rate of 5.5 per cent per annum, it is one of the lowest in the world. The world average is 1.000 T.O.E. To catch up with even some developing countries, we need a tremendous increase in the supply of our energy sources.

The reserves of coal far exceed the known resources of all other mineral fuels. It has again become the cheapest source of heat and power. April from conversion of coal to a clean and economical energy source, improvement in the coal technology has made it possible to make the best use of coal reserves which will now last very much longer due to the use of new coal technology.

The quality of coal has also improved through different processes. There have been some very impressive advances in boiler technology, combustion as well as method of coal and ash handling. It is now possible to operate in excess of 80% thermal efficiency and this makes coal firing both very economical and competitive.

Before use, coal is now graded, cut to different sizes, cleaned, washed and dried. The process of gasification and liquification have also made the use of coal more economical and convenient.

In Pakistan, there was no coal processing industry. A coal briquetting plant was first set up at Quetta to make use of waste or dust coal. Its average annual output is etimated at 10,000 tons a year. Last year a coal washing plant with a capacity of 75,000 tons/year was set up at Sharigh. It will meet a small part of Karachi Steel Mills requirement for coal.

Gasification

Sharigh is the only coal field in Pakistan where medium cooking coal is found. This coal is high in ash and sulphur contents, which make it unsuitable as raw feed in coke making. Therefore mechanical washing is needed before its use in the manufacture of coke. Karachi Steel Mills will blend the local coal with high grade imported coking coal. In this way about Rs. 52.00 million a year in foreign exchange are likely to be saved.

According to coal experts, the future demand for coal on the basis of conventional uses is estimated to increase at 8.15 per cent per annum from 1981 to 1990. This is quite significant when compared to the growth rate of 1.4 per cent during 1971-72 to 1978-79. But the coal must be increasingly used for power generation and processed into synthetic fuels i.e. gas fuels, liquid fuels and feedstock for chemicals and fertilizers.

The commercial production of fuels by gasification of coal is already being done in South Africa and Federal Republic of Germany. It can be started in Pakistan also, particularly underground gasification, by which large coal resources in steeply dipping seams, which are not economically recoverable by conventinal mining, can be used.

Similarly by the direct liquification method, coal can be used as fuel for tomorrow's car and firing boilers.

CSO: 4220/276

BRIEFS

FRG DEBT RELIEF--The Federal Republic of Germany is to provide Pakistan with a debt relief equivalent to $58.4 million under an agreement signed in Islamabad this morning. The debt relief related to a period of 18 months from the 15th of January this year to the 14th of July next year. The rescheduled debt will be paid in 20 years including a grace period of 10 years with an interest rate of 2.5 percent per annum. The debt relief has been extended in pursuance of the memorandum of understanding concluded with the aid to Pakistan consortium in Paris on the 14th of January this year. [Text] [BK241419 Karachi Domestic Service in English 1700 GMT 22 Jul 81 BK]

ENVOY TO KENYA--Islamabad, 7 Aug--The Government of Pakistan has announced the appointment of Mr N. A. Ashraf as ambassador of Pakistan to Kenya, says a press note issued by the Ministry of Foreign Affairs here today.--PPI[Text] [GF110543 Karachi DAWN in English 8 Aug 81 p 6 GF]

RELATIONS WITH INDIA--Islamabad, 10 Aug (APP)--The defense minister, Mir Ali Ahmed Talput, said here today that Pakistan was keen to build up its defense capability, but at the same time it wanted to have friendly relations with the neighboring states. Presiding over a special function on "Indian Military Buildup and Pakistan-U.S. Agreement," held at the Pakistan National Center this evening, he maintained it would be a wrong assessment that Pakistan had any aggressive designs in the context of obtaining arms and improving its military capability. He said this was also a fact that Pakistan was not unaware of the regional developments and could not ignore the current state of affairs in the region. The minister said that Pakistan had always made efforts to establish good neighborly relations with India. The minister said the largest steel mill in the country was installed with Soviet help. He maintained that another socialist country, China, had always excellent relations with Pakistan and had been helping this country in the time of need. He said that in the agreement reached with the U.S., there were no preconditions and the sovereignty of Pakistan had been kept in view at every step. [Excerpts] [GF131632 Karachi DAWN in English 11 Aug 81 pp 1, 10]

ILLICIT ARMS HAUL--A big illicit arms haul was made by the Mahmoodabad Police from a two-story house in Manzoor colony, informed sources said last night. According to details available, the illicit arms including Stenguns, revolvers, pistols and cartridges were found concealed in eight boxes. These sources stated that one Nisar Khan and two others have been detained in this connection, adding that the arms were "smuggled" on camel backs from Afghanistan and later shifted to Karachi for disposal. [GF131715 Karachi DAWN in English 10 Aug 81 p 1 GF]

PAKISTANI VISAS--Pakistan has liberalized visa facilities to Indian citizens and according to latest official information available in Islamabad, the Pakistan Embassy in New Delhi is currently issuing nearly 11,000 visas to Indians every month. Officials here said this was threefold increase in a span of about 3 years. Most of the visitors from India are muslims, they said. [Text] [Karachi DAWN in English 12 Aug 81 p 4 GF]

BALUCHISTAN HEALTH FACILITIES--Quetta, Aug 5--The Baluchistan Government is paying full attention to provide better health facilities in the rural areas of the province. For this purpose 32 basic health units and seven rural health centres have been completed during the last financial year at a cost of Rs 8.922 million. Moreover, adequate attention was being paid to the provision of medical facilities in the urban areas of the province. For this purpose more than 200 beds have been added to the different hospitals in the province. The work on the expansion of provincial Civil Hospital, Quetta, has been completed at a cost of about Rs four million. Various maternity and child health centres have been provided commodities worth Rs eight lakh under the World Food Programme in the province. Different hospitals and dispensaries in the province have also been supplied with supplemental equipment worth Rs. five lakh. In order to solve the residential accomodation problem of medical staff working in various parts of the province an amount of Rs 1.4 million has been spent on the construction of houses.--PPI [Text] [Karachi DAWN in English 6 Aug 81 p 6]

TRAFFIC TICKETS IN KARACHI--[Editorial] - Karachi traffic policemen have been given the authority to issue traffic tickets. Only the police sergeants have had this power until now. The situation has created new sources of income for the policemen. They don't bother buses, mini buses, taxis or motor scooters because most of those vehicles belong to members of the police force. To give them a ticket can mean trouble for the ticketing policemen. Instead, the newly-gained authority is being exercised entirely on the owners of private cars and motorcycles. They are threatened with a violation on the slightest excuse and made to pay money. According to reliable sources, the policemen were given ticket-issuing authority in order that they may be compensated for the loss of income on account of the removal of hawkers and vendors from the streets of Karachi. We want to draw the attention of the traffic authorities to this and demand that the situation be corrected. [Text] [Karachi JASARAT in Urdu 2 Jul 81 p 3] 9612

CSO: 4203/100 END

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No. 1042

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BRIEFS

BANGLADESH-PAKISTAN MILITARY TIES--Experts of Pakistan's army, navy and the armed forces have come to Bangladesh to train the Bangladesh armed forces. (The very same people used to be disguised as khan forces before and after the liberation war). After Zia's assassination, an agreement was reached between Bangladesh and Pakistan for providing training to the Bangladesh army in modern warfare, under which Pakistani military experts are to visit Bangladesh in phases. The Indian Government is concerned over Bangladesh's preparedness in connection with Purbasha. Calcutta's spokesmen, however, say that they are keeping watch over the situation. Purbasha and the so-called Farakka problem are being manipulated as an instrument for use in the electoral campaign. On the other hand, opposition parties in Bangladesh are condemning the presence of Pakistani troops in strong words. They say: Hundreds of thousands of people were killed by the Pakistani forces during the liberation war in 1971. The ruling party, by bringing them here again, is insulting the martyrs of the liberation war. Treat Pakistani missions abroad as during the Pakistan days--the Bangladesh Foreign Ministry has issued this directive to the Bangladesh diplomatic missions. Bangladesh Foreign Ministry Circular 34/58F of 10 July, signed by Bangladesh Foreign Secretary Matiur Rahman, says that Bangladesh diplomatic missions should keep in mind the relations which existed between east and west Pakistan during the Pakistan era until 1969 and treat the Pakistani missions accordingly. [Excerpts] [BK201405 Calcutta ANANDA BAZAR PATRIKA in Bengali 14 Aug 81 p 1]

CSO: 4201/5

ROLE OF TAMILS IN SRI LANKA

BK190943 Hong Kong AFP in English 0630 GMT 19 Aug 81

[Text] New Delhi, 19 Aug (AFP)--Prime Minister Indira Gandhi's party newspaper today said that the attacks on the Indian origin Tamil community in Sri Lanka was a backlash of what the more militant among the Tamils, the Liberation Tigers, had done to vitiate the atmosphere.

"However, it would be wrong to entirely blame the Tamil population for the latest spate of violence...the majority Sinhalese have been mounting pressure to weaken the hold of educated and well settled Tamils in government service, education and business," the NATIONAL HERALD said in an editorial.

In 1956, the Tamils constituted 30 percent of the elite Ceylon administration service, while they formed 50 percent of the clerical government staff...by 1970 their share had been reduced to only 5 percent, the paper said.

In the armed forces, their share declined from 40 percent to 1 percent.

"The present government is, however, trying to change the situation. It has recognised Tamil as a national language...The new constitution also showed a degree of accommodation of Tamil interest, but the strong anti-Tamil lobby headed by the Buddhist clergy has continued to hold sway," the paper said.

The pro-Moscow newspaper PATRIOT said that the victims of the present spate of violence, in almost all cases, were the Tamils.

The paper said in an editorial that "several thousands of Tamils have been smoked out of their houses and relieved of their possessions and have been forced to seek refuge in other places."

According to official statistics available here there are over 550,000 stateless Tamils in the island country.

Till July this year 271,000 Tamils have been repatriated to India and 155,000 granted Sri Lankan citizenship under an agreement signed between the two countries in 1964.

It was decided in the agreement that by [word indistinct] cases of all the Tamils will be reviewed and given citizenship or repatriation order as the case might be.

CSO: 4220/280

PRESS TREATS PROBLEMS OF HINDU-MUSLIM MARRIAGES

Karachi DAWN in English 15 Jul 81 p 8

[Text] New Delhi, July 14: One aspect of secularism visualised and advocated by a section of Indian society is the promotion of marriages between Hindus and Muslims, particularly between Muslim girls and Hindu boys.

An Urdu daily, Al-Jamiat in its editorial on "Hindu-Muslim Marriages" on July 2, deplored that certain people in India have made inter-religion marriages as a symbol of secularism.

The paper said another contemporary paper has taken to task the entire Muslim community in its editorial "Maltreatment of dead body", of film actress Nargis at the time of her burial. Nargis in her lifetime had married a Hindu.

According to Islam, marriage between a Muslim--whether male or female--with a non-Muslim is forbidden. Al-Jamiat said, adding that the paper taking exception to the so-called maltreatment of the dead body of Nargis had formented communal riots resulting in one death some time past in Delhi when a Muslim, Sikander Bakht, had married a Hindu lady Raj Sharma. At that time the Hindu Mashasabha and Arya Samaj had made miserable the life of Muslims.

The daily Pratap in its editorial "Maltreatment of dead body" had said the brothers of Nargis had become blind at their Islamic frenzy". Nargis had become Hindu and she should have been allowed to live and die and cremated like a Hindu. Brothers of Nagis Dutt were reported to have had removed her "bindi" before her burial, according to her own wish.

The Delhi University students awarded a "national integration trophy" to a Muslim girl who turned Hindu and married a Hindu against the wishes of her family in Delhi last winter.--APP.

CSO: 4220

FORMER AUSTRALIAN PRIME MINISTER SUPPORTS INDONESIA ON EAST TIMOR

Jakarta KOMPAS in Indonesian 26 May 81 pp 1, 9

[Article: "Former Prime Minister Gough Whitlam:East Timor Clearly Part of Indonesia; In 1983 He Hopes It Will Be Dropped From UN General Assembly Agenda"]

[Text] On 25 May former Australian prime minister Gough Whitlam visited President Suharto at Istana Merdeka and held discussions for around 1 hour. Whitlam, however, was unwilling to explain what he discussed with President Suharto.

Whitlam arrived in Jakarta on 25 May on his return trip to Australia after visiting Africa for several days. "I have just come from Africa where I was guest of the Algerian Institute on International Affairs," he said.

Answering a reporter's question, Whitlam said that there are still problems in Australia as a result of the East Timor issue. This particularly related to the unfortunate incident when five Australian reporters were killed in East Timor 6 years ago. "As a result, Australian reporters, newspapers, radio and television are always putting out information against the Indonesian government," he said.

He added that even though at the beginning this was very worrisome to the Australian government, still in the end it was realized that it would be best to forget the incident. Whitlam said that he hopes that all countries in the world can understand that East Timor has clearly become a part of Indonesia. He said this when asked how much the attitude of Australian reporters has influenced the Australian government policy on friendly relations with Indonesia.

In addition he dosen't see any possibility that the East Timor issue will be discussed at length by the UN General Assembly. He hopes that in a short time, before the 1983 general elections in Australia that the East Timor issue will be dropped from the UN General Assembly's agenda.

After studying the tapes on the vote in the UN General Assembly, in addition to the Kampuchean question, Whitlam said the East Timor issue always appears every year because 2/3 of the African countries oppose Indonesia. Exactly 33 of 50 OAU [Organization of African Unity] members oppose Indonesia, Whitlam said.

"Fretilin propaganda was very effective at that time and at present there are still several African countries that continue holding the same attitudes as before. I

hope that African nations will acknowledge the actual situation as it is now."

Gough Whitlam believes that the greatest factor influencing the attitudes of several African countries is the fact that Fretilin received support from the Frelimo movement in Mozambique before and has the present support of five former Portuguese colonies in Africa. They are in agreement on the matter and have influenced other African countries to oppose Indonesia, Whitlam said.

According to the former Australian prime minister from the Labor Party, African countries who hold such attitudes believe that the Fretilin, like the Frelimo is struggling against Portugal. "But that isn't true," Whitlam said

What is true is that the Fretilin have taken the slogans and cries of the Frelimo. The Frelimo has for years fought in a struggle to drive the Portuguese out of Mozambique. But the Fretilin has never opposed the Portuguese in East Timor, he added.

In the civil war in East Timor, the Fretilin got weapons and ammunition from the Portuguese troops that later supported the Fretilin movement. Later the other group in East Timor came to Indonesia and asked for help. The situation in East Timor hasn't been understood well in Africa as it hasn't been understood in several circles in Australia, Whitlam added.

In Southeast Asia the countries opposing Indonesia on the East Timor question are Vietnam, Laos and PRC. There are also several Caribbean countries [opposed] because of the influence of Cuba, he added.

According to Whitlam, what Indonesia can do about the attitude of several African countries is to initiate contact with Tanzania because President Julius Nyerere is older and senior to the leaders of other African countries. In addition, Madagascar, one of the French speaking countries of Africa, has good relations with Indonesia, Whitlam said.

7785
CSO: 4213/77

PROFESSOR HAMKA RESIGNS AS MUI GENERAL CHAIRMAN

Jakarta KOMPAS in Indonesian 23 May 81 pp 1, 12

[Article: "Professor Hamka Resigns As General Chairman of MUI"]

[Excerpts] On Tuesday 19 May 1981 Professor Dr Hamka (73 years old) resigned his position as general chairman of MUI (Indonesian Ulama [Moslem Scholars] Council). The announcement of the resignation was made by Professor Hamka at the daily meeting of the MUI at its new office at Istiqlal mosque in Jakarta on Tuesday 19 May. He sent a letter to Minister of Religion H. Alamsyah Ratuperwiranegara 2 days before this telling of his decision to resign.

Meeting with KOMPAS at his home on the morning of 22 May Hamka who is better known by his name Buya was unwilling to say much. But he did acknowledge that the decision to resign was related to the MUI fatwa [Moslem legal decision] concerning the participation of Moslems in Christmas celebrztions. "I am responsible for the circulation of that fatwa," he said.

On 7 March 1981 the MUI fatwa commission, one of seven commissions in the MUI, published its fatwa that prohibits Moslems from participating in Christmas celebrations. The fatwa was drawn up and decided on by the MUI fatwa commission together with religious experts from Moslem mass organizations and national Moslem institutions.

The fatwa however was only sent out in a limited fashion to ulama councils in the regions but wasn't distributed publically by the MUI. Apparently though it was published by one of the newspapers.

According to a KOMPAS source, the publication caused a reaction from the minister of religion. On 23 April there was a meeting between Minister of Religion H. Alamsyah Ratuperwiranegara and the MUI. At the meeting the minister of religion expressed his displeasure.

On 30 April a decision letter, No 139/1981 was issued by MUI revoking the circulation of the fatwa.

When Buya Hamka was asked about this on 22 May he said that what had been revoked by decision letter No 139/1981 was the circulation of the fatwa. "But the contents of the fatwa itself are still in effect. The legality of the fatwa contents is

totally unaffected by it," Hamka said.

He said that as general chairman of the MUI he had issued the revoking of the circulation of the fatwa. But as a Moslem and as a private citizen he has the right to speak out about the validity of the contents of the fatwa. He made this announcement in his own name and sent it out to various mass media. It was carried by a number of newspapers.

Concerning his resignation, Buya Hamka stressed he doesn't expect the MUI to stop. "There are those that say that the MUI can't go on without Hamka leading it. Don't say that. I don't want to be made into an individual cult. There are many who can replace me," said the famour ulama, literary figure and editor of the Moslem magazine PANJI MASYARAKAT.

"I am not confronting the government. I still support harmony between those having [different] religions, providing each safeguards its own religious tenets," he said.

On 21 May, 2 days after he indicated his resignation, MUI general chairman Hamka sent a letter to Minister of Religion H. Alamsyah Ratuperwiranegara.

The letter was very short, consisting of only three lines. According to a KOMPAS source Hamka restressed in the letter the attitude which he put forth in the meeting between the minister of religion and the MUI on 23 April. At the same time he also announced he had resigned as general chairman of the MUI. According to this source the 23 April meeting was "very heated".

Hamka (Haji Abdul Malik Karim Amrullah) was born in Sungai Batang, a beautiful village on the shore of Lake Maninjau in West Sumatra on 17 February 1908. His father Haji Rasul who was later better known as Dr Haji Abdulkarim Amrullah, was an important ulama in his day, the leader of the Sumatra Thawalib religious training center at Padangpanjang, West Sumatra.

Hamka himself became a Moslem preacher while young and went alone to fulfill his [religious] duty in making the pilgrimage to Mecca at the age of 19. He was introduced to the Moslem political movement by H.O.S.Cokroaminoto, R.M. Surjopranoto, Kibagus Hadikusumo and Haji Fakhruddin in Yogyakarta (1924) along with his brother-in-law Buya A.R. Sutan Mansjur at Pekalongan. When he was 20 (1928) he took part in Muhammadiyah [Moslem political party] congresses. At the same time his first composition, a novel called "Si Sabariah" was published for the first time as a book. At present he has written no less than 113 books.

When the MUI was formed in June 1975, Hamka was chosen as its first general chairman. In the MUI second national conference in Jakarta at the end of May 1980, he was reelected for the 1980-1985 period. By resigning now only 1 year of his second term has been served.

The MUI ruling board for 1980-1985 was led by a general chairman and seven chairmen. Those chairman are K.H.M. Syukri Ghozali, K.H. Hasan Basri, H.Sudirman, K.H.

E.Z. Muttaqien, K.H. Tarmudji, Drs H. Kafrawi MA andH.M. Sudjono. General secretary is H.A. Burhani Tjokrohandoko (director general of Moslem Bimas [section of the religious department handling Moslem affairs] and Haji arrangements. He is aided by three secretaries and three treasurers. There are also 36 members of the MUI ruling board.

In addition there is the advisory council headed by the Indonesian minister of religion and which has 23 members (including the minister of domestic affairs, the minister of education and culture and 21 ulama). MUI patrons are the President and the Vice President of Indonesia.

7785
CSO: 4213/77

INDONESIAN GOVERNMENT RECRUITS MILITARY PILOTS

Jakarta KOMPAS in Indonesian 21 May 81 p 12

[Article: "Department of Defense And Security Issues Call For Applicant Pilots, Men And Women"]

[Text] The department of defense and security is giving the opportunity to young men and women who are Indonesian citizens to volunteer to become pilot officers in the Indonesian army, navy, airforce and police with a tenure of 10 years.

To recruit young pilots who have integrity and skill, ABRI [Indonesian armed forces] is using two methods, through education at the Akabri [Indonesian armed forces academy] and through ABRI's pilot officer program on short-term tenure (IDP).

For IDP of 10 years, the Indonesian airforce is in charge of accepting applications during May-July 1981 and has issued a call for Indonesian citizens who are SMA [highschool level] graduates who have majored in natural science or STM [middle level techical school] graduates who majored in engines, electricity and flying, aged between 18-22 to become ABRI pilots.

This registration does not rule out ABRI non-commissioned officers and enlisted men who meet the age requirement of not being over 24 years old.

The acceptance of ABRI pilot officers on IDP is a program of the department of defense and security whose implementation has been turned over to the airforce.

Training will last for 18 months, divided into four stages: basic military training, primary flight training, basic flight training and advanced flight training. After completion of the 18 months, they will be appointed as ABRI pilot officers with the rank of candidate officer (Capa). This will be followed by dimentional training carried out at the educational institutes of the various armed forces or police.

Same As For Akabri

The process of promotion in rank for the ABRI IDP pilot officers later will be the same as for the promotion of other ABRI officers. The rank of Capa to be received after being commissioned will only be held for 2 years, after which they will be promoted to Second lieutenant. So 4 years after beginning training,

graduates of ABRI's IDP pilot officers program will have the same rank as graduates of Akabri who began their training at the same time.

Later when the ABRI IDP pilot officers have completed their IDP enlistment term, they can continue their profession as pilots outside of ABRI.

7785
CSO: 4213/77

INDONESIAN NAVAL SHIPYARD UNDERGOES UPGRADING

Jakarta KOMPAS in Indonesian 27 May 81 p 8

[Article: "PAL Upgrades Submarine Docks"]

[Excerpt] The largest government owned shipyard PAL (naval shipyard) Indonesia Ltd at Surabaya is now entering the stage of developing its work facilities to support ship maintenance. Work underway includes the upgrading of submarine docks along with the supply of electrical power, fresh and salt water for the new Indonesian navy submarine which will arrive in Surabaya shortly.

This report was given by PAL Indonesia Ltd's techinal staff officer Navy Lt Col (T) A.M. Sudaryadi to Minister of Research and Technology Professor Dr. B.J. Habibie.

Sudaryadi reported that the department of engines is carrying out upgrading of its engine testing workshop which is being readied to carry out tests on the engines of the new Indonesian navy MTU ships. Meanwhile the department of electronics is building a (new) electro-mechanical workshop, upgrading its sonar, radar workshop and its communication workshop to support maintenance of the principal new navy electronic equipment. At the same time, the department of weaponry is also busy, upgrading its heavy weapons workshop and its torpedo workshop. "All of this is expected to be complete by the end of 1981," said Navy Lt Col Sudaryadi.

Development of work facilities to support construction of new ships, especially fast ships, will consist mainly of an assembly hall, transfer system and a ship hoist. To implement such a large amount of work will involve at least 40 contractors who at the height of the work, will work at the same time with the costs of the work being 18 billion rupiahs. Commander of Surabaya's Ujung base Sudaryadi hopes that the Indonesian navy will allow its workers to work night and day.

Minister of Reaserch and Technology Habibie as general director of PAL Indonesia Ltd said that the shipyards will construct fast ships to be called "Bima Samodra". The ships will be able to carry 300 passengers with plans calling for a speed of 45 knots per hour or 80-85 kilometers per hour. According to Habibie, the ships will be for short distance service, for example Surabaya-Ujungpandang and Surabaya-Kalimantan. License to build the ships was obtained from the Boeing Airplane Co in the U.S.

For transportation of goods, PAL Indonesia Ltd will build motorized sailing ships weighing 1,500dwt and given the name "Maruta Jaya". Because ship construction must go along with the latest technological developments, PAL Ltd as the first naval shipyard must work closely with the Surabaya Institute of Technology and in particular with its department of shipbuilding techniques.

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OIL INCOME WILL DECREASE, TIN STRATEGY TO BE DISCUSSED

Jakarta KOMPAS in Indonesian 30 May 81 pp 1, 12

[Article: "Minister Subroto Admits Petroleum Income Will Decrease in First Months After Production Reductions"]

[Excerpts] Income from petroleum will decrease in the first months after production reductions that were decided on by OPEC, according to information given by Minister of Mining Subroto on 29 May at the ASEAN [Association of South East Asian Nations] secretariat general building after he had attended the first plenary session of the 11th conference of ASEAN economic ministers.

The OPEC meeting in Geneva at the beginning of this week agreed that all OPEC members, except Saudi Arabia would reduce oil production by 10 percent of present levels beginning on 1 June. The assembly also fixed the base price for oil at a maximum of $36 a barrel and the meximum price (including premium price) at $41 per barrel. This doesn't include Saudi Arabia whose oil price continues at $32 a barrel.

In the first months of production reductions, the planned income from oil will automatically be affected,"Subroto said. "But in the succeeding months the reductions will in fact make possible for the oil market to become strong again."

At present Indonesia produces 1.64 million barrels a day and almost all of it is sold on long-term contract basis. In those contracts the volume to be delivered and the base price have been determines. This will create problems for Indonesia because of the binding of long-term contracts with Japan and the U.S. who buy most of Indonesia's oil.

Indonesia has agreed to the OPEC production reduction, he said. But how much of the reduction will be implemented will still need to be studied, Subroto added.

Concerning tin, Subroto said that the ASEAN economic ministers had agreed to the recommendation that was drafted by the ASEAN ministerial level conference handling the mining of tin that was held in Kuala Lumpur some time ago.

ASEAN is now attempting to draft a unified strategy in preparation for the International Tin Council (ITC) conference to be held in Geneva 9-26 June. Three ASEAN countries-Indonesia, Malaysia and Thailand-are producers and exporters of tin. The international tin market is weak at present, especially as a result of the intention of the U.S. to release into the market a part of its strategic tin reserves.

Special U.S. representative, Ambassador Michael Smith visited Jakarta, Kuala Lumpur and Bangkok in May to exchange thoughts towards drafting a 6th international tin agreement (ITA) .

At the Geneva conference the main problems will be to determine the amount of the support reserves, methods of payments and the beginning time for supervision of purchases for the tine reserves.

The U.S. as the largest tine consumer wants a support reserve of 70,000 tons to be set up which would be paid for by all members of the ITC that take part in the ITA. But ASEAN opposes this because the funds needed are too large and would be better used for construction. In the end the U.S. has agreed on 50,000 tons.

Concerning financing the reserves there is still a difference of opinion. The U.S. originally wanted 30,000 tons of the support reserve to be paid for by forced contributions from ASEAN members. ASEAN objects, proposing only 20,000 tons. (To purchase 1,000 tons of tin would require around $14.84 million). The remainder would be paid for by the Tin Reserves Management Board, a part of ITC.

A third difference is on the beginning time for supervising the exports of tin purchased for the reserves. The U.S. wants the supervision to begin when the reserves reach 40,000 tons. ASEAN and other producing countries want it to begin at 35,000 tons.

According to Subroto, the U.S. traveling delegation, headed by Ambassador Michael Smith in Jakarta, told Indonesia that the U.S. was prepared to consider ASEAN attitudes and would go to Geneva with an open mind to draft the sections of the 6th ITA.

Vice President Adam Malik has already met with U.S. Vice President George Bush in Washington to deliver our concerns over the delay in making progress in drafting the 6th ITA,"Subroto said. He added that all ASEAN ambassadors in every tine consumer country have already made contacts and held consultations with their respective governments.

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INDONESIAN FOOD PRODUCTION EXPECTED HIGHER IN 1981

Jakarta KOMPAS in Indonesian 22 May 81 pp 1, 9

[Article: "It Is Estimated 1981 Rice Production Will Be Higher Than in 1980"]

[Text] It is estimated that the increase in domestic rice production in 1981 will be higher than in 1980. This will be achieved as a result of more intensive efforts to increase rice production both in and outside of Java.

Vice Minister in charge of Food Production Engineer Achmad Affandi said this during a press conference at his residence on 21 May 1981.

But the vice minister was unwilling to estimate what percentage the rice production increase would be in 1981. "Because only 45 percent of the present harvest has been brought in," he said.

Rice production for 1980 reached a record and according to the central bureau of statistics the figure was 19,989 million tons. This production figure was up around 11.67 percent over the rice production figure for 1979.

Vice Minister Affandi didn't explain what he meant by a higher increased production in 1981. If he meant the percentage of increase was larger than 1980, this means it would have to be higher than 11.67 percent. So this would mean that the estimate for 1981 domestic rice production would reach more than 22.32 million tons.

If he meant that the volume of the increase in production will be higher, this means more than 2.09 million tons. So it would be estimated that 1981 domestic rice production would reach 22.07 million tons.

Happy But Difficult

The main goal in increasing domestic food production (rice) is to realize a program of self sufficiency. Even so, it is still difficult to predict when Indonesia will actually reach self sufficiency in food, because increases in foodstuffs, particularly rice, are always accompanied by increases in domestic rice consumption that are difficult to control or guide.

In addition, according to Vice Minister Affandi, efforts to increase domestic rice production have also created a variety of other problems that are rather serious. For example, the use of fertilizers has increased sharply. And to a

large measure this production necessity is still imported. As an example, use of TSP fertilizer and the use of pesticided increased in 1980 by 60 percent and 51 percent respectively over 1979.

Other factors that must be faced as a result of increased rice production are problems of transportation and storage. In fact the Logistics Board is having a time getting on top of the production of foodstuff as the volume continues to swell.

Another thing that must be considered after the production of rice increases to rather high levels in 1980-1981 is how to handle the follow-up so that production doesn't decrease again in the future. He said this can't be handled permanently by the government or by national officials.

Regional governments must prepare to carry this out by themselves so that rice production won't decrease again and in fact will encrease each year. "The principle is that each region must be able to meet its own needs for rice," Vice Minister Affandi said.

According to the minister, after succeeding in increasing rice production, the government is now planning for the next 2-3 years to increase the production of secondary crops. He explained that in the past it has not been possible to increase the production of secondary crops as fast as rice. Still the government has set basic prices to stimulate increased production of secondary crops by farmers.

This, he said, has floundered because one problem hasn't been solved, namely that of storage (preservation) of seeds. Up to now, a technique hasn't been found to store secondary crop seeds in a way that is good, proper and easy. But if secondary crop seeds aren't stored properly, their ability to sprout decreases drastically in a short time (around 2 months).

In addition to the problems of storage and preservation, the problems of packing and transporting of secondary crop seeds hasn't been solved properly. "If the seeds are stored in the city, the result is that transportation to the producing areas is difficult. On the other hand if the storage is carried out around the producing areas the protection factor is difficult to handle," Vice Minister Affandi said.

Even so, during 1981 the government is carrying out special intensive planting of corn on more than 7 million hectares in 9 provinces. The massive planting of quick-maturation soybeans (around 50 days) will be carried out beginning in 1983. At present a pioneer project is underway for producing various kinds of quick-maturation soybean seeds in the Karawant area (West Java) with projected production being around 1.5 tons per hectare. The national average of soybean production has only reached).8 tons per hectare, according toVice Minister Affandi.

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FIRST INDONESIAN CONTAINER TERMINAL OPENED AT TANJUNGPRIOK

Jakarta KOMPAS in Indonesian 20 May 81 pp 1, 9

[Article: "First Container Terminal in Indonesia"]

[Excerpts] Plans now call for President Suharto to officially open operations of the first UTC (terminal container unit) in Indonesia on 20 May. The site is located on Pier III East at Tanjungpriok.

Construction of the UTC at Tanjungpriok began early in 1974 through the initiative of three men working together.(These are Haryono Nimpuno as director general of Perla [sea communications], Pongky Supardjo as chief of harbor operations for the third district andJ.E. Habibie as Tanjungpriok port administrator.

The reason why the UTC was constructed at the port of Tanjungpriok is that as the national economic gateway it was greatly conjested at that time. Thousands and even millions of tons of goods were just piled up in any old way all over the place without any supervision.

Haryono Nimpuno who was serving as director general of Perla when the first stakes were placed for construction of the UTC once told KOMPAS that in the next 10 years the world of sea transportation will change from using conventional to container systems.

In 1974 the number of containers handled at the port of Tanjungpriok was only in the hundreds but 7 years later in 1980 that total had increased by several hundred percent, up to 87,110 units. And in 1981 it is certain that the number at a very mimimum will reach 120,000 units.

As a description of the first UTC in Indonesia, the area needed (not including the warehouses and storage areas) will be around six hectares,located at pier III East at Tanjungpriok. This area was swampland before.

The total length of the pier is 920 meters divided into two parts. Some 400 meters will be to load/unload containers while 520 meters will be for conventional loading/unloading. For open storage, especially for containers, an area of 20,000 square meters has been set aside while container freight station warehouses will account for 5,400 square meters. The average depth of the channel is 11.5 meters at low tide.

In the midst of the pier two giant cranes are located, each capable of lifting 50 tons. These giant cranes were made by Sumitomo/Mitsubishi of Japan. The Indonesian government purchased them at a cost of $4.2 million. The dead weight of each crane is 12,000 tons.

The two cranes were pulled by two tugs from the plant in Japan. hey arrived in Indonesia on 10 July 1977 and were immediately set up on the container pier, construction of which had already been completed.

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CSO: 4213/77

IRANIAN REVOLUTION SEEN ENTERING NEW PHASE

Karachi DAWN in English 5 Aug 81 p 9

[Editorial: "Testing Time for IRP"]

[Text] WITH the appointment of Hojjatol Islam Javad Bahonar, the leader of the Islamic Republican Party, as the new Prime Minister of Iran, the revolution in the country has entered a new phase. Now that the clergy is in full control of the State apparatus and the governmental set-up has been rid of all internal dissent, the people of Iran will understandably expect leadership to achieve positive results in the way of political and economic reconstruction. The process of consolidation of the revolution should have been started over a year ago when the country was supposedly given a political direction with the introduction of the Islamic constitution. But unfortunately the power struggle between the clergy-dominated IRP and the moderate liberal forces led by ex-President Banisadr prevented the Government from taking effective policy decisions even on major issues, let alone matters affecting the day-to-day running of the administration. With the liberals having lost in the power struggle, the IRP is now in a position to assert itself and act effectively in putting its ideas into effect. This capacity it has adequately demonstrated in matters of appointment of office-bearers, a task which had assumed difficult dimensions and had been inordinately delayed last year when Mr Banisadr and the majority party in the Majlis found it almost impossible to agree on a common nominee for any government post. Thus, Iran had no Foreign Minister for a long time since no candidate could win the approval of the competing political forces in power. No longer hampered by such political and constitutional constraints, the clergy has acted decisively even under great pressures. Thus, following Mr Banisadr's dismissal, a triumvirate was immediately set up to assume the duties of the President. Similarly, after the catastrophic blast in the IRP headquarters which resulted in the death of Ayatollah Beheshti, the new IRP chief was appointed within three days.

The Presidential election was held just five weeks after Mr Banisadr's ouster. The new Prime Minister has also been named without delay and a Cabinet is expected to be announced shortly.

The IRP's skill in statecraft will, however, be put to a real test when it comes to coping with issues such as the economy, foreign policy and, above all, law and order. The restoration of political normality is another major challenge the IRP leadership faces today. So far it has resorted to the simplistic method of cracking down hard on its political opponents and dissidents. Summary trials and executions of the kind being carried out in Iran today will only help to drive all opposition underground and make the task of governing the country all the more difficult. It is now evident that there are forces which do not agree with the style and methods of the ruling clerics. These forces, such as the leftists, the ethnic minorities and the modernist moderates played an equally important role in the revolution that brought down the old corrupt order. In many ways these elements have important political affinities with the religious leaders. Many of them, such as

the Mujahideen-i-Khalq and the liberal followers of Banisadr stand for an Islamic order and nearly all of them are anti-imperialist in outlook. But their impact on Iranian politics has been negligible for they stand sharply divided. The ruling party, which is now strongly entrenched in power, should find itself in a position to discard the politics of confrontation and seek to rule by consensus of all the elements which took part in the making of the revolution. Without some degree of tolerance of dissent it will be impossible for the Government to evolve an institutionalised system for the articulation of disparate political opinions and for the resolution of political conflicts. Any further fragmentation of the post-revolution political society risks inviting anarchy.

CSO: 4220/281

REPORTER VISITS 'TERRORIST ORGANIZATION' OFFICE

GF171142 Karachi JANG in Urdu 14 Aug 81 p 1

[Excerpts] The terrorists of the al-Zulfiqar Organization are involved in various antinational activities. Reports on them appear occasionally in various foreign newspapers. INDIA TODAY magazine has shed light on the training members of this terrorist organization receive and has also revealed information about their activities.

The al-Zulfiqar Organization has acquired American M-16's, Russian AK-47's, British sten guns and antitank missiles. They have also started collecting donations from sympathetic Pakistanis living overseas.

The magazine has written about the al-Zulfiqar training center. According to its report, near Kabul's fashionable market center of Shahr-e Naw is an exclusive residential area known as Wazir Akbar Khan, where diplomats and UN officials reside. In this area there is a white house situated between two embassies. Its door is painted green, and it has no name plate. Strange persons carrying guns and pistols and wearing cartridge belts come and go through this door. Very few Kabul residents know that this is the al-Zulfiqar office. The office is directed by Murtaza and Shahnawaz Bhutto. [Sons of late Pakistani President Zulfiqar Ali Bhutto]

When INDIA TODAY reporter Ashok Reena arrived at the house, the door was opened by an Afghan, who asked the reporter, "What al-Zulfiqar? Which Bhutto brothers?" Then a glass door opened and a young man armed with a kalashnikov walked out. This was 23-year-old Shahnawaz Bhutto. A few months ago he was wearing a Castro beard, but now he was cleanshaven. Instead of a military uniform, he was wearing a shirt and jeans. Shahnawaz took the reporter to a room and ordered some coffee. On the walls were pictures of two Muslim heads of state and another of a well-known head of a Muslim organization. Whenever people are in the room having a conversation, the radio is turned on full volume. A savage Alsatian dog guards the premises at night.

Ashok Reena talked with his host for 1 hour. Murtaza said the members of his organization are sympathetic toward the Soviet Union and Afghanistan. He said it remains to be seen how long Pakistan can survive under the present conditions.

CSO: 4203/106

PAKISTAN'S POPULATION INCREASE, CONTROL DISCUSSED

Lahore VIEWPOINT in English 6 Aug 81 pp 5-6

[T ct] EVEN IF the latest Census presents a correct picture of Pakistan's population increase since 1972, and the estimates are not unduly modest as some observers believe, it provides cause for concern bordering on alarm. The annual growth rate of nearly three per cent—about the largest in today's population-conscious world—has brought our population up to 83.7 million, registering a frightening rise of 18.4 million in the last nine years and 51.2 million (in West Pakistan) since 1947. At the same time, the process of urbanisation continues unchecked. The ratio of urban population has risen to 28 per cent, from 25 per cent in 1972; and many of our bigger towns are bursting at the seams, no longer capable of providing their citizens with such elementary amenities as drinking water, clean air, drainage, adequate housing, schooling or other essential requirements that make life livable in decent comfort. The wide range of socio-economic problems attendant on this uncontrolled and seemingly uncontrollable increase in the country's population will become clearer when the full Census Report has been published and can be examined in detail; but it is perfectly obvious that our planners will have to work harder and think more realistically to be able to cope with the consequences of what may be termed as a chronic population explosion.

The mere fact that Pakistan still has a lower density of population than many other Asian countries, that its land, water and a variety of other rich resources are still not fully utilised, and that its potential for development offers far better opportunities, does not, however, provide cause for any smug satisfaction. These prospects and untapped resources have been with us over the years, but the effort to harness them and acclerate the pace of progress has always been tardy; therefore, population growth has steadily outstripped economic growth. It is true, of course, that by lowering the poverty line substantially and improving living conditions, particularly in regard to education and health, an effective incentive would be provided for voluntary population control, but so far little has been achieved in this direction. As a result, Pakistan remains a full and almost equal partner in the pattern prevailing in the non-oil Third World countries—representing high fertility, low agricultural and industrial progress, and a decreasing per capita GNP. This condemns the peoples of this region to worsening poverty and multiplying disease, pushing larger numbers below the poverty line. Among other reasons, its pauperisation is due to the Third World's inability to force the world to revamp the exploitative world economic order.

While the bigger problems must be re-examined and a new development strategy evolved so that Pakistan can begin to approach its goal of creating a progressive egalitarian society, the problem that needs to be dealt with most urgently is that of controlling its population expansion. Most experts had hoped that the last decade would register an annual population growth nearer to two than three per cent. Among other factors, this indicates a total failure of the population planning effort. Recently, the problem seems to have been moved to a different plane; instead of the population planning programme, which had been in operation for the last two decades or more, a population welfare plan has been launched. The new plan aims at raising the standard of living of the masses, so that the improvement in living standards can—hopefully — help reduce the birth rate from an estimated 41 per thousand to 37.5 per thousand over the three-year plan period. Details of the new plan have not yet been made available, but it is confidently expected that the "core" programme, which will be supplemented by the effort of each provincial government, will help raise the level of "effective knowledge" from 33 per cent to 55 per cent by 1984, and raise the level of current practice from an estimated 12.5 per cent to 25 per cent at the end of three years.

It seems that, dismayed by past failures or because of the administration's inability to deal directly with the problem of birth control, the funds allocated to the task have been diverted to the family welfare plan. Whatever the motivations for the change in the pattern, one would like to hope that it will obtain better results than past efforts in this field. It is true, of course, that population growth is always greater among sections that are illiterate and labour under a greater sense of insecurity; but the problem is becoming increasingly urgent and it is doubtful if a country like Pakistan can wait until poverty and illiteracy have been banished for better results in population management. It is an incontrovertible fact that even among the poorest sections of our people it is increasingly realised that they just cannot afford to raise large families. What they suffer from is lack of access to facilities that would help them to check unwanted births. Therefore, while the welfare plan may well have a long-term utility, if short-term results are to be achieved a realistic population planning programme must be organised to go hand in hand with the welfare programme. Unless this is done, one fears that the welfare programme itself, like many of our other plans, will be swamped by the steady increase in the country's population growth which may give us a population of more than 150 million by the end of this century.

The Afghan Problem

AFTER an inexplicable and unexplained break of almost four months, the U.N. Secretary-General's Special Representative on Afghanistan has resumed his snail-like move towards finding a political solution to the Afghan crisis. Mr. Javier Perez de Cuellar has, of course, had to cope with personal problems, in that he is no longer U.N. Under-Secretary-General for Political Affairs and has been appointed Peru's Ambassador to Brazil; but it was agreed on all sides that he should carry out this important mission even though he no longer holds a U.N. post. Perhaps, the more important reason for the delay was the half-baked EEC proposal for an international conference* on Afghanistan. The U.N. Secretary-General probably considered it polite to give Lord Carrington all the time he needed to play out his hand. Not unexpectedly, the EEC initiative failed to get off the

ground, mainly because of one basic flaw, namely, that it sought to keep the Afghan Government out of the first stage of the negotiations, which were to be conducted among the five permanent Security Council members and three other countries, while in the second stage the Afghan regime was to be invited as one party among "the representatives of Afghanistan." After some initial hesitation, the plan was rejected outright by both Kabul and Moscow whose Foreign Ministers characterised it as being "unrealistic and unacceptable."

Be that as it may, it is most gratifying that another effort is now being made to carry out the mandate given by the U.N. General Assembly, and endorsed by the OIC, for beginning earnest negotiations between Afghanistan, on the one hand, and Pakistan and Iran on the other, under U.N. auspices and in the presence of the Secretary-General or his special envoy, in order to explore the possibility of a political settlement that would bring peace to Afghanistan and pave the way for the withdrawal of Soviet troops. When Mr. Perez de Cuellar made his last trip to the conflict-stricken area, he visited Pakistan and Afghanistan and had detailed discussions with the two Governments. He was, however, unable to make any headway with Iran, not only because the country was, as it still is, engaged in a war with Iraq, but—apart from the fact that it had then not appointed a Foreign Minister—because its Government seemed unwilling to abide by the U.N. and OIC directives and enter into negotiations to settle the dispute arising from the situation in Afghanistan. After his talks in Islamabad and Kabul, the U.N. Representative had expressed confidence about the success of his undertaking because he found the attitude in both capitals to be "helpful and co-operative" although he was, understandably, disappointed over the lack of response from Tehran. At the same time, it was seen that whereas Iran was reluctant to enter into tripartite or any form of negotiations, Pakistan considered itself bound by the relevant resolutions and was unwilling to enter into bilateral talks with Afghanistan. The situation remains unchanged. Since there is no early prospect of the Iranian Government finding the time to give its attention to the Afghan problem, the question of starting tripartite negotiations does not arise. And if Pakistan adheres to its stand of not beginning any talks without Iran, the U.N. mission is likely to be stalled once again.

In the meantime, the situation inside Afghanistan has shown no real change. While the Afghan Government has announced the creation of a Fatherland Front, which is intended to be a first step towards establishment of a Loi Jirga, and it has repeatedly announced a total amnesty intended to induce Afghan refugees to return to their homeland, the fighting continues. Although it is not possible to gauge the extent or the results
the London 'Sunday Times,' by no means sympathetic to the Afghan regime, has in a recent article, authored by a representative who spent a fortnight in Afghanistan, made out that most Western reports, based on diplomatic revelations or travellers' tales, are grossly exaggerated, this does not take away from the urgency of finding an early solution. The Kabul regime's spokesmen have on more than one occasion reiterated their willingness to negotiate with Afghanistan's neighbours within the framework laid down by the United Nations.

What is to be done to overcome this exceedingly complicated and dangerous situation? Obviously, because of the extensive and wide open border between Afghanistan and Pakistan, the interests of these two countries demand that the situation should be normalised

as soon as possible. Therefore, the stalemate created by Iran's refusal to join in any negotiations on the subject of Afghanistan must be broken. And if, towards this end, it is considered necessary to ask for amendments in the relevant U.N. or OIC resolutions, this should be done without further delay. Whether Iran is otherwise too busy or does not attach sufficient importance to the Afghan problem, its unwillingness to act in the matter cannot be allowed to hold up further proceedings in regard to arriving at a political settlement. We would suggest, therefore, that Pakistan should take another initiative on the international level; and if Iran will not give up its present stand, Pakistan should obtain approval for starting bilateral negotiations under U.N. auspices. Pakistan has the biggest stake in settling the Afghan crisis, not only because it bears the heaviest burden in giving aid and succour to the Afghan refugees—whose continued presence is becoming irksome—, but also because normalisation will bring it the highest gains,

CSO: 4220/281

FUNDS FOR ECONOMIC UPLIFT IN BALUCHISTAN

Karachi DAWN in English 5 Aug 81 p 4

[Text] QUETTA, Aug 4: The Federal Agencies in Baluchistan are spending Rs. 1000 million on implementation of projects in about 10 sectors of the national economy for creation of infrastructure facilities conducive to economic development.

These include construction of important roads, establishment of grid stations and transmission lines, flood restoration works, supply of natural gas and exploration of mineral resources.

Other main projects include development of fisheries resources and construction of fish harbour at Gwadur, construction of Bolan Medical College at Quetta and setting up a cadet college and textile mills at Mastung.

The emphasis is on the supply of electricity and natural gas to Quetta. WAPDA has been allocated over Rs. 80 million for implementation of diesel generation project and Coal fire mining power plants in Baluchistan besides Rs. 56 million have been allocated to WAPDA for completion of remaining work of Hub Dam including the construction of 37 kilometres long Lasbela Canal to water to over 21,000 acres of lands giving great boost acres of lands giving great boost to agriculture in the area.

Top most attention is being paid to the projects envisaging extension of natural gas to Quetta from the point near Shikarpur in Sind. Three hundred and forty two million rupees have been allocated during the current financial year for implementation of this project.

HEALTH UNITS

The Baluchistan Government is paying full attention to provide better health facilities in the rural areas of the province.

For this purpose 32 basic health units and seven rural health centres have been completed during the last financial year at a cost of Rs. 8.922 million. Moreover, adequate attention was paid towards the development of medical facilities in the urban areas of the province. For this purpose more than 200 beds have been added to the different hospitals in the province.

The work on the expansion of provincial Civil Hospital Quetta has been completed at a cost of about Rs. four million.

Various maternity and child health centres have been provided commodities worth Rs. 8,00,000 under World Food Programme in the province. Different hospitals and dispensaries in the province have also been supplied with supplemental equipment worth Rs. 5,00,000.

In order to solve the residential accommodation problem of medical staff working in various parts of the province an amount of Rs. 1.4 million have been spent for the construction of residential accommodation.—PPL

CSO: 4220/281

SPECIFIC PROPOSALS GIVEN FOR REDUCING FRAUD, THEFT IN BANKING INDUSTRY

Lahore CHATAN in Urdu Vol 34, No 19 11 May 81 pp 20-21, 40

[Article: "Need for an Effective Plan of Action"]

[Text] A fugitive, accused of the fraud of 30 million rupees in a Gujrat bank, has been apprehended.

A fraud of 480,000 rupees has been discovered.

There is a fraud of hundreds of thousands of rupees in a bank in Hafiz Abad.

Ever since major newspapers flashed the news of misappropriations to the tune of millions in our national banks, we have come to regard it as a national tragedy. Prior to this, the swindle of jewelry in a Lahore bank is still fresh in the minds of the people, and they are impatiently awaiting the results of the investigation into that incident. News of swindles, thefts and robberies arrives every day from banks in small and large cities.

Earlier, the game that the Finance Corporation played with people's money and their trust resulted in the loss of the lifetime earnings of hundreds of thousands of people.

No effective plan of action has been formulated so far to control the increasing tendency toward fraud and theft in our national financial institutions. Nor has punishment that might serve as an example to others been meted out to the guilty.

Thefts are being committed in a variety of ways these days. For instance, the stealing of money through forged checks has become quite common. People making off with somebody else's remittances or withdrawing somebody else's money through forged signatures has become a common phenomenon. Such episodes are taking place when modern technology, especially computers, is being used to control the activities of banks at various levels. Now the question arises as to why this increasing tendency towards dishonesty, despite heavy expenditure and effort, has not been stemmed.

More than 10 years ago the banking system underwent an unprecedented expansion. Events that unfolded after the nationalization of banks during the Bhutto regime can be summarized as follows:

Prior to the nationalization of banks, the way the Banking Control Department and the Inspection Department of the State Bank controlled the activities of the banks was very effective. Consequently, the banks and their personnel remained on their best behavior and reports of any misdeeds were very rare.

Bhutto wanted to grind his own political ax, but as long as the State Bank of Pakistan existed as an independent institution, he would have been unable to do so. Therefore, he promulgated the Pakistan Banking Notice and organized the Banking Council. The apparent function of the Banking Council was to promote coordination between the State Bank and the national banks, but in effect the activities of the national banks now began to be haphazardly controlled by the State Bank and the Banking Council. The banks now became doubly answerable to both the State Bank and the Banking Council. As a consequcence of this duplicity and two-sided policy, the whole structure suffered disorganization and the administrative control of the State Bank over the national banks began to disintegrate.

During the Bhutto regime, the expansion of banks took place on political grounds. There was such a haphazard opening of branches in every village and hamlet that their administrative efficiency was affected. During this period, many political appointments in the banking system were made on the basis of political recommendations. Consequently, very few able people could enter financial institutions. Because of the increase in the number of branches, many young and inexperienced people were appointed as managers who had overnight fallen victims to greed and luxurious living. Their life beyond their means led them to making money through unfair means.

The interference by the unions has also impaired the banking structure to a great extent. After the nationalization, the spirit of service diminished in the banking industry. Bank employees regard their work as "government work," and being under union protection, they often shirk from work. This is a serious problem, especially since most of the time of the government is spent in dealing with union demands.

Because of a big fraud in the Domestic Finance Corporation, and because justice has not been meted out fully to the culprits, dishonest employees of the banks have been emboldened. Even when the culprits have been apprehended, the government has been slow to hand out justice, and the investigation has not been carried out at all levels, even when initiated by the government.

Absence of the fear of God and an artificial life full of pomp have caused the banks to be confronted with such a situation. Many of our national banks have faced this situation very courageously. Their resources have been greatly affected because of the opening of innumerable branches of foreign banks. In spite of this, our banks are rendering valuable service. But there is an unavoidable need for the eradication of fraud. The matter needs to be considered at the national level soon. The following are some suggestions for the people in power:

To make the organization of the State Bank more effective, the need for the existence of the Pakistan Banking Council should be reviewed. Since it creates a situation of "dual control," we recommend that it be terminated.

To establish a better liaison with the State Bank, the number of members appointed by the State Bank to the boards of the national banks should be increased. This policy, in addition to establishing better relations between the two, will provide better representation of the State Bank in certain branches of the National Bank.

Experience shows that the impartial investigation of its accused personnel cannot be done by the bank itself. Personal likes and dislikes for certain individuals may influence judgment. Union intervention may affect the evidence and influence the witnesses. Therefore, it is advisable to employ the services of former or retired bankers who would report their findings directly to the management of the bank concerned.

As the Banking Judge is appointed to recover bank money, similarly, at every district headquarters, banking courts should be set up. These courts should be manned by former bankers. They would act not only as effective and impartial judges, but their very existence would curb unfair banking practices.

Experience and integrity should be the prerequisite in the appointment of branch managers. A minimum of 10 years experience should be required.

Reputation and family background of the people to be appointed as managers and treasurers should be considered in any case.

The number of branch offices in small communities should be curtailed proportionately.

There should be a constant vigil on bank activities.

For accounts that become dormant for a period of up to 3 months, confirmation should be done on a zonal, regional and circle level. It should not be done at the branch level.

Surprise inspection of the branches before 9 am for cash on hand and mortgage goods in the warehouses should be strictly enforced. Inspectors should be changed periodically.

The appointment of personnel in the external banks by the State Bank may no longer be necessary.

The banking service should be declared an "essential service" according to the martial law and be purged of unionism.

The obtaining of a "No Objection Certificate" from the head office on the part of high-ranking bank officials should be made mandatory for travel abroad.

In addition, we suggest that the decision-makers of the State Bank and the national banks get together and find solutions to the malpractices so that our national banking industry will not suffer.

9859
CSO: 4203/83

POSSIBILITIES OF GROWING COTTON IN BALUCHISTAN DISCUSSED

Karachi DAWN in English 11 Aug 81 p 7

[Editorial: "Cotton or Maize?"]

[Text] THE Pakistan Central Cotton Committee is currently looking into the possibilities of growing cotton in Baluchistan, in which both the provincial and central governments are interested. The main reason for this interest is the fact that availability of land for sowing cotton elsewhere is shrinking and, in fact, certain major cotton growing areas have reported that increasing salinity and waterlogging have eroded land under the crop. Attention has, therefore, been turned towards Baluchistan which has an enormous area lying barren — there just isn't any water for agricultural purposes. Even the much-vaunted Hub Dam has been a never ending project. Despite this, the PCCC is already experimenting with different varieties of cotton, presumably in areas where there is a fair prospect of water for cultivation purposes.

Although this concern for the cotton crop is laudable, it does appear to be somewhat at variance with the needs of the province. Baluchistan is a food deficit area, though it produces fruit and vegetables in abundance. In the circumstances it might be more logical to give greater heed to growing more food crops in Baluchistan, rather than cash crops like cotton. Wherever water in sufficient quantities is available the first attempt should be to put in food crops and only after a large quantity in relation to the province's needs is being produced should thought be given to cash crops. In this connection it would be pertinent to point out that food crops most suitable for the Baluchistan environment — those giving maximum output for a given amount of water should be chosen. On the face of it this may appear axiomatic, but unfortunately in practice this is not always the case.

Although only intensive research can determine the best crops for Baluchistan — and other arid areas also incidentally — one crop that has a strong claim is maize. A hardy crop which can withstand a wide range of climates and needs modest quantities of water, it has been for some reason ignored in this country. The fact that people are not fond of maize flour is only part of the reason, for there are several other profitable uses for it. In the first place tastes can be changed, if in no other way than by blending maize and wheat flour in suitable proportions. Apart from consumption in this form maize is also a very useful oilseed, so that increased production can help reduce the edible oil crisis. Then there is always the possibility of export, of course. While examining the question of planting maize over large areas in Baluchistan, its prospects in the rest of the country should also be considered. At the moment NWFP and Punjab grow almost all the maize in the country, with Sind producing some: the total in 1978-79 was about 800,000 tonnes. This can be increased significantly, without disturbing the present crop pattern, by planting on marginal lands or bringing in arid lands such as in Baluchistan under cultivation. NWFP had recently announced the intention of setting up a Maize Board, but what is really needed is an agency of this nature for the entire country, because the food value and commercial importance of this crop and the potential present in the country merits it.

CSO: 4220/281

RISE IN POULTRY, MILK, MEAT PRODUCTION

Karachi DAWN in English 11 Aug 81 p 4

[Text] ISLAMABAD, Aug 10: Significant rise has been registered in the production of milk, meat and poultry, it was officially stated here yesterday.

Total milk production in the country has increased from 7.758 million tons in 1972 to 9.014 million tons in 1980 showing an increase of 2.09 per cent which indicates that per capita availability of 90 litres of milk per year in Pakistan is among the highest in the regional countries. By comparison the per capita availability in India is only 39.4 litres per year. The recommended quantity of milk per person per day by WHO/FAO is 250 GMS or 91.25 litres per person per year, and this is close to our present day per capita availability.

MEAT

The meat production has also shown an upward rise to the tune of 5.61 per cent per annum. From 568,000 tons in 1972 it has increased to 823,000 tons in 1980.

The livestock population has shown satisfactory growth in fact sheep and goat production has been of the order of 8.4 per cent and 8.6 per cent per annum respectively. The number of buffaloes has increased from 8.2 million to 11.5 million, cattle from 16.7 million to 15.0 million, sheep from 12.4 million to 26.2 million and goat from 10.0 million to 30.2 million.

There has been a highly dynamic growth in the poultry sector, during the past three years. It has maintained a growth rate of 30 per cent per annum.

Though population growth has outpaced the growth of milk production and that too in urban centres but growth and availability of meat (beef, mutton, poultry) and eggs has been significantly higher than population growth. The distortions in demand and supply are mainly due to the un-organised marketing of livestock products and affluence in certain segments of our society.

The performance of Livestock Research Institute, Bahadurnagar has recently been evaluated in a tripartite review, and has generally been commended for its approach methodology and achievements.

This research station has made an outstanding contribution in the disciplines of selective breeding, and animal nutrition. The work has not remained confined to the institute but has been extended to the field and farmers. The age of maturity of heifers has been reduced from 30 months to 18 months: milk production has been improved by 50 per cent, at institute level and by 100 per cent in the non-descript cattle of farmers.

Various projects under way in various provinces focussing attention on milk and meat production are to accelerate the growth rate, particularly in milk production. It is expected that the per capita availability of milk will improve as these projects/programmes got into full swing.

Besides the Livestock Development Centre, Bahadurnagar, co ordinated national programme for livestock and dairy development, and poultry research institutes at Rawalpindi and Karachi are some of the projects undertaken with assistance from UNDP, in order to further develop livestock and dairy production.

Moreover, milk plants have been established at Lahore and Islamabad with world food programme assistance for the supply of pasteurised milk.

The Asian Development Bank and the World Bank are currently assisting livestock development projects in Baluchistan and the Punjab.—APP

CSO: 4220/281

EDITORIAL SCORES EXCESSES FROM CITY GARBAGE TO LIVING STANDARDS

Lahore CHATAN in Urdu 11 May 81 p 5

[Editorial: "Illegal Acquisitions a National Problem"]

[Text] For the last few days, a campaign has been underway in Lahore to end excesses. It was started by the Lahore Municipal Corporation. It is within the authority of the Corporation to stem the excesses but that authority is limited to Lahore. We would like to see a nationwide campaign launched for the purpose. The truth is that law and order and planning are crucial to the meaningful development of a community and a country. Cities, in particular, need law and order and planning, without which progress is meaningless and reforms are fruitless. Plans have been announced by several administrations to make Lahore a beautiful city. But in reality, the ugliness of the city increased. It has spread haphazardly. The sidewalks are turned into inferior bazaars. Wherever they want, people set up ramshackle huts and start a little store; this mars the beauty of the streets and bazaars and obstructs traffic as well. It also adds to city garbage. Mounds of fruit peelings are seen everywhere. We certainly don't mean that people should not pursue a trade to eke out a living. But every trade should be under some regulation. If the entire city is turned into a fruit market and the vendors are allowed to do as they please, the consequences will be more of the same, as can be seen around town. We are not sanguine about the city's campaigns. Periodic campaigns are in themselves an indication that municipal workers have shirked their responsibility. Who doesn't know the stories of the municiapl corporation's excesses or shenanigans? We have chosen this subject for commentary because "excesses" is a national issue and without its proper resolution we cannot be called civilized, let alone Islamic people. Those who use their power unjustly are the ones who engage in excesses. The story of our national woes is in reality the story of these excesses. An ordinance has been issued regarding the efficiency, income and standard of living of the employees--how much string-pulling and bribing influences appointments and promotions. Its purpose is to end excesses. Anybody who owns more than his income allows should be regarded as guilty of excesses.

In our national and social affairs, we see various kinds of excesses and outrages. Those who commit excesses on the footpaths, in the bazaars, on the roads are common people, and about the common man it is an irrefutable fact that he is, by nature, a follower. If he would not see such acts being done at the higher level, he should not dare to do them himself. Anyway, our society these days is rampant with excesses and lawbreaking, and we welcome any effort to check these tendencies.

9859
CSO: 4203/83

BRIEFS

GOLD SMUGGLING BID THWARTED--Airport Customs thwarted an attempt to bring into Karachi contraband gold weighing 800 tollas worth about Rs 1.6 million, from Dubai on a PIA flight, on Wednesday evening. No arrest was reported until midnight but some crew members of PIA flight PK-214 Catering staff and Ground engineers of the Airline were stated to be under intensive questioning. Customs were reported to have secured some important documents in this connection. The gold was found in two jackets of 400 tolas each secreted in the plane's toilet cavity meant for disposal of waste papers. According to reports Customs Collector, Muhammad Akbar, had formed a special team to keep a vigil on the incoming flights from Dubai, particularly the PIA flights following a tip-off. Last evening, the Dubai flight arrived but the aircraft was parked near the Engineering Gate and not on Bay No. 11 where it was scheduled to come. This change aroused suspicion and the smugglers smelling the danger of being caught dumped the gold in the toilet seeing some senior Customs officers rushing to the plane. Further investigations are continuing. Incidentally, this is the biggest haul of the year--the last haul of gold being of 380 tolas worth Rs. 6 lakh from an unclaimed baggage destined for Bombay in June last. [Text] [Karachi DAWN in English 14 Aug 81 p 5]

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END

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DEVELOPMENT, PROBLEMS OF NATION ANALYZED

Calcutta THE STATESMAN in English 17, 18, 20 Jul 81

[Commentary by Sunanda K. Datta-Ray: "Return of the Dragon"]

[17 Jul 81 p 8]

[Text] Bhutan Prepares To Talk to China

SEVEN years after the "coronation" when, to the bewilderment of foreign visitors, King Jigme Singye Wangchuck would not be crowned at all, preferring the more authentic rite of receiving the Shabdung's scarf from the sanctuary in Punakha Dzong, Bhutan clings even more determinedly to ancient values. The 1982-87 Plan reflects the sturdy individualism that has sustained Druk Yul, the dragon kingdom, through the centuries. Last year's exchange of resident ambassadors with Bangladesh, and current preparations for talks with China, with which Bhutan does not now have diplomatic ties, mark the Royal Government's adjustment to contemporary politics.

Lyonpo Dawa Tsering, who fears at 47 that he might be too hoary to remain Foreign Minister of a country guided by zestful youth, informed the Tsongdu (National Assembly) at the end of June "that Bhutan would like to start direct and bilateral negotiations with China to delineate and demarcate the Bhutan-China boundary, and that the status quo on the present traditional border should be maintained until such time as the border negotiations have been concluded". The Druk ambassador to India conveyed the proposal to his Chinese counterpart. Beijing's response is awaited, but Thimphu expects talks within a few months.

It may be significant that the announcement was made just after Mr Narasimha Rao's visit to the Himalayan capital and on the eve of Mr Huang Hua's arrival in New Delhi. The 26-year-old monarch, whose mature grasp of Asian realities impresses more than ever, firmly told me a few days later that talks would only be held with India's full trust and confidence. So close is the bond that His Majesty the Druk Gyalpo apparently could not find any problems to discuss with the External Affairs Minister

BORDER SURVEYS

It is also clear that China and Bhutan have for years been preparing their cases on an uncharted frontier which runs for 200 miles along mountain crests and passes. Thimphu argues that the 1979 alarum was not caused by Chinese soldiers disguised as graziers, as Indian reports suggested at the time, but by Chinese surveyors, some of whom might have carried small arms for protection in wild, uninhabited terrain. Lyonpo Dawa admitted to me in 1974 that Bhutan's Survey Department, then only two years old, was examining claims and historical records; negotiations were even then seen as a practical necessity.

"We, as a small country, can't afford an undemarcated border" explained the king during a recent audience in the throne room of Thimphu's towering Tashicho Dzong. "We must iron out all differences". The Tsongdu began debating the issue five years ago; the initiative was not taken earlier partly because data had to be collected (India's Geological Survey reportedly helped) but mainly because with his innate tact and regard for Indian opinion, King Jigme Singye would not begin discussions until New Delhi's relations with Beijing had improved.

But when the border is determined, the Bhutanese might also have to come to grips with such potentially contentious related issues as the exact nature of historical ties with Tibet, the basis of China's political pretensions, and the legitimacy of physical possession. Clarification of Beijing's views might pave the way for renewed political and commercial contact.

To take the last problem first, the Chinese are said to have built roads and set up military installations in two extensive areas. Traditional grazing along the Chumbi Valley, formerly a Sikkimese possession where yak and cattle follow the pasture, creates friction. Even in the east, a prominent Bhutanese nobleman was not long ago asked to pay tax for grazing in an area now claimed by China. Issue No. 95 of China Pictorial, published in 1958, shows the entire Tashigang region in the east and a substantial slice of territory in the north-east as Chinese. According to an European source, Beijing claims about 300 square miles in north-eastern Bhutan,

and a considerable tract north of the old capital of Punakha.

EIGHT ENCLAVES

There are also the eight Druk enclaves in western Tibet, given by a 17th Century Ladakhi ruler, Sengge Namgyal, to a Bhutanese lama whose prayers are said to have resulted in the birth of a royal heir. Thimphu lost control in 1959 when the last administrator was withdrawn; but the Royal Government can justifiably refuse to transfer de jure sovereignty, which was confirmed by the Fifth and 13th Dalai Lamas, until China evacuates occupied territory and recognizes the traditional border.

The historical connexion was not particularly close or harmonious. Bhutan had no direct relations with China until the 18th Century when Ambans (Residents) were appointed in Lhasa; contact was purely ceremonial even then, and, unlike the Nepalese, the Bhutanese never sent missions that the Chinese might have described as tributary. Neither did the Deb Raja ever use the "seal and hat with false coral button" gratuitously bestowed by the Amban in 1891. When the latter sent Ma Chifu with a peremptory letter nine years later, the envoy was allowed only a few miles into the kingdom, and King Ugyen Wangchuck the first hereditary Druk Gyalpo, and His Majesty's great-grandfather, refused to receive him

Rebuffs did not, however, prevent the Wai-wu-pu (Board of Foreign Affairs) and Prince Ch'ing from claiming suzerainty during 1910-12. They argued that Ambans had always employed the manifesto style in addressing Bhutan, replies allegedly being couched as petitions to the Celestial Throne. The assertion outraged the Viceroy, Lord Hardinge, Sir Edward Grey in London, Sir Charles Bell, the Political Officer in Gangtok, and King Jigme Singye's maternal grandfather, the far-sighted Raja Ugyen Dorji, then Bhutan's Agent in Kalimpong. They rightly pointed out that the question of suzerainty could not possibly arise since Bhutan had never paid tribute to China or Tibet, and that courtesy gifts to the Dalai Lama (or even the Amban) had no political significance.

Central to the controversy was the relationship with Tibet—the basis of all Chinese pretensions in the cis-Himalayan belt—which Lhasa tried to twist in 1947 by cabling New Delhi for the return of a wide swathe of border territory, including Bhutan. Druk Yul cannot deny cultural ties (though Sikkim has always been far closer in dress, food, religious ritual, court ceremonial and matrimonial alliances to the ruling hierarchy in Lhasa) for it is today the lone survivor of a fast disappearing civilization that was deeply influenced by Tibetan forms of worship and living. But the link was ecclesiastical, not temporal. Though Bhutan's Drukpa Kagyupa (Red Hat) religion originated in Tibet's Ralung monastery, the Bhutanese had little reason to love the Gelukpa (Yellow Hat) regime in Lhasa which cruelly persecuted the Red Hat sect and encouraged military adventurism. The gaunt ruins of Drukgyel Dzong (Fort of Victory) stand sentinel about ten miles north of Paro, commanding the disused trade route to Phari, as symbol of Bhutan's repulsion of Tibetan invaders some 330 years ago.

Nevertheless Thimphu was dismayed when Tibet's monasteries were suppressed and lamaist orders dissolved. The tragedy had personal implications for some leading Bhutanese. Responding to the Chinese takeover, the late Longchen Jigme Dorji, the Queen-Mother's brother and a wise statesman, banned trade with Tibet in 1960, thereby closing the traditional outlet for the kingdom's surplus rice, and depriving weavers around Bumthang of wool until Australia stepped in with supplies. He also placed the Bhutanese army at India's disposal in 1962.

This disapprobation may be remembered; though China's present leaders are unlikely to echo the vain grandeur of the Emperor who acknowledged George III's presents in 1798 by noting the English monarch's "humble loyalty to Our Celestial Dynasty", ordering him "to display continued energy and dutiful loyalty so as to deserve Our perpetual favour". On the contrary, Beijing thinks it politic to be conciliatory to the Himalayan kingdoms, and Chou En-lai reportedly offered Bhutan economic aid. He also announced in New Delhi, "We have no claim with regard to Bhutan, nor do we have any dispute with it" adding that there were "no boundary disputes" between China and Sikkim or Bhutan.

CHINESE CLAIMS

But such affirmations are open to more than one interpretation since the Chinese will admit no dispute over what they insist, however wrongly, is theirs. Nor is the assurance easily reconciled with theories of the five affiliated races, blending of five colours (Wu Ts'ai), or of the five fingers of China's Tibetan palm. Some Bhutanese may remember too that one of the Shabdung's Thu (mind) incarnations is a Chinese protege.

The negotiations, on which rest more than just a border alignment, will, therefore, demand both dexterity and circumspection. But it is a popular fallacy abroad that the Bhutanese are innocent of foreign affairs. Apart from having frequently to thwart Lhasa and devious Ambans, Druk Yul has coped with Kamrup and Ahom kings, conquered Cooch Behar, and bargained with Sikkim, Nepal and Ladakh. If Bhutan withdrew into its shell in the last century, that was a strategic retreat dictated by a shrewd assessment of how most effectively to frustrate British machinations. But nothing could have better demonstrated Thimphu's diplomatic finesse, captured in the young king's meticulous choice of words and astute moves, than its masterly handling of a delicate equation with India since 1947, gradually overcoming inherited viceregal attitudes to win full endorsement of Bhutanese sovereignty.

The proposal for talks with China marks a much further stage in that evolution. It indicates the fruition of Bhutanese nationalism, but even more, implies that India has at last shed inhibitions that prevented earlier overtures across the Himalayas.

[18 Jul 81 p 8]

[Text] Challenge for Indian Diplomacy

THE proposal for negotiations with China is not the only indication of Bhutan's surging confidence. Many other signs suggest change once the traveller has been reminded under Phuntsoling's decorative archway, another relic of the coronation that never was, to advance his watch by 34 minutes because Druk Yul now follows a different time.

Bhutanese coins and currency notes are in increasing circulation. Druk Air will fly from Paro to Calcutta, stopping at Bagdogra, by September. The Royal Government expects to take over all telephone exchanges and trunk roads by 1984. Thimphu's royal guest house is like a mini-United Nations. Apart from Australian diplomats from New Delhi and an aid official from Canberra, five International Monetary Fund officials—British, Dutch, Finnish German and Nepalese—are processing the kingdom's application for membership of the World Bank and its agencies. Bhutan will also soon join the FAO and Asian Development Bank. Discussions are in progress with OPEC, the EEC and the Kuwait Fund for Arab Development.

More significant could be the admittedly not very busy Embassy of the People's Republic of Bangladesh on the way to Motithang hill. The exchange of resident envoys—which Thimphu and Dacca see as only a procedural change from the earlier situation when they were represented by missions in New Delhi—was reportedly agreed upon in Havana when King Jigme Singye met Ziaur Rahman. It was not wholly agreeable to India which might explain why the Bangladesh ambassador presented his credentials just six days before Mrs Gandhi was sworn in last year. The Bhutanese insist that the timing was only a coincidence, and that New Delhi's response is now even more friendly and cooperative than before; but the Bhutan-Bangladesh trade agreement, signed last September, had to be twice deferred because of Indian reservations.

TRANSIT RIGHTS

The agreement's provisions are of far less consequence than the fact of its conclusion. But some clauses might still lead to argument. Bangladeshi diplomats candidly admit that it would be unrealistic to invoke notionally reciprocal transit rights through the kingdom to Tibet, while the question of Druk ships using Chittagong or Chalna must now be of only academic interest. But the Royal Government has already notified India of its wish to renegotiate the 1972 trade and transit agreement which lapses next year, and whose restrictive clauses His Majesty dismisses as "a British legacy with no relevance now". The arrangement caused tremendous problems (every consignment for and from Bhutan was delayed and subjected to laborious bureaucratic scrutiny, according to the Foreign Minister) and effectively prevented trade with third countries until generously clarified by Mr Morarji Desai in 1978.

The new system is working satisfactorily, but Thimphu would like further liberalization to earn hard currency from exports. "That is why we are trying to overcome the many many problems of landlocked countries" says the king. A solution lies in transit facilities to Bangladesh, either by barge along the Brahmaputra from Dhubri to Chilmari in Rangpur, or from Phuntsoling by road and rail to Gitaldaha and Mogalhati. It would be self-defeating of India to repeat the obstructive tactics that even now make virtually inoperative the right grudgingly allowed to Nepal to use the railway to Radhikapur

Claims that cannot legally or morally be denied are best conceded with good grace. Unjustified and, in the end, ineffective objections can only strain goodwill. "We would safeguard India's interests, and we know that India sympathizes with our objectives and aspirations" maintains the Druk Gyalpo, acknowledging a continuing close association which, he says, has been reinforced in the last year or two. Several outstanding problems were disposed of during this period. Mrs Gandhi readily agreed to Bhutan's international airline. The Assam and West Bengal borders were demarcated with pillars, and current talks are expected to settle the remaining small strip of Bhutan's frontier with Arunachal Pradesh. India has agreed to accept 1,500 Tibetan refugees, and already taken 749.

Because of this accommodating spirit, King Jigme Singye is able to say that Article 2 of the 1949 treaty (whereby Bhutan agrees to be guided by Indian advice in its external relations) is no longer an issue. New Delhi, apparently, accepts Thimphu's interpretation that advice has to be asked for, and will not be binding even when given. There have already been several instances of differences on foreign policy issues. The Royal Government is also confident that the treaty's negotiation and arbitration provision (Article 9) will ensure that pressure is not applied

TIBETAN BORDER

India obviously feels able to take a more relaxed view of Bhutanese intentions and to reciprocate the kingdom's trust. Hence a quiet withdrawal from the position staked during negotiations with China in 1959 and 1960 when New Delhi insisted that it "clearly had responsibility for the external relations of Bhutan and Sikkim...", that it "had the sole responsibility of representing these two States in matters concerning foreign governments", and that "the boundaries of Sikkim and Bhutan with the Tibet region of China were the legitimate responsibility of the Government of India...". Accompanying maps showed India's international boundary as running north of Sikkim and Bhutan, while Indian descriptions of the frontier (described as "natural, traditional and customary") specifically described Druk Yul's border. "It follows the crest of the Himalayan range which forms the main watershed between the Amo Chu and the waters flowing into Ram Tso, Yu Tso Nyang Chu and Kuru Chu in Tibet and the Paro Chu, Punakha, Thimphu Tongsa and Bumthang rivers in Bhutan"

But India's case was weakened by repeated references to the Royal Government's "requests" to present its claims. If New Delhi did, in fact, enjoy exclusive, or any, responsibility for Bhutan's foreign affairs, it would hardly have needed to stress such authorization. Nor would India have felt it necessary to invoke the

treaty (which does not support the claim) or cite the Tsongdu's resolution against China's cartographical aggression.

Beijing ignored these technical flaws to blandly assert that China's frontiers with Bhutan (and Sikkim) "do not fall within the scope of the Sino-Indian boundary question and are irrelevant to the task of the officials of the two countries". Refusal to even discuss Druk Yul's borders was matched by a marked reticence on physical features. Whereas India supplied profuse details of rivers, peaks, mountain passes, distances and meridian lines on the Bhutan-Tibet alignment, Beijing contented itself with describing the western frontier up to the tri-junction of China, India and Nepal, then skipping the three Himalayan kingdoms to take up the north-eastern alignment from Bhutan's south-eastern tip. The only information the Chinese provided was that "a certain discrepancy" existed "in the sector south of the so-called McMahon Line", adding: "But it has always been tranquil along the border between the two countries (Bhutan and China)".

The point of this note was to indicate China's claims in Arunachal. But since the disputed territory extended into Bhutan, India retorted that "this area had always been part of the Tashigang Dzong of Bhutan and the villages in the area had always considered themselves as part of Bhutan". New Delhi also forcefully demanded that China "restore the rightful authority of the Bhutanese Government over their enclaves" in western Tibet, with irrefutable evidence of Thimphu's sovereign jurisdiction over the eight villages though, paradoxically, India said nothing about Sikkim's rights in the Chumbi Valley and in several other enclaves such as Doptha and Taring.

The Royal Government is perfectly competent to make its own representations over disputed territory. But that it will do so with the benefit of India's advice, assistance and material evidence is a measure of the collaboration that nowadays exists between the two countries. It was not always so, though the Bhutanese make light of earlier misgivings over events in Sikkim between 1973 and 1975. Customs harassment, excise difficulties, ethnic problems with labourers inducted by Indian organizations, or ambassadorial superciliousness. It was a Lok Dal Minister's maladroit interpretation of the treaty that forced His Majesty to suggest revision of Article 2 in 1979. Mrs Gandhi's intemperate remarks that year may also have accounted for the appearance of haste with which Thimphu and Dacca exchanged resident ambassadors.

Such fears have now been dispelled. While the Bhutanese will do nothing to embarrass India, New Delhi acquiesces in Thimphu's direct dealings with Beijing, not because of Chinese rejection of the Indian stand, but because of strengthened certainty in the Himalayan alliance.

FUTURE CHANGES

But India must be prepared for the logical consequences of these developments. Druk Air may one day wish to fly to Dacca or Kathmandu. The National Youth Association's bi-weekly broadcasts will soon lead to a full-fledged Bhutanese radio. An IMF official feels that, as in Nepal, the dragon kingdom will sooner or later have to exclude Indian currency to make its own money viable. It is revealing too that though the quantum of Indian aid rose from Rs 107.2 million to Rs 860.2 million between the first and fourth Five-year Plans it declined as a percentage of total resources from 100 to 78. Apart from a number of international agencies, Australia, Austria, Japan, the Netherlands, Norway and Switzerland are interested in helping Bhutan though, out of deference to the spirit of non-alignment, the kingdom takes nothing from the Super Powers. The first three Plans were wholly drafted by Indian experts; the fourth incorporated some Bhutanese ideas; the fifth is entirely a product of the Druk genius.

Free trade and the open border will be maintained, but restrictions on expatriate labour and entrepreneurs are already being debated. Bhutan is also bound to seek other sales outlets. "We must diversify trade" says the Druk Gyalpo "Otherwise, it becomes a buyer's market". That process cannot be confined to commerce. Independence is never a half-way house; having sponsored Bhutan's debut on the world's stage, India must expect the kingdom to participate, to the moderate extent that its rulers think desirable in the comity of nations. People already refer to that part of Thimphu valley where the Indian Embassy's new building stands as the diplomatic enclave. Other missions, including China's, might follow.

India can profit from this gradual emergence by retaining Bhutanese faith. The test of diplomacy will lie in the understanding and flexibility with which New Delhi meets a challenge from which it need fear nothing so long as India remembers not to equate friendship with dependence.

[20 Jul 81 p 8]

[Text] Economic Progress Without Hurrying

THE Bhutanese dragon might not have thought of spreading its wings if it had not been comfortably established in its own nest. The portly presence of Lyonpo Tamshi Jagar is a symbol of secure continuity. Seven years ago, the Home Minister's days were thought to be numbered because of his orthodoxy. But he is today also Speaker of the Tsongdu over whose deliberations presides His Majesty, sitting crosslegged on a high gilded throne, taking notes and even occasionally intervening in the debate in violation of Westminster's most sacred principles. But, as the Bhutanese will explain, they do not need blindly to obey alien conventions; their parliamentary institutions are developing in cooperation with, not in opposition to, the throne.

Monarchy's personal involvement in public welfare is most evident in drawing up the fifth Five-year Plan. The Druk Gyalpo toured all 18 districts, took part in discussions with district officials and village leaders, listened to complaints and demands, and suggested remedies, says Ugyen Tsering, the Planning Commission's 27-year-old Berkeley-trained under-secretary, who is typical of the kingdom's new generation of idealistic, yet practical, civil servants. "We want people to know exactly what we do and how much we spend" explains the king. Individual plans for each district were drawn up on the basis of these free discussions and departmental recommendations (eight have so far been finalized) to be integrated in a master document "Hundreds of copies of the plans were printed and distributed to villagers so that they can understand every phase and discuss issues" adds King Jigme Singye. Annual seminars to review progress and suggest changes will continue the participative process.

The aim is to decentralize the administration, strengthen district governance, give people a stake in growth, and make the districts self-sustaining. India's legacy of highly centralized planning accentuated disparities in this 18,000-square-mile country of 1.2 million people. The king cites the example of Ha, stronghold of his Dorji ancestors, which would not have developed for another 30 years under conventional planning since a uniform strategy did not make allowance for Ha's high altitude, insufficient crops and unemployment which obliges people to seek jobs in the lush Paro valley dominated by a circular watchtower which houses Bhutan's national museum, the stone Rinpung (Heaps of Jewels) Dzong and, across a medieval bridge, the yellow-roofed confection of the Queen-Mother's Ugyen Pelri Palace.

HIGHER REVENUE

The valley is also the site of the 27-acre Bondey farm, started and run by a dedicated Japanese, which, with its seven sub-centres and 35 employees, now supplies seeds and teaches better cultivation methods to the rest of Bhutan. Visitors are regaled with luscious Japanese peaches, now grown at Bondey.

Both His Majesty and Ugyen Tsering outline the Rs 703 million Plan's objectives in almost identical language. Apart from local self-reliance, through public participation, and decentralisation, it aims at raising revenue from Rs 440 million to Rs 1,160 million through higher excise duties on matches, tea balls and other commodities; royalty on forest produce; mining dolomite (whose yield went up from Rs 1.8 million to Rs 7.9 million in a single year), slate, coal, limestone, gypsum and graphite; encouraging the growth of apples, peaches, plums, strawberries, asparagus, artichokes and cash crops like cardamom (Rs 1,800 per 100 kilogrammes yielding Rs 3,265 million); and a modest industrial base.

But the Royal Government will not consider industries based on imported raw materials or tax incentives. Just as Lyonpo Sangye Penjor, the former ambassador to India who is now Communications Minister, admits that there were a mere 1,700 tourists last year because, anxious to preserve its own traditions, Bhutan insists that only people with a particular interest in Buddhist culture or Himalayan flora and fauna should be allowed to pay $130 a day for package tours (individual tourists are discouraged), so too are possible industrial gains ignored in favour of industries based only on what the kingdom's farms and forests produce.

This is a conscious decision to abjure earnings to protect a unique way of life. Bhutan shudders at the thought of becoming another stop on the hippie's hash trail like Kathmandu. It also refuses to provide a haven for foreign investors whose assembly plants and machine tool factories might bring in money, but will contribute nothing to the Druk spirit. In keeping with this selectivity, Tsering says: "We don't believe in seeking assistance just because it's forthcoming". Experience, expertise and areas of common interest are taken into account. Japan is thought to be good in mechanised farming, Australia helps in animal husbandry, Switzerland and the Netherlands might promote dairy farming, Norway is expected to assist hydro-electricity studies.

DONORS EXAMINED

Australian aid, raised from this month to the equivalent of Rs 5 million, is possibly the most significant since it has provided transport (trucks and a fleet of limousines), included apple cuttings and Jersey cattle for the Samche livestock farm, and revived the woollen industry. Its most ambitious project—a 1,000-ton cold storage in Phuntsoling to encourage agricultural exports to India—is nearing completion, and three other stores are planned for orchard districts. Canberra also provides scholarships and has promised sheep for a farm in the mountain range between Thimphu and Dagana. In addition, Bhutan has received nearly Rs 500 million for specific projects from several international agencies. But donors, like tourists, must satisfy the Royal Government's stringent requirements. Druk Yul will accept the world only on its own terms.

The Plan's two other points—a higher standard of living and reduction of establishment costs—similarly reflect Druk priorities. The former is not easily quantified. Bhutan ranks low in the list of least developed countries of

which there are 30, Asia accounting for nine. It has sent representatives to their meetings in Dacca, New York and Vienna, and is now preparing papers for the Paris conference in September. The per capita income is $100 (Bangladesh's is $90) against $120 for Nepal, $150 for India, and $200 in Pakistan and Sri Lanka. But IMF officials agree that such figures could be misleading for a country that has so few internal and external transactions that it cannot claim an economy in the modern monetary sense. "Income distribution in Bhutan is much more even than in any other country I've visited" says a member of the team. It is a feature of this paradox that though Bhutan has a trade deficit, it does not face any balance of payments problems. On the contrary, Thimphu—which now controls its own foreign exchange and has accounts all over the world—boasts a small dollar reserve.

This is largely the result of India's generous aid which cushions the economy, takes care of capital expenditure (Rs 1,530 million for the Chuka hydroelectricity project, a Rs 150 million cement plant at Penden, the Rs 30 million lift irrigation scheme at Gaylephug, roads and military training) and bridges the gap between exports and imports. The appointment of Dr Topgye, former Secretary-General for Development, as the new ambassador to India suggests the economic content of the connexion. But the country is also self-sufficient in food, and the simple needs of the majority of its inhabitants are easily met from what they grow, make and can afford to buy. The Food Corporation's support prices and preemptive purchases help cultivators.

Establishment costs do not strike the visitor as exorbitant, but His Majesty assures me that the kingdom is burdened with a top-heavy administration. There are about 20,000 Bhutanese officials of all grades and, apparently, an extraordinarily high 40,000 Indian personnel. The bureaucracy cost Rs 640 million during the fourth Plan; this would have increased to Rs 1,440 million during 1982-87 but, says the king, the estimate has been reduced to Rs 1,148.6 million. He insists that expenditure can be pruned by up to another Rs 100 million.

An official, also in his twenties, trained in manpower planning at Wisconsin, is dealing with the problem. He talks of controlling recurring expenditure, cost effective management and better utilization of manpower. His Majesty has set up a Civil Service Commission to investigate possibilities. It is closely related to other strategies for, with the emphasis removed from Tashicho Dzong to the districts, the dzongda (as district officers are called) has assumed tremendous importance. His initiative is responsible for generating enthusiasm, eliciting suggestions and mobilizing voluntary labour.

King Jigme Singye attributes sharp variations in public participation (from 100 per cent to only ten) and differences in self-reliance (less than half the districts are self-sustaining) to the dzongda's personality. Consequent changes are already evident. Seven years ago, they were traditional keepers of His Majesty's forts: dignified elderly gentlemen noted only for their familiarity with Druk conventions and their loyalty to the Wangchuck dynasty. Paro's dzongda, for instance, was a picturesque medieval functionary who had for 30 years been attendant to the late Druk Gyalpo. But the new district administrators are all thrusting young men imbued with modern ideas, taking their cue from a vigorously imaginative king and, therefore, anxious to improve things within the framework of the past.

It was at one time feared that this elevation of local units would transform districts into demand forums. But it soon became clear that Thimphu would help only to the extent that district development committees were prepared to help themselves. Villagers must first ask for a school, for instance, and justify the need with plans; the Royal Government then provides skilled supervision, timber, cement and corrugated sheets, but the villagers themselves have to construct the building.

ETHNIC ISSUES

A tangential benefit is that self-help eliminates expatriate labour. The Nepalese, invariably referred to as Southern Bhutanese, comprise 25 per cent of the population. But illicit immigration from Nepal and West Bengal is a continuing threat, and the Tsongdu is now considering a cut-off year in the mid-fifties. At the same time, a National Social Cultural Promotion Committee ensures that Druk and Nepalese understand each other's cultures, and are fused in a Bhutanese way of life. Om Pradhan, the former Trade and Industry Secretary who now represents Bhutan at the U.N., offers an outstanding instance of integration. There are many others.

Complete assimilation may take as long as total economic independence. Both yield precedence to the strengthening of a distinctive ethos which also determines the judicious circumspection of Bhutan's political emergence. The Druk people are cautious and realistic by nature, made more so by the extraneous circumstances they have to cope with. "We're not in a hurry" says Ugyen Tsering. "We must first make certain what we really want to do"

CSO: 4220/7353

GANDHI ASSOCIATES WORRIED OVER 'NONPERFORMANCE'

Madras THE HINDU in English 20 Jul 81 p 9

[Article by G. K. Reddy: "Party Leaders Want PM To End Drift"]

[Text]

NEW DELHI, July 19

The top leaders of the Congress (I), who are quite close to the Prime Minister, are troubled by the negative atmosphere prevailing in the country, which is reminiscent of the mid-seventies in many respects.

Though not all of them are privy to Mrs. Gandhi's inner thoughts, they are, nevertheless, well informed enough to share the tormenting thought that, if no timely steps are taken to end the current drift, the Indian polity will start sliding back to the turbulent days of the last decade.

But in drawing the pre-1975 parallel, nobody is implying that the country is heading for another emergency or that the restive ruling party and the refractory opposition are set on a collision course again.

Non-performance: The disconcerting feeling that the present political ferment in the wake of increasing economic distress is bound to lead to widespread public unrest, is making the more sensitive individuals in the ruling hierarchy think seriously of the grave consequences of non-performance.

The reflexes of the Government itself are conditioned by a haunting fear that, despite its best efforts to tackle an admittedly difficult situation, something seems to be going wrong all the time for reasons well beyond its control or comprehension.

This strange psychology of helplessness has been cramping the style of the Government, making those in authority imagine that there is very little they could do to achieve better results in the atmosphere of fatalism.

Abrupt anti-climax: There is also an element of abrupt anti-climax in almost all the actions of the Government. After a high degree of expectation, the Finance Minister has come out with an economic package that has made the hard-pressed public even more sceptical about the Government's will or capacity to cope with inflation.

The credibility of the Government has suffered further because of its totally misleading claims that the prices have indeed come down.

The critics of the government do not expect Mrs. Gandhi to perform any miracles overnight, but they want to be reassured that a conscious effort is being made to tackle the heavy backlog of problems.

They expect her to take suitable steps to improve the quality of her Government by making better use of the available talent, instead of rewarding the undeserving or shielding the corrupt and incompetent who have forfeited public confidence.

The Prime Minister's own party colleagues are not impressed by her claim that the present Central Cabinet is about the best possible team she could get together, since it contains as many as seven former Chief Ministers, conveniently glossing over the fact that none of them had made any mark in he respective State.

The inordinately long time she has been taking in getting rid of the existing Chief Ministers who have become big liabilities to her has not helped to impress her own party that she is determined to set better standards of both probity and performance.

Preoccupation with foreign affairs: The increasing preoccupation with foreign affairs has, no doubt, helped to create an impression of firm and purposeful leadership in dealing with external problems. But is has also diverted attention from the more important domestic tasks like maintenance of law and order, promotion of communal harmony, better economic management and more efficient administration.

The absence of a well-established tradition of internal debate has also tended to deprive the Government of the benefit of informed opinion and constructive criticism.

The fact that almost all the senior Ministers are political lightweights inhibits them from voicing their views with great candour to carry conviction.

The negative atmosphere prevailing in the country is affecting almost every aspect of public life ranging from exercise of power and dispensation of patronage to effective uses of administrative authority and utilisation of the available expertise for achieving better results.

The sad part of it all is that even those in pivotal positions who voice their concern in private about the present state of affairs, are not prepared to talk to Mrs. Gandhi on what could be done to make the Government work better and generate greater confidence.

The few that have felt bold enough to advise her to wield the big broom have not been able to fathom her mind or assess her intentions. And the feeling that nobody really knows what she proposes to do is creating a sort of hiatus at the higher policy-making levels of the Government.

CSO: 4220/7356

GANDHI WORRIES OVER CONGRESS-I CHIEF MINISTERS TOLD

Calcutta THE STATESMAN in English 17 Jul 81 pp 1, 9

[Text] New Delhi, July 16--No sooner than the ink was dry on the Rajasthan chapter, Chief Ministers of two other States, Karnataka and Orissa, are having trouble with dissidents in their respective State parties, causing them worry. Taking note of the opposition that is growing to the Chief Ministers, the Central leaders have asked them to mend their fences, lest they should go the same way as Mr Jagannath Pahadia.

After being given a warning by Mrs Gandhi and asked to change his ways, the Karnataka Chief Minister, Mr Gundu Rao, returned to Bangalore yesterday. Last evening, a meeting of the Political Affairs Committee of the Union Cabinet was reported to have taken note of a number of complaints made by dissidents against the Haryana Chief Minister, Mr Bhajan Lal, besides paying attention to the Karnataka and Orissa affairs.

Mr Rao would probably have been asked by the party's central leadership, to resign right now for the lapses reported against him. But some good work done by him as Chief Minister has stood him in good stead. Besides, the Central leadership must pick another leader to replace him. There is almost no one in the State Congress(I) Legislature Party who would measure up to the stature of a competent Chief Minister, who could take the party along with him.

It is not yet certain if the Central leadership would like to send someone from the Centre to Karnataka. At the same time, elections to the State Assembly are to be held in July next year and it would be better for the party to go to the polls with a Chief Minister who has a better image. Now, Mr Rao has been cautioned and to express her displeasure at the state of affairs in Karnataka, Mrs Gandhi did not see Mr Rao for a day and kept him waiting in Delhi.

It looks likely that Mr Rao may be asked to drop some of the controversial Ministers from his Cabinet. The central leadership will take stock of the political situation in the State after the current session of the State legislature.

The complaints against Mr Rao are many. His "style of functioning" has annoyed many of his fellow legislators, who would otherwise like to support him. He has apologized to the Prime Minister for the unsavoury comments he had made against a number of Central Ministers at a luncheon meeting with the editor of a Delhi newspaper and made himself thoroughly unpopular with the Ministers at the Centre.

Despite the overwhelming majority the Government enjoys in the Orissa legislature, and behind a quiet exterior, dissident activity against the Chief Minister, Mr J. B. Patnaik, is growing. He has been accused of "destroying the unity" of the party and dealing with the dissidents with "strong-arm" methods.

Seven M.P.s from Orissa had sometime ago submitted a memorandum to the party's central leadership complaining against the "style of functioning" of the Chief Minister. Mr Patnaik reportedly blamed Mr K. C. Lenka, his former Revenue Minister, for instigating, dissident activity against him.

On his persistence, Mrs Gandhi permitted Mr Patnaik to drop Mr Lenka from the Cabinet.

UNI adds: Mr Kanhu Charan Lenka, who was recently dropped by Mr J. B. Patnaik from his council of Ministers, arrived in New Delhi tonight from Bhubaneswar. He told reporters that he would meet Mrs Gandhi, Mr Rajiv Gandhi and other Congress(I) leaders and apprise them of his grievances against Mr Patnaik and his style of functioning.

The Congress(I) central leadership is seriously thinking of changing the present leadership of the Tamil Nadu Congress(I) Committee in a bid to end the factionalism that is crippling the State party unit.

The Congress(I) president, Mrs Gandhi, is said to be on the lookout for a suitable person who will be able to steer clear of the contending groups for supremacy--one led by the TNCC-I president, Mr M. P. Subramaniam, and the other by the AICCI general secretary, Mr G. K. Moopanar.

In view of the imminent change, Mrs Gandhi may not agree to attend the State-level political conference, which has been convened by Mr Subramaniam at Tiruchi in August.

CSO: 4220/7332

GANDHI ACTIVITIES IN MADHYA PRADESH REPORTED

New Delhi PATRIOT in English 21 Jul 81 pp 1, 7

[Text] Bhopal, July 20 (UNI)--Prime Minister Indira Gandhi tonight said she would undertake the exercise of reviewing the performance of all State Governments, including the non-Congress-I ones.

After a similar exercise undertaken during her one-day visit to Madhya Pradesh today, she would next go to Jammu and Kashmir, Mrs Gandhi told an unscheduled press conference.

Asked if she was satisfied after her first hand review of the work done by the Arjun Singh Government, Mrs Gandhi said there were "certain deficiencies but certainly, something good was also being done."

"It is a time of economic difficulties not only in Madhya Pradesh, but in every State where there was a demand all the time for more funds," she added.

Mrs Gandhi said the current price rise was owing to the global inflation. In India this had hit the poor the most and what the Government had tried to do was to check the inflationary trend. She said the Government had been successful in lowering the rate of inflation.

The Prime Minister said the rise in prices could be checked only with an increase in production.

In this context, she referred to the import of US wheat which was cheap and was needed to build the buffer stock.

She said she was not aware if the wheat was being smuggled out of the country, as alleged by former Prime Minister Morarji Desai. "If at all there was some smuggling, this was a trend which took roots during the Janata rule," she said.

Asked about the progress made in the implementation of the 20-point programme, Mrs Gandhi said parts of it had already been implemented and measures were being taken to implement the other points from time-to-time. The five-point programme, envisaged by the late Sanjay Gandhi were also part of the "Government policy," she added.

Replying to another question, she said all her party's programmes were meant not to strengthen any individual but the party itself which in turn, strengthened the nation.

She admitted that far more had to be done to remove poverty in the country but added "poverty was not like an old shirt that could be discarded at once." There had certainly been some improvement in this direction, as borne out by the fact that even in our own life, the faces of poverty had shown a definite change.

Chavan's Entry

Mrs Gandhi said no decision had yet been taken regarding the admission into her party of former Congress(U) leader Y. B. Chavan and former Madhya Pradesh Chief Minister S. C. Shukla.

The question was not of admitting someone to the Congress-I but of 'bringing them round to the party ideology.'

Mrs Gandhi also made an indirect reference to Mr Chavan and others seeking entry in the Congress-I at a party worker's meeting addressed by her earlier. "They do not want to come because of our growing influence, but because they want our support. They alone will be benefitted and not the Congress-I," she said.

Mrs Gandhi told newsmen that the problem in Britain presently was not of racialism, but that of law and order.

She agreed that the problem started with racialism "but just now it is that law and order problem which is of concern to the white, the brown and the black people there together," she said.

Self-Reliance

Mrs Gandhi said earlier that her Government aimed at bringing about economic self-reliance for every family in the country, adds PTI.

Speaking after laying the foundation-stone of the first phase of the Rs 200 crore Sanjay Gandhi thermal power station project, at Birsinghpur, she said, "This may be a dream, which cannot be realised in a short time but a beginning had been made and the country is inching towards this object."

Mrs Gandhi said some of the major programmes of the country could not be taken up or make any headway due to lack of power generation, conceding the country was backward in power generation, she said, "But now we have given priority to the generation of power," Without it no progress would be made in industrial or agricultural field.

Mrs Gandhi said the country remained backward because it did not catch up with the advantages made by developed countries in science and technology. The country was now trying hard to make up for the delay but it would take some time to reach the heights reached by them.

Mrs Gandhi arrived in Bhopal, this afternoon by an IAF plane after laying the foundation-stone of the first phase of the thermal project which would ultimately have a power generating capacity of 1260 MW in the near future and considerably boost the economic development of the State.

She was accompanied by Union Minister P. C. Sethi and Madhya Pradesh Chief Minister Arjun Singh.

Mrs Gandhi laid here the foundation stone of a Rs three-crore environmental complex under the auspices of the environmental planning and coordination organisation set up by the Government. Speaking on the occasion she stressed the need to educate people on the importance of environmental hygiene and the need for stopping further pollution of the natural resources.

While laying another foundation stone for the Jawaharlal Nehru Bhawan here to house the Associated Journals Limited, she said the country's independence would remain incomplete unless poverty and atrocities on women, Harijans and Adivasis were ended.

Addressing government employees at the secretariat here before attending departmental meetings to review the progress of economic development programme in the State, she said the country got a setback because those who were at the helm of affairs lacked discipline and determination. It was being rectified now, she added.

On the situation in the international arena she told them some powers were trying to push the world towards tensions. It was not good for India in particular as it was on the threshold of economic progress which might be retarded.

CSO: 4220/7365

CPI MAY BE TRYING TO MEND FENCES WITH GANDHI

Calcutta THE STATESMAN in English 18 Jul 81 p 9

[Text]

NEW DELHI, July 17.—Is the official leadership of the CPI undergoing a process of changing its political line of opposing Mrs Gandhi's Government, adopted by the party congress held in Bhatinda in April 1978?

There are definite indications to support this theory. It is believed that at the next party congress in Varanasi to be held at the end of this year the CPI may revert to the pre-Bhatinda position of supporting Mrs Gandhi.

The gradual shift in the stance follows the intense pressures from supporters of Mr Dange within the party's second rank leadership which is forcing the official leadership to accept a total alignment with Mrs Gandhi and her Government.

The main issue on which the official leadership is made to change the line is the vigorous "anti-USA policies" followed by Mrs Gandhi and her commitment to friendship with Russia and other socialist States and progressive non-aligned countries.

It has so far been difficult for the official leadership to make a sudden volte face. However, the leadership has recognized that though the party's national council, its highest policy-making body, showed unity on expelling Mr S. A. Dange from the party, it is divided on the political line of opposing Mrs Gandhi. The official leadership has been under pressure from the pro-Mrs Gandhi elements to review its line.

This is becoming evident now with the decision of the official leadership here yesterday not to attend the meeting today of all Opposition parties convened by the Janata Party president, Mr Chandra Shekhar, to consider "an entirely new situation created by the alleged large-scale misuse of the official machinery, rigging and violence on the part of the Congress (I) in the recent by-elections".

In a statement issued yesterday the CPI general secretary, Mr C. Rajeswara Rao, said his party would not join a united front of all Opposition parties to oppose Mrs Gandhi and her Government. The party leadership has made a plea that the proposed front comprises communal elements, like the Bharatiya Janata Party.

According to political observers, this is just an excuse. The fact is that the CPI wants to mend its relationship with Mrs Gandhi. This is because the Communist Party of the Soviet Union has reportedly directed the CPI to give up its hostility to Mrs Gandhi and her Government.

The CPI leadership has been reportedly told by the CPSU that Indian Communists should not embarrass Mrs Gandhi's Government by joining hands with Opposition parties.

The CPSU has also reportedly told the CPI that Mrs Gandhi will have no objection to its having united action with the CPI(M) to oppose her policies and programmes. The point the CPSU has emphasized is that any united mass action by the CPI should be strictly limited to Left and democratic forces.

The CPI leadership is, however, reportedly reviewing its friendly relations with the CPI(M) developed in the past two years. The CPI(M)'s line of welcoming the recent visit to India by China's Foreign Minister, Mr Huang Hua, has been not to its liking.

CSO: 4220/7339

KERALA CHIEF MINISTER REFUTES GANDHI ALLEGATIONS

New Delhi PATRIOT in English 20 Jul 81 p 1

[Text]

TRIVANDRUM, July 18 (UNI)

KERALA Chief Minister E K Nayanar has told Prime Minister Indira Gandhi that her reported observations about the 'politics of murder' in Kerala, if true, are 'ill-founded, highly exaggerated, and do not at all reflect the true state of affairs.'

In a letter to Mrs Gandhi, released to the press today, Mr Nayanar said he was surprised to note that at her press conference in New Delhi on 9 July, Mrs Gandhi had chosen to defend some of the statements made by Union Minister of State for Home Yogendra Makwana about the situation in Kerala.

Referring to Mrs Gandhi's remarks that political murders were quite frequent in Kerala and that 'many of our people are getting killed,' Mr Nayanar said he had made it clear over and over again that 'we are against the politics of murder.

Pointing out that Kerala was a highly politicalised State and that any incident was to be politicalised and played up, he said it was the politics of 'liberation struggle' by the Congress-I which had encouraged certain people to create a 'situation' in the State.

Mr Nayanar said the Prime Minister's public defence of the 'ill-founded utterances' of Central Ministers like Mr Makwana would only encourage them to misuse their positions of power for partisan ends in State politics as well as those sections interested in the politics of toppling.

He, however, thanked the Prime Minister for having made it clear at the press conference that her party was not interested in toppling any State Government.

'The position is fully in keeping with the best traditions of parliamentary democracy and I hope the Congress-I in Kerala will give up its politics of liberation struggle,' he added.

Mr Nayanar also referred to his earlier letter, sent on 6 June, drawing the Prime Minister's attention to some of the statements made by Central Ministers and said it was regrettable that he had not so far received any reply from her.

CSO: 4220/7358

CPI-ML PEOPLE'S COURT ATTACKS KERALA CORRUPTION

Bombay THE TIMES OF INDIA in English 21 Jul 81 p 7

[Text] Trivandrum, July 20--The people's court of the CPI(M-L) has begun turning its attention to political corruption in Kerala.

The court has found the municipal councillors of Nedumangad in this district guilty of gross corruption. It has, however, not pronounced any punishment yet.

According to leaflets distributed all over the place, the Naxalite court said they must all be given suitable punishment if the people had to be rescued from excessive taxation and corruption.

The people, the court said, were misled into believing that if Nedumangad, which was a panchayat area until recently, was raised to the status of a municipality they would benefit. What they got in return was more taxes and more corruption.

All these so-called village and municipal institutions were nothing more than the regional expressions of a system that involved heinous and cruel exploitation of the people, according to the people's court.

An instance of corruption, according to the court, was that the municipality appropriated money for killing 400 mad dogs which, the court said, were never caught.

The court appealed to the people to resist and defeat the attempt to collect exorbitant taxes.

Until now the people's court had been pronouncing punishment on medical practitioners for alleged corruption by charging excessive consultation fee.

CSO: 4220/7360

KERALA CONGRESS-U LEADER ISSUES STATEMENT*

Madras THE HINDU in English 21 Jul 81 p 9

[Text]

COCHIN, July 20.

Mr. A. K. Antony, Kerala Pradesh Congress (U) Committee President, has accused the CPI(M) of practising double standards in relation to alliance with progressive democratic forces.

In a lengthy statement issued here on Monday, he said the marxist policy of forming a broad based Left Democratic Front (LDF) in areas where the CPI(M) could not come to power independently and to adopt an attitude of untouchability towards progressive democratic forces in areas where they could rule on their own would no longer sell with the public.

Reply to EMS: Though the statement was in reply to some remarks made by the CPI(M) General Secretary, Mr. E. M. S. Namboodiripad, in Trivandrum on Sunday, Mr. Antony without mentioning names said it was amusing to see top CPI(M) Leaders accusing the Congress (U) for the non-formation of an LDF in West Bengal.

"The Congress (U) workers who are being harassed consistently by the West Bengal Government can never become its flatterers only because of animosity towards the Congress (I), whoever says so", he said.

"We all know for whatever justification the CPI(M) was ready to keep a Congress (I) Government in office in Assam for some days, he added.

No difference of opinion: The KPCC (U) chief made clear that his party had no difference of opinion that each party in the LDF in Kerala should get its due respect.

"But no one need be under the fallacy that with the arrogance that they were the biggest party, they could have unity at the top level with other parties and impose their supremacy throughout the State", he said

It would be helpful for those conscious about the bigness of their party that they had to seek the cooperation of other parties to return to power after 12 years in the "limbo".

Mr. Antony said whenever there had been basic deviation in the LDF administration, the Congress (U) and CPI(M) had publicly pointed them out.

Police associations: The formation of police associations was for realising their just demands, but when they began functioning like trade unions leading to dangerous tendencies destroying discipline in the police force, the Congress (U) objected.

"We were not cornering any party whenever we pointed out the dangerous developments in the law and order sector", he said.

Violence will not be tolerated: Mr. Antony said nobody could tolerate if violent incidents like those in Paravanged, Kanjirapally, Nadapuram, Thiruvambadi and Velliyanad were to be repeated.

"I do not hold the view that our partymen will never do any wrong. Even if our workers indulged in violence, they should not be given Government protection", he said.

Student wings: The Kerala Students' Union, the student wing of the Congress (U) Mr. Antony said had desired to have an agitationless academic year. But in the first week after the educational institutions reopened after the vacation, the Students' Federation, students' wing of the "biggest" party in the Government, gave a call for a strike.

"I cannot agree if someone says that the student organisation of the biggest party can do anything and that not even a reply need be given to the just demands voiced by our student organisation", he said

The KPCC (U) chief said he party had always been trying to have open heated discussions within the LDF forums on all issues. But the should not be construed as a weakness by anyone, he underlined

CSO: 4220/7363

CITU LEADERS ACCEPT INVITATION FROM PRC

Calcutta THE STATESMAN in English 21 Jul 81 p 9

[Text] At the invitation of the All-China Federation of Trade Unions, three leaders of the Centre of Indian Trade Unions, Mr R. Umanath (Tamil Nadu), Mr C. Kannan (Kerala) and Mr Lakshmi Sen (West Bengal) will leave for China on Tuesday on a two-week goodwill mission.

Though the CPI(M) leaders have recently made some critical reference to some of the policies the Chinese Communist Party, specially China's attack on Vietnam, the relations between the two Communist parties seem to be improving as is indicated by an increasing number of visits by the CPI(M) leaders to China.

Mr Jyoti Basu, Mr Mohammed Ismail and a number of leaders of the undivided Communist Party were part of the first trade union delegation to China to attend the May Day celebration in 1958. After the party split in 1964, there was a long gap till September 1979 when three CPI(M) leaders, Mr P. Ramamurthy, Mr Godavari Purulekar and Mr N. Balananda visited China on their way back from North Korea. Mr Saroj Mukherjee, Editor of the CPI(M) daily, Ganashakti, and his wife, Mrs Kanak Mukherjee, M.P., visited China in May 1980. This was followed by a visit by two Politburo members Mr Basav Punnaiah and Mr Samar Mukherjee, Mr Jyotirmoy Bosu, the CPI(M) M.P., had visited China earlier as a member of the Kotnis Memorial Committee.

To fill a long-felt vacuum a theoretical Bengali periodical will be brought out under the editorship of Mr Promode Dasgupta on August 5. An English version is likely to be published shortly from Delhi. The party's Howrah Plenum had stressed in 1978 the need for strengthening the party's ideological base by publishing theoretical journals.

CSO: 4220/7362

BJP OFFICIAL CONCERNED OVER ADVANCES TO CPSU

Calcutta THE STATESMAN in English 21 Jul 81 p 11

[Text] New Delhi, July 20--Mr J. P. Mathur, Whip of the BJP parliamentary party, today expressed concern over the keenness of Indian political parties, including the ruling Congress(I), to secure official tie-up with the Soviet Communist Party. "The enlightened public opinion in the country must join hands at this hour to ensure that friendship with the Soviet Union does not become an opportunity to the Communist Party of the USSR for intervention through willing political tools" he said in a statement.

One cannot but recall that in Afghanistan similar political rivalries to graft a Soviet model State led to the events of 1975-79 when step by step the country was swallowed up and Soviet troops were brought in to bolster an obviously unpopular pro-Soviet regime. The situation in India could not be compared to that in Afghanistan mainly because of a plural polity and strong countervailing forces, both political and otherwise, he said.

But the ruling Congress(I) has been depending heavily on the Soviet model of a judiciary subservient to the executive. The attempts made by the ruling party to subvert the political system and its various checks and balances imparted the Congress(I)'s alignment with the Soviet Communist Party a dangerous dimension. The ruling party joining the queue of other parties for Soviet favours provided Moscow with the grand opportunity to intervene in Indian politics in the same manner in which the British trading company did in India in the 18th century, Mr Mathur said.

The report of the Congress(I) seeking political ties with the Soviet Communist Party was further strengthened by the political ties the ruling party had already developed with the Communist parties of North Korea and outer Mongolia and which were sought to be developed with the Communist Party of Japan. Mr Mathur said the Congress(I) had also publicly sought Soviet favours through the Friends of Soviet Union organization recently launched by the Prime Minister herself.

"In normal circumstances, the Congress(I)'s foreign ties might not have received the attention which they must do now. In the present context of Soviet power extending to the borders of the Indian subcontinent, the official Soviet doctrine that "it has the right to intervene in other countries to protect Socialism there," and the global Super Power rivalry, such political ties between the ruling party in India with the CPSU and the attempt to project the Congress(I) as the Communist ally or sister Communist party is pregnant with various consequences" he added.

CSO: 4220/7362

CONGRESS-U LEADERS SEEK REPLACEMENT FOR CHAVAN

New Delhi PATRIOT in English 21 Jul 81 p 7

[Text] With less than a month left for the monsoon session of Parliament to begin the Cong-U leaders have taken up exercise for finding a leader for their parliamentary party in pace of Mr Y. B. Chavan.

According to the party constitution, the CPP leader is elected by the Parliamentary party. Neither the working committee or the office bearers directly interfere in the procedures.

After Mr Chavan's resignation the total strength of the CPP-U is 28-10 in the Lok Sabha and 18 in the Rajya Sabha. Though Mr Jagjivan Ram is the seniormost leader among the Cong-U members in the Lok Sabha, there seems to be considerable resistance from a big section to make him the leader. They fear that he might also go the Chavan way.

This influential section is considering sponsoring some younger leaders with dynamism for the post. In fact, all but Mr Jagjivan Ram all are rather junior in stature. Of the 10 Lok Sabha members, only one has ministerial back ground. Traditionally, the CPP leader is elected from the Lok Sabha.

It is not known whether Mr Jagjivan Ram is planning to jump into the fray. So far, he has not given out his mind even to his close admirers. He had not even attended the last week's Cong-U working committee meeting at Bangalore. In case he jumps into the fray, this is bound to create lots of problems for the CPP-U.

The Congress-U circles say that a meeting of the CPP-U can be called by Mr Bhola Paswan Shastri a senior leader and leader of the Congress-U in the Rajya Sabha. They however rule out the possibility of the CWC-U discussing the issue--as it is entirely the concern of the CPP-U.

Pawar Nominated

Meanwhile, Cong-U president Devraj Urs on Monday nominated MPCC president Sharad Pawar to the Cong-U working committee. Mr Pawar had so far been a special invitee to the committee.

CSO: 4220/7365

MIDYEAR REVIEW OF STATE OF NATION

New Delhi MONTHLY COMMENTARY ON INDIAN ECONOMIC CONDITIONS in English Jun 81 pp 9-13

[Commentary: "The State of the Nation: A Mid-year Review"]

[Text]

In the months of June and July 1981 the political and economic environments bear a more bewildering look. Some optimism, freely expressed after the Central Budget has evaporated; even the buoyant stock exchanges have lost their recklessness. The Ordinances issued on July 11 and the hike in the Bank rate to 10 per cent and the trends on both prices and payments present a formidable group of events to evaluate. The major awakening to the dangers of inflation is good so far as it goes, but there is no certainty that the measures proposed will meet the exacting nature of this price problem. For the reduction of deficit financing via the hike in petroleum products might look deflationary but the rise in prices of petroleum products is immediately to create a price rise, which, as past experience in 1980 has shown, is not small once the prices run through to all forms of transport and enter industrial costs. There is now talk of a further hike in air fares. Taxis in some cities stay in suspense if not on strike because the logical rise in taxi fares has not been conceded in full by many State administrations. It is obviously impossible for the rise in petroleum prices to be absorbed by units which, in any case, like the bus operations of State Governments, run generally at a loss. Therefore, the question really is: How much anti-inflation is contained in measures which may help the Budget only by creating the equivalent price rise in advance? The theoretical closing of a budget deficit is the end in view. But the end in view is containment of prices and, for precisely this end, paradoxically, the end is not in view.

This mid-year review, while it should concentrate on the greater crisis in the management of the economy, should also take in the political scene, partly because the burden of price rises will now be exploited politically by Opposition parties. Here the Central Government can certainly claim the support of the people as reflected in the mini-elections held on June 13 and 14. In these mini-elections seven Lok Sabha Constituencies and 23 Assembly Constituencies went to the polls to fill vacancies which had been accumulated over the year. If we ignore the results of the single Constituencies, in two States, of Cuttack and Dharwar which went to Congress (I) candidates, there is the constrasting position of sweeping Congress (I) successes in Uttar Pradesh and sweeping CPM victories in West Bengal. A Special Article in this issue describes the facts and figures in each case, but the central message of the mini-elections should not be lost in a maze of figures. The mood of the electorate might appear ambivalent, by giving mandates to different parties in the Uttar Pradesh and West Bengal. This is a mature verdict since it is wise not to detract the country further by allowing political controversies to expand. It is good that, at least for a year or two, the view that the Congress (I) was losing ground at the Centre or that the West Bengal Government was losing ground in Calcutta and needs replacement should both be disproved. If the undercurrents were in fact in that direction, then these were nowhere seen in these elections. Only a postscript need be added on the dramatic arrival of Rajiv Gandhi on the scene. He is

now obviously a major political force within the country. This is probably not a force very different or separate from the Prime Minister's power. It would appear that Rajiv Gandhi is more at the moment a channel of communication than a decision-making authority on his own, but Time has shown, both in Amethi and elsewhere, that a new political personality has been installed.

In an assessment of the State of the Nation at the present time one should also draw attention to the arrival of the monsoons in July in force adequate to support the view that India will have another good agricultural year. The month of June was, indeed, full of suspense because the rains, after a favourable start in the first week of June, suddenly abated and did not reappear in benevolent form until the fourth week of the month. After the breaking of these abundant rains, there is surprise naturally at the Government's decision announced by the Prime Minister in her Press Conference on July 10 that two million tonnes of wheat were to be imported. In view of our falling foreign exchange balances, this decision is difficult to justify. Even if the figure were 1.5 million tonnes as the reports now suggest, the cost would be Rs. 240 crores and the landed price will be Rs. 160 per quintal as against Government's procurement price of Rs. 130 and private dealer's purchases at about Rs. 150 per quintal. If the rice *kharif* harvest is good or better than last year, stocks of foodgrains would not be below "normal" requirements. Therefore, to make up a failure of procurement of about two million tonnes by imports was an act of haste, apparently in brief that the inflationary spell would now cover foodgrains also. But if foodgrains prices rise, the main reason will be the rise in price of fertilisers and other inputs generated by Government's administered prices on petroleum and feedstocks. It is not the result of a shortage of foodgrains, but of the cost-push inflation initiated by Government's policy of raising all prices which it controls instead of setting its face against all price rises in a drastic and determined manner.

When one looks at the whole situation, there is also cause for concern elsewhere. While domestic political controversies have died down, there are clouds on the horizon as a result of the increased armaments announced in Pakistan and, perhaps an exaggerated view that India must greatly increase her defence expenditure to ensure security against a possible use of these armaments against us. Happily the Chinese Foreign Minister's visit has been favourable as indicated in one of the leading articles which follows. But, all in all, the international situation with our neighbours is more disturbing than it was at the beginning of the year.

A major error in administered prices is to be corrected. A cost-push inflation, where administered prices are setting the pace, cannot be offset by drastic control on money supply or ensuring greater liquidity of the banks and higher interest rates. Indeed, the prospect is that, while reducing credit for industrial production, there will be a reduced cushion for excessive expenditure both by the Government and commercial sectors. It is a unique phenomenon in that, with an adverse balance of trade in 1980-81 of Rs. 5,436 crores—an almost incredible figure for India—we have not been insulated from rises in money supply. This is because Government borrowing and Government deficit financing together have already exceeded this huge adverse balance of trade, and money supply has risen from 17 to 19 per cent already within the year. This underlines the important point that at this point of time Government expenditure both Capital and Revenue are excessive and are fanning the fires of inflation which were lit by high administered prices in 1980 in the first instance. Now raising prices will merely add more fuel to the fire. You cannot control prices by first raising them and keeping expenditure undiminished. The right step is a cut in Government expenditure, perhaps of the order of Rs. 2,000 crores by which Government commercial borrowing has been in excess. Who, except the Prime Minister herself, can subdue this demon in the works?

CSO: 4220/278

OPTIMISM OVER NEW INDO-EEC AGREEMENT EXPRESSED

New Delhi MONTHLY COMMENTARY ON INDIAN ECONOMIC CONDITIONS in English Jun 81 pp 10, 11

[Commentary: "India and the EEC"]

[Text]

The new five-year agreement signed on June 23 between India and the European Economic Community marks a further stage in trade and economic co-operation between the two, which began with the earlier agreement of 1973. Even earlier, India had enjoyed a special relationship with individual members of the Community such as Britain by reason of historical links and West Germany because of the aid collaboration given by this country for several of the basic and heavy industrial projects in both the public and private sectors. These links have been maintained and strengthened on the basis of their bilateral interests and understanding of mutual needs. However, the European Economic Community has a distinct structure and interests of its own in the economic sphere the importance of which could not be overlooked by India after Britain's entry into the European Common Market and the old Commonwealth preferences in trade ceased to apply in favour of India's exports to the British market.

India has always had an adverse balance of trade with the West European countries largely because of substantial imports of machinery and capital equipment for development while being unable to export enough of the types of goods required by them. The hope behind the 1973 agreement was that this position would change gradually as India acquired the capacity to export manufactured products to the West while relying increasingly on its indigenously manufactured machiney and capital goods. That hope has not materialised yet and the adverse balance of trade has not only continued but has shown a tendency to increase further in the last two years.

The EEC is India's largest export market taking about 26 per cent of all our exports while providing 31 per cent of India's imports. It is said that India is one of the largest beneficiaries of EEC's Generalised System of Preferences (GSP) which compensates this country for the loss of Commonwealth Preference. Some additional concessions have been offered in periodical reviews of the working of GSP on such products as footwear, sports goods, prawns and shrimps, packaged tea, castor oil and cashew nuts. Viewed in the context and scale of India's export promotion efforts, these may not seem very impressive. Whatever benefits have accrued from these concessions have been overshadowed by the protectionist policies of West European Countries in textiles, leather goods and garments. The tariff reductions agreed to by the EEC under GATT's multilateral trade negotiations apply to about 43 per cent of EEC imports of industrial goods from India which consequently enter free of duty while lower tariffs are charged on the rest of EEC's imports. However, when the total volume of imports is restricted by other measures these percentages by themselves offer only small consolation. This consideration will apply also to the benefits from duty free entry of tropical agricultural products since the quantities are not large.

India's deficit in trade with the EEC which was Rs. 506 crores in 1978-79 and Rs. 483 crores in 1979-80 increased sharply to Rs. 783 crores in the first half of 1980-81. India has been in deficit with West Germany, Britain, France and Belgium but has been earning a moderate surplus with Italy, Denmark and the Netherlands. This has strengthened the impression that India's import liberalisation policies of the last few years had increased EEC exports while the protectionist policies of the latter's member countries has hurt India's exports. It is, however, true that when India's imports are financed by bilateral or multilateral aid, a certain amount of imbalance is bound to arise and should be understood as reasonable. The question is to what extent the restrictive policies of the EEC affect India's trade with its members. The latest agreement provides machinery in the shape of a Joint Commission to promote and keep under review the various forms of co-operation envisaged in the agreement and to provide a forum for consulation on matters of industrial, technical and scientific co-operation and ways of facilitating increased and mutually beneficial investment. It is important that this machinery should be activated without any further delay so that all the differences can be sorted out. With almost stagnant exports and a declining foreign exchange reserves owing to the high cost of oil imports, India cannot afford to take a complacent view of imbalances in trade with any country or area and the severe setback suffered last year in relation to the EEC needs to be checked.

Apart from the latest agreement, the outlook for greater understanding may improve with the progress of the North-South dialogue in the coming months in the various international gatherings beginning with the Ottawa summit of the seven major powers. The Mexico summit in October and the subsequent global negotiations under U.N. auspices are expected to continue this process in which more concessions are expected on trade and aid, judging by the helpful pronouncements of the leaders of the industrial countries. Within the EEC, the advent of M. Mitterrand's socialist government in France may have some influence on the approach of the Community as a whole considering that in the past, French attitudes had been decisive in many matters. There is thus basis for viewing the new Indo-EEC agreement with optimism.

CSO: 4220/278

ENCLAVE EXCHANGE WITH BANGLADESH ADVOCATED

New Delhi PATRIOT in English 19 Jul 81 p 4

[Text]

CALCUTTA, July 18.

WEST BENGAL Forward Bloc leader Ashok Ghosh said here today that his party wanted a total exchange of enclaves between India and Bangladesh.

Addressing a press conference here this afternoon, Mr. Ghosh said that there are 131 Indian enclaves in Bangladesh with a total area of 29 square miles and with a population of one lakh people. Bangladesh has 95 enclaves in India including Dahagram and Angarpota, measuring 18 square miles and with a population of 25,000.

The Forward Bloc is also opposed to India giving out Tin Bigha to Bangladesh on long lease. If Tin Bigha is given to Bangladesh on lease, it would mean 30,000 square miles with 31,000 people being cut off completely from the mainland of India. This would mean another Indian enclave in Bangladesh.

Mr Ghosh pointed out that the 1974 agreement between Prime Minister Indira Gandhi and Sheikh Mujibur Rahman in respect of Dahagram, Angarpota and Tinbigha has never been ratified by the Indian Parliament to this day. In Bangladesh it was ratified only by a special committee and not by the country's Parliament.

The Forward Bloc, therefore, would urge the Centre to reconsider the whole issue so that Tinbigha is not given to Bangladesh on lease and Dahagram and Angarpota are returned to India along with other enclaves, in exchange of all Indian enclaves in Bangladesh.

Mr Amar Roy Pradhan M.P. who was also present at the press conference said he submitted on 20 June a note to Mrs Gandhi on the same line of arguments, and that the Prime Minister assured him of her consideration of the case

Mr Kamal Guha, Minister for Agriculture in the West Bengal Government, was also present at the press conference. He said no Bangladesh team could be permitted to proceed to any enclave via Tinbigha. If they wanted, they could process via any recognised check-post, as was the custom "when we have to cross into that territory on occasions."

Mr Guha would submit a detailed memorandum to Minister Jyoti Basu so that the latter could take up the issue with the Prime Minister when the two meet in Delhi on 23 July. Mr Basu would also request the Prime Minister that in such matters the Centre should have discussion with the West Bengal Government.

CSO: 4220/7349

DELHI MEETING OF OPPOSITION PARTIES REPORTED

New Delhi PATRIOT in English 18 Jul 81 pp 1, 7

[Text]

THE Opposition parties which met on a common platform after a gap of eight months at Mr Chandra Shekhar's invitation set up a joint committee on Friday to prepare a "comprehensive report on electoral reforms."

The report will be discussed at their next meeting in the third week of August.

Mr H N Bahuguna (DSF) and Mr Raj Narain (SP) disfavoured setting up of the committee, and instead suggested that the issue be left to the parliamentary wings of the different opposition parties because it was essentially in Parliament where the reforms could be pressed through.

However, most other parties agreed that a committee should be set up to prepare a report on the subject. It was also agreed that any joint discussion on evolving a strategy for mobilising public opinion for free and fair elections should be put off until the issue was discussed within every party.

A suggestion put forth by BJP's L K Advani and supported by Lok Dal's Biju Patnaik for forming one more committee to work out a joint action or common campaign plan for the broad range of the opposition parties was rejected at the outset because no one else was willing to go that far at the very first meeting. Similar suggestions for broadening the scope of the discussions and action to cover issues beyond electoral reforms were also turned down.

Mr Raj Narain's suggestion supported by Mr Prakash Singh Badal (Akali Dal, for launching an agitation for removal of Mrs Indira Gandhi over the rigging of recent elections and for a gherao of Parliament House on the opening day of the monsoon session also fell through.

The Lok Dal and the CPI-M representatives said that their parties had demanded Mrs Gandhi's resignation in the wake of the Election Commission order on the Garhwal poll and felt that the issue might not yield much fruit, if pressed further. Mr Chandrajit Yadav also did not think the issue justified raising such a demand.

Fourteen parties were invited to the meeting but the CPI refused to attend at the very first because of the invitation extended to the BJP, while the AIADMK did not send any representative. The 12 parties which attended the meeting included the CPI-M the BJP, the Janata Party, the Lok Dal, the Cong-U, the Akali Dal, the National Conference, the Forward Bloc, the RSP, the Democratic Socialist Front, the Janavadi Party and the Socialist Party.

Mr Advani's call for an all-opposition unity against the Government failed to receive any support as most other participants like the CPI-M, the Forward Bloc, the RSP, the DSF and the Janwadi Party insisted that the meeting limit itself to the task set before it; that is, electoral reforms.

Mr Yadav said that this was not the forum at which such a proposal could be discussed because that would involve ideological issues. Mr H N Bahuguna remarked that any attempt to broaden the subject of discussions would bring in ideological nuances and basic political orientations of the different parties present, which was not what was intended in the invitation.

CPI's Absence

Several participants referred to the absence of the CPI and the need for involving it in the discussions. It was agreed that efforts should continue to bring in the CPI also into such discussions.

However, the repeated references to the absence of the CPI seemed to irk Mr Chandra Shekhar for, when Mr Maniram Bagri said at one stage that being a party of struggle the CPI should not have been left out of the meeting, he remarked angrily: "What is the CPI? I invited them. Why did they not come? They should have come. And how are they a party of struggle? Are we not struggling?"

Despite this, Mr Chandra Shekhar himself said afterwards that efforts to bring in the CPI would continue.

The CPI, voicing its opposition to an all-in opposition unity, has, however, said that if it were only a question of electoral reforms it could be taken up at the level of the parliamentary wings of different parties.

Nine-Man Panel

The nine-member panel set up to formulate the electoral reforms draft includes Mr Madhu Limaye (Lok Dal), Mr Chitta Basu (Forward Bloc), Mr L. K. Advani (BJP), Mr P. Ramamurthy (CPI-M), Mr Banarsi Das (Democratic Party), Mr Balwant Singh (Akali Dal), Mr Banka Behari Das (Cong-U) and Mr Chandra Shekhar and Mr Ravindra Varma (chairmen).

The meeting decided that a resolution must be prepared by the Opposition parties on making the elections tamper-proof to be introduced in the next session of Parliament. This will be done after further consultations with the Opposition parties and at the panel.

Mr Chandra Shekhar, who briefed the Press, said that the meeting adopted the first part of his three-page note. As for the second part which deals with the programme for mass mobilisation, several party leaders wanted time to consult their colleagues on details. It was then decided to place before the nine-member panel the views of the respective parties so that it could finalise the programme before the August meeting.

The meeting adopted a joint statement on the 'unprecedented assault on the electoral system in byelections' and called for a 'basic and urgent response' from the people and the political parties.

Welcoming the Chief Election Commissioner's decision ordering a repoll in the Garhwal parliamentary constituency, the statement said: 'The people must assert themselves to thwart a process in which the armed might of police and anti-social groups acting under its protection violates fundamental electoral rights.'

This is the fourth major attempt by the Opposition parties to come closer to fight the ruling party. Soon after the electoral defeat in January, 1980, a meeting of the Opposition parties barring the BJP, was called. But it failed to evolve a

common strategy in the Assembly elections a month later. The Opposition's move for floor cooperation in Parliament also proved a failure, though on some issues they could put up a joint fight. The talks for common candidates in the recent byelections also did not succeed.

The leaders attended the meeting.

Apart from Janta leaders Mr Chandra Shekhar, Madhu Dandavate, Mr Ravindra Varma, Mr Surendra Mohan, Mrs Sarojini Mahishi, others who were present at the meeting were Mr Devraj Urs, Mrs Ambika Soni, Mr Banka Behari Das (Cong-U), Mr L. K. Advani (BJP), Mr Biju Patnaik, Mr Basavapunnaiah, Mr Jaipal Singh (CP-M), Mr Chitta Bose, Mr D.D.S. Shastry (Forward Bloc), Mr Maniram Bagri, Mr Raj Narain, Mr Kalyan Jain, Mr Brij Bhushan Tiwari (Socialist), Mr Prakash Singh Badal, Mr Balwant Singh (Akali), Mr H. N. Bahuguna, Mr Raghunath Reddy, Mr Harikesh Bahadur, Mr Ashfaq Hussain, Mr Neelalohida Dasan (DSFO), Mr Chandrajit Yadav, Banarsi Das, Mr S. A. Hashmi (Janavadi Party), Mr Farooq Abdullah and Mr Mubarak Shah (National Conference).

CSO: 4220/7343

AIR FORCE PLANNING TO TRAIN MORE PILOTS

New Delhi PATRIOT in English 20 Jul 81 pp 1, 7

[Text]

The Indian Air Force is about to improve its capacity to train a three times larger number of pilots for Indian requirements, and friendly foreign countries.

In a two-phase programme it will increase training facilities at the Air Force Academy at Dundigal near Hyderabad and within the next three years set up another academy in the south to be able to turn out nearly 300 pilots per year over a 20 year span.

An important aspect of the programme is to utilise the demand from self-financing developing countries in Asia and Africa to train their pilots to amortise the expenditure on the new facilities within two years.

It is expected that India can earn nearly Rs 20 crore annually from countries like Zambia, Iraq, Jordan, Kenya, Ghana, Nigeria, Egypt, Malaysia and the UAE.

There has been a sharp increase in requests for training facilities from these countries in the past two years because of the growing awareness of the high standard of professionalism imparted at Indian military training institutions.

Also, developing countries are finding it politically more expedient to have their armed personnel trained in a non-aligned country rather than in one of the developed countries.

At present the IAF trains about four foreign pilots every year as against a demand for about 17 seats. Under the proposed plan it will be able to train about 40 foreign pilots every year.

The IAF has suggested to Government that till it takes a final decision on expansion of training facilities for foreign pilots it should be allowed to increase by 10 per cent the present training capacity to cater to the urgent needs of the foreigners as an interim measure.

Apart from training pilots from countries that pay for the privilege, India also trains pilots from Sri Lanka, Sudan, Mauritius, Indonesia, Tanzania, Afghanistan and Nepal either free of cost or on nominal payment.

India's own requirements for pilots able to fly fighter-bombers, transport aircraft and helicopters is going to increase significantly because of the demands of the IAF, the Indian Navy and the Army.

Simultaneously, Hindustan Aeronautics Ltd will have to improve its output of trainer aircraft like the basic trainer HPT-32 and the Kiran jet trainer.

CSO: 4220/7358

MANHUNT ON FOR TRIPURA EXTREMIST LEADERS

New Delhi PATRIOT in English 20 Jul 81 p 4

[Text]

AGARTALA, July 19 (UNI).

TRIPURA police are on the look-out for at least seven top extremist leaders of the outlawed Tripura National Volunteers (TNV), who have been eluding the security dragnet since the outbreak of communal disturbances in June last year.

Though official sources deny any fresh large-scale combing operation to flush out the extremists, security forces are keeping a constant vigil, it is learnt.

According to a authoritative sources, hundreds of tribal extremists who fled into the jungles after conducting a series of attacks, including two armed raids on Abagabil are still on the run.

The police raided Larjanmura village in Teliamura, near here, on Friday and arrested a TNV extremist, Ganapati Jamtia alias Ganak, who allegedly had received weapons training in Bangladesh.

He had been reported to be recruiting tribal youths from villages situated on the foothills of the Boromura ranges.

Another prominent tribal extremist, Rabindra Chakma, was apprehended at a village under Manu police station in the north district the same day. A country-made gun was recovered from his possession.

Extremists on the wanted list include 20-year-old Chuni Kolai, suspected to be the second-in-command of the TNV forces, absconding Tripura Upajati Juba Samiti (TUJS) MLA Harinath Debbarma, Khagen Jamatia, Birendra Kolai and Upendra Jamatia.

Intelligence officials are not quite sure about the real intentions of the TNV extremists who are reported to have forged links with Mizo National Front (MNF) rebels and crossed over to Bangladesh for weapons training.

A secret appeal was made recently by a leading TUJS MLA who is now on bail, urging the extremists to surrender to the authorities, but it was turned down. The TUJS had also taken out anticipatory bail on behalf of Mr Harinath Debbarma. The 'Tripura Sena,' its militant organisational wing, has already been disbanded.

The terms of surrender were further spelt out by Mr Bejoy Hrankhal 'commander-in-chief of the TNV,' who stated after his release that he was no longer associated with the extremist organisation he had founded. Mr Hrankhal wanted a peace zone to be declared and a general amnesty announced to enable the extremists to lay down their arms.

CSO: 4220/7358

WEST BENGAL LAW AND ORDER SITUATION 'SATISFACTORY'

Calcutta THE STATESMAN in English 21 Jul 81 p 1

[Text]

THE law and order situation in West Bengal was found to be satisfactory at the recent meeting of Chief Secretaries held in Delhi to review the situation. The meeting, however noted that there had been an increase in the number of intra-party clashes in the State.

Briefing reporters on the meeting, Mr A. K. Sen, Chief Secretary, West Bengal, said on Monday that compared to other States, there were fewer communal clashes in West Bengal in 1980. Even when such incidents had taken place, they were soon brought under control. Organized violence on Scheduled Castes and Scheduled Tribes was rare. Cases of farmers' agitation were not many in West Bengal compared to other States during the year under review. There had been a few cases of students' agitation but they did not turn violent. Examinations were held more or less peacefully.

Mr Sen said that West Bengal was fifth in the crime position in the all-India context. According to a survey conducted by the Centre, in 1980 there had been 175 crimes per one lakh population in the State. In U.P., it was 187, in Tamil Nadu 184, Maharashtra 278, Delhi (including rural areas) 644, Andhra Pradesh 112, Haryana 134 and Punjab 72. The meeting expressed concern at the increasing number of cases under trial in West Bengal. According to available figures the number of pending cases was 79,800 in 1972. It had gone up to 164,100 in 1980. It was noticed that the figure had gone up since the separation of the judiciary from the executive. The inspection machinery was inadequate. It was accepted at the meeting that executive magistrate should be given powers to try the cases other than those within the Indian Penal Code. If necessary, suitable amendments should be made to the Criminal Procedure Code.

The meeting, Mr Sen said was also concerned at the growing incidence of corruption in the judiciary. It was decided that a separate cell on the lines of vigilance commission should be set up to look into the alleged cases of corruption among members of the judiciary and necessary legislation in this regard should be introduced. On the problem of modernizing police housing schemes, it was decided that the scheme would be Centrally sponsored and the cost would be shared equally by the Centre and the State. Rs 100 crores had been set apart for modernizing the police force under a 10-year programme in a uniform all-India pattern. It was agreed that the laws relating to granting of bail to those who had previous convictions in murder and rape cases should be made more stringent.

CSO: 4220/7362

FOREIGN AID FOR UTTAR PRADESH POWER PLANTS URGED

Calcutta THE STATESMAN in English 21 Jul 81 p 7

[Text]

LUCKNOW, July 20.—In view of the constraint on resources, the State Government has proposed to the Centre that the power projects in Uttar Pradesh be financed by international institutions. Kuwaiti funds, to the extent of Rs 75 crores, have already been made available to Anpara "A" thermal project. This will also provide an additional 70% to the State resource during the Sixth Plan on a reimbursement basis.

An offer of about Rs 400 crore from Mitsu and Company, Japan to design, erect and commission two units of 500 MW each of Anpara "B" thermal project on a turnkey basis within a period of about four years, along with the development of coal mining facilities to match with commissioning schedule, had already been submitted to the Centre by the State Government. The Department of Economic Affairs, Government of India, it is stated, is prepared to include this project under the yen credit, provided the project is cleared by the Planning Commission and coal linkage is advanced from 1989-90 to 1985-86, which is a possible commissioning period.

Two hydro-electric projects have been proposed for financing under Canadian aid: the Pala Maneri hydro-electric scheme at an estimated cost of Rs 118.44 crores, and the Lohari Nag Pala hydro-electric scheme at an estimated cost of Rs 126.92 crores. Both the projects are located on Bhagirathi river in Uttar Kashi district.

The U.P. State Electricity Board has also proposed financing of some generation projects under World Bank aid.

CSO: 4220/7362

OVER A DOZEN DIPLOMATIC APPOINTMENTS FINALIZED

Madras THE HINDU in English 21 Jul 81 p 9

[Article by G. K. Reddy]

[Text]

NEW DELHI, July 20.

After a long delay the Government has finalised the appointments of more than a dozen Ambassadors and High Commissioners either to fill the existing vacancies or reassign some of them to new posts, while appointing a number of Joint Secretaries as heads of missions.

The present Ambassador to Egypt, Mr K. P. S. Menon, goes to Japan to fill the 10-month old vacancy caused by the appointment of Mr V. K. Ahuja as envoy to the Soviet Union.

Mr Menon's place in Cairo will be taken by Mr Alfred Gonsalves who has completed his tenure as High Commissioner to Tanzania. He is being replaced by Mr. N. P. Alexander, now Ambassador to Sweden.

The Joint Secretary dealing with external affairs in the Prime Minister's secretariat, Mr K. W. Bakshi, who belongs to the IFS, has been appointed Ambassador to Sweden in place of Mr Alex Inder.

Post in Norway vacant: The post in Norway has fallen vacant fo[illegible]wing the refusal of the former Chief M[illegible]ster of Manipur, Mr Dorendra Sing[illegible], to accept the political appointment. The Government has no[illegible] yet de[illegible]ed whether the vacancy [illegible] by a career officer or [illegible] appointee.

The Joint Secretary [illegible] South-East Asia, Mr R [illegible] been appointed Ambassad[illegible]. The present incumbent [illegible] A. [illegible] L. N. Rangarajan, goes t[illegible] Sudan.

The Joint Secretary [illegible] charge [illegible] northern division dealing [illegible] and Bhutan Mr A. N. Ram[illegible] been posted as envoy to Zamb[illegible] place of Mr Ravi Tandon who died recen[illegible] in a flying accident.

The present Deputy High C[illegible]missioner in London, Dr I. P. Singh, is being transferred as Ambassador to Spain. His place in London will be taken by Mr. P. Johari, the Joint Secretary in the External Affairs Ministry dealing with Pakistan and Afghanistan.

The Ambassador to Argentina, Mr R. K. Anand, is being shifted to Senegal on completion of his tenure. His place in Buenos Aires will be taken by Mr. L. L. Mehrotra, who is Minister (political) in the Embassy in Moscow.

He in turn will be replaced by Mr A. Madhavan, a senior Joint Secretary who was dealing with Western Europe until he proceeded to the Harvard University, last year under a government-sponsored study scheme.

The former director in the China division, Mr V. C. Khanna, has been appointed Ambassador to Cuba in place of Dr. P. M. S. Malik, who goes to Jordan.

A number of other changes will follow shortly to improve the quality of Indian representation in some sensitive countries as and when vacancies occur in the normal course or the need is felt for posting more experienced persons in [illegible] se p[illegible]ces.

Promotions: Th[illegible] latest instalment of ambassadorial [illegible]ntments will also lead to a sen[illegible] promotions in the foreign services to fill the posts of Joint Secretaries that have fallen vacant.

A number of other Joint Secretaries are also due for promotion to grade [illegible] of the foreign service which entitles them to be upgraded as Additional Secretaries as and when vacancies [illegible]our for accommodating them.

The Foreign Secretary, Mr. R. D [illegible] due to retire at the end of Apr[illegible]2. Those in the line of succe[illegible] are Mr M. K. Rasgotra, who [illegible] Am[illegible]ador to France, and Mr. Eric [illegible]es and Mr. Romesh Bhandari, [illegible]ve secretaries in the External [illegible] Ministry at present.

CSO: 4220/7363

SOCIALISTS, DEMOCRATIC FACTION MERGE WITH DSF

New Delhi PATRIOT in English 19 Jul 81 pp 1, 7

[Text]

THE DEMOCRATIC Socialist Front acquired a broader base on Saturday when the Socialist Party led by Mr Raj Narain, and a faction of the Democratic Party led by Mr Banarsi Das, former UP Chief Minister, merged with it.

In the process, the Democratic Party was vertically split, kicking up a new controversy. Its chairman Chandrajit Yadav denied his party's merger, and threatening Mr Das with expulsion.

The surprise development of merger was announced to newsmen by DSF chairman H N Bahuguna after a meeting of the representatives of the three parties held at Constitution Club. Mr Raj Narain' resided.

The meeting was attended, among others, by Mr Bahuguna himself, Mr Mani Ram Bagri, Mr Bhola Prasad Singh, Mr Banarsi Das, Mrs Tarkeshwari Sinha, Mr Janeshwar Mishra and Mr Harikesh Bahadur.

Mr Bahuguna, who was flanked by Mr Raj Narain, Mr Mani Ram Bagri (both of the erstwhile Socialist Party) and Mr Banarsi Das (Democratic Party), told newsmen that the meeting unanimously set up a three-man committee to decide the issue of party flag, constitution, programme and policy statement.

These would be placed before a joint session of workers of the three parties for ratification. Mr Bahuguna is the convener of the committee which includes Mr Raj Narain and Mr Banarsi Das as members.

POLARISATION PROCESS

Mr Bahuguna said the decision was taken after a discussion on the possibility of reducing the number of fragmented Opposition parties. 'Our effort has been to bring democratic, socialist and secular parties together. Today, we are able to reduce their number from three to one—that is, two less.'

Mr Bahuguna added, 'This is not the destination. It is only a milestone.'

In reply to a question, Mr Bahuguna said 'It is our hope that polarisation of forces would start.'

Asked what would be the DSF's attitude towards the Opposition leaders' meetings to be held in future in continuation of the one held on Friday, Mr Bahuguna said it would not be of non-cooperation. But the DSF would now take its own position.

Mr Banarsi Das told newsmen that he was authorised by the Democratic Party's national council meeting on 6 April to negotiate for the party's merger with like-minded parties. It was only in furtherance of that objective and authorisation that he decided that the DP should merge with the DSF.

Mr Raj Narain said in response to his invitation to the Democratic Party president Chandrajit

CSO: 4220/7349

BENGAL LEFT FRONT, CPI-M COMMITTEES HOLD MEETINGS

Calcutta THE STATESMAN in English 19 Jul 81 p 3

[Text]

The Left Front Committee, at its meting in Calcutta on Saturday, said that it had sent a telex message to the Prime Minister, requesting her to make arrangements for supplying fuel for bus, taxi and ferry services at the old rates.

On the Tin Bigha issue, Mr Promode Dasgupta, chairman of the Left Front, said that the committee wanted the problems relating to the enclaves in the area to be solved peacefully. Mr Jyoti Basu would talk to the appropriate authorities in Delhi during his coming visit to the capital.

The State Committee of the CPI (M), at its meeting during the day, analysed the reports on the municipal poll and by-elections in the State. Guidelines for running the municipalities were suggested.

Mr Dasgupta said that the CPI (M) had fared well in the elections". Generally speaking, we have polled more votes than we expected". He added that because of the absence of the Congress (I), campaigns for the elections had not been politically intense. The CPI (M)'s performance was better in towns "with a tradition of democratic movement". At other places, independants polled more votes than the CPI(M).

Mr Dasgupta said steps should be taken to ensure people's involvement in municipal affairs. They should be kept informed about the income, expenditure and future planning of the municipalities concerned. Performance of the administration should be reviewed every six months.

The State committee decided to begin a campaign against the Centre, by forming an anti-authoritarian platform. Its main objectives would be to highlight the aberrations of the authoritarian rule in the country. Mr Dasgupta said that the recent rise in the prices of petroleum products and charges for postal services through executive orders indicated the Centre's motive to introduce a Presidential form of Government. He criticized the Centre's move for importing wheat from the USA. All these issues would figure in the proposed campaign against Mrs Gandhi's Government, he added.

CSO: 4220/7346

SATHE: GOVERNMENT SEEKS OPEN DIALOGUE WITH PRESS

New Delhi PATRIOT in English 19 Jul 81 p 5

[Text]

Information and Broadcasting Minister Vasant Sathe has called for an open dialogue' between the press and the Government to remove any apprehension about the Government's attitude vis-a-vis the press, reports PTI.

Participating in a 'meet the press programme' planned as the first in a new series, telecast by Delhi Doordarshan on Friday night. Mr Sathe said it was high time journalists disabused their minds of any intention on the part of the Government to stifle the freedom of the press.

"Show me a single instance during my one-and-half year in office that I have tried directly or indirectly any arm twisting of any editor', Mr Sathe said.

Those participating in the programme — Mr Khushwant Singh editor Hindustan Times, Mr Inder Malhotra, resident editor Times of India. Mr S Nihal Singh editor, Indian Express, Mr Hari Jai Singh, editor National Herald and Mr Vishwabandhu Gupta, editor 'Tej' — agreed with the Minister.

Mr Sathe joined issue with the editors, who suggested that the exercise Award and 15 per cent exercise duty on newsprint would kill newspapers.

AWARD DEFENDED

Strongly disagreeing with them the Minister remarked that whenever an excise duty was levied on the newspaper industry there was a hue and cry that it would choke the industry. However, he did not see a single newspaper closing down. On the other hand, he said, they had been flourishing.

About Palekar Award, Mr Sathe said the award was given by a tribunal for journalists and non-journalists, who had been denied wage revision for 15 years.

"What do you expect the Government to do, to thwart this award", he asked.

Mr Khushwant Singh and Mr Nihal Singh quoted that Chief Ministers of Karnataka Gundu Rao and that of Maharashtra A R Antulay, as calling journalists 'snakes, scorpians and prostitutes. They also recalled some of Mr Sathe's own remarks, not very complimentary to journalists.

Mr Sathe clarified that remarks of the two Chief Ministers were 'mere generalisation'. The remarks were not directed against the press as a whole. They were drawn out of context.

About his own remarks while addressing a meeting of the Chamber of Commerce in Calcutta, the Minister said he was also quoted out of context. He was talking of the entire value system being on commercial consideration. There was no intention to denigrade journalists.

Mr Sathe pointed out that sometime people in authority were also abused in the press.

ADVERTISEMENT ISSUE

The Minister said the Government had not taken any decision on the 60:40 news and advertisement ratio in the newspapers. The proposal first came up at the newsprint advisory committee and all the members were unanimous in their view that 60:40 news and advertisement ratio should be enforced. This view was also endorsed by the consultative committee of Members of Parliament attached to his Ministry.

He added that while the Government had yet to take a decision on this question, one thing that struck him as valid was the need for definition of news and newspapers.

He said this could be done by the newspapers themselves or jointly by the Government and the press. The Government had a role in this because it supplied the newsprint and registered the newspapers. He did not think that this will impinge on the freedom of the press.

As long as the Government had to supply the newsprint on which it spent Rs 150 crore in foreign exchange, it had to regulate the supply so as to meet the growing demand of the small and medium newspapers, Mr Sathe added.

The Minister agreed with the suggestion that a code of ethics for newspaper was necessary, but this should be evolved and implemented by the newspapers themselves.

The Press Council also felt that it could not enforce any code of ethics because it had no teeth. he said adding just as the newspapers campaigned for unadulterated food and unadulterated liquor the news should also be unadulterated.

If care was taken to verify the facts. there would be no problem, Mr Sathe added.

CSO: 4220/7349

BJP PRESIDENT HOLDS NEWS CONFERENCE IN MADRAS

Madras THE HINDU in English 18 Jul 81 p 7

[Text]

MADRAS, July 17.

The Bharatiya Janata Party has decided to launch a campaign demanding that American wheat should not be unloaded in India as a protest against the U.S. refusal to supply fuel to the Tarapur plant.

The BJP President, Mr. A. B. Vajpayee, announcing his party's decision at a news conference here today said the campaign would be "no fuel, no food."

The party's decision should not cause a fear among the people. Punjab had a bumper wheat harvest and it could be distributed wherever needed. If there was any short supply of wheat in any part, it was only due to mismanagement.

U.S. arms for Paki: On the arms build-up by Pakistan, he said there was no doubt that cold war was at the door-steps of India following the supply of sophisticated weapons by the U.S. to Pakistan. But he did not see any immediate danger or threat to the country's security.

It would be better if the Prime Minister, Mrs. Gandhi, took into confidence the Opposition leaders and apprised them of the correct situation so that a united effort could be forged to meet any challenge. National security was not the concern of a particular party. All the parties and the people should be on the alert to defend the country.

The BJP leader, however, criticised the Prime Minister's view that the Opposition parties were always for confrontation with the Government. On the other hand, it was the Prime Minister alone who was in confrontation with the Opposition. On all national problems — national security, foreign nationals' issue in Assam, reservation issue — the Opposition cooperated with the Government despite some differences.

Opposing the recent increase in the prices of petrol, furnace oil, cooking gas, kerosene etc., he feared that this step would push up the prices further.

Mr. Vajpayee admitted that political murders had increased in Kerala. But that should not be used as a handle by the Prime Minister to topple the left-front Government in that State.

CSO: 4220/7342

BIHAR CHIEF MINISTER CITES GOVERNMENT PROGRESS

Calcutta THE STATESMAN in English 22 Jul 81 p 9

[Text]

NEW DELHI, July 21.—The fact that foreign exchange reserves fell by just Rs 511.96 crores in 1980-81 despite the enormous trade gap of Rs 5.535 crores was mainly because of the large in-flow of foreign exchange in 1980 amounting to Rs 4,467.28 crores on account of earnings from "invisibles".

These are earnings on account of remittances from Indians abroad, tourism, shipping, airlines and the like. The bulk of the inflow is thought to be due to remittances from Indians working in West Asia, especially in Iraq.

However, there are signs that such remittances will drop this year. A large number of Indians returned from Iraq and Iran following the outbreak of war between the two countries and many of them made bulk remittances before leaving.

This is borne out by the fact that there was a sharp upsurge in remittances from August to October, 1980, coinciding wih the height of the Iraq-Iran war. As much as Rs 1,931.54 crores came in as remittances during this three month period, or just under half the amount that was received durmg the whole year.

The war is still not over and, although Indian companies have won a number of construction and engineering contracts in Iraq in recent months, the number of Indians in that country working on them has declined sharply. Hence remittances this year are expected to be less.

However, large numbers of Indians are still finding jobs in many countries in the Gulf region both in Indian projects and those won by other countries, in addition to finding employment with local companies. On the other hand, many who have completed their contracts are now returning. Hence the expectation that remittances have passed their peak.

The foreign exchange reserves are now falling faster, partly for this reason, although they are still at the relatively comfortable level of just over Rs 4,000 crores. This is partly because of loans of Rs 812 crores from the International monetary fund last year. Had these loans not come through, the reserves would have dropped in 1980-81 by Rs 1,327.31 crores, a fall of more than Rs 100 crores a month.

The rate of the decline has accelerated since then. In fact, in the first week of June, the reserves fell by a heavy Rs 125.27 crores. Hence the efforts to increase them by external borrowings which are expected to be mainly from the IMF, talks with which have started.

The reserves are needed because of the sharp rise in imports to an estimated Rs 12,000 crores last year. They are bound to increase this year, even though the crude bill is almost constant, because of the decision to import consumer goods like wheat, edible oil and sugar.

CSO: 4220/7369

FOREIGN EXCHANGE RESERVES LINKED WITH REMITTANCES

Calcutta THE STATESMAN in English 22 Jul 81 p 9

[Text]

PATNA, July 21.—The Bihar Chief Minister, Mr Jagannath Mishra, yesterday claimed that the greatest achievement of the Congress (I) Government during its one-year rule in the State was the restoration of normal conditions in the campuses and the holding of examinations on schedule, reports UNI.

Recounting the various measures taken by the Government, Mr Mishra, in a broadcast over the Patna station of All India Radio, said that another major achievement was the nationalisation of all secondary schools, by which 40,000 teachers had been made Government servants.

Except for the tragic incidents at Biharsharif, complete communal harmony prevailed all over the State. Riot victims were rehabilitated, compensation was paid to the people and the guilty were punished, he added.

The concept of panchayati raj was implemented for the first time in the State on November 14 last year, after legislation was enacted in 1981-82. The dream of Gandhiji and Jawaharlal Nehru (of "gram swaraj") had been realized with the creation of district boards in all the districts.

The poorest people above 60 years of age who own up to one acre in the plains and 2.5 acres in the plateau area have been granted a life-long monthly pension of Rs 30. This will benefit two million people in the State, Mr Mishra said.

A new scheme had been launched under which 50,000 houses would be built for the homeless. While the construction of 7,500 such houses would begin in 1981-82, another 10,000 units were proposed next year.

Mr Mishra said that development plans in the 112 blocks in the tribal region had been accelerated. The Government had taken wide-ranging measures to restore land to the Adivasis. Over Rs 56 crores would be spent on all the tribal plans in the current year.

A Harijan component plan had been launched in areas where the population exceeds over 20%. A sum of Rs 75 crores would be spent on this plan. No major incident of atrocity on Harijans and tribals has taken place during the past year, he claimed.

Incentives had been given to the rural people for irrigation. For farmers owning up to seven acres in the Chhotanagpur region, wells would be dug by the Government free of cost, Mr Mishra said.

CSO: 4220/7369

BENGAL UNIONISTS SAY CITU AGAINST TU UNIT

Calcutta THE STATESMAN in English 18 Jul 81 p 7

[Text]

LEADERS of the State Committees of four central trade unions—West Bengal Pradesh National Trade Union Congress (U), United Trade Union Congress (Lenin Sarani), Bharatiya Mazdoor Sangh and the Hind Mazdoor Sabha—alleged in Calcutta on Friday that the Centre of Indian Trade Unions was trying to disrupt the unity of the central trade unions in West Bengal by disregarding the joint struggle call given by the National Campaign Committee of the eight central trade unions in Bombay last month to fight the "repressive and anti-labour policies of the Centre."

They said despite CITU being a constituent of the National Campaign Committee and its general secretary, Mr P. Ramamurthy, pleading for unity of the central trade unions at the Bombay convention, the West Bengal leaders of CITU had formed a separate State level campaign committee excluding the BPNTUC (U) and the UTUC (LS) from it. The CITU leaders had reportedly said that since both the unions and the parties to which they were affiliated were critical of the CPI (M)-dominated Government in West Bengal CITU in West Bengal would have no truck with them. The CITU leaders were particularly allergic to the UTUC (LS) with which, they said, CITU would never participate in any joint movement.

The Bombay convention of the eight central trade unions had directed the formation of State Level Campaign Committees for building up a joint movement of the eight central trade unions against the use of the National Security Act and the Essential Service Maintenance Act, the curbing of trade union and democratic rights and the rising prices of essential commodities. The National Campaign Committee of the eight central trade unions will be meeting in Delhi on July 24 to fix the date for a one-day Bharat Bandh and a march by industrial workers to Parliament House.

Mr Sugata Roy, President of WBPNTUC (U) and Mr Fatick Ghosh leader of the UTUC (LS), alleged that the CITU leaders by violating the directives of the Bombay convention formed their own State Level Campaign Committee in which among others the UTUC (Bowbazar), Trade Union Co-ordination Committee and the organizations affiliated to CITU, like the Bengal Provincial Bank Employees Association 12th July Committee and the Coordination Committee of State Government Employees had been included. The State unit of CITU had convened a meeting on June 29 from which the UTUC (LS) and WBPNTUC (U) had been excluded.

The All-India Trade Union Congress, another participant at the Bombay convention, has strongly urged unity of all the central trade unions in the State and expressed its determination to uphold the directive of the Bombay convention. The four trade unions WBPNTUC (U), UTUC (LS), HMS and BMS have already formed a State level campaign committee and have requested CITU and two other left trade unions to join their committee "in the interest of joint struggle" Their leaders said if the three left trade unions did not respond to their request the existence of the two political committees would split the working class in the State.

CSO: 4220/7354

SINGH OPENS STATE HOME SECRETARIES' CONFERENCE

Calcutta THE STATESMAN in English 18 Jul 81 p 1

[Text]

NEW DELHI, July 17.—The Union Home Minister, Mr Zail Singh, today called upon the States to take immediate steps to strengthen their intelligence machinery to prevent and control communal disturbances, reports UNI. He was opening a two-day conference of State Chief Secretaries, Home Secretaries and Inspectors-General of Police.

The Minister told them to speed up action on a model scheme already sent to them by the Intelligence Bureau.

He made it clear that the Government would come down heavily on any secessionist activity. The unity of the country would be maintained at all costs, he added.

Referring to the incidents of rape in several parts of the country, the Home Minister said the law would be tightened to provide deterrent punishment against such heinous offences.

Mr Singh said the series of communal incidents in U.P. in August and September last year and the recent incidents at Biharsharif and Hyderabad "have underlined the need for constant vigilance".

"The real test of our efficiency would lie in monitoring the situation closely in communally sensitive areas and remove the irritants well in time", he told the police officers and administrators.

The Home Minister said the communal problem could be solved effectively with the coperation of all. He called upon the administration to gear itself up to meet the challenge "and discharge its responsibilities with tact and firmness"

He said the police had to tackle a number of agitations engineered by various interested parties and groups. The available manpower and material resources had to be stretched to the very limit.

Here again "an alert and efficient intelligence set up will help in evolving precautionary and preventive measures to maintain law and order", he said.

Mr Zail Singh said there had been allegations about communal bias on the part of the police and administrative machinery in the control of communal disturbances. "We should take serious and sustained action through proper recruitment and training"

Training programmes should be drawn up to reorient the policeman's attitude to his work and sharpen his ability and in the process improve his image. The uniformed force should be subject to strictest discipline. The administration as a whole should be impartial and fair, he said.

Legal provisions had been made to deal with anti-social elements and other criminals more effectively. But "ultimately more than the laws and statutes, it is your ability to implement the policies and guidelines with determination which will be the decisive factor for the success of our efforts in the maintenance of law and order in the countries." Mr Zail Singh said.

Referring to the Government's commitment to the welfare of the poor, the Home Minister said Central assistance for the State's special component plans for the Scheduled Castes and Tribal sub-plans had been increased.

The Home Minister said peace and harmony were essential for the country's proper functioning of the various sectors of the economy. A great responsibility rested on the administration and police in ensuring this.

He said if the administration "is prompt, purposeful and efficient" the people would respond with greater efforts.

He asked the senior officers to devise ways to deal effectively and expeditiously with the dowry problem.

CSO: 4220/7339

DESAI ATTRIBUTES COMMUNAL INCIDENTS TO CONGRESS-I

Bombay THE TIMES OF INDIA in English 18 Jul 81 p 12

[Text]

PUNE, July 17.

MR. Morarji Desai has attributed the increasing incidence of communal riots in different parts of the country to the ruling Congress (I) party's policy of appeasing all minorities.

Speaking here to newsmen here today, the former prime minister said that during the Janata regime, the Congress (I) had encouraged agitations by minority communities and the police personnel. This has boomeranged on them, he pointed out.

According to Mr. Desai, there was no evidence to prove the charge that the RSS had a hand in the communal troubles. It appeared that the RSS retaliated whenever their members were attacked.

Commenting on the racial riots in the U.K., Mr. Desai said that the Thatcher government should effectively check the stir launched by Mr. Enoch Powell.

Rampant corruption in every sphere was the cause of the ever increasing prices and the government would never be able to bring them down, he asserted.

Political parties should come together on the basis of a specific programme and make sincere efforts to form a cohesive party. However, care should be taken not to admit persons like Mr. Charan Singh in the new party, Mr. Desai said.

Asked about the possibility of another emergency, Mr. Desai said that no government would be able to declare it again. The moment such a step was taken, the government would collapse in no time, he warned.

He challenged the government to prosecute him and prove the allegations that he was responsible for squandering the country's gold reserves and for depleting its foreign exchange reserves.

Mr. Desai was of the opinion that India could not have friendship with China so long as it occupied Indian territory. However, he did not advocate war with China.

CSO: 4220/7338

PLANS, PROGRESS IN METALLURGICAL INDUSTRY REPORTED

Madras THE HINDU in English 21 Jul 81 p 9

[Text]

NEW DELHI, July 20.

The Union Minister of Steel and Mines, Mr. Pranab Mukherjee, said here today that the construction of the Visakhapatnam steel plant would begin on scheduled next October.

Talking to newsmen here, he said the first phase of the project, which is being built with Soviet collaboration, would be completed in 48 months.

As of now, the Steel Authority of India Ltd. (SAIL) had been entrusted with the responsibility of building the plant but what its ultimate organisational set-up would be had yet to be decided.

Salem steel plant

Mr. Mukherjee said he was sympathetic to the suggestion for upgrading the Salem project into a full-fledged steel plant from a re-rolling mill.

"The difficulty is that there is no money, but I have noted the suggestion", he said in response to a question.

The Paradip steel project was now under the consideration of a Cabinet committee, which was looking into its various aspects. He did not specify the date by which a decision would be taken.

As for the second alumina project to be built in Visakhapatnam—the first project is coming up in Orissa with French collaboration—Mr. Mukherjee said the Soviet Union had been requested to increase its assistance.

The USSR, he said, had initially offered to meet 15 per cent of the project cost. India had requested it to assume responsibility for the project as a whole. In return it could lift the entire production of the plant.

The question of looking for other sources of finance would arise only after the Soviet Union's reply to the Indian proposal was known.

Steel output better

Mr. Mukherjee said a target of 5.7 million tonnes of saleable steel had been fixed for the SAIL plants for 1981-82. This was one million tonnes more than the 1980-81 output.

The performance of the steel plants had looked up following some improvement in the availability of power and coal. The plants were concentrating on saleable steel and there was a fall in pig iron production. It had been decided to import pig iron to meet the demand.

Mr. Mukherjee regretted the delay in the completion of the expansion projects at Bhilai and Bokaro to four million tonnes but said the fourth blast furnace was expected to go into full production soon. The expansion programme was now expected to be completed by December next year.

The second phase of expansion of the alloy steels plant at Durgapur had been approved. It would involve an outlay of Rs. 80 crores. When it was completed the production of the plant would increase to 2.6 lakh tonnes a year from the present 1.6 lakh tonnes.

Mr. Mukherjee said a fall in the offtake had led to a glut of electrical conductor grade aluminium. Cable manufacturers were not lifting stocks from the aluminium producers as the State Electricity Boards were not placing orders with them for cables and conductors.

The matter was discussed at a recent meeting of the chief executives of State Electricity Boards with the Union Finance Minister, but the aluminium producers had been advised not to slow down production.

As for other non-ferrous metals, the production capacity was not being utilised in full because of power scarcity. The Minerals and Metals Trading Corporation had been advised to make all the needed imports as the international prices were favourable.

CSO: 4220/7363

BUSINESS GROUP URGES FISCAL POLICY REORIENTATION

Calcutta THE STATESMAN in English 22 Jul 81 p 3

[Text]

In a study of the investment needs of the private-sector during the Sixth Plan period, the Indian Chamber of Commerce has called for a reorientation of the present fiscal and monetary policies to facilitate an increase in investment by the corporate sector and enable the firms to generate internal savings and acquire matching working capital.

The private-sector, the study points out, has been assigned greater responsibility in undertaking industrial development during the Sixth Plan. But it has been facing difficulties in raising resources to finance expansion, new capacity creation and modernization of industry. The investment required by the private-sector will be about Rs 3,000 crores a year during the plan. The current level of investment in the private-sector is only half this amount.

It is apprehended that even this level of investment will get reduced because of the implementation of Chore Committee's recommendations which will lead to diversion of investible funds to meet working capital requirements. Financial needs of the industry are increasing every year because of the continuing inflationary pressure and escalation in the costs of new projects. The capacity to generate internal resources has been reduced in real terms and borrowings from financial institutions have become difficult.

In the context of the tight credit policy leading to the shortage of funds, the Indian Chamber of Commerce has suggested some changes in the Government's monetary policy, if the private corporate sector has to discharge its responsibility of industrial expansion during the Sixth Plan.

It is stated that the Chore Committee's recommendations should not be implemented and the debt equity ration be diluted from 2:1 to 4:1. The chamber has suggested a review of the "restrictive" credit policy announced by the Reserve Bank for the 1981 slack season and also for the fiscal year 1981-82. It also feels that the interest rate, which has been increased steeply, should be brought down to a reasonable level.

The study points out that high tax rates, apart from increasing the cost of projects, leave very little profit for replacement and modernization of plant and machinery and diversification of the corporate activities. It is felt that the overall rate of corporate tax should be brought down from 70% to 50% and that the maximum rate of personal taxation be brought down to 50%. Long term investment in Government securities, shares of new firms and other productive assets should be exempted from income tax and wealth tax. There is also need for a review of the existing provision for grant of a depreciation allowance it is stated.

CSO: 4220/7368

COMMISSION REPORTS RESULTS OF SIXTH PLAN REVIEW

Bombay THE TIMES OF INDIA in English 20 Jul 81 p 3

[Text]

NEW DELHI, July 19 (PTI):

A REVIEW of the progress in implementing the sixth plan has revealed the attainment of 90 to 95 per cent of the physical targets set for industry and transport during the first year, 1980-81, according to the planning commission.

Being conducted by two members of the planning commission, Mr. Mohammad Fazal (for industry, transport and power) and Dr. M. S. Swaminathan (for agriculture), the review covers both the Central and state sectors of the sixth plan.

The review of the Central sector has been completed but that of the state sector is still in progress. The findings, when available in the next three months, will be placed before the full planning commission.

In the agriculture sector, under review are both immediate and long-range projects and policies.

ECONOMY BUOYANT

The achievement, Mr. Fazal pointed out to PTI, was reflected in the buoyancy in the economy. He underlined what he called the satisfactory growth rate in industrial production.

"This is an extremely gratifying performance, considering that the new government has taken over only last year", he said.

Mr. Fazal, however, admitted that though a 19 per cent increase had been recorded in power generation, there was scope for greater efficiency in project management and project construction.

Only sustained efforts, he said, would help achieve the plan target of generating 19,600 additional Mws.

Some of the problems facing the power industry, came in for review on Friday at the meeting of the state ministers of electricity and chairmen of state electricity boards. The meeting was also attended by the Union finance minister, Mr. R. Venkataraman, Union energy minister, Mr. A. B. A. Ghani Khan Chowdhury and Mr. Fazal.

Stress is understood to have been laid on the state electricity boards recovering outstanding electricity tariff totalling Rs. 290 crores and minimising transmission losses caused by pilferage.

The electricity boards were advised to monitor their performances.

Both Mr. Fazal and Dr. Swaminathan complimented the states for the effective implementation of the plan generally. The plan reviews are attended to by chief ministers themselves, in addition to ministers of finance and planning.

With dry farming techniques becoming available during the last four or five years, the sixth plan has given high priority to dry farming.

The planning commission, Dr. Swaminathan said, had taken up a detailed study, of areas which receive high rainfall during the monsoon and yet are drought-prone. One such study, of Konkan and Sikkim, had just been completed, he said, adding that two more had been begun in Mizoram and Goa. The Himalayan and Western ghat regions, would also be covered by such studies, he said.

The Maharashtra government has appointed a committee headed by the state chief secretary to follow up the study of the Konkan. Some steps have already been taken to give effect to the findings of the study.

CSO: 4220/7352

COMMERCE MINISTER ANNOUNCES 1981-82 EXPORT TARGET

Calcutta THE STATESMAN in English 21 Jul 81 p 1

[Text]

NEW DELHI, July 20.—Faced with a trade export deficit of over Rs 5,500 crores in 1980-81, the Government has set an overall export target of Rs 8,400 crores for 1981-82 which implies a growth rate of 18% in real terms, taking inflation into account. The Planning Commission has set a growth target of 9%.

Mr Pranab Mukherjee, Minister of Commerce, today outlined a series of measures taken by the Government to achieve the target and set much hope on project exports and the new scheme for 100% export-oriented units.

He told reporters that India had so far won contracts for Rs 4,000 crores worth of projects abroad. Of this, Rs 1,600 crores had been obtained this year. A task force had been set up to suggest ways to improve the performance.

Regarding the scheme for setting up 100% export-oriented schemes, 95 applications had been received and 34 had been approved. Twelve were being examined. The investment involved in the 34 units was estimated at Rs 100 crores. They would annually export Rs 100 crores worth of goods.

Mr Mukherjee agreed that in view of the concessions offered to these 100% export-oriented units, the proposal to set up further free trade zones had become redundant. But he pointed out that the two free-trade zones at Kandla and Santa Cruz had improved their performance last year.

The initial provisional trade figures for 1980-81, which placed exports at Rs 6,578.41 crores and imports at Rs 11,783.29 crores, had now been revised upwards. Imports were estimated at Rs 12,210.16 crores and exports at Rs 6,675.15 crores, giving a trade deficit of Rs 5,535.01 crores. Mr Mukherjee expected a further upward revision and thought that the export target of Rs 7,100 crores set for last year would be achieved.

Nontheless, this meant that exports would show a growth rate of 10% while imports would soar by over 40% at an estimated Rs 12,500 crores. The biggest strain came from the oil import bill which was around Rs 5,200 crores, or almost 73% of total exports. Further burdens had been imposed by imports of items like fertilizer, non-ferrous metails, edible oils and cement.

Certain non-traditional items like engineering goods, basic chemicals, plastics, linoleum, handicrafts and woollen manufactures had done well, registering increases of between 30% and 60%. Agricultural and plantation items like coffee, tobacco, cashew kernels, rice, groundnuts and cotton had also showed appreciable increases while cotton textiles had risen by 18%.

But there had been a setback in the export of items like sugar, leather and leather manufactures, marine products and spices. Jute manufactures had shown a slight decline of 2.5% as a result of competition from Bangladesh and synthetics.

Mr Mukherjee said that the export performance in 1981-82 would depend largely on the trading environment in the world and the state of the domestic economy. There had been a marked slowdown in world trade but the domestic economy was looking up because of infrastructural improvements.

CSO: 4220/7362

GOVERNMENT AGENCIES' DISPUTE MAY SPOIL WORLD BANK LOAN

Bombay THE TIMES OF INDIA in English 21 Jul 81 p 5

[Text]

NEW DELHI, July 19 (UNI)

THE expected World Bank loan of Rs. 600 crores to the Indian Railways may be delayed or may not materialise because of a row between the Railway Board and the department of electronics over import of equipment for computerised freight operation control.

The two big loans totalling $700 million (Rs. 600 crores) are stated to be in the final stage of negotiations, but the World Bank has set a precondition for granting them. It wants the Railway Board to make a commitment to import and instal computerised operation control system. The government of India should make available the requisite import licence for the same.

While the Railway Board is understood to be in favour of accepting the World Bank's stipulation, the department of electronics insists that the computerised operation system should be developed indigenously.

A great deal of optimism was exuded in the Rail Bhavan last month about securing these big loans. It was given out that a railway technical team would leave for Washington on June 20 and it would be followed in four days by another team, led by railway board chairman, Mr. M. S. Gujral, who might sign the agreement.

However, following this snag, the departure of both the teams to Washington has been postponed indefinitely.

Recently, a meeting of top officials of the Railway Board, the department of electronics and the finance ministry was convened to thrash out the issue. Divergent views are understood to have been expressed by the officials of the Railway Board and the department of electronics on the import of equipment for computerised operation control system.

According to informed sources, the issue is likely to be referred to the cabinet for final decision.

The department feels that the computerised system could be introduced indigenously as a decentralised or distributed system and could be later developed over the years into a system controlled from one point.

On the other hand, the Railway Board has pointed out that nowhere in the world is this system decentralised. "If we start from scratch, it would take us 10 to 12 years to develop it to the requisite level," board sources say.

They also point out that by the turn of the century, the railways are expected to carry nearly 450 million tonnes of freight traffic a year — more than twice the current tonnage. They maintain that even the United Kingdom bought the electronic equipment for this purpose from the US and Canada, who were the first countries to develop the technology, and it took UK seven to eight years to adapt the system to its requirement.

A senior board official told UNI, "We are very clear in our minds that this equipment would have to be imported."

The computerised operation infrastructure system — known as TOPS (Total Operating System)—gives information about the real time on line, enables to track wagons at a particular time and also looks after the maintenance requirements of the rolling stock.

The proposed Rs. 600 crore World Bank loan is to finance a massive programme of modernisation of the rolling stock and route electrification.

The World Bank has already carried out an appraisal of the concerned projects. The appraisal missions of the Bank visited India twice for this purpose in February and April.

The two loans of about $700 million carry soft terms and will be repayable over a period of 40 years. If the loan materialises, it would costitute the largest advanced by the World Bank to the Indian Railways.

CSO: 4220/7360

NEW HARIJAN CONVERSIONS REPORTED IN PONDICHERRY

New Delhi PATRIOT in English 22 Jul 81 p 8

[Text]

PONDICHERRY, July 21 (PTI)—Ruthless exploitation by the landlords and harassment by society and the administration have forced the 1500 Harijans of Thimmanaikenpalayam village, near here, to seek conversion to Islam, according to their leader.

Their decision to change faith is final and there is no political motive in it Harijan leader C Krishnamurthy told PTI.

Union Territory's Chief Minister D Ramachandran, and his cabinet colleagues had termed reports of the Harijans' decision 'far from the truth' they also suspected political motive in the reports.

The issue had become the subject of much controversy, coming in the wake of the mass conversion of Harijans in Meenakshipuram, Tamilnadu.

Mr Krishnamurthy said the Harijans were all 'oral' tenant cultivators (tenancy based on an Oral Contract and not entered in the village records) and farm labourers Out of their produce, the landlords collected one-third for supply of water to the fields and another one-third as land rent, besides interest at an appalling 120 per cent on loans advanced to the cultivator.

Mr Krishnamurthy said a senior official had had discussions with him, but no settlement was reached. The Harijans wanted assured irrigation for the lland held undr oral lease, non-interference in the house sites allotted to them and protection against ill-treatment by caste Hindus.

Why Islam, the correspondent asked, pointing out that in the last four years. 10 Harijan families had embraced Christianity. "By becoming Christians, we cannot raise our social status. By becoming Muslims we can. he said.

CSO: 4220/7373

TROUBLES WITH JHARKAND SUPPORTERS ANTICIPATED

Calcutta THE STATESMAN in English 17 Jul 81 p 9

[Text]

DURGAPUR, July 16.—Widespread trouble is apprehended by the district authorities in Bankura during the sowing season because of the agitations launched by the Jharkhand party and the Jharkhand Mukti Morcha. The Government has been asked to send five additional police platoons to ensure peace, according to the district magistrate.

The district authorities have identified more than 150 vulnerable spots. Police force in the areas has already been strengthened.

Efforts are being made to mitigate the problems of the Adivasis who are sworn supporters of the Jharkhand party and the Jharkhand Mukti Morcha. But in most places the two organizations work separately and the relation between them is bitter. The Mukti Morcha is dominated by extremists while the Jharkhand party in the district is mainly controlled by leaders from outside including Dhanbad.

Frequently demontrations are held near Government offices demanding formation of Jharkhand State. They also demand use of Santhali language (Alchiki) in the official records. The district magistrate said the district authority could do little to meet the demands but Government work was hampered in many cases because of the agitations. He said the local leaders could be reasoned with. but those from outside the district were the main threat to peace.

The latest census figure reveals that the percentage of Adivasi population has dwindled in the district. Of the 2.3 million people in the district, about 250,000 are Advasis living in pockets. A suggestion has been forwarded to the State Government to form a new sub-division at Khatra and bifurcate Ranibandh thana for the benefit of the Adivasis who are concentrated in the areas.

For the first time in the State a mobile employment exchange has started working in the Adivasi areas and in five days the exchange has registered the names of about 900 people from Ranibandh. Raipur one, Khatra, Saltora and Simlapal blocks. The mobile exchanges will later renew the employment cards and issue new ones. The district magistrate said some eligible candidates would get employment soon. He added that so far few Adivasi job seekers registered their names with the district employment exchange because of the distance. About Rs 60 lakhs will be spent for development of the Adivasi area this year.

CSO: 4220/7332

KEY SECTOR PRODUCTION BELOW TARGET IN FIRST QUARTER

Madras THE HINDU in English 18 Jul 81 p 9

[Text]

NEW DELHI, July 17

Despite official claims of all-round improvement in the performance of infrastructure during the current year, production in the key sectors in the first three months has been less than the target, except in power generation, according to figures received by the Finance Ministry.

The official claims of improvement relate to better performance in comparison with 1979-80 and 1980-81.

A Finance Ministry review reveals that Calcutta port's performance has been far better and has made possible a high level of coastal movement of coal in June (about 1.09 lakh tonnes).

More power: Power generation has exceeded the target set for the first quarter of 1981-82, both in thermal and the hydel sectors. The total generation was 339.69 million units a day in April, 329.37 million units in May and 326.13 million units in June.

Though there has been a decline from April to June, the actual performance has been higher (except for June) than the target — 324.67, 319.82 and 326.83 million units.

The Damodar Valley Corporation, for which figures are given separately, generated during the three months 17.14, 16.12 and 14.59 million units a day against the target of 13.50, 13.32 and 13.50 million units. At present DVC's daily generation is around 17 million units.

The performance in power generation during the first quarter of this year has been 13.3 per cent and 19.2 per cent higher than in 1979-80 and 1980-81. Power cuts have been withdrawn in Tamil Nadu and are expected to go in Karnataka. Restrictions, however, continue in Punjab, Haryana, U.P., Rajasthan, M.P. and West Bengal.

The review emphasises that coal stocks at thermal plants in Western and Northern India still need to be built up.

The movement of coal wagons to power houses declined between April and May mainly on account of a strike in the Singareni mines and to some extent by labour absenteeism in the Western and Eastern Coal Fields Ltd.

With the calling off of the strike at Singareni and reduced absenteeism in the other mines, the loading reached an average of 3,900 wagons during the last 10 days of June.

Below target: Coal production during the first quarter was below target. In April it was 91.71 lakh tonnes (target 96.55 lakh tonnes), in May 91.31 lakh tonnes (97.71) and in June 91.79 lakh tonnes (93.74).

The production in the first three months of 1981-82 was 22.7 per cent of the target of 121 million tonnes and remained at the same level as last year.

Railways: The performance of the coal sector had its effect on the showing of the Railways.

The daily loading of wagons, both on the broad gauge and metre gauge, dropped from 30,634 in April to 29,132 in May and rose slightly to 30,125 in June. Of this, the coal movement accounted for 9,951 in April, 9,115 in May and 9,446 in June.

Coal movement to power houses showed a drop from 3,936 wagons in April to 3,585 in May, but rose to 3,708 in June.

The Railways has been asked to step up the daily movement of coal to 10,000 wagons, of which the share of power houses should not be less than 4,100 wagons.

The Finance Ministry has taken note of the fact that coal supply to cement plants continues to be unsatisfactory though plants in South India are now receiving increased supplies from Singareni.

In spite of the fact that the daily rate of wagon loading continues to be at a level below what the Government would like it to be, the current year's performance is better than that of last year by 11.5 per cent.

Ports: As for ports, the congestion at Bombay has shown no improvement. There were 16 vessels waiting for berth on July 4.

The Shipping Ministry has taken steps to restrict priority berthing at Bombay. It has been asked to prepare a paper on the action to be taken to reduce congestion at the port for consideration by the Cabinet committee on infrastructure.

There is no improvement at Haldia, but the Calcutta port has put up a better performance. As a result, coastal movement of coal during June was the highest in the last several months.

Steel: In steel also, the actual performance has been less than the target. For the three months, it has been: saleable steel: April 511,500 tonnes (target 520,800), May 545,500 tonnes (569,500), June 517,000 tonnes (573,700).

Pig iron: April 109,000 tonnes (target 123,000), May 103,800 tonnes (118,000) and June 81,600 tonnes (100,600).

Though production this year has been higher than that during the first quarter of the two previous years by 22.5 per cent and 19 per cent, oven pushings have been short of the target throughout the first quarter. This position is expected to improve by the end of July with the commissioning of additional ovens at Bokaro and Bhilai.

The steel plants, however, have enough stocks of coking coal (about 5.18 lakh tonnes).

CSO: 4220/7342

U.S. PROFITS IN NATION REPORTEDLY INCREASING

New Delhi PATRIOT in English 19 Jul 81 p 5

[Text]

US profits in India have been high, steady and constant over the years. This fact has emerged in the study prepared for this year's meeting of the Indo-US joint business commission (IUJBC) last month, reports CNS.

The study is based on just 30 of the US companies operating in India. Of these 15 are FERA companies. The study covers the period between 1975 and 1980. Some of the salient facts brought out by the study are:

On the sales side turnover of the 30 companies doubled from 710 million dollars in 1975 to 1,427 million dollars in 1980 (16 per cent Engineering and consumer goods enjoyed healthy increases in sales (18.33 per cent and 17 per cent) while pharmaceuticals and chemicals posted 13.6 per cent and 12.6 per cent gains. tyre and rubber companies trailed with 3 per cent.

From sales flow profits. Against the average compound profit growth rate of 15.2 per cent for the group, engineering and consumer products companies earned 20.6 per cent and 17 per cent respectively. Gross profits as a percentage of sales was 23.4 per cent in 1975 but 22.5 per cent in 1980 due to rising costs of materials, equipment, supplies and wages.

In absolute terms, net profit before tax rose from 84.8 million dollars to 137.4 million dollars and net profit after tax 62.2 milliin dollars. This is indicative of higher tax concessions In 1975. engineering and chemical industries contributed more to before-tax profit 62 per cent, while chemicals contributed 39 per cent and engineering 23 per cent. This changed in 1980 with engineering contributed 50 per cent and chemical and allied industries 25.6 per cent.

Out of profits come dividends. Dividends grew at 19 per cent, rising from 16.5 to 30.9 million dollars. Retained earnings increased by 17.8 per cent from 18.4 million dollars to 31.3 million dollars. Average ratio of dividends to after-tax profit was maintained around 50 per cent. The increasing rates of profits allowed companies to perform well in terms of escalating dividends, while still providing a higher quantum of retained earnings. Fiftysix per cent of the companies paid 12 per cent and more in 1980 on par value. Current market values of some shares were ten times the paid-up value.

In contrast to profits and dividends, wages salaries and bonus grew by 12 per cent to 123 million dollars.

In consequence, net worth grew at 12.3 per cent rising from 256 million dollars to 455 million dollars while equity capital increased by 28 per cent from 99.8 million dollars to 172 million dollars. As percentage of net worth equity increased by two points to 45 per cent.

Gross fixed assets grew at 13 per cent, one per cent higher than total assets, indicating that Indo-US joint ventures continued to expand despite restrictions imposed by FERA and that greater investment emphasis was on long-term production resources than on current assets. Gross fixed assets of companies engaged in engineering industries grew at 15 per cent, chemical and allied industries at 12 per cent and pharmaceuticals at eight per cent. Even so, Orville Freeman, chairman of the US section, staunchly holds forth on FERA declaring that FERA should be abolished and that there should be no restrictions on foreign investment. Not that FERA has any biting teeth left!

CSO: 4220/7349

SIGNIFICANCE OF HUANG HUA'S VISIT DISCUSSED

New Delhi MONTHLY COMMENTARY ON INDIAN ECONOMIC CONDITIONS in English Jun 81 pp 11, 12

[Text]

The Chinese Foreign Minister Mr. Huang Hua's visit to New Delhi after nearly two decades of strained relations between India and China is an event of considerable significance. In recent years, particularly since the rise to power of Mr. Deng Xiaoping and the exchange of ambassadors by the two countries, hopes for a thaw in their relations were strengthened. However, other events intervened to delay the process, such as the abrupt termination of Mr. Atal Bihari Vajpayee's visit when China attacked Vietnam and later when the Indian government under Mrs. Gandhi recognised the Soviet-supported Heng Samarin regime in Kampuchea. It is generally believed that Soviet influence on India's foreign policy would discourage any rapprochment between India and China and in any case no credible solution to the boundary dispute between India and China was in sight during these years. Mr. Morarji Desai as Prime Minister had been categorical in declaring that China should vacate all occupied territory before normalisation could take place. That could hardly be considered a good beginning. The subsequent offer by the present leadership in China of a package deal implying Chinese recognition of the McMohan line in the eastern sector in return for leaving China virtually in control of the areas now held by it in the Western sector (Aksai Chin) was hardly calculated to improve the prospects of a settlement of this dispute.

That in spite of this background, the Chinese authorities showed an interest in opening a dialogue at an early date showed a new flexibility of approach. This was very much in evidence during the talks which, from all accounts, were conducted in a cordial atmosphere. Mr. Huang Hua described the outcome of his visit as a "breakthrough", not in the sense that both sides have made a discovery of a new formula or acceptable basis for an agreement on the border question but in the more restricted sense of having reached an understanding on the modalities of discussion of the respective points of view and on a time-frame for such discussion. India has offered no objection to the Chinese suggestion that pending a settlement, the "two sides should maintain the *status quo* and tranquillity on the border." Mr. Huang Hua has further assured India that China would adopt a "positive attitude" in finding a settlement of the boundary issues and that the two countries could resolve them "on the basis of equality, mutual accommodation and understanding, taking into account the historical background, the present actual situation and the national feelings of the two peoples."

What all these generalities would mean in the actual search for the principles which should serve as guidelines is at present unpredictable. While India is agreeable to making some beginnings in normalisation of relations in several other fields—such as trade, technical

collaboration and cultural contacts, it has made it clear, and Mr. Hua agreed, that a settlement of the boundary dispute is an indispensable condition and integral part of the progress of normalisation. Thus only the preliminary phase of the search for closer relation has been completed during Mr. Hua's visit. It is assumed that the next step will be a meeting, at the official levels later this year in October, of the representatives of the two Governments to determine how the negotiations should start and what the ground rules should be. Meanwhile, Mr. Hua has made a friendly gesture by agreeing to allow a limited number of pilgrims to Kailash and Manasarover as a token of Chinese understanding of "national feelings" in India.

The reasons for the new attitude adopted by the Chinese leadership can be many. China's foreign policy, like its domestic policy, is emerging out of the rigid and insular Maoist framework and gradually taking on a pragmatic and more outward-looking approach. More important may be China's growing fear of Soviet hegemonism since the events in Afghanistan. Though India's special relationship with the Soviet Union has been understood as precluding any strong anti-Soviet postures, this country's stand on the need for Soviet withdrawal of troops from Afghanistan might have provided some encouragement to the belief that India can exercise a restraining influence on Moscow. China is also seeking to affirm its identity of interest with the Third World and shown appreciation of the non-aligned group's perceptions of international relations and hopes to participate in the North-South dialogue on that basis. China's leaders may now regard their aloofness all these years as a handicap to be discarded, particularly in the present decade in which the world situation has become, in Mr. Hua's words, "turbulent, tense and volatile." China's developing relationship with the United States had offered some assurance of sympathy if not of substantial support from one of the two super Powers: but laterly the Reagan administration's postures on Taiwan has perhaps introduced a new uncertain factor. All these will be tested in the period ahead in the course of the dialogue now opened up between these two major Asian powers.

CSO: 4220/278

'APPLE' SATELLITE TO CHANGE NATION'S COMMUNICATIONS

New Delhi MONTHLY COMMENTARY ON INDIAN ECONOMIC CONDITIONS in English Jun 81 p 13

[Commentary: "India's Own Apple"]

[Text]

Pride comes before a fall, but there is, at least in June and July, an appropriate occasion for rejoicing bordering on national pride. This flows the heart-warming scientific capability displayed by India's Space Organisation on management of a satellite, borne on the European Space Agency's Rocket, Ariane. Ariane was good, but gave India's Apple an elliptical orbit, somewhat short of the desired trajectory for a geostationary satellite, the object of the manoeuvre.

The new capability in Indian hands was three-fold. Firstly, the elliptical orbit had to be made nearly circular and this required the firing of the hydrozine motors for the first of many exacting experiments. Secondly, there arose, very shortly after the first day, a jam in one of the solar panels which prevented it from operating on commands from the home base. Here the solution was to stabilise round three axes to prevent its turning from the sun and losing power. Thirdly, calculations had to be modified to economise on power use to conserve energy for experiments over the year after it was to become operational on July 22. Finally, there was the problem of moving the satellite from a near circular orbit which was below 24 hours duration, to exactly 24 hours which meant stopping the "Westward drift". This last operation was done in four stages, each perfectly manoeuvred in such a manner that the motors were fired exactly at the right time for the right duration to obtain the required results. India now has a geostationary satellite ready for use.

It is not generally realised that this was not merely a scientific experiment but a very functional use of most sophisticated capital equipment designed for advanced communication systems in the Indian Union. Satellite systems, as we have found earlier, permit transmission of television programmes all over the Indian Union. If we have to do the same operation without a satellite, it would have cost hundreds of crores of rupees and the reception would not always be as good as it can be from the satellite directly. Many microwave systems for communication which are extremely costly can now be totally abandoned because a satellite can perform the same functions much more economically. Thirdly, there are hosts of other communication opportunities in the field of transmission, such as reproduction of whole pages of magazines of newspapers which take place routinely by satellite. The question of comparative costs remains, but over a year or two all this can be determined in a manner which puts India on the threshhold of a Communications Revolution for which we have waited for thirty years. Everything can be changed in the communications field if the capability shown by the Space Organisation is applied to the Posts and Telegraphs Systems. The trail has been blazed: now will India's more pedestrian minds be activated to keep pace with the glory that has been won?

CSO: 4220/278

FURTHER ON KHALISTAN SECESSIONIST MOVEMENT

GF231919 Karachi NAWA-E-WAQT in Urdu 21 Aug 81 p 6

[Excerpts] The younger Sikh generation has awakened to the fact that it does not have religious freedom even in the sacred city of Amritsar.

In its issue of 15 July the INDIAN WEEKLY today reported that all Sikh organizations at home and abroad work under the auspices of the [Prabandhak] Committee centered around the Golden Temple and has its axis the Khalistan movement.

The Indian magazine CARAVAN in its July issue elaborates on this movement and expresses its intense indignation and fury thus: "The issue of Khalistan and an independent homeland for the Sikhs is being mentioned at every conference. Recently a Sikh resident of the United States, Sardar Ganga Singh, articulated the demand when he attended the Chandigarh 54th All-India Sikh educational conference and proposed a seat in the United Nations for the Sikhs.

Dr Jagjit Singh is another pioneer of this movement who presented this demand and who has founded the National Council of Khalistan. It was he who proposed the setting up of a free Khalistan radio station in the precincts of Golden Temple.

The Indian weekly BLITZ reports that the founder of the movement, Jagjit Singh, is concerned with setting up a government-in-exile and obtaining associate membership in the United Nations for Khalistan and to use this as launching pad for his movement in India.

In its 2 August issue the Soviet-leaning Indian weekly LINK published a detailed report on the Khalistan movement and the demands of the Sikhs. It starts with an account of the 26 July 1981 convention held under the auspices of the Akali Dal (Longuwal) group during which Harchand Singh Longuwal said in his presidential address: New Delhi and Indira Gandhi should open their ears and hear that, if our demands are not met and our grievances heeded and if our complaints are not attended to, we shall start civil war on 31 August which will continue until we regain our lost status. The 34-year bondage of congress and the supremacy of New Delhi must end. Provocation and interference in our religious matters must stop. If these grievances are not redressed by the date specified, we will hold a mammoth historic procession on 7 September and not allow any arrests. Instead, we will take drastic measures and set up our government.

CSO: 4203/108

SOURCES FEAR FLARE-UP IN NAGA INSURGENCY

New Delhi PATRIOT in English 18 Jul 81 p 4

[Text] Calcutta July 17--With the backbone of the PLA in Manipur broken, there are apprehensions now about increased activities of the Naga rebels.

According to competent sources the Naga hostiles led by T. Munivah and Isaac Swue are at the moment regrouping themselves and are likely to get a further shot in the arm when Isaac Swue would return from his China visit.

The Naga hostiles are organised in the so-called National Socialist Council of Nagaland, of which Isaac Swue is the Chairman. The NSCN is much better armed and better organised than the PLA had ever been in Manipur.

Secondly, the NSCN receives liberal support and assistance from at least two rebel organisations in Burma. The Naga base is within the territory of Burma. The NSCN has been strengthened in Burma by the inclusion of the Burmese Nagas, whose leader is Khaplang, who is also the vice-chairman of the NSCN. In the northern and western Burmese territory which borders with Yunnan of China the writ of the Burmese Government does not run. The whole of this territory is the base areas of four rebel organisations, namely, the Shan rebels, Karen rebels, K. I. A. (Kachin independent area) and the pro-Peking Burmese Communist Party (BCP).

Of these the BCP has its bases both on the bank of the Chindwin river and the Yunnan border. The K.I.A. has its operational base along the bank of the Irrawady river. The other two rebel organisations are scattered.

It has been seen that the Naga hostiles have received help from various Naga tribes. The NSCN is based in the Burmese territory, but its volunteers are reported to be making regular forages into this side of the border.

At Khonsa (in Tirup) six Manipuri PLA men were arrested some time ago. They were obviously proceeding towards the Naga rebel base in the Burmese territory. The Khonsa arrest has also provided a clue to the recent attempts being made by the NSCN to draw the PLA into joint action in the area.

The remaining force of the PLA in Manipur is reported to have more than 50 pieces of arms still with them. Compared to them the NSCN is vastly superior force. They receive arms from the BCP and the KIA of Burma, the BCP source of arms is China, while the KIA gets arms from China as well as from Thailand.

The Burmese area is such that huge quantities of arms were dumped there by both the Americans and the Japanese during the second World War. These arms are also being useful for the rebels.

According to the sources, the tribals led by the extremist faction of the TUJS, in eastern Tripura have been receiving arms from Bangladesh. Moreover, they have joined hands with some of the MNF dissidents who in Mizoram are against Lal Denga's negotiated settlement policy.

The Indian Security Forces are reported to have been faced with some problems in the matter of dealing with the NSCN. So far as information is concerned, every bit of information about the Naga rebel activities is available. But the Indian Security Forces cannot operate in another country's territory. They can only act if the rebels are found inside the Indian territory.

CSO: 4220/7343

MOST BANKS REPORTED COVERED BY DEPOSIT INSURANCE

New Delhi PATRIOT in English 18 Jul 81 p 8

[Text] Bombay, July 17 (UNI)--The benefit of deposit insurance now stands extended to the entire banking system in India in terms of geographical coverage leaving only 93 cooperative banks in the States which have yet to pass the necessary legislation, according to the Deposit Insurance and Credit Guarantee Corporation.

The annual report of the bank released here today says that out of 128.5 million deposit accounts with the banks, 127.4 million accounts were fully protected as of June 1980.

The deposits insured with the corporation formed 74.4 per cent of the assessable deposits as of July 1980 when the deposit insurance cover was raised to Rs 30,000 per deposit.

The report says that the number of insured banks as at the end of December 1980 stood at 1582 comprising 78 commercial banks, 84 regional rural banks and 1420 cooperative banks.

The insured deposits of the banks in July 1980 were Rs 24,234 crore of the total assessable deposits of Rs 32,570 crore.

In the preceding year when the insurance cover was Rs 20000 per deposit, the insured deposits amounted to Rs 18,582 crore of the total assessable deposits of Rs 26,743 crore.

The total advances covered by the three guarantee schemes of the corporation rose from 2,165 crore in June 1979 to Rs 2800 crore in June 1980 showing a rise of 29.3 per cent.

The advances covered under the schemes had gone up 13 times in the eight year period ending June 1980. According to the corporation this increase in the flow of institutional credit to the weaker sections may not have been feasible without the guarantee cover provided by the corporation.

Advances to farmers accounted for the major portion of the guarantee cover (64.2 per cent).

The rising trend in the inflow of guarantee claims noticed in recent years became more pronounced in 1980. Claims amounting to Rs 14.90 crore in respect of 83557 guarantees were received.

Up to the end of 1980 the corporation received 1.7 lakh claims involving Rs 41.6 crore. Credit facilities to farmers accounted for more than half of the claims. Recoveries effected in the claims paid accounts amounted to Rs 1.9 crore.

The total realisation worked out to 10.5 per cent of the aggregate amount of claims paid till the end of 1980.

CSO: 4220/7343

CBI ISSUES CHARGE SHEET ON 'MAKULU' SABOTAGE

New Delhi PATRIOT in English 18 Jul 81 pp 1, 7

[Text] Bombay, July 17 (PTI)--Six vital cables of the 'Makalu' aircraft had been cut by senior Air India technician Suresh Pandurang Inamdar on 16 and 17 April when the VVIP aircraft was brought to the hangar at the Bombay airport, the CBI said in a charge sheet presented to the accused today.

The charge-sheet on the alleged sabotage bid on the aircraft, which had been earmarked for the Prime Minister's trip abroad in May last, was given along with the names of 102 witnesses to Inamdar in the Additional Chief Metropolitan Magistrate's court here.

Mr S R. Khankhoja, Deputy Superintendent of CBI, said in the charge-sheet that the accused was responsible for cutting the elevator cable on the pilot side outboard, the stabiliser cable on the pilot side, the elevator cable on the co-pilot side outboard right hand side, the rudder cable on the left hand side, trim cable on the left hand side and elevator cable on the pilot side inboard.

The damage to the cables was detected on 2[illegible] April last and a complaint was filed with the CBI, the charge-sheet stated.

According to the charge-sheet, the damaged cables would have snapped during a subsequent flight which could have resulted in the plane's crashing and death of its passengers--VVIPs included--and the crew.

It said an expert committee had, after careful examination, gave the opinion that the six cables were damaged intentionally.

The case has now been posted for hearing on 31 July.

A four-page list of 102 witnesses, included among others, Mr A S Karnik, then Deputy Director of Engineering Maintenance, AI and Mr P P Seyseira, manager, engineering periodic maintenance division, AI.

CSO: 4220/7343

BJP PRESIDENT ATTENDS HARIJAN RECONVERSION CEREMONY

Bombay THE TIMES OF INDIA in English 17 Jul 81 p 5

[Text] Meenakshipuram (Tamil Nadu), July 15 (UNI) -- Some Harijans of Meenakshipuram who had embraced Islam a few months ago were reconverted to Hindustan yesterday in the presence of visiting heads of mutts, according to a spokesman of the Hindu Unity Centre.

He made the claim at the end of a two-day conference organised by the Unity Centre in this village, which had attracted nationwide attention after a majority of its Harijan inhabitants became Muslims to overcome "long years of harassment by caste Hindus."

The reconverts, numbering 50, reportedly underwent a suddhi (purification) ceremony.

None of them was available for comment.

The conference was followed by a community dinner, a surprise participant in which was the Bhartiya Janata Party president, Mr A. B. Vajpayee, who arrived here earlier in the day on a study tour.

Community Dinner

"I have not come at the behest of the state chief minister, Mr M. G. Ramachandran," Mr Vajpayee told UNI, alluding to reports in a section of the press.

Sri Arunagiri Swamigal of the Madurai Adheenam joined the Harijans at the community dinner. Such a thing had not happened in the history of the Adheenam, according to a spokesman for the Swami.

Muslims were conspicuously absent. Most of them were away from the village or chose to stay indoors.

Earlier, the heads of mutts, who included Sri Visveswara Theertha of the Udipi Pejawar Mutt, the head of the Madurai Adheenam, and Swami Anbukarasu of Thanjavur, visited villages around Meenakshipuram and held out to the Harijans assurances of "help and peaceful co-existence."

The head of the Madurai Adheenam administered to the Harijans an oath by which they pledged not to convert to any other religion. The swami, in a statement, said untouchability did not have the sanction of the Hindu scriptures.

Some Tension

It needed all the dexterity of the police to avert what could have been a nasty confrontation between the police and the volunteers of the Hindu Unity Centre as the volunteers entered the village led by Mr Vajpayee and various mutt leaders.

According to the police, the trouble started when the volunteers tried to enter the village through a route where a mosque was situated.

Sponsors of the procession had originally sought and obtained permission for entering the village through a different route.

On the refusal of the police to allow the procession through the route, Mr Vajpayee asked angrily, supported by the party general secretary, Mr Jana Krishnamoorthy, why they should not be allowed to pass, "Is it because of the mosque," he asked.

Some volunteers, an amalgamation of the Viswa Hindu Parishad, the RSS and the Arya Samaj and other Hindu organisations, jeered at the police demanding to know whether they would be arrested.

When a police officer informed Mr Vajpayee that the sponsors themselves had asked for permission for entry through the route avoiding the mosque, the latter relented and the procession passed off peacefully through the permitted route.

The police officer later told UNI that Mr Vajpayee had expressed regret over the incident.

Speaking at the Conference, Vajpayee said that the visit of the Union minister of state for home, Mr Yogendra Makwana, to Meenakshipuram had, far from solving the problem, created more confusion.

Vajpayee's Plea

He said it was wrong to make political capital out of the mass conversions. Mr Makwana had complained about the Tamil Nadu government but how efficiently was the Centre functioning, he asked.

Describing his visit to Meenakshipuram as a "soul-searching trip," he said he wanted to know whether the conversions were due to harassment by those belonging to other religions or by the police, or whether money played a part.

He could not blame anybody for it. "We have to blame ourselves," Mr Vajpayee said. He was, however, confident that the converts would not find satisfaction in the new faith.

"They will return to the parent faith. Those who return should be treated with honour and dignity," he said. "Meenakshipuram is a danger signal," Mr Vajpayee said and added "we should prevent it from spreading to other areas with all our mite."

He urged that a big movement against caste discrimination be launched. He was happy that all the leaders of Hinduism had now come forward in fighting the danger facing Hinduism. Meenakshipuram had signalled a new awakening, he added.

Mr Vajpayee said that dissentions were not peculiar to Hinduism. The confusion in Iran and its war with Iraq were well-known," he said.

Talking to newsmen after meeting the residents of Meenakshipuram, Mr Vajpayee said a strict watch had to be maintained over the flow of foreign money into the country. "They should find out if money for charitable purposes was used for conversions."

CSO: 4220/7330

TAMIL NADU HARVEST PROSPECTS CONSIDERED GRIM

Bombay THE TIMES OF INDIA in English 17 Jul 81 p 7

[Article by V. G. Prasad Rao]

[Text] Madras--After a streak of three bumper harvests, Tamil Nadu appears to be heading towards a cycle of lean agricultural seasons.

The erratic south-west monsoon last year affected badly the sowing of winter crops. The total failure of rains last winter resulted in acute drought conditions in almost every district. The absence of rains this summer, after an initial burst, has made the situation extremely difficult, if not grim.

The sowing of kuruval (kharif) paddy, the main summer crop covering an area of 168,000 hectares, has already been delayed by nearly a month. Only on July 11, water from the Mettur reservoir was released for irrigating fields in Thanjavur district, the rice bowl of the state.

It is too early to predict the effect of this delay. Normally 40,000 nurseries would have been ready by the beginning of July for transplanting over 168,000 hectares. But up to June, according to available reports, only 3,000 nurseries were ready.

The total area under groundnut (a summer crop) is 880,000 hectares. The peak sowing season should have been over by now but due to the delayed rains, sowing has considerably lagged behind. The situation could still be saved if there are copious rains during the next fortnight. But full production will not be realised.

Tough Situation

The state is reeling under drought conditions and the state government is prodding the Centre to come to its aid with massive financial assistance for relief. If the south-west monsoon continues to play truant--rains have been more than normal only in Tirunelveli and Kanyakumari districts--the current situation would aggravate.

The target, in tonnes for the current year for different crops are as follows: rice 6.5 million, millets 2.28 million, pulses 434,000, sugarcane, in terms of gur, 2.27 million, and cotton 480,000. Except for kuruvai paddy and rain-fed groundnut, most others are winter crops.

But the state government has, on more than one occasion, sought to dispel fears about a possible food shortage. The authorities maintain that with the available stocks and fresh supplies from the Centre they could tide over any tight situation on the food front. But there is a lurking fear that if there is a shortfall in the samba, the major paddy crop, the situation could really turn acute.

Last year, from the beginning itself, an unpredictable monsoonic pattern was evident. The south-west monsoon, though near normal in the northern coastal districts, almost by-passed the districts of Pudukkotai, Tiruchi, Ramanathapuram, Madurai, Tirunelveli and Kanyakumari.

The erratic behaviour of the monsoon badly affected sowing of dry crops, especially groundnut and cholam to the extent of 230,000 and 290,000 hectares. The affected farmers were advised to go in for alternate crops like ragi, cholam and minor millets but even this gamble did not pay off due to the continuing drought conditions.

Owing to the failure of north east monsoon, particularly in the northern parts of the state, the summer programme of covering 335,000 hectares under paddy, 300,000 under millets, 425,000 under pulses and 313,000 under groundnut, which was implemented during the 1979-80 season, could not be launched.

Last year the state hauled a record kuruvai harvest during the first crop season. This, however, would not prevent a general shortfall in the production of all crops due to the widespread failure of the rains.

CSO: 4220/7330

RECOMMENDATIONS FOR JUDICIAL REFORM ENUMERATED

Madras THE HINDU in English 22 Jul 81 p 7

[Text]

NEW DELHI, July 21

The Union Government proposes to set up a high-power body for judicial reforms, particularly to suggest steps for eliminating delays in courts, at various levels.

Though several measures were taken to have the backlog in courts cleared, the problem remains unmanageable. The Centre therefore feels that mere administrative action may not be sufficient and a comprehensive look is necessary.

As regards delays in High Courts, the recommendations, made by the Law Commission in its 79th report, were sent to the State Governments and high courts, as action on most items was to be taken by them.

The Law Ministry also obtained the views of the Supreme Court judges which were examined by an inter-departmental committee. Some of the suggestions envisage amendment of the criminal procedure code. However, it was felt, all these matters could be examined better by the proposed committee on judicial reforms.

Recommendations

Some of the recommendations of the Chief Justice of India and Judges of the Supreme Court are:

All criminal matters excepting (1) appeals involving sentence for a term of 10 years or more and (2) appeals against acquittal in respect of offences punishable with death or imprisonment for life or sentence of 10 years or more, should be heard by a single judge.

Appeals valued up to Rs. 50,000, second appeals, civil revision applications, all interlocutory matters, irrespective of the question of valuation and jurisdiction, and all writ petitions except habeas corpus and petitions involving interpretation of the Constitution or the Constitutional validity of any legislation, rule etc., should be exclusively assigned to a single judge, providing that the judge may refer a case to a larger bench, if it involves any important question of law.

No appeals against any judgment, decree or order passed by a High Court in the exercise of its appellate jurisdiction or in the exercise of its jurisdiction under Article 227 of the Constitution shall be referred to a bench of the same court.

The provision in the Supreme Court rules requiring an applicant to move the High Court for leave to appeal before approaching the Supreme Court for special leave to appeal should be deleted.

Judgments should not ordinarily be dictated in open court if they are likely to take more than two hours.

Not more than four, including the Chief Justice, or one-third of the total number of judges, whichever is less, shall go on inspection of the subordinate courts. No inspecting judge, except the Chief Justice shall ordinarily go on inspection for more than an aggregate of three working days of the High Court in a year.

In tax matters, reference procedure should be abolished and instead an appeal should be provided against the decision of the tribunals to the High Court on a question of law with leave of the High Court.

'Ad Hoc' judges

In view of the large arrears and for clearing the same, it is desirable that every High Court should have at least two ad hoc judges, known for their quick disposal, immediately after their retirement as High Court judges, until the arrears are wiped off.

In second appeals, all interlocutory matters, civil revision applications, criminal appeals except those where the sentence exceeds six months, oral arguments etc. should not ordinarily exceed three hours on the whole.

CSO: 4220/7371

KERALA TEA INDUSTRY TROUBLES SPREAD TO TAMIL NADU

Madras THE HINDU in English 21 Jul 81 p 7

[Text]

COIMBATORE, July 20

It is now the turn of the plantations in Tamil Nadu. The sickness of the tea plantations in Kerala has spread to Tamil Nadu. About 60 per cent of the estates will run into the "red" if remedial measures are not taken immediately.

Mr G. G. Muthanna, Chairman, Planters' Association of Tamil Nadu (PAT) told pressmen here on Sunday that in 95 per cent of the plantations the managements struggled hard to pay even the minimum wages. The industry reeled under the pressure of high costs, falling prices, high wages and heavy taxation.

Explaining the gravity of the situation, he said already there were talks of the inevitability of retrenchment in the tea plantations and one plantation which employed about 7,000 workers was faced with an accumulated loss of Rs. 60 lakhs within the last two years.

Almost all the plantations were carrying on with heavy overdrafts from banks and when once the credit flow stopped the industry would come to a grinding halt, throwing out of employment a few lakh workers and their families.

Steep rise in production cost

Mr Muthanna said that the crisis started last year with a steep increase in cost of production and sharp decline in prices. Between 1977 and 1981 the average price of tea from Tamil Nadu fell by Rs. 2.77 per kg. (18%) while the cost of production increased by Rs. 3.83 per kg. (39%).

The wages had gone up by 71 per cent and the cost of inputs including fertilizer and fuel by over 60 per cent. The latest increase in the price of urea and petroleum products would put up the cost by another 50 paise per kg. The industry's difficulties were further aggravated by a fall in production of 4 million kg. last year which would be the same if not more this year.

Heavy losses

Mr Muthanna said that the average and marginal tea estates were losing at the rate of Re. 1 to Rs. 1.50 a kg thereby accumulating heavy losses and were finding it difficult to pay wages and remit P.F. contributions in time. As a result of high cost of fertilizers the tendency among the planters, most of whom were small growers, was to curtail cultural practices including fertilizer and pesticide application.

The coffee and cardamom plantations were also facing a similar crisis in view of the steep fall in exports consequent on stiff competition from other developing countries of Asia, Africa and South America.

Mr Muthanna calling upon the government to come to the aid of the plantation industry urged that it should be given priority consideration in the matter of taxation, incentives and supply of essential inputs. The net incidence of taxation on plantations was more than on manufacturing industries which enjoyed a number of tax concessions and incentives under the Central Income-tax.

As an immediate measure the Centre should exempt tea from excise duty for a while. In any case, he said, the duty should be "drastically reduced" and drawback allowed on exports. The State Government should grant remission of sales- tax until the prices improved.

Belongs to Agri. sector

Mr E. R. C. Devidhar, adviser to the Association, said that the plantation industry in Tamil Nadu provided employment to one lakh workers and supported another 3 lakh persons in allied and ancillary activities, contributing Rs. 30 crores annually to the Central and the State exchequers. Unfortunatery it was not realised that plantations were basically agricultural.

Mr P. Kumaran, Vice-Chairman, PAT, said that in the absence of proper appreciation of the peculiar problems in the working of the plantation sector the adoption of "outmoded taxation procedures" had rendered the chances of its revival very bleak.

REPORTS ON PLA COMMANDERS' DEATHS DISAGREE

Calcutta THE STATESMAN in English 22 Jul 81 p 9

[Text] Gauhati, July 21--The PLA leader, Bisheswar Singh who was captured a fortnight ago near Imphal, was in the midst of secret discussions with his closest and most loyal lieutenants, according to an unimpeachable source. Observers in Imphal had been intrigued by the death of seven of Bisheswar's "commandos" in the shoot-out after the area was cordoned off by security forces. The inherent danger of keeping all eggs in one basket is particularly relevant to guerrilla warfare, and Bisheswar is hardly the type to risk such a meeting without extraordinarly compelling reasons.

There are several reasons of the deaths of the PLA "Commandos," but a plausible sequence is that Bisheswar and a helper were first captured as they emerged from a hut, intending perhaps to sneak out, but the cordon was tight the security forces announced over a portable loudspeaker that the lieutenants should surrender since Bisheswar was captured. The lieutenants, however, came out firing, true to their reputation as members of the "suicide squad" and were gunned down.

According to one version, Bisheswar's men tried to do what they had done at Choru last year when Bisheswar was carried out under covering fire. But the circumstances were different. Choru was closer to the border; moreover, the security forces were not aware of Bisheswar's presence till after the fighting, when the rebels had fled. Visibility was poor; it was towards late dusk or night. The operation at Imphal was carried out in broad daylight and was based on definite information.

The contact information did not specify Bisheswar's whereabouts as such, but the indications were that someone big in the underground was around. Bishweswar's presence apparently introduced a certain precautionary drill among his followers. The security forces were double sure when on approaching the general area, Bisheswar's advance guard fired, repeating the tactics at Choru.

This time, the army cordon was tight and extensive, Bisheswar was greatly reduced with no evidence of facial surgery as reported, and had no weapon. It is said that he rarely carried a weapon. His bodyguard Kunju Bihari Singh, was not apprehended; he was either missing or had escaped.

The preliminary indications are that Bisheswar and his men were forced in the last few months to resort increasingly to urban insurgency. The quid pro quo

arrangements with Muivah's National Socialists to shelter each other's men on the run were not satisfactory. It was expected that the PLA's hardcore would try to recover its morale by dramatised killings such as the agriculture adviser, Bhaumik's in his officials residence at Imphal.

Observers wonder whether this daring and sophisticated killing is the handiwork of the Manipur extremist who looted Rs 2 lakhs from a PWD office at Shillong, escaped to Dimapur where he shot dead a Naga and vanished. According to sources in Bauhati, the young pathological killer with a Maoist background had infiltrated the Imphal valley through Shillong and Silchar. Official sources believe that Shillong used to, and still does, provide shelter to extremists and killers fleeing from justice.

CSO: 4220/7368

LOK DAL SECRETARY GENERAL TALKS TO PRESS

Calcutta THE STATESMAN in English 22 Jul 81 p 9

[Text] New Delhi, July 21--Mr Madhu Limaye, the Lok Dal general secretary today called upon the Opposition parties in Parliament to discuss at a conference the question of establishing healthy conventions to strengthen the fabric of parliamentary system of Government in the country.

Speaking to reporters here, Mr Limaye said that the ruling Congress(I) had adopted "a policy of deliberate confrontation with the Opposition in Parliament and had attempted to divide it."

He said that the Congress(I) had not gracefully offered the Deputy Speakership to the recognized Opposition in a number of State Assemblies. Even the convention that of the chairmanship of the Public Accounts Committee of Parliament should rotate among Opposition parties on the basis of a two-year term had been deliberately violated by the Congress(I).

He pointed out that the ruling party at the Centre rejected the suggestion of some parliamentary leaders requesting the Speaker of the Lok Dal a second term of the PAC chairmanship to its leader, Mr George Fernandes.

Mr Limaye also released the letters exchanged between the Lok Dal leader Mr Charan Singh, and the BJP leader Mr Atal Bihari Vajpayee. The correspondence related to the rotation of the PAC chairmanship among Opposition parties.

Mr Charan Singh had pleaded with Mr Vajpayee that the latter's party member in the Lok Sabha, Mr Satish Agarwal, should resign his chairmanship of the PAC and allow Mr Fernandes to take his place. Mr Vajpayee informed Mr Charan Singh of his inability to ask his colleague, Mr Agarwal to do so.

Mr Limaye, alleged that the wheat procurement flopped in Punjab and Haryana because of the "collusion" among the two State Governments and traders. Most of the wheat which came into mandis was procured by authorized dealers of the Food Corporation of India and was surreptitiously transported to other States where its price fixed by the Government.

Mr Limaye said that the failure of procurement was "deliberate" and the Prime Minister had taken no action against the Chief Ministers of Haryana and Punjab whose "collusion" with traders had diverted nearly two million tons of wheat into private channels. The country has been defrauded of Rs 180 crores, according to his calculation.

CSO: 4220/7369

MADHYA PRADESH KHARIF SEASON SHOWS UNEVEN PROGRESS

Bombay THE TIMES OF INDIA in English 20 Jul 81 p 5

[Article by V. T. Joshi: "MP Rice Cart Can Be Upset by Rain"]

[Text] Bhopal: The kharif season in Madhya Pradesh has so far shown what agriculturists describe as a somewhat "uneven progress."

According to the directorate of agriculture, sowing operations, though delayed by a week because of a weak monsoon, have been generally satisfactory. The black cotton soil areas in parts of Madhya Bharat and Mahakoshal have received adequate rains.

While Mandla, Dhar, Chattapur, Hoshangabad, Khargone, and Mandsaur districts have so far received surplus rains, Guna, Sagar, and to a lesser extent Vidisha, Bhopal, Jabalpur, Gwalior, Morena, Bhind, Khandwa and Tikamgarh are facing a deficit. However, some of these are predominantly rabi areas and, therefore, there is no cause for concern. The deficit is expected to be wiped out as the monsoon advances.

With considerable preparation, timely distribution of seeds and fertilisers has been ensured all over the state. The young, energetic agriculture minister, Mr Digvijay Singh, says there is not even a single complaint in this regard.

The bulk of the paddy area--estimated at 4.7 million hectares--is in the Chhattigarh region. All but one of the seven districts in the region have deficit rainfall. The shortfall in Sarguja, Durg and Rajnandgaon ranges from 53 to 76 per cent while Raipur, Bilaspur and Raigarh are yet to receive a quarter of the normal. Bastar, which was also lagging behind until last week, had made up most of the deficit.

The paddy areas are fully sown all over the state, and so also the light black cotton soil of Indore and surrounding areas. Sowing in heavy black soil has been done up to 80 per cent, according to the directorate.

The most significant component of the kharif programme in Madhya Pradesh this year is soyabean. The state is already leading in its production. It produced 350,000 tonnes last year on 450,000 hectares. Under a special Central project, its output is expected to be doubled this year, with the area under cultivation extended to 700,000 hectares. In a few more years, 1.8 million hectares is hoped to be brought under the crop.

After the severe drought of 1979-80, the production of cereals and pulses slumped to 7.8 million tonnes. But this is the second successive year of expected plenty. The government has fixed a target of 12.7 million tonnes of foodgrains and pulses--both 700,000 tonnes more than last year's output. Of this, kharif is the major component (7.3 million tonnes). Last year's rice output was estimated around four million tonnes. It is proposed to be increased to 4.2 million tonnes. The jowar target has been fixed at 1.7 million tonnes, and maize and pulses at 700,000 tonnes each.

The area under various kharif crops has been estimated only tentatively. The largest is under paddy (4.7 million hectares), followed by jowar (1.8 million hectares), maize (700,000 hectares), millets (1.5 million hectares), groundnut (about 450,000 hectares). The area under paddy includes that under high yielding dwarf varieties, and that under jowar includes certain hybrid varieties.

CSO: 4220/7352

NATION REPORTEDLY DECLINES U.S. OFFER OF F-16'S

New Delhi PATRIOT in English 20 Jul 81 pp 1, 7

[Text] India is reported to have declined US offer to equip the Indian air force with the F-16 multi-role fighter aircraft, reports PTI.

According to defence sources the offer was made to India sometime ago but was declined as the aircraft offered was fitted a derated engine.

The sources said that India was offered F-16 with J-79E engine. The original F-16 for the US Air Force are fitted with a more powerful engine F-100.

According to these sources the US was now planning to supply the F-16 aircraft to Pakistan equipped with a powerful engine. These sources described F-16 as one of the best aircraft in a dog-fight as it was quickest plane in the world with the highest rate of turning, which mattered most in a dog-fight.

Air force sources were confident that India had the strength to match Pakistan equipment as well as manpower. He however did not agree with experts who advocated that India need only better air defence systems and had no requirement for long range strike aircraft.

"It is a fact of life that no matter how good a radar system or anti-aircraft missile system is, it always has a weakness--an Achilles heel--which sooner or later can be exploited to neutralise the system," sources added.

The defence of a nation could not be considered complete, these sources argued, merely with the acquisition of defensive equipment and aircraft. In their opinion defence was not the complete answer to the security of vital areas. "We need aircraft which can strike enemy bases to deny them the use of their airfields and force them divert more of their resources to air defence."

Justifying the need for deep penetration strike aircraft and the sophisticated multi-role combat aircraft, these sources said that it was essential in a war to carry it to the land of the enemy. "If we do not carry the war to the enemy's homeland all war damages will be on our own territory, which can be inflicted at a time and place of his choice."

They said that India could not modernise its air force in the past due to financial constraints but the Government was now fully alive to needs of the force.

"Purchasing of aircraft, keeping in view the requirement of the country was not an easy task. A dedicated section was devoted only to the job of studying and requirement of the force at least 10 years in advance and suggest equipment and aircraft suitable for the needs," the sources said.

UNI adds: The IAF and the Defence Ministry are now going into various details like the costs, delivery schedule and other terms and conditions of the French Mirage 2000 and the multirole Tornado fighter aircraft being developed by Britain, West Germany and Italy. Sweden has also renewed its offer of Viggen fighter.

Although the IAF, which evaluated the Mirage 2000 recently, has submitted a favourable report, the experts are now considering some of the troubles the prototypes of this futuristic aircraft are now encountering in test flights.

The Matra 530-D missiles which are supposed to go with the Mirage 2000 have not so far been integrated with its radar which is still under development. The aircraft engine is also encountering some problems.

According to experts the Mirage 2000 engine is basically based on the M-53 engine which has old technology concept. However, the French, are now working on a new M-88 engine but it is still 8 to 10 years away from service.

The manufacturers of Mirage 2000, Marcel Dassault have assured India that all the problems connected with the radar and the engine would be overcome in another two years.

The Tornado has the biggest advantage of its twin engine and its development life is considered to be another 15 to 20 years.

Though the RB 119 engine which powers the Tornado is less powerful than that of the Mirage 2000, Tornado's twin engine can together develop 50 per cent more power.

Besides the twin engine has a safety factor which had led the Indian Air Force to go in for the British Jaguar fighter aircraft.

The Tornado has also the advantage of more advanced missile and radar systems besides having the swing wings. But this aircraft has to be cleared by all the three co-producers--Britain, West German and Italy. Besides the Tornado would not be available before 1986.

While the French have indicated to India that they were prepared to set up Assembly lines at the Hindustan Aeronautics Limited simultaneously while the French themselves are developing the aircraft for their own air force. The Mirage 2000 would be available to India in 1984, about two years ahead of the Tornado.

According to authoritative sources the Defence Ministry would consider all aspects of the new aircraft including the cost factor before making a final decision on the type to be acquired for the IAF. The decision may be taken in the next few weeks.

CSO: 4220/7358

RURAL EMPLOYMENT CONFERENCE CONCLUSIONS REPORTED

Calcutta THE STATESMAN in English 21 Jul 81 p 9

[Text] New Delhi, July 20--The Union Ministry of Rural Reconstruction will set up a committee to study the special programme initiated by State Governments and propose a suitable policy for rural employment to be adopted at the national and the State level.

The committee will work out a comprehensive package of programme for generation of employment in villages.

This is in accordance with the resolution of the two-day conference of State Ministers convened by the Ministry on the strategy for full rural employment. The recommendations of the conference were released by Mr Baleshwar Ram, Minister of State for Rural Reconstruction, here today.

The conference, in a resolution, expressed "deep concern over the growing dimensions of unemployment, particularly in the rural areas."

The State Ministers, it is learnt, were critical of the Centre for not releasing foodgrain under the erstwhile Food-for-Work Programme now called the National Rural Employment Programme. The representatives of the Ministry were at pains to explain their dilemma over the attitude of the Department of Food in respect of the Food-for-Work Programme which was reportedly responsible for the scheme's setback.

The State Ministers suggested further allocation of foodgrain on the basis of two kg a worker daily. It was pointed out that if the entire payment of wages was made in cash, it might result in "further inflation." They pleaded that the entire cost of the programme be borne by the Centre citing the analogy of the integrated rural development programme.

Charge Against Banks

About the integrated rural development programme the States mentioned that the progress was getting "impeded" because of lack of cooperation by banks. It was suggested that targets for lending by the banks be laid down the same way as for the coverage of families below the poverty line by the development block agency. It should equally be the responsibility of the banking sector to ensure that adequate credit was made available to meet the requirements of target-group families.

The existing percentage of granting loan under the differential rate interest scheme should be increased from 1% to 2% of the total credit to be advanced by each bank. The existing target of 600 families for yearly coverage per development block was inadequate and it should be doubled. Unless that was done, it would take several decades to eradicate poverty in the rural area.

With the suggested increase in the number of families to be brought above the poverty line, the allocation of funds per block be raised. Provision of funds should also be made for the development of infrastructure to support the projects to be taken up by the target groups. It was stressed that the economic viability of projects should be clearly established.

It was pointed out in the conference that the growth of cottage and village industries was hampered owing to inadequate and unsatisfactory availability of raw materials. A suitable mechanism should, therefore, be developed for the regular supply of the desired raw materials at reasonable rates. Marketing arrangements should be strengthened. The importance of the khadi and village industries sector was highlighted and the need to enlarge its scope was emphasized.

CSO: 4220/7362

GOVERNMENT DENIES REPORT ON F-16 NEGOTIATIONS

Bombay THE TIMES OF INDIA in English 22 Jul 81 p 1

[Text, New Delhi, July 21 (UNI)--India had never entered into any negotiations with the United States for the supply of F-ly fighter aircraft fitted with the derated J-79 engine, to equip the Indian air force, official sources in the defence ministry stated here today.

The sources categorically denied a press report circulated by a news agency (not UNI) that India had rejected the American offer for F-16/79 aircraft.

The defence ministry sources said that the question of rejection arises only after a formal offer is made for the sale of some military equipment. India had always kept its option open to acquire on payment, arms from any source, if these were supplied at terms and conditions which were favourable to the country.

At present, India is negotiating with West Germany for the purchase of submarines and with the United States for the purchase of Tow missiles and mountain guns.

The sources said the Indian air force pilots had never evaluated the F-16/70 fighter aircraft or test-flown it, with the intention of ultimately acquiring this aircraft for the IAF.

The sources maintained that the acquisition of F-16 aircraft equipped with the F-100 engine by Pakistan, would represent induction of very high levels of sophisticated military technology in the region and that it would have its repercussions for the countries of the area.

CSO: 4220/7367

CORRESPONDENT REVIEWS HYDERABAD DISTURBANCES

Calcutta THE STATESMAN in English 22 Jul 81 p 9

[Article by S. Rajappa: "Life Will Never Be the Same in Hyderabad"]

[Text] Hyderabad, July 21--After eight days of disturbances here the police, with reinforcements airlifted from Delhi and moved by road from Bangalore, were able to maintain a semblance of order in the affected areas. But religious intolerance had spread in such a form that life in the twin cities will never be the same again.

A weak administration headed by Mr T. Anjiah contributed in no small measure to the present state of affairs. In fact, the law-enforcing machinery was caught unawares when a procession at the historic Golconda Fort on July 12 provided the spark to ignore passions which had been building up for weeks.

Ever since Hyderabad hosted the sixth all-India conference of the Jamaat-e-Islami Hind, wherein a call was given to "Islamize" India, tension has been building up. It was aggravated by the news of mass conversion of Harijans in parts of Tamil Nadu. Hyderabad had been through somewhat similar experience in the early '30s when the Anjuman e-Tablighul Islam tried to convert local Harijans but was effectively countered by the Arya Samaj.

When the July 12 procession passed by a mosque at Goldonda, a centre of communal harmony since the days of Qutub Shahi reign, there was a minor altercation over the playing of music outside the place of worship. But what followed was by far the worst flare-up this city has ever witnessed.

Unlike in previous clashes, there had been no arson or looting. Innocent people, from teenagers to elderly men and women, were the victims. The nature of wound and the weapon used were almost identical. Most of the victims had their stomach slit open.

The Chief Minister predictably blamed the RSS, BJP, Majlis Ittehad ul Muslimeen and a "conspiracy" by his political opponents, besides the Press for reporting the incidents which did not conform to the news dished out each evening by the Director-General of Police. He even threatened to impose censorship, seal offending newspaper establishments and detain erring newspapermen under the National Security Act. In fact, cases were registered against two local papers.

For the Congress(I), the disturbances had proved to be a blessing in disguise. Election to the Hyderabad Municipal Corporation were due to be held next month. The Majlis commands absolute following among one of the two major communities in this city. The BJP and the RSS have won over a sizable section of the other community. The traditional vote banks of the Congress(I) have been badly depleted. The clashes have given the Government an opportunity to defer the election and have a nominated corporation instead.

Transfer of officials on the eve of election is not a done thing. But the Government chose to remove the city Commissioner of Police, Mr P. V. Pavithran, by a midnight order, and transferred practically all the senior officers under him, simply because the Home Minister wanted it.

On April 28, a notorious gang leader of the city went on the rampage attacking cinema houses, shops and bars. The police caught him after 75 minutes of wild chase. The gang leader reportedly told the police that he had the support of a Minister to prevent a rival gang from getting more powerful.

Arresting a gang leader who claims to have political patronage is simply not done. So the Commissioner of Police had to be sacrificed and his subordinate officers transferred and the April 28 issue was unceremoniously shelved.

The eight-page interrogation report mysteriously disappeared from the police files and the gang leader was a free man today. He was seen at Golconda, the place of the communal clash on the night of July 12.

When reports about the antecedents of the Home Minister, Mr Prabhakar Reddy, and his alleged links with the underworld reached the Congress(I) central leadership Mr Anjiah was advised to remove him. The Chief Minister, who depends on Mr Reddy for his fund-raising capabilities, took away Home and gave him the Finance portfolio.

CSO: 4220/7368

WHOLESALE PRICES REACH PEAK LEVEL 4 JULY

New Delhi PATRIOT in English 19 Jul 81 p 7

[Text] Continuing its climb the official wholesale price index for all commodities (base 1970-71) hit the peak level of 279.5 (provisional) during the week ended 4 July, reports UNI.

With the 0.1 per cent rise in the index compared to the previous week, the inflation rate worked out around 11 per cent but the index compared to the last week of 1980, recorded a rise of over nine per cent in the first 27 weeks of 1981.

Typewriters prices during the week recorded a sharp rise of around 30 per cent and cars five per cent the index said.

Six of the 15 sub-groups, recorded a rise while two declined during the week. The remaining seven sub-groups remained unchanged.

The index for food articles moved up by 1.4 per cent (mainly due to increase in the prices of eggs by seven per cent, nonfood articles by 0.2 per cent, beverages, tobacco and tobacco products by 0.2 per cent (mainly due to increase in the prices of soft drinks by four per cent), textiles by 0.4 per cent, machinery and transport equipment by 0.4 per cent (mainly due to increase in the prices of typewriters, rims and cars) and basic metals, alloys and metal products marginal.

The index for food products and chemicals and chemical products declined while the index for minerals fuel, power, light and lubricants, paper and paper products, leather products, rubber and rubber products, non-metallic mineral products and miscellaneous products remained unchanged.

CSO: 4220/7350

PURPOSE OF EDIBLE OIL IMPORT LEVY EXPLAINED

Bombay THE TIMES OF INDIA in English 19 Jul 81 p 1

[Text] New Delhi, July 18--The finance ministry today moved fast to frustrate the attempts by the "oil kings" to make a fortune through edible oil imports.

It raised the import duty on five vegetable oils imported on private trade account under open general licence from 12.5 per cent to 42.5 per cent "ad valorem."

The vegetable oils affected by the increase are palm oil, rapeseed oil, soyabean oil, sunflower oil and palmoliene.

The increases will not be applicable to the imports of edible oils through the State Trading Corporation, which is the major supplier and the only importer under the present policy. Thus, the increase in custom duties will not affect the consumer or the total availability of the oils.

The finance ministry resorted to this increase to mop up the excessive profits that the traders have been making in view of the large gap between the prices in the international and local markets.

In the present import policy, oil imports are canalised through the STC but before the new policy came into force, such imports were allowed on open general licence. The increase in import duty will apply to pre-ban commitments, which are in pipeline or the consignments which are lying at ports.

The finance ministry measure came in the wake of reports that the oil importers are set to make a kill because of the domestic prices of edible oils being much higher than the international prices.

There have also been complaints that some unscrupulous elements had managed to secure backdated documents for evading the present ban on imports through private channels. Some crores of rupees could be involved in these deals.

CSO: 4220/7345

KERALA INDUSTRIAL GROWTH SLOWED BY STRIKES

Bombay THE TIMES OF INDIA in English 20 Jul 81 p 7

[Text]

COCHIN, July 19.

THE Union minister of state for industries, Mr. P. A. Sangma, said here today that the growth of industries in Kerala was slow because of labour trouble. In the number of mandays lost due to strikes last year, Kerala was second only to West Bengal in the country, he added.

Mr. Sangma's observation was that even Keralites preferred to invest their money in the neighbouring Tamil Nadu and Karnataka instead of their state.

While he did not blame anybody for the situation, he said it was imperative that certain conditions had to be created for the growth of industries. He wanted small-scale industries associations to undertake a survey to weed out 'bogus units' which threatened the existence of genuine units.

Speaking at the southern regional meeting of small units associations here yesterday, Mr. Sangma assured the entrepreneurs that their problems would be looked into by a committee. Constituted by the small-scale industries board, the committee would also take up the suggestion of protection of the units through a legislation.

He said while the Central government was in search of solution to their problems, the state governments and the entrepreneurs themselves should co-operate in the efforts.

The Union minister contested the Kerala minister, Mr. P. C. Chacko's claim that the state did not get adequate Central subsidy and assistance from financial institutions.

Quoting figures, Mr. Sangma said that the Central subsidy to the state since 1972-73 amounted to Rs. 5.53 crores, which worked out to 5.5 per cent allotment during the years. He said the highest Kerala got was last year, when the state received Rs. 2.05 crores.

As regards assistance from financial institutions, the minister said that in 1978-79, the state received Rs. 309.1 crores, which rose by 2.18 per cent in the subsequent year.

Mr. Sangma was critical of the state government's failure in filling up the large number of posts in district industries centres. Against the sanctioned 77 posts of managers, only 28 had been filled. He impressed on Mr. Chacko the need for strengthening the DICs.

The Union minister said Kerala's applications for industrial licences were being considered expeditiously. He said 11 licences and 22 letters of intent were granted last year. There were 13 applications from the state pending before the licensing committee at present.

CSO: 4220/7352

CAUSES OF CONTINUING INFLATION EXAMINED

Bombay THE TIMES OF INDIA in English 20 Jul 81 p 8

[Commentary by Prem Shankar Jha: "Why Inflation Continues: Structural Changes in the Economy"]

[Text] It is a symptom of the confusion that prevails in the government today that at her press conference ten days ago Mrs Gandhi took credit for having brought down the inflation rate by ten per cent compared with what it was at the same time last year, but no one challenged this breathtaking statement. Since the rate of inflation (price increases) last year was 16.4 per cent, this would have meant that the current rate was no more than 6.4 per cent. In fact, the rate was 15.1 per cent on May 30, and what Mrs Gandhi had been referring to was not the rate of increase in prices, but the rate of change in the increase in prices.

Far from being a feather in the government's cap, this measly decline in the rate of increase in prices is a clear proof of its helplessness. For last year, at this time, the country was at the rail-end of the worst drought of this century. This year, by contrast, it has just reaped two excellent harvests and is going in for a third one. By any normal reckoning, therefore, the inflationary spiral should have at least slowed down, if not stopped.

Till as recently as 1976-77 this used to happen after almost every good harvest. Thus in 1967-68 when agricultural output rose by 22.7 per cent, prices rose by less than 0.2 per cent. Again after the good harvests of 1969-70 and 1970-71, prices rose by barely one per cent in 1971-72. The bumper harvests of 1975-76 caused the index of wholesale prices to fall by seven per cent and remain virtually unchanged in 1976-77. Lastly, the bumper harvest of 1978-79 caused a decline in the price level of 1.2 per cent in that year.

This pattern was revealed even more clearly in the movement of foodgrains prices. Throughout the last thirty years, these have moved up and down far more sharply than the general price index and the index for manufactured products. Thus, in 1968, they fell by no less than 12 per cent while the general price index remained stable. In 1970-71, after another good crop, they fell again by 0.7 per cent while the general index rose by over 5 per cent. By the same token in 1974-75, when the country had a poor crop, food prices rose by 35.4 per cent while the general index rose by only 14 per cent.

Easy To Grasp

This pattern of price changes is relatively easy to understand. Till the mid-seventies, inflation in India was of a two-stage demand-pull variety. Prices would spurt whenever there was a sudden shortage of consumer goods, mainly of food. This was stage one. In the next six to nine months, there would be a general adjustment of wages and dearness allowances to the first spur in prices and the resulting increase in purchasing power would give the second upward thrust to prices. The wage-price spiral would continue till a good harvest brought down the prices of foodgrains once more. In India, till the mid-seventies inflation was always set off by drought. This is why it occurred in steps. (Prices rose by more than 30 per cent between 1965 and 1967, and more than 50 per cent between 1972 and 1974, with periods of stability in between.)

This is also why in 1974 inflation was brought to a halt by a sudden withdrawal of purchasing power from the economy. The government continues to labour under the impression that its freeze on dearness allowances and special increments, and the introduction of the compulsory deposit scheme were mainly responsible for its success. But by far the more important cause was the huge balance of payments deficit after the oil price hikes of October and December 1973. In the next twelve months the outflow of foreign exchange exceeded inflows by Rs 100 crores a month, and to this extent purchasing power was rapidly withdrawn from the domestic economy. Against this the total withdrawal on account of the government's measures was only around Rs 350 crores in a full year.

By contrast, the inflation that began in the last days of February 1979 has displayed a totally different pattern. To begin with, it started well before the drought of 1979-80. The general level of prices rose by two-and-half per cent a month in March and April when a record wheat crop was still coming into the market. More important still, the price of foodgrains kept falling till June, when the usual lean season upswing occurred. The entire increase in these first four months was caused by increases in the prices of crude oil and oil products, and of manufactures.

Slowed Down

The drought of 1979-80 did not even sharpen the upswing. On the contrary, from September to December 1979, the price increase slowed down to just over half a per cent a month. The rate of inflation rose again only in January 1980, paradoxically after the kharif crop had arrived in the market, and, foodgrains prices should have shown a tendency to fall. What is most significant of all, for the first time in the country's experience, food prices continued to lag behind those of manufactures even in a drought year. The conclusion is therefore inescapable that the inflation that set in after February 1979 was not of the demand-pull variety.

Can it then be classified as a cost push inflation? The answer must be a qualified yes. Earlier bouts of inflation occurred against the background of relatively stable international prices. By contrast the current inflation is occurring at a time when international inflation is running at a high level. What is

more important, since 1978 India has followed a relatively open import policy, an and has regularly made purchases of steel, fertilisers, chemicals and bulk drugs, aluminum, copper, edible oils, cement, and refined oil products on a large scale and at much higher than domestic prices, to make good the shortfalls in production within the country. We have thus literally imported inflation.

The other structural change that has occurred in the last two years is the emergence of the agricultural sector as a major competitor to industry. Agriculture now consumes 18 per cent of the total power generated in the country, and a significant amount of high speed diesel. Consequently, when there is a drought, industries have to be closed down, and diesel rationed to make sure that the farmer's needs for power and diesel fuel are met first. Such competition inevitably accentuates shortages and pushes up prices. Even more important is the emergence of the agricultural sector as a powerful lobby demanding and obtaining higher and higher procurement prices, and holding back its produce from the market till the end of the season, in order to get better prices.

Steady Decline

The farmers would not have gone on the offensive but for the continuous decline in the terms of trade for agriculture in relation to industry that took place from 1975 till December 1980. This coincided with a switch-over by many farmers from cereals to cash crops like onions and potatoes, that increased their vulnerability to market forces. But whatever the causes, to appease the farmers most of the state governments have fixed procurement prices that are from 30 to 60 per cent higher than the support prices fixed by the Centre for cotton, groundnuts, paddy, millets and sugarcane. Since most of these are not being passed on to the consumer in the form of higher issue prices, they are being reflected in an increase in budgetary deficits, in government borrowing from the banking system, and therefore, in a sharp rise in the supply of money. Above all, they are being reflected in open market prices which, since January this year, have begun to rise more rapidly than the prices of manufactured products for the first time in five years.

The third component of cost-push inflation is the gradual loss of control of the Central government over its own finances and the deficit spending of the state governments even on accounts other than agricultural procurement. The seventh finance commission rectified the imbalance created over time by the greater inelasticity of state revenues, by transferring around Rs 2,000 crores a year to the states. But the last three Central budgets have shown that its own revenues no longer have the elasticity to make good the loss. As a result, a budgetary deficit of around Rs 2,500 crores a year has become a more or less permanent feature of the Central budget, and attempts to reduce it by raising taxes and prices are regularly neutralised by increases in prices.

In the face of these powerful forces, all the threats and reassurances coming from the ministry of finance about "first" and then "second" packages of anti-inflationary measures amount to nothing more than whistling in the dark. The most we can expect from the current monsoon is a moderation in the rate of inflation from 15 per cent at present to about 12 per cent a year. But this is still an unacceptably high figure.

CSO: 4220/7352

BASIC DIFFERENCES PREVENT NAXALITE UNITY

Calcutta THE STATESMAN in English 18 Jul 81 p 9

[Text]

The 13 Naxalite groups which agreed to come closer in February have failed to do so because of basic ideological differences in national and international spheres. The Reorganization Committee, CPI(ML) of Kerala, has already opted out.

The two dominant groups, which have some roots all over India, are the CPI(M) led by Mr S. N. Singh and the group led by Mr Vinod Misra. Mr Singh feels that unity will continue to elude the Naxalite groups unless the ideological differences are thrashed out. Only two groups—that led by Mr Nishit Bhattacharya of North Bengal and the Reorganization Committee of Kerala, still believe in the 1970 type of gun snatching and jotedar killing for the success of the revolution.

The differences are over the identity of the principal enemies of the Indian people and the strategy to fight them. There is general agreement that internationally, the Soviet Union and nationally, Mrs Gandhi, the Soviet ally, are the main enemies. But there are sharp differences over the methods to fight them.

The CPI (ML) led by Mr Singh believes that there must be a broadbased united front to combat Soviet Russia and Mrs Gandhi. This front, according to Mr Singh, may even include the CPI and the CPI(M), although he feels that the CPI, AICP and the "dominant leadership" of the CPI(M) are loyal to Soviet hegemonism and at a critical period, will not oppose the authoritarianism of Mrs Gandhi.

There are some groups which feel that unity with Opposition parties like Janata, Lok Dal, Bharatiya Janata Party, CPI and the CPI(M) is not possible. Others welcome such unity in the national sphere, but they equate Soviet Russia with the USA and the Western capitalist countries as enemies in the international sphere.

Mr Singh says he has noticed a welcome change in the activities of the Vinod Misra group, now organizing demonstrations and adopting legal methods for mass movements. Although the Naxalite groups differ ideologically, they have conducted joint campaigns on Afghanistan, Kampuchea, police repression and release of political prisoners.

CSO: 4220/7339

PUNJAB AUTUMN HARVEST THREATENED BY WEAK MONSOON

Bombay THE TIMES OF INDIA in English 21 Jul 81 p 8

[Article by K. S. Khosla: "Weak Monsoon Dims Punjab Crop Hopes"]

[Text]

CHANDIGARH:

WITH a weak monsoon, the hopes of a good kharif crop have declined in Punjab. Agricultural experts fear that the high targets set for the season may not be achieved, except for cotton.

What has aggravated the situation is an acute power shortage in the state and the withdrawal of power supply by Delhi, affecting the operation of pumpsets in paddy fields. Of the 600,000 tubewells in the state, half are run on power and the remaining on diesel.

Even if the rain gods oblige now, it will not have any beneficial effect as late sowing will definitely affect the yield.

The government has drawn up an ambitious programme for an increase in paddy production to 3.4 million tonnes from 3.2 million tonnes last year. It proposes to cover 1.15 million hectares — 95 per cent of the total projected area — under high-yielding varieties of paddy against one million hectares last year. The state seed corporation will supply 510 quintals of Pratap variety seeds.

The agriculture department is doing its best to offset the late transplantation by providing the farmers with adequate inputs. About 300,000 tonnes of nitrogenous and phosphatic fertilisers and also improved seed, weedicides and insecticides are proposed to be supplied. A crop loan of Rs. 77 crores is being made available for the purchase of fertilisers. Training camps have been organised for farmers.

It is proposed to reclaim about 25,000 hectares of "kallar" (alkaline) land, for which about 200,000 tonnes of gypsum is being made available.

The target for maize production is 700,000 tonnes against 600,000 tonnes last year. Maize has attained special significance as poultry and cattle feed and with the establishment of starch factories.

About 18 per cent of the total output of cotton in the country is produced in the state from about eight per cent of the total area. The main cotton-growing districts are Ferozepur, Faridkot and Bhatinda.

It is proposed to cover an area of 650,000 hectares to produce 1.35 million bales against 1.17 million bales last year. This year, the ground spray of cotton is being encouraged as aerial spray is becoming costly and aircraft are not available in desired numbers.

CSO: 4220/7360

GOVERNMENT RAISES PRICE OF INDIGENOUS CRUDE

Calcutta THE STATESMAN in English 17 Jul 81 p 9

[Text]

NEW DELHI, July, 16.—The Government has revised the price of indigenously produced crude, both onshore and offshore, to a uniform Rs 1,182 a ton, against the existing price of Rs 305 a ton for onshore and Rs 475 for offshore crude.

The revised price is effective from July 11, 1981 when the prices of various petroleum products were also raised.

The Government has also raised the cess levied on each ton of crude produced domestically from July 13 The cess will be at the rate of Rs 100 a tonne instead of Rs 60 a tonne charged earlier. The revised domestic crude price of Rs 1,182 a tonne is inclusive of the cess of Rs 100 and the royalty of Rs 61 a tonne payable to the States where oil is produced.

The oil-producing agencies—Oil and Natural Gas Commission, Oil India, and Assam Oil Company—will continue to bear the applicable sales tax as before.

The Oil and Natural Gas Commission last year produced 9.3 million tons of crude from its onshore and offshore fields. Production from offshore fields alone was five million tons.

The western region oil fields of the Oil and Natural Gas Commission produced 3.9 million tons of crude, while the eastern region fields produced only 400,000 tons because of disruption of output due to the Assam agitation.

The other major oil producing company, Oil India, which normally produces, on an average, three million tons of crude from its fields in the eastern region, only produced 1.2 million tons of oil last year due to the Assam agitation.

During the current year, the Oil and Natural Gas Commission is expected to produce a total of 13.7 million tons of crude—8.4 million tons from its offshore fields and 5.3 million tons from its onshore fields in the western and eastern regions. The eastern region oil fields' production is expected to be 2.1 million tons.

Oil India's production during 1981-82 is expected to be 3.[illegible] million tons.

CSO: 4220/7332

BIHAR CPI SCORES GRAIN IMPORTS, OIL PRICES

New Delhi PATRIOT in English 20 Jul 81 p 4

[Text]

PATNA, July 19.

THE STATE Council of the CPI has criticised the 'improper' increase in the prices of petroleum products by the Government.

A press note issued from the State party office said that with the price increase of petroleum products and fertilizers, an additional burden of new taxes amounting to about Rs 1,800 crore would escalate the sufferings of the common people.

The secretariat also disapproved the Government decision to import wheat and sugar in huge quantity because these products had been produced in abundance and were sufficient for the needs of the country.

The import of these commodities at high prices would not only cause loss to foreign exchange but it would also increase deficit budget.

The pressnote further said that the ordinances to curb inflation would result into boosting inflation..

The secretariat had called upon labourers, peasants and all the working class people to raise voices against these 'unwise and wrong' steps and urge the government to keep in its hand the wholesale trade of all essential commodities make public distribution system wide and impose complete ban on deficit budget 'only these steps can help curbing the inflation, it said.

CSO: 4220/7358

RAILWAY CONSULTANCY CONTRACT WITH IRAQ EXTENDED

Madras THE HINDU in English 17 Jul 81 p 16

[Text]

NEW DELHI, July 16.

Iraq has retained India for consultancy services for its new Railway Implementation Authority, which undertakes and monitors all new major railway projects in that country.

The contract begged by India in May 1979, which was to end this month, has been extended for another three years till March 1984, according to official sources.

India is providing integrated technical and economic services to the authority under the contract for which 28 more experts will be sent to Iraq besides ten already working there.

This is one of the three contracts the Rail India Technical and Economic Services Limited (RITES), the consultancy wing of the Indian Railways, has undertaken in Iraq.

One of the contracts seeks to provide technical and managerial services to the Iraqi authorities in supervising the 550 km Baghdad-Hasaibah-Al Qaimaakashat line under construction. A team of 102 experts and technicians from India working on the project has won the acclaim of the Iraqi authorities for its technical competence and high efficiency, official sources here said.

Besides Iraq, there is one other Gulf nation availing itself of India's railway consultancy services. Three engineers and 24 technicians are providing supervisory and technical support to the Aqaba Railway Corporation of Jordan.

Impressed by the Indian experts' performance, Jorden has asked for the services of 25 more experts who will be sent shortly. — UNI.

CSO: 4220/7334

DELHI PLANNING CONTROL OF INTERSTATE RIVERS

Madras THE HINDU in English 22 Jul 81 p 1

[Text]

NEW DELHI, July 21.

A Bill seeking to empower the Centre to take control of the development of inter-State rivers and river basins is expected to be introduced in the monsoon session of Parliament opening on August 17.

The Irrigation Ministry's proposal in this regard has already been forwarded to the Cabinet and as soon as it is approved, the Bill will be drafted and introduced.

Under the proposal the Centre will appoint commissions for each inter-State river basin, which will assess the extent of water resources and draw up plans for their equitable distribution among the States in the basin as a whole.

There will be a national level organisation headed by the Prime Minister to give final approval to the plans. River valley authorities will be set up for each basin to implement the plans.

Central control over inter-State rivers has been considered necessary in view of the unending disputes over sharing of the waters of such rivers among the basin States and the consequent delay in implementation of a number of irrigation projects.

Difficult task

So far, the Centre has sought to bring about a settlement by using its good offices with the State Governments concerned and helping them sort out the issues through negotiations. But, of late, it is finding this task difficult due to the rigid attitude taken by the States concerned.

Moreover, even in cases referred to the tribunal, there is reluctance on the part of the States to implement the award though under the Inter-State River Disputes Act it is final and binding.

For quite some time now the Centre has felt the need for exercising greater control over these rivers. One proposal was to transfer the subject "Water" from the State List to the Union List by amending the Constitution. But this is not being pursued in view of the opposition from the States.

Instead, the Centre has sought to arm itself with powers as provided in Entry 56 of the Union List, which says that regulation and development of inter-State rivers and river basins will be in the Union List to the extent to which such regulation and development under the control of the Union is declared by law to be expedient in public interest.

Cauvery row may go to tribunal

One of the inter-State disputes that has eluded solution for long relates to the Cauvery waters. The Centre had proposed a conference of the Chief Ministers concerned here on July 22, but it had to be put off as the Karnataka Chief Minister found the date unsuitable due to the State Assembly being in session.

A fresh date is being fixed for the meeting and it is expected to be around August 22 when a conference of State Irrigation Ministers has been called.

Before convening the next round of talks on the Cauvery waters, the Centre had invited proposals from the States concerned for solving the dispute. But, the letters received by the Centre indicate that there is no meeting ground between the two main parties to the dispute — Tamil Nadu and Karnataka.

The Centre wants the understanding reached in 1976 to be the basis for a solution, but both States have rejected this. It appears the Centre may be forced to refer the dispute to a tribunal.

Complaint against A.P.

Meanwhile, Tamil Nadu has complained to the Centre that Andhra Pradesh had built a reservoir near Chittoor to store waters of the river, which supplies drinking water to Madras.

It is contended Andhra Pradesh has not secured Central clearance for the reservoir.

The Irrigation Ministry is taking up the matter with the A.P. Government to ensure that water is released to meet the needs of Madras.

(Andhra Pradesh recently constructed a dam across the Nagari river, a tributary of the Courtallar, which feeds the Poondi reservoir. The Tamil Nadu Government has taken up the matter with the Centre).

CSO: 4220/7371

SCANT RAINS AFFECT HARYANA PADDY HARVEST

Bombay THE TIMES OF INDIA in English 22 Jul 81 p 7

[Article by Tribhuvan Nath]

[Text]

CHANDIGARH.

PADDY prospects in Haryana stand blighted this season because of scanty rains in the main growing areas. But the traditionally dry bajra belt has experienced excessive rains, raising the hopes of farmers.

While paddy transplantation should have been over by July 10, hardly 20 to 25 per cent of the areas under high-yielding varieties were covered by the middle of the month. These are grown over 85 per cent of the cultivated area.

The state was hoping for a total rice yield of nearly 1.4 million tonnes. The farmers who had managed to complete transplantation were able to do so with the help of tube-wells. But intermittent power supply gave them little chance to extend the area under paddy this season.

The main paddy-producing areas in the state stretch across Karnal and Kurukshetra along with the fertile right bank of the Yamuna, which yields the well-known Basmati rice. The monsoon started well on June 21, covering both these districts. However, the rain gods turned unkind later to the "paddy bowl" of Shahabad, Thanesar, Nilokheri, Gharaunda, Panipat and certain tracts of Sirsa.

At the same time, the rains were so excessive in certain paddy-growing areas in districts of Gurgaon and Faridabad that they destroyed the paddy nurseries. Only the Kaithal sub-division managed to complete transplantation.

STATE CONTRIBUTION

The state contributes the bulk of its levy rice to the Centre's buffer stock of foodgrains. Its contribution had risen two-fold in the past six years. From 275,000 tonnes in 1974-75, it went up to 610,000 tonnes last year. Domestic consumption of rice did ont exceed an average of 1.5 lakh tonnes when the state's total yield had risen steadily in recent years.

Last year, the rice output was 1.23 million tonnes. For bajra, the other kharif crop, the government had set a five-lakh-tonne target as against 4.84 lakh tonnes output in 1980. The state has a 2.02 million tonne foodgrain production target in the present kharif as against 1.73 million tonnes achieved last year. The bajra crop was, by all accounts, shaping well.

The agriculture department was implementing a three-pronged strategy to step up paddy production. It comprised increase in the supply of three major inputs — certified high-yielding seed, fertilisers and weedicides.

The supply of certified seed constituted the bedrock of the strategy. Its quantity was raised to 18,000 quintals this year from 16,000 quintals last year. In case of bajra, it was raised to 15,000 quintals from 12,300 quintals last year, leaving aside the supply coming through private agencies.

The average per hectare consumption of fertiliser was to be raised this year to 120 kg. from 100 kg. last year. A total of six per cent area under the crop would be administered weedicides this year as against three per cent last year.

Increase in acreage was another important element in the strategy for increased production. The target for the current season in paddy was a ten per cent increase over last year's. A five per cent increase was also planned in the area under bajra this year.

It would appear that Haryana had set its sight to a record production this year. However, all the plans for stepping up the yield appeared to be going awry owing to scanty rains coupled with power shortage.

CSO: 4220/7367

BRIEFS

URS SUSPENSION TERMINATED--Bangalore, July 16 (PTI)--The Karnataka assembly terminated the suspension of 28 opposition members, including the Congress(U) president, Mr D. Devaraj Urs, today. The members belonging to the Janata, Congress(U), and CPI had been suspended for the entire session when they had resorted to dharna demanding dismissal of the planning and wakf minister, Mr C.M. Ibrahim, allegedly involved in a criminal case. While 27 members had been suspended on June 23, a day after the budget session began, another Janata member, Mr M.V. Rajasekharan, had been suspended on June 26. The resolution for terminating the suspension was moved by the chief minister, Mr R. Gundu Rao, following an appeal by the speaker, Mr K. H. Ranganath. The resolution was unanimously adopted. [Text] [Bombay THE TIMES OF INDIA in English 17 Jul 81 p 1]

BENGAL NEWS AGENCY--Calcutta, July 16 (PTI)--The West Bengal government has decided to sponsor a rural news agency primarily to fill the information gap between the rural and urban sectors, the information and cultural affairs minister, Mr Buddhadeb Bhattacharya, told newsmen here yesterday. The government decision, Mr Bhattacharya said, follows acceptance of this recommendation by the fact-finding committee on small and medium newspapers in the state, set up in 1979. The minister explained that while the government would promote the news agency it would not be government-owned. The head of major news agencies like PTI and the UNI might be taken to set up the proposed agency, he said. One of the recommendations of the committee is to increase the percentage of government advertisements to small and district newspapers, from the existing eight to 22 per cent. [Text] [Bombay THE TIMES OF INDIA in English 17 Jul 81 p 7]

BASU LETTER TO GANDHI--In a letter to Mrs Gandhi, Mr Jyoti Basu has complained that during the first three months of this year, West Bengal received about 51,000 tons short of its quota of cement from the Centre. In the current quarter of the year, the deficit would exceed 60,000 tons. The letter was released to the Press in Calcutta on Thursday. Mr Basu said that in 1980 the accumulated deficit in the cement supply to the State was more than 1,38,000 tons. He complained that the cement shortage had seriously impeded development activities in the State. He also told the Prime Minister that the State's present quota of 3,00,000 tons of cement every quarter, which fell far short of its quarterly requirement of 5,00,000 tons, should be increased. [Text] [Calcutta THE STATESMAN in English 17 Jul 81 p 1]

TAMIL NADU POLL DATE--Madras, July 16--The delayed Panchayat elections in Tamil Nadu would be held in the last week of September, Mr P. Kulandaivelu, Minister for Local Administration, said here yesterday. But, the political parties' meeting, held at the State Secretariat, which took this decision was boycotted by the Congress(I) and the DMK. Mr Kulandaivelu said that 18-year-old would be eligible to vote. The voters' list would be ready by August 15. There are 12,771 gram panchayats, 609 town panchayats and 376 panchayat unions in Tamil Nadu. About 2.5 million people will exercise their franchise. [Text] [Calcutta THE STATESMAN in English 17 Jul 81 p 4]

CPI LEADERS JOIN DANGE--Calcutta, July 16--Fourteen members of the Calcutta district council of the CPI on Wednesday tendered their resignations from the party and decided to join the All-India Communist Party owing allegiance to Mr S. A. Dange. In a joint statement they said that they resigned in protest against the expulsion of 14 leaders of "the communist and mass movement" for organising the State communist convention on June 20 when they criticised the CPI leadership for expelling Mr Dange. The Assam State Executive Committee of the Communist Party of India has expelled 13 prominent members from the party for "factional and anti-party activities." The decision to expel members was taken at the two-day session of the Executive Committee, a press release of the party said in Gauhati. Among those expelled were--Mr Dulal Chandra Khound, a member of the National Council of the CPI, Mr Jagannath Bhattacharya, one of the founder-members of the CPI in Assam and Mr Govinda Kalita, former Deputy Mayor of Gauhati Municipal Corporation. All those expelled on Wednesday along with some other party workers had announced their decision to resign from the CPI and join the All-India communist Party at a convention held in Gauhati.--PTI [Text] [Madras THE HINDU in English 17 Jul 81 p 6]

HIND MAZDOOR SABHA PRESIDENT--Mr P. S. Chinnadurai was elected President of the Hind Mazdoor Sabha at a special meeting held in New Delhi on Wednesday. The election was caused by the death of Mr B. R. Dandawate, according to a HMS release. [Text] [Madras THE HINDU in English 17 Jul 81 p 16]

CPI ABSENCE EXPLAINED--CPI general secretary C Rajeswara Rao reiterated on Thursday that his party was not attending the meeting of all Opposition parties called by Janata Party president Chandra Shekhar in the Capital on Friday. He explained, that the scope of the meeting "is so wide that it is in practice the starting point for forging an all-in Opposition unity to face the Congress-I" and the CPI was opposed to such unity encompassing "reactionary communal parties like the BJP." "We are second to none in opposing the anti-people, pro-vested interests and anti-democratic policies of Indira Gandhi. But these cannot be fought out in alliance with reactionary communal parties like the BJP, which will defeat its very purpose," he underscored in a statement. He said the CPI "will unite with all Left and secular democratic parties on all issues of the people and the country in whatever form it is possible." [Text] [New Delhi PATRIOT in English 17 Jul 81 p 1]

MADHYA PRADESH, MAHARASHTRA COOPERATION--Bombay, July 16 (UNI)--The Indravati valley in Bastar district of Madhya Pradesh, having a potential of generation about 700 MW of hydel power, will be developed jointly by Madhya Pradesh and Maharashtra. This was agreed to in principle during the discussions between

MP Chief Minister Arjun Singh and his Maharashtra counterpart A R Antulay here this morning. The two Chief Ministers reviewed the progress of various ongoing irrigation projects in the Maharashtra-Madhya Pradesh border areas. It was agreed that a joint committee of officials be set up to work out details on the project. The next meeting of the joint control board is scheduled at Khajuraho in Madhya Pradesh on 12 August. During his stay in the city, Mr Arjun Singh had discussions with the Reserve Bank Governor and chairmen of several financial institutions about the industrial development programme of Madhya Pradesh. [Text] [New Delhi PATRIOT in English 17 Jul 81 p 5]

JAMMU DELIMITATION DEMAND--Jammu, July 16 (PTI)--The opposition Democratic Conference in Jammu and Kashmir has demanded fresh delimitation of boundaries of Jammu region for administrative purposes on district and tehsil level. In a press statement here Democratic Conference general secretary Krishan Dev Sethi said there was popular demand for re-distribution of areas on tehsils and district level and in this context the people of Kishtwar in Doda district of Jammu had started a stir to press their demand for carrying out a new Kishtwar district. He said Kishtwar was bigger in size than Kashmir Valley but it had a status of [illegible]1 "it is a matter of great shock that the Government has not yet accepted this popular demand." [Text] [New Delhi PATRIOT in English 17 Jul 81 p 5]

JAPANESE AID AGREEMENT--New Delhi, July 17--India will get Japanese assistance of Rs 68.5 crores under an agreement signed here today. Of this, Rs 64.34 crores will be project aid and Rs 4.12 crores grant aid. The project aid will cover a telecommunication expansion project (Rs 36.90 crores) and the second stage of the Nagarjunasagar hydroelectric power station expansion project (Rs 27.47 crores). It will be payable over 30 years, including a grace period of ten years, and carry an interest of 2.75 per cent per annum. The amount constitutes more than 50 per cent of the credit of 30 billion yen pledged by the Japanese government at the Aid-India Consortium meeting in Paris in July, 1980. The grant aid will be utilised for increasing food production (Rs 3.92 crores), mostly for the purchase of fertiliser from Japan, and Rs 19.62 lakhs for the purchase of sports and physical education equipment from Japan under the cultural and educational programme. [Text] [Bombay THE TIMES OF INDIA in English 18 Jul 81 p 12]

MANIPUR REBELS SURRENDER--Imphal, July 17--Five members of the outlaws "Kangleipak Communist Party"--surrendered with arms before the Manipur Chief Minister, Mr Rishang Keishing, on Wednesday, police sources said here today, reports PTI. The sources, however, did not disclose their names. This raises to 196 the number of underground youths who have surrendered since counter-insurgency began in the State last September. [Text] [Calcutta THE STATESMAN in English 18 Jul 81 p 16]

ADMIRAL PERIERA'S BROADCAST--Visakhapatnam, July 17 (PTI)--Chief of the Naval Staff Admiral R. L. Pereira, said here last night that it was imperative that the maritime strength of the nation grew in proportion to the national interest. In a broadcast from the Visakhapatnam station of All India Radio, Admiral Pereira said "the requirements of the navy are not based solely on strict perception." He said "we do not appreciate the tension and pressure that continues to build up in our maritime environment of the Indian Ocean and that this could well result in a drastic future conflict into whose vortex we may well be drawn." We

must be prepared for war whenever that may come, but it is certainly not the primary and sole consideration for the continued development of the navy which must be a corollary and extension and indeed, as I see it, a vital factor in our national policy," Admiral Pereira added. [Text] [New Delhi PATRIOT in English 18 Jul 81 p 5]

NEW CROP VARIETIES--Jabalpur, July 17 (PTI)--In all 16 "good varieties," of various crops have been developed by the Jawaharlal Nehru Krishi Vishwa Vidyalaya here with a view to boosting of agriculture production in the country, particularly in Madhya Pradesh. The newly developed food-grains and oilseeds varieties which were early maturing and resistant to rust disease and pests, included rice, soyabean, jowar, kapas (cotton), nkodo, sugarcane and arhar. The Vishwa Vidyalaya, in a press release last night said these varieties had been released for general cultivation by the Madhya Pradesh seed sub-committee, presided over by the agriculture production commissioner on Wednesday. [Text] [New Delhi PATRIOT in English 18 Jul 81 p 5]

EASTERN COMMAND CHIEF--Major-General Himmeth Singh, Chief of Staff, H.Q. Eastern Command, has been appointed General Officer Commanding of a corps in the Western Sector in the rank of Lieutenant-General from August 7. Lieutenant-General K. Chiman Singh has been appointed new Chief of Staff, Eastern Command. General A. S. Vaidya, who took over as the GOC-in-C Eastern Command on May 31, made a four-day visit to the forward areas in Manipur, Mizoram and Tripura early this week. [Text] [Calcutta THE STATESMAN in English 19 Jul 81 p 7]

CPI-M LEADER KILLED--Hyderabad, July 18 (UNI)--Mr Perumalla Jagannadham, a prominent CPI-M leader, was murdered yesterday in Gurthuru village, Warangal district according to Mr M. Omkar, deputy leader of the party in the Andhra Pradesh Assembly. Mr Omkar said Mr Jagannadham had been representing to the authorities several times seeking protection because of "danger posed by Naxalites and Cong-I workers." [Text] [New Delhi PATRIOT in English 19 Jul 81 p 1]

STORE IN MOSCOW--Moscow, July 18 (PTI)--Encouraged by a turnover surpassing all expectations, the Soviet organization running the 19-month-old exclusive department store of Indian products, Ganga, is planning to open one more branch in the Soviet capital. India is now the largest supplier of textiles to the USSR--some 130 million metres valued at over Rs 110 crores. Of this woollen textiles constitute about 160,00 metres. After a lapse of some 12 years, the Soviet Union is again buying woollen textiles from India. The Soviet Union is also buying pure silk and rayon textiles for the first time. Besides textiles, India is also the largest single supplier now for tea, coffee, leather and woollen textiles. In the current year Soviet Union will become India's largest trading partner, a position enjoyed by the United States, until few years ago. The total trade this year between the two countries is expected to reach Rs 2600 crores from last year's Rs 1900 crore. [Text] [New Delhi PATRIOT in English 19 Jul 81 p 7]

NEW RAJASTHAN CABINET--Jaipur, July 19--The chief minister, Mr S. C. Mathur, announced the names of his 18-member three-tier council of ministers, soon after his return from New Delhi here today. Most of them were sworn-in at a simple, brief ceremony at Raj Bhavan. THe governor, Mr Raghukul Tilak, administered the oath of office and secrecy to the ministers. The new ministry has

six cabinet ministers (including the chief minister), ten ministers of state and three deputy ministers. The cabinet ministers are: Mr Paras Ram Maderna, Mr Chandan Mal Baid, Mr Brij Sunder Sharma, Mrs Kamla and Mr C.L. Kawaria. The ministers of state are: Mr Jaikrishan Sharma, Mr N. S. Bhatti, Mr Parduman Singh, Mr Sis Ram Ola, Mr Sri Ram Gotewala, Mr Dinesh Rai Dangi, Mr Ghasi Ram Yadav, Mr Ram Pal Upadhyaya, Mr Chet Ram Meena and Mr Gobind Singh Gujjar. The deputy ministers are: Mr B. D. Kala, Mr Gobind Rai Amelia and Mrs Kamla Bheel. [Text] [Bombay THE TIMES OF INDIA in English 20 Jul 81 p 1]

HYDERABAD CONGRESS-I LEADER--Hyderabad, July 19--Mr T. D. Gowrishankar, member of the All India Congress(I) Labour Cell was today suspended from the party for anti-party activities, according to Mr Sathyanarayana, General Secretary to the Andhra Pradesh Congress(I) Committee. Mr Gowrishankar had yesterday criticised the handling of the communal situation by the Chief Minister, Mr T. Anjiah in a statement and had demanded imposition of President's rule in the State. [Text] [Madras THE HINDU in English 20 Jul 81 p 1]

URS WELCOMES MERGER--New Delhi, July 19--Mr Devaraj Urs, Congress(U) President, today welcomed the merger of three opposition groups into a new party--the Democratic Socialist Party--and said this would reduce the multiplicity of parties which was the greatest danger to democracy. He said he had already accepted the resignation of Mr Y. B. Chavan. The meeting of the Opposition leaders here on Friday convened by the Janata Party President, Mr Chandrasekhar, was a 'good exercise' and 'good beginning' towards opposition unity. Asked whether his party has been invited by the Prime Minister, Mrs Indira Gandhi, in the process of her consultations with the Opposition, Mr Urs said that Mrs Gandhi had not so far invited his party.--PTI [Text] [Madras THE HINDU in English 20 Jul 81 p 9]

VIADYA VISITS NORTHEAST--Calcutta, July 19--GOC eastern command A. S. Vaidya returned here on Friday after a four-day visit to the forward areas located in Manipur, Mizoram and Tripura. This was the first visit of General Vaidya to Mizoram and Tripura after he took over as the GOC on 31 May 1981. During his stay in Imphal Aizawl and Agartala, he called on the Chief Ministers of all the three States and held discussions with them on matters of common interest. The army commander also held discussions with the field commanders, during his stay in Imphal. He also complimented the commanding officer and his troops for their victorious operation where in they had captured N. Bisheshwar Singh, top leader of PLA alive alongwith another accomplice and killed seven others including four hard-core Lasha returned extremists. [Text] [New Delhi PATRIOT in English 20 Jul 81 p 4]

NORTHEAST RAIL LINKS--Shillong, July 20--About Rs 12 crores has been earmarked for the construction of six new railway lines covering a total distance of 209.96 km. in the north-eastern region in the current year. According to the official sources Rs 35.66 crores will be spent on this construction in a couple of years. The far-flung strategic Union Territory of Arunachal Pradesh will be coming on the railway map of India when the 35.46 km. long Balipara-Bhalukpong metre-gauge line will be completed by 1984. Construction work on this line, taken up by the railways at the demand of the north-eastern council, is progressing satisfactorily. [Text] [Bombay THE TIMES OF INDIA in English 21 Jul 81 p 5]

PLANNING COMMISSION ADVISER--Raipur, July 20--Mr E. Balanandan deputy leader of the CPM in Parliament and member of the CPM politburo, demanded here today that the politburo, demanded here today that the railway board should be scrapped as it had failed in its function of controlling the railways. He said the board was directly responsible for all accidents. He said only 25 per cent of the voters had cast their votes in the Congress(I)-ruled states while in West Bengal nearly 60 per cent of the voters had exercised their franchise in the recent by-elections. This reflected a decline in the Congress(I) popularity, he added. Mr Balanandan said the CPM was trying to help the formation of a left democratic alliance. [Text] [Bombay THE TIMES OF INDIA in English 21 Jul 81 p 5]

KASHMIR PRO-PAKISTAN WORKERS--Srinagar, July 20--Sixty-three people, alleged to be leaders and workers of the pro-Pakistan Kashmir People's League and Freedom Front have been arrested in different parts of Kashmir Valley in the last two days. The arrests were made on a directive from the Union Home Ministry to the State Government to take adequate security measures to prevent disturbances in the State after the notorious Pakistani saboteur Maqbool Bhat is hanged in Tihar jail, Delhi. Maqbool Bhat has been sentenced to death for murdering a State police official in 1966 and is now awaiting execution. [Text] [Madras THE HINDU in English 21 Jul 81 p 7]

BORDER SECURITY OFFICIAL--New Delhi, July 20--Mr Shiv Swarup, has been appointed Inspector General, Border Security Force, Srinagar Frontier. He succeeded Mr K.C.K. Raja, who returns to his cadre State, Karnataka, Mr Swarup was Inspector General, Nagaland.--PTI [Text] [Madras THE HINDU in English 21 Jul 81 p 11]

NAVAL TRANSFERS--Visakhapatnam, July 19--At a function held on board flagship INS Anjadip, here on Saturday Rear-Admiral Sukhmal Jain, took over as Flag Officer of Commanding, Eastern Fleet, from Rear-Admiral K. Nayyar transferred to naval headquarters as Assistant Chief of Naval Staff. [Text] [Madras THE HINDU in English 21 Jul 81 p 11]

REPUBLICAN PARTY ON CONVERSIONS--Bangalore, July 20--Vice-President of the Republican Party of India (Gavai) C.M. Armugham, MLA, today condemned the large-scale conversions to Islam. Mr Armugham told newsmen that at a recent meeting of his party workers in Bangalore termed such deliberate attempts at mass conversions as unhealthy. He said the conference was averse to believe that Harijans were being driven to take this extreme step because of the ill-treatment meted out to them. He also said that despite constitutional guarantees no opportunities were being provided for Harijans even in Government services. Meanwhile, more than 200 persons belonging to Scheduled Castes from Bangalore and its surrounding areas have decided to 'leave' Hinduism as a protest against the alleged atrocities against them. The Ambedkar Self Respect Movement which is spearheading the move said that their conversions would take place during the first week of August. [Text] [New Delhi PATRIOT in English 21 Jul 81 p 4]

AICP CONVENTION LIKELY--Bhubaneswar, July 21--The All-India Communist Party may hold a national convention either at Bombay or Delhi during the latter part of the year to "educate" party men on the need to desist from entering into parliamentary politics, since the Communist movement in the country has been deviating

from "class struggle" more and more towards "power struggle," reports UNI. This was indicated here yesterday by Mr N. C. Dutta, a member of the central committee of the party. He came to participate in the first "preliminary" convention of the Orissa unit of the party, which was held yesterday. According to him, 72 delegates from seven districts including Bhubaneswar, attended the convention. [Text] [Calcutta THE STATESMAN in English 22 Jul 81 p 13]

TRANSLATIONS OF CONSTITUTION--New Delhi, July 21--The Tamil version of the Indian Constitution is expected to be ready within a month. The Bengali version has been sent for printing while the advance printed copy of the constitution in Oriya has been received by the Centre. The Telugu and Gujarati versions are already out. Steps have been taken for the translation of the Con Constitution in Urdu. This is part of a project to translate the Constitution and Central statutes in Hindi and regional languages. So far 89 acts have been translated in regional languages--Bengali 16, Gujarati 47, Kannada 9, Malayalam 5, Oriya 4, Punjabi 7 and Tamil one. As regards Telugu, the Andhra Pradesh Government appointed a special officer some four months ago to organise translation of Central laws. The Telugu version of three acts, the Protection of Civil Rights Act, the Specific Reliefs Act and the Cattle Trespass Act have been got ready while that of the IPC will be completed soon. [Excerpts] [Madras THE HINDU in English 22 Jul 81 p 7]

TAMIL NADU CPI-M PLEA--Madras, July 21--The Tamil Nadu State Executive of CPI (M), which concluded its three-day session at Vellore on Monday, pleaded for conducting the coming civic poll on party basis on the ground that it would help to strengthen democracy. If the elections were not held on party basis, caste, communal and linguistic considerations alone would dominate in the civic poll, a resolution adopted at the meeting said. The Executive asked the State Government to reserve 18 per cent of the seats in the panchayats and panchayat unions to Scheduled Castes and Adivasis and to make the necessary changes in the Panchayats Act. Resolutions criticising the State Government for not enforcing the Minimum Wages Act for farm labour, deploring the recent hike in the prices of petrol, diesel, kerosene and fertilizers, demanding distribution of essential articles through fair price shops to check the rise in their prices, opening at least one fair price shop for 500 families and expressing fear that the import of sugar and wheat would deplete the foreign exchange reserve were also adopted. It decided to hold the State conference of the party at Cuddalore in December. [Text] [Madras THE HINDU in English 22 Jul 81 p 7]

CSO: 4220/7372

NAVY ACQUIRES NEW HELICOPTERS, PATROL BOATS

Jakarta KOMPAS in Indonesian 12 Jun 81 p 12

[Excerpts] Surabaya, ANTARA--Four British-made AH-12A "Wasp" helicopters were officially accepted for service by the Navy chief of staff, Admiral Waloejo Soegito, Wednesday. The helicopters will strengthen Navy operations in the vicinity of the air unit of the Indonesian fleet in Surabaya.

The four "Wasp" helicopters have been added to the 400th Air Squadron of the Indonesian fleet's air unit. Made in Britain's Westland factory, the helicopters are anti-submarine aircraft armed with MK-44 and MK-46 torpedos. "Wasp" helicopters are made specifically for operations from destroyers or frigates. They operate at speeds reaching 193 km per hour with a range of 435 km. Fully loaded weight is about 2.5 tons.

In addition to using the "Wasp," the Indonesian Navy has other helicopters like the BO-105 and the Allouette-II. It is felt these additions to the naval air fleet is in accordance with the plan to increase amphibious operations capability, calling for helicopters capable of functioning in surveillance and scout operations and specifically for striking against enemy submarines. It is known that the Indonesian Navy has four new LST's from South Korea, two of which have arrived and are operational. The LST's themselves are equipped with helicopter landing pads.

In the past the naval air fleet was equipped with 18 British-made Fairey "Gannet" aircraft for anti-submarine defense. But these aircraft have not been used by the Navy for a long time.

In the meantime, the Navy commander of Region IV, Regional Special Director Gatot Suwardi, recently officially accepted two coastal patrol boats for operations in the waters around Cilacap. Both boats are 18.5 m long, 4.25 m wide and weigh 20 tons, with a range capability of 7 miles per hour. The patrol boats are equipped with 12.7 mm machine guns. They were made in December at a price of 17.5 million rupiahs each.

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CSO: 4213/84

FOREIGN INVESTMENT ENCOURAGED

Jakarta KOMPAS in Indonesian 12 Jun 81 pp 1, 9

[Text] Representation of the Indonesian commercial mission at business investment and trade meetings in the West does not mean that Indonesia is seeking ways to counterbalance Japanese capital investment in Indonesia. Instead, the intention is to meet the desired objectives of the current Five-Year Development Plan by estimating the potential for trade with the industrial nations.

So stated J.B. Sumarlin, vice chairman of the National Development Planning Board and state minister of administrative reform, on Thursday after meeting with President Soeharto and the head of BKPM [Capital Investment Coordinating Board], Soehartojo, at the president's residence on Cendana Street. A report was made to the president on the results of business meetings on trade and investment held in West Germany, Norway, Canada and the United States from 18 May to 2 June.

Prof Sumarlin stated that those meetings were held after there had been an evaluation of the projects included in the DSP [Priority Scale List] put out by BKPM. The projects have been compiled so that they might be carried out in accordance with the future industrialization objectives of the Fourth Five-Year Development Plan.

In response to a question, the BKPM chief admitted that apart from oil investments, the Japanese have invested more capital in Indonesia than any other nation, or about $3.3 billion. Japan is followed by Hong Kong and Canada at around $800 million each. The United States is fourth with around $500 million and then West Germany with only about $200 million.

According to Sumarlin, the meetings on trade and investment in Indonesia were conducted by the different industrial organizations under the sponsorship of their respective governments. The objective was to encourage foreign investors to join in the development of those fields remaining open for foreign capital investment by offering them priority status.

Sumarlin said that after having been provided materials and explanations concerning opportunities for investment and increased trade, in general the business representatives from West Germany, Norway, Canada and the United States gave positive responses. Some will immediately submit applications. Others will continue their research, including sending study teams to Indonesia.

He said positive responses were given, for example, by 21 West German representatives, 3 Norwegians, 4 Canadians and 21 Americans. The West Germans expressed an interest in building a truck motor factory, automotive electric components and diesel engines. The Norwegians are interested in a seafood canning industry, micro computers and tuna fishing. U.S. companies like General Motors, General Electric, Aramco, Uniroyal, Du Pont and others are interested in machine industries, jet engine repair and maintenance, pesticides and so forth.

Sumarlin said that now Indonesia has its "homework" to do on the basis of those meetings, i.e. to get everything ready. The net result will come only after the next 6 months, if and when those industrialists submit applications.

In response to a question, Sumarlin admitted there were a number of complaints revealed during the meetings. They included the procedure for capital investment, which was said to take too long a time, the problem of bringing goods into the harbor, the problem of land availability for plantation industries, management, and the problem of stock majorities. "It's a shame that the ones doing the complaining were those who had never been here before. What they were suggesting was actually only what they had heard secondhand and had never experienced directly themselves," Sumarlin said.

Concerning capital investment procedures, Sumarlin explained that Indonesia has now established a new procedure through the BKPM that has been called the "one stop service." On land for plantation industries, he explained that HGU [exploitation rights] must be in Indonesian hands but can be fully leased to the contributing businesses that operate the states. Land in a most sensitive issue because of its psychosocial value for Indonesians.

In the area of management, Sumarlin said Indonesian workers must gradually acquire the technical skills needed through education and training.

Then, concerning stock shares, during the initial period 20 percent must go to the Indonesian partner. After 10 years shares gradually are transferred to the Indonesian partner, reaching 51 percent minimally. "But here we've got to look at the kind of industry involved. For instance, certainly plantations will differ in the amount of time it takes for the stock transfer," he said.

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CSO: 4213/84

NEW GOVERNMENT POLICIES ENCOURAGE INDUSTRIAL EXPORTS

Jakarta KOMPAS in Indonesian 9 Jun 81 pp 1, 9

[Excerpts] Industrial products marketable abroad may now be exported without restriction. If the export of these commodities causes domestic shortages, like products will be imported to make up the deficiencies rather than halt the exports.

So stated Radius Prawiro, minister of trade and cooperatives, Monday in response to a KOMPAS reporter's question concerning export policy on non-petroleum products.

Restricting imports is easier than attracting and competing for foreign markets, the minister said. "For that reason, if at any time there are shortages of industrial commodities in the country, then we'll import what we need. When our needs are fulfilled, the imports will be halted. Industrial exports will not be restricted, even if there is a domestic shortage," he said.

Under this policy, he said, foreign markets for Indonesian industrial products will remain open. Trade will be well controlled, and markets will not have to be reopened in the event temporary export restrictions are imposed to fulfill domestic needs.

In order to encourage exports of non-petroleum industrial products, Prawiro said, there is to be an increase in the number of commodities receiving export certificates. The hope is that in receiving the certificates, manufacturers will want to expand their foreign markets. Foreign exchange from the non-petroleum commodities should remain high and not be disturbed by a sluggish international economy.

According to the public relations section of the Department of Trade and Cooperatives, the policy of granting incentives in the form of export certificates was begun 12 January 1979. At that time only 20 kinds of products were eligible. Today there are 392.

In addition to increasing the number of products that may be exported, another policy is to keep production costs in check. "We want the competitive edge of Indonesian industrial products to remain high in the foreign markets," Prawiro said.

To achieve this, he said, business needs to stress labor efficiency. In addition, raw materials and other supplementary materials used in production need to be cost efficient. At the time different kinds of illegal taxations, which do not stimulate but rather burden economic activity, need to be eliminated. "By getting rid of these unnecessary taxes," he said, "the prices of Indonesian exports will be in an even better position to compete abroad."

Prawiro wants Indonesian businessmen to play an active role by going abroad with their products to seek out potential customers and not sit around waiting for buyers to come along as in the past. "Nowadays whoever runs fastest carrying his wares abroad is the one who will get the prize," he said.

According to Prawiro, the government is not only offering suggestions on how to penetrate the foreign markets but is also simplifying procedures. For instance, businessmen may now leave the country in order to attend foreign exhibitions without having to acquire permission from a lot of different officials. In additon, it is now simpler for businessmen to acquire foreign exchange in order to pay for their trips abroad.

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CSO: 4213/84

RICE IMPORTS DOWN, PRODUCTION UP, SAYS ARIFIN

Jakarta KOMPAS in Indonesian 10 Jun 81 pp 1, 9

[Excerpts] Indonesian rice imports for 1981-82 are estimated to be less than originally planned, or lower than 1.5 million tons. These figures are based on estimates that rice stocks should amount to 1.6 million tons, a sum never before reached till now.

Bustanil Arifin, head of the Logistics Affairs Board, in his working meeting with parliament's 7th Commission headed by Drs Sudardji, said Tuesday that 1981-82 imports were first estimated to reach 1.5 million tons (1,406,000 tons bought comercially and 94,000 tons acquired in food aid from friendly states).

It is estimated that the amount purchased commercially should cost $425 per ton on the average or 267.75 rupiahs per kilogram. The food aid represents a carry-over from letter of credit imports of 1980-81.

According to Arifin, actual imports to the end of May, 1981 have only reached 121,864 tons or still under 10 percent of the amount planned originally. Domestic stocks for 1981-82 through 30 May 1981 have amounted to 1,018,748 tons. Added to stocks already controlled by the Logistics Board, said Arifin, as of Tuesday, 9 June, there are 2.1 million tons of rice stocks in Indonesia.

Actually the 2.1 million tons now controlled by the Logistics Board is already satisfactory. The Board tries to set aside between 2 and 2.5 million tons of rice at any one time. However, current stocks are to be decreased immediately. The Logistics Board must sell to the markets because of decreasing harvest in a number of places.

According to the Logistic Board's deputy chief, Sukriya Atmaja, there are those who feel the 2-2.5 million tons amount is too large, but there are others who feel it is too small and potentially risky if a crisis were to arise. "Even the president has said that ideally Indonesia should have stocks of 5 million tons at any one time," he said.

At the moment capacity is about 2.9 million tons in warehouses managed by the Logistics Board throughout Indonesia, consisting of about 1.5 million tons in board-operated storage and 1.4 million tons in rented space from private concerns. Storage space is not only used for rice or unhulled paddy, but also for several other commodities managed by the board, like corn, soybeans, sugar and so forth.

Warehouses are now being built at 178 locations throughout Indonesia with a combined capacity of around 1 million tons. In the future the board's storage capacity should reach 3.8 million tons. "Gradually it will build to 5 million tons," the deputy chief said.

In response to a question of a commission member, Drs Sidik Mulyono, staff expert of the Logistics Board, said Indonesia will no longer import rice if net production has truly satisfied public needs. Up till now, he said, what has been announced by the government has been gross rice production. For net production, the gross amount must be decreased by 10-15 percent.

But public needs are based on daily consumption and available rice stocks. The amount consumers will need depends on the rise in income and population growth. "At the moment consumption is averaging 125-130 kg per person per year," he said.

The Logistics Board maintains a standard that there must be minimal stocks of 800,000 tons at any one time, consisting of a 3-month allocation of 45,000 tons for market operations, a 3-month allocation of 225,000 tons for warehouse operations/PNP [expansion unknown] and 125,000 tons for general consignment.

Arifin said that based on continuous production increases, self-sufficiency in rice production is not far off. In 1980 production reached 20 million tons. In 1981 first estimates put the yield at 20.6 million tons. But estimates announced by the Central Bureau of Statistics in June exceed the earlier figures. "According to the provisional figures I have," said Arifin, "production will reach 21.5 million tons this year."

Arifin explained that the government is planning on importing 1.5 million tons of wheat in 1981-82. The large amount is due to the increasing public consumption of wheat flour. The average price of wheat is about $225 per ton of grade C or F, or 141.75 rupiahs per kilogram. Moreover, 1.4 million tons are to be imported comercially and 100,000 tons will come from food aid. For the 1981-82 period, through May, 1981, wheat imports have amounted to 239,458 tons.

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CSO: 4213/84

'MUSLIM' COMMENTS ON STRAINED RELATIONS BETWEEN FRANCE, IRAN

Islamabad THE MUSLIM in English 9 Aug 81 p 4

[Editorial: "Iran: Rupture With France"]

[Text]

EVERSINCE the Islamic revolution swept the land Iran has not had much of smooth sailing after an initial period when everyone in that country was enchanted with the spirit of the revolution. Then Teheran had the vexatious problem of the American hostages on its hands leading to plurality of centres of power before the revolutionary leaders could bestow single-minded attention to matters of State. The monarch who fled the country eluded them because he had powerful friends in the West and the unsuccessful attempts to get him extradited only stoked the fire and fury of their indignation. Later still, after the Presidential and Majlis elections were held and a seemingly stable government was stalled, war broke out with Iraq which continues to rage even today having already done grave damage to men and material. Yet, the government had appeared to have gained a good measure of stability. That stability was somewhat undermined when mutual rivalries within the ranks of the revolution between hardliners and moderate elements took a serious turn. It led first to President Bani-Sadr's removal from command of the armed forces and thereafter his dismissal from the Presidency. After remaining in hiding for two long months, he too managed to flee the land and seek political asylum in France.

This last event has created another critical situation. Bani-Sadr had already been in self-exile once before in France when he was a close associate of Imam Khomeini who, too, had lived in exile in the vicinity of Paris for a number of years. Iran's request for his extradition has been turned down by President Francois Mitterrand who heads the socialist government in his country. Iranian leaders know that France has not refused to accommodate those seeking asylum on political grounds even in the past. Bani-Sadr has been forbidden to make political statements while in France and he has given an undertaking not to engage himself in any political activity. The French Ambassador in Iran was ordered to leave Iran and other French nationals were refused permission to leave the land.

But now it is reported that the French government expects more than a hundred of its citizens back home next week under "normal conditions". Nevertheless, Ayatollah Meshkini, a leading Iranian religious leader, told a Friday congregation two days ago in the city of Qom that if Mr. Bani-Sadr was not sent back to stand public trial in Iran, the people would give France the same treatment as was given earlier to the U.S.

Rupture of diplomatic relations between any two countries cannot be looked upon as a happy event. It does more harm than good and detracts from the image of the country which takes the initiative in this direction.The break of diplomatic relations with the U.S. is currently recoiling on Iranian students in that country, sixty of whom are reported to have been picked up by the U.S. Immigration officials to face deportation hearings. One does not know whether there are any Iranian nationals in France who may likewise be subjected to retaliatory measures in answer to reprisals from Teheran. Islam is essentially a religion of peace and tolerance. Hate begets hate just as love begets love. As a fraternal country Pakistan wants Iran to progress and prosper and remain free from crises. We have all the respect for the Iranian revolution and reverence for Imam Khomeini and would be genuinely happy to see that country overcome all its problems and surmount whatever difficulties that may be lying in its way.

CSO: 4220/277

NEW REFUGEE CAMPS TO BE ESTABLISHED

Peshawar KHYBER MAIL in English 7 Aug 81 p 6

[Text]

A high-level meeting was held in Peshawar today to review relief operations regarding Afghan refugees in N.W.F.P. Mr. Abdullah, Commissioner for Afghan Refugees NWFP presided over the meeting which was also attended by District and Agency Administrators of the Organisation, besides, representatives of UNHCR and W.F.P. The meeting discussed in detail the relief work being undertaken in the province and took a number of decisions to further intensify the relief operations. It was decided to establish 7 new camps in Hazara Division where the new influx of Afghan refugees will be settled.

The administrative and medical staff for these camps in Hazara Division have already been detailed.

The meeting decided to adopt new methods of registration of Afghan refugees so that the Afghan refugees were settled amicably and difficulties in the old and existing procedures were removed.

The meeting also reviewed the supply position of food articles and other commodities by WFP and UNHCR.

The meeting expressed satisfaction over the relief work undertaken so far by the Commissionerate for Afghan refugees and lauded the help of other relief organisations to provide relief and succour in this respect.

CSO: 4220/277

U.S. PERCEPTION OF FAIRPLAY VIEWED AS 'DISTORTED'

Islamabad THE MUSLIM in English 7 Aug 81 p 4

[Editorial: "Distorted Perception in America"]

[Text]

WITH America's West European allies, particularly West Germany, already uneasy over the Pentagon's plans to instal more of the American-made Pershing and Cruise missiles on their soil, the U.S. government is now said to be considering installation of these nuclear guided missiles in East Asia. Quoting official information from Washington, newspapers have reported that the U.S. Defence Department was currently preparing a study which, apart from South Korea, also included Japan as a possible site for positioning these missiles. Press reports have said that the Pentagon's East Asia Department Director, Rear Admiral Donald S. Jones, had told the Japanese Opposition member in the Diet, Yutaka Hata, at a meeting in Washington that his department was trying to find ways to counter the threat to the region from the Soviet SS20 medium-range missiles. According to Admiral Jones, Washington is to hold official talks on the subject with Tokyo next month.

Japan, which is so far the one and only country to have had a taste of the deadly atom bomb that wiped out the population of Hiroshima and Nagasaki, is hardly likely to endorse the American plan. The gates of inferno were opened on the two little islands by none other than the U.S. itself in 1945. Nuclear weaponry has since become infinitely more devastating than the crude atom bomb of 1945 vintage. The Japanese government's official policy forbids Japan not only to produce and possess but also to introduce nuclear weapons from the U.S., an enemy turned ally, after it had left successive generations of the survivors of the Hiroshima and Nagasaki holocaust maimed, crippled and mentally retarded. The memory of that macabre happening still haunts the Japanese nation. The Japanese justifiably apprehend that if they let American missiles be installed in their country, the Soviets would turn some of their own missiles in East Germany in the direction of Japan. While America and its European allies, who were fighting Germany which had triggered World War II and its axis powers, only the yellow race was chosen for a victim of the dreadful power of the atom, and the white German race, the West's arch-enemies then, was spared the wholesale death and destruction of that diabolical attack.

Obviously, Washington again wants the yellow races of Korea and Japan to bear the brunt of a nuclear war, if one is made to erupt by U.S. bellicosity, by installing its missiles on South Korean and Japanese soil.

This is not the only incongruity in President Reagan's distorted perception of justice and fairplay. Washington's Middle East policy, too, is ambiguous and unclear, no matter how cleverly worded. Speaking at a signing ceremony for an Israel-Egypt accord on an international peace-keeping force to police the Sinai after Israel hands over the last section of the occupied peninsula to Egypt in April next year, Secretary of State Alexander Haig indicated on Monday that the U.S. wants to revive autonomy talks for the 1.2 million Palestinians in lands occupied by Israel. But President Sadat of Egypt, who has been advocating the participation of the PLO in the future settlement of the Middle East problem, is said to be finding a cool reception to his proposal from the U.S. Mr. Sadat said in London on the eve of his departure for Washington that the U.S. should give up its policy of refusing to have any contact with the PLO.

The Palestinians' right to their own homeland, from where they were driven out by Israeli usurpers with the force of arms, has to be recognised. But mere recognition of that right without the PLO being made a party to deliberations relevant to the subject, is like outsiders determining the future of a group of children to the exclusion of all their guardians, counsel and most sincere benefactors. The Palestinian issue, as we have repeatedly said in these columns, is the crux of the Middle East problem which cannot be equitably resolved without the participation of the PLO. Turning a myopic eye to this reality will only lead to a blind alley those who arrogate to themselves the right to preside over the destiny of the Palestinians.

CSO: 4220/277

SELF-SUFFICIENCY IN CATTLE, DAIRY PRODUCTS PREDICTED

Karachi MORNING NEWS in English 12 Aug 81 p 3

[Text] Lower part of Sind province is likely to attain self-sufficiency in cattle and dairy products in a period of 4-5 years APP learnt from official sources.

The Sind Government has already been working on a number of projects relating to cattle, fish, poultry, shrimps and duck farming in the province.

A very big chunk of 45,000 acres of waste land in Jhimpir area has been utilised for cattle farming. Out of it 18,000 acres has been reserved for cattle farmers from Dubai and Abu Dhabi. The rest has been allocated to Pakistani entrepreneurs like Mr. M. M. Ugaili, Mr. Ahmed Dawood and Mr. Roashan Ali Bhimji.

The Government has reserved about 10,000 acres for entrepreneurs from Dubai and 18,000 acres from those from Abu Dhabi.

According to these sources Dubai will start cattle farming with 60,000 sheep, goats and 1,000 cows, buffaloes within a year.

An agreement with Dubai and Abu Dhabi entrepreneurs will be signed about the project as soon as a permission is given by the Federal Government.

The Government has also reserved another 2 lakh acres of waste land in Kacha areas of Dadu District for cattle and dairy farming.

Out of this about 20,000 acres have been reserved for the ruler of Qatar for cattle farming. The rest of the land will be distributed among Pakistani intending cattle farmers in the near future.

Another project under consideration of the Government was between miles 41 to 58 on Super Highway where an area of 1.50 lakh acres was available for cattle farming, the feasibility of yet another such project on Nara side in Khairpur district was under study of the Government.

Accordingly to official sources keeping in view the progress of these projects it was expected that particularly lower part of Sind will not only be self-sufficient in cattle, milk and butter but it will also be possible to provide surplus to Punjab and NWFP.--APP.

CSO: 4220/284

EXPORT FIGURES FOR 1980-1981 GIVEN

Karachi MORNING NEWS in English 13 Aug 81 p 5

[Text]

Pakistan export receipts during the fiscal year 1980-81 have increased to Rs. 27978.3 million from Rs. 23698.8 million recorded in the previous year.

Export receipts during June, 1981 amounted to Rs. 2610.6 million as compared to Rs. 2335.3 million in the previous month and Rs. 2289.2 million in the corresponding month last year.

The earnings from exports during the months were higher by Rs. 949.6 million than the average of Rs. 1661 million for this month over the past five years.

Rice has fetched the highest foreign exchange of Rs. 697.4 million, registering a significant increase of Rs. 410.9 million as compared to the previous month.

Cotton fabrics emerged as the second largest foreign exchange earner and export earnings on this account indicated an increase of Rs. 40.6 million to stand at Rs. 273.0 million as compared to Rs. 232.2 million in May, 1981.

As regards the destinational pattern of exports, Saudi Arabia was the most prominent buyer of Pakistani merchandise and paid an amount of Rs. 220.0 million mainly for rice (Rs. 110.5 million) and articles of textile materials (Rs. 48.1 million). The second biggest buyer was Iran that lifted goods worth Rs. 210.7 million. The main items of export to Iran were cotton fabrics (Rs. 49.2 million), articles of textile materials (Rs. 38.3 million) and leather (Rs. 31.3 million).

Exports to R.C.D. countries totalled Rs. 2144.2 million during the full fiscal year 1980-81 forming 7.7 per cent of the total exports as compared to Rs. 1889.3 million during the same period last year.

Pakistan's exports under commodity exchange agreements stood at Rs. 1697.0 million or 6.6 per cent of the total export proceeds during the full fiscal year. Barter exports increased from Rs. 46.9 million in May, 1981 to Rs. 70.4 million in June, 1981.

CSO: 4220/284

ROADS, BETTER STORAGE URGED TO CUT BUMPER CROP LOSSES

Karachi BUSINESS RECORDER in English 31 Jul 81 p 2

[Editorial: "To Avert Scarcity Amidst Plenty"]

[Text]

One major single factor responsible for colossal post-harvest losses of different agricultural crops has been the acute shortage of storage facilities. This single factor very often creates a situation of scarcity amidst plenty. Since the present Government has been paying due attention to the development of agriculture and as a result of the efforts so far made, some improvement is visible in the form of bumper production of several crops, it becomes all the more necessary that the recurrence of large-scale post-harvest losses should be averted. There have been plans for the construction of link roads and, according to information available, substantial funds are being allocated for the purpose. This would also contribute to the efforts for minimising agricultural losses. In some cases these losses are estimated to be as high as 40 per cent and in others these are said to be to the tune of 25 per cent. In any case, the loss of about half or one-fourth of the total produce is something which no country, what to speak of a poor country like Pakistan, can afford. With the construction of roads it would become possible to carry the agricultural produce from the field to the marketing centre promptly. But without the construction of suitable storage facilities no big change in the existing situation can be expected. We are glad that the authorities seem to be alive to the problem and have started thinking of increasing the storage capacity in the country. About a year back, the total storage requirements for some of our major commodities which included wheat, rice, cotton, sugar, fertilisers and other items were 16,212,000 tonnes while the total storage facility available was 3,169,000 tonnes. Of this, 91 per cent was in public sector and the rest in private. Out of the public sector storage capacity 65 per cent was under the provincial governments and 35 per cent belonged to Federal Government which was mainly concentrated in Karachi where only exportable commodities like rice or cotton meant to be shipped abroad, were kept. Of the about two million tonnes capacity of the provincial governments, 63 per cent was located in Punjab, 24 per cent in Sind, 9 per cent in the NWFP and four per cent in Baluchistan. About 70 per cent of the total storage capacity of the country comprised housetype godowns, 27 per cent concrete bins and three per cent silos. Most of this capacity had grown on ad hoc basis so it lacked other technical requirements for the safe storage of commodities. They had no proper fire fighting equipment, maintenance and fumigation arrangements. Besides, as pointed out earlier, these facilities were available only in Karachi and some other cities of the country, and the farmers could not benefit from them. It was the middlemen who took advantage of the situation and robbed the farmers of the benefits of increase in production. During the year some

improvement in this regard has been made but much remains to be done.

The Government is reported to have planned to construct 456 godowns all over the country. For the purpose the World Bank has agreed to provide an IDA credit of 30 million dollars. An additional grant of 15 million Swiss francs has also been committed by the Switzerland Government. It is estimated that these resources would cover about 60 per cent of the cost of the new godowns. Provision has also been made for grain testing, quality control, and warehousing equipment at the existing storage. This is indeed a comprehensive project which should be implemented at top speed.

We had suggested that private sector should be encouraged to enter the warehousing business in the country. And we are glad to see that the provincial governments are taking steps in this regard. The scheme prepared by the Punjab Government to encourage the private sector for building modern godowns, is really commendable. Rafique Haider, Punjab's Minister for Food, has said that the persons desirous of constructing godowns would be provided loans amounting to 60 per cent of the total cost by the Agricultural Development Bank. The remaining portion would be invested by the parties concerned. On completion, these godowns would be hired by the Government for a period upto ten years at the rate of one rupee per square foot per month. The step must prove to be an effective incentive and it can be hoped that the private sector would take advantage of the concessions being granted to it.

The need for the prompt construction of godowns cannot be over-emphasised. These projects should form an integral part of a comprehensive agricultural development plan. The new godowns should be equipped with all the modern facilities. Among other things, these should have proper arrangements for the conservation of the commodities stored therein. Besides, the godowns should be located in the vicinity of farms so that the farmers could directly benefit from them. The farmers should have the facility of keeping their product so that they may dispose it of at a profitable price thereby ensuring maximum returns for their labour. The project should help in minimising the role of the middle man who remains the villain of the piece.

CSO: 4220/282

STRENGTHENING OF RP LABOR EXPERTS SOUGHT

Manila BULLETIN TODAY in English 11 Aug 81 p 11

[Text]

The Batasang Pambansa proposed measures yesterday to develop the $1.3 billion labor export into a nationalized integrated major industry and protect Filipino workers abroad from exploitation.

These measures were initiated by Assemblymen Concordio Diel (KBL, Northern Mindanao) and Salacnib Beterina (KBL, Ilocos Norte) in yesterday's hearing of the P114.3 million budget of the Ministry of Labor and Employment.

At the instance of Diel, the committee on appropriations headed by Budget Minister Manuel Alba, directed Jonathan de la Cruz, MOLE bureau of services chief, to:

1. Stop the MOLE licensing division from issuing license to new recruitment agencies.

2. Act only on papers of recruiting agencies with foreign principals.

3. Submit a complete list of all recruiting agencies now operating in the country and other information on their operations.

Diel said the information would guide the Batasan in formulating policies on recruitment of workers for foreign labor contracts.

He also suggested that measures be adopted by the labor ministry to regionalize labor recruitment and not to confine these activities to Metro Manila.

According to him, recruitment of Filipino workers for overseas jobs must be nationwide to spread out the benefits to all sectors of the country.

The Mindanao lawmaker, a member of the appropriations committee, said recruiting agencies without principals abroad should be prevented from recruitment activities which only tend to victimize labor applicants.

Baterina urged the Batasan to rationalize and integrate the labor industry and develop it into a major export undertaking. According to him, dollar earnings of Filipino workers abroad are enough to cover the annual expenditures of the country for its oil imports.

CSO: 4220/283

PAYMENTS DEFICIT REACHES $243-MILLION

Manila PHILIPPINES DAILY EXPRESS in English 22 Jul 81 p 11

[Text] The country's balance of payments (BOP) showed a deficit of $243 million during the first six months this year because of the high cost of imports particularly oil, and further worsened by the low prices of major exports.

The deficit in the overall foreign exchange transactions during the first semester was larger than the $199-million shortfall recorded in the same period last year, CB Gov. Jaime C. Laya said in his report to President Marcos.

The CB said import payments exceeded export earnings resulting in a trade deficit of $1.286 billion. The increase in import disbursements was largely due to oil which increased by 28 percent over last year, and capital goods, the prices of which rose substantially.

Laya reported that exports reached $2.315 billion during the semester, down from $2.398 billion recorded in the first six months last year. The drop was due to decreases in exports of copper concentrates, logs and lumber.

On the other hand, import transactions amounted to $3.6 billion, larger in value than the $3.24-billion registered in the same period lastyear.

He also reported chat:

--Total outstanding foreign debt increased by eight percent to $13.768 billion at end June 1981, compared to $12.7 billion as of end 1980. The private sector accounted for $6.673 billion or 49.5 percent, while the government sector accounted for $6.672 billion or 48.5 percent of the total borrowings.

--Consumer prices rose by 13 percent from June 1980 to June 1981, as against 20 percent in the previous yearly period.

--The guiding rate of the peso to the United States dollar moved from P7.5114 in December 1980 to P7.7678 in June this year. However, the exchange rate of the peso improved against the deutchemark and with the British pound sterling.

--Short-term and long-term capital showed a net inflow of $607 million, up from the preceding year's level of $417 million.

--Non-merchandise trade and transfer accounts which include remittances of workers abroad and tourism receipts showed a net inflow of $254 million, up by 67 percent over the level of the first semester last year.

--Domestic credits expanded within financial program limits, particularly during the first four months of the year. The financial program for the rest of the year was revised to accommodate the increased requirements of the public and private sectors and to prepare the economy, particularly its productive capabilities for opportunities which may arise late this year or in 1982. No data were furnished by the CB.

--Money supply stood at P21.375 billion as of end-June 1981, an increase of 15 percent over the year ago level.

--Savings deposits grew by 18 percent to P33.978 billion at end June 1981 over a level of P28.909 billion a year ago.

--Deposit substitutes also increased from P10.448 billion to P16.882 billion or by 62 percent.

--Domestic liquidity rose by 25 percent to P72.235 billion from a year ago level of P57.944 billion.

CSO: 4220/278

NATION CUTS LEVY ON IMPORTED ASEAN PRODUCTS

Manila PHILIPPINES DAILY EXPRESS in English 28 Jul 81 p 10

[Text]

THE Tariff Commission announced yesterday that President Marcos recently signed three executive orders to further implement tariff concessions exchanged with other ASEAN countries under the Preferential Trading Agreement (PTA) to generate and expand trade within the association.

Executive Order 701 which took effect on April 1, 1981, provides a 20 percent margin of preference on 1,477 commodities with import value of less than $50,000 (CIF) per commodity, Tariff Commission chairman Razon Haresco said.

On the other hand, Executive Order 702 which also took effect on April 1, 1981, provides deeper tariff cuts of 20-25 percent margin of tariff preference on 899 products already under the ASEAN PTA.

* * *

EXECUTIVE Order 705 provides a 10-percent margin of tariff preference on 150 products negotiated during the recent meeting of the ASEAN Committee on Trade and Tourism (COTT). Philippine imports on this commodity group was valued at $81 million in 1978.

Cosmetics, such as brilliantines, emulsion hair oils, permanent waving lotions, hair dyes and hair shampoos, have a 20 percent margin of preference. This executive order will take effect on August 29, 1981.

Chairman Haresco said the tariff cuts cover a wider range of semi-processed and processed products.

The latest trade concessions beginning August 29, 1981, expands the list of products that will enjoy tariff preferences under the PTA to 6,581. According to Chairman Haresco this reflects the significant progress ASEAN is making towards greater economic cooperation.

CSO: 4220/278

RP, U.S. SIGN THREE ACCORDS WORTH 30 MILLION

Manila BULLETIN TODAY in English 10 Aug 81 p 36

[Text]

The First Lady and Minister of Human Settlements Imelda Romualdez Marcos and US Ambassador Richard W Murphy signed recently three agreements totalling $30 million.

The agreements cover three separate grants made to the Philippine government from the economic support fund of the United States Foreign Assistance Program.

The largest of the grants, $22 million, will be used for a municipal development fund to help cities and municipalities close to US military facilities undertake social and economic projects. These projects will include hospitals, markets, waste disposal programs, power and related projects. Projects under this grant are designed to improve the lives of as many citizens of these communities as is possible.

Another $5 million will be used for an access highway into the reverted lands adjacent to Clark air base. These lands, returned to the Philippines under the Military Bases Agreement Amendment of 1979, will be the site of future Philippine economic development projects. The access highway and related soil conservation work will be the initial phase of a major development program in this area.

The third grant, worth $3 million, will be used to prepare the necessary studies and undertake smaller pilot projects upon which larger development efforts can be based.

These three projects are part of the overall Philippine and United States efforts associated with the 1979 amendment to the Military Bases Agreement. In future years, the US government anticipates providing additional support for these and related projects.

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END

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TEXT OF ACTING PRESIDENT'S 8 JUL SPEECH TO NATION

Dacca THE BANGLADESH TIMES in English 9 Jul 81 pp 1, 8

[Text] Acting President Mr Justice Abdus Sattar on Wednesday expressed his firm belief that the nation imbued with the spirit of Bangladeshi nationalism would find strength and courage in their profound love and respect for late President Ziaur Rahman to carry forward the unfinished task of the great leader.

Addressing the nation over radio and television at the end of forty-day national mourning and on the occasion of Chehlum of late President Ziaur Rahman, the Acting President said that would be the best way to show real respect to our beloved leader.

Acting President Sattar said that the Government was determined to maintain the democratic process and run the country in pursuance of the ideals and policies of late President Ziaur Rahman.

The Acting President said that the spontaneous support and sympathy expressed by the people and leaders of different countries at the time of our national crisis was the manifestation of the success of the country's foreign policy formulated by the late President.

Mr Justice Sattar said that the Government had already declared its determination to hold free and fair elections and called upon all democratic political parties and people to cooperate in holding the elections impartially and peacefully.

Following is the full text of the speech:

Full Text

Bismillahir Rahmanir Rahim,

Dear countrymen,

Assala Mualaikum:

We have been observing national mourning for the last 40 days after losing our beloved leader. Although we are overwhelmed at the sudden loss yet we did not lose our sense of direction and deviate from the democratic process and ideals. It is a matter of great pride for us that the whole nation imbued with a sense

of patriotism, showed strong unity, patience and will power at that moment of crisis, for that I am sincerely congratulating all of you.

The late President Ziaur Rahman was the source of inspiration of all our activities. So, the vacuum created by his martyrdom could never be filled up. Yet, we cannot go back or stop our activities. It will be our main responsibility at this time to put in our united efforts for materialising his dream by following his ideals and policies. For this national unity and solidarity is needed which the countrymen had already demonstrated. This solid unity of the people at all levels will contribute to implement the ideals of the great leader, particularly in consolidating the democratic process.

The present government is determined to maintain the democratic process and run the country pursuing the ideals and policies of the great leader. With this end in view the date of presidential election has been fixed on September 21. The Government has already declared its determination to hold free and fair elections. I hope all our democratic-minded political parties and people will extend their full cooperation for holding the election impartially and peacefully.

Peace Must for Democracy

Peace and discipline are the utmost necessities for creating a favourable atmosphere for democracy. It is the duty of all patriotic citizens to extend cooperation to the Government for containing any effort of creating law and order situation in the greater national interests.

We have received recognitions for successes in our foreign policy founded by our dear leader for the country from all over the world. The peoples & leaders of different countries stood by us as friends at the time of our national crisis. Their spontaneous and sincere sympathy have once again proved the success of our foreign policy which is based on nonalignment, respect for territorial integrity noninterference in other country internal affairs and peaceful settlement of all problems and disputes.

Our beloved leader is not only respected at home but also internationally. People will never forget the loss of their dear leader even after the completion of the state mourning. The internationally respected great leader has left examples of ideals and inspiration for us to emulate. Only with the successful reflection of his ideals and teachings in the masses, his golden dream of self-reliance will take concrete shape.

I firmly believe that the nation imbued with the spirit of Bangladeshi nationalism will find strength and courage in carrying forwards the unfinished tasks of the late leader, and that will be the best way to show respect to the beloved leader. Let the infinite mercy of the Almighty Allah be our guide.

Khuda Hafez,

Bangladesh Zindabad.

CSO: 4220/7325

DETAILS OF EMERGENCY PROCLAMATION SESSION REPORTED

Dacca THE BANGLADESH OBSERVER in English 10 Jul 81 pp 1, 16

[Text] The Jatiya Sangsad approved the proclamation of Emergency declared by Acting President Mr. Justice Abdus Sattar on May 30 last following the assassination of President Ziaur Rahman.

The Leader of the House Prime Minister Shah Azizur Rahman moved the Emergency resolution seeking approval of the House enabling the government to continue the Emergency beyond 120 days. The approval of the Emergency also empowered the government to make laws under Emergency powers.

The Constitution provides for declaration of Emergency by the President if the security of Bangladesh is threatened internally or externally and needs the approval of the Parliament within 120 days if the government feels it necessary to continue Emergency more than 120 days. Defending the continuation of Emergency in the country Leader of the House Prime Minister Shah Azizur Rahman said that the State of Emergency was still persisting in the country because of the continuation of politics of violence. "Politics of violence is still going on in the country and conspiracy had been hatched against the independence and sovereignty of Bangladesh both internally and externally" the Prime Minister added. The Emergency was also needed to protect the life and property of the people adding he said, ask the students of international relations who studied the events of Talpatty and in neighbouring areas whether Emergency was needed or not.

Earlier the Opposition members who participated in the discussion criticised the government for continuing the Emergency in the country. They said that the government was seeking approval of the Emergency for continuing it up to the Presidential election. They demanded immediate withdrawal of emergency for free and fair election. Replying to the critics Prime Minister said that Emergency shall not be there more than an hour it is required. He assured the Opposition that the Presidential election will be held freely and fairly. He told the House that even the last Presidential and Parliamentary election was held under Emergency and the Opposition got more than 80 seats which was unprecedented in the Parliamentary history of Bangladesh and the then Pakistan.

The Leader of the House said that more Declaration of Emergency or its approval does not suspend the fundamental rights under Article 141 of the Constitution. He said that unless the laws are enacted the approval does not curtail the

political rights and freedom of the Press. He said that the political parties can function freely--they can bring out processions and hold meetings, they can do it during the election. The Prime Minister said that no one should be afraid of emergency--it has not been approved to interfere in the political activities of the country. The approval merely empowers the government to enact laws under Emergency powers.

The Prime Minister also told the House that the Emergency Act was under consideration. If it is not required we shall not pass the Emergency Act. Shah Aziz said that Emergency was a Constitutional means to meet the emergent situation. The Emergency is being proclaimed when it is required in all the democratic countries of the world. It was proclaimed in Sri Lanka India and in other countries.

The Prime Minister repeatedly assured a free and fair poll in the coming Presidential election. Prime Minister Shah Aziz also criticised the Opposition for repeating their allegation that the sixth Amendment had been passed for serving the interest of an individual. He reiterated that the Sixth Amendment had created an institution in which the sitting President and Vice-President can seek re-election. He challenged the Opposition to show one example anywhere in the world under any system where the sitting President Vice President and Prime Minister can seek re-election.

Prime Minister Shah Aziz said that Acting President is Justice and an efficient and honest man. Age should not be any deterrent for his election to the post of President because he is already discharging the duty. He said nobody can guarantee the longevity of any one. It's in the Hand of the Almighty he added.

Participating in the discussion Mr. Suranjit Sengupta (Ekota Party) questioned the necessity of continuing the Emergency in the country when the government was claiming normal situation all over the country. He said that the government had not said that there was any external threat or internal disorder now prevailing in the country. Why then the Emergency should continue, he asked the government.

He accused the government of continuing the Emergency for "ensuring the victory of its candidate in the Presidential election." Under the Emergency, he said, the Presidential election would be a farce. The Opposition, he added, would think whether they would participate in the Presidential election if the Emergency was continued. He said that the last Presidential election was held under Martial Law in 1978 and this time also it is going to be held under Emergency.

He recalled that after Ziaur Rahman was elected President he passed the Withdrawal of Emergency by this House. But today within 40 days of President Zia's death, he observed, the ruling party was again approving the Emergency in the same House. Referring to the passage of the Sixth Amendment of the Constitution, he said that the Prime Minister had broken all Parliamentary norms in passing the Sixth Amendment. He termed the passage of the Sixth Amendment as another "Constitutional coup". This Amendment, he said, was passed only to elect one particular man. The Acting President he recalled, told foreign journalists that he would not be Presidential candidate. But today he was going to contest the election for "lust of power" even at such an old age, Mr. Sengupta said.

Mr. Salahuddin Qader Chowdhury (ML-Siddiqui) criticised the government for continuing the Emergency when the nation was preparing to go to Presidential election. He said that the government was continuing the Emergency to elect its own candidate. He wanted to know from the government why the whole nation must suffer under emergency for the violent activities of certain individuals in which President Zia was killed.

The ML-Siddiqui member said that the Opposition would support any move by the government for any substantive amendment to the Constitution. He reminded the ruling party that one victory in the Presidential election would not ensure BNP in power as in democracy there would be elections after election. He said that they could repose their trust on President Zia. But, after him the people could not trust anyone in the ruling party for their behaviour, Mr. Salahuddin Qader Chowdhury said. He reminded the ruling party that "Deen-e-Elahi was in force till Emperor Akbar was alive" and after the death of President Ziaur Rahman what would happen to BNP.

Kazi Kader of Muslim League (Sabur) justified the necessity of Emergency in the country. He, however, wanted to know from the government as to why and for how many days the Emergency would continue.

Mr. Almas Hossain of Muslim League (Sabur) said that the government was continuing the emergency as a "weapon to win the Presidential election." He also observed that the Emergency was being continued to "meet the internecine quarrels in the ruling party". He asked the BNP members "without Zia who knows you?"

In his speech Haji Shafiqullah of Islamic Democratic League (IDL) said that immediately after the assassination of President Ziaur Rahman Emergency was necessary. But, he questioned, when there was rule of law and the democratic process was continuing what was the necessity of continuing the Emergency now.

Mr. Sirajul Huq of IDL demanded immediate withdrawal of Emergency. He said that if the Presidential election was to be held in a free and fair way the Emergency must go.

Mr. A. S. M. Solaiman of Gano Front demanded immediate withdrawal of Emergency. He said that continuation of Emergency and denial of fundamental rights of the people would lead to Martial Law.

Independent member Mr. Abdul Huq demanded withdrawal of Emergency before the starting of the election campaign. He observed that under Emergency even if the election was fair there would be doubt in the minds of the people about the free and fair election.

Another Independent member Mr. Abul Hasnat Abdul Hai also demanded immediate withdrawal of emergency.

CSO: 4220/7326

OPPOSITION PARTIES SCORE SIXTH AMENDMENT BILL

Dacca THE BANGLADESH OBSERVER in English 4 Jul 81 p 1

[Text] Different political parties in separate statements to the Press on Friday criticised the Sixth Constitution Amendment Bill moved in the Jatiya Sangsad. The political parties alleged that the amendment has been moved by the ruling party in the interest of an individual.

Sheikh Hasina Wajed and Mr Abdur Razzak, President and General Secretary of Bangladesh Awami League (H) in a joint statement on Friday said that the ruling party had moved the Sixth Amendment Bill ignoring the demand of all the Opposition parties for introducing parliamentary democracy in the country. They alleged that the amendment aims at consolidating the power of the ruling party. They called upon all progressive democratic forces in the country to resist this amendment.

The Communist Party of Bangladesh in a statement also criticised the Sixth Amendment Bill. The Acting Amir and Secretary General of Jamat-e-Islami, Bangladesh Mr Abhas Ali Khan and Mr Shamsur Rahman respectively said that the Sixth Amendment Bill has been moved in the interest of an individual.

Mr Abu Naser Khan Bhashani of National Awami Party urged the Acting President to contest the polls by resigning his post and to shift the date of election sometime in November.

CSO: 4220/7309

MUSLIM LEAGUE SETS CONDITIONS FOR POLL PARTICIPATION

Dacca THE BANGLADESH TIMES in English 20 Jul 81 pp 1, 8

[Text] Bangladesh Muslim League (Siddiky) put forward five preconditions for participating in the coming presidential election and decided to announce the name of the party candidate on August 7 subject to the fulfilment of these conditions by the government.

A press release issued on Sunday said that the decision was taken at an emergency meeting of the national committee of the party on Sunday held under the chairmanship of the party president Mr Justice B. A. Siddiky.

The pre-conditions were: shifting of the polling date to third week of November, withdrawal of the proclamation of emergency, release of all those detained or convicted under Collaborators' Act, equal opportunities to all candidates for the use of Radio, Television and other publicity media, announcement of election fund by all candidates including source of Finance and arrangement of projection meetings at district and sub-divisional levels by the Election Commission where each candidate would announce his/her election programme.

CSO: 4220/7420

BNP OFFICIALS' STATEMENT WELCOMES SIXTH AMENDMENT

Dacca THE BANGLADESH TIMES in English 6 Jul 81 p 3

[Text] Mr. Khalequzzaman Dudu, Organising Secretary and Sheikh Shawkat Hossain Nilu, Agricultural Secretary of the Bangladesh Nationalist Party (BNP) in a joint statement to the Press on Saturday welcomed the Constitution (Sixth Amendment) Bill, 1981.

The two BNP leaders pointed out that everybody ought to support the Sixth Amendment Bill in the greater interest of the country and democracy, rather than in the interest of any party.

They criticised the recent statements by Awami League chief Sheikh Hasina and AL (Hasina) General Secretary Mr Abdur Razzak in this regard. Mr. Dudu and Sheikh Shawkat Hossain termed the statements by AL President and the General Secretary as 'undemocratic.'

The BNP leaders called upon the MPs of the Muslim League and Jatiya Samajtantrik Dal (JSD) to help carry forward the constitutional process, pointing out that a constitutional crisis in the country would only strengthen the hands of the undemocratic forces.

AJL Resents

Mr. Amir Hossain Amu and Mr. Fakir Abdur Razzak, Chairman and General Secretary, respectively, of the Bangladesh Awami Jubo League in a joint statement to the Press on Saturday expressed their indignation against the Constitution (Sixth Amendment) Bill, 1981, saying that the Bill was contrary to the fundamental spirit of the Constitution.

They called upon the Government to refrain from passing the Sixth Amendment to the Constitution and to hold a referendum on the issue.

Among other organisations that issued Press statements opposition the Bill on Saturday were: the Progressive Democratic Force (PDF) and the Bangladesh Biplobi Chhatra Union.

CSO: 4220/7317

HOUSE LEADER MOVES NEW CLAUSES TO SIXTH AMENDMENT

Dacca THE BANGLADESH OBSERVER in English 7 Jul 81 p 1

[Text] The Jatiya Sangsad was adjourned on Monday after the second reading of the proposed Sixth Amendment of the Constitution. Leader of the House Shah Azizur Rahman moved an Amendment to the proposed Constitution Amendment Bill which was admitted by the House. Opposition and Independent members were not present during the 30-minute session on Monday.

A total of 37 proposals by Opposition members to circulate the bill for eliciting public opinion one proposal to send the bill to the Scrutiny Committee and 18 proposed amendments to the bill fell through as the proposers all belonging to Opposition were not present.

Leader of the House proposed an amendment to add two new clauses. One clause said "If a President or a Vice-President is elected as a Member of Parliament, he shall not be qualified to be such member until he ceases to hold office as President or Vice-President. The other clause says "If a Member of Parliament is elected as President or appointed as Vice-President he shall be deemed to have vacated his seat in Parliament on the date on which he enters upon his office as President or Vice-President.

After the second reading the Leader of the House Shah Azizur Rahman proposed to adjourn the House till Tuesday morning to allow him to continue his negotiations with Opposition and group leaders so that they participate in the discussion on the Sixth Amendment to the Constitution. He said that their efforts was to ensure participation of the Opposition. He hoped that the Opposition will play their role in the House.

Speaker Mirza Golam Hafiz adjourned the House till 10 a.m. today (Tuesday).

Earlier Water Supply and Sewerage Authority (Amendment) Bill was introduced in the House.

Meanwhile it is learnt that the Constitution Sub-committee of the ruling Bangladesh Nationalist Party's Parliamentary Party (BNPPP) met twice on Monday with Leader of the House in the chair. The Sub-committee reached a decision to have a running mate of the Presidential candidate of the party. This was one of the three demands by a group of the ruling party.

The running mate of the Presidential candidate will be selected by the party's National Council.

CSO: 4220/7319

PEOPLE'S LEAGUE CHAIRMAN OPPOSES SIXTH AMENDMENT

Dacca THE BANGLADESH OBSERVER in English 7 Jul 81 p 12

[Text] Dr Aleem Al-Razee Chairman of the Bangladesh People's League on Sunday appealed to the Government not to bring the proposed Sixth Amendment to the Constitution, reports BSS.

Addressing a Press conference at the central office of the party in Dacca on Sunday afternoon Dr Razee observed that the passing of the proposed Sixth Amendment to the Constitution would not only benefit a single individual but also ensure an ever lasting dictatorship in the country.

He recalled that the part of the constitution which the BNP Government wanted to amend was introduced by the late President Ziaur Rahman with a view to democratism of the Fourth Amendment and added that if the BNP Government finally passed the Sixth Amendment it would be an act of dishonour to the late President and disgraceful as well to the whole nation.

Dr Razee said that only going back to the parliamentary democracy in accordance with the 1972 constitution could solve all constitutional problems once for all.

Referring to the killings of two Presidents under the existing system Dr Razee said "we don't want to see any more tears in the eyes of widow".

Pointing to the protest by a section of BNP against the proposed amendment in the constitution Dr Razee called for strong resistance from all quarters to prevent the Government from passing the Sixth Amendment so hurriedly.

Dr Razee also said that under the existing circumstances no body had a chance of being elected to the post of President if he had to contest a sitting President.

He demanded that the Acting President should handover power temporarily to the Speaker of the Jatiya Sangsad before the election.

Dr Aleem Al-Razee demanded withdrawal of the state of emergency and criticised the imposition of pre-censorship on three weeklies.

He also demanded shifting of the date of presidential election from September 21 to the third week of November.

He suggested that the political parties seeking parliamentary democracy should unitedly put up one candidate in the coming polls.

CSO: 4220/7315

OPPOSITION LEADER TELLS VIEWS ON SIXTH AMENDMENT

Dacca THE BANGLADESH OBSERVER in English 9 Jul 81 pp 1, 8

Mr. Asaduzzaman Khan, Leader of the Opposition in the Jatiyo Sangsad, believes that seeking re-election by sitting President and Vice-President was highly "undemocratic" in our country.

He based his views on the assumption that there would be widespread rigging of election and use of government machinery by the incumbent President and Vice-President.

Asked how could such large number of Opposition Members--in fact, largest since 1947--could return to Parliament even in the face of such malpractices as alleged by him, the Leader of the Opposition said much larger number of Opposition Members would have returned to Parliament if the Government party would not have taken resort to malpractice.

Mr. Asaduzzaman Khan speaking to newsmen at his Sangsad Chamber on Wednesday criticised the Government for adopting the Sixth Amendment of the Constitution. He said the amendment has been made to 'suit' the need of the BNP candidate and also to strengthen 'autocratic' rule in the country.

The Leader of the Opposition accused the Government of defying the opinion of the Opposition parties which was clearly in favour of the Parliamentary form of Government.

He said switching over to parliamentary form of government would have been possible by amending the constitutional provisions.

He said the Sixth Amendment would not be acceptable to the people.

BSS adds: Mr. Asaduzzaman Khan told a questioner that the Leader of the Islamic Democratic League, Moulana Abdur Rahim had informed him earlier that they (IDL) would join the session from today (Wednesday). He, however said that the Muslim League and other Independent members who attended the session today (Wednesday) did not inform him anything about their joining.

Replying to a question Mr. Khan said that it would be decided today (Wednesday) or tomorrow (Thursday) if the Opposition would participate in the current session again.

CSO: 4220/7324

PARLIAMENT PASSES SIXTH AMENDMENT TO CONSTITUTION

Dacca THE BANGLADESH OBSERVER in English 9 Jul 81 p 1

[Text] The Jatiya Sangsad passed the Sixth Constitution Amendment Bill on Wednesday enabling the sitting President and Vice-President to seek re-election. The Bill was passed by 252 votes including seven Opposition and Independent members voting for the motion.

Speaker Mirza Golam Hafiz who announced the results of the division did not mention the number of Opposition members who abstained from voting. Later Mr Solaiman drew the attention of the Speaker and got their names recorded--the number being six. The four BNP members including a former minister were not present in the House at the time of the division. The seven Opposition and Independent Members who voted for the Bill were Mr. Afabuddin Ahmed and Mr. Ismael Hussain Talukdar, Muslim League Dr. M. O. Gani and Mr. M. A. Huq, Independent, Mr. Rafiqullah Chowdhury Gano Front Mr. Sirajul Huq and Mr. Nurunnabi Samdani of IDL.

Earlier when the Speaker called for division on the Bill 13 Members belonging to Muslim League (Sabur) Islamic Democratic League, Gano Front and two Independent Members entered the House amidst cheers from the Treasury Bench. The Opposition and Independent Members were boycotting the House since Monday following the rejection of their demand to adjourn the House till July 13.

The Opposition and Independent Members who attended the session and participated in the discussion and voting on the Sixth Constitution Amendment Bill said that it was not undemocratic to amend the Constitution. They held that the Constitution was the creation of the people and when it is necessary for the interest of democratic functioning the Constitution could be amended. They informed the House that they did not attend the House since Monday following a misunderstanding and not in protest against the Sixth Amendment Bill. They, however called for bringing more amendments to make the Constitution more democratic and suitable for the hopes and aspiration of the people.

Earlier, speaking on the motion, the Leader of the House said that those who did not at end the session and participate in the discussion on the Bill had shown their disrespect to democracy. The Leader of the House Shah Azizur Rahman said that he would have been happy if the Opposition would have attended the session criticised the Bill and voted against the Bill.

Shah Azizur Rahman highly praised those who attended the session adding that they had played a vital and historic role in establishing democracy. He regretted that the Opposition members who remained out of the House had proved that they did not want democracy. Difference is the essence of democracy, Shah Aziz said adding further that some Opposition parties ran away from the problems and they did not participate in resolving the national crisis.

The Leader of the House further said that the Sixth constitutional amendment was a technical amendment which was kept in the Constitution inadvertently. He said that all over the world the sitting Presidents, Vice-Presidents and Prime Ministers can seek reelection. He cited the example of former President Carter, of United States, President Valery Giscard d'Estaing of France and Prime Minister Indira Gandhi of India who sought re-election from office and lost. The same system was prevalent in Canada, Australia, New Zealand and many other countries. "We have also done same thing through this amendment the Prime Minister added saying that nothing unconstitutional had been done in the amendment. Even if Sheikh Mujib or President Zia would have been alive they would have to bring this Amendment, he said.

Shah Aziz said that it was not correct that the amendment had been moved to serve the interest of an individual. He noted that the post of President and Vice Presidents was the institutions and the outstanding personalities are not born everyday. So there should be scope for re-election of the sitting President and Vice-President.

The House was adjourned till 10.30 a.m. on Thursday.

CSO: 4220/7324

BSD CRITICIZES PASSAGE OF CONSTITUTION AMENDMENT

Dacca THE BANGLADESH TIMES in English 14 Jul 81 p 8

[Text] The Bangladesher Samajtantrik Dal has criticised the passage of the Sixth Amendment to the Constitution and approval of the State of Emergency by the Parliament and retention of what it termed black laws including Fourth and Fifth Amendment of the Constitution.

The party made the remarks after reviewing the political situation obtaining in the country at the meeting of its Central Committee on Monday.

It observed that the date for presidential polls were announced hurriedly ignoring the political parties. The date set in the monsoon period would be inconvenient to proper campaign and political environment; it opined.

The BSD urged all left-democratic forces to build up a united front to create proper political atmosphere and launch a movement.

Three Party Meet

A joint-workers meeting of the Jatiya Samajtantrik Dal; Bangladesh Workers Party and Sramik Krisak Samajbadi Dal was held at JSD Office on Monday to make a success of the three parties programme of rally and demonstration at Baitul Mukarram square at 5 p.m. on July 15.

Lt Gen (Retd) Khwaja Wasiuddin on Monday strongly criticised the approval of Constitution Sixth Amendment Bill and Proclamation of Emergency order by Jatiya Sangsad reports ENA.

In a statement to the Press he said through passage of the Sixth Amendment Bill the ruling party has undermined the sanctity of the Constitution. He said the amendment was designed to serve individual and party interests.

He also called upon the Government to invite the opposition party leaders to discuss the internal and external threats facing the country and evolve a democratic process so that power goes to the people in the interest of security and stability of the country.

CSO: 4220/7401a

PAKISTAN DELEGATION LEADER TALKS TO PRESS

Dacca THE BANGLADESH OBSERVER in English 5 Jul 81 p 1

[Text] The leader of the five-member Pakistani goodwill delegation, Interior Minister Mr Mahmood A. Haroon paid homage to the leadership of Shaheed President Ziaur Rahman and said that Bangladesh's determination to strengthen the institutions built by the late leader had impressed his team, reports BSS.

He was talking to newsmen on Saturday night at the Kurmitola airport at the end of the three-day visit by his delegation which came here to pay homage to the late President Ziaur Rahman and express the condolences of the Government and the people of Pakistan.

The people of Pakistan, he said wish Bangladesh every success and added 'we wish Bangladesh stronger'.

Replying to a question Mr. Haroon said that no bilateral issues were discussed during the visit as it was a period of mourning. It is not the time for that he added.

Mr Haroon described the relations between the two countries as friendly and brotherly.

He said that Bangladesh and the Islamic world will grow not in the military but in the economic and spiritual sense.

Replying to a question he said that he had made courtesy calls on both the leaders in the Government and in the Opposition. But he said that no political issues were discussed and added "we want to keep scrupulously out of politics".

Answering a question he referred to the situation in Pakistan's borders and said his country wanted to be left alone in its internal affairs. He added "we want to keep away from the internal politics of any country".

The goodwill delegation during its stay here laid wreaths at the Jatiya Shaheed Smrity Shoudha paying homage to the martyrs of the War of Independence.

It also offered fatcha and laid wreaths at the mazar of Shaheed President Zia.

Asked whether his delegation had proposed for giving permission to one lakh Pakistanis to visit Bangladesh for zearat of President Ziaur Rahman's mazar as

has been reported by a local Bengali daily Mr Haroon said "it's news to me. You can imagine how much it will cost. No developing country can afford this. And how many ships and other transports such a movement will require. Even for Hajj we have a limited capacity for transportation".

He described the report as a work of "imagination and fable" and asked "what can we do if anyone can imagine like this".

Asked when the election is likely to be held in Pakistan Mr Haroon said, "we have a lot of trouble in our border" and added "not only that there is conflict of ideologies".

He said that today Pakistan was having 2.2 million refugees from Afghanistan and 50 per cent of the expenses had to be borne by his country as a matter of humanitarian duty.

The delegation included Raja Zafarul Haq, Information and Broadcasting Minister, Mr Fakhre Imam Minister for Local Bodies and Rural Development Mr Niaz Muhammad Arbab, Minister for Sports and Culture and Begum Afifa Mamdod State Minister for Health and Social Welfare.

The delegation was seen off at the airport by Home Minister Mr A. S. M. Mustafizur Rahman Mr Shamsul Huda Chowdhury Minister for Information and Broadcasting Mrs Taslima Abed, State Minister for Women's Affairs and Mrs Qamrunnahar Zafar Deputy Minister for Cooperatives and Rural Development.

The delegation during its visit called on the Acting President the Prime Minister Begum Ziaur Rahman and the Foreign Minister.

The delegation members also met their counterparts.

CSO: 4220/7313

STRANDED PAKISTANIS' ENVOY MEETS VISITOR FROM KARACHI

Dacca THE BANGLADESH OBSERVER in English 5 Jul 81 p 1

[Text] A four-man delegation of Stranded Pakistanis General Repatriation Committee (SPGRC) led by its Chief Patron Md Nasim Khan called on leader of Pakistani ministerial mission and Interior Minister Mr. Mahmood A. Haroon says a Press release of the SPGRC issued in Dacca on Thursday reports BSS.

The Press release said the delegation called on the Pakistani Minister at Hotel Sonargaon and had very fruitful discussions with him for one and a half hours on the question of total repatriation of the Pakistanis stranded in Bangladesh.

Mr Khan on behalf of the three lakhs stranded Pakistanis presented a copy of the Holy Quran and a handicraft prepared in the camp to the Pakistan Minister. The General Secretary of SPGRC Md Shukruddin, Mrs Shahnaz Begum and Molvi Abdul Ghafoor were with Mr Nasim Khan while the Ambassador of Pakistan in Bangladesh Dr M. Humayun Khan head of the Chancery Mr Sirdar Mahmood and other high officials assisted the Interior Minister of Pakistan.

The Press release said the Pakistani Minister was very much impressed and assured the delegation of SPGRC that there would be a solution to the problem of repatriation and disclosed that dialogues between the two concerned governments on the issue of total repatriation is in progress. He consoled the delegation and promised to convey the sentiments of the Pakistanis stranded in Bangladesh to President Ziaul Haq for an early solution, the Press release added.

CSO: 4220/7313

PRESS RELEASE ON INDIAN ALLEGATIONS REVIEWED

Dacca THE BANGLADESH OBSERVER in English 10 Jul 81 pp 1, 16

[Text] The Government on Thursday dismissed as "completely baseless concocted and obviously motivated" Indian Press reports which said President Ziaul Haq of Pakistan in a message recently had assured Chief of Bangladesh Army Staff Lt. Gen. H. M. Ershad of Pakistan's all-out assistance in the event of a crisis in Bangladesh reports BSS.

An ISPR Press release said the Indian Press also reported that the Bangladesh Army Chief in his reply had reciprocated the "friendly feelings" saying that the country would have to rely on Pakistan's assured assistance.

Attention of the Government has been drawn to a news item published in a section of the Indian Press and subsequently given currency to by certain interested quarters in Dacca to the effect that the Pakistan President General Ziaul Haq had sent a message to the Chief of Army Staff Bangladesh Army Lt. General H. M. Ershad assuring Pakistan's allout assistance in the event of a crisis in Bangladesh. The Indian Press report also went on to say that the Bangladesh Army Chief in his reply had reciprocated the "friendly feelings" saying that the country would have to rely on Pakistan's assured assistance.

The Government stated categorically that there is no truth whatsoever in the Indian Press report which is completely baseless, concocted and obviously motivated. The concerned Indian Press did however express its regret later over the publication of such unconfirmed and baseless story.

It has also been observed that certain interested quarters in the country have been indulging in loose talk linking the recent goodwill visit of the Pakistan Ministerial delegation to the so-called "message" reported in the Indian Press.

It is clarified for information of the members of the public that the Defence Attache of the Pakistan Embassy in Dacca in a letter to the Bangladesh Chief of Army Staff had expressed condolence on behalf of Chief of Army Staff Pakistan Army General Ziaul Haq, who is also the President of that country on the tragic demise of the Supreme Commander of the Armed Forces of Bangladesh late President Ziaur Rahman. The text of the letter reproduced below, will show that it was simply a condolence message sent by the Army Chief of a country to his counterpart in Bangladesh during the national mourning. The Defence Attache of Pakistan Embassy was thanked by the Chief of Army Staff Bangladesh.

CSO: 4220/7326

INFORMATION MINISTER REVIEWS PRESS, TV PROGRESS

Dacca THE BANGLADESH TIMES in English 9 Jul 81 pp 1, 8

[Text] Information and Broadcasting Minister, Mr Shamsul Huda Chowdhury, told the Jatiya Sangsad on Wednesday that the newspapers have complete freedom to print news and comment as there is freedom of Press in Bangladesh.

The Minister was replying to a question of Moulana Abdur Rahim who asked about the ownership of weekly BICHITRA and if it reflected government views. The Minister said that the weekly originally belonged to former Press Trust of Pakistan which came under control of the Government after independence. But it did not reflect Government views as there is complete freedom of Press in the country.

In reply to another question by Mr Anisuzzaman Khokon (Mymensingh) the Minister said that declaration of a newspaper was cancelled between 1977 and '81 under the Press and Publication Act because the paper contained indecent material.

He said that there are 426 newspapers in the country. These include 45 dailies, 169 weeklies, 31 fortnightly and 181 monthlies.

He told Mr Faizul Huq (Batisal) that the Bangladesh Television would be telecasting only colour programmes at the end of Second Plan period. Measures were being implemented with this objectives in view.

The Minister said that between July and September 1981 the total expenditure of Television amounted to Taka 99,53,801 as against Taka 27,46,687 earned as advertisement.

He said that Government had received complaint that foreign films were being exhibited over VCR but it did not receive any complaint that blue films were also being shown over it. The Government did not have any statistics about the number of VCR in the country.

Mr Shamsul Huda Chowdhury said that the Government had allotted 23 bighas of land in Mirpur for the Journalists Cooperative Housing Society. He said the Government was maintaining communication with the Bangladesh Federal Union of Journalists (DFUJ) and the Dacca Union of Journalists (DUJ) in this respect.

CSO: 4220/7325

MEXICAN EMISSARY IN DACCA TO DISCUSS MINISUMMIT

Dacca THE BANGLADESH OBSERVER in English 8 Jul 81 pp 1, 16

[Text] Dr Eugenio Anguiano Roch, Ambassador and Member Consultative Committee in the External Relations Ministry of Mexico arrived in Dacca on Tuesday as special envoy of his country for consultation with Bangladesh authorities regarding the forthcoming mini-summit on north-south issues says BSS.

He told newsmen at the Kurmitola Airport on arrival in Dacca that the nature of the consultation would be exchange of views with Bangladesh officials on international cooperation for development.

It's very natural for Mexico to consult with Bangladesh about international economic and development matters because it (Bangladesh) is very active in these issues ambassador Roch said.

Dr Roch will have talks with the Bangladesh authorities about the preparations for the international summit meeting on cooperation and development to be held in the Mexican tourist resort city of Cancun in the Caribbean. About 23 countries including Bangladesh will participate in the two-day meeting which begins on October 22.

A preparatory meeting of Foreign Ministers of the participating countries towards the mini-summit will take place from August 1 to 2 at Mexico.

Mexico and Australia are this initiators of the Mexico mini-summit of the selected heads of state for attaining a breakthrough in the deadlocked north-south dialogue for international cooperation for development and evolving a new international economic order in the light of the Brandt commission report.

S. M. Akram :(6): 7-7-81

Dr Roch said that Bangladesh and Mexico worked in close cooperation in the international economic field.

Replying to a question he said that there will be no formal agenda at the mini-summit but he hoped that it would make a breakthrough in the north-south dialogue.

He said that it would be a meeting of political leadership at the highest level, first of its kind to take place and added 'we hope positive results'.

Money finance food and aid will among the important issues at the summit level meeting without agenda he said.

He told a questioner that the improved economic condition of Europe should give some impetus to the deadlocked north-south dialogue. Otherwise 'the international situation will become dangerous'.

Mr Masud Ahmed Director General for economic affairs in the foreign office with whom Dr Roch will have exchange of views received him at the airport.

During his three-day stay in Dacca the special envoy of the Mexican Government will also call on Foreign Minister Prof. Muhammad Shamsul Huq and Foreign Secretary Mr. Humayun Rashid Chowdhury.

Dr Roch said that Australia Algeria Bangladesh Brazil Canada China France FRG Great Britain Guyana Ivory Coast Japan Mexico Saudi Arabia Sweden USA Yugoslavia India and Tanzania, Nigeria Venezuela and Philippines will attend the mini-summit.

The special envoy arrived in Dacca after paying similar visits to Saudi Arabia and Tanzania and will go to India and China completing his visit to Dacca on July 9.

CSO: 4220/7322

DEPUTY PREMIER'S SPEECH AT BANGKOK ESCAP MEETING

Dacca THE BANGLADESH OBSERVER in English 8 Jul 81 pp 5, 6

[Excerpts from the statement of H. E. Mr Jamaluddin Ahmad, Deputy Prime Minister in Charge of the Ministry of Industries, Government of the People's Republic of Bangladesh, at the ESCAP meeting of the ad hoc group of Ministers of Industry in Bangkok, 1-3 Jul 1981]

[Text] ESCAP has always been an exhilarating forum for me. I was closely associated with the meeting of the Industry Ministers held in this very conference room way back in 1977. We are back again here in 1981 to review the progress made on the objectives outlined in that meeting. By sheer length of stay as Minister for Industry for so long I may claim to have reached the age of superannuation. Therefore, you will pardon me if I say that I have watched with a great deal of admiration the excellent work done by ESCAP and UNIDO in the field of industrial development particularly in the least developed countries. My country has greatly benefited from the support and assistance we have so far received from these two great organisations. Since we are not in a position right now to make up their financial shortfalls, the least we can do is to extend our very warm and sincere appreciation of the admirable work they have been doing and I am sure will continue to do in future. All I can say is that they have all our support.

I am very happy to be able to attend this meeting of the Ad hoc Group of Ministers of Industry from this region. I would like to express our satisfaction to the fact that ESCAP Secretariat has very consistently and systematically pursued the deliberations of the first meeting of the Industry Ministers of ESCAP held in 1977 where we identified 4 elements in a new orientation of industrial policies and strategies.

Since 1979 this Ad hoc Group of Ministers held several meetings and I am very happy to be able to participate in yet another meeting of this group with my other esteemed colleagues from the region.

In my first intervention in this august gathering I would like to make some general comments on the main paper presented by the Secretariat for our consideration drawing largely from our own experiences in Bangladesh. At a later stage, however, I would deal with specific issues that may come up during item-wise discussion of the Agenda.

It is contended that the political will for industrialisation which was very strong in the developing countries after World War II has considerably weakened and that it has become necessary to do something positive to refurbish the political will and renew our faith in the industrialisation of the developing countries.

It will be difficult to say that such a weakening of the political will has taken place. We believe that what has happened is a shift in the strategy for development from complete public sector ownership and control to private sector orientation; from large expensive and grandeur industries to small, cottage and rural industries. The policy shift is partly due to lessons of history, partly due to constraint of resources and in some measure the result of the policy of the donor countries and agencies to discourage development and relocation of large industrial complexes in the developing countries.

In 1971-72 with the independence of Bangladesh, came the wave of nationalisation, the direct expression of the frustration of the people of long years of industrial domination and exploitation by a handful of families. Private sector ownership came to be regarded as synonymous with exploitation. The role of private sector was reduced to an extent as to be non-existent. The entire burden of identification, planning, execution of new projects, the control and management of old ones fell on the public sector corporations who were ill-equipped to take on this burden and responsibility, leading to initial mismangement and drop in the industrial productivity. Lack of imagination bold concept and project planning resulted in sharp drop in industrial investments. The allocation from public sector resources, with other competing demands, became scarce for the industries sector.

These factors led to a drop in the actual investment in industries not due to any lack of "will" on the part of the Government but due to policy changes not conducive to new investments.

With the change of policy in Bangladesh in 1976 and Govt.'s warm welcome to private investments including foreign private investments, the scenario changed considerably. The right climate was created with the Govt.'s avowed and declared policy of encouraging private investment. The fiscal incentive package gave the necessary encouragement and led to an upsurge in private investments. Since 1976, Govt. has been pursuing a consistent policy of industrial growth with complete complementarity between the public and the private sector. The public sector corporations in the meantime were reorganised and their position consolidated with the disinvestment of large number of small and medium sized industrial enterprises. With reduced responsibility and concentrated attention they were able to show positive improvements in their performance and productivity.

Therefore, although industrial growth slowed down in Bangladesh during 72-76, it was not due to any lack of will or political determination, but due to factors which in some cases were beyond our control. The factors beyond our control were: (a) The global economic environment in 1970s--the rising oil prices, growing balance of payments deficit, protection barriers raised by the developed countries against manufactured exports from the developing countries, slower resource flows etc. (b) The inadequate and uncertain supply of energy. (c) Lack

of foreign exchange resources and the high cost of investments especially imported capital goods etc.

It is an irony of circumstances that with several years of industrial stagnation when Bangladesh emerged as a country determined to develop industrially and evolved a suitable policy package to attract foreign investment, the world faced serious economic imbalances of runaway inflation high interest rates and lack of investible funds. These adverse circumstances have not however, discouraged us in pursuing the goal of industrialisation. Rather we are determined to go ahead weathering these adverse conditions.

Through a determined policy we have been able to create a very congenial climate for private investment in Bangladesh, both domestic and foreign. We have gradually relaxed public sector monopoly in industries and opened up new possibilities of investments for the private sector. We have enacted legislation to attract foreign private investment by giving them adequate protection and incentives. We have signed bilateral agreements with several industrialised countries for promotion and protection on bilateral basis. All these have created conditions and settings for foreign private investment. We have demonstrated our political will and determination but unfortunately this is not matched by the political will of the industrialised countries capable of assisting us in fulfilling our dream.

The initiative of the developing countries to get a higher share of the productive capacity of the World by the year 2000 as expressed in the Lima Declaration is far from being realised. No concrete steps has yet been taken to ensure that we come at least closer to the target of 25%. We do hope that the enthusiasm and expectation created in the developing countries for industrialisation will be matched by positive approach in this respect in the industrialised countries.

Coming back to the paper under consideration wherein it is argued that multiplicity of objectives like greater social justice, equity in distribution, insistence on indigenous technologies, guarding against concentration of power in a few hands etc. have diffused the primary objective and goal of industrial growth, slowing down the whole process of industrialisation. The paper, therefore, calls for nontraditional approach what may be called a strategic approach under which one temporarily sacrifices some of the objective up to a certain limit of tolerance in favour of a clear and direct policy goal.

We feel that it is possible to make a synthesis between the social objectives and the economic goals of industrialisation, without in any way adversely affecting the industrial growth rate or slowing down the process of industrialisation. Dispersal of industry away from the Metropolitan areas to the remote corners of the country, equity in distribution, development of small and cottage industries in specific sectors are complimentary objectives and should not deter growth.

It is through discriminating fiscal measures like the rate of import duty, tax holiday that the Govt. now ensures and enforces dispersal of industry. There is no element of compulsion nor is it an "Either" "Or" situation. There is no empirical evidence to suggest that Govt's policy of dispersal has discouraged entrepreneurs into new investment. As a matter of fact the policy of dispersal

of industry or pre-determined location of industry fits well into the policy of the Govt. to encourage industry based on local raw materials. Sugar Industry based on sugar cane have a natural location away from the Metropolitan area, paper and pulp industry based on jute cuttings and bamboo should be closest to the raw material source. Urea Fertilizer factory should be closest to the gas distribution pipeline with adequate river and rail heads. For industry based on local raw materials and natural resources there appears no conflict of interest. It is only in cases where the industry is based on imported raw materials that the location can become an issue. In a country where the scarce resources are very delicately rationed and industrial sanctions are constantly sought after, it is not difficult to exercise moral pressure on the prospective entrepreneurs to set up units away from the Metropolitan areas.

A classic example of this is the sanctioning of the textile industry in my country which recently has been opened up for the private sector. Keen competition among the prospective candidates made it easy for the Govt. to attach "location in the less developed areas" as one of the conditions of sanction.

Linkage between Agriculture and Industry is an important corner stone of our industrial policy. We endorse the assessment made in this paper that both industry and agriculture are equally important--no single sector is more important than the other and both will remain important and mutually interdependent. The situation in Bangladesh is not different. We have long been a country exporting a substantial part of our agricultural produce either in raw or semi-finished form with the result that our terms of trade and export earnings have consistently suffered as a result of recessions in the industrialised countries. Export of raw jute, tea, hides and skins fish and shrimps the basic export commodities have increased in volume over the years but not in terms of foreign exchange earning for the country. One classic example is that in 1979-80 we exported 1.77 million bales of raw jute earning $125 million in foreign exchange. In 1980-81 we exported 1.79 million bales of raw jute but earned $112.00 million. Even with exports of higher quantity we got less. We exported 4.33 million sq. ft of hides & skins in 1979-80 and earned $60 million. In 1980-81 we exported 8.37 million sq. feet and earned $53 million. On the other hand our import bill for raw materials has been increasing by leaps & bounds.

It has then become a matter of sheer survival that we fully process our agricultural produce before exporting.

A country with constant balance of payments difficulty we can ill afford to fully service the imported raw material requirements of the industrial units. The shift to industry based on local resources--both agriculture and mineral--has been inevitable. Sugar, paper & Pulp, Newsprint, Hard Board Partex Rayon, Jute, Carpet Tannery and Leather, fish processing, tea, cigarettes are all agro-based industry and we are trying to develop more units in these related sectors. In these areas we have the technology, we have the know-how, but the main constraint is the scarcity of resources--both foreign exchange and domestic. There are unexplored areas of Fruit & Vegetable processing. Petro-chemicals based on natural gas where we need both technology and resources.

Agro-support industries also are receiving our full attention. Being endowed with natural gas, we are developing Urea Fertilizer Projects to meet the entire

requirement for the country and simultaneously exploit the export market. The existing capacity of 350,000 tons will soon be augmented to 900,000 tons and by the end of 1985-86, the total capacity in the country will exceed 2 million tons, with at least half a million of tons earmarked for export. Agricultural power pumps are manufactured in the country--we are self sufficient in pump manufacturing and gradually acquiring the technology for engine manufacture. In the meantime, we have developed a lot of local & indigenous methods of irrigation techniques through judicious use of our man-power & natural resources like Bamboo, Timber etc.

Establishment of an appropriate inter-sectoral terms of trade between agriculture and industry is an important element which has been very aptly brought out in the ESCAP paper. This element is constantly under watch by the government and any signal of the terms of trade going against agricultural sector is promptly corrected. The Government has a policy of announcing minimum prices for some of the crops including paddy, rice, jute sugarcane etc and have developed mechanism to ensure that the farmers receive the minimum prices, an adequate and fair return for their produces. The minimum price for Rice & Paddy is backed up by massive procurement programme by the Government to which guarantees minimum price for the farmers and simultaneously stabilizes the price of this staple food item throughout the year. Similarly, in jute also floor prices fixed by the Government are ensured to the farmers through procurement by the Governmental agencies. The Sugar industry is entirely in the nationalised sector, and adequate incentive price for sugarcane for the farmers is guaranteed. Research activities are also concentrated in the public-sector agencies to give the farmers improved varieties of seeds and other extension facilities to ensure higher yield per acre.

Guarantees of minimum prices for the cash crops through Government intervention are temporary measures and should not be substituted for long term goal of developing industries for processing these agricultural produce. It is thorugh ensuring an assured market for the agricultural produce that we can firmly guarantee incentive prices to the farmers.

Before I conclude my opening statement I would like to refer to one other aspect of our industrial policy which are relevant to the discussion in this meeting. This is with regard to the policy of encouraging the small and cottage industries. Bangladesh has certain traditional sectors which have always been the prerogative of the small and cottage industries and will continue to be so. The massive infusion of foreign technology would not disturb this tradition. I am particularly referring to the cotton textile sector where the spinning is usually done in the large and modern cotton textile industries, but the weaving is almost entirely located in the cottage sector. In Bangladesh today close to a million people are directly engaged in hand-loom industry and more than 75% of our total requirement of cloth comes from the cottage sector.

Similarly, salt silk earthen utensils manufacturing of small agricultural tools and equipments etc. are traditionally embedded in the small-scale sectors. There is little danger of these being dislodged by large industries.

However, there are areas where arguments can be heard both in favour or against small sectors. Rice milling is one such industry where choice is between modern big rice-mills and semi manually operated mills. Matches, soap, furnitures

readymade garments are some of the classic examples where clear policy guidance is called for. We in Bangladesh are pursuing a very pragmatic policy to ensure total synthesis between the small and large industries, and that one does not come into conflict with the other but compliment each other.

CSO: 4220/7322

JSD EXECUTIVE SETS CONDITIONS FOR FAIR POLLING

Dacca THE BANGLADESH TIMES in English 13 Jul 81 pp 1, 8

[Text]

The central executive committee of the Jatiya Samajtantrik Dal (JSD) has announced a five-point demand for making the ensuring presidential polls free and fair.

The meeting of the JSD central executive committee presided over by Major (Retd). M. A. Jalil, President of the JSD, passed a resolution containing five-point demand.

The demands are: (a) withdrawal of the State of Emergency, Sixth Amendment to the Constitution Special Powers Act. and the Press & Publications Ordinance (b) release of all political prisoners convicted under the martial law, ending of political harassments & withdrawal of warrants of arrests, (c) shifting of the date for presidential polls in the third week of November (d) equal coverage to all presidential candidates in the mass communication media like newspapers, radio and television; (e) preparation of new voterlists and guarantee for neutral polling and counting of votes at every polling station.

The JSD central committee also called upon the Opposition political parties to endeavour to put up a common candidate in the coming presidential polls, if the Government fufilled its five point demands.

The meeting decided that if the opposition political parties failed to put up a common candidate, then JSD would try to select a common candidate in consultation with like-minded political parties. If this move fails, JSD would try to nominate a common candidate on the basis of the three-party alliance, and if this also fails, then JSD would go for nominating its own candidate in the presidential polls.

CSO: 4220/7398

COMMISSION ISSUES RULES FOR PRESIDENTIAL POLLING

Dacca THE BANGLADESH TIMES in English 15 Jul 81 pp 1, 8

[Excerpt]

The Secretary of the Election Commission has been appointed as the Returning Officer. His office is located at Block Nos. 5 and 6, Gazetted Officers' Hostel, Sher-e-Bangla Nagar, Dacca-7, says a Press release of the commission.

QUALIFICATIONS FOR ELECTION TO THE OFFICE OF THE PRESIDENT

A person is not qualified for election as President, if he

(a) is less than thirty five years of age; or

(b) is not qualified for election as member of Parliament; or

(c) has been removed from the office of the President under the Constitution.

PROCEDURE FOR FILING NOMINATION PAPERS

(a) Any elector may propose or second the name of any person qualified for election to the office of President. Every proposer / seconder will have to indicate in the nomination papers his serial number in the electoral rolls. For convenience of scrutiny, the intending proposers and seconders are requested to submit certified copies of the relevant entries in the electoral rolls along with the nomination papers. Electoral rolls are being maintained in the offices of the Election Officers at the sub-divisional headquarters. It may be mentioned here that the electoral rolls of Dacca Sadar sub-division including the Metropolitan area are available in the office of the Election Officers at 3/13, Liaquat Avenue, Dacca.

(b) Every proposal shall be made by a separate nomination paper in the prescribed form, signed by the proposer and the seconder, and such form shall contain a declaration signed by the candidate himself that he has consented to the nomination and that he is not subject to any disqualification for being elected as President.

(c) Every nomination paper shall be delivered on the nomination day between 7.30 a.m. and 2.00 p.m. by the candidate, his proposer or seconder or an agent authorised in this behalf in writing by the candidate, to the Returning Officer, who shall acknowledge the receipt of the nomination paper in writing specifying the date and time of receipt.

(d) A person may be nominated by more than one nomination paper; provided that no elector shall subscribe to more than one nomination paper whether as proposer or seconder and if any elector subscribes to more than one nomination paper, all such nomination papers, except the one received first by the Returning Officer, shall be void. The Returning Officer shall endorse on the nomination paper the name of the person presenting it and the date and time of its receipt. He shall also affix at a conspicuous place in his office a notice of every nomination paper received by him containing the particulars of the candidate, his proposer and seconder as shown in the nomination paper.

No nomination paper shall be accepted unless a sum of Taka five thousand is deposited in cash or by a receipt showing that the aforesaid sum has been deposited in favour of the Election Commission by the candidate or by any person on his behalf. The deposit shall be made at any branch of Bangladesh Bank or at a Government Treasury under the head "P-Deposits and Advances-Part II-Deposits not bearing interest-Civil Deposits-Deposits in connection with election."

SCRUTINY

(a) At the time of scrutiny, the candidates, their proposers and seconders and one person authorised in this behalf by each candidate, may attend. The Returning Officer shall give them reasonable opportunity for examining the nomination papers delivered to him.

(b) The Returning Officer may reject any nomination paper if he is satisfied that :

i) the candidate is not qualified under the Constitution to be elected as President ;

ii) The candidate is for the time being disqualified for election or appointment to a public office and also for election as member of Parliament

under the Public Leaders (Improper Acquisition of Property) Regulation, 1977;

iii) the proposer or the seconder is not an elector;

iv) the conditions for delivery of nomination papers and deposits to be made under provisions 5 & 6, of the Presidential Election Ordinance, 1978, has not been complied with; or

v) the signature of the proposer or the seconder is not genuine;

provided that —

i) the rejection of a nomination paper shall not invalidate the nomination of a candidate by any other valid nomination paper;

ii) the Returning Officer shall not reject a nomination paper on the ground of any defect which is not of substantial nature, and may allow such defect to be remedied forthwith; and

iii) the Returning Officer shall not enquire into the correctness or validity of any entry in the electoral roll.

Appeal against rejection of nomination papers:

Where the nomination paper of a candidate has been rejected by the Returning Officer, an appeal shall lie within a period of three days to the Election Commission. Any order passed by the Election Commission on such appeal shall be final.

Forms of nomination papers are available in the office of the Election Commission. Intending persons may procure the same during office hours.

CSO: 4220/7402

MOST AWAMI LEAGUE LEADERS FOR POLLS PARTICIPATION

Dacca THE BANGLADESH OBSERVER in English 8 Jul 81 pp 1, 16

[Text] The two-day extended meeting of the Central Committee of Bangladesh Awami League (Hasina) concluded on Tuesday evening. The last of the four sessions of the meeting was held at the Road No. 32, Dhanmondi residence of Bangobandhu Sheikh Mujibur Rahman on Tuesday evening. The meeting was presided over by Sheikh Hasina Wajed, President of the party.

During the course of the two-day meeting reports from 63 organisational districts out of 70 were placed. Besides district leaders members of the party's National Committee discussed present political situation the proposed Sixth Amendment to the Constitution and the ensuing presidential election.

The Central Working Committee meeting of the party will begin at 10 a.m. today (Wednesday) at the party central office. The decision regarding party's stand on the presidential election will be taken by the Working Committee today (Wednesday).

Majority of the districts were in favour of party's participation in the presidential election. But three conditions were put forward by district leaders. These are: shifting of poll date, lifting of Emergency and release of political prisoners.

Very few districts favoured participation in the election forming alliance with like minded parties. Majority opposed putting up joint candidates in the election.

The Working Committee decision is likely to be in line with the opinion expressed in the extended meeting.

If the Awami League (Hasina) Working Committee decides to contest the presidential election the Central Presidium and Secretariat is likely to be authorised to decide on the party candidate.

Meanwhile the extended meeting in a resolution reiterated party's demand for restoration of parliamentary form of government in the country. The resolution criticised the Sixth Amendment to the Constitution. It said when various political parties including AL(H) demanding holding presidential election under parliamentary form through amendment of the Constitution aimed at handing over power to people, the ruling party proposed amendment to the Constitution to enable their own candidate to contest the election.

The meeting condemned the proposed amendment and called upon all MP's political parties and the people to resist the amendment.

CSO: 4220/7322

AWAMI LEAGUE SETS CONDITIONS FOR POLL PARTICIPATION

Dacca THE BANGLADESH OBSERVER in English 11 Jul 81 pp 1, 12

[Text] The Central Working Committee of Bangladesh Awami League (Hasina) in a resoluton adopted in its two-day meeting said that the party is ready to accept any election challenge held in an atmosphere conducive to holding free and fair elections.

It has however set four conditions which in their view are preconditions to ensure free and fair elections. The resolution urged the Government to accept the conditions by July 31. The resolution did not specifically express party decision to participate in the ensuing presidential election and nothing was mentioned about any election alliance.

The conditions include immediate withdrawal of Emergency release of political prisoners convicted under Martial law an end of political harassment shifting of election date to November revision of electoral role to include new voters who has attained the age on the basis of the recent census equal facility in all media for all candidates ensuring freedom of the Press and use of Government transport and administrative machinery by ruling party candidate must be stopped.

The resolution urged all freedom loving democratic parties and elements to launch a movement to realise the conditions.

The Working Committee meeting concluded on Thursday. Party President Sheikh Hasina Wajed presided over the meeting. It was preceded by a two-day extended meeting of the Central Committee which concluded on Tuesday. During the extended meeting reports from 63 organisational districts were placed where district leaders favoured participation in the ensuing presidential election. More than half of the organisational districts opposed election alliance.

The Working Committee resolution demanded repeal of the Sixth Amendment to Constitution.

In support of the party demand for shifting election date the resolution said that September 21 will be the beginning of Bengali month of Aswin when two-third of the country will remain under water and in that condition election campaign would be difficult.

CSO: 4220/7329

ASAD COMMENTS ON AMENDMENT, SATTAR SPEECH

Dacca THE BANGLADESH OBSERVER in English 11 Jul 81 pp 1, 12

[Text] Mr. Asaduzzaman Khan on Friday criticised the passage of the Sixth Constitution Amendment Bill and approval of the state of emergency by Parliament "keeping the Opposition outside the House" reports BSS.

In a statement in Dacca Mr. Khan observed that the Government had taken these steps to ensure the victory of the BNP nominee in the coming presidential elections 'by any means'.

The Leader of the Opposition expressed the fear that the continuation of the emergency would create a "reign of terror" in the country in a new way.

He said that the statement of the Prime Minister and Leader of the House in the Jatiya Sangsad on emergency was "misleading".

Mr. Khan pointed out that it was made clear in the promulgation of the state of emergency by the Acting President on May 30 that fundamental rights freedom of the Press, freedom of expression and professional freedom would remain suspended and that no one could seek protection of the court of law in this regard.

He said that the Prime Minister's statement on emergency was contrary to the speech given by the Acting President on June 8 last. The Leader of the Opposition said that in his speech the Acting President had said that normalcy had returned to the public life gradually. Mr. Kahn said that the government had already started making arrest and resorted to harassment throughout the country.

He called upon the people to resist the move designed to continue "dictatorial rule" in the country.

CSO: 4220/7329

HOUSE DEBATE ON SOVIET SMUGGLING INCIDENT REPORTED

Dacca THE BANGLADESH TIMES in English 7 Jul 81 p 7

[Text] Following is the remaining part of the Jatiya Sangsad proceedings on Tuesday (23/6/81) as reported by BSS.

Soviet Equipment

As the House resumed its sitting after the maghreb prayer at 7.55 p.m. to take up the adjournment motion for discussion on the imported sophisticated electronic equipment by the Soviet Embassy, the visitor galleries opened.

The Speaker; Mirza Golam Hafiz was in the chair.

Leader of the Opposition Mr Asaduzzaman Khan took the floor and said that the adjournment motion on the airport incident as reported in Press did not give a clear idea as to what had actually happened there. He suggested that if the Leader of the House make an opening statement explaining the actual situation it would be helpful for discussion.

But the Treasury Bench members opposing the suggestion demanded that the discussion on the motion should begin forthwith.

Rising on a point of order; Mr Salahuddin Quader Chowdhury (ML) said that since the Adjournment Motion was moved and accepted for discussion and members should start discussion on it. The discussion should be followed by a statement by the Foreign Minister; he added.

Md Toaha

Mr Toaha also read out the report of newspaper on the incident and said that though the report was published on June 21 the Government had not contradicted it so far. This had led to an impression that the report was true.

Expressing indignation over the activities of the Soviet embassy; Mr Toaha said that this was not an isloated incident. He referred to the reaction of Soviet Union following the political change over in Bangladesh in 1975. He said that after 7th November political changes in Bangladesh the Kremlin had termed the government (which was continuation of present Government) as "Hostile" and commented that hostile government had grasped power in Bangladesh. He said

that as Soviet Russia maintained a hostile attitude towards Bangladesh the Indian spokesman at that time reacted that they did not remain silent spectator at the happenings in Bangladesh. He said that the events in Afghanistan and Indo-China were proof of the Soviet hegemonism in this part of the world.

Mr Toaha recalled the reported statement by the CPB leaders after Soviet intervention in Afghanistan that there would be an Afghan style revolution in Bangladesh. He said that though Lenin was against the export of revolution the present Kremlin leadership was exporting Russian revolution to different countries.

The Samyabadi Dal Member expressed his indignation over the behaviour of the Soviet embassy staff at the airport to forcibly take away the contraband items without producing valid documents and criticised the Government for failing to protest it at the appropriate time. He said that the Government should react strongly in order to preserve the national independence and sovereignty. He said that Bangladesh should pursue a strong foreign policy to preserve its independence. He proposed that an international front should set up with the countries of the region like Burma, Nepal and Bangladesh to oppose Soviet hegemonism and expansionism.

Md. Sirasul Huq

Participating in the adjournment motion, Mr. Mohammad Sirajul Huq (IDL) said that because of the submissive foreign policy, Bangabandhu had to give his life. This Government, he added, had been following the same path of submissive foreign policy.

Mr. Huq said that a conspiracy had begun against the country's independence and sovereignty. Before this, one aircraft carrying 133 armed persons came Bangladesh whose identity was still unknown, he added.

Referring to a news item in the weekly FAR EASTERN ECONOMIC REVIEW he said it had published an item alleging that there were one hundred KGB agents in Bangladesh. He also referred to the allegation made by the then Information Minister Mr. Habibullah Khan that Soviet mission in Chittagong had been set up without permission.

Rashed Menon

Participating on the adjournment motion Mr. Rashed Khan Menon (GA) said that the nation had been living in a mysterious atmosphere. The nation is still in darkness about the assassination of President Ziaur Rahman. He said and added the people were kept in darkness too about the recent happenings involving the Soviet embassy in Dacca.

He pointed out that the nation was informed of the situation in South Talpatty on May 16 while India occupied the island on May 9 and said the same thing had happened with regard to Soviet equipment.

Mr. Menon said that the silence of the Government on the incident was meaningful because the Government wanted to utilise the situation for some political

purpose. Criticising the Government's failure to inform the people in due time of the incident he said it happened because of its weak policy.

He said, "We shall not tolerate an attack on our independence and sovereignty" and added, the Government should protest against the act of the Soviet embassy if it did not take permission to bring these items. He called for setting up a committee consisting of the Parliament members to make an enquiry into the incident because the allegation against the embassy is dangerous.

Sattar Khan

Speaking next Mr Abdus Sattar Khan Chowdhury (ML) said this adjournment motion. was very much linked up with our sovereignty and independence. He said it was a matter of grave concern for all of us that the Russian embassy here had brought in the country highly sensitive electronic equipment and illegal arms under the level of construction materials. He suspected that the Russian embassy had brought these materials for espionage purpose in this region.

Criticising the role of the Soviet Union in today's global politics Mr Abdur Sattar Khan Chowdhury said that the Union had been creating a reign of terror in many countries of the world to grab them one by one. In this connection he referred to the Soviet intervention in Afghanistan Kampuchea and Eritrea and said that this super power had provoked bloodshed and unrest in the parts of the world to undermine their sovereignty.

The Muslim League Member condemned the role of the Soviet Union and called for slashing down the number of embassy staff of that country in Bangladesh. Our trade and other business with the Soviet Union were not so wide that warranted the presence of a large number of embassy staff here, he added.

He criticised the Government for its failure to inform the people of the incident in due time and said it manifested the weak foreign policy of our government, he said that the foreign policy of the nation of nine crore people should not submissive one he stressed.

Shahjahan Siraj

Participating in the discussion on the adjournment motion Mr Shahjahan Siraj (JSD) said that it would be really a matter of grave concern if the ITTAFAQ report true that the Soviet had brought in highly sensitive electronic equipment without declaration under the level of construction materials.

He said we were noting with great dismay that the government always remained conspicuously silent on major important national issues. After some time when the Foreign Minister made statements these were so much full of jugglery of words that they were beyond our comprehension, he added.

The JSD leader pointed out that Bangladesh today had been the land of free movement for the foreigners and that the foreign policy of our country had almost become a failure.

He alleged that the intelligence net work of the country was today more busy to over see the activities of the opposition political parties to keep the ruling BNP in power than to look after the question of national security.

Mr Shahjahan Siraj accused the government of using many national problems for its political purpose and said that the government had handled the Farakka and South Talpatty issues would substantiate his allegation.

Mr Shahjahan Siraj asked the Government to desist from pursuing subservient foreign policy and hold correct investigation into the report of daily ITTEFAQ about the highly sensitive electronic equipment alleged to be brought by the Russian embassy here. He mentioned here that although the ITTEFAQ report did not mention about arms, Mr Toaha had alleged in his adjournment motion about it (arms). The matter should be thoroughly investigated to establish the truth. It should also be ascertained as to whether wireless set could be brought in by the foreign embassies here under diplomatic rule, he added.

He alleged that Bangladesh today had become the grazing ground for the foreigners for the 'weak and submissive foreign policy' of our government.

Razia Faiz

Speaking next Mrs Razia Faiz (ML) severely criticised the Soviet Union for its 'interference' in the internal affairs of the country. She said that the while bear had been proceeding towards us with its open claws in the same style as it had grabbed many small countries of the world. It was true that India and Soviet Union had helped us in 1971 but that did not mean that we had mortgaged our sovereignty and independence to them for that, she said.

Mrs Razia Faiz blamed the Government for 'withholding the report of importing the electronic equipment to the members of the public'. It is really said that our foreign ministry had failed to enlighten the public on such important national matter. Earlier the Government had also failed to inform the people about the inaction on South Talpatty. The government coincided the news of occupation of South Talpatty with the return of Sheikh Hasina Wazed to Bangladesh; she charged.

She wanted to know from the Government as to whether the foreign policy of Bangladesh was actually independent after the incidents of South Talpatty; killing of President Ziaur Rahman and import of highly sensitive electronic equipment in Bangladesh by the Russian embassy.

Muzaffar Ahmed

Prof Muzaffar Ahmed; chief of National Awami Party (Comilla) while participating in the adjournment motion said that CIA agents were in constant intrigue here as a result of which the newspaper infamous of its bias published the incident. The ruling party, he said chose a wrong horse to discharge the function while Mr Toaha (the Horse) transgressed the dotted line by mentioning in the adjournment motion about some 'weapons' which did not even appear in the news.

The whole issue has been stirred up to paint a cover up to the situation prevailing in the country following the killing of President Ziaur Rahman; he told the Sangsad.

Prof Ahmed demanded a clear cut statement from the government in the matter asking not to play clever with a super power like the Soviet Union.

He counselled the Government to go by the 'Vienna' convention rigidly and; if necessary; to take the issue to the United Nations and other forums.

He criticised the Muslim Leaguers for shedding unnecessary tears for Bangladesh who had the motive to become Quaid-e-Azams. Prof Ahmed claimed himself as a progressive nationalist and for which reason 'I went to the United Nations to focus the cause of the liberation of Bangladesh during the war. When of course; today's Leader of the House Shah Aziz and his party's Mr Zulmat Ali Khan also were at the United Nations to oppose us.

Matin Meah

Mr A Matin Meah (JSD) said that the incident of the international airport was not an isolated one.

Death of President Zia and other conspiratorial events testify that the country was facing successive international conspiracies.

He demanded a clear statement from the Government.

Salahuddin Quader Chy

Mr Salahuddin Quader Chowdhury (ML) warned of the motivated move to divide population into two sides as freedom fighters and non-freedom fighters.

The Opposition Muslim League Member dismissed the ramifications of super-patriot, patriots and under-patriots of the people anyone indulging in such a move is 'traitors' he said.

Mr Chowdhury called upon the Government to take clear and bold position in dealing with the issue of sovereignty vis-a-vis any super or a mini-power. By saying "appropriate measures were being taken", the Government must not be passed on, he cautioned.

Specific action must be taken by the way of making some of the Soviet embassy officials persona non grata lodging of protests and such other steps he asked the government.

Mr Salahuddin Quader Chowdhury said that the Soviet embassy here had not yet come out with any contradiction, which he believed, they could. It must be noted, he pointed out.

The Muslim League member reiterated his call to the Government to take the people into confidence so that they could come to know every bit and piece of the development of the entire incident and exercise their judgement as to who was a friend and who was not.

A. S. M. Solaiman

Participating on the discussion, Mr. A. S. M. Solaiman (Gano Front) criticised the NAP (M) chief, Prof. Muzaffar Ahmed for his open support to the Soviet Union. He said that it was for the first time that Prof. Ahmed 'behaved like a blind man.'

He criticised the Government for not informing the people of the real incident even after a week. He said that the Press should be given freedom and there should not be any interference in it from any quarters.

Criticising Mr Suranjit Sen Gupta (Ekota), Mr Solaiman said that Bengalees never forgot their friends. Gratitude did not mean that the friendly country would threaten the very independence and sovereignty of Bangladesh, he pointed out.

In this context, he referred to the forcible occupation of South Talpatty and said that the occupation Talpatty is not the sign of friendship.

Mr Solaiman also stated that many of the countries began behaving fishy with Bangladesh soon after it had protested against the Soviet intervention in Afghanistan and pursuing friendly policy towards Islamic world.

Mr Solaiman, however, called upon the Government to pursue a strong foreign policy and said that if the small nation like Cuba could exist, it was possible for Bangladesh as well to exist with honour and sovereignty.

Abdur Rahim

Criticising the "weak" foreign policy of Bangladesh, Maulana Abdur Rahim (IDL) observed that if the Government pursued the submissive foreign policy she would not be able to protect her independence and sovereignty.

Referring to the unauthorised equipment of the Soviet Embassy which were seized at Dacca airport, Maulana said that it was a clear violation of international rules. This also proved that the Soviet Union was trying to threaten the independence and sovereignty of Bangladesh, he added.

Maulana Rahim also alleged that the Soviet intelligence net work KGB, Indian intelligence RAW and United States CIA were active in Bangladesh.

These intelligence net-works, he pointed out, were responsible for all incidents inside the country.

He also blamed the Government for not having "conviction." Only the policy towards Islam and faith upon Allah could save country from the enemies, he added.

Asaduzzaman Khan

Participating in the discussion, Leader of the Opposition Mr Asaduzzaman Khan, wanted to know from the Foreign Minister specifically as to whether that specific aircraft was duly permitted by the Government for landing.

He also said that the Foreign Minister of the Soviet Embassy should clarify before the nation embassy officials tried to snatch away the materials. Whether Bangladesh officials had protested against unauthorised import of sensitive electronic on whether any illegal weapons were found inside the consignments.

He said that these questions should be clarified first.

Mr Khan said that the present government had failed to inform the incident to the people even after seven days of the happening. Following publication of this particular news item several political parties had condemned the incident but the Government did not give any Press Note clarifying the situation, he added.

The Leader of the Opposition also alleged that the Government was trying to divert the attention of the people from the real happenings in the country. He also alleged that leadership of the Acting President, was now in difficulties the Government under the of the Acting President, was now in difficulties and trying to shift the eyes of the people by misleading propaganda.

He called upon the Government not to create rifts with the countries like the Soviet Union, which was termed as the "friendly country" even by the Late President Ziaur Rahman.

The leader of the Opposition also wanted to know from the Foreign Minister as to whether the report of bringing arms by an embassy of Middle Eastern country was correct.

Prof Shamsul Huq

Foreign Minister Prof Shamsul Huq, said tonight that the Soviet Ambassador was summoned to foreign office yesterday to lodge a strong protest for the illegal and objectional activities of the embassy and also for the indecorous behavior of the embassy staff.

Replying to adjournment motion on the Soviet embassy's attempt to forcibly take delivery of the objectionable goods at the Dacca Airport last week. The Foreign Minister told the Jatiya Sangsad that the Soviet Ambassador had also been asked to take necessary corrective measures immediately.

Giving a actual statement on the airport incident involving the Soviet embassy, the Foreign Minister said, on June 6, the Soviet embassy in Dacca applied to the Foreign Ministry for exemption certificate to 140 boxes of house building materials and equipment. The application clearly mentioned that the proposed items would be used for repairing the embassy building and also to repair and replace old and unworkable electrical gadgets.

Prof Huq said that the Soviet embassy also informed the foreign ministry that the proposed cargo with necessary papers and documents would reach Dacca on the same flight of the Aeroflot on June 16. Soon after its arrival, the papers would be handed over to the ministry, the embassy assured.

The foreign Ministry Prof Huq said, informed the embassy that only after receiving the detailed description, weight and quantities of the cargo, order for unloading exemption for the cargo could be given.

The Foreign Minister said that Soviet Embassy had handed over a letter of dated June 4 to the ministry on June 16 mentioning that the proposed cargo would be 10 tons in weight, 60 cubic meter in width and approximately in 140 packets.

According to specification the cargo included sectional metal board, wooden stand (for the purpose) two switch boards of 270 kg electric unit cable pipe and beam and wooden plate. The embassy submitted along with the letter the air way bill which also described the 140 packets of 10 tons as containing house building materials.

Prof Huq said the following day (June 17) the Soviet Embassy in a note of June 16 informed its inability to furnish the ministry with full packing list and they agreed to open the boxes for customs checking in presence of the embassy officials. The foreign ministry arranged the checking on June 19 in presence of two representatives of the ministry in accordance with the international law and Vienna Convention. He said, authorities concerned and the embassy officials, were also present during the customs checking. He said and added that checking could not be finished in a day as the number of imported items were large.

The Foreign Minister said the officials of Soviet Embassy became excited when work on checking was in progress on the following day (June 20).

At least one of them (Soviet embassy officials) indulged in unbecoming behaviour', Prof Huq said and added that when a foreign office representative protested this indecorous behaviour the Soviet official expressed his regret.

The checking on the second day (June 20) revealed that the shipment contained some highly sensitive electronic gadgets which in no way for the category of house building materials. Prof Huq said adding that there was no mention of those equipment either in the air way bill or any document of the embassy.

The Foreign Minister categorically said importing of equipment was not necessary for normal activities of an embassy without permission. Attempt to take them out of the airport without permission and misbehaviour with a Government official constituted 'clear violation' of the laws of Bangladesh and the Vienna Convention.

Prof Huq told the House that the Soviet Ambassador in Dacca was summoned to foreign ministry under the circumstances on June 22 as June 24 was weekly holiday. A strong protest was lodged with him against the 'Illegal and objectionable' activities of the Soviet embassy and unbecoming behaviour of the personnel of the mission, he said.

He said the Ambassador was asked to take immediately corrective measures against such acts.

Drawing attention of the House the Foreign Minister said the Customs authorities at the airport succeeded in holding the truck and kept the imported items in the Customs sheds on guard through some Soviet embassy personnel entered the airport despite objection from officials on duty and started to take the materials on the truck. Then the Customs authorities awaited the foreign office permission, he said.

Secondly, he said a written protest was lodged against the illegal acts of the Soviet embassy and unbecoming behaviour of its personnel and demanding immediate corrective measures.

The Foreign Minister said the situation was now completely under the control of the authorities concerned.

The Foreign Minister said that the security measures had been meanwhile strengthened.

He said that the subject matter of today's adjournment motion was unfortunately centred round an unpleasant incident.

He said the situation has been effectively faced in keeping with the international law and added the interests of the state has been fully protected.

The Foreign Minister told the House that the criticism of the foreign policy was "completely baseless" and declared that the Government was determined to protect the sovereignty of the country.

Replying to a question raised by Muslim League Mr M A Matin the Foreign Minister informed the House that the seized goods of the Soviet embassy at the airport had remained under government custody. He said that according to Vienna convention the objectionable items were their countries. We will also follow the same convention, he said.

As soon as the Foreign Minister resumed his seat, Deputy Leader of Opposition Mr Mohiuddin Ahmed wanted to know from the Minister if there was any arms in the boxes as mentioned by Mr Toaha in his motion. But the Members in the Treasury Bench shouted at him leading to hot altercations between them. The Leader of Opposition Mr Asaduzzaman Khan also tried to say something but had to resume his seat amid shouts.

The mover of the motion Mr Toaha said that as pen is mightier than sword. The sophisticated electronic equipment sometime becomes more powerful than arms. He refuted the allegation made by Prof Muzaffar Ahmed against him and said that as a patriot he (Toaha) himself had moved the adjournment motion.

At this stage, Mr Mohiuddin Ahmed tried to say something but was again shouted down. He said that the Treasury Bench members should have patience to listen to Opposition statement.

The Speaker Mirza Golam Hafiz then announced in the House that the adjournment motion of Mr Toaha been talked out.

The House was adjourned at 10-05 p.m. to meet again at [number illegible] 30 a.m. tomorrow.

CSO: 4220/7321

DEMOCRATIC JUBO FRONT CONDEMNS 'INDO-SOVIET AGENTS'

Dacca THE BANGLADESH TIMES in English 6 Jul 81 p 8

[Text] Speakers at a meeting of the Democratic Jubo Front at Tejgaon on Sunday condemned 'the Awami Jubo League and other Indo-Soviet agents' for conspiring to render Bangladesh friendless.

Presided over by Mr. Abedur Rahman, the meeting criticised the Awami Jubo League for their attitude towards the friendly visit of some Pakistani ministers to Bangladesh. They alleged that these people remained totally silent about Indo Soviet conspiracy against our independence and sovereignty.

The speakers said that when the country was facing serious political crisis and its border was being threatened by the Indian invasion, the agents of Indo-Soviet axis had been trying to divert the attention of the people by concocting baseless stories.

The Democratic Jubo Front leaders said that when the entire country expressed indignation over the illegal import of contraband items by the Soviet Embassy in Bangladesh these agents saw in it a game of the CIA. Even they criticised the daily which carried the story about the activities of the Soviet embassy.

The Jubo Front leaders said that in order to make Bangladesh friendless, these paid agents carried out vilification campaign during the recent visit of the Chinese Prime Minister.

The meeting called upon the people to understand the real game of the Indo-Soviet agents and stand against the conspiracy against our independence and sovereignty.

CSO: 4220/7317

EMBASSY IN KARACHI DENIES REPORT ON BORDER TROOPS

Dacca THE BANGLADESH OBSERVER in English 20 Jul 81 p 1

[Text] Islamabad July 19:--The Bangladesh Embassy here today dismissed as "bogus" a report yesterday that Islamabad had secretly proposed to Dacca that it station 1,00,000 Pakistani troops along the Bangladesh-Indian border reports AFP.

Commenting on the report published as a leading article in the New Delhi newspaper THE NEW HERALD close to Prime Minister Indira Gandhi the Embassy said that nobody would imagine that Bangladesh would accept foreign troops on its soil".

A Pakistani Foreign Ministry spokesman described the report as ridiculous and lacking any basis in fact" and recalled that Islamabad and Dacca had recently denied rumours of a planned federation between their two countries.

In a lead story titled "Pak Troops for Indo-Bangladesh Border" the Indian English-language daily quoting intelligence reports said the proposal was made by a Pakistani Ministerial delegation which recently visited Dacca.

CSO: 4220/7419

AMBASSADOR TO LEBANON PRESENTS CREDENTIALS TO SARKIS

Dacca THE BANGLADESH OBSERVER in English 20 Jul 81 pp 1, 8

[Text] Bangladesh Ambassador to Lebanon Mr. Humayun Kabir presented his credentials to President Elias Sarkis in Beirut on Saturday, according to a message received in Dacca on Sunday, reports BSS.

The message said, due to Israeli bombing on Beirut on Friday resulting in 143 deaths, the ceremonial part of ceremony was cancelled at the Ambassador's request. But despite heavy preoccupation with the mounting crisis, President Sarkis received Ambassador Kabir on schedule and cordially talked to him for half an hour.

Lebanese Prime Minister Mr. Shaik Wazzan was present during the presentation of the credentials by the new Bangladesh Ambassador.

Speaking on the occasion President Elias Sarkis expressed deep concern over the deterioration of situation in South Lebanon with escalation of Israeli aggression over last few days and urged the international community to act quickly before a major conflagration engulfs the area. He stressed on the need for frustrating conspiracies designed to thwart Arab resistance and the cause of the Palestinians.

Conveying his greetings to Acting President Mr. Justice Abdus Sattar, President Sarkis expressed satisfaction at receiving new Ambassador of Bangladesh, reestablishing contacts and hoped for close and fraternal cooperation between Lebanon and Bangladesh in all spheres. He recalled with emotion his meeting with ex-President Zia in Taif summit and the dynamic role he played in the Non-aligned and Islamic Conference movements.

The Ambassador conveyed fraternal greetings from Acting President Government and people of Bangladesh and expressed sympathies with the sufferings of the Lebanese people living under difficult and delicate situation. He reiterated support of Bangladesh for efforts now underway to promote national reconciliation in Lebanon on the basis of sovereignty and territorial integrity of Lebanon.

CSO: 4220/7419

EIGHTEEN-PARTY ALLIANCE TO PARTICIPATE IN POLLS

Dacca THE BANGLADESH OBSERVER in English 20 Jul 81 p 1

[Text] The 18-party Opposition alliance would participate in the forthcoming presidential election as part of the national movement for restoring parliamentary democracy and realising the rights of the people, Mr. Ataur Rahman Khan, Chief of the Jatiyo League said in Dacca on Sunday reports BSS.

The component parties of the alliance were continuing discussions among themselves for setting up a suitable candidate for the election "which we would like to contest unitedly", he said.

Mr. Khan was speaking at a reception given in his honour at a local hotel by a group of citizens who ostensibly wanted him to contest in the presidential election as an Opposition candidate.

The Jatiyo League leader reiterated his demand for shifting the polls date to November to give the Opposition parties the scope for preparation and campaign.

The reception was attended among others by Mr. Md. Toaha M.P. and Chief of the Shamyabadi Dal, Mr. Tofazzal Ali, Chief of Muslim League (T. Ali group), Mr. Abdul Haque, Independent member of Parliament Mr. Abdur Rahman and Mr. Ansari, leader of Democratic League Mr. Sirajul Hossain Khan of the Gonotrantrik Party and Mr. Shafiul Alam Prodhan of Jatiyo Ganotantrik Party.

Advocate Abdus Sobhan, a leader of the Jatiyo League spoke on behalf of the organisers of the reception which was followed by an iftar party.

CSO: 4220/7419

HOUSE BILL PROVIDES FOR ELECTION CASE TRIALS

Dacca THE BANGLADESH OBSERVER in English 11 Jul 81 p 1

[Text] The Jatiya Sangsad on Friday passed the People's Representation (Amendment) Bill 1980 providing for speedy trial of the election cases by tribunals within six months.

The Opposition members including Mr. Suranjit Sengupta Mr A. S. M. Solaiman and Mr. Salahuddin Quader Chowdhury criticised the Government for moving this Bill. They alleged that the passing of this Bill was related to the presidential election and with this law the ruling party would threat the members. They also alleged that there was no scope of appeal against the verdict of the tribunals.

Replying to the criticism the State Minister for Law and Parliamentary Affairs Mr. A. Salam Talukder said that the Bill had not been moved hurriedly to serve the election purpose. The Bill was moved in 1980 to expedite the election cases which remained pending for years together he informed. He also said that it was not true that there was no right of appeal against the judgement of the Tribunal. The aggrieved party can appeal in the higher courts he said.

CSO: 4220/7329

GUINEA PREMIER HOLDS AIRPORT PRESS CONFERENCE

Dacca THE BANGLADESH TIMES in English 11 Jul 81 p 1

[Text] Prime Minister Dr Lansana Beavogui said in Dacca on Thursday night that everything would be done to further strengthen the solidarity and fraternal cooperation between Guinea and Bangladesh in all fields reports BSS.

The Guinean leader was talking to newsmen at the Kurmitola Airport before departure for home concluding visit to Bangladesh to pay homage to Shaheed President Ziaur Rahman on behalf of President Sekou Toure and the government and people of Guinea.

Prime Minister Shah Azizur Rahman saw him off at airport.

Premier Beavogui who was accompanied by Guinea Foreign Minister Al-Haj Abdoulaye Toure said 'we had come with the message of solidarity unity and cooperation which must be strengthened in all fields including political economic social and cultural between the two countries.

He said we are now following the path of cooperation set by President Ziaur Rahman and President Ahmed Sekou Toure.

The visiting Premier said that the two countries would go for more exchanges of delegations for increased cooperation in various fields.

Premier Beavogui said that President Zia and President Sekou Toure were friends and brothers and added that a common ideology and objective of welfare of the people of the two countries bound Guinea and Bangladesh on a solid basis.

He added that but for the geographical distance the two countries could be united.

The Prime Minister said that he and Foreign Minister of Guinea had come to Bangladesh to convey the condolences to the people the government and people of Guinea.

Also present at the airport to see a off the Guinea leaders were Deputy Prime Minister Mr S A Bari AT Secretary General of BNP Prof A Q M Badruddoza Chowdhury Cabinet Ministers Mayor of Dacca Mr Abul Hasnat members of the diplomatic corp and senior officials.

CSO: 4220/7330

AGRICULTURE MINISTER GIVES PLANTING STATISTICS

Dacca THE BANGLADESH TIMES in English 11 Jul 81 pp 1, 8

[Text] Ten lakh acres of land were brought under intensive jute cultivation during the current season in the country, Minister for Agriculture and Forests Dr Fasihuddin Mahtab informed the Jatiya Sangsad on Friday.

Answering a written question by Mr Almas Hossain (BML) Mr Mahtab said that under the intensive jute cultivation programme government also supplied 20 thousand maunds of jute seeds among the farmers.

Replying to another question by Mr Ukil Shahadat Hossain Choudhury (BNP) the Agriculture Minister said that about 10.50 lakh maunds of potato were produced in the country during 1980-81. The figure was 1.47 lakh tons higher than the production of the previous year. The per acre yield of potato in 1979-80 was 103.08 maund on average. While the total land under potato cultivation was 2.38 lakh acres.

He also told the same questioner that 37,815 power pumps were used during 1979-80 commanding 14.91 lakh acres of land for irrigation.

Replying to another question from Mr S A Khalek (BNP) the Agriculture Minister said that it was not true that the use of fertilizers were declining in the country. He told the Sangsad that a total of 876,692 tons of different fertilizers were sold during January to December 1980. During January to June 1981 402,202 tons of fertilizers were sold while during the same period in 1980 402,128 tons were distributed.

CSO: 4220/7330

UNIVERSAL PRIMARY EDUCATION PROGRAM STRENGTHENED

Dacca THE BANGLADESH OBSERVER in English 16 Jul 81 p 3

[Text] About 5,000 Education Officers will be posted to the country's 472 thanas in the next three months in an intensified drive to get more children into schools.

The new officers will consolidate the universal primary education programme.

The programme was launched last year and the aim then was to spread its concept to all the thanas. Now it has been found necessary to strengthen the programme with the addition of the new batch of 5,000 officers.

About 10 to 12 of these officers will be stationed in each thana and it is envisaged that not more than 20 primary schools. (At present an officer has to look after about 75 primary schools in a thana.)

The new officers will be responsible for overall development of primary education in the areas they are based. To achieve this aim they will have to ensure that schools are being properly managed and supervised.

The yearly enrolment into Class one has been at an average of about 40 per cent.

Poverty has been generally blamed for the poor enrolment of school children but there is also a psychological problem to be overcome.

Said a BBEIS officer: "Society must be made to realise that illiteracy is a curse. But there is a psychological barrier which hinders this realisation. Our task is to break the barrier."

This is not easy but the Education Officers will be tackling this job more vigorously by frequent visits to the parents. They will see that parents are constantly reminded and encouraged to have their children sent to schools. The officers will also provide tuition to the children.

But a bigger task is to ensure that children do not drop out after two years of schooling. About 55 per cent of them drop out before reaching class three compared to 11 per cent from class three to five.

Said an officer of the Bangladesh Bureau of Education, Information and Statistics (BBEIS: "We must try to keep these children in schools for at least three years. That is the minimum education they should be given."

But the Government plans to ensure that out of the estimated 14.20 million school-going age children about 12.99 million will go to schools by 1985.

In the last six years (from 1975 to 1980), the number of children in primary schools has not shown any marked increase. In 1975 it was 8.35 million which slightly increased to 9.48 million in 1976.

The following year the total dropped to 9.02 million and from 1978 to 1980 it stayed constant at about 8.23 million. This year the total stood at [as published]

Last year steps have been taken to give further aid to children by providing free uniforms to the girls in the rural schools and free books to all pupils.

About 30 per cent of the girls have benefitted from the free uniforms and about 50 per cent of both sexes from the free books.

The free book scheme launched last year does not cover the 40 thanas under the care of the International Development Agency (IDA). The IDA is financing the free books to the 0.9 million school children in these thanas.

There is also a plan to provide free tiffin lunch to the children but the cost of such a scheme might be too prohibitive to be practicable.

Besides pupils, teachers too will come under closer watch as there have been reports of teachers, especially those in remote area, who were not serious in their work.

"Education Officers did not have the time to visit these faraway places and so the teachers took advantage of it by not teaching the children properly," said a Mass Education Officer. It is hoped that with the enlarged network of Officers, the problem can be solved.

With a literacy rate of about 28 per cent, Bangladesh is aiming to raise it to 100 per cent by 1985. The officers and the teachers may not achieve this enviable objective but as one Officer put it: "If we can achieve a literacy rate of 60 per cent by 1985, our efforts have not been wasted."

CSO: 4220/7403

TOAHA CALLS FOR UNITY OF LEFTIST FORCES

Dacca THE BANGLADESH OBSERVER in English 11 Jul 81 p 12

[Text] Chairman of Sammayabadi Dal Mohammad Toaha MP on Friday called for forging firm unity of all leftist political parties to build up a strong alternative political force in the country reports ENA.

An alternative political force with the left political parties can only guarantee a "desired parliament" and "a Government accountable to the people" he told a seminar on the present political situation in the country and our duty.

Presiding over the seminar organised by his party at Mahbub Ali Institute the Sammayabadi Dal chief also underscored the need for organising the "proletariat and peasants" of the country and building up their political leadership.

Mohammad Toaha said the present politics in Bangladesh is dominated by "petty bourgeoisie" due to the absence of strong working class and peasant's organisation. So the present political leadership could not advance the country to progress he added.

He said "we have no alternative but to build up leadership of the workers peasants and the toiling masses who constitute ninety per cent of the population of the country". "It is the peasants workers commonman who saved this country from two severe crises" Toaha said.

In this connection he referred to the capture of power by Khaled Mosharraf on November 3, 1975 and said the commonman became disappointed that day and did not support him as they thought Khaled Mosharraf would not bring any good to the nation". But on November 7 the same year the same people staged a spontaneous revolution and brought Zia to power.

Referring to the assassination of President Ziaur Rahman on May 30 Mohammad Toaha said the people of this country were aggrieved at this tragic incidence and viewed that the killing of Zia would not bring any good to the country. They faced up the national crisis unitedly.

The seminar was also participated by Mr. Yakub Ali General Secretary of Sammayabadi Dal Mr. Nur-e-Alam Ziku Organising Secretary of Jatiya Samajtantrik Dal (JSD) and advocate Luthful Alam a leader of Sammayabadi Dal.

CSO: 4220/7329

JATIYA EKOTA CENTRAL COMMITTEE MEETING REPORTED

Dacca THE BANGLADESH TIMES in English 10 Jul 81 p 8

[Text] A two-day extended meeting of the central committee of Jatiya Ekota Party (JEP) was held on Thursday with Syed Altaf Hossain in the chair.

Messrs Abdul Halim, Zakir Ahmed, Suranjit Sen Gupta, Saiful Islam Iqbal Ahmed Chowdhury, Dr Shahadat Hossain and other leaders of the party were present in the meeting.

The meeting criticised ruling party for passing 6th Amendment of the Constitution aimed at enabling a particular person of a particular party to seek nomination in the ensuing presidential election.

The meeting through a resolution reiterated its belief in parliamentary form of government making parliament a sovereign and responsible to the people on the basis of 1972 constitution prior to Fourth Amendment is best suited to our country in the present circumstances.

The meeting also resolved that the issue of participation in the presidential election should be resolved in close cooperation and understanding between those political parties which firmly believed in the values of national liberation struggle, principles of nationalism, democracy, socialism and secularism as enshrined in the constitution.

The meeting put up three conditions for its participation in the ensuing presidential election. They are: shifting of the date, lifting emergency and releasing political prisoners and equal amenities to the candidates to all parties.

The meeting also expressed concern at the deteriorating economic condition of the country.

CSO: 4220/7327

PEOPLE'S PARTY OFFICIAL MEETS PRESS ON JOINING BNP

Dacca THE BANGLADESH OBSERVER in English 18 Jul 81 pp 1, 8

[Text] Mr. A. K. M. Golam Kabir Vice-Chairman of the United People's Party (UPP) on Friday joined the Bangladesh Nationalist Party (BNP) having been inspired by the ideals of late President Ziaur Rahman.

He said that he was inspired by the philosophy of Bangladeshi Nationalism national unity and 19-point programme of the party as laid down by the late President.

He was speaking at a Press conference at BNP Secretariat Prime Minister Shah Azizur Rahman who is also Vice-Chairman of the BNP and Professor A. Q. M. Badruddoza Chowdhury, Secretary-General of the party and other central leaders of BNP were present at the Press conference.

Terming those who had earlier joined the BNP as progressive minded Mr. Kabir expected that more people will join the party through its correct evaluation.

Praising late President Zia Mr. Kabir said that the reality and truth must be acknowledged. He said that President Zia through his tireless efforts had shown the way to self-reliance.

Prime Minister Shah Azizur Rahman and Dr. A. Q. M. Badruddoza Chowdhury Secretary-General of the party congratulated Mr. Kabir and hoped that more will join the party in due course.

Addressing the newsmen Mr. Kabir said that political difference with the UPP was the main reason for his resignation from the party earlier on July 1. He further said that he sharply differed on the UPP's evaluation of late President Ziaur Rahman.

In reply to a question Prime Minister Shah Azizur Rahman said that the trial of the murder of President Zia was being conducted according to Army rules under the Field General Court Martial. The existing Army rules have to be changed first if the question of changing the court procedure arises he added. He said that these Army laws and rules are prevalent in most of the democratic countries including Great Britain. Regarding the election date Shah Azizur Rahman said that he personally did not think that the date would be shifted.

BSS adds: Mr. Kabir said that only the BNP could safeguard the national sovereignty preserve the multi-party democracy and establish a society free from

exploitation. The people were looking forward to BNP for alternative leadership to Zia he emphasised.

He called upon the all progressive democratic and nationalist forces and people of the country to join the BNP for the realisation of the cherished national objectives.

Paying tributes to the late President Mr. Kabir said the national would remember him forever for his patriotism and contribution to the Liberation War and restoration of democracy in the country. During the rule of President Ziaur Rahman. the Press enjoyed freedom the Opposition political parties received polished treatment judiciary was free and moreover no repressive policy was followed towards the political opponents.

He accused the Opposition parties of their failure to give proper leadership to the nation in the political vacuum created by the death of President Ziaur Rahman. He also disagreed with the Opposition contention that President Zia could not give any sense of direction to the people and pointed out that Bangladeshi nationalism peaceful revolution and the 19-point programme had shown the way for national development.

CSO: 4220/7411

RESOLUTION ON ACCUSED ASSASSINS' RIGHTS ILLEGAL

Dacca THE BANGLADESH OBSERVER in English 18 Jul 81 pp 1, 8

[Text] Five members of Supreme Court Bar Association in a joint statement termed the resolution of the association demanding "rights for the accused persons in President Zia's killing for choosing their advocates for defence" as illegal.

They said that the "so called requisition meeting" of the association was called with three hours' notice instead of requisite three days' notice. This they said was done to serve the purpose of a "certain quarter". They expressed their surprise at the resolution published in the name of the association.

The five signatories in their statement said that about two hundred advocates were unanimous to adjourn the meeting for three days to place the resolution before a general meeting after considering it in a committee. When the advocates were leaving the meeting Mr. Md. Yasin President of the meeting spoke to them to ascertain who were in favour of the resolution and in the pandemonium he declared that 46 votes were in favour of the resolution but the negative votes were not counted the signatories alleged. The name of the association should not have been misused they said.

The signatories in the statement are Advocate Syed Sirajul Huda Advocate Giasuddin Bhuivan Advocate Abu Salek Advocate Moazzem Hossain and Advocate Nizamuddin Haider.

CSO: 4220/7411

THREE-PARTY ALLIANCE TO PARTICIPATE IN ELECTION

Dacca THE BANGLADESH TIMES in English 18 Jul 81 pp 1, 8

[Text] Leaders of Jatiya Samajtantrik Dal (JSD), Bangladesh Workers' Party and Sramik-Krishak Samajbadi Dal in a collective Press Conference on Friday announced their decision to participate at the ensuing Presidential elections, subject to certain preconditions.

Present at the Press conference were, among others, Major (Retd.) M A Jalil and Mr. A S M Abdur Rab, President and General Secretary of JSD, respectively, Mr. Haider Akbar Khan Rano and Mr. Rashed Khan Menon, MP, General Secretary and Central Committee member, respectively, of the Workers' Party and Messrs Siddiqur Rahman and Nirmal Sen of Sramik-Krishak Samajbadi Dal.

The leaders of the Three-Party Alliance, which Major (Retd.) M A Jalil styled as a "leftist alliance", said that they were announcing their participation at the coming Presidential polls on the assumption that their preconditions would be met by the Government.

Mr. Rashed Khan Menon, MP, read out a statement to newsmen on behalf of the three-party alliance.

The three party alliance has called for shifting of the date for presidential elections to sometime in November, withdrawal of the state of emergency, the sixth amendment to the Constitution, the Special Powers Act and the Press and Publications Ordinance, release of all political prisoners and an end to persecution of political opponents and all sorts of Police oppression, as well as drawing up of a new voters' list with a view to including those who had attained voting rights since the preparation of the last voters' list.

Major M A Jalil suggested later, while replying to a question, that the three-party alliance devoutly wished that all Opposition political parties backed one, single candidate in the coming Presidential polls as a symbol of the solidarity of the democratic forces in the country.

Mr A. S. M. Abdur Rab told a questioner that the three-party alliance had not announced a deadline for the Government to fulfil its demand. The alliance would decide upon its course of action, if and when the Government failed to meet its demands, he said.

Both Major (Retd) M. A. Jalil and Mr A. S. M. Abdur Rab refused to say if the 10-party alliance had died its logical death. Major (Retd) Jalil told his questioner that the 10-party alliance was merely "an alliance based on certain issues", while the three-party alliance was "a front for the purpose of fighting an election".

Asked what was the purpose of the current Press conference, since the leaders of the three-party alliance did not apparently have anything new to say, Mr Rashed Khan Menon said, "we arranged this Press conference primarily to announce our collective decision to fight the elections; and this announcement coincided with the launching of the election campaign of the BNP candidate Justice Abdus Sattar." Mr Menon added, "this Press conference would indicate that our hat is in the ring too".

The three-party leaders also expressed their sentiments over the current racial violence in England and the trial of the persons accused of involvement in the assassination of President Ziaur Rahman by a Field General Court Martial.

Major (Retd) M. A. Jalil also criticised the Government for its alleged design to eliminate the freedom fighters from all important sectors of national life. He pointed out that recently the present government had "ousted two freedom fighters from the Council of Ministers". He cautioned that such moves of the Government would neither be accepted by the people nor allowed to go unchallenged in future.

CSO: 4220/7413

SHEIKH HASINA MEETS PRESS ON DEPARTURE FOR LONDON

Dacca THE BANGLADESH TIMES in English 18 Jul 81 pp 1, 8

[Text] Sheikh Hasina Wazed, President, Bangladesh Awami League (H) hinted on Friday that her party, following the measure of her late father had taken, would reduce the number of newspapers in the country, if it went into power.

Talking to newsmen at the Dacca international airport prior to her departure for London, Sheikh Hasina asserted that there was virtually no freedom of the press in the country since most of the newspapers were directly or indirectly controlled by the Government. She alleged that most of the national dailies were not reporting correctly the activities of her party.

Asked if the Awami League would show as much of tolerance and press freedom as enjoyed by the press during the regime of President Zia, the Awami League chief posed a counter question and wanted to know what the questioner meant by the freedom of Press. "Is there any freedom of the press in the country?" she asked.

Asked whether she would ban all the national dailies except four as her father Sheikh Mujibur Rahman did, Mrs Hasina said, "is there any justification of keeping so many newspapers? How many people read newspapers? Do you know how much newsprint is consumed for this?"

The Awami League chief said that during her return journey she would stop in India, stay there for some days and visit the holy shrine of Hazrat Moinuddin Chishty.

When her attention was drawn to the fact that she was visiting Britain when that country was witnessing serious racial riots, Mrs Hasina said that she might discuss the racial problem with the British authorities.

Asked whether her party would take part in the presidential election, Mrs Hasina Wazed said that Awami League was never opposed to election. "We have put forward four conditions to ensure free and fair polls. We shall win the election if it is free and fair".

When her attention was drawn to rumour that she was going to settle her personal differences with her nuclear physicist husband who reportedly did not like her involvement in politics, Mrs Hasina described the rumour as baseless.

When asked whether the Awami League would favour putting a common opposition candidate, Mrs Hasina said that her party was not against unity.

During her s ay in London, Mrs Hasina will discuss the assassination case of her father" with the Amnesty International. Asked whether she considered the demand of trial of her father's killing as contradictory when some people who went to power after killing of Sheikh Mujib were still beside her, Sheikh Hasina said, "sometimes situation compels one to act against one's will. Situation changes. Nothing is permanent in politics, she said.

Mrs Hasina is expected to stay out of the country for about 10 days. She was seen off at the airport by her party leaders and workers.

CSO: 4220/7413

MUKTIJODDHA SANGSAD LEADERS ISSUE STATEMENT

Dacca THE BANGLADESH TIMES in English 18 Jul 81 p 8

[Text] Lt Col (Retd) Kazi Nuruzzaman and Mr K. M. Mahbubul Alam, Chairman and a member of the Secretariat of the Central Command Council of Bangladesh Muktijoddha Sangsad in a statement on Friday alleged that charges were brought against the Central Command Council of the Sangsad for launching movement against the "enemies of the independence."

They said that Mr Faruk-i-Azam a member of the Secretariat of the Central Command Council of the Sangsad was arrested on June 6 last on these charges and he was released on July 10. They said that a warrant of arrest was issued against the Secretary General of the Sangsad Mr Nayeem Jahangir which was not yet withdrawn.

The signatories to the statement demanded withdrawal of charges against the central leaders of the Muktijoddha Sangsad. They also demanded punishment of those who were engaged in the conspiracy to accuse the freedom fighters and patriots.

Meanwhile, Gen (Retd) M. A. G. Osmany in a statement on Friday said that his attention was drawn to the information regarding the "threat of applying Special Powers Act on the leaders of the Muktijoddha Sangsad for their statement against the Jamat-i-Islami." He said "the collaborators should not take our patience and patriotism as our weakness." He called upon all freedom fighters to unite.

CSO: 4220/7413

DACCA DENIES MUKTIJODDHA SANGSAD ALLEGATIONS

Dacca THE BANGLADESH OBSERVER in English 19 Jul 81 pp 1, 16

[Text] The Government on Saturday categorically denied allegations by certain political leaders that Muktijoddha Sangsad leaders have been singled out for action against them for launching an agitation against a particular political party as "politically motivated and without any foundation" reports BSS.

In a Press Note issued on Saturday the Government hoped that the political leaders would desist from making statements that are likely to encourage violence by one group of people against another.

In consonance with its avowed policy to promote national solidarity and security of the country, the Government is taking and will continue to take action only against those elements irrespective of party affiliations who will create situations affecting law and order or commit prejudicial acts that are likely to endanger public safety or the maintenance of public order the Press Note added.

The following is the Press Note:

"Attention of the Government has been drawn to a news item published in a section of the local Press on July 18 containing statements of certain political leaders alleging that Government have singled out the leaders of the Muktijoddha Sangsad for action against them for launching an agitation against a particular political party.

"In this connection the Government would like to state categorically that the allegations made in the aforesaid statements are politically motivated and without any foundation. The Government is taking and will continue to take action only against those elements irrespective of party affiliations who are bent upon creating situations affecting law and order or committing such prejudicial acts as are likely to endanger public safety or the maintenance of public order. This is in consonance with the avowed policy of the Government to promote national solidarity and security of the country. The Government has no intention to mete out any discriminatory treatment whatsoever against any party not to speak of the freedom fighters who are very dear to the people and whose heroic parts played during the Liberation War and the sacrifices made by them would always be remembered by the entire nation with deep gratitude.

"The Government hopes that the political leaders will desist from making statements as are likely to encourage violence by one group of people against another".

CSO: 4220/7415

BSEC CHAIRMAN DESCRIBES NEW ELECTRICAL PLANT

Dacca THE BANGLADESH OBSERVER in English 19 Jul 81 p 1

[Text] Chittagong General Electric Manufacturing (GEM) plant has sold 2600 pieces of electric transformers worth Taka 6 crore to Bangladesh Power Development Board Dr. Nazrul Islam Chairman of the Steel and Engineering Corporation (BSEC) said in Dacca on Saturday.

Dr. Nazrul Islam told BSS that the plant an enterprise of the BSEC which went into commercial production last year produced about 2800 pieces of transformers during the same year. At present he added technical knowhow is being procured from the USSR and South Korea for the plant.

The BSEC Chairman said that government had been trying to procure knowhow from other sources also so that the plant's products could be made competitive in the local as well as in the markets abroad.

He said that besides transformers, other electrical products like circuit breaker fuses and nuts and bolts could be produced in the plant to meet the entire requirements of the country. Silver electro-plating and chromium plating and fabrication work like sheet cutting and bending facilities are available for the public in the plant, he added.

Dr. Nazrul Islam said that the plant would be able to meet the requirements of the Power Development Board and Rural Electrificiation Board in near future. The plant is expected to produce over 7,500 pieces of transformers during the current fiscal year, he added.

Turning to the Bangladesh Machine Tools Factory (BMTF) another enterprise of the corporation in Joydevpur, the BSEC Chairman said that the factory which went into commercial production last fiscal year had the facilities or machining casting forging heat treatment surface treatment fixtures and tool manufacturing die making and pattern making.

He said that during the financial year 1979-80 goods worth Taka 1.03 crore were produced while in the last fiscal year production of goods went up to Taka 10.77 crore.

CSO: 4220/7415

BSS REPORTS COMMERCE MINISTER'S ACTIVITIES IN PRC

Dacca THE BANGLADESH OBSERVER in English 19 Jul 81 p 1

[Text] State Minister for Commerce Chowdhury Tanbir Ahmed Siddiky now on an official visit to China on Friday called on Mr. Gu Mu Vice-Premier of the State Council of the People's Republic of China in the Great Hall in Peking reports BSS.

Chowdhury Tanbir Ahmed Siddiky according to a message received in Dacca on Saturday from Peking discussed with the Vice-Premier vital issues of mutual interest in the field of trade and commerce.

Also mentioned about the two countries common approach to various international issues like North-South dialogue global round or negotiations new international economic order and also about China's continued support to the group of 77 as well as for the cause of Least Developed countries.

The State Minister also discussed with the Chinese Vice-Premier the ever increasing happy relation that exists between the two countries in various fields specially in the field of foreign trade and commerce.

The Chinese Vice-Premier expressed satisfaction at the successful of trade negotiations between the two countries and hoped that trade between them would develop further in the coming years. He stated that both the countries were facing common problems and the difficult task of producing enough food grains to meet the requirements of their respective people as well as to curb the population growth by adopting effective measures of family planning.

He lauded the policy of the late President Ziaur Rahman to assign highest priority to the development of agriculture and production of foodgrain.

Mr. Gu Mu paid rich tributes to the late President Ziaur Rahman who he observed had made great contribution to the development of friendship between Bangladesh and China. He described late President Zia as a good friend of the Chinese Government and people.

CSO: 4220/7415

DACCA OFFERS REWARD FOR ALLEGED ASSASSINS

Dacca THE BANGLADESH OBSERVER in English 19 Jul 81 p 16

[Text] Government has declared a reward of Taka two lakh each for the arrest of two absconding Army officers dead or alive for their involvement in the gruesome murder of President Ziaur Rahman in Chittagong on May 30 last, says a PID handout.

The officers are Major S. M. Khaled and Major Mohammad Mozaffor Hossain. They were among the accomplices of Major General M. A. Manzoor who masterminded the brutal killing of the President.

Major Moinul Islam was involved in the gruesome murder of President Ziaur Rahman at Chittagong Circuit House on May 30 last. He was among the accomplices of Major General M. A. Manzoor who masterminded the brutal killing of the President.

Major Moinul Islam is still absconding and needs to be apprehended immediately.

CSO: 4220/7415

BANGLADESH RED CROSS TEAM LEAVES FOR DPRK

Dacca THE BANGLADESH OBSERVER in English 19 Jul 81 p 16

[Text] A two-member Red Cross delegation headed by the Chairman of the Bangladesh Red Cross Society Mr. Justice Shahbuddin Ahmed left Dacca on Friday night for Bangkok en route to Pyangyang (North Korea) on a good will mission.

The delegation including the Managing Board member Dr. Sakhawat Hussain who is also the Secretary General of the National anti Tuberculosis Association of Bangladesh (NATAB) will during the trip also visit Japan and the People's Republic of China.

During the visit to the Democratic People's Republic of Korea the delegation which is making the trip on an invitation from the Chairman of the North Korean Red Cross Society will hold discussion on mutual interests of the two societies.

Before his departure the chairman of the Bangladesh Red Cross Society told BSS that he would hold discussion with his North Korean counterpart on the mutual interest of the two society. He said that his visit would strengthen the bond of friendship and cooperation existing between the Bangladesh Red Cross Society and the North Korean Red Cross Society.

He said that he would also visit Japanese Red Cross Society and the Red Cross Society of the People's Republic of China on way to and back from Pyangyang. He will also hold discussions with the leaders of the Red Cross Societies of these two countries on mutual cooperation.

The delegation will return on August 4.

CSO: 4220/7416

PRIME MINISTER SAYS NO PLAN FOR ISLAMIC REPUBLIC

Dacca THE BANGLADESH TIMES in English 4 Jul 81 pp 1, 8

[Text] Prime Minister Shah Azizur Rahman told the Jatiya Sangsad on Friday that the Bangladesh Nationalist Party (BNP) was not thinking in terms of changing the nomenclature of the People's Republic of Bangladesh into an Islamic republic.

"Personally I am not in favour of changing the name. Nomenclature does not matter. Let us improve our character and follow religious teachings", he said.

He was replying to a point of order raised by the Ekota Party member Suranjeet Sengupta where he had submitted that the Prime Minister had encouraged a move to change the nomenclature of the state by saying that "whether or not Bangladesh will be an Islamic Republic depends on the will of the people".

Mr Sengupta said that the statement of the Prime Minister was a clear violation of the Constitution which he was pledgebound to defend. He had also violated the oath of office and party principle. The statement was also an attack on the country's sovereignty and as such the Prime Minister had no right to remain in office, Mr Sengupta said.

Replying to the point of order, the Prime Minister said that the Constitution itself contained provisions for necessary amendments. "No Constitution is Quran or Bible which cannot be changed or amended. The will of the people is also not static".

The Prime Minister said that any provision of the Constitution could be changed, amended, omitted or incorporated by an act of the Parliament. However, any amendment of the state principles needed people's verdict in the form of referendum, he said.

He said, "Ours is a multi-party democratic set up under which any party is free to preach its political ideology and try for a change in the Constitution to make it consistent with its political convictions".

He said that while there were parties advocating the Islamic ideologies, there were others pleading for communism and some of secularism.

It was the people who would decide which one to accept and reject.

The Prime Minister said that the process of law making was not static but progressive and dynamic. The constitutional provisions were changed to suit the progressive needs of the society and uphold the will of the people.

The Prime Minister described the point of order of Mr Sengupta as 'wholly and totally frivolous designed to take personal vengeance on me.' It has no bearing whatsoever on the Constitution', he said.

The Leader of the Opposition Mr Asaduzzaman Khan said that the observation of the Prime Minister on the Constitution was correct. What Mr Sengupta wanted to know was whether the Prime Minister was harbouring the concept of Islamic Republic" he said.

The Prime Minister then clearly spelt out his personal opinion and also party principle.

CSO: 4220/7311

NEED FOR MOBILIZATION OF DOMESTIC RESOURCES STRESSED

Dacca THE BANGLADESH TIMES in English 16 Jul 81 p 1

[Text] Finance Minister Mr Saifur Rahman on Wednesday asked the nation to prepare for sacrifices and mount aggressive efforts to mobilise and generate domestic resources, reports BNA.

Mobilisation of domestic resources was an essential precondition for economic development of the country, the Finance Minister asserted.

Mr Saifur Rahman was speaking to the agency in an exclusive interview at his chamber on Wednesday evening. Talking about the economic situation in the country, the Finance Minister warned the people against possible hardships in the event of their failure to generate adequate domestic resources.

The Finance Minister admitted that the country would face shortage of local funds to meet the growing requirements of economic development "if we were not alert enough to face the challenge."

He listed two causes namely decline in the commodity aid assistance and reduction in the food assistance by the donor countries for the internal shortage of fund.

Mr Saifur Rahman said that the country had built a food reserve totalling about 1.4 million tons which would reach the neighbourhood of about 1.5 million tons shortly. This is a unique situation and a great achievement for the country, he added.

This increase in production of foodgrains has resulted in the declining food assistance to Bangladesh coupled with donor country's inability to provide her with commodity assistance owing to recession and inflation in the world.

He said that the Government has taken measures to boost national savings and generate domestic resources to meet the shortfall. He particularly referred to the introduction of the Wage Earners Development Bond and the Investment Corporation mutual unit as bold steps to increase national savings.

The Finance Minister also said that the Government has taken steps to augment and streamline tax administration for yielding increased revenue towards generation of domestic resources vitally essential for economic development.

CSO: 4220/7405

CP PRESIDIUM MAKES STATEMENT ON ELECTIONS

Dacca THE BANGLADESH TIMES in English 16 Jul 81 p 1

[Text] The Communist Party of Bangladesh (CPB) on Wednesday put forward five conditions for "making the forthcoming Presidential polls meaningful, reports ENA.

The conditions as spelt out in a joint statement issued by the Members of the Party Presidium included refixation of the election date in consultation with the opposition parties, release of political prisoners including the General Secretary of the Party Comrade Farhad, withdrawal of State of Emergency and equal opportunity of publicity for all candidates in government controlled media.

The statement observed an election alliance of the "democratic progressive and patriotic forces" and putting up a common candidate of these parties are very important issues and said their unity was not indespensible for the greater interest of the nation.

CSO: 4220/7405

PAPER REPORTS CONTENTS OF PEKING TRADE TALKS

Dacca THE BANGLADESH TIMES in English 16 Jul 81 p 1

[Text] Peking, July 15: Official trade talks between Bangladesh and China which began here today reviewed the implementation of the existing barter protocols and both sides expressed general satisfaction over their progress reports BSS.

The talks were led by the Bangladesh, State Minister for Commerce Choudhury Tanvir Ahmed Siddiky and the Chinese Minister for Foreign Trade Mr Li Qiang.

They also discussed the volume and nature of trade and the various items to be included in the new protocol.

The second round of talks at the working group level was held in the afternoon between the two parties to help finalise details of the proposed protocol.

In the second round of talks Bangladesh Ambassador to Peking Mr M M Rezaul Karim and the Chinese Vice Minister for Foreign Trade Mr Ria Shi led their respective sides.

During the talks Bangladesh State Minister made a special reference to the support of China to all the meetings and conferences held so far for creation of a new international economic order. The commitment of the Group of 77 for establishment of an integrated programme and a common fund. He also discussed current issues of global significance such as global round of negotiations (GRN) North South dialogue and for the promotion of the interest of the LDC's.

The State Minister emphasised that cooperation between Bangladesh and China on all the international forums and also in their bilateral relations and economic cooperation are all pervading.

Mr Siddiky also stressed the need for development of trade as an essential measure for the implementation of the long term trade agreement concluded between the two countries last year.

While recalling the invaluable contribution made by the late President Ziaur Rahman to the promotion of excellent relations that have developed between Bangladesh and China the Bangladesh Minister described President Zia as the chief architect of this policy.

The Chinese Minister for Foreign Trade paid rich tributes to the memory of the late President Ziaur Rahman and reciprocated the views expressed by the Bangladesh State Minister for Commerce.

The Chinese Minister also remembered fondly his personal association with the late Bangladesh President on a number of occasions.

Mr Li Qiang hosted a banquet in the evening in honour of Chowdhury Tanvir Ahmed Siddiky.

Earlier on his arrival in Peking yesterday Mr Siddiky was received at the airport by the Chinese Minister Vice Minister and senior officials of the Ministry of of Foreign Trade.

CSO: 4220/7405

FAO LAUDS BANGLADESH FOODGRAIN STORAGE SCHEME

Dacca THE BANGLADESH OBSERVER in English 17 Jul 81 p 1

[Text] Food and Agriculture Organisation (FAO) made an evaluation of the crash programme made for construction of two lakh tons of foodgrain storage. The report praised the noteworthy achievement of the Government in implementing the project according to a PID handout.

The FAO storage consultant had visited 18 of the 20 districts of the country to evaluate the progress and effectiveness of the crash programme and reported that about 90 per cent of the total 400 units will be constructed in less than one year from the time of launching the programme in October last year. This is a remarkable and praiseworthy achievement of the Government in the field of project implementation.

It has been entirely Bangladeshi effort in financing implementation and other technical aspects of the project without outside consultancy or foreign aid.

The project also helped in developing a central monitoring system through the skeleton staff of the planning and Implementation Cell of the Ministry of Food.

The main cause of this success according to FAO was the keen interest of the late President Ziaur Rahman and the enthusiasm of the district and subdivision level food administration and other concerned.

CSO: 4220/7408

EDITORIAL URGES MORE GRAIN STORAGE WAREHOUSES

Dacca THE BANGLADESH OBSERVER in English 14 Jul 81 p 5

[Text]

The construction of twenty-five food godowns in the Comilla district is a welcome step towards making the procurement drive a success in the area in the real sense. Procurement of foodgrain is primarily aimed at meeting the needs of the lean period as well as at curbing the activities of the profit-mongers. At the same time, our procurement policy emphasises the importance of voluntary sale by farmers who must also get fair prices for their products. The available statistics show that the quantum of foodgrain hitherto procured exceeds the estimated target. But this is not all. Efforts have to be geared up to have better results out of the procurement drive.

This is why, as appreciated, facilities must be ensured so that the farmers can avail themselves of the services of the procurement centres. In view of the growing needs these have to be set up at such places where each of these can serve at least three to four villages at a time. It is also imperative that interior roads together with the bridges and culverts be repaired and developed to facilitate mobility of men and materials. It is the roads lying in bad condition in far-flung areas that, in most cases, create great inconvenience for the farmers, thus compelling them to sell their products to the middlemen. Such obstacles must be removed

But these alone cannot achieve the objective of the drive. Procured foodgrain must also be properly preserved. The recently constructed twentyfive godowns, each having storage capacity of more than five hundred tons, will enhance food storage facility in the Comilla district by 12,500 tons. But the country's requirement is greater than this. We can hardly afford loss of foodgrain of any quantum in any place of the country. There is therefore the need to take effective measures to expedite setting up of public godowns in greater number near the procurement centres. It will protect foodgrain as well as facilitate its movement from one place to another. This is also to be stressed that work at each end from procurement and storage to movement and distribution has to be performed with the same degree of efficiency and speed.

CSO: 4220/7400

STEEL AND ENGINEERING CORPORATION REPORTS PROGRESS

Dacca THE BANGLADESH OBSERVER in English 17 Jul 81 p 1

[Text] The Bangladesh Steel and Engineering Corporation (BSEC) is forging ahead with increased profit and volume of sales. In the financial year ending June 30, 1981, the Corporation had earned a profit of about Tk. 17.65 crore.

During the same period, the BSEC has produced goods worth about Tk. 311.20 crore. Its performance exceeded the profit and production of 1979--to the exchequer was Tk. 48.67 pectively. [as published]

In 1979-80, the BSEC produced goods worth Tk. 229.73 crore and made a profit of Tk. 14.45 crore.

The Corporation has also contributed increased taxes and duties and share of profit to the Government. In 1980-81, it contributed Tk. 70.64 crore as taxes and duties and Tk. 3.50 crore as the Government's share of profit.

In 1979-80, the contribution to the exchequer was Tk. 48.67 and 3 crore respectively. Thus its contribution to the Government's [word illegible] exceeded by 45 [next line illegible].

During the period under review, the volume of sales of the Corporation also exceeded by 34 per cent over the same period of the previous year. In 1980-81, the sales figure was about Tk. 340.87 crore. In 1979-80 it was Tk. 254.71 crore.

Production performance by all the other steel enterprises have increased. Chittagong Steel Mills Ltd. made a record in the production of steel ingot.

The mill produced 135.734 metric tons of ingot during the financial year. It has also created a record in producing 50/65 M.M. billet in the same period.

CSO: 4220/7408

DACCA SET ON BETTERING CONDITIONS IN CHITTAGONG HILLS

Dacca THE BANGLADESH OBSERVER in English 17 Jul 81 p 1

[Text] Ramgarh July 16:--Mr. Aung Shwe Prue Chowdhury Minister of State for Food said here on Monday that the present Government was determined to improve the lot of the people of Chittagong Hill Tracts according to a PID handout.

He was addressing a public meeting at Ramgarh. The Minister of State said that the Government was aware of the problems of the people of this area and all out efforts were being made to solve them.

He called upon the people to be united and stressed the need for their co-operation with the Government to implement the massive uplift plan initiated during the tenure of the late President Ziaur Rahman.

In this context the State Minister pointed out that a good number of food godowns would be constructed in Chittagong Hill Tracts. Of these eight godowns have already been completed and another 10 godowns are nearing completion he added.

Earlier the Minister of State visited a newly constructed food godown here and said that this would help maintain a good food stock in the area.

CSO: 4220/7408

REPORT ON 'CARNAGE' IN CHITTAGONG HILLS DENIED

Dacca THE BANGLADESH OBSERVER in English 17 Jul 81 p 1

[Text] The Bangladesh Government on Thursday dismissed as "grossly misleading baseless and mischievous" Indian Press reports that hundreds of tribal people had been killed during a three-day carnage in the Chittagong Hill Tracts from June 25 last.

A spokesman of the Home Ministry also denied that a large number of tribal people had left their hearths and homes and crossed over to India.

The spokesman told BSS that no incident had taken place in Chittagong Hill Tracts which might lead to a large-scale exodus of tribal people to India.

He said the local law enforcing authorities took certain steps against miscreants who had earlier attacked peaceful settlements in Bandarchara, under Matiranga Police Station killing 15 non-tribals and injuring many others. As a result of these measures, he said the miscreants might have crossed the border in an attempt to escape punishment.

When attention of the government drawn to the Indian Press reports the spokesman said as a matter of fact, the local law enforcing authorities had taken certain steps against miscreants who had earlier attacked peaceful settlements in Bandarchara, under P.S. Matiranga, killing 15 non-tribals and injuring many others. As a result of these measures, the miscreants might have crossed the border in an attempt to escape punishment and a few tribal families might have also followed suit in panic.

Government wishes to make it clear that innocent people have not been harassed and no tribesmen have been killed. The Local Administration have since taken adequate measures for the return and rehabilitation of those who had left and sought the cooperation of the Indian Border Authorities in this matter."

CSO: 4220/7408

ACTING PRESIDENT SENDS GREETINGS TO IRAQ

Dacca THE BANGLADESH OBSERVER in English 14 Jul 81 p 1

[Text]

Acting President Mr. Justice Abdus Sattar has sent a message of felicitations to President Saddam Hussain of Iraq on its National Day, says a PID handout.

In his message, the Acting President said the people of Iraq and Bangladesh are bound together by fraternal ties based on shared history, culture and religion and their relations are characterised by deep friendship and cooperation.

Justice Abdus Sattar hoped that the fraternal relation so happily existing between Bangladesh and Iraq would further expand and consolidate in the years ahead. The Acting President also conveyed best wishes for the long life, health and happiness of President Saddam Hussain as well as for the peace, progress and prosperity of the brotherly people of Iraq.

Following is the text of the message:

"On the auspicious occasion of the National Day of the Republic of Iraq I have great pleasure in extending on behalf of the Government and the people of Bangladesh and on my own behalf, our sincere greetings and felicitations to Your Excellency and the brotherly people of Iraq.

"The peoples of Iraq and Bangladesh are bound together by fraternal ties based on shared history, culture and religion and their relations are characterised by deep friendship and cooperation. I am confident that the fraternal relations so happily existing between our two peoples will further expand and consolidate in the years ahead.

'I avail myself of this opportunity to convey my best wishes for Your Excellency's long life health and happiness and for the peace, progress and prosperity of the brotherly people of Iraq.

'Please accept, Excellency the assurances of my highest considerations".

CSO: 4220/7400

ANNUAL BUDGETS SHOW LOSSES IN SECTOR CORPORATIONS

Dacca THE BANGLADESH TIMES in English 14 Jul 81 pp 1, 8

[Text] The annual budget estimate of various sector corporations shows that while the productive sector and financial institutions are making steady progress, commercial, trading and transportation sectors are incurring heavy losses.

The ten productive sector corporations had earned a profit of about Tk 92 crore during 1980-81, while eight commercial and trading sector corporations incurred a loss of Tk. 7.21 crore and five transportation sector corporations entailed a loss of about Tk. 12.55 crore. On the other hand, 12 banks and financial institutions (Insurance Corporations excluded) had earned a profit of Tk 77.94 crore during this period.

All the 10 productive sector corporations, however did not do well during the period under review. Bangladesh Textile Mills Corporation and Bangladesh Mineral Exploration and Development Corporations proved to be losing concerns.

During 1980-81, the BTMC incurred a loss of Tk. 8.50 crore while the amount of loss by BMEDC was Tk 2.15 crore. While the budget estimate of BTMC for 1981-82 had proposed to reduce the loss to Tk. 4.90 crore, the loss of the other Corporation would increase to Tk. 4.99 crore.

BJMC

Among the productive sector corporations the highest amount of profit Tk 40.14 crore was earned by the Bangladesh Jute Mills Corporation (BJMC) during 1980-81. During 1981-82 the profit of the Corporation has been estimated to come down to Tk. 33.06 crore.

The BJMC was followed by the Bangladesh Sugar and Food Industries Corporation and Bangladesh Steel and Engineering Corporation. During the period under review, these two Corporations earned Tk 29.66 crore and Tk 14.77 crore respectively as profits.

BSFIC

During 1981-82, the BSFIC is expected to raise its profits to Tk 34.10 crore while the BSEC expects to earn a profit of Tk. 23.95 crore. The Petrobangla which earned a profit of Tk. 12.81 crore last year is expected to earn Tk 16.58 crore this year.

Bangladesh Small and Cottage Industries Corporation has come forward with a deficit budget this year. During 1980-81, the Corporation earned a profit of Taka three lakhs while this year the budget estimate shows that it would incur a loss of Taka 21 lakhs.

Bangladesh Forest Industries Corporation had earned a profit of Tk 3.03 crore last year. This year, it expects to increase the profit to Taka 4.43 crore.

FFS Trust

Bangladesh Freedom Fighters Welfare Trust is yet another corporation which had forecast loss this year.

Last year, the Trust had earned Taka 60 lakhs as profit but this year the loss has been estimated at Taka 48 lakhs.

Losing Concerns

Among the eight commercial and trading sector corporations, the Bangladesh Jute Marketing Corporation incurred the highest loss Taka 11.50 crore and it was followed by its another sister corporation Bangladesh Jute Trading Corporation which suffered a loss of Taka 5.20 crore during 1980-81.

The budget estimate of both these Corporations for 1981-82 shows that both of them had proposed to slash down its loss this year. The Jute Marketing Corporation would suffer an estimated loss of Taka 3.37 crore while the BJTC's deficit had been estimated at Taka 3.14 crore.

BJEC

Bangladesh Jute Export Corporation had earned a nominal profit of Taka nine lakhs last year. This year the profit has been estimated at Taka six lakhs showing shortfall of Taka three lakhs in its estimated profit.

Parjatan

Bangladesh Parjatan Corporation is yet another losing concern for the Government in this sector. The BPC entailed a loss of Taka 1.57 crore during 1980-81. This year, the estimated deficit has been shown at Taka 1.15 crore.

BPC

Bangladesh Petroleum Corporation has, however, come forward with the largest deficit budget in this sector. Last year the Corporation had earned a profit of Taka 8.02 crore while this year it had proposed a loss of Taka 39.95 crore.

BFDC

Bangladesh Fisheries Development Corporation suffered a loss of Tk. 48.98 lakhs last year. This year, the Corporation has proposed to overcome the loss and expects to earn a nominal profits of Tk. 5.51 lakh.

COSCO

Bangladesh Consumers Supplies Company limited had earned a profit of Tk. 24 lakhs last year while this year the profit has been estimated at Tk. eight crore.

TCB

In this sector, the Trading Corporation of Bangladesh is the only worthwhile profitable organisation. The TCB had earned a profit of Tk. 2.60 crore last year. This year it has estimated a profit of Tk. 3.92 crore.

Biman

Among the five transportation sector corporations Bangladesh Biman had incurred the highest amount of loss last year amounting to Tk. 14.36 crore. The budget estimate for 1981-82 shows that it would incur a loss of Tk 27.02 crore this year, almost doubling the amount of loss.

BRTC

Bangladesh Road Transport Corporation (bus division) is yet another big losing concern in this sector. Last year, it had incurred a loss of Tk seven crore and this year the amount of loss has been estimated to go up to Tk. 12 crore. The Truck Division of the BRTC which had earned a profit of Tk 64 lakhs last year is also expected to earn lesser profit this year Tk. 25 lakhs only.

BIWTC

Bangladesh Inland Water Transport Corporation is yet another losing concern. During 1980-81, the Corporation had entailed a loss of Taka 4.10 crore and this year the loss has been estimated at Taka 3.77 crore.

BSC

Bangladesh Shipping Corporation is the largest profit earner in this sector. The Corporation had in its credit a profit of Taka 12.27 crore last year while this year it expects to increase the profit to Taka 15.39 crore.

Banks

During 1980-81, the banks and financial institutions in public sector had earned a profit of Taka 177.94 crore. They have estimated to earn Taka 195.45 crore as profit this year. None of the 12 banks and financial institutions is a losing concern.

CSO: 4220/7401a

SOVIET, POLISH TRADE REPRESENTATIVES TALK TO PRESS

Dacca THE BANGLADESH TIMES in English 16 Jul 81 pp 1, 12

[Text] Bangladesh's trade relations with the Soviet Union and other East European nations were "favourable and mutually beneficial."

This was stated by representatives of the Soviet Union and different East European countries at a Press conference at the Cultural Centre of the USSR Embassy in Dacca on Wednesday.

Mr S. Lotosky, Deputy Trade Representative of the Soviet Union in Bangladesh told newsmen that his country's trade with Bangladesh under barter agreements had been favourable to Bangladesh.

The turn-over of trade between Bangladesh and Soviet Union was to the tune of 47 million roubles (72 million US dollars). The goods included jute jute cloth and bags, wet goat skins and tea from Bangladesh side and oil products, raw cotton, steel billets etc. from the Soviet Union.

Mr Lotosky said that under the trade protocol for 1981 the volume of trade would be increased by 30 per cent.

Asked if the prices of oil products like diesel and kerosene purchased by Bangladesh from the Soviet Union last year were higher than the world market prices Mr Lotosky said that prices were based on international market.

The representative of Poland Dr Jerzy A. Zak, Commercial Counsellor of Polish Embassy said that during the last four years turnover of exchanges of goods between his country and Bangladesh increased by almost tenfold. The goods exchanged included tea, raw jute from Bangladesh and copper, C.I. sheets, MS billets from Poland. He said that Poland was the largest buyer of Bangladesh tea which was becoming very popular among the Poles. Last year Poland purchased packet tea worth one million US dollar.

CSO: 4220/7405

PROBLEMS OF REDUCING IMPORT-EXPORT GAP EXAMINED

Dacca THE BANGLADESH OBSERVER in English 15, 16 Jul 81

[Article by Prof. Shamsul Huda]

[15 Jul 81 p 5]

[Text] The new import Policy for 1981-82 envisages a total allocation of Taka 2950 crore as against the provision of Taka 2600 crore for 1980-81. The increased allocation, according to the State Minister in charge of the Ministry of Commerce Chowdhury Tanbir Ahmed Siddiky has been made with the aim of ensuring the wider availability of imported goods in the market for maintaining price. We cannot, however exclude the factors like rising import prices and the provision to issue licences to the newcomer in import trade while highlighting the increased allocation of Taka 350 crore.

The new Export Policy for 1981-82 has set the target of export earnings at Taka 1500 crore for the year as against the anticipated level of foreign exchange earnings through export at Taka 1200 crore in 1980-81. It may be mentioned that the Export Promotion Bureau earlier recommended an export target of Taka 1325 crore for 1981-82 in view of the protectionist policy of the developed countries and less optimistic trend in the demand for export and export prices and the supply situation of exportable commodities Government has set the export target at Taka 1500 crore and announced a number of practical promotional measures to reach the target.

The import-export gap for 1981-82 stands at Taka 1450 crore. From 1973-74 to 1980-81 the adverse balance of trade amounts to Taka 9480 90 crore. Considering the refixation of exchange rate of Taka the value of our exports during 1980-81 in real terms is comparable to that of 1976-77.

Exports constitute the life-blood of our economy. Government is providing incentives to increase exports. Nevertheless exports are rising fast and imports are rising faster. This imbalance must be reduced progressively. We cannot afford to remain complacent about valuewise rise in export earnings. We must go all out for increase in our exports in terms of value, quantum and quality.

It is strongly felt that the surest means of bridging this gap is to ensure optimum utilisation of the production capacity of the export oriented industries,

lion's share of which is in the public sector. For ensuring optimum production the individual units of the nationalised sectors should be given annual production and export targets and all possible steps should be taken for implementation. Private non-manufacturing exporters and export oriented industries sector which have lot of expertise and initiative should be given the facilities in the shape of increased incentives like establishment of Export Bank special rate of interest, concessional customs and freights simplification of export formalities, guarantee of adequate shipping space effective enforcement of Export Credit and Guarantee Scheme, gradual broadening of the Coverage of XPL, enhanced XPL benefits diversification of exportable items and supply of regular power at cheap rates. These measures would help make our exports competitive and add to the export earnings. In this connection it may be pointed out that while formulating export policy the domestic production and requirements of exportable items should be thoroughly looked into. A comprehensive action programme should be taken to produce non-traditional items in the fields and factories on commercial scale on the basis of their export potentiality and survey of markets.

The practical constraints to better export performance are inadequate export supplies in respect of all the major products except raw Jute and tea and insufficient shipping facilities which disrupt the delivery schedules of export products. This results in shortfalls in the volume of exports of all the major products except raw Jute and tea. The shortfall in raw Jute is due to slackness in foreign demand and shipping delays.

Incentives

In order to promote exports previously it was the system that Government would provide incentive to the extent of 40 per cent cash but subsequently it was changed to XPL. This XPL limit has been raised varying from 40 per cent to 60 per cent against different exportable items. By this exporters are benefited by 10 per cent to 15 per cent only by sale of imported goods or Licence as the case may be. By this they can reduce the export offer by 10 per cent to 15 per cent only. This is not at all competitive with the similar items of other foreign countries like China, the Philippines, India etc.

Some of the countries like India offer cash subsidy on some exportable items to give incentive in increasing exports of some articles and succeeded in their scheme beyond expectation. In our country also cash subsidy may be given on handicrafts and non-traditional articles. This will surely produce very good result and the exporters also will devote whole-heartedly to export as much as possible and the earning of foreign currency also will increase. It is, therefore, suggested that 25 per cent cash subsidy may be given in case of handicrafts and non-traditional items and in case of other items the rate of XPL be increased to 60 per cent for achievement of better results.

Export Guarantee Scheme: There is an Export Credit and Guarantee Scheme introduced by the Sadharan Bima Corporation, but banks are allegedly hesitant to advance money against the policy issued by the Sadharan Bima Corporation. As a result exports suffer greatly and the exporters feel discouraged.

The nationalised commercial banks are financing in a very limited manner the small exporters of non-traditional items against pledge or hypothecation of

of stocks; their advances are made after deducting 30 per cent to 40 per cent margin on the basis of procurement/production cost.

Banks advances are also being covered under ECG Scheme at the cost of the parties i.e. debiting the parties account. Banks are covering under ECG Scheme to the extent of their advances and interests on such advances and interests only ignoring the parties 30 per cent to 40 per cent margin part.

So in case of non-execution of export or damage of the stock, the banks' risk part is covered by insurance money whereas the small shippers are losing 30 per cent to 40 per cent (the margin amount deducted by the banks) which is not covered under the same ECG Scheme. Thereby the small exporters are losing a substantial part of their capital and are automatically discouraged to continue the export business.

Government should issue directive to the Sadharan Bima Corporation (SBC) and the Banks that they should also cover the entire risk against ECG Scheme for the benefit of the shippers and the greater interest of export. This will also help the banks and the SBC to minimise their calculations and procedural formalities.

Export Bank: An Export Bank badly needs to be set up to deal with the specialised type of financing of the exporters. Pending this, adequate export financing for the exportable commodities should be made available to the exporters from commercial banks and an office of Bangladesh Bank should also be established to look after the system and to take prompt action as and when needed.

Some of the Commercial banks should be authorised to deal with foreign exchange directly without going through any other branches.

Banking Facilities: Adequate and proper banking facilities should be provided to our exporters on easy and normal terms and conditions for expediting the release of export documents. In the context of world economic recession present rate of interest charged by banks from export units should be brought down to a reasonable level to boost up exports. Uniform practices should be adopted by all the banks in respect of financing export trade. Enhancement of loans by BSB, BSRS and ICB for the import of capital machinery and high interest on cash credit facilities by commercial banks are handicapping the export oriented industries. There should be special rate of interest for export oriented industries.

Adequate Shipping Space Required: Exporters are facing difficulties in getting shipping space to foreign ports. Proper arrangement should be made with shipping companies specially with Bangladesh Shipping Corporation for adequate shipping space for exportable goods to gulf countries and USA Ports.

It may be mentioned that due to difficulties of shipping space and high freight rates our exports to Middle East have come down to 12.70 per cent in '79-80 from 15.4 per cent in 1975-76. On the other hand, India's exports to Middle East rose by 3 to 4 times. So, concessional promotional freight rates should be introduced to boost export of non-traditional items in the gulf area.

Container and Storage Facilities: Adequate container facilities should be arranged in Chittagong and Chalna ports for the promotion of exports.

There is good prospect for export of perishable commodities in the foreign market. But due to non-availability of storage facilities at the port area and lack of refrigerated vessels, export of these item is being seriously hampered.

To boost export of perishables Government should take necessary steps in providing cold storage facilities and freeze vessels. It is also imperative to set up more godowns so that the exporters are enabled to store goods for exports.

The rate of godown rent in port area for export commodities is high. Concessional rate should be introduced.

Setting Up of Quarantine Offices: It is long felt demand of the exporters for setting up of quarantine offices in different districts with a view to facilitating the exporter to collect quarantine certificate locally. At present exporters have to move a lot to collect certificates which is time consuming and involves additional expenses.

To redress the grievances of the exporters and to boost up export it is better to set up quarantine offices at district level.

Scale Measurement: It is reported that while carrying exportable goods by road a scale is set near Chittagong where more than five tons of goods are restricted to be carried by any kind of transport. This system should be abolished to carry exportable goods by road to the port.

Ferry Services: Ferry Services in the country are still in a backward position and a time consuming factor for exporters to transport exportable goods to the port. Necessary steps should be taken in this connection to improve ferry services for quick transportation of exportable goods. Until such time the number of ferry services is increased, the vehicles carrying export cargoes should be given priority for immediate transportation.

Reorientation of Trade Offices Abroad: Incentives to the exporters should be supplemented vigorously by our trade offices abroad. Before being posted abroad the concerned officers should have intensive training and orientation that they will have to act as our salesmen. They must also be given annual export quota and its fulfilment is to be ensured. Personnel recruitment for the trade office/commercial section of the embassies should also be made from the private sector to make our export drive more meaningful. We like to see our trade offices and commercial section of the embassies converted into sales cum trade information offices in the real sense of the term.

High Powered Committee: To look after the difficulties/problems of export and to take immediate remedial measures for promoting export trade of the country, a high powered committee be constituted with the representatives from the concerned organisations/Government departments. These may include the Ministry of Commerce, Export Promotion Bureau, Bangladesh Bank Shipping Corporation, Chief Controller of Imports & Exports, Customs Authority, Board of Revenue, Bangladesh Biman Bangladesh Railways, Insurance Companies, representatives from the Chambers of Commerce and Industry.

[16 Jul 81 pp 5, 6]

[Text] To facilitiate diversification of export market, the Export Promotion Bureau shoud undertake frequent itemwise market survey like readymade garments, processed/preserved fruits and vegetables, paper and converted paper products hosiery products, specialised textiles, handicrafts leather and leather products, Jute wall coverings/ furnishings, molasses, rugs and carpet etc. and country-wise survey particularly of Saudi Arabia, Iran, Kuwait, Iraq Qatar and other Middle and South East Asian countries and circulate the results of survey to the exporters through the Chambers of Commerce. Survey should be kept up to date from time to time.

Increased Allocation for Business Trips: The present provision of 1 per cent of the export earnings with maximum allocation of $3000 for business trip irrespective the quantum and value of exports, made by an exporter is inadequate in view of worldwide inflation. To develop wider business contacts and explore markets, the percentage of allocation for business trip should be increased generally from 1% to 2% of export earnings up to certain target and the existing maximum quota should also be increased. But after achievement of certain target, the percentage of allocation of business trip for export marketing should be increased proportionately to the value of export earnings without maximum ceiling. This amount earmarked for business trip should be allocated to the exporters as blocked accounts in the authorised Bank to avoid the formality of seeking permission from the Bangladesh Bank for foreign exchange for every visit.

Concept of General Trading Company: In South Korea the concept of export trading house known as GTC (General Trading Company) has been developed. This helps to increase export earnings to a very substantial amount. After meeting a certain target of export, the Government recognises particular trading house as GTC. After their enlistment as GTC they get preferential treatment for export promotional travelling communication facilities, export financing and many other facilities. Recognition by Government as GTC is considered as a great honour.

The idea was to certain extent borrowed from the Japanese Export houses known 'Shogo Shosha'. In Taiwan and India they are developing the idea of special export houses. Our Government should also adopt some steps on the line.

Export Problems of Garments Industry: Garments industry is one of the highly export-oriented industries. Both Director, Textiles and CCI&E have accorded their recommendation for issue of block licence as per allocation to different units. Bangladesh Bank however is not in a position to authenticate all the licences in view of foreign exchange allocation constraint. The objective to issue block licence is therefore being frustrated.

Exporters should be able to obtain authentication against recommended licences from Bangladesh Bank on priority basis.

Necessary allocation may be made available to Bangladesh Bank to facilitate issue of licences properly.

Now block licences have been issued on the recommendation of the Director, Textiles. But even after recommendation import licence could not reportedly be

issued in many cases because of shortage of funds. Sufficient fund should be earmarked for the export oriented garment industry, so that required licences may be issued on priority basis after due recommendation from the Director of Textiles.

Shipment of Garments: Export of garments is reportedly facing problem due to shortage of cargo space in Bangladesh Biman. Government has so far sanctioned about 40 ready made garments industries which need approximately 3,500 tons of cargo space per annum. The space availalbe with Bangladesh Biman is far short of this requirement.

In view of the possibilities of big volume of cargo movements in coming years, Biman may be asked to place at least one weekly cargo flight to Europe and similarly Bangladesh Shipping Corporation may be asked to carry at least a few containers suitable for carrying garments on their sailings to Europe and U.S.A. The merchant fleet of the BSC needs to be strengthened on priority basis.

Training: The total estimated work force requirement of the readymade garments industry so far sanctioned, is around 20,000 of which 80 per cent would be female workers. Inadequate supply of trained workers has already created problem even at this stage when only 3 per cent of the sanctioned units have come into operation.

In line with other technical and vocational training schemes Government should extend proper facilities for training male and female youths in modern garments manufacturing techniques. Specialists in design cutting stitching and maintenance may be invited from abroad under UNDP/UNICEF or other international technical aid programmes.

Export of Reptile Skins: In order to increase export earnings liberal policy should be adopted by withdrawing the restriction on the private exporters to export reptile skins. Let there be option on the part of the shippers to avail the facility ot TCB services or arrange export themselves directly. This will also help develop competition and will expedite export execution.

Export of Jute and Leather: To compete with the other exporting countries and to increase our export, adequate incentives should be given to the exporters. This will help achieve our export targets and increase foreign exchange earnings. For this duties on the export of raw jute and jute goods should be substantially reduced and freights subsidised, so that the exporters can compete with the neighbouring countries in the overseas markets. When foreign exchange earnings will increase, Government can make up the loss in duties through reasonable taxation of the increased income of the exporters.

Simultaneously, technological research on versatile uses of jute, particularly low grades which have created a problem of disposal should be strengthened. This will help the promotion of jute-based industries and the country's capacity to earn valuable foreign exchange will be considerably increased. In this connection it may be mentioned that out of the 1980-81 raw jute export target earnings of Tk. 287 crore export earnings stand at only Tk. 127.16 crore during July 80 to Feb. 81 as against the target of Tk. 211.37 crore for the same period. Jute goods (all sorts) having annual target of Tk. 678 crore earned Tk. 389.93 crore

during July 80 to Feb 81 as against target of Tk. 417.81 crore for the same period. Similarly tanned/semi-tanned leather having 1980-81 target of Tk. 140 crore and proportionate target of Tk. 83.39 crore for July 80 to Feb. 81 accounted for export earning of Tk. 62.03 crore only during the same period.

Export of Other Non-traditional Items: Turtle is an exportable item. It has great demand outside of Bangladesh. With greater activities of cargo section of Biman, it could be exported in large quantity. Arrangements should be made that Biman ensures sufficient space by arrangements with exporters. These items should be covered by insurance and this item should be under XPL list. Monkeys are abundantly available in our country particularly in Madhupur Garh, Chittagong Hill Tracts and the Sunderbans. These animals come from Nepal, North East India and pass on to Burmah via Bangladesh. We can export some limited quantities every year through local entrepreneurs.

Projects of monkey breeding should be set up as 100 per cent export oriented industry. Export of monkey should be introduced again in a limited manner. For breeding project, trapping permission and required land is to be provided by the government.

The private entrepreneurs should be allowed to set up breeding firms for lizards and crocodiles for export purpose. Crocodile skin is a costly item and it has great demand in the international market. We can utilize the mechanical know-how of our neighbouring countries like Thailand, Malaysia for developing these firms, as they are quite successful in establishing such breeding firms and earning a huge amount in foreign exchange by exporting crocodile skin.

Aggressive Strategy: The present situation needs the adoption of an aggressive export promotion strategy and its implementation by all possible steps. The strategy has to concentrate particularly on (a) an investment programme for ensuring fuller utilisation of existing production and creating new production facilities in both the agricultural and industrial sectors and (b) a determined bid to attract foreign investment in export oriented ventures through well-planned investment and publicity promotion programmes. The publicity programmes abroad which appear to be poor according to the impressions as given by the foreign trade and industrial delegations should highlight the existing and potential export infrastructure facilities and prospects and the assurance of security for foreign investment. For this political stability and peace in the labour front are necessary pre-conditions.

The suggestions as discussed in this article if implemented would provide the momentum that the export sector needs to effect a major breakthrough in export growth and development.

Import Substitution: Along with export promotion drive import substitution in all possible fields of economically viable projects has to be vigorously pursued. Import of all luxury goods should be banned. Our economy has become too much import-oriented as a result of which our local industries are languishing. The present slogan should be: good or bad our country our products. This will help minimise the volume of imported goods. Political leadership has to give strong lead in this direction. Industrialists must resist the temptation of reaping the benefit of having a sheltered market by keeping the prices at reasonable level and maintaining the standard of quality goods. The National Standards

Institution (NSI) has a great role to play in this connection. The Institution appears to have failed to play its role properly so far. The NSI should be strengthened to enforce quality control regulations in the greater interest of the country.

Industrialists Duty to Society: Our industrialists are expected to serve the cause of society by passing the benefits of industrialisation on to the consumers in the shape of lower price. For example we have observed with surprise that locally produced electric fans were selling at a very high price recently. But when foreign fans were becoming available at cheaper price, local producers of fans willy-nilly reduced their prices and were demanding protection. Our question is if they could slash the prices of fans down later on why couldn't they do it earlier? However, as consumers we very much want that our industries thrive in a meaningful way without causing hardship to consumers. Reasonable profit and not profiteering should be the guiding principle of the industrialists.

Optimum Use of Gas as Fuel: Last but not the least, it can not but be pointed out that import of oil used as fuel involves several hundred crores of taka in foreign exchange every year. Our import bill could be minimised substantially if optimum use of our natural gas could be made for the purpose as fuel. Government should give more adequate attention to this aspect.

CSO: 4220/7403

WORLD BANK ASSURES DACCA OF CONTINUED SUPPORT

Dacca THE BANGLADESH OBSERVER in English 16 Jul 81 p 1

[Text] The visiting World Bank Vice President Mr William David Hopper had his first round of discussions with Mr. M. Saifur Rahman Minister for Finance at the latter's office at the Secretariat on Wednesday morning reports ENA.

During the meeting, they discussed wide ranging issues including prices and credits connected with the macro economic management and financing of development programmes of Bangladesh an official handout said.

Mr. Saifur Rahman asserted that Bangladesh shall make every endeavour to successfully implement the policies of the Late President Ziaur Rahman particularly his development priorities will be strictly followed.

The Finance Minister emphasised the need for more commodity and programme assistance.

Mr Hopper expressed his satisfaction over programme and policy implementation of Bangladesh and expressed the hope that Bangladesh would make every effort to retain development momentum and spirit generated by the dynamic leadership of President Zia.

The World Bank Vice President assured the Finance Minister of the Bank's continued and enlarged support.

In this connection he said that the difficulties now being encountered by the developed countries emphasised the need for increased efforts towards self reliance by the developing countries.

During the discussions Mr M Syeduzzaman Alternate Executive Director of the World Bank and Mr A. M. A. Muhith Secretary External Resources Division were also present.

The World Bank Vice President later had a meeting with the Minister for Planning Dr Fasihuddin Mahatab and Members of the Planning Commission at Sher-e-Bangla Nagar.

At noon on Wednesday Hopper laid a floral wreath at the mazar of President Zia to pay homage to the great leader of Bangladesh.

Planning Minister Dr. Fasih Uddin Mahatab on Wednesday said the draft Second Five-Year Plan will be finalised by September this year.

Dr. Mahatab was talking to newsmen after a four-hour discussion with Vice-President of the World Bank Dr. David Hopper who flew in Dacca on Tuesday.

The Planning Minister said he had informed Dr. Hopper that despite readjustment in certain sectors of the Second Five-year Plan in the process of finalisation the policy priority targets and strategy of the important sectors such as food production and primary education will remain unchanged. He also said that the Government is determined to sustain the vigour and spirit in the implementation of the Second Five-year Plan.

Alternative Executive Director of World Bank Mr. Syeduzzaman and acting chief of the World Bank Mission in Bangladesh Mr. Allen Dennes and members of the Planning Commission were also present during the meeting.

Dr. Mahatab said they also had a review of the implementation of the Second Five-year Plan vis a vis the funding of projects in different sectors. The Planning Minister said Dr. Hopper has expressed happiness at the progress of the implementation of the Plan.

The Minister said they also discussed Bangladesh's export performances in 1980-81 during which the export receipts of the country declined compared to the previous year.

Dr. Mahatab said the World Bank Vice-President appreciated the problems facing Bangladesh in boosting exports because of "recession in the Western countries".

CSO: 4220/7403

WRITER AFFIRMS RELIABILITY OF 1981 CENSUS

Dacca THE BANGLADESH OBSERVER in English 5, 6 Jul 81

[Article by Dr. Ghyasuddin Ahmed]

[5 Jul 81 p 5]

[Text] The Preliminary census results have been announced the other day. Many questions are raised now as to the degree of its reliability and validity. This is normal because collection of statistical data, in any country, is a very difficult task. This is more so in the underdeveloped world. The main sources of error in the collection of any data is the non-sampling error. The non-sampling errors occur from respondents as well as from the interviewers. On the side of the respondents the errors usually occur from intentional mis-reporting of facts and from lack of cooperation and understanding of the questions asked. On the part of the interviewers the errors again occur from intentional or unintentional sources. The former happens due to reluctance of the interviewers to do the field work which is a difficult task. The latter happens due to improper training.

When any data are collected in our society many become skeptic about them--especially in their reliability and validity. One has reason to be doubtful since many data collectors use improper methods and fill in the questionnaires without going to the field. This sort of things happen when there is no proper supervision in the field. Supervision from each higher level is a must in order to collect quality data. When supervision is lacking you are not likely to get quality data.

Reliability of 1981 Population Census

Since the author was involved in the supervision of Population Census 1981 many asked him how authentic are the data. The answer to this question is, never in the history of this country that a better census was conducted before. One may feel that since the author himself was involved in the work he must say that his own and his colleagues works were good. The author would like to inform the valued readers that he appreciates only that which deserves appreciation. As a professional one must not hesitate to admit the facts and the author is doing that.

Let us come back to our discussion. The author has the following basis to support the views that this year the census was conducted most efficiently. Some

of the reasons for this was reflected in another article of the author published on March 6, 1981 on the eve of Population Census 1981. We will just touch few of those points here before discussing the experiences of Census 1981 enumeration.

The supervisory network was well designed during this year's census. The Statistics Division provided field personnel up to thana level and at times a large thana was divided into more than one zone. The form was simple to collect the required data. The local people were recruited to do the job. Unlike previous years the enumeration work was done by non-primary school teachers. According to the original plan the primary school teachers were supposed to do the actual enumeration in most cases and when there was any shortfall of teachers the unemployed youths should have done the job. However since the primary school teachers went on strike for indefinite period prior to the census it was decided to employ more educated unemployed youths and high school teachers to do the job.

However lots of opposition started coming from different quarters regarding the use of unemployed youths. Many remarked that they will not perform well. Many in fact remarked that it would be difficult to collect the census materials back from them. Ingnoring all such oppositions the field personnel went on recruitng many unemployed youths for census enumeration. Most field personnel were also doubtful about the use of such youths but they did not have options to get rid of them since it was difficult to find the required number of educated enumerators who could do the job properly in many localities. With due caution many unemployed youths had been selected and trained to do the census work.

Performances of the Unemployed Youths

The day of enumeration came. The author was in Khulna and went out at midnight on 5th March 1981 to supervise the enumeration of floating population along with other officials there.

Like others, he was also doubtful that the enumerators may not come out at the dead of the night but he was surprised that everywhere that he went he found a group of enthusiastic young men along with their supervisors and trying to locate floating population in that city. At night he gave several rounds throughout the city--specially the important areas where members of floating population were likely to spend their nights like railway stations bus launch and steamer terminals and also various ghats of the river Rupsa. Everywhere that he went, throughout the night he found the enumeration work was going on smoothly. Other spots like hotels and rest houses including the circuit houses where floating population stayed were also covered during that night. The author was overwhelmed to find such enthusiasm among enumerators and supervisors.

Also, during the enumeration of non-floating population between March 6-8, 1981 special enthusiasm was observed in every place that the author visited. The author covered three districts of Khulna, Jessore and Kushtia during these days and all along enquired as to whether the enumeration work was progressing or had been completed on March 8 1981.

During the entire census period the author covered more than thirty thanas of these three districts and was highly pleased to see that the Census enumeration was done with maximum satisfaction of the supervisors.

By March 7, 1981 most of the enumeration work was completed. On that day the author was in Jessore and physically checked several blocks of the district town as to whether the enumeration work has either been completed or being completed. In most of the blocks the work was almost completed and almost all the residents asked reported that they have already been enumerated except in one place where the enumeration work was still going on. And in another place where the enumeration was completed only one resident of the area reported that his house was left out of count. At that point the local officer was instructed to locate the enumerator of that area and count that household.

On the 8th and 9th March 1981 the author was in Kushtia. By that time the enumerators started returning the filled in census questionnaires. There was large crowd around each Thana Statistician's Office. While checking some of the questionnaires in one thana it was found that the Malaria Household No. was missing in most of the questionnaires checked. It looked abnormal since the Malaria household nos. can be located in at least 70-80% of the rural households. Therefore the author decided to check that enumeration area and asked the supervisor to accompany him. The completed census questionnaires were also taken. But when they went to the area each and every resident of that area reported that he/she was counted. They checked some households questionnaires and found that the enumerator did not bother to find the Malaria household nos. which were written in some difficult places otherwise the count was done in all the households.

The marking of each household by chalk was worth mentioning. Everywhere one went could see the chalk mark which signified that the count has been completed.

[6 Jul 81 p 5]

[Text] The general public was very enthusiastic about the census count. On the evening of 8th March '81 the author was checking in Daulatpur area of Khulna as to whether census work was being carried out properly there. Many people stated that population of the other side of the road had been counted but they were left out. They were assured that the enumerator would visit them within next two days and if, somehow they were left out, the officer responsible to supervise that area was asked to check back again as to whether those people were counted or not. The census publicity materials seemed to be quite effective.

Ask Yourself: When any question of reliability and validity regarding this year's census comes in your mind please ask yourself and people around you whether you all were counted this year and compare it with the previous one. Many of you will find the answer to the question of reliability by doing this.

Enumeration Done While You Were Away: Many complained during and after the enumeration period that the enumerators visited their homes when either the head of the household or the entire family was away. In such a case the counting was done through other members of the household or through the neighbours. This latter case occurred mostly in urban areas. The census holiday (March 7, 1981) took many residents away from their working places to their homes. Many of these transient people were unwillingly dropped out of the count and many were counted through the neighbours' information.

These factors clearly suggest that as far as the head count is concerned, which is the most important factor in population census, this year's count may be termed as excellent. But as for the other information like age, education and occupation, are concerned one should be cautious because gathering information in these areas is difficult and needs very exhaustive training to the data collectors. However those information would show rough trends. Only household surveys can produce better results in these areas since the data are usually collected by highly trained and skilled interviewers.

Conclusion

In conclusion it could easily be stated that this year's population count was very much reliable. The country should feel proud of having such a good census, which are usually unreliable in countries like Bangladesh. Many lessons have been learned from the experiences of this year's census and they are:

(a) The unemployed youths can be made very trustworthy, provided they are given responsibilities. Any neglect to them will make social problem more acute in the country. Plans must be taken to utilize their idle brain for constructive purposes. The experiences narrated here clearly show that when most local administrations, were skeptic about the utilization of unemployed youths' services, they had to change their opinion about such youths who have shown a great sense of responsibility in performing their role very well in the census of 1981. This tells us that they must be given some sort of responsibilities to make themselves useful for the society.

(b) When supervisory network is effective, the performances become very good. Everyone in hierarchical order must perform his/her supervisory role in order to make his/her subordinates more active giving proper guidelines in the hour of their needs.

(c) No holiday should be given for conducting census prefixing weekends since that sort of holidays are going to take many wage earners away from their usual places of residence and such people are likely to be undercounted. Though, in some cases the information have been collected from others the data gathered that way cannot be very reliable.

(d) The honoraria meant for the enumerators should be paid through cheques, as was done this year.

(e) Use of Mouza maps proved to be useful. The maps made for census should be preserved and copies made available to researchers, at a nominal cost, who may be interested to use them.

Mauza names may be used as the official village names, since maps are already available on that smallest geographic units. Where Mauzas are very large and spread over to more than one union/thana, measures should be taken to split them in smallest administrative units and new maps are made for such areas, redesignating them according to local names. Thoughts are on to make village maps but it will be very difficult do that since many a time two persons from one area may not agree on a common boundary. Furthermore, lots of money will be needed in making new maps, which to me look unnecessary since Mauza maps are already available for those areas.

(f) The Malaria Eradication Programme has made a very remarkable contribution in making Mauza maps and in identifying each household within the rural areas through these maps. These maps should be updated on routine basis and the nos. in the households should be the official identification numbers of the families residing there. Efforts should be made to make the nos. visible from outside very easily. These numbers will also be useful for other official purposes in relocating the households for such services as the health and family planning.

(g) It becomes a problem when you suddenly collect good statistics. This happens in the area of comparison--specially when looking at the changes over time. People become doubtful of the current data since they are only used with the previous data. One will find it difficult to explain the reasons for unexpected changes over time in this type of situation.

(h) The people should be told of the actual cost involved so that they are in a position to analyze the cost effectiveness of conducting the Census counting all the costs direct or indirect. The other day when the Director General Bangladesh Bureau of Statistics (B.B.S.) informed at the Press Conference that the total honoria paid to the enumerators and their supervisors was Taka 3 crore many got the idea about what was the total cost of the Census. Therefore, actual cost in conducting the census should be made known to the public.

The major head of direct and indirect costs incurred in the Census and which should be made known to the public category wise for cost effectiveness analyses are:

Direct Cost: (1) Census publicity; (2) Equipment; (3) Stationeries and supplies; (4) POL for vehicles and temporary staff recruited for vehicles; (5) Mapping operations; (6) Transportation of Census materials; (7) Contingency; (8) Honoraria to various groups of people involved and (9) Any other cost incurred directly.

Indirect Costs: (1) Salary of regular B.B.S. employees by number of man days engaged in actual Census operations; (2) The amount of T.A. and D.A. claimed by regular employees of B.B.S. from their respective wings; and (3) Any other costs incurred from the regular spendings of the B.B.S.

CSO: 4220/7315

ENCLAVE CENSUS-TAKING PROBLEM DISCUSSED WITH INDIA

Dacca THE BANGLADESH OBSERVER in English 9 Jul 81 pp 1, 8

[Text] The matter of Bangladesh officials passage to the country's enclaves of Dahagram and Angarpota for holding the census there has been taken up once again with the Government of India, a Foreign Office spokesman said in Dacca on Wednesday, reports BSS.

The spokesman expressed the hope that Bangladesh officials would soon be able to conduct the census in the two enclaves of the country without any hindrance.

The enumeration efforts of Bangladesh census officials were frustrated thrice since March 4 by the Indian nationals along the international border adjoining Rangpur.

The effort of the census team was first foiled during the nation-wide enumeration undertaken on March 4. It was foiled twice later on May 10 and again on July 6. This happened despite the arrangements done after discussions between the two governments.

Observers in Dacca feel that if the 1974 Land Boundary Agreement between Bangladesh and India had been implemented such unnecessary troubles could have been avoided between the two countries.

Under the agreement, Bangladesh is to get teen bigha--the corridor to the two enclaves as lease in perpetuity.

But the agreement could not be implemented owing to non-ratification of the agreement by India so far although, Bangladesh had ratified it in the very year of its signing.

CSO: 4220/7324

INDIANS REPORTEDLY FOIL ENCLAVE CENSUS-TAKING

Dacca THE BANGLADESH OBSERVER in English 7 Jul 81 p 1

[Text] Rangpur, July 6:--The third attempt of the Bangladesh Census officials to undertake the enumeration in the enclaves of Dahagram and Angorpota was foiled today by the Indian nationals along the Bangladesh India border adjoining Rangpur district.

The Bangladesh team which wanted to go to the enclaves for the census work after prior clearance by the Indian Government was attacked with arrows and spears by the Indian Government The Indian Border Security Force (BSF) failed to offer any protection to the members of the team who had to cancel their programme for the enumeration following the hostile move on the part of the Indian nationals.

The earlier two attempts made for the enumeration work in the two enclaves also could not succeed. The first attempt made in March last failed as the Indian Government did not allow the Bangladesh team to cross the passage along the border to reach the enclaves.

The second attempt, made on May 10 last, also ended in failure because of the hostile attitude of the Indian nationals along the border.

4 Hurt in Police Firing

PTI adds from Calcutta: Four persons received bullet injuries when the police opened fire to disperse a violent demonstration in protest against allowing a Bangladesh Census team safe passage by India through Teen Bigha into Bangladesh enclave Dahagram in Coochbihar District this morning for carrying out population count there.

Mr A. K. Sen Chief Secretary told newsmen here in Dahagram itself the Bangladesh team could not proceed beyond 100 yards inside because of massive demonstration there amidst angry slogans "you go back".

The team returned to Bangladesh at 1630 hours despite official instructions from the Government to complete the work.

Mr Sen said the demonstrators had attacked the police at Teen Bigha with bows and arrows and caused grievous injuries to two Police Inspectors. The police first lathi-charged and then opened fire to neutralise the demonstrators.

Mr A. R. Roy Pradhan MP and Mr Sada Kanta Roy MLA have been arrested for leading the demonstration at Teen Bigha.

Mr Sen said prohibitory orders under Section 144 CR PC had been clamped at Teen Bigha following the incident. The External Affairs Minister and the Home Minister had been informed of the incident Mr Sen said.

CSO: 4220/7319

DACCA POLICY ON SPARE PARTS IMPORTS CLARIFIED

Dacca THE BANGLADESH OBSERVER in English 9 Jul 81 p 8

[Text] Attention of the Government has been drawn to a statement given by an Association of owners of industries about the revised rate of import duty and sales tax on machinery and spare parts according to a PID handout.

It may be mentioned that during the past years many industrial units had been sanctioned and set up for manufacture of a variety of spare parts within the country. They are also given the facility of import of raw materials required for manufacture of spare parts. In view of this position there was hardly any justification to continue concessionary rate of import duty at 20 per cent and exemption of sales tax on imported machinery and spare parts. With a view to providing protection to the domestic engineering industries it was therefore, proposed in the budget for 1981-82 that the concessionary rate of duty on spare parts should be withdrawn for imports subsequent to initial installation. However in consideration of the points made by Members of the Parliament on both sides of the House during budget discussions the Finance Minister on his own, announced modification of the earlier proposal. A Note regarding the amended proposal was also circulated before the House and the revised proposal was passed by the Parliament. Under the revised proposal the concessionary rate of duty on spare parts etc. was fixed at 40 per cent along with normal sales tax whereas the normal rate of duty ranged from 50 per cent to 150 per cent along with sales tax. Therefore, even the modified proposal provides substantial concession on imported spare parts etc.

It is not correct that the representatives of the industries had discussion on the matter with the authorities concerned and had assurance for continuance of the concessionary rate of import duty including exemption from sales tax. On the other hand it is in the interest of the country that the domestic engineering industry should be given due protection against imported spare parts and the country should not perpetually be dependent on imported items. It is expected that the above clarification would remove all misunderstanding in the matter and place the matter in correct perspective.

CSO: 4220/7324

DACCA ASKED TO LIBERALIZE POLICY TOWARD JUTE TRADERS

Dacca THE BANGLADESH TIMES in English 16 Jul 81 p 3

[Text] Bangladesh Jute Association (BJA) has called upon the government to liberalise its policy towards the private jute traders so that they can operate in the market without any problem.

Addressing a Press conference at the National Press Club on Tuesday, the Chairman of the Association Mr Afazuddin Fakir said that it would not be possible for the private sector traders to engage themselves in the jute trade till government accepted their demands immediately.

The demands of the BJA included: (1) the jute mills should purchase the jute from the exporters which become surplus after exports (2) export duty on raw jute should be totally withdrawn (3) bank credit limit to the private sector jute traders should not be reduced (4) bank interest on the amount invested on the jute cuttings and low grade jute should be exempted.

Mr Fakir said that some five lakh bales of jute cuttings worth about Tk 60 crore (buying price) were now stockpiled in the godowns of the private traders for past three years. He said that they could not sell them white jute mills refused to purchase jute cuttings. There was no demand for these in the foreign markets, he said.

Mr Fakir said that jute mills in the country had always used jute cuttings. But, he alleged that the jute mills had developed a trend of not using the jute cuttings after their nationalisation. He said that this had created two problems: (1) country was facing shortage of good quality jute for export as a huge quantity was being consumed by the local jute mills and (2) growers of the low grade jute were not getting fair price.

Mr Fakir said that it should be made compulsory that the jute mills would have to use jute cuttings and low grade jute. He said that it was not true that jute cuttings could not be used in the jute mills.

Replying to a question Mr. Fakir said that it was not true that the private sector had failed in jute trading. He alleged that the "public sector was trying to prove that the private sector had failed".

CSO: 4220/740

SCIENTISTS DEVELOP NEW VARIETY OF JUTE

Dacca THE BANGLADESH OBSERVER in English 8 Jul 81 pp 1, 16

[Text] The scientists of Bangladesh Jute Research Institute have evolved a new variety of jute named "Dhab Dhabe Pat" whose fibre as well as stick is white from top to bottom reports BSS.

This was disclosed by Dr. R. A. Ghani State Minister for Science and Technology at a Press conference on Tuesday.

He said that the seed of this variety is deep green in colour and is bigger than the seeds of available varieties.

Dr Ghani said that the fibre of "Dhab Dhabe Pat" (snow white jute) is equally soft from top to bottom as a result of which there will be no waste in the process of bottom cutting. At present 30 to 35 per cent of jute is lost due to bottom cutting he added.

So long the colour of Jute has been yellow is known as the "golden fibre".

The State Minister said that the research work of "Dhab Dhabe Pat" started three and a half years back with only 12 seeds which were cross breeded with other varieties.

He said that the initial two generations of the variety were diseaseprone while the present variety (sixth generation) is disease resistant.

In reply to a question the Minister said that this year a farmer in Kaliakoir was cultivating the new variety on 40 decmals of land. He hoped that next year the institute will be able to supply seeds for cultivating 1600 acres of land and it will multiply by 40 times every year.

The germination rate of the seeds was found to be 99 per cent while the per acre production was 42 maunds.

Dr. Ghani said that the soft and snow-white characteristic of "Dhab Dhabe Pat" were attributed by the scientists to the less lignin content. Lignin is responsible for hardness of any natural fibre.

He said that at present the cultivated varieties of jute contain 13 to 14 per cent lignin where as the new variety contains nine to nine and a half per cent lignin.

He said that for woolenisation of jute the lignin content is brought down to eight per cent and the colour also is changed from yellowish to white through chemical treatment. The new variety he said will require less chemical treatment for woolenisation.

Woolenised jute is used for manufacturing different varieties of cloths blankets and wall covers.

Dr. Kazi Akhter Ahmed Executive Director Jute Research Institute and Dr. Erfan Ali Chairman BCSIR Laboratories were also present at the conference.

CSO: 4220/7322

MINISTER SAYS DACCA DETERMINED TO INSURE JUTE PRICE

Dacca THE BANGLADESH OBSERVER in English 13 Jul 81 pp 1, 12

[Text] Nabinagar (Comilla), July 12:--Jute Minister Mr. Habibullah Khan formally inaugurated the season's first lucky jute purchase at the purchase centre of Gul Ahmed Jute Mills here today by purchasing cross bottom white jute at Tk. 151 per maund, says a Press release.

Speaking on the occasion the Minister reiterated the Government's determination to ensure fair price of jute to the growers. He said all the public sector jute mills and agencies will start purchasing jute before the ensuing Eid this year so that the growers might not be deprived of a fair price. He also said all the 69 jute mills of the public sector will purchase 30 per cent more jute this year as compared to last year. He appealed to the jute traders to observe strict honesty in jute trade in the greater interest of the nation.

Mr. Khan told the people that the Government will fully implement the call of late President Ziaur Rahman for industrial revolution as well as his ideals and programmes of production-oriented policies. He informed the audience that the public sector jute mills produced five lakh 80 thousand tons of jute goods this year the highest ever record of production in their history so far. This will continue to increase in future, he added.

The function was attended by a large number of jute growers and jute traders.

The Minister presided over a meeting of Union Parisad Chairmen on Saturday evening which reviewed the progress of development work of Nabinagar Thana for 1980-81.

CSO: 4220/7396

MINISTER ANSWERS QUESTIONS ON JUTE MARKETING

Dacca THE BANGLADESH OBSERVER in English 9 Jul 81 pp 1, 8

[Text] Jute Minister Mr. Habibullah Khan on Wednesday informed the House that at present Bangladesh is supplying 68 per cent of the total world demand for jute while the remaining 32 per cent are met by the other exporting countries reports BSS.

In reply to a question by Mohammad Mohsin (AL-H) Mr. Khan said that during 1970-71 Bangladesh met 44 per cent of the world demand for jute while the other exporting countries supplied 56 per cent.

In reply to another question by Mr. Mohammad Toaha (Mamyabadi Dal), the Minister said that for promotion of marketing of jute in the world market Bangladesh send delegations from time to time consisting of government and nongovernment representatives and takes part in different international export fairs. Some times the embassies also are directed to take necessary steps for marketing promotion he added.

He said that to make the export price competitive the lowest export price is reviewed and refixed from time to time. He said that for the lower grade jute the lowest export price has been withdrawn and export tax has been lowered from 10 per cent to 5 per cent.

In reply to another question the Jute Minister said that the nationalised jute mills made a profit of Taka 116 crore and 66 lakh during 1979-80.

He said that these mills incurred a loss of Taka 254 crore and 66 lakh from 1975 to 1979. In reply to another question Mr. Khan said that there are 106 jute mills under the Jute Mills Corporation which can manufacture sacking, hessian and carpet backing.

In reply to the same questioner he said that there are 37 jute yarn under private sector some of which are in operation and the rest are in the process of implementation.

CSO: 4220/7324

GOVERNMENT MEASURES ON JUTE TRADE SUPPORTED

Dacca THE BANGLADESH OBSERVER in English 5 Jul 81 p 5

[Editorial]

[Text] The importance of jute in the economy of Bangladesh will continue. It is found to be contributing over fifty per cent of the foreign exchange earnings. And the same trend continues despite efforts of the government in diversifying export and inclusion of new and non-traditional items in the list. The export of jute and jute goods however have expanded in terms of volume over the past few years. But earning per unit has reportedly come down. To that extent the overall contribution of jute to foreign exchange earning remains somewhere at sixty per cent. If a breakthrough in export earning is to be achieved, measures have to be taken to augment earnings from jute side by side with increase in earning and volume of non-traditional items.

And jute has another facet of its own. It continues to be the major cash crop of the farmers, who constitute a majority of the people. It is they who form the backbone of the economy and any amount of increase or decrease of their earnings from jute has direct bearing on their purchasing power. That being so, jute works as the mainstay of the economy and efforts at improving jute trade may have direct bearing on it. Any amount of mismanagement or malpractice in jute trade will therefore have baneful effects. And people at large being not very much alert about the malpractices and their implications, the onus of correcting the trend devolves on the government and the agencies thereunder.

By taking a decision to obviate the problems and malpractices, the government appears to have done their job well. And the efforts at removal of malpractices should obviously be directed to the numerous trading centres of jute in the country. It is common knowledge that people, more so the poor producers of raw jute, are deprived of fair price and down payment by many of the Fariahs who control jute trade at rural level. That being so, the immediate target of the government should be the control and removal of malpractices in local haats and bazars, where poor villagers bring their cash crop for disposal. This is a big job and a clear mandate is to be given to the official agencies charged with the responsibility of controlling malpractices.

In the export sector the prevailing malpractices are connected with delay in shipment, supply of lower quality, under and over-invoicing of jute and jute products and defrauding the exchequer thereby. Such malpractices could be controlled if proper inspection machinery were installed and given the task of

preshipment inspection. Some of the private inspection agencies have done their job in the past and that to the satisfaction of all concenred. If need be, they may be empowered to do the job along with other official agencies. The crux of the whole problem is also linked with the procedural delays which often affect traders and the jute trade as a whole. Efforts have to be made to correct the situation in a planned way. The problem being widespread the network of corrective measures should be cast simultaneously in different aspects of jute trade.

Measures may also be taken to ensure the efficacy of the administrative machinery like the Directorate of Jute which can hardly oversee the work of the corporations engaged in jute trade and the many private exporters that operate in the field. This agency may be empowered to enforce standards and be manned properly for its activities. If necessary this agency may enter into deal with other inspection agencies in countries, where jute and jute goods go, for extending its inspection to all possible places. On the top of all, the government should enforce the norms and standards by punishing the offenders and rewarding the honest among traders and exporters. And such measures should be taken before the jute season ensues.

CSO: 4220/7315

BRIEFS

NEW GUINEAN AMBASSADOR--The new Ambassador of Guinea to Bangladesh Mr Their uo Habib Diallo called on Foreign Minister Prof. Muhammad Shamsul Huq at the Foreign office on Friday morning. Mr. Diallo who has been appointed his country's Resident Ambassador to People's China concurrently accredited to Bangladesh presented his letter of credence to the Acting President Mr. Justice Abdus Sattar on Wednesday at Bangabhaban. He was asked by his Government to present his credentials before OIC peace committee meeting for paying homage to Shaheed President Zia which was scheduled to begin in Dacca on May 29 so that he could participate in it and undertake preparatory action before arrival of President Sekou Toure, the Chairman of the committee. [Excerpts] [Dacca THE BANGLADESH OBSERVER in English 4 Jul 81 p 1

ENVOY TO MALAYSIA--The Government has decided to appoint Mr. A. M. Mustafizur Rahman at present Minister in the Embassy of Bangladesh in Washington, D.C. as High Commissioner for Bangladesh to Malaysia it was officially stated in Dacca on Friday says BSS. Born in 1941 Mr. Rahman obtained his B.Sc. degree from Dacca University in 1963 and joined the erstwhile Pakistan Foreign Service in 1964. He served in a number of missions including those in New Delhi Kathmandu and London. Mr. Rahman was appointed Director General in the Ministry of Foreign Affairs in 1978. He is married and has two children. [Text] [Dacca THE BANGLADESH OBSERVER in English 4 Jul 81 p 8]

TEA POLICY APPROVED--The Council of Ministers meeting at Bangabhaban on under the chairmanship of Acting President Justice Abdus Sattar approved the tea policy for 1981-82, says an official announcement. Production target of tea has been fixed at 9 crore 50 lakh/Pounds in the new Policy. Out of which, 7 crore 60 lakh/Pounds will be exported, earning an estimated amount of Tk 76 crore in foreign exchange. [Text] [Dacca THE BANGLADESH TIMES in English 4 Jul 81 p 1]

ATTACK ON BNP--Mr Khaliquzzaman Khan Organising Secretary of the Central Committee of Bangladesh Nationalist Party (BNP) and Sheikh Showkat Hossain Agricultural Secretary in a joint statement on Friday condemned an attack by Awami League goondas on a meeting of BNP at Natore. Criticising the Awami League General Secretary Mr Abdur Razzak they said that the protest made by AL General Secretary surprised them because his accusation was to hide their own crime by shifting blames on others. The BNP leaders said that a stuck-load of AL goondas came to Natore from Rajshahi and disturbed them at BNP meeting. They raised slogans and assaulted several Juba Dal leaders including Mr Shahidul Islam Bachchu the statement said. [Text] [Dacca THE BANGLADESH TIMES in English 4 Jul 81 p 8]

CANADIAN MINING CONSULTANCY--Bangladesh Mineral Exploration and Development Corporation on Monday signed a contract with the SNC Services Ltd. of Montreal Canada to provide supervisory consultancy services by the latter for the development of hard rock mine at Maddhyapara Dinajpur according to a Press release of BMEDC issued on Monday. The project is expected to be completed within 48 months from the date of signing of the contract with a capacity of producing 17 lakh tons of hard rock annually. The hard rock will be used for embankment railway ballast heavy civil engineering works town protection scheme. [Text] [Dacca THE BANGLADESH OBSERVER in English 14 Jul 81 p 1]

MISSIONS IN CHITTAGONG--Maulan Abdus Sobhan, Secretary General of Bangladesh Islamic Democratic League in a statement on Sunday demanded closure of the consulates of the Soviet Union and India at Chittagong. He also demanded reduction in the number of the personnel at the Soviet and Indian missions in Dacca. Maulana Sobhan expressed his concern at what he said involvement of these two countries in conspiracies against Bangladesh by setting up consulates in Chittagong with out permission. He further said that these two consulates were allegedly active immediately after the assassination of President Ziaur Rahman. [Text] [Dacca THE BANGLADESH TIMES in English 20 Jul 81 p 1]

AMBASSADOR TO EGYPT--The Government has decided to appoint Lt. General (Retd) Mir Shawkat Ali BU psc as Ambassador of Bangladesh to The Arab Republic of Egypt says a PID handout. Born in 1938 Lt General (Retd) Mir Shawkat Ali obtained B.Sc. degree from Pakistan Military Academy Kakul and was commissioned in the Pakistan Army in April 1958. Lt. General (Retd) Mir Shawkat Ali participated in the Bangladesh War of Independence in 1971 and received the Bir Uttam award for gallantry. He was also awarded Rashtrapati Sarna Padak (President Gold Medal) for his contribution in the field of agriculture sports and games. He held appointments as Brigade Commander General Officer Commanding of four different formations General Staff Officer Chief of the General Staff and Principal Staff Officer to the Supreme Commander of the Armed Forces. He was also Chairman of Old Dacca Development Committee. He was President of Bangladesh Football Federation for two years. He is married and has four children. [Text] [Dacca THE BANGLADESH OBSERVER in English 21 Jul 81 p 1]

KUWAITI LOAN--A loan agreement of Kuwaiti diner 7.75 million equivalent to US dollar 27.38 million for deep tubewell project in the north western region of Bangladesh was signed between Kuwait Fund for Arab Economic Development and the Government of Bangladesh in Kuwait recently reports BSS. The loan agreement was signed on behalf of Bangladesh by Mr. Mohammad Abdul Barek Ambassador of Bangladesh to Kuwait and on behalf of Kuwait Fund by Mr. Sayyad Abdlatif Al-Hamad Chairman of Kuwait Fund and Minister of Finance and Planning of the Government of Kuwait. The total cost of the project is estimated at Kuwaiti diner 15.8 million of which about 49 per cent is covered by Kuwait Fund. The project is expected to be completed in the middle of 1985. [Text] [Dacca THE BANGLADESH OBSERVER in English 21 Jul 81 p 1]

MARXIST-LENINIST LEADER--Mr. Mohammad Toaha MP Chairman, Bangladesh Samyabadi Dal (Marxist-Leninist) in a statement to the Press on Wednesday called upon the Government to immediately close down the Consulate of Soviet Union and the Deputy High Commissioner of India in Chittagong. He pointed out that in a small country like Bangladesh the Soviet and the Indian missions did not need separate consulate offices. He also called for reduction in the number of personnel employed by these two foreign missions in Bangladesh. Mr. Toaha alleged that Indo-Soviet activities in the region had increased 'beyond the safety limit' and called upon the government to be cautious about them. [Text] [Dacca THE BANGLADESH TIMES in English 16 Jul 81 p 1]

SUPPORT FOR SATTAR--The General Secretary of the Bangladesh Jatiyatabadi Juba Dal Mr. Saidur Rahman called upon the workers of his organisation to spread to the villages to make the Jatiyatabadi Dal candidate Acting President Justice Abdus Sattar victorious in the forthcoming presidential polls reports BSS. He said the nation will never forget the patience restraints and courage with which Justice Sattar handled the crucial national crisis. The Jubo Dal General Secretary told this while addressing different workers' meetings at Dinajpur, Kurigram Nilphamari and Rangpur during the last two days. He urged the Juba Dal workers to form organisations at village level to materialise the dreams of Shaheed President Ziaur Rahman. He said only through hard work the ideals of President Zia can be translated into reality. [Text] [Dacca THE BANGLADESH OBSERVER in English 6 Jul 81 p 12]

COMMUNIST'S DEATH--Mr. Nibaran Chakravarty, a member of Kishoreganj Zilla unit of the Communist Party of Bangladesh (CPB) died recently, according to a Press release. Mr. Chakravarty took active part in anti-British movement before 1947. He was detained at Andaman Prison for a long time. He also took part in 'Te-Bhaga' Movement. [Text] [Dacca THE BANGLADESH TIMES in English 6 Jul 81 p 8]

NATIONAL DEMOCRATIC FRONT--The newly formed National Democratic Front at its first presidium meeting on Sunday urged the government to call a round table conference to solve the 'political and constitutional problems', according to a Press release. The meeting was presided over by Advocate Shafiqur Rahman. [Text] [Dacca THE BANGLADESH TIMES in English 6 Jul 81 p 8]

JATIYA LEAGUE CHIEF--Mr. Ataur Rahman Khan MP Chief of Bangladesh Jatiya League on Monday described the sixth Amendment Bill of the constitution placed before the Parliament as a "shameful effort" reports BSS. In a statement issued on Monday night the veteran political leader alleged that the Amendment bill of the Constitution was brought in the House to remove the ineligibility of the Acting President for contesting the presidential election. According to the Constitution he said, the Vice-President is unqualified for contesting the election as his post was "office of profit." Mr. Khan also said the Prime Minister's contention of removing the "anomaly" in the constitution "was untrue". He said that the BNP had nominated the Vice-President (the Acting President) hurriedly and did not think it earlier that he (the Acting President) was unfit for contesting the election in accordance with the Constitution. [Text] [Dacca THE BANGLADESH OBSERVER in English 7 Jul 81 p 8]

SOVIET OIL COSTS--Petrol and octane procured from Soviet Union under a barter trade agreement during 1980-81 had cost more than those procured from the open market through international tenders. This was disclosed by Deputy Minister for Petroleum and Mineral Resources at the Jatiya Sangsad on Wednesday in reply to a starred question from Mr A K Faizul Huq of BNP. Mr Sunil Gupta pointed out the C&F price for Soviet petroleum and octane was 355.17 US dollars per ton while the C&F price for petroleum and octane procured from the open market was 320.50 US dollars per ton. [Text] [Dacca THE BANGLADESH TIMES in English 11 Jul 81 p 3]

'OBSERVER' EDITOR'S DEATH--Mr. Nazrul Islam, Executive Editor, THE BANGLADESH OBSERVER, died of a massive heart attack in Dacca on Thursday night. He was 42 reports BSS. While he was returning home after attending a dinner party at Iraqi Embassy he went to call on the family of late S. M. Pervez, founder editor of the WEEKLY CHITRALI TEHER he suddenly felt sick. Dr Suja, associated with THE BANGLADESH OBSERVER, was called in. Dr. Suja proclaimed him dead around 11-30 p.m. Born in Faridpur district Mr Islam graduated himself with honours in History from Dacca University in 1961. He also had his M.A. in the same subject in 1962. He served as a Lecturer in BM College, Barisal. He went to Manila on a SEATO scholarship. He joined the then PAKISTAN OBSERVER as an Assistant Editor. [Text] [Dacca THE BANGLADESH TIMES in English 17 Jul 81 p 1]

WORKERS PARTY DENIAL--Bangladesh Workers Party has contradicted the report published in THE BANGLADESH TIMES on Thursday about the Baitul Mukarram rally by the three-party alliance. In a statement to the Press on Thursday, Mr Paresh Chandra Shaha, Chief Coordinator of the city unit of the party, said that it was not true that the workers of the party did not attend the rally. He said that the workers from different areas of the city were late to arrive at the venue due to rains, but most of the leading workers were present to join with procession from the beginning. However, he claimed workers from different areas began to join the procession immediately it had started and the workers of the three party alliance were there when it ended at Sadarghat. [Text] [Dacca THE BANGLADESH TIMES in English 17 Jul 81 p 8]

JAMAAT RESOLUTIONS REPORTED--The Jamaat-e-Islami, Bangladesh has demanded withdrawal of the proclamation of emergency to ensure what it called free and fair presidential election. The Majlis-e-Shura, which began its meeting on Friday also pleaded for the shifting of the election date to November. In another resolution, the meeting condemned the communal riots in India and said that the Muslims and lower caste Hindus had become victims of harassment and intimidation by the Brahmins. The meeting called upon the Muslim world to create pressure on India for the safety and security of the minority communities in India. [Text] [Dacca THE BANGLADESH TIMES in English 17 Jul 81 p 8]

MUSLIM LEAGUE MP DIES--Mr. Ibrahim Khalil MP died on heart ailment on Tuesday at Bromton Hospital London. He was 38 reports BSS. The young Muslim League (Sabur) Parliamentarian died at 12 noon London time (6 p.m. Bangladesh time). Mr. Khalil was sent to London for treatment about a fortnight back. His wife was at his side when he died. According to party sources in Dacca on Tuesday night. [Excerpt] [Dacca THE BANGLADESH OBSERVER in English 8 Jul 81 pp 1, 16]

MAGAZINE ISSUES BANNED--The Government has forfeited all copies of the two issues of FAR EASTERN ECONOMIC REVIEW published from Hongkong dated 19th June, 1981 and 10th July 1981, says a PID handout. A notification, issued on Thursday by the Ministry of Home Affairs says that the action has been taken under the Code of Criminal Procedure of 1898 (V of 1898) as the said issues of the magazine contain matters which tend to promote or attempt to promote feelings of enmity and hatred between different classes of citizens of Bangladesh, publication of which in punishable under the Penal Code. All other documents containing copies, reprints and translations of these two issues of FAR EASTERN ECONOMIC REVIEW, or extracts therefrom, have also been forfeited to the Government, the notification adds. [Text] [Dacca THE BANGLADESH OBSERVER in English 17 Jul 81 p 3]

GREETINGS TO MPR--The Acting President Mr Justice Abdus Sattar has sent a message of felicitations to Mr Yumjaagyn Tsedenbal, Chairman of the Presidium of People's Khural of the Mongolian Republic on the occasion of its Revolution Day, reports BSS. In his message the Acting President said: "On behalf of the Government and the people of Bangladesh and on my own behalf I extend to Your Excellency our sincere felicitations on the auspicious occasion on the People's Revolution Day of the Mongolian People's Republic. I am confident that relations between our two countries will continue to grow in the years to come. I wish Your Excellency good health happiness and long life and the Mongolian people peace, prosperity and progress. [Text] [Dacca THE BANGLADESH TIMES in English 12 Jul 81 p 1]

COTTAGE INDUSTRY COORDINATION--Government has set up a National Coordination Council for the development of small and cottage industries of the country under a gazette notification said an official Press release on Saturday. The first meeting of the coordination council will be held at 9 a.m. on July 14. State Minister for Industries will preside over the meeting said the Press release. [Text] [Dacca THE BANGLADESH TIMES in English 12 Jul 81 p1]

BNP EXPELLEES--The National Standing Committee of Bangladesh Nationalist Party (BNP) in its meeting on Saturday approved expulsion of four leaders of Jatiyatabadi Sramik Dal Tongi regional unit and eight leaders of Jatiyatabadi Jubo Dal from respective fronts of the party says a BNP Press release. They are Mohammad Hossain, Vice-President, Abul Kalam Joint Secretary Kasimuddin, Sports and Cultural Secretary and Hasanuddin, member Executive Committee of Tongi regional committee of Jatiyatabadi Sramik Dal. Those expelled from Jubo Dal are: Shakhawat Hossain Faltu Secretary Central Committee Nurul Islam Goshai, member Central Committee, A. K. M. Nijamuddin Khan Organising Secretary, Hanif Mamum Literary Secretary, Shahadat Hossain, Communication Secretary Abul Khair Rushdi member of Chandpur District Unit, Sadek Hossain, General Secretary of Daudkandi thana unit and Fakrul Islam Nasu, member Chandpur District unit. [Text] [Dacca THE BANGLADESH OBSERVER in English 13 Jul 81 p 1]

NATIONAL DEMOCRATIC FRONT--The National Democratic Front, at a meeting on Sunday decided to take part in the coming presidential election. Presided over by Dr K N Islam convener, Jatiya Sevak Dal, the meeting however reiterated its call to the Government to convene a round table conference in order to fix a suitable date for the presidential polls. In a resolution, the meeting condemned the obstacle organised by the Indian nationals against the Bangladesh personnels in their official work of census in Dahogram and Angarpota. The meeting urged the Government to take immediate effective measures to stop recurrence of such incidents. [Text] [Dacca THE BANGLADESH TIMES in English 13 Jul 81 p 1]

IRAQI REVOLUTION DAY--A grand reception was held in Dacca on Thursday to mark the 17th July Revolution of Iraq, reports ENA. The reception was arranged by Iraqi Ambassador in Bangladesh and Madam Karim at a local hotel. The reception was attended among others by Foreign Minister Prof. Shamsul Hoq, Civil Aviation Minister K. M. Obaidur Rahman Jute Minister Habibullah Kahan Religious Affairs Minister Abdur Rahman Planning Minister Fasihuddin Mahtab and Health Minister Abdul Matin. Among the political leaders present at the reception were Awami League Chief Sheikh Hasina, Jatiyo Samajtantrik Dal chief Major (Retd) M. A. Jalil and the party General Secretary A. S. M. Abdur Rab. [Text] [Dacca THE BANGLADESH OBSERVER in English 17 Jul 81 p 3]

JAMAAT IN ELECTIONS--The Central Committee of Jamat-e-Islami has decided to participate in the ensuing presidential election. A 21-member election committee has also been formed to implement the party decision in this regard. The committee in a resolution adopted at its three-day meeting concluding on Friday took this decision. Mr. Abbas Ali Khan Acting Amir of the party presided over the meeting. It may be mentioned that Jamat-e-Islami has not yet joined any alliance. [Text] [Dacca THE BANGLADESH OBSERVER in English 18 Jul 81 p 1]

MESSAGE TO BRITAIN--The British High Commissioner Sir Michael Scott was called to the Foreign Office in Dacca to convey the anxieties of the Government of Bangladesh over the attack on a Bangladeshi national in Manchester says an official Press release reports BSS. The Press release issued by the Foreign office said it was hoped that the British Government would take necessary measures to protect the lives and properties of Bangladeshis in the United Kingdom. The Government of Bangladesh earlier had conveyed concern and anguish to the British Government about the deteriorating racial situation in Britain. [Text] [Dacca THE BANGLADESH OBSERVER in English 18 Jul 81 p 1]

MESSAGE TO PRC--Acting President Mr Justice Abdus Sattar has sent the following message of sympathy to Mr Zhao Ziyang; Premier of the State Council of the People's Republic of China at the loss of life and damage to property due to flood in some areas of central China, according to BSS. 'We are distressed to learn about the unprecedented flood devastating some areas of central China and causing loss of life and considerable damage to property. The Government and the people of the People's Republic of Bangladesh join me in expressing their sympathy for the flood victims. We are confident that the friendly people of China would be able to overcome this natural calamity. Please accept; Excellency; the assurances of my highest consideration'. [Text] [Dacca THE BANGLADESH TIMES in English 18 Jul 81 p 1]

SPORTS MINISTRY CHARGE--Dr. Faziul Karim State Minister in charge of the Ministry of Health and Population Control took over charge of the Ministry of Sports & Culture on Wednesday says an official handout. Dr. Karim later on had a meeting with the senior officials of the Ministry and different departments and organisations working under it. The State Minister advised the officials to be sincere and active in carrying out their respective responsibilities for the greater interest of the nation and for speedy materialisation of socio-economic and cultural development programmes initiated by the late dynamic leader President Ziaur Rahman. [Text] [Dacca THE BANGLADESH OBSERVER in English 17 Jul 81 p 3]

AGRICULTURE MINISTRY CHARGE--Mr. Amirul Islam Kalam, State Minister in charge of the Ministry of Sports and Cultural Affairs has taken over the charge of the Ministry of Agriculture and Forests on Wednesday morning, says a PID handout. The State Minister later met the senior officials of the Ministry, attached departments and corporations under the Ministry. [Text] [Dacca THE BANGLADESH OBSERVER in English 16 Jul 81 p 8]

BNP EXECUTIVE MEMBER--Acting Chairman of the BNP Mr. Justice Abdus Sattar on Saturday appointed Syed Motiul Islam of Comilla as a member of the National Working Committee of the party, according to a BNP Press release, reports ENA. BSS adds: Md. Abdus Samad Member National Council of Bangladesh Nationalist Party was on Saturday expelled from the organisation for "violating" party discipline, according to a Press release. A decision to this effect was unanimously taken at a meeting of the National Standing Committee of BNP in Dacca on Saturday. [Text] [Dacca THE BANGLADESH OBSERVER in English 19 Jul 81 p 1]

ISRAELI RAID CONDEMNED--Bangladesh on Saturday strongly condemned the repeated acts of atrocity committed by Israel by bombing Lebanon an official spokesman told BSS. The repeated bombing by Israel has caused heavy loss of life of civilian population including women and children in Lebanon. The spokesman described the Israeli act as "a blatant violation" of the UN Charter and all canons of international laws and norms posing a serious threat to international peace and security. [Text] [Dacca THE BANGLADESH OBSERVER in English 19 Jul 81 p 1]

INDIAN RIOTS CONDEMNED--Various political parties and organisations on Friday condemned the communal riots in Hyderabad state of India. Kazi Abdul Kader, MP Secretary General of Bangladesh Muslim League in a statement called upon the Muslim world and the Islamic Secretariat to come forward to save the lives and property of the Muslim minorities in India. The President of Bangladesh Jubo Muslim League in a statement on Friday called upon the Muslim World to build up resistance against secular India where communal riots were continuing. Secretary General of Bangladesh Islamic Democratic League Moulana Mohammad Abdus Sobhan in a statement expressed his party's concern over the communal riots in India. He called upon the Organisation of Islamic Conference and all international organisations to exert pressure on India to stop communal riots. [Text] [Dacca THE BANGLADESH TIMES in English 19 Jul 81 p 3]

CSO: 4220/7417/7418

DISSATISFACTION WITH INDIA-EEC AGREEMENT NOTED

Calcutta THE STATESMAN in English 13 Jul 81 p 8

[Editorial]

[Text] India's new five-year agreement for trade and economic cooperation with such a large economic bloc of advanced countries as the European Economic Community has failed to generate much enthusiasm, mainly because the earlier agreement of 1973 has not worked to this country's advantage to the extent envisaged. Except in 1976-77, India has been in deficit in trade with the EEC, and the gap has been widening in recent years, rising to Rs 438 crores in 1979-80 and Rs 783 crores in the first half of 1980-81. The EEC view is that about 43 per cent of its imports from India in the industrial sector enter free of duty and that the Generalized System of Preferences (GSP) compensates this country for the loss of the Commonwealth preference it enjoyed before Britain joined the Common Market. However, the benefits of any trade liberalization should be reflected in the volume and value of India's exports. Unfortunately, there was a substantial 25 per cent decline in exports from this country last year, while the richer partner, the EEC, has greatly benefited by the policies of import liberalization followed by India in the last three years. The reason for such imbalances may be found in the protectionist policies or the preferential margins of the industrial nations, particularly in textiles and garments, leather and leather goods and tobacco. Indian authorities also complain that there has been poor response to their requests for inter-country transfer of textile quotas. A new disturbing trend which has come to light is West European purchase of India's oil cake extractions with rupees in Soviet hands, depriving this country of substantial foreign exchange earnings.

If the recent trends in exports to the EEC are not quickly reversed, the new agreement can have little value. Nor can India, already facing a mounting payments burden caused by oil prices, be able to maintain imports at the same level as before. It is possible that the bilateral arrangements with individual member countries of the EEC, such as Britain, West Germany and France, can make up for the shortcomings of the EEC's collective policies. The new administration in France is expected to be more considerate in these matters than its predecessor. Many of the specific instances of protectionism or discrimination may also come up for scrutiny in various international gatherings for conducting the North-South dialogue. However, the new India-EEC agreement provides for broad-based consultations on all economic and commercial matters, inducing cooperation in science and technology, research and development, and joint ventures in third countries. This machinery should be activated and fully utilized to sort out the issues on which there has been justifiable dissatisfaction on this side.

CSO: 4220/7281

IMPORTANCE OF RELATIONS WITH ASEAN STRESSED

Calcutta THE STATESMAN in English 14 Jul 81 p 8

[Article by Sujoy Gupta]

[Text] THERE are strong rumours in Manila that the Prime Minister, Mrs Indira Gandhi, has accepted an invitation from President Ferdinand Marcos to visit the Philippines. If this is true, the visit could herald a breakthrough in Indo-Philippine relations. Residents of Manila know of the painstaking care with which Mr and Mrs Marcos had prepared for the visit of the former President Fakhruddin Ali Ahmed which was aborted by his sudden death. Constant and high-level contacts should be ordinarily maintained between India and the ASEAN (Association of South-East Asian Nations, comprising Indonesia, Malaysia, the Philippines, Singapore and Thailand).

But it is a regrettable fact that relations between India and the ASEAN are now at an all-time low. India's recognition of the Heng Samrin regime in Kampuchea, caused all-round unhappiness among the ASEAN members, who view with consternation the possibility of super-Power entry into the region through the back door. Obviously, India's reassurances in this regard have lacked conviction. The recent ASEAN Foreign Ministers' conference pointedly ignored India while sending out invitations to much more distant countries.

SCOPE FOR TRADE

It is a pity that India's failure to be one with the ASEAN politically has affected its prospects in trade and commerce with the region. The economies of the South-East Asian nations are not only expanding rapidly but they are also welcoming foreign capital, technology and skills. Despite the abundance of natural resources—tin, rubber, palm oil, coconut oil and copra, timber, and so on—the industrial infrastructure in this region is still not well developed; so the present situation offers virtually unlimited entrepreneurial opportunities to foreign investors.

Traditionally, the ASEAN has turned towards Japan and the USA for material, financial and managerial support. Not only has it been a big importer of capital in the recent past, it would continue to be so in the foreseeable future. Government owned or backed institutions as well as private undertakings have been seeking and getting enormous Eurodollar financing from commercial banks. With recession in the USA, stagnation in Europe and rampant uncertainties in West Asia, the only region in the world relatively free of strife and turmoil and offering fairly stable conditions for a free enterprise system is South-east Asia.

But where is the Indian presence in what is culturally and geographically its "home ground"? From rice research to development banking post-independence India has already been through the same experiences which most of the ASEAN nations are now facing, and there is ample scope for cooperation between the two.

The fault, unfortunately, "lies in ourselves". After the days of Nehru and Soekarno, India has drifted further and further away from the comity of South-east Asian nations. Despite the cultural affinities, India's neglect of this region has led to the present impasse, yet there is still an enormous amount of goodwill for India at the personal level in these countries.

However, to put the record straight, it must be said that the Indian private sector has achieved a fair amount of success despite considerable odds. A large number of joint ventures have been launched, especially in Malaysia, and many more are on the anvil. The private sector has already convinced itself of the potentialities of the region.

Another industry which has aroused itself lately to the favourable prospects in South-east Asia is banking. The State Bank of India operates as many as four offices in the area—at Hong Kong, Singapore, Manila and Djakarta—of which the first two are full-fledged offshore banking units carrying out brisk business in Eurocurrency loans and syndications. Some other Indian banks also operate one or two branches. The latest addition is a deposit-taking company registered in Hong Kong and jointly owned by three Indian banks. Indian banks have management interest in at least one major Malaysian bank. Needless to say, the existence of an adequate Indian banking base in the region is sine qua non for the subsequent growth of Indian business interests there

RICE RESEARCH

A number of other fields appropriate for mutual cooperation remain largely unexplored. Rice research is one. The Philippines turned itself from a deficit to a surplus country in rice production through its highly successful 'masagana' programme. Indonesia, too, is striving hard to become self-sufficient in food. The International Rice Research Institute in the Philippines—of which India is a founder member and where several Indian scientists and agronomists have earned a name for themselves—

can surely undertake joint ventures with India.

Another such area is that of human settlements. The Philippines has taken a lead under the personal guidance of Mrs Marcos. The efforts of the island republic of Singapore are well-known, as also the Indonesian plans to "de-congest" Java. One wonders how much interchange of ideas has occurred between India and these nations in areas which are clearly of common concern.

The key to defining the basic Indian strategy with the ASEAN should be to recognize that these countries, with their policies pragmatically oriented towards economic growth, will welcome India's participation as a commercially interested and technologically capable partner, despite differences in political perceptions. However, it ought to be remembered that India is not a "natural" member of the ASEAN.

The ASEAN is under considerable Chinese or ethnic Chinese influence. Also, their past history has made the ASEAN members staunchly anti-Communist (Communist parties being banned in most of them), a trait which India does not share. India's perception of China and of the Indo-Chinese region is quite different from that of the ASEAN. That the ASEAN has hitherto cold-shouldered even geographically contiguous countries like Burma, Papua New Guinea, Brunei and Sri Lanka indicates that India's desire for closer relations might not be reciprocated. This is because politically, militarily and strategically, India is not all that relevant to the ASEAN nations.

TOKEN CREDIT

However, India's relevance lies in areas where it can play a role in strengthening the ASEAN members economically and industrially. Although China has already pre-empted the benefactor's role in this field by pumping in vast quantities of goods on deferred credit and India's role has so far been woeful, the first small step in this direction was taken recently with the Industrial Development Bank of India sanctioning a token credit of $20 million to the Development Bank of the Philippines to be utilized for the export from India of engineering and other goods.

But even this venture was marked by poor salesmanship. When the Chinese signed a deferred credit agreement recently, one of their vice-premiers flew down to Manila to meet President Marcos for the ceremony, and China received an enormous amount of publicity. India's decision about the IDBI aid was communicated to the Philippines Minister of Industry by a letter signed by a minor IDBI departmental head and sent by post.

Nevertheless, a beginning has been made towards economic cooperation. This is a hopeful sign. Clearly, this aspect can continue to develop despite differences on the diplomatic front. But even here, our role has not been exemplary.

CSO: 4220/7288

YOUTH CONGRESS-I PARLEY REPORTED, RAJIV INTERVIEWED

Bombay THE TIMES OF INDIA in English 13 Jul 81 p 4

[Text] Srinagar, July 12 (UNI).

The Youth Congress (I)'s national council which met here today took a number of decisions to make the organisation more effective as the youth wing of the Congress (I).

While it decided to form a "youth brigade" for rescue and relief work during times of natural calamities, the national council opposed the return to the Congress (I) of those who had held responsible posts in past but deserted the party in 1977 or later.

The resolution to bar the re-entry of "deserters" was moved by the former Youth Congress (I) president, Mr Ramachandra Rath, and unanimously passed.

The another resolution moved by the Union deputy minister, Mr. P. K. Tungon, the national council meeting said indiscipline in the party in any form would be dealt with seriously, including expulsion.

Political Programme

Briefing newsmen after the council meeting, the Youth Congress (I) chief, Mr. Ghulam Nabi Azad, said a task force of a minimum of 500 youths would be raised in each state to fight natural calamities, he added.

Mr. Azad said it has been decided for the first time to introduce a political programme in the party.

The Youth Congress (I) also decided to help handicapped and pensioners.

It was decided to set up a training camp in Delhi by the end of August to impart political training to workers.

Later, political training would be imparted at the district and block levels.

He said a national convention of Youth Congress (I) would be held in the third week of December in which about 25,000 functionaries would take part.

A six-day youth festival would be held in Delhi starting from a January 24, Mr. Azad said.

The council fixed ten blood donation days in a year, including Republic Day, May 27 Nehru's death anniversary, June 23 (Sanjay Gandhi's death anniversary) and December 14 (Sanjay Gandhi's birth anniversary). Other programmes to be implemented include providing free legal aid and setting up of eye camps.

On Party Govts.

Talking to newsmen after attending the meeting, Mr. Rajiv Gandhi said it was the duty of the party high command to point out the shortcomings of Congress (I)-ruled states and find suitable alternatives.

He said if such state governments do not act properly, the high command had a responsibility to reactivate them.

He said in the case of Rajasthan, the decision was taken by the Congress (I) parliamentary board and they were within their rights to point out the shortcomings of Congress (I) governments.

Mr. Gandhi hade these observations when a newsman asked him to comment on the resignation of the Rajasthan chief minister, Mr. Jagannath Pahadia.

Asked about his assessment of the Jammu and Kashmir pradesh Congress (I) committee, Mr. Gandhi remarked that his party had to do a lot and work hard to make the Congress (I) a viable alternative to the National Conference headed by Sheikh Abdullah.

Asked if he had any political discussions with the Sheikh whom he met yesterday, Mr. Gandhi replied in the negative.

Asked whether the PCC(I) would be strengthened by the entry of the former Janata Party leader, Mr. Mohiuddin Kara, and the "Inqilabi" National Conference chief, Mirza Afzai Beg, he said it depended much on how they acted and worked.

He reiterated that the Congress (I) must strengthen itself at the grassroots level.

Asked to comment on the resolution adopted by the Youth Congress (I) national council meeting to the effect that those partymen who defected in 1977 should not be admitted to the party, he said it was for the Congress working committee to take a proper decision.

CSO: 4220/7280

CPI-M POLITBURO ISSUES STATEMENT ON BANKING MEASURES

New Delhi PATRIOT in English 13 Jul 81 pp 1, 7

[Text] The CP-M feels that the two ordinances proclaimed on Saturday were intended to show that the Government is dealing firmly with the upper sections in order to provide a 'facade for attacking the workers and lower income groups.'

In a statement on Sunday, the CP-M Politbureau warned that the Congress-I Government at the Centre was moving towards imposing the Compulsory Deposit Scheme on the workers and salary earning employees and freezing their wages and DA.

Reviewing the economic measures the Government has taken and their inevitable effect, the PB observed: 'All this is bound to lead to further attacks on the living standards of the people and one should not be surprised if the notorious CDS of the Emergency days is reintroduced to impound the bonus and DA of the workers and employees.'

It was of the considered opinion that unless the Government's policies were combated through public pressure and action, the 'economy will be in a shambles leading to untold suffering and loss of democratic rights.'

The PB noted that the rise in prices of petroleum was bound to have a chain effect and impose a burden of not less than Rs 1,000 crores of rupees on the people. This, it held, 'accelerates the effects of inflation and victimises the people.'

Describing the claims of Mrs Gandhi of having allowed down the rate of inflation as 'unrealistic', the statement read: 'It is quite clear that the Government has only one method of containing inflation, namely, raise the prices and curtail the consumption of the people. This is called demand management which only means that the people should bear the entire burden of inflation.'

The PB said the perilous condition of the economy was further revealed by the decision to import wheat from abroad and squander the foreign exchange resources in the midst of a bountiful harvest. Denouncing this step, the CP-M underlined: 'It is obvious that the Government's procurement policies have failed and at the same time it does not have the courage to deboard the stocks with the traders and landlords.'

In this situation, the PB predicted that 'food prices will soon rise, people will be forced to consume less and Venkataraman will satisfy himself with success in demand management.' Moreover, the Government was seeking huge loans from the IMF and other foreign sources 'which will enhance the burden of foreign payments and compel India to sell her exports at any cost.'

The net result, would be assaults on the rights and privileges of the working populace, it emphasised.

CSO: 4220/7284

MIZO NATIONAL FRONT 'REIGN OF TERROR' ALLEGED

New Delhi PATRIOT in English 13 Jul 81 p 7

[Text] Members of the Mizo National Front (MNF) had let loose a reign of terror and were inciting insurgency in Mizoram by their unlawful actions, according to sources in the State ruling party, reports UNI.

They allege that the ceasefire agreement with MNF chief Laldenga notwithstanding, the front was trying to establish a parallel government within Mizoram and impeding the administrative process.

Claiming that there were innumerable ceasefire violations, the sources said the people in the State and those working in the Government were a demoralised lot. They complied with the demands of the MNF for fear of retribution.

The sources said everybody in the State sought a peaceful settlement. The State Government, on its part, had shown utmost restraint so that an atmosphere conducive for talks prevailed.

These sources say gun-totting MNF men indulged in violent acts with virtual immunity. "We expect the Centre to put an end to this," they said.

The sources wondered why the Government was not resolving the Laldenga issue expeditiously, especially in the face of increasing law and order problems.

They feel a decision one way or the other should be taken so that energies could be channelised for developmental works. "Mizoram is very backward and at least 25 years behind other States in the country."

They want the entire MNF to come overground with all their weapons. "The people (in the State) want a solution without recourse to violence and through peaceful negotiations."

They said it would be wrong for anybody to say that insurgency in the State was on the wane. "It was so a year ago and was being revitalised."

The sources said that travelling on the Silchar-Aizawl highway was a nightmare. Plying of vehicles had thinned down considerably because of alleged extortion of money by MNF men. A Mizo might have to dish out Rs 500 and a non-Mizo, twice that amount and Government servants have to pay a certain percentage of their salaries ranging from two to five per cent.

There was least resistance from the people. Non-compliance would mean being threatened by dire consequences. Because of this, people lived in "pathetic fear" and rarely reported these to the police, the sources said.

Brigadier T Sailo, Mizoram Chief Minister, in an address to the MNF underground in May this year urged them to refrain from these "acts of violence and other unlawful activities" which was making them unpopular.

Pointing out that Mr Laldenga's demands were similar to those of other parties in the State, Brig Sailo stressed these could be achieved through peaceful negotiations.

CSO: 4220/7284

MAHARASHTRA PLANS STEPS TO IMPROVE ECONOMY

Bombay THE TIMES OF INDIA in English 13 Jul 81 p 1

[Text] Pune, July 12.

The Maharashtra government has widened the scope of the definition of "small and marginal farmers," benefiting 12 lakh middle farmers.

The Maharashtra cabinet, which concluded its meeting here today, took the decision to this effect.

Briefing newsmen on the decision, the chief minister, Mr. A. R. Antulay, said till now those holding three hectares of land were treated as small farmers and were being extended credit facilities from financial institutions. Now the limit had been raised to six hectares of land, or to cover those farmers who had been paying land revenue of Rs. 15.

Another important decision of the state cabinet was to treat hilly tracts and drought-prone areas as backward regions. This decision will have its impact on rural development. Hitherto, Konkan, Marathwada and Vidarbha regions had been treated as backward. The government has now added two other zones to this category.

Mr. Antulay said funds would be allocated for the two regions with the specific intention of providing them with irrigation facilities and creating permanent facilities for their future development. These plans would be implemented from the next financial year, he added.

The government also decided to set up a dye-manufacturing factory in Khed taluka of Pune district where "hindi" plants were in plenty. The factory would be in the cooperative sector for the benefit of the Chamar community engaged in tanning.

Bamboo cultivation would be taken up on a large scale in the Adivasi belt of Pune and Nasik districts with the objective of setting up a co-operative factory for paper manufacturing.

PIT adds: Opening engineering and veterinary colleges in western Maharashtra and starting double shifts in it is from the current session were some of the other decisions taken by the cabinet. The cabinet also decided to open a

separate department to expedite pension cases. Paper factories, also on cooperative basis, will be set up in the Adivasi areas of the state.

Mr. Antulay said the cabinet decided to have a separate department also for rehabilitation.

The decisions to have separate departments for rehabilitation and pensions were taken in view of the inordinate administrative delays. Every department would have a pension cell. The central pension department under the chief secretary would coordinate the disposal of pension cases.

He said a proposal for a separate minister for pensions would also be considered as the finance minister was already hard pressed.

The chief minister said a complete reorganisation of all the departments to ensure result-oriented work instead of administrative convenience was in the offing. A committee headed by the chief secretary had been appointed to work out details for this purpose.

Mr. Antulay said water logging and salination had become a problem for cultivators, especially in western Maharashtra. A committee headed by the chief secretary would study in what manner the state government could share the expenditure for laying drainages to clear water logging.

CSO: 4220/7279

MADHYA PRADESH MINISTERS ASSIGNED NEW DUTIES

New Delhi PATRIOT in English 13 Jul 81 p 7

[Text] Bhopal, July 12 (UNI)--Madhya Pradesh Chief Minister Arjua Singh today entrusted some additional departments to two Cabinet Ministers and four Ministers of State in a further reshuffle of portfolios within two weeks of a major operation of the kind.

While retaining Harijan welfare and tribal sub-plan portion of the tribal and Harijan welfare department, the Chief Minister has given the remaining subjects under the department to Panchayat and Rural Development Minister Bhawar Singh Porte.

Public Works Minister Miss Vimia Verma has been given the additional charge of transport. Minister of State Miss Kamala Devi, who earlier had the independent charge of social welfare and transport departments, will now be attached to Miss Verma in charge of transport department and to the Chief Minister for tribal and Harijan welfare.

Minister of State for Collegiate Education Motilal Vera will also be the Minister of State for Local Government, and Mr Bhawanilal Verma, Minister of State for Religious Trusts and Endowments, will also look after the revenue department under Revenue Minister Dr Tumanlal.

Minister of State for Agriculture B R Yadav has been given additional charge of veterinary fisheries and dairies departments.

CSO: 4220/7284

TRANSNATIONALS 'NOT INCLINED TO RAISE INDIAN EXPORTS'

New Delhi PATRIOT in English 13 Jul 81 p 7

[Text] Transnational Corporations (TNCs) are 'little inclined' to increase their share in the export of Indian manufactures despite increasing pressures on them under the Foreign Exchange Regulation Act (FERA), reports UNI.

A study by the Indian Institute of Foreign Trade (IIFT) on TNCs role in India's exports says that the subsidiaries of the TNCs operating in India are mainly considered by their parent companies as suppliers to India's vast growing domestic market.

These subsidiaries are seldom used as exporting units in the overall international trade plan of the TNCs.

The aggregate marketing support that the TNCs have provided for the exports of some countries such as South Korea, Taiwan and Hong Kong is seldom made available in India.

The intention of the TNCs has been to keep up the minimum export level set by the Government.

Many firms have continued t[illegible] what has been a comparatively minor operation in the domestic market [illegible] hope that at some time in the future they will gain access to the enorm[illegible] ter[illegible]al of the local market.

The study by Dr Sumitra Chi[illegible] of the I[illegible]T, was carried out with the financial assistance of International T[illegible] Centre, Geneva. It is based on overseas interviews with the representatives [illegible] th[illegible] TNCs based on the United Kingdom, the United States and the Netherland[illegible] have [illegible]eir subsidiaries in India.

Regarding the role of the TNCs in In[illegible] during the 1980s the IIFT study says, the export of India's manufactures by the e[illegible]sting TNCs is not likely to grow to any significant extent during the decade it is also unlikely that a significant number of the new TNCs will locate themselves in India for exports.

The reason for assigning low priority to India for exports by the TNCs despite the known advantages of abundant skilled and unskilled manpower and high level of industrial development is that the Indian domestic market holds a great attraction as the TNCs can sell their products usually at higher prices than those which prevail in the world market.

Also there are several infrastructural and bureaucratic difficulties in expanding exports. Besides the TNCs are reluctant to invest purely for exports in view of the uncertain trends in the world economy especially the fear of the emergence of protectionism.

There are two other reasons for the new TNCs hesitation to enter India for export first access to the markets, in many countries is becoming a problem. Export processing zones are being seen as involving increasingly risky investment.

Secondly there have been complementary changes in technology which have reduced the advantage of cheap labour in developing countries.

The IIFT study found little evidence of any strategy by the TNCs to promote products of export interest to India.

CSO: 4220/7284

EFFORTS AT, PROSPECTS OF OPPOSITION UNITY REVIEWED

Madras THE HINDU in English 13 Jul 81 p 8

[Article by K. K. Katyal]

[Text]

"THE Opposition could unite only if Mrs. Indira Gandhi were to order the arrest of top non-Congress (I) leaders," says a veteran who actively worked for the formation of the Janata Party in 1977. This obviously is an admission that but for the stimulant provided by the governmental action against them, the Opposition groups would not have come together. And by the same token, he would write off the chances of Opposition unity now in the absence of an external superimposition.

An extremely cynical view no doubt but was not the Opposition badly fragmented and did it not find itself slumping whenever the occasion demanded a collective move in the last 18 months?

It will be unrealistic to pin great hopes on the initiative of the Janata President, Mr. Chandra Shekhar, for a meeting of his colleagues in the Opposition camp to discuss electoral reforms. True, the response to his invitation is encouraging and leaders of all parties, including those who did not want to be seen in each other's company, have agreed to participate in the discussions. But this by itself does not signify the will to get closer, or to submerge the numerous differences in the cause of unity. In any case, there is no justification to jump to the conclusion, as some have done, that a federal party is in the offing.

Modest objective

Mr. Chandra Shekhar's move is to be apprised in the context of the objective reality and the temptation to blow it into a larger-than-life dimension is to be resisted. Even he has a modest objective in view. Because of their experiences in the recent by-elections and the drubbing received by all of them, except the marxists in their stronghold, West Bengal, all non-Congress (I) parties are in a mood to consider measures to ensure fairness and freedom of poll processes.

Mr. Chandra Shekhar has sought to exploit this anxiety for the purpose of bringing them together and giving them an opportunity to concentrate on issues on which the scope for disagreement is minimal. The subject of their discussion is relevant to them no doubt, but more important is the intention to demonstrate to the people that the Opposition groups could join hands on issues of vital concern.

The idea is neither to get bogged in academic discussion not to seek formal unity but to try to create an infrastructure of joint action on issue to issue.

The success of the initiative would be judged by the extent to which it is able to break the ice of the past and motivate Opposition representatives for collective moves without compromising their ideological positions. Only if there is a breakthrough it would be realistic to talk of the unity of parties, loose or rigid.

Crucial 'if'

This 'if' is crucial. The hang-over of the past, of the events that led to the collapse of the Janata Government or the split of the non-Congress (I) parties, both before and after the Lok Sabha poll, frustrated the sporadic moves for unity in the Opposition camp.

For instance, the former Prime Minister, Mr. Morarji Desai, would have nothing to do with those who, he feels, betrayed him at a critical moment, like Mr. Raj Narain, Mr. Charan Singh, Mr. H. N. Bahuguna, Mr. Jagjivan Ram and Mr. Madhu Limaye.

Mr. Charan Singh is allergic to Mr. Raj Narain and Mr. Chandrajit Yadav among others, who left the Lok Dal after a show of defiance, to which he (Mr. Charan Singh) was not used. Mr. Chandra Shekhar does not like Mr. Jagjivan Ram and vice versa — the two did not get on well in the Janata Party, and the latter's switch to the Congress (U) made things worse.

This being the degree of personal animosity, the get-together of Opposition leaders will, no doubt, be an achievement but judgment would have to be reserved on the quality of their decisions.

The presence of non-Congress (I) leaders at one forum may serve to end the feelings of untouchability entertained by some for ideological reasons. Have not the two communist parties, on the one hand, and the BJP on the other, declined to maintain more than the barest minimum contact, unavoidable for functioning in Parliament, with each other?

Some time ago, the CPI (M) persuaded itself to involve the BJP in a broad campaign against what it perceived was a serious bid by the Centre to topple the Governments of West Bengal and Kerala. The BJP rejected the idea, partly because of its pique over the CPI (M)'s attitude towards it in the past and partly because the two parties confronted each other in Kerala.

Uncalled for euphoria

Garhwal, which will be the scene of a re-play of Mr. Bahuguna's contest with his Congress (I) rival, too has given the Opposition parties a common cause to fight for. But this, at best, is a symbolic struggle and has a limited promise for a sustained effort, even if some of the participants had not been reluctant.

Because of the combined effect of Mr. Chandra Shekhar's initiative and Garhwal poll, a lot would be heard in the near future about Opposition unity but there is nothing to suggest it could be taken for granted. The forces that pull them apart are far more powerful than those that tend to bring them closer and unless this co-relation varies, any euphoria in the Opposition camp would be uncalled for.

What other conclusion could be drawn in view of the record of the Opposition, particularly, its non-communist segment? The experiment of the six-party front, a semi-formal grouping of the Opposition, did more damage than good. The start made by the constituents, the Lok Dal, Congress (U), CPI (M), CPI, RSP and Forward Bloc, was promising and their resolve for a joint fight on three issues, rising prices, civil liberties and communalism, appeared serious. But soon the Congress (U) enthusiasm began to wane. The party's link with the Front turned out to be tenuous — through individual office-bearers and not through its institutional organs.

Later, the Lok Dal's ties with the CPI (M), an important feature of the re-alignment of 1979, cooled off because of the developments in Kerala and West Bengal, so much so that one architect of the front, Mr. Madhu Limaye, wrote to another, the CPI (M) leader, Mr. E. M. S. Namboodiripad, seeking clarification of the Ruling Front's attitude towards the Lok Dal in the two States. The inception of the six-party front annoyed the Janata Party and the BJP, though for different reasons. In any case, the Front as such ceased to operate.

Floor coordination

The fate of another experiment, floor coordination in Parliament, was no happier. This too began on a note of optimism which turned out unrealistic later. Opposition groups — of all shades and complexions — decided, on the eve of last year's winter session, to coordinate their strategies in the two Houses of Parliament on issues on which there was no differences among them. They even identified the issues like the Government's frequent recourse to ordinances, preventive detention, Maruti company, pressure on Governors appointed during the Janata regime, inquiry into the Pitts crash (in which Sanjay Gandhi died) law and order, the Presidential form of Government and rising prices and shortages of essential items.

The coordination was to be effected through frequent informal meetings of Opposition leaders — the idea of a formal steering committee, though mooted, did not find favour with them. Somehow, the strategy did not work on the very first day of the session and setbacks followed in a quick succession.

In the resultant disenchantment, several Opposition seniors began doubting the feasibility of the arrangement. The floor coordination, they argued, gave them a theoretical satisfaction of pillorying the Government in Parliament while the Opposition groups remained a fragmented lot outside, with some of them openly clashing with each other. The experiment was given up.

Some two months ago, on the eve of the by-elections, the Opposition camp hummed once again with the talk of unity. The former Steel Minister, Mr. Biju Patnaik, the initiator of the floor coordination plan, brought Opposition leaders together more than once, at socials at his New Delhi residence to work for a very limited objective, that is, avoidance of contests among non-Congress (I) groups and a united fight to the ruling party through adjustment of seats.

Here again, the initial enthusiasm yielded place to bitter wrangles. There were competing claims by the Lok Dal and the BJP for the share of seats in U.P., with the former insisting on the State being regarded as its stronghold and the latter maintaining that it had emerged as a reckonable force in the new context. The Congress (U) and the Janata party too found it hard to accept the claims of the others. Each of the Opposition group thus appeared in the electoral arena with exaggerated notions of its respective strength with the results that are clear to all.

This being the scenario, the task undertaken by Mr. Chandra Shekhar is daunting, indeed.

CSO: 4220/7283

FOREIGN MINISTER MEETS WITH PARLIAMENTARY COMMITTEE

Bombay THE TIMES OF INDIA in English 14 Jul 81 p 7

[Text] Hyderabad, July 13 (UNI).

The external affairs minister, Mr. P. V. Narsimha Rao, today assured the members of consultative committee of Parliament attached to his ministry that India was fully aware and conscious of the implications of the induction of sophisticated arms into Pakistan.

He said that the government was not complacent about the negative development in the security environment around India.

Summing up India's approach to Indo-Pakistani relations, Mr. Narsimha Rao told the committee that they would continue the efforts to evolve normal and good relations with Islamabad while remaining vigilant about the dangers of arms race in the region.

He explained that the two elements--vigilance and normalisation of relations--were not mutually exclusive.

Talks with Huang

Mr. Rao also informed the members about the recent discussions he had with the Chinese foreign minister, Mr. Huang Hua, pointing out that improvement in ties "related in significant manner to the border question."

Mr. Rao drew the attention of the members to the fact that Mr. Huang, during his talks with him (Mr. Rao) and the Prime Minister had accepted that the border question should be attended to at an early date.

He also touched upon the situation in Afghanistan and pointed out that the need for political solution to the problem as emphasised by the Prime Minister was finding increasing acknowledgement by many nations.

Briefing newsmen, a spokesman of the external affairs ministry said that there was broad agreement among the members of the committee that the diplomatic initiative taken by Mr. Narasimha Rao under the guidance of the Prime Minister was timely and pragmatic.

A number of MPs felt that developments in Pakistan and India's relations with that country should be assessed in a global perspective in the light of increasing great-power confrontation in India's neighbourhood and the Asian region.

Some members stressed the importance of our diplomatic efforts being accompanied by steps for defence preparedness in the context of critical security environment around the country.

Some members pointed out that India faced negative security environment, induction of sophisticated arms in our neighbourhood and even the possibility of nuclear arms race in the region. They felt that these factors should be kept in mind in dealing with Pakistan and China.

Mr. Rao observed that the government was aware of these factors.

The Prime Minister's as well as his discussions with leaders of various countries had generated a greater awareness of the great power confrontation and militarisation in Asia and the Indian Ocean region, Mr. Rao said.

As for relations with China, members noted with satisfaction the manner in which discussions were conducted with Mr. Huang Hua. Some MPs were of the view that developing friendly relations should be a gradual process. Others pointed out that India's relations would necessarily evolve by global developments in terms of China's relations with others as well as India's tangible interests.

CSO: 4220/7286

DELHI TO MAINTAIN CONTROL OF EDUCATION POLICY

Bombay THE TIMES OF INDIA in English 13 Jul 81 pp 1, 7

[Article by J. D. Singh]

[Text]

NEW DELHI, July 12.

THE Centre has firmly rejected the demand for transferring education back to the state list.

Although originally a state subject, education was put in the concurrent list under the 42nd constitutional amendment passed during the emergency, on the ground that greater co-ordination between the Centre and the states and between the states themselvs was necessary in such a key sector.

Ever since then, some of the state governments have been urging the Centre to restore education to the state list. The non-Congress (I) governments in West Bengal, Kerala and Tamil Nadu have been vociferous in making such a demand.

It is argued by them that the change effected more than four years ago has brought no positive result. Even after it has been put in the concurrent list, education remains the responsiblity of the states financially, legally and constitutionally.

The Centre has rejected these arguments and believes that the interests of education are better served by placing the subject in the concurrent list.

The concurrent status of education, it is said, is a matter of national interest. The problems of educational development are complex and differences in attitudes towards administering educational programmes persist in the state governments.

CENTRE'S CONCERN

A situation may thus arise for Central legislation to satisfy a national need or resolve a situation of national concern, and this can be better done if education is in the concurrent list.

The concurrent status of education can, therefore, be a useful instrument in such important matters as standards or in special situations of substantive departures from national policy.

The Centre points out that national consensus has been achieved in several significant areas in education. The restructuring of educational system on the 10 + 2 + 3 pattern has been accepted by most of the states. Consensus has been arrived at in respect of the curriculum for ten years' schooling, with work experience, teaching of science and mathematics and physical education as compulsory subjects.

However, the Centre has expressed concern over drastic departures made by some of the state governments from the accepted national policy.

A few of the state governments, it is alleged, have tampered with curricula to introduce communal and ideological prejudice into the textbooks.

The reasons for bringing education to the concurrent list were explained by the then education minister before the 42nd amendment was approved.

In spite of the government's policy to restrict expansion of institutions of higher education, it was pointed out, Bihar, Madhya Pradesh and U.P. had indiscriminately opened new universities in the past few years.

Some state governments had diverted allocations made for elementary education to higher education with the result that the goal of universal enrolment up to the age of 14 years, as stipulated in the constitution, had not been achieved.

Although the Central advisory board of education had taken a decision to make vocationalisation a part of the new 10 + 2 + 3 pattern, almost all the states were dragging their feet in this regard.

Similarly, technical education had been neglected and engineering colleges and polytechnics set up with Central assistance had not been provided with funds by the states to renovate and modernise their equipment.

Some of the state governments had even introduced amendments to the university legislation without consulting the Central government or the University Grants Commission.

Making a vigorous plea for the 42nd amendment, the then education minister had argued that the Central government should play a more positive role in the field of education.

Janata's Bid

After the adoption of the amendment, education was placed in the concurrent list with effect from January 3, 1977.

The Janata government, which came to power two months later, decided to restore education to the state list vide the 45th constitutional amendment. This was passed by the Lok Sabha where the ruling party had a majority but was rejected by the Rajya Sabha. As such, education continued to be in the concurrent list.

It is recalled that education was a Central responsibility up to 1919 when it was declared a provincial and transferred subject, with the Centre exercising a very limited control.

After independence, the constitution earmarked education as a state subject. However, educational policies and programmes became a partnership between the Centre and the states. The central advisory board of education emerged as a supreme organisation for such collaboration.

Regulation

The Centre's thinking is that education is vitally important to the country's development programme. Since the supply of educated and trained manpower is a sine quo non of development, regulation and employment should be through a statutory body that could look to the interests of both the Centre and the states.

Besides co-ordinated planning of educational policies and programmes, there is a need for regulation in the area of text-books and reference books for colleges and schools. At present, there is a proliferation of sub-standard textbooks.

There is a similar need for a certain uniformity in the degrees, diplomas and certificates awarded by the 31 boards of secondary education, hundred-odd universities and a host of unrecognised institutions. The creation of an all-India education service also needs urgent attention.

All these functions, the Centre argues, can be better performed if education is in the concurrent list.

CSO: 4220/7279

CONGRESS-I REPORTEDLY PRESSURES OPPOSITION GOVERNMENTS

Madras THE HINDU in English 13 Jul 81 p 1

[Article by G. K. Reddy]

[Text] New Delhi, July 12.

The ruling party at the Centre is following a two-pronged policy of utilising every possible opportunity to step up political pressures on the non-Congress (I) Ministries in some of the States, while at the governmental level it continues to maintain a reasonable working relationship with them.

The Centre as such is not engaging in any toppling game to dislodge them from office, but the ruling party is trying to keep the Democles sword hanging over the heads of the Chief Ministers of Jammu and Kashmir, West Bengal, Tamil Nadu and Kerala, whether it is to keep them on tenterhooks as a form of psychological warfare or forewarn them that their time was running out in the changed political atmosphere.

As Prime Minister, Mrs. Indira Gandhi, has no doubt, disapproved of the recent utterances of the Minister of State for Home Affairs, Mr. Yogendra Makwana, but she is not taking much notice of the complaints of the Tamil Nadu and Kerala Chief Ministers that he had transgressed his responsibilities as a Central Minister in publicly criticising the two State Governments.

Home Ministry's view sought: Though the Central agencies concerned have kept her fully informed of what exactly Mr. Makwana had said about the conversion of some Harijans to Islam in Tamil Nadu and the increasing incidence of politically motivated crimes in Kerala, the Prime Minister has sought the Home Ministry's comments on Mr. M. G. Ramachandran's protest letter before sending a routine reply to him. At her press conference on Friday, she had some harsh things to say about the record of the Kerala Government.

But what is really significant in this context is that, despite her preoccupation with the affairs of her own party Governments in the Northern States, Mrs. Gandhi has started taking what some of her confidants describe as a critical look at the performance of both Congresss(I) and non-Congress (I) Ministries in the south of Vindhya States.

It means that she is no less concerned about events in Maharashtra and Karnataka than in Tamil Nadu and Kerala, no matter how she looks at them.

Though in comparison Andhra Pradesh has been faring better in the sense that it has not been coming in for any adverse notice, it remains a problem State which can be rocked again by intra-party squabbles or regional tensions.

To this extent the present Anjiah Government is more happily placed since she is not going to countenance any demand for a change of leadership before the next elections in the State in early 1983.

The general feeling in political circles in Delhi is that, no matter what restraint Mrs. Gandhi displays as Prime Minister, the very logic of the growing confrontation at the party level with the communists in Kerala and West Bengal will sooner or later lead to a showdown.

The Centre has been displaying considerable restraint in dealing with Sheikh Abdullah despite his provocative pronouncements, because of Mrs. Gandhi's anxiety to avoid wider repercussions.

The attitude of the Central leadership towards the AIADMK in Tamil Nadu has not yet crystallised into one of open hostility or a desire for accommodation. There has been no response from Mrs. Gandhi's side to Mr. M. G. Ramachandran's overtures, although it has been made known that the Congress (I) does not consider itself irrevocably committed to continue its present links with the DMK beyond a point.

The field is thus wide open still for the two Tamil Nadu stalwarts, Mr. Ramachandran and Mr. M. Karunanidhi for carrying on their battle of wits to convince Mrs. Gandhi on which side her balance of convenience would lie during the next trial of strength in this State.

The saddest part of it all is that the Congress (I) in Tamil Nadu is in no position at all to tilt the scales either way by taking advantage of this uneasy situation.

Dissidence: The decision to dispense with Mr. Jagannath Pahadia in Rajasthan has set the tone for similar changes at least in some if not all the Northern States. The Central leadership can delay the process by simply prolonging the suspense, but it might be complicating matters further by sharpening the dissidence.

It is becoming increasingly difficult for Mrs. Gandhi to keep the tottering Chief Ministers going in States like Uttar Pradesh and Bihar without holding out some hope of changes before long to placate the dissidents as was done in Rajasthan.

Rajiv's role: An interesting feature of these developments in the States is that Mr. Rajiv Gandhi is being cast in the role of an arbiter with all and sundry running to him for advice.

There are reports that Mrs. Gandhi herself is unhappy over the wily attempts of her Congress (I) colleagues who under the guise of seeking her son's guidance by posing the alternatives open to the party in each of these States in the present situation are indirectly trying to narrow down his preferences to their own choices.

And the attempt to invest these decisions with the halo of Mr. Rajiv Gandhi's approval is seen as no more than a clever ploy by the party operators to exploit his name for subserving their own local interests.

It remains to be seen whether she will take steps to stop this exploitation of his name or allow this game to go on under the mistaken impression that there is no harm in letting him learn through trial and error the art of distinguishing between well-meaning and motivated advice.

CSO: 4220/7283

CONGRESS-U WORKING COMMITTEE MEETS IN BANGALORE

Meeting Discussions, Resolutions

Bombay THE TIMES OF INDIA in English 13 Jul 81 p 1

[Text] Bangalore, July 12.

The Congress (U) working committee, at its meeting here today, rejected the question of merger with the Congress (I).

"There is no question of merger", the party's general secretary, Mr. Banka Behari Das told newsmen.

The working committee decided to remove Mr. Shyamdhar Mishra, the controversial president of the Uttar Pradesh unit of the party, from all party posts.

Mr. Mishra's continuance in office had given a handle to the younger elements in the working committee to mount an attack on the party president, Mr. D. Devaraj Urs. Mr. Urs was allegedly charged with "mishandling" the situation in U.P.

With the action being proposed against Mr. Mishra, the anti-Urs lobby seemed to have reconciled to the continuance of the party president for some time.

However, it was understood that the party presidential election is being advanced to October, against the earlier decision to hold it in November. It was not known whether Mr. Urs would offer himself for re-election at that time. Another candidate in the run is said to be Mr. Sharad Pawar, former chief minister of Maharashtra.

Mr. Pawar was reported to have told his colleagues that the issue of the next party president should be settled amicably, it being a "family matter."

Mr. Pawar attended the working committee as a special invitee. A significant absentee from the meeting was Mr. Jagjivan Ram whose name had also been mentioned for the party presidentship.

The committee reviewed the situation after Mr. Y. B. Chavan left the Congress (U). Mr. Pawar said that although Mr. Chavan's exit had effected certain sections of the party in Maharashtra, the Congress (U) was intact in a majority of the districts.

In a resolution on electoral reforms, the committee termed misuse of the official machinery for "rigging" capturing of electoral booths and letting loose large-scale violence as a corrupt practice. The resolution will be released officially tomorrow.

The resolution touches on defections and other "distortions" in the parliamentary system. A committee of the party will be set up to finalise specific amendments to the electoral law.

Mr. Urs will participate in the all-party meeting convened by the Janata Party chief, Mr. Chandra Shekhar, in Delhi on July 17 on electoral reforms.

The working committee discussed the possibility of electoral understanding with like-minded parties. However, the parties with which the Congress (U) could identify itself at the national level were not spelt out.

The meeting opened with general remarks by Mr. Urs who felt that the hike in petroleum products announced yesterday by the government would accentuate the price spiral.

The economic scene was drifting and had become chaotic. Despite good crops, sugar and wheat were being imported. This was clearly a failure of the government on the economic front, Mr. Urs said.

Karnataka Government Scored

Bombay THE TIMES OF INDIA in English 13 Jul 81 p 1

[Text] Bangalore, July 12: The Congress (U) working committee today called on all political parties to carry on a relentless struggle against the "incompetent, immoral and undeserving" Congress (I) government in Karnataka, headed by Mr. R. Gundu Rao.

The working committee took serious note of the "alarming situation" in Karnataka. It charged the state government with employing brute force. There was gross abuse of power by the "ruling clique," including ministers and office-bearers of the Congress (I) and its parliamentary wing. Authority was being exploited for the advantage of individual members of the ruling party, it was alleged.

The committee referred to the alleged wrongful confinement of a woman of Bhadravathi, at the residence of the planning and wakfs minister, Mr. C. M. Ibrahim, and the unprecedented liquor tragedy in which more 300 persons lost their lives.

CSO: 4220/7279

FURTHER REPORT ON CONGRESS-U COMMITTEE SESSION

Bombay THE TIMES OF INDIA in English 14 Jul 81 p 7

[Text] Bangalore, July 13.

The Congress(U) will keep its identity, with the issue of any merger between it and the Congress(I) now a remote possibility.

A discussion camp, to be attended by party leaders, will be held for three days from September 18 in Hyderabad, where the Congress (U) may identify other parties with which it may have a tie-up for co-ordinated political action.

Mr. D. Devaraj Urs, party president, explained here today that the state units of the Congress (U) would have a certain amount of freedom to develop co-ordination with other parties, excluding the Congress (I), depending on local conditions. This would apply to West Bengal and Kerala also.

Mr. Urs welcomed the increase in the bank rate and compulsory deposit at high levels, but thought that the price hike in petroleum products would add to inflation. There was no justification to import wheat and sugar when the internal production exceeded consumption level. The wheat import showed that the procurement programme had failed. Whenever edible oil was imported, it went into black market.

On the liquor tragedy in Karnataka, Mr. Urs wanted to know why the National Security Act was not being applied to apprehend the "sultans and khans" involved in the illicit liquor trade. Efficient police officers who sought to take action against anti-social elements were transferred.

There were cases of consumption of illicit liquor and deaths even while he was chief minister, Mr. Urs conceded, but "never on this scale." Laxity on the part of the official machinery coupled with the steep rise in the price of illicit liquor forced people to drink it, he observed.

Meanwhile, the Congress (U) working committee meeting has removed Mr. Shyam Dhar Mishra, who is involved in a criminal case, from the party post of the president of Uttar Pradesh Congress (U) committee, Mr. Urs announced.

Mr. Mishra's presidentship of UPCC (U) was controversial in the committee and his dismissal was considered a triumph for the younger elements in their battle to oust older elements from various party posts.

Mr. Urs, whose ouster was also demanded by the younger elements, would, however, continue as the party chief on a temporary basis.

Mr. Mishra has been replaced by Mr. Mohammed Butt as the UPCC (U) chief on a temporary basis.

The organisational elections held from the primary to the PCC (U) levels have been declared null and void. Mr. D. K. Borooah will go into complaints about the elections and submit a report to the working committee.

CSO: 4220/7286

CONGRESS-U COMMITTEE PROPOSES FAIR ELECTION PROGRAM

Bombay THE TIMES OF INDIA in English 14 Jul 81 p 1

[Text] Bangalore, July 13.

The Congress(U) Working Committee has proposed a four-point programme to ensure free and fair elections.

This includes a system of compulsory voting on the basis of identity cards with photographs of electors, state funding of elections, formulation and adoption of a model anti-defection law and a drastic change in the election law for effective prevention of corrupt practices, undue influence, bribery, violence, allurement and intimidation by the state machinery.

Releasing the working committee's resolution, the party president, Mr. D. Devaraj Urs, said here today that "money power has assumed diabolical proportions and is playing havoc."

It was noted that the Santhanam Committee recommendations had been deliberately kept in the cold storage. Immediate legislative measures were urged to minimise corruption in the political system and ensure the accountability of politicians to the public by requiring them to keep to a standard of conduct. There must be a constant war on corruption, it was felt.

The working committee viewed with anxious concern widespread violence, large-scale booth capturing, general rigging and blatant misuse of power in favour of Congress(I) candidates in the recent by-elections. This unprecedented interference by the ruling party with the election process, coupled with the lack of opposition unity, had been responsible for what was being paraded as a landslide victory for the ruling party.

The order of the chief election commissioner for a re-poll in Garhwal had, in a limited way, exposed the ruling party's loud claim to hold free and fair elections, the working committee said. It also constituted a clear and complete indictment of the style and ways of functioning of the ruling party and its governments in the Centre and the states.

The threat posed by the Congress(I) to the system of parliamentary democracy was clear and the people had to meet it, the working committee resolved.

On electoral reforms, the working committee found itself in line with the thinking of other opposition parties. (Mr. Urs will participate in the all-party meeting on electoral reforms convened by Mr. Chandrasekhar, Janata party chief, in Delhi on July 17).

CSO: 4220/7286

JANA SANGH LEADER SCORES RESERVATION POLICY

Bombay THE TIMES OF INDIA in English 13 Jul 81 p 20

[Text] Ahmedabad, July 11: Prof. Balraj Madhok, president of the revived Bharatiya Jana Sangh, yesterday strongly opposed the reservation system and the roster policy as these were "anti-national and anti-democratic" and were dividing society and the country.

He charged the Congress party of following this inheritance from the British days as it, and its leaders, like Jawaharlal Nehru, were scared of nationalism. Other parties adopted these policies to placate the backward classes and win their support during elections.

Addressing a convention organised here by the unreserved employees confederation, Prof. Madhok said even the great leader and the father of the constitution. Dr. Babsaheb Ambedkar, was of the opinion that the reservation policy was retrograde and would put the backward countries into a perpetual state of slavery.

While Prof. Madhok wanted the immediate scrapping of the roster system, he said that the reservation system had to be removed gradually. The reservation policy had not helped in bringing the backward classes on par with others.

The Jana Sangh leader said that it was the responsibility of the Caste Hindus to help the uplift of the backward classes, who had been oppressed for centuries. A national policy on reservation had to be drafted, fixing the economic criteria for classifying the backwardness of the people and giving scholarships, freeships and other benefits to them. He alleged the Islamic countries had set up a fund of Rs. 3,000 crores for making India an Islamic country through the conversion of Harijans to Islam. To stop this, steps should be taken for the uplift of the Harijan and other backward classes and declare India a Hindu state.

CSO: 4220/7280

CONVICTED PAKISTANI SPY, ACCOMPLICES SENTENCED

Bombay THE TIMES OF INDIA in English 14 Jul 81 p 4

[Text] New Delhi, July 13 (UNI): A Pakistani national was today awarded 12 years' rigorous imprisonment on a charge of spying.

Eight other accomplices of Mohammad Saddiq alias Saddiqui were awarded three years' rigorous imprisonment by the additional sessions judge, Mr. M. K. Chawla.

In his order awarding the punishment to the accused persons, the court order said, "Information (sought to be leaked) in the case related to air fields, radar stations and other defence installations in India, which the accused persons were to barter with a neighbouring country, being lured by a few coins."

"Any person found guilty of such offences has always been dealt with in an exemplary manner by law courts all over the globe. The quantum of sentence for such offences has to be such as may be deterrent, so that other like-minded persons may not go astray," the judge said.

In his 174-page judgment, Mr. Chawla observed that "eternal vigilance is the price a nation has to pay for its freedom, and if any one plays with the freedom of a nation, no punishment is too high for such a person."

The spy ring was busted by the counter-espionage branch of Delhi police on October 8, 1976, with the arrest of one Salahuddin in Delhi.

The Pakistani national was arrested on November 9, 1976, and was in judicial custody since then. The other conspirators were arrested subsequently following his interrogation.

CSO: 4220/7286

INDIA TO REHABILITATE TIBETAN REFUGEES IN BHUTAN

Bombay THE TIMES OF INDIA in English 13 Jul 81 p 21

[Text] Srinagar, July 12 (UNI): India has agreed to rehabilitate 1500 Tibetan refugees who are presently settled in Bhutan, according to the Union deputy minister for supplies and rehabilitation, Mr. P. K. Thungon.

Speaking in an interview to UNI and AIR Mr. Thungon said that Mrs. Indira Gandhi had decided to rehabilitate them in India on "humanitarian grounds".

Most of the Tibetans were Buddhists, Mr. Thungon,a former Arunachal chief minister said.

He said about 748 Tibetans had already left Bhutan to be rehabilitated in India.

Mr. Thungon, who is here in connection with the two-day national council meeting of the All-India Youth Congress (I), disclosed that the Centre wanted to rehabilitate the Tibetans in Jammu and Kashmir.

He had discussions with the chief minister, Sheikh Abdullah, and the Jammu and Kashmir planning and finance minister, Mr. D. D. Thakur, he said.

In reply to a question, Mr. Thungun said the West Pakistan refugees could not be uprooted again and expressed the hope that an amicable solution to their problem would be sorted out soon.

Actually their problem was not that of rehabilitation, he said. The problem was with regard to their rights of citizenship. There were some constitutional problems, he added. He wanted their case to be tackled sympathetically.

CSO: 4220/7280

GROWING DISCONTENT IN JAMMU AND KASHMIR REPORTED

Calcutta THE STATESMAN in English 13 Jul 81 p 10

[Text]

SRINAGAR, July 12.—Jammu and Kashmir, it seems from official as well as unofficial indications available here, is heading for President's rule in the near future.

President's rule might be imposed not only because of continued confrontation between the Centre and the ruling National Conference Government in the State but due to the growing discontent among the people in all the three regions of the Kashmir Valley, Jammu and the Leh border. They have complained to the Prime Minister and the State Governor, Mr B. K. Nehru, about the State Government's "failure to redress their economic and political grievances."

While the agitation in the Shopian area of the Kashmir Valley for a separate hill district has reached its peak, similar agitations have begun making an impact in the Kishtwar and Bhaderwah areas of the Jammu region.

For the past one-and-a-half months people of Kishtwar and Bhaderwah have been organizing hunger-strikes and bandhs and there have been a number of clashes with the police, as in the Kashmir Valley's Shopian area where almost all the members of the Opposition Parties' Action Committee have been detained under the Public Safety Act.

In Leh district there have been a number of clashes recently. The people there charge the Government with being unfair in the allotment of funds for the development of the area.

The nomadic Gujjar and Bakarwal communities in Ladakh have been demanding for the past three years that they be given the status of Scheduled Tribes. They blame the State Government for not having promoted their case.

In several areas of Jammu and Kashmir people have begun to demand separate districts, tehsils and sub-tehsils. Though these agitations do not appear to be aimed at bringing about the disintegration of the State, they have led to at political crisis and instability.

Such dissatisfaction with Sheikh Abdullah's Government has resulted from the disregard for popular feelings shown two years ago when certain new districts and tehsils were carved out.

CSO: 4220/7281

DESAI HOLDS 13 JUL PRESS CONFERENCE IN BHOPAL

Madras THE HINDU in English 14 Jul 81 p 7

[Text]

BHOPAL, July 13

The former Prime Minister, Mr Morarji Desai, today said the Opposition parties should cooperate on certain issues among themselves and also with the Government "but I do not believe in a coalition with any party."

Speaking at a press conference here, he said he was not aware of the Janata Party President, Mr Chandra Shekhar's invitation to other Opposition parties for a dialogue on the threat to democracy because of "rigging" in elections.

Mr Desai charged the Prime Minister with creating a "war psychosis" to intimidate the people and cover her failures "on all fronts."

The huge purchase of arms by Pakistan was in retaliation to India's own purchases from the Soviet Union, France and the Jaguar deal with Britain. "Every country has the right to buy arms for its defence."

In this context, Mr Desai said the Soviet President Mr Leonid Brezhnev's visit to India last year was primarily aimed at bolstering India's war-preparedness.

Asked to comment on the reported massing of troops on the borders by Pakistan, Mr Desai countered "Has India not massed troops on the Rajasthan border?"

Mr. Desai alleged that Mrs. Gandhi was collecting funds from the "business lobby" unmindful of the effect it had on the price rise. He suspected that wheat and sugar were being smuggled out, whereby it had become necessary to import these commodities.

The wheat supplied by the United States to other countries was adulterated because of the disinfectants used for preservation, he said, adding that this was also borne out by a U.S. study.

Asked if India was making "proxy" purchase of wheat for the Soviet Union, the Janata Party leader said "It could be," but, he said, he did not wish to speculate. — UNI

PTI reports:

"I don't want to get into your net", he retorted when a reporter asked him about Mrs. Gandhi's Swiss account, into which his Government had ordered an enquiry.

CSO: 4220/7289

LAW MINISTER HOLDS 13 JUL PRESS CONFERENCE

Madras THE HINDU in English 14 Jul 81 p 9

[Text] New Delhi, July 13.

The Union Law Minister, Mr. Shiv Shankar, feels there will be no scope for confrontation between the Executive and the Judiciary if every organ confines itself to the domain assigned to it under the Constitution.

Noticeably reluctant to be drawn into a discussion on the recent controversy arising from strains between the two wings, he maintained that so far as the present Government was concerned, it had not exceeded its jurisdiction.

Mr. Shiv Shankar said he had avoided extravagant expressions because, in their interpretation, they could be given diverse meanings.

He, however, did not accept the view of those who would regard the Judiciary independent only if it gave verdicts against the Government. In his opinion the concept of independence involved interpretation of the provisions of laws in the context of the Constitution and the Constitution's philosophy.

At his press conference today, Mr. Shiv Shankar would not take questions relating to transfer of Chief Justices or his letter to the Chief Ministers, on securing the consent of Additional Judges of High Courts to transfers outside their States because these matters were sub judice. He, however, said that some 35 additional judges had responded to the query.

Recently, the Congress (I) took exception to some of the statements of the Chief Justice of India which it regarded as of political nature.

Through a statement by the subcommittee of Congress (I) MPs, the party saw no justification for the Chief Justice's apprehensions about the Government's attitude to the Judiciary.

While affirming its faith in the integrity and independence of the Judiciary, the statement referred to the ruling party's commitment to socio-economic justice and its concern over overcrowding the court's dockets, the slow-motion justice, and some trends in the judicial thinking which run counter to the basic democratic aspirations of the people and national imperatives.

The measures proposed by the Government, it said, were intended to make the Judiciary an effective instrument of social change and could not be termed an onslaught on the Judiciary.

In their criticism of the Judiciary, they said, they were prompted by a desire to accord to its its legitimate place.

Soviet system commended: Mr. Shiv Shankar, who returned today after an 11-day visit to the Soviet Union, narrated the striking features of the legal system there, particularly the practice of electing judges, bar on challenge to laws in courts and the office of the Procurator-General which could take note of wrongful action by the highest in the land.

Mr. Shiv Shankar had gone there at the invitation of the Soviet Minister for Justice, Mr. Terebilov, under the cultural exchange programme of the two countries and utilised the trip for a study of judicial practices. He was accompanied by two MPs, Mr. H. K. L. Bhagat and Mr. Janardhan Pujari.

The institution of Procurator-General with its branches all over the Republic, the Law Minister told his press conference, was unique, for it functioned as the watchdog of the entire adminstration and did not exclude from its purview even the Prime Minister.

Complaints could be filed before it by any citizen or officials, and the cases which were investigated by police were sent to it for decisions on whether and in what form prosecutions were to be launched.

Study suggested: The working of this organisation, which was independent, required an in-depth study, Mr. Shiv Shankar said. The fact the Procurator-General had the status of a Minister and a member of the 60-member Supreme Soviet, spoke of his importance in the Soviet system.

Since the features of the Soviet system mentioned by Mr. Shiv Shankar related to some of the subjects which had evoked bitter controversy in India, he was asked whether his pointed reference to them or his plea for an exchaustive study implied that he would like these practices to be considered for adoption here.

This, the Law Minister said, was not his intention for he merely wanted to pinpoint some practices which were different from ours. The in-depth study he had in mind, could be in the form of collection of relevant material, examination by researchers or the law commission.

Legislative supremacy: Legislative supremacy (no law passed by legislature could be challenged in a court of law) he said, was based on the premise that since it was the responsibility of the people's representatives to devise ways for the betterment of the lot of the people, their decisions should be beyond challenge.

If they made a mistake they would be punished by the people after the five-year term but the courts there could not strike down their decisions, he said.

Judges at all levels, district, regional or the Supreme Court, were elected by workers' communes, enterprises and other societies because, as Mr. Shiv Shankar

was told the idea was to keep them exposed to the public and to enable it to judge them on their performance and throw them out if necessary, after the completion of their terms.

Under the cultural exchange programme, this was the first visit by an Indian Law Minister after 1973, although dignitaries from the Soviet side had been here.

This exchange was considered helpful in promoting understanding of the legal systems, followed by the two countries.

CSO: 4220/7289

PLA AVENGES ARREST OF SINGH, KILLING OF LEADERS

Calcutta THE STATESMAN in English 13 Jul 81 p 1

[Text] Imphal, July 12.--People's Liberation Army commandos this morning killed two jawans in an ambush on an Army column at Bishnunaha after blasting the Irrinbang bridge in Imphal east circle last night, reports UNI.

Several jawans were injured in the ambush,while the bridge was closed to traffic after the bomb explosion on it, police sources here said.

The PLA struck to avenge the killing of seven of its leaders on Monday by troops and the arrest of its top leader, Mr Bisheswar Singh.

The sources said about 20 PLA members came in a hijacked vehicle and one of them threw a hand grenade at the Army column. Two jawans were killed and several others injured in the explosion.

After attacking the Army column, the PLA commandos drove away towards the north.

The sources said the Irrinbang bridge on the Imphal-Nairipok Road, about 30 km from here, was partially damaged by the blasting of a time bomb. Police recovered two unexploded bombs planted under the bridge. The Army started combing operations in the area immediately after the incident.

The sources said the immediate successor to Mr Bisheswar Singh was not known, but either Mr Kuniabihari Singh or Mr Temba Singh might have taken command of the six or seven remaining "divisions" of the PLA.

Meanwhile hundreds of youths, including girls, in white mourning dress, this morning brought out a procession in Imphal carrying the photographs of the seven PLA leaders killed by the Army on Monday at Techam village. The photographs were placed in a red-draped palanquin decorated with flowers.

The procession which started from Singhjamel areas proceeded along National Highway 39 leading towards the house of the Chief Minister, Mr Rishang Keishing, and ended near the gate of the first battalion of the Manipur Rifles as the security forces did not allow them to proceed further.

A Manipur Government Press Note issued here last evening said that a five-pointed star, symbol of the outlawed PLA, was found hanging in the session court compound yesterday morning.

The Press Note said that five armed men raided a house in Tendonyang village and demanded money from the house owner at gunpoint. One of the raiders was napped by the villagers. A pistol and six rounds of ammunition were recovered from him.

The Press Note said two editors for local periodicals ZORANTHAR and CHANTU published in tribal dialect from Churachandpur, Headquarters of Manipur south district, have been arrested for publishing articles undermining the security of the State.

The papers published an appeal by one Mr Lalramaliana, "an Adjutant-General of the Mizo National Army", to the PLA and PREPAK not to obstruct each other as all of them were fighting for freedom, the Press Note added.

Meanwhile, according to police sources, the body of a school teacher was recovered by villagers of Kalapahar from a ditch when a dog was seen trying to pull it out.

CSO: 4220/7281

ADDITIONAL ENERGY COMMISSION STUDY REPORTED

Madras THE HINDU in English 13 Jul 81 p 6

[Text]

NEW DELHI, July 12

If appropriate measures are initiated, it is possible to meet about 45 per cent to 49 per cent of the total energy demand by 2000 A.D. through non-commercial sources and new and renewable sources of energy, according to the Commission for Additional Sources of Energy (CASE).

Non-commercial sources include firewood, animal dung and farm wastes. The new and renewable sources include solar bio-conversion, wind, hydro, animal draught, geothermal and tidal energy.

At present 40 per cent of the energy requirements are met by non-commercial sources and the rest through commercial sources like coal, oil and electricity. A study by the CASE shows that the contribution of non-commercial sources will decline to less than 20 per cent of total energy demand by 2000 A.D. and this should be made up at least partly by renewable sources.

Apart from this, the study points out that renewable sources can replace the entire diesel oil requirements for water pumping and rural industries, 50 per cent of petroleum products needed for household and transport sectors, besides 25 per cent of fuel oil and 20 per cent of coal needed for low and temperature heat. If steps are taken to achieve these replacement targets, then 45 per cent to 49 per cent of total energy demand by 2000 A.D. can be met from non-commercial and new and renewable sources of energy.

The CASE has mentioned a range of 45 per cent to 49 per cent in order to correspond with two figures of demand — one called Reference Level Forecast (RLF) and the other Optimum Level Forecast (OLF). The RLF represents the demand that will arise if no deliberate measures are taken to manage the supply and demand for energy, while OLF relates to the demand that will materialise if the steps recommended by the working group on energy to manage supply and demand are adopted.

The energy demand under RLF is 308 million tonnes of coal, 74.2 million tonnes of oil, 471 trillion watt-hour of electricity. The corresponding OLF figures are 266 million tonnes of coal, 54.8 million tonnes of oil and 395 twh of electricity. The expectation is that 45 per cent of the demand under RLF or 4[illegible] cent of the demand under OLF can be met through non-commercial and new and renewable sources of energy.

In the "national paper" prepared for the forthcoming U.N. conference on new and renewable sources of energy, the CASE has listed the sectors in which new and renewable sources can replace present commercial sources. In the household sector, biogas/solar cooker can replace coal/kerosene/LPG for cooking, biogas/solar photovoltaic systems can replace electricity/kerosene for lighting and biogas/solar water heating systems can replace coal/kerosene/electricity for water heating.

In the irrigation and water supply sector, solar photovoltaic pump/windmill/biogas or alcohol engine can replace diesel oil/electricity for pumping. In the agriculture sector, engines based on biogas, alcohol, etc. can replace diesel for ploughing, solar energy can replace coal for drying, and solar/alcohol refrigeration systems can replace electricity for cold storage. In the industry sector, biogas/solar heating systems can replace coal for heat for rural industries like potteries, brick making, smithy, etc. Biogas/alcohol engine/windmill can replace electricity/diesel oil for milling, grinding, threshing in small scale industries, and solar water and air heating systems can replace coal/oil/electricity in water and air heating, low pressure steam applications.

The paper points out that the actual contribution made by renewable sources will depend upon several factors among which are: the availability and the price of conventional fuels, desire of the country to reduce dependence on external sources to meet its energy needs, development of technology for effective and economic utilisation of new and renewable sources, infrastructure for production, distribution, utilisation and maintenance of systems based on new and renewable sources, limitations such as land, animal population, climatic conditions, etc. and awareness among the people of the importance of new energy sources and adjustment of lifestyles to use these new sources.

CSO: 4220/7283

DEFENSE, SMALL INDUSTRY REPRESENTATIVES CONFER

Madras THE HINDU in English 13 Jul 81 p 12

[Text] Madras, July 12

Officials of the Defence Ministry held talks with entrepreneurs in the small scale sector in the Southern States on the development of new sources for the production of components needed by the Armed Forces.

The talks in the form of a buyer-seller meet came at the end of a three-day exhibition of items and their blueprints, needed by the Defence Ministry, at the premises of the Small Industry Service Institute (SISI), at Guindy on Friday.

The Defence Ministry found the response encouraging though the extent to which it could depend on the small scale sector is still to be assessed.

Problems: The Ministry runs into problems when it comes to the maintenance of imported equipment using indigenous spares and components.

According to senior technical officers the production of 14,000 items can be indigenised. There are sample rooms in Delhi, Bombay, Calcutta and Madras where the items are displayed.

The availability of samples at the Sample Room at Ambattur has not helped a bit to enthuse new entrepreneurs to take to the manufacture of defence items.

The special display, followed by the buyer-seller talks, was organised to encourage the small sector to manufacture spares for defence equipment.

Some 125 potential small industrialists visited the exhibition during the three days and got interested in 183 items.

Requests have been received for blueprints from many industrialists. This information was given by Major J S Kapoor, Officer Commanding, DGI Sample Room, Ambattur.

Difficulties that militate against the easy acceptance of quotations from the small industry by the Defence were recounted by some including the Director of the SISI, Mr C V Kuppuswamy.

CSO: 4220/7283

UTTAR PRADESH REPORTED EXPECTING RECORD HARVEST

Bombay THE TIMES OF INDIA in English 14 Jul 81 p 5

[Article by K. Vikram Rao]

[Text]

LUCKNOW: A bountiful monsoon and elaborate crop planning have raised hopes of a record kharif harvest in U.P. this season.

Despite an initial setback when sowing operations were delayed due to a severe power shortage that affected tubewell operations, the agricultural department has set the kharif production target at ten million tonnes. The crop last year yielded 9.1 million tonnes which itself was a record.

The rainfall in eastern and western U.P. so far has been reported to be 17 per cent above normal. Other parts of the state too have so far received sufficient rains. Indications that the Agricultural Prices Commission will recommend a higher support price and increased farm inputs have enthused the cultivators to put in extra effort to achieve the ambitious target.

The state agricultural production commissioner, Mr. Shamshad Ahmed, has pinned his hopes for a record output on the favourable monsoon conditions and the increased inputs being made available to the farmers. Heavy floods last year damaged vast areas. Heavy rains last year also contributed to the damage in Gorakhpur, Faizabad and Varanasi divisions where drainage is poor and equipment to pump out water from cropped fields is hard to procure. "This year, such damage is not feared," says Mr. Ahmed.

As for inputs, the consumption of chemical fertilisers this season has been 400,000 tonnes compared to 350,000 tonnes last season. The quantum of the fertiliser subsidy to cultivators has also been raised by the Vishwanath Singh ministry which only last month completed its first year in office.

The agricultural production commissioner claims that the newly-launched integrated rural development programme (IRDP) has started showing results. It has eliminated duplication of efforts and conserved and properly utilised resources. Besides, over 100,000 tonnes of quality paddy seeds have been distributed. Healthy seedlings boost production prospects. Pesticides have been supplied free of charge in 12 districts where the crops normally are subjected to heavy damage by pests. In the other districts, pesticides are subsidised.

Not being satisfied with these measures alone, the agriculture department has extended the area under kharif cultivation to five million hectares from 4.8 million hectares last year.

CSO: 4220/7286

BIOGRAPHICAL INFORMATION ON NEW RAJASTHAN HEAD GIVEN

Bombay THE TIMES OF INDIA in English 15 Jul 81 p 1

[Text] Jaipur, July 14.

Mr. Shiv Charan Mathur was sworn in as chief minister of Rajasthan at a brief ceremony at Raj Bhavan here today. He succeeds Mr. Jagannath Pahadia who resigned as the chief minister on Saturday.

Mr. Mathur was unanimously elected leader of the Congress (I) legislature party at its meeting held in the PCC (I) office earlier in the day. Mr. Mathur's name was proposed by Mr. Jagannath Pahadia and seconded by Mr. Paras Ram Maderna.

The meeting was delayed by about 90 minutes as the AICC general secretary, Mr. G. K. Moopanar, and the AICC observer, Mr. Buta Singh, union minister of state for shipping and transport, made last-minute efforts to bring about unanimity in the choice.

Showdown Averted

The Union minister of state for parliamentary affairs, Mr. Sita Ram Kesri, who arrived here yesterday played a significant role in bringing about a semblance of unity within the faction-ridden Congress (I) legislature party.

Mr. Pahadia and his supporters were bent on a showdown till the last moment. At one stage, it became obvious that the party would leave the choice of the leader to the Congress (I) president, Mrs. Indira Gandhi.

The three central leaders were, however, able to persuade all sections of the party to understand the need for a unanimous choice, minutes before the meeting began.

Mr. Mathur was a minister in Mr. Sukhadia's cabinet. After that he was a minister in all Congress ministries in the state, except in Mr. Pahadia's.

Mr. Mathur belongs to the mineral-rich district of Bhilwara. With his election as the chief minister, the leadership of Rajasthan has gone back to Mewar after a lapse of four years. Earlier, Mr. Mohan Lal Sukhadia was the chief minister from the Mewar region for 17 years. For a brief period of three years, Marwar led the state when Mr. Barkatullah Khan became the chief minister. Mewar again

came into the limelight when Mr. Harideo Joshi succeeded Mr. Khan. After the Congress (I) defeat in the 1977 election, Mewar was again relegated to the second position.

Mr. Mathur was among the five Congress (I) legislators in Rajasthan who stood by Mrs. Indira Gandhi at the time of the first split of the Congress when Mr. V. V. Giri was elected president.

Mr. Mathur's ability as an administrator, loyalty to the party and capacity to carry friends and foes with him have been proved a number of times. Mr. Narender Singh Bhati, a close friend of Mr. Rajiv Gandhi, has played an important role in Mr. Mathur's election.

Able Administrator

Soft-spoken and well-mannered, Mr. Mathur was born at Nadi Kanugo village in Guna district in Madhya Pradesh. After graduating in arts from the Maharana Bhopal College in Udaipur, he took a diploma in labour welfare from Bombay.

He was chairman of the Bhilwara municipal board in 1957-58 and Pramukh of the Bhilwara zilla parishad from 1960 to 1964. He was later elected to the Lok Sabha from the Bhilwara parliamentary constituency.

In 1967 and 1972, he was elected to the Rajasthan legislative assembly from the Mandalgarh constituency of Bhilwara district. He was the minister for education, power, agriculture and planning in the Rajasthan government during these years.

He was re-elected to the Rajasthan legislative assembly from the Mandalgarh constituency in 1980.

He was a member of the Rajasthan Students' Congress Working Committee from 1945 to 1947. He has taken keen interest in social service and education and always championed the cause of the poor and the downtrodden.

CSO: 4220/7294

REPORT ON SECOND DAY OF FOREIGN AFFAIRS MEETING

Bombay THE TIMES OF INDIA in English 15 Jul 81 p 9

[Text] Hyderabad, July 14 (PTI).

The Union external affairs minister, Mr. P. V. Narasimha Rao, told the parliamentary consultative committee attached to his ministry, today that the Tarapur plant would be "kept going" irrespective of any developments in the Indo-U.S. relations.

The committee concluded its two-day session here today. An external affairs ministry spokesman told newsmen at the conclusion of the meeting that today's discussions, centred on Indo-Bangladesh relations, regional co-operation, and India's relations with the U.K. and the U.S.

Mr. Rao detailed to the members of the committee the developments that had taken place in Bangladesh since the assassination of President Ziaur Rahman.

Some members expressed concern over the "hostile reports" emanating from Bangladesh. Some other members also drew the attention of the minister to the influx of Chakma and other tribes from Bangladesh into Tripura and other Indian states and expressed their apprehension in this regard.

Mr. Rao said that the government of India was fully aware of this development and added that in spite of this, India was continuing its efforts to work out solutions and maintain friendly relations with that country.

The external affairs minister also briefed the committee members on the global and regional economic problems and outlined India's stance on these questions.

Referring to the racial disturbances in the U.K. the external affairs minister explained the results of the visit of the Indian high commissioner in Britain as well as the speaker of the Lok Sabha to the disturbed areas of London and other parts of the country.

The members of the committee, according to the spokesman, felt that the cause of these disturbances were not just economic. There were also "deep-rooted social and political causes."

The spokesman said that at the end of the meeting, the committee members expressed support for the foreign policy initiatives taken by the Prime Minister and the external affairs minister.

The external affairs minister is leaving for Moscow tomorrow for what was described as "periodical bilateral discussions" and would return on July 18.

CSO: 4220/7294

INDIA, ROK HOLD TRADE REVIEW TALKS IN SEOUL

Bombay THE TIMES OF INDIA in English 15 Jul 81 p 12

[Text] Seoul, July 14 (PTI).

South Korea has impressed upon India the need for balanced trade, declaring: "Korea looks to India for additional imports of cotton, iron ore and manganese."

The two countries also agreed on the need to fight the 'menace of protectionism' in the west and to cooperate in the current multi-fibre agreement (MFA) round in Geneva.

He points of agreement were reached at the end of third official-level Indo-South Korean trade review talks here today.

Mr. Pranab Mukherjee, on the first visit to South Korea by an Indian commerce minister, led the Indian team. His counterpart, Mr. Suh Sook Soon, headed the South Korean side.

Before leaving for home, Mr. Mukherjee told the South Korean news agency "Yonhap" that the two countries had agreed to set up joint ventures to explore third-country markets. He offered leather, cement, chemicals and machine tools as prospective areas for joint ventures, saying India was interested in Korean investment in free trade zones.

India and S. Korea agreed to coordinate their strategies to oppose what an Indian official called an "unfair MFA agreement," which expires this year and will be re-negotiated between the developed countries and the developing textile exporting countries this month in Geneva.

With 3 billion dollars textile exports last year and 5.6 billion dollars by 1986, S. Korea, along with Hong Kong and Taiwan--their combined share in the total textile exports of developing countries is around two-thirds is understood to have agreed to co-operate with a Indian draft proposal to be submitted in Geneva.

India invited S. Korea's big manufacturing sector to establish joint ventures in the Santa Cruz free trade zone and Mr. Mukherjee even offered a tax haven to Korean.

Mr. Mukherjee told PTI that Korea could develop electronics in that zone. "There is no limit to equity," he said. "They can have 100 per cent ownership if they can re-export 100 per cent.

S. Korea's state-run Pohang Steel Company is reported to be interested for the mining of iron ore and manganese. The total imports of metallic ores from India last year was to the tune of 40 million dollars and S. Korea is keen on a share.

Mr. Mukherjee made it clear that India was not interested in joint ventures in raw materials, which S. Korean has initiated recently in resource rich U.S. Canada and Australia, on the basis of investment of Korean capital and advanced mining technology, in return for joint sharing of production on a "long-term basis."

After a sluggish one year, Indian exports to S. Korea surged by 107 per cent during the first five months of this year and totalled over 43 million dollars, the S. Korean government announced.

During the same period, Seoul exported to India goods worth about 107 million dollars, an increase of 57 per cent over the corresponding period last year.

S. Korea's shipping industry, which is the second largest in the world after Japan, is keen on setting up a giant shipyard in India. S. Korea's advanced deep-sea fishing technology was also offered joint ventures.

CSO: 4220/7295

JHARKAND MORCHA REPORTED TO SET UP PARALLEL GOVERNMENT

Bombay THE TIMES OF INDIA in English 15 Jul 81 p 4

[Text] Ranchi, July 14: Some sort of a parallel government is functioning in some pockets of Santhal Parganas, according to reports received here.

Such an administration has allegedly been set up by the Jharkhand Mukti Morcha. The Morcha has its own police force, courts and other paraphernalia of a government. A spokesman of the Morcha has, however, denied the existence of a parallel government and claimed that some extremists have been operating in this manner.

Mr. Binode Bihari Mahato, president of the Morcha, and Mr. A. K. Roy Chowdhury, the Morcha's nominee in the recent Giridih assembly byelection, have accused Mr. Shibu Soren and Mr. Suraj Madan of betraying the tribals in collusion with the Congress (I).

Tension prevails in the Santhal Parganas district and in some pockets of Chotanagpur, where the extremists are striving to extend their area of influence. The entire Chaibasa Sadar sub-division is a disturbed zone. The CPM cadres are active in Silli and other adjacent eastern blocks of Ranchi district, where their associates from West Bengal are also operating to consolidate the party's position. This has provoked violence.

Because of dissensions, the Congress (I) is in no position to combat the influence of the leftists. The infighting in the Bihar PCC(I) and the Chotanagpur and Santhal Parganas Congress (I) has paralysed the organisation.

CSO: 4220/7295

RAJIV GANDHI DEFENDS PARLIAMENTARY GOVERNMENT

Bombay THE TIMES OF INDIA in English 15 Jul 81 p 6

[Text] Bombay, July 14 (UNI): Mr. Rajiv Gandhi, MP, says the parliamentary system is a "good and sound system" and though it is quite slow on the economic front, politically it has kept our country strong and united and we need to forge ahead through the thorny, economic pathway with this very system.

In an interview with Mr. R. K. Karanjia, editor of BLITZ, appearing in the weekly's latest issue, Mr. Gandhi said trying a new system would not be very practicable and so it was better to streamline it.

Asked about higher production to solve economic problems, Mr. Gandhi said even if there was such a thing as higher production, however, the supply management had to be well controlled otherwise everything would go haywire.

Mr. Gandhi has strongly advocated that economic controls were needed for deficient economy and must work. "I strongly feel that if we cannot have a control that works, it is better not to have it."

"We should see what works. This will also increase the basic integrity of an Indian. We are getting into a position where we are unable to think straight. Everybody thinks crooked. That also has to be changed," Mr. Gandhi said.

He said the type of controls that were in existence in the country had to be viewed in the context of the fact that we have a low-paid bureaucrat controlling vast sums and he is very susceptible to looking the other way. Somehow, we have to sort this out. You cannot have somebody who is being paid Rs. 300 looking after exports of excise from a factory where the output may be worth Rs. 10 crores.

Asked whether he felt the solution lay in decontrol when the country had a scarcity market, Mr. Gandhi replied that they had to balance it. Whatever you can decontrol without causing problems, you should, he added.

On the party dissidents who often go to the Prime Minister with their load of woes, Mr. Gandhi said these problems must be really settled at the all-India Congress (I) committee secretary level.

CSO: 4220/7295

WEST BENGAL REPORTED EXPECTING NORMAL CROP

Bombay THE TIMES OF INDIA in English 15 Jul 81 p 7

[Article by Sivadas Banerjee]

[Text] Calcutta: The monsoon, which usually sets in around June 10 in this part of the country, has been erratic and niggardly, though land continues to be moist due to the heavy April-May rains. Between January and May, most parts of West Bengal received two to four times as much rainfall as in any normal year. Kharif sowing has, therefore, remained unaffected despite the current shortfall which, in fact, has proved to be a blessing in disguise.

The heavy rains in May destroyed seed beds in many parts of the state. Thanks to the successful implementation of the community nursery scheme, fresh seeds could be supplied to farmers for resowing. The seed beds are now thriving all over.

In small pockets, transplantation has already started and this operation is expected to be in full swing soon in the rest of the state. Most of the transplantation will take place later this month.

The April-May rainfall has caused the waterlogging of about 8,000 hectares in Midnapore district where sowing is yet to be undertaken. The /boro/ [in italics] summer paddy harvesting has Hoogly and Burdwan districts has also been seriously affected because of the flooding of the fields.

But this untimely heavy rainfall bestowed blessings too on the farmer. It enabled him to grow pre-kharif paddy over a larger area locally known as /aus/ [in italics]--about 60,000 hectares more than the usual 720,000 hectares.

In the case of kharif proper, the total crop area is likely to remain where it was last year--at around four million hectares, of which about 30 per cent will represent the high-yielding variety.

Where this kharif variety is concerned, the optimum coverage that can be envisaged is 60 per cent of the total. But, since 45 per cent of the land to be covered this way has to have the deep-water variety of seeds, which are not available now, the West Bengal government can be said to have achieved just about 50 per cent of this target.

Happily, there is absolutely no problem about the availability of fertilisers. Stocks, as a spokesman describes, are up to the neck. In fact, fertiliser use dropped perceptibly during the /boro/ [in italics] cultivation season. While in all previous years, there had been a steady 20 per cent growth in its use, during the last /boro/ [in italics] season the growth rate fell to 12 per cent, probably because of the increase in prices.

Meteorologists of the agriculture department do not foresee any unusual monsoon season in the months to come. Their view is by and large supported by the up-to-date reports of rainfall. So far, none of the processes associated with the kharif season has been delayed, despite heavy loss of seed beds.

If the expectations come true, there is no reason why it should not be another normal kharif crop this year.

CSO: 4220/7295

DANGERS TO INDIA FROM BURMESE TRIBAL AREA NOTED

Madras THE HINDU in English 14 Jul 81 p 17

[Article by Maj. T. R. Vedantham (retd)]

[Text] A Reuter report of May 5 1981 said extensive fighting had been going on between Vietnamese and Chinese troops with heavy casualties on both sides. Vietnam, Laos, and their border areas with the Yunnan province of China had been a disturbed area for some decades. The fact that medium and heavy artillery has been brought into use along with aerial bombardment makes it more than a border skirmish. It needs an examination in depth.

This area lies northeast of Kengtung, a province of Burma of the size of three Tamil Nadu districts, Tirunelveli, Madurai and Ramnad put together. In 1936 it was a feudal State ruled by a Hsawbwa (a prince or chieftain). The capital was Kengtung a sprawling city with beautiful ornate wood houses on hilly terrain with rich and luscious vegetation all around.

In the south-west and west, Kengtung has a border with the southern Shan States of Burma. In the northwest and the north it has the Northern Shan States. In the northeast it touches Yunnan, a province of China. In the east it has a fairly long border with Laos and in the southeast is Thailand. Its strategic importance should therefore be obvious.

In the northermost district of Thailand is the city of Chieng-Mai, the terminus of the railway from Bangkok. From Chieng-Mai runs a good motorable road to the north to Chieng-Rai situated close to the border of Kengtung. The road continues to Kengtung. In 1935-36 the Japanese constructed an airfield in Chieng-Mai, and that was only six years before they invaded the country.

From Laos there were a number of roads to Kengtung but only one or two were motorable in the days before the second world war. Others were only mule tracks. In the north-east there was at least one trade route into Yunnan up to the river Mekong.

Even though part of Burma, communications between Kengtung and the Shan States were poor.

Strange admixture

Before the second world war, the township of Kengtung and its adjoining areas had a strange admixture of people staying there for different reasons. Exiles in hiding, criminals running away from justice, wanted offenders evading arrest, espionage agents, opium smugglers, gun runners and adventurers of all sorts crowded into that territory. There was also a small factory, a sort of a glorified laboratory with modern sophisticated equipment to manufacture cannabis indica, morphine, heroin, and other opium derivatives.

During the reign of the Satavahanas, Rashtrakutas and the Pallavas large numbers of Hindus and Buddhists migrated and settled in the areas now known as Thailand, Cambodia, Vietnam, Laos, and lower Burma. There was also a migration westward across Burma into the valley of the Brahmaputra. It was not drought or famine that drove the people to migrate westwards. One of the reasons was the pressure of an excess population, the other was the cultural appeal.

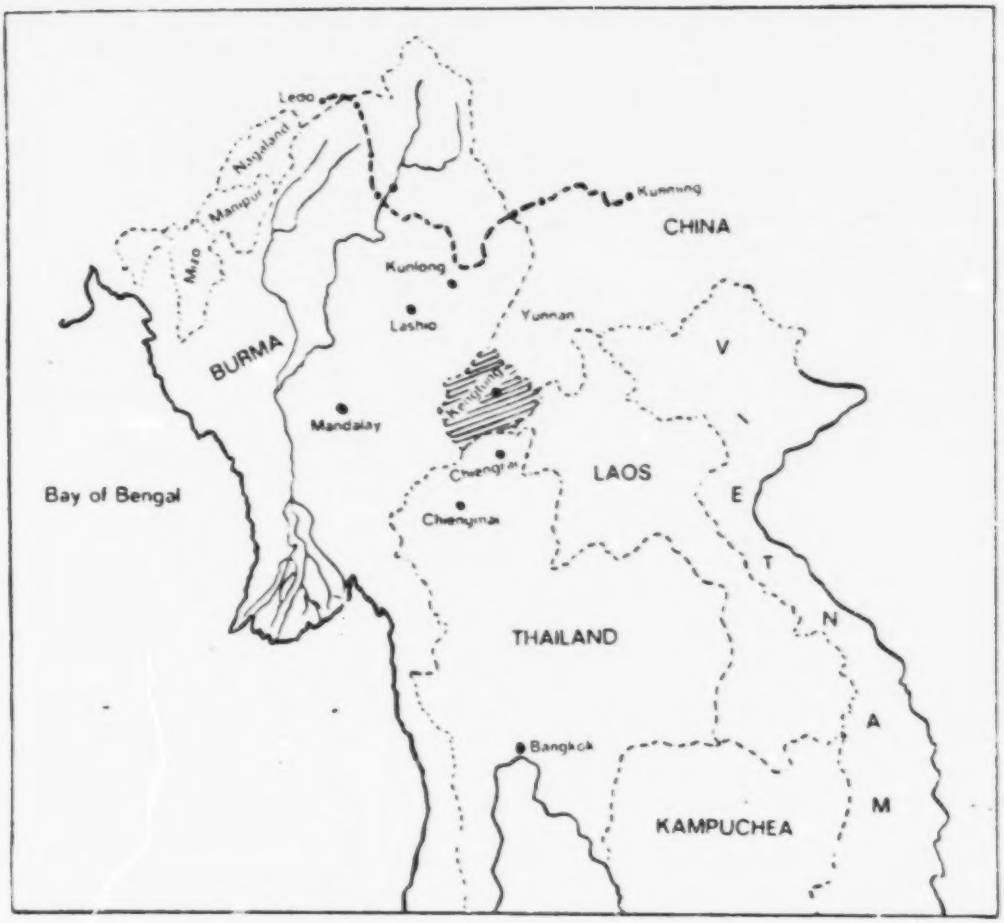
Kentung was the staging camp and the transit camp for these gigantic tribal migrations of the Indo-Chinese races to Burma and India's northeastern regions. It went on for over two to three centuries and after the 14th century began to decline and taper off.

Today Vietnam, Laos and Cambodia (now Kampuchea) are zones of Soviet influence. It is alleged that a certain number of Cubans are also there. There is a war going on in that region where Kengtung, Laos and Yunnan meet.

Three routes

There are three routes into Chinese Yunnan from this region, the Taiping, the Sheweli, and the Kunlong Ferry route. The famous Still-well road built before the second world war zigzags over the barren mountanous ranges of Yunnan, then runs north of the Laos-Vietnam border, enters the Shan States north of Kengtung and proceeds north to Ledo and Margharita on the Indian border.

This is a strategic overland communication route from Beijing in China to Dibrugarh and Tinsukia in Assam. This road runs right across the upper triangle of Burma, with the Irrawaddy valley to its east and the Chindwin valley to its west. That part of this road that runs through southern Yunnan is barely 160 km north of the border between Yunnan and Laos-Vietnam. In Burma at Kunlong, it is about 100 km north of Kengtung. This part of the road has now become vulnerable because of the war that is going on in that area.



Kengtung, so strategically placed has no army or air force or armoured divisions for its defence. Yet it enjoys a special privileged position in that all countries surrounding it by an unwritten law have agreed to safeguard its territorial integrity for the simple reason that each of them has a finger in the pie for good or for bad.

During 1950/51 there were a few battalions of Kuomintang troops scattered over the area around Kengtung in the Shan States, southwest Yunnan etc. When the communist took over in 1950 there was the problem of these Kuomintang forces left behind in this area. The Taiwanese Government maintained them by airdropping supplies for some time.

But this could not go on indefinitely. Some who volunteered were airlifted and some others smuggled themselves out and reached Taiwan. The rest of the forces crossed into Yunnan and surrendered to the communist forces. During these operations the Taiwanese officers as also their American advisers had their staff headquarters in Kengtung.

Attractive proposition

At present China feels that there is nothing to be gained by starting hostilities with India. However the upper triangle of Burma is a more attractive proposition for it because of its immense natural resources, minerals and timber, as also its agricultural produce and forest potential. At present China is virtually in possession of this territory. The lead and silver from Lashio and Namtu, lead, tin, and tungsten of the Bawdwin and Mawchi mines, the jades of Mogaung, the rubies of Mogok, the tung oil from the forests of the Shan States and many other valuable materials are being carried away by China by cartloads and lorryloads.

The rebel armies of the Chindwin valley, the Kachins, the Burmese Nagas, the Chins, the Lushais, and the Kukis, are all trained and provisioned by the Chinese. The U.S. has been providing the finance as well as arms and ammunition.

Burma realised a bit too late the mistake it committed in adopting a policy of isolationism. During the last two years in particular Burma has been girding up its loins to regain full control of its territories in the upper triangle.

In fighting the independent tribal armies in the Chindwin valley Burma will be fighting the mercenary armies of the Chinese. China will then come into the open and may choose to make a massive invasion of the northern regions

of Burma. What will be the repercussions?

New border with China

India is immediately affected. We will be having a new common border with China in our northeast. What is today the Indo-Burma border will become overnight an India-China border. China has been in close touch with the insurgents in our northeastern border regions. Chinese helicopters have drooped supplies to the insurgents during operations.

Once well established in the Chindwin valley, China will not have to bother about its bad logistics on the Himalayan front. The next move can be to persuade the tribals of the northeast to request for help. China can then produce another Afghanistan for us in our northeast.

The tribals have already been talking about it quite loudly during the last two years. The military road from Beijing to Kunming in Yunnan and then to Kunlong north of Kengtung, and then through Mogaung to Ledo in the Tirrup division has once again become very important. It will once again play a very crucial part if there is another world war.

The oilfields of Digboi and Naharkatiya are at the western end of this road. Chinese occupation of the Chindwin valley will then be a bayonet at our throat. What will be our reaction?

During the last one year there has been a whispered allegation that the U.S. is pressing China to occupy the northern regions of Burma and open a line of communication between Beijing and Chittagong. This road will run through the existing line through Kunming to Kunlong and then through Lashio to Mandalay and then west to the Chittagong Hills region. It will be only a few kilometres south of the southern tip of Mizoram.

In 1979 the efforts of the Christian missionary organisations to establish a base for insurgency in Arunachal Pradesh and channelise the trainees to a training camp south of Lhasa failed ignominiously and ended in disaster. Thereafter the U.S. is said to have increased its pressure on China to seek an outlet to the Bay of Bengal.

The Soviet Union is not happy over this move. The pro-Moscow regimes in Laos and Vietnam are now moving in the matter to cut the Stillwell road.

If the Vietnamese forces succeed in this, it can be a very serious setback to the Chinese intentions. These pro-Soviet forces can take their positions on the Yunnan-Burma border and effectively prevent the final take-over of the upper triangle by China. It can be made to appear that they entered Burma at the invitation of Government.

The nature of the operations going on around Kengtung shows that Vietnam and Laos want to respect the neutrality of this territory. Instead of entering Burma through Kengtung they are trying to outflank Kengtung on the north by cutting across southwest Yunnan to Kunglon, an important transit camp on the Stillwell Road.

A cockpit

The upper triangle of Burma is slowly emerging as a cockpit. Our tribals in the northeast were getting ready to jump into this fray two years ago. The idea was to carve out an autonomous territory comprising Nagaland, Manipur, Mizoram, and the upper triangle under the joint control of the U.S. and China with access to the Bay of Bengal.

It was a mistake to have soft-pedalled the issues in these tribal areas. We are at last waking up. The joint operations in the Chindwin valley should be pursued to their logical end. It is in our interest to help Burma to regain effective control of its territories in the north.

The report about the joint operations in Burma says that the object is to flush the valley of all insurgents. Is this the beginning of the end? Yes, if it is a thorough job in the sense that there are no hideouts and 'pockets' left behind. It will also involve a deployment of a peace keeping force in that area for a year or two after the operations are over.

If the statements made by the Chinese politicians about their intentions are to be trusted, and if China is sincere and means what it says, then it can gracefully withdraw from upper Burma leaving the rebel armies to their fate.

The prospects are that the operations from our side will be successful, but the Burmese army units even if assisted by Indian units will find the Chinese entrenched in the Shan States a very tough problem. Vietnam and Laos can give the final answer to this.

CSO: 4220/7289

OIL IMPORTERS REPORTED TO CAUSE FOREIGN EXCHANGE LOSS

Bombay THE TIMES OF INDIA in English 15 Jul 81 pp 1, 9

[Article by Madhukar Jhaveri]

[Text] Bombay, July 14.

Thanks to the ingenuity of a few super-rich traders, who know how to pull the right strings in New Delhi, the country is likely to incur an avoidable foreign exchange expenditure of about Rs. 200 crores on the import of fats of vegetable and animal origin during the 1981-82 oil year.

In a bid to plug the loopholes in the previous year's policy, the government has, of course, widened greatly the area of canalised imports during the current financial year. It has, thus, entrusted to the State Trading Corporation the imports of all oils and seeds of both edible and nonedible qualities, no matter whether these are mentioned specifically or not in the appendix 9 (5) of the policy statement.

But the government has woken up a bit too late. Anticipating a move of this kind, a few big importers have effectively stalled the restrictive measure quickly entering into large contracts with overseas suppliers, covering a number of items for industrial use. Just prior to the change in the policy. These importers are now sitting pretty.

Realising the gold mine the business represents, others in the trade have lost no time in joining the scramble. For them the task of claiming exemption from the ban on the ground that they had entered into commitments prior to the change in policy has been quite easy. They have managed to produce a number of contracts bearing the right dates, the overseas suppliers being generally accommodating in providing the backdated documents. Nor have they found it difficult to induce the Indian authorities to accept their manipulated claims.

The upshot of all this is that the country has already received, and the authorities have cleared, huge shipments of fats of vegetable and animal origin, some of them for the first time in the trade's history. Although no official data of the actual receipt and the supply in the pipeline is available, trade observers, who do not miss much, place the volume of business at about three-lakh tonnes. They claim that a part of the supply will arrive even during the 1981-82 oil year, to end in September 1982.

Veritable Flood

To name only a few items, the country has already received an estimated 90,000 tonnes of palm stearin which is non-edible but finding its way into the vanaspati factories of unscrupulous owners. The shipments already unloaded include about 20,000 tonnes of industrial-grade coconut oil, 10,000 tonnes of animal/beef tallow, palm kernel oil and acid oil each, and about 5,000 tonnes of babusa oil.

Outstanding contracts are estimated at about 50,000 tonnes of palm stearin, 30,000 tonnes of animal/beef tallow, 15,000 tonnes of palm kernel oil, 30,000 tonnes of acid oil and 80,000 tonnes of industrial-grade coconut oil.

The veritable flood of these foreign products, which is valued at about Rs. 200 crores, is due to the fact that the present import duties ranging from 15 per cent to 80 per cent to not present a serious deterrent, the margins being what they are. Thus, after allowing for all expenses, a tonne of palm stearin nets an importer a profit of Rs. 1,700 a tonne. Industrial-grade coconut oil yields a margin of Rs. 1,600, palm kernel oil Rs. 1,500, animal/beef tallow Rs. 1,300 and acid oil Rs. 500 to 800 a tonne. Profits are much higher--around Rs. 5,000 a tonne--on imports made under the 12.5 per cent import duty.

But these are not the only items to escape the net of canalisation. The importers have only recently cleared about 22,000 tonnes of cottonseed oil, and the quantity of RBD palm oil, palm olein and other oils received in recent months is placed at about 40,000 tonnes. Yet, about 40,000 tonnes of cottonseed oil and 30,000 tonnes of palm-products are in the pipeline.

As is only to be expected, the huge imports have already hurt the indigenous non-edible oils used in the manufacture of soap and other products. Rice bran oil has been a serious victim, its price having dropped to the unusually low level of Rs. 5,200 a tonne in the face of shortage and exceptionally high prices of most edible oils. At this time last year, it had no difficulty in fetching Rs. 7,200 a tonne.

The flood of foreign materials has dealt a severe blow to the indigenous manufacturers of rice bran extractions, an export item of some magnitude, as their realisations from rice bran oil have dropped. The processing of minor seeds, which had developed promisingly in recent years because of the growing internal demand, has also suffered from the easy availability of imported materials. Indeed, there are complaints that this has pushed the industry back by ten years.

Despite the colossal waste of foreign exchange involved in these import, it is considered doubtful if the authorities will be able to stop the flow entirely. For, the move will only result in a crop of law suits and nobody can predict the outcome, considering that the importers have been guided by the advice of people who know the loopholes, as also the way they can be exploited.

Observers feel, however, that the Government can still eliminate the mischief to a great extent by simply raising the import duty on these materials from the present 15 to 80 per cent, to a blanket 200 per cent, which is well within its power.

CSO: 4220/7294

RESULTS OF INDUSTRIAL MISSION TO UNITED KINGDOM TOLD

Bombay THE TIMES OF INDIA in English 15 Jul 81 p 1

[Text] New Delhi, July 14: British industrialists have shown interest in setting up export-oriented units in India following the new government policy on incentives for these units, according to Mr. T. D. Sinha, president of the Association of Indian Engineering Industry.

Mr. Sinha, who had led an industrial mission to the U.K. recently, told newsmen today that joint working groups would be set up to explore opportunities for increasing bilateral trade and industrial co-operation.

Agreement to this effect had been reached with the British Machine Tools Association and the British Consultants Bureau. It was agreed that these joint groups would pay particular attention to the third country projects where Indo-British co-operation would help improve the projects' competitiveness.

He said the association would be provided a list of projects for third country co-operation so that Indian counterpart companies could be identified and brought together with the British companies for joint ventures.

Mr. Sinha said the British had a better perception of the Indian engineering capabilities now. The association would organise more sectoral missions to strengthen the contacts. The missions would cover the areas of machine tools, construction industry, consultancy services, electronics and instrumentation.

These missions, he said, would help boost India's exports so that the massive imbalance in India's trade with the U.K. could be narrowed.

CSO: 4220/7294

ECONOMIC REFORMS COMMISSION'S DUTIES EXPANDED

Madras THE HINDU in English 14 Jul 81 p 1

[Text] New Delhi, July 13.

The terms of reference of the Jha Commission have been enlarged to empower it to suggest economies in public expenditure, simplification of import and export levies and liberalisation of controls to encourage economic development.

The Economic Administration Reforms Commission headed by Mr. L. K. Jha was initially entrusted with the tasks of suggesting improvement in tax administration and use of non-tax devices for raising additional revenues and the formulation of a model rent control Act, besides advising the Government on matters relating to the North-South Dialogue.

Early report: The Commission has been asked to give its suggestions for rationalisation of the tax structure well in time for incorporation in the next budget. It has been asked not to waste time by sending out elaborate questionnaires, but put forward its ideas cogently in brief notes for consideration and quick decision by the Government.

The Government wants the Commission to give the highest priority to suggestions for pruning public expenditure as part of the current anti-inflationary drive. The intention is to incorporate the Commission's suggestions, as far as practicable, into the proposals formulated by the Prime Minister's Secretariat and the Finance Ministry for curbing wasteful expenditure and observing economies wherever possible, without throttling normal investment for industrial growth and increased agricultural production.

Monetary operation: The latest economic package, including the sharp hikes in the prices of petroleum products, are seen primarily as a monetary operation to decrease the anticipated rise in budgetary deficit. It is anti-inflationary only in the limited sense that a big budgetary deficit has an inflationary impact and its reduction would help to reduce these pressures even if it is only to a marginal extent.

The steps taken by the Government in 1974 were basically aimed at curbing inflation by mopping up surplus cash in the hands of consumers, imposing severe credit restrictions, offering incentives for savings and managing the supply and demand position better through a prudent utilisation of the food imports.

The present package, on the contrary, involves a calculated risk in pushing up prices further through higher interest rates and increased transport costs in the course of narrowing down the budgetary deficit to manageable limits.

The Government has abandoned the idea of dividend curbs and impounding of additional dearness allowances on this occasion, since it did not want to tread too hard on the toes of the middle and working classes, after the sharp increase in petroleum prices.

Not hurt much: The latest measures have not really hurt the richer sections, since no bold attempt has been made to track down black money and plug the loopholes in the wholesale or distributive trades.

So a lot of emphasis is being placed on curtailment of public expenditure to reduce the budgetary imbalances, while the Government is exploring other means of relieving the pressure on prices.

The Jha Commission has been brought into the picture to enable experts to view this problem from both inside and outside the Government.

The Planning Commission has also been participating in this exercise at a different level to achieve greater economy through a more efficient and expeditious implementation of the approved Plans. But its emphasis is on continued investment to achieve the Plan targets through increased production.

The former member of the Planning Commission, Prof. Sukumoy Chakravarti, has been requested to rejoin the Commission as part of the Prime Minister's effort to strengthen it. But he has declined the offer for personal reasons, although he will continue to be available for consultations on specific issues.

CSO: 4220/7289

FRG TO HELP BOOST INDIAN ELECTRONICS INDUSTRY

Calcutta THE STATESMAN in English 14 Jul 81 p 3

[Text] West Germany will help India in establishing electronics test laboratories throughout the country and in modernizing the existing ones, during a three-year project. Work for this has already started since the end of last year. The project cost of Rs 12 crores, will be borne jointly by the two countries.

The project, which is expected to give a much-needed boost to the electronics industry, has been named "Standardization of Testing Quality Control". It will strive mainly for "quality assurance of electronic products" and will try to make both the industry and the people aware of the urgent need to enable the country to compete with the other countries in this field.

Under the project, there will be a primary standards laboratory, four regional testing laboratories and 18 other laboratories in different cities to provide testing, calibration and development assistance to the industry, especially its small and middle category units. Some of these laboratories have already been set up.

It has been felt that most of the small and middle-scale industries in electronics, are failing to maintain uniform quality of their products, mainly because testing is a tricky, costly affair and they lack sufficient funds for that. The laboratories will give them that scope.

The project also underlines the need for organizing seminar-cum-workshops in different cities to propagate quality control among the units. The West German Government has also decided to provide information the latest in this field, through books and films. The seminars are being addressed by international experts from Germany, Switzerland and the USA.

The eastern regional testing laboratory has been recently set up in Calcutta as part of the project. As an initial step, the laboratory has decided to conduct a number of seminars on topics associated with specification testing and quality assurance of electronic products. The seminars aim at motivating the electronics industry to adopt modern concepts on quality assurance and apprise the industry of measures needed to ensure quality of their products in the fiercely-competitive world market.

The first of the series of the seminars started in Calcutta on Monday. Speakers at the seminar's inaugural function, reiterated the need for maintaining the

quality of the electronic products. The five-day seminar will be conducted by Mr Van Der Touw, a Swiss expert on quality assurance in electronics industry. Speaking at the seminar entitled "Quality Assurance of Electronic Products", Mr D. Feldmann, coordinator of the project, said that West Germany would try to bring India up to international standards in electronics. He said that India had received the largest amount of such aid from the West German Government, compared to other countries.

Mr Touw described India as a "sleeping giant" which had no lack of technically capable people and had the advantage of cheap labour. He felt that with the right guidance, India could outstrip many countries in this field and could flood the world market. "But you must start now. Don't sleep too long. Wake up soon". He advised business men that "bad quality is more expensive" in the long run.

Mr B. Nag, Professor of electronics, Jadvapur University, inaugurated the seminar. He and Mr M. Mukutmani, Director of the Regional Testing Laboratory in Calcutta, urged the industry to stress on quality.

CSO: 4220/7288

PROBLEMS OF EASTERN REGION INDUSTRIAL GROWTH STUDIED

Calcutta THE STATESMAN in English 14 Jul 81 p 3

[Text] A recent non-official survey of the causes of the poor investment climate in the eastern region, particularly in West Bengal, shows that bad management, political interference, power shortage, unfavourable industrial relations and the apathetic attitude of the State Governments are the main reasons for the decline of the industry in the region.

In 1979, the northern region accounted for 45% of industrial licences issued by the Centre, followed by the western and southern regions with 22% and 21.4%, respectively. The eastern region lagged behind sharing barely 11% of the licences, indicating a dull investment climate in the region.

It is said in the analysis that a buoyant situation prevailed for the engineering industry in West Bengal in the 50s and early 60s when many orders were received from the growing steel industry and the traditional jute and tea sectors. But, most of the firms failed to realize that the boom would not continue for long and did not take necessary steps to diversify and upgrade technology to meet future demands. The management of only a few firms could anticipate it and generate enough surplus to open new units.

As regards political interference, a common complaint heard in West Bengal is that the Centre's stepmotherly attitude is one of the reasons for the low industrial growth in the State. The survey says that the allegation may or may not be true, but it surely does not justify the low growth situation in three other eastern States of Bihar, Orissa and Assam. It can, however, be said that the Centre's reluctance to set up units in the public sector in the eastern region, particularly in West Bengal, is one of the reasons for the industrial stagnation in the region. The Committee on Public Undertakings has recently said that the north-eastern region's share of the Rs 5,391-crore development assistance provided by the Industrial Development Bank of India during the past 16 years is barely 1% of the total amount.

Power is perhaps the major infra-structural constraint on industrial development in the eastern region. Despite the critical power shortage the eastern and north-eastern regions have been allotted the lowest generation quota of 3,400 MW of the total 18,000 MW additional generation capacity to be installed in the country during the Sixth Plan period.

Although official circles take pains to point out that the labour situation in the eastern region is better than in most other States, the fact remains that in 1979, the eastern region accounted for 45% of the total mandays lost in the country because of industrial disputes. The production loss in the region in that year because of industrial disputes was Rs 7.37 crores. The number of industrial disputes and that of mandays lost in West Bengal were the highest in the country in 1979. It is felt that with the changing pattern of trade union movement, labour needs mature handling. But, unfortunately, labour management in the eastern region has not, in general, been efficient so far.

Referring to the drain of capital from West Bengal to other States, the survey report states that the main reason for this is the better incentives offered by the State Governments and development organizations in other regions to the entrepreneurs than that provided in West Bengal.

The performance of the West Bengal Industrial Development Corporation compared to that of the Gujarat Industrial Development Corporation was dismal, according to the survey. While the Maharashtra Government expects to attract Rs 1,500 crores worth of petro-dollar investment from the oil rich West Asian countries for 16 new projects, nothing has so far been done by the States in the eastern region to woo West Asian investors.

The survey was conducted by the Association of Indian Engineering Industry.

CSO: 4220/7288

DEFENSE EXPERTS REPORT BUILDUP ON PAKISTAN BORDER

Bombay THE TIMES OF INDIA in English 13 Jul 81 p 1

[Text] New Delhi, July 12 (PTI).

Pakistan is reported to have completed a programme of "massive military buildup" all along the Indian border.

According to reliable defence analysts, Pakistan has at present deployed nearly 350,000 men divided among 15 infantry divisions, two armoured divisions, three artillery brigades, and 15 air defence regiments on the Indian border.

While raising the bogey of "an imminent threat" from Afghanistan side, Pakistan has been engaged in a programme of gradual increase in its defence forces all along the Indian border.

Defence experts were surprised that Pakistan, which claimed to the world from roof-top that it had Russians at its doors, via Afghanistan, had deployed only four divisions of infantry and a single armoured division to safeguard its vulnerable border areas including the mountain passes of Bolan and Khyber of Karakoram range.

Asserting that India was well aware of Pakistan's military build-up along the border, Indian defence sources said, "we are neither complacent nor panicky."

They, however, expressed concern over the reported move of the U.S. to equip Pakistan with F-16 fighter bombers, and M-60 battle tanks.

It is estimated that with the addition of 600 M-60 tanks, Pakistan would have nearly 2,000 battle tanks comprising shermans, T-59 and M60.

In addition to the aircraft and tanks, Pakistan was also expected to receive about 500 armoured personnel carriers, 50 helicopters for army aviation corps and huge stock of night vision fighting equipment.

A former army general said, "if we look at this in historical perspective, we come to only one conclusion--that this amassing of arms is not good for India."

Military Airports

Besides over 300,000 infantrymen along the Indian border, Pakistan has also positioned nearly 2,000 medium and heavy artillary guns, battalions of rocket launchers, 15 companies of troops equipped with anti-tanks, guided missiles of the first and second generation.

All along the 1,500-kilometer border, Pakistan is reported to have also completed the construction of a large number of military airports capable of landing and taking off supersonic fighter aircraft.

While there has been a noticeable increase in Pakistani troops and armament along the Indian border, Pakistan's preparation along the Afghan border to defend itself were reported to be at a low key, according to international military experts.

According to information available with defence sources, Pakistan had enhanced substantially its infantry as well artillary strength since 1972.

In 1972, Pakistan had only three corps headquarters which were now eight registering an increase of five. The number of mountain and infantry divisions had also increased from 10 to 19. There was considerable addition in the army aviation corps, the anti-tank guided missiles battalions, artillary regiments, air defence regiments and independent armoured brigades.

Sources claimed that Indian defence authorities were quite vigilant and watchful of the development in Pakistan and were confident that India's defence preparedness was capable of facing any eventuality.

CSO: 4220/7279

ARMY AIR DEFENSE REGIMENTS TO BE MODERNIZED

Bombay THE TIMES OF INDIA in English 13 Jul 81 p 7

[Text] New Delhi, July 12 (UNI): The air defence regiments of the army are to be modernised in view of the acquisition by Pakistan of F-16 aircraft from the United States. The regiments will be equipped by up-to-date missiles among other things.

According to informed sources, the strike character of the air defence regiments (ADR) will be bolstered by equipping them with surface-to-air missiles (SAMS), ground-to-ground and air-to-air missiles. At present, an ADR has limited types of missiles.

The re-equipment of the air defence regiments assumes importance with the Pakistani army raising its ADR strength from 15 in 1972 to 36 up to May.

In comparison, the Indian army had 21 ADRs in 1972 and has added only five more by May last. Thus in this segment of the army, Pakistan has an advantage.

Pakistan has been propagating that it is acquiring sophisticated weapons systems, including the F-16s, to counter threats from the Soviet-backed Afghan forces.

According to international strategic studies, Pakistan has positioned two divisions along the Landi Kotwal-Khyber Pass sector to the west of Peshawar.

Against the Soviet army strength of about one division south of Kandahar, Pakistan has two divisions between Quetta and Chaman.

Contrary to public pronouncements, Pakistan has concentrated 17 army divisions all along its border with India. In addition, Pakistan has two tank divisions, nine divisions of frontier corps and at least six battalions of Mujahid paramilitary forces.

Pakistan is also acquiring 500 to 600 guns, about 2,000 anti-tank guided missiles and over 60 attack helicopters for its army aviation wing.

Pakistan is also expected a considerable fleet of armoured personnel carriers under an arms aid agreement with the United States.

CSO: 4220/7280

WASHINGTON CORRESPONDENT ON QUALITIES OF F-16

Madras THE HINDU in English 14 Jul 81 p 9

[Article by N. Ram]

[Text] India will take due heed of the fact that seven F-16 fighter-bombers from the 388th tactical wing of the U.S. Air Force recently flew away with British Royal Air Force tactical bombing competition in Scotland--leaving the competing F-111s, RAF Jaguars and Buccaneers very far behind.

The no-contest win came in the first international bombing meet in which F-16s are known to have participated.

According to an announcement by the U.S. Air Force, the F-16s scored 7,831 out of a maximum 8,000 points, and this was good enough to beat the runner-up--the team from RAF Bruggen, West Germany--by 1,074 points. The contest involved penetrating air and ground defences to attack simulated targets, and the flight crews were judged for bombing accuracy and countering interceptor threats.

Hits All Targets

According to General Dynamics, the company that gave the deadly plane to the U.S. Air Force, "The F-16s were the only aircraft in the competition to hit all targets in two days of bombing runs and against a convoy of vehicles....The air-to-air threats, RAF F-4s and Lightnings, put constant pressure on the competing aircraft from five minutes after they took off until they landed.

During the 16 competition sorties, the F-16 team achieved a total of 86 'kills'--while suffering no losses--in engaging the interceptor aircraft". The announcement stated that the other teams received a total of "42 'losses' collectively made only one 'kill'".

Another point made by General Dynamics is that its needle-nosed "small, lightweight, agile, difficult to see, and hard to hit"--fighters demonstrated "superior survivability against surface-to-air Rapier missile threats" and averaged a 10.5 minute turn-around time on the ground.

The description of the F-16 fighter-bomber in India as "a class of aircraft a generation ahead of anything operating with other Air Forces" in the South Asian region is a matter-of-fact acknowledgement of what military analysts here are beginning to take for granted.

The top of the line fighter in the U.S. Air Force is the F-15, a longer-ranging, much bigger, much more awesome, much more sophisticated and much more expensive military aircraft than the F-16. Since the "air superiority fighter" was introduced by the U.S. Air Force in the mid-1970s, the company that designed and manufactured it--McDonnell Douglas Corporation--as well as the Air Force have touted it as "the world's best fighter".

Soviet experts have not bothered to contest this, in line with their practice of not entering into polemics or public discussions comparing various high-performance aircraft and other weaponry.

Some military analysists, and especially conservatives attempting to demonstrate a substantial Soviet military 'lead' over the United States, have questioned the practical wisdom of relying so heavily on the F-15s, which they present as not adequately ready or mission-capable, not supported with enough spare parts and test equipment, and also as being large and visible to the point of vulnerability.

Superior Aircraft

While non-experts have clearly no way of judging such claims or assertions, the point is that the same conservative critics of the F-15s recommend the procurement of F-16s over the former for the U.S. Air Force. According to one such expert, Mr. Pierre M. Sprey (a former Pentagon official contributing to a book by the ultra-right Heritage Foundation), "in visual combat, the F-16 has been demonstrated to be the superior aircraft".

The literature and photographs supplied to THE HINDU by General Dynamics as well as the material gathered from the U.S. Air Force underline the point of 'unique' high performance. Independent experts are generally agreed that at the least the F-16 (as one background note puts it) "utilises the latest technology in its design, its avionics, its electronic countermeasures and its weapon systems.

"It is capable of operating in all weather by both day and night in both air-air and air-ground roles. The aircraft has an advanced multi-mode radar, and a computer system that enables the pilot to safely and effectively exploit all activities from cockpit management through navigation and threat assessment to target selection and acquisition, and automatic weapon delivery".

The thrust/weight ratio of about 1.3:1 in air combat is said to give it "a clear advantage in acceleration and manoeuvrability" over the MIG-23 (about 0.85:1) or the Jaguar (about 0.7:1).

For attacking ground targets, it can unleash a significantly greater payload at a greater range than either the Jaguar or the MIG-23.

While it is likely that there are, or soon will be, military aircraft produced by the Soviet Union or France to match the F-16, there can be no question that its supply in significant quantity in the near future to the Pakistani military dictatorship will introduce into South Asia a qualitatively new factor that will make an arms race unavoidable.

At the same time, as one leading American military commentator reports it, there is being expressed by "military leaders and civilian analysts in Washington

and other NATO capitals" the feeling that "no matter what sums were expended (on behalf of the Pakistani regime) and no matter how many F-16s were included in the deal, the resulting Pakistan military structure would not provide an effective answer to a Soviet drive from Afghanistan into Pakistan".

Two basic reasons are given for this reading. First, Pakistan's armed forces have "one of the widest and most awkward mixtures of military equipment in the world". Secondly, both the Army and the Air Force in that country have "insufficient training in modern warfare, including the use of precision-guided missiles, to fight effectively against well-equipped Soviet divisions and tactical Air Forces".

In a long article published in an American daily on Sunday, Mr. Robert C. Byrd, the former majority and now minority leader in the Senate, has unexpectedly joined in the criticism of the policy of inducting F-16s into Pakistan at this time.

"Need more be said concerning the stability of the Indian sub-continent?" (His larger argument is that a foreign policy "predicated on a singular, ideological preoccupation with the Soviet Union...based solely upon a narrow preoccupation with the Soviet Union is doomed to failure...").

New Factor

In other words, all but the most hard-boiled apologist for the Reagan administration's course are beginning to admit in independent discussion, or privately, that rearming the Pakistani military dictatorship can have very little to do with the "western front," against the Soviet Union in Afghanistan. (At any rate, the Soviet Union can rather easily take care of itself, vis-a-vis any mischief from the Zia regime).

On the other hand, the results of the international tactical bombing competition in Scotland reiterate the validity of the very serious concern felt in India over the decision to introduce into the region--and directly into the hands of an isolated and highly unpopular regime--a qualitatively new factor of war.

CSO: 4220/7289

KERALA CHIEF MINISTER MAKES STATEMENT ON OIL PRICES

Madras THE HINDU in English 14 Jul 81 p 11

[Text] Trivandrum, July 13.

The Kerala Chief Minister, Mr. E. K. Nayanar, today urged the Central Government to withdraw the hike in the price of petroleum products and fertilizers.

Making a statement in the Assembly Mr. Nayanar said the increase was "a cruel blow to the people who are already groaning under the weight of soaring prices."

The price of petrol has gone up by 53 paise per litre, high-speed diesel oil by 32 paise per litre, kerosene by 15 paise per litre while the price of furnace oil will go up to Rs. 235 per kilo-litre. The price of chemical fertilizers also has gone up. Though this was the official increase, as a result of local taxes and transporting cost, the actual increase in prices would be much more.

Chain effect feared: The Chief Minister said there was no doubt that there would be an all-round increase in prices particularly in a State like Kerala which was at the southern tip of the country.

Essential commodities needed in the State had to be brought from other States by road. This would naturally mean a general price increase. Bus, taxi and autorickshaw fares would go up while the cooking gas price increase would hit middle class families.

Paddy cultivators as well as coconut-growers would find the hike in fertilizer prices an unbearable burden. Industrial products would cost more because of costlier furnace oil, Mr. Nayanar said.

It was only three months ago that the rise in price of petroleum products created considerable hardship to the people. More than any other State, Kerala was going to face a more difficult period. "Therefore on behalf of the State Government, and this House I request the Central Government to withdraw the price increases."

Interruptions: The Chief Minister's statement was interrupted several times by Kerala Congress (Joseph Group), members, who wanted the House to discuss the CPI(M) "atrocities" in Aleppey district.

Amidst the din created by them, the Chief Minister read out his statement at the end of which the leader of the Opposition, Mr. K. Karunakaran, asked "In view of your anxiety over the additional burden on the people, will you reduce or withdraw the sales tax on these items as a relief measure?"

The Chief Minister replied: "We have not increased the sales tax at all."

The former Chief Minister, Mr. P. K. Vasudevan Nair (CPI), asked Mr. Karunakaran "Do you support the price increase ordered by the Central Government?"

He replied: "For the overall economic stability of the country, the Central Government will take its own decisions. These decisions are in the national interest."

The Chief Minister said it was regrettable that his statement was interrupted by Kerala Congress (J) members wo claimed to be the champions of farmers. "My statement highlighted the problems the farmers would face following the price increase" Mr. Nayanar said.

CSO: 4220/7289

BRIEFS

BRITISH 'APATHY' PROTESTED--Bombay, July 13: The CPM today held a demonstration outside the office of the British deputy high commissioner here to protest against what it called British apathy in not protecting people of Asian and African origin from racial riots in England. Party volunteers led by Mrs. [name illegible] Rangnekar and Mr. P. K. [name illegible] held placards and shouted slogans condemning Britain's racial policies. Mrs. Rangnekar was among those who addressed the demonstrators briefly. A memorandum, addressed to the deputy high commissioner, criticised Mrs. Thatcher for "abdicating" her responsibility to protect the interests of blacks and coloureds. It called upon the government to punish the racists responsible for the riots and give compensation to the victims. [Text] [Bombay THE TIMES OF INDIA in English 14 Jul 81 p 1]

RSS APPEAL--New Delhi, July 13 (PTI): The Rashtriya Swayamsevak Sangh (RSS) has called for a ban on religious conversion and flow of foreign money into the country. The sangh's karyakari mandal expressed its concern over reports of conversion of large number of Harijans into Islam at Meenakshipuram and other places in Tamil Nadu. A resolution adopted at the two-day meeting of the mandal, which ended here yesterday, alleged that vast amounts of money, coercion and other illegal methods were adopted to get the Harijans converted. The mandal appealed to the Harijans to stand united with the main body of Hindu society. It assured them that the sangh would leave no stone unturned to secure them a place of equality and respect in Hindu society. [Text] [Bombay THE TIMES OF INDIA in English 14 Jul 81 p 7]

PLA WEAPONS SECRETARY RESIGNS--Calcutta, July 13--The grenade with which the Manipur rebels killed two jawans in Manipur has reportedly an imported one and gifted to them by pro-China Naga hostiles. The grenade, which was used in an earlier attack, was also an imported one, according to competent sources. It is reported that following the arrest of Mr Bisweswar Singh and other PLA leaders in Manipur, the extremists have been receiving arms from the Naga rebels led by T Mulvah and Isaac Swue. In Manipur two of the first rank leaders of the PLA are now at large according these sources. They are: Kunja Bihari Singh and Nemi Singh. It is felt that any serious attack by the PLA in view of their depleted strength is unlikely unless they are replenished by the Naga hostiles. [Text] [New Delhi PATRIOT in English 14 Jul 81 p 4]

SOCIALIST SECRETARY RESIGNS--Parimal Das, secretary of the Socialist Party, has resigned from his post as well as from the national executive of the party, reports PTI. [Text] [New Delhi PATRIOT in English 14 Jul 81 p 1]

BENGAL CPI-M HEADQUARTERS--The headquarters of the West Bengal unit of the CPI(M) in Calcutta were shifted from the old premises at 33, Alimuddin Street to an adjoining newly-built three-storey house on Sunday. Addressing a brief inaugural meeting, the secretary of the State Committee, Mr Promode Dasgupta, said that the building had been named "Muzaffar Ahmed Bhavan" to perpetuate the memory of the founder of the Communist Party of India. The inaugural day had been chosen because Ahmed had brought out the periodical, NAVA YUGA on July 12, 1920, to propagage Leftist ideas. He thanked the labourers and engineers who had helped to build the house. The party's two organs, GANASHAKTI and DESHAHITAISHI, will also be housed in the new building. The Chief Minister, Mr Joyti Basu, was present at the meeting. [Excerpts] [Calcutta THE STATESMAN in English 13 Jul 81 p 9]

COAL GASIFICATION PROPOSAL--Gandhinagar, July 14: The planning commission has asked the Union petroleum ministry to prepare a proposal for gasification of coal in the Kalol region of Gujarat for the consideration of the Central cabinet. Disclosing this in the Gujarat assembly today, the state finance and planning minister, Mr. Sanat Mehta, said the Centre had already sent two experts of the Oil and Natural Gas Commission to France and Belgium to study the gasification technology there. According to a preliminary estimate, about 60 billion tonnes of coal are located at a depth of 1,500 metres in the Kalol region and it could be utilised by latest technology of gasification. The finance minister, who was replying to the debate on supplementary demands, totalling more than Rs. 40, crores, also enumerated measures initiated by the government to meet the future demand for power in the state. As soon as the minister completed his reply, the opposition members sought the permission of the speaker, Mr. Natwarlal Shah, to put supplementary questions. The speaker, however, refused permission. [Text] [Bombay THE TIMES OF INDIA in English 15 Jul 81 p 9]

DELEGATION TO KENYA--New Delhi, July 14 (UNI): A multi-disciplinary Indian delegation will visit Kenya from July 17 to hold discussions on promotion of trade and economic collaboration between the two countries and the areas of co-operation identified during the visit to India of the President of Kenya, Mr. Daniel T. Arap Moi in February. The delegation led by Mr. K. Prakash Anand, joint secretary in the ministry of commerce, will include experts from various industries like machine tools, electronics, small-scale industries and pesticides. During the Kenyan President's visit, various Indo-Kenyan joint venture projects in machine-tools, pesticides, sugar, cement, oxygen plants, drugs and pharmaceuticals and animal feed plant. [Text] [Bombay THE TIMES OF INDIA in English 15 Jul 81 p 12]

CPI-M ON TRIPURA--Agartala, July 14--Centre's "increasing intervention" in Tripura's internal affairs has been viewed with serious concern by the ruling CPI(M) at its two-day meeting here, reports PTI. The party which concluded its deliberations on July 12 alleged that the Centre was non-cooperating with the State Government in providing finance for rehabilitation of the victims of last year's June disturbances and in implementing various development projects in the State. [Text] [Calcutta THE STATESMAN in English 15 Jul 81 p 9]

MANIPUR CABINET CHANGES--Imphal, July 12 (PTI)--Manipur Chief Minister, Reishang Keishing today announced a reallocation of portfolios among the Council Ministers in the State. According to an official announcement here, Mr. Keishing will hold most of the important portfolios, including home and general administration. Minister for electricity K Radhabinod Singh has been given additional portfolios of law and legislative affairs, while Irrigation and Floods Control Minister, Chaoba Singh will look after the animal husbandry department also. Beside agriculture, Mr Ngurdienglien will also hold the charge of transport, while the department of community and rural development has been given to Forest Minister, Helauddin. [Text] [New Delhi PATRIOT in English 13 Jul 81 p 7]

U.S., PRC BALLOONS--Ballia (U.P.), July 13. A Chinese and an American balloon containing literature and clothes landed in two different villages of the district yesterday according to the police. The Chinese balloon dropped in Khevassar village while the other balloon bearing "USA" mark was found in Saleempur village. The police have taken the balloons and the literature in their custody.--PTI. [Text] [Madras THE HINDU in English 14 Jul 81 p 7]

CSO: 4220/7282/7285/7290 END

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REPORTS ON FOREIGN MINISTER'S 23 JUL PRESS CONFERENCE

Relations With India

Dacca THE BANGLADESH OBSERVER in English 24 Jul 81 pp 1, 12

[Text] Foreign Minister Professor M. Shamsul Huq on Thursday reiterated Bangladesh's claim on the South Talpatty island and deplored the Indian "unilateral action and use of force" on the island in May last.

Talking at a Press conference the Foreign Minister hoped that India would take appropriate moves to remove the causes of present tension and strain in the relations between the two neighbours by withdrawing her troops and equipment from the South Talpatty island and conducting a joint survey in ascertaining the ownership of the island. He believed that the relations between the two countries could again be put back on the right course through appropriate action by India. He stressed on better confidence and reducing credibility gap between the two neighbours for resumption of fruitful talks between the two Governments.

The Foreign Minister said that he had no immediate plan to visit India unless the mutual confidence was restored and the causes of strain relations were removed and a congenial atmosphere was created for resumption of fruitful talks. He reiterated Bangladesh's persistent and consistent foreign policy of developing and promoting friendly relations with her neighbours. He also extended Bangladesh's all cooperation in resolving outstanding problems with India on the basis of mutual respect for sovereign equality and territorial integrity of neighbours, non-interference in the internal affairs of others and non-use of force in the settlement of disputes.

The Foreign Minister termed sharing of the Ganges water, delimitation of land boundary, ownership of the South Talpatty island and delimitation of maritime boundary as the outstanding problems between Bangladesh and India. He believed that disputes should be resolved with good neighbourly understanding and through non-use of force. Bangladesh he said, considered good neighbourly relations as imperative for ensuring peace and stability in the South Asian region.

Talking about the issue of the South Talpatty island, Foreign Minister Professor Shamsul Huq blamed India for violating a "solemn commitment" with Bangladesh. Both countries he mentioned, were committed to a peaceful and early solution of the issue and negotiations were in progress. The two countries, he added also

agreed at the highest level to conduct a joint survey to ascertain the ownership of the South Talpatty island. It was also agreed upon to exchange necessary data and information on the island, he said. But he observed the unilateral action of India on the island in May last violated these agreements. He termed India's sudden recourse to a show of force to assert her claim on the island as totally unwarranted. He regretted that India being a founding member of the Non-aligned Movement and committed to non-use of force and peaceful settlement of all disputes could adopt such a course.

The Foreign Minister deplored the "change of postures" by India at different times in settling the disputes with Bangladesh. He considered these change of postures by India as a deterrent to promotion of good neighbourly relations and a cause to create "credibility gap" in relations between the two neighbours. "At one time we felt encouraged by signals received from New Delhi indicating India's willingness to defuse the situation by adopting appropriate measures to restore the status quo ante and a climate of trust and confidence conducive to meaningful talks for peaceful settlement of the South Talpatty and other outstanding problems", the Foreign Minister said. Then again he added to "our surprise and disappointment, India appeared to have changed her mind and such changes in the Indian postures further widened the credibility gap".

The Foreign Minister mentioned about the utmost restraint Bangladesh exercised against all "provocative activities" by India. Bangladesh he said, was determined not to be deflected from the path of seeking peaceful and lawful means in finding a fair and just solution to South Talpatty issue. He observed that use of force could never provide a lasting solution to any problem. Besides he stressed, the history geopolitical situation and interests of the two peoples clearly require them as neighbours to live in peace, harmony and friendship.

Professor Shamsul Huq referred to the statements by Indian leaders to develop and promote good neighbourly relations and resolve all outstanding problems peacefully in a spirit of good neighbourliness. He termed these statements as encouraging. He also mentioned about some forward movements made in recent years in the direction of promoting better relation between the two neighbours.

Replying to a question the Foreign Minister reiterated Bangladesh's effort to forge a greater unity of the South Asian countries. He said that the idea for South Asian regional cooperation spawned by late President Ziaur Rahman was "very much alive" and some moves were in progress to organise a summit of the South Asian nations.

Mexican Summit Discussed

Dacca THE BANGLADESH OBSERVER in English 24 Jul 81 pp 1, 12

[Text] Foreign Minister Professor M. Shamsul Huq on Thursday hoped that the 'minisummit' scheduled to be held in Mexico in October would pave the way to a constructive and fruitful North-South dialogue.

The Foreign Minister who leaves today (Friday) for Cancun Mexico to attend the meeting of Foreign Ministers of 22 countries as preparation for the 'minisummit' told a Press conference that cooperation between North and South in the establishment of a just and equitable new international economic order was essential for

peace and progress for all. He said that in the current decade that opened under the shadow of a deepening political and economic crisis economic interdependence and mutuality of benefit between rich North and poor non-OPEC countries of the South must be recognised and harnessed.

Besides economic interdependence and political peace the Foreign Minister said there were a number of areas which are of common concern to North-South countries such as environmental pollution the need for disarmament prevention of nuclear proliferation exploitation of resources of the sea growth of population adequate supply and equitable distribution of food. The life support system in this planet he said was delicately balanced one rendering it imperative that all of us North and South East and West cooperate in preserving this balance.

Talking about the Mexico summit of 22 selected countries Professor Shamsul Huq hoped that the 'mini-summit' would generate a political will for cooperation between the rich North and the poor South. The Austrian Chancellor and the Mexican President have taken the initiative to convene the 'mini-summit'.

Invitations have been extended to four African countries Algeria Ivory Coast Tanzania and Nigeria in Africa five Asian countries Bangladesh India Philippines Saudi Arabia and China four Latin American countries Brazil Mexico Venezuela and Guayana, and Yugoslavia from Europe. The eight developed countries to participate in the 22-country 'mini-summit' are the USA Japan the UK Canada FRG Sweden and Austria. The USSR has also been invited this summit. The 'mini-summit' will be held in Cancun Mexico on October 22-23. The preparatory meeting of Foreign Ministers will be held on August 1-2. Prior to this preparatory meeting the Foreign Ministers of the developing countries will meet in New York on July 29-30 for preliminary exchange of views.

Foreign Minister Professor Shamsul Huq said that co-sponsoring countries Mexico and Austria earlier extended invitation to late President Ziaur Rahman to attend the mini-summit'. After his death invitation had been renewed to Bangladesh and two special emissaries of the Austrian Chancellor and the Mexican President visited Bangladesh to hand over the invitation to Acting President Mr. Justice Abdus Sattar, the Foreign Minister said. The announcement of the Acting President's acceptance of the invitation would be made duly, he added.

Giving background history of the North-South dialogue, the Foreign Minister regretted that all the efforts in having a fruitful dialogue had so far failed. He expressed great hope in the new efforts of the 'mini-summit' and considered it as a historical. The mini-summit, he said, was intended to take the form of an informal discussion with view to sharpening the perception of the world economic situation and a better understanding of the mutual points of view. The problem areas that were likely to feature prominently in the 'mini-summit' included agricultural and food security, energy, trade and industry, development and money and finance, the Foreign Minister informed.

Replying to a question, the Foreign Minister said that the 'mini-summit' would not end in deadlock as the participating countries would meet informally and no country was going to take any decision and make any commitment there. He said that Bangladesh would place its point of view on the deepening global economic crisis.

Professor Shamsul Huq said that the causes of the present economic crisis were rooted in outdated, inherited economic structures. He said that the world was witnessing a slowing down in the tempo of economic expansion in both the developed and the developing countries. Referring to the widening disparity between the rich and the poor nations, the Foreign Minister said that the income gap between them which stood at ten to one in 1950 was estimated to exceed 13 to one at present. Between 1965 and now the per capita income recorded a rise of 3909 dollars in the most developed countries in contrast to a mere 50 dollars in the poorest countries, he cited. The industrialised countries, he said, were now fighting a grim battle against 'stagflation' (stagnation following inflation) and the developing countries and the least developed countries had waged an increasingly difficult war against the problems of mass poverty and mass unemployment. The OPEC countries also, he said, were faced with the challenge of achieving adequate level of development before their oil resources, which is a non-renewable resource, was completely depleted.

On his way to Mexico, the Foreign Minister will stay in London for two days where he is expected to take up the present racial problem in Britain with his British counterpart Lord Carrington.

General Assembly Presidency

Dacca THE BANGLADESH OBSERVER in English 24 Jul 81 p 1

[Text] Bangladesh will contest the election for the office of the President of the UN General Assembly Foreign Minister Prof M. Shamsul Huq reaffirmed on Thursday reports ENA.

He said Bangladesh's candidature for the post of UN presidency is favourable.

Other contestants for this office are Syria Iraq and Singapore.

Replying to a question the Foreign Minister categorically denied that Bangladesh had withdrawn its candidature in favour of Iraq "it is absolutely incorrect" he added.

The Foreign Minister was addressing a Press conference at the Foreign Office.

No Pakistani Troops

Dacca THE BANGLADESH OBSERVER in English 24 Jul 81 p 1

[Text] Foreign Minister Prof Muhammad Shamsul Huq on Thursday dismissed the idea of stationing one lakh Pakistani troops in Bangladesh as "totally baseless" reports BSS.

He told this when he was asked to comment on a report published in a section of the Indian Press at a news conference in Dacca.

Replying to another question the Foreign Minister described the relations between Bangladesh and Pakistan "as between to sovereign neighbouring countries".

Tribals' Return Cited

Dacca THE BANGLADESH OBSERVER in English 24 Jul 81 p 1

[Text] Most of the tribal families who had crossed the border out of panic in the recent past following tragic events in Chittagong returned to Bangladesh Foreign Minister Prof M. Shamsul Huq said in Dacca on Thursday reports BSS.

Replying to a question on Indian Press reports alleging continued exodus of tribal people from Chittagong Hill Tracts into India the Foreign Minister said that some tribal families might have crossed the border out of panic.

But he said at a Press conference that the Bangladesh Government took appropriate remedial measures including holding of flag meetings between the two Border Forces to resolve the problem.

"We have the information that most of them (tribal families) had since returned to Bangladesh".

Statement, Questions and Answers

Dacca THE BANGLADESH OBSERVER in English 25 Jul 81 pp 5, 6

> [Text] Following is the summary of the statement and answers to questions at the Press conference held on 23.7.1981 by Professor Muhammad Shamsul Huq, Foreign Minister, on the eve of his departure for the meeting of the Foreign Ministers of 22 countries to be held in Cancun, Mexico as preparation for the Summit Meeting in October, 1981.

The idea of holding an international meeting of representatives of developed and developing countries at the summit level on Cooperation and Development (commonly known as 'Mini-Summit') emerged following the deadlock in various international forums on North-South Cooperation on the world economic problems that bedevil both the developing and developed countries.

The idea of such a meeting was also embodied in the report of the Independent Commission on International Development issues under the Chairmanship of Mr. Willy Brandt, popularly known as the Brandt Commission.

While the fast deteriorating world economic situation with its grave economic and political implications called for concerned action on the part of all nations developing and developed to contain it, unfortunately the representatives of the developed and developing countries meeting in Paris during 1975-77 under the auspices of the Conference on International Economic Cooperation and at the United Nations at the eleventh session and at the meeting of the Committee of the whole of the United Nations remaining as far apart as ever in their perception of the problems and approach to their solution. As a matter of fact they could not even agree on an agenda and procedure for the forthcoming Global Round of Negotiations to be held under the auspices of the United Nations.

Recognising the need for generating a political will for cooperation between the rich North and the poor South the Austrian Chancellor and the Mexican President

in consultation with a few other countries took the initiative to convene a meeting of representatives of 22 developing and developed countries on the Summit level. Through informal consultations the Co-sponsoring countries invited the Heads of 22 countries to participate in this meeting. These countries are: (Africa) Algeria, Ivory Coast, Tanzania, Nigeria, (Asia) Bangladesh, India Philippines, Saudi Arabia and China, (Latin America) Brazil Mexico Venezuela, Guayana, (Europe) Yugoslavia, (Developed Countries) USA, Japan FRG UK France Canada Sweden Austria.

An invitation was also extended to the USSR. The Summit is scheduled to meet on 22-23 October, 1981 in Cancun, Mexico. A preparatory Committee of the Foreign Ministers of these countries will meet in Cancun on 1-2 August. Prior to this preparatory meeting the Foreign Ministers of the developing countries are scheduled to meet in New York on 29-30 July for preliminary exchange of views.

Viewed against this backdrop this meeting has a historical significance in as much as its principal objective is to pave the way to a meaningful dialogue during the forthcoming Global Round of Negotiations. The meeting is intended to take the form of an informal discussion with a view to sharpening the perception of the world economic situation and a better understanding of the mutual points of view. The problem areas that are likely to feature prominently during the discussion include: i) Agricultural (raw materials) and food security ii) Energy, iii) Trade and Industry iv) development; v) money and finance.

Causes of the Present Economic Crisis Rooted in Outdated Inherited Economic Structures: The international economic crisis and in particular, the crisis facing the developing countries has no earlier parallel in the whole post-war period. The crisis was not a manifestation of purely short term difficulties that would correct themselves over time. It is rather a reflection of a deeper underlying malaise rooted in the inherited systems and structures of the world economy.

The world was witnessing a slowing down in the tempo of economic expansion in both the developed and developing countries, together with an unabated process of inflation and unemployment.

Measures adopted by industrialised countries to combat inflation and unemployment have failed to restore the earlier buoyancy of their economy. On the other hand such measures seriously impeded development and employment in the developing countries by curtailing the flow of external aid. The overall consequences have turned out to be highly detrimental to the balance of the world economy, widening the disparity between the rich and poor nations more than ever before. The income gap between them which stood at ten to one in 1950 is estimated to exceed thriteen to one at present. Between 1965 and now the per capita income recorded a rise of U.S. $3900 in the most developed countries in contrast to a mere $50 in the poorest countries.

Least Developed Countries

The plight of the Least Developed Countries, numbering 31 currently, is, of course most distressing. The annual growth rate in Gross Domestic Product (GDP)

per capita for the Least Developed Countries has been under one per cent a year during 1960 through 1980 compared to 2.9 per cent for all developing countries.

Agriculture, the key sector in the Least Developed Countries employing more than 80 per cent of the labour force, produces per worker less than half than in all developing countries. Manufacturing output per worker in the Least Developed Countries ranges between $2 to $48 as compared with average of $126 and $2297 for the developing and the developed countries respectively. Export proceeds per capita in the Least Developed Countries declined to $18 in 1979 from $22 in 1960's. The comparable figure is over $75 in all developing countries in 1979. The volume of imports of the Least Developed countries amounted to only $31 per head in 1979 which was less than one-third the level of developing countries as a whole.

The Least Developed Countries are hit doubly. While the prices of imports (including oil) required for basic consumption and development rose sharply the purchasing power of exports fell considerably. For example, in Bangladesh in case of hides and skins the slump in price exceeded 50% and that in jute was 15%. The immediate consequence of this was the growing balance of payments deficit. The outstanding debt of the Developing countries in the finance market increased from over $30 billion in 1974 to about 100 billion in 1979. This deficit due mainly to deterioration in terms of trade and the rise in the case of service in external debt, will continue to grow unless the downward course in world economy can be arrested.

Aggravation of Mass Poverty and Mass Unemployment

The net effect of the deteriorating world economic situation can be seen in the aggravation of the problems of mass poverty and mass unemployment in the developing countries particularly in the Least Developed among them.

It will thus appear that while the industrialised countries are fighting a grim battle against 'stagflation' stagnation inflation and unemployment the developing countries particularly the Least Developed among them are waging what appears to be an increasingly difficult war against the problems of mass poverty and mass unemployment. The Least Developed among them are struggling for their very survival.

The oil exporting developing countries may appear to be affluent. But, it has to be borne in mind that they are affluent only in terms of liquidity and oil is a non-renewable resource. They are also faced with the challenge of achieving adequate level of development before their oil resource is completely depleted.

An objective and close look at the world economic scene points up the futility of a search for a satisfactory solution of the economic problem within the framework of the prevailing economic order. The isolated efforts of the rich countries despite their advantages in terms of resources have proved abortive. The situation clearly indicates the need for a global approach to the current economic malaise embracing the rich and the poor nations as well as the OPEC countries interrelated and interdependent within the ambit of an emerging new economic and political order.

In a power equation based on a galloping arms race world peace hangs precariously on the so called balance of power. In like manner, the menacing growth of world poverty and aggravating disparity in the distribution of wealth poses an increasing threat to economic balance. Both of these orders have clearly proved to be outdated. Both politically and economically, the contemporary world presents a picture of emerging regional and national strengths, all interrelated and interdependents in varying degrees. An imperative of the new emerging order is to view the interests of both North and South as closely interrelated in managing the world affairs.

The planet earth has resources capable of sustaining and supporting a good life for all of its inhabitants. But, this life support system is a delicately balanced one, rendering it imperative that all of us, North and South, East and West cooperate in preserving this delicate balance.

Cooperation of North and South Is Beneficial to Both:

Cooperation between North and South in the establishment of a just and equitably balanced new international economic order is as much in the interest of the developed countries as of the developing ones. This is because they are interdependent and their interests are interrelated. The North has already adjusted to the reality of the OPEC countries. They have to now recognise the other reality, namely, that of economic interdependence between the rich North and the poor non-OPEC countries of the South. Some illustrative examples of this interdependence are 1) Unemployment in the Western industrialised countries would have increased by three million workers if the non-OPEC developing countries had cut their imports of manufactured goods when oil price went up in 1973/74. 2) The North gained an average of 900,000 jobs per year during 1973 through 1977 by maintaining their trade in manufactured goods with the newly industrialising developing countries alone. This was accomplished partly by recycling surplus oil funds to the South through Northern banks. 3) The North was also dependent on the South for imports of primary products specially natural resources and minerals. Dependence was much greater in the case of such minerals as copper, in, manganese Chromium. 4) Japan and OECD countries are dependent on imports of tin and manganese from the South to an extent varying from 65% to 90%. 5) For many tropical agricultural products the North was almost totally dependent on the South (such as Jute Copra, coconut oil).

6) Japan and EEC countries are more dependent on imports from the South than the United States. However, due to close economic interdependence among the North countries, any disruption in the supply to one country spreads to the rest and has far reaching consequences for all of them. 7) The South is however dependent on the North for finance, technology resources including capital goods and industrial raw materials both for their consumption and development needs in the present stage.

There are a number of areas which are of common concern to both groups of countries such as, environmental pollution, the need for disarmament prevention of nuclear proliferation, exploitation of international commons, such as resources of the sea, growth of population, adequate supply and equitable distribution of food.

The decade of the 1980's opening under the shadow of a deepening political and economic crisis is a time of both danger and opportunity. If the nations act rationally perceive their interdependence recognise mutuality of their benefit from cooperation between North and South, the danger can be averted and the opportunity seized for charting out a new path to peace and progress for all.

Hopefully the forthcoming Mini-Summit will turn out to be a first step in this direction paving the way to a constructive and fruitful dialogue during the Global Round of Negotiations.

CSO: 4220/7429

PRIME MINISTER'S REMARKS ON ELECTION AT CONFERENCE

Dacca THE BANGLADESH OBSERVER in English 24 Jul 81 pp 1, 12

[Text] Chittagong, July 23: Prime Minister Shah Azizur Rahman today called upon the Opposition parties to participate in the forthcoming presidential polls and to prepare themselves for the next parliamentary elections for the greater national interest & to keep the pace of democratic process unhindered, reports BSS.

Shah Aziz, who is also the Vice-President of the Bangladesh Nationalist Party (BNP) said that "BNP is ready to hand over power through ballots and not through bullets".

The Prime Minister was addressing as the chief guest the special workers conference of Chittagong metropolitan branch of BNP at the Muslim Institute auditorium here in the afternoon.

The Deputy Speaker of the Jatiya Sangsad Mr. Sultan Ahmed Chowdhury was the special guest on the occasion while Mr. Salimullah, President of the branch presided.

The BNP central leaders Messrs. Swakat Hossain, Khaliquezzaman, Mahmudul Karim MP and local leaders Messrs Shamsul Huda Advocate, Serajul Islam Mr. Mahmudul Karim Wahidul Alam and Shahdat Hossain also spoke on the occasion.

Shah Aziz said that BNP adhered to the democratic process and did not believe in politics of terror or killing. "Zia came to power not through the politics of killing or through any military coup", he said adding that Zia had come to power through a revolution. The Prime Minister said that Zia was an exceptional leader who re-established democracy in the country and returned back power to the people of the country".

Bitterly criticising the present role of Awami League (Hasina) the Prime Minister said that the party was undemocratic and create confusion to come back to power through the back door.

"There is no consistency in its (AL) commitments as they pledge to establish parliamentary democracy on the one hand and on the other they express their firm determination to materialise the BAKSAL concept", he observed.

The Prime Minister maintained that Awami League, JSD etc. had no popular support among the rural masses. Their activities are limited in some city areas. The vast rural masses had rejected their politics as the people painfully experienced the nature and style of their so-called socialism, secularism and nationalisation, he added.

Calling upon the BNP workers to materialise the ideals of late President Ziaur Rahman Shah Azir said that the BNP started its work with double enthusiasm after the death of Ziaur Rahman to keep national unity integrity and sovereignty at any cost.

He said that the "dead Zia was more powerful than the living one". He said that late President Zia had given a dimension for development and a political philosophy to the nation which the leaders in the past had failed to give.

The Prime Minister said, "It was President Ziaur Rahman who had created a unique example of transferring power to the people being an Army General coming to power through revolution".

Shah Aziz said that it was Ziaur Rahman who had restored full democracy established a sovereign Parliament and gave freedom of the Press and speech to the nation.

The Prime Minister urged the BNP workers to motivate the people so that Justice Abdus Sattar may win a remarkable victory in the forthcoming presidential election as a BNP nominee.

He said that only through electing Justice Abdus Sattar as President BNP could show respect to the great departed leader and his ideology.

Justice Abdus Sattar is the most trusted and honest colleague of the late President, he added.

CSO: 4220/7429

NATIONAL FRONT SETS CONDITIONS FOR ELECTIONS

Dacca THE BANGLADESH OBSERVER in English 24 Jul 81 pp 1, 12

[Text] The newly formed "National Front" reiterated its five-point demands made earlier by the 18-party alliance including shifting the date of presidential election to third week of November. The Front called upon the government to accept the demands. It said that if the demands are not accepted immediately the Front will observe resistance day on August 10.

Mr Ataur Rahman Khan Convener of the Front declared this at a Press conference held on Thursday at his Dhanmondi residence.

The five demands of the Front includes withdrawal of emergency release of detenus repeal of 'black laws' equal facility to all contestants and end to political oppression.

Leaders of the component political parties of the Front were present at the Press conference. The leaders present at the conference were Khondakar Moshtaq Ahmed Mr Oali Ahmad and Shah [name illegible] Hossain of Democratic League Kazi Zafar Ahmed of United People's Party Mr Justice B. A. Siddiky of Muslim League (Siddiki) Mr Nurur Rahman of National Awami Party (Nurur) Mr Abu Naser Khan Bhashani of National Awami Party (Naser) Mr Anwar Zahid of Ganotantrik Party Mrs Amena Begum of Bangladesh Jatiya Dal Moulana Abdul Matin of Labour Party Mr Farmanullah of Islamic Republican Party Mr Nurul Huq Mehedi of Ganotantrik Karmi Shibir.

Mr Ataur Rahman Khan who is also the President of Bangladesh Jatiya League in a five-page written statement reiterated the Front's belief in parliamentary form of government. He said that the Front was interested in participating in the forthcoming presidential election because it considers this election as part of a greater struggle for parliamentary democracy.

Mr Khan also appealed to other parties to join the Front on the basis of three basic principles. These are safeguarding the sovereignty and independence of the country parliamentary democracy and self reliant national economy.

The Front he said believes in relentless struggle against social imperialism imperialism expansionism and hegemonism. It further said that the sovereignty and independence of the country must be safeguarded through struggle against the Indo-Soviet axis and their local agents.

Mr Khan in reply to a question said that it would be better if a common candidate by all Opposition parties was put up in the election. But he was skeptical about the possibility of such a candidate.

Replying to a question whether he himself was contemplating to contest the election, Mr Khan said that it was a secret decision. Later he told a questioner that he can only grumble if he was not nominated by the Front in the presidential election.

He also told a questioner that the Front will decide its course of action if the government shifts the election date by one month.

The Convener of the Front in reply to a question said that no party other than Samyabadi Dal led by Mr Mohammad Toaha and Islamic Democratic League have left the Front. He expressed hope that the number of the components of the Front may increase further.

CSO: 4220/7429

SULTAN MAHMUD APPOINTED CHIEF OF AIR FORCE STAFF

Dacca THE BANGLADESH OBSERVER in English 24 Jul 81 pp 1, 12

[Text] Group Captain Sultan Mahmud Bir Uttam acsc has been promoted to the rank of Air Commodore and has been appointed Chief of Staff Bangladesh Air Force with effect from Thursday according to a notification issued by the Ministry of Defence says an ISPR Press release issued on Thursday.

According to another notification, Air Vice-Marshal Sadruddin B.P. has been retired with effect from the same date.

Following is the brief life sketch of the newly appointed Chief of Air Staff Air Commodore Sultan Mahmud B.U. acsc.

Air Commodore Sultan Mahmud B.U. acsc was born in 1944 in the district of Naokhali.

Second son of Mr. Nurul Huda Air Commodore Mahmud had his early schooling in Armanitola High School Dacca and passed the Matriculation examination from the PAF Public School Sargoda in the year 1959.

Air Commodore Sultan Mahmud was graduated from the Air Force Academy Resalpur Pakistan in 1962 in the flying branch.

An operational fighter pilot as well as an operational helicopter pilot Air Commodore Mahmud did fighter leader school training in Iran in 1966. Amongst many places he also served along with the Frontier Works Organisation of Pakistan.

Air Commodore Mahmud took active part in the War of Liberation in 1971 and fought courageously in Section No. 1 under the then Sector Commander and late President Ziaur Rahman.

He commanded the first Air Force contingent of the liberation forces and later he took part in many operational missions during the war. For his acts of gallantry and devotion beyond the call of duty he was awarded Bir Uttam.

A graduate of Air Command and Staff College USA Academic Instructor School USA and the Helicopter Training School USSR Air Commodore Mahmud commanded different squadrons and Wings of Bangladesh Air Force. He commanded BAF Base Bashar

(Dacca) in 1973 BAF Base Lalmanirhat in 1975-76 and BAF Base Matiur Rahman (Jessore) in 1978-81. He also commanded the Cadet Training Wing at Jessore.

Before his appointment as Chief of the Air Staff Air Commodore Mahmud was the Asst. Chief of Air Staff (Administration).

Air Commodore Mahmud is married and has two children.

He takes keen interest in sports boxing and other extra curricular activities.

CSO: 4220/7429

SPECIAL ENVOYS INVITE SATTAR TO MEXICO SUMMIT

Dacca THE BANGLADESH OBSERVER in English 23 Jul 81 p 1

[Text] Special envoys of the Mexican President and Austrian Chancellor, who arrived on Tuesday in connection with the forthcoming North-South mini-summit were received by the Acting President Mr. Justice Abdus Sattar at Bangabhaban in Dacca on Wednesday afternoon, reports BSS.

The emissaries--Prof. Mrs. Graciela de La Lama and Dr. Heinrich Querner--handed over a joint invitation letter to the Acting President requesting him to attend the summit meeting of 22 [word illegible] countries to be held in Mexico in October this year.

During the meeting they also conveyed to Acting President Justice Sattar the personal message and goodwill from President Zose Perez Portillo of Mexico and Chancellor Brune Kriesky of Austria.

Justice Sattar expressed his profound appreciation of the vision and initiative of the two leaders in convening the Mexican mini-summit and expressed the hope that the deliberations of summit would provide the impetus for the resumption of global negotiations in search for an equitable international economic order.

Earlier, the two emissaries called on Foreign Minister Prof. M. Shamsul Huq and Finance Minister Mr. M. Saifur Rahman and discussed with them matters relating to the forthcoming mini-summit.

Earlier Prof. Mrs. Graciela and Dr. Heinrich Querner called on Foreign Minister Professor Muhammad Shamsul Huq, at Foreign Office on Wednesday.

Welcoming the special emissaries, the Foreign Minister expressed his deep appreciation of the commendable initiatives of the Mexican and Austrian leaders in convening the summit.

The summit of the world leaders from 22 developed and developing countries he felt would result in a clearer perception of the world economic problems and a better understanding of mutual points of view. This would pave the way to a meaningful dialogue during the forthcoming global round of negotiations, Prof. Huq said adding the deteriorating world economic situation was a grave danger calling for concerned action on the part of the developed and developing nations.

The special emissaries also called on Finance Minister Mr. M. Saifur Rahman and discussed issues likely to come up at the Mexico mini-summit.

The Finance Minister told the envoys that Bangladesh was looking forward for a fruitful outcome of this summit particularly in obtaining political commitments for a new international economic order.

During the meeting Mr. Saifur Rahman expressed the hope that the summit would be able to come out with firm and committed programme for transferring resources from the developed to the developing countries in terms of UN resolution and would find some mechanism for financing the energy import of the developing countries.

The Finance Minister also hoped that the Mexico mini-summit would be able to assure concessional financing facility for energy development in the LDCs.

CSO: 4220/7426

COMMERCE MINISTER RETURNS FROM PRC 'FULLY SATISFIED'

Dacca THE BANGLADESH OBSERVER in English 23 Jul 81 p 1

[Text] State Minister for Commerce Chowdhury Tanbir Ahmed Siddiqui returned to Dacca on Wednesday from China "fully satisfied" with the dialogue with the Chinese leaders on promotion of bilateral trade and expansion of economic cooperation between the two countries.

Talking to BSS on arrival at the airport after signing the fifth barter protocol between Bangladesh and China in Peking Mr Siddiqu said, He was moved by the gesture of goodwill and friendship shown by the Chinese leaders and people in developing all round relationship between the two countries.

The fifth barter agreement which envisages a trade turnover of 37.5 million U.S. dollars each way was the second under the long term trade agreement signed with China last year. The present protocol showed an increase of more than 21 per cent over preceding one.

Mr Siddiqui said he had long discussions with his counterpart Mr. Li Qiang and other top leaders on bilateral trade and other matters of common interests. He said the Chinese leaders have expressed their willingness to help Bangladesh achieve her economic objective.

The State Minister said the tremendous feeling for late President Ziaur Rahman whom they described as the architect of building bilateral relation" between the two countries.

CSO: 4220/7426

FINANCE MINISTER ADDRESSES NATIONALIZED BANK CHIEFS

Dacca THE BANGLADESH TIMES in English 23 Jul 81 pp 1, 8

[Text] Finance Minister M Saifur Rahman on Wednesday described inflation as "number one enemy" and called for containing it, reports ENA.

He also warned the nation against adverse effects of accelerated credit expansion.

The Finance Minister was addressing newly appointed chairmen, directors and chief executives of the nationalized banks at Sonargaon hotel on Wednesday evening at an Iftar party.

He urged the banking institutions to take corrective steps and streamline their administrations to be able to play their role in boosting up economy.

He also reprimanded the banking executives for their failure particularly to step up efforts to recover advances.

He called for stern action delinquent borrowers and put their houses in order for smooth administration of the banking institutions.

Dwelling at length on the problems of the banking sector the Finance Minister regretted that their performances are not satisfactory. All the nationalised banks together could not even earn the profit of Taka 50 crores he reminded.

He said banks were the vital instruments for mobilising savings in the public sector and, as such, it is their bounden duty to step up savings for economic development.

He reiterated that mobilisation of savings had become very essential to boost economy, in this connection he pointed out the failure of the banks to make substantial recovery of the advances made to the borrowers.

He particularly referred to poor performances of the BSB and the BSRS in their recovery programmes and pointed out that BSB could recover only 35 per cent of the advances while BSRS make only seven per cent.

The Finance Minister called for stern action against the defaulters and started streamlining of the banking administration. He also advised banking administration to take measures for smooth administration in the sector to step up economic development.

In this connection the Finance Minister mentioned that the government had brought about structural change in the banking administration with a view to strengthening this vital sector.

Chairmen and board of directors appointed to different banks would be responsible for formulating policy guidelines to other chief executives of banks. The chief executives would in turn carry out the policy laid down for them, he said.

Henceforth, he said, all policy matters including appointment and promotion of the bank employees would be subject to scrutiny by the board of directors.

He stressed closer understanding between the new management board of the bank and its respective chief executives for smooth running of the banking service.

The Finance Minister expressed his firm hope that a new pattern of administration would eventually emerge following the structural change. This would help develop the banking service in a better way, he added.

Referring to recent World Bank, the Finance Minister said it had in fact had evaluated Bangladesh economy and for the first time made encouraging observation of our performance. The World Bank noted in its report that for the first time Bangladesh was able to attain better absorption capacity, better utilisation of the project aid and hence deserves greater assistance.

He said almost similar observation was made by the International Monetary Fund (IMF) on Bangladesh economic performance.

Referring to criticism about the size of the five-year plan, he said the framers of the plan were guided by consideration of idealism and not by pragmatism. He expressed the view that there is always shortcomings between attainment of idealism and pragmatism.

The Finance Minister dwelt at length on economic condition of the country and emphasised the need for mobilising domestic resources for financing economic programmes.

CSO: 4220/7428

PRC-BANGLADESH BARTER PACT SIGNED IN BEIJING

Dacca THE BANGLADESH OBSERVER in English 22 Jul 81 p 1

[Text] The fifth Barter protocol between Bangladesh and China was signed in Peking on Tuesday envisaging a turnover of goods worth 37.5 million US dollars each way according to a message received in Dacca on Tuesday reports BSS.

The State Minister for Commerce Chowdhury Tanvir Ahmed Siddiky who is now on a visit to China and the Chinese Minister for Foreign Trade Mr. Li Qiang signed the protocol on behalf of their respective Governments.

The fifth protocol for 37.5 million dollars turnover provided for an increase of about 21 per cent over the size of the fourth protocol between the two countries.

The signing of the fifth protocol under the long term trade agreement of 1980 between Bangladesh and China came at the conclusion of formal trade talks between Bangladesh delegation led by Mr. Siddiky and the Chinese Minister Mr. Li in Peking during last few days.

Both sides bring the talks agreed to intensify promotional efforts aimed at expansion of trade between the two countries. It was also agreed that the negotiations for the next barter agreement would be held in Dacca next year for which the Bangladesh State Minister for commerce extended an invitation to Chinese Minister for Foreign Trade.

Under the new Protocol Bangladesh would export to China a number of items including raw jute jute goods hides and skins tobacco newsprint pulp hard board and particle board. On the other hand Bangladesh imports from China under the fifth protocol would include coal M.S. billets pig iron dyes and chemicals machinery and equipment light industrial products ingot moulds scientific instruments and native produce.

After the signing of the protocol the State Minister for Commerce said that signing of this barter protocol was another milestone in the trade and economic relations between the two countries. This he said was of special significance that it was for the first time barter protocol between Bangladesh and China was signed at ministerial level. Deep understanding on bilateral and international trade and economic issues represented the main achievements of this talks he added.

The Foreign Trade Minister of China Mr. Li Qiang expressed his pleasure and satisfaction at the outcome of the trade talks and said that the Chinese side would make allout efforts for successful implementation of the barter protocol within schedule time. In this connection he also recalled the great contribution of late President Ziaur Rahman who laid solid foundation of the Bangladesh China bilateral relationship.

CSO: 4220/7424

RESISTANCE TO SOVIET, INDIAN 'EXPANSIONISM' URGED

Dacca THE BANGLADESH TIMES in English 23 Jul 81 p 8

[Text] Bogra, July 22: Mr Nurul Huda Mirza, Chairman, Ganatantrik Party, called upon people to resist unitedly the expansionist activities of the Soviet Union and India in our country.

Addressing a Press conference at the local Press Club yesterday he said the two countries were threats to our sovereignty. He regretted the policy of appeasement pursued by the Government.

Earlier, speaking at a workers' meeting he said the assassination of late President Ziaur Rahman was not isolated from the activities of the Indo-Soviet axis and their internal agents. The large gathering at his Janaza was a massive demonstration against their heinous activities.

He urged upon the patriotic elements to be vigilant against the BKSALites.

He said that the Indian aggression on South Talpatty Island, Dahagram and Angarpota was a serious threat to our very existence.

Instead of facing the problems, the Government had resorted to arresting patriotic workers under Emergency powers.

Regarding the ensuing presidential polls he said the 18-party alliance, now National Front, would participate in it as a step of struggle to establish a patriotic Government and make country really sovereign.

Referring to Sheikh Hasina Wazed's threat to reduce the number of newspapers when her party regained power he said his party would resist her moves and would always fight to uphold the freedom of the Press.

Mr Mirza called upon the Government to withdraw false cases against the landless peasants and distribute 'khas' land among them.

The meeting was also addressed by Mr Tajul Islam, a central leader of the Party and Mr Idris Lohani, Mr Durgadas Mukherjee was in the chair.

CSO: 4220/7428

GOVERNMENT ISSUES STATEMENT ON SENIOR CIVIL SERVICE

Dacca THE BANGLADESH OBSERVER in English 21 Jul 81 pp 1, 8

[Text] The Government has given priority to merit for promotion to higher posts in place of reservation allowed to a certain cadre of service previously and thus made arrangement to appoint suitable candidates with the constitution of the Senior Service Pool, says a Government Handout issued to the Press on Monday.

The Senior Service Pool Order 1979, in fact, offered equal facilities to all classes of service to enter the Senior Service Pool only on the basis of merit.

The Senior Service Pool Order also removed rivalry and clashes obtaining at the Secretariat for the last half a century between the generalists and specialists.

The Handout further said that the Government rationalised pay scales for all cadres of service, unified service structure with the re-organisation of services.

Following is the text of the handout:--"The attention of the Establishment Division has been drawn to a news item published recently in a section of the Press on the reorganisation of services and administrative system.

"It deems expedient to narrate the exact position in order to do away with any misconception in the minds of the public.

"The first allegation levelled by BCS (Administrative) Association relate to the structure of services and the pay scales. These problems are not uncommon in many countries of the world. No Commission can ever please all sections of the employees at a time. As a result these problems are examined from time to time by successive Commissions.

"It is worthwhile to mention that the former Pakistan Government tried on two occasions to implement the recommendations of the Cornelious reports on service organisations but some interested quarters obstructed its implementation.

"In Bangladesh pay and services structure was finalised after thorough examination by the Council of Advisers and later on by Council of Ministers on the recommendations of the Pay & Services Commission. And in 1979 in response to demands of the members of the former services and as an outcome of the protracted consultations the pay scales agreed to were only implemented later. On this issue there

was no agitation during the last two years but suddenly now this matter is being agitated publicly. The way this is being pursued makes one tend to believe that fresh attempts are being made to create dissatisfaction among the members of the various service cadres. Government hopes that this is not motivated.

"The second allegation was that promotion in the Secretariat posts were held up for 3/4 years and thereafter promotion given to only a few officers had resulted in frustration amongst a large number of officers. The main reason for the delay was that immediately after Government started the initial work for promotion, a member of the former CSP cadre filed a Writ petition in the Hon'ble High Court and then again a former member of the ex-EPCS filed another writ petition and when he lost his case in the High Court he filed an appeal petition with the Hon'ble Supreme Court. During the pendency of the Cases Government could not obviously process the promotion cases nor could even proceed with the selection. This would show that the delay was caused by some members of the administrative Cadre and not by the Establishment Division.

"During centuries old colonial system of administrative rule major portion of the senior administrative posts were reserved for a particular class of officers. For them three-fourth of the administrative posts in the Secretariat were reserved and only one-fourth used to go to others. Obviously this resulted in wide-spread dissatisfaction amongst a large number of officers. Although this colonial administrative pattern was wholly irrational this suited the interest of the rulers of the time. However the same system was never followed in their own country. Therefore after the independence in 1947 necessity was felt to reorganise the services and to revise the old rules so as to give the country a unified services structure and rationalise the pay scales and at the same time to ensure opportunities to members of all services for higher Secretariat posts by removing elitism. Having regard to all these factors the Senior Services Pool was constituted in March, 1979.

"After constitution of the SSP the posts of Deputy Secretary in the Secretariat have been filled up on the recommendations of a high powered Selection-Board consisting of Ministers. Out of 123 officers of the rank of Deputy Secretary appointed in the SSP 76 are members of the BCS (Administration). It hardly needs mention that the Chairman of the Selection Board was a non-political Minister and he held very responsible positions in the administration like that of the Chief Secretary to the Government and later Chairman of the erstwhile Central Public Service Commission for several years. If it is alleged that the process of selection was defective then how the lion's share of the posts of Deputy Secretary could go to the members of the BCS (Administration). The allegation made by the Association on this point is nothing but self contradictory.

"It is a fact that some members of the Ex-EPCS (now BCS Administrative) of 1961-67 batch have been left cut. But when the selection was made on the competitive selection basis on merit and service records it is only natural that everybody cannot qualify.

"As for the allegation of exclusion of so many officers on account of the minimum length of service formula for 15 years and the age limit of 45 years it needs to be mentioned that there was no such limit at the time of interview of these officers. Had it not been so how so many officers already handicapped appeared

for viva test and promoted as Deputy Secretary in the Senior Services Pool. The selection was made purely on merit after giving everyone his chance. Whether it is possible to relax the limitation of service length and age is being considered. It may be added that the members of that service have avenues of promotion to the posts of Additional Deputy Commissioner, Deputy Commissioner, Commissioner etc. and there no any restriction of age for such promotion.

"It has been argued by the Association that reservation of 75% of the posts of Deputy Commissioners for the Pool-Officers has blocked the promotion scope of the members of the service. This is far from true. Because it has been provided in the SSP rules that officers having the requisite qualifications like administrative experience and training will be posted to these posts. The Pool-Officers belonging to other services have no such experience and background. So the question of posting any officer other than those belonging to the BCS (Administrative) to the district administration does not arise. In fact nobody other than from the Administrative cadre has yet been appointed as a Deputy Commissioners. Therefore the apprehension on this account is baseless.

"There had been a cold war for half a century between the generalists and the technocrats for higher positions in the Secretariat and the SSP has given a new solution to the problem. Thus a new system has been introduced for selection of officers on merit basis, after abolition of the highly controversial quota system for a particular cadre of service. It may not be out of place to mention here that some technicrats like the doctors and engineers were appointed to the posts of Secretary after 1960. So the new idea of the SSP does not in fact come in conflict with the old systems altogether.

"SSP has been created to ensure equal treatment to the members of all services and to ensure advancement of officers of various services. The pay scales of the members of all services having equal, responsibilities were equalised and the national pay scale published two years back were accepted by all. But when equal treatment is being extended to the members of all services on selection and equitable basis, the member of a particular cadre who previously enjoyed lion's share in the senior administrative posts, have come up with a number of baseless grievances as the present system goes much against their vested interest. In fact this is an attempt to deny political supremacy over the administration. It is difficult to understand why this time has been chosen to raise such extrenuous issues afresh in an attempt to vitiate the entire climate.

"In the post independence period the volume of works naturally increased as a result of which the Hon'ble President appointed a Minister for Establishment Division. Establishment Division has been placed in-charge of a Minister in many other countries. Moreover whether there will be Minister for a particular Ministry or Division is not a matter to be agitated in the Press by the Government servants and to do so is not only against rules but whether that exceeds the limit on the part of the Government servant is a matter for consideration.

"Under democratic system, Government gives the policy decisions and the officers are to implement them and as a rule the officers can never play a role of the people's representative. From the newspapers' report it appears that the officers of the BCS (Administrative) are in favour of revival of the SSP for selection of officers for senior posts. The Council Committee has been entrusted with the

job so that officers of the level of Joint Secretary and above are recommended by a body unbiased by any service interest.

The reorganisation of the services was made only a few months back and--the last date for appointment of officers in the SSP has expired a few days back and thus the question of any attempt of evaluation so soon is neither fair not desirable. It may be recalled that services reorganised and decision about the constitution of the cadres were published in September, 1980 and the national papers hailed the Government decision as step towards the right direction.

CSO: 4220/7422

DACCA GROUP ASKS REPEAL OF ENEMY PROPERTY ACT

Dacca THE BANGLADESH OBSERVER in English 21 Jul 81 p 3

[Text] The Enemy (vested) Property Act Resistance Committee on Sunday demanded immediate repeal of the Enemy (vested) Property Act, reports BSS.

Addressing a Press conference at Jatiya Press Club in Dacca on Sunday afternoon the office bearers of the committee also demanded formation of a Management Board with the representatives of religious minority community for proper custody of the property acquired by the Government in the absence of legitimate claimants.

They further demanded the return of the property acquired from the Bangladesh partners enjoying such property at the consent and arrangement of the Indian partners.

The Press conference was addressed by Mr. Justice Devesh Bhattacharya President of the Committee Mr. Shudangshu Shekhar Halder MP (AL-Hasina) and Mr. Suranjit Sengupta MP (Jatiya Ekota Party).

Advocate Aminum Haque General Secretary of the Committee read out a prepared statement containing the background of the Act and demands of the committee.

According to the statement 8,41 192,44 acres of land and 21,962 houses are listed under the Act in the country. There are also more than six lakh cases pending in different courts of the country under the Act.

CSO: 4220/7422

MUKTIJODDHA SANGSAD LEADERS CALL FOR UNITED FRONT

Dacca THE BANGLADESH TIMES in English 25 Jul 81 p 8

[Text] Chairman of Bangladesh Muktijoddha Sangsad Lt. Col. (Retd.) Nuruzzaman and Organising Secretary K M Mahbubul Alam yesterday called upon the "pro-liberation" political parties to unite and to put up a common candidate in the forthcoming presidential polls for establishing parliamentary democracy in the country replacing present "autocratic rule", reports ENA.

In a joint statement they also urged the pro-liberation and democratic-progressive elements within Bangladesh Nationalist Party (BNP) to unite against the "anti-liberation forces and palace-conspirators" for consolidating independence, sovereignty and democracy.

Lt. Col. Zaman and Mr. Alam said Muktijoddha Sangsad was not a political organisation, but as sentinel of national independence and sovereignty and as a part of their duty to the nation they were urging all pro-liberation forces to sink petty differences and foil the "evil designs" of the anti-liberation elements.

They said national independence was above party and individual interests. If the pro-liberation forces now failed to consolidate unity they apprehended, the anti-liberation elements would take advantage of the situation.

CSO: 4220/7431

MARXIST-LENINIST CHIEF DISOWNS NATIONAL FRONT

Dacca THE BANGLADESH TIMES in English 25 Jul 81 pp 1, 8

[Text] Mr Mohammad Toaha, MP has disowned his party's association with the newly-formed 'National Front' led by Mr Ataur Rahman Khan.

In a statement to the Press on Friday, the chief of the Bangladesher Samyabadi Dal has stressed the need for creating an alternative left leadership instead of serving as a stooge of petty bouregoisie bureaucracy and comprador leadership.

Denying his party's association with the 18-party alliance, subsequently renamed National Front, Mr. Mohammad Toaha said that on May 28 last, 14 political parties had held a meeting where they decided to organise a hartal on June 5 in protest against Indian invasion of the South Talpatty island. The move, however, had to be suspended following the assassination of President Ziaur Rahman on May 30.

Mr. Mohammad Toaha said that the country was not facing a constitutional crisis and the main question before the nation was the presidential election. He said that there was no question of forming any front with parties with whom his party had basic differences on constitutional and economic policies. Without resolving these issues the formation of a National Front would be like putting the cart before the horse.

CSO: 4220/7431

HUQ MAKES STATEMENT ON DEPARTURE FOR LONDON

Dacca THE BANGLADESH OBSERVER in English 25 Jul 81 pp 1, 8

[Text] Foreign Minister Prof. Shamsul Huq said in Dacca on Friday that the task before the preparatory meeting of the Foreign Ministers of 22 developed and developing countries in Mexico beginning August 1 was extremely important reports BSS.

The meeting is expected to prepare grounds for the forthcoming mini-summit in October in Mexican city of Cancun by developing a consensus on both the agenda and procedure of the summit. He told newsmen Friday night before leaving for London en route to New York and Mexico.

In a departure statement at airport, the Foreign Minister said that procedural matters had in the past presented serious difficulties which had been indicated by the repeated dead lock in the North-South dialogue. He hoped that the informal character of the meeting in Mexico would provide a different atmosphere for exchange of views informally. This would also hopefully lead to the clearer perception of the global character of the present world economic crisis and of interrelationship and inter dependence of the rich and poor nations he added.

Prof. Huq said that it was against the conceptual context that Bangladesh proposed to put forward its views on the imperative need for closer cooperation in the interest of countries of both North and South. The deterioration in world situation he pointed out had made it abundantly clear that the existing system and structure of the world economy "are totally anachronistic and thereby incapable of meeting the challenges of the contemporary world".

Stressing the paramount need for expanding the overall production of goods and services through concerted global measures the Foreign Minister said all these would generate more employment income and market providing for arrest of the slowing down of economic growth.

He said the problems currently bedevilling both rich and poor nations had abundantly made it clear that the flow of resources production efforts and access to the market must be rationally planned on a global basis leading to the harnessing of the enormous resources in developing Third World. All this he noted would generate additional expanded productive employment of the vast human resources in these countries now lying unutilised or under utilised.

The Foreign Minister said that one of the immediate benefits of such a process of equitable distribution of resource production effort and employment will be elimination of poverty which is the worst pollutant on our planet.

Prof. Huq said that during his stopover in London on way to New York and Mexico he would hold bilateral meeting with British Foreign Secretary Lord Carrington and exchange views with him on the business before the preparatory meeting in Mexico.

In the U.N. headquarters in New York he said he would attend a meeting of the 14 Foreign Ministers of the developing countries for exchanging views on the forthcoming Mexico meeting. He said on July 30 he was scheduled to have a meeting with the UN Secretary General Dr. Kurt Waldheim on the contemporary world situation and also on the forthcoming mini-summit.

Prof. Huq will attend the 2-day preparatory meeting in Mexico of the 22 Foreign Ministers of the North and South beginning on August 1.

Foreign Secretary Mr. Humayun Rashid Chowdhury and British High Commissioner Sir Michael Scott were among those present at the airport to see the Foreign Minister off.

CSO: 4220/7430

PARLIAMENT SPEAKER LEAVES FOR BEIJING 24 JUL

Dacca THE BANGLADESH OBSERVER in English 25 Jul 81 pp 1, 8

[Text] Speaker Mirza Golam Hafiz left Dacca on Friday evening for a fortnight's visit to China at the invitation of the Standing Committee of the National People's Congress (Parliament) reports BSS.

Talking to newsmen prior to his departure Mr Hafiz said that during the 14-day visit he will meet the top Chinese leaders and discuss matters of bilateral interest and regional and international issues.

The Speaker said that strengthening of bilateral and regional co-operation and ties of friendship with China will "stabilise the region of Pacific and Indian Ocean and contribute to world peace".

Mr Hafiz said that he will also discuss with the Chinese leaders about a proposal for the formation of an Asian parliamentary union including China with a view to promoting more understanding among the parliamentarians in the region. The Speaker is accompanied by his wife.

The Speaker said that during the visit he will meet the Chairman of the Standing Committee of the Nation People's Congress Marshal Ye Jian-ying President of the Chinese Association for Friendship with Foreign Countries Mr. Wang Bing-nan and Chairman of the Central Committee of the Chinese Communist Party.

He will also meet the head of the Chinese judiciary President of the Supreme People's Court and study the revolutionary change in Chinese legal system after long 32 years and how the people adjusted with the new system.

Under the new legal system a basic change was brought about in the Chinese Constitution which provides freedom of the Press and restoration of fundamental rights of the people the Speaker said.

Mirza Golam Hafiz said that he will also visit Sinkiang the largest autonomous province in north-east China which has 99 lakh Muslim population and will observe Eid-ul-Fitr with the Muslim brethren there.

He said this will help promoting cultural and other bilateral relations between Bangladesh and China.

The Speaker will also study the agriculture modernisation in China with particular reference to the increase of production and managing the rural unemployment which is followed by mechanisation.

The Speaker is expected to return home on August 7.

CSO: 4220/7430

ZAMBIAN LEADER SENDS CONDOLENCES ON ZIA DEATH

Dacca THE BANGLADESH OBSERVER in English 24 Jul 81 pp 1, 12

[Text] The visiting Zambian special envoy Mr A C Chalikulima on Thursday called on Foreign Minister Prof Muhammad Shamsul Huq, reports BSS.

He conveyed a message of President Kenneth Kaunda expressing deep shock and sorrow at the sudden and tragic death of President Ziaur Rahman.

President Kaunda in his message described late President Zia as his personal friend and as a dynamic and effective leader of not only Bangladesh but the entire world.

President Kaunda said he greatly valued the contribution of President Zia in the development of bilateral relations between Bangladesh and Zambia.

The death of President Zia is an irreparable loss for Bangladesh and for the whole world.

The Foreign Minister expressed his deep appreciation to the special envoy for the thoughtful message of condolence and the kind sentiments expressed by President Kaunda about the martyred leader of Bangladesh.

Prof Huq recalled the historic talks during the Lusaka Commonwealth Conference in which late President Zia also participated that led to the transfer of power to the elected representatives of the people of Zambabwe.

The Foreign Minister assured the special envoy that Bangladesh would continue to work in close cooperation with Zambia.

He hoped that the relations between the two friendly countries would grow from strength to strength.

CSO: 4220/7429

FOREIGN MINISTRY REFUTES INDIAN REPORT ON ASSETS

Dacca THE BANGLADESH OBSERVER in English 25 Jul 81 p 1

[Text] A Foreign Ministry spokesman on Friday categorically rejected as totally baseless Indian Press reports that Bangladesh had dropped its claim on its share in Pakistani assets reports BSS.

On the contrary the spokesman said it was well known that negotiation on questions of assets and liabilities between Bangladesh and Pakistan were continuing and the Foreign Secretaries of the two countries during their last meeting in Dacca in October 1980 had agreed to set up a working committee and study this matter in all its aspects.

He said composition of Bangladesh side of this committee has already been communicated to Pakistan and it is expected that the committee will start its work shortly.

'Bogus'

A New Delhi report says: Another Indian daily the TIMES OF INDIA on Thursday came up with a report that "Bangladesh has now dropped its claim over the assets of united Pakistan".

A front page story to this effect came close on the heels to the one by another daily on Sunday last that Pakistan had offered Bangladesh to deploy one lakh troops along Indo Bangladesh border.

The report brought sharp denial from Bangladesh when the Embassy to Islamabad had described it as bogus.

The decision to drop the claim on the assets was taken by the Government that took over after the killing of President Ziaur Rahman according to the TIMES OF INDIA.

CSO: 4220/7430

PROGRESS, RESULTS OF CANAL-DIGGING PROGRAM NOTED

Dacca THE BANGLADESH OBSERVER in English 22 Jul 81 p 1

[Text] The nation-wide canal-digging drive through voluntary participation has brought about a radical change in the development of the country's water resources for boosting agricultural production.

The drive which has reduced cash expenditure for building a round-the-year irrigation network has already covered nearly 22 lakh acres to grow at least three crops including two paddies after the execution of the second phase of the programmes.

Quoting latest statistics an official spokesman of the programme told BSS on Tuesday that a total of [number illegible] projects were completely executed while works on 79 other projects remained half done due to early rain in the second phase of the programme.

The second phase was originally set for digging 700 canals but in view of the great public demand the number shot up to 965 projects he added.

The 865 newly-dug canals which have covered a total length of 2,961 miles would bring 15.50 lakh acres of land under lean season irrigation command. In the first phase 5.52 lakh acres of land were brought under irrigation facilities by digging 193 projects which had covered a total length of 675 miles.

One lakh four thousand maunds of wheat at the rate of 15 per cent of the total cost of the projects were utilised in the first phase while three lakh maunds of wheat were allotted in the second phase for landless and day labourers who participated in the programme.

The cash grants for purchasing spade and basket publicity and prize and maintenance of the projects stood at Taka 60 lakh in the first phase while Taka one crore 80 lakh in the second phase.

Tens of thousands of people under the direct inspiration and command of the late President Ziaur Rahman lifted 66.73 crore cubic feet of earth in the first phase while millions more dug 232.90 cubic feet of earth in the second phase.

So far 11,500 sets of irrigation power pumps have been sanctioned of which 4,000 have already been fielded in different project sites.

With the optimum utilisation of canal waters the additional foodgrain yield is estimated at 21 lakh tons including six lakh tons in the first phase.

Meanwhile the spokesman said Government has decided to continue the nation wide voluntary canal-digging programme the first phase of the late President's peaceful revolution to build an easy irrigation network for developing and controlling surface water in order to provide dependable and timely irrigation for winter crops.

Achievement of the national goal of increasing food production to 20 million tons during the Second Five Year Plan depends largely on the extension of the irrigation to a total area of 72 lakh acres by 1985 from the 1977-78 level of 28.75 lakh acres.

The voluntary canal digging programme has provided irrigation facilities to 21.02 lakh acres by the end of canal digging season 1980-81.

The financial outlay in flood control and water resources development programmes in the Second Five Year Plan is estimated at Taka 3,000 crore.

Of the two major agencies responsible for water resources development BADC's programme of irrigation through low lift pumps shallow tubewells and deep tubewells will require Taka 1223 crore. A provision of Taka 1,523 crore has been made in the plan to implement Bangladesh Water Development Boards portfolio of programmes which in addition to irrigation includes flood control and drainage survey and investigations town protection barage construction and miscellaneous services.

Besides the programme in the private sector includes irrigation of 14.35 lakh acres of land 4.35 lakh acres through STWS under Bangladesh Krishi Bank HTWS under the Integrated Rural Development Projects and ten lakh acres under the traditional methods.

Quoting a survey report on the revolutionary programme the spokesman said that the canal digging had created much enthusiasm among the common masses particularly the beneficiaries to achieve self reliance on voluntary basis.

Canal digging had also been acting as an instrument for the development of less developed regions in order to help achieve as far as possible a balance development of all regions.

The fruits of the canal digging programme have been encouraging the rural masses for taking other relevant development programmes on voluntary basis.

CSO: 4220/7424

LOAN AGREEMENT WITH JAPAN SIGNED IN DACCA

Dacca THE BANGLADESH OBSERVER in English 21 Jul 81 p 1

[Text] Bangladesh will receive from Japan a total of Japanese yen 27,250,000,000 (about 206 crore taka) as commodity and project loans under an exchange of notes signed in Dacca on Monday reports BSS.

Out of the two loans the commodity loan worth yen 17 500 000,000 (about 132.22 crore taka) will be utilised by Bangaldesh for procurement of a wide variety of items like industrial raw materials and spares' equipment and machinery chemicals fertilizer cement and raw cotton. The loan is fully untied.

The project loan for yen 9 750 000,000 (about taka 73.66 crore) will be utilised for implementation of the proposed Chittagong urea fertilizer project.

The exchange of notes for the two loans was signed at the Planning Commission by Japanese Ambassador Mr. Hirohiko Otsuka and the Secretary of External Resources Division Mr. A. M. A. Muhith on behalf of their respective governments.

Both the loans will be available for utilisation after signing of formal agreement between the Overseas Economic Cooperation Fund (OECF) and the Bangladesh Government in Tokyo soon.

Repayable in 30 years including a grace period of 10 years both the Japanese loans for current fiscal year will bear an interest of 1.25 per cent per annum.

A Japanese Embassy Press release said by the present economic assistance the third of its series this year Bangladesh will have received yen 47 940,000 000 (approximately taka 369 crore) in total both in the form of loan and grant since April 1981.

The major portion of the commodity loan will be allocated to different agencies for financing items under the current import policy and the balance for meeting the commodity requirements of the development projects in the public as well as private sectors.

Procurement under the project loan for the Chittagong urea fertilizer plant will be made from all OECD countries and the LDC's (including Bangladesh). Japan is one of the co-financiers of the urea fertilizer project the other partners being the World Bank The Asian Development Bank Saudi Fund for Development Islamic Development Bank Abu Dhabi Fund and Canada.

The allocation of 9.75 billion yen (about 44 million dollars) for the fertilizer project is part of the expected Japanese assistance of 60 million dollars for the same project.

Speaking after the signing of the notes Japanese Ambassador Mr. Otsuka said that the exchange of notes today was an expression of Japanese government's willingness to continue to cooperate with the people of Bangladesh in their nation building activities initiated by late President Ziaur Rahman. He said Japan was determined to help Bangladesh and to see her (Bangladesh) as a prosperous nation.

The Secretary of ERD Mr. Muhith said that the early signing of the commodity loan from Japan would be very helpful for the current import policy of Bangladesh. He said that Japan with an economic assistance of about 210 million dollars last fiscal year became the largest bilateral donor to Bangladesh.

According to ERD sources since January this year Japanese loans and grants to Bangladesh totalled to 224.30 million dollars.

CSO: 4220/7422

JAPAN MAKES GIFT OF FARMING TOOLS TO DACCA

Dacca THE BANGLADESH OBSERVER in English 22 Jul 81 p 1

[Text] Bangladesh on Tuesday received agricultural appliances and other accessories worth Taka 1.25 million as grant from Japan to use in the training programme of the Agricultural Extension Institute reports BSS.

The Japanese Ambassador in Bangladesh Mr. Hirohiko Ohtsuka formally handed over the appliances on behalf of his Government to Mr. A. Z. M. Obaidullah Khan Secretary Ministry of Agriculture and Forests at a simple ceremony at the Institute of Dacca on Tuesday morning.

The gifts included tractors, pumps harrow bottom plough disk plough strake canopy and other accessories.

Speaking on the occasion the Japanese Ambassador said Japan has so far given aid worth 1058.07 million US dollars. He also expressed the desire of his Government for continued and increased support to the economic development of Bangladesh.

Reciprocating the sentiment Mr. Obaidullah said Japan is the "major" partner of agricultural and economic development of Bangladesh. He thanked the Japanese Government for the gift.

CSO: 4220/7424

BANGLADESH JUTE MILLS CORPORATION REPORTS PROFITS

Dacca THE BANGLADESH OBSERVER in English 12 Jul 81 p 1

[Text] The Bangladesh Jute Mills Corporation (BJMC) has earned a profit of about Taka 40 crore during the last financial year (1980-81) according to informed sources in Dacca on Saturday, reports BSS.

This is for the second successive year that the Corporation made profit without subsidy. The BJMC earned a profit of Taka 116 crore in 1979-80. The sources said that sharp decline in the price of jute goods in international market and high cost of raw jute had contributed to the lower profit earnings in 1980-81. The foreign exchange earnings however will be at per with the record earnings of 1979-80, the sources said.

The BJMC have already shipped a total of four lakh 86 thousand 708 tons of jute goods worth Taka 579.40 crore in foreign exchange. The previous foreign exchange earning record of Taka 595 crore was set in 1979-80 by exporting four lakh 40 thousand tons of jute goods to various buyers.

The sources said that the production of jute goods of five lakh 80 thousand 853 tons during the last fiscal year (1980-81) had exceeded the all time high record of 1969-70. That year's production of five lakh 60 thousand 507 tons was regarded as the peak year of jute industry.

This feat on the part of BJMC is mostly due to measures taken by the administration in the reduction of wastages maintaining of quality and specimen and timely shipment the sources said.

The production loss till last May of 1980-81 due to power failure and labour unrest stood at 32,603 tons.

The sources further said that demand of Bangladesh jute goods was increasing rapidly and the number of international buyers now stood at 105 countries including 18 south and South-East Asian countries. Steps are being taken to further expand the jute goods market, he said.

CSO: 4220/7432

COMMITTEE TO PROMOTE RAW JUTE EXPORT PLANNED

Dacca THE BANGLADESH OBSERVER in English 21 Jul 81 p 1

[Text] Narayanganj, July 20:--Jute Minister Mr Habibullah Khan said here today that the Government had decided to set up a joint committee with members from the public and private exporters for promotion of the export of raw jute, reports BSS.

Opening lucky purchase of jute of the Jute Trading Corporation (JTC) at the local Lezaras Press House Centre this evening, the Minister said that constant watch would be kept to ensure the fair export price of raw jute this year.

Mr Khan also said that there would be no statutory minimum price of jute for the current season. He said that lifting of the statutory minimum price of jute produced good result and the growers got the jute price of their jute.

To ensure it this year he added that all markets would be kept under the constant review.

Turning to the jute traders the Jute Minister observed that it was the right of a trade to be or not in jute trade but one in trade must abide by the ethics of jute trade and should carry out the responsibility of one towards the growers and the nation.

The Minister expected that all the jute traders who are involved in trading would review their licences within the extended time to fulfil their obligations as far as business principles were concerned.

Mr Habibullah Khan urged the public and private exporters to be of their utmost for proper placement of jute in the foreign markets and help increase hard currencies for the country. In this context, he said that last year's export of raw jute totalled 19 and a half lakh bales.

CSO: 4220/7422

BRIEFS

GREETINGS TO SADAT--Acting President Mr Justice Abdus Sattar has sent a message to Mr. Mohammad Anwar El-Sadat President of the Arab Republic of Egypt on the occasion of its National Day, reports BSS. Following is the text of the message: "On the happy occasion of the National Day of the Arab Republic of Egypt I on behalf of the Government and the people of Bangladesh and on my own behalf extend to Your Excellency and through you to the Government and the people of Egypt our heartiest greetings and felicitations. May I take this opportunity to convey best wishes for Your Excellency long life health and happiness and for the wellbeing and prosperity of the fraternal people of [as published]. Please accept Excellency the assurances of my highest consideration". [Text] [Dacca THE BANGLADESH OBSERVER in English 22 Jul 81 p 1]

MESSAGE TO POLAND--Acting President Mr. Justice Abdus Sattar has sent a message of greetings to Mr Henryk Jablonski Chairman of the Council of State of the Polish People's Republic on the occasion of its National Liberation Day. The Acting President said, "On the occasion of the National Liberation Day of the Polish People's Republic the Government and the people of Bangladesh join me in extending to Your Excellency our warm greetings and felicitation we are confident that relations between our two countries will continue to be strengthened in the years to come. May I avail of this opportunity to convey my best wishes for Your Excellency's health and happiness and for the continued peace and progress of the people of Poland." [Text] [Dacca THE BANGLADESH OBSERVER in English 22 Jul 81 p 1]

NATIONAL FRONT FORMED--The 18-party Alliance has been given an organisational structure naming it as "National Front" with Mr Ataur Rahman Khan President of Bangladesh Jatiya League as its convener. The front was formed in a meeting of the leaders of the component parties held on Tuesday at the Dhanmondi residence of Mr Ataur Rahman Khan with him in the chair. The National Front will announce its programme on Thursday at a Press conference to be held at the residence of Mr Khan says a Press release issued by Kazi Zafar Ahmed Chairman of the United Peoples Party. [Text] [Dacca THE BANGLADESH OBSERVER in English 22 Jul 81 p 1]

MEMORANDUM ON UK RIOTS--Jatiya Samajtantrik Dal (JSD) Workers Party and Sramik Krishak Samajbadi Dal on Monday urged the British government to take meaningful steps to stop racial conflict and protect the life of non-White immigrants particularly the Bangladesh nationals living there, reports ENA. In a memorandum jointly presented to the British High Commissioner in Bangladesh, the three parties observed the present racial conflict in the UK is the obvious result of

Prime Minister Thatcher's pressing for Nationality Bill and which caused "insecurity distrust and hardest sufferings of the immigrants". These policies gave direct encouragement to the racial discontent" the memorandum alleged. The memorandum was presented by a delegation of the three parties which comprised Major (Retd) M. A. Jalil and A. S. M. Abdur Rab President and General Secretary of JSD Mr. Hyder Akbar Khan Rono and Nasim Ali Secretary General and Central Committee member of Workers' Party and Siddiqur Rahman and Nirmal Seen of Sramik Krishak Samajbadi Dal. [Text] [Dacca THE BANGLADESH OBSERVER in English 22 Jul 81 p 3]

MORE ON UK RIOTS--The National Committee of Krishak Sramik Party on Monday urged the government to send a parliamentary delegation to see the "actual condition" of Bangladesh nationals living in Britain in the wake of the race riots there. An emergency meeting of the committee chaired by party President Mr. A. S. M. Solaiman MP at the party head office expressed deep concern at the race riots in UK. [Text] [Dacca THE BANGLADESH OBSERVER in English 22 Jul 81 p 12]

AMBASSADOR TO UN--The Government has decided to appoint Mr. Farooq Sobhan, at present Director-General (International Organisations) Ministry of Foreign Affairs Dacca as Deputy Permanent Representative in the Permanent Mission of Bangladesh in the United Nations, New York with the rank and status of Ambassador, says a PID handout. Mr Sobhan graduated with Honours in History from the University of Dacca in 1961 and obtained a Master's Degree in History from Oxford University in 1964. He joined the erstwhile Pakistan Foreign Service in 1964 and served abroad on various diplomatic assignments in Cairo, Paris, Belgrade and Moscow. Since February 1978 Mr Sobhan held the post of Director-General (International Organisations) in the Ministry of Foreign Affairs. He is married and has two children. [Text] [Dacca THE BANGLADESH OBSERVER in English 22 Jul 81 p 12]

PRESIDENTIAL CANDIDATE--Mr. Khalilur Rahman Majumder a businessman of Chittagong on Wednesday announced his desire to contest the coming Presidential polls as an independent candidate and hoped he would win the election, reports BSS. Explaining the objectives and programmes at a Press conference at a local hotel, Mr. Majumder a contractor by profession has put no pre-condition like the shifting of the election date but demanded that the government facilities excluding cash grants which were given to each candidate in the last Presidential election should be offered this year too. If voted to power Mr Majumder would uphold the Presidential system of government but bring harmony in between the power of President and that of Parliament for ensuring democratic practices and bid to take the administration nearer to the people. Establishment of a corruption free society based on justice to ensure the independence of the people in every sphere would be his first task, Mr. Majumder pointed out. [Text] [Dacca THE BANGLADESH OBSERVER in English 23 Jul 81 p 8]

RETURNEES FROM BAGHDAD--Mr. Abdul Mannan member of the Presidium and Mr. Abdur Razzak General Secretary of Awami League (Hasina) and Mr. Shahjahan Siraj Joint Secretary and Mr. Hasanul Huq Inu member executive committee of Jatiya Samajtantrik Dal returned to Dacca on Wednesday from Baghdad. They went there on an invitation by the Arab Bath Socialist Party of Iraq to attend the Iraqi National Day functions. The AL (H) and JSD leaders left Dacca on July 10 for Baghdad. [Text] [Dacca THE BANGLADESH OBSERVER in English 23 Jul 81 p 8]

CSO: 4220/7425/7427

SMUGGLED GOODS LARGE PART OF BURMA'S ECONOMY

Bangkok BUSINESS IN THAILAND in English Aug 81 pp 20-26

[Article by Tom Fawthrop]

[Text]

Every day of the year, millions of dollars, bahts and kyats change hands along the 1000 kilometre stretch of the scantily-recognised frontier known as the Thai-Burma border. But despite the huge volume of trade between the two countries, an estimated 85% goes unrecorded in the trade manuals, and only a paltry 15% of Thailand's trading relations with Burma appears in the official statistics. The reason is that overland trading means smuggling goods through rebel-controlled territories and contributing to what officials in Rangoon discreetly refer to as 'the other economy' believed to be something close to $500 million in annual turnover and accounting for 80% of Burma's consumer goods.

Since General Ne Win assumed the reins of power with his military coup in 1962, the country has stagnated until recently, with the state-run economy lamentably failing to deliver the goods. All Burma's nationalised industries are run by Ne Win's trusted military colleagues, despite their near-total lack of administrative experience. But what the official economy cannot provide, the blackmarket invariably can, and Burma arguably has the most sophisticated and diverse alternative economy in the world, which although not loved by Rangoon's rulers, has nevertheless achieved some kind of grudging acceptance as a highly necessary evil. One government official confided in me that even their own ministries use the blackmarket; "what can you expect?", he asked without pausing for an answer. "When one of our trucks break down and we need spare parts, if we want to import the gear it takes up to six months to pass all the red tape but on the blackmarket, you can put in an order, and it will arrive from the Thai border within a week!"

Nobody has benefited from the bizarre state of the Burmese economy more than the Karen National Liberation Army, that has been waging a 30-year-old struggle for independence and freedom of their ethnic minority people estimated at 10% out of Burma's 33 million population. The Karens have always complained of racial persecution by the lowland Burmans, and their leaders recall countless atrocities allegedly committed by Burmese troops ranging from burning down all schools and hospitals in liberated areas, to the raping of young Karen girls, and confiscating crops. A defiant mixture of pride, bitterness and courage has fuelled their seemingly endless struggle, with the Karen rebel's army about 5000 strong never able to do much more than hold on to liberated tracts of

jungle, and defend the status quo of their own administative districts beyond the reach of Rangoon. Every year the Burmese army attacks Karen guerilla strongholds and every year, they are eventually beaten back – leaving the ethnic rebels with one victory still intact – a uniquely comprehensive regulation over the region's largest, most lucrative black-market trade.

From the Thai side, an army of traders cross into Eastern Burma, over old rickety wooden bridges, spanning the banks of the River Moei – a river that is effectively policed by KNLA gunboat patrols. The biggest frontier junction for smugglers is opposite the Thai town of Mae Sod. Here the bargaining and transactions begin, and traders from all parts of Burma, Bangladesh and even as far as India attempt to satisfy their many customers' requests. They load up with consumer goods, bales of cotton fabric, garments, tools, batteries, parts, and cross back into Burma. But instead of being processed by Rangoon's Customs and Immigration they are greeted by the guerillas from the 101 unit of the KNLA, who usher them in the direction of their own rebel checkpoints where the goods are routinely assessed and taxed at the standard 5% of purchasing value. The smugglers appear to readily accept the "powers that be" in Kawthoolei State (the name of Karen territory). Lining up in orderly queues, experienced Karen soldiers painlessly extract their dues, proffer receipts with an air of professional dignity, and remind all those passing through their territory that no Karen is allowed to take any more tax from them provided that they can produce their "tax clearance" receipt upon request. Armed jeeps provide protection for the regular convoys of traders embarking on the 4-day trek to Moulmein.

During my week's stay in what they refer to as Karen Free State I was visibly impressed by the disciplined integrity of the guerilla forces, their obvious administrative ability, business acumen and entire alternative apparatus of government. The 5% tax is not only levied on Burma's *invisible imports* but also on the remarkable array of exports. Passing out through the "peoples' customs" to be sold to Thais and Chinese traders are gems, jade,

pearls, rubber, cattle, ivory, antiques, silver and gold. More than a thousand smugglers are processed everyday. Once a week a cattle auction is held under the supervision of the Karen "government". On a good week over 300 heads of cattle will be sold to the Thai side, worth over $50,000; a large consignment of precious stones could be worth even more.

Burma's world famous rubies, blue sapphires and jade are extracted from the far north, the Kachin state of the union of Burma. Like the Karen, the Kachin people are also an insurgent ethnic minority up in arms against what they perceive to be a Burman chauvinistic regime in Rangoon which forbids them to even use their own Kachin language.

Despite attempts by Burma's Gems State Corporation to exercise monopoly control, the majority of precious stones slips past all official controls and ends up on the Thai border, Mae Sai to the east, Mae Hong Son in the north-west and Karen-controlled Wankha opposite Mae Sod. Jade dealers come from as far away as Taiwan and Hong Kong to inspect the merchandise. Most of the gold also originates from Kachin State, and is one of Burma's many secret deposits of mineral wealth; how big and worth how much is anybody's guess.

Wankha is the most unlikely market-place and business community in the world. A small township of 1500 residents, and thronged by thousands more than passing through, it is canopied by thick vegetation jungle on all sides, and only 4-wheel drive vehicles can gain access to this remote "chamber of commerce", situated in a jungle clearing. This Karen-run trading centre known as 'Kaw Mu Ra' (in local Karen lingo) is a bamboo complex of houses and shops, looking much like any rural market-place in Thailand.

It's a curious multi-racial community, Karen, Thai, Burman, Kachin, Chinese, Shan, and Bangladeshi; all appear to happily mingle and different religions co-exist in harmony, within a few hundred yards of each other's churches, mosques and temples, thus giving credence to the guerillas' claim that in their liberated zone complete freedom of religion is practiced. This is not hard to believe as the guerilla chief for Karen '101' battalion in charge of Wankha administration, customs, excise and tax collection is Colonel That Muang who is a devout Seventh Day Adventist, and the Karen commander in chief, General Bo Mya is a practising baptist.

Other amenities include noodle shops, a dusty-bowl of a football pitch, a cinema that alternates Indian and Chinese movies (secured from Thailand) and even its own limited supply of electricity from a generator that operates from 6.00 to 9.00. pm every evening. The shopkeepers pay a modest rental to the Karen government for the upkeep of the rebel township, the provision of schools, and one makeshift hospital.

Wankha is only one of six major checkpoints along the 520 kilometre rebel-controlled frontier where the KNLA is able to tax the smugglers and finance their struggle. But Wankha and Palu are by far the most lucrative – with Wankha bringing them an income of $150,000 a month, and Palu only slightly less. In one year it adds up to over $3 million in revenue adding the two key trading posts together.

The other taxation

Source	Income (in million dollars)
New Wankha	$1.8
Palu trading checkpoint	1.6
Mining and forestry	2.05
Other checkpoints	0.7
Land tax State lottery Wankha market rent	1.85

In 1980 the annual Rangoon offensive was specifically targeted at another sector of rebel revenue – their mining "concessions" near the Three Pagoda Pass, not far from the River Kwai. The Karen exercise control over a number of mining interests – tin, wolfram and antinomy which to the consternation of the Rangoon government constantly flow out of the country via the well-organized illegal channels.

According to Khun Puler Wah who could be described as the 'chancellor of the rebel exchequer', and one of the more unorthodox finance ministers in the region, mining and forestry accounts for 30% of their total income. It would no doubt be a lot more if the methods of mining had progressed beyond primitive stages of extraction. The Karen have put out tentative feelers to attract foreign investors, and at one stage millionaire Kuomintang warlord General Li Weng-Huan made an investment bid. So far nothing has come of attempts to bring in sophisticated mining equipment and KNLA officials complained that the KMT general's terms were unacceptable.

In a World Bank report on Burma it was indicated that vast quantities of tin were being smuggled out of the country. In one particular year Malaysian customs figures indicated that 4200 tonnes of tin ore arrived from Burma. For the same year Rangoon records showed that only 575 tonnes had been officially exported. Allowing for some illegal exports from Thailand disguised as Burmese tin, it would appear that roughly 50% can be put down to the dexterous business transactions of Karen Free State. A recent World Bank report put Burma's official exports of tin at 700 tonnes a year and claimed 2000 was being illegally exported.

Karen government finance minister Puler Wah says that another 1.85 million dollars a year was derived from domestic sources of revenue ie not based on taxing international trade, or selling minerals to the Thai side. People living under the rule of the Karen rebel regime have to pay a land tax, based on sliding scale percentage of farmers' produce and the monthly state lottery organized by rebel headquarters.

Although other rebel armies obtain a lucratives slice of the action in taxing the burgeoning blackmarket trade, the biggest source of income among the Shan insurgents is unquestionably derived from the opium trade. However the Karens verge on the puritannical with their strict ban on all narcotics, no gambling or liquor inside their territory. The Karen movement can be said to be the only genuinely self-sufficient nationalist struggle among the many rebel armies fighting the Ne Win government, with its annual income of over eight million dollars from all sources. This budget according to Puler Wah is divided between military needs (defence) and civilian administration, and the people's welfare, in line with their only slightly exaggerated claim that two million people live in their liberated zones.

Defence costs are high, because of the lack of outside support for the Karen. They had to purchase weapons from the blackmarket in Thailand (although about 40% of their guns are captured from Burma's army). Only 30% of their annual budget is allocated to schools, hospitals, and welfare.

Burma with its many natural resources – 85% of the world's teak forest, diverse mineral wealth including copper, tungsten, tin, and silver, self-sufficient in oil with its Myannma State Oil Corporation already exporting modest amounts to Japan, and its potential to outstrip Thailand as the region's number one rice exporter (over million tons scheduled to be exported this year), is essentially a rich country masquerading as a poor one. Although the official economy has achieved a consistent 6% growth rate over the last few years, living standards are improving for the lowland farmers. Yet with the civil war, denying the government access or con-

trol over about 50% of the country's territory, from the Karens in the east to the Kachins in the north, the nation as a whole is only realising a fraction of its abundant potential. And the Karen's brilliantly run guerilla economy is a prime example of how over 50% of the nation's resources fall into rebel hands.

With no prospect of government troops crushing the indomitable spirit of the fiercely nationalistic Karen (sometimes referred to as the Gurkhas of Burma), and the stubborn President Ne Win exhibiting little interest in negotiating an end to the 33-year-old Karen rebellion, the Karen economy will continue to exercise multi-purpose functions. It challenges the corrupt and inept state-run bureaucracy; it fuels their guerilla resistance and finances the UDI government of Kawthoolei State; and it ironically helps the Ne Win government by regulating the never-ending flow of goods which keeps the blackmarket of Rangoon and Mandalay well-stocked with all essential items as well as luxury goods like colour TVs and videos that are now all the rage since the television age came to Rangoon last year. Right now the government cannot meet consumer needs without the smugglers' supply routes. Thanks to the Karen economy, the man in the street in Rangoon gets his toothpaste regularly – so the revolution is achieving something, after all.●

CSO: 4220/286

CONGRESS-U DECLARES UTTAR PRADESH PARTY POLL VOID

Calcutta THE STATESMAN in English 15 Jul 81 p 4

[Text] Bangalore, July 14.--The Congress (U) working committee has declared all organizational elections from the primary to the Pradesh Congress Committee held in Uttar Pradesh null and void. The executive, which met here on Sunday, appointed a committee headed by Mr D. K. Barooah to go into complaints regarding organizational elections in the State and requested it to submit its report soon. The committee removed Mr Shyamdhar Mishra from all posts held by him in the Congress organization because he was involved in a criminal case.

The committee authorized its president, Mr Devaraj Urs, to send Mr Mathuradas Mathur, a member of the executive, to U.P. to decide on an ad hoc president for the Pradesh Committee. Till he submits his report, Mr Mahmood Butt will be in charge of the PCC.

The executive has decided to issue a notice to Uttar Pradesh returning officer, Mr Ishwar Chandra Shastri, for violating the decision of the working committee not to go ahead with the organizational elections.

The committee also declared the organizational elections in Madhya Pradesh null and void. The Pradesh returning officer has been asked to look in the matter and submit a report.

Briefing reporters on the outcome of the working committee meeting, Mr Banke Behari Das, general secretary, said it was decided to hold a camp in Hyderabad from September 18 to 20 for party leaders to discuss political, economic and international issues and evolve the party's approach in the present context.

Mr Devaraj Urs said that the camp was meant to spell out clearly the political philosophy and programmes of the party. He said it had been decided to celebrate the centenary of the Indian National Congress which falls in 1985. "From now on we would like to make preparations for the coming celebrations", he said.

Asked about the attitude of his party towards other Opposition parties, Mr Urs said that they had allowed the State units a certain latitude depending on the local conditions. "That position continues but we will have no truck with the Congress (I)", he added. When his attention was drawn to the West Bengal unit cooperating with the Congress (I) in supporting a candidate in the recent by-elections, Mr Urs pointed out that the candidate had stood as an independent and both the Congress (I) and Congress (U) had supported him. "But West Bengal too has to follow the Central party direction" he said. Asked if any member had demanded his resignation from the party president's post, Mr Urs declined to comment.

CSO: 4220/7297

EASTERN COMMANDER VISITS IMPHAL, INSURGENCY CONTINUES

Madras THE HINDU in English 15 Jul 81 p 7

[Text]

IMPHAL, July 14 -

Lt. Gen A. S. Vaidya, GOC-in-C, Eastern Command, has said that the insurgency problem in Manipur should be solved at a political level and not by force.

He appealed to the underground youths not to resort to violence and asked them to come overground so that "their problems" could be sorted out in a "democratic way".

Force was being used to contain violent activities but the recent action of the extremists during the last few days were "retaliation" to the July 6 encounter at Teckchum in which seven hard core members of the so-called Peoples Liberation Army" (PLA) were killed, Lt. General Vaidya told newsmen here yesterday.

The Lt. General said that most of the Chinese-trained members of the PLA were either killed or arrested since the anti-insurgency programme was launched by the Army in Manipur in September last year. Two of them were however, at large he said.

The arrested leader of PLA, Mr Bisheswar Singh would be handed over to the civil police soon after he recovered from asthma and tuberculosis, he said.

Lt. General Vaidya later flew to Kohima to greet second Lt. Vyrus Pithawala, who was slightly injured during the July 6 encounter with the PLA.

During his one-day stay here, the Lt. Gen also held discussions with the State Chief Minister, Mr Rishang Keishing on the law and order problem situation in the State.—PTI

No end to trouble

It has now become increasingly clear that even with the arrest of Bisheswar the bloody chapter of insurgency in Manipur will not be closed.

Manipur is now reeling under the recrudescence of violence unleashed by Chinese trained rebels to settle scores with the Army which arrested Bisheswar and killed seven hard core men last week.

On Sunday, the rebels ambushed three army vehicles at Yairipok, 40 km. from here. Though unofficial sources say at least 11 jawans were killed and all arms and ammunition were snatched away police sources say that only two jawans were killed. On Monday morning two army vehicles were also ambushed using country-made bombs at Khumbong near here. Fortunately there was no casualty except for some minor damage to army vehicles.

One man said to be a member of the PLA was killed by the villagers of Wangoo when he came to extract money. A pistol was recovered from him. Again about a dozen masked men came to collect a gun from a man. When they were told that the gun was deposited with the police as per instructions they became furious. After beating him up badly, they reportedly took away gold and other valuables worth thousands of rupees.

Meanwhile the publicity section of the PLA has been working overtime to make the presence of the PLA felt among the common people. They have been hoisting the Red Star PLA flag everywhere, probably to announce that PLA members are ubiquitous. Most of these flags have hidden bombs fused in such a way that when the police pull down the flags these bombs will explode. At least one man was seriously injured when such a bomb exploded recently.

The rebels have also been floating gas balloonswith hidden bombs in community tanks as part of their strategy against security personnel. Above all, they have also been sending up balloons every now and then with underground literature.

Some months back Maj. General Eric Vas, former General Officer, Commanding-in-Chief, Eastern Command, at a press conference deplored the way the common people were extending cooperation to the insurgents.

Reports indicate that some people still continue to sympathise with insurgents who promise to "free the common people from exploitation by Delhi bandits". There was a funeral procession on Sunday for the PLA men who were killed on July 6. Thousands of boys and girls in mourning dress turned up carrying portraits of the deceased in PLA uniform and placards with words like "we have given our today for your tomorrow."

Apparently the police did not expect such a massive assembly in view of the tight security measures.

Prohibitory orders under Section 144 Crpc had to be promulgated in all main areas. It is understood that security forces engaged in counter insurgency measures are concerned over the growing public sympathy with the rebels cause. Attempts to alienate the common people have only boomeranged, much to the detriment of counter insurgency operations. It is alleged that whenever there is shooting incidents or raiding underground hideouts, villagers are subjected to avoidable harassment.

Police fear that the rebels have enough sophisticated bombs to rock Manipur.—

CSO: 4220/7299

KERALA CHIEF MINISTER WRITES PROTEST LETTER TO GANDHI

Bombay THE TIMES OF INDIA in English 16 Jul 81 pp 1, 4

[Article by K. C. John]

[Text] Trivandrum, July 15.

The chief minister, Mr. E. K. Nayanar, today objected to the Prime Minister, Mrs. Indira Gandhi's reported support to the remarks on Kerala made by the Union minister of state for home, Mr. Yogendra Makwana.

Mrs. Gandhi, according to Mr. Nayanar, had given tacit support to Mr. Makwana at her July 10 press conference by maintaining that Mr. Makwana had only reflected popular opinion in Kerala. She was also reported to have expressed her anxiety over the "political murders" in Kerala.

Replying to a submission in the assembly by Mr. M. V. Raghavan, leader of the CPM in the legislature, Nr. Nayanar said he had written a second letter to the Prime Minister protesting against her statement on Kerala at the press conference.

The Congress (I) opposition leader, Mr. K. Karunakaran, and several other opposition members questioned the propriety of Mr. Raghavan making a submission about the Prime Minister's statement. The speaker, Mr. A. P. Kurien, overruled the objection.

Mr. Nayanar characterised Mr. Makwana's remarks on Kerala as "unilateral" and "irresponsible." It was aimed at subverting the state government. It did not reflect the popular opinion at all. In fact, the democratic opinion in the state was against Mr. Makwana's views.

No Reply

The chief minister told the assembly today that he had not received any reply from the Prime Minister to his letter of June 6 on Mr. Makwana's statement about Kerala. His second letter contained his protest against Mrs. Gandhi's support to Mr. Makwana.

The following is the text of Mr. Nayanar's letter to Mrs. Gandhi on June 6:

"Dear Madam Prime Minister,

"I would like to draw your attention to some of the disturbing statements by some of the Union ministers who visited Kerala after the United Democratic Front led by the Congress (I) in Kerala 'resolved to provide leadership to a people's struggle for liberation.'

"I am really shocked that some of the Union ministers by their statements and the Congress (I) unit of Kerala by their action had got involved in a so-called liberation struggle which is against all accepted principles of democracy, parliamentary system of government and against the underlying principles of our constitution. It is also against your repeated statements that the Centre is against the toppling of elected state governments in our country. I can understand agitation on one or other issues affecting the people. But I believe that "liberation struggle" in the present context of the situation in our country would be playing into the hands of the forces of destablisation. And if liberation struggles are to be launched on the pretext of a few thefts from temples and a Naxalite murder and some such incidents, it will be indeed a sad day for parliamentary democracy in India.

"On the day of the Raj Bhavan march (May 30, 1981) in Trivandrum, the offices of the CPI and the CPI(M), the Deshabhimani book stall and the city bureau of KERALA KAUMUDI, a leading Malayalam daily, all situated on the Mahatma Gandhi Road, were attacked by the members of the jatha. The political edge of these attacks is clear. The subsequent statements by the leaders of the Congress (I) did not mention any regret about these incidents. Nor did they discourage such actions. The whole tone and approach was of unleashing a 1959-model liberation struggle. The statements of the Union ministers have to be viewed in this background of things.

"On June 1, Shri Yogendra Makwana had declared his findings thus: 'The Kerala government had failed in its primary function to protect the life and property of the citizen...no government worth the name exists in Kerala.' He indicated intervention by the Centre as in 1959. He was only awaiting the report of the governor 'as the representative of the Centre.'

"I am sure that no impartial person would ever have made such an observation on the situation in Kerala. But when a responsible minister from the Centre makes such observations, it is obvious that it has the edge of authority and pressure on the governor, who according to Mr. Makwana, was a 'representative of the Centre.' It was also an open declaration that this so-called liberation struggle has the blessings of the Centre which meant giving an open licence to disorder, anarchy and violence in the state.

"Shri Makwana in his statement has gone to the extent of alleging that 'the Naxalites were being utilised by the Kerala government to terrorise the people.' In this connection, I would only plead with you that some restraint may be imposed on people like Mr. Makwana in making misleading statements. Neither Mr. Makwana nor the state leadership of the Congress (I) had condemned Naxalites and Naxalism. Nor did they take up the question of Naxalism on the political level and call for people's awareness and vigilance. They just pointed the finger of accusation against the minister. This unfortunate position of utilising Naxalite violence as a weapon against the state government had only encouraged the Naxalites and some of the local followers of the Congress (I) in taking part in a democstration justifying the murder by the Naxalites.

"On June 4, Shri Maganbhai Barot, Union minister of state for finance, contributed his share of misleading statements. As an instance of the Centre's generous approach to Kerala, he said that in the sixth plan Rs. 1,500 crores was allotted against Rs. 1,000 crores in the Janata sixth plan. You are well aware that the provision in the Janata sixth plan was Rs. 1,200 crores and that it was raised to Rs. 1,500 crores in the context of the increase in the total outlay and if you would examine the plan documents, you would be convinced that we did not get our due share. His allegation against the state Harijan welfare department too was found to be baseless.

"By these public utterances, these Union ministers I am afraid, have misused their office of power against a validly constituted and elected government which has a clear mandate from the people. This is against the spirit of our Constitution and against all norms of democracy. In effect, it is also a violation of the sacred principles of healthy Centre-state relations.

"I need not emphasise the crucial role played by you in your dual capacity as the Prime Minister of India and president of the main political party in the country, which, incidentally, is leading the so-called 'liberation struggle' in Kerala. The statements issued by the Union ministers and the political position taken by the state leaders of your party are obviously against your declared position. Hence, their unfortunate approach, I feel, should be reversed and restrained.

Yours sincerely,

Sd-

(E. K. Nayanar)"

CSO: 4220/7302

SHEIKH ABDULLAH ADDRESSES 14 JUL MARTYRS DAY RALLY

Calcutta THE STATESMAN in English 15 Jul 81 p 9

[Text]

SRINAGAR, July 14.—The Kashmir Chief Minister, Sheikh Abdullah, has warned that he will resist any attempt to topple his Government or wipe out his ruling National Conference Party by Congress (I) leaders, including Mrs Gandhi. Addressing a Martyrs Day rally here last evening, the Sheikh said it was unfortunate that almost all Opposition leaders had started to unite again under the Congress (I) to subjugate and usurp the hard-won freedom of the Kashmiris, as they had tried to do in 1977, under the Janata flag.

The Sheikh complained that till today, he failed to understand how he or his party had harmed the Prime Minister or her "henchmen" of Congress (I) leaders, who had started maligning him and his party in the State. But, he said, he was neither going to be cowed down nor going to succumb to their threats.

He asked the Central leaders to point out "a single incident where and when I or my Government or my party has done anything which may have gone against the larger interests of our country".

Vested Interests

Without naming Mr Rajiv Gandhi, Sheikh Abdullah said he did not like his recent meetings with the former Deputy Chief Minister, Mirza Mohammad Afzal Beg, the chief of the Kashmir Awami action committee, Mir Waiz Moulvi Farooq, and the former Janata leader, Mohiuddin Qarra, whom he named and described as "vested-interested politicians."

The Sheikh accused the Central Congress (I) leaders of "pumping" money into the State to purchase these vested-interested State politicians. He warned the Kashmiri young men that "they will also try to purchase you to wipe out my National Conference". The State Congress (I) leaders, he said, were creating political instability in the State by encouraging disgruntled young men and others to resort to strikes, dharnas and agitations.

Mir Waziz Moulvi Farooq, president of the Kashmir Awami action committee, has accused Sheikh Abdullah of having failed to redress "the people's genuine grievances".

CSO: 4220/7297

CORRESPONDENT NOTES SIGNS OF FERMENT IN KASHMIR

Madras THE HINDU in English 15 Jul 81 p 8

[Text] DISCONTENT and resentment is the prevalent mood today in the entire State of Jammu and Kashmir—in the Kashmir Valley, Jammu region and the border area of Leh.

The State's people have complained to the Governor, Mr. B. K. Nehru, and the Prime Minister, Mrs. Indira Gandhi, of the "miserable failure" of Sheikh Abdullah's Government to redress their "genuine and mounting economic and political grievances".

Taking the cue from the two-year-old agitation of the people of Shopian area of Kashmir Valley for a separate hill district similar popular waves have started making their impact in the Kishtwar and Bhaderwah areas of Jammu region.

The people of Kishtwar and Bhaderwah areas have been organising hunger strikes, dharnas and bandhs for the last one and a half months to project their demands. As in Shopian area a number of clashes with the police had taken place. Almost all members of the Opposition Parties Action Committee who spearhead the current agitation have been detained under the Public Safety Act.

In the Leh district of the border area of Ladakh also there have been a number of police-public clashes recently. The main charge against the State Government is "discrimination" in allotment of funds for economic development of this most backward area besides failure to implement the decision to create a separate division for the border areas of Leh and Kargil districts of Ladakh.

These apart the people of the border areas of Ladakh and the nomadic Gujjar and Bakarwal communities have been agitating for the last three years that the State Government should recommend to the Centre that they be treated as "scheduled tribes". This, they complain, the State Government has not done for reasons best known to it.

In some other areas of Jammu as well as in Kashmir Valley including Riasi, Sopore and Bandipore towns, people have started voicing their demand for a separate district or tehsils or for upgrading a sub-tehsil into a tehsil or even for recognition as a "niabat".

Though now these agitations are not aimed at disintegrating the State, yet if they are not checked in time or a thorough examination of their genesis is made by experts they may pose a grave danger to the integrity of the State.

These demands are but the outcome of the Government's carving out new districts and tehsils two years back in pursuance of its political interests. This had infuriated public opinion and generated a feeling of having been let down by the Government.

All this has erupted at a time when the National Conference Government headed by Sheikh Abdullah had entered the fifth year of its term on July 9. There is now an air of suspense hanging over the Government's future.

Sheikh Abdullah's Government can continue till July 1983. But during his recent meetings with his Cabinet colleagues and party leaders he is reported to have asked them to prepare in right earnest for fresh elections. This green signal was given by the Sheikh early this month after he had detailed discussions with the Governor on the current political situation.

The meeting with the Governor took place before the latter left for New Delhi to meet the Prime Minister and other leaders to keep them informed of the situation in the State.

Unlike the other States the life of the Jammu and Kashmir Assembly is six years under the amendment made to the State's separate Constitution during the Emergency. The Sheikh who had so far stoutly resisted the Opposition parties' (including the Congress-I) demand that the original five-year term be restored has now changed his mind. He recently said he had no objection to an amendment to facilitate elections in Kashmir together with the other States next year.

As head of the Government the Sheikh can whenever he likes approach the Governor with a proposal to dissolve the Assembly and hold fresh elections. But apparently he wants to head the care-taker Government in case of dissolution. Hence he does not want to take any hasty steps lest he be deprived of that position as he is opposed to the imposition of Governor's rule.

Meanwhile the President of the State Congress (I) unit who also had a separate meeting with the Governor here early this month and later met the Prime Minister in Delhi said on his return that their firm demand was that fresh elections to the Assembly should be held after imposition of Governor's rule as in 1977.

He demanded imposition of Governor's rule on grounds of deterioration in the economic and political situation, agitations, strikes and dharnas because of Government's failure to redress the people's genuine grievances and related law and order problems.

The last one year of Sheikh Abdullah's rule has been full of tension and troubles. There were the first time clashes between a section of the Army and groups of civilians, a fall-out of the Moradabad communal riots in Kashmir Valley, repeated strikes by police and doctors, uneasy calm on both Kashmir and Jammu University campuses, a series of fires in different parts of the State, recurring uneasiness in educational institutions, trouble in Ladakh and the current continued agitations in Shopian, Kishtwar and Bhaderwah for creation of separate districts.

The Centre would appear to have taken a serious note of these. According to some Central Ministers as well as top Union Government officials who recently visited the State for an on-the-spot study of the situation the continuance of such a disorderly state of affairs should invite Governor's rule.

CSO: 4220/7299

ORISSA CHIEF MINISTER REVIEWS GAINS FOR 1980

New Delhi PATRIOT in English 14 Jul 81 p 5

[Text] After a decade of stagnancy in agriculture, Orissa in 1980 has achieved considerable progress besides increasing industrialisation and taking active steps to rehabilitate the landless destitutes comprising agricultural and migrant workers in the countryside.

This was underscored by Orissa Chief Minister Janaki Ballav Patnaik on Monday afternoon when he met newsmen in the Capital to give a review of the achievements of the Congress-I State Government in Orissa over the last one year since it assumed office.

Notwithstanding floods which devastated nine districts in 1980 and student agitations which engulfed six districts in October-December last year, these achievements stand out as of substantial importance.

For example, this year the agricultural production, was 60.47 lakh tonnes, about three lakh tonnes more than the highest output of the seventies, 57.65 lakh tonnes in 1978. In the sphere of agriculture several major steps had been taken: (a) over a lakh new members of the cooperatives were enrolled with a subsidy of Rs 1 crore by the Government; (b) cooperatives' loan was extended to 1.3 lakh more farmers and the amount disbursed happened to be Rs 15 crore more than last year; (c) supply of high yielding seeds increased six times; (d) intensive package cultivation taken up in 25,000 acres was being increased to five lakh acres; (e) additional area of nearly six lakh acres brought under high yielding varieties; (f) intensive programme for pulses oil seeds, wheat, cotton and sugarcane.

The year also witnessed the launching of a programme for doubling of the irrigation potential in the State. The existing irrigated area of 30 lakh acres, 20 per cent of the total cultivated area, is to be expanded to 60 lakh acres in the next 10 years. During the Sixth Five Year Plan, 15 lakh acres of additional area is to be brought under irrigation of which 3.2 lakh acres was covered during last year.

More Power

The present installed capacity of 914 MW of power is to be raised to 2,170 MW in the next five years Mr Patnaik said. This will meet the State's growing demand

of industrial development. Talcher thermal expansion, Kolab and Rengali projects are to add 560 MW while the captive power plant of the National Aluminium Company is to add over 700 MW. At present the State Government was contemplating five mini-hydel projects, of 10 to 15 MW capacity each and adding another turbine to the Hirakud dam's power generation to reach the pick-up level of 35 MW.

In the last one year several central sector projects in the field of industry have materialised. Work on the Rs 1,500 crore Aluminium-Alumina complex having an employment potential of 20,000 has begun. The second steel plant besides Rourkela with an employment potential of 30,000 and the Phosphatic Fertiliser Plant with 6,000 employment potential are to be set up soon. While 2,003 small industries and nearly 33,000 units of village, cottage and artisan industries were set up during the year with an employment potential of 70,000, 190 medium and large industries with an investment of almost Rs 1,000 crore were finalised in the state. These medium and large industries include a Polyester Staple Fibre unit with an investment of Rs 40 crores two large paper mills costing Rs 100 crore, nine spinning mills two Charge Chrome plants both costing Rs 140 crore. Of these 190, 59 with an investment of Rs 150 crore are under construction at the moment.

Film Studio

Besides these, the first film studio of the State, the first textile processing unit and the second nucleus industrial complex of the country have been set up.

An idea of the pace of development work could be availed from the fact that whereas only four km of the proposed Ruri-Konarak marine drive was completed in the previous regime, within one year the entire 34 km road has been completed and is due to be opened soon.

The tourist traffic by air has increased by 60 per cent due to introduction of Boeing flight from Delhi and Calcutta to Bhubaneswar, and for additional accommodation new star hotels at Cuttack, Puri and Bhubaneswar by the ITDC, Oberoi group and the UP hotel group have been finalised.

Scheme for Landless

The scheme of economic rehabilitation of the rural poor was launched covering five lakh families in five years, and in 1980 alone 22,000 families were assisted. The scheme is seeking to make the landless poor economically viable to handle the land given to him for cultivation. Hence the Government will bring the land under cultivation for two harvests, when the person concerned will work on land on daily wage basis with the full right of enjoying the harvest. He is to be provided agricultural implements by the Government. After two harvests the land and agricultural implements will belong to him.

Where land is not available, the idea is to provide small ponds for fisheries for fishermen.

The objective is to rehabilitate 10 of the poorest from every village. The Prime Minister during her last visit to Orissa inaugurated the settlement of 100 such families on 200 acres of land in Dhenkanal district.

Replying to questions, Mr Patnaik informed that about 100 of the small industries were set up in 1980 in Mayurbhanj, Koraput, Sundargarh, Dhenkanal, Keonjhar, Kolahandi, Bolangir and Sambalpur.

LAW MINISTRY CIRCULAR DEFENDS TRANSFER OF JUDGES

Bombay THE TIMES OF INDIA in English 16 Jul 81 p 4

[Text] New Delhi, July 15 (PTI):

The law ministry's circular to states for obtaining the consent of additional judges or members of the bar and judicial services to serve outside their states is intended to further national integration and combat narrow parochial tendencies, according to official sources.

The circular of March 18 is not intended to deny further appointments to judges for failure to give their consent, they point out.

The law ministry's letter has led to a controversy and it has been made the subject matter of several writ petitions in the high court of Bombay and its Nagpur bench, and in the high courts of Allahabad and Delhi. These have since been transferred to the supreme court except the petition before the Nagpur bench. The continuance or otherwise of certain additional judges of the Delhi high court has also been made the subject matter of a petition pending in the supreme court.

National Integration

The law ministry's letter follows suggestions by several forums, including the states reorganisation commission, the law commission, various bar associations as also the consultative committee of MPs attached to the law ministry, that in order to further national integration and to combat narrow parochial tendencies due to caste, kinship and other affiliations, one third of judges of a high court should as far as possible be from outside the state in which the high court is situated.

About the arguments that outsiders would not know the local language and cannot therefore function effectively as judges, it is pointed out that the language of high courts is English which should pose no insuperable barrier. The local language can also be learnt to the extent required. Before independence English judges found no difficulty in functioning in different states.

The law commission, when it was presided over by Mr. Justice H. R. Khanna, had recommended in its 80th report that there should be a convention according to which one third of the judges in each high court should be from another state.

This would normally have to be done through the process of initial appointments and not by transfers. Besides promoting national integration, the report had said, such judges would remain dispassionate in cases involving local sentiments and regional feelings.

The present chief justice of India is also known to be favouring the same approach.

It is also fallacious to argue that legally only the chief justice of the high court to which an appointment is made can take the initiative and that he cannot do so in the absence of knowledge about an outsider.

Article 217 (I) of the constitution itself provided that every judge of a high court shall be appointed by the President by warrant after consultation with the chief justice of India, the governor of the state and in the case of appointment of a judge other than the chief justice, the chief justice of the high court.

As pointed out by the law commission, there would always be a number of persons willing to be considered for high court judgeship who would have no objection to appointment outside the state. In the case of persons from the judicial services the prospects of promotion would be sufficient inducement, it is felt.

As regards members of the bar, some would consider it advantageous to be appointed outside the state so that after their retirement they can resume their practice in the high court in which they were practising. The bar against practising in the high court in which one was previously a judge would thus not stand in their way.

The sources made it clear that there is no intention on the part of the government to denigrate judges or the judiciary. But it is the government's duty to make appointments after proper scrutiny. In this process it carries out consultations prescribed in the constitution.

CSO: 4220/7302

PATNAIK SAYS HE WON'T GIVE UP ACTIVE POLITICS

New Delhi PATRIOT in English 14 Jul 81 p 5

[Text] Cuttack, July 13 (UNI)--Naxalite leader Nagabhushan Patnaik says there is no question of his giving up active politics which has spilled a lot of blood and seen him in a 12-year incarceration before the President of India commuted his death sentence and the Supreme Court released him on parole.

Mr Patnaik is now recuperating in the local SCB Medical College. He says his only problem is now a "tubercular infection" but the fever has stopped since the last two days, and he hopes to be back to his native village Gunupur in southern Orissa in a few days time.

Once he is physically fit, he says with confidence, he will go back to his field of work in Srikakulam of Andhra Pradesh and other places, and decide the next strategy.

Did that mean the earlier strategy was wrong? Asked UNI in an interview yesterday. "We don't stick to a dogma and always learn from past mistakes. We have learnt that individual terrorism is not in conformity with marxism-Leninism," he said but hastened to add that this did not mean the basic ideology would be changed.

Asked if there was any possibility of the new strategy narrowing down the gap between their violent ways with the nonviolent ones, Mr Patnaik said "We are not worshippers of violence. Revolutionary violence is necessary to meet counter-revolutionary violence", he said.

CSO: 4220/7291

MINISTER OUTLINES ENGINEERING INDUSTRY GROWTH

New Delhi PATRIOT in English 14 Jul 81 p 5

[Text] Chandigarh, July 13.

Union Minister for Industry Dr Charanjit Chanana informed the consultative committee of MPs attached to his Ministry here today that industrial growth of 34 of the 48 selected light and heavy engineering industries showed "positive" increase in their output during the year 1980-81 over the last year.

Among the industries which showed increase in output were railway loco motives, buses, trucks and jeeps, motor bikes and bicycles, scooters, mopeds and three-wheelers. Fourteen industries which showed decrease include transmission towers, steel castings and forgings and electrical measuring machines. While the growth went up to as much as 53.7 per cent in the case of three-wheelers.

The output of some of the important commodities, namely, wheat, flour infant milk food, vanaspati, coffee, salt, biscuits, cotton fibres paper and paper products, matches, dry cells, electrical lamps auto tyres fluorescent tubes, bicycles, tooth pastes and tooth powder have shown positive increase. The members were further told that although the index of drugs and pharmaceutical industrial have shown a marginal decline of 0.8 per cent, some of the selected drugs like penicillin, streptomycine and vitamin A have shown positive and significant increases.

The capacity utilisation, Dr Chanana said in 1980-81 in a number of important consumer industries like soap, matches gas lamps, fluorescent bicycles wrist watches, auto tyres bicycle tyres, sugar and salt was over 80 per cent. The industries which had achieved a capacity utilisation of 50 to 80 per cent during 1980-81 were baby food biscuits synthetic detergents, footwear both leather and rubber, cigarettes, dry batteries penicillin drugs, cement, soda ash, vanaspati, cotton textile and papers.

The Minister said he was not satisfied with setting up of research and design units in private sector. Neither was he satisfied with the transfer or updating of technology. However our endeavour was to facilitate the transfer of technology from efficiency operating units to new units and the policy in this regard was based on national priorities.

He said companies which have well established R and D organisations and have demonstrated their ability to absorb, accept and disseminate modern technology.

They were permitted to import such technology as would increase their efficiency and cost effectiveness. Foreign collaboration is permitted in sophisticated and high priority areas, in export oriented or import substitution manufacture and for enabling indigenous industry to update existing technology in India to meet effectively changing consumer preferences and or to become competitive in the export market.

The policy followed by the Government in this field had subserved national interest in achieving self-reliance, cost reduction export promotion and other economic objectives, he said.

Mr Chanana said 1650 approvals were issued to Indian parties for entering into foreign financial and or technical collaboration during the period 1976-80. The number of collaborations during the period increased from 277 to 526, the most significant increase being with FRG, France, USA and UK.

Talking about foreign collaboration in Maruti Dr Chanana said negotiations with some French and German companies were going on. The arrangement was being finalised as soon as possible. He revealed that negotiations were proceeding on expected lines.

CSO: 4220/7291

PUNJAB REJECTS HARYANA, RAJASTHAN POWER DEMANDS

New Delhi PATRIOT in English 14 Jul 81 p 4

[Text] Chandigarh, July 13 (UNI)--Punjab has rejected the demand of Haryana and Rajasthan for a share in the power generation at the Anandpur and Mukerian hydel projects in the State.

An official spokesman told newsmen that a state was free to set up a project to tap the water flowing through its territory for power generation and no other state could stake its claim on it.

The spokesman clarified that the division of the Ravi-Beas waters between Punjab and Haryana was a separate issue and could not be linked with the power generation at these two projects.

Haryana and Rajasthan, it is said, had raised the issue at the last meeting of the Bhakra-Beas Management Board (BBMB).

Meanwhile, according to official sources, Punjab is willing to undertake the construction of the Thein Dam by itself if it was given full rights to the power got from the project.

If the Centre agreed to this, the sources said, the State Government would mop up resources including mobilization of savings of Indians settled abroad for the purpose.

Talks Postponed

The next round of Ravi-Beas talks scheduled to be held on Monday have been postponed till 17 July because of Punjab Chief Minister Darbara Singh's unscheduled visit to London, reports UNI.

Haryana Chief Minister Bhajan Lal, however met Law Minister Shiv Shanker said discussed the problem.

The earlier round of talks held with the Prime Minister failed to resolve the tussle between the two States on their due share of the waters in these two rivers.

CSO: 4220/7291

CHIEF OF STAFF TELLS PLANS FOR INDIAN NAVY

Madras THE HINDU in English 15 Jul 81 p 6

[Text]

VISAKHAPATNAM, July 14

The Indian Navy had a programme to acquire anti-submarine helicopters, Admiral R. L. Pereira, Chief of the Naval Staff, told pressmen here on Tuesday.

Admiral Pereira, who is here to participate in the naval commanders conference, said the conference would discuss among other things, current tactical and operation problems of the navy, besides evolving high-level policy matters involving future expansion plans and modernisation.

Another aircraft carrier

The Navy Chief said the air element had now become an integral part of the navy and added that another sea control aircraft carrier of 150 to 2,000 tonnes would be built by the Nineties. Designs from Italy, France and Germany were being examined to select a suitable one to meet our conditions.

INS Vikrant, the present aircraft carrier, was undergoing modernisation. It would be ready by December this year, duly rejuvenated to serve country for another 10 or 15 years.

On enquiring the Admiral said eight carriers were already on order and few more would be ordered in course of time.

The Indian Navy, which by building seven Leander-type vessels increased the indigenous component to about 70 per cent, would add some more sophisticated ships, such as the INS Rajput to provide more teeth to the Navy.

Asked about the capability of carriers in modern warfare, Admiral Pereira said they had more striking power and their capacity for square turn and vertical take-off were advantageous.

He said infrastructure was being developed to build submarines in the country in the next three or five years with western technology.

The Navy had been spending Rs. 6 crores annually for providing accommodation to officers and sailors. The programme would continue for 10 years and a sum of Rs. 60 crores would be spent, he said.

The next Law of Sea Conference would be held in August at Geneva, the Admiral said. To a question he said India was aware of the importance of Malacca Straits and the Navy was vigilant.

CSO: 4220/7299

SEVEN POINTS IN ASSAM NEGOTIATIONS DELINEATED

Calcutta THE STATESMAN in English 15 Jul 81 p 1

[Excerpt] New Delhi, July 14.--The Assam talks appear to be heading for another spell of adjournment. The principal issue, that is who the foreigners are among the 1961-1971 entrants into the State, remains unresolved even after more than two weeks of hard bargaining between the Home and Law Ministry officials on one side, and the AASU and AAGSP representatives on the other.

The talks at the committee level had deadlocked yesterday, since both sides disagreed on the definition of an "unauthorized" foreigner in Assam, who would be moved out of the State and rehabilitated elsewhere with an adequate incentive--in terms of a three-point formula earlier handed down by the Union Home Minister, Mr Zail Singh to the committee for acceptance.

This evening, the Assam movement leaders met Mr Zail Singh for more than two hours but still an agreement was not forthcoming.

Mr Zail Singh declined to sign with the AASU and AAGSP representatives in agreement on the seven points put forward by the movement leaders, though he held that the Government agreed to the points in principle.

They are: detection of "foreigners" in Assam and deletion of their names from the voters' list, prevention of their enrolment as voters, issue of identity cards with photographs to all voters in Assam, vesting the Centre with the authority to grant citizenship certificates, full protection to the border from infiltration from outside and protection of Assam's indigenous culture.

/Mr Zail Singh said there was no need for him to sign an agreement with the Assam leaders because the Government's acceptance of the seven points had been announced on the floor of Parliament./ [in boldface]

Mr Zail Singh told reporters that though there were obstacles in the way of the negotiations, he firmly believed that there would be an agreement at the end. He hoped that the movement leaders would ultimately agree to the Government formula because that was a just and sensible one.

Mr Zail Singh said at the end of two hours of talks at the North Block that the Government insisted on issuing citizenship certificates according to "policy instructions" applicable to Assam.

This means that East Pakistani minorities who entered Assam till 1971 because of persecution or fear of persecution would be granted Indian citizenship. (The movement leaders demand that citizenship should be granted only in accordance with the provisions of the Constitution and the laws applicable all over India.)

Mr Zail Singh said that in spite of apparent disagreement, he had persuaded the Assam leaders to return to talks with officials. Replying to a question, he said the achievement this evening was to "keep the talks going".

Asked what was the advance made during the current round of talks in two sessions in May and July, the Home Minister said: "Nothing".

He held that the Government could agree to disperse to other States only such of the post-1971 infiltrators who could not be deported but had to be granted citizenship of India.

CSO: 4220/7297

CPI ISSUES STATEMENT ON ECONOMIC MEASURES

New Delhi PATRIOT in English 14 Jul 81 pp 1, 7

[Excerpt] The Communist Party of India (CPI) has called upon the working class, peasants and all other strata of working people to voice their 'resolute protest' against unwarranted measures like the hike in prices of petroleum products, fertilisers, cooking gas and the import of wheat and sugar.

In a statement on Monday, the CPI central secretariat said the people should immediately demand state takeover of wholesale trade and public distribution of all essential goods as well as total ban of deficit financing, wasteful expenditure and credit expansion. Only these, it underlined, 'can be effective antidotes against inflation.'

The secretariat maintained that the package of so-called anti-inflationary measures was aimed at solving the deepening economic crisis 'by shifting its burden on the shoulders of the common people.'

CSO: 4220/7291

ORISSA CHIEF MINISTER RESHUFFLES CABINET

Calcutta THE STATESMAN in English 16 Jul 81 p 1

[Text]

BHUBANESWAR, July 15.—By dropping Mr K. G. Lenka, a senior Minister, and reshuffling the Cabinet after his return from New Delhi yesterday, the Orissa Chief Minister, Mr J. B. Patnaik, has not only eliminated dissent in Governmental functioning but also tightened his grip on the State administration.

In the reshuffled Ministry, there are seven Cabinet Ministers, including the Chief Minister, 10 Ministers of State and one Deputy Minister. Six portfolios originally retained by Mr Patnaik remain unchanged. Mr Upendra Dixit has got Revenue and Transport Department in place of Food and Civil Supplies. Mr Raghunath Patnaik, Finance Minister, has been given additional charge of the Department of Law. Mr Dayanidhi Nayak has been stripped off the Works portfolio and given the portfolio of Commerce. The portfolios of the remaining three Cabinet Ministers—Mr Basudev Mohapatra, Mr Gangadhar Mohapatra, and Mr Ram Chandra Ulaka—remain unchanged

Mr Lenka had easy access to Mrs Gandhi since Sanjay Gandhi came into prominance and it is significant that Mr Patnaik at last got Mrs Gandhi's permission to drop him.

Though visibly annoyed at the Chief Minister's action, Mr Lenka has preferred to keep quiet till he meets the Prime Minister. It is learnt that Mr Lenka was apprehending some humiliating action by the Chief Minister but was not prepared for being dropped. He will now devote himself to the organizational work of the Congress (I) and try to implement the 20-point programme of Mrs Gandhi.

But circles close to him affirmed that Mr Lenka could hardly avoid working as a catalyst in the intra-party fight against Mr Patnaik and his "coterie"

Mr Patnaik told reporters here today that he had to drop Mr Lenka and reshuffle his Cabinet "to ensure cohesive and efficient functioning of the Government" He would not elaborate but expressed his confidence that there would be no dissension in the Congress (I) over this. The Chief Minister would not rule out the possiblity of expanding his 18-member Ministry but said he had no plan to do it in the near future.

Dropping of senior Minister is not unprecedented in Orissa. Mrs Nandini Satpathy as Chief Minister had dropped Mr Banka Behari Das from her Cabinet in 1975. Speculations about dissensions in the Congress (I) did not come immediately but it developed later leading to Mrs Satpathy being forced to resign.

The 61-day-old strike by more than 2,000 ministerial officers of the Government Secretariat here was called off today following an assurance by Mr Patnaik that the Government would consider their problems sympathetically. Since the strike began On May 15, seven Ministerial officers have been summarily dismissed from service and disciplinary action has been taken against several hundred of other employees.

In a letter to Chief Minister the office bearers of the Orissa Secretariat Ministerial Officers' Association expressed "full faith" in his "sense of justice and fair play" and hoped that the Chief Minister would consider their problems.

CSO: 4220/7305

DELHI 'HERALD' ON ANTI-INDIA DEMONSTRATIONS IN BANGLADESH

BK260219 Delhi NATIONAL HERALD in English 21 Aug 81 p 7

[Editorial: "A Futile Exercise"]

[Text] India seems to be the favourite whipping boy of some Bangladesh politicians in search of a rallying point to muster a following. The anti-India demonstration by the 17-party National Front last week was yet another demonstration of the frustration of these groups. Ostensibly organised to protest against India's so-called expansionism, its real purpose was to find an alibi for the nation's failure on the economic front. Besides, the convener of the 17-party front, Mr Ataur Rahman Khan, having failed to secure the Bangladesh national party's nomination for the forthcoming presidential election, was trying to carve out a constituency by playing to the gallery.

However, such anti-India demonstrations are not new in Dacca. From time to time political factions have used rhetorics to win cheap popularity. True, there are some outstanding issues to be sorted out between New Delhi and Dacca and the governments on both sides are trying to resolve them in an amicable manner. It is only the short-sighted and the fanatical who would try to settle bilateral issues by taking to the streets. It must, however, be admitted that successive Bangladesh governments have taken a mature view of bilateral relations without letting contentious issues like Farakka waters and New Moore Island cloud Indo-Bangladesh ties. Indeed, the authorities in Dacca are expected to view bilateral and regional issues in a broader perspective. As for New Delhi, it firmly believes in promoting peace and regional cooperation. We do hope that Bangladesh would cooperate with India in establishing peace and stability in the region.

CSO: 4220/287

DELHI ASKS ACCELERATION OF COOPERATIVE REORGANIZATION

Bombay THE TIMES OF INDIA in English 16 Jul 81 p 5

[Text]

NEW DELHI, July 15.

THE Centre has asked the state governments to hasten up reorganisation of primary co-operative societies and also to take effective steps for strengthening them financially, it is learnt.

These steps are essential keeping in view the important role being assigned to the co-operatives for marketing of agricultural produce, including distribution of chemical fertilisers.

During the current co-operative year starting from July 1, the co-operatives are expected to handle produce worth Rs. 2,000 crores against Rs. 1,850 crores in the preceding year. It is envisaged that by the end of the sixth plan, co-operatives would undertake marketing of agricultural produce valued at Rs. 2,500 crores comprising largely foodgrains, sugarcane, cotton, jute, oilseeds, fruits, vegetables and plantation crops.

It is stated that the government has made ample funds available for providing additional storage capacity for the co-operatives. Besides, the European Economic Community has given a loan of Rs. 40 crores and World Bank $ 125 million.

The National Co-operative Development Corporation has formulated a massive cold storage project. By 1984-85 end, it is envisaged that 120 new co-operative storages with a licensed capacity of 480,000 tonnes would be organised

There would be 276 co-operative cold storages in actual operation with a total installed capacity of 748,000 tonnes by 1984-85 end.

Co-operatives are increasingly establishing cold storages for fruits and vegetables. At the end of March, 1980, the number of cold storages organised in the co-operative sector was 204 with a licensed capacity of 460,000 tonnes, accounting for approximately 15 per cent of the total storage capacity in the country.

Co-operative storage is an integral part of the basic infrastructural facilities required for supply of agricultural inputs, marketing of agricultural produce as also distribution of consumer goods.

PROCESSING UNITS

The total storage capacity in the co-operative sector, which stood at about 5 million tonnes by the end of March this year, is expected to be increased to about 8.2 million tonnes by the end of 1984-85.

Sources here point out that there is keenness to step up the share of co-operatives in the field of processing of agricultural commodities. By the end of 1979-80, 1912 co-operative processing units of various types were set up in the country.

Fifty additional units were added during the preceding year, and during the current year, another 70 units are expected to be added. The total number of units during the terminal year of the sixth plan will be around 2,400.

CSO: 4220/7302

EDITORIAL WELCOMES RAJASTHAN LEADER'S ELECTION

Bombay THE TIMES OF INDIA in English 16 Jul 81 p 8

[Text]

The election of Mr. Shiv Charan Mathur to replace Mr. Jagannath Pahadia as the chief minister of Rajasthan will be widely welcomed. Unlike the outgoing incumbent, Mr. Mathur is a man of proven ability. He demonstrated his worth as an effective, if an unassuming, administrator during his innings as chairman of the zilla parishad of his native Bhilwara district during the early sixties and later as a member of the state cabinet successively in charge of several important portfolios, including that of power and planning. On all accounts, he has no group of his own in the strife-torn state unit of the Congress (I). But, with the backing that he evidently enjoys of the party's high command in New Delhi, he might be able to turn this to advantage. For, he has no political debts to repay and is thus better equipped than any of his rivals would have been to rise above the rampant factionalism in the ruling party and weld it together into a cohesive force. Even so, he will have to tread warily. Thanks to the inefficiency and ineptitude of the erstwhile Pahadia cabinet, Rajasthan's finances are in a shambles, the administration is in disarray, and the programmes for the state's development are virtually at a standstill. Indeed, for nearly eight months of his entire tenure of just over a year, Mr. Pahadia could not even complete his cabinet; he carried on with a skeleton team of mostly junior ministers some of whom were apparently more interested in feathering their own nests than in attending to office files. Not surprisingly, crores of rupees earmarked for drought-relief in the state have gone down the drain while its overdraft with the Reserve Bank has mounted to Rs. 150 crores or more and a yawning budgetary deficit of Rs. 90 crores stares it in the face. At the same time, the bureaucracy's morale is at a low ebb; the Pahadia ministry had been playing ducks and drakes with top officials so much so that one fell night in February, it chose to transfer as many as 22 IAS officials all at once!

By displacing Mr. Pahadia, Mrs. Gandhi has clearly served notice on other Congress (I) chief ministers that the period of grace is over and that they will suffer the same fate if they fail to perform satisfactorily. Since groupism in the party is rife in almost all the states, the ability to damp it down, no less than administrative acumen, will be obviously the criterion for judgment. It is, however, possible that Mrs. Gandhi

may wait for a while to see how Mr. Mathur fares in Rajasthan before making the requisite change anywhere else. Even otherwise, a heavy responsibility devolves on Mr. Mathur. His predecessor, for instance, had no discernible group of his own in the Rajasthan Congress (I) legislature party when he was suddenly elevated to office a year ago. But he soon built up one by appointing no less than 50 party MLAs as chairmen of statutory boards, corporations, improvement trusts, co-operative banks and so on. Mr. Mathur will have to play his cards deftly if he is to break their stranglehold on the administrative apparatus without creating new vested interests.

CSO: 4220/7302

SHEIKH ABDULLAH DISCUSSES CHALLENGE FROM ABROAD

Bombay THE TIMES OF INDIA in English 16 Jul 81 p 9

[Text] Srinagar, July 15 (PTI): The chief minister, Sheikh Mohammad Abdullah, today called upon the countrymen to sink their differences and work unitedly to face "any external threat."

Addressing the members of the parliamentary consultative committee attached to the ministry of communications, he said the country was facing a "serious challenge" in view of the situation in our neighbouring countries, such as Iraq, Iran and Afghanistan.

The super-power who had their "own interests would do anything to achieve their objectives," he said.

The Sheikh said: "It was time to forget our differences and work unitedly to face any challenge, as it would be fatal to remain divided."

The chief minister told the members of the committee that the external challenges could be met if the people kept the "home front strong" and worked with fervour and dedication, keeping the interests of the nation above their self.

CSO: 4220/7303

CPI LEADER MAKES STATEMENT ON DESAI REMARKS

New Delhi PATRIOT in English 16 Jul 81 pp 1, 9

[Text] CPI general secretary C Rajeswara Rao has emphasised that the Ziaul Haq government of Pakistan was not acquiring arms for self-defence.

Joining issue with Janata leader Morarji Desai, Mr Rao in a statement on Wednesday pointed out that "blind anti-Sovietism should not drive a person of his standing, who was once Prime Minister, to forget the interests of our country".

Mr Desai had at a press conference in Bhopal on Monday, defended the arming of Pakistan by the Reagan administration and China as a measure of retaliation to India's arms purchase from the USSR, France and Britain. He further had alleged that Soviet President Brezhnev's visit to India was meant to provoke a war between India and Pakistan.

Mr Rao said: "It should not be forgotten that the US imperialists are arming Pakistan to make it their base against not only India, but also against other progressive regimes in our region, who refuse to fall in line with their reactionary global strategy which goes by the name of 'strategic consensus' for world domination in collusion with the new Chinese leadership".

The US and China wanted to blackmail India by arming Pakistan, isolating our country and supporting insurgency in the north-eastern region he added, and referred to US Secretary of State Alexander Haig's recent assertion before newsmen that the US was arming Pakistan not only against the USSR but against India too.

"It is true", Mr Rao said, "that Prime Minister Indira Gandhi is using the threat to our country's security and unity to cover up the omissions and commissions of her Government. But it is preposterous to deny the threat that is posed to our country itself as is being done by Morarji Desai".

He called upon Mr Desai to clarify the position since one of its top leaders was by airing such opinions giving a weapon to the US imperialists and the Zia regime to defend their nefarious plans and harm the interests of the country.

Clarification

Meanwhile, CPI general secretariat member N K Krishnan has highlighted the danger India is facing from the dictatorial Zia regime of Pakistan.

Issuing a clarification to what appeared in the press on his press conference in Bombay, Mr Krishnan said: 'There exists a serious threat from the side of Pakistan and that is aggravated by the acute economic crisis in that country because of inflation, and dictatorial regimes always like to divert the people's attention from domestic problems on to foreign adventurism".

He underscored that that was exactly what he had told newsmen in Bombay on the threat from Pakistan.

CSO: 4220/7307

PROBLEMS OF CHINA POLICY FORMULATION NOTED

Madras THE HINDU in English 16 Jul 81 p 9

[Article by G. K. Reddy]

[Text] NEW DELHI, July 15

The External Affairs Ministry is thinking of getting its old and new China experts together to advise the Government in formulating the strategy for the forthcoming Sino-Indian talks on the border problem.

The intention is to associate a few of the old hands, who were closely involved in the earlier discussions, with the impending dialogue to provide for some degree of continuity between the past and present negotiating positions.

The Government is, no doubt, quite keen on retaining the requisite flexibility for arriving at a reasonable settlement if China is equally earnest about an early solution. But it does not want to expose itself to the accusation that in the process of seeking such a solution, it was deviating sharply from the earlier stand over the territorial aspects of the border problem.

It is not possible or desirable for the Government to attempt to steer a middle course by merely bringing the old and new China hands together to sort out the contradictions if any, between the past and present negotiating positions.

The necessary policy line has to be prescribed at the political level to define the purpose of this dialogue with China, without waiting for officials to advise the Government on what should or could be done in this particular situation.

China's past actions: The minds of those who had gone through the tortuous ordeals of the earlier discussions remain conditioned by the trauma of China's past actions.

The new breed of China experts in the Government, on the other hand, are prepared to take Beijing at its word and enter into a wide-ranging dialogue even if it is not going to lead to an early breakthrough in Sino-Indian relations if only because they do not want to remain for ever as prisoners of a painful past.

Emotional incompatibility: The emotional incompatibility between these two schools of thought is bound to pose problems in evolving a well-thought out strategy for these negotiations. The official-level talks in Beijing in October will be more in the nature of a probing exercise for first assessing the extent of Chinese interest in early normalisation, before embarking on substantive discussions during the subsequent stages of the dialogue.

The whole effort has to be carefully coordinated for maintaining some degree of consistency between the past and present Indian positions. It has to be also correlated with other foreign policy pursuits to ensure that the very attempt does not conflict with the country's other interests.

The emerging relationship between the United States and China in the context of the American attempts to arm Pakistan continues to cause concern in India raising some serious doubts in its mind about the present scope for normalisation.

The Soviet Union continues to exploit this aspect skilfully to create an impression that the Chinese bid for better relations with India is influenced more by tactical considerations than a genuine desire to seek an equitable settlement of the border problem. It knows that the U.S. policy of arming Pakistan will inevitably lead to a new arms race, making India more dependent on Soviet assistance.

Narasimha Rao leaves for Moscow: The Political Affairs Committee of the Cabinet met today to consider all these factors before the External Affairs Minister, Mr. P. V. Narasimha Rao, left for Moscow later tonight. He will be having two rounds of talks with Mr Gromyko, one of which will be a private discussion without any aides present on either side.

He also took with him a letter from the Prime Minister, Mrs Indira Gandhi, to the Soviet President, Mr Brezhnev, reflecting India's concern at the current developments in the region.

CSO: 4220/7306

HARYANA CONGRESS-I EXPELS FORMER YOUTH OFFICIAL

New Delhi PATRIOT in English 16 Jul 81 p 4

[Text] Chandigarh, July 15.--Haryana Pradesh Congress-I committee executive today expelled former Youth Congress-I general secretary Shiv Kumar Bhola from the primary membership of the party for six years for his antiparty activities. According to PTI he is a follower of Mr Bansi Lal.

The charge against him had been proved HFCC-I president Harpal Singh and Chief Minister Bhajan Lal told a press conference here.

He had allegedly worked against the party candidates in last year's by-elections for three Assembly constituencies.

Similar charges against some others including former legislator Amar Singh and Mr Mani Ram Schrawat could not be proved. Therefore they have been let off with a simple warning.

Complaints against some other partymen, including former Speaker Brig Ran Singh, had been received.

The executive also decided to include representatives of all sections of Congressmen in the 25-point implementation committee.

Meanwhile, the Chief Minister has hinted at stern measures against the agitating power engineers. He said the HSEB chairman had already initiated talks with the engineers are hopeful better sense would prevail.

Mr Bhajan Lal said the engineers would not be allowed to play havoc with the thermal power stations. All their problems had already been solved. They had agreed to withdraw their agitation, but later backed out.

He said Haryana had protested against the drawal of power by DESU from the Bhakra complex.

The party demanded that the support price for kharif cereals be fixed at Rs 120 and Rs 130 for paddy and other foodgrains in view of the recent hike in prices of fertilizers, diesel and petrol.

The Chief Minister also indicated the Government's intention to force the farmer to bring to the mandis wheat stocks in excess of their requirements.

CSO: 4220/7307

KAHSMIR RULING PARTY ACCUSES RAJIV OF BLACKMAIL

New Delhi PATRIOT in English 16 Jul 81 p 4

[Text] Srinagar, July 15--The ruling National Conference has accused Mr Rajiv Gandhi MP, of "politically blackmailing the people of Kashmir".

A lengthy editorial in yesterday's issue of the ruling party's organisational mouthpiece, a daily NAWAI SUBHU charged that Mr Gandhi, during his two day visit here last week, had indulged in "condemnatory utterances" by allegedly telling the State Cong-I workers that "this State cannot hope to receive adequate Central assistance so long it was being ruled by a non-Cong-I party". The editorial entitled "political blackmail" is based on Mr Rajiv Gandhi's speech at a meeting of the Cong-I workers here. NAWAI SUBHU is printed and published by Minister for Works Ghulam Mohammed Shah who is son-in-law of Chief Minister Sheikh Abdullah.

The editorial claimed that Mr Rajiv's anti-democratic thinking was in line with similar threats held out recently by Prime Minister Indira Gandhi". The daily charged that political blackmailing tactics of the Congress rulers at the Centre were nothing new. It added, "these things have been tried since 1953. The lavish Central assistance given to the State after Sheikh Abdullahs ouster from power 28 years ago was mostly utilised for undermining the character of the Kashmiris and creating a section of vested interest people who continue to play the role of the Centre's agents in the State. It linked the recent income tax raids on some leading local carpet exporters to the "political blackmailing".

The daily pointed out "contradiction in Mr Rajiv Gandhi's mind and said that on one hand he told the Congressmen that election was the only democratic manner of changing a government and on the other hand he was seeking to ambush the democratic rights of the people by holding out a threat that the non-Cong-I governments were not entitled to adequate Central assistance.

CSO: 4220/7307

MIG-23S AT SOUTH WESTERN AIR COMMAND CEREMONY

New Delhi PATRIOT in English 16 Jul 81 p 6

[Text] Air Chief Marshal I H Latif, chief of the Air Staff, was given a farewell at a forward fighter base of the South Western Air Command on Wednesday, reports UNI.

Pilots, technicians and other personnel of this operational base seated him in a MiG-23 tactical fighter bomber, the latest acquisition of the air force. Led by Air Marshal J R Bhasin, Air Officer Commanding-in-Chief, South Western Air Command, a team of senior staff officers and base commanders pulled the fighter aircraft through a phalanx of smartly turned-out officers and airmen to where the Air Chief's aircraft was parked for the return flight.

The Air Chief was visibly moved and overwhelmed by this spontaneous expression of their deep love and affection.

Just as the MiG-23 with the Air Chief in the cockpit approached the end of a short stretch of towing, a formation of three MiG-23 aircraft zoomed overhead and dipped in salute to the Air Chief. Two MI-8 giant helicopters trailing air force colours followed. In a meticulously appropriate finale two MiG-23 fighter bombers streaked through a cloudy sky for good five minutes on either side of the Air Chief's aircraft as it flew eastwards to the Capital later.

Earlier, addressing the air force and civilian personnel at the base, the Air Chief reminded them of the great trust the nation had reposed in them by equipping the air force with sophisticated equipment at a cost the country could ill-afford. They had to live up to this trust through renewed dedication, hard work, determination and professionalism and add lustre to the great name the air force had earned for itself, he stressed.

CSO: 4220/7307

PLANNING COMMISSION SOURCES SAY LITTLE CHANGE LIKELY

Bombay THE TIMES OF INDIA in English 16 Jul 81 p 13

[Text] New Delhi, July 15 (UNI).

The planning commission is not contemplating any structural change in the sixth plan either on account of the increase in population, revealed by the 1981 census, or a rise in prices.

According to commission sources, "certain marginal adjustments" will have to be made in sectors like agriculture, health and family welfare and a few others.

This will be done during the mid-term appraisal of the plan in September/October this year.

Explaining why structural changes are not necessary, these sources point out that children born in 1980 and 1981 would be of school-going age in 1985-86 and they would enter the employment market about ten years later.

The immediate problem, therefore, will be one of ensuring adequate food and other basic necessities for the additional population. Naturally, the plan provision for agriculture will have to be raised from the Rs. 5,695-crore provision to step up food production.

Greater emphasis will have to be laid on programmes to check the population explosion with the co-operation and involvement of the people. More funds will have to be provided for these programmes. Consequently education would also require a little more attention.

The sources ruled out any increase in the present sixth plan public sector outlay of Rs. 97,500 crores, an upward revision in outlays, wherever necessary, would have to made only by adjusting the existing sectoral outlays.

While making structural adjustments, every care will be taken to ensure that the growth rate of 5.2 per cent per annum visualised in sixth plan is in no way affected, these sources say.

Regarding prices, the sources feel that the new measures initiated by the government should have a salutary effect on inflationary pressures and help check the price spiral. Further measures could be launched as and when necessary.

The planning commission has impressed upon the states the need for mobilise additional resources to achieve the objectives of the plan. As far as the Centre is concerned, it has already taken a number of steps to fulfil its obligation regarding additional resources. Some states are still dragging their feet in this regard.

The planning commission has underlined the need to complete plan projects on schedule with out giving any scope for cost escalation which would affect the projects.

CSO: 4220/7303

ARTICLE SPECULATES ON TOTAL OF YEAR'S GRAIN IMPORTS

Bombay THE TIMES OF INDIA in English 16 Jul 81 p 13

[Text] New Delhi, July 15 (UNI).

Wheat imports this year may not exceed 1.5 million tonnes being purchased by the Indian supply mission in the United States, according to informed sources.

This quantity is expected to help stabilise the food economy following inadequate rabi procurement.

While not entirely ruling out further purchases abroad, the Union agriculture ministry would like to wait and see the kharif performance this year before deciding further imports. The ministry is optimistic that the kharif production would be good in view of the widespread rains reported in various states. Among the areas which have received good rains are dought-hit ones. Kharif operations are stated to be proceeding well in the states.

It is argued that the supply position would be comfortable with the import of 1.5 million tonnes. The total stocks in the Central pool as on July 1 this year were 13.5 million tonnes, comprising 7.5 million tonnes of wheat and six million tonnes of rice. The imports would take the total to 15 million tonnes.

Wheat Stocks.

Assuming that the kharif production will be good this year, the rice procurement could be expected to be high. Even last year despite the drought in parts of Tamil Nadu, Andhra Pradesh and other areas, rice procurement touched 5.5 million tonnes.

The total annual requirement of the public distribution system is about 12 million tonnes, including 6.5 million tonnes of wheat. With the quantum of foodgrains reduced for the national rural employment programme, which was earlier known as food-for-work, the total quantity of wheat needed for it may be only 0.5 million tonnes.

(Of this, some quantity has already been released). Thus, the total quantity of wheat needed for this year may be about seven million tonnes, against which the stocks with the government, including the present imports, are nine million tonnes.

The government still maintains that the production in 1980-81 was a record 133 million tonnes, including an all-time high production of 36 million tonnes.

About the contradiction of the country going in for imports during the record production year, the ministry says this was not merely because of the traders' action in trying to corner more stocks to exploit the situation, but also the farmers' inclination to keep more grain for themselves because of the psychology of shortage caused by two years of drought.

The 1979 drought had, in fact resulted in an overall shortfall of 23 million tonnes of foodgrains.

The total wheat stocks as on January 1, 1978, was 11.5 million tonnes. It came down to five million tonnes on January 1 this year. During the three years from 1978, the total wheat procurement was 19.1 million tonnes. Against that, the drawals from the stocks was 25.5 million tonnes, including supplies through the public distribution system, allocations for the food-for-work programme and return of the wheat loan to the Soviet Union.

Meanwhile, a debate is going on among agriculture experts whether the present imports could have been avoided. Some experts feel the imports could have been avoided if the procurement efforts by both the Centre and the states had been stepped up in time in the beginning of the procurement season.

The Janata party general secretary, Dr. (Mrs.) Sarojini Mahishi, today condemned the Centre's decision to import wheat describing it as an "unwise and ruinous economic policy."

Addressing a press conference here, Dr. Mahishi accused the Centre of being insensitive to public reaction. The imports would affect hundreds of thousands of families of small and marginal farmers pushing them below the poverty line, she said.

CSO: 4220/7303

DEBARMENT OF 12 RAJYA SABHA MEMBERS SOUGHT

Bombay THE TIMES OF INDIA in English 16 Jul 81 p 12

[Text]

LUCKNOW, July 15.

THE situation created by the high court judgment invalidating the election to the Rajya Sabha in July last year of the Congress(I) member, Mr. P. N. Sukul, became more piquant on Monday when the successful challenger, Mr. Nemi Chand Jain, a retired judge, demanded a bar on 13 other members of the Rajya Sabha, including a Central minister, from continuing as members of the house.

The judgement has reduced the Congress (I) to a minority in the Rajya Sabha where it now has 120 members in a house of 241.

3-WEEK STAY GRANTED

The Lucknow bench of the Allahabad high court, on Friday, had ruled that the secretary of the UP vidhan sabha was not an executive officer and, therefore, could not act as the returning officer for the Rajya Sabha election.

The court had also ruled that the UP vidhan sabha members had not taken oath and, therefore, could not propose any candidate for the Rajya Sabha in June last year. The members had taken oath of membership late as Mr. Sanjay Gandhi's death led to the postponement of the ceremony but the Rajya Sabha nominations had to be filed before the formal oath-ceremony.

At the Lucknow bench of the high court yesterday, Mr. Justice Mahabir Singh granted a conditional stay to Mr. Sukul to appeal within three weeks to the supreme court against his judgement of Friday on Mr. Nemi Chand Jain's petition. Mr. Jain had lost to Mr. Sukul in the by-election caused by the resignation of Mr. Kamlapati Tripathi on his election to the Lok Sabha from Varanasi in January last year.

Disposing of the Congress (I) MP's petition, the court ruled that Mr. Sukul would not be allowed to draw any salary or allowances as member of the Rajya Sabha. He would also not be allowed to speak or vote in any committee of parliament. The stay would last for three weeks during which he could appeal to the supreme court.

Mr. Jain said that he would not prefer a writ of **quo warranto** under which 13 other members of the Rajya Sabha elected in July last year would also have to be barred from their membership and prevented from voting in the house.

PLEA REJECTED

The members included Congress (I) leaders like Mr. Khurshid Alam Khan, Union minister of state for commerce, Mr. Kalpnath Rai, AICC general secretary, and Mr. Dinesh Singh, former external affairs minister.

The judgement affected all the other 13 members and till the Supreme Court decided the issue they would be barred from drawing their salary and allowances and voting in the house committees.

Arguing his father's petition in the high court, the young lawyer, Mr. Hari Shankar Jain, pleaded with Mr. Justice Mahabir Singh to bar Mr. Sukul from attending the Rajya Sabha session, likely to begin next month. The court, however, rejected the plea as the supreme court by then would be seized of the issue.

CSO: 4220/7303

RATIONALE OF WHEAT IMPORT DECISION EXPLAINED

Bombay THE TIMES OF INDIA in English 16 Jul 81 p 8

[Article by Inder Malhotra]

[Text] It is entirely typical of the present political milieu in this country that so simple a matter as the Union government's decision to import one and a half million tonnes of wheat from the U.S. has become a source of bitterness and discord. There are sound economic and practical reason for what the government has done. But these have been all but obscured by the heat and highly vocal critics.

The most revealing comment has come, interestingly, from the finance minister in the CPM-led government of West Bengal, Dr. Ashok Mitra, who has previously been both chairman of the Agricultural Prices Commission and chief economic adviser to the central government. He has denounced the wheat imports, of course, even though the quantity involved is small, indeed marginal, in view of the gigantic scale of this country's grain production and needs. But, in the same breath, he has served notice that he would soon be demanding from the Centre "a share of imported wheat" to "benefit the poor people of West Bengal by maintaining supplies through the public distribution system."

As a justification of New Delhi's decision to go in for limited imports of wheat it is difficult to improve upon the second part of Dr. Mitra's schizophrenic statement. It is precisely because the flow of wheat into the public distribution system remained inadequate in spite of the record wheat crop of well over 35 million tonnes that the decision to buy some wheat from the U.S. became unavoidable.

Inflamed

The suddenness with which the country first heard of the wheat imports is partly responsible for the rather inflamed reaction to the government's decision. But this too was unavoidable because of the need for maintaining complete secrecy about New Delhi's purchase plans. In fact, the secret was so well kept that even now the story of the deep deliberation that went into the making of the decision is not fully known.

Careful inquiries from usually well informed sources reveal, however, that Mrs. Gandhi had made up her mind to import some wheat as early as the middle of May.

This was for a variety of reasons. For one thing procurement was not keeping pace with expectations and although the Prime Minister flew to Chandigarh to ginger things up it was becoming clear that the procurement targets would not be achieved.

Even more ominous was the fact that for the first time in many years wheat prices failed to fall at harvest time. On the contrary, private traders from Maharashtra and Gujarat were going round the villages of Haryana and Punjab offering the cultivator at his doorstep prices far higher than those fixed by the government for purchase at the mandis. Surely they would not have done so unless they were sure of making a "kill" in the market later, especially during the lean months. How would the public distribution system cope with the needs of the vulnerable sections of society in such a situation thus became an agonising question.

Around this time, another element entered the situation. Dr. Bryson, a renowned authority on meteorology, visited New Delhi and, on the basis of his studies of the monsoons over the last hundred years, predicted that rains in India this year might be below normal. His forecast did not go unchallenged, but it could not be entirely ignored either.

Another even more powerful consideration in favour of wheat imports was also at work. Mrs. Gandhi knew, if the rest of the country did not, that measures like the hike in petroleum prices were in the offing and their inflationary impact could not be softened without augmenting the flow of wheat, sugar and other essential commodities in the public distribution system.

Clinched

Thus it was that the issue was virtually clinched by the end of May when an additional secretary in the Union food ministry, Mr. B. S. Raghavan, was sent on a mission quietly to survey the U.S. grain market. It was, so to speak, an exercise in testing the ground before taking the plunge. Mr. Raghavan managed to complete his task in such secrecy as would have delighted even Mr. Kissinger. He went and came back practically unnoticed. And on the basis of his report, the food secretary, Mr. B. C. Gangopadhyaya was despatched to Washington with the authority to buy the wheat. Luckily, his presence in the U.S. capital became known only after the necessary orders for wheat had been placed, following night-long negotiations, and not before.

The price at which this country has been able to buy American wheat is extremely favourable. This is partly because the U.S. too has reaped a record harvest of 76 million tonnes of wheat. Also, the Soviet Union and China, despite their enormous needs, have not yet entered the U.S. market.

On June 6, the Soviet Union and the U.S. did sign an agreement in London to enable Russia to buy three million tonnes of wheat and an equal quantity of corn from America. But, for some reasons, Moscow decided to defer the actual purchases. China's need for grain is more pressing but the Chinese do not have the necessary foreign exchange. At present they are busy collecting hard currency with which to buy U.S. wheat. Surpluses in other traditional wheat exporting countries, such as Canada and Australia, are already fully committed.

Even a cursory look at the current food statistics is enough to underscore the importance of the imports that have been contracted for. As Mrs. Gandhi said at her press conference last week, on July 1, the total stock of wheat with the public distribution system was 7.7 million tonnes. In the absence of imports, this would have dwindled by May next to about two million tonnes because the rate of outflow is 570,000 tonnes a month and cannot be reduced further.

A stock of two million tonnes of wheat cannot be considered safe even if it may look reasonably impressive on paper. For, at any time, it is likely to be disbursed over 2,200 storage centres of the Food Corporation of India which, on the basis of expert advice, feels that it should have a minimum wheat stock of six or seven million tonnes. This should explain why some in the government are talking in terms of importing another two million tonnes of wheat.

The other side of the coin is that the wheat stocks with the FCI would go a longer way in the fight against hunger were the corporation not so hag-ridden by corruption, inefficiency, demoralisation and indiscipline as it is today. In fact, it has been without a chairman for long. An earlier suggestion that the FCI managing director be promoted as chairman does not seem to have found favour with the powers that be because they are looking for an eminent public man to head this critically important corporation. However the task of toning up the FCI has already been neglected too long and does not brook any further delay.

Another count on which the government can be faulted is that it did not use all its clout to intensify the procurement drive. This point has been heavily underscored by the opposition parties which are loudly inveighing against the decision to import wheat. But unfortunately the trouble is that during the procurement season these very parties were busy inciting the peasants not to part with their grain.

Impede

Indeed, the irony of it all is that in Punjab and Haryana, the CPM and the CPI had joined the Akalis and the Lok Dal to impede procurement and to make the most extravagant demands about farm prices. In West Bengal and Kerala, however, the two Communist parties were simply not prepared to countenance the demands they were so stridently championing elsewhere.

Altogether, even the people's food seems to have become a plaything of partisan politics. In view of this, the current contretemps over the issue of wheat imports need not have come as an surprise except for the fact that some have carried things too far.

For instance, so respected a leader as Mr. Atal Bihari Vajpayee has made the bizarre announcement that his party, the BJP, would not allow the imported U.S. wheat to be unloaded at Indian ports. Does this mean that the shipments would be dumped into the Arabian Sea or forcibly returned to the U.S.?

The whole thing is reminiscent of an equally fatuous agitation that Mr. Vajpayee led in 1972. At that time, under the Simla Agreement, this country was returning to Pakistan the territory conquered during the Bangladesh war. Mr. Vajpayee did not like that at all and threatened physically to block the transfer of territory. Obviously, history does repeat itself as both a tragedy and a farce.

CSO: 4220/7303

ARTICLE EXAMINES GOA'S AUTUMN HARVEST PROSPECTS

Bombay THE TIMES OF INDIA in English 16 Jul 81 p 7

[Article by M. J. Kamalakar]

[Text]

PANAJI: Sowing operations of kharif paddy have been completed in Goa, thanks to the timely onset of the monsoon.

Although, Goa receives aboundant rainfall from June to September, ranging between 2,400 mm and 4,000 mm, it is evenly distributed neither in area nor time.

The Panjim observatory has reported that 50 per cent of the season's average rainfall has been recorded in the past fortnight itself. However, the farmer is worried that the monsoon might taper off when it is most needed.

The Union territory has not been able to attain self-sufficiency in foodgrains. In the past five years, Goa has been able to raise its kharif production of rice from 52,679 to only 70,920 tonnes. The increase has largely been due to the high-yield varieties (HYV) of paddy.

Thirteen HYV varieties have been evolved to suit the varying soil conditions in the Union territory. The most popular among these are IR-8, Jyoti, Annapoorna and Vikram.

Raising the kharif production has been Goa's primary concern. The per-hectare yield during the season has generally been lower than the rabi yield. The constraints include erratic monsoon, inadequate irrigation and soil variations.

The three major geological features of the territory are "uplands," where only a rain-fed crop is possible, "flatlands," which yield two or, sometimes, three crops aided by irrigation, and "khazan" or sea-inundated fields, which are unfit for cultivation.

Of the 44,000 hectares under paddy cultivation, only 21,000 hectares is generally under high-yielding paddy. The potential for boosting kharif production is restricted because the rest of the land falls under the "khazan" category.

Pests too take their toll. During the kharif season, they damage the crop. However, the HYV, particularly Vikram, is resistant to pests. The Goan farmer has not yet taken to using pesticides, with the exception of a few. Prohibitive cost is one of the reasons why farmers in general do not use pesticides. The per-hectare consumption of fertiliser is only 2.5 tonnes.

Mining rejects, the bane of Goa's countryside, also restrict kharif yields. In areas like Sanguem, Bicholim and Satari, the problem is acute. The rejects are either dumped directly in the fields or washed into them during the monsoon, making the land unproductive, besides silting tanks and choking springs.

Farm hands, attracted by the high wages in Goa, come from neighbouring Karnataka and Maharashtra. A plough is hired for as high as Rs. 75 a day. The high cost has made farmers seek tractors, power tillers and other machinery on hire from the government, which has 72 tractors, 30 bulldozers and 15 power-tillers. Their utilisation is 90 per cent.

During the current farm year, the government plans to bring 49,000 hectares under cultivation, including 30,000 hectares under paddy, at a total cost of Rs. 14.55 lakhs. For this kharif season, 80 tonnes of high-yielding seeds have been distributed.

Attention is also being paid to doubling the output of other cereals and pulses. About 6,000 hectares are under cereals and 2,000 under pulses.

CSO: 4220/7302

WESTERN FLEET WARSHIPS ARRIVE AT MADRAS HARBOR

Madras THE HINDU in English 19 Jul 81 p 13

[Text]

MADRAS, July 18.

Four warships of the Western Fleet arrived in Madras harbour on Saturday after completing naval exercises off the Andamans recently.

The ships include the newly-acquired INS Rajput, which is said to compare well with similar ships elsewhere. The other ships, which sailed here, were INS Himgiri, INS Talwar and INS Deepak.

On board INS Rajput was Rear Admiral J. C. Nadkarni, Flag Officer Commanding, Western Fleet and Captain S. W. Lakhkar, who showed pressmen round the ship.

Acquired from the Soviet Union, Rajput belongs to the first class of warships and uses gas turbines for propulsion. The 146-metre-long ship carries an array of weapons and sensors to deal with the enemy on the surface, above and underwater. It is fitted to undertake command and control of fleets at sea and is generally the Flagship of the Western Fleet.

According to Capt. Lakhkar, the ship's navigational equipment is among the most modern available today.

Public will be allowed to visit INS Himgiri on Sunday. The all-purpose frigate carries guns, anti-submarine torpedoes, and a helicopter. There are 200 men on board, including 25 officers, who are commanded by Capt. V. S. Shekawat.

Capt. T. N. Krishnaswamy, Naval Officer-in-charge, Madras, called on Rear Admiral Nadkarni. The Admiral returned the call at INS Adyar where he inspected a guard of honour. He later called on the Governor, Mr. Sadiq Ali.

CSO: 4220/7348

LOK DAL LEADER HOLDS CHANDIGARH PRESS CONFERENCE

New Delhi PATRIOT in English 15 Jul 81 p 4

[Text] Chandigarh, July 14.

Lok Dal leader Devi Lal MP sees in Centre's decision to import wheat, sugar and edible oils the emergence of a new capitalistic and feudal clique to crush the farmer.

Addressing a press conference here today, he said the decision was a new source for international corruption to make money and weaken the farmer.

Likewise, the Haryana Government to ban the movement of sugar was a step aimed at encouraging corruption by those who mattered.

He regretted that while the Centre was willing to pay Rs 160 per quintal and more to the foreign farmer, it saw that the Indian farmer did not get more than Rs 130 per quintal though this was only the support price. Had the Government paid more price to the farmer, the targets of procurement would have been met.

Alleging large-scale rigging in Amethi and Garhwal, Mr Devi Lal warned that such a thing will not be allowed to be repeated in Haryana.

He said he was personally in favour of electoral adjustments with all political parties which mattered. He named, in the Haryana context, the BJP, Akali Dal, CPI and CP-M which have influence on certain sections and in certain areas. He, however, hastened to add that a meeting of presidents of all Opposition parties will take place in Delhi on 17 July and they would discuss whether to have a federation, a common minimum programme or something else for the coming elections. But all parties agreed on the need for unity amidst threat to the working of democracy in the country as was witnessed at Garhwal.

Mr Devi Lal said he recently met Mr A B Vajpayee in Sirsa and the two discussed the current political situation. The matter of electoral understanding between the two parties also figured in the talks.

Talking to newsmen separately, Mr J S Pohlu, a Lok Dal legislator, termed the Bhajan Lal company as a beopar mandal--a business company--and demanded its dismissal, the President's rule followed by a fresh poll.

He charged the Chief Minister with being communal who while addressing public meetings commonly speaks against a particular caste, whichever state they belonged.

Talking about corruption, he demanded that assets of all Ministers and legislators be probed and those found to have made money in excess of their known sources of income penalised with the confiscation of their illegally acquired property and money.

He said wholesale corruption has taken place in lining of water courses. Officers and contractors responsible for rank bad work should be punished after a due inquiry and the works should be got redone.

CSO: 4220/7300

THREE STATES ADVISED TO RESTRICT WHEAT MOVEMENT

New Delhi PATRIOT in English 15 Jul 81 pp 1, 7

[Text] The Centre has advised Punjab, Haryana and Uttar Pradesh to restrict movement of wheat to other States in a bid to dehoard stocks held by traders.

The three major wheat-producing States have been told to ensure that wholesalers, retailers and roller flour mills do not exceed the prescribed limit for stocking wheat. Where necessary, the limit could be lowered.

The Centre has asked the three States to invoke the Essential Commodities Act, if necessary, to achieve the objective.

The need to impose the curbs was being felt since it became evident that the procurement targets would not be achieved. In fact, the Railways had been instructed unofficially not to load wheat consignments of traders in Punjab and Haryana. However, many dealers are known to have already despatched wheat by road to Delhi and even far-flung areas like Maharashtra.

The advice, which is in the nature of directive, has been given to these States because the country, being a single zone, the Centre is not in a position to take any step on its own to restrict wheat movement.

The curbs have been necessitated by large-scale purchases of the commodity by traders from the producers at prices higher than the procurement price of Rs 130 per quintal.

Trade Diversion

It is widely believed that diversion of large quantities of wheat to trade channels led to the Government's failure to achieve even the revised procurement targets. Despite a record wheat production of 36 million tonnes during the last Rabi season, the shortfall in procurement forced the Government to go in for import of 1.5 million tonnes of US wheat.

The total procurement target of 9.5 million tonnes was unofficially scaled down to seven million tonnes. But the actual procurement had been only to the tune of 6.4 million tonnes.

Low Procurement

Punjab, which had set its target at 47 lakh tonnes, revised it to 43 lakh tonnes following the Prime Minister's visit to Chandigarh. Later, even this was scaled down to 40 lakh tonnes which the State hoped to procure by 30 June. But actually, only 37 lakh tonnes could be collected.

In the case of Haryana, the original target of 17 lakh tonnes was brought down to 14 and later to 12.5. The actuals, however, did not exceed 11 lakh tonnes.

UP was able to procure only 14 lakh tonnes as against the target of 25 lakh tonnes.

CSO: 4220/7300

COAL SUPPLIES FOR FIRST QUARTER 11 PERCENT HIGHER

New Delhi PATRIOT in English 14 Jul 81 p 5

[Text] Coal supplies to various consumers in the first quarter of the current financial year has shown an increase of 11 per cent over the corresponding period of the previous year reports UNI.

Coal supplies to various consumers by the Coal India Limited during April, May and June was 24.8 million tonnes, as against 22.33 million tonnes in the same period of last year, it was officially stated on Monday.

During the quarter, coal supplies to thermal stations recorded an increase of 16 per cent to cement plants and about nine per cent over the same period of last year.

Coal stocks at the steel plants as on 1 July was 460,000 tonnes against about 100,000 tonnes on the same day last year.

With the present trend in despatches, Coal India expects to fulfil its commitment of coking coal supply to the steel plants in the current financial year.

With the increase in coal despatches, Coal India has reduced its pithead coal stocks by 1.3 million tonnes. The present stocks of coal at pitheads is officially estimated at 16.3 million tonnes.

Meanwhile, the coal production during June last has recorded an increase of 15 per cent over the corresponding month of last year. Coal companies produced 8.20 million tonnes of coal during the month, as against 7.15 million tonnes in June last year. The coal companies exceeded the production target set for the month by 32,000 tonnes.

During the first quarter (April to June) this year, coal companies registered a production growth rate of 7.2 per cent as compared to the planned growth rate of 5.2 per cent for 1981-82 as a whole, thus exceeding the target by 2 per cent.

There has been sizable improvement in the washed coal production during the quarter ending June last. During this period, washed coal production was nearly 2.2 million tonnes marking an increase of nearly 16 per cent over the corresponding period of last year.

CSO: 4220/7291

BRIEFS

CPI TO AICP--Calcutta, July 15--Eleven members of the Calcutta district council of the CPI who had been suspended from the party for disruptive activities have decided to join the AICP. Earlier, the State CPI had expelled 15 party members for holding an open "communist convention" against the party's policies. CPI leader Gurudas Das Gupta said that these party members would have faced expulsion due to their anti-party activities. By announcing their decision, they had only anticipated the step, he added. Available indications show that the State party leadership has decided to take stringent measures hereafter against all anti-party activities. [Text] [New Delhi PATRIOT in English 16 Jul 81 p 4]

VERTICAL MOTOR TESTED--Bhopal, July 15 (PTI)--The largest vertical motor, so far manufactured in India, has passed all tests at Bhopal unit of the Bharat Heavy Electricals Limited. This 1805 kw (2400 hp, 6.6 kv, 495 rpm) motor is the first of the 13 such vertical induction motors being manufactured and supplied by the BHEL, Bhopal, for the Singrauli super-thermal power station. The tests on the first motor were conducted in the presence of the representative of the National Thermal Power Corporation. The order for the motors was procured by the BHEL-Bhopal against stiff international competition as the Singrauli project is aided by the International Development Authority. [Text] [New Delhi PATRIOT in English 16 Jul 81 p 7]

SIKHS' STATUS PLEA--Lucknow, July 14--The Sikhs of UP have demanded minority status for their educational institutions in the State. A resolution for granting the minority rights to educational institutions in the State was unanimously passed at a meeting of Sikh organisations held under the presidentship of Minister of State for Transport Ajit Singh Sethi at one of the committee room of UP Government secretariat. The meeting also asked the UP Government to establish a Punjabi academy in the State. The meeting rejected the demand for Khalistan, but decided to hold a convention in Lucknow to consider this demand along with other demands of the Sikhs. [Text] [New Delhi PATRIOT in English 15 Jul 81 p 7]

INDIA-DPRK CULTURAL PACT--Beijing, July 15 (PTI): India and North Korea have renewed the four-year-old cultural agreement by signing a second protocol yesterday at Pyongyang. A three-member Indian delegation led by Mir Nasruliah, additional secretary, was in the North Korean capital to sign the two-year protocol. Under the cultural exchange programme, education, science, including humanities, social sciences and physical sciences, and exchange of feature and documentary films are envisaged. Exchange of sports teams is also covered by the agreement. [Text] [Bombay THE TIMES OF INDIA in English 16 Jul 81 p 6]

CSO: 4220/7301/7304

'NAWA-E WAQT' REPORTS KHALISTAN SECESSIONIST MOVEMENT

GF231827 Karachi NAWA-E WAQT in Urdu 20 Aug 81 p 4

[Article by Waheed Ishrat]

[Excerpts] A world convention of Sikhs was held recently in the Indian capital, Delhi, during which the Sikhs formulated a plan to begin a campaign for an independent Khalistan on 7 September. The most conspicuous feature of this convention was the Sikhs' awareness of the fact that politically, culturally and religiously they are a separate entity and that they cannot achieve national integration, solidarity and recognition alongside the Hindus. The latter have embarked on a consistent policy of treating the Sikhs like second-rate citizens. These sentiments of the Sikhs are amply reflected in the white paper submitted at the Delhi convention by the Akali Dal Longwal group.

When the Sikhs decided to initiate the Khalistan campaign, the Indian foreign minister dubbed it a "lunatic's dream," but the Sikh leadership began transforming this dream into reality. Today, the term "Khalistan" is not unfamiliar to the Indian Government or the world press. However, the Indian Government is trying to thwart the creation of Khalistan with the assistance of other Sikh groups.

Nine resolutions were approved in the world convention of 26 July. In one of them it was decided that, like Benares and Hardwar, Amritsar should also be recognized as a sacred city.

Dr Jagjit Singh, pioneer of the free Khalistan movement, bitterly criticized the Indian Government in his speech at the convention. He said its policy is not trustworthy and is based on malice and evil intentions. The most vituperative part of his speech was when he said that the Sikhs will burn the Indian flag and the Constitution and fling the ashes into the Ganges River.

Efforts are being made to enlist support for the Khalistan movement abroad. When one of its leaders (Guru Charan Singh Tohra) went abroad, he spoke on the independent Khalistan movement in the United States, Britain, Canada and in 40 other places in European countries. Dr Jagjit Singh also spoke on the movement. Apart from this, the Toronto TIMES is being published as the official mouthpiece of the movement from Canada.

Dr Rajinder Singh of Chandigarh University, a prominent thinker and leader of the free Khalistan movement who has written several books on the Sikh liberation move-

ment and Akaltakht, said in an interview that the Sikhs' problem is cultural. The Sikhs feel a greater affinity toward the Muslims than the Hindus as they hold monotheistic beliefs and consider the Hindu religion, with its polytheistic and pagan rituals and caste system, as fallacious and loathsome.

Speaking to a group of Sikhs, Mrs Gandhi said that those who are talking of seceding will not only weaken themselves but also the country. This is not the time to talk of secession but of unity.

The East Punjab Government has started official operations against the supporters of the Khalistan movement on orders from the central government to cope with the situation. A large number of movement members were arrested in Jullunder.

Dr Rajinder Singh said that Sikhs all over the world are grateful to Pakistan, which warrants highest respect for preserving the holy shrines of the Sikhs and maintaining them in excellent condition. He added that attempts are being made to coordinate Indian minorities. Mrs Gandhi is spreading false propaganda about Pakistan just to keep India intact for she knows that India's future is bleak. Now India cannot fight with Pakistan because if it does, it will disintegrate into eight pieces.

Speaking about the Sikhs' social status, Dr Singh said that except for the few high caste Sikhs who are touts and traitors, the rest are being deliberately trampled upon socially.

He said that the Sikhs have reached the end of their patience after being victimized for 34 years. You will see after September 1981 that the Sikhs will either lay down their lives or the banner of Khalistan will be flying high.

CSO: 4203/109

PAKISTAN-USSR PROTOCOL FOR GOODS EXCHANGE

Karachi DAWN in English 18 Aug 81 p 4

[Text]

The details of Pakistan-USSR protocol for exchange of goods, the procedure for the issue of licences under this agreement and the items to be traded by the two sides, have been released by the Export Promotion Bureau.

Under the agreement, valid upto December 1981, single country import licences will be issued by the office of the Chief Controller of Imports and Exports which will bear suitable endorsement to enable the authorised dealers to distinguish such licences from normal cash licences and licences issued under other special arrangements.

All transactions relating to exports from Pakistan and imports from USSR under this agreement will be handled by the National Bank in Pakistan and the Bank for Foreign Trade of USSR at that end.

The exporters and importers, however, will be free to approach the National Bank through their own bankers or directly as they may choose.

Pakistan will export to USSR a large variety of goods. The list of exportable goods includes cotton textiles, readymade garments, semi-tanned and tanned goat skins, cotton made-ups including towels, hosiery, tapestry and bed linen, spectacle frames, carpets, cotton yarn and thread, leather garments, footwear including shoe uppers, surgical instruments, handicrafts, sports goods, books and periodicals, cinematographic films and miscellaneous goods to be mutually agreed upon.

The Soviet Union exports to Pakistan equipment and spares for steel mills, equipment and spares for Oil and Gas Development Corporation, earth moving and road building equipment and vehicles, spares for machinery and equipment, machine tools, tools and workshop equipment, electrical measuring instruments, tractors, urea, steel billets, cement, sheet and plate glass, dyestuffs, varnishes and tanning materials, components and spares for TV sets, books and periodicals, cinematographic films miscellaneous items including medicines, watches and clocks, oscillograph, fluorescent tubes and other items to be mutually agreed upon.—PPI.

CSO: 4220/285

AFGHANISTAN'S PRESENCE ON PALESTINE COMMITTEE PROTESTED

Quetta BALUCHISTAN TIMES in English 10 Aug 81 p 3

[Editorial: "A Wise Step"]

[Text]

Pakistan's st[illegible] objection to the meeting of the Palestinian Rights' committee being presid[illegible] over by a representative of Afghanistan, to discuss a proposal from Mr. Yasser Arafat, Chairman of the Palestinian Liberation Organisation to send a team to Beirut to assess the heavy loss of human life and property caused by recent Israeli bombing of civilian areas in Lebanon, was certainly a right step. A regime which by all standards is puppet in nature, has no say in any matter and is working only for safeguarding the interests of its alien mesters, has no right to preside over an important meeting concerning the Muslim world. Since Pakistan, has not recognised the present regime in Afghanistan, therefore, it is apparent that it could not accept the holding of meeting being presided over by a representative of that regime. Even otherwise, the entire world knows that the Karmal regime in Afghanistan has no backing from the people of Afghanistan rather the Afghan people are struggling hard to get emancipation from the present regime in Kabul as well as from its alien supporters. It is an encouraging matter that following Pakistan's objection, the meeting was adjourned for private consultations to sort out the matter. During the

course of these consultations, a four - member working group was appointed to discuss the whole issue and make recommendations to the committee.

Pakistan is a staunch supporter of Palestinian cause and takes pride in championing it inside as well as outside the international forums. There should be no doubt on this account. Pakistan is also in full agreement with Mr.Yasser Arafat's initiative but at the same time it cannot let the Babrak Karmal regime gain legitimacy because if its representative presides over the meeting it would be tantamount to have been recognised by the participants of the meeting. We believe that by objecting to the meeting being presided over by a representative of Karmal regime, the Pakistan's Ambassador Niaz A. Naik has demonstrated sagacity and a correct approach towards a right direction.

Afghanistan at present is not a member of the Organisation of the Islamic Conference whose main pre-occupations are the question of Palestine and Liberation of the Holy City of Jerusalem because the OIC suspended its membership in January, 1980. Suspension of its membership from OIC is a clearcut indication that Afghanistan has been barred from acting as a spokesman on these vitally imperative issues and that no member of the OIC should provide any sort of opportunity to it to do so.

Pakistan's objection to Afghanistan's representative's presiding over the important meeting is a matter which is based on principles. Adherence to principles is a must. Pakistan even objected to the candidacy of Afghanistan for the annual elections of the Palestinian Rights' Committee which were to be held in January last. The result was that the election could not take place. However, since the

PLO had expressed the wish that 1980 office-bearers continue, a compromise was reached to meet Pakistan's objection and it was decided that the Committee's meeting would be presided over by the Chairman, the representative of Senegal, or by the First Vice-Chairman, the representative of Cuba notwithstanding the fact that Afghanistan is also the Vice-Chairman of the Committee. Not only this but at that time it was also agreed that Afghanistan, would not sign any communication. All these point to the necessity that Afghanistan would not be given an opportunity to act as a spokesman of the Palestinians' Rights Committee. We hope that the Palestinian Rights' Committee would not allow the representative of Karmal regime to preside over the committee meeting, and complete its deliberations without allowing that representative to occupy the chair on the rostrum.

CSO: 4220/285

'DAWN' COMMENTS ON U.S. LIBYAN AIR CLASH

Karachi DAWN in English 21 Aug 81 p 17

[Editorial: "The Gulf of Sidra Incident"]

[Text]

THE shooting down of two Libyan fighters by US Navy planes over the Gulf of Sidra, which Libya claims to be its territory, is bound to give rise to new tensions in a region already beset with crises. It is unfortunate that the United States should have decided, in the first place, to conduct much-publicised naval manoeuvres off the Libyan coast "to test Gaddafi's reactions — and those of his allies in Moscow", to quote the American media. Given the poor state of US-Libyan relations, which touched a new low in May with the expulsion of Libyan diplomats from Washington, it is not very clear why Washington considered it advisable to undertake a move which could only be expected to exacerbate relations further. In view of the present American Government's ambiguous position on the new Law of the Sea Convention still under formulation, it was less than judicious on its part not only to challenge the Libyan claim with regard to the extent of its territorial waters but also to contest that claim by sending an armada.

US-Libyan relations have not been at their best since 1970 when President Gaddafi took over and asked the American forces to withdraw from the Wheelus Air Force base outside Tripoli. Of late, relations between the two countries have deteriorated even further, with the Libyan leader attacking "American terrorism against the Palestinians" and the Reagan Administration calling President Gaddafi a "patron saint of terrorism". Moreover, there have been incidents involving the flight of US planes through airspace Libya claims as its own. Matters were aggravated by the media disclosure that the US Administration had spent months debating how to "neutralise" President Gaddafi, and had undertaken an active campaign to isolate him diplomatically. The United States' inability to develop a working relationship with Libya or to prevent bilateral relations from becoming further strain-

ed cannot be seen to have served long-term US interests in the area. Far from being isolated the Libyan leader is now a leading figure in Africa. He will play host to the OAU Summit next year and the Organisation's chairman in 1982-83. He has won the approval of other African leaders by working for a settlement of the conflict in Western Sahara and agreeing to the withdrawal of Libyan troops from Chad. In the Middle East he stands out as a vocal champion of the Palestinian's rights and this, above all, will increase whatever appeal he has in the Arab world if the US decides to confront him.

Wednesday's incident has also to be seen in the wider context of superpower rivalry. The American war games in the Mediterranean just sixty miles off the Libyan coast serve to underline the unsettling effect a superpower's military presence can have on a region. The presence of one major power in an area invariably invites the presence of the other. Be they the Soviet forces in Afghanistan, or the American navy in the vicinity of the Gulf, it is clear that the competition between the two superpowers to establish their influence in the region has introduced new tensions in the area. Their rivalry for strategic superiority has directly affected not only their bilateral relations but also the equations among the regional States. It is in this context that the move by Libya, South Yemen and Ethiopia to enter into a treaty of friendship and cooperation and the earlier establishment of the Gulf Cooperation Council comprising Oman, Bahrain, the UAE, Kuwait, Qatar and Saudi Arabia should be viewed. By using Libya to test the Soviet response in the Mediterranean the United States may have taken a calculated but unnecessary risk. It is to be hoped that moderation will prevail on both sides. Failure on the part of the two Governments to exercise restraint might well touch off a chain reaction not eagerly sought by either.

CSO: 4220/285

INCREASED POWERS GIVEN BALUCHISTAN LOCAL BODIES

Karachi BUSINESS RECORDER in English 18 Aug 81 p 3

[Text]

QUETTA, Aug. 17: The Governor/Martial Law Administrator Baluchistan has decided to delegate certain powers of the provincial departments to the local councils in Baluchistan 25 main points covering nine provincial departments are listed below:

I. Agriculture Department:

1. The chairman, district will be the ex-officio chairman of the district agriculture advisory committee to be constituted by the district council.

2. The chairman of the union council where the headquarters of a grade 1 to 3 4 to 5 official of the agriculture department are located will report specific complaints against such official to the next higher authority in the agriculture department for initiating disciplinary action.

II. Animal Husbandry Department: J

3. The district council will formulate the district veterinary services programme and will also supervise its implementation.

4. The chairman of the union council where the headquarters of a grade one to five official of the Animal Husbandry Department are located will report specific complaints against such official to the next higher authority in the animal husbandry department for initiating disciplinary action.

5. The district council wll undertake the constructon and repairs of veterinary dispensaries in the rural areas.

III. Communication and works department:

6. The chairman of the union council where the headquarters of a grade one to five official of the communications and works department are located will report specific complaints against such official to the next higher authority in the communication and works department for initiating disciplinary action.

IV. Education Department:

7. The chairman of the union council and district council will visit the government primary schools in the rural areas within their jurisdiction and record remarks in the visitors' book for the guidance of the teachers.

8. The chairman of the union council where the headquarters of the official of the education department in grade one to five are located will report specific complaints against such official to the next higher authority in the education department for initiating disciplinary action.

9. The chairman district council will be the ex-officia chairman of the district education committee to be constituted by the district education committee to be constituted by the district council which will have the following functions and powers.

i. To make purchases of equipments and all other materials for schools.

ii. To advise on the selection of sites for the opening/upgrade of schools.

iii. To grant scholarships and to regulate other affairs relating to school education.

10. The district councillors representing labour in the district council will be a member of the education cess committee in those areas where such cess is levied.

The labour department will constitute the education cess committees for the above purpose.

11. The chairman of the respective district councils/municipal committees will be associated with the selection of candidates for professional and technical educational institutes against reserve seats.

V. Food Department:

12. The ward member of the local council where the ration depot is located has been authorised to check the records and stocks of ration depots, in case of irregularities, he may recommend their cancellation, he may similarly recommend the cancellation of bogus ration cards to the department.

VI. Health Department:

13. The chairman, union council will check the records and stocks of all rural dispensaries and basic health units within the union council.

14. The chairman, district council will check the records and stocks of all rural health centres within the district.

15. The chairman/mayor of the town committee/municipal committee and corporation will check the records and stocks of all hospitals in the local area where the hospital is situated.

16. In all other matters, the chairman of local council concerned will be empowered to inspect the basic health units, rural health centres and dispensaries and send his reports to the DHO who will give due cognizance to the observations made in such reports.

17. The chairman of the union council where the basic health knit or dispensary is situated may report specific complaints in respect of staff in grade one to five to the next higher authority in the health department for initiating disciplinary action.

VII. Irrigation Department:

18. The district council will formulate the district level schemes of the Irrigation Department and will also supervise their implementation.

19. The chairman of the union council where the headquarter of the official of the irrigation department in grade one to five are located will report specific complaints against such official to the next higher authority in the Irrigation Department for initiating disciplinary action.

20. The district council will select the villages for electrification.

VIII. Industries Department:

21. The district council will formulate the schemes and select the sites of district level small industries schemes, subject to the condition that prior technical advice of the industries department has been obtained.

22. The chairman of the district council may report specific complaints to the next higher authority in the industries department in grade one to five posted in the concerned district.

IX. Social Welfare Department:

23. The district council will formulate the district level schemes of the Social Welfare Department.

24. The supervision of the above schemes will be done by a committee under an elected lady councillor. The district council will constitute this committee. Where there is no elected lady councillors, the supervision will be done by the chairman of the concerned district council in the rural areas, the municipal corporation, municipal committee, town committee in the urban areas.

25. The provincial Social Welfare Advisory Council will have five local councillors, one from the Quetta Municipal Corporation to be nominated by the corporation and one each from the four divisions to be nominated by the respective divisional coordination committees.

26. The recommendations of the elected councillors will be given full consideration before the registration of new voluntary social welfare agencies by the department.

It has also been decided that the powers of the local council and their chairman relating to the grant of administrative approv and to enter in to contracts development schemes may be s ably announced.—APP.

CSO: 4220/285

BRIEFS

TARBELA DAM FILLED--Tarbela--Remedial works on the Auxilliary & Spiliway of Tarbela Dam costing Rs 750 million will be completed before the end of this year. This information was given to newsmen who visited the dam yesterday by the General Manager of the dam. He said the construction of the Flipbuckets on Tunnel Four costing Rs 450 million had been awarded and it would be completed by the middle of 1983. He said By Aug 15 the reservoir of the dam would be filled to its capacity. He further said with the completion of four additional power units by the end of next year power generation of the dam would be doubled. [Text] [Quetta BALUCHISTAN TIMES in English 9 Aug 81 p 4]

CSO: 4220/285 END

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10 September 1981

South and East Asia Report

No. 1046

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10 September 1981

SOUTH AND EAST ASIA REPORT

No. 1046

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KERALA POLITICAL LEADERS STATE PARTY POSITIONS

Bombay THE TIMES OF INDIA in English 24 Jul 81 p 13

[Text] Trivandrum, July 23. The CPM, the CPI and the Congress(U) today highlighted the differences among them in the legislature. They, however, declared that they 'would stay together in the ruling front to fulfill their election pledges.'

The chief minister, Mr E. K. Nayanar, said all efforts of the opposition to isolate the Marxists in the ruling front had failed.

They were debating the appropriation bill for the budget demands. The bill was passed after the Marxists got a drilling from the opposition for what was described as the chaotic law and order situation in Kerala.

None of the ruling front parties, except the CPM, defended the law and order situation. The CPM's chief spokesman, Mr M. V. Raghavan, praised the police and the home minister, Mr T. K. Ramakrishnan, who is also a Marxist.

Today was the last day of the current session. The opportunity was utilised by the leading political parties to explain their approach to political problems. The CPM said it supported Mrs Gandhi in her opposition to American arms aid to Pakistan.

The former communist chief minister, Mr P. C. Vasudevan Nair, said his party had its differences with the CPM over several issues. But the party continues to oppose Mrs Gandhi and her party.

The Congress(U) had great traditions and it would not sacrifice those traditions for the sake of power. Congressmen would be prepared to go to jail again to uphold its policies, according to the party leader, Mr K. P. Nuroodeen.

But the party because of its recurring quarrel with the Marxists faced bitter and sarcastic criticism from the Congress(I) leader, Mr K. Karunakaran, and the Indian Union Muslim League spokesman, Mr E. Ahmad.

The opposition leaders did not talk about the struggle against the Nayanar regime. But they maintained that the ruling front had lost its right to rule.

Mr Karunakaran listed three basic issues against the government. Kerala was going into financial bankruptcy because of reckless spending for non-productive purposes, the law and order situation had become intolerable and corruption was rampant.

The finance minister, Mr K. M. Mani, blamed the Union government for the serious economic situation facing Kerala. He said strict financial discipline would be maintained to meet the situation.

CSO: 4220/7381

COMMISSION CERTIFIES LEGITIMACY OF CONGRESS-I

Bombay THE TIMES OF INDIA in English 24 Jul 81 pp 1, 9

[Text] New Delhi, July 23: In a historic order today, the chief election commissioner, Mr S.L. Shakdher, recognised the party led by Mrs Indira Gandhi as the real Indian National Congress and derecognised the group led by Mr Devaraj Urs.

While there was jubilation in the Congress party headquarters at 24 Akbar Road where the general secretary, Mr Vasantrao Patil, distributed sweets to newsmen and others, the police were called in to guard the premises of the Urs party headquarters at 3 Raisina Road.

Undoubtedly, the party led by Mrs Gandhi, hitherto described in the media and official papers as Congress(I), will drop the appendix I. But the Urs group intends to approach the Supreme Court to seek a stay and quashing of the commission's order which Mr K. P. Unnikrishnan, MP, described as one that "transgressed all limits of propriety."

The commission order derecognising the Urs group gives the group the liberty to approach it for recognition with "a different name and style." If such an application is made, the order states, it shall be considered on its merits under the symbols' order.

The symbol "hand" should continue to be the reserved symbol for the party headed by Mrs Gandhi "Unless that party applies for the revival of the frozen symbol, 'the calf and the cow'" the commission ruled.

Majority Proved

Mr Shakhder, who heard arguments from both parties in the prolonged dispute over the symbol, held finally that the Congress(I) had successfully proved majority support to the satisfaction of the commission. An analysis of statements submitted by the two parties clearly indicated that the majority of members in the AICC, the Lok Sabha, the Rajya Sabha and in a number of legislative assemblies and councils owned allegiance to the party led by Mrs Gandhi as on January 2, 1978, when the split took place in the party.

The judgement is a personal triumph for Mrs Gandhi and her party which has been attracting many former Congressmen to come back to it. In sharp contrast, the erstwhile Congress(U) finds its strength depleting gradually. Now that this party, according to the commission's order, cannot even call itself as the Congress(U), is bound to give it a further setback.

UNI adds:

Mr Shakdher rejected all but a few of the objections raised by the Congress(U). The objections were:

A large number of members who had given individual affidavits in favour of the Congress(I) did not attend the convention held on January 1978: Some of the names of supporters of the Congress(I) appeared in a list of declarations filed on behalf of the Congress(U);

The convention was not called by persons duly authorised under the party constitution.

The members joined the Congress(I) only on the date of their signing those affidavits were not properly sworn before the competent authority and certain common affidavits were in favour of both the groups.

The commission accepted only the objections relating to common affidavits and to those affidavits suffering from the defect of improper attestation.

The Congress(U) raised objections against the convention called by Mrs Gandhi on January 1 and 2 on the ground that it was against the party constitution.

The commission noted that in the matter of adherence to the provisions of the party constitution, both the parties had not followed the constitution.

The order said both the groups or parties either jointly before, or separately after, the split were carrying on their affairs on an ad-hoc basis. Office-bearers in various organs of the party, including the party president, were often appointed without following the election norms laid down in the constitution of the party. They were also kept in office much after their terms had expired. The last organisational elections in the party were reported to have been held as long back as 1972.

The commission pointed out that the procedure for the formation of the working committee of the party, which took decisions of far-reaching nature changing the course of events in the party, policies and even membership of important leaders, underwent such a change from time to time outside the provisions of the party constitution so as to render the set-up of the working committee itself beyond recognition, compared to the original concepts as laid down in the constitution.

The order said that the commission could not also ignore another phenomenon taking place in the party. The leaders in both the groups had been resorting to changes in allegiance. These happenings had been going on unabated and in quick succession and more so in the case of members of the working committee and of many top leaders.

When both the groups did not follow the provisions of the constitution and rather systematically flouted them, it was futile to expect the commission to apply only the norms based on the provisions of the constitution for the determination of the dispute. Such a course would be perverse and unreal.

Counsel for the Congress(I) was Mr O. P. Sharma and for the Congress(U), Mr V. P. Nanda.

Pune, (PTI): On hearing of the election commission's order on the symbol dispute between the two Congress parties, Mr Y. B. Chavan said: "It was expected." He declined to elaborate.

Meanwhile, the imposing Congress Bhavan here, now in the possession of the Congress(U), will be "taken over by lawful means," Mrs Shalini Rane, city Congress(I) president, said today.

When reminded by newsmen that the possession of the building was in the hands of a trust, Mrs Rane, herself a lawyer, said that disputed properties could not be entrusted.

She said the commission had, by its order, derecognised the Congress(U), which had lost its locus standi.

Similarly, all Congress properties, attached elsewhere in Maharashtra by the Congress(U), should be lawfully returned to the Congress(I), she said.

CSO: 4220/7381

POLITICAL INVOLVEMENT ALLEGED IN HYDERABAD RIOTS

Calcutta THE STATESMAN in English 23 Jul 81 p 9

[Text] New Delhi, July 22--The Andhra Pradesh Chief Minister, Mr T. Anjiah, today alleged that certain political organizations and communal elements were involved in staging the recent communal riots in Hyderabad and acted in collusion in an attempt to throw him out of power.

Speaking to reporters here, the Chief Minister said he would not like to identify "these elements at this stage but would do it later. In his view, the unnamed communal elements and political bodies did not like the Congress(I) victory in the elections to the Panchayati Raj institutions held in the State last month, he said.

Mr Anjiah was not sure whether a faction of the ruling Congress(I) in the State was also responsible for fomenting communal riots in Hyderabad, he said, adding he did not have conclusive proof.

The Chief Minister said he had met Mrs Gandhi and the Home Minister, Mr Zail Singh, and informed them in detail about the communal riots. He said that he apprised the Prime Minister and Mr Zail Singh that the situation in Hyderabad was brought under control within a week after the riots broke out. He claimed that the Prime Minister and the Home Minister were satisfied with his handling of the recent communal troubles.

Mr Anjiah said that 33 people died and 259 people sustained injuries in stabbing incidents. The police detained 12 people under the National Security Act.

The Chief Minister disclosed that his Government contemplated to either ban or restrict the activities of communal organizations through legislation which could also provide for search of premises, forfeiture of property and freezing of funds and prosecution of individuals and groups responsible for fomenting communal disturbances.

The Chief Minister said that he discussed with Mrs Gandhi his proposal to induct new Ministers in the State to fill the four vacancies--caused by death of two Ministers and resignation by other two. He would come back to Delhi at the end of the month to finalize the issue. Mr Anjiah said that during his discussion with the Prime Minister, he urged her to sanction an Institute for Sugar Technology at Zahirabad in Medak district.

CSO: 4220/7376

PAPER GIVES DETAILS OF TRADE PACT WITH GHANA

Calcutta THE STATESMAN in English 23 Jul 81 p 13

[Text] New Delhi, July 22--India and Ghana agreed to grant most-favoured nation treatment to each other in matters of trade and merchant vessels.

This is one of the features of a trade agreement finalized when a seven-member Indian delegation led by Mr K. P. Anand, joint secretary in the Ministry of Commerce, visited Ghana recently.

The agreement provides for the establishment of a joint committee consisting of representatives of both countries to review the implementation of the provisions of the agreement and to examine proposals aimed at further expansion and diversification of trade between Ghana and India. It will identify areas for industrial cooperation and provides for payment for goods in convertible currency.

The agreement will be valid for three years with provision for renewal. Under the agreement, Ghana will export to India diamonds, cocoa beans, cocoa products, railway sleepers and other timber and wood products.

India will export tea, jute goods, light engineering and capital goods, tyres and tubes, pharmaceuticals and chemicals.

It was agreed that Ghana would sell diamonds at prices to be negotiated from time to time. It was further agreed that the Governments of Ghana and India would cooperate in the exploration and exploitation of Ghana's diamond resources. A team of experts from India will visit Ghana within the next three months.

CSO: [illegible]

STATES PLAN STEPS TO PROMOTE COMMUNAL HARMONY

Bombay THE TIMES OF INDIA in English 25 Jul 81 p 13

[Text] New Delhi, July 24 (PTI)--The state governments are expected to take special measures against the holding of meetings at places of worship which would tend to create ill will among various communities.

This is one of the major steps the chief secretaries, home secretaries and inspectors-general of police have recommended for promoting communal harmony and preventing communal riots.

A ten-point programme for dealing with riots was framed by the Union home ministry last year. This was endorsed by top state officials at a conference here last week.

The state governments will now consider the conference proposals for greater representation to the minorities in machineries to be set up both for promotion of national integration and for dealing with aberrations. Besides, state government services are also to be made more representative.

They have, for instance, been called upon to have some units of the armed police composed of a fairly good percentage of persons belonging to the minorities as well as of Harijans and Adivasis. These groups should also be "adequately" represented in other wings of the police force, including the intelligence branch, they have been advised.

The key point of the entire plan is the formation of integration committees, which may be called "ekta" sematis, at sub-divisions, tehsils and mohallas in communally sensitive districts. Elsewhere, there could be district and station house area "ekta" samitis.

In industrial areas, these samitis are to be tripartite. Local minorities are to be represented in all these samitis.

The plan also calls for barring members of the teaching profession from anti-secular activities which tend to create disharmony.

Student unions are to be encouraged to evolve a code of conduct with positive guidelines for students to abjure violence and communal confrontation.

Political parties are also to be advised to evolve a code of conduct under which the rank and file would be prevented by leaders from doing anything that would aggravate differences among castes and communities or create mutual hatred.

The other recommendations on which action can now be expected include: (1) determination by local authorities of the routes of religious processions veering clear of controversies, (2) prompt court decisions on ownership of property claimed by religious institutions, (3) administrative inquiries after very serious communal riots and (4) punitive fines and quartering of police forces in riot-hit areas.

CSO: 4220/7387

LABOR BUREAU CHANGES BASE INDEX YEAR TO 1980-81

Bombay THE TIMES OF INDIA in English 25 Jul 81 p 6

[Text] Simla, July 24 (UNI): The labour bureau, responsible for bringing out the consumer price index every month, will, now have 1980-81 as the base year with 100 points. Hitherto 1960 was regarded as the base year.

This was necessitated as the consumption pattern in the country had undergone a great change during the last 20 years, the Union minister of state for labour, Mrs Ram Dulari Sinha, told UNI.

Mrs Sinha said this step had been taken in accordance with the recommendations of the Internat'onal Labour Organisation.

Mrs Sinha said the bureau would hold a combined exercise for retail survey to help the government in monitoring the supply of essential goods in the country, particularly in far-flung areas.

Earlier, the survey was being conducted separately for industrial workers and farm labour. The new survey would be in addition to that in vogue, she added.

Mrs Sinha said another survey to formulate a policy and to introduce legislation to check the exploitation of unorganised labour in the country was being conducted.

So far, she said a number of laws had been enacted for the welfare and protection of the organised labour but this hapless sector had not been covered under any law.

The bureau, she said was also conducting an occupational wage survey to have an idea of wage differential, that is occupational minima and maxima.

Fifty-seven industries have been selected by the bureau for a survey on absenteeism, labour turnover and [as published]

CSO: 4220/7387

ASSAM KHARIF PROSPECTS REPORTED TO BE NORMAL

Bombay THE TIMES OF INDIA in English 25 Jul 81 p 6

[Article by S. K. Dutta]

[Text] Shillong. The severe dry spell till the middle of June had delayed sowing and transplantation of "ahu" (summer paddy) by three to four weeks in Assam. This, according to official sources, may considerably affect the crop.

The state proposed bringing 627,000 hectares of land under high-yielding varieties for "ahu," which would be ready for harvest by the first week of August. Its target for "sali" (winter paddy), accounting for nearly two-thirds of the food production in the state, is 1.65 million hectares, totalling 2.27 million hectares for the year.

By the onset of the monsoon in mid-June 22,000 quintals of high-yielding seeds had been distributed among the farmers. Arrangements for the supply of fertiliser were also made. During the year, 25,000 metric tonnes of fertiliser was expected to be distributed against 16,000 metric tonnes last year.

Despite the current floods in the Brahmaputra valley consisting of Dibrugarh, Sibsagar and Goalpata districts, as of now, the state is expected to have a normal paddy crop. Nevertheless, the forecast is subject to the vagaries of nature in the next two months.

While standing "ahu" and jute crops have been affected by near-drought conditions in some areas, the shortfall is expected to be madeup by the high-yielding varieties. Meanwhile, the price of foodgrains has shot up in some pockets where a maund (40 kg) of paddy is being sold between Rs 60 and Rs 70.

The delayed monsoon may affect the crop pattern in the state. This is because the farmers apprehend that "sali," which is ready for transplantation by mid-August, might be further delayed if the scarcity conditions in some of the pockets persist. Besides, the winter crop needs two months for maturing.

As a wag put it, Assam harvests three crops a year: the kharif, the rabi and "neither."

CSO: 4220/7387

PUNJAB CPI COUNCIL SCORES SIKH SLOGAN

Calcutta THE STATESMAN in English 23 Jul 81 p 9

[Text] Chandigarh, July 22--The Punjab unit of the CPI has criticized the Akalis for the "Sikhs are a nation" slogan, because it would lead to the demand for a "Khalistan" and would divide the people of Punjab in their fight for common causes, it feared.

Explaining the party stand after a three-day meeting of the State council, Mr Avtar Singh Malhotra, general secretary of the party, told a Press conference yesterday that the Akali slogan was disruptive for Punjab's and the nation's unity. Even if more powers were demanded for Punjab, it would have to be without such a slogan. "You cannot fight for the people's rights through a 'dharma yudh' as announced by the Akali Dal," he said."We are not for a 'dharma yudh' (religous war)."

Our Special Representative in New Delhi adds: The Chief Minister of Punjab, Mr Darbara Singh, yesterday blamed "the biggest country" for financing the movement for Khalistan. But he did not name it.

Mr Darbara Singh told reporters that some people had told him during his recent visit to U.K. that the demand for Khalistan had the indirect backing of some people.

Asked to elaborate, he said: "It could only be the biggest country." The divisive forces clamouring for destabilization were dancing to the tune of "some people."

The Akalis might not be openly involved in the World Sikh Convention to be held in Amritsar on July 26, but it was sponsored by the Akalis, who were helping it in a subtle way. Its leaders might have said that they were opposed to Khalistan but would draft a resolution for the convention.

The Chief Minister said that it was a mischievous movement, but the State Government would not interfere if the convention was held in a gurdwara.

CSO: 4220/7376

KARNATAKA CPI SEEKS CHIEF MINISTER'S OUSTER

New Delhi PATRIOT in English 25 Jul 81 p 4

[Text] Bangalore, July 24--The State CPI yesterday observed a protest day by holding demonstrations, rallies and staging dharnas at many district headquarters demanding resignation of the Gundu Rao Government on the Ibrahim issue and to 'make way for a better administration having respect for the rule of the law voice of the people and democratic norms.'

In Bangalore more than 1000 party activists AITUC, AISF, AIYF Mahila Sanstha and Royatha Sangha marched in procession to the Raj Bhavan and submitted a memorandum to Governor Govind Narain.

The memorandum pointed out to the governor that the Government of Gundu Rao 'has been ruthlessly following the course which has not only caused misery to common people but also eroded the norms and principle of democracy and parliamentary conventions.'

It further said 'corruption' nepotism and hooliganism against innocent people under the patronage of persons in office has reached an intolerable stage.' It also pointed out that persons, against whom charges of corruption had been made for and criminal cases filed continue in office.

The economic situation in the State was very critical, cost of living was rising and essential commodities had become scarce, famine conditions were prevailing in major parts of the State and no relief operations were being undertaken. All developmental works in the rural side had come to a standstill, peasants were groaning under the burden of high taxes, and unremunerative prices for agricultural commodities.

A delegation of the party and other organisations was led by state CPI secretary M S Krishnan and leader of CPI group in Assembly B V Kakkilaya urged the governor to take immediate action to remove the hardships faced by the people by dismissing the Gundu Rao Government.

CSO: 4220/7392

KERALA CPI-M DENIES IT DOMINATES LEFT FRONT

Madras THE HINDU in English 23 Jul 81 p 9

[Text]

TRIVANDRUM, July 22.

The State CPI (M) Secretariat on Wednesday took exception to the public statement issued by the KPCC (U) President, Mr. A. K. Antony, alleging "big brother attitude" on its part towards the other constituents of the ruling Left Democratic Front (LDF) in Kerala.

"When there is a set up to thrash out differences among the LDF constituents, public statements will only help the enemies", the Secretariat said in a statement issued here.

The Secretariat said Mr. Antony's statement about the "big-party mentality of the CPI (M)," was unfortunate. No party in the LDF can make such a statement.

"Equal participation: While "our party's position in Kerala need not be specially mentioned, every constituent in the Front Whas equal participation irrespective of its size", it observed.

The Secretariat added: "Mr. Antony has referred to our plight — of being in the Opposition — for the last 12 years. We are not under the misconception that we can be in power always and that the party and mass organisations can be built up with the help of power."

"We do not consider it a miserable plight to be in the Opposition and during 28 of the 34 years since independence we have been in the Opposition".

"Opposition plight is not miserable": "Other left and democratic parties like the Congress (U), Janata and Lok Dal are also in the Opposition. We do not believe their plight is miserable".

"It is only natural that when a united front is formed, its benefits will accrue to the small and big parties in the front. To think that other parties make gains because of the small mercies of others is the result of distorted notions. The CPI (M) has not tried to capture power by any and all means.

"The LDF was formed only when other parties shed to some extent their anti-marxist venom and when the CPI (M) changed its attitude towards other parties. This was approved by the people also.

"Antony's desire welcomed: "Mr. Antony's desire that the current academic year should remain peaceful is most welcome. Peace could be established only by solving the problems of students through discussions irrespective of their affiliations".

"It was unfortunate that Mr. Antony has singled out the SFI for attack. We are not prepared to say agitations in support of demands are wrong. But we have never encouraged violence in the name of demands".

Violent incidents: Referring to the Paranged, Kanjirapally, Nadapuram, Thiruvambadi and Veliyanad incidents, the Secretariat said "it is not our programme to organise violence though some such incidents do occur. It is meaningless to blame one party alone for it".

"When such incidents take place, the parties involved should make direct enquiries and solve the problems."

"None can say that when different parties go ahead with their programmes there will not be clashes. But it is not good to encourage or exaggerate such incidents. The parties concerned should sit together and find solutions through discussions instead of issuing public statements," the Secretariat concluded.

CSO: 4220/7378

BUSINESS GROUP RECOMMENDS STEPS TO RAISE EXPORTS

Bombay THE TIMES OF INDIA in English 25 Jul 81 p 12

[Text] New Delhi, July 24. The Federation of Indian Chambers of Commerce and Industry says that it is feasible to achieve a 22-per cent growth in exports in 1981-82 by taking the volume of exports to Rs 8,600 crores.

An export plan drawn up by FICCI suggests several short-term and long-term measures including those related to an improvement of infrastructural facilities such as power, coal transport and adequate supply of raw materials.

It suggests tax support in the form of rebate on export earnings, dividends from project exports and joint ventures and concessional railway freight for export goods.

The FICCI plan emphasises the need for concessional export finance and restructuring of the tax system to bring down the cost and make Indian products competitive.

It also says that to promote export of new products or exploration of new markets, an additional ten per cent cash compensatory support be provided to act as an incentive.

The plan, which has been presented to the commerce minister, Mr Pranab Mukherjee, also stresses the need for streamlining of procedures.

Releasing the export plan, Mr Arvid Lalbhai, president, FICCI, expressed concern over the rising trade deficit and said the imbalance could be reduced through an aggressive export promotion drive and import substitution.

Mr Lalbhai said items like cement, caustic soda, fertilisers, paper, PVC and edible oils could be produced within the country and even at a lower cost resulting in foreign exchange saving of Rs 2,000 crores in a year.

Traditional Items

The major products which are expected to contribute considerably to export growth during 1981-82 include engineering goods (Rs. 1,150 crores), gems and jewellery (Rs 864 crores) and readymade garments (Rs 540 crores).

According to the FICCI plan, exports of tea, cotton textiles and jute manufactures, the major traditional foreign exchange earners, would rise only marginally.

FICCI feels that agricultural commodities, including fruits, vegetables, processed food products, could earn as much as Rs 1,000 crores annually. Large exports of meat, films, video tapes and industrial salt can find a good market in West Asia, South-East Asia and even in some developed countries.

FICCI has suggested that a team of experts from the government and industry should study the facilities available for promoting exports in countries like South Korea and Taiwan.

CSO: 4220/7387

RBI GOVERNOR OPENS AFRO-ASIAN RURAL FINANCE TALKS

Bombay THE TIMES OF INDIA in English 24 Jul 81 p 7

[Text]

PUNE, July 23 (PTI).

DELEGATES from 23 Afro-Asian countries began deliberations on harnessing the financial system in support of rural development at a 15-day inter-regional seminar here yesterday.

Sponsored by the Food and Agricultural Organisation (FAO), this is the first of a series of seminars to be organised world-wide in the coming years.

Inaugurating the seminar, Dr. I. G. Patel, governor of the Reserve Bank of India, said India had laid great emphasis on promoting technical co-operation among developing countries as an essential and integral part of the strategy for ushering in a new international economic order (NIEO).

Dr. Patel said the NIEO was not directed against any group of countries nor did it minimise the importance of global inter-dependence. However, it did emphasise that if the economic distance between the developed and the developing countries was to be reduced, co-operation among the developing countries was vital.

He said the participant countries, though of different economic and political environments, shared common concerns on many issues like increasing agricultural production and fighting poverty.

The RBI governor said the question of harnessing the financial system for rural development had also to be discussed in the context of removing regional and sectoral imbalances and the problem of removing poverty.

One important aspect of harnessing the financial system was to make the credit delivery system sufficiently accessible and helpful to the investment-shy small farmers and weaker sections, Dr. Patel said. It was necessary that the financial systems indentified innovations in terms of supporting schemes which were based on technology appropriate to different areas, he said.

Dr. Patel said the nationalisation of banks in India which had taken banking services to remote and backward areas still posed many unanswered questions for there was no surety of the rural lot getting productive assets sufficient to enable them to earn a minimum standard of living.

Dr. Patel hoped the experiences of the participant countries in various economic issues would contribute a great deal in solving complex economic problems faced by the developing countries.

The second phase of the seminar would be held in New Delhi from August 8 to 11 in which senior officials of the central banks of the participant countries are expected to join the participants.

CSO: 4220/7381

GANDHI MEETING WITH KASHMIR OFFICIALS REPORTED

New Delhi PATRIOT in English 25 Jul 81 pp 1, 7

[Text]

SRINAGAR, July 24 (UNI, PTI).

Prime Minister Indira Gandhi said today her present visit to Jammu and Kashmir was aimed at removing certain obstacles which were coming in the way of speedy economic development of the State.

Addressing the State Council of Ministers, headed by Sheikh Abdullah, soon after arriving here on a three-day visit, Mrs Gandhi said the main purpose of reviewing the planned development of the State was not an exercise to criticise the State.

The hour-long meeting at the State Secretariat was attended also by the secretaries and heads of various departments.

Mrs Gandhi will review the performance in each of the core sectors of the State's economy tomorrow.

The Prime Minister expressed the hope that holding of such bilateral meetings between the Centre and the States could improve the economy of the States to a great extent.

The exercise, she said, was to know how development efforts could be geared up in the country, particularly in backward areas.

She said the purpose of these contacts between the Centre and the States was to locate areas where joint efforts by the Centre and the States were needed.

JOINT REVIEW

Mrs Gandhi said hectic and constant efforts were needed to remove obstacles to the further improvement of the country's economy.

Earlier, the State Government had planned for a joint review by Mrs Gandhi of the progress made in the various core sectors.

But she was understood to have insisted that she would make an individual review of each of the Ministries.

Before coming to the secretariat, Mrs Gandhi had a brief meeting with Governor B K Nehru, and Chief Minister Abdullah at the guest house.

At a dinner given by PCC-I chif Mufti Mohammad Syed, in honour of Mrs Gandhi, her family members, PCC-I's executive committee members and district Congress-I chiefs were present.

Mr P C Alexander, Principal Secretary to the Prime Minister and two senior officials of the Planning Commission were also present at the meeting.

Earlier, welcoming the Prime

Minister to the meeting of the Council of Ministers, which undertook a "preliminary review' of the State's Plan performance, Chief Minister Sheikh Mohammad Abdullah, gave a comprehensive account of the State's achievements in different sectors of economy, and pointed out the difficulties facing the Government in expediting the growth.

Mrs Gandhi said that generally speaking the economy throughout the country was in 'very good' condition.

But, she added, that the country had to be always prepared for any contingency, "which could be a military situation, but equal likelihood was of economic difficulties, as it was in other parts of the world."

Mrs Gandhi said that the review of plan performance of the States, which was started during her previous regime, had been resumed with the object of putting 'more health' in the country's economy.

It had been completed in Punjab, Haryana and Uttar Pradesh and will be extended to other States, too, she added.

She said that at the central level a specific mechanism had been evolved to remove bottlenecks through the efforts of economic coordination cell in the Cabinet Secretariat, which had been set up for this purpose.

The process, she added, had now been extended to the States.

As regards Jammu and Kashmir, Mrs Gandhi said, there was a committee of Ministers backed by an officers committee to ensure coordination and speedy economic growth.

The Prime Minister said that Centre was prepared to assist the States in speeding up economic development, and stressed that priority had to be given to streamlining the infrastructure.

Referring to the problem of price rise, the Prime Minister said the phenomenon was partly result of the global economic situation. The recent measures initiated by the Centre to unearth the black money, she added, would help curb the price rise.

She also made a reference to communal incidents in the country, and said that these were mostly due to economic and political reasons.

The preliminary review by the Council of Ministers at which the Prime Minister spoke lasted 30 minutes. It was followed by a joint meeting of the experts from the Centre and the State, who undertook a sector-wise review of developmental performance.

The officials will resume the meeting tomorrow morning after which the Prime Minister and the Chief Minister will meet again to complete the review of State's Plan performance.

Earlier, the Prime Minister met Chief Minister Abdullah at the State guest house. Governor Nehru was present at the meeting which lasted 20 minutes.

Mrs Gandhi had tea at the guest house before proceeding to the secretariat.

Her flight to Srinagar was delayed by 90 minutes by inclement weather.

Mrs Gandhi was given a warm welcome at the airport by the Governor, the Chief Minister, his Cabinet colleagues and others.

Among those present at the airport, were the Jammu and Kashmir Assembly Speaker Babu Parmanand, former Jammu and Kashmir Chief Minister Syed Mir Qasim, the acting Chief Justice of the Jammu and Kashmir High Court, and the president-elect of the National Conference, Dr Farooq Abdullah.

From the airport to the guest house, people in large number lined both sides on the 15-km route in spite of heavy rains.

CSO: 4220/7392

JANATA OFFICIAL: GANDHI HAS AGREEMENT WITH SHEIKH

Calcutta THE STATESMAN in English 25 Jul 81 p 7

[Text]

SRINAGAR, July 24.—Mr Subaramanyam Swamy, M.P. and member of national executive of the Janata Party, has said that Mrs Gandhi's Government is not going to topple the Sheikh Abdullah's Ministry in Jammu and Kashmir.

According to him, Mrs Gandhi and the Sheikh continue to have a "secret understanding" with each other to forge a united front against all other opposition parties within and outside the State.

Addressing a Press conference here today Mr Swami said he had come to this conclusion after making an on-the-spot study of the present political situation in the State. The current so-called "confrontation" between the Centre and the Sheikh's State Government, he said, was nothing but "shadow boxing". Mr Swamy was fully convinced that when fresh elections to the Jammu and Kashmir State Assembly would be held the Congress(I) and Sheikh Abdullah's National Conference party would have an "electoral understanding or an alliance". The main purpose of Mrs Gandhi's visit to the State today, he said, was "to finalize terms and conditions with Sheikh Abdullah for having this electoral alliance". The Janata leader said that he had been given to understand that Sheikh Abdullah had agreed to hold elections to the State Assembly next year along with some other States by amending the State constitution to reduce life of the present Assembly from six years to five years which he had increased during the Emergency under directive of Mrs Gandhi as was done in other parts of the country.

He pointed out that the State unit of the Bharatiya Janata Party, which is supporting Sheikh Abdullah and his Government, had been under the impression created by Sheikh Abdullah that he had confrontation with Mrs Gandhi's Congress(I). The BJP, he said, was committing a "political suicide" in the State.

He supported the current agitation launched by people of Leh district along the border areas of Ladakh for declaring people in the Ladakh area "scheduled tribes" and granting the "autonomous status" within Jammu and Kashmir. He said their demands were genuine. It was very unfortunate that when Mrs Gandhi had already conceded their demand to treat Ladakhis for all practical purposes as "scheduled tribes" why Sheikh Abdullah's Government hesitated to recommend their case to Centre He, however, cautioned that the autonomy council should be granted to Ladakhis only with economic powers for dealing with "economic development of areas", and not for any "political purpose" as that would pose a threat to the integrity of Jammu and Kashmir.

CSO: 4220/7389

BJP LEADER ACCUSES GANDHI OF PLANNING DYNASTY

Calcutta THE STATESMAN in English 25 Jul 81 p 4

[Text]

BHUBANESWAR, July 24.—Mr L. K. Advani, M.P. and General Secretary of the Bharatiya Janata Party said at a Press conference here yesterday that Mrs Gandhi had adopted a calculated strategy to prevent the growth of a second rank leadership in the Congress (I) to ensure "dynastic succession" after her exist from the scene. He said that in-fighting in the Congress (I) was being tolerated if not encouraged by the party high command in different States. In the Congress (I) ruled-States the Chief Ministers had been cut to size and they knew they could remain in their position only with the grace and goodwill of one person.

The BJP leader said that the Orissa situation was not different from the other Congress (I)-ruled States. Squabbles in the ruling party were being tolerated by the party high command disregarding its impact on the administration.

Mr Advani said his party would never agree to merge with other Opposition parties but he would not rule out the possibility of the BJP forming an united front with other parties to meet the challenge of the Congress (I). The Janata experiment could not be repeated. It was futile to expect Opposition parties to merge. He said in a vast country like India the conception of a two-party system was not correct. Hence the BJP had decided to maintain its separate identity and at the same time keep its doors open for united action with other Opposition parties on any specific issue.

Mr Advani said that the recent conclave of leaders of Opposition parties in New Delhi was convened by Mr Chandrashekhar to explore the possibility of united action by the Opposition to force the Government to agree to electoral reforms and to maintain the sanctity of ballot boxes. Had it been for the member of Opposition parties, at least the BJP and CPI(M) leaders would not have attended the conclave.

The BJP leader said that the decision of the CPI not to attend the conclave indicated that the party was gradually coming closer to Mrs Gandhi. "I would not be surprised if very soon the CPI reverts to its position during the Emergency as an ally of the Congress (I)".

Mr Advani criticized the role played by the CPI in dislodging the Janata Government. He said the CPI(M) had also played the same role but it appeared that the CPI(M) now regretted the stand it had taken then unlike the CPI. He said the recent conclave of Opposition parties had succeeded in so far as its limited purpose was concerned. Another such conclave would be necessary to give shape to the issues in hand.

In the monsoon session of Parliament the Opposition parties would make a concerted effort to force the Government to respond to the recommendations of the Opposition parties for electoral reforms.

He said that those in the Opposition parties who were considering joining the Congress (I) were free to do so. The earlier they crossed over to the Congress (I) the better it was for the Opposition. He said Mr Y. B. Chavan did not coin the term "home coming". It was earlier used by Mr Bahuguna before joining the Congress (I).

CSO: 4220/7389

DELHI TELLS STATES TO IMPROVE LAW, ORDER

New Delhi PATRIOT in English 23 Jul 81 p 5

[Text]

The Home Ministry has advised the State Governments to relieve the police of the job of implementing the Prohibition Act since it tended to corrupt them and also came in the way of their normal work, reports UNI.

This is part of a series of instructions given by the Centre to tone up the law and order machinery in the States.

The Centre has asked the States and Union Territories to review the functioning of intelligence set-up in their respective areas with a view to strengthening the intelligence organisations.

The Intelligence Bureau (IB) had conducted studies of the intelligence set-up of some States and Union Territories like Uttar Pradesh, Bihar and Delhi and model schemes were developed. The States should develop their intelligence networks on the lines of these model schemes.

The Government feels that long pendency of cases in courts had also a demoralising effect on the police and lessens the deterring impact on criminals. There was need of appointing more judges to ensure early clearance of arrears in courts.

While suggesting that well-planned combing operations should be undertaken from time to time to unearth illicit fire arms-ammunition and explosives, it has urged the States to develop a mechanism to anticipate trouble on the basis of intelligence reports and take swift action on crime investigations.

The Centre cited the example of Punjab Government where the chief secretary reviews every week the law and order situation with secretaries and the heads of departments concerned.

The Centre has also advised the States that this system had proved very useful in taking immediate decisions and could be followed in other States.

The States have been urged to take advantage of the modernisation of police schemes for which funds had already been allocated to nine States.

It is pointed out that in some cases, Central agencies or even the State agencies do not consult the Home Departments with regard to the legal implications resulting from certain decisions taken by them. This should be avoided.

The Centre is of the view that there is need to constitute a high powered group in States to examine in depth all administrative and legal aspects which have an adverse effect on the maintenance of law and order and on the prompt handling of crime and criminals.

CSO: 4220/7379

REFORMS COMMISSION MEMBER INTERVIEWED ON ECONOMY

New Delhi PATRIOT in English 23 Jul 81 pp 1, 7

[Interview with Dr C. H. Hanumantha Rao, member, Economic Administration Reforms Commission, by PATRIOT: "Recovery Possible in Year Ahead"; date and place not given]

[Text]

'THERE is an improvement of the overall economic scene compared to the situation six months back,' says Dr C H Hanumantha Rao, member, Economic Administration Reforms Commission, adding that the recent anti-inflationary measures will, however, need to be supplemented by direct measures like curbing tax evasion, dehoarding, etc, to sustain the tempo.

Not many of the economists interviewed in this series share Dr Rao's optimism or agree with his views on the usefulness of the recent measures but he maintains that not only curbing inflation but also mobilising enough resources for the sixth Plan is quite possible given a determined and coordinated effort on basic economic sectors.

Question: What is your assessment of the current economic scene?

Answer: There is an improvement of the overall economic scene compared with the economic situation that prevailed say about six months ago. This is seen from the decrease in the rate of inflation and the visible evidence of better performance in such areas of infrastructural activity as coal, power and transport.

Furthermore, this year, agricultural output is likely to be good as it was in 1980-81 and we can expect a recovery of industrial production in 1981-82 because of improved performance as mentioned above. So, in view of these developments, I would clearly say that the situation today is not at all alarming.

It is quite possible to bring inflation under control and go ahead with the Sixth Five-Year Plan by mobilising resources and further improving the infrastructure. These are well within the realm of possibility. Given a coordinated and determined effort on some of the basic economic sectors, we should be able to bring down prices and find adequate resources for the Plan.

BASIC PROBLEMS

Q: What, in your opinion, are the basic problems facing the economy today?

A: Of course, there is no doubt that the Number One problem before the economy is that of rising prices. The rate of inflation has somewhat come down but it is still quite high. The second problem is that related to management of key sectors of the economy. The third problem is mobilisation of resources for the sixth Plan.

Q: Do you think the recent 'anti-inflationary package' announced by the Government will help check prices?

A: The recent 'anti-inflationary package' can be expected to check prices, and this is particularly true of the decision to raise the price of petroleum since it would augment the revenue of the Government and the oil industry. On the whole, the measures are calculated to reduce deficit financing insofar as the Government would avail more revenue, and also reduce liquidity in economy.

These measures were, in fact, overdue. If the package had been announced six months ago, I think we would have been in a better position to control inflation.

Q: What measures do you propose to effectively control prices, increase industrial production and raise exports?

A: I have already expressed my opinion on the Government's 'anti-inflationary package'. But I feel that these steps need to be supplemented by more direct measures to check or prevent tax evasion, hoarding and blackmarketing which are the real sources of black money supporting the parallel economy. Unless there are direct measures to check these, the steps already announced could

even act as an incentive to transfer unaccounted deposits in banks to the parallel economic sector in view of the condition that disbursements above Rs 10,000 should be made only through cheques.

This specific step is in itself justifiable but in the absence of direct measures the running of the parallel sector cannot be curbed. Probably these measures are to come shortly as the Finance Minister has already given sufficient indications to that effect.

It should also be stated that in today's production and export situation the importance of management of supplies through improvement of infrastructure and better coordination among various wings of the Government cannot be underestimated.

I also feel that there should be some inbuilt formula in the fixation of administered prices of esssential commodities, whereby periodically there would be some upward adjustments in response to the rise in the cost of production. Otherwise, over a period of time losses accumulate necessitating heavy taxation or deficit financing. Alternatively, a steep rise in the prices of such commodities has to be effected.

Q: What do you think of wheat imports and the import of commodities like sugar, edible oils and cement?

A: The decision to import wheat and commodities like sugar and edible oils is a wise decision. That is because these are essential commodities and any shortage of these goods leading to hike in their prices directly hits the common man.

It should be understood that though we are importing wheat today we always have the option to export it at a later stage. In view of this option, the import of wheat is desirable. And, I may add, it is not going to adversely affect the farmer.

In this context I must say that failure to procure wheat to the extent needed was the outcome of the farmers' agitation for high prices for agricultural produce. Taking advantage of the situation traders bought up wheat directly from the farmer at prices much higher than what the Government had stipulated and hoarded the stocks. The wheat import, so necessary in the conditions, will adversely affect not the farmer but these unscrupulous traders and hoarders manipulating the wheat trade.

Those who are opposing this decision to import wheat are doing so fearing its dampening effect on farmers. As I have laready said, it will have no dampening effect on farmers. Moreover, we are importing wheat to keep it as buffer stock. This will definitely contribute towards containing inflation.

CSO: 4220/7379

GOVERNMENT, CANADA WORK TO RESUME COOPERATION

Madras THE HINDU in English 25 Jul 81 p 9

[Article by G. K. Reddy]

[Text]

NEW DELHI, July 24.

The Indo-Canadian moves for reviving the old relationship, which suffered a setback after the 1974 nuclear test, have made considerable headway with the two sides making a conscious effort to resume and intensify their economic cooperation.

The two Prime Ministers, Mrs. Indira Gandhi, and Mr Trudeau, who have been corresponding on North-South problems, will be meeting in Nairobi next month during the U.N. conference on new and renewable sources of energy.

There was some talk earlier that Mr. Trudeau might pay a brief visit to Delhi for talks with Mrs Gandhi on his way to Melbourne in September for the Commonwealth conference.

But the idea was not pursued since the two Prime Ministers were going to meet in any case in August in Nairobi, in September in Melbourne and in Mexico in October during the North-South summit conference.

As one of the leading western statesmen striving for a more equitable economic relationship between the developed and developing nations, Mr. Trudeau is keen on transforming the proposed resumption of Canadian aid to India as an illustrious example of North-South cooperation.

The Canadian Government has chosen the energy sector for increased assistance to enable India to overcome its chronic power shortages.

Astonishing argument: After the 1974 Pokhran test, Canada abruptly suspended its economic aid to India except in the field of agriculture, with the astonishing argument that continuance of this assistance would enable the country to divert its domestic resources to the pursuit of its nuclear ambitions.

The Canadian aid programmes were accordingly terminated after the fulfilment of allocations already made for unfinished projects.

Though the two Prime Ministers had casually met at the Commonwealth conference in Jamaica in 1975 a year after the Pokhran test, there have been no worthwhile contacts between them since Mr Trudeau's visit to India in 1971 and Mrs. Gandhi's return trip to Canada in 1973.

What is even more significant, was that no attempt was made by the successor Janata regime and the Conservative Government in Canada to restore the old ties after the defeat of Mrs. Gandhi and Mr. Trudeau, since the two countries remained sharply divided over the nuclear question.

The current efforts to improve relations are aimed at isolating and not ignoring the persisting nuclear differences. The intention is to resume economic cooperation without compromising their respective positions over the issue of proliferation.

No change in Canada's stand: There has been no change in the Canadian contention that India had violated the spirit, if not the letter, of its commitment not to use its nuclear assistance for any non-peaceful purposes. It has continued to maintain that there is no difference between an explosion for peaceful uses or potential military purposes.

But India has taken the stand that safeguards agreed upon for the Canadian-supplied equipment, materials and technology did not debar India from carrying out peaceful explosions for harnessing nuclear energy for economic uses.

If Canada has chosen to over-react to the Pokhran test, there was nothing that India could do to mollify it consistent with its own sovereign rights.

Real strains: The real strains in Indo-Canadian relations developed three years later when Canada went back on the agreement reached for resuming the supply of the contracted equipment for the second reactor at the Rajasthan plant. It left India with no option except to call off the Indo-Canadian nuclear cooperation agreement.

However, the door was left open for the resumption of cooperation in other spheres by voluntarily retaining the safeguards on the Canadian-supplied equipment.

And now the U.S. is relying on this precedent to press for observing the same procedure in the event of a termination of the Tarapur agreement.

CSO: 4220/7391

WEST BENGAL PANEL DEFINES 'POLITICAL PRISONER'

Calcutta THE STATESMAN in English 24 Jul 81

[Text]

THE West Bengal Jail Code Revision Committee, headed by Mr Tarapada Lahiri, has for the first time defined a "political prisoner" and a "political offence". The six-man committee has already submitted its interim report and the first part of its final report. The second part of the final report is ready and is being printed.

The committee has defined a political offence as one committed while furthering a political or democratic movement. This includes an act performed by an individual with an exclusively political objective free from personal greed or motive. The committee has described a political prisoner as one arrested on a charge of political offence.

Sources close to the committee said in Calcutta on Thursday that in Tamil Nadu the jail revision committee had recommended the status of political prisoners only to those who were involved in non-violent movements. The West Bengal committee felt, however, that such a view was unrealistic since hurling bombs or stones had become a common feature in political agitations. But, to discourage extremist activities, the West Bengal committee had further recommended that "severe, premeditated and pre-planned violence" would not be considered a political offence, the sources added.

In order to discourage communal or regional activity, the committee has suggested that public agitation by any communal, regional, racial or caste group against any such other group will, under no circumstances, be treated as a political agitation.

The committee has further recommended that anyone convicted twice on charge of adulteration of food or medicine or for trading in contraband goods, irrespective of his social position, will not be given any superior class while in prison, but be treated as an ordinary prisoner.

The sources said that a separate chapter on political prisoners had been included in the first part of the final report. The Jail Code Revision Committee, which had its first meeting in September, 1978, had completed its work in April this year. The committee's term had been extended by three months to enable it to draft a statute for inclusion of the rules recommended by it. The new statute would replace the Prisons Acts of 1894 and 1900, they added.

CSO: 4220/7383

PUNJAB CHIEF MINISTER RESIGNS CONGRESS-I POST

Madras THE HINDU in English 24 Jul 81 p 7

[Text]

NEW DELHI, July 23

The Punjab Chief Minister, Mr Darbara Singh, who succeeded in one-upmanship against the Akalis, has lost to the rival faction in the ruling Congress (I) in the State.

As a result, he has given up the post of PCC (I) President, he jealously retained along with his position as head of the administration in the last 15 months.

His supporters are naturally unhappy at the setback that came at a time when their leader, they thought had performed a hat-trick by a visit to London.

They regarded this trip as a smart job that would help them in the fight against the Akalis and push up the stock of the Chief Minister in the State as well in the party. They were only partially right.

A public relations job: The visit to London was intended to be a public relations job on behalf of the Congress (I) and the Government with the Sikhs settled in the U.K. In the past the Akalis assiduously nursed the overseas constituency with the result they could draw on the monetary resources of the Sikhs abroad and also utilise them in other ways in their fight against the Government here and the ruling party.

The Khalistan demand used by the Akali factions for partisan gains, had been inspired and supported by the Sikhs settled in the U.K., the U.S. and Canada.

By establishing contacts with the overseas Sikhs at a psychological moment—at the time of disturbances in London and other places—Mr Darbara Singh sought to deny to the Akali groups the advantage they had enjoyed in the past.

The idea was to try to create confidence among the Sikh settlers and in the process convey to them the Congress (I) message and wean them away from the Akalis.

The Chief Minister's visit had been carefully planned after clearance from Mrs Gandhi. The Akali leader, Mr Gurcharan Singh Tohra, was in London before the disturbances and had planned another visit. Mr Darbara Singh scored over him.

There is no way of finding how far Mr Darbara Singh succeeded in countering the Akali appeal among the Sikhs abroad but on his return his aides, including a PCC (I) functionary who accompanied him to London, were seen congratulating themselves on the 'success' of the visit.

Mr Darbara Singh met the Prime Minister three days ago to report on the outcome of his trip. His supporters were happy at the goodwill for the Chief Minister in Delhi.

Yesterday, however, Mrs Gandhi curtly told him to quit the party post and he immediately complied with the directive. His supporters were stunned.

In the past, Mr Darbara Singh had succeeded in convincing the High Command about the importance of continuity in the party's stewardship despite the powerful campaign of his rivals in the party who enjoyed the support of the Union Home Minister, Mr Zail Singh.

Change in mood: The change in the mood in Delhi was significant. Not long ago, Mr Kalpanath Rai, AICC (I) General Secretary, who is in-charge of the Punjab affairs, wrote to Mrs Gandhi that the State unit had become inactive and needed to be energised under the guidance of a full-time president. But another general-secretary, Mr. Moopanar, disowned the letter.

Obviously, the High Command at that stage felt that Mr. Darbara Singh's problem was genuine and that a change, though necessary, could take time. Yesterday's directive told a different story.

UNI reports:

Three senior leaders are staking their claim for the presidentship of PCC (I). They are: Mr. R. L. Bhatia, Mr. Satpal Mittal, both MPs and Mr. Hansraj Sharma former Finance Minister.

CSO: 4220/7384

'NO SERIOUS EFFORT' AT BONDED LABOR REHABILITATION

Madras THE HINDU in English 24 Jul 81 p 9

[Text]

NEW DELHI, July 23.

The Programme Evaluation Organisation (PEO) of the Planning Commission has expressed dissatisfaction with the implementation by the State Governments of the Centrally-sponsored schemes to identify, free and rehabilitate the bonded labour in the country.

In view of the poor performance of the schemes so far, revised guidelines for the rehabilitation of the bonded labour are being issued by the Centre.

The PEO, which carried out an evaluation study of the schemes, has found that in most States no sincere efforts have been made for their implementation. The process of identification is incomplete and rehabilitation efforts are half-hearted.

With regard to individual schemes, though some assets like land, bullocks and cattle have been distributed to the bonded labour, the accompanying facilities to utilise them have not been provided in most cases, as a result of which the beneficiaries are not able to use them.

A large number of released bonded labourers are still awaiting rehabilitation.

The PEO feels that most State Governments seem to be interested only in seeking financial assistance. In some cases, the State Governments have not even formulated the rehabilitation schemes.

Figures vary: A major problem faced by the Centre is that the estimates of bonded labour vary widely and there is still no precise idea of the dimensions of the problem.

Ten State Governments have given a figure of 1,21,973 for identified and freed bonded labour, of whom they have claimed that 1,08,012 have been rehabilitated. This leaves 12,961 for rehabilitation.

Among the 10 States, Karnataka has given the highest figure of 62,699 as identified and freed bonded labour, of whom it claims to have rehabilitated 55,444.

Tamil Nadu takes the second place with 27,874 identified and freed bonded labour of whom 27,670 are said to have been rehabilitated.

The corresponding figures for the remaining eight States are: Andhra Pradesh 12,701 and 9,854; Rajasthan 8,000 and 6,000; Bihar 4,603 and 4,013; Uttar Pradesh 4,969 and 4,969; Madhya Pradesh 1,531 and 58; Kerala 700 and 308; Orissa 854 and 854; Gujarat 42 and 42.

These figures show that bonded labour does not exist in some of the States.

Though the Centre has accepted the figures given by the State Governments, the PEO has found that the claims of the States cannot be taken seriously.

The Gandhi Peace Foundation and the National Labour Institute, which carried out a survey in 1978, have given a much higher figure of 26.17 lakhs for the 10 States.

Their break-up is: Andhra Pradesh 3.25 lakhs; Bihar 1.11 lakhs; Gujarat 1.71 lakhs; Karnataka 1.93 lakhs; Madhya Pradesh 5 lakhs; Maharashtra 1 lakh; Orissa 3.50 lakhs; Rajasthan 67,000; Tamil Nadu 2.50 lakhs and Uttar Pradesh 5.50 lakhs.

Yet another estimate of the incidence of bonded labour arrived at by the National Sample Survey Organisation is 3.45 lakhs.

CSO: 4220/7384

PUBLICATION REVEALS BENGAL FRONT EMPLOYMENT POLICY

Calcutta THE STATESMAN in English 25 Jul 81 p 3

[Text]

THE State Coordination Committee of Government Employees, a CPI(M)-controlled organization, recently published a collection of orders issued by the Left Front Government since June 1977, regarding changes in the service condition of employees. It goes to show that during the first few months after the Government came to power, it was more concerned with restoring recognition to friendly unions, reversing orders issued during the earlier Congress regime "victimizing" Government employees on political grounds, and undermining the importance of police reports than with other issues.

The publication points out that lately, the stress has been on enhancing trade union rights of the employees and making substantial changes in the system of writing annual confidential reports of individual employees. While the employees unions supporting the Left Front Government are happy with the decisions, those critical of the Government feel that some of the orders have led to inefficiency and indiscipline.

The critics of the Government say that the decision to make seniority in service, rather than the annual confidential report, the basis for promotion in the Class III and Class IV services will kill the initiative of efficient workers.

Again, the introducion of the system of writing "open" reports in place of the prevailing confidential ones, with provisions for the employees concerned to make representations to higher authorities, has rendered the whole exercise meaningless. It has also undermined, they say, the system of checks and counter-checks, one of the basic tenets of bureaucratic administration.

The Left Front Government has guaranteed all categories of Government employees, except the police, the jail staff, the West Bengal Civil Service and allied executive, administrative, medical, engineering and educational services the right to form unions and associations and full trade union rights, including the right to strike. The emergency services, like the Fire Brigade, has also been granted the right, though for them the strike notice period is twice as long as that required for other categories of employees.

The Government has introduced a new rule stating that absence from duty for trade union work by the office-bearers of the unions will not be regarded as an irregularity in attendance if such absence is intimated earlier. The critics say however, that this rule will provide opportunities to the recalcitrant employees to abstain from work.

The publication points out that the Government has decided to recruit, through employment exchanges, 70% of the vacancies arising in Government establishments and undertakings and to reserve the other 30% for exempted categories. But the critics feel that the provision for setting up advisory committees for screening the names forwarded by the employment exchanges leaves a scope for partisan recruitment.

CSO: 4220/7389

CENTRAL TRADE UNIONS PLAN NOVEMBER PROTEST

New Delhi PATRIOT in English 25 Jul 81 pp 1, 10

[Text]

THE National Campaign Committee of eight central trade union organisations has decided to hold an all-India Protest Day on 3 November to highlight working class' outstanding demands and record the workers' indignation over the continuing violations of trade union rights, and then organise a massive workers' march to Parliament in the third week of November.

The decision was taken at a meeting of the NCC in the Capital on Friday morning. A press release after the meeting informed that the march to Parliament would "serve notice on the Central Government to retract from its anti-labour and anti-people policies or to face the united struggle of the working class in the form of an all-India one-day general strike whose exact nature would be decided and announced later".

The meeting, which was a follow-up of the Bombay Convention of Trade Unions in early June, noted that preparations for similar conventions at the level of States were going on satisfactorily and such conventions in all States would be over by the middle of September with the full cooperation of the eight trade union centres and over 40 industrial and trade federations which had attended the Bombay convention.

It was decided that the all-India Protest Day would be marked by united demonstrations in all State capitals and industrial centres.

The NCC further decided to make a representation to the International Labour Organisation requesting it to institute an inquiry into the trade unions' complaints of gross violations of the rights of freedom of association and collective bargaining. A detailed report bearing instances of such violations is to be presented to the ILO by mid-September.

The NCC expressed grave concern over the fact that in the seven weeks that had elapsed since the Bombay convention, there had been several serious developments urgently necessitating a "mighty, united and countryside mobilisation of the working class".

These developments included, according to the press release of the meeting, the "Government's shameless jacking up of prices of oil, petroleum products, cement, etc thereby stoking the fires of inflation; the reported decision to make arbitration compulsory by law in order to ban all strikes and to exclude so-called 'losing' concerns from liability to pay the minimum statutory bonus; withholding of two instalments of due DA from the Central Government employees; the brutal murder of trade union leader Jayprakash at Modinagar; the detention of Dr Datta Samant in Bombay under the NSA and banning of workers' rally."

The NCC appealed to all trade unions, including those which were unable to participate in the Bombay convention, to join the movements being contemplated at all levels in order to "ensure a mighty mobilisation of the working class for the success of the programme decided on."

The meeting was attended by Mr Indrajit Gupta, MP (AITUC), Mr D D Vasisht (HMS), Mr Ram Naresh Singh (BMS), Mr P Ramamurti, MP (CITU), Mr J S Dara (INTUC), Mr Pritish Chandra (UTUC-Lenin Sarani), Mr Sushil Bhattacharya (UTUC) and Mr Amar Prasad Chakraborty, MP (TUCC).

CSO: 4220/7392

ERRATIC MONSOON AFFECTS KARNATAKA HARVEST PROSPECTS

Bombay THE TIMES OF INDIA in English 23 Jul 81 p 7

[Article by H. Kusumakar]

[Text]

BANGALORE.

EVERYONE is keeping his fingers crossed over the erratic behaviour of the monsoon in Karnataka. Bitter memories of last year, one of the worst drought years, haunt farmers and officials in six of the 19 districts, as they look up to a cloudless sky.

During June, the rain god failed in Chitradurga, Bangalore and Tumkur districts. The rainfall was insufficient in Shimoga, considered the heartland of Malnad, normally prone to receiving heavy downpours, and Mysore as well as parts of Hassan districts.

Standing kharif crops have withered in these areas owing to lack of soil moisture. The field staff of the agricultural department here has been asked to persuade farmers to put into action a contingency plan in place of the normal kharif programme.

A silver lining is that, in most other districts, the monsoon appears normal till now. However, it is premature to assume that normalcy will continue throughout the season.

The targets for the current kharif season are: cereals (6.3 million tonnes) and pulses (half a million tonnes). This is based on the assumption that the rainfall will be normal throughout the state. In the face of delayed or deficient rainfall, the actual production will be much less.

It is still unknown what will be the shortfall. But it may not be as bad as last year's when the kharif crop was a major disappointment. "We shall have to wait and see how the monsoon behaves now and in August", the officials say.

There seems to be a certain repetition of the behaviour of the monsoon this year like last year which saw the commencement of the monsoon on time. Preparation of land and other pre-monsoon arrangements were completed awaiting rains, calculated on a study of the rainfall pattern in the last 40 years. So far, so good.

Three-fourths of Karnataka's food production is accounted for by the kharif crop, raised during the southwest monsoon. The other one-fourth is harvested in the following rabi and summer seasons.

DRY SPELL

Last year, there was an unprecedented dry spell in a majority of the districts while there were floods in the others. The net result was that the kharif, rabi and summer crops were badly affected, with the production going down by 26 per cent (kharif), 27 per cent (rabi) and 37 per cent (summer).

What began as a minor manageable drought situation assumed phenomenal proportions. One hundred and fifty-one talukas of a total of 175 in 16 of the 19 districts were in the grip of drought. Over 90 per cent of about 22,000 minor irrigation tanks dried up. A third of the state's population lived without knowing what the morrow had instore for them. A massive relief operation was resorted to.

Karnataka is said to be self-sufficient in food, with a production of 7 million tonnes in a normal year. Last year's output was only 5.4 million tonnes. The position of oil and pulses is worse — a deficit of about 40 per cent. At one time, it was claimed that productivity of some major crops in Karnataka was equal to, or more than, the all-India average. But the fact remains that the yield rate has been steadily going down owing to uneven distribution of rainfall in many districts.

CSO: 4220/7374

KERALA ASSEMBLY DISCUSSES DELHI IMPORT POLICIES

Bombay THE TIMES OF INDIA in English 23 Jul 81 p 7

[Text] Trivandrum, July 22: A resolution urging the Union government to ban the import of coconut oil, copra, rubber and cocoa was passed unanimously by the Kerala legislative assembly today.

The resolution, moved by the chief minister, Mr E. K. Nayanar, said the crisis in the tea industry following the crash in price in the international market should also be overcome.

The import of cash crops and the crisis in the tea industry had adversely affected the economy of the state which is traditionally sustained by cash crops.

All political parties said the import policy of the Centre would be detrimental to Kerala. Kerala could save its rubber, cocoa and coconuts, three of the most important crops, only if they were protected from import, they argued.

The opposition parties, including the Congress(I), supporting the demand for the ban on import, criticised the Marxist-led state government for its inability to exploit the rich agricultural resources in Kerala.

It did not do anything to protect the prices of cocoa and coconut. These two were still at the mercy of the private sector, they alleged.

The leaders of the opposition parties, except the Janata Party, will leave for Delhi tomorrow to press the Centre to ban the import of cocoa, coconut and rubber.

CSO: 4220/7374

STEPS TO IMPROVE BOMBAY PORT OPERATIONS OUTLINED

Bombay THE TIMES OF INDIA in English 23 Jul 81 p 3

[Text] Bombay, July 22. A number of measures, proposed by the port trust authorities, to improve the performance of Bombay port were outlined by Mr K. K. Uppal, chairman of the port trust, at a news conference today.

The use of 21 berths at Indira dock, excluding the harbour wall berths, has been further rationalised and certain measures are to be taken to improve the operational efficiency at the dock.

The result would, however, depend on people connected with the operations at the port. Often, strikes, like that by the employees of the clearing and forwarding agents in February, March, or the present transport operators' stir, on issues with which the port trust has nothing to do, dislocate the functioning of the port.

For instance, the transporters' strike, which incidentally, coincided with the new arrangement for allocation of berths at Indira dock on July 15, had upset dock operations and the full benefit of the scheme could, therefore, not be reaped, Mr Uppal said.

The strike had spread today and it would affect clearance from the docks. It was a factor beyond the port trust's control. After the three-week strike in February/March, 1.2 million packages had piled up, congesting the docks. This figure compares with 450,000 packages awaiting clearance today.

The transport secretary, Mr Mohinder Singh, had gone round the docks, on foot, and talked to people during his present visit, in a bid to ascertain the position. He has pointed out to the administration areas where further improvements could be made.

The Measures

The measures to improve the operational efficiency of Indira dock include rearranging of the flow of traffic inside the docks and location of weigh bridges; re-designing lighting arrangement by providing high-mast lighting system; continuous stacking arrangement inside sheds for speedier availability of cargo and to curb loss, misplacement and pilferage; constructing of more warehouses outside the docks, depending on the availability of land, to decongest docks;

the re-designing of the location of structures inside the dock to ensure a more rational utilisation of available space and release of berths in a systematic way for repair, improvement and dredging of the dock basin.

Docks remained congested because the consignees did not clear the cargo on time for various reasons, despite the demurrage being stiff. Last year the port collected Rs 50 crores by way of demurrage," but we will be very happy not to earn this. Use of our space is much more valuable than earning demurrage," Mr Uppal said.

Whether, and in what category of goods, the demurrage could be stepped up would be considered by the board of trustees, he added.

There has been an improvement in the port's performance since 1978-79. The turn-round time had come down from 14 days in 1978-79 to 11.91 days in 1979-80 and 8.43 days in 1980-81; the shipdays lost declined from 11,407 to 5,185 and to 3,762 and mandays lost from 298,004 to 47,571 and 50 13,484, respectively.

The gang/shift output had improved from 61.96 tonnes to 75.18 tonnes in three years for the port labour, and from 60.37 tonnes to 75.02 tonnes for dock labour.

In the April-June period this year, 542 ships were handled, compared to 494 in the corresponding period last year and 468 the year before.

CSO: 4220/7374

KASHMIR CROPS RECOVERING FROM HEAVY RAINS

Bombay THE TIMES OF INDIA in English 24 Jul 81 p 6

[Article by V. K. Dethe]

[Text]

SRINAGAR.

UNUSUALLY heavy rains in the Kashmir valley last month partially affected the newly-transplanted paddy. But official sources say that the damage is not heavy and the crop has started doing well with improvement in the weather conditions.

While paddy transplantation in the valley is complete, it is likely to be over in the next couple of weeks in the Jammu region.

The stress this year, like in the previous years, is on the supply of high yielding variety (HYV) of paddy and maize seeds to the farmers. Paddy and maize are the two major kharif crops of the state though some zira (cummin) is also being cultivated in isolated pockets. Paddy and maize cover 2.65 and 2.75 lakhs hectares respectively.

Production targets for this year's khariff have been fixed at 6.20 lakh tonnes of paddy and 4.40 lakh tonnes of maize.

According to the director of agriculture, Mr. U. Khan, the food production target for 1981-82 has been fixed at 14.40 lakh tonnes. It is proposed to cultivate HYV of paddy on 225,000 hectares. Similarly, HYV of maize and wheat will be planted on 53,000 and 790,000 hectares respectively.

The per hectare consumption of fertiliser which has been showing a steady upward trend during the past few years, is now placed at 42 kgs.

Pesticides consumption is also picking up but because of the climatic conditions in the valley and the evolution of disease-free seeds, its offtake is not as large as in the rest of the state. It is, however, proposed to cover 100,000 hectares under an intensive pesticides covering programme this year.

Experiments for cultivating saffron on the valley have started paying dividends. The demand for the seed has increased and a farm is being established for seed multiplication on a 100 acre plot on the outskirts of the city. A quintal of saffron seed costs Rs. 1,000 and it takes roughly 24 quintals to cover an acre. Seed from the experimental farm will be supplied to the farmers at a subsidised rate.

CSO: 4220/7381

NAGALAND ASKS HALT TO OIL EXPLORATION IN STATE

Calcutta THE STATESMAN in English 23 Jul 81 p 9

[Text] Shillong, July 22--Nagaland has made a strong plea to restrain the Oil and Natural Gas Commission from exploring oil in the State, which has launched an ambitious programme in several areas. Interestingly enough the Nagaland Congress(I) leaders are spearheading the movement.

With this end in view Nagaland has invoked the Article 371(E) of the Constitution to restrain the ONGC from exploration of oil in the State. The clause lays down that there could be no transfer of land and resources of Nagaland without a resolution passed by the State Assembly. The present exploration by the ONGC has not been endorsed by any such resolution.

The commission had already struck oil in the Changpang area of Wokha district.

It is the Congress(I), now in opposition in the State Assembly, which has been taking the lead in opposing the oil exploration move.

The Constitution provides that the resources found under the earth belong to the Centre and the State Governments could not exploit them without the permission of the Union Government.

At present, the Centre is trying to maximize oil production and the biggest store for this is the northeastern region.

During the meeting of the president of the AICC(I) Coordination Committee for the north-eastern region at Dimapur, with Mrs Gandhi, who is Congress(I) president the matter came up for reference.

The Prime Minister made no "secret of her displeasure" of the Nagaland Legislature Party's resolution asking the Government to stop oil exploration before the State Legislative gave its green signal by passing a resolution.

The Nagaland Congress(I) president, Mr Chiten Jamir, discussed the matter with the Principal Secretary of the Prime Minister Secretary of the Prime Minister, Mr P. C. Alexander, and conveyed the party's objections to oil exploration by the ONGC in the State.

CSO: 4220/7376

BRIEFS

GOLD IN UTTAR PRADESH--Roorkee, July 22 (PTI)--Traces of gold have been found in Bijnore and Naini Tal districts during a geohydrological study conducted recently, according to Dr Dhaneswar Rai of ground water investigation organisation, U.P. Dr Dhaneswar said during the investigation, fine flakes of gold in stream sediments of rivers Khoh, Ramganga, Begha and the Dhilla in Bijnore and the Kosi river in Naini Tal district were found and could be accumulated. Besides gold, traces of other heavy minerals were also found which need further investigation, he said. [Text] [Bombay THE TIMES OF INDIA in English 23 Jul 81 p 7]

NEWSPRINT IMPORT DUTY--New Delhi, July 22--Two more newspapers--the NAI DUNIYA of Indore and the DECCAN HERALD group of Bangalore--have obtained a stay from the Supreme Court of a Government order levying a 15% surcharge on imported newsprint, reports UNI. With this, the number of newspapers which have got the stay has gone up to 10. The others are: THE STATESMAN, TIMES OF INDIA, INDIAN EXPRESS, ELNADU, the JANAMABHOOMI group, HINDUSTAN TIMES, HIND SAMACHAR and the MALAYALA MANORAMA group. [Text] [Calcutta THE STATESMAN in English 23 Jul 81 p 9]

LALDENGA ON SAILO--Mizo National front leader Laldenga has called on Wednesday for the dismissal of the Mizo government led by Brig. T. Sailo for its anti-people policies reports PTI. Mr Laldenga said that 27 students, including 20 girls, were injured in "unprovoked" teargassing and lathi-charge by police at Aizawl on Wednesday. He claimed that five students were hospitalised with broken bones. The genesis of the trouble, according to Mr Laldenga, was the unauthorised arrest of three student leaders from their houses around 2200 hours on Tuesday. "Thousands of students gathered at the police station where they were held, on Wednesday morning. Around noon the police charged them after they refused to disperse till their leaders were released unconditionally," he said. Mr Laldenga drew the Centre's attention to the situation in Mizoram and blamed Brig Sailo for first instigating the student community and then taking stringent action against them. [Text] [New Delhi PATRIOT in English 23 Jul 81 p 4]

BOMBAY CONGRESS-I STATUS--New Delhi, July 23--The Congress high command has decided to raise the status of the Bombay Regional Congress Committee by making it an independent in its functioning and eliminating the Bombay Pradesh Congress Committee. Mr Vasantrao Patil, general secretary, who met Mrs Indira Gandhi this morning to discuss organisational matters, said that "there will

be no BPCC." The new team for the BRCC will be announced in a few days. Asked about when the working committee will meet to discuss the question of admitting Mr Y. B. Chavan and others, Mr Patil said that Mrs Gandhi had told him that she would indicate the date in a day or two. "The decision will definitely be taken before parliament opens on August 17," he said. [Text] [Bombay THE TIMES OF INDIA in English 24 Jul 81 p 1]

WAR WITH PAKISTAN--Bombay, July 22--The CPM politburo member, Mr M. Basavapunnaiah, has appealed to the people not to underestimate the threat of a war on the Indo-Pakistan border. Speaking at a public meeting here today, the CPM theoretican said the Zia regime was acting at the behest of U.S. imperialism. The U.S. administration was encouraging separatist forces all over the country. The encouragement of the Khalistan movement, initiated by some U.S.-based Sikhs, and its support to Islamic fundamentalists was all part of the sinister designs of Washington, he charged. He accused the Bharatiya Janata Party and other bodies of behaving in an unpatriotic manner by supporting the movement in Assam. The CPM leader also charged Mrs Indira Gandhi with failure to handle the nation's problems effectively. While she was denouncing arms supply to Pakistan, her government was also seeking aid from the World Bank and importing wheat from the U.S. Another politburo member, Mr B. T. Ranadive, also spoke, Mr S. Y. Kolhatkar presided. [Text] [Bombay THE TIMES OF INDIA in English 24 Jul 81 p 7]

INDIGENOUS SOLAR CELLS--Bangalore, July 23--The first batch of indigenously produced solar cells for use by the Indian space missions was handed over to Prof S. Dhawan, Chairman, ISRO, here on Wednesday. The technical know-how for this was developed by the Bhaba Atomic Research Centre (BARC). Prof Dhawan said the manufacture of solar cells was an example of cooperation between research organisation and industry, and hoped that BHEL the manufacturers, would plan to adopt these for terrestrial use. Prof U.R. Rao, Director, ISRO satellite centre, Bangalore pointed out that future space programmes demanded extensive research and development efforts regarding higher efficiency solar cells. Mr K. R. Parameswar, Executive Director, BHEL welcomed the gathering. [Text] [Madras THE HINDU in English 24 Jul 81 p 7]

CEMENT PRICE INCREASE--Consumers of cement will now have to pay Rs 4.10 more per bag of 50 kg following an increase of Rs 81.91 per tonne in cement prices with immediate effect. Cement will now cost about Rs 30 per bag, reports PTI. The Government has also announced an increase of Rs 34.74 in the retention price for producers (Rs 1.74 per bag of 50 kg) to cover escalating costs of input. The last increase in retention price took place in May 1980. At that time the consumer price was not increased. [Text] [New Delhi PATRIOT in English 24 Jul 81 p 1]

SECRETARY TO PRESIDENT--Tirupati, July 23 (UNI)--Mr V. K. Rao, former chief secretary of Andhra Pradesh, has been appointed as the principal secretary to President Sanjiva Reddy. The appointment was made today, official sources said. [Text] [New Delhi PATRIOT in English 24 Jul 81 p 7]

PAKISTANI SPY RING--Jammu, July 23 (UNI)--The Jammu and Kashmir police claim to have uncovered a Pakistani spyring operating in the State. Five persons, including a Pakistani national have been arrested in this connection, an official report said. [Text] [New Delhi PATRIOT in English 24 Jul 81 p 4]

PUNJAB PCC-I HEAD--New Delhi, July 24 (PTI)--Miss Sarla Prashar, a former minister, was today appointed president of the Punjab PCC(I), succeeding Mr Darbara Singh, the state chief minister, who resigned from the organisational post two days ago. Miss Prashar, who was one of the leading contenders for the post, has been informed by the AICC general secretary, Mr G. Moopanar, of her appointment by the Congress(I) president, Mrs Indira Gandhi. Miss Prashar, who was a member of the Zail Singh ministry in the state before the Congress lost power to the Akalis in 1977 elections, will be the first woman to head the PPCC(I). In a statement, Mr Darbara Singh welcomed her appointment, saying that she was a dedicated person who had served the party for more than 30 years. She had stood by Mrs Gandhi during the worst political crisis of her life, he said. Mr Darbara Singh had a 15-minute meeting with Mrs Gandhi, during which he discussed organisational and other issues. [Text] [Bombay THE TIMES OF INDIA in English 25 Jul 81 p 1]

MEXICAN CRUDE STOPPED--New Delhi, July 24--Import of crude from Mexico has been stopped. The Mexican authorities have accepted this country's contention that the Mexican crude is not suitable for the Indian refineries, it is learnt. A delegation of refining experts from Mexico had concurred with the experts' views here. [Text] [Bombay THE TIMES OF INDIA in English 25 Jul 81 p 9]

ARUNACHAL PRADESH LIEUTENANT GOVERNOR--Itanagar, July 24--Mr Harishankar Dubey was sworn in as the Lieutenant-Governor of Arunachal Pradesh here yesterday, reports PTI. The Acting Chief Justice of Gauhati High Court, Mr Dumbaru Pathak, administered the oath of secrecy. Mr Dubey, who succeeded Mr R. N. Haldipur as the third Lieutenant-Governor of Arunachal Pradesh, which had been declared an Union Territory on January 21, 1972. Mr Haldipur, who has become Lieutenant-Governor of Pondicherry, left here today to take over his assignment. [Text] [Calcutta THE STATESMAN in English 25 Jul 81 p 7]

AMBASSADOR TO TURKEY--India's new Ambassador to Turkey is a prominent Calcutta industrialist, Mr Parimal Ghosh. He took up his post in Ankara last week. A member of the Lok Sabha from 1967 to 1971, Mr Ghosh was a Minister in the Ministry of Works and Housing and also Union Minister of State for Railways. His most recent public appointment was as a delegate to the 36th session of the United Nations General Assembly last year. [Text] [Calcutta THE STATESMAN in English 25 Jul 81 p 3]

COOPERATION WITH KENYA--India and Kenya have identified machine tools, spare parts for defence, textile weaving and leather and tanning projects to be taken up for early implementation under Kenya and India cooperation programme for industrial development in Kenya. In addition the two countries have also formulated proposals with regard to survey for manufacturing of pesticides perspective plan for development and setting up research and development facilities for electronic industry and assistance to Kenya with regard to standardisation and quality control. [Text] [New Delhi PATRIOT in English 25 Jul 81 p 7]

ASSAM DISTURBED AREAS ORDER--Gauhati, July 24 (PTI)--The Assam Government today extended the provisions of the disturbed areas under the Armed (Special Powers) Act, 1958 for a period of two months in the oil pipelines and oil installations in the State. [Text] [New Delhi PATRIOT in English 25 Jul 81 p 8]

PONDICHERRY PCC-I CHIEF--Pondicherry, July 24 (PTI)--Mr Venkatasubba Reddiar president Pondicherry Pradesh Congress-I committee has resigned his post. According to party sources here Mr Reddiar has sent his resignation letter to the Congress-I high command. [Text] [New Delhi PATRIOT in English 25 Jul 81 p 4]

USSR FINANCE AID--The Soviet Union will partly finance the coal-based Waldhan super thermal power project in Madhya Pradesh, reports PTI. This was one of the decisions taken by the Power Ministers of India and the USSR during their meeting in Moscow recently. Stating this in an interview to the Soviet Land magazine in connection with the tenth anniversary of Indo-Soviet Treaty of Peace, Friendship and Cooperation Energy Minister, A. B. A. Ghani Khan Chowdhury said that the Indo-USSR working group on power would meet in Moscow during the fourth quarter of this year for further discussions on cooperation in power engineering. The recent meeting in Moscow he added also finalised the visit of three teams of Indian experts to the USSR this year to study related matters pertaining to thermal power stations power systems development and hydroconstruction methods respectively. [Text] [New Delhi PATRIOT in English 25 Jul 81 p 5]

CSO: 4220/7393

DEFENSE MINISTRY MONOGRAPH OUTLINES MASS MOVEMENT TASKS FOR ARMY

Phnom Penh KA NGIA CHOLANA PRACHEACHON [MASS MOVEMENT WORK] in Cambodian 1980 pp 1-13

[Monograph Published by the PRK Ministry of National Defense, dated 1980]

[Text] I. The Duty of Mass Work at the Base Level

1. The army's mass movement work is a part of the party revolutionary movement. It is also an important aspect of party work.

Political work in the people's armed forces then becomes the political task of our army.

2. The revolutionary army is born of the people. This army is fighting for the people so the army has to work closely with the people.

All army activities such as fighting, building, and all victories in the fight to expel the imperialists and the lackey traitors cannot be separated from the struggle of the masses. Therefore, we can proclaim that the people are certainly the main force of our revolutionary army.

3. Our army's mass movement work has the purpose of building up the force of solidarity and winning victories and lies in all the stands and political positions of the party, the front and the people's revolutionary council. It is the causitive agent for people's war, strengthens the [ideal of] defense in all the people, and maintains revolutionary ideals for the armed forces. This means that the army and the people are one.

4. At the base level, the army is in close touch with the people in all activities such as combat and performing daily tasks. If our cadres and fighters of both sexes do a good job in mass work, maintaining discipline in contact with the people, they would sympathize with and love our army. And the people would also strongly believe in our army and our revolutionary regime. The people would then also support our army, if we fulfill all our duties.

In the mass movement, the cadres and combatants should learn many good lessons from the people and always be frank with them in order to always be of good service to the people.

II. Essence of Mass Movement Work

Today the country is completely liberated and fully controlled by the people. But the revolution still faces difficulties of all kinds posed by the Pol Pot-Ieng Sary genocidal regime; the sense of revolutionary consciousness among the people is still low and the people's lives are not stable at all. The revolutionary state power is still very new. The enemy is trying every trick to destroy the revolution, spreading vicious propaganda to deceive and destroy the unity of the army and the people, and to divide the Kampuchean army from the fraternal Vietnamese army. They intend to weaken our revolution.

Facing this problem, the mass movement work of our army must gather all spiritual and physical strength to do the following well:

1. Propaganda work to inspire mass movement.

The propaganda task to inspire the mass movement includes making people clearly understand all revolutionary policies, goals and tasks of the party, the front, the people's revolutionary council and the army. The major parts of this are:

--make propaganda about the victories of the revolution and the army. We also have to define clearly the cause and meaning of the victory.

--unmask all enemy tricks and schemes, struggle against the psychological warfare of Beijing, the imperialists and the reactionary lackey traitors.

--let people see and clearly understand what will be easy and what will be difficult about the revolutionary process so that they make an effort in the struggle to execute all revolutionary tasks.

--develop a conscience of mastery of the land, a conscience of respect, a conscience of national joy as well as a sense of true patriotism and international solidarity. This is aimed at making effective the people's policies so they can distinguish clearly friends from enemies. We have to commit ourselves to rebuild our lives and follow the path of the party and the front.

2. Unite with the people to build vividly vigorous and revolutionary armed forces and to assist people in changing their material and spiritual living conditions.

Our armed forces belong to the people and are born of people. The armed forces fight in the people's interest. So creating mass work is to help strengthen and build the revolutionary forces; to serve people's living conditions materially and spiritually. Serving the people is also part of the effort of the revolutionary army. There are basic differences between the efforts made by the revolutionary army and the counterrevolutionary army as follows:

—We have to play our part in building and strengthening revolutionary state power, to build the mechanism and build all revolutionary mass organizations such as: the militia youth, the women's association, and production solidarity unions. Those mass movements have to work together to score achievements in peace-keeping and in building the new way of living for the people.

--We have to help maintain the bases in the rural regions to select new recruits, for political training, for guerrilla-militia unit political training and finally lead them to know how to fight together to crush the enemy, arrest all the spies and maintain security in their area.

--We have to support the people in agricultural production such as seasonally timely plowing and in irrigation. We have to help the families of combatants, cadres and families who are short of workers in stabilizing their lives such as by helping them build houses.

--Working together with the base-level authorities to educate the hygiene and sanitation corps. We should work to cherish all our cultural activities, arts and sports. We also have to help children and make sure they get an education. In the meantime, we have to eliminate negative corrupt cultural manifestations such as laziness, drinking and sexual licence. We should lead good, clean lives. We also have to build up a good friendship between the people and the army.

3. Firmly Enforce the Disciplne of Relations With the People

We have to enforce firmly the discipline of relations with the people. The revolutionary army cannot lack this. Discipline toward the people is important in that it comes from thought and conscience and it is incumbent upon each cadre and combatant to have absolute respect for them in order to guarantee good relations between the people and the army.

The essence of discipline in relations with people are as follows:

a. We have to respect and defend all classes, the party, the state power and all revolutionary organizations. The fundamental condition is that the revolution is still fragile and the organizations have just been created. The enemy is constantly seeking ways to destroy the revolution. The army must take all measures to respect, defend and help enhance and facilitate things for those organizations and do a good job of fulfilling all tasks;

b. Firmly enforce all party, front and People's Revolutionary Council policies and goals. We also have to follow all goals, policies and regulations made by the base-area state power organs in all areas where troops are stationed.

c. We must know, respect and protect the lives, property and rights of people's freedom, without being capricious or oppressive in arrests, causing hardship in matters of people's property. We must ask them if we want to borrow anything. We have to pay in full if we owe a loan. We have to repair or reimburse in full if anything is broken or damaged.

d. Always behave as a good revolutionary in word and deed. In actions and contacts with the people, be honest and polite. We also have to show our compassion and love toward the elderly and children. Respect all regulations on tradition, customs, and the freedom of the people. There is an old saying: "Make people love you upon your arrival, and miss you when you leave."

If we follow the principles mentioned above, we will be trusted and loved by the people and the revolution will become stronger and stronger because the army and the people are determined to work together.

4. Constantly Take the Advice and Criticism of the People

It can be seen that for the most part our units' cadres and combatants are good but that is not the entirety. There still are cadres and combatants with shortcomings. People can clearly see what is and what is not in the interest of the revolution and the people.

If we constantly seek and receive people's suggestions and criticisms, our cadres and fighters will see their strengths and weaknesses, good from bad. If this is done, our cadres and fighters will make great progress.

People criticize the army sometimes correctly and sometimes not. We know how to identify correct viewpoints and those that are not in order to make a good decision. If there is a substantive problem, we have to apologize to the people. And we explain to them if we think we are right.

III. Every Oeganization Implements Mass Movement Work at the Base Level

At all levels cadres plan and guide mass movement work, but must work under the direction of the party leadership (if their organization has a party chapter).

Cadres at every level in the army must have plans aimed at the realization of the mass movement task and providing guidance (if the organization has a party chapter, it shall be the source of guidance and the cadre in command shall organize things). Plans in leading mass movement work include:

--Handle all the services, understand the people's traditions in the area where the army is stationed, be determined to fulfill plans, requests, the goals and the essence of mass movement work.

--Keep in close touch with the state power and the revolutionary organizations in the region so we can have plans for cooperation and can join forces in mass movement work. Whenever there are achievements in a given area, we must summarize and draw conclusions, joining together with the armed forces and the people. This should be done unit by unit and must be timely in order to enhance quality.

--We have to examine the unit or the individual closely so we can reward the best elements in mass movement work. We will impose penalties on those who have committed disciplinary infractions in contacts with the people which discredit the armed forces.

2. Increase Training, Politics, Guidance and Awareness

--We have to thoroughly educate the cadres and the combatants as to the policies of the revolution; make them clearly understand their duties and their operational objectives in the area where units are stationed. First and foremost we have to explain our policy to our brothers in the units. Then the cadres and combatants can inculcate the people.

--Train the cadres and combatants to trust, love, be close to and be in solidarity with the people. We have to learn how to have confidence in the people so we can bring to fruition the mass movement work.

--All cadres and combatants have to be active in mass movement work so the unit can understand mass movement work.

3. Do a Good Job of Building Relationships With Local State Power

Under all circumstances, the unit has to establish close contacts and relationships with the region. When the army is stationed in an area the cadres of that unit have to initiate things or coordinate with the party organizations, state power and mass organizations of that area.

--We have to be aware of the situation in the region, grasp the political situation, the awareness, the standard of living, production, and the situation of each base-level party movement, state power, each mass organization, militia, guerrilla units, the cultural and social work, the traditions, enemy tricks and schemes, and grasp all objectives of the region where the army is stationed.

--We have to report in detail to the [military] region on the mission of the units (missions approved by higher echelons), and make suggestions to the regions keeping in close touch. This helps to support the units in fulfilling their mission.

--We have to consider the implementation of joint operations for combat support between the units and the region with the aim of fulfilling the units' missions. At the same time [we must] help the guerrilla-militia units in the regions to grow and prosper.

--If the army is stationed in the region for a long time, from time to time, after tasks are accomplished, we must summarize and draw conclusions, solving problems with the help of the region in a timely manner. When the armed forces are moved to another area, unit cadres have to meet with the local state power and each mass organization, keeping in close touch and solicit opinions and criticisms at the same time help solve problems that arise between the army and the people. If the army has to be moved in an emergency we have to designate a representative to stay in the region to solve problems between the army and the people.

4. Make Plans and Provide Guidance in Mass Movement Work

In accordance with party chapter decisions, leadership cadres have to make plans for mass movement work every month.

--The essentials of this are: checking on conditions of previous mass movement work and make plans for the next month.

--Divide the region to take responsibility for mass movement work by sector, making assignments within the scope of the plan so victory can be achieved.

--After the plan has been worked out, we have to make announcements to cadres and combatants on a regular basis, reminding everyone to create conditions in units and individuals to go all out to fulfill tasks and meet the plan's goals.

Drawing Conclusions

Our revolutionary army, formed and strengthened in the revolution of the masses has this meaning: We were born from the people; we fight for the people and the victory of the army is only achieved with the support and hard work of the people. Therefore, mass movement work builds links of solidarity between the army and the people. That the army and the people are one is also a political task, the essence of party work and the political task of the revolutionary army.

All cadres and combatants must understand clearly the meaning of the purpose and the essential elements of mass movement work and raise high a sense of responsibility in mass movement work.

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END

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South and East Asia Report

No. 1047

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No. 1047

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SECURITY FORCES JOIN UNDERGROUND NAGAS' BATTLE

Bombay THE TIMES OF INDIA in English 4 Aug 81 p 9

[Text]

KOHIMA, August 3 (UNI).

ALTOGETHER 31 people were killed in a gun battle between two factions of the underground Nagas, which was joined by the Burmese security force at Ayiching in northern Burma, opposite Tuensang district of Nagaland, on July 17, according to a delayed authoritative report here.

In what was described as the worst-ever battle in recent times, the Burmese security force and the pro-Phizo Naga underground group led by "brigadier" Singyan, made a two-pronged attack on the Muivah-Isac faction of the "national socialist council of Nagaland" which was camping there.

The report said 20 armed men of the Muivah-Isak group, including "major" Tsong were killed, while the casualties on the side of the Burmese force and the pro-Phizo group were eight and three, respectively.

It was not immediately known whether it was a planned joint attempt by the Burmese security force and the Singyan group to eliminate the pro-Chinese Muivah-Isak groups or it was an accidental combined attack.

Both factions of the underground Nagas, who have made parts of northern Burma their sanctuary, were engaged in occasional bloody conflicts to gain supremacy on the issue of leadership of the underground Naga set-up.

CSO: 4220/7488

WORLD SIKH CONVENTION MEETS IN AMRITSAR

Speeches, Resolutions

New Delhi PATRIOT in English 27 Jul 81 pp 1, 7

[Text] Amritsar, July 26. The Akali-sponsored World Sikh Convention, today served an "ultimatum" on the Union Government that if the demands raised by the Akali Dal (Longowal) were not conceded by 31 August, a "dharamyudh" would be started to achieve the same.

Concluding the debates at today's daylong convention, party president Sant Harchand Singh Longowal warned that the Dal would organise a peaceful protest march on 7 September at New Delhi. "Mind you, and let New Delhi also listen, this time we would not fill jails just to languish there. This time we will do something different," Sant Longowal added without elaborating.

List of Grievances

The speeches made at the convention and resolutions adopted listed a large number of grievances and complaints the Akali leaders claimed had piled up over the last 34 years.

The political resolution said that "Sikhs were a nation, but they never had nor now have any intention of secession from India."

It added: but we shall have to engage ourselves in the last and decisive war to seek an end to a life of subservience, political, economic, social and cultural inequality and to achieve for ourselves the right to live with dignity and honour."

The convention, at the historic Manji Sahib hall in the premises of the Golden Temple, was addressed besides Sant Longowal by SGPC president Gurcharan Singh Tohra, former chief Minister Prakash Singh Badal, former Janata Union Minister Surjit Singh Barnala and others. It was a massive gathering and 25,000-capacity Naji Sahib hall was packed throughout the deliberations.

In his speech, Mr Tohra made a scathing attack on the Congress Government at Delhi and Prime Minister Indira Gandhi. He asserted that Sikhs and Akali Dal "knew how to get its due."

Otherwise moderate Mr Badal also did not lag behind in mounting an attack on the ruling party, both at Delhi and Chandigarh.

The convention also resolved its commitment to Anandpur Sahib resolution, calling for a federal structure, with complete autonomy, to the federating State-units.

The printed address of Sant Longowal listed as many as 45 grievances, demands and instances of discrimination against the Sikhs.

The Khalistan folks had their own stall near the hall, and they distributed leaflets.

Report on Working Committee

New Delhi PATRIOT in English 27 Jul 81 pp 1,7

[Text] Amritsar, July 26. In a significant religio-political move, the working committee of Sant Longowal-led Shiromani Akali Dal has declined to criticise, opposed or condemn the demand for 'Khalistan,' it is reliably learnt.

The demand for formally opposing the controversial slogan was made at the working committee meeting yesterday by former Chief Minister Parkash Singh Badal, who reportedly heads what are referred to as 'moderates' in the party. The main opposition came from SGPC president Gurcharan Singh Tohra, MP, considered leader of the 'hawks.'

It may be mentioned here that Jathedar Tohra has just returned from a three-week tour abroad, where he reportedly had elaborate meetings with Dr Jagjit Singh Ajnoha, head priest of Akal Takht, the top religious and temporal authority of the Sikhs, claimed that the mission for which he had gone abroad had been accomplished.

Sources said that his mission along with Mr Tohra was to make attempts to secure or at least apply for 'assocate membership' status for Sikhs at the UN.

The working committee passed four resolutions. One reiterated that 'Sikhs were a nation' with their nationality being Indian. It also demanded the withdrawal of allegedly fabricated and false cases' registered against 15 activists of the Sikh Student's Federation for raising demands like Khalistan. The cases against them had been registered under the Seditions Act.

CSO: 4220/7435

SIXTH PLAN PROGRAM FOR ENERGY DEVELOPMENT TOLD

New Delhi PATRIOT in English 27 Jul 81 p 4

[Text] The Centre has drawn up a massive programme of energy development in the country with an outlay of Rs 26,500 crore for it in the sixth Plan. This forms 28 per cent of the total plan outlay, reports PTI.

The outlay on power sector alone is Rs 19,265 crore which is almost 20 per cent of the total plan outlay in the public sector.

Minister of State for Energy Vikram Mahajan told a meeting of the Rotary Club of Faridabad on Sunday that whereas coal production will be stepped up from 104 million tonnes to 165 million tonnes by the end of the sixth Plan production of crude petroleum will go up by 10 million tonnes, and petroleum products by over 9 million tonnes.

There would be a big increase in power generation which will go up from a level of 112 billion units at the beginning of the sixth Plan to 191 billion units at the end of the Plan.

Mr Mahajan said the power sector has recorded a phenomenal growth during the last three decades and the generating capacity has increased from 2,300 MW in 1950 to 31,000 MW in 1980.

Government had undertaken a number of short-term and long-term measures to achieve a faster growth in power output he said.

The short-term measures included improvement in the capacity utilisation of existing thermal plants several time-bound renovations and betterment programmes for major thermal stations.

In the long-term the Government has plans to execute as many projects as possible with a view to achieving substantial increase in the generating capacity. During the sixth Plan 28,000 MW of additional capacity will be created and by the turn of the century nearly one lakh MW of generating capacity will be added, he said.

The Minister said the Centre will have a greater role in power generation with a gradual increase of emphasis on hydro-development. He told the Rotarians that a number of hydro-projects are held up on account of inter-State issues, and the Centre had suggested that the concerned States hand over such projects for implementation by the central sector.

CSO: 4220/7436

TRADE UNIONS, OTHERS CONDEMN ESSENTIAL SERVICES LAW

New Delhi PATRIOT in English 28 Jul 81 pp 1, 7

[Text] The Ordinance empowering the Government to ban strikes has provoked countrywide condemnation by trade union centres, working class organisations and opposition parties.

Vehement protests were pouring in from State Capitals and industrial centres with urgent calls to the working class to unitedly resist and fight back the 'draconian and dictatorial assault on their fundamental right.'

Major trade union centres like AITUC, CITU, BMS and HMS together with confederations of Central Government employees, railways posts and telegraphs, LIC, banks and civic services condemned the measure in unison and resolved to fight it unitedly.

The resolve received strong support from the CPI-M the CPI the Janata Party, the Lok Dal, the BJP, the Cong-U and the Democratic Socialist Party of Mr H.N. Bahuguna.

Only the Cong-I MPs and party functionaries as also the INTUC-controlled by the ruling party welcomed the ordinance as a 'step in the right direction to restore industrial peace and accelerate production.'

AITUC Warning

The AITUC in a statement warned that if the government thought that such a dictatorial step would be able to suppress the trade union movement and the right to strike 'past experiences have proved otherwise.'

The AITUC said the trade union movement would build up a mighty united resistance movement to beat back the Government offensive.

AITUC president S. A. Dange in a statement in Bombay said if the ordinance is not accompanied 'by effective price freeze and quick and compulsory bilateral settlement' between the union and the employer, it will only lead to an attack on the workers' wages and rights.

He said trade unions of all shades should unite to find ways of protecting the working people.

AITUC secretary T. N. Sidhanta said 'while concessions and reliefs are being showered almost everyday on the monopolists, blackmarketeers and black monied class, the Government was now seeking to gag the working class by banning the strikes.

The central secretariat of the CPI has demanded immediate withdrawal of ordinance and called upon the working class to defend their basic rights and fight against 'ruthless and blanket suppression.'

The ordinance 'is an affront to the democratic principles and norms,' the secretariat now in session in Hyderabad said in a statement.

CITU general-secretary Manoranjan Roy said in Calcutta that this was 'another sign of Mrs Gandhi's autocratic rule.' He called upon the working class to launch united agitations against the ordinance as it was an assault on their fundamental right.

The CPI-M politburo said: 'The ordinance constitutes an attack on the fundamental right to organise and it shows that the Government is determined to scuttle one fundamental right after another.

As the ordinance was intended to crush 'all agitation for better wages and living conditions for the worker' the CPI-M called upon the entire working class to resist the 'attack on their freedom' and compel the Government to withdraw the ordinance.

CPI-M general-secretary E.M.S. Namboodiripad said the ordinance was an attack on the entire working class and would be directed against the democratic movement.

He called on all democratic parties to join hands to resist it and force the Government to retreat.

Backdoor Emergency

In Calcutta reacting sharply on the ordinance, Chief Minister Jyoti Basu said: 'This is emergency without the declaration.'

He said as a result of the Government of India's policies, there is an intensified economic crisis in the country, and to face the crisis, the Government 'starts the attack on the working people.'

'This is undemocratic, authoritarian, and this would lead to further attacks,' he said.

Minister for Labour K. P. Ghosh said that the ordinance was undemocratic and a violation of the election pledges given by Mrs Gandhi.

Left Front chairman Mr Promode Dasgupta condemned the ordinance and said it was an inevitable culmination of the nondemocratic trend of Mrs Gandhi's Government, earlier manifested in many steps taken by the Centre through executive actions.

Making a Captive

HMS general secretary D. D. Vasisht said the ordinance was designed to make the working class captive before the Indian industrialists and the multinationals to help them to exploit the workers even further. Condemning the power of summary trial assumed by the Government, he said the working class will resist this undemocratic and antiworker ordinance unitedly.

BMS organising secretary B. N. Sathe said his union would discuss with other national trade unions what steps it should take to fight "the anti-labour ordinance."

The All-India LIC employees Federation has called upon the staff to hold demonstrations on Tuesday to protest against the ordinance to put up a bulwark of resistance against the Government's attack.

Mr S. Madhusudan, chairman of the Confederation of the Central Government Employees and Workers, called upon all workers organisations, irrespective of party affiliations, to 'jointly thwart the dictatorial efforts of the Government' and assured them that Government employees would not lag behind in putting United Front against the ordinance.

LIC Employees Federation general-secretary P. P. Patil termed the ordinance as 'a replica of the outrageous Industrial Relations Bill which the Janata Government had introduced earlier.' It is a clear 'harbinger of total undeclared emergency,' Mr Patil added.

The All-India Defence Employees Federation president S.M. Banerjee and general-secretary K.M. Mathew regretted that the Government, having failed to bring down prices of essential commodities, has resorted to such repressive measures to suppress the rightful claims of the workers.

DSF leader H.N. Bahuguna, said the ordinance proved that the Government had 'lost confidence' in its capacity to inspire acceptance of goodwill from either the people or the instrument of governance.

BJP leader, Dr Murli Manohar Joshi felt Government could always deal with strikes when they were organised. 'But to deny the right in the garb of declaring any service essential is, in fact, a method to cover Government's own incompetence and utter failure to manage the economy.'

Janata Party general-secretary Ravinder Verma said it was a 'formal assault' on the rights of the working class and might well turn out to be a blank cheque to the employers.

Lok Dal secretary Rabi Ray described the ordinance as 'unconstitutional and malafide.'

Karpoori Thakur: Mrs Gandhi had robbed the workers of their legitimate and fundamental right. 'Slowly but surely she is now coming in her true colors.'

Qualified INTUC

INTUC President N. K. Bhatt, giving qualified support to the ordinance demanded that the Centre should take similar stern measures against recalcitrant managements.

He called upon the working class to rise above their narrow, sectarian approach and thwart the sinister games of the disruptive forces and take the country further in the efforts to become economically self-reliant.

CSO: 4220/7438

TEXT OF ESSENTIAL SERVICES MAINTENANCE ORDINANCE

New Delhi PATRIOT in English 28 Jul 81 p 7

[Text] The following is the text of the Essential Services Maintenance Ordinance, 1981, promulgated by the President:

1. (1) This ordinance may be called the Essential Services Maintenance Ordinance, 1981.

(2) It extends to the whole of India:

Provide that it shall not apply to the State of Jammu and Kashmir insofar as it related to any essential service connected with matters with respect to which Parliament has now power to make laws for that State.

(3) It shall come into force at once.

2. (1) In this ordinance, unless the context otherwise requires,

(A) 'Essential services' means:

(i) Any postal telegraph or telephone service, including any service connected therewith:

(ii) Any railway service or any transport service for the carriage of passengers or goods by air or any other transport service for the carriage of passengers or goods by land or water with respect to which Parliament has power to make laws.

(iii) Any service connected with the operation or maintenance of aerodromes, or with the operation, repair or maintenance of aircraft, or any service in the International Airports Authority of India constituted under Section 3 of the International Airports Authority Act, 1971;

(iv) Any service in, or in connection with the working of any major port, including any service connected with the loading, unloading, movement or storage of goods in any such port;

(v) Any service connected with the clearance of goods or passengers through the customs or with the prevention of smuggling;

(vi) Any service in any establishment of, or connected with, the armed forces of the union or in any other establishments or installations connected with defence;

(vii) Any service in any section of any industrial undertaking pertaining to a scheduled industry on the working of which the safety of such undertaking or the employees employed therein depends;

--Explanation: For the purposes of this sub-clause, the expressions 'industrial undertaking' and 'scheduled industry' shall have the meanings respectively assigned to them in clauses (D) and (I) of Section 3 of the Industries (Development and Regulation) Act, 1961;

(viii) Any service in, or in connection with, the working of any undertaking owned or controlled by the Central Government being an undertaking engaged in the purchase, procurement, storage, supply or distribution of foodgrains;

(ix) Any service in, or in connection with the working of any system of public conservancy or sanitation, hospitals or dispensaries in any Union Territory, cantonment area or undertaking owned or controlled by the Central Government.

(x) Any service in connection with or in relation to banking;

(xi) Any service in any oilfield or refinery or in any establishment or undertaking dealing with the production, supply or distribution of petroleum and petroleum products;

(xii) Any service in any mint or security press;

(xiii) Any service in connection with elections to Parliament or to the legislatures of the States;

(xiv) Any service in connection with the affairs of the union, not being a service specified in any of the foregoing sub-clauses;

(xv) Any other service connected with matters with respect to which Parliament has power to make laws and which the Central Government being of opinion that strikes therein would prejudicially affect the maintenance of any public utility service, the public safety or the maintenance of supplies and services necessary for the life of the community or would result in the infliction of grave hardship on the community, may, by notification in the official gazette declare to be an essential service for the purposes of this ordinance;

(B) 'Strike' means the cessation of work by a body of persons employed in any essential service acting in combination or a concerted refusal or a refusal under a common understanding of any number of persons who are or have been so employed to continue to work or to accept employment and includes--

(i) Refusal to work overtime where such work is necessary for the maintenance of any essential service;

(ii) Any other conduct which is likely to result in, or results in, cessation or substantial retardation of work in any essential service.

(2) Any reference in this ordinance to any law which is not in force in any area and to any authority under such law shall, in relation to that area, be construed as a reference to the corresponding law in force in that area and to the corresponding authority under such corresponding law.

(3) Every notification issued under sub-clause (xv) of clause (a) of subsection (1) shall be laid before each House of Parliament immediately after it is made if it is in session and on the first day of the commencement of the next session of the House if it is not in session and shall cease to operate at the expiration of 40 days from the date of its being so laid or from the reassembly of Parliament, as the case may be, unless before the expiration of that period a resolution approving the issue of the notification is passed by both Houses of Parliament.

--Explanation: Where the Houses of Parliament are summoned to re-assemble on different dates the period of 40 days shall be reckoned from the latter of those dates.

3. (1) If the Central Government is satisfied that in the public interest it is necessary or expedient so to do, it may, by general or special order, prohibit strikes in any essential service specified in the order.

(2) An order made under subsection (1) shall be published in such manner as the Central Government considers best calculated to bring it to the notice of the persons affected by the order.

(3) An order made under subsection(1) shall be in force for six months only, but the Central Government may, by a like order, extend it for any period not exceeding six months if it is satisfied that in the public interest it is necessary or expedient so to do.

(4) Upon the issue of an order under sub-section (1)--

(A) No person employed in any essential service to which the order relates shall go or remain on strike;

(b) Any strike declared or commenced whether before or after the issue of the order, by persons employed in any service shall be illegal.

4. Any person:

(A) Who commences a strike which is illegal under this ordinance or goes or remains on, or otherwise takes part in, any such strike; or

(B) Who instigates or incites other persons to commence, or go or remain on, or otherwise take part in, any such strike, shall be liable to disciplinary action (including dismissal) in accordance with the same provisions as are applicable for the purpose of taking such disciplinary action (including dismissal) on any other ground under the terms and conditions of service applicable to him in relation to his employment.

5. Any person who commences a strike which is illegal under the ordinance or goes or remains on, or otherwise takes part in, any such strike shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to one thousand rupees, or with both.

6. Any person who instigates or incites other persons to take part in, or otherwise acts in furtherance of, a strike which is illegal under this ordinance shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to two thousand rupees, or with both.

7. Any person who knowingly expends or supplies any money in furtherance or support of a strike which is illegal under this ordinance shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to two thousand rupees, or with both.

8. Notwithstanding anything contained in the code of criminal procedure, 1973, any police officer may arrest without warrant any person who is reasonably suspected of having committed any offence under this ordinance.

9. Notwithstanding anything contained in the code of criminal procedure, 1973 all offences under this ordinance shall be tried in a summary way by any metropolitan magistrate, or any judicial magistrate of the first class specially empowered in this behalf by the State Government and the provisions of sections 262 to 265 (both inclusive) of the said code shall, as far as may be, apply to such trial.

Provided that in a case of conviction for any offence in a summary trial under this section, it shall be lawful for the magistrate to pass a sentence of imprisonment for any term for which such offence is punishable under this ordinance.

10. The provision of this ordinance and of any order issued thereunder shall have effect notwithstanding anything inconsistent therewith contained in the Industrial Disputes Act 1947 or in any other law for the time being in force.

11. During the continuance in force of this ordinance. The Essential Services Maintenance (Assam) Act 1980, shall have effect as if--

(A) In sub-section (1)--

(i) Clause (A) had been omitted;

(ii) For Clause (B) the following clauses had been substituted, namely:

(B) Essential service-means:

(i) Any transport service for the carriage of passengers or goods, by land or water, with respect to which the legislative assembly of the state of Assam has power to make laws;

(ii) Any service connected with the production, storage, supply or distribution, as the case may be, of gas or water;

(iii) Any service connected with the maintenance of public health and sanitation, including hospitals and dispensaries;

(iv) Any public services and posts in connection with the affairs of the State, and also persons appointed to the secretarial staff of the Legislative Assembly of the State of Assam.

(v) Any other service or employment or class thereof, connected with matters with respect to which the Legislative Assembly of the State of Assam has power to make laws and which the State Government being of opinion that strikes therein would prejudicially affect the maintenance of any public utility service, the public safety or the maintenance of the supplies and services necessary for the life of the community or would result in the infliction of grave hardship on the community, may, by notification in the official gazette, declare to be an essential service for the purpose of this act;

(BB) 'State Government's means the State Government of Assam;

(2) In sub-section (2) for the words brackets and figures 'under sub-clause (v)' had been substituted;

(B) In section 3 and 9 for the words 'appropriate Government,' whether they occur, 'the words 'State Government' had been substituted.

CSO: 4220/7438

STATE GROUP REQUESTS CONGRESS-U LEADER RESIGN

New Delhi PATRIOT in English 26 Jul 81 p 4

[Text] Lucknow, July 25 (UNI) The Uttar Pradesh Congress Committee(U) today demanded the resignation of party Chief Devraj Urs as it felt he had completely forfeited the confidence of the party workers following his failure to properly pursue the election symbol base.

The PCC(U) also urged Mr Jagjivan Ram to accept the presidentship of the party.

Announcing this at a news conference PCC(U) president Shyam Dhar Misra said a special convention of the party had been summoned at Delhi on 5 August.

Mr Misra said a meeting of the UPCC(U) was held here today to consider the latest political situation in the country in the light of the decision in the party's election symbol case. In all 85 members of the State executive and other senior party leaders took part in the meeting.

He said the meeting in a resolution noted with deep regret that the case before the Election Commission was not pursued diligently by the AICC(U) secretariat.

The resolution said 'due to this lack of proper presentation of the case apparently with ulterior motives, the Election Commissioner not only gave an adverse verdict about the symbol but also proceeded unlawfully to assume jurisdiction not vesting in him.'

The resolution condemned the AICC(U) secretariat for its 'flagrant disregard towards preserving the identity and integrity of the party and for doing almost irreparable damage to its image through reckless behaviour and irresponsible utterances before the Election Commission and also in public.

The meeting called upon Mr Urs to resign from the high office of the President of the Congress-U immediately.

The meeting rejected as 'fraudulent and dishonest' the so-called resolution of the Congress-U working committee declaring the organisational election in Uttar Pradesh as null and void.

CSO: 4220/7433

RAJESWARA RAO INTERVIEWED ON CPI POLICY

New Delhi PATRIOT in English 26 Jul 81 p 4

[Text] CPI general secretary C. Rajeswara Rao has declared that in accordance with the general policy guidelines laid down by the party's National Council the CPI will build unity in action on the widest basis with all possible forces including the Cong-I on such issues as anti-imperialism, anti-communalism, for self-reliance and national integration.'

In an interview prior to his departure for Hyderabad to attend the party's Central Executive Committee meeting (which is being held there from 27 July), the CPI leader openly spoke out against charges that the party was making Mrs Gandhi as the main target of its attack.

'As far as our policy towards the Indira Gandhi government is concerned, we have been making it clear in all our resolutions of the Central Executive Committee and National Council. We underscore that our left and democratic alternative to the Indira Congress has nothing to do with the concept of all-in Opposition including the communal forces,' Mr Rao clarified.

There was 'nothing new' in saying that cooperation with Cong-I on the aforementioned issues was possible, he asserted.

Mr Rao strongly defended Mr Mohit Sen, a member of the CPI's Central Executive, who has been branded as 'pro-Dangeite' in a section of the press and said Mr Sen's recent article in a Delhi weekly was in full conformity with the party line. Mr Sen had hailed the foreign policy of Mrs Gandhi as one of 'peace, anti-imperialism, friendship with the Soviet Union and other socialist States, other non-aligned States, despite ambiguities and vacillations' and this accorded with the CPI understanding.

Moreover, Mr Sen wanted intense struggle against the Government's anti-people policies for a left and democratic alternative on the national scale; and this too was the CPI line, Mr Rao hold. 'When he (Mr Sen) states that big sections of the poor people are behind Indira Gandhi and they have to be brought into struggle against the anti-people policies of the Indira Government and also for defence of the unity and integrity of the country against US imperialists and their allies, what is wrong with it? It is also in line with the party's policy,' Mr Rao added.

On relations with the CPI-M, Mr Rao said the two parties had come "nearer on national and international issues than in the past though some important political and ideological differences still persist." Mr Rao also said that the CPI decision to stay away from Janata Party president Chandra Shekhar's meeting of Opposition groups had been widely greeted by the rank-and-file of the party as manifestation of the party's "independent course of action" distinct from the CPI-M's position of aligning with all and sundry in the opposition against Mrs Gandhi.

Mr Rao, however lashed out at those who alleged that the CPI was an appendage of the Communist Party of the Soviet Union. "It is true that the communist and workers' parties adhere to the ideology of Marxism-Leninism. But it does not mean that they agree on everything. The serious differences in the international communist movement that are occasionally reported in the press show that each party, however shall it may be, acts according to its own convictions," he maintained.

Mr Rao affirmed that the party was fully united behind the Bhatinda congress line and resolutions of the National Council. In fact, the "CPI today is much more united than at the time of the Bhatinda congress" and all efforts to show that the party was under pressure of pro-Dange elements and that it was going to change its line "are a pure invention." Very few had left the party to join the All-India Communist Party headed by former CPI Chairman S. A. Dange, he added.

Asked if the CPI would adopt the policy of unity and struggle in relation to Congress-I as it had done with considerable success till 1974 before making blunders during the emergency (as had been acknowledged by the Bhatinda Congress), Mr Rao categorically stated that there would be no going back to the pre-Bhatinda position of the party.

CSO: 4220/7433

CPI-M GENERAL SECRETARY SPEAKS IN BANGALORE

New Delhi PATRIOT in English 28 Jul 81 p 4

[Text] Bangalore, July 27 (PTI, UNI)--CPI-M general secretary E.M.S. Namboodiripad has called upon the Centre to pursue a policy which would strengthen the country's relationship with the Soviet Union but without hampering the efforts to normalise ties with China.

Addressing a public meeting here,the Marxist leader, however said 'we are not camp followers of either Russia or China.'

He said the policies pursued by the Government had resulted in steep price hikes, large-scale unemployment and deteriorating law and order situation. The recent 'upsurge' of the peasants workers women and students indicated the people's desire to fight against the 'authoritarian and undemocratic rule' of Mrs Indira Gandhi, Mr Namboodiripad said. The CPI-M would lend its support to all left and democratic forces in their fight against Mrs Gandhi's rule, he added.

Even from Jawaharlal Nehru's time, the Congress governments had been using preventive detention as a weapon 'to crush' people's civil liberties, Mr Namboodiripad charged. In recent times, he said, people's rights and liberties had been totally eroded.

On the agricultural front the Government had been unable to procure the targeted 9 million tonnes of wheat in spite of a bumper harvest, Mr Namboodiripad said. Only seven lakh tonnes had been procured. The reason for this was that the farmer had sold the foodgrain to the blackmarketeer and the hoarder for a better price since the Government had not conceded their demand for remunerative prices he added.

Mr Namboodiripad said though there were differences between the left and right opposition parties he was glad that they had come together on the question of opposing the anti-people policies of the Central Government.

Detailing the differences between the right and left opposition parties he alleged that though the right opposition claimed to be democratic in practice it were not so.

He said even on the question of arms sales to Pakistan by the United States the right opposition stood against the left parties. Janata Party leader Morarji

Desai and BJP leader A. B. Vajpayee were supporting the sale saying that the arms would be used by Pakistan against the Soviet Union, he alleged.

Mr Namboodiripad, however, ruled out any political or electoral alliance with the right opposition.

Mr Namboodiripad said the Congress-I Party was 'breaking up.' Mr Pahadia had been removed from the chief ministership of Rajasthan. 'I do not know on whom the axe will fall next,' he said.

CSO: 4220/7438

PUNJAB CPI UNIT ISSUES STATEMENT ON SIKH PARLEY

Calcutta THE STATESMAN in English 29 Jul 81 p 7

[Text] Chandigarh, July 28--The Punjab unit of the CPI has strongly criticized the resolutions passed at the world Sikh convention. A statement issued in the name of Mr Joginder Bhasin and Mr Nazar Singh, members of the CPI's State Council secretariat, expresses concern over the decisions of the "so-called world Sikh convention."

The CPI, they said, would go to the people to "expose the evil designs of communal and disruptive forces and to rouse the people against such forces and anti-people and anti-democratic policies of the Congress (I)." The party has decided to hold jointly with the CPI(M) a State-level convention against communalism and to call for national integration and for more powers to the States. It will also approach the Janata Party, Congress(U) and other like-minded groups to seek their support and participation.

It is significant that the CPI and CPI(M), allies of the Akalis in the recent past, will not invite the Akalis to the convention. This may mean the parting of ways between the Akalis and Communists in Punjab unless the former relent and revise their stand on issues like the "Sikhs as a separate nation."

The ruling Congress(I) will be only too happy over the Akali stand at the Amritsar convention has meant a virtual end to the unity of the opposition in the State. The Bharatiya Janata Party can neither align itself with the Akalis nor the Communists.

The CPI statement issued today made this point while saying that the Akali approach would on the one hand strengthen the communal, separatist forces and on the other hand strengthen the Congress(I) Government.

The CPI said that even the well meaning resolution of the convention that Sikhs do not want separation from the country lost its significance, when the dominant Akali leadership went on harping on the slogan of "Sikhs as a nation" and under pressure from extremists deleted from the original resolution the lines declaring opposition to the proposed "Khalistan."

Through various resolutions passed at the world Sikh convention in Amritsar on Sunday, the Akali Dal (Longowal) tried to please both extremists and moderates in the party.

Its main decision to start a "dharma yudh" (religious war) will surely satisfy the hawks in the party, but the time frame of the campaign has been left vague. The "yudh" is to be waged on the question of "discrimination" against Sikhs, which is being talked about freely by all sections of Akalis.

The fact that the convention categorically made it known that it never asked for a separate Sikh State and did not intend to do so, shows a victory for the moderates led by Mr Prakash Singh Badal. At the preparatory meeting, there was a demand from the extremists for a favourable stand on it. It was felt by observers that the convention would remain silent to appease them.

This has apparently not been done, to refute the ruling party's allegation of separatism against the Akalis.

The slogan of Sikhs as a separate nation has given rise to a serious controversy. Only a few days ago, Mr Aftar Singh Malhotra, general-secretary of the Punjab CPI, said that this party opposed the slogan, since it could ultimately lead to the slogan of a separate Sikh State. Mr B. S. Danewalia, president of the newly-formed Confederal Shiromani Akali Dal, while suggesting launching of a Punjabi movement in a statement, had said some time ago: "Among other groups, there have been distinct nationalities in India's multi-cultural nationhood, namely Punjabis, Bengalis, Tamils, transcending religious distinctions." He talked about Punjabi nationality rather than Sikh nationality in his statement.

Mr Darbara Singh, Chief Minister of Punjab, when asked for his comments on the convention's decision, told some reporters that Sikhs were not a separate nation. This has been, of course, the Congress(I) stand and the stand of all political parties except the Akalis. This is the first time that the Akali Dal (Longowal) has formally declared the Sikhs a separate nation. Earlier, the Shiromani Gurdwara Prabandhak Committee passed such a resolution; the Akali Dal (Longowal) dominates the SGPC.

Mr Darbara Singh also refuted the Akali stand at the convention that the Sikhs were being discriminated against in India. He said Mrs Gandhi was very considerate to Sikh interests. Only recently, the remaining portion of the Kotwali in Delhi had been handed over to the Delhi Gurdwara Prabandhak Committee because of its importance in Sikh history.

CSO: 4220/7442

CPI EXECUTIVE MEETS, RESOLUTION REPORTED

New Delhi PATRIOT in English 31 Jul 81 p 7

[Text] Hyderabad, July 30 (PTI)--The central executive of the CPI today supported the call of the Central trade union organisations to observe 'protest day' on the opening day of the monsoon session of Parliament on 17 August against the Essential Services Ordinance.

The committee which ended its four-day session here today, in a resolution also hailed the resolution adopted at the joint convention of Central trade union organisations and federations at Bombay earlier this month to launch a country-wide united mass campaign on the issues of price rise and attacks on trade union democratic rights.

This was a timely initiative by the organised working class which deserves the fullest support of all toiling people and democratic sections, the resolution said.

The resolution referred to the recent hike in the prices of petroleum products and said "the anti-working class and anti-democratic policies" of the Central Government have been "even more nakedly revealed" during the last fortnight in the shape of the heavy price increases in petrol diesel, kerosene cooking gas fertilisers and cement on the one hand, and the promulgation of the Essential Services Ordinance on the other virtually banning all the strikes.

"These drastic measures may be only the prelude to further attacks." It said and expressed confidence that the united strength of the working class, backed by the support of the toiling people was capable of forcing the Government to retract its steps.

The executive directed all CPI units to ensure massive mobilisation of the people in support of the programmes of the Central trade union organisation.

Hindu Casteists Blamed

Meanwhile, the CPI has blamed Hindu casteists for the desperation of Harijans particularly in Tamilnadu.

This desperation is sought to be exploited by Muslim communalists said a resolution of the Central executive committee of the party, which adopted a comprehensive resolution on communal and casteist offence.

The CPI declared that it stood for the protection of constitutional right of all the citizens to follow and adopt any faith of their choice and not to be coerced in any way in this regard.

It said that the reports about conversion of some Harijans to Islam "have been used by Hindu and Muslim communal forces to bring grist to their mill."

The CPI called upon the people, particularly its own members, to realise the gravity of the situation and protect the Harijans against caste oppression and injustice.

At the same time it appealed to Harijans to stand up for their human dignity and demands and reminded them that the only true way to end their oppression was to join the ranks of the militant fighters for radical socio-economic transformations.

CSO: 4220/7461

CPI LEADER TALKS TO PRESS AFTER EXECUTIVE MEETING

New Delhi PATRIOT in English 2 Aug 81 p 7

[Text] Hyderabad, Aug. 1 (PTI)--Communist Party General Secretary C. Rajeshwara Rao said here yesterday that while his party endorsed the fears expressed by the Prime Minister, regarding an 'external threat, it disagreed with a view expressed by 'certain quarters' on the source of the threat and the measures to face it.

Addressing a press conference at the end of a central executive meet of the CPI, Mr Rao said the real threat to the country's security came from the 'massive arming of Pakistan by the US imperialists and the Chinese leadership' and not from the Soviet Union as apprehended by some people. The Soviet Union he said, had been 'our friend through thick and thin.'

The external threat, required the urgent reversal of the country--'pro-capitalistic economic policies so that the working class was 'content to meet the dangers.'

Both Mr Rao and Mr N. K. Krishnan, CEC member, who was present at the news conference, reacted strongly to the ordinance banning strikes in essential services. Mr Krishnan termed as a 'big hoax the Government's move to ban lockout and lay offs along with strikes in essential services.

Mr Rao conceded that an extraordinary situation prevailed in the country but said that this was the result of the Government's 'faulty policies' on the economic front.

The document on national developments notes that a 'dangerous situation' was developing in the wake of conversion of Harijans to Islam in Tamilnadu. It warns the country against the communal forces that were utilising this for their 'nefarious ends' and for whipping up communal passion. The main cause of conversion, it felt, was the social oppression and indignities heaped upon the Harijans.

It urged the central and state Governments to take effective measures to help Harijans lead a life of dignity.

CSO: 4220/7481

CPI DELEGATION HEAD SAYS NO MESSAGE FROM CPSU

Calcutta THE SUNDAY STATESMAN in English 2 Aug 81 p 7

[Text]

MR DILIP Bose, secretary of the six-member CPI delegation which recently visited Moscow, said in Calcutta on Saturday that at the meetings with the leaders of the Communist Party of the Soviet Union, it was never suggested by them that the delegation should convey a message to the CPI leadership asking it to support the policy of Mrs Gandhi and her Government.

The leader of the delegation was the Orissa CPI leader, Mr Gurucharan Patnaik, while the other four members were drawn from Delhi, Bombay, Madras and Trivandrum. Mr Bose represented the CPI's central education committee.

Mr Bose claimed that at an informal meeting with Mr R. Ulyanovsky, the Soviet Union's top India expert, on July 9, the CPI's present policy of fighting for a Left democratic alternative at the national level to counter the policy of Mrs Gandhi had been fully supported. There was no doubt whatsoever that the CPI general-secretary, Mr Rajeswara Rao, and other leaders enjoyed the full confidence of the CPSU and other sections of the international Communist movement.

The purpose of the delegation, Mr Bose added, was to study how the CPSU conducted education of its ranks in Marxism-Leninism. As the delegation's secretary, he had on his return drawn up a report which had been unanimously endorsed by members of the delegation and submitted to the central party secretariat.

CSO: 4220/7478

CPI REPORTEDLY MAY SEEK UNDERSTANDING WITH GANDHI

Calcutta THE STATESMAN in English 1 Aug 81 p 1

[Text] NEW DELHI, July 31.—The leadership of the Communist Party of India is planning to open a "dialogue" with Mrs Gandhi and offer its support to her Government and have an "understanding" on a number of issues, according to important knowledgeable Communist sources here.

Whether or not Mrs Gandhi cares for the CPI's support—she has not asked for any—is another matter, it was stated.

A change in the CPI's line of opposing Mrs Gandhi would occur, despite the strident claim of the party's general secretary, Mr C. Rajeswara Rao, in an interview to a news agency recently, the sources said.

According to them, a delegation comprising the second rank leadership of the CPI, returned from Moscow recently with a "message" for the top official leadership of the party from the Communist Party of Soviet Union, the centre of the world Communist movement. The delegation's report on the outcome of its Moscow visit was reportedly considered last week by the CPI's central executive committee.

The team, which was led by the Orissa CPI leader, Mr Gurucharan Patnaik, was told by the international division of the CPSU that the central leadership of the CPI should now follow the policy of supporting Mrs Gandhi and her Government. This is because she and her Government are "anti-monopolist, anti-big bourgeoisie," supporting Russia and other Socialist States and following the policy of non-alignment and peace. Secondly, the CPI leadership should openly attack the Bharatiya Janata Party as the "enemy number one" and identify it as representing the "extreme Right-reactionary" force in India.

For the official leadership of the CPI, and particularly Mr Rajeswara Rao, the delegation has reportedly brought bad news from Moscow. The CPSU was reported to have increasingly disapproved the continuance of Mr Rao at the CPI's helm of affairs. There is a move afoot in the CPI that the party's general secretary and all central secretariat (apex body) members—who are secretaries of the national council, the highest policy making body—should not be in power for more than two terms i.e., they should not seek election for a third time. This demand was made at the party's Bhatinda congress in April 1978, but was rejected by the official leadership of the party in command. However, in view of the displeasure incurred by Mr Rao of the centre of the world Communist movement in Moscow, the demand for a change in the central leadership of the CPI from the party's second rankers is expected to assume strident momentum in course of time, between now and the next CPI congress in Varanasi in March next year.

It was stated in important CPI circles that Mr Rao's recent statement—the CPI is not an appendage of the CPSU—was not liked by party leaders as well as the rank and file. This is because the CPI leadership has been taking pride that "the CPI is a part of the centre of the world Communist movement and is recognized as such by Moscow where the rival CPI(M) does not enjoy the same 'privilege'". More importantly, Mr Rao's statement slighting the CPI's connexion with Moscow has not been reportedly to the liking of the CPSU, it was stated.

Central CPI (M) circles said they were not surprised over the change in the CPI's Bhatinda Congress line of opposing Mrs Gandhi.

The CPI(M) circles said that they "desperately" tried to see to it that the CPI did not adopt a line of aligning with Mrs Gandhi and her Government. It was also pointed out that the CPI(M) now would not have an ally to build Left unity, with the CPI going back on its Bhatinda line.

In the latest issue (dated August 2, 1981) of the CPI (M)'s organ, People's Democracy, the second editorial deals with the change in the CPI's political line. The editorial says: "The emphasis being laid of late by leaders of the CPI on the progressive aspects of the foreign policy of the Indira Government and the exaggeration of dangers from the extreme "Right-reactionary" forces, reminiscent of the pre-Bhatinda congress period, is making many raise questions as to where the CPI is heading".

CSO: 4220/7475

ELECTION PANEL VERDICT ON CONGRESS PARTIES CHALLENGED

Calcutta THE STATESMAN in English 1 Aug 81 p 7

[Text]

NEW DELHI, July 31.—A writ petition under Article 32 challenging the judgment of the Election Commission of July 23, 1981, recognizing the Congress (I) as the real Indian National Congress and freezing the election symbol, "Charkha" which had been used by the Congress (U), has been filed in the Supreme Court.

The petition has been filed by Mr Bhim Singh, leader of the Congress (U) Legislature Party in Jammu and Kasnmir. It was submitted that the order of the Election Commission had violated the fundamental rights of the petitioner under Article 19 of the Constitution.

Mr Singh contended that the Commission had no jurisdiction to derecognize the existing "Indian National Congress". It ought to have been limited to the dispute over the symbol.

He also contended that the Commissioner had wrongly discarded the validity of the observation of the Constitution to decide the identification of a national party. Whenever any group splits out of an existing national party, its validity or invalidity is to be examined within the framework of the party's constitution, he added.

It was also submitted that the Election Commission had "unreasonably disallowed the Congress (U)'s submission to call for the authoritative documents lying with the Lok Sabha, Rajya Sabha and the State Assemblies to ascertain the majority in the States and Parliament on January 2, 1978, a date which the Election Commission itself chose to decide and settle the identity of the Indian National Congress".

The Congress (U) has not so far moved the Supreme Court in its official capacity. However, the president of the party, Mr Devaraj Urs, has been made a respondent along with the Election Commissioner and Mrs Gandhi, as the president of the Indian National Congress (I), in the present petition.

CSO: 4220/7475

SHEIKH INTERVIEWED ON GANDHI VISIT, STRIKE BAN

New Delhi PATRIOT in English 31 Jul 81 p 5

[Text]

SRINAGAR, July 30 — Chief Minister Sheikh Abdullah has welcomed the promulgation of the ordinance by the Central Government banning labour strikes in the country.

In an interview published today in a leading local daily the Sheikh said that the ordinance would shortly be extended to Jammu and Kashmir too. He recalled that the State Government had already banned strikes in essential services recently.

The Sheikh described the measure as being "timely" and claimed that the promulgation of the ordinance had fulfilled an urgent need. He stressed that htere was "no scope for strikes in maintaining the pace of development and progress.

Asked by the interviewer if Prime Minister Indira Gandhi's recent 'reconciliation" with him was an indication of a change in her attitude towards other non-Congress-I State Governments, especially those of West Bengal and Kerala, the Sheikh said "That is my hope. Imperatives of internal and external problems facing the country demand greater cooperation and understanding between the Centre and the States", he emphasised.

The Sheikh acknowledged that Mrs Gandhi's visit here last week had been "a very important factor in bringing about a pleasant change in the political atmosphere of the State". He added that this development was natural and logical in the larger interests of the State as well as the country. The Sheikh claimed that a change in the atmosphere had indicated this position and explained that he had always called for cessation of confrontation and hostility.

The Chief Minister reiterated that there was no ideological conflict between the ruling National Conference and the Congl. The Cong-I wants to come back into power but there are set norms for achieving this objective, he asserted. He added that if the Cong-I sincerely wanted to serve the interests of the State then it should "join hands with the National Conference."

Asked if he was willing to concede the Opposition demand for reduction of life of the State Assembly from six to five years so that the next election could be held in 1982 instead of 1983, the Sheikh said that the circumstances which had necessitated an increase in the life span of the Assembly "during the emergency period" "continued to be valid even today." He added that huge expenses involved in holding elections also did not justify a reduction in the life of the Assembly.

However, he said in case the Assembly itself wanted to effect this change it was free to do so. Asked about the ruling party's attitude in the matter, he said it would opt for the reduction only if it felt the need for doing so.

CSO: 4220/7460

CONFERENCE ON INDO-SOVIET FRIENDSHIP TREATY REPORTED

New Delhi PATRIOT in English 26 Jul 81 p 12

[Text] Speakers at a round table conference on Saturday stressed that the Indo-Soviet Friendship Treaty was an effective organ for promoting peace, security and stability in Asia and the world.

When war clouds were menacingly darkening the international horizon with escalating tensions and renewed conflicts, the treaty had assumed paramount significance, they added.

Speaking at the conference organised in the Capital by the Soviet Land Magazine to mark the 10th anniversary of the Indo-Soviet Treaty for peace, friendship and cooperation, Soviet Ambassador Yuli M. Vorontsov said that the Soviet-Indian relations had withstood the "test of time and world events."

The treaty, Mr Vorontsov said was a vivid embodiment of the dynamically developing multifacted relations and traditional friendship between the two countries. Attempts to weaken the Indo-Soviet relations were a part of a 'global strategy' to impede the advancing tide of peace and progress, he added.

Mr Vorontsov said that the treaty itself symbolised USSR's respect for India's policy of nonalignment, peace and disarmament. India's role in stabilising the troubled world situation today, he said, was held in high esteem in the Soviet Union.

Danger to global peace, the USSR ambassador said emerged from relentless policies pursued to escalate tension and to engineer conflict by infusion of lethal arms and weapons into various parts of the world. The spiralling arms race posed a grave threat to the very future of the mankind, he added.

Referring to the increasing west's military presence in the Indian ocean and the Persian Gulf, Mr Vorontsov expressed concern. Shared mutually by India and the Soviet Union and added that USSR was steadfastly upholding the UN resolution to turn the Indian ocean a 'zone of peace.'

All India Congress Committee-I general secretary Satyanarayan Rao presided said that Indo-Soviet friendship and cooperation had been a unique example of the constructive relation between the two countries adhering different political social and economic systems.

Mr Rao said that the Treaty was a historic landmark adding a new dimension to the relationship. He said that the Soviet Union had always shown great understanding and appreciation of the foreign policy followed by India.

The Indian people, Mr Rao said desired a greater cooperation with the Soviet Union in their fight for economic justice, for ending racialism and colonialism and for preserving world peace.

CPI leader Hiren Mukherjee said that the treaty was a symbol of fundamental affinity between the two countries stemming out from national tradition. He said that Treaty was a cooperative endeavour to bring peace and stability in the crisis ridden world.

Democratic Party president Chandrajit Yadav MP said the present international scenario was laden with clouds of war. He said that it was evident with the increasing militarisation of the Indian Ocean.

Several other speakers also spoke on the occasion.

CSO: 4220/7433

WIDENING RANGE OF INDO-SOVIET TIES DESCRIBED

New Delhi PATRIOT in English 2 Aug 81 p 12

[Text] Minister of State for Industry Charanjit Chanana has said that technical and economic cooperation between India and the Soviet Union has been intensive and abiding.

In an interview to "Soviet Land," Mr Chanana said that in the initial years of Soviet cooperation with India, assistance was in the nature of supply of plants and equipment.

Presently, the context of cooperation has undergone a change and the thrust is on technological upgradation of Indian industry and a two-way economic participation between the two countries.

Mr Chanana said industrial cooperation between the two countries has extended over a wide range of industry, covering metallurgical, coal, mining, oil and gas production oil refining and machine building and pharmaceutical industries.

He said important examples of Indo-Soviet technical and economic cooperation include the establishment of the institute for designing metallurgical enterprises at Ranchi and the research and development centre of the Steel Authority of India.

The collaboration has covered the power sector involving the thermal plants at Neyveli, Korba, Pathrathur, Hardugang and hydro power plants at Bamra, Mettur, Hirakud, Balmela, Lower Sileru. The Precision Instrument Plant at Kota, the Watch Glass Plant in Durgapur, the Surgical Instruments Plant in Madras were also born out of this cooperation, he added.

About the Indo-Soviet treaty of Peace, Friendship and Cooperation, which would complete ten years this August, Dr Chanana said. "It is hoped that the occasion will serve to further strengthen Indo-Soviet industrial and economic cooperation."

CSO: 4220/7481

MINISTER ALLEGES CONSPIRACY BEHIND HYDERABAD RIOTS

Madras THE HINDU in English 30 Jul 81 p 1

[Text] Hyderabad, July 29--After touring the areas affected by the recent communal clashes in the old city of Hyderabad, the Union Home Minister, Mr Zail Singh, told pressmen today that the disturbances were the result of a conspiracy to discredit the Government, a view earlier expressed by the Chief Minister, Mr T. Anjiah.

The Union Minister said some of the victims told him that they were attacked by masked men.

The miscreants were having resources, and "a man sitting in Hyderabad can organise incidents in places like Aligarh and Allahabad," Mr Zail Singh said.

Foreign hand: Asked if he suspected a "foreign hand," Mr Zail Singh said this was "a sensitive question. I won't say either it is there or it is not. There may not be foreigners behind these incidents, but there can be agents of foreigners acting here."

Conversions: He did not think that the incidents were a reaction to the recent conversion of Harijans to Islam at Meenakshipuram in Tamil Nadu.

"Mass conversions are not good for any religion." He saw two reasons for these conversions. One was the grievances the poorer sections harboured against the upper castes and the second was allurements to get converted.

If there were any atrocities against the Harijans and other poor people, then the Government should ensure that such harassment did not take place.

The Government was against forcible conversions and there was no objection to a voluntary change of religion. To escape the bigamy law, some persons embraced Islam, and in a year roughly 200 to 300 persons changed their religion in this manner but this would not help the religion as such.

Mr Zail Singh said the Chief Minister and the administration had dealt with the communal clashes with courage and foresight. He noted that the Centre had given adequate forces to the State to control the situation.

Once bitterness was created, it took time to control the situation and he was happy that the position improved within a very short time.

He said two or three responsible persons had told him that one man was seen stabbing people belonging to both communities. The assailant asked for the name of the victim and if he belonged to another community he was stabbed. But some victims told him that they did not know who had stabbed them.

No confirmation: About the conspiracy, he referred to, Mr Zail Singh said: "We have reports, but there is no confirmation. Till we get such confirmation nothing can be said on this issue."

Asked whether he suspected a conspiracy between the miscreants in Hyderabad and Aligarh and other places, he said the matter was under investigation.

"This is a conspiracy to denigrate the Government, not only here and at the Centre but the country as a whole," he said.

Mr Zail Singh sought the cooperation of all sections of people in containing communal disturbances.

Earlier Mr Zail Singh arrived from Delhi, accompanied by the Union Minister of State for Commerce, Mr Khurshid Alam Khan, and the Union Minister of State for Home, Mr P. Venkatasubbiah.

He visited the Golconda, Tappachabutra and Puranapul Bharkas areas, talked to some people on the wayside standing with representations, and offered floral greetings at the Dargas in Nampalli and the Hanuman mandir in Khairatabad.

CSO: 4220/7449

BJP SECRETARY COMMENTS ON STATE ELECTION PLANS

Calcutta THE SUNDAY STATESMAN in English 2 Aug 81 p 7

[Text]

CHANDIGARH, Aug. 1.—The Bharatiya Janata Party will go it alone in the Assembly elections in Himachal Pradesh and contest all the Assembly seats. No final decision in this regard has, however, been taken in case of Haryana where the party has kept its options open. If it has to fight the Haryana elections on its own, it will put up 50 to 60 candidates.

Disclosing this here today, Mr Krishan Lal Sharma, the secretary of the all-India Bharatiya Janata Party, said that the views of the State units of the party would influence the central leadership in taking decisions on electoral arrangements with other Opposition parties in the Assembly elections. The BJP was prepared to work jointly with other parties on specific issues like electoral reforms and the Ordinance banning strikes, and should also consider electoral understandings, depending on local conditions. But he ruled out a merger with any other party. He said that his party men in Haryana were not in favour of electoral talks with the Janata Party because of the remarks the leaders of that party had made about the BJP. There had been no official talks, in any case, between the Opposition parties in Haryana, he said.

Mr Sharma expressed surprise that there had been some reports in the Press on mid-term polls to the Assemblies in Andhra Pradesh and Karnataka. He had also heard that Mrs Gandhi had persuaded Sheikh Abdullah to have early elections in the Jammu and Kashmir. Such things gave rise to the fears that there might be snap elections in several States. He described this as a "diversionary tactic" by Mrs Gandhi. He, however, admitted that his party would welcome elections.

Our Special Representative in New Delhi adds: The Election Commission yesterday flatly denied a report in the Section of the Press that the centre had sought the Commission's opinion on holding mid-term elections in Karnataka and Andhra Pradesh early next year, when Haryana, Himachal Pradesh and West Bengal go to the polls.

CSO: 4220/7478

BENGAL CONGRESS-U TO KEEP IDENTITY INTACT

New Delhi PATRIOT in English 2 Aug 81 p 4

[Text] Calcutta, Aug. 1. State Cong-U president Priya Ranjan Das Mushi told newsmen yesterday that whatever be the judgment of the Supreme Court to the appeal filed by his party against the decision of the Election Commission acknowledging the Cong-I as the real Congress, the state unit had unanimously resolved to keep the party's identity intact.

The announcement was made after a meeting of all the district committees and front organisations held at the PCC-U office.

The State party also criticised the promulgation of the ordinance imposing ban on strikes.

According to reports received by the State unit, a few Cong-U leaders were likely to try to hold a convention purporting of the party in Delhi around five August in an attempt to split Cong-U while some of these elements would like to build bridges with the Cong-I, others may attempt to come closer to even the BJP. The State party wants any such move to be dealt with firmly, however, big the names behind such moves may be.

While Mr Das Munshi refused to either confirm or deny the above report, the State unit officially expressed its strong dissatisfaction at the non-functioning of the central leadership. Mr Das Munshi accompanied by a general secretary is leaving for Delhi tonight to find out the situation at the central level.

CSO: 4220/7481

PARLEY TO DISCUSS U.S. PRESENCE IN INDIAN OCEAN

New Delhi PATRIOT in English 2 Aug 81 p 8

[Text] Bangalore, Aug 1. (PTI)--An international conference, of youth and students is being convened at Trivandrum on 28 August, by the All-India Students Federation to focus attention of the increaing US military presence in the Indian Ocean and to demand its vacation.

Federation's general secretary, Mrs Amarjeet Kaur said former Kerala, Chief Minister Vasudevan Nair, would be the chairman of the reception committee. Over 1,000 delegates from about 50 countries were expected to attend the three-day conference told pressmen here today.

Mrs Kaur said academicians, scientists and writers besides some stalwarts of the film world like Satyajit Ray and Shyam Benegal were expected at the conference.

Mrs Kaur said the AISF had decided to organise a week-long programme from 8 August as part of its 45th anniversary celebrations. The highlight of this programme would be mobilisation of students for the country's security, sovereignty and independence and for peace in the region. It would also focus, attention on the arms build-up in Pakistan and the Indian Ocean area around the country by the US 'imperialists,' he said.

The AISF would organise, sometime in October, a ten-day educational seminar to formulate a modern educational system and the Government on its part should undertake a similar exercise, Mrs Kaur said.

CSO: 4220/7481

LOK DAL LEADER URGES REVIVAL OF JANATA PARTY

New Delhi PATRIOT in English 2 Aug 81 p 4

[Text] Patna, Aug. 1--Lok Dal leader Karpoori Thakur today advocated merger of all parties including the BJP which had united in 1977 to form Janata Party after 'evolving a clear cut political, economic and social programme.'

Addressing a press conference here today he said on this issue he had talks with his party leaders Charan Singh and Madhu Limaye and also Cong-U president Devraj Urs but 'nothing concrete has emerged as yet.'

When asked about the future of the new party after merger Mr Thakur said 'only future will show.'

He, however, said that the socio-economic programme advocated and followed by Mahatma Gandhi, Dr Lohia, Jayaprakash Narayan and Choudhary Charan Singh could be the most suitable base to be followed by the new party.

Mr Thakur also informed that he has in a letter to the Chief Minister demanded an enquiry into the 'rape seed oil scandal' with a view to bringing out the facts and remove the blemishes with his (Mr Thakur's) name.

The letter was sent to the Chief Minister on 21 April. Releasing the copy of the letter to the press, Mr Thakur said that he wanted to refute the charges levelled against him for his alleged involvement in the rape seed oil scandal.

CSO: 4220/7481

PTI QUOTES DEFENSE EXPERTS ON PAKISTANI STRENGTH

Bombay THE TIMES OF INDIA in English 3 Aug 81 p 14

[Text] New Delhi, August 2 (PTI)--Pakistan is reported to have more than doubled its infantry and artillery strength during the last ten years.

According to defence experts, Pakistan had three corps in 1972 which had been gradually increased to eight till May, 1981.

Lt Gen A. M. Vohra, former vice-chief of army staff, in a television programme recently said Pakistan was further strengthening its arsenals with latest weapons from America and increasing its manpower with a rapid programme for recruitment and training. Pakistan, which had only ten infantry and mountain divisions in 1972, has now an effective strength of nearly 24 divisions.

Gen. Vohra and Prof. K. Subramaniam, director of the Institute of Defence Studies and Analysis were of the opinion that the F-16 fighter-bombers and M-60 American tanks would certainly give Pakistan a "qualitative and quantum" jump over India.

Arms Race

The arms supply to Pakistan by a super power, the experts felt, would inevitably result in an arms race between the two countries.

If Pakistan continued to obtain arms in this manner, India would be compelled to match its strength in the western sector, they felt.

Pakistan increased its corps strength from three to eight, while India raised its corps strength from five to eight in the last ten years.

Pakistan has received 60 tanks, about 60 helicopters, a large number of armoured personnel carriers (APCS), two missiles and surface-to-air missiles (SAMS) from the United States under its three-billion-dollar military aid programme. All these are besides the F-16 fighter-planes.

Moscow: Pakistan's shopping list of "urgent requirements" of military equipment includes over 800 modern tanks and armoured personnel carriers, about 250 planes and helicopters, 40 ships, including 30 destroyers and submarines, anti-aircraft and anti-tank missiles, artillery pieces and other military equipment.

All this is in addition to the 30 to 40 F-16 fighters for which Saudi Arabia will pay, reports APN quoting "IZVESTIA."

Describing Pakistan's "appetite" as "truly enormous," the agency says that at closed-door US-Pakistani talks in Washington during the visit of General Rahim, Pakistan asked for 1,000 Leopard-2 tanks, 1,000 personnel carriers, 1,000 long-range guns, 200 F-16 bombers, 300 Volcano anti-aircraft batteries, four Angusta submarines and other equipment for a total sum of about 9 billion.

CSO: 4220/7482

OFFICIALS CONFIRM ESCAPE OF MIZO ARMY COMMANDER

Bombay THE TIMES OF INDIA in English 3 Aug 81 p 1

[Article by Kirit Bhaumik]

[Text] Aizawl, August 2--The hard core, stubborn and uncompromising Mizo national army commander, Lalrawna, has slipped out across the international border to the so-called "headquarters" of the MHF in the neighbouring country to the south-west of Mizoram carrying with him a bag containing about Rs 6 lakhs.

This report, confirmed by high official sources here is causing considerable concern and brings out clearly the dangers lying ahead. A high police official has described the situation as "grim."

The cash carried by Lalrawna is only a part of the collection made by the MHF and its front organisation. Mizo Zirlai Pawl (Mizo students' association), through levy of taxes" and extortion of donations.

The drive has of late been intensified, indicating that these two organisations are trying to make the best of the available time in preparing for a confrontation.

The time has been provided by the prolonged negotiations continuing in New Delhi for finding a peaceful solution to the Mizo problem and the cease-fire after the agreement in July last year.

The intensified fund collection drive was in fact the root cause of the recent trouble in Aizawl when the police had to use teargas to disperse an angry crowd of teenage students gathered in front of the police station.

The MZP is cleverly using the issue of Mizos and non-Mizos to whip up emotions and mobilise students along the lines designed to serve the cause of MNF. Beginning with a protest against the grant of an unfilled reserved seat in an agricultural college to a non-Mizo official's son, the MZP has moved on to demanding resignation of the chief minister, Brig T. Sailo.

MZP, originally a non-political students' welfare organisation, has now committed itself to the extremist political objectives of MHF. In a memorandum submitted to the Prime Minister recently, it said that it would not be deterred from resorting to violence if it was "compelled to do so to safeguard the rights and national dignity" of the Mizos.

The collection of funds cannot be stopped. The administration is helpless. The 500-odd pieces of arms with the MHF activists is the one single factor which prevents any steps being taken to bring it to an end.

The victims do not report to the authorities for fear of the consequences. The non-Mizos, who are the special targets of the fund collection drive, still have fresh on their minds the killings of helpless, innocent people in 1979.

"Tax" Collection

Earlier, "tax" collection was more or less limited to the villages in the form of contributions for the sustenance of the MNF personnel. Now, it has been brought in a big way to the urban areas where the bulk of the non-Mizos reside. It is being done through the instrumentality of MZP with the armed MHF men in the background.

The amount of "donation" extorted from an individual ranges up to Rs 1,000 at a time. The collection is made periodically, Government officials and employees of other concerns have to make a monthly contribution according to salary.

These underground groups are holding out only in response to an appeal by Mr Laldenga who is now conducting the peace talks with the Union government.

According to official sources, the hard core insurgents are already taking steps to recoup their likely depletion of strength. They are said to have issued "orders" to those who have earlier come overground to return to their hideouts. It is also reported, and confirmed by official sources, that a new group of students is being recruited for training at the underground "military training school."

Top police officials here consider the present situation to be graver than at any time because of the fact that the character of the insurgents has undergone a change. A senior non-Mizo civilian official told this correspondent that in the olden days when he travelled through the jungles of Mizoram without any security arrangement, he was not touched by the insurgents because he was unarmed.

In 1979, however, several non-Mizo innocent men, women and children were mercilessly killed for no reason at all. The MNF movement is increasingly taking on a terroristic character.

Politicians are concerned over the time being given to the hard core insurgents to strengthen themselves through collection of money and new recruitments by the prolonged negotiations in New Delhi. They want a settlement to be arrived at without any delay.

According to them, the possession of arms by the insurgents is the key factor. As long as they have the arms, there will be no peace in this strife-torn state and the administration will remain ineffective in providing security to the citizens. There can also be no free and fair elections under these conditions.

CSO: 4220/7482

STATES' OVERDRAFTS REACH 'STAGGERING FIGURE'

New Delhi PATRIOT in English 28 Jul 81 p 7

[Text] The Centre has failed to discipline the States in the matter of overdrafts and ways and means drawals, which has reached to the staggering figure of about Rs 1,000 crores by the end of June.

Though Finance Minister R. Venkataraman has started discussions with the Finance Ministers of the erring States, the Centre has found it difficult to remedy the situation.

He has already completed discussion with Finance Ministers of Punjab, Haryana and Kerala to find out ways to clear up the overdrafts on the Reserve Bank of India.

In all there are 12 States which have run into overdrafts. They are Karnataka, Gujarat, Punjab, Haryana, Rajasthan, Assam, Madhya Pradesh, Kerala, Maharashtra, Tripura, West Bengal and Manipur.

The reason for huge overdrafts by the States is attributed to their failure to raise resources necessary for the Plan. The Centre is putting pressure on the States by threatening to cut their plans if they failed to mobilise resources and clear the overdrafts.

However, in relation to one or the erring States, West Bengal, the Centre is in tight position as it is not able to specify the amount of overdraft of the State on the RBI due to agitation.

The RBI had failed to furnish the State Government with the usual daily account of the balance of payments since 27 June.

West Bengal Finance Minister Ashok Mitra has said that the State Government had no idea as to how much is the overdraft the State Bank account was as the RBI had been unable to compile the debit and credit balance of the State exchequer.

The Centre, which always promptly repudiates all such matters raised by the West Bengal Government, has failed to clarify the situation. However, Mr Venkataraman would go ahead with other States and impress upon them the need to clear overdrafts as also to raise resources. For the time being, the Centre has to put up with this staggering amount of overdraft. However, there is no question of their being written off, official sources said.

CSO: 4220/7438

GOVERNMENT PLANNING FURTHER ECONOMIC MEASURES

Madras THE HINDU in English 30 Jul 81 p 1

[Article by G. K. Reddy: "Crackdown on Economic Offenders Soon"]

[Text] New Delhi, July 29--The adverse reaction in the country to the sweeping powers the Government has assumed to ban strikes in essential services is impelling the Government to come forward quickly with matching measures to discipline the big business with threats of deterrent punishment for economic offences.

The Ministries concerned, which have been stung by the harsh criticism, are working hard on an impressive list of follow-up measures to curb hoarding and profiteering, prevent artificial scarcities, improve public distribution, tighten money supply, stop misuse of bank credits, step up tax collections and penalise those engaging in various economic malpractices.

The long over-due crackdown on the big hoarders and black money operators is expected to coincide with the next session of Parliament opening on August 17 to demonstrate the Government's resolve to enforce better standards of behaviour at all levels of society.

The highly embarrassing chorus of support the Government has been receiving from the big employers' organisations for banning strikes had made it all the more imperative for the Prime Minister and her colleagues to display equal determination in taking timely steps to pre-empt the threatened protest demonstrations by the trade unions on the opening day of Parliament session.

The Government is trying to steal the thunder from the expected Opposition onslaughts by unfolding the rest of its economic package, before the introduction of the necessary bills to replace the recent ordinances.

It is basically a question of displaying enough political courage in dealing firmly with various categories of vested interests which continue to thrive in an economy of allround shortages and high prices.

The Prime Minister has been told by her advisers that the mere fact that the Government is bent on asserting its authority will have a salutary effect in creating a psychology of retribution.

The secret of success in a situation of this kind lies in combining punitive measures with positive incentives for making the economy work better in an atmosphere of shared sacrifices with no pockets of privilege thriving on the miseries of the people.

There is also a growing realisation that a Government cannot be run effectively only with regulatory measures unless there are men of ability and integrity at the helm of various Ministries to provide higher direction.

It has made the Prime Minister increasingly conscious of the inadequacies of her present team leading in turn to the conviction that it will be too late to think of corrective action if no steps are taken immediately to put more competent men in key positions to run the country's economic administration.

But nobody is close enough to Mrs Gandhi these days to get a clear insight of her own thinking on what could or should be done to improve the quality of her Government.

The earlier practice of attaching greater importance to loyalty than ability has now been more or less given up and the current emphasis is on finding people with a combination of both these attributes who can be depended upon to carry out the policies of the party and the Government.

CSO: 4220/7449

PAKISTANI REPORT ON PLANNED RAID DENIED

Bombay THE TIMES OF INDIA in English 30 Jul 81 p 1

[Text] New Delhi, July 29--India today described as "mischievous and patently ridiculous" Pakistani newspaper reports alleging that India had consulted Israel for planning air raids on Pakistani nuclear installations.

A spokesman of the external affairs ministry said today that a London date-lined story issued by a Pakistani news agency had been given wide publicity in several Pakistani newspapers.

"It is regrettable that the Pakistani press has chosen to give currency to such a fantastic, tendentious and utterly baseless report, the spokesman said.

The report said the Indian military establishment had been in touch with their Israeli counterpart to get details of the Israeli raid on Iraqi nuclear facilities.

The spokesman recalled the government of India's condemnation of Israel's action as "stark adventurism and blatant act of intervention and aggression." In the light of this, the spokesman questioned the motivation behind the report in Pakistani papers.

Meanwhile, India's ambassador to Pakistan, Mr Natwar Singh, met the Prime Minister, Mrs Indira Gandhi, today. He informed her of the developments in Pakistan.

Mr Natwar Singh had recently met the Pakistan foreign minister, Mr Aga Shahi. Mr Shahi's use of the phrase "hegemony" in the context to India recently caused considerable dismay in India and the matter was taken up at the highest level.

CSO: 4220/7446

BENGAL CABINET OPPOSES ESSENTIAL SERVICES ORDINANCE

Bombay THE TIMES OF INDIA in English 30 Jul 81 p 3

[Excerpt] [Calcutta, July 29--While recording its "grave concern" about the promulgation of the ordinance banning strikes in essential services, the West Bengal cabinet, in the course of a formal resolution at its meeting yesterday, urged the Central government to withdraw "this anti-working class" measure and to convene a conference of trade unions, mass organisations, political parties and state governments to "decide on the steps to be taken in the present difficult economic situation."

Being a government resolution--the text of which was released--it avoids the use of hard expressions, but does not hide the general sentiments. It does not use any expression like "opposition" to the ordinance. But ministerial sources say that active opposition on a political level is being built up through a "massive campaign" to be launched by the left front in which it might be possible to draw all the left and democratic forces in course of time.

Cabinet Resolution

The cabinet resolution begins with a reference to the broad provisions of the ordinance, making a pointed reference to the scope of a strike as defined under it cover "any form of cessation or substantial retardation of work, including refusal to work overtime." The government's decision, it says, constitutes "a grave attack on the rights and privileges of the workers and employees of Central government services and undertakings."

It is "a direct onslaught on the basis of trade union rights and such provisions as a summary trial militate against all principles of democracy. It is apprehended that the scope of the ban may be extended to other services and public undertakings as well." The resolution also notes that the ordinance has come "in the context of an ever-deepening economic crisis resulting from the policies pursued by the Centre. It is designed to suppress the growing unrest among all sections of workers and employees at a time when the common people are being burdened more with rising prices and unemployment."

Copies of the resolution are to be sent to the President, Mr Sanjiva Reddy, and the Prime Minister, Mrs Indira Gandhi.

CSO: 4220/7446

URS THREATENS ACTION AGAINST CONGRESS-U DISSIDENTS

Bombay THE TIMES OF INDIA in English 3 Aug 81 p 1

[Text] Bangalore, August 2. The Congress(U), whose leadership Mr D. Devaraj Urs assumed after he broke his ties with Mrs Indira Gandhi, is on the verge of disintegration. But Mr Urs today threatened disciplinary action against those organising a parallel organisation.

The situation facing the Congress(U) is admittedly bleak. Its derecognition by the Election Commission has been followed by its accounts being frozen by the Reserve Bank. On top of all this comes the move by Mr Shyam Dhar Mishra, recently barred by the party's working committee from any party position because he is involved in a criminal case, and his followers to form a parallel party, probably under the presidentship of Mr Jagjivan Ram.

Mr Urs said the meeting convened in Delhi on August 5 by the promoters of the parallel Congress(U) was unconstitutional and unauthorised. Any grievance could have been discussed in various forms, including the working committee, he said.

Mr Urs also termed the forcible occupation of Congress(U) offices in some places by Congress(I) workers as illegal and unconstitutional. By allowing her partymen to indulge in such undesirable and uncivilised activities, Mrs Gandhi had lost her right to condemn violence and agitations. The honourable course for the Congress was to file a civil suit to claim the property of the Congress(U).

Mr Urs described as funny and ridiculous the decision of the Reserve Bank to freeze the accounts of the Congress(U) since there were no Congress(U) funds anywhere except in a few places.

New Delhi (PTI): Even as a faction in the Congress(U) supporting Mr Jagjivan Ram was planning an "AICC(U) meeting" here on August 5 to change the leadership of the party, an "informal" meeting of some working committee members and party MPs here on Sunday urged Mr Urs to take "strong action against this faction of splitters."

The "informal" meeting, attended by 17 CWC(U) members and MPs and four general secretaries, urged Mr Urs, who is arriving here on Monday, to call a working committee meeting at the earliest to decide on a schedule for organisational elections and an AICC session.

The working committee is expected to meet in the next few days.

The faction opposed to Mr Urs includes Mr Shyam Dhar Mishra and Mr S. R. Saigal, who had been removed as presidents of the UPCC(U) and the MPCC(U) by the working committee at its meeting in Bangalore on July 12.

This decision has been described as "illegal" by Mr Jagjivan Ram, who has indicated that he might attend the August 5 "AICC meeting" here.

According to present indications, Mr Jagjivan Ram may be elected president of the party at this meeting and he may head a "parallel" Congress(U).

Mrs Ambika Soni, one of the AICC(U) general secretaries who briefed the press about Sunday's "informal" meeting, referred to Mr Ram's contention that the Bangalore working committee decision was "illegal" as it was only an "informal" meeting and said the meeting was very much "formal." "Its decision had gone into the minutes of that meeting," she added.

Ban in Mysore

Mysore (UNI): The police on Sunday promulgated prohibitory orders under section 144 in the area surrounding the Congress(U) office here for eight days following Saturday night's attempts by Youth Congress(I) members to forcibly occupy the premises.

Thirteen Youth Congress(I) workers were arrested in connection with the incident and later released on bail. The office is being guarded by the police since Saturday night.

The Youth Congress(I) workers had claimed on Saturday that the office belonged to their party in the light of the Election Commissioner's verdict that the Congress(I) was the real Congress. The members also held a meeting inside the office.

Meanwhile, Congress(U) sources told UNI on Sunday that the attempt to occupy the office was a futile one. The premises was a trust property headed by the Congress(U) president, Mr Devaraj Urs, and "we are only tenants," the source said.

CSO: 7482

SURVEY TO COMPILE NEW CONSUMER PRICE INDEX BEGINS

Bombay THE TIMES OF INDIA in English 3 Aug 81 p 20

[Text]

NEW DELHI, August 2 (PTI).

WORKERS engaged in railways, motor transport undertakings, electricity generation and distribution establishments and ports and docks have been brought under the purview of a fresh nation-wide survey to compile a new series of consumer price index numbers for industrial workers with 1980-81 as the base.

Only workers in factories, mines and plantations were covered in two similar previous surveys conducted in 1959 and 1971.

For the first time, a computer has been pressed into service to process complex technical and other data being collected to ascertain the shifting pattern of family living and budget of industrial workers from 76 important centres in the country.

Based on this inquiry launched late last year into the working class family income and expenditure, the new all-India consumer price index, according to a spokesman of the union labour ministry here, will be ready by the end of 1983.

This will replace the existing series of consumer price index for industrial workers with 1960 as the base in vogue since 1971.

The fresh working class family budget survey has been launched in 76 selected centres in the country in keeping with the recommendations of the International Labour Organisation (ILO) that the family living survey be conducted at intervals generally of not more than ten years to revise the base.

While the series of indices for 70 of these centres will go to yield an all-India average index, which will replace the existing all-India series with base 1960-100, the index series of the remaining six centres will replace corresponding series being maintained by labour bureau with different base periods.

Of the 10 centres included in the all-India series, there are 54 factories, seven minings and nine plantation centres.

Only 50 important industrial centres were covered during the 1959 survey and 60 in the 1971 survey.

Under the current survey, consumer expenditure data of industrial workers will be collected to yield an up-to-date weighing diagram. Currently, collection of prices on the basis of an updated list of items from workers, shops, selected afresh for the purpose, will provide price data relevant to the latest consumption pattern.

Index, based on the data so collected, according to official sources, is expected to reflect the changes in the level of consumer prices more faithfully than the existing series with base 1960-100.

The technical details of the 1981 survey as also the list of 76 centres selected for the survey, have the approval of the technical advisory committee on statistics on prices and cost of living, department of statistics of the Central government.

While the collection of price data will be carried out by the state government employees engaged on part-time basis by labour bureau, the field work of the family living survey would be conducted by the statistics department which had earlier conducted similar surveys for the labour bureau in 1958-59 and 1971.

CSO: 4220/7482

FLOOD OF PROBLEMS FACED BY NEW RAJASTHAN GOVERNMENT

Bombay THE TIMES OF INDIA in English 3 Aug 81 p 5

[Text]

JAIPUR, August 2 (PTI).

A GIGANTIC task of reconstruction now lies before the newly-installed Mathur ministry in Rajasthan, which is hit by the century's worst rain havoc.

The new chief minister, Mr. Shiv Charan Mathur, took the oath of office on July 14 and continuous rains for four days since July 17 caused deluge and destruction in many parts of the state.

The rains, coming after three years of drought, brought in its trail destruction, washing away at least a dozen villages completely and flooding hundreds of other areas.

The most formidable task facing the government is the reconstruction of the Jaipur city — which bore the brut of havoc in which, apart from roads and buildings, over a dozen colonies in low-laying areas have been wiped out rendering about a lakh of people shelterless.

While the state government is busy rushing relief to every corner of the state, official teams have spread out to the worst-affected areas in the districts to asses the damages caused to official and civilian properties.

Though no estimate of the damage is yet available, unofficial estimates put the loss at nearly Rs. 200 crores.

The rain and the flood fury damaged fully to partially 53,000 houses, affecting 75,000 families, washed away 15,000 heads of cattle, and destroyed standing crops in about 2 lakh hectares in the affected districts. The official death roll is reckoned at between 150 and 200.

Officials are now busy preparing blue-prints for Jaipur city's reconstruction. The immediate task will be to rehabilitate the flood victims now being kept in various relief camps.

The state government has decided to offer these people not only alternate sites on high lands but also put up tenenments according to the size of the family.

The chief minister's relief fund, which has already swelled into several lakhs of Rupees, will be utilised for flood relief, besides loans from other financial institutions

Mr. Sriram Gotewala, minister of state for local self-government, told PTI that instead of offering cash doles to the flood-affected people, the government would offer them ready-made tenements on high lands so that they did not face such problem in future.

He said the government was also planning to reconstruct the city's drainage system to siphon off accumulated rain water.

CSO: 4220/7482

TRIPURA TRIBAL POLL EXPECTED BY END OF YEAR

Bombay THE TIMES OF INDIA in English 29 Jul 81 p 7

[Text]

AGARTALA, July 28: While no schedule has been announced so far, indications are that elections to the controversial tribal areas autonomous district council in Tripura will be held by the end of the year.

The election was originally scheduled for July last year, but it had to be postponed following widespread clashes between tribals and non-tribals in the state.

There has been a marked improvement in the law and order situation and normal relations between the two communities have been largely restored since the violent clashes in June last year. All the same, mutual suspicion between tribals and non-tribals persists. Extremists are still active in certain areas. It is in this context that some circles fear that elections to the district council may spark fresh violence.

The autonomous district council has become a bone of contention between the two communities. The tribals feel it will considerably improve their lot. The non-tribals, a majority of whom had migrated from the erstwhile East Pakistan, are apprehensive that the creation of the autonomous district council might lead to their eviction.

The Congress (I), which did not reconcile itself to the status of an opposition party, decided to oppose the autonomous district council concept. Its campaign against the move was hardly distinguishable from that of the Amra Bangali, a chauvinistic organisation.

Meanwhile, the chief minister, Mr. Nripen Chakraborty, has put up his government's case before the Prime Minister, Mrs. Indira Gandhi, and sought her support in the interests of stability in the state. He has also pleaded with her to restrain her party workers in Tripura from taking any step which might hinder the process of normalisation.

CSO: 4220/7440

POLITICIANS URGE MORE STAFF FOR ELECTION PANEL

Bombay THE TIMES OF INDIA in English 29 Jul 81 p 7

[Text]

NEW DELHI, July 28: Several speakers, including Mr. H. N. Bahuguna, Mr. R. K. Hegde, Mr. Murli Manohar Joshi and Mr. Rabi Ray yesterday pleaded for the strengthening of the election commission by providing it with more staff so that it could conduct elections independently and fairly.

Speaking on "Lessons from the recent by-election for electoral norms and reforms," Mr. Bahuguna felt that the main weakness of the electoral system lay in the fact that the election commission shared its power in conducting elections, perforce, with the executive wing of the government. Even if the election commission wished to inquire into a complaint, it had to refer the case to the polling officers who were primarily government servents.

Often, even after the election notification was issued, officers in power were transferred to bring in those favouring the ruling party. Mr. Bahuguna, therefore, appealed for sufficient staff for the election commission to conduct elections on its own.

Mr. M. M. Joshi (BJP) also spoke of the need for an independent status for the commission as well as the commissioner. He should be equivalent in power and status to the chief justice of the supreme court, he added.

Speakers also stressed the need to curtail the mounting expenditure on elections. They said money continued to be paid under the table to political parties, putting large amounts of black money into circulation. All this added to the difficulty in conducting elections.

Mr. Joshi said that at every assembly and parliamentary election, a candidate spent at least Rs. 1 to Rs. 5 lakhs. Candidates of the ruling party spent five times as much money.

MONEY POWER

Mr. R. K. Hegde pleaded for stopping the play of money power in elections. At a recent panchayat samiti election, he said, a candidate had spent a lakh of rupees.

There were two opinions on who should fund the candidates fighting an election. While one of the speakers said the expenditure should be controlled by the election commission, another wanted the states to fund the candidates.

One positive way of curbing election expenses was by limiting the time for canvassing to two weeks.

Mr. Bahuguna said the new culture of misuse of administrative machinery was born in the June 1980 assembly elections and perfected in the recent by-election. After the election notification was issued, returning officers were changed in violation of the commission's ruling.

Mr. Bahuguna said police officers went round villages in western U.P. and asked the villagers not to vote. Gangsters were asked to guard the route to polling booths. The administrative wing was being treated as part of the party in power and this was a dangerous trend. In fact the election commission was controlled by proxy, he added.

Despite Mr. Bahuguna's bitter experience in the by-elections, he was confident that democracy would survive. He saluted the people of Garhwal who displayed their loyalty to democracy and the officers who had the courage to record the misdoing of political parties.

Mr. Hegde detailed the factors that vitiated elections. His suggestion that there should be President's rule in the states and at the Centre for three months at least after an election notification was aimed at preventing the misuse of government machinery. To this, Mr. Bahuguna could be heard muttering, "How will that improve matters?"

Both Mr. Joshi and Mr. Hegde pleaded for voting through the electronic machine. Though even this could be tampered with, Mr. Joshi was confident it could be averted. A whole lot of unnecessary papers could be avoided by the use of an electronic voting machine. Another suggestion was issuing identity cards for all voters.

CSO: 4220/7440

CPI EXECUTIVE COMMITTEE ADOPTS POLITICAL DOCUMENT

New Delhi PATRIOT in English 3 Aug 81 p 4

[Text]

HYDERABAD, Aug 2.

THE Communist Party of India will, here after, lay greater emphasis on mass actions, thus relegating "parliamentarianism" to a secondary position.

It will also play an independent role instead of depending on other parties on both political and economic issues..

The four-day session of the central executive committee of the party which concluded on Thursday, adopted a lengthy political document on the national and international situation which will be placed before the national council for its consideration. The council meeting is scheduled to be held in Delhi from 24 to 27 of August.

The executive committee had a detailed discussion on the 'real threat to security and sovereignty of the country' due to the massive arming of Pakistan by the US and Chinese. It urged the Central Government to see that this threat is met with the help of the Socialist countries and other anti-imperialist progressive regimes fighting against the Washington-Beijing axis.

The document is understood to have pointed out that serious attempts were being made by vested interests to weaken and dilute the anti-imperialist aspect of the nation's foreign policy. The document is also understood to have mentioned certain 'vacillations' in foreign policy under 'Mrs Indira Gandhi's leadership which "manifested" in giving more and more concessions to multinationals and increased dependence on imperialis' financial Institutions like the IMF and the World Bank..

The document is understood to have sharply differed with the CPM on 'all in unity' against Cong-I. Instead, it felt, independent political activity and massive mobilisation of people against the anti-people and pro-monopoly policies of Mrs Gandhi's Government alone would provide the opportunity for rallying round left and democratic parties and forces to fight both the 'authoritarianism of Mrs Gandhi and pro-imperialist, reactionary and communal BJP'.

The manipulations and manoeuvres at the top level will not any more yield dividends. On the other hand, the CPI felt, by mass mobilisation alone vacillations of Mrs Gandhi on foreign policy could be prevented.

It also differed with the CPM on the question of separating the fight against authoritarianism and anti-people policies of Mrs Indira Gandhi' as 'immediate' and the fight on socio economic issues and anti-imperialism as 'remote'.

The party felt that both have to be fought simultaneously.

It is also said that Mrs Gandhi's popularity is getting eroded mainly due to her anti-people policies and the BJP is trying to emerge as an alternative raising the slogan of "all in unity" against her. Leftist parties should not be instruments in the game of reaction and big business which is giving boost to this 'alternative' under the leadership of the BJP. The CPI posed a straight question to CPM, the BJP being pro-imperialist, pro-monopoly and communal. how could any left party worth the name have any political truck with that party. It hoped that the CPM will soon shed the illusion of the 'all in unity' slogan and join the 'mainstream of left and democratic unity.

CSO: 4220/7487

HINDUSTAN AERONAUTICS ASSEMBLING JAGUAR FIGHTERS

New Delhi PATRIOT in English 3 Aug 81 p 7

[Text]

BANGALORE, Aug 2 (UNI) — The Hindustan Aeronautics Limited has secured firm orders for eight Chetak helicopters from different States.

The States are Andhra Pradesh Orissa, Maharashtra and Uttar Pradesh. While one helicopter had been delivered to Andhra Pradesh, earlier this week, the State had asked for three more. The Orissa order was about to be executed, informed sources said.

A Chetak helicopter, manufactured by the HAL, would cost between Rs 60 to 70 lakh depending upon the model. Since there was encouraging response from the States the HAL had also made advance provision for materials procurement. It was also going in for a VIP version of helicopters with 'sound proofing' facilities.

It is going ahead with the assembling of the first of the Jaguar supersonic strike aircraft.

The first indigenously assembled Jaguar will be delivered to the Indian Air Force by June next year. The HAL will deliver three Jaguars to the air force during 1982-83.

'We are proceeding as per the contractual obligations. How can we shelve it', The sources said when asked whether the programme was progressing satisfactorily as per schedule.

The sources said that the spare parts for the first Jaguar had already arrived at the HAL from the British Aerospace Company, makers of Jaguar, and work was going on in full swing.

Asked about the comparable combat capability of Jaguar and the French Mirage, the sources said that Jaguar was a good aircraft for the purpose for which it is intended namely a deep penetration strike. Mirage, on the other hand, is a multipurpose aircraft meant for a different purpose.

Under the contract India was to buy 40 Jaguars, assemble 45 and manufacture another 43. The entire Jaguar programme was estimated to cost over Rs 1000 crore.

CSO: 4220/7487

SURGE IN HARIJAN CONVERSIONS TO ISLAM REPORTED

Calcutta THE STATESMAN in English 29 Jul 81 p 7

[Article by S. Rajappa]

[Text] The Ramzan moon over Tamil Nadu was sighted a day later than in neighbouring States but the neo-Muslims, drawn to Islam from downtrodden communities in the current wave of revivalism sweeping the South, could hardly wait to begin the month-long fast to demonstrate their new zeal.

They may not yet have mastered the litany, but their apparel--bright checked lungis and red fez caps for now bearded men, and purdah for women--bear testimony to their change of religion.

Conversion has captured the imagination of Harijans, oppressed for generations, who see in it an escape from bondage. They are in no mood to look back, notwithstanding the prodding of Hindu religious leaders and savants and of politicians who have gathered in Ramanathapuram and Tirunelveli--the two districts that hit the headlines with mass conversions.

Although it would seem a spontaneous move by Harijans, there is probably a well-planned programme behind these conversions. Meenakshipuram, the 1,300-strong Harijan village in Tirunelveli district, which was renamed Rehamatnagar when the entire population became Muslim on February 19, is not an isolated case. The move coincided with the sixth all-India conference of the Jamaat-e-Islami Hind, held in Hyderabad after Sheikh Abdullah refused permission for a meeting in Kashmir.

The tone of the Hyderabad conference was set by Maulana Muhammad Yusuf, Ameer-e-Jamaat-e-Islami Hind, when he outlined the duties and responsibilities of Indian Muslims. The Maulana harped on their separate identity with more in common with foreign co-religionists than with compatriots. Calling for better organization, he said: "In countries where Muslims are free and have authority they should enforce the Islamic Shariah in all aspects of life and they should put before the world the kind of model by which it may know the blessings of the Islamic way of life." He regretted that secularism had failed to ensure national integration. "The text-books prescribed by the Government are full with beliefs and mythology of one particular religion. In official functions also this tendency is perceptible and the communal situation is deteriorating," he said.

Arab Delegates

An outcome of the Hyderabad conference, which was attended by Arab delegates, was a plan to raise India's Muslim population from 80 to 200 million in the next decade. An Islamic bank in Kuwait and the London-based Islamic Cultural Centre promised financial and moral support. The conference also set up a committee to propagate the faith among workers and peasants. Mr Abdul Fattah, its convener, said that the Jamaat "addresses itself to all sections irrespective of its status in society." It noted that no worthwhile progress had been made in missionary work among farmers and labourers.

The meeting also set up an Islamic Journalists Association with a founder's committee which includes Maulana Mohammed Muslim, editor of the DAILY DAWAT, published from Delhi--to give practical shape to the organization. An all-India conference of journalists will be held in the capital later this year. Translations of the Quran in 12 Indian languages were released during the conference.

The section on "work among non-Muslims" in the Jamaat's official policy and programme, issued by its Delhi secretariat, promises that "all efforts to poison minds against the Islamic movement will be counteracted and it will be made clear to them that the Jamaat is an ideological party and is a true well-wisher of the country and its people." It would take steps to improve the social and economic status of backward classes and to remove the "unreasonable distinctions" of birth. Monetary assistance would be given to the poor and interest-free loans to the needy.

In Srinagar, Syed Ali Shah Geelani MLA, and Mr Aifuddin Kari, former MLA, had warned that the Jamaat had given notice that it would launch an Iranian-type revolution to "liberate" Kashmir. They said that the Jamaat-e-Islami was not reconciled to the view of Sheikh Abdullah and others, that the State's accession was "final and irrevocable." The party had, therefore, decided to campaign for a plebiscite to take a "final decision."

Urdu Posters

Hard on the heels of the Hyderabad conference wall posters appeared in the twin cities demanding a separate homeland. Issued in the name of Mr Khizri Shah Hashmi, who styled himself "Khalif of Indian Muslims," the Urdu posters repeated the gist of a pamphlet circulated at the conference in which Mr Hashmi pleaded for a State, its size being proportionate to population, in order to "save the Muslims from being looted, slaughtered and to protect the honour of their women."

But though the Tamil Nadu Chief Minister, Mr M. G. Ramachandran, deprecated conversion to escape from untouchability, the socio-economic transformation of Harijan converts cannot be denied. The decision was based on pragmatic, down-to-earth considerations. Hinduism convinced them that "enlightenment" was only for those who are privileged by birth. Flirtation with Christianity made them realize that caste divisions within the Christian fold extend even to the cemetery, and that Harijans might be called but are seldom chosen. Buddhism proved too mild a creed to cope with social and economic injustice. They found

a new kind of kinship in the egalitarianism of Islam, coupled with a tremendous sense of security.

That feeling is best demonstrated by the experience of Mr Thankaraj, a Harijan youth of Rehamatnagar formerly Meenakshipuram who eloped with a Thevar (caste Hindu) girl of Mekkarai, seven kilometres away. To escape the wrath of the Thevars he became a Muslim with the name of Mohammed Yusuf, there being a preponderance of Muslims in this part of Tirunelveli district. When the vengeful Thevars caught up with Mr Thankaraj, alias Mohammed Yusuf, he hit back and broke the leg of one of his pursuers.

The police could not take action as he pleaded self-defence, and his co-religionists supported him. Subsequent attempts to frame Mr Thankaraj were also foiled. The story may have influenced many others among the Meenakshipuram Harijans to embrace Islam; and the Tirunelveli-based South Indian Islamic Society not unexpectedly obliged them. The police dare not enter Rehamatnagar and harass people there. The Thevars too are afraid of converts, for quarrels can easily acquire a communal colour with repercussions elsewhere.

Caste War

Soon after the Meenakshipuram mass conversion, a caste war in neighbouring Ramanathapuram district left five dead and a trail of devastation and bitterness in several villages. The Harijans, who had always been at the receiving end, turned the tables by adopting Islam. Nor was their hope of social emancipation disappointed. If a Harijan hamlet in Tamil Nadu hoists the green flag, officials at once attend to its neglected needs.

The choice of Tirunelveli and Ramanathapuram for conversion is not without significance. The two districts are contiguous to Kerala where Islam entered in the 7th Century. Unlike the North where conquest was responsible for the religion's spread, in Kerala it was mostly the result of peaceful work by enterprising merchants and zealous missionaries. There are mosques in Kerala as old as the Haramel Sherif in Mecca. Kerala Muslims were the first to organize politically basis after Partition and even succeeded in establishing their majority in a particular district. Today, they wield so much power that no party can form a government without the Muslim League's blessings.

CSO: 4220/7442

KANU SANYAL DEFENDS 'GENUINE NAXALITE' PARTY

New Delhi PATRIOT in English 27 Jul 81 p 4

[Text] Calcutta, July 26 (UNI)--Mr Kanu Sanyal, one of the top lieutenants of Naxalite leader Charu Majumdar has said that the programme of "individual annihilation" was launched despite the fact that Mr Majumdar's thesis advocating this policy had been rejected by the revolutionary party.

Mr Sanyal secretary of the Organising Committee of Communist Revolutionaries (OCCR) which sponsored the 1967 Naxalite, movement in West Bengal, told UNI that six documents placed by Mr Majumdar at the Darjeeling district committee meeting in 1969 were "defeated."

The "annihilation policy" started by Mr Majumdar on the basis of this "defeated" documents as an experiment at first in West Dinajpur, ultimately failed, he added.

Mr Sanyal however, did not agree that the armed struggle launched in 1967 in Naxalbari had failed. He sought to assert that it had only met with reverses at the hands of stronger opponents.

Mr Sanyal regretted that "politics of individual annihilation" had taken a large toll of valuable lives. They could have helped the revolution, he added.

The OCCR leader observed that the CPI-ML should no longer be described as a Communist Party, as according to him, it had deviated from the communist path.

Mr Sanyal was critical of the Left Front's way of working for the peasants and the working class.

The OCCR, Mr Sanyal claimed had made satisfactory progress towards formation of a new country-wide Communist Party. The new party he said would be based on "Marxist-Leninist thoughts of Mao-tse-Tung" with the aim of bringing about revolution through armed struggle.

It would maintain fraternal relations with the Communist Parties of other countries like China and Korea, Mr Sanyal added.

Mr Sanyal said in its efforts to form an All-India party the OCCR had already established contact with Communist revolutionaries in Bihar, Uttar Pradesh, Assam, Kerala and Maharashtra. The OCCR was the "Genuine Naxalite" party he claimed and said that others who were taking the name of Naxalbari were "fake Naxalites."

All the leaders of the 1967 Naxalbari Struggle were for unity and talks were going on in Andhra Pradesh, Punjab and Rajasthan to bring all Communist Revolutionaries under the fold of a unified party in due course, he said.

CSO: 4220/7436

KEY HINDU PARLEY DISCUSSES HARIJAN CONVERSIONS

Madras THE HINDU in English 29 Jul 81 p 10

[Text] Madurai, July 28--Will the successive Hindu Solidarity Conferences really help prevent the attempts made by a section of Harijans to embrace Islam?

Whatever the answer to that question may be the conference held on Monday at Rammad town was significant in that all the mutt heads in Tamil Nadu, barring the head of the Tiruvaduthurai Adheenam were present on the dais, while the Sankaracharyas of Kanchi and Sringeri sent messages wishing the conference all success.

A pledge to preserve the unity of Hindu religion and foster equality among the various sections of Hindu society was taken by participants of the conference.

They also pledged that they would give no room for caste feelings through their thoughts and action and would strive to eradicate untouchability.

The pledge was administered by Kunrakudi Adigalar, head of the Kunrakudi Mutt near Karaikudi.

As Mr U. Subramaniam, H.R. and C.E. Commissioner had pointed out at the conference, that the presence of Hindu mutt leaders--all at one place--would lead to a possible rethinking in the minds of those who had been threatening to embrace Islam.

Harijans absent

He believed the heads could do a lot by mixing with people and explaining to them the utility of remaining in the Hindu fold.

Though the conference hall was fully packed with people listening to the speeches of the religious leaders, in particular that of the R.S.S. leaders, Harijans, barring a handful, were conspicuously absent.

An office-bearer of the Temple Protection Committee claimed that efforts were on to invite Harijans.

He added that these Harijans were also interested in coming, but their leaders prevented them.

What do the educated Harijans feel about the conference?

In Kuriyoor village, where there were conversions of Harijans to Islam on Sunday a constable and a medical student said that only when there was talks of conversions, the mutt heads assembled together and preached gospels.

Those who addressed the conference also voiced the warning that unless the Hindus were united, conferences would be of no help in stopping conversions.

The Government must immediately initiate welfare measures to raise the standard of living of Harijans, the speakers reiterated.

Winding up the Hindu Solidarity Conference on Monday night, the head of the Dharmapuram Adheenam, said he believed that if the Harijan's were educated on the utility of Hinduism, conversions would stop.

He said there were "untouchables" in every caste.

He appealed to Hindus to thwart the attempts made by vested interests to convert Hindus.

Peravai needs to be reviewed

Sri Kunrakudi Adigalar said that there was need for reviving the 'Deivika Peravai.' He looked forward to the mutts to come forward to render assistance to him to successfully revive it.

Sri Sundara Swamigal of Coimbatore wanted 'meaningful' cooperation from H.R. and C.E. department for smooth functioning of the mutts to propagate Hindu religion.

He said that recently the power charges for the mutts had been increased.

The Tirupanandal Mutt chief said that in his own mutt, he had provided jobs to Scheduled Caste families.

Mr L. Elayaperumal, MLA, who also addressed the conference blamed the politicians for the present state of affairs.

Unrest was always prevalent between Harijans and the backward class communities but not between Harijans and Mudaliars or Brahmins, he said.

Mr Soorangottai Velu spoke of the hardships faced by Harijans, irrespective of whether they were educated or not.

Mr Ramagopalan of the R.S.S. said the Hindus could no longer ignore the issue of conversions.

Not due to 'humiliation'

Mr M. Ramswamy, President, Tamil Nadu Temple Protection Committee, claimed that conversions were not due to humiliation of Harijans, but only due to Hindu anti-social elements.

Mr Jana Krishnamurthy, All India General Secretary, B.J.P., wanted the Government to take appropriate action to improve the lot of Harijans.

Mr K. Vaithilingam, Vishwa Hindu Parishad appealed to the parishad members to thwart the conversion attempts.

Malaysia Ramadoss said that castes were the bane of Hindu society.

Mr N. Krishnaswamy Reddiar, former judge of the Madras High Court said conversions were an attempt to add to the numbers of other religions.

He wanted follow up action taken on the deliberations of the conference.

The Sringeri Sankaracharya in his message pointed out that every Hindu should strive to bring the converts back to the Hindu fold.

The Kanchi Sankaracharya's epistle wanted every Hindu to do his best to foster a life of unity and prosperity. The Hindu religion was the mother of all religions.

Apart from condemning the police, many speakers wanted the Government departments to take impartial action on petitions given by people irrespective of the community to which they belonged.

192 Harijans convert themselves to Islam

PTI reports:

A total of 192 Harijans embraced Islam on July 26 at Kooriyur, three km from Ramanathapuram town.

Eighty of them were men and the rest women.

They included Dinakaran, local AIADMK Secretary and Dhanushkodi, local DMK secretary.

Two moulvis--Jamal Mohammed of Chinnamannur and another from Siddayankotta in Madurai District--officiated at the conversion ceremony. They distributed clothes and cash doles to the converts.

CSO: 4220/7444

ANDHRA PRADESH TO INVESTIGATE DISSIDENTS' FUNDING

Madras THE HINDU in English 31 Jul 81 p 1

[Text]

HYDERABAD, July 30

The A.P. Chief Minister, Mr. T. Anjiah, said today that he wanted to investigate how money was collected to finance dissident activity against the then Chief Minister Dr. M. Chenna Reddi, (between June and October last year)

Mr. Anjiah also said he would investigate how "some important persons have become institutions by forging signatures on cheques". He did not name them.

The Chief Minister made these announcements at a press conference called by him in his capacity as chief patron of the "Friends of Soviet Union".

A reporter brought to his notice a report published in a Telugu daily yesterday which while reporting the resignation of Mr. N. Bhaskara Rao, Agriculture Minister, said "Mr. Anjiah and Mr. Bhaskara Rao worked together to unseat Dr. Chenna Reddi and the financial assitance given to Mr. Anjiah by Mr. Bhaskara Rao for intensifying dissident activity both in Delhi and Hyderabad is known to the Party High Command".

Mr. Anjiah was visibly upset at this report.

He asserted he had nothing against Mr. Bhaskara Rao and recalled that he had offered to utilise his services as and when necessary.

The Chief Minister declared that nobody could purchase him nor did he care for money. He was unaware of any collections, nor did he collect money himself.

After the press conference was over and as pressmen were dispersing, the Chief Minister called them again to assert that he had nothing personal against anyone. He did not say anything against Mr. Bhaskara Rao to anyone.

Mr. Anjiah said he owed his position only to Mrs. Indira Gandhi. Everyone knew that, he added.

The Chief Minister said it was for these reasons that he wanted the Lok Ayukt Bill enacted very soon.—Our Staff Reporter.

CSO: 4220/7458

STUDY REVEALS EXTENT OF JOINT VENTURES ABROAD

New Delhi PATRIOT in English 31 Jul 81 p 5

[Text] There were 207 effective Indian joint ventures abroad at the beginning of January 1981, of which 115 were in production or operation and 92 were under various stages of implementation, reports UNI.

The Government had approved about 400 joint ventures. But about 160 were not implemented.

Indian investment by way of equity share capital in the 115 joint ventures which were currently reported to be in operation have been effected mainly through export of capital equipment and technology and to a lesser extent through cash remittances, according to a recent study by the Department of Science and Technology.

The study said that about Rs 21 crore of capital equipment, Rs 3 crore of know-how fees and Rs 3.5 crore of cash remittances constituted most of the Rs 36 crore of Indian capital in these countries. It was expected that when the projects under implementation were completed, Indian capital would be about Rs 59 crore, which would include Rs 44 crore of capital equipment exported.

The study pointed out that India's efforts in encouraging and promoting joint ventures abroad were recent. It fitted into the overall strategy of inter-regional and intra-regional cooperation among developing countries. Besides, projecting India's image as supplier of capital goods and technology for developing countries, successful joint ventures yielded benefits in the form of foreign exchange earnings from dividends, know-how fees, additional exports and so forth.

The average size of Indian joint ventures in terms of equity capital employed was about Rs 1 crore but more than half of the joint ventures would have an equity capital of less than Rs 30 lakh. The average size of the units under implementation in terms of equity share capital was about Rs 2.3 crore, indicating that the more recent joint ventures were relatively larger.

Among the joint ventures that have become operational, the maximum were in the field of light engineering and textiles. The other fields in which joint ventures have been sought include chemicals and pharmaceuticals, fractionation of

oil, trading and marketing, consultancy and paper. In terms of investment in share capital, textiles contribute about 29 per cent, oil seeds and fractionation about 20 per cent, light engineering about 16 per cent, and chemicals five per cent.

Some of the public undertakings have executed turn-key projects outside India. They also have on hand a large number of projects for execution. The foreign exchange earned by them during the last two years was Rs 23.5 lakh in 1979-80 and Rs 13.6 lakh in 1980-81.

It had been gathered that over Rs 900 crore worth jobs were pending in the hands of public sector undertakings at the beginning of 1980, of which the major jobs were with EPIL and the BHEL.

CSO: 4220/7461

INDO-NIGERIAN JOINT COMMISSION MEETS IN DELHI

New Delhi PATRIOT in English 31 Jul 81 p 5

[Text]

INDIA has agreed to provide technical cooperation to Nigeria in the fields of agriculture, industry, mining, petro-chemicals and power generation, reports UNI.

Besides, the two sides have agreed to expand trade and to conclude an agreement on trade and another on avoidance of double taxation.

These wide-ranging decisions were reached at the end of the first session of the Indo-Nigerian Joint Commission in New Delhi on Thursday.

The agreed minutes of the three-day meeting were signed by Nigerian National Planning Minister Adenike Ebun Oyagbola and Finance Minister R Venkataraman.

It was also decided that the next meeting of the commission would be held in Nigeria at a mutually convenient date.

It was agreed that India would provide technical cooperation in the form of exchange of information, services of Indian experts, training of Nigerians in the agricultural and allied fields such as rice production, food processing, plant protection, rural development, live stock, fisheries and water resources development.

Both sides agreed to expand cooperation in the field of small scale industries, tele-communications, electronics, machine tools, transport with India providing services of technical experts in all these spheres.

The two sides also discussed prospects of cooperation in railway transportation, merchant banking, Indian participation in Nigerian tenders and progress of the Indo-Nigerian Joint Business Council.

An official spokesman said the discussions between the two sides were held in a "very cordial atmosphere".

ASSISTANCE

At a meeting with the Association of Indian Engineering Indusrties Mrs Oyagbola sought the Indian Engineering Industry's assistance in making Nigeria self-reliant in several fields in which India has achieved competence, adds PTI.

Mrs Oyagbola said India should help Nigeria in the setting up joint ventures and development projects like roads, ports and agro industries.

Mrs Oyagbola said small scale industries development in India was "remarkable" and technology on such type of industries could be imported from countries like India alone.

More than 60 leading figures from the field of industry, the public sector and Government represented the AIEI at the meeting lasting over two hours.

The Nigerian Minister also held talks with Planning Minister N D Tiwari on Institutional arrangements for sharing experience in planning and exchange of experts and technologies between Nigeria and India.

Mrs Oyagbola said her country was keen on making use of Indian experience and would welcome closer economic cooperation with India.

CSO: 4220/7461

PUBLIC SECTOR UNITS PRODUCTION HIGHER IN JUNE

New Delhi PATRIOT in English 4 Aug 81 p 5

[Text]

PUBLIC sector undertakings under the Department of Industrial Development recorded a production of Rs 19.28 crore during June, reports UNI quoting Industry Ministry sources.

This showed an increase of 30.40 per cent over the production of Rs 14.78 crore in the corresponding period last year.

Among the leading units which showed a remarkably good performance were the Instrumentation Ltd., Kota, which showed a production of Rs 1.94 crore during June 1981. This was 118.74 per cent of the target of Rs 1.65 crore and 20.28 per cent higher than the production of the unit in the same period last year.

Another public sector unit to do well in June was the National Instrumentation Ltd which produced goods of the value of Rs 27.42 lakh or 117.02 per cent of the target of Rs 23.43 lakh and 51.57 per cent higher than the production of Rs 18.09 lakh in June 1980.

The production of National Newsprint and Paper Mills Ltd. was Rs 1.95 crore which was 99.31 per cent of the target of Rs 1.96 crore and 65.96 per cent higher than the production of Rs 1.17 crore in June 1980.

In physical terms, the production of NEPA Mills was 4,532 tonnes in the first three months of the financial year against a target of 4.583 tonnes and was much better than the production in the same period last month which was 3,186 tonnes.

CSO: 4220/7494

APRIL-JULY POWER GENERATION UP 17 PERCENT

Madras THE HINDU in English 3 Aug 81 p 16

[Text]

NEW DELHI, Aug 2

The generation of power during the first four months of the current financial year—April to July—was 17 per cent higher than in the corresponding months last year

As against 34.179 million units generated during April-July last year the generation went up to 39.951 units during the same months this year

This was nearly 500 million units higher than the target of 39.463 units fixed for the power industry

The performance of the thermal power sector has been particularly encouraging during the past four months The output of the thermal power houses recorded an impressive increase of 20.23 per cent over the generation during the corresponding four months last year

The big increase in thermal power generation since October last brought about a 13 per cent rise in overall generation during the second half of 1980-81 over the corresponding six months of 1979-80

The Government is making a sustained effort to stop up thermal power output It is expected to improve still further following the implementation of the betterment and renovation programmes taken up by the power houses under the direction of the Union Energy Minister

The achievement has given confidence to the power industry that it will be able to meet the expectations of the people and the Government.—Our Special Correspondent.

CSO: 4220/7485

PRC REPORTEDLY SEEKING INDIAN AID IN FARMING

Bombay THE TIMES OF INDIA in English 4 Aug 81 p 23

[Text]

PUNE, August 3 (PTI).

WITH 800 million of its population engaged in agriculture, the People's Republic of China is keen to share with India, its experiences in rural financing and agricultural development, according to Mr. Qin Qi, deputy director of the Agriculture Bank of China.

Mr. Qi is among the delegates of 23 countries attending the inter-regional seminar on rural financing, being held at the College of Agricultural Banking here since July 22.

In an interview, he told PTI, the world's most populous countries, India and China, had many common problems and objectives regarding development of the agricultural sector. He looked forward to more valuable exchange of information on this front in the coming years.

Mr. Qi said there was an extensive network of financial institutions in his country engaged in the Herculean task of looking after the welfare of the teeming millions engaged in agricultural production.

The Agricultural Bank of China had over 28,000 branches all over the country with a staff of over 280,000, he said.

In addition to this, there were more than 50,000 credit co-operative societies in China with a strength of 260,000. At the village level, there were 300,000 credit stations looking exclusively after agricultural financing, Mr. Qi said.

COLLECTIVE FARMING

Mr. Qi said co-operative farming had paid rich dividends in increasing agricultural production in his country. Collective farming which had been in vogue for years had helped the Chinese farmer to earn his living, he said.

The Chinese farmer was also encouraged to take to rearing of pigs, chickens, silk worms etc. to supplement his income. He was allotted a piece of land in the farm to carry out these activities, he said.

Rural co-operative movement was launched on an extensive scale in China in 1953 four years after the country effected its land reforms, Mr. Qi said.

Recently, "peoples communes" were launched all over the country in rural areas to co-ordinate the work on agricultural front in a systematic manner, Mr. Qi said.

There were credit co-operative societies and credit stations in each commune with expert professionals in agriculture and small industry to guide the peasantry, he said. Population of a commune ranged from 10,000 to 40,000, depending on the size of the village community, he said.

He said he was impressed by the co-operative movement in agricultural sector in India and was keen to share his country's experiences with those of the Indians.

CSO: 4220/7489

WEST BENGAL CHIEF MINISTER WELCOMES MULTINATIONALS

Calcutta THE STATESMAN in English 3 Aug 81 pp 1, 9

[Text] "Multinationals are welcome. But we will be happy if they concentrate on their business and do not intrude in our affairs," said Mr Jyoti Basu on Sunday, while inaugurating an opthalmic lens works, an Indo-Japanese venture, at Sodepur in the 24-Parganas.

The fully export-oriented plant has been set up by the Indo-Asahi Glass Company, sheet metal manufacturers, to produce "super quality spectacle lenses" in technical collaboration with the Hanno Optical Glass Company, suppliers to Nikon.

"Sometimes we are afraid of multinationals," the Chief Minister said, referring to reports in the Western Press that they had on some occasions interferred with the host country's political life. "Everyone will agree that this is not the right thing to do. We do not want outsiders to interfere in our affairs," the Chief Minister added. He asked the multinationals to invest their profits in the State where they were running their business.

Mr Basu said that the country had no prejudice against the non-Socialist countries starting joint-venture schemes. Earlier Mr K. Murono, the Consul-General of Japan in Calcutta, had said in his speech that they were happy that they were allowed to collaborate with their Indian counterparts, though Japan was a non-socialist country.) The reason why socialists were preferred, the Chief Minister felt, was that after Independence the Soviet Union and some other Socialist countries had come to India's assistance and helped in setting up heavy industries, while the Western nations had not. "Naturally we are pleased with them," he said.

Mr Murono, the Consul General, hoped that the Indian economy would be boosted with Japanese help. He thanked the Indian workers and the Indo-Asahi management for their sincerity and diligence. The Indo-Asahi Sheet Glass Plant at Bhurkunda in Bihar was being run in such a manner that not a single man-day was lost so far due to labour trouble, he said.

Mr H. Fujita, managing director of the Indo-Asahi Glass Company, said that the Sodepur works would initially manufacture spherical lenses and would go in for other types of lenses in future. He felt that if the project succeeded not only would the country be able to save foreign exchange but it would also make India a major producer of quality opthalmic lenses in the world.

CSO: 4220/7484

MIZO ACTIVISTS REPORTED EXPLOITING PEACE TALKS

Calcutta THE STATESMAN in English 3 Aug 81 p 9

[Text] Gauhati, Aug 2--Certain forces within the Mizo National Front but not underground are exploiting the status quo" during the peace talks between the Centre and the MNF to propagate their ideology and objectives in a covert manner, using student power, specifically the Mizo Zirlai Pawl, the apex student organization in Mizoram.

The recent student demonstrations at Aizawl are a pointer. Despite the highly politicized atmosphere and partisan politics in the Union Territory, it is reasonable to infer that divisive forces are active. Forcible tax collections have increased and the propaganda about Mizo nationalism is a euphemism for anti-Vai feelings. The current talks in New Delhi, observers feel, should be clinched soon; a delay may encourage new forms of chauvinism and student unrest.

Mr Laldenga has, reportedly, urged the Prime Minister to quicken the pace of the negotiations and has submitted the MHF's reply to the Centre's proposal. Her emissary Mr G. Parthasarathy, a constitutional expert, is tipped for a high post in one of the U.N. agencies, probably UNICEF further underlining the time factor. Mr Parthasarathy was the key negotiator in the past few months. He entered the picture after Mr Laldenga spoke of constitutional safeguards similar to Kashmir's.

Fresh recruitment by the MNF, particularly in the interior pressure tactics, interference in the village councils, revenue matters and so on are undeniable. And the Centre is aware of them. The ruling Peoples Conference leaders feel the Centre should warn Laldenga and re-examine his bonafides, but are none-too-sure of the Centre's intentions, thereby limiting their options.

According to a party spokesman, the people of Mizoram are watching the Centre and the Lieutenant-Governor of the Union territory. The loyalists are wondering why they should have risked their lives for national integration. The Peoples Conference is ready for a sacrifice if real peace is assured.

The use of student power in Mizoram is ominous. The Brigadier's men allege that the MZP is a tool of Laldenga, backed by the Mizoram Janata Party and the Peoples Conference "B," members of the Steering Committee which once included the Congress(I). The Mizoram Congress(I) apparently is divided with

one group wanting to exploit the situation to oust Brigadier Sailo and the other interested in the less exciting pursuit of national integration.

The MZP has leaders who are not strictly students or youths, including a former policeman who is said to have met Laldenga some months ago. The former Aizawl College is said to be a hotbed of politics. Fortunately, there are senior leaders among the MHF who feel that the activities of students of late are against the spirit of the peace talks and their academic interest.

CSO: 4220/7484

SOVIET OFFICIALS WRITE ON COOPERATION WITH NATION

New Delhi PATRIOT in English 4 Aug 81 p 8

[Text] India's industrialisation had qualitatively reached such high levels that it was now engaged in production cooperation with the Soviet Union, according to chairman of the USSR State Committee for foreign economic relations S. Skachkov, reports UNI.

In an article devoted to Indo-Soviet friendship treaty Mr Skachkov said that as a result of this production cooperation metallurgical products and other equipment were being exported to third countries with orders already fulfilled in case of Bulgaria, Cuba, Hungary, Turkey and Sri Lanka.

He said more than 50 projects had been built in India with Soviet assistance and another 20 were under way.

These plants together produced 40 per cent of India's steel, 60 per cent of oil, 30 per cent of petroleum products, a large portion of heavy metallurgical and power engineering equipment and about 20 per cent electricity.

Minister of Power Engineering P. Neporozhny had assured Soviet help to develop a unified power grid in India.

He said an accord in this regard had already been reached when Indian specialists visited the Soviet Union recently.

The Soviet Union which had helped India build several hydro and thermal power plants would also cooperate in setting up a centralised servicing system and a centralised repair base, he said.

Mr Neporozhny said the two countries were also cooperating in the use of their solar energy. Other promising fields of cooperation were joint research in energy conversion methods and utilisation of India's hydro-resources, particularly the potential of small rivers.

Minister for Heavy and Transport Engineering V. Zhigalin said the Soviet enterprises would give India production forms and records for new types of machines and equipment which would soon be produced in India. A part of the products would be supplied to the Soviet Union and some other third countries. The Minister for Higher and Secondary Special Education V Yelyutin said that 1191 Indian specialists had been trained in the USSR in more than 300 specialties since 1956. At present 639 Indians were studying in the Soviet Union.

CSO: 4220/7494

FINANCIAL EXPERTS CRITICIZE SEEKING OF IMF LOAN

Calcutta THE STATESMAN in English 3 Aug 81 pp 1, 9

[Text]

NEW DELHI, Aug. 2.—The Government of India's decision to raise a loan of $4 billion from the International Monetary Fund for which the talks were held in London last week, has evoked adverse reactions from financial and monetary experts.

The loan of Rs 3,500 crores, the biggest ever sought by India from the IMF is, according to official sources here, to meet the country's worsening balance of payments difficulties

Mr Ashok Mitra, a noted economist and West Bengal's Finance Minister, has said that the loan will further stoke the fires of inflation endangering the nation's economy.

Mr Mitra, a former economic adviser to the Prime Minister, has said the consequences of "standard prescription" applied by the IMF accompanying the sanction of a loan are disastrous because a borrower country is forced to barter away its freedom of taking independent economic decisions. For instance, he said, it would mean insistence by the lender on the borrower devaluing its currency, cut Government expenditures on subsidies and other welfare programmes.

Independent sources here, who liked to be anonymous, have said that the IMF and the World Bank had never spared any country in their application of the "standard prescription" which had sought loans from the two institutions. Of course, they have said, the Government of India cannot be unaware of the stiff stipulations the IMF lays down before sanctioning the loan. It is hoped that the Centre will try to avoid to borrow from the IMF on its usual terms.

It is pointed out that the Government cannot be accused of being not acutely conscious of disastrous consequences the nation's economy had to undergo following the devaluation of the currency in 1966.

The economy is in a very bad shape since the rate of inflation in the past two years has been of the order of 18 to 19% and inevitably cross 20% or even higher because of the latest fiscal and taxation measures.

Mr Mitra has said the Government of India cannot and should not decide on raising the loan from the IMF without consulting Parliament, the State Governments and political parties and without having examined the alternative sources to tide over the acute balance of payments crisis.

The official sources, however, are confident that the Government is conscious of the consequences of borrowing from the IMF. It is felt that the IMF authorities too do recognize that India is seeking the biggest ever loan to meet the temporary balance of payments crisis. So, it is pointed out, the IMF cannot be expected to put pressures on the borrowing country to accept its stiff and unacceptable conditions.

The sources say the Government has to seek the loan, spread over three years, to pay for the phenomenal bill on account of imports of crude amounting to more than Rs 6,000 crores in a year besides imports of sugar, wheat, edible oils, fertilizers which would put an additional burden of Rs 2,000 crores.

The situation has been worsened by the widening gap between imports and exports resulting into a massive trade deficit. The deficit in the fiscal year, 1980-81, is placed at Rs 5,436 crores. In view of the additional payment for crude imports and sugar, wheat, edible oils and other commodities and goods and services, the trade deficit in the current fiscal year is becoming much more than in the previous year.

CSO: 4220/7484

FORMER DEFENSE OFFICIAL ADVOCATES UNIFIED COMMAND

Calcutta THE STATESMAN in English 3, 4 Aug 81

[Article by G. C. Katoch: "Integrating Defence"]

[3 Aug 81 p 8]

[Text] A Supreme Commander for Cohesion

OF all the weaknesses in our higher defence organization, surely the most glaring is the absence of an effective mechanism for professional co-ordination among the three Services.

Modern warfare has become a highly complex business. In particular, it is no longer possible for each Service to be regarded as a separate entity with a distinct role in war, independently of the others. The Army, despite its predominance, is not expected to fight by itself; nor can the Air Force or the Navy do so. The increasing sophistication of weapon systems is accompanied by enlarged areas of commonality and interdependence. Moreover, in a short intense war, towards which present day defence preparation is oriented, the operational decision-making required involves not only quick response to changing situations but, equally, a high degree of directional co-ordination and synchronized effort.

Above all, note must be taken of the exorbitant, and ever increasing, costs of modern armaments. This makes it imperative that an integrated and total view of defence needs is taken so that resources allocated for defence are utilized in the most cost-effective manner. Thus the technology of war, the requirements of operational and equipment planning and of logistic support, and the massive investments in defence, all point compellingly to the necessity of professional co-ordination at the top level.

UNIFIED COMMAND

The trend all the world over is towards some sort of unified defence. Canada has adopted the logical extreme of a complete merger of its army, navy and air force into a single Service. Israel has placed the navy and air force under the overall authority of the Chief of Army Staff. The pattern in most other countries, including China and Pakistan — the two countries which keep our defence planners awake — is to have a unified Ministry of Defence, and a common head designated "Chief of Defence Staff" or an equivalent, with integrated responsibility for policy, planning and control in the professional field and for execution of war.

In India we take a single Union Ministry of Defence for granted. Not many outside defence circles know that it was set up soon after Independence on the advice of Lord Mountbatten and Lord Ismay, and that it took Britain and the USA many years of debate in the post-World War II period before adopting a similar arrangement. The pity is that we lost this initial advantage and our higher defence organization has remained more or less frozen ever since. The Ministry has been unable to function as a superior co-ordinating agency. It continues to consider separately what each Service may perceive to be its essential requirements, whether of traditional hardware like guns, tanks, ammunition, vehicles, aircraft, or in more critical fields such as communications, monitoring systems, missiles, radars, etc., which obviously call for an integrated approach.

Certain joint committees, set up on Ismay's suggestion to achieve inter-Service co-ordination, such as the Chiefs of Staff Committee, the Joint Planning Committee, the Joint Intelligence Committee and the Inter-Service Equipment Planning Committee, have in practice been ineffective or are moribund. In fact, the only institutions we now have with some claim to serve the concept of integrated defence are the Chiefs of Staff Committee and the Committee on Defence Planning. As we will see, neither is of much use.

The Chiefs of Staff Committee consists of the heads of the three Services, with the seniormost acting as chairman. It is supposed to give professional advice to the Government on all important matters relating to national defence. Its inherent weakness is that it is difficult for any Chief to take a totally unbiased view where the interests of his own Service require to be subordinated to the overall needs of an integrated defence policy. This is not to accuse the Chiefs of parochialism but to point out that any Chief who sheds his service bias would, instead of earning esteem for objectivity, be seen rather as letting down his Service.

EQUAL RANK

We have it on the testimony of a former Chief of the Navy that "the views expressed by a Chief are always favourable to the Service he commands... It will be too much to expect a head of a Service, as a rule, not to be loyal to the concepts and doctrines of his Service... Thus the decision of the Chiefs of Staff Committee may not always be in the best interest."

So long as the Chiefs are of equal rank, regardless of the size or importance of their Service, the chairman cannot, in cases involving conflict of Service interests, hope to carry the others with him as his status as part-time chairman is no more than primus inter pares, "with primus", as wrily observed by the late V. Shankar, "heavily diluted." Thus it comes about that, while important and controversial issues tend to be swept under the carpet, relative trivia mostly engage the Committee's attention. Inevitably, the proposals emanating from this Committee represent only the largest measure of common ground, and no more. Even so — and this is a sore point with the Services— before proposals approved by the Chiefs of Staff can reach the Minister, these are screened and commented on at different levels in the Ministry of Defence, which can hardly lay claim to much competence to comment on military matters.

The Committee on Defence Planning is a recent creation. It is headed by the Cabinet Secretary and includes the three Service Chiefs, the Secretary to the Prime Minister, the Secretaries for Defence, Defence Production, External Affairs and Finance, and the Secretary, Planning Commission. Its primary function is to consider long-term defence plans drawn up by the Services. It might appear at first sight to provide a suitable forum for taking a co-ordinated view of defence needs. However, analysts have noted the dominantly civilian composition of the Committee, and also that even the secretariat support is provided by civil servants rather than by the Military Wing of the Cabinet Secretariat which consists of Service officers. One cannot fail to notice that the CDP is much too wide-based to generate the necessary thrust in defence policies and under-representation of the Service element deprives it of professional underpinning.

GENERAL IMPRESSION

Moreover, approval by the Committee does not obviate the usual time-consuming examination of specific proposals in the Ministries of Defence and Finance. The general impression is that during the three years or so of its life, the CDP has not particularly distinguished itself as an instrument of informed and co-ordinated decision-making. It is also seen as undermining the authority of professionals in the Services headquarters and tending, like the Planning Commission, to operate in ivory-tower isolation, the minority presence of the Services Chiefs notwithstanding.

In short, no effective mechanism exists at present for functional co-ordination of the Services and integrated planning for defence. A remarkable aspect of this lacuna is that the present system does not enable the Prime Minister to have the benefit of independent professional advice in defence matters. In all democratic countries of any consequence, such advice is available to the head of government direct from the Chief of Defence Staff or a similar Service functionary.

What is needed is a single-point authority to ensure the necessary cohesion and co-ordination in defence thinking and planning, without unduly diluting the operational authority of the Chiefs so far as their respective Services are concerned; and to act as the principal professional adviser in defence matters to the Government at the highest level. This can be provided only by having a common supreme commander for the three Services, whatever his designation.

Many observers, including some distinguished Generals, have drawn attention to the problem; some in support of the appointment of a Chief of Defence Staff, others against. In the meantime, India continues to be about the only major country which has failed so far to introduce such an arrangement.

(To be concluded)

[4 Aug 81 p 8]

[Text] Unfounded Fears of a Military Coup

It is well recognized that the absence of a coordinating authority among the army, navy and air force leads to wastefulness, duplication, lack of cohesion and delay. Why is it then that, in spite of the obvious advantages of having a top professional coordinator and the universal trend towards unified defence forces, our leadership has balked at sanctioning the appointment of a Chief of Defence Staff or its equivalent?

The answer lies in a curious amalgam of vested interests. The Services Chiefs, who would otherwise welcome the glamour of a position carrying five-star rank, see in the prospect an erosion of their own authority as the focus will shift to a superior power centre. Union Defence Ministry bureaucrats likewise see a clear threat to their control over the Services headquarters, and fear changes in the existing master-supplicant relationship. In particular, a five-star general with inter-Service authority and with access to the Minister and the head of Government will diminish the status and stature of the Defence Secretary and result in similar devaluation down the line. Thus the bureaucracy, as well as the top brass of the defence forces, for once find themselves sharing the same lobby on a major issue. The politician, lacking both perspicacity and courage, is all too willing to go along with them.

Domestic Wars

It is not difficult to convince a credulous listener that a Chief of Defence Staff may be all right for the rest of the world but is unsuited to Indian conditions. The present organization, it is argued, has stood the test of three wars, so why change it? Unlike some of the larger Powers, our defence is geared solely to warding off external aggression. This means we will be fighting not global or regional wars but domestic ones for which the existing arrangements are quite adequate. Further, the army already enjoys a formidable position in our Defence Forces, and if an Army Chief were to be made CDS, the position of the navy and air force might become untenable.

It is also asserted that the Defence Secretary functions for all practical purposes like a CDS, and a separate military incumbent would merely upset settled centres of authority without making the organization run any smoother. And finally, the argument to end all argument, if you concentrate all military authority in one individual, you are creating a "threat to our democratic institutions." In plain words, you are asking for trouble: the chances of a military take-over will increase manifold.

The reasoning seems plausible enough till closer analysis exposes it. To begin with, actual experience in the wars fought since Independence demonstrates, rather than refutes, the case for a CDS. The air force played no part in the disastrous war of 1962. The 1965 war with Pakistan, according to a senior serving General, "virtually saw the army and the air force fighting two separate wars and the navy only marginally involved. The preoccupation of the air force with Peshawar and Sargodha airfields was at the cost of development of ground

operations in critical sectors." With more coordinated effort, the war could have ended more convincingly in our favour.

Even in 1971, operations by the three Services in the Sind sector showed little coordination in their timing or objectives. The successful outcome of that war and the inter-Service cooperation achieved in the eastern sector were due largely to the generous lead time available and the excellent personal rapport among the then service Chiefs--factors on whose repetition in the future it would be unsafe to bet. Besides, cooperation is no substitute for coordination.

Similarly, the argument about our wars being confined to our borders is not valid because the need for coordinating the operational effort of the army with the other Services, especially the air force, will remain irrespective of whether the fighting takes place on a wide canvas abroad or nearer home. The apprehension that a CDS belonging to one Service will not appreciate fully the problems of the other two is belied by the Allies' experience in World War II when people like Eisenhower and Mountbatten held supreme command, as also by the actual working of the CDS system in other countries.

Those who fear domination by the army recall the eyebrows that were raised when Field Marshal Maneckshaw used the phrase "my air forces" in his ultimatum to General Niazi during the Bangladesh war. But many will agree that the phrasing was more a question of flamboyant style than malintent. The numerical predominance of the army is not a feature peculiar to our armed forces. Countries like China, Pakistan and the USSR are in a similar position; yet this has not prevented them from accepting a common coordinating head for their different services.

Unsound Concept

To be sure, the Defence Secretary's position is partly analogous to a CDS since the Ministry is responsible for inter-Service coordination as well as for policy formulation, and often sits in judgment on purely military issues. But this arrangement is conceptually unsound and can never work satisfactorily. The abysmal ignorance of the majority of civil servants manning the Defence Ministry on tenure basis is well known. We do not have a permanent civil service for defence which could groom its members and equip them with adequate understanding of this highly complex organization before they reach top positions.

Some of the earlier Defence Secretaries had acquired such understanding during long years of service in the Ministry. The last two or three incumbents had probably never been within miles of a military establishment when they found themselves occupying the chair. Apart from participating in the annual circus organized by the navy for VIPs (this year's naval exercises seem to have been more purposeful), which Defence Secretary has bothered to attend even one military exercise, or shown any interest in it? How can such functionaries coordinate operational and other activities of the different Services?

The political leadership in this country has shown remarkable naivety in succumbing to the apprehension that the appointment of a Chief of Defence Staff will somehow bring military dictatorship nearer. A little reflection will show that in this the bureaucrat has taken the politician for a ride. It should be realized that in India much real power is already concentrated in the army Chief who continues in fact to function as Commander-in-Chief, despite the cosmetic change in designation to Chief of Army Staff in the early fifties. The possibility of ambitious military men making a bid for governmental power is always there in the best of political systems. That this has not happened, nor is likely to happen, in our country is a tribute as much to the apolitical professionalism of our armed forces and the maturity of their leaders, as to the deep-rooted sturdiness of our democratic apparatus. It is only if there is total collapse of the existing system and a power vacuum is created that military intervention can be envisaged, if only to ensure national survival.

Serious Flaw

The point relevant to the present discussion is that the appointment of a CDS will in fact weaken the existing power of the Chiefs and to that extent lessen, and not increase, the chances of a coup. The CDS's post, far from providing a despotic ladder to dictatorship, should be seen to lead well away from it. Actually, there has been no known instance of a CDS overthrowing an established government or being party to subversion. It would, therefore, be a good thing if the powers that be were to rid themselves of this phobia and proceed to remedy what is indeed a serious flaw in our higher defence organization.

Once the idea is accepted in principle the military wing of the Cabinet Secretariat, which services the Chiefs of Staff Committee, could be located in the Prime Minister's office and strengthened suitably to provide staff support to the CDS. It will then be immune from partisan pressures and also enable the head of government to get a close feel of the defence pulse. This will also, incidentally, help to fill a known gap in the Prime Minister's office which has plenty of expertise in the economic and political fields but none in defence.

Repeated pronouncements that our armed forces are ready to meet any eventuality are apt to breed complacence so that overdue reforms like this are ignored. The temptations to continue with the status quo are many but the consequences in a future war (which may not be as distant as some people fondly believe) might turn out to be unhappy. The time to take a bold decision is now.

CSO: 4220/7490

GOVERNMENT DENIES REPORT ON RAO-KARMAL MEETING

Calcutta THE STATESMAN in English 4 Aug 81 p 9

[Text] New Dehi, Aug 3--The Government today expressed concern over what appears to be a systematic campaign over the past two or three weeks by the censored Pakistan newspapers to give false news and make allegations about India.

The latest of the reports, officially denied today, appeared on Sunday and alleged that Mr P. V. Narasimha Rao, Minister for External Affairs, met Mr Babrak Karmal, President of Afghanistan, during his recent visit to Moscow.

The report, described by an official spokesman as "a figment of a motivated imagination" and as "baseless and totally incorrect," alleged that Mr Rao and Mr Karmal discussed a joint strategy towards Pakistan. It further claimed that there was an agreement between the two that in case of a world conference being held on Afghanistan the Mujahedin (Afghan insurgents) would be kept away.

The spokesman noted that the censored Pakistani press was "giving currency to such misinformation on different issues." Another recent example of such false and "mischievous" reports was that India had allegedly held "consultations" with Israel on the question of a possible attack on Pakistani nuclear installations. This report was immediately denied by the Indian Government.

The spokesman said that the dissemination of such incorrect, unfounded reports "can affect the process of normalization of relations and also contravenes the Simla agreement."

PTI adds: Pakistani newspapers yesterday published a London datelined story, attributed to AGANCE AFGHAN PRESS, which quoted authoritative sources in Kabul as saying that Mr Karmal had secretly met Mr Rao in Moscow. Mr Karmal reached the Soviet Union from Czechoslovakia in the first week of July. Meanwhile, Mr Rao undertook his tour of the Soviet Union.

The report quoted sources as saying that Mr Karmal and Mr Rao took stock of the issues of the U.S. aid programme to Pakistan and the European Economic Community Proposal on Afghanistan. Mr Rao was said to have expressed concern over the U.S. aid to Pakistan and stressed upon closer relations between Afghanistan and India.

The AAP report said the meeting took place at the instance of the Soviet Union and Mr Karmal had apprised some of his Cabinet members of the details of this secret meeting. It said that according to Mr Karmal, Mr Narasimha Rao promised that in the event of any world conference on Afghanistan, India would help secure representation for the Karmal Administration.

The Afghan Minister for Industries and Minerals, Mr Mohammad Ismail Danish was also present at the time in the Soviet Union but he was not asked to participate in the meeting, the report added.

The U.S. Secretary of State, Mr Alexander Haig and Mr Rao met in Cancum yesterday over breakfast and had an hour-long discussion on bilateral issues and matters concerning the subcontinent. Mr Rao conveyed to Mr Haig India's views regarding recent developments in the subcontinent and expressed concern over the USA's decision to supply sophisticated military hardware to Pakistan. He said this had only added to instability and high tension in the region.

Mr Haig reportedly indicated the considerations that had weighed with the U.S. Administration and took note of India's perceptions both agreed to maintain personal contact and continue to meet when convenient. Mr Haig is expected to come to India later this year for the Indo-U.S. joint commission of which he and Mr Rao are co-chairmen.

Mr Haig gave Mr Rao a letter from President Reagan for Mrs Gandhi. The contents were not disclosed. Both noted that Mr Reagan and Mrs Gandhi would participate in the restricted 22-nation summit to be held at Cancun on October 22 and 23 when the two leaders would get the first opportunity to meet each other. Incidentally, Mr Rao and Mr Haig were meeting personally for the first time, although Mr Rao had visited New York several times.

CSO: 4220/7491

BENGAL MINISTER: BETTER TIES WITH DELHI UNDER JANATA

Madras THE HINDU in English 4 Aug 81 p 7

[Text] Bangalore, Aug 3--The Left Front Government in West Bengal expected its dismissal any time but "We will come again, even if there is to be a spell of Governor's rule, provided the elections are free and fair," Mr Prasanta Sur, West Bengal Minister for Local Self-Government and Urban Development said here.

Mr Sur, who is here in connection with the celebration of the fourth anniversary of the West Bengal Left Front Government said the Centre-State relationship was far better during Janata rule at the Centre, than at present as far as West Bengal was concerned. The Centre was interfering at every stage and creating obstacles now.

Addressing a news conference, Mr Sur said there was discrimination in the allotment of foodgrains and starting of new industries.

West Bengal's record in mobilising internal resources and additional revenue was the best in the country. The budget outlays had doubled in the last four years, the total amount going up from Rs 766 crores to Rs 1,585 crores.

Special efforts had been made to boost agricultural production. The ratio of Plan and non-Plan expenditure had been brought down to 1:2.

Collections under the Small Savings Scheme had gone up from a mere Rs 46 crores in 1976-77 to Rs 200 crores during last year.

Mr Sur felt there was discrimination in the allocation of the State's share of Central tax proceeds. It had been represented to the Seventh Finance Commission that West Bengal was eligible to get more from the divisible pool of Central taxes.

He claimed that the law and order situation in his State was good and there was peace and tranquility, but for the infighting in Congress(I) ranks.

His Government had not enforced the National Security Act, which was "undemocratic." It also opposed the latest Ordinance banning strikes in essential services.

Mr Sur said the Centre wanted the West Bengal Government to abolish the rationing system. When asked why, he replied "I do not know."

He stated that the wheat supplied under the Food-for-Work programme had been stopped as the West Bengal Government did not accept the Centre's suggestion to entrust the distribution to District Magistrates.

He said the State was expected to achieve self-sufficiency in power by 1982-83.

CSO: 4220/7492

INDUSTRY, PEOPLE REPORTED BACKING ORDINANCE

Bombay THE TIMES OF INDIA in English 29 Jul 81 p 1

[Excerpt] New Delhi, July 28. Notwithstanding the sharp criticism levelled by trade unionists and opposition leaders, official circles are generally pleased with the reaction by industry and public opinion to the ordinance empowering the government to back strikes.

Industry has warmly applauded the measure and pointed out that it is the result of irresponsible trade unionism.

The prolonged strike by the public-sector employees in Bangalore and the disruption of oil production in Assam are cited as among the major recent examples of how industrial action has cost the national exchequer crores of rupees.

Strikes, it is pointed out, have become endemic and hardly a day passes without news of them from one region or the other from one industry or the other.

With politicalisation of the trade unions, strikes are not always in defence of the workers' wages, emoluments or other benefits. Many strikes have been called to promote one political line or the other.

Industry's reaction was summed up by Mr Naval H. Tata who said that some trade unions had brought the ordinance about by 'frivolous abuse and exploitation" of the right to strike.

The view is shared not only by other captains of industry but also by the mass of people who appear to be fed up by the growing indiscipline in ordinary life.

They share the government's hope that the proposed ban on strikes would facilitate the maintenance of essential services and give a filip to industrial production.

How far this would contribute to tackling the menace of inflation is a different matter. In fact, the recent measures announced by the government in this regard have failed to inspire confidence.

"It is like presenting the budgetary proposals in driblets," is one cynical comment about the series of measures announced in the past two weeks. "It is

nothing like the promised anti-inflationary package. It is more like panic reaction. The government appears to be confused about what to do."

To these critics, it appears that the finance minister's major assumptions--about containing inflation, about unearthing black money and about infusing fresh investment in industry--have all proved to be wrong.

CSO: 4220/7440

KEISHING ALLEGES FOREIGN SUPPORT FOR MANIPUR REBELS

Madras THE HINDU in English 29 Jul 81 p 6

[Text] Imphal, July 28--Foreign countries appear to be backing the insurgents in Manipur to revolt against the Government, the Chief Minister, Mr Rishang Keishing, told the State Assembly on Monday. He however, did not name the countries.

The Assam and Manipur Armed Forces (Special Powers) Act, 1958, was being enforced in the State to contain insurgency, the Chief Minister told Mr O. Joy Singh, a People's Democratic Front member,who had urged him to revoke the Act, as the security personnel had committed "excesses in the name of this Act."

Mr Keishing said the security personnel should seek the help of public leaders in the discharge of their duties. Those found guilty of being involved in any incident were being punished.

The Chief Minister said the Government had taken all possible measures to contain the insurgency movement.

The measures included deployment of armed personnel, patrolling by security forces, enforcement of the Unlawful Activities (prevention) Act, 1967 and the National Security Act, 1980.

Security measures had been tightened all along the international border to prevent the infiltration of outlawed elements.

No political settlement

Welcoming talks with insurgents on their problems within the framework of the Constitution, Mr Keishing firmly said there would not be any political settlement as long as the extremists had the secessionist feeling.

He said the Government had appealed to the extremists many times to surrender. The surrendered youths were being rehabilitated.--PTI

CSO: 4220/7444

RISE IN CRIMES BY BANGLADESH RAIDERS REPORTED

Calcutta THE STATESMAN in English 31 Jul 81 p 9

[Text] Agartala, July 30--There has been a steady rise in incidents of crime, mainly dacoities committed by armed "miscreants" from Bangladesh on Indian markets and villages along the State's 889-KM international border.

The Border Security Force and the border wing of the Home Guard have been put on the maximum alert to combat the situation. Three people--one alleged smuggler and two raiders--were killed and several injured in border firing and clashes during the last week.

One more cattle lifter was hacked to death by villagers at Nidaya in the Sonamura subdivision opposite Comilla district in Bangladesh on July 27.

BSF personnel had to fire in self defence in the Khulubari, Madhuban and the Sonamura subdivisional town on July 26, 23 and 28, respectively, to confront attacks by armed raiders from across the border, it was officially stated. Several raiders sustained bullet injuries though they escaped.

One alleged smuggler was killed in the Narayanpur area near Agartala airport on July 22 during the BSF firing when he crossed over into Indian territory from Bangladesh driving an auto-rickshaw packed with contraband defying the BSF warning.

About 35 armed miscreants from Sylhet raided Ganganagar village in Kamalpur subdivision on July 25 and became involved in a clash with the village resistance party there. Two of the raiders were killed.

A combined detachment of the State police and the BSF has intensified a round-the-clock vigil and patrolling in the area to check further attacks from across the border. Another armed gang of about 30 raided Cahlitabari village in the Simna area, about 25 km off here on July 27 and looted four houses. The miscreants, however, escaped into Bangladesh unhurt. One villager was seriously injured during the attack.

Meanwhile, a survey has been carried out to erect an eight-feet-high barbed wire fencing in the thickly populated areas along the international border

with the State's three northern subdivisions--Kailasahar, Kamalpur and Dharmanagar opposite Sylhet district in Bangladesh. The project is being implemented on the instructions of the Union Home Ministry. The security posts along Tripura's border with the Chittagong hills of Bangladesh have been reinforced, it is officially stated.

The BSF has seized contraband worth nearly Rs 27 lakhs so far this year.

CSO: 4220/7456

TRENDS IN SMUGGLING OF GOLD, SILVER REPORTED

Madras THE HINDU in English 29 Jul 81 p 9

[Text] Calcutta, July 28. A large quantity of precious metals, especially gold and silver, has gone out of India, mainly to West Asia. The illegal traffic, which occurred at the height of hostilities between Iran and the United States, reversed dramatically the traditional direction of the movement of gold temporarily. The gold route, which ends traditionally in India, is functioning as before and the metals are coming in again.

Local customs authorities who confirmed this however, did not venture any estimates as to how much precious metals, especially gold, might have left the country.

They recalled an estimate made in an official bulletin on the movement of precious metals in the European and American markets according to which a large quantity, running into tonnes, had left India to end up elsewhere.

Local bullion merchants, also confirming the reverse movement, could explain it in some detail. The decision of the Americans to freeze Iranian cash and assets in U.S. banks sent Iranians into panic. The shiver was felt by some Arab countries as well which also used to deposit their huge oil profits in the U.S.

Along with Iran, they started panic buying of precious metals from whatever source possible, wishing to invest solidly. Thus, some clandestine movement of the metals occurred from all over the country. A number of seizures by the customs were made in different regions. One unreported seizure made in eastern India amounted to over Rs 3 crores.

However, there was no accurate estimate of the quantity that had actually left India. Officially also the number of arrests made in this connection, was kept a secret.

In fact, according to the bullion merchants the outward flow of silver continues, although in smaller quantities than before. The reason for this movement is that the poor in Iran and other countries, in common with their Indian counterparts, cannot afford to buy gold and prefer silver instead.

In India, silver is not used very largely for photography or electronics, as in the advanced countries. Therefore, they too look to India as the best source of silver supply.

With gold traffic becoming normal again, it is coming in from Bangladesh and Nepal as before. However, there can be no doubt that the starting points are elsewhere, according to experts.

Customs circles said that to date, the seizures this year amounted to Rs 1.60 crores, almost the entire amount recorded last year. The contraband was mostly in such consumer items like tape-recorders, cassettes, transistors, cameras, textiles, watches and other fancy items. The presence of a large scale racket was suspected behind the systematic smuggling of watches, and a single haul recently fetched Rs 4 million.

The remarkable feature of the present day smuggling seems to be the large-scale involvement of youth, generally in the 18 to 30 age group. Some of them are well educated. Quite apart from unemployment or other social problems, a crisis of values is also apparent among these people. The youth are interested in making large sums of money as quickly as possible. The gangs which used them are always heavily armed, and the risks are great for both the law enforcers and the law breakers.

CSO: 4220/7444

HARYANA MINISTER ABROAD SEEKING INVESTMENTS

Calcutta THE STATESMAN in English 31 Jul 81 p 9

[Text] Chandigarh, July 30--Mr Bhajan Lal, Chief Minister of Haryana, is visiting the U.K., the USA and Canada because several Indian settlers there are awaiting a personal invitation from him to invest in Haryana.

Disclosing this here to reporters today, Mr Bhajan Lal said that an earlier team of officials visiting foreign countries had come back with this impression. Hence his visit from August 2.

He did not say anything when asked if earlier attempts to woo investors among Indian settlers abroad had yielded any results. But he said that the Government of India was also keen on transfer of technology and that his programme was being prepared by Indian missions abroad.

He said that many Indians abroad felt that the climate in Haryana for setting up industry was better than many other States. Leaders from other States had also made foreign visits in this connexion.

Asked if the question of distribution of river waters between Punjab and Haryana would be solved, he said the Prime Minister was to give her decision. Mr Bhajan Lal had postponed his visit this month on the plea that the solution of river waters dispute was more important.

Referring to the decisions by the Cabinet, at its meeting today, he said that evacuee land, occupied by people earlier than 1975, would be sold to those people provided they did not have more than five standard acres of their own. The price would be Rs 15,000 per acre for the first two acres and Rs 20,000 each for the remaining three acres.

For Harijans, the price would be Rs 10,000 and Rs 12,000, respectively, which could be paid in 10 six-monthly installments. There were about 1,730 acres of such land in the State.

The Cabinet decided that stamp paper would not be required for deeds while setting up a small-scale industrial unit.

Commenting on recent reports, the Chief Minister said there was no question of reviving cases against Mr Bansi Lal or instituting cases against his relations. He also denied there was a move to raise college fees or that there had been any CID screening of students for admissions.

The power situation had also improved and sufficient electricity had been supplied for transplanting of paddy. The recent rain had helped agriculture in all parts of the State.

CSO: 4220/7456

ARTICLE REVIEWS PROGRESS OF NATION'S SPACE PROJECTS

New Delhi PATRIOT in English 31 Jul 81 pp 2,7

[Article by T. N. Ashok: "How India Arrived as Space Power"]

[Text]

ON 21 November 1963, a tiny, US-made Nike Apache rocket blasted off from the small launching pad at the Thumba Equatorial Launching Station (TERLS) near Trivandrum, ushering in the era of space research in the country. Now, less than 18 years later, India has not only demonstrated its capability to build and launch its own satellites but also to control and manoeuvre them high in space.

More heartening perhaps than the technological expertise demonstrated by India's space scientists is their resilience and confidence, particularly in the face of the setbacks inevitable in such a research programme. Whether or not the APPLE (Ariane Passenger Pay Load Experiment) satellite — currently in the news — completes the projected tasks of its mission, these new heroes of the country have already shown that they will not be disheartened by problems in seeking to bring to the country the benefits of space research in communications, earth observation and other fields according to plan.

Space research is one area where technology transfer is next to impossible and the accent in India's programme has, therefore, been on "do it yourself". In the field of rocketry in particular India has had to start virtually from scratch, making the hard, sweated climb up the ladder of indigenisation.

Things have been a little easier in regard to satellite technology, as India has been able to shop for designs in the international space market and opt for the ones most suitable. Once these have been chosen, India has been able to get down quickly to making the hardware.

So India's first satellite, Aryabhata, was fabricated more than six years ago and launched on 19 April, 1975 from the Soviet Union. Bhaskara I, an earth observation satellite, was also put into space in the same way. Both are still in orbit.

Meanwhile a dedicated band of scientists headed by Dr Vasant Gowarikar, a propellant expert, had through a process of constant innovation developed a rocket system at the Trivandrum station, now known as the Vikram Sarabhai Space Centre (VSSC). The gap between satellite technology and rocketry was slowly being bridged.

The first experimental flight of the full-fledged satellite launch vehicle, SLV-3, failed, with the rocket nosediving into the Bay of Bengal off the picturesque island of Sriharikota in Andhra Pradesh. This must have been quite depressing for the more than 10,000 space scientists in the four major research centres. There were attempts by some within the Indian Space Research Organisation (ISRO) to pin the blame on one or the other group. Sources at the Auxiliary Propulsion Unit (APU), Bangalore, felt the VSSC was responsible and said the rocket had dipped into the sea for lack of fuel in the second stage system, with the fuel draining off even before lift-off. VSSC sources countered by saying that the APU failed to make the fuel control valves of the second stage rocket to exact specifications.

The ISRO authorities, however, did not allow all this to come in the way of identifying and rectifying the problem and within months their efforts were crowned with success. On 18 July, 1980, the 35-kg Rohini satellite (RS-1) was shot into orbit on the second experimental flight on SLV-3.

Rohini-I is still going round the earth every 95 minutes and has completed over 4,000 orbits. It has lived much longer than its projected life of 90 days in space.

There was, however, another setback on the first development flight of the four-stage launch vehicle. SLV-3 D-I launched the 38-kg Rohini II from Sriharikota on 31 May. But the satellite failed to reach its projected orbit, attaining an apogee of 400 kms and a perigee of 182 kms against the planned 864 kms and 284 kms respectively. It burnt up in the atmosphere within nine days. It was originally designed for a life-span of 300 days. This was revised to 90 days on launching, but the satellite fell far short.

However, ISRO scientists, including Vehicle Director M S R Dev and his young team, refused to be deterred. They got down immediately to analysing the failure--due to faults that occurred during the separation of the burnt out third stage and the spin-up and ignition of the fourth stage.

The crucial task is to make the apogee booster motor fail-safe so that the more ambitious Augmented Satellite Launch Vehicle (ASLV) and Polar Satellite Launch Vehicle (PSLV) can become operational as planned in the ISRO's Rs 900 crore ten-year (1981-90) space profile.

The apogee booster motor apparently failed to provide the necessary thrust at the fourth stage for Rohini-II to achieve the planned orbit. But, although the same motor was to boost the APPLE satellite into geo-stationary orbit, India's space scientists decided to go ahead with its launch on 19 June by the European Space Agency's Ariane rocket from Kourou in French Guyana.

And their confidence appears to have paid some dividends as the apogee booster motor performed better, although not to full satisfaction, on board APPLE in the attempt to put the 670-kg experimental communications satellite into a geo-stationary orbit.

Even while scheduling the next development flight of SLV-3 for some time around February next, the space scientists have begun to train their eyes on the ASLV and PSLV, which will launch future satellites. These rockets, with added booster power, will be able to carry satellites of between 150 kg and 700 kg into space.

The PSLV, according to present plans, is to launch a 670 kg Indian Remote Sensing Satellite (IRS-I) by 1985 or 1986 from a launching pad which is yet to be decided. A secluded 1,000-metre high hill on the Tamilnadu-Andhra Pradesh border is expected to be used for the launching. This is because the PSLV would require the testing of liquid fuel rockets which deliver an initial thrust of 60 tonnes--six times that of the SLV-3. The attendant hazards rule out Sriharikota as the launch site. But an alternative site on the island is being selected for the launch of the ASLV.

Only solid fuels have been used so far in the SLF-3 programme. But for bigger thrusts, liquid fuels too will be required. So far India had not moved into this field because of lack of infra-structure in liquid form. Now, however, about 2,000 hectares of land in the Mahendragiri Hills in Kanyakumari district is being acquired for a vast liquid fuel complex.

Meanwhile, India is having its satellites launched with the help of other countries. After APPLE two satellites in the INSAT-I domestic communications system will be orbited from the United States. These will help in greatly upgrading telephone, television and meteorological communications and provide a boost to the adult literacy programme.

A lot of work in these fields has already been done at the Space Applications Centre (SAC) in Ahmedabad, including the Satellite Instructional Television Experiment (SITE) and the Satellite Telecommunications Experiment (STEP) with the help of US and European satellites.

The ASLV and PSLV programmes, which will involve an expenditure of around Rs 300 crore, are expected to speed up further spread of the benefits of technology in the country, particularly in the field of communications.

On the success of these programmes depends also India's ability to help other countries. The United Kingdom, which has abandoned its own space programme because of the heavy costs has already approached India with a proposal to launch a Commonwealth satellite from Sriharikota. But India would like to wait and watch the progress of the ASLV and PSLV programmes before making any commitment.

Malaysia and Singapore too have shown keen interest in whether India would be able to launch their satellites. In fact, well-known science fiction writer Arthur C Clarke has suggested that India take the lead in forming an Asian Space Agency on the lines of the European Space Agency.

Whether or not this comes about it speaks volumes for India's standing in the exclusive 'Space Club'.

CSO: 4220/7460

DEFENSE R&D ORGANIZATION PSYCHOLOGIST INTERVIEWED

New Delhi PATRIOT in English 31 Jul 81 p 5

[Text] An eminent defence psychologist has justified naming of army battalions after religions regions or clans.

"An appeal to an individual's religious sentiments or regional affiliations has been found to make the task of making the supreme sacrifice seem easy," Dr (Mrs) Avtar Pennathur told UNI reports UNI.

Dr Pennathur, director of Psychological Research in the Defence Research and Development Organisation, was answering a question whether naming of army battalions after religions, regions or clans does not go against national and emotional integration.

She said, "army is one single large national institution where integration takes place within a very short period."

On the concept of martial clans evident in patterning Indian armed forces in the past Dr Pennathur said "traditionally the British established the army on ethnic pattern and with the passage of time certain classes came to be known as martial clans."

However, this myth was exploded during the Kashmir operations in 1948 when troops from southern India, belonging to the so-called non-martial clans gave an excellent account of themselves in the battle along with others.

However, she said "tradition does play a part and it is noted that individuals from certain sections or business communities will take a lot more time to make an easy adjustment to the services as the tradition, in the family or in the region for a military career is yet to take roots.

She discounted reports that instructors at the IMA had detected suicidal tendencies in the cadet saying "it is generally not possible to detect suicidal tendencies in an individual three to four years prior to suicide. For it is a drastic act resulting from the individual's interaction with his environment and a feeling of severe rejection and depression."

Asked whether the question of prohibition in the armed forces had at any stage been referred to the directorate, Dr Pennathur said "there had never been any

requirement for having the subject of prohibition referred to us as contrary to common and popular belief, a large number of officers and men in the services are strict vegetarians and teetotallers."

Rigid views about these matters could be counter-productive, she said. "What is necessary is to resort to measure which ensure moral" motivation and battle preparedness of our troops at all times to guard our extensive borders.

She said primary emphasis of the directorate, set up in 1949, was on selection of officers and men for the armed forces with the three-fold objective of fitting the right man in the right job, reducing training wastage and providing the services superior manpower. In the 60s, the directorate conducted research on leadership and management development and on applied areas like human factors, engineering and ideological research.

CSO: 4220/7461

ECONOMIC RESEARCH COUNCIL REPORTS ON FIRST QUARTER

Calcutta THE SUNDAY STATESMAN in English 2 Aug 81 p 7

[Text]

NEW DELHI, Aug. 1.—The National Council of Applied Economic Research today expressed doubts over the effectiveness of the recent package of anti-inflationary measures in curbing the price rise, reports PTI.

In a review of the economy in the first quarter (April-June) of 1981-82, the Council noted that though supply management as "a part of the package" is welcome, this would have evoked "greater confidence" if more convincing evidence was available of improvement in supply management on the domestic front, instead of ensuring a steady supply of essential commodities through costly imports.

The council's review also points out that though the Indian economy in the second year of the Sixth Plan seems "healthier", it does not yet hold the promise that "production will rise at the targetted rate or that infrastructural supply constraints will fade away".

Pointing out that the State of the economy at the end of the first quarter of 1981-82 presents a "mixed picture", the council lists the timely onset of the monsoon, improvement in hydro-power generation on account of widespread rain and pick-up in the investment climate as favourable factors.

On the other hand, the slow pace of exports, rising imports, depletion of foreign exchange reserves and inadequate foreign aid commitments in the face of a formidable import bill threaten to put the country in a difficult position with regard to its balance of payments in 1981-82.

Despite record agricultural production, the Government's inability to reach its foodgrains purchase target for stock building will have "important effects" on the public distribution system as well as the national rural employment programme, the council cautions.

The public distribution system could procure only 6.5 million tons till the end of June when with an annual off-take of about 7 million tons and operational stocks of 1.2 million tons, the public distribution system finds it difficult to provide fair price shops with normal supplies.

The NCAER study notes that industrial production, which could make only a partial recovery during 1980, showed signs of better progress from the start of this year.

Pointing out that there has been a perceptible improvement in the investment climate, the council states that encouraged by the bullish stock market, as well as by the new relaxation of official guidelines, the new issue market raised a record total of about Rs 138.9 crores during the quarter ending June 1981 as against only Rs 9.3 crores in the same quarter in 1980.

CSO: 4220/7478

MORARJI DESAI HOLDS PRESS CONFERENCE IN MADRAS

Bombay THE TIMES OF INDIA in English 31 Jul 81 p 4

[Excerpt] Madras, July 30 (UNI)--The former Prime Minister, Mr Morarji Desai, said today the government should have consulted the workers' unions before bringing forward the ordinance banning strikes in essential services.

Talking to newsmen on arrival here on a three-day visit to Tamil Nadu, he said he, however, did not want to oppose the ordinance because "the way the strikes are being indiscriminately resorted to, is not a healthy thing."

He did not feel that the ordinance would lead to the imposition of emergency, as suggested by some opposition leaders, and said there was no provision in the constitution under which emergency could be imposed, except for meeting external threats.

Mr Desai said the present government was not in a position to meet the economic challenges facing the nation and the measures taken by it, like raising the taxes, would only add to inflationary pressures and push up the prices. For a country like India, only low-cost economy would work, whereas the government was following a high-cost policy, he added.

Centre's Business

He said the Centre had no business to interfere in the affairs of the state governments in the name of assessing their performance.

When the Centre itself was in anarchy, how could it assess the performance of the states, he asked.

On the question of opposition unity, he said it would take time, adding even if they were all together they could not reduce the majority of the ruling party. However, if the government went out of office, there would be a coalition government ready, he added.

About the arms build-up by Pakistan, Mr Desai said they had a right to buy arms just as India had. Even if Pakistan got all the arms in the world, India could still crush it in no time if she wanted, he said, and asked "Is India really afraid of Pakistan?" Even the challenge of a nuclear bomb by Pakistan could be met in "five minutes," he said.

Conversion of Harijans

About the large-scale conversion of Harijans to Islam in Tamil Nadu, Mr Desai said there was nothing to worry about it. People should see that social evils like untouchability were removed and such conversions would automatically stop.

He said the Harijans might have acted in desperation, but pointed out that "desperation does not bring relief to anybody." If foreign money was playing a role in the conversions, it was for the government to take measures against it, he added.

He said it was a "wrong thing" for the state government to have practically lifted prohibition in the state.

The chief minister, Mr M. G. Ramachandran, was swearing by prohibition when he was the Prime Minister, he said and added this only meant that he had no respect for principles.

CSO: 4220/7454

NATION EXPRESSES CONCERN OVER BANGLADESH PROPAGANDA

Calcutta THE STATESMAN in English 31 Jul 81 p 1

[Text]

DACCA, July 30.—India today expressed concern over the successive Press statements and comments, being made by important leaders and officials of the Bangladesh Government on New Moore Island (South Talpatty) and Farakka waters which "might not be conducive to the gamut of Indo-Bangla relations", reports PTI.

The Indian High Commissioner, Mr Muchkund Dubey, went to the Foreign Office to convey the Government of India's feelings over the pronouncements on the Bay Island and Ganga water issues "made without any immediate reason" by the Bangladesh Foreign Minister Kazi Anwarul Huq, and the Prime Minister, Shah Azizur Rahman.

Mr Dubey has also made it clear that though the New Moore Island, on the strength of all available data, belongs to India, nevertheless the country is ready to exchange data and start negotiations on the matter.

The Indian Envoy is said to have told the Foreign Office that it was not understood what could be the motive of this sudden propaganda build-up by Bangladesh, when "India has not made any change from its known position on the two issues".

Mr Dubey is stated to have told the Foreign Office categorically that India did not realize what could be the element of "surprise" in the statement of Mrs Gandhi re-asserting India's position on the Bay Island.

On the contrary, the Government of India, Mr Dubey said, was concerned over the position taken by Bangladesh to build up a propaganda barrage against India by successive statements and remarks by important ministerial personalities. There were editorials too in a Government-owned Bengali daily, which Mr Dubey pointed out to the Foreign Office, were in "bad taste and language".

CSO: 4220/7456

DELHI STUDYING REPORTS ON MASS CONVERSIONS

New Delhi PATRIOT in English 31 Jul 81 p 1

[Text]

THE government has taken serious note of reports of mass conversions allegedly with offers of temporal inducement, but is not considering any legislative or immediate administrative steps against it.

According to Home Ministry sources, the major emphasis at this time is to investigate the reasons behind mass conversions in any area.

The investigations have largely been left to the State government machinery with the Intelligence Bureau of the Central Government carrying out its own enquiries into the incidents such as have taken place in areas in Karnataka and Tamilnadu.

According to sources, the government does not want to take any hasty action which may be counter-productive and may further aggravate communal passions that have already become evident.

The government, it is pointed out, is committed to its secularism, to the concept that a man's religion is his own private affair.

The issue of mass conversions and allurements is, however, a different issue altogether.

The government, it is understood, may consider further action if it is definitely proved that monetary or other allurements are being given for mass proselytisation or coercion in other forms is being used, or if alien agencies are proved to be funding such operations.

The Home Ministry strategy is to find out why people en masse are motivated to change their religion. As the conversions are taking place mostly among backward classes amidst reports of their persecution by the higher castes or landed classes of their own region, the States are being told to focus their attention on removing these causes.

The State governments are being repeatedly reminded to expedite the implementation of their welfare schemes for Harijans, tribals and other backward classes and to ensure that preventive steps are taken to check incidents of harassment, exploitation and caste violence.

CSO: 4220/7460

WORLD BANK LOAN FOR COASTAL REFINERIES RECOMMENDED

Bombay THE TIMES OF INDIA in English 31 Jul 81 p 1

[Text] New Delhi, July 30: The World Bank is likely to give $200 million aid to India for the expansion of coastal refineries at Bombay, Cochin, Madras and Vishakhapatnam, it is learnt.

The bank's team, which visited this country in June for the evaluation of the projects to be financed, has recommended the amount. The aid proposal is likely to be cleared by the World Bank's board within the next two months.

Finance ministry circles here are optimistic that the finances from the World Bank would be available before the end of the current calendar year.

The Union cabinet has already approved a Rs 250 crore expansion programme for coastal refineries. According to official sources, the expansion schemes are already under implementation. It is stated that in view of the shortfall in refining capacity, the country cannot afford any further delays in the implementation of these projects.

The government has, therefore, allocated funds for these expansion schemes. Because of the shortfall in the refining capacity, the government will import this year over five million tonnes of petroleum products. This only means the outgo of additional foreign exchange. It is far more economical to import crude oil than finished products.

Under the expansion plan, the Madras Refinery's capacity is to be expanded from 2.8 million tonnes to 5.6 million tonnes, Vishakhapatnam from 1.5 to 4.5 million tonnes, Cochin from 3.3 to 3.5 million tonnes and the Bharat Petroleum Corporation Refinery at Bombay by 0.6 million tonnes.

All these expansion projects are expected to be completed by 1984.

CSO: 4220/7454

SALEM STEEL PLANT TO BE COMMISSIONED 13 SEPTEMBER

Calcutta THE STATESMAN in English 31 Jul 81 p 9

[Text] New Delhi, July 30--The first stage of the newly built Salem Steel Plant of the State-owned Steel Authority of India--to produce 32,000 tonnes of cold-rolled stainless steel sheets and strips--will be formally commissioned on September 13.

The chairman of SAIL, Mr K. C. Khanna, visited the plant site last week and switched on the coal-fired boiler on Friday, to start supplies of steam to the plant units. The trial runs with the steel strip, a prelude to trial production, have already commenced.

The decision to construct the plant at Salem in Tamil Nadu was announced by the Government of India in 1970. This was followed by the investment decision in 1972 after the Government examined the feasibility report.

The Salem steel complex having sophisticated equipment and production methods, involved a capital investment of Rs 170 crores by the Union Government of which Rs 125 crores have already been spent on the first stage.

Mr Khanna inspected the complete erection of the entire essential equipment for the commissioning of the plant as well as the utility complex supplying water, compressed air, steam and liquid petroleum gas for the various units of the complex.

The steel plants at Bokaro and Rourkela, the works of the know-how advisers--Peugeot Loire of France--the equipment suppliers and the related industries in India and abroad have imparted training to the Salem steel plant's personnel. Engineers and technicians numbering 340 have been trained or are under training in India.

According to Salem steel plant authorities, 480 tons of imported steel hot hands, the input material for the first stage, have already been received. They have also placed orders on suppliers in Finland, West Germany and Japan for import of 10,000 tons of stainless steel hot hands by March next year.

The Government of India is yet to decide on investment for the second stage of the Salem steel project. According to the project report, the second phase will raise the production level to 230,000 stainless steel sheets and strips annually--70,000 stainless steel sheets, 750,000 tons of other categories of special steels.

CSO: 4220/7456

STATISTICS ON MANDAY LOSSES FROM STRIKES GIVEN

New Delhi PATRIOT in English 2 Aug 81 p 4

[Text] Nearly 3.45 million mandays were lost due to strikes and lockouts in the country during the first three months (January-March) of this year, reports PTI.

While the strikes took a toll of 1.87 million mandays the total number of mandays lost due to lockouts in the country during the first quarter of this calendar year was 1.59 million.

According to an official breakup, the loss of mandays in the private sector was comparatively higher than the public sector.

Strikes and lockouts in the public sector resulted in the loss of 1.03 million mandays as against a loss of 2.43 million mandays in the private sector.

The loss of mandays due to strikes and lockouts during 1980 registered a steep increase with nearly 8 million mandays lost.

As against the provisional figure of 12.91 million mandays loss during the previous year the latest available official information has put the total loss to 20.80 million mandays.

The break-up of loss of mandays for 1980 is however not available.

The mandays lost due to strikes and lockouts during the past decade was maximum in 1979 when it had touched a record high of 43.85 million mandays.

The next highest loss of mandays was 40.26 millions registered in 1974, followed by 28.34 million in 1978, 25.32 million in 1977, 21.90 million in 1975, 20.63 million in 1973, 20.54 million in 1972, 16.55 million in 1971, and 12.75 million in 1976.

CSO: 4220/7481

MINISTER ANNOUNCES DROP IN INFLATION RATE

Bombay THE TIMES OF INDIA in English 2 Aug 81 p 13

[Text] Amritsar, August 1--The Union minister of state for finance, Mr S. S. Sisodia, told newsmen yesterday that the rate of inflation had come down to 13 per cent.

Industrial and agricultural production increased considerably in 1980-81. There was record food production of 130 million tonnes last year. Industrial production increased by nine per cent, he said.

All this was possible despite the oil imports bill of Rs 500 crores. The government was meeting this huge expenditure without resorting to any fresh taxation, he added.

The minister said the income-tax department was being strengthened to dispose of cases without delay in view of the mounting backlog of income-tax cases.

Mr Sisodia, who was here to attend a two-day conference of senior officials of the customs revenue intelligence, BSF and the police to review the steps taken to curb smuggling, said a four-point programme had been formulated to curb smuggling of gold and silver by gangs operating in the border area.

He said that the anti-smuggling measures taken by the government were being reviewed periodically.

Mr Sisodia said 249 raids against smugglers were carried out in the Indo-Pakistani border area last year. Over 100 raids were conducted during the first six months this year. Goods worth Rs 1.28 crores were seized in 1980 and goods valued of Rs 56 lakhs had been seized so far this year.

CSO: 4220/7477

AIR FORCE TESTS NEW VERSION TRAINER AIRCRAFT

Madras THE HINDU in English 1 Aug 81 p 9

[Text]

BANGALORE, July 31

The HAL on Friday claimed to have achieved another landmark with the first flight of a new version of the HPT-32 piston engine trainer aircraft.

The new version the HAL it is said is a much lighter aircraft compared to earlier prototypes, incorporating a number of aerodynamic refinements. Initial indications are that the performance of the aircraft will be significantly better than that of the earlier two prototypes and would meet the requirements of the Air Force.

The aircraft was flown by Sq. LDR. S. H. Apte and Sqn. LDR P. K. Tayal, test pilots of HAL, in the presence of Mr. Sateh Agarwal, Chairman, Public Accounts Committee of Parliament and its others members, Air Marshal C. V. Gole, Deputy Chief of Air Staff, Mr. Raj Mahindra, Managing Director (Design and Development) HAL, senior officers of the Ministry of Defence and HAL.

Earlier, Gp. Capt. S. C. Keshu, Officiating Chairman, Mr Raj Mahindra and Mr. K. K. Kirtikar welcomed the members of the Public Accounts Committee and took them round the HAL establishment.

An exciting flying demonstration of the HPT-32 aircraft was given on another prototype by Sqn. LDR Apte.

Extensive development test flights, covering various aerodynamic and performance aspects, were carried out in about 400 sorties on the earlier two prototypes.

The new version is expected to be superior in certain respects to some of the similar class of aircraft developed by advanced countries.

The Chairman and members of the Public Accounts Committee complimented the design team and the prototype shop employees on their achievement.

To a specific query from Mr. Sateh Agarwal regarding press reports about the Air Force importing a primary trainer aircraft, instead of going in for the HPT-32, Air Marshal Gole categorically denied such intentions. He said the Air Force had recommended to the Government placement of orders on HAL.

COS: 4220/7476

LOK DAL LEADERS HOLD DELHI PRESS CONFERENCE

New Delhi PATRIOT in English 31 Jul 81 p 10

[Text]

THE Lok Dal and its front organisation, All India Kisan Kamgar Sammelan, will organise week-long 'direct action' programme in all the States between 15 August and 15 September to protest against the recent hike in the prices of farm inputs and other products.

The programme will include peaceful civil disobedience movement, dharnas, defiance of prohibitory orders and possibly peaceful hartals. The actual dates for the protest week will be decided by the party's State units.

Announcing this at a press conference, Sammelan president Rabi Ray and Lok Dal general secretary Madhu Limaye said the decision was taken by the Sammelan's executive committee meeting in Delhi on Wednesday. The meeting discussed the current economic and political situation and expressed concern over the new financial burdens imposed by the Government which had pushed up the prices of all commodities and manufactured goods.

The two leaders said never before had the people to face such miseries since the attainment of fredom.

Mr Limaye said the deteriorating law and order situation, growing corruption and the Government's attempts to interfere with the working of the judiciary and the Election Commission would also be highlighted during the protest week.

In reply to a question, he said the party would go it alone in organising the protest week.

CSO: 4220/7461

SCIENCE ADVISORY UNIT DISCUSSES GENETIC ENGINEERING

New Delhi PATRIOT in English 31 Jul 81 p 7

[Text]

THE Science Advisory Committee to the Union Cabinet has recommended the creation of an apex organisation to coordinate and encourage research in the 'frontier science' of genetic engineering.

A bio-technology board with representatives of the Department of Science and Technology, the CSIR, the Indian Council of Medical Research and similar coordinating bodies has been suggested, Planning Commission member M S Swaminathan and chairman of the SAC told newsmen on Thursday.

At the joint meetings of the Science Advisory Committee and the Cabinet Committee on Science and Technology, Prime Minister Indira Gandhi had emphasised that India ought to keep abreast of the developments in this field of 'future-science.'

Ironically, many of the most successful scientists in the West in this field are Indians and it was an Indian scientist who created history when he won a legal battle of patents on a laboratory-produced genetic material.

In India, where biological sciences are still taught in the traditional manner, not much research has been done on the subject, though a small number of scientists in different universities continue their lonely research.

At the April meeting, Science and Technology Secretary Prof M G K Menon was asked to report on the issue. Prof Menon convened a meeting of top scientists of the country. The meeting recommended that it was time that money was invested in this crucial field which may have tremendous potential in agriculture, medicine and animal husbandry in the country.

Experiments in the West, now underway, are geared towards a plethora of end-products using modifications of basic genes, the building blocks of living matter, for creating disease-fighting serums, pest and disease-resisting crops and improved breeds of crops and animals. The investment in genetic engineering by universities, governments and industrial combines runs into thousands of millions of dollars.

Prof Menon's report said an initial investment of about Rs 20 crore would be needed to fulfil the four-point task of the Biotechnology Board.

The Board would strengthen on-going research at universities like Madurai, Varanasi and Calcutta in genetic engineering and would encourage new researches.

Its second task would be to come to the rescue of scientists who are working in the field and are finding it difficult to procure the equipment, reagents and chemicals they require. At present, individual scientists or project teams import the chemical individually. The Board would help channelise such imports and let the scientists work without having to worry about the materials

Another task of the board would be to set up a multi-disciplinary research centre which would become a nucleus for triggering research and would result in the coming home of Indian scientists now working in the discipline abroad.

The board, Dr Swaminathan said, would also work to promote educational manpower and development and would help device suitable courses and syllabi for universities and institutions to help create a large body of scientific manpower in this advanced science.

CSO: 4220/7461

GANDHI MEETS PRESS AT END OF KASHMIR VISIT

New Delhi PATRIOT in English 27 Jul 81 pp 1, 7

[Text] Srinagar, July 26. Prime Minister Indira Gandhi said today that India's concern over arming of Pakistan by the US stemmed from our perception of the larger context of general escalation of confrontation, resulting from the global strategy of the US.

She stressed that the US arms aid to Pakistan was "not just an isolated development." The US strategy is clear: to fight their wars on somebody else's territory and not on their own.

The induction of large quantities of most sophisticated arms in India's neighbourhood was a matter of natural concern for this country, she said and reiterated the need for continuous modernisation of our own defence forces.

The Prime Minister was addressing newsmen at the end of her 3-day visit to the valley.

Asked if US arming of Pakistan was likely to affect the process of normalisation of Indo-Pak relations, Mrs Gandhi said. 'It is really like walking on a razor's edge. Avoidance of war is the best course which is equally necessary for India and Pakistan. Accordingly, we have been trying our best for friendship with them.'

There was no point in renewing the offer of a 'no-war pact' after it had been rejected by Pakistan. Mrs Gandhi added: it was Pakistan's proposal, and now they had themselves rejected it.

Mrs Gandhi said there was no denying that the US had decided to supply F-16 planes to Pakistan.

About relations with China, she said India had taken an initiative to improve them. But improvement could not be accomplished in a day.

Mrs Gandhi informed that she had not discussed any "details" of political cooperation between the Cong-I and the ruling National Conference with Sheikh Abdullah during her three-day visit to the valley.

Denying that her unscheduled visit to Kashmir had any 'unusual political significance,' she told newsmen that the main purpose of her visit was to review the developmental process in the State.

Mrs Gandhi later returned to Delhi after visiting the Raj Bhavan.

Asked if her visit was expected to result in 'a new accord or discord' with the Sheikh, she said 'neither.'

She informed that she had not discussed forging of electoral alliance between their two parties, nor the question of forming a coalition government of the Cong-I and the NC in the State as reported in a section of the press.

Asked if her party would continue to have confrontation with the National Conference, Mrs Gandhi said: When a party is in the opposition, some confrontation is bound to be there. But we have to see that it remains within limits, and does not cause harm to either.

Mrs Gandhi said that her party was in the opposition not only in this State but in some other States also. 'We try to carry on with all Governments by having some working arrangement with them,' she added.

Asked if she had succeeded in her attempt for a rapprochement with the Sheikh, Mrs Gandhi said, "This rapprochement is nothing new. It has been there since long. But in between, some unfortunate statements (by Sheikh) were made and he has told me that he has been misreported by the press."

Mrs Gandhi told reporters that she had so far not thought over the legal aspects of the Opposition demand for a reduction of the State Assembly's term from six to five years.

Mrs Gandhi said there was no constitutional provision preventing the Prime Minister from undertaking a review of the performance by the States.

She said to whichever State she had gone, her visit proved helpful both to the Centre and the States.

Answering a question, Mrs Gandhi denied that she had asked the West Bengal Government T. N. Singh to quit his post. Somebody had gone to him and made this suggestion, she said.

About her recent meeting with the former Union Minister, Dr Karan Singh, Mrs Gandhi said it concerned 'other matters.' He did not seek entry into the Cong-I.

The Sheikh and the PM had two meetings today. The pre-lunch talks were held mostly without aids. The discussion on various issues of strategic importance were continued after the luncheon meeting. Mrs Gandhi was greeted at the Sheikh's residence, among others, by Begum Abdullah. Earlier at the guest house, Mrs Gandhi introduced her family members to the Sheikh. Earlier Principal Secretary P. C. Alexander to the Prime Minister, called on the Chief Minister.

CSO: 4220/7435

GANDHI SAID TO GAIN FROM VISIT TO KASHMIR

New Delhi PATRIOT in English 30 Jul 81 p 7

[Text]

SRINAGAR. July 29 — The euphoria generated by the defusion of hostility between the ruling National Conference and the Cong-I—seems to have obscured the import of another significant development resulting from Prime Minister Indira Gandhi's visit to Kashmir last week. It relates to the Prime Minister's controversial move to review the performance of the State Government.

Even as Left Front Government West Bengal was voicing its objection against this, the National Conference Government became the first non-Cong-I Government to associate itself with this exercise and also to 'welcome' this move.

Political observers are of the opinion that this might as well have been one of the objectives of Mrs Gandhi in deciding to make her unscheduled visit to this place immediately after having reviewed the performance of the Madhya Pradesh Government.

Replying to questions at her press conference on the last day of her visit here, Mrs Gandhi pooh poohed West Bengal Finance Minister Ashok Mitra's objection in this regard. She asserted that the constitution did not debar her from undertaking the review exercise as contested by Mr Mitra. She remarked 'I am not interested in what he (Mitra) says.' Interestingly Mrs Gandhi later chose to return to this question on her own emphasising that the Jammu and Kashmir Government had welcomed this move as being a right step towards 'greater mutual cooperation and help.' Kashmir Finance Minister Devi Das Thakur has since joined issue with his West Bengal counterpart by upholding the competence of the Prime Minister to review the performance of the State Government on constitutional and other related grounds.

Observers feel that Mrs Gandhi's significant achievement' in Kashmir had provided her enough political ammunition to blunt the thrust of attack of other non-Cong-I State Governments and also to put them in wrong over this issue.

CSO: 4220/7452

GANDHI, OTHERS DISCUSS STRIKE BAN ORDINANCE

Bombay THE TIMES OF INDIA in English 29 Jul 81 p 1

[Excerpt] New Delhi, July 28 (UNI & PTI)--The Prime Minister, Mrs Indira Gandhi, said today any conduct resulting in cessation or substantial retardation of work in essential services was punishable under the maintenance of essential services ordinance.

This meant that lay-offs and lock-outs also came under the purview of the ordinance, she said.

Addressing a rally of Delhi Electric Supply Undertaking (DESU) workers, who had gone to the Prime Minister's residence in support of the ordinance, Mrs Gandhi said the government was forced to resort to this measure for improving the economic situation.

She said that the ordinance was only a temporary measure and hoped there would be no need to extend its tenure beyond six months.

Mrs Gandhi exhorted the workers to maintain discipline and increase production.

Referring to the gigantic problem of unemployment, the Prime Minister stressed it was only through sustained work and pragmatic programmes in which the working class had a pivotal role to play that the government could succeed in eradicating poverty and generate more employment.

Defending the recent hike in the prices of petrol and petroleum products, Mrs Gandhi said the government was forced to take this step to mobilise additional resources and for intensifying oil prospecting.

Earlier, the INTUC president, Mr N. K. Bhatt, assured the Prime Minister of the support of the working class to the ordinance.

Mr Bhatt urged the government to ensure that undue advantage of the ordinance was not taken to victimise the workers.

To this, Mrs Gandhi said that necessary precautions would be taken.

Participating in a panel discussion on the ordinance on the Delhi Doordarshan, Mr Zail Singh, Union home minister, said that suitable legislative measures would be introduced in the coming session of Parliament to obviate the necessity of essential services personnel to go on strike to fulfill their demands.

The minister denied that the ordinance was an "anti-labour" measure.

Stating that the government was pro-labour, Mr Zail Singh said the measure was introduced to prevent "miscreant elements" from exploiting the gullible labour by forcing them to go on wildcat strikes.

Asked why the ordinance was promulgated when Parliament was to meet shortly, Mr Zail Singh pointed out that the ordinance was issued a day before the President signed the order summoning Parliament.

The argument that the government had initiated the measure as it had failed to control the situation on the industrial front was "baseless," the home minister said. Against 13 million man-days lost owing to strikes in 1980-81, the total man-days lost during 1978-79 was 44 million, he pointed out.

/Mr Zail Singh said workers in essential services could show their protests in support of their demands by wearing black badges. Such protests would invite prompt attention of the government and at the same time would not affect the public, he said./ [in boldface]

Appropriate measures would also be taken against those who resorted to go-slow, pen-down and work-to-rule strikes in essential services, either in public sector or private sector, he added.

Mr Zail Singh denied that workers in essential services run by private sector were not covered by the ordinance. There was no discrmination and if there were any loopholes, they would be plugged, he said during the 20-minute discussion.

CSO: 4220/7440

EDITORIAL URGES MORE TRADE WITH LATIN AMERICA

Madras THE HINDU in English 30 Jul 81 p 8

[Editorial]

[Text]

THERE HAVE OF late been some attempts at gauging the market potential of Latin America. A seminar conducted by the Indian Institute of Foreign Trade in January highlighted the need to diversify India's exports to this region. At present, the exports comprise traditional items such as jute products, lac, shellac, natural gums, tea, spices and handicrafts. Some non-traditional products like dyes and intermediates, cotton textiles and garments, engineering products, cutting tools, diesel engines, electric motors and telephone equipment are beginning to be exported, but there is no consistency in the volume or composition of these sales. In fact there has recently been a decline in the exports of engineering goods to Peru, Guyana, Trinidad, Jamaica and Bolivia which has only been partly offset by an increase in sales to Argentina, Mexico, Panama, Guatemala, Venezuela and the Bahamas. Total exports to this region are below Rs. 25 crores. Considering the adverse regional trade balance of Rs. 60-80 crores, the export target for 1984-85 of Rs. 40 crores is much too modest. Indian imports consist chiefly of cereals, soyabean oil, uncut diamonds, plant extracts, emeralds and some quantities of non-ferrous metals. The oil wealth of this region is attracting much keener competition for which India is yet to prepare itself in right earnest. The bulk of Latin American imports in the years ahead is expected to be machinery and manufactured goods many of which India is in a position to supply. All the more reason why some homework needs to be commenced right now to capitalise on the expanding export opportunities opening up in this region.

One barrier to this wholesome effort is distance. That cannot by any count be deemed an insurmountable obstacle because countries like Japan, Taiwan, South Korea and Singapore have entered the Latin American markets in a big way. Obviously if shipping facilities can be improved, India can successfully emulate these countries. A beginning can be the initiation of promotional shipping services by the Shipping Corporation of India with, if necessary, a subsidy from the Government. A study made by the Federation of Indian Chambers of Commerce and Industry says that Indian exports can be increased tenfold to Rs. 250 crores. The gaps in shipping services cannot be allowed therefore to be a deterrent to achieving this figure. It is of course true that the trade effort has to be supported by industrial and technical collaboration. Indian tie-ups for management and modernisation of textiles, sugar and cement industries in Venezuela and Colombia are one such area of collaboration. It is reported that a tie-up with Argentina and Brazil for the cultivation of pulses, oilseeds and related commodities with a buy back arrangement can help ease the tight supply position in India. Such imports should not be over done as that will further enfeeble home production which has never been up to the mark. The main constraint in joint ventures is the fact that contracts are awarded only to those countries which are members of the Inter-American Development Bank. India is yet to be admitted to this membership but the Union Commerce Minister, Mr. Pranab Mukherjee has sounded a note of optimism on this point.

CSO: 4220/7451

CONCERN OVER RISE IN EXTREMIST ACTIVITY NOTED

New Delhi PATRIOT in English 26 Jul 81 p 5

[Text] The Government is greatly concerned over the resurgence of left extremist activity in the last three years, reports UNI.

According to the latest official assessment despite fragmentation into innumerable groups, the movement as a whole had gained strength with an estimated membership of over 30,000 with increasing influence among industrial workers, peasants and agricultural labour.

During 1980, 305 incidents of violence occurred in the country compared to 233 in the preceding year. In the first quarter of 1981, the trend has continued unabated.

The States affected by extremist violence in order of priority are: Andhra Pradesh, West Bengal, Bihar, Tamilnadu, Kerala, Tripura, Punjab Assam, UP and Maharashtra.

Of these Andhra Pradesh and West Bengal are said to be the worst affected.

Though some groups like those led by Mr S. N. Singh and Mr C. P. Reddy are presently emphasising 'participation in open activities, the cumulative effect of the activities of various extremist groups is said to point to the increase in the militancy of the extremist groups.

The Home Ministry would like the states to evolve a proper mix of ameliorative and stringent administrative measures to cope with this problem.

It feels that land legislation and related land reform measures should be expeditiously completed in the states where the implementation process is very tardy.

There should be a more stringent application of the available laws and proper utilisation of existing legal and administrative provisions to prevent the activists from instigating violence.

There should also be a better collection of intelligence.

CSO: 4220/7433

EDITORIAL NOTES TROUBLES LEADING TO STRIKE BAN

Calcutta THE STATESMAN in English 31 Jul 81 p 8

[Editorial]

[Text] Trade union leaders and Opposition parties have been understandably indignant over the Ordinance banning strikes in essential services as it only confirms their earlier fears of probable "anti-labour" policies for which they had already planned organized protests. Political leaders other than those of the Congress(I) find proof in the Ordinance of the creeping authoritarianism which they expect to increase with the Government's increasing inability to show significant economic gains. Such strong reactions were quite predictable, but they do not minimize the importance and relevance to the creation of the conditions in which the use of drastic powers under the Ordinance can be kept to the minimum and invoked only as a last resort to allay misgivings about the Government's intentions. However, neither the trade unions nor the Opposition leaders are unaware of the growing feelings of dismay and disgust among the public when organized workers transgress reasonable limits of collective action.

Banking is one of the worst examples of the power of organized workers to disrupt normal life. There seems to be no end to the Reserve Bank employees' demands (including hereditary rights of employment) and their capacity to disrupt banking operations. The capture of all the commanding heights of the economy by the State has virtually resulted in a double paralysis, caused by the workers on one side and managerial shortcomings on the other, a major factor in the current economic crisis. More than the lawful strikes which can be accepted as the ultimate weapon of workers to secure attention to their demands, it is the obnoxious forms of collective action like go-slow, work-to-rule, lightning work stoppages and violence which need to be curbed with a firm hand. Whether the latest Ordinance is an answer remains to be seen.

No democrat can be happy over curbs on freedom of association and action which are repugnant to our ideas of civil liberties. However, both political and trade union leaders should search their hearts to find what they have done to promote responsible trade unionism in this country before they condemn outright the Government's efforts to introduce some kind of order. Whether or not the Ordinance is a move in the right direction, the Government had at some stage to reach the conclusion that it cannot abdicate its own responsibility for doing something about the deteriorating situation in industrial relations. It can be argued, however, that methods of persuasion which are integral to a democratic system have not really been tried to establish conclusively that labour is

unwilling to accept a code of conduct suited to the national interest. For political reasons, Union Ministers for Labour have always created the impression that their main concern in their periodical dialogues with trade union leaders is how to enlarge benefits and privileges, not to match rights with obligations to raise productivity and promote discipline. The Prime Minister met labour leaders in July last year for a preliminary exchange of views on the economic situation and to stress workers' cooperation, but there has been little evidence since then of a labour policy being evolved to secure such cooperation.

The neglect so far of all attempts to face labour with the grim choices before the Indian economy and seek its support was a serious mistake, particularly if it was based on the Government's own belief in its capacity for taking preemptive action to overcome opposition to its policies. The Ordinance is aimed primarily at the employees of the public sector controlling the essential services (hence perhaps the non-inclusion of lockouts and lay-offs within its scope) in which politically inspired strikes to protest against economic policies may cause disruption to the economy or the administration. However, the temptation to use the wide powers for political purposes should be resisted. In particular, these powers should not be invoked to enforce compulsory diversion of any portion of wages, D.A. or bonus to provident funds or other forms of saving, much less to determine normal wage agreements.

CSO: 4220/7456

FALL IN STRIKES, INCIDENTS SINCE 1978 REPORTED

Bombay THE TIMES OF INDIA in English 29 Jul 81 p 14

[Text] New Delhi, July 28 (UNI)--The government is greatly concerned over the industrial climate in the country though the number of strikes and violent incidents had sharply declined over the last three years.

The number of strikes fell from 2,117 in 1978 to 1,336 in 1979 and to 899 in 1980. For the current year, up to March, the figure was 255.

As for violent incidents, these declined from 840 in 1978 to 682 in 1979 and to 542 in 1980. For the first quarter of this year, it was 177.

According to the latest assessment of the home ministry, "the industrial climate in the country continues to be characterised by a highly political trade union movement with intense inter-union rivalries at local levels, at times cutting across trade union loyalties and discipline."

The home ministry's note says: "Utter absence and disregard of trade union norms and industrial culture by labour and at times by the employers militated against the development of normal industrial relationship. Such a situation which generates a climate of distrust and indiscipline takes a heavy toll of industrial production."

The ministry's assessment forms the backdrop for the essential services maintenance ordinance issued by the President yesterday.

The note says that "some of the traditionally disturbed industrial areas in the country such as Bombay-Thane belt, the Faridabad-Ballabhgarh industrial complex, the West Bengal area and the Madras-Chingleput belt continued to exhibit a high level of disturbance."

According to the ministry, the strict handling of strikes by the workers of public sector undertakings--locomen and LIC employees--had led to a definite feeling in the minds of the central trade union organisations that the government was bent upon handling the labour situation in a firm manner.

The ministry has called upon state governments to set up labour cells in their respective home departments to monitor information relating to labour actions which are likely to lead to industrial unrest, violence and disruption

in production. This would help streaming the working of the law and order machinery, particularly in areas prone to frequent labour unrest and taking effective and prompt measures to deal with such a situation.

The ministry has also forwarded to the states a five-point plan of action to contain labour unrest and to improve the industrial climate.

The suggestions are as follows:

The conciliation and adjudication machinery of the labour departments should be activised so that prompt action is taken on all labour demands, grievances and disputes to prevent them from becoming a subject matter of agitations.

It should be impressed upon the managements that they should be more responsive to the legitimate demands of the workers.

Any tendency on the part of the workers to take law into their own hands and to indulge in violent acts should be firmly dealt with.

The law and order authorities should avoid getting involved in bona fide labour-management disputes unless an offence is committed or there is an apprehension of breach of the peace. The district authorities should not appear to be taking any side in the disputes.

The intelligence machinery should be geared up and on receipt of advance information regarding any move by leaders or workers to indulge in violence, the law and order authorities should take necessary precautionary and preventive measures.

CSO: 4220/7440

MORE NEGATIVE REACTION TO STRIKE BAN REPORTED

New Delhi PATRIOT in English 30 Jul 81 p 10

[Text]

The National Federation of Indian Women has expressed the fear that the latest Ordinance empowering the Government to ban strikes in essential services is "an ominous portent to the undermining of democracy."

Stating that the Ordinance was aimed at crushing agitations aimed at bettering living conditions of the people, the NFIW, in a statement issued on Wednesday, called upon all women's organisations to fight against it 'in order to restore freedom and civil liberties of the workers.'

A similar call to resist the ordinance was given by the United Trade Union Congress (Lenin Sarai). The Government had assumed these extraordinary powers in an attempt to pass on the entire economic crisis on to the working class, although the total number of strikes were far fewer during recent years than before, the UTUC (LS) said.

The statement also accused the Government of planning to introduce not only wage freezes but also wage cuts after 'gagging the voice of the working class.'

The All India Bank Officer's Association expressed resentment against the Ordinance which 'gives open licence to managements to attack employees and their unions and their rights without providing any alternative mechanism for resolution of legitimate grievances and demands.'

The AIBOA statement also said that bank officers associations all over the country would hold rallies and demonstrations on 4 August to protest against the Ordinance.

Dubbing the Ordinance as a 'dangerous' one which would serve no national objectives, Patriot and Link Worker's Union flayed INTUC president N K Bhatt for 'betraying the working class' by his 'timid approval' of the Ordinance and announced its support to the joint call given by trade unions for observance of 'Black Day' on 17 August.

Other organisations which have issued statements condemning the ordinance are the other Dairy Employees Union, the Delhi Medical Technicians and Employees Associations and the Lipton Employees Unions.

Although the Delhi unit of the Bharatiya Janata Party has also passed a resolution condemning the authoritarian Ordinance which would prevent the labour and fixed income classes from raising a voice against spiralling prices and other hardships, a Delhi BJP leader Tarachand Khandelwal has welcomed it.

Mr Khandelwal, who is General Secretary of the Delhi Citizens Council, in a statement said that regular indiscipline and unrest among labour which had set the country back by a decade had not benefited nearly 80 per cent of the labour class which was unorganised. This class, he opined, would benefit only when the country prospered throughout.

The Federation of Engineering Industries of India and All India Organisation of Employees here welcomed the Ordinance.

CSO: 4220/7452

STRIKE BAN TO PROHIBIT LAYOFFS, LOCKOUTS

Bombay THE TIMES OF INDIA in English 31 Jul 81 p 1

[Text] New Delhi, July 30 (UNI)--The government today made it known that the recently-promulgated maintenance of essential services ordinance would be amended to prohibit lay-offs and lock-outs by managements in addition to strikes and other forms of stoppage of work by labour.

A press note issued by the home ministry said that the necessary changes in the ordinance to secure this objective could be made when the government introduced a bill at the forthcoming session of Parliament to replace it.

Addressing a gathering of workers belonging to the Delhi Electric Supply Union on Tuesday, the Prime Minister, Mrs Indira Gandhi had said that not only strikes but lay-offs and lock-outs also would not be permitted under this ordinance.

Her remarks had, however, provoked hostile comments in many quarters that the ordinance issued on Monday referred to only strikes but not lock-outs and lay-offs. Today's announcement meant that the government would rectify this lacuna.

The following is the text of the press note:

"The objectives with which the government had promulgated the essential services maintenance ordinance, 1981, is to take all steps for maintenance of certain essential services for the normal life of the community.

It has always been the government's intention that not only strikes but lock-outs and lay-offs have also been prevented.

This can be made explicit, if found necessary, by making adequate provisions to this effect while introducing legislation in the next session of Parliament to replace the ordinance.

CSO: 4220/7454

STRATEGY TO EXPORT NATION'S TECHNOLOGY EVOLVED

New Delhi PATRIOT in English 27 Jul 81 p 8

[Text] THE Government has evolved a strategy to sell the achievements of Indian scientists and technologists abroad.

Involving the Department of Science and Technology and the Ministry of External Affairs, a beginning has been made in this by a move to set up a focal agency. This would involve a high level cell in the Department of Science and Technology and the appointment of an officer of the rank of a joint secretary or above as adviser technical in the foreign office.

These decisions were taken at a high-level meeting called last week by Minister of State for Science and Technology C P N Singh. Among those who attended were DST secretary Prof M G K Menon, the secretaries of the departments of commerce, industrial development, chairmen of public sector organisations like BHEL, EPI, NRDC, NIDC,NBCC and official and other governmental organisations dealing with technology, education and economic affairs. The Prime Minister's secretariat was represented by joint secretary to the PM, Mr R Rajamani.

The meeting followed the approval by the Prime Minister, who is also in charge of science and technology and allied departments, of a report on 'transfer and trading in technology' prepared by the National Research and development corporation at the behest of Mr C P N Singh. She said the details of the proposal should be worked out between the foreign office and the department of science and technology.

The meeting held on 24 July recommended that in view of the growing need for coordinating the transfer and trading in technology, an apex cell be created in the DST for coordinating the integrated approach to technology transfer and trade as well as to monitor and steer individual cases in conjunction with the concerned ministries.

Recommending that a senior officer be posted in the External Affairs Ministry as adviser (Technical), the meeting felt it would help promote appropriate climate for more beneficial and sustaining 'south-south' interaction with the strong points of Indian technology in focus.

The 'focal agency' would be oriented to enhance coordination among various departments without becoming an over-centralised controlling structure.

Already, a special task force exists in the commerce ministry to streamline project exports. However, both the Commerce Ministry and the External Affairs Ministry pointed out at the meeting that with the north-south dialogue reaching a breaking point, the scope was in south-south dialogue. Developing countries were looking forward to India implementing the decisions of the Karaka high level conference which agreed on a comprehensive basis to give pride of place to technology transfer. It has been pointed out that out of India's 117 joint ventures abroad, as many as 100 are with developing countries. Another 92 were in various stages of implementation.

On the other hand, the department of technical development has been worried about another phenomenon. India undertakes feasibility studies using its technical manpower for a paltry sum. Once the studies are over, the countries ignore India and go elsewhere. The focal agency would try to ensure that this sort of thing did not happen.

According to the NRDC, India can bag a sizable chunk of the 6,000 dollar technology transfer market by 1985. The NRDC feels that though most developing countries are potential market, the definite areas are Latin America, Sri Lanka, Bangladesh Nepal, Philipines, Malaysia, Singapore, Hongkong, the Fiji islands, West Asia countries like Turkey and African nations like Zambia, Tanzania, Kenya, Nigeria, Uganda and the Sudan.

CSO: 4220/7435

IMF LOAN CONSIDERED, WRITER SPECULATES ON TERMS

Madras THE HINDU in English 30 Jul 81 p 5

[Article by N. Ram: "Performance-Linked IMF Aid to India"]

[Text]

WASHINGTON, July 29

The Government of India is expecting to conclude a very large financing arrangement with the International Monetary Fund shortly. The terms will be laid down in a secret document involving the Indian Finance Minister. What will they be like?

An extended financing arrangement is claimed by the IMF to be targeted on balance of payments difficulties involving "structural" problems. The loan is supposed to help the member-country tide over acute balance of payments difficulties compounded by "structural maladjustment of the economy" or "conditions impeding growth."

Conditionality, spelt out in a confidential document involving the country's Finance Minister, is represented by a "set of intentions and policies" which the recipient undertakes to be faithful to, over the period at least.

Naturally, the arrangement reflects the conservative, "supply side" economic philosophy of the IMF in the spheres of monetary and fiscal policies, foreign borrowing, exchange rate management, import liberalisation and export performance, and policies towards foreign investment, domestic saving and investment, pricing and social subsidies.

Depending on a country's socio-economic and political conditions and the relative strength or weakness of its bargaining position (including, now and then, its ability to fiddle or adjust financial statistics), the IMF formulates the precise terms of the arrangement with reference to a "letter of intent" signed by the applicant - country's Finance Minister or Governor of the Central Bank or both.

Key aspects of the programme are selected as the "performance criteria" typically drawn in a short-term horizon and defined as "certain elements in the programme that are formulated in arithmetic or other objective terms."

Three criteria

Basically, there are said to be three performance criteria. The two "significant" ones, imposed in all cases, involve an overall credit ceiling (a limit on the net domestic asset of the Central Bank or of the system and a "sub-ceiling" on credit to the Government) and controls or regulations of fiscal performance.

A third ceiling is known to relate to exchange and import restriction action for balance of payments reasons.

During the three-year arrangement, the arithmetic or objective tests are established for the first 12 months and for each successive period of similar length. The IMF maintains close monitoring and surveillance over the "progress" of the country out of the "structural" malady diagnosed.

Significant deviations from the limits imposed have to be cleared with the IMF's executive board. If a government is able to show it has met the performance criteria for the period, then the next phase of the lending or "purchase" arrangement comes into effect. If it flunks the IMF's first-lap test, the arrangement is "interrupted."

Quite frequently, the performance criteria bring in related targets for implementation of policies that are directly resented by the people of the countries concerned. At times, the IMF is able to impose devaluation of the currency, especially if the economy and political leadership of the country are vulnerable, "soft" or compromising.

Typically, the IMF package — if it is not to be a one-time phenomenon — is accompanied (as an Indian study puts it) by "measures for severe compression in demand, cuts in real wages, policies to appease major investment interests, particularly foreign investors and measures to reduce Government social expenditure."

U.S. reaction to Ordinance

In this context, the Government of India's latest assumption of draconian, Emergency-like powers to ban strikes in "essential services" — which has got very unfavourable notice in the American media as a whole, as another move in the authoritarian direction — obviously sends the kind of political and socio-economic signal the IMF and the Reagan administration appreciate.

(As a *New York Times* dispatch points out, a number of workers in similar industries in the United States are prohibited from striking.)

In fact, it is not for nothing that Mr Julius Nyerere, the Tanzanian leader — whose own management of the national economy is reported to be a mess — criticises the IMF for behaving like "an international ministry of finance."

The Fund, in turn, has responded to the effect that it is not the multilateral institution, but the government of the country that chooses, designs and implements the socio-economic and monetarist policies under fire or criticism at home.

But in the latest survey of the world economic outlook by the "IMF staff", Larosiere and Co. have come out openly

and with fewer inhibitions than before on the side of "supply side" economics (and Reaganomics).

They have also restated the institution's determination to "concentrate its financial support on countries engaged in strong programmes" and willing to accept "rigorous adjustment policies."

Word is passing in the IMF's corners and nooks that India's extended arrangements is going to dwarf all previous arrangements. But until this deal is struck--in London or elsewhere, and then approved by the IMF's executive board--the higher "batting order stands as follows: Yugoslavia (1.662 billion SDR), Pakistan ($1.268 billions) and Turkey (1.250 billion SDR).

CSO: 4220/7449

BIHAR CPI SPONSORS ANTI-PRICE RISE DEMONSTRATIONS

New Delhi PATRIOT in English 27 Jul 81 p 4

[Text] Patna, July 26. Massive demonstrations were held yesterday at all district headquarters of the State under the auspices of the CPI in protest against price-rise, unemployment, deterioration in law and order situation, rampant corruption and other problems.

The delegations of demonstrators met the district magistrates and handed them memoranda of their demands.

The demonstrators also sought the Governments take over of the wholesale trade of essential commodities, employment for all able bodied and fit persons implementation of all multipurpose river valley projects, among other things.

According to reports, thousands of farmers, labourers including a large number of women and people from other classes, participated in the demonstrations. The protesters coming to Patna were allegedly lathi-charged by the police on their way.

In Patna thousands of farmers, labourers, students, youths and women demonstrated outside the collectorate.

On behalf of the demonstrators, an 11-member delegation led by Patna district CPI Council secretary Harinandan Prasad Singh met district magistrate K.A.H. Subramanyan and handed him over a 15-point charter of demands which included checking of price-rise, annulment of increased prices of sugar rice, wheat, fertilizer, cement etc. employment for unemployed, fixation of sugar cane prices at Rs 30 a quintal and jute prices at Rs 300 a quintal.

Mr Subramanyan told the delegation 41 shops had been opened in Patna on the pattern followed in Kerala where essential commodities were being provided at reasonable prices.

He assured the delegation that the social security pension would be distributed both in rural and urban areas of Patna by 15 August. Stern measures were being taken to control law and order situation, he added.

CSO: 4220/7436

'COMFORTABLE' FOODGRAIN STOCK BUILT IN NORTHEAST

New Delhi PATRIOT in English 27 Jul 81 p 4

[Text] About 100,000 tonnes of foodgrains are being moved every day to the north-eastern States to build up 'comfortable' stocks there reports UNI.

The seven States in the region have already sufficient stocks to meet two to three months needs of their public distribution system as a result of the efforts by the Food Corporation of India (FCI) and the railways.

'The position there is no more wagon-to-mouth, as it was about two years ago. The food stock position there is quite comfortable' according to FCI sources in Delhi.

The supply of essential commodities to the region, particularly foodgrains was reviewed recently at a meeting of the North Eastern Council meeting in Shillong. The meeting was attended by senior officials of the FCI and the railways.

The sources said the floods in the Brahmaputra and its tributaries did not impede the movement of foodgrains. 'We are still keeping the same tempo of movement.'

The food supply to the northeastern region usually poses many problems of logistics. Besides the difficult terrain, most of the railway lines there are metre gauge, necessitating transshipment from broad gauge points.

The sources said transshipment from the Garhara broad gauge point near Barauni would be increased from the present 40 wagons to 70 wagons a day.

Transshipment from the new Bongaigaon broad gauge point to other points would be maintained at the present level of 70 wagons a day in addition to the 15 wagons a day being unloaded at other broad gauge points for consumption in nearby areas.

CSO: 4220/7436

IRAQ CONTINUING TO SUPPLY NATION WITH CRUDE OIL

New Delhi PATRIOT in English 27 Jul 81 p 7

[Text] Baghdad, July 26 (UNI)--Iraq is supplying India a little over 100,000 of crude a month on an ad hoc basis, it is officially learnt.

Due to the uncertainties created by the war, Iraq has not signed annual contracts with any country.

Iraq had been supplying India about six million tonnes of crude a year until the outbreak of the war. At the current rate, the annual supply would be about 1.5 million tonnes.

It is being emphasised here that Iraq had always been responsive to India's needs and even the current supply is on a preferential basis.

The decline in the supply is attributed to reduction crude production mainly because of the closure of the Basrah port, Iraq's principal crude loading port.

The current rate of crude production in Iraq is a guarded secret. Unofficial but reliable sources put it at one third of the normal production.

The war has caused no damage to Iraq's oil wells, of which all but two are outside the border areas. But refining activities have been brought to a virtual standstill because of the damage to refineries at Basrah.

With Basrah port closed, India has to import Iraqi crude from pipeline terminals at Mediterranean ports.

CSO: 4220/7435

WORSENING COAL FAMINE HITS STEEL PLANTS

New Delhi PATRIOT in English 30 Jul 81 p 5

[Text]

THE country's steel plants, already reeling under severe power cuts in the summer months, have also been adversely affected by continuous deterioration in the quality of coking coal, specially from the prime coal washeries of the Bharat Coking Coal Limited. Shortfalls in imports have further aggravated the situation.

The average ash content in coking coal from the Dugda-I and Dugda-II washeries has been as high as 23 per cent as against norm of about 18.5 per cent. The Patherdih washery coal ash content has jumped from 18 per cent to over 22 per cent.

The worst has been the coking coal from Bhojudih and Kargali washeries where ash c[illegible] almost a quarter of the [illegible] against an average in th[illegible] of about 17 per cent.

In the first quarter of [illegible] financial year, the five in[illegible] steel plants of SAIL a[illegible] TISCO plant together r[illegible] 3.39 million tonnes of in[illegible]nous coking coal and 21[illegible] tonnes of imported coking c[illegible]

The production plan for 1981-82 envisaged the consumption of 16.43 million tonnes of coking coal for producing 10.11 million tonnes of the hot metal. The requirements are based on the assumption that the coal supplied will not have an ash content of more than 19 per cent and includes handling losses in the stock yards of up to 4 per cent.

The Department of Coal, however, indicated supply could not be more than 15.28 million tonnes and that too with higher ash content of up to 20.5 per cent. The deficit was to be met through imports.

According to SAIL, while its monthly coal requirements were promised at 1.27 million tonnes a month the actual receipts, excluding imports, have been only 1.15 mil[illegible] tonnes in April, 1.15 millio[illegible] tonnes in May and 1.08 million tonnes in June.

In the case of coal imports, the balance quantity against the interim import of 0.56 million tonnes of coking coal cleared by the Government in July last year was received at the plants in April and May this year.

GLOBAL TENDER

Against the global tender for import of one million tonnes issued in August last year, contracts for the purchase of 600,000 tonnes equally distributed between Australia, Canada and US were signed in April 1981. According to the schedule, one ship each from Canada and Australia in alternate months and one ship load from the US every month was scheduled to be loaded from May 1981.

Two ship-loads from Australia have already arrived. But because of the strike of the United Miners of the US from 1 April and the strike notice served on coal mines of Canada on 8 May, no ship was accepted for loading by the suppliers.

It is now learnt that the mine workers of the US have already started work and one ship for loading would have been placed in the second half of this month. As a precautionary measure, meanwhile, the consumption of imported coal has been curtailed.

SAIL is also processing the offers received in the global tenders opened on 30 April for the supply of 2.3 million tonnes of coking coal spread over a period of 18 months.

POWER CUTS

In the case of power supply, the restriction have been drastic. For all the integrated steel plants combined, the restrictions were 2,485 hours (58 per cent of the calendar hours) in April, 2,924 hours (65 per cent) in May and 3,495 hours (85 per cent) in June.

CSO: 4220/7452

FERTILIZER ASSOCIATION ANNUAL REVIEW PUBLISHED

Calcutta THE STATESMAN in English 4 Aug 81 p 9

[Text] New Delhi, Aug. 3--The recent increase in the prices of fertilizer is likely to keep the rate of consumption low during the current financial year, with the resultant impact on agricultural production "which could necessitate higher import of foodgrain."

This grim warning has been given in the annual review of fertilizer consumption and production (1980-81) of the Fertilizer Association of India published a few days ago. "It may sound simplistic, but it appears that it would have been far more advantageous to augment domestic agricultural production with the increased use of fertilizers by keeping prices low, rather than create conditions for the import of foodgrain," the review said.

The recent hike "is indeed most disconcerting" for the country's agriculture. "It is obvious that we have tended to ignore the lessons we could have learnt from the happenings of the last decade, according to the review.

The Indian farmer had not yet fully adjusted himself to the sharp escalation in fertilizer prices of June last year. Another dose of the hike "is bound to affect fertilizer consumption, adversely affecting the agricultural output."

It would be unrealistic to assume that the past rates of growth in consumption could be sustained or, the targets fixed only a few months ago for the current year achieved. The FAI suggests that the Centre, State Governments as well as the fertilizer industry "review estimates of fertilizer consumption for the next year or so, which forms the basis of import planning."

During the last 25 years, fertilizer consumption has increased nearly 43 times--reflecting a growth rate of about 167% a year. But the average annual rate of growth of consumption during 1955-56 to 1980-81 dropped from 50% to 27% and finally to 18.5%. During the last five years, the overall rate of growth of nitrogen, potash and phosphates consumption dropped from 3.2 times to 2.5 times.

In the three intervals during the last 25 years of 10, 10 and five years, the quantum of increase escalated, notwithstanding the drop in percentage growth. Thus, against an increase of 65.4 thousand tonnes a year in the total nutrient consumption prior to the high-yielding variety era, it went up to 210.9 and 536 thousand tonnes during the two subsequent periods, respectively.

CSO: 4220/7491

POOR PERFORMANCE OF NITROGENOUS FERTILIZER UNITS NOTED

Madras THE HINDU in English 30 Jul 81 p 7

[Text]

NEW DELHI, July 29.

Capacity utilisation in the nitrogenous fertilizer plants has plummeted to 53 per cent in 1980-81 — the lowest level ever to be touched.

In the case of phosphatic fertilizer units, the performance has been somewhat better and the utilisation has remained at 65 per cent, the level attained in 1979-80.

According to fertilizer industry sources, the factors responsible for this poor performance are problems encountered in getting power, coal and raw materials. Labour unrest also played a major role in production loss.

Raw material shortage: The contribution of raw material shortage has been the highest in the case of nitrogenous fertilizers, leading to a production loss of 349,000 tonnes in 1980-81, compared to 170,000 tonnes in the previous year.

In the case of phosphatic fertilizers, the impact of the shortage has been less in 1980-81 than in the previous year, and the production loss declined from 37,500 tonnes in 1979-80 to 11,600 tonnes in 1980-81.

Owing to equipment breakdown there was a production loss of 172,000 tonnes in 1980-81 compared to 211,000 tonnes in the previous year in nitrogenous fertilizers. Its impact was greater in the phosphatic fertilizer units, where the loss increased from 23,500 tonnes in 1979-80 to 31,000 tonnes in 1980-81.

Labour problems: Both the nitrogenous and phosphatic fertilizer units were hit hard by the labour problems in 1980-81. In the case of the former the loss rose from 2,000 tonnes to 139,000 tonnes and in the phosphatic fertilizer units, it went up from nil to 28,600 tonnes.

The power problem led to a loss of 93,000 tonnes in 1980-81 against 161,000 tonnes in 1979-80 in the nitrogenous fertilizer units. The loss, in the phosphatic plants rose from 11,000 tonnes to 12,300 tonnes.

While the power problem has been experienced for long, the raw material and input shortage is a recent phenomenon, affecting the performance. While at times there is a shortage of raw material at the source itself, the delay in the movement of raw materials also the cause of the shortage.

As a result the total production of nitrogenous fertilizers dropped to 21.64 lakh tonnes in 1980-81 from 22.24 lakh tonnes in 1979-80. The output of phosphatic fertilizers, however, rose from 7.63 lakh tonnes to 8.41 lakh tonnes.

Lowest in eastern zone: The capacity utilisation in the eastern zone has been the lowest at 18 per cent. The west recorded the highest level of 75 per cent, followed by the south with 68 per cent. The figures for the central and the north were 52 and 41 per cent respectively.

In the case of phosphatic fertilizer production too, the west zone topped with 92 per cent utilisation followed by the south with 67 per cent. The central, north, and eastern zones accounted for 34, 44 and 20 per cent respectively.

The industry expects the situation to improve in the current year following the corrective measures taken up and hopes that the production can be stepped up to 31 lakh tonnes of nitrogenous and nine lakh tonnes of phosphatic fertilizers.

CSO: 4220/7449

STEEL AUTHORITY REACHES RECORD PRODUCTION

Bombay THE TIMES OF INDIA in English 4 Aug 81 p 22

[Text] New Delhi, August 3 (UNI): The integrated steel plants under the Steel Authority of India Limited (SAIL) produced 443,100 tonnes of saleable steel during July--the highest production for the month of July since 1978, according to the SAIL authorities.

The aggregate production in these plants for the four months of the current financial year was 1.7 million tonnes, .39 a million tonnes more than the saleable steel production in the corresponding period of the last financial year, and represented a growth of 30.7 per cent. This aggregate production was also the highest for the first four months of any financial year since 1977-78.

According to the sail authorities, saleable steel production in these plants could have been higher still but for the restrictions on power on the Bhilai steel plant during the most part of the month, particularly during the peak evening hours.

The steel plants at Bokaro, Durgapur and of the Indian Iron and Steel Company also suffered some setbacks in power supply.

The Bokaro steel plant has set highest levels of production in ingots and saleable steel for any July month since its inception. Bokaro's record of production of saleable steel at 118,900 tonnes surpassed the previous best of 117,600 tonnes achieved in March. Ingot steel production at the plant was 155,500 tonnes.

In IISCO the aggregate ingot steel production during the first four months of the financial year was 197,000 tonnes while the Durgapur plant aggregated 240,000 tonnes of saleable steel. The aggregate for the Rourkela plant for the same period was 311,000 tonnes.

Meanwhile, major units of the Salem steel plant were put on trial run on July 24. The plant is scheduled to be commissioned on September 13. Battery No 5 of the Bokaro steel plant coke ovens also commenced work on July 29. This is the second major unit to be commissioned in the plant's four-million-tonne expansion scheme.

CSO: 4220/7489

FISHERMEN WORRIED OVER SRI LANKA AIR EXERCISES

Madras THE HINDU in English 2 Aug 81 p 1

[Text] Madurai, Aug 1--Mr H. M. Pandey, District Collector of Ramnad, told newsmen in Madurai on Saturday that he would take up the matter regarding the Sri Lanka Air Force exercises off Katchatheevu, with the State Government soon.

The fishermen in and around Rameswaram, he said, had been informed by the Sri Lanka Government about the proposed air force exercises. The Sri Lanka Government had also given specific dates on which these exercises would be undertaken, he said. The actual exercises would be carried out between Rameswaram and Kachatheevu.

The fishermen, he said, had expressed apprehension over such exercises, as their livelihood for eight months would be at stake. The exercises are proposed to be conducted from September 1981 to April 1982.

The action committee of the Tamil Nadu Catamaran and Country Boat Fishermen's Association has expressed deep concern over the plans of the Sri Lanka Air Force.

The committee which met here on Thursday passed a resolution requesting the Central and State Governments to take steps to see that the venue for the proposed training programme was changed.

The committee feared that the Sri Lanka proposal would cause large-scale destruction to the fish population in the sea around Rameswaram island, affecting the livelihood of the Indian fishermen.

CSO: 4220/7480

BRIEFS

ORISSA AICP PLANS--The Orissa unit of the All-India Communist Party has decided to launch a mass campaign throughout the State on burning economic issues affecting the bulk of the populace. The decision to organise the stir, with the aim of projecting the independent image of the AICP, was taken at a State convention of the party held on 19 July, according to AICP Central Committee member, N. C. Dutta who attended the convention on behalf of the party's central leadership. Mr Dutta said in the Capital on Saturday that the convention had discussed the present national and international situations and taken a decision to mobilise the public opinion especially on the question of rising prices which hit the common man. [Text] [New Delhi PATRIOT in English 26 Jul 81 p 4]

ORISSA PANCHAYAT POLLS--Bhubandeswar, July 25 (UNI)--The Orissa Cabinet has decided to hold gram panchayat elections in January on the basis of the latest census. The delimination work would start after the new census figures are available next week. The Cabinet also decided to take over the functioning of 65 panchayats by an ordinance. Chief Minister J. B. Patnaik presided over the meeting. The Cabinet also decided to lift the qualitative and quantitative control imposed on Government-aided education institutions where the results were below the State average for three consecutive years since about 1000 teachers could not get their salaries. The Cabinet decided to regularise the services of all Government school and college teachers who had completed one year of service on 1 March this year without having to wait for the Public Service Commission's clearance. [Text] [New Delhi PATRIOT in English 26 Jul 81 p 4]

INDO-SOVIET CULTURAL EXPANSION--The Indo-Soviet Cultural Society is to expand its activities by constituting commissions which will organise discussions, seminars and hold an Indo-Soviet cultural festival next year, according to an ISCUS press release. The decision was taken at a meeting of the ISCUS national council on Saturday. The programme drawn up by the council includes preparations for the national conference to mark the 30th anniversary of ISCUS in 1982 and centenary celebrations of Subramaniam Bharati and Maulana Hazrat Mohani later this year. The council has also drawn up a programme for country-wide celebrations in August to mark the tenth anniversary of the Indo-Soviet friendship treaty. A Soviet delegation led by Mr Yadkuliev, Vice President of the USSR and President of the Turkmanian Republic, will take part in the celebrations. The council session was presided over by former Justice Krishna Iyer. Representatives from 14 States attended the meeting. The afternoon session was presided over by World Peace Council president Romesh Chandra. The release

said the military encirclement by the USA, China and Pakistan and the economic ideological and diplomatic aggressive moves launched by world imperialism lend greater relevance to the Indo-Soviet treaty than ten years ago. [Text] [New Delhi PATRIOT in English 26 Jul 81 p 12]

ANDHRA PRADESH MINISTER--Hyderabad, July 26 (UNI)--Mr K. Kesava Rao, Deputy Chairman of the Andhra Pradesh Legislative Council, has been included in the State Cabinet. Announcing this here today, Chief Minister T. Anjiah told newsmen that Mr Kesava Rao would be sworn in tomorrow. He said three more Ministers from the Andhra region, would be appointed on or after 9 August. There are at present 41 Ministers--27 of Cabinet rank and 14 Ministers of State. Mr Kesava Rao, who hails from Telangana, was a journalist and a student leader. [Text] [New Delhi PATRIOT in English 27 Jul 81 p 7]

RICE TO SOVIET UNION--Hyderabad, July 26 (UNI)--The Andhra Pradesh State Trading Corporation has secured an export order of 90,000 tonnes of rice to the Soviet Union during the current financial year. Managing director of Corporation T. S. N. Swamy told newsmen today that the rice would be coarse and fine. [Text] [New Delhi PATRIOT in English 27 Jul 81 p 8]

MANIPUR FOOD-FOR-WORK--Imphal, July 26 (UNI)--The 'food for work programme' has failed to generate additional gainful employment in rural areas of Manipur and strengthen the rural infrastructure with a view to securing higher production and better living standard owing to delay in planning and implementation according to a report of the Controller and Auditor General of India for 1979-80 released to the press this morning. The report said that out of eight State Government departments entrusted with the programme only three implemented it partially. It said out of the Centre's total allotment of 4,000 tonnes of rice for Manipur the State Government had lifted 19 per cent though actual utilisation was to the extent of 16 per cent or 250 tonnes. The State Government's performance did not result in the creation of durable assets the report added. [Text] [New Delhi PATRIOT in English 27 Jul 81 p 4]

MAHARASHTRA LEFTISTS--Bombay, July 27 (PTI)--Three parties in Maharashtra, CPI, CPI-M and PWP, have decided to form a coordination committee to coordinate the various programmes that they would be undertaking henceforth a spokesman of the parties said yesterday night. The leaders of the party met here yesterday and today to chalk out agitational programmes concerning employment guarantee scheme, rising prices and demolition of hutments on pavements. The spokesman told PTI that the leaders of the parties expressed concern over the action in demolition of hutments on greater Bombay's pavements and decided to undertake a statewide campaign against this action taking in its fold other opposition parties if they wished to join in. [Text] [New Delhi PATRIOT in English 28 Jul 81 p 7]

CONGRESS-U DEFECTOR--Bombay, July 27 (UNI)--Vice-President of the Maharashtra Pradesh Congress Committee-U T Mahajan joined the Cong-I today along with several others from Jalgaon district. Among those who joined the Cong-I are Mr M R Chaudhari, MLC and Mr P A Patil, chairman of the Jalgaon district Central Cooperative Bank. Mr Mahajan and others met Maharashtra Chief Minister A R Antulay this morning to convey their decision to join the Cong-I MPCC-I

president Gulabrao Patil, MP, and State Finance Minister Ramrao Adik who is the in-charge of Jalgaon district were present. [Text] [New Delhi PATRIOT in English 28 Jul 81 p 4]

ORISSA CONGRESS-I--Bhubaneswar--The Cong-I will cease to have any representation in the Orissa Assembly following the decision of its two members to sit in the House as independents. Former Chief Minister Nandini Satpathy and Mr Haldhar Mishra were elected tothe Assembly on Cong-I ticket from Dhenkanal district. Following the Chief Election Commissioner's recent verdict on the 'real Congress, they had decided to identify themselves as independents. With this the number of independents in the 147-member House would increase from two to four. [Text] [New Delhi PATRIOT in English 28 Jul 81 p 4]

HALDIPUR SWORN-IN--Pondicherry, July 27 (UNI)--Mr Ramdas Narayan Haldipur was today sworn-in as the Lt-Governor of Pondicherry at a simple ceremony at Raj Nivas here. Pondicherry district and sessions judge David Annousamy administered the oath of office and secrecy to Mr Haldipur after Chief Secretary P V Aikrishnan read out the warrant of appointment from the President of India. [Text] [New Delhi PATRIOT in English 28 Jul 81 p 4]

ANDHRA MINISTER'S RESIGNATION--Hyderabad, July 28 (UNI)--The resignation of the Andhra Pradesh agriculture minister, Mr N. Bhaskar Rao, was accepted this afternoon by the governor, Mr K. C. Abraham. This brought to an end the 24-hour suspense during which efforts were made by emissaries to bring about a rapprochement between Mr Bhaskar Rao and the chief minister, Mr T. Anjiah. The chief minister had, in a surprise development, demanded his resignation through a letter sent by a special messenger after midnight on Sunday. Mr Rao tendered his resignation yesterday morning, but the chief minister forwarded it to the governor only this afternoon for acceptance. Mr Bhaskar Rao hails from Krishna district and he had played a prominent role in the removal of Dr M. Channa Reddy. [Text] [Bombay THE TIMES OF INDIA in English 29 Jul 81 p 7]

UTTAR PRADESH OPPOSITION--Lucknow, July 28--The UP legislature will have a new opposition group called the Democratic Socialist party. It is likely to be led by the former minister for local, self-government, Mr H. K. Srivastava. The new group has been formed by 16 legislators owing allegiance to Mr H.N. Bahuguna, Mr Raj Narain and Mr Banarsi Das. A leader of the group has appealed to "like-minded" parties, including the Congress(U), to join the Democratic Socialist party. The former Lok Dal chief minister, Mr Banarsi Das, had held talks in this regard with Mr Devaraj Urs when he visited Lucknow in April. Mr Urs, while stating that his party would keep its separate identity, had assured Mr Banarsi Das of its support in any joint action, both on the floor of the house and outside, on common issues. Mr Banarsi Das, whose move for merging the Janvadi party with the Democratic Socialist party was opposed by the Janvadi party chief, Mr Chandrajit Yadav, alleged that Mr Yadav was "waiting in the wings to join the Congress(I) bandwagon." [Text] [Bombay THE TIMES OF INDIA in English 29 Jul 81 p 7]

MAHARASHTRA PARTY STRENGTHS--Bombay, July 28-- The Congress strength in the Maharashtra assembly has reached 228 leaving only 59 in the entire opposition with one seat being vacant, according to the legislative affairs minister, Mr N.M. Tidke. The total strength of the lower house is 289, including one nominated seat. The partywise break-up of the opposition parties as per the figures given by Mr Tidke is: Congress(U) 17, Janata--14, Bharatiya Janata Party--14. Peasants and Workers' Party-eight. Communist Party of India (Marxist) two, All-India Communist Party--two, Republican Party of India (Khobragade) one, and independent one. [Text] [Bombay THE TIMES OF INDIA in English 29 Jul 81 p 9]

PUNJAB CONGRESS-I OFFICIAL--Chandigarh, July 28--Miss Sarla Prashar, who was "installed" as president of the Punjab Pradesh Congress(I) Committee on Saturday, has said that she will soon form her executive committee and that it will be broad-based. She did not elaborate. She hoped that with the help of Mr Darbara Singh and leaders and workers of the party, she would be able to implement the programmes of the party. [Text] [Calcutta THE STATESMAN in English 29 Jul 81 p 7]

MARUTI REPORT DECISION--New Delhi, July 28--The Union Cabinet today decided to reject the report of the Maruti Commission, presided over by Mr Justice A.C. Gupta, which went into certain allegations against the former Defence Minister, Mr Bansi Lal. The present Government, before coming to office, had described the setting up of the Maruti Commission, the Shah Commission and other commissions by the Janata Government as nothing but political vendetta aimed at persecuting Mrs Gandhi and her close colleagues. At the instance of the Prime Minister, the Cabinet also resolved not to institute any disciplinary or other proceedings against Government officials who had deposed before the Gupta Commission against Mr Bansi Lal and others. Mrs Gandhi is understood to have counselled that the present Government should set up a new precedent by choosing not to act in any vindictive spirit. [Text] [Madras THE HINDU in English 29 Jul 81 p 1]

UNITED OPPOSITION--Bombay, July 29--All the five opposition parties in the state assembly have come to an understanding to function unitedly during the monsoon session beginning on August 17. At a meeting of leaders of the Janata, the Bharatiya Janata party, the Congress(U), the Peasants and Workers party, the CPI, and the CPM decided this at a meeting held late yesterday evening here. The meeting was held at the initiative of the Janata party. The parties decided to hold mutual discussions regarding the strategy to be pursued in both the houses on a number of issues, including price rise, the drought situation and the law and order question. The opposition strength has been weakened with more than 20 Congress(U) MLAs and some MLCs crossing over to the ruling party. The parties would also press for the resignation of Mr Shankarrao Jagtap from the deputy speakership as he had joined the Congress. According to convention, the post should be given to the opposition, Mr R. A. Patil, Janata MLC, pointed out at a press conference today. Those who attended the talks included Mr G. P. Pradhan (Janata), Prof. G. B. Kanitkar (BJP), Mr P. K. Kurane (CPM), Mr Jnaneshwar Khaire (Cong-U), Mr Ganpatrao Deshmukh (PWP) and Mr Sudhan Deshmukh (CPI). [Text] [Bombay THE TIMES OF INDIA in English 30 Jul 81 p 1]

SCIENCE INSTITUTE DIRECTOR--Bangalore, July 29--Professor S. Dhawan retires from the directorship of the Indian Institute of Science, Bangalore, a premier institution of scientific research and advanced training in the country, on Friday, after 18 years in that position. He will continue as chairman of the Indian Space Research Organisation and the Indian national committee for space research. Prof. Dhawan will be succeeded by Professor S. Ramaseshan, at present joint director, a scientist in his own right. Prof. Ramaseshan is a nephew of the late Dr C. V. Raman, the Nobel prize winner. [Text] [Bombay THE TIMES OF INDIA in English 30 Jul 81 p 3]

DACCA DEMAND REJECTED--New Delhi, July 29--India today rejected the Bangladesh demand that it should not operate the Farakka barrage without a new treaty on water sharing between the two countries. An external affairs ministry spokesman said today that India would go by the provisions of the Farakka agreement. Any unilateral demand had to be considered carefully, he said. He was commenting on a statement by the Bangladesh water resources minister, Kazi Anwarul Huq, who had put forward his new demand at a press conference in Dacca. The spokesman referred to an earlier press conference held by the Bangladesh foreign minister, Prof. Shamsul Huq, when he had alleged that India had changed its stand on the new Moore Island. [Text] [Bombay THE TIMES OF INDIA in English 30 Jul 81 p 9]

VAJPAYEE ALLEGES CENSORSHIP--New Delhi, July 29--Mr A. B. Vajpaye alleged here today that the mail of 300 political leaders and journalists was being intercepted and censored unofficially. The BJP leader told reporters here that the political leaders included some of the ruling congress(I) politicians. The unofficial censorship was being carried out by Home Ministry officials deputed in post offices, he alleged. [Text] [Calcutta THE STATESMAN in English 30 Jul 81 p 1]

INDO-ARGENTINE TRADE PACT--Buenos Aires, July 29--India and Argentina yesterday signed their first trade agreement, under which they will grant each other the most favoured treatment in imports and exports reports PTI. The agreement was signed here by Mr Pranab Mukherjee, Commerce Minister, after talks with his Argentinian counterpart Mr Carlos Garcia Martinez. [Text] [Calcutta THE STATESMAN in English 30 Jul 81 p 6]

NEWSPRINT LEVY STAY--New Delhi, July 29--The Supreme Court today granted stay to the HINDU, a Madras daily, from paying an additional 15% levy on imported newsprint, reports PTI. The court also admitted a writ petition filed on behalf of the newspaper challenging the constitutional validity of the Government's notification of March 1, 1981, imposing a 15% levy on the imported newsprint consumed by specified categories of newspapers. The newspaper, however, will have to furnish an unqualified bank guarantee equal to the levy, the court order said. The writ petition was heard by a Division Bench comprising Mr Justice V. D. Tulzapurkar and Mr Justice Varadarajan. [Text] [Calcutta THE STATESMAN in English 30 Jul 81 p 7]

COMPUTERIZED ELECTORAL ROLLS--New Delhi, July 29--The Election Commission has decided to computerize the electoral rolls, the Chief Election Commissioner, Mr S. L. Shakdher, said here today, reports PTI. He said the commission had asked the Electronics Corporation of India, Hyderabad, to develop computers to print electoral rolls in all the Indian languages. Initially, the electoral

rolls would be computerized in English followed by Hindi. Subsequently, the computarization would be done in all other Indian languages, he said. [Text] [Calcutta THE STATESMAN in English 30 Jul 81 p 9]

RICE PROCUREMENT FIGURES--New Delhi, July 29--Procurement of rice during the 198 1980-81 marketing season (October 1980 to September 1981) has totalled 46.39 lakh tonnes till date. Almost all States have contributed larger quantities to the Central reserve with Punjab leading with 25.22 lakh tonnes and Haryana coming next with 6.67 lakh tonnes. The contribution of Andhra Pradesh so far has been 6.54 lakh tonnes and of U.P. 5.78 lakh tonnes. Madhya Pradesh has procured 3.74 lakh tonnes. Tamil Nadu 1.6 lakh tonnes and West Bengal 1.32 lakh tonnes. The Andra Pradesh contribution comprises 3.91 lakh tonnes from the kharif crop and 2.60 lakh tonnes from the rabi crop in Tamil Nadu over 54,000 tonnes has been procured from the Kuruvai crop and 1.11 lakh tonnes from the sanba crop. [Text] [Madras THE HINDU in English 30 Jul 81 p 7]

CPI ON REDDY VISIT--Hyderabad, July 28--The Central executive committee of the CPI today deplored the decision to send the President, Mr N. Sanjiva Reddi, to London to attend the wedding of Prince Charles. The executive now in session here, in a resolution, said the President was sent at a time when Indians in the U.K. were facing 'fascist attacks." The CPI considered the Government's decision to be an "affront to the national honour and democratic public opinion, and a humiliating concessionto Mrs Thatcher's Government which has been indirectly encouraging the white racists to run riot." It said if the Government had declined to send any official representative to the wedding, it would have been an effective protest against the "outrages to which Indians and other settlers have been subjected to in recent weeks." PTI [Text] [Madras THE HINDU in English 30 Jul 81 p 7]

ARUNACHAL PARTIES MERGE--Itanagar, July 29--The Arunachal Pradesh Congress(U) Committee has been dissolved and all its members have resolved to join the Bharatiya Janata Party (BJP). A resolution to this effect was adopted at a recent meeting here, says a press release from the PCC(U) president, Mr T. Karlo.--PTI [Text] [Madras THE HINDU in English 30 Jul 81 p 7]

EMIGRATION TO CANADA--New Delhi, July 29--An External Affairs Ministry spokesman today dismissed the claim by some Indian immigrants in Canada that they were political refugees and were being persecuted in India. He described their claim as "baseless and unacceptable." Commenting on news reports from Ottawa in this regard the spokesman said "these persons have found some loopholes in the Canadian immigration laws which might facilitate their migration to that country if they pretend to be political refugees." The spokesman said "It is clear that those seeking emigration on political grounds had dubious motivations." The question of an Indian being a political refugee and his being persecuted did not arise at all." He said the Canadian authorities had informed the Government of India that they do not recognise the claim by these persons that they are political refugees. For the last few weeks a large number of Indian nationals had been travelling to Canada in a bid to take advantage of some Canadian immigration laws and trying to settle down in that country.--UNI [Text] [Madras THE HINDU in English 30 Jul 81 p 9]

BANGLADESH TRIBAL INFLUX--Calcutta, July 29--There has been a respite in the flow of illegal immigrants, mostly Chakma tribals, from Bangladesh into Tripura during the past few days. However, there are still over 2,200 living in relief camps who are too terrorised to go back, according to reports available here. The refugees say that the Bangladesh Army, in a recent drive, has been trying to evict them from the land they had been occupying for a long time in the plains and in the hill tracts. They also tried to resettle the local population in the areas vacated. The aim of the army, it seemed was not to wipe out the tribals wholesale, but to drive them across the border into India and to make it clear that they were no longer welcome in Bangladesh. Males among the refugees are still brave enough to try to get back into Bangladesh. Women and children are left behind in the refugees camps. Chakmas, most of whom are Buddhists, are not readily distinguishable from other local tribals, especially the Mizos. This has resulted in some advantage for Mizo National Front (MNF) and the Tripura Upajati Juba Samiti. [Text] [Madras THE HINDU in English 30 Jul 81 p 6]

MICRO-ALLOY STEEL MANUFACTURE--The State-owned Indian Iron and Steel Company (IISCO) has joined the selected group of steel plants now producing micro-alloy steel. In the parlance of metallurgy it is called high strength low alloy (HSLA) steel, reports UNI, quoting an official press release. The first micro-alloy steel produced at IISCO was by adding niobium in a specific quantity to the mild steel while tapping the melting shop. Although the steel thus produced contains the alloying metal in a very small quantity, its tensile strength and other properties improve tremendously. [Text] [New Delhi PATRIOT in English 30 Jul 81 p 5]

INTELLIGENCE UNITS MODERNISED--Hyderabad, July 29 (UNI)--Central Intelligence agencies are being modernised at a cost of Rs 100 crore, Union Home Minister Zail Singh told newsmen here today. The modernisation was being undertaken over a phased period with the involvement of the States, he said. Such modernisation has become essential since miscreants had been making use of modern communications. Some one sitting in Hyderabad could create mischief in Aligarh, he said. The intelligence agencies should be ever vigilant to contain such acts, he said. [Text] [New Delhi PATRIOT in English 30 Jul 81 p 7]

LOK DAL CHALLENGE--Bombay, July 30--Mr George Fernandes, Lok Dal leader, has offered to quit the trade union movement and public life if the Prime Minister can point out the relevant provisions of the Essential services maintenance ordinance designed to deal with lay-offs and lock-outs. In a statement issued here today, Mr Fernandes said Mrs Gandhi was either ignorant or not sincere in her statement that the ordinance was aimed at both workers and employers. [Text] [Bombay THE TIMES OF INDIA in English 31 Jul 81 p 4]

LALDENGA, GANDHI MEET--New Delhi, July 30 (PTI)--The Mizo National Front (MHF) leader, Mr Laldenga, today, had a brief discussion with the Prime Minister, Mrs Indira Gandhi, and later expressed the confidence that she would do "justice" to the Mizo people. Mr Laldenga said that he had urged Mrs Gandhi for acceleration of the pace of talks on solving the Mizo problem. He hoped the discussions on proposals would be completed in a week's time. He said that

he had submitted the MNF's reply to the government's proposals to Mr G. Parthasarathy, Prime Minister's emissary, on Monday. Mr Laldenga said that he told Mrs Gandhi that his proposals for the solution of the problem had been submitted over three months ago and the cease-fire had been in operation for over a year but the progress of the talks had been slow. [Text] [Bombay THE TIMES OF INDIA in English 31 Jul 81 p 9]

SIKH 'SECULARIZATION' URGED--Chandigarh, July 30--The confederal Akali Dal, a newly-formed organization, has called for the "secularization" of Sikh politics. The Punjab's problems were real and should be settled by a united front irrespective of religion and on a common platform, they say. In a statement issued today, Mr B. S. Danewalia and Mr Amar Singh Ambalvi, president and vice president of the Dal, strongly indicted the leadership of the Akali Dal (Longowal Group) for failing the community more than once. They said that there were genuine grievances among Sikhs and Punjabis which had not been ameliorated either by the Congress or Janata Governments at the Centre. The Akalis too had neglected such matters. For instance, the Prime Minister should have interferred in the Delhi Gurdwara elections on behalf of Mr Santokh Singh, they said. At the same time, the two leaders criticized the holding of the World Sikh convention by the Akali Dal (Mr Danewalia is a former Inspector-General of Police who had sought retirement to fight election as an Akali candidate, Mr Ambalvi is also an old Akali leader). [Text] [Calcutta THE STATESMAN in English 31 Jul 81 p 9]

ELECTION STAY ORDER--New Delhi, July 30--The Supreme Court has granted exparte interim stay of the Allahabad High Court judgment and orders setting aside the election of Mr P. N. Sukul, a trade union leader, to the Rajya Sabha in the election held from the U.P. Assembly constituency in 1980. The Bench consisting of the Chief Justice, Mr Justice Y. V. Chandrachud, Mr Justice A. C. Gupta and Mr Justice A. N. Sen, also admitted an appeal filed by Mr Sukul against the impugned judgment and orders of the High Court. The election of Mr Sukul was set aside by the High Court while allowing an election petition filed by Mr Nemichand Jain. The High Court held that the Secretary of the U.P. Assembly who was appointed as Returning Officer to hold this election was not a government executive officer as required under the relevant provisions of the Representation of the People Act and that those who proposed the name of Mr Sukul did not take oath as members of the Assembly on the date they nominated him. [Text] [Madras THE HINDU in English 31 Jul 81 p 7]

CONGRESS-U EXPELS MISHRA--Mr Shyam Dhar Mishra, the former president of the UPCC-U who is organising a party convention on 5 August, has been expelled from the primary membership of the party by Cong-U president Devraj Urs. AICC-U general-secretary Banka Behari Das and Mrs Ambika Soni told newsmen that party members attending Mr Mishra's convention will lay themselves open for disciplinary action. Mr Mishra had been removed as president of the State unit by Mr Urs some months ago. His expulsion follows his attack on Mr Urs at a press conference in Lucknow where he said that Mr Urs was shortly to be replaced by Mr Jagjivan Ram. [Text] [New Delhi PATRIOT in English 31 Jul 81 p 1]

GOVERNMENT TRANSFERS--Chandigarh, July 30 (PTI)--The Haryana Government in a major mid-year reshuffle last night ordered the transfers of 12 senior IAS and 10 IPS officers and five HCS officers. Mr Kulwant Singh, financial commissioner and secretary, cooperation and animal husbandry, has been given additional charge of transport in place of Mr L.D. Kataria, who has been shifter to development and panchayats departments held by Mr Sukhdev Prasad. The latter has been given the charge of printing and stationery. Mr Kataria also gives up the additional charge of Local Government depar which goes to Dr A. K. Sinha secretary food and supplies. The transfers affecting the IPS officers included of Mr M.S. Bhatnagar, enjoying the rank of Inspector General Police, director prosecution replaces another IGP rank officer. Mr P. C. Wadhwa as commandant general home guards and civil defence, Mr Wadhwa become OSD rules. Mr Y. Hari Shankar, SSP, Faridabad, moves to Hissar in the same position capacity. Mr Shankar is succeeded by Mr R.S. Dalal SSP, Gurgaon, Mr Brijinder Rai, AIG, CID, Chandigarh moves to Gurgaon. [Text] [New Delhi PATRIOT in English 31 Jul 81 p 4]

NATIONAL CHEMICAL LABORATORY--Scientists of the National Chemical Laboratory, Poona, have developed a process for the manufacture of silicones (organic silicone compounds), which are highly useful for a wide range of industry, defence, railways, and aviation, reports PTI. So far, silicones used to be made in India by importing the basic raw materials from abroad, the NCL scientists have developed what they call a direct synthesis process for the production of silicones. The NCL has also developed a suitable reactor for obtaining Dimethyl-Dichlorosilane (DMDCS) which is the most widely used product. In another experiment, the NCL scientists have achieved a process for the manufacture of Dimethoate wide spectrum pesticide. Dimethoate has low toxicity and is therefore not harmful to man and animals. Another group of NCL scientists has developed the know-how to produce quinpyramine sulphate chloride (QSC) which is an important drug for the effective control of trypanosomiasis--the fatal disease of domestic animals like cows, buffaloes and horses. [Excerpts] [New Delhi PATRIOT in English 31 Jul 81 p 5]

BIHAR COAL DISCOVERY--Asansol, July 30 (PTI)--A reserve of about 250 million tonnes of coal has been found in Kbmharjuri area of Santhal Parganas in Bihar by the Geological Survey of India (GSI). According to the GSI sources here today, the reserve was found during explorations recently by a team of geologists. The sources said that the exploration also revealed the presence of 14 coal seams in the area varying in thickness from 1.12 metres to 18.42 metres. The sources said that exploration work in the area, north of Lamatia of Bihar, where a thick seam was proved a few years back, had also been undertaken. The regional exploration had established the occurrence of coal-bearing formation up to the railway line near Pirpainti, they said. [Text] [New Delhi PATRIOT in English 31 Jul 81 p 5]

SOVIET FRIENDSHIP TEAM--A two member delegation headed by Mr Bally Yazkuliev, vice-chairman of the Soviet Union and president of the Turkmanian Soviet Socialist Republic will visit India to participate in the "Friendship Month" celebrations, says UNI. During its two-week stay in the country, it will visit Calcutta, Madras, Pondicherry, Bombay and Bhatinda and take part in the celebrations organised in connection with 40 years of Indo-Soviet Friendship. [Text] [New Delhi PATRIOT in English 31 Jul 81 p 10]

RAJIV'S ELECTION CHALLENGED--Lucknow, July 31 (PTI)--An election petition challenging the election of Mr Rajiv Gandhi from Amethi parliamentary constituency on the ground of corrupt practices was filed in the Lucknow bench of the Allahabad high court. The petition was filed by Mr Dharti Madan Lal before the joint registrar. [Text] [Bombay THE TIMES OF INDIA in English 1 Aug 81 p 9]

SUC PARTICIPATION IN STRIKES--The CPI(M) leader, Mr Promode Dasgupta, favours united action of all political parties, except the Socialist Unity Centre, to protest against the Ordinance banning strikes in essential services and high prices of petroleum products. He does not rule out the participation of Janata, the Bharatiya Janata Party, and even the trade union organizations run by the Congress(I) and the Congress(U) in such a movement. The only exception is the trade union body of the SUC because of "bitter experience" of past movement. When asked why the CPI(M) was selective in conducting such a movement when its central leaders had laid great stress on united action, Mr Dasgupta said on Friday that he had appealed to these parties through the Press for such a movement against the Ordinance but there had been little response from them so far. He, however, made it clear that participation in such a movement should be without any precondition like granting of seats to the participants in the coming Assembly elections. He had reports that some sections of the INTUC were opposed to the Ordinance. He was even prepared to welcome them. He regretted that the SUC had played a disruptive role and it was difficult to cooperate with its trade union body. [Excerpt] [Calcutta THE STATESMAN in English 1 Aug 81 p 12]

SHIVRAJ FOR WAR PREPARATION--Pune, August 1--The situation created by the arms build-up by "some of India's neighbours" demands that the people should be prepared for every sacrifice to defend India's freedom and sovereignty, the minister of state for defence, Mr Shivraj Patil, said here today. Addressing a meeting held to observe Lokmanya Tilak's death anniversary, Mr Patil said, "We should not get panicky just because Pakistan has secured F-16 aircraft or increased its arsenal. At the same time we should not remain complacent in matters of defence preparedness." He said India would make every effort to avoid war. "But we should not forget that all the four wars in the post-independence era were forced upon us by our neighbour." An atmosphere of war was again being created by Pakistan, he added. The minister said the Indian armed forces were well-equipped to fight any aggression. However, this did not mean that the farmers, the workers and other citizens had no responsibility towards the defence of the country. Mr Patil explained that stoppage of production of foodgrains and industrial goods and generation of anarchic conditions in other sectors would only give an upper hand to those who might force war on India. [Text] [Bombay THE TIMES OF INDIA in English 2 Aug 81 p 9]

PRESS COUNCIL FEE--New Delhi, August 2 (UNI)--The Union government has amended rule ten of the Press Council rules, 1979, making an upward revision of the fee levied on registered newspapers and periodicals by the Press Council of India. The amendment, effective from the date of its publication in the official gazette, has a two-fold purpose--an upward revision of the fee to augment the annual revenue of the council from approximately Rs 3 lakhs to about Rs 5.3

lakhs and to provide that the circulation range of registered newspapers and periodicals for this purpose shall be the latest circulation figures as available with the registrat of newspapers. Hitherto the circulation range taken was as indicated in the annual report of the registrat of newspapers for India last published before April 1 every year. [Text] [Bombay THE TIMES OF INDIA in English 3 Aug 81 p 5]

NORTHEAST INDUSTRIALIZATION--Shillong, August 2--The Union deputy minister for industry, Mr P. A. Sangma, has said the Central government has earmarked Rs 1,200 per head per annum for the development of industries in the north eastern region during the sixth plan period. Disclosing this during his tour of East Garo Hills district last week, Mr Sangma outlined various developmental programmes the Union government was taking up for the rapid economic development of the region. While taking note of the widespread concern of tribals of the region over preservation of their social and cultural identity, he stressed the need for accelerating the pace of development, which was the most effective instrument of ensuring this. To generate employment and exploit abundant mineral resources of the region, a mini-cement plant would be set up at Siju in the Garo Hills. A 200-km long ropeway connecting Beghmara in the Garo Hills with Dainadubi in Assam would also be laid soon, he said. [Text] [Bombay THE TIMES OF INDIA in English 3 Aug 81 p 5]

NAXALITE UNITY DISCUSSED--Cuttack, August 2 (PTI)--Top Naxalite leaders, Mr Kanu Sanyal and Mr Nagabhusan Patnaik, had a round of discussion here yesterday on unification of communist revolutionaries all over the country. Both the leaders, according to the Orissa Naxalite leader, Mr Rabi Das, agreed that initiative for the unification should be taken by all concerned. The discussion took place in the SCB Medical College Hospital, where Mr Patnaik is undergoing treatment after his release from jail recently. [Text] [Bombay THE TIMES OF INDIA in English 3 Aug 81 p 6]

CONG-I DETAINEES RELEASED--Srinagar, Aug 2--Thirtyone political detenus were released on the eve of the Ramzan festival from different jails in Jammu and Kashmir State, on "humanitarian grounds"--to enable them to join their family for the festivities. Disclosing this, an official spokesman said yesterday evening that the 31, belonging to different parties, were detained under the Jammu and Kashmir State Public Safety Act for alleged prejudicial and anti-State activities during the last three months. The 31 included 20 leaders of the All Opposition Action Committee of Shopian town, most of them belonging to the Congress(I) which has been spearheading the two-year-old agitation for a separate hill district. The detenus, lodged in the Jammu central jail, were taken to Shopian town yesterday in a special bus. The unconditional, unannounced release of these leaders is being linked by some to the assurance given by the Chief Minister, Sheikh Abdullah to the Prime Minister, Mrs Gandhi, during their talks here last week that he would try to have a settlement negotiated with representatives of the agitating people of Shopian. [Text] [Madras THE HINDU in English 3 Aug 81 p 1]

MAHARASHTRA CONGRESS-U--Bombay, Aug 2--The President of the Maharashtra Pradesh Congress(U) Committee, Mr Sharad Pawar, has ceased to be the leader of the Opposition in the Assembly, according to a notification issued by the Speaker. The Congress(U) legislature party in the Assembly has lost the requisite strength necessary for recognition as the "main Opposition party," the notification added.--PTI [Text] [Madras THE HINDU in English 3 Aug 81 p 10]

MINORITIES PANEL MEMBER--New Delhi, Aug 2--Mr K. T. Satarawala has been appointed as a member of the Minorities Commission. A former officer of the Gujarat cadre of the Indian Administrative Service, Mr Satarawala was at one time General Manager and later Chairman, Indian Airlines, Chief Controller of Imports and Exports, Special Secretary in the Ministry of Commerce and Secretary in the Ministry of Steel and Mines. [Text] [Madras THE HINDU in English 3 Aug 81 p 10]

EXPORT ALLOWANCE--New Delhi, Aug 2--The list of activities, which qualify for export market development allowance has been enlarged. The new activities eligible for this allowance, notified by the Finance Ministry are: Pre-investment surveys, preparation of feasibility reports or project reports at the written request of the Central Government or the foreign party. Maintenance, outside India, of a warehouse for promotion of sale of goods outside the country, maintenance of a laboratory or other facilities for quality control or inspection of such goods and purchase of foreign trade periodicals or journals related to the business of the taxpayer. The expenditure on maintenance of laboratory or other facilities qualifying for weighed deduction will be restricted to the amount which bears the same proportion as the export sales to the total turnover of the business in respect of which such laboratory or other facilities are maintained. At present, the activities eligible for the allowances are advertisement or publicity outside India; maintenance outside of a branch, office or agency and travelling outside for promoting sale of the goods, services or facilities dealt in by the taxpayer. [Text] [Madras THE HINDU in English 3 Aug 81 p 9]

DSP CONSTITUTION--New Delhi, August 3--The three groups which have decided to merge and form what is to be known as the Democratic Socialist Party have finalised a draft constitution for the organisation to be endorsed at a national convention after the Garhwal by-election. The groups are the Democratic Socialist Front of Mr H. N. Bahuguna, the socialist group of Mr Raj Narain and the faction of the Democratic Party led by Mr Banarsi Das. According to the draft, the party would be unitary in structure and would have as its goal the establishment of socialist society by peaceful and democratic means. [Text] [Bombay THE TIMES OF INDIA in English 4 Aug 81 p 9]

CPI-M PROTEST--New Delhi, Aug 3--The Politburo of the Communist Party of India (Marxist) has called upon democratic and secular forces in the universities and outside to demand the withdrawal of the suspension of Prof. Irfan Habib, Dean of the Social Sciences Faculty of the Aligarh Muslim University. The action by the Vice-Chancellor was only "the beginning of the move by communal forces to take over AMU completely," a CPI(M) press release said. It said Prof Habib, noted

nistorian, and other secular minded teachers of AMU had been under constant attack from the communal forces, which had never ceased their slander campaigns against Prof Habib. They had also demanded his suspension.--UNI [Text] [Madras THE HINDU in English 4 Aug 81 p 11]

INDUSTRIAL DEVELOPMENT CHIEF--Dr Ram K. Iyengar on Monday took over as chairman-cum-managing director of National Industrial Development Corporation (NIDC) a public sector undertaking under the Ministry of Industry. A qualified metallurgical engineer from Carnegie Mellon University of Pittsburg, USA Dr Iyengar was working with Steel Authority of India (SAIL) reports UNI. In SAIL, he set up the research and development centr e for iron and steel industry and Ranchi and was in charge of silicon steel project at Rourkela. Dr Iynegar succeeds Mr Kand Mariwalla who retired. [Text] [New Delhi PATRIOT in English 4 Aug 81 p 5]

CSO: 4220/7495

DIFFICULTIES IN ROUTE 18 CONSTRUCTION TO SRV NOTED

Vientiane SIANG PASASON in Lao 23 Jun 81 p 2

[Text] In recent years there have been many new roads added to the maps of Gia Lai-Cong Tum Province. These roads start from the cities and cantons and go to the villages and economically important areas of the provinces. Among these roads is one called "Highway 18, friendship highway".

Friendship highway starts from Tew Keng (Dak To), crosses the border and heads for Samakkhi District, the provincial capital of Attopeu.

The provinces of Gia Lai-Cong Tum and Attopeu have common borders. Many people have traveled here for visits, trade, and to exchange news, but there were only narrow roads (foot paths). After liberation and especially after the two provinces became twinned in February of 1979, the problem of building a highway became urgent. At the end of that year after the rainy season a group of researchers made a plan for the Communication Corporation of Gia Lai-Cong Tum and work began.

These researchers consisted of a group of comrades who were permanent leaders in the Communications Corporation and Bridge Company Number One and who had experience in road building during the brutal war.

After two months of breaking through the forest the highway was surveyed according to the plan. The highway would have to cross a mine field laid by the enemy. It would also cross large, dense forests, many mountains, and dozens of streams and rapids. While the survey team was working searching for the route of the construction plan, the renowned Bridge Company Number One was given responsibility for clearing the land for the Friendship Highway, preparing the work force, and beginning the work vigorously.

At the beginning of January 1980 the work units were ordered to move. There were problems at once in the first kilometer because the enemy mine field blocked the way. Blood was spilled. One soldier was killed by a "three stage" mine. After the mines were cleared the construction units moved up ahead of the bridge teams. The construction equipment waited until the jungle had been cleared and the bridges built. The equipment operators bulldozed and graded. Then they surfaced the road and put in a drainage system.

In the Central Highlands the dry season is the season for construction and is also the season when the workers building the bridges and roads suffer from the heat

during the day and the cold at night. The forest was full of mosquitos and flies which caused 20-25 percent of the people to come down with malaria. Every three days they had to move their location depending on the speed of road clearing. In some dry areas they had to walk dozens of kilometers to get drinking water. All these difficulties did not lessen the workers advances. Their efficiency was about 130 percent. The road got longer each day. It passed high mountains, cliffs, streams and rivers.

In the new year the construction team got a change of season. They were in the country of our friends. It was a real construction area there. There were the sounds of vehicles and wood being cut mixed with laughter, shouts and exploding firecrackers. With the new season the construction proceded more quickly. The efficiency was greater than before. On 25 March the highway reached Kao Seung District where the construction company of the Gia Lai-Cong Tum Province met the construction workers of the Attopeu Province. They had joined two sections of road.

This newly constructed road made Gia Lai-Cong Tum Province and Attopeu Province closer together. Before, goods took up to a half month for the trip because they had to detour Gia-Lai Cong Tum and go to Quang Tri and then go by Highway 9 to Attopeu. But now with the new highway the trip takes only one day.

In the opening ceremony for this highway Pheo Saingavong, the party secretary of Attopeu Province, exclaimed that "With this highway you comrades have made the hearts of our two areas beat together as one." The day the highway opened a convoy of trucks carrying goods went from Gia Lai-Cong Tum Province to help its twin province of Attopeu. The goods totaled 500 tons and included cloth, fuel, teaching materials. In addition 350 tons of salt was sent to Attopeu. It was by this highway that the workers from Gia Lai-Cong Tum Province traveled to Attopeu to build the wired radio system in that city and a 100-bed hospital. It was also by this highway that Gia Lai-Cong Tum Province received almost 100 Lao students who came to study culture and professions which they could later use to build up their own country.

The Friendship Highway is being expanded and improved and permanent bridges are being built. In the future the road bed will be strengthened and paved. At that time the distance between the two province will shrink even further.

8149
CSO: 4206/56

'JANG' VIEWS INDIAN TILT TOWARD PRC

GF030404 Karachi JANG in Urdu 30 Aug 81 p 16

[Article by JANG reporter: "The Distance Between the Two Countries Is Increasing; Indira Has Postponed Her Visit to the USSR But Plans To Visit the United States"]

[Text] New Delhi, 29 Aug--The distance between India and its old friend the Soviet Union is increasing gradually, greatly shocking the latter. How far the separation will go one cannot say for certain, but Mrs Indira Gandhi has once more postponed her visit to the Soviet Union. However, she plans to visit the United States in October.

According to the FAR EAST ECONOMIC REVIEW, the Soviet-Indian 20-year agreement entered its second decade on 9 August but the USSR was very disappointed to notice that India showed little enthusiasm on the occasion. Mrs Gandhi rejected Soviet proposals that the occasion be celebrated in both capitals with show and fanfare. Moreover, differences over Afghanistan have further widened the gulf between the two countries. The trend becomes apparent from the message Mrs Gandhi sent on this occasion to the India-Soviet Friendship Society on its anniversary. In it, while speaking of a desire for greater friendship, she also mentioned that there were areas in which some differences existed between the two countries, with each side having its own viewpoint. This shows that India's agreement with the USSR was signed in a hurry and was motivated by the Chinese threat to India.

It may be noted that even Henry Kissinger, at the time of his secret visit to Beijing during the Bangladesh crisis, had told the Indian Government plainly that if the PRC would back Pakistan in that [Bangladesh crisis] and help it in the event of war, India should not expect any help from the United States. At that time India had dug up the draft of an agreement which had been gathering dust for 2 years and had sent D. P. Dhar to Moscow post haste so that the draft could be given final shape. In this draft, quite contrary to Soviet wishes and on insistence from the Indian side, it was noted that India and the Soviet Union should undertake not to assist any third country engaged in hostilities against either of them.

After Mrs Indira Gandhi's rise to power, when the question of Afghanistan appeared on the scene, India favored withdrawal of Soviet forces from that country. She joined in the criticism of the Soviet Union. Now this Indian tilt toward China is also hurting the Soviet Union.

CSO: 4203/114

EDITORIAL CRITICIZES TACIT APPROVAL OF SUMMARY JUDGMENTS

Bangkok MATICHON in Thai 26 Jun 81 p 3

[Editorial: "Prevent-Suppress Plan"]

[Text] There is a report that for successful crime suppression the Ministry of Interior has devised a policy to carry out a secret "Prevent-Suppress" plan, to reduce crime as a special activity by the administration working with the police officials. Lists of names of all kingpin gamblers and trouble makers will be drawn up in every district. They are then called in for training and warned to turn over a new leaf. There is an oath-taking ceremony and a Buddhist priest takes part. After that the officials record the personal history and designate a time for reformation. When the time set arrives and their conduct remains the same, they will be quietly "picked up."

Registration of trouble-makers or calling them in for training is good if the authorities know who is who. At least it is a warning before they get into trouble or if they have committed a crime. But there is not enough evidence to charge them according to the code of justice. It is one step in restraining those persons. In addition, it creates a feeling of comfort for the honest people in that the nation's officials are interested in their well-being.

When Gen Prem Tinsulanon held the post of Deputy Minister of Interior, he had a policy issued to provincial governors and regional police directors throughout the country, to make a list of names of persons of influence in each province and have them reduce that influence by one means or another, declaring that they should not be allowed to exert influence above the law. As time passed the use of power by all the influential persons remained. When Gen Prem Tinsulanon became Prime Minister he was able to issue orders to go all-out as provided by law. Now the Ministry of Interior has issued a similar policy, but this policy is to promote the plan to reduce crime.

However, although this plan ought to produce good results for administration, or could actually reduce crime, there is the suspicion that it is not legally correct, since calling people in for an investigation must be based on a summons from an official in charge, and not a whim. Even if those persons will repeatedly commit crimes, we want the government officials to arrest them and punish them under the code of justice, not set up a summary court to decide the problem itself.

The National Assembly calls for a revision of many laws which are unfair to the people, especially in the criminal code, but the Ministry of Interior which controls investigative power by police officials and tries cases with prosecutors has instead given consideration to making judgments of right and wrong themselves. Is that right? This action, besides not giving good results, will increase the number of officers persecuting the people. That is not healthy for the political atmosphere in a democratic system.

9615
CSO: 4207/41

THAHAN PHRAN IRREGULAR FORCE DESCRIBED, ATROCITIES REPORTED

Bangkok PATINYA in Thai 6 Jul 81 pp 13-16

[Text] After the change in the Indochina situation in 1975, especially the change to Communism in Kampuchea, there was a considerable effect on Thailand. The Communist Party of Thailand [CPT] had ties with Communist parties outside the country, particularly the Kampuchea Communist Party, which increased CPT strength. This growth continued rapidly in the four or five provinces of the southern part of the northeast, the area that touched Kampuchea's border. At the same time the border situation became progressively more serious. Therefore, the need grew for forces to fight the Communists and to prepare to handle the external conditions. This was the starting point for creating a new force called Thahan Phran Irregular Force to oppose the Communists. At first they emphasized the four or five south northeast provinces, but later these forces expanded to operate throughout the nation.

Guerrillas Suppress Guerrillas

"When an incident occurs, we consider what program, what characterisitcs of this unit, or what form will work best. We look at it from two aspects. The first factor is how does the enemy operate. Our Thahan Phran were developed to fight Communist terrorists [CT]. Now we can face a limited aggression with a structure we already have in place. The second factor is the organization, training, and use of basic military units, the requirements of our side, or an unexpected event requiring additional paramilitary force." So stated Maj Gen Chawalit Yongchaiyut, Assistant Chief of Staff for Operations, who began this Thahan Phran program speaking of the factors which resulted in the formation of the Rangers. The Thahan Phran Irregular Force was established in July 1978 on the order of the Commander of the Anti-Communist Defense Force, under authority of Section 16 of the Anti-Communist Defense Act, 1952, amended (No 3), 1979. The basic function of these Thahan Phran was a defense operation and suppression of Communist activities. Maj Gen Chawalit reiterated, "If we vanquish them, we must be more adept at guerrilla tactics than they. To put it simply we must wage guerrilla warfare better than they do. Therefore, this concept of the Thahan Phran is based on what we call 'Guerrillas Suppress Guerrillas'."

Paramilitary Force Is Most Suitable

The concept in organizing the Thahan Phran unit is that of a paramilitary force, performing the function as the basic force for Communist suppression instead of the

army, since the CT method of fighting is unconventional or guerrilla warfare. Therefore, the CTs have the advantage over the government army which is skilled only in conventional warfare. In almost every instance of a clash the result is always that the government losses are greater than the enemy's. On this point Maj Gen Chawalit stated that "We must conserve our basic fighting force. It is only that [the CTs] will try to expand from a guerrilla force to a regular fighting force but our change from a basic force to a guerrilla force is not right. Our basic force will operate against special targets and be attached to permanent bases only. Another point is that building this program costs less per person, about one tenth of creating regular force or one-fifth of other types such as police forces. Therefore, at present most of the regular army force that was used in CT suppression has been withdrawn and we use the Thahan Phran instead."

The Local Soldier

Since the CTs have local regular units or local guerrilla units their movments have an advantage over those of the authorities because they have a better knowledge of the topography. To overcome this handicap Thahan Phran Irregular Forces native to the area were formed, taking volunteers of Thai males age 18-60 years, who reside in that locality. They have a training period of 1-2 months "to familiarize them with weapons, to fire guns, to learn the organization. I say that this is sufficient. There is no need to teach them close-order drill." So said one of the officers to PATINYA about the training of the Thahan Phran.

The Thahan Phran are sent on operations in the jungle for an extended period, from a week to 1 or 2 months, in pursuit of the CT in every locale, along with doing work with the masses when they come to a village. After they have completed their jungle duty the Thahan Phran go "home" [in English] the Thahan Phran base to leave their weapons and prepare to return to their villages for 7 days. Before going on leave they receive training in working with the masses in the areas where they live.

Surprise Attack Units

Besides the local force Thahan Phran there are Thahan Phran Suprise Attack Units which can operate anywhere in Thailand. "The Thahan Phran Surprise Attack Unit receives more strenous training for more dangerous operations, special action, and requires higher skills," said Lt Col Wisut Koetriangbun, an officer of the RTA Operations Center, as he explained the duties of the Thahan Phran Surprise Attack Units.

Women Thahan Phran: The Cradle Rocks, The Gun Swings

When the sound of gunfire goes bang, bang, the child in the blanket cradle whimpers. However great the noise, the greater the crying. "When the women fire accurately it is just like shooting at CT, we do not know how many they kill." Someone points out when the noise of gunfire ceases. It is a weapons demonstration by two officers of the Women's Thahan Phran at Camp Pak Thong Chai.

The Women's Thahan Phran program is a new project which the army began with the view that women are a major force that should participate to help reduce the burden of the men in defense of the nation. Therefore, an experimental program training

24 women began at Camp Pak Thong Chai several months ago. These Women Thahan Phran are all village women who volunteered. Everyone has received the same training as the men. "There are only some aspects in which we did not give training because we thought it unsuitable for women's physical structure. This group is not less skillful than the men and our men are good." An army captai said this with pride to PATINYA.

The basic duty of the Women Thahan Phran besides sewing uniforms, is to serve as nurses, support morale and encouragement, and as mobile psychological operations teams. They also work as logistical support forces which must go into deep jungle and risk combat with the enemy. Therefore, it is not surprising that we will find all Women Thahan Phran with an att' 2 no less firm than the he-man types.

Are They Civil Servants?

Not long after the establishment of the Thahan Phran the notion of Thahan Phran as government employees who perpetrate atrocities on the people was spread widely and unfavorable. "As explained, this unit used the name Special Volunteer Unit, but from the recognition of the people in general and the preference of the volunteer members themselves, they were called Thahan Phran, which was changed to Thahan Phran Volunteer Force. When there is the word 'Thahan' [soldier] in the name, people generally misunderstand, thinking these volunteers have the same status as the regular army. This is not true. These volunteers have a status only as temporary employees of the government." If it is mentioned, the excuse of the Internal Security Operations Command is that there is some truth in it because of the very nature of the Thahan Phran, as volunteers who have many motives. Some are patriotic, hoping to defend their country. Some only want to get the 30 baht per day and the 6 baht daily subsistence allowance. So from these various types many problems arise with the image of Thahan Phran.

Thahan Phran: Troublemaking Soldiers

The volunteers, not sufficiently disciplined, bearing weapons are a danger. In the past we have seen clearly such cases as volunteers exceeding their authority, threatening, plundering, or killing the people. That happened with one group of Thahan Phran in the south. Instead of performing their duty of suppressing the CT, they oppressed the populace. This was very bad, although the excuse is always "This is the act of a minority, only a certain percent, or of individuals." The people themselves try to think it is so. If the actions of the sectors concerned inspire confidence in the people, the minority committing the crimes will be deservedly punished in order to maintain the reputation of the majority. But what has happened is the protection of wrong doers. Some big shots say "It is a government secrety; it cannot be revealed." The matter is hushed up. The Thahan Phran continue as trouble-making soldiers.

What Is the Source of the Problem?

What is the source of the failure of the Thahan Phran? Some people say it is the structure, some the personnel. If we examine them, they are equally to blame. In terms of personnel, it is generally admitted that some of the volunteers are wayward deadbeats. Particularly at the beginning of the program with the need for forces,

this group slipped in in large numbers, and caused a lot of trouble for the people. "We have to get rid of them"--Maj Gen Chawalit was positive in this statement. He was firm when he said "The selection now by the army is very good, chosen from the Volunteer Defense Corps [VDC]. They are screened by the district and the province, as well as by the army. This should lessen the problem." We must wait to see whether or not things get better because, at the least, it is generally known that the VDC are not 100 percent good people. Anyone who has enough strength to stand the training can join. As for the screening by the districts and provinces, not many districts or provinces do an efficient job and get efficient personnel.

Responsibility

At present there is great confusion in the chain of command of the Thahan Phran. When the Thahan Phran was organized, some provincial governors warded off responsibility, saying it was an army matter. The army stated that it was a provincial concern because the Thahan Phran were not soldiers. The subject was quietly dropped. The people who have suffered do not know how this is handled. Therefore, the remedy must be viewed from the cause of the problem in personnel. There must be measures for selection of as many good people as possible. At the same time they must eliminate the trouble makers. The main thing is to mete out severe punishment for the wrong doers and let the people know, so they have confidence and believe that there is action in their behalf, not just telling them "We have taken care of it." When something is done, at the least, they ought to announce it to the mass media, too, not only the statements by the army or the incidents. Therefore, if this problem is not corrected, the creation of the Thahan Phran to suppress the Communists will become a means of making more people Communist, because the guerrilla tactics themselves oppress the people.

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CSO: 4207/41

BRANCH DISTRICTS UPGRADED TO DISTRICTS

Bangkok MATICHON in Thai 17 Jun 81 p 2

[Text] The Cabinet authorized in principle the upgrading of 15 branch districts to districts as follows:

1. Nabon and Phrom Khiri Branch Districts, Narathiwat Province, to Nabon District and Phrom Khiri District

2. Saphan Noi Branch District, Prachuap Khiri Khan Province, to Bang Saphan Noi District

3. Si Nakhon Branch District, Sukhothai Province, to Si Nakhon District

4. Nong Yai Branch District, Chon Buri Province, to Nong Yai District

5. Dan Chang Branch District, Suphan Buri Province, to Dan Chang District

6. Wang Saiyaphun Branch District, Phichit Province, to Wang Saiyaphun District

7. Phon Charoen Branch District, Nong Khai Province, to Phon Charoen District

8. Bo Rai Branch District, Trat Province, to Bo Rao District

9. Lansak Branch District, Uthai Thani Province, to Lansak District

10. [Omitted in text]

11. Tharato Branch District, Yala Province to Tharato District

12. Kong Ra Branch District, Phatthalung Province, to Kong Ra District

13. Wang Sam Mo Branch District, Udon Thani Province, to Wang Sam Mo District

14. Khamta Kla Branch District, Sakon Nakhon Province, to Khamta Kla District

15. Nadi Branch District, Prachin Buri Province, to Nadi District

9615
CSO: 4207/41

MONG REFUGEES SAID TO LIVE IN COMFORT, REJECT RESETTLEMENT

Bangkok SIAM RAT in Thai 26 Jun 81 pp 1, 12

[Text] The Family Planning Association of Thailand, under the patronage of HRH the Princess Mother, met with Mong people in the refugee center. They did not wish to have birth control because they had a comfortable life in the refugee center and wished no other occupation.

Chaiwat Panchaphong, the Association Director, disclosed that persuading more than 30,000 Mong in the refugee center at Pak Chom, Loei Province, faced very distressing difficulties, which worried the Association. Sometimes they took goods such as sacks of rice or clothing to bribe them. Because the various kinds of aid for this refugee center made the life of the Mong easy since they had good food to eat and free medical care, they had no complaints about their way of living. They thought it a good thing to have lots of children because that meant they received more free food rations.

One fact the Association discovered was that the Mong in the refugee center had better health and a better life than the Thai natives who lived in the same area. These Thai must work hard and suffer food shortages. This causes the problem that most of the Mong are not willing to move to a third country, especially when they get the news that refugees must adjust to a different climate, language, and culture, while having to make a living raising sheep in an arid land.

9615
CSO: 4207/41

ADVANTAGES OF TRADE WITH SOCIALIST COUNTRIES NOTED

Bangkok SIAM RAT in Thai 18 Jun 81 p 4

[Column "Heaven Above, Earth Below" by Palom]

[Text] Somyut Chaemchoi, an expert of the Thai Farmers Bank, gave his views on Thai trade with the socialist bloc countries in the periodical SARUP KHAO THURAKIT [Business News Survey]. It is very interesting and we recommend it to the 2nd Prem government for consideration.

The article states that from the beginning the socialist countries were more likely to depend on themselves alone than to have trade relations with the outside world. This was to protect themselves from economic penetration by other nations. But now the world economic situation has changed. Circumstances have given the socialist bloc countries the opportunity to conduct trade with many more nations. The socialist nations themselves experience a demand for products from abroad and are thinking of a change in their trade theory. Trade between the nations of the Free World and the socialist nations began with no intervening political motivation. Formerly, for Thailand trade with the socialist nations was prohibited for political reasons. But in 1976 these barriers disappeared. Present Thai trade with the socialist countries is unrestricted as with other nations.

Thailand has a worrisome problem, the imbalance in trade and balance of payments. One stratagem the government uses to solve this problem is to accelerate exports and accumulate foreign exchange earnings. This principle was noted in each National Social and Economic Development Plan. But for political reasons trade with this bloc of nations has not met the success it should, as for example, trade with Eastern European countries and with Indochinese countries. What has progressed satisfactorily is trade with the PRC and the Socialist Republic of the Union of Burma. In trade with the socialist countries in Eastern Europe, as with the USSR, a nation like Malaysia ranks No 1 in Asia while Thailand is No 5. This causes Thailand to lose many opportunities to trade with the USSR.

The Soviet Union is a big market and has a population of more than 270 million. When this figure is combined with that of other nations in Eastern Europe there is a population of 400 million. Most of the purchases of Thai products by Eastern European socialist nations are made through a third nation, Britain, the Netherlands, or Singapore. This increases the price of the goods because they must pay a broker's fee.

The advantage of expanding trade markets in Eastern Europe is that these developed socialist nations will give special trade privileges to developing nations like Thailand, with the suspension of the import tax. This makes possible the convenient expansion of markets.

The Indochina bloc, Vietnam, Laos, and Kampuchea, need foreign products. It is advantageous for Thailand to expand all markets. In summary, Somyut Chaemchoi stated that trade with socialist countries is very profitable for Thailand because this block has a planned economy, fixed for the short term and the long term. Management is strict. The central government owns the means of production and has the power to direct the methods of operation in every phase. Export markets will be assured. There is no labor group or political influence obstructing state policy that will interfere with products from outside.

The main products imported from socialist countries will be relevant to the economic conditions of a developing nation like Thailand. That is, the method of production is labor intensive, contrary to that of the Free World nations. Bargaining power in trading is also greater. While Thailand must face a great imbalance of trade and there is a trend that this will increase, trade with socialist nations is one target commanding attention. The government ought to give the private sector an opportunity to really open up markets with these nations.

9615
CSO 4207/41

BRIEFS

TRAINEES TO ISRAEL--At the beginning of next month six Thai students will go to Israel for training. Their names follow. Chinda Chan-on and Suwit Limyingcharoen from the Agricultural Department will participate in training on the development of cotton cultivation from 2 July to 22 September 1981. Upparit Sichan from the Ministry of Interior, Watsana Chunsawong from the Public Health Faculty, Mahidon University, Prakairat Wiraphan from the Science Faculty, Mahidon University, and Phayung Aphinyanon from the Project Planning Division, Office of Accelerated Rural Development, will study regional development planning for rural areas for 8 months. [Text] [Bangkok BAN MUANG in Thai 27 Jun 81 p 3] 9615

CSO: 4207/41 END

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15 September 1981

South and East Asia Report

No. 1048

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15 September 1981

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No. 1048

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GANDHI STEPPING UP EFFORTS TO EASE TENSIONS

Madras THE HINDU in English 7 Aug 81 p 1

[Article by G. K. Reddy]

[Text] New Delhi, Aug. 6.

There will be a marked stepping up of Indian diplomacy in the next few months with the Prime Minister, Mrs. Indira Gandhi, making a concerted effort to establish or extend her contacts with the leading world personalities in pursuance of the country's foreign policy objectives.

She is naturally concerned about the new burdens imposed on India in the wake of the U.S. bid to arm Pakistan. But much as it disapproves of the American action, India is not viewing this development in isolation, since it is primarily a case of overreaction to what the Soviet Union has done in Afghanistan.

However, the consequences of the U.S. decision to induct sophisticated weapons systems into Pakistan created problems for India without posing any serious countervailing threat to the Soviet presence.

So Mrs. Gandhi wants to create a better awareness among the Big Powers themselves that, unless the root causes of the current tensions between the U.S. and the Soviet Union are removed, the consequences of their rivalries will continue to sharpen regional conflicts by casting the two superpowers in adversary roles in almost every such confrontation.

Moves to resume talks: So she feels encouraged by reports--that, whatever the uncompromising nature of their public postures, the U.S. and the Soviet Union are steadily moving towards a resumption of their dialogue on issues like SALT and other connected issues relating to international security and peace.

The Prime Minister will be meeting the U.S. President, Mr. Ronald Reagan, the Chinese Premier, Mr. Zhao Ziyang, and the Japanese Premier, Mr. Zenko Suzuki, at the North-South summit in Cancun at the end of October.

Meeting likely with Mitterrand: She will probably break journey in Paris on her way to Mexico to get acquainted with the new French President, Mr. Francois Mitterrand, besides renewing her contacts with the West German Chancellor, Mr. Helmut Schmidt, at the summit conference.

Mrs. Gandhi will be meeting the Canadian Premier, Mr. Pierre Trudeau, in Nairobi next week at the U.N. conference on renewable sources of energy and seeing him again at the end of September at the Commonwealth conference in Melbourne.

She is hoping to enlist the cooperation of other Commonwealth leaders in mobilising international opinion in favour of an early dialogue between the two superpowers to help reduce the current tensions which are affecting the poorer countries much more than the affluent nations.

She is also planning to address the U.N. General Assembly on her way to Mexico to set the right tone for the North-South summit. A stopover in New York will help her to meet the Foreign Ministers of many non-aligned countries which will not be represented at the Cancun conference.

May visit Moscow: There is some talk that, after completing this hectic round of contacts and consultations, the Prime Minister might pay a visit to Moscow at some stage later this year for talks with Mr. Brezhnev on the current international situation.

CSO: 4220/7523

WASHINGTON CORRESPONDENT REPORTS ON IMF TERMS

Madras THE HINDU in English 7 Aug 81 p 1

[Article by N. Ram]

[Text] Washington, Aug. 6.

With tentative agreement emerging this week from the Washington round of negotiations--following a London round coincident with the side attraction of a royal wedding--the extended deal between India and the International Monetary Fund that is close to being wrapped up goes to the Prime Minister, Mrs. Indira Gandhi, and the Cabinet on the one side, and to the IMF's Executive Board on the other, for final approval.

Given the clearly compromising or play-along mood observed on the Indian side, the process is expected to take weeks rather than longer.

The largest loan being negotiated in the history of the IMF is known to carry a stiff degree of conditionality--contrary to the version put out by Indian officialdom for home consumption.

IMF sources here make light of the very idea that the Government of India can secure any kind of exemption or relief from the conditionality that is a mandated part of an extended financing arrangement.

There is a modest part of the IMF lending structure (the trust fund and the first tranche of a credit arrangement) that might involve no or low conditionality but conditionality expressed in arithmetically formulated "performance clauses" and a "letter of intent" from the borrowing country's Finance Minister is an inherent part of a loan from the extended financing facility (EFF).

Rigorous Adjustment

According to an estimate made in a recent Fund document, "some three-fourths of the Fund's new lending commitments involve upper credit tranche programmes: that is, they require rigorous adjustment policies.

"The EFF arrangement sought by India is related to balance of payments difficulties compounded by "structural maladjustment of the economy" or "conditions impeding growth". Thus it is precisely the kind of arrangement designed to

promote "adjustment" and involving "rigorous" conditionality that the IMF talks about.

The document makes the point that the present situation is in "contrast" to the period following the first wave of oil price increases in 1973-74, when approximately two-thirds of the resources provided by the IMF to its members carried terms representing "a low degree of conditionality."

In fact, there is a high degree of naivete or worse in suggesting that a three-year deal which Indian officials are still expecting to strike in the range of five billion SDRs and whose "rigour" is emphasised in the Fund's literature can pass the Executive Board in the present political climate without extracting very stiff terms from the borrowing country.

Even assuming, for the argument, that the IMF's Managing Director will countenance it, there is no possibility of an EFF with no or low conditionality surviving the veto wielded by the Reagan Administration--not to mention opposition from other conservative forces--on the IMF's Executive Board.

The U.S. is making no bones about the kind of socio-economic and investment policies it wants a Government to pursue, as part of the conditionality of an IMF arrangement. It has nothing but scorn for the relaxed or "low" conditionality of the period gone by that is referred to in the Fund's literature.

"Anyone who knows anything about it knows what is involved here", a key IMF source told this correspondent, with an element of cynicism, when asked what the terms for India were likely to be, "but part of the game is allowing the member-Government to blame us or say things about us for its policies. That's their prerogative, and we know it's for the benefit of the political opposition and the people back home."

IMF Prescriptions

It does not need special powers of perception or intuition to note the connection, or coincidence, between a series of recent socio-economic measures announced (or signals sent) by the Government of India and the kind of policy direction the IMF favours for a country needing "structural adjustment."

The ordinance conferring draconian powers on the Government to ban strikes in "essential services" (and to extend the net by definition to any industry and any section of the organised working class) has, as was noted in an earlier dispatch, won appreciation not merely from big business interests in India.

The recent budgetary and tax measures, the upward revisions in the internal prices of crude oil and the other inflation-stoking measures, the indications of "monetarism" and tightened money and credit policies, the Finance Minister's emphasis on "supply-side" factors in the economy, the promise to reduce food and other social subsidies and to freeze wages, the continuance of a 'liberal' import policy in a period of big trade deficits as well as of the attitude of loosening up on investment controls, and the special emphasis on exports are all aspects of a broad approach that is very much in line with IMF and World Bank policy prescriptions during a period of increased conservatism.

De Facto Devaluation

It is recognised here that devaluation a la 1966 need not be the centrepiece of the arrangement being negotiated with the Government of India, although there is pressure for "more realistic" exchange rate management--the term devaluation is getting out of fashion for obvious reasons--from both the Fund and the Bank.

And while the scale is not going to be anything like that seen in 1966, the floating of the Indian rupee has allowed moderate de facto devaluation (against the dollar) to be carried out in doses in the recent period, with perhaps more to come.

The record extended financing arrangement is bound to prove even more controversial politically in India than it is today. Assuming it will be wrapped up, a minimum worthwhile demand in Parliament might be that the "letter of intent", as well as the "performance clauses" be made public.

There is a major precedent for this in that the British Government could not avoid going public with the terms of its 3.4 billion SDR stand-by arrangement with the IMF (over two years) in early 1977--and the Italian Government was compelled, also in the seventies, to release the document officially after the details were leaked out to enterprising journalism.

CSO: 4220/7523

GOVERNMENT ALLEGEDLY SUCCUMBS TO IMF PRESSURE

Bombay THE TIMES OF INDIA in English 6 Aug 81 p 8

[Editorial]

[Text]

Dr. Ashok Mitra, the finance minister of West Bengal, is drawing an unnecessarily alarmist picture when he asserts that India's acceptance of a 4.2 billion dollar loan from the IMF can lead to the stoppage of schemes which are designed explicitly to help the poor, such as the food-for-work programme. Even so, his reservations about accepting the loan on the IMF's "standard conditions" are well-founded. These standard conditions are the ones the IMF usually sets in its standby agreements with countries that borrow against their higher credit tranches, and almost always consist of policies designed to secure deflation and a devaluation of the currency to improve the country's exports and reduce its import bill. It is true that there is a strong case in favour of a cut in the government's soaring non-developmental expenditure. But the IMF is not the body that should be goading New Delhi into taking deflationary measures. For India is not asking for the loan against its credit tranches, but from the newly created enlarged finance facility (EFF). The difference between this facility and the regular borrowing against credit tranches is too important to be glossed over. Loans against credit tranches are given for a year at a time and intended to tide over balance of payments problems created essentially by the failure of a government to adjust its economic policies quickly to a change in the international economic environment. In sharp contrast, the enlarged finance facility gives three-year loans, and was created with the explicit purpose of helping countries to make structural changes in their economies in the medium term, to cope with their rising energy import bills. As such the primary focus of the IMF's enquiries should be on the projects that the recipient government wishes to implement to cut its import bill or increase its exports, and not on its immediate policies.

Unfortunately, at the Gabon meeting of the IMF's interim committee in May, it became clear that the rich countries, the U.S. in particular, were determined to make the conditions attached to loans from the EFF as similar as possible to those stipulated in the standby agreements. They seem to have succeeded. What is even more disturbing is that instead of resisting the IMF's pressures, the Indian government seems to be succumbing to them. Only this can

explain the timing of the sharp hike in the prices of oil products, and the inopportune increase in fertiliser prices. The first was clearly intended to reduce the budget deficit, and the second to scale down the subsidy on fertilisers, (subsidies being one of the prime allergies to which the IMF is susceptible). The fact that there was no immediate justification for the ban on strikes and lockouts in the essential services and industries or for the increase in compulsory deposits only reinforces this suspicion. What is more, New Delhi's decision to take these steps before it entered into discussions with the IMF indicates that it was anxious to avoid a confrontation. If so, this is doubly unfortunate for it has not only committed itself to measures that lack economic justification and are politically disruptive, but has also set a precedent that the IMF will use against other poor nations of the third world. However, since the talks are not yet over, the government still has time to toughen its stand. It will do well not to allow any mention of policy prescriptions in the loan agreement.

It is high time also that the government began to make the conditions that it accepts when it takes loans from the IMF open to public scrutiny and debate. The secrecy that has surrounded standby agreements in the past has done a great deal to discredit the IMF in the third world, and has permitted governments that are desperate to balance their accounts accept onerous conditions without fully assessing their likely political repercussions at home. Since deflation, in particular, is exceedingly unpopular, more than one government has come to grief on this account. Some have indeed been brought down, often violently, by the political opposition that IMF-prescribed policies have provoked. It is no surprise therefore that the IMF has the reputation in much of the third world, on balance undeserved, of being a friend of dictators and a foe of democrats.

CSO: 4220/7514

CALCUTTA ECONOMISTS' PARLEY OPPOSES BIG IMF LOAN

Bombay THE TIMES OF INDIA in English 9 Aug 81 p 9

[Text] Calcutta, August 8.

Twenty-three economists, meeting here for a two-day seminar, feel that the plan to borrow from the International Monetary Fund (IMF) "on an unprecedented scale" is suicidal as it will give a chance to the fund to impose its own economic discipline.

One of the first casualties of such discipline, they feared, might well be the food-for-work programme and the public distribution system which offer some protection to the poor in the country. It might close even India's options of independent negotiations for commercial borrowing abroad.

The seminar was sponsored by the West Bengal government. The state finance minister, Dr. Ashok Mitra, said that before the issue came up before the IMF board in the third week of this month, parliament and the people should have an opportunity to examine the "conditionality" involved in the deal.

Prof. I. S. Gulati of the Centre for Development Studies, Trivandrum, who chaired the seminar, told newsmen while releasing a statement that the rate of inflation could not be contained under the present policy framework and the counter-measures, announced already, were not adequate to deal with factors generating inflation such as black money, excessive dependence on indirect taxation, rising prices and weakening of public distribution and procurement.

The document lays great emphasis on strengthening the public distribution system and revival of the food-for-work programme instead of scrapping it. It should have the first claim on the stocks of foodgrains with the government over all other commitments, it said.

Public distribution, in both urban and rural areas, needed to be backed up by adequate procurement through the reintroduction of food zones, a system of different levies and an effective intervention in foodgrains trade to eliminate distress sales. Procurement prices should be linked with the cost of production and the issue of the takeover of the wholesale foodgrains trade required to be examined afresh.

In the economists' view, inflation had resulted in boosting of profits and unearned incomes, depressing of real wages and accentuating inequalities.

CSO: 4220/7531

BEARER BONDS SCHEME RAISES ANNUAL PLAN DEFICIT

Bombay THE TIMES OF INDIA in English 8 Aug 81 p 1

[Text] New Delhi, August 7.

Although the special bearer bonds scheme was suspended on April 30, the annual plan for 1981-82, just approved by the Planning Commission, takes credit for Rs. 800 crores which was originally estimated to be raised under it.

At the time of its suspension, the scheme had netted only Rs. 357 crores of which about Rs. 100 crores were in the previous financial year. The remaining Rs. 257 crores is being credited in 1981-82, and not Rs. 800 crores.

On this calculation, the overall deficit for the current financial year would total Rs. 2,132 crores instead of Rs. 1,539 crores as shown in the plan.

The plan talks of a substantial improvement in miscellaneous capital receipts which are expected to total Rs. 1,239 crores. However, the figure includes Rs. 800 crores from special bearer bonds.

The plan outlay of Rs. 17,417 crores for the Centre, states and Union territories represents an increase of 15 per cent as compared to that of 1980-81.

The bulk of the increase in financial resources is expected to come from higher market borrowings (an increase of Rs. 512 crores) and larger collection from small savings (Rs. 150 crores).

CSO: 4220/7527

SIKH APPLICATION TO UNITED NATIONS BEING CONSIDERED

Bombay THE TIMES OF INDIA in English 5 Aug 81 p 9

[Text] Chandigarh, August 4.

The application by the Akali Dal (Talwandi) for associate membership of the United Nations for the Sikhs as a "nation" has reached the UN headquarters, according to party sources.

They claim that the application will be "processed" some time in September and are hopeful of considerable support among the UN members.

How the application, signed by Mr. Randhir Singh Cheema, general secretary of the Akali Dal (Talwandi), and addressed to the UN secretary-general, was delivered at the UN headquarters is being kept a secret. It is, however, learnt that the application was transmitted via the United Kingdom. The Akali Dal has its branches both in the U.K. and the United States.

According to these sources, the application seeks associate membership of the UN for "15 million" Sikhs scattered all over the world. It claims that the Akali Dal represents the collective will of the Sikhs who were formed into a "nation" by Guru Gobind Singh in 1699 A.D. at Anandpur Sahib in Punjab when he founded the new order of the Khalsa.

The Sikhs were animated by a common consciousness and distinct entity on the basis of religion, language and culture and were recognised as a "nation" till independence. At the time of partition, the Sikhs were offered a separate state, but they spurned the offer following the assurance given by the then Congress leaders that their special status would be preserved in free India, the application points out.

"Hopes Belied"

The application goes on to allege that the hopes of the Sikhs have been belied as they have not been given "any share in the country's sovereignty" and the interests of the Sikhs living abroad are not defended by the Union government. As a result, the Sikhs fear that they will lose their special identity soon unless the UN gives them associate membership.

The application is accompanied by copies of resolutions passed at the world Sikh meet held at Anandpur Sahib in April last, directing the party to approach

the UN for associate membership for protecting the interests of Sikhs settled abroad and also of the Anandpur Sahib resolution passed in 1973 demanding internal autonomy for a new state of Punjab by merging the Punjabi-speaking areas in Haryana, Himachal Pradesh and Rajasthan and Chandigarh with the present state.

In this connection, the recent visit of Mr. Gurcharan Singh Tohra, president of the Shiromani Gurdwara Prabandhak Committee, and Mr. Gurdial Singh, Ajnoha, head priest of the Akal Takht, the highest seat of Sikh religious authority, to the United States assumes significance. It is not known what reports the Indian mission in America has sent about their activities there. But reports have reached here of the two leaders supporting the Sikh nation theory and meeting Mr. Ganga Singh Dhillon and Dr. Jagjit Singh, protagonists of Khalistan.

Political observers feel that a serious view should be taken of the recent visit to the US and the UK of the two jathedars. They say that Mr. Tohra is the leader of the extremist group in the Longowal Akali Dal, aided and abetted by Mr. Sukhjinder Singh, former education minister. Observers will not be surprised if the Longowal Akali Dal is split on this issue and the extremists join hands with the Talwandi group.

Knowledgeable sources say that the charge by Congress (I) leaders that the Khalistan movement has the backing of some foreign powers is not without foundation. Some Akali extremists are even given to wishful thinking that in the event of another war with Pakistan, Khalistan will be created.

CSO: 4220/7508

UN GROUP ASSURED OF INDIAN SUPPORT FOR NAMIBIA

Bombay THE TIMES OF INDIA in English 6 Aug 81 p 9

[Text] New Delhi, August 5.

India has reiterated its fullest support for the cause of Namibian independence and opposed any move to modify the U.N. plan on Namibia.

The Prime Minister, Mrs. Indira Gandhi, told a consultation mission of the U.N. Council for Namibia that it had been discussing the issue with all foreign leaders and would do its utmost to mobilise world opinion.

Mr. Michael E. Sherifs, chairman of the mission, later told newsmen that Mrs. Indira Gandhi was responsive to the aspirations of Namibia and provided guidance for taking up the problem at the forthcoming emergency special session of the U.N. general assembly on the question of Namibia.

A joint communique issued later said that South Africa's policies of repression of the people of Namibia and use of the territory as a springboard for repeated acts of aggression against neighbouring African states constituted a threat to international peace and security within the meaning of chapter VII of the U.N. charter.

The two delegations agreed that South Africa's possession and exploitation of massive reserves of uranium in Namibia and efforts towards development of nuclear weapons with the assistance and collaboration of certain countries also constituted a threat to international peace.

CSO: 4220/7513

DETAILS OF GANDHI-FRASER MEETINGS REPORTED

Madras THE HINDU in English 5 Aug 81 p 9

[Article by G. K. Reddy]

[Text] New Delhi, Aug. 4.

As India sees it, the main focus of attention in the evolving relationship between developed and developing countries is now shifting perceptibly from political to economic cooperation in the wake of the global efforts for a more equitable dispensation.

At her talks today with the Australian Prime Minister, Mr. Malcolm Fraser, Mrs. Gandhi stressed that liberalisation of trade by developed countries would help the developing nations better than financial assistance for their development.

The Indian approach is to persuade the affluent Commonwealth countries to set the pace for the rest of the Western world in lifting trade barriers and relaxing the quota systems to enable the poorer countries to step up their exports.

As host to the Commonwealth conference in Melbourne next month, India wants Australia to take the initiative in giving up protectionist practices.

Climate for summit: If the Commonwealth countries agree to make a hopeful start in this direction, it will help to create the right climate for the North-South summit in Mexico in October when the big Western powers will be discussing the prospects for a new world economic order with the leaders of the developing nations.

The French and West German leaders are already taking a sympathetic view and, if Britain, Canada and Australia join them, it would help to soften U.S. suspicions about the whole purpose of this North-South exercise.

The Australian Governor-General, Sir Zelman Cowan, and the Prime Minister, Mr. Fraser, broke journey in Delhi for eight hours today on their way back to Canberra from London. The Governor-General's visit was treated as a private one to avoid the formalities of a state reception.

The Australian Prime Minister's stopover was, however, considered an official visit since he was engaging in formal talks with Mrs. Gandhi on issues of international importance.

Sir Zelamn and Mr. Fraser, who were accompanied by their wives, left in the afternoon after their brief stay in Delhi. They were received and seen off by the Vice-President, Mr. M. Hidayatullah, the Prime Minister, and the Vice-Chiefs of the three Services.

The senior officials accompanying the Australian Premier met their Indian counterparts separately for more detailed discussions on some of the political issues which are likely to come up at the Commonwealth conference in Melbourne. They also discussed the economic matters which will be figuring at the North-South summit conference.

The Indian view is that with the completion of decolonisation, the emphasis now is on evolving a more equitable economic relationship so that the former colonies are not subjected to neo-colonial exploitation.

There is need for a collective approach to problems of trade, especially export of raw materials, to reduce the dependence of the newly independent countries on the former colonial powers which are in a position to impose price levels through captive markets.

India's role: As one who was at the forefront of the fight against colonialism and racism, India is emerging as the chief spokesman of the developing countries in their efforts to evolve a more equitable economic relationship with the Western nations.

An attempt is, therefore, being made by some vested interests in the West to belittle the Indian role in the North-South dialogue and compartmentalise their dealings with various categories of developing countries to strike a better bargain with them.

It is for this reason that Mrs. Gandhi has sent her emissaries to several countries and also written personal letters to the leaders of many other countries, including President Reagan, to prepare the ground for a more positive debate on North-South economic relations.

And one of the things that India is waiting to see at the Mexico summit is what stand China will take at this conference.

CSO: 4220/7910

GANDHI MEETINGS WITH CHIEF MINISTERS REPORTED

Bombay THE TIMES OF INDIA in English 8 Aug 81 p 1

[Text] New Delhi, August 7.

The Prime Minister, Mrs. Gandhi, today had a series of separate meetings with several chief ministers, including Mr. T. Anjiah (Andhra Pradesh), Mr. Gundu Rao (Karnataka), and Mr. Madhavsinh Solanki (Gujarat).

The meetings took place in the backdrop of speculation that some chief ministers might be replaced in the near future.

Mr. Gundu Rao's meeting with the Prime Minister lasted half an hour. This was the chief minister's first meeting with Mrs. Gandhi after the resignation of the controversial minister of planning, Mr. C. M. Ibrahim.

Mr. Gundu Rao said later that the question of expansion of his ministry did not figure at the meeting. He is expected to call on the Prime Minister again tomorrow.

The Andhra chief minister's meeting with the Prime Minister also lasted about half an hour.

Mr. Anjian said that new ministers in the state would be chosen from the Andhra region. The process would be completed before the end of this month.

He said he had apprised Mrs. Gandhi of the peaceful atmosphere prevailing in Hyderabad after the communal disturbances of July 12.

Mr. Anjiah explained to the Prime Minister the arrangements made for the coming municipal elections in the state. He also informed Mrs. Gandhi of the record coal production of one million tonnes in Singareni in July and the initiative taken to produce edible-grade rice bran oil in the state.

Mr. Madhavsinh Solanki discussed with Mrs. Gandhi party matters in Gujarat.

Asked whether he discussed with her a memorandum sent to her by a group of dissident MLAs, Mr. Solanki said that Mrs. Gandhi did not refer to the memorandum.

He said he had suggested to Mrs. Gandhi to take action against the dissident MLAs for making "baseless" allegations against him.

Orissa's chief minister, Mr. Janaki Ballav Patnaik, also called on the Prime Minister and apprised her of the political situation in his state.

Mr. A. R. Antulay, chief minister of Maharashtra, who arrived in the capital this morning, is expected to see Mrs. Gandhi and discuss with her the question of expansion or reshuffle of his cabinet.

Meanwhile, the Congress (I) high command served notice on all dissident partymen that breach of discipline would not be tolerated.

Asserting the need to maintain unity, the high command tonight expelled from the party Mr. Mahesh Upadhyaya, an MLA from Uttar Pradesh, for six years for his "anti-party activities."

Mr. Upadhyaya was among those U.P. legislators who had issued a statement to the press demanding a change in the leadership of the U.P. Legislature Congress (I) party.

According to an AICC (I) press release issued late tonight by the general secretary, Mr. Vasantrao Patil, Mr. Upadhyaya's action had damaged party unity and discipline which "are a must to all our partymen throughout the country." "Breach of the same will not be tolerated," he warned.

The four MLAs who had been issued "show cause" notices by Mr. Patil on July 23 included Mr. Shyamlal Bajpai, Mr. Azad Kardam, Mr. Akbar Ahmed and Mr. Upadhyaya.

Some 20 other MLAs' names were also mentioned in the joint statement issued demanding that the party high command ask Mr. Rajiv Gandhi or some other member of the "Nehru family" to take over the leadership of the state from Mr. Vishwanath Pratap Singh, chief minister.

Many of them, however, wrote to party headquarters claiming that their names had been included without their consent. It is believed that these legislators sensed the mood of the high command and withdrew promptly thereafter.

Although dissidence prevails in some form or the other in other Congress (I) ruled states, the action taken against the U.P. legislator from Fatchbad in Agra district is expected to serve as a warning to others of his ilk.

While the high command does not mind partymen coming to it with complaints of acts of omission and commission by the various chief ministers, it has made it clear that it will not countenance any demand for "a change in leadership."

CSO: 4220/7526

UNI INTERVIEWS FOREIGN MINISTER RAO IN NEW YORK

New Delhi PATRIOT in English 7 Aug 81 p 3

[Text] New York, Aug 6 (UNI).

External Affairs Minister P V Narasimha Rao, who left for Geneva yesterday after a brief stop here from the Foreign Ministers' conference in Cancun, has said that a new atmosphere has been created for the forthcoming North-South summit talks by the attitude of the Industrial countries.

Talking to UNI, Mr Rao said 'in earlier meetings on North-South issues, we witnessed only negative attitudes on part of the rich countries. But this meeting was different in as much as it has done a good job by laying the summit in a flexible mould and yet identifying certain areas of concern to the developing world.'

Mr Rao said although he was cautiously optimistic about the proposed global negotiations at the United Nations later this year, the October summit, in which Mrs Indira Gandhi and US President Ronald Reagan are expected to participate, would definitely give the necessary political impetus to the economic negotiations.

Recounting his first face-to-face breakfast meeting with US Secretary of State Alexander Haig in Cancun, Mr Rao described the hour-long talk with him as cordial and pleasant.

'Gen Haig seemed a very friendly person, shorn of the usual military gruffness,' Mr Rao said. Both the leaders discussed issues of common concern. The Indian Foreign Minister told his American counterpart that the sub-continent could ill-afford an arms race and referred to the supply of sophisticated US F-16 aircraft to Pakistan.

'I told Gen Haig that we don't expect Pakistan to stand up to the Soviets, and the arms are going to be used against us', he said, adding 'Gen. Haig understood India's concern.'

Mr Rao also indicated that Gen Haig had accepted his invitation to visit India this November for the long delayed meeting of the Indo-US Joint Commission. He said the dates would be finalised soon.

A letter from President Reagan for Mrs Gandhi is expected to be sent directly, he said.

Mr Rao's other private meetings at Cancun included discussions with Saudi Arabia's Foreign Minister Prince Saud and British Foreign Secretary Lord Carrington.

CSO: 4220/7524

MAHARASHTRA CHIEF MINISTER LAUDS INDO-SOVIET TIES

Bombay THE TIMES OF INDIA in English 8 Aug 81 p 9

[Text] Bombay August 7.

The Maharashtra branch of the newly-revived "Friends of Soviet Union" was inaugurated here today on the occasion of the tenth anniversary of the Indo-Soviet friendship treaty.

The inaugural address by the chief minister, Mr. A. R. Antulay, was read out by Mr. B. A. Desai, MLA and secretary of the unit, as the chief minister was away at Delhi.

The Indo-Soviet friendship should become a mass movement and "it should not be permitted to be made a hand-maid of certain sectional political interests," Mr. Antulay said in his speech.

Mrs. Roza Deshpande, general secretary of the All-India Communist Party, in a spirited speech, said both the countries did not expect anything from each other. The Soviet Union wanted India to become a really independent nation and helped us establish our basic industries, she said. She also emphasised that the friendship was not merely between two leaders of the country but a bond of love and affection that existed between the peoples of both the countries.

Mr. Justice Raja Bhosale of the Bombay high court recalled the impact of the Soviet Union on international affairs and pointed out the identical interests between the two nations. Our nation's self-interest guided our foreign relations, he added.

Mr. Gulabrao Patik, president of the MPCC (I), said that no country in the world matched the Soviet Union in terms of the help extended to this country.

Mr. Y. M. Katon, the cultural consul of the Soviet Union, said the Soviet people welcomed the foundation of a new society of friendship. India could count on the Soviet Union as a reliable partner in difficult times, he added.

Mr. G. E. Tchernoivanov, acting consul-general of the USSR in New Delhi, described the treaty as one of friendship between two big states who were playing a vital role in promoting international peace. He referred to the situation in Asia as tense. He also referred to the US arms supply to Pakistan and the climate of "destabilisation in the north-eastern states."

Mr. Balasaheb Vikhe Patil, MP, who is the chairman of the Maharashtra unit of the "friends of Soviet Union", presided.

A number of Congress (I) legislatures, political workers, and corporators were present. Some of the prominent members who attended the meeting included Mr. V. N. Gadgil, MP, Mrs. Nirmala Deshpande, Sarvodaya leader, Dr. B. K. Goyal, sheriff of Bombay, Mr. Mutali Deora, president of the BRCC (I), Sunil Dutt, Dr. Surendra Barlingay and Mr. Kamle Guruji, Maharashtra's minister of state for civil supplies.

The portraits of Mr. Brezhnev and Mrs. Gandhi, on one side, and that of Lenin and Nehru on the other, decorated the dais with the portrait of Mahatma Gandhi in the centre, at the K. C. College auditorium, which was packed to capacity.

CSO: 4220/7526

REDDY REMOVES RAJASTHAN GOVERNOR FROM OFFICE

Bombay THE TIMES OF INDIA in English 9 Aug 81 p 1

[Text] New Delhi, August 8.

Mr. Raghukul Tilak, governor of Rajasthan, was today removed from office by a directive issued by the President, Mr. N. Sanjiva Reddy. Mr. K. D. Sharma, chief justice of the Rajasthan high court, was sworn in today as the new governor.

A Rashtrapati Bhavan communique issued today also shifted the Himachal Pradesh governor, Mr. Alim-ud-Din Ahmed, to Punjab, the governor of that state, Mr. Jaisukhlal Hathi, having completed his term.

Mr. A. N. Banerjee, a senior retired civil servant, has been appointed governor of Himachal Pradesh.

With the removal of Mr. Tilak, only five of the ten governors appointed during the Janata period remain in office. Of these, two have been sacked, the first being Mr. Prabhudas Patwari, who was relieved of his post as governor of Tamil Nadu last year.

The dismissal of Mr. Tilak seems to signal the beginning of a series of changes in the gubernatorial offices. The next to follow is expected to be Mr. T. N. Singh, governor of West Bengal. An informal advice given to him by the Centre to voluntarily resign recently had raised a controversy with the state chief minister, Mr. Jyoti Basu, publicly questioning the Centre's motives in tendering such advice.

The removal of Mr. Singh nevertheless seems to be in the offing. The Centre has already chosen the veteran Rajasthan congress leader, Mr. Mohanlal Sukhadia, for the post.

Mr. Sukhadia, who has considerable experience in the gubernatorial office, having been governor successively of Karnataka and Tamil Nadu, is said to enjoy the trust of the prime minister. His induction into the office of governor of West Bengal when the state is due to go for assembly elections next year is invested with considerable political significance.

That leaves four more governors appointed during the Janata period (excluding Mr. T. N. Singh) in office. They are Mr. B. D. Sharma of Madhya Pradesh, Mrs.

Sharada Mukherjee of Gujarat, Mrs. Jyoti Venkatachalam of Kerala and Mr. K. C. Abraham of Andhra Pradesh. It is being speculated how many of them will remain in office before the year is out.

Jaipur: It is not clear if Mr. Sharma will occupy the governor's post in Rajasthan until such time as the new incumbent is named or if he will continue to hold this office for a full term. The cryptic official announcement said: "Mr. K. D. Sharma shall discharge the functions of the governor of Rajasthan." The word "acting governor" was not used this time as it was done last time when Mr. Raghukul Tilak was ill.

Senior officials in the secretariat were tight lipped but their activities indicated that some "top secret" decisions were being conveyed from New Delhi.

Arrangements for the swearing-in were made in a secretive manner, and a few officials were telephonically informed to come to Raj Bhawan. They were not told the reason for being summoned at such short notice. Enough precautions were taken to keep the entire affair a closely guarded secret.

Closely-guarded Secret

No written or telephonic invitations for the swearing-in of the new governor were given to newsmen. Mr. D. P. Gupta, acting chief justice of the Rajasthan high court, administered the oath of office to Mr. Sharma.

The chief minister, Mr. Shiv Charan Mathur, some of his cabinet colleagues and a few senior officials attended the swearing-in ceremony.

Mr. Tilak was appointed governor of Rajasthan in May, 1977. Although the news of his having been relieved of the office was not unexpected, the time of this decision came as a surprise.

Mr. Tilak had been given a number of polite hints to tender his resignation. He was not available for comments. The chief minister was also unwilling to offer his comments.

Soon after the swearing-in ceremony, the chief minister left for New Delhi to see off Mrs. Indira Gandhi, who is leaving for Nairobi tomorrow morning.

CSO: 4220/7531

SPLINTER CONGRESS-U LEADER MEETS WITH PRESS

Bombay THE TIMES OF INDIA in English 7 Aug 81 p 1

[Text] New Delhi, August 6.

Mr. Jagjivan Ram, president of the splinter Congress (U) group, declared here today that his party would function as a "virulent" opposition and would have to truck with the Congress(I).

Addressing a press conference at his residence, Mr. Ram vowed to expose and oppose every misdeed of Mrs. Indira Gandhi's government.

Praising the Indian working class for its patriotism, he expressed his stout opposition to the current ordinance banning strikes in essential services. He viewed this as an onslaught on the working class.

Replying to a question, Mr. Ram said that he would co-operate with other opposition parties inside and outside parliament on various issues.

As far as his offer of help to Mrs. Gandhi's government was concerned, he said it was confined at present to tackling the situation in Assam and the north-eastern region.

There could not be any co-operation with the government on issues like rising prices and the deteriorating law and order situation. "This government has an easy solution for everything. If your telephone is not working, you can surrender it. If the trains are not running, you can cancel your proposed journey. If there is no butter in the market, do without it," he observed.

Mr. Ram referred to the statement made by Mr. Banka Behary Das, AICC (U) general secretary, that only 40 to 45 AICC (U) members attended yesterday's meeting. He pointed out that this number--40 to 45--was in addition to those who came from U.P., Bihar and Delhi. Mr. Mazhar Hussain, joint secretary, said that 300 AICC members attended the meeting, the largest contingent of 103 being from U.P. where the total AICC members were 108.

When asked what name he was giving his party, Mr. Ram said: "Indian National Congress. Since the other two Congress parties have a suffix each after their names, my party can simply be called the Congress."

According to Mr. Ram, the election commission had "no business" to decide which party was the "real" congress. All it could do was to allot a symbol.

Asked what symbol he would ask for, he parried the question by saying that the matter will be taken up at the appropriate time.

Mr. Ram was hopeful of the tide turning in his favour in the next few weeks and referred to the meeting of the Congress (U) working committee that was to take place on August 16. "See what happens there," he remarked meaningfully. Mr. Ram will visit Panipat on that day to address pub- meetings. [as published]

An announcement made at the press conference was that Mr. Ram Singh, former home minister of U.P. had joined Mr. Ram's party. He was in the Janata party. After its disintegration, he joined the Congress (I), which he has now left.

CSO: 4220/7519

CONGRESS-I MINISTERS ASKED TO QUIT PARTY POSTS

Bombay THE TIMES OF INDIA in English 27 Jul 81 p 1

[Text] Bombay, July 26.

The Congress high command wants that those who hold key posts both in the Congress party and in the government, should quit party posts.

Prof. S. S. Mohapatra, AICC general secretary, disclosing this to newsmen here today, said that he would soon be going to Gujarat and Andhra Pradesh to convey the views of the high command to the leaders there and ensure compliance.

In Gujarat, Mr. Madhavsinh Solanki, the pradesh Congress chief, is also the chief minister, while in Andhra Pradesh, the state Congress is headed by Mr. M. A. Aziz, a minister in the Anjiah government.

After they resign the party posts, new appoints will be made by the Congress president, Mrs. Indira Gandhi, according to Prof. Mohapatra.

In reply to questions, Prof. Mohapatra said that the Maharashtra chief minister, Mr. A. R. Antulay, "is sincere" in implementing the 20-point programme, and would assess the progress of implementation "every three months".

He did not want to be drawn into a discussion on the demolition of hutments in Bombay, as he said "the chief minister has already announced that there will not be any more demolition for the time being".

Prof. Mohapatra described Mr. Antulay's proposal to shift Mantralaya from Bombay as "a bold step to decongest the city". He said that there should be a similar proposal so far as Calcutta is concerned. "Only when the capital is shifted the industries will move out too, and Bombay will be a better place to live in", he added.

He also suggested that Central government offices in the city should also be shifted.

Prof. Mohapatra also said that the city Congress would be reorganised under a new president. The unit would have the same status (as Bombay regional Congress committee) and not independent "pradesh" status, he said. The proposal to give "pradesh" status to Bombay Congress was being opposed by the MPCC. Mr.

Krishnakumar Giriyolkar, BRCC general secretary, was also present during Prof. Mohapatra's chat with newsmen.

Prof. Mohapatra, who was on a three-day visit to Bombay, will be leaving for Delhi tomorrow morning.

Madras (UNI): The former Congress president, Mr. S. Nijalingappa, said here today that neither the Congress (I) nor the Congress (U) was the real Congress which "died in 1969."

He told newsmen that the chief election commissioner's verdict on the issue might have been based on some physical figures.

CSO: 4220/7503

RAM-LED CONGRESS-U FACTION SPLITS FROM PARTY

Bombay THE TIMES OF INDIA in English 6 Aug 81 p 1

[Text] New Delhi, August 5 (UNI).

A battered and derecognised Congress (U) today suffered a further blow with the formation of a rival Congress (U) by its senior leader, Mr. Jagjivan Ram, in protest against "the dictatorial functioning" of the party leadership.

Mr. Jagjivan Ram was installed president of the breakaway group at a "parallel AICC" meeting organised by his supporters mainly from Uttar Pradesh, Bihar, Madhya Pradesh, Haryana, Punjab, Orissa and Delhi.

The Congress (U), led by Mr. Devaraj Urs, suspended Mr. Jagjivan Ram from the party for participating in the "unauthorised" AICC meeting which, in turn, "removed" Mr. Urs from the presidentship.

Two Congress (U) members of parliament--Mr. Nihal Singh of the Lok Sabha and Mr. Gangadhar Bhagat of the Rajya Sabha--besides six MLAs from Uttar Pradesh attended the parallel convention. The Congress (U) has a dozen members in both the houses of parliament.

Soon after he was elected president, Mr. Jagjivan Ram, who left the Congress (U) after 15 months, said Mr. Devaraj Urs and his colleagues deserved punishment for violating the party constitution and denying its members inner party democracy. He pointed out that the party's working committee comprised entirely of nominated persons, contrary to the rule that half of them should be elected by the AICC.

A resolution on party affairs adopted at the parallel AICC also accused Mr. Urs of "lapses and blunders" and said the members had assembled only to prevent him from liquidating the party. Mr. Urs had failed to discharge his constitutional duties, it added.

Another resolution on economic situation charged the government with failure to ease shortages of essential commodities and check rising prices and money supply. Measures adopted in this regard were mostly text-book palliatives unsuited to Indian conditions, it added.

A third resolution on the political situation urged the government to withdraw the Maintenance of Essential Services Ordinance as it betrayed lack of faith in the working class.

It said the tardy way in which the government was handling the problems confronting the country was dangerous. It mentioned the Assam situation, resurgent activities in other north-eastern states, unrest in the working class, unsatisfactory law and order situation, tension between various castes and communities, fear psychosis among the minorities and atrocities on Dalits as the problems the government had failed to tackle effectively.

The organisers of the parallel AICC claimed that 300 AICC delegates had attended.

The venue of the AICC, held in the open under a shamiana, had to be shifted in the afternoon owing to heavy rain.

The Congress (U), led by Mr. Devraj Urs, said that only 30 to 40 of the over 600 AICC (U) members had attended the parallel AICC meeting.

The AICC (U) general secretary, Mr. Banka Behari Das, told newsmen the organisers' claim that over 300 members had participated was "bogus".

He also disputed their claim that PCC chiefs of Uttar Pradesh, Punjab and Haryana had associated themselves with the rival Congress (U).

Mr. Das said only the ad hoc chief of Madhya Pradesh had joined Mr. Jagjivan Ram and president of no other PCC had participated.

CSO: 4220/7513

NEW OFFICIALS OF BOMBAY CONGRESS-I UNIT ANNOUNCED

Bombay THE TIMES OF INDIA in English 6 Aug 81 p 1

[Text] New Delhi, August 5 (PTI).

Mr. Murli Deora, a former mayor of Bombay, has been appointed president of the Bombay regional Congress (I) committee.

The Congress (I) president, Mrs. Indira Gandhi, has also appointed two vice-presidents and two general secretaries.

According to Mr. G. K. Moopanar, AICC general secretary, the vice-presidents are Mr. Tabjibhai Solanki, a corporator, and Mr. Ram Mahadik, an MLA.

The two general secretaries are Mr. Ananth Pashte and Mrs. Najma Heptullah, a member of the Rajya Sabha.

Mr. Deora, 41, is the youngest to become the president of the Bombay unit of the Congress party.

He replaces the aged Mr. Bhanushankar Yagnik, a former state minister.

Mr. Deora, born in a family of Bombay businessmen, took to politics in 1963 as a student working for the Congress party. He worked actively as a corporator and held various positions in the municipal Congress party--from general secretary to leader. He was first elected to the corporation in 1968.

He unsuccessfully contested the last Lok Sabha election from south Bombay.

During the Janata party regime, he resigned as chairman of the Maharashtra Small-scale Industries Development Corporation. He has a good record as a corporator and as the mayor implemented two civic campaigns--saving water and immunising children.

A widely-travelled person, the suave Mr. Deora was also connected with the north-Bombay Jaycees and in that capacity successfully organised several community projects and services.

He is known for his organising capacity and the BRCC (I) functioning is expected to be made more systematic. The city unit under Mr. Bhanushankar Yagnik had

become an extremely top-heavy body with a number of vice-presidents, general secretaries and other office-bearers.

Though the party won a large number of seats in the assembly polls, organisationally it was not in good shape. The Youth Congress (I) leaders had publicly aired their grievances about the functioning of the BRCC (I).

Mr. Deora enjoys the goodwill of these younger elements and is expected to involve them also in spreading and consolidating the party organisation in the metropolis.

CSO: 4220/7513

KARNATAKA MINISTER RESIGNS AFTER CRITICISM

Madras THE HINDU in English 5 Aug 81 p 1

[Excerpt] Bangalore, Aug. 4.

Karnataka's Planning and Wakfs Minister, Mr. C. M. Ibrahim, who figures in a criminal case registered against him by the Bhadravathi Police, bowed out of the Gundu Rao Cabinet today on his own.

The resignation of Mr. Ibrahim was announced this evening by the Chief Minister, Mr. Gundu Rao, after a Cabinet meeting at which Mr. Ibrahim was present.

The Chief Minister said the Governor, Mr. Govind Narain, had accepted Mr. Ibrahim's resignation after he had forwarded the resignation letter recommending that it be accepted.

Mr. Gundu Rao told a press conference, after the Cabinet meeting, that Mr. Ibrahim had tendered his letter of resignation around 6 p.m. Mr. Ibrahim had not set out any reasons for the resignation.

Earlier this afternoon, at a stormy session of the State Legislative Council, Mr. Ibrahim, in a statement, said he had requested the Chief Minister to relieve him of the Ministership, so that he could defend himself against the Opposition allegations.

Mr. Ibrahim is the second Minister to quit in three months. The other Minister, Mrs. Renuka Rajendran, who quit in May last, is facing trial on charges of cheating.

Central Figure of Controversies

Mr. Ibrahim's resignation, which took observers by surprise, comes as a culmination of a series of controversies in which he was the central figure. The Opposition demand for his resignation originated since the Minister's younger brother figured as an accused in the Krishna murder case in Bhadravathi.

The Minister himself came under cloud after Opposition allegations of grant of a bunch of licences for roller flour mills by the Food and Civil Supplies Department headed by Mr. Ibrahim. The charge was referred to CBI for investigation.

The other Opposition allegation against Mr. Ibrahim was in the Rolex watch affair raised by Mr. A. K. Subbiah (BJP). Mr. Subbiah questioned the circumstances under which the Minister had accepted the gift of a Rolex watch during his visit to the United Arab Emirates last year.

The latest allegation concerned the FIR filed by the Bhadravathi police against Mr. Ibrahim on charges of wrongful confinement of a woman of Bhadravathi, Minister's home town, in May last.

Janata, Congress (U) and Communist parties had faced suspension (later revoked) from the Assembly last month, demanding the resignation of Mr. Ibrahim.

Mr. Gundu Rao told pressmen that he had no choice when Mr. Ibrahim submitted his resignation letter and wanted to be relieved of his post.

Mr. Gundu Rao said that at no time had he suggested to Mr. Ibrahim that he should resign. Mr. Ibrahim had chosen his time. It might be, the Chief Minister told a questioner, that Mr. Ibrahim would be in a better position to defend himself against the allegations, after quitting his Ministership.

Mr. Gundu Rao said the party President, Mrs. Indira Gandhi, had been informed of Mr. Ibrahim's resignation.

CSO: 4220/7510

COLUMNIST SPECULATES ON TIMING OF INDO-PRC TALKS

Madras THE HINDU in English 6 Aug 81 p 9

[Article by G. K. Reddy]

[Text] The official level talks on the border issue, which are due to begin in Beijing in October, are likely to be postponed until the Prime Ministers of India and China meet in Mexico during the North-South summit conference.

Though there is no inter-relation between the two events, it is considered more desirable to wait till Mrs. Indira Gandhi has met Mr. Zao Ziyang, who will be representing China at this conference.

Meanwhile, the two Foreign Ministers, Mr. P. V. Narasimha Rao, and Mr. Huang Hua, will be able to have a further discussion on Sino-Indian relations during the U.N. General Assembly session, before they accompany their respective Prime Ministers to Cancun for the North-South summit.

The recent visit of Mr. Huang to Delhi followed the talks Mrs. Gandhi had with him last year in Salisbury during Zimbabwe's independence celebrations. There was a follow up meeting when she later met the former Chinese President, Mr. Hua Guofeng, at the time of Marshal Tito's funeral in Belgrade.

No contact: There has otherwise been no contact between the leaders of the present Government in India and the new hierarchy in China headed by the party chairman, Mr. Hu Yaobang, the vice-chairman, Mr. Deng Xiaoping, and the Prime Minister, Mr. Zoa Ziyang, the ruling triumvirate which will be guiding in the coming years the destinies of a nation of nearly one billion people.

A meeting with Mr. Zao during the Mexican summit will enable Mrs. Gandhi to get some idea of the policies and attitudes of the new Chinese leadership, whether it is really keen on a sino-Indian rapprochement.

Though the former External Affairs Minister, Mr. Vajpayee, had met Mr. Deng during his visit to Beijing in 1979, Mrs. Gandhi does not consider this Janata move as the starting point for the current Sino-Indian dialogue.

She continues to maintain that it was her own initiative in resuming ambassador level representation in 1976 that paved the way for Mr. Vajpayee's trip and Mr. Huang's subsequent return visit to Delhi.

The talks that Mr. Huang had with Mrs. Gandhi and Mr. Rao during his recent visit opened the way for detailed discussions on the border dispute, but held out no promise of any significant concessions for settling this problem. The exchanges did not provide any deeper insight into the Chinese thinking on the current developments in the region affecting the security of the sub-continent.

Time for fuller assessment: It is, therefore, felt that a little delay in commencing the official level talks would not really affect the Indian stand that the border problem should be settled to create a proper atmosphere for a lasting improvement of relations.

On the contrary, it would enable the two countries to make a fuller assessment of each other's desire for normalisation, before embarking on detailed negotiations.

It is in this context that a possible meeting between Mrs. Gandhi and Mr. Zao at the Mexico summit assumes special importance. If the two sides feel reasonably reassured at the highest level about their readiness to seek an amicable settlement, the official teams can then commence the dialogue in right earnest to resolve this tangled problem.

Spadework needed: The dialogue itself might drag on for a long time, but it will at least prevent a deterioration of Sino-Indian relations in the wake of the current superpower rivalries in the region. A lot of spadework remains to be done to generate the necessary degree of confidence in each other's desire for an overall settlement without harping on what happened in the past.

The other compelling reason for the postponement of the official level talks till November is that, after the Parliament session, the Prime Minister and the External Affairs Minister will be going to Australia at the end of September for the week-long Commonwealth conference in Melbourne.

After their return, Mr. Narasimha Rao will have to rush off to New York for the General Assembly session and Mrs. Gandhi herself will be going to Mexico soon after for the North-South summit. And this heavy schedule leaves very little time for finalising the policy briefs on the border problem.

CSO: 4220/7517

FOUR OPPOSITION LEADERS AGREE ON JOINT ACTION

Calcutta THE STATESMAN in English 7 Aug 81 p 1

[Text] New Delhi, Aug. 6.--Leaders of at least four Opposition parties--Janata, Bharatiya Janata Party, Lok Dal and Congress (U)--have arrived at a minimum understanding for joint action on important national and economic issues.

This was clear when Mr Chandra Shekhar, Mr A. B. Vajpayee, Mr Devaraj Urs and Mr Madhu Limaye (representing Mr Charan Singh who was unwell) met here day before yesterday and decided to issue a joint statement on mass conversions. The joint statement, signed by Mr Charan Singh, Mr Chandra Shekhar, Mr Vajpayee and Mr Urs, was issued yesterday.

Thus, Mr Chandra Shekhar has been successful in breaking the ice and bringing his counterparts in the BJP, Congress (U) and the Lok Dal on a common platform. The Janata president had already succeeded in bringing together the majority of Opposition parties on the issue of electoral reforms and a committee of the combined Opposition is to finalize its proposals during the monsoon session of Parliament.

Mr Chandra Shekhar favours joint action by the like-minded Opposition so that it does not default on important national and economic issues. He is of the view that if such a joint action gains momentum neo-socio political forces may also strengthen it by supporting the Opposition stand thus paving the way for a new political polarization which may provide an alternative to the ruling party.

Therefore, without going into the question of merger of Opposition parties, the concept of joint action has been planned to make it effective and credible.

Opposition splinter groups have by and large supported Mr Chandra Shekhar's move for electoral reforms. But the names of their leaders did not figure in the joint appeal on mass conversions. Clearly, they do not seem to be as enthusiastic for joint action as leaders of the Lok Dal, BJP and the Congress (U). Mr Jagjivan Ram has not even responded to Mr Chandra Shekhar's move for joint action.

As for the two Communist parties, the CPI has taken an independent stand and it seems that its leadership is against an all-Opposition front. The CPI(M) has associated itself with the move for electoral reforms and may not spurn joint action proposals.

But the Lok Dal leadership, handicapped by its sectarian base, is looking for larger following and, therefore, unity with the BJP is no longer an anathema to

it. The recent pronouncement of Mr Limaye, general secretary of the Lok Dal, that Janata did not break only because of the RSS, confirms the changed stand of the Lok Dal leadership.

The BJP has till now cold-shouldered any talk of the revival of Janata. The repeated assertion of Mr L. K. Advani, general secretary of the BJP, that the combined Opposition committee on electoral reforms had a limited purpose, came as a surprise to leaders of Janata as well as the Lok Dal.

The BJP leadership has taken a rather rigid posture on the party's connexions with the RSS--an issue on which the erstwhile ruling party broke. The Opposition should broach the subject only after making up its mind to accept the BJP as it is without any reservation towards the RSS.

On this, the Democratic Socialist Party of Mr H. N. Bahuguna and Mr Raj Narain is quite clear with its pronounced stress on secular forces. Janata too may have problems to accept the BJP's rigid posture at present.

CSO: 4220/7521

YOUTH CONGRESS-I PLANS OCTOBER CONFERENCE

Calcutta THE STATESMAN in English 8 Aug 81 p 7

[Text] Shillong, Aug. 7.--Mr Rajiv Gandhi will visit Shillong early in October for the national conference of the Youth Congress(I). According to party sources, Mr Rajiv Gandhi would welcome the functioning of the Youth Congress committees of the north-east as a unit.

His special interest in the sensitive border area was manifest at the last national conference at Srinagar. Mr Rajiv Gandhi's last visit was when Mr B. K. Nehru was the Governor. He, his wife and children accompanied Mrs Gandhi then.

The Youth Congress committees of the north-east are the hosts with Mr Atul Marak, president of the Meghalaya unit, as the chairman of the reception committee. Preparations are afoot for the Shillong conference which will virtually launch the junior party men. The senior partymen formed a North-east Coordination Committee which was launched by Mrs Gandhi at Dimapur earlier in the year.

Sections of the Assam PCC, including the former Chief Minister and the party general secretary, had their reservations, since overcome. The Assam PCC executive meeting at Gauhati lately passed a resolution to join the North-Eastern Congress (I) Coordination Committee.

Mrs Gandhi is very interested in refurbishing the image of the Congress in the region and developing a grassroots organization. She appears to have viewed with displeasure attempts to form a Congress Ministry in Assam either by the Anwara group or the dissidents. The Nagaland Congress leaders got the message earlier at Dimapur but they fear further erosion of their party strength if nothing tangible is done to fulfil expectations. Congress prospects in Meghalaya are looking up but observers do not see a trend in the dramatic floor-crossing by Mr John Deng, an MLA hitherto critical of the State Congress.

Regional parties are preparing for the inevitable trial of strength either at the polls or earlier. The Congress coordination committee's resolution at Burnihat calling for Central intervention in Nagaland allegedly to save the State from "impending chaos and disorder and ensure the rule of law", was unambiguous. Mr Jasokle's ruling NNDP partners have accepted the inherent challenge, the Chief Minister declaring that his political antecendents vis-a-vis national integrity are an open book.

A few Congress tribal leaders were unhappy over the wording of the Burnihat resolution, with its shocking allegations, and feared that the coordination committee would develop into a forum to review, even judge, developments in the constituent Pradesh Congress Committees.

On the other hand, the Assam PCC executive's political resolution itself underlines the validity of such a committee by pointing out that right reactionary forces in conjunction with an international link are trying to "destabilize" the region. The resolution called for the creation of ideologically committed cadres to fight these forces which sought to destroy basic national values.

CSO: 4220/7528

WEST BENGAL REPORTED REVISING ELECTORAL ROLLS

Bombay THE TIMES OF INDIA in English 27 Jul 81 p 9

[Excerpt] Calcutta, July 26.

The enumeration of voters, in all but 15 assembly segments for which by-elections became due recently, is almost over now throughout West Bengal. There are in all 294 assembly constituencies in the state.

Since this intensive revision of electoral rolls has been undertaken after about 12 years, the state election department did not spare any efforts to give wide publicity to the time schedule for the entire operation, to be completed with the publication of rolls in early September.

The idea admittedly was to alert not only the voters themselves but also the political parties without whose help and active co-operation the result might once again fall far short of the expectation of a foolproof electoral roll to ensure a fair election.

This is because what actually has happened since 1968, when the last intensive revision was done, is that while new names have been included now and then, inflating the electorate figures for constituencies, no deletions have taken place in respect of those who might have died or shifted somewhere else in the meantime. This resulted in many anomalies to which the political parties had drawn attention of even the chief election commission recently.

Right now the returning officer of each constituency where enrolment is complete is preparing to discuss with the representatives of political parties the question of changing the locations of polling booths, depending on the convenience of the voters in the respective areas.

Once this part of the process is over and booth jurisdictions delineated, voters' lists will be arranged accordingly, the electorate of each booth area forming a separate part of the list, for easy cross-check on ground. Draft rolls will be published only thereafter.

Before undertaking this part of the entire revision process, the chief electoral officer, Mr. N. Krishnamurthy, met political party leaders early this month, who have been especially kept informed of each of these processes, just as the voters were told so through newspaper advertisements.

Being the dominant party in the ruling left front, the CPM apparently has spared no pains to make best use of the opportunity to ensure that all its supporters' names are duly enrolled in the voters' lists of their respective areas. So has been done by other cadre-based parties like the CPI, the RSP, the Forward Bloc and even the SUCI.

But if what the former Congress (I) legislators like Mr. Prafulla Kanti Chosh and other organisational functionaries have to say in this regard is to be relied upon, the Congress (I) has so far done precious little to fulfil so far its organisational role in the preparation of fresh electoral rolls in West Bengal. Mr. Ghosh has, in fact, sent a serious indictment of his own party leadership to the high command in Delhi in this regard.

Mr. Ghosh's grievance like many others, is that it may already be too late to do anything about the omissions. But more importantly, his complaint to the high command has been that the pradesh leadership did not hold any organisational discussion at any level so far to activise the rank and file to be associated with this vital pre-election process.

Mr. Ghosh was elected from Cossipore constituency. While enumeration in his area was virtually completed by the end of April, he was advised by the PCC (I) to take appropriate follow-up actions on some official instructions issued to the party by the election department in June. In the meantime, he alleges that in one particular area of his assembly constituency as many as 50 per cent of his supporters may have been left out of the enumeration.

He realises that charges of electoral roll manipulation from the Congress (I) will now naturally sound hollow, even though it is common knowledge that enumerators mostly are government employees, of whom a majority owe allegiance to the CPM-controlled staff organisation. He acknowledges, however, that since the chief electoral officer in any state does not have a staff of his own, he has to depend on the state government's staff for such jobs.

Group Rivalries

Mr. Ghosh and others point to other shortcomings in the way the PCC (I) now is seeking to activise itself. Since no organisational unit has been sought to be activised in this regard, individuals are being chosen instead to do things which usually are too much even for an organised force and the method of such a choice is allegedly arbitrary and betrays an attempt to provoke fresh group rivalries in many areas.

The Barasat assembly constituency is cited by them as a typical case. The person who has been asked by the PCC(I) to take care of the problem of enumeration and location of polling booths, is not Mr. Harashit Ghosh, a DCC (I) functionary and a party candidate for the Barasat Lok Sabha constituency, or Kazi Abdul Gaffar of north 24-Parganas DCC (I), but Mr. Kanti Chatterjee, who had kept himself aloof organisationally for quite some time since 1977.

CSO: 4220/7503

SOVIET, INDIAN TREATMENT OF TREATY ANNIVERSARY NOTED

Bombay THE TIMES OF INDIA in English 9 Aug 81 p 13

[Text] Moscow, August 8 (PTI).

The Soviet foreign minister, Mr. Andrei Gromyko, has once again asserted that no one should have any doubt that the Soviet Union will be able to defend itself and its friends and allies.

In an article in PRAVDA devoted to the Soviet-Indian treaty of friendship of 1971, which enters tenth anniversary tomorrow, the Soviet foreign minister said: "No one at present can build its policy with regard to the Soviet Union or with regard to India without taking this treaty into consideration".

Noting what he described the course of U.S.-Chinese rapproachement on a basis of hostility towards the USSR, Mr. Gromyko said: "The Soviet Union will take all measures, which will be dictated by the course of developments."

The Soviet-Indian treaty, he said, is an important milestone in the history of relations between the two countries and an event of great international significance.

"There are weighty grounds to note that it has been firmly established among those fundamental documents of the present day international relations that are to benefit of peace," he said.

Describing Soviet-Indian relations as a graphic translation into reality of the principles of peaceful co-existence of states with different social systems, Mr. Gromyko said at the same time they were a major element of the powerful front of solidarity of socialist and non-aligned countries.

In a reference to the "continuing armed incursions into the Afghan territory primarily from Pakistan encouraged by the United States and China," the Soviet foreign minister said: "Pakistan is ever more noticeably sliding in its policy to a road which causes justified concern on the part of its neighbours."

The Persian Gulf area and the Indian Ocean were becoming an increasingly more dangerous seat of international tension. An armada of the U.S. warships had been concentrated there. The U.S., which is increasing its military presence there, was expanding existing and attempting to set up new military bases in the area.

Naturally, Mr. Gromyko said this gave cause for alarm, especially to the coastal states. The Soviet Union strongly condemned the U.S. militaristic machinations and supported the proposal of the Indian Ocean countries to turn that area into a zone of peace, not an area of some special U.S. interests, he said.

TASS Commentary

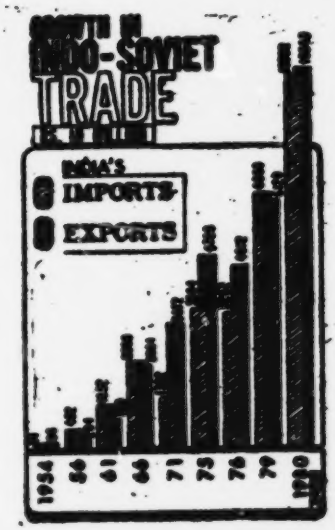
In a commentary on the treaty, TASS said the treaty assumed special importance with the deterioration of the situation in South Asia, for which it blamed Washington and Beijing.

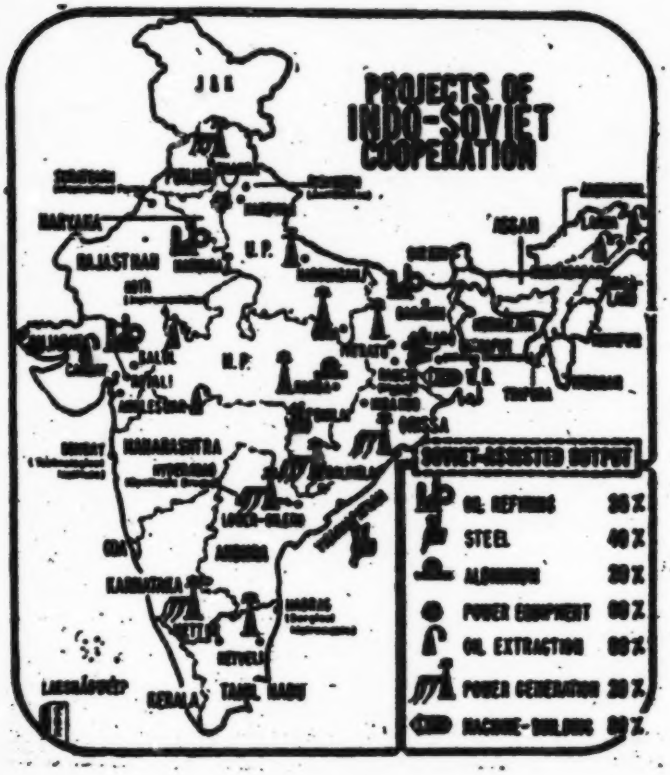
The treaty, the agency's commentator said "serves as a restraining factor for the forces threatening the national interests and independence of India."

New Delhi (PTI): The minister for railways, Mr. Kedar Pandey, has said the tenth anniversary of the treaty had proved that the two countries were closer because of bigger reasons aimed at welfare of the mankind and not for ulterior motives.

In an interview with the Soviet television on the eve of the anniversary, Mr. Pandey noted the increasing cooperation between the two countries in trade, industry and culture and said it would go a long way "in further strengthening our bonds of friendship and mutual trust."

A Soviet delegation led by Mr. B. Yazkuliev, vice-president of the presidium of the U.S.S.R. Supreme Soviet will arrive in the city on Monday to participate in the celebrations for the tenth anniversary of the Indo-Soviet friendship treaty.





CSO: 4220/7531

LITTLE SUPPORT FOR KHALISTAN DEMAND

Quetta BALUCHISTAN TIMES in English 19 Aug 91 p 3

/Article by Mohammed Aslam/

/Text/

RADICAL members of India's Sikh community are demanding an autonomous homeland and a section of their leadership has given the federal government until August 31 to take a positive decision or face a mass agitation starting a week later.

The Akalis have been vacillating for months between demands for a state of their own based on the pernicious slogan the "Sikhs are a separate nation", internal autonomy within the Indian federation, and just a better deal for the community which alleges discrimination by the central government.

The issues have crystallised in the past few weeks, with the extremists in the Akali Dal politico-religious organisation seeking the establishment of "Khalistan" (Sikh state) and associate membership of the United Nations. These elements subscribe to the theory of Sikhs governing areas in which they have predominant population.

The majority of Sikhs do not support separatist demands, and that is perhaps why the campaign has not assumed the serious proportions of the Assam movement against immigrants. Many Sikh leaders, quite a few within the Akali Dal itself, have instead denounced the "anti-national activities" of their radical colleagues.

In fact, some notable Sikh leaders promptly dissociated themselves with the extremist interpretation of resolutions demanding the setting up of Khalistan when these did not evoke popular interest in the community as a whole. They said what they actually meant was an end to discrimination and a greater say in the affairs of the Sikhs on the local level.

The lack of support has apparently not discouraged the alleged secessionist elements who are said to be banking on financial and political backing from wealthy Sikhs settled overseas. The Sikh ministers in the Indira Gandhi government see a "foreign hand" in the Khalistan move and cite strong evidence that prominent Sikhs living in the West are playing a key role in the events in their native Punjab.

The Akali Dal is divided in ideological factions, prominent among them being the Longowal and Talwandi groups. It was Sant Harchand Singh Longowal who recently served the ultimatum on the federal government. Significantly, he said the Sikhs no longer believed in filling jails and they would adopt other means to get their demands accepted.

"We will resort to direct action," he was quoted as saying.

He also reportedly said the fight of the Sikhs was not against any other national community but was directed against Delhi, "the seat of power which has always discriminated against the Sikhs". The drive would continue till the Sikhs recaptured their "glorious past which was enshrined in the words 'Raj Karega Khalsa' (Sikhs will rule)," he said.

Sant Longowal was speaking at a so-called world Sikh religious convention at the Golden Temple complex in Amritsar. It was the third such Sikh conference organised during the past year; participation by Sikh delegates from chapters in Britain and the United States made them "International".

The first was sponsored by the Talwandi group when the Akali Dal split vertically into two major groups. The second, again called by the same faction, was held on April 13 at Anandpur Sahib. It was here, reports said, that the slogan "Sikhs are a separate nation" was raised by the India-born American citizen, Mr Ganga Singh Dhillon, who also pleaded for UN membership for the Sikhs.

A sectarian wing, Dal Khalsa, promptly made a demand for Khalistan. The Talwandi group immediately denied that it had meant this. Its leaders tried to clarify that the Anandpur Sahib resolution was not for a Sikh state, nor was it secessionist. What the resolution had demanded was a "federal" structure through amendment to the constitution, they said.

A senior Talwandi faction leader said the resolution asked for reconstitution of the federal policy in India in a way that only defence, foreign relations, communications and currency remained with federal government. "What we desire is that regional parties run their own governments and are not dismissed at the whims and fancies of the centre," he explained.

The third world Sikh convention was held in Amritsar on July 26. It not only reiterated that "India is a country of multi-nations and Sikhs are a separate nation" but also demanded that "the Sikhs be made partners in political, religious, economic and social equality by changing the Indian constitution into a real federal constitution like the federal constitutions of the world which are based on the dual citizenship, dual constitution system and internal autonomy for the states."

The deadline for the central government to accept these demands was set as August 31.

According to reports, the alleged discrimination against the Sikhs, the government's "interference" in their religious affairs and the decision to launch an agitation for the implementation of a previous Anandpur Sahib Resolution was the common theme of all the three conferences.

The resolution in question was passed in 1973 as the culmination of a popular agitation under the Akalis. It demanded that the "authority of the centre should be confined to the defence of the country, foreign relations, communications, railways and currency while all the residuary subjects should be under the jurisdiction of New Punjab which should have the right to frame its own constitution for these subjects."

The July 26 Longowal convention imparted a grave dimension to the whole affair. And Dal sources have just been quoted as claiming that the Talwandi group application for associate membership has reached the UN headquarters in New York. It reportedly says the Akali Dal represents the collective will of the Sikhs who were formed into a "nation" by Guru Gobind Singh in 1699 at Anandpur Sahib in Punjab when he founded the new order of the Khalsa.

The application is said to seek associate membership of the UN for "15 million" Sikhs scattered all over the world in order to retain their "special identity".

Two prominent Sikh leaders some weeks ago visited Britain and the US obviously to enlist support and raise funds for their alleged cause. The extremists have in the past gone to such extent as issuing the Khalistan passport, postage stamp and national flag of a "Sikh nation".

An indication of this section's ulterior, divisive motives is evident in the fact that

no such demands were made when the Akali Dal itself was in power for 30 months in Punjab and a partner of the Janata Party coalition at the centre after the defeat of Mrs Indira Gandhi in March 1977.

Thus the federal government and the state Congress(I) administration have taken measures to meet the extremist challenge on both political and administrative fronts. The Union Home Minister, Mr Zail Singh, himself a Sikh from Punjab, has issued directives effectively to put down the separatist mischief. Party workers have fanned out to interior areas to expose the Akali vested interests.

The government has reportedly instructed its missions abroad, particularly in Britain, Canada, West Germany, France and the US, to keep a close watch on the activities of visiting Akali leaders and their local sympathisers.

In a sense, the radicals' current demands are an offshoot of the wider campaign in the 50s and 60s for the "Punjabi Suba" (province for the Punjabi-speaking people, a majority of whom are Sikh). Under the strong leadership of Master Tara Singh and Sant Fateh Singh, the agitation was one of the fiercest seen in post-independence India. Finally, Punjabi Suba was formed in 1966 and the Akali Dal came to power in 1967 but could not complete the five-year term. It lost elections in 1972 and 1980.

The fundamentalists' restive background suggests that the agitation threatened to be launched from September 7 may turn out to be a serious affair.

CSO: 4220/291

STATE LABOR MINISTERS HOLD DELHI CONFERENCE

Strike Ban Opposed

Calcutta THE STATESMAN in English 5 Aug 81 p 1

[Text] New Delhi, Aug. 4.--The Labour Ministers of West Bengal and Kerala were the only ones to oppose the Essential Services Maintenance Ordinance at the Labour Ministers' conference here today.

West Bengal's Mr K. P. Ghosh described the measure as "anti-working class, drastic and smacking of the Emergency period". It was a step towards authoritarianism, he said.

His counterpart from Kerala, Mr Aryandan Mohammed, said that the Ordinance could never achieve its objectives.

The Tamid Nadu Labour Minister, Mr S. Raghvanandan, supported the Ordinance, and said that his State had already introduced a Bill to ban strikes in essential services.

All the other Labour Ministers endorsed the view of the Union Labour Minister, Mr Narayan Datt Tiwari, that the Ordinance had become necessary.

Earlier, opening the two-day conference, Mr Tiwari said the country had to remain vigilant in the field of industrial relations. All efforts should be made to get industrial disputes settled through negotiations.

The figures of mandays lost because of strikes and lock-outs showed that the industrial situation was neither rosy nor bleak. Recently, violence, intimidation, sabotage, work-to-rule, go slow and gheraos were noticed in especially essential services.

Such incidents vitiated the atmosphere and affected productivity causing harm to both the economy and the people. At times, they affected the defence of the country.

It was in this context that one should view the recent decision of the Centre to promulgate the Essential Services Maintenance Ordinance.

Mr Tiwari reiterated that it had been made clear that lock-outs and lay-offs would come under the Ordinance.

He informed the State Ministers that the Centre had taken several measures to streamline the Central industrial relations machinery. The field officers had been asked to be more vigilant, identify trouble spots and to take measures to tackle disputes.

Amendments to the Industrial Disputes Act (1947), the Trade Unions Act (1926), and the Industrial Employment (Standing Orders) Act (1946), were being finalized, and were likely to be introduced in the next session of Parliament.

Mr Tiwari drew the attention of the State Ministers to the need for effective implementation of legislation and schemes already available in the unorganized sector. He made a special reference to the scheme for the rehabilitation of bonded labour.

Bengal Minister's Press Conference

Calcutta THE STATESMAN in English 5 Aug 81 p 1

[Text] New Delhi, Aug. 4.--The West Bengal Government will not implement the Essential Services Maintenance Ordinance promulgated recently by the Centre, according to the State Labour Minister, Mr Krishna Pada Ghosh.

At a Press conference, Mr Ghosh said the measure hit at the very roots of legitimate trade union rights which the working class had achieved after a long struggle." The State Government would assure workers that it would not ban strikes.

As far as industrial relations were concerned, the situation in West Bengal this year had been generally peaceful.

"Our policy of settling industrial disputes through negotiations rather than through compulsory arbitration has continued to yield good results. When we look at the figures of mandays lost, it will be seen that the position is much better than in the past seven or eight years.

CSO: 4220/7509

WRITER LOOKS AT PATTERN OF DELHI-STATE RELATIONS

Madras THE HINDU in English 26 Jul 81 p 2

[Article by G. K. Reddy]

[Text] An unhappy feature of Indian democracy has been the uneasy relationship between the Centre and the States. Though the Constitution has demarcated clearly the dividing line, the Centre has tended to interfere more and more in the functioning of State Governments. A strong Centre no doubt is essential in a developing society, but weak States do not necessarily contribute to its strength or prestige. There has to be a proper balance between the two tiers of the country's federal system.

The other day the Prime Minister, Mrs. Indira Gandhi said in Bhopal that she proposed to review the performance of all Governments, including those in non-Congress(I)-ruled States. The implication was that Chief Ministers who do not come up to her expectations will have to go to make way for better administration.

Yardstick

Apart from the constitutional aspects of this right of supervision, Mrs. Gandhi's move raises an equally fundamental question about the yardstick to be applied for judging the performance of both Congress (I) and non-Congress (I) State Governments.

How is one to judge whether the performance of Sheikh Abdullah in Kashmir, or Mr. Jyoti Basu in West Bengal, Mr. M. G. Ramachandran in Tamil Nadu or Mr. E. K. Nayanar in Kerala is any better or worse than that of Mr. Gundu Rao in Karnataka, Mr. A. R. Antulay in Maharashtra, Mr. V. P. Singh in Uttar Pradesh or Mr. Jagannath Mishra in Bihar not to speak of Mr. Bhajan Lal in Haryana or Mr. Darbara Singh in Punjab?

It is not always the competence of a Chief Minister that counts, since other considerations prevail in settling the fate of a State Government that has fallen from the Prime Minister's grace.

The Centre had resorted to President's rule as many as 56 times in the last 31 years since the present Constitution has come into force to discipline or displace defiant or dithering Chief Ministers who had either run into difficulties with their legislature parties or earned the displeasure of Delhi.

There have been occasions when the Prime Minister had stoutly defended some totally undeserving Chief Ministers on entirely extraneous considerations, while the heads of some of the abler ones had rolled all because they had for one reason or the other lost her confidence. The competence or incompetence of a Chief Minister has never been a primary consideration in retraining or dislodging him.

Supervisory Role

There is no constitutional provision which empowers the Centre to exercise a supervisory role over the functioning of State Governments and monitor their performance. But it has the authority to regulate their activities in various spheres at the national level to ensure conformity with the accepted norms of the Constitution.

There is also the Concurrent List under which the Centre can enact laws and insist on their implementation. The power to intervene and impose President's rule can be exercised only when the Governor of a State has reported that a situation has arisen in which the Government of the State cannot be carried on in accordance with the provisions of the Constitution.

During the early years of Independence, when the country was completely under one-party rule, Nehru preferred to utilise the machinery to control the State Governments. In those days the great majority of Chief Ministers were stalwart administrators and nationally known personalities in the country's political life.

Consultation

As Prime Minister, Nehru leaned heavily on them for both advice and support, despite his own unassailable position. He used to write to them fortnightly letters surveying the national and international scene and, in reflecting his views on various issues, he also sought their opinion. He tried to assess and harness national consensus through this process of consultation, without attempting to impose his views on them.

This lofty procedure worked as long as Nehru was at the zenith of his power and prestige. In the last years of his rule, the Chief Ministers tended to exceed their authority and dabble in succession politics by casting themselves in the role of king-makers at the Centre. The emergence of the Syndicate had upset the delicate internal balance of the party, although it ensured continuity at a most difficult moment in the country's history, when the party had to look around for a successor who could hold the country together and keep up the Congress tradition. It also did some institutional damage by undermining the very concept of primacy of the Prime Minister which eventually led to the 1969 Congress split.

Party Channels

During the Shastri interregnum, there were signs of the developing strains, but matters did not come to a head since Lal Bahadur Shastri had an uncanny capacity for avoiding conflicts of interest. He compelled two powerful Congress Chief

Ministers, Pratap Singh Kairon in Punjab and Mr. Biju Patnail in Orissa to step down only after they had been indicted by inquiry commissions.

There again he did not invoke his constitutional authority but utilised the party channels to dislodge them. He did not clash with the Syndicate which by then was functioning as a powerful party caucus since he himself was a beneficiary of its patronage.

Though Mrs. Gandhi was installed in power by the Syndicate as a candidate of convenience, she started resenting its overlordship from the very beginning, since she had never forgiven the old guard for attempting to undermine the authority of her father in the last years of his rule. So she started relying increasingly on the party radicals to erode the power of the Syndicate.

Stalwarts Eased Out

After the 1967 electoral reverses, Mrs. Gandhi took courage to cut the old guard to size and step by step curtail their influence in the party organisation. One of the first things she did in the wake of her spectacular victory in 1971 elections was to ease out the stalwart Chief Ministers one by one, including those who stood by her during the Congress split. She replaced them with nominated Chief Ministers who were completely dependent on her for their continuance in office.

From then on the Congress Chief Ministers became more supplicants than supporters of the Prime Minister and ceased to be any independent power centre within the party organisation. The legislature parties also became irrelevant in the sense that they were no longer required to elect their leaders but meekly accept those imposed on them.

The emasculation of the institution of the Chief Minister was complete well before the Emergency, which only added to the omnipotence of the Centre.

Dispensable

The talk of a change-over to a presidential form of Government made the State Governments feel even more superfluous and dispensable.

The short-lived Janata Raj at the Centre did more damage with its strange doctrine of electoral conformity which impelled Mr. Charan Singh to dismiss nine Congress-majority Governments. The present Congress (I) Government did not make matters any better by doing exactly what the Janata did in a similar situation.

The nominated Congress (I) Chief Ministers have been functioning either as unabashed pro-consuls or brazen hatchet men of their patrons in Delhi. But before they become accountable for over-reaching themselves, the offending Chief Ministers feel encouraged by the tolerance of the central leadership bordering on indulgence.

The few that have fallen from grace are given a long rope under the mistaken notion of not yielding to pressures to sack them. After having displayed this firmness up to a point, the rival groups in the legislatures are encouraged to

resort to open dissidence, and even Central Ministers from the States concerned are allowed to line up with them, in the name of arranging a smooth change-over to another set of persons equally unrepresentative of both party and public opinion.

This peculiar method of managing or manipulating the party governments has led to the adoption of double standard in dealing with the Congress (I) and non-Congress (I) Chief Ministers in various States. The credibility of the Centre is bound to suffer if Sheikh Abdullah or Mr. Jyoti Basu, Mr. M. G. Ramachandran or Mr. Nayanar is judged harshly for his actions or inactions, while Mr. Gundu Rao or Mr. Antulay, Mr. Jagannath Mishra or Mr. Bhajan Lal is condoned and even defended for similar or perhaps graver lapses.

But happily there are signs of some rethinking because of the growing realisation that the ruling party cannot afford to take the risk of going to the polls with the present team in the next 10 to 18 months in a number of States.

The four states of Haryana, Himachal Pradesh, West Bengal and Nagaland are due for elections next year, while Andhra Pradesh, Karnataka, Jammu and Kashmir, Assam, Tripura and Meghalaya will follow in early 1983.

So in the next few months the long over-due spring cleaning operation will start in some of these States with an eye on these elections. And it will be a good occasion for Mrs. Gandhi and her advisers to take a fresh look at the role of the Chief Ministers and the pattern of Centre-State relations.

CSO: 4220/7499

CPI-M LEADER ANNOUNCES QUARTERLY PUBLICATION

Calcutta THE STATESMAN in English 5 Aug 81 p 3

[Text] The CPI(M) leader, Mr Promode Dasgupta, said on Tuesday that with the growth of the party's membership and the expansion of its frontal organizations, the absence of a theoretical journal was keenly felt. To fill this vacuum MARXBADI PATH, a quarterly Bengali journal, will be brought out on Wednesday.

Mr Dasgupta said that the CPI(M)'s Howrah plenum had stressed the importance of a theoretical journal to conduct the ideological battle. Many questions were being raised within the orbit of the Communist movement, like Euro-Communism or experiments in China and these should be answered effectively through theoretical discussions.

Secondly, the reason for the phenomenal growth of the party's frontal organizations in the State should be correctly assessed so that this experience could benefit other State parties. The membership of the party's plasant wing, Krishak Sabha, for instance, had increased from the pre-Emergency 500,000 to 3.9 million. Other mass organizations had also made similar progress.

The CPI(M) leader admitted that to convey West Bengal's message to other States an English journal was also necessary. The party's Central leadership would bring out such a journal from Delhi.

CSO: 4220/7509

TALWANDI LEADER CALLS FOR SIKH RAPPROCHEMENT

Calcutta THE STATESMAN in English 5 Aug 81 p 9

[Text] Chandigarh, Aug. 4.--The Akali Dal (Talwandi) has called upon the Akali Dal (Longowal) to join hands with it for the limited purpose of implementing the Anandpur Sahib resolution.

Mr Randhir Singh Cheema, the general secretary of the Talwandi Akali Dal said that the world Sikh convention by the Longowal group at Amritsar was nothing but a "tamasha" and that they would fail to attract Sikhs to similar shows in future. The Longowal Akali Dal had become an aimless party without a programme. Its followers were bound to come to the Talwandi group some day or other. This was the time when the Longowal group could make a united efforts with the other Akali Dal to implement the Anandpur Sahib resolution.

Mr Cheema said that the Longowal Akali Dal had nothing in common with the Communists or the Bharatiya Janata Party any more and that they could no longer remain allies. The Communists and the BJP had already deserted the Akali Dal (Longowal). The two major Sikh parties should come closer for united action, he suggested. Mr Cheema, however, did not specify what the terms of unity could be. These could be discussed later, he added.

The Talwandi group's satyagraha would continue and a massive demonstration would be held outside Parliament House on the day of the Lok Sabha's opening session this month.

CSO: 4220/7509

NORTHEAST TO COORDINATE CAMPAIGN AGAINST INSURGENTS

Madras THE HINDU in English 27 Jul 81 p 9

[Text] Gauhati, July 26.

The administration in the States and Union Territories in the North-East region will henceforth work in close cooperation for tackling the law and order situation and containing insurgency.

A decision on such a coordination was taken at a recent meeting of the Chief Secretaries and Inspectors-General of Police of the region.

It was agreed that the intelligence set-up in all the States and Union Territories of the region should be strengthened and properly coordinated.

All information about the movement of insurgents should be passed on to the State for which these insurgents may be heading so that steps could be taken to stop or arrest these people.

The law and order situation in this region is not in a happy state. Extremists in Manipur were reportedly behind some recent incidents in neighbouring States also.

A couple of such incidents took place in Assam and Meghalaya. A gang of Manipuri insurgents was believed to be responsible for two incidents at Gauhati and Shillong and another at Dimapur in Nagaland.

Island of peace: Nagaland is the "only island of peace" in the region, according to its Chief Secretary.

After the Shillong agreement insurgency in the State has almost stopped but there are occasional raids from across the border. These insurgents get sanctuary in Burmese territory and so the issue has been taken up with the Government of Burma which has reportedly promised to cooperate in dealing with insurgency.

Except for a raid on a police outpost two months ago there had not been any raid by underground elements anywhere in Nagaland, he said.

CSO: 4220/7501

STATES GIVEN GUIDELINES ON LAW AND ORDER

Madras THE HINDU in English 27 Jul 81 p 9

[Text] New Delhi, July 26.

The Centre would like the State Governments, particularly, those in the adjoining areas to cooperate with each other in improving the law and order climate in the country--a subject which worries Delhi as is evidenced from the Prime Minister, Mrs. Indira Gandhi's recent utterances.

The cooperation, it is felt, becomes all the more important when a State decides to adopt a policy which goes beyond the usual all-India pattern. It will be inadvisable for a State Government, according to the Centre, to undertake measures which will have repercussions on other States, without prior consultations with them as also the Union Government.

This is one of the several suggestions made by the Centre for the guidance of the States. Important among the other points is the plea to ensure that the law and order situation is not aggravated by "misreporting" or "tendentious reporting" in the press.

The law-enforcing agencies should keep the press fully apprised of developments, specially in a critical situation, so that the temptation to subscribe to rumours is curbed.

Stress is also laid on identifying the genuine grievances of the people without waiting for an agitation to develop so that the authorities are not compelled to give relief under duress. If that is not done, an atmosphere will be created where people believe that their grievances can be redressed only by recourse to agitations.

Specific steps have been suggested to improve the performance of the police force. These include review of administrative arrangements, particularly manpower needs for maintaining law and order in sensitive districts, an inbuilt mechanism for the law-enforcing system to insulate police from pressures and manipulation by political forces and restoration of public faith in police. The Centre wants the States to counter the tendency of the media to denigrate the police and project a sympathetic image of the law-enforcing agencies.

Also, the capability of the police has to be enhanced, by training constables and by intensifying supervision by senior officers.

The other suggestions are: to anticipate events, the State Governments must have a suitable system on the lines of procedures adopted in Maharashtra and by the Intelligence Bureau. This means the intelligence set-up should be strengthened.

The time-lag between the commission of an offence and imposition of penalty should be reduced. This will require a review of the investigation procedures to speed up filing of challans in law and order cases. In order to expedite the disposal of these cases the power to set up special courts in selective cases should be invoked.

Police indiscipline: The authorities in most States are worried over the functioning of the police associations which have undermined discipline and created problems for senior officials. The danger of these associations getting politicised is not considered unreal either.

This view is endorsed by the State Chief Secretaries, Home Secretaries and Inspectors-General of Police, who met in a conference recently here.

The current thinking favours curbs on the right to form associations though the need for a machinery to redress police grievances is recognised. Preference is shown for the creation of a joint consultative machinery.

Two years ago, the Centre recognised the right of the Police personnel to form associations, subject to the guidelines suggested by the National Police Commission and approved by the Chief Ministers' conference in 1979.

Under the Police Forces (restriction of rights) Act, policemen can join an association, recognised by the "prescribed authority"--in this case, the Inspectors-General of Police. The law applies to all States as also to the Central Reserve Police Force, Indo-Tibetan Border Police, Assam Rifles and portion of the CBI.

The Border Security Force is covered by a separate law which bars its personnel from joining a trade union without the Centre's permission.

CSO: 4220/7501

NAGALAND CHIEF MINISTER INTERVIEWED ON LAW AND ORDER

Calcutta THE SUNDAY STATESMAN in English 26 Jul 81 p 7

[Text]

KOHIMA, July 25.—The Nagaland Chief Minister, Mr J. B. Jasokie, has denied Opposition or Congress (I) allegations about the law and order in the State and moral support for the underground.

In an interview, he described the Opposition's "pretensions" to be "true nationalists" as a myth. He did admit, however, that agents provocateurs were operating from bases in Burma presumably across the Mon and Tuensang border.

Replying to questions, Mr Jasokie said:

"The Opposition's criticism of the State Government on the law and order in the State has not come as a surprise to me. The ethos of the people of the north-east is to be understood and appreciated in its proper perspective. Hence the NNDP. The opposition is out of step with the thinking public in Nagaland. They can dislodge the Government by seeking a fresh mandate in the elections next year, but their hopes of political survival rest apparently on Central intervention. They think law and order is a convenient plea. But the situation in Nagaland is under control.

"It is preposterous to say that my Government is soft on the underground. In fact, my Government, with the help of the security forces, has dealt firmly with underground activities.

HIT-AND-RUN TACTICS

"The recent incidents in Mon and Tuensang districts have been rather unfortunate. They are, in my opinion, hit-and-run tactics to terrorize the people of the border villages and gain popularity as a force to be reckoned with.

"Maoists of the Muivah brand are a mirage, they can thrive only in areas devoid of effective administration. An ideology based on violence is repugnant to us and all right thinking people. We have to counter their moves and we will.

"We have a separate cell in the Planning Department and the Administrative Reforms Department exclusively for Mon and Tuensang Districts to ensure accelerated development and ensure that they do not lag behind in education, employment and other welfare measures. In fact, a special annual allocation of Rs 1 crore is to be spent on the backward areas in addition to the development schemes and programmes.

"Our information is that the agents provocateurs are from across the border, identifiable as groups operating from the Burmese territory. Their modus operandi is to hit isolated pockets and run back to Burma. They try to exploit the feeling of isolation.

"Nagaland has gone through insurgency phases. The PLA movement had no effect in the State. If the PLA had developed any links with the underground extremists operating from Burma, to that extent their movement has had a setback. The overall effect should be felt more in Manipur".

In reply to a question on Dimapur as a flash point, Mr Jasokie said: "Dimapur shares all the evils evident in other towns and cities. Robbery, prostitution and kidnapping are alien to Naga culture, but one cannot wipe them out in toto. A sense of realism is needed. As I said earlier, I abhor such urban evils. This is a social problem and the Government's handling alone is not enough.

EDUCATION

"The type of education our youth is getting makes them oriented towards white-collared jobs. This trend should be reversed. But then, is it not so elsewhere in the country? Agriculture should be the backbone of our education. If agriculture is made more remunerative, I feel our youth can be brought back to the villages. We are giving priority to improved methods of agriculture.

"Next is development. Investigation has proved that our State is rich in minerals. But the mineral deposits are located largely in the border areas where no roads exist. Central organisations with technical expertise are indifferent. They want more facilities to lighten the burden of life in those areas. I had to take up the issue with the Prime Minister about getting the Mineral Exploration Corporation to help us reopen our coalfields in Borjan in Mon district.

CSO: 4220/7497

TRIPURA SITUATION UNSETTLED A YEAR AFTER RIOTS

Bombay THE TIMES OF INDIA in English 25, 27, 28 Jul 81

[Article by Sivadas Banerjee]

[25 Jul 81 p 8]

[Text] Agartala: Thousands of tribals and others, dressed in their best, were jostling their way along a slushy stretch of road leading up to a temple at Khayerpur, 10 km. to the north of here, on a Tuesday morning. About 15 km. further north, Mandai, where the entire market was burnt down and over 200 people were hacked to death in the savage riots on June 6 last year, still wore a look of desolation with half-burnt wooden pillars jutting out of the ground and people pointing to the mass graves alongside the main road linking Mandai with the rest of Tripura.

The temple of Khayerpur has been a traditional pilgrimage centre during the "ratha yatra" week. Before displaced persons from erstwhile East Bengal poured into Tripura, the pilgrims were almost exclusively tribals. The influx reduced the local tribal population to a ratio of about three to one and the car festival ceased to be an all-tribal affair.

Last year, attendance at the temple was very thin, and strong police guards had to be posted during the celebrations. But the scene had dramatically changed some 13 months later. Special buses were now unloading hundreds of pilgrims at the mela ground. People looked happy after the "darshan". There was no tension among the mixed crowd of tribals and non-tribals.

On the other hand, the tribals who had left Mandai following the riots have all returned to their homes since but not even one non-tribal is back. Some among the latter, like Mr. Rakhal Chandra Sarkar, have managed to get their land ploughed and tilled and even resumed fish culture through hired labour. Mr. Rakhal lives in an evacuee camp, about five km. away, at Sachindranagar along with 84 other families, uprooted from Mandai and its neighbourhood. But Mandai is an exception.

MARKETS CROWDED

Other affected areas like Udaipur or Amarpur do not look so depressing. Markets are as crowded as ever. Rehabilitation is almost complete. There is brisk activity in the paddy fields everywhere. Tribal and non-tribal children are attending the same schools, many of which are being rebuilt. There is no doubt that normalcy of a kind has been restored.

Most of those whose houses had been destroyed in the riots have received the house-building grant (over Rs. 2,250) sanctioned by the Tripura government. But in Agartala, the TUJS (the Tripura Upajati Juba Samiti) rebel leader, Mr. Bijoy Rankhal, seemed dissatisfied with the rehabilitation arrangements because of "corruption". So was the former chief minister, Mr. Sukhomoy Sengupta, and the TUJS general secretary, Mr. Shyama Charan Tripura, their common allegation being that the CPM helped only its own supporters and syphoned off funds for the organisation.

Such allegations are flatly denied by the Marxist leaders as well as the CPI which has become the ruling left front's new ally. The chief minister, Mr. Nripen Chakravorty, claims that most of the 300,000 relief camp inmates have returned to their respective homes and compliments both the administration and his own party for restoring their confidence.

He is now contemplating radical measures like the restoration of

alienated tribal land, operation *barga* and a minimum wage for farm labour to give the tribals a greater sense of economic security. The alienation of tribal land had caused much bitterness which eventually erupted in last year's riots between the two groups. Mr. Sengupta, however, claims that the government's new measures are creating tension in north Tripura, which had remained calm last year, and the situation might reach the flash point any time now.

The chief minister, on the other hand, believes that the people generally have realised the folly and futility of mutual fighting and now wish to live together in amity. He is convinced that there will be no trouble in north Tripura this year as well, though he is aware that stray incidents still occur in the Union territory. The other day, extremists killed a Bengali youth who had been invited by his tribal friends to visit them. Likewise, three workers engaged in a government tubewell project were recently murdered in cold blood. But no such attack provokes a violent reaction any more.

MAIN PROBLEM

For all that, the government cannot claim that normalcy has been fully restored. Many Bengali and even some tribal teachers, for instance, still refuse to resume work in the areas where riots had erupted last year even though the local students have already lost a year. Worse, owners of fair price shops there are generally reluctant to lift grains from government food depots. Poor as they mostly are, the tribals are feeling the pinch badly. Considering the ethnic composition of the administrative machinery, it is difficult to imagine that all such tribal grievances will be speedily redressed. Inmates of the Sachindranagar camp, for example, have made the policing of the Mandai area by any force other than the Tripura police a precondition for return to their homes.

But the main problem of the estimated 200 families still lodged in relief camps is different. Most of them were occupying government land covered by the tribal sub-area plan and, therefore, cannot be moved back to their old holdings. The chief minister has promised to resettle them on government land elsewhere. This is not liked by many in Mandai. In fact, an entirely new township is being built by the government on elevated plots of land to "make good the loss" of Mandai bazar. It is about three km. away from site of the former bazar. Local tribals welcome the project but not the non-tribals.

The latter's view was reflected in what Mr. Rakhal Chandra Sarkar told this correspondent when asked why he had chosen not to return to rebuild his home in Mandai. Mr. Rakhal was sitting in the yard of his schoolmate, Mr. Joykumar Deb Burman, a local TUJS leader, who was arrested in connection with last year's riots but is now on bail. So is his cherubic teen-age son. The TUJS leader has rebuilt his home with the government's assistance. Mr. Rakhal, living in the relief camp, was visiting Mandai to supervise his fish culture. He said he did not feel confident or courageous enough to return to Mandai. Mr. Burman's response was a faint smile. He has his own problem. Every month he has to record his presence in court and, when he was making the bus journey last time, he was stopped on the way and one of his non-tribal creditors relieved him of his watch!

ATTENDANCE

Mr. Brahma Deb Burman, another old resident of the Mandai area, has no hesitation, however, in sending his daughter to a residential school several miles away as the local high school is virtually closed. Attempts are being made to rebuild the old bamboo and tin structures for the hundred odd boys and girls who used to study there a year ago. They continue to collect in the school premises every day under the gaze of a group of armed constables. A bus brings in the teachers and picks them up for the return journey after ten minutes every day. They sometimes even record the attendance of students!

All the teachers present are non-tribals. They speak of their association's resolution drawing attention to the lingering sense of insecurity and point to tell-tale signs of vandalism on school accessories like blackboards or tables. Before they ran to board the departing bus, some of the senior students briefly talked to this reporter but in different voices.

One of them said local miscreants, whom he did not identify, continued to play mischief. Another protested that it was not right to blame the entire local population. The one talking about miscreants, it turned out, belonged to the CPM's student wing and claimed that he had been trying to help the authorities to restart the school but had failed so far. The other boy when asked if one could meet his parents or whether his home was near, just shook his head in the negative. Within the next few minutes, the entire crowd of students melted away.

All in all, behind the facade of normalcy, there is still a good deal of mutual suspicion and mistrust between the tribals and non-tribals in Tripura. Though the authorities claim that there is no hostility between the two groups in certain areas, both tribals and non-tribals have evidently chosen to rebuild their homes nearer to their own people even there.

Meanwhile, dacoities continue to cause concern to the administration and, of course, among the public. Often enough, gangs operating from across the international border are responsible. Several groups of youthful rebels, trying to collect funds and arms, also perpetuate them. The only redeeming feature is that since both tribals and non-tribals are victimised, they tend to draw closer in distress.

[27 Jul 81 p 8]

[Text] AGARTALA: Preparations are on in Tripura for holding election to the tribal autonomous district council. Since last year's bloody riots had followed the left front government's decision to hold the election in mid-July, political circles here view the renewed efforts with apprehension.

The autonomous council plan aims at carving out a separate district comprising the predominantly tribal areas of Tripura to satisfy tribal aspirations to separate identity. Inherent is a threat to the entrenched non-tribal economic and political interests through measures like the restoration of alienated tribal land. It was the fear that the non-tribals would be deprived of their acquisitions that had aroused suspicion and animosity and led to the riots.

The fact that the state committee of the CPM has again called for election suggests that the party and the government it leads no longer fear a repetition of last year's violent reactions. But

some observers doubt if the election can be held in the near future.

All accounts point to a remarkable revival of the CPM's pre-eminence in the countryside, just one year after the riots when it appeared that the party had lost the support of both tribals, its traditional base, and non-tribals, among whom it had been making headway. The CPM gaining lost ground so rapidly can be attributed to the continued disarray in the Congress (I) opposition.

The chief minister and the CPM's state committee secretary, Mr. Nripen Chakravorty, are confident that the autonomous district council will "further cement tribal-non-tribal unity". He sees the election as a political challenge to the entire north-east region witnessing widespread unrest caused by slogans for separatism and identity. The solutions, he says, are only two — separate statehood and maximum autonomy for delineated areas. He is hopeful that the latter will work in Tripura because "Tripuris do not yet consider themselves ethnically as non-Indians." Local CPI leaders' thinking is no different.

Funds drive

Mr. Chakravorty has reason for confidence. Both Amra Bangali and Anand Marg, which had fanned hatred among the non-tribals and precipitated the riots, are "a withering force". In the case of the TUJS, which had incited the tribals, it is "a divided house" with its tribal support eroded seriously. The TUJS general secretary, Mr. Shyama Charan Tripura, and the professed leader of the extremist TNV (Tripura National Volunteers, an offspring of the Tripura Sena), Mr. Bijoy Rankhal, are at loggerheads. Many, however, suspect this to be nothing more than a tactical ruse.

Mr. Tripura says that Mr. Rankhal's activities undoubtedly encouraged some of the "rebellious boys" and to that extent he is "guilty" of last year's tribal violence. Another grievance is that TNV extortion is leaving behind nothing for replenishing the TUJS coffers. To him, the TNV is no better than a "group of miscreants".

Mr. Rankhal confirms TNV "collections" from both tribals and non-tribals. Though he claims to have "dissolved the TNV", he does not know from where its "former" activists might be getting their support. (The fact is that the TNV is still active). He has been pleading with the government to open a dialogue with those now treated as outlaws, this for the sake of reaching a lasting solution.

If the election is held, Mr. Tripura is confident that the TUJS will win a majority of seats. So is the Congress (I) leader, Mr. Sukhomoy Sengupta, known for his old friendship with tribal elements. The left front leaders are equally confident of victory. Knowledgeable observers in Agartala think that the CPM has been able to recoup organisationally.

But in the case of Mr. Rankhal, the question of winning or losing the election is not relevant because the autonomous council plan is unacceptable to him and he wants a constitutional amendment to give tribal areas a sixth schedule status, so far accorded only to parts of Assam. He does not spell out what he will do if the government goes ahead with the election plan.

Risk involved

The TUJS, which is alive to the need to enlist at least the support of a section of the non-tribals, who constitute about 30 per cent of the population in the proposed new district, cannot oppose the autonomous council election. It may lean towards the Congress(I). But then the PCC(I) president, Mr. Ashok Bhattacharyya, is thoroughly opposed to any idea of further dividing Tripura territory. Mr. Samir Burman, former PCC(I) chief, on the contrary, is said to be keen on showing his TUJS support to bolster his relative position in the PCC(I) power relationship. In fact, some TUJS leaders, after a visit to Delhi along with Mr. Burman, have backed the Congress (I) demand for the imposition of President's rule in Tripura.

The chief minister is not unmindful of the risk involved in his move for the tribal council election, given this political line-up. Since he still holds the Congress (I) party responsible for provoking last year's riots over the election proposal, he might not like to go ahead with keeping the Congress(I) on the other side of the line of battle.

Mr. Chakravorty has been trying his best to get Prime minister Indira Gandhi's approval for implementing the Tripura Tribal Autonomous district Council Act, which had obtained Delhi's assent during the Janata regime. His logic obviously is that, given this approval, the opposition to its enactment and implementation through election by a powerful section in the Congress(I) should cool off.

He says that Mrs. Gandhi's persistent reaction to his pleas until recently has been that alternative means of satisfying tribal aspirations should be considered. But during his last meeting with her in Delhi, he claims. She expressed her willingness to apply her mind to the "provisions of the act." This, he thinks, is a hopeful turn.

In any case, no firm decision about holding the election is expected to be taken before the end of the year. By September the electoral rolls for Tripura would have been thoroughly revised. Only then will the question of fixing a date arise. Then again the whole issue may hinge on Mrs. Gandhi's final reaction.

[28 Jul 81 p 8]

[Text] Agartala: The extremist group in troubled Tripura is unlikely to be pacified by the creation of a tribal autonomous district to satisfy the Adivasi aspirations for an identity.

Despite denials by TUJS (Tripura Upajati Jabi Samity) leaders and Mr. Biloy Rankhal, who headed the TNV (Tripura National Volunteers) during last year's riots, that they have any association or contacts with the extremists there is official evidence to the contrary. They had been kept informed in advance of at least a few major rebel actions in the post-June 1980 period. Such information was invariably kept to themselves and no attempt was made to alert the government. The TUJS, which has four members in the assembly, has also decided to boycott the legislature, but the decision has not been carried out so far presumably because the leadership has realised the folly of losing an effective forum for projecting its views.

The TUJS is in disarray, following the arrest of and restrictions placed on the movement of many of its leaders, including the general secretary, Mr. Shyama

Ch-an Tripura. Mr. Tripura complains: "We cannot even move about freely for organisational purposes." One absconding legislator recently got in touch with the chief minister, Mr. Nripen Chakravorty, to convey his desire to surrender if it could be ensured that he would not be harassed in police custody.

Mr. Rankhal claims to have dissolved the TNV. At the same time, in a voice surcharged with emotion and anger he declares: "Let them (the government) liquidate all the so-called extremists, but I can assure you even if a pair of tribals are alive we will fight for our cause".

Allied Set-up

He speaks of a "plan", which he does not like to reveal now, and in the same vein refers to the "boys having formed their own government and allied set-up, whatever may be its strength or area of writ".

Authoritative indications here are that the extremist youth section also is in disarray. If the tribal youth have lost faith in the CPM, they might have been disillusioned by now about the TUJS leadership as well. But their frustration and bitterness may one day erupt in fresh violence, though of a sporadic and isolated nature. Older generations of tribals continue to remain with the CPM which is making a serious bid to retrieve lost ground through its Gana Mukti Parishad.

In the wake of the post-riot developments, the TUJS leadership had sought to enlist the support of the Shillong-based forum of the northeast region tribal organisations. But its leaders, including Mr. Nichols-Roy, were not very enthusiastic. Mr. Tripura's understanding is that since the forum represented mostly ruling parties, it did not want to do or say anything at this stage about Tripura which might be disliked by Delhi.

On the other hand, the TNV's association with the MNF (Mizo National Front) has been long and lasting. However, it is not sure if the former has been able to forge international links through the good offices of the MNF. As far as it is known, the TNV only uses the MNF facilities available across the Bangladesh border in the Chittagong hills. But this position as well as the TNV's effectiveness might undergo dramatic changes if conditions across the border change in its favour.

The TNV is known to possess nothing more than four rifles, four Sten-guns, revolvers and some ammunition. This suggests that the MNF support has been confined mainly to the political aspect and not extended to arms. One report even suggests that the only advice a TNV group received from across the border was to raid relatively weak police posts in Tripura and collect arms. The TNV activists tried this method once or twice unsuccessfully.

"Liberated Zone"

Meanwhile, the TNV, along with the MNF, has been using the Jampuri hills to the south of Tripura as a sanctuary and "liberated zone". The security forces apparently are holding their hand here in view of the MNF chief, Mr. Laldenga's

peace talks in Delhi. The MNF demand for an enlarged Mizoram includes the Jampuri hills in Tripura.

There is no indication yet of the TNV having established dependable links with other rebel groups in the region like the pro-Chinese underground Nagas in Burma led by Muivah and Isaac Swu or the pro-Chinese PLO (People's Liberation Army) of Manipur. The unsuccessful bid by Mr. Rankhal to visit Haflong or Shillong for health reasons might be a pointer in that respect.

What is legitimately worrying the authorities concerned is that any such rebel group like the TNV, howsoever ill-organised or ill-equipped it might look today, will always remain exposed to the influence of forces trying to destabilise conditions in the north-east. The prospect of the TNV coming into contact with the underground Nagas, the MNF or the PLA, in the circumstances, is chilling indeed. An influx of Chakma and Tripuri refugees from the Chittagong hills might add a new dimension to the existing scene.

In 1951, the Chakmas and other tribals constituted 80 per cent of the population there. Today they have been reduced to 60 per cent following a planned induction of Muslim settlers from other parts of Bangladesh.

CSO: 4220/7500

PROBLEMS OF INDO-BANGLADESH RELATIONS EXAMINED

Madras THE HINDU in English 26 Jul 81 p 1

[Article by G. K. Reddy]

[Text] New Delhi, July 25.

India is dealing firmly with Bangladesh's demand for withdrawing its naval presence from the vicinity of the New Moore island as a pre-condition for talks at the Foreign Ministers level to discuss outstanding issues.

An official spokesman today strongly refuted the accusation of the Bangladesh Foreign Minister, Mr. Shamshul Huq, that the Government of India had acted unilaterally in occupying the island, while negotiations were still in progress for settling the dispute.

He denied that there had been any change in the Government's stand as alleged by Mr. Huq, since India had been maintaining from the very beginning that the island belonged to it.

The denial clearly implied that the readiness to discuss the inter-related issues with Bangladesh did not signify that India was prepared to give up this position.

The Indian policy now is to make it quite clear to Bangladesh, before engaging in any further discussions, that there are limits to its patience and tolerance. Any good neighbourly approach, in its view, has to be mutually beneficial consistent with each other's rights and obligations.

An enduring settlement can be arrived at only through a balance of accommodation, not on the basis of any one-sided concessions.

So taking the totality of the present Indo-Bangla situation, the Government has concluded that concessions can be made only from a position of strength even in pursuit of a policy of beneficial bilateralism.

There can be no worthwhile negotiations if Bangladesh continues to insist that India should first vacate the New Moore island as a prelude to a meeting at the Foreign Ministers level to discuss the problem.

Outstanding Issues

The four outstanding issues between India and Bangladesh relate to the Farakka dispute, the demarcation of the maritime boundary, the ownership of the disputed islands and the prevention of unauthorised migration.

The Indian attempts to settle these inter-related issues either separately or collectively have been frustrated by Bangladesh's continued insistence on one-sided concessions.

There is an unmistakable pattern of vilification behind the latest propaganda barrage launched by Bangladesh to misrepresent the Indian stand on each one of these issues.

Two days after, Mr. Shamsul Huq, has accused India of retracting from its earlier offer of talks on the New Moore island dispute, the Minister for Water Resources, Kazi Anwar-ul-Huq, has raised the bogey of an international violation, by India if it continued to operate the Farakka barrage after the expiry of the interim agreement.

The latest Bangladesh contention is that the mere expiry of the five-year interim accord in November 1982 would not automatically entitle India to draw even the present quota of waters until a fresh agreement had been reached by then.

The press conferences held by the two Bangladesh Ministers within two days are clearly intended to step up the current anti-Indian campaign and prepare the ground for raising the two disputes before a wider international forum like the United Nations.

In adopting a restrained attitude, the Indian Government is refusing to be provoked into resorting to rigid postures. But it is taking steps to get the message across to Dacca that it is not going to allow itself to be pressured or pushed around into accepting any unreasonable preconditions for even discussing these disputes.

It is quite evident that the present Government in Bangladesh is in no position to engage in substantive negotiations with India on any outstanding problem. Hence India is not taking an unduly gloomy view of Bangladesh's bid to play for time with a facade of brave postures.

At the same time steps are being taken to impress on Bangladesh that by delaying negotiations or adopting uncompromising attitudes, it cannot extract any extra concessions other than what India is prepared to make in mutual interest to settle all outstanding disputes in a good neighbourly spirit.

PTI reports:

The Calcutta-Gauhati flight today operated through Indian territory instead of overflying Bangladesh in view of the non-availability of navigation facilities in Dacca, according to an Indian Airlines spokesman in Calcutta.

A notification by Civil Aviation authorities said there was no flight information report in Dacca for all aircraft due to non-availability of air traffic service. It was not known how long navigation facilities in the Dacca region would not be available.

CSO: 4220/7499

WATCH TOWERS PLANNED FOR INDO-BANGLADESH BORDER

Calcutta THE STATESMAN in English 8 Aug 81 p 7

[Text] The Border Security Force will set up observation towers at all "vulnerable" points along the India-Bangladesh border to check infiltration, smuggling, dacoity and other crimes. This was decided at a meeting of the BSF, West Bengal, in Calcutta on Friday.

Observation towers along the Indo-Pak border on the western sector were said to have been effective in tackling infiltration and smuggling problems. According to BSF sources, jawans manning the towers will alert border patrol parties if they sighted attempts at infiltration or smuggling.

Mr N. C. Pal, Inspector-General of the BSF, West Bengal, asked the commandants at the day's meeting to keep a close watch on infiltration attempts. He was said to have observed that such attempts and criminal activity on the border had increased in some areas. He also asked the commandants to deal firmly with stranded Pakistani refugees in Bangladesh who often tried to sneak into Indian territory.

The meeting also decided to requisition the services of the Home Guard of the BSF to supplement the regular security staff at vulnerable points. The commandants were said to have stressed the need for introducing "modern" techniques to counter border smugglers. They also pleaded for more speed boats for the BSF men patrolling the riverine border areas of Murshidabad and Sunderbans.

The meeting also discussed several measures to improve residential facilities for BSF personnel posted along the border and schooling arrangements for their children.

CSO: 4220/7528

WRITER SAYS PAKISTAN SEEKS 'FACADE' OF DETENTE

Madras THE HINDU in English 27 Jul 81 p 1

[Article by G. K. Reddy]

[Text] New Delhi, July 26.

The Ambassador in Islamabad, Mr. Natwar Singh, arrived today on one of his frequent trips to Delhi with yet another reassuring message from the Zia regime seeking a better understanding between India and Pakistan.

The Government is getting a little wary whether, in lending itself to this propaganda exercise, India is unwittingly allowing itself to be exploited by Gen. Zia-ul-Huq with his protestations of goodwill, when in reality he is actively engaged in an arms race.

It is known in Delhi that Gen. Zia is striving for a summit meeting with the Prime Minister, Mrs. Indira Gandhi, in the name of opening up a new dialogue at the highest level, to bolster up his own prestige at home.

He would like to see, for example, India supporting, or at any rate not opposing, the British move to invite Pakistan to rejoin the Commonwealth, to save itself the embarrassment of applying for readmission.

When he came to Delhi early this month for consultations, the Indian envoy sought an appointment with Gen. Zia to ascertain whether he would like him to convey anything in particular to Mrs. Gandhi as a follow-up to their periodic exchanges through him.

The Pakistan President transformed this meeting into a publicity extravaganza to give the impression to his own people that India was going out of the way to placate him.

Press Played Up Meeting

The press reports from Islamabad played up this tete-a-tete as though it was a major event, arousing expectations of a new diplomatic initiative, as if Gen. Zia was genuinely striving hard to improve Indo-Pak relations. As it turned out, the message he sent to Mrs. Gandhi through the Indian envoy turned out to be no more than a repetition of the old assurances.

The Prime Minister, in turn, cautioned Gen. Zia in her return message that the induction of U.S. arms would increase tensions in the sub-continent. This was no way of improving Indo-Pak relations, since in her view the very talk of a new confrontation was souring the atmosphere, straining the Simla spirit and impeding the process of normalisation.

This time Mr. Natwar Singh did not ask to see the Pakistan President before coming to Delhi, but the Foreign Minister, Mr. Aga Shahi, did not let go the opportunity to repeat the same old song under the guise of offering renewed assurances of Pakistan's peaceful intentions.

The present military regime is interested in keeping up a facade of a reasonably good working relationship with India, since it helps in striking a better bargain with the U.S. and persuading the Arab countries in underwriting at least a part of Pakistan's ambitious defence programme.

Posture of Sweet Reasonableness

But this posture of sweet reasonableness on the part of Pakistan has been posing problems for India in the sense that in its dealings with Gen. Zia it has to avoid any appearance of even remote identification with him.

It has to keep up a delicate balance between the government-level contacts with the military regime and the basic aspirations of the Pakistani people for a return to democratic rule.

The shuttle diplomacy of the Indian envoy, and the accompanying publicity of his frequent trips to Delhi, have also been helping Gen. Zia to project himself in the eyes of the Indian people as a amiable man, who whatever his failings on the home front, was striving for better relations.

It has also been exposing India to the charge of exaggeration, in the eyes of interested foreign powers, while focussing attention on the dangers of another conflict in the wake of the U.S. military assistance to Pakistan.

The Zia regime has been skilfully exploiting the sentence in the joint statement issued at the end of the visit to Islamabad by the External Affairs Minister, Mr. P. V. Narasimha Rao, conceding the right of both countries to acquire arms for their legitimate defence to justify the U.S. policy of rearming Pakistan.

It has been trying to put a gloss on the justification for going in for such highly sophisticated weapon systems like the F-16 which on its own admission are not intended to be used against the Soviet Union or Afghanistan.

Pak. Bid for Closer Ties with Bangla

Apart from embarking on a policy of military expansion with U.S. assistance, the Pakistan Government has also been trying to re-establish closer links with Bangladesh giving rise to some suspicions about the very purpose of it.

After the recent visit of several Pakistani Ministers to Dacca, there has been some talk that Gen. Zia himself was planning a trip as a supreme symbol of reconciliation.

The anti-Indian elements in Bangladesh feel encouraged by these Pakistani moves to step up their hostility, making it impossible for the present caretaker Government in Dacca to tackle any outstanding problem with India in a spirit of moderation or mutual accommodation.

This aspect of the current Indo-Pak exchanges is receiving due attention in Delhi in the wake of the latest refusal of Bangladesh even to discuss outstanding issues without insisting on totally unacceptable pre-conditions.

A prime beneficiary of this uneasy sub-continental situation is the Chief Minister of Kashmir, Sheikh Abdullah, since the Congress (I) is no longer persisting in its policy of edging him. The Prime Minister has gone out of her way to placate the Sheikh during her latest visit to Kashmir and seek his cooperation in the larger national interest.

CSO: 4220/7501

SECURITY MEASURES TIGHTENED ALONG KASHMIR BORDER

Calcutta THE STATESMAN in English 8 Aug 81 p 7

[Text] Jammu Tawi, Aug. 7.--Security measures all along the 750-km-long line of actual control have been further tightened and the local administration, "alerted" in the wake of increasing activities by subversive Pakistani elements.

These steps, according to an official spokesman here today, were necessitated due to the recent violent incidents and indiscriminate firing by Pakistani troops and their "stooges" on some Indian Security Force pickets and border villages in which one officer was recently killed and several others including civilians, were injured.

Pakistani rangers posted on the international border in the Jammu region, according to reports reaching here, in plain clothes had raided some villages in the Akhnoor border area in the dead of night. They were reported to have lifted cattle from these areas.

Pakistani Army personnel with the help of civilians were reportedly engaged in digging fresh trenches and bunkers almost all along the line of actual control. They have erected dozens of fresh observation posts in violation of cease-fire pacts and the Simla Agreement.

In the Chhamb area across Monavar Tawi river an armoured division of the Pakistani Army was carrying out round-the-clock exercises which, according to these reports, give a clear indication that all is not well along the borders, though Pakistan Defence authorities have repeatedly described reports regarding the Army build-up as "baseless".

CSO: 4220/7528

PROBLEMS OF COUNTERINSURGENCY OPERATIONS NOTED

Calcutta THE STATESMAN in English 28 Jul 81 p 8

[Article by S. Guru Dev]

[Text] INDIAN and Burmese troops will operate jointly to clean up insurgent nests on their borders. The announcement of this decision in Kohima by the new army chief, General Krishna Rao, coupled with the capture of the PLA leader, Mr N. Bisheswar, and the death of his senior lieutenants near Imphal, will give a fillip to counter-insurgency measures.

General Rao should be familiar with earlier joint operations since he once commanded a mountain division in Nagaland. The Burmese soldier is tough and knows his craft, but observers have noted a certain listlessness in him while operating in the unfamiliar mountains of the Upper Chindwin with their volatile ethnic minorities like the Kachins. Another minority group, the Karens, continued their campaign even after the Allied withdrawal from Burma in 1942. The Burmese nationalists considered them collaborators and the army committed fearful excesses. The alleged slaughter of over 80 Karens during a Christmas service in 1948 incited the Christian minority to civil war.

Things may have changed radically but one would like to know whether the operations satisfy the requirements for success unified control, liaison and grass-roots cooperation. Frank Kitson holds that unified planning, centralized control and a single point of responsibility are the "very minimum", apart from maximising the political, economic and psychological resources. The joint operation to corner fleeing MNF rebels in the mid-sixties met with only indifferent result. A decade later came the bid to box them in their Arakan hide-out, but the rebels were elusive and the weather unfavourable. Operations of this nature require excellent intelligence, what the professional calls "contact intelligence", and specialized communications equipment. I recall the dash by 50 or more MNF personnel led by Biakvela, their "adjutant-general", diagonally across Mizoram from the Manipur side to the Chittagong Hill Tracts in 1975-76. Biakvela a dare-devil like the late Kalto Sema of the Naga underground, and his men passed within 13 kilometres of Aizawl, with the security forces presumably in pursuit. The escape soured relations between the Army and Intelligence personnel, the one blaming the other for the acute embarrassment.

MAJOR SETBACK

If the joint operations are to begin soon, as one expects, their timing in the present monsoon conditions is intriguing unless there are compelling circumstances or a relatively favourable political climate. Such operations ceased after the visit to Beijing of the Burmese Premier, General Ne Win, in the mid-seventies. The Chinese apparently frowned on armed forays into Burmese territory even if they were to flush out rebels. Has Rangoon been given a free hand now? Do the joint operations indicate a changed Chinese attitude to the Naga underground and to other ethnic rebels? Observers in Kohima seem to think so. The thought of Muivah's National Socialists being wiped out, however much one faults Muivah or Isak Swu, is disturbing the Naga psyche.

One wonders whether Muivah and Isak Swu reciprocate the feelings of the overground Nagas. There is no knowing, but it is very unlikely that National Socialist leaders will deviate from the Maoist path. The capture of Bisheswar is a major setback. They were planning a "joint operation of their own. The prospect of Bisheswar and Muivah developing their campaigns along divergent lines is conceivable but now of only hypothetical interest. Bisheswar had necessarily to fight authority and the counter-revolutionaries in the Imphal valley, particularly in and around the capital. Unlike Muivah, Mowu Angami and the Naga underground, which went to Yunnan for weapons and training, he and his chosen recruits were schooled in Tibet on a modest fare of weapons training, lessons on survival and the art of the guerrilla.

Not much is known of the PLA leader's formative years. Meitei revivalism in the early thirties was linked with the pan-Mongoloid movement to unite the ethnic sub-groups in north-eastern India and Burma. The pan-Manipur Youth League and the Meitei Marup were the spokesmen overground; the United National Liberation Front and the Revolutionary Government of Manipur were the clandestine operators. This was also the time of the Simon Commission and the great debate on the constitutional future of the hill areas of the north-east. Dr Venkat Rao's "A Century of Tribal Politics" is encyclopaedic and revealing. An

eminent social anthropologist and administrator, Dr Hutton, Mr N. E. Parry, who was Superintendent of the Lushai Hills, and Sir Robert Reid, a former Governor of Assam, toyed with the idea of forming a North-east Frontier Hill Province including a substantial chunk of Burma's ethnic belt from the Chin Hills up north. The Chittagong Hill Tracts and portions west of the Chindwin were to be incorporated to form 16 districts. The Reid plan was approved by Churchill but vetoed by the Labour Government. Another Governor of Assam, Sir Andrew Clow, restored some perspective, pointing out that the hill tribes were far too heterogeneous and too small, even if fully united to sustain a healthy and progressive life. He spoke of fusion, adding that there was no record of the hill people combining as such to form a political entity. He virtually defeated talk of a Mongoloid movement but the seed had been sown.

MEITEI'S ANGER

The Meitei, perhaps, felt isolated, frustrated and angry. The hill tribes were in the limelight with safeguards to protect their identity and steps to improve their basic living conditions. The process, which began with Sir John Simon, led to further measures like the Sixth Schedule and Nagaland's unique constitutional safeguards after Independence. Unlike the Scheduled Tribes, the Meitei had no weightage in employment. The tribals see this differently; they were catching up after centuries of neglect and alleged inhuman treatment by the Manipur kings. The Meitei also believes that he was subtly isolated by the theory that the Kuki or Naga, also a Mongoloid race, was untouched by Hinduism or Islam. Has Vaishnavism derailed the Meitei? Such thoughts are now part of the Meitei's craving for the old worship and a return to his material past.

Bisheswar and others like O. Sudhir Singh (liquidated by the PLA as a counter-revolutionary) advocated armed liberation of Manipur. Fifty-two young men were sent to the erstwhile East Pakistan for arms and training in 1969, but something went wrong and they were arrested in Tripura. They were released under a general amnesty in January, 1975. Bisheswar and a chosen squad left for Tibet in May, 1976. The amnesty was ill-conceived and untimely. Bisheswar returned in 1978 and let loose his guerrilla squads.

He has been compared with "Che" Guevara whose theory it was that insurrection itself would create a revolutionary climate. Bisheswar was less innovative, hampered as he was by organizations like PREPAK with its factions, vendetta and killings which spawned informers and encouraged infiltration. The backlash was unavoidable. The outflow of Manipuri extremists created a dangerous situation in neighbouring States. The gang that looted Rs 2 lakhs from a PWD office in Shillong was traced to Dimapur where the leader shot dead a Naga and vanished. The Nagas reacted and Dimapur was under night curfew, straining the goodwill and resources of Nagaland and Manipur. The case of Maipak Sharma is also revealing. He was ultimately arrested on the Khasi Hills-Sylhet border after a murderous career allegedly as a double agent. The "engineers of subversion" and the Government are indeed fighting their battles for people's hearts.

Phizo sought to create a Naga nation without the traditional moorings and background—an emotional assimilation on the ples that the Nagas had not surrendered their sovereignty to the British and that they had no right to gift Nagaland to India. Laidenga latched on to a cause through famine relief. The Naga underground and the MNF initially fought a soldier's war. Ultimately, the Naga Federal Government settled for a negotiated adjustment (Muivah and Swu have called the Shillong accord a scrap of paper and a fraud) within constitutional parameters. Laidenga's MNF is in the process of readjustment.

The civil administrations in Nagaland and Mizoram weathered the storm but the experience in Manipur was different and is worth study. The bursaucrats in Imphal realized that they were not dealing with bandits or thugs, but were characteristically reluctant to spend large sums to counter sedition only on the basis of ominous hints, especially with politicians blowing hot and cold. Threats by the PLA or PREPAK, they knew, were death warrants, and no place was safe enough (hired killers fired at Maipak Sharma in Gauhati's crowded Paltan Bazar). Even so what have the buresucrats done, or are doing, to offset the moral support for the PLA in the valley?

Apart from invoking special powers, they seem to have devised a drill based on endless discussions. Quite often they neither cared to understand the mechanics of subversion nor the changing attitudes of people to authority, which was at the core of the problem. Why should Meiteis, who had fought for the State's integration under Gandhi and Nehru, react violently and become Maoist today?

Psychological warfare could be part of the answer to the Meitei problem, but the creation of special forces is ruled out since the insurgents are our people, though misguided and misled. I would count Brigadier Sailo, the Mizoram Chief Minister, among the finest practitioners of the art. He enjoys rapport with senior army officers, though relations between the security forces and the Mizos have never been good. But recent reports are disquieting; Aizawl, it seems, is relapsing into the bad old ways when the MNF's town commander, "Major" Kanchhunga ran a parallel government. He was caught; the present incumbent is "Captain" Thangkhima.

ANTI-INSURGENCY

Intelligence, unfortunately, is rather disjointed. We lack competent, technically equipped evaluation cells close to the insurgent belts. A major commanding a post on the Tuensang border quipped that the resident Intelligence officer was more interested in his (Major's) dealings with local business men! Tip-offs about hostiles were invariably a week late. I met a Naga in a well-tailored suit at Changlangshu, an air-maintained post till 1980; he was from RAW. Though remote, Changlangshu was in the news lately with the murder of an MLA. Nuklo Konyak. Pangsha, famous for its head-hunters, is within walking distance.

Returning to Manipur, the army, it appears, has come to stay, albeit reluctantly. A common complaint goes like this: "I am a soldier not a politician; you know what I mean. Socio-political initiatives and all that..." They want to get back to "proper soldiering" after hitting the insurgent for six. To quote Kitson again, they are leading their men away from the battlefield to a fictitious one of their imagination. The theories of soldier and rifle, conventional warfare and counter-insurgency, have to be sorted out and myths demolished, if need be.

Guerrilla warfare is tailored for modern conditions, as Liddell Hart stresses. Mao does not regard it as an independent form

of warfare. Our experts can ill-afford to be allergic to counter-insurgency, long-drawn-out or not. Promotion prospects are better with conventional warfare but, frankly speaking, do our planners and generals have a choice? The guerrilla has the advantage of secrecy and terrain. Fortunately, we do have a Counter-Insurgency and Jungle Warfare School at Vairengte, rated the finest in Asia. Malaysia is one of the success schools in counter-insurgency but even its experts take a refresher course at Vairengte.

CSO: 4220/7505

JHARKAND REBELS REPORTED RUNNING OWN COURTS

Bombay THE TIMES OF INDIA in English 7 Aug 81 p 9

[Text] Ranchi, August 6.

A militant section of supporters of the Jharkhand Mukti Morcha is reported to have created a feeling of insecurity among the residents of Dumka, Rajmahal and Godda sub-divisions of Santhal Parganas by virtually taking the law into their own hands. It is stated that they are making use of the traditional "baisi" (panchayat courts) system to further their ends.

While the Jharkhand Mukti Morcha has denied the existence of any "parallel administration" in Santhal Parganas, nearly half of the 41 blocks in the district have "courts" run by Morcha supporters. They impose fines on not only non-Adivasis but also Adivasis. Those who refuse to pay or report the matter to the authorities are often beaten up.

It is stated that transport operators have to take permission from "motor vehicle inspectors" appointed by the Morcha to ply vehicles. Local government functionaries like block development officers and sub-inspectors of police are said to be afraid of moving about freely in some areas.

Several acts of high-handedness were narrated at a recent meeting convened by block development officers of Barhet to consider the situation arising out of the activities of Morcha supporters. Both district officials and representatives of the people were present at the meeting.

While two workers of the Morcha, Mr. Chandan Tudu and Mr. Madhusudan Tudu, claimed that there was no disturbance in any part of the district and that the traditional "baisi" system had been "revived" to ensure speedy justice, many people expressed concern at the activities of the Morcha men.

A retired sub-inspector of police belonging to Baritola village alleged that armed supporters of the Morcha surrounded his house, beat him and his son and took them forcibly to the "baisi" office in Talbaria village. They were freed only after they had agreed to abide by their "verdict."

The headmaster of a middle school, Mr. Ganesh Jha, complained that Morcha supporters had forcibly evicted him from his room in the school building.

A contractor working in the area alleged that in some cases people had been locked up in rooms without food for several days.

At the meeting, a supporter of the Morcha is reported to have boldly declared that its men would "arrest", detain and even torture "erring" government functionaries.

Several persons told this correspondent at Dumka and Godda, that the Morcha leader, Mr. Shibu Soren, MP, was against these unlawful activities and had, in fact, advised his followers not to resort to violence. But a section of his supporters has chosen to ignore his advice. There are said to be differences among the Morcha men over the issue.

Meanwhile, the people have expressed surprise that the government has not yet taken any step to check the activities of the self-appointed guardians of law.

CSO: 4220/7519

GANDHI PRESIDES OVER PLANNING COMMISSION MEETING

Proceedings Reported

Bombay THE TIMES OF INDIA in English 7 Aug 81 p 1

[Text] New Delhi, August 6.

The planning Commission at its full meeting today expressed concern that the economy was still facing strains in spite of substantial mobilisation of additional resources by the Centre.

The meeting commented on the by the states and called for restraint on non-plan expenditure.

This was the first full meeting of the commission since the approval of the Development Council last year. The Prime Minister, Mrs. Indira Gandhi, presided in her capacity as chairman of the commission.

Two senior ministers--Mr. R. Venkataraman (finance) and Mr. N. D. Tiwari (planning)--and three members of the commission--Dr. M. S. Swaminathan, Mr. Fazal Mohammad and Dr. Manmohan Singh--were present.

The commission noted that some of the states had shown commendable progress in resource mobilisation, but many others lagged behind their targets.

It decided to ask the states to speed up resource mobilisation and complete it by the time of a mid-term review in September or October.

The meeting made it clear that the commission would not be able to entertain new projects from the central ministries or state governments except in very special cases.

Credit Facilities

The commission accepted the recommendation of the state planning minister's conference to strengthen the district planning apparatus of the states. That would, it was felt, facilitate proper implementation of such programmes as the integrated rural development programme and the national rural employment programme.

To strengthen credit facilities in the districts, a meeting will be convened by the commission and the Reserve Bank for the guidance of the banking industry.

The meeting lasted about one and a half hours. Much of the time was devoted to a review of the economy. The growth rate of seven per cent achieved during 1980-81 was noted with satisfaction.

The meeting agreed that the failure of the special bearer bonds scheme had widened the budgetary deficit and the import of wheat, edible oils and sugar had imposed a great burden on the foreign exchange reserves. The growing defence needs would also cause a strain on the budgetary resources.

A cryptic official release after the meeting mentioned that the commission reviewed (I) the financial resources for the plant for 1981-82, (II) implications of the preliminary results of the population census, (III) problems in the implementation of programme of rural development, and (IV) lessons to be drawn for plan implementation from the experience gained in 1980-81.

The review indicated the need for renewed emphasis on the family planning programme, speedy execution of projects, greater financial discipline and strengthening of the planning and monitoring machinery at all levels.

Annual Plan Approved

Bombay THE TIMES OF INDIA in English 7 Aug 81 pp 1, 9

[Text] New Delhi, August 6.

The annual plan for 1981-82 approved by the Planning Commission today forecasts an overall growth rate of 4.5 per cent in the gross domestic product.

But it does not hold out much hope on two fronts--inflation and balance of payments.

The average annual index of wholesale prices for 1980-81 showed an increase of 18 per cent against 17.1 per cent in the previous year. The arrivals of wheat, gram and other rabi cereals in the market are expected to have a salutary effect on prices, in the immediate future, the plan document says.

However, the plan takes note of "certain unfavourable factors". The infrastructural constraints, although less severe, will continue to operate. Besides, there are shortages of certain essential commodities like sugar, edible oils, pulses, steel and cement.

The international inflationary environment and the prospects of a further increase in the prices of crude oil and other essential imports had also to be kept in view.

"While, therefore, it may not be possible to immunise the economy from the inflationary pressures, it could be of utmost importance to keep them under strict control," the document says.

A close watch would have to be kept on the price situation. Deficit financing would have to be limited to the budgeted level. Bank credit to the commercial sector would have to be limited to genuine productive purposes only and every effort made to prevent its diversion to non-essential activities or hoarding and speculative purposes.

Above all, there is urgent need to augment production and availability of essential commodities of mass consumption and industrial inputs like coal, steel and cement.

The public distribution system will have to be further strengthened and streamlined and advance planning undertaken in respect of important commodities. Stringent measures will have to be taken to check hoarding and other anti-social activities.

On the issue of balance of payments, the document notes that the external trade position showed a sharp deterioration in 1980-81 due mainly to the rise in the international price of crude oil and petroleum products.

The 1981-82 plan places considerable emphasis on reducing the dependence on imports and increasing exports. Priority has been given to developing domestic oil resources and increasing the production of steel, cement, fertilisers, non-ferrous metals and coal. High priority has been accorded to oil and natural gas exploration and several important initiatives have been taken to provide strong support to exports.

However, the plan document admits, the balance of payments will continue to be under strain in 1981-82. The import bill is expected to increase further.

Taking into account the likely level of exports and net invisible receipts, the balance of payments is expected to show a sizeable deficit which will have to be covered through external assistance and other means.

To raise the tempo of development the 1981-82 plan envisages a substantial step-up in investment. The public sector outlay for the year is placed at Rs. 17,417 crores, representing an increase of 15.3 per cent over the outlay of Rs. 15,109 crores for 1980-81.

The sectoral allocations have been made keeping in view, /inter alia,/ [in italics] the imperative need to augment infrastructural facilities, increase domestic capacities in critical areas and maximise the growth potential of the economy.

The sectors which have received high priority include energy, transport, irrigation, steel and fertilisers. The plan outlay for the energy sector (power, petroleum and coal) has been stepped up by more than 21 per cent. The outlays for transport and irrigation have been raised by 12 per cent each.

Together, these three infrastructural sectors account for one-half of the total public sector plan outlay for 1981-82.

The deficit at the Centre for the year has been kept at Rs. 1,539 crores, which is less than the revised estimate for the last financial year.

Keeping in view the key objective of alleviating poverty and improving the income levels and living conditions of the poorer and weaker sections, the plan gives high priority to the integrated rural development programme and special area and beneficiary-oriented programmes for the target groups included in the sixth plan.

It is proposed to cover three million families under the integrated rural development programme during 1981-82. An allocation of Rs. 6 lakhs would be provided to each block in the country towards meeting the subsidy element which would be supplemented by credit from banks and other financial institutions.

The national rural employment programme would be implemented as a centrally-sponsored scheme with an equal contribution by the centre and the states.

In addition, the various programmes meant for the development of backward areas and classes are proposed to be expanded so as to help the underprivileged sections of the population and bring about better regional development.

In agricultural production, the annual plan envisages a target of 138.5 million tonnes of foodgrains, 112 lakh tonnes of oilseeds, 182 million tonnes of sugarcane, 84 lakh bales of cotton and 84 lakh bales of jute and mesta.

The plan places considerable emphasis on accelerating the tempo of industrial investment and growth. The public sector outlay for industry and minerals (including coal and petroleum) has been substantially enhanced. About three-fourths of the Central plan outlay is accounted for by key industries like coal, steel, petroleum and fertilisers.

Increases in capacities are envisaged in cement and cement machinery, caustic soda, machine tools, hydro-turbines, power capacitators, autotyres, newsprint, motor cycles, scooters and electronic industries.

Some of the selected targets fixed in the plan are: coal--121 million tonnes, crude oil--16.84 million tonnes, saleable steel--8.77 million tonnes, cement--22 million tonnes, fertilisers--41.2 lakh tonnes, paper and paper board--12 lakh tonnes, newsprint--70,000 tonnes, commercial vehicles--85,000, Sugar--six million tonnes and vanaspati--7.75 lakh tonnes.

CSO: 4220/7519

FINANCE MINISTER SPEAKS ON ECONOMIC SITUATION

Bombay THE TIMES OF INDIA in English 6 Aug 81 p 1

[Text] The Union finance minister, Mr. R. Venkataraman, today ruled out the possibility of liberalising the credit curbs and said the government would see that the credit for production purposes was not stalled.

Addressing a special session of the Bengal National Chamber of Commerce and Industry here, Mr. Venkataraman said credit curbs had become necessary because of the increasing money supply in the economy.

This year, he said, the money supply had been showing an upward trend. Even last year, the supply was higher than in 1979-80. "Hence, it is necessary to have a check on this. It is an inescapable and inevitable necessity. However, we shall see that credit for production purposes is not stalled and credit only in respect of inventories and trading is restricted.

"I have already given the instruction to the Reserve Bank which is to use its discretion in the matter," Mr. Venkataraman added.

On the general economic situation, Mr. Venkataraman struck a note of optimism and said there was sign of a pick-up. There was no room for gloom or despair, he said adding that the rate of inflation had dropped in 1980-81 to 15.8 per cent from 22 per cent earlier and further down to less than ten per cent since.

Slow Process

Even the 15.8 per cent, which had been commented upon by the World Bank in its report as one of the lowest for not only developing countries but also developed ones, created difficulties, However, one should understand that in respect of economy there was no solution like wiping out the black board. "We are only turning the wheel very slowly and we have to progress steadily."

The finance minister said he could not guarantee that the current level of inflation would be maintained.

Urging the business community not to develop the psychology of scarcity, of inflation and of shortages, Mr. Venkataraman said the prospects for the year was very bright. Agricultural production was over 130 million tonnes. This would

go up by three per cent during 1981-82 as monsoon had been very good all over the country.

Mr. Venkataraman chided trade unions for obstructing rather than responding positively to the essential services maintenance ordinance, and stated categorically that this "reserve power" would not be used unless "circumstances compel us".

He said the measure was in the interest of trade unions, who often failed to control strikes, thus disrupting the economy.

The minister described the address of the chambers president, Mr. H. N. Dasgupta, as a "catalogue of grievances" and also admonished such elite bodies as chambers of commerce for trying to paint a "gloomy picture".

To Mr. Dasgupta's elaboration of the ills of West Bengal and other eastern states, Mr. Venkataraman said that if anyone was to be blamed for it, it should be the entrepreneurs. Tamil Nadu, for example, was better off not because of higher Central investments in that state, but because of the entrepreneurs.

CSO: 4220/7513

ECONOMISTS' PARLEY DISCUSSION PAPER SUMMARIZED

Madras THE HINDU in English 8 Aug 81 p 7

[Text] Calcutta, Aug. 7.

A two-day conference of 25 eminent economists from all over the country began here this morning for a threadbare discussion of the state of the economy and recommending a package of corrective measures.

The conference was set in motion with a document on the state of the country's economy, prepared on behalf of the Left Front Government of West Bengal, sponsors of the conference.

The document, seeking to provide a basis for discussion, said the most pressing problems of the economic situation were the rampant inflation, the acute infrastructural bottlenecks, the scarcity of essential commodities, the black money economy and the precarious balance of payments position.

Inflation

Observations made in the note are:

Inflation: "Unprecedented" in the country since 1972-73 with just a short respite during two intermediate years, inflation had redistributed incomes from wages to profits and, therefore, further tilted the structure of income and asset distribution in favour of the propertied classes.

At the same time, fiscal policies, exemplified by the massive budget deficits of the Union Government since 1979-80, along with the ever-increasing reliance on indirect taxes, had accentuated rather than resolved the problem of inflation.

Infrastructural bottlenecks: This was almost chronic in the key sectors, such as coal, steel, cement, transport, communication and power, and unless there was a dramatic improvement in the management of infrastructural resources, the consequences for the economy were bound to be serious, simply because the outputs or services provided by these sectors were an important determinant of production and prices.

Devastating Aspect

Essential commodities: The most devastating aspect of the "present economic crisis" was the shortage of essential commodities, such as cereals, pulses, sugar, edible oils, kerosene and textiles and rising prices of these commodities. The system of public procurement and/or distribution of these basic wage goods was far from adequate.

Balance of payments: The position at present was precarious. The psychology of crisis management, perhaps had led the Union Government into a curious position where it was firmly believed that the trade deficit could be reduced to manageable proportions only through increased exports because the level of imports was inflexible. Consequently the Union Government had placed all its eggs in the basket of export promotion.

The dictum of "export or perish", the note said, was clearly overdone. The entire gamut of issues concerning supposedly inflexible import demands and the consequential need for export promotion had, in the final analysis, to be linked to the choice of technology in the perspective of the objective of national self-reliance.

The objective of planned economic development was to promote economic growth, social justice and self-reliance. An objective analysis of the performance of the economy over the past three decades had only shown a "very modest" 1.1 per cent per annum rise in per capita consumption.

This limited economic growth had been distributed in an unequal manner between classes and regions. In reality, at least 50 per cent of the population remained desperately poor and could only look forward to more abject poverty.

The short-term palliatives and corrective policies formulated by the Government ran contrary to the long-term objectives of planned development.

Predatory Activities of Monopoly Element

The document suggested curbing of the "predatory activities" of the monopoly element among producers and traders through the setting up of a national system of public procurement and distribution covering, inter alia, cereals, pulses, salt, sugar, edible oils, cloth, kerosene, paper and washing soaps.

"An effective public procurement and distribution of essential commodities would break the back of the present inflation and the poor would be the greatest beneficiaries."

The document also suggested sustaining and development of the food-for-work programme. PTI.

CSO: 4220/7529

TIWARI ADDRESSES LABOR MINISTERS' CONFERENCE

Calcutta THE STATESMAN in English 7 Aug 81 p 1

New Delhi, Aug. 5.--The Union Labour Minister, Mr N. D. Tiwari, today categorically denied that the Government intended to take any measure under the Essential Services Maintenance Ordinance to freeze wages or impound dearness allowance instalments payable to Government employees, reports PTI.

In his closing address at the two-day State Labour Ministers' conference here, Mr Tiwari sought to "correct the wrong impression" created by the Kerala Labour Minister in his speech earlier that such action was contemplated by the Government under this Ordinance.

Referring to the points relating to the Bills pending clearance in the Ministry of Labour, raised by some States, he said the clearance of the Bills was the prerogative of the Ministry of Home Affairs. But he explained that consultations with the Ministry of Law and other interests took time. However, Mr. Tiwari said the Ministry of Labour would do its best to clear the pending Bills on time.

Mr Tiwari appealed to the Labour Ministers to explain to the trade unions and workers in their States the object of the Essential Services Maintenance Ordinance so as to dispel the misgivings, if any, created by "propaganda by vested interests".

Briefing the Press at the end of the conference, the Union Labour secretary, Mr B. G. Dashmukh, said that except for West Bengal and Kerala all the other State Labour Ministers welcomed the recent Ordinance.

/The appointment of a third wage board for the sugar industry has been recommended by the State Labour Ministers' conference./ [in boldface]

The State Labour Ministers have suggested the setting up of a gratuity fund on the lines of the employees provident fund.

The suggestion, to be examined by a working group, was made since it was felt that workers did not get the gratuity dues easily. If employers could be asked to remit a fixed amount periodically, as they did in the case of provident fund, this would help the workers.

A Labour Ministry spokesman said that another working group would study the details of a proposal for unemployment insurance for workers rendered idle as a result of sudden closure of an establishment.

On the question of minimum wages, while the States welcomed the extension of the Act to more industries, they emphasized that unless the enforcement machinery was strengthened the purpose would be defeated.

A suggestion was made that the Centre should take a fresh look at the Factories Act in the light of the Surat tragedy. It was pointed out that as industries were being set up in backward areas, the village panchayats, which approved the building structure, often did not have qualified personnel to examine the architectural and structural requirements. The panchayats should be assisted by qualified personnel.

CSO: 4220/7516

MINISTRY FORECASTS 10 PERCENT INDUSTRIAL GROWTH

New Delhi PATRIOT in English 5 Aug 81 p 5

[Text] Monitoring agencies of the Ministry of Industry have registered a positive response to many of the special incentive schemes launched by the ministry to achieve a larger growth rate in industrial production during the current financial year. Based on this response they feel that a growth rate of 10 per cent may be possible in 1981-82, reports UNI.

Many factors including a good monsoon all over the country and the general improvement in infrastructure facilities have added to this optimism. Minister of State for Industry Dr Charanjit Chanana feels that with this added momentum since the second half of 1980-81 and the continuous efforts that are being made by the government to bring about a well-knit coordination in the vital sectors of power, coal and transport there is bound to be further improvement in the growth rate of eight per cent recorded in the quarter ending March 1981.

Dr Chanana says his optimism is further heightened by the present state of bouyancy in the investment climate. Public issues in the last few months have done reasonably well in the capital market and there have been cases of oversubscription by many times in the case of many established firms.

The Minister pointed out that the number of industrial licences and the letters of intent issued in 1980 over 1979 had gone up by 30 per cent and 72 per cent respectively.

The percentage increase in sanctions and disbursements by the Indian financial institutions during 1980-81 stood at 41 per cent and 47 per cent compared to the figures of 1979-80.

The index of ordinary share prices showed an increase of 30 per cent in the first week of May 1981 over May 1980. The number of foreign collaborations approved in 1980 had also gone up by 97 per cent.

One of the major breakthroughs achieved as a result of the industrial policy resolution enunciated in July 1980 was a dispersal effect of industrial development achieved by opening up areas which have remained backward for centuries now.

Dr Chanana said the concept of nucleus plants in these regions had really caught on and a large number of small and medium entrepreneurs had been attracted to

these areas because of the subsidies and other incentive schemes announced by the government.

The Minister said one of the major problems had been to halt the exodus of population from the rural belt to the urban areas.

This had been achieved to a large extent by providing employment opportunities to the rural youth in the village itself.

Other programmes of the government like housing, sanitation and provision of drinking water as well as metalling of road and provision of electricity had been tied up with the development of these specially selected backward regions to speed up the development of these regions.

CSO: 4220/7512

STUDY ON INDUSTRIAL POLICY IMPLEMENTATION REPORTED

Bombay THE TIMES OF INDIA in English 6 Aug 81 p 9

[Text] New Delhi, August 5.

The industry ministry is launching a scheme for creating buffer stocks of critical inputs with stocks of iron and steel.

The National Small Industries Corporation would hold the iron and steel stocks at appropriate places and make allocations from them on the recommendations of the director of industries.

The buffer stocks will be particularly helpful to units in backward areas as well as units with timebound commitments for export, defence and other ancillary production.

An official study claims that a number of task forces set up for the promotion of nucleus plants and ancillary development in backward districts have finalised their reports. Seventeen state governments have identified 48 districts or areas for special development.

The study was undertaken to measure the progress of implementation of the industrial policy statement made in July last year.

Increase in Output

According to the study, six infrastructure industries--electricity, coal, steel, petroleum products, crude petroleum and cement--have shown an overall increase in production of 22.8 per cent in a year.

The performance of public sector units under the departments of industrial development and heavy industry has been "noteworthy".

Referring to measures taken to promote small-scale industries, the study points out that the investment limits for small-scale and ancillary units have been raised to Rs. [number illegible] lakhs and Rs. 25 lakhs, respectively. About 3,000 units will benefit from it.

Advances from public sector banks to small-scale units have increased "considerably". The provisions of the credit-guaranteed scheme of the Reserve Bank of India have also been liberalised.

The ratio of priority sector to total advances by public sector banks by 1984-85 has been raised at 40 per cent from 33 per cent. Advances to all small-scale units will be treated as priority sector advances for the purpose of concessional rates of interest. It has also been decided that all small-scale industries with limits of up to Rs. 25,000 would be treated as "weaker section" and advances to them would constitute a twelve and a half per cent of total advances to small-scale industries by 1985.

For tiny units, the investment limit has been refixed at Rs. 2 lakhs from Rs. 1 lakh. Banks have been advised to charge interest of not more than 13.5 per cent on working capital limits up to Rs. 2 lakhs sanctioned for them.

Referring to marketing support and reservation of items for small-scale industries, the official study says that 50 items have been added to the reserved list of 807. Sixteen sub-contracting exchanges have been established to develop constant links between small-scale industries and large units in both the public and private sectors.

CSO: 4220/7513

RAJASTHAN MINISTER REPORTS FLOOD LOSS ESTIMATES

New Delhi PATRIOT in English 7 Aug 81 p 4

[Text] Jaipur, Aug. 6.

The recent devastating rains in Rajasthan have caused an estimated loss of over Rs 240 crores in the agriculture sector alone, though net loss is yet to be assessed.

This was revealed by Agriculture Minister Mrs Kamla at a press conference here today.

According to estimates, about 3.68 lakh hectare land under kharif as well as rabi crop has been badly damaged of which 2.18 lakh hectare will take at least three years to make it fit for cultivation again as the silting in the area ranges between six inches and four feet, the Minister said.

The rest of the 1.5 lakh hectare of land could be reclaimed for cultivation after heavy investment and re-sanctioning of loan and subsidy, she added.

In the previous case, the agriculture department has estimated an expenditure of Rs 130.8 crores, while in the latter case the land would be made cultivable at an estimated cost of Rs. 2-15 crores.

As per reports available with the department 31,254 head of cattle have perished 15,567 wells have been partially or totally damaged and 416 irrigation tanks are damaged. While the damage caused to the irrigation pumps is yet to be assessed, the Minister, however, felt that all the figures may increase as these are tentative.

With all the cattle wealth perished, a number of rural families are out of employment. The Government therefore, the Minister continued has decided to undertake re-campaigning of giving loans and subsidy in 10 to 12 blocks under the Integrated Rural Development Programme. A provision of Rs 10 lakh per block has been made for the purpose.

ICAR Delegation

A team of the Indian Council of Agriculture Research researchers would visit Rajasthan this week to assess the loss in the agriculture sector the Minister added.

The team would examine flood affected lands and give suggestion to modify the sowing pattern in the State under the changed circumstances.

Report Denied

Meanwhile, Rajasthan Health Minister C L Kanwaria has described as "false and baseless propaganda" a BBC report which said that Jaipur was attacked by some epidemics and consequently booking of travellers had been cancelled.

The Minister made this contradiction at a press conference here today in which Director Medical and Health Dr B M Sharma was also present. No death has been caused in the city due to cholera or gastroenteritis they asserted.

CSO: 4220/7524

BIHAR PUBLIC UNDERTAKINGS IMPROVE PERFORMANCE

New Delhi PATRIOT in English 7 Aug 81 p 5

[Text] Patna, Aug. 6.

Several public undertakings, regarded as white elephants until recently, have turned the corner, having improved their performance enormously. Some of these undertakings like Bokaro Steel Plant, Heavy Engineering Corporation and Coal India Ltd and Fertilizer (P and D) India are located in Bihar.

The Heavy Engineering Corporation (Ranchi) secured a turn key contract valued at Rs 65 crore for setting up of a low temperature carbonisation plant at Dankuni in West Bengal.

The Bokaro steel plant achieved an all time high monthly production record of saleable steel in March 1981. It also set an all time high monthly record of despatches by despatching 1,23,952 tonnes of saleable steel.

The Coal India Ltd achieved a production break-through by the end of 1980-81, when the company produced 100.9 million tonnes against the target of 99 million tonnes. CIL's production in 1979-80 was only 91.4 million tonnes. In March 1981, its production of raw coal went up to 11.7 million tonnes. This was higher by 5.5 million tonnes coal 1.1 million tonnes more than the previous month. Each of the four subsidiaries of CIL--CCL, BCCL, Eastern Coalfield and Western Coalfield exceeded their individual targets.

Again the Fertilizer (Planning and Development) India, Ltd based in Bihar completed in March the guarantee run of the new naphtha unit of Steel Authority of India's plant at Raurkela. The IDA provided a credit of 14.5 million US dollars for this plant which will produce synthesis gas mixture equivalent to 180 tonnes of ammonia per day.

Sixteen public sector undertakings under the Department of Heavy Industry, achieved a production of 1289 crore rupees which was 91 per cent of the target of Rs 1,413 crore. Production achieved was nine per cent higher compared with the production of Rs 1180 crore in 1979-80.

The total production for the month of March, 1981 was valued at Rs 217.07 crore which is 149 per cent of the target for the month. Five undertakings met or exceeded their targets in 1980-81. BHEL's production was 100 per cent, Burn

Standard and Co 108 per cent, Lagan Jute 104 per cent, Bharat Heavy Plates and Vessels 107 per cent and Bharat Brakes and Valves Ltd, 101 per cent.

Exports of these 16 undertakings increased to Rs 205 crore, 15 per cent higher than the exports in 1979-80.

But for the constraints of power shortage and scarcity of raw material, particularly steel, many more undertakings would have hit the target and those who exceeded their target would have done even better.

CSO: 4220/7524

INDIA, KUWAIT AGREE ON JOINT INVESTMENT COMPANY

New Delhi PATRIOT in English 7 Aug 81 p 5

[Text] India and Kuwait have agreed to set up a joint investment company with its headquarters at Bombay, according to official sources in New Delhi, reports UNI.

They have agreed in principle that the company will have agreed in principle that the company will have an authorised capital of Rs 80 crore. Other details are still being worked out.

The proposal to form an Indo-Kuwaiti investment company was mooted during the visit of a delegation of the Kuwait foreign trading, contracting and investment corporation to India around mid-February this year.

India will also shortly hold discussions with the United Arab Emirates authorities on setting up a joint Indo-UAE investment company.

According to the sources, the Arabs have shown preference to go in for institutional arrangements in making petro-dollar investments in India. This follows last year's relaxation of the foreign investment policy for the oil exporting developing countries.

The new policy, announced on 28 October allows these countries to invest up to 40 per cent of the equity capital of a new company without bringing in any new technology in 19 specified industries.

Any other nation willing to invest in India has to bring in new technology along with its investment.

The India Investment Centre is also starting its operations in the UAE capital, Abu Dhabi, this month in a bid to attract petro-dollar investments.

Mr Syed Tahir Ali Rizvi, who has been appointed director of the Abu Dhabi branch of the IIC, has left for there. An assistant director will join him later.

The Abu Dhabi branch will be the latest addition to IIC net work of four foreign branches functioning in Tokyo, New York, London and Dusseldorf (West Germany).

CSO: 4220/7524

SUPREME COURT HOLDS ANTISTRIKE ORDINANCE VALID

Calcutta THE STATESMAN in English 5 Aug 81 p 1

[Text] New Delhi, Aug. 4.--A three-judge Division Bench of the Supreme Court today dismissed two petitions challenging the constitutional validity of the Ordinance to prohibit strikes in essential services, reports PTI. The Ordinance was challenged by Mr Bhim Singh, Congress (U) MLA of Jammu and Kashmir, and another person.

The Bench, comprising Mr Justice A. Koshal, Mr Justice V. B. Eradi and Mr Justice R. B. Mishra, did not permit counsel for the petitioners to withdraw them and said: "We dismiss the petitions as we find no merit in the contentions."

Appearing for them, Mr M. K. Ramamurty, senior advocate, said the Ordinance gave very wide and sweeping powers.

Mr Ramamurty submitted that the definition of strike in the Ordinance was so wide that a large number of employees could be prevented from resigning their jobs on the ground that their action would affect the services.

The Industrial Disputes Act had identified the public utility services, to prevent strikes and lock-outs in them compulsory arbitration had been provided. The Ordinance had no such provision for arbitration, and hence it was discriminatory.

The Attorney-General, Mr Lal Narain Sinha, appearing for the Union of India said that in the opinion of the President, the economic situation of the country was such that it could not afford the luxury of strikes.

The Union Government will shortly issue an Ordinance to check black marketing and hoarding of essential commodities.

The Union Deputy Finance minister, Mr Magan Barot, said the Ordinance would provide for severe punishment, including imprisonment of erring traders. He was addressing a function organized to mark Id in the Dariapur area of the city last night.

CSO: 4220/7509

IMPORTANCE OF EXPORT OF TECHNOLOGY STRESSED

Madras THE HINDU in English 6 Aug 81 p 8

[Article by B. S. Padmanabhan]

[Text]

THE proposal, recently recommended by an inter-ministerial meeting of officials of the Government of India, to create a special cell in the Department of Science and Technology and appoint a technical adviser in the Ministry of External Affairs to promote transfer of and trading in technology marks the beginning of concerted efforts to tap the vast potential available in the network of R and D institutions not only to help other developing countries in their economic advancement but also earn the much-needed foreign exchange.

Transfer of technology is not a new concept but it has assumed importance in the context of the increasing stress placed in international forums on South-South dialogue and Technical Cooperation among Developing Countries (TCDC), following the near failure of the North-South dialogue to make the developed countries help the third world.

According to an estimate made by the U.N. Industrial Development Organisation, the total value of global trade in technology in 1976 was $11,000 millions but the developing countries accounted for a mere 10 per cent.

It is expected that over the next five years, the value of technology transfer to developing countries will rise to $6,000 millions and this will open up tremendous opportunities for countries like India, which are fairly developed and whose technologies are appropriate to many of the advancing countries. It is this realisation that seems to have prompted the Minister of State for Science and Technology, Mr. C. P. N. Singh, to initiate action for a coordinated effort in the area of technology transfer and trade.

Different means

At present, technology transfer from India is taking place through different means. These are: (a) sale of technology as such by agencies like the National Research Development Corporation, (b) transfer through joint ventures, (c) turnkey projects, undertaken abroad by public undertakings, (d) projects executed under the Government-sponsored Indian Technical and Economic Cooperation programme, (e) bilateral agreements on scientific and technical collaboration, and (f) consultancy services.

NRDC has transferred technology, developed in various R and D institutions, both by direct negotiations and by implementing projects under the ITEC programme.

Under the first category, it has so far transferred technology to seven countries for 10 projects. These are, Suri transmission to West Germany, high draught kiln and spice oleoresin to Nepal, active carbon from saw dust and fish meal to Philippines, spice oleoresin to Malaysia, syntan PKR and nasal filter to the U.S., buff-coloured green pepper to Sri Lanka and fountain pen ink to Kenya.

Under the ITEC programme, NRDC will be completing soon 21 projects in Burma valued at Rs. 2.2 crores. Most of them are turnkey projects.

Under joint ventures, 400 projects had so far been approved of which 207 were effective at the beginning of this year.

Indian participation in equity share capital in the 115 ventures which are in production, has been effected in the form of capital equipment and technology to a large extent. By way of know-how fees, India has earned Rs. 193 lakhs in 1977-78, Rs. 231 lakhs in 1978-79 and Rs. 280 lakhs in 1979-80.

Coordinated action

Public undertakings, like the National Small Industries Corporation, the National Industrial Development Corporation, Telecommunications Consultants India Limited and the Electronics Trade and

Technology Development Corporation have been active in export of technology.

Experience so far has underlined the point that effective trade in technology is possible if it is followed by ability to provide follow-up services by way of supply of equipment and maintenance. This calls for coordinated action by the different ministries.

It is contended that India is in a position to offer all the services needed for effective trade in technology. According to NRDC, Indian technologies will be most appropriate to the needs of other developing countries because (1) India has been and is still a developing country whose resources are comparable with other developing countries; (2) India is in a position to offer plants of a size that will fit in with the requirements of developing countries as 40 per cent of its industrial output comes from the small scale sector, (3) Indian technology will be most competitive as compared to those available from developed countries and (4) the degree of sophistication in equipment and methods of manufacture in India will be appropriate to the needs of developing countries.

Although the entire developing world can be regarded as a potential market for Indian technologies about a dozen countries have been identified by NRDC as areas for active campaigning. These include Latin American and African countries, Sri Lanka, Bangladesh, Nepal, Philippines, Malaysia, Singapore, Hong Kong, Fiji and West Asian countries.

In fact, NRDC has been receiving a number of enquiries from some of these countries and on the basis of these enquiries it has listed the specific technologies that can be transferred to them. This list contains over 40 technologies for transfer to seven countries. NRDC feels that if these are included under the ITEC programme it can take up the full responsibility of implementing them.

Suitable mechanism

For quite some time now, particularly after the Buenos Aires Conference in 1978, the need for a national level organisation to serve as a focal point for activities relating to technical cooperation among developing countries has been felt. This was also highlighted at a national workshop on TCDC held in Hyderabad in 1979. The question was: what should be the mechanism to bring about an integrated approach and where should it be located?

Four alternatives were examined in this context (1) the setting up of a corporation, (2) utilisation of the existing centre for technology transfer in NRDC, (3) creation of a cell in the Department of Science and Technology and (4) setting up of an inter-ministerial committee.

The corporation was admitted to be a suitable mechanism but it was felt that it would take time. It could at best be a long-term solution. As regards NRDC, it was admitted that it had built up expertise in the field of technology transfer not only from India to other countries but also within the country from the laboratories to the prospective entrepreneurs.

NRDC's expertise

It had executed more than 2,000 agreements with laboratories under which hundreds of technologies had been exploited successfully. The experience in implementing projects in Burma had helped it to strengthen its links with the national laboratories, reputed manufacturers and consultancy organisations. It had also established links with as many as 90 institutions dealing with technology transfer in 42 countries.

But the DST felt that NRDC had always worked as a small organisation and its adaptability to the rapidly changing situation had been disappointing. It favoured a cell under it as it already had close working relations with the other ministries concerned with transfer of technology like the Ministry of External Affairs, Industry and Commerce. In the ultimate analysis, it had its way and the creation of a cell in DST was recommended as an immediate step.

Functions of cell

The main functions of the cell would be (1) to provide information to several organisations in the country which were able to supply technology to specific identified parties abroad, (2) to promote growth of consulting engineering organisations which would be able to provide specific services in establishing new projects abroad based on technology in India, (3) to identify equipment and related specifications required for establishing units based on technology developed in India, (4) to provide financial assistance in the form of grants, loans or equity in establishing counterpart organisations outside the country to facilitate transfer and trading in technology, (5) to provide guarantees to Indian concerns which are to undertake projects in other countries and (6) to liaise with other government departments and missions abroad.

From these it is clear that technology transfer is being viewed not as an isolated activity. According to Prof. M. G. K. Menon, Secretary of the Department of Science and Technology, one has to look at the sum total of financial, hardware, software, technology, training and other elements in technology transfer. He feels that TCDC should be a link between developing countries on matters relating to technology cooperation agreements.

At present, in various S and T agreements there is no explicit linkage with other organisations concerned with technology transfer. As a result of this, according to Prof. Menon, such agreements tend to be slanted towards relatively areas of less priority like bibliography, and exchange of scientists.

If there is an integrated approach, these deficiencies can be removed and

export of technology can make a real thrust. This at any rate is the expectation with which a cell dedicated to transfer and trade in technology has been proposed.

The complexities of the task of technology transfer and trade have been brought out in a note prepared by NRDC for the inter-ministerial meeting. One of the main requisites for transfer of technology is its "appropriateness". What is considered appropriate technology for domestic use may not be appropriate for export.

For instance, for domestic needs one may develop technology for making a car with low-horse power and consuming less metal and fuel but for export one may need to develop technologies for a variety of more sophisticated models.

Another example cited by NRDC relates to railway wagons and equipment, which could be exported successfully 15 years ago when Indian technology was of the track speed of around 100 to 150 kilometres an hour. But today track speeds abroad have moved to 150-200 kilometres and beyond and it poses difficulties for export.

Similar problems are being encountered with textile machinery, according to this note. The developing countries will like to buy the latest in performance efficiency but only if it suits their ambient conditions. This implies that the state of our technology should be kept under constant review so that it moves with the advance in technology in the world.

In fact, a feeling has grown that our technology gap is widening, of late, though in the 50s and the 60s the gap was narrowing. Action should, it is felt, be initiated to close this gap at least in export sectors even by importing technology from wherever it is more advanced than ours.

This naturally calls for liberalisation of the policy for import of technology and one of the suggestions made in this context is that import of technology as long as it is effected through foreign equity capital, might be on Open General Licence and in the case of large and medium sector, the OGL facility for technology import should be extended only to those units having in-house R and D facilities.

A point made in this context is that foreign exchange outflow on technology import has not been excessive and cannot be regarded as a drain on foreign exchange considering the ultimate gains one can shake out of it.

CSO: 4220/7517

DETAILS OF INDO-ARGENTINE TRADE PACT REVEALED

New Delhi PATRIOT in English 29 Jul 81 p 7

[Text] Buenos Aires, July 28 (UNI).

India and Argentina today signed the first trade agreement providing for most favourable bilateral conditions for imports and exports of commodities.

The three-year agreement signed by Commerce Minister Pranab Mukherjee and Argentina's Minister of Commerce and Maritime Interests Carlos Garca Martinez, also envisages similar treatment to shipping.

The most favourable conditions in imports and exports will be in regard to customs tariffs. Duties, taxes, payment of money, transportation and distribution of commodities and some other matters.

A joint committee has been constituted under the agreement. It is expected to meet yearly, alternating between India and Argentina.

All payments and commercial transactions between the two countries will be made in free convertible currency.

The list of items which can be exported from India to Argentina include a number of engineering goods, railway equipment and rolling stock, iron and steel castings, transformers, textile, cement and sugar mill machineries, handtools, machine tools, sewing machines, bicycles and parts, electric fans, photochemicals and joss sticks and several agricultural and allied products.

The list of products which can be imported from Argentina include agricultural equipment, fishing vessels, machinery for dairy, textile and leather industries, organic and inorganic chemicals, nonferrous metals, zinc, lead ingots, nickel and tin.

Meanwhile, Mr Mukherjee continued his discussions in the Argentinian capital today with the heads of Indian missions and commercial representatives in Latin America to chalk out a strategy for increasing India's exports with the countries of this region.

He will visit Brazil from tomorrow to discuss trade matters with his counterpart as well as with the Confederation of Industries of Brazil.

CSO: 4220/7506

DELHI REGULATING GROWTH OF POWERLOOM SECTOR

Madras THE HINDU in English 7 Aug 81 p 1

[Text] New Delhi, Aug. 6.

The Union Government is constituting a Powerloom Board to ensure the regulated growth of the powerloom sector without detriment to the interests of the handloom sector.

This was disclosed by the Union Commerce Minister, Mr. Pranab Mukherji, at a meeting of the Consultative Committee of MPs attached to his Ministry here today.

Earlier, a member had complained that powerlooms, which had sprung up unauthorisedly, were being regularised at frequent intervals and this affected the handloom sector.

The Commerce Minister wanted the member to recognise that the powerlooms had come to stay and that steps should be taken to discipline the powerlooms so that they did not pose any threat to the handlooms. For this, the constitution of a Powerloom Board was necessary.

Mr. Mukherji said the Government had taken several steps to ensure adequate supplies of yarn to the handloom sector. One step was the setting up of 25 spinning mills by weavers cooperatives. These would have a total spindlage of 6.25 lakhs. Another step was allowing the National Textile Corporation (NTC) to expand its spindlage by 6.4 lakhs. This would maximise the availability of yarn needed by the decentralised sector.

One member complained that the subsidy given for janata cloth produced in the handloom sector was lower than that given to the controlled cloth produced by NTC.

The Minister explained that for the janata cloth produced in the handloom sector, the subsidy had been increased recently by 25 paise a square metre, while for the controlled cloth produced by NTC, the subsidy increase was 10 paise only.

About the glut of handmade carpets in Jammu and Kashmir, Mr. Mukherji said price support operations had been undertaken by STC and the State agency which had been given facilities to buy carpets worth Rs. 5 crores. Before ld. carpets worth Rs. 15 lakhs had been purchased by the State agencies to help the small weavers.

The performance in the import and export spheres figures at the meeting. The Minister said that according to theeprovisional figures, exports in 1980-81 would be Rs. 6,701 corres against the target of Rs. 7,100 crores, but he hoped that when the final figures came in, the export would be in line with the target. He also struck a note of optimism on achieving this year's export target of Rs. 8,400 crores.

He told the members from Kerala that cocoa import had been limited to 75 tons for blending purposes. The State Government had been advised to undertake research to improve the quality of indigenous cocoa so that even for blending purposes, there would be no need for import.

CSO: 4220/7523

RELIEF MEASURES RECOMMENDED FOR TEA INDUSTRY

Madras THE HINDU in English 5 Aug 81 p 1

[Text] New Delhi, Aug. 4.

A substantial reduction in excise duty and other levies like cess and sales tax for the next three years is among the recommendations made today by a national meet on tea to enable the tea industry to overcome its present problems and stabilise production for export.

The national meet was the first of its kind convened by the Commerce Ministry, bringing together representatives of State Governments and the industry, to sort out the problems faced by one of the important foreign exchange earners for the country.

The meeting was attended by the Minister of Finance and Ministers in charge of the tea industry in the tea-growing States of Assam, West Bengal, Tripura, Kerala, Tamil Nadu, Karnataka and Himachal Pradesh, besides representatives of the United Planters Association of Southern India (UPASI) and other apex organisations of the industry.

Today's meeting had been preceded by an official-level gathering yesterday.

Mr. Pranab Mukherji, Union Commerce Minister, who inaugurated the meeting, underlined the need to ensure for the tea industry a level of return that would enable it to develop and grow.

Critical phase: He said the tea industry was now passing through a critical phase with excess of supply over demand in the world. The number of tea producing and exporting countries had increased in recent years, which had resulted in abundant availability of tea in the world market and stiffer competition for the Indian product.

Since tea industry provided direct employment to one million workers and indirect employment through ancillary industry to another million, it should be helped to grow and export more.

Mr. Mukherji felt that to make Indian tea competitive in world markets, its cost of production should be brought down. At present, the cost of production in some of the other tea growing countries was lower than in India.

He regretted in this context the action of some State Governments in increasing the level of taxation of the tea industry and also introducing fresh levies in various forms.

The Minister urged the State Governments to take a second look at their action in the interest of improving the competitiveness of Indian tea in the export markets.

States relent: According to Mr. P. K. Kaul, Commerce Secretary, who briefed newsmen after the meeting, State representatives argued that reduction in taxation would affect their resource position. But, ultimately, they agreed that for the next three years the tax burden on the tea industry should be reduced.

The industry was urged to plough back more of retained earnings for improved production and research and development, and the increase production of tea in value-added form.

The Central and State Governments were urged to reduce excise duty and provide full movement facilities for transport of coal to meet the requirements of tea gardens.

Another recommendation was for a study of the internal marketing system and the designing of an appropriate reporting and monitoring system.

The committee on small growers, already constituted by the Government, was urged to give its recommendations at the earliest possible time.

Kerala model commended: The Governments of tea-producing States were asked to consider constituting consultative committees on the lines of those set up by Kerala for a regular dialogue with the industry.

The State Governments were also urged to consider granting exemption from rural employment cess to all export sale of tea and to producers using their own tea for packeting purposes. It was suggested that tea being used for production in value-added forms might not compulsorily be required to go through auctions.

PTI reports:

Among the steps the conference recommended that the Central and State Governments take were that excise duty on tea be substantially reduced and indirect taxes paid on exports be refunded and the procedure for drawbacks simplified.

Packet tea: As production of packet tea is to be encouraged, excise duty on packet tea was urged to be substantially reduced or removed, with this recommendation being valid even beyond the next three years, until a further review.

It wanted agricultural income-tax and other local taxes substantially reduced by State Governments. If there is no flexibility in reducing tax liability under any particular law, endeavours should be made to grant appropriate reliefs by suitable adjustments under other laws.

The industry should be enabled to pay advance income-tax on the basis of income estimated to be generated during each quarter.

In view of the agricultural nature of the operations, the credit requirements of the industry should be fully met by financing institutions at concessional rates of interest for the next three years.

Discussion should be held with the railway authorities for facilities to be provided to the industry for movement of tea in less than a trainload--that is, in smaller number of wagons as well as in containers.

CSO: 4220/7910

WHEAT COUNCIL PREDICTS SUBSTANTIAL IMPORT FOR '80-82

Calcutta THE STATESMAN in English 27 Jul 81 p 9

[Text] New Delhi, July 26.--The estimate of the International Wheat Council about this year's production in India is 34 million tons--two million tons less than what the Government has officially claimed. The assessment of the London-based Council is that India will have to import a substantial quantity of wheat in 1981-82.

According to it, India's imports will be about 4 million tons. This is 2.50 million tons more than what the Government has already contracted for in the USA.

The Council's report has said that as a result of a poor crop in 1980, there was a reduction in stocks in 1980-81 and the open-market price went up. Even though this year's production recovered, the level of Government procurement has been below the requirement because of the difference between official procurement and open-market prices.

This is why the Government of India had to revert to imports.

Until recently, India was often cited as an example of a developing country whose efforts to achieve market stability and food security were successful.

The latest turn of events again demonstrates the difficulties that developing countries face in striving for that goal, the Council's report pointed out.

The Council's assessment apart, this year's procurement of wheat has exploded the myth even in the so-called surplus areas such as Punjab and Haryana. Punjab's target was 4.7 million tons, while it could procure only 3.70 million tons. Haryana procured 1.1 million tons against its target of 1.7 million tons.

The record in other wheat producing centres was just as bad. Uttar Pradesh has procured 1.42 million tons (target--2.5 million tons; Bihar 0.01 million tons (target 0.15 million tons); Rajasthan 0.009 million tons (target 0.10 million tons) and Madhya Pradesh 0.15 million tons (target 0.20 million tons).

With all the major wheat growing States failing to mop up the target quantity it is now explained that the production estimates had been on the high side. Thus, the overall procurement target of 9.5 million tons was unrealistic. The actual production in Punjab and Haryana is reported to be 7.3 million tons and

3.1 million tons, respectively. The estimated production for Punjab was 8.7 million tons and for Haryana 3.4 million tons. Therefore, the shortfall in these two surplus States alone is around 1.7 million tons.

As for the overall foodstocks, there is already a gap of 4.5 million tons. The country needs a stock of 15 million tons plus 3 million tons in operation. Officially, the present stock consists of 7.5 million tons of wheat and 6 million tons of rice making a total of 13.5 million tons.

The monthly off-take from the public distribution system stands at 500,000 tons. The position may not be very sound but it is not critical either. The buffer stock built up through imports in the mid-1970s and subsequent food crops had created the impression that the country had become a surplus grain producer. Last year's drought has exploded the surplus myth.

CSO: 4220/7502

KERALA AREA UNDER RICE REPORTED LESS THAN LAST YEAR

Bombay THE TIMES OF INDIA in English 26 Jul 81 p 7

[Article by K. C. John]

[Text] Trivandrum: Rice growers of Kerala, a shrinking tribe, have been blessed with timely rains in sufficient quantity this year. But the production may be less than that of last year.

The acreage under rice has shrunk this year because of the growing tendency of the farmers to go in for more profitable cultivation like coconut and banana. And once the land which was traditionally under rice cultivation is utilised to grow coconut and banana it will be difficult to grow rice again here.

Rice fields are claimed for construction of houses in cities like Trivandrum. This trend will, in the long run, affect the ecology of the area but it goes largely unnoticed or ignored by the municipal authorities. Recently, all the MLAs of Trivandrum city irrespective of political differences appealed to the municipal authorities and to the people at large to resist the trend to reclaim rice fields for house construction.

Growing rice is increasingly becoming a losing proposition. Labour is very costly. The daily wage for a male worker is Rs. 15 and that of a female worker ranges between Rs. 12 and Rs. 13. The high cost of chemical fertiliser is another inhibiting factor. The price of rice no more holds any attraction to the Kerala farmer.

But only his traditional instinct has kept him attached to his fields and to the rice crop. But such instincts are gradually giving way to compulsions of the economic situation.

Kharif crop in Kerala has two aspects. One is the plant raised in nurseries and then transplanted in the field. The other is the seed sown directly in the field.

The nurseries depend largely on the pre-monsoon showers during the last week of April. The pre-monsoon failed the nurseries adversely affecting transplantation of the rice crop.

But the monsoon came on time and the farmers did not delay sowing. Even according to official analysis of the weather condition, there has not been any large-scale destruction of the crop by the monsoon floods.

CSO: 4220/7496

DUTY ON EDIBLE OILS RAISED TO 150 PERCENT

Bombay THE TIMES OF INDIA in English 27 Jul 81 p 1

[Text] New Delhi, July 26 (UNI).

In a bid to curb speculation by private trade in the import of vegetable oils and allied products, the government today put up the effective rate of customs duty on these oils generally to 150 per cent ad valorem.

The President also issued an ordinance to amend the first schedule to the Customs Tariff Act, 1975, relating to the levy of basic customs duty on these oils.

The ordinance was promulgated after a meeting of the Union cabinet held at the residence of the Prime Minister, Mrs. Indira Gandhi.

A press note issued by the finance ministry clarified that imports by the State Trading Corporation would continue to attract a concessional duty of only five per cent "ad valorem".

The press note said the present increase in the rate of duty on imports by private importers would not therefore, have any adverse impact on the availability of oils or lead to any rise in prices.

The note said that there were large stocks of vegetable oils in the country, both imported and indigenous.

The note further said sufficient quantities of vegetable oils were being imported by the State Trading Corporation for purposes of the public distribution system and for supply to manufacturers of vanaspathi.

However, it was reported that of late, vegetable oils and allied products were being imported by private importers who had been making induly high profits in the import and sale of such goods.

The concessional rates of duties now applicable to specified oils in terms of international trade agreements would continue. Thus, soybean oil and rapeseed oil would attract a total (basic plus auxiliary) duty of only 45 per cent ad valorem, while tallow would continue to attract a total (basic plus auxiliary) duty of 15 per cent ad valorem.

The President also issued an ordinance to stipulate that no newspaper establishment shall "dismiss, discharge or retrench any newspaper employee" on account of the additional wage burden cast on it by the government's decision on the Palekar award.

The ordinance to amend the Working Journalists and Other Newspaper Employees (Conditions of Service) and Other Miscellaneous Provisions Act for this purpose was issued.

Official sources explained that the decision would also apply to parttime journalists employed by newspaper establishments.

The ordinance said it shall be deemed to have come into force on August 13, 1980, when the government received the Palekar report.

The operative portion of the ordinance says: "No employer in relation to a newspaper establishment, shall, by reason only of his liability for payment of wages to newspaper employees at the rates specified in an order of the Central government under section 12 or under section 12 read with section 13 A-A or section 13 D-D, dismiss, discharge or retrench any newspaper employee."

CSO: 4220/7503

FERTILIZER PRICE RISE MAY INCREASE FOOD DEFICIT

Bombay THE TIMES OF INDIA in English 7 Aug 81 p 8

[Editorial]

[Text]

The Central government will do well to heed the warning given by the Fertiliser Association of India that the latest increase in fertiliser prices, of around 18 per cent, will bring the growth in consumption to a halt. As it is, the rate of growth of consumption, which had averaged 20 per cent a year for four years from 1975-76 to 1978-79, dropped to a measly 2.7 per cent in the drought year of 1979-80 and recovered only to six per cent in 1980-81. There can be little doubt that the rise in fertiliser prices of around 38 per cent announced in June last year, just before the budget for 1980-81 was presented, played a large part in slowing down the growth of consumption. This is testified to by the fact that although the state governments took 25 lakh tonnes of fertilisers from the Centre, they were able to sell only 20 lakh tonnes. Nor, despite almost perfect weather conditions, did the increase in consumption during the last *rabi* season come close to the 9.3 per cent that the Economic Survey had predicted in February. Against this background, the target for the increase in fertiliser consumption set for 1981-82, of no less than 21 per cent, was unrealistic at the best of times. The price hike, which was announced on July 11, just as *kharif* sowing and transplanting had got under way, has made it virtually certain that not even a third of this target will be attained.

Unfortunately, even this is not the full story. In putting up prices at so inopportune a moment, the government has obviously fallen a victim to its own incessant propaganda that India is now a food surplus state. But a close look at the statistics for the last seven years shows that it is nothing of the sort. Twelve out of the 13.7 million tonnes of foodgrains which it had in its buffer and operational stocks on July 1 had been imported in 1974-75, 1975-76, and 1976-77. In fact, over the years from 1974-75 to 1980-81, procurement has fallen short of the offtake from the public distribution system by over two million tonnes. India is therefore still a deficit state, as the import of 1.5 million tonnes of wheat this year has underlined. What is more, the deficit is about to get worse, for not only has the increase in fertiliser consumption slowed down to a crawl, but partly as a result of this, the output of foodgrains has barely risen after 1978-79. In the meantime the population has gone up by 30 million. With such a precarious food balance, it was imperative for the government to have done nothing to upset it. But this is precisely what the Union finance ministry has chosen to do.

CSO: 4220/7519

EFFORTS TO DEVELOP ALTERNATIVE ENERGY 'INADEQUATE'

Bombay THE TIMES OF INDIA in English 4, 5 Aug 81

[Article by Prem Shankar Jha]

[4 Aug 81 pp 1, 7]

[Text] New Delhi, August 3.

Against the grim background of an impending fuel famine in as little as ten years, the Indian government's efforts to develop alternative energy sources have so far been less than inadequate.

The national paper prepared for the Nairobi conference lists what the country's laboratories have been doing in the fields of solar energy, solar photovoltaics applications, wind energy, and the use of biomass (conversion of organic matter into energy sources like ethylalcohol).

But nearly all of this work is still at the laboratory stage. A good bit of it is also hopelessly derivative, being essentially a rehash of work that has already been done in countries like Israel, Australia and the U.S.

For instance, in the direct heat application of solar energy, nearly all the work done so far has been on low heat applications, where temperatures of 90-120 degrees C. are needed, such as solar water-hearing, solar drying of cash crops and so on. By contrast, Israel has been actively developing solar pond technology, and parabolic dish collectors with central receiving systems that can raise temperatures to over 1,000 degrees C.

One of the chief drawbacks of attempting to collect and concentrate solar energy is the fact that the collectors must track the sun. This requires massive computer controlled motors to offset the east-west and the north-south movement of the sun. At the mechanical engineering department of Melbourne University, researchers have drastically simplified the business of tracking the sun with parabolic concentrators, by making the reflector stationary and changing its shape to compensate for the north-south shift of the sun, and making the energy receiver move along a short arc to stay at the focal point of the reflector as the sun moves east to west. By doing this, they have cut down the cost of solar tracking systems to one seventh of what it is today.

Nor is this all. Although Australia is an energy surplus country, it has already begun to use solar energy as an auxiliary power source for large power plants. At Meekatharra in western Australia, a giant power station is being set up in which solar energy will meet ten per cent of the total fuel needs, i.e., about 35 per cent in the daylight hours.

An interesting feature of this development is that the station will use conventional racing reflectors at an estimated cost of Australian $700 per square metre of reflector. The viability of solar energy will, therefore, increase manifold when the current efforts to simplify the concentration of energy at Melbourne and elsewhere bear fruit. Surprisingly, although India has an abundance of sunshine, and Gujarat and Rajasthan would be ideal locations for direct solar energy power plants, no experiments are being conducted on these lines in the country.

The Indian government is, however, placing great stress on solar photovoltaics. It has made encouraging progress both in the manufacture of single-crystal silicon cells and the setting up of facilities for the manufacture of solar-grade silicon. But it is difficult to see how this can contribute anything significant to the solution of the energy crisis. It is almost impossible for the country to bring down the cost of the cell to a level where it will provide cheap enough power to substitute for the current non-commercial sources of energy in the rural areas. In fact, doubts are being now expressed about the viability of solar photovoltaic energy in the near future, even in the advanced countries.

The report of the technical panel on solar energy for the Nairobi conference points out that while the current cost of photovoltaic cells is as high as $10 to $15 per peak watt, very rapid technical advances are likely to reduce this to between 70 cents and two dollars per peak watt and $2 to $6 per peak watt for the complete generating system, by 1986. However, enquiries made by independent bodies with the major firms in the field show that the cost of production is not falling quite as fast as the U.N. panel had predicted. As such, solar cells, which were expected to become competitive with other modes of electricity generation in the 190's, [as published] may not actively become viable till the turn of the century.

The Indian paper also makes a passing reference to biogas plants of which there are now 70,000 in the country. Energy plantations, anr the production of fuel (ethanol) from agricultural residues. [as published] In fact, a programme to convert tapioca into ethyl alcohol for blending with petrol is already under way. But in this area also, the country is far behind the rest of the world. Brazil is already using gasohol, and is on the way to producing cars that will run solely on ethyl alcohol. China, moreover, has already set up perhaps 20 times as many biogas plants as this country.

The Indian government has also so far ignored one other technology that the U.N. technical panels considered most promising in the medium term. This is the utilisation of the temperature differential of ocean waters to gasify and then recondense an appropriate gas, using the heat given off in the latter process to produce electricity on vast offshore platforms (a valuable by-product of this system is pure water). The panel on ocean energy has pointed out that a minimum difference of about 20 degrees C., is needed for the process to work and that

this is found between the surface and a depth of 1,000 metres all around the Indian coast, at a distance of barely 45 to 60 km.

The technology for power generation is well understood. A few pilot plants are already under construction elsewhere, and a number of commercial-size plants are expected to come up by 1990. While the theory of exploiting temperature differentials was always known, the possibility of using the ocean's limitless reserves of stored solar energy has only recently been opened up by the rapid development of offshore oil drilling and production technology. Since India already has much of this technology, it is surprising that it has not so far thought of setting up a pilot plant, either by itself or in collaboration with an advanced nation.

All in all, the Indian paper reflects several glaring deficiencies. The first is a complete lack of co-ordination of research effort. The impression left with the reader is one of a series of disjointed efforts being conducted by a dozen or more separate organisations without any central direction.

The second is the absence of any sense of urgency. The rural energy crisis is already on in the country. In 15 years at most, the forests will be gone, and people will be clawing the ground for stalks and grass to use as fuel. Yet many of the technologies being played around with will not be viable till well into the 21st century.

What the country needs is not to go shopping in all the windows of science for a tid-bit here and a tid-bit there, but to settle on a single technology which can prove viable in two decades at most. In this, the Indian paper provides a glaring contrast to the one submitted by Israel, in which every component of the energy programme is presented within a definite time-frame for the transformation of Israel's energy base from fossil to non-fossil fuels.

[5 Aug 81 pp 1, 14]

[Text] All the other deficiencies of the Indian approach to the energy problem are dwarfed by one major lack of insight. This is its failure to realise that today four-fifths of the country's population regards firewood and cowdung--the main cooking fuels--as free gifts of nature.

Any attempt to replace them with an alternative fuel which costs money will mean a sharp drop in the consumption standards of people who already do not have enough to eat. They will therefore resist it, and will continue to cut firewood even while photovoltaic or wind electricity units in the villages go a begging for customers. This is, in fact, what has happened to all rural electrification schemes so far. The only way to stop the destruction of the forests is to replace firewood with another free fuel. And this in turn is only possible if the free fuel is a by-product of some other commercially viable process.

It is in this connection that the virtual omission of one reference to what even some of the advanced countries are coming to recognise as one of the most promising routes to a permanent solution of the energy crisis becomes significant. This is the partial gasification of biomass--urban wastes, wood or other agricultural residues--to produce methanol, other transport fuels like gasoline, or ammonia for the manufacture of fertiliser.

The UN's synthesis report of all the technical panel reports, which analyses the prospects for all the alternatives to fossil fuels, says that technology for producing methanol from wood gasification is well established but no commercial plant has yet been built. It estimates the cost of methanol from this route as dollar 520-960 per tonne of oil equivalent, and says that "methanol could be competitive with gasoline in the short term."

The viability of this route depends on the price at which biomass is available. Ireland, Georgia in the US, New Zealand, Canada, Sweden and Denmark have already experimented with high-density biomass plantations and the conversion of biomass into transport fuels and synthetic oils, despite their being cold countries.

In fact, Ireland has achieved yields of 50 tonnes per hectare of biomass through coppice plantation of quick-growing trees and shrubs, in a four-year cropping cycle and has actually prepared a working paper for the Nairobi conference entitled "Short-rotation forestry-densification-gasification--a partial solution to the energy needs of a small country." Note that the paper talks of a solution not of approaches or experiments.

At the very antipodes, the New Zealand government actually prepared a plan to set aside one million hectares of pine forests, yielding on an average 18 tonnes of wood per hectare every year, for converstion into transport fuels through gasification. This, it estimated, would meet all of its needs. In 1976, the New Zealand government had estimated that the cost of methanol obtained by this route, would be twice that of an equivalent quantity of gasoline in energy terms, but that with the gradual rise in the real price of oil, the wood gasification technology would become viable in the late eighties. But since then the cost of oil has already doubled in real terms. The technology should, therefore, be viable now. This is confirmed by the UN synthesis report which states that "under favourable conditions.... the production of methanol from forestry or agricultural wastes appears to be close to economic viability."

FREE CHARCOAL

For India, and indeed all the low-income countries of the "South," the cautious endorsement of the UN panel amounts to an unambiguous green signal, for the by-product of wood or biomass gasification is charcoal. This is a nuisance to the Advanced countries, but a godsend to the poor nations. For being a by-product, it can be distributed free of cost, and, therefore, will not disturb the precarious income balance of the rural poor.

Indeed, at the current domestic prices of methanol, gasoline or ammonia in the oil—importing third world countries, the wood gasification route to the production of transport fuel and fertilisers offers such high rates of return, that even for private entrepreneurs, to return the charcoal free of cost to the villages that grow the wood will make only a small dent in their profitability.

In India, most scientists have so far ignored the wood gasification route because of a deep-seated belief that, for the production of methanol, this is totally uneconomical. But this belief is wrong because it is based on the two per cent yield that takes place when wood is converted into charcoal by the traditional process of burning it in the absence of oxygen.

The essence of the modern wood gasification technology considered by the UN panels and the advanced countries, is to make charcoal not slowly and at low temperatures (300-500 degrees C) as in the traditional way, but very rapidly at high temperatures of 900 to 1000 degrees C, obtained by blowing pure oxygen into a charcoal-making (wood gasification) kiln of modern design. In such a high-temperature process, the yield of charcoal falls to between 18 and 22 per cent of the weight of wood (against 33 to 40 per cent in the traditional method), but the remainder of the wood is turned into "producer gas," three-quarters of which consists of carbon monoxide, hydrogen and methane.

As all chemical technologists know, these are the basis building blocks of the petrochemicals industry, and can be converted easily into methanol, synthetic gasoline, ammonia (for fertilisers) and a range of other transport fuels and petro-chemicals. One tonne of dry wood (roughly two tonnes of "wet" wood) is capable of yielding up to 0.56 tonnes of methanol, which is not only an ideal base material for the petrochemicals industry, but can be blended with gasoline or converted, in a process developed by Mobil, into synthetic gasoline for no more than 8 to 10 cents a gallon.

For the production of ammonia, the gas obtained from wood is even better than natural gas, because the latter has first to be "cracked" into carbon monoxide and hydrogen. This process is exceedingly expensive and consumes one-third of the total energy used in the making of fertilisers. By contrast, 95 per cent of the inflammable gases obtained from wood already consist of carbon monoxide and hydrogen. What is more, the same air separation plant that produces oxygen, will produce the nitrogen needed to make ammonia.

The UN report on biomass energy for the Nairobi conference estimates the capital cost of a 1000 tonne—a—day wood or biomass gasification plant producing methanol and charcoal, at 1980-81 prices, as $78.5 to 178.0 million, depending on the technology used, with a "base", or a most likely estimate of $115 million, i.e. Rs. 100 crores.

Assuming the Indian government were to encourage village panchayats and even private farmers to grow quick-growing tree species on common or marginal lands by promising to pay them say Rs. 150 per tonne of wood, with the free return of the charcoal, and that the methanol it produces is sold at the current price charged, ex-factory, by Rashtriya Chemicals and Fertilisers, of Rs. 5000 per tonne, the average returns over the life of a thousand-tonne plant, would be in the neighbourhood of 33 per cent on capital employed at 80 per cent capacity utilisation, with partially solar-dried wood being fed into the gasifies.

Similar returns can be obtained if urban waste (garbage) is gasified after separating the inorganic matter from it, and making it into briquettes for feeding into the gasifier.

CSO: 4220/7507

PAPER INTERVIEWS ONGC CHAIRMAN-DESIGNATE

Madras THE HINDU in English 6 Aug 81 p 9

[Text] Vijayawada, Aug. 5.

"We do hope to hit the bull's eye one of these days", Col. S. P. Wahi, chairman-designate of the Oil and Natural Gas Commission, said today, referring to the prospects of oil and gas being found in the Godavari Basin.

He told THE HINDU at Gannavaram airport that technologists had established the presence of hydro-carbons in the basin. The problem was one of hitting the right spot, he said.

Col. Wahi, who is to take charge as chairman from Mr. P. T. Venugopal shortly was on his way to Bombay High after a visit to the on-shore exploration work under way in Narasapur and Razole areas.

He said there was no truth in some press reports that he had come to Andhra Pradesh following gas find in the second well. "I have come to see my men at work before taking over as chairman", he said.

Blow-out: The first well had to be closed following a blow-out of gas in December last year. Now, two rigs were digging two exploratory wells. One of them has been completed up to 2,000 metres and the other up to 3,000 metres against the targetted 4,500 metres. It will take three or four months for completion of the work.

Platforms were being got ready for drilling at two more points.

Col. Wahi said he was looking into the possibilities of giving a further push to the exploration programme, both on-shore and off-shore, in the Godavari Basin if the Government extended support.

Exodus: Asked about the exodus of experienced scientists and technologists from ONGC, Col. Wahi said it was something that could not be stopped. It happened all over the world. ONGC had, however, taken steps to make up such losses by recruiting more personnel.

Col. Wahi said he had special attachment to both Andhra Pradesh and Tamil Nadu because he had worked in the EME College in Trimulghery and in the tank factory at Avadi in Madras. He had been associated with BHEL, Cement Corporation of India, Bokaro Steel Plant and other public sector concerns.

CSO: 4220/7517

GOVERNMENT REPORTED AGAINST BUYING SPOT CRUDE

Bombay THE TIMES OF INDIA in English 5 Aug 81 p 9

[Article by G. K. Pandey]

[Text] New Delhi, August 4.

The government has decided to continue crude imports on government-to-government basis in spite of the extremely depressed crude prices in the spot market, it is learnt.

The issue recently came up for review because it was felt in certain quarters that it would be in India's interest to abrogate some of the contracts and buy the same quantity of oil from the spot market. This would have resulted in a foreign exchange saving of several crores of rupees.

But, on a careful consideration of the matter, the government came to the conclusion that it was not in the national interest to terminate contracts with suppliers of a long standing for the sake of temporary financial gain.

According to the latest price quotation in the world market the spot price of a barrel of African crude is $6.6 lower compared with the contract price, Basra and UAE crude by $4.5 a barrel and Iranian by $5.5.

For the current year, India has contracted for 5.75 million tonnes of oil from Iran, 0.9 million tonnes from Iraq, 2.1 million tonnes from Saudi Arabia, 2.3 million tonnes from the Soviet Union, one million tonnes from Algeria, 1.5 million tonnes from the UAE and 0.5 million tonnes each from Nigeria and Venezuela.

Since the understanding with each country provides for the abrogation of an agreement at three months' notice, experts were of the view that because of the comfortable crude inventory, the import of high-priced Nigerian and Algerian crude could be stopped if these countries did not agree to provide some relief in prices.

Both Nigeria and Algeria declined to accede to India's request. They were believed to have stated that they could not make an exception in India's case.

In view of this, petroleum ministry experts felt that the contracts with these countries should be cancelled. This advice was, however, not accepted.

Sources here pointed out that it was after a great deal of deliberation that the government entered into separate contracts with the countries supplying crude to India.

It was argued that the spot market prices, which had slumped in the wake of a recession in demand were likely to pick up again because of the cutback in production by a number of oil-producing nations.

Some major oil-producing countries had cut down their crude output by as much as 50 per cent over the past few weeks, according to reports reaching New Delhi through diplomatic circles.

As a result, it was gathered that the declining trend in the spot market prices has been halted. In fact, lately the prices of a number of petroleum products had shown a rising trend. The increase in prices of petroleum products ranged between $20 and $40 per tonne.

Knowledgeable circles believe that after an understanding on prices is reached between Saudi Arabia--the largest producer of oil--and other oil-exporting countries prices in the spot market will begin firming up. It is primarily Saudi Arabia's refusal to curtail oil production that is responsible for the sagging trend still discernible in the spot market.

CSO: 4220/7507

GOVERNMENT TO TAKE OVER OIL INDIA, ASSAM OIL

Bombay THE TIMES OF INDIA in English 9 Aug 81 p 9

[Text] New Delhi, August 8.

The Union cabinet has approved the payment of Rs. 21.56 as compensation to Burma Oil Company (BOC) for the take over of 50 per cent of its equity shares in Oil India, Ltd., Assam Oil Company and the Burma Oil Company (India Trading) Ltd., it is authoritatively learnt.

The amount of compensation to be paid was the main issue which was holding up the takeover of these companies.

The government has however decided not to take over the 20 per cent equity held by BOC in the Tin Plate Company of India offered by BOC as part of a package deal. The authorities felt that there was no need to acquire BOC shares in this venture because 51 per cent of its shares are held jointly by TISCO and other financial institutions. Indian participation could be further rasied to 55 per cent if the financial institutions decided to convert their loans into equity, as they were entitled to do.

According to knowledgeable circles here, BOC, a pioneer in the field of oil exploration and refining in this country, will relinquish its interests in OIL, AOC and BOC (India Trading) by the middle of October this year. An understanding to this effect was reached between the government and BOC in June.

The takeover of OIL will enable the Government to step up the tempo of exploration. The Digboi oilfields now yield 40,000 tonnes a year or 800 barrels per day. Experts feel that it might be possible to increase production from these wells with secondary recovery techniques.

The government has not yet taken a decision regarding the amalgamation of the Digboi refinery with the Indian Oil Corporation or the Bharat Petroleum Corporation. However, when the government took the decision to merge Caltex with the Hindustan Petroleum Corporation. It had been agreed that after the government took over the Digboi refinery, it should be merged with BPC.

CSO: 4220/7531

COAL INDUSTRY CONFIDENT OF REACHING '81-82 TARGET

Bombay THE TIMES OF INDIA in English 5 Aug 81 p 13

[Text] New Delhi, August 4: There has been a substantial increase in coal production this year as compared to that in last year.

In July this year the coal industry recorded an increase of 12 per cent by producing 9.23 million tonnes of coal as against 8.24 million tonnes produced during the corresponding month last year. BCCL recorded an increase of 12.6 per cent, CCL 12.7 per cent, ECL 10.9 per cent and WCL 10 per cent. The Singareni Collieries also achieved a growth rate of 16.7 per cent during the month.

Coal production during the first four months, April to July, of the current financial year has substantially exceeded the planned target rate of 5.2 per cent for the entire year. During these four months, 36.73 million tonnes of coal were produced as against 34.12 million tonnes produced last year marking an increase of 2.61 million tonnes.

With the present increase in coal production, the coal industry is confident of achieving its target of 121 million tonnes for 1981-82.

Coking Coal

There has also been a significant increase in the supply of coking coal to the steel plants. In April-July this year, the supply of coking coal to the steel plants is estimated at 3.65 million tonnes as against 3.38 million tonnes in the same period last year recording a growth rate of seven per cent. The washeries of CIL have also been functioning at a higher level of efficiency and as a result the washed coal production in April-July has been about 14 per cent higher than the corresponding period of the previous year.

Coal India supplied about 11 per cent more coal to its consumers this year. This increase was reflected in despatches to all the major consuming sectors. The power stations received 19 per cent more coal during the period April-July 1981 than in the corresponding period of last year. Similarly, the supply of coal to the cement plants from CIL increased by about 51 per cent and to the fertilizer plants by 150 per cent.

The steel plants have received about seven per cent more coal and as a result, have been able to build up stocks at the steel plants to a level of about five

lakh tonnes at the end of July 1981. It is proposed to build up stocks further to a level of 7.5 lakh tonnes in the next couple of months.

The coal companies have been able to liquidate nearly 1.8 million tonnes of coal stocks in April-July 1981. The present stocks of coal at the pitheads are estimated at about 16 million tonnes.

CSO: 4220/7507

STEEL PRODUCTION TARGET REVISED UPWARD

Bombay THE TIMES OF INDIA in English 7 Aug 81 p 13

[Text] New Delhi, August 6.

The steel production target for the current year is being revised upwards in view of the better performance of coal and power sectors.

The existing plan envisages output of 7.21 million tonnes of ingots, 5.73 million tonnes of saleable steel and 1.424 million tonnes of saleable pig iron.

This was disclosed by the Union minister for commerce, steel and mines, Mr. Pranab Mukherjee, at a meeting of the parliamentary consultative committee attached to his ministry here yesterday.

The minister informed the members that during April-July 1981, steel plants under Steel Authority of India (SAIL) produced 2.69 million tonnes of ingot steel and 1.696 million tonnes of saleable steel, thereby registering an increase of 18.6 per cent in ingot steel and 30.7 per cent in saleable steel over the output during the corresponding period last year.

About the modernisation plans of the steel plants, Mr. Mukherjee said that blast furnace No. 4 has been commissioned at Bokaro and coke oven battery No. 5 has gone into production. Except the cold-rolled mill complex, the four million tonne stage of the plant is expected to be completed by September, 1982. The plate mill at Bhilai is likely to be commissioned during the current year. He said that concrete pouring for the blast furnace at Visakhapatnam is likely to take place in October and the first phase of the project is likely to be completed by 1985.

The minister said that government has accepted the recommendation of a technical committee on re-rolling industry and banned further creation of re-rolling capacity except in some states where no mini-steel or re-rolling plant exists.

The minister said that the steel produced with the sponge iron of Kothagudem plant was reportedly of better quality than that produced from ferrous scrap. He informed the members that there was already another letter of intent granted to the Bihar state industrial development corporation for setting up a sponge iron plant of 1.20 lakh tonnes capacity, based on the same technology.

He also stated that another licence for a 300,000 tonnes capacity plant, based on Allis Chalmers process, had been granted to Orissa Sponge Iron Limited. A part of the capacity of 1.50 lakh tonnes is nearing completion. The Orissa government has also requested for permission to set up another plant of 90,000 tonnes capacity based on IISCO technology. Setting up plants, based on gaseous reduction up to four-lakh tonnes capacity is also under consideration of the government.

Mr. Mukherjee said that the government had approved the modernisation and technological updating plan of the alloy steel plant, Durgapur. It was expected to take 42 months for implementation at an estimated cost of Rs. 65.98 crores. He said that a provision of Rs. 52 crores had been made during the sixth plan period for setting up a sintering plant and ancillaries at IISCO. The proposal was being processed.

The minister said that National Aluminium Company had kept to the project schedule in its various activities. The main consultancy contracts with Engineers India for comprehsnive project services for the main plans and with Development Consultants private limited for the power plants have been signed recently.

The selection for the port handling work will be completed in the next fortnight. The alumina plant and aluminium smelter are scheduled to be commissioned in September 1985 and February 1986 respectively.

Mr. Mukherjee said that aluminium production had considerably picked up. During the first quarter, (April-June) the production was 52,322 tonnes, representing a considerable improvement over the figure of 36,505 tonnes in the corresponding period last year.

The minister said that a testing plant was being set up at Racherla for undertaking treatment of diamond samples to be obtained during exploration. It is proposed to treat about 6,600 tonnes of vajrakarur rocks and about 8,000 tonnes of unimadugu conglomerate in this plant.

CSO: 4220/7520

STEEL AUTHORITY HEAD TELLS PROGRESS, PLANS

Madras THE HINDU in English 27 Jul 81 p 10

[Text] Bangalore, July 26.

The revised detailed project report DPR of the Vijayanagar Steel Plant, which was submitted by MECON and accepted by the Steel Authority of India (SAIL) recently envisages the import of coking coal and the use of non-coking coal from Singareni.

It may be recalled that the basic objection to the Vijayanagar Steel Plant project, as previously conceived, was the almost insurmountable logistic problem of transporting its coking coal requirements by rail from the Bengal-Bihar coalfields which are over 1500 km. away.

According to Mr. K. C. Khanna, Chairman of SAIL, who briefed newsmen in Bangalore today, with the use of imported coking coal and non-coking coal, the requirement for the Vijayanagar Steel Plant from the Jharia coalfields will be reduced to only about one rake a day.

A SAIL team was recently sent to South Korea and Japan to study the technique of briquetting and pre-heating of non-coking coal to prepare it for use in the blast furnace. A pilot plant is now being set up at Bhilai for trying out the techniques.

As for import of coking coal, a nearby source has been located--Mozambique. A team from SAIL and the Government of India, which visited that country recently found that there were ample deposits of coking coal with 18 to 19 per cent ash.

Coal India may be asked to help in the development of the mines and washeries there if Mozambique becomes the source of supply of coking coal for the Vijayanagar Steel Plant, then the ideal receiving port will be Karwar, which will necessitate the laying of a rail link between Karwar and Hubli.

The overall cost of the project will depend on the final product mix. The revised DPR has suggested two mixes, the first consisting of 1.6 MTY flats and 1.1 MTY shaped structural which will involve an investment of Rs. 3045 crores and the second consisting of all flats which will mean an investment of Rs. 2962 crores.

Based on future demand, an expert committee which reviewed the two alternatives has favoured the 100 per cent flats proposal.

While the investment in the project appears to be of a high order, Mr. Khanna believed it would not be difficult to obtain the funds from abroad since India's credit rating was now very high, and there were plenty of petro-dollars floating around.

In fact, both Mannesmann of West Germany and Davy United of U.K. had offered total package deals worth Rs. 3000 crores each for Vijayanagar.

Improved Power Position

Turning to the current level of steel production in SAIL plants, he said the improved power availability from DVC and Orissa State Electricity Board had made it possible to reduce the ingot inventory from 770,000 to 338,000 tonnes. He expected that SAIL plants would produce at least 5.7 million tonnes of finished steel this year.

In terms of capacity utilisation, this means 95 per cent of Bhilai, 95 per cent of Rourkela, 75 per cent of Durgapur and ISSCO, and operating Bokaro for the first time at the 2 million tonne level.

If the power situation improves further or at least does not deteriorate, it is quite possible that the finished steel production from SAIL plants will reach 6.1 million tonnes this year.

One of his main worries now, said Mr. Khanna, was the stock of 400,000 tonnes of finished steel lying with SAIL at its plants, which includes high value cold rolled coils. This steel was not moving due to two factors: inadequacy of transport which impedes distribution and the import of steel from developed countries at throwaway prices due to recession in their home markets.

Mr. Khanna felt it was time steel import was curbed and the import duty was raised.

CSO: 4220/7501

DELHI ARRANGES FOREIGN AID FOR THAL-VAISHET PLANT

New Delhi PATRIOT in English 29 Jul 81 p 8

[Text] The Centre has arranged for funds and equipment from foreign countries for the controversial Thal-Vaishet fertiliser projects, reports UNI.

According to official sources, about 300 million dollars of credit has already been tied up. Negotiations are going on for obtaining about 100 million dollars in credit from Kuwait.

The UK and Japan had agreed to give 100 million dollars each. Another 55 million dollars are expected from France, 23 million dollars from Denmark and 20 million dollars from Italy.

The total estimated cost of the project is over Rs 800 crore. The capacity of the plant is planned to be 1350 tonnes of ammonia a day.

The project is scheduled to be completed by 1984-85.

The World Bank had denied assistance to the project following the appointment of Haldor Topsoe of Denmark as the prime contractor for the ammonia plant at Thal-Vaishet in place of C F Brauns of the United States.

Work on the plant has already begun and it is being set up by the State-owned Rashtriya Chemicals and Fertilisers.

CSO: 4220/7506

BRIEFS

CABINET SHIFTS NOTED--New Delhi, August 8 (PTI): Mr. N. D. Tiwari was shifted from the planning ministry to the ministry of industry in a minor reshuffle of the Union cabinet late tonight. The ministry of planning, which Mr. Tiwari was heading, has been allocated to Mr. S. B. Chavan. Dr. Chanana, in charge of the industry ministry as minister of state, will continue to hold the same portfolio. Mrs. Sheila Kaul, minister of state for education and culture will look after the ministry. [Text] [Bombay THE TIMES OF INDIA in English 9 Aug 81 p 1]

OIL EXPLORATION OUTLAY--Dehra Dun, August 8: The total outlay for oil exploration by the Oil and Natural Gas Commission in the five years ending 1985 has been raised from Rs. 3,370 crores to Rs. 4,788 crores, according to ONGC sources. Under the five-year plan (1980-85) formulated for the ONGC proposes to undertake drilling operations in respect of 560 onshore and 325 offshore wells. Crude production is expected to go up to 79 million tonnes and gas production to 1.2 crore cubic metres by the end of the plan. The commission has so far drilled 1,824 wells, of which 1,141 wells contained oil or gas. Crude production in the last one decade was 62.96 million tonnes against 19.21 million tonnes in 1967-71. To mark the achievements of the ONGC, a special postal stamp will be released here on August 14 by the ONGC chairman, Mr. Venugopal. As part of the two-week silver jubilee celebrations programme, the Union petroleum minister, Mr. P. C. Sethi, will release a special ONGC brochure, "Vasudhara", at a function on August 22. [Text] [Bombay THE TIMES OF INDIA in English 9 Aug 81 p 1]

OFFER TO PLA--Itanagar, Aug. 8 (UNI)--Manipur Chief Minister Rishang Keishang today declared that his Government would grant amensty to the arrested "People's Liberation Army" leader Bisheswar Singh and other rebel youths "provided they abjure violence". Mr Keishang told UNI here that his Government had formulated a Rs 25 lakh scheme for the rehabilitation of rebel youths during the current financial year. The Centre would be approached for more funds for the project. A total of 111 surrendered youths had already been rehabilitated, he said. Mr Keishang said an all Manipur citizens committee comprising members from all political parties and prominent social workers had been formed to help the government in putting down violence. [Text] [New Delhi PATRIOT in English 9 Aug 81 p 4]

MESSAGE TO SOUTH AFRICANS--Prime Minister Mrs Indira Gandhi has praised the women of South Africa for the courage and determination they have been showing in their fight against apartheid. In a message on the eve of South Africa Women Day the Prime Minister said "the 9 August is an important day for South Africans who are struggling for deliverance. I send my greetings to my South African sisters and salute their courage and their determination to end apartheid. The Government and the people of India have constantly supported their cause." [Text] [New Delhi PATRIOT in English 9 Aug 81 p 16]

TALKS WITH NEPAL--New Delhi, August 5: India and Nepal today discussed the working of the Indo-Nepal Treaties on trade, transit and on agreement for co-operation to control unauthorised trade and other bilateral issues. Mr. S. P. Shrestha, secretary, commerce and industry and leader of the visiting Nepalese delegation, met the commerce minister, Mr. Pranab Mukherjee, and later participated in the plenary session of the fourth Indo-Nepal inter-governmental committee meeting. The Indian delegation to the talks was led by Mr. P. K. Kaul, commerce secretary. The leaders of the two delegations noted that the committee meeting was the appropriate forum for resolving bilateral issues between the two countries. Mr. Shrestha stressed the need for launching more joint venture projects with India. [Text] [Bombay THE TIMES OF INDIA in English 6 Aug 81 p 5]

TRIPURA REBEL LEADER--Agartala, July 25.--Making a dramatic appearance in the chief judicial magistrate's court after evading arrest for over a year, Mr Harinath Debbarman, a Tripura Upajati Juba Samiti legislator surrendered to the authorities here yesterday, reports UNI. Mr Debbraman, who went underground after he was declared wanted in connexion with the communal riot in June last year, appeared in the court along with another prominent TUJS leader, Mr Kamini Dewan. [Text] [Calcutta THE SUNDAY STATESMAN in English 26 Jul 81 p 1]

KERALA AICP UNIT--Cochin, July 25: The Kerala unit of the All-India Communist Party (AICP) has come into existence. Its ad hoc committee of 26 members was formed here yesterday. Mr. Krishnan Iyer, member of central committee of the party, who attended the ad hoc committee meeting, told newsmen today that except for Wynad and Cannanore, district committees had been formed in the other districts of the state. The party membership in the state was about 5,000. According to him, most of them had crossed over either from the CPI or the CPM. Mr. Iyer, who is also responsible for organising the Tamil Nadu unit of the AICP, said the conference of the Kerala unit would be held at Alleppey on September 26 and 27. Mr. P. S. Bahuleyan, organising secretary of the Kerala unit, said the party had not yet joined the opposition's anti-government agitation. [Text] [Bombay THE TIMES OF INDIA in English 28 Jul 81 p 5]

DEMOCRATIC SOCIALIST CONVENTION--New Delhi, Aug. 4. The Democratic Socialist Party, formed by the merger of the Democratic Socialist Front of Mr. H. N. Bahuguna, the Socialist Party of Mr. Raj Narain, and the Banarasi Das faction of the Janavadi Party will hold its first convention after polling takes place in the Garhwal parliamentary constituency. When the merger of the three parties was announced on July 18, it was stated that the new party's flag, constitution and programme would be decided at a national convention on August 17. But Mr. Raj Narain told newsmen yesterday that the convention would not take place until after the Garhwal polling. He hoped the Election Commission would hold the poll before September 30 as announced by it earlier. Mr. Raj Narain said the three-man committee set up for preparing the new party's constitution, had drawn up a draft which was "most democratic" in its ideal and character. [Text] [Madras THE HINDU in English 5 Aug 81 p 9]

NAGALAND LEADER DIES--Kohima, Aug. 6.--The Nagaland Peace Council chairman, Reverend Longri Ao died after a heart attack here this evening, reports UNI. He was 78. Reverend Ao was instrumental in bringing peace to Nagaland after decades of violence. Through his initiative, the Shillong Accord of 1975 was signed between the underground "federal set-up" and the Governor of the North-Eastern region, Mr L. P. Singh. [Text] [Calcutta THE STATESMAN in English 7 Aug 81 p 9]

NEW PUNJAB GOVERNOR--New Delhi, Aug. 5. A prominent Congress (I) leader from Tamil Nadu, Mrs. Maragatham Chandrasekhar, is being appointed Governor of Punjab in place of Mr. Jaisukhlal Hathi, who is due to relinquish charge on August 14 on completion of his full five-year tenure. Mr. Hathi was appointed by Mrs. Indira Gandhi during her earlier term of office before she lost the 1977 elections. But the Janata Government did not disturb him, since he was equally acceptable to it. Mrs. Chandrasekhar, who is well known in Congress circles, is an equally non-controversial personality who will be acceptable to various political groups in this sensitive border State. After her appointment, there will be three woman Governors among the 19 representing 22 States. [By G. K. Reddy] [Text] [Madras THE HINDU in English 6 Aug 81 p 9]

SUGAR PRODUCTION INCREASE--Sugar production in the first nine-and-a-half months of the sugar year 1980-81, crossed 5 million tonnes compared to 3.81 million tonnes in the corresponding period of the previous season, reports PTI. According to the Indian Sugar Mills Association, the production till 15 July, was 50,56,000 tonnes as against 38,13,000 tonnes in the same period of 1979-80. The total offtake in the first nine-and-a-half months of current sugar season was 36,85,000 tonnes for internal consumption and 60,000 tonnes for exports as against 62,54000 tonnes for internal consumption and 2,30,000 tonnes for exports during the corresponding period of last season. The total closing stock of sugar with the factories as on 15 July, was 19,06,000 tonnes as against 14,15,000 tonnes on the same date last season. [Text] [New Delhi PATRIOT in English 7 Aug 81 p 5]

WHOLESALE PRICE INDEX--New Delhi, August 7 (PTI): The official wholesale price index has moved up by 5.7 per cent in the first four months (April-July) of the current financial year. The rate of inflation over the 12 months ending July 25, 1981, however, represented a smaller rise of nine per cent as against 21 per cent for the year ending July 26, 1980. During the week ended July 25, 1981, the index (1970-71--100) stood at 285.7 points as against 285 in the previous week. Non-food articles rose by 1.2 per cent, and this included a three per cent increase for pulses and 1.1 per cent for foodgrains. The index for sugar, khandsari and gur, however, fell by 1.3 per cent over the week. Edible oils and oil cakes, however, went up by 0.4 per cent and 0.9 per cent respectively during the week. [Text] [Bombay THE TIMES OF INDIA in English 8 Aug 81 p 9]

NEW PARTY NAMED--New Delhi, Aug. 7. Mr. Jagjivan Ram said here on Thursday that the name of his new party would be "Indian National Congress" (INC). Asked whether his Congress would have any suffix like 'J' to distinguish it from the Congress (I) and the Congress (U), Mr. Ram said "It is not necessary."--PTI. [Text] [Madras THE HINDU in English 8 Aug 81 p 7]

CSO: 4220/7525/7527/7530

REAGAN'S GREETING TO AFGHANS AT RAMAZAN NOTED

Lahore VIEWPOINT in English 13 Aug 81 p 8

/Text/

RONALD REAGAN, America's first-ever actor President, claims to be a religio-political or politico-religious type. It is not surprising, therefore, that he has thought fit to send a special precedent-making Eidul Fitr message to a Muslim nation—or, to be precise, one section of it.

In a performance that in colloquial Punjabi-English would be called "drama", President Reagan has greeted "all the brave Afghan people at the end of the holy Month of Ramazan." He showered on them his benedictions and best wishes, saying that he and the people of the United States "shared with them a belief in God and a common love for freedom," and the desire "to live our lives as we determine, free of outside interference." Praying for the blessings of Almighty God in the coming (lunar?) year, he wished for the Afghans "peace and independence and prosperity and happiness". (In a separate move, the U.S. Administration has announced that it will supply more sophisticated weapons to the Afghan resistance movement).

Why not Palestinians?

That the only Muslim nation to receive the special Presidential Eid message are the Afghans should not cause any surprise, because, whatever his other limitations, Reagan is fully conscious of geo-political realities, and the special interest that his Government has acquired in trying to mould events in South-West Asia. Anyhow, it would be silly for anyone to expect the U.S. President to send a message of Eid greetings, for example, to the Palestinian people or the Lebanese, who have, during the Holy Month of Ramazan, been victims of severe attacks from the Israelis —using American planes and equipment for random slaughter. Nor could Reagan honestly wish the Palestinians peace and prosperity and success in their struggle for freedom—against the Israelis, who are able to maintain their genocidal policy only because they obtain the wherewithal for aggression from the United States and enjoy the protection of its veto-umbrella in the United Nations. Nor could the American

President's Eid message cover the whole Muslim World, because the State Department and the CIA have scant goodwill for such countries as Iran, Libya, and Syria, which are under constant pressure and attack from the U.S. and its friends.

Limits of freedom

The U.S. President's fervent wish for the Afghan people's independence and freedom to have a government of their own choice could hardly be extended to other nations, Muslim or non-Muslim, without causing many complications. For example, the logic of U.S. policy clearly makes it impossible for Reagan to wish and hope that the people of El-Salvador and some other Latin American States will succeed in their struggle to establish free governments determined by the people's choice. Any such message would cause confusion all around; and the aid that Washington is providing to Latin America's neo-fascist distatorships, including the provision of arms and U.S. military advisory groups, would become an embarrassment.

Therefore, Ronald Reagan should be forgiven for selecting only "the brave Afghans" for his Eid greetings, and not for extending the principle that every nation has the right to self-determination and a government of its own choice, to other nations.

CSO: 4220/291

MINISTERIAL COMMENTS ON PRESS CENSORSHIP CRITICIZED

Lahore VIEWPOINT in English 13 Aug 81 pp 7-8

[''Between the Lines" column: "Ministerial Pronouncements"]

[Text]

TWO FEDERAL Ministers have recently delivered two separate pronouncements on the state of the national Press and the Government's attitude and intentions towards the country's newspapers.

The Minister for Information and Broadcasting, who is gradually becoming more suave, was in a benevolent mood when he addressed the APP Employees' Union last week. He declared that the present Government wanted to solve the problems of the newspaper industry, aiming at the betterment of Press workers and consolidation of Press institutions. Declaiming that a strong and inregrated information media was a prerequsite for the healthy growth of a society and country, he went on to make the interesting revelation that the media served as the very "eyes and ears" of the Government, "which gauges all the information through it and shapes its policies in the light of information appearing in the newspapers." This flattering assessment was not, however, accompanied by the expression of any desire to allow the eyes to become sharper and the ears more sensitive, dealing with the vexing problem of newspapers being subject to blanket censorship. He made no reference to the earlier conference he chaired where decisions were made to make censorship lighter, more rational and equable. Nor did he mention the long-standing agreement between the CPNE and the Government for a new set-up whereby the Press could become more responsive to public needs, more informative, and yet remain responsible.

Qualifications

The Information Minister's promise to establish some sort of an institution to impart training to journalists in order to improve their professional efficiency and lay down some educational standard as a pre-condition for entry into the profession will also be read with interest. However, it should be pointed out that there are certain professions, like journalism and politics, where formal qualifications are not considered an essential criterion—and the only proof of the pudding is in the eating of it. Apart from the journalist courses that are available in some of our universi-

ties, it is accepted world-wide that the best, if not the only, way for a journalist to prove that he is good one is to start working in a newspaper. The more important factor is that conditions for working journalists should be such that they are given the incentive to improve their work. And this can only come with the appropriate quantum of Press freedom.

Business or profession

As for giving newspapers and journalists better facilities, this would certainly be helpful; but in the absence of other norms this merely tends to convert the profession into a business undertaking, with money-making as the first and, sometimes the only, consideration. Proof of this is available in the attitude of a number of leading newspaper-owners who have concentrated on the Minister's promise of greater help to the newspaper "industry" and have promptly asked for trade concessions in the way of import of the raw materials required. In the matter of advertisements, which are largely under Government control, these newspapers have pleaded for higher rates, but, strangely, none of them has considered it appropriate to reiterate the long-standing demand that in doling out Government advertisements there should be no discrimination against any publication.

The second Minister, custodian of Labour and Manpower, dealt mostly with issues that do not directly concern his portfolio. He made a general defence of Government policies in respect of its intent to restore a democratic set-up, and then went on to deal with the question of Press censorship. He declared that constructive Press criticism had never been offensive to the Government; and that pre-censorship was solely intended to prevent the publication of material which tended to "harm the national ideology and cause disunity and confusion among the people." He then went on to develop a new theory, stating that criticism of Government policies by "patriotic journalists" would be welcome.

Recognised 'patriots'

If this is a correct exposition of Government policy, it means not only that criticism must always be accepted as constructive, but also that it must be made by journalists recognised as patriots. The Minister, however, did not lay down any standards for constructive criticism nor did he define the brand of journalists who could be certified as patriotic. This constitutes the crux of the problem. Since there are no judicial norms on these two points, and no impartial authority has been set up to decide which category of journalists can be allowed to indulge in constructive criticism, in the last analysis the red-pencil will be exercised by Government factotums and their thinking remains the sole criterion.

The difficulty is compounded by the fact that standards for determining patriotism change with time and circumstances. For example, soon after partition, political leaders were widely condemned as unpariotic because they had opposed the movement for Pakistan. Some were condemned later for issuing a fatwa that the 1947 war in Kashmir could not be treated as a jehad. Later, some individuals were sentenced to death (fortunately not carried out) for activities that were considered subversive and dangerous for the State. After many years, the same gentlemen were elevated to the status of super-patriots, considered the sole custodians of Pakistani ideology, and they themselves issued 'fatwas' condemning other politicians for being unpatriotic.

There have been instances of a person treated as a non-patriot becoming Pakistan's Home Minister and another the country's Prime Minister. Yet another example: in 1971, when Yahya Khan began his debauch in what was then East Pakistan, many considered it patriotic to support his policies, although it was pointed out by others that any attempt to suppress the people of that region by sheer force would have disastrous consequences—as it did. During the same period, many super-patriots condemned people for suggesting that the Polish Resolution in the United Nations should be welcomed as it offered a peaceful way out of the crisis; many years later, the same gentlemen began to ask why this resolution had not been accepted and Pakistan made to suffer the humiliation of an unconditional surrender—followed by the creation of Bangladesh. Then, in 1972, when the Bhutto regime dismissed the elected Provincial Government in Baluchistan, it was considered wholly unpatriotic to question the wisdom of, once again, trying to solve a political problem through the use of the bullet. A few years later, when the crisis thus created had destroyed one pillar of the 1973 Constitution, many people changed their minds and condemned the action for promoting chaos and rifts in the body politic. Hasn't a Persian poet said something about the foolish man doing what a sensible person does—but after much damage?

One would like to hope that the Government will give these and related matters most serious consideration, and evolve a policy that is determined by universally-accepted principles, so that it can get away from the policy of Press control that has been acted upon for a long time in our country, and has done a great deal of harm to the emasculated Press, the people, and the government, by blocking avenues for promoting serious debate on national issues.

CSO: 4220/291

AWAMI LEAGUE URGED TO PARTICIPATE IN POLITICAL PROCESS

Karachi DAWN in English 19 Aug 81 p 7

/Text/

THE Awami League's call for a general strike in Bangladesh on August 27 introduces a new element of uncertainty in the already fluid political situation in that country. Although the Government has moved promptly and decisively to arrange for the election of a new President in the wake of General Ziaur Rahman's assassination, cooperation has not been forthcoming from the opposition to make the transition a smooth one. Apart from reviving old issues deemed to have been settled by the Parliamentary elections of February 1979, such as the demand for the introduction of a Westminster-type parliamentary system, the opposition parties have been putting forward new demands, some of which are constitutionally difficult to fulfil. Thus, the Awami League has been insisting that it would participate in the polls only if the election is postponed till the end of November, the electoral rolls are revised, the emergency lifted and the opposition parties assured of adequate media coverage. The Government's action in accommodating the opposition's demand by shifting the date of the Presidential poll from September 21 to October 15 has failed to mollify the Awami League. Even earlier, the Awami League had boycotted the Parliament session in July when it was debating the constitutional amendment designed to enable Acting President Sattar to contest the polls.

However, so far the opposition's drive has failed to weaken the political will of the ruling party, although Gen Ziaur Rahman's death has deprived the party of the pivot of its unity. Justice Sattar's nomination as the BNP's presidential candidate has been accepted unanimously, he being too neutral a figure to evoke a controversy. But the dismissal of two ministers and the constitutional amendment bill, which makes no provision for an elected Vice-President, nearly led to a split in the party ranks that was narrowly averted. Holding 250 of the Parliament's 330 seats, the BNP finds itself strongly entrenched in power and by drawing upon the populist image of the late President, the ruling party has managed

to preserve its popular support. Moreover, the developments which took place immediately after General Ziaur Rahman's assassination, especially Justice Sattar's success in keeping the army loyal to the constitutional government, have helped to boost the BNP's political stock. There are many in Bangladesh who feel that the political system bequeathed by General Zia, however imperfect and wanting in some respects, at least provides a good enough framework for carrying on government through a political process and possesses a machinery for a peaceful and constitutional change of government. Having survived the shock of Ziaur Rahman's assassination and narrowly escaped the possibility of another military take-over, the democratic polity of Bangladesh is barely resilient enough to be expected to withstand new jolts of agitation and strife.

It would be difficult to anticipate the response the Awami League's call for a general strike will evoke. Any attempt to stir up political agitation at this stage, even in the name of democracy, when this is the testing time for the country's political system, might not be widely welcomed. Although the Army Chief of Staff, Lt. General Ershad, has established his credentials by not intervening directly in politics when he had a handy pretext to do so in June, in the aftermath of the abortive coup, there might be elements not so scrupulous and self-effacing in the highly politicised army of Bangladesh who might not miss the opportunity when it arises. And it is obvious that any palpable failure of the political process to take its normal course could well lead to another interlude of military rule. Hence, the political parties should find it in their own interest to preserve the political process even though this might call for some compromises and accommodation. With General Osmany and Mr. Sabur Khan having announced their candidacy, the election can by no means be expected to be a tame and one-sided affair. But as the largest opposition party, the Awamy League also has a role to play. There are many who feel that rather than take the path of confrontation and civil disobedience, the Awami League should seek to establish its political claims and credentials through actual participation in the electoral process. This it needs to do, particularly because the autocratic policies adopted by Sheikh Mujib in the last days of his government and the party's alleged pro-Indian leanings had gone a long way in undercutting its popularity. The party can hope to re-establish its political standing only through freely contested elections.

CSO: 4220/290

LAW, ORDER SITUATION IN NWFP REVIEWED

Karachi MORNING NEWS in English 25 Aug 81 p 3

/Text/ Peshawar, Aug 24--The NWFP Governor, Lt General Fazle Haq presided over a high level meeting here yesterday which reviewed the law and order situation in NWFP.

The meeting, which was attended by the Provincial Ministers, Deputy Martial Law Administrators, Chief Secretary and Secretaries to Government, Divisional Commissioners. Deputy Inspector-General of Police and Deputy Commissioners, expressed satisfaction over the existing law and order situation all over the province.

The meeting was told that there had been a substantial decrease in crime during the first half of the current year. The Governor, however, directed the law and order agencies to introduce more effective measures to further curb the incidence of crime. The meeting also took stock of the disposal of criminal cases and expressed satisfaction over the speed of disposal of cases in the courts. The Governor, however, gave necessary directions to the concerned quarters to further speed up disposal of pending cases. He also directed the district authorities to take special measures to arrest the proclaimed offenders and bring them to book.

The meeting reviewed the labour-management relations as prevalent in the province. The Governor stressed that both the labour and management should work in close cooperation to produce more in order to make Pakistan self-sufficient industrially and prosperous economically. The Government, he said, would see to it that the labour rights are not infringed upon and on the other hand the Government would also ensure that the prevalent industrial peace of the province is not temptered with. The Governor said that any attempt in this respect would not be tolerated but would be dealt with an iron hand. [para as published]

Lt. General Fazle Haq expressed the hope that both the labour and the management would realise national obligations by striving relentlessly for boosting the industrial production.

General Fazle Haq directed the district and divisional administration to keep a vigil over the corrupt elements in the Government machinery who were eating up at the vitals of our society.

The prices of essential commodities in the province also came under detailed discussion. The Governor advised the Deputy Commissioners to convene the meeting of District Price Review Committees regularly in order to keep the prices of essential commodities under constant check.--APP

CSO: 4220/290

DEATH PENALTY FOR HIJACKING

Lahore THE PAKISTAN TIMES in English 21 Aug 81 pp 1, 7

/Text/ ISLAMABAD, Aug. 20: The offence of hijacking has been made punishable with death or imprisonment for life. The law which comes into force from today also makes provision for confiscation of property of a hijacker and also liable to fine. The harbouring of an offender has also been made liable to similar punishment.

The offence of hijacking will be tried by a special court constituted under the Suppression of Terrorist Activities Act 1975.

For this purpose, two ordinances have been issued by the President which make necessary amendments in the Pakistan Penal Code and Suppression of Terrorist Activities (Special Courts) Act, 1975.

Following is the text of the two ordinances:- Ordinance No. XXX of 1981 an ordinance further to amend the Pakistan Penal Code.

Whereas it is expedient further to amend the Pakistan Penal Code (Act XLV of 1860); for the purpose hereinafter appearing.

And whereas the President is satisfied that circumstances exist which render it necessary to take immediate action.

Now, therefore, in exercise of the powers conferred by article 89 of the Constitution, read with article 2 of the Provisional Constitution Order, 1981 (CMLA Order No. 1 of 1981), the President is pleased to make and promulgate the following ordinance:

1. Short title, extent and commencement — (1) This ordinance may be called the Pakistan Penal Code (Second Amendment) Ordinance, 1981. (2) It extends to the whole of Pakistan. (3) It shall come into force at once.

2. Insertion of new Sections 402 A, 402 B and 402 C, Act XLV of 1860. In the Pakistan Penal Code (Act XLV of 1860) in Chapter XVII, after Section 402, the following new sub heading and sections shall be inserted, namely: 'of Hijacking.'

402 A. Hijacking—Whoever unlawfully, by the use or show of force or by threats of any kind, seizes, or exercises control of an aircraft is said to commit hijacking.'

402 B. Punishment for hijacking—Whoever commits or conspires or attempts to commit, or abets the commission of, hijacking shall be punished with death or imprisonment for life, and shall also be liable to forfeiture of property and fine.

402 C. Punishment for harbouring hijacker, etc.— Whoever knowingly harbours any person whom he knows or has reason to believe to be a person who is about to commit or has committed or attempted an offence of hijacking or knowingly permits any such persons to meet or assemble in any place or premises in his possession or under his control, shall be punished with death or imprisonment for life, and shall also be liable to fine.

Ordinance No. XXXI of 1981 —An ordinance further to amend the Suppression of Terrorist Activities (Special Courts), Act, 1975.

Whereas it is expedient further to amend the Suppression of Terrorist Activities (Special Courts) Act, 1975 (XV of 1975), for the purpose hereinafter appearing.

And whereas the President is satisfied that circumstances exist which render it necessary to take immediate action

Now, therefore, in exercise of the powers conferred by Article 89 of the Constitution, read with Article 2 of the Provisional Constitution Order, 1981 (CMLA Order No. 1 of 1981), the President is pleased to make and promulgate the following ordinance.

1. Short title, extent and commencement: (1) This ordinance may be called the Suppression of Terrorist Activities Special Courts (Amendment) Ordinance, 1981. (2) It extends to the whole of Pakistan. (3) It shall come into force at once.

2. Amendment of schedule, Act XV of 1975—In the Suppression of Terrorist Activities (Special Courts) Act, 1975 (XV of 1975), in the schedule in paragraph (A), in sub-paragraph (1), after the figure '400' the comma, figures and letters, '402 A, 402 B, 402 C, shall be inserted.—APP.

CSO: 4220/290

MARRIAGE FEASTS DEPLORED IN AUSTERE TIME

Karachi BUSINESS RECORDER in English 23 Aug 81 p 2

/Editorial: "Desirable but Unacceptable and Unworkable"/

/Text/

That the provincial administration has to issue a warning to the public in general for strict compliance with the provisions of the Sind Economy of Food Order, 1971, only indicates that the order has not been well received by the people. And the authorities themselves know it, as the press note says that it has been observed that marriage parties are held in the shape of receptions or get-togethers to meet the newly-wed couples in hotels, clubs and halls without obtaining written permission from the Food Department. In fact, this order has never been acceptable to the people, however desirable it might have been from other angle. The reason is that holding Valima is not only Sunnat but also an established custom. From the religious as well as social point of view, it is considered a must by all and sundry to entertain people to a feast after Nikah is performed.

In a situation like this, even law abiding citizens are left with no choice but to circumvent it. As human ingenuity knows no bounds, what they do is to arrange feasts in a way that the word of the order is not violated. Those who are not so ingenious buy favour of the law enforcing agencies and thus escape the mischief of the law. In other words, corruption is encouraged and many of us indulge in sort of unlawful activity. And this is going on and on. It is now obvious that there is no sanctity or morality behind this law, nor would it achieve any in the foreseeable future for the reasons stated above.

This order was promulgated for conservation of food and to inculcate the habit of austerity among the people. True that no country or people can afford to live beyond means or on imported food, but it is equally true that the people will not be contented to eat

less for long. If they have got the purchasing power they would buy any item they like to consume. As to austere living, this can become a set pattern of life only when everyone without exception takes to it. But in our society the affluent sections deem it below their dignity to live a simple life. They believe in ostentatious living and conspicuous consumption whatever may be the situation. It is undeniable that influential people do take permission from the authorities concerned to host feasts but do not strictly follow the conditions as provided in the order. But even if the law is strictly observed, in the ultimate analysis not much economy will be effected. It is customary that during marriage celebrations that whole families come and stay with the families of the bride and the bridegroom for days. And there is no restriction on entertaining these guests. The host families willingly bear the burden. This means that overall consumption remains the same.

The restrictive order was considered necessary at the time of its promulgation because then we were short of food. But now that our food production has been on the increase, self-sufficiency in wheat is being achieved and we are not importing wheat any more, and this order has not proved efficacious, will it not be better to withdraw it. We should get wiser from this exercise in that we cannot improve matters by administrative orders. What is required is that through persuasion we should create a consciousness among the people to live a simple life and shun extravagance and conspicuous consumption. It would be much better if those who count in our society set an example in this connection before the people.

We would do well to realise that things are changing under force of times. With the modern ideas becoming popular life pattern is changing. Inflationary pressures have been forcing the people to be circumspect in spending on ceremonial occasions. No dance and music shows are held at marriage parties which was considered a must in the past. Similarly, in many families Nikah is performed in mosques at very simple ceremony without much loss of time. These are some of the trends that have developed and with the passage of time many of the customs and ritual would die down. Let these developments prosper, and let us wait for the people to exercise utmost economy on the occasion of marriage. The curbs on feasts should be withdrawn, for in the final analysis they only breed corruption and defiance of law—as is the case with all laws that have no relevance to the community's cultural heritage.

CSO: 4220/290

OVER 20,000 TRACTORS TO BE IMPORTED YEARLY

Lahore THE PAKISTAN TIMES in English 17 Aug 81 pp 1, 10

/Text/ Multan, Aug 16--The Government has decided to import 20,000 tractors each year besides arrangements to manufacture them in the country to upgrade farming techniques.

This was stated by Federal Agriculture and Food Minister Vice-Admiral Homammad Fazil Janjua while inaugurating a two day seminar on Plant protection in cotton, organised by Federal Department of Plant Protection and Pakistan Central Cotton Committee at the Cotton Research Institute here today.

He said the Government has also decided to withdraw 10 percent sales tax on import pesticides in the private sector which he hoped would bring down prices of the commodity from 15 to 20 percent.

Similarly, he said, import duty on spare parts of tractors had been cut from 15 to 10 percent.

He underscored the need of removing constraints impairing the increase in per acre yield of cotton.

He called upon the participants to devise down to earth methods to reach the farmers in the field. He regretted that despite spending crores of rupees on agricultural services, the agencies had not fully reached the grower.

The Minister gave advice to pesticide dealers that they should set up pest control services to impart to growers the methods of use of proper pesticides. This way they could win the confidence of the growers besides being helpful in making impact on production.

He said the cotton which played an important role in the country faced a major threat from pests. The agricultural experts and Plant Protection Department should launch a campaign in co-ordination with the growers and Local Councils to protect it.

He said while Agriculture Pesticide Technical Committee existed in the country to approve type of pesticides, no organisation to research on weedicides was there. The Government, he said, wanted to provide protection to such machines if these were to good standard.--APP

CSO: 4220/290

SUGAR, ATTA TO BE DERATIONED GRADUALLY

Lahore THE PAKISTAN TIMES in English 17 Aug 81 p 6

/Text/ Multan, Aug 16--Federal Minister for Food, Agriculture and Cooperatives Vice-Admiral Muhammad Fazil Janjua, said yesterday that Government was working on a long term policy of derationing of sugar and atta in the country.

Talking to newsmen at the airport on his arrival for a day's visit here, he said the aim of the Government was to do away with controls on food ultimately.

It was striving to increase production to achieve the aim.

However, immediate derationing was not in the overall interest of the public, he said. Besides allowing subsidy on atta, the rationing system assured availability of atta and sugar at fixed rates throughout the country.

To question, he said, that Government did not feel it beneficial to restore the 20 percent cut made in the past in sugar quota or ration cards, the Government, he said, planned to bring more sugar in the open market and allow more quota to growers, from the mills.

He said nearly 55,000 tons of sugar had been brought in the open market.

To a question, he said sugar policy would be announced next month. It would take into account question of review of sugarcane prices. The review, he said, did not necessarily mean increase in price of sugarcane. The objective of the sugar policy would be to increase per acre yield and improve quality of sugarcane.

Replying to a question about high rates of pulses, he said rates have gone up because of shortage of gram production for the past two years by about two lakh tons in the country.

Steps, he said, would be taken to bring the situation under control.

Replying to a question about wheat, he said its production this year has reached 11.35 million tons as against target of 11.34 million tons.

He said so far 39.2 lakh tons of wheat had been procured in the country as compared to target of 31.5 lakh tons. He said 34 lakh tons storate capacity was available with the Government.

He said Government was providing incentive to private sector to augment storage capacity. It would take on lease private godowns from seven-10 years at the rate of rupee one per square foot.

To a question, he said that as on May 1 last, the Government had 8.5 lakh tons reserve stocks of wheat, it was likely to go up to 12.5 lakh tons this year. The Government plant was to build up two million tons of reserve stocks to tide over at least year low yield in future.

He said no wheat would be imported this year.

Replying to a question he said the cotton target for the current year was 46 lakh bales which would be achieved. He said despite some damage to cotton crop due to recent rains and floods in Faisalabad and Multan districts, the target would be achieved.

He said the rice target would also be achieved.

He said there was some reduction in Irri rice production in Punjab in the last crop but that was mainly due to bringing of more area under the sugarcane.--APP

CSO: 4220/290

EXPORTS TO RCD COUNTRIES INCREASE 100 PERCENT

Karachi DAWN in English 19 Aug 81 p 4

/Text/

Exports to RCD countries registered an almost 100 per cent increase during the 1980-81 fiscal year as compared to exports during the same period last year.

According to official sources exports to RCD countries during 1980-81 fiscal totalled Rs 2,144.2 million as compared to Rs 1,059.3 million last year.

The 1980-81 exports to RCD formed 7.7 per cent of the total exports which during the full fiscal year aggregated Rs 27,973.3 million.

The total export proceeds during 1980-81 fiscal also registered a considerable increase as compared to exports during the corresponding period last year which stood at Rs 23,602.5 million.

The main items of exports to RCD countries during the period were rice (Rs 523.3 million), cotton fabrics (Rs 483.5 million), articles of textile materials (Rs. 264.1 m), non-cotton woven textiles (Rs. 223.9 m), petroleum products (Rs. 856 m) ships and boats (Rs 78.5 m) leather (Rs 77.7 million), textile yarn and thread (Rs 49.7 m), clothing (Rs. 40.1 m), wool and animal hair (Rs. 37.1 m) and articles of paper pulp and board (Rs 33.8 m).

According to official statistics Pakistan's exports under commodity exchange agreements stood at Rs. 1,003 million forming 3.6 per cent of the total export proceeds during the full fiscal year.

Barter exports also increased from Rs 46.9 million during May 1981 to Rs 70.4 million in June 1981.

The principal trading partners under commodity exchange agreements during the month were Bulgaria (Rs 22.8 million), USSR (Rs 14.8 m), People's Republic of China (Rs 13 m) Hungary (Rs 8.3 m), Poland (Rs 5.9 m), Sweden (Rs 4.5 m), Czechoslovakia (Rs. 0.7 m) and Burma (Rs 0.4 m).

The main commodities exported under commodity exchange agreements during June 1981 were cotton fabrics (Rs 23.7 million), articles of textile materials (Rs 16.4 m), textile yarn and thread (Rs 10.2 m), clothing (Rs 9.0 m) and leather (Rs 8.3 m).

The remaining commodities jointly contributed for Rs 1.9 million during the month under review.

CSO: 4220/290

BRIEFS

HANDBILLS FORFEITED--The Government of NWFP has forfeited all copies of a leaflet in Urdu language, captioned "Fifth July 1977--Fifth July 1981--Ghasib aur Fauji Amriat ke Char Sall: (July 5, 1977--July 5, 1981--Four Years of Military Dictatorship). An official handout issued on August 1 said the action was taken under the West Pakistan Press and Publication Ordinance, 1963, as the leaflet contained material which "amounted to information calculated to cause public alarm and frustration without reasonable grounds to believe the same to be correct and tended to excite disaffection towards the present regime." The Government of NWFP has also forfeited all copies of the monthly handbill, 'Sadai Inqualzb' (Voice of Revolution), (March-April 1981), published by Al-Zulfikar Organisation at Kabul, under the Press and Publication Ordinance 1963. According to the official handout, the handbill contained "objectionable material which tended to incite commission of cognisable offence, involving violence, express approval of the commission of certain offences, and to bring directly into hatred and contempt the present regime in Pakistan and excite disaffection towards the Government. /Text/ /Lahore VIEWPOINT in English 13 Aug 81 p 13/

CSO: 4220/291

MUSLIM AREAS GIVEN AID

Manila DAILY EXPRESS in English 14 Aug 81 pp 1, 2

/Article by David C. Borje/

/Text/

IMPASSIONED pleas from officials of the two autonomous governments of Regions 9 (Western Mindanao) and 12 (Central Mindanao) moved the Batasan appropriations committee yesterday to increase the regions' proposed budgets of P37.9 million each by P3.9 million each for 1982.

Speaker Abulkhayer D. Alonto of the sangguniang pampook of Region 12 and chairman Ulbert Ulama Tugong of the lupong tagapagpaganap ng pook of Region 9 stressed that their regions' proposed outlays were too small.

The two regional officials were joined in their appeals for substantial assistance by Assemblymen Jesus Amparo, A.S. Pangandaman, Jiamil Ismael Dianalan and Anacleto Badoy Jr., all of Region 12, and Antonio M. Ceniza of Region 9 and Muslim Affairs Minister Romulo Espaldon.

* * *

THE REGIONAL officials voiced the general sentiment that the Muslim-dominated regions should get more substantial support from the national government in view of the peace and order condition in these areas and to improve the people's welfare.

Batasan members Mercedes C. Teodoro, (KBL, R 3), and Concordio C. Diel (KBL, R10), who jointly presided over the budget hearings, said the P3.8 million added to each of the two regions' budget would be taken from the President's special activities fund.

The law prohibits the increase of outlays in the budget, but funds from unalloted portions of the outlay could be transferred upon authority of the President.

Tugong and Alonto, a former MNLF field commander, cited the needs of the two autonomous governments while the assemblymen registered strongly their concern for the welfare of their constituents.

Tugong said that in the province of Tawi-tawi, with a population of 200,000, only three government doctors are employed; in Sulu with a 300,000 population, five government doctors, and in Basilan with 200,000 only two doctors.

He said that doctors and other professionals have gone to "greener pastures" such as the Middle East, and that he could not blame them because of the low government salaries.

Tugong urged that the people, particularly the rebel returnees, be given employment and lasting education.

He added that as long as the returnees are unemployed chances are that they will return to the hills.

The Batasan committee also approved the proposed P22.8-million budget of the Ministry of Muslim Affairs, the proposed P10-million budget of the office of the Solicitor General, and the P9 million proposed outlay of the Tanodbayan.

CSO: 4220/292

NEW WELL SET FOR NIDO AREA

Manila BULLETIN TODAY in English 18 Aug 81 p 10

/Text/

An exploratory oil well near the Nido complex in offshore Palawan will be drilled later this month by Philips Petroleum to test both limestone and sandstone reservoirs in that area, the Ministry of Energy reported yesterday.

Codenamed "Enterprise Point A-IX," the well is located about 22 kilometers northwest of the Nido field and is programmed for drilling to a total depth of 11,500 feet.

The primar target is a limestone reservoir which has similar characteristic and age as the oil-producing limestone structure at Nido. There are also possible sandstone reservoirs which may also hold trapped oil as in the Galoc 1 well which was discovered last week.

Drilling will start immediately after the semi-submersible rig "Penrod 74" completes the testing of the Galoc 1 well. This type of drilling rig is necessary because the prospect is located at a water depth of almost 2,000 feet or twice the depth of the Galoc area.

The prospect reservoir is said to be large with an aerial closure of about 2,500 hectares.

Drilling operations will be directed by Philips Petroleum which operates service contract No. 2 together with Shell which has 60 per cent participation.

Meanwhile, Philippine Cities Service, Inc. is scheduled to do a flaring test on its Galoc discovery well today.

Flaring is part of a drill stem test operation on the well, the first oil struck on sandstone reservoir in the country.

Cities was scheduled to conduct further DSTs on two portions of the well.

CSO: 4220/292

COCO-DIESEL EXPECTED TO SAVE NATION ₱2 BILLION, MOE SAYS

Manila DAILY EXPRESS in English 18 Aug 81 p 8

/Text/

THE MINISTRY of Energy (MOE) has projected a P1.85 billion saving for the country between now and 1986 in using coco-diesel to fuel motor vehicles and electric generating plants.

The use of coco-diesel (a 90 percent mixture of diesel and 10 percent coconut oil) will help coconut millers and coconut farmers fight off the effects of the depressed price of coconut oil in the world market.

It will also make use of coconut oil surplus if the recent depressed coconut oil price will continue.

* * *

THE USE of coco-diesel by selected industry groups, such as transportation, is one of the energy-saving projects of the ministry under the new six-year energy program.

The ministry said that coconut oil production of about 5.23 million metric tons (MT) will be used for the coco-diesel program from 1981 to 1986.

For every barrel of coco-diesel used as fuel, at least P353.78 could be displaced by coconut oil if the government will not impose taxes and other levies to millers and users.

* * *

WITH TAXES, savings will decrease to 134.35 pesos a barrel.

A Cabinet committee is studying whether to impose taxes or not. The Ministry said about P240 million would be needed to implement the coco-diesel program, the bulk to be shouldered by the private sector and the rest by the government.

For this year, the MOE has programmed some 368,000 metric tons of coconut oil to be mixed with 18.3 million barrels of diesel to form the coco-diesel blend. (PNA)

CSO: 4220/292

COCONUT EXPORT EARNINGS DOWN

Manila DAILY EXPRESS in English 18 Aug 81 p 8

/Text/

WHILE the Philippines exported more coconut products last year, the industry's export earnings dipped just the same as world prices of fats and oils tumbled—taking along, of course, prices of local coconut oil and copra.

Shipments last year totalled 1.710 million metric tons (MT), up by 12 percent compared to the other year's export volume of 1.527 million MT, statistics of the Unite Coconut Association of the Philippines (UCAP) showed.

RP's coconut exports last year earned only $808 million despite the volume. In 1979, export earnings were $1.006 billion, beating coconut earnings last year and in 1978 ($9 million).

Nevertheless, UCAP sums up the past three years as the "industry's best—income-wise."

* * *

COPRA EXPORTS took 7.2 percent of the total coconut products traded, 94.6 percent (116,560 MT) of which were shipped out to Europe, 4.1 percent (5,092 MT) to the USSR and the rest to other markets.

Copra earned $49 million.

Incidentally, only two firms—International Copra Export Corp. (INTERCO) and the United Coconut Oil Mills, Inc. – handled copra exports, with Interco getting the lion's share with 87.4 percent of the total exports worth $40.82 million.

* * *

COCONUT oil exports, on the other hand, totalled 914,000 metric tons, up by 15 percent from the 1979 level. But export receipts dipped by 23.2 percent—from $375.61 million to $564.59 million.

As in previous years, 53.6 percent of total coconut oil exports went to the Philippines' traditional markets, with the US and Europe getting 40.3 percent. The rest went to the USSR, China, Japan and other markets.

CSO: 4220/292

GEN SUTSAI CRITICIZED FOR ISSUING GUN PERMITS

Bangkok DAO SIAM in Thai 6 Jul 81 p 16

[Text] Recently DAO SIAM reported that Chonburi police had apprehended several gun carriers and thousands of permits issued by the Internal Security Operations Command and approved by Maj Gen Sutsai Hatsadin, a minister in the Office of the Prime Minister. The permits are considered illegal unless issued by the Police Department. Maj Gen Sutsai used his influence to give these permits to his underlings who have frightened and endangered the lives of common citizens, as has been reported earlier in DAO SIAM.

Later, in the morning of 5 July, a DAO SIAM reporter asked a high-ranking officer (name withheld) to comment on the matter of Maj Gen Sutsai issuing permits in the name of ISOC. The officer said, "I think the permits were issued because of the demands by Gen Sutsai's outlaws who claimed they were the Red Gaurs. The Army has actually found out they are merely outlaws impersonating the Red Gaurs."

The officer further explained that the assemblage of the Red Gaurs was once appropriate, but is not so currently. This is because in the past when democracy was at its peak students did not know how to use it and this brought forth left-wing who started carrying guns without arrest by the police. However, at the same time the Red Gaurs also began to carry guns, but they were apprehended by the police. The Red Gaurs, therefore, requested Maj Gen Sutsai to issue them gun permits which remained in even after the obsolescence of the left-wing and the right-wing groups. At present, these holders of the ISOC permits have abused their rights by frightening the citizens with their weapons. Such acts were supported solely by Maj Gen Sutsai, without any knowledge or support of other army officers.

The officer further said that the army intelligence report has disclosed that currently personnel of the Express Transportation Organization (ETO) who wished to join the Red Guars have also become holders of ISOC permits. They gave their names to Maj Gen Sutsai. It was reported that if they joined the Red Gaurs, they would be issued gun permits. As a result, Gen Sutsai has become highly respected by the ETO officials as well.

As to the problem of the Red Gaurs, the officer said that no more than ten true Red Gaurs could be found these days since many had quit in order to pursue different careers. However, some people just want to see what one looks like and when word of a meeting gets out, it looks as if there is a great number of the Red Gaurs in existence. In fact there are few. The other groups of people are just Maj Gen Sutsai's.

It was also predicted that upon his return yesterday, 5 July, from a trip to the United States, Maj Gen Sutsai would definitely balk at any interviewer regarding the matter. Moreover, his subsequent meeting with the Prime Minister, Gen Prem Tinsulanon would not touch on the matter since both are good friends; the latter would only indicate that the matter is the responsibility of the police.

9013
CSO: 4207/44

MUSLIM PATRIARCH TO BE CHOSEN, RANGSARIT PREDICTED

Bangkok MATICHON in Thai 3 Jul 81 pp 1, 12

[Text] The Ministry of Interior has set the selection of a Muslim patriarch for 10 August. The patriarch is said to be chosen from three candidates; Rangsarit is predicted to be chosen.

The Ministry of Interior revealed to MATICHON on 2 July that it has scheduled the selection of the Muslim patriarch to replace Tuan Suwannasat for 10 August. The announcement of the selection will be made at the Ministry of Interior by the Minister of Interior and witnessed by the Minister of Education.

The report disclosed that the procedure for the selection required each Muslim leader from 26 provinces to nominate one qualified candidate with two endorsers. The 26 Muslim leaders represented these provinces: Bangkok, Krabi, Chasoengsao, Chiengmai, Chonburi, Trang, Trat, Nakhon Nayok, Nakhon Srithammarat, Nonthaburi, Narathiwat, Pattani, Prachuabkirikhan, Phathumthani, Pang-nga, Patthalung, Ayutthaya, Phetburi, Phuket, Yala, Ranong, Satun, Suratthani, Samutprakan, Songkhla, and Angthong. Subsequently, a secret ballot will be cast to make a selection of the patriarch, whose name will be passed by the Minister of Interior to the Prime Minister, who, in turn, will submit it to the King for his approval.

It was also reported that the three candidates most likely to be nominated for the selection as the Muslim patriarch were Rangsarit Chaowanasiri, Vice President of the Muslim Council of Thailand; Yaya Ratifi, President of the Muslim Council of Nonthaburi; and Prasoet Mahamad, President of the Muslim Council of Bangkok.

On the same day, at the City Hall of Bangkok Gen Thian Makkaranon, Governor of Bangkok, presided over the selection of the President of the Muslim Council of Bangkok to replace Tuan Suwannasat. It was later reported that Ahmad Sihabutdin Khurusawat was selected for the post.

9013
CSO: 4207/44

END

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17 September 1981

South and East Asia Report

No. 1049

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OPPOSITION ASKS SPECIAL DISCUSSION OF IMF LOAN

Bombay THE TIMES OF INDIA in English 19 Aug 81 p 1

[Text] New Delhi, August 18--The chairman of the Rajya Sabha, Mr M. Hidayatullah, ruled today that he would consider the opposition plea for a special discussion on the proposed massive borrowing from the International Monetary Fund (IMF) if submitting to him in writing.

The opposition and the treasury benches appeared to be at loggerheads on this issue today. The finance minister, Mr R. Venkataraman, categorically stated that though the conditions for the IMF loan were not disclosed during the negotiation stage, the promulgation of the ordinance banning strikes, in essential services was not a condition for securing the loan.

The contention of the CPM leader, Mr P. Ramamurti, that the sovereignty of the country was involved in the financial deal was supported by other opposition members. Even Mr N. K. P. Salve of the ruling party felt constrained to draw the minister's attention to the uncalled-for conditions often imposed by international monetary agencies as a result of which several third world countries came to grief.

The finance minister denied that the ordinance was issued on the dictates of the IMF or that the government had resorted to increase in prices of petroleum products at the instance of any monetary agency. These measures were taken keeping in mind the national budgetary interest. He deplored the "whispering campaign" started on this score.

Mr Kalyanasundaram (CPI) levelled the allegation during question time, linking the ordinance with the IMF loan conditions. The minister's denial prompted the opposition to demand a special half-hour discussion on the massive borrowing proposed from IMF and other international agencies. The treasury benches were unwilling for such a discussion.

Mr Ramamurti said he was opposed to the very concept of massive borrowing, which was to be in the region of Rs 5,000 crores. The minister's stand was that the proposed loan would be spent on development of railways, coal production and in generating additional power potential.

The total amount of debt which India owed as on June 30, 1981, was a little over Rs 15,360 crores.

UNI adds: Mr George Fernandes (Lok Dal) and Mr Chandrajit Yadav (Janavadi Dal) today demanded a discussion in the Lok Sabha on the circumstances in which India was seeking a Rs 5,000-crore credit from the International Monetary Fund and the conditions sought to be imposed by the fund.

They made the demand when the business advisory committee's report was taken up for approval. Dr Subramaniam Swamy (Janata) pleaded for a discussion on conversions and reported Marxist bias in history books of Delhi university.

Mr Yadav said the question of price rise should have been taken up for immediate discussion. The house should also have an opportunity to have a look at the growing unemployment problem, Mr Yadav added.

Mr Fernandes said IMF was being considered "lender of the last resort." The government, which was said to have accepted the conditions stipulated by the fund, could not be allowed to mortgage the country.

"Mr Fernandes should know that I have no authority to mortgage the country," quipped Mr Venkataraman.

According to Mr Fernandes, the conditions laid down by the IMF included devaluation of the rupee, increase in interest rates, removal of checks on foreign investment and companies, cut in government expenditure and wage control.

CSO: 4220/7582

PRESS REPORTS INDIAN DOUBTS ON IMF LOAN

Draft To be Scrutinized

Bombay THE TIMES OF INDIA in English 22 Aug 81 p 1

[Text] New Delhi, August 21. The draft agreement with the International Monetary Fund for a massive loan being sought by India will be scrutinised here at the highest level next month.

Following widespread criticism of the conditions that IMF is allegedly insisting on the loan, the government is taking no chances and the cabinet committee on political affairs will again have another look at the agreement between the finance ministry and IMF before it is signed.

The Cabinet committee has already approved "in principle" the loan proposal, which is intended to strengthen India's foreign exchange position.

The Cabinet committee, with the prime minister, Mrs Indira Gandhi, in the chair, discussed the issue early this week. It felt that the loan of five billion special drawing rights (Rs. 5,000 crores) could be availed of over the next three years.

According to informed sources, there was no suggestion for devaluation of the Indian rupee this time by IMF, which was largely instrumental for the devaluation in 1966.

The usual terms for such loans may include avoidance of huge budgetary deficits, proper pricing policies for the public sector undertakings to make them profitable and slashing of wasteful expenditure, including withdrawal of some subsidies.

In any case, the government has been alive to these problems and even in the last year's budget, appropriate measures had been introduced. IMF's suggestions thus could not amount to any interference in India's economic affairs.

The sources also point out that the ordinance on strikes in essential services had to be promulgated because of certain developments on the labour front. It had nothing to do with the proposal to seek the IMF loan. They also denied that IMF had suggested either wage or dearness allowance freeze. The finance minister, Mr R. Venkataraman, has repeatedly assured the people that the government would do nothing derogatory to India's self-respect while finalising the agreement with IMF.

Panel Approves Terms

Calcutta THE STATESMAN in English 22 Aug 81 p 1

[Text] New Delhi, Aug 21--The Political Affairs Committee of the Cabinet is understood to have approved terms for the proposed loan from the International Monetary Fund amounting to five billion SDR (about Rs 4,500 crores) for a three year period, reports PTI. The borrowing is intended to cover the estimated balance of payment in the Sixth Plan period.

The terms of the loan were understood to have been considered so that they did not in any way detract from the country's sovereignty or its own investment priorities.

CSO: 4220/7595

REASONS FOR, USES OF IMF LOAN CONSIDERED

Madras THE HINDU in English 23 Aug 81 p 6

[Text] The negotiations of the Government of India with the International Monetary Fund for securing a loan of 5 billion SDRs to overcome balance of payments difficulties in 1981-84 have evoked more than usual interest in business and political circles. Since stringent conditions are usually attached to large loans granted by the IMF, when there is a disequilibrium in balance of payments, and a harsh approach was adopted by this organisation when devaluing the rupee in 1966, it has been represented from several quarters that the Government should not agree to unusual conditions.

It has, of course, been repeatedly stated by Government spokesmen that the loan would be obtained on reasonable terms and there was no need for fear that the IMF would adopt an unhelpful attitude on the present occasion.

Different Situation

The situation now is vastly different from that of 1966 as the large trade gap is due to soaring oil prices and other non-oil importing countries also have similar problems. The gap has nevertheless to be bridged and the deficit in balance of payments which emerged in 1980-81, after the lapse of five years, may be a recurring feature if steps are not taken to reduce dependence on oil imports and step up exports suitably.

The assistance for Rs. 5,068 crores from IMF out of its owned funds and from the Extended Financing Facility is presumably intended to cover the balance of payments deficit that may arise in three years. The intention is obviously to avoid a continuing withdrawal from the country's foreign exchange reserves and maintain them around Rs. 4,000 crores so that they will be equivalent to imports for four months roughly.

Conservative Estimates

An extremely conservative view would seem to have been adopted when assessing export earnings while it is felt that heavy expenditure will have to be incurred on imports if there has to be liberal licensing. The net deficit in balance of payments would appear to have been placed around Rs. 1,500 crores annually, taking the total for three years to Rs. 4,500 crores. Otherwise, there will not be any compulsion to secure a loan of 5 billion SDRs, as stated above.

The use of loaned funds, however, should not result in indiscriminate imports and discouragement to efforts for raising indigenous agricultural and industrial production. If larger foreign exchange expenditure can be helpful in some directions in expediting the implementation of Plan schemes and making a spectacular success of the efforts to raise the output of crude from off-shore and on-shore areas, the massive loan would have been worthwhile especially as the average cost of borrowing may not be more than 9 per cent.

It is expected that a little over 50 per cent of the total will be available from owned funds of IMF at around 6 per cent and the balance around 12.5 per cent. If foreign exchange reserves at the disposal of the Reserve Bank have to be drawn down for bridging the deficit, the cost will be very much more than interest charges payable to IMF.

The income derived by the Reserve Bank in 1979-80 through interest and discount on foreign securities, investments and treasury bills increased to Rs. 675.35 crores from Rs. 484.66 crores even with a decline in aggregate foreign balances by Rs. 203 crores. In 1978-79, the increase in income from this source was Rs. 173.11 crores even with an improvement in aggregate foreign balances by Rs. 868 crores.

The better experience in 1979-80 was clearly due to higher interest rates prevailing in developed countries. The details relating to 1980-81 are not available as the annual report of the RBI may be published after some weeks. But the income may even be higher in spite of a large withdrawal from foreign balances for bridging the big trade gap of Rs. 5,400 crores in the 12 months ended March 31, 1981.

The nadir has perhaps been reached as oil prices may not rise in 1981-82 though the average may still be higher than in 1980-81. However, the quantum of imports of crude and petroleum products is likely to be smaller in the current financial year as compared to 1980-81 and the total outlay can be reduced modestly. As it is slated that there should be an increase in exports by Rs. 1,300 crores the trade gap may be lower at Rs. 4,700 crores.

With continuing assistance from the Consortium and other countries and inflow of remittances from non-resident Indians, it may not be necessary to utilise more than Rs. 750 crores yearly out of the loan for financing only conventional imports in excess of exports. Even with a big deficit of Rs. 5,400 crores in 1980-81, the gross withdrawal from foreign balances was only Rs. 1,277 crores.

Scope for Minimising trade Gap

As it can be hoped that the trade deficit will contract further with rising crude production and exports, the loan from IMF should be utilised for correcting the disequilibrium in trade in the next two years. With increasing foreign indebtedness and servicing obligations, a trade surplus has to be created for minimising dependence on foreign aid and reducing indebtedness.

The terms for repayment of the IMF loan have thus to be realistically formulated. Any advantage accuring to the economy as a result of the efforts to boost production and exports should not be absorbed mainly for fulfilling repayment and

servicing obligations. With an integrated energy policy and strengthening of the industrial and agricultural sectors, the threat posed by the oil crisis can be successfully overcome and the large invisible receipts utilised for boosting foreign exchange reserves.

CSO: 4220/7604

LOK DAL LEADER WARNS AGAINST IMF LOAN

Bombay THE TIMES OF INDIA in English 23 Aug 81 p 13

[Text] Cochin, August 22--The Lok Dal leader, Mr. George Fernandes, today asked the government not to enter into any agreement with the International Monetary Fund (IMF) for the proposed massive loan without taking Parliament into confidence.

He told pressmen here that it was the first time that India was going in for a loan of this magnitude. In doing so, it was only tacitly agreeing to devalue the rupee.

According to Mr. Fernandes, even the Essential Services Maintenance Ordinance was promulgated to satisfy the conditions laid down by the IMF. In addition, the government was also going to cut down public expenditure, which would affect social services.

The provisions for the IMF to grant such loans were such that the finance ministry would come under an unseen but definite control of the IMF. By entering into such an agreement, India would be in the dubious company of Haiti, Sri Lanka and the Philippines.

On his way from Trivandrum to Bangalore, Mr. Fernandes expressed his amazement at the Marxist-led government invoking the "much-hated" Travancore Public Security Act, which had been used against the communists in the fifties, to deal with the Naxalites in the state. He appealed to the chief minister, Mr. E. K. Nayanar, not to use such laws as were enacted by autocrats like Mr. C. P. Ramaswamy Iyer.

The moral basis of the opposition's struggle against the Indira Gandhi government would be weakened by the use of such enactments, he warned.

CSO: 4220/7600

U.S. SUPPORT, SOVIET 'COURTSHIP' STRENGTHEN ZIA

Calcutta THE STATESMAN in English 21 Aug 81 p 8

[Editorial]

[Text] It would be unrealistic for New Delhi not to admit that the outlook from Islamabad seems brighter now than it did even a few months ago. However much liberals might deplore General Zia-ul-Haq's Islamic zeal, the kind of sentiment reflected in his Independence Day message presumably appeals to many Pakistanis. Nor would the President have recently released so many political opponents if he did not feel reasonably secure. under the circumstances, it is pointless to plead that since the Supreme Court held that the 1977 coup was valid only for the purpose of holding elections, the regime still lacks legitimacy, or that even the Provincial Constitutional Order's promise of a 350-member council has not been fulfilled. General Zia's methods are arbitrary, but Pakistanis are obviously unable to resist them; nor is world opinion disposed to express the least disapproval of a Government that has repeatedly betrayed its own specific undertakings. On the contrary, explicit U.S. support, and incipient signs of Soviet courtship, are likely further to strengthen the Pakistani President's position at home and abroad, presenting India with a major military and diplomatic challenge.

Islamabad will have even greater reason for self-congratulation if supplies of F-16 aircraft are hastened, as seems likely from statements by Mr James Buckley, the U.S. Under-Secretary of State for Security Assistance. The irony is that Pakistan is on the point of obtaining highly sophisticated equipment to cope with an alleged Soviet threat even though Mr Agha Shahi loses no opportunity of proclaiming that his country fears nothing from Moscow and has no intention of channelling arms to Afghan rebels. Nor has Washington chosen to take into account the anomaly that all Pakistani security calculations refer only to India's military capability. This was also the basis of the Rand Corporation assessment of Pakistani defence needs. The possibility of a private understanding that does not necessarily conform to Islamabad's public pronouncements cannot, of course, be ruled out, but General Zia's simultaneous overtures to Moscow also suggest that he is capable of greater diplomatic agility than he has been given credit for.

Mr Nikolai Firyubin's expected visit to Islamabad later this month in a measure of the success of this dexterity. The Soviet Deputy Foreign Minister is obviously anxious to win respectability for Mr Babrak Karmal's Government, and the time may

seem propitious now that the U.N. envoy claims "concrete agreement on the procedural aspects". Talks with Kabul are possible even without formal recognition, and Mr Firyubin will presumably address himself to devising a basis without diplomatic obligation on Islamabad's part. This is not to underestimate the extent of differences over Afghanistan, but it is in Moscow's interest to bridge the gap. Wooing Pakistan acquires additional urgency from President Reagan's patronage of General Zia, which explains Soviet offers of a nuclear reactor, tractor plant and power generation units to expand the Karachi steel mill and raise the volume of imports from Pakistan. The likely outcome calls for a reappraisal of India's own foreign policy postulates. The international political rivalry that contributes to Pakistan's strength, enabling General Zia to negotiate to his advantage with both blocs, also provokes questions about the wisdom of New Delhi's prevarication over Afghanistan and dependence on Moscow.

CSO: 4220/7590

SETHI: NO IMF PRESSURE FOR OIL PRICE HIKE

Bombay THE TIMES OF INDIA in English 19 Aug 81 p 13

[Text] New Delhi, August 18--Mr P. C. Sethi, Union minister for petroleum and chemicals, today denied that the rise in the prices of petroleum products had any connection with the loan negotiations with the International Monetary Fund (IMF).

Replying to a calling-attention notice given by Mr Shiv Chandra Jha (JP) and 21 other members, Mr Sethi told Mr Jha and Mr G. C. Bhattacharya (DSF) that their allegations about IMF pressure on India to increase prices of petroleum products to balance the budget were not true.

Stating that there was no proposal under consideration for differential prices in petroleum products, Mr Sethi told the house that while off-shore oil was the Central government's property, onshore oil fetched royalties for Gujarat and Assam. The royalty rate had been increased from Rs 45 to Rs 61 and the demand for an increase in this rate was under consideration.

Energy Policy

The minister underlined the need, while agreeing with opposition members, to regulate consumption of petroleum products and to formulate a national energy policy.

Initiating the motion, Mr Jha said that the increase in prices of petroleum products for the third time--and at a time when OPEC had not increased oil prices--was causing great hardship to the people. There was darkness in rural India and the people felt oppressed by the rise in transportation costs.

Defending the price rise, Mr Sethi said that additional resources would now be available to cover the steeply escalating costs of programmes for accelerated oil production, both offshore and on-shore.

Pointing out that prices of naphtha which affect the cost structure of drugs and pharmaceuticals, had not been touched, Mr Sethi stated that while it could not be denied that the price increases would have "some impact" on prices of all other commodities, it was felt that such an impact would, in the long run, be "outweighed by the positive aspects of the measure."

The minister told Mr Ashwani Kumar (BJP) and Mr B. Satyanarayana Reddy (Lok Dal) that reports from the agriculture ministry, which regulated fertiliser distribution, indicated that there was no fall in the use of fertilisers by farmers and that the crop prospects were good.

In his statement, Mr Sethi said the price increase in the domestic crude oils was justified in the larger context of a rational structure of energy prices which reflected their true costs, encouraged economic use of energy and promoted replacement of scarce fuels.

The minister stressed the need to reduce consumption of petroleum products as the country depended on imports for two-thirds of its requirements.

He said the government was conscious that the burden of balance of payments could not be alleviated merely by moderation of domestic consumption and, accordingly, it had undertaken an accelerated programme of oil exploration and production.

Mr Sethi said the reason for raising fertiliser prices was the increase in the cost of inputs of domestically-produced fertilisers as well as in their distribution cost and the consequent need to contain the burden of subsidy which amounted to Rs 450 crores.

The government had taken a number of additional measures such as directing the agricultural prices commission to take into account the increased prices of fertilisers while recommending support prices and continuing the existing subsidies on fertilisers to small and marginal farmers under the integrated rural development scheme.

The minister explained that underpricing of indigenously-produced crude oil was responsible for the low prices of petroleum products. This had now been rectified.

UNI adds: Mr Sethi said that there was a proposal to import industrial alcohol to offset shortages faced by the industrial units in the country.

He told Mr P. Ramamurthi (CPI-M) that the shortage was due to diversion of molasses for the manufacture of potable alcohol in the wake of several states relaxing prohibition. He admitted that potable alcohol was getting an "upper hand" over industrial alcohol.

Mr Ramanand Yadav (Cong-I) urged the government to bring down the prices of petroleum products to check the rise in the prices of other essential commodities.

CSO: 4220/7582

ANALYSIS OF 1981-82 UNION BUDGET PUBLISHED

New Delhi PATRIOT in English 18 Aug 81 p 8

[Text]

THE Central Government's consumption expenditure will go up this year by over Rs 750 crore and the net savings of the Central Government and its departmental undertaking will continue to remain negative at a higher figure of Rs 142 crores, according to an analysis of the Union budget for 1981-82 published by the Finance Ministry, reports PTI.

However, the Central Government's direct gross capital formation would increase to Rs 2,362 crores on the basis of the 1981-82 budget estimates as compared to Rs 1,817 crores in 1980-81.

The total financial provision for gross capital formation, both direct and indirect, out of the Centre's budgetary resources in 1981-82 would be Rs 10,110 crores compared with Rs 9,142 crores in 1980-81 (revised estimates).

The total expenditure of the Central Government, as budgeted for, shows a rise of 8.15 per cent. It is estimated to increase from 22,575 crores in 1980-81 to Rs 24,410 crores in the current year. Last year's total expenditure, according to the revised estimates, showed a sharp rise of 22 per cent over the accounts for 1979-80.

Of the total expenditure, Government consumption expenditure is Rs 5,537 crores, gross capital formation Rs 2,362 crores transfer payments to the rest of the economy Rs 9,188 crores and financial investments and loans Rs 7,923 crores. The growth in consumption expenditure (i.e. expenditure on wages and salaries and commodities and services) works out to 15 per cent in 1981-82 as against 12.7 per cent last year.

Although the net capital formation increased from Rs 1,516 crores last year to Rs 1,832 crores in 1981-82, the net savings will remain negative for the third year in succession—Rs 19 crores in 1979-80, Rs 82 crores in 1980-81 and Rs 142 crores in 1981-82. The deficit in the income of the Central Government as measured by the excess of net capital formation over the net savings, increased from Rs 1,297 crores in 1979-80 to Rs 1,568 crores in 1980-81 and further to Rs 1,974 crores in 1981-82.

The total requirements of finance on account of deficit on all transactions in commodities and other services and net increase in financial assets comes to Rs 8,574 crores. These requirements will be met by Rs 7,035 crores of net borrowings (both internal and external) and budgetary deficit of Rs 1,529 crores in 1981-82.

Two major items for which credit is taken are external credits Rs 1,000 crores and collections through special bearer bonds Rs 800 crores. The last item is unlikely to be realised.

CSO: 4220/7580

BILL TO ESTABLISH EXPORT-IMPORT BANK INTRODUCED

New Delhi PATRIOT in English 18 Aug 81 p 5

[Excerpt] Finance Minister R. Venkataraman on Monday moved a bill in the Lok Sabha seeking to establish a corporation known as Export-Import Bank of India.

Explaining the objective of the bill Mr Venkataraman said the bank would strengthen and broad-base existing institutional arrangements to meet international trade requirements.

Besides functioning as the principal financial institution it would coordinate the working of similar institutions. It would also undertake the functioning of limited development and merchant banking in relation to export-oriented industries.

The Exim Bank would be a statutory corporation fully owned by the Government. Its resources will mainly comprise contributions from the Government in the form of grants and loans, market borrowings, long term deposits from the public and short-term and long-term funds of the Reserve Bank of India.

The authorised capital of the bank will be Rs 200 crores. Its issued capital will be subscribed wholly by the Centre.

The bank will have its head office in Bombay or such other place as the centre may, by notification, specify.

CSO: 4220/7580

LOK SABHA PASSES EXPORT-IMPORT BANK BILL

Bombay THE TIMES OF INDIA in English 19 Aug 81 p 13

[Text] New Delhi, August 18 (UNI)--The Lok Sabha today passed the Export-Import Bank of India Bill, 1981 with a minor amendment moved by the finance minister, Mr R. Venkataraman.

The amendment to clause 41 came up during the clause-by-clause consideration, Mr Venkataraman suggested substituting the words "...date of commence of this act" with "date on which it receives the assent of the President."

Denying opposition criticism that the bill appeared to be dangerous as it was armed with wide-ranging powers, Mr Venkataraman said this was one of the measures necessary to strengthen the country's economy.

The finance minister said it was wrong to say that joint ventures were uneconomic.

In the long run the returns from joint ventures would far outstrip the investments. He said he was aware of any joint venture incurring a heavy loss.

Speaking after Mr Maganbhai Barot's reply, Mr Venkataraman assured the members that cash assistance and subsidy given to exporters would not be withdrawn following the establishment of the bank.

During the general discussion on the bill, the former minister of state for finance, Mr Satish Agarwal (BJP), wanted the government to do away with all cash assistance and subsidy to the exporters as the proposed Exim Bank would be a nodal point for providing all assistance, both financial and technical.

Mr Venkataraman explained that the government could not do this because the balance of payment position was very difficult. Unless concerted efforts were made for stepping up the exports, the balance of payment position could not be improved.

CSO: 4220/7582

INDUSTRIAL DEVELOPMENT BANK REPORTS OPERATIONS

Madras THE HINDU in English 23 Aug 81 p 6

[Text] Bombay, Aug. 22--The Industrial Development Bank of India in its report on development banking in India 1979-80 says the aggregate sanctions of the financial institutions increased almost eight-fold from Rs. 254 crores in 1970-71 to Rs. 1906 crores in 1979-80. Disbursements during this period rose from Rs. 160 crores to Rs. 1204 crores.

The report attempts to present a review of the operations, during the fiscal year 1979-80, of the All-India term lending and investment institutions and regional development banks and says cumulatively up to the end of March 1980, the financial institutions approved assistance of Rs. 9136 crores of which a sum of Rs. 6265 crores has been disbursed.

During the last few years, disbursement of institutional assistance has in fact been several times the funds the corporate sector could mobilise from the capital market.

Assistance sanctioned to high priority industries increased from Rs. 967 crores in 1977-78 to Rs. 1028 crores in 1978-79 and further to Rs. 1415 crores. As at the end of March 1980, about 81 per cent of the assistance has gone to high priority industries such as textiles, machinery, sugar, paper and basic chemicals.

Assistance sanctioned to industrially less-developed areas increased substantially from Rs. 460 crores in 1976-77 to Rs. 842 crores in 1979-80. The share of backward areas in the aggregate assistance as at the end of March 1980 stood at around 37 per cent.

During the Seventies, the financial institutions, have started extending sizeable financial support to public sector projects. Assistance sanctioned to these projects increased from Rs. 14.3 crores in 1970-71 to Rs. 170.5 crores in 1979-80. As at the end of March 1980, assistance aggregating Rs. 856.8 crores has been extended to public sector projects.

Besides providing financial support, the development banks have also taken upon themselves the responsibility of identifying and training entrepreneurs, conducting industrial potential surveys and providing cheaper consultancy services. The

three major all-India institutions (IDBI, IFCI and ICICI) have so far, established, in collaboration with banks and State-level agencies, 13 technical consultancy organisations, catering particularly to the consultancy needs of new entrepreneurs.

Industrial potential surveys of all backward regions have been completed and these have identified several projects suitable for location in these regions based on availability of raw materials, labour and other infrastructure facilities. All these activities have made a distinct though modest, contribution to the industrial development process in the country.

CSO: 4220/7604

SURVEY REPORTS NATIONAL INCOME UP BY 7 PERCENT

Calcutta THE SUNDAY STATESMAN in English 23 Aug 81 p 9

[Text] New Delhi, Aug. 22--The national income has increased by about 7% in 1980-81 despite a 5% decline in 1979-80, according to official sources here. This was calculated by the National Survey Organization on the basis of an exercise carried out with limited data on agricultural and industrial production and a mathematical model which divides the national economy into three sectors--primary, secondary and tertiary.

During 1979-80, the national income declined by 5% to Rs 44,328 crores from Rs 46,636 crores in 1978-79. This resulted in a fall of 6.8% in per capita income because of an overall estimated increase of 2% in population.

For calculating the national income for 1980-81 the increase in population, as revealed by the 1981 provisional census data, was taken into account.

The sources said that the high percentage of growth in 1980-81 was largely on account of the low level of national income in 1979-80, when the overall agricultural production had registered a fall of 12.7%.

In the economic survey of 1980-81, the anticipated growth rate for 1980-81 was indicated as 6.5%. However according to the present estimate of NSSO this might be slightly higher following a higher growth in industrial production.

Details about agricultural production were not fully available during 1980-81. Therefore, the growth rate could not be translated into absolute terms. However, a rough estimate of 7% rise in national income, higher agricultural production in 1980-81 has been assumed.

CSO: 4220/7602

GANDHI REMARKS ON NATIONAL SECURITY CLEAR CONFUSION

Bombay THE TIMES OF INDIA in English 21 Aug 81 p 8

[Editorial]

[Text] Mrs. Gandhi has done well to use the question time in the two houses of parliament to put in perspective the problems of national security caused or accentuated by the U.S. decision to arm Parkstan with highly sophisticated weapons. Not all the important implications of this vital issue could be covered because the interpolations were unavoidably brief. But some cobwebs of confusion have been cleared. For instance, the Prime Minister has nailed the bogey, raised with remarkable persistence by some, that there is a contradiction between this country's criticism of the proposed supply to Pakistan of F-16 super sophisticated warplanes and the statement in an earlier Indo-Pakistan joint statement that every country has a sovereign right to acquire weapons for legitimate self-defence. To introduce in the sub-continent's skies a new and higher level of technology for aerial offensive is not to meet legitimate defensive needs especially when, on Pakistan's own admissions, the F-16s are not meant to be used against either the Soviet Union or Afghanistan. Similarly, Mrs. Gandhi's warning about the danger of this country being "trapped" in Pakistani propaganda ploys has not come a day too soon. Indeed, the manner in which the subject of much-trumpeted Pakistani proposal for mutual reduction of forces was introduced by a Congress (1) member, Mr. Madhavrao Scindia, only underscores the need for caution and care. For he unwittingly talked of a "lower level military balance" creating the misleading impression as if a new suggestion had come from Islamabad.

What Pakistan has in fact been suggesting from time to time is that military commanders of the two sides should jointly determine the force levels to be maintained by the two countries. Quite apart from the fact that mutually balanced force reductions are usually discussed between nations or groups which are nearly equal, Pakistan has been repeatedly and politely told that it cannot possibly ask for a say in what level of defences India should maintain along with its border with other neighbours far away from Pakistan. Even the limited question of deployments along the Indo-Pakistan border can be discussed only after the two countries have arrived at a political understanding and established agreed and secure borders. To reverse the process at Islamabad's behest would be to put the cart before the horse, as Mr. Swaran Singh had occasion to tell Gen. Zia-ul-Haq more than a year ago. Since then the talk of mutual force reduction has become even more meaningless in view of the renewed U.S.-Pakistan military relationship, the tensions it has generated in the region and the escalation of anti-Indian propaganda by Pakistan.

CSO: 4220/7589

PARLIAMENT CONTINUES TO DISCUSS DEFENSE PROBLEMS

Madras THE HINDU in English 21 Aug 81 p 1

[Article by G. K. Reddy]

[Text] New Delhi, Aug 20--The Prime Minister, Mrs. Indira Gandhi, assured Parliament today that the Government would carefully watch all developments affecting the country's security and take timely steps to ensure full defence preparedness at all times, in an obvious reference to the U.S. policy of rearming Pakistan.

The Rajya Sabha was told earlier by the Minister of State for Defence, Mr. Shivraj Patil, that "all developments across our borders are closely monitored and our defence plans take into account all developments" while answering a spate of questions on the arms build-up in Pakistan.

But Mrs. Gandhi clarified that there were no reports of any unusual activity on the Pakistani or Chinese side. She was utilising this opportunity to dispel the impression created by a recent news agency story that Pakistan had massed 350,000 troops on the Western front.

In making this clarification she was indirectly drawing a distinction between the rapid increase in the strength of the Pakistan Army which was mostly deployed on the Indian borders and the reported massing of troops which was quite different. The Pakistan Government had protested strongly against this report which failed to draw this distinction.

As Minister in charge of Defence, the Prime Minister has been frequently intervening during the question-hour to answer important supplementaries after the Minister of State, Mr. Patil, had replied to the main questions. For the second day today members in both the Houses voiced their concern at the U.S. bid to rearm Pakistan.

The subject came up in different forms, through both starred and unstarred questions dealing with the defence and foreign policy aspects of the arms build up in Pakistan.

The External Affairs Minister, Mr. P. V. Narasimha Rao, who answered some of these questions in the Lok Sabha, said that this unfortunate development would hamper the process of normalisation of Indo-Pak relations.

After referring to his visit to Pakistan, Mr. Rao made an oblique remakr in the context of his recent talk with the U.S. Secretary of State, General Alexander Haig, that his efforts had met with some response, although he did not spell out the outcome of these efforts.

Nothing to fear from India: He had gone to Pakistan with a clear message that India sincerely wanted to establish a relationship of trust, confidence and friendship on the basis of sovereign equality and that its decision to acquire arms from the U.S. beyond its legitimate requirements would ome in the way of normalisation.

He had made it equally clear to the U.S. that Pakistan had nothing to fear from India which was genuinely interested in the stability and integrity of this neighbouring nation.

The Minister of State for Defence dealt with a number of questions on the U.S. decision to supply F-16 aircraft to Pakistan.

He said India would take effective steps to meet the situation. It would not be in public interest to divulge these steps, he said while assuring that the Government was fully aware of the serious implications of the induction of these aircraft into Pakistan.

He said that the Pakistan's arms deal with the U.S. included supply of tanks, armoured personnel carriers, aircraft, helicopters, artillery, air defence systems, anti-tank weapons, destroyers and naval missiles.

Mirage deal: He said no final decision had been taken about the purchase and manufacture of Mirage 2000 aircraft from France. Though he did not disclose any details, it was widely known that the negotiations for the acquisition of these aircraft were now in the final stages.

The former Defence secretary, Mr. K.P.A. Menon, was to have gone to Paris early this month to finalise the deal, but the Government decided that he need not go since he was due to be removed from this post. But there will be further talks on the issue during the French Foreign Minister's visit to Delhi this weekend.

The Government is still hoping that there might be some rethinking on the part of the U.S. following the strong representations made by India against the policy of rearming Pakistan.

And it is for this reason that the well-formulated replies given by Mrs. Gandhi and Mr. Narasimha Rao today to a wide range of questions gave the impression that India had not given up all hopes that the U.S. would reconsider its actions.

CSO: 4220/7592

U.S. 'ANXIETY' TO GIVE PAKISTAN F-16'S SCORED

Bombay THE TIMES OF INDIA in English 18 Aug 81 p 8

[Editorial: "F-16s on the Quick"]

[Text] There is no longer any room for doubt about the Reagan administration's anxiety to hasten the supply to Pakistan of the super-sophisticated F-16 warplanes. This much has been made clear by the U.S. under-secretary of state for security assistance, Mr James Buckley, who is also the principal American negotiator on military supplies and support to Pakistan. Interestingly, he has chosen to make his statement not in Washington or Islamabad, but at Bangkok where he had gone to discuss Thailand's needs for U.S. military aid. The timing of the statement is also significant, coming as it does a week before the arrival in Islamabad of the Soviet deputy foreign minister, Mr Firyubin. Doubts about the delivery of F-16s to Pakistan had arisen last month when a high-level Pakistani defence delegation returned from Washington without any firm American commitment despite an earlier announcement that some F-16s would be handed to Pakistan on a cash-and-carry basis before the end of this year. Apparently inspired reports in American newspapers suggested at the time that uncertainty had been caused by Pakistan's inability to raise the necessary cash from its Islamic friends on the one hand and by continuing differences in the Pakistani and American pronouncements on the scope of the renewed U.S.-Pakistan military relationship on the other. While the U.S. insisted that military support and economic aid to Pakistan were an integral part of a "strategic consensus" in the region to counter the Soviet presence in Afghanistan, Pakistan declared repeatedly that there was no such agreement. It also went on to add that it would not act as a conduit for the supply of arms to Afghan rebels--an important American interest which has indeed been used by the Reagan administration as an argument to justify the resumption of arms supplies to Pakistan despite the latter's clandestine pursuit of nuclear capability.

All this naturally created the impression that the Americans were perhaps dragging their feet on the early supply of F-16s in order to come to a clear understanding with Pakistan on their joint strategic aims. But Mr Buckley has indicated that Washington has not been engaged in such delaying tactics. On the contrary, the Reagan administration is trying to accelerate the supplies of F-16s to Pakistan even if it means "pushing out" of the queue other U.S. allies desirous of acquiring the aircraft or bypassing the demands of the U.S. air force itself! Mr Buckley's words are bound to be music to Pakistani ears.

CSO: 4220/7576

REAGAN CALLED 'IRRELEVANT' TO DECISION PROCESS

Bombay THE TIMES OF INDIA in English 22 Aug 81 p 8

[Editorial: "Does Mr Reagan Exist?"]

[Text] It is truly extraordinary that President Reagan should not have been informed for six long hours of last Wednesday's air clash over the Mediterranean resulting in the shooting down of two Libyan fighters by American planes. It is difficult to recall another instance of this kind in recent times not only in respect of the American president but also of any other head of government. But it is not altogether surprising that President Reagan's top aides in the White House should not have wanted to disturb his sleep--it was about 1.20 a.m. in California when the clash took place--not only because they are so solicitous about his health but also because he is so irrelevant to the process of decision-making, however vital and critical the decisions. While Mr Reagan is content to reign his aides love to rule, of course in his name. That is why he can be away from Washington for about a month and stay on his ranch in California from August 6 to September 3. This fact of his irrelevance is so well known by now that writing for THE TIMES, London, a British commentator, Henry Fairlie, recently raised the question whether "Mr Reagan exists at all."

There is no doubt that Mr Reagan is widely admired and loved. On the face of it, he is also formidable. He has just pushed through Congress a budget and tax cuts which reverse the policies of the last two generations, that since Franklin Delano Roosevelt was elected America's president in 1932 and launched the new deal (welfare capitalism). He held his own at the rich man's summit at Ottawa and he has dismissed 11,000 air controllers, leaving other democratic governments facing similar demands from well-paid public servants wondering at his audacity. But in all this he has been a mere figurehead. His aides have fought his battles. They have brought him to claim credit for the victory after the battle has been won. As Fairlie has put it: "Seldom has a president's staff been so loyal to their chief. They will protect him. They will make him look good. They will put him on television when the battle is won. They will serve him up on a plate. They will be the lightning conductors, and send him as a ray of sunshine when the storm is over. As long as their President does nothing, thinks nothing, is nothing, they are content that people should like him."

CSO: 4220/7596

LIBYAN PLANE INCIDENT 'CALCULATED TERRORISM'

New Delhi PATRIOT in English 21 Aug 81 p 2

[Editorial]

[Text] Mr. Ronald Reagan's past as a cowboy actor is no longer a subject of merry banter. The man elevated to the position of US President is acting in real life like a sharp-shooter. The shooting down of two Libyan aircraft by US navy planes was a calculated act of terrorism, approved of by the President. His war department, known as the Pentagon, trotted out the ready excuse that the Libyan planes fired first at the powerful American jets which had taken off from the aircraft carrier "Nimitz". Libyan spokesmen, on their part, rejecting the US allegation, asserted that their planes were on a routine inspection flight when they were attacked by eight American aircraft. Such a dispute is never decided on the basis of irrefutable evidence, but the benefit of the doubt goes to the Libyans against the background of circumstantial evidence which is plentiful.

Libya is in no position to challenge the US navy and aircraft, commanding the Mediterranean countries; any armed action on its part will be suicidal. A week before the incident a well-known American newsmagazine said that after months of debating how to "neutralise Muammar Gaddafi, the Reagan administration this week will offer its first direct challenge to the Libyan strongman". This was the prelude to the Sixth fleet manoeuvres off the Libyan coast in the Gulf of Sidra, which Mr Gaddafi claims to be Libyan territory. As regards the Libyan claim, Republican Senator Larry Pressler told reporters that twice in the past two years the United States had recognised the area, at least informally, as being Libyan waters. He added that US military manoeuvres "very well might have been provocation". Two weeks ago the UN Libyan mission informed the Security Council President that the US jointly with Israel, Egypt and Sudan was planning military aggression against their country.

The US provocative manoeuvres near the Libyan coast and the naval and air piracy evidently fall into Mr Reagan's pattern of limited wars and blackmail of nations which refuse to accept his tutelage. It is not an isolated case in view of his obvious strategy in West Asia, South Asia and South-East Asia, in the Indian Ocean and the Central American countries. The Pentagon has promised and is giving massive military aid to Guatemala against El Salvador, to Honduras to threaten Nicaragua and to Pakistan against India. Resumption of supply of the most sophisticated war planes (F-16 and F-15) to Israel has been announced and in collaboration with Peking, Thailand is quietly being armed to threaten Kampuchea and Vietnam. And in

all these regions Pentagon is seeking new war bases and strengthening its old bases like Diego Garcia. Mr Reagon has taught a lesson to Libya and is preparing to punish other recalcitrant countries so that they recognise American might and join Washington in its fight against Moscow and learn to curb their urge for unfettered economic and social advance. Let all men see that the US President is giving free rein to his war horse. The arrogant warrior is following his destiny careless of the havoc he causes and tragically unaware of the ever growing opposition he is building up, which will ultimately defeat his purpose. The Arab and Iranian denunciation of his adventure in Libya is a straw that shows how the wind is rising against him.

CSO: 4220/7593

FOREIGN MINISTER ANSWERS QUESTIONS IN RAJYA SABHA

Calcutta THE STATESMAN in English 22 Aug 81 p 9

[Excerpt] New Delhi, Aug. 21--The External Affairs Minister, Mr P. V. Narasimha Rao, deplored in the Rajya Sabha today the U.S. decision to go ahead with the full production of enhanced radiation weapons (the neutron bomb) capable of being launched by Lance missiles as well as artillery shells, reports UNI.

India, he said in a written answer, "regrets any decision or action on the qualitative improvement of nuclear weapons systems which would tend to lower the threshold for the actual use of nuclear weapons. The decision of the U.S. Administration to produce enhanced radiation weapons falls within this category."

India-China Trade: Mr Narasimha Rao said there was a "gradual and steady" increase in the trade between India and China. He however, said the commodities exchanged were rather limited. Since the resumption of trade with China in 1977, a number of delegations had been exchanged. From the Indian side, delegations representing FICCI, MMTC, STC and individual business men had been visiting China.

Political Refugees: The Government is taking steps against travel agents who promise to send Indians, specially Sikhs, to Canada in the garb of political refugees, Mr Narasimha Rao told the Rajya Sabha. He declined to disclose the names of the travel agencies involved since the matter was still under consideration.

CSO: 4220/7597

INTELLIGENTSIA PARLEY DISCUSSES FOREIGN POLICY

Bombay THE TIMES OF INDIA in English 23 Aug 81 p 4

[Text] Bombay, August 22--The U.S. proposal of arming Pakistan was not calculated to preserve democracy but to demolish it, said Mr. A. R. Antulay, chief minister of Maharashtra, here today.

Inaugurating the two-day convention of the intelligentsia organised by the All-India Conference of Lawyers, Mr. Antulay said that India was a bastion of democracy and one of the few in the third world to practice that ideal form of government.

The U.S. arming of Pakistan was a serious threat to India. If the U.S. was sympathetic to Pakistan, it should offer the people of that country bread and not weapons, he said.

Describing the prevailing situation as "grave," Mr. Antulay said that if people stood unitedly behind Mrs. Indira Gandhi, their integrity and sovereignty could be easily protected.

"God's Gift"

India's democratic traditions had taken deeper roots under the leadership of Mahatma Gandhi, Mr. Nehru and now Mrs. Gandhi, he said.

He described Mrs. Gandhi's leadership was God's gift to India. "Let us exploit it to the hilt", he exhorted the 3,000 delegates to the conference who punctuated the chief minister's emotional speech with resounding applause.

He said democracy could not be established in Pakistan because that country did not have the kind of leaders India was blessed with. All other respects--historical and cultural--were common to the two countries.

"Personally speaking," Mr. Antulay said, "the partition of the country had done more harm to the sub-continent than anything that happened for 100 years."

He said India sought friendly relations with Pakistan. "Our foreign minister, Mr. P. V. Narasimha Rao speaks better Urdu than some Pakistanis," he said to drive home the common heritage the two nations shared.

Mr. Antulay said that for democracy to take deeper roots, the upliftment of the poor was necessary. Every institution should be oriented to the needs of the 80 per cent poor in the country. If only the last man enjoyed the benefits of democracy, the institution could be strengthened, he stated.

Mr. Madan Bhatia, chairman of the conference, said the intelligentsia had a tremendous capacity to influence policy-makers although it had no lovers of power to operate. The convention of the intelligentsia was the first of its kind and was intended to organise the opinion-shaking section of the public to focus on executing national tasks. The time had come for all people to sink their differences and stand united under Mrs. Gandhi's leadership, he said.

Prof. Ronald Muller, an American economist and political analyst, described the Reagan administration's military support to Pakistan as a dangerous step. According to him, Pakistan was being armed beyond the needs of defence. That country's strike capability was being enhanced rather than the defence, he pointed out.

He wanted the superpowers to cut down the $400 billion defence budget and spare resources for the economic development of the world.

Another foreign guest, Mr. Felix Bandaranaike of Sri Lanka, said the message of the Indian intelligentsia could mould the opinion of the intelligentsia in the U.S. and thereby bring about a reversal of the policy of arming Pakistan, which also posed a danger to his island country.

The convention later adopted a resolution urging up the people to unite regardless of their political affiliations and convictions.

It further expressed the opinion that the politics of agitations was wholly irrelevant in parliamentary democracy since it carried seeds of destruction.

The resolution has described as unwarranted the organisation of bandhs, political strikes, lock-outs, agitations, character assassination, obstructive political tactics to frustrate the policies of a duly elected government. Such activities could not be countenanced under the constitution which gave the right to a party elected by the people to govern for five years, more so at a juncture when the country's independence was threatened.

In a declaration issued at the end of the first day's deliberations, the convention has stated that the U.S. administration's supply of sophisticated weapons was part of a grand design of policing the entire region of Asia and using Pakistan as its base.

The massive supply of weapons was aimed against India because the Pakistani leaders had openly declared that they apprehended no threat from the Soviet Union. The sinister motive of the U.S. was further strengthened by the fact that it was made with full consciousness and apparent endorsement of Pakistan's feverish efforts to acquire a nuclear bomb. The U.S. decision was calculated to destabilise India.

Peace in the sub-continent could only be secured if the people of the two nations were left to develop their bonds and goodwill.

CSO: 4220/7600

TWO SENTENCED FOR SPYING FOR PAKISTAN

Bombay THE TIMES OF INDIA in English 23 Aug 81 p 13

[Text] Jullundur, August 22--The additional sessions judge, Mr. H. S. Luna, has sentenced two persons, Harbans Lal alias Pammi and his brother Sunder Lal, to ten years' rigorous imprisonment each for having acted as Pakistani spies during the course of their smuggling activities.

They were arrested on June 21, 1980, near Bidhipur while they were coming from Amritsar to Jullundur on a stolen scooter.

The police, it was claimed, had recovered from their possession some maps of military installations, a list of some military officers and other documents in addition to ten kilos of illicit opium and two unlicensed pistols.

The trial was held in camera for the most part.

The court convicted the accused of smuggling illicit opium and other banned articles and sentenced them on this charge to two years' rigorous imprisonment each. They were also sentenced to three years' rigorous imprisonment each for being found in possession of illicit arms and stolen goods. All the sentences would run concurrently.

CSO: 4220/7600

INDIAN, PAKISTANI MILITARY STRENGTH COMPARED

Madras THE HINDU in English 23 Aug 81 p 2

[Text] One of the great deceptions of modern diplomacy is to talk of peace while preparing for war, or accuse others of aggression while attacking them. It is not just the present genre of power-oriented politicians or pocket dictators swayed by overpowering ambitions that engage in this slick dissimulation. The pre-historic mankind, which had no more than stones or spears to fight with, also resorted to such impostures.

The earliest advocate of disarmament was Buddha, who started preaching non-violence when he realised the futility of the use of force. But the generations that followed evolved their variants for gaining tactical advantage by abjuring violence, when the desired objectives could not be achieved through warfare.

The very concept of war has undergone radical change over the centuries with the result that it is difficult to distinguish today between an unabashed warmonger and an ardent votary of peace.

The complexities of modern military thinking are such that politicians see no harm in talking of non-aggression pacts while aspiring for military alliances, no-war declarations while preparing for wars, joint defence agreements while lining up with rival power blocs, or balancing reduction of arms while seeking the latest weapons. The technical and industrial organisation required for war is so great under present-day conditions that even in peace time a modern State has to be geared to war to deny a potential enemy any tactical advantage.

Reduction of Forces

The latest Pakistani proposal for a mutual reduction of forces has to be viewed against this international background blurring the dividing line between war and peace. As the Prime Minister, Mrs. Indira Gandhi, said in Parliament, one has to be wary of any such suggestion if only to make doubly certain that India does not get "trapped" into it without realising the fuller implications.

In the chequered history of Indo-Pak. relations, it is not the first time that this idea of a mutual reduction has been mooted to divert world attention from the rapidly changing military balance in the sub-continent. It is part of a well orchestrated propaganda campaign that a country of India's size and resources had nothing to fear from a truncated neighbour like Pakistan.

It was Liaquat Ali Khan who first talked of a no-war or non-aggression pact between India and Pakistan after the settlement of the Kashmir problem. The Indian plea that the two countries could abjure the use of force as a starting point for such an agreement was turned down by Pakistan on the ground that it should follow and not precede a Kashmir settlement.

Later Gen. Ayub Khan came forward with the suggestion of joint defence, which provoked Nehru to ask against whom? It did not make much sense since Pakistan was fully aligned with the U.S. and was receiving military assistance under the guise of containing Soviet expansionism. Though its relations with China were strained by that time, India could not visualise the prospect of Pakistan coming to its rescue in the event of a Sino-Indian conflict over the border dispute.

Twin Threat

As expected, Pakistan moved closer to China after 1962 posing the threat of a Sino-Pak. collusion which compelled India to strengthen its links with the Soviet Union in the wake of the worsening Sino-Soviet relations. The defence experts in India had to contend with the possibility of Chinese intervention during the 1965 and 1971 wars with Pakistan. The mere fact that it did not happen on the last two occasions does not, in their opinion, preclude the threat altogether, if there was no marked improvement in Sino-Indian relations.

The thinking of the Indian service chiefs is conditioned by these strategic considerations, which call for the continued maintenance of the present preparedness to cope with the possibility of a war on two fronts, however, remote it may seem at present.

The idea of a mutual reduction of forces was mooted formally by the Pakistan Foreign Minister, Mr. Aga Shahi, when he visited Delhi during the Janata rule. He wanted to allay India's apprehensions about the rapid expansion of Pakistan's armed forces with this offer of a joint limitation on the Western Front.

The idea was pursued subsequently in a more active form by the U.S. after the Soviet intervention in Afghanistan. The former U.S. Defence Secretary, Mr. Clark Clifford, who was sent by President Carter to talk to Mrs. Gandhi suggested the withdrawal of an agreed number of divisions on either side to enable Pakistan to redeploy them on the borders with Afghanistan.

It was recently revived by Gen. Zia in the course of his talk with the Indian envoy, Mr. Natwar Singh, as a talking point for the proposed Indo-Pak. summit meeting on which he had set his heart for enhancing his prestige.

Alternative Approaches

The Indian approach was that before the two countries could agree on a balanced reduction consistent with their respective defence requirements on other fronts, they could agree on a mutual renunciation of the use of force for settling their disputes. This concept which could be formalised into a no-war pact was implicit in the Tashkent declaration and made more explicit in the Simla agreement.

But the Pakistani view was that it should follow and not precede a reduction of force levels consistent with the Tashkent and Simla accords that left the door open for a final Kashmir settlement. The two sides never got down to a serious discussion on the two alternative approaches for improving Indo-Pak. relations.

But all the Pakistani platitudes cannot conceal the disturbing reality that after the 1971 conflict it has almost doubled its military strength. It has increased the number of infantry divisions from 10 to 19 besides two armoured divisions, corps headquarters three-to-eight, independent armoured brigades two to four, independent artillery brigades three to five, armoured regiments 23 to 33, artillery regiments 67 to 107, air defence regiments 15 to 36, anti-tank battalions two to four, army aviation corps 125 to 188, aircraft and armoured personnel carriers 300 to 978.

The regular army strength of some 3,50,000 men is supplemented by para military formations like the Frontier Corps guarding the Afghan border, Pak. rangers and Jinbad (do or die) battalions and other Mujahids stationed on India's borders with a total strength of 3,00,000 men.

New Weaponry

In addition to the four squadrons of F-16 aircraft, Pakistan is trying to obtain from the U.S. about 500 new and refurbished tanks to add to its present fleet of 1,600, a similar number of armoured personnel carriers, 500 to 600 artillery pieces, 1,000 to 1,200 anti-tank guided missiles, 30 to 50 helicopter gunships and a lot of other sophisticated equipment for night operations.

The new weaponry that Pakistan is acquiring from the U.S. is intended to not only replace the older equipment of some of its existing army divisions but also raise three to five more infantry divisions to increase its total strength in the next two or three years from the present 19 to at least 22 to gain a marked superiority on the Western front.

The strength of the Indian Army has been increased in the comparable period on a relatively much smaller scale. The number of infantry divisions have been stepped up from 25 to 29, armoured divisions one to two, corps headquarters five to eight, independent artillery brigades three to four, armoured regiments 28 to 38, artillery regiments 122 to 147, air defence regiments 21 to 26, anti-tank battalions one to two and armoured personnel carriers 497 to 717. The para military formations on the Indian side consist of only 1,00,000 men, although the Army has a strength of roughly 8,50,000 men.

Rough Parity

It is not without significance that Pakistan has deployed out of its 19 infantry and two armoured divisions, only four on the Afghan borders stretching from NWFP to Baluchistan to face the nine Soviet divisions in Afghanistan. It has one division in the Gilgit area and another two in the Karachi region.

The remaining 12 infantry divisions and two armoured divisions along with the whole paraphernalia of independent armoured and artillery brigades and regiments are on the Indian front along Jammu and Kashmir, Punjab and Rajasthan.

The main tactical advantage that Pakistan has over India is that most of these infantry divisions are permanently located in cantonments close to the border and in the event of another conflict they could march out in battle formation.

The Indian Army, on the other hand, has 12 divisions out of its total 29 permanently stationed along the northern borders, while another three are in the North-East region. It has deployed only 10 divisions, besides the two armoured divisions, on the Pakistani borders and kept the remaining four in reserve.

There is thus a rough parity of force levels between India and Pakistan on the Western front, which gives Pakistan the capacity to launch surprise attacks in corps strength at one or two places, although India will be able to retaliate at other points.

The Indian Army cannot agree to a reduction of force levels only on the Western front without an over-all decrease in the total strength of the two armies after taking into consideration their additional commitments on the Chinese and Afghan fronts on the basis of their existing deployments.

The Chinese have at present only seven infantry divisions plus some independent battalions in Tibet, but they have the logistical capacity to bring in twice or thrice this number in a matter of weeks from central and southern China without weakening their strength on the Soviet front.

The completion of the 800 km. long railway line from Sining to Gormo and the oil pipeline from Gormo to Lhasa gives them the capacity to supply and maintain 21 divisions (200,000 men) for 60 to 70 days and 40 divisions (400,000 men) for 30 to 40 days under war conditions.

There can be no serious discussion with Pakistan on a balanced reduction of forces without taking all these factors into consideraton. The main Pakistani purpose in mooting this idea is to project itself as an eminently reasonable country while obtaining large supplies of sophisticated arms from the U.S.

The sad part of it is that many even in India have been falling prey to the Western propaganda that a big country like India with a population of over 650 million and a well established industrial base has nothing to fear from Pakistan with one-eighth its population.

The Indo-Pak. military situation can be put into its proper perspective by recalling how little Israel with a population of only four or five million has been able to browbeat the Arab countries with a total population of over 100 million.

CSO: 4220/7604

BASIC DESIGN OF SLV-3 BOOSTER ROCKET TERMED SOUND

Bombay THE TIMES OF INDIA in English 18 Aug 81 p 5

[Article by L. K. Sharma]

[Text] New Delhi, August 17. No change has been envisaged in the basic design of India's four-stage rocket, SLV-3, which had deviated from its planned trajectory during the first developmental flight on May 31.

The rocket had put Rohini-II into orbit but the 36-kg satellite burnt up in nine days. This failure, according to a study of flight data gives no cause for doubting the soundness of the vehicles design. It is on this basis that the scientists of the Indian Space Research Organisation are preparing for the second developmental flight of SLV-3 slated for early next year.

According to official sources, the voluminous flight data analysed so far shows that all the four rocket motors performed correctly as designed and that all significant events such as ignition, separation of the stages, jettisoning of the heat shield and satellite injection took place at the appointed time.

An unplanned slow spin is seen to have developed around 63 seconds after the lift-off and continued to disturb the flight, resulting in a shortfall in the speed of about 6 per cent at the end of the second stage.

Nevertheless, the third and the fourth stages progressively made up for this, with the result that at the times of satellite separation the injection speed was barely one percent lower than desired and the injection angle was off by half-a-degree. This demonstrates the efficiency of the control system and the rocket motors.

What is significant, despite fairly severe lateral accelerations to which SLV-3 was subjected to, the vehicle not only held its own but successfully put Rohini into orbit. This has been a satisfying proof of the soundness of the vehicle design.

The vehicle took off with the first stage motor performing its job well, which it finished in 52 seconds after the lift-off at an altitude of 18 km. But before the first stage separation, the vehicle started spinning unexpectedly, yet the first stage separated as planned around 72 seconds.

Contrary to some early reports,the snag did not develop in the third stage. In fact, during the second stage, the unexpected spin continued to cause errors and at the burn out of the second stage, the speed was lower than planned by about six per cent. But by the time the third stage finished its job, the reduction in speed was partly made up and it was only three per cent lower than the designed value.

CSO: 4220/7576

CONTENT OF RAO, CHEYSSON DELHI TALKS REVIEWED

Madras THE HINDU in English 24 Aug 81 p 1

[Article by G. K. Reddy]

[Text] New Delhi, Aug. 23. The French Foreign Minister, Mr Claude Cheysson, who arrived today on a two-day visit accompanied by a small team of political, economic and defence experts, had a detailed discussion with his Indian counterpart, Mr P. V. Narasimha Rao, on the general international situation.

Though they covered regional problems like Afghanistan and Kampuchea, and the resultant tensions in South and South-East Asia, the main thrust of today's discussions was on North-South economic issues.

The Indian side was quite satisfied that the views of the Mitterrand Government were more or less in line with India's thinking on many issues. It was particularly heartened to see that the Indo-French views on North-South dialogue were closer and that the two countries, representing the developed and developing worlds could work together to create a better atmosphere for the forthcoming Mexico summit.

The major bilateral issues, especially those relating to sensitive subjects like defence, will be dealt with during the discussions with the Prime Minister tomorrow before Mr Cheysson leaves Delhi. In any case, it is not the intention of either side finalise or sign any new agreements on this occasion.

The two Foreign Ministers agreed that problems like Afghanistan, Kampuchea or the Iraq-Iran war could be resolved only through political settlements. There could be no military solution to such issues without running the risk of wider conflicts involving the great powers which was unthinkable in their regional contexts.

There was no alternative, in their view, to negotiations, without any preconditions. It was the duty of all the powers concerned to help create the right climate for talks to pave the way for a peaceful settlement of all such regional problems which were posing a threat to world peace.

The visiting Minister explained at length the political policies and economic philosophies of the Mitterrand Government. He was happy to learn that there was greater understanding in countries like India of what the new French Government stood for than in some parts of the West.

PM's Paris trip: Mr Cheysson attached great importance to the visit of the Prime Minister, Mrs Indira Gandhi, to Paris later this year for talks with President Mitterrand to set the tone for closer and wider Indo-French cooperation. He gave the impression that his visit to Delhi was largely intended to prepare the ground for these higher level discussions.

At the banquet he gave in honour of the visiting French Minister tonight, Mr Narasimha Rao warned against the dangers of arming "fragile" Governments in sensitive regions in an apparent reference to the U.S. decision to resume military supplies to Pakistan. He also referred to the increasing great power rivalries in the Indian Ocean.

Detente: He said India and France could cooperate in restoring the spirit of detente on the global scene, as the world was rapidly drifting towards a new and unprecedented arms race, which would consume enormous resources leaving little for economic and social development.

Mr Narasimha Rao pleaded for a new international effort based on dialogue and realistic perceptions of the sources to present-day conflicts, whether in Asia or Europe, to end this tragic drift towards great power conflict and confrontation. He wanted France to utilise its influence with other big powers and play a helpful role in creating an atmosphere of conciliation.

Mr Cheysson in his reply spoke in an equal strain about the need for a global initiative to avert the dangers of escalation of regional conflicts into wider confrontations threatening world peace. He assured India that the present socialist Government in France was ready to do whatever was possible to avert the threat of a return to a bigger arms race to enable the developed and developing societies to utilise their resources for human welfare.

CSO: 4220/7606

SOVIET EXPERT ON SOVIET-INDIAN SCIENTIFIC CONTACTS

New Delhi PATRIOT in English 9 Aug 81 p 8

[Article by Leonid Yefremov, first vice-chairman of the State Committee of the USSR for Science and Technology]

[Text] Ten years of Soviet-Indian scientific and technological cooperation has imparted to it a dynamism that it has become one of the main directions in the cooperation between the two nations. Whereas in the late 60s, we only exchanged delegations of scientists and information, at present we are cooperating extensively and in many directions on the solid basis of inter-governmental and inter-departmental agreements.

In line with such agreements, the two countries' scientists and experts are successfully cooperating in such fields as space research, the uses of nuclear energy for peaceful purposes, anti-corrosion protection of metals powder metallurgy water resources and health protection.

In the 70s two Indian artificial earth satellites, Aryabhata and Bhaskara were put into orbit by Soviet rocket-carriers from the territory of the USSR. The design of the two satellites was worked out by Soviet and Indian experts. The USSR supplied solar and chemical batteries, on-board taperecorders and some other components.

Scientists from the two countries are successfully cooperating in the field of the MHD method, thanks to which thermal energy can be transformed into electrical on a large scale. The use of the MHD generators helps to save fuel: its efficiency is 10 to 20 per cent higher than that of a common steam turbine. Next year, specialists from the two countries will assemble and put into operation a jointly-designed experimental MHD installation in Tiruchirapalli.

In the field of meteorology, cooperation between the two countries began years ago. The exchange of meteorological information has been greatly improved, thanks to the reconstruction of the Moscow-Delhi communication canal. This makes it possible to build short-term weather forecasts, which is of great economic benefit to our two countries.

Soviet and Indian experts on agriculture are expanding and diversifying their cooperation. We have recently signed a working programme of cooperation in

land improvement work and water conservancy. Irrigation and amelioration work is of great importance for India. Soviet scientists are ready to share their experience and the latest achievements with their Indian colleagues.

In December 1980, during the visit to India by Leonid Brezhnev, the two sides signed an agreement on economic and technical cooperation. This agreement and the Long-Term Programme for Economic, Trade, Scientific and Technical Cooperation, which was signed in March 1979, provide for the expansion and deepening of our ties in traditional fields and for their development in some new areas.

CSO: 4220/7533a

SOVIET VISITORS LAUD INDO-SOVIET FRIENDSHIP

New Delhi PATRIOT in English 25 Aug 81 p 7

[Text] Bhatinda, Aug 24 (PTI)--The Soviet Vice-President B Yazkuliev, has reiterated that Indo-Soviet friendship was a guarantee of world peace against the danger of nuclear war.

The US declaration to manufacture neutron bomb and setting up of American bases in the Indian Ocean and West Asia were pointers in this direction, said Mr Yazkuliev speaking at village Behama Diwana about 10 km from here yesterday.

Mr Yazkuliev, who is also the President of Turkmenian Soviet Socialist Republic said following war efforts of imperialist countries the forces of peace should further unite.

He said Indo-Soviet friendship was aimed against none. 'It is mutually beneficial for peace, progress, economic and technological development of both the countries.'

He said the Soviet Union had put forward proposals to declare the Indian Ocean a zone of peace to ban manufacture of nuclear arms and destroy already produced nuclear weapons. But America was escalating war efforts by arming Pakistan and installing atomic weapons in the Arabian countries and the Indian Ocean.

Mr G D Yanaev Vice-Chairman of Soviet Union Friendship Peace Societies said the USSR was always prepared to give aid to India against any threat or danger to its security. America and China were pushing the world towards war but ' we will not allow our children to perish by neutron bombs' he declared.

He said it was for India and the Soviet Union to decide what type of aid they should give to each other. The Soviet Union had a similar friendship treaty with Afghanistan. Afghanistan demanded help from the USSR and it responded by sending its armies against imperialist intervention in that country.

He asked the people whether the Soviet Union should help India in its hour of crisis or not if India asked for it and himself replied 'we have been with you, are with you and will continue to be with you'.

The Soviet leaders were presented 'phulkaries' as a token of friendship by the village sarpanch.

RAO SPEAKS TO LOK SABHA ON OCEAN TALKS PROSPECTS

Bombay THE TIMES OF INDIA in English 21 Aug 81 p 6

[Excerpt] The prospects of an international conference on the Indian Ocean being held in Sri Lanka later this year is very much in doubt, the external affairs minister, Mr. P. V. Narasimha Rao, informed the Lok Sabha today.

He could not, for want of time, elaborate beyond stating that some powers, whose presence in the region India would like to avoid, were not likely to participate if the conference were called.

The minister said so in reply to a query which came up at the closing moments of question time. There could be no supplementaries.

The main question was put by Mr. Madhu Dandavate, who inquired about a speech by the Prime Minister during her visit to Kuwait in May, expressing concern over the growing power rivalry in the Ocean.

He also wanted to know the government's response to the strengthening of the American base in Diego Garcia and the reinforcing of Soviet air power in the region.

The minister said that he thought that the query related to the joint communique issued at the time of Mrs. Gandhi's visit to Kuwait and read out excerpts from it. But he promised to send to the member any other related details, if he so desired.

Zone of Peace

According to Mr. Rao, he got the impression, during his recent visit to New York, that prospects of the proposed conference had receded. Still, India would persist in its efforts to secure a satisfactory implementation of the U.N. declaration of the Indian Ocean as a zone of peace with the co-operation of like-minded states.

In 1971, the U.N. declaration envisaged "elimination from the Indian Ocean of all bases, military installations, logistical supply facilities, disposition of nuclear weapons and weapons of mass destruction and any manifestation of great power military presence."

The minister noted that the government of India had consistently opposed great power military presence in the Indian Ocean area in bilateral contacts as also at

various international and multilateral forums, like the United Nations and non-aligned meetings.

UNI adds: When Mr. Dandavate accused Mr. Rao of avoiding a specific reply to his question whether there had been change in India's stand on the subject as reflected in the statement which formed part of the communique, Mr. Rao said he could make available the copy of the speech by the Prime Minister on that occasion if that would satisfy the member.

CSO: 4220/7589

RAO QUESTIONED ON TAMILS IN SRI LANKA

Bombay THE TIMES OF INDIA in English 22 Aug 81 p 15

[Text] New Delhi, August 21 (PTI): The external minister, P. V. Narasimha Rao, told the Rajya Sabha today that there was no truth in the news report that Sri Lanka was carrying out military exercise near India's shores.

He also informed the house that the situation in some parts of Sri Lanka hit by racial violence was gradually returning to normal.

Replying to points to Mr K. Kalavanasundram (CMP) on a calling-attention motion regarding racial violence and attacks on the Tamils of Indian origin in Sri Lanka, the minister said though the law and order was an internal affair of Sri Lanka, the government shared the concern of the members, over the attacks on Tamils of Indian origin there.

Mr Rao said India had been in constant touch with Sri Lanka since racial violence broke out and had expressed its concern to the Sri Lanka government.

Sri Lanka had informed India that there had been untoward incident in the last three days and that a "climate of confidence" was being built up, he said.

The government, Mr Rao said, was very much concerned over the "delicate" situation which impinged upon relations with a neighbour and also affected a number of people of Indian origin and possibly some Indian citizens.

Diplomats 'Weakness'

Mr Rao denied an allegation by Mr Kalvansundaram that the current racial violence in Sri Lanka could be related to the "weakness" of the Indian high commissioner there.

The Indian high commissioner, Mr Rao said, was one of the top diplomats and it would not be "fair and correct" to trace any happening to his alleged weakness.

Earlier, Mr Kalvanasundram urged the minister to appoint an "eminent" diplomat as high commissioner in Sri Lanka to take "proper care" of the interests of the Tamils of Indian origin and Indian citizens there.

Mr Rao did not agree with Mr R. Ramakrishnan (AIADMK) that the situation was getting out of control.

Mr V. Gopalasamy (DMK) said: "We can't remain a silent spectator to wholesale genocide of Tamilians just 80 km from our border."

He suggested that the government should take up the issue at the diplomatic level and, if necessary, raise it in the United Nations at a later stage.

The minister rejected the suggestion that the matter should be taken up at the United Nations. "We do not want relations between the two countries to be permanently impaired for such a temporary thing," he said.

CSO: 4220/7596

RAO ANSWERS QUESTIONS ON BANGLADESH CORRIDOR

New Delhi PATRIOT in English 21 Aug 81 p 5

[Text] External Affairs Minister Narasimha Rao assured in Lok Sabha on Thursday that under the terms being negotiated for perpetual lease of an area near Tinbigha to Bangladesh, the Indian population would have unrestricted access to the other side of the corridor.

The Minister gave the assurance in reply to supplementaries to a question of Mr Amar Roypradhan when Mr Indrajit Gupta (CPI) and Mr Tridib Chowdhry expressed fears that perpetually leasing out the area might turn some part of the Indian territory into an enclave on the side of the corridor.

Mr Rao told Mr Gupta that such a possibility was being taken care of, and assured that the terms would provide for free access of Indian to the other side of the corridor.

The lease (of an area approximately 178 into 85 metres is provided for under a 1974 agreement and is designed to connect Dahagram with Panwari Mouza in Bangladesh, Mr Rao explained in reply to the main question.

The agreement envisages exchange of all Indian enclaves in Bangladesh with Bangladeshi enclaves in India with the exception of Dahgram and Angarpota, which are to remain with Bangladesh in exchange for the southern half of Berubari and four adjacent enclaves remaining with India.

"We exercise effective control over south Berubari and the four adjacent enclaves retained by India, the Minister affirmed.

Propaganda

Mr Rao said pending finalisation of the lease terms, at present under negotiation, India had allowed Bangladesh provisional facilities to transit through Tin Bigha to their enclaves on several occasions for normal administrative purposes.

He agreed with Mr Tridip Chaudhury that there had been 'some escalation of propaganda' in the Bangladesh press, but said one need not take it as a material fact.

CSO: 4220/7593

SCIENTISTS STRESS NEED FOR INDIGENOUS TECHNOLOGY

New Delhi PATRIOT in English 25 Aug 81 pp 1, 7

[Text] Sixteen scientists of the Department of Electronics, including two senior officers with a long experience of defence electronics, have drawn the Prime Minister's attention to a 'well-designed strategy to frustrate this department's efforts to realise the goals of self-reliance by rapid creation of indigenous technology and industrial capacity and thus cutting down on imports substantially."

These scientists, who belong to a wide range, including communications, computers, defence and radar electronics, have urged Mrs Gandhi for her continued support to the Electronics Department in pursuing the goal of self-reliance.

The appeal, both by younger scientists and some veterans, has come in the wake of a well-orchestrated attack in recent weeks by multi-national corporations and their indigenous collaborators on the functioning of the Electronics Department. The attack has been directed primarily against Mr A Parthasarathy, joint secretary of the department.

Mr Parthasarathy has earned their ire because of his dogged fight for policies and programmes which have helped the public sector to make significant strides in the sensitive field of electronics with direct bearing on the country's nuclear, space and defence programmes and has enabled the country to move towards self-reliance.

The scientists said that they were 'disturbed' at this attack on 'the functioning of the Department of Electronics.'

They pointed out that 'over the last decade, this department has built up a reputation for its relentless pursuit of the goal of self-reliance which is not only the central element in the charter given to the Electronics Commission by your Government in 1971, but is also an accepted national goal.'

'We feel that the recent campaign in certain newspapers against a senior scientist of the Department of Electronics is part of a well designed strategy to frustrate this department's efforts to realise that goal of self-reliance by rapid creation of indigenous technological and industrial capacity and thus cutting down on imports substantially,' the scientists added in their appeal to Mrs Gandhi.

They believe 'that the reason for the campaign is that over the last few years, the department's efforts have begun to pay-off, thereby seriously hurting the interests of technologically advanced countries and multinational companies.'

The appeal emphasised the fact that 'this deep commitment to self-reliance in electronics and indeed the vision to make India achieve a leadership role in this critical and strategic high technology area has sustained the scientists and engineers in this department in the face of difficulties and frustrations inevitable in the pursuit of this goal.'

The younger scientists and engineers have underlined the fact that 'they are working in close cooperation and understanding to achieve these ideals' and have 'fervently' appealed to Mrs Gandhi to extend full support.

Senior officers of the department, in their appeal to Mrs Gandhi, have specially referred to the 'leadership and support' provided by Mr Parthasarathy in the several activities of the Electronics Department and have underlined that 'his full commitment to self-reliance and indigenous efforts in general, in accordance with the charter of the Electronics Commission, has resulted in important contribution to growth of electronics in the country.'

CSO: 4220/7607

NEW DEPUTY CHIEF OF ARMY STAFF ANNOUNCED

Madras THE HINDU in English 24 Aug 81 p 9

[Text] New Delhi, Aug 23. The Defence Ministry announced today the appointment of Lt General K. Sundarji as Deputy Chief of the Army Staff at the Army Headquarters in Delhi.

He has had a distinguished career as an Infantry Officer since he was commissioned in 1946 in the Mahar Regiment.

A graduate of the National Defence College in Delhi and the Defence Services Staff College in Wellington, he also studied on deputation at the Command and General Staff College at Fort Leavenworth in the United States.

The appointment has evoked considerable interest because the Tamil Nadu-born General Sundarji will now be in the line of succession to the post of the Chief of Army Staff after Lt-Gen. S. K. Sinha has had his term following the retirement of the present incumbent, General K. V. Krishna Rao.

After General Krishna Rao retires on September 1, 1983, Lt-Gen. Sinha will succeed him in the normal course. He will reach the age of superannuation in January, 1986, which will clear the way for the appointment of Lt-Gen. Sundarji who will have two years to go before retiring in April 1988.

After serving as Deputy Chief, Lt-Gen. Sundarji will be due for promotion as GOC-in-C of one of the army commands as and when vacancies occur following the retirement of the present incumbents. This will place him in the line of succession along with Lt-Gen. Sinha, who will be succeeding General Krishna Rao.

Lt-Gen Sundarji commanded an infantry battalion in the Kutch sector during the 1965 Indo-Pak conflict. He was Brigadier General Staff of a corps in the eastern sector during the 1971 Indo-Pak war. He was promoted to the rank of a Major-General in 1974 and given command first of an infantry division and later of an armoured division.

He was serving as Commandant of the College of Combat at Mhow before being appointed Deputy Chief of the Army Staff at the Army Headquarters in Delhi.

CSO: 4220/7606

FRENCH FOREIGN MINISTER MEETS NEWSMEN IN DELHI

New Delhi PATRIOT in English 25 Aug 81 pp 1, 7

[Text] French Foreign Minister Claude Cheysson affirmed with great emphasis on Monday that Socialist President Francois Mitterrand's government would stand firmly by the developing countries.

Replying to a question on the delays in holding the north-south dialogue at a press conference, he thumped his table and said: "The global round of economic negotiations must start immediately".

Mr Cheysson lauded India's role as a non-aligned power and said that his country was keen on developing and strengthening economic and cultural relations with India.

While stressing that President Mitterrand's Government was deeply interested in regular consultations with India on all matters of bilateral and international interest and strengthening of cooperation between the two countries, he announced that Mrs Indira Gandhi would be visiting France for three days in November second week.

Military Mission

Mr Cheysson also announced that a military mission from India would soon go to France to discuss supply of armament and aeronautical equipment.

Mrs Gandhi will meet President Mitterrand earlier at the north-south summit in Cancun (Mexico) in the third week of October.

Mr Pranab Mukherjee will be in Paris two weeks from now for talks with the French Government. He will also head the Indian delegation to the UN conference on least developed countries opening in Paris next month.

Bilateral Cooperation

On Indo-French cooperation, Mr Cheysson said apart from the Orissa aluminum complex and the doubling of Bombay High oil output discussions were being held on cooperation in a number of advanced fields.

He said Indo-French cooperation was growing in many spheres including sophisticated areas.

Mr Cheysson categorically denied that the question of enriched uranium supplies to India came up in his talks.

Asked about prospects of France supplying Mirage-2000 to strengthen the Indian Air Force, Mr Cheysson said the two countries had decided to look into "every possibility", of cooperation--scientific, technical, development of trade exchanges, which was limited at present and cooperation in manufacture in diverse fields.

He said he understood the Indian Government might be interested in the supply of some equipment and armaments by France. We will be very pleased to look into it. An Indian military mission will go to Paris very soon to discuss about training, supply of arms and armaments. We will consider every single issue. This will cover the aeronautics as well as other fields.

Mr Cheysson recalled that while in the past France had supplied India arms, it had come to a low level in recent years. He noted that Indians were in a position to manufacture most of their sophisticated equipment.

Mr Cheysson began his second day's visit to the call on President Sanjiva Reddy and a one-hour exchange of views with Mrs Gandhi, which an official spokesman described as "extensive and useful".

He later met Commerce Minister Pranab Mukherjee while Mr Shivraj Patil, Minister of State for Defence called on Mr Cheysson at which India's defence requirements, in the context of arms build up by Pakistan, figured.

North-South Talks

In a forthright and clearcut enunciation of what the new French government under its socialist President Mitterrand stands for, Mr Cheysson made it clear that France would stand by the Third World.

At Cancun (north-south) summit, Mr Cheysson said France would call for immediate start of global economic negotiations and for the word 'go' on which decisions were almost ready, i.e., more support by world financing institutions to the Third World, setting up of an energy affiliate of the World Bank, doubling of the bank's capital and raising of the capital-lending ratio. This would mean immediately an additional eighty billion dollars of financial assistance for developing countries.

On issues like Afghanistan, Kampuchea and other trouble spots, Mr Cheysson said while France itself would not take any new initiative, "we are anxious to stand behind those in the south (non-aligned movement) who have the authority, experience and know-how and can take the initiative. We shall be available when they feel we can help".

Mr Cheysson said his visit helped him to 'compare our assessments' of the situation in various areas, but his purpose of coming to Delhi was to pay tribute to India and to tell the Indian Government and the Prime Minister that "We are very

anxious to consult in future on every issue, where we have doubt and where we need the experience and knowledge of Indians".

My Cheysson said France and India agreed that there should be no foreign interference in any country and there should be withdrawal of foreign troops both in Afghanistan and Kampuchea.

CSO: 4220/7607

INDIAN, SOVIET GROUPS SIGN CULTURAL AGREEMENT

New Delhi PATRIOT in English 19 Aug 81 p 10

[Text] A cultural agreement and protocol was signed in Delhi on Tuesday between the Friends of the Soviet Union and the Soviet-Indian Friendship Society and its parent body, the Union of Societies for Friendship and Cultural Relations with Foreign Countries.

The agreement and protocol, signed by FSU general secretary T. R. Ganesh on behalf of the FSU and Mr G. I. Yanaev on behalf of the two Soviet bodies, deal with exchange of cultural delegations during the remaining part of the current year.

Under the protocol, representatives of the two parties signing the agreement will meet towards the year end either in India or the Soviet Union to take stock and draw up an agreement and protocol for the year 1981-82.

The broad terms of the agreement and protocol include the organising of seminars, lectures and meetings of Indian and Soviet representatives.

Promotion, publication and translation of the works of Indian and Soviet authors as well as organising of functions to acquaint the peoples of the two countries about the art and culture of each other are some of the functions the two signatories will perform.

Mr Ganesh said, "We have taken the first formal step of our friendship by signing the agreement and protocol."

Mr Ganesh hoped that the FSU, over whose formation doubts were expressed, and which constituted an important political component of a broad section of the national life, would be able to carry forward Indo-Soviet friendship as the country's national policy.

Vice-chairman of the Union of Societies for Friendship and Cultural Relations with Foreign Countries, G. I. Yanaev said that they had taken an important step by signing the agreement between the two bodies.

He said from the diplomatic point of view they had signed a very constructive document which would be the base of their efforts to further the friendship between the two countries. Mr Ganesh announced that the FSU would send a delegation to the Soviet Union by August end and later put up an exhibition on India, besides organising and participating in functions to mark the 64th anniversary of the October Revolution, and Jawaharlal Nehru's birthday.

CSO: 4220/7584

KERALA CPI-M CAUTIONS LEFT FRONT PARTNERS

New Delhi PATRIOT in English 9 Aug 81 p 4

[Text] Inter-party squabbles and in-fighting among the partners, unless put an immediate end to, would only weaken the ruling left democratic front from within, CPM State secretariat has cautioned.

The ruling LDF and its Government could ill-afford to weaken itself at a time when the developments in the country demanded closer cooperation and cohesion among the constituents, the secretariat statement issued here said. The overall situation demanded of the left democratic front in Kerala to further broaden and strengthen its base to resist the onslaught of the authoritarian forces against the people.

The statement did not name any particular party in the ruling alliance, but the reference obviously was to the mutual charges and the blows the student supporters of Cong-U and Kerala Congress (Mani group) partners were trading in the open and the parent bodies themselves taking sides. The secretariat pointed out that the developments starting with the senate incident and culminating in the legislators' hostel affair would only serve the enemies of the ruling front.

CSO: 4220/7533

PUNJAB CONGRESS-I REJECTS SIKH NATION THEORY

New Delhi PATRIOT in English 9 Aug 81 pp 1, 11

[Text] Chandigarh, Aug 8 (UNI)--The Punjab Pradesh Congress-I executive committee has rejected the Akali Dal's theory of 'Sikhas as a separate nation' and appealed to the people to fight 'nefarious' move unitedly.

A political resolution to this effect was adopted by the executive at its inaugural meeting here yesterday evening and released to the press today. The meeting was presided over by State party chief Sarla Prashar.

Describing the Akali Dal's demand as 'misconceived and preposterous' it observed that 'there is only one nation and that is the Indian nation in the country as a whole. The different communities and sects based on caste creed or religions cannot in any manner claim a separate nationhood. They are all one integral part of the Indian nation.'

Expressing its opposition to the Akali Dal's Anandpur Sahib resolution the executive alleged that the activities of the Dal were against the Constitution and were prejudicial to national interests.

The Anandpur Sahib resolution, it said had been interpreted by the Akalis to demand dual citizenship (for Centre and State) and two Constitutions (for Centre and State separately). 'Evidently this goes to cut the very roots of our basic principles of unity solidarity and integrity of the nation and is therefore antinational in character' the executive said.

CSO: 4220/7533

NORTHEASTERN COUNCIL MEETS IN ITANAGAR

New Delhi PATRIOT in English 9 Aug 81 p 16

[Text] Itanagar, Aug. 8 (UNI)--Chief Ministers of North Eastern States and Union Territories yesterday called for concerted efforts to banish backwardness from the region.

Reviewing the performance of North Eastern Council plan schemes for 1980-81 at its 18th meeting here, the Chief Ministers drew the Centre's attention to the problems of inadequate road the railway communication facilities, shortage of energy and the growing unemployment facing the region.

They pleaded for a special treatment for the region at the national level so that it could come on a par with the rest of the country.

A large number of officials from the Planning Commission, the Home Ministry, the Railways the Food Corporation of India and representatives of the respective State Governments attended the conclave. The Council met in Itanagar for the first time.

Presiding over the NEC meeting, Council Chairman and Governor of North Eastern States L P Singh, stressed the need to build the proposed road-cum-rail bridge at Ogighopa in Assam. He also stressed the need to extend the broad gauge line to Dibrugarh touching the main towns of upper Assam. Mr Singh referred to the growing unemployment problem in the region and suggested schemes to solve it.

Earlier welcoming the members, Arunachal Pradesh Chief Minister Gagen Apan referred to the rich heritage of the Union Territory and said special attention should be given for a faster economic development of the backward region.

He urged the NEC to provide funds to build roads in the territory and pleaded for taking up the Kameng hydel project during the sixth Plan.

Tripura Chief Minister, Nripen Chakraborty said the influx of people from Bangladesh had created an adverse impact on the socio-economic life of Tripura. He criticised the performance of different corporations including the Food Corporation of India, in Tripura and said the state was facing difficulties because of irregular supply of essential commodities, including rice and steel.

CSO: 4220/7533

ALL-INDIA MUSLIM LEAGUE COMMITTEE MEETS

New Delhi PATRIOT in English 17 Aug 81 p 4

[Text] Kozhikode, Aug 16 (UNI)--The All India Muslim League (AIML) state working committee, which met here yesterday, in a resolution reiterated the party's resolve to hold unity talks with the Indian Union Muslim League (IUML) without any preconditions.

Party state secretary M. Issuddin, releasing the committee's decision, told newsmen here today that the party felt that the unity of the two factions was essential in the interest of the Muslim community and also because of the latest social and political situation at the national and state levels.

He said the unity talks were at a standstill and progress could be made if the IUML responded favourably to the AIML's efforts.

Replying to, question, Mr Issuddin said his party would certainly welcome the joining of the Indian Union Muslim League in the Left Front Government as desired by the CP-M.

The committee in another resolution expressed concern at Muslims not getting due representation in appointments in the Central, State and Quasi-Government institutions.

By another resolution, the committee wanted the Central Government to withdraw the anti-democratic ordinance 'empowering the Government to ban strikes.'

CSO: 4220/7574

NATIONAL CONGRESS LEADER TALKS TO PRESS

New Delhi PATRIOT in English 17 Aug 81 p 7

[Text] Mr Jagjivan Ram, who was elected president of the 'Indian National Congress' by a parallel AICC-U meeting this month, has launched a frontal attack on the Government for its failure on the price front.

The ordinance banning strikes showed that the Government had turned panicky, Mr Jagjivan Ram told newsmen in New Delhi on Sunday. The problems of the workers in such an economic crisis could not be tackled through such measures, he said.

He found little substance in Prime Minister Indira Gandhi's justification for the import of wheat from the US. This showed that the hoarders were more powerful than the Government. 'You cannot tackle this by appeasing the traders,' he said.

The Government, he said, had failed in arresting the prices of even those items which were not in short supply. It showed the 'thorough inefficiency.' He slammed Finance Minister R. Venkataraman for raising prices of petroleum goods both before and after the budget. To say it was anti-inflationary was wrong, he said.

Mr Jagjivan Ram said he would write to the Lok Sabha Speaker that his party be considered as 'Indian National Congress.' It would be known so in outside Parliament as well, he said. In the Lok Sabha, his party had only two members. According to him, the Election Commission had no powers to change the name of a political party. It was confined to the recognition of the symbol.

Asked whether he would take initiative for Opposition unity, he said there was no major hitch in achieving coordination at the floor level. He, however, said he was not invited for the Opposition meeting on Sunday evening.

Mr Jagjivan Ram denied that his party had authorised any advocate to intervene in the petition on the symbol case. He also dismissed as canard the reports in a section of the press that he was planning to embrace Islam. Such reports had also appeared in some 'pro-conversionists' newspapers in India. What surprised him more was that some Hindu newspapers had carried a report to this effect. 'This showed the pro-conversionists' hold on them as well,' he said.

CSO: 4220/7575

OPPOSITION PLANS MONSOON SESSION COORDINATION

Lower, Upper House Meetings

New Delhi PATRIOT in English 17 Aug 81 pp 1, 7

[Text] The Opposition parties, including the Left parties and the Bharatiya Janata Party, have decided to have floor coordination in both Houses of Parliament, which begins the monsoon session on Monday.

Attended by the representatives of almost all major opposition parties, a meeting on Sunday also decided to hold similar frequent talks for floor coordination. The general consensus of the meeting was that the opposition groups should narrow down their differences on all major issues so that their voice could be made effective in the House.

The views expressed at the meeting revealed that there was already unified opinion among the parties on all anti-people policies being pursued by the Government. Some speakers felt that efforts should be made to narrow down the differences on the remaining issues as well.

The meeting, convened by Janata Party leader Madhu Dandavate, also resolved to 'vigorously oppose the anti-working class ordinance banning strikes in essential services,' Mr Dandavate told newsmen. They would unitedly raise the issue of malpractices and irregularities in the electoral processes and the Government's inability to check the price rise.

A similar meeting of the leaders of opposition parties in the Rajya Sabha was held on Sunday at the initiative of Cong-U leader Bhola Paswan Shastri.

Those present at the meeting included Mr Samar Mukherjee (CPI-M), Mr Indrajit Gupta (CPI), Mr George Fernandes (LD), Mr Satish Agarwal (BJP), Mr Harkesh Bahadur (DSP), Mr K. P. Unnikrishnan (Cong-U), Mr Chandrajit Yadav (Democratic Party) and Mr Pius Tirkey (RSP).

Cong-U Meeting

The Lok Dal parliamentary party decided on Sunday to work in close cooperation with other opposition parties in Parliament. Mr Charan Singh, party president and leader, presided.

The party also discussed the strategy to highlight burning issues like price rise, the strike-ban ordinance and the future of democracy in the context of large-scale rigging of the recent byelections by the ruling party.

The Cong-U parliamentary party will meet on Monday morning. The CPP-U has also to elect a new leader for the Lok Sabha in place of Mr Y. B. Chavan who resigned two months back.

The Bharatiya Janata party's parliamentary group at its meeting decided to seek to indict the Government during the monsoon session on the issue of the ban anti strike ordinance.

Other issues to be highlighted by the BJP will include Government's failure on the price front and the gross abuse of power, rigging and booth capturing witnessed in the recent byelections, according to a party press release.

The meeting also decided to keep liaison and to have continuing discussions with other opposition parties to ensure that the entire opposition acted in concert on all major issues.

Presided over by Mr L. K. Advani, leader of the BJP in the Rajya Sabha, it mourned the death of Mr Bhupesh Gupta, Mr T. A. Pai, Mr S. K. Patil, Mr K. D. Malviya and Mrs Durgabai Deshmukh.

Left Parties' Committee

New Delhi PATRIOT in English 17 Aug 81 p 1

[Text] The Left parties have decided to seek the cooperation of all Opposition groups in Parliament to fight against the Government's anti-people policies.

The left parties' coordination committee at its meeting on Sunday, decided to strongly oppose the Maintenance of Essential Service Ordinance in coordination with others. The meeting expressed deep concern at the Government's dangerous and authoritarian tendency of bypassing parliament by promulgating ordinances only a few weeks before the Parliament session.

The committee said "this erosion of Parliamentary rights is a matter of deep concern."

The meeting also decided to seek the cooperation of all opposition parties to take up during the session various issues, including proposed loan from the International Monetary Fund, misuse of election machinery in Garhwal and the wheat import decision.

The meeting was attended by Mr Samar Mukherjee, Mr E. Balanandan and Mr Sunil Moitra (CPI-M), Mr Indrajit Gupta, Mr Yogendra Sharma, Mr Ramavatar Shastri (CPI), Mr Chitta Basu (Forward Bloc), and Mr Pratul Chaudhary (RSP).

CSO: 4220/7574

HOME MINISTER HOLDS 16 AUGUST PRESS CONFERENCE

New Delhi PATRIOT in English 17 Aug 81 pp 1, 7

[Text] Chandigarh, Aug 16--Union Home Minister Zail Singh has warned those showing disrespect to the national flag of deterrent action.

Addressing a press conference here today, he said he had taken strong objection to certain incidents reported from Punjab on the occasion of Independence Day yesterday. The Centre would brook no nonsense on this count, he said and added he was not in the know of any action proposed to be taken by the Punjab Government in this regard.

Mr Zail Singh said not only in Punjab any person doing such thing any where would not be tolerated.

Commenting on the Khalistan issue, he said it was no issue at all. It was the creation of some self-seeking foreign-based Sikhs and a few fanatics and Extremists here who had no following among the general mass of the Sikh population. He said time had not come for the Centre to act.

Answering questions, Mr Zail Singh said even if he had information about the flow of foreign money he was not going to divulge it, especially when Parliament was meeting from tomorrow.

He did not disagree that some Congressmen might be playing a role in keeping the Khalistan issue alive or rather kindling it. In this context the Centre would welcome any new information from any quarter, including from the Akali Dal.

Asked if the Centre was ready for an inquiry by a Supreme Court judge as demanded by former Chief Minister Parkash Singh Badal the Home Minister said he did not know of such a demand. However, the Centre was not averse to it if a prima facie case was established.

He said the Centre was always ready for talks with any individual or party. However, no one had met him in this respect so far.

Commenting on the charter of demands presented at the Amritsar World Sikh Convention recently, he said why such a matter was not being raised when Punjab was ruled by the Akali Dal. And, why was the Anandpur Sahib resolution not

implemented when the Dal was in power. It explained that the agitation planned by the Dal was needless. It indeed was 'adharam yudh' as the agitation was purely for political ends and had nothing to do with the language or religion.

The Home Minister also denied that he had any group at the Centre or in the State Cong-I. I have already written to the editors of prominent newspapers denying such insinuations and I hope they will take note of it.'

Mr Zail Singh said had he been interested in groupism he would naturally not be termed as a dissident. Could a union Home Minister be a dissident, he asked pleading that he was a worker of the party having full faith in the leadership of Mrs Indira Gandhi.

About his being dropped or shifted, he said it was wishful thinking on the part of certain individuals and newspapermen. It was the Prime Minister's prerogative to appoint or retain a person.

On the law and order situation in Punjab, especially in the background of the recent murder of a Cong-I man at Anandpur to which place he was heading to attend the 'kirya ceremony' Mr Zail Singh refused to comment. He said he had asked for details about the murder, he would not comment until he received those.

On Assam he indicated that some solution might well be on the anvil. But he refused to talk on the subject.

CSO: 4220/7574

UTTAR PRADESH MINISTRY EXPANDS TO 47 MEMBERS

New Ministers Named

Madras THE HINDU in English 18 Aug 81 p 1

[Text] Lucknow, Aug. 17--The U.P. Ministry was expanded today with the induction of six Ministers. The Governor, Mr C. P. N. Singh, swore in the six: one with Cabinet rank, four Ministers of State and one Deputy Minister.

The six were Chaudhri Naunihal Singh, given Cabinet rank, Mr Gulab Sehra, Mr Ranjit Singh, Mrs Premwati Tewari and Mr Praveen Kumar Sharma, Ministers of State and Mr Om Prakash Richaria, Deputy Minister.

The V. P. Singh Ministry now has a total strength of 47--17 Cabinet Ministers, 21 Ministers of State and nine Deputy Ministers.

The expansion of the Ministry had been on the cards for some time though the last exercise was undertaken only in July when two Ministers of State were inducted. Yesterday three Ministers, one holding Cabinet rank and two Ministers of State, submitted their resignations, which were accepted.

Of the three, Mr I. P. Tiwari, Minister of State for Power, has been elected to the Lok Sabha from the Allahabad constituency.

The other two Mr Chida Lal Chaudhary, a Harijan leader who had Cabinet rank and was holding the Harijan and Social Welfare portfolio, and Mr Ajit Singh Sethi, Minister of State holding the Transport portfolio, were discreetly asked by the Chief Minister to resign. Mr Sethi, elected from Meerut, was the lone Sikh in the Ministry.

Though no controversy had surrounded them, the Chief Minister apparently was unhappy with their performance. In December two Cabinet rank Ministers had to go under similar circumstances. Two others were shifted to relatively insignificant departments.

More dismissals?: Speculation is rife about quit orders on a few more Ministers who figured in some of the recent controversies. The Chief Minister is reported to have conducted secret enquiries about charges against some of his Cabinet colleagues which have been found corroborated.

Yet another Cabinet rank Minister, Mr Bhanu Pratap Singh, is in the thick of a controversy as his son, convicted in a murder case but enlarged on bail, is now in jail on a rape charge.

The Chief Minister said yesterday that he has not so far received any resignation letter from Mr Bhanu Pratap Singh, who was shifted from Cane Development to the important Agriculture portfolio only a few weeks ago.

Portfolio allocation: All the newcomers are MLAs.

Portfolios will be allocated to them late tonight or tomorrow.

Sikhs' demand: The Uttar Pradesh Sikh Pratinichi Board today expressed shock at the exit of Mr Ajit Singh Sethi, who resigned from the Ministry yesterday.

A press release issued by the board here demanded the inclusion of two Ministers to represent the 40 lakh Sikhs in the State.

Gandhi's Approval Given

Madras THE HINDU in English 18 Aug 81 p 9

[Text] New Delhi, Aug 17--Behind the developments in U.P., where three Ministers "resigned" from the State Cabinet, and in Maharashtra where the expected changes in the Ministry did not materialise, there is a one common factor--supremacy of the Congress(I) High Command.

The U.P. resignations were offered at the instance of the Chief Minister, Mr V. P. Singh, Mr Chida Lal Chaudhury, Minister for Harijan and Social Welfare, and Mr Ajit Singh Sethi, Minister of State for Transport quit for "personal reasons," and Mr K. P. Tiwari, Minister of State for Power, left because of his election to the Lok Sabha in a recent by-election.

The Chief Minister sought, and got, the clearance of Mrs Gandhi, for the changes. Impliedly she accepted the reasons, given by the Chief Minister, for dropping Mr Chaudhury and Mr Sethi. The action, it is widely believed here, was linked with what are vaguely described as "image" and "performance."

It was also clear that Mr Singh enjoyed the confidence and backing of the High Command--in the same way as his counterpart in Madhya Pradesh, Mr Arjun Singh.

In sharp contrast to this, the Maharashtra Chief Minister, Mr A. R. Antulay, did not get the Prime Minister's consent either for dropping six Ministers--three senior and three junior--and inducting 12 new colleagues. Earlier this month, the Chief Minister paid his third visit here for getting the clearance for the changes, but returned without achieving his objective.

More Embarrassing

The last trip turned out to be more embarrassing than the previous visits, because this time, Mr Antulay was unable to see Mrs Gandhi. Mr Rajib Gandhi, whom he met twice, conveyed to Mr Antulay the Prime Minister's opposition to the proposed changes.

Mrs Gandhi, it appears, was not happy with Mr Antulay's plan to drop the Finance Minister, Mr Ramarao Adik, and two other Cabinet-rank Ministers, Mr Jawaharlal Dara and Mr Baburao Kale, and the junior Ministers nor with the choice of those he wanted to include in the Cabinet.

These are not the only instances of the High Command's control over the Ministries in the Congress(I)-ruled States. In Punjab, the Chief Minister, Mr Darbara Singh, who had dilly-dallyed for over a year in the face of suggestions to resign as President of the State unit of the party, promptly quit after Mrs Gandhi publicly expressed her strong disapproval.

And the Gujarat Chief Minister, Mr Madhavsinh Solanki, who too combined two pots declared that he would be leaving the party position soon. In Karnataka, the resignation of Mr C. M. Ibrahim too falls in this category.

The High Command's control over the conduct of Chief Ministers is, thus, complete, though the approach varies from State to State.

CSO: 4220/7578

NEW RAJYA SABHA MEMBERS TAKE OATH, PARTY STRENGTH TOLD

Bombay THE TIMES OF INDIA in English 18 Aug 81 p 7

[Text] New Delhi, August 17 (UNI): The strength of the Communist Party of India (Marxist) in the Rajya Sabha swelled to 13 from nine with four new members taking the oath as the house assembled for its monsoon session today.

The commerce minister, Mr Pranab Mukherjee, who was elected from Gujarat, was among the nine members who took the oath.

Mr D. B. Burman, Mr Arabinda Ghosh, Dr D. B. Ghosh and Mr Santosh Mitra, all from West Bengal, are the new EPI-M entrants to the Rajya Sabha.

Mr S. P. Mitra (Ind.) and Mr Makhan Pal (RSP) are the other two new members from West Bengal.

Besides, Mr Mukherjee, who was leader of the house, Mr H. B. Mahida and Mr Kishore Mehta belonging to the ruling party were the other two members coming from Gujarat.

The latest party position in the house is as follows: Congress(I)--120, Congress(U)--18, Janata--1-, BJP--14, Lok Dal--13, CPI(M)--13, AI-ADMK--9, CPI--5, DMK--4, Akali Dal--3, National Conference--2, Muslim League--1, Kerala Congress--1, Forward Bloc--1, UDF (Nagaland)--1, RPI (Khobragade)--1, Socialist--1, Lok Tantrik Lok Dal--1, Independents--7 and Nominated--7.

Mr Pranab Mukherjee has been renominated leader of the Rajya Sabha. The house greeted his nomination with the thumping of desks as soon as Mr Hidayathullah read out a notice from the Prime Minister, nominating Mr Mukherjee as leader of the house.

CSO: 4220/7576

SHEIKH ABDULLAH ACCUSES CONGRESS-I OF MISRULE

New Delhi PATRIOT in English 18 Aug 81 p 4

[Text] Srinagar, Aug 17--Three-week-old lull in hostility between the ruling National Conference and the Congress-I was broken today when Chief Minister Sheikh Abdullah mounted a sharp attack on the party accusing it of having "ruined the State under its misrule."

The Sheikh's sudden outburst is said to be in retaliation against a minor disturbance created by a group of people at a public meeting at Pakhanpona, 45 km from here. Earlier, supporters of the two parties were reported to have clashed at Chanani Sharif near Pakhanpona. The clash occurred as Revenue Minister G. N. Kochak was addressing a public meeting during which he allegedly criticised the Congress-I leadership.

About a dozen persons were injured in the clash.

The Sheikh alleged that the Congress rulers in the State had indulged in corruption, drinking and other vices. He said their misdeeds had resulted in widespread deterioration of moral standards, economic ruination and political degeneration.

The Sheikh exhorted the people to strengthen the National Conference and claimed that it was "the sole guarantee for safeguarding your honour and freedom."

Mr Abdullah began his speech in a low key but warned up when a group of four or five persons in the audience stood up asking some questions. They were rounded up by the police immediately.

The Sheikh outburst breaks the uneasy lull that had come about as a result of Prime Minister Indira Gandhi visit here last month.

Following the 'truce' between the two parties, both sides had been so far avoiding to mention each other in the course of their subsequent public speeches.

Earlier, their speeches were marked by acrimonious exchanges leading to a confrontation between them which was defused during Mrs Gandhi's visit.

Interestingly, though the Sheikh has been making regular public speeches after her visit, he has not for once mentioned developments resulting in talks between the two parties, much less seeking to highlight their implications.

Congress-I leaders in their speeches have also been maintaining a lower profile claiming that the truce did not envisage any change in the opposition role of PCC-I.

Meanwhile, the ruling party is fully occupied with arrangements for its three-day annual session being held here from 21 August. President-elect of National Conference Dr Farooq Abdullah is scheduled to be formally installed on the first day of the session. Elaborate arrangements are being made in this connection.

CSO: 4220/7580

ANDHRA PRADESH STRENGTHENS POWERS OF LOCAL OFFICIALS

New Delhi PATRIOT in English 18 Aug 81 p 4

[Text] Hyderabad, Aug 17--The Andhra Pradesh Government has ultimately agreed to strenghten the chairman of zila parishads and presidents of panchayat samitis by handing over certain administrative powers to them.

Announcing the decision of the Cabinet at a news conference, Chief Minister T. Anjaiah said the district development officer and the block development officer would in future work under the administrative control of the zila parishad chairmen and panchayat Samiti president, respectively.

All development departments in the district will be brought under the purview of the zila parishads.

The chairmen of zila parishads will also be nominated as vice-chairmen of the district rural development agencies and the intensive tribal development agency of which the collectors would be chairmen.

The Chief Minister said the Government had taken the decision following the report in this regard of a sub-committee with Industry Minister M. Baga Reddy as its head.

Mr Anjaiah said the steering committees would be abolished and their work would be supervised by the respective zila parishads and panchayat samitis.

The chairman of the zila parishad will be paid an honorarium of Rs 1000 per month and the president of the panchayat samiti Rs 500. The A. P. chairmen will also get the assistance of a stenographer and a car.

The powers to transfer the employees within the district will be with the chairmen.

But the recruitment will be done by the Public Service Commission and the district selection committee with collector as chairman, the Chief Minister added.

Similarly, the postings and transfers of block development officers within the district will be done by the district development officers.

CSO: 4220/7580

TWO CHIEF JUSTICES APPOINTED, BENCH VACANCIES NOTED

Madras THE HINDU in English 19 Aug 81 p 1

[Text] New Delhi, Aug 18--The appointment of two Chief Justices--Mr M. P. Thakkar for the Gujarat High Court and Mr Sambha Chandra Ghose for Calcutta--was announced today.

Mr Ghose, now the acting Chief Justice, was confirmed in that position. Mr Thakkar, would succeeds Mr P. J. Dewan, who retires on August 20. Mr Thakkar, at present, is the seniormost judge of the Gujarat High Court.

Today's appointment follows the traditional pattern and contrasts sharply with the induction of "outsiders" in two high courts earlier this year which became the subject of a raging controversy. Some more Chief Justices are yet to be appointed and it was not clear whether or not today's pattern represented a change in the Government's policy.

79 Vacancies: In all, there were 79 vacancies in the various high courts as on July 1 last. The State-wise break-up is: Allahabad 11, Andra Pradesh four, Bombay four, Calcutta seven, Delhi six, Gauhati two, Gujarat four, Himachal Pradesh one, Jammu and Kashmir three, Karnataka two, Kerala two, Madhya Pradesh seven, Madras three, Orissa three, Patna 12, Punjab and Haryana four and Rajasthan four.

Around that time, there were four vacancies of Chief Justices--of Calcutta, Gauhati, Jammu and Kashmir and Kerala. Later, there was one more addition--of Madras High Court.

The Union Law Minister, Mr P. Shiv Shankar, explained the delay, in reply to an unstarred question in the name of Mr A. B. Vajpayee and Mr Suraj Bhan in the Lok Sabha, thus:

"Some proposals for filling up vacancies in the high courts have been received. A majority of these has been received recently and after persistent reminders to the States. All efforts have been made to complete consultations under Article 217 expeditiously. The State authorities are being pressed to send proposals in respect of the remaining vacancies."

In reply to another question by Mr Chitta Basu, whether the work of the Calcutta High Court was being handicapped because of the vacancies, Mr Shiv Shankar said there were 10 vacancies on April 1 last out of a total strength of 40 but three judges were appointed with effect from June 1.

"Delay occurred in their appointment as there were differences between certain constitutional authorities who had to be consulted under Article 217. After protracted efforts to resolve the differences, these three appointments could be made. A few more proposals have been received from the State authorities in the meantime," the Minister said.

CSO: 4220/7583

CPI LEADER MOHIT SEN HOLDS PRESS CONFERENCE

New Delhi PATRIOT in English 20 Aug 81 p 4

[Text] Ahmedabad, Aug 19.--CPI leader Mohit Sen called for 'mass mobilisation' to counter machination of US imperialism against India.

Addressing a press conference here today, Mr Sen said that with the US military aid to Pakistan and stationing of nuclear missiles in Tibet by China the situation in Sri Lanka and the increasing rabid anti-Indian forces in Bangladesh, India "is under a siege".

Thus, the time has come for immediate mobilisation and unity of all the patriotic parties to support the progressive foreign policy of the Indira Gandhi Government.

It should be defended and given sharper thrust by the united efforts of all the patriotic anti-imperialist forces, Mohit Sen said.

He, however, castigated the Government for going in with a begging bowl to the IMF "at such a time" when it is not required thereby weakening self-reliance of the country.

The CPI leader called for nation-wide campaign against this move.

He called upon the Government to take effective measures to halt the soaring prices. He said the Government can "take over wholesale trade in food-grains, requisition stocks of essential commodities and impose stringent price control". However, Mohit Sen hit out at the Government for its refusal to follow such steps.

Referring to the efforts of casteist and communal forces like the Jamat-i-Islami, Bharatiya Janata Party and the RSS to fragmentise the society and destroy the secular foundation of the political life by blowing out of proportion the conversion issue and thereby, combining both the communal and caste riots.

The CPI leader charged the Gujarat Congressmen with chasing "posts for personal benefits" at a time when the country is facing internal and external threats.

In this connection he said the infighting in the Gujarat Congress provides "an outstanding example of this bitter truth".

Then, he said, the unity of the left, CPI and the CP-M in particular is a heartening fact for the masses of Gujarat.

CSO: 4220/7587

DETENTION OF DEMOCRATIC SOCIALIST RULED ILLEGAL

New Delhi PATRIOT in English 20 Aug 81 p 4

[Text] Allahabad, Aug 19 (PTI)--The Allahabad High Court today held illegal the detention of Bhagwat Prasad Srivastava alias Kattan Guru, general secretary of the Allahabad unit of the Democratic Socialist Front, under the National Security Act.

A division bench consisting of Mr Justice K C Agarwal and Mr V K Khanna ordered the immediate release of the petitioner, while allowing a habeas corpus petition filed by him.

Mr Srivastava was arrested on 24 July following an incident in which he was alleged to have fired shot from his pistol at Cong-I MLA Ashok Kumar Bajpai.

Student Freed

Another bench of the court held the detention of Gorakhpur University student Devendra Pratap Singh under the National Security Act as illegal.

The bench directed that a copy of the judgment be sent to the chief secretary for perusal so that unauthorised persons might not curb civil liberty of citizens.

CSO: 4220/7587

ANDHRA PRADESH CHIEF MINISTER EXPANDS CABINET

Madras THE HINDU in English 21 Aug 81 p 1

[Text] Hyderabad, Aug. 20--The Andhra Pradesh Cabinet was expanded today with the induction of two new Ministers--Mr. Chanumolu Venkata Rao and Mr. Nallapareddi Srinivasulu Reddi--and elevation of five Ministers of State--Mr. C. Rajanarasimha, Mr. Goka Ramaswamy, Mr. Majji Tulasi Das, Mr. Paaladugu Venkata Rao and Mrs. M. N. Vijayalakshmi Devi--to the Cabinet rank.

After the swearing-in ceremony, the Chief Minister, Mr. T. Anjiah told pressmen that he would appoint two more Ministers either on Monday next or before the end of the month to restore the strength of the Cabinet to 45.

There are now 34 Cabinet Ministers and nine Ministers of State.

The selective elevation of Ministers of State caused disappointment to a number of junior Ministers, one of whom, Dr. Y. S. Rajasekhara Reddi, sent in his letter of resignation to the Chief Minister. But he was later persuaded to withdraw it.

These junior Ministers appear to be upset that a comparative newcomer like Mr. K. Kesava Rao, who became a member of the Legislative Council in 1978, was straightway inducted as a Cabinet Minister on July 27 last, while those senior to him had remained Ministers of State.

Asked by pressmen about Dr. Rajasekhara Reddi's resignation, the Chief Minister flatly denied it, saying he had not received any resignation letter.

Dr. Rajasekhara Reddi, along with another Minister of State, Mr. N. Chandrababu Naidu, called on the Chief Minister at the Secretariat after the swearing-in ceremony when Mr. Anjiah is reported to have torn the resignation letter and told them that he was treating the issue as closed.

Report denied: Speaking to pressmen later in the evening, the Chief Minister again denied the report of Dr. Reddi's resignation. He said he had in fact asked Dr. Reddi whether there was any truth in "the rumours spread by the press" that he had submitted his resignation and that Dr. Reddi had offered to issue a statement denying the whole thing and that he (Mr. Anijiah) had himself persuaded him not to do so.

The exchanges between the Chief Minister and pressmen turned out a battle of wits. As pressmen asked whether the Finance Minister, Mr. K. Prabhakar Reddi, had intervened in the issue, the Chief Minister called Mr. Prabhakar Reddi (who was sitting in an ante-room) and he also emphatically denied that there was any truth in the whole story.

The vacancies: The death of Mr. P. Seshavataram on July 11, the dropping of Mr. N. Bhaskara Rao from the Cabinet on July 28, and the resignations of Mr. G. Sriramulu Naidu and Mr. K. E. Krishnamurthy following their election as Chairmen of the Srikakulam and Kurnool Zilla Parishads had caused the four vacancies in the Cabinet, two of which have now been filled.

Mr. Anjiah, who became the Chief Minister on Oct. 11 last, inducted 22 Ministers on Oct. 16 and another 38 on Dec. 2, taking the Cabinet's strength to 61. Following criticism about its size, he collected the resignations of all Ministers on Jan. 13, and these were accepted on Feb. 6. Three days later he appointed 44 Ministers.

Mr. Srinivasulu Reddi was one of the members of Mr. Anjiah's 61-member Cabinet. After the reconstitution, he became Chairman of the APSRTC.

Mr. Chanumolu Venkata Rao was a member of the Vengal Rao Cabinet.

CSO: 4220/7592

JANATA MP OPENS DEBATE ON ELECTORAL REFORMS

Bombay THE TIMES OF INDIA in English 21 Aug 81 p 6

[Text] New Delhi, August 20 (PTI)--The Janata Party member, Mr. Madhu Dandavate, made a strong plea in the Lok Sabha today for immediate steps to check electoral malpractices.

Initiating a special debate on electoral reforms, Mr. Dandavate said that free and fair elections, an independent judiciary and an impartial election commission were vital to the health of a democratic system. But these things were not to the liking of those who believed in an authoritarian rule.

Mr. Dandavate said parliamentary democracy in India was under "grave threat of distortion" on account of use of money power, muscle power in booth-capturing, media power and the misuse of governmental machinery by the party in power.

He said that in the past, a committee on defections had been set up under the chairmanship of Mr. Y. B. Chavan, Mr. Jayaprakash Narayan had also set up a committee headed by Mr. V. M. Tarkunde. The point he wished to make was that there was no need of setting up any more committees in this connection. The ailment was well known. The need for for taking corrective action.

He felt that the chief election commissioner, Mr. Shakdher's suggestions about state funding of elections, and identity cards for voters, deserved serious thought.

Mr. Dandavate also wanted India to go in for a mixture of direct elections as at present and the list system ensuring representation for parties in proportion to the votes polled by them. This system was in vogue in West Germany, he said. It would help establish a co-relation between the votes polled and the seats won in a legislature by any party.

He stressed that an anti-defection law must be brought into being without delay.

He said that the suggestion for state funding of elections was good and should be considered.

Several Congress(I) members protested when Mr. Dandavate referred to the deployment of outside police in Garhwal constituency and said this had clearly been done to intimidate voters.

Mr. Mohanlal Sukhadia (Congress-I) asked why the Janata Party had not brought forth the anti-defection legislation in spite of remaining in power for so many months.

He said funding of elections by the implications needed to be closely examined. Would the candidate or his party in that case have a right to spend money or not, and if so, how much?

About the list system, he had a reservation. Indian experience was that multi-party governments tended to be unstable.

He wanted deterrent punishment to be given for booth-capturing. It would also help, he felt, if the election commission had powers to take disciplinary action against state government staff preparing electoral lists found to contain fraudulent entries.

CSO: 4220/7589

AKALI LEADERS' STATEMENTS SCORED, CLARIFIED

Calcutta THE STATESMAN in English 21 Aug 81 p 9

[Text] Chandigarh, Aug. 20--Mr B. S. Danewalia, president of Confederal Akali Dal and Punjabi Party, has invited moderate leaders in the Akali Dal to join his party so that they could oust the State Congress (I) from power.

Mr Danewalia in a statement yesterday, said conflicting statements of various Akali leaders in Punjab and Delhi shared the decline in the standard of Akali leadership which had brought down the reputation and prestige of Akali Dal from a great nationalist party to a board of infighters who had lost credibility. Their deeds and words, he said, were a sequence of betrayal of Punjabis. For example, their "collusion with Congress (I) elements during parliamentary polls in 1980, bargaining with Rajya Sabha seats, and their betrayal of the party and common Punjabi interests to the Congress (I) had been done behind the back of the Sikhs and all Punjabis".

He said their current strivings for reinstatement were hypocritical, be they in the name of "dharam yudh", a twisted Anandpur Sahib resolution or U.N. membership. These Akali leaders, he said, had created a climate of lack of self confidence in the Sikhs especially so much as to make them believe that agitation, not self Government, was their destiny and goal. Some Akali leaders thought that extremism and excess of obstinacy gave them the status of leadership against their timidity and betrayal which preceded it.

He charged this Akali leadership with insincerity and said they were helping a rejected party, that is the Congress (I). The Akalis by their slogan-mongering, in which none of them believes were seeking to give a lease of life to the Congress (I), he alleged.

Mr Danewalia said his party was determined and was gearing up to rally all Punjabis to rid the State of "misconducting politicians" and rebuild Punjab's economic and political life. All Punjabis he said, should discard the leadership which had done nothing for Punjabis in all the 34 years since Independence.

Meanwhile, three senior Akali leaders--Mr Randhir Singh Cheema, general secretary, and two other leaders of the Akali Dal (Talwandi)--in a statement reiterated that the "Des Punjab" demanded by them did not mean Khalistan in any way and those who

were dubbing Anandpur Sahib resolution as basis for Khalistan were either ignorant or misleading people. They made it clear that the Sikhs would never think of isolating themselves from the rest of the country. Their simple demand for decentralization of certain powers should not be misinterpreted and compared with Khalistan.

Commenting on the crisis in the Longowal faction of the Akali Dal, the three leaders said all was not well with Sant Dal. Their group suffered from innumerable contradictions. The Sant Dal was infested with vested interests. Their only programme was "Kissa Kursi Ka" and their top leaders were mad for power and were running after the Jana Sangh, Congress (I) and the Leftist parties at the same time.

They criticized Akali leaders' comments on Mr Sukhjinder Singh's stand and said that many people had started accusing Mr Sukhjinder Singh without understanding and appreciating the real controversy involved in it. Mr Sukhjinder Singh had never demanded Khalistan. He had merely joined issue with those who were ridiculing the demand of Khalistan as an insignificant voice of a few misguided Sikhs.

The purpose of his statement was to suggest to the Congress leaders to view the Sikh problem realistically instead of opposing every Sikh demand. Mr Sukhjinder Singh, they said, had asked them to take the Sikhs into confidence and tell them if the powers that be had anything to offer to the Sikhs.

CSO: 4220/7590

NAXALITE LEADER: CPI-M FOLLOWS KHRUSHCHEV PATH

Madras THE HINDU in English 21 Aug 81 p 9

[Text] Trivandrum, Aug. 20--The naxalite leader, Mr. Kanu Sanyal, maintains that the CPI (M) is following the "wrong path shown by the former Soviet leader, Mr. Nikita Khruschev."

Mr. Sanyal, who still believes that an armed revolution was inevitable for the liberation of the Indian masses, told THE HINDU on Wednesday that the CPI(M) had a three-pronged policy: peaceful coexistence with the Congress (I) (as in Assam); peaceful competition with the Congress (I) (giving fictitious reliefs such as unemployment doles); and peaceful transformation.

This was an illusionary policy which blunted the resistance of the oppressed peasantry, Mr. Sanyal said. The CPI(M) was hoodwinking the people by saying that the power its Governments in West Bengal, Kerala and Tripura had was limited.

In West Bengal, for example, the CPI (M) went about saying, according to Mr. Sanyal, that the Centre had not cleared the land reform legislation.

"Alright. If the Centre does not give the clearance, why can't you allow the people to take over the land? Why do you use the police to foil the people's attempt?", he asked the CPI(M).

Mr. Sanyal does not believe that the Janakeeya Samskara Vedi in Kerala and its programmes of "people's trial", form a correct line in Indian conditions.

Decadent System

Corruption stemmed from the present system which was decadent. It was a result and not the cause. So the target of attack should be the system.

It was true, he said in reply to a question, that Samskara Vedi activities had touched a sympathetic chord among the people, but that did not mean that the fundamental issue had been brought into focus.

In a country such as India, there could never be any meaningful change without taking into account the role of the peasantry.

The land reforms enacted and implemented in the country had not touched even the fringe of the problem. The ceiling laws were being violated with immunity.

New Class of Landlords

Wherever land reforms had been implemented a new class of landlords had come up. West Bengal was the best example, followed by Bihar, where even the lands received by Vinoba Bhave had been cornered by certain elements.

These lands should vest with the peasantry, but so far no Government had done anything by way of justice to the peasants.

Mr. Sanyal said the communist movement in the country had failed to grasp the essence of the Indian political situation right from the beginning.

Between 1953 and 1962, the party virtually had no programme.

While the decision to contest elections was right, the communists went wrong in believing that that was the prime need of the hour.

The parliamentary path was only one line, dictated by national compulsions, but was not the only line which the communists should have followed.

The communist revolutionaries in the country had neglected their most important taks of preparing the masses for a liberation struggle.

There was neither ideological education, nor a proper study of Marxism-Leninism or the line adopted by Mao Tse-tung. How these could be used as a beacon light in the Indian situation was not thought of.

The wrong approach led to wrong policies and resulted in wrong actions.

The adoption of the annihilation theory and individual terrorism were results of this kind of thinking.

Mr. Sanyal was optimistic that the unity of communist revolutionaries could be brought about because there was agreement among the various groups that an agrarian revolution was absolutely essential.

This was not the time to try doctors, or one or two contractors, or other corrupt elements.

"This is the time to assess the Indian situation in the Marxist-Leninist perspective, to resist deviationist tactics and to launch a campaign of the peasantry, without alienating the masses," Mr. Sanyal added.

He felt that India was facing a twin threat: from the American imperialism and the Soviet imperialism.

"Mrs. Gandhi is playing a game between these two superpowers. A time may come when an Afghanisation may be repeated in India," he observed.

Mr. Sanyal termed as lukewarm, the CPI (M) opposition to the Essential Services Maintenance Ordinance.

Why can't the CPI (M) organise a mass movement against the ordinance in West Bengal, where that party is strong? They will not, because they are in power there," he remarked.

Mr. Sanyal accompanied by Mr. Ajit Sinha of Bihar, is here in connection with efforts to bring the communist revolutionaries in the country under one banner.

CSO: 4220/7592

NEW CHIEF SECRETARY FOR TAMIL NADU APPOINTED

Madras THE HINDU in English 22 Aug 81 p 1

[Text] Madras, Aug. 21--Mr. K. Diraviam, IAS, Second Secretary to Government and Development Commissioner, has been appointed Chief Secretary to the Tamil Nadu Government.

Mr. V. Karthikeyan, IAS, till now Chief Secretary, has been made full-time Chairman of the State Planning Commission.

The posting orders were issued this afternoon and both Mr. Diraviam and Mr. Karthikeyan assumed charge of their new assignments immediately.

Hitherto, the Chief Minister was ex-officio Chairman of the State Planning Commission. In the course of the order creating the post of a full-time Chairman, the Government stated that the planning body had to play an increasingly important role in drawing up the annual plans and in monitoring and evaluating them. It was therefore considered necessary to streamline and strengthen the Commission. The new post of Chairman would be equivalent in status and responsibility to that of Chief Secretary to the Government, the order said.

Mr. Diraviam, who is 56, joined the State Government service in 1947 as Deputy Director of Information and was later promoted as Director. He was selected for the IAS in 1958 and since then he has held various posts including Collector of Chingleput and Madurai, Director of Rural Development, Director of Agriculture and Food Secretary, before becoming Second Secretary a year ago.

Simultaneously with the creation of the post of full-time Planning Commission Chairman in the cadre of Chief Secretary, the Government upgraded four more posts to the level of Chief Secretary, the reason given being either "administrative interest" or "public interest."

The posts are the Special Commissioner to the Government at New Delhi, the Vigilance Commissioner and Commissioner for Administrative Reforms; the Chairman-cum-Managing Director, State Civil Supplies Corporation; and the Chairman, Tamil Nadu Small Industries Development Corporation (SIDCO).

While Mr. Ramchander, IAS, now Special Commissioner and Commissioner for Land Administration, has been transferred to the upgraded post of the Chairman, SIDCO,

Messrs. T. S. Sankaran, IAS, S. P. Srinivasan, IAS, and R. Natarajan, IAS, will continue to be the Special Commissioner to the Tamil Nadu Government at New Delhi, the vigilance Commissioner and Commissioner for Administrative Reforms, and the Chairman-cum-Managing Director, State Civil Supplies Corporation, respectively, in the upgraded posts.

CSO: 4220/7598

GUJARAT UNIT OF CONGRESS-U MEETS, DISSOLVES

Bombay THE TIMES OF INDIA in English 22 Aug 81 p 1

[Text] Ahmedabad, August 21. The state unit of the Congress(U) was dissolved today. The decision to separate the state unit of the party from the Congress (U) and function as a Congress forum was taken at a Committee meeting which hardly lasted an hour here today.

The executive meeting, presided by the state unit president, Dr Thakorebhai Patel, also decided to hand over its property, including a two-storyed building in the posh locality in the city, to the Congress(I). It empowered Dr Thakorebhai Patel and Mr Hitendra Desai to look after the modalities of handing over the property to the Congress(I).

The executive meeting was attended among others, by Mr Hitendra Desai, Mr Chaganghai Bharvad, Mr Hariprashad Thakore, Mr Ahsan Jafri, Mr Kasturbhai Gandhi and Mrs Urmilaben Bhatt, former deputy health minister in the state.

The resolution adopted at the meeting said that the executive had considered the recent political developments in general and the efforts made by the Congress (U) president, Mr Devaraj Urs, to merge the party with other opposition parties.

The resolution said: "The executive committee is fully satisfied that the Congress(U) is on the way to complete dissolution. It appears that it will either merge with other political parties or will get dissolved."

The resolution added that the executive committee of the state unit of the party had full faith in the ideals laid down by the all-India Congress constitution and the Congressmen who had full faith in those ideals had no other alternative but to separate from the party which made efforts to merge with other opposition parties.

According to Dr Patel, the resolution was conveyed to Mr Devaraj Urs. Meanwhile, Mr Hitendra Desai had also written a letter to Mr Urs conveying his decision to quit from the working committee of the Congress(U) with immediate effect. In it, he stated that the Congress(U) had virtually ceased "under your presidentship" or would cease soon. Mr Desai also resigned from the primary membership of the party.

CSO: 4220/7595

FORMER MEMBERS REAPPOINTED TO UTTAR PRADESH CABINET

Bombay THE TIMES OF INDIA in English 22 Aug 81 p 1

[Text] Lucknow, August 21: In an important cabinet reshuffle tonight, the chief minister, Mr Vishwanath Pratap Singh, rehabilitated Mr Vidya Bhushan, once considered close to the late Mr Sanjay Gandhi, by making him tourism minister. In a sudden move last year, the chief minister had divested Mr Bhushan of his key portfolios of forest and tourism and reduced him to the status of a mere minister of sports, a department held till then by a junior deputy minister.

The other cabinet minister gaining in tonight's reshuffle is the labour minister, Mr J. C. Dikshit, who was given the additional charge of national integration. The newly sworn-in cabinet minister, Mr Naunihal Singh, was given the portfolio of forests.

The chief minister tonight appointed Mr Gopalram Das, Mr Gulab Singh and Mr Shivraj Singh, minister of state, as ministers in charge of divisions, with their headquarters at divisional towns.

A significant development today was the allocation of the key portfolio of information to Mr Kashi Nath Mishra. This department was recently taken over from Dr Amar Rizvi by the chief minister himself, Mr Mishra, a former Lohia socialist, had been the chief election campaigner for Mr Singh at the Tindwari by-election last June. Mr Mishra, who is the finance and planning minister, has thus emerged as an important minister of state, though he was expected to be raised to the cabinet status.

A deputy minister, Mr Nirmal Kumar Khattri, Youth Congress(I) leader and grandson of Acharya Narendra Deo, has been given the additional charge of power, Mr Khattri, who belongs to Faizabad, was a key campaigner in the recent Amethi Lok Sabha by-election.

The legislator from Lucknow city, Mrs Premwati Tewari, becomes the new minister of state for education. Mr Ranjit Singh Judev of Jhansi becomes the minister of state for tourism and forests, while Mr P. K. Sharma, who had defeated the former Lok Dal chief minister, Mr Banarsi Das, in the Anupshahr vidhan sabha constituency, has been given the portfolio of general administration under the home department.

CSO: 4220/7595

SHEIKH ABDULLAH CALLS FOR ELECTION REFORMS

Bombay THE TIMES OF INDIA in English 22 Aug 81 p 9

[Text] Srinagar, August 21. Sheikh Mohammed Abdullah, who relinquished the presidentship of the ruling National Conference after an eventful tenure, today expressed his concern over developments with the country and its neighbourhood.

Addressing a large rally gathered at Iqbal Park to witness his eldest son, Dr Farooq Abdullah, assuming charge as the party chief, the Sheikh pleaded for evolving a consensus to remove the shortcomings in the political system. The need for constitutional amendments and electoral reforms was very urgent. The recent developments in neighbouring countries had only highlighted the need for urgent solutions of internal problems.

The Sheikh called for the withdrawal of Soviet troops from Afghanistan but said that it was difficult to separate this question from other matters.

The Sheikh also referred to India's ties with Pakistan and China. He urged Pakistan not to play into the hands of other powers and thereby cause damage to itself as well as to its neighbour. Pakistan should have learned from the experience of the wars it had fought with this country and should now attempt to establish friendly relations.

China, he said, was a great neighbour and it was in the interest of both countries to have friendly relations. If the two countries came closer, there would be lessening of tension in this region and consequently, less scope for manipulation by super powers.

He called for withdrawal of super powers from the Indian Ocean. Incidents of communal nature occurring occasionally in various parts of the country were to be condemned by every patriotic Indian. He said India was the ideal of a secular state and occasional incidents here and there could not deter the Muslims of India from playing their due role in the country.

Referring to developments at Aligarh Muslim University, he said Muslims of the country were feeling perturbed over the incidents at the institution. Elements behind the incidents at Aligarh should be exposed and this centre of learning restored to its original glory.

CSO: 4220/7596

KASHMIR NATIONAL CONFERENCE HOLDS ANNUAL MEETING

Calcutta THE SUNDAY STATESMAN in English 23 Aug 81 p 1

[Article by D. P. Kumar]

[Text] Srinagar, Aug. 22--The annual session of the ruling National Conference today committed itself to restore the pre-1953 autonomy that the State of Jammu and Kashmir enjoyed. It urged the Centre to abrogate certain laws and constitutional provisions extended to the State by the Centre between 1953 and 1974. The party felt that these laws had eroded the State's autonomy substantially.

A political resolution towards a "new Kashmir" and autonomy adopted by the National Conference characterized this extension of laws and constitutional provisions as "an encroachment upon the sovereign right of winning for the State an honoured place in the federal system of the republican Constitution of India."

The election manifesto of the party, on which it won a "thumping majority" in the State Assembly, had pointed out that 300 pieces of such legislation and constitutional provisions had been extended to Kashmir between 1953 and 1974.

Sheikh Abdullah was incarcerated in 1953 and he returned to power in 1975. His Government had pledged itself to seek the abrogation of the laws as soon as possible. A Cabinet Committee of the State has now submitted its report to the Chief Minister to enable the State Government to move the Centre in this matter.

The resolution said that the encroachment on the State's autonomy had been done by the continued incarceration, externment, court trials of the real leaders of the State and use of bullets by a repressive machinery against the people of the State.

In a resolution on constitutional and electoral reforms, the National Conference asked for the appointment of a national commission to consider various issues relating to the Constitution and the electoral system. The resolution wanted such a commission to be manned by eminent constitutional experts.

The resolution referred to the plea made by some leaders for substitution of the present system by a presidential form of Government and its opposition by others. It also noted the mood of confrontation that was developing between the executive and the judiciary. These issues should be gone into by the commission.

Elections

Elections to the Jammu and Kashmir Assembly might be held sooner than scheduled. An indication to this effect was given by Dr Farooq Abdullah, M.P., son of Sheikh Abdullah, to whom the Sheikh handed over the reins of the ruling National Conference at a ceremonial function yesterday. In the context of reports that the Sheikh would probably like to hand over the reins of the Government to his son as well, the holding of a mid-term poll becomes meaningful.

Dr Abdullah said in an interview today: "We are ready to go to polls tomorrow. Our opponents will be shocked when they know that it is coming that soon".

Asked whether after his inauguration as president there was a proposal to hold elections earlier than July 1983, when they are due, he said a final decision would be taken by the central committee of the National Conference when it meets over the next three or four weeks. A new Central Working Committee will be formed.

Asked whether there was a possibility of him becoming the Chief Minister, he replied: "I do not automatically become the Chief Minister of the State. A Chief Minister will be chosen by the people".

CSO: 4220/7602

NEW KASHMIR LEADER ASKS CONGRESS-I WITHDRAWAL

Calcutta THE STATESMAN in English 24 Aug 81 p 1

[Text] Srinagar, Aug. 23--Mr Farooq Abdullah, president of the ruling National Conference, has suggested to Mrs Gandhi that she wind up the Congress (I) unit in Jammu and Kashmir.

Speaking on the last day of the three-day annual session of his party here today, Mr Abdullah said no other party except his own had any future in the State.

He added that it was a deep-rooted conspiracy to thrust the Congress party on the people of the State in 1965 who had always demonstrated their faith in the leadership of his father, Sheikh Abdullah, whether in or out of power.

Earlier, in a resolution on the rehabilitation of the people displaced during the 1947 Indo-Pak conflict, the National Conference asked the Centre to take speedy measures to rehabilitate all such people.

UNI adds: A proposal to throw open the Srinagar Rawalpindi Road, made by Sheikh Abdullah during a 1964 visit to Pakistan was turned down by the then Pakistani President, Field Marshal Ayub Khan, on the ground that it would mean recognition of India's right over Kashmir and would thus weaken his country's case on the "Kashmir dispute".

Disclosing this here today, the Sheikh said President Ayub Khan had expressed the fear that it would be a grave security risk for Pakistan.

The Sheikh reiterated that the Pakistani occupied Kashmir was a part of India and continued to remain so legally and constitutionally.

CSO: 4220/7605

URS RESIGNS CONGRESS-U PRESIDENCY, PARTY REMAINS

New Delhi PATRIOT in English 25 Aug 81 pp 1, 7

[Text] Mr Devraj Urs resigned as AICC-U president on Monday.

And immediately, consensus began emerging in the working committee on installing Mr Sharad Pawar in his place, and continuing the party's independent identity with a new name, with possible alliances with like-minded parties.

Mr Urs read out his resignation letter and placed it before the CWC-U which met for three hours and a half to decide its future, following its derecognition by the Election Commission and the Supreme Court.

Mr Urs told the 50-odd CWC-U members that a campaign had been launched in the party and in the press that the leadership should be passed on to the younger elements. Also, he was finding it difficult to move out of Karnataka, his home State, to look after the party work.

According to sources Mr Urs' decision did not surprise the members. Only two members--Mr Ram Nath Pandey (MP) and Mr Ram Lakhan Yadav (Bihar)--pleaded with Mr Urs not to resign.

Mr Urs was however, persuaded to conduct the meeting as also its extended meeting on Tuesday. Sources said the resignation issue would be taken up at the end of the extended sitting.

Identity Issue

Most of the speakers at meeting reportedly favoured that the party retain its identity because merger with any other party would amount to its 'liquidation'. Views were expressed in favour of an alliance with (1) left democratic parties, (2) with non-left anti-Cong I forces and, (3) alliances with all anti-Mrs Gandhi forces.

Mrs Purabi Mukherjee (West Bengal) told the meeting that she would rather quit the party than allow the party's merger. Mr A K Antony (Kerala) where the Cong-U is a partner in the Government, was opposed to any merger and even changing the party's name. There should be no hurry about it, he said.

Mr Rajni Patel (Bombay) felt that those wanting to leave the party should be allowed to go, but they should make their intentions clear.

The CWC-U discussed some names for the party. Mr Urs when approached by newsmen, said some half a dozen names were suggested in which 'Congress', 'Democratic' and 'Socialist' figured. But no decision was taken. According to a CWC-U member the two names discussed most were 'Indian National Democratic Congress' and 'Indian National Socialist Congress'.

Youth Groups Clash

While the CWC-U was meeting about two dozen Youth Cong-U workers, supporters of Mr Urs clashed with anti-Urs Youth Cong-U workers for about 10 minutes, led by Mr Satish Verma IYC(U) secretary. The pro-Urs workers raised slogans demanding resignation of Mr K P Unnikrishnan and Mrs Ambika Soni, general secretaries and demanded dissolution of the IYC(U). The other group, led by Mr Suresh Kalamadi, IYC(U) president, shouted pro-Urs slogans.

Police had to be called to control the situation. No injuries were reported.

Mr Kalmadi told newsmen later that some supporters of Mr Suresh Ram son of Mr Jagjivan Ram had entered the AICC-U office and started shouting slogans.

Among those who attended the Monday's meeting were: Mr Sharad Pawar, Mr A K Antony, Mr Rajni Patel, Mr D K Borooah, Mr Vayalar Ravi, Mr Sarat Chandra Sinha, Mr Bhola Paswan Shastri, Mr Priya Ranjan Das Munshi, Mr Raj Bahadur, Mr Yunus Saleem, Mr Dharambir Sinha and Mr Suresh Kalmadi besides AICC-U general secretaries Banka Behary Das, Mr K P Unnikrishnan and Mrs Ambika Soni.

Also present were about 50 CWC-U members, including presidents of several PCCs and MPs, who were special invitees.

CSO: 4220/7607

SINGH EXPLAINS STAND ON RELIGIOUS CONFERENCES

Calcutta THE STATESMAN in English 22 Aug 81 p 9

[Text] New Delhi, Aug. 21--Mr. Zail Singh, Home Minister, told the Rajya Sabha yesterday that it was the Government's right to take "appropriate" steps against a religious conference if it was convinced that the conference's objective was to challenge the lawful Government.

Mr Zail Singh said it was not correct to say that Muslims alone were using their religious congregations for political purposes. Other communities like Sikhs, Hindus and Christians were exploiting religion for other purposes too, he alleged.

But Muslims of India would oppose if their congregation in which Muslims from the world over were called challenged the Government of the land, he told a member belonging to the minority community.

The Home Minister was replying to supplementaries to a question tabled by Mr J. P. Mathur and Mr Kalraj Mishra, both BJP. He refused to disclose the name of those Muslim leaders who were refused visas to enter the country for attending the conference in Hyderabad.

Mr Mathur said people from other countries had attended a Muslim conference in Srinagar in June last year. They included a representative of Ayatollah Khomeini. The member referred to another Muslim conference in Hyderabad and quoted a report from a journal about the refusal of visas. He brought to the notice of the House an advertisement announcing the formation of "hilal fund" of $1 billion to provide interest free loan to Muslims.

The Minister of State for Home Affairs, Mr Yogendra Makwana, said he could not say whether diplomats from Arab countries had attended the two conferences mentioned by Mr Mathur as they were not under "surveillance". However, the Government was alert about the anti-national elements, Mr Makwana added. The reasons for not granting visas, he said, could not be disclosed.

Mr Mathur alleged that the Kashmir conference was political as it had supported the right of Kashmiris for self-determination. All that Mr Makwana would say was it was a religious conference.

Mr Mathur, Mr Mishra and an AIDMK member mentioned the statement of Mr R. V. Swaminathan, Union Minister of State for Agriculture, that Rs 300 crores were being used for conversions. Mr Zail Singh said he had no knowledge of it. When one member cited a newspaper report quoting Mr Swaminathan, the Home Minister said: "Newspaper reports cannot be trusted".

Earlier, replying to the main question Mr Makwana said 26 conferences, arranged at various places in India by Muslim organizations since January, 1980, were attended by some foreign nationals. He placed a statement showing the nature of conferences, and their dates and venues, on the table of the House. He added that since these conferences were not organized or sponsored by the Government, "no specific information is available with the Government regarding the participants or proceedings of these conferences".

CSO: 4220/7597

TRIPURA CHIEF MINISTER ON PROTECTION TO TRIBALS

New Delhi PATRIOT in English 9 Aug 81 p 5

[Text] Itanagar, Aug 8 (UNI)--Tripura Chief Minister Nripen Chakravarty expressed concern over extremist activities in the North East region and declared that tribals in his State would be given protection.

Mr Chakravarty, who left here this morning for Ziro, the district headquarters of the Lower Suban siri district, told UNI that the Government proposed to take measures to protect the tribals interests and culture. A vast area would be "demarcated" for them which could not be sold to non-tribals.

The Chief Minister said he had held discussions with the Home Minister and other officials in Delhi in this connection.

Mr Chakravarty said under the proposed measures, interest of the tribal minorities would be "adequately protected." Only the tribals would be eligible to contest the local parishad, mahakuma parishad and Assembly elections in the "tribal compact area."

He regretted that his Government's "genuine" efforts to maintain peace and tranquillity in the border state had been obstructed by Cong-I workers. "I do not know what they want," he said.

He said the interest of tribal and local people in north eastern States should be protected by the Centre as well as State Governments, otherwise all attempts to generate real integration would fail, he added.

CSO: 4220/7533a

DELHI FORMULATES 12-POINT PLAN FOR ASSAM

Bombay THE TIMES OF INDIA in English 18 Aug 81 p 1

[Article by K. N. Malik]

[Text] New Delhi, August 17. On the eve of the official talks to solve the Assam impasse, neither the government nor the Assam agitation leaders have any concrete proposal or formula to tackle the controversial issue of the status of those who entered Assam between 1961 and 1971.

The agitation leaders have already accepted a suggestion that all those who entered Assam before 1961 will be automatically granted citizenship. The government on its part agreed to deport from Assam all those who infiltrated into the state after 1971.

The dispute remains on the status of infiltrators who came to the state between 1961 and 1971. The Shillong talks, last month, could not narrow the differences between the government and the agitation leaders either on the estimates of the number of 1961-71 infiltrators or the modalities of detection, and deletion of their names from the electoral rolls of their settlement outside Assam.

The government estimates the number of infiltrators at about three to four lakhs. The agitation leaders say the number of infiltrators is not less than 11 lakhs.

Number of Infiltrators

The government feels that the difference on this point can be resolved. When the agitation started, the leaders wanted 47 lakh infiltrators to quit the state. Several rounds of talks have now narrowed down this problem to 11 lakhs. Out of these, three lakhs have been deported after 1971. Another three lakhs are bonafide refugees. Another one lakh would be the children of those settled in the state before 1961. The actual dispute is about 4 lakhs. Should the talks flounder on this point?, the government sources ask.

As for the modalities, the government has offered several proposals which could have clinched the issue. Unfortunately, they have not been given serious consideration. A proposal made at Shillong was that the government would detect 1961-71 infiltrators, delete their names from the electoral rolls and they would be given attractive incentives to settle outside the state. This would exclude these who can establish their bonafide as refugees who came to Assam due to persecution or fear of persecution in erstwhile East Pakistan.

This would have protected the bonafide refugees and would have at the same time met the Assam agitation leaders' demand to oust all those who infiltrated into Assam during 1961-71.

To create a psychological impact, the government was prepared to climb down on the cut-off year.

Instead of 1971, the government threw a feeler for 1966 as the cut-off year. The main consideration was that since the half of the refugees had entered Assam by 1965, it would make no material difference if 1966 became the cut-off year. The agitation leaders did not respond to this proposal. They had earlier rejected 1967 as the cut-off year.

Though no cut-and-dried formula was offered by the government, a 12-point package was conveyed to the agitation leaders through unofficial mediators.

This proposal provides for machinery to consider the citizenship claims to those who entered Assam between 1961 and 1971. Those who fail to establish their claims are to be settled outside the state with proper incentives and eventually given citizenship.

All those who entered Assam before 1961 are to be automatically granted citizenship while those who entered after 1971 are to be deported.

Effective steps will be taken to further strengthen the security arrangements on the borders with a view to preventing illegal entry of foreigners.

Voters in Assam will be issued identity cards with their photographs affixed.

Citizenship Certificates

In future, citizenship certificates will be issued by the authorities of the Central government.

A house-hold register will be prepared.

It will be ensured that birth and death registers are maintained properly.

Measures to prevent encroachments of government lands will be strictly enforced.

Foreigners will continue to be detected on the basis of the constitution and the relevant laws, including the Citizenship Act and the Passport Act. In doing so, the government records will be made use of. All certificates, land record, ration cards, NRC 1951, electoral rolls and other relevant records and documents will be honoured. In identifying foreigners it will be ensured that no person is harassed.

Persons found to have entered Assam and residing there before 1961 shall be conferred citizenship as a matter of course.

The foreigners who came to Assam between 1961 and 1971 shall be detected. A machinery which commands the confidence of all concerned will be set up for this purpose.

Every foreigner so detected shall be given an opportunity to produce, within three months, evidence to establish before the tribunal set up for this purpose that he/she has a claim to citizenship. The name of such foreigner who fails to furnish such evidence or whose case is rejected by the tribunal shall be deleted from the electoral rolls.

An appeal shall, however, go to a special appellate tribunal against any adjudication or trial by such tribunal.

The government shall take all possible measures to settle such foreigner whose right to claim citizenship has been rejected or whose name has been deleted from the electoral rolls in a place outside Assam. The government shall provide incentives to such a foreigner to facilitate higher settlement in the new place of settlement. No citizenship shall be conferred on such person whose name has been deleted unless he/she settles permanently outside Assam.

According to government estimates, at least Rs one lakh will be required to settle each of such people. When East Pakistan refugees were settled in India, the government spent Rs 65,000 per head on settlement in Dandakaranya.

The government has already decided on locations to settle the refugees in Dandakaranya and in areas bordering Madhya Pradesh, Orissa and Andhra Pradesh.

The agitation leaders, however, are hesitant to positively respond mainly because of lack of trust. They feel that the government has so far given no proof that it will honour its commitments.

Lack of Trust

The infiltration remains unabated and the government has not so far spelt out the nature of incentives. Nor has it indicated the areas, where the infiltrators will be resettled. The crackdown on the press, the arrest on August 15 of Mr Prafulla Baruah, editor of the DAINIK JANMABHUMI. Jorhat, ban on strikes and arrest of agitation leaders are being taken as government efforts to break the agitation. They see in continued talks a means to tire the agitation leaders.

Some comfort can, however, be drawn from the fact that in spite of stiff government attitude and bandhs, strikes, even boycott or Independence Day function, the talks will be resumed tomorrow. This indeed means a thaw in the situation.

The official team will be led by Mr C. R. Krishnaswamy Rao Sahib, Mr M. L. Kampani, additional secretary, home affairs, and a representative of law ministry will also be included.

The Assam team will include the AASU president, Mr Prafulla Kumar Mahanta, general secretary, Mr Bhrigu Kumar Phukan, and AAGPSP members, Mr Pabindra Deka and Mr Arup Bordloi.

BIHAR FORMS FORCE TO PROTECT HARIJANS

New Delhi PATRIOT in English 18 Aug 81 p 4

[Text] Patna, Aug 17--Bihar Chief Minister Jagannath Mishra today attributed the cases of atrocities on Harijans (during 1977-79) to the lack of political will and determination on the part of the Janata Government.

Addressing the coordination committee attached to the welfare department, Dr Mishra said that the incidents at Belchi, Kaila and Bishrampur had created a sense of insecurity among the Harijan. Fortunately, a definite change in climate had occurred after Mrs Gandhi's return to power, he added.

Dr Mishra said that though the incidents had occurred during the Janata regime, hearing in the cases did not begin until after the installation of the Cong-I Government. He asserted that as a result of the vigilance by the Cong-I Government, 108 persons framed in these cases were sentenced to life imprisonment and two others to death.

He said that the Centre, particularly the Prime Minister, had appreciated the State Government's efforts in preventing atrocities on Harijans. With the result no case of organised violence against Harijans had taken place during the past one year in Bihar except at Pipra, he claimed.

Assuring total protection to the Harijans, Dr Mishra said that a special force had been created by the State Government for their security. Persons recruited to this force would be adequately briefed about the economic and other schemes launched for the benefit of the weaker sections.

Referring to the reservation policy the Chief Minister said that he had issued strict instructions for its implementation.

CSO: 4220/7580

NAXALITE GROUP'S INFLUENCE REPORTED SPREADING

Calcutta THE STATESMAN in English 18 Aug 81 p 16

[Text] The Nishit Bhattacharya-Azizul Huq group of Naxalites, which still believes in the 1970 model of individual killings, has spread its influence considerably in West Dinajpur and Bankura, according to the Left Front leader and the West Bengal Forward Bloc secretary, Mr Asok Ghosh. He had recently toured these districts.

This pro-Lin Biao group does not believe, like some other Naxalite groups, that meetings and demonstrations will be useful in spreading their influence. It moves secretly and remains essentially an underground organization.

Mr Ghosh thinks that the number of murders committed by this group during the past six months has not been properly accounted for. About a month ago, it observed the death anniversary of the founder of the CPI(ML), Charu Majumdar, by addressing letters to select people like judges, headmasters of schools, prominent shopowners, Government officials and busowners. From Malda to Siliguri, not a bus plied most of the schools were closed and banks and offices did not function on that day. Mr Ghosh thinks that this is more serious than the gun-snatching a few months ago. The problem cannot be tackled by the police only.

The Forward Bloc leader, who also toured Purulia and Bankura districts, thinks that the Jharkhand Mukti Morcha is trying to foment in the local people a hatred towards so-called outsiders by instigating the Mahato community. The campaign has not taken a violent turn but it may in the near future if the JMM continues that hate campaign.

Mr Ghosh admits that not much has been done for opening new avenues of employment in these two districts over the past four years although promises had been periodically made by the Congress, Janata and Left Front leaders. But there should be a political campaign to see that the genuine grievances of the people are not misdirected along this divisive channel. Mr Ghosh said on Monday that he would raise these issues at the next front meeting.

CSO: 4220/7577

LOK SABHA DISCUSSES SITUATION IN SRI LANKA

Bombay THE TIMES OF INDIA in English 20 Aug 81 p 13

[Text] New Delhi, August 19. Concern over the developments in Sri Lanka "since they affect a large number of persons of Indian origin and possibly some Indian citizens" was voiced by the government and parliament members in the Lok Sabha today.

This was tempered by acknowledgement by both sides that the incidents in the island republic were an internal matter and India was keen not to let these affect relations between the two countries.

The sensitive nature of the issue was underscored by some of the opposition members themselves who suggested that the house should be content with for the present with a statement by the minister for external affairs, Mr P. V. Narasimha Rao.

Mr Subramaniam Swamy (Janata) and Mr Indrajit Gupta (CPI) noted that there was "some merit in the suggestion." However, the speaker said he would go by the consensus of the house. The DMK members as also Mr Ram Bilas Paswan (Lok Dal) whose calling-attention notice had raised the issue maintained that the members should be allowed to seek clarification.

President's Visit

Some of the participants, including Mr Paswan and Mr G. M. Banatwala (ML), thought that if the President had gone to Sri Lanka on his scheduled visit, the situation would not have deteriorated.

Mr Narasimha Rao, disagreed with the members reiterating that what had happened was an internal matter of Sri Lanka. He thought it was proper for the President to have postponed the visit in view of the situation there. In any event, plans for the visit had not been cancelled. It was likely to materialise in December.

He also assured the members that the government had been in constant touch with the administration in Sri Lanka and, according to reports, there had been improvement in the situation.

He also asked the members not to link the present incidents with the implementation of the Indo-Sri Lanka Pact on citizenship for the people of Indian origin in the island.

Mr Banatwala also made a reference to the attacks made by the police in Jaffna on Tamils. To this, the minister pointed out that according to information received by him, the Sri Lanka government had taken action against such policemen.

Main Victims

Stating that the incidents would have no bearing on the relations between the two countries, Mr Rao hoped that the government of Sri Lanka would succeed in its effort to put an end to the present violence and restore confidence so that the present difficulties would be resolved soon and "no shadows are cast on the traditional close relations which exist between India and Sri Lanka."

Mr Narasimha Rao recalled the developments in Sri Lanka and said that during the election campaign for new district development councils in May-June, communal violence broke out in the Jaffna area leading to a number of casualties and considerable destruction of property. A state of emergency was declared and under control with the help of the armed forces.

"There has been a recurrence of communal violence in the last few days. This has been concentrated around Colombo and in the estate areas in the centre of the island. The main victims are Tamils, the majority of whom are workers in the estates. There have been a number of deaths and numerous incidents of arson, looting and violence. Several thousand estate workers have been forced to abandon their homes.

"The government of Sri Lanka has again declared an emergency and the armed forces have once more been called in to control the situation. The government of Sri Lanka has also set up a machinery for the rehabilitation of those affected in the recent events. Due to the confused situation, we have not yet been able to obtain detailed information as to how many Indian nationals have been affected, Mr Narasimha Rao said.

The minister told the MPs that the government of Sri Lanka had "kept us informed of the turn of events and the steps taken by them stating that they view these events with the utmost seriousness and are determined to restore normalcy."

CSO: 4220/7585

STEADY INFLUX OF BANGLADESH REFUGEES CONTINUES

Calcutta THE STATESMAN in English 22 Aug 81 p 3

[Text] A steady influx of refugees from the Chittagong Hill Tracts in Bangladesh to Tripura ever since the assassination of President Ziaur Rahman is disturbing the Indian authorities. It was learnt from informed sources in Calcutta on Friday that at least 3,627 people had already crossed over and more were entering Indian territory every day.

The sources said that the rate of influx was increasing. The exodus started in June. By July 8, about 1,650 people had crossed over and by July 23 the figure had soared to about 2,300. The Tripura Government had opened three relief camps to accommodate the refugees, he added.

Most of the evicted persons were Tripuris, who were Hindus by religion, followed by Chakmas and Mogs. Most of the Chakmas were Buddhists. It has been officially recorded that about 2,890 Tripuris, 515 Chakmas and 220 Mogs had already entered India. About 1,430 refugees have been accommodated at the Kalachari camp, over 1,300 at the Silachari camp and nearly 875 at the Baishnabpur camp in Tripura.

The sources alleged that there were reports of persecution of the minority communities by a section of Bangladesh security forces along with some refugees from Burma who had recently settled in the Chittagong Hill area. The Chakmans had been demanding antinomy for a long time and had formed the Santi Bahini, said to be an insurgent organization. However, the Mujib Government, and later the Zia Government, held a dialogue with them for a reconciliation.

The picture changed after the death of President Zia. The sources alleged systematic burning down of villages and indiscriminate shooting of people. Persecution of Tripuris was said to be a new phenomenon.

Among the places worst affected in Bangladesh were Khedachara, Dhalla, Belachari and Ichachar Ghanti. The Indian Border Security Force was trying to stop the exodus, but people were continuing to cross the border, taking advantage of the terrain.

CSO: 4220/7597

PRC TO PERMIT INDIAN PILGRIMS INTO TIBET

Madras THE HINDU in English 23 Aug 81 p 1

[Article by G. K. Reddy]

[Text] New Delhi, Aug. 22--The Chinese have agreed to permit three groups of Indian pilgrims, each consisting of 15 persons, to visit Mount Kailash and Lake Mansarovar on the Tibetan side of the Himalayas starting from next month, it was officially announced today.

These holy places have been thrown open to Indian pilgrims on a restricted scale for the first time in 20 years after the Sino-Indian border conflict.

An External Affairs Ministry spokesman said that the first batch will leave Delhi on September 8, the second one in September 12 and the third on September 18. The selection will be made on the basis of lots drawn after advertising in the newspapers for applications for intending pilgrims.

The pilgrims will have to trek a total of 300 km on the Indian and Tibetan sides to reach these holy places. The route on the Indian side will be from Delhi to Tanakpur, Pithorgarh, Dhar Chula, Tawaghat, Garbyang, Gunji and Kalapani to reach the Lipuleh pass, from where they will proceed to the roadhead on the Chinese side.

The pilgrims will travel by bus from Delhi up to Tawaghat, and then trek or ride ponies depending on weather and road conditions. The 300-kilometre trek will include "parikrama" of Mount Kailash and Lake Mansarovar.

The cost of the pilgrimage will be Rs. 2500 on the Indian side, and $200 to 250 on the Tibetan side.

The Department of Tourism is making the arrangements in coordination with the Chinese authorities who will be handling the travel arrangements on the Tibetan side.

Each group pf pilgrims will be spending about seven days on the Chinese side. There will be a gap of five days between each group, and the pilgrimage can be completed in four weeks from the time of their start of the journey till the return to Delhi.

The pilgrims will be medically examined before the commencement of the journey to ensure that they will be able to bear the strain of high altitude, and crossing mountain passes to nearly 16,000 ft.

The decision to throw open Kailash and Mansarovar to Indian pilgrims on a restricted scale was announced by the Chinese Foreign Minister, Mr. Huang Hua, during his visit to Delhi.

CSO: 4220/7604

ALL-INDIA URDU CONFERENCE MEETS IN HYDERABAD

Bombay THE TIMES OF INDIA in English 23 Aug 81 p 13

[Text] Hyderabad, August 22 (UNI)--An all-India Urdu conference here today demanded reservation and proportional representation in jobs and professional courses for Urdu-speaking people to ensure the "rightful place of the language in the country."

The conference which was inaugurated by the chief minister, Mr. T. Anjiah, also adopted a resolution urging the Central government to create a cell for Urdu in the university grants commission.

It also demanded that the states with sizable Urdu-speaking population should declare Urdu as the second official language.

Mr. Anjiah in his inaugural address warned against attempts to use Urdu as an instrument to create trouble in the country. He wanted Urdu to be developed since it was a "language of the nation."

He also advised Urdu-speaking people to learn Telugu and other languages.

Begum Abeda Ahmed, MP, who was the chief guest, said Urdu was a cultural heritage of India.

She said that Urdu, which had enjoyed the position of a national language, had become the victim of "misunderstandings" and suffered heavily. However, the people were striving for a due place for it with renewed zeal under the leadership of Mrs. Indira Gandhi, she said.

The state education minister, Mr. B. Venkata Ram Reddy, said the government had decided to open an Urdu-medium residential school in the old city. He also said that the government would give financial assistance to institutions teaching Urdu to non-Urdu-speaking people.

The conference president, Mr. Mohammed Jaleel Pasha, demanded that the proposed world Urdu conference should be held in Hyderabad.

CSO: 4220/7600

MINISTERS REPORT ADVERSE TRADE BALANCE FOR '81-82

New Delhi PATRIOT in English 19 Aug 81 p 5

[Excerpt] The adverse balance of India's trade for 1981-82 is estimated at around Rs 5,500 crores, Minister of State for Commerce Khurshid Alam Khan told Dr (Mrs) Najma Heptulla and another member in a written reply in the Rajya Sabha on Tuesday, report agencies.

Finance Minister R. Venkataraman informed the House that the current year's budget deficit is estimated at about Rs 3,300 crores so far. This is proposed to be covered by receipts under net external aid, borrowing of various types and some draw-down of reserves.

Exchange Reserve: India's foreign exchange reserves (excluding gold and SDRs) stood at Rs 4,295.22 crores on 26 June last he also stated.

The Minister told Mr Mulka Govinda Reddy that the provisional estimate of India's export from 1 January to end of May last stood at Rs 2,681.92 crores.

The estimated non-export gross invisible receipts from Indian nationals abroad during January-June stood at Rs 2,605.77 crores.

This represented gross non-export receipts from airlines, shipping, insurance, dividend and tourism.

He said no borrowings have been made from IMF so far during the current year.

CSO: 4220/7584

FOREIGN OIL FIRMS OPPOSE 5-YEAR EXPLORATION LIMIT

Madras THE HINDU in English 18 Aug 81 p 10

[Text] New Delhi, Aug 17--Foreign companies with whom the Petroleum and Finance Ministries are negotiating for leading out blocks for off-shore exploration are insisting on a major departure from the guidelines laid down by the Government in its circular to all the short-listed companies before they could consider entering into an agreement.

One of the guidelines is that the foreign companies should hand over their entire operations to the Oil and Natural Gas Commission (ONGC) at the end of five years after discovery and production of oil.

A number of companies, including Philips Petroleum, Occidental Exploration and Production Company, British Petroleum, Compagnie Francaisedes Petroles (CFP), Chevron, etc. have told the Petroleum Ministry that this condition is unacceptable.

According to some of them, the five-year time limit is unrealistic and they have cited the experience of ONGC itself in the Bombay High offshore oil fields.

Oil was discovered in the Bombay High in 1974 and the full potential of production will amount to about 20 million tonnes a year not earlier than 1984-85.

The companies have pointed out that the Government should not expect them to hand over complete control to the ONGC in five years, since it might take much longer to achieve the full production potential.

Tax liabilities: The more difficult part of the negotiations relates to the demands of the companies in their tax liabilities and the net profit after tax.

In the 1981-82 Central budget, a new section was introduced in the Companies (profits) Surtax Act to enable the Government to make an exemption, reduction in the rate of other modification in respect of surtax in favour of foreign companies with whom it enters into agreements for oil exploration.

This power will be available in relation to chargeable profits earned by such foreign companies from the business of oil exploration or production in the offshore or onshore areas or from the business of providing technical service fees received by them. The tax concession under the provision will be granted by a gazette notification.

Net profit: The foreign companies, particularly the U.S. companies, are insisting on something more. They are not particularly interested in tax concessions as such but in the size of the net profit after tax primarily in the share of oil and other cash payments.

They are demanding a sort of "stabilised profit" after payment of tax during the contract period. There should be no fluctuations in the income-tax obligations during the contract period.

The U.S. companies are anxious that they should be able to adjust their tax obligations in India and get corresponding credits against their tax obligations in their home country.

The Finance Ministry is considering these and other demands of the foreign companies.

CSO: 4220/7578

NAGALAND OPPOSES ONGC EXPLORATION PROGRAM

Madras THE HINDU in English 18 Aug 81 p 10

[Text] Gauhati, Aug 17--Oil exploration by the Oil and Natural Gas Commission in the oil-rich north-eastern region has received a rude shock with Nagaland putting up stiff opposition to the programme being carried on in that State any further on the plea that it would ultimately mean a "total surrender" of the rights of the Naga people guaranteed under the Constitution.

Coming almost closely on the heels of an oil blockade in Assam some time back that resulted in a huge loss to the country, such an open opposition to the oil exploration programme in Nagaland now must really be a matter of serious concern to the Central authorities.

Interestingly enough, it is the Congress(I), now in Opposition in the Nagaland Assembly, which has taken the lead in opposing oil exploration in that area. The Nagaland CLP(I) has urged the Nagaland National Democratic Party (NNDP) Government to "immediately stop" the ONGC from drilling for oil until the matter is decided by the State Assembly.

Mr S. C. Jamir, leader of the Nagaland Cong(I) Legislature Party observed at a party meeting recently that the agreement between the Centre and the representatives of the Naga People's Convention in 1960 had provided to preserve and protect their lands, minerals and other social and religious customary practices under Article 371 (A) of the Constitution.

The Nagaland CLP(I) stood by this provision and would not allow any agency or authority to undermine the Constitutional rights of the people, Mr Jamir asserted.

In spite of the special provisions of the Constitution to safeguard Naga interests the State Government permitted the ONGC to extract oil from Champang area in Wokha district without the approval of the State Assembly, he said.

It may be pointed out here that the Constitution provides that mineral resources found under the earth wherever in the country belong to the Government of India and the State Governments cannot exploit them without the permission of the Central Government.

At the recent meeting of the President of the AICC(I) Coordination Committee for the NE Region Mrs Indira Gandhi, expressed her displeasure at the Nagaland Congress(I) Legislators' stand.

The Nagaland CLP(I) President, discussed the issue with the Principal Secretary of the Prime Minister, Dr P. C. Alexander, and conveyed the party's objection to exploration of Nagaland resources by the ONGC.

According to a Naga source, preparatory to "extensive" operations in Nagaland, the ONGC is seeking from the Nagaland Government allotment of 100 acres of land in Dimapur for its office-cum-residential complex.

Huge reserves of oil and natural gas have been discovered at Champang in Wokha district and pumping of crude oil can start any day now.

According to Naga press comments "what causes anxiety to the few Nagas who have the welfare of their people at heart is that if the ONGC is allowed to produce oil in Nagaland without any special terms and agreements it will ultimately lead to total surrender of the rights of the Naga people guaranteed under Article 371-A of the Constitution. According to the provisions of this Article, all natural and mineral wealth (including oil and gas) in Nagaland belong to the Naga people. In other States of India, all mineral wealth belong to the Government of India."

It is pointed out that the Government of Nagaland will receive a royalty of Rs 17,000 per oil-producing well per day in keeping with the existing statutes governing payment of royalties to State Governments.

CSO: 4220/7578

INDIAN ENERGY MINISTER INTERVIEWED ON SOVIET AID

New Delhi PATRIOT in English 9 Aug 81 p 8

[Interview with Mr A. B. A. Ghani Khan Chowdhury, Union minister for energy]

[Text] COOPERATION between India and the USSR in the field of power development has received a significant impetus during the last one year. In November 1980, a Soviet delegation led by Mr N A Lopatin, Deputy Minister of Energy, visited India and in the Memorandum of Understanding, which was signed during his stay here, several specific areas of co-operation were identified. Subsequently, in December 1980, during the visit of the Soviet President L I Brezhnev to India, the agreement on technical and economic cooperation was concluded between the two countries, which inter alia incorporated the concurrence of the two sides to cooperate in the construction of an integrated thermal-power plant of the capacity of 1000 MW (with possibility of expansion to 3000 MW) along with its associated transmission and coal development facilities.

In January 1981, the Sixth session of the Inter-Governmental Indo-Soviet Commission on Economic, Scientific and Technical Cooperation was held in New Delhi. In the protocol that was signed on the conclusion of the deliberations of the Commission, in respect of the power sector, reference was made to cooperation between the two sides in the field of operation and maintenance of power stations, supply and manufacture of power-generation equipment, training, and constitution of a Working Group on Power in addition to the integrated thermal-power project referred to earlier.

The various areas of cooperation identified in the documents referred to above have since been followed up at different levels by the two governments. In January 1981, experts from the two countries met in New Delhi to review the follow up on the Memorandum of Understanding signed in India in November 1980. During the series of meetings which were held, besides reviewing the specific decisions taken earlier, it was also decided that three teams from India would be visiting the USSR to study related matters pertaining to thermal-power stations, power systems development and hydro-construction methods, respectively, during the year 1981.

In June 1981, I visited the USSR along with the senior officials of my Ministry primarily to discuss preliminary details pertaining to the thermal-power project to be partly financed by the USSR (which has since been identified as the Waidhan Super-Thermal Power Project to be constructed in Madhya Pradesh by the National Thermal Power Corporation) and to review the progress in other identified areas of cooperation.

During the subsequent discussions of power Secretary in the Ministry of Energy with his counterparts in the Soviet Union, certain decisions regarding the immediate follow up action to be taken on the Waidhan project and details to be indicated to the Soviet side regarding the visit of the three teams of exports, were finalised. It was also decided that the Working Group on Power would meet in Moscow during the fourth quarter of 1981.

While it is true that in the last one year, there has been a considerable step-up in the cooperation between the two countries, it must also be mentioned that the Soviet Union has already contributed significantly to the development of the power industry in India in the past, especially to the establishment of manufacturing capacity for heavy-electrical equipments. Several thermal-power stations in the country such as Obra, Patratu and Neyveli have been established with Soviet assistance and equipment. Soviet expertise in designing and engineering of thermal-power stations has also been of considerable assistance to the Indian power supply industry especially when it was at a nascent stage.

CSO: 4220/7533a

LARGE INCREASE IN INDO-SOVIET TRADE NOTED

New Delhi PATRIOT in English 19 Aug 81 p 1

[Text] India's exports to the Soviet Union during the current year will be of the order of Rs 100 crores--nearly 2.5 times its imports from that country, said Soviet trade representative in India V. Senin in New Delhi on Tuesday.

In fact, he said the Soviet imports from India for the first six months of the present year was 25 per cent more than the trade volume specified in the Indo-Soviet trade pact.

Mr Senin told newsmen that the two countries would increase the volume of their mutual trade by about five times during 1981 of what it was in 1971.

India would continue to rank first among the developing countries in trade with the Soviet Union. He said Indian share in the general trade turnover by his country as compared to developing countries came to more than 10.5 per cent.

The salient features of Indo-Soviet trade were that it was free of any restriction or protectionist measure and transacted in Indian rupee.

The Soviet Union spent in India whatever it received from this country on Indian imports, said Mr Senin.

A new trade pact for 1981-85 between the two countries, signed during Soviet President Leonid Brezhnev's visit to India last year, was expected to give a big boost to the trade volume between India and the Soviet Union and according to the available figures so far, was expected to be double of the previous five years.

The Soviet Union would supply heavy machinery, light machine tools, building tools and mining equipment besides raw material like oil and petroleum products and fertilisers.

During the current year India would supply to the USSR engineering products like accumulators, boilers, thermoblocks and electrical components.

CSO: 4220/7584

SETHI REPORTS 10-YEAR INDO-SOVIET OIL SEARCH PLAN

Bombay THE TIMES OF INDIA in English 19 Aug 81 p 6

[Excerpt] New Delhi, August 18 (PTI, UNI): India and the Soviet Union are drawing a ten-year plan to find potential onshore areas for oil in the country, Mr P. C. Sethi, petroleum minister, said in the Lok Sabha today.

But for offshore exploration, India was seeking the help of other parties with better expertise, he told Mr Madhavrao Scindia.

Mr Sethi told Mr Jagdish Tytler that the Soviet Union had offered during the negotiations in January to assist in the application of new methods of oil recovery in one or two oilfields in this country.

Replying to another question, he said some among the 265 wells lying idle in Gujarat were sick and India had entered into an agreement with the Soviet Union to improve the situation. About the other wells, new technology from Canada had been sought to improve production.

Mr Sethi that oil exploration in the Mahanadhi offshore area would begin in 1981 and in the Godavari basin soon. Replying to supplementaries from Mr Jagdish Tytler, he said the prospects of hydrocarbon deposits in the Godavari basin were very good.

On the recent agreement between the French firm, CFP, and the ONGC, Mr Sethi said under the agreement, the CFP would help the ONGC in increasing oil production from Bombay High from about 13 million tonnes to 21 million tonnes by 1983.

He said the government would import 1.8 million tonnes of kerosene, valued at Rs 579 crores, during 1981-82 to meet internal demands.

He also said the government would choose two of the six selected sites for locating refineries in the north-west and south-west regions. The six sites were Karnal, Kurukshetra and Saharanpur in the northwest and Mangalore, Goa and Sanai in the south-west regions.

CSO: 4220/7582

NAGALAND'S OIL ROYALTY CLAIM CONSIDERED HIGH

Madras THE HINDU in English 22 Aug 81 p 6

[Text] New Delhi, Aug. 20--The Oil and Natural Gas Commission (ONGC), which has been exploring for crude oil in Nagaland and has produced small quantities from its wells in Borholla in the Dimapur-Changajan area in Nagaland, has not so far encountered any obstruction from the people of the State despite the controversy raised by the Congress (I) in the Nagaland Assembly.

ONGC is hoping that this happy state of affairs will continue.

The relevant Article 371-A inserted into the Constitution by the 13th Amendment Act of 1962, provides that "notwithstanding anything in the Constitution, no Act of Parliament in respect of ownership and transfer of land and its resources shall apply to the State of Nagaland unless the Legislative Assembly of Nagaland by a resolution so decides".

Prior Legislation: This would imply that the exploration for oil by ONGC or any other agency like the Oil India would require prior legislation by the Nagaland Assembly.

Even in the case of the other States including Jammu and Kashmir, which are not covered by Article 371-A, ONGC and Oil India do need to be given Petroleum Exploration Licences (PEL) by the State Governments before they can commence oil exploration. When they strike oil, these licences are converted into mining leases.

Despite the special provision made in the Constitution in respect of Nagaland, ONGC has been exploring there for some years now after having entered into an agreement with the State Government in November 1973 for intensifying its exploration.

The State Government itself had felt that it was in the interest of Nagaland that ONGC should look for oil and approval for its activities by the Assembly should not be considered anything more than as a constitutional formality.

Official circles are astonished that Nagaland is inclined to put forward a claim for royalty amounting to Rs. 17,000 per oil producing well per day.

This claim could not be considered with any seriousness. The figure of Rs. 17,000 corresponds roughly to a value of 70 barrels of oil (about 10 tonnes) at the current international prices.

Even assuming that Nagaland is entitled to a far more liberal royalty payment amounting to 10 per cent of the oil produced, to be eligible for a royalty of this size, its wells should each be producing at the rate of 700 barrels a day.

Even the most productive onshore wells in Assam, especially the Nahorkatiya wells, have not achieved a rate of production of this size, their maximum output not exceeding 500 barrels a day at the most.

Other State's demand: Nagaland's claims for royalty cannot also be considered in isolation from the other oil-producing States--Assam and Gujarat. These two States had put up a fight with the Centre for stepping up the rates. They were revised from Rs. 42 to Rs. 61 per tonne with effect from April 1, 1981 and the Centre had turned down the demands of both Gujarat and Assam.

Gujarat had demanded that while fixing royalty rates, the international price of the crude should be taken into account and the royalty fixed at 20 per cent ad valorem of the weighted average posted price of West Asia crude plus 4 per cent as compensation for sales tax.

Assam had demanded that the royalty should be revised to Rs. 305 per tonne with effect from January, 1980. Gujarat had sought the revision from a still earlier date--January 1, 1976.

The revised rate of Rs. 61 per tonne roughly works out to about Rs. 9 per barrel. Attention is, therefore, drawn to the absence of any meaningful proportion between what Nagaland seems to be demanding (amounting to nearly Rs. 1700 per tonne) and what is being given to Gujarat and Assam.

CSO: 4220/7598

MINISTER REPORTS PROFITS, LOSSES OF PUBLIC SECTOR

Calcutta THE STATESMAN in English 21 Aug 81 p 4

[Text] New Delhi, Aug. 20--Eleven out of 16 public sector undertakings under the Department of Heavy Industry in the Union Ministry of Industry incurred huge losses in 1980-81.

The losses suffered by the 11 public sector units amounted to Rs 89.63 crores, the profits of the five undertakings totalled Rs 53.06 crores.

This information was given yesterday by the Union Minister for Industry, Mr N. D. Tiwari, in a written reply to a question filed by a CPI member, Mr Ramavatar Shastri.

The five units which made a profit are (figures in brackets indicate profits): Bharat Heavy Electricals (Rs 35 crores gross profit before tax and dividend), Bharat heavy Plate and Vessels (Rs 35 lakhs), HMT (Rs 16.79 crores gross profit before tax and dividend), Tungabhadra Steel Products (Rs 2 lakhs gross profit before tax and dividend), and Lagan Jute and Machinery Company (Rs 90 lakhs).

Of the five, two units made a negligible profit.

The following are the public sector units which incurred losses: (the figures in brackets indicate losses) Bharat Pumps and Compressors (Rs 2.55 crores), Bharat Brakes and Valves (Rs 25 lakhs), Bharat Wagon and Engineering Company (Rs 66 lakhs), Braithwaite and Company (Rs 8.63 crores), Burn Standard Company (Rs 9.59 crores), Heavy Engineering Corporation (Rs 40.95 crores), Jessop and Company (Rs 11.65 crores), Mining and Allied Machinery Corporation (Rs 7.69 crores), Richardson and Cruddas (Rs 20 lakhs), Scooters India (Rs 4.60 crores) and Triveni Structurals (Rs 2.90 crores).

In his reply, the Minister explained that the losses occurred on account of low production, following shortage of raw materials, particularly steel and heavy interest burden on past loans sanctioned to meet their cash losses, and paucity of working capital. Secondly, some units had to complete their unremunerative orders and were disturbed by industrial relations for a part of the year under review.

Mr Tiwari added that the Government had initiated measures which had resulted in the improvement of the operations of the loss-making units. He informed Mr Shastri

that production target in the 16 public sector units in the current financial year was fixed at Rs 1,600 crores, 24% higher than the actual output valued at Rs 1,289 crores achieved in 1980-81. The undertakings had been told to make an aggregate profit of Rs 10 crores in 1981-82 compared to the aggregate loss of Rs 36.57 crores in 1980-81.

CSO: 4220/7590

SOUTHEAST RAILWAY REPORTS RECORD PERFORMANCE

Calcutta THE STATESMAN in English 21 Aug 81 p 3

[Text] In July this year, the South-Eastern Railway loaded on an average 9,569 wagons a day, which, according to a spokesman of the railway, was the highest ever loading in the month of July in any year. During the first four months of the current financial year, the railway carried 23.43 million tons of cargo, against 22.54 million tons during the same period in 1976-77. Incidentally, in 1976-77, the railway achieved an all-time record movement of 70.43 million tons of cargo.

The spokesman claimed that the railway had moved 8.05 million tons of coal during the first four months of the current financial year, against a target of 7.5 million tons. Of this supply, the steel plants and the washeries accounted for 4.35 million tons which was 25% more than that supplied during the same period last year. As a result, the coking coal stocks in the steel plants had gone up to 495,000 tons from 380,000 tons in April this year.

It was stated that the South-Eastern Railway had also surpassed its target of movement of other raw materials for the steel plants during the first four months of the current year. It despatched 7.1 million tons of raw materials against a target of 7 million tons. Severe power cuts in the Dalli-Rajhara and Ahiwara areas of Madhya Pradesh had, however, hampered iron ore loading for the Bhilai Steel Plant which had at the moment 15 days' stock.

During the period under consideration, the railway carried 250,000 tons of imported coking coal from Visakhapatnam, Paradip and Haldia ports and by July none of the ports had any stock of imported coking coal left. The quick movement of the material from the ports was one of the reasons for the rise in the coking coal stocks at the steel plants, the spokesman added.

The railway failed, however, to reach its target of movement of petroleum products during the period by 170,000 tons because of some storage problems in the oil depots. As a result, many tank wagons remained idle during the period, it was stated.

CSO: 4220/7590

PLAN APPROACH TO STEEL DEVELOPMENT REVIEWED

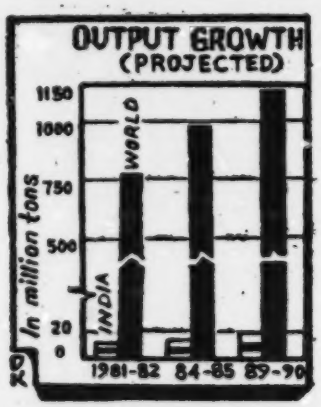
Calcutta THE STATESMAN in English 24 Aug 81 p 15

[Text] The development programme for steel in the Sixth Plan looks rather modest if one judges it by the physical production target only--just an increase of 3.2 million tons by 1984-85 over the existing installed capacity of 11.4 million tons. And of this additional capacity, as much as three million tons are to come from the ongoing expansion projects at Bhilai and Bokaro.

Output from the third Soviet-aided project at Visakhapatnam will begin only in the Seventh Plan. If the project at Paradeep is finally cleared, it too for all practical purposes will be a Seventh Plan scheme.

This cautious approach to steel development makes sense. As it is already well known that the public sector steel plants for the past several years were utilizing their rated capacity very unsatisfactorily not because of any recession in demand but because of severe infrastructural constraints created by inadequate supplies of coal and power, and to some extent, rail transport. The position has improved as is evident from the steadily rising production from the public sector steel plants, but the infrastructural problem has not been quite left behind. In fact, with substantial additions to the rated capacity at Bokaro and Bhilai, the problem may become serious again, if in the meantime, adequate captive power facilities at these plants are not set up and coking coal imports are not arranged.

Indeed, it would appear, in retrospect to be a grave mistake to have taken away all the coking coal producing mines from the control of the Steel Authority of



India and place them under Coal India. The steel plants after all consume the best part of the output from these collieries. The Steel Authority would have taken care to ensure that production at the coking coal mines are maintained at a high level--quality apart, the output today falls absolutely short of demand--had the oil arrangement been continuing. Since that decision is now unlikely to be reversed, measures should be taken to upgrade the quality of coking coal so that most of our needs are met out of our own resources. A new technology like direct reduction promises to minimize the coal problem but the technology is not quite established in this country yet.

The SAIL is quite right in insisting that in all future development plans equal importance should be given infrastructure and new plants or expansions. Infrastructure becomes particularly important in the context of time-bound programmes which the present SAIL chairman wants to follow for all projects, on-going or new, very much in the same way as the Kudremukh iron ore project was executed. As a measure of the cost of delay, he calculates that for every crore of rupees borrowed there is an interest liability of Rs 3,000 a day. And for the Bhilai and Bokaro expansion projects which have already been considerably delayed, the Sixth Plan outlay totals as much as Rs 1,726.27 crores. A substantial part, if not the whole of it, is likely to be borrowed.

Thus strengthening of the infrastructure and expeditious completion of on-going projects from the core of the Sixth Plan development programme for steel. Yet there is a third dimension which is quite significant. It is modernization. Like the Tata Iron and Steel Company which is modernizing on its own with a Rs 200-crore scheme that will bring advanced technologies like the L.D. process of steelmaking and the continuous method of rolling, the Steel Authority has modernization schemes for Durgapur and Rourkela steel plants, where it is proposed to go in a for measure of tonnage expansion as wel'up to 2.1 million ton capacity (1.6 million tons present capacity) in the case of Durgapur and up to 2.5 million tons (1.8 million tons) in the case of Rourkela. A thoroughgoing plant rehabilitation scheme for the sick Indian Iron and Steel Company plant at Burnpur is also being executed so that the plant may operate at the full rated capacity of 1 million tons in due course.

However, it needs to be noted that the modernization projects of Durgapur and Rourkela have not yet been cleared by the Public Investment Board although there are provisions for these two in the Plan budget.

For Rourkela it is Rs 422.43 crores and for Durgapur Rs 179.65 crores. The latter scheme is perhaps tentative, for the recommendations of the British Steel Corporation which has already been accepted by the SAIL board, involves an investment of nearly Rs 1,000 crores. Understandably, in the Plan production target additional capacity proposed for Rourkela and Durgapur is not included.

Plant	Existing capacity in million tonnes	Sixth Plan capacity target
Bokaro	2.5	4
Bhilai	2.5	4
Rourkela	1.8	1.8
Durgapur	1.6	1.6
Tata Steel	2.0	2.2
Indian Iron	1.0	1.00
Total	11.4	14.6

(The total outlay proposed is Rs 4,000 crores or Rs 4373.44 crores if Tata Steel's expenditure on modernization as well as plant rehabilitation schemes is included.)

It is now necessary to take a look at the supply-demand picture as it is today and as it is likely to be by the end of the Sixth Plan. Already the country has been importing between one and 1.5 million tons of steel per year largely because of the relatively low rate of capacity utilization at the public sector plants. Having stepped up their capacity utilization there is now even a surplus in certain categories. So the SAIL chairman has been advocating some exports to relieve the pressure on the domestic market and at the same time, pay partly for the imports as well.

The country's overall consumption needs of steel at present is roughly eight million tons in finished terms, and the existing installed steel capacity in the country, including that of the mini steel plants, is quite capable of taking care of this demand. As steel demand is growing at the rate of seven to eight per cent a year, the total demand by the end of the Sixth Plan is likely to rise to 12.7 million tons. This will be nearly two million tons ahead of the finished steel capacity that is likely to be established by then. One ton of ingot steel equals three quarter tons of finished steel. On this basis 14.4 million tons of ingot steel will yield 10.8 million tons of finished steel.

What is the policy prescription the demand projection points to? A steady and continuous expansion of the steel industry until supply fully catches up with demand, or even produces a steady surplus for which export outlets can be built up on a long-term basis. But going by the projections made up to the end of this century of bodies like the Planning Commission (specifically the Working Group on Iron and Steel set up by the Commission), even the 1989-90 capacity target of 24 million tons and output target of 21.3 million tons of ingot steel would not fully meet a finished steel demand which is expected to rise to 18 to 19 million tons. The steel industry has to produce 24 to 25 million tons of ingot steel to meet the expected demand.

Clearly, the country's resources unlikely to permit the quick addition of an extra 14 million tons. The indigenous capacity for making steel plant equipment may also become a big constraint if three or four integrated steel plants are to be built at once. The decision to build coastbased steel plants with foreign help is basically wise, especially when the circumstances are so favourable to attract foreign interests on our terms. The steel industry in the developed world which constitute over 75% of world steel capacity today is unlikely to grow as fast as it did in the past decades. The noncommunist developed nations barring Japan are actually reducing capacity, cutting always all outdated and technologically obsolete plants which have ceased to be efficient, and competitive, by modern standards. As no new steel capacity is being added, a good deal of steelmaking and heavy engineering equipment capacity is lying idle. Tata Steel is importing equipment for its modernization programme on fairly favourable terms. There is no reason why the Government or the public sector steel industry cannot do the same. With India's excellent credit rating in the international capital market money to import foreign equipment on reasonable terms will not be a problem.

CSO: 4220/7605

AGRICULTURE MINISTER TELLS WHEAT IMPORT PLANS

Bombay THE TIMES OF INDIA in English 18 Aug 81 p 6

[Text] New Delhi, August 17--The very first question taken up by the Lok Sabha on the opening day of the monsoon session related to wheat imports.

Rao Birendra Singh, minister for agriculture, told the members that the average landed cost of imported wheat was estimated at Rs 1,964 a tonne inclusive of ocean freight and incidental expenses of unloading.

The question was put by Mr Jyotirmoy Bosu (CPM). His suggestion for a higher procurement price in view of the imported cost was rejected by the minister on the ground that domestic prices were not determined by international market fluctuations.

Replying to Mr Bosu, the minister stated that the government had contracted to buy 1.515 million tonnes of wheat from the U.S. for delivery from August 15 to January next year.

Support Price

He also stated that the government had fixed the support price of Rs 1,300 per tonne for the current marketing year against Rs 1,270 a tonne recommended by the agricultural prices commission.

According to the minister, the estimated foreign exchange outgo, on present reckoning, would be about $293 million, inclusive of the price of wheat which would be about $262 million.

When Mr Bosu claimed that even during the second week of May, the government had disclaimed any intention to import wheat, the minister pointed out that the decision was taken in June.

In respect of the purchase of two American varieties of wheat, the minister said in reply to a query that the Western White would cost about $168.78 a tonne and the Hard Red winter variety about $181.49 a tonne.

Minister's Disbelief

The minister bluntly said that the government "could not believe Mr Bagri and his associates" when the socialist group member suggested that the country would get all the food it needed from within if the procurement price were raised.

Rao Birendra Singh also dismissed as "totally baseless and unfounded" the charge by Mr R. P. Yadav (DSP) that the government had gone slow on procurement to justify imports.

The minister sought to turn the tables on the opposition by blaming its "negative role" for the withholding of stocks by big farmers and traders. It was to prevent manipulation of prices and consequent harassment of the consumers that the government decided to go in for imports, he asserted.

Answering a question by his party colleague, Mr R. L. Bhatia, Rao Birendra Singh said: "We did not want to take any chances in the face of depletion of stocks after the drought."

Target Doubtful

He informed another member that against the target of 9.5 million tonnes, the actual procurement so far was about 6.5 million tonnes. Although this was higher than last year, the target might not be achieved.

The main reasons for low procurement, according to him, were offers of higher prices by trade compared to the procurement price fixed by the government and withholding of stocks by traders and producers.

Targets were fixed for Punjab, Haryana, UP, Rajasthan, Madhya Pradesh, Bihar, Gujarat and Maharashtra. In other states, it was lower than the targets.

The shortfall until now was about three million tonnes. It was not possible to estimate at this stage what the final figure would be at the end of the year. As on July 31, the total wheat stock available with government agencies was about 7.7 million tonnes.

CSO: 4220/7576

TRADERS OUTWIT GOVERNMENT, MOP UP EARLY WHEAT

Bombay THE TIMES OF INDIA in English 22 Aug 81 p 7

[Text] New Delhi, August 21 (PTI). Traders outwitted the government in making a more realistic estimate of the 1981 wheat crop and mopping up early market arrivals in Punjab and Haryana--the major procurement zone for official agencies for stock-building.

This is the broad finding of a quick study into the causes of low procurement undertaken by the Agricultural Economics Research Centre of Delhi University, after the Prime Minister's visit to Chandigarh in May last to review the situation.

The study by Dr Laxminarayan, director of the centre, said, contrary to official claims of a record wheat crop this year, that production was certainly lower than estimated and that traders made the best of the situation by buying and exporting considerable quantities to deficit states before movement restrictions were clamped.

The eminent economist, Dr V. K. R. V. Rao, in a foreward to the study report, observes that the most arresting feature was the "better knowledge of crop prospects both by producers and traders and the deficiency of such knowledge on the part of official agencies charged with determining the procurement target and of implementing it."

The study lists the causes for low procurement as follows: fall in output, large and earlier purchases by traders, sales by producers to traders in markets outside the region but in its vicinity (Narela in Delhi) when there was no ban on inter-state movements, and larger retention of stocks by producers both for consumption and sale at anticipated higher prices later.

Stating that official expectations of wheat crop were "over-estimates," Dr Rao says the US agriculture department had known it from data collected by their satellite system. This knowledge was made public in the press after India had gone in for import of wheat from the US. The "more disquieting fact" was that the over-estimate could have been rectified if the government had used the expertise available in Punjab Agricultural University.

State Policy

The study showed that traders had better communication link with crop prospects at the grassroots level. He hoped the study would help in improving procurement policy for the future not only in the Punjab-Haryana region but also in other areas of the country where procurement operations were resorted to for building up stocks.

The study outlines a stable food policy with movement restrictions, monopoly procurement, limited role for private trade and higher procurement prices.

It also calls for a re-examination of policy by the Reserve Bank in regard to credit advanced to warehouses. Warehouses in Haryana were using institutional finance by taking advantage of the Reserve Bank's directive for hoarding wheat, Dr Laxminarayan said.

The study suggests: (1) Crop forecasting system should be revamped with the association of independent institutions like Punjab Agricultural University and final forecast estimates should be prepared in the last week of March by taking into account weather conditions at the time of ripening of wheat crop.

(2) Inter-state movement restrictions should be maintained to enable the government to make maximum procurement. Surplus states like Punjab, Haryana and western UP should be cordoned off. There should be inter-district movement restriction in these states.

(3) Rather than allow the private trade to increase its profit by speculative activities which push up wheat prices, it would be better to pay higher procurement price to producers.

(4) Official agencies should be geared up for procurement and the Food Corporation of India should not become a "white elephant."

CSO: 4220/7595

MINISTER, MP'S DISCUSS RICE PROCUREMENT PLANS

Madras THE HINDU in English 21 Aug 81 p 1

[Text] New Delhi, Aug 20--As has been the case with wheat, rice procurement by State Governments will also be only on Central account from the coming season.

This will not only rid the State Governments of the bother of incurring expenditure on storage movement, etc., but also ensure them adequate funds to purchase any quantity offered by the millers.

This decision of the Centre was announced by the Agriculture Minister, Rao Birendra Singh, in the Rajya Sabha today.

He was replying to points raised on a calling-attention motion on the support price recommended by the Agricultural Prices Commission for paddy for the 1981-82 season.

What the States Wanted

Hitherto, the State Governments procured rice from the millers and after meeting their requirements surrendered the balance to the Central pool. This was advantageous to them so long as there was no subsidy element involved.

But from 1977, there has been increasing consumer subsidy element in the case of rice also and the State Governments have been demanding that the quantity of rice procured by them should be deemed to be for the Central pool and reallotted to them. This means that the Food Corporation of India should bear all the expenses on storage, etc.

Rao Birendra Singh said in reply to a point raised by Mr. P. Ramamurthy (CPI-M), that the new decision would help the Tamil Nadu Government to purchase any quantity as there would be no dearth of funds.

Mr. Ramamurthy had complained that last year, immediately after the harvest, the small farmers in Thanjavur were forced to sell paddy at Rs. 85 a quintal though the support price fixed by the Centre was Rs. 105 and the price fixed by the State Government had no funds to purchase and the Centre had not released the needed funds.

No Linkage With International Price

More than 50 members from all parties had tabled the motion. The main burden of their observations was that the price offered for farm produce was inadequate.

While most of them pleaded for parity in price between agricultural commodities and non-agricultural products, some suggested linking of the support price for farm produce with the international prices of these commodities.

Rao Birendra Singh ruled out any such linkage, but as regards parity between agricultural and non-agricultural sectors, he said, the Government policy was in that direction.

He claimed that the terms of the trade had shifted in favour of agricultural produce in the last two years.

Support Price Before Harvest

The Minister assured the members that the support price for paddy would be announced before the harvest season and the entire quantity offered by the farmers would be purchased to avoid distress sale.

He turned down the plea for complete elimination of private trade and for procurement through compulsory levy on big farmers.

Rao Birendra Singh explained that monopoly procurement by State agencies and procurement levy on farmers would act as a disincentive for production and the Government policy was therefore to allow the farmer get higher than the minimum support price, if he could, from the private trade.

The Government was committed to purchasing whatever quantity the farmer offered at the minimum support price.

Though the Minister would not give out his mind on the price likely to be fixed, he disclosed that Andhra Pradesh and Madhya Pradesh had demanded a price of Rs. 150 a quintal, while Tamil Nadu had suggested Rs. 147, against Rs. 115 recommended by the APC.

APC Criterion

While making its recommendations, the APC was required to keep in view (i) the need to provide incentive to the producer for adopting improved technology and for developing a production pattern broadly in the light of national requirements, (ii) the need to ensure rational utilisation of land, water and other production resources, and (iii) the likely effect of the price policy on the rest of the economy, particularly on the cost of living, level of wages, and industrial cost structure.

The APC should also take into account the change in the terms of trade between agricultural and non-agricultural sectors.

The Minister said the APC's supplementary report had taken into account the recent hike in fertilizer price and had been sent to the Chief Ministers. Comments on the supplementary report had been received from A.P., Tamil Nadu, Himachal Pradesh, Rajasthan and Madhya Pradesh. The remaining States had been reminded to expedite their comments.

As soon as the views of these States were received, a decision would be taken having regard to all relevant factors.

Members' Demand

Mr. P. Ramamurthy (CPI-M) said there was no law to punish traders who purchased at prices below the support price fixed by the Government. In these circumstances the support price would remain only on paper.

He recalled that last year small peasants had to sell paddy in Thanjavur at prices below the support price.

The Minister said he was not aware of any distress sales in Thanjavur. The Government was ready to open any number of purchase centres.

Mr. M. Kalyanasundaram (CPI) suggested elimination of private traders, but the Minister ruled this out.

Mr. R. Mohanarangam (AIADMK) complained that paddy was not given the same attention as wheat, possibly because it was grown in South.

Rao Birendra Singh said paddy was no longer a crop grown in South only. In fact 75 per cent of the procurement of paddy and rice was contributed by the Northern States. Tamil Nadu and some other Southern States were getting rice from the North.

He said the cost of paddy cultivation was lower in Punjab than in Tamil Nadu. "This shows you do not know how to cultivate paddy", he remarked.

CSO: 4220/7592

WEST RAJASTHAN STILL SUFFERING FROM DROUGHT

New Delhi PATRIOT in English 19 Aug 81 p 4

[Text] Jodhpur, Aug 18 (PTI)—About 9,000 villages in Western Rajasthan are still in the grip of drought due to inadequate rainfall, despite the fact that several parts of Rajasthan had heavy rains and floods during the last month, according to Rajasthan Revenue Minister Paras Ram Maderna.

Mr Maderna said here that a population of about 15 crores in 11 districts were facing famine conditions in the absence of normal rainfall this year.

He said the State Government was resolved to raise allocation for the early completion of the Rajasthan Canal, to relieve the western desert districts from repeated occurrences of drought and famine.

Meanwhile, the Housing and Urban Development Corporation (HUDCO) has initiated action to render assistance in rebuilding the houses damaged in the urban and rural areas of Rajasthan affected by recent unprecedented heavy rains and floods.

Experts have started visiting various centres to assess the damage and to identify various schemes. One such team of experts has already visited Bikaner and others are to visit Jaipur, Kota and Ajmer by the end of this month.

Earlier, Deputy Minister for Work and Housing, Mohammad Usman Arif, had visited Bikaner and many other places in this connection.

An official release here today said the team has identified a number of schemes in Bikaner where 661 houses have been completely damaged. A scheme has been drawn up to begin with, to construct 300 houses, out of which 150 will be for economically weaker sections and 150 for the LIG group.

The project cost of the scheme would be Rs 39 lakhs, out of which HUDCO loan component will be Rs 31.2 lakhs, the government of Rajasthan and the beneficiaries themselves sharing the balance.

CSO: 4220/7584

KERALA STAND ON CAUVERY WATERS SHARING ACCEPTED

Madras THE HINDU in English 21 Aug 81 p 9

[Text] Trivandrum, Aug. 20--The stand taken by the Kerala Government in regard to the sharing of the Cauvery waters has been accepted, and the dispute now is only on the points raised by the Karnataka and Tamil Nadu Governments, according to the Kerala Electricity Minister, Mr. R. Balakrishna Pillai, who is also in charge of inter-State rivers.

Mr. Pillai was answering a question in the State Assembly on Thursday. The question dealt with the Centre's move to bring water and electricity under its purview.

The Centre, he said, seemed to be considering a proposal to bring thermal power stations under its control. The State Government had communicated its view which was against the proposal.

To a question whether the Centre's proposal would not mean intervention in the State's affairs, Mr. Pillai said the hydro-power projects were in the state list. Kerala was also trying to enlist the support of other States.

Already Karnataka had concurred with Kerala's stand. Tamil Nadu had been approached on the subject. Some north Indian States too were opposed to the Centre's proposal. Generally speaking, the States were against the proposal, he said.

What about the move to divert waters of the west-flowing rivers, the Minister was asked. He said there was a proposal to divert the waters so as to benefit Tamil Nadu. Kerala objected to this and also refused to cooperate with the committee appointed by the Centre to study the issue.

The Kerala Government had made clear that it had no surplus water.

CSO: 4220/7592

PROBLEMS OF PUBLIC SECTOR FERTILIZER PLANTS TOLD

New Delhi PATRIOT in English 17 Aug 81 p 4

[Text] Ramagundam (Andra Pradesh) and Talcher (Orissa), the world's first two coal-based fertiliser plants outside South Africa have achieved 50 per cent capacity utilisation despite many teething problems causing production holdups.

Experts of the Fertiliser Corporation of India, which runs these two public sector units in a report submitted to the Central Government have suggested that an additional gasifier and steam boiler would be needed at each of the plants to remove the production obstacles and to achieve a higher capacity utilisation about 80 per cent.

An expenditure of about Rs 60 crores is estimated for the purpose and the Centre is examining the proposal.

The two plants, which went into commercial production from 1 November 1980, are based on the Kopper-Totzek (West Germany) process for gasification of coal. The process is unique in respect of 4-headed gasifiers, which are the first of their kind in the world, each with a capacity to produce gas equivalent to 300 tonnes of ammonia.

The plants have installed capacity of 4,95,000 tonnes per year of urea each, which is equivalent to 2,28,000 tonnes of nitrogen.

When the two coal-based plants were proposed in 1969 after the crisis of Naphtha in 1967 it was considered necessary to have four gasifiers and boilers for each of the plants so that maximum capacity utilisation could be achieved. But the Centre, in its wisdom, sanctioned only three gasifiers as well as steam boilers.

However, after the initial experience it has been now found that the fourth gasifier and boiler are necessary. It has been established now that each gasifier, after 11 to 12 days of operation, has to be shut down for about three days for preventive maintenance.

With the additional gasifier and a boiler both the plants would be able to reach higher capacity utilisation, the FCI experts feel.

Both the plants were approved in 1971 but it took about seven years for the construction. While 72 per cent of the total equipment are indigenous the remaining 28 per cent were imported.

During the commissioning of both the plants, a number of teething problems and mechanical failures were faced, and a large number of modifications were made to overcome these problems.

One of the constraints in the operations is the coal quality. The coal supplied to both the plants have not always been up to the required quality, which adversely affected the capacity utilisation.

The Talcher plant in this regard is the worst affected. The open caste mines are not able to maintain the quality of coal whereas the underground mine, has not been successful due to various reasons.

Now the CIL is trying to find suitable mines in nearby areas for the plant but this would add to the difficulty and cost of operations of the plant.

In spite of all these according to Mr Chuarey OSD, FCI that the technology of the plants, which have cost about Rs 224 crores each is fundamentally workable.

While the initial investment on a coal based plant is the highest as compared to natural gas, naphtha or even fuel oil, the operating cost still works out to be the cheapest based on current prices of inputs, according to experts.

CSO: 4220/7574

BRIEFS

SCHEDULE CASTES COMMISSION--New Delhi, Aug 16--Mr K. Rajamallu, MP, has been appointed Chairman of the Scheduled Castes and Scheduled Tribes Commission. Mr Hokise Sema has been appointed a member and Mr Shishir Kumar, Commissioner for Scheduled Castes and Scheduled Tribes, has been made an ex-officio member of the Commission. Mr Rajamallu and Mr Hokise Sema will hold office for three years. [Text] [Madras THE HINDU in English 18 Aug 81 p 11]

TAX COLLECTION STATISTICS--Concessions have pushed tax collections up by 10.4 per cent during 1980-81 over the previous year's revenue from direct taxes, latest official figures reveal, reports PTI. At Rs 3,120.75 crore, receipts last year marked a jump of Rs 303 crores over those of 1979-80. The revised figure is higher than the budgeted yield from direct taxes of Rs 3105.75 crores. Official sources claim that the higher collections resulted "despite several concessions like raising that exemption limits, both under income tax and wealth tax and reducing surcharge from 20 to 10 per cent." [Text] [New Delhi PATRIOT in English 18 Aug 81 p 8]

BENGAL LAND DISTRIBUTION--Calcutta, Aug 18--The fourth workshop on land reforms organised by the land reforms department of the West Bengal Government reviewed various aspects of the land reforms measures in the State. Sixty-one officers belonging to the department and other departments participated in it. Land Reforms Minister Benoy Choudhury presided. The progress of distribution of vested agricultural land was reviewed. The workshop found that during 1979 and 1980 the average rate of distribution of land per circle per day was 25 per cent. The report of the workshop observed, "obviously, the performance was unsatisfactory." The workshop also observed there were inconsistencies in the figures of vested land. The workshop wanted that these inconsistencies be removed. Among other points the workshop also discussed the question of restoration of the Alienated Land Act. The workshop observed that this "has been extremely tardy and unsatisfactory." It has also observed that the disposal of cases came to a standstill. [Text] [New Delhi PATRIOT in English 19 Aug 81 p 4

KHALISTAN BACKER RESIGNS—Jullundur, August 19 (UNI)--A staunch supporter of "Khalistan" and former Punjab minister, Mr Sukhuinder Singh, today resigned as general secretary of the Akali Dal (Longowal) to, what he called, help the party chief, Sant Harchand Singh Longowal, "Avoid embarrassment." Mr Sukhuinder Singh's resignation came about a week after his interview with UNI in which he strongly propagated the cause of "Khalistan" and demanded that the Indian government must concede "Khalistan" without bloodshed. Talking to newsmen here today,

Mr Sukhuinder Singh said he stood by every word he had said on the issue. His statement had caused a flutter in the party since it has not taken any stand on the "Khalistan" issue. Mr Sukhjinder Singh said the time had come when the Akali Dal (Longowal) must take a stand on the issue since it concerned the entire Sikh community. Several moderates in the party during the last one week had demanded disciplinary action against Mr Sukhjinder Singh but the Dal chief, Sant Harchand Singh Longowal silenced them by advising party workers not to air their views on the issue. Today's action of Mr Sukhjinder Singh was seen by observers as an attempt to force the party leadership to take a clear stard in support of the movement for Khalistan. [Text] [Bombay THE TIMES OF INDIA in English 20 Aug 81 p 7]

SWAMI REDDY DIES--Hyderabad, Aug 19--Freedom fighter and Communist leader Y Swami Reddy died in the Kurnool general hospital yesterday following prolonged illness. He was 70. A recipient of tamrapatra, Mr Reddy was the founder member of the Congress Party in Kurnool. Mr Swami Reddy participated in the Boycott Simon Commission Movement and was jailed for 15 days in February, 1928 for hoisting the national flag right opposite a police station in Madras. He joined the CPI in 1944 and worked in it in various capacities. The CPI State Council has expressed its deep sense of sorrow on his death and deputed executive committee member Mr P Ola Subbaiah, MLA, to participate in the funeral. [Text] [New Delhi PATRIOT in English 20 Aug 81 p 1]

IAF OFFICER SHORTAGE--Prime Minister, Mrs Indira Gandhi told the Lok Sabha on Wednesday that there was some shortfall in the commissioning of IAF officers against the requirement, the main reasons being the rigorous standards adopted for selection, medical fitness and flying aptitude for pilots, reports PTI. But, she told Mr Tariq Anwar, that it would not be correct to relate this shortfall to the terms and conditions of service in the Indian Air Force. In her written reply she said that it was not appropriate to compare the terms and conditions of service of commercial pilots with the pilots of IAF. Within the overall constraints of resources, she said, the Government had been taking measures to improve the service conditions of members of the armed forces including IAF officers. [New Delhi PATRIOT in English 20 Aug 81 p 7]

CEMENT SHORTAGE PROTESTED--Several members in the Lok Sabha on Wednesday complained about country-wide shortage of cement, reports UNI. Replying to a spate of supplementaries Minister of State for Industries Charanjit Chanana hoped that the position would ease soon as the capacity utilisation of cement plants was being increased to 80 per cent this month. He admitted that there was a general scarcity of cement. He hoped cement supply would be enhanced by the end of the sixth Plan with proportionate increase in production by the public sector units. Dr Chanana said the Government had introduced a monitoring system to prevent blackmarketing and pilferages. Minister of State for Industry Charanjit Chanana told Mr A C Das that a new system to monitor cement distribution is being worked out in consultation with States. [New Delhi PATRIOT in English 20 Aug 81 p 7]

CONVERSION PANEL MEMBERS--The Congress-I party in Parliament has constituted 13-member committee to make on-the-spot inquiries into mass conversion of Harijans in Meenakshipuram, Tamilnadu and other parts of the country, reports PTI. Mr Dharam

Dass Shastri, Lok Sabha member, will be the chairman of the committee. The other members are: Miss Saroj Khaparde (Rajya Sabha-Mah), Mr C P Shailani (Lok Sabha-UP), Mr R Y Ghorpade (Lok Sabha-Karnataka), Mrs Najma Heptulla (Rajya Sabha-Bombay), Mr Kamaluddin Ahmed (Lok Sabha-AP), Mr Era Anbarasu (Lok Sabha-Tamilnadu), Mr Xavier Arakkal (Lok Sabha-Kerala), Mrs Roda Mistry (Rajya Sabha-AP), Mrs Amarjit Kaur (Rajya Sabha-Punjab), Mr Arvind Netam (Lok Sabha-MP), Mr Saminuddin Ansari (Lok Sabha-Bihar), and Maulana Asrarul Haq (Rajya Sabha-Rajasthan). The committee will shortly visit Meenakshipuram where the first mass conversions of Harijans to Islam were reported and other places and submit its report to the leader. [New Delhi PATRIOT in English 20 Aug 81 p 7]

PRC MISSILE THREAT--New Delhi, Aug. 20--The shifting of China's missile base from Lop Nor Tonagchuka in Tibet poses a major threat to Delhi, Amritsar and Lucknow, reports UNI. This brings these major industrial cities within the firing range of Chinese ICBM, according to reports from Tibetans coming to India. Military airstrips were being built in major Tibetan towns and in remote areas of strategic importance to the Chinese, virtually transforming Tibet into a formidable military bastion, according to a Tibetan Youth Congress Press release here yesterday. [Calcutta THE STATESMAN in English 21 Aug 81 p 4]

TEAM TO PRC--New Delhi, Aug. 20--India will send an official delegation to Beijing within the next few months for discussions to settle bilateral disputes, including the Indo-China boundary issue, the Lok Sabha was informed today, reports PTI. Preparations for the official-level meetings are being made in consultation with the Chinese Government, Mr P. V. Narasimha Rao, External Affairs Minister, told Mr S. M. Krishna and 16 others in a written reply. The delegation's visit would be preceded by preliminary discussions by the Indian Ambassador at Beijing, he added. "It has been our stand that progress in India-China relations cannot be complete as long as the boundary question remains unresolved," Mr Rao said and added that the Chinese had accepted India's basic position. At the same time, "we have made it clear that the settlement of the boundary issue is not a precondition, and that we are willing to develop relations in other fields simultaneously," he said. [Calcutta THE STATESMAN in English 21 Aug 81 p 9]

PRIME MINISTER'S SECRETARY--Mr K K S Rana, former Indian ambassador to Czechoslovakia, has taken over as joint secretary in the Prime Minister's office in place of Mr Care Khan, who has been reverted to his ministry, reports UNI. Mr Salman Khurshed, son of the Union Minister of State for Commerce, has also joined the Prime Minister's office as an officer on special duty. Mr Khurshed is a former lecturer in law in the Oxford University and also a keen environmentalist. [New Delhi PATRIOT in English 21 Aug 81 p 1]

KARNATAKA CONGRESS-U--Bangalore, Aug 20 (PTI)--Prime Minister and Congress-I president Mrs Indira Gandhi has given clearance for the admission of the Karnataka Pradesh Congress-U Committee president, Mr D B Chandre Gowda and his followers into the Congress-I en masse, a KPCC-I spokesman claimed here tonight. The spokesman claimed that barring one or two, rest of the Congress-U legislators had expressed their desire to join the Congress-I along with Mr Chandre Gowda. Eighty to 90 per cent of the DCC-U's would merge with the Congress-I, the spokesman claimed at a press conference. The spokesman said Chief Minister R Gundu Rao had

apprised Mrs Gandhi of Mr Chandre Gowda's desire to join the party with others and she had given her clearance. Mr Rao who left for Delhi tonight would meet Mr Gowda who is already there. Mr Gowda had talks with Mrs Gandhi yesterday to work out the modalities for joining the Congress-I. [New Delhi PATRIOT in English 21 Aug 81 p 4]

SUBRAMANIAM ON MISSILES--A defence analyst in Delhi has described as false news reports that Chinese Intercontinental Ballistic Missiles (ICBM) placed in Tibet are targeted on Indian cities, reports PTI. Dr R R Subramaniam of the Institute for Defence Studies and Analysis said on Thursday the missiles stationed in Tibet are not ICBM's but Medium Range Ballistic Missiles (MRBM). Their major target is the Soviet command centres in Sharysagan and not the Indian cities, he said. [New Delhi PATRIOT in English 21 Aug 81 p 7]

PROMOTION TO REAR ADMIRAL--Port Blair, Aug. 21--Commodore R. P. Sawhney, Commander of the Andaman and Nicobar Island fortress has been promoted as Rear-Admiral. [Madras THE HINDU in English 22 Aug 81 p 16]

ENVOY TO TANZANIA--New Delhi, August 22 (PTI)--Mr. N. P. Alexander, ambassador of India to Sweden, has been appointed high commissioner of India to Tanzania in succession to Mr. Alfred Sylvester Gonsalves. He is expected to take up his assignment shortly, says an official release. Mr. Narendra Singh, ambassador of India to Switzerland, has been concurrently accredited as ambassador of India to the Holy See, with residence in Berne. [Bombay THE TIMES OF INDIA in English 23 Aug 81 p 5]

MANIPUR COMMUNISTS HELD--Imphal, Aug. 22--Manipur police today arrested four prominent leaders of the outlawed Kangleipak Communist Party at a Mongshangei hideout, reports PTI. According to official reports, they were identified as Mr Sougrakpak Inaotombi (20), Mr Thoudam Binoy Singh (20), Mr N. Loken Singh (18) and Mr W. Chourajit Singh (18). The KCP chief, Mr Ibohanbi Singh, now in Varanasi jail, had been arrested last month. UNI adds: A 24-year-old employee of the Food and Civil Supply department, Mr Pangbam Samungau Singh, was shot at by a group of five unidentified persons yesterday evening at Heingang village, about six km from here, according to police. [Calcutta THE SUNDAY STATESMAN in English 23 Aug 81 p 1]

FOREIGNERS' ACCOMMODATION PAYMENTS--New Delhi, Aug. 22--The Union Finance Ministry today notified that from now on, foreign nationals visiting India would have to pay their hotel bills in foreign currency, reports UNI. Issued under the Foreign Exchange Regulation Act the notice carries a list of 26 foreign currencies in which the tourist can make his payment. However, tourists from Bhutan, Czechoslovakia, GDR, Nepal, Poland, Rumania and the Soviet Union and foreign nationals invited by the Central of State Governments can pay in Indian currency. [Calcutta THE SUNDAY STATESMAN in English 23 Aug 81 p 1]

RAJYA SABHA MEMBER DIES--Aurangabad, Aug. 24 (PTI)--Bhausaheb Vaishampayan Congress-I member of Rajya Sabha from Maharashtra, died here this evening after a prolonged fight with lung cancer. He was 66. He is survived by his wife, two daughters and a son. Mr Vishampayan was a member of the Rajya Sabha from 1964 to 1970 and again from 1976. He was a member of the Maharashtra Legislative Council from 1970 to 1976.

CSO: 4220/7608

RESISTANCE TO COOPERATIVIZATION BLAMED ON INADEQUATE LEADERSHIP

Vientiane VIENTIANE MAI in Lao 12 Jun 81 p 2

['Conversations With the Editor' column: "A Friendly Conversation"]

[Text] A reader whose pen name is "S. of the Two Systems" wrote us a long letter, saying, "I once visited Hat Kiang Village in Saithani District and met an older villager (name withheld) who said he did not want to talk to me if I had been working there for 30 years or so. But since I have lived in Vientiane for a long time, he therefore decided to talk to me. He was also afraid to talk for fear that his colleagues would be upset. At one point he talked about the organization of the agricultural cooperative at Hat Kiang Village where the members belonged to the coop in name only, but they actually worked independently just as they had done before the organization of the coop. The old man further commented that such type of organization was a good one because everyone was in favor of it..." Finally, S. questioned if it was proper for the old man to talk to him and to make such a comment about the cooperative. He further claimed that he was not informing against the old man, but only reported of these remarks so as to prevent any repetition which may cause misunderstanding in the future.

[Editorial response] It has been a long time since "S. of the Two Systems" last wrote us. Since this column was designed for a friendly exchange between us and our readers, it is beneficial for all of us because it informs everyone of the situations in which the state's just and logical policies have failed to be understood by our people. Generally speaking, the majority of the people have understood and grasped the state policies quite well. However, at the same time it is unavoidable that there be misunderstanding of these policies, and subsequently, become suspicious of the state. There are many in this category. We do not blame the old man, but we are disappointed in his lack of confidence [in the state]. Some people are different in that if they do not understand something, instead of studying it, they just ignore it. First of all, if they want to understand the problem, they must study the problem and its cause before making any comment about it. Likewise, in actual practice, the details must be thoroughly studied before setting out. No one should begin that which he doesn't understand, because to do so would result in a faulty outcome. Similarly, the problem of the setting up of the cooperative described by the old man is not only faulty, but in its actual operation, makes a just path change course. We are sure that organizers of an agricultural coop have been equipped with sufficient

knowledge, but after studying things, instead of following the principles they learned, they follow new, wrong paths. This ultimately leads them to destruction. They immediately blame the misfortune on the agricultural coop. This random accusation not only hinders the production progress, but also lessens the people's confidence. Subsequently, these people are hesitant to perform in an all-out manner. My dear friend, it is now necessary to call on everyone to really study things profoundly and then implement them not just learning them for the sake of learning. He must not study them only half-way because to do so will endanger the public as a whole.

In current actual operation we have experienced problems caused by some individuals who learned the policies only partially. Some are either too rightist or too leftist to comprehend the policies or strategies and are therefore ignorant of on whom dictatorship or democracy should be exercised. When they don't grasp the issues, it is certain that in the actual operation they will lessen the public's confidence in the just and logical guidelines of the state. This problem definitely will greatly endanger our work. Looking specifically at those in leadership positions, it is extremely necessary that they study and grasp the state policies. Several phenomena have frequently shown us that some leading cadres have become too gullible; they are easily swayed by anything they hear from anybody without studying its causes. Some cadres enjoyed being entertained, and were exercising favoritism with those who entertained them, while those who are genuinely good citizens were misunderstood and treated unjustly. These cadres have behaved without ethics and morals, and reacted without studying the causes of the problem in revolutionary theory.

1) Our party was not organized to make its members wealthy overlords. It was set up to liberate the nation and make it prosperous, making the people happy.

2) Revolutionary cadres must fully understand its revolutionary theories, and thus see to it that these theories are applied alongside the practical operation.

3) Slogans and instructions must be designed in reference to the actual conditions domestically, and to the revolutionary lessons of foreign countries and in the localities involved.

4) We must depend at all times on the masses to check and see if the slogans and instructions are correct.

5) We must closely monitor all party work constantly. All tasks must always be for the people, in a spirit of instilling patriotism, diligence, frugality and faithfulness in cadres, our party members and the people.

6) All party tasks must follow their guidelines and must be closely coordinated with the people. If the party fails to do so, it will not only fail to lead its people. As a result, it will not only fail to teach the people, not raising their level of awareness. This will also make us fail to understand their attitudes.

7) All party tasks must preserve the revolutionary spirit. They must be skillfully designed so as to create joyfulness among the people. Without such skill in designing the tasks, we will not know how to struggle, organize, and coordinate the people's day-to-day interests with long-term interests.

There are still many other points to be discussed, but I am bound by the space and must stop here. However, I am asking you to try to find a way to help us. Disseminate the party's guidelines when opportunities present themselves. If you don't understand, listen and don't let people misunderstand things, because to do so can be most dangerous and harmful to each task. This is because what is in the party's interest is in the interest of the nation and its people.

9013
CSO: 4206/60

CADRES ENGAGING IN FRAUD AGAINST STATE ORGANIZATIONS

Vientiane VIENTIANE MAI in Lao 6 Jun 81 p 2

['Conversations With the Editor' column: "Is It Wrong for Cadres to Buy and Then Resell?"]

[Excerpts] [Question] I. There are two problems with the business deals of state cadres: 1) Some cadres use personal funds to purchase goods from the private sector to sell to the state at the established prices. 2) Cadres use their own funds to purchase state goods for sale to other state organizations. II. Are state cadres, who spend their free time operating a farm to be somewhat self-sufficient, eligible to buy the state rice ration?

[Answer] Both of the points you raise are wrong. Why? Above all, you must understand that a cadre is a state official who works for the state and party. He is a revolutionary officer whose duty is to serve his nation and its people, not to use the uniform as a mask for concealing his vileness and ugliness. A revolutionary officer is as pure as the driven snow whose way of life is above reproach. I hope you understand clearly the ethics of a cadre. Our oft-quoted motto is that a cadre is not a merchant. Any cadre who desires to be a merchant must resign from state work; he should not become a parasite against the state and party.

In answering question II, the state has been and is currently providing a ration to every cadre so as to ensure his living conditions. If any change in policy should occur in the future, it will be publicized by the state. Moreover, members of the state cooperatives have also been selling additional rice to any cooperative lacking sufficient rice supply. This is the state's policy. However, I would like to add my own comment. Any cadre who becomes self-sufficient and does not buy his ration so that the state can reserve more rice for others, so much the better. Besides, such cadre would have more money left. What do you say?

9013
CSO: 4206/60

BRIEFS

HILLTRIBE RESETTLEMENT IN VIENTIANE--Since the beginning of 1981, 30 families of the multi-ethnic population of Hinngon Canton, Kasi District of Vientiane have collectively deserted their swidden farming to begin wet rice farming. They are, at present, urgently planting their annual rice crops in order to complete the planting on 37 hectares. Since 1980-81 there have been altogether 50 families of these hilltribe people resettling in the wet rice areas and completing their rice growing in a total of 62 hectares. These people are, at present, courageously and urgently continuing their farming in order to complete their planting on schedule. [Text] [Vientiane VIENTIANE MAI in Lao 6 Jun 81 p 1] 9013

CSO: 4206/60

DATUK LEE SAN CHOON ON HOW TO SAFEGUARD MCA'S IMAGE

Selangor KIN KWOK DAILY NEWS in Chinese 7 Jul 81 p 3

[Text] "Don't curry favor. Don't be hostile. Don't act in a perfunctory manner." Those are aphorisms uttered by Datuk Lee San Choon to safeguard the image of the Malaysian Chinese Association [MCA] and to get rid of monsters and freaks.

The MCA president and concurrently minister of communications said that 25 years of political life, including five terms of membership in Parliament, have enabled him to see through the real face of Malaysian politics and appreciate the significance of the abovementioned aphorisms.

"We must not toady, but must rely on our own ability and effort to do the job and do it well. We must not adopt a hostile attitude, because our nation is made up of three major nationalities, and it would be unwise to create friction and animosity, for we have no guns. We must not cheat the voters, but treat them in all sincerity," he said.

Datuk Lee made these appropriate and pertinent remarks before a public gathering marking the 32d anniversary of the founding of the political party held at a primary school playground on Banko Island, Perak State, the other day.

Datuk Lee asserted that the MCA is fully prepared to face all challenges and will not shirk its duties, adding that it will adopt practical and realistic outlooks and actions to carry out its work, instead of saying sweet words and discussing theories on paper.

Datuk Lee San Choon expressed satisfaction over the completion of the MCA's first five major projects—the cooperative society, the headquarters building, Rahman College, the Huaren Holding Sendirian Berhad and the recruitment of new party members. These projects have given great encouragement to the Chinese community and will bring major changes for it in the future, he said.

He added that the second five major projects will involve the construction of a cultural hall, cadre training classes, control of commercial and industrial shares in various states, self-sufficient cooperative societies, and an educational foundation. He expressed the hope that the comrades would give their full support to them.

Datuk Lee said if a political party wants to serve the people, it must have an overall development plan for the people to see and compare, instead of criticizing other people at random.

He affirmed that if there is a political party which has a better program than the Malaysian Chinese Association, the latter will follow it and support it.

Datuk Lee attacked several political parties, such as the Gerakan Rakyat Malaysia [Gerakan] and the Democratic Action Party [DAP], which, he claimed, have not done a single thing for the unity of the Chinese community in all these years, Where are they going to lead the Chinese people to, he asked.

Datuk Lee explained that due to financial and manpower limitations, the National Front government is neglecting many things in its leadership. Realizing this weakness, the MCA has taken the initiative to devise five major projects to aid the government in handling the problem of Chinese welfare, which has not been fairly dealt with so far, he said. Unfortunately, the MCA's good intentions have been censured by the United Malays National Organization [UMNO], the DAP and even the Gerakan. All this is because none of those parties has presented the people with a comprehensive and detailed action plan.

The datuk added that censuring people will not do, because the problems at hand will not disappear into thin air. He said he would welcome sincere and constructive criticism, but would not tolerate malicious attacks.

He pointed out that certain political parties are undependable, because they do nothing but talk nonsense. He quoted the late U.S. President Lincoln's words: "You can fool all the people some of the time, and some of the people all the time, but you cannot fool all of the people all the time."

Datuk Lee San Choon admitted that the MCA is not a perfect political party and that it has its share of shortcomings. However, the MCA is trying its utmost to solve many difficult problems.

All difficult problems must be solved with our own two hands, and not by waiting for a turn for the better, and that is why it is hoped that the people and the MCA will join hands to overcome our difficulties, he said.

As regards the recently formed independent cooperative society, he appealed to the poor labor masses to support this movement for the sake of the education and future of their children, particularly those inhabitants on Banko Island, where children's education constitutes a pressing problem.

Earlier, Datuk Lee had criticized the Gerakan's move to poach on the MCA's members as a dastardly act.

He said that other political parties have been jealous of the MCA's successful efforts in controlling shares and have criticized them on grounds of "commercializing" politics. As a matter of fact, the MCA's efforts on this score have brought benefit to the people, and the recent subscription to additional shares reached M$500 million, indicating wide support from the masses.

Finally, Datuk Lee said that whether the MCA's establishment of the Huaren Holding Sendirian Berhad is legal or otherwise, let them wait and see!

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LEADERS OF DEFUNCT MUSLIM LEAGUE, PARTIES DISCUSS ALLIANCE POSSIBILITIES

Khairuddin, Pagara Remarks

Lahore NAWA-I-WAQT in Urdu 10 Jul 81 pp 1, 8

[Text] Karachi, 9 July (by special correspondent)--Khuwaja Khairuddin, leader of the defunct Muslim League, said that one party cannot safeguard the ideological and geographical boundaries of the country. For this purpose, the entire nation must join together. Talking to a NAWA-I-WAQT special correspondent, the Muslim League, (Khuwaja Khairuddin group) leader discussed the long struggle for the merger of the three Muslim leagues and the struggle for unification of the defunct political parties. In this respect, he told about his talks with JUP leader Maulana Shah Ahmed Noorani and Pir Pagara, leader of the Muslim League (Pagara group) and said that there was no obstacle in the way of the political parties' becoming united. Khuwaja Khairuddin said that some elements had at one time tried uniting with his party and at other times had tried to sabotage it by deserting and weakening it. He said that even if elections came, unity could be maintained; they are struggling to achieve the goals that Qaid-e-Azam used to win Pakistan--the vote and constitutionality. In this respect, when Pir Pagara was asked about his meetings with Khuwaja Khairuddin and what special topic was discussed, he said that nothing in particular had been discussed.

When asked about national conditions, he said that his thoughs are insignificant. On the other hand, one of the Pir Pagara Muslim League representatives said that there was no possibility of any compromise with the so-called MRD. However, the representative noted that the doors of the Muslim League are open to righteous people and it is ready to welcome members of the Peoples' Party who strongly believe in the ideology of Pakistan. When the representative was asked if President Zia ul-Haque would be offered the presidency of the Muslim League after the unification of the three Muslim leagues, he said that no such proposal had come up thus far.

Five-Point JUP Program

Lahore NAWA-I-WAQT in Urdu 10 Jul 81 p 8

[Text] Maulana Abdus-Sattar Niyazi, secretary general of the defunct Jamiat Ulama-e-Pakistan, said that an alliance between the defunct Muslim League Party and the outlawed Jamait Ulama-e-Pakistan was founded on an ideological basis

and as such, in the event of an intra-league alliance, this alliance would not be affected and would continue. Speaking on the five-point program of the Jamiat Ulama-e-Pakistan, Maulana Niyazi said that if the outlawed political parties accept this program, then a loose alliance is possible with them. He said talks were continuing between leaders of the defunct Muslim League, defunct Tahrik-e-Istiqfal and outlawed Jamiat for a wider alliance. He said that Maulana Ahmad Shah Noorani will report to party leaders on 25 July. It is worth remembering that Maulana Niyazi recently met Mahmood Ali Qasoori. In Lahore, there has been progress in talks for the wider alliance of the defunct parties. Mr Mushir Pesh Imam is arriving in Lahore after holding talks with Maulana Noorani and other leaders. Here he will hold talks with the leaders of the outlawed parties concerning a wider national alliance. It is rumored that Mian Mahmood Ali Qasoori, leader of the defunct Tahrik, has asked to see Air Marshal Asghar Khan. In Karachi, Maulana Noorani met with Pir Pagara today. According to the PPI, he discussed the possibilities of widening the alliance of the Muslim League and the Jamiat Ulama-e-Islam. Before that, he also met with Khwaya Khairuddin.

Khairuddin-Pagara Meeting

Lahore NAWA-I-WAQT in Urdu, 10 Jul 81 p 8

[Text] To conclude consolidation of the proposed alliance between League factions, Pir Pagara and Khwaja Khairuddin are meeting in Lahore next week. According to Muslim League sources, Khwaja Khairuddin and Pir Pagara are expected to arrive on 14 and 15 July, respectively, in Lahore where both leaders, after consulting with the members of their own groups, will finalize the alliance formula. Talks are underway for a wider alliance between the defunct Muslim League and like-minded defunct political parties. Pir Pagara and Khwaja Khairuddin have met with Maulana Noorani on this matter. In Lahore, Mr Mushir Pesh Imam met with his party leaders. The Muslim League has expressed the certainty that, in the month of Ramadan, not only will the Muslim League become allied, but talks for a wider alliance will also continue.

Jamiat Leaders' Remarks

Lahore NAWA-I-WAQT in Urdu 11 Jul 81 p 3

[Text] Maulana Abdus-Sattar Niyazi, secretary general of the outlawed Jamiat Ulama-e-Pakistan, expressed hope that after the month of Ramadan all patriotic parties will unite in a joint line of action. He said efforts are being directed toward an alliance. He said that the nation was facing a period of crisis. The enemies of the country were trying to cause confusion and disorder to attain their goals. Under such conditions, the whole nation should unite and fight against the enemy and neutralize their efforts. Akbar Saqi, Jamiat's leader, also spoke and advised the people to be ready to struggle and survive any situation. The Jamiat leaders also demanded that the 27th of Ramadan be declared Pakistan Day and that this day be officially celebrated. They said that Pakistan came into existence on the 27th of Ramadan in 1947, so it is necessary to mark this date.

CSO: 4203/101

FOUNDATION FOR WIDER ALLIANCE BETWEEN OUTLAWED POLITICAL PARTIES NOT YET FOUND

Rawalpindi TAMEER in Urdu 11 Jul 81 pp 3, 5

[Article by Ahmed Hassan Alavi in Islamabad Diary]

[Text] A series of meetings to bring together political parties having identical views that began last month in Islamabad has now shifted to Lahore. Leaders of these parties say that in view of the internal and external dangers facing the country, an alliance between like-minded parties has become essential. Efforts are being made to integrate once again the three factions of the Muslim League and, at the same time, to get like-minded political parties to withdraw from the MRD (Movement for Restoration of Democracy) and form an alliance with the Muslim League.

Last month a meeting was held at the residence of Pir Pagara between the Muslim League (Pir Pagara group) and the Jamiat Ulama-e-Pakistan. As a result of the meeting it was announced that an agreement had been reached between the Muslim League and Jamiat Ulama-e-Pakistan. But after the return of Maulana Noorani, his own party became a victim of disintegration and split into two factions. One faction is blaming Maulana Noorani's faction, claiming that he is violating the party's constitution and is expelling certain people from the party through undemocratic tactics. Furthermore, this faction says that Maulana Noorani's tenure as president of the Jamiat, like other members, has expired and that new members following the elections should have the power to make decisions. It is said about Maulana Noorani that he has resigned from the party and his resignation is now being considered by the party's legislature. On the other hand, the pro-Noorani faction says that Maulana is the life-long president of the Jamiat Ulama-e-Pakistan. The last time in Lahore, during the meeting of the General Council and the Central Action Committee of the Jamiat Ulama-e-Pakistan, General Secretary Maulana Abdul Sattar Niyazi had proposed Maulana Noorani as the life-long president of the party, a step Maulana Noorani rejected, emphasizing that the party's democratic structure must be protected. It is believed that Maulana Noorani did this to save the party from further disruption because he feels that because of his businesses and activities outside the country he would not be able to give enough time to his party and thus would not have sufficient support to be the life-long president. Because when the opposing faction of the party has already charged that Maulana, Noorani, after completing his tenure, is still holding office, then how could that group accept him as life-long president?

In such a presidency, the matter of the political alliance between the Jamiat Ulama-e-Pakistan (Noorani group) and the Muslim League (Pagara group) will be delayed because under the party constitution, if they are not officially accepted as office holders, how could they form an alliance with other parties?

As far as a vast political alliance in the country is concerned, the Muslim League (Pagara group), the Muslim League (Chatta group) and the Jamiat Ulama-e-Pakistan (Noorani group) are in contact and inclusion of leaders of some of the other defunct political parties is also under consideration. A struggle is also being waged to separate the Pakistan Muslim League (Chatta group) and the outlawed Tahrik-e-Istiqlal from the MRD. In this respect, Maulana A. Sattar Nyazi and Malak M. Akbar Saqi, both leaders of the defunct Jamiat, have met separately with Malak M. Qasim of the Muslim League and Mian Mahmood Ali Qasoori, vice president of the Tahrik in Lahore. Pir Pagara and Mian Tufail Muhammad have already met with Malak M. Qasim and Mahmood Ali Qasoori.

As far as the struggles to establish a political alliance in the country are concerned, the results are not that encouraging. The leaders should establish an alliance in their individual parties first. Then they can think of the broader alliance. At present, the situation is such that struggles for the alliance of the three factions of the Muslim League do not appear to be fruitful, although the struggles were started by well-seasoned Muslim League politician Mian Mumtaz Muhammad Khan Doltana and he himself has been very busy in this respect. To achieve his goal, he also met with Khan Abdul Qyum Khan, president of the Muslim Leaque (Qyum group), Pir Pagara, Chaudhry M. Hussain Chattha and Sardar Shaukat Hayat Khan; all participated in the Muslim League (Pagara group) meeting and released a report on the struggles for an alliance of the three factions of the Muslim League. But Muhammed Khan Doltana seems to have reached a dead end and kept quiet after all. On the other hand, Khwaja Khairud Din and Qyum Khan are not ready to accept Pir Pagara as president of an allied Muslim League. Pir Pagara is a simple person, and he is untutored in political games. Most of the time he speaks in a very straightforward manner.

As far as Qyum Khan of the Pakistan Muslim League (Qyum group) is concerned, he does not seem to favor an alliance between Muslim League factions. His stand is that there is martial law in the country and restrictions on political parties; in his situation, what could they do even if the three Muslim League factions become allied. Qyum Khan is a lawyer. He understands very well the legal considerations involved, and he does not wish to place himself in a troubled situation.

For the sake of a wider alliance, the Muslim League (Pagara group) is struggling to separate the Muslim League (Chatta group) and Tahrik-e-Istiqlal from the MRD. Although Pir Pagara and Khwaja Khairuddin have had extensive talks on this topic, so far Pir Pagara has not succeeded in separating Khwaja from the MRD; one of the reasons being that Pir Pagara and his friends will not participate in any alliance with the Jamiat Ulama-e-Pakistan because Pagara's Muslim League is not ready to displease the Jamiat in any way.

An alliance, whether between two or more parties, is always based on give and take. But in the case of parties talking of a broader alliance, with each wanting to be supreme and not sacrifice anything, it is not possible. If there is sacrifice for a broader alliance, when it is said that unity for a broader alliance is necessary because the country is confronted with internal and external dangers, then all major differences are muted. But without this sacrifice, the situation remains unchanged.

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DEVELOPMENT PROJECTS IN DHANA, MIRPUR, RAWALKOT DISCUSSED

Rawalpindi TAMEER in Urdu 9 Jul 81 p 6

[Article by Muzaffar Abad]

[Text] A high-level meeting presided over by Brigader Muhammad Hayat Khan, president of Azad Jammu and Kashmir, has taken place. The meeting concerned the improved use of natural water resources in Kashmir under the Hill Farming Technical Development Project and prevention of flooding of land and terrices to improve agricultural production. It was decided that after a comprehensive survey of hill farming, agriculture, animal husbandry, local government, industry and forestry would collectively begin to improve the land. With the help of maps, the president explained details of the Dhana Watershed Management Project and said that preliminary work will be initiated on this project. He was told about the type of land in Dhana, how it can be used to increase production and what type of crops can be grown and fruit trees planted. The president briefed the concerned officials and said that schemes of a similar nature should be prepared for all of Azad Kashmir by 10 August. During the meeting, it was noted in this respect that the local government and the forestry office had already prepared plans. At this meeting, in addition to others, government advisors; chief secretaries; local government officials; the secretaries of agriculture, forestry, animal husbandry and finance; and the A.K.M.I.D. chairman also participated.

During another meeting on industrial matters in Mir Pur, its situation and suggestions were discussed and several important decisions were made. A special committee was established to report on the Akbar Textile Mills' taxes and the government land occupied by the Akbar Textile Mills within a month. The committee consists of the secretaries of finance, law and industry. At this meeting, matters concerning the industrial area of Mir Pur, the Vespa scooter factory, the Afzal Pur silk factory and labor were discussed. Plans for a housing project and developments in other areas, such as the one in Mir Pur by the Overseas Pakistani Foundation, will be started. Development projects in Rawalkot assisted by the Pakistan Workers Foundation were also discussed. The establishment of a free eye treatment clinic by the foundation was acknowledged and it was decided to ask the foundation for financial help in the drinking water project in Rawalkot and for help to expedite work on a housing plan and construction of a nursery school in Rawalkot.
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END

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No. 1050

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SPEAKER MEETS PRESS ON RETURN FROM PRC, DPRK

Dacca THE BANGLADESH TIMES in English 12 Aug 81 pp 1, 8

[Text] Speaker Mirza Golam Hafiz has said that the People's Republic of China and Democratic People's Republic of Korea (DPRK) have assured all possible help and co-operation to Bangladesh in implementing the 19-point programmes of late President Ziaur Rahman.

Talking to the newsmen at the Dacca International Airport, Kurmitola after a 14-day visit to these two countries, the Speaker said that both the countries were impressed over the 19-point programmes which aimed at developing the socio-economic conditions of Bangladesh.

Leaders of both the countries expressed their profound shock and grief at the brutal assassination of President Zia, the Speaker said.

The Speaker, who visited China and North Korea at the invitation of the respective parliaments of the two countries, described his tour as fruitful and successful. His visit would further strengthen the already cordial relationship between Bangladesh and the two socialist countries, he said.

Mirza Golam Hafiz said that great changes had taken place in recent years in China over certain policies. Religious rights had been ensured and constructive criticism was no more objected to, he said.

He said that during his tour he visited Sinkiang province inhabited by about one crore Muslim population. He had said he had his Eid prayers at a Sanghai mosque, where the congregation was attended by about 4,000 Muslims, he said.

The Speaker said that during his visit to China he held discussions on bilateral, regional and international issues with senior leaders of that country. In Korea, he called on President Kim Il Song and also met other North Korean leaders.

During their discussions leaders of both the countries expressed satisfaction over the present friendly relationship between their countries and hoped that it would continue to grow from strength to strength in future years.

China's Progress

The Speaker also expressed his satisfaction over the progress made in China during the recent years in all fields.

Production in fields and factories had gone up and the per capita income of the Chinese people had also registered a rise he said.

He said that under a new policy, efforts were being made to separate party leadership from Government leadership. The Chinese Government was also making changes in the legal system, he said.

The Speaker said that it was not true that the Chinese Government and the people had foresaken the ideals of Chairman Mao Tse Tung. Refuting certain observations made by the Western Press, the Speaker said that Chairman Mao was regarded by the Chinese people as before.

South Talpatty

Asked whether he had discussed the South Talpatty issue with the Chinese leaders, the Speaker replied in the affirmative. He said that the Chinese leaders had supported Bangladesh stand that all disputes should be settled peacefully and through negotiations.

Diplomats of China and North Korea and members of the Bangladesh-China Friendship Society received the Speaker at the airport.

The Speaker was accompanied by his wife.

CSO: 4220/7618

ZIA'S ACHIEVEMENTS IN FOREIGN POLICY ENUMERATED

Dacca THE BANGLADESH TIMES in English 31 Jul 81 Supplement p 2

[Text] Bangladesh pursues an active, enlightened and independent foreign policy. The architect of this forward looking, dynamic and pragmatic foreign policy was late President Ziaur Rahman. Our foreign policy today, therefore, largely bears the imprint of his political ideals and philosophy. He was responsible for enhancing the stature and prestige of Bangladesh in the comity of nations. He was successful in transforming the image of Bangladesh and making it into one of the most active countries within the third world.

Keeping in view our national aspirations, Bangladesh has proceeded in a pragmatic manner to evolve a foreign policy suited to the realities of her situation and geo-political compulsions based on the following principal elements:

(I) Consolidation of her hard won independence;

(II) Safeguarding her sovereignty and territorial integrity; and

(III) Securing the support and cooperation of the international community in the task of national reconstruction and development.

In the pursuit of these objectives, Bangladesh has sought friendship with all countries including her neighbours on the basis of the principles of sovereign equality of all nations, respect for territorial integrity and non-interference in the internal affairs of other states. Non-alignment is the bedrock of her foreign policy and is enshrined in the constitution of the country. Bangladesh's accession to the non-alignment movement is based on the genuine conviction that the principles of non-alignment constitute a sound basis for global peace and security.

Bangladesh is an active member of the International Community and is fully involved in making her contributions to strengthening the edifice of world peace and stability. Bangladesh has actively participated in the deliberations of UN and its various organs, the Islamic Conference, the Non-aligned Movement, the commonwealth and other major international conferences and meetings. Her election to the Security Council is a recognisation of the esteem in which Bangladesh is held by the International Community.

Within a short span of time, sincerity of Bangladesh's approach and adherence to certain well defined principles have won many new and dependable friends, offering scope to develop fruitful and wide ranging cooperation in various fields. Development of beneficial and friendly relations with all countries of the world on the basis of mutuality of interests particularly with the neighbouring and Muslim countries has been the cornerstone of her foreign policy.

Bangladesh made considerable progress in promoting bilateral relations and expanding economic cooperation with a number of friendly countries through visits undertaken by late President and establishment of personal rapport with leaders of various countries of the world.

One of the significant achievements of Bangladesh's foreign policy has been to further deepen and strengthen brotherly relations with Islamic countries, which is evident from the very active and fruitful role played by Bangladesh in the Organisation of Islamic Conference, in the Jerusalem Committee and more recently in the OIC Peace Mission to end the fratricidal war between Iran and Iraq. The unanimous choice of Bangladesh as one of the members of the Islamic Peace Mission is an eloquent testimony to the confidence and trust that the Islamic world has come to repose in Bangladesh. The decision of the OIC Peace Committee to hold a session in Dacca in honour of late President Ziaur Rahman is a tribute to the outstanding contributions made by the Bangladesh under his leadership to end the tragic conflict between the two brotherly Muslim countries.

In all these conferences, Bangladesh took a number of initiatives for promoting Islamic solidarity, for building a self-reliant Islamic community, and for the cause of Arab and Palestinian rights and for the liberation of Jerusalem.

Close and friendly relations with neighbouring countries and achievement of regional peace and stability is of paramount importance to Bangladesh. It is against this backdrop that the proposal of the late President for the creation of South Asian Forum for periodical consultations on matters of mutual interest and possible cooperation in economic, cultural and other fields was mooted.

Economic polarization, inequities of present economic system, and widening disparity between the rich and poor nations, has always been an important concern of our foreign policy. Bangladesh, therefore, took active part in various international forums and expressed solidarity with the countries of the Third World in restructuring the existing unjust International Economic Order.

Late President Ziaur Rahman was the only Head of State from a developing country to address the Eleventh Special Session of UN General Assembly on North-South-Dialogue in August last year and to focus on the serious plight of the Least Developed Countries. This initiative of the late President has undoubtedly won for Bangladesh a high acclaim as a vigorous champion of the cause of the developing countries in general and LDCs in particular. In his speech, late President made a 10-point proposal for development of cooperation between the North and the South and for amelioration of the difficulties of the Least Developed Countries. His initiative was widely acclaimed by the delegates and highlighted by the international press, including those of the developed countries. Chancellor

Bruno Kriesky of Austria, one of the two main initiators of the Mini-Summit, termed late President's speech as "very impressive" and BBC referred to it as "powerful and moving plea" made by him on behalf of the Least Developed Countries. It is in recognition of this active and constructive role of Bangladesh in global economic issues in various international forums that she has been invited to participate in the forthcoming Global Summit Meeting of selected Heads of State Government on problems of Development, otherwise known as the Mini-Summit, which will take place in Mexico next October.

The contemporary world political scene has important implications for the concept of the restructuring of the world economic order. There has been a marked shift in the world political order from bipolar to a multipolar configuration leading to a more widespread power rivalry, escalation of arms, scramble for spheres of influence and control over vital resources of the world. This is an order based on Metternich's concepts of Balance of Power and the sharing of spheres of influence which have become totally irrelevant to the requirements of the contemporary international situation. Bangladesh believes that these outmoded concepts and ideas should be totally discarded. A world free from turmoil, strife and conflict can be achieved, if all nations actively cooperate in reanchoring international to those human and moral values which inspired and sustained man's undying quest for peace, freedom and progress and to the principles of equality, justice and human dignity which are enshrined in the UN Charter. It is a welcome relief to see that there is a growing recognition and awareness by the international community of the need for the preservation of human rights, the most sacred of which are the right to life, food, shelter, clothing, health and education and employment, and that it is the collective obligation of the international community to provide for the basic human needs.

It is against the background of the contemporary world scene that the foreign policy formulated by the late President Ziaur Rahman and its performance should be judged.

CSO: 4220/7609

PRIME MINISTER INTERVIEWED ON RELATIONS WITH INDIA

Dacca THE BANGLADESH OBSERVER in English 29 Jul 81 p 1

[Text] Prime Minister Shah Azizur Rahman emphasised that the island of South Talpatty belonged to Bangladesh on the basis of all reliable information and data.

Making a comment on recent developments in the island and Bangladesh's relations with India in the light of reported remarks by Indian Prime Minister Mrs Indira Gandhi, Shah Aziz told BSS in Dacca on Tuesday that it had been the consistent policy of Bangladesh to resolve all disputes through peaceful means.

He stressed that Bangladesh did not believe in the use of force for providing lasting solution to any problem.

He said Bangladesh would not be deterred in seeking all lawful and peaceful means in finding a fair, just and durable solution of the issue in accordance with the principles of the United Nations charter and of non-alignment.

When asked to comment by BSS on a reported statement by Mrs Gandhi at a recent Press conference in Srinagar Prime Minister Shah Azizur Rahman stated categorically that it had been made clear to India that the island belonged to Bangladesh on the basis of all reliable information and data available to Bangladesh which had been sent India. He reiterated however that it had been the consistent policy of Bangladesh to resolve all disputes through peaceful means in accordance with the principles of the U.N. charter and non-alignment to which Bangladesh was constitutionally committed.

The Prime Minister stressed that while Bangladesh did not believe that the use of force could provide a lasting solution to any problem Bangladesh would not be deterred from seeking all lawful and peaceful means in finding a fair, just and durable solution of the problem.

Shah Aziz expressed surprise and regret at Mrs Indira Gandhi's reported remarks which if true would constitute a severe setback to concerted efforts being taken to defuse tension over the question and to adopt appropriate measures to restore the status quo and thereby create a climate of trust and confidence conducive to meaningful negotiations for peaceful settlement of this problem. Such a posture on the part of India, he observed, would be tantamount to a reversal of

past commitments and understandings reached between the two countries and a violation of solemn pledges made at the highest level to resolve this question peacefully and at an early date. It could not but be construed as an attempt on the part of India to seek the acquisition of territory by force in violation of its fundamental commitment to the principles of non-alignment and the United Nations Charter he added.

The Prime Minister stressed that Bangladesh's efforts for maintaining friendly and good neighbourly relations with all its neighbours including India were constant and consistent and would continue to remain her prime endeavour so long as they would be reciprocated.

He stated that it was Bangladesh's firm belief that the essential basis for building good neighbourly relations was founded on mutual respect for sovereign equality and territorial integrity of all states, non-interference in internal affairs of other states, non-use of force and the peaceful settlement of disputes.

The Prime Minister expressed the hope that relations between the two countries would continue to be cemented on strict adherence to these principles and that appropriate remedial actions would be taken by India to remove the cause of strain and tension thereby creating a more fruitful atmosphere to resolve the question of South Talpatty peacefully, along with other outstanding problems.

CSO: 4220/7472

FOREIGN MINISTER REPORTS ON MEXICO MEETING

Dacca THE BANGLADESH TIMES in English 10 Aug 81 pp 1, 8

[Text] Foreign Minister Prof Shamsul Huq on Sunday said that the preparatory meeting of Foreign Ministers of 22 developed and developing countries for the forthcoming mini-summit was fully successful marked by complete agreement for cooperation among the participants.

He told newsmen at the airport on return from Cancun in Mexico where the preparatory meeting was held that the Western developed nations had showed "understanding, cooperation and realistic attitude" towards the discussions. As a result the objectives were reached within short period.

Expressing satisfaction over the changing attitude of Western developed countries to issues of North-South, the Minister hoped that the mini-summit which will also be held at Cancun, the sea resort of Mexico, on 22-23 October will be marked by same cordiality, frankness and understanding chart a future course of cooperation among the nations on global basis.

Prof. Huq said that the meeting also adopted the agenda for the summit besides agreeing that the summit should be informal and unstructured in order to enable the summiteers to have frank, friendly and candid exchanges among them. This would lead to mutual understanding to generate essential political to evolve a global strategy to combat the problems faced both by the developed and developing countries.

He said that Soviet Union was yet to respond to the invitation to participate in the summit. However, he hoped Moscow would ultimately attend the summit which he said would usher in a new era of global understanding.

Flow of Inputs

BSS adds: The cooperation between the developed and the developing countries, he said, would lead to greater flow of inputs and capital resources to developing countries resulting in increased production and earning in these countries.

The summit, he said, would devote to international cooperation for development and reactivation of world's economy with primary focus on food security and

agriculture, energy, other commodities, trade and industry, and monetary and financial resources. He said that the participating nations would be free to raise other issues as well.

Climate of Trust

Prof. Huq said that the climate of trust, frankness and cordiality and mutual understanding and cooperation in which the preparatory meeting was held led to its success.

The Foreign Minister said that the forthcoming summit would also be held in a similar atmosphere and spirit.

He said that the recommendations of the Caracas meeting, the Ottawa Summit of seven industrialised nations and the LDC summit due to be held in Paris will go to the global round of negotiations for cooperation at Cancun.

He expressed happiness that a departure could be made in the whole approach at the just concluded preparatory meeting from the stage of deadlock in which the previous North-South dialogues had stuck up.

Prof. Huq said that the global economic problems had sharpened characterised by deflation, inflation and other troubles in the developed countries and poverty and mass unemployment in developing ones.

All these, he said, have led to a further deterioration of slowing down of growth in global economy. He added that the problems were bound to lead the world to a serious economic and political trouble unless approached in spirit of understanding and cooperation.

He said that there had been isolated approaches to tackle the problems but, without much result.

The Foreign Minister said that it would be necessary to adopt a constructive approach at the summit to tackle the global problems.

Talpatty Issue

ENA adds: Foreign Minister Prof M. Shamsul Huq today said that he had a series of discussions with Indian External Affairs Minister Narasimha Rao on various outstanding problems including the South Talpatty issue.

The talks were held in Cancun, a sea resort of Mexico; where both the Foreign Ministers had gone to attend the preparatory meeting of 22 Foreign Ministers of developed and developing countries on forthcoming mini-summit in Mexico scheduled to be held in October next.

The Foreign Minister on his return home after attending the meeting told newsmen that the 'response of Indian External Affairs Minister was encouraging.'

Asked to elaborate in what respect the response of the Indian External Affairs Minister was encouraging, Prof Huq said it was how to ease and defuse the strain on our relations.

Racial Problem in UK

Prof M. Shamsul Huq said that the British Foreign Secretary Lord Carrington assured him that security of life to all living in the UK would be ensured. Prof Huq was replying to newsmen at Kurmitola airport on return from Cancun.

Prof Huq and Lord Carrington had met in Cancun and discussed bilateral relations between Bangladesh and Britain.

CSO: 4220/7615

ELECTION STANCE OF POLITICAL PARTIES REVIEWED

Dacca THE BANGLADESH TIMES in English 27 Jul 81 pp 1, 8

[Text] The forthcoming presidential election may witness a large array of candidates fighting more for projecting all that their parties stand for, than with the hope of winning the elections.

However, barring the Muslim League (Sobur) and the ruling Bangladesh Nationalist Party, no major political party has so far announced its candidate for the presidential race. It is unlikely that they would announce their respective candidates before the date of filing of nomination which is set for August 10. Only the alliance formed in recent days might announce them.

Political manoeuvres and public announcement lead to a possibility that more than two opposition candidates besides independents might seek election.

Since the date of polls was announced, main activities of the political parties have remained confined to voicing demands, conditions and pre-conditions for participating at the polls. Only few of them tried to sample public opinion about them and their strategy but they carefully avoided committing themselves whether they would participate in the elections and refrained from naming candidates.

Some of the pre-conditions and demands are common, namely, withdrawal of state of emergency, shifting of the date of election to November end and equal facilities for all candidates. The number of points of demands would run into two digits.

Besides the three-decade old debate whether the country should have a parliamentary form or a presidential form of government once again is getting due currency. There had been three presidential form of governments and two parliamentary form of governments in this country since the Britishers left this subcontinent in 1947. The issue remained unresolved and most probably like in 1978 the election would veer around this issue.

Following is a pen picture of what the major political parties are doing:

Awami League (H): Awami League (then Malek) had formed a 10-party alliance in 1979 to wedge a strong movement against the Government but appeared to be

disillusioned and got itself extricated almost unnoticed. It is now certain it would go alone with indirect and moral support of former political-mates. On election, the party appeared to be in two minds though there is no record that this party ever boycotted an election. At the moment the lobby opposing participation in the election appear to be controlling the waves. The reason that they could not afford to lose an election now that Hasina, whom they consider as their triumph card is back home. Hasina would face political burial if the Awami League lost the election, they argued. But neither this lobby nor others including Mrs Hasina herself has let it be known that the party would boycott the election.

The outcome of her visit to London and New Delhi would perhaps clear up stand of Awami League vis-a-vis the presidential election. The party is more burdened with finding a candidate because barring Mrs Hasina other leaders nearly level off in stature and are, therefore, good candidate each. Mrs Hasina cannot contest because of her underage. If the date is shifted beyond September maybe she would contest. But if the Awami League would like to play this triumph card is doubtful. However, the names of Dr Kamal Hossain and Mr Abdus Samad Azad belonging to two lobbies in the party continued to draw attention, Kamal having a little edge. Awami League has announced it would go for all-out movement from August 10 in support of its four pre-conditions.

Retired General M.A.G. Osmany: General Osmany's approach to the presidential election can be divided into two parts, one that belonging to period following the tragic assassination of President Ziaur Rahman when he appeared to be nearer to the administration and another belongs to the period after the announcement of date of election.

Gen Osmany heads a small party and, therefore, the question of a national mobilisation by that party is beyond question. His recent increasingly stringent criticism of the Government and efforts to garner support of the freedom fighters of all shades appear to point that he was striving for a broad base. The persistent call by a section of opposition for a common candidate is said to have Gen Osmany in mind. So far the CPB of Moni Singh, the three party alliance of Jatiya Samajtantrik Dal, Workers Party and Sramik Krishak Samajbadi Dal and some others have made such demands. The Muktijoddha Sangsad's (led by Col (Retd) Q. N. Zaman) call for a common candidate has striking similarity in language. Gen Osmany is also being encouraged by expatriate Sylheties in London who reportedly made promises of financial support.

General (Retd) Wasihuddin: Belonging to aristocratic Nawab family of Dacca, Gen Wasihuddin is a well-known name in the Pakistan military. But in politics he would be in his ripe age. He has expressed his wish to contest the election. He has made several statements: He would join Awami League after he wins the election, he wanted the opposition to name a common candidate. He had talks with opposition leaders about the candidature. So far none had responded to his proposals publicly.

8-party alliance: This is known as National Democratic Front (no relative of NDF of Pakistan day headed by Suhrawardy). Led by Mr Shamsul Huda of Gono Muslim

League the Front comprised with small parties as Jatiya Dal (Serajul Huda), People's Democratic League (Mujibur Rahman), Islamic Democratic League (Shafiqur Rahman), Republican Party (Serafat Hossain), Jatiya Dal (Mohiuddin), and Jatiya Sebak Dal (K. N. Islam). The front will contest the election but demanded a round table conference of all political parties before the polls.

Jamat-e-Islami: The party appears to follow Awami League and will contest the election on its own.

18-party alliance: Now known as National Front with Mr Ataur Rahman Khan MP and chief of Bangladesh Jatiya League as convener the alliance has sought to present itself as an alternative to AL(H) led opposition. The Front has termed BKSAL as guilty of murder of democracy and terrorism and viewed the BNP as autocratic force incapable of ruling the country.

Muslim League (Sobur): The party has nominated its chief Khan Abdus Sobur as the candidate but demanded shifting of the election date.

Next couple of days will witness a number of decisions being taken by the opposition in view of the possibility of the date of election being finally shifted.

CSO: 4220/7468

REPORT ON NATIONAL AWAMI PARTY EXECUTIVE MEET

Dacca THE BANGLADESH TIMES in English 10 Aug 81 p 8

[Text] Prof. Muzaffar Ahmed, M.P., and chief of Bangladesh National Awami Party (M) on Sunday reiterated his party's stand for putting up a common candidate from the progressive and democratic political forces of the country in the coming Presidential election.

Delivering his Presidential address at a meeting of the central executive committee of the party at the party central office he also called upon the government to fulfil the demands of progressive and democratic opposition parties for free and fair election and to shift the polls date to November 15.

He said that the country had fallen into an uncertain situation after the assassination of President Ziaur Rahman. He alleged that the government was ignoring the demands made by the opposition concerning election only to continue in power.

The reactionary political parties including Jamaat-e-Islami backed by foreign powers were conspiring to form an extremely reactionary government in the country, he alleged.

CSO: 4220/7615

AWAMI LEAGUE-MIZAN COMMITTEE ELECTS OFFICIALS

Dacca THE BANGLADESH TIMES in English 10 Aug 81 p 8

[Text] Mr Mizanur Rahman Chowdhury MP was re-elected President and Mr Nurey Alam Siddiki was elected General Secretary of the central executive committee of Bangladesh Awami League (Mizan) that was unanimously elected for next two years at the end of the 2-day council session of the party on Saturday.

The 26-member central executive committee of the party includes ten Vice-Presidents: Messers Shamsul Huq, Dewan Farid Gazi, Syed Abdus Sultan, Md Mayezuddin, Moslemuddin Ahmed, Azizur Rahman Akkas, M Idris Mia, Prof Hamidur Rahman, Mohiuddin Ahmed and Sheikh Abdur Rahman.

Mr Mozaffar Hossain Paltu and Shah Jahangir Kabir have been made Joint Secretaries while Khwajda Mohiuddin has been made Assistant Secretary.

Presided over by party chief Mr Mizanur Rahman Chowdhury, the session also elected an eleven-member parliamentary board of the party.

CSO: 4220/7615

BSD, MAJDOOR PARTIES SUPPORT GENERAL'S CANDIDACY

Dacca THE BANGLADESH TIMES in English 30 Jul 81 pp 1, 8

[Text] Two political parties, the Bangladesher Samajtantrik Dal and Bangladesher Majdoor Party have supported the candidature of General (Retd.) M. A. G. Osmany, Convener of Jatiya Janata Party (Osmany) in the forthcoming presidential elections.

In a statement, Mr. Khalequzzaman, Convener, Bangladesher Samajtantrik Dal, said that the programme of General (Retd.) Osmany would help prepare the grounds for future mass movement. He said that they were supporting the candidature of General (Retd.) Osmany in the presidential polls as part of a mass movement.

Majdoor Party

Mr. Abul Bashar and Mr. Deben Sikder, General Secretary and member of Politburo of the Bangladesher Majdoor Party expressed their satisfaction on the acceptance of the proposal given by the Citizens Committee by Gen. Osmany to contest the presidential elections. They also hoped that the patriotic democratic forces would extend their support to Gen. (Retd.) Osmany to carry forward the movement for democracy.

CSO: 4220/7474

GENERAL OSMANY NAMED CANDIDATE FOR PRESIDENCY

Dacca THE BANGLADESH OBSERVER in English 29 Jul 81 pp 1, 12

[Text] 'Citizens' National Committee' a non-party organisation representing cross-section of people, announced formally on Tuesday the name of General (Retd) M. A. G. Osmany as its candidate for the coming Presidential polls.

Addressing a Press conference at the National Press Club on the day, the functionaries of the committee said that the retired General was being put up as 'a non-party national candidate' for the Presidential elections for his "integrity of character" and his role as the consistent champion of 'unfettered Parliamentary democracy' and as the Commander-in-Chief during the War of Liberation.

The Chief of Jatiya Janata Party General (Retd) Osmany who was present at the Press conference told the newsmen on the occasion that he had agreed to accept the nomination of 'Citizens' National Committee' with the full endorsement of his party to serve the nation at this 'critical juncture.' He also announced his approval of the electoral programmes and pledges of the 'committee.'

However, both 'Citizens' National Committee' and General (Retd) Osmany made it a categorical point to stress that the date for the Presidential polls must be shifted to the month of November 1981.

The four-point objective of the 'Citizens' National Committee' in its electoral pledges to the people included the following: (1) introduction of Parliamentary form of government and establishment of 'full democratic rights' of the people; (2) pursuance of a bold non-aligned foreign policy to consolidate national independence and sovereignty; (3) development of the national economy along steady independent lines free from all anti-national influences of the foreign powers and adoption of economic policies for the 'real welfare' of the common people in both rural and urban areas; and (4) patronage of the struggle of the toiling peoples, peasants and workers for the establishment of their socio-economic rights.

Dr. Zafarullah Chowdhury of 'Savat Ganoshaistya Kendra announced the candidature of Mr. Osmany on behalf of the citizens' committee at the Press conference. Dr. Ahmed Sharif another leading member of the 'committee' read out the electoral manifesto and programme on the occasion. Earlier the leading members of the

Citizens' National Committee were introduced to the newsmen by Mr. Mahmudur Rahman Manna, Vice-President of Dacca University Central Students Union (DUCSU). Those who were present at the conference on behalf of the 'committee' included Dr. Serajul Islam of Dacca University, Col. (Retd) Quazi Nuruzzaman, Dr. Mofiz Chowdhury (a former Minister under the Awami League Government), Wing Commander (Retd) Baki, Mrs Jahanara Imam (a writer), Mr. Sadek Khan (a businessman), Mr. Enayetullah Khan and Mr. Faiz Ahmed (Journalists) and Mr. Ahmed Kamal of Dacca University.

In his address at the Press conference General (Retd) Osmany appealed to all political parties and the broad sections of the people to vote him to power to redeem the electoral pledges and programmes announced by the 'Citizens' National Committee' and endorsed by himself and his party. He urged all government officials both in the civil services and in the Armed Forces to be conscious about their responsibilities and to facilitate the conduct of the coming Presidential elections in a free and impartial manner. He also made a fervent appeal to the Freedom Fighters to rally around him to 'consolidate national independence and state sovereignty.'

Ziaur Rahman was a Freedom Fighter and a hard-working man who tried to initiate a process. He preferred not to make any adverse comment about the late President saying that it was not decent to observe anything about person who was killed only recently. He however added that the late President tried to create a political party being in power and alleged that the ruling party had taken to narrow squabbling after his death. He was critical of the Sixth Constitutional Amendment Bill stating that the present ruling authorities had shown disregard for the system that the late President wanted to keep in practice.

CSO: 4220/7472

PARTIES' REACTION TO POLL DATE CHANGE REVIEWED

Dacca THE BANGLADESH OBSERVER in English 29 Jul 81 pp 1, 12

[Text] Different political parties have issued statements on the shifting of the Presidential election date from September 21 to October 15.

In a statement Mr. Mizanur Rahman Chowdhury and Mr. Mohiuddin Ahmed, President and Acting General Secretary of Awami League (Mizan) termed the shifting of the election date by few days as negligence to the people's opinion by the government. They said that when all the Opposition parties demanded to shift the election date to last week of November the government had "cleverly by passed the demands of the people" and refixed it unilaterally. They held that the Opposition would not be able to campaign within such a short time "by being deprived of the facilities in the government controlled news media." They reiterated their demand to shift the election date to the last week of November and called upon all Opposition parties to stick to their earlier demand on the shifting of election date.

An emergency meeting of the Executive Committee of Bangladesh Labour Party held under the Chairmanship of Acting President of the organisation Moulana Golam Mostafa Khan criticised the government for shifting the election date without any consultation with the Opposition when all political parties were unanimous in shifting the election date to November.

The meeting observed that the new date was also not suitable as during that time most of the areas of the country goes under water due to monsoon. The meeting reiterated the party's demand to shift the election date to November and urged all the political parties to remain united on this demand.

BSS adds: The National Republican Party at an emergency meeting of the Executive Committee congratulated the Acting President Mr. Justice Abdus Sattar for shifting the date of presidential polls from September 21 to October 15.

Presided over by the party chief Mr. Zahir Khan the meeting also appreciated the remarkable and methodical" steps taken by the Government in establishing democracy in the country.

Mr. Ataur Rahman Khan, convenor of the newly formed National Front, in a statement said that the shifting of the Presidential polls date from September 21 to October 15 was not acceptable.

Mr. Khan said it would make no difference in terms of the sufferings of the voters to reach the polling centres as the road communication at that time would be much precarious.

According to a Press release the National Front in a meeting with its convener in the chair on Tuesday reiterated its demand for shifting the election date to the third week of November for the sake of people's participation.

CSO: 4220/7472

EDITORIAL EXPLAINS CHANGE IN ELECTION DATE

Dacca THE BANGLADESH OBSERVER in English 29 Jul 81 p 5

[Editorial: "New Date"]

[Text] The date for electing a new President has been shifted. The new date is October 15. The additional time that this shifting of date has made available is twentyfour days. This, when seen in isolation, may not seem long, but really is. The length of the period must be considered keeping in mind the constitutional requirement of electing a new President within a specific period after the death of the President in office.

October is a fine month from the point of view of both weather and agriculture. Monsoon would be over by the time election is due. Communication in the rural areas would be easier. Farmers, who constitute the majority of the population, would be more free and more at ease than before. It would be logical therefore to hope that the new date would make it easier for the people to participate in the election and would be found more convenient.

The Election Commission has reportedly considered various aspects of the matter before taking a decision on the new election date. An election is a serious matter and must be taken as seriously as possible. That the Election Commission has carefully considered the matter would convince the people of the earnestness in which they have taken their task. This task is huge and difficult. On top of it, the time that is available to the Commission is shorter than usual. The successful conduct of an election does not depend on the efficiency and hard work of the conducting authority alone. It needs cooperation and support of the people too. Both, we hope, would be forthcoming.

September 7 now is the date on which nomination papers for the candidates will have to be filed. These will be scrutinised on the following day and can be withdrawn till September 12. The political parties will have considerable time to prepare themselves for the election. Some have already declared their willingness to contest and have even announced the names of their would be candidates. Others are yet to do so. We hope the election would be widely participated by the political parties and each has a responsibility towards the election. This responsibility must be discharged as well as possible. Those who were of the view that the time made available was rather short and therefore inadequate for making the necessary preparations should now feel comfortable.

The Election Commission is reported to have seen to it that no serious dislocation is caused to the arrangements that have already been made for holding the election. This means that shifting of the date would not demand any major change in the plans that have by now been worked out for holding a fair and free election. This surely is reassuring.

The people have a positive and significant role to play in the election. This election was not normally due at this point of time, but that does not lessen its importance. Election is basic to democracy and the people, we know, would fully exercise their right to vote and choose a candidate of their own liking.

CSO: 4220/7472

JSD NATIONAL COMMITTEE CALLS FOR OPPOSITION UNITY

Dacca THE BANGLADESH TIMES in English 28 Jul 81 pp 1, 8

[Text] The national committee of the Jatiya Samajtantrik Dal, at the end of its three-day meeting on Sunday, called upon all 'democratic and progressive forces' to set up a common opposition candidate for the coming presidential election.

Presided over by the party chief Major (Retd) M. A. Jalil, the meeting, however, decided not to take part in the election if the date of the polls was not shifted to sometime in November. It was also resolved that the JSD would persuade other opposition parties not to participate in the election if the date of the polls was not shifted. The meeting also demanded withdrawal of the proclamation of Emergency; repeal of Constitution (sixth) Amendment and Press and Publications Ordinance; release of political detenues; equal opportunities to all candidates in using mass media and enlistment of new voters for, what it described, creating conditions for holding free and fair elections.

CSO: 4220/7471

OPPOSITION LEADERS SPEAK AT AWAMI LEAGUE EVENT

Dacca THE BANGLADESH TIMES in English 27 Jul 81 pp 1, 8

[Text] The necessity of a united movement for parliamentary democracy was emphasised at the 24th founding anniversary function of National Awami Party (Harun) at Dacca District Sports Association auditorium on Sunday.

Leaders of the 10-party opposition alliance who were invited to address the function felt the need for putting up a common candidate at the coming presidential election, but differed on details of the electoral alliance.

While some of the leaders were of the opinion that broad-based unity for the next election was the need of the hour, some said, mere fighting for the election would serve no purpose if there was no programme for ameliorating the conditions of the masses. Yet some others said that a movement could be launched even by avoiding participation in the election.

However, the function ended with all the leaders of the alliance calling for a united strategy for overcoming the political and economic ills facing the nation.

Presided over by Chowdhury Haronur Rashid, President NAP (H) the function was addressed by leaders of nine parties of the alliance; General M.A.G. Osmany, Chief of Jatiya Janata Party sent a message which was read out by Mr Ashraf Ali.

Those who addressed the function were Messrs Abdur Razzak, General Secretary, Awami League (Hasina), A.S.M. Abdur Rab, General Secretary, JSD, Sardar Abdul Halim, General Secretary, Jatiya Skata Party, Rashed Khan Menon, MP, Member, Central Secretariat of Workers Party, Saifuddin Ahmed Manik, Acting General Secretary, Communist Party of Bangladesh, Abdur Rashid Tarkabagish, chief of Gano Azadi League, Pir Habibur Rahman, General Secretary NAP (M), Pankaj Bhattacharya, General Secretary NAP (H) and Mr Ahmedul Kabir, MP and Editor, Sangbad.

The leaders of the alliance reiterated the demands for creating an atmosphere of free and fair election, namely, shifting the date of election to November, equal facility for all parties in the mass media, release of political detenus including those tried by Martial Law courts and withdrawal of the State of Emergency.

Addressing the function Mr Abdur Razzak said his party wanted unity of pro-independence democratic forces not only for going to power but also for a programme of social change.

He called upon other Opposition parties to come forward for unity with an open mind for the purpose. There was no scope for confusion and for changing platforms, he said.

He said that Awami League (H) wanted unity even by sacrificing its own programme but there was no encouraging response. He alleged that the Government preferred not to pay heed to those.

He said that the economy of the country had collapsed. The forces opposed to independence were raising their heads while freedom fighters were being removed from services, he alleged. In this connection he criticised some parties which, he said were very much enthusiastic to call on the five ministers from Pakistan during their recent visit to Dacca.

Mr A.S.M. Abdur Rab said that there would be no election in the country if the pre-conditions were not fulfilled. He said that the Opposition political parties had no right to nominate separate candidates because this would only help the ruling Bangladesh Nationalist Party.

Mr Rab demanded open trial of the persons who were responsible for the assassination of President Ziaur Rahman.

Sardar Abdul Halim said that election was a temporary thing. United movement to reach the fruits of independence to 80 per cent of the population who lived in the villages was the need of the hour.

Mr Rashed Khan Menon called for waging united movement by making the sufferings of the common man the real issue. Only by doing this the people could be united. The common people were not concerned about what pre-conditions the parties put forward but about their own sufferings, he said.

Mr Saifuddin Ahmed Manik said that in the absence of a broad-based unity of the pro-independence democratic progressive forces reactionaries like the 18-party National Front and BNP were gaining ground. He said that anti-independence forces were raising their heads both nationally and internationally.

Mr Manik said that the pro-independence forces should unite for preserving democracy at the moment without asking how they differed in their respective party programmes.

Mr Ahmedul Kabir said that the Opposition parties were calling for parliamentary democracy but at the same time they were demanding shifting of the date of the presidential elections. They were talking about repeal of the Sixth Amendment to the Constitution although it had nothing to do with parliamentary democracy, he said.

CSO: 4220/7468

AWAMI LEAGUE-MIZAN LEADER TALKS TO NEWSMEN

Dacca THE BANGLADESH OBSERVER in English 27 Jul 81 pp 1, 12

[Text] Awami League (Mizan) President, Mr Mizauur Rahman Chowdhury on Sunday gave a call to the Opposition political parties who believe in multi-party system of democracy to nominate a single candidate for the forthcoming presidential polls, reports BSS.

Addressing a Press conference at the party central office Mr. Chowdhury warned that if the Opposition political parties fail to cooperate with one another in nominating a candidate the people of the country will not have any confidence in them.

The AL (Mizan) chief who claimed that the "Original Awami League" did not split said that so long as the Awami League headed by Sheikh Hasina will not deviate from the path of--"Baksalism and one-party system" the possibility of merger of two factions of the party does not arise.

Mr. Chowdhury also pointed out that he had no meeting with newly elected Awami League (Hasina) chief since her arrival from New Delhi and said that the contradictory statements of the leaders of Hasina Awami League would jeopardise the process of unity.

Regarding the possibility of nominating one candidate from the like minded Opposition parties Mr Mizan Chowdhury said that he is hopeful of this and indicated that he had discussions with many of the Opposition parties on the issue.

Criticising the Government for the Sixth Amendment of the Constitution Mr. Chowdhury said that it was done for justifying the candidature of the Acting President Mr Sattar who was holding a "post of profit." Amendment of the Constitution for the benefit of a person or a party he added is highly objectionable and immoral.

The AL (Mizan) chief also demanded amendment of the relevant provision of the Constitution in which a Government servant has been given chance to contest the election.

Explaining the "total support" of the entire Opposition to the Government for protecting the constitution after the assassination of President Zia he pointed out that the Government under the leadership of Mr. Justice Sattar did not care to listen to the cries of the Opposition who were demanding dialogues between the Opposition and the Government for announcing the election date. Instead the Government announced the election date hurriedly for its benefit he said and added the BNP wanted to win the election in the name of their late party Chairman Zia.

The Press conference was attended among others by senior party leaders including Mr. Shamsul Hoque and Mr. Nur-e-Alam Siddiky.

CSO: 4220/7467

CITIZENS' COMMITTEE HEAD REFUTES 'TIMES' REPORT

Dacca THE BANGLADESH TIMES in English 30 Jul 81 pp 1, 8

[Text] Dr Zafarullah Chowdhury of the National Citizens' Committee in a rejoinder to our report 'Gen (Rtd) Osmany to contest presidential polls' which appeared in our issue of July 29, said that Gen. (Rtd) Osmany's statements did contain references to the threat to our national independence and sovereignty.

With reference to the Press conference addressed by Gen (Rtd) Osmany as published in the BANGLADESH TIMES, Dr Zafarullah Chowdhury said that our report contained only some 'half truths.'

Dr Zafarullah Chowdhury claimed that Gen (Rtd) Osmany had condemned India for forcibly occupying the Bangladeshi island of South Talpatty. He further pointed out that Gen (Rtd) Osmany had said at the Press conference that if any of India's actions militated against our sovereignty 'then I (Gen Osmany) would surely resist that.'

We, however, wish to point out that our Staff Reporter was physically present at the Press conference and had reported everything truthfully. It may also be pointed out that other national dailies had reported the Press conference in the similar manner as ours.

CSO: 4220/7474

COMMUNIST PARTY HEAD URGES OPPOSITION UNITY

Dacca THE BANGLADESH TIMES in English 30 Jul 81 p 2

[Text] Chittagong, July 29--Mr Moni Singh, Chairman of the central presidium of the Communist Party of Bangladesh (CPB) on Tuesday urged the progressive patriotic forces to nominate a suitable candidate unitedly in the forthcoming presidential polls of the country, reports BSS.

The CPB chief was addressing the members of the Chittagong Bar Association at the Bar Library here. Mr Moni Singh expressed the hope that if the Opposition unitedly nominate one candidate and the election was held free and fair the ruling party nominee would surely be defeated. The people's verdict might be in favour of the progressive forces and against the reactionaries who were trying to retain power against the will of the masses, he added.

He alleged that the present Government was expending foreign loans indiscriminately in unproductive sectors resulting in hardships and sufferings of the common people.

CSO: 4220/7474

PAPER REPORTS DEVELOPMENTS IN BORDER ENCLAVES

Appeal to India

Dacca THE BANGLADESH TIMES in English 12 Aug 81 p 1

[Text] The government is learnt to have sought permission of the Indian government to allow despatch of emergency supplies to the beleaguered people of Dahagram, reports ENA.

Dahagram, the biggest enclave, has been cordoned off by Indian national since July 6.

The enclave has now no link with the motherland. The government has not yet succeeded in establishing claim on the teenbigha" corridor which India has to code to Bangladesh according to the 1974 border agreement.

The residents of the enclave depend on supplies from the motherland and India. Since July 6, Indian nationals have not been allowing any supplies to the enclave nor allowed any movement of the residents outside the enclave. Indian nationals did not even allow to carry out census in the enclave.

National dailies have been reporting on the plight of the hapless residents of Dahagram. Food, medicine and essentials have run short of supplies and the very security of the residents is at stake.

Encirclement Condemned

Dacca THE BANGLADESH TIMES in English 12 Aug 81 p 8

[Text] Al-Haj Captain M. A. Rab and Maulana Abdul Jabbar Badarpuri, Convene and Joint Convener of Bangladesh Islami Sangram Parishad, in a statement expressed their concern at the encirclement of Angarpota and Dahagram enclaves by the armed Indian mob.

While terming the encirclement of the enclaves as "inhuman" the Sangram Parishad leaders said that after forcible occupation of South Talpatty Island, the Indian design to grab the enclaves through its own national only manifested the fact India had engaged itself in an "undeclared war" against Bangladesh.

They urged the government to raise the issue in the international forums.

Jatiya Ganatantrik Party (JAGPA) will hold a rally tomorrow (Thursday) at Baitul Mukarram at 4 p.m. in protest against the encirclement of Bangladeshi enclaves by Indian nationals with the indirect assistance from their own government. The party will bring out a procession and stage a demonstration in front of the Indian High Commission in Dacca.

Juba Muslim League will organise rallies and protest marches throughout the country to protest against the encirclement of the enclaves by Indian nationals.

'TIMES' Editorial

Dacca THE BANGLADESH TIMES in English 12 Aug 81 p 5

[Editorial: "Lift the Siege"]

[Text] The will of eight thousand people in the border enclaves of Dahagram and Angorpota to live as Bangladeshis on the strength of the Indo-Bangladesh Land Boundary Agreement of 1974 seems resisted by a strong siege of armed Indian nationals and a thicket of BSF vigil to go with it. Thus an inherent and a legally vested right of a population and its natural custodian the state of Bangladesh is going ignored. And that in an unfolding scheme, as it appears, of not reciprocating our release of Berubari by leasing out to us perpetually the Tin Bigha corridor to the enclaves in terms of a provision of the 1974 agreement.

The blockade of Dahagram and Angorpota has virtually taken the form of a duress on the inhabitants who have to stay put in their houses without any possible pursuit of normal avocations. Mostly poor as they are, their fate is imperilled by a denial of harvesting and acute scarcities of food and medical help. The Rangpur Deputy Commissioner's assessment of the situation is that it demands the despatch of Red Cross help to the area.

Inhabitants of the enclaves being virtually incommunicado, we have little information about them. But whatever trickles down speaks of settling people in them from the adjoining areas and a localised effort at weaning the labour classes away. The people of Dahagram and Angorpota voted in the last two elections of Bangladesh. While this was not taken kindly to as being a sign of progress towards the possession of the enclaves by us, determined resistance came in the way of our legitimate census bids of March last in the territories.

The last year's meet at Dacca of the foreign ministers of India and Bangladesh had resolved through a recorded understanding to expedite the implementation of the 1974 Indo-Bangladesh Border Agreement. Following that there were meetings between the foreign secretaries of two countries but with no substantial results. Our Foreign Minister in recent talks with his Indian counterpart at Cancun, Mexico has had the impression of an encouraging Indian response to our problems with her. Such signs would count for something when backed by actual deeds from the Indian side.

The initiatives are for her to take for ensuring safety and security of the people of the enclaves by lifting the blockade and letting us have the perpetual lease of the Tin Bigha corridor to the enclaves of Dahagram and Angorpota so that these can come under our legitimate administrative control. If there is any obstruction to this process in India then she with her political organisation should be able to overcome it.

CSO: 4220/7618

EDITOR CENSURED FOR SECRET INDIA PACT STORY

Dacca THE BANGLADESH OBSERVER in English 28 Jul 81 pp 1, 8

[Text] The Press Council in its judgment in the case Abu Mohammad Bablu and Editor Weekly Janakatha on Monday censured the Editor of the Janakatha.

The following is the text of the judgment:

In the Weekly Janakatha dated 17th March 81 two important information were disseminated. First the late Janab Tajuddin the then Prime Minister of Bangladesh-Government-in-exile, made a secret pact with India and second, he made a deposit in his account in some Indian Banks a huge sum of money amounting to nearly one hundred crore Taka, this money having been collected by him from three sources namely misappropriation of a portion of the exile-Government-Fund a share of profit from currency-note printing in Bombay and commission from Indian corporations for giving them facilities in this country.

In respect of these two statements contained in the report in Janakatha complainant Abu Mohammad Bablu describing himself as a very close political disciple of late Janab Tajuddin has filed this petition against the Editor Weekly Janakatha alleging that late Janab Tajuddin made no secret pact with India which fact has been admitted by the present Foreign Minister in the Parliament and that the story of deposit of money is totally false.

The Editor Mr. Ibrahim Rahman of Weekly Janakatha in his written objection submits that the petition of complaint is not maintainable in law as the petitioner is not an aggrieved person. He further submits that the statement of the Foreign Minister is not categorical about the secret pact with India. He submits that in the Ittefaq dated 24.3.72 and in Weekly Holiday dated 20.8.72 and in Weekly Hoqkatha dated 22.9.72 and in daily Ittefaq dated 4.11.74, copies of which have been annexed statements of A. S. M. Abdur Rob, Lt. Col. Ziauddin and Dr. Aleem-Al-Razee, indicative of amassing wealth in Indian banks were published and that no contradiction or rejoinder was given by any aggrieved person. Lastly the Editor submits that a newspaper has a public duty to ventilate abuses of an official if he fails in his duty and a newspaper is absolutely within its rights to publish facts derogatory to him for the interest of the public.

The first point taken by the Editor regarding the maintainability of the case at the initiative of a stranger may summarily be rejected. Section 12 of the

Press Council Act empowers the Council to act on the complaint filed by anybody. The Act goes so far as to empower the Council to act suo-motto against any newspaper.

As to the secret pact with India by Bangladesh when the Weekly Janakatha has published this report onus is on the editor to prove his bonafides in the matter.

The complainant Bablu says that the present Foreign Minister denied the existence of any such pact and the opposite-party-editor says that the statement of the present Foreign Minister is not categorical. In our opinion the statement of Foreign Minister in the Parliament to the effect that he has no knowledge about any secret pact between Bangladesh and India, considering that he being the Foreign Minister must know about such pact is possibly an indication of the likelihood of non-existence of any secret pact. The report in the paper on this point is not justified in the sense that the onus of proof has remained undischarged. However we confine ourselves to the dispute raised in the case without giving any opinion about existence or non-existence of the pact.

As regards deposit of money all that the editor for his report depends upon are some statements of political leaders. These leaders have not said that Mr. Tajuddin had misappropriated a sum of money from the aid-fund during liberation war or that he had misappropriated money at the time of printing currency-notes or that he had received money from many Indian Corporations for allowing them privileges in Bangladesh. Even if they had said so, the editor would not be within his justification to publish such a scurrilous and defamatory report against a dead man without due and proper verification. The editor cannot depend for news on the reports published in other newspapers unless he quotes the source-newspaper for this purpose. Moreover the newspapers referred to in the written objection do not mention the name of Mr. Tajuddin as having deposited money in Indian Banks.

We are of opinion that the Editor Janakatha has grossly violated the professional norm set down by the Press Council (Rule No. 2 of the code of conduct) which runs as follows:

"It should be noted in this connection that everything that interests the public is not in the public interest. It is found that some papers show a readiness to make statements on inadequate evidence, and some fall short of truth and fairmindedness, some indulge in suppression and distortion. These however call for action."

The Press Council in passing observes that this kind of activity jeopardises the interests of Journalism, tarnishes its fair image before the public and creates a credibility gap between readership and journalism. Since the Press Council has as one of its main aims the duty to attempt at eradication of these unethical activities from the sphere of journalism it cannot keep its eyes shut on these issues. We are of opinion that this practice, if not checked, will increase the gulf separating the world presented by the erring newspapers from the world of genuine reality.

While we think that it is not always illegitimate for a newspaper to present complicated subjects in such a way that its reader is attracted to them, giving the news presentations that are vivid and headlines that are arresting with an intention to make an impact on the readers minds; at the same time we maintain that at some point legitimate liveliness of presentation may become mere sensationalism with the norms having been violated.

In conclusion we hold that the editor in view of the above principles enunciated by us and in view of rule 2 of the code of conduct deserves punishment. The Editor, Janakatha is censured.

CSO: 4220/7469

GOVERNMENT DENIES MISTREATMENT OF 'MUTINEERS'

Dacca THE BANGLADESH OBSERVER in English 28 Jul 81 p 1

[Text] The attention of the Government has been drawn to certain statements by some public leaders in a section of the Press on the subject of the trial of accused by General Court Martial. The statements charge the Government of malafide action and treating unfairly some accused mutineers. The Government most emphatically deny that either the Army or Government has at any time acted unfairly or in any manner not in accordance with laws and rules according to an official handout issued on Monday.

Furthermore, the Government want to clarify the position as follows:

Between 30th May and 1st June, 1981 the Chief of the Army Staff personally broadcast a message to all the mutineers as well as those who were in the area under the control of the rebels calling upon them to surrender by 6 a.m. on June 1, 1981 with full guarantee of pardon declared by the Government. As a result of this accouncement a large number of men and officers did actually disassociate themselves from the mutineers and cross over to the area under the control of the Government loyal forces. Those who voluntarily expressed their allegiance to the Government of the People's Republic of Bangladesh and or surrendered to the Government garrison Comilla, have automatically been given the benefit of this pardon. But in respect of others who neither did cross within the time limit nor in any manner express their allegiance to the Government and were subsequently either arrested or forced to surrender, the Government obviously have to act with caution. Clearly in such cases evidence has to be adduced to prove to the satisfaction of the enquiry court the innocence of such individuals and their non-involvement with the mutineers at least from the time limit announced by Lt. General H. M. Ershad, the Army Chief.

In this connection the Government wish to point out that anyone who had direct knowledge about a person's non-involvement or innocence was free to give evidence to that effect. It is emphatically and clearly stated that the Government have no intention of acting vindictively or unfairly in any manner.

The Government also wish to reiterate its request to the public that utterances likely to prejudice the trial or indirectly involve the armed forces in any controversy should be conscientiously avoided. The Government wish to reiterate its assurances of publishing as soon as possible a detailed report on the Court of Enquiry and the proceedings of the General Court Martial held in connection with the May 30 incidence at Chittagong.

CSO: 4220/7469

DACCA APPEAL: NO STATEMENTS ON CHITTAGONG TRIAL

Dacca THE BANGLADESH TIMES in English 27 Jul 81 p 1

[Text] The Government in an announcement on Sunday urged all to refrain from giving statements about the General Court Martial at Chittagong because these may create misgivings in the public mind and thus jeopardise the proceedings of the trial.

The announcement said that the trial could not be subjected to any question since laws under the Army Act were also laws of the land.

Following is the text of the announcement:

Despite the assurance given by the Government for the publication of a White Paper on the enquiry report and the trial proceedings of the General Court Martial at Chittagong, certain interested persons are trying to politicise the case thus creating misgivings in the public mind. According to Army Act the convening authority of a Court Martial for reasons of military security and discipline may not allow civilian counsels for the accused persons. In the 17th June trial, civil lawyers were allowed because civilians were also involved in the abortive coup, whereas in the present trial at Chittagong only army personnel are being tried for a purely military offence (causing mutiny) under Section 31 of Army Act. This can not be subjected to any question since laws under the Army Act are also laws of the land.

In the circumstances for the greater interest of the country, and the Armed Forces in particular, all conscientious people should refrain from giving statements which may create misgivings in public mind and thus jeopardise the proceedings of the trial.

CSO: 4220/7468

COURT DISMISSES PETITION FROM MUJIB'S SUCCESSOR

Dacca THE BANGLADESH OBSERVER in English 29 Jul 81 pp 1, 12

[Text] A division Bench of the High Court Division comprising Mr Justice Abdul Wadud Chowdhury and Mr Justice Sultan Hussain Khan by a judgment delivered on Tuesday discharged the rules earlier issued against the Government and others on two writ petitions filed by Khondker Moshtaq Ahmed who became President after killing of Bangabandhu Sheikh Mujibur Rahman.

In the writ petitions the legality of the trial and the conviction and sentence passed by the Special Martial Law Court were called in question.

According to allegation against him while he was Minister and then President he by misusing his position and power misappropriated public funds and used the same funds for construction and development of his paternal house in Comilla.

The trial and conviction were attacked mainly on the grounds that the amendment of the Martial Law regulations providing for trial of the President was malafide in as much as the same were done only with a view to prosecuting the petitioner.

It was also submitted that the review of the judgment against him was done without any notice to him and in violation of Martial Law regulations providing for disposal of review.

On behalf of the Government it was submitted that there could not be any allegation of malafide against any legislation in general and that the review of judgment by the Government having not given any vested right to the petitioner the same could be disposed of in the manner the Government considered it proper.

After hearing both sides their Lordships were of the view that the contentions raised on behalf of the petitioner were without substance and accordingly discharged the rules. The court however granted him a certificate for leave to appeal before the Appellate Division.

Mr M. H. Khondker, Mr Nizamuddin Haider, Mr Khondker Mahbubuddin, Mr Mainul Hosain and others appeared for the petitioner while Attorney General Mr K. A. Bakr and Deputy Attorneys General Mr A. W. Bhulyan and Mr Sohrab Ali appeared for the Government.

CSO: 4220/7472

REPORT ON BANGLADESH YOUTH DELEGATES IN PRC

Dacca THE BANGLADESH OBSERVER in English 28 Jul 81 p 8

[Text] A youth delegation from Bangladesh led by Mr. Abdul Kashem, State Minister for Youth Development, arrived in Peking on Saturday. The delegation was accorded a cordial welcome on arrival at the airport by Mr. Liu Weimen, Vice-President of All China Youth Federation, and senior officials, says a PID handout.

Mr. Han Ying, First Secretary of the Communist Youth League of China and member of the Chinese People's Political Consultative Conference, hosted a dinner in honour of the State Minister which was attended among others by Mr. Liu Weimen, Vice-President of All China Youth Federation, and Mrs. Huang Gan Ying, Vice-Chairman of All China Women's Federation.

Mr. Han Ying in his speech at the dinner paid tribute to the success achieved by people of Bangladesh under the leadership of the Late President Ziaur Rahman and wished the people of Bangladesh progress and prosperity. He expressed the hope that the current visit of Bangladesh Youth Delegation would contribute to strengthening of friendship and cooperation between the youth of China and Bangladesh.

The State Minister for Youth Development in reply recalled the traditional bonds of friendship between the people of Bangladesh and China. He expressed satisfaction at the steady development of friendship and cooperation between the two countries.

Mr. Abdul Kashem also spoke about the success attained by the people of Bangladesh in their nation building endeavours under the leadership of the Late President Ziaur Rahman whose passing away has made an irreparable loss to the people of Bangladesh.

CSO: 4220/7469

YOUTH DEVELOPMENT MINISTER REPORTS ON PRC VISIT

Dacca THE BANGLADESH TIMES in English 8 Aug 81 pp 1, 8

[Text] Mr. Abul Kashem, Minister of State for Youth Development, returned to Dacca on Friday after a 10-day visit to China, reports BSS.

Talking to newsmen at the airport the State Minister described his visit to Peking as "very fruitful" and added "we had exchanged views on various issues, particularly the activities of youths in Bangladesh."

The Minister, who visited China leading a seven-member delegation at the invitation of All China Youth Federation, said that his delegation had explained the programmes taken for the development and utilisation of the vast youth force in the second five-year plan period during their talks with Chinese officials.

He said that his delegation was warmly received everywhere they went during the tour. He also lauded the Chinese hospitality.

He said that he had extended an unofficial invitation to the Chinese Youth Federation to visit Bangladesh. The visit might take place either in December this year or in February next, he said.

Mr. Kashem said that the present Chinese Government had taken keen interest in their youths and encouraged them in taking active part in the national developmental activities. Youth leadership is very much encouraged in China, he added.

The Chinese Ambassador in Bangladesh, members of Jubodal and Jatiya Sangstha received the Minister at the airport.

CSO: 4220/7613

YOUNG PEOPLE WARNED AGAINST FOREIGN CULTURES

Dacca THE BANGLADESH TIMES in English 8 Aug 81 pp 1, 8

[Text] Narayanganj, Aug 7--The Home Minister Mr A. S. M. Mustafizur Rahman today cautioned the country's youths against foreign cultural onslaught upon the national culture of Bangladesh, reports BSS.

Speaking at an annual conference of a local socio-cultural organisation 'Prakash' the Minister advised the youths to develop Bangladeshi culture as an impregnable barrier against any foreign cultural infiltration or subversion.

Mr Mustafizur Rahman recalled the great contribution of late President Ziaur Rahman for the development of Bangladeshi culture and paid tributes to his far-sighted statesmanship. President Zia did not go for economic development alone but also for social and cultural upliftment. He said adding the late leader's objective was to foster a balanced and allround development of Bangladeshi nationalism and culture.

The Home Minister stressed that mere economic development was not enough. Because, he observed, once a country lost its cultural identity through the aggression of foreign culture it would soon lose its will to resist physical domination. He said that the same kind of foreign cultural conquest followed the military defeat in the battle field in the mid-eighteenth century leading to the foreign rule in this part of the world for about 200 years.

Mr Mustafizur Rahman said that mere identity of language did not mean identity of culture.

He pointed out that English is the common language of Britain, the United States, Canada and Australia. But yet, he pointed out, these countries have different cultures. He also said that the people of Indian state of West Bengal and the people of Bangladesh speak the same language but we are culturally different.

He also said and urged the country's youth to assist socio-cultural bodies in even remote areas, for the development of a culture for Bangladesh having its own characteristics.

CSO: 4220/7613

INDIAN ALLEGATIONS ON NAVY INTRUSION BASELESS

Dacca THE BANGLADESH TIMES in English 14 Aug 81 p 1

[Text] A Foreign Office spokesman on Thursday described the Indian media campaign alleging violation of Indian territorial waters by Bangladesh Navy as 'completely baseless,' reports BSS.

When his attention was drawn to Indian Press reports making the allegations the spokesman said, at no stage the Bangladesh Navy had violated the Indian territorial waters.

Bangladesh Navy always confined their movement well within Bangladesh territorial waters, he emphasised.

The spokesman said that any aspersion to the country is completely baseless.

Indian Press Reports

Report from New Delhi says: Indian Press reports today (Thursday) said "about eight Bangladesh gunboats were still in the territorial waters" near disputed South Talpatty island.

Quoting "knowledgeable sources" in Calcutta, the reports said these boats were noticed there for last few days and some Indian Navy vessels have been despatched to ensure that there was "no infringement of Indian territory."

Border Security Force base in the island had been strengthened, reports said, adding that there was no confrontation.

Earlier yesterday (Wednesday), reports quoting official sources had said Bangladesh gunboats violated Indian territorial waters.

Bangladesh High Commission, when contacted, had described reports of violating Indian waters as "baseless."

BSF Alert

Another message from Delhi says: The Indian Border Security Force all along Indo-Bangladesh Border in West Bengal has been alerted against any possible

attempt at forcible incursion from the other side by stranded Pakistani refugees."

An official spokesman in Calcutta today said the decision had been taken in view of renewed threat by "those refugees of a long march" through Indian territory beginning August 15.

The West Bengal Government was being kept informed about the "long march" by the Indian Central Government, he said.

CSO: 4220/7621

DACCA REPORTS CREDIT TO RURAL AREAS DOUBLED

Dacca THE BANGLADESH TIMES in English 6 Aug 81 p 8

[Text] The share of institutional credit to the rural areas has increased from 17 per cent to about 30 per cent in recent years, according to a Government estimate.

It is gathered that the volume of credit disbursed by the multi-agency system (nationalised commercial banks, Bangladesh Krishi Bank, Bangladesh Samabaya Bank and TCCA's of the IRDP) increased three folds during the last three years. Actual disbursement during 1979-80 aggregated Tk. 2683.9 million against the target of Tk. 4066.7 million (representing 65.99 per cent of the target).

The cooperatives of Bangladesh Samabaya Bank and the Integrated Rural Development Programme (IRDP) played an important role in reaching the rural population with their credit, and a significant number of the borrowers had been small farmers.

Special Programme

The government launched a special agricultural credit programme under which the nationalised commercial banks (NCB's) were required, for the first time, to extend credit to the rural sector. The programme was aimed particularly at the small farmers.

The Tk. 100 crore programme is still on.

Meantime, a number of innovative credit programmes have been undertaken by the government to examine the feasibility of delivering credit to the disadvantaged groups in the rural areas. These include: (a) small farmers and landless labourers' development project, (b) Grameon Bank Project and (c) rural finance experimental project (USAID aided).

The last named is intended to test various ways of delivering credit to and mobilising savings from the small farmers and other rural producers who are not currently served by any of the lending agencies. The mid-term evaluation of this project revealed that out of the total loans disbursed, 73 per cent went to the target group borrowers.

Price Support

The government is also providing price support for paddy and jute goods to ensure a fair price to the growers to help achieve one of the most important objectives of the Second Five-Year Plan, namely: "to stabilize output prices at a remunerative level and to ensure a term of trade favourable to the rural sector."

Crop Insurance

Meantime, the government has also introduced crop insurance for paddy and a few other cash crops on a limited scale. The IRDP, in collaboration with the Sadharan Bima Corporation, is currently implementing a crop insurance programme in 189 primary co-operative societies to protect the farmers against possible loss of crops like aman, boro and aus due to pest attack, natural disasters and the like. Government is also learnt to be considering expansion of the insurance scheme.

CSO: 4220/7611

MANPOWER MINISTER REPORTS ON MIDEAST JOB MARKET

Dacca THE BANGLADESH OBSERVER in English 26 Jul 81 pp 1, 12

[Text] Over 8,000 Bangladeshis are expected to get employment in Iraq during the current year, State Minister for Manpower Development and Social Welfare Syed Mohibul Hasan said in Dacca on Saturday, reports BSS.

Talking to newsmen at his office after returning from visits to the Gulf countries, Mr. Hasan said besides Iraq, there were bright prospects of employment for Bangladeshis in Jordan and Saudi Arabia.

Mr. Hasan who led a three-member Bangladeshi delegation to attend the July Revolution of Iraq returned to Dacca on Friday night, touring Jordan, Kuwait, the UAE and the Kingdom of Saudi Arabia.

Mr. Hasan said a draft agreement for recruitment of Bangladeshi nationals for job in Iraq had been finalised and the actual agreement would be signed soon. He said about 6,000 people would be employed in the Department of Labour, 2,000 in housing and construction sector and about 250 in the survey and engineering section of Local Government in Iraq.

On his way home, the State Minister for Manpower had a stopover at Amman where he had a substantive talk with Jordanian Minister for Labour Mr. Jawad Al-Ainain regarding employment of Bangladeshis in Jordan.

He said the Jordanian Minister had given him assurances that Bangladeshi nationals had good prospect for job in his country. Mr. Hasan said preselection list of the potential job seekers will be soon sent to Jordan for processing.

Speaking about the employment situation in Saudi Arabia Mr. Mohibul Hasan said there was a "great scope" of jobs for Bangladeshis in the Kingdom. He said Saudis would need a lot of expatriate workers, technicians and other category of people to implement its gigantic programme of the Five-Year Plan. He viewed that Bangladeshi contractors should also take this opportunity to get contract there by forming a consortium if it was not possible individually.

As for Kuwait, the State Minister said, Bangladeshis had earned a good name in that country, and added there were good prospect for our people to get more job there. The Minister also met the Bangladeshi nationals residing in Kuwait.

Replying to a question, Mr. Hasan said the Government was endeavouring to simplify procedure so that greater number of people could avail job opportunities abroad. He said the Government was also working to see that bluffing, cheating and harassment to potential job seekers by some unscrupulous recruiting agents were stopped.

CSO: 4220/7465

INDIAN WITHDRAWAL OF RIVER WATER CAUSES CONCERN

Dacca THE BANGLADESH OBSERVER in English 26 Jul 81 p 1

[Text] Kazi Anwarul Huq, Minister for Power, Flood Control and Water Resources, expressed his concern over the increased withdrawal of water by India in the upper reaches of the Ganges. He said that the massive withdrawal would further aggravate the situation with the diversion of five to seven thousand cusecs of water at Madhyaganga project in U.P.

Addressing a Press conference in Dacca on Saturday Kazi Anwarul Huq said that the unilateral withdrawal of water at the upper reaches of the international river Ganges was against the international norms and would have serious impact on the economy of the lower riparian countries.

He noted that the diversion of Ganges water at Farakka for flushing Calcutta Port had already created adverse impact on the traditional life and ecology of Bangladesh. He further said that the diversion of 20 thousand cusecs water at Farakka was a sacrifice by Bangladesh, because "we were getting the entire water from the Ganges from the very inception".

Replying to a question the Minister said that the total flow of the Ganges has been estimated at 446 million acre-feet in 1975 and the availability at Farakka point was 372 million acre-feet. This means that India was withdrawing 74 million acre-feet water at the upper reaches, he added.

Kazi Anwarul Huq said that the average flow at Farakka comes to about 70 thousand cusecs in the lean period which we have accepted at 55 thousand cusecs giving the margin of 15 thousand cusecs to India.

The Minister disclosed that in 1980 the lowest flow at the Farakka point was 39,000 cusecs as against 55,000 cusecs. Bangladesh got 28 thousand cusecs as against the agreed quantum. The Minister however expressed his satisfaction that India honoured the 80 per cent guarantee clause which provides 80 per cent water for Bangladesh whatever is the flow at Farakka.

He hoped that this guarantee clause would continue in the future agreement. Asked whether India had indicated to alter the agreed principles in the five-year agreement which expires in November 1982 the Minister replied in the negative.

He said that he was hopeful of a long-term agreement with India. Because he noted India was committed publicly to commission Farakka after agreement with Bangladesh. He also said that unilateral withdrawal from any international river was against the international norms and regulations.

Kazi Anwarul Huq said that the construction of Madhyaganga project at the upper reaches of the Ganges was also against international norms. He said that the diversion of water through several points in the upper reaches through channels and dams was affecting the normal flow of water in the lower riparian countries. He stressed the need for linking the sharing of the Ganges water with the long-term augmentation. The long-term augmentation was possible only through collaboration of Bangladesh, India and Nepal.

Regarding the adverse impact of the Farakka on Bangladesh the Minister said that the diversion of water at Farakka was affecting our economy particularly agriculture, fisheries, forestry, and drinking water supply. He said that the diversion had accelerated the siltation of our rivers and had increased the salinity affecting the industry and agriculture.

On the other hand the Minister said the flushing of Hoogly with water from the Ganges could not improve the navigability of the Calcutta Port. He informed that except three-four months in a year 40 thousand cusecs water was being discharged at Farakka for flushing Hoogly. But could it improve the depth of the river, he posed a question.

He noted that about ten lakh cusecs of water flush the Hoogly river twice daily through tidal water. As against this ten lakh cusecs, the Minister said, the 40 thousand cusecs or 16 thousand cusecs in the lean period cannot create any impact. In increasing the navigability of Hoogly. There are two schools of thought on this issue in India, the Minister said.

Kazi Anwarul Huq said that the two-third areas of Bangladesh was dependent on the Ganges water in Bangladesh. The life, culture, ecology, everything in the northern region of Bangladesh developed under the influence of Ganges over the centuries and the obstruction at Farakka level had already created lot of problems in the area.

The Minister said that Bangladesh required water for irrigation to feed her 90 million people. The Water Development Board was developing irrigation projects for augmenting the food production. He said that already 3000 miles of embankment had been constructed for irrigation and flood control. A number of small projects like Chandpur Irrigation Projects and (?DMD) Projects had already been developed to meet the water requirement of Bangladesh and provide winter irrigation.

CSO: 4220/7465

MINISTER REPORTS DECREASE IN FOOD DEFICIT

Dacca THE BANGLADESH TIMES in English 13 Aug 81 pp 1, 8

[Text] Kaliganj (Dacca), Aug. 12--Food Minister Mr Abdul Momen Khan has said here today that the food deficit of the country has come down to 10 lakh tons from 30 lakh tons in 1972 despite of the growth of population, reports BSS.

After inaugurating a newly constructed food godown here he is addressing a big public meeting at the premises of the local girls high school. The Minister said that this achievement in the food sector had only been possible due to production oriented politics of the Late President Ziaur Rahman and people's support to his 19-point programme.

Expressing government's determination to complete the unfinished task of the Late President, the Minister called upon the people to vote for Justice Sattar so that the government and the political machinery left by the Late President could work smoothly and implement the socio-economic programme given by him to the nation. He said they could not fulfil this task as they are not imbued by the ideals and programme of Zia. He also also said that Justice Sattar is the most compenion and follower of the late leader.

The Minister urged upon the people to assist the law inforcing agency to maintain law and order in the society, so that the tempo of production could continue uninterruptedly.

Explaining the need of food storage the Minister said that the completion of this godown which is first in this area, will improve efficiency in the field of inflow and outflow of foodgrains similar godowns in large number have been constructed and are being constructed all over the country with the object of giving fair prices to the grower as well as a stable price of foodgrains to the consumers, he added.

The Minister earlier addressed a rally of local BNP workers at the premises of Raja Rajendra Pilot High School.

Mr Mokhlesur Rahman, MP, and Mrs Shahina Khan, MP, also addressed the public meeting.

CSO: 4220/7620

DACCA INSTITUTE DEVELOPS NEW PULSE VARIETY

Dacca THE BANGLADESH TIMES in English 11 Aug 81 pp 1, 8

[Article by Mostafa Kamal]

[Text] Can pulses usually grown in winter, be grown in summer?

Yes, say scientists of the Bangladesh Agricultural Research Institute (BARI). Not only that some high yielding pulse varieties can give three times more output than that by local varieties.

The BARI scientists have also developed some processes by which intercropping of pulses with sugarcane or even intercropping of different varieties of pulse is possible.

Pulse can also be grown as a cash crop in between the cultivation of potato and amon paddy. Roots of pulse plants increase nitrogenous content in the soil thus reducing the need for fertilisers.

The new varieties were developed during the intensive experiments under the pulses improvement project of BARI in eleven different locations in past two years.

A traditional rabi crop in Bangladesh, pulses have been the cheaper sources of protein for ages. But this "poor man's meat" has become scarce, due primarily to reduced acreage, poor management and poor productivity of local variety.

Recent statistics have it that Bangladesh produces about 2.4 lakh tons of pulses a year which is less than half the total requirement. Besides production of all the varieties of pulse have declined over the past ten years.

The production of kheshari has declined by 2.01 per cent, and lentil (mashu) by 1.48 per cent. Similarly production of gram (chhola), mashkalai, mung, arhar and pea (matar) have also fallen by 4.85 per cent, 2.05 per cent, 2.05 per cent, 0.93 per cent and 7.55 per cent respectively.

The decreased production of pulses has led to increase in prices which is now twice the prices of rice and wheat. Traditionally pulse used to be priced at lower than the prices of pulse.

Protein

The per capita availability of proteins of animal as well as plant origin has been steadily decreasing in Bangladesh. This trend has assumed alarming proportions in past ten years. One of the causes was lower production of pulses, the traditional sources of plant protein. But the growth of population has been unabated.

The Planning Commission has set the target of providing at least 12 gram pulses per head a day at the end of the Second Five Year Plan period for achieving the goal of ensuring at least 50 grams of balanced protein per capita.

Bangladesh thus would require over 5.5 lakh tons of pulses for an estimated population of ten crore by 1985. As such production has to be doubled over the next three years. There is no alternative to this because such huge quantity of pulse would not be available for import from other pulse growing countries--India, Nepal and Pakistan.

The scientists of the pulses improvement project of BARI say that production of pulses in Bangladesh can be doubled with minimum but systematic efforts during the next three years.

Two improved mung varieties--7704 and 7706--can give more than twice the yield (18 to 20 maunds per acre) compared to local varieties. Similarly three HYVs of mashkalai--2038, 2040 and 2041--can give similar yield compared to local mashkalai varieties. Moreover, these HYVs of pulse can be grown also during summer thus ensuring an additional crop on those high lands which otherwise remain unused for about three months before sowing of aman paddy.

However, the BARI scientists have come up with the most exciting result with "arhar." A high yielding variety of "arhar"--iopl 4--developed by them gives about 20 maunds yield per acre in just over three months compared to only about eight maunds by local varieties of arhar in about eleven months.

More Income

These HYV pulses are promising more income to farmers than what is assured from production of cereals.

Test production of these varieties has proved successful at the BARI headquarters at Joyvedpur and its ten research sub-stations at Dinajpur, Thakurgaon, Rangpur, Bogra, Ishurdi, Pahartali, Hathazari and Faridpur.

Mr. A. K. Kaul the pulse expert who is supervising the pulse improvement project of BARI, told this reporter, steps have been taken for seed multiplication of these HYVs in both the research sub-stations and in the fields of contract farmers in Rajshahi, Dinajpur and other districts. He hopes, BARI would be able to cover one-third of north Bengal with HYVs of pulses during the coming season.

Meanwhile, Bangladesh Agricultural Development Corporation (BADC) Directorate of Agricultural Extension and the Integrated Rural Development Programme (IRDP)

are lending helping hands to the pulses improvement project by way of seed multiplication, storage and extension.

The scientists of BARI under the guidance of Dr. Kazi M. Badruddoza and Dr. A. K. Kaul have also been successful in intercropping of mung with sugarcane and mashkalai with arhar. An acre of mash-arhar intercropped land at Joydevpur has already given a harvest of 18 maunds of mash in two months. Dr. Kaul and his associates are awaiting another good harvest of "arhar" from the same land in just another month.

Dr. Kaul says, HYV pulses can be grown on all high lands in north Bengal where aus and jute are not grown. In potato growing areas, pulses can be a catch-up crop till the sowing of aman paddy. Potato plants consume nitrogen from the soil while keeping phospet intact while pulse plants consume phosphet while adding nitrogen to soil. Thus by way of cycling of crops maximum utilisation of lands can be ensured.

Other by products of pulses are protein rich animal fodder and fire wood. Besides the green leaves of pulse plants that fall before harvest add organic matter to the field.

Dr. Kaul said there were 50 lakh acres of high land in Bangladesh which could be used for improved pulses production. If even a half of such land is judiciously used, pulse deficit can be overcome within next three years.

The BARI has requested Taka 60 lakh from the government for next three years for the pulse improvement project which would be spent for improvement of seed-storage capabilities and to pay salaries to needed manpower.

The pulses improvement project is being financed by a number of international agencies. The World Bank made available the services of Dr. A. K. Kaul (pulse breeder). The International Development Research Centre (IDRC), Canada is giving assistance in the form of fellowships, equipment, expertise, operational and other expenses. Besides some research establishments from India, Syria and Tiwan have provided valuable plant material. Bangladesh Agricultural Research Council (BARC) has provided financial assistance for grasspea (kheshari) and blackgram (mashkalai).

CSO: 4220/7616

DACCA DENIES EFFORTS TO UNDERCUT INDIAN JUTE EXPORT

Dacca THE BANGLADESH TIMES in English 7 Aug 81 pp 1, 8

[Text] The Jute Minister, Mr Habibullah Khan, denied Delhi based wire service report which had accused Bangladesh of trying to undercut the Indian jute exporters in the international market.

He also dismissed as baseless the report that Bangladesh jute mills are receiving government subsidy.

Talking to ENA Mr Habibullah Khan stated in clear terms Bangladesh competes and not undercuts in the world jute market. The BJMC mills are also off the government subsidy list for the past two years, the Minister added, far from taking subsidy from the government the jute sector has contributed 60 crore taka to the national exchequer during the last financial year. This year too we are going to contribute more or less the same amount, if not more, to the national exchequer, Mr Khan said.

The Jute Minister stated the dying and decadent jute mills of India are making false allegation of subsidy to Bangladesh jute mills with the hope of getting subsidy from their own government.

Reviewing the performance of the jute sector during the last fiscal year Mr Habibullah Khan said "we have produced and exported more, but earned less partly because of recession in the United States and Europe and partly because of downward trend in the price of jute in the international market."

He said BJMC produced 5.8 lakh tons of jute goods and exported roughly 5 lakh tons in 1980-81. In 1979-80 we exported 4.30 lakh tons, during the last financial year we exported 19.4 lakh bales of raw jute.

In reply to a question concerning earning from the export of jute and jute manufactures the Minister stated Bangladesh had earned about 800 crore taka by exporting jute and jute goods during the period under review. He confessed the amount earned fell short of the amount targetted for earning. The target for earning from the export of jute and jute goods was set at 965 crore taka.

Mr Habibullah Khan said our export earning during the year 1980-81 was set at 1,500 crore taka, as against that we have actually earned 1,151 crore taka.

Thus it shows our export earning during the year 1980-81 has fallen short of the target by about 23 per cent. As against this the earning from the export of jute and jute manufactures has fallen short by 18 per cent. In any case the earning from the jute sector during the year under review accounts for 69 per cent of our total export earning, the Minister concluded.

CSO: 4220/7612

JUTE PURCHASE STEPPED UP TO PREVENT SMUGGLING

Dacca THE BANGLADESH OBSERVER in English 27 Jul 81 p 1

[Text] The managements of the jute mills and Jute Trading Corporation and Jute Mills Corporation offices in the Khulna and Jessore zone have been directed to gear up their purchase operation along the border belts to prevent smuggling of raw jute from the country says a PID handout.

This directive was issued by Mr Salahuddin Ahmed, Secretary, Ministry of Jute in a series of meetings with the concerned officials during his recent week-long tour of the jute-growing areas of the border belt in Kushtia Jessore and Khulna district.

During the tour the Jute Secretary also held meetings with the high officials of local administrations and law-enforcement agencies and discussed with them measures for prevention of smuggling of raw jute. The Jute Secretary told the officials that Bangladesh would need more jute this year for both export and jute-goods production to narrow the gap between foreign exchange earnings from exports and expenditure on export. He emphasised the need for adoption of stern measures to check smuggling of jute the growth of which was better in the border belt this year as compared to that in the main land.

CSO: 4220/7467

WITHDRAWAL OF PESTICIDE SUBSIDY TERMED 'SUICIDAL'

Dacca THE BANGLADESH TIMES in English 27 Jul 81 pp 1, 8

[Article by Shamsul Huq Zabid]

[Text] The government decision to withdraw subsidy from pesticide and transfer the responsibility for its procurement and distribution to the private sector has failed to make desired impact on agricultural production and some have called it "suicidal."

The decision, implemented about one and a half years back, had led to sharp rise in the price of pesticides and consequent non-use which resulted in the loss of crops estimated at over 200 crore taka due to extensive pest attack.

The government had paid only Taka 32 crore as subsidy to pesticides over a period of five years since 1973-74 when the pest attack was found to be in controllable limit as, informed sources said, use of pesticides was extensive. But the crop loss went up manifold due to extensive pest attack following the withdrawal of subsidy, the source said. The non-use of pesticide was mainly due to high price and poor knowledge among the farmers about its management and applicability.

It has been alleged that the private companies have increased manifold the prices of pesticides in the absence of any government control. In some cases, the price has been raised by 500 per cent or more. Only a few farmers could apply adequate or recommended doses of pesticides to their crops in view of the high price.

Farmers also complain about the effectiveness of the pesticides marketed by some of the private companies. The Bangladesh Pesticide Association (BPA) had been highly critical about the sale of pesticides in open containers by the retail dealers and unscientific preservation before it took over the pesticide business. But the thana level or village level dealers appointed by them have been selling pesticides in open containers and the preservation is still unscientific.

In 1957, the government of the then East Pakistan for the first time had started distributing pesticides and sprayers among the farmers at 100 per cent subsidy. That rate of subsidy continued till 1974, when the government withdrew 50 per cent subsidy from pesticides. The withdrawal of subsidy reduced the use of

pesticide from average 8,000 tons during pre-liberation period to only 2,000 tons in 1975. However, the use of pesticide increased later.

In 1979-80, the government withdrew subsidy from the pesticide fully and handed over the pesticide distribution and procurement to 20 private companies including Bayer, ICI, Shell Chemicals, Cynamide, May and Baker, Fisons, Jogajog Corporation, BASF, CIBA-GEIGY and Setu Corporation.

The private companies took months to plunge into full operation of their products. The companies fixed abnormal prices of their products. The Bangladesh Agricultural Development Corporation (BADC), the agency which was responsible for the procurement of pesticides before the private companies had entered this business, had spent Taka 9 crore in 1977-78. On the other hand during 1980-81, the sale value of the pesticide procured or manufactured by the private companies stood at about Taka 20 to 25 crore.

The Government which thought pesticide distribution would be better under private sector, was compelled to come back in the pesticide operation due to widespread pest attack during the past three crop seasons. Last year, the aerial unit of the Directorate of Plant Protection had to spend Taka six lakh alone in Jamalpur district for aerial spraying. This year, in view of the widespread 'hispa' attack in the coastal districts, the Government, barring the operational cost, has so far spent Taka nine lakhs. The expenditure will go up, according to an official source.

Mr A.B.A. Sirajuddowia, President of Bangladesh Pesticide Association, the association of the private companies operating in the pesticide business, said that there was plenty of pesticide in the country to stop anti-infestation by pests. However, he agreed that the farmers were not buying pesticides in view of the high prices.

The BPA President said that the private companies incurring loss in view of the poor intake of pesticides by the farmers. He said only one-fourth of the pesticide imported during the last financial year was sold.

On high price, Mr Sirajuddowia said that devaluation of Taka and rise in the prices of petroleum products internationally have been responsible for the high cost of pesticides imported by the private companies. He said, "it is true as per agreement between the Government and the pesticide association, the Government has no right to control the price of pesticides. But our price structure is open to all," he indicated that the price of pesticides would increase further in the coming years. He felt that increase in the procurement price of rice and paddy by the Government might help increase the intake level of pesticides by the farmers.

Though the pesticide business is now being handled by the private sector, the Government machinery which earlier handled the pesticide operation is intact. The field officials have been engaged in other jobs.

Experts are of the opinion that the extent of pest attack may have a devastating impact on the farm production in near future unless drastic and effective measures are taken to combat it.

CSO: 4220/7468

BRIEFS

TOAHA PRESS STATEMENT--Chief of Bangladesh Samayabadi Dal Mohammad Toaha has called upon the leftist and progressive political forces to build up "an alternative left leadership" in the country, reports ENA. In a Press statement on Friday the Samayabadi Dal chief said it is imperative to build up an alternative leadership comprising the genuine left and progressive forces to protect national independence and sovereignty. Mohammad Toaha in his statement contradicting Press reports said his party is not connected with the alliance styled "National Front" consisting of 18 political parties with Jatiya League chief Mr. Ataur Rahman Khan as its Convener. [Text] [Dacca THE BANGLADESH OBSERVER in English 26 Jul 81 p 3]

STRANDED PAKISTANIS PARADE--About 500 people, mostly stranded Pakistanis, paraded the city's main thoroughfares on Monday to draw attention to their plight. The slogan-chanting procession went to the Foreign Ministry, the Press Club and the Secretariat to bring home the message that the Government should reach a decision on the total repatriation of stranded Pakistanis in Bangladesh. The procession was organised by the Stranded Pakistanis General Repatriation Committee to observe "Black Ten Years Week." The week is being observed by all stranded Pakistanis in Bangladesh to draw attention to their problem and to pressurise the Governments of Pakistan and Bangladesh to announce a definite policy on this issue. [Text] [Dacca THE BANGLADESH OBSERVER in English 28 Jul 81 p 3]

MONSOON WHEAT CROP--The government has sanctioned 20 lakh maunds of wheat worth about Taka twenty crore under the rainy season food for work programme. Talking to BSS the Deputy Minister for Relief Mr Jafar Imam said in Dacca on Tuesday that the work under the programme would begin throughout the country next week. Mr Imam said that the programme was drawn up to provide job opportunities for the distressed unemployed and under-employed members of the public during the rainy season. He said that the allocation had been made on subdivision basis in order to expedite the programme and benefit the poor people. Mr Imam expressed the hope that countless millions would be benefitted by this programme particularly during the idle season of the year. [Text] [Dacca THE BANGLADESH OBSERVER in English 29 Jul 81 p 1]

FOREIGN MINISTER IN UK--Foreign Minister Prof. Muhammad Shamsul Huq who met the British Foreign Secretary Lord Carrington in London last Monday enquired about the riot situation and conveyed the concern of the people of Bangladesh over the security of Bangladeshis living in Britain, reports BSS. A delayed message

received in Dacca on Thursday said the British Foreign Secretary informed Prof. Huq that it was the firm policy of his Government to preserve the multi-racial character of the British society. He also held out the assurance that the legitimate rights and interests of the Ethnic minority groups would be protected. Lord Carrington also explained the new programme of the British Government for creating more job opportunities with particular attention to the disadvantaged ethnic minority groups. [Text] [Dacca THE BANGLADESH TIMES in English 31 Jul 81 p 1]

ILO LEADERSHIP MEMBER--Mr. M. Morshed Khan, President, Bangladesh Employers' Association, has recently been elected as a Substitute Member to the ILO Governing Body. The election was held at the recently concluded 67th Session of International Labour Conference at Geneva, says a Press release. This is for the first time that an employers' representative from Bangladesh has been elected to the ILO Governing Body. [Text] [Dacca THE BANGLADESH TIMES in English 31 Jul 81 p 3]

OFFICIAL VISIT TO DPRK--Speaker Mirza Gholam Hafiz and Begum Hafiz arrived at Pyongyang on August 4 on an official visit, reports BSS. He was received at the airport by Mr. Hwang Jang Yop, Chairman of the Standing Committee of the Supreme People's Assembly of the DPRK, Mr. Ho Gyu, Vice-Minister for Foreign Affairs and senior officials. The Chairman of the Standing Committee of the Supreme People's Assembly and Mrs. Hwang held a banquet in honour of the Bangladesh Speaker and Begum Hafiz. The dinner was attended, among others, by Pak Song Chol, Vice-President of the Republic. [Text] [Dacca THE BANGLADESH TIMES in English 8 Aug 81 p 3]

COMMUNIST PARTY APPEAL--The Central Secretariat of the Communist Party of Bangladesh criticised what it termed Government's stubborn attitude on the question of fixation of date for presidential elections. Calling for acceptance of the demands put up by major Opposition parties, the CPB Secretariat urged the Government to create a "congenial atmosphere" for the election by shifting its date in the third week of November. [Text] [Dacca THE BANGLADESH TIMES in English 11 Aug 81 p 8]

MESSAGE TO KUWAIT--Kuwait, August 11--Emir of Kuwait Sheikh Jaber al-Ahmed al Sabah today received a message from the Acting President of Bangladesh Justice Abdus Sattar concerning promotion of bilateral relations, particularly in the economic field, reports IINA. The message was handed over by Bangladesh Deputy Premier and Minister of Fisheries and Livestock Saifuddin Ahmed Bari who is currently on an official visit here. Mr. Bari had talks during the past two days with a number of Kuwaiti officials including heir-apparent and Premier Sheikh Abdulla. [Text] [Dacca THE BANGLADESH TIMES in English 12 Aug 81 p 1]

FINANCE MINISTER IN ESCAP--Bangladesh Finance Minister Mr. M. Saifur Rahman, on Monday unanimously elected the Chairman at the ministerial meeting of the Economic and Social Commission for Asia and the Pacific (ESCAP) and the economic commission for West Asia (BCWA), reports BSS. The meeting began in Bangkok on Monday for preparation for the Paris conference on LDC's according to a message received in Dacca on Tuesday. Inaugurated by their Deputy Prime

Minister, the meeting was also addressed among others, by the UNCTAD Secretary General Mr. Gamani Corea and the Executive Secretary, ESCAP, Mr. S. A. M. S. Kibria. The senior officlals of the participating countries during the last two days' deliberations have prepared a declaration on LDC's conference which the ministers are expected to adopt on Tuesday's meeting before it closes. [Text] [Dacca THE BANGLADESH TIMES in English 12 Aug 81 p 1]

EKOTA PARTY MEETING--A 2-day meeting of the central committee of Jatiya Ekota Party which was concluded in Dacca on Sunday urged the government to fulfill the preconditions put forward by opposition parties for making the coming presidential election free and fair. Presided over by party chief Syed Altaf Hossain, the meeting by a resolution urged all progressive democratic parties in the opposition to nominate a common candidate for the presidential election. The meeting noted with concern over the economic situation, particularly the rise in prices of essential commodities and urged all democratic and patriotic forces to launch a united movement against it. The meeting condoled the deaths of eminent litterateurs Syed Murtaza Ali and Mahbubul Alam, said a press release. [Text] [Dacca THE BANGLADESH TIMES in English 12 Aug 81 p 8]

CSO: 4220/7619

REPORT ON GANDHI ACTIVITIES ON KENYA VISIT

Bombay THE TIMES OF INDIA in English 11 Aug 81 pp 1, 9

[Excerpt] Nairobi, August 10 (PTI). The Prime Minister, Mrs Indira Gandhi, and the Kenyan President, Mr Daniel Arap Moi, today reaffirmed their desire to forge closer relations between the two countries and identical stand on many international issues, including African liberation movements, the Indian Ocean and big-power rivalry.

The two leaders met for 20 minutes without aides at the state house where Mrs Gandhi is staying and later took part in a full-fledged meeting of the delegations of the two countries.

President Moi expressed satisfaction over the growing relations between India and Kenya "which are getting closer and closer every day."

He reiterated Kenya's full support to liberation movements in Africa and independence for Namibia and hoped big powers, engaged in rivalry in the Indian Ocean, would realise there would be no winners in any confrontation.

Economic Cooperation

Noting that the two countries were increasing economic cooperation, Mr Moi said Kenya looked to India in many fields, including training for its teachers, students and technical personnel as also for the development of its industries, big and small.

Speaking at a banquet given in her honour by President Moi at the state house, Mrs Gandhi said she would reaffirm the solidarity of the people of India with "the brave freedom-fighters of Southern Africa."

She said there could be no compromise with apartheid and in fighting, every nation should regard itself a frontline state.

President Moi described Mrs Gandhi as a great world leader and spoke of similarity of views between two countries on a wide range of issues.

CSO: 4220/7540

KERALA CHIEF MINISTER ALLEGES GANDHI BROKE PROMISE

Bombay THE TIMES OF INDIA in English 11 Aug 81 p 5

[Text] Trivandrum, August 10. The Kerala chief minister, Mr E. K. Nayanar, joined the former chief minister and CPI leader, Mr P. K. Vasudevan Nair, in the state legislature today to say how unfortunate it was that the Prime Minister could not find time to receive an all-party deputation from Kerala.

The state government had prepared a memorandum and was all set to send the all-party deputation to Delhi to represent to her Kerala's case that the import of rubber, coconut and cocoa would be harmful to the economic interests of this state.

The Prime Minister, however, could find no time to discuss the important issue. But on July 24, she did meet a deputation of the opposition parties and assured it that imports would be stopped. In fact, she had granted to the opposition deputation all that the all-party deputation wanted from her.

The Marxist-led ruling front, however, insisted, that coconut oil was being imported even after the Prime Minister's assurance. Two consignments of the commodity, for which the contract was signed much before the Prime Minister's promise did arrive at Cochin and Bombay.

While the chief minister and his ruling front supporters regarded it as a breach of promise, the Congress(I) opposition leader, Mr K. Karunakaran, explained the situation and said the ruling front was making itself ridiculous by alleging breach of promise.

The CPI leader, Mr Vasudevan Nair, reminded the legislature that when he was chief minister, the Janata Prime Minister, Mr Morarji Desai, had assured the Kerala government that the import of coconut oil or rubber would be decided upon only in consultation with the state government. Mrs Gandhi had ignored this assurance.

Meanwhile, there is a feeling in ruling front circles that the Prime Minister is playing politics with Kerala's precious cash crops. The chief minister gave expression to this view when he said that the crops of Kerala and their problems should be above political considerations. That was why he had suggested an all-party deputation to the Prime Minister.

CSO: 4220/7540

AID AGREEMENT SIGNED ON GANDHI SEYCHELLES VISIT

Bombay THE TIMES OF INDIA in English 10 Aug 81 pp 1, 9

[Text] Victoria, (Seychelles), August 9 (UNI).

Co-operation between India and Seychelles entered a new phase today with New Delhi willing to extend Rs. 7.5 crores of assistance to this tiny country of great strategic importance in the Indian Ocean.

An agreement for a government-to-government credit of Rs. 2.5 crores for promoting low cost housing in Seychelles was signed today, soon after Prime Minister Indira Gandhi arrived here.

The remaining Rs. five crores would be given by the Industrial Development Bank of India for various projects.

Details relating to this assistance are under negotiation.

The credit terms were signed at the state house by Indian high commissioner for Seychelles, Mr. A. S. Gonsalves, and the principal secretary for planning of Seychelles, Mr. Robert Grandcourt.

Earlier, Mrs. Gandhi, who flew into Seychelles international airport amid a slight drizzle after a five and a half hour flight from New Delhi, was greeted by Seychelles President France Albert Rene.

The entire population of Victoria, capital of Seychelles, had turned up to welcome Mrs. Gandhi. Groups of men and women and children lined the 24-km. route from the airport to the state house.

Seychelles has a population of 62,000 and most of them are settled in the principal island of Mahe, where the capital Victoria is situated.

At the state house, Mrs. Gandhi held wide-ranging talks with Mr. Rene. Both agreed that the Indian Ocean should be kept as a zone of peace.

The government-owned daily NATION hailed Indian commitment to the total liberation of colonial peoples in Africa. The paper said India to a great extent provided inspiration for movements for freedom against colonial domination.

After her talks with Mr. Rene, Mrs. Gandhi visited Port Launay national village youth service league. Later she left for Nairobi.

Nairobi, (PTI): Prime Minister Indira Gandhi will deliver the key note address at the first United Nations conference on new and renewable sources of energy on Monday.

In the agenda listed for the opening day of the twelve day conference, she will be the first prime minister to address a large gathering of experts and officials from all over the world.

The prime ministers of Jamaica and Sweden and ministers in charge of foreign affairs and energy of some other countries are also expected to address the conference on the opening day.

The conference is to identify and assess the technologies and programmes which appear to be most promising and to propose measures at national and international levels to overcome obstacles in their development.

Before boarding Air-India's Boeing-707 "Annapurna" at New Delhi airport, Mrs. Gandhi told newsmen that she was going abroad at a difficult time for the country. "I am worried about the flood situation and so many other problems" she added.

Mrs. Gandhi used an Air-India plane for the first time since the "Makalu" incident. She flew by an Indian Airlines Boeing-737 on her visits to Switzerland, Kuwait and the UAE in May.

Union ministers, Mr. Rajiv Gandhi and his wife, chief ministers of Punjab and Karnataka, MPs, defence services chiefs and a large number of her partymen were present at the airport to see off Mrs. Gandhi who is due to return here on August 13.

Mrs. Maneka Gandhi and Mr. Rajiv Gandhi's children, Rahul and Priyanka, are accompanying Mrs. Gandhi. The official party includes her principal secretary, Dr. P. C. Alexander, the information advisor, Mr. H. Y. Sharada Prasad and the special assistant, Mr. R. K. Dhawan.

A party of 20 folk artistes from Gujarat, Rajasthan and Manipur also travelled by the same aircraft to perform in Nairobi.

CSO: 4220/7535

PRESIDENT REDDY'S INDEPENDENCE DAY SPEECH REPORTED

Calcutta THE STATESMAN in English 15 Aug 81 p 1

[Excerpt] New Delhi, Aug. 14--In his Independence Day message to the nation, President Sanjiva Reddy spoke of the "frequent and violent manifestation of divisive forces" and appealed to all sections of the people not to allow regional, linguistic, religious, caste and communal differences to gain an upper hand and to spread disorder resulting in loss of life.

Speaking over All India Radio, the President made a passing reference to the events and developments around the country and reminded the people that it was their duty to be on guard and prepared "to meet any threat to our security."

No country, least of all a developing country like India, could achieve progress, except in a climate of peace. India had always desired friendly relations with its neighbours and had worked for the promotion of peace everywhere.

Mr Reddy spoke at length of the rising prices of foodstuff and consumer goods causing concern to the Government. He thought that while imports might be resorted to, the ultimate long-term remedy was to increase production, both agricultural and industrial.

He pointed out that large sums of money had been spent since Independence on many river valley projects and urged that all steps should be taken without delay to get the full benefit from this investment.

In the field of industry the capacity already created with heavy financial outlays was not being fully utilized. Difficulties which stood in the way of making full use of the installed capacity must be overcome, and supplies and services necessary for industrial production must be efficiently maintained.

It was a matter of gratification that over the years there had been an increase in the output of foodgrain. The President was sure that given the necessary inputs and incentives, farmers would be able to increase further agricultural produce.

But that was not enough, the President said, adding that the benefit of larger production should go to the consumer, who should have an assured supply of his requirements at reasonable prices.

It was also his earnest hope, he added, that it would be possible to evolve a system that would ensure a remunerative price to the producer.

CSO: 4220/7562

NATIONAL LEADERS CONCERNED OVER DIVISIVE FORCES

Bombay THE TIMES OF INDIA in English 16 Aug 81 pp 1, 9

[Text] New Delhi, August 15 (PTI & UNI)--National leaders voiced their concern over the role of divisive forces, politicalisation of mass conversions and a spate of agitations on the occasion of the 34th anniversary of independence.

Flag-hoisting ceremonies and parades, at which governors and chief ministers took the salute, prabhat pheries, cultural functions, sports meets and poetic symposia marked the celebrations in different parts of the country.

The day was also marked by launching of welfare schemes, particularly in Punjab and Haryana.

In New Delhi, the Prime Minister, Mrs. Indira Gandhi, and other leaders appealed to the people for unity and for creating an atmosphere of peace and co-operation to help the country make rapid progress.

The chief ministers of Andhra Pradesh, Maharashtra and Tamil Nadu cautioned people against divisive forces and anti-national elements, which were trying to sabotage the government's progressive policies and programmes.

Concern over mass conversions and a determination to prevent the politicalisation of the issue was expressed by Mr. A. R. Antulay and Mr. M. G. Ramachandran.

The Andhra Pradesh chief minister, Mr. T. Anjiah, referred to the recent communal outbursts in Hyderabad, which, he said, were the handiwork of anti-national elements. The government had initiated a number of programmes for weaker sections and minorities, he added.

In West Bengal, the state health minister, Mr. Nani Bhattacharya, inaugurated a blood donation camp at the students' health home in Calcutta, a large number of students donated blood.

In Patna, the Bihar chief minister, Dr. Jagannath Mishra, asked the people to take a pledge for removing backwardness and strengthening the country's integrity.

In Imphal, the Manipur chief minister, Mr. Reishang Keishing, appealed to the "revolutionary youths" to come overground as insurgency in the state hampered the implementation of the developmental schemes.

The Tripura chief minister, Mr. Nripen Chakravorty, paying homage to the martyrs, called upon the people to remain vigilant against "the conspiracy of separatist and reactionary forces."

In Punjab and Haryana, the day was marked by the launching of various welfare schemes including the "subsidy scheme" for consumers belonging to the "target group."

Hundreds of people visited the historic Jallianwalla Bagh in Amritsar and offered wreaths at the Shaheed memorial to pay homage to those who laid down their lives for the country's independence.

The Jammu and Kashmir chief minister, Sheikh Mohammed Abdullah, speaking in Srinagar, called upon the people to close their ranks in view of the arms build-up in the neighbouring countries.

"Without overcoming internal dissensions, it was difficult to protect the country's freedom," the Sheikh said.

The Nagaland chief minister, Mr. J. P. Jasokie, called upon the Naga underground to renounce violence.

CSO: 4220/7566

WORLD LEADERS SEND GREETINGS ON NATIONAL DAY

New Delhi PATRIOT in English 16 Aug 81 p 1

[Text] Many world leaders have greeted President Neelam Sanjiva Reddy on the occasion of the nation's 34th anniversary of independence, reports PTI.

Soviet President L. I. Brezhnev in his message expressed the confidence that Indo-Soviet friendship and cooperation will continue to develop and strengthen for the benefit of peoples of the two countries in the name of safeguarding universal peace and international security.

He said a firm foundation for the dynamically developing Indo-Soviet relations was laid by the Treaty of Peace, Friendship and Cooperation between the two countries whose 10th anniversary is being celebrated these days.

Mr Brezhnev said the successes achieved by the Indian people in uplifting their economy, culture, science and technology had been noted with satisfaction in the Soviet Union.

Pakistan President Gen Mohammad Zia-ul-Haq in a message expressed best wishes for the continued progress and prosperity of the people of India.

He also extended warmest felicitations, on behalf of the people and Government of Pakistan and his own behalf on the occasion.

Afghan President Babrak Karmal in his message expressed the conviction that traditional relations of friendship and mutual cooperation between Afghanistan and India will continuously develop and strengthen to the benefit of our peoples in the interest of maintaining peace and security in the region of Asia and in the world.

Conveying sincerest fraternal congratulations from the Afghan people on the occasion, Mr Karmal expressed his best wishes for the further progress and welfare of the friendly people of India.

Cuban President Fidel Castro in his message said the celebration of this day has given us the opportunity to reiterate our wish that relations between the two countries will be further strengthened and friendship between our peoples shall further deepen more each day.

He expressed happiness that India had made important progress since independence and said we are sure that you will work for the consolidation of this achievement.

Ethiopian President Mengistu Haile-Mariam in his message also expressed his confidence that relations between India and Ethiopia would continue to further develop and strengthen in the years to come.

CSO: 4220/7568

COURT UPHOLDS COMMISSION'S VERDICT ON CONGRESS-I

Calcutta THE STATESMAN in English 15 Aug 81 pp 1, 9

[Text] New Delhi, Aug. 14--The Supreme Court today dismissed two petitions challenging the Election Commission's verdict of July 23, 1981, declaring the Congress (I) the real "Indian National Congress."

A special leave petition was filed by the Congress (U) against the verdict of the Commission. The second, a writ petition, was filed under Article 32 of the Constitution by Mr Bhim Singh, leader of the Congress (U) Legislature Party in the Jammu and Kashmir Assembly.

A Division Bench comprising Mr Justice D. A. Desai and Mr Justice R. B. Mishra heard the submissions made by the three parties the whole day. An advocate who wanted to file an application for intervention on behalf of the Congress (U), claiming that the party of his client was the real Congress, was not given a hearing.

The occasion for intervention would have arisen only if the petitions had been admitted. Mr Justice Desai, however, stated that the present status of the Congress (U) itself had not crystallized. At one point he told Mr V. M. Tarkunde, who appeared on behalf of the Congress (U) that by the time the hearing ends, he might not have a client to represent.

Earlier, during the day Mr Tarkunde argued that the Election Commission had not followed the proper procedure in settling the issue. His main contention was that the Election Commission should have stuck to the date--January 2, 1978--which it had itself chosen, to assess the strength of both groups to decide the issue of identity. It was on that date Mrs Gandhi had held the convention of the Congress men owing allegiance to her. The convention then led to the open split, while one faction became the Congress (U) and the one led by Mrs Gandhi the Congress (I).

Asked what relevant material was produced before the Election Commission by the Congress (I) to establish its claim as the real "Indian National Congress" under para 15 of the Election Symbol Order, 1968, Mr P. R. Mirdul, the Congress (I) counsel, said that a copy of the letter which Mrs Gandhi had written to the commission after the convention saying that she had been elected president of the Indian National Congress was one of the "most reliable document produced"--

having been written by a person who had been the Prime Minister of the country for 11 years.

Mr Mirdul argued that it was not a matter of legality or morality, it was a case based on facts that, subsequent to the split, the faction led by Mrs Gandhi, acquired majority in terms of membership and the seats won in elections to the State Assemblies and Parliament. He contended that the point raised by Mr Tarkunde that the Congress (U) had the majority of members of the original party on January 2, 1978, the day the split took place, was not tenable. The subsequent developments must be taken into account, he added.

Mr Justice Desai observed that the issue as to which faction had the majority of original members, for the purpose of deciding the question of identity, must be examined over a period of time after the open split. The court, therefore, did not accept Mr Tarkunde's contention that the date on which the convention was held should have been the decisive factor before the Election Commission as to which faction was the real representative of the original party.

Mr Bhim Singh's contention that by "derecognizing" his party, something for which the commission was not empowered, had violated his fundamental rights under Article 19--carrying on of his political work through the recognized association was rejected by the court, without giving any specific reasons. By one stroke of the pen, he submitted, the commission had virtually disbanded a 96-year-old political party.

CSO: 4220/7562

CPI-M DENIES ATTITUDE TOWARD DELHI SOFTENING

Calcutta THE STATESMAN in English 15 Aug 81 p 9

[Text] West Bengal CPI (M) leaders describe as baseless the charge against their party that is softening in its attitude towards the Centre. As decided earlier, they point out the whole of August is being spent in exposing "the hollowness" of the Central Government's policies while September will be a month of agitations culminating in a day's general strike.

At the same time, they give the impression that the Centre is yet to make up its mind on dislodging the Left Front Government despite periodic "harsh" statements by the Prime Minister on West Bengal. They even indirectly admit that whatever may be the experience of the past, the present constraints may dissuade the Centre from toppling the State Government at this stage.

Apart from the infighting within the State Congress(I), the national and international situation is not so favourable for such action as some of Mrs Gandhi's followers in West Bengal think. Internationally, when the Centre is trying to strengthen and improve its relations with both the Soviet Union and China, it will have to think twice before toppling a Left Front Government.

Secondly, they argue, it is difficult to fight a battle on two fronts; against the Left and the Right reaction. The recent widespread communal incidents bear testimony of the growing activities of the reactionaries. Moreover, in Assam the divisive forces are continuing their agitation.

They point out that it will be wrong to think that the party by not making a campaign on the Governor issue is showing its softness towards the Centre. The party's State Committee develops its strategy and tactics by reviewing the political situation at an interval of two or three months. Unlike non-Marxist parties the CPI(M) does not change its strategy after every political development.

CSO: 4220/7562

PARTY SPOKESMEN DISCUSS MONSOON SESSION ISSUES

Bombay THE TIMES OF INDIA in English 17 Aug 81 pp 1, 9

[Text] New Delhi, August 16 (UNI)--On the eve of the monsoon session of parliament, the government and the opposition appear all set for a confrontation on the controversial essential services maintenance ordinance, promulgated last month.

This was obvious from the tone and tenor of the speeches made by the spokesman for the two sides at the first-ever tele-symposium here today on "issues before parliament."

Prime Minister Indira Gandhi too thinks that the coming session will be a "stormy" one. In her customary session-eve speech to the Congress (I) parliamentary party, she accused the opposition of going out of the way to exploit the situation arising out of price-hike, about which her government was equally concerned.

At their meeting in the evening, leaders of the major communist and non-communist groups agreed on having floor co-ordination to mount a united attack on the government policies.

Cutting across party lines, the opposition stalwarts branded the ordinance as a "renewed attack" on the working class, while two senior ministers--Mr. A. P. Sharma and Mr. C. M. Stephen--equally vehemently justified the measure saying that it was necessary for fighting inflation and high prices.

The minister for parliamentary affairs, Mr. Bhishma Narain Singh, acknowledged that the ordinance was controversial in the eyes of the opposition though his party did not share this view. But that was only one of the ten ordinances listed in the session's agenda, he added.

The minister for information and broadcasting, Mr. Vasant Sathe, conducted the hour-long proceedings. The Communist Party of India (Marxist), the major opposition group, was conspicuous by its absence.

Mr. Inderjit Gupta and Mrs. Gita Mukherjee (both CPI), Mr. Madhu Dandavate (Janata), Mr. Satish Agarwal (BJP), and Mr. Ram Vilas Paswan (LD) listed the issues of public importance they would raise in the session beginning tomorrow.

Besides the essential services ordinance, these included price-hike, arming of Pakistan and the U.S. decision to go in for neutron bomb, railway accidents and atrocities against Harijans and women.

The Communist Party of India struck a different note on the issue of conversion. The CPI would not like to highlight this problem lest it should generate social tensions.

Mrs. Roda Mistry and Mr. Eduardo Faleiro, who represented the Congress (I) parliamentary party, pleaded with the opposition against adopting the tactics of "opposition just for the sake of it" and wanted it "to look all the issues in their wider perspective."

The government asserted that it would not tolerate disruption of essential services or slowing down of production.

Mr. A.P. Sharma drew attention to the inconvenience caused to the people by the recent locomen strike and work stoppages in public sector undertakings in Bangalore.

Mr. Sharma, himself a prominent trade union leader, said "the government cannot be a silent spectator to the stopping of the wheels of production."

Mr. C. M. Stephen defended the controversial ordinance and said the basic issue that the government would pose before parliament and the people was: Should production be stopped or stepped up?

The ordinance was criticised severely by the opposition leaders taking part in the programme.

Mr. Stephen spelt out the three-pronged strategy to hold the price-line. It envisaged the building up of buffer stock, legislation to deal firmly with hoarders and profiteers and massive expansion of the existing network of fair price shops in the country.

Mrs. Mukherjee, who was the first to hold the floor, referred to the pressing issues the opposition would like to raise during the monsoon session of parliament.

Price Rise

Mr. Paswan wanted the government to quantify the particular level--explained by finance minister, Mr. Venkataraman--beyond which it would not allow the prices to go up.

The Lok Dal leader was critical of the government's decision to import foodgrains and its decision to secure IMF loans "at the cost of country's self-respect," and current wave of conversions following "its failure to provide justice and a sense of security to Harijans."

He accused Mrs. Indira Gandhi of acting, "more like inspector general of police, throwing to winds healthy democratic norms." In support, he quoted recent ouster of governors.

Mr. Satish Agarwal shared Mr. Paswan's concern at India seeking IMF loan and apprehended that it might be granted with the pre-condition that India would "devalue" the rupee. This should not be accepted.

Some of the other issues that worried the BJP leader were: governance by ordinance, floods, and large-scale religious conversions.

Mrs. Roda Mistry (Congress-I) pleaded with the opposition against criticising the government on each and every issue. However, she was one with the opposition in voicing concern over large-scale conversions. "There could be individual conversions but one must go behind the cause for the recent wave of conversions," she added.

Mr. Faleiro wanted the opposition to look at the economic situation in its global perspective. If there was price rise in the U.S., the USSR too suffered acute shortage and had to import foodgrains from India.

The Congress (I) leader characterised the induction of F-16 aircraft into the region by U.S. as "a serious threat" to the Indian sub-continent.

Mr. Indrajit Gupta (CPI) expressed concern about the "dangerous erosion" in the healthy parliamentary traditions and conventions scrupulously followed by late Pandit Nehru.

The CPI leader decried the government tendency of confronting parliament on the eve of its session with ordinances and notifications.

At a time when the military dictatorship in Pakistan was posing a threat, obviously backed by one of the super powers, the government should not have risked confrontation with the working class. The essential services maintenance ordinance was not the way to get the co-operation of the working classes.

Mr. Gupta thought that the problem of large-scale conversion had to be dealt with outside parliament.

Mr. Madhu Dandavate said the most important issue that should be discussed was whether parliament was a live institution to which the cabinet was accountable.

Referring to the controversy over the form of government, he said the issue should be debated thoroughly. Although the prime minister had repeatedly said that there was no such move, "a no from a woman meant yes at times," Mr. Dandavate remarked.

Mr. Dandavate said the "anti-democratic essential services ordinance had to be fought not only on the floor of parliament, but also in fields and factories outside. The fate of this ordinance would be similar to that of the emergency ordinance."

He also questioned the propriety of the law minister sending letters to chief ministers asking them to secure the consent of judges for transfer.

Mr. Stephen welcomed the opposition move to raise these issues so that the government could explain the true position and assure the people that things were moving in the right direction.

Referring to the atrocities on Harijans, Mr. Stephen said hardly anything was done by the previous government about the Belchi incident whereas at Pipra about 60 people were sentenced to life imprisonment as a result of the quick action taken by the government.

Concluding the discussion, Mr. Sathe appealed to all parties to ensure that any criticism of the government and its policies did not weaken the nation at this critical juncture.

The tele-symposium missed a seasoned parliamentarian who would have dominated the show, the CPI leader, Mr. Bhupesh Gupta.

Before the programme began, moderator, Mr. Vasant Sathe, paid homage to this veteran CPI leader who had been a member of the Rajya Sabha ever since its inception in 1952.

CSO: 4220/7569

REPORT ON ANDHRA PRADESH PANCHAYAT ELECTIONS

Madras THE HINDU in English 16 Aug 81 p 2

[Excerpt] The results of elections to 81 municipalities in the State last Sunday were interesting. While the ruling party was said to have benefited by Opposition disunity in the Assembly and Parliament elections, the Congress (I) won a majority of seats despite its disunity and apparent Opposition unity in the municipal poll.

Mr. Mullapudi Harichandra Prasad and Mr. M. S. Shivanna, industrialists, achieved remarkable victories in Tanuku and Yemmiganur respectively. A full page advertisement issued by Sardar Veera Raju was published in Telugu newspapers (his group had scored a thumping victory at Mandapeta, in East Godavari district), "thanking voters for defeating the Minister, Mr. S. Venkata Reddi's candidates".

A disquieting feature was that some candidates against whom police cases are pending for cheating, triumphed in the elections. Most of those elected were newcomers; 21 of the 28 elected in Bapatla were new faces.

Majlis, BJP Showing

The only two Opposition parties that put up a good performance were the Majlis Ittehadul Muslimeen and the Bharatiya Janata Party. The two parties appear to have benefited by a certain type of polarisation in towns witnessing communal clashes.

The Majlis, which was confined almost entirely to the old city areas in Hyderabad city, captured six seats in Nizamabad, four in Adoni, three in Bodhan, two each in Nalgonda, Nirmal and Kagaz Nagar and one each in Mahbubnagar and Adilabad.

BJP contested 700 seats and won 170 and hopes to get its nominees elected as chairmen in Samalkot and Narayanpet municipalities. It fought on its own, because it was excluded from the citizens fronts formed by Opposition parties and some Congress (I) groups.

Mr. Gulam Ghouse Khan, general secretary of the Majlis, however says that the party profited by infighting in the ruling party. It did not campaign, because

all its three MLAs were detained under the National Security Act in Hyderabad since July 14 and Mr. Ghouse Khan was arrested when he attempted to address a meeting at Nizamabad.

Mr. V. Rama Rao, BJP MLC, rejected the view that his party had gained by communal clashes. If that was the case, BJP ought to have claimed many more seats in several towns. He felt that money power played a key role in the municipal elections.

Out of 81 municipalities, Congress (I) had obtained a clear majority in 61 towns and hoped to get its nominees elected as chairmen in all but three municipalities.

CSO: 4220/7567

INCREASE IN BANGLADESH INFILTRATORS REPORTED

Madras THE HINDU in English 16 Aug 81 p 3

[Text] According to recent reports from Purnea district in North Bihar bordering Nepal and Bangladesh, the pace of infiltration of Bangladesh nationals into Purnea and adjoining Katihar district has assumed alarming proportions.

It is estimated that during the last decade, about four lakh Bangladesh infiltrators have settled down in Purnea and Katihar.

According to official sources, the population of Purnea district has swelled from 22 lakhs in 1971 to 36 lakhs in 1981. Evidently the Bhatiyas, a Muslim tribe from Bangladesh, have contributed substantially to the population density in the district.

The largest concentration is in the half a dozen panchayats of Kishenganj subdivision of Purnea district which till a decade ago were sparsely populated. The infiltrators enjoy the support of the local populace including influential politicians. Two years ago, the district administration took some of the infiltrators into custody but the administration now finds it difficult to take any action against infiltrators whose number has grown very large. It is feared that if action is launched against infiltrators, they would start an agitation with the support of the local people.

According to informed sources, the infiltrators with the active support of the local citizens has formed a nucleus of their own in Kishenganj sub-divisional town. The nucleus issues secret directives to the new-comers for choosing places for settling down and helps actively in their rehabilitation.

In the recent census, the infiltrators declared Urdu as their first and Arabic as their second language while the truth is that they know neither of the two languages, their mother-tongue being a Bangladesh dialect.

According to informed sources, the infiltrators cross the international border into Indian territory, sometimes making a detour via Nepalese territory, erect huts overnight and freely mix with the local population.

The infiltrators are mainly Bhatiyas, originally Rajbanshi Hindu tribals who were converted to Muslim faith after they settled down in Bangladesh. They are said

to be a landless criminal tribe whose main profession is stealing cattle, looting standing crops and smuggling leather through Nepal.

The Bhatiyas began settling down in the barren areas of Purnea district, occupied Government fallow lands and started farming therein. They fled from Bangladesh for fear of reprisals by the Bangladesh Government as they had helped the Pakistanis during the Bangladesh war of 1971.

The largest concentration of the Bhatiyas is in the Dighal Bank area of Kishenganj sub-division, particularly in Singhimari panchayat. In Raipur panchayat of Pothiya block and Beswa and Kolha Banwari panchayats of Kishenganj block several Bhatiya villages have come up recently.

The infiltrators have settled down in large numbers in all the five blocks of Kishenganj sub-division namely Kishenganj, Pothiya, Thakurganj, Bhadurganj and Dighal Bank area.

Bhatiya villages have also come up in Azamanagar and Manihari blocks of Katihar district.

The local people are of the view that the infiltrators are financed by foreign powers.

In 1971-72, the district intelligence had reported to the State Government about the large-scale infiltration of Bangladesh nations into Purnea and Katihar districts. Some communal organisations of Kishenganj sub-division played a significant role in the rehabilitation of the infiltrators. But nothing was done to stem the entry of infiltrators into these sensitive border districts.

CSO: 4220/7567

BIOGRAPHICAL SKETCH OF NEW PUNJAB GOVERNOR

Madras THE HINDU in English 16 Aug 81 p 16

[Text] In the Fifties, when Chandigarh, the capital of the new Punjab was taking shape, the elite took time to get used to its architectural innovations. The wife of the Governor, who wanted some changes to be made in a part of the Raj Bhavan was politely told by the noted French town planner, Mr. Jemeret: "Madam, Governors are temporary, buildings permanent."

The soil of Chandigarh has been kind to Governors--though a Union Territory, this modern city is now the abode of two Governors, of Punjab and Haryana. With an odd exception, their stay has not been temporary and they had no difficulty in completing their terms, despite the changes at the Centre. Will this tradition be maintained?

Will Punjab's new Governor, Mr. Aminuddin Ahmed Khan, transferred to Chandigarh from Simla, have a full five-year tenure or will he spend only the balance of his Himachal term due to expire later this year? And will the tenant next door, the Haryana Governor, Mr. B. D. Tapase--a Janata appointee who was moved from UP last year--be allowed to remain undisturbed?

As in Simla, Mr. Aminuddin Ahmed Khan is unlikely to face any challenges in Punjab, a comforting thought to this scion of a princely family. At 70, he could look forward to enough leisure to enable him to attend to his favourite pursuits and patronise art, culture and poetry. The Darbara Singh Ministry is on a safe wicket and is unlikely to pose any problem to him.

Aristocratic by temperament, Mr. Khan enjoys the gubernatorial post. The turmoils and tumults of politics--in Rajasthan where he practised the art--are well past him. Forgotten is the humiliation of the defeat in his first attempt to get into the State Assembly in 1962, through a Jaipur city constituency, at the hands of Mr. Satish Aggarwal, who later became a Minister of State for Finance in the Janata Government and now heads the Public Accounts Committee of Parliament.

Gone are the problems in the wake of his 1967 victory and induction in the Sukhadia Cabinet, because of the persistent attacks by the opposition. Also past are the other uncertainties--the lack of equation with the successor of Mr. Mohanlal Sukhadia, Mr. Barkatullah Khan, the latter's action in depriving

Mr. Khan of his lucky constituency in Alwar district and offering him not a berth in the Cabinet but chairmanship of the Agro-Industries Corporation.

Mr. Khan is the former Nawab of Lauharu, a small principality in Haryana, near Pilani on the border of Rajasthan. He found the happenings in the State before and after independence a political liability subsequently. Though a Congress member, he was openly opposed by the leading lights of the party notably Jai Narain Vyas who, under Nehru, was the secretary of the All-India States' Peoples Conference. He was related to the former President Fakhruddin Ali Ahmed. An affable temperament, social graces, and pleasant manners are his plus points.

But for Chandulal Trivedi, formerly of the ICS, who was in Punjab at the crucial post-partition period, Punjab has had politicians as Governors--Mr. C. P. Singh, N. V. Gadgil, Pattom Thanu Pillai, Hafiz Mohammed Ibrahim, Mr. M. M. Chaudhury and Mr. Jaisuklal Hathi. Each of them imparted a distinctive flavour to the picturesque Raj Bhavan at Chandigarh. It is in for another change now.

CSO: 4220/7567

BACKGROUND OF HIMACHAL PRADESH GOVERNOR GIVEN

Madras THE HINDU in English 16 Aug 81 p 16

[Text] Succeeding Mr. Khan in the salubrious Himalayan abode of Simla is Mr. A. N. Banerjee, who lays no claim to aristocratic ancestry. He will be 64 years of age in December and is the second person from the Indian Administrative service to be named Governor.

For those who belonged to what was half-mockingly called the steel frame, the ICS, the height of their ambition was gubernatorial although only a few made the grade. Himachal Pradesh's new Governor has literally come up the steel ladder, having spent a major portion of his career in the public sector industry as one of its notable executives.

A major in the army, Mr. Banerjee was a special recruit to the IAS, 1947 batch. Belonging to the West Bengal cadre, he was assigned the job of Deputy General Manager of the Durgapur plant in 1956. Iron and Steel Controller in 1961, he went as General Manager of the Rourkela plant in 1964, earning kudos for setting right the affairs of the Orissa factory which had been bedevilled by controversies involving the West Germans and strictly indigenous labour problems.

As Deputy Chairman of Hindustan Steel Limited from 1967, he had also to manage the Durgapur and Rourkela plants which were headless for some time. Denied the chairmanship of HSL, he worked as head of the Bureau of Public Enterprises between March 1969 and December 1972, when he became Secretary to the Department of Industrial Development.

Retiring as Secretary to Works and Housing, Mr. Banerjee had a stint as Adviser in Gujarat before being brought back to chair the Public Enterprises Selection Board.

In February 1977 he was named Chairman of the Banking Services Commission but it was abolished by the Janata Government in September that year. Briefly last year he was again Adviser during President's Rule in Maharashtra.

A student of physics and chemistry, he had also acquired a law degree which came in handy for leisurely practice in the Supreme Court in the days of retirement. From the upper middle class life of a recluse in South Delhi's Greater Kailash, Mr. Banerjee moves up to cooler climes in what was once undivided India's summer capital.

CSO: 4220/7567

UNSCRUPULOUS POLITICIANS EXPLOIT KHALISTAN DEMAND

Madras THE HINDU in English 17 Aug 81 p 8

[Article by K. K. Katyal]

[Text] The 1,000 odd simpletons who were taken for a Khalistan ride to Canada by foreign travel racketeers are a disillusioned, dejected lot now. Deprived in some cases of their life-time savings, they are awaiting repatriation to India, without as much as a glimpse of the promised pasteurs new.

The unscrupulous travel agents, who sponsored their trip will undoubtedly find it hard to escape the arm of the law. This tribe mushroomed in Punjab in the last decade or so and has many innovations to its credit for cashing in on the widespread craze, particularly among skilled and semi-skilled workers, for migration to the West for lucrative jobs.

Old devices like forging passports were no longer valid. The racketeers hit upon a bright new idea--they took job-seekers out of India to their destinations and had them declared political refugees who faced persecution in their country for supporting Khalistan, an independent State for the Khalsa or the Sikhs. International conventions were invoked to seek political asylum for the immigrants and among the documents relied upon were the letters or the "passports" issued by one Dr. Jagjit Singh, in the name of the "Government of Khalistan."

This political adventurist, a small town medical practitioner of Hoshiarpur district who for a while became a Minister in a minority Government in Punjab, was at a loose end later. During the Bangladesh struggle period he earned notoriety by appearing on Pakistan television for anti-India tirades.

Canada Sees Through the Game

The device worked for a while in West Germany and Canada. The Canadian Government now has seen through the real game--that the "Government of Khalistan" was the brain-child of a frustrated politician who found the going tough in his country and prompted by considerations of personal profit tried his luck abroad and succeeded in befooling the credulous among the Sikhs, including some of those who had already settled in other parts of the world. This category was made to part with large amounts to finance the struggle for the "cause" while the money

charged from the prospective immigrants was shared by the travel agents and the "Government of Khalistan" that is, Dr. Jagjit Singh or his under-study.

If travel agents used "Khalistan" for immediate cash gains, a section of the Akalis employed it for political dividends. As is known, there are two Akali Dals now--one headed by Sant Harchand Singh Longowal and with the former Punjab Chief Minister, Mr. Prakash Singh Badal as a leading light, and the other by Mr. Jasdev Singh Talwandi who was President of the undivided party but when forced to vacate the post after a factional quarrel, formed a separate organisation.

Now Mr. Talwandi's problem is to establish the credentials of his party as the real Akali Dal and the Sant-Badal combine's job is to deny this advantage to their former colleague and at the same time work for recapturing the lost governmental power. "Khalistan" is subtly used by both to achieve their respective ends. Subtle, because none of them owns it openly as part of its creed and yet none of the two resists the temptation of benefiting from whatever appeal it might have to the Sikh masses. (Catchy slogans, after all, could be made appealing through systematic misrepresentation and exploitation of grievances both genuine and not so genuine.)

Devious Methods

The Khalistan idea was also sought to be fostered through indirect devious methods, by espousing the idea that the "Sikhs are a nation." Even if one were to ignore the surreptitious way a Washington-based American national, Mr. Ganga Singh Dhillon, sought to make use of the Sikh Educational Conference, a wing of the Chief Khalsa Diwan, by no means an anti-Government body, in Chandigarh in March for promoting separatist ideals, there is the fact of the Talwandi group organising a big congregation at Anandpur Sahib, one of the important Sikh pilgrimage centres near Nangal in April, to adopt the Sikhs-are-a-Nation resolution, and the SGPC (a body entrusted with the task of administering Sikh shrines), soon after adopting a similar resolution, using identical idioms.

The Sikhs on the whole are better off than any other community and, by dint of hard work and enterprise, have carved out an important place for themselves not only in Punjab but also in other parts of India. There are no economic factors therefore to feed their grievances in general, or the demand for Khalistan, in particular. This is essentially an emotional slogan and is made to rest on visions of the revival of the Sikh rule in Punjab. The fact that the Sikhs have predominance in the border area, makes it easy for a not-so-friendly neighbour to encourage separatist trends among them.

"How strong is the demand for Khalistan?"--this was one of the queries often addressed to this writer, during a recent visit to Pakistan. There was no mistaking the interest in the subject at different levels in that country. All this adds up to the need for vigilance by New Delhi and without getting alarmist, for not minimising the mischief potential of what, after all, is a catchy slogan.

Hollowness of Affair

Nothing would be more effective than the return of the disillusioned lot from Canada in countering the appeal to the Khalistan demand. It would be a vivid, tangible proof of the hollowness of the whole affair--and of the fact that unscrupulous politicians like unscrupulous travel agents have sought to exploit the demand for narrow personal ends. It would expose the mythical character of Khalistan and thus serve to demolish the image that had been assiduously built by its votaries.

But the Canadian fiasco is a chance development and there is no reason for the moderates among the Sikhs, the opponents of Khalistan, in the Congress (I) or elsewhere to crow it over. What have they done to reach the masses and put the whole thing in a proper perspective? To hold a conference of "intelligentsia" in a five-star hotel in New Delhi? Even this exercise could have been more effective had the participants not used the same idiom, as employed by the Akalis, to highlight the "grievances of the Sikhs that detracted from the significance of their opposition to the Khalistan demand.

And what were the grievances? That heavy industry has not been located in Punjab, that Chandigarh has not been made part of the State, that the Punjabi-speaking areas of Rajasthan and Haryana had not been included in it.

At many places in the country--the Maharashtra-Karnataka dispute over Belgaum is a classic example--inter-State boundary disputes and complaints over the location of projects exercise the mind of the people. Such grievances are not exclusive to Punjab but this is not the impression that was conveyed by those who, while opposing Khalistan, spoke of the injustice to the region.

What Moderates Can Do

The task of the moderates is not difficult, for they have some very cogent arguments to support their case. They can pay the Akali extremists back in their coin. To the Akalis, religion and politics are inseparable and the Anandpur Sahib resolution of the undivided Akali Dal, by which both the groups now swear, committed them to "maintaining the feeling of a separate independent entity of the Sikh Panth and creation of an environment in which the national expression of the Sikhs can be full and satisfactory." The talk of Khalistan is thus implied to have the sanction of the religion.

But that, as pointed out by Prof. Harbans Singh, a Punjabi scholar in a well-researched analytical study of the Khalistan demand, is not correct. The Sikh gurus according to him, did not think in terms of even the Punjab of those days which was much bigger than the present truncated State but had the whole of India in mind. To begin with the beginning, that is, with Guru Nanak 500 years ago. In His "Bani", Nanak left no doubt that he regarded himself as a citizen of Hindustan and referring to Babar's attack, expressed concern over the external aggression on the country as a whole, not merely Punjab.

'Panj Piaras'

In His "complaint" to him, Nanak spoke of the tyranny that had befallen the country (not one part of it) without evoking His mercy. Similarly, the "Panj Piaras" or the Beloved Five, who were first initiated in the Khalsa fold, by Guru Govind Singh, the Tenth Guru, while creating the Khalsa Panth, belonged to all regions and all castes--only one of them was from Punjab (Lahore), and, among the others, one was from Bidar (Karnataka), one from Jagannath Puri (Orissa), one from Dwarka (Gujarat) and one from Delhi. Similarly the four seats of Sikh religious authority, established by Guru Govind Singh were located in various parts of the country. The Gurus, it was clear, did not identify the Sikhs with Punjab.

So much for the historical and religious aspect. Politically, the Sikhs fully identified themselves with the freedom struggle and, at the time of the partition, spurned the bait of a separate homeland.

The advocates of Khalistan deliberately keep the demand vague, knowing fully well that any attempt to define it would boomerang on them. As Prof. Harbans Singh concludes, after examining it from various angles, Khalistan "is spiritually unholy, politically unsound, economically not viable, commercially bankrupt, industrially weak, geographically precarious, and, from the security point of view, an insecure, defenceless area."

The case against Khalistan is not weak. It needs strong exponents.

CSO: 4220/7572

EDITORIAL URGES BETTER PROTECTION OF HARIJANS

Madras THE HINDU in English 17 Aug 81 p 8

[Editorial: "Eradicating Caste Tensions"]

[Text] The decision to enlarge the scope of the committee on communal harmony set up by the National Integration Council so as to cover caste tensions is to be welcomed. The Council itself was reactivated after a lapse of several years in the wake of the increasing communal incidents in the hope that an institutional set-up of this nature will spread the message of national unity in a truly methodical and sustained manner. The task is not easy of fulfilment given the deep roots communalism has taken, but there can be no gainsaying the importance of sustained effort to achieve cohesion. Consisting as it does of prominent personalities of all religions and faiths and representatives of various political parties besides Chief Ministers of States, the Integration Council does give the impression of being a well-structured body capable of delivering the goods. In practice, however, the Council has not been taking its work as seriously as it ought to. One problem, often cited, is its unwieldy size. Precisely for this reason, the Council had set up several committees to deal with different aspects of integration, but even these smaller bodies seldom seem to meet with the result that they have not made the desired impact. Maybe the current convulsions through which the Harijans are passing have put a fresh sense of urgency in the minds of the architects of the Council to induce the main committee on communal harmony to deal with this aspect as well.

What is needed is a protective armour for the weaker sections so that they might feel absolutely secure in the pursuit of their daily avocations. The incidents that took place in Bihar and in a few other States are a grim reminder that a great deal has to be done to instil confidence in the minds of the Harijans that they are regarded as much a part of the mainstream of national life as any others. The national committee has, therefore, to go about its work with a sense of dedication. The recent judgment in the Pipra carnage case in which 14 Harijans were done to death in a Bihar village clearly revealed that the whole crime was "preplanned, brutal, heinous and ruthless." Such outrages are by no means few but here again remedial action seems to be slow. It has taken 16 months for the case to be determined in a lower court, though Mr. Zail Singh, Union Home Minister, had held out the assurance soon after the killings that there would be speedy investigation and quick trial. The national committee should also take

a close look at the position of the Harijans in sensitive areas and make an assessment as to how far the well-intentioned measures under the Protection of Civil Rights Act with all its rigorous punitive clauses, meant to effectively curb untouchability, are being made use of. Such a survey if done periodically is bound to bring to sharp focus the disabilities and humiliating conditions in which they live, which in turn will facilitate the adoption of quick corrective measures. The recent phenomenon of mass conversion of Harijans to Islam in Tamil Nadu needs to be carefully gone into if only to find out to what extent it is the result of harassment by the so-called dominant castes. Change of religion is no doubt one's own business and an exercise of the fundamental rights guaranteed in the Constitution. But when it results not from genuine conviction but is brought about by oppression by other castes or the lure of money as has been alleged, the community cannot afford to ignore it.

CSO: 4220/7572

BJP MEETING PLANS MONSOON SESSION STAND

Madras THE HINDU in English 17 Aug 81 p 9

[Text] New Delhi, Aug 16--The BJP will indict the Government during the monsoon session of Parliament on three main issues--Ordinance banning strikes in essential services, price rise and complaints of abuse of power, rigging, etc. in the recent by-elections.

This was decided by the party at its meeting here today under the presidentship of Mr. L. K. Advani.

The spate of railway accidents and the mass conversion of Harijans to Islam will also be raised.

The BJP expressed the view that the conversion of an individual to another faith was an act of conscience and upheld by the Constitution. But the conversions en masse that were taking place had grave political ramifications.

"There are elements in the country, and outside, who are behind these conversions and who want to change the demographic complexion of India and make it a theocratic State. These mass conversions thus pose a threat to the secular character of our Constitution. Foreign money has been playing a vicious role in this", the party said.

While the BJP would call for stringent measures to check the flow of foreign money into the country, it felt that leaders of Hindu society must declare an all-out war against untouchability and casteism, and ensure that Harijans acquired an honoured place in society.

The party's chief whip, Mr. Satish Agarwal, indicated the line of BJP's attack on the Government in a statement on the price situation.

He said that "in 20 months the average citizen has seen a price rise, which he would have never experienced before." This week the wholesale price index had reached 286.6--60 points ahead of what it was when Mr. Venkataraman took over, just 19 months ago.

"No Finance Minister has ever been able to match this feat of 60 points in 19 months," Mr. Agarwal said, adding that though "this Government is still brave in words, its inability to deliver the goods has been proved."

CSO: 4220/7572

JANATA EXECUTIVE ADOPTS FOREIGN POLICY RESOLUTION

New Delhi PATRIOT in English 15 Aug 81 p 4

[Text] Hyderabad, Aug 14--The national executive of the Janata Party has accused the Union Government of deliberately trying to create a war psychosis in the country instead of taking initiative for a dialogue with other countries in the subcontinent.

In a resolution on the international situation and foreign policy adopted on the concluding day of the two-day meet today the executive, however, welcomed the resumption of dialogue with China and hoped that the momentum generated by the Chinese Foreign Minister's visit to this country would be maintained.

Releasing the resolution to newsmen party general secretary Ramakrishna Hegde described the recent visit of External Affairs Minister Narasimha Rao to Pakistan as "singularly motivated to appease and win over a section of the electorate on the eve of the recent by-elections."

With this motivation, Mr Hegde said, the External Affairs Minister "conceded to Pakistan the right to secure sophisticated weaponry for its defence purpose."

The resolution expressed deep concern at the escalation of tension in the South Asian region and the continuing deterioration in its security environments which "the diplomacy of the present Government has failed to arrest or reverse."

The acquisition of sophisticated weaponry including F-16s by Pakistan should inevitably force a re-assessment of our defence requirements and the requisite counter measures, it added.

The executive condemned the rascist violence in United Kingdom and also deplored the decision of the US Government to manufacture, test and stockpile neutron bombs as a crime against humanity.

On the economic scene, the executive felt the Government's recent package plan and its decision to approach the International Monetary Fund for the massive loan of 4.5 billion dollars would further accelerate inflationary pressures on the economy and weaken the nation's resolve to achieve self-reliance.

"All in all, the economic situation is grim and steadily worsening, and, given the present policies the chances of reversing this trend appear slim," the resolution on the economic situation said.

CSO: 4220/7563

CONDITIONS OF MUSLIMS IN INDIA DISCUSSED

London AL-MAJALLAH in Arabic No 74, 11-17 Jul 81 pp 74-75

[Interview with Mawlana Muhammad Yusuf, Head of the Islamic Community of India by Najwa al-Tami; date and place not specified: "Head of Indian Islamic Community Says, 'Islam Came into India More Than 1,200 Years Ago; the Charging of Interest for Lending Money Was Prohibited at the Last Conference We Held' "]

[Text] The Republic of India is made up of 16 provinces, and its area exceeds 3 million square kilometers. The 1971 census indicated that it had a population of 550 million persons. It is this large numerical abundance that makes some people prefer to call India the Indian subcontinent because it does in fact resemble a subcontinent and is made up of numerous nations, groups and tribes whose language, religion, race and origin vary. Despite that and although the principal religion in India is Hinduism, Islam has high standing in India where Muslims make up a force that cannot be ignored. They make up 11 percent of the total population.

Muslims in India are incorporated under the banner of the Islamic Community which is the highest association uniting the Muslims throughout the huge subcontinent. In fact, its activity extends beyond India for the exchange of benefits and important religious communication with Muslims throughout the world. In a quick tour to visit Muslims in the United States and in Canada, Mawlana Muhammad Yusuf, the head of the Islamic Community delivered a lecture on "Human Rights from the Islamic Point of View." He also went to London to visit Muslims there, and from there he went to the Kingdom of Saudi Arabia to perform the minor pilgrimage. Finally, he flew to Dubai in the United Arab Emirates to meet his fellow Indian Muslims there and to get acquainted with other fellow Arab Muslims.

In the context of this broad tour AL-MAJALLAH had an opportunity to interview his eminence about the nature of that tour and about Islam and Muslims in India. The chief of the Islamic Community in India began his talk by emphasizing the important place Islam has in Indian history.

He said, "God showed the Muslims of India the road to salvation a long time ago--as far back as the 8th century A.D.--when Muslims were able to conquer the land beyond the Indus River. Since then trade relations between India and the Arab and Islamic countries have not ceased. Bonds with the

Islamic culture and religion were also strengthened in our country. This remained the case for the duration of the Abbasid Caliphate. The Turkish Sultan Muhammad al-Ghaznawi continued the task of spreading Islam in north India in the 12th century. He fought 20 battles in about 25 years until he succeeded in establishing a small kingdom in the Punjab. However, that kingdom did not last long. These invasions provided an opportunity for the instructions and the principles of the old Indian culture to mix with those of the Islamic culture.

"Islamic victories in India followed each other; the Sultanate of Delhi was established; and the names of a number of sultans, such as Qutb al-Din and 'Ala' al-Din became famous. But those sultans and others were military conquerors more than victors preaching Islam. Then the Mogul Empire came into existence and Sultan Akbar, its third sultan was able to rule justly among all Indian sects, Muslim and non-Muslim. This achieved high standing for India during his age."

[Question] Can you tell us about the present activity of the community?

[Answer] The fact is that our activity is varied and covers all branches of [the effort to] cement the cornerstones of the true religion in India. Our activity includes the publication of Islamic books that are translated into the numerous Indian languages. Chief among those is the Holy Koran, which we've translated into 12 Indian languages. We also publish an Islamic newspaper that discusses religious matters and gives the Muslim information about his rights and duties. We also exchange visits, and we hold conferences and other such matters that encourage the stimulation of Islamic life in India and keep the Indian Muslim in touch with what is happening in the other Islamic countries.

The Most Recent Conference

[Question] When was the most recent conference you sponsored?

[Answer] That was last February in the city of Hyderabad. It was attended by most of the Islamic Community in India, that is, 300,000 Muslim men and women. They came from all over the republic. The conference was also attended by 2,000 non-Muslims; they came to find out about Islam and its tolerant laws.

[Question] What was the outcome of the conference?

[Answer] Its results were extremely positive for Muslims and non-Muslims alike. Decisions were made that are of interest to the Indian Muslim in so far as they develop his knowledge of the Islamic religion and strengthen his relations with his Muslim brothers. The effect that the conference had on the non-Muslims who attended it was tangible, especially in the area of forbidding interest. I found out after the conference ended that a number of those brothers, and they hold respectable positions in a number of banks and organizations, decided to prohibit charging interest for lending funds and for financial transactions. This was a step that made us very happy.

[Question] Was the conference attended by representatives of other Islamic countries?

[Answer] We did in fact send invitations to representatives of numerous Islamic countries, but the Indian government evinced sternness about giving them entry visas to attend the conference. Consequently, only a few brothers from the Kingdom of Saudi Arabia and Kuwait came. Naturally, we were very sorry for the government's position.

[Question] Why did the government adopt this stern position?

[Answer] The Indian government is prejudiced against Islam and Muslims. It frequently interferes in the activities of the Islamic Community which practices the teachings of Islam and is devoted to them. We are always having difficulties from the government and from officials in this regard. They also accuse us of fomenting sedition and sectarian disturbances, and we regret that. But our response to that is patience, good works, adherence to the true religion and promotion of the cause of God by wisdom and good counsel.

[Question] Tell us about the untouchables in India and about their desire to adopt Islam.

[Answer] The untouchable is a special term in India. In the Indian language, the word is (al-Harijan) which means without a place in society. The untouchables are a special group of Hindus who usually perform simple or lowly tasks. Most people do not like to mix with them. I have heard, and I have been informed that they wish to adopt Islam. Not only that, but some of them are looking for any religion to adopt, such as Buddhism, for example. Therefore, we welcome anyone who wants to adopt Islam. This may be another point of conflict between us and officials.

Every Province

[Question] Does the community have committees throughout India?

[Answer] Naturally we have a committee in every province. It is headed by a community chief. These chiefs are chosen from among experts in Islamic jurisprudence so they can manage matters in their area with the cooperation of the community's principal office in Delhi. We also have employees and emissaries who are scattered throughout India to serve Islam and Muslims, thank God.

[Question] What is your role as community chief?

[Answer] The fact is that ever since I began working in this field after studying under some Islamic scholars in India, I have been devoting all my time and activity to serve Islam and spread its banner in India. After India was partitioned, I worked as secretary general for the community until I was elected its president in 1972. This gave me the chance to meet many Muslims in different Islamic countries. Thank God that despite my old

age I can still carry out missionary activity for Islam, especially among young people. My responsibility is more of a spiritual and a moral responsibility in the sense that I give advice and guidance.

[Question] Is this your first visit to western countries?

[Answer] Yes, this is the first time. As much as I was pleased with meeting my Muslim brothers in the United States, Canada and London, I was surprised by the abominations that are widespread in these societies. In my opinion this places a greater responsibility on the Muslims who are living in those countries. They have to become an example for others in the commendable morals that Islam encourages and in their wise dealings because God Almighty will ask them on the Day of Judgment what they did to improve conditions in those areas and to turn people away from [the darkness of] ignorance to the light [of knowledge] and away from the worship of matter to the worship of the one and only God and to abiding by His true religion.

[Question] What other Islamic countries did you visit?

[Answer] I visited the Kingdom of Saudi Arabia, Kuwait, the Arab Emirates, Egypt, Jordan and Syria. I made most of these visits to meet with Muslims in those countries and to share with them views, advice and experience in the area of advocating Islam and strengthening the cornerstones of the Islamic religion. I also gave a few lectures about Islam in India to explain its standing and its importance as well as the role of the community in the adherence to it.

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CSO: 4304/101

BIHAR CHIEF MINISTER ON TREATMENT OF HARIJANS

Bombay THE TIMES OF INDIA in English 11 Aug 81 p 14

[Text] Patna, August 10. The Prime Minister, Mrs Indira Gandhi, has commended the Bihar government for protecting the weaker sections and stated that the conviction of 50 accused in the Pipra outrage case could go a long way in discouraging atrocities on Harijans all over the country.

This was stated here yesterday by the chief minister, Dr Jagannath Mishra, on his return from New Delhi. He said not only Mrs Gandhi but also many others felt that successful prosecution of those responsible for committing excesses on Harijans was the best solution to the problem.

The chief minister said the Congress(I) had fully vindicated the trust reposed in it by the weaker sections by taking measures for their protection and advancement. In Bihar, he added, cases relating to the Belchi outrage and other incidents which occurred in the past few years remained confined to the police files until the Congress(I) returned to power last year and took speedy steps to bring the culprits to book.

He expressed the state government's determination to take effective steps for complete elimination of communal incidents. Every effort would be made to secure the conviction of those responsible for the recent Biharsharif riots. The government had filed 96 cases. The high court had agreed to set up special courts for the trial of the accused. The cases were expected to be disposed of within six months.

Replying to a question about the continuing exploitation of Adivasis who were used as bonded labourers in different parts of the country, Dr Mishra said he was determined to end the evil. The government had already set up a flying squad which had been asked to proceed immediately to places from where reports of exploitation of Bihar Adivasis were received and to take remedial measures.

The government had issued orders that Adivasis rescued from different states should be given social security pension at the rate of Rs 30 per month pending their employment. In 71 blocks, "employment guarantee" schemes had been launched to provide jobs to the poor. Dr Mishra expressed deep concern at the sexual exploitation of Bihar Adivasi women outside the state. Stringent measures would be taken to check it.

CSO: 4220/7540

URS ADDRESSES INDIAN YOUTH CONGRESS-U PARLEY

Bombay THE TIMES OF INDIA in English 10 Aug 81 p 5

[Text] Pune, August 9.

The Congress (U) should effect some modifications in its structure to make it broad-based and attract to its fold people who believe in democracy and socialism, the party president, Mr. Devaraj Urs, said here today.

Addressing the national convention of the Indian Youth Congress (U) Mr. Urs said that the parliamentary system of democracy would not function effectively unless there was a strong opposition to the ruling party within the parliament and outside. The Congress (U) should realise this fact and work in this direction by effecting necessary changes, he exhorted his partymen.

According to Mrs. Urs, the parliamentary system in the country was unfortunately yielding place to one-party system which, in other words, meant fascism. The ruling party had resorted to the shameless method of defections and thus accelerated the process of erosion of democratic values. The defections in the last 18 months exceeded the total number of defections that took place in 32 years, he pointed out.

In spite of the fact that the Congress (I) had failed to deliver the goods, contain price spiral and keep its promises, there was a possibility of it getting re-elected. In such a situation, the leaders of all opposition parties should realise that none of them individually was in a position to build up a base for a strong opposition.

Mr. Urs said that the need of the hour was to start a dialogue with like-minded opposition parties which believed in democracy. Leaders of all parties should seriously think how best the opposition could be strengthened.

Referring to the verdict of the Election Commission on the election symbol, Mr. Urs said that they should not wait till judgement of the supreme court was delivered in this case. They should think of giving a new name to the party. If the supreme court gave a judgment in their favour and allowed them to take the name of Indian National Congress he would be the happiest person.

Mr. Suresh Kalmadi, president of the Indian Youth Congress (U), said that it would join hands with youth wings of all political parties to wage a struggle

on the one-point programme of eradication of unemployment. This struggle should not be taken as opposition for its own sake. IYC(U) would co-operate even with the government if it came forward with positive schemes to solve the unemployment problem.

Mr. Kalmadi said that senior leaders of all parties should step down in favour of the youth but at the same time guide them in the task of building a strong opposition.

Mr. Unnikrishnan, MP, ridiculed Mr. Chavan's contention of joining the national mainstream. He said the mainstream which Mr. Chavan wanted to join was the "gangotri" of corruption that was eating away the vitals of the society at all levels. He said that everyone should realise that we were living in an age in which "pindharis" were dominating with the object of perpetuating dynastic rule.

Mr. Unnikrishnan described Mr. C. M. Stephen, Union communications minister, as a master defector. He said that Mr. Stephen, who desired to unroll a red carpet for Mr A. K. Antony and others in Kerala would be greatly disappointed.

Mr Sharad Pawar, president of the MPCC(U) said Mrs Indira Gandhi and Mr A. R. Antulay have entered into a conspiracy to destroy the working class and the peasantry in the country. The recent ordinance was a pointer, he added.

Mr Pawer said that imports of foodgrains were planned to teach a lesson to the farmers who demanded remunerative prices for their produce. According to him, the Indian farmer was paid Rs 130 per quintal for wheat while the American farmer would get Rs 133. After importing 20 lakh tonnes of wheat, the actual price paid by the government would amount to Rs 170 per quintal, he said.

Mr Pawer said that the Centre had granted permission to Maharashtra to continue its cotton monopoly purchase scheme on condition that cotton growers would be paid a price lower than what was paid in the last season. Mr Antulay agreed to this as he "desired to stick to his chair."

The Congress(U) leader also disclosed that the Centre had planned to import one lakh bales of cotton from Pakistan even though this commodity was in surplus in the country. It would be the same with regard to coconut oil. All this was being done to humiliate the Indian farmer who was demanding higher prices for his products.

Mrs Ambika Soni, general secretary of the Congress(U), said that even though senior leaders had painted a dismal picture of the country's situation, she was not at all disillusioned.

She was convinced that young men and women in the country had come to understand that the ruling no longer remained the party of Gandhiji and Mr Nehru, but it was an organisation of Gundu Raos and Ibrahims. Mr Shrikant Murthy, general secretary of the IYC, moved a resolution appealing to top leadership of all opposition parties to forget individual skirmishes and sink their ego for the sake of the people at large. They should work in a positive direction.

The resolution warned the leaders of the Janata, Lok Dal, Democratic Socialist Party and the Janabadi party, who did not have much ideological differences, that unless they acted immediately in this direction, they would be dubbed "traitors who helped in the stabilisation of authoritarianism."

WRITER NOTES SHORTFALLS IN SIXTH 5-YEAR PLAN

Bombay THE TIMES OF INDIA in English 10 Aug 81 p 8

[Commentary by Prem Shankar Dha: "Salvaging the Sixth Plan: Need To Tap Euro-Dollar Market"]

[Text]

To no one's surprise the Planning Commission has dodged the Central issue that it was expected to deal with when it met last Thursday. This was whether or not, in the face of rapid inflation and a growing shortage of funds, to postpone taking up new projects and devote the money that is available to completing those that have already been started.

This dilemma is not a new one. In 1925, Bukharin had warned the Soviet party hierarchy against "building today's factories with tomorrow's bricks". The Indian government has been doing what Bukharin warned against ever since the second plan. While the financial targets have been met in money terms, accelerating inflation has caused the shortfall in real terms to increase from one plan to the next.

The sixth plan conforms to the same pattern. Even before the 17 and 18 per cent inflation of the last two years upset the government's calculations, the resources for the Rs. 97,000 crore public sector plan were nowhere in sight. For instance, the plan had allowed for only Rs. 5,000 crores of deficit financing, when the combined annual deficit of the Centre and the states amounts to around Rs. 3,000 crores a year. It also expected to raise Rs. 35,500 crores from budgetary surpluses and new taxation, despite the fact that the total current account surplus had never exceeded Rs. 3,206 crores in any single year.

The government could, in the last resort, have made good a large part of these deficits by raising more loans, even though this would starve the private capital market and make the achievement of the private sector's investment targets far more difficult. But inflation has wrecked this possibility also. The central and state plan expenditures fell short of targets by only Rs. 230 crores. But in real terms this represented a shortfall of around 20 per cent. The story is likely to be repeated once again, for even the targeted outlay is only 15.3 per cent higher when the inflation rate is around 18 per cent.

DELAYING

Against this background, the planner's refusal to take a firm decision means that as in the past, the plan budget will be balanced by quietly delaying the completion of some projects, and postponing the commencement of some others.

Official spokesmen have repeatedly made it clear that in view of the pressing need to contain the rising import bill, the axe will not fall on the energy and infrastructure sectors. But this means that it will fall on industry. Indeed this is already happening. Throughout last year, sanctions for new projects in steel, fertilisers, petrochemicals, and cement, and even in coal and power, were slow in coming. In fact, the Federation of Indian Chambers of Commerce and Industry has calculated that against a targeted increase in capacity of 62 million tonnes in the basic industries, the most that can be achieved is 53 million tonnes. The shortfalls include about 8 million tonnes in cement, two million tonnes in nitrogenous and phosphatic fertilisers, and 50,000 tonnes in man-made fibres.

The government's strategy, if it can be called one, is difficult to understand. For not only is it likely to aggravate the already acute shortages of most basic industrial products, but unless India opts once again for a siege economy and bans all imports, no matter what the cost to industry and agriculture, cutting back investment in basic industries may actually worsen the balance of payments deficit in the coming years.

A close look at our import statistics shows just how much the imports of these products have cost the country. The cost of imports of fertilisers was Rs. 925 crores, of steel around Rs. 700 crores, of cement Rs. 120 crores, and basic drugs Rs. 150 crores. What is more, since the country also loses over Rs. 90 crores when it imports a million tonnes of oil products instead of crude oil, the import of 6.5 million tonnes of oil products in 1980 has meant nearly Rs. 600 crores of avoidable expenditure in foreign exchange.

All in all, therefore, about Rs. 2,500 crores of the trade deficit can be traced to shortfalls in domestic investment in the basic industries. Against this, the total

deficit in the balance of payments in 1980-81 was estimated by the Economic Survey to be of the order of Rs. 2,000 crores. If investment in the core sector continues to lag behind, the gap between demand and domestic supply will continue to widen, and will have to be filled by imports.

CLEFT STICK

The planners are therefore in a cleft stick. They cannot allow the country's oil import bill to keep rising, and they cannot cut back on industrial investment, for this will heighten stagnation and push up the balance of payments deficit even more rapidly. Fortunately, the picture is not quite so bleak. While there may be a shortage of investible funds within the country, there is no dearth of capital abroad. In fact, the world money markets are awash with petro-dollars seeking investment outlets. No less than 112 billion dollars flowed into the international banking system in 1980, and according to the IMF's projections another 176 billion dollars will flow into it in 1981 and 1982. What is more, while heavy borrowings by the rich nations pushed up interest rates in 1980, there is every reason to expect credit terms in the Euromoney market to get easier in the coming 12 to 18 months because European countries are expected to balance their external account again this year and sow a surplus next year.

Since India enjoys a high credit rating in the world money markets, instead of cutting back on industrial investment, New Delhi will do well to raise money on commercial terms to finance an accelerated programme of investment in the basic industries, with a view to achieving almost complete import substitution in the next five to six years. While the high nominal rates of interest in the Euro-money markets appear daunting, in real terms they are of the order of seven to eight per cent. Against this, the savings in foreign exchange would be so great that many of the projects in this sector can pay for themselves in just two or three years.

Perhaps the best example of this is furnished by the oil refineries. In 1981, the country imported 6.4 million tonnes of oil products at a cost of Rs. 1,708 crores. This was almost Rs. 600 crores more than it would have had to pay for the same quantity of crude oil — enough to finance the setting up of a refinery with a considerably higher throughput than 6.3 million tonnes a year.

Another good example is provided by fertilisers. In 1980-81, the government purchased Rs. 925 crores worth of nitrogenous and phosphatic fertilisers at an average cost of Rs. 3,700 per tonne against a domestic price (inclusive of the subsidy) of around Rs. 2,300 per tonne. The difference, which accounts for Rs. 400 crores of the current subsidy on fertilisers, is enough to pay half the cost of a plant.

ACHIEVE

Paying back loans to finance such investment, even on a turnkey basis, will prove no problem. But so far as drugs and cement are concerned (and also possibly man-made fibres and some other chemicals) even this is not necessary. The government can achieve its goal simply by stimulating private investment through appropriate policy reforms. These will include the lifting of price controls on cement, and the elimination of the current bias in the drug price policy that rewards formulators more handsomely than bulk drug manufacturers, and baby food and cosmetics makers better than drug formulators.

However, for the other three industries it will be well-advised to raise not just the foreign exchange, but the whole of the investment capital abroad, on commercial terms if necessary. Some idea of how much will be needed may be had from the projections contained in the sixth plan. Even if all goes well there will be a gap of over five million tonnes between the domestic supply of, and demand for, oil products, and of 1.5 million tonnes between the demand and supply of steel. For fertilisers, if we assume, as the Planning Commission does, that the demand will grow to around 8.3 million tonnes of nutrients, the gap that will have to be filled by new investment will be around 2.5 million tonnes in 1984-85. For this no less than ten giant plants of roughy the size of that at Thal-Vaishet will be needed. While the sums involved are daunting, it is worth remembering that the foreign exchange saved by not importing the fertiliser, will pay for a 1,350-tonne-a-day ammonia plant, costing Rs. 900 crores, in just two years.

What the government should do, is to borrow enough abroad in a phased programme over the next five to eight years to meet not only the anticipated shortfalls in the creation of capacity pointed out by FICCI, but also those outlined in the sixth plan document, which the government seems willing to live with.

CSO: 4220/7536

MORE DETAILS ON SOVIET TREATY ANNIVERSARY TOLD

Bombay THE TIMES OF INDIA in English 10 Aug 81 p 13

[Text] New Delhi, August 9 (UNI). The Prime Minister, Mrs Indira Gandhi, today declared that Indo-Soviet friendship had become "closer and our cooperation in the realms of science, culture and commerce more diversified without in any way conflicting with our independent stand on various issues."

In a message on the occasion of the public meeting organised by Friends of the Soviet Union to mark the 10th anniversary of the Indo-Soviet treaty of peace, friendship and cooperation, Mrs Gandhi said Indo-Soviet friendship was an example of how two countries following different systems could fruitfully work together in the cause of world peace and make a contribution to the enlargement of international understanding.

"The relations between our two peoples have long been marked by mutual regard," Mrs Gandhi said. The October revolution almost coincided with the advent of Mahatma Gandhi on the political scene of India to lead our final battle against imperialism. "Ever since India's independence 34 years ago, our two countries have worked together against colonialism and racialism," she added.

Mrs Gandhi said that the Soviet Union had recognised India's policy of non-alignment.

"In the coming years," she concluded, "Indo-Soviet friendship will continue to be close and beneficial to both of us and also to the entire world community."

PTI adds: The external affairs minister, Mr P. V. Narasimha Rao, today said the Indo-Soviet treaty of peace, friendship and cooperation was as relevant today as it was ten years ago when the treaty was signed.

In a message of greetings to the Soviet minister for foreign affairs, Mr A. A. Gromyko, the external affairs minister said the treaty had contributed greatly to the consolidation of peace and stability not only in the region, but also in the world.

The signing of the treaty had marked an important stage in the development of relations between India and the Soviet Union, the message said.

Mr Rao expressed confidence that the coming years would see a further strengthening of Indo-Soviet friendship and deepening of bilateral cooperation.

Moscow (UNI): The Soviet foreign minister, Mr Andrei Gromyko, has said that the signing of the Indo-Soviet peace treaty has become "An important milestone in the history of Indo-Soviet relations, an event of great significance," reports APN.

In an article published in PRAVDA yesterday, Mr Gromyko said. "The conclusion of the treaty was not a consequence of any transient consideration or circumstances. Its signing is the natural result of mutual striving of our peoples for friendship and good neighbourly cooperation, their invariable yearning for peaceful and creative life."

"The Soviet-Indian relations," according to Mr Gromyko, "are a graphic illustration of the translation into reality of the principles of peaceful coexistence of states with different social systems. At the same time, they are a major element of the powerful front of solidarity of socialist and non-aligned countries.

The Soviet foreign minister, accusing the United States of "destabilising Asia by agreeing to supply arms to Pakistan and possibly China" said the Soviet Union "will take all measures needed to defend itself, its allies and its friends."

Mr Gromyko linked the proposed sale of arms to Pakistan with the U.S. efforts to increase its military strength in the Indian Ocean and the Gulf region and said that "the Soviet Union will take all steps which will be dictated by the course of development. No one should have any doubt that the Soviet Union will be able to defend itself and its allies and friends."

Celebrations marking the tenth anniversary of Indo-soviet peace, friendship and cooperation treaty and friendship month commenced here today on a nationwide scale, Minsk, Kishinev and various other capitals of the Soviet republics are holding meetings, exhibitions and other festivities.

All the national dailies today frontpaged messages of greetings exchanged between Indian and Soviet presidents and prime ministers. The Soviet daily, IZVESTIA, paid tributes to Mrs Indira Gandhi's government, which, it said, has been tirelessly working for defending peace in Asia and other parts of the world ever since it returned to power. It lashed out at the U.S. and China for creating new hotbeds of tensions in Asia. If these forces, the paper said, have not succeeded in turning Asia into an area of military conflict, much of the credit for it goes to cooperation between India and the Soviet Union in the spirit of the treaty signed by them ten years ago.

IZVESTIA recalled that when the Janata government came into power in March, 1977, Washington and Beijing had openly expressed the hope that Soviet-Indian relations would cool down. However disappointment awaited them as the government of the two countries reaffirmed their decision to continue and follow in future the course of mutually beneficial cooperation based on the treaty. This was a proof of irreversible character of two countries' friendship.

Mrs Gandhi returned to power at a time when international climate had become tense due to strivings of the U.S. and other NATO countries to stop the process of normalisation and sharpen the tempo of arms race. Among other things Washington and Beijing began rearming Pakistan on a massive scale. In the light of these events, Mrs Gandhi's government had been consistently pursuing the policy aimed against the activities of neo-colonialists and hegemonists.

PRAVDA, carrying a commentary by its columnist Boris Averchenko noted the wide scale of cooperation between the USSR and other socialist countries and developing countries of Asia, Africa and Latin America, which enabled the young nations of this area to solve their problems and consolidate their defence capability. In this connection PRAVDA said that Indo-Soviet cooperation was a shining example.

CSO: 4220/7536

MAJOR RESHUFFLE OF CENTRAL SECRETARIES REPORTED

Madras THE HINDU in English 10 Aug 81 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, Aug. 9

The Secretaries of several Central Ministries and Departments have been changed in the course of a major shake-up as part of a new drive underway for improving the quality of administration.

The Defence Secretary, Mr. K. P. A. Menon, the Defence Production Secretary, Mr. A. B. Malik, and the Steel Secretary, Mr. S. Samaddar, have been reverted to their States.

The Commerce Secretary, Mr. P. K. Kaul, has been appointed Defence Secretary, while Mr. Abid Hussain, who recently returned from a foreign assignment and had been appointed Secretary of Heavy Industry, succeeds him. Mr. M. C. Sareen, an Indian Accounts and Audit Service Officer, has been appointed Secretary of Defence Production.

The former Commerce Secretary, Mr. A. S. Gill, who was suddenly relieved of his charge last year and relegated to the post of Secretary, Social Welfare, has been appointed Steel Secretary in the Ministry of Steel and Mines.

The Education Secretary, Mr. T. N. Chaturvedi, will be the new Home Secretary, in place of Mr. S. M. H. Burney who has been appointed Governor of Nagaland, Manipur and Tripura on his retirement from service.

Women officers promoted

The new list of promotions include two senior women officers of the IAS who have been elevated for the first time to the rank of Secretaries to the Government. Mrs. Anna Malhotra, who is now Chairman of the National Seeds Corporation, has been appointed Education Secretary, while Mrs. Sarla Grewal, succeeds Mr. Gill as Secretary, Social Welfare.

The Information and Broadcasting Secretary, Mr. A. K. Dutt, has been posted as Textile Secretary in place of Mr. Saran Singh who is due to retire from service shortly. The new I and B Secretary is Mr. S. B. Lal, who is now serving the Madhya Pradesh Government.

These reversions, transfers and promotions in the top bureaucracy were initially intended to be a part of a two-pronged exercise for combining a reshuffle of portfolios at the political level with the induction of abler civil servants into key administrative positions.

Though the long over-due Cabinet changes had been postponed again, the Prime Minister decided to go ahead with the second part of this operation.

Intelligence set-up to be tightened

The Prime Minister is also taking steps to tighten up the security and intelligence set-up as part of the country's defence preparedness to cope with the new tensions in the region.

She is thinking of appointing the former Research and Analysis Wing (RAW) chief, Mr. R. N. Kao, as an adviser to the Government to oversee the functioning of the internal and external intelligence agencies, without impinging on the responsibilities of the present heads of the two establishments.

The minor Cabinet changes announced last night, a few hours before Mrs. Gandhi's departure for Nairobi this morning, were intended only to place a Cabinet rank Minister in charge of the Ministry of Industry, which was being looked after only by a Minister of State.

The shifting of Mr. N. D. Tiwari from Planning to Industry led to the transfer of Mr. S. B. Chavan to Planning, leaving Mrs. Sheila Kaul, a Minister of State, in temporary charge of Education.

The very limited and ad hoc nature of this mini-reshuffle indicates that Mrs. Gandhi will be going in for some wider changes in her Cabinet after the Parliament session.

But the prolonged delay in completing what is otherwise a simple operation is proving to be a self-defeating exercise in finding competent persons for filling the existing vacancies or entrusting more challenging tasks to abler men.

It is not possible to establish new standards of administrative efficiency or political integrity at the higher levels of the Government, unless the Prime Minister is prepared to wield the big broom and get rid of all those who are beneficiaries of the prevailing spoils system.

The Prime Minister has lately been relying more on the professional advice of senior officials around her than on the counsels of her political confidants who are vulnerable to party influences. But there are grey zones of subjectivity where she tends to rely more on her own disposition than on the advice of others in the dispensation of patronage.

It is this aspect of her style that has been leading to inordinate delays in expanding or reshuffling her Cabinet, or even filling important posts lying vacant for a long time.

CSO: 4220/7539

HOME MINISTER TALKS TO NEWSMEN ON MASS CONVERSIONS

Madras THE HINDU in English 10 Aug 81 p 1

[Text] Madras, Aug 9. The Union Home Minister, Mr Zail Singh, told pressmen here today that the Centre was investigating the causes that had led to the mass conversion of Harijans into Islam in Meenakshipuram (Tirunelveli district) and other places.

The Centre was getting reports from the State Government and also from other sources. As some of these reports varied in nature, the Union Government was making its own enquiries into the matter. He declined to indicate the agency that had been asked to make the investigation.

The Constitution did not bar any one from practising or preaching any religion. But when 1,500 or 1,700 persons changed their faith at one strike he thought it was not out of one's own conviction, but there was something else behind it. "There may be a conspiracy or political motivation," he said.

Several reasons: The mass conversions might have happened due to several reasons--the offer of some inducements or the attitude of caste Hindus towards Harijans. It might also be due to a resentment against the administration that it had not rendered justice to them.

Perhaps there was some kind of allurement and side by side the caste Hindus had not treated the Harijans as their brethren. "Anything is possible; I cannot say anything just now; the matter is under investigation."

Asked whether the Government was unduly alarmed over the reports of mass conversions, Mr Zail Singh replied that it was a matter concerning one and all--the Government, the ruling party and other political parties alike. "Because this kind of conversion is politically motivated, and this is not a good method of changing religion."

'A temporary phase': He thought this was only a temporary phase. For, these kind of persons could not keep constantly their faith in any one religion. It was like politicians changing their affiliations forgetting their promises to the people. These persons could change their religion from Hinduism to Islam, from Islam to Christianity and to any other religion.

But if some people belonging to the weaker sections felt that they were not getting justice by being Hindus, how could they expect a better deal merely by changing their religious faith?, he asked.

Were the conversions the result of the State Government's failure to do its duty to Harijans?

Mr Zail Singh said he would not like to connect the State Government or any religion with these conversions. "I am not against Hindus or Muslims or Christians or anybody. In India, the Government is for the people, by the people and of the people, and all are equal in the eyes of the Government."

Did he suspect that any foreign money, namely the Gulf money, had played a part in the mass conversions? he was asked.

The Minister replied that he had already stated that "it may be due to the lure of money or anything else, maybe politically motivated; I cannot say definitely now."

A reporter told him that some persons were using the threat of conversion to blackmail the Government to get things done and asked if he was aware of newspaper reports that this was spreading to more places.

Mr Zail Singh retorted, "I think, you are also playing motivated politics."

Asked whether he was happy with the law and order situation in Tamil Nadu, the Minister said, "I will not say anything."

Spirit scandal: On spirit scandal, he said the Ray Commission had started its work. Any fresh memorandum submitted to the Government in this regard would be dealt with only by the Commission.

Would the Centre ask the Tamil Nadu and the Kerala Governments to wind up their commissions?

Mr Zail Singh said the Ray Commission was appointed after the States had set up their own Commissions. In contrast to the State panels, the Ray Commission belonged to neither Tamil Nadu nor Kerala. It could go to both the States and unearth the truth. "Now it is for the States to think whether their commissions could bring out the truth."

Essential services ordinance: On the opposition voiced by the Kerala and the West Bengal Governments to the Centre's ordinance banning strikes in essential services, the Minister said the ordinance was promulgated keeping in view the welfare of the labour and the industrialists, the need to increase productivity and the welfare of the peace-loving people.

"We have no illwill against either the labour or the management. If we do not allow strikes we will not allow lock-outs also." The legislation to be introduced in the coming session of Parliament, would make a specific provision to this effect, he said.

Earlier when Mr Zail Singh arrived here this morning from Delhi on a day's visit to the city he was accorded a warm reception at the Meenambakkam airport by a large gathering, including Dr H. V. Hande, Tamil Nadu Minister for Health, Mr M. P. Subramaniam, TNCC(I) President; Mr V. Karthikeyan, Chief Secretary and Mr K. Chockalingam, Home Secretary to the State Government, Mr Sourirajan and Mrs Renuka Appadurai, Pondicherry Ministers.

Visits Gurudwara: Soon after his arrival Mr Zail Singh visited the Gurudwara on G. N. Chetty Road, T'Nagar, and participated in the prayers. He also addressed the members of the Sikh community at the Gurudwara.

Later, the Chief Minister, Mr M. G. Ramachandran, hosted a lunch in his honour at Hotel Connemara, which was attended by the Speaker of the Assembly, Chairman of the Council, Ministers and senior officials of the State Government, Mr Ramachandran presented a beautifully carved Thanjavur plate to the Minister as a memento.

After fulfilling his engagements in the city, Mr Zail Singh left for Delhi in the evening.

CSO: 4220/7539

GANDHI, AIDES, MP'S DISCUSS PAKISTAN THREAT

Calcutta THE STATESMAN in English 20 Aug 81 pp 1, 9

[Text] New Delhi, Aug. 19--The Prime Minister, Mrs Gandhi, said today that the massive U.S. arms supplies to Pakistan posed a grave threat not only to India, but also to the people of Pakistan. Intervening in a discussion in the Rajya Sabha on a calling attention motion, she said the supply of F-16 aircraft to Pakistan had brought the cold war "on the doorsteps" of the Indian subcontinent.

The danger to India, she said, was no less because of the present situation in Afghanistan. But, there would have been danger to India if there had been U.S. influence in Afghanistan.

She referred to a CPI member, Mr Yogendra Sharma's assertion that if the revolution in Afghanistan had not taken place, things would have been worse for India, and said that it was a "very delicate issue".

The present situation had provided a handle to Pakistan (to acquire arms). Thus, the present situation had proved dangerous both for India and Pakistan. The danger was more for the people of Pakistan, as the burden of more and more arms without a basic infrastructure was against their interest. The atmosphere for talks between India and Pakistan for the restoration of peace in the area had been "reversed" because of the arms race started by the latter, she said.

The CPI member asked her pointedly about the Government's reaction to the Soviet parliament's appeal for peace. She merely stated that India endorsed all appeals for peace from any quarter. She, however, added that the Soviet parliament's appeal would have some effect.

Mrs Gandhi assured the Rajya Sabha that her Government would not slacken in its efforts to be self-reliant in defence. But it had to be balanced with imported "sophistication", she said.

Nuclear Installations

Earlier, occasionally prompted by the Prime Minister, Mr Shiv Raj Patil, Minister of State for Defence, said that the Government would do whatever was necessary to defend the sovereignty of the country. Steps had been taken to "protect our

interests". Measures required to protect India's nuclear installations would be adopted he told Mrs Margarette Alva (C-U).

But Mr Patil would not give a clear reply to members' anxious query whether India would make the nuclear bomb. He was sorry about the projection of the issue in the past (during the Janata regime).

On her part, Mrs Gandhi strongly denied what she described as BJP propaganda that India was a satellite of any super Power. She reiterated that her Government was "pro-India". "I have been saying it from time to time and would stick to it that this Government is not 'pro' any country, though we may have been trying to have friendship with all", she told Dr Bhai Mahavira (BJP). India was not in anybody's camp, Mrs Gandhi asserted.

The Prime Minister saw no contradiction (pointed out by the Opposition members) in what the Minister for External Affairs had stated in Islamabad regarding a country's right to acquire arms. Acquisition of arms by any country for legitimate defence requirement was understandable. But when it was "far above any calculation" of a legitimate need, "we become anxious".

The Pakistani leaders were talking of the Simla agreement. But now they have launched an offensive and all kinds of baseless stories were being published in Pakistani newspapers, she pointed out.

As regards the change in the American stand, the Prime Minister explained that the U.S. administration was now faced with a fact that once it gave arms, it had no control. In fact, the U.S. Government had woken up to a reality.

In his statement, which he read out, Mr Patil said that he shared members' concern on the decision of the U.S. Government to provide massive military aid to Pakistan. According to reports, the military supplies from the USA would consist of sophisticated weapons systems such as the F-16 aircraft, modern sophisticated tanks, armoured personnel carriers, guns, air and naval missiles, radars, destroyers and warships and other offensive and defensive equipment. The sophistication and quantity of supplies envisaged was far in excess of Pakistan's legitimate defence requirements.

"The F-16 aircraft represents induction into this region of a class of aircraft a generation ahead of anything operating with other air forces of the area. The combat aircraft now operating in the subcontinent are all of late 1960 or early 1970 technology. The F-16, on the other hand, is an advanced aircraft of late 1970 technology. In its offensive role, it can go much farther and can carry bigger bomb loads than any other aircraft in the region. The PAF, even without the F-16, already had a large deep-strike force. With the induction of the F-16 aircraft, the PAF's operational capability would be enhanced to a very great extent", the Minister of State for Defence said.

Arms Race Imposed

Apart from the aircraft reports indicated the possibility of supplies of very large quantities of other formidable weapons like tanks, guns, missiles, electronic

warfare equipment, radars and so on. The induction of such a large volume of advanced weapons over a small period was bound to tilt the military balance in favour of Pakistan. It was clear that the subcontinent was being willy-nilly pushed into an arms race, increasing the financial burden on the people at a time when their limited resources should have been used entirely for their economic uplift and to make up for lost time in technological and scientific progress.

During the last Pakistan visit of India's Minister for External Affairs and through diplomatic channels, New Delhi's views had been unambiguously conveyed. It was made clear to the Pakistani leaders that while India understood the sovereign right of every country to acquire arms for self-defence, India could not but feel disturbed about the threat to peace and stability implicit in the acquisition by Pakistan of sophisticated weapons systems which provoked an arms race by raising the level of prevalent military technology.

"We have also conveyed our apprehension that such a pursuit by Pakistan of advanced weaponry in large quantities, even when India had demonstrated its desire for peace and stability, could undermine the process of normalization of relations between India and Pakistan and would also extend cold war tensions into the sub-continent" Mr Patel said.

"Members are naturally anxious to know what steps we are taking to safeguard our security and territorial integrity in the face of these developments. The maintenance of peace is vital to our nation's progress. In order to safeguard it, we shall have to take appropriate measures to counter this threat. It is obviously not desirable to indicate the specific steps that are being considered. I would, however, like to take this opportunity to reassure honourable members that the Government is fully aware of the increased threat to the security and territorial integrity of our country and that the Government is taking all necessary measures as may be required to maintain full defence preparedness at all times", Mr Patil added.

CSO: 4220/7586

EXPERTS REPORT PAKISTAN EQUIPS NEW REGIMENTS

Bombay THE TIMES OF INDIA in English 10 Aug 81 p 9

[Text] New Delhi, August 9 (UNI).

Pakistan has recently received 300 fully refurbished M-47 and M-48 tanks equipping six new army tank regiments.

These two types of Pakistani tanks had been sent for refurbishing to Iran and Turkey.

With this, the total number of tanks with the Pakistani army has reached 2,000 thus attaining complete parity with India in the number of tanks.

According to military experts, the tanks have been dieselised to increase their efficiency and mobility.

Four regiments of M-47s comprising 200 tanks and two regiments of M-48s comprising 100 tanks have both been dieselised as well as upgunned. The 100 mm. gun on the M-48s has been replaced by the modern 160 mm. gun.

The refurbishing was carried out at the American-aided tank overhaul facilities in Iran and in the heavy rebuilt tank factories in Turkey. The United States has a standard practice of transferring modern equipment to Pakistan through third countries and they have found Turkey as a convenient point, experts pointed out.

The Pakistani army had been wanting to replace the petrol engines of the tanks with modern diesel engines to give them quicker acceleration.

According to the experts, some of the communication equipment of the American-built M-47 and M-48 tanks have also been replaced.

When the Pakistani defence secretary, Maj.-Gen. Rahim Khan, first visited Washington early this year the Pakistani tank requirements were put at 400 to 500. The requirement was later raised to 600 tanks. The latest figure being mentioned now is 800 M- [number illegible] tanks. The military experts say this would lend qualitative difference to the Pakistani armour.

The M-60, termed as a tank of the eighties, has a high degree of fire-power based on both guns and missiles and is equipped with highly sophisticated instruments

with accent on battlefield mobility. The M-60 entered production in the U.S. in 1960 and the Americans did not give it to any of their allies for quite some time.

The experts say the M-60 cannot be used effectively in the undulating terrain of Afghanistan. But it can be used effectively against India across the sandy plains of Rajasthan.

Pakistan has raised the requirements of the M-60 tanks since West Germany has denied Pakistan the Leopard II tanks which cannot be sold outside the North Atlantic Treaty Organisation. Pakistan had also expressed interest in the French AMX-30 tanks.

CSO: 4220/7535

WRITER EXAMINES WEAKNESSES IN INTELLIGENCE SETUP

Calcutta THE STATESMAN in English 18, 19, 20 Aug 81

[Article by Raju Santhanam]

[18 Aug 81 p 9]

[Text] New Delhi, Aug. 17--If you hear frequent clicks on your telephone watch out: you may be yet another "suspect" endangering national security. Your phone may be under a 24-hour tap. It could be either with official sanction or, illegally, at the behest of the Intelligence Bureau, the internal security network that has been growing in size since it was set up some 76 years ago and is systematically engaged in gathering information for its masters.

Telephone tapping has given official sanction under the Telegraphs Act provided the citizen exposed to it is considered a threat to national security. The IB normally does not have to send its men to the telephone exchange but has merely to hand over a list to the listening room of the IB's "technical laboratory" which keeps the phones under tap. The listening room has special cables running from the exchange.

Informed sources say that not more than 60 to 70 phones can be tapped at a time. About 30 or 40 of them may be suspects who could constitute a threat because of their contacts with certain embassies. The rest could include anyone who is hostile to the ruling party.

Tapping the telephone of a man not a security risk lasts only a couple of days. A politician who is likely to defect, a well-informed journalist talking to his source or a Minister who is planning a destabilization game are random targets. Once the taps yield some information during a critical period,--when, say, the wavering politician is making up his mind--they are withdrawn and some other unwary suspect is listed for tapping.

Conversations are recorded on endless spools of tape. There is in fact no necessity of an operator since the message is transcribed automatically. When the tapes are re-run there are several IB men watching for a crucial sentence. There have been some sensational disclosures when intelligence men have run to their seniors with the spools of tape as "evidence".

Besides illegal tapping bugging is common. Most of the devices are said to be imported and although ostensibly to be used against foreign agents, they are being constantly misused for domestic operation.

Mail Opened

Similarly, while bureau officers censor the mail of security risks others is also opened if the requirements of an "operation"--said to know what a politician is planning--necessitates it. Care is taken to open the mail before the first seal of the receiving post office is put on it--otherwise tampering might be detected.

These "operations" need many men and much money. Estimates made a few years ago had put the annual budget of the intelligence bureau at Rs 8 crores apart from secret service funds said to be more than twice that figure. Now both must be much more.

What is the IB meant for? It has many functions. And it is commonly mistaken for the Central Bureau of Investigation, which is a prosecuting agency. The IB, which like the CBI is attached to the Home Ministry is primarily an intelligence collection wing concerned with counter-intelligence--not merely to ward off attempts by foreign Powers to collect information but to suggest internal security measures and keep an intensive tab on the spy networks operating in the country.

The IB has, however, over the years changed its role to become the powerful arm of the party in power. Political prying is done at the cost of national security. The IB is headed by a director, nine joint directors, 40 deputy directors and more than a hundred assistant directors. Of them, only one deputy director looks after counter-intelligence work.

While some deputy directors are based in Delhi, a majority of them head the units in the States where more than 80% of their work is political. It was only after the Emergency that politicians knew how the bureau had been misused.

You name any political controversy and the bureau is in the thick of it trying to keep a low profile. Before a Congress leader is elected the bureau keeps Delhi informed of not merely the support each faction has but the resources' position of each aspirant. After the Chief Minister is elected, and the problems of the dissidents start, the bureau is once more active. By this time the bureau has placed the "alignment" of each MLA, categorized them into the group he or she belongs. Then anything remotely concerned with dissident activity is "covered", the views of newspapers on important political matters are summarized and regular files sought to be maintained on each prominent leader in the State.

The leader of the Opposition in the State Assembly is also kept under close scrutiny. No knowledgeable ruling party politician can afford to ignore the bureau, particularly in the Congress-ruled States.

For the political information they churn out from the States the secret service funds of the IB are used lavishly. There have been instances when Chief Ministers have been "entertained" by IB officials and the expense claimed from secret service funds.

"Prominent Persons"

The funds are also utilized to pay sources, some of them are life-time beneficiaries. Several who were virtual nonentities decades ago and were "sources" for the

IB have now become "prominent persons" in New Delhi. A lot of secret funds are utilized to cover the elections.

The Special Branches in many States run virtually parallel intelligence networks. Men of the Special Branch in a State not only tap phones but also place plainclothesmen as security guards--some are "gardeners" in the houses of Ministers.

Like their Central counterparts, Special Branches can also officially tap lines and the list can include politicians. The Special Branches, particularly in the South, are known to be having a field day. In the guise of watching extremists and Naxalites they keep taps on dissidents.

The IB was utilized to collect "evidence" for the arrest of Opposition leaders during the Emergency and was reportedly given the task of "neutralizing" the influence of leaders who had gone underground.

During the Janata days the IB was in disgrace and disarray. But soon enough some politicians could not resist the temptation of using their organization for their petty ends. And the IB launched several "operations".

When the Congress (I) came back to power, the IB continued to flourish, with new masters and new targets.

When the witch-hunt of pro-Janata officers started, a list of public sector undertakings headed by "Janata" men were kept under scrutiny, the IB's own outgoing director, Mr S. N. Mathur, was kept under close watch. Many went out of their way to prove that they were after all basically loyal to Congressmen.

[19 Aug 81 p 9]

[Text] New Delhi, Aug. 18--There are roughly 80 to 100 identified agents of eastern Europe operating in this country but there are only three cars to watch them in Delhi. A telling commentary on the Intelligence Bureau's lopsided priorities. The Bureau in its pursuit of political intelligence has come a cropper in internal security.

How many of the sensitive documents have left the country before the minor Defence Ministry official was spotted last year and what are the real ramifications of the arms spy case will never be officially made known let alone publicized. However, North Block sources say that India's defence plans for the next five years have been passed on to a hostile country.

Modern espionage, it is pointed out, largely depends on electronics. There are sophisticated transmitters that can send lengthy messages in a millionth of a second. There are also satellites to map military movement. But despite all this, it is the man on the beat that counts.

Since the spy comes in the guise of a diplomat, IB agents do an almost blatant surveillance job on him. But first of all the agent has to be identified and it takes some time and watching. Once that is done, an effort is made to get in touch with his Indian contact.

The diplomat spy on the other hand may never make contacts outside but may do so at parties. Besides, it is a fallacy to think that a super Power operates on its own or even its own satellites. A diplomat of a country which is hostile to it can be compromised and made to work for it. The possibilities are endless and make the espionage game complex.

How well are our internal security men geared to take them on? According to sources in the Bureau, more than 80% of the secret services funds are taken up by political operations. A general election means a drain on the funds and an end to any "counter" operation. In the States, the deputy director just keeps a routine tab on sensitive installations and keeps a cursory check on possible suspects moving to "hostile" neighbouring countries.

The leadership in the IB has become virtually servile over the years and because of its political dabbling, it's viewed both in contempt and disrespect by the political leaders who, of course, do not hesitate to misuse it.

The general impression is that there has been a marked fall in the stature of those heading the Bureau. A former official said; "A lot depends on the men who run the organization". The Bureau had seen the days of Mr Sanjeevi, the first director and later Mr B. N. Mullik.

Mr Sanjeevi resigned because he refused to comply with an order of Sardar Patel, the then Home Minister, to send him a copy of the reports on Kashmir about which there were serious differences between Nehru and the Sardar.

Father Figure

Mr Mullik, who took over, had direct access to Nehru. Mr Mullik is described as the father figure in Indian intelligence, who is believed to have said that we may get any equipment imported but the "know-how"--how to run intelligence network--should be entirely "ours". He ensured that only the best men were taken in.

The arrest of Sheikh Abdullah was entirely at his own instance despite Nehru's protests that he was his personal friend. He was also known to have rejected operations in the nation's interest.

Mr S. N. Mathur was suddenly brought in during the Emergency, dislodging Mr Atma Jayaram, mainly because of the former's Punjab political connexions which led him close to Mr Sanjay Gandhi. Mr Mathur not merely continued during the Emergency, but during the Janata days.

This made the Congress leadership suspicious. Mr Mathur was accused by inner Congress circles of deliberately giving a wrong election assessment and keeping the leadership in the dark about the defection of Mr Jagjivan Ram and Mr H. N. Bahuguna.

"Hidden Wealth"

In the Janata days Mr Mathur was viewed with suspicion and it was probably to clear that suspicion he did not hesitate to pass on information about the "hidden wealth" of Mrs Gandhi in Mehrauli farm. The cancellation of Mrs Gandhi's passport was also at the instance of the Bureau.

While Mr Mathur was later accused of initiating action against Mrs Gandhi, another senior official managed to hold a prominent post in the Bureau on the plea that he had been feeding Mrs Gandhi's men information on the Janata plans.

The official, who now holds a top post in the organization, is reported to have pointed out that he was utilizing a Central Intelligence Officer in Delhi for that purpose. That information about the Mehrauli farm raid and Mrs Gandhi's own arrest, factors on which she capitalized, was passed on is quite clear.

Whether true or not the Bureau has even been claiming that it helped in the break-up of the Janata Party by encouraging two Janata leaders to keep attacking the party constantly. It may sound a feeble attempt to continue in power, but considering the scope of IB's activities the story is not entirely incredible.

A widely respected leading doctor like Dr R. K. Caroli, who made a statement during the Janata days that one senior official, Mr T. V. Rajeshwar from the Intelligence Bureau, rang him up asking him to "immobilize" Mr Jagjivan Ram for some days at the hospital so that he did not leave the hospital for the Lok Sabha campaigning in 1977. The Central Bureau of Investigation which inquired into this complaint found nothing mainly because all movements were allegedly backdated and files destroyed.

Dr Caroli was made to seem almost foolish. But those were the Janata days. The official has since climbed up in the Intelligence Bureau.

Loss of Face

Mrs Gandhi's running down of the Intelligence Bureau some months ago has led to a loss of face in the higher echelons. Besides, the fact that Mr R. N. Kao has been processing all intelligence in the past two months has led to the further devaluation of the present director. Mr Kao is now tipped to be officially appointed adviser for Internal Security as well.

With the director's position shaky, the Intelligence Department as in the past is believed to be hatching one conspiracy after another that suitably appeals to the political leadership.

Any conspiracy in a communal incident or labour problem appeals to the political leadership. Mr Zail Singh's statement in Madras in August 8 about money being involved in conversions of Harijons, was obviously based on the information supplied by the Bureau.

However, inquiries in Delhi reveal that the Bureau has not been able to point out successfully how, where and why the money is involved. In fact, there appears to be a feeble attempt to link Mr Jagjivan Ram and probably Mr Bahuguna in the conversions.

That a conspiracy exists cannot, however, be totally ruled out since there is now a nationwide attempt to get conversions on August 15 largely initiated by Dalit Panthers, a militant group of schedule castes. But at the same time, the IB fights shy of telling the Government that socio-economic compulsions are primarily responsible.

During the '77 and '80 elections, the elections results were not properly conveyed to the political leadership since such truths could be unpalatable.

The top echelons of IB not merely consists of yes-men but of those who anticipate what the ruling party might want to know. Mr Sanjay Gandhi is reported to have relied heavily on the Intelligence Bureau. However, Mr Rajiv Gandhi is known to rely more on his political advisers who send their own independent reports which are cross-checked with IB reports.

[20 Aug 81 p 9]

[Text] New Delhi, Aug. 19--Intelligence agencies the world over have constantly used the pretext of national security to thwart attempts at scrutinizing their activities. While the Senate Committee watch the intelligence agencies in the USA, the Indian agencies have been warding off attempts at a probe for quite some time.

Internal security can be justified, but what about the intelligence agencies' role in regard to political opponents? Besides, under whose orders do directors get telephones of individuals tapped? Even a joint director in the Intelligence Bureau can order a tap and has never rejected a request to that effect coming from the deputy director.

Whether the IB really did have a right to pry into political affairs worried the Shah Commission, which pointed out that appropriate safeguards were necessary and should be devised by the Government to protect the Intelligence Bureau from being used as an instrument of political spying either by ' e Government on someone in the Government.

It also said "the issue has been raised to generate public debate on the subject. No such debate has followed. In fact, during Janata rule the Intelligence Bureau continued to be politically active.

That the Bureau was misused during the Janata days, as disclosed by sources, raises a larger question as to who could have ordered or sanctioned political spying by the Bureau. Mr Morarji Desai who was then Prime Minister, had reportedly made it clear that he did not trust the agencies whether it was the Research and Analysis Wing or the Intelligence Bureau.

Political Spying

Was then the Bureau ordering political spying at the instance of a constitutional authority? If so who was responsible. Many senior officials agree that some sort of probe is necessary.

But one senior official who has had access to sensitive sections of the Home Ministry blandly refused to believe that the Bureau was being utilized for political purposes. Journalists wrote to him to say that their telephones were being tapped but he considered such reports "moonshine". At the most he pointed out that the bureaucracy might be giving a report on the Chief Minister from a State about what he had been doing there. What was wrong with it? Which other agency could the Prime Minister get this information from?

All this goes to confirm the widespread belief that the Bureau often ensures that its methods and goals are kept a secret from everyone except the handful who matter.

For instance the L.P. Singh Committee which inquired into the working of the Bureau consisted of besides Mr L. P. Singh the former Home Secretary, two senior officials who headed the Intelligence Bureau and the Central Bureau of Investigation years ago. They were men who could not be misled easily.

While attempts are being made to scrutinize political spying, IB officials deliberately try to confuse it with their legitimate role as watchdogs of internal security. The secrecy bug is sought to be maintained at all levels.

The introspection of I.B. officers' role is all the more necessary now particularly because a large number of IB men have been sent back to their States for being pro-Janata. The Janata, too, had taken this step. There is complete frustration in the rank and file.

As a possible off-shoot of the misuse of the organization, the union problem has arisen and caught the IB officials napping. A senior official conceded that the demands may be genuine, but the activists have burnt their fingers by forming an association.

If the demands were genuine there was apparently no effort to solve them, although discontent began building up from the Janata days.

Wage issues apart, IB men have to lead a tough life especially in border areas. There have been reports of officers going mad in remote hills, cut off from the rest of the world. Barring individual cases, there has not been an overall sympathetic approach to the problem. On the contrary, a picture appears to have been painted, indicating that the union activists are infiltrated by the Central Intelligence Agency.

Somehow the realization is yet to dawn that, after all, work has to be extracted from these men. There are many who used to put in 17 to 18 hours a day to produce results.

Corruption

Corruption is rampant everywhere and the Bureau cannot be insulated from it. But there are reports of serious charges against 18 officials. While misuse of vehicles is quite common, there have been other charges of serious misconduct. are not such officers a risk to national security? Have at least the charges been inquired into?

A serious internal study of the Bureau is obviously called for. Are the results commensurage with investments even in their legitimate functions of the intelligence agencies? If the Research and Analysis Wing is to be utilized only for forward intelligence, why then does it continue to have its offices in the States. A part of Raw is the Special Bureau (SB). In the States, the Central Intelligence units are known as the Subsidiary Intelligence Bureau. There are also some other agencies with obscure names.

If the plea of national security is used, there can never be an effective scrutiny. However, as far as the public is concerned the failures are quite apparent. For instance, the Moradabad communal riot was obviously a sting on the Bureau. There may be many more, but secrecy in the "national interest" has reduced the accountability of those running the organization.

CSO: 4220/7586

PLANS FOR ROCKET BOOSTER DEVELOPMENT TOLD

Calcutta THE STATESMAN in English 15 Aug 81 p 6

[Text] New Delhi, Aug 14--An Indian rocket to be ready by 1986 will have reusable boosters like those used in the American space shuttle and will weigh 400 tons, according to Mr Abdul Kalam, head of launch vehicle development in the Indian Space Research Organisation, reports PTI.

It will be a major step forward, Mr Kalam told an audience at the India International Centre here on Wednesday. The present rocket, SLV-3, weighs only 17 tons.

Called Polar SLV, the new rocket now in the design stage will have two boosters each of 100 tons. They will be parachuted to earth and reused thereby bringing down the launch cost. The rocket will be used to put up a payload of up to one ton in a 1000-km sun-synchronous orbit.

Mr Kalam said ISRO's objective was to develop a rocket by the beginning of 1990 that will place a 30-ton payload in low earth orbit, which is equivalent to placing a 3-ton communication satellite in geosynchronous orbit at 36,000 km.

He said the solid propellent developed by ISRO was comparable to the best in the world. India is just entering the liquid fuel technology for rockets. PSLV will use a liquid fuel engine in the second stage.

According to Mr Kalam, it is vital for ISRO to enter in a big way into cryogenic engines using liquid oxygen and liquid hydrogen. Cryogenic rocket engines will bring down the cost of the launch vehicle and reduce its size while generating much greater thrust than that provided by solid fuel or storable liquid fuel.

Mr Kalam said ISRO could develop cryogenic engines in seven years at an investment of Rs 50 crores. Oxygen is available in the country but "we don't have hydrogen."

"We must start a programme to produce hydrogen, which can be used in space programmes and as an alternative energy source for homes and industry," Mr Kalam said.

Mr Kalam, who is credited with the design of SLV-3 said the vehicle would become operational by 1983. The second developmental flight of SLV-3 will take place early next year.

He said the design and development of SLV-3 took seven years for 300 design engineers and used 30,000 hours of computer time. The PSLV will cost Rs 150 million a piece, he added.

According to Mr Kalam, by 1986 India will have a launch vehicle comparable to the French rocket Ariane, which launched APPLE satellite in June.

Comparing India's space programme with that of China, Mr Kalam said China went right away into liquid propellents like other super powers. China's solid fuel technology is not as advanced as that of India, he added.

CSO: 4220/7562

CPI-M POLITBURO ISSUES STATEMENT ON NEUTRON BOMB

New Delhi PATRIOT in English 15 Aug 81 p 4

[Text] The CPI-M Politburo has joined with the progressive forces in the world in condemnation of the Reagan administration for having ordered mass production of neutron bomb.

In a statement on Friday, the Politburo described the bomb as a "diabolical weapon of mass destruction" and pointed out that the announcement of the US Government was a clear revelation of its plans to involve the world in a nuclear disaster.

It is clear that long before this was formally made known, secret production of the weapon had already started and no one knows how many bombs have been stocked by the US. It also shows the arrogance of the US Government towards world public opinion," the statement read.

The Politburo ridiculed the US Government's contention that the bomb was a "deterrent" against the Soviet Union. It highlighted that the USSR had been repeatedly calling for putting a stop to the arms race and ban on manufacture of weapons of destruction.

The CPI-M appealed to the people of the US to stay the hands of their Government and save the world from a possible holocaust.

CSO: 4220/7564

TWELVE EXTREMISTS ESCAPE FROM IMPHAL JAIL

Calcutta THE STATESMAN in English 10 Aug 81 p 1

[Text] Imphal, Aug. 9--Fifteen undertrials, including 12 prominent members of the outlawed People's Liberation Army, escaped from Imphal Central Jail this morning after hijacking a jail van and shooting at the jailer and the warden, report PTI and UNI.

Among the prisoners who escaped was a PLA leader, Budha Singh, who was earlier arrested after he had run away from the jail along with nine others on August 12 last year, police sources said.

Budha Singh, along with two other undertrial extremists, forced the jailer-in-charge to open the jail gate. They locked his son in a room and threatened to shoot him if he raised any alarm.

The jailer led the three extremists to a nearby jail van; 12 other undertrials, including nine PLA members, soon came out from the prison cell and joined them, the sources added.

After they were all in the van, Budha Singh, pointed a gun at the jailer and ordered the driver to take them out.

Later, they drove to a place called Ayangpali near here and Budha Singh asked the mailer to go back; when he refused and tried to resist them, he was shot at.

Soon after the incident all the 15 people escaped from the area, the sources said. However, the three non-extremist undertrials were later rearrested. The injured jailer was removed to the regional medical hospital where he was improving.

Meanwhile, heavy combing operations have been launched in the area. PLA activities had considerably increased in the region since the July 6 encounter between the Army and the PLA, the police added.

This is the second time PLA members have managed to escape from the jail. Nine members had escaped in an incident in December last year.

Besides Budha Singh, some of the other prisoners who escaped are Ajit Singh, Madhu Singh, Khongnem Singh, Inaocha Singh, Ihopishak Singh, Subhas Singh, Naram Singh, Khoirumba Raikumar, Paka Singh and Loken Singh.

A senior police official said that arms might have been supplied to the prisoners from outside the jail.

A dusk-to-dawn curfew was imposed on Tengnaupal district bordering Burma for two months, an official release said here today.

The curfew has been imposed following reports that some antisocial elements were moving in the border areas with arms and ammunitions.

The Manipur Chief Minister, Mr Rishang Keishing's scheduled trip to New Delhi this evening was cancelled, according to official sources.

The sources did not mention any reason for the cancellation of the trip. However, a major segment of political observers here thought that it might be due to the worsening law and order situation in the State.

The observers felt that the State Government's recent claim of improved law and order situation suffered a serious jolt with the escape of hardcore PLA activists in the morning.

Two youths were shot at by some unidentified gunmen at Pangel, about six km from here, yesterday, the police reported. The youths were admitted Imphal general hospital with bullet injuries on their chests and legs.

The police could not give any reason for the shooting. They were investigating the case. No arrest has so far been made.

CSO: 4220/7537

SHEIKH ABDULLAH ADDRESSES JOURNALISTS' MEETING

Bombay THE TIMES OF INDIA in English 10 Aug 81 p 19

[Text]

SRINAGAR, August 9: The chief minister Sheikh Abdullah, yesterday appealed to journalists to eschew sensationalism, particularly concerning annual events, which was likely to aggravate the situation.

Addressing the executive committee of the National Union of Journalists (India), which is meeting here, the sheikh appreciated the role that the press had to play in a democracy. It had to exercise its rights in a positive manner. The press should ask itself to what extent it was responsible for creating a situation like the one in Assam or Gujarat or elsewhere. That had a national fall-out.

While it was the responsibility of the state to look into the law and order aspect of the events, some introspection was needed by journalists to determine how far they had fuelled the fire.

He said fair and balanced reporting of events was essential for keeping in check anti-social and anti-people elements. But how far things had been sensationalised and given an iflammatory twist to arouse passions and influence attitudes should be of concern to all journalists.

GOVT. WELCOMES CRITICISM

The government was always the subject of criticism. He welcomed criticism so far it related to the pursuit of social and economic goals. But when the law of the land was infringed upon, what should be its role vis-a-vis the press? he asked.

The chief minister said he remained a strong votary of free and frank expression. The press must be responsible, must be in keeping with human dignity and advance human interests. Where it degenerated into a licence and caused nuisance and hurt, it should not be countenanced.

The role of journalists was very comprehensive and the definition elastic. The dividing line was at times very thin and the journalist was apt to look at a problem through his own glasses. It was here where the sense of duty came in. A wrong start given to a story might create a situation.

That such a meeting was being held was indicative of a desire for self-introspection. "I hope you will consider all the above issues and many other questions that concern you and find a basis, or evolve criteria that should guide us all."

The NUJ (I) president, Mr. Kapil Verma, regretted that a large number of part-time correspondents had been discharged from service by big national dailies.

The secretary-general, Mr. K. N. Malik, said among the issues to be discussed during the two-day session of the executive committee would be the Palekar award and its implementation by the various states.

CSO: 4220/7536

TEN PERCENT INDUSTRIAL GROWTH PREDICTED FOR PUNJAB

Bombay THE TIMES OF INDIA in English 10 Aug 81 p 14

[Text] Chandigarh, August 9: The rate of industrial growth in Punjab, which was four per cent last year, is expected to increase to ten per cent by the end of the sixth plan, owing to special efforts in that direction by the stat. government.

The total industrial production in 1980-81 was estimated at Rs 1,486 crores (at constant prices with 1973-74 as the base year). This is to be raised to Rs 2,585 crores by the end of the sixth plan.

Though the present government has allocated Rs 81.83 crores for industries during the sixth plan against Rs 41.31 crores during 1977-80, it expects an investment of Rs 700 crores of private capital and institutional credit.

The industrial sector had 431,000 regular workers in 1970-80 and 477,000 in 1980-81. It is expected that by the end of 1981-82, the state will have direct employment opportunities for 537,000 workers and indirect employment opportunities for 2.5 million persons.

New Industries

According to Mr T. K. A. Nair, commissioner for industries, 24 new large and medium-scale industries have gone into production during 1980-81. These projects created direct employment for 23,500 persons. In 1981-82, 30 more large and medium industries likely to be commissioned. They will provide direct employment to 9,000 persons and indirect employment to 45,000.

The state government is making efforts to attract private capital. At least six new spinning mills will be set up in the next two years. Special efforts are being made to promote paper plants based on available agricultural wastes.

CSO: 4220/7536

MEETING DISCUSSES DEVELOPMENTS IN INDO-FRG TRADE

Calcutta THE STATESMAN in English 20 Aug 81 p 11

[Text] Bangalore, Aug. 19--Indian exports to West Germany during last year rose by 13.2% to DM 1.14 billion (Rs 414 crores) and imports by 6.8% to DM 1.37 billion (Rs 497 crores), according to the final statistics presented to a seminar on Indo-German trade relations held here last week.

The seminar, jointly sponsored by the Indo-German Chamber of Commerce and the Federation of Karnataka Chambers of Commerce and Industry, was told that the trade figures revealed a further decline in the Indo-German trade gap. The rate of increase in exports was a remarkable achievement, compared to the negative growth rate of 1.5% in the total Indian export trade during the first nine months of 1980. During the same period, the total Indian imports rose by 19.9%.

As in the previous years, the main items of exports were cotton and cotton goods and that of imports, machinery. Cotton and cotton goods valued at DM 334.8 million (Rs 120.6 crores) formed the bulk (29.5%) of the total exports to West Germany.

Among the other main Indian export items, wool and animal hair and articles thereof, mainly carpets, valued at DM 206.1 million (Rs 74.8 crores) accounted for 18.2%. But Indian tea formed only a small percentage of exports. It was valued at DM 43.8 million (Rs 15.9 crores).

One significant aspect of Indo-German trade in 1980 as well as in 1979, was that 14.5% of all Indian exports were done via third countries. In 1980, a third country bought Indian goods worth DM 164.13 million (Rs 59.6 crores) and resold them to Germany. There was also indirect trade in imports from Germany. In 1980, it was 5.2% and in 1979 5.5%. The UK and Switzerland were the leading third countries involved in indirect import-export trade between India and Germany.

The statistical analysis shows that India has not been making full use of the import tariff concession offered for agricultural products by West Germany. In 1980, Germany imported 162 different agricultural products under tariff concessions. In most cases India made use of the concessions to a moderate extent. Only in one item, cigarettes, the total German imports made under the generalized system of preference came from India. India's share in total German imports of agricultural products was very poor, it was less than one per cent.

India's main competitor in the German market, according to the analysis, is Thailand, supplying 21 out of the 35 products for which India comes under the tariff concessions. India ranks second with China with 15 products.

However, there has been a steep rise in German investment in this country. After years of stagnation, German investment rose substantially last year, from DM 178.7 million (Rs 71.5 crores) at the end of December 1979 to DM 191.9 million (Rs 76.8 crores) at the end of last year. This increase was due mainly to new Indo-German joint ventures. Despite this, German investment was more in Israel, Iran, Japan, Singapore and Hong Kong than in India.

CSO: 4220/7586

RISE IN PUBLIC SECTOR PRODUCTION REPORTED

Calcutta THE STATESMAN in English 19 Aug 81 p 9

[Text] New Delhi, Aug. 18--Major areas of industrial production in which the public sector dominates have shown a remarkable improvement in the first quarter of the current financial year, according to an official assessment. The improvement is said to be due to the easing of infrastructural constraints.

The most marked improvement is in the production of nitrogenous fertilizer, which increased by 76% compared to the same quarter last year, to 352,900 tons from 200,700 tons. Cement production went up by 64% to 2.8 million tons, in contrast to 1.75 million tons in the corresponding quarter of the previous year.

Similarly, off-shore crude production rose by 56% in the first quarter to 1.69 million tons, while saleable steel increased to 1.253 million tons, a rise of 32%. Only coal production improved marginally by 7%.

The assessment says that the spurt in production was a continuation of the progress made in the second half of 1980-81 which led to an overall improvement in industrial production for the full year. Severe infrastructural constraints on production operated in the first half of 1980-81, when production in most of the key sectors was low.

In the first half of 1980-81, saleable steel production was only 1.979 million tons and this improved to 2.767 million tons in the second half, making a total of 4.746 million tons in the year, compared to 4.592 million tons in 1979-80.

Coal production improved marginally to 57.12 million tons, compared to 43.81 million tons in the first half of 1980-81 making it a total of 100.93 million tons, compared to 91.43 million tons the previous year.

Similar figures are mentioned in the cases of non-ferrous metals and minerals, fertilizer, petroleum and cement, but possibly the best performance has been in the case of heavy engineering enterprises collectively. The value of their output increased to Rs 789.50 crores in the first half of 1980-81.

Pending finalization of the financial results of public sector companies, a quick survey by the Bureau of Public Enterprises shows that their overall performance in 1980-81 will be better than the previous year when heavy losses were registered.

The improvement is mainly due to the reduction of losses of many of the inefficient units, notably Coal India, which made losses of Rs 114.82 crores before tax in 1979-80. Indications are that the losses in 1980-81 have come down to Rs 69.18 crores.

CSO: 4220/7586

WHOLESALE PRICE INDEX UP 30.5 POINTS IN '81

New Delhi PATRIOT in English 15 Aug 81 p 5

[Text] A sharp rise in prices of most of the primary food articles pushed up the official wholesale price index for all commodities (base 1970-71) to yet another peak level of 286.6 (provisional) during the week ended 1 August against 285.7 (provisional) for the previous week, reports UNI.

With the rise of 0.3 per cent during the week, the index recorded a rise of 30.5 points during the first 30 weeks of 1981--showing an average rise of more than a point per week.

The upward revision of non-ferrous metals prices by MMTC on 31 July has helped in the rise of lead prices by 18 per cent, tin by 8 per cent and nickel by 4 per cent.

Milk prices recorded a rise of 6 per cent during the week while butter showed a fall of 3 per cent.

Of the 15 sub-groups, five groups moved up while four groups declined and the remaining six groups remained stationary.

The index for food articles moved up 1.3 per cent (mainly due to increase in the prices of milk, eggs by five per cent, coffee by four per cent and ragi, masur, urad and fish by three per cent each), non-food articles by 0.2 per cent (mainly due to increase in the prices of copra by 8 per cent), paper and paper products by 0.2 per cent (mainly due to increase in the prices of pulp), basic metals, alloys and metal products by 0.4 per cent and machinery and transport equipment by 0.2 per cent (mainly due to increase in the prices of buses by 4 per cent).

However, the index for manufactured products declined by 0.3 per cent (mainly due to fall in the prices of khandsari and gur). Edible oils and vanaspati prices, however, recorded a sharp rise of up to 9 per cent, textile by 0.2 per cent, leather and leather products by 0.9 per cent (mainly due to fall in the prices of sheep and goat skins) and chemical and chemical products marginally.

CSO: 4220/7563

COUNTRYWIDE DAMAGES, DEATHS FROM FLOODS REPORTED

Calcutta THE STATESMAN in English 17 Aug 81 p 9

[Text] New Delhi, Aug. 16--The latest report received by the Centre on the devastation caused by floods puts the loss of life at 432 and estimates the total damage to crops, houses, and public utilities at Rs 103 crores.

The reports, monitored by the Central Water Commission say that 10.8 million people have been affected in 11 States. The total area affected is 1.9 million hectares. Crops worth about Rs 30 crores have been damaged.

The number of cattle lost is a little over 35,000, while the houses damaged are about 195,000 valued at Rs 14.30 crores.

The maximum number of lives have been lost in Uttar Pradesh, where 167 people died. In Rajasthan, floods and heavy rain claimed the lives of 124 people.

In Uttar Pradesh, 800,000 hectares have been flooded, affecting nearly 6 million people--the maximum in any State. Bihar comes next, where 3.5 million people have been hit, while the total area flooded is 6.5 million hectares.

The maximum total damage is in Uttar Pradesh, where it is Rs 58 crores, followed by Kerala about Rs 30 crores. Bihar comes third with about Rs 14 crores.

Even though the Central Water Commission monitors reports from the flood-hit States, its latest compilation does not give a very convincing picture.

The unofficial estimate of the damage in Rajasthan alone is reported to be more than Rs 300 crores. But the CWC compilation merely mentions that information about the total damage to crops, houses and public utilities have not yet been received.

Kerala has not yet reported the value of crop damage. Rajasthan has not made known the damage to crop or value of houses and public utilities affected.

CSO: 4220/7571

UTTAR PRADESH SEEKS AID TO REPAIR FLOOD DAMAGES

New Delhi PATRIOT in English 15 Aug 81 p 9

[Text] Lucknow, Aug 14 (UNI)--The Uttar Pradesh Government has demanded from the Centre financial assistance to the tune of Rs 182 crores to meet the situation arising out of the floods which devastated 31 of the 56 districts in the State.

The demand was contained in a memorandum detailing the extent of damage and destruction caused by the floods, presented by Chief Minister Vishwanath Pratap Singh to Union Agricultural Minister Rao Birendra Singh after the Union Minister made an aerial survey of seven of the flood-ravaged districts in eastern UP today.

Rao Birendra Singh assured the Chief Minister that a Central team would be sent within a week to make a detailed assessment of the damage caused by the floods.

Meanwhile, several regions of the State, specially the eastern districts, were today on the verge of another ordeal as six major rivers there started rising after several days of mild behaviour.

The heavy rains of the past 48 hours fed the falling Kali Sarda, Gomti, Ghaghra, Rapti and Burhi Rapti rivers to flood them to threatening levels the flood forecasting division in Lucknow said.

Reports from Jaipur said crops on 3.68 lakh hectares of land in Rajasthan have been damaged due to the recent rains and floods, add Patna?

A newly formed depression in the Bay of Bengal continued to maintain its west-northwesterly advance raising the possibilities of heavy rains in eastern Madhya Pradesh in the next two to three days says a Bhopal report.

Our Correspondent adds from Patna: The death toll in the recent flood in Bihar has gone up to nine according to a report reaching the flood control information cell.

A population of 54 lakh spread in 5,421 villages of 19 districts has been affected by the floods. Standing crops in 4.47 lakh hectares have been lost and 25,000 houses razed to the ground.

CSO: 4220/7564

KERALA URGES RESCISSION OF STRIKE BAN ORDINANCE

New Delhi PATRIOT in English 15 Aug 81 p 4

[Text] Trivandrum, Aug 14--The Kerala Assembly, through a non-official resolution, today urged the Central Government to rescind the Essential Services Maintenance Ordinance as it was 'anti-labour and anti-democratic.'

Opposition Congress-I, the Indian Union Muslim League, Kerala Congress-Mani group and National Democratic Party groups arrayed against the resolution being carried.

Two other Opposition groups, Janata and the one member PSP group, was conspicuously absent when the House debated the issue and the voice vote was taken by the Speaker at the end of the half hour discussion.

Replying to the debate, Labour Minister Aryadan Mohammed rejected the contention from the Opposition benches that the ordinance was prompted to keep essential services free of snap strikes and maintain industrial peace in the public sector. On the contrary, the Minister pointed out, it was aimed to ramshackle the working class movement from fighting for their legitimate demands and in protecting their rights won after prolonged and bitter struggles.

Officially some 36 categories of industries are brought under the purview of the ordinance but its scope was such that any industrial concern and public utility services covered by private sector as well. The anti-labour nature of the ordinance was further brought home by the fact that anyone suspected of showing moral or material support to working class action banned under the ordinance become liable for summary trial and punishment by a first class magistrate whereas the employer guilty of lockout, layoff and even of flouting the statutory Minimum Wage Act provisions are left scot free and need not fear about summary trials.

Claim Disputed

Minister Aryadan also cited statistics from the Union Ministry of Labour to refute the inference that the ordinance was necessitated due to increasing incidence of strikes. The figures showed a steady decrease in public sector labour unrest. In 1978 the number of strikes registered was 2117 and those of a

violent nature, 840. Whereas in 1979 the respective figures showed 1339 (682) and for 1980, 88 (540). [figures as published]

Where was the need for an ordinance like this, he asked. Another obnoxious nature of the ordinance was that it made overtime work statutory. Eight-hour work a day was the inalienable right of the workers all over the world and force them to work beyond this by law, under whatever pretext against the glorious tradition the working class established in the streets of Chiacapo 100 years ago he recalled.

Cong-U member A. C. Jose, CPI's C. A. Kurian and CPM member C. B. C. Warrier in whose name the non-official resolution stood had earlier been equally vehement in their denouncing of the ordinance and in their demand to the Central Government to withdraw it.

Soon after the question hour, on the Speaker not allowing the Opposition adjournment motion against certain developments in Thiruvambadi in Calicut district led to their protest walkout.

CSO: 4220/7563

MINISTRY REPORTS ON RURAL LABORERS' EARNINGS

New Delhi PATRIOT in English 15 Aug 81 p 1

[Text] Simla, Aug 14 (UNI)--The real earnings of 24.8 million rural labour households working in the country has decreased by 12 per cent despite the increase in their wages from Rs 1.43 in 1964-65 to Rs 3.24 per day in 1974-75.

This was revealed in a recent report on wages and earnings of rural labour households by the Union Ministry Labour and Employment.

The report further reveals the number of such labour rose from 15.3 million to 20.7 million during the same period. Of these, scheduled tribe labour rose about 37 per cent.

Wage in agricultural occupations is much less than the non-agricultural occupations and scheduled castes labour gets more than any other labour, according to the report.

The report said average daily earnings of men engaged in agricultural occupations at all-India level increased from Rs 1.43 in 1964-65 to Rs 3.24 in 1974-75, women from Rs 0.95 to Rs 2.27 and children from Rs 0.72 to Rs 1.82.

Among scheduled caste labour wages rose from Rs 1.41 to Rs 3.37, women from Rs 0.97 to Rs 2.34 and children from Rs 0.76 to Rs 1.83. Similarly, in non-agricultural occupations wages of men rose from Rs 1.54 during 1964-65 to Rs 3.27 per day in 1974-75, women from Rs 1.84 to Rs 2.12 and children from Rs 0.92 to Rs 1.84.

In this sector again, scheduled caste labourers are being paid more than other labourers as the men who were getting Rs 1.49 in 1964-65 started getting 3.41 in 1974-75, women Rs 0.91 instead of Rs 2.17 and children Rs 0.77 instead of Rs 2.18 per day.

Though the average daily earning increased in all agricultural operations the maximum increase is witnessed in sowing operation and minimum in transplanting operation, the report disclosed.

Against the common Indian belief that women folk do not engage itself in ploughing, the report showed the daily earning by women when engaged in ploughing also.

CSO: 4220/7563

COMMITTEE TO WATCH OVER RURAL CREDIT FLOW

New Delhi PATRIOT in English 15 Aug 81 p 7

[Text] A standing high-level committee has been set up by the Union Ministry of Rural Reconstruction to function as a watch-dog for ensuring smooth and adequate flow of institutional credit for the Integrated Rural Development Programme (IRDP), reports PTI.

The 12-man committee, headed by Mr Man Mohan Singh, member secretary of the Planning Commission, will meet every quarter to review and discuss all matters pertaining to this subject and to take remedial measure if and when needed. It will also undertake tours of the States to gain a first hand knowledge of the field situation.

Minister of State for Agriculture and Rural Reconstruction Baleshwar Ram told PTI on Thursday that the appointment of this committee signified the importance which Government attached to making the IRDP a success.

Mr Ram said that rules for supply of credit for the IRDP had already been simplified. However, if the committee felt a further simplification was necessary, it would be done.

Others on the committee are: Secretary, Ministry of Rural Reconstruction S. C. Verma, Deputy Governor Reserve Bank M. Ramakrishnayya, Additional Secretary, Ministry of Finance R. K. Kaul, Additional Secretary Ministry of Agriculture P. R. Dubhashi, Adviser, Planning Commission G. V. Ramakrishna, Joint Secretary Ministry of Finance N. V. Krishnan, Joint Secretary, Ministry of Industry R. Srinivasan, Commissioner, Rural Reconstruction, Bihar, K. Ramanujam, Secretary Rural Development Tamilnadu H. B. N. Shetty, Managing Director Agricultural Refinance and Development Corporation Sant Dass and Joint Secretary, Ministry of Rural Reconstruction P. G. Murlidharan.

CSO: 4220/7564

REVIEW OF HOUSING PLAN IMPLEMENTATION RELEASED

New Delhi PATRIOT in English 15 Aug 81 p 5

[Text] A mammoth programme drawn up by the Union Works and Housing Ministry to provide house sites free of charge to 14.5 million families in the rural areas by March 1985, is now in an advanced stage of implementation, says Housing and Urban Development Corporation (HUDCO) chairman-cum-managing director H. U. Brijlani, reports UNI.

In an official review released on the occasion of the Independence Day, he disclosed that already about 8.5 million landless families had been allotted house sites.

Under this scheme not only are the landless given free house sites but they are also assisted to put up their constructions. Already of those who had been allotted the sites 1.5 million families had received assistance to build their houses on them and it is expected that by 1985, 3.9 million families would have been thus helped. The plan outlay for this rural house site-cum-construction scheme is Rs 354 crores.

In addition, the HUDCO has sanctioned schemes worth Rs 162 crores in 1980-81 under which 65,585 dwelling units will be built--40,400 in rural areas and 25,185 in towns and cities.

HUDCO, as on 30 June, 1981, had sanctioned 1,577 schemes with project cost of Rs 1,124 crores with a loan commitment of over Rs 751 crores. For these schemes, HUDCO has already released over Rs 427 crores. HUDCO sanctioned schemes are spread over 366 towns in 18 States and four Union Territories and hundreds of villages in the States of Andhra Pradesh, Kerala, Madhya Pradesh, Bihar, Haryana, Punjab, Tamilnadu and 50 focal points in 12 districts of Punjab.

Multi-Faced Approach

On the construction front, HUDCO launched a vigorous multi-faced approach to lower housing costs by adoption of economic land use, austere standards in specifications, efficient house designs, avoiding use of scare of expansive materials like steel and cement, and reducing wastages by eliminating unnecessary facades and so on. The result is that HUDCO was able to sanction houses that poor families could afford.

At present the housing shortage is estimated to be of the order of 20.1 million units--15.1 million units in rural areas and 5.0 million units in the urban areas. This figure does not take into consideration the acute shortage of office and business accommodation in the cities.

It is estimated that the magnitude of slum population needing provision of basic services by 1985 is about 33.1 million, of which about 6.8 million have been covered so far. A provision of Rs 151.4 crores has been made during the sixth Five Year Plan in the State sector in order to enable the provision of basic amenities such as water supply, sanitation, drainage, roads and street-lighting to about ten million people. Areas inhabited by Scheduled Castes or scavengers will be given due priority.

This will be supplemented by schemes for housing the economically weaker sections through the various public housing agencies and by specific schemes such as low cost sanitation in the smaller towns to deal with the problem of manual handling of night soil.

The estimated outlay on slum improvement by various State Governments during 1980-81 is about Rs 19.51 crores.

CSO: 4220/7563

ALLOCATIONS IN 1981-82 PLAN HIGHER THAN EXPECTED

Madras THE HINDU in English 10 Aug 81 p 6

[Text] The energy sector gets the highest allocation of Rs 4,821.87 crores in the 1981-82 Annual Plan for which the total outlay is Rs 17,417 crores. This is nearly Rs 1,000 crores more than the anticipated expenditure of Rs 3,893.39 crores during 1980-81.

The allocations, in monetary terms, for the 1981-82 plan are higher than the anticipated expenditure under all the corresponding major Plan heads during 1980-81.

The other allocations for the 1981-82 annual Plan are as follows, the figures in brackets indicating the anticipated expenditure during 1980-81 (in crores of rupees).

Industry and minerals, 2,686.45 (2,277.29), social services 2,412.66 (2,229,05), transport 2,294.46 (2,041.77), irrigation and flood control, 2,006.80 (1,824.54), agriculture, 1,043.47 (966.23), rural development, 1,019.06 (872.77), communications, information and broadcasting 573.06 (503.03), special area programmes 270.09 (180.21), science and technology, 153.33 (120.75), others, 136.06 (122.13).

The production targets for a few crucial sectors during 1981-82 are as follows: the figures in brackets indicating the anticipated achievement during 1980-81.

Foodgrains 138.5 million tonnes (133), oil seeds--112 lakh tonnes (102), sugarcane 182 million tonnes (152), jute and mesta 84 lakh bales (83), coal 121 million tonnes (114), lignite 5.8 million tonnes (5.1) crude oil 16.84 million tonnes (10.52), salable steel 8.77 million tonnes (7.78), cement 22 million tonnes (18.5).

Significant increases in production are also envisaged in industries like nonferrous metals, petrochemical intermediates, cotton textiles, industrial machinery and power cables. The overall growth in industrial production is targeted at 8 percent.

Increase in prices: The annual Plan document was apparently finalised before the Government decision to step up the prices of petroleum products last month as it makes no mention of these latest hikes.

It indicates the Government's helplessness in holding the price line because of the need to raise the prices of petroleum products.

Nearly one-third of the increase in prices during 1980-81, says the Plan document, was accounted for by the increase in the administered prices of petroleum, coal, steel and fertilizers.

The rest of the increase is accounted for mainly by a few agricultural and agriculture-based commodities like sugar, gur and khandsari, oilseeds and edible oils and foodgrains. As a result of the push exercised by these factors, the average annual index of wholesale prices for 1980-81 showed an increase of 18 per cent as against 17.1 per cent in the previous year.

The plan document makes it appear that despite the compulsions imposed on it for raising administered prices, the Government did manage to keep a hold on the price line in 1980-81. Prices rose sharply from March 1979 to the early part of 1980-81, by as much as 11.9 per cent due mainly to the fall in production in 1979-80 and the continuance of the infrastructural constraints and seasonal factors.

While increasing the administered prices of petroleum products and fertilisers during this period, the government had taken various measures to control inflation. These included the continuation of the restrictive monetary policy, concerted efforts to increase agricultural and industrial production, import of essential consumer goods and industrial inputs, such as edible oils, cement, steel, etc., strengthening and revamping of the public distribution system and stringent action against hoarding, profiteering and other anti-social activities.

As a result of these measures and increases in production, the rate of inflation, the plan document claims, "decelerated and in fact prices declined from the middle of October 1980 to the end of December 1980." However, the seasonal fall in agricultural prices turned out to be moderate and shortlived.

The minimum support and procurement prices of all the important agricultural commodities such as kharifs, cereals, oilseeds, sugarcane, cotton were raised to compensate the farmers for the rise in the prices of fertilisers and other costs as also to stimulate production. To avoid an increase in food subsidy, the issue prices of rice and coarse grains were also increased from January 1980. These and other measures inevitably exercised push on the prices.

Increase in savings: A noteworthy factor, however, is that despite the erosion of the value of incomes and other earnings on account of inflation, the rate of savings in the community has been increasing. The annual plan document mentions that the gross domestic savings as a proportion of the gross domestic product (GDP) are estimated to have improved from 21.2 per cent in 1979-80 to 22.5 per cent in 1980-81, mainly as a result of a significant increase in 1980-81. Taking into account the inflow from abroad, the rate of gross capital formation is estimated to have improved from 21.8 per cent in 1979-80 to 24.3 per cent in 1980-81.

The plan document expects that the savings rate in 1981-82 will show a further improvement on account of the "lagged effect" on savings of the substantial increase in agricultural output achieved in 1980-81, anticipated improvement in the generation of funds by public sector enterprises as a result of the revision of administered prices, freights and fares and the various incentives provided in the budget for 1981-82 to promote savings. The rate of gross capital formation is also expected to be higher than in 1980-81.

CSO: 4220/7539

OUTLAY FOR POWER SECTION INCREASES IN SIXTH PLAN

New Delhi PATRIOT in English 15 Aug 81 p 5

[Text] An outlay of Rs 19,265 crores has been made for the power sector during the Sixth Plan and an addition of nearly 20,000 MW of generating capacity is expected to be added during the Plan period, reports PTI.

Investment on power which was only Rs 260 crores in the first Plan has increased considerably over the successive plans and now accounts for as much as 26 per cent of the total Plan outlay.

During 1980-81, the generating capacity went up to 1823 MW against 1799 MW in 1979-80.

Nineteen hydro-electric schemes with a total installed capacity of 2649 MW have been cleared during the past one year.

Three hydro-electric projects in Himachal Pradesh and four in Uttar Pradesh have already been identified for investigation and execution in the Central sector, an official release said.

After exceeding the production target for 1980-81, the coal sector crossed the planned target rate during the first four months of 1981-82, the release said.

The coal industry achieved a dramatic breakthrough in production in 1980-81 when the coal output touched an all time high of 114 million tonnes exceeding the target by half a million tonnes.

The performance of Coal India Limited, a major public undertaking in the field of nationalised coal industry, had been even more remarkable inasmuch as the coal companies under the CIL exceeded the actual target by nearly two million tonnes and achieved a growth rate of 10.4 per cent over the previous year.

With the increased trend of coal output, the coal industry is confident of achieving its target of 121 million tonnes for 1981-82 as a whole. Efforts are being made to exceed the target.

It is proposed to invest nearly Rs 3,000 crores in the mining industry during the Sixth Plan period to attain the projected level of production which is targeted to reach 165 million tonnes in the terminal year of the Plan, the release said.

CSO: 4220/7564

POOR STATE OF CHEMICAL RESEARCH IN INDIA NOTED

Bombay THE TIMES OF INDIA in English 17 Aug 81 p 6

[Article by L. K. Sharma]

[Text] New Delhi, August 16--Glaring inadequacies in the current status of chemical research in India have shown up in a brief review by the department of science and technology. This is an area in which India made a beginning more than a century ago and produced some outstanding scientists.

The review highlights India's inability to keep pace with the work abroad and to enter into frontier areas in chemical science, which has applications in innumerable fields, from foods, textiles and drugs to batteries and rockets.

Insufficient and delayed support for research, unavailability of sophisticated instruments and chemicals, lack of initiative in the community of researchers and the poor standards of chemical education--all have combined to create a large gap between the status of chemical research in this country and in advanced countries.

The review goes to the extent of warning about the finite possibility of physical chemistry and inorganic chemistry becoming "extinct" in the country.

Newer and better processes and better materials are being developed continually by chemists. Alternative sources of energy, newer applications and substitutes of raw materials and a better environment to live in, will all be found only on the basis of work by chemists, with their understanding of structure, dynamics and synthesis of matter.

Tasks of Research

The pressing problems that require chemical solutions are fixation of nitrogen by simple means, practical means of converting cellulose to proteins, making hydrogen from water employing solar energy or slowing the process of aging of human beings.

The department of science and technology is seeking to promote research through the science and engineering research council, which has invited project proposals for financial support.

Traditionally speaking, chemical science has been divided into three main branches--physical, organic and inorganic, biochemistry having developed into a discipline in its own right.

Organic chemistry, by and large, constitutes the biggest branch of chemical science by virtue of the vast variety of carbon compounds and the large number of practitioners.

In contrast to the scenario in advanced countries, the situation in India is not altogether encouraging, according to the review. Although organic chemists in India have flourished more than chemists specialising in other branches, facilities available to them are far from satisfactory. The constraints pertain to instrumentation as well as to special chemicals.

It is also true that in spite of good contribution made by organic chemists in India, there have been no major reactions or syntheses contributed by Indian organic chemists. Because of constraints of facilities, they are unable to compete with their counterparts in advanced countries.

The physical chemists abroad, in the past few years, have explored properties of matter in detail from the molecular and electronic points of view, using various kinds of instruments, particularly spectrometers, with progressively greater sophistication. The instruments involved in physical chemistry is indeed so sophisticated that anyone trained in the old school will find himself completely unfamiliar in a modern laboratory. Fast computers have enabled them to make calculations of great complexity and to predict properties of molecules and systems with a fair degree of certainty. Research in many of the traditional areas of physical chemistry seems to be slowly becoming obsolete.

Some of the most significant developments in physical chemistry today are the use of lasers to study state-to-state chemistry and phenomena in the picosecond range. The advent of synchrotron radiation has enhanced the potentiality of many of the structural tools. Physical chemists have contributed to the understanding of liquids. They have also been involved in the study of a number of problems of biological importance for which they employ lasers and spectroscopy. Studies of surfaces and solids which hitherto constituted important aspects of physical chemistry are slowly getting recognised as new emerging areas of chemistry

Again, in glaring contrast to this, there are very few good physical chemists in the country and most of them have not been able to work in areas of significance at the most opportune time. According to the review, the physical chemistry laboratories are the most ill-equipped and the "computer age or the electronics age has yet begun as far as much of physical chemistry in India is concerned."

The review says that the situation is partly due to the non-availability of sophisticated instruments and computer facilities, and also because the practising physical chemists have not been altogether "outgoing."

Inorganic Chemistry

"While the status of physical chemistry is highly unsatisfactory, the status of inorganic chemistry in the country is much worse: there are very few good inorganic chemists in the country today. One has indeed to worry about the finite possibility that these two branches may soon become extinct."

Inorganic chemistry, as practised in this country, does not reflect any new directions in the subject. Even those chemists who have worked on new analytical reagents have not been able to keep pace with the developments in modern analytical chemistry where instrumentation involving micro-processors is the order of the day.

In fact, this is the general problem in all areas of chemistry. There are few centres in the country where sophisticated instruments are designed and fabricated by research workers. Use of microprocessors with instruments is yet to be initiated in the country.

The review identifies chemical education in the country as one of the weak points. "One of the major factors responsible for the indifferent quality of chemical research and for the shortage of young talent in chemical science is undoubtedly, the poor standard of chemical education," it says.

While this is a global problem, chemical education in most institutions in India has to be imparted through ill-equipped laboratories, poor curricula and poorly motivated teachers. Students do not get proper training either in theory or in experimental skills.

The review emphasises the importance of remedying these ills and of providing increased and timely research support in selected areas with a view to reducing the "tremendous gap between the status of chemical research in this country and in advanced countries."

CSO: 4220/7569

PARADIP FERTILIZER PROJECT REPORTEDLY APPROVED

Bombay THE TIMES OF INDIA in English 16 Aug 81 p 9

[Article by G. K. Pandey]

[Text] New Delhi, August 15--The cabinet committee on economic affairs is believed to have cleared the Rs. 184-crore Paradip fertiliser project. This project, which has been in the doldrums for the past many years, will have a capacity of 300,000 tonnes per annum of diamonium phosphate (DAP).

According to official sources here, this project will be implemented in two stages. The first stage envisages establishment of a capacity of 150,000 tonnes of phosphatic fertilisers based on imported phosphoric acid. Subsequently, it is proposed to produce phosphoric acid indigenously from raw phosphate and sulphur for the second stage capacity of 150,000 tonnes.

Having obtained the approval of the cabinet committee on economic affairs, the ministry of petroleum and chemicals is moving fast to float a new company to implement the Paradip project. October 1, this year, has been fixed as zero date by the department of chemicals and fertilisers. The entire project is expected to be completed within 42 months.

Sources here point out that all possible steps have been taken to ensure that there is no delay in setting up the Paradip project. It is stated that the government is keen on additional fertiliser capacities being created expeditiously in view of the wide gap between availability of and demand for fertilisers.

In the preceding financial year the government had to dole out over Rs. 900 crores in foreign exchange to import fertilisers for meeting domestic requirements of this essential agricultural input.

According to demand and production projections of the Fertiliser Association of India, the shortfall in phosphatic fertiliser would persist right till the end of the sixth plan, though the gap is expected to narrow because of the additional capacity being planned.

According to FAI, the anticipated gap of about 400,000 tonnes in respect of phosphates during the current year will decline to about 200,000 tonnes provided there are no slippages in the implementation of new projects.

CSO: 4220/7566

BRIEFS

LALDENGA'S BROTHER RESIGNS--Shillong, Aug 14 (UNI)--People's Conference (PC) Group 'B' legislator Ngurchinna, brother of outlawed Mizo National Front (MNF) Chief Laldenga, relinquished last night the membership of the House. He was the third PC Group 'B' legislator to have resigned. A party spokesman said the decision to resign was taken in pursuance of the Mizoram steering committee's directive to the four PC Group 'B' legislators to register a 'strong protest' against the alleged delay in finding a solution of the Mizo problem, talks on which were currently in progress in New Delhi between the Centre and Mizo National Front (MNF) Chief, Laldenga. [Text] [New Delhi PATRIOT in English 15 Aug 81 p 9]

ASSAM STRIKE BAN--Galhati, August 16 (PTI)--The government of Assam banned strikes in a number of essential services in the state under the Essential Services Maintenance Ordinance, 1981, with effect from August 14. The government, in a notification issued here today, said the services which had come under the ban order were: (1) all service relating to the affairs of the Assam State Transport Corporation within the state for carriage of passengers or goods by land and the services operated by the Inland Water Transport Corporation for carriage of passengers or goods by water. (2) all services connected with the production, storage, supply or distribution, as the case may be, of gas and water. (3) all services connected with the maintenance of public health and sanitation, including hospital and dispensary. (4) all services connected with the affairs of the state and also the persons appointed to the secretarial staff of the legislature assembly and (5) all services in connection with the production, supply and distribution of electricity, including services under the Assam state electricity board. [Text] [Bombay THE TIMES OF INDIA in English 17 Aug 81 p 1]

NAXALITE LEADER DEFECTS--Vijayawada, Aug 16--A top naxalite leader of Andhra Pradesh has sought admission to the Communist Party of India (Marxist) after realising that the naxalite movement has caused incalculable damage to the communist movement. Mr. Chowdary Tejeswararao, leader of the Srikakaulam naxalite movement, in a letter to the CPI (M) has said the experience over the past 13 years had proved the correctness of the path pursued by the CPI (M). Mr. M. Hanumantharao, secretary of the State CPI (M), disclosed this in a statement issued here on Sunday. Mr. Tejeswararao has been in jail for the last 11 years. [Text] [Madras THE HINDU in English 17 Aug 81 p 9]

HINDU STATE URGED--Chandigarh, Aug 9--Mr Balraj Madhok, the Bharatiya Jana Sangh president, today demanded that India be declared a "Hindu State" and that all conversions to Islam and other religions which did not believe in "Sarva Dharma Sama Bhav" be banned by law, reports UNI. In a letter addressed to Mrs Gandhi, which was released at a Press conference here, Mr Madhok, who is also convenor of the National Front, said India could either survive as a "Hindu State" or be turned into an "Islamic State." Referring to the recent conversions at Meenakshipuram, Mr Madhok said these were a part of the "grand design of the Islamic world backed by Arab money and military might of Pakistan and its allies to make the whole of India an Islamic State." [Text] [Calcutta THE STATESMAN in English 10 Aug 81 p 9]

CONGRESS-I LEADER DIES--Bhubaneswar, August 10 (PTI)--Mr Eailen Mohapatra, Congress(I) leader and former government chief whip, died in hospital here today. He was 60. He is survived by his wife, four sons and three daughters. Mr Mohapatra, who was suffering from pancreatic cancer, was admitted to the hospital on Friday last. [Text] [Bombay THE TIMES OF INDIA in English 11 Aug 81 p 9]

SOVIET DELEGATION ARRIVES--New Delhi, August 10 (UNI)--A high-power Soviet delegation led by Mr Bally Yazkuliev arrived here today. The delegation was received at the airport, among others, by the information and broadcasting minister, Mr Vasant Sathe, Prof. Nurul Hasan, president of the Friends of Soviet Union Society and the vice-chairman of the CSIR. The delegation is here to participate in the 34th independence day celebrations and the tenth anniversary of the Indo-Soviet treaty. [Text] [Bombay THE TIMES OF INDIA in English 11 Aug 81 p 14]

MARXIST 'TAKEOVER' ALLEGED--Trivandrum, August 10--The opposition Kerala Congress leader, Mr P. J. Joseph, alleged in the state legislature today that Marxists were illegally occupying private cardamom estates in Idukki district. Tabling an adjournment motion along with several members of other opposition parties, Mr Joseph said the Centre of Indian Trade Union workers were "ruling with lethal weapons in their hands" in the area. Already 800 hectares of plantation land had been occupied. The CITU workers were not allowing even watchman to enter the estates. Quoting reports, the Kerala Congress leader said the Marxist "takeover" of the plantations began after workers started deserting the CITU in the area. However, the adjournment motion was disallowed after the Marxist home minister denied the illegal occupation and said it was only a labour dispute. [Text] [Bombay THE TIMES OF INDIA in English 11 Aug 81 p 5]

CSO: 4220/7538

END

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PRC REPORTED EAGER FOR NORMALIZATION OF TIES

Madras THE HINDU in English 11 Aug 81 p 1

[Article by G. K. Reddy]

[Text] New Delhi, Aug 10. There are renewed overtures from China for keeping up the tempo of normalisation, despite the delays involved in commencing a purposeful dialogue on the border question.

The Chinese are keen that an all-party Indian parliamentary delegation should pay a visit soon in response to the invitation extended earlier this year.

They are equally eager that the first batch of Indian pilgrims should go to Kailash and Mansarovar this year itself to set the tone for a similar renewal of contracts in other spheres.

The Chinese have been sounding representative institutions of scholars, scientists and economists whether they would be interested in visiting China under mutually acceptable auspices to help create a better understanding and establish a beneficial relationship between the two peoples. Some prestigious and influential personalities are being invited to pay these visits at their convenience.

These contacts of a semi-political or intellectual nature are intended to supplement the exchanges of sportsmen, cultural troupes and others that are already taking place. The intention is to step up the level of these non-official exchanges as a prelude to closer official contacts between the two Governments.

But the efforts made by either side for stepping up trade have not made much headway for various reasons. Apart from the absence of the necessary political desire on either side for establishing substantive economic relations, there is very little complementarity at present for carrying forward this endeavour beyond the stage of a token effort.

After the Indian participation in the annual Canton fairs, the representatives of State Trading Corporations and business houses visited China to explore the possibilities of increased commercial contacts. The shipping services were restored and banking arrangements made for opening letters of credits and remitting payments.

However, there has been no marked increase in commercial exchanges largely because of the continuing reservations of one kind or the other on either side.

Nevertheless, attempts are being made to sustain the efforts to the extent possible. The Chinese will be participating in international trade fair in Delhi.

There was at one time a suggestion that India could import some oil from China, but the idea was not actively pursued because it was thought that the heavy crude would not be suitable for refining at the existing installations in India without some major modifications.

In recent weeks, hints have been dropped by certain persons claiming to either speak on behalf of China or have access to the Chinese authorities that, Beijing was ready to supply heavy water to India as a token of its desire for technological cooperation.

At the political level, the two sides have yet to make any major moves for coming to grips with the border problem.

The proposed official talks may not begin till mid-November and nobody can hazard a guess at this stage whether the two sides will be able to get over the procedural hurdles soon enough to commence substantive negotiations in the near future.

There have been reports that the Chinese were carrying out an intensive survey of the disputed territory in the Ladakh area in recent months, perhaps as a prelude to these discussions.

It is not the absence of relevant data that stands in the way of an early settlement, but the reluctance on the part of Beijing to admit the reality that, as an aggrieved nation that had been subjected to aggression, India cannot accept the fail accompli in the name of a political settlement, without some compensating concessions from the Chinese side.

For negotiating any such settlement, the initiative will have to come from China to make it possible for India to accept a compromise solution.

The exchange of friendship delegations and the stepping up of people-to-people contacts will certainly help create the right climate for negotiations.

CSO: 4220/7544

CPI DENOUNCES REAGAN DECISION ON NEUTRON BOMB

Calcutta THE STATESMAN in English 11 Aug 81 pp 1, 9

[Excerpt] The Communist Party of India today denounced the decision of the Reagan Administration to go in for the manufacture of the neutron bomb and called it "a criminal act calculated to take the world another step near to a nuclear conflagration."

Mr N. K. Krishnan, secretary of the CPI's National Council, said in a statement here today that President Carter had taken a similar decision but has withdrawn it following pressure of the world peace movement.

Now President Reagan had reasserted the fateful decision in pursuance of his "mad and reckless policy of nuclear blackmail and intimidation," Mr Krishnan said.

The CPI leader said China "shamelessly" welcomes President Reagan's decision which, he alleged, was a part of China's policy of all-out alliance with the USA.

Mr Krishnan also alleged that "it is an essential part of this criminal policy of nuclear blackmail that the Washington-Beijing axis is helping the Zia dictatorship of Pakistan to develop the nuclear weapon."

CSO: 7542

DELHI DENIES ISRAELIS VISAS TO ATTEND SCIENCE PARLEY

Bombay THE TIMES OF INDIA in English 12 Aug 81 pp 1, 13

[Article by S. Kumar: "Israeli Scientists Denied Visas"]

[Text] Bombay, August 11. The Indian scientific community is in a quandary owing to the external affairs ministry's refusal to grant visas to scientists from Israel for participating in international science conference held in this country.

The ministry seems to have tightened its rules, particularly after the Israeli attack on the Iraqi nuclear installations in June. If the government continues to impose partial or total restrictions on visiting scientists from Israel, South Africa, Taiwan and Pakistan, India will forfeit its chances of hosting international science conferences as internatioal scientific unions may not extend their sponsorship, it is felt.

The latest one to face this problem is the Indian National Science Academy and the organising committee of the "international conference on the applications of the Massbauer effect." The conference was scheduled to be held in Srinagar from July 13 to 17 and three reputed Israeli scientists, including a woman, were to be among the delegates.

As the government of India has denied visas to them, the International Union for Pure and Applied Chemistry (IUPAC) has withdrawn its official sponsorship to the conference. The IUPAC constitution stipulates the basic policy of political non-discrimination and it affirms the rights of chemists of any country to adhere to or to associate with international activity in the field of chemistry without any regard to race, religion or political philosophy.

The IUPAC informed its Indian counterparts that no further meetings under the auspices of the union will take place in India until more satisfactory circumstances exist for the participation in them of all bona fide chemists from around the world.

The INSA, which organises all international science conferences in India, tried its best to avert a show-down with the IUPAC. It informed the union on June 12 that the government had not yet taken a final decision on issuing visas to the Israeli scientists. The union set the deadline of June 19 for hearing the final decision of India. As no progress was made in the matter, the union derecognised the conference.

Meanwhile, the Indian organising committee has now decided to hold the conference in December and the venue has also been changed to Jaipur. Though the government did not issue visas, some other arrangement has been made for Israeli participation, it is learnt. Yet, it remains to be seen whether the international union would retract its earlier decision at its meeting to be held in Belgium in the first week of September.

The Indian government stipulates that the participation of Israeli scientists should not be publicised and any publication brought out during the conference should not list their names. Also, they should not fly their national flag and they should be invited by the international organisation and not any Indian organisation.

In the case of South Africa, the scientists can visit on a person-to-person invitation and they should give an undertaking that they do not subscribe to the policy of apartheid.

In the case of Taiwan, the scientists should not fly their national flag and they should come only in their individual capacity and not as representatives of any organisation.

Similarly, the fate of the 18th international cosmic ray conference to be held in India in 1983 hangs in the balance. The organisers are awaiting the government's approval for inviting Israeli scientists to the conference. The International Union for Pure and Applied Physics (IUPAP) has a constitution identical with that of the IUPAC.

Again, it is not certain whether the government would allow the conference to be held in Kashmir. Incidentally, Prof. M. G. K. Menon, himself a distinguished cosmic ray physicist, is secretary to the department of science and technology and he is also the president of the INSA.

It is believed that the external affairs ministry did not envisage any serious repercussions when it decided on banning Israeli scientists from visiting India. Or else, it is said that the government wanted to take this blatantly anti-Israeli step to scotch the rumour emanating from Pakistan that India was having a secret deal with Israel to attack the Pakistani nuclear installations.

Despite, the government ban, a large number of scientists from the Jewish community do visit India as most of them possess American or British passports. In fact, of the three Israeli scientists who were to visit the conference last month one managed to get the visa on the strength of his British passport.

CSO: 4220/7548

SOVIET TREATY ANNIVERSARY OBSERVED IN DELHI

New Delhi PATRIOT in English 11 Aug 81 pp 1, 7

[Text] The Indo-Soviet Treaty of Peace, Friendship and Cooperation is an affirmation of faith, mutual understanding, common beliefs and a desire for world peace between the peoples of India and the Soviet Union.

This was commonly expressed by both Indian and Soviet speakers, at a function held in the Capital on Monday to celebrate the 10th anniversary of the Treaty. The function was organised by the Friends of Soviet Union.

Vice-Chairman of the USSR Supreme Soviet and president of the Turkmanian Soviet Socialist Republic Bally Yazkuliev said that Soviet Union and India were two powers who strove for world peace, and the Treaty was the expression of the determination of the two to work for peace and detente.

It can be said without reservation that the past decade has been exceptionally good in the relations between the two countries and regular political contact, mutual exchange of visits, economic and cultural cooperation had become an integral part of the relationship, Mr Yazkuliev said.

Mr Yazkuliev, who arrived in the Capital on Monday at the head of a high-power delegation, said that his country treated with respect the policy of non-alignment followed by India, which had played an important part in the struggle for world peace.

The Treaty, he said, is not aimed at anybody, but shows how two countries with different economic and social systems could be good friends.

Vice-President M Hidayatullah in his address assured that India would endeavour to honour its commitments in the Treaty which was based on friendship, whose foundations were laid by Jawaharlal Nehru.

When the Treaty was signed, many eyebrows were raised, but the world will have seen by now that it is not aimed at anybody, the Vice-President said.

A message from Prime Minister Indira Gandhi was read out at the public meeting. 'In the decade that has passed since the Treaty was concluded, our friendship has become closer, and our cooperation in the realm of science, culture and commerce more diversified, without in any way conflicting with our independent stand on various issues,' the message read.

Speaking on the occasion, Union Information and Broadcasting Minister Vasant Sathe said that India and the Soviet Union are bound by strong ties of friendship and common resolve to safeguard peace, freedom and gains of progress not only of their own people but of the people of the world.

The friendship between the two countries, which had stood the test of time, is not based on any transient grains to either party. It is based on principles of trust and mutual understanding, he said.

Former Minister of External Affairs Swaran Singh, who signed the Treaty on behalf of India, said that the Treaty was the outcome of a friendship that was founded on a commonality of interests and approach on sensitive issues like support to countries struggling against colonial rule and imperialism.

Former Indian Ambassador to the Soviet Union and the US T. N. Kaul said that the Treaty was significant in the context of the present day world situation of increasing tension. He hoped that the example of the Indo-Soviet friendship treaty would be followed by other non-aligned countries.

Mr Swaran Singh and Mr H.K.L. Bhagat, MP also criticsed the decision of the Reagan Government to go ahead with the manufacture of the neutron bomb.

Prof Nurul Hasan and Dr Satish Chandra also spoke at the meeting.

In the morning the USSR delegation headed by Mr Yazkuliev was received at the airport by Mr Vasant Sathe and Mr Nurul Hasan president of Friends of the Soviet Union and vice chairman of the Council of Scientific and Industrial Research (CSIR).

The delegation also includes Union of Soviet-Friendship Societies, Vice-Chairman G. D. Yanaev.

CSO: 4220/7546

GOVERNMENT ASKS USSR LOAN FOR ALUMINA PLANT CONSTRUCTION

London 8 DAYS in English 8 Aug 81 p 25

[Text] THE INDIAN government has asked the Soviet Union for an Indian rupees 5bn ($563m) loan for the construction of an 800,000-tonne-a-year alumina plant at Vishakapatnam in the southern state of Andhra Pradesh. If the Soviet Union declines to provide the credit, it is likely that India will tap the eurocurrency market. There is no provision for the plant in the country's sixth Five Year Plan (1980-1985).

India has already raised, in association with French banks, loans totalling $650m for a 600,000-tonne-a-year alumina plant in the eastern state of Orissa. Work started recently on the project, which is being set up in collaboration with Aluminium Pechiney of France.

The steel and mines ministry is anxious that work on the Vishakapatnam plant should also begin soon. The Soviet Union has offered to finance 15 per cent of the project, but this is insufficient in view of the lack of domestic resources. The ministry has told the Soviet Union that, if it agrees to fund the entire proejct, it can buy all the alumina produced from the plant for several years.

Such 'buyback' arrangements are being made for a number of new industrial projects to overcome financing difficulties. A major example is the 1m-tonne steel plant being set up with Soviet collaboration at Vishakapatnam.

Since India's sixth plan — which involves a public sector outlay of IR913bn ($102.8bn) — cannot be expanded to provide for projects proposed by many ministries, the Government is encouraging them to look for external sources of finance. These include government-to-government loans as well as credits from the world capital markets.

● The Indian government wants the country's exports to rise by 18 per cent to IR84bn ($9.5bn) in 1981-1982 following the IR55bn ($6.2bn) trade deficit recorded in 1980-1981 which eroded foreign exchange reserves. A rapid rise in exports is needed to fund the growing import bill which reached a record IR117bn ($13bn) in 1980-1981, as well as providing a cushion for the five-year development plan (1980-1985), according to Pranab Mukherjee, the minister of commerce.

CSO: 4220/296

'TASS' REPORTS CHARITABLE ORGANIZATIONS SERVE AS CIA COVER

Kabul NEW TIMES in English 23 Aug 81 p 3

[Text] Missionary and other "philanthropic" societies from a number of Western countries have once again stepped up their subversive activity in the Indian state of West Bengal.

An oficial spokesman for the state Government said in Calcutta that 13 foreign organizations, whose activity had been restricted by the Government at one time, began functioning once again but under other titles. Notwithstanding the change of label, however, their subversive essence remains the same, he emphasized.

Last year the West Bengal Government issued a decree banning the activity of the most 'zealous Western 'philanthropists'. This was done after it was learned that foreign 'missionary and philanthropic societies serve as a convenient cover for CIA agents.

American special services are specially interested in those regions of India where separatist organisations operate. It is not without reason that the Indian Press links the increased activity of the separatists from the so-called 'Therkhand liberation front" with the activity of foreign missionaries in West Bengal.

It is also common knowledge that staff members of the American consulate more than once organised various 'religious' seminars in Calcutta for leaders of the separatists in the north-eastern states of India, where means of wresting these parts of the country from India were discussed instead of theological questions. Missionaries frequently attended those gatherings.

Newspapers report that US consul-general in Calcutta Raymond Parkins travelled to Patna (Bihar state) ostensibly on missionary business but had a number of meetings with leaders of the separatist movements in Ranchi and Chota Nagpur district.

This is precisely why the Indian Government in 1980 asked the American consulate in Calcutta to end its intervention in the internal affairs of the country. (Tass)

CSO: 4220/296

OIL COMMISSION SIGNS NEW CONTRACT WITH FRENCH FIRM

Madras THE HINDU in English 13 Aug 81 p 6

[Text]

NEW DELHI, Aug. 12.

Oil production in the Bombay High and associated off-shore areas will exceed 19 million tonnes a year by 1984-85 from the present level of eight million tonnes following the application of the advanced techniques and secondary recoveries to be made available to the Oil and Natural Gas Commission (ONGC) under a four-year agreement signed today with Compagnie Francaise des Petroles (CFP) of France.

Mr. Lavraj Kumar, Secretary, Union Petroleum Ministry, and Mr. T. Venugopal, Chairman, ONGC, told newsmen here that the agreement did not stipulate any sharing of oil with the French company.

ONGC would pay CFP the actual costs and fees for the transfer of technology and the technical services rendered. Payment of fees was not related to production levels.

Mr. Venugopal said the total payment to the CFP would be between $48 and $50 millions (about Rs. 45 crores).

If the anticipated production of 19 million tonnes areas materialised by 1984-85, it will exceed the offshore production from the 13.2 million tonnes targeted for the Sixth Plan for 1984-85 by nearly six million tonnes and the total output including onshore production to 27.6 million tonnes as against the targeted 21.6 million tonnes.

No commitment by CFP: However, an important fact which emerged from the clarifications given by Mr. Venugopal and Mr. Lavraj Kumar is that the present contract does not impose any commitment on the French company to achieve a production of 19 million tonnes from the Bombay High and the associated offshore areas.

The reason for not seeking such a commitment is that it would have forced ONGC and the Government to agree to a share in the additional oil.

The services to be provided include data acquisition from CFP, the carrying out of laboratory studies, interpretation of field data, performance studies in reservoir engineering, etc.

While the actual production is expected to reach 19 million tonnes by 1984-85, the annual rate will be 22 million tonnes, which means that by 1985-86 the production would be around 22 million tonnes.

Under the agreement with retrospective effect from April last, CFP will make available a maximum of 132 man-years of work.

Its technology and expertise will include assistance in the evaluation of the petroleum potential of the off-shore areas along the Bombay-Ratnagiri coast, starting from the Heera field in the north and extending to the west upto the shelf-edge.

The French firm will also advise ONGC on priority drilling of different prospects so that discoveries can be brought into production quickly.

The targeted 19 million tonnes will come from the Bombay High, North and South, Ratnagiri, Heera, Panna, Bombay High East and a small amount from the South Bassein oilfields.

The build-up of production will be from 8.3 million tonnes in 1981-82 to 13.95 million tonnes in 1982-83, 16.60 million tonnes in 1983-84, and 19.12 million tonnes in 1984-85.

Recovery method: The agreement provides for the updating of the development plans of the Bombay High North, South and East and of the Ratnagiri fields. CFP will not only do the conceptual surface engineering in line with reservoir studies to bring oil and gas fields into production, but will also assist in the continuous monitoring of the fields for initiation of secondary recovery methods.

All plans, design calculations, studies, maps, drawings, survey notes, specifications, construction records and all other specifically prepared documents will be the property of ONGC. The management and final decision-making authority concerning the project will rest entirely with it.

ONGC had signed an earlier technical cooperation agreement with CFP in April 1977

CSO: 4220/7557

INDUSTRIAL BANK TO TAP EUROCURRENCY, YEN MARKETS

New Delhi PATRIOT in English 13 Aug 81 p 5

[Text] Bombay, Aug 12 (UNI)--The Industrial Development Bank of India (IDBI) will soon tap funds from the Euro currency and yen markets to raise funds for industrial growth in the sixth Plan reports UNI.

Announcing this at a meeting here, IDBI chairman N. N. Pai yesterday said the higher cost of borrowing from these foreign markets could certainly be absorbed by companies with better profitability.

Though the public-sector financial institutions were doing their best to raise more funds to finance industrial projects, the private-sector units should also exert themselves to raise capital on their own, he said.

Mr Pai said that debentures of public limited companies will soon be made convertible like shares to attract more investors.

The financial institutions like IDBI would announce the prices of debentures like the stock market and the Unit Trust of India do for shares and units, Mr Pai said. A committee appointed for this purpose by the Reserve Bank of India would soon formulate the procedure.

Stock exchange had been told to give their opinions on this subject by the end of next week, he said and added that the secondary market for debenture would help private sector units attract more investment for their expansion programmes.

CSO: 4220/7558

ECONOMIC MINISTERS HOLD JOINT PRESS CONFERENCE

New Delhi PATRIOT in English 14 Aug 81 pp 1, 7

[Text] A bill to enable the government to take deterrent action against overpricing and profiteering in essential commodities will be taken up at the monsoon session of the Lok Sabha beginning next week.

An assurance to this effect was given on Thursday night by the economic Ministers at a "tele-press conference," the first of its kind sponsored by the I & B Ministry.

The Ministers told an estimated 26 lakh audience over the national TV network that the government was determined to take up the bill at the earliest.

Present at the joint press conference were Mr Vasant Sathe Finance Minister, R. Venkataraman, Commerce Minister Pranab Mukherjee, Petroleum Minister P. C. Sethi Minister of State for Industry Charanjit Chanana and Agriculture Minister Rao Birendra Singh.

Finance Minister Venkataraman said that while some increase was 'inevitable' in the present context of world economic situation government would see there was no runaway inflation in the country.

Rao Birendra Singh assured stringent action against traders who always had "a tendency to manipulate the market and exploit the situation."

Without compulsion on traders to sell products at reasonable prices there was little possibility of the price-tag system alone making it a success Mr Birendra Singh said.

He attributed the earlier success of the price-tag system "not so much due to price tags as to the emergency" when the traders knew government meant business.

Though prices could be fixed under the Essential Commodities Act the Agriculture Minister feared the commodities would disappear from the market if there was no mechanism to enforce the measure.

Anti-Inflation Steps

Explaining government's antiinflationary package, Mr Venkataraman said government was arranging import of essential commodities precisely to supply them at reasonable prices to the people.

But there ought to be a proper distribution of the commodities so that they reached the people everywhere.

Rao Birendra Singh said government's main thrust was to open as many Fair Price Shops as possible to organised distribution.

He defended the decision to import foodgrains to meet the growing demands on the public distribution system. Though there had been no fall in production, which was estimated at 133 million tonnes, there was an increase in offtake from the public distribution system because of higher prices of food grains in the open market he said.

As against a buffer stock of 16.2 million tonnes, up to June last year, foodgrains stocks up to end of June this year amounted to 13.6 million tonnes, a shortfall of about 2.5 million tonnes.

Urban Land

Asked about the rising value of urban land, which disables middle and lower middle classes from buying flats to live in, Mr Venkataraman said it was 'causing a great deal of concern to government.' Unaccounted money circulating outside the banking system had posed a major threat to prospective middle class owners by pushing up the land value "beyond any reasonable level."

He said government would have been able to act more effectively in this connection had it not been 'prevented' by a large number of stay orders from the courts.

IMF Borrowing

Asked about India's request for IMF loans Mr Venkataraman allayed fears that the servicing burden would become too heavy as a result of the new loan. The Rs 5000-crore IMF loan should be seen in the background of the sixth Plan assumptions of external borrowing to the tune of Rs 12,000 crores, he added. The assumption was based on India's capacity to repay.

Asked specifically if IMF was demanding devaluation of the rupee as a condition-precedent for the loan, Mr Venkataraman said: "I am sorry people are unnecessary floating all kinds of guesses and rumours."

He however, declined to disclose details until negotiations were concluded, but added nothing would be done derogatory to the self-respect of the nation."

Commerce Minister Pranab Mukherjee said that one of the effective ways of rectifying the adverse trade balance was to reduce the dependence on imports in avoidable areas such as aluminium, steel materials and cement.

These three items alone accounted for Rs 1,200 crores during last year in the import bill.

Mr Mukherjee said that the trade deficit this year might be of the order of Rs 5,500 crores. The import of petroleum and petroleum products constituted 73 per cent of the export earnings and more than 55 per cent of the import bill.

He said a new export strategy was being chalked out and an export target of Rs 8,400 crores was being fixed for 1981-82 an 18 per cent growth over the previous year.

Mr Mukherjee said India did not visualise any serious competition or threat to India's trade expansion. China had been lately taking as positive a stand in favour of the developing countries, he added.

10 P.C. Growth

Dr Charanjit Chanana claimed a 10 per cent industrial growth during the first quarter of the current financial year.

In order to give a momentum to industrialisation government had launched the nucleus plants scheme to promote development of backward districts. Out of 103 districts identified as backward, 51 had been identified as potential areas.

CSO: 4220/7560

VENKATARAMAN DISCUSSES IMF LOAN, OTHER MATTERS

Calcutta THE STATESMAN in English 12 Aug 81 pp 1, 9

[Text] New Delhi, Aug 11--The Finance Minister, Mr R. Venkataraman, today dismissed as a mere "scare" speculations that the International Monetary Fund would impose very stiff conditions on India for the massive loan it was seeking, report PTI and UNI.

To say that the IMF would clamp such conditions and India would have to accept all of them "is merely to create a scare where nothing exists," he said.

The Finance Minister's comment in the course of an interview with All-India Radio was the first Government reaction to reports that the IMF might be demanding drastic measures (like devaluation of the rupee) as conditions for the SDR 5-billion (about $5.65 billion) loan to India.

He assured the nation that the Government would not accept any conditions that would be "derogatory to its self-respect."

Defending the series of major measures taken by the Government in recent weeks relating to the economy, the Finance Minister said there had been a "significant deceleration" in prices from 1979-80. Inflation had come down to 9.8% on annual basis as on July 25, 1981, against 22.4% in 1979-80. The economy had also recovered to a "considerable extent," he said.

The Finance Minister said the decision to import wheat, sugar and edible oils was correct and it had started having an impact. He defended the new Ordinance, which gave power to the Government to ban strikes in essential services.

Mr Venkataraman explained the Government's "reasons for going in for the IMF loan." He said the balance of payments position was "very disturbing." The trade deficit was increasing at a very fast pace. In 1979-80, the deficit was incresing at a very fast pace. In 1979-80, the deficit was Rs 2,450 crores and in 1980-81 it rose to Rs 5,200 crores.

The oil bill, which was only Rs 1,690 crores, went up to Rs 5,400 crores in 1980-81. The situation threatened to continue as long as India had to import oil for its national requirements. Besides, the country had to import machinery and equipment during the Sixth Plan period. The balance of payments position would become more precarious unless India took some loans to cover these payments.

Mr Venkataraman said the Government hoped to reduce the consumption of crude by one million tonnes by 1982.

He said this would save Rs 900 crores in foreign exchange. The Government was also trying to ensure that petrol was used only for essential purposes, the Minister added.

He said India had a "very high reputation" in the international market as a borrower. It had raised over $800 million in the Euro-dollar market and its credit rating was very high.

He said the discussions on the loan were still going on. Certain people, without knowing about the discussions and negotiations, were creating a scare "merely to score some debating point against the Government."

Mr Venkataraman said the import of wheat, despite a good harvest, was necessary for the creation of a buffer stock to maintain prices. The wheat was bought at the lowest price. It would go a long way to augment the buffer stock and prevent any hoarder or black-marketeer from taking advantage of shortages.

It was for the same reason that the Government had decided to import sugar and edible oils, he said. This was having its impact on the market. Sugar prices had come down.

Mr Venkataraman said the reaction of the trade unions to the Essential Services Maintenance Ordinance was not "appropriate." The Ordinance, he said, was only an "enabling measure" empower the Government to take action in the case of any paralysis of essential services. Trade unions should themselves come forward and give an assurance that there was no intention of paralysing essential services.

Mr Venkataraman thought the Ordinance would deter people from resorting to wild-cat strikes, go-slow and work-to-rule tactics.

When legislation for substituting the Ordinance was brought, the Government would also cover lay-offs and lock-outs in it, he added.

On the general economic situation, the Finance Minister said the measures taken during the tenure of the present Government were showing results. "I cannot say we have succeeded, but we are on the road to recovery." The Gross National Product had increased by 6.5% in 1980-81 against a decline of 4.5% in 1979-80. The first quarter of 1981-82 showed heartening signs of improvement, the Minister said.

CSO: 4220/7550

PARLIAMENT HELD LIKELY TO QUESTION IMF LOAN

Calcutta THE STATESMAN in English 13 Aug 81 pp 1, 9

[Text] New Delhi, Aug 12--Mr R. Venkataraman, Minister for Finance, will come under heavy pressure during the monsoon session of Parliament to disclose the terms imposed by the International Monetary Fund for giving a loan to India under its Extended Financing Facility.

The negotiations for the loan--which is to be of the record amount of $5 billion Special Drawing Rights, or nearly $6 billion, the highest to be given to any country by the IMF--are virtually over. The executive board of the IMF will meet to finalize the terms.

If these are acceptable to India, a letter of intent will be issued followed by a highly secret agreement of the loan over a three-year period. If the conditions are not followed, the IMF has the right to stop disbursement of installments of the loan.

Mr Venkataraman's announcement on Monday night that the amount of the loan was nearly $6 billion came as a surprise since it far exceeded the $4 billion mentioned so far (even this would have been a record for any country). This indicates the seriousness of the balance of payments crisis that the Government expects in the next few years, mainly because of oil imports but exacerbated by other imports and the slow rise in exports.

The Minister is expected to resist the demand to reveal the conditions under which the IMF will sanction the loan. However, he will have to deal with the precedent set by the British Government which was forced by the House of Commons to make public the agreement on its $2.7 billion loan about three years ago. This was, until India's application, the highest amount disbursed by the IMF.

Mr Venkataraman has tried to preempt the criticism and demands by the Opposition to make the disclosure by painting a rosy picture of the economy in a broadcast on Monday (during which he made the first official statement on the application for the IMF loan).

During the broadcast, he claimed that the price situation was improving compared to previous years and made a defence of the recent economic policy decisions taken by the Government. Not all these will convince the Opposition, especially his defence of the powers to ban strikes on essential services.

Indications are that the IMF will not insist on any major devaluation of the rupee of the kind that was carried out in 1966. This is the main ground on which the Opposition has criticised the loan application.

Nevertheless, no loan under the Extended Financing Facility--and especially one of the magnitude that India is seeking--is given without imposing conditions on what are called structural changes in the economy to improve the balance of payments position. In the case of other countries, these have related to such questions as elimination of subsidies, reduction of public expenditure and lower deficit financing.

Indian negotiators have argued that the Government has already taken a number of steps in this direction and hence the conditions should not be as stringent. The final decision on this, however, will be taken by the IMF's executive board.

A Staff Reporter adds: The West Bengal Finance Minister, Mr Ashok Mitra, said in Calcutta on Wednesday that Mr Venkataraman should disclose the terms of negotiations with the IMF to dispel fears from the minds of the people. He said that the people had the right to know the conditions.

Mr Mitra was commenting on the Union Finance Minister's reported statement that some people were trying to create a scare by saying that terms "may be derogatory where nothing exist." Mr Mitra said representatives of most of the Indian newspapers indicated in their despatches from Washington that the IMF was going to extract its pound of flesh.

The Finance Minister said that recently 23 eminent economists of the country unequivocally warned that by borrowing from the Fund on an unprecedented scale, the country would give the IMF "the power to impose its own style of economic discipline." The economists feared that it might close even our options of independent negotiations for commercial borrowing abroad, he added.

Mr Mitra said the country's experience on conditions of borrowing money from such international institutions was not happy. "We have to devalue our rupee in 1966 because of the pressure from the Fund," he said and added that such international organizations always tried to impose some conditions "outside the written terms of agreement."

He said that there were reasons to believe that the Ordinance banning strike in the essential services had been promulgated at the directive of the Fund.

He said that once the World Bank had imposed an "unwritten condition" on the Centre that a loan would be available if "a nominee of the Bank be made the chairman of Calcutta Port."

CSP" 4220/7555

DELHI REFUSES TO RELAX RULES ON INVESTMENT

New Delhi PATRIOT in English 11 Aug 81 p 5

[Tedt] The Central Government has refused to accede to the demand of the States for a blanket liberalisation of the policy on foreign investment and repatriation of profits to attract Gulf money, reports IPA.

The State Governments have been demanding such liberalisation to get Gulf money so that some of their projects starved of funds, could take off. But current thinking in the Union Finance Ministry is that any relaxation of the existing policy could be considered only in individual cases, after going into the merits of each case.

Further, all such projects should be in the joint sector and should not be outside the State Plan. This is obviously meant to ensure that the projects already included in the State plans get priority and that the State Governments make efforts to raise resources on their own.

These conditions are likely to act as a damper on the race currently being witnessed among States to get Gulf money by any means. Following the liberalisation of the policy in October last year for attracting petro-dollars to India several State Governments sent their delegations to Gulf countries to negotiate loans. These States included Gujarat, Maharashtra, Karnataka and Haryana.

But the actual experience of negotiations with financial consortiums in the Gulf countries during the last eight months has believed the hopes of these States.

It was found that investors from OPEC wanted India to give them some concessions as are given by some of the other developing countries of Asia like Singapore, Sri Lanka, Malaysia, Taiwan and Thailand. They have told the Indian delegations that they are not used to paying taxes in their own countries and as such wanted exemption from payment of taxes in India also.

Another demand was that during the tax holiday period no tax should be leviable on dividend declared out of the profits.

During the negotiations with Indian teams the OPEC investors had also demanded an accelerated rate of depreciation to be allowed to them. They had pleaded for exemption from wealth tax and capital gains tax so that in the event of sale of assets the entire sale proceeds could be repatriated. As a compromise, it was suggested that if these proceeds could not be allowed to be repatriated in single transfer, they should be allowed to be taken out of India in instalments over a period of time.

CSO: 4220/7546

CONCLUSIONS OF CALCUTTA ECONOMISTS PARLEY TOLD

Madras THE HINDU in Engli 12 Aug 81 p 8

[Article by Gautam Adhikari: "State of the Economy: Disturbing Trends"]

[Text] Twenty three leading economists met last week in Calcutta to discuss the state of the Indian economy. Their verdict--the economy is in a dismal state.

The West Bengal Government organised the meeting. The idea was to analyse recent disturbing trends in the economy and send suggestions surfacing at the discussions to the Union Government, other State governments and various political parties.

Participants included Bengal's Finance Minister, Mr Ashok Mitra, Mr I. S. Gulati (Trivandrum), Mr Balwant Reddy (Hyderabad), Mr Krishna Bharadwaj (Delhi) Mr Amit Bhaduri (Delhi), Mr Amiya Bagchi (Calcutta), Mr Ashim Dasgupta (Calcutta) and others.

The economists squarely blamed the Union Government for the economy's rudderless and inflationary drift. Further, the Government was now going in for an IMF loan of $5 billions on fairly stiff terms: this was entirely unnecessary. The current level of deficit financing had already exceeded the target of the Sixth Plan and the Government would also import wheat, sugar and edible oils--a move which could well have been avoided through proper policies on procurement and distribution.

Poor Hit Hardest

The scope of discussion at the meeting was very wide but problem areas were identified beforehand. The meeting decided to concentrate on the following trouble spots of the economy:

(a) Inflation: There has been unprecedented inflation in India since 1972-73, barring a brief respite during two intermediate years. The poor have been hit hardest by galloping prices, substantial erosion of real incomes and purchasing power. Worse, persistent inflation has redistributed incomes from wages to profits thus tilting the structure of income and asset distribution further in favour of the rich.

Planned growth, which needs stable prices, has been impossible while rising prices have encouraged private investors towards speculation rather than towards capital formation. At the same time, massive budget deficits along with increasing reliance on indirect taxes had accentuated the problem.

(b) Infrastructure problems: Outputs and services provided by certain key sectors are an important determinant of production and prices. Such sectors--coal, steel, cement, transport, communications and power--are in little short of a chaotic state. Bewildering bottlenecks in one sector produce chain reactions in the others and one can only wistfully hope for dramatic improvements here.

High Prices

(c) Essential commodities: For the poor, who constitute an overwhelming majority of our population, the most devastating aspect of the present economic crisis is the shortage and the rising prices of essential commodities such as cereals, pulses, sugar, edible oils, kerosene, textiles, and so on. The system of public procurement and distribution of these basic wage goods is far from adequate.

Large segments of the rural poor and many of the urban poor have little access to ration cards or ration shops: hence, they have to rely on the market to meet their requirements of wage goods and open market prices, particularly in times of scarcity, are very high indeed.

(d) Black money: In recent years, the parallel economy in India has grown by leaps and bounds. A significant proportion of the black money, involved represents resources that might have flowed into productive investments, or resources that might have accrued to the Government in the form of tax revenues. Black money is a principal source of finance for hoarding, speculation and smuggling. The economic consequences of these activities are obvious enough: hoarding of essential commodities, speculation in real estate and illegal transactions in foreign exchange.

What is more the existence of the parallel economy tends to neutralise and blunt the impact of monetary and fiscal policies pursued by the Government, for instance, a rise in the bank rate and an increase in the statutory liquidity ratio cannot squeeze the black money economy or the non-banking financial intermediaries. Hoarders of black money have been offered a soft option in the form of special bearer bonds, and now there is even talk of index-linked bearer bonds.

(a) Balance of payments: The country's present balance of payments is precarious. The Union Government has always been excessively concerned with correcting the balance of payments deficit in the short run, and has paid little attention to the impact of overall economic performance on the balance of payments. In the very short run, it might be possible to circumvent the adverse situation by massive borrowing from abroad, running down foreign, exchange reserves, and attempting to improve the balance of trade.

In the medium term or the long run, however, it would imply a reduction in absorption--both consumption and investment--thus affecting living standards as also growth performance. Borrowing abroad would give rise to an enormous burden of debt servicing, while the running down of reserves would eliminate the cushion so that the adjustment in the economy would have to be very drastic when the inevitable crunch does come.

Growth Rate

To give a statistical summary of the Indian situation, during the period 1950-51 to 1978-79, the average annual rate of growth of national income was 3.5 per cent, of agricultural production 2.7 per cent and of industrial production 6.1 per cent. In per-capita terms however, income has grown at rate of only 1.3 per cent per annum. After allowing for the rising share of investment of national income this has meant a 1.1 per cent per annum rise in per-capita consumption.

Even this limited economic growth has been distributed in an unequal manner between classes and regions. Around 50 per cent of the Indian population remains below the poverty line, which adds up to 300 million desperately poor men, women and children.

No Basis

At the end of the two day meeting, the 23 economists issued a statement to caution and advise the Government. It was, because it turned out to be a repetition of conventional wisdom though there were important points that were well made to summarise the main points:

Among the important points were:

(a) The view that "wage-push" and "labour indiscipline" have tapped the economy in a situation of low production, low investment and high prices has no basis in fact. On the contrary, the mandays lost this year through lock-outs exceed the mandays lost through strikes.

The recent ordinance empowering the Government to ban strikes would impair the bargaining power of the workers in the face of inflation and is totally unwarranted. The need actually is for measures that not only protect the real earnings of the workers but also ensure a steady increase.

(b) The Government of India is attempting to increase business profits and profitability through fiscal concessions and manipulation of administered prices. This is a major reason underlying the paucity of resources for public investment. Even the low level of public investment in recent years has been sustained mainly by an increasing resort to deficit financing and indirect taxation.

Indirect taxes are increasingly encompassing essential items of mass consumption. The ratio of direct to indirect taxes has steadily fallen. At present the share of direct taxes is less than 20 per cent of total tax revenue.

In addition, the Central Government has resorted to price increase in the case of several commodities, including petroleum products, fertiliser and coal, which are disguised forms of indirect taxation except for the fact that, unlike as in the case of excise duties, the proceeds of these price increases do not have to be shared with the States.

The situation demands greater reliance on direct taxes. It is often wrongly suggested that low rates of direct taxes will improve tax collection by reducing tax evasion. There is simply no evidence for this: and indeed while tax rates have been lowered since 1975, there has been no improvement in tax compliance. In order to improve the collection of direct taxes, what is required is the introduction of effective measures of detection and punishment which do not exist today.

Black Money

(c) The non-banking financial companies and partnership firms usually act as channels for converting black money into white, and for generating black money. They give rise to distortions and inequalities, which get further aggravated in an inflationary situation.

The Reserve Bank of India Act already gives the Bank powers to regulate firms as well as companies above a certain size or class, but the partnership firms have not been regulated so far. This power should be strictly exercised: all non-banking financial agencies currently outside the purview of the regulatory powers of the Reserve Bank should be either brought under the same discipline or banned.

(d) In so far as ownership of real estate and transaction in real estate serve as vehicles for generation and expenditure of black money, measures should be designed to tax urban property on the basis of its current capital value rather than on the ridiculously low nominal value and to bring real estate transactions within the purview of a public agency so that taxes can be imposed on the correct values of the estates changing hands. In order to check undervaluation, the local population should be involved, if necessary, in the process of assessment.

(e) In order to protect the poorer sections of our society from inflation, there must be a comprehensive programme for the procurement and distribution of essential commodities, covering both urban and rural areas. Effective procurement of foodgrains calls for the reintroduction of food zones and a system of differential levies.

What is also needed is an effective intervention in the foodgrains trade so as to eliminate distress sales on the part of poor peasants by offering them fair procurement prices. Procurement prices must be related to the costs of production. In addition, the narrow segment of the rural population whose prosperity has increased immensely in recent years should be brought into the orbit of direct taxation.

Food for Work Programme

(f) In case the situation so demands, the Government should examine afresh the issues relating to the takeover of the wholesale trade in foodgrains and the role of the State Governments for this purpose.

The Food-for-Work Programme should be revived at once and should have the first claim on the stock of foodgrains in the hands of the Government over all other commitments.

(g) The present balance of payments situation is difficult: nevertheless, there is still considerable scope for saving foreign exchange by curbing unnecessary imports and increasing domestic capacity utilisation in the importable sector.

Instead, the present policy tends to rely almost entirely on the wishful thinking that Indian exports can be increased massively even in the context of the current world recession. In this pursuit of export promotion, imports of goods, technology and capital are being liberalised in an unthinking manner.

The reluctance of the Government to mobilise domestic resources has led to a deliberate increase in the import content of output even at the expense of the utilisation of domestic capacity and technological capability. Even the recent decision to import wheat, sugar and edible oils could have been avoided if a different set of domestic policies had been pursued.

Import liberalisation hinders the growth of Indian science and technology, impedes progress towards technological self-reliance and worsens the prospects of employment generation.

Suicidal Path

(h) Such a general policy towards import liberalisation is reinforced by IMF and also the World Bank. This is now leading the country along a suicidal path of borrowing from IMF on an unprecedented scale, which only postpones the day of reckoning with the balance of payments problems, and gives IMF the power to impose its own style of "economic discipline."

The "real problem" troubling the Indian economy is, however, touched upon in a background note to the meeting. The problem is not that private investment or capital is stifled: it is really that the size of the domestic market is limited because the overwhelming majority of the Indian people is not in the market for industrial goods. They are simply too poor, and anxious about the evening's dal and roti, to provide a market for industrial goods.

Poverty on the Increase

The problem therefore, is one of social justice, of gross inequalities, and of dal and roti to start with. As late as 1977-78, the Planning Commission estimated that around 50 per cent of the population of this country lived below the poverty line defined in terms of minimum calorific intake of food. The estimate took no account of other basic needs as housing, health care and education. And there is every evidence to suggest that the incidence of poverty is increasing over the years despite grand development planning.

In this connection, it would be worthwhile to point to a recent study of world poverty carried out on the basis of the physical quality of life index (POLI). The results of the study have been reproduced in a 1980 article in CHALLENGE magazine.

The POLI is based on the average of life expectancy, at the age one, infant mortality and literacy. The scores secured by various countries have been placed in five categories--the highest showing countries with a POLI score of 90 and above, the lowest consisting of those countries scoring 30 or below. In this list, India, one of the world's largest industrial democracies and with the world's third largest pool of scientific talent, figures second from the last category. This category consists of countries with a POLI rating of 31 to 55.

Even China comes in the next higher category of POLI 56 to 77 along with countries like Brazil, Turkey and South Africa. Countries which figure in the category below India's include some Saharan nations, Nepal, Afghanistan, Laos, Angola and a few others.

In current development thinking scores secured by a country in the POLI or similar indices should show whether that country is progressing, or otherwise, and not the growth of GNP alone. Why should India score so low after 34 years of planned development in a supposedly socialistic pattern of society is a question that raises fundamental doubts. And here the Calcutta meeting chose to remain quiet.

For some reason, the economists shied away from the fundamental questioning although they were leftists to a man. The chairman of the meeting. Mr Gulati, in fact, said the participants had "agreed not to take a fundamentalist position asking for structural changes." This could be a point of criticism against the meeting, that it was not bold enough.

Perhaps in India today, leftists too have opted for remaining Jonah-like, comfortably ensconced "inside the whale" to use an Orwellian analogy. They too, with their meetings, papers and conventional criticism, are possibly very much a functioning part of the existing social structure, globe trotting economists and parliamentary politicians alike. When you are inside the whale and yards of blubber insulate you from the outside asking fundamental questions and moving for structural changes becomes de trop, even gauche. Tinkering with the existing system could be a redeeming exercise under the circumstances. It is better certainly than doing nothing.

CSO: 4220/7551

REPORTER GIVES BACKGROUND TO CAUVERY TALKS

Madras THE HINDU in English 12 Aug 81 p 9

[Text] Bangalore, Aug 11. The Centre's reported move for takeover of the control, distribution and management of inter-State river waters in view of the inordinate delay in the settlement of the disputes over their sharing, has added a new dimension to the Cauvery talks, beginning in Delhi on Thursday.

The recent statement of the Karnataka Irrigation Advisory Board has made it clear that the State is opposed to the take-over move and will try to persuade the Centre not to resort to it.

10-Point Formula: At last December's talks in Madras, Karnataka had put forward a 10-point formula, under which it sought de novo consideration of the issue of sharing the Cauvery waters among the four riparian States.

The formula based on the general principles laid down by the Indus Commission and the International Law Association on the sharing of inter-State and international waters, stresses the cooperative approach of all the basin States as the concept of collective ownership is involved.

Favouring negotiations among the basin States for a settlement, Karnataka has already submitted a draft Cauvery agreement, based on its 10-point formula, to the Centre and the other three States concerned.

Tamil Nadu has submitted a separate proposal reiterating its commitment to the 1924 agreement and its continued validity. Karnataka does not consider this stand helpful.

1924 Accord: Karnataka, which has made its stand clear, argues that the 1924 agreement (between the erstwhile composite Madras State and the former princely State of Mysore) whose 50-year term had expired in 1974, was no more valid in law and was not enforceable.

It says that the accord was entered into between two unequal parties, the then British Paramountcy represented by Madras and the feudal State of Mysore under the Maharaja.

With the coming into force of the Constitution of India, all princely States, which had no separate political and legal entity, had become extinct.

Also, in 1924, there were five States claiming collective ownership over the waters of the Cauvery basin, namely, Pondicherry, old Madras, old Mysore, Coorg (where the river takes its birth), and Travancore-Cochin. Yet only two States namely, Mysore and Madras, entered into an agreement to the exclusion of the rights and privileges of the other three States.

It has been pointed out that Tamil Nadu contributed only about 32 percent of the waters of the Cauvery basin, but its irrigation development in the basin was as much as 28 lakh acres.

On the other hand, Karnataka, with a contribution of 52 per cent of the waters, had an irrigation development of only seven lakh acres.

This "lop-sided" growth in the irrigation had taken place since the provisions of the 1924 agreement were heavily weighted against Karnataka and had conferred a virtual veto power on Madras as a lower riparian State, a phenomenon considered unknown in the history of irrigation law.

Projects Not Cleared: It so transpired, according to Karnataka, that during the pendency of the 1924 accord, all projects submitted by Tamil Nadu (then Madras) with or without regard to the provisions of the agreement, had been promptly cleared by the Government of India and the Planning Commission--without even being referred to Karnataka, let alone seeking its concurrence.

On the other hand, every project submitted by Karnataka (then Mysore)--the Hemavathy, the Harangi and the Kabini--was sent to the then Madras Government for its concurrence and comments.

To this day, the Centre has not cleared the Karnataka projects, despite repeated representations. Therefore, the State has been driven to the necessity of taking up for construction the three projects outside the Plan to utilise what it considers its rightful share of water in the Cauvery basin. All three projects are now in an advanced stage of construction.

The existing utilisation of the Cauvery waters in Tamil Nadu is 546 TMC ft and Karnataka 177 TMC ft.

A 16-member Karnataka team, headed by the Chief Minister, Mr R. Gundu Rao, is leaving here tomorrow for the Delhi talks.

CSO: 4220/7551

AGRICULTURAL EXPORTS RISE BY 35 PERCENT

New Delhi PATRIOT in English 13 Aug 81 p 5

[Text] India's exports of agricultural items have recorded a growth of 35 per cent in the April-June quarter this year.

The outlook of exports for the year has been rated by Commerce Minister Pranab Mukherjee, as 'somewhat better' than 1980-81. This is so because of brighter prospects for agricultural and industrial production and improved infra-structural facilities, he says in an Independence Day feature.

The first quarter exports of agricultural goods are estimated at Rs 269.18 crores compared to Rs 199.3 crores recorded in the corresponding period of last year.

Of the agricultural items, significant rise has been recorded in exports of cashew, tobacco, groundnut, cottonseed and soyabean extractions, shellac and processed food.

The Commerce Minister has estimated the increase in exports of certain non-traditional and dynamic sectors during 1980-81 at between 30 and 60 per cent. The sectors include engineering goods, basic chemicals, pharmaceuticals, plastics and linoleum, handicrafts and woollen manufactures.

Sugar, leather and leather manufactures, marine products and spices are items where Mr Mukherjee reported 'considerable setbacks' in exports last year.

CSO: 4220/7558

SAUDIS ALLEGEDLY FUND HARIJAN CONVERSION EFFORTS

Madras THE HINDU in English 13 Aug 81 p 9

[Text] Madurai, Aug 12. Mr R. V. Swaminathan, Union Minister of State for Agriculture, today said he had information that a Muslim educational institution in Tiruchi had received Rs 3 crores from Saudi Arabia recently.

"Such funds may possibly be used for getting Harijans converted to Islam," he told newsmen. The Government of India had got information that Gulf money too had a role to play in conversions and an investigation was now on by the Centre.

He could not also ignore the rumour that there was a political motive behind the conversions.

He said untouchability might not be the reason as this had almost disappeared in Tamil Nadu. He could not say whether an ordinance could be promulgated to prevent conversions. Such things had to be dealt with by legal experts.

Meanwhile, this reporter made a survey in select places in Ramnad and Madurai districts of Harijans who had embraced Islam.

Converts happy: In Anthiyoothu village, near Ramnad, such converts were happy because they were "no longer subjected to humiliation or ill-treatment." Converts in Llamanoor, Melakoottai and Kooriyur had adopted the dress, behaviour and way of greeting of Muslims. A significant feature as stated by one of the converts was that as Harijans they were addicted to drinks which they had now given up. They were also taking a bath daily and praying at least thrice a day.

Voluntary: According to Maulvis in the area, the Harijans had voluntarily accepted Islam. They rejected as baseless reports of foreign money being used to "purchase" Harijans.

A young man, who continued to remain in the Hindu fold, said at Llamanoor village that many like him were tempted to embrace Islam because of "atrocities" committed on Harijans.

There were also allegations at Llamanoor of the ill-treatment of converts by non-Harijans. A cross-section of the converts denied the allegation that the new converts were not treated as Muslims.

A significant feature was that boys had begun to learn the Koran.

The new converts here denied that they were allotted separate enclosures for prayers inside mosques. In fact, it would be difficult to recite prayers remaining in seclusion as prayers were normally done in groups and at the fixed time.

Plan for conversions in another village

Our Tirunelveli Staff Reporter writes:

The 21-member parliamentary committee for the welfare of Scheduled Castes visited Meenakshipuram on Tuesday and held an enquiry into the causes for the mass conversion of Harijans to Islam there in February last.

The committee's sitting was in camera. People belonging to all sections gave their views besides submitting memoranda.

There is talk in Meenakshipuram that Harijans who had become Muslims were persuading their relations in the neighbouring village, Viswanathapuram to come into the fold of Islam.

It is stated that there is a campaign to seek signatures of those who were willing to become Muslims. It is also stated that there was a plan for mass conversion of harijans in Viswanathapuram on August 15 but the date had been postponed by a few days.

A feature in Meenakshipuram is that Muslims from far-flung places in the country visit the village by vans and cars and fraternise with those who had joined their ranks recently.

They include women who go to the houses of the new converts and teach Muslim prayers to women.

"Even if the State has a right to clamp such a ban under the Supreme Court's judgment, it is not desirable because it brings in an element of compulsion," he said, reacting to the reported statement of the Religious Endowments Minister, Mr R. M. Veerappan that the Tamil Nadu Government was considering legislation on these lines.

Addressing a press conference today, Mr Bhaktavatsalam said there had been conversions from Hinduism to Jainism and other faiths before, but they were mostly sporadic. "Now the talk of conversion to Islam seems to have become a fashion and even a means of blackmail."

There could be absolutely no objection to anyone embracing any religion out of conviction, but what caused concern was the "wave of conversions" and the possible reasons for them. The situation must be taken serious note of by the Government and men in public life.

By and large, the former Chief Minister said, caste Hindus and Harijans were living in amity. Only a minority on either side was aggressive and it was this group that required to be tempered. The Government must be vigilant and act at

the slightest sign of communal bickering. Intensive propaganda must be launched among Harijans and caste Hindus to make them shed mutual illwill.

Sometimes police had been found to identify themselves with one community or the other and this led to frustration in the aggrieved party. Prompt and impartial action by the police was called for.

While welcoming the proposed special worship for Harijans and common feast in temples on Independence Day, Mr Bhaktavatsalam said the spirit behind it must be sustained. He suggested that everyone should take a pledge on August 15 to end untouchability and caste discrimination.

Above all, temples must be close links with the local people and become nerve centres of social activity.

CSO: 4220/7557

JANATA LEADER CALLS FOR WAR ON CASTE SYSTEM

Calcutta THE STATESMAN in English 13 Aug 81 p 9

[Text] New Delhi, Aug 12--Rejecting the theory that foreign money and coercion were the causes of mass conversions to Islam, Mr Subramaniam Swamy yesterday suggested total war on the caste system to save Hindu society from the present crisis.

He also suggested that the National Integration Council should convene a meeting of religious, political and social leaders "to discuss how to generate confidence of Harijans in Hindu society."

The Janata leader, who visited Meenakshipuram, a few days ago, said here that the Meenakshipuram phenomenon was spreading throughout the country representing a massive vote of no-confidence by the Harijans against Hindu Society. The Harijans were likely to be followed soon by the Adivasi's for much the same reasons: oppression, exploitation and rape by the caste Hindus.

He said those propagating that foreign money was the primary reason for the conversion were enemies of Hindu society. They were distracting the attention from the evils of the society, and directing it to create hate against Muslims and Arabs for their own political ends.

It was significant that after the ostentatious Hindu Sammelan on July 15, not one so-called Hindu leader had visited Meenakshipuram to redeem the promises made at the sammelan.

Mr Swamy suggested that politicians should stop asking vote on caste-basis, marriages should be promoted by social organizations on inter-caste lines, all religious leaders should regularly denounce the caste system, and disown it, and political parties should make it a special plank to provide political status and security to Harijan workers at the village level. "So far we have thought of Harijans politically only at the national level," he said.

Meanwhile, some representatives of Harijans in Bangalore decided at a meeting yesterday to quit Hinduism on August 15, adds UNI.

According to Mr M. Kanniyah, general secretary of the Karnataka Harijans Welfare Association, the meeting was attended by about 500 representatives and it was decided that each representative would persuade 30 to 40 Harijans in their locality to quit Hinduism.

He said in a statement that the participants had also decided to remove portraits of Hindu gods from their houses on Independence Day.

PTI adds: According to a Tamil Nadu Minister, Mr R. M. Veerappan, the State Government is considering enacting a legislation in consultation with the Centre to ban conversion of Hindus.

Mr Veerappan said in Thanjavur yesterday that the Tamil Nadu Government had also decided to organize social functions with joint participation by Harijans and other Hindus.

A report from Tirupati reveals that while Harijans have been embracing Islam, a Muslim wants pujas to be performed in his name at the abode of the Lord of Seven Hills at Tirumala.

CSO: 4220/7555

TAMIL NADU MINISTER DISCUSSES CONVERSION PROBLEM

Madras THE HINDU in English 12 Aug 81 p 1

[Text]

THANJAVUR, Aug. 11.

The Tamil Nadu Government was considering legislation to ban mass conversions from Hinduism if the situation warranted, said Mr. R. M. Veerappan, Minister for Information and Hindu Religious Endowments, here today.

Talking to newsmen, he said a Supreme Court judgment in 1977 had clearly stated that if mass conversions by fraudulent means gave room for law and order problems, the States had the right to pass legislation to ban them.

The State Government had received representations from Kunrakudi Adigalar and some Mutt heads and religious leaders quoting the Supreme Court judgment to put a ban on conversions.

In consultation with the Centre, the Government would pass legislation, if necessary. However, the present situation did not warrant such action since the conversions were not strictly on religious grounds but due to various other considerations.

Conversion to a new religion would not and could not give new rights or privileges to any section and the Government would not allow anyone to escape from the general law of the country, the Minister said.

The atmosphere of apprehension in the minds of Adi Dravidas should be cleared by the public, religious heads and especially by the caste-Hindus. There was absolutely no room for violence or high-handed action when a slow social evolution was taking place. The caste-Hindus should change their attitude of hostility and accept the progressive and rational ideas of the Adi Dravidas the Minister said.—Our Staff Reporter.

Conversion move given up

PTI, UNI report:

Harijans of Virupakshipuram and Allapuram villages near Vellore have rescinded their decision to embrace Islam on Independence Day following an assurance from the revenue authorities that their grievances would be redressed as early as possible.

After they had held out the threat a fortnight ago, the Vellore Tahsildar and Block Development Officer visited the Harijan colonies and ascertained their demands, which included better sanitary facilities, drinking water, house-sites and burial ground.

Brotherhood among Hindus

An organisation called the "Hindu Sahodara Abhivruddi Sangam" to foster brotherhood among all sections of Hindus is to be set up under the guidance of the Junior Sankaracharya of Kanchi Kamakoti Peetam, Sri Jayendra Saraswati.

This was decided in Guruvayur on Monday evening at a meeting of representatives of a number of religious and cultural Hindu organisation from Tamil Nadu and Pondicherry as well as Guruvayur area in the presence of the Acharya.

Addressing the gathering, the Acharya said Hinduism believed in tolerance and co-existence of religions. But that did not mean that others could attack or "ruin" the Hindu faith.

The Acharya has urged the Government to inquire into the allegation that Harijans were being influenced by monetary inducements to embrace other religions. He also called for a check on the flow of foreign money into the country.

He said Harijans converted to other religions should be disqualified for the privileges provided for them in the Constitution.

The Acharya exhorted the Hindus to treat the Harijans with a feeling of brotherhood and lauded the work of organisations like the Rashtriya Swayamsevak Sangh (RSS), the Hindu Mahasabha and the Arya Samaj.

Some of the decisions taken at the meeting were: Retention of the name "Harijans" as advocated by Mahatma Gandhi instead of "Adi Dravida" adopted by the Tamil Nadu Government; the Union and State Governments should implement all Harijan welfare schemes effectively and the police should be asked to act impartially in cases involving Harijan interests.

CSO: 4220/7551

CPI ANXIOUS OVER 'POLITICAL TERRORISM' IN BIHAR

Secretary's Statement

New Delhi PATRIOT in English 12 Aug 81 p 7

[Text] The CPI has urged Home Minister Zail Singh to immediately intervene and ensure effective measures to put down political terrorism against CPI workers in Bihar.

In a statement on Tuesday, party central secretariat member N. K. Krishnan said the CPI was taking an extremely serious view of the fact that a number of CPI leaders and workers had been killed in a "planned cold-blooded manner in a wave of political murders in Bihar directed against our party."

He listed the CPI members killed as Mr Badri Narain Singh and Mr Ram Bachhan Mahato (in broad daylight in Kahagaria district in gruesome manner last week); Mr Medini Saho (general secretary of the Kahagaria district Khet Mazdoor Union who had been beaten to death by group of constables in the campus of a police station). Besides, there were several murderous assaults on the life of CPI's Kahagaria district secretary Satya Narain Singh (who had given a tough fight to the Cong-I Minister for Cooperatives during the last Assembly election and had lost by a very narrow margin).

"In most of these assaults against CPI comrades, Cong-I people, including a Minister of the State Government, have been involved," Mr Krishnan alleged.

The attacks were directed against the CPI workers as the party was standing in the forefront of the struggle for the defence of the interests of the working class and of the oppressed and downtrodden in the villages against the anti-people policies of the State Government, he explained.

Highlighting the refusal of the State Ministry to take effective action to meet the situation, the CPI leader said the incidents "thoroughly expose the break-down of law and order in Bihar today as a direct result of the anti-people policies of the state Government" as a consequence of which the entire fabric of social life had been put at the mercy of anti-social criminals and notorious police officials enjoying official patronage.

Bihar Executive Meeting

New Delhi PATRIOT in English 12 Aug 81 p 7

[Text] Patna, Aug 11--The executive committee of the Bihar council of the CPI, at its meeting held here, today expressed grave concern over the 'ruthless murder of Khagaria district council secretariat member Baedri Narain Singh and another party member Ram Bachan. The executive demanded a judicial probe into the incident and severe punishment to those found guilty.

The executive was of the opinion that these were political murders in which the Cong-I was involved. Past experience showed that the party, in connivance with the police and the landlords had been attacking the CPI workers engaged in public welfare work. It added that some time back Khagaria district council secretariate member Medini Sao was murdered in Chautham police station.

The executive while paying tribute to the two party members also paid homage to veteran Communist leader Bhupesh Gupta through another resolution.

The condolence resolution passed by the committee said that the Communist Party had lost its leader and the nation had lost a great revolutionary. The void created by his death could not be filled, it added. The executive committee resolved that the party would complete his unfinished work.

CSO: 4220/7552

GANDHI REPORTED ASSUMING WIDER PARTY POWERS

New Delhi PATRIOT in English 14 Aug 81 pp 1, 7

[Text] AICC-I general-secretaries, conveners of the various cells at the AICC-I and PCC-I levels and all organisations like the youth Cong-I will soon lose their powers to appoint office-bearers of their respective local units.

The Cong-I has about a dozen cells. Some of them like the legal cell and labour cells have been quite active. There are also cells for nomads, women, Harijans and Kisans. Most of them are inactive barring on some special occasions. Since there are no specific rules for them in the party constitution, leaders of these cells usually nominate office-bearers at the local levels.

According to a circular issued by general-secretary Rajendra Kumari Bajpai on Thursday, hereafter these powers also will be vested in Cong-I president Indira Gandhi. The circular, on instructions from the party president, asked all important functionaries to refer their recommendations for appointments to Mrs Gandhi. The names could be announced only after their approval.

Mrs Gajpai, who met Mrs Gandhi on Thursday is also likely to call for a scrutiny of some of the recent controversial appointments to these cells. If necessary, such committees will be fully recast.

There have been a series of complaints in the past few months against the bosses of these cells, including a general-secretary, for appointing even those who are opposed to Mrs Gandhi as officebearers. In some cases, it is alleged that the decisions were influenced by favours and groupism.

Some of these cases have been recently referred to Mrs Gandhi by some partymen from Karnataka and Haryana. According to the circular, even the appointments to district units of these cells will have to be referred to Mrs Gandhi.

At present, appointments to the PCCs, Youth Cong-I and NSU-I committees at the all-India and State levels are referred to the Cong-I president. For lower levels, only controversial cases are referred to her.

Since the Cong-I did not have its proper organisational elections since the Nijalingappa period, all appointments are ad hoc. In the past one year, almost all PCC-I had been reorganised for various reasons.

CSO: 4220/7560

TEXT OF GANDHI SPEECH AT NAIROBI CONFERENCE

Madras THE HINDU in English 11 Aug 81 p 7

[Text] Nairobi, Aug 10: The following is the text of Prime Minister Indira Gandhi's key-note address at the U.N. conference on new and renewable sources of energy:

"It is a privilege to address the assembly of statesmen and scientists. India has always applauded the United Nations' endeavour to bring the world together for peace and prosperity. We affirm our appreciation of its efforts and commend its accomplishments. The pleasure is enhanced by this significant event taking place in Nairobi, on the soil of resurgent Africa, whose dreams and aspirations are similar to our own.

We humans have regarded the earth as a playground to use, to despoil, and to destroy. We are too engrossed with the immediate, too absorbed with petty individual problems, to look at basic issues. Today's problem has taken centuries to grow into its present threatening proportions.

We are searching for new and renewable resources only because the fossil fuels on which we had grown dependent are fast and recklessly being depleted and are in the control of a few.

Change in Outlook Vital:

What we have to understand is that nothing will work in the long term unless there is change in our thinking, unless we see ourselves not as masters of the universe but as tiny parts of an exceedingly complete system in which the smallest has a specific role.

In the law of the cosmos, the microcosm is no less important than the macrocosm. I have never ceased to be struck with awe at the wonder of the balance in nature, where waste itself is the most useful for renewal of life.

Man, in his greed and image of power, has ignored natural laws. We have disturbed and continue to disturb this marvellous equilibrium and yet we are astonished at the dangers which confront us and which we ourselves have created. We must view energy in its entirety, for problems of survival and progress are not pieces to be put together, but are inseparable parts of an integrated whole.

The reality of the energy crisis hangs perilously over not only Asia and Africa but also the developed regions of Europe and America. We have an awesome task.

The mutual interest of diverse groups and nations lies more than in merely preventing a military holocaust, which by its very nature is unlikely to leave any victors.

Short-sighted Economic Policies

Enlightened statesmen and leading thinkers now forcefully argue that there is serious menace to human existence by the unintentional, albeit inevitable, consequences of short-sighted and self-centred economic policies of individual nations.

The present pattern of exploiting the world's resources and the resultant search for an attempt to dominate world energy sources can only cause friction.

Monopoly over the energy potential by the affluent is depriving the poor, arresting their growth and leading to instability and insecurity. Similarly, within nations such serious imbalance in energy supply aggravates social ills, especially those associated with unplanned urbanisation.

In contemporary India, as in some other parts of the world, energy experiences range from the most primary and uncomplicated forms as manual labour and animal power to the most advanced use of nuclear and solar energy technology.

Impressive quantities of commercial energy are regularly produced from sources like coal, lignite, oil and the hydro-electric potential of waterways. At the same time there is also extensive use of familiar non-commercial sources like firewood, agricultural wastes and animal dung.

Parallel Streams

Our planning is enriched but also complicated by the contrast between the organised activity in Urban India and the decentralised rural sector. These parallel streams are sources of strength, although rising expectations have led to some social strains which are aggravated by the ever-increasing cost of energy.

A realistic understanding of our complex social and economic conditions and our broader vision of the world community have helped us to try to shield our development from the consequences of rapid and unidimensional industrialisation. We emphasise our commitment modestly, though firmly, to the rational use of energy and natural resources with the ultimate objective of preserving our environment.

Renewable Sources

There is little possibility of any large-scale substitution of the existing structure of the energy programme. Instead, we are looking for a two-tier reorganisation. Many of the promising renewable sources of energy, long fallen into disuse in the developed world, continue to provide for a substantial share of our energy needs, particularly in the domestic sector. Firewood is an obvious example, though it is inefficiently used.

Such loss of potential energy is not restricted to unsophisticated enterprises. The steam engine remains relatively primitive in spite of its indispensable services. Similarly, there has been hardly an innovation in agricultural implements.

We have initiated a concerted effort in research and development to improve energy producing and conserving tools. In this jet age, people refer to bullock carts as symbols of the past.

Animal Power

However, in India animals provide more power than all our powerhouses, whose installed capacity is 29,000 MW. Replacing them would entail a further investment of 25 to 40 billion dollars in electricity, over and above the loss to the farm economy of manure and cheap fuel.

The fitting of tyres on traditional bullock carts has made them faster and reduced by more than half the wear and tear of the animal, the cart and the road.

Ball bearings on hand-driven grinding stones have mitigated the drudgery of village women. Modifying designs of household implements like stoves and better architecture for homes and public buildings can make an enormous difference.

Development and Population:

The early stages of development, bringing better health, increasing the lifespan and diminishing infant mortality, lead to population expansion.

Industrial development tends to concentrate population in an unwholesome manner. The availability of local energy makes decentralised development more viable. It injects greater confidence in local development and decreases disparities that cause regional discontent.

If the laws of nature are thwarted, renewable sources also will be exhausted. The indiscriminate felling of trees has denuded our forests with disastrous ecological imbalances affecting the very quality of life.

In its sternest form, nature retaliates against the scars of treeless mountainsides, causing landslides and devastating floods and silting dams and rivers. Rainfall begins to dwindle and the desert resumes its deathly march.

We are trying to harness the vast potential of the sun, wind and water. Solar energy is already being used for cooking, for heating water and pumping it for irrigation and for crop drying.

Bio-Gas

Another promising item in the new energy programme is bio-gas which is produced mainly from agricultural waste, not to mention the ubiquitous water-hyacinth that has for years been blocking waterways and clogging fields.

The national paper we have presented at this conference details our development and our programmes. We have offered suggestions for action at national, regional and international levels. India is ready to share her experiences and to assist our partners in world energy programmes.

The history of developed industrial countries has been different. The industrial revolution succeeded because of the availability of an abundant and cheap supply of fossil fuels.

When oil producers asserted their right to fix prices, these countries were startled to discover how myopic was their assumption that they had the right to unlimited quantities of fuel.

However, the adjustment process has been relatively easy for the industrialised countries, because minor economies in consumption enable them to control the growth in demand and make up their losses by passing on the higher costs of energy through exports.

So, developing countries are hit from both sides--the high costs of oil and the higher costs of imports of manufacture and industrial raw materials. We have neither margins of waste nor the wherewithal to meet the increasing expense.

Energy Consumption

It must not be forgotten that developing countries use a mere fraction of the total energy consumed by industrialised countries. As their standards of living are raised, they will demand much more conventional energy, contributing to the already noticeable depletion.

It should not be imagined that only industrialisation and urbanisation demand more energy. Even agriculture does so. A good part of India's petroleum imports goes into fertilizers, and a quarter of all our electricity into agricultural operations. If developing nations do not get the energy they need and deserve, how can they fight poverty?

At the same time their financial constraints deny them the investments necessary to harness energy through known technologies. That is the main reason for the search for new technologies which would require less capital.

The concept of labour substitution of capital is a familiar one. We now look to technological innovation as a substitute for capital. Should not efficiency be measured in terms not only of the labour and capital saved, but of energy conserved?

Scramble for Fossil Fuels

An important cause of the present disturbed and insecure state of the world system is the scramble for the pre-emption of fossil fueled deposits and the accumulation of increasingly sophisticated and energy-intensive weapon systems which are a concomitant of the arms race and policies of confrontation.

Obviously these are aimed at maintaining the status of the affluent and powerful by supporting the existing infrastructures and disparities. Hence the urgent need for an energy revolution.

We must move from the present international economy primarily dependent on hydrocarbons, to one increasingly based on new and renewable sources of energy. Such a transition is likely to profoundly change international relationship.

Instead of the physical transfer of resources, there could be cooperation in harnessing widely dispersed resources with appropriate technology. With proper sharing of knowledge, developing countries would not need to invest in rapidly obsolescent technology and the process of transition itself would have a longer life-span. Such a global outlook does not impinge on the sovereignty of nations, nor is it incompatible with national policies.

Developed economies should be prepared to accept a portion of the responsibility to redefine their relationship with the developing world. The new international economic order and the principle of the common heritage of mankind need to be endorsed in theory and in practice.

All international forums should aim at changing attitudes of exploitation and bargaining to those of cooperation and accommodation. Costs are high at the experimental stage and come down only as production goes up it makes more sense for those who can afford them to go in for substitutes rather than those who do not have the means.

Significant Step:

Emphasis on new sources of energy is not an excuse for diverting attention from the immediate problem of the equitable sharing of conventional energy. New sources are crucial for all those that have an abundance of present available fuels as well as those not so favourably endowed. A more equal distribution of conventional fuels is a significant step in the programme towards renewable sources.

No single programme may suit all countries. Each must draw up its own energy programme and build the necessary infrastructure. Throughout the world measures must be taken to increase the use of mature technology in renewable energy such as the fuller harnessing of hydro power potential, coal technology, large-scale programmes of reforestation and energy plantation, biogas production, the use of solar energy for low and medium temperature requirements like water heating and of wind and solar energy for pumping.

International effort is essential but it cannot replace endogenous development. Past mistakes can be side-stepped and research need not be duplicated. Technology will continuously unfold new possibilities. Let us take nothing for granted, least of all nature.

We expect the international community to support and reinforce this national effort, especially of developing countries. But developing countries must

strengthen their collective self-reliance. Technical cooperation, the sharing of training facilities, the exchange of experts and information, joint R and D programmes including the testing of equipment, mutually beneficial consultancy and related measures are ways to make self-reliance a reality.

A freer flow of technical information and a more liberal transfer of technology from high pressure areas to depressed regions of the economic atlas should become a tenet of the new world order.

Reckless Exploitation

In their pursuit of technological advance, industrialised countries have exploited conventional energy so recklessly that they cannot now evade the responsibility of helping the developing world in its confrontation with this crippling crisis. We also find that companies which control oil interests have acquired a powerful hold over the research and development of new energy technology. Right now for developing countries investible funds are scarcer than the energy they would protect. The mobilisation of aid by international institutions and bilateral credit for this worth-while investment are crucial. I should like to express my gratitude to those countries with investible surpluses who have already made appreciable gestures.

Mutual recrimination and confrontation do not help. We, the developed, the developing and the underdeveloped, are in the same predicament, for better or for worse. The United Nations has brought us here in the hope of enlarging the awareness of humanity and arousing the conscience of governments. The conference, drawing attention to our global obligations, must outline a world policy on energy, generate momentum and indicate courses of action. An international consortium dedicated to mobilising bilateral credit and aid from institutions and which would allow for compact planning and monitoring of the world energy programme would be most useful. We should initiate an expanded programme for technical assistance in energy planning, manpower training, support for R and D and pre-investment studies.

The energy problem is only a part of the wider concern for the environment and encompasses planning to prevent social tensions of economic conditions which compel vast numbers to migrate. Research and experience have indicated that new sources of energy create less environmental pollution than conventional ones. The question now posed is whether unscientific large-scale utilisation even of new sources like solar energy might invite some adverse ecological consequences. We must remain on guard. Everything that is born has within it the seeds of its own destruction. I am told that physicists are talking of anti-entropic energy. Not being an expert, I cannot know how it will work or what will be its repercussions, or those of the new experiments in bioengineering.

May I go back to the point I made at the beginning? However great the rush of activity, the pressure of events, can we not take time to think more deeply and with a larger perspective? The problems are too vast to be handled only by some sections of people. We who are in public life must involve the scientists, the seers of our age, the truly religious. We need their vision to probe and find

paths which will determine the future of mankind and of life on earth. No matter how remarkable the new discoveries, the ultimate response lies in the minds of people and how wisely they will use them. Will they view the world as one or in fragments? Will they see time in compartments of past, present and future, or as a continuous flow of cause and effect?

We speak of renewable resources. Isn't the human spirit the most potent of them all? Let us join in invoking the human spirit, in rescuing it from apathy and resignation and making it buoyant and spontaneous once again.

New Age

We are at the threshold of a new age. Saint-John Perse, the poet, said: "We had a rendezvous with the end of an age."

Let us join him in asking. "Do we find ourselves with men of another age?"

Let a powerful call go out from this conference to make energy a focal point of contemporary international cooperation and collaboration.

Let equitable distribution of our conventional stocks and joint development of new and renewable sources become the test for the enlightened will of nations to survive in comfort, in harmony and with dignity.--UNI.

CSO: 4220/7544

GANDHI HOLDS PRESS CONFERENCE IN NAIROBI

Calcutta THE STATESMAN in English 13 Aug 81 pp 1, 9

[Article by Chander Mehra]

[Text] Nairobi, Aug 12--Mrs Gandhi said here today that India would give Kenya a credit of Rs 10 crores for its industrial development. The Prime Minister added that four new joint industrial ventures would be set up in Kenya besides the 10 already existing in various fields.

Addressing a Press conference at Kenyatta International Conference Centre, Mrs Gandhi said her country would like to see a prosperous Kenya and a resurgent Africa.

Mrs Gandhi, who wound up her four-day visit to this country yesterday, said India would always welcome other developing countries to take advantage of the progress made by India in the industrial scientific research and other fields.

The Prime Minister said her talks with President Arap Moi would lead to a series of measures which will go a long way to strengthen the relations between the two countries.

She said relations with Kenya had considerably improved during the past few months following President Moi's visit to India and the return visit of the Indian President, Mr Sanjiva Reddy, as well as her current visit.

Mrs Gandhi announced that a festival of African arts would take place in New Delhi in January, 1982, and that a Kenyan cultural troupe would participate in it.

Mrs Gandhi called for an end to the arms race being indulged in by super Powers. She said the stockpiling of nuclear and other destructive weapons was adversely affecting the thinking of the people everywhere in the world.

She said India was using nuclear energy for such peaceful purposes as power generation, medicine and research. Answering a question on the dangers of nuclear energy, Mrs Gandhi said the developing countries had to explore all energy sources to speed up their pace of development.

She said the U.N. was facing tremendous challenges but it was still trying to push ahead. The leaders of the developing nations, she added, were making every effort to take advantage of the new opportunities that are opening up to raise the living standards of their peoples.

Mrs Gandhi hoped that the results of the U.N. Energy Conference would be positive and that it would help formulate concrete steps for the transfer of technology from the industrial to the Third World nations.

She said there should not only be the formulation of a world energy policy but also its implementation through bilateral credit and multi-lateral assistance to help poor nations overcome their problems.

On women's role in energy, Mrs Gandhi said women had a very important role to play in all spheres, including energy.

PTI adds: Mrs Gandhi expressed concern over the report that the USA and USSR were getting ready with Neutron bombs. The Prime Minister said India stood for total disarmament and world without war. Even if there were wars, there should be no nuclear wars, she added.

Mrs Gandhi said industrialized countries should show deep understanding of developing States' problems so that the world did not feel insecure. They should open up trade opportunities in their own interest and facilitate moves forward in energy and global economic negotiations.

Mrs Gandhi turned down suggestion for India to phase out its use of nuclear energy even for peaceful purposes as Sweden proposed to do in phased way. She said India was utilizing nuclear energy for power agriculture and medicine and this was extremely useful. It was not on such scale that India could reduce it.

Asked whether India would call upon East European countries to contribute their share for development of alternative energy sources such as what Canada and Japan had indicated in their speeches here Mrs Gandhi said: "We certainly call upon everybody."

"We do not exclude ourselves and we think North-South dialogue can be meaningful only if there is some purposeful dialogue and cooperation.

"National and regional problems get greatly aggravated by global disparity and practices like protectionism in trade of monopoly of it," she added.

Mrs Gandhi today asked the country's envoys to present the image of a resurgent India which has deep root in the past but which is rapidly progressing and expanding its capacity in vital sectors of economy, technology and space.

In presenting this image they should always remember that India had diversified economic cooperation as well as defence purchases and was neither aligned with anyone nor dependent on any single sources for aid.

India's secular character and its policy of non-alignment should always be properly presented outside, she said in her opening statement on a conference of 17 head of Indian mission in Africa, south of Sahara.

Dealing with the internal situation, the Prime Minister said that there was resurgence in the country and its economic and technical capacities were

steadily growing. Communal situation had undergone a change and there was no problem except in one or two isolated pockets.

In her general survey of India's foreign policy and external relations, Mrs Gandhi mentioned that consistent efforts were being made to improve relations with neighbouring countries. In this connection she regretted the unfortunate anti-India campaign mounted by Pakistan.

On Bangladesh, she hoped that it would appreciate the need for friendship with India. The Prime Minister informed Envoys that the Government was planning a refresher course for middle level officials in the Indian mission so that they become more aware of what was happening in the country.

Mrs Imelda Marcos, wife of the Philippine President, met Mrs Gandhi here today and invited her to visit her country.

Mrs Marcos, who is leading the Philippine delegation to the world energy conference here, also expressed her country's strong desire to have closer relations with India.

In her statement to a conference on heads of Indian missions in Africa, Mrs Gandhi referred to her meeting with Mrs Marcos and said more and more countries desired to strengthen their relations with India. In this context, she particularly mentioned ASEAN countries.

CSO: 4220/7555

DELEGATE TO NAIROBI URGES SOLAR POWER STRATEGY

Bombay THE TIMES OF INDIA in English 12 Aug 81 p 5

[Text] Bombay, August 11. Dr Rashmi Mayur, an Indian delegate to the U.N. conference on "New and renewable sources of energy," has emphasised that the small-scale solar technologies now under development may not be able to meet even a low global energy demand.

Dr Mayur, member of the futurology commission of the government the world community develop both small-scale (decentralised) and large-scale (centralised) solar technologies.

In his speech at the Nairobi conference today, Dr Mayur underscored that "the solar power satellite (SPS) has the potential of revolutionising the standard of living in developing countries, not only by directly providing a source of power for cities, transportation systems and industries, but indirectly by powering chemical synthesis plants providing liquid fuels for dispersed populations."

A copy of the speech was made available here.

Dr Mayur said new policies would be required to guide decisions regarding the future course of SPS development from a global perspective.

Institutions in developing countries, for example India, had expressed serious interest in the SPS but much more information would have to be made available on the economic, environment and societal as well as technical issues, he said.

As regards the time scale, Dr Mayur feels that it is unlikely that the impacts of the SPS will be felt by the third world countries for at least the next 40 years. A similar time scale will be required for terrestrial solar energy applications or any other alternative energy source which might have a significant impact on world energy supply.

In the SPS concept, which has been the basis of most current studies, solar cell arrays would convert solar energy directly into electricity and feed it to microwave generators forming part of a transmitting antenna.

Dr Mayur urged the U.N. to consider solar power satellites within the framework of initiative undertaken to assure that the inexhaustible energy and material resources of outer space would contribute in increasing measure to benefit humanity.

CSO: 4220/7548

GANDHI TALKS TO PRESS ON RETURN FROM KENYA

New Delhi PATRIOT in English 14 Aug 81 pp 1, 7

[Text] The Indo-Kenyan relations have been put on a more firmer footing and the friendly relations with the African people have been further strengthened, Prime Minister Indira Gandhi said on Thursday on her return from a four-day visit to Kenya and Seychelles, reports agencies.

Talking to newsmen at the airport Mrs Gandhi said she had a very useful exchange of views on important bilateral matters and the latest international situation with Kenyan President Daniel Arap Moi and with the Prime Ministers of Canada, Sweden and Jamaica.

Information Gap

She said very little information was coming out of Africa about developments there and so also in the African press hardly any international news appeared unless it happened to be the neutron bomb which was given by western media with their own slant.

When asked did she get the impression that the non-aligned movement was being strengthened in the African continent, Mrs Gandhi said it is not so everywhere, "I think you cannot lump together all countries of Asia and Africa as the situation is not alike everywhere. Each country had its own problems and difficulties and its own personality and individuality."

Mrs Gandhi had also made a four-hour halt in Seychelles on 9 August while on her way to Nairobi and had talks with President Rene.

Mrs Gandhi's plane made an hour-long technical halt at Bombay in the morning. She did not come out of the aircraft. Late Wednesday night instructions had been received in Bombay that no VIP should go to the Santa Cruz airport early in the morning and that the Prime Minister would not come out of airport.

Mr Baburao Kale, Maharashtra Minister for Rural Development, and Mrs Prabhu Rau, MLC, who recently joined Cong-I along with other Cong-U, legislators were at the airport. But they were politely told by the officials accompanying the Prime Minister that Mrs Gandhi was sleeping and could not be disturbed.

CSO: 4220/7560

AITUC LEADER DEPLORES WEST BENGAL UNION SPLIT

New Delhi PATRIOT in English 12 Aug 81 p 4

[Text] Calcutta, Aug 11--AITUC general secretary Indrajit Gupta regretted today that despite the decision of the central trade unions in Bombay on 4 June to convene joint State conventions of eight trade unions who participated in the above conclave the West Bengal CITU has refused to include UTUC (Lenin-Sarani) in a committee "on the Bombay pattern."

Mr Gupta pointed out that this "unfortunate defiance" of the National Campaign Committee decision of eight trade unions, in which the central CITU played an important role, by the West Bengal CITU, has split the trade unions in the State into two different formation against the ordinance--one led by CITU and the other consisting of UTUC (Lenin-Sarani), HMS and BMS.

Mr Gupta said "the AITUC will explore all ways and means" to bring the State organisations concerned into a common platform on at least on a convergent struggle against the anti-democratic moves. As such, and being a sponsor of the National Campaign Committee, the State AITUC cannot identify itself with either of the two formations. While trying to bridge the split the AITUC units in the State will join forces with the Leftist mainstream of workers struggle.

CSO: 7552

BENGAL LEFT FRONT POLL CLAIMS CONTRADICTED

New Delhi PATRIOT in English 11 Aug 81 p 4

[Text] Calcutta, Aug 10--Contradicting the claims of the West Bengal Left Front about the percentage of votes polled by the Front partners in the last municipal elections in the State, minister for Municipal Affairs Prosanto Sur said here today that the CPM had secured 34.22 per cent votes.

Mr Sur said that the CPM had put up 941 candidates of whom 208 were elected uncontested, and 471 candidates won the election through contest. The CPM tally was 679 seats won with 6.48 lakh votes, which constituted 34.22 per cent.

As against the CPM, the independents (1961 candidates of whom 17 were elected uncontested) won a total of 498 seats with 7-92 lakh votes which constituted 41.79 per cent.

Another Left Front partner the RSP, fielding 93 candidates won 45 seats by contesting and nine seats uncontested with about 61,000 votes which constituted 3.20 per cent. Against that, the Forward Bloc performance (another Front partner) was 115 candidates, 13 uncontested, total seats won 54 and votes polled were 53,000 which constituted 2.08 per cent.

The CPI, an ally of the Left Front put up 217 candidates of whom 17 were returned uncontested. The party won 92 seats by contesting and the total seats won by the party was 109 with 1.34 lakh votes which constituted 7.06 per cent.

The Cong-U got 35 seats and 6.59 per cent of votes the Janata Party 21 seats and 2.54 per cent of votes, the BJP 14 seats and 1.55 per cent of votes.

CSO: 4220/7546

VAJPAYEE STATES OBJECTION TO FOUR-PARTY MERGER

New Delhi PATRIOT in English 11 Aug 81 p 5

[Text] Bangalore, Aug 10 (PTI)--BJP president Atal Behari Vajpayee has opposed the merger of his party with three other opposition parties--the Janata, the Lok Dal and the Cong-U--fearing that the question of dual membership would crop up once again.

Mr Madhu Limaye, Lok Dal general secretary, told newsmen here the question of merger had come up at a meeting of leaders of the four parties in New Delhi on 4 August.

The four-leaders--Mr Vajpayee, Mr Chandrasekhar, Mr Devraj Urs and Mr Limaye himself--would meet again to continue their efforts to forge political unity to provide a national alternative to the Cong-I he said.

Mr Limaye said that he had suggested to Mr Vajpayee that the question of dual membership should be settled now without a public controversy.

Mr Limaye said that he had sug-tical parties opposed to authoritarianism to re-unite and offer a national alternative to the ruling Cong-I. [as published]

He added a national alternative to the ruling party could be achieved only by political parties and personalities subordinating their interests to the larger national goal on the basis of a consensus.

Mr Limaye expressed his optimism that despite the failure of the Janata experiment, such a move could still succeed.

CSO: 4220/7546

LOK DAL LEADER TALKS TO PRESS ON MERGER

Madras THE HINDU in English 11 Aug 81 p 10

[Text] Bangalore, Aug 10--Mr Madhu Limaye, general secretary of the all-India Lok Dal has favoured the idea of merger of Opposition parties in view of the "definite trend towards authoritarianism" in the country.

Mr Limaye told newsmen here on Monday that a merger was possible if the leaders became tolerant of each other. Referring to the Janata experiment, he said. "We have to learn from past failures, if we cannot adjust with each other there is no hope."

He said the questions of Opposition unity and joint action were discussed at the meeting in Karnataka Bhavan in Delhi on August 4, which was attended by Mr Devaraj Urs, Mr A. B. Vajpayee, Mr Chandra Shekhar and himself.

Mr Limaye said Mr Vajpayee was opposed to the merger saying that the question of dual membership would "inevitably crop up."

He said he had told Mr Vajpayee that without political unity, joint action would not be effective. "Our (Lok Dal) attitude to unity is positive."

Mr Limaye said retirement of political leaders was a personal matter, if older leaders were blamed for their ways, even the second generation, leaders (to which he belonged) were also not free from fault.

'Cong(U), Janata Support Unity'

The Lok Dal leader said Mr Devaraj Urs had welcomed the suggestion of the merger of the three parties--the Janata, Cong (U) and Lok Dal. Mr Chandra Shekhar, too, had expressed himself in favour of unity. They would, again meet to discuss the issue.

About Mr Raj Narain he said that whatever might have been his failures, the fact could not be missed that he (Mr Raj Narain) had played a keyrole in the pre-and anti-Emergency struggle. As Minister for Health he acquitted himself well and tried to give a rural orientation to medical services. The undoing of the Janata Party was because of internal contradictions. "It failed politically and not in its performance in matters relating to economic affairs."

Mr Limaye alleged that Mrs Gandhi's Government was taking "repressive measures" against democratic movements and not against blackmarketeers.

"The entire Congress(I) is in league with corrupt elements."

He charged that in Maharashtra, the Chief Minister and other ruling party legislators were "openly indulging in corruption and blackmarketing in the sale of commodities like cement." If the procurement of wheat had failed and the country had approached the U.S. for import, it was because the Chief Ministers of Punjab and Haryana had allowed the diversion of wheat to high demand areas instead of procuring them.

Mr Limaye said that though the trend towards authoritarianism was evident in Third World countries, in India it had been compounded with the "powerlust of one family and its desire to perpetuate dynastic rule. I would like all parties which care for liberal democracy to take note of this."

Mr Limaye was here to attend the conference of the southern States' units of the Lok Dal, held on Friday and Saturday.

Subramaniam Swamy Rules Out Unity

Our Trivandrum Staff Reporter writes:

The general secretary of the Janata Party, Dr Subramaniam Swamy, said here on Sunday that his party would emerge as the sole national alternative to the Congress(I) in due course of time.

Denying reports that the Janata Party was to merge with the Lok Dal, Dr Swamy said that the national party's council had passed a resolution party's council had passed a resolution saying that the party would not merge with any party.

Asked whether the Janata party and the Congress(U) would work together, he said there was no question of any merger with the Congress (U) since that party was not, in any case, of one mind, with some of its members wanting to join the Congress(I).

CSO: 4220/7544

PARTIES REACT TO LIMAYE STATEMENT ON MERGER

Calcutta THE STATESMAN in English 12 Aug 81 pp 1, 9

[Text] New Delhi, Aug 11--An informal proposal for the merger of Janata, Lok Dal and Congress(U) was virtually nipped in the bud today following the disclosure by Mr Madhu Limaye in Bangalore.

While Mr Chandra Shekhar, president of the Janata Party, described as unfortunate and misleading Mr Limaye's statement. Mr K. P. Unnikrishnan, Congress(U) general secretary, said that it was "totally baseless," adding that his party wanted to retain its identity.

Mr Chandra Shekhar said that Mr Limaye's statement did not serve the "cause" they had in mind. Mr Limaye's statement had presented a distorted picture. What was imperative was the consolidation of the Opposition and not the posts for individuals, Mr Limaye's statement was "out of context and self-defeating." (Mr Limaye is reported to have said in Bangalore yesterday that leaders of Janata. Lok Dal and Congress(U) had agreed to merge and Mr Chandra Shekhar had agreed to Mr Charan Singh becoming the president of the proposed party and offered himself to be the general secretary.)

The proposal of merger was reportedly discussed when the Janata president, the Congress(U) president, the BJP president and Mr Limaye met on August 4 to issue a joint statement on mass conversions. Mr A. B. Vajpayee, on his part, had made it known to them that BJP was not interested in the merger because the RSS issue would again create complications.

At the August 4 meeting, the three leaders, Mr Chandra Shekhar, Mr Urs and Mr Limaye (who represented Mr Charan Singh who was unwell) had decided to pick up the thread later. But today's development means that the position is back to square one.

The Lok Dal leadership is very keen on merger. Apart from providing it a larger base, it will also mean an immediate again for Mr Charan Singh as he will be in a position to become the leader of the Opposition in case he is able to muster 50 MPs.

But the merger is easier said than done. In the Janata Party, Mr Morarji Desai and his followers are not likely to support any merger more with Lok Dal. Mr

Desai's principal supporters, Mr Subramanian Swamy, also reacting sharply to Mr Limaye's statement, urged Mr Chandra Shekhar to call a meeting of the National Council of the party to decide the issue.

In a statement he dismissed as "bogus and baseless" Mr Limaye's statement. "Mr Limaye should realize that Janata is not an ad hoc structure like the Lok Dal and therefore cocktail party discussions cannot be taken as the party's writ. If there are some people in Janata, who have lost faith in the party's structure, they are of course free to leave the party without inhibition for Mr Limaye's company."

Mr Swamy pointed out that the Janata Party's National Council, the sole authority to decide party policy, which could override the National Executive, had already adopted a resolution, in the Sarnath session, six months ago, that Janata Party would not merge with any other party. It was, however, prepared to admit individuals who have a standing with the public and had not conspired to bring the Janata Government down in July 1979.

"Most members of the Congress(U) and Lok Dal fall into the category of conspirators. Therefore, if some Janata Party leaders have given an assurance to Mr Limaye, it is not on behalf of the party," Mr Swamy said.

He said the Janata Party has committed to keeping its identity and is developing the party by inducting fresh blood drawn from the youth. The party was not in need of tired middle-aged personalities and were adrift "looking for new moorings" he added.

With leaders like Mr Swamy and Mr Unnikrishnan opposing the merger move in spite of the favourable stand of Mr Urs, the issue is not as simple as the Lok Dal leadership has been imagining even though the Congress(U) today is much reduced following the split after the formation of parallel Congress headed by Mr Jagjivan Ram. Thus, there is a division in Janata and the Congress(U) on the issue.

Meanwhile, the question of the merger may be raised at the meeting of the National Executive of the Janata Party, which will meet in Hyderabad on August 13 and 14.

CSO: 4220/7550

NAXALITES REPORTEDLY ENROLLED IN PUNJAB COLLEGES

Madras THE HINDU in English 11 Aug 81 p 10

[Text] Chandigarh, Aug 10--Despite the reported "unofficial secret" instructions by authorities to educational institutions in Punjab that admissions be barred to members of the Punjab Students Union (PSU) and other naxalite organisations, several extremist students have managed to enter the colleges, according to official sources here.

The authorities were concerned over the admission of naxalite activists as they feared it would further strengthen their hold on the educational institutions, the sources said.

About 300 PSU activists were estimated to have sought admission to various educational institutions in the State this year, the sources said.

They, however, denied that a list carrying the names of the activists had been circulated in this regard.

The "unofficial" instructions to educational institutions followed reports that naxalites in the Punjab were trying to enlarge their activities after having successfully made inroads into certain schools, colleges, industrial training institutions and other educational institutions, the sources said.

They are said to have created strategic pockets in backward areas where the population was more susceptible to their influence because of poor economic conditions.

Some departments of the Punjab University, Patiala, particularly the Languages Department, and many private colleges in Doaba belt comprising Jullunder, Hoshiarpur and Kapurthala districts, have reportedly granted admission to PSU members.

The authorities of certain private colleges, it was said, had taken a stand that they would adhere to only "merit" while granting admission.

The instructions, the sources, explained, related to only "fresh admission" and did not cover those "hardliners" of the PSU and other extremist organisations who are believed to be already studying in different educational institutions in the State.

Schools where a large number of teachers with naxalite ideology had found jobs lately, have not been touched by the present drive to impose such "unofficial" restrictions.

The Government was keeping a close watch on those naxalite activists who had been deprived of admission, so as to prevent them from creating discontentment among students or launch an agitation, the sources added.

The police, according to reports, have arrested a PSU leader Paramjit Singh Kahma at Banga.--UNI

CSO: 4220/7544

REPORTER NOTES ASPIRATIONS OF CPI LEADERSHIP

Calcutta THE STATESMAN in English 12 Aug 81 p 9

[Text] New Delhi, Aug 11--The National Council of the Communist Party of India, meeting here from August 24, will fill two vacancies to the party's nine-member Central Secretariat which fell vacant following the death of Bhupesh Gupta and the expulsion of Mr S. A. Dange from the party.

The members of the Central Secretariat are the secretaries of the National Council, which is the highest policy-making body of the CPI.

According to well-informed sources close to the CPI, there are five members of the central executive committee of the party--Mr Mohit Sen, Mr H. K. Vyas, Mr M. Kalyansundaram, Mr Kalishankar Shukla and Mr Farooqi--who are reportedly aspiring for the two posts of secretary of the National Council.

It is stated that Mr Sen, Mr Vyas and Mr Kalyansundaram are in conflict with the CPI's official leadership's policy of opposing Mrs Gandhi and her Government. Mr Kalishankar Shukla and Mr Farooqui are the proteges of the official leadership, led by the party general secretary, Mr C. Rajeshwara Rao.

The opponents of the party's present policy are in a minority in the central executive committee as well as in the larger body, the National Council, Mr Sen and Mr Kalyansundaram, who had submitted a joint document with Mr Dange, have fallen from grace with the official leadership. Mr Sen has been discouraged from writing for the party's organ, NEW AGE, while Mr Kalyansundaram is facing problems in his Tamil Nadu unit.

It is believed in these circles that Mr Farooqui is certain to be chosen for one vacancy. For the other vacancy, a choice might be made either of Mr Vyas or Mr Shukla.

The existing seven members of the Central Secretariat of the CPI are: Mr Rajdeshwara Rao, Mr N. K. Krishnan, Mr Indrajit Gupta, Mr Indradeep Sinha, Mr Jagannath Sarkar, Mr M. N. Govindan Nair and Mr N. Rajshekhar Reddy.

CSO: 4220/7550

GANDHI SAYS NO INDIAN SUPPORT FOR KHALISTAN

Bombay THE STATES OF INDIA in English 12 Aug 81 p 1

[Text] Nairobi, August 11 (PTI)--The Prime Minister, Mrs Indira Gandhi, told the Canadian prime minister, Mr Pierre Trudeau, that the Khalistan movement had absolutely no support within India though some persons seemed to be making some noise in other countries.

In a 45-minute meeting between the two leaders here last night, they discussed the situation in the Indian subcontinent, the influx of Sikhs into Canada and the North-South dialogue.

Mrs Gandhi told Mr Trudeau of the developments in the region in the wake of the U.S. decision to supply sophisticated arms to Pakistan leading to an arms sale in the region and creating tension.

Mrs Gandhi also had a meeting with the United Nations secretary-general, Dr Kurt Waldheim.

It was a relaxed safari day for the otherwise busy Prime Minister. After a hectic day-long schedule yesterday, Mrs Gandhi spent this morning viewing in bright, sunny weather the famous African wildlife in Kenya.

"Energy exhibition-81" devoted to the progress made by countries in harnessing new and renewable sources of energy was opened here yesterday. India is the only Asian country among 18 participating in the exhibition.

CSO: 4220/7548

PROGRESS OF TALKS WITH MIZO LEADERS REPORTED

Calcutta THE STATESMAN in English 13 Aug 81 p 9

[Text] Shillong, Aug. 12--The peace negotiations between the Centre and the MNF leaders are in a delicate stage. The Prime Minister's emissary, Mr Parthasarathy, and Mr Laldenga have apparently covered ground, but the pace of the talks is deemed unsatisfactory.

The indications are that the Centre has stressed the need for a time-bound framework and steps to demarcate the areas of understanding to expedite discussion on the remaining demands of the 26-point charter submitted by Mr Laldenga on his return from his jungle headquarters in March.

The demands were obviously inflated to strengthen Mr Laldenga's hands in the bargaining, some were rejected outright. The latter included demands like, U.N. membership for Mizoram, a separate flag and a greater Mizoram comprising ethnic belts in Burma, evidently the Chin hills. Mr Laldenga could ascribe such demands to over zealous followers not conversant with constitutional proprieties and the compulsions in New Delhi.

The stress on workmanlike discussions is evident in Mr Laldenga's reported decision to visit the MNF headquarters soon with two aides. His son, Mr Danmawia, was in Aizawl late last month on an urgent mission following allegations about increased MNF activities like tax collections, recruitment and harassment of the administration.

Peoples' Conference sources allege that Mr Danmawia had secret discussions with important office-bearers of the Mizo Zirlai Pawl Ket Cima, the apex student organization, MNF leaders like Mr Lalkunga and members of the steering committee. The MZP was urged to maintain pressure to oust the Chief Minister and be prepared for further struggle, should the New Delhi negotiations falter. The student leaders were told not to be influenced by any particular political party, which sounds intriguingly like the exhortations of the initial phase of the student movement in Assam.

Brigaider Sailo has apprised the Centre of the daily violations of the ceasefire by the MNF and the intolerable situation in Mizoram. But his assessments were not taken seriously, particularly in the Congress(I) circles, which felt that the lament was overdone. The Mizoram Pradesh Congress(I) chief, Mr Lal Thanhawia, even levelled serious charges against the Brigadier and his henchmen; some of the charges were increased MNF activities the new reflex is perhaps conditioned by the new Lieutenant-Governor Admiral Kohli's preliminary findings.

CSO: 4220/7555

MANIPUR CHIEF MINISTER: PEACE WILL BE RESTORED

Calcutta THE STATESMAN in English 11 Aug 81 p 9

[Text] Imphal, Aug. 10--Mr Rishang Keishing Manipur Chief Minister, today said that the law and order situation in the State was improving though the insurgency movement was not yet fully contained, reports PTI. "Peace will be restored at all cost," Mr Keishing told reporters here.

He sought the cooperation of the people for implementing development schemes. The North-Eastern Council, he said, had agreed to undertake the work for the extension of the railhead from Jiribam to Makaru, 30 km off here, but it would be difficult to carry out this programme unless there was peace in the State.

Replying to a question on the murder recently of S. Bhowmick, agricultural adviser to the Manipur Government, the Chief Minister said the case was not referred to the CBI, though he had wanted to do so. The Union home Ministry wanted it to be dealt with by the Manipur Police which had till now arrested eight people including four officers.

On payment of ex gratia to Bhowmick's family, he said the amount would be sanctioned soon.

The Manipur Government will soon set up a commission of inquiry under a retired high court judge to go into yesterday's incident at Imphal Central Jail.

Twelve prominent members of the outlawed People's Liberation Front escaped from the jail yesterday.

The 53-day-old Congress(I) Ministry in Manipur will be expanded soon after independence day, according to Mr Keishing.

Central leaders would be consulted on the size of the Ministry and he would visit New Delhi after August 15 for this purpose. The post of the Deputy Chief Minister would be abolished.

CSO: 4220/7542

CPI-M ACCUSED OF HELPING BANGLADESH INFILTRATIONS

Calcutta THE STATESMAN in English 11 Aug 81 p 9

[Text] Mr Ajit Panja, WBPCC (I) president, alleged in Calcutta on Monday that the CPI(M) workers in the border districts of West Bengal were bringing people from Bangladesh and recording their names as bargadars and helping them to occupy lands belonging to Indian citizens.

He said that he had received reports from the former vice-president of the Bongaon District Congress(I) Committee, Mr Bhupen Seth, that such infiltration had begun about a fortnight ago in North 24-Parganas.

Wherever the people had resisted such attempts by the CPI(M) workers, they were assaulted. The local Congress (I) had raised objection in one case, Mr Panja had asked Mr Seth to submit a detailed report of such incidents as early as possible.

The WBPCC(I) president referred to some incidents of attacks on Congress(I) workers by the CPI(M) supporters in which two were murdered. He alleged that Mr Prankumar Bhakta (40), the lone Congress(I) member of Garapota Gram Panchayat in Bongaon was murdered by the CPI(M) workers on Saturday. Another Congress(I) worker Mr Aloke Biswas (25) was allegedly murdered on Sunday at Kalghata in Bongaon. His body was found near the Bongaon police station. Mr Panja said that in these cases no step was taken against the CPI(M) supporters though complaints were lodged with the police.

He said a landowner of Andulpota village in Bagda, Mr Chitta Mazumder, and four others, who objected to such operation with the help of aliens, were confined in a house and later beaten up by the CPI(M) workers on Sunday night.

CSO: 4220/7542

PARLIAMENT TO CONSIDER 34 NEW BILLS IN MONSOON SESSION

Calcutta THE STATESMAN in English 11 Aug 81 p 1

[Text] New Delhi, Aug 10--Perhaps the most important business before the five-week monsoon session of Parliament, which opens here next Monday, will be the replacement, by regular legislation, of the nine Ordinances issued during the inter-session period.

On only one of these, the Essential Services Maintenance Bill, which will replace the Ordinance promulgated on July 26, there will be a concerted Opposition attack and a somewhat lengthy debate.

The remaining eight, including the Income-Tax (Amendment) Bill to replace the Ordinance of July 11 and the Customs Tariff (Amendment) Bill to replace the Ordinance of July 26, are unlikely to take much time.

The tentative agenda before the Lok Sabha has, in all 34 new Bills, 13 of which are intended to be passed, with the rest duly introduced. In addition, there are 27 Bills pending from the last session besides three pending in the Rajya Sabha. All of these are proposed to be considered and passed.

The financial business before the session pertains to the supplementary demands for grants of the Railways for the current year, the supplementary demands relating to the General Budget, and the Assam budget and the connected demands for grants.

The Assam budget might well take up some time. So will be discussion on the resolution seeking approval of the presidential proclamation taking over the administration of Assam.

Discussion of the Sixth Five-Year Plan and of the latest report of the Union Public Service Commission form the rest of the official business before the session.

The general expectation is that even with lengthy discussion on the Essential Services Maintenance Bill, the Assam proclamation and budget, and the Sixth Five-Year Plan, there will still be time left for taking up for consideration and passing some of the pending Bills and least a few of the proposed new Bills.

The more important among the new Bills are:

The National Bank for Agriculture and Rural Development Bill, to establish a bank for promoting rural development and credit facilities to farmers;

The Governors' (Emoluments, Allowances and Privileges) Bill, to bring some uniformity in this whole matter;

The Foreign Contribution Regulation (Amendment) Bill, to make the provisions of the Act more stringent;

The Urban Land (Ceiling and Regulation) Amendment Bill, to remove certain lacunae experienced in the working of the Act;

The Monopolies and Restrictive Trade Practices (Amendment) bill, to amend some provisions of the 1969 MRTP Act so as to simplify them and make them more effective;

The Estate Duty (Amendment) Bill, to provide for raising of the exemption limit in the original Act of 1953;

The Industrial Disputes (Amendment) Bill, to make changes in the definitions of "Industry" and "workman" enlarging the powers of conciliation officers, labour courts and industrial tribunals;

And the Trade Unions (amendment) Bill, to make provisions in the Act to enable workers in agriculture and agricultural operations to form trade unions.

CSO: 4220/7542

NATION TO CONSIDER PURCHASE OF 'TORNADO' FIGHTERS

Bombay THE TIMES OF INDIA in English 13 Aug 81 p 6

[Text] New Delhi, August 12 (UNI): A high-level team representing the manufacturers of the multi-role combat aircraft, "Tornado," will be here next month to discuss the sale of this aircraft to the Indian Air Force.

The team is likely to bring with it a detailed project report regarding the direct sale, assembly and ultimate manufacture of the Tornado in India.

During its stay here, the team will meet top officials of the ministry of defence, including the chief of the air staff and officials of the Hindustan Aeronautics Limited.

Tornado is jointly being manufactured by Britain, West Germany and Italy. The IAF has already evaluated the French Mirage-2000 futuristic aircraft and the Tornado team will try to influence India to evaluate the multi-role combat aircraft since the Indian requirement could be fairly substantial.

The Tornado is fitted with two RB-199 reheated turbo-fan engines. The Tornado has a mach-2.2 performance developing a speed of 2,333 kilometres per hour at 36,000 feet. Seating pilot and navigator in tandem, the Tornado is being built in two variants. Interdictor Strike (IDS) and Air Defence Variant (ADV). A total of 807 Tornados are to be built initially for the air forces of Britain, Germany and Italy.

The manufacturers are interested in selling to India the Air Defence Variant of the Tornado. According to panavia estimates the ultimate cost of the Tornado will be cheaper for India than the French Mirage-2000.

The Tornado has undergone prolonged series of automatic, computer controlled, terrain-following and blind navigation sorties. The manufacturers claim that the Tornado's prime operational capability--low-level, high-speed operations against ground targets in all kinds of weather-will be achieved.

The Tornado is a very high technology weapon-delivery platform. It is designed to carry one 27-mm Mauser cannon, two aim 9L sidewinder air-to-air missiles on inboard sides of swivelling wing pylons and two British Aerospace Sky-Flash air-to-air missiles in paired and staggered semi-recessed housings under the fuselage.

CSO: 4220/7554

REAPPRAISAL OF AIR DEFENSE CAPABILITY 'IMPERATIVE'

Bombay THE TIMES OF INDIA in English 13 Aug 81 p 8

[Article by Air Vice-Marshal M. B. Naik (Retd)]

[Text] Recent developments call for a thorough--and urgent--reappraisal of the country's air defence capability. The United States has agreed to give Pakistan F-16 interceptor aircraft with most modern avionics and up-to-date weapon systems. Very soon the Pakistan Air Force will have a combined Mirage and Flying Falcon strike force capable of inflicting immense destruction.

Indeed, the PAF with the aid of the United States, is fast assembling a formidable conventional force on the ground, in and under the sea and in the air with a potential for acquiring "nuclear teeth." Many in our country have been pressing for precisely such a deterrent force to keep abreast, if not ahead, of Pakistan. But that is another story. For the moment let us confine ourselves in this article to the immediate requirements of air defence.

Basically these are: interceptor aircraft with air-to-air missiles and high calibre guns that have a high rate of fire; high-powered radar, low-looking radar and early warning system; surface-to-air missiles with acquisition radar, and early warning system; surface-to-air missiles with acquisition radar, and early warning system; surface-to-air missiles with acquisition radar; radar-controlled air defence guns; a very reliable and efficient communications network; and an observer corps to augment radar in certain border areas.

Considering the vast area of operations, even the Pakistanis may not find it easy to deploy interceptor aircraft and radar to provide overlapping or even adjacent orbits of foolproof operational cover for their aircraft on offensive missions against our vital points (VPs) and vital areas (VAs) in high-low-low, low-low-low and low-low-high profiles. They would certainly find it hard to do so all along the border and in depth.

Interceptor Forces

On the other hand, to defend our VPs and VAs in an area stretching from south to north, within an arc of 900-km radii of action from the border airfields in Pakistan, we would require adequate interceptor forces, at combat readiness, in a large number of our airfields within their mission range from the border, and also at some more airfields in the interior.

The known tactics usually are to probe and assess gaps, if any, in radar coverage, at different heights and with a given capability of long-range aircraft, and select routes for maximum immunity from radar detection in all mission profiles. Disposition of our interceptor forces and location of all our radar and early warning systems must, therefore, be reassessed in the light of the developing threat.

Mirages and Flying Falcons are capable of striking VPs and VAs over a large area by virtue of their radii of action even in a low-low profile. Besides, their weapons-carrying capacity will enable them to attack more than one VP during the same mission if they are not intercepted. The Mirages escorted by Falcons would be even more effective. Therefore, more VPs and VAs would have to be protected by surface-to-air missiles and air defence regiments.

Allocation of air defence regiments for adequate protection has always been a difficult task; they are too few to go round. If the shortage continues, priorities would have to be given to military and defence installations, army and air force establishments, highly sensitive plants and machinery and key industrial and civil installations. This is the second problem which would have to be looked into by our air defence planners.

Not many have an insight into the working of an air defence organisation. In particular, the importance of a reliable communications system and network for exercising air defence control along with the direction of other operations is not generally realised. Recent developments and innovations have improved the communications facilities. But high priority communications and independent alternative systems should be available round the clock. This is the third problem.

Observer Corps

Indeed, it is equally essential to organise a permanent observer corps for reporting aircraft movements at low levels. It must be geared to supplement the point-to-point communications system. A timely warning by an integrated operation of this kind is vital for effective action by our airfields and army units on the border. It should be established and constantly tried out.

Finally, it is necessary to look into the whole structure of the existing organisation responsible for air defence operations. Our air commands are regional, not functional like the fighter command or the strike command in some countries. In India, forces are allocated to a command within an overall allotment. This is an old pattern when aircraft had distinct combat roles (such as fighters, bombers, etc.). The disposition of various aircraft conformed to their roles and were often subject to the availability of facilities for their security and operations from a particular base.

Since such decisions are usually taken at the top, they can be totally unrelated to the size and direction of the air threat. The prevailing system also imposes an undue strain and load on the communications network. This kind of pre-determined force allocation for air defence is unsuitable in the new

environment. For, the air defence commander functions under directions from above and has no authority over all interceptor forces, especially when they are required to undertake strike missions as well. But as larger and more serious threats develop, he would have to seek allocations and help from the higher command. Even if very quick decisions are taken, some time is bound to elapse before fresh allotments in combat readiness can be mustered at the right place. Such delays would be unacceptable and would undoubtedly prove to be very costly.

Executive Authority

To avoid this and to ensure continuous minute-to-minute control over all elements of air defence, the commander should be given adequate authority. With a clear demarcation of the area of responsibility, a clear assessment of the threat within this area, and for better management, control and operational readiness, he should be given complete executive authority on behalf of the Air Officer Commanding-in-Chief. Under the proposed system, the commander would still be responsible to the AOCINC in the hierarchical sense but he would have full control over dispositions and use of intercepter forces and over other elements of air defence.

Such decentralisation and functional flexibility is necessary to cope with ever-changing threats. At any rate, for operations requiring split second decisions and direct control, much more authority needs to be vested at the executive level.

In concrete terms, all aircraft capable of interception should be under the control of air defence commander. The AOCINC and his staff would thus have more time to conduct counter-offensive operations by employing aircraft which are more suitable for deployment in a strike role. Modern combat aircraft are capable of performing both roles. Undoubtedly, the main goal in the initial stages would be to ensure effective air defence and to achieve a degree of air superiority. As the threat is reduced and air superiority is established more aircraft would then be available for counter-offensive operations. Such priorities would ensure availability of aircraft in direct relation to the threat. The Indian Air Force needs more of multi-role aircraft initially to secure air superiority and subsequently for counter-offensive operations. This must remain one of the criteria of our air defence preparation, as the decision to strike will be that of the aggressor.

The IAF should also consider the establishment of air defence groups, without adding any administrative workload, under a functional air defence command in the west, to coordinate air defence operations over this vast area. It should also be responsible for directing air defence measures with the concerned ministries. Creating such an independent and functional command will be the beginning of reshaping our defence policy for the 1980s.

Challenge of F-16s

In regard to the choice of aircraft to meet the challenge posed by the F-16s (8 F-16s can strike 12 bases in a matter of 10 minutes over our territory and

get away), the IAF must acquire new interceptors capable of carrying long-range air-to-air missiles and equipped with guns having a high rate of fire. The launch efficiency of the missiles must match the performance of the aircraft from 200 feet above ground level to very high altitudes and in all manoeuvres.

In the present generation of aircraft, the French Mirage and the Swedish Viggan have these capabilities. The Russian MiG-23 and MiG-25 also fulfil these requirements. An aircraft in the Mirage 2000 class and a sophisticated missile of the next generation, in combination, can provide the IAF with the requisite weapon system for air defence. Soviet surface-to-air missiles have been battle-tested and a developed version with accurate radar to detect low-flying aircraft would be of immense help to the IAF in the event of low-level strikes by a combination of Flying Falcons and Mirages.

CSO: 4220/7554

BRIEFS

ASSAM, MEGHALAYA GOVERNOR--Gauhati, Aug 10--Mr Prakash Mehrotra today assumed office as Governor of Assam, succeeding Mr L. P. Singh, who returned after an eight-year term, reports PTI. Mr Dambarudhar Pathak, Acting Chief Justice of Gauhati High Court administered the oath of office and secrecy to Mr Mehrotra at a simple but impressive ceremony at the Raj Bhavan here this morning. Mr Singh, Mr B. B. Choudhury, Mayor of Gauhati Municipal Corporation, Mr Maham Singh, Meghalaya Law Minister, and some political leaders were present at the ceremony. Mr Mehrotra, who has also been appointed Governor of Meghalaya, will be sworn in at the Raj Bhavan in Shillong tomorrow. [Excerpt] [Calcutta THE STATESMAN in English 11 Aug 81 p 1]

EASTERN AIR COMMAND--Air Commodore R. M. Sudhakaran took over on Monday as Air Officer Commanding, Advance Headquarters, Eastern Air Command, Calcutta. He succeeds Air Commodore M. K. Rudra, who has been appointed Air Officer Commanding of a forward base in the Eastern sector, according to a Defence spokesman. [Text] [Calcutta THE STATESMAN in English 11 Aug 81 p 9]

BIHAR CPI MURDERS--Patna, Aug 10--The Bihar State unit of the CPI has alleged that a number of party leaders and workers had been killed in a "wave of political murders" in the State and urged the Union Home Ministry to take effective measures to check it, reports UNI. The party which sent its senior secretariat member, Mr Chaturan Mishra, to investigate the recent case of alleged murders, said in a release on Saturday that in most cases Congress(I) workers, "including a Minister" were involved. Mr Mishra said a series of murders had taken place in Khageria district. On August 4, two prominent party workers, B. N. Singh and Rambachan Mehta of the same village were murdered. Mehta's body was recovered from the "house of a Congress(I) worker," he alleged. [Text] [Calcutta THE STATESMAN in English 11 Aug 81 p 10]

AICP RESOLUTION--Patna, Aug 10--The first convention of the Bihar unit of the All India Communist Party yesterday hailed the Indo-Soviet friendship treaty as a "time-tested treasure for the Indian people" but condemned the "liquidationist leadership of the CPI" which was trying to create a rift in the working class, reports UNI. The convention inaugurated by AICP Politburo member, Mrs Roza Despande, in a resolution demanded the withdrawal of the recently-promulgated Essential Services Ordinance and urged the Centre to constitute a national commission on labour to recommend a need-based wage structure for the working class. Nearly 300 delegates from all over Bihar attended the convention. [Text] [Calcutta THE STATESMAN in English 11 Aug 81 p 10]

NEW VATICAN ENVOY--New Delhi, Aug 10--The Apostolic Pro-Nuncio the most Rev. Agostino Cacciavillan, presented his credentials to the President, Mr N. Sanjiva Reddi at Rashtrapati Bhavan today. UNI [Text] [Madras THE HINDU in English 11 Aug 81 p 7]

WHEAT, COCONUT IMPORTS--Kozhikode, Aug 10 (PTI)--General secretary of the All-India Kisan Sabha Chathunni Master MP today said that the Centre's decision to import coconut oil rubber and wheat would adversely affect the country's economy apart from ruining the cultivators. Addressing a press conference here Mr Chathunni Master said that the Centre's decision had come when the country was 'surplus' in these commodities. Besides the price paid to cultivators within the country was only Rs 135 per quintal of wheat while the import wheat would cost Rs 178. He appealed to political parties to unite and voice the demand of agriculturists rather than destroy the cultivator's unity. [Text] [New Delhi PATRIOT in English 11 Aug 81 p 5]

LIBYAN CONTRACT AWARDED--Cochin, Aug 10 (UNI)--the Government of Libya has awarded a 15 million US dollar contract to Turn-key Engineering Corporation, a division of the Cochin-based Khader's International Constructions Ltd., for the construction of 12 more mini-hospitals near Tripoli, the country's capital. [Text] [New Delhi PATRIOT in English 11 Aug 81 p 5]

YOUTH CONGRESS-I OFFICER--Mr Sanjay Singh MLA has been appointed president of the reorganised UP Youth Congress(I) Committee by Mr Ghulam Nabi Abad, MP and the president Indian Youth Congress(I). [Text] [New Delhi PATRIOT in Englsh 11 Aug 81 p 7]

WOMEN IN EDUCATION--New Delhi, August 11 (PTI)--The ministry for education, culture and social welfare--largely a male citadel hitherto--passed today into the hands of an all-women group of policy-makers. Mrs Sheila Kaul, took over independent charge of the ministry yesterday from Mr S. B. Chavan on his moving to Yojana Bhavan. Mrs Anna Malhotra, first woman to enter the Indian administrative service in 1951, took over this afternoon from Mr T. N. Chaturvedi as secretary of the departments of education and culture. Simultaneously, Mrs Sarla Grewal took over from Mr A. S. Gill as secretary of the department of social welfare. The departments of education, culture and social welfare already has a good sprinkling of women officers as joint and deputy educational advisers. [Text] [Bombay THE TIMES OF INDIA in English 12 Aug 81 p 1]

DEFENSE MINISTRY CHANGES--New Delhi, August 11 (UNI)--Mr R. N. Kao, former chief of the Research and Analysis Wing (RAW), is being appointed adviser to the Union cabinet. Mr Kao, who is expected to take up the new assignment shortly, will advise the cabinet on matters relating to internal and external intelligence. Meanwhile, Mr P. K. Kaul took over as defence secretary. He replaced Mr K. P. A. Menon, who is to take up a new assignment in West Bengal. Mr M. C. Sarin took over as secretary for defence production. [Text] [Bombay THE TIMES OF INDIA in English 12 Aug 81 p 9]

BURMESE BORDER CLASH--Kohima, Aug 11 (PTI)--Twentyeight Burmese security personnel and eight underground members of the National Socialist Council of Nagaland (NSCN) were killed in a triangular encounter in the border area of Sawkkye on 17 July last according to delayed reports received from sources close to the underground set-up from across the border. The clash occurred between the NSCN the Pro-Phizo Shingnyu Group and the Burmese security forces the reports said. There was however no report of any casuality among the Shingnyu group they added. Meanwhile security forces have been alerted following a report of a possible attempt by the NSCN group to indulge in violence inside Nagaland on Independence Day official sources here said. [Text] [New Delhi PATRIOT in English 12 Aug 81 p 4]

CPI-MHARKAND CLASH--Mindnapur, Aug 11 (UNI)--One person was killed and five were critically wounded in a clash between the armed supporters of the CPI and the Jharkhand Party in the Bhuliapata area near Nimpura under the Kharagpur local police station last evening, Police Superintendent D. C. Vajpayee said. District authorities had promulgated prohibitory orders under Section 144 Cr PC and had posted an armed police picket in the trouble-torn area. Mr Vajpayee said seven persons had been arrested in connection with the clash which was a sequel to inter-union rivalry in the industrial complex. The deceased was said to be a Jharkhand supporter. [Text] [New Delhi PATRIOT in English 12 Aug 81 p 4]

NEW MANIPUR GOVERNOR--Imphal, Aug 12--Mr Sayed Murzafar Hussain Burney was sworn in today as the Governor of Manipur at a simple but impressive function at Raj Bhavan here, reports PTI. Mr D. Pathak, acting Chief Justice of Gauhati High Court, administered the oath of office and secrecy to him. Mr Burney succeeds Mr L. P. Singh who was the Governor for the North-Eastern States. [Text] [Calcutta THE STATESMAN in English 13 Aug 81 p 11]

NIGERIAN HIGH COMMISSIONER--New Nigerian High Commissioner T. O. Asiwaju-dada presented his credentials to President N. Sanjiva Reddy at Rashtrapati Bhavan on Wednesday, reports UNI. Welcoming the new High Commissioner, Mr Reddy said that India is 'willing to share her experience with friendly developing countries like Nigeria' which is another step 'to strengthen the ties of cooperation between India and Nigeria.' Earlier presenting the credentials Mr Asiwaju-dada said that besides the common links India and Nigeria had found several common basic principles such as 'the pursuit of world peace and harmony, the belief in negotiation and the round-table rather than force and the battle-field for the settlement of disputes. [Text] [New Delhi PATRIOT in English 13 Aug 81 p 5]

GULF INVESTMENT CENTER--Bahrain, Aug 12 (PTI)--An Indian investment centre has been set up in the United Arab Emirates (UAE) for promoting investment from oil-rich countries in India. Based at Abu Dhabi, the centre will also examine the scope for Indian investment in the region and provide up-to-date advice on investment prospects in India. Mr S. A. Trizvi, who has been designated investment adviser in the embassy, said that he would spend at least two days every week in Dubai in view of the Emirates commercial importance. The Abu Dhabi office, the centre's first in the Middle-East, will cover all the oil-producing countries in the region. The centre's role is considered to be significant in view of the reported liberation of investment rules by the Government of India in case of oil-exporting developing countries. [Text] [New Delhi PATRIOT in English 13 Aug 81 p 5]

BOOSTER ROCKET PLANS--India is working on a reuseable booster rocket like the one used in the US space shuttle according to Dr Abdul Kalam, head of the launch vehicle department of the Indian Space Research Organisation, says UNI. Speaking at a function in the Capital, he said the rocket, polar SLV now in the design stage, would be ready by 1986. These rockets will be parachuted to earth after launching the payload into orbit. Dr Kalam said it is vital for ISRO to enter in a big way into cryogenic engines, using liquid oxygen and hydrogen fuels. [Text] [New Delhi PATRIOT in English 14 Aug 81 p 1]

CSO: 4220/7561

ELEMENTS RESPONSIBLE FOR DISRUPTIVE ACTIVITIES IN BALUCHISTAN

Karachi JASARAT in Urdu 26 Jul 81 p 1

[Article by Abdus-Salam Salami: "What Is Happening in Baluchistan? Jews, Qadianis and Namrudis Are Misleading Baluchi Youths; Official Insignia of Namrud Is Printed on Title Page of Books Containing Misleading and Posionous Material" (Insignia Reproduced in 1-A)]

[Text] Subversive undercover elements have made Baluchistan the center of their hatred provoking activities. Every month, newspapers publish official news about the confiscation of such and such book or pamphlet under the Press and Publications Ordinance. Therefore, it can be easily concluded that severe propaganda against Pakistan and Islam is being conducted in Baluchistan and by creating a prejudiced atmosphere, a campaign is being carried out to promote hatred and schemes of separation. This is not unusual but it has gained momentum during the past year and a half.

The intensity of this propaganda campaign is aimed at misguiding and misleading the educated class and the younger Baluch generation away from Islam, Islamic history and culture and to cut asunder the ties of the universal brotherhood of Islam in order to achieve their vicious objectives.

This Propaganda material is published in English, Urud and Baluchi languages. So far, three conspicuous groups are backing this propaganda campaign and now Israel has also joined them which causes great concern and danger.

AL-FAZL, an organ of the Qadiani sect, in its issue of 13 Aug 1948, published a speech delivered at Quetta by Mirza Bashir-ud-Din, head of the sect. In this speech, he expressed his desire to make Baluchistan the headquarters of the Qadiani sect. After the 1953 riots in Punjab, the Qadiani sect's leader testifying in front of the Inquity Commission, alcimed that the grandfather of the then Khan of Qallat belonged to the Qadiani sect and that he chose Baluchistan as the headquarters of his sect because it was a small province. A Baluchi leader in Karachi, Ghulam Muhammad Nur-ud-Din dispatched a sworn-in statement to the Inquiry Commission refuting that Khan of Qallat's grandfather belonged to the Qadiani sect.

According to records kept of these statements, the Qadianis had given consideration to Baluchistan ever since the establishment of Pakistan and they intend to make this province the center of their activities. Perhaps, Rabwah is not enough for them.

According to the Qadiani terminology, the word "Base" is used for military and political headquarters and according to a program under consideration, the Qadianis wish to make Baluchistan not only the center of their activities within the country but outside as well. Most of the people of Baluchistan are simple and staunch Muslims. That is why the Qadianis are engaged in underground activities there and are supporting those elements which could be helpful in attaining their goals. Close connection between Rabwah and Tel-Aviv is nothing new and now with the flow of Israeli books into Baluchistan, the suspicion that Qadianis intend to spread disturbance in Baluchistan with the co-operation of the Jews, is well grounded.

The second largest element of this anti-Pakistan propaganda campaign, is the so-called intellectial class which runs a publication institute under the name of the Baluch Academy for propagating its disruptive ideas. A book entitled the "Baluch Nasl" (Baluch Generation) published in English by M S Khan, endeavours to cut asunder relations between Baluchistan and Islam and links Baluchis with Namrud (Balus). This entire book goes on to prove that the work "Baluch" originates from Namrud and proudly declares that the Baluchis are the descendants of Namrud (Balus). Just as the anti-Pakistan and Islam elements in Sind proudly trace their ancestry to Rajah Daher, similarly, the so-called intellectual class takes pride in being the descendants of Namrud. The covers of books published by the Baluch Academy bear the insignia (reproduced below in 1-A) of the Namrud Government (Government of Balus) as its monogram.

1-A

Official insignia of Namrud is printed on the title-page of books containing misleading and poisonous material.

1-B: Plan of the Temple of Namrud as given in the Baluch Academy book entitled "Abluch Qabail" (Baluch Tribes). The top-most section has the insignia of the Government of Namrud.

During the past month, the Government of Baluchistan seized 8 books which were published in Israel containing Jewish propaganda. Obviously, there are some people acting as Israeli agents through whom literature from Tel-Aviv is being imported into Baluchistan.

Israel's designs are well-known. After a daring attack on Iraq's nuclear reactor, it has become apparent that with U.S. support, Israel can make any Islamic country its target of attack at any time. Pakistan is one of the leading Islamic countries and it has been internationally condemning Israel and its aggressive activities. Israel has very thoughtfully chosen Baluchistan as the center of its disruptive operations in Pakistan. In view of population, in spite of being a small province, Baluchistan is rich in underground treasures and geographically holds a strategic position. It is a region with access to the sea, rich in mineral resources, less population and has the potential to become the nerve-center for controlling politics in South-East Asia.

Besides these three groups, thereis an active atheist element working under Russia's directions. By penetrating into Baluchistan's educational institutions, cultural center and other institutions which affect public opionion, they are working against the country's integrity; thus desirous of guiding their Russian masters towards the path of warm oceans.

Objectionable books, pamphlets and other literature are confiscated, but, neither anyone is arrested nor is the public aware of the sources especially Israelis who are responsible for the entry of such literature. Even the literature published in Baluchistan is only confiscated. There is no news of any action being taken against the press.

In view of the current serious situation, the Federal Government and the patriotic political workers of Baluchistan should unveil those elements which are debilitating the very foundations of the country and have become instruments of powers against Pakistan. Once the water has reached overhead, no-one can help from being drowned.

9779
CSO: 4203/111

STATUS OF INTEREST-FREE BANKS REPORTED

London 8 DAYS in English 8 Aug 81 pp 36, 37

[Text] THE ISLAMIC system of banking based on participatory profits and losses, rather than straight interest on deposits, took another step forward last month when Pakistan's five nationalised banks declared the first batch of six-monthly dividends on profit loss sharing (PLS) accounts.

Around Pakistan rupees 3bn ($300m) has been invested in PLS accounts since their introduction last January. The highest annual rate of profit (9 per cent) was declared by Habib Bank, with the other four rates between 8.5 and 8.75 per cent. Term deposits made between 10.8 and 14.7 per cent, depending on the length of time involved.

The prevailing rates of interest on non-PLS savings bank accounts, which all the banks still also operate, 7.5 per cent for chequing accounts and 8.5 per cent for non-chequing accounts. Interest rates on term accounts are much higher, some large long-term deposits fetching up to 25 per cent a year.

PLS accounts are thought to make up 4.2 per cent of the country's total bank deposits — not such a bad showing, given that the system has only had 155 working days to prove itself. One bank chief executive said that the deposits were invested in commodity and trading operations, export and import bills, and the government-run National Investment Trust (which is also being operated as an interest-free institution).

The profits valued from bank to bank, it was stated, according to the amount of PLS money each attracted: Habib Bank's PR1.07bn ($105m) was the largest slice, some 36 per cent of the total PLS deposits. Habib also claimed it managed a higher rate of profit because its operational costs were comparatively less than other banks.

While individual banks announced the broad features of the first six months of PLS banking, there are no details on what particular business or commercial ventures the deposits were invested in.

Some bank sources even suggested that the six-month period was too short for any large-scale investments of the funds: it is worth remembering that deposits with the country's central bank, the State Bank of Pakistan bear interest at up to 10 per cent, while commercial lendings by the banks normally earn around 14 per cent. Payment of around 9 per cent or less as PLS profits could therefore easily be made without any commercial investments outside the banking world.

The chairman of the Council of Islamic Ideology, the state body advising the government in its Islamisation process, said that he regarded the public's response to PLS banking as not substantial: over 95 per cent of all bank deposits are still within the interest-bearing system.

But what seemed to worry him more was whether PLS funds were invested in ventures which were free from interest. Give the lack of precise information, the suspicion can still arise on whether they actually utilised for interest-free deals.

CSO: 4220/295

ALL MUSLIMS ASKED TO FIGHT ALONGSIDE MUSLIM BROTHERS

Karachi MORNING NEWS in English 20 Aug 81 p 5

[Text] The Jamiat-i-Ittehad-i-Alam Islami has appealed to all Muslims to volunteer to fight along with their Muslim brethren, to free the Arab lands and holy places.

The Jamiat also offered to bear all expenses of the volunteer, and said it would also look after the problems of their family if need arose.

According to a Press release of the Jamiat-i-Ittehad-i-Alam Islami, a conference will be held at Hotel Metropole on Aug. 21 at 3.30 p. m. to decide as to what action can Muslims take to free the Masjid-i-Aqsa. The meeting will be attended by diplomats of Islamic nations and officials of the Government.

Participants

Those who have confirmed their participation in the conference are Mr Abdullah Amin, Director-General Islamic Secretariat, Sri Lanka; Mr Abu Bakr, President of the Islamic Cultural Society, Japan; Mr Syed Pasha, General Secretary Union of Muslim Organisation, United Kingdom; Mr Khurram Murad, Director-General Islamic Foundation, United Kingdom and the Director-General, Islamic Foundation, Nigeria.

Various dignitaries have sent message of success. They include the President of Malaysia Tinku Haji, Ahmed Shah, the Kuwait Minister, Sheikh Abdul Aziz Hussain, Saudi Minister for Religion and Justice, Abdul Wahab al-Wasi, Saudi Minister for Industry, Dr Ghazi al Ghasibi, the Saudi Commerce Minister, Suleman Ahmed Salim, and the Ambassador of Pakistan.

August 21 is the day the Israeli's tried to stamp the mosque out of existence, the Press release added.

CSO: 4220/295

SHORTAGE OF PULSES REPORTED

Investigation Asked

Karachi DAWN in English 27 Aug 81 p 4

[Editorial: "Shortage of Pulses"]

[Text] THE shortage of pulses which has hit the consumer all over the country points to the inefficiency of the agricultural sector in which recurrent shortages have become a regular feature. With the current shortfall in production, it is not really surprising that pulses of all varieties have either nearly disappeared from the market or are available at exorbitant prices. Prices first registered a sinister turn upward in March when gram prices rose by 58.6 per cent. Other pulses also showed a sympathetic increase in price by about 25 to 30 per cent. Now pulses are selling in the open market at prices that range between Rs. 10 and Rs. 16 per kilo. Although wholesalers and middlemen are known to have hoarded the pulses in high demand, aggravating the shortage, it is obvious that a shortfall in production has in the first place led to this situation. Hoarding and blackmarketing pay only when the supply and demand equilibrium is drastically upset.

Ad hoc measures by the Administration and the Pakistan Agricultural Storage and Services Corporation (PASSCO), which is a government-sponsored agency to help regulate agricultural prices, have failed to improve the situation and the prices of pulses have in some cases doubled during the recent weeks. In fact, the shortfall has been so acute that PASSCO was obliged to [illegible] in line with the open market trends and announce a rise in the prices of pulses by 25 to 31 per cent the other day. Moreover, for the first time the Government has had to arrange for the import of pulses from abroad. The crisis is expected to ease when the imported lentils begin to arrive next month. But given the high cost of the imported pulses, a fall in prices is not to be expected.

What, however, calls for serious investigation is the shortfall in the production of pulses and the failure of the Government to anticipate the present crisis. The gram crops failed during 1979-80 and the impact of this began to be felt in the period July-March 1980-81 when, according to official figures, prices went up by over 50 per cent. If corrective measures had been taken then, we should not have been faced with this emergency today. It is even more important that efforts be made to step up the production of pulses. The fall in production is being attributed to the switching over by the growers to the cultivation of sugarcane and paddy which are fetching higher prices. If this is really the case more attention is due henceforth to an organised campaign to increase the production of pulses in the country and regain self-sufficiency in this crop which is a major item of diet of the common man.

Prices Double

Islamabad THE MUSLIM in English 25 Aug 81 p 1

[Text] *KARACHI, Aug. 24: With the stupendous increase in all varieties of dals (pulses) the well-known Urdu saying about the cheapness of the commodity "Ghar ki murghi dal brabar" has been rendered anachronistic and meaningless and the 'Ahl-e-Zuban' here have coined a new one: "Bazar ki dal Ghar ki Murghi brabar".*

In three months time the prices of all varieties of dals have almost been doubled, and the prices per kilogram are now ranging between Rs. 12 to 14.

In restaurants and eating places the dish of dal is either not available or if placedon the menu the rates are equal to a single plate of mutton or even chicken with the addition of a little "baghaar".

The authorities say that the shortage resulting from bad crop and reduction in acreage of pulses will be over in couple of months' time when imported dals will be available in the market.

CSO: 4220/294

BASMATI RICE EXPORTS TO MIDDLE EAST

Karachi DAWN in English 26 Aug 81 p 8

[Text] Pakistan exported to the Gulf and the Middle Eastern countries 400,401 metric tons of rice valued at 285.33 million US dollars during 1980-81.

Saudi Arabia emerged as the biggest importer of Basmati rice with an intake of 107,601 metric tons worth 76.59 million dollars.

Iran was the next best importer of the Basmati rice with 100,989 metric tons valued at 72.29 million US dollars.

According to statistics made available, Pakistan's total rice exports during the year ended June 30, 1981 amounted to 1,244,672 metric tons valued at 563.99 million US dollars as compared to 1,086,674 metric tons worth 421.87 million dollars during the corresponding period last year.

Of the total exports, Basmati rice was 409,653 metric tons fetching 292.02 million dollars and other varieties were 825,019 metric tons worth 271.92 million dollars.

Camaroun topped the list of importers of other varieties of rice with an import of 228,401 metric tons worth 73.88 million US dollars followed by Ivory Coast with 183,481 metric tons valued at 61.15 million dollars.

Mr. Riaz Ahmad Naik, Chairman, Rice Export Corporation of Pakistan told Dawn that 326,484 metric tons of rice were yet to be exported out of the total commitments and their shipment would be completed within two to three months, well before the arrival of new crop.

He said Pakistani rice was in great demand in 60 countries particularly in the Middle East and the Gulf States.

He said the Corporation could easily sell abroad as much as 1.5 million metric tons of rice if made available.

For increasing the rice production, Mr Naik said mere expansion in the acreage would not serve the purpose, instead more stress should be laid on increasing the per acre yield.

The RECP's Qasim and Landhi Godowns where its own cleaning and polishing plants have been installed have storage capacity of about 8 lakh tons. The cleaning capacity is stated to be 8.5 lakh metric tons.

CSO: 4220/294

STEEL MILLS TO SAVE 2 BILLION RIALS IN FOREIGN EXCHANGE YEARLY

Islamabad THE MUSLIM in English 28 Aug 81 p 1

[Text] KARACHI, Aug. 27: With the commissioning of giant Soviet-aided steel mills at Pipri by President Ziaul Haq of Pakistan on Aug. 31. Pakistan will start saving Rs. 2,000 million per annum which it spends on iron and steel imports in foreign exchange.

Situated about 20 miles east of Karachi with a fast rising Mohammad bin Qasim Port in its neighbourhood and upcoming Export Processing Zone, the giant project is spread over an area of 18,623 acres with its own township and a modern metellurgical training centre.

Already pulsating with life, a total of 34,000 persons are deployed at the site out of which 18,487 are directly employed with the mills.

The authorities expect to sell the products of the mills within the country at a price equal to the landed cost of the imported items which is a good beginning on the road to self-reliance.

The 11 lakh tons per annum production capacity project will be completed at a total cost of Rs. 25,220 million by 1985-86.

Two-thirds of the finances of the project have come from the Soviet Union in the form of various soft credits which in roubles are equal to about 1,580 million.

The first blast furnace of the mills, whose foundation stone was laid in December, 1972, was ignited on Aug. 14 last, unleashing a new era of technology, engineering, and economic activity, as stated by the Chairman of the Pakistan Steel Mills Corporation, H.N. Akhtar in an interview to a weekly.

The mill is already producing its own electricity to the tune of 50 megawatts out of which 45 megawatt are being supplied to KESC as it needs only five mg for its requirements.

CSO: 4220/294

OPENING OF STEEL MILLS TERMED 'RED LETTER DAY'

GF041049 Karachi DAWN in English 31 Aug 81 p 21

[Editorial: "Steel Mills--A Landmark"]

[Text] With the formal inauguration of the Pakistan steel mills today by the president of Pakistan, the country has come to realize its decades-old ambition of being able to undertake the production of steel. The commissioning of the first phase of the integrated steel mills is a red letter day in the economic history of Pakistan. It is an event which marks an important stage in the striving to achieve self-reliance in a crucial area of industrial upbuilding. Partial working of the complex actually started when the coke oven battery No 1 was charged and the first lot of coke was taken out in April last, preceded by the commissioning of the thermal powerplant which attained a load of 55 Mw. Pig iron casting will start with the formal inauguration of the blast furnace No 1 with pig casting machine, which has already undergone successful trial production. Pakistan is thus ready to join a select but growing number of developing countries that produce their own steel. The story of the endeavor to cross the threshold of steel technology has been one of repeated frustrations caused by ineptitude, failure of planning and lack of political will. These factors have delayed the establishment of a steel mill by about 2 decades whereas several other developing countries less favored than Pakistan in the matter have gone ahead with their programs. However, once the foundation of the steel complex was laid in December 1973 work on the project has proceeded more or less satisfactorily barring some delays that were inevitable in an undertaking of such a magnitude. The full production level of 1.1 million tons per year will be achieved in 1985-86 at a total cost of over Rs. 13 billion as against the original estimates of Rs. 9 billion. Production capacity can be raised subsequently to 2 million tons.

The steel complex is being built with the technoeconomic assistance of the Soviet Union which has provided credits totalling 700 million U.S. dollars on soft terms. That work on the giant project has progressed smoothly and without interruption despite important political changes in the region and the resulting strain on ties between Moscow and Islamabad testifies to the soundness of the two countries' approach to mutual economic cooperation. The Soviet contribution to the progress of the enterprise has been pivotal and decisive. It has been responsible for feasibility studies, designing, supply of machinery and equipment, installation, technical supervision and commissioning of the main plant with the help of 800 Soviet experts and technicians. Some units of the main plant have been procured against French and Japanese credits from other countries. An important feature

of the project is that Pakistani participation in the actual implementation of the project, including fabrication of steel structures and non-standard equipment, has been substantial. Civil, mechanical and electrical jobs at the main plant of a size never attempted before are being handled by Pakistani firms which have thus gained valuable expertise and experience. The steel mills are based on the imports of iron ore and coal, the right quality of which is not available locally but domestic raw materials like limestone, dolomite, flourite, etc., will also be used in large quantities, thus giving a fillip to local mining industries. The civil works at the mills are providing employment to thousands of semiskilled and unskilled construction workers, most of them engaged by contractors. When in full production, the integrated mills will employ a skilled force of 15,000, of whom about 1,500 will have received training abroad.

Besides, Pakistan's domestic consumption of steel, which is one of the world's lowest at 12.52 kg at present, will increase when the full cycle of production is attained, yielding a mix of coke, pig iron, billets, hot rolled sheets/strips, cold rolled sheets/strips, galvanized steel and formed sections. Byproducts like gases for power generation, fertilizer, ammonium sulphate and benzol will help effect savings on imports. Possibilities of downstream production units of tin-plate manufacturing, welded pipes, wire rods/wire, structures and rails are bright. Indigenous steel will give a fillip to capital goods and engineering industries, which constitute the backbone of a modern industrial economy and form the basis for the development of industries which manufacture intermediate and durable goods. The assurance that despite the heavy over capitalization, the Pakistan steel mills will still offer their products in the market at the prevailing competitive rates is welcome. A great feat has been achieved. Rapid progress in the acquisition of steel technology and in the completion of the remaining phases of the project will go a long way in the fuller realization of the great potentialities offered by the steel-making enterprise.

CSO: 4220/293

NWFP GOVERNOR CALLS FOR LABOR, MANAGEMENT COOPERATION

Peshawar KHYBER MAIL in English 24 Aug 81 pp 1, 6

[Text] **A high-level meeting presided over by NWFP Governor Lt. General Fazle Haq Saturday reviewed the law and order sitaution in NWFP.**

The meeting, which was attended by the Provincial Ministers, Deputy Martial Law Administrators, Chief Secretary and Secretaries to Government, Divisional Commissioners, Deputy Inspector Generals of Police and Deputy Commissioners, expressed satisfaction over the existing law and order situation all over the province.

The meeting was told that there had been a substantial decrease in crime during the first half of the current year.

The Governor, however, directed the law and order agencies to introduce more effective measures to further curb the incidence of crime.

The meeting also took stock of the disposal of criminal cases and expressed satisfaction over the speed of disposal of cases in the courts. The Governor, however, gave necessary directions to the concerned quarters to further speed up disposal of pending cases.

He also directed the district authorities to take special measures to arrest the proclaim offenders and bring them to book.

The meeting reviewed the labour-management relations in the province. The Governor stressed that both the labour and management should work in close cooperation to produce more in order to make Pakistan self-sufficient industrially and prosperous economically.

The Government he said, would see to it that the labour rights are not infringed upon and on the other hand the government would also ensure that the prevailent industrial peace of the province is not tempered with.

The Governor said that any attempt in this respect would not be tolerated, but would be dealt with an iron hand.

Lt. General Fazle Haq expressed the hope that both the labour and the management would realise national obligations by striving relentlessly for boosting the industrial production.

The Governor directed the District and Divisional administration to keep a vigil over the corrupt elements in the government machinery who were eating up at the vitals of our society.

The prices of essential commodities in the province also came under detailed discussion.

The Governor advised the Deputy Commissioners to convene the meeting of district price review committees regularly in order to keep the prices of essential commodities under constant check.

The Provincial Governor revealed at the meeting that a provincial board would be set up to supervise preservation of wild life in NWFP.

The board, which would be headed by the Governor himself, would include at least one representative from each Division of the Province.

Similar organisation at the Divisional level would also be set up, he added.

The Governor advised the District and Divisional authorities to take effective steps to protect and preserve wild life in the Province.

Lt. General Fazle Haq advised the authorities to assess the damages caused due to recent floods and rains in the various parts of the Province and Send their reports to the Provincial Government for further action. He also asked the Deputy Commissioners to ensure that the facility of interest-free loans by the commercial banks is properly utilised by the genuine farmers of their respective areas.

The NWFP Governor appreciated the services of

senior Provincial Government functionaries, NWFP Police and Commissioner Afghan Refugees, NWFP.

He expressed the hope that this tradition of honesty, efficiency and dedication would be kept alive and the seniors would inculcate the same spirit amongst their juniors.

CSO: 4220/295

ATTEMPT TO SMUGGLE CONTRABAND FOILED

Karachi DAWN in English 27 Aug 81 p 12

[Text] An attempt to smuggle contraband goods worth Rs. 1.3 million from NMB Wharf and airport was foiled by the Special Checking Squad of the Customs in two simultaneous raids yesterday.

The Customs Investigation Cell has mounted its probe against main dealers who organised and manipulated the import of contraband articles either by misdeclaration or by committing additions/alterations in the Customs "A" Form — a declaration of goods by passengers coming from abroad in respect of goods as 'unaccompanied' articles.

The huge quantity of contraband goods seized included refrigerators, colour TV sets, transistor radios, cosmetics, tetron, art silk cloth, readymade garments, radio-recorders and washing machine.

A customs spokesman said that the goods worth about Rs. 8.83 lakh were imported under the guise of passengers' bona fide baggage but contained banned and prohibited items awaiting clearance in the Unaccompanied Section at Airport when the Custom hounds busted the racket and seized them.

The other raid was carried out at the NMB Wharf from where "imported" goods worth Rs 4.75 lakh were seized while an attempt was being made to clear them on forged "A" Forms of Customs with the connivance of some Clearing Agents.

Some Clearing Agents who had filled documents for clearance of such goods under forged "A" Forms are being questioned. No arest was reported but after completion of preliminary investigations the Customs hope to round up all those involved in this racket.

RE-ORGANISATION

Meanwhile, Pakistan Customs Intelligence and Investigations Directorate is being re-organised to eredicate the menace of imuggling.

Mr S.T.R. Zaidi, the new Director, is understood to have issued a directive to all heads of all the Directorate in the country to gear up anti-smuggling efforts.

He has also appealed to the public to pass on information about the activities a smugglers to the Directorate. He assured them that their identity would not be disclosed and cash rewards would also be paid to them.

CSO: 4220/294

SMALL-CAR MANUFACTURING PLAN DELAYED

Islamabad THE MUSLIM in English 25 Aug 81 p 1

[Article by Jawaid Bokhari]

[Text] KARACHI, Aug. 24: Pakistan's scheme for manufacture of small cars, whose latest feasibility report has been under scrutiny for the past 18 months, is held up for unidentified reasons, it was gathered here today.

Import of cars has picked up fast in the past few years under the gift scheme and is now estimated at over 110 dollars.

Black money is financing the booking of cars and the city market is flooded with all types and brands of vehicles.

On the other hand scheme for manufacture of small cars which includes a programme for deletion of 75 per cent of imported components in five years and effecting economy in fuel, is being held in abeyance on one pretext or another.

Lately, the NDFC which was entrusted with the scrutiny of the feasibility report on joint production of Suzuki cars, vans, pickups and jeeps has given an ambiguous report.

On the other hand, Suzuki Motors has joined hands with Isuzu Motors of Japan and General Motors of the United States to "swap shares, engineering know-how and production facilities to bring on stream a minicar "S" which the General Motors hopes to begin manufacturing in Spain.

Weekly Newsweek reported on Aug. 17 that "Suzuki is the most successful minicar producer in the world, but the firm's autos have been excluded from the U.S. market because they do not meet strict American safety and emission standards."

The magazine further reported: "now Suzuki will help G.M. and Isuzu—G.M's Japanese affiliate—to develop a new minicar that may eventually meet U.S. standards and open up the American market to Suzuki's own tiny, fuel-efficient automobiles as well."

At present over 25,000 Suzuki vans, pickups, and cars are imported into Pakistan annually excluding the Suzuki jeeps.

Experts here believe that with the common components being used for the different vehicles, an economically viable production is possible.

Moreover, the feasibility report suggests that locally assembled small cars would be available between Rs. 48,000 to Rs. 50,000 depending on the "category" of the importer.

Experts here believe that like the Karachi Steel Mills, the car assembly-cum-manufacturing plant is being delayed under pressure from the car import lobby.

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END

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TV SECURITY CAMERAS TO BE USED AT MELBOURNE CONFERENCE

Melbourne THE AGE in English 6 Aug 81 p 14

[Article by Roy Eccleston]

[Text]

Police have installed about 25 closed-circuit television cameras around the city as part of the security arrangements for the Commonwealth Heads of Government meeting in September-October.

The cameras, which cost about $25,000 each, were paid for by the Federal Government. The Victoria Police policy is that anything above the normal requirements for the meeting should be financed by the Federal Government.

Police intend to use the cameras after the meeting for traffic control. During the meeting, the cameras — most of which are in the city — will be monitored at a police studio. It is believed that at least one camera will be used from an aircraft which will fly over the route the VIPs take.

One of the biggest police security operations will be the movement of delegates to and from their city hotels to the conference location. Last Sunday police disrupted city traffic in a simulation of the movements.

The main venue for the conference, being held from 30 September to 7 October, is the Royal Exhibition Building. About 44 heads of government will attend, and the Queen arrives on 26 September. There will be about 3500 police involved in the security.

Trees along routes to be used by VIPs will receive normal pruning shortly before the meeting to allow the cameras an uninterrupted view.

The Chief Commissioner, Mr Miller, declined yesterday to give the number or locations of the cameras for security reasons, but the cameras so far spotted include those on the Russell Street police building at the corner of Latrobe and Lonsdale streets and on Parliament House.

Mr Miller said that traffic control cameras were used in Sydney and throughout the world. He said Melbourne's grid system of city streets was tailor-made for traffic control.

The Melbourne City Council has four cameras in the inner-city area which also monitor traffic and pedestrian movements.

CSO: 4220/6020

EFFORT TO INSTALL PRO-INDIA GOVERNMENT ALLEGED

Karachi DAWN in English 19 Aug 81 p 7

[Article by Hasan Saeed]

[Text] DACCA, Aug 18: India has instructed its secret service to dislodge the Government of Bangladesh and instal a government of its own choice by August this year, influential English weekly "Holiday" reported.

The weekly in its latest issue said emboldened by the recent deteriorating development in the political arena of Bangladesh, the Research and Analysis Wing (RAW), secret service of India operating directly under the guidance of Prime Minister Mrs Indira Gandhi, has reportedly drawn a massive scheme of all round offensive — both overtly and covertly — to divert and subordinate the existing situation to its objectives. It claimed that the Government of Bangladesh is informed about the RAW plan.

Two months before the assassination of President Ziaur Rahman the English daily "Bangladesh Times" had come out with similar accusation against the neighbouring country. Its special correspondent reporting from New Delhi had said that RAW had the instructions to topple the Government of President Ziaur Rahman.

Ruling Bangladesh Nationalist Party mouthpiece "Sunday Star" in a lengthy serialised story had said that RAW had already infiltrated in Bangladesh with the objective of destabilising the political and economic situation in the country. It said that Raw which had launched "Bangladesh-phase-I" for liberation of Bangladesh from Pakistan in 1970-71, had now launched Bangladesh phaseII" with the sole objective of installing a government of New Delhi's choice in Dacca. It had also claimed that Awami League leaders who went to New Delhi immediately after the election of Mrs Hasina Wajid, daughter of slain President Sheikh Mujibur Rahman living in New Delhi to meet her, had stayed in a guest house run and maintained by RAW. The agents of RAW were responsible for the security of Mrs Hasina and the other Awami League leaders.

The "Holiday" story coming from an opposition weekly has given credence to the RAW plans for Bangladesh. The officials in Dacca were maintaining strict silence over the disclosure.

SABOTAGE

It is gathered that the scheme includes disruption of the country's communication network, train and bank robbery, attack on police stations, etc.

The Arnar railway bridge and Abbulpur-Gopalpur bridge of Rajshahi, Pachagarh Bridge, three big bridges lying between Natore and Shantahar and the entire communication web of North Bengal, Mymensingh and Tangail districts are envisaged to come under the onslaughts of the saboteurs.

According to the RAW plan, the country has been divided into two zones for its operations — North Bengal zone and Dacca zone. The headquarters of the North Bengal zone will be set up at Shabazpur of Chalan Beel, while that of the Dacca zone will be established at Manikgonj Town.

Besides, if need be three more secret offices will be maintained — one at Mymensingh, one at Chittagong and the other at Khulna.

The North Bengal zone according to the scheme, will remain under the control of twelve leaders of a certain political party and the Dacca zone will be supervised by high-level leaders of the party and its front organizations. Apart from the subversive operations they will organize demonstrations, movement, meetings and create widespread discontentment.

According to an information, one senior RAW officer went to Baghi area of Madhya Pradesh on May 18 along with Professor Sankar Malakar, Jubo Congress chief of Darjeeling, and Bangladeshi fugitives Kader Siddiqui and Aurango reportedly to procure arms and ammunition.

On June 6 some RAW officers met at Dalu dak bungalow at Turha in Meghalaya with some of the Bangladeshi fugitives. They discussed the situation arising in Bangladesh out of the South Talpatti issue, reaction of the country's government and people to the issue, and the situation arising out of Belonia Char and Angarpatta issue.

A group of Bangladesh fugitives are believed to be undergoing commardo training by RAW at Bagmara.

The plan has been prepared for the period ending in August. On the final day a massive operation is planned to be launched throughout the country. Weapons such as machine guns, motars, explosives, etc. are planned to be used during the operation.

About 53 places of the country have been fixed as targets of the saboteurs.

As revealed by a source, the leaders of the aforesaid political party took a couple of decisions in a meeting held in New Delhi last May in the presence of some RAW officers. The decisions were later confirmed in a secret meeting of the party held in Dacca.

When the law and order situa-

tion would aggravate due to the implementation of these decisions the political party would begin demanding the holding of interim parliamentary elections.

The final decision of the party is that in case the demand for interim parliamentary elections is not acceded to and the Government imposed martial law failing to cope with the situation, its leaders would cross into India to form a government-in-exile.

Subsequently trained saboteurs would enter Bangladesh through different routes. They would launch operations together with a non-official "freedom fighters council".

During the operations intellectuals who are opposed to the domination of the country by India and the Soviet Union, officers-in-charge of different police stations, VDP commanders, leaders of anti-India political parties, gram sarker chiefs, and some officers of the intelligence services of Bangladesh would be eliminated according to the plan.

Earlier RAW was assigned with the following tasks; (1) collect information regarding the political activities of factions of Muslim League, one led by Khan Sabur and the other led by B.A. Siddiqui; (2) To observe the activities of Golam Azam and to find out the amount of money received by him from Saudi Arabia; (3) to collect a map of the Islamic University at Kushtia and to procure the curriculum and names of its financing countries; (4) To verify the authenticity of burning of the Holy Quran at Joydevpur Mosque, Thakurgaon; (5) To check whether there was any clash between the Shia and Sunni Muslims (6) To ascertain the appropriate time for the homecoming of Hasina Wajed; (7) To ascertain the conditions of the Biharis in Bangladesh and to collect information about their projected 'long march' and its route; (8) To procure the details of the proceedings of the Court Martial which had tried the accused persons of the abortive June 17 coup, the names of the accused persons and the extent of punishment given to them; (9) To verify whether any foreign trawler was located at Chalna Port; (10) To ascertain the reaction of those ansars who became village defense force members; (11) To get the names of JGMU leaders and to obtain information about their activities against India and whether they have any link with Leftist parties; (12) To observe the political activities of Bangladesh Samajtantrik Dal; (13) To procure full particulars of the Gonotantrik Andolan including the names of its central committee members and to check whether they have any link with any Leftist party and how the Zia Government viewed them; and (14) To detect those who had killed Rafiq Choudhury and Gobinda Sarkar of Natore.

RAW was to carry out these tasks by May 31, it is learnt. With the progress in the implementation of the programmes envisaged in the scheme some of the Bangladeshi fugitives now abroad would be sent to the USSR for training as Air Force pilots.

CSO: 4220/7679

PAPERS REPORT BID TO CREATE COMMUNAL TROUBLES

Karachi DAWN in English 22 Aug 81 p 5

[Text]

NEW DELHI, Aug 21: A poster, provoking pandamonium in Lok Sabha on Monday, the contents of which were expunged from parliament proceedings, has been described by Urdu Daily "Al-Jamiat" as a sinister move to create communal trouble in the Indian capital

There was an uproar in the House when a Congress (I) member exhibited a poster about Mr Jagjivan Ram's embracing Islam on Friday next. The contents of the poster, read out in the House, were, however, expunged by the Speaker Mr Balram Jakhar.

The Speaker, however, allowed Mr Jagjivan Ram to make a personal explanation. Mr Jagjivan Ram said ever since the reports of conversion "all sorts of fraudulent reports about me' had been spreading and the poster was one of the kind "the mischief" he said.

According to "Al-Jamiat" the spokesman, Jamiatul Ulmai-i-Hind the poster printed n three languages — Urdu Hindi and English — said Babu Jagjivan Ram, his son Sarish Ram and many other Harijans for UP. Bihar and Delhi would embrace Islam on Aug 21. The poster carries the name of a fresh convert Yad Mohammad alongwith others Harijans of Dalit Muslim Ekta Munch (oppressed and Muslim Unity organisation) as announcers of the "intended conversion" of Babu Jagjivan Ram.

The "Al-Jamiat" said on face of it the poster was not only fake and malicious and sinister move designed to character assassinator of Babu Jagjivan Ram but also might cause Hindu-Muslim riot in Delhi.

Reporting some secret conversion in Kanpur where 25,000 Harijans were expected to convert to Islam, according to an announcement of their organisation Dalit Panthers, on Indian Independence Day last Saturday, an English daily "Statesman" said on Tuesday that Muslim leaders of Kanpur appear to have been gripped by a fear psychosis. Their initial enthusiasm about conversions has some what waned because they do not want to invite the wrath of the local administraion,t the newspaper added.

CSO: 4220/7680

AIR FORCE SQUADRON 32 REACTIVATED

Jakarta SINAR HARAPAN in Indonesian 11 Jul 81 p 12

[Article: "Air Force Reactivates Squadron 32 to Strengthen Its Ranks"]

[Excerpts] Air Force Chief of Staff Air Marshal Ashadi Tjahjadi on Saturday [11 July] at Halim Perdanakusuma Air Base officiated at the reactivation of Air Force Squadron 32. At the same time he installed Lt Col Tjokong Tarigans as Commander of Squadron 32.

The chief of staff said that the reactivation of Squadron 32 was very important because with this step the Air Force again has two heavy transport squadrons.

On 27 July 1965 Air Force Transport Squadron 32 was officially formed, giving the Air Force at the time two heavy transport squadrons: Squadron 31, equipped with Hercules aircraft, and Squadron 32, equipped with Antonov aircraft.

In terms of the general situation at that time and difficulties that emerged in obtaining spare parts, the employment of the Antonov AN-12 aircraft was no longer an efficient course of action. Therefore, in 1972 Squadron 32 was temporarily "frozen" and was no longer operational. Since then the Air Force has been further strengthened with C-130 Hercules HS and L-100 models, so that in the field of air transport the Air Force now has sufficient capability.

The commander of the Air Transport Command, Air Vice Marshal Aried Riyadik, told reporters that this month Squadron 32 will gradually move to Malang Air Base, because the airfields in Jakarta are too crowded.

The number of aircraft in a squadron differs from country to country, but the international standard provides that a squadron has 12 aircraft. With the reactivation of Squadron 32, the Hercules aircraft owned by the Air Force, of the C-130H and C-130B type, will be split up. Squadron 32 will be provided with Hercules C-130B aircraft to replace the Antonov aircraft which have not been in active use since 1969.

The division of the two types of aircraft will also very much simplify the task for the technicians maintaining them, because the two types of aircraft have different kinds of equipment. However, this does not exclude the possibility that Squadron 32 will also be equipped with C-130H aircraft, Aried said.

5170
CSO: 4213/89

FRETILIN FOREIGN MINISTER DISCUSSES ARMED FORCES

Maputo NOTICIAS in Portuguese 15 Aug 81 p 7

[Interview with Mari Alkatiri, FRETILIN foreign minister, by Etevaldo Hipolito for NOTICIAS, date and place not given]

[Text] The dramatic conditions under which the Maubere people are struggling against the Indonesian aggressors have already earned East Timor the designation "Silent Vietnam." It was six years ago, when the Portuguese colonial rule was already crumbling rapidly, that FRETILIN declared a generalized popular armed insurrection. This action--initially aimed at countering the coup instigated by the UDT (Timor Democratic Union), which defended the Portuguese presence on the island--would have profound repercussions on the history of the small Asian nation, which was invaded by Indonesia in December 1975.

In this interview conducted by NOTICIAS reporter Etevaldo Hipolito, Mari Alkatiri, foreign minister of the Democratic Republic of East Timor, discusses the transformation of colonial troops into a liberation army.

[Question] What kind of armed forces did FRETILIN have available to it at the time it proclaimed independence?

[Answer] All the first individuals who took up arms in support of our organization were members of the colonial army, or had been trained by it and were in the reserve. It was an interventionist force. Although it was composed of natives, the mentality was that of an occupation force of the regular colonial type. The men were trained to wage classical warfare or, in the absence of war, to maintain control over the Maubere people. As an example of this second type of activity, we can cite the uprising that occurred in 1959,[1] which was put down by this same army. This was the organization from which we had to form national resistance units, or liberation troops.

[Question] How was the transformation of this arm of the Portuguese colonial regime brought about, and how did it affect FRETILIN?

[Answer] First of all, it is important to bear in mind that this process involved a new factor: the enlistment of young men who had never served with the colonial regime; the emergence of new commanders to replace the old commanders who could not go along with the process. In this way, the new army is taking a different shape, assuming a new structure, becoming, in fact, a guerrilla force.

In other countries--Mozambique or Angola, for example--the liberation army grew normally. Small armies became large. In East Timor this growth was almost precipitous. In five days we went from 25 men to 20,000. What happened in our country was that a large army had to become small again, in order to grow again--a different kind of growth. Now we can say that we are moving on a normal path, because we managed to make ourselves small so we could grow naturally.

All this has given rise to various problems with FRETILIN. In the beginning, we were a really broad front, comprising all those who called themselves nationalists, who were unhappy with the Portuguese colonial presence. Many of those who joined FRETILIN were idle malcontents, who saw in the word "independence" their own self-realization. This is no longer the case. With the normal growth of our organization, through the selection process, we have kept the true patriots, who are aware of their role.

When there is talk of problems within FRELIMO, they can only be understood in this context: rapid growth, then a falling off, leading in turn to a new growth. If we understand this line of development, we will see that the problems experienced by our organization are perfectly normal. They had to occur.

[Question] In such a dynamic process, involving thousands of people, how were such problems as the chain of command, ranks, etc handled?

[Answer] On 20 August, when all the natives in the colonial army joined FRETILIN en masse, it was decided that ranks would be abolished, and there was no opposition to this. Those very few who resisted the new regulation automatically went over to the other side. What we can observe now is that some former sergeants are being designated commanders. This is what we could call a necessary evil, to prevent a situation of anarchy within a force that had to be used to combat internal reaction.

In a way, we could say that the old hierarchy was maintained, because former sergeants were designated as commanders since they had the professional training for it. Symbolically--although not entirely symbolically, because there was a political basis for it--some soldiers were relieved of their colonial stripes and commissions. The process was made easier in part because there were individuals who had joined FRETILIN before 25 April and who never caused problems of any kind, even though they were assigned to a unit commanded by someone whom they had formerly outranked. There were individuals with years of military experience who were in the reserves and who joined the FRETILIN forces. After the abolition of the traditional ranks, it was easier to bring about a slow transformation in the soldier himself. It also made it possible to name individuals other than former sergeants as commanders, injecting new blood into the movement. In this way, members of the Central Committee are named to some commands until such time as total control of the army has been assumed. The chief of this force has always been Comrade President Nicolau Lobato.

Along with these measures, a popular militia was created, within the spirit of a guerrilla force, trained by the best commanders, individuals who have demonstrated a good political background.

[Question] How long did it take to create the new army, and at what social and political cost?

[Answer] In terms of time, we could say it took from 1975 to 1978, although by late 1977 the activity was already more that of a guerrilla force than a regular army. The political cost was the desertions, which included former sergeants and commanders. These individuals did not understand the new situation and had a very limited concept of the kind of war we would have to face. They preferred to concentrate forces, to ask for foreign assistance in acquiring heavy weapons to combat the Indonesian aggressor.

It is important to emphasize the role played in this ideological struggle--because this is what it was--by the historic meeting in 1977 between the FRETILIN Political Committee and the Superior Struggle Council in Lalini. At that meeting the choice of strategy was clearly defined for a protracted people's war, relying on our own forces. This viewpoint had been defended as early as 1975, before the Indonesian aggression. With the Lalini meeting, the battle lines were defined, in political terms. Some months after that meeting came the betrayal of Xavier do Amaral,[2] who did not accept this type of people's war, guerrilla war. The next year, when the struggle began to intensify and guerrilla warfare was being waged throughout the country, came the betrayal of Alarico Fernandes,[3] who had also been among those who had reservations about this new way of conducting the liberation struggle. These were the political costs.

As for the social costs, we would see them in their most severe form in the period from 1975 to 1978, when we had to maintain large liberated areas to shelter the people. This allowed the enemy to use the people as a target. As a result of this tactic adopted by the Djakarta government, over 100,000 people were killed in 1978 alone. The Indonesians resorted to the use of large-scale aerial bombing and heavy artillery. In light of this situation, the FRETILIN Central Committee opted for a primarily guerrilla form of combat, based on mobility of forces and not on maintenance of large liberated areas. Part of the population was organized to surrender. The extent and nature of the [Indonesian] attacks made it necessary to try to save as many lives as possible.

Nonetheless, those three years spent in the liberated zones provided a great education for our people. Now there is more patriotism, more awareness than there was in the beginning, when a certain spontaneity prevailed. What we are seeing now is that, even within the areas controlled by the enemy, the population continues to support FRETILIN. As proof of this, we can cite the fact that many young people who were obliged to surrender, and who later entered the Indonesian army, fled with all their weapons and joined the guerrillas. There are others who, although they have not been in the enemy armed forces, have joined the struggle.

[Question] From the military standpoint, what has been the effect of taking such a politically delicate position?

[Answer] The decision enabled FRETILIN to experience truly intensive growth as a revolutionary force for national liberation. In the strictly military area, what we are seeing at the moment is that the guerrilla struggle has already reached a very advanced level. From 1979 to the first months of 1980, FALINTIL [Armed Forces for the National Liberation of East Timor] operations were limited to ambushing enemy columns on the roads. In the last 12 months, however, this has already become a secondary activity, because we are now primarily launching attacks against advanced enemy positions. We are even attacking bases in Dili, Baucau, Viqueque and Lospalos. All of 1979 was devoted to installing new bases in sectors located in the center of our territory. In 1980, these resistance bases went into operation.

As I said, four years ago we were trying to control large liberated areas. Today, the aim is to keep our forces mobile. When we attack an enemy position, we want to see immediately the possibilities for spreading out our forces, not, for example, keeping 100 or more men together. We are seeing positive results, particularly during the last 12 months. The enemy cannot bombard large targets, so it is attempting to use counter-guerrilla techniques like those employed in Vietnam. These include the use of helicopter-borne troops and paratroopers.

[Question] Early this year the Djakarta expansionists launched a major offensive against Eazt Timor. How was it conducted and what were the results?

[Answer] Over 30,000 men were involved; 14,000 of them were concentrated in Ponta Leste alone. The operation was supported by F-5 planes, used in East Timor for the first time. There were also Puma and Alouette helicopters carrying troops. The offensive began with massive shelling of suspected FRETILIN positions in the area, concentrating on the Ponta Leste and central western zones. After the shelling, paratroopers were sent in, an average of 200 to 300 over Lospalos, Viqueque and Baucau and even the area of Same, a guerrilla zone in the central south. About 31 days after the paratroopers were sent in, sources linked to the Indonesians confirmed that none of them had returned to Dili, which demonstrates FRETILIN's capacity to deploy and concentrate forces for combat. After this new enemy defeat, naturally our new guerrilla strategy will be used increasingly.

It might be asked, however, if this type of war might not be ineffective in attaining our immediate objective, that is, to drive out the enemy. From a strictly military standpoint, given our current situation, one of almost total isolation, in a struggle which, although just, has been receiving very little concrete international support, this objective is not immediately attainable. This is a protracted people's war. It is also certain now that the enemy cannot succeed in occupying our territory. This impasse will help to rekindle anti-militarist, antiexpansionist sentiment possibly existing within the Indonesian armed forces. Today, opinions are already being aired among the military in Djakarta, indicating that the officers and men are tired of this war. According to Suharto's strategy, this was not even to have been a war, only a small-scale operation lasting 10 days or so. It has been dragging on for six years. The Indonesian military are unhappy; they feel a political solution must be found to end the conflict. No proposals have yet been formulated.

It should be noted that this idea was already formulated in 1978 and it is now being raised insistently, with new force. At that time it was raised because FRETILIN

controlled 80 percent of the territory and 90 percent of the population, and also because the Indonesian forces saw no possibility of destroying FRETILIN. The "hawks" in the Indonesian government opposed any political solution, preferring to target the civilian population for destruction, practicing a form of genocide. Today that target no longer exists, which constitutes another crisis for the Suharto regime. This crisis will have to be overcome. It is their crisis, not ours. We are aware; we know why we are fighting, but this is not true of the Indonesian soldiers. In the beginning, they came to East Timor with the right to plunder, to take possession of what they considered the spoils of war. Many of them lost their lives, and today the others have nothing to plunder. This means they lack even a material incentive. Basically, the Indonesian soldiers are now garrison troops, who venture no more than four or five kilometers out of the urban zones, and then only in convoys.

In sum, despite all the problems involved in the type of struggle we are conducting, we are making progress and we are sure we will win. The process in itself is enriching, and in the course of it we have been able to deepen the aspirations of our people. This fact, plus our success in turning a colonial army into a guerrilla force, is proof positive of the justice of our course, which is bound to end in the liberation of East Timor.

FOOTNOTES

1. Anticolonial movement planned for December 1959, which was exposed in advance by an informant.

2. In September 1979 (sic), while still president, Xavier do Amaral planned a coup d'etat with Indonesia's support.

3. Alarico Fernandes, former minister of information and national security, attempted to launch a coup in September 1978. He went over to the Indonesians on 4 December 1978.

6362
CSO: 4728/104

COMPLETE 1980 CENSUS FIGURES

Jakarta SIMNAR HARAPAN in Indonesian 2 July 81 pp 1, 12

[Article: "Complete 1980 Census Results: Total Indonesian Population Is 147,490,298; Highest Growth in Sumatra, Lowest in Java and Madura"]

[Excerpts] The final results of the 1980 population census show that the total population of Indonesia was 147,490,298. This is the final figure for the census, according to the chief of the Central Statistical Office, Abdul Madjid on Wednesday [1 July]. The provisional figure which was previously made public indicated that the total population figure was 147,383,075.

The rate of population increase, after computer processing, was 2.32 percent, compared to the provisional figure previously made public of 2.34 percent, covering the period from 1971 to 1980. The total number of males is 73,332,544, while the total number of females is 74,157,754.

The highest increase in population took place in Sumatra, with 3.3 percent, and the lowest increase occurred in Java and Madura, with 2.0 percent. Kalimantan had 2.8 percent increase; Sulawesi, 2.2 percent; and other islands, 2.8 percent.

Population density per square kilometer was 77, an increase from the previous level of 62 in 1971. Density in Java and Madura was 690 per square kilometer, which represents an increase from 576 in 1971. In this connection Java and Madura have only 6.89 percent of the total territory of Indonesia. Sumatra, which has 24.67 percent of the total territory of Indonesia, had a population density of 44 in 1971 and 59 in 1980.

Kalimantan, which has 28.11 percent of the territory of Indonesia, increased in population density to 12, in 1980, compared to 10 in 1971. Sulawesi, with 9.85 percent of the terriroty of Indonesia, had a density of 55 in 1980, an increase from the level of 45 in 1971. The other islands, having 30.48 percent of the territory of Indonesia, had a density of 19 people per square kilometer in 1980, up from 15 in 1971. The total land area of Indonesia is 1,919,443 square kilometers.

Religion

Abdul Madjid went on to state that from the results of the 1980 census (not including Irian Jaya and East Timor) it appears that the Muslims total 88.1

percent; Catholics, 2.51 percent; other Christians, 5.35 percent; Hindus, 2.5 percent; Buddhists, 0.96 percent; and other religious groups, 1.05 percent.

According to Abdul Madjid, East Timor and Irian Jaya were separated from the calculations involving other areas because, at the time of the census of 1971, religious affiliations in these two territories were not recorded. Although this is the case, it can be stated that the number of Muslims in East Timor is 0.66 percent of the population; Catholics, 89.39 percent; other Christians, 1.89 percent; Hindus, 0.06 percent; other religious groups, 17 percent; and Buddhists, none recorded. For Irian Jaya the number of Muslims is 12 percent; Catholics, 23.1 percent; other Christians, 63.97 percent; Hindus, 0.04 percent; Buddhists, 0.07 percent; and other religious groups, 0.8 percent.

The 1980 census showed that of school age children, that is, from 7 to 12 years of age, 84.7 percent were attending school. This reflects a rapid increase by comparison with the 1971 census, which showed 59.9 percent of children of school age attending school. The largest increase occurred in Java, with the rate going up from 59 percent to 86.1 percent. In Sumatra the rate went up from 64 to 84.6 percent; in Kalimantan, from 56.9 to 77.3 percent; in Sulawesi, from 62.3 to 83.7 percent; and in the other islands, from 56.7 to 79.5 percent. This increase, according to Abdul Madjid, was very closely related to the provision of educational facilities and teachers. He said that in the age group from 7 to 12 there were 5.1 percent, of 1,116,041 children who had dropped out of school. The highest percentage of school dropouts was in Kalimantan, with 6.6 percent. The lowest percentage was in Sulawesi, with 4.4 percent. In Java the figure was 5 percent; in Sumatra, 5 percent; and in the other islands, 5.9 percent.

Handicapped People

The total number of handicapped people was 1,673,182, in the following categories: delinquents [tunanetra], 185,485; speech defects, 227, 831; bodily handicapped, 267,704; mentally handicapped, 169,349; aged, 822,813. The largest proportion of the handicapped, or 70.1 percent, were adults, while 29.9 percent were children. The largest percentage of the handicapped among children was in Sumatra, where the figure was 32.4 percent; the smallest percentage was in Kalimantan, with 27.9 percent; Java followed, with 29.1 percent; Sulawesi came next, with 30 percent; and the other islands were next, with 30.3 percent.

Land Ownership

The number of households own less than 0.5 hectares, according to the 1980 census, rose to 63.1 percent, compared with 45.7 percent according to the 1973 agricultural census of farmer households in Indonesia. Meanwhile, the status of land ownership, according to the agricultural census of 1973, amounted to 74.8 percent of the population of Indonesia; the percentage fell to 73.6 percent in the 1980 census.

Farmers who work that land of other persons, according to the agricultural census of 1973 totalled 3.2 percent of the farmer population; the figure rose to 14.9 percent, according to the 1980 census. Peasants who own their own land and also work the land of other persons fell from 22 percent in the 1973 agricultural census to 11.5 percent in the 1980 census. The total number of farmer households,

according to the 1980 census, was 17,468,560, an average increase of 2.8 percent each year since the agricultural census of 1973, when the total number of farmer households was reported to total 14,373, 543.

The causes of the broad decline in ownership of land and the status of agricultural labor will be investigated further in the agricultural census which will be carried out in 1983.

It was further stated that the male population of Indonesia from birth to 9 years of age, according to the 1980 census, was 29.2 percent of the entire male population, a decline from the corresponding figure of 32.7 percent in the 1971 census. The female population of Indonesia from birth to 9 years of age, according to the 1971 census, was 31.2 percent of the entire female population. It fell to 27.8 percent in the 1980 census.

The total percentage of males 10 years old and older went up to 70.8 percent in the 1980 census, compared to 67.3 percent in the 1971 census. Females in this age group in the 1971 census were 68.8 percent of the total female population, a figure which rose to 72.2 percent in the 1980 census.

The percentage of inhabitants over 10 years of age who are not yet married went up from 34.4 percent, in the 1971 census, to 36.3 percent. For Java alone the figure went up from 31.9 percent in the 1971 census to 32.2 percent. For the other islands the figure went up from 37 percent in the 1971 census to 38 percent in the 1980 census.

Regarding the total number of persons per household, there was no meaningful increase. According to the 1971 census the average household had 4.8 persons in it, while according to the 1980 census the average household had 4.9 persons. The number of households went up from 24.5 million in the 1971 census to 30.3 million in the 1980 census.

Construction

Regarding construction activity in Indonesia, the census of 1980 states that 88.8 percent was for housing; 2.3 percent was for stores and business establishments; 1.2 percent was for industrial purposes; 0.14 percent was for hotels and restaurants; and 7.6 percent was for mosques, schools, and warehouses.

According to the census of 1980, there were 513,552 foreigners in Indonesia, of whom 462,314 were citiznes of the Chinese People's Republic or Taiwan or were of Chinese descent and citizens of other countries. There were 51,238 citizens of other foreign countries.

5170
CSO: 4213/89

COMMERCIAL AIR DISPUTE INVOLVING KLM

Jakarta MERDEKA in Indonesia 10 Jul 81 p 1

[Article: "KLM Avoids Flying Over Indonesian Territory"]

[Excerts] The Dutch national airline, KLM, which is no longer authorized to fly through Indonesian air space enroute from Singapore to Sydney, has begun to change its route, flying via Colombo. This was stated by the counselor for economic affairs at the Dutch Embassy in Jakarta, F P R van Nouhuys, to ANTARA on Thursday [9 July].

He added that the change in the KLM route began at the end of last June and for the time being consists of one flight per week. He said that in the near future the number of flights will be increased to two per week, until there will be no more KLM aircraft flying through Indonesia.

At present KLM flights from Amsterdam to Jakarta, four each week, have not been changed. There have also been no changes in Garuda flights from Jakarta to Amsterdam, which have continued to be flown up to now.

The Indonesian government canceled the KLM flight permit for the route from Singapore to Sydney through Indonesian air space as a reprisal step for the refusal by the Dutch government of the Indonesian request for Garuda Indonesian Airways flights from Abu Dhabi and Jiddah to Amsterdam.

Van Nouhuys went on to say that in any case his government hopes it can continue with the old, long-standing Dutch-Indonesian air cooperation relations, which permit KLM to fly through Indonesian air space on the route from Singapore to Sydney. He admitted that the Singapore-Sydney route was rather profitable for KLM. The reason is that in Singapore there are rather large numbers of passengers who disembark, with the result that KLM can take aboard an increased number of passengers flying to Sydney.

Discussions between Indonesia and the Netherlands regarding this route have been held on three occasions up to now, both in Indonesia as well as in the Netherlands. However, up to the present the two sides have not yet been able to reach agreement. It is hoped that the fourth round of discussions will take place this month, possibly in Jakarta.

5170
CSO: 4213/89

INCREASE IN COAL PRODUCTION AT OMBILIN MINE

Jakarta HARIAN UMUM AB in Indonesian 29 Jun 81 p 3

[Article: "Production of Ombilin Coal to Be Increased by 600 Percent"]

[Excerpts] Jakarta, AB--The Ombilin coal mine, which was proposed to be shut down in 1973, has become a center of attention for the government, with the adoption of a plan to broaden the use of coal as a replacement fuel for petroleum.

Marconi Ismail, a member of the Functional Development faction of Parliament, stated in Sawahlunto, West Sumatra, that the National Energy Committee, chaired by Minister of Mining and Energy Subroto, has instructed all new cement and steam electrical generating plants to use coal as a fuel. The instruction is in the framework of economizing on petroleum as a fuel. It is hoped that petroleum will continue to be a source of foreign exchange earnings for the state.

Marconi Ismail stated, "Without such economizing, by the year 2000 production of petroleum by our country will be fully taken up by domestic consumption, which is now increasing by about 12 percent per year. This would mean that we would obtain no more foreign exchange from oil," he continued.

According to research carried out be experts from the Directorate of Mineral Resources, the Marubeni firm, Poland, and the Netherlands, the Ombilin reserves in Sawahlunto total about 76 million tons in terms of proven deposits and more than 173 million tons in terms of estimated deposits.

The deputy director of the Ombilin State Mining Enterprise (PTNBO), Suharto, stated, in connection with the order of the National Energy Committee referred to above, that the PNTBO has planned an increase in production in a phased way from 205,000 tons per year to 752,000 tons in 1985 and 1,350,000 tons in 1990.

All of this production will be consumed in Indonesia, particuarly by PT Semen Padang [Padang Cement Factory] in Indarung, which by 1990 will require about 800,000 tons of coal after the construction of its new producing units is completed. Later on, the Andalas cement factory in Aceh has also been identified as a future user of Ombilin coal, needing about 220,000 tons in 1985 and 250,000 tons in 1990. The Salak Steam Electricity Generating Plant, which will become operational in 1986, will require 216,000 tons of coal by 1990.

Suharto said that the government has promised to provide funds for the modernization of mining equipment at Ombilin, but the total amount involved is not yet known definitely.

5170
CSO: 4213/89

GULF OF SIDRA INCIDENT TERMED U.S. PROVOCATION

Lahore VIEWPOINT in Englsh 27 Aug 81 p 5

[Editorial: "Deliberate Provocation"]

[Text] Last week's aerial dog-fight between Libyan and American war-planes was clearly the result of an act of deliberate and dangerous provocation on the part of the U.S. Government. The action was preceded by months of anti-Libyan propaganda, with vicious personal attacks on Col. Qadhdhafi who has been described by Washington's spokesmen and scribes as a dangerously fanatic Muslim fundamentalist, given to financing and patronising "terrorist" groups all over the world, headed by the Palestine Liberation Organisation. Libya's recent despatch of a band of volunteers and its offer to supply Lebanon with a missile defence system to protect it against the danger of further Israeli incursions presumably incensed the U.S. establishment further, and the decision was taken to teach the intrepid, inveterate anti-imperialist a lesson. It was made public two weeks ago that the U.S. Administration had decided to offer its first direct challenge to Col. Qadhdhafi and belated, half-hearted denials of such plans and intent do not change the facts. On instructions from President Reagan himself, Defence Secretary Weinberger ordered the American Sixth Fleet to conduct manoeuvres off the Libyan coast in the Gulf of Sidra, which Tripoli considers to be Libyan waters. The United States does not recognise Libya's claim, and by staging war games in the area it was intended to test the reaction of Libya and its friends.

Whether or not the Gulf can be regarded as domestic Libyan waters is for the present irrelevant. Certainly, sending a hostile fleet to the region is no way to resolve the issue. How, for example, would America react to naval manoeuvres by a country regarded as unfriendly--Cuba or the USSR--near or in the Bay of Florida? As for the rights of littoral States to the sea belt along their coasts, the traditional three-mile limit has sought to be extended by most countries of the world. The U.N. conference on the Law of the Sea has finalized a draft which accepts the commonly-desired 12-mile territorial limit. Many States seek to push it to 200 miles, but the international conference has only accepted the 200-mile limit as an economic zone in which the adjoining State will have jurisdiction over marine and other resources, but the right to peaceful passage for international shipping will be guaranteed in these waters. However, guarantee of peaceful passage is a different matter, and such regional seas cannot appropriately be used for naval manoeuvres, particularly with hostile intent. The United States was, therefore, wholly in the wrong, and it is

responsible for provoking a clash of arms which has heightened tension in the Mediterranean and could well spread the conflict. Although the versions of the incident put out, on the one hand, by Tripoli and, on the other, by Washington differ, the basic facts are not in dispute, namely, that the United States has adopted a position of confrontation with Libya and is throwing around the weight of its armour.

Particularly if this is part of the oft-mooted design to somehow topple Col. Qadhdhafi, it can only have grave consequences. Qadhdhafi is no Idi Amin. Even American publicists admit that his regime has changed the Libyan people's way of life, that once an indigent, mostly nomadic, nation has created a society where each individual is guaranteed a high standard of living, and not a single family is without a home of its own. Libya is one of few oil-rich States whose wealth is not squandered by a ruling elite but devoted to public welfare. Thus, even if groups of dissidents are willing to cooperate with Libya's enemies, any attempt to interfere in Libya's internal affairs, either by the overt use of force or through covert operations, is not likely to create a wedge between the Government and the people. Apparently, the West's hostile attitude towards Col. Qadhdhafi is incited by his efforts to unite the Arab World behind the Palestinians' struggle for freedom. Understandably, therefore, Arab spokesmen have strongly criticised the U.S. action and expressed their sympathy and support for Libya. However, this is not enough. The situation demands that the Arab League, the OIC and the Non-aligned nations should not only make known their fullest solidarity with Western imperialism's new target, but resolve to jointly resist any effort by America or its allies to seek to change the political pattern in North Africa and the Middle East.

CSO: 4220/300

U.S. DECISION ON ARMS SALES TO ISRAEL CRITICIZED

Lahore VIEWPOINT in English 27 Aug 81 p 8

[Text] Not unexpectedly, the Reagan Administration has resumed supplies of F-16 and other fighter-bombers to Israel.

When, after Israel's wanton attack on Iraq's nuclear reactor, further supplies of F-16s were suspended by Washington, it was declared with a flourish that American military aid to Israel was for defensive purposes only, and that a special committee had been set up to determine whether Israel had acted in violation of its defence agreement with America. The committee visited Israel and held detailed discussions with the Zionist Government and its military leaders. It must by now have submitted some sort of a report to the American Government; but on this score nothing at all has been revealed. Supplies of military aircraft were also delayed further following Israel's invasion of Lebanon and its barbarous air attacks on Beirut, killing hundreds of civilians. It is plain that the stoppage was an empty gesture intended to placate outraged Arab opinion.

Naive Stand

All Israel's actions have now been condoned, and, taking note of the temporary truce agreed upon in Lebanon, the U.S. Government has hurriedly restarted supplying Israel with war-planes and other military equipment. On the question of principle which had been raised, the U.S. Secretary of State has said that the Administration had not so far reached a conclusion whether the Israeli raids were offensive, and thus contrary to the U.S.-Israeli agreement on the use of U.S. military aircraft, or defensive as the Israel's claim. This naive statement cannot be put down to Mr Alexander Haig's customary bumbling and his inability to sum up any situation with a measure of clarity. It is part of the obfuscation deliberately generated by official American spokesmen over Israeli acts of aggression. Israel has been guilty of a series of unprovoked acts of war against its Arab neighbours, and the latest two examples have been condemned all over the world for blatant violation of international law and morality. But the U.S. Administration is still undecided whether this was an offensive or defensive action.

Immoral and Illegal

As for Israel's thinking, claiming the right to occupy large parts of the neighbouring Arab territories with some sort of biblical sanction, it regards every aggressive action, every gain of territory, every genocidal act, as defensive

action that protects Greater Israel. For any sane person to endorse this Israeli stand is either to become totally blind to facts or act with deliberate chicanery or both. For the U.S. Government to suggest that Israel's latest acts of war could be regarded even remotely as defensive is to give immoral and illegal support to Israel's plans for expansion in the Middle East. It is as false as President Reagan's recent statement that Israel had a legal right to establish Jewish settlements in occupied Arab lands, and impliedly that it had the right to expel more Arabs from their historic homelands.

While this episode exposes America's policy of blind support for its aggressive protege in the Middle East, it will be seen as part of the general U.S. policy of continuing to strengthen Israel militarily. It is this basic fact which will have to be given full consideration by the Arabs and their friends when they devise future plans for dealing with the Israeli menace.

CSO: 4220/300

TEHRAN BOMB EXPLOSION DISCUSSED

GF041130 Karachi DAWN in English 1 Sep 81 p 9

[Editorial: "Tragedy Unending"]

[Text] Tragedy has once again struck Iran with a stunning blow--this at a time when the country has barely recovered from the trauma of 29 June. The bomb blast in the prime minister's office in Tehran which has claimed the lives of President Raja'i and Prime Minister Bahonar points to the escalation of violence which has come to characterize the political scene in Iran today. There would be widespread grief and sorrow over the latest catastrophe. The death of these two senior-most members of the government heirarchy is no doubt a tragedy of immense magnitude for the ruling party. Barely 2 months have elapsed since the bomb explosion of June liquidated 72 Islamic Republican Party [IRP] leaders, including the prime architect of the ruling party, Ayatollah Beheshti. It goes to the credit of the IRP that within such a short span of time it managed to hold presidential elections, see to the appointment of a prime minister and his cabinet and restore normality in the functioning of the government. But the latest incident could prove to be a grievous blow from which the ruling party might take longer to recover.

The spate of violence that has seized Iran ever since Mr Bani-Sadr was ousted as the president by the Majlis in June is fast assuming the character of a terrifying blood feud. Although no one has yet claimed responsibility for Sunday's blast, violence in Iran has taken on a sinister pattern. With the IRP and Bani-Sadr's supporters bent on liquidating each other, Iran appears to be sliding towards a state of anarchy. Since the ousted president now draws support from the highly organized Majahedin-e Khalq and the IRP enjoys total control of the state apparatus, both are in a position to carry on a war of attrition of sorts, which can go on for quite some time, debilitating the country in the process. When the IRP ousted Bani-Sadr from power, it concurrently took firm measures against his supporters who tried to come out on the streets to demonstrate their allegiance to their fallen hero. The government's immediate response was to resort to an indiscriminate crackdown on suspected Mojahedin sympathizers and executing them after summary trials. This led to reprisals by the Mojahedin-e Khalq which has ever since carried out meticulously planned acts of terrorism designed to eliminate the top-ranking leadership of the ruling party and the revolutionary

committees. As could have been anticipated, the government has retaliated by clamping down ever harder on the opposition. Thus, the vicious cycle initiated in June has continued without any letup. At one stage Mr Bani-Sadr claimed that he had sent an offer to Ayatollah Khomeyni that the Mojahedin would call off violence if an end was put to mass executions. If such an offer was actually made, it is regrettable that the two sides failed to reach an understanding at the opportune time.

Given the sharp polarization in Iran today which has led to violent confrontation between the IRP and the Mojahedin, the primary interest of every Iranian must be in the restoration of law and order and the preservation of the goals and ideals of the revolution. The basic differences which divide the fundamentalists of the IRP and the Mojahedin on the question of the actualization of the Islamic revolution's ideals are not generally known. In fact, what is more common knowledge is that the Mojahedin played an active role alongside the clergy in the revolution that overthrew the tyranny of the Pahlavi monarchy, and both are equally anti-imperialist and pro-Islamic in their ideology and orientation. Differences on matters of detail or on modalities and procedures should not normally warrant the sort of confrontation that is taking place. Granting that the two sides cannot compose their differences, they might at least make a try at living with those differences in the larger interest of safeguarding the revolution. Even if the IRP and the Mojahedin have serious differences on the course the revolution should take and on the principles the government should follow, there is everything to be said in favor of the two working out agreed terms of competitive coexistence within the broad framework of the revolution. This will any day be better than the war of mutual extermination now in progress. But a crucial condition of coexistence is freedom for the articulation of the other view. With the closure of six newspapers, including Bani-Sadr's ISLAMIC REVOLUTION, in early June, all avenues for the airing of dissident opinions were closed, and the bureaucracy of truth took over. Total denial of the freedom of expression inevitably drives the opposition underground and, in certain conditions, provokes violent assertion. As the crisis of the revolutionary order deepens and as the threat of popular alienation becomes real, all eyes are riveted on Ayatollah Khomeyni, the supreme leader of the revolution. He alone has the sagacity and the authority to call a halt to the blood feud, to grasp the revolution and to put Iran back on the rails. A decisive intervention on his part can yet heal the wounds inflicted on the body politic and prevent the revolution from dissolving into chaos.

CSO: 4600/178a

END TO AFGHAN ARMED ATTACKS DEMANDED

Karachi DAWN in English 9 Sep 81 p 9

[Editorial: "Afghan Attacks"]

[Text] THE armed attack launched by Afghan soldiers on Pakistan's territory on Monday comes as a cause of serious concern. The attack on village Shahbaz Killo came barely two days after Afghan MIGs had violated Pakistan airspace and strafed the Domandi post on Saturday. It is not very clear why Kabul has decided at this stage to resort to hostile incursions, especially when Islamabad has been careful not to give rise to any provocation. Moreover, preoccupied as it is with the Mujahideen, the Karmal regime should hardly find it in its own interest to expand the area of its military operation. The Afghan strategy is all the more difficult to understand for only a few days earlier the Karmal regime had appeared to be moving towards a flexible approach on the question of a dialogue with Pakistan under UN auspices. However, a pattern to such unprovoked incursions is becoming increasingly discernible. President General Mohammad Zia-ul-Haq, commenting on the recent incidents, has spoken of a definite design, pointing out that such border violations seem to occur whenever any move is afoot at the international level to solve the Afghan problem politically. If the attacks launched on Saturday and Monday are designed to form part of a stick-and-carrot strategy, it is doubtful if this method will pay any dividends. It can, on the other hand, give rise to new tensions. President Zia has made it clear that Pakistan is alive to the situation and will take appropriate steps to meet any contingency.

On its part, Pakistan has amply demonstrated its willingness to seek a political settlement of the crisis in Afghanistan. Islamabad has sought to keep the avenues of negotiations with Moscow open and has displayed a spirit of accommodation in the two rounds of talks the UN Secretary-General's Special Representative has conducted with the leaders here and in Kabul. Though it has adopted a principled position on the question of the Soviet invasion of Afghanistan, Pakistan has consistently favoured a peaceful settlement of the crisis that has resulted from foreign military presence in Afghanistan. Prudence demands that Governments directly affected by the Afghan crisis should strive to contain the conflict, instead of trying to escalate it. A display of jingoism such as Afghanistan has presented can only serve to frustrate the attempts that are now being made to initiate a political dialogue under UN auspices. The harrying raids must be stopped forthwith if this possibility is to be kept open.

CSO: 4220/301

'SUPERMAN' NEEDED FOR OMBUDSMAN ROLE

Lahore VIEWPOINT in English 27 Aug 81 pp 7,8

[Text] **ONLY a very brave man—equipped with a Superman's courage, stamina, and wisdom—will readily accept the Presidential offer to act as Ombudsman of Pakistan. So extensive and messy are the Federal stables that a veritable Hercules is required for the task—employing his authority to muster the force of River Alpheus to cleanse.**

The Ombudsman's jurisdiction will extend to all Central Government Departments, commissions or offices, statutory corporations, or other institutions established or controlled by the Federal Government. Excluded are courts or judicial tribunals established by law, presumably including military courts, and any matter that is *sub judice*, or complaints by a public servant concerning matters relating to the agency in which he has been working. Another exception provided is that the President may by notification exclude specified matters, public functionaries or agencies from the operation and purview of Ombudsmanship. The significance of this exception cannot be judged until the relevant notifications have been issued.

Maladministration

The wide definition of maladministration covers a whole multitude of administrative sins—acts of omission or commission, decisions or recommendations, which are contrary to the law, or are perverse, arbitrary, unreasonable, unjust, biased, oppressive or discriminatory, are based on irrelevant grounds, or involve the exercise of powers or failure to do so for corrupt or improper motives, such as bribery, jobbery, favouritism, nepotism and administrative excess, as well as neglect, incompetency, inefficiency and ineptitude in the administration or discharge of duties and responsibilities. This is a comprehensive list and seems to cover fully what goes on in Government departments and causes inconvenience, loss or unfair treatment to the citizen.

In many countries, the rights of citizens are sought to be protected by the courts. The traditional Anglo-Saxon writ jurisdiction of the higher courts is invoked to compel the government to act in accordance with the law or refrain from action which infringes a citizen's rights. At the same time, the law of tort is extensively employed to sue Authority or its functionaries for compensation arising from neglect or non-performance of duties. However, this is an elaborate, expensive and time-consuming procedure, and few citizens in a country like ours can afford to use it, apart from the fact that our courts are increasingly reluctant to use their writ jurisdiction. One

advantage of reference to courts of law is that whereas the Ombudsman may act or consider it appropriate not to act within his discretion, a court of law will adjudicate every case presented to it and where no action is considered appropriate it will record its reasons and, thus, give satisfaction to the complainant. However, the system of having Ombudsmen provides a speedier and cheaper method to obtain redress for personal or public grievances.

Root-causes

The Ombudsman of Pakistan will be expected to set up a large establishment, with regional offices in the provinces, so that he can undertake proper investigation and study of the complaints submitted to him by an aggrieved person or on a reference by the President. He will be equipped with the powers excercisable by a civil court and every public servant, which includes Ministers and Advisers and all Government employees, will be subject to his jurisdiction. The Ombudsman may, if he thinks fit, also establish standing or advisory committees, appoint advisers, set up inspection teams, or invite the assistance of persons who may be suited to help him in his onerous task. These provisions will be useful because, apart from investigating individual grievances or cases of maladministration, the Ombudsman is expected to make wider inquiries and suggest appropriate remedial measures including legislation covering the use, misuse and abuse and constructive potential of power, eradication of corrupt or diversionary practices, and discovering means for exterminating the root causes of social injustice.

Ombudsman's actions

When the Ombudsman considers that a case deserves attention and, having conducted investigation, comes to the conclusion that injustice has been done, he is authorised to lay a special report before the President suggesting remedial action. Apart from this, he will refer the case to the agency concerned, and the agency will be expected to consider the matter and modify or cancel the decision complained of, take disciplinary action where necessary, and dispose of the case within a specified period. The Ombudsman may ask the agency to take necessary action, and inform him of the action taken on his recommendations or submit reasons for not accepting them. In case of "defiance" of the Ombudsman's recommendations, he may refer very serious matters to the President, or decree that, after hearing the public servant concerned in the matter, such cases may be entered into the public servant's record. The Ombudsman may also recommend to the concerned authority necessary corrective action in cases where a public servant is considered guilty of any allegations made against him. However, the procedure laid down for implementation of the Ombudsman's recommendations seems to be rather weak; and one can foresee that a department castigated for an act of maladministration will find loopholes for avoiding implementation. It seems necessary that this procedure should be simplified and the Ombudsman's instructions made mandatory.

Mohtasib-e-Adna

While it is certainly gratifying

that a serious effort is under way to cope with maladministration and the injustice it entails, it should be kept in mind that those who need to or can tangle with the Federal Administration belong usually to a category who have position or influence to solve their problems. The point is that the ordinary citizen has to deal mostly with the administration at the lower level. While the provincial governments may in due course appoint Ombudsmen, it needs to be stressed that a string of Mohtasib-e-Adnas are needed to provide redress to citizens who need it most. The work of the Ombudsmen of Pakistan and those in the provinces could be coordinated, and it would probably become unnecessary for the Central Ombudsman to set up an elaborate country-wide organisation with regional offices; the work in the regions could better be undertaken by the provincial Ombudsmen.

A Kayani

A question that concerns not only possible aspirants, but all those who will pray for the success of the scheme is: which type of person is best qualified to fill this important office? Most people will quickly rule out that a bureaucrat, retired or serving, should shoulder this mantle. Those who have helped to build the iron frame are congenitally incapable of looking at any case of maladministration from the receiving end. Could a public representative type be inducted into this post? Here again, fears will arise that such a Mohtasib will require a special watch-dog to guard against misuse of authority. Perhaps, the best answer would be the appointment of a superior court judge, with the qualities and integrity of a Kayani, capable of looking at problems from the citizen's standpoint.

However, the category is not so important. It is more important that the person appointed should possess ability and character in a high degree, is utterly scrupulous, and has the energy to delve into each case brought before him and reach the right conclusion, and then ensure that his recommendations are implemented without undue delay.

CSO: 4220/300

PROVINCIAL COUNCIL PROCEEDINGS REPORTED

Lahore VIEWPOINT in English 27 Aug 81 pp 13,14

[Article by M. A. Kamran]

[Text] SOME interesting and revealing facts and figures were made public on the floor of the Provincial Council which held its four-day session at the Assembly Chambers last week.

The MLA/Governor, Lt.-Gen. Ghulam Jilani Khan, who is also Chairman of the Council, presided over the deliberations of the Council consisting of 110 members nominated from among the elected representatives of various tiers of Local Councils and various organisations and bodies.

After the welcome address by the MLA/Governor on Saturday, Ministers or Secretaries concerned began presenting implementation reports on the recommendations made by the various Subject Committees.

Presenting the report for Prisons Department, the Provincial Home Secretary said the District Jail, Rawalpindi, had been upgraded to the level of a Central Jail.

Diet is adequate

He said the Government had not accepted the Committee's recommendations for increasing the diet of prisoners which was fixed after consulting health experts. It produced 2,900 calories and this was considered enough for a man's food requirements.

Touching the recommendations about the police, the Home Secretary said the Government had already decided to implement the recommendation for increasing the police force at police stations. Police strength was being increased initially in Multan and Bahawalpur Divisions. Another recommendation for equipping the police with the latest equipment had also been accepted in principle and necessary measures were under way.

It was reported that 20,500 prisoners were lodged in jails in the province against their total capacity of 17,422. As many as 1,250 condemned prisoners were lodged in death cells which had a total capacity for 386 only.

More interesting facts and figures were announced by the MLA/Governor himself while the education sector's performance was being reviewed. He said this survey, carried out under his instructions by experts, was tentative only and final results could be more shocking. He said the state of education was causing grave concern and something had to be done on a large scale to set things right.

Ghost schools, teachers

According to him, there were about 350 ghost schools in the

province which existed only on paper. As many as 364 sanctioned schools were not found on their sites when an inspection was carried out. About two thousand schools were without teachers, 6,652 schools without buildings, 5,462 schools needed immediate repairs, 2,800 schools were found to be without any furniture at all and another five thousand schools were without any proper furniture worth mentioning.

The MLA/Governor observed that salaries were drawn and payments were made for establishments and other material, but nothing was to be found on the ground. Much was wrong with the education system.

In the course of discussion, a member complained that he had been trying to see a particular Minister for at least six days to discuss a collective matter of his area but was always told that the Minister was not available. He did not name the Minister but went on to mention that he was received well by two other Provincial Ministers, Mian Ghulam Mohammad Ahmad Khan Maneka and Ch. Abdul Ghafoor.

At another stage, both the Minister and Secretary of Housing were caught unawares as a member posed a question about the housing colony at Vehari.

A member asked how many advertisements had been released in the province through the DPR during the last three years. The idea was to wash the impression that ads were released only to the chosen newspapers and journals and not on the basis of circulation.

The Provincial Information Secretary said that for sound reasons he could not reveal as to how much advertisement had been released to which paper. "Government - newspaper relationship was like that between the banks and their dien s whose bank accounts could not be made public," he said.

The member pressed this point but the Information Secretary said the ads were given under a policy framed by the Federal Government. He said circulation was also given some consideration.

About the lifting of censorship, he said that it was a matter to be considered and decided by the Federal Government. "Like you, I'm also awaiting the day when censor will be lifted", he told the member.

He said question of decentralisation will be discussed and appropriate decision taken ensuring that aims and objectives of centralisation of distribution of ads were not hurt in any way.

He pointed out that censorship did not aim at protecting Government departments.

He said no newspapers showing disrespect to the Quaid-i-Azam or working against country's interests could have any justification for demanding Government ads.

CSO: 4220/300

LOWER BALANCE OF PAYMENTS DEFICIT IN JANUARY-MARCH QUARTER

Karachi DAWN in English 3 Sep 81 p 2

[Text]

Pakistan's balance of payments recorded a current account deficit of Rs. 117 million during the quarter January-March, 1981 which was lower as compared with the dificits of Rs. 1, 770 million and Rs. 832 million in October-December, 1980 and January-March, 1980 respectively.

The improvement in the current account position by Rs. 1,653 million over the previous quarter was mainly attributable to higher export earnings by Rs. 1,892 million.

The net capital inflow at Rs. 3,558 million along with allocation of SDR equivalent to Rs. 363 million more than covered the current account deficit yielding an overall balance of payments surplus of Rs. 3,806 million in January-March, 1981 as compared with the surplus of Rs. 676 million in thte previous quarter and of Rs. 6,037 million in the corresponding quarter of the last year respectively.

Gold and foreign exchange reserves increased by Rs. 3,238 million to Rs. 21,212 million at the end of March, 1981.

Trade deficit at Rs. 4,924 million in January-March, 1981 was lower by Rs. 1,827 million and Rs. 437 million over the previous quarter and the corresponding quarter and the corresponding The improvement in mercandsise account, as compared with the preceding quarter was due to enlarged export earnings by Rs. 1,892 million offset nominally by increase of Rs. 65 million in import payments.

The invisible account surplus at Rs. 4,807 million during the quarter was lower by Rs. 174 million over the previous quarter (Rs. 4,981 million) but was higher by Rs. 278 million over the corresponding quarter of the last year (Rs. 4,529 million). The deterioration over the previous quarter was the combined result of lower net receipts by Rs. 140 million under unrequited transfers and higher net payments under services account by Rs. 34 million. The deficit on service transactions nominally increased to Rs. 1,104 million in January-March, 1981 from Rs. 1,070 million in the preceding quarter. However, it showed a decline of Rs 291 million as compared with the deficit in the corresponding quarter last year. The unrequited transfers denoted net receipts of Rs 5,911 million in January-March 1981 as compared with Rs. 6,051 million in October-December, 1980 and Rs. 5,924 million in January-March, 1980.

Private long-term capital including direct and portfolio investments, as also utilization/repayment of foreign loans, including credits under PAYE scheme, registered a net inflow of Rs 752 million January-March, 1981 as compared with Rs. 589 million in the previous quarter and Rs 552 million in the corresponding quarter last year. The private short-term capital (other than direct investment) comprising mainly of movements in "Foreign Currency Accounts" maintained with banks in Pakistan recorded the net inflow of Rs 613 million during the quarter as compared with the net inflow of Rs. 128 million in the preceding quarter and the net outflow of Rs. 50 million in the corresponding quarter of 1980.

Utilization of long-term foreign loans/credits and repayments thereof stood at Rs 1,719 million and Rs 687 million respectively during the quarter. he drawings net of repayments of short-term loans amounted to Rs. 1,530 million during January-March, 1981.

CSO: 4220/298

SHORTAGES OF ESSENTIAL COMMODITIES VIEWED

Karachi DAWN in English 3 Sep 81 pp 9, 4

[Article by Sultan Ahmed]

[Text]

SUDDEN shortages, soaring prices and emergency imports of some essential commodities are getting to be common in Pakistan.

If the commodities in the grip of shortages and the resulting price rise were cement and sugar earlier, it is the turn of the once lightly regarded but differently viewed gram and pulses now.

What will be the next commodity that may need such emergency handling? No one can predict that confidently as the shortges are not always natural. Often a marginal shortage is aggravated and exploited by the hoarders and profiteers. And when that is accompanied by scare buying and hasty storing by the hundreds of thousands of anxious consumers the shortage becomes really very acute.

At that stage the hoarders and profiteers will have triumphed and imports will be hurriedly arranged for at high prices. Often the importers, too, are the same forces which had earlier engineered or aggravated the shortage and they are hence the gainers for their mischief, doubly.

Quite often when we look for the commodity that we need in the international market desperately it is not available, like sugar was last year. And when it was the price was very high.

Similarly, when there is a shortage of some basic commodity in Pakistan there is a world or regional shortage too. This happened in the case of sugar last year. Similar is the situation in respect of pulses and gram now.

Such crisis situations compel us to pay peak prices for the imports and then sell them at incredibly high prices at home. Meanwhile, the real big gainers are those who had hoarded such goods and brought them out at peak prices, or forced the prices shoot up through market manimuplation and promoting a good deal of scare buying and storing, leaving the poorer sections of the people in real distress.

When shortage of sugar occurred in Pakistan last year, sugar could have been imported under 400 dollars per ton; but when Pakistan finally went into the international market for bulk buying the prices had shot up to 800 dollars per ton or more. And that forced some of the suppliers who had agreed to sell us sugar at reasonable price to renege on their commitments and make us to suffer heavy losses.

Repetition

Similar is the case in respect of gram and pulses. When it was known that the country was facing a shortage, and in fact, it has been a continuing shortage for long why were not imports arranged for earlier at lower prices instead of being forced to pay high prices now?

We certainly can avoid such crises if we go about it methodically, and take the right decision promptly and act on it promptly. Modern business, particularly international trading, does not permit excessive lethargy or a reluctance to take firm decisions. Delay in decision-making and acting on it in this area has hence been too costly and exasperating to us.

To begin with, when a crop is sown short, or a standing crop is damaged by floods, drought or pests, cannot our officials anticipate the shortage that may arise in the country? And can't they be sure about the extent of the shortage even after the harvest? And when the volume of the shortage is established, cannot we import, if no ready and popular alternatives are available, at least a part of that so that the gap may be reduced?

It may be officially argued in reply that we don't have enough foreign exchange to import all the commodities in short supply, that the shortages are often caused by profiteers and market manipulators, and that the country should learn to produce more, or consume less.

While such logic is impeccable, the fact is that we have been importing the basic commodities which suddenly became scarce and push up the prices sky high. We have done that in regard to cement and sugar, and we are doing that in respect of pulses now.

The choice now is between hasty and costly cures and tactical prevention with its varied rewards. The question is whether the government is going to have the initiative in this crucial sector and sufficient area for manoeuvrability or is the initiative going to rest with hoarders, and profiteers who finally become importers of the same item as well, and profit all along the line? Does the government want to have the initiative, or merely

react to the viles and guiles of the profiteers and ultimately to the desperate pleas of the consumers?

Of course, the people and the consumers would want that the initiative should be with the government and not with anti-social elements in the trade who are looking for creating one shortage after another. With so little real investment taking place in the country, so much of black money afloat is available for bulk buying of various essential commodities, for hoarding them, pushing up the prices, and selling them at peak prices. And in the process when the shortage becomes acute they force the government to import the scarce commodities at high prices and gain by importing the items as well as selling the stocks they had held back from the market at similarly high prices.

Accurate estimate

To wrest the initiative from the hands of the hoarders and profiteers in this sphere, the government has to make accurate estimates of the short output of any crop when that happens, then decide to import a reasonable quantity and import it promptly —before our shortage has made national or international headlines in the trade papers. If we do that we would be able to obtain what we need at low prices before the cornering of the market at the international level had begun.

How have we fared with the estimate of shortage of gram in the country, for example? The story, as told by the official statistics, is too painful. Production of gram has been falling steadily since 1976-77 when it stood at 649,000 tons. In the next three years the output fell to 614,000 tons, 538,000 tons and finally 313,000 tons. Within three years the output was less than half that of 1976-77. The output for 1980-81 is not available in any final form, but it is possibly far below 1979-80's 313,000 tons.

We have been doing poorly in production of gram not only now but for long periods from time to time right from the day's of independence. The picture will be clear when it is seen against the background of the fact that gram production in 1948-49 was 766,000 tons, the peak figure, it was 699,000 tons in 1955-56, and 635,000 tons in 1966-67.

Did we loose much of gram output as a result of loss of East Pakistan? No. If the output was around 500,000 tons for five years before the loss of East Pakistan, it was 553,000 tons in 1972-73, and 610,000 the next year and 649,000 tons in 1976-77.

The area of land under gram has also been diminishing. While it was 1,224,000 hectares in 1973-79, it was only 976,000 hectares last year. Compared to that the land under gram in 1948-49 was 1,132,000 hectares. Evidently we have not made much headway in respect of either area or output of gram over the years.

Clearly, the farmers' interest in growing gram and other minor crops became slack when other crops became more profitable to grow. When higher procurement prices continued to be announced for wheat, rice, cotton and sugarcane the farmers evidently switched over to those crops and brought more of their inputs to them than to the poor gram or pulses. Clearly the prices of other crops cannot be raised substantially without due heed to their impact on the minor crops and the necessary corrective measures.

As far as the output of pulses is concerned the official publications do not make any mention of it. May be, it would not be the same here-after.

As against such diminishing production the demand in the country was increasing steadily. Higher salaries of the Government employees, higher wages of the workers, the money afloat as a result of corruption, crime and smuggling, and the Rs. 3,000 crores sent in by our emigre workers as money and goods converted into cash have all heightened the demand pull in the country.

The large gap between the diminishing supply and the soaring demand was too clear. The profiteers and hoarders took full advantage of the situation, aggravated the shortages and sent prices shooting up from Rs 2 or 3 per kilo two years ago to Rs. 10 to Rs. 14. And now when the imports come for which licences for Rs. 104 million have been issued to 80 parties many of them may be the gainers for importing pulses as they have been sofar selling their withheld stocks at high prices in small quantities.

I am also told by some of the importers that without realising the shortage the government encouraged export of 7,000 tons of pulses last year, and much of same pulses may be coming back to the country under the new import licences but at far higher prices.

The profiteers are able to prosper in such situations as they could anticipate that the government would be slow in realising the extent of the shortage, and then formally admitting it, and it will be slow in deciding on the quantum of pluses to be imported, the prices that could be paid, and the procedures to be followed with regard to the imports.

Tentative step

Quite often in such crisis situations the government initially agrees to import only a small quantity or pay a price far below the soaring international market price. As a result, it is later forced to import a far larger quantity at a far higher price. The country pays dearly for such prevarications and indecision.

If, instead, the government is alert and is willing to promptly import reasonable quantities of the items in short supply and keep a temporary buffer stock, the profiteers will feel hamstrung. And the public will not panic when it sees scarcity headlines or buy off whatever is available in the market and aggravate the shortage.

For nearly three decades the hoarders and profiteers had the country unto themselves more or less. That is to some extent inevitable, in a country with severe import controls. As our import policy has been oscillating a great deal over the years the hoarders and profiteers have not been the losers. They imported a great deal during an open season and sold at high prices during the closed season when the imports were banned. Most of the time successive import policies were unwittingly playing into the hands of these groups.

The time has come for the government to wrest the initiative from such elements and act firmly. The amount involved in foreign exchange for arranging such imports will not be very large unless the shortage is of something as basic as wheat. Anyway, if the money had become available in crisis situations so far there is no reason why a small part of that cannot be available to pre-empt the hoarders and maintain fair prices.

As the pattern goes now, when the government arranges for imports finally the prices have peaked. Thereafter the internal prices, too, remain high for long periods.

Such multiple complications can be avoided and the hoarders and profiteers sent off the centre stage if the government is ready to admit shortages when they occur and the facts are clear, and does the needful promptly. Let such a policy be tried for at least three years initially to ascertain how will we gain by it and how badly the exploitative forces lose by it.

CSO: 4220/298

SECOND LARGEST SOLAR ENERGY UNIT OPENED

Karachi MORNING NEWS in English 6 Sep 81 pp 1, 8

[Text]

RAWALPINDI, SEPT. 5: THE FEDERAL MINISTER FOR PETROLEUM AND NATURAL RESOURCES, MAJ - GEN. (RETD) RAO FARMAN ALI, INAUGURATED THE WORLD'S SECOND LARGEST FIVE KILOWATT SOLAR ENERGY UNIT AT VILLAGE MAM NIALA, ABOUT 35 MILES FROM HERE TODAY.

The unit, built at about Rs. 13 lakh expenditure, nearly 65 per cent component being in foreign exchange, would be utilised for domestic purposes in the village.

About 400 residents would also derive other benefits as it would help in operating the tubewell to take out water from the village well. Television sets would also be installed at the school of the village, one for gents and the other for ladies.

Presently, this would be the world's largest operating unit because the only other such project more in capacity was under construction in Saudi Arabia but it had yet to be commissioned.

The United States and Upper Volta with one unit each are the only two other countries where solar energy projects have been put into operation.

The American unit with 3.5 kilowatt capacity has been installed in Arizona while the project in Upper Volta has a power of 1.8 kilowatt.

The Federal Minister was informed that one ex-serviceman, Noor Mohammad had donated one kanal land for constructing the unit in the village.

It was planned to construct 10-kilowatt solar energy unit each in Sind, Baluchistan and NWFP.

The unit at Mam Niala was built with the collaboration of the American Company "Near East Development Group Inc." which won the contract in an international competition. Its project Director Mr. James Horgen said that the maintenance of the unit would entail a very low expenditure. The services of the project could be utilised for about 20 years.

The Federal Minister Maj-Gen. (retd.) Rao Farman Ali, speaking on the occasion said that the project had been built to improve the standard of life and provide maximum facilities of modern era to the rural population.

He said that the President General Mohammad Zia-ul-Haq had directed that the resources of the country be fully exploited for the benefit of rural areas. The Government was exerting all efforts to provide rural areas access to modern amenities, he said.

The Minister exhorted the people to work hard and inculcate the habit of self-help rather than be looking upon others for assistance. He said the Government would take all possible measures for raising their standard of life but they should remember that it had limited resources.

CSO: 4220/301

LONGEVITY OF NATURAL GAS RESERVES DISCUSSED

Karachi PROGRESS in English Aug 81 pp 3,2

[Text]

"SUI gas will last 20 years". * * * "Sui field depleting fast" * * * "Gas for another 10 years".

These and similar headlines have screamed at the reader from the pages of the daily papers.

Will it? Will the Sui field run dry in 10 years, in 15 or in 20?

That is one question. The second: "Will there be no gas in Pakistan in 20 years time, in the year 2000 AD? The two distinct and separate questions are often asked as one. To confuse the matter further, one answer is sometimes thought sufficient for both. The reason for the confusion may lie in the fact that Sui gas is still synonymous with natural gas. If there is no gas from Sui there is no natural gas in Pakistan. QED. Not so. The answer to the two questions is worlds apart.

There is a short answer to the second question. There will be gas in Pakistan in the year 2000, plenty of it.

Among the gas discoveries that have not been tapped as yet are Dhodak and Pir Koh. These are reportedly big fields by our standards. Smaller than these but very much of commercial value are Kandhkot, Mazarani, Rodho and Kothar. Then there are Zin and Uch which, though in a remote region may still be harnesed. Khairpur is another which is almost 70 per cent carbon dioxide.

Dhodak and Pir Koh reserves have not been quoted officially but an intelligent guess may put them at about the level of Sui.

Recoverable reserves at Kandhkot and Mazarani have been estimated at 0.50 trillion cubic feet.

Zin reserves are estimated at 0.10 and Uch 2.5 trillion cubic feet.

Recoverable reserves at Khairpur are of the order of one trillion cubic feet, nearly 70 per cent carbon dioxide.

Kothar is a small pool not unlike Sari Sing and Hundi. Rodho may be somewhat bigger.

Does this present a picture of scarcity?

Sui quality gas in Pir Koh, Dhodak, Mazarani, Kandhkot, Kothar, Rodho, Zin and Uch may well be of the order of 10 trillion cubic feet, perhaps more. (Since the chemical analysis of gas in many of these fields has not been published, this is at best a rough guess).

Even if no new gas discoveries are made these reserves will be there in the year 2000 AD, and decades beyond.

Now the second question. How does one work out the longevity of a gas field? The easy way, and also the most misleading, is to divide the estimated recoverable reserves by the present annual production. Misleading because consumption in ongoing industries rises; new industrial projects come up. Both upset the calculations.

To arrive at a reasonably accurate conclusion four factors are generally taken into consideration to determine the productive life of the field.

(1) Present consumption in ongoing industries and expected increase during the next 10-20 years.

(2) New projects that are expected to come up and their consumption.

(3) Recovery factor of the gas field.

(4) Economic considerations.

The first two are self explanatory but No. 3 and No. 4 may need elucidation. Not all the gas in a field can be recovered. The maximum quantity that can be produced varies from field to field. Generally, this is 60-80 per cent.

Economics plays a vital factor in a free economy. The basic question asked in any commercial enterprise is: "Is

it worthwhile to undertake it? Will there be a profit in it?"

Because of the large investments involved this is a very important consideration in the petroleum industry. If the price is right even small fields may be brought on production. Furthermore, production from deep wells may also be economically viable.

Tuscaloosa in South Louisiana illustrates this point very well. There a steep rise in the price of gas has resulted in a veritable gas rush to the region. Production from even 15,000 feet deep is considered of commercial importance. Small pools that were ignored until recently are now being produced. (Readers who would like to know more about this are referred to the April 1981 issue of "Progress".)

These four factors taken into account produce an answer that is more or less reasonably accurate. There are, however, so many variables involved that the answer to an educated mind may never be exact.

Let us consider them, briefly:

(1) Consumption in ongoing industries may not rise to expected limits. This would increase the life of the field.

(2) New projects, not envisaged in the study come up, throwing the demand figure out of gear—and reduce the life of the field.

(3) New techniques may be developed that may raise the recovery factor of the field.

With 60 per cent recovery factor, a field with 10 trillion cubic feet of gas in place would yield six trillion. **Four trillion cubic feet would be left behind.**

If the recovery factor could be increased by just one percent the producible reserves of the field would have gone up by 0.04 trillion cubic feet. In other words, a gas field of the size of Hundi.

(4) For some unforeseen reason there may be an abnormal rise in drilling, production/completion costs. This would necessitate a fresh appraisal leading to modifications in production levels or even to the suspension of activities.

Even if there were no increase in the cost of material and equipment, the cost of maintaining production at the optimum level would still continue to rise steeply with each successive year. As the reserves deplete, more wells have to be drilled to maintain the production level. The drilling of additional wells and their maintenance entail enormous expenditure, adding to the unit cost of the gas.

On the other hand gas prices may rise to levels where production under all circumstances may be economically attractive.

One important factor not yet taken into consideration is the size of the reserves themselves. Reserves are calculated on the basis of data available. As more information becomes available the earlier estimates are liable to be revised. The revision may be upwards or downwards. It is therefore considered prudent to estimate reserves conservatively.

If these basic rules are applied to Sui field a more or less reasonable idea can be had of the life of the field. According to the information available at present, Sui field is expected to last upto the year 2005.

CSO: 4220/299

AGRICULTURAL PLANNERS URGED TO ENSURE FOOD SUPPLIES, PRICES

Lahore VIEWPOINT in English 27 Aug 81 pp 5,6

[Editorial: "Even 'Dal'"]

[Text] Over recent weeks, following the inflationary price trend set by other essential items of food--meat, vegetables, cereals, cooking oils, milk, etc.,--the humble dal, mainstay of the lowliest diet, has also become scarce and expensive. The main reason given for this unhappy development is that, on account of excessive rains, the gram crop was hit by blight, production fell, and, as is customary in a free market economy, prices were pushed up. There was an immediate sympathetic rise in the prices of other pulses, and gradually the record level of Rs. 16 per kilo was touched in many places. While the natural cause was unpredictable and unavoidable, inevitably hoarders took advantage of the situation and began to rake in super profits by hiding their stock and releasing it in driblets so that it could sell at the highest possible price.

Unable to maintain the pretence of price control, the Governments of the Punjab and Sind have decided to let the price of dal find its own level, so that this item essential for a majority of our people is at least made available--whatever the cost. The wholesalers of Lahore have given a solemn promise that they will reduce the price of pulses by one rupee per kilo, but this assurance is vague and in the circumstances rather meaningless; and it has not had the slightest salutary effect on the market. Presumably realizing the seriousness of the predicament created, particularly for the poorer classes, Government is trying to make ad hoc arrangements for the supply of dal at reasonable prices at some one thousand selected ration depots and at Juma bazars. It has also been decided that emergency imports will be made in order to meet the current shortage and, more importantly, to compel the hoarders and stockists to release their hidden stores. It is hoped that these and other necessary steps will improve the situation, because the hardship caused by the dal famine is painful and oppressive, and many families have been compelled to reduce their diet further and some now subsist on roti garnished with salt or onions.

While the remedies applied may be described as too-little-and-too-late, with more effective action it should be possible to tide over the present crisis within the next few months. It is more important, however, that our agricultural planners should begin to think in terms of taking long-term steps to guarantee the supply of vital items of food at reasonable prices throughout the

year. Apart from proposals that are said to be in hand for concerted efforts to boost production on scientific lines, the more important task is to deal with the chaotic market conditions. In almost every economic sector, the big stockists and traders are in a position to manipulate the market whenever conditions are helpful in order to increase their profits manifold. Apparently unmoved by the flourishing black market, the Food Minister has reiterated his intent to establish a free market economy. It should be realised that unless other conditions are conducive to a free-economy being able to serve the consumers' interests, the free market principle should not be treated as an amritdhara for all our economic ills--because it can, and often does, cause great hardship to the people and, thus, generates greater disaffection.

CSO: 4220/300

FISH AS FOOD SOURCE DISCUSSED

Karachi DAWN in English 9 Sep 81 p 16

[Editorial: "Fish for Food"]

[Text] SIND has announced a scheme for the development of inland fisheries "on scientific lines" at a cost of Rs. 70 million. While Rs. 20 million is to be given as cash loans for developing fish farms, the rest of the amount is reserved for the provision of fishing equipment and boats. These loans are part of a larger project to develop inland fisheries in the country with the financial and technical assistance of the Asian Development Bank. As more than 70 per cent of inland fisheries are in Sind, special effort is needed here to improve fish-catching and processing facilities. However, there have been reports about delay in implementing the plan in Sind apparently because of red-tape. Now the Sind Food and Agriculture Minister has said that the approved loans will be disbursed by the end of September, through the Agricultural Development Bank of Pakistan. He has also said that the fisheries development project was expected to be implemented during the current financial year.

Reports about development plans and projects in various sectors rightly generate hope but a follow-up often reveals failure or inadequate implementation. About five months ago, we took note in these columns of reports that two modern research vessels built for the Directorate of Marine Fisheries had remained unutilised since they were completed five years ago. We hope the plan to develop inland fisheries will not suffer similarly in its execution. Actual implementation of the project and its step-by-step progress should thus be closely watched. The project includes construction of a hatchery at Sukkur, in addition to the one now under construction at Thatta, a demonstration fish farm also at Thatta, shrimp farms in the Indus delta, fish cages in abandoned canals in Hyderabad and a training institute for fish farmers at Chilya. A detailed report about the pace of work at these components of the project should be in order. Finally, the proof of the project will be in an increased supply of fish from inland waters.

Fish is crucial in meeting the great shortfall in protein food. But fish as food in a general sense has also become important in view of recurring shortages of meat and pulses. Increased fish supplies can help ease the shortages. It is said that one acre of water can produce as much food as an acre of land. China is one country where culture of fish in ponds has been widely practised and we can learn a lot from that experience. Commercial aquaculture can be a profitable investment and the progressive fish farmers should be assisted with the provision of such infrastructure as ponds, feed plants and aeration facilities. Fish farming should be considered as a part of agriculture, and a special extension service should be developed to popularise fish culture among small holders and to guide the new entrants. The credit plan can go a long way in realising the large potential in Sind for developing river, canal and pond fisheries. This will depend on the proper utilisation of the available credit.

CSO: 4220/301

CRASH PROGRAM FOR EDIBLE OILS TERMED MUST

Karachi BUSINESS RECORDER 29 Aug 81 p 2

[Editorial]

[Text] The upward revision of targets of edible oil production for 1981-82 by the Oilseed Development Board at its very first meeting is likely to be taken as a matter of routine. The demand for edible oil has been growing over the years and indigenous production has failed to keep pace with it. Inevitably we have been importing very substantial quantity of edible oil at huge cost. After petroleum products it is the second item of import which claims the biggest chunk of foreign exchange resources. It was against this background that the ODB was set up to suggest a national programme for production of oilseeds and help and guide the concerned agencies in developing concrete action oriented programmes to ensure the availability of seeds and other agricultural inputs required for the production of oilseeds. Obviously the first decision it had to take was to raise the targets.

The urgency of the problem can be gauged from available statistics. The demand for it has been rising by more than 50,000 tons annually over the past five years. It is estimated that the demand for this commodity will be around 8,94,000 tons in 1982-83. To meet the rising demand, foreign exchange to the tune of Rs. 2,715 million was spent to import 4,20,000 tons in 1978-79. On the average the population of the country is increasing by 3 per cent per annum. It means that even if we achieve self-sufficiency in wheat the drain on our foreign exchange resources would be there for quite sometime and there will be no respite for the common people.

The negligence shown in this connection in our planning is unpardonable. It will not be far wrong to assume that it has been done haphazardly and in fixing priorities we have faultered badly. Didn't our planners and agronomists know that we have few oil-seed crops which are grown on a commercial scale? Except for the last few years cotton production has remained erratic. The yield from rapeseed and mustard is extremely low and groundnut production is very scanty. Why much greater emphasis was laid on boosting production of cash crops only? It is because of this kind of lopsided development planning that we are deficient in oilseeds and pulses with the result that both these items are now being imported. Had we shown a little more imagination and taken steps to boost production of these commodities as well we should not have been in the difficult situation we are in today.

It is only through scientific planning and hard work that we can turn the tide. We must realise that countries and people relying on their own resources and efforts command respect of others. Without economic independence political independence remains debilitated. As is known foreign assistance is always with strings attached to it which most of the time come in conflict with the national interest of the aid-receiving country. It is, therefore, necessary that all out efforts are made to raise domestic production of oilseeds and such other crops which are in

short supply.

Natural conditions that obtain in the country are quite congenial for cultivation of oilseeds. With proper planning there is no reason why we should not be able to produce this commodity in sufficient quantity to meet the local demand. Despite great emphasis on boosting agricultural production no substantial increase has been achieved in per acre yield. What we have been doing in to increase acreage under particular crops? This is done at the cost of some other crops. This should not be so. What is required is that in addition to bringing more area under cultivation, new varieties of oilseeds be grown which may yield more oil.

With research we can develop varieties of seeds which may mature early and be intensively cultivated. It is in the fitness of things that arrangements are being made whereby the Canadian International Development Agency would provide the necessary equipment and expertise for the development of new rapeseed varieties and improvement of production technology. And a co-ordinated plan by Pakistan Agricultural Research Council in collaboration with FAO is being launched for the rapid development of the sunflower crop. Necessary incentives and other facilities should be provided to growers to encourage them to cultivate oilseeds. A crash programme of production of oilseeds has become imperative.

CSO: 4220/301

BRIEFS

PULSE PRICES--Lahore Aug 31--Pulses are being sold in the market at four different prices, according to a survey conducted here by PPI. The three official agencies namely PASSCO Co-ops and Utility Stores are charging different rates and the fourth is the highest one of the black-market despite a so-called gentlemen's agreement made by wholesale dealers in a meeting with the district magistrate. Co-ops rates are next to blackmarket. The co-ops are selling gram pulse for Rupees 10.25 per kg, dal 'masoor' for Rupees 12, dal mash (unwashed) Rs. 10.00 Dal Moong "Rupees 9.75 and white gram for Rs 11.50 per kg." The rates of these commodities at utility stores, are respectively Rs 9/9.50/9.00/9.00 and 9.50. The PASSCO which sells these commodities only at Juma bazaars, sells the same commodities for Rs 6.00, 6.50 a kilogram. In blackmarket the gram and pulses vary in rates ranging from rupees 10 to 14 per kg.--PPI [Text] [Karachi DAWN in English 1 Sep 81 p 5]

ZIA-UL-HAQ ON ZAKAT--President Gen Zia-ul-Haq yesterday made it plain that Zakat was not a substitute for income tax. Speaking at the Karachi Chamber of Commerce and industry, he said "so far we have found only one oil well in the country. The day, four wells are discovered I will reduce the income tax by 50 per cent." The President of the Chamber, Mr Shoukat Ahmad had referred to certain difficulties and high rates of income tax payable by the business community. Some of the industrialists wanted that income tax procedures he simplified while others wanted its total abolition. The President ruled out the possibility of abolishing income tax and said "that cannot be done." He disclosed that when he was planning to introduce Zakat in the country, several industrialists delegations had called on him and had offered to contribute up to Rs 500 crore towards the Zakat fund provided income tax was abolished. Gen. Zia said that under Islam, Zakat funds can be utilised only under seven heads, whereas income tax is necessary for running the machinery of the state. The President advised the business community to forward their suggestions and the government would be willing to consider the point of view regarding simplifying the income tax procedure so that they do not feel the pinch. [Karachi MORNING NEWS in English 2 Sep 81 p 1]

IDB APPROVES LOAN--Jeddah, Aug 28--The Jeddah-based Islamic Development Bank yesterday approved more than 82 million dollars in assistance to a number of Islamic states. Pakistan will receive 19.4 million Islamic dinars (23 million dollars) to purchase crude oil. Apart from finance foreign trade operations, the Executive Board approved: --480,000 Islamic dinars (650,000 dollars) for a ceramic factory in Pakistan. [Excerpts] [Islamabad THE MUSLIM in English 29 Aug 81 p 8]

GLASS CONTAINER PLANT--Islamabad, Aug 28--Pakistan's new glass container plant is to be built and equipped by a British firm specialising in glass technology, according to a British Embassy Press release. The pound 2 million sterling contract for equipping the plant, which is to be located at Hub Chowki, in Baluchistan has been awarded by Baluchistan Glass to King Taud Vin and Gregson Ltd, of Sheffield (northern England). It represents the second largest order and the

biggest engineering project awarded to the Sheffield firm, which faced strong competition from Japan and the USA for the Pakistan contract. King Taud Vin will also manage the engineering work to be carried out at Hub Chowki by Pakistan sub-contractors. The new plant will be capable of making 80 tons of containers a day on two fully automated production lines with other automated processes, including raw material handling, and weighing, furnace temperature and glass level controls, inspection and silk screen decorating in three colours. The project will take 66 weeks to complete from the receipt of the initial order to the commissioning of the plant.--APP [Text] [Karachi MORNING NEWS in English 29 Aug 81 p 3]

SOY MILK DEVELOPED--The Peshawar laboratories of Pakistan Council of Scientific and Industrial Research have developed soya milk from soyabeans. The milk's nutritional value is as good as cow's milk. The process for production of soya milk has been finalised. The production of soyabeans has increased recently and an area of 2,500 acres is reported to be under cultivation in some parts of the country. The Government is also very keen to develop it as a commercial crop. Soyabean offers a high quality protein which compares favourably with animal protein. Some products which have been developed by the PCSIR are tempal (fermented soyabean), sugar-coated soyabean (soya sweets) soya yoghurt and soya cookies. Soya milk has an added advantage of containing an appreciable amount of polyunsaturates which help in lowering blood cholesterol. It can also be used by lactose intolerant children. [Text] [Karachi MORNING NEWS in English 9 Sep 81 p 5]

PULSES ON RATION CARDS--The Pakistan Agricultural Storage and Services Corporation (PASSCO) will supply pulses, gram, and gram flour to the consumers on ration cards at Juma Bazars from next Friday, a PASSCO spokesman told on Friday. In total five kilograms of pulses, gram or gram flour will be given per ration card irrespective of family members. He said increase in the number of Juma Bazars was also under consideration and after a final decision on this question within a few days, the City would be divided into various sectors, the inhabitants of a particular sector will only be eligible to draw the said commodities from the Juma Bazar held in their own locality.--PPI [Text] [Lahore THE PAKISTAN TIMES in English 29 Aug 81 p 1]

PETROLEUM PRODUCT EXPORTS--The Government intends to earn foreign exchange of 204 million dollars through export of petroleum products in the current fiscal year. According to an official source petroleum products have already emerged the single largest foreign exchange earner item during the last month when it has realised more than 25 million dollars. Petroleum products have been one of the main foreign exchange earner items during last few years which are being exported to a number of countries including Turkey, India. During the last fiscal year the country exported over one million tons of petroleum products and earned more than 169 million dollars. A year before in 1979-80 the export of petroleum products fetched 178.2 million dollars. Export of petroleum products figured prominently during 1977-78 when a total of 782,000 tons were shipped abroad bringing in 63.22 million dollars which, however, in the subsequent year of 1978-79 came down to 681,000 metric tons worth 61.4 million dollars. [Text] [Karachi BUSINESS RECORDER in English 29 Aug 81 p 1]

CSO: 4220/301

POLITICAL PARTIES LAW ASSESSED

Bangkok SIAM RAT in Thai 11 Jul 81 p 7

['Thoughts from the News' column by Prachuab]

[Text] The government promulgated a new political parties law this past Thursday, and on the same day people went to submit their intentions to request registration for the establishment of a total of three parties, namely, the New Force Party, the Thai People's Party, and the Democrat Party. Officials of the Ministry of the Interior received the requests for registration of those political parties in order to verify whether or not they fully meet the requirements specified by the political parties law. After that, Ministry officials will consider permitting them to register as political parties.

Actually, the new political parties law just promulgated is essentially the same as previous political parties laws, especially the one of 1974. It merely specifies some conditions requiring increased numbers of party members. For example, a party must have no fewer than 5,000 members, these coming from all four regions of the country and from no fewer than five provinces within each region, with no fewer than 50 persons from each province. The law also specifies more severe punishment for those who violate the law.

Joining together to form a political party for the purpose of carrying out political activities in accordance with the procedures of the democratic system of government prescribed by the constitution is, in fact, already a freedom of people everywhere. The constitution merely stipulates that the establishment, the carrying out of activities, and the dissolution of political parties must be in accordance with the provisions of the laws concerning political parties. Therefore, the various political parties that have previously been established and those that are established in the future must request registration in order to be political parties in accordance with the law, or to be officially recognized.

However, when one carefully examines the provisions of the current constitution, one can see that the various political parties that have been established up to now--even though there was no political parties law in force--must be considered political parties in accordance with the intent of the law of a democratic system of government. This is because members of those parties have run for election in the name of the party, and people everywhere have recognized that by electing

members of those parties to sit in the House. The fact that there was no political parties law is not the fault of those political parties. Rather, it is the fault of the government, which itself violated the constitution by declining to have a political parties law in force to encourage the people to exercise their full freedom in joining together to establish and carry out the activities of political parties.

What I do not understand is that the official radio and television stations do not recognize or refer to the existing political parties as political parties in spite of the facts that those parties have openly proclaimed themselves to be political parties and the people have elected members of those parties to carry out responsibilities in the National Assembly. The authorities have recognized the status of only one political party, the Communist Party of Thailand. Even though it is an underground party and has never offered candidates for election, the official radio and television stations freely refer to it as a political party.

Actually, to put it frankly, requesting registration of political parties is not an important matter because it is merely a matter of form. Specifying conditions concerning the establishment of political parties that are harder than usual to meet, i.e., that a party has to have as members people from the various regions of the country, even if it is done with good intentions, will not always result in the establishment of parties with large constituencies. This is because the true base of a political party does not depend upon the number of members that join together to form the party. Rather, it is in the support of the electorate at election time. Because no matter how many members a political party has, if none of its members is elected to sit in the House, then it is not likely to be able to carry out its responsibilities in responding to the needs of the people.

For this reason, how many people go request registration of a political party after the promulgation of the political parties law, or who receives permission to register first--I think that these are ordinary matters and are not worth getting at all excited about. But there is a problem that I think should be considered, and that is whether or not the people who request registration as a political party should have the right to carry out their responsibilities as political parties without delay.

If we consider the provisions of the constitution dealing with the people's freedom to join together to form political parties, we will see that they are divided into two sections.

In the first, joining together as a political party is a fundamental freedom of the people in a democracy. If there is no law restraining or limiting that freedom, then it is normal to always have the freedom to do that. This can be seen from the fact that many people established political parties and offered candidates for election in the general elections of 1979. Even though there was no political parties law to sanction them, the people everywhere accepted the status of those parties.

Recognition of the status of the people's political parties through election of members of those parties to serve in the House is confirmation of the fact that the people want to, and are ready to, support government through a system of political parties. But at the same time, joining together to request registration to

establish political parties of various groups--this cannot be considered as having the right to carry out political activities without delay because they must first pass through another important stage.

This stage is the determination of whether or not the people have a preference for and support the policies of the party to the extent that they show their trust by how many members of the party they elect to serve the National Assembly.

The reason that I say this is because the principles of government of a democratic system through a system of political parties require that the political party which elects a majority in the House is the party that forms a government. And if no one party elects an absolute majority, then a coalition government is established by several parties that have similar policies. The most important principle is that they must at least inform the people in advance of the policies that the government will use in running the country, or they must be policies that the people accept and have voluntarily chosen.

One of the reasons that has caused the political party system in Thailand to fail as it has in the past is the understanding that carrying out political activities and establishing political parties is the business of only a few politicians in the Assembly. For this reason, political parties are established by a method in which Representatives who were elected in the name of another party or who stand for different policies, join together and set up new policies without ever thinking about whether the people know about or accept those policies. In running the country, then, they are usually going against the current of the people's needs, and this frequently creates confusion in the country. The point that I especially do not understand is that, even though one can see examples of this kind of failure, there are some politicians or influential people who still prefer to continue using this kind of method. The bad thing is that some of the mass media go along with establishing parties like that while at the same time they call for implementing a completely democratic system for governing the country. So I surely do not know what kind of democratic system they want.

As an example, given the fact that former Prime Minister, General Kriangsak Chamanan has formed a new political party and is running for office in Roi Et province, some people figure that this will shake the foundation of the government of Prime Minister Prem Tinsulanon. This is because, if General Kriangsak wins the election, the Democratic Nation Party will have a chance to come in and carry out the responsibility of forming a government since part of the Senate which Kriangsak appointed is ready to give him its cooperation and support.

Having heard that, I am still puzzled because, if in fact General Kriangsak is elected, the Democratic Nation Party would have only one member elected to the Assembly in the name of the party. Since every last one of the members of the Assembly at this time was elected in the name of another party, they cannot just up and say that the people elected them because they liked the policies of the Democratic Nation Party--because at the time of the general elections in 1979 the electorate did not even know that there was such a thing as the Democratic Nation Party, nor did they know what policy line it had. If the political parties that had members elected to the Assembly are able to carry out the responsibility of

forming a government, I feel that it is not necessary to govern through a system of political parties. Why waste time?

For this reason I feel that by itself, having political parties submit requests for registration is only giving an opportunity for freedom in the formation of political parties. The parties that are permitted to register still cannot immediately carry out political activities. Rather, they have to wait for new general elections because the constitution stipulates that, in order for a political party to be able to carry out political activities in the Assembly it must offer a number of candidates for election that is equal to at least half of the number of Representatives that there should be in that election district. From the last general elections, then, it appears that there were only three or four parties that can be said to have the authority to carry out political activities in the Assembly because the numbers of candidates they offered for election were more than the total number of Representatives in the Assembly. Aside from those, only a few candidates came from each of the other parties.

Now there is only a little more than a year left. This Assembly's term will come to an end, and the provisional constitution will expire. The fact that people are requesting to register the establishment of political parties as of now is not a waste; on the contrary, it is a good thing that the people will have an opportunity to study the policies of political parties in more depth.

When it is time for the next general election, they will be able to properly decide how to cast their votes. But at the same time, as for the people who intend to establish political parties by pouring out money or buying the votes of the Representatives in the Assembly, in hopes of gaining votes and influence in the Assembly, I would like to ask them to give up that idea because it is a way of further debilitating an already weak democratic system.

But if the government feels that it must quickly offer an opportunity for the people to have a role in government by political parties, i.e., not wait the full time, then, when the political parties law is promulgated, the government should hurry to revise the provisional constitution. After that, it should dissolve Parliament and set up new elections under the political parties system as stipulated by the constitution, which is equivalen to letting the people help solve the problems of the country.

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CSO: 4207/45

POLITICAL ROLE OF THAIS LIVING ABROAD ANALYZED

Bangkok SIAM RAT SAPPADA WICHAN in Thai 12 Jul 81 pp 18-21

[Text] Under current circumstances, one cannot separate the political struggle arising out of the efforts of Thais living abroad to find a way out for Thai society, on the one hand, from the political struggle of the Thai people's movement, on the other hand. Furthermore, the two have joined together in the struggle at one level.

Because the group of Thai citizens abroad can be considered the "cream" of Thailand--there are those who are consultants in various occupations, educators, and theoreticians--and, furthermore, because in foreign countries there is a considerable amount of data and detail concerning Thai society, and its historical, political and economic condition, some of which is not available in Thailand itself; and because of special circumstances in the United States, which is considered Thailand's "guardian," Thais living abroad have increasingly had opportunities to come into contact with things that the Thai people in Thailand have never known, and they have tried even more to find a way out for their homeland.

We cannot deny that one of the reasons for even the first change of Thai government, in 1932, was the collective activities of Thais living abroad.

The importance of the Thais living abroad is one reason why both the government and the government's opponents each try very hard to persuade Thais in foreign countries to join their side. Many times the government, especially since the reform, has even had to send government ministers out to improve its image in the eyes of Thais living abroad. This is above and beyond the activities of the offices which look after Thai students, the embassies, and the Thai student associations, all of which the government controls.

This group of Thai people that has been produced abroad can be divided into many sub-groups, although they are all similar in that they have the characteristics that label them as the "cream," or else they are of the upper class and are well educated. But when they return to Thailand some accept only that which is good, while some accept only the things that are bad.

The Role of the Thai People Before the Incident of 6 October 1976

Since the change of government in 1932, which was initiated by Thais living in other countries, it seems that now the Thai people in foreign countries will always be in the position of having this same kind of political role.

The current political activity of Thai people in other countries had its beginning in activities within student groups in various universities not long before the incident of 14 October 1973.

That period was at a time when the country was developing very rapidly; the United States had a paramount role in Thailand and the Vietnam war was intense. These things caused the percentage of Thai students and Thais who traveled outside of the country under various programs to be very high.

The anti-Vietnam War movement of people throughout the world at that time had a great effect on the Thais who were studying in foreign countries, just as it did on the students in the country during that period.

As a result, Thai students in Europe, for example in France and England, began to be more active in groups in the form of associations or societies. Although at first these activities were intended to be social more than political, they usually had a hidden political purpose, for example, publication of a journal of the association or society, just as was done by students in the United States.

At any rate, political activities of the Thai people in that period, although they had definite political goals, emphasized opposition to the United States. But they were "spontaneous, and, for the most part, the centers of activity were within the confines of the universities."

After the Incident of 6 October 1976

"The Role of Thais Living Abroad" (author and date unknown) states that the political activities of the Thais living abroad in this period depended to a large extent on the political situation in Thailand. In times when there was much political activity in Thailand, the political activity of the Thai people would be correspondingly great.

"This phenomenon pointed out people's inability to force themselves to have leadership roles in determining the course of politics, as a result of their lack of political experience, their lack of commitment, and the fact that they took their responsibilities lightly."

But later, when there was more activity, the "cream," who had gained collective knowledge and experience, pooled the lessons they had learned and raised the level of their activity, changing their position to that of the doers or the activists.

The article "The Role of Thais Living Abroad" says that, "The incident of 6 October 1976 taught us that lesson: the incident of 6 October made us know what it is like to be the doers, the activists. The widespread activity of the Thai people throughout the world put the governing class in Thailand into the position of being on the receiving end for the following two years or so."

"The Role of Thais Living Abroad" says that, after the 6 October incident, in which the Thais living abroad had such a prominent role that they were the ones on the offensive, it could be seen from the groups and organizations of Thai citizens that

they had fully come of age as political groups in this bloody incident, by developing from the groups and organizations that had been continuously active since the incident of 14 October 1973 three years before.

"Our activities at the present time are a continuation of the goals of 14 October and are based on what has already happened. The progress of the Thai people living abroad in the period after 6 October is progress toward a new quality. The lesson of 6 October made many Thais throughout the world feel hurt and angry. They then jumped full force into political activity, raising their status from being a bloc of students in the universities becoming an organization of widespread mass activity and part of the movement of justice-loving people throughout the world."

Activities in Various Countries: in Japan

As a result of the activities of the Committee Fighting for Democracy (KTP), the Japanese people, who were justice-loving and who were interested in the situation in Thailand, joined the Thai students there in the struggle by uniting to establish the Organization for Solidarity with the Thai People. Besides regularly having activities in response to the situation, this organization also had annual activities of "the battle of traditions," in which meetings were arranged in various major cities throughout Japan to teach the people about the political situation in Thailand. And afterwards, these meetings would usually pass resolutions, determined by the meetings themselves, decrying or opposing unjust activities taking place in Thailand.

"The Role of Thais Living Abroad" states that the president of the Japanese Organization for Solidarity with the Thai People was a Japanese farmer, specifically, the president of the United Farmers of Japan, or, as the Thais called him, the "father Intha of Japan."

In addition, the Thai-Japan Friendship Association was created by the joining together of people from all walks of life--politicians, members of the Diet, monks, clergymen, businessmen, scholars, and university professors.

In Japan, besides having groupings that were directly political, there were other groupings for activities in other areas, especially in the area of culture. "The Role of Thais Living Abroad" says that "The Thai people in Japan received support through the justice-loving artists of Japan. One of the leading classical musicians of the world, a Japanese who is no less famous that Seiji Ozawa is Takahashi (Yuchi), or the "Bach of Japan." This conductor, who refused to wear a topcoat, took songs about the life of the Thai people, translated the meaning and the musical arrangements into Japanese so that his band could play them. Cassette tapes of these songs were made and distributed in Japan, and they were very popular. These songs included "Men and Cattle," "Starlight of Faith," "Mountain People," and others.

In addition, there were many books and publications in Japanese. There were even newspapers, for which Thai newspapermen who had gone to Japan had received support in establishing so that they could report to the Thai people in Japan information on Thailand in the Thai language.

In Australia and New Zealand

The group Friends of the People of Thailand was established here. It published a Thai journal that was disseminated throughout the world beginning shortly before the 6 October incident. This journal was the tangible results of the knowing and justice-loving hearts of the Thai people and their foreign friends in these two countries.

In Europe

In England, besides the Thai Friendship Group, or the Thai Friendship Foundation, which was founded by Dr. Puay Ungphakon, together with his friends, in order to facilitate the activities of Thai people in foreign countries, there was also the Ad Hoc Committee for Democracy in Thailand, a political group that successfully led activities concerning Thailand. This group was able to use its influence to arrange for the publication of many English language books on Thailand and was an important force in getting together a group opposing the violations of human rights in ASEAN member countries, known among Asians in England as COBRA (Conference on Basic Human and Democratic Rights in ASEAN Alliance Countries). It was a cooperative group from among many organizations active with regard to countries in ASEAN.

Thais in England had a major role in activities countering the efforts to improve the image of the ministers in the cabinet of the "empty shell [Thanin] government," who threw documents in the face of Peggy Davis, a justice-loving Englishwoman (she has now died of old age), and in countering the round-the-world travels of General Kriangsak Chamanan.

On the European mainland, there was established a European Coordinating Committee for Solidarity with the Thai People. It began from a joint meeting and an agreement for coordination in Europe among the groups in many countries of Europe that were active with regard to Thailand. For example, the group from France was the Committee for Unity of the Thai People in France; from England, the Ad Hoc Committee; from Denmark, the Thai-Denmark Committee; from West Germany, the Committee for the Spread of Information and Solidarity with the Thai People; from the Netherlands, the Information Office of the People of October. There was also the "UDT" in many countries of Europe. This group had as its coordinator Professor Malcolm Caldwell. (He lost his life in Kampuchea. While he was a guest of the government of Democratic Kampuchea not long before the fall of Phnom Penh, he was killed by an assassination squad sent in by the Vietnamese.)

In Scandinavia

As activists, the Thai people in the Scandinavian countries were able to build a very active political movement. The important groups were the Thai groups: the Information Office of the People of October, the United Front Against Thai Dictatorship, and the UDT. Although the numbers of Thai people making up these organizations were not large, their activities nevertheless carried weight. For example, the Danish government, which had in the past given aid to Thailand in the area of archeology, stopped giving aid and recalled its experts in 1976-1977 in order to protest the violations of human rights in Thailand.

In North America

In Canada there was established the Committee for Human Rights in Thailand. It played an important role among the representatives in the Canadian Parliament, among the intellectuals, and even within organizations of the state, such as the CUSO [Canadian University Students Overseas] Organization, which sends experts out to help develop the rural areas in various underdeveloped countries. Some members of this organization who had been assigned to Thailand also joined in activities opposing the nhai government.

Summary of Activities

"The Role of Thais Living Abroad" summarizes the political activities of the Thai people in foreign countries by saying that it is possible to distinguish their basic roles in two related and inseparable areas, namely:

1. They coordinated and joined forces to support all activist movements in the "struggle for national independence, for a democracy of the people, and for economic and social justice within the country."

"The Role of Thais Living Abroad" puts great emphasis on the importance of this line of activity because the "cream" of the Thai people who go to live in foreign countries have a different outlet for dealing with problems. Some people do not see the root of the problems but see their manifestations; some people think of getting away and escaping the problems entirely; and some people give up and accept the crooked system.

"Therefore, coordinating and unifying the forces of the Thai people in foreign countries, their refusing to return and serve a crooked system, is extremely important in shortening the life of the system and jointly solving deeply-rooted problems using methods consistent with reality...."

2. They are the representatives of the Thai people in leading political activities, providing education, and giving the facts and truth to the Thai people in foreign countries and to their foreign friends so that they can understand and support the struggle of the Thai people's movement.

8444
CSO: 4207/45

NAWAPHON GROUP FORMS POLITICAL PARTY

Bangkok DAO SIAM in Thai 14 Jul 81 pp 1,2

[Text] The "Nawaphon" group, under the leadership of Watthana Khieowimon has become the fourth group to submit a request for registration as a political party.

After the New Force Party, the Thai People's Party, and the Democrat Party had in turn submitted requests to register their parties beginning from this past 9 July, on the afternoon of 13 July at the meeting hall of the Administration Department, Dr Watthana Khieowimon, head of the Nawaphon group, along with members of the Free People's Party, submitted to Wirun Phrommayan, Director of the Elections Division, their intention to request registration as a political party. There was a group of 50 or more party founders, and they will enlist additional members to conform with the political parties law.

At the same time, Dr Watthana told reporters that the Free People's Party will try to offer as many candidates as possible for the next election.

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END

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SOUTH AND EAST ASIA REPORT

No. 1054

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IRRIGATION SYSTEMS IN NEED OF REHABILITATION

Kuala Lumpur BUSINESS TIMES in English 6 Jul 81 p 15

[Article by Thaung Myine in Bangkok]

[Text] DEVELOPING Asian and Pacific countries, many of them dependent on agriculture for their economic well-being, have begun rehabilitating existing irrigation systems but much still remains to be done.

That is the consensus of irrigation experts who met here last month at a conference organised by the United Nations Economic and Social Commission for Asia and the Pacific (Escap).

The experts noted that China had 150 large-scale and more than 5,000 medium irrigation projects supplying water to over 47 million hectares (116 milion acres) of farmland, which accounted for two-thirds of total food production.

But surveys conducted in some of the large irrigation networks showed that their average efficiency was only 42.7 per cent because of excessive silting of irrigation structures, particularly in projects drawing water from the Yellow River and its tributaries, they noted.

Experts said China was taking several steps for efficient working of its irrigation works, including measures to prevent diversion of water from silt-laden rivers, and build reservoirs and tanks to store surplus waters during the non-irrigation and rainy season.

India had irrigation facilities for about 57 million hectares (140 million acres) but their performance was inadequate due to engineering and management faults and average production was only 1.6 tons per hectare.

But the country had launched a programme of coordinated development of irrigation, including plans to irrigate 150 million hectares (370 million acres) out of a total cropped area of 200 million hectares (494 million acres), they said.

The experts noted that India's plan aimed at achieving self-sufficiency in food and fibre production along with other socio-economic objectives.

Rice dominated irrigated crops in Indonesia, accounting for 60 per cent of the area of all major food crops grown. Last year 18 million tons of rice were harvested from 8.5 million heactraes (20.9 million acres), 17 million tons of that from five million hectares (12 million acres) of irrigated land.

Realising that a drop in food production was due to deterioration of irrigation systems, Indonesia's five-year plans from 1974 onwards laid emphasis on rehabilitation of irrigation projects, construction of small irrigation networks and dev (1.3 million acres) under padi were irrigated, the average yield amounted to 2.5 tons per hectare which was considered very low.

To remedy the poor performance of existing irrigation projects, the government had undertaken engineering improvements, including upgrading of capacity of main canals and distribution system and provision of water measuring devices and additional control structures, experts said.

Cultivation of crops in Pakistan centred on irrigation of the Indus basin with waters from the Indus River and its main tributaries. The irrigation systems served a contiguous area of 13.96 million heactare (34.5 million acres).

The standard of maintenance of the systems was low and major problems were waterlogging and salinisation. Measures were being taken to improve that.

Experts said the Philippines had launched a programme to rehabilitate and improve national irrigation systems covering 1.2 million hectares (2.9 million acres).

The Philippine government in the last few years had stressed development of communal irrigation with programmes for rehabilitation, improvement and expansion of existing communal irrigation systems, they said.

In New Zealand, with 124,000 hectares (306,410 acres) under irrigation, efficiency was low in old irrigation systems probably due to poor design and low water flow.

The experts said measures to improve the situation could include regrading land to suit dyking, design modification and increased use of automatic and remote control systems.

They said engineering designs and plans for new irrigation projects in the region should be reviewed by persons or agencies fully versed in local conditions.

They also advised setting up a "unified authority" to coordinate the activities of different agencies involved in irrigation in the region. Farmers should be trained to take part more in planning, operation and maintenance of irrigation systems. — Inter

CSO: 4220/636

ASEAN TIN PRODUCERS SEE JAPANESE VOTE AS BITTER BLOW

Kuala Lumpur BUSINESS TIMES in English 21 Jul 81 p 1

[Excerpts]

THE US vote against an increase in the buffer stock price range at last week's meeting of the International Tin Council was a disappointment to the producers. But they were not surprised by it.

After all, any attempt to moderate the play of market prices is sinful in terms of the Reagan Administration's economic theology, unless of course vital US interests need to be protected.

Producers are, however, at a loss to understand why Japan, which professes to have a special relationship with Asean, decided to support the US in its intransigence. The Asean tin producers see the Japanese vote as a bitter blow, damaging to the whole framework of Asean-Japan cooperation.

But for Japan's support, the US veto against the price increase sought by the producers would have failed since the EEC ten — with the largest block of votes next only to the US — has decided to support the producers' modest demand for a 4.5 per cent increase in the floor price from $27.28 a kilogramme to $28.50.

Equally puzzling to the producers was the Soviet decision to line up with the US on the price issue. In a situation of world-wide confrontation between the two super powers, this strange collusion had council members searching high and low for an explanation.

Sources in London advance two alternative hypotheses for Moscow's hostility towards producers at this juncture. One is that it was a political tit-for-tat, linked either to the Asean initiative in organising the UN conference on Kampuchea or to the Malaysian expulsion of three Soviet diplomats on charges of spying.

In contrast with this startling hypothesis is the more mundane one that the Soviet Union is right now replenishing its stocks of tin, as indicated by its recent intervention on the London Metal Exchange.

This being the case, it was loth to see market prices move up in the wake of a revision in the buffer stock exchange.

The sources in London are busy assessing how producers would react to the frustrations of their efforts since March 1980 to get the buffer stock price revised.

The general assumption is that they will now give up trying to get the US to join the sixth tin agreement, which was thrashed out last month in Geneva. The agreement will open for ratification on Aug. 3 1981.

One section among producers is convinced that given the attitude the US has lately adopted, it will be better if it chooses not to join.

But moderate producers, specially Malaysia, prefer US participation not only because it is the world's largest tin consumer but also because its abstention would be a poor augury for other commodity agreements now being worked out. The tin pact will survive without the US but not those for less strong commodities.

Sources here say that US membership will put more money at the disposal of the buffer stock manager and thus help him to operate it more effectively. But the gain from this will be wholly offset if US entry means accepting a lower price range within which the manager is allowed to buy it from the market to keep prices above the prescribed floor.

Although the US joined the fifth agreement, its financial contribution was delayed by legislative obstacles until early this year. In other words, its support was notional rather than actual.

Fortunately, the need to buy for the buffer stock arose only a few weeks ago. But had the contingency arisen earlier, the buffer stock would still have been able to accummulate 25,000 tonnes or so with the money contributed by other members and almost an equal amount on the strength of credit from banks by pledging holdings of tin.

This point is being made to underline that US membership is not an absolute essential for operating a tin agreement. But of course US hostility will be a different matter altogether because of the market power it exercises by virtue of its enormous stockpile.

From mid-1973 to mid-1974, the US sold 43,000 tonnes from the stockpile. This led to the disaster of 1975 when buffer stock buying of 23,000 tonnes failed to halt a decline in prices, obliging producers to go in for export controls as a last resort.

Since July 1980, renewed US selling has injected a modest 1,000 tonnes into a progressively weakening market. Will the US, if left out of the sixth agreement, be less restrained in its disposal policy? Some experts in producing countries think it will not because the outcome may be a political alienation of friendly countries important in American global calculations.

CSO: 4220/636

STERILIZATION EMPHASIZED IN FAMILY PLANNING PROGRAM

Kuala Lumpur BUSINESS TIMES in English 15 Jul 81 p 6

[Article by Ataus Samad]

[Text]

BANGLADESH, whose population has more than doubled in a generation (from 42 million in 1951 to 90.25 million today), faces the prospect of it doubling again at the turn of the century, unless a crash programme of Family Planning is immediately launched. With one of the highest densities in the world — 1,623 people per square mile — the Bangladesh government estimates that if the population continues to increase at the present rate, the country will need an extra 350,000 tons of food, 281,000 new homes and 750,000 new jobs every year. As it is, with a much increased food production, there is an annual deficit made up by imports, and the number below the poverty link has been rapidly rising and is expected to rise further to 74 million by 1985.

The government's aim is towards one-child families and the reduction of the present population growth rate by 2.7 per cent to 1.7 per cent by 1985 and then to one per cent. Only this massive cutback in birth rates would keep the population between 100 million and 117 million by the end of the century. This can only be achieved by sterilising 3.4 million women and men volunteers in the next three years, instead of five as planned in the second four-year plan.

Few observers, however, think the government can reach its target. True, the propaganda jingles *Small family, happy family* and *Boy or girl, two are enough* have become immensely popular even with lisping children, but their parents still generally prefer four, especially in the rural areas. And if they do not yet have a son the answer is, "Keep trying."

After eight years of the family planning campaign, on the employment of 27,000 functionaries and virtually free contraceptives, the number responding has increased from six per cent of potent couples to only about 14 per cent.

Performances of the government's family planning workers has been poor. In eight years they have been able to induce barely four per cent of the active couples to accept sterilisation.

Finally, as a World Bank report says, helpful socio-economic factors needed for fertility rate decline are missing in Bangladesh. These are: high urban population, predominant non-agricultural labour force, fewer female marriages befrore age 20, high female literacy, good hospital facilities and a reasonable newspaper readership.

Yet, not everything is hopeless. Family planning workers are becoming less suspect in the largely conservative rural Bangladesh. Even though the craving for sons remains — as helping hands or to maintain the lineage, more and more poor women now dare to visit sterilisation clinics openly. Religious resistance in the predominantal Muslim society still exists, but is now passive. There are more doctors and para-medics in semi-rural and village areas now than ever before.

Against this backdrop the government is trying to work a two-pronged strategy:

- Getting village leaders, specially women members of Gram Sarkers (village councils), which were set up at the initiative of assassinated President Ziaur Rahman, to help assist the female family planning workers in persuading people, and
- To get as many sterilisations done as possible.

The stress on sterilisation is because uneducated rural folk have been found unable to use contraceptives according to instructions.

Efforts are on to reach as high a target as 100,000 sterilisations a month by next July. "Mini-clinics are being opened in villages so that women do not have to go a long distance for the operation," Dr Fazlul Karim the Health Minister, said: "These clinics will also give maternity and child health care by way of advice and supply of basic medicines." Sterilisation will be performed by visiting doctors, who will also give medical check-ups to mothers in problem.

Col. Lutfe Alam Khan, the man in charge of family planning field workers in the country, says from his experience: "Psychological factors involved make the outcome of the programme difficult to predict but if the village leaders help we can hope to win."

Meanwhile, government has facilitated abortion in a way — which does not have a legal cover as yet — by what it calls menstrual regulation (MR). A woman can visit a hospital in the early stage of menstrual stoppage and have the menstruation revived by a suction device. "At least this is saving lives," says a doctor, "because fewer women are going to quacks." He says there is a strong case for legalising abortion.

A bill to raise minimum marriageable age from existing 14 for girls and 18 for boys to 16 and 22 respectively will soon be debated in Parliament, the Health Minister said. But it is apparent that the government is hesitant to take other steps, like limiting subsidised food supply to families from government ration shops to a couple and two children only, and not more, proposed by the Planning Commission to induce people to have small families. — Third World Media

CSO: 4220/637

MASTER PLAN FOR AGRICULTURE TO BE DEVELOPED

Kuala Belait BORNEO BULLETIN in English 4 Jul 81 pp 22, 23

[Article by David Leake]

[Excerpts]

BRUNEI IS blessed with large deposits of oil and has prospered as a result. But "all good things must come to an end," goes one saying, so the government is looking for ways to keep the state prosperous after the oil runs out.

One obvious solution would be to open Brunei's large tracts of sparsely populated jungle for farming. But investors with visions of huge oil palm, cocoa and rubber estates producing bumper crops and profits had better be patient.

With oil and natural gas supplies sure to last many more years, the government is in no hurry to open up the interior to growers who might bring more problems than benefits.

Instead, the government and Brunei Shell Petroleum are jointly funding a 16-month, multi-million dollar study expected to produce the region's most comprehensive and forward-looking master plan for agriculture.

That plan will be developed by ULG Consultants Limited of England and Brunei government departments, based on the findings of more than 20 experts ULG will be bringing in from other countries.

As well, about 50 local residents are being hired as support staff in the office and in the field.

ULG (the letters stand for the names of the company's three founders) has years of experience doing similar comprehensive surveys, the most recent large-scale ones being done in Egypt and Thailand. The firm also provides consultants for such bodies as the United Nations' Food and Agriculture Organisation.

The first state-wide survey of Brunei's agricultural potential was done by Hunting Technical Services, also of England, in the late 1960s.

That survey analysed the soils in different parts of the state and determined the best areas for farming.

This kind of information is essential for the efficient use of land. But Brunei was not ready to go into agriculture in a big way, so the results were saved for the future.

Now, more than a decade later, the "fever" for big agricultural schemes has reached Brunei and the government has been getting applications for land from both local and foreign investors.

But there is no rush to let them into the jungle – examples abound in the rest of the world of the many problems uncontrolled agricultural development can bring.

With the experiences of other tropical countries in mind, the ULG experts and their Brunei co-workers will examine every aspect of agricultural development, including what crops or animals should be grown and the best ways to grow them, which areas should be opened up and which should be left untouched, who should be allowed to open up the land and how to control them, where roads and perhaps new townships and factories should be built, and so on.

An overall plan will emerge as the soil scientists, agronomists, hydrologists, foresters, agriculturists, economists and sociologists each make their suggestions.

The plan's broad outlines should be clear by early next year after which the remaining half of the study will be devoted to working out the details.

The survey will focus on areas in the Tutong and Belait Districts shown by the earlier Hunting survey to hold the most promise for agriculture.

CSO: 4220/638

CONGRESS-I DEFEATED IN ANDHRA PRADESH ELECTIONS

Madras THE HINDU in English 29 Aug 81 p 1

[Text] Hyderabad, Aug 28--The Congress(I) has been trounced in the elections to the Vijayawada and Visakhapatnam Municipal Corporations in Andhra Pradesh. A Citizen's Front of opposition parties came to power in Vijayawada Corporation while the Bharitya Janata Party won the Mayorship in Visakhapatnam with the support of independents.

These were the first civic elections to be contested on a party basis. Elections to the municipalities, panchayat samithis and gram panchayats were held on a non-party basis.

The Communist Party of India won 15 seats, Communist Party (Marxist) nine, Congress(I) seven, Bharatiya Janata Party three, Lok Dal and Janata two each and independents five in the 44 member Vijayawada Corporation. Election in one ward was countermanded following the death of a candidate.

In Visakhapatnam, the Bharatiya Janata Party won 24 seats, Citizens Front 10, Congress(I) eight, Visakha Vigilance Committee and CPI(M) one each and independents six.

The BJP announced that two independents elected were backed by the party and would support BJP.

Anjiah's reactions: Reacting to the election results, the Chief Minister, Mr T Anjiah said the opposition won in the two corporations by resorting to "goondaism, and rowdyism," and obstructing Congress(I) workers from campaigning.

Mr Anjiah said Mrs Sarojini Pulla Reddi, Minister for Municipal Administration, was beaten up by opposition workers during her election campaign in Vijayawada. He rejected the view that this was a negative vote against the ruling party.

The party had lost due to the multiplicity of candidates in the field, dominance of local issues and the smallness of constituency. The Government should review whether it was necessary to have conducted the corporation elections alone on a party basis when Vijayawada and Visakhapatnam were only big sized municipalities.

Surprise: The Congress(I) debacle has taken the party by surprise. A number of Ministers stationed themselves in Vijayawada and Visakhapatnam, organising the campaign, and the Chief Minister had also campaigned in the two towns.

The major issue that helped the Opposition turned out to be the scarcity of kerosene in Visakhapatnam area where women and children stood in long queues to get a litre of the oil. The Government at a later stage diverted kerosene supply to that town but to no avail.

The unity forged by the two communist parties helped the opposition in Vijayawada where the two neighbouring panchayat samithis (Gannavaram and Kankipadu) were won by the two communist parties. The neighbouring Mangalagiri Municipality also elected an opposition front.

The incident referred to by the Chief Minister took place in Marutinagar in Vijayawada. The Minister for Rural Water Supply. Mr Paladugu Venkata Rao's shirt was torn in a confrontation between Congress(I) and Lok Dal workers.

The Lok Dal workers alleged in a police complaint that the Minister had removed a chappal when they questioned him on his propriety in "threatening voters." But the fact that Mrs Sarojini Pulla Reddi who was with Mr Venkata Rao at that time, was seriously injured was revealed only today.

CSO: 4220/7657

REPORTERS INTERVIEW OPPOSITION PARTY LEADERS

Bombay THE TIMES OF INDIA in English 30 Aug 81 Supplement pp 1, 2

[Interviews by Subhash Kirpekar and Kirit Bhaumik: "The Agony of the Opposition"]

> [Text] Once again there is talk of opposition unity. But this seems more an expression of despair than of hope. Having failed to win popular support despite the government's far from impressive performance, especially in respect of the steady rise in prices, several opposition leaders have begun to talk in terms of the old familiar solution. However, this does not convince anyone, not even the opposition leaders themselves. Many of them are as apathetic and cynical as the common people. They know the game is up for them. But, unlike old soldiers, they refuse to fade away. Only Mrs Gandhi seems to take them seriously.
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> Amidst this wreckage of the hopes and aspirations of the opposition, two cadre-based parties--the Bharatiya Janata Party (the former Jana Sangh) with its close ties with the RSS and the CPM--display a measure of confidence in the future. This comes through in the interviews of their spokesmen, Mr L. K. Advani and Mr Ramamurthi. As it happens, the two parties are not breakaways from the Congress, the mother of most other parties in the country.
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> Perhaps we are approaching the end of an era--the Congress era. Perhaps Mrs Gandhi is the last of the Mohicans holding the fort on the sheer strength of her personality. No one can be sure. Right now we can do no better than let political leaders speak for themselves.

"To Build a National Party, You Require a National Leader."--Pranab Mukherjee

Opposition unity is like a mirage. One reads news reports about some parties trying to forge a front or merge. But these are immediately shot down the next day by someone or the other. To the layman, the opposition seems to be more intent on providing alternatives for each other rather than trying to provide an alternative to the ruling party. The splitting up of opposition parties continues

unabated. Whether it is Mr Candrajit Yadav forming his very own Loktantrik Dal or Mr Jagjivan Ram his breakaway group from the Congress(U), they create the impression that they want to head their little camps.

It is indeed a curious spectacle to see them continue to fight among themselves. Mr Morarji Desai has no love lost for Mr Charan Singh Mr Charan Singh does not see eye to eye with Mr Chandra Shekhar; Mr Chandra Shekhar has little in common with Mr H. N. Bahuguna, Mr Bahuguna has even less with Mr Chandrajit Yadav, and Mr Madhu Limaye and Mr Madhu Dandavate have only their first name as a common factor. The list could go on ad infinitum.

Mr Pranab Mukherjee, a member of the Congress(I) parliamentary board and Union minister, has an explanation for the way in which new splinter groups styling themselves as parties are mushrooming.

The Congress party was a fairly heterogeneous mixture accommodating all kinds of political and social groups. It could have Mr Morarji Desai, a staunch rightist, and the late Mr V. K. Krishna Menon, an ardent leftist. If the party took decisions a bit slowly, it was because of the constant process of compromise and cooperation on various issues.

Mr Mukherjee says that if one looks closely at the Janata party leadership, most of the people there belonged for long periods, even decades, to the Congress: Morarji Desai, Charan Singh, Jagjivan Ram, Bahuguna, Mohan Dharia, Chandra Shekhar, Biju Patnaik, and Ravindra Verma. It was only the BJP component in the Janata party that did not have a Congress background. But for the ex-Congressmen, it was not difficult to have common approaches on many issues.

Yet, the inner contradictions and divergence of views over-shadowed common objectives and the common manifesto agreed to by the groups that merged to form the Janata party. And it fell.

Mr Mukherjee does not think that there is any possibility of any party, parties, groups or individuals emerging as an alternative to the Congress. There may be a combination of parties and groups to oppose the ruling party but functionally it will not be effective, as the Janata experiment had shown, even if it receives the mandate of the people. The inner contradictions will emerge instantaneously.

While no alternative is possible at the national level, the scenario at the regional level may be slightly different. Regional parties may emerge as the principal opposition party to the Congress. There are Marxists in two or three states and the B.J.P. in some states, he said.

"To build a national party, you require a national leader," Mr Mukherjee says. Despite her defeat in 1977, Mrs Indira Gandhi could emerge as the national opposition within one year with all the old Congress stalwarts (in the Janata) on one side and she on the other. The opposition will require a leader of her charisma and stature to attract people. "Do they have anyone like her?" is the question that goes abegging.

It is a basic weakness of our parliamentary system that there is no opposition party which could be seriously treated as an alternative to the ruling party. There are historical reasons for it, but the fact remains that there is no opposition, says Mr Mukherjee.

"The Alternative Is Very Much There."--Jagjivan Ram

Mr Jagjivan Ram, who leads the breakaway group from the Congress(U), does not visualise any chances of merger of opposition parties. But he does not think that a charismatic personality is needed to build up the opposition as a strong united force to reckon with. Of course, he says, the mass appeal of a leader does matter in Indian politics. But more important is the change of mood of the people.

"Mrs Gandhi is the only leader of the Congress. She was the only candidate for prime ministership. But in the Janata party, there were so many leaders," he points out.

What Mr Jagjivan Ram looks forward to is a change in the mood of the people. He recalls 1967. Then, there were Congress governments in almost all the states. The opposition was divided and fragmented. So much so that there were almost a dozen opposition candidates in almost every constituency. And yet the Congress was defeated.

"The dissatisfaction of the people and their disenchantment with the political party in power manifested itself in the defeat of that party. Therefore, I feel that 1967 can repeat itself," Mr Ram observed.

Analysing recent events, Mr Ram says that the 1980 elections saw very many fewer voters cast their votes The number was almost half that of 1977. In his view, what the opposition lacked was the resources to mobilise the support that exists.

The suffering and misery of the people today is much more than in 1967 when they came out to vote on their own against the ruling party, he says.

"The question of an alternative is floated by Mrs Gandhi herself so that everyone will admit there is no alternative to her. My reply to her is: what was the alternative in 1967? So, my point is that the alternative is very much there," Mr Ram said. He adds that in 1967 and in 1977, the election was in fact a people's movement. It was not so in 1980. Indeed, it is a matter for discussion on electoral reforms whether a party enjoying such a small percentage of votes should be allowed to rule at all.

About opposition parties, while Mr Jagjivan Ram does not see a possibility of merger, he says that they can and do cooperate with each other in both the houses of parliament. On various issues, they have all walked out together from the house. This he sees as evidence of cooperation and feels that it can be extended outside parliament as well.

Of course, he feels that any effort for merger will lead to the fate suffered by the Janata party; it will break. This is because all parties do not have identical objectives and political programmes. So it was better to have a common programme and cooperate on specific issues. During elections they may have adjustment of seats and try to field only one opposition candidate in each constituency. Where the Janata party experiment failed was that instead of trying to function as a coalition, it tried to function as one single party which it was not.

"Unity Does Not Mean a Conglomeration of Political Parties."--Chandra Shekhar

Who can deny that the opposition today is divided? But who is responsible for this? One has only to see how leaders of the political parties are behaving. Clearly, they have not learnt anything from the past. They suffer from the same limitations as before. The most serious of these is their extreme egotism, their erroneous notion that they are "somebody" when they are really "nobody."

The fact is that most of the leaders of the political parties have outlived their utility. They are unable to meet the challenge of the times. It is most unfortunate that, while most of the political parties talk of democracy and condemn the ruling party for authoritarianism, they themselves have not imbibed the spirit of democracy.

Most of the leaders of the opposition parties suffer from old prejudices. These parties seldom realise that they have to play a consistent role in politics, taking a long-term view of things. Most of them rely on short-term expedient measures. That is the basic cause of division in the ranks of the opposition.

One glaring example is the role played by the leftist parties at the time of the Janata crisis of 1979 when led to the fall of the government of Mr Morarji Desai. At that time they had explained their action as being a historic necessity. But it was action dictated by expediency and they soon realised this.

Many people say that the Janata experiment failed. In the opinion of the Janata party, it was not the experient that failed but the leaders who were responsible for running the show. They failed to overcome their limitations, which was the need of the hour.

But one need not take a dim view of the future. If the leaders have failed to change with the times,there are many people who realise that they have a stake in the future. Objective conditions are being created for unity among the opposition. One basic fact which has to be borne in mind is that unity does not mean a conglomeration of political leaders.

Unity of the opposition is of course essential. But there should be realisation on the part of the political parties that this unity should be directed towards solving the problems of the people to their satisfaction. The leaders of the various parties however do not seem to have sufficient realisation of this need.

The problems are getting complicated and so there is need for a clear vision as to what needs to be done and clear action. There must be mobilisation of the

people behind the programmes and identification of the masses with them. The struggle for their rights will provide new strength to the opposition forces.

The opposition parties must look to the future and take a long-range view of the situation. That is the answer to the present problems.

"The Need of the Hour Is Opposition Credibility."--L. K. Advani

Opposition summitry cannot take the country very far.

Lately, there have been moves for recombining forces on the Janata pattern. But it is strange that those who were in 1979 the most enthusiastic in wanting to break the Janata, and who actually welcomed the disintegration of the Janata as a historic necessity, now seem to be keen to undo their own "historic" accomlishment.

There are no shortcuts. If some people keep talking and repeating about the Janata experiment, they are being prompted by a sense of weakness.

The Janata experiment was tried in the most propitious circumstances conceivable with a selfless leader like Jayaprakash Narayan there to guide and enthuse all the opposition parties which had combined on the Janata platform.

With the incarceration of 1.5 lakh opposition activists and the enormous fund of public goodwill, Janata unity had the best chance of enduring. But the Janata broke. It floundered on the rocks of personal ambition and individual and group distrust.

The personal ambitions and group distrust remain as before, but the propitious circumstances are no longer there.

The splintering of the opposition and the emergence of several opposition parties by itself need not be the cause for disappointment. Barring the period between 1977 and 1980, Indian politics had always had a number of opposition parties. But between 1979 and 1981 the behaviour of several opposition parties and leaders has been so thoroughly opportunistic that the common man has come to feel cynical about the opposition parties.

In the view of the Bharatiya Janata Party the real issue is not opposition unity. The need of the hour is opposition credibility.

To give an example, the split in the Communist movement has been there now for two decades. The two Communist parties have been supporting each other in certain spheres and at the same time continuing their separate existence. There have been efforts at coming together. There has been concerted action on several issues. Over a period of time, the C.P.M. and the C.P.I. have come to acquire a credibility in certain areas which makes efforts at unity irrelevant and meaningless.

The non-Communist opposition parties also should have a similar approach. Let the people choose the party they can trust and in the meanwhile let these opposition parties act in concert on issues of common interest.

One of the biggest drawbacks of the Janata era was that political activities came to be confined to the government and the legislatures. Political organisations were totally neglected. Ever since the B.J.P. was formed in 1980 it has been concentrating on activity at the grassroots level. The party will continue in that direction.

"The Crux of the Matter Is Personality Adjustment."--Madhu Limaye

Opposition unity is not a dream. It is an absolute necessity. Without opposition unity the prospects of survival of democracy and economic progress are bleak.

But there is no use in having common action programmes with opposition parties. What is needed first is political unity. This will give strength to joint action.

I am of the view that all those who can sit together from among the opposition parties should do so to create the environment for greater opposition unity. Even a wider acceptance is possible because I know that at one time, the C.P.M. (in West Bengal) was prepared to go along with the united Janata party manifesto on the basis of commonality.

But the crux of the matter is personality adjustment. If Mrs Indira Gandhi could adjust with Mr Y. B. Chavan and Mr Jagjivan Ram for ten long years--where do they have mutual trust?--why cannot others? There will have to be adjustments, despite all the difficulties inherent in it. Neither Mr Morarji Desai nor Mr Charan Singh or anyone else will retire from politics.

Between 1974-77, one saw a polarisation of forces opposed to Mrs Gandhi on one side and she on the other. So long as the social and communal polarisation does not get converted into political polarisation, it will not be of much help.

Though there has been a disintegration of opposition parties, the document of the undivided Janata party, that is its election manifesto, it is still acceptable to all with perhaps some minor modifications. So it is clear that we do not have to start from scratch.

There has to be a reconciliation of various social groups and curbing of group rivalries. One of the main achievements of the Janata party when in power was to instal leaders from socially oppressed and economically backward communities into positions of power--like the chief ministers of U.P., Bihar, Rajasthan, and Orissa. There is no reason why these groups cannot get a share in power for all round socio-economic progress.

About reports of the possible merger of some opposition parties, I might say that though Mr Devraj Urs favours the formation of one single party, he says his party is not prepared for it. Mr Chandrashekhar also favours such a development but faces the problem of securing a majority for this view in his party. In this situation, to what extent unity is possible is to be seen. In the B.J.P. the political people like Mr Atal Bheari Vajpayee also support unity but the R.S.S., I am told, is not interested in any such development.

"Factionalism Is Confined to the Bourgeois Parties."--P. Ramamurthi

"Out of the ruins of the old will rise the new."

In projecting an optimistic view of the future, Mr Ramamurthi remains a true Marixst. How can a new leadership emerge without the disappearance of the moth-eaten leadership of the present? There is nothing surprising in the fact that the opposition today is ridden with factions. What else, alas, could have been expected. It is however to be noted that the factionalism is confined to the "bourgeois parties." Some of the leaders of these parties have become so accustomed to ministerial office since independence that they find it difficult to sit in the opposition.

But that is no reason to lose heart. Despite the dismal picture that the opposition presents today, a sufficiently large number of people in all these parties are "awakening." They are realising more and more the need for mobilising the people on specific issues effectively. And because of the dilapidated state of the bourgeois parties these people are realising that such a broad mobilisation can be brought only in cooperation with the left groups.

In this realisation lie the seeds of a new future. It has set in motion a process which will lead to the emergence of a common alternative programme based on alternative policies. It will by no means be a programme thrashed out by means of a makeshift arrangement entered into by leaders of the political parties. It will be a "left and democratic" alternative programme.

Mr Ramamurthi is convinced that only the emergence of a left and democratic alternative can meet the needs of the emerging situation. It will be a cohesive alternative because the programme will be formed out of the common struggle of the people themselves.

One can already see the first signs of the emergence of such an alternative. The Bombay convention of trade unions displayed an awareness that the workers have to play a leading role in shaping the alternative programme. The convention was concerned not with the immediate gains of the working class but with long-term objectives affecting the interests of all the struggling people. The issues considered by the convention were the causes of the spiralling prices, the basic economic policies of the government which were heavily weighted in favour of the monopoly houses and multinationals. The convention was no less concerned about the Prime Minister's attacks on the democratic rights of the people. There was only one resolution on minimum wages.

Similar conventions will be held in all the states. They will lay the foundation for unity among those elements in the opposition parties who are getting disillusioned with the splitting activities of their leaders.

"There Are Very Bleak Chances of Opposition Unity."--H. N. Bahuguna

Political parties grow out of basic ideological orientation and not out of exigencies. It has been my consistent view that an alternative can grow only on its basic soil which is a clear-cut social, economic and political philosophy.

One hears talk about opposition parties agreeing on a common minimum programme. Though some people will accuse me of siding with Mrs Indira Gandhi, I will ask the opposition to search its soul rather than blame the ruling party or any other factor. The ruling party has established one thing--that it cannot deliver the goods. I do not think it can do so unless the "middle-man culture" is eliminated. Has a single step been taken to end this evil?

By its very nature, the Janata party was meant to be a temporary phase. It was a cure for a fever raging in the country; when the fever died down, the cure was not required.

If one were to recall how its leadership was chosen, one finds that unfortunately the "floor" mortgaged its decisionmaking power to three men on the "dais."

Today, in the efforts of some parties to forge unity, one again sees the spectacle of office being distributed while not in power. Mr A will become party president, Mr B will lead the parliamentary party, and Mr C will be chairman of the party's parliamentary board. This is a peculiar phenomenon.

I think there are very bleak chances of opposition unity. There is too much rancour and jealousy. If unity is likely to be a transplant operation, then the body politic of the opposition will reject this "foreign body." But you will see a sea change in politics in one year. The slide-down because of I.M.F. conditions will take the country down the precipice, down the point of no return. Then the opposition will have a significant role to play.

"We Need Programmatic Unity, If Not Ideological Unity."--K. P. Unnikrishnan

In the sense that the opposition parties are in disarray or are going through a process of fragmentation and also in the sense that they are organisationally and nationally ill-equipped to face an electoral challenge from the ruling party, I would accept the statement that the future of the opposition seems bleak and dismal. But to my mind, the challenge itself presents an opportunity and the opposition parties must respond to this challenge in a constructive and creative manner. Opposition parties cannot be built up on a negative basis of blind opposition to an individual or to a ruling party. It has to present itself before the people and the electorate, a clear-cut programme and an alternative framework of policies. This is also not to suggest that there cannot be areas of agreement or of common approach to certain questions, for example, national security and international relations.

Unless the party has an appeal to the millions of impoverished and has a programme to transform the society and economy, it cannot develop into a national alternative. Within this framework of Congress, Jana Sangh and Swatantra and a few regional parties like D.M.K. and A.D.M.K. and Akali Dal, the Indian polity remained stagnant for 30 years till 1977. The events of 1975-1977 compelled the Jana Sangh, the Congress-I, the BLD and Socialist groups to forget their basic and fundamental differences (leaving aside problems of temperament and personal equations) and enabled them to give an electoral alternative to the Congress in the northern states and be in a majority.

Even so, the Janata Party never acquired a true national status in the sense that it was very thinly spread in the East, North-East, and South, except probably Karnataka. This experiment proved to be disastrous in the sense that very soon the party was showing up unbridgeable differences of its constituents and the conglomerate broke up.

It is for historians to answer whether it could have been overcome or avoided; but the failure of the Janata is full of lessons for all those who seek short-cuts or summit methods of merger and unity. This is essentially an approach to share power. Politics everywhere is a search for power. Since there is no underlying coherence and commitment to a programme, it is bound to fall apart.

So, the question of fundamental importance is, whether the people now dispersed in smaller parties like the Congress, Lok Dal, Janata party and DSP, Janvadi etc., can work out a basic approach and programme. Any effort to paper over itself would be of no avail and it would only produce a carbon copy of the Janata experiment.

So, the opposition unity which looks desirable from a common man's point of view, would, at the moment, have to be restricted to coordination on the floor of parliament and legislatures and electoral adjustments and so on. Any other effort should necessarily take time and first the leadership of the parties should themselves do serious introspection and find areas of agreement.

What the nation needs is a national alternative and not a conglomerate of desperate groups pretending that they are an alternative. A national alternative should be coherent and should present a programmatic unity, if not ideological unity. And the question before us is whether the nation wants this. And if the nation wants this, on the compelling issuances significance, we should appear to have a clear-cut framework of policies and programmes.

As for us in the Congress, we are committed to the basic approach and framework of democracy, secularism and socialism and the policy of non-alignment and peace. It was on the imposition of a dynastic element that we disagreed with Mrs Gandhi.

"Authoritarianism Is at Work in Every Political Party."--Y. B. Chavan

I am not in the opposition now. But I was in the opposition for four years. The major difficulty is that it is getting fragmented. I left it for my own reasons, because of being a Congressman. The party I was in had absolutely no base, both programmatically and otherwise.

I see a bleak future for the opposition, mainly because it is based on loyalties to certain personalities who will criticise authoritarian trends but in whose organisations it is at work. In fact, authoritarianism is at work in every political party as far as the inside working is concerned.

The multiplicity of the opposition parties is another weakness of the opposition. Except for the Communists, the rest try to come together near election time.

But I don't think they have any chance of succeeding. The people have experimented once and there is no question of repeating the mistake.

The present opposition is enough to provide a balance in a democratic framework. But it is not enough to provide a viable alternative potential government.

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RAO REPORTS TO PRESS ON CPI COUNCIL MEETING

Bombay THE TIMES OF INDIA in English 30 Aug 81 p 9

[Text] New Delhi, August 29--The CPI national council feels that Mrs Indira Gandhi's government is not playing a "proper role" in world affairs by refusing to "expose the nefarious role of the U.S. warmongers in dragging the world to the brink of a nuclear catastrophe."

The party is disappointed that Mrs Gandhi continues to talk of super power rivalry in the Indian Ocean region and is not trying to see who are provoking regional conflicts and "hatching conspiracies against the progressive regimes in the developing countries."

The party general secretary, Mr Rajeswara Rao, spelling out the national council's decisions at a press conference here this afternoon, did not try to conceal his party's growing disillusionment with the government's foreign policy.

He said the government "does not see the fight for the security of the country as part and parcel of the fight against the reactionary global policy of imperialists and their allies."

The party sees vacillations in Mrs Gandhi's policies "because of its very heavy dependence on the imperialist financial agencies like the World Bank, the IMF and the multinational companies."

It adds: "Such massive dependence for aid creates the danger of weakening the anti-imperialist aspects of our foreign policy."

Mr Rao also did not give any indications that the party has in any way mellowed its criticism of Mrs Gandhi's internal policies.

According to him, the Prime Minister is continuing to pursue "antipeople and anti-democratic policies in trying to protect the crisis-ridden socio-economic set-up of our country."

The party remains as uncompromising as before in its opposition to the Bharatiya Janata Party as a "reactionary and communal organisation." According to Mr Rao, the big business and monopolists are trying to build up the BJP as an alternative to the Congress(I) "and if this process continues, Mr A. B. Vajpayee will be our next prime minister."

The CPI sees a left and democratic unity, forged on the basis of united mass struggles at all levels, as the only way for countering the anti-people policies of Mrs Gandhi and preventing the BJP emerging as a possible right alternative.

Mr Rao said it was not correct that the CPI and the CPM were moving apart. They were working together in almost all states. "The BJP issue is not standing in the way."

A.P. Results

Mr Rao illustrated both the hopeful and negative aspects of the present situation by pointing to the results of municipal elections in two important Andhra towns. In Vijayawada, the CPI and the CPM had jointly gained a majority, while in Visakhapatnam, the BJP emerged as the largest party.

Yet, Mr Rao felt that the CPM was not coming forward wholeheartedly for a pure left and democratic unity "and the left is losing a chance." The Marxists probably thought that the time was not yet ripe. "The CPM presumably thinks that Mrs Gandhi's authoritarianism is still the biggest danger," he said.

Mr Rao indicated another hurdle. He said, "the left democratic unity we envisage is not simply for fighting against the anti-people and anti-democratic policies of the Congress(I), but also to fight the imperialist warmongers and their allies (China), who are endangering world peace and the security of our own country."

UNI adds: The party decided to set up two memorials in honour of Mr Bhupesh Gupta.

The part would construct a memorial building in Calcutta and a national memorial in Delhi in consultation with other party leaders and friends of Mr Gupta.

CSO: 4220/7660

RAO: NATION CONCERNED AT SHIFT IN U.S. ARMS POLICY

Calcutta THE STATESMAN in English 29 Aug 81 p 9

[Text] New Delhi, Aug 28--The Government of India is "seriously concerned" over the shift in the U.S. arms sale policy and will take steps to protect the security and territorial integrity of the country, Mr P. V. Narasimha Rao, Minister for External Affairs, told the Rajya Sabha today during question hour.

Expressing India's concern over the shift in the arms policy by the Reagan Administration the Minister said in reply to a supplementary that it did not make any specific mention of human rights consideration. The Reagan Administration had given a gobye to the Carter Administration's policy which had human rights as its basis.

According to Mr Narasimha Rao, it was the stated view of the U.S. Administration that to retain maximum flexibility in terms of protecting American interests, their policy for "this area" should not be subjected to any limitations. He agreed with Mr Ladli Mohan Nigam (LD) that the new U.S. arms policy would escalate the arms build-up and tension in this region.

Replying to Mr Nigam's supplementary on whether India was a friend or a foe of the USA, the Minister said there was no schedule of the U.S. Administration which gave the list of its "friends and foes." However, it was New Delhi's view that its relations with Washington were good and "could be improved still further."

Mr Rao told Mr N. N. Pandey (C-I) that the U.S. arms supply was a part of its global strategy and was not centred on any particular area. It would not be proper to connect U.S. arms supplies to the Reagan Administrations' refusal to supply uranium to India for its Tarapur plant.

The supply of uranium was under a specific contract and for peaceful purposes. "If we connect this with U.S. arms supplies to Pakistan even unwittingly, we will be doing something wrong," he told Mr Dinesh Goswami (Ind).

The Government of India had consistently upheld the crucial role of disarmament in bringing about a greater measure of peace and security in the world, he told Mr J. K. Jain (C-I) and others.

The Government could not but express its serious concern over an arms sale policy which might lead to a "quantitative and qualitative" increase in the availability of arms in various parts of the world. The Government had "noted" that the U.S. Administration had while announcing its new arms sales policy, indicated that this should not be seen as heralding a period of "unrestrained military transfers." The USA had also stated its interests in exercising restraint in arms transfers and willingness to consider specific proposals directed towards this end.

India would welcome any step by any super Power like the USA or the Soviet Union to ease tensions when they proposed to meet at a summit meeting at the time of the U.N. General Assembly session, Mr Rao told Mr M. Kalyansundaram (CPI).

PTI adds: Mr Narasimha Rao replied in the negative when asked whether the U.S. Under-Secretary for Security Affairs, Mr James Buckley, had advised Pakistan to knock out India's nuclear installation at Trombay near Bombay with the F-16 fighter bombers.

Amarjit Kaur and Mr Ramanan Yadav asked the Minister whether the Government had any information to this effect through a friendly country. The members wanted to know whether Mr Buckley had told Pakistan to take the cue from Israel and knock out the Trombay installation with the F-16 fighters recently handed over by the USA, Mr Narasimha Rao said in a written reply to Mr G. S. Bhattacharya and Mr N.K.P. Salve.

CSO: 4220/7655

COMMENTATOR WRITES ON MALAISE IN PARTY SYSTEM

Madras THE HINDU in English 31 Aug 81 p 8

[Commentary by K. K. Katyal: "Malaise in Our Party System"]

> [Text] The distortions have been accentuated over the years with the number of political parties increasing. Behind the veneer of ideology, personal contradictions come to play.

Not that a reminder was needed but the developments in the Congress(U)--or the party with the changed suffix or a new name it may adopt soon--have underlined once again the critical position the political system finds itself in. There would have been no cause for worry had the confusion and uncertainties been confined to this organisation. As things are, neither the other Opposition groups nor the ruling party are free from serious infirmities.

Some generalisations are possible as regards the state of the parties of varying hues and complexions. First, personalities, rather than ideologies, are their mainstay and this introduces distortions, similar in nature, in their working. The two communist parties, and the BJP to some extent, are exceptions to this.

Secondly, the dominance of one party contrasts sharply with the small size of other groups. This is a far cry from the scenario in other countries practising parliamentary democracy, where at least two parties are almost equally balanced.

Thirdly, parties have tended to proliferate and not to integrate. The Janata experiment promised a reversal of this trend but its failure in less than three years dashed the earlier hopes.

It is surprising, indeed, that there should have been no conscious attempts in the last 34 years to reform the system or that it should have lacked the innate strength to overcome obvious imperfections and deficiencies. There were departures from the set pattern but either because of natural factors (the death of Lal Bahadur Shastri, for instance) or because of man-made situations (the collapse of the Janata Party and subsequent developments), it did not take long for the party working to fall in the old stereotype.

Predominance of Personality

In the first 17 years after Independence, Nehru dominated both the party and the Government, leading the late S. K. Patil to complain that the "banyan tree" does not let anything grow beneath it. Whether it was the logical extension of the pre-1947 processes or the ethos of the Indian people is another question which, of course, does not have a simple answer.

The Shastri era was too brief to indicate any trend but the emergence of Mrs Gandhi, with supreme control of the party machine and the Government, both in the previous and the present tenure, re-established the predominance of "personality" in the ruling party. During the later part of the Janata regime, the Congress(I), the main Opposition party, too was sustained by Mrs. Gandhi, to the exclusion of other factors.

The dominance of personalities was evident in the Janata in-fighting and the party came to grief, not because it could not evolve a coherent ideology but because leaders of the various constituents and factions were unwilling to subordinate their respective ambitions to common or shared objectives. The Janata Party split because Mr Charan Singh and his rivals failed to avert a clash of personalities.

Other instances of the personality-based phenomenon are the total reliance of the Lok Dal on Mr Charan Singh. The exit of Mr Jagjivan Ram, first from the Janata Party, then from the Congress(U) to form a party that revolves around him, the failure of Mr H. N. Bahuguna and Mr Chandrajit Yadav to remain in the parties they had joined at various stages. So much for the relative importance of ideology and personality.

No Freak Development

Barring to short spells, the Congress or the Congress(I) remained the dominant party at the Centre and in most States and the next group or groups were disproportionately small. This was no freak development. It was understandable for the Congress to hold sway for a while after Independence because of the momentum acquired in the fight against the alien rule but for it to remain dominance for nearly three decades must be due to factors which are not that transitory.

During the Nehru days none of the Opposition groups--the PSP, the Socialist Party, the SSP, the Jan Sangh, the Communists--was anywhere near the Congress whether in regard to the number of seats in the Lok Sabha, or the votes polled by them severally, or at the all-India level. Under Mrs Gandhi, too, the Congress as the ruling party retained that pre-eminent status, the two exceptions were the period after the 1967 elections when the party was ousted from power in the North Indian States, and after the 1969 split, when it had to rely on the CPI support in the Lok Sabha for arithmetical majority. The present position is not unrepresentative of the trend that prevailed in the past.

This lopsidedness corrected itself in 1977, when the Opposition (the Congress in the reversed role) had a sizable strength in the Lower House, and of course outnumbered the then ruling party in the Rajya Sabha. In free India's parliamentary history there was a recognised Leader of the Opposition for the first time. It was the closest approximation to the two-party system, as it is known in some western countries.

The number of political parties has continued to increase though one should have expected things to move the other way because of the continued political education with the passage of time. There is hardly any party of consequence which did not split--the congress, Communists, the Janata among the major national parties, the Muslim League and the Republican Party among the smaller groups and the Akali Dal, the DMK, the Kerala Congress, among the regional organisations.

Disintegration of Janata

After the 1977 elections, the then Prime Minister, Mr Morarji Desai, often lauded the emergence of the Janata Party because it marked a process of political consolidation. This, alas, proved a temporary affair and soon reversed with a vengeance. When the Janata disintegrated there was no stopping the process and the once mighty ruling party splintered into four groups apart from the organisations set up by one or two of its erstwhile leaders.

The fragmentation was the result of both ideological factors, as in the case of the communists or the emergence of the BJP, and personal contradictions as in most other cases. But those involved in splits invariably invoked ideological factors to justify their behaviour.

What happened in the Congress(U) is true to the pattern which we have the dubious distinction of having perfected over the years. This teeny-weeny party could ill-afford wrangles at any level but its top leaders quarrelled, with no holds barred, in full public gaze on issues that were hardly related to ideology. The tussle could as well have taken a different turn, with Mr Jagjivan Ram emerging at the top. In that case, Mr Sharad Pawar perhaps would have followed his mentor, Mr Y. B. Chavan, his heart set on entry into the Congress(I).

Not Edifying

The goings-on in the Congress(I) are not edifying either. The total reliance on Mrs Gandhi is no "democratic centralism" as some party seniors say. It shows the incapacity of party organs at the Centre and in the States to take decisions, their inability to sort out day-to-day trivial problems.

This is best illustrated by the working of the AICC(I) headquarters. Each of the six General Secretaries is "in charge" of the affairs of two or three States, but none of them has a major say in crucial matters whether relating to the working of the organisation or the party-led Governments in their areas. Even if they do not get involved in factional politics their only value is as conduits of information from "their States" to Mrs Gandhi or whosoever she may ask to act on her behalf.

It required a reprimand by Mrs Gandhi for the Punjab Chief Minister, Mr Darbara Singh, to give up the party post. It was a stern warning by her that silenced dissidents in Madhya Pradesh. Those in U.P. who wanted the Chief Minister, Mr V. P. Singh, to be replaced by a "member of the Nehru family" were threatened with disciplinary action because she took exception to their antics. The Maharashtra Chief Minister, Mr A. R. Antulay, could not reshuffle his Cabinet because he failed to get her approval. The decisions on party squabbles in West Bengal were delayed because of her other pre-occupations.

To say this is not to question the soundness of her decisions but to underscore the inertia at other levels. Among the many distortions that flow from this situation, is the lack of commitment by party members to policies, programmes or ideology.

The consequences of the malaise in the party system are many, the most dangerous being the overall permissiveness. It takes many forms--defections and floor-crossing, vulnerability of political institutions to the money power. That all this should have been taken for granted is particularly disturbing.

CSO: 4220/7669

CPI RESOLUTION GIVES PLAN FOR FAIR ELECTIONS

New Delhi PATRIOT in English 28 Aug 81 pp 1, 7

[Text] The Communist Party of India has proposed replacement of the present electoral system by proportional representation based on the list system.

Such a system can eliminate the evils of communal, regional and caste politics, a resolution adopted by the national council of the party said. The resolution proposed a 15-point programme envisaging sweeping changes in the present system to make it 'more representative, democratic and effective.'

Releasing the document, CPI central executive member Homi Daji, pointed out these were only preliminary suggestions. The idea was to have a national debate on the much-needed electoral reforms, he explained to newsmen in New Delhi on Thursday.

The resolution said the list system could also incorporate the existing reservations for the Scheduled Castes and Tribes. This will eliminate the anomaly of minority governments ruling over the majority and will automatically curb defections. As an additional safeguard the document suggested forfeiture of the membership of a legislator if he defects from his party.

It has also suggested replacement of the present one-man Election Commission by a five-member and truely independent body. It objected to the appointment of retired Government officers to the post.

Similar commission should function in the States as well, but under the control of the Central Commission. All officials engaged in election work should be under the disciplinary jurisdiction of the Central Election Commission and the State and Central Governments should be bound to implement its orders.

The document suggested capturing of booths should be made a cognizable offence, non-bailable and punishable by imprisonment.

Other suggestion to make the polling free and fair include automatic withholding of counting for special scrutiny where polling was more than 90 per cent, withdrawal of licences for firearms, reduction of time-lag between voting and counting, and permission for the candidates' agents to accompany the ballot boxes.

Another important suggestion is to take away the Government's powers to dissolve State Assemblies without the advice of the Council of Ministers as in the case of the Lok Sabha. Also, an all-party advisory committee should be associated with the work of the Election Commission.

To curb money power in the elections, the document suggested that a substantial part of the candidates' election expenses should be borne by the Government in the form of free publicity material, postage, voters' identity slips and electoral roles, vehicles and fuel. All the expenses by candidates should be strictly put under the purview of the limit placed on the total permissible expenditure.

With a view to checking the misuse of official machinery, the document suggested ban on use of official facilities by the Ministers, bar on their broadcasts and TV appearances and announcement of new schemes of socio-economic programmes. Persons found guilty of economic offences like blackmarketing and hoarding should be disqualified from seeking election.

Other suggestions are the introduction of identity cards to voters with photograph, powers of summary inquiry and intervention for the Election Commission and increase in the numerical strength of the Lok Sabha.

Resolutions

The national council, through another resolution, demanded stringent action against those responsible for the police brutalities and vandalism at the Chandigarh office of the party on Wednesday.

The council, now meeting in New Delhi, also demanded immediate release of all those arrested in the incident and compensation for the damage. It said about 35 workers were injured in the police brutality.

In another resolution, the council denounced the US decision to produce neutron bomb and said the Chinese rulers had shamelessly welcomed the decision. Dismissing the assurance that the bombs would not be stored outside the US territory, the resolution said the US could intimidate its European allies to get consent for the bombs' deployment on their soil.

It appealed to the Government of India to join the socialist, and non-aligned countries to rally against the US policy.

The council also expressed anxiety over the problem faced by people of Indian origin in Sri Lanka and called upon the Government to take steps to protect them.

CSO: 4220/7652

JANATA WELCOMES PAWAR'S POLICY OF COOPERATION

Bombay THE TIMES OF INDIA in English 30 Aug 81 p 6

[Text] Bombay, August 29--The general secretary of the Janata party, Mr S. Shahabuddin, today welcomed the statement of the provisional president of the Congress(S), Mr Sharad Pawar, that his organisation would cooperate with like-minded parties on common issues.

He told a news conference here that Mr Pawar's election as the party chief would inject new life into the Congress(S) and infuse a sense of dynamism in its new leadership.

Turning to the collection of funds by the chief minister, Mr A. R. Antulay, on behalf of the Indira Pratibha Pratisthan, he said an explanation should be called for from people connected with cooperative sugar factories which had contributed to the Pratisthan.

"Open Graft"

Mr G. P. Pradhan, opposition Janata leader in the Maharashtra legislative council, called for the establishment of an all-party inquiry panel of MLAs to probe the question of fund collection undertaken on behalf of the Pratisthan.

The vice-president of the Maharashtra Janata party, Mr Anna Patil, said such collection of funds would give official sanction to corruption and observed that graft was now being practised openly.

Mr Shahabuddin had arrived in the city on a two-day visit, during the course of which he attended a Haj committee meeting this afternoon. He will leave for Jaipur tomorrow morning.

CSO: 4220/7660

FINANCE MINISTER DEEMED OPTIMISTIC ON ECONOMY

Madras THE HINDU in English 28 Aug 81 p 1

[Text] New Delhi, Aug 27. The Union Finance Minister, Mr R. Venkataraman, today not only defended the import of sugar and wheat but also said that import was part of the medium-term strategy of the Government to hold the price line.

Mr Venkataraman, who was replying to a discussion in the Rajya Sabha on the price situation, said the Government policy was to use imports for building buffer stocks and augmenting supplies of essential articles.

The long-term strategy was to achieve self-reliance, as distinct from self-sufficiency, by concentrating on production of goods in which the country had a competitive advantage and importing other commodities, by exporting them. "We do not propose to adopt the policy of self-sufficiency in the sense of producing everything," he added.

During the discussion, Opposition members attributed the price spiral to Government's economic policy and inefficient management of economy. People would hardly draw any comfort from the view often expressed by the Government that inflation was a global phenomenon. The Government was hesitant to take strong action against hoarders and blackmarketers and instead sought to tackle the problem by importing wheat, sugar and edible oils, they said.

The discussion was initiated by Mr Venkataraman himself with a note of optimism. 'I can give a message of cheer and hope" he said, referring to recent trends towards increased production and improvement in the infrastructure sector. He felt that when the anti-inflation package matured, the situation would be brought under control.

Asked by a member how long this would take, he said he was not a prophet but added that if the present trend continued, prices would show a greater degree of deceleration.

He denied having said that inflation had been controlled. He had only claimed that the pressure was moderated. In support of this, he said, the inflation rate which was 22.2 per cent in 1979, was reduced to 14.8 per cent in 1980 and to 10.3 per cent during the first eight months of 1981. To that extent, the Government endeavour had been successful, he said.

Inflation was "imported" in the sense that the prices of imported commodities were high due to inflation in the countries from which they were got. Large liquidity in economy--both legal and illegal--accentuated the pressure on prices, he said.

Not a controlled economy: Replying to the discussions, Mr Venkataraman referred to the CPI member, Mr M. Kalyanasundaram's criticism of the ideology of the ruling party. While agreeing that in a "totally controlled economy" it was possible to hold the price line, he said the Government could not adopt it because people had rejected it in favour of the "market economy."

In market economy, the solution lay in increasing the supply of essential commodities and already steps in this direction had been taken.

Apart from this the public distribution system had been strengthened. The number of fair price shops had risen from 2.36 lakhs in January 1980 to 2.75 lakhs in December 1980 and to 2.9 lakhs in August 1981. He said Kerala, West Bengal, Tamil Nadu and Maharashtra had been very efficient in implementing the public distribution scheme. The attempt to strengthen the system was constantly before the Government.

Janata mistake: He agreed that supply of essential commodities should be augmented by increased production instead of relying on imports. But he justified the import of sugar.

The Janata Government, he said, had failed to build a buffer stock when sugar production was high and gave up the dual pricing system. The result was a crash in prices and consequent fall in production of cane in the following year.

"This Government will not commit that mistake. We will create a buffer stock of sugar if there is large production," he added.

He said in the case of essential commodities it was necessary to have the dual pricing policy in order that the needs of vulnerable sections could be met at fair prices and those who were better off could purchase their extra needs at higher prices. This was the policy which the present Government followed, he added.

Mr Venkataraman disputed the contention that the recent increase in oil prices amounted to taxation, prices of commodities would have to be based on the cost of production and the consumer had to pay for that. Otherwise, it would have to be subsidised and this in turn would result in budgetary deficit and consequent inflation.

In this context, he recalled that when he presented the budget for 1980-81 his critics had said that the budgetary deficit would rise to Rs 4000 crores but actually the deficit was only Rs 1975 crores. During this year too there were predictions that the deficit would be high. But he would disclose the real position when he presented the budget, he said and added after a pause: "If at all I present the budget."

CSO: 4220/7650

NATION OFFERS TO SHARE TECHNOLOGY WITH THIRD WORLD

New Delhi PATRIOT in English 28 Aug 81 p 3

[Text] Pyongyang, Aug 27 (PTI)--India today offered its experience in the wide-ranging fields of agriculture, including advanced technology on various aspects of crop production and consultancy assistance and even aid on bilateral or regional basis to other developing countries.

The offer was made by the Indian Delegation leader, Dr R. M. Acharya, Deputy Director General of the ICAR, to the six-day symposium of nonaligned and other developing countries for increasing food and agricultural production, which opened here yesterday.

Detailing areas of cooperation, Dr Acharya said the ICAR could collaborate in high yielding varieties programme of rice and other cereals, pest and disease, forecasting and control measures and weather and climatic studies on a regional basis.

The areas of cooperation listed by Dr Acharya were inland fisheries, training programmes in agricultural research and education, animal production programmes, establishment of agricultural universities and grain legumes production and research.

The theme of the symposium is "Food Self-Sufficiency." It is being attended by over 80 nonaligned and developing countries and 15 international organisations.

Dr Acharya said, India would also contribute towards economic cooperation and self-reliance among developing countries by offering training to a small number of technicians at its institutions.

It was willing to share with other developing nations its know-how in testing agricultural machinery and assist and advise them in setting up their own training and testing establishments in the field of agricultural machinery.

In the field of food management, India's offer was open to other developing countries in building up and operating food reserves, construction of storage space and designing of overall food policies suited to particular nation's requirements, Dr Acharya said.

CSO: 4220/7652

NAXALBARI LEADER BRIEFS PRESS ON KERALA TOUR

New Delhi PATRIOT in English 1 Sep 81 p 4

[Text] Trivandrum, Aug 31--Kanu Sanyal, originator of the Naxalbari movement along with Charu Majumdar, said here that Communist revolutionaries of his way of thinking were not adverse to make common cause with parties from the Left like the CPI and CPM and from the right like the BJP in the fight against what he called authoritarianism of Mrs Gandhi and her government.

He was briefing the press on the outcome of his second tour of Kerala during past two weeks to bring different extremist groups under the Organising Committee of Communist Revolutionaries which he headed at the national level. The present mission was a follow up of the one he undertook last May. According to him, contacts established with various groups had been useful Mr Sanyal made particular menture of the talks he had with the daughter of late Kunnikkal Marayanan who was the pioneer of the Naxalites in Kerala. Miss Ajitha and her mother Mandakini and also of the Communist bolshevik party of Kerala decision to merge with the OCCR. The Bolshevik party led by the veteran revolutionary Gopalan is claimed to be the only extremist group in the State having a substantial trade union base among industrial and plantation workers.

Mr Sanyal said the OCCR was able to establish successful contacts with Communist revolutionary groups in Bihar, Andhra, Karnataka and of course West Bengal.

It may be mentioned here that Mr Sanyal's efforts to reunify desperate Naxalite groups were flayed by CPI-ML group, owing allegiance to Charu Majumdar. This group is by far the most vocal in Kerala. Mr Sanyal has betrayed the Naxalbari movement, its leader Venugopal had charged. Mr Sanyal, while strongly refuting the suggestion that all extremist groups toed the Chinese party's general line, was frank enough to admit that the OCCR at least had no international position independent of the Chinese. This was because the OCCR considered China socialist country where it took the Soviet Union as "social imperialist" which is that "they professed socialism but practised imperialism."

Explaining what he thought about the communist parties, Mr Sanyal said the CPM was wholly 'revisionist' while the CPI remained a 'a total Soviet lackey' when pointed out whether by the same token, could not the OCCR and other Naxalite groups be called Chinese lackeys, Mr Sanyal said here was a difference. The

OCCR support to China was 'selective' whereas the CPI support to the Soviet Union was 'unreserved.' Mr Sanyal won't differentiate between the Soviet Union and the United States. Both are super powers but in the international arena the Soviet Union remained "the main danger" and not America.

Mr Sanyal didn't rule out the possibility of the OCCR contesting elections "in conditions favourable to the proletariat."

CSO: 4220/7675

COMMENTATOR GIVES BACKGROUND TO LALDENGA JOURNEY

Calcutta THE STATESMAN in English 29 Aug 81 p 8

[Commentary by S. Guru Dev: "Peace Moves in Mizoram: Background tc Laldenga's Journey"]

[Text] Before leaving for his "headquarters," Mr Laldenga seemed optimistic, but earlier he had again blamed the Centre for the tardy progress of the peace negotiations and dropped gloomy hints about the future. He has a flair for the dramatic but the recall of the MNF negotiators may not have been a gimmick. It could have been to buy time, a tactical gamble in the war of attrition which the Home Ministry seems to relish. The last time Mr Laldenga visited his jungle headquarters by courtesy of the Centre, he returned with a bagful of demands--and surprises.

The safe conduct pledge which the Janata government violated and Mrs Gandhi reaffirmed guaranteed an unhindered and in all likelihood a permament exit for him. If the talks fail, the plight of the champion of Mizo nationalism can spark protests in Mizoram ranging from resignations of MLAs, bandhs and student demonstrations to more violent outbursts. It happened in the years before the resumption of the peace talks. The brutal killings of teachers shocked Christian conscience; the Mizoram Assembly adopted a resolution and silent processions were taken out in Aizawl. The cease-fire has changed all that laments the Chief Minister, Brigadier Sailo, adding that Mr Laldenga's "cohorts" have brainwashed the students, as in 1965-66 when the insurrection broke out.

The Brigadier sounds naive when he alleges infiltration of the Mizo Zirlai Pawl (MZP), the socio-cultural student organization, by Mr Laldenga's men. What else did he expect? The students and their mentors have used the cease-fire to align the MZP with ultra-regional forces of questionable origin and their mood is aggressive and militant.

Secret Strategy

Peoples' Conference sources allege that Mr Laldenga's son, Danmawia, had secret talks with MZP leaders like Zolailiana Khiangte and Andrew Khiangte, MNF leaders, Lt-Col. Lalkunga and others. He conveyed his father's appreciation of the student's role which would weigh with the Centre and urged them to embarrass the State Government by courting arrest. They were allegedly told to be ready to go underground should the talks collapse.

Apart from the students, Mizoram watchers believe that hardcore leaders like "colonel" Lalrawna and their boys would even repudiate an agreement signed by Mr Laldenga. In other words, insurgency in some form or other would become a part of frontier life. The problems of Mizoram are complex, calling for timely, bold and imaginative initiatives. What bedevils the administration are indecision and procrastination. The situation seems opportune for "sons of the soil" blessed with a pungent tongue and an evocative memory; it is a field day for demagogues, racists and phoney do-gooders.

The civil servant is not what he used to be, perhaps because of the bewildering changes at the top. Rarely have bureaucrats in the region felt more helpless. Assam is a pointer. A decade ago, IAS officers would have resented invidious comparisons with the ICS. Today's administrator makes one wonder whether he is functioning with any confidence at all. The evidence at Sachivalaya is depressing.

Mizoram's problem is still more subjective and subtle. Buffeted by contrary winds, the Mizo seeks shelter, but where should he go? He could, of course, join the larger economic community and acquire the skills to create an environment of comfort and well-being. But such an assimilation would invariably erode traditional life and values.

As late as the mid-forties, Major A. G. McCall, Superintendent of the Lushai Hills, spoke of wooing the Lushai "gently towards a clearer conception of good citizenship and the initiation of a sense of nationalism." He was nervous about the effort towards cultural uplift being "atrophied" by sponsoring grandiose schemes. But he was on surer ground when he said that the administration should "always be kept to its most simple and appropriate form."

Leader's Advent

According to him, there was no place for the politician in "traditional Lushai. In modern Lushai, the politician is needed but unavailable." Unless the administration supplied the lead, the people, he feared, would drift. Major McCall's fears were premature. The "unavailable" politicians became very much available after Independence. The traditional Lushai and the modern Lushai acquired an integrated personality and brought forth a man who mesmerised Mizo audiences and promised them freedom. Mr Laldenga was fired by the insurgencies that erupted after World War II to wrest freedom from colonialism, although he forgot about the Constitutional responsibilities inherited by the successor Government.

The early politicians of the Mizo Union like Bawischhuaka, Sappawnga and Chhunga (who became Chief Minister) were of mild dispositions. They were republicans in a sense, for they had uprooted the Lushai chiefs who, having emerged from "one-village life secured by force of (British) arms, had adapted themselves to life within a hole land of Lushai villages secured by the Pax Britannica." The district council which was to equip the Mizos for an egalitarian future save the chosen few a higher status and a taste of money power. The Mizo Union developed into a cadre-based party, a middle-roader in these exciting years when Mr Laldenga's secessionist ideas flowered with the bamboo (mautam). The young rebel's "soldiers" terrorized the pragmatic core of the Mizo Union.

Mr Laldenga's feelers to authority were characteristic of the guerrilla who wants a breather. Soon after the uprising, he wrote to the late B. P. Chaliha, Chief Minister of Assam, glossing over his visit to erstwhile East Pakistan. The letter was also signed by his vice-president Lalnunnawia later murdered by the MNF in the hospital at Aizawl. Laldenga's emissary had stayed on at Aizawl to emphasize the futility of armed resistance! Liangzuala and Malsawma Colney migrated later. The former also was an emissary who stayed on; the latter came overground last year in the footsteps of Baiakchhunga, the former army chief, and many others.

Mr Laldenga meanwhile fled Dacca in 1972 and Mizoram became a Union Territory. The Congress calculations were upset when the Mizo Union came to power. The people had rejected the "returnees" and their Congress sponsors. But the Chief Minister, Mr Chhunga, was pressurized to join the Congress which he did well before the AICC session at Gauhati. Once more, Mr Laldenga sent unambiguous messages to settle the Mizo political problem within the Constitution and a peace accord was signed on July 1, 1976. Church bells marked Thanksgiving services all over Mizoram, but discordant voices were heard all too soon. Mr Laldenga's aides spoke of a final settlement pending discussion of the basic issues.

Follow-up action was forgotten in the euphoria over the epic of the Seven Sisters and preparations for the Parliamentary elections. The Mizoram PCC felt that the talks should be resumed at a higher political level; Lal Thanhawla, their president, had perhaps prepared the ground with Mr Om Mehta. But the Janata party came to power and questioned Mr Laldenga's bona fides and intentions. It was made clear that an indefinite suspension of operations was neither feasible nor desirable. Relations with the Centre worsened and soon Mr Laldenga was hauled to court.

Brigadier Sailo was accused of trying to divide the MNF by propping up the Biakchhunga faction in the MNA. Mr Laldenga's charisma and Brigadier Sailo's popularity clashed in the Assembly elections in May, 1978--the "war of the tapes," as it was dubbed. The Peoples' Conference landslide was shortlived; President's rule was imposed in November the same year following defections from the ruling party. But the evergreen Brigadier was back in power in May, 1979, with a reduced majority.

After Mrs Gandhi's return to power, Lal Thanhawla pressed for immediate Centre-MNF talks, uncontaminated by the presence of certain officials, and specifically keeping the Brigadier out. Mr Laldenga even offered to help solve the Assam tangle. The Chief Minister generally kept a low profile. Subsequently he told Mr Zail Singh that the people of Mizoram expected the Government of India to put an end to the MNF's harassment of the public and maintain law and order "like in any other part of the country."

Arms Surrender

The Chief Minister has also set a pre-condition that the MNF "must come overground with all their weapons because we, the people of Mizoram, are fed up with violence." The surrender of weapons is a thorny issue. Clause three of the 1976 agreement (Mr Laldenga calls it an understanding) stipulated that the

underground delegation would collect all their personnel with their arms and ammunition "inside mutually agreed camps within one month of their establishment and hand over the arms and ammunition to the Government of India." That did not happen and it led to mutual recrimination.

Unlike the Shillong accord with the Nagas, there was no real peace council in Mizoram to act as a catalyst or shock absorber no Chedema armoury to ensure custody of the arms by an independent and respected agency, and no unique "Man of Peace" like the late Rev. Longri Ao. Some observers argue that the surrender of arms is good propaganda but it is no solution since weapons are readily available across Mizoram's international border, particularly in the Chittagong Hill tracts. It is more important to get the man behind the gun overground.

According to the grapevine, Mr Laldenga's visit to his jungle headquarters in March-April was an eye-opener. He was thrilled by the permanent bunkers, comfortable bashas for the "ministers" and other amenities. The recall of the MNF team was presumably Mr Laldenga's own idea since Zoramthanga, Tawnluia and the others at the headquarters are blind followers of his. The move to revisit his jungle hideout is intriguing.

CSO: 4220/7655

PARLIAMENT GETS REPORT ON GOVERNMENT BUDGETING

New Delhi PATRIOT in English 29 Aug 81 pp 1, 7

[Text] The Public Accounts Committee (PAC) has accused the Government of 'bad budgeting,' reports UNI.

In its 57th report tabled in Parliament on Friday the PAC says that while the Government indulges on the one hand in expenditure in excess of funds authorised by Parliament under certain heads on the other it does not utilise large amounts of money voted to be spent on some vital sectors.

The report, which was tabled in the Lok Sabha by PAC chairman Satish Agarwal, expresses concern that during 1979-80, appropriation accounts (civil) revealed an unspent amount of Rs 3,191 crore out of the total voted and charged amount of Rs 44,163 crore.

Addressing a press conference after tabling the report, Mr Agarwal said while examining the excesses over voted grants the PAC, has for the first time taken note of huge non-utilisation of funds under certain important heads of expenditure provided for the betterment of the people.

The report says that some of the vital sectors in which large-scale 'savings' have been reported are agriculture, fisheries, rural development, irrigation medical public health and housing.

"The reasons for heavy shortfalls in expenditure particularly in the rural sector need to be adequately explained to the committee the report has demanded.

It adds: "Over-pitching of the estimates without corresponding efforts to utilise the grants gainfully deprives the other equally vital sectors of the economy of the much-needed resources for development."

The PAC has asked the Government to exercise better financial discipline and prepare its budget estimates more precisely.

CSO: 4220/7659

GANDHI INAUGURATES CONGRESS-I YOUTH CAMP

New Delhi PATRIOT in English 29 Aug 81 p 7

[Text] Prime Minister Indira Gandhi cautioned the partymen against the attempts of many people to infiltrate into the Cong-I to exploit its name and said that antecedents of those seeking admission must be examined carefully.

"We must know who is good and who is bad so that we could sift accordingly," she added.

Inaugurating a three-day cadre training camp organised by the Youth Cong-I she said that Congressmen should beware of those who wanted to exploit the name of the party.

The Prime Minister felt that there was no Youth Congress movement in the country as it should have been. It was also not making any impact on the public as a whole.

The Yough Congress, she added, was expected to provide leadership. Her advice to the Youth Congress was that they should cooperate with students movement and ensure that they (students) were not exploited by other parties. Nor were they allowed to go in the wrong direction.

A debate was currently on whether the Congress should be a mass-based party or a cadre-based party, the Prime Minister said adding that in her view it should be both mass-based and cadre-based.

The party should be able to reach people of all sections, right from the top to the State and districts and down to the block level, she added.

Mrs Gandhi asked the Youth Congress to know more about the party and its background as well as its policies. There were valid reasons for formulating specific policies and programmes, she added.

Mrs Gandhi said the Youth Congress volunteers should be aware of what the people talked about them and be able to reply to the criticisms. Instead of depending on her to reply to the adverse comments including those in newspapers, the youth leaders should themselves be able to give a fitting reply. "They should not look to me." Asking the Youth Congress to have a deeper understanding of the people's problems she advised them to develop self-confidence and build up character. Only the nature of the difficulties change, the problems always remained, she said.

CSO: 4220/7659

ASSAM DELEGATIONS CALL ON GANDHI, HOME MINISTER

New Delhi PATRIOT in English 31 Aug 81 pp 1, 9

> [Excerpt] Two delegations representing the minorities of Assam have called on Prime Minister Indira Gandhi, Home Minister Zail Singh, Minister of State for Home Affairs P. Venkatasubbaiah and Assam Governor Prakash Mehrotra in the capital and appealed to them not to retreat from the government's declared stand on the foreign nations issue with a view to appeasing the agitators.

The Prime Minister, Home Minister and the Assam Governor are learnt to have assured the delegations that the Centre will not deviate from its position on the question and the rights and interests of minorities in Assam will be protected by all means.

The two delegations were those of the Citizens' Rights Preservation Committee, Assam and the Zamiaat-Ulema-E Hind.

The delegation members emphatically told the Home Minister and the Assam Governor that if the Government surrendered to the illogical demands of the agitators and decided to begin identification of so-called foreign nationals from 1961, the CRPC and other organisations would be compelled to launch a countermovement to safeguard the political, moral and constitutional rights of the linguistic, ethnic and religious minorities of Assam.

They further pointed out that any form of identification would only provide a handle to the extremists among the agitators to start fresh atrocities on the linguistic, religious and ethnic minorities with redoubled vigour. This, in turn, would have a chain reaction in the whole of the North-East as well as other parts of the country and the State and administrative machinery as it stands now would not be able to protect the non-Assamese people in that state.

They also felt that if the process of identification was undertaken in Assam, similar demands would be raised in other states of India and create chaos undermining the country's integrity.

The Home Minister said no decision on the issue had yet been arrived at and before any final decision, minority organisations and national Opposition parties would be certainly taken into confidence.

The CRPC delegation informed the Home Minister that the agitation in Assam had virtually fizzled out and rallies organised by the CRPC were attracting crowds in thousands in different parts of the State, including the capital Gauhati.

CSO: 4220/7670

GOWDA DISSOLVES KARNATAKA UNIT OF CONGRESS-U

Bombay THE TIMES OF INDIA in English 31 Aug 81 p 1

[Text] Bangalore, August 30. The split in the Karnataka unit of the Congress(S) was complete today. The faction led by Mr D. B. Chandre Gowda, who has been reportedly suspended fromthe primary membership of the party but says he has not received any suspension notice till now, decided to dissolve the state unit and called on all Congressmen to come under the banner of the party headed by Mrs Gandhi.

The Urs camp met separately to decide to continue its opposition role. Mr Devaraj Urs, who recently relinquished the post of party presidentship at the national level, was elected chief of the pradesh Congress(S). This marked the return of Mr Urs to active politics in Karnataka of which he was chief minister for nine years until he broke his ties with Mrs Gandhi.

"I have always been a Congressman and will remain so," said Mr Gowda who vacated the Lok Sabha seat from Chikmagalur three years ago and later joined Mr Urs in his role as a critic of Mrs Gandhi. He had all along remained true to Congress policies, Mr Gowda explained, and never deviated from his basic commitment to Mrs Gandhi's ideology.

The part played by the Congress(U) under Mr Urs's leadership was constantly under review and the last nail on the coffin of the Congress(U) had been struck by the verdict of the election commission in derecognising it, Mr Gowda said.

Since the derecognition of the Congress(U), party members in the state were looking for a new direction, some favouring entry into the Congress(I) and others wanting to form a regional party. Mr Urs himself had shown his inclination to join the Congress(I), provided there was a proper invitation from the other side.

All that Mr Urs and his supporters were doing was to postpone a decision while simultaneously Mr Urs was carrying on negotiations with the Janata and the Lok Dal to form a united opposition alliance. This dilly-dallying had caused unrest in the party, Mr Gowda said.

Mr Gowda asserted that his decision to quit the Congress(S) and join the Congress(I) had not been taken in haste or without consultation. The matter had been discussed at various levels, among DCC presidents and legislators, and he was only carrying out their wishes in meeting Mrs Gandhi in Delhi recently when he was told that all Congressmen were welcome to return to the Congress(I).

The meeting called by Mr Gowda was held in a hotel hall a few hours earlier to the one summoned by the Urs camp at the office of the Congress(S) on the Subhashnagar grounds. An attempt was made to obstruct Mr Gowda's meeting by some 50 slogan-shouting demonstrators, said to be Mr Urs's supporters. They were dispersed by the police.

Both the Gowda faction and the Urs camp claimed attendance by a majority of some 280 members of the PCC(S) at their respective meetings, but there was no way of ascertaining the validity of the claims. As political gatherings go, both were small.

CSO: 4220/7666

SOVIET VISITOR TOLD VIEW ON AFGHANISTAN TALKS

Madras THE HINDU in English 29 Aug 81 p 1

[Article by G. K. Reddy]

[Text] New Delhi, Aug 28--The Soviet Deputy Foreign Minister, Mr Nikolai Firyubin, had two rounds of talks today with the Foreign Secretary, Mr R. D. Sathe, followed by a working dinner with the External Affairs Minister, Mr P. V. Narasimha Rao, on the outcome of his visit to Pakistan.

The Indian view that the Soviet Union itself should take the initiative in opening the way for a meaningful dialogue, without waiting for Pakistan to talk directly to Afghanistan, was put across by Mr Narasimha Rao and Mr Sathe, after Mr Firyubin told them that the Zia Ul Haq regime was not yet ready to engage in any serious discussions.

According to some of the Western embassies in Delhi which have been in close touch with their missions in Islamabad during the Firyubin visit, there has been no change in the Pakistani stand over Afghanistan.

But at the same time Mr Zia Ul Haq and his Foreign Minister, Mr Agha Shahi, assured Mr Firyubin that Pakistan was keen on improving its bilateral relations with the Soviet Union.

Simultaneous dialogues

In other words, Pakistan is prepared to discuss the Afghan issue with the Soviet Union, but not talk to its protege in Kabul, the Babrak Karmal regime, on a footing of equality as between two sovereign States.

As Mr Zia himself said yesterday, the geopolitical position of Pakistan made it imperative to have a dialogue with the Soviet Union, which was in no way inconsistent with its stand on Afghanistan.

The Soviet Deputy Foreign Minister did not let go the opportunity to stress that the two dialogues could proceed simultaneously at different levels in their respective contests. The mutual desire for better bilateral relations would help the two sides to step by step narrow down their differences on Afghanistan.

Sharp differences

But when they started talking about the causes and consequences of the Soviet intervention, it became clear that their bilateral relations could not improve so long as they continued to differ sharply over the very basis of a peaceful solution to the Afghan problem.

The Soviet side voiced its strong disapproval of the Pakistani complicity in the training and arming of the Afghan insurgents, while Pakistan was equally critical of the Soviet encouragement to the dissidents in Baluchistan.

Against this background, there was very little that India could do other than reiterate its view that the Soviet Union should take the initiative in breaking this vicious circle and finding a way out for a negotiated settlement of the Afghan problem.

Any further delay in evolving a solution would only increase the dangers of a wider conflict through greater involvement of the big powers in the region.

A step forward

Mr Firyubin, however, tried to give the impression that, despite Pakistan's refusal to give up its rigid stand on Afghanistan, his talks in Islamabad represented a step forward in defusing the situation.

He did not think that Pakistan had foreclosed its options by turning down the latest Afghan proposals for direct talks in the presence of the U.N. Secretary-General or his representative to find a political solution.

The Soviet Union, Mr Firyubin said, shared India's concern at the induction of American arms into Pakistan. He told the Pakistani leaders that they had nothing to fear from the Soviet Union and that the best way of ensuring the withdrawal of the Soviet forces from Afghanistan was to stop arming the Afghan rebels and strive for an early political settlement.

Continuing contacts

The American policy of rearming Pakistan figured during Mr Firyubin's talks with Mr Zia who complained about the Soviet arms supplies to India which, he argued, left him with no alternative except to turn to the U.S. for military assistance.

The impression that Mr Firyubin gave was that his visit to Islamabad has helped to clarify the various issues involved in this complex situation even if it has not narrowed down the differences.

CSO: 4220/7657

RAO: NATION FINANCING SOUTH AFRICAN STRUGGLE

Bombay THE TIMES OF INDIA in English 1 Sep 81 p 7

[Text] New Delhi, August 31 (PTI)--Apart from moral support, India is also giving "material support" to the extent possible to the people of Namibia and South Africa fighting for their freedom against the racist regime, Mr P. V. Narasimha Rao, external affairs minister, announced in the Lok Sabha today.

Replying to a debate on the anti-apartheid bill, which was later approved by the house unanimously amid cheers, Mr Rao said he had made known this at the recent meeting of foreign ministers of non-aligned countries in Algeria and it was "very greatly appreciated."

Replying to a pointed question of Mr Indrajit Gupta (CPI) regarding details of the "material support," Mr Narasimha Rao said it was essentially in the shape of money.

The external affairs minister said India had been consistently supporting freedom struggles in African countries.

Both in South Africa and Namibia, he said, "We will continue to help the freedom fighters and stand by them till their goal is achieved."

During the debate, members, while seeking several clarifications, generally supported the bill.

Mr Indrajit Gupta wanted to know whether India would host the England cricket team this winter if it included Geoff Boycott and Paul Parker, who had sports contacts with the white minority regime in South Africa. He also referred to the alleged secret confabulation between Mr Morarji Desai, the then Prime Minister, with a South African minister at the Frankfurt airport.

Several other members, including the Democratic Socialist member, Mr Jaipal Singh Kashyap, wanted the bill to be made comprehensive to include all forms of discrimination, particularly against the Harijans, but the external affairs minister, in his pointed reply said he would restrict his reply to the matter pertaining to the bill which sought to give effect to the international convention on the suppression and punishment of apartheid.

CSO: 4220/7671

DELHI KEEPING CLOSE WATCH ON SUBVERSIVE ELEMENTS

Madras THE HINDU in English 31 Aug 81 p 1

[Article by G. K. Reddy: "Govt. Keeping Close Watch on Surversive Elements"]

[Text] New Delhi, Aug 30. The Government is keeping a very close watch on the movements and activities of some suspected agents provocateurs with alleged foreign contacts who are believed to be engaged in under-cover attempts to foment disaffection, provoke violence and create an atmosphere of destabilisation in different parts of the country.

The security agencies are hot on their trail to track them down, trace their clandestine contacts and nip the mischief in the bud before it assumes serious dimensions.

The Home Minister, Mr Zail Singh, confirmed in Parliament the other day that some neighbouring countries were training guerrillas and sending them to India to create trouble, but he declined to identify these countries in the larger public interest.

Though this was said primarily in the context of the continuing insurgency in Mizoram, the subsequent observations made by the Home Minister and his Deputy, Mr Yogendra Makwana, in reply to further questions on the subject indicated that these foreign trained guerrillas had infiltrated into some other places.

Threat of violence: It is not uncommon for countries like India burdened with domestic turmoils to keep a vigilant eye on the dangers of foreign involvement in their internal problems. But it has to keep up a credible distinction between a spillover of international terrorism and a politically motivated attempt at destabilisation in coping with such threats of violence.

It is equally necessary to draw a line between the diabolical machinations of the Big Powers to exploit domestic discontent to extend their own influence and the futile attempts of the small neighbours to take advantage of a troubled situation. There is a difference between active subversion to destabilise a country through covert operations and supply of arms to sustain an insurgency when it is running out of steam.

So in taking all possible steps to contain the threat of any foreign-inspired conspiracies to create internal dissensions, the Government is carefully

analysing all available evidence to find out whether there is any correlation between otherwise unconnected developments like the latest conversions, the upsurge of the Khalistan movement, the incidence of insurgency in the North-East region, the renewed talk of autonomy in Kashmir and the revival of inter-State disputes.

It is also looking into the possibilities of any contacts between foreign-trained terrorists and the dacoit gangs operating with impunity in some of the Northern States.

There is no conclusive evidence yet of active involvement of any Big Power in a destabilisation attempt, although it is not being ruled out altogether in the light of the sad experience of other countries in similar situations.

The agencies concerned are also satisfied that China is no longer ending any support to the insurgent movements in the North-East region, but the Naga and Mizo rebels who were trained by the Chinese in the past continue to run training camps in the Burmese jungles.

The Pakistan secret service has been training and sending agents across the border into Jammu and Kashmir, while the Mizo rebels are able to operate from the old camps in Bangladesh set up by undivided Pakistan with Chinese assistance.

Pak-Bangla collusion: But the Government has come across vital information suggesting some degree of coordination between the clandestine activities of Pakistan and Bangladesh which is a relatively new development.

All these aspects are being carefully looked into by the agencies of the Government concerned in taking the necessary counter-measures to meet the threat of foreign subversion. The Government is now exercising stricter control over the flow of foreign money through various channels, besides intensifying the vigilance against infiltration of foreign terrorists and smuggling of arms.

International pattern: Though there is no cause for any undue concern, the Government cannot afford to take a complacent view of these dangers which now form part of a well-established international pattern of subversion.

At the higher political level, too, the developing societies now face the threat of protective intervention as it happened in Kampuchea and Afghanistan, or punitive aggression as was the case against Vietnam.

These two perverse doctrines propagated by the Soviet Union and China pose as big a threat to neighbouring countries as the all-pervasive clandestine interference of the United States. And in facing the dangers of such threats from the Big Powers, one cannot also afford to ignore the attempts of the smaller neighbours to fish in troubled waters, while crying wolf all the time about their own exposure to similar pressures.

CSO: 4220/7669

DELHI REPORTED READY TO DISCUSS ARMS REDUCTION

Madras THE HINDU in English 30 Aug 81 p 1

[Article by G. K. Reddy]

[Text] New Delhi, Aug 29. As part of a new propaganda exercise to justify the acquisition of U.S. weaponry well beyond its legitimate defence requirements, Pakistan is reported to be propping up the idea of an early meeting between the top military commanders of the two countries to discuss the prospects for a mutual reduction of forces to avert the threat of another arms race in the subcontinent.

Though Pakistan has been mooting from time to time the concept of a balanced reduction of forces, the plea for a meeting of military commanders to begin a dialogue on the subject was first made by Mr Agha Shahi when he visited Delhi last year to establish contact with the present Government.

The move misfired because he spoke of the desirability of a mutual reduction of force levels to create a better climate of peace and stability in the subcontinent in the same breath in which he pleaded for a settlement of the Kashmir question as a "sine qua non" for a better relationship between India and Pakistan.

During the recent visit of the External Affairs Minister, Mr P. V. Narasimha Rao, to Islamabad in the wake of the U.S. bid to rearm Pakistan, Mr Agha Shahi tried to revive the idea of a mutual reduction as a sort of a political gambit. It was meant to soften the strong Indian objections to the induction of new U.S. weapon systems adversely affecting the present military balance in the subcontinent.

When Mr Narasimha Rao sought further information about what exactly Pakistan meant by a balanced reduction, Mr Shahi did not provide the necessary elucidation. After hurried Cabinet consultations, he declined to give even a rough idea of the present Pakistani force levels, let alone spell out the scope for possible reductions.

It became quite evident that Pakistan was thinking in terms of an over-all reduction of the strength of the two military establishments, not merely a scaling down of the present deployments along the western front. The suggestion did not take into account India's commitments on the northern borders where more than one-third of its Army remained permanently tied down.

It was in this context that the Prime Minister, Mrs Indira Gandhi, said in Parliament last week that India should not walk into any trap in the name of discussing a balanced reduction of forces to avert an arms race. She did not go into further details since a complex issue of this nature could not be adequately dealt with during question hour in replies to supplementaries on the subject.

So India is not taking any official notice of the indirect hints that Pakistan has been throwing through third countries on a serious matter of this kind involving the country's defence. But it will not refuse to engage in any purposeful discussions if Pakistan spells out the scope of the proposed reduction consistent with the geopolitical commitments of the two sides.

If it is really serious about a balanced reduction, Pakistan can prove its bona fides by abandoning its plans to acquire F-16s which would automatically preclude the Indian need for MIG-27s or Mirage-2000s to meet this threat. And the same logic would apply equally to the other weapon systems it is trying to obtain from the United States.

CSO: 4220/7663

DELHI SEEKS TO END DELAY IN DEFENSE PURCHASES

New Delhi PATRIOT in English 29 Aug 81 pp 1, 7

[Text] The Government is studying a proposal to pay for information from prospective suppliers of weapons systems so as to expedite the process of procurement.

This has been thought necessary because many of those whom India has approached for purchases are dragging their feet over the process of supplying quotations and other detailed information.

The arms companies spend a tidy sum on collating the quotation and supplying other details and literature. If they are not absolutely sure of bagging the order, they tend to take their own time, making it difficult for India to take advantage of all the nuances in the business.

The UK, Spain, Italy and France have been approached for their designs but things have moved slowly since.

Saving

If the quotation stage is expedited there could be substantial saving in the finalisation of the deal and eventually in the total cost of the equipment, it is felt.

A delay by a month means a substantial increase in costs because of the "escalation clause" built into every contract. India lost a couple of hundred crores of rupees in the Jaguar deal because of the delay in taking a decision.

India's decision to buy the designs for the second aircraft carrier from abroad even though it has a competent naval design bureau has been explained by defence sources to the fact that it would take at least three years for an indigenous design to be made.

It will take about seven more years to build the aircraft carrier. By buying the designs India will save three years in time and about a hundred crores in rupees if the cost escalation is calculated over three years, it is stated.

The proposed aircraft carrier will be of lesser displacement than the Vikrant which flies a mix of fixed-wing, catapult-launched aircraft and helicopters.

The new carrier will fly only vertical and short take-off and landing aircraft (V/STOL) and helicopters thus doing away with the long angled deck and catapult which make up the bulk of a carrier's structure.

France has two carriers similar, though slightly heavier, to the Vikrant and one helicopter-carrier of 12,300 ton displacement. Italy has a 13700 ton carrier which has both large helicopters and V/STOL aircraft on board.

Spain has built a carrier from design supplied by two US firms and it has offered to sell the same to Argentina, Australia, France and Iran as well. It has offered to fit the latest 'ski-jump' ramp to facilitate STOL operation. The other contender is Britain which built the Vikrant for India.

The Vikrant which was commissioned in 1961 will be ready for the scrapheap within the next 15 years. If it will take seven years for India to build its own aicraft carrier if the design is bought soon, this country will have to make more than one if it is to pursue the two-carrier concept that has just been accepted.

Besides, with the escalation of foreign naval forces in the Indian Ocean region, India will require more carrier task forces to let prospective troublemakers know that it has the capability to defend its maritime interests.

CSO: 4220/7659

ALLEGED SUBVERSIVE GROUPS UNDER INVESTIGATION

New Delhi PATRIOT in English 29 Aug 81 pp 1, 7

[Text] The Lok Sabha on Friday adopted a private member's resolution demanding appointment of a commission of enquiry to probe into the activities of Gandhi Peace Foundation, Gandhi Smarak Nidhi, All India Sarva Sewa Sangh and other closely connected organisations against which charges of anti-national activities and using foreign money to create destabilisation in the country were made earlier.

Mr Tayyab Hussain's (Cong-I) resolution, along with an amendment called upon the Government to take serious note of activities, including publications and sources of funds of these organisations, which tarnished the image of Mahatma Gandhi.

Intervening in the debate, Minister of State for Home P. Venkatasubbaiah said that the Government had evidence to show that these institutions had been receiving substantial funds from abroad.

He added that some 'big countries' had made India a playground for their subversive activities.

Mr Venkatasubbaiah said it was brought to the notice of the Government as early as 1976 that funds received by those institutions were not properly utilised. The Government then, under Mrs Gandhi, had decided to stop Central and State assistance to those institutions. But the Janata Government resumed funding those organisations, he said.

Barring the amendment of Mr Faleiro, the House rejected by voice vote other amendments moved by Mr Bhiku Ram Jain, Mr Sudhir Kumar Giri, Mr V. N. Gadgil, Mr G. L. Dogra and others.

Acharya Bhagwan Deo (Con-I) alleged that the Gandhi Peace Foundation library was stocked with literature 'repugnant to Gandhian ideology.' Those on the Foundation were running international rackets in the name of Gandhiji, he alleged.

Mr Faleiro said it was receiving funds from the US routed through European organisations based in West Germany and some other countries. The foundation was no longer wedded to the noble objectives it was started with.

CSO: 4220/7659

MINISTER ASKS PUBLIC SECTOR TO INCREASE EFFICIENCY

Bombay THE TIMES OF INDIA in English 30 Aug 81 p 1

[Text] New Delhi, August 29--The finance minister, Mr R. Venkataraman, has called upon the public-sector units to increase its efficiency, generate larger resources and reduce its dependence on budgetary support.

Addressing a group of party MPs today, Mr Venkataraman pointed out that the chronic problems plagueing the public-sector units were its low profitability and unsatisfactory capacity utilisation reflected in worsening capital-output ratios.

The declining performance of the railways and stagnation in coal sector were till recently threatening the health of the national economy. The improvements in these critical sectors achieved in 1980-81 would have to be maintained and further enhanced in the current year.

Mr Venkataraman said the overall net profitability of public-sector enterprises had shown a declining trend. The aggregate losses of the public-sector units increased from Rs 40 crores in 1978-79 to Rs 74 crores in 1979-80.

Capacity utilisation had also not been satisfactory in the core sector, including power, steel and fertilisers. Slippages in execution and delays in obtaining sanctions had resulted in project cost escalations. If there was a yawning gap between plan targets and achievements, the credibility of the plan process would be seriously eroded.

Referring to "another unfortunate dimension" of the problem, Mr Venkataraman said the plan process was never intended to prop up the private sector. However the private sector had of late come to rely on the state and public-sector institutions not only for growth but also in some instances, even for survival.

The spirit of adventure and enterpreneurship, which characterised private industry in the early stages of our development, had now been replaced by pleas for support from institutional finance, concessions and protected markets.

It was now assumed that the provision of financial resources for the private sector financial institutions and industrial sickness could be cured by a supportive fiscal policy and state protection. The increasing number of sick units in the private sector was causing concern to the government.

It was never the intention, Mr Venkataraman added, that the model of mixed economy should degenerate into protected private enterprise. The private sector should urgently revitalise itself and gear up to face the challenges confronting the nation.

Resource Utilisation

The concessions offered by the government in the last two budgets should be fully utilised by private industry for promoting greater financial self-reliance and a more optimal resource utilisation.

Since massive public sector outlays were likely to pre-empt public savings substantially and the pursuit of restrictive fiscal and monetary policies was unavoidable for moderating inflationary pressures, private sector's dependence on public sector support should decrease.

Referring to the problems of development facing the economy, the finance minister said the continuing population pressure had made the question of resource allocation between economic and social programmes more difficult.

The persisting inflationary pressures had to be contained with astute supply management policies based on robust infrastructural support. The widening gap in our balance of trade had focused attention on the need to increase capacity utilisation in import substituting industries. The relevance of planning in solving these urgent problems was self-evident.

CSO: 4220/7660

DILBAGH SINGH TAKES OVER AS CHIEF OF AIR STAFF

Installation Ceremony Reported

Bombay THE TIMES OF INDIA in English 1 Sep 81 p 9

[Text] New Delhi, August 31 (UNI): Air Chief Marshal Dilbagh Singh today took over as the new chief of the air staff at a ceremony at air headquarters.

He succeeded Air Chief Marshal I. H. Latif, who retired after 40 years of distinguished service.

The outgoing chief, Air Chief Marshal Latif, signed a book handing over the command of the air force to his successor. He then introduced Air Chief Marshal Dilbagh Singh to the principal staff officers.

After the brief ceremony, Air Chief Marshal Latif inspected a guard of honour at air headquarters. He was ceremoniously taken out in an air force jeep.

Air Chief Marshal Dilbagh Singh, an outstanding fighter pilot, has flown more than 5,000 hours on various types of transonic and supersonic planes.

During his 37 years of service with IAF he has piloted 30 different aircraft, from the world war II vintage type to the latest supersonic MiGs.

Born on March 10, 1926, Air Chief Marshal Dilbagh Singh was commissioned into the air force on September 4, 1944. He saw the Kashmir operations in 1947 and saw action during the 1965 and 1971 wars with Pakistan.

He was awarded Param Vishisht Seva Medal (PVSM) for his meritorious services in 1979. He was appointed air officer commanding-in-chief of the Western Air Command in 1978 and took over as vice-chief of the air staff on January 1, 1981.

Air Chief Marshal Dilbagh Singh is also a keen golfer.

'UNI' Interview Summarized

Bombay THE TIMES OF INDIA in English 1 Sep 81 p 9

[Text] New Delhi, August 31 (UNI). Plans are afoot to develop indigenously new light combat aircraft and armed light helicopters to meet India's specific defensive needs in the late 1980s and 1990s, according to Air Chief Marshal Dilbagh Singh, the new chief of the air staff.

In an interview with UNI after his takeover, Air Chief Marshal Dilbagh Singh said the Indian Air Force had laid down users requirements for the new aircraft and the helicopters. He stressed that the main thrust would be "that our aeronautical engineers and technicians acquire contemporary design capability for aircraft and helicopters of the future with minimum input of technical assistance from advanced countries."

Air Chief Marshal Dilbagh Singh pointed out that in view of the new strategic environments in this region, an added responsibility would have to be shouldered by the IAF to defend the country. The IAF was currently reviewing its plans to meet the requirements of the future, he added.

PAF Has an Edge

Answering questions on the rapid build-up of the Pakistani Air Force and its plans to acquire the sophisticated F-16 fighter bombers from the U.S., the air chief said there had existed an imbalance between the IAF and the PAF in deep strike capability.

He said the Pakistani Mirage IIIs and Vs have greater reach, and greater bomb carrying capability as compared to the IAF's deep strike capability. The modern supersonic Mirage III and V aircraft gave an advantage to the PAF over the IAF's low Speed Hunters jets and Canberra bombers.

The air chief said to bridge this gap, India acquired the Jaguar aircraft and the MiG-23 ground attack fighters. The accent on acquisition of the latest equipment for the IAF is only in the context of defensive needs and not offensive roles which the F-16 would provide to Pakistani Air Force.

The air chief felt something had to be done to counter the menace of the F-16, the acquisition of which by Pakistan would introduce new and very high levels of sophisticated military technology in this region. This development has made it absolutely necessary for India to consider alternative for its defence.

Asked to comment on the possibility of the acquisition of the F-16 aircraft by Pakistan sometime next year, the air chief said "Then we will have to make do with our MiG-21 BIS aircraft and also by providing better training and better tactics to the IAF personnel.

Asked if the F-16 would threaten strategic targets in India, the air chief agreed that with the introduction of this aircraft Indian nuclear plants at

Narora, Trombay and Tarapur and also the Bombay High oil drilling platform would be within its effective range. Besides the oil, refineries in Mathura and Koyali in Baroda would also be within the F-16s reach, he added.

To counter all this, India would need to strengthen its radar coverage as well as mobile observer posts all along its borders and to augment its interception capability. Improvement in the early warning and communication system would also be needed. The aim would be to acquire a strong interception capability whereby the aircraft could be scrambled at a moment's notice, Air Chief Marshal Dilbagh Singh said.

The air chief said no matter how sophisticated the air defence system might be, some sneak raids would always get through, though at exorbitant cost. To achieve cent per cent immunity from such sneak attacks was almost impossible.

He said the role of the IAF in the 80s was going to be very crucial since more sophisticated weapons, newer aircraft and special types of rockets and smart bombs were coming into vogue. An electronics revolution in the military aviation field was on. In such circumstances, "we have to ensure that the enemy's interference in our affairs is reduced to the minimum.

In this context, he said, the IAF would have to develop electronics counter counter measures (ECCM) to neutralise and deter the enemy.

CSO: 4220/7671

IRAN REPORTED INCREASING IMPORTS FROM NATION

Bombay THE TIMES OF INDIA in English 31 Aug 81 p 7

[Text] Dubai, August 30 (UNI). Iran is steadily diversifying and increasing its imports from India.

According to authoritive sources at this West Asian trading post, apart from the traditional items like tea and jute, Iran is looking for textiles, pharmaceuticals, leather goods, sheet glass and motor spare parts from India. In several cases, the Iranian authorities are importing goods direct from India although the traders are meeting their requirements from Dubai and Kuwait.

The sources said till 1978, Iranian imports from India stayed at the level of about $ one million a year. But now the figure of direct imports was touching the two-million-dollar mark, and if its imports via Dubai and Kuwait were considered, it would substantially go up. Items like motor spare parts and sheet glass had virtually become an Indian monopoly and due to their popularity, their imports were certain to increase.

Import of Medicines

The sources said that, for the first time, Iran was importing medicines and pharmaceuticals from India. Another non-conventional item was cotton textiles worth $ 35 million from India last year.

Traditional Iranian imports from India constituted engineering goods, apart from tea and jute. But last year, Iran imported 12,000 jeeps and a number of diesel irrigation pumps.

Iran has already signed an agreement with an Indian jeep manufacturer for continued supply of spare parts and an understanding has been reached to set up a factory in Iran with Indian assistance.

The United States had moved the United Nations last year for an economic embargo against Iran following the hostage crisis. When the move failed, it sponsored an informal Western trade embargo.

However, as the U.N. decided that there should be no embargo against Iran, India continued to trade with Iran "in the normal manner," the sources said.

The sources said there was a major demand in Iran for cement, steel and construction material, adding the Indian authorities could make special efforts to export these items to Iran after meeting the domestic needs.

India could also export quality rice to Iran, the sources said, pointing out that a Dubai trader had sent to Iran 30,000 to 40,000 tonnes of Indian rice last year.

Rice fetches $400 a tonne in the international market. By the profit so generated, India could offset its buffer stocks of wheat which costs only about $180 a tonne, the sources said.

CSO: 4220/7666

JHARKHAND PARTY PLANNING TO SEEK BROAD BASE

Calcutta THE STATESMAN in English 31 Aug 81 p 9

[Text] Midnapore, Aug 30--The Jharkhand Party is trying to shake off its sectarian image. There is a move to make it broadbased so that people from all walks of life can become its members.

The party has expanded rapidly in this district over the past few years, especially among the tribals and the poor. This seems to have inspired the leaders of the party. They believe that only the Jharkhand Party can become an alternative to the CPI(M) in this district and to do that the party should expand and welcome everyone, irrespective of caste and creed.

This new line of thinking is, however, being questioned by some leaders of the party. They feel that the party should continue to uphold the cause of the tribals only. They argue that the party has been able to establish its image as a "friend of the oppressed." As a result, it has been able to enlist the support of many non-tribals as well. There is, therefore, no immediate need to change its present line, especially when the tribals are yet to get a "real fair deal" from the Government.

The division in the party became more apparent recently in connexion with the distribution of stalls in the extended part of Jubilee Market at Jhargram. Before its extension, the market had about 600 stalls, of which only two belonged to the tribals. The extension programme was taken up following demonstrations and agitations by Jharkhand Party supporters. They demanded that more tribals be accommodated in the market. The new wing of the market was completed some time ago at a cost of about Rs 7 lakhs.

The wing was inaugurated last week by Mr Benoy Chowdhury, Minister for Land and Land Revenue. It can accommodate nearly 400 stalls. At the inaugural function, the Minister announced that all the new stalls would be given to the tribals having an annual income of less than Rs 3,500 and a land holding of one acre. They would also be given margin money from the West Bengal Scheduled Caste and Tribal Development Finance Corporation and loans from the banks, the Minister added.

The Jharkhand Party supporters boycotted the function protesting against discrimination in the distribution of stalls. Later, in a deputation to the Sub-Divisional Officer of Jhargram, they demanded that 50% of the stalls be allotted

to non-tribals and the ceiling on income and land holding be raised so that everyone could get stalls in the market.

The deputationists told the SDO that by earmarking stalls only for tribals, the Government was trying to create a division between the tribals and the non-tribals. They requested that both the tribals and the non-tribals be treated equally in the matter of distribution of stalls in the new wing.

CSO: 4220/7668

ONGC MEMBER WRITES ON ONSHORE EXPLORATION

Calcutta THE STATESMAN in English 31 Aug 81 pp 10, 11

[Article by H. G. T. Woodward, member (Onshore) ONGC]

[Text] The search for oil in India began seven years after the first oil well was drilled Pennsylvania, USA by Col. Drake in 1859; efforts however, were earlier confined to the upper Asam Valley only. The Government's policy towards oil exploration at the national level took a concrete share around 1955-56. About the same time, the industrial policy resolution of April 30, 1956 was passed, which placed mineral oil in Schedule 'A' stating clearly that "future development of oil industry will be the exclusive responsibility of the State." The Govt. of India created a Petroleum Division within Geological Survey of India (GSI) in 1955 for oil exploration work. Soon the Petroleum Division of GSI grew into a Directorate of Oil & Natural Gas Commission which was raised to the status of a Commission on August 14, 1956. The Commission was later converted into a Statutory body on October 15, 1959.

In the twenty-five years since its inception ONGC has matured into one of the technologically self-sufficient oil companies among the developing nations. It is one of the few oil companies in the world engaged in every aspect of oil exploration, drilling and production. So far (Till June 1981) about 3-12 million metres and 1689 wells have been drilled in Onshore areas, 198 structures have been drilled of which 58 structures were found oil bearing. Starting from a production of 0.04 MMT in 1961-62 from Gujarat, a production of 4.23 MMT was attained in 1980-81. Cumulative production of oil and gas from Onshore areas amounts to about 68-31 million tonnes and 7551.80 million cubic metres respectively. A large number of wells have been drilled and tested onshore in Gujarat (1,268 wells), Assam (351 wells), Tripura (5 wells), Meghalaya (2 wells), Nagaland (3 wells), West Bengal (6 wells), Uttar Pradesh (4 wells), Bihar (2 wells), Punjab-Himachal Pradesh (10 wells), Tamil Nadu and Pondicherry (18 wells), Jammu & Kashmir (3 wells), Andhra Pradesh (1 well) and Rajasthan (16 wells) but significant discoveries of Hydrocarbons in commercial quantities have so far been made in Gujarat and Assam only. Presence of Hydrocarbons has been established in Rajasthan, Tamil Nadu, Andhra Pradesh and Himachal Pradesh; so far these have not been proved commercial.

Several new techniques like extensive use of digital units for seismic data processing, continuous computerised pressure prediction during drilling of wildcat wells, induction of new indigenous sophisticated electrical rigs etc. have been introduced in onshore areas. Digital logging units were recently introduced for affective formation evaluation and reservoir monitoring. Also

several new fields like Jhalora, South Sobhasan, Viraj Jothana, South Santhal, Motwan, Sisodra in Western Region, Amgurai and Charali--6 in Eastern Region have been brought under production. The scope of exploration has been broadened and intensified by seismic coverage in Gandak depression, Surma Valley Krishna Godavari and Cauvery basins.

In 1974-75 an Indo-Soviet team carried out a study of onshore basins (1.4 million sq. m.). Thirteen prospective basins have been identified by the team, and this forms the basis of prospect categoriasation and input distribution for future plans.

Based upon the above assessment an accelerated programme of exploratory drilling has been initiated in the producing basins of Cambay and upper Assam, and the highly prospective areas of West Bengal, Tripura and Krishna Godavari.

According to the present day knowledge and known technology, it has been estimated that the following is the remaining quantum of regional seismic survey to be completed:

Area Basin	In line kms.
1. Ganga Valley and Himalayan foot hills	4,000
2. Rajasthan:	
a) Jaisalmer District	2,000
b) Bikaner Nagore basin	1,000
3. West Bengal	1,500
4. Tripura & Mizoram	1,500
5. Krishna Godavari	500
6. Cauvery	2,000
7. Assam	2,000
8. Cambay basin	2,000
Total ...	16,500

To complete the above task it is proposed to increase the number of seismic parties to 35 and also improve the technology to increase their output. This will enable ONGC to grade the basin sectors accordingly to their prospects.

The onshore activities are divided into three sectors regions namely Western Region, Eastern Region and Central Region. In brief the prospects and future programme of work envisaged in these regions and indicated below:--

Western Region

Western Region areas include Cambay basin in the State of Gujarat together with Kutch and Saurashtra. Cambay basin is a maturedly explored basin; it is now sought to:

a) Explore for subtle traps in known producing areas.
b) Explore for deeper prospects (Ankleshwar deep well).
c) Extend exploration to lesser explored parts of the basin (Tarapur and Broach blocks).

It is proposed to increase the number of seismic parties from 6 in 1979-80 (field season) to 10 by 1984-85. Besides, one contract seismic party is proposed to be deployed in the highly prospective shoal areas during 1981-82 and 1982 and 1982-83 season. In the current five years 1980-85, it is proposed to deploy 14 to 15 rigs and to undertake drilling of 249-7 thousand metres of exploratory drilling and 250.3 thousand metres of development drilling. All these exploratory efforts are directed towards establishing at least 20 million tonnes of additional recoverable reserves during the five year period. Regarding production of oil and gas from this region, so far 58.81 million tonnes of oil and 7507.63 million cubic metres of gas have been produced.

However, Ankleshwar field in Gujarat which supplied the bulk of the Onshore crude oil is on the decline. A team of Soviet experts have studied and recommended development programme so as to recover the maximum possible crude oil from this field; this programme is under implementation. The crude produced from Ankleshwar is highly valuable for the preparation of detergent alkalytes in petro-chemical plant at Baroda. It was, therefore, considered necessary to produce this crude from a longer period as far as possible to meet the requirement of IPCL.

The production from North Gujarat fields is being kept at 1.4 million tonnes per annum through out the Five-Year period 1980-85. This will be stepped up when the catalytic cracking unit at Koyali is set up to handle higher quantities of LSHS crude. During the five year period the annual production from this region will range between 3.00-2.80 million tonnes per annum. Various enhanced recovery techniques like trial water flooding in Nawagam field, selection of appropriate polymer for injection in Sanand field and also thermal flooding in Balol-Santhal field are planned to improve recovery from these fields.

Eastern Region

This region is considered to be highly prospective. About thirty structural features have been identified in this area so far. Twenty-eight structures has been undertaken for drilling of which hydrocarbons have been found in 8 structures. The thrust of further exploratory efforts in this area is this area is proposed to be directed towards the Naga foot-hills in the Surma and Dhansiri Valley. During the current five year plan it is proposed to increase the seismic parties to 8 parties. The tempo of drilling activity is also planned to be increased by gradually increasing the number of drilling rigs from 12 in 1980-81 to 18 during 1984-85. The quantum of exploratory and development meterage envisaged during the five year period is 300 thousand metres and 330 thousand metres respectively.

The production of crude oil from this region is planned to be increased from 1.7 million tonnes per annum in 80-81 to 3.0 million tonnes per annum in 1984-85.

Central Region

On the basis of present day knowledge, four basins of the Central Region are considered to hold the maximum potential viz. Godavari, West Bengal, Cauvery

and Rajasthan. In Godavari two rigs are operating at present. The rig strength will be gradually raised to 4 rigs. In West Bengal 2 rigs (1 deep and 1 medium capacity) are at present deployed. Here again it is planned to further intensify the exploration activity by deploying 3 rigs. A U.S. Consultant has been engaged for preparing a delta model of West Bengal and to suggest further lines of work. It is proposed to re enter the Cauveri basin for the further exploration.

Available data of Cauveri basin has been reviewed by a well-known U.S. petroleum geology consultant and based on his recommendations further exploration will be carried out. In Tripura 3-2 rigs will be deployed during the plan period.

The total exploratory metreage in Central region areas will go up from 17,300 in 1980-81 to 57,000 in 1984-85. The total number of rigs will go up from 7 in 1980-81 to 15 in 1984-85. During the next five years 51 wells with a total metreage of 202,000 are planned to be drilled in Central Region Areas. It is proposed to increase the tempo of geophysical survey work also in Central Region. The total number of Seismic parties will go up from 18 in 1980-81 to 20 in 1982-83. A contract party will carry out teleseismic eD work in Himalayan foothills during 1980-81 and 1981-82 season. In the Sunderbans area about 2,000 line km. of seismic surveys have been complete in the shallow water zone by a foreign seismic party on contract.

Further work in the shallow water area is currently progressing in 1980-81. Joint Indo-Soviet seismic parties are planned for Tripura and West Bengal areas during the plan period.

Thus a systematic approach to explore and exploit the prospective sedimentary basin in Onshore areas of the country has been formulated for the next five years.

CSO: 4220/7668

PARLIAMENT UNIT REPORTS ON THAL VAISHET PROJECT

Calcutta THE STATESMAN in English 31 Aug 81 pp 1, 9

[Text] New Delhi, Aug 30--The Public Undertakings Committee of Parliament, in its report on the multi-billion rupee Thal Vaishet fertilizer project, has asked the Government to keep "a strict watch" on the performance of the Danish-Italian consultants, Haldor Topsoe, and stipulated that "any further tie-up with them should be decided on the basis of this performance."

Pronouncing on the controversial deal that has led World Bank to cancel a $250-million loan to India, the committee noted that "according to the Government, there will not be any financial loss in accepting the final offer of Haldor Topsoe and rejecting that of M/s C. F. Braun. The committee trusts that this has been borne out by an expert evaluation. However, the fact remains that on account of the delay of nearly two years in fixing up the consultant, the cost of the Thal Vaishet project has considerably increased. The committee, therefore, desires that there should be a clear policy and a well-designed procedure for selection of foreign consultants to enable expeditious decisions. The construction costs would actually materialize. A strict watch on the performance would be necessary and any further tie-up with them should be decided on the basis of this performance."

The committee, headed by Mr Bansi Lal, said that "the anxiety of the Government seems to have been to balance the economic consideration against the reliability of the technology in Indian conditions, and the need for a choice between forward-looking technologies for future application." But at one stage in course of the report, the committee quoted the remarks of the Secretary of the Department of Chemicals and Fertilizers suggested that it was "weighty non-technical reasons" that went into award of the contract to Haldor Topsoe.

The report says: "The committee asked (the Secretary) how the offer of Haldor Topsoe was found to be comprehensive and attractive and whether the committee of Ministers had the advantage of any superior-technical advice. All that the witness could say was: "I can't say superior-technical advice; they have gone into what I may say weighty non-technical reasons." The Cabinet decision merely accepts the recommendations of the committee of Ministers which say: "The offer by Topsoe for transfer of technology is comprehensive and attractive."

After the cancellation of the World Bank loan of $250 million for the Thal Vaishet project, the Government has not been able to tie up in full the funds

needed for the project and whatever commercial credits it has been able to raise in this connexion has been at a much higher cost, Mr K. P. Unnikrishnan, member of the Lok Sabha, who raised the point in the House, said today.

The gas-based Thal Vaishet fertiliser project, which would be the world's largest single producer of urea from any one location, was approved by the Government in May, 1979, at a cost of Rs 511.34 crores. The project, mainly consisting of two 1,350 tonnes per day ammonia plants and three 1,500 tonnes per day urea plants, was expected to be commissioned within 45 months of signing of the engineering contract for the Ammonia plants. There was, however, an inordinate delay in selection of the engineering consultants and according to a revised estimate the project would cost Rs 889 crores, the Public Undertakings Committee noted.

The committee went into the question of the delay. The committee said that the bids received in this connexion and also the two fertilizer plants at Hazira were received and examined by a negotiating committee, which was assisted by an evaluation panel. Thereafter negotiations were held with the three lowest bidders and the bids re-evaluated. "The intention then seemed to have been to have the same technology for both Thai Vaishet and Hazira plants. The department of Chemicals and Fertilizers also made its own evaluation. All the evaluations showed that the offer of M/s C. F. Braun was the lowest.

"The matter was then considered by the Special Committee of Secretaries on fertiliser projects which recommended in June, 1979, the selection of M/s C. F. Braun as the consultants. The recommendation was accepted in August 1979, by the Government. A draft contract was also finalized in December, 1979. There was, however, a reconsideration of the issue by the Government after January 1980, and the whole matter was referred to a Committee of Ministers in July 1980.

"The committee accepted the majority view of the expert committee, but the unanimous decision that M/s C. F. Braun should be selected as the consultant for the Thal Vaishet plants was turned down mainly on the ground that M/s C. F. Braun had no experience of having built and operated a plant in India and the proposed contract suffered from legal lacunae. It was of the view that Haldor Topsoe should be selected for the Thal Vaishet project and Fullman Kellog for the Hazira project. This was accepted by the Government in September, 1980."

On December 23, 1980, raising a discussion in the House on the award of the contract to the Danish-Italian firm, Mr Unnikrishnan had attacked the whole basis of the Government's decision and laid on the table of the House photostat copies of Government documents regarding the decision to make the point that the award of the contract to Haldor Topsoe was malafide, was not in the interest of the nation and it would lead to a delay in the commissioning of the plant and to a loss of crores of rupees.

CSO: 4220/7668

INTERMINISTERIAL PANEL ON ENERGY FORMED

New Delhi PATRIOT in English 31 Aug 81 p 12

[Text] An inter-ministerial working group headed by Heavy Industry Secretary D. V. Kapur has been constituted by the Government to go into various aspects of utilisation and conservation of energy, reports UNI.

The terms of reference of the group are: To undertake field studies of a representative cross-section of industrial units for evaluating the present status of efficiency of energy utilisation and recommending special short, medium and long term measures for optimising energy consumption.

To suggest, in the light of the field studies undertaken appropriate changes in energy utilisation techniques and modifications/replacements of existing equipment, including instruments and control.

To recommend a suitable permanent machinery to undertake energy conservation field studies at unit level and monitor the implementation of the identified conservation measures according to a time-bound programme.

To examine and suggest appropriate fiscal incentives and patterns of funding for implementing energy conservation measures involving substantial capital expenditure.

To suggest appropriate measures for taking into account the aspects of energy conservation in the procedures for industrial approval.

To undertake indepth study of the indigenous energy conservation equipment industry and suggest appropriate measures for its development.

To examine and recommend changes, if any, in the existing policy and procedures for import of energy saving equipment/processes and knowhow.

To identify suitable industrial sectors for adopting total energy concept through co-generation of power.

To examine the scope of substituting scarce energy by more readily available sources.

To recommend appropriate arrangements for training of operational and managerial personnel.

To make recommendations on other related matters.

Other members of the group are: a representative each from the Bureau of Industrial Costs and Prices, Departments of Economic Affairs, Power, Petroleum, and Coal and Mr P. R. Srinivasan, Deputy Executive Director of the National Productivity Council as member secretary.

CSO: 4220/7670

SOLAR, BIOGAS ENERGY PROJECTS BEING PUSHED

Kuala Lumpur BUSINESS TIMES in English 13 Jul 81 p 6

[Article by V.S.P. Kurup in New Delhi]

[Excerpts]

INDIA has now embarked on one of the most ambitious solar energy development programmes in Asia today, preparing for the time when its meagre oil and gas resources will run out.

Round the year, India gets intense sunlight — averaging 12.5 kilo calories per square centimetre — which has hardly been tapped. Yet with simple devices, sunlight can be used to pump water, process foodgrains, cook food, boil water and heat buildings in winter.

For the next five years, India plans to spend US$19 million for research into and development of solar energy in all its forms.

As a vivid example of the immense possibilities solar energy holds for India's rural areas, the government has installed the country's first solar-powered lighting system in Choglamsar, a remote village near the Tibetan border.

Using photovoltaic cells, the US$19,000 system provides enough electricity to light 32 fluorescent lamps in a 20-bed hospital. Scientists hope to lower the cost by developing low-cost solar-grade silicon, the essential component in solar cells (or photovoltaic cells).

A ten-ton-day solar grain dryer was installed recently at a farm in Punjab and a bigger one — with a 30-ton capacity — is now being tested in Kerala.

In a hot a humid country like India, refrigeration systems are in great demand to keep buildings cool and preserve food. Scientists at the Indian Institute of Technology in Bombay have developed a solar-powered cold storage plant. It will be commercially available after further tests have been conducted.

Two companies have also started to manufacture solar heaters which can substantially cut the cost of heating buildings in winter. They are now producing 150-litre domestic models. A plant established by the Central Salt and Marine Chemicals Research Institute is providing 1,500 litres of hot water at 80 degrees centigrade to a big textile mill at Ahmedabad in West India, to be used for dyeing.

At the same time, there is a move to amend the country's building code to make solar heaters mandatory and to insist that all industries and government projects switch over to solar energy. To dramatise this move, the Prime Minister's residence in New Delhi now uses a solar water heater.

The use of solar energy for pumping water is no longer a laboratory wonder for India. A simple solar pump — even drawing as much as 20,000 litres of water daily in a semi-desert area of Rajasthan.

Since these pumps work by electricity generated through the direct conversion of solar energy, a lot of research is now being conducted into developing a more efficient photovoltaic cell. The Indian government plans to a spend US$15 million in its search for a better photovoltaic cell in five years.

Another development in solar energy technology is the making of a solar generator. A prototype has been developed by the Indian Institute of Technology in Madras. Scientists are also keen in launching solar satellites which can convert solar energy into electricity. Electricity will then be transmitted to earth in the form of microwaves.

Along with solar energy, government officials feel that biogas also holds an important place in filling the energy requirements of Indian villages. There are 80,000 biogas plants in India today, producing 99.82 million cubic metres of gas which is equivalent to 62 million litres of kerosene.

But the country has a potential for three million biogas digesters on the basis of the 300 million cattle population of India. Scientists calculate that to operate the 2.7 million diesel pumps in the villages would require 47 million cubic litres of gas. But gas from India's cattle dung alone can generate 24 billion cubic metres of gas.

This potential could increase if other animal and vegetable wastes are added. A recent study has revealed that the water hyacinth — a weed that chokes and congests the world's rivers — is a good source of biogas. A kilo of dried hyacinth can produce as much as 374 litres of biogas containing 60 per cent methane.

Although a lot of problems still bug the country's biogas plant, over 20 kinds of digesters are currently in use, with capacities ranging from two cubic metres to 85 cubic metres of gas daily.

Generators and car engines have also been developed to run on biogas. Large biogas plants to generate electricity for villages are also being built.

India has also begun researching and developing other sources of renewable energy. Scientists have developed simple and cheap hydro systems which can generate enough electricity from streams. An easily replaceable electronic controller of speed and voltage eliminates costly governing arrangements, making them 50 percent cheaper than existing models.

CSO: 4220/639

ECONOMIC RESEARCH UNIT SEES NEED FOR RUBBER IMPORTS

Bombay THE TIMES OF INDIA in English 1 Sep 81 p 10

[Text] Cochin, August 31: A substantial gap between the production and consumption of rubber in India is forecast for the eighties. The estimates of the gap vary, but it is agreed that it will be on a significant scale.

The National Council for Applied Economic Research (NCAER) estimates the shortfall of natural rubber to be around 65,000 tonnes by 1984-85, which the rubber board puts it around 37,000 tonnes. According to the board, the production is expected to reach 200,000 tonnes by 1984-85 while the consumption will go up to 237,000 tonnes.

The demand for natural rubber is expected to be around 185,000 tonnes in 1981-82 against an estimated production of 165,000 tonnes, leaving a deficit of 20,000 tonnes.

The gap between the supply and demand of rubber in India is not a new trend. In fact, it is a world-wide phenomenon. But as far as India is concerned, it will be a more serious problem as this country's consumption of natural rubber is 81 per cent against the world average of 30 per cent.

A recent study on the outlook for the next decade points to the difficulties that might be faced in reducing this gap, which the NCAER expect to be around 170,000 tonnes by 1989-90, by way of imports or by increasing the production of synthetic rubber. The production of this variety had declined after the 1973 oil crisis.

The study points out that imports will have to continue for quite some years despite the objection voiced by growers and the government of Kerala.

Rs 100 Cr. Scheme

One suggestion is the drawing up of a long-term plan to bring more area in both the conventional and non-conventional regions of the country under rubber plantation. The rubber board has already taken up a Rs 100-crore scheme to bring about an additional 25,000 hectares of land under rubber during 1980-85 to increase the production by 40 per cent.

Trial plantations conducted by the rubber board in Assam, Tripura, Goa, Maharashtra and Andhra Pradesh have shown scopes for the expansion of the area under rubber. At present, the cultivation is confined only to Kerala, Karnataka, Tamil Nadu and the Andaman and Nicobar Islands. Of this, Kerala accounts for nearly 91 per cent of the area and 94 per cent of the production.

CSO: 4220/7671

MATHURA REFINERY TO BE COMMISSIONED IN NOVEMBER

New Delhi PATRIOT in English 31 Aug 81 p 9

[Text] The Mathura Refinery, with six-million tonne capacity, will be commissioned in November next.

Petroleum Minister P. C. Sethi told a party of newsmen who visited the refinery on Saturday, that initially the refinery would process four million tonnes of crude and was expected to operate at its peak capacity in the first quarter of 1982. The crude is already in the pipeline for processing.

With the commissioning of the Mathura refinery, the total refining capacity in the country will go up from the present 31.80 million tonnes to 38 million, he said.

Indian Oil Corporation (IOC) chairman C. R. Das Gupta who was present on the occasion said that the refinery products would start flowing out of it from November end.

In reply to a question, Mr Sethi said that the refinery had an in-built capacity to produce seven million tonnes of petroleum products.

The refinery will process both Middle East and Bombay High crude, pumped along 1219 km pipeline from Salaya in Gujarat and will meet the ever increasing needs of petroleum products in the North-Eastern region covering Delhi, Punjab, Haryana Rajasthan, Jammu and Kashmir and most of Uttar Pradesh.

Mr Das Gupta explained that the refinery was originally to go on stream by April 1980 but was delayed due to various factors, the important ones being acute power shortage, labour problems and delay in delivery-schedule by the indigenous manufacturers.

Due to this delay, there has been 30 per cent cost escalation and the project cost at present is Rs 240 crore as against the original estimate of Rs 192 crore.

Mr Das Gupta said that of the total project cost, foreign exchange component had been only 12.2 per cent, of which technical assistance from the Soviet Union accounted for 8.14 per cent.

When in full production, the refinery will yield over two million tonnes of HSD, 8,09,000 tonnes of naptha, 6,58,000 tonnes of kerosene, 3,50,000 tonnes of motor spirit (petrol) and 1,80,000 tonnes of LPG (cooking gas), besides many other important products.

The LPG production will be the highest, enough to serve about 15 lakh consumers.

To take these products to major consumption centres, a 513 km product pipeline from Mathura to Jullundur via Delhi and Ambala is being laid and the first phase of the pipeline will be commissioned by the end of the year and the entire system will be ready in 1982 at an estimated cost of Rs 50 crores.

The refinery will supply feedstocks to three fertiliser plants based on heavy feed-stocks at Bhatinda, Panipat and Nangal and three more Naphtha based plants at Kannur, Phulpur and Kota.

The IOC has taken adequate pollution control measures to ensure that the Tajmahal is in no way affected by the emissions of the Mathura refinery.

The IOC has so far spent over Rs 10 crores to determine and adopt latest anti-pollution technology. It is for the first time that such a huge amount is being spent on pollution control measures by any refinery.

Mr Das Gupta said that as a part of the pollution measures, only low sulphur fuel oil would be used in the refinery.

The resulting emission of sulphur dioxide will be limited to a maximum of one tonne an hour. A separate unit has been set up for the removal of sulphur from fuel gases before they are burnt in the furnace.

He said that Archaeological Survey of India has given clearance to the refinery.

CSO: 4220/7670

GROWTH REPORTED IN PUBLIC SECTOR ELECTRONICS

New Delhi PATRIOT in English 31 Aug 81 pp 1, 9

[Text] Electronics production in the public sector has shot up in recent years and has become more broad-based, reports PTI.

This is attributed in official circles to careful planning, combined with efficient promotion and coordination by the Department of Electronics (DOE) over the last five years.

As a result of the efforts of DOE, import substitution amounting to Rs 120 crores of high technology electronic systems and equipment over 1979-83 and orders or firm commitments for another Rs 170 crores over 1983-85, has been achieved, bringing the total to Rs 290 crores over 1979-85.

Five central public sectors--BEL, ITI, ECIL, Instrumentation Ltd and BHEL--contribute a little over 35 per cent of the total out put of Rs 800 crores of the industry in 1980. More importantly, they constitute the core of the industry--both equipment and components--and above all in the technological sophistication of their products.

Active work by the DOE has also directly resulted in ECIL alone securing firm orders for about Rs 60 crores of sophisticated electronic equipment over 1980-83. This amounts to about Rs 20 crores per year which comes to 50 per cent of the company's present turnover level of Rs 40 crores. In the case of Instrumentation Ltd., it is about Rs 20 crores over the same period. The situation is similar in the case of BEL and ITI. As for BHEL, their electronics production has increased substantially during the last three years.

This spurt in production is mainly attributed to the policy of active import substitution pursued by the DOE, particularly in the large electronic control equipment needs of the Bokaro, Rourkela and other steel plants, as also in some cement plants.

A major effort by DOE, in the area of both research and development support and securing bulk orders, has had a substantial impact on another public sector company, Central Electronics Ltd.

Not only has DOE contributed significantly to the planning commission having agreed to provide the necessary domestic funds for the Rs 12 crores national

solar photovoltaic demonstration programme of CEL, but it is pointed out, that sustained efforts by DOE has also resulted in CEL securing regular commercial orders for solar power sources for offshore oil platforms being built for ONGC by Mazagaon Docks Ltd. These are expected to result in about Rs 2 crores worth of firm orders for CEL over the next two years.

Similar orders have been secured for solar powering of the electronic monitoring systems for the flood forecasting programme of the Central Water Commission and are expected to be secured by CEL from the P and T for the latter's rural telecommunication programme. All these have resulted from the import clearance procedure of the DOE combined with active technical and administrative promotion and coordination between users and manufacturers.

CSO: 4220/7670

FOREIGN EXCHANGE RESERVES FALL RAPIDLY

Calcutta THE STATESMAN in English 1 Sep 81 p 9

[Article by K. K. Sharma]

[Text] New Delhi, Aug 31--India's foreign exchange reserves have suddenly plummeted. Towards the middle of August they had dwindled by more than Rs 500 crores in just eight weeks, more than double the rate of the decline in previous months.

What is more, Rs 400 crores of the fall was due to disinvestment of the large amounts held in the form of income-yielding foreign securities that have been built up to high levels over the past five or six years.

That the Government now feels it necessary to dip into these profitable reserves indicates the serious balance of payments position, the dimensions of which are now becoming clear and explain the decision to borrow heavily from the International Monetary Fund and the world capital markets.

Part of the decline can be attributed to the purchase and import of wheat, edible oil and sugar in substantial quantities to improve supplies and check the rise in prices. But obviously, the heavy trade gap--estimated at more than Rs 5,500 crores in 1980-81--is increasing and eroding the reserves at a time when earnings from "invisibles" (such as remittances from Indians abroad) have reached a plateau.

The reserves declined by Rs 526.36 crores from June 26 to August 14. This compares with a fall of just Rs 270.33 crores in the same period last year. If this trend persists, the reserves will be falling at twice the rate as last year.

It is possible that the actual decline--which was thought to be just more than Rs 100 crores a month--has become clearer now that the agitation in the Reserve Bank has ended and it is catching up with work left undone for more than three months in many of its branches. A more realistic picture has now emerged.

Foreign exchange reserves stand at around Rs 3,600 crores if the value of gold held by the Reserve Bank is taken into account. After the drop of Rs 400 crores in foreign securities, these now account for Rs 1,964,06 crores of the reserves while balances held abroad amount to Rs 1,441.43 crores.

CSO: 4220/7673

RSS REPORTED CAMPAIGNING AGAINST CONVERSIONS

New Delhi PATRIOT in English 2 Sep 81 p 4

[Text] Bangalore, Sept 1 (IPA)--The Rashtriya Swayamsevak Sangh has undertaken to run a nationwide campaign against conversions, taking advantage of the Meenakshipuram conversions case, according to knowledgeable RSS sources here.

Guidelines have been sent to all political, social and other mass organisations owing allegiance to the RSS, to take up the anti-conversion movement on a priority basis in their respective spheres.

The Meenakshipuram incident would seem to have provided the much-needed boost to the RSS activity, especially in the southern States and more so in Tamil Nadu where the RSS so long found it difficult to make any headway.

According to these sources, the RSS expects that the BJP and its mass fronts as well as the RSS-led mass fronts such as the BMS and the ABVP should integrate the anti-conversion campaign in their day-to-day work. It believes that the nationwide focus on Meenakshipuram conversions has already created a favourable ground for the RSS and its like-minded organisations to register further advance among the Hindu population.

These sources were confident that if a concerted campaign was built on this issue a vertical communal polarisation could be usefully affected as between the Hindus on one side and the Muslims and Christians on the other. This is evident from the guidelines which point out that "as the Hindus numbers decline and that of the non-Hindus increase, threat to our national security and integrity will result as surely as day follows night."

What is significant about these guidelines is that they have stated the oft-repeated RSS thesis on the partition of India to have been the result of "non-Hindu members" on the soil of once united India, it remains completely silent about the conspiracies of the then British rulers. "The armed insurgency in our North Eastern parts such as Nagaland, Mizoram Meghalaya etc." is attributed to being "a direct result of Christian conversions there." The RSS has also exhorted that "rise in Muslim population in any part (of the country) leads to violent, anti-Hindu attacks, creating lawlessness and anarchy there." It has not cared to substantiate the wild charge.

There is yet another aspect of the RSS overnight awareness of the "dangers" stated to be inherent in the conversion of Harijans. It concedes now that certain "evils of inequality have crept into the Hindu society and has therefore pleaded with the religious heads of the Hindu society like "Mathandhipatis" to move into every hamlet and "declare that every temple, every well and every place of public utility be thrown open to all Hindus." What is remarkable in this concept is that it completely ignores the economic inequalities afflicting the socalled "untouchables."

The RSS has said that though "time is running out fast" and work of eradication of every form of social and religious inequality needs to be undertaken on a "war-footing," there is no doubt that even now "circumstances are in our favour." It says the religious and cultural attachment of the overwhelming majority of Harijans-Hindus for the Hindu Samaj and Hindu dharma remains firm.

CSO: 4220/7677

PUBLIC SECTOR UNITS REPORTEDLY SUFFER HEAVY LOSSES

Calcutta THE STATESMAN in English 1 Sep 81 p 3

[Text] Cumulative losses suffered by at least 32 important public sector units have risen to such a staggering figure as to exceed the total paid-up capital of such companies by crores of rupees, according to the latest report of the Comptroller and Auditor General of India.

While the total paid-up capital of these 32 units are recorded at Rs 458.22 crores (as on March 31, 1980), cumulative losses suffered by them now stand at Rs 998.72 crores. The poor performance of the public sector undertakings is no longer a secret. But what concerns the authorities most is the fact that their performance is not showing signs of recovery. The units in the coal, engineering and textile sectors continue to incur losses with low production, growing idle capacity, mismanagement and labour troubles.

The Heavy Engineering Corporation at Ranchi, which was incorporated in 1958 with a paid-up capital of Rs 161.79 crores, has suffered a total loss of Rs 204.81 crores. The story of the Mining and Allied Machinery Corporation at Durgapur is no less pathetic considering the fact that it was set up as a pioneer unit to manufacture vitally needed mining equipment. Its cumulative losses have risen to Rs 79.30 crores against the paid-up capital of Rs 43.80 crores. Bharat Coking Coal has incurred a staggering cumulative loss of Rs 245.80 crores, whereas its paid-up capital is stated to be Rs 65.69 crores.

Cumulative losses of some of the public sector units are as follows with the figures in brackets indicating their paid up capital: Artificial Limbs Manufacturing Corporation--Rs 2.82 crores (Rs 52 lakhs); Burn Standard Company--Rs 31.11 crores (Rs 9.04 crores); Bharat Ophthalmic Glass Company--Rs 10.49 crores (Rs 5.56 crores); Central Inland Water Transport Corporation--Rs 43.22 crores (Rs 11.44 crores); National Textile Corporation (West Bengal, Assam, Bihar and Orissa)--Rs 54.75 crores (Rs 22.66 crores); Scooters India--Rs 19.17 crores (Rs 5.13 crores); the Mogul Line--Rs 23.04 crores (Rs 1.01 crores).

According to informed sources a number of public sector units have been operating without chief executive for quite some time now. The Public Enterprises Selection Board has been formed to fill the vacant posts at the top, but the situation has not improved much.

CSO: 4220/7673

BRIEFS

FOREIGN AID UTILIZATION--New Delhi Aug 27--There was no definite evidence to support that foreign money received by about 5,000 cultural organisations was being utilised for conversion and creating communal tension in the country Mr Yogendra Makwana, Minister of State for Home Affairs, said in the Rajya Sabha today. He told Mr Hukmedo Narayan Yadav in a written reply that during 1977 a total sum of Rs 1,24,63,22,708 was received for social, religious, charitable and missionary purposes from the U.S., West Germany, United Kingdom, Saudi Arabia, Kuwait, Switzerland, France, UAE, Canada, Italy, Holland and Australia. Returns for the years 1978, 1979, 1980 and the half year ended June 30, 1981 had been received and were being processed, he added. [Excerpt] [Madras THE HINDU in English 28 Aug 81 p 9]

LEADER OF JANATA PARTY--New Delhi, Aug. 27--Mr Ravindra Varma was elected deputy leader at a meeting of the Janata Parliamentary Party here today. Mr Varma polled 12 votes against 11 by Dr Subramaniam Swamy. Mr Madhu Dandavate, leader of the Parliamentary Party, presided. Among those, who turned up to cast their votes was Mr Chandra Shekhar. According to Dr Swamy, an attempt was made at the meeting to make the election unanimous. He saw no reason why Mr Varma, who is General Secretary of the Janata Party, should have contested the post of Deputy Parliamentary Party leader. [Text] [Madras THE HINDU in English 28 Aug 81 p 9]

CONGRESS-U RESIGNATION--Mr Bhim Singh, member of the Jammu and Kashmir Assembly, has resigned from the joint secretaryship of the All-India Cong-U Committee, reports PTI. He has alleged that acting party president Sharad Pawar and his supporters were "determined to surrender" the party to Mrs Gandhi for "personal and political gain." [Text] [New Delhi PATRIOT in English 28 Aug 81 p 1]

EXPORTS TO CUBA--Bombay, August 28--There is a good potential for considerably expanding India's engineering exports to Cuba through a tripartite arrangement involving the Soviet Union. This was stated by Mr P.M.S. Malik who was till recently India's ambassador to Cuba, while addressing a meeting of AIEI members in the association's Bombay office. Mr Malik informed members of the association that while the volume of direct visible trade to Cuba was very small, considerable exports to Cuba were taking place through third countries. For example, hand tools valued at over $1 million were being exported through U.K. and West Germany. Similarly, equipment for projects were going in through the U.S.S.R.

India's engineering exports to Cuba can be easily stepped up to $15 to 20 million per annum through a tripartite arrangement involving the Soviet Union, Mr Malik felt. Besides wishing to purchase Indian engineering products for use in Cuba itself, the Cuban organisations would be interested in procuring Indian goods and services for third country projects in which Cuba was involved. [Text] [Bombay THE TIMES OF INDIA in English 29 Aug 81 p 10]

EASTERN COMMAND CHIEF--New Delhi, Aug 28--Lieutenant-General K. Chiman Singh has taken over as Chief of Staff, Eastern Command, Calcutta, reports PTI. [Text] [Calcutta THE STATESMAN in English 29 Aug 81 p 1]

SHIPMENT TO RUSSIA--The Mining and Allied Machinery Corporation, A Government of India undertaking, shipped its first consignment of exports to Soviet Russia from Calcutta port on Friday. The shipment was part of an order valued at Rs 27.19 crores, the corporation received from Soviet Russia. The first consignment consisted of 101 drums for conveyors, some more drums and "idlers" would be sent next month. The entire order is expected to be executed by 1983-84. A spokesman of the corporation said that the Russians had indicated the possibility of placing additional orders worth over Rs 10 crores with the corporation. The MAMC has already executed export orders to Afghanistan, Turkey, Indonesia, Syria and West Germany. Apart from the Russian order, it is currently executing an order worth Rs 6.83 crores received from National Thermal Power Corporation, Korba, on International Development Agency credit. The corporation has now in hand domestic orders worth Rs 92 crores. Although set up with Soviet assistance, the corporation is now expanding in collaboration with Polish, West German and U.K. firms. [Text] [Calcutta THE STATESMAN in English 29 Aug 81 p 3]

BURMAH OIL PURCHASE--New Delhi, Aug 28--India will pay Rs 21.56 crores free of taxes to the Burmah Oil Company Ltd of the U.K. to end the last vestiges of foreign control over crude oil and gas in India and their production and distribution. The payment--to be made by October 15--is provided for by a Bill introduced in the Lok Sabha today by Mr P. C. Sethi, Minister of Petroleum, Chemicals and Fertilizers. The transnational company still controls "a significant portion" of petroleum products produced, marketed and distributed in India. Under the Bill, 50 per cent of the shares the company owns in Oil India Ltd will be transferred to the Government of India, making the company fully national. Assam Oil and the marketing assets it rented from Burmah Oil Company (India trading) Ltd will be vested in a Government company or Government companies by notification. The services of their employees are to be transferred to the new company or companies. Their contracts for any service, sale or supply in India will be "continued." The Bill is to be taken up by the House next week.--PTI [Text] [Madras THE HINDU in English 29 Aug 81 p 7]

GANDHI TRAVEL PLANS--New Delhi, August 29 (UNI)--Mrs Indira Gandhi will pay a brief visit to Indonesia on her way to Melbourne next month to attend the Commonwealth conference. Mrs Gandhi is scheduled to stop over in Jakarta on September 23 and 24 in response to the invitation of the Indonesian President, Gen. Suharto. After visiting the Fiji islands and Tonga, Mrs Gandhi will reach Melbourne on September 29, a day before the inaugural session of the Commonwealth conference. Mrs Gandhi, who is scheduled to stay on in Australia till October 7, will visit the Philippines on October 8 and 9 before returning to New Delhi on October 9 night. [Text] [Bombay THE TIMES OF INDIA in English 30 Aug 81 p 6]

DESAI ON PAKISTAN--Bombay, August 29--The former Prime Minister, Mr Morarji Desai, justified Pakistan arming itself to face the threat posed by the Soviet aggression on Afghanistan. He said that Mrs Gandhi was unnecessarily bothered by Pakistan arming itself. Addressing a seminar on "India's security in the context of occupation of Afghanistan," organised here today by the Hindustani Andolan. Mr Desai asked, "What right we have to voice against that country's defence requirements when we had also ourselves sought weapons from other countries." Agreeing with the view that Pakistan had attacked India earlier on more than one occasion, he said that country had learnt a lesson and would not dare another attack. [Text] [Bombay THE TIMES OF INDIA in English 30 Aug 81 p 9]

CONGRESS-U PARLIAMENTARY CHIEF--Bombay, August 29--Dr Padamsimha Patil, former minister, was elected president of the MPCC(S) at a meeting today. Dr Patil, 41 and MLA, belongs to Ter town in Osmanabad district of Marathwada. He was minister of state for energy and prohibition during Mr Sharad Pawar's chief ministership. The announcement of Mr Patil's election was made at a newsconference by Mr Sharad Pawar, president of the Congress(S). The name for the presidentship was proposed by Mr Datta Meghe and was seconded by Mr Prabhakar Dharkar. Apart from executive members, the gathering of 200 at the meeting included district presidents, according to Mr Pawar. According to informed sources, there were some other aspirants for the post and the choice was finally made after considerable discussion. The presidential election was caused by the resignation of Mr Sharad Pawar following his election as the president of the Congress(S). [Text] [Bombay THE TIMES OF INDIA in English 30 Aug 81 p 9]

ASSAM STUDENTS' STAND--Gauhati, Aug 29--The All-Assam Students Union today reaffirmed its stand that it was not prepared to allow even a single foreigner in Assam who had entered the State between 1961-71, reports UNI. The AASU executive, which met here today inconclusively, discussed in details the latest proposals put forward by the Government in the last talks. In a statement, the AASU general secretary, Mr Bhrigu Kumar Phukau said the agitators did not subscribe to the Government's views on the dispersal of the 1961-71 stream of foreigners from the State. The executive which would resume its meeting tomorrow, would take a decision on the Government proposals, he said. The AASU would formulate a policy for the detection and distribution of 1961-71 foreigners in other parts of the country, he added. [Text] [Calcutta THE SUNDAY STATESMAN in English 30 Aug 81 p 7]

LAW COMMISSION MEMBERS--New Delhi, Aug. 29--Mr K. K. Mathew, retired Judge of the Supreme Court, will head the reconstituted Law Commission. The two other members will be Narullah Beg, former Chief Justice of the Allahabad High Court. An official announcement is expected soon. The long-delayed decision puts an end to the uncertainty that had prevailed since the expiry of the term of the last Commission on August 31, 1980, and had been the subject of critical comment. This will be the ninth Law Commission and, as in the past, will be reporting to the Government on specific subjects referred to it, particularly suggesting revision of the Central laws of general importance, with a view to simplifying the texts and removing anomalies and ambiguities. The last commission was formed in September 1977, during the Janata regime with Mr H. R. Khanna, formerly of the Supreme Court as Chairman. After the collapse of the Janata Government, Mr Khanna was included by Mr Charan Singh in his Cabinet as Law Minister, but he resigned after one or two days. [Text] [Madras THE HINDU in English 30 Aug 81 p 1]

GODAVARI EXPLORATION AID--New Delhi, August 30 (PTI)--A $120-million loan for the Godavari oil exploration programme is being negotiated with the World Bank. The loan, it is learnt, will cover part of the survey work of the Oil and Natural Gas Commission both in the onshore and offshore areas. An appraisal team from the World Bank had already had discussions with concerned officials. Further details will be worked out in October. The loan will finance a 2,000-km. seismic survey--and cover drilling of six wells, including three wells in Godavari offshore. Prospects of oil in the Godavari basin appeared encouraging with oil and gas find in the first offshore well drilled by the ONGC last September and earlier an "oil gush" from an exploratory well near Narsapur. Meanwhile, the offshore exploratory drilling in the Godavari basin will be resumed at the end of the year. A total of three wells had already been drilled in the offshore area. The second proved abortive. During exploratory drilling in the third well, costly equipment was lost in the swift current. [Text] [Bombay THE TIMES OF INDIA in English 31 Aug 81 p 1]

SOUTHERN COMMAND CHIEF--New Delhi, August 30 (PTI)--Lieutenant-General T. S. Oberoi will take over as general officer commanding-in-chief, Southern Command, on September 1, from Lieutenant-general R. D. Hira who is retiring after 39 years of distinguished service, says an official release. Born on November 8, 1926, General Tirath Singh Oberoi served with the United Nations emergency force in Egypt between December 1956 and February 1958. General Oberoi was awarded the vitchakra for gallantry during Jammu and Kashmir operations in 1948 and the param vishisht seva medal in 1981 for distinguished service of the most exceptional order. [Text] [Bombay THE TIMES OF INDIA in English 31 Aug 81 p 15]

YOUTH CONGRESS SECRETARY--New Delhi, August 31 (PTI)--Mr Satish Verma was today removed from the secretaryship of the Indian Youth Congress by its president, Mr Suresh Kalmadi. He was earlier warned by the president to refrain from anti-party activities, and hobnobbing with the erstwhile Congress leaders, who were earlier removed from the party. Mr Verma had even refused to respond to the show-cause notice that had been served on him by the Youth Congress president, according to an IYC press release. [Text] [Bombay THE TIMES OF INDIA in English 1 Sep 81 p 1]

INDO-UAE JOINT PANEL--Abu Dhabi, August 31 (UNI)--The Indo-UAE joint commission will meet here in December to review the progress of the bilateral economic relations, the ambassador, Mr Lalit Mansingh, told UNI today. Mr. Mansingh said the exact date and agenda would be fixed soon. The two sides would be represented by their respective external affairs ministers. The last sitting of the commission was held at New Delhi in December last year. The ambassador had conferred yesterday with the director, Mr Khalifa Al Yousif, of the UAE foreign ministry's economic department, about the commission. A key subject at the discussion was the follow-up on the proposed joint refinery project and the setting up of the joint investment company with equity participation for both sides. Mr Mansingh said the company would look after not only joint ventures in India and the UAE but also in other third world countries. [Text] [Bombay THE TIMES OF INDIA in English 1 Sep 81 p 15]

MAHARASHTRA MINISTER DISMISSED--Bombay, Aug 31--The Maharashtra Revenue Minister, Mrs Shalini Patil, was today dismissed from the State Cabinet, reports UNI. This was announced at a hurriedly convened Press conference by the Chief Minister, Mr A. R. Antulay. Mr Antulay said just after an emergency Cabinet meeting that Mrs Patil had refused to accept his request to step down. The State Finance Minister Mr Ramrao Adik, and the Law Minister, Babasaheb Bhosale, had earlier conveyed Mr Antulay's request to her. The Chief Minister said: "I recommended to the Governor to dismiss her following her refusal to step down." The development follows Mrs Patil's statement at Kolhapur yesterday that whatever money had been collected from sugarcane growers "without their consent" had to be refunded in view of the controversy over the collection of donations for the Indira Pratibha Pratisthan and various other public charitable trusts. [Excerpt] [Calcutta THE STATESMAN in English 1 Sep 81 p 1]

NAGA PANEL FORMED--Kohima, Aug 31--A meeting of Naga National Council workers has formed a 12-member committee "to contact various parties to acquaint them with its resolutions," reports UNI. The meeting was held last week in a village near Kohima. It denounced the Shillong Accord signed in November 1975. The NCC Press release said that the resolution denouncing the Shillong Accord was passed "without any ulterior motive, but to find a workable solution to restore peace between the Government of India and the Naga people." [Text] [Calcutta THE STATESMAN in English 1 Sep 81 p 9]

NEW ZEALAND ENVOY--New Zealand High Commissioner Barry Hewitt Brooks, presented his credentials to President N. Sanjiva Reddy, at Rashtrapati Bhavan, on Monday, reports PTI. Welcoming the New High Commissioner, the President expressed the hope that the volume of Indo-New Zealand bilateral trade would increase further and the general tenor and substance of their relationship will be greatly enhanced as a result of cooperation. Presenting his credentials Mr Brooks referred to the many and varied ties that link India and New Zealand and said that New Zealand share with India 'a democratic process of electing those who shall govern us and an organisation of society based upon the rule of law.' [Text] [New Delhi PATRIOT in English 1 Sep 81 p 8]

CHIEFS OF STAFF CHAIRMAN--Admiral R. L. Pereira, Chief of the Naval Staff has taken over as chairman of the Chiefs of Staff Committee in the Ministry of Defence on retirement of Air Chief Marshal L. H. Latif with effect from Tuesday, reports UNI. [Text] [New Delhi PATRIOT in English 2 Sep 81 p 7]

CSO: 4220/7678

PARLIAMENT NOT PROPER VEHICLE FOR SETTLEMENT OF LABOR DISPUTES

FBSI, SBLP Criticized

Jakarta KOMPAS in Indonesian 8 Jul 81 pp 1, 9

[Excerpt] The FBSI (All Indonesia Labor Federation and the SBLP (Work Fields Workers Union) have been instructed to intensify the giving of explanation to their members about the necessity to understand the order of steps to be taken to solve problems and grievances that arise at the companies where they work. Minister of Nakertrans (manpower and transmigration) Harun Zain said this after meeting with President Suharto at the Bina Graha on 7 July.

According to Harun Zain, President Suharto asked him to try to explain to workers, particularly those on the lowest levels, that the DPR (Parliament) is a political institution. However, the labor problems which are being brought to the DPR aren't political problems. "So, don't go to the DPR too quickly," Harun Zain said.

He explained that President Suharto also requested that he explain to the FBSI and SBLP that they should not take non-political problems too quickly to the institution whose scope is political. In addition, President Suharto also asked him to explain to Indonesian workers the steps that must be taken in accord with regulations and laws, because this touches on technical procedure, the minister said.

According to the minister, conflicts between workers and employers ought to be settled first through the P4D [regional committee for settlement of labor disputes]. If no solution is possible on this level, then the matter should be taken to the P4P [national committee for settlement of labor disputes]. The decision of the P4P must be carried out by the company involved. If the parties to the problem won't carry out the decision of the P4P then the courts can be asked to carry out the implementation.

On the other hand Minister Harun Zain asked businessmen not to take action too quickly in firing workers, because they should understand the regulations and labor laws along with their consequences, he said.

Answering a question, the minister said that when a problem is turned over to the DPR, it isn't sure to be automatically solved, because in the final instance

the DPR will go to the executive branch to ask about the problem.

The minister admitted that many workers don't understand the steps they should take if a conflict occurs wich their company. So, it is the responsibility of the FBSI and it is the whole basis of the SBLP to explain this to their members. "It isn't often done," Harun Zain added.

FBSI Defends Record

Jakarta KOMPAS in Indonesian 9 Jul 81 pp 1, 12

[Excerpts] It is not true that labor conflices are more often submitted to the DPR than settled by the FBSI. General chairman of the executive board of FBSI Agus Sudono said this in response to statements made be Minister of Nakertrans Harun Zain that non-political labor conflicts should not be taken directly to the DPR.

In his explanation given to KOMPAS Agus Sudono who was accompanied by other FBSI officials said that since FBSI was established 8 years ago some 20,222 labor dispute cases have been settled. These include firings, wage increases, promotions, seperation pay cases, pensions, etc. On the other hand there have not been more than 50 cases that have been too difficult to be settled. These include the Hotel Horison case, the Van Houten chocolate factory case and the case of gambling casino employees that has been very much in the news of late.

He also explained that during these 8 years the FBSI has educated more than 12,000 cadres to explain workers rights and methods of solving conflicts according to procedures contained in the Pancasila [ideological basis of country] Worker Relations and Law number 22 of 1957 on conflicts along with Law number 12 of 1964 on firing of workers.

FBSI is in agreement with the call of the minister of Nakertrans that since some problems are technical in nature and the DPR is a legislative political body, disputes between workers and employers should be turned over to the P4D first. If they are not able to be solved on this level then they should be carried to the P4P level. Still he admits that the work of both the P4D and the P4P are slow in the processing of cases between workers and employers.

He explained that the P4D and the P4P have the right to make a decision. But they can't force the employer to carry out the decision. If the parties to the conflict don't want to carry out the decision, they they can ask for implementation by the courts. If the court decision isn't carried out, there are still no sanctions. In reaching a decision the P4D or P4P votes, and in this case there are five representatives of labor, five representatives of the government and five representat-ves of the employers. By the government is meant the departmant of Nakertrans and its technical department.

Employees of private companies whose workforce consists of a minimum of 15 workers (in accord with the results of the FBSI congress) are encouraged to become FBSI

members. The prupose is that if a conflict arises the FBSI co8ld handle it. But this doesn't close the possibility for those who aren't FBSI members to have a defense if they ask help. If the FBSI isn't able to handle it, then the problem is turned over to the LBH [?] or to the DPR.

According to Agus Sudono when the workers of a company want to become FBSI members and are forbidded by their employer, then the employer can be charged because he is obstructing the right to organize contained in our constitution. Around 40 percent of the private employees have become FBSI members, according to Agus Sudono.

Labor Problems Team Formed

Jakarta KOMPAS in Indonesian 14 Jul 81 pp 1, 12

[Excerpts] Workers and employers throughout Indonesia who have problems can now get help from a team in solving their problems. The team, given the name The Team to Help with Labor Pronlems, has its basis in the ministerial directive of the minister of Nakertrans numbered KEP-82/MEN/1981 and dated 11 July 1981,was commissioned by Minister of Nakertrans Harun Zain, being witnessed to by Pangkopkamtib [Commander of the command to restore security and order] Admiral Sudomo at the auditorium of the department of Nakertrans in Jakarta.

The composition of the team members to handle labor problems at the national level consists of among others representatives of employers (PUSP/Kadin), workers (FBSI) and the government. There will also be those officials appointed by Pangkopkamtib/ Ketua Opstib Pusat [Central security operations chairman]

The job of the team will be to help investigate, analyse and make proposals about needed steps to be taken to the minister of Nakertrans, in this case the director general of oversight of labor relations and the protection of the workforce to solve and settle strategic labor problems based on labor law regulations

In addition the team will receive, examine and analyse reports and information concerning labor disputes from the labor force and the mass media or from other sources. In carrying out its task, the team will be responsible to the minister of Nakertrans.

In his speech after the commissioning of the team, Minister of Nakertrans Harun Zain said the purpose in forming the team is to motivate the creation of labor relations based on the Pancasila in a more opertaional way.

According to the minister labor problems that occur don't always remain entirely in the form of social or economic ones. Thay can develop into security problems in society if not quickly settled.

The presence of economic recession and other economic developments will disrupt the steady flow of production and can eventually lead to the disruption in public security.

The minister said that since the Pancasila Labor relations concept was adopted in 1974, various workshops, symposiums, seminars and discussions have been conducted by both the public and the government. The results are expected to give guidelines to handle labor problems. Indonesia is now actively setting these up to increase prosperity.

Meanwhile in his instructions to the team Pangkopkamtib/Ketua Opstib Pusat Admiral Sudomo said thzt this new team that has been formed based on ministerial directive by the minister of Nakertrans isn't something new. Also it isn't something to compete with the existing organizations such as P4P or the P4D. This team will carry out its work to stop labor conflicts that arise as much as possible.

According to Sudomo, labor cases generally occur as a result of conflicts of interest between workers and employers or between workers and the government. If they aren't settled quickly the problems can get all out of proportion.

If that happens, according to Sudomo, normally Kopkamtib [command for the restoration of security and order] will become involved and settle them. But this isn't a security approach but is intended to create a calm situation, Sudomo said.

"The presence of Kopkamtib in the team to help in labor disputes isn't to intimidate," Sudomo said and this was greeted by laughter from those present.

The team will begin its work if it receives a report that at one company a labor problem has occurred. Then the team will report the results of its investigations to the minister of Nakertrans. If no solution is possible through discussions and agreement, then the matter will be turned over to the already existing P4P or P4D.

7785
CSO: 4213/88

GARUDA AIRWAYS IN MAJOR EXPANSION PROGRAM

Kuala Lumpur BUSINESS TIMES in English 13 Jul 81 p 6

[Article by Richard Cowper]

[Excerpts] IN A country where appearances can be so important, the first thing many sizable Indonesian state enterprises do is build a large and prestigious head office. That Garuda International Airways — the national carrier of Indonesia — still operates from shabby pre-war Dutch-built offices in the commercial quarter of the city says a lot about Wiweko Supoeno, who has run the company virtually single-handed since he took over in 1968.

Mr Wiweko's relentless push for expansion in the 1970s has turned an ailing company into one of the largest domestic airlines in Asia. The key to his success — at least in terms of size — has been twofold: first, he concentrated on tapping and developing the rambling Indonesian archipelago's enormous domestic base and then he ploughed the profits back into the company.

Until 1978, the company was still making reasonable overall profits.

Today, Garuda's position is no longer so comfortable. Rising fuel costs and worldwide recession have left few international airlines unscathed and Garuda, which runs the second largest commercial fleet in Asia, is no exception. In 1977, the company's net profits started falling from a peak $26.7 million, and by last year they had fallen to only $347,000, its worst result in more than a decade.

But Mr Wiweko, despite the hard times which have forced many of his competitors to take belt-tightening measures, has pressed ahead with a major buying spree which will roughly double his fleet's seat capacity in the space of just three years.

By the end of 1982, if everything goes according to schedule, Garuda will have 25 new aircraft, 17 of them widebodied jets. Last year, Garuda took delivery of four Jumbo jets, two DC-10s and five Fokker 28s; over the next two years it will get two more Jumbos, nine Airbus 300s and three more Fokker 28s.

This will push the company's fleet to 81 aircraft, 21 of them widebodied, at a cost of well over $1 billion.

In 1980, Garuda carried around 4.7 million passengers. By 1985, it plans to be carrying more than 8 million, a feat that will be remarkable if it can be achieved in such troubled times.

Garuda's critics argue that the company is flying too high, too fast and could become a serious financial embarrassment to the Government. They point out that the Government has already stepped in by agreeing to service part of the company's soaring debt.

In particular they question Garuda's attempts to expand its international base at a time when the company's international load factors have been running at around 40 per cent, well below its stated 50 per cent break-even point.

Mr Wiweko expects Garuda almost to break even again this year, but to make a net $38 million loss in 1982, rising to a deficit of $59 million in 1983.

"On existing premises, (that is no further new aeroplanes) with 15 per cent revenue growth, interest at 12.5 per cent and no explosion in costs, we expect to break even by 1985," says Mr Wiweko.

Mr Wiweko says he is budgeting for around 10 per cent growth in domestic passenger traffic over the next three or four years. This, he says, could go higher, given the success of the Government's mammoth trans-migration programme to move 2.5 million people from overcrowded Java to the outer islands.

It is not the domestic expansion which is raising eyebrows, but Garuda's attempt to put itself more firmly on to the international map. In 1963, the company's revenue was split 70 per cent domestic and 30 per cent ultimate international. Mr Wiweko's ultimate aim is to make it 60 per cent international and 40 per cent domestic.

In 1979, Garuda carried 790,000 international passengers (19 per cent of total passengers carried). The airline's aim is almost to treble this to 2.17 million by 1985 when international passengers are expected to account for some 37 per cent of total passenger traffic.

Garuda's international expansion, planned several years ago, could hardly have come at a less auspicious time. Rising fuel and operations costs coupled with cut-throat competition on international routes makes the current outlook much less rosy than in 1977.

Poor international load factors and the company's mounting debt resulting from the purchase of the new aircraft will undoubtedly put considerable strain on its balance sheet. Borrowings are expected to rise from $254 million in 1979 to $585 million by 1982 but the Government has agreed to inject $300 million into the company over the next three years, most of which will be used to service debt. Interest charges last year were $40 million and this is set to increase to $103 million by 1983.

CSO: 4220/640

IMF ANALYSTS UPBEAT ON FUTURE OF ECONOMY

Bangkok THE NATION REVIEW in English 6 Aug 81 pp 10, 11

[Article by Thierry Jean Rommel, Economist of Division D, of the International Monetary Fund (IMF)'s Asian Department]

[Text]

WITH a per capita income of $90 (1979 estimate), the Lao People's Democratic Republic is one of the poorest nations in the world. The country is landlocked and, except for a strip of varying width along the Mekong River, is mountainous.

Transport within the country, as well as to the sea, is difficult and costly. These geographical characteristics and the sparse population have resulted in a highly fragmented pattern of relatively isolated zones of economic activity. Agriculture absorbs most of the local labour force; industrial activity is minimal.

The low income of the country is also in part the result of Lao socio-political history. With some interruptions, Laos has been besieged by armed conflict over nearly three decades, leaving in its wake destruction of productive assets and profound structural distortion.

During these years the rural population, attracted by employment opportunities and safety, migrated in large numbers to the cities. While output in agriculture and forestry – the mainstays of the economy – stagnated or fell, economic activity in the urban areas expanded rapidly because it was mainly geared to the servicing of the needs of a large high-income expatriate community and of a growing civil service.

Exports covered only 10 per cent of imports in the first half of the 1970s, and the current account deficit of the balance of payments, equivalent to about a quarter of gross national product (GNP) was entirely financed by aid programmes. Large aid programmes permitted Laos to absorb most of the liquidity in the economy through budget deficits, as well as to maintain an exchange and trade system relatively free of restrictions. The result was a reasonably good price performance.

The end of the conflict in Indochina in 1975 coincided with an abrupt reduction in both the size of the foreign community and external assistance from non-socialist countries. Simultaneously, local managers, trained civil servants, and foreign experts fled the country in large numbers, leaving behind a dismantled administration and an idled production base.

The priorities of the government that came into power at the end of 1975 and created the Lao People's Democratic Republic were the resettlement of nearly a third of the population in their areas of origin, the establishment of a new administration, the creation of job opportunities, and the revival of domestic production capacity.

Financial Instability, 1976 to Mid-1978.

Nearly half a million refugees were resettled in 1976 and 1977, and a new administrative system was set up. In line with the official decision to transform the economy along socialist lines, the banking sector, foreign trade, and major industries passed into government hands in 1976.

The creation of cooperatives was encouraged in agriculture. The government launched a food distribution programme with low subsidized prices, mainly directed at the large population of civil servants and public sector employees in the urban areas. These achievements, as well as substantial salary adjustments for civil servants, resulted in massive increases in budgetary outlays in 1976 and 1977.

In view of declining external assistance and the adverse impact of the low levels of domestic activity and dutiable imports on government revenue, the recourse of the budget to the central bank expanded at very high rates.

Domestic liquidity rose by more than 70 per cent in 1977, after having more than doubled in 1976. A large part of the imports of food and oil products, which had been financed by foreign aid, had to be paid for in cash, compounding the problem of declining exports. Accordingly, the balance of payments registered substantial overall deficits, and gross official international reserves were virtually depleted by the end of 1977.

The import system was made progressively more restrictive, thus weakening further the overall supply situation and, in combination with high rates of monetary expansion, resulting in rates of inflation in the urban free markets of up to 300 per cent a year in both 1976 and 1977

An attempt to restore economic stability through a devaluation of the kip and a demonetization in mid-1976 had only a limited and short-lived impact. These measures were not supported by effective steps to control budgetary expenditures, make pricing policies more flexible, and quickly pass on the effects of the devaluation to producers of exportables.

Efforts at Stabilization, 1978-79.

In the face of the deteriorating economic climate, the government in 1978 implemented a series of policies aimed at creating the conditions for a renewed growth of output and foreign trade.

These policies included the adoption of a less expansionary budget stance through cuts or delays in expenditure and revenue measures, such as the changeover from specific to ad valorem taxes; a 50 per cent devaluation of the national currency in terms of the US dollar; and several measures to increase agricultural production, including increases in the official procurement prices of agricultural products, a modest liberalization of internal trade in agricultural products, and the introduction of special import programmes of basic goods largely geared to the needs of the rural areas.

The main success of these policies was in the price and balance of payments areas, while economic growth performance was mixed. Prices on the free market remained virtually stable between May 1978 and the end of 1979, as the supply situation eased considerably because of the removal of controls on the circulation of goods renewed border trade activities, and large-scale food assistance from abroad.

Economic Reforms of 1980.

Although progress had been achieved by the end of 1979 in several areas (output, exports, prices, and control of public outlays), the economy continued to suffer from low yields in agriculture, large urban unemployment, and severe price distortions.

Free market prices were still multiples of official prices, which discouraged output and exports and prevented an efficient allocation of budgetary resources.

Moreover, the Lao economy continued to rely heavily on foreign aid, which financed over 50 per cent of budgetary expenditures in 1979 and nearly two thirds of total imports. Finally, self-sufficiency in foodgrain was still to be achieved, so that imports of foodgrains – combined with a rising oil bill – had to be made at the expense of imports of essential raw materials and capital goods.

These shortcomings, and the related requirements for substantial policy changes, were recognized by the Lao Government and were the subject of much deliberation by the party central committee and the government.

A new policy guideline (Resolution of the Seventh Plenary of the Party Central Committee) was issued in November 1979, resulting in the introduction in late 1979 and early 1980 of major changes in virtually all policies.

First, official pricing policies were made more flexible and producer prices of agricultural produce and of exportables were raised by amounts ranging between 400 and 500 per cent to ensure a real increase in the purchasing power of producers, while special import programmes for farmers were implemented in 1980.

Second, the "kip national," was introduced in December 1979, when about 10 per cent of the stock of currency was eliminated. Third, the exchange rate of the kip was depreciated from KN4 to KN 10 per US dollar. Fourth, the authorities abolished all administrative barriers to the internal circulation of goods and liberalized private border trade. And fifth, the decision-making process in state enterprises was decentralized, providing them with more autonomy in daily management and, in particular, in foreign contracting.

The above set of policy changes formed the basis of a financial programme supported by a one-year stand-by arrange-

Laos: Government Budget
(million kips)

	1977	1978	1979	1980	1981
Revenue	82.4	105.7	268.0	748.2	930.0
Transfers from state enterprises	50.8	32.7	200.2	567.8	700.0
Taxes on the private sector	29.8	55.2	48.4	98.3	140.0
Other revenue	1.8	17.8	19.4	82.1	90.0
Expenditure	490.4	572.5	636.0	1,776.9	2,160.0
Current expenditure	298.5	384.0	393.9	1,028.0	1,210.0
Wages and salaries	...	105.0	114.0	343.0	...
Subsidies	...	168.0	165.0	68.0	...
Capital current expenditure	191.9	188.5	242.1	748.9	950.0
Overall deficit	-408.0	-466.8	-368.0	-1,028.7	-1,230.0
Financing	408.0	466.8	368.0	1,028.7	1,230.0
Central bank credit	50.7	35.8	13.6	-4.0	--
External resources	357.3	431.0	354.4	1,032.7	1,230.0

Data: Lao authorities

ment with the fund (June 1980-May 1981) in the amount of SDR 14 million, or 58 per cent of the country's quota.

Although it is too early to make a complete assessment of the impact of the reforms on economic performance, progress in some areas can be clearly identified.

Following an increase of 6 per cent in 1979, real GDP rose by 10 per cent in 1980, largely as a result of good rice crops and increased activity in some state enterprises because of an improved supply situation. Domestic rice production in the 1980/81 crop year increased by 15 per cent, so that for the first time in years foodgrain self-sufficiency will be nearly achieved in 1981.

The liberalization of border trade increased the incentives to production and trade and helped to alleviate the shortages of raw materials and other inputs.

Outlook.

In its current development effort, Laos still faces major constraints, which take an added dimension in the still unsettled political climate of the whole Indochinese Peninsula. These include the shortage of skilled labour, the attendant low capacity to prepare and implement projects, and the limited domestic financial resources, as well as uncertainties about the availability and composition of foreign aid.

The country benefits however, from substantial resources, including abundant timber reserves, a yet largely untapped hydroelectric power and mineral potential, and large areas of cultivable land.

Moreover, although the external debt is relatively large ($250 million or 84 per cent of GNP), debt servicing is not a major constraint on the balance of payments because most of the debt is concessional in nature.

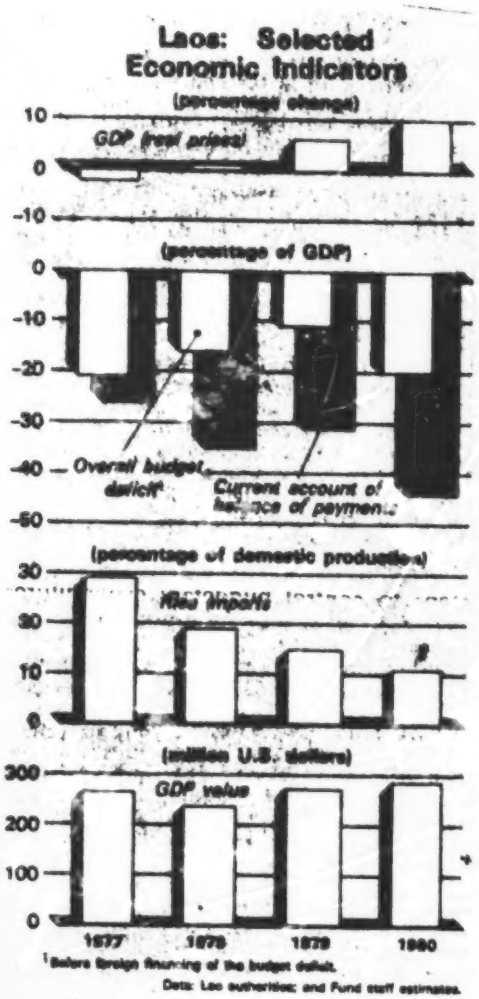
In addition to large assistance from socialist countries, Laos is also benefiting from the financial and technical assistance of its bilateral partners and of international organizations such as the Asian Development Bank (AsDB), the International Development Association (IDA), the UN Development Programme (UNDP), and the Fund

for Agricultural Development (FAD). Their assistance is concentrated mainly in the agricultural sector – including irrigation, flood control, and adoption of modern cultivation techniques – and in forestry.

At the same time, the creation of a joint World Bank-UNDP coordinating office in Vientiane will also help in project preparation and implementation and will ensure that aid programmes are well coordinated and adapted to needs.

While the Lao authorities have shown decisiveness in promptly adjusting economic policies over the past two years, determined efforts and practical policy adaptations will be needed in the years ahead. Progress on the economic front depends crucially on the capacity of the economy to earn foreign exchange and to generate more domestic savings.

The generation of domestic savings is taking on added urgency because the expected achievement of self-sufficiency in food will result in losses of counterpart funds from foreign assistance and because past investments – in particular, in transportation, infrastructure, and education – will require growing maintenance outlays from the budget.



[1] Before foreign financing of the budget deficit.

Data: Lao authorities; and Fund staff estimates.

CSO: 4220/408

TEACHERS, STUDENTS ABANDONING SCHOOLS FOR EMPLOYMENT

Vientiane SUKSA MAI in Lao May 81 p 16

[Council of Ministers Order No 33/SPhT]

[Text] This concerns the prohibition of teachers and students from teacher training schools at all levels from abandoning their duties for other employment.

To: All ministries, equivalent organizations and all provincial administrative committees throughout the country.

The Council of Ministers wishes to inform all concerned that at the present time there are offices of ministries, state enterprises and various branches which have hired teachers and students from teacher training school and teachers who had been teaching who fled their ranks and sought work in these offices without asking approval from the Ministry of Education. This induces other teachers and students still in school to leave their ranks and get other jobs. Activities like this will attract teachers and students from schools and will be destructive to education now so that it will not expand according to the goals of the party central committee.

Therefore the Standing Committee of the Council of Ministers recommended that all concerned inform their offices, organization, state enterprises, work shop or department under their supervision not to hire teachers or students from teacher-training schools who come looking for work without the permission of the Ministry of Education.

Those concerned should strictly obey this carefully as of the day this order was signed. Any one taken on afterward should be sent back to the Ministry of Education.

Vientiane, 13 February 1981

[Seal] Standing Committee of the Council of Ministers

Signed and sealed Nouhak Phoumsavan

8149
CSO: 4206/219

REACTIVATION OF MINISTRY OF NATIONAL, RURAL DEVELOPMENT

Kuala Lumpur BUSINESS TIMES in English 29 Jul 81 p 6

[Excerpts] THE newly reactivated Ministry of National and Rural Development will have wide supervisory and monitoring powers over social and economic programmes of the country.

At any one time, the ministry can be expected to have under its supervision over 20,000 development projects, both physical and non-physical.

By physical it is meant those projects which involve the construction of one form of structure or the other. Non-physical projects include such activities as gotong-royong, seminars and courses.

They are the projects presently being monitored by the Implementation and Coordination Unit, which was transferred from the Prime Minister's Department to the new ministry.

According to informed sources, the operations of the new ministry can be classified into five broad areas:

- Implementing and supervising projects and programmes that will eventually lead to the restructuring of society as envisaged in the New Economic Policy;
- Eradicating poverty through the implementation, either by itself or by other ministries, of social and economic projects and programmes;
- Supervising the implementation of rural infrastructural projects such as rural roads, bridges, rural electrification and water supply;
- Supervising the operations of the national computer centre; and
- Supervision of public sector corporations which the government wants to make intensive use of for achieving the NEP target.

As for its own projects, the ministry is expected for the time being to confine itself to projects already being implemented by the agencies it has taken over.

The ministry, in line with Datuk Seri Dr Mahathir Mohamad's own thinking on small business, is expected to place heavy emphasis on the development of small Bumiputra businesses.

The ICU is already monitoring between 16,000 and 18,000 Bumiputra retailers with turnover ranging between $7,000 and $10,000 each a month.

Therefore, although Encik Sanusi Junid has been given charge of the ministry, both the Prime Minister and his deputy, Datuk Musa Hitam, are likely to be closely associated with the portfolio.

Although Bumiputras have made substantial gains in medium and large business and industrial projects by virtue of their professional qualifications or social standing, the success of Bumiputra retailers has not been up to mark.

Through a programme of encouraging and supporting Bumiputra retailers, Dr Mahathir hopes that these people will gain enough expertise to go into larger business and industrial undertakings.

Recognising retailing as a business sector in which even those with limited capital can participate, the ministry is also expected to expand its assistance programmes.

Another category of business that will receive greater emphasis from the government through the ministry is hawking. Meant for both Bumiputras and non-Bumiputras, the assistance programme will include direct financial aid and the provision of facilities and equipment.

Under the Fourth Malaysia Plan, some $50 million has been allocated for this purpose. Under this programme, assistance ranging from the provision of business premises to loans for the purchase of motorcycles is being provided.

At the village level, a new approach is expected to be adopted for both social and economic development projects. This is expected to be fashioned along South Korea's successful "Samaeul Undong" or community development programme.

The brainchild of the late President Park Chung Hee, Samaeul Undong stresses on self-help and cooperative effort in producing, processing and marketing village products.

One feature of rural development which the ministry will pursue is increased processing of village products into semi-finished and finished products to enhance their marketability and demand.

With the Cooperative Development Department having been transferred from the Ministry of Agriculture to it, the National and Rural Development Ministry can make use of the movement as a vehicle to achieve this target.

But the ministry has to do a lot to improve the effectiveness of rural cooperatives. Although the concept is well understood among rural communities, past failures of cooperatives have caused farmers to shy away from them.

It is only with wholehearted and renewed assistance of the government that the movement can be successfully revived in villages. Most cooperatives are in dire need of financial backing and good management.

Another important feature in national and rural development under the new administration is the infusion of independent attitude and discipline.

Dr Mahathir is worried that the Malays are becoming too dependent on the government. Instead of using government assistance to strengthen their economy so that they can stand on their own, an alarming proportion of Malays appears to think that the government must forever assist them.

CSO: 4220/641

PRIVATE FIRM TO MANAGE SABAH LAND DEVELOPMENT BOARD

Kuala Lumpur NEW STRAITS TIMES in English 21 Jul 81 p 1

[Text]

KOTA KINABALU, Mon. — Sime Darby Berhad today signed an agreement with the Sabah Government under which it will take over the management of the trouble-plagued Sabah Land Development Board (SLDB).

Chief Minister Datuk Harris Salleh signed for the State Government while Sime Darby chairman Tun Tan Siew Sin represented Sime Darby at the ceremony held at the State Cabinet room.

Datuk Harris described the agreement as an "unusual step for the State Government to take", while Tun Tan said Sime Darby would have to "mount a massive and an almost superhuman effort to put things right".

The scope of Sime Darby's management responsibilities covers about 102,000 acres of agricultural land, mostly oil palm plantations, six palm oil mills, three bulking installations, along with the administration of settlement schemes.

Sime Darby's tasks include the overhauling of the board's administration, formulating a system of planning and budgetary control, reorganising the estates, improvement of production and the marketing of the agricultural produce.

Sime Darby will be responsible for the board's management for an initial period of three years beginning on Oct. 1.

In his speech at the signing, Datuk Harris disclosed that last year alone the SLDB lost at least $30 million in revenue because of low production which fell far below expectations.

The SLDB, which was entrusted with the task of raising the incomes and living standards of the people through large-scale land development and resettlement, had "failed miserably" due to poor management, he added.

He said spiralling administrative costs and falling productivity had slowed down the tempo of land development in Sabah to an alarming extent while the financial position of the settlers had deteriorated rather than improved.

Contracts

"From our investigations, we have found that some of the contracts awarded by the SLDB had been over-priced and most of them were poorly specified and supervised," he said.

Datuk Harris pointed out that if the prevailing deplorable state of affairs in SLDB was allowed to go unchecked, there was no foretelling the size of the financial disaster that would befall the many thousands of settlers in the land schemes as well as to the Sabah Government.

"To have the SLDB continue in its present state with a target of 100,000 acres of land to be developed at an estimated cost of $1 billion over the next five years would have been utterly wrong," he said.

CSO: 4220/641

TUN MUSTAPHA TO RESUME LEADERSHIP OF SABAH PARTY

Kuala Belait BORNEO BULLETIN in English 27 Jun 81 p 2

[Text]

KOTA KINABALU. — The scene is all set for the return of former Chief Minister Tun Datuk Haji Mustapha to again take over the reins of leadership in the opposition United Sabah National Organisation.

Following an indication of widespread support given by its branches, the party's congress here last weekend endorsed his appointment.

Tan Sri Syed Keruak, the man who led the party in its defeat at the March state elections, stepped down to make way for 62-year-old Tun Mustapha as party president.

But the appointment of the ex-leader had its touch of drama.

From London, where he now lives (he has been seldom seen in Sabah), he at first indicated he wouldn't accept the nomination, declaring he was through with active politics.

Then a day before the two-day congress, he made an abrupt about turn and accepted the plea to come back and help his troubled, Muslim-based party, which he headed until Berjaya was swept into office in 1976.

Tun Mustapha accepted the nomination through his brother, Datu Abdul Salam, member of the Sabah Assembly for Banggi — one of only three seats retained by USNO in this year's polls and Tun Mustapha's old seat.

Party vice-president Datuk Dzulkifli Abdul Hamid was also nominated for the presidential position but withdrew at the last minute. He was, however, returned unopposed as deputy president.

His presidential nomination came from the Papar division of the party; commentators said Datuk Dzulkifli was a standby in case Tun Mustapha refused completely.

Several former party stalwarts declined nominations for positions.

Among those leaders no longer in USNO's supreme council are Tan Sri Syed, Datuk Ghani Gilong, Datuk Askhar Hasbollah, Datuk Idrus Matakim, Datuk Herman Luping and Encik Sabdin Ghani.

But they pledged their continued support as ordinary members.

Datuk Ghani, a former USNO strongman who lost his Kundasang seat in the elections, spoke to the congress of USNO's determination to return to power in Sabah. He said that under the new leadership the party would launch a fresh struggle to upstage the government at the next elections.

He called on members not to be alarmed by USNO's heavy defeat this year but instead to pool their resources and prepare a new strategy for the battle ahead.

During the congress, Encik Sabdin said that instead of blaming former USNO strategist and adviser Datuk Syed Kechik, the party should be thankful to him as the man who had provided the necessary finance. He had come to the party in its time of need.

The congress adopted a resolution urging the federal government to allow USNO representation in federal Cabinet and Senate posts —representation for it at this level should reflect what was allowed for other component National Front parties.

USNO has four members of Parliament.

CSO: 4220/641

PRIME MINISTER DOES NOT FORESEE RE-EMERGENCE OF PARTIES

Kuala Lumpur BUSINESS TIMES in English 7 Jul 81 p 6

[Article by Elizabeth Hawley in Katmandu]

[Text]

NEPAL now has its first elected government in more than two decades but pressure for further political reforms in the tiny, landlocked Himalayan kingdom is expected to continue.

Diplomats believe that within a year or two political parties would stage a comeback after being outlawed more than 20 years ago. But other observers of the Nepalese scene think it to be too optimistic a view.

The strongest attempt so far by opposition politicians to revive political parties was defeated in a nationwide referendum last year when the vote went solidly in favour of retaining the partyless system.

Nepal's new Prime Minister Surya Bahadur Thapa, the first for 22 years to be elected to the post, was a leading campaigner in the referendum to thwart any drastic alterations in the system.

Mr Thapa, 53, who was elected unopposed last month for a five-year term, told *Reuters* the re-emergence of political parties was out of the question.

He said multi-party advocates will soon realise the virtues of the present partyless system and join the political mainstream.

Mr Thapa, who nine years ago was jailed for demanding political changes, told reporters his government would ensure there were no obstacles for opposition politicians joining the partyless system.

He said his new cabinet included a politician who campaigned against the present system in the referendum.

Mr Kashi Nath Gautam, the Minister for Works and Transport, served in Nepal's only parliamentary-style government headed by Mr B.P. Koirala in 1959-60.

Mr Koirala was removed from office after King Mahendra, father of the present King Birendra, outlawed political parties.

He now leads the banned Nepali Congress and boycotted the elections in May, saying they were undemocratic.

The poll to the national legislature formed a crucial part of the constitutional reforms initiated after the referendum by the Western-educated King Birendra, the world's only Hindu monarch.

In the past, legislators were chosen by district councils. In the new constitution, instead of the King appointing the Prime Minister, the Assembly elected Mr Thapa. But political observers said the King did play a role in ensuring that the Prime Minister was the unanimous choice.

Mr Thapa, who was in office between January 1965 and April 1969, was recalled to the post 10 months later after student demonstrations erupted in Nepal.

The violence forced the King to order reforms which succeeded in blunting the thrust of the opposition campaign for changes within the country's monarchial system.

But students are restless again, demanding changes in the educational system. In coming months they are expected to force the pace of political changes in Nepal.

In the Assembly, Mr Thapa's government will have to cope with a small but effective group likely to be critical of his previous performance.

These members might work as an opposition to the government and gradually form themselves into a political force.

Mr Koirala has predicted that tensions between the Palace and the Assembly were likely to grow and so would differences between the newly-elected members and the banned political parties. — Reuter

CSO: 4220/642

ABBASI CLAIMS ISRAEL COULD START WORLD WAR III

Karachi MORNING NEWS in English 10 Sep 81 p 4

[Commentary by H. M. Abbasi: "Who May Start Third World War?"]

[Text] Wars have plagued mankind since the dawn of creation. Habil and Qabil, were own brothers--sons of Hazrat Adam. One killed the other. What is the age of the world--I have hardly any idea. A Swiss scholar has sorted out that mankind has managed to wage 14,500 wars, both small and large, during the last 10,000 years. We have had ten years' war, 30 years' war, 100 years' war, capped by the First and Second World Wars. Von Clausewitz, the famous Prussian military theorist, who had once defeated Napoleon, believes that war is a continuation of politics by other means. With births exceeding deaths per capita, some reputed thinkers have deemed wars a biological necessity.

Arab Peninsula has been the cauldron of constant wars, thanks to belligerent Israel. North Vietnam has been homicidal enough in South-East Asia. The Iran-Iraq war has been the bane of the Muslim society for the last eight months. The destruction of two Libyan fighters was a side show of the two love-lock parties. South Africa, the other day, deemed it fit to exhibit its mettle not only to Angola but to the entire Black Africa.

Testing Arms

Before the First World War, European Powers used to test their varied arms in the Balkan Peninsula and North Africa. Before the Second World War, they repeated the stunt in Spain. U.S. had their side show in Vietnam before the third world armageddon. Soviet Russia is having its experiments with conventional arms in Afghanistan.

When the third world war will start is more than I can predict. But the fact remains that once it starts, the entire west Russia, most of Europe, most of the north United States, a good bit of southern Canada will be wiped out within less than half hour. The nuclear blasts on Hiroshima on August 6, 1945 and on Nagasaki on August 9, 1945, had cost over a one lakh lives, within less than half an hour. But they were Sunday School outings compared to what current civilisation will undergo if the two superpowers in a fit of misadventure or absent-mindedness, released their nuclear missiles.

Mr Ronald Reagan, President of the United States, is committed to world peace. So I believe is Leonid Brezhnev. The efforts of the two superpowers to balance each other's strategic equation need only be with a view to provide mutual deterrent. In his visit to Washington around late June, 1973, Secretary-general Leonid Brezhnev and President Nixon had signed the strategic Arms Limitation Treaty, envisaging that the two countries will talk to each other, if their relations were likely to deteriorate. Then the SALT treaty was signed in Vienna, by President Carter and Mr Brezhnev. It has not been possible for the U.S. Congress to ratify it.

Here it may be recalled that Soviet Russia had delivered nuclear missiles to Cuba and had planted them there. When President Kennedy learnt of this he sent an ultimatum to the Soviet Union on October 22, 1962 wherein he had said: "Halt the above clandestine, reckless and provocative threat to world peace" Premier Khrushchev had done that.

Countries in West Europe, particularly West Germany, are worried. They want a meaningful dialogue between Washington and Moscow. Moscow, too is keen to talk to Washington. And earlier than later. But Ronald Reagan is taking time. He wants to talk to Moscow from a position of strength. For that purpose he, for the moment, is busy gingering up his strategic infrastructure. He will talk with Mr Brezhnev in December this year or early next year. It is a Must, to avoid turning most of Russia, Europe and North America into radioactive wasteland.

War With Stones

A military theoretician was once asked--when would the third world war begin? He had replied: "That I do not know. But this much I know that if the third world war occurs, the fourth world war will be fought with stones." Not necessarily. Since most of South America, Africa, South Asia, New Zealand and Australia will escape nuclear annihilation.

The peace-keeping forces of the United Nations are doing a splendid job in Kashmir, in Cyprus, in Lebanon and other tension-ridden areas. Hundreds of their personnel have been killed in the bargain. But when all is said and done the U.N., consisting of 150 sovereign States is an important organisation. If it could have some effective leverage, there would be some hope for the world, faced with atomic annihilation.

Mr A.J.P. Taylor, one of the topmost historians of the present time, believes that a world Government was the only way out. An ex-politician of Karachi is a keen advocate of the idea. But that is a too Olympian order. A healthy cooperation on a regional basis, amongst some neighbouring countries, could be a step in the right direction, as they have done in Western Europe. Some sort of E.E.C. obtains in South America and Africa too. But radical differences in the make-up of their Governments is the crux of the problem. A few countries are democratic, while the rest have regimented regimes. The same situation obtains in Africa.

Arab Disunity

There are over a dozen Arabic-speaking nations all the way from South-West Asia to North Africa. Unfortunately, there is little love lost amongst them. South Yemen has close links with Soviet Union. As far as Syria and Libya are concerned, the whisper of Moscow is the thunder of Damascus and Tripoli.

In our parts of South-East Asia, the hegemonist ambition of India is too forbidding a proposition for Pakistan, Nepal, Bangladesh, Burma and Ceylon to swallow.

World population is around 300 crore. Jews are less than one-and-a-half crore. But they are the world's most influential people. United States is the world's top country. But the whisper of Tel Aviv is the thunder of Washington.

Karl Marx, the sponsor of Communism, was a Zionist Jew. Lenin's mother was a Jewess. Most of those who had campaigned for and had forced the Communist ideology and regime on Russia were Jews, like Trotsky, Litvinoff, Yaroslosky, Kaganovitch, Radeck, Bela Kun and scores of others. It was Rothschild, Loeb and other fabulous Jewish international bankers of New York and West Europe who had financed the communist revolution in Russia. They had got back their millions from Lenin and his party with interest.

Even today, many top men of Kremlin are Jews. From amongst the white-skinned Jews in Israel, a majority are those who have come from the Soviet Union and Poland. Every year, Moscow allows thousands of Jews to migrate from Soviet Russia to Israel to strengthen the Zionist state.

It was the Jewish bankers and top Zionists who had manoeuvred the start of both the First and Second World Wars. Jews had killed Jesus Christ (peace be upon him). Jews have been killing the Christians--particularly torturing and murdering Christian children --in pursuance of their religious practices, for the last 2,000 years. Pogrom does not mean killing of Jews by the Christians. Pogrom is the history of millions of Christians killed by the Jews since Jesus Christ (peace be upon him).

Pre-Nazi Germany was Germany of the Jews, for its Jews and by the Jews. Hitler had merely tried to partly liberate the non-Jewish Germans from the slavery of the Jews. Hitler is not dead. His spirit is still alive. His Nazi party is functioning in West Germany so it is in Norway and Sweden. In France and Britian too. It is an exceedingly powerful party in the United States. They celebrate the anniversary of the birth of Herr Hitler every year, on April 20.

Jews and World War I

Coming to the first World War. It was a civil war of the Nordic races. Jews had started the massive genocide to destroy the maximum number of Christians. They had succeeded marvellously well.

The Jews had started the Second World War to finish Nazy Germany and make Soviet Russia the world's most powerful States. Jews never fail. What they want, they implement.

A word more. The Jews are tolerating West Germany, since they had forced Bonn to pay Israel a thousand million dollars as "Reparation," for what they allege Nazis had done to the Jews.

President Carter had proposed a Palestine state, long ago. Jews had him dismissed. And got Reagan elected. Leave alone the question that they are less than six millions in the United States--less than three percent of the population.

Ex-President Giscard was a bit pro-Arab. Jews had him kicked out and brought in Francois Mitterand. Leave alone that in France Jews are less than half a million.

Britain had given up its mandate of Palestine on May 15, 1948. Ben-Gurion had declared and announced the independence of the Republic of Israel a day earlier on May 14, 1948. The United States had cabled the recognition of the Zionist State within a few minutes of its declaration. The Soviet Union had done that a few minutes later. They were late by a few minutes.

If the Jews felt like starting the third world holocaust, there is nobody to stop them.

CSO: 4220/303

JAPAN GRANTS 2.35 BILLION YEN LOAN

Karachi MORNING NEWS in English 11 Sep 81 p 10

[Text] Islamabad, Sept. 10--Japan will provide a total of yen 2.35 billion (U.S. dollar 10.13 million) to Pakistan as grant assistance under three separate agreements signed here today, says an official handout.

The agreements were signed by Mr Tateo Suzuki, Ambassador of Japan, and Mr Ejaz Ahmed Naik, Secretary Economic Affairs Division on behalf of their respective governments.

The first agreement provides an amount of one billion yen (approximately 4.31 million U.S. dollars), to be used by the National Logistics Cell during the current year for the purchase of vehicles and road construction machinery and equipment from Japan. The machinery imported under the grant will be utilized for constructing new roads and highways as well as for improving the present ones, thus ensuring efficient transportation of cargo from Karachi to upcountry areas.

Under the second agreement the Government of Japan will make available one billion yen (U.S. dollars 4.31 million) for the purchase of educational and research equipment from Japan during the current fiscal year. The equipment imported under the grant will be placed at the disposal of centres of excellence established at various universities in Pakistan.

The third agreement provides for a grant of 350 million yen (U.S. dollar 1.51 million) to be made available to Pakistan during 1981-82 for the construction of a water supply system to benefit inhabitants of Saranan area in Baluchistan. The project, when completed will supply a total of 480,000 litres of water per day to a population of 25,000 persons, including 18,000 Afghan refugees in the Saranan camps.

It may be mentioned that the Government of Japan has pledged a total of over 8 billion yen as grant assistance to Pakistan for the 1981-82 fiscal year.

CSO: 4220/301

NEED TO CLOSE WIDENING TRADE GAP NOTED

Karachi ECONOMIC REVIEW in English Mar 81 pp 11-13

[Article: "The Ever Widening Trade Gap"]

[Text]

The trade gap was only $ 930 million in 1975-76 which increased to Rs. 2375 million in 1979-80. It is estimated that trade gap in 1980-81 would be around $ 2400 million. Exports are only 52% of the imports. There is need to close this ever widening trade gap.

Foreign trade of a country is closely related to its pattern of production. Composition of export and imports influence the pace of economic growth, which in turn determine the composition of exports and their growth rate. Economic situation of a country produce any one of the two trade patterns—one export oriented and the other import substitution determined. Those countries short of resources like Japan follow the first pattern and exports and imports form a high share of their GNP. On the other hand, the countries with rich natural resources like the USA and India try to exploit these to the maximum of their advantage and the foreign trade forms a small part of their GNP.

In this connection, Pakistan's commercial policy has not been in the best interest of the country. There is no doubt that the country is rich in agricultural including marine fisheries and mineral resources. She has been very slow to tap and exploit her mineral resources which are normally the backbone of the economic growth of a country. Imports of all sorts of consumer goods, capital goods and raw materiais (including agricultural imputs) have been allowed indiscriminately to compete directly and indirectly with domestic products. In 33 years, the country had only three favourable balance of trade and during rest of the 30 years, there have been heavy deficits. These deficits have been rising period after period and year after year. At present, exports account for less than 50 per cent of imports as shown in the following table.

BALANCE OF TRADE

(Value in $ million)

Year	Imports	Exports	Balance	Export as % of Imports
1969-70	690	337	(—) 352	49
1972-73	797	817	(+) 20	102
1975-76	2067	1136	(—) 930	55
1977-78	2809	1311	(—) 1498	46
1978-79	3675	1709	(—) 1966	46
1979-80	4740	2364	(—) 2375	49
1980-81*	5000	2600	(—) 2400	52

*Estimated.

The deficit balance of trade has been financed from long-term loans and short-term credits in addition to small grants, which has resulted in the piling up of the foreign debts. At the end of 1979, the outstanding debt of Pakistan stood at $ 8 billion, which constituted 32 per cent of the gross national product. The cost of foreign loans and credits has been rising. During 1979-80, repayments of loans and credits and interest on them constituted about 19 per cent of all foreign exchange earnings of the country and 37 per cent of visible exports.

The decade of 1970's and the year of 1980 have been inflation infested. The prices of commodities and goods and the current value of exports, continued to increase sharply. Between 1972 and 1979, global exports increased by 301 per cent from $ 377 billion to 1507.7 billion. However, Pakistan's exports failed to keep pace with the universal trend. Her exports increased by less than 203 per cent from $679 million in 1972 to $ 2056 million in 1979. However, on the imports side, Pakistan's growth rate was faster than the global growth rate. During the same period world's imports increased by 297 per cent from $ 388.5 billion to $ 1544.2 billion. Pakistan's imports jumped by 508 per cent from $ 666 million to $ 4052 million.

LIBERAL IMPORT POLICY

Pakistan has been following a liberal import policy despite shortage of foreign exchange and rising import-export gap. There has been no check on the imports of consumer goods which continue unabated. Precious foreign exchange resources have been generated by the inflow of home remittances of Pakistanis working abroad to their families in Pakistan. At present, the annual inflow is estimated at $ 1.7 billion a year. This inflow could still be increased if our planning and connected economic Ministries succeeded in diverting these resources to productive investment. As a result, much of the foreign exchange earnings are being used for the import of luxury goods like motor cars, tape recorders, costly radio sets and television sets.

During 1979-80, the imports of motor cars alone were valued at Rs. 392 million. These cars were imported at a time when the prices of crude petroleum and products were arising. Heavy imports of crude petroleum and products mean sizeable increase in foreign exchange liabilities. For 1980-81, value of oil imports is likely to exceed $ 1500 million. Pakistan could allow imports of commercial vehicles like buses trucks, mini-buses and pick-ups to handle the growing traffic in urban centres and between cities and towns.

The share of consumer goods in total imports continue to remain high. Only in 1979-80, there was some reduction. Unfortunately, most of the consumer goods are of agricultural origin like food grains, milk and milk products, sugar, tea, spices and several other things. For an agricultural economy like Pakistan, these imports are not desirable. The share of consumer goods in total imports increased from less than 20 per cent in 1977-78 to 21.55 per cent in 1978-79 but declined to about 16 per cent in 1979-80.

Imports of raw materials, at slightly less a half of all imports, are high and should be appraised from several angles. First of all, over 42 per cent of all imports are made to run the consumer goods industries and between 6 and 7 per cent only to operate the capital goods industries. This composition reflects the stage of the economic development and industrialization of the country. It shows that most of the industries are for the production of consumer goods. Only a small section is for the production of capital goods. Secondly important raw materials include the products of agriculture or agrobased industries such as raw materials, for the edible oil and the vegetable ghee industry, improved seeds for agriculture, chemical fertilizers, insecticides and pesticides and several others. Such imports show technological backwardness of the country. We should have been self-sufficient at least in raw materials which are of agriculture and agricultural inputs like fertilizers for which abundant raw materials are available in the country.

Another serious matter which deserves close attention of our planning and commerce authorities is the fact that those items are being allowed for liberal imports which are produced or manufactured within the country. Two small examples are carbon black and barytes. Both these items are now produced within the country but their imports are allowed against Free List. The public sector unit at Karachi for the production of carbon black got commissioned last year (1980) and in December 1980, it was claimed that Pakistan after meeting the domestic demand was in a position to make export. However at the same time, imports of carbon black is allowed against cash. Even in the amendment to the Import Policy issued in December 1980 does not exclude its import.

Pakistan is producing and processing barytes within the country. Production in 1978-79, was 31,566 metric tons. There are hundred of other items, imports of which can be replaced with domestic production.

Imports of capital goods which include non-electrical machinery, electrical machinery and equipment and transport equipment, now form an important part of imports. Their share in total imports increased from 33.5 per cent in 1977-78 and 30.15 per cent in 1978-79 to 93.54 per cent in 1979-80. Their imports also need to be examined in the light of the domestic demand and production and the real gap. Pakistan has built up a sizeable capital goods producing industry and it is not working its full capacity, some units are operating less than a half of their capacity. As a result some unfortunate results have been registered. A number of very important units like the People's Steel Mills have been closed down. This particular unit is supposed to meet the demand of some sophisticated industries like machine tools and defence. Such units have been set up, whether in private sector or in public sector, at a high cost. Huge losses due to closure of such units hurt the socio-economic and even political will of the nations. Articles which are produced in the country or their substitutes should not be imported unless these are unavoidable.

For the present, there is an urgent need to examine carefully the national production structure and its real potential and the import policy should be revised in the light of the results of the findings. A campaign should also be launched to make all the consumers to patronise Pakistan Products.

EXPORTS

In the preceding section, it has been stated that the growth rate of Pakistani s exports, in the recent past, has been slower than the average global growth rate. There are many reasons for this and the Government authorities concerned should examine these factors.

First of all, Pakistan has been depending very badly on a few commodities for her foreign exchange earnings. During 1979-80, five commodity groups, namely (i) rice (ii) cotton (including manufactures), (iii) leather, (iv) wool and carpets (v) fish and fish preparations accounted for 77.9 per cent of all exports. All other commodities were 22.1 per cent. In fact only two commodity groups (i) rice and (ii) cotton were 58.9 per cent and cotton and manufactures 41 per cent. Pakistan has failed to increase the production and exports of several other commodities.

Pakistan's exports still show signs of backwardness. In 1979-80 primary commodities semi-manufactures were 15 per cent and finally finished goods 43 per cent. Pakistan has been slow to industrialize and change the composition of exports. In fact, there has been some backward march. A decade before, in 1969-70 primary commodities were 33.1 per cent of all exports, semi-manufacture 23.3 per cent and manufactured goods 43.6 per cent.

Even in the export of primary commodities the country has been slow to exploit the opportunities offered to it by the global developments. In the Middle East and other OPEC countries, most of whom are Islamic countries, there has been a great demand for food items like fruits and vegetables, meat, eggs and dairy products and fish and fish preparations. Fortunately, most of these countries are located close to Pakistan. Fast steamer services, equipped with cold storage and refrigeration facilities could be arranged to make regular supplies to the Middle Eastern countries. Pakistan has been very slow to develop her fisheries in which she is very rich. Some other Asian countries, like India, Thailand and South Korea have made great advances.

Here it may be pointed out that Japan and USA are the greatest markets for fish and other marine products. About 75 per cent of the exports of Asian countries go to these two countries. Further, exports of India and Thailand are not of good quality and the Governments of Japan and the USA have placed some restrictions on imports of fish and shrimps from India and Thailand. Luckily, the exports from Pakistan are still in demand and there is no restriction either in Japan or in the USA. However, Pakiatan has not been able to take full advantage of the situation.

In manufactures, Pakistan is not making any real progress. It still depends, very badly on a few manufactures like those of cotton, leather and wool. However, except carpets little efforts have been made to develop down stream industries and increase their value added in exports.

Pakistan still exports in large quantities semi-manufactures like unbalanced cotton yarn and wet blue leather. The country has not succeeded in increasing appreciably the exports of finished goods like readymade garments and hosiery, leather made, readymade garments and other leather goods. The countries like Hong Kong, South Korea, Sri Lanka and Taiwan which depend on imports for raw materials are earning billions of dollars every year.

Sri Lanka exported readymade garments worth $ 1 billion in 1979. Exports from Pakistan in 1979-80 of readymade garments and hosiery were $ 74 million only. Because of the differences in development efforts, Pakistan's exports in 1978 were much smaller than of the Asian developing countries as shown below :-

EXPORTS OF SELECTED ASIAN COUNTRIES

(Value $ million)

	1976	1977	1978
Pakistan	1163	1171	1470
India	5526	6378	6614
Malaysia	5281	6078	7381
Philippines	2574	3151	3425
Thailand	2980	3484	4093
Hong Kong	8526	9626	11499
S. Korea	7715	10047	12713

Pakistan needs some dynamic efforts to correct her balance of trade and payments.

CSO: 4220/303

END OF INCOME TAX SUGGESTED

Karachi ECONOMIC REVIEW in English Jan 81 pp 6-8

[Article by S.M.A. Rizvi: "Taxation System and Islamic Concept-VI"]

[Text]

Said Benjamin Franklin that there are only two realities in this world: Death & Taxes. In Japan Mr. Matsu Shita is spending millions and millions of dollars on a College of Economic Experts which is making research whether a Taxless State is possible. The Socialists and Communists are becoming apprehensive that their economy is drifting towards Capitalism. The latest reports about the largest communist country are, that there are over 100 known millionaires in their society. The general people living under Capitalistic Society are groaning that rich are becoming richer while the poor are becoming poorer. The problem of unemployment is increasing. All Fiscal Systems have practically failed to provide relief to the common man and all over the world a sort of vicious circle has been formed which in brief can be called as "Inflation, Recession, unemployment and increased Taxes".To fight these evils there is no instrument in the modern economic theory except Savings, Taxes, Credit Squeezes and increasing Production". But when matters go out of gear then a reverse technique is adopted i.e. "cutting down production, Relief in Taxes and Liberal Credit Facilities." After some time again the old cycle takes its grip on economy with the result that common man suffers whatever be the movement of cycle.

The solution of this problem is not difficult; but the fact, which is ignored, is that the grip on world economy is in such powerful hands that they do not suffer by the ups and downs of the market. Naturally being satisfied and always remaining on a sound, highly secured pedestal, they do not want to disturb the present fiscal system. This is equally true for Capitalistic Society as well as Socialist or Communist Society.

The only difference is that in the former the wealth is vested in the hands of private individuals whereas in the later the custodian of wealth is the State and its bureaucracy. The common man in all the Socio-Economic Systems has no value except that of a surf or slave whose sole purpose is either to enrich a few private individuals or a certain State. The poor man's lot is just to get enough to provide him sustenance and that too sometimes is so meagre that it is not sufficient for him to live a healthy and decent life. The basic reason is that all Fiscal Systems are "Capital and Saving" oriented. And on such savings or capital accumulation there is a big incentive of doubling and tripling it through various Interest and Usuary Schemes. Moreover there is no check either by the Government or by the Society to compulsorily channelise this capital into productive or public welfare schemes. This accumulated wealth must not be allowed to grow up without any effort; rather it should be taxed or discouraged so that the capital may not become stagnant in a few hands or the State, whatever the case may be.

Islam has given a very simple Fiscal System, easy to act upon and completely free from all fallacies or juggleries. The salient features are:—

i) Every human being is allowed to earn any amount through his efforts or according to his capability or lot without any control, check or tax over it; either by the Government or the Society.

ii) Unfair means for earning money are strictly prohibited e.g. Usuary, Hoarding, Blackmarketing, not giving the buyer the worth of his money, carrying trade in such items which are forbidden ("Haram") or indulging in immoral and vicious practices.

iii) No man is allowed to retain with him excessive wealth which is legitimately beyond his requirements. There is no ban on "Araish" but certainly "Araish" is discouraged by Islam.

iv) Accumulated wealth is subject to Zakat, Ushur, Khums, Sadakat, Qarze-Hasna etc. etc; which in itself is a great deterrent to hold or hoard wealth.

Keeping the above four points in view the net result is that every Muslim, while free to earn any amount, is compelled to part with his accumulated or stagnant wealth for certain purposes; otherwise he will become a loser; and this wealth will decrease every day. The only alternative left for a Muslim is:

i) To spend money earned by him on himself and his family to such an extent to lead a comfortable life, educate and provide medical facilities, etc. Lavish living, pomp and show or exhibition of wealth is strictly prohibited.

ii) To invest the money earned in expansion of Trade (Halal).

iii) To spend on public welfare schemes.

iv) To spend on Armed Forces.

v) To give out interest-free loans to the needy.

Otherwise

To pay Zakat & Ushur on all accumulated wealth either in shape of kind or cash; which will gradually result in total annihilation of his wealth in 10 to 40 years.

In the present Western Economic Structure, the concentration is only on three heads of expenditure or investments; firstly on an individual's own-self; secondly to pay tax to Government and thirdly to get the wealth multiplied without any effort or risk e.g. through Usuary and Interest etc. Thus the basic difference between the Islamic and Western Fiscal System is that the former is based on expenditure oriented economy while the latter on saving oriented economic order.

The Muslim Economists are requested to study the difference between the two and advise the Government accordingly. Once the spirit of Islamic Fiscal Order is understood, all the related problems such as Usuary, Interest, Taxes, Productivity, Investment and Welfare of the common man will be solved automatically.

Islam has visualised a taxless state and has evolved an order by which the state is only a custodian of certain amount of public money; otherwise most of the welfare works are done by the public itself through coordinated local bodies. The Government's role is limited only to Defence and Big Development Projects. Since the times have changed and modern technology requires big state ventures; and certainly the Government is justified to collect money to finance these projects.

Unfortunately the present Governments have all become big Business Houses and its share-holders are the bureaucracy and a very big team of surplus staff. Since all the Governments have control over armed forces as well as civilian police; the result is that they can collect any amount of tax, legal or illegal having power behind their backs to collect these.

If an Islamic Order has to be enforced, the Government control will have to be reduced gradually and more powers will have to be given to the people. I am giving a factual position about the recovery of Income Tax and the real benefit derived by the Government.

Example	Yearly income (average)	Rs.25,000/-
	Income Tax	Rs. 2,000/- per year Rs.

Example	Yearly income (average)	Rs.25,000/-
	Income Tax	Rs. 2,100/- per year
	Investment	Rs. 8,750/- per year

Total Government Receipt

Income Tax		
after deducting investment Allce @ 35% Rs. 1,365/- p.a. Rs.13,650/- in 10 years	Investment in Govt. interest paying schemes of 10 years duration	Rs.8,750
	Total interest paid by Government in 10 years	Rs.25,375/-
	Excess amount paid by the Government	Rs.11,725

Now if the amount of Rs.8,750/- original Investment) is again loaned out by the Government on a higher interest rate of 10% (average interest does not exceed 10% considering the agricultural loans, Export Refinancing Loans and similar other low interest rates advances), the Government gains an interest on Rs.8,750/- in 10 years as Rs.14,466/-. In this way the Government gets Rs. 2,741/- extra on an interest bearing scheme.

If on the contrary the Government invests the amount of Rs. 8,750/- in Development Schemes as claimed by certain officers; in such event the Government pays the investor a sum of Rs.25,375/- after ten years from their own resources/ or by printing paper money; because no Government project is completed within 10 years and for profitability it takes another 5 years.

Hence it was suggested that the Government should totally eliminate both the Income Tax System as well as the Investment in Interest Bearing Scheme and revert back to simply a "Qarze Hasana System"; which is not only a more profitable source of revenue but also in conformity with Quranic injunctions. Speaking with facts and figures, supposing an individual having an income of Rs. 25,000/- per year, instead of being taxed is asked to give "Qarze Hasana" to Government only to an extent of 10% of his income which comes to Rs. 2,500/- this will work out at the present interest rate in 10 years as Rs.9,750/- . The individual will be entitled to receive back only his original sum of Rs. 2,500/-. The Government will thus benefit by Rs.9,750/- minus Rs.2,500/- = Rs.7,250/-.

It will conclusively prove that according to Income Tax System the Government loses Rs.11,725/- which is either met by deficit financing or further loans; whereas by adopting Qarze Hasana System the Government gains doubly a) by not paying interest to investor and b) by indirectly checking the inflation as every investor would like their value of money to go up otherwise the amount given by him as Qarze Hasana will remain of no worth.

However, the Government should be honest with the amount taken as Qarze Hasana, and if there is profitability in those projects where it is invested, the people should be given due share of their profit.

One of the main reasons why the inflation is going up, is the generation of black money or it may be called unaccounted wealth. Why people throw away their money in luxuries, lands, palaces and motor cars; is only because they cannot invest this openly. The fear of Income Tax and Wealth Tax is the only deterrent. The Government will have to swallow this sour pill of doing away with income tax – particularly in a developing country whose 2.5 million population is working abroad and pumping unaccounted money into Pakistan, by legal, illegal means or through liberal baggage policies. Various temptations are given by Income Tax authorities that if Rs.50,000/- capital is invested in a new business and 50% profit shown, there will be no enquiry. The door has been

opened but only a slight chink. People are taking advantage of this scheme but only those with small savings. What about the big tycoons and highly salaried persons abroad. Since now the rate of U.S. Dollar with which we are linked is practically the same in the open market and Hundi Market; large amounts of money are still being invested in foreign banks in interest bearing schemes; in spite of the fact that much more profit can be earned in Pakistan on these amounts if this capital is invested freely in our own country.

Everybody knows that those persons who have accumulated unaccounted money have committed an act against the law of land and to allow them to invest their money without any penalty would be a sort of injustice to those persons who have been paying their taxes all right; but when the economy of the country is at stake and when the inflation is going up by leaps and bounds some major surgical operation becomes necessary, whatever the consequences.

As all the money in Pakistan is tinted (by Islamic view point) whether it be unaccounted or a portion of the same has been mixed up with interest which is totally Haram, hence the Government should have no moral scruples to ask the people having unaccounted money to invest a portion of the same in Qarze Hasana. After all Zakat has been imposed without such considerations. Even if 10% of unaccounted money is given in Qarze Hasana to Government and the remainder be declared as white money, a phenomenal developing change will come in our economy. This 10% Qarze Hasana will be equivalent to more than cent per cent tax collected by the Government. Rather every new investor whether an assessee or not should under a permanent law be asked to give 10% of his new capital in interest-free bonds to enable him to bring the other 90% into account. Recently a report has come up

that more than 1,000 million rupees have been paid under the table against building and plot purchases in one city. Reason? Unaccounted wealth. And then calculate the permanent loss of corresponding wealth tax, Zakat, local taxes etc. etc. on the artificial low price of property entered into Government records. What a colossal loss! Unless the Government completely forgets the Foreign Fiscal System – at least to the extent domestic economy is concerned neither it would be possible to enforce Nizam-e-Islam nor find out a solution for the improvement of the low income group population.

The sincerity of present Government, particularly General Mohammad Ziaul Haq cannot be questioned but the General alone cannot perform miracles unless the top policy making bureaucrats and technocrats cooperate with him. Ask any of these about Islam, they will say that they believe it, but ask them to enforce Islamic Laws they will immediately become apprehensive about their success and start giving arguments about the impracticality of Islamic Laws in this country. As if God will and is helping them to enforce un-Islamic laws; but the Almighty will not help them if they make an effort to enforce Quranic Law. What an irony and what a Faith! It is better to become non-Muslim than remain a "Munafiq".

I would beseech the President of Pakistan to go ahead with his programme of Islamisation and God forbid even if he is not successful in this work; he will stand before God Almighty on the Day of Judgement with Laurels on his head.

CSO: 4220/303

ROLE OF TAXATION POLICY IN INDUSTRIAL DEVELOPMENT

Karachi ECONOMIC REVIEW in English Jan 81 pp 17-20

[Article by Iqbal Naeem Pasha: "Taxation Policy and Industrial Development"]

[Text]

In developing countries like Pakistan the growth process is usually marked by a conflict between egalitarian ideals of reducing economic disparities and the goal of rapid economic growth. There is a real dilemma in a developing economy between reducing inequalities in income and wealth and that of providing adequate incentives for saving and investment. Hence it becomes necessary to seek out instruments of tax policy which would allow full play to the forces of private initiative and thrift without intensifying inequalities to an unacceptable degree and also yield substantial revenues to the Government.

Many ideologists are of the opinion that indirect levies should be entirely substituted by direct progressive taxes. There is nothing inherently bad about an indirect tax nor there is anything good about a direct tax. It depends entirely upon what kind of direct or indirect tax it is. Maladministration and evasion of direct taxes may render modern progressive direct taxes neither modern nor progressive. John Stuart Mill, in "Principles of Political Economy" observed on the "virtuous" state of Victorian England in 1892: "The strongest objection, however, to raising the whole or the greater part of large revenue by direct taxes is the impossibility of assessing them fairly without a conscientious co-operation on the part of the contributors not to be hoped for in the present low standard of public morality."

Thanks to maladministration of tax-collecting machinery and wide spread tax-evasion, the first recourse in Tax Policy is often to tax bottle-neck in the flow of income, damming the flow of income at its narrowest point in order to direct funds

to the Government-Sector. This is what has happened in Pakistan. Since 1951, instead of subjecting to Sales tax thousands of retailers, only manufacturers, importers and in a few cases exporters are chargeable to Sales tax.

Similarly, major portion of income-tax revenue is being collected from salaried pesons, statutory corporations, nationalised industries and Joint Stock Companies. These are the devices for capturing income at bottle-neck and mobilizing revenues in the short run. But optimizing tax revenues in the short run may mean suboptimizing in the long run.

Unfortunately the easiest places to collect taxes have been those that had the greatest growth potential or, at least, were among the most crucial to progress. The very sectors where taxes should have been the least are the first to be effectively taxed. The result is that both, economic development and the long run growth of tax revenues, have been considerably impaired. This sorry state of affairs obtains notwithstanding the fact that the Government has been offering various types of incentives in the past to accelerate industrial development. Let us first examine and analyse the incentive policy followed and discarded in Pakistan.

The most notable incentives that were allowed in the past were Tax-holidays, exemptions from duties and taxes other than income-tax, provision of cheap finance including costly foreign exchange, protective tariffs, Export Bonus Scheme etc. The main incentive was Tax-holiday which was introduced in 1959 for periods varying from 4 to 10 years. The main purpose of "Tax—holiday Scheme" was to encourage regional dispersion, as was obvious from the fact that income from new investments in under-developed areas was exempted from income tax and Super tax for periods ranging from 8 to 10 years.

However, the results achieved were not uniformly encouraging. Industries were mostly set up in developed areas. The entrepreneors disregarded the Tax-holiday incentive of longer duration and were motivated primarily by the prospects of profits alone which depended on host of other factors like nearness of the market, labour conditions, cost of production etc. By and large less developed areas of the country remained deprived of any noticeable industrial development, thereby defeating one of the main purposes for which the incentive was allowed. Thus Tax-holiday not only failed to benefit the poor regions but also entailed colossal loss of revenue to the Goverment. This is probably the main reason why Tax-holiday Scheme was abolished with effect from the assessment year 1971-72.

Industries in Pakistan have also enjoyed exemptions from duties and taxes other than income tax. Tariff incentives were also provided to many existing industries. One of the most important, Export Bonus Scheme, entitling the Exporters to "Bonus Vouchers" which could be sold in the open market at a premium. The device soon lost its initial purpose and became a profitable business arising out of multiple exchange rates. It was, therefore, abandoned in 1972.

The cumulative effect of Tax and other incentives in Pakistan was that although they alongwith other non-tax factors, encouraged industrial investments in urban areas but they also distorted the scarcity price of capital, besides entailing huge losses to the Exchequer.

Let us now examine the incentives and concessions that are available, at present, to industries in Pakistan. As mentioned supra, Tax-Holiday Scheme was abolished with effect from the assessment year 1971-72. The said scheme has recently been revived in regard to industrial undertakings set up in under-developed regions.

According to clauses (80), (81), (82) and (82A) of the Second Schedule to the Income Tax Ordinance 1979, as amended vide the Finance Ordinance 1980, profit and gains derived by a Pakistani Company from an Industrial undertaking are exempt from tax for a period of five years beginning from the month in which the undertaking is set up or the Commercial production is commenced whichever is the later, provided that the said industrial undertaking is set up on or before the thirtieth day of June 1983 in any of the following regions:—

1. Province of Baluchistan.
2. North West Frontier Province.
3. Kohistan, Northern Areas, Tribal Areas, Azad Kashmir.
4. Districts of Mianwali and Dera Ghazi Khan and Tehsil Khushab in the district of Sargodha in the province of Punjab.
5. Districts of Shikarpur, Jicobabad and Dadu (Excluding Tehsil Kotri) in the Province of Sind.

As the Government was not collectingg any tax before, no loss of revenue is involved. Thus Tax-holiday in the under-developed or backward areas entails no cost of the Government. Partial exeption from tax to the extent of 10% of the capital employed in an industrial undertaking owned by a Pakistani Company is available under Section 48 of the Income Tax Ordinance 1979 for a period of five years including the year in which commercial production is commenced, provided that the said under-taking is set up on or before the thirtieth day of June 1983 in any area in Pakistan excluding Talukas of Karachi and Hyderabad and Tehsils of Faisalabad and Lahore.

Exemption of Income derived from sale of specified Agricultural Machinery manufactured (not assembled) by an assessee, granted vide S.R.O. 25K/69 dated 20.11.1968, has been extended upto the thirtieth day of June 1983 by virtue of insertion of Clause (638) in the Second Schedule to the Income Tax Ordinance 1979 vide the Finance Ordinance 1980.

Besides obsolute or partial exemption of profits and gains of specified Industrial undertaking as discussed here-in-above several other incentives are also available in the shape of Tax-credits and rebates. Under Section 106 of the Income Tax Ordinance, where an assessee, being a company, invests any amount in the purchase of shares issued by a Pakistani Public Company engaged in carrying on, in Pakistan, an approved Industrial undertaking owned by it, Credit for the amount invested is allowed to the assessee against the Tax payable by it at the following rates:—

Where the Industrial undertaking set up by the Company is located in —

(a) Baluchistan Tribal Area, Northern Area, and Azad Kashmir.	Thirty per cent of the amount invested.
(b) Other places excluding Talukas of Karachi and Hyderabad and Tehsils of Faisalabad and Lahore.	Fifteen percent of the amount invested.

Tax-Credit at the rate of fifteen percent on investment in the purchase of Plant and Machinery for the purposes of replacement, balancing or modernisation of machinery or plant already installed in an industrial undertaking owned by a Pakistani Company, granted vide Section 15 GG of the Income Tax Act 1922, is now available under Section 107 of the Income Tax Ordinance 1979 provided that the plant and machinery purchased for the purposes of replacement, balancing or modernisation is installed on or before the thirtieth day of June 1983.

Export Rebate at the rate of fifty percent of Income-tax and Super-tax payable in respect of profits and gains attributable to export of goods manufactured in Pakitan is available to an assessee under Sub-paragraph (2) of Paragraph 'A' of Part IV of the First Schedule to the Income Tax Ordinance 1979.

Under Clause (IV) of the proviso to Sub-paragraph (1) of paragraph 'A' of part II of the First Schedule to the Income-tax Ordinance 1979 as amended vide the Finance Ordinance 1980, Rebate at the rate of Five percent of Super-tax is available on so much of the income of a domestic Company as is derived by it from an Industrial undertaking, commencing commercial production, at any time between the first day of July 1975 and the thirtieth day of June 1983, if the original cost of fixed assets (excluding land) owned by the Company and used by the undertaking does not exceed Rupees fifty Lakhs.

Rebate at the rate of Ten percent of Super-tax is available to a domestic Company in respect of its income, profits and gains as are derived by it from processing, freezing and canning of food, vegetable, fruit, grain, meat, fish and poultry.

An attractive incentive for investment in corporate industrial sector is available under Sub-Clause (c) of Clause (52) of the Second Schedule to the Income Tax Ordinance 1979 whereby Dividend Income received out of the profits of an Industrial undertaking set up in Pakistan by a Pakistani Public Company at any time between the first day of July 1978 and the thirtieth day of June 1983, has been exempted

from Tax in the hands of the recipient for a period of Five Years beginning from the year in which commercial production is commenced.

With a view to accelerate revival or resurrection of sick industrial units Section 34A has been inserted in the Income Tax Ordinance vide the Finance Ordinance 1980, whereby an Incentive has been provided to a company, listed on Stock Exchange, who acquires such Sick Unit as wholly-owned subsidiary company, by entitling the Holding Company to set off for three consecutive years, the current year's losses of such sub diary Company against its current year's profits.

Remission of Custom Duty has also been allowed vide the Finance Ordinance 1980 on import of machinery for setting up Industrial estates in Tax holiday regions. Custom Duty on Import of machinery for balancing, modernisation and replacement (BMR) purposes has also been exempted in regard to specified industries.

Similar incentives have been provided under the Sales-Tax Act 1951 in the shape of either complete exemption of goods manufactured by certain specified industries or reductions in Sales-Tax rates. As a measure of tariff protection for certain specified locally manufactured articles rate of sales-tax on import of identical goods has been considerably increased.

Besides providing the incentives as discussed supra, the present Government has also adopted a number of Policy measures for reviving industrial tempo which include allowing private enterpreneurs to enter the basic Chemicals and Cement Industries Area, restoration of two taken-over Industrial Units, protection of the rights of investors and publication of investment schedule etc.

Despite all these corrective measures and concessions the investment climate has not perked up. Underutilization of the existing capacity of industrial units is continuing at a large scale mainly due to non-availability of funds for replacement, balancing and modernisation of the out moded machinery and plant. The number of sick units is on the increase and inspite of the incentive provided vide Section 34–A of the Income-tax Ordinance 1979, entreprenours are not coming forward to acquire such sick units, again, mainly due to non-availability of funds.

It cannot be denied that there is no dearth of "hidden wealth" in Pakistan, but the same can neither be used for the purposes of purchase of machinery or plant nor for acquiring shares of the Sick Units, for obvious reasons. In my humble opinion the malady can be traced to the levy of high rates of direct taxes which makes it extremely difficult for an entrepreneur to save and invest in productive channels.

It is a truism that high rate of taxation and evasion are complimentary twins. The theory that high rate of taxation discourages concentration of wealth is no more than a myth in Pakistan. Thanks to large scale evasion, Income-tax even at stratospheric rates could not arrest accumulation of "hidden wealth" that came to surface in consequence to declarations made under Martial Law Regulations of 1958 and 1969 and Section 3C of the Repealed Act in 1976.

Besides providing an inducement to evasion, high rates of Income-tax also weaken the will to work and invest and have an overall disincentive effect. They set premium on dishonesty and no premium on efficiency, hard work and thrift.

The Finance Act, 1976 was the first courageous commendable step in the right direction, whereby maximum rate of tax was reduced to sixty percent. Finance Act, 1977 further reduced the maximum rate to fifty percent which was maintained vide Finance Ordnance, 1978.

The process was reversed vide Finance Ordinance 1979, whereby maximum rate was raised to fifty-five percent in the case of Companies and sixty percent in regard to other Categories of assessees, besides levy of Surcharge at ten percent of the Income-tax and Super-tax payable.

In my humble opinion, the foremost incentive that would help in inducing the tax-payers to declare their income correctly is by reducing corporate tax to forty five percent and restoring the maximum rate of Tax in regard to other categories of assessees to fifty percent.

Another radical incentive that would be conducive in eradicating the evil of 'Evasion' and improving the investment climate, by making funds available for funnelling into productive enterprises, lies in adopting an "inducement approach" by allowing reduction in the tax-liability of the assessees on the basis of quantum of increase in income declared by them vis-a-vis the income of the latest previous year or income year for which they have been assessed under the Repealed Act or the Income Tax Ordinance, 1979.

This objective can be achieved by making the following amendment in the First Schedule to the Income Tax Ordinance, 1979:–

"Notwithstanding anything contained in this Schedule Income Tax and Super-tax payable by an assessee, other than a registered firm, shall be reduced by an amount computed in the manner specified hereunder:–"

I. Where the total income returned exceeds 20% but does not exceed 30% of the total income of the latest previous/income year in respect of which he has been assessed under the Repealed Act of this Ordinance.	5% of Income tax and Super tax payable.
II. Where the total income returned exceeds 30 but does not exceed 40% of the income of the latest previous/income year in respect	

of which he has been assessed under the Repealed Act or this Ordinance.	10% of Income tax and Super tax payable.
III. Where the total income returned exceeds 40% but does not exceed 30% of the total income of the latest previous/income year in respect of which he has been assessed under the Repealed Act or this Ordinance:	15% of Income tax and Super tax payable.
IV. Where the total income returned exceeds 50% but does not exceed 70% of the total income of latest previous/income year in respect of which he has been assessed under the Repealed Act or this Ordinance.	20% of Income tax and Super tax payable.
V. Where the total income returned exceeds 70% but does not exceed 10% of the total income of the latest previous/income year in respect of which he has been assessed under the Repealed Act or this Ordinance.	25% of Income tax and Super tax payable.
VI. Where the total income returned exceeds 100% of the total income of the latest previous/income year in respect of which he has been assessed under the Repealed Act of this Ordinance	30% of Income tax and Super tax payable.

The employment of the "inducement approach" as discussed here-in-above, alongwith other fiscal, policy and administrative measures already adopted by the present Government, would not only resurrect the sagging industrial tempo but would also ultimately yield all round greater revenues to the Exchequer.

One more aspect which requires consideration in this context is the retrospective nature of the Finance Acts. Apart from the fact that this is against the canons of justice, it scares the investor as he does not know his tax-liability even after the investment schedule has been announced. The apprehension that he may have about increase in his tax-liability, due to the amendments in the Tax-Code consequent upon the passing of the Finance Act, which event takes place invariably after the close of the "income year", acts as a deterrent to correct disclosure of his income.

It is, therefore, imperative that an irrevocable assurance be given to the tax-payers that no amendments retrospectively applicable to the "income year", shall be made in the Tax-Code other than those of a remedial, declaratory or explanatory nature.

There being no fear of unanticipated increase in their tax-liability, the assessees would be more prone to declare their income truthfully which would result in more revenue to the Exchequer.

Multiple direct and indirect taxes of similar nature, whether at federal, provincial or Municipal level, though yielding insignificant Revenue, confuse the entrepreneurs, ward off investments and prove deterrent to the correct disclosure of income and sales.

Adam Smith in his "Wealth of Nations" had designated four canons of Taxation: "Equality of Contribution, Certainty of imposition, convenience of payment and economy in collection".

It is better to have fewer, well administered taxes rather than have a jingle of levies with a yield hardly commensurate with the vexation that the collection thereof arises, defeating the very purpose for which these were enacted and subject to large-scale evasion.

The objective of rapid industrial and economic growth can be attained if efficiency, hard work and thrift are sufficiently rewarded and resources are diverted from consumption to investment. This can be achieved by making income-taxation incentive-oriented by scaling down the maximum rate as suggested here-in-above and by discarding the inquisitional and negative attitude and adopting in place thereof "inducement approach" by allowing reductions in the tax-liabilities of the assessees on the basis of increase in the quantum of income declared by them, voluntarily, vis-a-vis the income of the latest "income year" for which they have been assessed.

This is a cure which would appeal directly to the feelings of the tax-payers, eradicate the evil of evasion, curtail consumption, encourage investments, increase industrial output, revive the sagging economy which may perhaps result in possible upsurge of profits, yielding all round greater revenue to the Exchequer.

CSO: 4220/303

'REVIEW' COMMENTS ON PREVALENCE OF CORRUPTION

Karachi ECONOMIC REVIEW in English Jan 81 pp 5, 6

[Commentary by Umar: "Corruption Is Primarily an Economic Evil"]

[Text]

Corruption is an economic evil by cause and a social evil in effect. No denying the fact that this evil is in menifestation in almost all societies, based on any economic and political system. This evil has been deeply rooted and has also been historically a cause of shaking through roots apparently well entrenched governments. Corruption has been rampant in our country and Pakistan's socio-economic set-up is being threateed by its cancerous spread. Identification of its causes for application of remedies is an imperatives.

Why would this evil spread? Instead of going by academic abstractions, it would be a simple but whole truth to state that primarily corruption is an economic evil. Its spread is due to insecurity in economic sphere. The feel of insecurity is dominant for the past over two decades, in our case. Perhaps the period can be extended to some more length.

Fiscal and Monetary management not disciplined and vigorous, coupled with poor overall economic policy formulations and inefficient implementation apparatus have wrought disastrous results, which in turn fuelled fat to the fire of corruption in Pakistan. Absence of definite systems governing our economic and political life, prompting intervening violent changes in practices, instead of giving stability has proved factor motivating growing dissatisfaction, followed by disruption.

While there is crying need for halt to a wild spread of corruption, it is equally imperative, rather more crucial, to evolve definite economic and political systems and start implementation of long-term targets emerging from them.

Carving of structure for definite political and economic systems would need solid base work, preceded by clear-headed thinking on the subject. In fact, what we need, being Believers, is not a search of system, that would consume a

long time and energies for the purpose. We simply need creating a structure which can implement basic objectives and aims. Even in this task, we have failed and failed miserably, so much so that confusion got worse confounded about the system!

This has been precisely due to our lack of sincerity, both for cause and purpose. For the insincere attitude and dishonest approach, entire society is to be blamed. In sharing that blame, greater responsibility rests with the leadership. Who could deny that leadership had been dishonest, insincere and full of lust for authority.

Ability, authority and responsibility should go together as a norm. Ironically, in our case, this norm has been non-functional. Authority has been conferred without ability which made a mess of all that was to be ruled rightly. Misuse of authority, emerging primarily from inability, in ultimate, got shelter behind the citadel of poverty of system. Its height, in our case, could be no probe for the debacle of East Pakistan, the break-up of motherland and unceremonial-rather crudest ever burial of an ideal by which we had won freedom against arch enemies.

Corruption has been the root cause of our malady. This cannot be denied. Let us admit this first, as without confession there could be no grain for sincerity of purpose. No voice was raised against countless wrongs and perpetuating injustices. The tendency remains dampen. In fact, it has worsened with the passage of time. Corrupt practices shelter each other and in the process are promoted. Likewise, corrupt people protect each other. Let us be awake, to end the vicious cycle.

If we commit ourselves to eradicate the evil of corruption certainly some major evils will end in the process and soon. Corruption emanates from conferring in an individual and/or office power greater than his/its ability. That would tend to make one power drunk or victim of excessive authority and the power or authority would be employed to achieve sinister ends.

No office of power can be delegated without ability. For example, a man holding an office carrying remuneration of Rs. 2,500/- per month, if allowed to assess taxes, duties, penalties for any amount, even say Rs.10,000/- in a single case, he will be allured to make the most out of that power than relish a limited earning of Rs.2,500/- a month. Such cases of assessment are countless with each office and running into millions of rupees. Further, there is no effective check and balance system in practice that ends of justice can be served without waste of time, energy and resources. Contrary to willingly sacrificing that much, an assesse would be succumbed to extortion. That is but human.

It is one of the reasons that State's revenues persistently trail behind its expenditure, though taxes are growing out

of proportion. As a result, inflation is galloping. Investment is shy; trade is receiving priority over industry etc. Resultantly, there is run away of price line, particularly of consumer goods.

Why would one grease a greedy palm? The reason is that it is an easy outlet for escape from undue harassment and unwarranted spendings. Time is an important element in business. No business would and could waste it, with energies and opportunities. So, business is prone to succumb to corrupt practices. Defiance pays a little and that also needs and exceptional stamina and spendings. Can't we divorce powers far over ability? Ability embraces several qualities. Primarily, it encompasses knowledge, character, competence and all the more income vis-a-vis power to harass and assessment of monetary liabilities. In order to illustrate the point, what powers have been vested with offices/ranks of customs, income and other taxes departments, police and so on? In all cases, these are far over ability.

Precisely, a middle level official of the customs (land, sea and air —all), of the income tax department, police and what not, enjoys access through excessive power of office to unaccounted for incomes manifold than what a well-set businessman would get through toiling.

Imagine, what could happen in this situation? Invariably, corruption is bound to spread, in intensity not less than a jungle fire. This is what we are presently faced with in Pakistan. Definitely, corruption is basically an economic evil in cause and certainly a social evil in effect.

CSO: 4220/303

REVIEW OF AGRICULTURAL CROPS

Karachi ECONOMIC REVIEW in English Apr 81 pp 17-22

[Article: "Crop Wealth of Pakistan"]

[Text]

Pakistan is rich in agriculture crops. Cotton , wheat, rice, and sugar cane are the major important crops of Pakistan. Production of these crops have touched new peaks. Foreign exchange earnings from export of cotton and rice is likely to be around one billion dollars. Due to bumper wheat crop there will not be any import of wheat this year. Even minor crops of jower, bajra maize, barley, gram, oil seed and tobacco make a significant contribution to GNP.

Cotton production has increased substantially but the per hectare yield still stands at 368 kgs. which is very low as compared to the world average of cotton yield of 439 kgs. per hectare. Since independence there has been virtually no addition to cotton storage facilities.

Cotton is the principal cash crop of Pakistan. The importance of cotton may be judged from the fact that it represents about 25 per cent of the value of major crops and about 15 per cent of the GDP for agriculture sector. Cotton Textile manufacturing alone accounts for about 7 per cent of GDP. The crop as a whole provides means of living to atleast five million or about 8 per cent of the population. Cotton and its manufactures contribute a major part of foreign exchange earnings. Its seeds are source of edible oil which is used as raw material in vegetable ghee industries. It is obvious that increase in cotton production would significantly contribute towards the stability of the economy.

AREA, PRODUCTION AND YIELD PER HECTARE OF COTTON

Year	Acreage (000 hectare)	Production (000 bales)	Yield Kgs Per hectare
1974-75	2031	3567	314
1975-76	1852	2890	277
1976-77	1865	2446	233
1977-78	1843	3233	312
1978-79	1891	2662	250
1979-80	2034	4200	368
1980-81	2490	4300 target	–

The production of cotton has attained a record production in 1979-80 having reached a production figure of 4.20 million bales showing a rise of 57.8 per cent as compared to the preceding year. The production target for the current year is likely to be achieved—2.9 and 1.4 million bales are likely to be produced in Punjab and Sind respectively.

It will be seen that cotton production has increased substantially but per hectare yield still stands at 368 kgs which is very low as compared to the world average of cotton yield of 439 kgs per hectare.

With the revival of textile industry home consumption has markedly improved from 355,986 metric tons in 1977-78 to 451,798 metric tons in 1979-80.

A number of varieties of cotton have been developed and some more are in advance stage of evolution. The Pakistan Central Cotton Committee in collaboration with the Provincial Government has evolved and released 9 new Upland and 3 Desi cotton varieties to replace old varieties like 4-F, LSS, 124-F, with varieties like BS-1, AC-134, 149-F, MS-39 and B-557 in the Punjab and M-4 and M-100 in Sind. In the Punjab AC-134 and 149-F are in the process of being replaced by B-557, M-I is now in the process of replacement with three new and superior Upland varieties, viz. H-59-1 (Qalandari) S-59-1 (Sarmast) and K-68-9,BS—1 has since been approved for commercial cultivation in the NWFP.

COTTON EXPORTS

In the year 1980-81 cotton is likely to emerge as the largest single foreign exchange earner, elbowing out rice from the first position. The export of cotton as percentage to total

export increased from 2.5 % in 1976-77 to 14.04 % in 1979-80. The estimates of 1980-81 are around 20 %. The increase was due to rise in demand from China, Hongkong, Japan and Bangladesh.

EXPORTS OF RAW COTTON

Year	Total Exports (Rs.million)	Export of Quantity (000 bales)	Cotton Value (Rs.million)	Export of Cotton as per cent of total export
1974-75	10286	1062	1534	15.01
1975-76	11253	420	981	8.71
1976-77	11294	66	292	2.57
1977-78	12980	492	1102	8.48
1978-79	16925	256	655	3.87
1979-80	23640	1280	3321	14.04
1980-81	26000	–	5000	19.23

COTTON PRICE

The cotton policy for 1980-81 allowed an increase in the cotton price ranging from Rs. 28.00 to Rs. 31.00 per maund or roughly 8 to 10 per cent.

Another feature of cotton policy is the lightening 25 per cent increase in the procurement price of cotton seed oil from Rs.200 to 250 per maund. Other features of new cotton policy remain unchanged. For instance no purchase of cotton would be allowed to be made at price lower than the newly fixed minimum prices for different varieties. Cotton exports would continue to be the exclusive domain of Cotton Export Corporation while private traders may participate as agents to the CEC in securing export orders. CEC has not only achieved a record volume of success but also provided stability to cotton price at home by regularly purchasing and stocking cotton thereby counteracting the possibility of an eventual crash in cotton prices under the pressure of peak crop movement. The presence of CEC combined with maintenance of minimum support prices for raw cotton has proved to be successful policy in the management of the countrys' cotton economy.

STORAGE OF COTTON

Since independence there has been virtually no addition to cotton storage facilities. Cotton stocks arriving from up-country to Karachi for export are generally stored at TPX which is a transit yard for commodities meant for export and import. The space available at the TPX has not been adequate even for a normal size of an exportable surplus and is limited to about 350,000 bales. A large number of plinths at the TPX are open and uncovered with the result that cotton stored here is exposed to inclement weather, rain, sun etc. In the absence of fully secured and adequate facilities, the quality of cotton deteriorates and that is why complaints are often received from foreign buyers.

PROBLEMS

Cotton production in Pakistan is handicapped by different agronomic and economic bottlenecks. Some of the major problems are:—

1. The Cotton varieties which are grown in Pakistan are capable of giving 1-1/32" to 1-1/16" staple but the bulk of existing production falls under a length of 15/16" to 1".
2. A sufficiently large portion of the potential production is destroyed by insect and pests and according to an estimate this loss is as much as 30 per cent.
3. Due to decreasing productivity per unit area the farmers shift from cotton to alternative crops which yield higher economic returns.
4. Due to the increasing cost of production the margin left with the grower is comparatively less than some other crops.
5. Pakistani cotton fetches comparatively lower prices in foreign market due mainly to short staple, poor ginning and grade.

These problems are, however, not unsolvable and it is hoped that the increasing attention on research, better farm management practices and encouraging price policies will yield an overall improvement in cotton production and trade in near future.

WHEAT

About 40 per cent of wheat produced in the country is wasted annually. Due to inadequate facilities for storage, the bumper wheat crop of 11.43 million tonnes is likely to create problems. Per hectare yield in Pakistan is only 0.70 tonnes as against one tonne in Mexico, 2 tonnes in USA and 5 tonnes in France.

Wheat is the staple diet in Pakistan and accounts for over 70 % of the gross cereal intake. It is the crop with the largest area and constitutes over 30 % of the total cultivated land (47.64 million acres). Similarly, among the different types of cereals produced in Pakistan, wheat production ranks highest amounting to about 65 % of the total cereal production, followed by rice (21%), maize (7%), Jowar (3%), bajra (3%), and barley (1%). However, despite this impressive position, wheat production falls much below the domestic requirements and imports of wheat production falls much below the domestic requirements and imports of wheat has become a regular feature.

AREA,PRODUCTION AND YIELD PER HECTARE OF WHEAT

Year	Production million tons	Area million hectare	Yield Per hectare/Kgs.
1974-75	7.67	5.81	1320
1975-76	8.69	6.11	1422
1976-77	9.14	6.39	1430
1977-78	8.36	6.36	1316
1978-79	9.95	6.68	1485
1979-80	10.75	6.86	1479
1980-81	11.34 target	–	–

Pakistan is expected to harvest 11.34 million tonnes of wheat during 1980-81 crop season — an increase of about 5.39 per cent over the final estimate of the previous year's production. All possible measures are being taken by the central and provincial governments to ensure the achievement of this target. The governments of Punjab and Sind have fixed wheat production targets at 8.3 million tonnes and 1.94 million tonnes, respectively for the current season. About seven million kilograms of high yielding varieties of seed is being supplied through the Seed Corporation in the province. The improved varieties of seed will include Indus-79, LU-26, Pari Chenab-79, and Bahawalpur-79.

The Government in October 1980 fixed a procurement price of Rs. 58 per 40 kilograms. However, the farmers felt that this price was at a low level. A cultivators convention was held in Islamabad last year which estimated wheat production cost of Rs.65 in the Punjab, Rs.58 in NWFP and Rs. 52 in Sind.

Per hectare yield in Pakistan is extremely low. It comes to only 0.7 ton as against one ton in Mexico and Egypt and more still in India and France. Until this chief deficiency is firmly overcome the overall prospect for wheat will not brighten up. The agronomists and planners have expressed the hope that the wheat output would be raised by over 40 per cent by 1982-83. The percentage increase in area has been fixed at 11 per cent and the rise in per acre yield at 47 per cent.

The low yield is due mainly to an inefficient mix of water, fertilizer and high yielding variety of seeds The fertilizer dependent Mexican wheat, with proper mix of other inputs, has yielded more than double of the present yield in Pakistan. Such yields are not common in all cases, however, at least one ton of wheat per acre can easily be obtained with judicious use of only 336 pounds of urea and 168 pounds of Triple Super Phosphate (T.S.P.) per acre.

STORAGE

According to the Chairman, Pakistan Agriculture Council, 40 per cent of wheat produced in the country is wasted annually either in the field, in storage or during transportation. From harvesting to threshing, 30 per cent is lost through faulty and outmoded farming methods; another 10 per cent is wasted when being moved from the field or while lying unprotected in ill-constructed and primitive godowns. The bumper crop of 11.43 million tons this year is likely to create problems. The Executive Committee of the National Economic Council has already envisaged further increase in Punjab's storage capacity by half a million tons. At present the country has a storage capacity of 2.4 million tons of wheat, this capacity is quite inadequate.

Wheat stocks can be built for consumption and export only when scientifically constructed godowns are available in all regions. So far the space set aside for stocks has not met the scientific and technical requirements of storage. Fumigation has not helped to offset the effects of other inadequacies. The well-known pest that attacks stocks in conventional godowns is 'Khapra' which is resistant to the pesticides that is applied to the godowns at present.

IMPORT

The average annual import of wheat into Pakistan is more than one million tons in the last five years. The major source are USA, Australia and European countries. The imports are made under cash, cash-cum-credit. PL-480, Grants and the Food Aid Convention. The following table shows the quantum and value of wheat imported during the five years:-

IMPORT OF WHEAT INTO PAKISTAN

Year	Quantity (000 tons)	Value (Rs. million)	Average Price (Per ton in Rs.)
1974-75	1344	2460	1830.80
1975-76	1186	1785	1504.81
1976-77	499	660	1322.65
1977-78	1052	1336	1270.53
1978-79	2236	3505	1567.57
1979-80	–	1041	–

PRODUCTION OF WHEAT PRODUCING COUNTRIES

Countries	Production	Area million hectares	Yield (Kg./Hectare)
USSR	120.8	62.9	1920
USA	48.9	23.0	2128
China	51.0	34.8	1466
India	31.3	21.2	1477
France	21.2	4.2	5057
Canada	21.1	10.6	1999
Australia	18.4	10.1	1820
Turkey	16.8	9.3	1794
Italy	9.3	3.5	2688
Pakistan	8.3	6.3	1305

Source:- FAO Monthly Bulletin of Statistics, October 1979.

RICE

Rice is likely to earn $ 500 million foreign exchange during the year 1980-81. However, unless Pakistan is able to offer superior quality milled rice, the desired level of success in rice exports is not likely to be achieved. The procurement price of rice fixed by the Government has been considered inadequate by the rice millers.

Rice is the most important cash crop in Pakistan and it has assumed the first position in regard to foreign exchange earnings. Pakistan has moreover, a distinction of being one of the only two producers of Basmati rice in the world though with some justification to be the world's finest, of delicate long grain and axotic aroma. A unique combination of soil and climatic conditions confine this distinctive rice to Pakistan. While long grain rice has been grown with success elsewhere, notably in the United States nowhere has it been possible to duplicate or rival the particular flavour characteristics of fine Basmati rice.

This makes it all the more astonishing that Pakistan has not been able to fully exploit the enormous expo[illegible] potential of this rice or of the numerous coarser varieties so widely grown in the country. To put it bluntly, we have hitherto failed to process a quality of rice that would bring to the fore, the advantages our varieties possess, and we have not been able to maintain a consistent standard in the rice we market. The situation therefore, merits careful attention if we are to remove these obstancles.

AREA AND PRODUCTION OF RICE

Year	Area(million Hectare	Production (million tons)	Yield Kgs. per hectare
1974-75	1.60	2.31	1443
1975-76	1.71	2.61	1531
1976-77	1.74	2.73	1565
1977-78	1.89	2.95	1553
1978-79	2.02	3.27	1615
1979-80	2.03	3.22	1584

The area under rice crop during 1980-81 is 1.952 million hectares which is four per cent less than the previous year's final estimate of 2.034 million hectares, according to all Pakistan first estimate of rice for the year 1980-81 released by the Ministry of Food, Agriculture and Cooperatives. The provincial break up of the estimate is as under. In the Punjab, the area under rice crop during 1980-81 is estimated at 1.066 million hectares as compared to 1.179 million hectares finally estimated last year. It has fallen of 7.0 per cent despite an increase of 9.1 per cent in area under Basmati. This fall is attributed to dry weather conditions at the sowing time of IRRI varieties. In Sind, the area under rice crop is estimated at 743,800 hectares. It shows a decrease of 0.2 per cent over previous year's final estimate of 745,600 hectares. This decline in the area is due to ban on rice cultivation in some parts of upper Sind.

Rice has gained an added importance after the seperation of East Pakistan and has emerged as the largest single foreign exchange earner. It had fetched Rs. 4.179 billion from the export of 1.086 tons in 1979-80.

EXPORT OF RICE

Year	Exports (Rs. million)	Quantity (000 tons)
1974-75	2304	478
1975-76	2479	782
1976-77	2477	945
1977-78	2408	879
1978-79	3380	1015
1979-80	4179	1086
1980-81	5000(estimates)	1150

Exports of Basmati rice, during 1980-81, is expected to fetch 245 million dollars, while export earnings of other varieties of rice during current year is being projected at more than 236 million dollars. Export projections, are based on an exercise carried out recently by the Government which indicate possible foreign exchange earnings of more than 45 exportable commodities during this fiscal year. Rice export, constitutes single largest foreign exchange earnings item of the total export projection of 2,600 million dollars in 1980-81.

In October 1980, the Government revised the procurement price of rice upwards to Rs.137.00 per 40 Kgs for Basmati from the previous price of Rs.125.00 per 37-1/2 Kg, Rs.72.00 per 40 Kg for 15 per cent broken Irri-6 and Rs.63 for 40 per cent broken Irri-6. The new procurement price for Basmati worked out to Rs. 3.42 per Kg as against Rs. 3.33 per Kg previously. It is expected that this price might give some cushioning effect to the rice milling companies profit potential but the rice millers consider the increase as inadequate. It cannot be denied that prospects of profitability alone provide inducement for risk capital investment in any industry including the modern rice milling industry. And the need for developing the rice milling industry on modern lines cannot be overemphasised in view of the vast potential for increasing the export of rice from Pakistan. Moreover, unless Pakistan is able to offer superior quality milled rice with minimum of broken rice and dirts etc. the desired level of success on rice exports would be difficult to achieve. For this purpose, modern rice milling plants shall have to be promoted in greater number.

STORAGE

The gross inadequacy of storage capacity is, however, acutely felt. Although the RECP has now a storage capacity of 740,000 tons as against 590,000 tons at the time of its inception, it leaves much to be desired. The storage capacity must be increased without delay to cope with the increasing exports. The RECP had a plan to raise the capacity to 900,000 tons. If that has been done, it will make a difference for the better. This, coupled with the proposed construction of additional storage capacity 200,000 tons at Port Qasim, will considerably improve the situation. With the coming to operation of 12 latest plants, the milling capacity has been sufficiently increased. The cleaning capacity has also risen from 300,000 tons in 1974-75 to 800,000 tons now. The RECP has recently acquired two most modern husking plants from the private sector in addition to the takeover of six small husking plants from the Punjab Industrial Development Board.

SUGAR CANE

Pakistan is ranked four after India, Cuba and Brazil in the world as far as area under sugar cane cultivation is concerned. However, per hectare yield is low. As against 38 tonnes per hectare in Pakistan it is 255 tonnes per hectare in Brazil, 188 tonnes in Peru and 75 tonnes in Philippines.

Sugar cane is the 4th largest crop of Pakistan having been cultivated on about 0.75 to 0.822 million hectares of land. The area under cultivation and the output was recorded at the highest level of 822,500 hectares and 30.077 million tonnes respectively in 1977-78. In the following year both area and production registered a decline. During 1978-79 area under cultivation was 752,000 hectares, showing a decline of about 8.5 % while production was reduced to 27.33 million tonnes registering a decline of 9.15 % over the previous year.

The main factors of this decrease in area and output include the shortage of irrigation water at the sowing time, fear of borer attack on crop as this discouraged cane cultivation during 1978-79. Production during 1979-80 went up with better rates of yield. The per hectare yield of sugar cane showed an improvement during 1979-80 over the previous year. As per estimates the yield was about 38.3 tonnes per hectare in 1979-80 as compared to 36.3 tonnes per hectare in 1978-79.

To understand, the area under cultivation and production of sugar cane during the last six years better figures have been tabulated below:-

SUGAR CANE PRODUCTION OF PAKISTAN AREA AND OUTPUT

Year	Area Million Hectares	Production Million Tonnes	Yield Per hectare Tonnes	Change in Production %
1974-75	6.73	21.242	30.6	–
1975-76	7.00	25.547	36.4	+ 20.27
1976-77	7.88	29.523	37.5	+ 15.56
1977-78	8.22	30.077	36.6	+ 1.88
1978-79	7.52	27.326	36.3	– 0.15
1979-80	7.10	27.200	38.3	– 0.46

(p) Provisional

Source: Ministry of Food, Agriculture & Cooperatives.

Sugar cane is an exhaustive feeder and needs a very good cultivation to give the chance to the plant to prosper. To achieve a break-through in sugar cane production and to achieve self sufficiency in sugar, a crash programme has been launched throughout the country. It included application of modern technology right from the preparation of land to harvesting, loan advancing on liberal terms for the purchase of seeds, fertilizers and pesticides etc. In addition the Government has raised the rates of sugar cane at the factory gate, to provide encouragement to the growers.

PRICES OF SUGAR CANE AT FACTORIES GATE

(Rs. per 37.324 Kgs.)

Year	Sind	Punjab	NWFP
1977-78	5.90	5.75	5.50
1978-79	5.90	5.75	5.50
1979-80	7.15	7.00	6.75
1980-81	9.15	9.00	8.75

Source: Ministry of Food, Agriculture and Cooperatives.

On an average only 25 % of the total sugarcane produced in the country is made available for crushing to the sugar mills, 5 per cent is consumed as fodder and about 62 per cent is used in making gur and Khandsari. It is estimated that if the entire sugar cane produce is sent to the mills the production of sugar would come to about 2 million tons against the present average of 800,000 tons at the average sucrose content of 8.32 %. Moreover if the same quantity of sugarcane would have contained 13 % of sucrose contents, which is the world average, Pakistan could produce 3.25 million tons of sugar.

YEAR–WISE PERCENT UTILIZATION OF SUGARCANE IN PAKISTAN

Year	Total Sugarcane Produced (000 tonnes)	Total Sugarcane Crushed (000 tons)	% Utilized
1975-76	25,547	7,167	28
1976-77	29,523	8,370	28
1977-78	30,080	8,990	30
1978-79	27,320	6,174	22
1979-80 (Provisional)	27,440	5,793	21

Source: Central Statistical Division.

CSO: 4220/303

BRIEFS

STOPPING CURRENCY FLOW--In view of the reports of flight of capital from the country, the Directorate of Intelligence and Investigation (Customs and Excise) has set up special currency cells at all the important airports of the country. Stating this, Mr. S.T.R. Zaidi, Director of the Intelligence, said that the currency cells were operating satisfactorily all over, particularly at Karachi Airport, from where they have nabbed 50 "respectable persons" with Pakistan and foreign currencies amounting to Rs.1.7 million within the last 45 days. This figure is in addition to the seizures of currency in other provinces. He said that on the instructions of the Chairman, CBR, he had also geared up anti-smuggling organisations and re-organised the staff. He has also obtained the services of three experienced Superintendents of Preventive Service for streamlining the anti-smuggling activities of the Directorate. Meanwhile, the Drug Enforcement sleuths seized from three out-going passengers US Dollars 6,271; Pound Sterling 588 and Indian Rs.481. One of the passengers proceeding to Bangkok was carrying pounds and Indian currency in a Talcum Powder box. [Text] [Karachi DAWN in English 14 Sep 81 p 8]

CSO: 4220/303

PROFILES OF PRIME MINISTER CESAR VIRATA

Marcos' Number 2 Man

Kuala Lumpur BUSINESS TIMES in English 31 Jul 81 p 6

[Article by Monica Feria in Manila]

[Text] PHILIPPINE strongman Ferdinand Marcos has finally named his Number 2 man, an unsmiling, no-nonsense technocrat who is as ultra-modern in his economic outlook as he is old-fashioned in his clothes.

Finance Minister Cesar Virata, 50, the country's first Prime Minister under a newly-modified parliamentary government will also head a powerful seven-man executive committee which will stand as a "collective" successor to President Marcos should anything untoward happen.

But even after a formal nod from the 181-member interim National Assembly, Philippine Prime Minister-designate Virata is a far second. President Marcos, under new amendments, is still titled both Head of State and head of government making the Prime Minister merely his supervisory extension.

Mr Virata will serve at the discretion of the President who has already announced that he will give his officials only a year's crack each at this top post, on a rotational basis.

Any direct designation of a successor, therefore, is still held at bay and the Finance Minister's "non political" image may yet have been the very trait that swung him the prime post.

Mr Virata has never been elected to a political post. He is what one commonly tags a "technocrat" who, despite considerable weight in decision-making, is usually not one to take a front line political leader role.

Out in the front-line is Mrs Imelda Marcos, who has already garnered an astonishing string of titles to her name — among them governor of Metro Manila and Minister of Human Settlements.

President Marcos himself had put a stop to an earlier move to draft his wife as Prime Minister, stressing that he had made a public promise not to increase fears that he was building a family dynasty.

But the outwardly quiet and aloof Virata is not all that nondescript despite his nondescript business quite and simple, old-model barong *tagalogs* (native formal shirts).

Second look at his credentials reveal powerful international support and an untarnished record of honesty that silences many opposition leaders.

Oppositionists, in fact, criticise Mr Virata — with some apprehension — for being "America's boy" in this former colony now highly dependent on foreign loans, a charge which Mr Virata vehemently brands as "unfair."

He has raised Philippine foreign borrowings from something like US$40 million a year in 1972 to some US$400 to US$500 million a year today. He was the chairman of the powerful development committee of the International Monetary Fund and later of the "Group of 24" composed of Finance Ministers of developing countries.

More than 10 years as Finance Minister here, the American-educated Virata was cited last year by an international business publication as one of the top five Finance Ministers of the world.

Answering rumours that pressure groups from the IMF and the World Bank were responsible for his nomination, Mr Virata said their support stems only from the fact that "we have been able to prove to them that we have a good economic programme," adding that his general view is that "good economics is good politics."

Mr Virata has academic degrees in mechanical engineering and business administration. After a masters degree in business administration at the University of Pennsylvania, he began his government service at the University of the Philippines, climbing to dean of the College of Business Administration. He worked with a prestigious management consultancy firm here and later with the government Board of Investments.

The Philippine Press labels him "inscrutable" but agrees to his clean character record.

Possibly in view of this, his private and domestic life has been the focus of intrigue against him lately. He is married to an "irrepressible" stage actress, Joy Virata, who is known to attend only "absolutely must" official functions.

Many times, Mr Virata has had to assure reporters that he is not on the verge of a marital break-up. A recent extended stay in the US over some loan negotiations had sent rumours flying that amazingly for a man so conservative in dress and habit, he had fallen for a rich and attractive Filipino widow there.

So far, however, Mr Virata has withstood lively Philippine politics as he begins his new post. — AFP

No Political Ambitions

Kuala Lumpur BUSINESS TIMES in English 8 Jul 81 p 6

[Article by Lysander Garcia in Manila]

[Text] MR Cesar Virata, named recently as the Philippines Prime Minister under a new French style parliamentary system, is an economist of international prestige and has a brilliant grasp of statistics.

Unusually for a Prime Minister, he describes himself as having no political ambition and is shy and ill at ease at social functions.

But, in finance and money matters, no other Filipino public official has had more experience.

Mr Virata, 50, has been Finance Minister for the past 11 years, supervising seven sensitive agencies, of which two — the Bureaus of Internal Revenue and Customs — are the government's biggest revenue earners.

At the same time, he headed nine public institutions, two of them being the Land Bank of the Philippines and the Philippine Amanah Bank, and was a director or member of 28 other government agencies.

Mr Virata is also chairman of the Asian Development Bank (ADB), based in Manila, Philippine governor of the International Bank for Reconstruction and Development (IBRD), and of the International Fund for Agricultural Development (IFAD), and alternate governor of the International Monetary Fund (IMF).

From 1976 to 1980, Mr Virata was chairman of the Development Committee of the World Bank and IMF. He then became chairman of the Group of 24, the association of Finance Ministers of developing countries.

He has represented the Philippines in countless negotiations abroad dealing with financing, development, trade and investments.

Mr Virata has directly helped to shape and influence world bank and IMF policies on assistance for developing countries, to the extent that the latter now obtains loans from the two agencies on better terms, easier conditions and for a broad range of projects which include energy development, education, infrastructure and public health.

Obviously using his worldwide connections well, he has been able to get pledges of more than US$1 billion in international aid for the Philippines this year.

But within the country some of his policies and decisions have been severely criticised, among them his reimposition this year of capital gains tax on stock market transactions.

Newspaper columnist Teodoro Valencia, one of his sternest critics, says: "The economic system, the taxation formulae we are following, the production techniques and ideas are our undoing. They're alien to our ways and our capabilities. The geniuses who foisted them on us copied them from American models...."

Friends and associates talk of Mr Virata's computer-sharp mind. He keeps all the economic statistics in his head, they say, and refers to them with total recall.

Last year, *Fortune* magazine named him as one of its top ten Finance Ministers in the world. In 1978, the *Institutional Investors* magazine rated him one of the world's top five.

But for all his prestige in international finance, and his rich experience in economics, Mr Virata is a painfully shy and retiring as a person.

He is ill at ease at social functions, preferring to stay unnoticed in a corner. When forced by protocol to join in a setpiece dance at President Ferdinand Marcos' Inauguration Ball on June 30, he agonised through every awkward step.

He is a couturier's nightmare. His clothes never quite seem to fit, and his greying hair is crewcut in a land where thick, flowing hair is the fashion.

Mr Virata's critics say he has no sense of humour. He is rarely seen smiling, absorbed in apparently perpetual worry. His critics also say that he has difficulty relating to people.

Yet officials say Mr Virata's uninvolved, apolitical personality may be one of his main assets as far as President Marcos is concerned.

Last year, President Marcos named him chairman of the Cabinet Standing Committee, with supervisory powers over all government ministries. His principle asset is that President Marcos needs an economics expert.

Mr Virata finished two courses at the University of the Philippines (UO), one in business administration, cum laude, and the other in mechanical engineering.

He finished his masters in business administration at the University of Pennsylvania.

He was dean of the UP College of Business Administration from 1961 to 1969 before President Marcos tapped him for administration work. He is married with three children. — Reuter

CSO: 4220/643

EIGHT GEOTHERMAL FIELDS IN VARIOUS STAGES OF DEVELOPMENT

Kuala Lumpur BUSINESS TIMES in English 10 Jul 81 p 6

[Article by Ho Sook Han]

[Excerpts] FOR people in Tiwi, a small town in south eastern Luzon, about 180 miles from Manila, geothermal energy mostly used to mean being able to steam a chicken or boil an egg right where hot gas or boiling mineral water seeped from the ground or rock crevices.

They may still cook their food in this way but thanks to the construction of a 220 Mw geothermal power plant three years ago the people of Tiwi and the surrounding region are also able to have light "at the flick of a switch".

The Tiwi geothermal plant, the first one of commercial size in the Philippines, is an example of the country's drive to develop energy sources to substitute for oil.

Last year 92 per cent of the commercial energy used in the country was imported. The oil bill was estimated at US$2.7 billion (about $6.2 billion) to meet a consumption of about 240,000 barrels a day.

The Philippines is now banking its energy hopes on two major resources — hydro and geothermal. In the government's five-year energy programme which was compressed from the previous programme spanning ten years, geothermal energy is estimated to meet 12.2 per cent of the country's energy needs by 1985, compared to the previous target of 7.2 per cent by 1989.

Currently the world's second largest producer of geothermal energy, the Philippines has moved up from ninth place when it first started commercial production three years ago.

By the end of the decade, experts feel it may well be the leading producer of geothermal energy, overtaking the United States which had 502 Mw of geothermal capacity as of September last year.

According to Mr Arturo Alcaraz, head of the geothermal division of the Philippine National Oil Company (PNOC), the country's geothermal potential is sufficient to generate 200,000 Mw for a hundred years. There are presently about eight geothermal fields in the country in various stages of development.

The sites are fairly well distributed throughout the islands but the majority is in two regions, Luzon and the Visayas. So far about 140 wells have been drilled.

Presently 440 Mw of electricity is generated from geothermal sources, about a tenth of the total installed generating capacity of 4,500 Mw.

The objective of the geothermal power programme is to develop 1,432 Mw from this energy resource by the mid-80s. In addition to the four units at Tiwi producing 220 Mw, four units at Makiling-Banahaw (Mak-Ban) in central Luzon supply another 220 Mw.

By the middle of next year, another two units of 55 Mw each are expected to be added to both Tiwi and Mak-Ban.

In the Visayas, the geothermal fields are in Leyte province and sugar-rich Negros Island. Two plants, at Tongonan in Leyte and Palimpinon in southern Negros, each consisting of three 37.5 Mw are expected to be commissioned by the middle of next year, bringing the total installed geothermal capacity to 665 Mw.

The Tongonan field is estimated to be one of the largest in the world by World Bank experts who were in the Philippines last year to assess the energy situation.

Tongonan being developed by PNOC has a potential output of 400-500 Mw "but this will be severely limited until the time comes, perhaps soon, when an interconnection between Leyte and Luzon can be justified," say the bank experts in a report on their findings.

Despite the high production potential of Leyte and Negros (which has a potential of 115 Mw) their full development is hampered by their distance from Manila where the energy demand is greatest, accounting for three quarters of total national demand, according to an official of the National Power Company (NPC).

In the Visayas, an interconnection is already planned between southern Negros and Cebu which will permit use of Negros geothermal steam on two islands now heavily dependent on oil-fired generation.

area for short-term geothermal development remains central or northern Luzon, where potential sites are close enough to the Metro Manila market to use existing lines.

According to the NPC, the average cost per Kw geothermal energy installations ranges from 2,728-4,050 pesos (about $909-1,350). Thus, Philippine experts feel that geothermal plants are more economic to operate than other conventional plants.

However, World Bank experts feel that geothermal energy is not much cheaper than coal-fired or nuclear power since it requires heavy investment in wells and steam-gathering pipe networks.

The government feels that if the target for geothermal production is reached, it will mean an annual saving of about US$270 million in the oil import bill.

Last year, the energy produced by the two geothermal plants at Tiwi and Mak-Ban was estimated to be equivalent to a crude oil production of 315,000 barrels a month or 3.7 million barrels annually.

In terms of foreign exchange savings, this was equivalent to more than US$120 million a year, at the price of US$32 a barrel of oil.

The production capacity of a 55 Mw geothermal plant is equivalent to a crude oil production of 45,000 barrels a month or 540,000 barrels a year, according to the NPC.

CSO: 4220/643

MANILA FINDS FOREIGN LOAN FUNDS EASILY AVAILABLE

Kuala Lumpur BUSINESS TIMES in English 31 Jul 81 p 18

[Text]

HONG KONG, July 30

BANKERS here say the Philippines, often seen as the least attractive of Asian borrowers, is having no difficulty raising credit from international money markets at increasingly favourable terms.

These terms, which have surprised some, can be explained if seen relative to the rest of the currently competitive Asian loan scene and to the status of the Philippines present major borrowers, the sources said.

The latest Central Bank jumbo loan is for US$100 million over 10 years with four grace at 0.75 per cent over London interbank offered rate (Libor), terms the Philippine Central Bank Governor Jaime Laya said this week in Manila were the best since 1978.

One banker here said loan margins to the Philippines have been dropping but 0.75 per cent over Libor still represents a better return than in most of the rest of Asia.

Another large borrower, South Korea's Korean Exchange Bank, this month signed a US$700 million eight-year loan with four years grace at 0.625 per cent over Libor and spreads on loans to Malaysia are reaching down to 0.5 per cent over.

Bankers said banks increasing exposure elsewhere in Asia is one reason they want to enter the Philippines now. A US$100 million Wells Fargo Bank credit just completed for the Central Bank rose to US$300 million on bankers' response and the borrower asked it be cut to US$200 million.

President Ferdinand Marcos Government now looks more secure than in recent years and the credit rating of actual borrowers is good, despite some weak fundamentals in the Philippine economy, the bankers said.

Central Bank figures for the economy for the first half of this year show a trade deficit of US$1.29 million, 53 per cent above US$843 million in the same period last year.

The balance of payments deficit was US$243 million, 22 per cent over the 1980 first half's US$199 million. The consumer price index rose at an annual 13 per cent against 20. At end-June M-1 money supply was 21.38 billion pesos, 15 per cent above end-June last year, but 5.1 per cent below end-December.

Domestic debt grew 20 per cent from end-June 1980 to 102.01 billion pesos, while foreign debt was US$13.77 billion, up eight per cent from end-June 1980.

In May Jaime Laya said the 1981 debt servicing ratio will be 19.1 per cent, within the self-imposed ceiling of 20 per cent of annual foreign exchange receipts, on debt servicing payments of US$1.8 billion, against 18.7 last year.

Economic Planning Minister Gerardo Sicat recently forecast 5.5 per cent growth for 1981, against a revised 5.4 per cent in 1980 but one remaining main problem is the oil import bill at US$2.5 billion in 1980 and projected at US$2.8 billion this year.

The Central Bank's long-term borrowing this year shows the trend of loan spreads, starting with a US$200 million and a US$50 million loan both at eight years with four grace at 0.875 over Libor.

It then took US$100 million for 12½ with four grace at 0.875 per cent for the first six and 0.75 per cent for the rest, after which it took on the US$100 million 10-year loan with five grace at 0.75 per cent.

The bankers said they did not think spreads would fall further very quickly and felt they could lend to major Philippine companies because many loans were backed by the country's banks.

The Central Bank in particular is taking increasing power. In February, it tightened up banking regulations to keep a firmer hold on the country's financial system.

This January, the Philippine Money Board laid down that to obtain a government financing institution guarantee on a foreign loan the interest rate should not exceed ¼ percentage point over the Central Bank's latest borrowing. Those without official guarantee are not to exceed ½ per cent.

Previously the rates were 1¼ and 1½ respectively. The minimum repayment period for loans over US$3 million is now eight to 10 years against 10 years only.

This week Marinduque Mining and Industrial Corporation of the Philippines signed a US$127.2 million oil import facility, at 0.875 per cent over the Singapore interbank offered rate, guaranteed by the Development Bank of the Philippines. — Reuter

CSO: 4220/643

NEED TO UPDATE FIVE-POWER DEFENSE ARRANGEMENT

Kuala Lumpur NEW STRAITS TIMES in English 6 Jul 81 p 14

[Article by Francis Daniel in Singapore]

[Text] SINGAPORE: Singapore wants the 10-year-old defence umbrella in this part of South-East Asia updated with some form of military understanding with the United States.

This is needed because of a shift in the power balance in the area, senior Singapore officials said.

The five-power defence arrangement (FPDA), linking Australia, Britain, Malaysia, Singapore and New Zealand, was set up in 1971 soon after the withdrawal of British forces.

Its initial aim was to provide defensive cover for the Singapore-Malaysia region, particularly against communist insurgencies.

Although Singapore has not put forward any specific proposals to modify the FPDA framework, officials here now believe strategy should be worked around the United States.

"We do not advocate a military alliance with the US but there must be some military understanding with the US which is the only country with strength to counter the Soviets," a senior official told Reuter.

Until a few months ago, the five-nation defence arrangement remained dormant, confining activities to periodic reviews and consultations on security matters. Australia took the initiative to revitalise the defence mechanism in view of the continuing tension in Indochina.

A joint air exercise was held in October followed by a major maritime exercise last month. The FPDA also announced plans to hold a series of land exercises in the coming years.

Singapore is participating in all the exercises, but its Second Deputy Prime Minister, S. Rajaratnam, has questioned the effectiveness of the FPDA.

Subversion

In a newspaper interview, Mr Rajaratnam said when the FPDA was formed 10 years ago, there was a different power game in the region.

"The British were here, the Americans were here in Asia, the Soviet Union was just a shadow. Vietnam was no problem. Today it is a different world.

"The immediate thing that will dominate international politics and security for the next 10 years at least is Soviet ambitions. The FPDA is no barrier to this kind of threat," he said.

The Soviet threat to this area is part of an overall global problem, he said, adding: "It is a global business, but the lynchpin is the US, and things must be worked around the US."

Although the FPDA was established mainly to counter communist insurgencies and internal subversion, Malaysia and Singapore have built up adequate defence forces to meet any internal crisis, according to officials here.

They say that despite Malaysia's continuing fight against communist guerillas along its border with Thailand, the country itself is peaceful without any sign of organised underground resistance.

The Singapore government also says the communist subversive network has been smashed.

This has been made possible to some extent by the FPDA providing a psychological and stabilising force in the Malaysia and Singapore region during the 1970s, the officials said.

But they said the situation had changed now, with the Soviet Union and China drawn militarily and politically into South-East Asia. The Sino-Soviet rivalry had engulfed Indochina, threatening to spill over into Thailand, the immediate neighbour of Malaysia.

"In the context of the changing power balance in the 1980s, there is a need for a rethink as to how the defence of non-communist South-East Asia can be best safeguarded in the light of Soviet ambitions and the extension of the Sino-Soviet conflict into Kampuchea," one senior Singapore diplomat said.

He said Singapore was not advocating the dismantling of the FPDA. "We want certain readjustments made to reflect the realities of the situation in the area. The FPDA must be able to respond effectively to outside threats," he added.

Under the FPDA, New Zealand maintains an infantry battalion in Singapore, and Australia an air squadron in Butterworth.

Britain has no force in the two countries and only provides token support to the defence setup. Some British diplomats agreed with the Singapore view that the FPDA could have outlived its usefulness.

New Zealand and Australia also send some of their warships to this region on occasional trips as part of their commitment to the FPDA.

Although Australia and New Zealand have declared their firm support to the defence arrangement, both countries have announced plans to withdraw their ground and air forces from the Singapore-Malaysian theatre in the next few years.

New Zealand military officials said the withdrawals would not affect the FPDA as they could provide an effective and swift air response from their home bases in an emergency.

But Mr Rajaratnam, the architect of Singapore's foreign policy since the island's independence 20 years ago, said there must be a rethinking on FPDA. — Reuter.

CSO: 4220/644

ARMY FACES PROBLEMS IN CPT SUPPRESSION IN SURAT THANI

Bangkok THE NATION REVIEW in English 20, 21, 22 Aug 81

[Three part article by Pairoj Poompradit and Sombat Raksakul]

[20 Aug 81 p 4]

[Text] SURAT THANI– The Operation is dubbed *"Wanarat'24"* and its main thrust is to win the war against the communist insurgents through cracking down on the "political barriers."

The lesson has been learned in a painstaking way. As a senior military officer here said:

"We would never win over the Communists in a decisive way, however strongly we may hit at them militarily, if we couldn't destroy their structure of influence in the villages."

That's part of the strategy of Wanarat'24 Operations which have been underway for weeks, with little publicity.

The Civilian-Police-Military (CPM) 42 Command, which carries the brunt of the responsibility of this task, picks specific targets based on their intelligence network – and launch assaults for military purposes. But at the same time, political strategies are also carried out in parallel with the military actions.

One of the political strategies is political education to the people, with the establishment of a "CPM-42 Political School."

The "students" at the school are divided into three categories: Communist defectors; captured insurgents and those "invited" for the training course, each of which lasts eight days.

Many are invited for the course for "better understanding" of counter-insurgency tactics which should be adopted at the village level. Once through the course, the villagers would serve "more or less like opinion leaders" in the fight against the Communists, back in their surroundings.

Another group of "invitees" for the course are those identified by government intelligence as "sympathetic" to the insurgents. "These people wouldn't surrender to authorities. So, we invite them to join the course," said the military officer.

The basic curriculum of this course follows a similar line of that for a security training session. "But we do put emphasis on the timing of a military operations at a particular area and time," the officer said.

He cited the example of the military drive being launched at Baan Prukrachaeng in Amphoe Wiang Sa which goes hand in hand with a political education course. The military personnel involved in the campaign and the local chief police officer as well as the district officer would pick the right kind of people to attend the course.

The whole course runs 56 hours of intense "education." All participants put up at Donnok Camp within the CPM-42 Command's compound. They are taught such political subjects as democracy and communism, Thai history, basic political science, economics, culture, etc.... Primary health and family planning techniques were also included in

the training and another main topic is: "Withdrawal from the CPT."

The military officer explained: "Techniques in defection are also quite important. Many villagers who have been forced into the jungle simply didn't know how to break their relations with the Communists."

Villagers attending the course are advised to "slowly and gradually" loosen up their relations with the insurgents and should try to avoid too sudden a cut-off.

"For example, we advise the villagers that if they were offering two tangs of rice to the insurgents every month, they could reduce it to one and a half tangs by giving them some reasons. Then, later, they could reduce it to one tang until the supply could be stopped altogether," the military officer said.

The "Wanarat '24" Operations are different in many aspects from other earlier military drives launched earlier.

"We don't use the search-and-destroy tactics. We have learned that by sending our men to search and destroy the insurgents, we became targets of their attacks instead," said Col (Special) Kitti Ratanachaya, Deputy Chief of the CPM-42 Command.

He explained: "We would hit at an area only when we are certain of its location and the actual condition of the enemy. We don't just send our people in aimlessly to search for targets without first determining how strong or weak the other side is in the area."

The attack on the CPT camp, known as "2524," in Khao Poon in Amphoe Chawang of Nakhon Si Thammarat Province near Wiang Sa of Surat Thani last Saturday (Aug 15), perhaps, follows that pattern in its planned form.

The assault was ordered after the military arrested an alleged insurgent on Aug 9. Questioning produced information about the location and strength of the insurgent camp from where some of the insurgents had been despatched to burn up a locomotive at Prukachaeng on Aug 4.

After the information was confirmed, a strafing mission against the camp was ordered early on Aug 15, backed by ground forces which moved in under air cover. The camp was seized but there were traces that the insurgents had fled the camp about seven to 10 days earlier.

The military force pulled back after that operation. "But we won't move on just to search and destroy since it's not worth the risk. We came back to our base to start gathering intelligence once again to definitely locate another insurgent camp for another assault," a military officer involved in the Aug 15 operation told *The Nation*.

Admittedly, such a strategy would take time, according to Col Kitti.

"But that's the only pragmatic way to do it. We have to identify the target first instead of simply going out to look aimlessly for things to destroy," he said.

[21 Aug 81, p 4]

[Text] SURAT THANI – It was early morning on Aug 7, the anniversary of the "Gun Burst Day" for the Communist insurgents who fired the first shot 16 years ago in the Northeast to mark the beginning of its armed struggle. But here in the Mid-South, a team of military men was moving slowly and cautiously into Phrukrachaeng village in Amphoe Wiang Sa. Their mission was to surround it and flush out the insurgents.

Phrukrachaeng has been in the headlines recently, first when a railway bridge was blown up on July 23 and secondly when a locomotive was blown up on Aug 4.

The government force was moving into the village with more than just an immediate objective of taking control of the situation. The operation was meant to wipe out the influence of the Communist insurgents in the area on a long-term basis as well.

The soldiers moved in and started searching houses and shops. The search was meticulous – house dwellers were asked to produce the domicile registration cards, the firearms licences and vehicle licences, if any. No stone was to be left unturned.

The team, led by Col Prayuth Tapcharoen, Operation Chief of the Civilian-Police-Military (CPM) 42 Command, proceeded to a temple in the village and set up its military-political centre right there.

Checkpoints were set up at spots leading into and out of the village. The objective: Cut down on logistic and food supply to the jungle.

"We have to do the job with a fine-toothed comb," said a military officer in the team. "Otherwise, our blockade against the insurgents would be futile. For example, just this morning, 10 sacks of rice were transported into the village. We had to keep an eye on where they were sent to. We want to make sure we can starve the insurgents," he added.

Patrol teams were sent out to collect intelligence in the area – while the political part of the "Wanarat '24 Operation" was launched.

Military officers responsible for the psychological aspect of the operations went out to "reach an understanding" with the local people. And the message was clearly to convince the local villagers to find means to defend themselves.

The theme was: It would be impossible for the soldiers to provide protection for them all the time. The local villagers must learn how to conduct joint self-defence when the military pulls out.

Phrukrachaeng, only about nine kilometres from Wiang Sa District, is a common passage for the insurgents. Local sources said that some villagers here had fled to the jungle for a variety of reasons.

"Sometimes, those who went up to the jungle returned here. They came on motorcycles (the local common commuting service) but they didn't wear their jungle uniform," a local villager told *The Nation*.

The day the insurgents blew up a railway bridge (July 23), "they came into the market after having carried out the job and came to ask the village headman (kamnan) to tell the villagers not to go near the scene. There might be some live bombs. Then, they stopped by to buy some cigarettes in a shop in the market before returning to the jungle," the villager reported.

Phrukrachaeng has been organized into a "self development and defence village" for two years as part of the official concept to inject "immunity" into the villagers against Communism.

"But in practice, the effort has been a failure. I am studying the reasons why it

failed. It's an important thing to find out," said Lt Col Suwan Chinda, Chief of the CPM 42 Command's Psychological Operations.

He added: "We must try to revive the programme here. Once the soldiers pulled out, and if the village doesn't have its own strong political structure, the insurgents' influence would return to overshadow the government's efforts."

The CPM 42 Command has been distributing leaflets in the area calling upon the insurgents to surrender as part of their campaign. "Your life is valuable. Why stay on in the jungle? The government would offer your amnesty," says part of the leaflet.

It goes on to say: "It is our conviction that it is better to have one defector than to kill 10 insurgents. We don't want to kill our own fellow countrymen. This is the time for you to return to the fold..."

A military officer admitted that the political part of the campaign is more difficult and delicate than the military drive.

"The political work is sensitive. Villagers here have had closer physical contacts with the insurgents all the time. It isn't an easy thing to create conditions in the villages to detach them from the insurgents," he said.

The military officer said that most villagers who are not sympathetic with the insurgents find themselves in a dilemma. The big question is: What would happen after the soldiers pull out of the village?

"Several years ago, a unit of soldiers was posted here. The local villagers were very cooperative. But after the military unit was pulled out, some of the villagers were killed by the insurgents who declared that the victims were spies for the government," a local villager said.

That statement perhaps sums up the general mood here. A sense of nervousness appears on most faces. That, too, may explain why the military officers in charge admitted that political work is not all that simple a task.

[22 Aug 81, p 4]

[Text]

SURAT THANI — The ongoing massive operations to wipe out Communist insurgents in this southern province have had wide-ranging impact on the local villagers here. There is no denying the fact that the livelihood, morale and general mood of the villagers have been affected, one way or the other.

"Certainly, we have to try to avoid any action that may give trouble or inconveniences to the people here. If we don't get support from the villagers here, our whole mission would be a failure. But not everything is cut-and-dried. We have to look at an issue from various aspects before coming to a conclusion," commented a military officer.

One obvious "inconvenience" for the local people in Amphoe Baan Nasan and Wiang Sa is the curfew from 8.00 pm to 5.00 am the following day. The rubber-tappers, who constitute a large part of the local population, have been directly affected.

"We are reconsidering this problem," Col (Special) Kitti Ratanachaya, Deputy Commander of the Civilian-Police-Military (CPM) 42 Unit, told *The Nation*.

"We don't want the local people to have trouble going about their daily work. In fact, the curfew was aimed at controlling the movements of the people to facilitate the crackdown on the insurgents. In any area where we have the situation under control, the curfew would be unnecessary. I have instructed local officials to assess the situation to propose a solution in this respect," he said.

The curfew was first imposed on July 18 in four of Wiang Sa's five tambons and four of Baan Nasan's seven tambons.

The local villagers have already petitioned the authorities for relaxation in the curfew hours — to amend them to cover up to only 3.00 am or 4.00 am so that they would have more time tapping the rubber trees, which is most effective in the early hours.

If the curfew poses some direct problems, it's *not* the only "inconvenience" that has upset the local lifestyle.

"The stationing of soldiers in the village has had the effect of jacking up prices of goods here. Inflation has hit us all because soldiers can afford to pay more than local villagers," a local official at Phrukrachaeng commented.

Inflation might not have been caused only by the fact that demand for goods had gone up because of the military presence. "I believe that another reason why prices have gone up was that checkpoints have been set up to control the movement of goods. The traders don't want to move their stocks in too much at a time for fear of being suspected. So, naturally, things have become more expensive," another villager noted.

All these may appear to be "small problems." But military officers in charge of the Wannarat '24 Operations admitted that they had to take every little detail into consideration.

"We have to care very much about the villagers' feelings. If they are against us, our mission would end in futility," one of them said.

Another military officer said that decisions on such sensitive issues as whether to impose or lift the curfew were hard to arrive at. "The petition to lift the curfew, for example, may or may not be real. Sure, villagers are affected. But we also have to determine whether the insurgents are behind the petition as well," he said.

The other impact deals directly with the psychological part of the change that has taken place since the soldiers move in.

A military officer explained the dilemma of an average villager under such circumstances:

"I went to see an elderly villager here the other day to talk about everything. He was very cooperative, and told me everything he knew. The next day, an informant for the insurgents went to see him and ask what he had told me. The old man said he was scared at times to be caught in the middle."

It is not always possible to distinguish an innocent villager from an insurgent. "They all look alike and behave the same way. A guy may look innocent enough. But he may turn out to be an informant for the insurgents, having watched me from the first step I walked into the area...," the military officer said.

Some villagers have openly said they don't want to be on anybody's side. They are used to the dilemma and they don't want to be caught in trouble.

"Some villagers told us that the insurgents had done no harm to the villagers. But we try to explain to them the long-term dangers of Communism which had already changed things in Laos, Vietnam and Kampuchea..." another military officer said.

But for the common villager, it is not always an easy role to play to be "kicked around like a football," as one villager put it.

"It has been better lately though. The soldiers have stopped bullying villagers. They used to be much worse. But we are in a sensitive village. The insurgents come and the soldiers come. Everybody comes. But we have no way to go..." an elderly villager said.

CSO: 4220/408

CABINET APPROVES PURCHASE OF AUSTRALIAN AIRCRAFT

Bangkok THE NATION REVIEW in English 26 Aug 81 p 3

[Text]

THE CABINET yesterday switched on the greenlight for the Air Force to buy a fleet of 20 Australian Nomad aircraft for internal surveillance work.

The Defence Ministry requires 766.633 million baht budget for the purchase, the decision on which was made despite the controversy in June this year.

The Nomad N22 Mission Master aircraft is constructed in its basic form by the Australian Aircraft Factory (GAF), a wholly-owned undertaking of the Australian Government.

Delivery of the aircraft would not be completed until 1984.

Nomad aircraft are usually used for reconnaissance flights with a crew of one or two – and a maximum load of 12 passengers. Gun and rocket pods are also available. The nose can be used to accommodate surveillance and night vision equipment.

The purchase also covers supply of spare parts, communications equipment and technical services.

The Defence Ministry said in its proposal that the Australian Government had agreed to sign a "Memorandum of Understanding" with Thailand related to the transaction to bind the Australian Government to monitor the performance of the contract and to intervene – should any problem arise.

CSO: 4220/408

BRIEFS

FISHERMEN TRADING WITH VIETNAMESE--Samut Sakhon--A police investigator here said there was sufficient evidence to accuse the 12 fishermen arrested here on Saturday of trading with Vietnamese for gold bullions. The fishermen were nabbed with about 30 kgs of gold bullions and ornaments which they claimed to have been bought from Surat Thani. The gold and valuables were valued at eight million baht, police said. The police investigator of the Muang District handling the case said police had been tracking down on these fishermen for quite sometime before making the arrest. He said they went to the Vietnamese waters where they exchanged their goods with gold or other valuables. "They are professionals and very clever in evading questions," he said. They were initially charged with smuggling gold into the country. The police investigator said the documents in Vietnamese seized from their trawler will be sent to police interpreters today. Government authorities have claimed that many fishermen, particularly those living alone the eastern coast, had been engaged in secret trading with the Vietnamese. They were said to have transported basic goods--and sometimes logistic supplies--to the Vietnamese in the Vietnamese waters in return for gold. However, this is the first arrest related to such allegations. [Text] [Bangkok THE NATION REVIEW in English 24 Aug 81 pp 1, 8]

CONCERN OVER WORLD BANK DEBT--Specialists have pointed out the fact that Thai industry has always had to depend on others and has grown by going into debt borrowing abroad. This has led to Thailand's ranking as the 10th biggest debtor with the World Bank. Mr Suphachai Phanitphak, chief of the Bank of Thailand's currency exchange analysis section, revealed that much of Thailand's industry has not grown and progressed on its own resources. This growth has been due to borrowing abroad to the extent that the latest reports of the World Bank state that Thailand has the 10th largest debt in the world. It is felt that this problem warrants serious consideration. The chief of the analysis section pointed out that there has been a concentrated use of oil as an energy resource in industry and transportation. However, for the last 10 years Thai industry has made no structural changes to reduce energy use, although the energy situation has reached crisis proportions or close to it. It is in this area that we must make improvements "but nobody has done anything at all." [Text] [Bangkok SIAM RAT in Thai 24 Aug 81 pp 1, 12]

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END

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No. 1056

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GENERAL OSMANY LAUNCHES ELECTION CAMPAIGN

Dacca THE BANGLADESH OBSERVER in English 18 Aug 81 p 1

[Article by Reazuddin Ahmed: "'72 Constitution Minus Baksal"]

[Text] Sylhet, Aug. 17:--General (Retd) M. A. G. Osmani, presidential nominee of the National Citizens' Committee launched his election campaign from here today strongly pleading for a constitutional change of government. He said that violence was the only alternative to the constitutional process.

Addressing a public meeting at the Registry maidan here he said that the government would have to shift the election date to November. "We shall compel the government to shift the election date," he said.

Gen (Retd) Osmani disagreed with the government contention that there would be constitutional crisis if the polls date was shifted to November.

He said if any candidate expires before the election the speaker can take over and there would be no constitutional crisis.

He strongly refuted the claim by the Acting President that he (Osmani) had talks with the Prime Minister regarding the shifting of the election date. He said it was not true that he had talks with any member of the government.

General (Retd) Osmani said if he was voted to power he would restore 1972 Constitution excepting the Fourth Amendment which introduced Baksal. He said the preamble of the Constitution shall contain the name of Allah the Almighty.

General Osmani strongly protested against the Indian naval presence at South Talpatty and demanded immediate withdrawal of Indian forces and said that the issue should be settled through discussion as per International Law. If the International Law decides about the ownership of the island in favour of India we shall have no objection to it. He said, "We are grateful to India for her help during our Liberation War. But we cannot surrender our sovereignty to any threat."

He said parliamentary system of government was the ideal way of restoring people's rights. The presidential system was an autocratic one which concentrates powers in the hand of one man. Parliamentary government is answerable to people and the government as well.

He was in favour of resolving all the problems peacefully and constitutionally.

He arrived here this morning by Surma Mail and addressed a number of public meetings on the way.

He was received by a large number of supporters at the Sylhet Station. He visited the mazars of Hazrat Shah Jalal (R.A.) and Hazrat, Shah Foram (R.A.) and offered fateha.

Mr Enayetullah Khan, Dr Zafarullah Chowdhury, Dr Mafiz Chowdhury, Mr Mahmudur Rahman Manna, Mr Khalequz [words illegible] also addressed the meetings.

CSO: 4220/7699

AWAMI LEAGUE PLOTTING AGAINST OSMANY ALLEGED

Dacca THE BANGLADESH OBSERVER in English 19 Aug 81 p 1

[Text] Sylhet Aug. 18--Dr Jafarullah Choudhury, convener of the National Citizen's Committee disclosed at General (Rdtd.) M.A.G. Osmani's public meeting here yesterday that the Awami League government in exile in 1971 wanted that the Pakistan Army should surrender to General Aurora of Indian Army on December 16 and not to General (Rtd) M.A.G. Osmani, the Commander-in-Chief of the Liberation Army.

Addressing the public meeting organised at the Registry Maidan to launch the election campaign of General Osmani, Dr Jafarullah Choudhury, who was the chief of the medical corps of the Liberation Army said that when everything was set for surrender of the vanquished Pakistan Army in Dacca to General Osmani, the directive came from the Awami League government asking General Osmani not to go to Dacca.

Dr Jafarullah Choudhury said that General Osmani then decided to go to the liberated area in Sylhet by a helicopter. Dr Jafarullah Choudhury and General Rab also accompanied the Commander-in-Chief of the Liberation Army he stated.

Dr Choudhury said that after flying for some time they heard a big bang and the pilot told them that the fuel tanker of the chopper had been hit. The pilot gave only ten minutes for the landing of the chopper and it landed safely. Dr Jafarullah Choudhury said that on December 16 all the aircrafts of Pakistan Army in Dacca were out of commission. He told the audience to guess who could hit the helicopter.

CSO: 4220/7701

OSMANY TO CONTEST POLLS AS 'NATIONAL NOMINEE'

Dacca THE BANGLADESH OBSERVER in English 28 Aug 81 pp 1, 12

[Article by Abu Sadeque]

[Text] Rangpur, Aug 27--General (Retired) M.A.G. Osmani said here today that he was contesting the ensuing presidential election as a "national nominee" for restoration of 1972 Constitution in to which envisages introduction of parliamentary form of government in the country in pursuance of the hopes and aspirations of the nation.

Addressing a public meeting at Rangpur Public Library ground this evening, the presidential candidate however said that if the presidential election date was not shifted to November as per his demand, he would not contest the election but he would start a countrywide mass movement which will oust the fascist government and establish democratic government duly elected by the people.

He said that the country was passing through a crucial period with the killing of President Ziaur Rahman who introduced a one man rule in the country causing a great vacuum in the political arena. It was a grave national crisis and therefore all political parties had given its support to the Government to overcome the crisis and continuation of constitutional process in the country. But the BNP Government what he claimed had betrayed the nation and expressed its determination to continue the one party rule introduced by late President Zia deviating from its commitment to the nation, he said.

General Osmani declared that he was contesting the election as a national candidate nominated by the Jatiya Nagarik Committee comprising intellectuals, scientists, journalists, physicians, Muktijoddhas and other sections of the people who want to uphold democracy, sovereignty and integrity of the country. The Committee will organise support from all Opposition parties for him to save the country from autocratic rule. He urged all Opposition partier to extend its support for putting up one candidate from Opposition parties to fight the presidential poll unitedly.

Referring to the present economic situation General Osmani said that the economic backbone of the people had been broken with the abnormal rise in prices of essential commodities which went out of reach of the common people. He claimed that all industries had been concentrated in Chittagong in the name of establishing "export processing zone" depriving the demand of less developed areas like Barisal and districts of northern region.

The Bangladesh taka had been devalued three times and export came down to nil despite the big talks of so-called development in this field. Loans and aid so far received by the Government spent in unproductive sectors and there was no production in mills and factories because of wrong planning and economic policies. He warned the Government not to use defence forces, government officials Gram Sarkar and Union Parishads for winning the election and said that people will unitedly resist if the party in power indulges in corruption in the election. During his one hour speech, General Osmani also spoke briefly on his election manifesto.

Mr Enayetullah Khan, a former Minister said that General Osmani who gave the leadership in the Liberation War as a Supreme Commander of the Freedom Fighters was the only man who could lead the nation at this crucial juncture. He urged the people to support him unitedly.

Dr Jafurullah Chowdhury Convener Jatiyo Nagorik Committee said that a great conspiracy was being hatched against the people of Bangladesh and wipe out the ideals and principles of our Liberation War which must be resisted at any cost.

Mr Khalequazzman Convener, Bangladesh Samajtantrik Dal (BSD) declared that his party had given support to General Osmani for launching a progressive democratic movement for the emancipation of the people.

Presided over by Mr Ahmed Jahurul Islam (Montoo) President BSD Rangpur branch, the meeting was also addressed among others, by Dr M. R. Khan, Mr Mahamudar Rahman (Manna), General Secretary DUCSU and Mr Azizur Rahman Sarkar ex-MPA.

CSO: 4220/7717

MUKTIJODDAH SANGSAD DECLARES SUPPORT FOR OSMANY

Dacca THE BANGLADESH TIMES in English 25 Aug 81 pp 1, 8

[Text] Bangladesh Muktijoddah Sangsad on Monday announced its support to presidential candidate General (Retd) M.A.G. Osmany, former supreme commander of the Bangladesh liberation forces.

Announcing the support at a Press conference held at the central office of the Sangsad, Lt. Col (Retd.) Kazi Nuruzzaman, Chairman, Bangladesh Muktopoddah Sangsad, said that the freedom fighters should participate in the struggle launched by General Osmany to safeguard independence and sovereignty of the country and ensure economic emancipation of the people.

He called upon the freedom fighters and people at large to wage "constitutional war" against "Razakars Albadrs."

Lt Col Zaman alleged that since the emergence of Bangladesh in 1971, freedom fighters and objectives of the freedom struggle were being dishonoured at the hands of "a few conspirators in the interest of alien reactionaries.

He demanded of the government to fulfill General Osmany's demands for shifting of presidential polls date to November and ensuring a free and fair election.

Replying to a question Col Zaman said that freedom fighters would actively campaign in favour of General Osmany.

In reply to another question Col Zaman said that the present government which had failed to protect sovereignty of the country in Angarpota Dahagram and South Talpatty island, combat price hike of essentials and ensure safety of the people, could not be considered a pro-independence force.

Col Zaman said that the Sangsad was yet to recover from "the influence of the establishment." He, however, said that efforts were on to "get rid of the influence."

He said, "we want to take away power from Albadar-Razakars through election. But if obstacles are created to achieve that objective, we will decide our next course of action."

Replying to another question he said that Muktojoddh Sangsad wanted democracy. But that democracy 'will be with the patriots. Forces opposed to liberation movement will not be allowed to sail on in the name democracy.'

He alleged that the government was preparing a 'blue print' to oppress the freedom fighters.

Col. Zaman refused to comment when his attention was drawn to Dr Zafarullah Chowdhury's comment and subsequent clarification on the surrender of Pakistani army on December 16, 1971.

In reply to another question, he said that his organisation would continue to obstruct the holding of public meetings by Jamaat-e-Islami.

Mr Naim Jahangir, General Secretary of the Sangsad was also present at the press conference.

CSO: 4220/7711

NATIONAL AWAMI PARTY CALLS FOR ALLIANCE EXPANSION

Dacca THE BANGLADESH TIMES in English 28 Aug 81 pp 1, 8

[Text] The Harun-Pankaj faction of the Bangladesh National Awami Party (NAP), at a rally at the Baitul Mukarram square on Thursday called for greater unity of 'patriotic democratic progressive forces who took part in the War of Independence in 1971' and pleaded for the nomination of a common candidate to contest Mr Justice Abdus Sattar in the forthcoming Presidential election.

Presided over by Chowdhury Harun-ar-Rashid, the meeting was addressed by Mr Pankaj Bhattacharya, General Secretary, Mr Azizul Islam Khan, Vice-President and Maulana Ahmedur Rahman Azmi, Organising Secretary of the Party.

Shift Polls Date

Chowdhury Harun-ar-Rashid said that his party was not opposed to election but demanded that the date be shifted from October to November. He said that his party would create obstruction so that no candidate could submit nomination paper on September 7.

He said that his Party had been trying to create a strong opposition front with all the political parties or individuals who took part in the War of Independence. He, however, regretted that the response was not so much encouraging.

Mr Rashid pleaded that the 10-party opposition alliance should be more active and said that the General (Retd) M.A.G. Osmany and Dr Alim-Al-razee should be included into the alliance.

Chowdhury Harun-ar-Rashid said that all the former governments had failed to deliver goods to the people. 'Sheikh Majibur Rahman was successful in highlighting the problems of the people but he did not have any plan to solve them. We did not support many policies of Sheikh Mujibur Rahman,' he said.

Afghan Revolution

Mr Pankaj Bhattacharya supported the 'revolution' in Afghanistan by the present Afghan Government of Barbak Karmal. He, however, did not say anything about the Soviet intervention in that country.

CSO: 4220/7718

NATIONAL FRONT CONDEMNS AWAMI LEAGUE TACTICS

Dacca THE BANGLADESH TIMES in English 28 Aug 81 p 1

[Text] Convenor of the National Front Ataur Rahman Khan on Thursday issued a statement condemning what he described as "terror" unleashed allegedly by Awami League on the occasion of its hartal on Wednesday, report ENA.

Mr Khan said, "The Awami League created terror through indiscriminate use of explosives in different parts of the country including the Dacca city on August 26 last on the pretext of observing hartal. This has endangered the political process in our country.

The way the Awami League and the ruling party engaged in violence on the streets or the question of observing and following the hartal has created concern among the countrymen. The peace-loving people are condemning these.

"The news that the Juba League members are manufacturing bombs in different parts of the country with a view to controlling policies through spreading terror countrywide has enraged the countrymen. The people in general consider these activities as deep-rooted conspiracy against our national independence and sovereignty and against democracy."

CSO: 4220/7718

AWAMI LEAGUE LEADERS SPEAK AT DACCA MEETING

Dacca THE BANGLADESH OBSERVER in English 17 Aug 81 pp 1, 12

[Text] Bangladesh Awami League (H) will observe countrywide hartal from 6 a.m. to 12 noon on August 27 to press home its 4-point demand.

Announcing this at a public meeting at Baitul Mukarram on Sunday, Sheikh Hasina, President of the Bangladesh Awami League (H) asked the Government to accept its demands to ensure free and fair presidential polls.

The meeting was organised by the Bangladesh Awami League(H) on the concluding day of its week-long programme drawn in observance of August 15. Presided over by Sheikh Hasina, the meeting was addressed among others, by Mr Abdur Razzak, General Secretary of the party, Dr Kamal Hossain, a member of the Presidium, Mr Tofael Ahmed, Organising Secretary, Mr Amir Hossain Amu, Joint Secretary, Mr Mohammad Hanif, President, Dacca City Awami League, and Mr Rafiquddin Bhuiva.

Sheikh Hasina said that Bangladesh Awami League believed in constitutional movement and transfer of power to the people's representatives. Demanding an open trial of the killers of president Ziaur Rahman, the Awami League chief urged the Government to hold trial of killings since August 15, 1975, including Sheikh Mujibur Rahman, and four other leaders killed in jail.

Criticising the Government for holding secret trial of the persons involved with the killing of President Ziaur Rahman, Sheikh Hasina alleged that freedom fighters were being eliminated in the name of trial.

Sheikh Hasina congratulated those who were imprisoned for taking up arms in protest against the August 15, 1975 changeover and crossed the border.

Dr Kamal Hossain, a former Foreign Minister, requested the Government of India to show honour to the 1974 land boundary agreement on different enclaves signed between the two governments. Without citing any specific failure of the Foreign Policy of the present Government, Dr Kamal Hossain criticised the Foreign Policy of the Government and termed it a total failure.

He said that all issues like South Talpatty, Farakka and Dahagram would be resolved when a people's Government would come to power.

Mr Abdur Razzak in his speech said that Awami League did not fear to face any election, and added it would go to the election only when its preconditions were accepted. He said that election during the rainy season (October) would be inconvenient for voters as well as campaigning. He urged the Government to enrol 60 lakh new voters and release the political prisoners before the election. He also demanded withdrawal of emergency to ensure free polls. He demanded equal publicity in all media including Radio and Television. He alleged that the Government managed newspapers instead of giving due coverage to them were making propaganda against them.

Speaking on the form of government, Mr Razzak said that presidential form of government cannot work in this country as it leads to dictatorship and one-rule. He said that the Bangladesh Awami League would establish parliamentary democracy.

Mr Razzak said that Messrs Golam Azam, Ataur Rahman Khan and Khan A. Sabur were united to undo our independence and sovereignty.

CSO: 4220/7697

ISLAMIC DEMOCRATIC LEAGUE EXECUTIVE MEETS

Dacca THE BANGLADESH OBSERVER in English 17 Aug 81 pp 1, 12

[Text] The Bangladesh Islamic Democratic League (IDL) on Sunday expressed its great concern at the shameful and provocative action of India on the sovereignty of Bangladesh, reports BSS.

The concluding meeting of the three-day executive committee meeting of IDL also expressed strong protest and deep resentment at the shameful Indian policy.

Presided over by Houlana Mohammad Abdur Rahim Chairman of the party, the meeting reviewed the India aggressive policy on Bangladesh.

The executive committee meeting of IDL observed that India has failed to maintain good neighbourly relations between the two countries, has been bittered by Indian aggression and massing of war ships at Talpatty, blockading at Dahagram and Angorporta enclaves, setting up camps at Berubari, massing troops at Bangladesh border, unilateral withdrawal of Ganges water at Farakka, infiltrating Indian trained people into Bangladesh and by the alarming comments of the Indian President on Bangladesh at his Independence day speech.

The meeting accused the Government for its alleged failure to safeguard the sovereignty of the country from Indian aggression due to its submissive policy.

The meeting also alleged that the Government had failed to raise the Indian aggressive policy at the international forums particularly at the forums of the Third World including the Muslim countries.

The IDL meeting declared that if the Government failed to safeguard the sovereignty of even an inch of the land the people would not forgive.

The meeting also urged the Government for further shifting the date of presidential election and to create a congenial atmosphere to participate in the election.

The Muktijoddah Auikya Front on Sunday urged the Indian President of his personal interference to withdraw the Indian warships from the territorial waters of Bangladesh and for the salvation of the Bangladeshi citizens under siege at Dahagram and Angorpota enclaves.

In a telegram Mr K. M. Abul Kalam Azad and Mr A. K. M. Salehuddin Kabir, Chairman and Acting Secretary General of the Front said that the freedom fighters and the people of Bangladesh thank India and her people as faithful friends and believe in co-existence with out interference into other country's affairs.

But the recent Indian aggression on South Talpatty Island and the blockade of Dahagram and Angorpota enclaves by Indian nationals are instances of no conscience and these have caused cracks in the friendship of both the countries, the telegram said.

The telegram also said "the heroic freedom fighters of Bangladesh shall vindicate Bangladesh independence and sovereignty and Bangladesh insignia to remain hoisted."

CSO: 4220/7697

ACTIVITIES OF VISITING JAPANESE MP REPORTED

Dacca THE BANGLADESH OBSERVER in English 19 Aug 81 p 1

[Text] Mr Takashi Hayakawa, MP and Chairman of Japan-Bangladesh Friendship Association, on Tuesday called on the Acting President, Mr Justice Abdus Sattar, at Bangabhaban in Dacca, reports BSS.

He stayed with the Acting President for some time.

The visiting Japanese leader also called on the Spekaer, Mirza Golam Hafiz, Minister for Civil Aviation and Tourism, Mr K. M. Obaidur Rahman and the State Minister for Agriculture and Forest Mr Amiral Islam Kalam during the day.

Earlier in the morning, Mr Hayakawa laid floral wreaths at the Mazar of President Ziaur Rahman at Sher-e-Bangla Nagar.

He stood in silence for two minutes to show respect to the late President.

BSS adds: Mr K. M. Obaidur Rahman, Minister for Civil Aviation and Tourism, on Tuesday expressed the hope that there would be more cooperation in future between Bangladesh and Japan in both economic and cultural fields.

The Civil Aviation Minister was talking to Mr Takashi Hayakawa MP and Chairman of Japan-Bangladesh Friendship Association when he met him at his Secretariate chamber in Dacca on Tuesday morning.

Referring to Hotel Sonargaon, Mr Obaidur Rahman told Mr Hayakawa that this hotel stood as a monument of excellent bilateral relations and friendship between the two countries. Mr Rahman expressed his gratitude to Mr Hayakawa for his distinctive personal contribution towards construction of this hotel with Japanese cooperation and assistance.

Mr Hayakawa congratulated the Bangladesh Government for successful completion of the first five-star hotel in the country.

Mr Hayakawa MP and the Japanese Ambassador in Bangladesh were also present on the occasion.

The leader of Japanese good will mission and Chairman of Japan-Bangladesh Friendship Society, Mr Hayakawa MP, called on the State Minister for Agriculture and Forests Mr Amirul Islam Kalam in Dacca on Tuesday afternoon. Welcoming Mr Hayakawa the State Minister expressed his deep satisfaction over the continued cooperation of Japanese Government in our development efforts particularly in the field of food and agricultural production.

CSO: 4220/7701

BHASHANI NAP CONVENER ANNOUNCES CANDIDACY

Dacca THE BANGLADESH OBSERVER in English 20 Aug 81 pp 1, 12

[Text] Mrs Selina Majumder Convener of Bhashani NAP (Selina), on Wednesday announced her candidature for the forthcoming presidential election, reports BSS.

Disclosing her election ambitions at a Press conference in a city restaurant on Wednesday afternoon, she demanded shifting of the polls date to the third week of November, immediate withdrawal of the state of emergency and extending equal campaign opportunity to each candidate.

She also demanded of the government to allow Khondker Mushtaq Ahmed Major M.A. Jalil and other leaders convicted in the Martial Law courts to contest the election.

She said that India had started a dangerous game with the Bangladesh territorial areas of South Talpatty, Dahagram and Angarpota and suggested that these issues should be put up in international forums for permanent solution. She also demanded solution of Farakka problem.

Replying to another question Mrs Selina Majumder said that her party Bhashani NAP (Selina) was reactivised immediately after the death of President Ziaur Rahman. She regretted that a section of powermongers sabotaged the National Awami Party after the death of its founder Maulana Abdul Hamid Khan Bhashani.

If elected to power, Mrs Selina said she would further gear up the woman emancipation movement in the country, reserve the post of Vice-President for the woman by amending the Constitution and implement the Islamic University scheme at Santosh.

She would try her best to establish the rights of the Krishak Sramik (toiling masses) and meet their basic needs repeal the Fourth, Fifth and the Sixth amendments in the Constitution, withdraw precensorship and other related "Black Laws" on the Press.

Replying to a question she said that her party would establish socialism in the country for the economic emancipation of the people. Wife of an import-export businessman of Chittagong and mother of four children, she would chose "One child is enough" idea as the model for family planning movement.

CSO: 4220/7702

BUDDHIST ASSOCIATION GIVES SUPPORT TO SATTAR

Dacca THE BANGLADESH OBSERVER in English 20 Aug 81 pp 1, 12

[Text] The Bangladesh Buddhists Association on Wednesday expressed its support to Acting President Mr Justice Abdus Sattar in the upcoming Presidential election reports BSS.

The Association expressed this gesture when a delegation of the association led by its Executive President Mr Hemendra Lala Chakma met the Acting President in Dacca at Bangabhaban.

The delegation of the Buddhist Association assured their support in electing Justice Sattar as the President in the coming election to carry forward the process of development initiated by late President Ziaur Rahman.

Our Staff Correspondent adds: Different organisations in separate statements on Wednesday extended support to Mr Justice Abdus Sattar, Bangladesh Nationalist Party (BNP) nominee, in the coming presidential election.

Mr Abdur Rouf and leaders of 42 organisational district units of Jatiyatabadi Jele Dal in a joint statement on Wednesday extended support to Justice Sattar. They called upon the fishermen of the country to get Justice Sattar elected in the President election.

The Bangladesh Buddhist Association extended Sattar in the ensuing Presidential election. A four-member delegation of the association met Acting President, Mr Justice Abdus Sattar, on Wednesday and expressed their support. The delegation also placed before the Acting President a memorandum says a Press release of the association.

Mr Mazharul Islam Convener of Jatiya Samabayee Ganosanghati Parishad in a statement on Wednesday expressed support to Mr Justice Abdus Staff. He alleged that a certain section was persuing a course of action to foil the Presidential election by creating chaos and disorder in the country to satisfy their foreign mentors. He said that the people were aware of this move.

CSO: 4220/7702

PLANNING MINISTER ADDRESSES COOPERATION WORKSHOP

Dacca THE BANGLADESH OBSERVER in English 22 Aug 81 pp 1, 12

[Text] Dr Fasihuddin Mahtab, Minister for Planning stressed the need for increased flow of aid particularly the commodity aid to Bangladesh and in other Least Developed Countries (LDCs) to avert the grave situation which the LDC's would face in the 80s. The grave situation in the LDC's would affect the world political situation, he warned.

Delivering his presidential speech at the 9-day international workshop on cooperation among the developing countries on monetary and financial issues on Friday at a local hotel the Planning Minister said that the developed countries should increase the commodity aid to Bangladesh to compensate the food and fertilizer aid which had been reduced substantially following the increase in production. He regretted that the response from the developed countries in this regard has not been encouraging.

The workshop organised jointly by Bangladesh Institute of Development Studies and UNCTAD would deal with the monetary financial and liquidity problems in the region. Fifteen countries of the Asian region are attending the workshop. The countries are Bangladesh, China, India, Iran, Malaysia, Maldives, Papua New Guinea, Philippines, Republic of Korea, Samoa, Sri Lanka, Thailand, Tonga and Democratic Korea.

Mr S.A.M.S. Kibria, Executive Secretary of UN-ESCAP inaugurated the workshop while it was addressed by Dr S.A. Abbas, Chief, UNCTAD Research and Training Programme, Mr Jagadish Saigal of UNCTAD, Dr Monowar Hossain, Chairman BIDS read out the address of welcome while Mr K.M. Matin, Research Economist BIDS gave vote of thanks.

The Planning Minister Dr Fasihuddin Mahtab said that the projected rate during the 80's in the LDCs has been fixed at 7%. But the World Bank projection is much less, he informed.

Giving the economic picture of Bangladesh, Dr Mahtab said that the population of Bangladesh stands at over 90 million and 85 per cent of the people live below the poverty level and suffer from malnutrition. The population growth projection by the end of the century is 135 million out of which 48 million will remain unemployed. The balance of payment position is deteriorating continuously due to inflation in the world market. The current account deficit of Bangladesh has been estimated at two billion dollars for the current year. Against this, the Minister said, the aid commitment is so far only 1.7 billion dollars.

Dr Mahtab further stated that the purchasing power of the developing countries particularly the LDCs has been declining following the price escalation of the energy and raw materials. He disclosed that Bangladesh spent 70 per cent of her export earning last year for importing oil. The percentage might reach 100 per cent in near future.

The Planning Minister said that Bangladesh had made a breakthrough in food production. The production has been raised from 13.5 million tons to 15 million tons. The country's biggest fertilizer factory at Ashugani would go into production this year, he informed. The Planning Minister said the increase in food and fertilizer production would reduce the food and fertilizer aid to Bangladesh. The Minister told the audience that if the donor countries did not compensate the food and fertilizer aid in terms of commodity aid Bangladesh would face grave situation and would fall in "food trap."

Dr Fasihuddin Mahtab confidently said that Bangladesh can survive and develop her economy with her enormous potentialities with the self-help added by external cooperation. He said that many people say that the Second Five-Year Plan of Bangladesh had been too ambitious adding that "we have planned for a decent life, when we speak of development we speak of decent life of our people." He, however, regretted that Bangladesh was not getting enough cooperation to implement her programmes. Dr Mahtab said our Second Five-Year Plan is for meeting basic physiological needs and the plan is for our survival." He pleaded for cooperation among the developing countries to overcome this grave situation.

ESCAP Executive Secretary, Mr S.A.M.S. Kioria in his inaugural speech said that the work shop was being held at a time when despite the formal launching of the third United Nations international development decade, several outstanding issues of critical importance to the developing countries and general world concern relating to trade, finance and the international monetary system still remained unresolved. He was happy that efforts had been taken to resolve these issues through regional cooperation.

Mr Kibria said today the need for the developing countries to work together to bring re-ordered global system into being was greater than ever. He observed that the intra-regional & inter-regional cooperation and collaborative arrangement among the developing countries themselves can go a long way to supplementing the global system.

Mr Kibria disclosed that the mounting cost of energy, food and intermediate goods imports and the slow growth of exports kept widening the balance of payments gaps of the developing countries which in the case of the non-oil developing countries put by one estimate at a total of $70 billion in 1980 with a further expected rise in 1981. He said that the Euro-credit market was a helpful instrument in facing the problems by developing countries. But the most of the developing countries face problems because of the lack of their credit worthiness. He suggested that a regional clearing union can help reducing the costs of settling inter-regional trade accounts which are settled through extra-regional currencies.

Dr Abbas said that the world economic system established under Havana Charter was for the developed north. South was not pictured at that time. Stressing the need for North-South dialogue, Dr Abbas said that the restructuring of the world economy was essential to strike balance. He also observed that the world monetary system was under pressure and the developing countries were suffering from energy and food crisis. He hoped that this type of workshop would help evolve a strategy to face the situation.

CSO: 4220/7705

FINANCE MINISTER LEAVE FOR PARIS CONFERENCE

Dacca THE BANGLADESH OBSERVER in English 22 Aug 81 pp 1, 12

[Text] The Finance Minister, Mr M. Saifur Rahman on Friday night expressed his firm conviction that the Least Developed Countries Conference in Paris would be successful, reports BSS.

Talking to newsmen prior to his departure for London enroute to Finland and Sweden, the Minister said "we will make every effort to make the conference a success." Referring to the preparatory meetings in Vienna, Geneva and Bangkok, the Finance Minister said tnat the developed countries were now very aware of our needs and requirements.

Mr Saifur Rahman is leading a 10 member Bangladesh delegation to the UN sponsored conference which will begin in Paris September 1.

Mr Saifur Rahman said that he would visit Finland to discuss matters relating to cooperation in the different Bangladesh projects. At present Finland was assisting Bangladesh in the projects such as Khulna News Print Mills and in rural electrification programmes in a smaller way.

The Minister will also visit Sweden before attending the Paris conference. In Sweden he will hold discussions for joint ventures. He said that he would also hold talks about half a million ton floating fertilizer factory where Swedish aid would come. The Swedish Government is also helping fruit processing plant at Chittagong.

After the Paris conference, the Minister will go to New York to attend the special session on Namibia beginning there from September (3). He will also deliver a speech as leader of the Bangladesh delegation at the session.

The Finance Minister is expected to return to Dacca on September 9.

CSO: 4220/7705

JOURNALISTS AGREE ON 11-POINT DEMAND 'CHARTER'

Dacca THE BANGLADESH OBSERVER in English 22 Aug 81 pp 1, 12

[Text] The adjourned meeting of the Executive Committee of the Dacca Union of Journalists held on Thursday finalised an 11-point charter of demands on the basis of BFUJ's eight-point demand and the demands placed by different units of DUJ reports BSS.

Presided over by DUJ President Mr Iqbal Sobhan Chowdhury the meeting decided to observe "Demand Day" and hold demonstration on September 5 to press home the 11-point charter of demand.

The 11-point demands are:

1. Full implementation of the Wage Board Award and the agreed minutes in all the newspapers and news agencies.

2. Implementation of the provisions of the newspaper conditions of Services Act 1974 like (A) letter of appointment for all; (B) leave rules; (C) free medical care for all; and (D) ten per cent provident fund and the (E) payment of salary by the first week of the month.

3. Night allowance at the rate of 50 per cent of basic salary for every night shift.

4. House rent ceiling for all.

5. Conveyance allowance for all working journalists.

6. Enmancesment of travelling allowance for reporters and photographers.

7. Formation of Press Commission.

8. Separate Wage Board for journalists.

9. Repeal of all black laws standing in the way of freedom of the Press and amendment of BSS Ordinance.

10. Dissolution of the Management Board and formation of Unit Trusts for the Government controlled newspapers, and

11. Fair distribution of advertisements and reduction of prices of newsprint and other printing materials for proper and harmonious development of newspapers and news agencies.

CSO: 4220/7705

COMMUNIST CALLS FOR JOINT OPPOSITION NOMINEE

Dacca THE BANGLADESH OBSERVER in English 22 Aug 81 pp 1, 12

[Text] Mr Moni Singh President of Communist Party of Bangladesh (CPB) on Friday called upon all the democratic and progressive opposition political parties in the country to jointly put up one presidential candidate in the ensuing polls to defeat the BNP nominee Mr Justice Abdus Sattar. The unity of all the democratic progressive and patrictic forces is essential today on the basis of broad political programmes to solve the problems of the people and to establish democracy and democratic rights of the people he added.

A public meeting organised by CPB at Baitul Mukarram, Mr Moni Singh also made a number of demands for participation in the election.

The demands include shifting of election date to the third week of November, release of all political prisoners and withdrawal of emergency rule.

Mr Mohammad Farhad General Secretary of the party and Mr Saifuddin Ahmed Manik were among others who addressed the meeting.

Mr Mohammad Farhad said, I did not say anything about launching of "Kabul style" revolution in Bangladesh. I had only supported revolution in Afghanistan." False propaganda and oppressive measures have been adopted against CPB to isolate it from the people he alleged. He said that the people of this country would launch revolution for their emancipation and CPB would join them in their struggle.

He said that revolution could not be imported and CPB believed in such revolution which provide security of basic needs. People will again fight against disparity in the society as they fought during the Liberation War, he said. He demanded trial of all killings including that of Sheikh Mujib and commutation of death sentence passed against 12 army personnel involved in the Chittagong mutiny and assassination of President Ziaur Rahman.

He said that his party believed in election and would fight for the establishment of Parliamentary democracy which was a pre-condition for the establishment of exploitation-free society.

CSO: 4220/7705

ACTING PRESIDENT DECLARES SUPPORT FOR NAMIBIA

Dacca THE BANGLADESH OBSERVER in English 26 Aug 81 p 1

[Text] Acting President Mr Justice Abdus Sattar on Tuesday reiterated Bangladesh's total political and moral commitment to the people of Namibia and to their true and authentic representative SWAPO in their just struggle for independence and national liberation reports BSS.

The day is not far off when struggle of the people of Namibia will be crowned with success, Justice Sattar said in a message on the eve of observance of Namibia Day today (Wednesday) at the call of the United Nations.

Following is the text of the message from Acting President on the occasion of Namibia Day:

"On the occasion of the observance of Namibia Day, I on behalf of the Government and the people of Bangladesh, pay homage to the memory of the countless patriots who made supreme sacrifice for the cause of the independence of Namibia. On this occasion it is also fitting to pay respect to those thousands of Namibians who remain incarcerated behind prison walls and countless others who suffer the indignity of living under the worst form of colonial domination, racial discrimination and apartheid.

The expectation raised before the Geneva-preimplementation talks that the people of Namibia would see the light of independence and sovereignty on the basis of geniune and unfettered elections to be held under the supervision of the United Nations have been belied. South Africa has again deliberately frustrated the efforts of the world community because the UN plan as envisaged in resolution 435 did not suit its nefarious design. The Government of Bangladesh views this development with deep concern the continued South African intransigence and defiance have again stymied the plan that the international community put forward in search of a possible solution of the Namibian problem.

The commitment of the United Nations to assist the people of Namibia in the attainment of their national sovereignty cannot be held hostage to the whims of the leaders of apartheid regime. All efforts must be made to secure for the struggling people of Southern Africa the fundamental rights as enshrined in the charter of United Nations and universal declaration of human rights.

Although racist regime of South Africa stands condemned in the eyes of whole world, violence and repression continue unabated. The heartless brutality of apartheid has not been stopped. The harassment, intimidation and subjugation continue to escalate through mass arrests, torture, detention and imprisonment of SWAPO officials and supporters. Extension of this policy has seen a systematic fragmentation of territory along ethnic and racial lines exemplified by policy of bantustanisation. There can be no doubt that policies of South African Government in Namibia and indeed in Southern Africa as a whole constitute a serious threat to international peace and security.

On this solemn day, I reiterate anew on behalf of Government and people of Bangladesh our total political and moral commitment to the people of Namibia and their true and authentic representative, SWAPO in their just struggle for independence and national liberation. The day is not far off when struggle of the people of Namibia will be crowned with success.

CSO: 4220/7712

BNP LEADERS CONDEMN ACTS OF VIOLENCE DURING HARTAL

Dacca THE BANGLADESH TIMES in English 27 Aug 81 pp 1, 8

[Text] A number of BNP leaders on Wednesday condemned and protested explosion of bombs and other destructive activities by 'a political party' in the name of hartal, reports BSS.

In a statement Mr Julmat Ali Khan, Begum Hamida Ali, Joint Secretaries General Shah Abdul Halim, Organising Secretary Mr Ahmed Ali MP, Mr Harunur Rashid, International Affairs Secretary and Mr Fazlur Rahman, Population Control Secretary of BNP strongly condemned the acts of violence.

The BNP leaders said that in the name of hartal a certain political party on Wednesday exploded bombs, damaged vehicles and shops, killed BNP workers and harassed peaceloving people and resorted to loot and arson.

Condemning the bomb explosions and lawlessness, the BNP leaders demanded exemplary punishment to all involved in manufacturing the bombs and the destructive activities at Dacca, Faridpur and other places of the country.

Mr Muhammad Anisuzzaman Khokon MP in a separate statement said that the people were fully conscious of the deep rooted conspiracy by the Awami League leaders to foil elections. He said that the Awami leadership was indulging in such acts being baffled by the fact that they stand no chance of winning the presidential polls.

Mr Iskandar Ali and Mr Nazrul Islam President and General Secretary of the labour front of BNP also condemned the acts of destruction and intimidation indulged in by Awami League.

They said that the conscious people of the country would resist all such anti-democratic activities.

Our staff reporter adds: Mr Abul Kashem and Mr Saifur Rahman, president and general secretary respectively, of Bangladesh Jatiyatabadi Jubo Dal have condemned the terrorism in the name of democracy and said that the people, particularly the youths, would foil any attempt to subvert country's independence and sovereignty.

In a joint statement to the Press on Wednesday the youth leaders said that hartal was a democratic right of the people but it did not mean threat, coercion and intimidation and destruction of national property.

They alleged that on Wednesday some unruly elements under the leadership of Mr Tofael Ahmed, Organising Secretary of the Awami League attacked the PWD office during office hours.

Criticising series of bomb blasts and attack of the workers at Tongi industrial area the youth leaders said that all these incidents were the manifestations of the fascist character of the Awami League.

BJSS

Kazi Siraj, President and Sheikh Sirajul Islam and Mr A.B.M. Shah Alam, Joint Secretaries of Bangladesh Jatiyatabadi Sechchasevak Sangathan, have condemned the killing of Mahbubur Rahman Benu by the "BKSALite miscreants" at Nawabpur on Wednesday.

In joint statement to the Press on Wednesday night, the BNP volunteer corps leaders said that the Awami League had been conspiring to kill the multi-party constitutional democracy in the country through violence and the hartal call was part of their machinations.

Demanding arrest and punishment of the killers, they said that the peace-loving people of Bangladesh would not allow the BKSALite conspiracy to go unchallenged.

CSO: 4220/7715

FORMER AIR VICE MARSHAL TAWAB GRANTED BAIL

Dacca THE BANGLADESH TIMES in English 28 Aug 81 pp 1, 8

[Text] Air Vice-Marshal (Retd) M. G. Tawab, former Chief of Staff of Bangladesh Air Force was enlarged on bail on Thursday by Mr Mahabubur Rahman, Special Judge, Court No 1, Dacca Division.

A bail application filed on behalf of Air Vice-Marshal M. G. Tawab was rejected on Saturday last by Senior Special Judge Dacca who transferred the case to the Court of Special Judge, Court No 1 for disposal.

It had been pointed by the lawyer for the petitioner that he attempted to return to Bangladesh on July 1, 1980 but refused entry. Thereafter a writ petition was filed on behalf of the petitioner and the High Court declared the action of the government to be without lawful authority.

The bail application was opposed by the anti-corruption department.

The judge while considering the bail said, once he was the chief of the Air Force of independent and sovereign Bangladesh. The respectability of such a person should also be taken into account.

His arrest, in spite of High Court judgment in his favour immediately after his arrival in the country did not look well, the judge said.

Giving his opinion on possible departure from the country the judge said that the government might also prevent him from leaving the country by seizing his passport.

The charges against Air Vice Marshal (Retd) M. G. Tawab were that while he was Deputy Chief Martial Law Administrator and in charge of the Ministry of Civil Aviation and Tourism he by corrupt or illegal means or otherwise abusing his official position as a public servant obtained pecuniary advantage to the tune of Taka 95,40,000 in the matter of purchasing or taking lease of a Boeing for the Bangladesh Biman. Mr Abdul Malek and Syed Azizul Huq, senior advocates of the Supreme Court moved the bail petition for the petitioner and Mr Surendra Chandra Ghosh DSP Anti-corruption appeared for the state.

CSO: 4220/7718

AGENCY REPORTS FINANCE MINISTER'S FINLAND VISIT

Dacca THE BANGLADESH OBSERVER in English 28 Aug 81 pp 1, 12

[Text] Finance Minister Mr M. Saifur Rahman who is now on a visit to Europe Tuesday ended a two-day official tour of Finland, according to a message received in Dacca on Thursday, reports BSS.

The Bangladesh Minister during his stay in Finland had meetings with Finnish Finance Minister Ahti Pekkala and Foreign Minister Mr Vagrynen and discussed matters ov bilateral interests. The discussions covered bilateral economic cooperation, the outlook for the forthcoming LDC conference in Paris and also the Cancun Summit of the developed and developing countries.

The Finance Minister also called on the Finnish Prime Minister, Mr Kolvist, on August 25 last besides visiting different industrial institutions and holding meetings with the local foreign trade association.

The Bangladesh Finance Minister before leaving for Sweden on a similar visit addressed a Press conference in Helsinki.

Mr Rahman told the Press conference that Bangladesh and Finland had reached an understanding on opening cooperation between two countries on regular basis. He also disclosed that Finland had agreed to participate in the Bangladesh aid group as a full member. Both sides also agreed to review the cooperation between two countries on regular basis annually.

CSO: 4220/7717

DECENTRALIZATION OF ADMINISTRATION CONTINUES

Dacca THE BANGLADESH OBSERVER in English 9 Aug 81 p 1

[Text] Narsingdi, Aug 8--Establishment Minister Major-General (Retd) Majedul Haq today said that the decentralisation of administration initiated by Shaheed President Ziaur Rahman would continue for the well-being of the common people, reports BSS.

He reiterated the Government's determination of taking administration to the doorsteps of the people as visualised by the late leader.

Inaugurating the newly constructed sub-divisional administrative complex here this morning. General Haq said since the task of decentralisation was a massive one and that our fund was limited, the implementation of the programme would take some time.

The function was addressed, among others, by Food Minister Mr Abdul Momen Khan, Mr Mainuddin Bhuiyan and Shaheena Khanum, both Members of Parliament, Secretary, Ministry of Information and Broadcasting, Commissioner, Dacca, Division and Deputy Commissioner of Dacca district.

The Establishment Minister said that the colonial administration had long been obsolete but no government since the partition of India till President Zia's coming to power took any effective step to change the administration suiting the present-day need.

He lamented that if the earlier governments had taken any notable step in this direction, the process of administration would have become much smoother and quicker.

Explaining the structure of administration, the Establishment Minister said, administration should not end with rule, but to ensure measures for the overall development of the people.

He said the Government would make endeavour for total implementation of the decentralisation scheme.

Built at a cost of Taka 18 lakh the new semi-pucca administrative complexes, with corrugated roof will house most of the sub-divisional offices. The newly

constituted Narsingdi sub-division came into being in September 1977, General Haq, said henceforth all new administrative districts and sub-divisions would be created in a planned manner taking into consideration the socio-economic aspect of the locality.

Food Minister Mr Momen Khan said the present Government was committed to implement all the projects and pledges given by the late President Ziaur Rahman. He assured the gathering that if the present Government continues to stay in power, all his (Zia's) programmes would be fulfilled.

The Food Minister also called upon the people to help the Government stay in power to execute the ideals of the late President.

Praising the Government for its move to decentralise administration, Mr Mainuddin Bhuiyan called upon the authority to take steps for making the sub-division a fullfledged one.

CSO: 4220/7694

FREEDOM FIGHTERS' 6 AUGUST PRESS CONFERENCE REPORTED

Dacca THE BANGLADESH OBSERVER in English 7 Aug 81 p 1

[Text]

Three Freedom Fighters' organisations on Thursday termed the Press Note of the Government as "motivated and undemocratic" and demanded fresh open trial of the accused army personnel with an "impartial judge", reports BSS.

The leaders of the three organisations said at a Press conference at the National Press Club that the Press Note of the Government which was issued against their joint statement on the trial procedures of the persons accused of the assassination of President Zia, has "agitated them".

They also said that the Government in its statement "threatened" the Freedom Fighters which was a complete denial of democratic rights and, on the other hand it also "distorted the contents of our statement while interpreting it in its own way.

The Press conference was addressed by the Chairman of the Bangladesh Muktijoddha Sangsad, Lt. Col (Rtd) Kazi Nurunnaman, Chairman of the Bangladesh Muktijoddha Sangbhati Parishad, Col (Rtd) Swakat Ali, MP and President of the Bangladesh Muktijoddha Sangram Parishad and Major (Rtd) Ziauddin.

Terming the August 4 Press Note as "undesirable" the three leaders reiterated their demand of providing the accused persons with sufficient self defence and scope for engaging civilian lawyers. Otherwise they said in a written statement that the camera trial of the Field General Court Martial headed by a "person known for his feelings against Freedom Fighters" held inside Chittagong Jail would be regarded as a "black chapter in the history of trial".

Criticising the contents of the Press Note the Freedom Fighter leaders, citing some relevant army acts said that the formation of a Field General Court Martial for trying the accused army personnel was undesirable. It should have been held openly under a civilian tribunal so that people of the country could know the incident in which an elected President of the country was assassinated they added.

They reiterated that the accused persons were not given opportunity to defend themselves and they were not given proper "defending officers" from the army and civilian "legal advisers" which were the preconditions of the relevant army acts.

Moreover they alleged the Government had closed The doors of unearthing any "conspiracy and the involvement of any foreign power or their agents" behind the assassination of late President Zia. They said we always condemn the brutal killing of President Zia but simultaneously we want justice and punishment of the real killers not the innocents.

The three leaders who earlier claimed that they did not belong to any political party also alleged that many Freedom Fighter army officers were "removed or suspended" from their jobs during the camera trial These Freedom Fighter officers were not involved in any way with the killing they stressed.

The joint Press statement which was read out by Major (Retd) Ziauddin also pointed out that as leaders of the freedom fighters they would continue to protest these "undemocratic and unjust acts" of the Government and called upon the democratic minded people of the country to extend their solidarity with them

Replying to questions Col. (Retd) Shawkat said that three Freedom Fighter organisations are discussing for forming a joint front. He also refuted Prime Minister Shah Aziz's statement by saying that it was Shah Aziz who was engaged as a civilian lawyer in a Field General Court Martial of an army officer named Lutfe Kamal few years back He also said that Field General Court Martial according to army acts were held at such a time when the country was at war or there was no facilities for general court martial

Replying to questions Lt. Col (Retd) Zaman said that they also want the trial of the killers of Bangabandhu Sheikh Mujib the then President of the Republic in a same open civil tribunal. He said the President of a country is an "asset" of the people and demanded the trial of the killers of Siraj Sikder and other people also

Major (Retd) Ziauddin said that the Freedom Fighters are always with the people and urged the political parties to support their demands.

CSO: 4220/7694

PORTIONS OF ASSASSINATION WHITE PAPER RELEASED

Introduction

Dacca THE BANGLADESH OBSERVER in English 5 Aug 81 pp 1, 8

[Text] The government has issued a White Paper on the abortive mutiny in Chittagong on May 30, 1981 in which the late President Ziaur Rahman was assassinated. The first part of the White Paper issued on Tuesday deals with the personal ambition and machination of the leader of the abortive mutiny Major General M.A. Mansur.

In the introduction of the White Paper it has been said the White Paper contains a detailed account of the trial proceedings of the accused persons who took part in staging the mutiny and killing of the former President. It is by all counts an infamous act and will be considered as one of the worst crime in history.

The contents of the White Paper will be published in full in the national Press part by part.

Following is the full text of the first instalment of the White Paper issued by the government on Tuesday.

INTRODUCTION

1. This White Paper provides a full report of the abortive mutiny led by BA—103 Major General M Abul Mansur BU and his accomplices which resulted in the gruesome assassination of Hon'ble President Ziaur Rahman, BU at Chittagong on night 29/30 May 1981. It also includes a detailed account of the trial proceedings of the accused persons who took part in staging the mutiny and killing of the Hon'ble President. It is by all counts an infamous act and will be considered as one of the worst crimes in history.

2. The heinous crime of a handful of miscreants leading to the abortive mutiny and the assassination of the President spread pall of gloom throughout the length and breadth of the country. It also caused not a small ripple in the international world. It is a cruel irony of fate that the visionary and architect of modern Bangladesh fell to the assassin's bullets at a time when the country is on the eve of reaping the phenomenal results of his hard dedicated and relentless toil for self reliance and economic growth at home and rising prestige abroad. There was a spontaneous outburst of fact. fact against this dastardly act and a persistent demand from all sections of the public for an open trial of the accused persons. The Government from time to time clarified the position by citing fact for reasons of security and discipline of the armed forces and for reasons of the fact that the perpetrators of the crime are all army personnel who are subjected to Army Act. It was only appropriate to try them by a Court Martial. The government, however, assured a White Paper on enquiry report and the proceedings of the trial. This White Paper is the outcome of that assurance and an attempt to apprise the general public of the events and circumstances which led to the tragic incident.

CHAPTER—I
BACKGROUND

BA—103 Major General M Abul Mansur, BU was posted to 24 Infantry Division as General Officer Commanding and assumed Command on 24 November 1977. The posting was a follow up of a general reshuffle in the higher echelons of Command following the abortive uprising by some elements of misguided Air Force personnel on 02 October 77. Major General Mansur who was then the Chief of the General Staff at the Army Headquarters and enjoyed considerable power in the re-organisation of the Army did not appreciate his removal from the seat of decision making. He however, assumed Command of 24 Infantry Division at Chittagong Cantonment on 24 November 1977. At the time of his taking over Command there were only three Infantry Brigades. This force however was augmented to four Infantry Brigades with the additional raising of another Infantry Brigade. The number of Infantry Battalions were also raised accordingly. The last of these two but alone were moved to Chittagong as late as 30 Dec 80. These raisings became necessary with the increase of insurgency activities in Chittagong Hill Tracts and also on the persistent instance by the General Officer Commanding to augment the force level in Chittagong Area. Major General Mansur often used to boast of Commanding 24 of the Army and having under him the most well trained brigade commanders and Staff Officers. The idea of concentration of force became only clear when the rebel Commander held the nation at ransom for 48 hours during the abortive mutiny.

The Settler Major General M Abul Mansur was a man with ambition. He took part in the Liberation War of 1971 as Sector Commander, No—8 Sector (Jessore Area) having fled with his family from Sialkot in Pakistan during the early part of the War. He was not only ambitious but jealous and extremely critical of most of the senior officers who were set over him. He did not even spare the late President of very unkind remarks. During the short putsch, while addressing officers and troops his true colour became clear.

After assuming Command of

the 24 Infantry Division he initially devoted time and energy in the purposeful resolution of the insurgency problem but gradually and calculatively his attention was diverted to bigger things he had in mind. That in his ambition to remove the elected President of the country by any means possible fair or foul, and install a Martial Law government for a period of atleast 3 years, where he could rule supreme and remove all the pseudo lib. He was seized with the phobia that the country least be ruled by the Freedom Fighters as President Zia was not doing enough to uphold the cause of the liberators. In motivating the officers of his garrison in launching them into this heinous crime his stooges used this ruse to take up arms on that fateful night of 29/30 May 81.

Major General Mansur moved to strike very calculatively but not so cautiously as would be evident from the following developments :—

(1) His first move was to augment the force level as stated earlier.

(2) He then got officers of his own choice posted in key appointments. He could not care about their professional capability as long they were blindly loyal to him and to his philosophy. Refusal by Army Headquarters was frowned on by him on the pretext that Army Headquarters was not assisting him in subjugating the insurgency in the Hill Tracts but was hindering his operational plans.

(3) He virtually wanted to take over control of the Army Headquarters establishments at Chittagong like the Bangladesh Military Academy The Artillery Centre and School The Special Warfare School 18 Engineers Construction Battalion and other establishments. There was constant infighting on the command and control of these establishments as the Army Headquarters orders were very clear on the subject but Major General Mansur as Area Commander could not just stand that the arrangement be other than to his advantage.

(4) He arranged for special allocation of funds for construction work but the manner he adopted to get the special project going was beyond the rules and regulations. He cashed on his bravado and efficiency every time he opened a new building or barrack and inscribed his name on a marble plaque. His motivation there was "Look here", I have done it better than your Army Headquarter can do it."

(5) He started to avail of every opportunity to speak ill of the Army Headquarters policy senior officers of the Army, corruption in the country and a general theme that nothing is going right in the country. Of late these addresses to the troops and officers became more frequent and more vocal.

(6) For reporting on his foul and fiendishness activities the detachment Commander of Director General of Forces Intelligence was barred from entering into Chittagong Cantonment. Meanwhile the Divisional Field Intelligence Unit was completely tasked to assist the General Officer Commanding in his heinous plan.

(7) Major General Mansur by mid 1980 started to resist the approved Government policies of resettlement scheme. His staff and unit Commanders were indifferent to the scheme and barely gave a helping hand to the civil administration. There was fundamental differences over the policies Major General Mansur wished to adopt in Hill Tracts and what was the Government directive By late 1980 the Army casualty figures rose rapidly. To mention an instance of indifference Brigadier Mohsin Uddin Ahmad Commander 69 Infantry Brigade did not visit his main operational Headquarters at Bandarban for 2 months then suddenly he visited on 28 May to warn some elements of 1 E Bengal to be prepared to move to Kaptaghat Bridge on the fateful night of 29-30 May covertly for taking part in the mutiny.

Preparation

Preparation. By the end of 1980, Maj Gen. Mansur's attitude towards the Hon'ble President and the Chief of Army staff was apathetic and disrespectful His conduct during the standing out parade dinner on 19 Dec 1980 is a case in point. The pl. for a possible mutiny conspiracy was conceived by two architects under the direct guidance of Maj Gen. Mansur. They were Lt Col Motiur Rahman GSO—1(CI) and Lt Col Mehboobur Rahman CO 21 E Bengal nephew of the General In assistance to the implementation of the conspiracy were Lt Col Dilyar Hussain and Maj Khaled BM 69 Inf Bde. It was thought possible that like the Shanti Bahini in Hill Tracts Junior Officers JCOs and ORs would be won over by telling them of the Government's failure to check corruption by Army and civilians stop inflation, check deteriorating law and order situation and malpractices by the ruling BNP members.

Lt. Col Mehboob talked to Lt Col Dilwar sometime in the early part of 1980 about procuring a printing press for printing leaflets containing their views and ideas highlighting the malfunctioning of the Government. In the month of July 1980 Lt Col Dilwar suggested to the GOC as per instruction of Lt Col Moti on the following lines:—

(1) Many officers should be able to call on the GOC with out any official formalities.

(2) Officers/JCOs should be invited by the GOC on specific occasions.

(3) Brigade Commanders and senior officers should be entertained by the GOC in his house for tea playing cards thereby gaining their confidence.

Meanwhile Maj Gen Mansur took every opportunity to address all ranks and continued to motivate officers and troops as per the master plan. In the last week of November 1980 Maj Gen Mansur addressed all available officers JCOs and ORs of Chittagong Area Officers from Chittagong Hill Tracts also joined in the address. The GOC talked at length about his achievements over the past 3 years the day being celebrated as the 3rd anniversary of his assumption of officer as GOC. After the general address he retained offers of the rank of Maj and above and talked to them critically of all the wrong doing of the Government and the Army. Some Junior officers asked him offending questions e.g. that he should resign if he was impotent and incapable of taking any action

Earlier Plans of Mutiny. Toward the end of Feb '81 Lt Col Dilwar was appraised by Lt Col Moti about two definite plans of mutiny These were :

(1) PLAN OF 19 DEC. '80. A passing out parade of the BMA cadets was due on 20 Dec. '80. President and other senior Armed Forces officials were also to attend. It was decided that GOC would host a dinner on 19 Dec. 1980 in the EBRC Mess where all VIPs including the President would be invited. They were all to be hauled up there. Alternatively, if the President stayed on at the Circuit House then 2 groups were to raid the Circuit House and EBRC Officer's Mess to lift all of them to EBRC parade ground. Necessary move order was issued to 10 East Bengal Regiment to move to Chittagong Cantonment by 18 December 1980. But the mission failed as 10 East Bengal Regiment could not be withdrawn from the operational area in Chittagong Hill Tracts at such a short notice.

(2) PLAN DURING EXERCISE IRONSHIELD. During the exercise an amphibious landing was planned at Cox's Bazar which was to be witnessed by the President and Services Chiefs and other senior officers. During this 27 East Bengal Regiment of 69 Infantry Brigade of Brigadier Mohsin Uddin was to take part. The plan was to lift the President and other senior officers to EBRC parade ground and forcibly ask the President to meet their demands, which were :—

(a) CAS, GOC 9 Infantry Division and some other senior officers of the Army to be dismissed.

(b) Forming of a Revolutionary Council and suspension of the constitution.

(c) No election for 3 years and no political activities.

(d) Promotion of only efficient people to the higher ranks.

(e) Improvements of law and orders situation.

In continuation of his plan to motivate and influence the officers and JCOs/OR he kept on addressing them at every opportunity. The last such address he delivered was on 23 May 1981 at the Hathazari Long Range where Divisional Anti-Tank Cadre was running. Instead of talking of their performance he dealt at length on aspects which were political and objectionable. To develop connection with civil he became the Chief Patron of an organisation named "Trend Setters." President of this organisation was one Mr. Ziaur Rahman, a student of Chittagong University. Major General Manzur chaired the opening seminar on 10 May 1981 which was on the "Role of Intellectuals in Bangladesh." This was also attended by most of the senior officers of the station on the desire of the GOC.

A perusal of the seminar papers would reveal that the trend of the subject matter is biased and is aimed at reflecting the thoughts of the General Officer Commanding on the state of administration and the Government. Mysteriously Mr. Ziaur Rahman met the rebel General Officer Commanding on 29 May 1981 at about 8 p.m. in the General Officer's Commanding's Office.

Planning, Preparation

Dacca THE BANGLADESH OBSERVER in English 6 Aug 81 pp 1, 8

[Text]

The Second Chapter of the White Paper on the assassination of President Ziaur Rahman and the activities of the mutineers involved in the abortive coup was issued to the Press on Wednesday, reports BSS.

The Second Chapter of the White Paper pinpointed the key role played by Late Major General M Abul Manzur and his trusted associates in scheming the plot to kill the President and the measures to implement it.

It dwelt on the activities of Brigadier Mohsin, Col. Nawazish, Col. Rashid, Lt. Col. Mahbuboor Rahman, Lt. Col. Motiur Rahman, Lt. Col. Dilwar, and other officers at various well planned stages to execute the plot.

The White Paper also exposed the role of Lt. Col. Mahfuzur Rahman, Personal Staff of the President in the assassination of President Ziaur Rahman. On the fateful night of June 30, Lt. Col. Mahfuzur Rahman ordered the removal of the police persons on duty from the first floor of the Circuit House to ensure the success of the plot against the Late President, the White Paper said.

The Second Chapter of the White Paper noted as to how a massive rumour was built up by the plotters during the last week of May this year to the effect that there existed a plan to eliminate all Freedom Fighters, particularly in Chittagong by repatriated officers. The main purpose of the rumour was to motivate the freedom fighter officers of Army and erstwhile Jatiya Rakkhi Bahini on a common platform to fulfil the design of the mutineers it added.

It further pointed out that posting of Major General Manzur to Defence Services Command and Staff College at Mirpur was taken up as a pretext to add fuel to the fire of various rumours already raging at Chittagong Cantonment. The mutineers further exploited it saying that this was the last blow to the freedom fighters interest and that they would be systematically sorted out after removing the last of freedom fighter General Officer Commanding from the command.

The White Paper recalled that before taking up appointment as General Officer Commanding of 24 Infantry Division at Chittagong in 1977, Major General Manzur expressed his desire to the Chief of the Army Staff for his posting as Commandant Defence Services Command and Staff College.

The following is the second part of the text of the first instalment of the White Paper

issued by the government in the abortive mutiny in Chittagong on May 30 1981.

CHAPTER—II

THE PLANNING AND PREPARATION OF THE MUTINY

The incident of the assassination of President Ziaur Rahman is the culmination of a well thought out process of mutiny engineered at Headquarters 24 Infantry Division by its Commander and a few of his trusted associates i.e. Brigadier Mohsin Colonel Nawazish Colonel Rashid Lieutenant Colonel Mehboobur Rahman Lieutenant Colonel Motiur Rahman and Lieutenant Colonel Dilawar. After the plot was conceived by its architects a series of activities have gone into facilitate its implementation Various steps and administrative actions taken by late Major General M. Abul Manzur before or on the eve of the incident when viewed as a whole give a coherent picture as to how things were developing towards an ominous end. The deliberate preparations in various phases that made the stage ready for action are summarised in subsequent paragraphs.

Troops Disposition in the Cantonment Prior to the Incident. An examination on the location of various units along with their strength shows the following peculiar features of the disposition:—

(1) A sizeable troops numbering almost 4 000 strength were kept in Chittagong Garrison on some pretext or the other.

(2) Rear parties of Infantry Battalions as strong as a company (in certain cases) were stationed in Chittagong whereas all the Battalion rears were supposed to be located in Chittagong Hill Tracts itself.

(3) Some Infantry Battalions (commanded by Freedom Fighters Commanding officers) on which the mutineers depended most brought a sizeable number of persons at Chittagong Cantonment in the name of assault course competitions and other grounds. A strong contingent from special warfare school was also brought in the name of training of newly arrived battalions.

(4) Entire Battalion of 6 East Bengal Regiment came to Chittagong in connection with Exercise Ironshield Later only 2 X companies were sent back to Chittagong Hill Tracts. Rest of the battalion remained in Chittagong till the mutiny on various pretences. The Battalion was given the task of organising Divisional Mortar and Anti Tank cadre at Hathazari range. They were brought from Hathazari range on 29 May 81 by specially allowing transport although it was a vehicle lay off day being a Friday.

Preponderance of Freedom Fighter Officers in Chittagong Area. The concentration of Freedom Fighters officers in 24 Infantry Division was the result of a long thoughout process and was achieved over a period of time. Most of the important staff appointments were held by the Freedom Fighters officers. It was also ensured that either Commanding Officer or Second-in-Command or both of most of the Infantry Battalions in 24 Infantry Division were Freedom Fighter officers. Three out of four of his Brigade Commanders were his trusted Freedom Fighters A large proportion of officers who stayed back in Chittagong Cantonment on the eve of the incident were either Freedom Fighters or officers of the choice of mutiny leaders. It was done so presumably to exploit the issue of rift between Freedom Fighters and non-Freedom Fighters in favour of the mutiny and to employ them as an undivided force to execute the plan of mutiny.

Liaison with Officers in other Stations. There are enough indications that efforts were made to liaise with officers at other Stations through officers (later found to be pro mutineers) by sending them on leave throughout the month of May 81. There was also instances of officer having pro mutiny leaning (from records and activities) visiting Chittagong prior to the incident. A leave state showing 24 Infantry Division officers visiting others stations particularly Dacca shows a striking number of Freedom Fighters officers visiting Dacca almost at one time. It is presumed that most of the officers made contacts with sympathisers during their stay in Dacca A part from those on leave some officers also made telephone contact with like minded officers in Dacca and elsewhere For example Major Qayyum contacted an officer of Army Headquarters on 28 May to communicate about the dangers to Freedom Fighters and advised (the officers) to go on leave.

Some officers like Ex-Major Moin of SI&T and Major Zahirul Haque of 37 East Bengal Regiment visited Chittagong Cantonment before and during the mutiny The last two officers went as far as abetting the mutiny in which they performed some assigned tasks also. Major Zahir worked as courier of Late Major General Monjor while Major Moin illegally took over the Command rear 17 East Bengal Regiment in Chittagong Cantonment.

Role of Lieutenant Colonel Mahfuzur Rahman—Personel Staff of President. Lieutenant Colonel Matiur Rahman had close relationship with Lieutenant Colonel Mahfuzur Rahman, Personal Staff of the President. Lieutenant Colonel Motiur Rahman used to visit Lieutenant Colonel Mahfuzur Rahman as and when the former visited Dacca either on duty or on leave. He (Lieutenant Colonel Moti) visited Lieutenant Colonel Mahfuz in the later's office at C-in-C's Secretariate some time in the middle of May 81 when he (Lieutenant Colonel Moti) came to appear in an interview for a foreign course. During his visit they discussed about the President visit of Chittagong and also about President's negligent attitude towards the Freedom Fighters. There they also discussed the plan wherein the President was to be kept as hostage or killed if their demands were not fulfilled. Lieutenant Colonel Matiur Rahman sought the assistance of Lieutenant Colonel Mahfuzur Rahman in the execution of the plan who gave his consent to the same on 29 May 81. Lieutenant Colonel Mahfuz was contacted by Lieutenant Colonel Matiur Rahman on telephone immediately on his arrival with the President at Chittagong Circuit House. When he was told that the

President will be lifted or killed that night (30 May 81) and sought his assistance he agreed and assured that the first party will be received by him in the Circuit House. To ensure the success of this plan he later on ordered the police persons on duty at the first floor to leave the place of duty.

Concentration of Pro-mutineers Officers in Chittagong Cantonment. Captain to Major promo.ion examination (Practical) was held in Chittagong Cantonment from 23 to 26 May 1981 and on this occasion all affected Infantry Officers of 24 Infantry Division gathered at Chittagong Cantonment. Most of these officers came from their forward post in Chittagong Hill Tracts and were supposed to go back on expiry of the examination. But they were held back in the Cantonment on the pretext of an unscheduled training Cadre hurriedly arranged for them i.e. Preventive Maintenance Cadre to be held from 27 May 81. Later it was, found that most of the officers who took part in the assault at Circuit House were drawn from this group of officers.

Taking out Supposedly Anti-Mutineers from the Cantonment Alongside the deliberate concentraion of troops and officers expected by the mutineers to be loyal to them, careful effors were made to keep away the troops and officers who would be likely to oppose the mutineers. One such conspicuous attempt was to stop 34 East Bengal Regiment (One of he battalions with full strength present in the Cantonment) to come back to the Cantonment even on expiry of their time limit at Hathazair Range. The battalion was even barred from carrying out a search and cordon exercise in the vicinity of the Cantonment planned earlier by its Commadnig Officer. In most cases Commandnig Officers of the battalions were kept away deep in the hill tracts engaged in Counter Insurgency Operations.

Rumours Relative to Elimination of Freedom Fighters. A massive rumour was built up during the last week of May '81 to the effect that there existed a plan to eliminate all Freedom Fighters particularly in Chittagong by repatriated officers. The main architect of this rumour Lieutenant Colonel Matiur Rahman and Major Qayyaum, claimed to have discovered the blue print of such a conspiracy hatched at a very high level in the army. The rumour was fanned by them over days to frighten and finally to bring the Freedom Fighters officers in a frenzy to either counter it or accept it lying down. The main purpose of the rumour was to motivate the Freedom Fighters officers both of Army and erstwhile Jatiay Rakkhi Bahini who were in greater number in that formation on a common platform to fulfil the design of the mutineers. Wherever possible they utilised this equation to bring the participants in their fold. The rumour thus flouted gained its optimum intensity by 28 May till the end of the incident.

Capitalisation of General Officer Commanding's Posting Order. The General Officer Commanding was posted out on completion of normal tenure of his command. He was appointed as Commandant of Defence Services Command and Staff College at Mirpur, Dacca, which is a coveted appointment and a post tenable by a Major General It may be mentioned here that before taking up appointment as General Officer Commonding of 24 Infantry Division at Chittagong in 19/7 Major General Manzur expressed his desire to Chief of Army Staff for his posting as Commandant Defence Services Command and Staff College. But surprisingly this posting of Major General Manzur to Defence Services Command and Staff College now was taken up as a pretext to add fuel to the fire of various rumours already raging at Chittagong Cantonment. The mutineers further exploited it telling that this was the last blow to the Freedom Fighters interest. They argued that Freedom Fighters would now be systematically sorted out after removing the last of Freedom Fighetr General Officer Commanding from the command. It seemed to work well and concerned officers aptly accepted this argument and took this posting order as an ill motived gross injustice to the late General Officer Commanding, considered most capable by the mutineers.

The Cover of Night Training. While much of the spade work for the mutiny was done calmly over a period of time the night training in the last week of May '81 (27 to 30 May '81) helped a great deal in finalising various arrangements like last minute tieing ups, sorting out required arms ammunition and transport, briefing, liaisons and contacts. These were conveniently mostly in Divisional Tactical Headquarters 65 Infantry Brigade, and in the lines of some of the units without arousing much suspisions which would have, otherwise, cropped up. Even the assault group for Circuit House left Cantonment creating least doubt in the mind of general troops who remined indifferent to such move and activity during and after night training hours.

SUDDEN VISITS OF CHITTAGONG HILL TRACTS. As per the witness and records available there was total inactivity on the part of Brigade Commanders who seldom visited the operations area. There was clear evidence of Brigadier Mohsin Commander 69 Infantry Brigade not visiting his main Headquarters for long two months. Even his Brigade Major Major Khaled remained in Chittagong during this time. After a spell of inactivity Brigadier Mohsin and his Brigade Major, Major Khaled suddenly visited Bandarban his Main Headquarters on 29 May 81 and that too un-announced when the Commanding Officers were away in the forward area It was later found that the whole purpose of visiting the main Headquarters was far from operation in Chittagong Hill Tracts. He and his Brigade Major left Bandarban with an instruction for Commanding Officer 1st East Bengal Regiment to go away further deep for an operation

MOVE OF COMPANY OF 1ST EAST BENGAL REGIMENT TO KALURGHAT. During their short visit to Bandarban both Commander Brigadier Mohsin and Brigade Major Major Khaled ordered to keep a Company stand by for some Internal Security duty in Kalurghat the same night. During night of 29 May 81 Brigade Major, Major Khaled wanted over telephone to move the Company. Finally two platoons with Major Fazlul Haque, Second in Command 1st East Bengal Regiment, Lieutenant Matiur Rahman, the adjutant and

Captain Ghyas the Staff Captain of the Brigade arrived at Kalurghat bridge. In hindsight, it was found that these troops were meant for contigency requirement at Circuit House Operation.

HEADQUARTERS 65 INFANTRY BRIGADE SHROUDED IN MYSTERY. During night of 29 May 1981 this Headquarters became the centre of many mysterious activities Both Commander 65 Infantry Brigade, Colonel Rashid and Commander 305 Infantry Brigade, Colonel Nawaresh stayed in this Brigade Headquarters. The Headquarters being a bit away from main Cantonment and linked from outside directly, it served presumably as the Headquarters of the mutiny that night. A rear link communication was established in the wireless Transmission room of this Headquarters. Both the Brigade Majors, Major Izadani and Major Qayyum remained active here. During midnight Lieutenant Colonel Dilawar came here in his white car and waited till morning to shift the assualt group casualties to Combined Military Hospital from here.

BRISK ACTIVITIES IN HEADQUARTERS 69 INFANTRY BRIGADE AND CULVERT NEAR IT. During the entire period of night training hours an intense briefing instructions went on in the office of Major Khaled, Brigade Major 69 Infantry Brigade which was visited by most of the conspirators. Suspicious movements inside the office and outside in the verandah was curiously witnessed by many. At one time a group of officers conversing in whispers shifted to a culvert near the Brigade Headquarters. All who were in that group around the culvert included Lieutenant Colonel Matiur Rahman, Lieutenant Colonel Mehboobur Rahman, Major Khaled and Major Shaukat. Here Major Shaukat and Captain Iqbal were to provide some troops and transport for some mission not disclosed to them. Major Khaled was heard bullying 15 East Bengal Regiment officer for cowardice and non-cooperation.

Shifting of Tactical Headquarters from Rangamati. This was a very significant step in the whole sequence leading to the mutiny on night 29/30 May 81. The Tactical Headquarters of 24 Infantry Division hitherto functioning at Rangamati was dramatically shifted to Chittagong Cantonment on 05 May 81 along with its entire staff headed by Lieutenant Colonel Matiur Rahman Late Major General Manzur paid a surprise visit to Tactical Headquarters in Rangamati and caught the entire outfit unaware with all its irregularities. He summarily ordered the Tactical Headquarters to be shifted to Chittagong Cantonment forthwith. Although there were reports earlier about numerous misdeeds and malpractices of Lieutenant Colonel Matiur Rahman in Rangamati the motives that worked behind this shift was clearly different i.e. to be able to plan and organise the plots against the President/Government in close concert. It is evident from the following facts :

(1) The late General Officer Commanding never made deliberate efforts to correct the ill habits of Lieutenant Colonel Matiur Rahman i.e. drinking gambling and late coming to the office either earlier or afterwards. In fact, gambling was a favourite feature of Flag Staff House while Lieutenant Colonel Matiur Rahman on occasions made it clear to General Officer Commanding that he could not come to office earlier than certain timing.

(2) The late General Officer Commanding apparently did not intend to keep the Tactical Headquarters permanently in Chittagong and did not permit telephone connections in new office beyond bare minimum.

(3) Only on the shifting of Tactical Headquarters to Chittagong the activities of the mutineers as can be seen from various statements were intensified to a certain pitch.

The Green Signal. On 29 May 81 i.e Friday after Juma prayer the late General Officer Commanding Major General Manzur Lieutenant Colonel Mehboobur Rahman and Major Khaled got together in the General Officer Commanding's office. It is here that the fateful decision for the night's incident was taken. The late General Officer Commanding gave his blessing telling the following :—"Now is the time to act, how you do it, with what you do it I don't know. No troops to be deployed only selected persons will go to the Circuit House. In the morning Key Point Instalations and Vulnerable Points will be guarded". After saying so the General Officer Commanding enquired about Lieutenant Colonel Matiur Rahman. To this both present assured General Officer Commanding that the (Lieutenant Colone Matiur Rahman) would be back in time.

THE MEETTING IN LIEUTENANT COLONEL DILWAR'S HOUSE This was the meeting where the modalities of the mutiny was worked out with the top conspirators i.e. Lieutenant Colonel Mehboobur Rahman, Lieutenant Colonel Matiur Rahman Lieutenant Colonel Fazle Hussain, Lieutenant Colonel Dilwar, Major Khaled Major Latif Major Izadani It is here that the task to be performed during and after the mutiny were probably allotted. Major Maruf of 5 Signal Battalion joined in late and was given the task of severing communication with Dacca in the next morning. The meeting took place at 1800 hours

SOME ADDITIONAL INDICATIONS. A few more indications as enumerated below can be considered in retrospect as pointers towards the incident on that particular night.

(1) Suddenly there were cancellation of leaves of some officers. i.e. Major Dost Mohammad and Captain Jamil who were granted leave earlier for that period. These officers were later found utilised in the mutiny. The leave of another officer i.e. Lieutenant Mesbah another accomplice was turned down. The leave of Brigadier Abdul Latif was adjusted to extend beyond 30 May 81 whereas he (Brigadier Abdul Latif) wanted it to terminate on 29 May 81.

(2) Commanding Officer 6 East Bengal Regiment proposed earlier that there would be a Preetibhoj in the unit in the evening of 30 May 81. It was presumably to celebrate the success of the operation on 29 May 81.

(3) A big commotion was created at the instruction from Bangabhavan the General Officer Commanding would not be required to receive/see off the President at the airport. The instruction was instantly checked by Lieutenant Colonel Matiur Rahman from Military Sec

retary to the President. This departure from routine for the first time thickened up doubts and apprehension in the mind of mutineers and probably prompted them to hasten action.

BRIEFING AND OATH TAKING Inside Chittagong Cantonment the briefing and oath taking in two different venues as under and the mutineers departure to Kalurghat he for ward Rendezvous of the operation with arms ammunition and transport were the final steps of sequence unveilled so far.

VENUE The venue of conspiracy were as under (1) 6 East Bengal Regiment Commanding Officers office Time 30 minutes past midnight Conducted by Lieutenant Colonel Shah M Fazle Hussain Officers Present Lieutenant Colonel Mehboob

Lieutenant Colonel Matiur Rahman
Major Dost Mohammad
Captain Areefin
Captain Ilyas
Lieutenant Musleh

(2) 28 East Bengal Regiment Second-in-Command's Office

Time : 11.30 PM
Conducted by : Lieutenant Colonel Matitur Rahman
Officers present : Lieutenant Colonel Mehboobur Rahman; Major Momin; Major Gias; Captain Munir; Captain Jamil; Captain Ghyas. Captain Mainul.

The final hour of the drama struck as the parties of mutineers set off via Public School road towards Kalurghat bridge at about 01.30 A.M on the fateful night of 29/30 May 81.

Execution of the plot

Assembly at Kalurghat :

The conspirators started reaching Kalurghat around 2 A.M. 30 May 81. First to reach were Lieutenant Colonel Mehboobur Rahman, Lieutenant Colonel Matiur Rahman, Major Muzaffar and Captain Syed Md. Munir in a white Toyota car. After some time came Lieutenant Colonel Fazle Hussain Commanding Officer 6 East Bengal Regiment with the following officers Junior Commissioned Officer in 1 x Jeep and 2 x Pickup:—

a. Captain Mohammad Ilyas —6 East Bengal Regiment

b. Captain Md Abdus Sattar — 6 East Bengal Regiment

c. Lieutenant Rafiqul Hassan Khan — 6 East Bengal Regiment

d. Lieutenant Mosle Uddin Ahmed — 6 East Bengal Regiment

e. Subedar Sardar Rahman — 6 East Bengal Regiment

f. Captain Jamil Haque — 21 East Bengal Regiment

They also brought 3 x Hand Launchers 11 x SMGs and 3 x Grenade Firing Rifles. Major Gias Uddin Acting Commanding Officer 11 East Bengal Regiment Major Kazi Mominul Haque Second-in-Command 28 East Bengal Regiment and Captain Salahuddin of 11 East Bengal Regiment reached together in a Convoy of 2 x Jeeps and 1 x Pickup. Last of all came Major S.M. Khaled Brigade Major 69 Infantry Brigade followed by Major Fazlul Haque Second-in Command 1 East Bengal Regiment Captain Ghyas Uddin Staff Captain 69 Infantry Brigade and Lieutenant Matiur Rahman Adjutant 1 East Bengal Regiment

Execution of Plot

Dacca THE BANGLADESH OBSERVER in English 7 Aug 81 pp 1, 8

[Text]

The third instalment of the White Paper on the killing of President Ziaur Rahman was issued on Thursday. This part of the White Paper dealt with how the mutineers executed the plot of killing the President and inadequate Police guard at the Circuit House on May 29/30, 1981.

The White Paper stated that out of required 127 uniformed policemen and 39 plain clothed Special Branch personnel only 45 uniformed and 12 plain-clothed Special Branch personnel were posted for the security of the President.

The White Paper further said that the mutineers went to the Circuit House in three groups. One group headed by Lt. Col. Motiur Rahman was assigned for the killing of President who was sleeping in his room in the first floor. Lt. Col. Motiur Rahman started looking for the President He knew that President was staying in room No. 4. It had two doors, one near the stairs going upwards which was bolted from inside and the other opening towards the southern verandah was locked from outside. Lt. Col. Motiur Rahman and Capt. Sattar started kicking the locked door. At that moment, the White Paper stated, the President came out opening the door near the stair side. He was stated to be calm and cool without any sign of alarm on his face. Some one shouted "President is coming out." The White Paper said every one rushed and fired at the President. The President fell down to the floor near the stairs with his chest littered with the bursts of sub-machine guns from pointblank range. Even after this, the White Paper said, his face was turned upwards by Lt. Col. Motiur Rahman who by that time went completely berserk and hysterically fired and emptied a complete magazine on him.

The White Paper said that Lt. Col. Mahfuz contacted Army Headquarters over wireless and talked to Director of Military Operations and his staff and asked for a helicopter to be flown with Chief of Army Staff, Military Secretary to the President and Home Minister so that President's body could be taken out.

The following is the third part of the text of the first instalment of the White Paper issued by the Government on the abortive mutiny in Chittagong on May 30 1981.

TROOPS FROM BANDARBAN. Major Fazlul Haque brought 2X Platoons 1E. Bengal. with 2X Junior Commissioned Officers namely Subedar M.A. Zafar Chowdhury and Naib Subedar Solaiman Major Khaled briefed the officers and Junior Commissioned Officers of 1 East Bengal Regiment about

the impending operation at Circuit House where President was staying for night but the response from them were not encouraging Lieutenant Matiur was left behind with his troops and Major Khaled told him to collect all the vehicles including the civil car of Lieutenant Colonel Mehboobur Rahman and park them on the other side (Bandarban) of the bridge

PREPARATION AND BRIEFING. The magazines of Sub-Machine Guns were filled rockets and grenades were fitted in the hand launcher and Grenade Firing Rifles by the officers. Lieutenant Colonel Motiur Rahman called all officers present at Kalurghat inside one pickup because of space a few kept standing outside. He briefed them about the details of the plan of President's assassination with a sketch of Circuit House He conducted oath to all officers with the Holy Quran and put them into three groups. Each group was further briefed by him separately. The first group was selected from the volunteers who were to be for the first floor of the Circuit House where the President was staying Grouping and tasks distributed to each were as under.

(1) FIRST GROUP
(a) PERSONS
(i) Lieutenant Colonel Mehboobur Rahman
(ii) Lieutenant Colonel Fazle Hussain
(iii) Major S M Khaled
(iv) Captain Jamil Haq
(v) Captain Md Abdus Sattar
(vi) Lieutenant Rafiqul Hassan Khan
(b) TASKS
(i) Once the pick up will cross the main gate of the Circuit House Lieutenant Colonel Fazle Hussain will fire Hand Launcher at the main door of the ground floor
(ii) Simultaneously Lieutenant Rafique and Captain Sattar will fire grenades from Grenade Firing Rifles towards the Circuit House and Captain Jamil will spray the area with 7.62 mm Light Machine Guns fire.
(iii) On reaching the portico they will rush to the first floor with Sub Machine Guns and go for the room each one assigned to.
(c) DISTRIBUTION OF THE ROOMS
(i) Room No. 7—Captain Jamil Haque
(ii) Room No 8—Lieutenant Rafiqul Hassan Khan
(iii) Room No 9—Lieutenant Colonel Fazle Hussain and Captain Abdus Sattar.
(d) TRANSPORT 1 X Pick up to be driven by Lieutenant Colonel Mehboob.
(e) COMMAND Lieutenant Colonel Fazle Hussain
(2) SECOND GROUP
(a) PERSONS
(i) Lieutenant Colonel Motiur Rahman
(ii) Major Mominul Haque
(iii) Major Mozaffar Hussain
(iv) Captain Salahuddin Ahmed
(v) Captain Md Ilyas
(vi) Lieutenant Mosleh Uddin
(b) TASKS. To stop outside interference while first party went for the President.
(c) TRANSPORT 1 x Pick up to be driven by Lieutenant Colonel Motiur Rahman.
(d) Command Major Mominul Haque
(3) THIRD GROUP
(a) PERSONS
(i) Major Gias Uddin
(ii) Major Fazlul Haque
(iii) Captain Ghyas Uddin Ahmed
(iv) Captain Syed Md Munir
(b) TASKS. To act as cut off party near Almas Cinema Hall behind the Circuit House and shoot if any one wanted to escape from the Circuit House.
(c) TRANSPORT 1 X Jeep
(d) COMMAND Major Gias Uddin.

APPROACH TO CIRCUIT House The mutineers once briefed by Lieutenant Colonel Motiur Rahman left Kalurghat at about 3.30 a.m. on 30 May 81 when it was raining heavily. The order of march was as per the groupings discussed earlier Keeping the Chittagong club to the left first 2 Pickup went straight to the Dewanhat over bridge round about and took left turn. Again these two pickups turned left and came straight in to the Circuit House through the C&B Road The third group in the jeep stayed back near the Almas Cinema Hall.

SECURITY OF THE CIRCUIT HOUSE. On that fateful night the following policemen were posted for the security of the President as stated by Mr Zaman Commissioner of Metropolitan Police Chittagong Further it is revealed by Inspector Bazlur Rashid Officer in Charge of the House guard that Lieutenant Colonel Mahfuzur Rahman Personal Staff to the President had ordered to remove two constables meant for guarding the President's suite on night 29/30 May 81.

It will be seen out of required 127 uniformed Policemen and 30 plain clothed Special personnel only 45 informed and 12 plain clothed Special Branch Branch personnel were posted for the security

(1) Uniformed Police Personnel Required actually Posted

Nature of Duty	Number of Persons to be Posted	Actual Number Posted	Remarks
House Guard	34	8	2 constables were withdrawn on the order of Personnel Staff to the President
Inner Cordon	30	14	
Outer Cordon	36	17	
Main Gate	12	4	
Outer Gate	8	Nil	
Water Tank	4	1	
Supervision	3	1	
Grand Total	127	45	

(2) Plain Clothed Police Special Branch Personnel Required Actually Posted

Isolation Cordon	3	1
Inner Cordon	12	4
Outer Cordon	15	4
Supervision of Inner and Ouster Cordon	8	1
Main Gate	6	2
Grand Total	39	12

of the President. It may be mentioned here that the responsibility for security of the person of the President while staying in civil area lies with the civil Police According to the rules for the protection of the person of the President of Bangladesh as laid down by the Ministry of Home Affairs this responsibility lies with the Government in the Ministry of Home Affairs which it will exercise through the Inspector General of Police. The Rules again state that when the President is within the Cantonment this responsibility entirely rests with the Army authorities. Police will continue to exercise full responsibility outside the Cantonment areas and defence installations This Rules further state that the military Sentry at the President's residence will be in addtion to the inner cordon of affect or reduce the responsi- of military guard does not affect or . eta shr ta shrmfw bility of the police for the protection of the President.

The Assault. Meanwhile the two pickups commanded by the rebels entered the Circuit House unopposed and unchallenged. Everything went as per plan of the mutineers. Lieutenant Colonel Fazle Hussain fired his Hand Launcher followed by the grenades of the Grenade Firing Rifles and simultaneous firing from Light Machine Guns|Sub Machine Guns . Occupants of the first pickup rushed to the first floor . They fired indiscriminately towards the door of each room. Lieutenant Colonel Fazle Hussain was hit by a bullet. Just after he got down from the vehicle and could not reach the stairs. Captain Jamil was also hit when he was midway between the ground and the Ist floor. Both of them presumably hit by the fire from their own comrades who got down from the second vehicle. However Captain Jamil reached the upstairs even with his wounds. Out of the six officers tasked for the first floor only Leiutenant Colonel Mehboob stayed at the ground floor. On the other hand following officers who were responsible for the ground floor went upstairs and joined the first group.

(1) Lieutenant Colonel Motiur Rahman
(2) Major Khaled
(3) Major Muzaffar
(4) Captain Salahuddin
(5) Lieutenant Mosleh Uddin

The officers went banging|kicking each door of the first floor Captain Sattar found Dr. Amina Rahman in room No —8. In the meantime Lieutenant Colonel Ahsan and Captain Hafiz came out of their rooms and were shot by the rebel officers. No. 3940075 Naik Rafique Uddin East Bengal the body. guard of the President was wounded near the door of room number 2 where he was staying with wireless operator and could not come out. This fire was from the Sub-Machine Guns of Captain Jamil according to the statement of the officer himself.

The Assassination of the President. Lieutenant Colonel Motiur Rahman started looking for the President. He knew that President was staying in room number—4. It had two doors one near the stairs going upwards which was bolted from inside and the other opening towards the southern verandah was locked from outside . Lieutenant Colonel Motiur Rahman and Captain Sattar started kicking the locked door. At that moment the President came out opening the door near the stair side. He was stated to be calm and cool without any sign of alarm on his face. Some one shouted "President is coming out". Every one rushed and fired at the President whose last words were "তোমরা কি চাও ?' Be-

[passage in Bengali]

fore he couldhear any reply he fell down to the floor near the stairs with his chest littered with the bursts of Sub-machine Guns from pointblank range. Even after this his face was turned upwards by Lieutenant Colonel Motiur Rahman who by that time went completely berserk and hysterically fired and emptied a complete magazine on him. Immediately after this Lieutenant Colonel Motiur Rahman gave the call to withdraw

WITHDRAWAL. The withdrawal took place hurriedly the wounded officers were put into the first pickup which was then driven by Lieutenant Colonel Motiur Rahman. The pickup entered Cantonment via Bayazid lines and came to Headquarters 65 Infantry Brigade at about 4-30 AM on 30 May 81 Lieutenant Colonel Fazle Hussain and Captain Jamil were taken into the private car of Lieutenant Colonel Dilawar who drove them to Combined Military Hospital. Lieutenant Colonel Dilawar went to General Officer Commanding's house from Combined Military hospital and informed him about the casualties. The second pickup driven by Lieutenant Colonel Mehboob went to Agrabad Radio Station at about 4-45 AM along with Major Khaled, Captain Sattar and Lieutenant Rafique. They disarmed the police sentries and took control of the Radio Station. The third party under Major Gias went straight to Bandarban from Almas Cinema Hall once both the pickups left Circuit House. They dropped Major Fazlul Haq and Captain Ghyas at Bandarban and returned to Chittagong in civies with the civil car of Lieutenant Colonel Mehboob.

GRIEF STRICKEN CIRUIT HOUSE. When the firing at the Circuit House was going on, captain Mazhar ADC to the President tried to contact the President through telephone but could not get any response from the other side. He contacted Lieutenant Colonel Mahfuz over the telephone who asked him to contact the President through the telephone. In the meantime the ADC of the Naval Chief also rang up Captain Mazhar from the city and enquired about the firing. He tried to contact Headquarters 24 Infantry Division and could not find any-body from the Headquarter but found Major Mujib of Field Intelligence Unit on telephone to whom he requested for immediate help. Lieutenant Colonel Mahfuz also received telephone calls from Mr. Saifuddin, Divisional Commissioner and Mr. Zaman Metropolitan Police Commissioner both of whom asked about the firing incident When firing subsided a bit Captain Mazhar heard the moaning sound of Naik Rafique the bodyguard of the President. He crawled to room number-2 (Naik Rafique) and found him profusely bleeding from bullet wounds. Captain Mazhar picked his (Naik Rafiuque's) Sub Machine Gun and crawled back to his room. In the meantime Lieutenant Colonel Mahtabul Islam, of Army Medical corps, personal Physician to the President came out of his room.

By that time firing had completely stopped. He went to Naik Rafique with first aid box and gave him first aid. The time then was about 5 AM 30 May 81. Lieutenant Colonel Mahfuz came out of his room wearing a lungi and a shirt. By this time Mrs. Amina Rahman also came out from her room but the door of Dr. Badruddoza Chowdhury and Mr. Mohibul Hassan was closed. Lieutenant Colonel Mahtab arranged evacuation of six army/police injured persons to the civil hospital. Captain Mazhar talked to Military Secretary to the President at about 5-30 AM over telephone and informed him about the President's killing. Subsequently following persons visited the Circuit House:-

(1) Rear Admiral M A Khan Chief of the Naval Staff
(2) Mr. Saifuddin, Divisional Commissioner
(3) Mr. Ziauddin, District Commissioner Chittagong
(4) Mr. Zaman, Metropolitan Police Commissioner.

Lieutenant Colonel Mahfuz contacted Army Headquarters over wireless and talked to Director of Military Operations and his staff and asked for a helicopter to be flown with Chief of Army Staff, Military Secretary to the President and Home Minister so that the President's body could be taken out. Mr. Badruddoza, Mr. Mahibul Hassan and Mrs. Amina Rahman left with a car for some unknown destination. Mr. Saifuddin the Divisional Commissioner, Chittagong took along with him Lieutenant Colonel Mahfuz, Lieutenant Colonel Mahtab, Captain Mazhar and wireless operator to his house.

CASUALTIES. From list provided by the police it was seen that only three police guards received bullet injuries out of 16 injured persons of which one died. The remaining ones were injured due to splinters, a rasion, friction and crawling. The army casualties were:

(1) Lieutenant Colonel A F M Moinul Ahsan, Security Officer to the President—dead
(2) BS 34090 Captain Ashraful Haiz Khan, President Guard Regiment—dead
(3) Number 3940877 Naik Abu Taher, President Guard Regiment-dead
(4) Number 3955714 Sepoy Md Abul Quashem, President Guard Regiment—dead
(5) Number 3970357 Sepoy Abdur Rouf, President Guard Regiment—dead
(6) Number 3985993 Sepoy Shah Alam, President Guard Regiment—dead
(7) Number 3955843 Sepoy Mine Uddin, President Guard Regiment—wounded
(8) Number 3958072 Sepoy Abdul Hai Sardar, President Guard Regiment—wounded
(9) Number 3940075 Naik Rafique Uddin 8 East Bengal Regiment, Bodyguard to the President—Wounded
(10) Number 2520 Constable Dulal Miah, Chittagong Metropolitan Police dead

Post-Mutiny Activities

Dacca THE BANGLADESH OBSERVER in English 8 Aug 81 pp 1, 8

[Text]

The fourth instalment of the White Paper on Chittagong mutiny and the killing of President Ziaur Rahman issued on Friday stated the post mutiny activities in Chittagong by the General Officer Commanding of the 24 Infantry Division

The White Paper said that after being briefed by Lt Col Delwar regarding the details of action at Circuit House the leader of the mutiny General Manzur went to 8 East Bengal Regiment in civil clothes and ordered Major Dost Mohammed Sikder Second-in-Command of the 8 East Bengal Regiment to send troops of platoon strength to military police gates and signals centre. From there he came to his office and ordered all available divisional staff officers Brigade Commanders Commandant East Bengal Regimental Centre Commandant Bangladesh Military Academy and Artillery Centre all divisional troops commanding officers to come to office immediately.

General Officer Commanding addressed the officers and told them that the President had been killed by some young officers and he was with them the White Paper stated. He emphasized that the country was not administered properly and a revolutionary council is to take adequate measures to correct it. He then asked every one present to touch the holy Quran which was kept in his office to take an oath of allegiance and pleading support to him and the revolutionary council. Every one present had touched the holy Quran.

The White Paper stated that from 8 a.m. on May 30, 1981 he gave similar briefing to civil and military officials. However neither Navy nor Bangladesh Airforce gave any encouraging support at any time to the rebel cause. The White Paper said that General Manzur then addressed series of meetings with the civil and military officers and also troops. The troops did not respond spontaneously to his call

The White Paper stated that by early afternoon of May 31 the rebel leader Major General Manzur and his cohort could read the writings of the wall very clearly. At 6 p.m. on May 31 General Officer Commanding called a conference attended by senior officers in the garrison including the brigade/battalion commanders and his staff officers. General Officer Commanding asked their views whether to start negotiations or not. With the exception of Lt. Col. Motiur Rahman and Lt. Col. Delwar

every one suggested that negotiations was the only peaceful answer.

Brigadier Hannan was nominated by GOC to start negotiation with Dacca at around 6 30 p.m Brigadier Hannan started the negotiations with Army Headquarters with a dictated sentence by General Manzur "I feel there is a scope for negotiation. You have to send two negotiators to Chittagong and announce it over radio and also Radio Bangladesh should stop anti-revolutionary broadcast".

The White Paper said the negotiations over telephone continued up to around 1.30 a.m. on June 1, 1981. Ultimately the rebel leader could feel that Dacca was firm not to accept his conditions and he fled away like a coward General.

The following is the third instalment of the chapter II (two) of the White Paper on the assassination of President Ziaur Rahman.

(Post Mutiny Activities:)

General Officer Commanding's quick reaction:

After evacuating Lieutenant Colonel Fazle Hussain and Captain Jamil to Combined Military Hospital, Lieutenant Colonel Dilawar went to Major General Manzur's house and in all probability briefed him regarding the details of action at the Circuit House. The leader of the mutiny then personally drove his staff car in civil cloth, went to the office of 6 East Bengal Regiment where he found Second-in-Command of 6 East Bengal Regiment Major Dost Mohammad Sikder and ordered him to send troops of platoon strength to the military police gates and signals centre. He ordered 2 companies of 6 East Bengal Regiment to move to Shuvapur Bridge for taking up defence against possible attack of the loyal forces from Comilla.

On further instructions from Lieutenant Colonel Motiur Rahman Major Salam, Brigade Major 203 Infantry Brigade and Captain Ilayas Lieutenant Moslehuddin of 6 East Bengal Regiment along with the troops of 6 East Bengal Regiment left for Shuvapur at around 9—30 a.m. on 30 May 81 and took position near Shuvapur Bridge and new bridge on Feni River.

Oath Taking Ceremony. General Officer Commanding went to his office from 6 East Bengal Regiment and ordered all available Divisional Staff Officers, Brigade Commanders, Commandant East Bengal Regimental Centre, Commandant Bangladesh Military Academy and Artillery Centre all available Divisional Troops Commanding Officers to come to office immediately. General Officer Commanding addressed officers and told them that the President had been killed by some young officers and he was with them. He emphasized that the country was not administered properly and a Revolutionary Council is to take adequate measures to correct it. He then asked every one present to touch a holy Quran which was kept in his office to take an oath of allegiance and pleading support to him and the Revolutionary Council. Every one present had touched the Holy Quran. From 8 A.M. on 30 May 81 Commissioner, Deputy Commisioner Metropolitan Police Commissioner Chittagong Sector Commander Bangladesh Rifles, Deputy Inspector General of Police Chittagong Range, Commanding Officer 38 Light Anti Aircraft Regiment Artillery Base Commander Bangladesh Airforce and his staff Officer (Operations) General Staff Officer—2 (Operations) arrived at the Divisional Headquarters met General Officer Commanding and similar briefing and oath-taking was repeated. However neither Navy nor Bangladesh Airforce gave any encouraging support at any time to the rebel cause.

Atmosphere in the Division Headquarters: Atmosphere in the Division Headquarters after General Officer Commanding's briefing was one of euphoria. Whispered consultation were going on in full swing between the officers. Most active were Lieutenant Colonel Mahboob, Lieutenant Colonel Motiur Rahman and Lieutenant Colonel Dilawar. Lieutenant Colonel Dilawar was irritatingly active. He made frequent visits to the General Officer Commanding's Office and passed down the orders to Lieutenant Colonel Moti and Lieutenant Colonel Mehboob. Among others who were seen very active, were Major Khaled who made frequent visits to the Divisional Headquarters and also Major Iazdani, Major Muzaffar Major Gias and Major Momin. Brigadier Mohsin was kept in the Division Headquarters while General Manzur went out to address the troops and civil officials in the Deputy Commissioner's office. Consultation were also done by the General Officer Commanding with Colonel Rashid and Colonel Nawazesh. Throughout Saturday the spirit of the gentlemen seemed very high and were bursting with enthusiasm.

Deployment of Troops. At 11 A.M. on 30 May 81 General Officer Commanding called all Brigade Commanders, East Bengal Regimental Centre and Grade—1 Staff Officers of the Division in his office and gave deployment order as stated below:—

(1) With a mission to defend own area of responsibility against any external threat, the outline of deployment was as under:—
   (a) Deny axis Shuvapur — Sitakunda — Chittagong.
   (b) Deny beach Landing at Patenga, Faujderhat and Kumira.
   (c) Defend Chittagong Airport and Seaport.
   (d) Defend Chittagong Cantonment.

(2) (a) 303 Infantry Brigade group was given the task to defend axis Shuvapur — Sitakunda — Chittagong and deny beach landing at Kumira.
   (b) 65 Infantry Brigade group was given the task of Defending Chittagong.
   (c) 69 Infantry Brigade group was to defend Chittagong Airport, Seaport and area Kalurghat including Radio Transmission Station.

Arrival of Lieutenant Colonel Mahfuz. Lieutenant Colonel Mahfuz: Lieutenant Colonel Mahtab and Captain Mazher had already left the Circuit House and were staying with the Divisional Commissioner in his house. Arrangements were made to collect them along with other personnel of President's Guard Regiment and the above named three officers were brought to Division Headquarters by Major Iazdani around 11—30 A.M. on 30 May 81 and kept in 69 Infantry Brigade Mess.

BURIAL OF PRESIDENT. At around 9.30 a.m. on 30 May 81, Major Muzaffar Major Shaukat Alley and Major Reza alongwith some troops left the Division Headquarters for Circuit House. Major Reza brought few members of the guard Regiment to the Cantonment at 12 a.m. on 30 May 81. Major

Muzaffar alongwith Major Shaukat Alley took the bodies of the Hon'ble President, Lieutenant Colonel Ahsan and Captain Hafiz, wrapping them most unceremoniously in bed sheets and took them to a village named Pathargata under Rangunia (in Kaptai Road) Police Station. There with the help of a village Moulana they perfunctorily buried the three bodies in a 8' x 4' waist deep shallow grave.

GENERAL OFFICER COMMANDING'S ADDRESS TO TROOPS. At 12 a.m. on 30 May 81 General Officer Commanding addressed 24 East Bengal Regiment. On 31 May 81, from morning hours it was perhaps becoming apparent that troops were not as enthusiastic to the cause of the mutiny as was expected and General Officer Commandong decided to pay personnel visits to all units. From 8-30 a.m. on 31 May to 2 p.m. on 31 May 81 General Officer Commanding visited 11 and 28 East Bengal Regiment, Artillery Centre East Bengal Regimental Centre 35 Supply and Transport Battalion Base Supply Depot. 119 Field Workshop Company, 5 Signal Battalion 31 Field Ambulance, 18 Field Ambulance and 34 East Bengal Regiment where he addressed officers, Junior Commissioned officers and troops urging them to support him and the Revolutionary Council. Troops on hearing his urge gave a very cold shoulder murmured amongst themselves in unhappy mood and did not raise their hands as expected in support of the General Officer Commanding. After delivering lectures to Artillery Centre and School, signs of unhappiness mixed with consternation was clearly visible in the rebel leaders face.

GENERAL OFFICER COMMANDING'S ADDRESS TO CIVIL OFFICIALS. At around 11-30 a.m. on 31 May 81 General Officer Commanding addressed a cross section of civil official of Chittagong in the conference room of the Deputy Commissioner Chittaong for about 1½ hours where Commissioner, Deputy Inspector General of Police, Metropolitan Police Commissioner Superintendent of Police, Bank and Port officials and others were present

He started the meeting by ordering them not to listen the Dacca Radio and warned them that no officer, should keep their feet on two boats. He bitterly criticised the government during his address. He gave directions to Port authority not to allow any ship movement and directed that no petrol, oil and luoricant should be sent to Dacca. He directed Regional Director, Radio Bangladesh Chittagong to comply with his instructions and maintain 24 hours service. He directed that Bangladesh Bank at Chittagong should act as reserve bank and local bank officials to carry on the banking functions.

General Officer Commanding's Attempt to Mobilise Support. Major General Manzur took overt and covert means to get support from different formations Bangladesh Rifle Police Mukti Joddhays Chhatra League (Hasina) by sending courier issuing signal message and sending local emissaries. It seems that except a very feeble support sending Fuueo eta shr ta shro from Mukti Joddhays he did not get any moral support in his cause of the mutiny. In order to motivate the troops and gain public opinion he issued different bulletins at various time to Radio and Television.

Desection. Troops of24 Infantry Division were getting increasingly alarmed of the consequences of the mutiny. They started defecting some troops. By 11 A.M. troops from 6 East Bengal Regiment 26 East Bengal Regiment and 36 East Bengal Regiment crossed the Shuvapur bridge and joined loyal forces. At 11.30 a.m. troops of Field Regiment Artillery Headquarters 305 Infantry Brigade 119 Field Workshop Company 31 Field Ambulance and a Company of 28 East Bengal Regiment followed suit.

Negotiation. By early afternoon of 31 May '81 the rebel leader Major General Manzur and his cohort could read the writings on the wall very clearly. At 6 P.M. on 31 May 81 General Officer Commanding called a conference attended by senior officers in the garrison including the Brigade Battalions Commanders and his Staff Officers General Officer Commanding asked their views whether to start negotiations or not. With the exception of Lieutenant Colonel Matiur Rahman and Lieutenant Colonel Dilwar everyone suggested that negotiations was the only peaceful answer Brigadier Hannan was nominated by General Officer Commanding to start the negotiations with Dacca at around 6.30 P.M. Brigadier Hannan started the negotiation with Army Headqdarters with a dictated sentence by General Manzur "I feel there is a scope for negotiation. You have to send two negotiators to Chittagong and announce it over Radio and also Radio Bangladesh should stop anti-Revolutionary broadcast"

Final Departure. Negotiation over telephone continued up to around 1.30 A.M. on night 01 June 81. Firm land Army Headquarters asking for unconditional surrender of the mutineers convinced Major General Manzur that his terms and conditions could not be made acceptable to the Army Headquarters. It may be mentioned here that on previous occasions Army Headquarters had met most of his replies for men and material since he was entrusted with a great responsibility of counter Insurgency Operations at the Chittagong Hill Tracts. Further it is a common practice that normally a General Officer Commanding may request men to some extent of his choosing and material as per requirements for performing a specific challenging task from higher Headquarters for successful conduct of such task Operations assigned to him. But unfortunately Major General Manzur utilised all resources placed under his command to further his nefarious design. And that the rebel General was having sinister design at the back of his mind were subsequently detected and duly reported by Chief of Army Staff and various Intelligence agencies to the late Honourable President time and again. At around 2 A.M. on 01 June '81 he left the Divisional Headquarters saying that he was going home leaving behind every one in his office and did never come back. At one stage during the mutiny General Officer Commanding 24 Infantry Division remarked to his officers that if the mutiny failed he would die in his chair. Ironically before even 48 hours could lapse the remarks was proved to be farcally unture as he fled so ignominiously from his office never to return. If these events receive cognizance in the history of our nation this particular remark will stand out as being the over confident claim of a vaultingly ambitious and cowardly General.

Fate of Manzur

Dacca THE BANGLADESH OBSERVER in English 9 Aug 81 pp 1, 12

[Text]

The fifth instalment of the White Paper on Chittagong mutiny and the killing of President Ziaur Rahman issued on Saturday dealt with fleeing of the mutiny leader Major General M.A. Manzur along with his family and other accomplices. This part of the White Paper also dealt with the arrest of General Manzur and his killing by some agitated troops.

The White Paper said that General Manzur fled from the Cantonment at around 2 a.m on June 1, 1981 in a jeep presumably to take shelter at Chittagong Hill Tractor across There were four persons in the jeep—the mutiny leader Major Gen. Manzur Major Reza Major Muzaffar and the driver of the jeep. The jeep stopped near Chittagong University where after half an hour the family of Major General Manzur and Lt. Col. Delwar joined him.

Along with other officers two jeeps and one pick up proceeded towards north of Chittagong Cantonment. As they drove along the first jeep soon outdistanced the other vehicles and was not within sight of each other. Early in the morning of June 1 the passengers of the rear jeeps heard the sounds of firing in front. These were sounds of firing the White Paper said when the mutineers of the first jeep were confronted by the troops of 12 Engineer Battalion led by an officer who were on their way to safety and surrender. In the exchange of fires encounter Lt. Col. Motiur Rahman and Lt. Col. Mahboob from the mutineers were killed and one Naib Subedar Shamsul Alam of 12 Engineer Battalion was also killed

After this incident Major General Manzur along with others drove back towards Chittagong and after some time he made halt. Here Major General Manzur begged forgiveness from wounded Lt. Col. Fazle Hussain by saying that it was all his fault and no one else to be blamed for it. There after Major General Manzur and his family and children and wife of Col. Delwar, Major Gias and Major Reza started walking across the countryside leaving the other mutineers to their fate After walking a considerable distance with the help of local guides tired and worn out finally the General along with his party took shelter in the house of a tea garden employee at the Kulipara of Ashia Tea Garden. He reached there at about 2.30 p.m. There he sent a local man to bring some food and food was arranged. At about 4 p.m. when Major General Manzur and Major Gias were having food they found themselves encircled by police and immediately went into hiding. But ultimately he surrendered and was brought to Hathazari Police Station. From there they were handed over to the Escort Officer who went from Chittagong Cantonment. But there were thousands of agitated people in and around the police station and in three jeeps Major General Manzur his family and other officers escorted by police jeep were brought to Chittagong Cantonment. The police left the convoy when the jeep of Major General Manzur entered the Cantonment through No 2 military gate. The pick up carrying the family went straight to the Flag House and jeep carrying Major Reza went straight to the Regimental Centre.

The White Paper said that when the jeep carrying Major General Manzur entered the Cantonment the Escort Officer found troops with arms who were moving around This made him cautious and as the vehicle neared the VIP house he found more troops. This compelled him to turn the vehicle and move towards the Artillery Unit Lines and entered the VIP house from East Bengal Regimental Centre Officers Mess gate via Canteen Store Department shop. As soon as the jeep reached near the tri-junction a group of about 20 to 30 armed troops stopped the vehicle and asked the officer to allow them to search the vehicle. Before he could say anything they opened the back door of the jeep where General Manzur was sitting. They started shouting "Khunikey Payeachhi" and dragged him out of the vehicle. In the meantime the Escort Officer got down from the vehicle and pleaded that due justice would be done by the competent authority and they should not do any harm to the General on the spur of the moment But it was in vain. The Escort Officer left the place in fear and reported it to the command-in-charge. But after coming they found his body lying in a drain on chest. His body was removed to the Combined Military Hospital where the doctors declared him dead.

COLLAPSE OF THE MUTINY AND DEATH ....

OF THE REBEL LEADER LEAVING THE HEADQUARTERS : It was apparent from the statements of many witnesses that on the night 31 May at Headquarters 24 Infantry Division the mutineers got very desperate as their strength started weakening with the news of surrender of large number of forces and as Brigadier Hannan Shah was negotiating and Army Headquarters turning down the terms and conditions of the mutineers. It was probably about 1.30 a.m. on 01 June 81 when General Officer Commanding Major General Manzur after talking to Chief of General Staff and sitting in his office decided to leave the cantonment with his family presumably to take shelter at Chittagong Hill Tract or across. As such he left the Division Headquarters saying that he would be back from his residence. However he took along Major Muzaffar and Major Reza his personal security officer. At the residence Major Reza kept sitting in side the jeep. Major General Manzur and Major Muzaffar went in side the residence. What transpired in side the house is not known but apparently it is understood that Major General Manzur probably talked to his wife to get prepared for leaving the Cantonment with the children and probably gave her an RV where they would be meeting. After 30/40 minutes i.e probably ar-

ound 2 a.m. on 1 June 81 Major Muzaffar and Major General Manzur got out of the house and embarked the jeep waiting outside. The General Officer Commanding's flag was removed from the jeep. There were four persons in the jeep; driver of the jeep Major General Manzur Major Muzaffar and Major Reza. The jeep got out of the Cantonment with full speed and followed the road leading to Hathazari. Near the Chittagong University the jeep stopped and Major General Manzur told the driver to park the jeep in a camouflaged area. They all disembarked from the jeep. When Major Reza asked Major Muzaffar why they had stopped Major Muzaffar replied that the General Officer Commanding's family would be coming After about half an hour they saw two vehicles crossing them one jeep and then the General Officer Commanding's staff car. All of them then got into the jeep and the jeep followed and caught up with the staff car. Inside the staff car were General Officer Commanding's wife with children and Lieutenant Colonel Dilwar's wife with children. After going a long distance they all stopped. A pickup also joined them. In the pick up were Lieutenant Colonel Fazle Hussain and Captain Jamil who were wounded and the vehicle was driven by Major Khaled. In the meantime few more officers joined them in other jeep. Those who gathered there were General Officer Commanding and his family Lieutenant Colonel Mehboob Lieutenant Colonel Motiur Rahman Major Gias Major Izadani Major Muzaffar Major Reza Lieutenant Colonel Fazle Hussain Captain Munir Captain Jamil and Lieutenant Colonel Dilwar's family From there General Officer Commanding told the staff car driver to go back with the car to the Cantonment alongwith the General Officer Commanding's jeep driver. Other vehicles were then marched as follows :—

(1) 1st Jeep (a) Lieutenant Colonel Moti (Driving) (b) Lieutenant Colonel Mahboob (Co-driver's seat) (c) Major Muzaffar (d) Captain Munir.

(2) 2nd Jeep (a) Major General Manzur (co-driver's seat) (b) Major Gias (Driving) (c) Major Reza (d) Major General Manzur's children.

(3) 3rd Jeep (a) Major Izadani (Driving) (b) Major General Manzur's wife (c) Lieutenant Colonel Dilawar's family (wife and children).

(4) Pick up (a) Major Khaled (Driving) (b) Lieutenant Colonel Fazle Hussain (wounded) (c) Captain Jamil (wounded)

The Encounter. As they drove along, the first jeep soon outdistanced the other vehicles and were not within sight of each other. Early in the morning of 01 June 81 the passengers of the second jeep heard sounds of firing in front. Those were the sounds of firing when the mutineers of the first jeep were confronted by the troops of 12 Engineer Battalion led by an officer who were on their way to safety and surrender. In the exchange of fires encounter which followed Lieutenant Colonel Motiur Rahman and Lieutenant Colonel Mahboob from the mutineers were killed and one Naib Subedar BJO—4744 Shamsul Alam of 12 Engineers Battalion was also killed. On hearing the sounds of firing Major General Manzur stopped his vehicle and asked everyone to get down. Meanwhile the remaining two vehicles from behind joined them. They decided to turn back towards Chittagong but finding Major Manzur's jeep out of order the passengers Major General Manzur and his children transferred themselves to third jeep driven by Major Izadani Major Gias and Major Reza embarked the pick up which Major Khaled was driving.

The Cross-Country March. After journeying some distance towards Chittagong Major General Manzur made a halt. Here Major General Manzur begged forgiveness from wounded Lieutenant Colonel Fazle Hussain by saying that it was all his fault and no one else to be blamed for it. Thereafter Major General Manzur his family and children Lieutenant Colonel Dilwar's wife and children Major Gias and Major Reza started walking across the country side leaving the other mutineers to their fate Major Izadani and Major Khaled along with remaining mutineers kept on driving their vehicles towards Chittagong. After walking a considerable distance with the help of local guides and taking rest at intervals from place to place the party of Major General Manzur tired and worn out finally reached the Kulipara of Ashia Tea Garden and took refuge in the house of a tea garden employee at about 2.30 p.m. Here he sent a local to fetch some eatables for the family and the children. The local returned soon from the bazar and reported that he found an Army vehicle in the bazar in which two Army personnels were arrested with their eyes and hands tied.

The Surrender. Meanwhile food was arranged for the family and children. At about 4 p.m. when Major General Manzur and Major Gias were having food they found themselves encircled by the police party of Hathazari Police Station. Major General Manzur and the other two officers immediately went into hiding the tea garden. The police took charge of the ladies and the children and gave a call for the surrender of Major General Manzur and his two accomplices. Finding no alternative Major General Manzur and Major Reza came out of their hiding and surrendered. The Police searched for Major Gias for sometime and being unable to apprehend him finally left for the Police Station along with the party of Major General Manzur. It was about 5 p.m. when they reached the police station. As soon as the news spread that Major General Manzur had been apprehended a large number of agitated people collected around the Hathazri Police Station.

The Taking Over. At about 5.30 p.m. one officer of East Bengal Regimental Centre alongwith the escort party reached the police station to take over Major General Manzur and others from the police custody. The officer had three vehicles 2 x jeeps and 1 x pickup with him. Major General Manzur was handed over to the escort officer by the police and he was put at the back seat of the jeep while the escort officer put himself in the front seat. Major Reza was put in the other jeep and the families were placed in the pickup. The crowd grew unmanagable (several thousands as stated by the escort officer and Mr Maruf Superintendent of Police Chittagong)

The convoy finally started moving towards Chittagong Cantonment at about 8—30 P.M. on 01 June 81 with police assistance. One police truck led the convoy, followed by the jeep carrying Major Reza, the pick-up with the families, one police truck then the jeep with the escort officer and Major General Mannur followed by other police transport.

The Epilogue. During the move of the convoy, there were large number of agitated people standing besides the road as such the convoy had to move very cautiously and slowly to avoid any mishap. The convoy entered the Cantonment through number 2 Military Police Check Post where the police convoy got separated from the military convoy and left for the city. As briefed earlier by the escort officer, the pickup carrying the families went straight to the flag staff house and the jeep carrying Major Reza went straight to East Bengal Regimental Centre. When the jeep carrying Major General Mannur entered the Cantonment the escort officer found troops with arms who were moving around in small groups along the road. This made him more cautious. As the vehicle neared the VIP house the escort officer saw more troops patrolling near the VIP house and East Bengal Regimental Centre officers mess premise. This compelled him to turn the vehicle and move toward the Artillery unit lines and enter the VIP house from East Bengal Regimental Centre Officer Mess gate via Canteen Store Department Shop. As soon as the jeep reached near the tri-junction in front of the Canteen Store Department Shop a group of about 20 to 30 armed troops stopped the vehicle and asked the officer to allow them to search the vehicle. Before he could say anything, they opened the back door of the vehicle and found the General. They started shouting "Khunikay Paivachi" and dragged him out of the vehicle. In the meantime the officer got down from the vehicle and pleaded that due justice would be done by the competent authority and they should not do any harm to the General on the spur of moment. But it was in vain. The agitated troops instead of listening to the escort officer pushed him inside the vehicle and threatened him to leave the place at once otherwise they would kill him. All the troops were shouting so loudly that the escort officer's voice went unheard. Being over taken with fear the escort officer left the place at once alongwith the escorts in the jeep and went straight to East Bengal Regimental Centre to report the matter to Brigadier Aziz and Brigadier Latif who were given the responsibility to command and control the mutinous garrison. On hearing the incident both Brigadier Aziz and Brigadier Latif told the escort officer to go back immediately to the spot with another senior officer with the instructions to make an appeal to the agitated troops not to harm the General and hand him over to them. Once they reached near the Canteen Store Department shop they found some armed troops standing near the western side of the road and were looking towards something. On the arrival of the officers the troops left the place quietly. The officers got down from the vehicle and found that the General was lying in a drain on the chest. They immediately brought Major General Mannur to Combined Military Hospital where the doctors on examination declared him already dead.

It may be mentioned in passing that the late President was kept informed from time to time about the undesirable activities of Major General M. Abul Mannur. Major General Mannur was called by the late President number of times and admonished to the effect that he must refrain from such activities and mend his ways. At some stage the late President was also cautioned by the head of some concerned agency that the life of the Hon'ble President was apprehended to be under danger due to the sinister activities of Major General Mannur. "If Major General Mannur kill me, he will also be killed by the people" commented the late President Ziaur Rahman. Who then knew that the comment of the late President would turn to be so true.

Basis for Trial

Dacca THE BANGLADESH OBSERVER in English 10 Aug 81 pp 1, 8

[Text]

The Sixth Instalment of the White Paper on Chittagong munity and the killing of President Ziaur Rahman issued on Sunday dealt with the constitution of the General Court Martial and extension of defence opportunity to the accused mutineers.

The White Paper also quoted the Army Act and relevant provisions of the act for the trial of mutineers.

The White Paper said that considering the nature and gravity of the offence and the number rank and position of the offenders the Chief of Army Staff convened a General Court Martial with the following officers to try the offenders They were from different corps as provided under Army Act's Rule 31.

President of the Court Martial Major General Mohammed Abdur Rahman, PSC, Members are: Brigadier Nasrat Ali Quraishi, Col. Mohmmed Matiur Rahman B.P, Col. Maftnur Rahman Choudhury, Lt. Col. Mohammed Masud Ali Khan, Engineers, Lt. Col. M. Maqbul Haider, Signals and Lt. Col. Mohammed Haris, ASC.

The White Paper said the following persons were appointed prosecutors: Brigadier Nazirul Aziz Chishti PsC, Col. A.M.S.A Amin PSC, and Lt. Col. Abu Nayeem Amin Ahmed PSC EME The following officers have been appointed defending officers: Brigadier M. Anwar Hossain, Col. Mohammed Ain uddin PSC BP and Lt. Col. Syed Mohammed Ibrahim BP, E. Bengal.

Following is the text of the sixth instalment of White Paper:

CHAPTER III

TRIAL:

Any person subject to Bangladesh Army Act committing a military offence like mutiny or insubordination, disobedience of lawful command or desertion etc, is liable to be tried by Court Martial convened by the convening authority under the Army Act. Further, when a person not subject to Army Act commits an offence which may be military as well as civil in nature, as defined in chapter VII of Bangladesh Penal Code (i.e. abetting mutiny, seducing soldier from his duty, and harbouring deserter etc.) then, in line with the provisions of section 139 of Penal Code he is absolutely liable to be tried under Army Act.

In this case i.e. Chittagong Mutiny, the accused persons, who are all subject to Army Act have been charged under Section 31 of Army Act i.e. mutiny and insubordination, leading to death of the President and it is a military offence of the gravest nature. 'Mutiny' is such a serious offence that, it not only disrupts the Army Command and discipline but also threatens the very existence of the country as an independent and sovereign state.

The offence of Mutiny and Insubordination under Section 31 of Army Act provides :—

Any person subject to this Act who commits any of the following offences that is to say:

(1) begings, incites, causes or conspires with any other person to cause or joins in any mutiny in the military, naval or air forces of Bangladesh or any forces co-operating there with; or

(2) being present at any such mutiny, does not use his utmost endeavour to suppress the same or

(3) knowing or having reasons to believe in the existence of any such mutiny or any intention to commit such mutiny or of any such conspiracy, does not without reasonable delay give information thereof to his Commanding or other superior officers; or

(4) attempts to seduce any person in the military, naval or air force of Bangladesh from his duty or his allegiance to the Government of Bangladesh.

Shall on conviction by Court Martial be punished with death or with such less punishment as is in this Act mentioned.

Unlike civil courts of Bangladesh, the Court Martial (Military Court) are not 'standing' in nature. Therefore, at the time of need, in accordance with the nature of the offence and rank of the offender a court martial is convened by the competent authority. As per note 4 to Army Act's Rule 133 a Court Martial is a 'Criminal Court' and also a Court of Justice'. Army Act's Section 133 provides that no remedy shall lie against any decision of such Court Martial. So, for better deliberations and ensuring proper justice, a court martial is generally constituted with more than one but uneven number of members. As per provisions of Army Act and Rules these courts have inherent power to sit 'in camera' considering the security and discipline of the Army.

The Constitution of the Court

In the instant case (Chittagong Mutiny) considering the nature and gravity of the offence and the number, rank and position of the offenders the Chief of Army Staff convened a General Court Martial with the following officers to try the offenders. They were from different corps as provided under Army Act's Rule 31.

President—Major General Mohammad Abdur Rahman psc.

Members:—(1) Brigadier Nasrat Ali Quaraishi.

(2) Colonel Mohammad Mathur Rahman BP.

(3) Colonel Mufizur Rahman Chowdhury.

(4) Lieutenant Colonel Mohammad Masud Ali Khan Engineers.

(5) Lieutenant Colonel M. Maobul Haider, Signals.

(6) Lieutenant Colonel Mohammad Haris, ASC.

THE PROSECUTION AND DEFENCE.

In accordance with the provisions of chapter VII of Evidence Act, in every Court Martial like Criminal Courts, the onus of proving the case lies with the prosecution with the help of all the concerned available witnesses and exhibits. But the provisions of Army Act's Rule 64 makes it mandatory for the prosecution to assist the court in the administration of Justice, to bring the whole of the transaction before the court and not to take any unfair advantage of, or to suppress any evidence in favour of the accused. Therefore, with this end in view the convening authority detailed the following senior officers of different ranks and corps to Act as prosecutors:—

(1) Brigadier Nazirul Aziz Chisti psc.

(2) Colonel AMSA Amin, psc.

(3) Lieutenant Colonel Abu Nayeem Amin Ahmed psc. EME.

Army Act's Rule 23 provides that when an accused is remanded for trial by a Court Martial, he should be provided with summary or abstract of evidence at least 24 hours before he is brought up for trial. Thereafter, he is given proper opportunity to prepare his defence.

Army Act's Rule 18 provides that at the trial accused may be represented either by counsel or by an officer subject to Army Act called 'Defending Officer of his choice. But in pursuance of the power conferred upon by Army Act's Rule 82 the covening authority may disallow the employment of Counsel to the Defence and Prosecution on the grounds of military exigencies and necessities of discipline. Choice in selecting 'Defending Officer' may also be kept suspended on the same ground under Army Act Rule 26.

In this case opportunities were extended to the accused persons for their defence. Defending officers were provided according to availability and the choice of the accused persons. The defending officers were senior officers and have versatalities in experience commensurating with their ranks and have earned a good reputation in the Army as defending officers. They are conversant with civil and military laws and have sufficient experience in handling such cases. They were:—

(1) Brigadier M. Anwar Hossain.

(2) Colonel Muhammad Ainuddin psc BP.

(3) Lieutenant Colonel Syed Muhammad Ibrahim, BP, E. Bengal.

In addition to this indirect counselling by some civilian lawyers to the defending officers were also allowed as per provisions of Military Law and a good number of lawyers offered their counsels in the case in favour and defence of the accused mutineers.

Prosecutor's Address

Dacca THE BANGLADESH OBSERVER in English 11 Aug 81 pp 1, 8

[Text]

The Chief Prosecutor in his opening address to the General Court Martial charged the wrongdoers who staged a mutiny in Chittagong on May 29 and 30 last with violation of law discipline of the Army and oath of obedience. In staging the mutiny the Chief Prosecutor accused, the wrongdoers committed heinous crimes including killing of President Ziaur Rahman and some others who included officers and soldiers of Bangladesh Army.

The address of the Chief Prosecutor published in the second instalment of the Chapter three of the White Paper contained summary of facts relating to the offences committed by the accused persons who staged the mutiny and killed President Ziaur Rahman.

The Chief Prosecutor said that Major General M. A. Manzur plotted to eliminate the late President by any means and put the country under the feet of a government headed by him under the cover of Martial Law and administered by a so-called "revolutionary council". Major General Manzur, the Chief Prosecutor said was a man of sky-high political ambition and was extremely jealous and intolerant of others and suffered from an inherent complex that he was superior to the rest in the Armed Forces as well as in the country.

The Chief Prosecutor said that it had now been surfaced that Major General Manzur was even cruelly critical of Late President and used to pass very unkind remarks and observations about him. The Major General, the Prosecutor said, had diverted more attention and energy towards his political plan to stage the mutiny instead of effectively meeting the insurgency activities in Chittagong Hill Tracts. After the joining of Major General Manzur to 24 Infantry Division as GOC on November 24, 1977, the Chief Prosecutor said, the forces of the Division were augmented and additional battalions and brigades were raised for effectively meeting the insurgency activities in Chittagong Hill Tracts. But, the Chief Prosecutor added, Major Gen. Manzur used to take personal pride in it as if the forces were his personal forces to be used for fulfilment of his political ambition and aggrandisement. Major General Manzur's catch-words were that the country should be ruled by him and the freedom fighters of his choice along with him for a better rule, the Chief Prosecutor said

He said that Major General Manzur used to create occasions to address the officers and soldiers under his command for delivery of political speech. Being an Army officer Major General Manzur used to indulge in group meetings and discussions on political affairs of the country with the observation that nothing is going right in the country and as such it was his duty along with others to take steps for setting things right, the Chief Prosecutor said.

The Chief Prosecutor said that Major General Manzur and his men became busy and active to hatch conspiracy and because of this indifference the casualty figures in the Chittagong Hill Tracts rose by late 1980. To black out his mischievous activities the Detachment Commander of Directorate General of Forces Intelligence Lt. Col. Lais was barred by Major General Manzur from entering into Chittagong Cantonment the Chief Prosecutor said. At the same time he added the Divisional Field Intelligence Unit was fully tasked to assist Major General Manzur in his heinous plan.

The following is the Second Instalment of Chapter III of the White Paper on the Chittagong Mutiny and assassination of President Ziaur Rahman, containing the opening address of the Chief Prosecutor of the General Court Martial.

"Note : The opening address by the Chet Prosecutor has got many a repetitions of the report as given earlier. However this opening address has not been curtailed so as to ensure the publication of the 'prima facie' case as presented by the prosecution to the Court.

"Chapter III (Continuation)
Opening address by the chief prosecutor :

"The Hon'ble Court

"I most humbly beg your kind leave to make my opening address in this Court room wherein we have assembled for the administration of justice and upholding without any compromise the discipline and dignity of the Army of Bangladesh and punishment of the wrong doers who have violated the provisions of law discipline of the Army and who are a disgrace to the honourable profession of arms. Among the wrong doers are the accused who not only made mockery of the soldiers' oath of obedience to discipline to provisions of law and military authority but also defied and violated the same in conspiring causing and staging a mutiny at Chittagong on the night between 29th and 30th May 1981 . While causing and staging the mutiny the accused not only committed the offences of mutiny but also committed heinous crimes including killing of Janab Ziaur Rahman late lamented President of the People's Republic of Bangladesh and some others who included officers and soldiers of Bangladesh Army.

"Before submitting a summary of facts relating to the offences committed by the accused persons I would like to give a short background of the tragic and shocking occurrence which had taken place at Chittagong on the night referred to herein above.

"A senior soldier being BA—103 late Major General M. A. Manzur was posted to 24 Infantry Division as GOC who assumed the command of the Division on 24th November, 1977. Prior to his above mentioned posting he was the Chief of the General Staff of the Army, wherein he enjoyed considerable powers in the reorganisation of the Army and did not like his transfer from the said seat of decision making. After his joining at Chittagong the forces of the Division were augmented and additional battalions and Brigades were raised. The raising of the forces under his command was allow

ed for effectively meeting the insurgency activities in Chittagong Hill Tracts. But said Major General M.A. Manzur used to take personal pride in it as if the forces were his personal forces to be used for fulfilment of his political ambition and aggrandisement.

"Major General M.A. Manzur was a man with sky-high political ambition. He was extremely jealous and intolerant of others and suffered from an inherent complex that he was superior to the rest in the Armed Forces as well as in the country. It has now surfaced that he was even cruelly critical of late President and used to pass very unkind remarks and observations about him.

"This aggressively ambitious person instead of fully meeting the insurgency activities in the Chittagong Hill Tracts gradually diverted more attention and energy towards his political plan which he had been harbouring in himself for a long time.

"Accordingly he plotted to eliminate the late President by any means and put the country under the feet of a Government headed by him under the cover of Martial Law and administered by a so-called "Revolutionary Council". Although the equality of all citizens have been guaranteed and practised with equal rights under the Constitution of the country, this over-ambitious politician taking the advantage of his uniform and position started indoctrinating and motivating the soldiers and officers in his contact as well as under his command. His catch words were that the country should be ruled by him and the Freedom Fighters of his choice along with him for a better rule. This end must be achieved, according to him by any means including application of force and physical elimination of late President Ziaur Rahman.

With this nefarious design and end in view he moved for the hour of strike as was done on the night between 29th and 30th May last very calculatively He augmented the force level under his command got officers of his choice posted in key appointments on the primary consideration of their blind loyalty to him and his philosophy. On different pretexts he used to flout the orders and directives of the Army Headquarters and managed to obtain virtual control of several establishments in his area which were the establishments of the Army Headquarters. While at his request and in appreciation of greater national interest special allocation of funds were made available at his disposal, he used to cash it by saying that he can do things better than the Army Headquarters. While laying the foundation stone of any of the construction of the establishments in his area or celebrating the completion of works he never used to invite any of his superiors and always while opening a new building or a barack inscribed his name on a marble plaque.

"He used to create occasions to address the officers and soldiers under his command for delivery of political speech. Being an Army Officer he used to indulge in group meetings and discussions on political affairs of the country with the observation that nothing is going right in the country and as such it was his duty setting things right To black out his such mischievous activities the Detachment Commander of Directorate General of Forces Intelligence, Lt. Col. Lais was barred by him from entering into Chittagong Cantonment.

"At the same time the Divisional Field Intelligence Unit was fully tasked to assist him in his heinous plan. With passage of time Major General Manzoor and his other accomplices became quite indifferent towards their actual duties. They became busy and active to hatch conspiracy. Because of this indifference the casualty figures in the Chittagong Hill Tracts by late 1980 rose. As for instance it may be mentioned here that Brigadier Mohsinuddin Ahmed, Commander 69 Infantry Brigade did not visit his main operational Headquarters at Bandarban for about two months. Then suddenly he visited on 28th May last his operational Headquarters to advise some elements of 1 E. Bengal to be prepared and available at Kalurghat bridge on the fateful night of 29th 30th May 1981, covertly for taking part in the mutiny.

Address Continues; Amendment

Dacca THE BANGLADESH OBSERVER in English 12 Aug 81 pp 1, 8

[Text]

The second part of the submission of the Prosecution in the Chittagong Mutiny case was issued on Tuesday which stated that Major General M.A Manzur and his accomplices conspired to stage the mutiny and kill the President for forcible capturing of power.

The Prosecution submission stated that by the end of 1980 Major General M.A. Manzur's attitude towards late President Ziaur Rahman became very apathetic and disrespectful. His conduct during the passing out parade dinner on December 20, '81 is an instance in point.

The plan for a possible mutiny and conspiracy to kill the President was prepared and conceived by Major General Manzur in collaboration with two other architects namely Late Lt. Col. Motiur Rahman and Late Lt. Col. Mahboobur Rahman nephew of Major General Manzur. Other accomplices who rendered assistance to implement the conspiracy included Lt. Col. Delwar Hossain and Major Khaled'

Following is the text of the third instalment of Chapter Three of the White Paper:—

"By the end of 1980 Major General M. A. Manzur's attitude towards late President Ziaur Rahman became very much apathetic and disrespectful. His conduct during the passing out parade dinner on 20th December 1980 is a case in point.

"The plan for a possible mutiny and conspiracy to kill the President was prepared and conceived by Major General Manzur in collaboration with two other architects, namely, late Lieutenant Colonel Motiur Rahman and late Lieutenant Colonel Mahboobur Rahman, nephew of Major General Manzur. Other accomplices of the above who rendered assistance to implement the conspiracy included Lieutenant Colonel Delawer Hossain and Major Khaled. It was planned and thought necessary by above conspirators along with others to stage the mutiny and kill the President for forcible capturing the State power. The Junior Officers JCO's and other ranks should be won over to their side by focussing the failures of the Government and the miseries and sufferings of the people to them. By exploiting the alleged corruptions in the Government among the politicians, particularly the Ministers inflation, deteriorating law and order situation, the conspirators thought of achieving their success to misguide the forces in the area and for siding with them as rebels in staging the mutiny and violently overthrowing the legally established Government headed by late President Zia.

'For the success of the conspiracy Major General Manzoor compromised Army discipline and official formalities and began to mix with the officers freely, entertained them in his house including playing cards with them for becoming closer to them. He went on addressing all ranks whenever he got an opportunity to motivate for subscribing to and supporting his political philosophy and plan.

'Towards the end of February, 1981 Lt. Col Delwar was apprised by Lt. Col Moti about two plans of mutiny. His first plan was on 19th December 1980. A passing out parade of the BMA Cadets was due on 20th December 1980. President Ziaur Rahman and other senior Armed Forces Officers were also due to attend the same. It was decided that Major General Manzoor as GOC would host a dinner on 19th December 1980 in the EBRC Officers Mess where all VIP's including the President will be invited. There all of them were then planned to be hauled up. Alternatively, if the President stayed at the Circuit House at Chittagong then two groups were to raid the Circuit House and lift him to the EBRC Parade Ground.

"The next plan was during the Exercise Ironshield amphibious landing which was planned at Cox's Bazar. It was decided that the said landing should be witnessed by late President Ziaur Rahman, Services Chiefs and other senior Officers. The plan was to lift the President and other senior Officers to East Bengal Regimental Centre Parade Ground and forcibly ask the President to accept their demands which included, among other formation of a Revolutionary Council, abrogation of the Constitution and no election for three years and no political activities during that period.

'Major General Manzur continued with his plan to motivate the Officers Junior Commissioned Officers and other Ranks and dept on addressing them on every opportunity. The last such address he delivered was on 23rd May 1981 at the Hathazari Long Range where Divisional Anti-Tank Cadre was being run. Instead of talking about their profession and performance he dwelt at length all aspects which were political and objectionable. For building up his so-called personal image as an intellectual he became the chief patron of an organisation operating under the name and style "The Trend Setters".

"This clandestine organisation is headed by a student of the Chittagong University and this organisation organised a seminar on 10th May, 1981 which was presided over by Major General Manzur and the seminar was aimed at popularising the so called political philisophy of Major General Manzur. Interestingly the President of "The Trend Setters' named Mr Ziaur Rahman as mentioned above met the rebel Major General Manzur on 29th May 1981 at about 8 P.M in his office and thereafter on 30th May 1981 this Ziaur Rahman carried a coded message connected with the mutiny to other places.

Amendment White Paper released on 08 August 1981:

"Government attention is drawn to a portion of the content of the White Paper which deals with the deployment of Police personnel for the security of the Circuit House. The columns of the appropriate headings should read as follows" "Total number of persons available for deployment" instead of "Number of persons to be posted" and "Actual number posted on shift duty" instead of "Actual number posted". The first sentence following the table should read 'It will be seen out of 127 uniformed Police men and 39 plain clothed Special Branch Personnel were posted on shift duty for the security of the President". Instead of existing sentence.

Further Report on Address

Dacca THE BANGLADESH OBSERVER in English 12 Aug 81 pp 1, 8

[Text]

The Third Instalment of Chapter III of the White Paper on Chittagong Mutiny leading to the assassination of President Ziaur Rahman containing the submission of the Chief Prosecutor issued on Wednesday stated that the disastrous decision to stage the mutiny and kill President Ziaur Rahman was taken at a meeting at the GOC's office on May 29 (Friday) after Juma prayer. The meeting was attended by Major General Manzur Lt. Col Mahboobur Rahman and Major Khaled. The Chief Prosecutor submitted that late Major General M A Manzur asked the above officers to act and added "now is the time to act". He further asked them not to deploy troops and instead asked them to engage only selected officers to go to the Circuit House and thereafter he enquired about Lt. Col. Motiur Rahman. Both Lt. Col. Mahboob and Major Khaled assured the GOC that Lt Col Motiur Rahman would be back in time.

Thereafter a meeting was held at the residence of Lt. Col. Delawar where the modalities of the mutiny was worked out among the top conspirators, namely Lt. Col. Mahboobur Rahman Lt. Col. Motiur Rahman Lt. Col. Fazle Hussain Lt. Col. Delawar Major Khaled Major Latif and Major Jazdani. It was in this meeting that the tasks to be performed during the mutiny were alloued. The meeting took place at 6 p.m.

The White Paper said that the tactical headquarters of 24 Infantry Division which was located in Rangamati was dramatically shifted to Chittagong Cantonment on May 5 along with entire staff headed by Lt. Col. Motiur Rahman for causing and successfully staging the mutiny and capture state power.

The tragic assassination of President Ziaur Rahman on staging the mutiny is one of the shocking and ugliest acts which is universally condemned and this along with the mutiny was engineered at Hestiquarters 24 Infantry Division by its aforesaid Commander and a few of his trusted accomplices, namely, Lieutenant Colonel Mahboobur Rahman, Lieutenant Colonel Motiur Rahman and Lieutenant Colonel Delawar. After hatching plot by the aforesaid architects and their other accomplices various steps and administrative actions were taken by late Major General M. Abul Manzur for preparing the stage ready to cause the munity and through the murtiny to forcibly overthrough the legally estabished Government of President Ziaur Rahman and capture State power for the fulfilment of his greed and political ambition and also of his accomplices. The troops disposition affected by General M. Abul Manzur and his accomplices as available prior to mutiny and tragic assassination of President Ziaur Rahman and others as mentioned above, clearly surfaced that the conspirators and the mutineers in a calculated way took preparations for materialisation of their dangerous design.

Although all officers and the troops of Bangladesh Army are one, but this group of politically ambitious adventurists tried to create a separate community and grouping in the Army and thereby destroy unity, discipline and brotherhood among the troops. Major General M. Abul Manzur over a period of time managed to get his trusted officers like Colonel Nawazesh, Colonel Rashid, Lieutenant Colonel Delwar and others posted at all important positions in his area and called them for loyalty to his politics in the name of protecting and promoting their interest. Such actions were contrary to the provisions of law and cause of unity and oneness in Bangladesh Army. Such propaganda was spread by the above mentioned conspirators in other places also with a view to lining them up behind the conspirators as mentioned above who staged the mutiny at Chittagong. Some of the Officers who were not posted at Chittagong were won over by the conspirators to support their conspiracy and participate in staging the mutiny such as Major Moin of School of Infantry and Tactices. Last two officers performed some assigned tasks in causing and staging the mutiny while Major Zahir worked as courier of Major General Manzur. Major Moni illegally took over the command of Rear 17 East Bengal Regiment in Chittagong Cantonment on 29,30 May 81.

The cospirators made concentration of promutiny officers in Chittagong Cantonment in connection with an examination for promotion from the rank of Captain to Major. Although the examination ended on 26th May 81 they were detained on the plea of Preventive Maintenance Cadre to be held from 27th 1981.

Evidence revealed that most of the officers who took part in the assault at the Chittagong Circuit House were drawn from among these Officers. It has also been found that who suspected not to support the mutiny or loyal to nefarious design of Major General Manzur were kept outside Chittagong Cantonment and kept away deep in the Hill Tracts engaged in Counter Insurgency operation.

A strong rumour at massive level was spread during last week of May 81 in Chittagong Cantonment that a plan has been prepared to eliminate all Freedom Fighters particularly in Chittagong by the repatriated Officers and Lieutenant Colonel Motiur Rahman claimed to have discovered the conspiracy and the blue print. They fanned this rumour and appealed to the promutineers to counter it or face liquidation. The motive and the purpose of the rumour was to instigate the Freedom Fighters to come on a platform with the mutineers & rise along with the conspirators for the fulfilment of their design. This rumour gained its optimum intensity by 25th May 81 which was followed by the tragic incident.

The posting order of Major General Manzur from Chittagong to Dacca as Commandant of Staff College was also misinterpreted and capitalised by the mutineers who exploited it by distorting the transfer order saying that this was the last blow to the interest of the Freedom Fighters and Major General Manzur was the last Freedom Fighters General Officer Commanding who according to them was removed from the command with ill motive although he was posted out after completion of normal tenure in command. From evidence it revealed that this propaganda of the conspirators and the mutineers did work to some extent. The mutineers completed the necessary works and finalised various arrangements to stage the mutiny according to their conspiracy and the arrangements were made between 29th and 30th May, 1981.

Prior to staging the mutiny it was found that Brigadier Mohsin and Major Khaled who were absent from their Brigade Headquarters at Bandarban for weeks together and stayed in the Headquarters of the Division at Chittagong, suddenly visited Bandarban unannounced on 29th May 1981. During their visit to Bandarban both Brigadier Mohsin and Major Khaled ordered to keep a company of troops stand by for some internal security duty at Kalurghat. During the night on 29th May, 81 Major Khaled wanted over telephone to move the Company. Finally two Platoons with Major Fazlul Huq Lieutenant Motiur Rahman and Captain Ghyas arrived at Kalurghat bridge. It was found that these troops were meant for contingency requirement for Chittagong Circuit House operation although they were briefed for Internal Scurity duty.

During the night of 29 May 1981, the Headquarter of 65 Infantry Brigade commanded by Colonel Rashid was the centre of many mysterious activities. Both Colonel Rashid and Colonel Nawazesh (Commander of 302 Brigade) stayed in this Brigade Headquarters and made it as the Headquarters of the mutiny of that night. They were commanding and coordinating the activities from there Major Izdani and Major Quayyum remained quite active there during the night of mutiny and Lieutenant Colonel Delawar went to the said Brigade Headquarters in his white car and waited till morning to shift the casualties of the assault group to Combined Military Hospital. During the entire period of the mutiny at night an intense briefing and instructions went on in the office of Major Khaled, Brigade Major 69 Infantry Brigade which was visited by most of the conspirators. Their movements were witnessed by many. At 1 stage a group of officers shifted to a culvert near the Brigade Headquarters The said group included Lieutenant Colonel Motiur Rahman Lieutenant Colonel Mahboobur Rahman, Major Khaled, Major Shaukat and Captain Iqbal.

For causing and successfully staging the mutiny and capture state power the Tactical Headquarters of 24 Infantry Division which was previously functioning at Rangamati was dramatically shifted to Chittagong Cantonment on 3th May 1981 along with entire staff headed by Lieutenant Colonel Motiur Rahman and after the shifting of Tactical Headquarters to Chittagong the activities of the conspirators and mutineers were intensified.

On Friday, the 29th May 1981 after Juma prayer Major General Manzur, Lieutenant Colonel Mahboobur Rahman, Major Khaled assembled in the office of the General Officer Commanding. During that meeting the disastrous decision for staging the mutiny and kill President Ziaur Rahman was taken. Late Major General Manzur asked them to act and added "Now is the time to act". he further asked them not to deploy troops and instead asked them to engage only selected officers to go the Circuit House and thereafter he enquired of Lieutenant Colonel Motiur Rahman. Both Lieutenant Colonel Mahboobur Rahman and Major Khaled assured the General Officer Commanding that Lieutenant Colonel Motiur Rahman would be back in time.

Thereafter a meeting was held in the residence of Lieutenant Colonel Delawar where the modalities of the mutiny was worked out among the top conspirators, namely, Lieutenant Colonel Mahboobur Rahman Lieutenant Colonel Motiur Rahman, Lieutenant Colonel Fazle Hussain Lieutenant Colonel Delawar, Major Khaled, Major Latif and Major Izzdani It was in this meeting that the tasks to be performed during the mutiny were allotted. Major Maruf of 5 Signal Battalion joined in this meeting late and was given the task of severing communication with Dacca next morning, that is, 30 May 1981. The meeting took place at 6 p.m. It is interesting to note that during this period the leave of some officers who participated in the mutiny were cancelled.

Continuation of Statement

Dacca THE BANGLADESH OBSERVER in English 14 Aug 81 pp 1, 12

[Text]

The fifth instalment of Chapter III of the White Paper on the Chittagong mutiny and the assassination of President Ziaur Rahman issued on Thursday containing the chief prosecutor's address stated that the mutineers were briefed inside the Chittagong Cantonment and oath-taking was conducted for successful staging of the mutiny. The first venue of the oath-taking was second in command's office of 28 E. Bengal at 11.30 p.m. on May 29 last. The briefing and oath-taking were conducted there by Lt. Col. Matiur Rahman. The second venue of the oath-taking was commanding officer's office 6 E. Bengal at 30 minutes past midnight on May 30. The briefing and oath-taking here were conducted by Lt. Col. Shah M. Fazle Hossain.

Following is the fifth instalment of Chapter III of the White Paper on assassination of President Ziaur Rahman and Chittagong mutiny. The instalment relates to continuation of opening statement of the Chief Prosecution Counsel.

Inside the Chittagong Cantonment the briefing and oath taking were conducted for successfully staging the mutiny as stated above and those were conducted in two different venues.

The first venue was Second in Command's office of 28 E Bengal and the time was 11-30 PM. The briefing and oath was conducted there by Lt Col Matiur Rahman and the officers present were:— Lt Col Mahbur Rahman Major Momin Major Gias Capt Manir Capt Jamil Capt Ghyas Capt Mainul The second venue was Commanding Officer's office 6 E Bengal at 30 minutes past midnight. The briefing and oath taking was conducted by Lt Col Shah M Fazle Hossain. The officers present were :—

Lt Col. Mahbubur Rahman Lt Col Matiur Rahman, Major Dost Mohammad, Capt Arfin, Capt Rafique, Capt Ilyas, Lt Musiehuddin.

The final hour of the tragic drama struck as the parties of the mutineers set off to Public School Road towards Kalurghat bridge at about 1.30 a.m. on the fateful night of 29th-30th May, 1981. The conspirators started reaching Kalurghat by 2 a.m. on 20th May. First to reach were :—

Lt. Col. Mahbubur Rahman, Lt. Col. Matiur Rahman, Major Muzaffar and Capt. Syed Md. Munir in a white Toyota Car. After some time came Lt. Col. Fazle Hossain Commanding Officer 6 E. Bengal with the following officers/JCOs in 1 X Jeep and 2 X Pickups :—

1. Capt. Mohammed Ilyas, 6 E. Bengal; 2. Capt Md. Abdus Sattar, 6 E. Bengal; 3. Lt. Rafiqul Hossain Khan, 6 E. Bengal 4. Lt. Mosleuddin Ahmed, 6 E Bengal; 5. Sub. Sazdur Rahman 6 E. Bengal; 6. Capt. Jamil Huq 21 E. Bengal.

They also brought 3 X Hand Launchers, 11 X SMGs and 3 X Rifles. Major Gias Uddin acting Commanding Officer 11 E. Bengal; Major Kazi Mominul Huq, Second-in-Command, 28 E. Bengal and Capt. Salahuddin of 11 E. Bengal reached together in a convoy of two Jeeps and one pick up. Last of all came Major S. M. Khaled, Biigade Major 69 Infantry Brigade followed by Major Fazlul Huq Second in Command, 1 E. Bengal. Capt. Giasuddin, Staff Capt 69 Infantry Brigade and Lt. Motiur Rahman Adjutant 1 E. Bengal.

Troops were also brought from Bandarban by Major Fazlul Huq for the operation at the Circuit House. Magazines of SMGs and LMGs were filled. Rockets and Granades were fitted in the Grenade Firing Rifles by the Officers. Lt. Col Motiur Rahman briefed mutineers present at Kalurghat and briefed them about the details of the plan of the mutiny and President's assassination with a sketch map of the Circuit House and after conducting oath to them he grouped them into three groups. Each group was further briefed by him separately. Grouping and tasks distributed to each group were as follows :—

a. FIRST GROUP

(1) Persons

(a) Lt. Col. Mahbubur Rahman, (b) Lt Col Fazle Hossain, (c) Maj S. M. Khaled, (d) Capt Jamil Haq, (e) Capt. Md. Abdus Sattar, (f) Lt. Rafiqul Hassan Khan.

(2) Tasks (a) Once the pick up will cross the main gate of the Circuit House Lt. Col Fazle Hossain will fire his Rocket Launcher at the main door of the ground floor. (b) Simultaneously Lt. Ranque and Capt. Sattar will fire grenades from the Grenade Firing Rifles towards the Circuit House and Capt Jamil will spray the area with 7.62 mm LMG fire. (c) On reaching the portico they will rush to the first floor with SMGs and go for the room each one assigned to.

(3) Distribution of room (Sketch Appendix—)

(a) Room No. 7—Capt. Jamil Haq (b) Room No. 8—Lt. Rafiqul Hassan Khan (c) Room No. 9—(assumed as Presidential suite)—Lt. Col Fazle Hussain and Capt. Abdus Sattar.

(4) Transport. 1 x Pick up to be driven by Lt. Col. Mehboob.

(5) Commander. Lt. Col. Fazle Hossain.

b. 2ND GROUP.

(1) Persons:

(a) Lt. Col. Matiur Rahman (b) Maj Mominul Haque (c) Maj Muzaffar Hussain (d) Capt. Salahuddin Ahmed (e) Capt Md. Ilyas (f) Lt. Mosleuddin.

(2) Task. To stop outside interference while first party went for the President.

(3) Transport. 1 x Pick up to be driven by Lt. Col. Moti.

(4) Commander. Maj Mominul Haque.

c. 3RD GROUP.

(1) Persons.

(a) Maj Gias Uddin (b) Maj Fazlul Haque (c) Capt Ghyas Uddin Ahmed (d) Capt. Syed Md. Munir.

(2) Tasks. To act as cut off party near Almas Cinema hall behind the Circuit House and shoot if any one wanted to escape from the Circuit House.

(3) Transport. 1 x Jeep

(4) Commander. Maj. Gias Uddin.

Killing Described

Dacca THE BANGLADESH OBSERVER in English 15 Aug 81 pp 1, 12

[Text]

The sixth instalement of Chapter III of the White Paper gave detailed account of how the mutineers brutally killed President Ziaur Rahman at the Chittagong Circuit House, reports BSS.

The White Paper said that the mutineers after being briefed by Lt. Col. Matiur Rahman reached the Circuit House. The first group rushed to the first floor of the Circuit House and fired indiscriminately. In the upstair Lt. Col. Matiur Rahman was running in all directions looking for the President and ultimately found him in room number five of the Circuit House. While Lt. Col. Moti and Capt. Sattar started kicking the locked door of room No. 5 President Ziaur Rahman opened the door and came out. The mutineers fired upon President Ziaur Rahman who died instantaneously. Even after his death his face was turned upwards by Lt. Col. Matiur Rahman who emptied a complete magazine on him, the White Paper added.

After the assassination of the President Major General Mr Abul Manzur announced the formation of a revolutionary council.

Following is the sixth instalment of Chapter III of the White Paper on the assassination of President Ziaur Rahman and Chittagong mutiny :

The mutineers after briefing by Lt Col Matiur Rahman reached the Circuit House. All the groups who were briefed and detailed moved accordingly and participated in the mutiny and the assault. Everything went as the plan of the mutineers. Lt. Col Fazle Hossain fired his Rocket Launcher followed by the grenades of the GF Rifles and simultaneous fire from LMGs and SMGs. The first group rushed to the first floor of the Circuit House and fired indiscriminately in course of which Lt Col Fazle Hossain was hit by a bullet due to which he could not reach the stair case. Capt. Jamil was also hit during indiscriminate shooting. The group responsible for the ground floor portion also went upstairs and joined the first group. In the upstair Lt. Col Moti was running in all directions looking for the President and ultimately found him in Room No. 5 in the Circuit House. While Lt Col. Moti along with Capt. Sattar started kicking the locked door of Room No. 5. President Ziaur Rahman opened the door and came out. At that stage the mutineers in the upstair rushed towards the door of Room No. 5 and fired upon President Ziaur Rahman who died instantaneously. Even after his death his face was turned upwards by Lt. Col Motiur Rahman and he emptied a complete magazine on him. Thereafter he gave a withdrawal call.

As per call the mutineers hurriedly withdrew along with their wounded fellow mutineers. The wounded mutineers were taken to CME wherefrom Lt Col Delwar went to the residence of Major General Manzoor and informed him about their operations.

One group of mutineers led by Lt Col Mahbub went to Agrabad Radio Station from the Circuit House along with Major Khaled, Capt. Sattar and Lt Rafique. By disarming police sentries they took over the control of the Radio Station.

The third group of mutineers who took position in front of Almas Cinema Hall went straight to Bandarban while both the groups who operated in the Circuit House left. They dropped Major Faziu and Capt. Ghyas at Bandarban and returned to Chittagong in civvies with the civil car of Lt. Col. Mahbub. During the operation in the Circuit House the mutineers killed the officers and Sepoys of Bangladesh Army who accompanied President Ziaur Rahman and were present in the Circuit House.

After receiving the information from Lt Col Delwar, Major General Manzoor went to the office of 6 E. Bengal and found Second in Command of 6 E. Bengal Major Dost Mohammad Shikder and ordered him to send two platoon of troops to the Military Police gates and Signal Centre for disconnecting the telephone lines and local protection of the Signal Centre. He also ordered two Companies of 6 E. Bengal to move to Shuvapur bridge for taking up defence against possible attack of the loyal forces from Comilla. Capt. Ilias and Lt Mosleh of 6 E. Bengal along with the troops left for Shuvapur at about 9.30 hours of 30th May, 1981 and took position near Shuvapur bridge and new bridge on Feni River.

Major General Manzoor thereafter ordered all officers available in the Division Headquarters to come to his office immediately. There he disclosed that President Ziaur Rahman has been killed and a "Revolutionary Council" has been formed. In the morning on 30th May Civil and Police Officers of Chittagong Civil Division also arrived at the 24 Infantry Division Headquarters at his call and met Major General Manzoor who briefed them about the killing of President Ziaur Rahman and formation of "Revolutionary Council."

On 30th May, 1981 throughout the day the above mentioned late leader of the mutiny and his other infamous and notorious accomplices were in enthusiasm and quite active in visiting different offices and passing down orders in the Cantonment Headquarters at Chittagong and also prepared a chart for deployment of troops for defending the mutiny.

Plotters Charged

Dacca THE BANGLADESH OBSERVER in English 16 Aug 81 pp 1, 16

[Text]

The seventh instalment of Chapter III of the White Paper containing the submission of Chief Prosecutor released on Saturday contended that the judgement on Chittagong mutiny and the killing of President Ziaur Rahman should be just and fair based on evidences which will in future be like "a sword of Democles that will ever-lastingly hang over the heads of those who make another attempt to disturb the tranquillity of the Army and the people and plunge the society into violence".

The Chief Prosecutor submitted that the case is a fit one where the honourable Court is expected to be noble, wise and upright for pronouncing the judgement against the offenders who are guilty of committing crimes against order and discipline of the Army security peace and tranquillity and independence and sovereignty of the country.

"Let after the pronouncement of the judgement by this honourable Court everyone say remember the lessons of history. Do not forget the Chittagong trial" the Chief Prosecutor added.

The Chief Prosecutor had accused 31 Army officers of committing the mutiny at Chittagong on May 30 and assassination of President Ziaur Rahman and others and pleaded death penalty for them.

ENA adds: He said the arms and ammunition provide by the state with public exchequer for their defence were used by the accused mutineers against the Government and Head of the State Hence for the offiences the accused persons committed no. punishment including capital sentence is considered to be adequately deterrent but yet " I demand that the accused persons be punished with death" he added.

The charges on three counts against the accused are causing a mutiny in the military forces of Bangladesh joining a mutiny in the military forces of Bangladesh and inciting a mutiny in the military forces of Bangladesh.

Following is the seventh instalment of Chapter III of White Paper on the assassination of President Ziaur Rahman and Chittagong mutiny:

On 31st May, 1981 the leader of the mutiny made several addresses to the troops and other officers in the Chittagong Cantonment urging them to support the Revolutionary Council, but the response from the troops was very poor and cold. Some leaders of the mutineers including late Major General M. Abul Manzur also addressed on 31 May 81 a cross section of civil officers of Chittagong and asked for support and loyalty from them to his Revolutionary Council and not to listen to Dacca Government The mutineers also directed Regional Director, Radio Bangladesh Chittagong to comply with their instructions and asked Bangladesh Bank at Chittagong to act as Reserve Bank. With the passage of time it was found that despite frantic efforts the mutineers failed to get support from different formations and sections of people By the night of 30th May 81 and also by 31 May 81 the troops and many officers started not only realising the nefarious design of the conspirators and the mutineers but also started defecting. They realised the sinister crime committed by the conspirators and the mutineers who are present in the dock as accused in this Hon'ble Court and they committed such a crime which no army worthy of its name can think of. These conspirators and mutineers who are not only guilty of disloyalty disobedience, insubordination and breach of discipline but also are guilty of committing a crime against the country and the people. They have virtually waged a war against the people of Bangladesh and legally constitutedestablished Government.

The arms and ammunition provided by the State with public exchequer for their defence were used by the accused mutineers against the Government of the Republic and Head of the State. The mutiny was directed by the accused persons against the discipline and order of the army and also aimed at causing destruction of the properties of the Army and the State. Hence for the offences the accused persons committed no punishment including capital sentence is considered to be adequately deterrent but yet I demand that the accused persons be punished with death.

I shall not make the address lengthy to save the precious time of the Hon'ble Court since the shocking and shameful heinous crimes committed by the accused persons will be brought before this Court and established beyond any reasonable doubt by adducing evidences from records, confessions and depositions of the witnesses for the prosecution.

In this context I beg to be permitted to enumerate the charges framed against the following accused persons:

GROUP—I

1. BA—185 Brigadier Mohsin Uddin Ahmed, BB, psc (Ex-Commander 69 Infantry Brigade)
2. BA—301 Lieutenant Colonel A. Y. M. Mahfuzur Rahman, BB ((Ex-Personal Staff Officer to the President)
3. BA—300 Major Nawazesh Uddin (Ex-Commander 305 Infantry Brigade)
4. BA—212 Major M. A. Rashid, BP, psc (Ex-Commander 65 Infantry Brigade)
5. BA—400 Major Mohammad Dilawar Hussain BP (Ex-ADOS 24 Infantry Division)
6. BSS—722 Captain A. Z. Giashudd'n Ahmed (Ex-Second-in-Command II East Bengal Regiment)
7. BSS—839 Captain Rowshan Iazdani Bhuiyan, BP (Ex-Brigade Major, 65 Infantry Brigade)
8. BA—1167 Lieutenant Mojibur Rahman (Ex-Officer Commanding, 575 Field Intelligence Unit)
9. BSS—1177 Lieutenant Md. Maruf Rashid (Ex-Officer Commanding, 112 Signal Company)
10. BSS—700 Captain Abdul Qayyum Khan (Ex-Brigade Major, 203 Infantry Brigade)
11. BSS—728 Captain Shaukat Allev, BP (Ex-Second-in-Command 15 East Bengal Regiment)
12. BSS—842 Captain Mohammad Latiful Alam Chowdhury

(Ex-General Staff Officer—3 (Intelligence) 24 Infantry Division)

13. BSS—815 Captain Md. Fazlul Haque (Ex-Second-in-Command I East Bengal Regiment)

14. BSS—862 Captain Kazi Mominal Haque (Ex-Second-in-Command, 28 East Bengal Regiment.)

15. BSS—1109 Lieutenant Mohammad Rezaul Karim (Ex-DADOS, 24 Infantry Division)

16. BSS—1070 Lieutenant Md. Abdus Sattar (Ex-6East Bengal Regiment)

17. BSS—1194 Lieutenant Mohammad Ilias (Ex-6 East Bengal Regiment)

18. BSS—1334 Lieutenant Ghyas Uddin Ahmed (Ex-General Staff Officer—3 "Operation", 69 Infantry Brigade)

19. BSS—1307 Lieutenant Syed Md. Munir (Ex-General Staff Officer—3 "Intelligent" 24 Infantry Division)

20. BSS—1526 Lieutenant Jamil Haque (Ex-21 East Bengal Regiment)

21. BSS—1562 Lieutenant Salah Uddin Ahmed (Ex-East Bengal Regiment)

22. BSS—1742 Lieutenant Mohammad Rafique Hassan Khan (Ex-6 East Bengal Regiment)

23. BSS—1985 Lieutenant Mosleh Uddin Ahmed (Ex-6 East Bengal Regiment)

24. BJO—26640 Subedar Sazdar Rahman (Ex-6 East Bengal Regiment) All are Charged with:—

FIRST CHARGE

Causing a mutiny in the military forces of Bangladesh,

In that they,

at Chittagong, between night 29/30 May and 01 June 1981, along with Major General Abul Manzur and others caused a mutiny in the Bangladesh Army leading to the death of Lieutenant General (Retd) Ziaur Rahman, BU, psc Hon'ble President of Bangladesh, and members of the personnel aide to the President Lieutenant Colonel A F M Moinul Ahsan, Captain Ashraful Hafiz Khan, Nk Abu Taher, Sepoy Abul Quashem, Sepoy Abdur Rouf, Sepoy Shah Alam, Constable Dulal Miah and others at the Chittagong Circuit House.

SECOND CHARGE

Joining a mutiny in the military forces of Bangladesh,

In that they,

at Chittagong, between night 29/30 May and 01 June 1981, joined in the mutiny as alleged in the particulars to the first charge.

THIRD CHARGE

Inciting a mutiny in the military forces of Bangladesh

In that they,

at Chittagong, between night 29/30 May and 01 June 1981, incited the under command officers and troops to join the mutiny as alleged in the particulars to the first charge by spreading rumours that Freedom Fighters were to be killed by repatriated officers or words to that effect and other inciting statements.

GROUP II

1. BSS-677 Captain Dost Mohammad Sikder (Ex-Second-in-Command 9 East Bengal Regiment)
2. BSS-705 Captain Mohammad Mustafa (Ex Deputy Assistant Adjutant and Quartermaster General, 69 Intantry Brigade).
3. BSS-1550 Lieutenant M M Iqbal (Ex 15 East Bengal Regiment).
4. BSS-1573 Lieutenant Md. Manul Islam (Ex 28 East Bengal Regiment).
5. BSS-100274 Captain Md. Samsul Arfin, Army Medical Corps (Ex Regimental Medical Officer, 6 East Bengal Regiment)
6. BA-1730 Lieutenant A T M Mesbah Uddin Sarniabat (Ex 11 East Bengal Regiment).
7. BSS-1780 Lieutenant Md. Motiur Rahman (Ex 1st East Bengal Regiment).

All are charged with :—

FIRST CHARGE

Joining a mutiny in the military forces of Bangladesh,

In that they,

at Chittagong, between night 29/30 May and 01 June 1981 along with others joined in a mutiny caused in the Bangladesh Army leading to the death of Lieutenant General (Retd) Ziaur Rahman, BU, psc the Hon'ble President of Bangladesh and members of the personal aide to the President Lieutenant Colonel A F M Moinul Ahsan, Captain Ashraful Hafiz Khan, Naik Abu Taher, Sepoy Abul Quashem, Sepoy Abdur Rouf, Sepoy Shah Alam, Constable Dulal Miah and others at the Chittagong Circuit House.

SECOND CHARGE

Knowing the existence of a mutiny in the military forces of Bangladesh and not without reasonable delay giving information thereof to his superior officer,

In that they,

at Chittagong Cantonment, on night 29/30 May 1981, having full knowledge of the existence of a mutiry in the Bangladesh Army failed to give information thereof to their commanding/superior officers/appropriate authority.

Witnesses will be tendered by the prosecution for adducing evidences to establish the charges against the accused persons during the course of trial.

While concluding my address I would like to emphasise before this Hon'ble Court that the crimes committed by the accused persons who are present before the Hon'ble Court do not stand any chance of mercy or being condoned. The conspiracy planned by these conspirators and the mutiny caused and staged by these spirits causing even destruction of properties and bloodshed must be given exemplary punishment. These mutineers were soldiers and as soldiers they took solemn oath to protect and preserve the discipline dignity and the honour of the armed forces and not to indulge in activities which are prejudicial to the interest of the people and the country and jeopardise the independence and sovereignty of Bangladesh. But the accused persons conspired and acted against such norms, principles, customs and conventions and provisions of law. They also played with the fate of the entire nation for realising their political ambition and selfish ends. Due to the role played by the people and the Armed Forces of the country along with other institution of the Government, the dangerous scheme of these over ambitious elements did not succeed. Thanks to Almighty Allah.

If the conspirators would have succeeded, the country and the people would have paid very dearly. Independence and sovereignty of the country would have been at stake.

We are opening the trial of such a case for establishment of which much pains and a long time will not be required. There are confessional statements of some of the accused persons recorded in accordance the provisions of law, documentary proofs and dependable corroborative evidences. Therefore, it is hoped that the learned Defending Officers of the accused will soon find and agree with us that there is nothing left or available to deny the charges and contest the case

of the prosecution. The accused are fully aware of their activities perpetrated by them and the crimes committed and as such we are sure that they also do not have materials to differ with the prosecution and to pray for acquittal. After all it is such a case wherein acquittal or mercy is inconceivable.

It is a fit case where the Hon'ble Court is expected to be noble, wise and upright for pronouncing the judgement against the offenders who are guilty of committing crimes against order and discipline of the army, security, peace and tranquillity and independence and sovereignty of the country. Therefore, the judgement should be just and fair based on evidences which will in future be like "a sword of democles that will ever lastingly hang over the heads of those who make another attempt to disturb tranquillity of the Army and the people and plunge the society into violence".

Let after the pronouncement of the judgement by this Hon'ble Court everyone say "Remember the lessons of history. Do not forget the Chittagong Trial".

While concluding I thank the Hon'ble Court for kindly hearing my address.

[No further report on the White Paper has been contained in papers received through 31 August 1981.]

CSO: 4220/7693

PRESS NOTE RESPONDS TO FREEDOM FIGHTERS' STATEMENT

Dacca THE BANGLADESH OBSERVER in English 5 Aug 81 p 1

[Text] A Press Note issued on Tuesday said that the Government attention has been drawn to a statement made by three Freedom Fighters organisations.

The statement had urged the Government to take a compassionate view of the officers involved in the killing of President Ziaur Rahman for their contribution to the War of Liberation. The statement had stated that if any interested quarter wants to use the trial for their self-interest it would bear grave consequences.

The Press Note said the Government cannot take such motivated and false statement aimed at jeopardising the fair trial lightly. The Press Note said it must be known to all that all Freedom Fighters are respected persons. But all are equal before the eyes of law. The Press Note further said the entire nation had demanded a fair trial for the killing of late President Ziaur Rahman who was himself a Freedom Fighter.

The Government Press Note said two army officers four soldiers a number of policemen and some civilians were also killed along with the late President. There was no question of considering any of the accused persons above law, the Press Note asserted. All will face equal judicial process.

The Press Note said that the joint statement would only strengthen the hands of the conspirators. All the under trial persons are the members of the armed forces. It further said all of them are being tried under the provision provided in the Constitution and under Army Act. All the persons are accused of serious charge of mutiny. There are Freedom Fighters and non-Freedom Fighters among the accused persons. The Press Note said among the accused there is a person who is the son of a senior army officer. During mutiny there were a large number of officers and jawans in Chittagong Cantonment who participated in the Liberation War and who could not. Only those against whom a prima facie case has been established through an impartial and fair investigation have been put on trial.

The Press Note further said that the Army Act was not an exception in Bangladesh. The Army Act is prevalent all over the world. The discipline is imposed on army personnel strictly everywhere, the Press Note added. The Press Note

said it is imperative to have special provisions for maintaining discipline in the army who are ever ready to sacrifice their lives for the nation. The Army Act is prevalent all over the world equally irrespective of the system of government the note said.

All members of the country's armed forces are patriot and dedicated souls for the preservation of independence. The Press Note said the joint statement issued by the three Freedom Fighters' organisations was aimed at dividing the nation and the armed forces. The Government has warned not to issue such motivated anti-people and divisive statements in future.

CSO: 4220/7694

NEW HIGH COMMISSIONER TO ZIMBABWE APPOINTED

Dacca THE BANGLADESH OBSERVER in English 28 Aug 81 p 12

[Text] The government has decided to appoint Mr S. R. Karim at present Economic Minister in the Permanent Mission in Geneva, as High Commissioner for Bangladesh to the Republic of Zimbabwe, says an official announcement, reports BSS.

Born in 1930 Mr Karim obtained BA Honours degree in English Literature from Dacca University, Master's degree in English Literature from Dacca University, Master's degree on Development Economics from Manchester University and Master's degree in Public Administration from Oxford University. He also obtained a degree in Bengali Literature from Vishwa Bharati University at Shanti Niketan, India.

Mr Karim joined erstwhile Civil Service of Pakistan in 1952. He served in various capacities under the then Government of Pakistan and served as Economic Minister in the Bangladesh High Commission in London as well as in the Embassy in Washington.

He led many delegations to India, Brazil, Colombo, Geneva, the Netherlands, the United Kingdom, the USA, Canada and Arusha (Tanzania).

He is presently posted as Economic Minister in the Permanent Mission of Bangladesh to the UN offices at Geneva. He is the spokesman of the Group of 77 for the Least Developed Countries since the Arusha and UNCTAD V conferences.

Mr Karim takes keen interest in cultural activities. A writer himself he edited two Bengali periodicals.

He is married and has two children.

CSO: 4220/7717

MINISTER DESCRIBES 5-YEAR PLAN FOR IRRIGATION

Dacca THE BANGLADESH OBSERVER in English 28 Aug 81 pp 1, 12

[Text] Planning Minister Fasihuddin Mahtab on Thursday said that the Government had a massive irrigation programme during the Second Five-Year Plan to achieve self reliance in food production, reports BSS.

He said that this included both short and long-term schemes and called upon the Bangladesh Agricultural Development Corporation and the banks to expedite their works for implementing the short-term one faster than schedule.

Speaking as chief guest at the inaugural session of a day-long seminar on marketing of irrigation equipment at the Atomic Energy Commission auditorium in Dacca the Minister said that the concerned organisations must achieve the target of minor irrigation schemes of deep and shallow tubewells, low-lift pump and hand tube-wells for the year 1981-82. He said that this must be done well in time so that the farmers did not suffer any loss in yield due to untimely supply of water.

Organised by the Bangladesh Agricultural Development Corporation the seminar was attended by the concerned officials from the BADC and the banks.

The inaugural function was presided over by Mr Sajeruddin Ahmed, director, Irrigation, BADC.

Under the short term irrigation scheme the target for the year 1981-82 includes selling of 40,000 shallow tubewells, 3,000 deep tubewells, 13,000 low lift pumps and 75,000 hand tubewells.

The Planning Minister said that 20,000 complete sets of shallow tubewells already were at hand and the rest would be made ready by December next.

He said that for sinking the deep tubewells during the Second Five-Year Plan BADC had a target of procuring 50 rigs out of which 44 had been ordered. Fourteen of them have already reached and the rest 30 are expected by December he added.

He said that 1,000 complete sets of deep tubewells were already at hand and the sinking materials were available for the remaining sets. All the 3,000 sets are expected to be completed by December next.

Out of the 75,000 hand tubewells 55,000 are at hand and the rest are expected to be ready by the year end.

The Planning Minister stressed on the effective use of mass publicity media to minimise the information gap between the farmers and the Government to expedite the implementation of the schemes.

He also stressed on day to day monitoring of the implementation programme and said that the police wireless at thana level could be used for this purpose after necessary modification.

Pointing to workshop facilities for maintenance of these equipment the minister suggested development of local workshops.

Referring to the manufacture of simple agricultural equipment he said that Government would give more priority on their supply.

CSO: 4220/7717

FOREIGN MINISTER'S MESSAGE OF SUPPORT TO NAMIBIA

Dacca THE BANGLADESH TIMES in English 27 Aug 81 p 1

[Text] Foreign Minister Prof. Mohammad Shamsul Huq on Wednesday reiterated Bangladesh's unflinching support to the just and heroic struggle of the people of Namibia for their self-determination and independence, reports BSS.

In a message on the occasion of the Namibia Day, observed on Wednesday, the Foreign Minister strongly deplored and condemned the South Africa's sinister design and illegal moves in Namibia ignoring the verdict of the United Nations. He said that peace and stability in the area can only be established through complete victory of the struggle for liberation led by SWAPO, the true and authentic representative of the people of Namibia.

The Message

Following is the text of message:

"On the occasion of the observance of Namibia Day, we in Bangladesh firmly reiterate our unflinching support to the just and heroic struggle of the brave people of Namibia for self-determination and independence. Today, we recall with admiration and respect the supreme sacrifices made by the fearless Namibian patriots for establishing human dignity and freedom in their country. We urge upon the international community to take effective measures to secure the immediate release of the Namibian freedom fighters who are being illegally held by the stooges set up by South Africa's armed might and to liberate the people of Namibia from the colonial subjugation, racial discrimination and apartheid.

"We would like to recall that as an active member of the Council for Namibia, Bangladesh has always stood for the total withdrawal of South Africa from Namibia and for the independence of Namibia through free and fair elections under the U.N. auspices. Bangladesh strongly deplores and condemns South Africa's sinister designs and illegal moves under the garb of internal settlement in Namibia in utter disregard of the verdict of the United Nations.

"It is a matter of great disappointment that the recent Geneva talks were wrecked due to the intransigence and arrogance of South Africa despite the unequivocal resolutions of the United Nations. We view with serious concern the grave threat to the peace, security and stability caused by the continuing and illegal occupation of Namibia by South Africa.

"Bangladesh firmly believes that peace and stability in the area can be established through the final and complete victory of the struggle for liberation which is being led by SWAPO, the true and authentic representative of the people of Namibia.

"We take this opportunity to reaffirm our consistent and abiding support to the just cause of the great people of Namibia and with them early and complete success in achieving the liberation and independence of their country."

CSO: 4220/7715

MINISTER SPEAKS ON INDEPENDENCE OF JUDICIARY

Dacca THE BANGLADESH OBSERVER in English 27 Aug 81 p 1

[Text] Bhola, Aug 26:--Prime Minister Shah Azizur Rahman said here yesterday that the Government had already initiated the Process of separating judiciary from the executive "which is a constitutional obligation" reports BSS.

Addressing the members of local bar and cross-section of people he said that the independence of judiciary was curbed by the predecessor governments.

The Prime Minister said that the Supreme Judicial Council headed by the Chief Justice has been vested with power for supervision and regulation of the judiciary which did not exist before.

In legislative matters he said the Parliament is sovereign and the President has no power to veto the legislative enactments.

Shah Aziz said that the present government had always considered the lawyers as most conscious leaders of the country. Late President Ziaur Rahman gave adequate grants to the bar libraries, he pointed out.

Later addressing the workers' conference of Bhola district BNP, Shah Aziz, who is also Vice-Chairman of the party called upon them to emulate the character and integrity of late President Ziaur Rahman and help implement his (Zia) programmes for national development.

The Prime Minister exhorted the BNP workers to earn the love and esteem of the people by selfless service to them.

The conference was addressed among others by Mr Mosharraf Hossain Shajahan, MP and District Development Coordinator, Sk. Razzak Ali MP and Member BNP Central Standing Committee and Kazi Golam Mahboob, chairman of the BNP.

The Prime Minister visited the Bhola Fazilatunnessa Degree College and asked the students to maintain peaceful academic atmosphere.

He called upon the teachers and students to participate in the mass literacy campaign and declared that this college would be nationalised next year.

The Prime Minister gave a grant of Taka 20 thousand to the college. Shah Aziz was accorded a civic reception by the Bhola Pourashava last night.

CSO: 4220/7714

FREEDOM FIGHTERS DEMAND OPEN TRIAL FOR ASSASSINS

Dacca THE BANGLADESH OBSERVER in English 26 Aug 81 pp 1, 12

[Text] A combined rally of the three Freedom Fighters' organisations at Baitul Mukarram on Tuesday demanded open trial of the killers of President Ziaur Rahman and postponement of execution of death sentence passed by the Field General Court Martial against the accused.

The rally was organised by the Bangladesh Muktijoddah Sangsad, Bangladesh Muktijodah, Sanghati Parishad and the Muktijoddah Sangram Parishad. Presided over by Lt Col (Retd) Kazi Nuruzzaman, chairman of the Central Command Council of the Bangladesh Muktijoddah Sangsad, the rally was addressed by Major (Retd) Ziauddin, president of the Muktijoddah Sangram Parishad, Ltd. Col (Retd) M. A. Gaffar, vice-chairman of the Bangladesh Muktijoddah Sanghati Parishad, Major (Retd) Nasiruddin of Sanghati Parishad, Mr Shahidul Islam, general secretary, Muktijoddah Sangram Parishad, Capt (Retd) Huda of Muktijoddah Sangsad, and Mr Mahbubul Alam of Muktijoddah Sangsad.

The rally in a resolution demanded retrial of the convicted persons in the open court.

Addressing the rally, Lt Col (Rdtd) Kazi Nuruzzaman said that the Government in the name holding trial of the killers of President Ziaur Rahman was in fact doing injustice to the Freedom Fighters and eliminating them. He said that President Ziaur Rahman was the victim of a deep rooted conspiracy.

Major (Retd) Ziauddin President of the Muktijoddah Sangram Parishad warned that the Freedom Fighters would resist execution of death sentence passed against some army officers by the Field General Court Martial as he said that in the trial the Government had made a mockery of justice.

Major (Retd) Nasiruddin in his speech said the conspirators had selected Chittagong incident as the last phase of killing the Freedom Fighters. Many valiant Freedom Fighters including Major General Khaled Mosharraf, Col (Retd) Taher, Col Huda and many others were killed in the past.

Demanding open trial of the killers of President Zia, Major (Retd) Nasiruddin alleged that the accused officers were not given the right of employing defence counsel in the Field General Court Martial.

CSO: 4220/7712

GANOTANTRIK STANDING COMMITTEE SESSION REPORTED

Dacca THE BANGLADESH TIMES in English 22 Aug 81 p 3

[Text] The three-day meeting of the Standing Committee of Ganotantrik Party concluded in Dacca on Wednesday called upon the people of all walks of life to build up movements against increasing aggression on Bangladesh by Indo-Soviet axis and the present Government.

According to a Press release of the party on Thursday, the Standing Committee called upon the newly-formed National Front to immediately forge national unity on the basis of minimum political and economic, programmes to organise movement in the country. It said that the Standing Committee of GP believed that the progressive forces could play a leading role in these directions.

The Press release said that the Standing Committee of the Party also believed that the aggression of Indo-Soviet axis on Bangladesh was increasing. At the same time, it said, the activities of the local agents of the axis were also increasing. The Party called upon the people to resist the activities of these agents at any cost.

The GP reiterated its demand for shifting the date of ensuing presidential elections to third week of November. It called upon the National Front to play a positive role in the elections by participating in it as a part of its overall movement. In another resolution the Standing Committee pointed out that the Awami-BKSALites were trying to utilise the election issue in favour of Indo-Soviet axis.

The meeting of the Standing Committee was presided over by Haji Mohammad Danesh, the Press release said.

CSO: 4220/7707

TOAHA ANNOUNCES NEW POLITICAL ALLIANCE FORMED

Dacca THE BANGLADESH TIMES in English 23 Aug 81 pp 1, 12

[Text] The formation of a new political alliance called "Deshpremik Front" (Patriotic Front) comprising two factions of Bangladesher Samyabadi Dal (Toaha and Nagen), Garib Newaz faction of Bangladesh People's League, Progressive Democratic Force, and some individuals was announced on Saturday.

Declaring the aims, objectives and programmes of the alliance, at a Press conference at weekly Gonoshakti office, the convener of the front Mr Mohammad Toaha said that a decision would soon be announced regarding participation of the front in the forthcoming presidential election. He also indicated that he might be a candidate if his new allies decided to nominate him. Unlike other opposition parties, Mr Toaha did not demand the shifting of the polls date and said it was the duty of the Government to hold election according to its convenience. But he demanded the resignation of the Acting President before the election.

Mr Mohammad Toaha said that the alliance consisted of progressive, democratic and patriotic leftists and it would try to mobilise like minded people to establish an exploitation free society.

Replying to a question, Mr Toaha said that the Gonotantrik Front of which his party was a component did not exist in reality with the formation of Gonotantrik Party and National Front. He said that his party had never joined the National Front. He said that he had discussions regarding formation of the front with parties like Bangladesher Samajtantrik Dal, Gonotantrik Party and National Awami Party (Nuru) but did not get response from them.

Mr Toaha said that the Awami League was acting as stooges of the Indo-Soviet bloc and said that they (Awami Leaguers) would turn Bangladesh into a vassal state if voted to power. He also criticised the Awami League for curtailing fundamental rights, amending constitution and imposing one party rule during their regime.

He also criticised the Bangladesh Nationalist Party and said that it failed to deliver goods to the people. He hailed the action taken by the armed forces on August 15, 1975, November 7, 1975 and May 30, 1981.

He said that the August 15 revolution put an end to the tyrannical rule of the BKSALites and November 7 revolution foiled the attempt by the pro-Indian elements to subvert country's independence and sovereignty. Mr Toaha said that the armed forces were against the coup attempt by Major General Manjoor. He condemned the killing of President Ziaur Rahman and said that they wanted peaceful transfer of power through democratic means.

CSO: 4220/7708

RETIRED AIR VICE MARSHAL TAWAB ARRESTED 22 AUGUST

Dacca THE BANGLADESH TIMES in English 23 Aug 81 pp 1, 12

[Text] Air Vice-Marshal (Retd) M. G. Tawab, ex-Chief of Air Staff and Deputy Chief Martial Law Administrator was arrested on Saturday within 24 hours of his return from a five year stay abroad on charge of corruption and abuse of power.

The former Air Chief was produced before the Chief Metropolitan Magistrate who immediately sent the case to the court of sessions Judge for trial. A bail petition moved on his behalf was rejected by the court. He may be tried by a special judge, it is understood.

According to the Bureau of Anti-corruption which investigated the case and submitted the chargesheet against him, the ex-Air Chief had by corrupt or illegal means and by abusing his position as a public servant obtained or attempted to obtain for himself or for others pecuniary advantage of about 6,36,000 US dollars through lease of a Boeing aircraft for the Bangladesh Biman.

The Anti-Corruption Department lodged an ejahar against him with Ramna police on May 13 of 1980 and began investigation against him. After the investigation charge sheets against the ex-DCMLA was submitted on August 21 of 1981 under section 5(2) of Act II of 1947 of Prevention of Corruption Act. If proved guilty of charges, the court may award him a maximum punishment of seven years in prison.

Charge Sheet

BSS adds: According to the charge sheet during his tenure as DCMLA, Mr M.G. Tawab made two attempts to purchase Boeings for Bangladesh Biman through unauthorised negotiations and other dishonest means. But due to timely intervention of the Government and the unfavourable reports by Biman's experts, both the attempts could not materialise.

Having failed to purchase the aircraft in late 1975 and then in March 1976, the DCMLA again dishonestly came in contact with a firm Pan Ayer S A and compelled the then Chairman of Bangladesh Biman on April 14, 1976 to execute an agreement for purchasing one Boeing 707-121-B at US dollars 2.365 million without calling any tender or quotation in deliberate violation of Government order to acquire one Boeing 707-320-C aircraft.

The charge sheet said that Mr M G Tawab got the purchase agreement executed and fixed the price without getting any of the three aircraft supposed to be made available in eight weeks for selection. He also at the same time got a lease agreement executed between Biman and the same firm Ayer for lease of a Boeing for the interim period of eight weeks on rent-free basis on condition that by that time the so-called purchased aircraft would be made available to the Biman. This aircraft also was inferior and defective.

Terms and Conditions

As per terms and conditions of the purchase agreement, 40 per cent of the price amounting to 9,46,000 dollars was to be paid in cash at the time of delivery of the leased aircraft and the balance 60 per cent (14,19,000 dollars) was to be paid by opening an irrevocable Letter of Credit in favour of seller firm with a bank in London. This amount was to be released upon presentation by the firm a Bill of Sale together with delivery receipt for the aricraft duly signed by Biman Chairman who was in London at that time under order of Mr Tawab.

The charge sheet said Air Vice-Marshal Tawab also signed each of the pages of both the purchase and lease deals and himself carried out the negotiations to conclude the deals. On the same day on April 14 he got a blank delivery receipt signed by Biman Chairman Mr Hedayet Ahmed and this was handed over to the seller firm.

The payment of dollar 9,46,000 was made to the firm on April 15 through Sonali Bank, London without taking any step to get the leased aircraft inspected by Biman experts at any stage. At the time of ferrying the aircraft from stansted to Heathrow airport on April 16 Captain Mashiur Rahman of Biman refused to accept it as he had detected a number of faults but according to the charge-sheet, he (Mashiur) was compelled by Mr Tawab to accept it. The aircraft was put in Biman's schedule flight on April 17 when the Captain detected faults.

Inferior Quality

According to the charge sheet, Mr Tawab stealthily confirmed in writing to the seller firm to purchase the leased aircraft though he knew that it was of inferior quality. On April 22, the firm requested Chairman of Biman to have the purchase agreement amended so that the Biman would have no option but to purchase the leased aircraft. The firm also filled in the blank delivery receipt, showing the particulars of the leased aircraft earlier obtained by Mr Tawab from Biman Chairman, presented the same along with other connected documents and demanded payment of the balance amount of dollar 14,19,000 from the bank. The firm took the stand that Mr Tawab committed in writing to purchase the leased aircraft and to that effect delivery receipt was granted by the Chairman.

But the payment of the balance amount could not be obtained by the firm due to timely intervention of Sonali Bank and Biman, the charge sheet said.

The Biman, according to charge sheet, utilised the leased aircraft in its scheduled flights till May 10 when it was sent for maintenance repair to London

where it was impounded by the firm Pan Ayer for non-payment of the balanced amount of dollars 14,19,000.

By the aforesaid acts, the charge sheet said 'Air Vice-Marshal (Retd) M. G. Tawab by corrupt or illegal means or by otherwise abusing his position, as a public servant, obtained or attempted to obtain for himself or for others pecuniary advantage to the tune of US dollars 6,36,000 approximately.'

CSO: 4220/7708

HOME MINISTER CAUTIONS AGAINST SABOTEURS

Dacca THE BANGLADESH OBSERVER in English 20 Aug 81 p 1

[Text] Bogra, Aug 19--The Home Minister Mr A.S.M. Mustafizur Rahman today cautioned the people against infiltration of miscreants from across the border and appealed to the people to foil any attempt by these elements to create disorder and disruption in the country reports BSS.

Their attempt must be frustrated to ensure holding of forthcoming Presidential election on schedule and to continue the democratic and constitutional processes of the country and its development activities uninterrupted he said while addressing three largely attended public meetings at border villages of Koria Bhutiapara and Rambhadrapur under Bogra district.

The Home Minister said that armed miscreants from across the border might try to infiltrate into Bangladesh territory to commit sabotage and subversion, disrupt communication networks and destroy or damage other vital installations in order to create disorder and dislocation. He warned that such nefarious activities of these elements might disturb peaceful atmosphere, harm the country's economy and foil the coming Presidential election. He appealed to the people to be on their guard and assist the law enforcing agencies to preserve peace and order against the evil designs of the miscreants.

Earlier the Home Minister opened a new police station at Kalai near the border which was originally part of Khetlal Police Station. This was in fulfillment of the promise made by late President Ziaur Rahman to the people of the area.

Inaugurating the new police station the Minister asked the police force to work as dedicated servant of the people and turn the new police station into an ideal peaceful and crime free area.

The Minister for Railways, Mr Abdul Alim also addressed the public meetings and the inauguration of the police station. Local members of Parliament and Gram Sarker Pradhans were also present on the occasion.

CSO: 4220/7702

UNIT FOR TRAINING CIVIL SERVICES OFFICERS PLANNED

Dacca THE BANGLADESH OBSERVER in English 20 Aug 81 pp 1, 12

[Text] A separate wing for Training and Career Planning of the officers serving the Government has been created in the Establishment Division says a Press release.

This was stated by the Establishment Minister Mr M. Majidul Haq, while addressing the participants of the Crash Training Programme for the Deputy Secretaries now being held in the National Institute of Public Administration in Dacca on Wednesday.

He said the [word illegible] will be headed by an Additional Secretary.

It will provide Secretariat support to the National Training Council already constituted with a view to formulating comprehensive training policy coordinating training programmes conducted by training institutions under different Ministries and evaluating the progress and effectiveness of the training programmes at the national level.

The Minister stressed the need for imparting training to the officers in large numbers to equip them with knowledge to execute the political decisions of the Democratic Government for the welfare of the state and the people. To expressed hope that the administrative system of the country would be built up on a strong foundation through the reorganised unified civil service structure.

He regretted that a tendency of trade unionism was being observed amongst some Government servants but its outcome he said would be very harmful to the country. He called upon them to uphold the principles of discipline and integrity and devote whole heartedly to work for protecting our national existence and sovereignty.

Regarding vacuum of staff at the basic levels both in the Secretariat and in the field offices he said the Government was reviewing the situation and steps were underway to bring about some changes in the staffing pattern. As regards the financial hardship of the Government officers and employees the Minister said that the Government was fully aware of the situation and was constantly engaged in finding out a solution to offer some relief but he also pointed out that the financial limitations of the Government must also be kept in our minds.

CSO: 4220/7702

EDITORIAL LAUDS AID TO CHITTAGONG HILL PEOPLE

Dacca THE BANGLADESH OBSERVER in English 19 Aug 81 p 5

[Editorial: "Development of Tribal Areas"]

[Text] The national development strategy aims at the well-being of the people living in all areas of the country. Accordingly, to quote Mr Aung Shu Pru Choudhury, State Minister for Food, the government is determined to improve and develop the socioeconomic conditions of the tribal people, including those of the Chittagong Hill Tracts. Concerted efforts are therefore being made in this direction. These, again, are reported to have already produced results. Authorities want to ensure that along with the rest of the nation the people of tribal areas also get equal opportunity to enjoy the fruits of development. It is heartening that our development strategy has laid stress on carrying out development activities keeping in mind the total socioeconomic conditions in society. And comprehensive measures have been taken to help all the people enjoy the gifts of modern life. Meanwhile, various measures have already brought about some changes for the better in the socioeconomic conditions of the Jhumia and other tribal people in the Chittagong Hill Tracts and other regions.

Here it may be further noted that development programmes for tribal areas envisage overall development in agricultural, educational, cultural and health sectors. The steps already taken include establishment of night schools, eradication of illiteracy and development of tribal cultural activities. Apart from these, arrangements have also been made for imparting training in different crafts to the tribal men and women, so that they may gain the required skill in their respective fields. And the skill, in turn, is certain to instill in them self-confidence so vital for facing the realities of life.

And since a good communication network can accelerate the progress of development process by facilitating smooth mobility of men and materials, the Chittagong Divisional Development Board has decided to accord priority to its development in the region. Meaningful measures, including allocation of necessary funds, are being taken for the purpose.

CSO: 4220/7701

HOME MINISTER DISMISSES SPYING ACCUSATION

Dacca THE BANGLADESH OBSERVER in English 18 Aug 81 p 1

[Text] Home Minister Mr Mustafizur Rahman on Monday described the accusation against him by Mr Abdur Razzak, General Secretary of Awami League (H) as "totally baseless and without any foundation whatsoever," reports BSS.

Mr Rahman said that his attention had been drawn to Mr Razzak's statement on Sunday's public meeting at Baitul Mukarram accusing him as an agent of Pakistan and also of drafting a law to help Pakistanis take away their properties.

The Home Minister characterised the accusations as "totally baseless and without any foundation whatsoever."

The Home Minister said that it was quite possible to have political differences in a democratic system but he felt that should be no reason to allow vilification to degenerate into personal condemnation as had been done by Mr Razzak.

He said this practice is hardly befitting an important office bearer of a political party.

Regarding the allegation of drafting the law to help Pakistanis take away their properties, Mr Rahman said that the Awami League General Secretary should have produced the said law, if any, before the public in support of his contention.

CSO: 4220/7699

CANADA AGREES TO PROVIDE WHEAT, OTHER GOODS

Dacca THE BANGLADESH OBSERVER in English 7 Aug 81 p 1

[Text] Bangladesh will receive 83,600 metric tons of wheat from Canada during the current financial year under a food assistance programme, reports BSS.

A memorandum of understanding to this effect was signed by Mr Shafiul Alam, Additional Secretary, External Resources Division of the Ministry of Finance and Mr Arthur R. Wright, High Commissioner of Canada in Bangladesh on behalf of the respective governments.

Under the memorandum, the Canadian Government has agreed for the tenth consecutive year to provide Bangladesh with a Taka 43.5 crore both for the purchase and shipment of wheat.

With this, the total Canadian food assistance to Bangladesh since independence stood at 390 million Canadian dollars. The new consignments are expected to arrive between September and November next and will for the most part be used in the Government rationing system. However, 17,000 metric tons are earmarked for vulnerable group feeding programmes of the Ministry of Relief and Rehabilitation.

In this connection, it may be mentioned that Canada is one of the largest food donors to Bangladesh. Last year they provided Bangladesh a food aid of 138,300 tons of wheat.

After the signing ceremony the Canadian High Commissioner observed that with the developed agricultural strategy Bangladesh would not require food assistances in the long run but he termed the current food assistance as a supplementary measure.

Mr Arthur Wright pointed out the increased Canadian cooperation with Bangladesh in agricultural sector particularly in irrigation and fertilizers.

He said that a Canadian planning team for agricultural sector project is expected to visit Bangladesh in September next.

Mr Arthur Wright referred to the meeting of Bangladesh Foreign Minister Prof. Shamsul Huq and the Canadian Secretary of State for External Affairs, Dr Mark Macguigan at the recent Foreign Ministers' preparatory conference for the Cancun summit in Mexico and noted that Dr Macguigan had reiterated the Canadian Government's continuing assistance to the development efforts of Bangladesh.

Mr Shafiul Alam said since liberation till June 30 last year the total Canadian commitment to Bangladesh amounted to 574,700 million Canadian dollars and against this commitment 472,142 million dollars (Canadian) was disbursed up to the same period.

At present Canada is involved with projects like construction of 30 food storage godowns small scale water control structures, agriculture sector team project, and second population project.

During the current financial year Canada is expected to extend assistance to balancing modernisation and repairing of Khulna Newsprint, Mills rice research and training project, phase two of Chittagong Urea Fertilizer Project, 50 electric diesel engines for Bangladesh Railway.

Besides Canada is also expected to provide industrial raw materials and fertilizers.

CSO: 4220/7694

AGRICULTURAL COOPERATION PACT SIGNED WITH FRG

Dacca THE BANGLADESH OBSERVER in English 22 Aug 81 p 1

[Text] Bangladesh and the Federal Republic of Germany on Friday exchanged notes on the Bangladesh German technical cooperation in the field of agricultural development in the Chittagong district reports BSS.

Mr Obaidullah Khan Secretary Ministry of Agriculture and Forests and Mr Jurgen Steinkruger Charge d'Affaires of the FRG Embassy exchanged the notes on behalf of their respective governments.

The aim of this project is to improve the availability of food grain for the population of the Chittagong district and create jobs in the project area.

Under this project the German experts will assist expansion of cultivation during dry seasons improvement of irrigation and increase of the food-grain production.

Another important component of the project is the sale of shallow tube-well equipment and pumping sets on credit basis to farmer groups free maintenance and repair service, the supply of spare parts and training of mechanics and pump operators.

The total value of the project is Taka 1.9 crore. Out of this German contribution six German experts will be financed and spare parts and expendable goods worth Taka 22 lakh such as project cars 15 motorcycles and necessary spare parts will be made available by the FRG government

CSO: 4220/7705

SELF-SUFFICIENCY IN COTTON BY END OF 1985

Dacca THE BANGLADESH OBSERVER in English 20 Aug 81 p 12

[Text] Joydebpur, Aug 19--The State Minister in-charge of the Ministry of Agriculture and Forest, Mr Amirul Islam Kalam, has said that the Government has taken necessary steps to become self-sufficient in cotton at the end of current plan period, according to an official source.

A major plan to grow cotton was taken in 1977-78, and by this time we have expanded acreage of cotton cultivation considerably, he added. He said, during 1981-82, forty thousand bales of cotton will be produced in 75 thousand acres of land.

The State Minister was speaking as chief guest at a prize-giving ceremony organised by the Cotton Development Board here this morning. Thirty seven farmers received incentive prizes in cash and kind for their outstanding performance in cotton cultivation. Presided over by Dr Kazi Badruddaza, Director, Bangladesh Agricultural Research Institute, the function was also addressed by Mr S. N. H. Arangzeb, Executive Director, Bangladesh Cotton Development Board, Mr Ansar Habib and Mr Abdul Karim Patwari, two representatives of best cotton growers.

Mr Kalam said, the present Government was determined to attain self-sufficiency in all fields including food and clothing. By the end of present Five-Year Plan we will produce 20 million tonnes of foodgrains, he continued. As a result we will have a surplus of four million tonnes. To produce four lakh bales of cotton--the quantity we now import at the cost of Taka two hundred crore--we shall have to bring six lakh acres of land under cotton cultivation. He said, the encouraging performance of our cotton growers suggest that it will not be impossible to become self-reliant in cotton in five years. Furthermore it is a profitable business since farmers can earn about Taka 10 thousand from one acre of land by cotton cultivation.

The State Minister announced that he will give 100 hand sprayers and Taka one lakh in cash to cotton growers and supply other necessary inputs to help intensify their programmes. He also assured the growers of fair price of their produce in future.

CSO: 4220/7703

'INTENSIVE SEARCH' FOR MINERALS REPORTED

Dacca THE BANGLADESH OBSERVER in English 20 Aug 81 pp 10, 11

[Text] The old idea that there was not enough mineral resources in the country is now giving way to the fact that Bangladesh is rich in mineral resources. And it is no denying the fact that with the exploitation of our mineral resources the fate of our people would be changed for the better.

All-out efforts are therefore being made to tap the natural resources. When the untapped mineral resources would be exploited the overall economic condition of the country would be changed.

In the past there was little effort to explore and exploit the mineral resources. Even there was no worthwhile effort to survey the resources. The general impression is that there was not enough resources in our country.

The idea has now been changed. The existence of sizeable mineral resources have now been found in the country after proper survey and primary investigation.

The natural and mineral resources found in the country are: gas, pit, coal, limestone, hard rock and lignite rock. The possibility of striking oil in the country is also quite hopeful according to expert opinion.

Various agencies are now engaged in tapping the mineral resources and to utilise them for economic development.

There is bright prospects for finding pit in large quantity in Dacca, Comilla, Sylhet, Faridpur, Khulna, Dinajpur, and Rangpur. The total deposit of pit in these districts is estimated to be about 16 crore and 50 lakh tons. The deposits of pit in Bakhia and Chanda Beels of Faridpur have been estimated to be about 15 crore tons.

The idea of extraction of pit was abandoned in the past in consideration of high extraction cost but, at present in view of high cost of fuel in world market the extraction of the same is under consideration.

Limestone has been found in Sunamganj of Sylhet. The country can become self-sufficient in cement production after extraction of limestone, it is believed hard rock has been found in Madhyapara of Dinajpur. The extraction work of hard rock is progressing.

Coal has been found in Jamalganj of Joypurhat in the district of Bogra and Sunamganj of Sylhet. The deposit of coal in these two places has been estimated to be about 105 crore and 70 lakh tons.

With the exploitation of the mineral resources our country is sure to make a tremendous economic headway.

The territory of Bangladesh is still largely understudied in the geological respect. The lack of complete factual data delays assessing the country's oil prospects. Despite this, the general geological data allow the Soviet geologists who worked in Bangladesh to evaluate the territory of the country and the adjacent continental shelf as generally highly promising for both gas and oil prospecting. This makes one confident that fruitful cooperation between the geological services of Bangladesh and the USSR will keep promoting the discovery of new deposits which are so vital for the advancement of the country's national economy.

One of the fields of USSR's cooperation with developing countries and, notably, with Bangladesh is assistance in conducting geological exploration. This was the subject of an interview by the Deputy Minister of Geology Victor Yarmolyuk.

About 250 deposits of various minerals have been discovered with the help of Soviet geologists in different foreign countries over the past five years (1975-1980). More than half of these deposits are already being developed.

The Ministry of Geology of the USSR has been assisting different countries in the exploration of their mineral resources for more than 25 years now. These days, geological exploration is carried out in 34 countries, with the major exploration projects concentrated in developing countries. Geological exploration abroad focuses on 40 major mineral resources: oil and gas, coal, ore and nonferrous metals, nonmetallic ferrous minerals, construction materials and so on.

Dozens of mining, ore-concentration and metallurgical works as well as oilfields have been or are being built in many countries on the basis of the deposits of mineral resources found with Soviet assistance. Parallel with geological exploration the Ministry of Geology of the USSR also assists developing countries in establishing and strengthening their national geological services and in personnel training which is highly important for these countries.

Bangladesh is one of regular partners in the field of geological cooperation. Oil and gas prospecting on the territory of that country has been going on with Soviet assistance since 1961. This cooperation has attained a particularly broad scope after 1971. To conduct geological exploration in Bangladesh, the Soviet Union has delivered there installations for deep drilling an aggregate for borehold testing seismic stations, gravimeters, laboratory equipment and a large number of transportation facilities. All equipment maintenance is carried out by Soviet engineers and technicians who take part together with Bangladesh experts in detailed geological surveys, in drilling deep boreholes and of laboratory studies. Apart from this, Soviet experts prepare recommendations and proposals on directions, methods and the ecological mode of geological exploration, which are promptly passed over to the Petrobangla Corporation. They are also engaged in the active training of young local personnel.

CSO: 4220/7703

BRIEFS

BNP EXECUTIVE MEMBERS--Mr Naimul Huq Nannu and Mr S. M. Fakruddin Advocate of Barisal have been appointed members of National Executive Committee of Bangladesh Nationalist Party (BNP). The party's National Standing Committee made the appointment on August 1 says a Press release. [Text] [Dacca THE BANGLADESH OBSERVER in English 5 Aug 81 p 1]

NEWSPAPER CASE DISMISSED--The Press Council has dismissed the case against the editors of THE BANGLADESH OBSERVER and THE BANGLADESH TIMES brought before it by complainant Mr Tamizul Haque with the verdict "Editors' authority in deciding and publication is absolute" reports BSS. The Council said the editorial discretion unless malafide cannot be interfered with vide Rule No Five of the Code of Conduct. According to the proceedings, Mr Tamizul Haque has complained against editors of THE BANGLADESH OBSERVER and BANGLADESH TIMES alleging that they have refused to publish his (Mr Haque) article "Islam and Communism." Mr Haque also failed to prove the allegation that there exists instruction from the Government with regard to the publication. Mr Haque finally submitted that the matter should end. [Text] [Dacca THE BANGLADESH OBSERVER in English 7 Aug 81 p 1]

NEW SWISS AMBASSADOR--The Ambassador designate of Switzerland, Mr Peter Erni presented his letter of credence to the Acting President, Mr Justice Abdus Sattar at Bangabhaban on Saturday morning, reports BSS. While presenting his credentials to the Acting President, Mr Erni expressed the hope that the relations between the two countries would continue to grow in the days ahead. The Acting President assured Mr Erni of all possible cooperation during his stay in Dacca. [Text] [Dacca THE BANGLADESH OBSERVER in English 9 Aug 81 p 1]

EIGHT-PARTY MEETING--Eight political parties met in Dacca on Friday to explore possibilities of evolving a common strategy on the issues of presidential election and morement, reports ENA. The parties are: Awami League (Hasina), Jatiya Samajtantric Dal (JSD), Communist Party of Bangladesh (CPB), National Awami Party (Muzaffar), National Awami Party (Harun), Ekota Party Workers' Party and Sramik Krishak Samajbadi Dal (SKSD). Awami League (Hasina) Presidium member Abdul Mannan presided over the meeting. [Text] [Dacca THE BANGLADESH TIMES in English 15 Aug 81 p 1]

NURUL ISLAM DIES--Mr Nurul Islam, a social worker and a leader of Bangladesh Muslim League (Sabur), died of a heart attack on Sunday morning. He was 42, reports ENA. Late Mr Islam who was a man of an amiable personality left behind his wife, three sons, four daughters and a host of friends, relatives and well-wishers. His Namaj-e-Janaza was held at Chak Bazar Shahi Masjid after Zohr prayer. The body was buried at Azimpur graveyard. [Text] [Dacca THE BANGLADESH TIMES in English 17 Aug 81 p 8]

CHITTAGONG HILLS WELFARE--Manikchari, Aug 17--Mr Aung Shu Pru Choudhury State Minister for Food said here on Saturday that the Government was determined to bring about all round improvement in the lot of the people of the Hill Tracts, reports BSS. Addressing a public gathering here, the minister asked the local people to maintain peace and harmony in the interest of implementing different development projects. He said that only the principles of Bangladesh nationalism could protect the interest of the tribal people while maintaining the territorial integrity of the country. Mr Choudhury said that late President Zia had undertaken a massive economic uplift programme in the tribal areas of the Hill Tracts which no other Government in the past had done. He also reminded the local people that if the tempo of development was to be maintained and the programmes of the late President had to be implemented, they should vote for Acting President Justice Abdus Sattar. [Text] [Dacca THE BANGLADESH TIMES in English 18 Aug 81 p 1]

RICE TO GUINEA--The dream of late President Ziaur Rahman came true when Bangladesh for the first time exported 10,000 tons of rice to Guinea on Monday. MV Banglarman of Bangladesh Shipping Corporation loaded with Bangladeshi boiled rice left Chittagong port for Conakry on Monday morning as per schedule. According to an agreement Bangladesh will export one lakh tones of rice to Guinea. Monday's shipment was the first installment. Second shipment will also take place during the current month it is learnt. [Text] [Dacca THE BANGLADESH TIMES in English 18 Aug 81 p 1]

ISD ELECTION PARTICIPATION--The Islami Sammyabadi Dal has decided to participate in the forthcoming presidential elections and nominated its convenor Barrister Mohammad Rawshan Ali. According to a Press release of the party on Monday the decision was taken at a meeting of the organisation at the residence of Mr Ali on Sunday. The meeting noted that to strengthen the foundation of democracy it was essential to participate in the elections and observed that any attempts to sabotage the polls or boycott would lead to instability and anarchy in the country. [Text] [Dacca THE BANGLADESH TIMES in English 18 Aug 81 p 8]

JUTE TO INDONESIA--Indonesia will purchase jute goods worth Taka 1.90 crore from Bangladesh Jute Mills Corporation reports BSS. An agreement to this effect was signed in Dacca on Wednesday the Indonesian Ambassador in Bangladesh, Mr Sajis Basuki Sastrohartroj, and the General Manager (Marketing) of BJMC, Mr M.F. Rahman. The shipment of the goods will be made during the first week of September next. [Text] [Dacca THE BANGLADESH OBSERVER in English 20 Aug 81 p 1]

FRENCH CREDIT DECISION--French Parliament recently approved a Government decision to convert into grants a part of Bangladesh debts to France, according to an information received in Dacca from Paris, reports BSS. The total amount involved is French franc 111,927,970 (about Taka 36 crore). This is the first conversion of French credit to Bangladesh into grant. French trade commission in Dacca when contacted confirmed the news and said that the installments already paid by Bangladesh towards repayment of the debts would soon be returned by the French Treasury to Bangladesh Bank. [Text] [Dacca THE BANGLADESH OBSERVER in English 20 Aug 81 p 12]

AMBASSADOR TO SAUDI ARABIA--The Government has decided to appoint Mr Muhammad Mohsin as Bangladesh Ambassador to Saudi Arabia, it was officially announced in Dacca on Wednesday, reports BSS. Mr Mohsin has been Bangladesh Ambassador to the United Arab Emirates since April 1979. [Text] [Dacca THE BANGLADESH OBSERVER in English 20 Aug 81 p 3]

SUPPORT TO SATTAR--Bangladesh Jatiya Ulema Dal has extended support to Acting President, Mr Justice Abdus Sattar, candidate of the Bangladesh Nationalist Party (BNP) for the presidential elections. The National Organising Committee of the party in a meeting held on Friday at its central office with the party chief Maulana A.K.M. Farouk in the chair took this decision. In a resolution the National Organising Committee instructed all its workers to work for the electioneering of Mr Justice Abdus Sattar. [Text] [Dacca THE BANGLADESH OBSERVER in English 22 Aug 81 p 1]

OPPOSITION UNITY CALL--Awami League (Mizan) President, Mr Mizanur Rahman Chowdhury, on Thursday called for a united movement of the entire opposition against the government to realise the 'demands of the people,' reports BSS. Speaking at a reception given to him and the newly elected AL(Mizan) office-bearers at the Mahboob Ali Institute, Dacca, Mr Chowdhury said that unless the opposition political parties launched a vigorous movement, the present government would not fulfill any demand. The united movement, he said, should be launched to press home the demands for shifting the election date, introduction of parliamentary system of government and upholding the 1972 constitution. Organised by Jatiya Hawkers League, the reception was presided over by its president, Mr Mustafa Kamal, AL (Mizan) General Secretary, Mr Nur-e-Alam Siddiky, Vice President of the party, Mr Muslemuddin Khan Habu Miah and a number of leaders from Hawkers League addressed the reception. [Text] [Dacca THE BANGLADESH TIMES in English 22 Aug 81 p 3]

SOLIDARITY WITH PLO--Speakers at a function in Dacca on Saturday expressed full solidarity with the Palestinian people and condemned the continuing US help to Israel which is committing crimes one after another, reports BSS. Organised by the PLO office in Dacca in observance of the Al-Aqsa Day, the function, was addressed among others by the State Minister, for Manpower and Social Welfare, Syed Mahibul Hasan President of United Nations Association in Bangladesh, Prof Kabir Chowdhury and PLO representative in Bangladesh Mr Ahmed Abdur Razeq. [Text] [Dacca THE BANGLADESH TIMES in English 23 Aug 81 pp 1, 12]

DACCA VICE CHANCELLOR--Dr A.K.M. Siddiq, Professor of Physics and formerly Dean of the Faculty of Science, Dacca University has been appointed Pro-Vice-Chancellor of the University of Dacca for a term of four years, it was officially announced in Dacca on Sunday, reports BSS. Prof Siddiq worked as a visiting scientist in Canada, England, Italy and West Germany. He has participated in many international scientific conferences and has large number of publications in science journals. Prof Siddiq is a fellow of the Bangladesh Academy of sciences and a former President of the Bangladesh Physical Society. He has been invited by the Nobel Prize Committee to nominate candidates for the award in physics for 1981. Prof Siddiq has served the university for 30 years. [Text] [Dacca THE BANGLADESH TIMES in English 24 Aug 81 p 1]

PRESS AWARD REFUSED--Mr Nirmal Sen, Assistant Editor of DANIK BANGLA, has declined to receive the Kazi Mahbubullah Award for journalism in 1980. In a letter to the organisers of the award Begum Zebunnesa Kazi Mahbubullah, Welfare Trust, Mr Sen said that he was unable to accept Taka ten thousands and a gold medal as he failed to perform his proper role as a journalist. He cited the reasons as 'no journalist is free today to write independently by steering clear of the Government black laws and the wishes of the owner.' [Text] [Dacca THE BANGLADESH TIMES in English 24 Aug 81 p 8]

JAMIATUL MUDARRESEEN CONFERENCE--Maulana Abdul Mannan MP, President, Bangladesh Jamiatul Mudarreseen (BJM) was unanimously reelected as President of the association for the next five years at the third session of the national conference now being held in Dacca. The conference in a resolution demanded of the Government to declare "Qadianis" as a minority community. The conference in another resolution strongly protested against the Indian occupation of South Talpatty and blockade of Angarpota and Dahagram. It appealed to the amnesty international to play active role to bring an end to the mass executions in Iran. [Text] [Dacca THE BANGLADESH TIMES in English 26 Aug 81 p 1]

RIVER-CROSSING EXERCISE--Jessore, Aug 26--Chief of the Army Staff Lt General H. M. Ershad witnessed a demonstration on assault crossing of river obstacles staged by the local Div. Engineers Battalion here yesterday, says an ISPR Press release. Speaking on the occasion, General Ershad observed that in a riverine country like Bangladesh any tactical movement of troops will have to negotiate water obstacles on their way. Since we cannot afford to provide modern and sophisticated water-obstacles expedients required to overcome such handicaps, we should try to make the best use of locally available resources, he added. Pointing out to the raft and other expedients constructed by the local Div. Engineers Battalion with indigenous means and exhibited in the demonstration, the Chief of Army Staff said that it will be a source of inspiration for new innovation to the Army. Expressing his satisfaction over the performances of the Div. Engineers Battalion in conducting the demonstration, General Ershad emphatically said that it is the efficiency and perfection of training which enables a soldier to discharge his duties with confidence. [Text] [Dacca THE BANGLADESH OBSERVER in English 27 Aug 81 p 1]

REPUBLICAN PARTY MEETING--The National Republican Party (NRP) at a meeting today decided to participate in the presidential polls scheduled for October 15, a party press release said. The party will announce its candidate soon, it added. [Text] [Dacca THE BANGLADESH TIMES in English 27 Aug 81 p 8]

NEW PRESIDENTIAL CANDIDATE--Al-haj S.M. Zakir Hossain, a retired air force personnel on Wednesday expressed his desire to contest the forthcoming Presidential election as an independent candidate, reports BSS. Announcing his 19-point election programmes at a Press conference at Mohammadpur in Dacca on Wednesday afternoon he said if he was elected he would constitute a Cabinet of the worthy and elderly talented sons of the soil. [Text] [Dacca THE BANGLADESH TIMES in English 28 Aug 81 p 3]

CSO: 4220/7719

FORMER AMBASSADOR REVIEWS INDO-SOVIET RELATIONS

Bombay THE TIMES OF INDIA in English 15 Aug 81 p 7

[Text]

NEW DELHI, August 14.

INDIA'S former ambassador to Russia, Mr. I. K. Gujral, yesterday narrated how a better appreciation of similarity of security interests of India and the Soviet Union grew after the Sino-Indian conflict of 1962.

He said it was only after 1962 that the Soviet Union agreed to sell arms to India. Mr. Y. B. Chavan, the then defence minister, had gone to London and Washington when "relevance of security as a foreign policy factor dawned on us by 1962." His inventory included the purchase of "two second-hand submarines". He drew a blank in both the United States and the United Kingdom.

It was in 1963, when Mr. Chavan was sent to the Soviet Union to secure arms during the prime ministership of Mr. Lal Bahadur Shastri, that the Soviet Union for the first time agreed to sell arms to India. Between 1962 and 1971, the Soviet Union remained one of the major sources for defence needs of the country, Mr. Gujral pointed out.

He said the Soviet Union at one stage supplied some arms to Pakistan also, hoping to wean it away from the United States and bring India and Pakistan together. But they had to abandon this experiment.

INDO-SOVIET TIES

Mr. Gujral traced the historical evolution of the Indo-Soviet relations from the days of Stalin to our own time, while delivering a lecture on "Indo-Soviet relations: retrospect and prospect". The lecture was organised by the Nehru Memorial Museum and Library. Prof. S. Nurul Hasan presided over the lecture meeting.

In Mr. Gujral's analysis, the genesis and evolution of the Indo-Soviet relations were minimal and formal during Stalin's days. Stalin had not realised and appreciated the important role Nehru and newly-freed India would play in regional and world affairs.

But Nehru had appreciated the significance of Indo-Soviet relations. That was why the first ambassador from India to go to Moscow was none other than Nehru's own sister, Mrs. Vijaya Lakshmi Pandit. But Stalin did not even see her during her tenure in Moscow. Despite the Soviet support to India on Kashmir, the Soviet Union seemed to have been "cold shouldering" this country in Stalin's days.

Mr. Gujral felt that major changes in Soviet policy towards India started during the days of Khrushchev and growing co-operation in various fields between the two countries began after the visit of Khrushchev and Bulganin to our country.

He said it was then that the Soviet Union had begun to fully appreciate the realities of the Indian role in international affairs, particularly the role of Jawaharlal Nehru in building an unprecedented foreign policy.

Mr. Gujral dwelt on how the trade, economic and international co-operation in several world issues between the two countries grew with the clearer appreciation and recognition of the role of India and the policy of non-alignment. The Soviet Union began to recognise non-alignment not as a mere perception but as a movement.

Mr Gujral said while Nehru was the main architect of Indo-Soviet relations on our side, on the side of the Soviet Union it was Khrushchev, though much later. It was then that the Soviet leaders began to raise the slogan of peaceful co-existence and declared that they were not interested in exporting ideologies.

U.S. OBSTINACY

There were several other factors like the unwillingness of the Americans to see the relevance of non-alignment and failure of Nehru's protests to the U.S. administration against arms aid to our neighbours as well as deterioration of Sino-Soviet and the Sino-Indian relations at the same period, which made the foreign policy-makers of both the countries appreciate commonality of interests in various areas.

Mr. Gujral said that in the post-1962 period, the Indian elite had begun to think that because of the Sino-Indian conflict, our relations with the United States would change. Delegations too had started arriving from that country. But it became clear later that they were more interested in making India yield on Kashmir, debunk non-alignment and even replace Nehru if possible.

In Mr. Gujral's opinion, the emergence of Vietnam as an independent nation became a watershed in diplomatic realignments. The U.S. diplomacy only succeeded in limiting its own initiatives by its major defeat in Vietnam.

Mr. Gujral saw Vietnam emerging as a major security factor, from Soviet and Indian view-point. The Indian Ocean was another important security factor.

He said, with the advent of Mrs. Indira Gandhi, new perceptions emerged and the '70's marked an "intensified relationship" between the two countries. Our efforts to normalise ties with China also did not affect the Indo-Soviet relations qualitatively.

Mr. Gujral said in the present "arc of instability", from Vietnam to Iraq, the Indo-Soviet relations again became important. They could play an important role in the global revival of detente.

He said while the situation in the world was developing in such a way that relations between most countries could not remain simply bilateral but had to be affected basically by the relationships between the super powers, at least the Indo-Soviet relations were not entirely dependent and influenced by the super power interrelationship.

CSO: 4220/762

KERALA POLITICIANS WOO CASH CROP GROWERS

Bombay THE TIMES OF INDIA in English 15 Aug 81 p 8

[Article by K. C. John]

[Text] TRIVANDRUM: Price support for cash crops has become an essential part of the political culture of Kerala and a drain on the state exchequer. The tax-payer is left in the cold as political parties vie with each other to woo the large community of cash crop growers.

The Centre too sometimes uses its import policy as a lever to boost the political fortunes of the party of its choice in the state where political amalgamations are prone to change overnight.

Owners of large coconut gardens, paddy fields and rubber, tea, coffee and cardamom plantations wielded considerable political influence for several years after independence, particularly in the Travancore area. But the steady fragmentation of land, under the pressure of rising population and land reforms, has thrown up a class of small farmers who opted for commercial crops. Rubber, coconut, and (recently) cocoa plantations sprang up everywhere and broke the monopoly of the few rich plantation kings. The small growers are now the backbone of Kerala's agricultural economy. Their numerical growth has forced the left parties, who until the early 'seventies had ignored them, to befriend them. All the parties from the Congress (of either denomination) to the CPM have front organisations fighting for the interests of the small farmers whose support is now considered vital.

Unsold cocoa beans hung on a string served the other day as a bunting on the walls of a hut in Kottayam district where opposition Kerala Congress leaders had gone on a relay fast, demanding a fair price for cocoa. Stocks of unsold cocoa pods have accumulated in thousands of small farms all over the state.

The satyagraha was called off after the Union government had assured the opposition leaders, which is led by the Congress-I, that cocoa imports would be stopped. The state government also offered to buy the accumulated stocks through co-operative societies.

The two Kerala Congress parties (ruling and opposition) derive their main support from the farming community in Kottayam district, which is the leading cocoa cultivating area.

Wrong policies

While the opposition Kerala Congress had resorted to satyagraha to "expose" the state government, its rival in the ruling front announced a programme of agitation against the "wrong economic policies" of the Union government. Every time there is a fall in the price of a cash crop the ruling alliance uses it as an opportunity to criticise the Centre. The Congress (I) too uses such occasions as an instrument of pressure to get concessions for the growers and gain political advantage.

The farmers took to the cultivation of cocoa, a major cash crop of the state, in the seventies because of the ruling high prices. The government had promised a bonanza to the cocoa cultivators which turned out to be shortlived as a private sector company, which was the sole purchaser of cocoa, switched to imports on the plea that the cocoa produced in Kerala was of poor quality. This company alone has the capacity to process cocoa.

The farmers, backed by all the political parties, turned to the state government for relief. But the government had no means of processing cocoa and lacked the technical know-how. It promised to set up a processing unit and for some time purchased the stocks through the co-operative marketing federation. Soon it had to suspend purchases because it could not make use of the beans.

The government, however, has again begun to purchase cocoa because of the pressure of political parties who are demanding that the growers in distress be helped. But it still has to set up a processing unit and acquire technical know-how. That means the cocoa now being purchased at the expense of the tax-payer by the government will rot in godowns. It plans to set up cocoa processing plants, but the prospects of these materialising in the near future are dim.

Meanwhile, the farmers will get Rs. 3 per kg for their produce, thanks to political pressure. The state will have to bear the expense of paying the higher prices. Clearly, it will thus have much less money left for development projects.

The same political pressure operates whenever the price of rubber or coconut falls or whenever the Union government decides to import these commodities. All the political parties raise a hue and cry. The state legislature passes resolutions unanimously protesting against such imports. Deputations go to Delhi and manage to persuade the Centre to rescind the decision.

Political support

The Kerala government constituted a coconut development corporation a few years ago to promote the industrial use of coconut products and stabilise prices. But besides crushing copra for oil, the corporation has done nothing to prevent the exploitation of Kerala's near-monopoly produce by big industrial houses outside the state.

For the political support the farmers get, they are obliged to back the demands and agitations of agricultural and industrial workers. This tends to seriously jeopardise a balanced development of the farm sector.

The Kerala worker, either in the farm or the factory, gets a minimum wage which is far above the wage level in neighbouring states. A law to ensure security of service in the unorganised sector is in force now. A providend fund scheme for the agricultural workers was launched in Palghat district as an experiment some time ago. It has failed as both farmers and their workers have rejected the scheme. Undaunted, the government is now planning to set up a welfare fund for farm workers as a substitute to provident fund.

Legislative and administrative measures for the welfare of the farm workers have necessarily made farming a costly venture. Along with the continuing rise in the price of fertilisers and other inputs the farmer in Kerala has to pay more for labour than his counterpart in other parts of the country. This makes farming uneconomic and paddy fields are being converted all over the state on a large scale into coconut groves.

The tea industry is also facing a crisis because of a fall in prices in the international market. The state government has expressed its concern over the future of the industry and urged the Centre to come to its aid. All the political parties have supported the move.

Ironically, the state government has thought it fit to raise the minimum wage for tea plantation workers in the midst of this crisis — a clear case of attempting to consolidate political support at the expense of the larger economic interests of the state and the country.

Meanwhile, neither the worker nor the farmer is satisfied with the measures introduced by the government. Their demands keep escalating with every move the government makes to win their support.

CSO: 4220/7625

NEED FOR FIRM NATIONAL ENERGY POLICY STRESSED

Bombay THE TIMES OF INDIA in English 15 Aug 81 p 8

[Article by L. K. Sharma]

[Text] NOW that Mrs. Gandhi has called for a world energy policy, one may well ask why India itself cannot make a beginning by announcing a national energy policy. No such policy has been formulated so far despite all the talks of the energy crunch.

It is not as if the need for it is not felt by the government. It had indeed appointed in 1977 a committee to do some spadework. Its report — by experts from diverse fields — was available in 1979 and since then it is being "processed" by the government.

The fate of the report of the earlier fuel policy committee, submitted in the early seventies, was no different. The more recent report of the Rajadhyaksha committee on power industry is currently being dusted in the energy ministry. Maybe, it has received a query from the Prime Minister's office!

The energy policy committee has broadly recommended judicious curbs on oil consumption, conserving energy through greater efficiency in utilisation, lowering the intensity of energy consumption, particularly in the industrial sector and increased reliance on renewable energy resources. It has also suggested a reappraisal of economic development strategies directly linked with energy consumption.

The government may argue that it has not overlooked some of the elements of the suggested energy policy while taking economic decisions but this is not quite the same thing as vigorously implementing a package prescription within the framework of a comprehensive, well-publicised strategy.

The government at present does not even have an institutional mechanism to carry out a national energy policy involving harsh measures. Indeed, the most important recommendation of the committee is for the appointment of an energy commission directly under the Prime Minister. "Such a commission should report on issues of energy policy and its implementation so that the Prime Minister could coordinate effectively the activities of the relevant departments," the report says.

SUB-SECTORS

The proposal for a commission was mooted since a ministry with all energy sub-sectors under it would not be feasible. It will be too much to expect an energy minister, even a political heavy-weight, to guide all decisions which have a bearing on energy generation, fuel-mix, pricing, energy use, conservation and research and development in the related areas. But, this is precisely the task that the government must tackle to overcome the energy crisis.

The energy problem is alarming but considering the inefficiencies in India's energy economy, there is considerable scope for stretching the available supplies. It requires coordination and direction from the highest level so that efforts made in one sub-sector of the energy economy are consistent with those made in other sub-sectors.

Nor is such coordination possible under the present institutional framework. The ministry over which Mr. A. B. A. Ghani Khan Choudhary presides should be more appropriately called the ministry of electrical power rather than the ministry of energy. The energy policy committee has rightly emphasised the need for a "nodal" agency to take the responsibility for evolving the future energy options on a continuous basis, operationalising the policies into specific programmes and identifying agencies to implement these.

The increase and decrease of total commercial energy consumption or the consumption of specific energy is the result of a complex set of factors. These include the level of activities, the availability of different fuels, their relative prices, technological changes, changes in the composition and quality of output in the sector, the changing life style and, what is most important, the rate of substitution of non-commercial fuels by commercial energy. These are the issues which can be constantly assessed by a nucleus of experts attached to the proposed energy commission. Those who still think that the Planning Commission is to be a think-tank of the government have lost touch with the reality. Incidentally, the post of energy adviser in the Planning Commission has been lying vacant for quite some time.

JOCKEYING

The absence of a centralised coordination body is evident from the way vital decisions are taken or not taken. The share of nuclear power in the aggregate supply cannot be left to the Atomic Energy Commission alone. The scientists envolved in the new and renewable sources may paint a rosy picture while jockeying for funds. The task of an objective comparative assessment of different technologies, changing economic and social factors and the impact of international relations on energy imports has to be undertaken by an authority which can take an overall view.

For formulating a national energy policy, the economic growth strategies have to be scrutinised in the light of current expectations

of increasing scarcity and price of all energy products. The energy policy committee wanted a study of the causes for the seemingly high energy intensity of the Indian economy. According to the committee, it is feasible to gradually reduce the input of energy required to produce a given level of goods and services.

Policy and planning matters apart, some authority has to exercise vigilance to prevent disastrous decisions by the government's own agencies. Often the states tend to slash the power tariff on the eve of elections. The wrangle between the ministries of petroleum and industry over the production of a more thermal-efficient cooking stove is yet another example.

The proposed commission alone can push through measures for the conservation of energy. Urgent action is called for to stop the flood of sub-standard equipment and appliances that hog energy, be they electric heaters or diesel pump-sets. The task seems to be beyond a single ministry. It has been estimated that without any massive technological changes, 20 to 30 per cent of the energy being used by industry can be saved. But, administratively, curbing this colossal waste is no easy task. The problem has to be tackled in factories through better insulation and improved practices, and also at the equipment manufacturing end.

There are appliances in the market with 20 per cent electrical efficiency. In the agriculture sector, the market is flooded with pump-sets which are extremely wasteful but, dare any authority take the 300 small-scale manufacturers to task on this count, though pump-sets with 35 per cent increased efficiency are not too difficult to manufacture?

INCENTIVES

Stringent regulatory measures as well as incentives are required to coax industry to become energy efficient. Since cement and fertiliser units, for instance, cater for a market of shortages and face no competition, they have no need to go in for better energy management. Over the years, there has been no reduction in the consumption of energy per unit of production.

Can the industry ministry make energy audit in factories mandatory? Co-generation (combined heat and power production) holds the prospect of large energy savings in the industrial sector. Can it be made an essential condition for industrial licences? It is known that a large saving in fuel oil is possible if the furnace design is improved. If all the big users were to change furnaces, it will save the country some 1.5 lakh tonnes of fuel oil per year.

The present railway system is capable of moving 25 to 30 per cent more of originating traffic. But can the energy ministry ask the Railway Board to do so? Can the co-ordination of road and rail traffic be done by one single ministry? Should the railways have the last word on switching over from the steam engine to electric traction? Who is to decide the most economic use of the country's coal resources in the face of conflicting claims?

Some 10,000 Mw of power-generation capacity can be installed through micro-hydel stations on the canal system. But someone has to direct the irrigation ministry to incorporate this design parameter in their plans.

Similarly, no single ministry can encourage desirable inter-fuel substitution. It requires a co-ordinated policy. Today strong official advocacy of centralised power generation is accompanied by free approvals of captive power plants at scattered locations. This is just one example of confusion that will continue to prevail as long as there is no well-formulated national energy policy and a centralised commission with strong political and administrative authority to implement it.

CSO: 4220/7625

CAUSES OF TRIPURA COMMUNAL RIOTS UNALLEVIATED

Bombay THE TIMES OF INDIA in English 24 Aug 81 p 7

[Article by Kirit Bhaumik]

[Text] AGARTALA:

THE deep wounds that had been inflicted on inter-communal harmony in this eastern sub-montane state by the carnage of last year have apparently been healed, but it has not ended the worries of the people here. There is a pervasive feeling that the calm is deceptive.

In support of his assertion that normalcy has returned, the I.G. of police, Mr. Ramen Bhattacharya, claims that all the families who had left their homes in the wake of the holocaust have returned to their villages. All have been rehabilitated. Both the tribals and the settler Bengalis are living side by side in the same villages.

The assessment is essentially that of a police official whose responsibility ends with the maintenance of law and order. But the politicians are aware that this normalcy can be threatened at any time because the causes of last year's communal riots have yet to be removed.

The tribals are getting restive as the promised step for the protection of their economic interests and culture has not yet been fulfilled — the setting up of an autonomous district council. Although the necessary legislation has been enacted in accordance with the seventh schedule of the constitution, the elections are yet to be held for constituting the council.

C.M. RELUCTANT

The basic reason is the deep distrust that divides the leaders of the two communities. Not that anyone is against the demand of the tribals for legal and constitutional protection, but the chief minister, Mr. Nripen Chakravarty, feels that the issue has been politicised and that the opposition is trying to derive advantage from it.

The chief minister was reluctant to announce the holding of the elections because he appeared to be uncertain whether the atmosphere was as yet conducive for it. If he was being cautious nobody could really blame him, because last year's communal holocaust erupted after the election dates had been announced and could be directly linked to it. And Mr. Chakravarty is quite frank in admitting that he cannot fully rely on the administration remaining impartial in case of a repetition of the riots.

The tribal leaders, however, say that Mr. Chakravarty is not being sincere in putting forward these "excuses." The Marxist chief minister has, in fact, become sensitive on this issue because it involves the question of his party remaining in office. The architect of the legislation to give protection to the tribals is now dragging his feet over holding the elections.

Mr. Nagendra Jamatia, the most vocal of the four Tripura Upajati Juba Samiti (TUJS) MLAs, does not believe that the chief minister will hold the elections despite the promise that he will do so by December. Whether Mr. Jamatia is justified in his doubts or not, this feeling is only helping to increase the tension.

The problem would not have arisen had the TUJS responded to Mr. Chakravarty's overtures. But the tribal leaders have spurned all his offers for co-operation and the chief minister believes that they have done so at the instigation of the Congress (I). Mr. Chakravarty has even taken umbrage at the fact that the TUJS had sent a delegation to Delhi for unity talks with Congress (I) Central leaders.

The CPM is obviously alarmed by the fact that the party has been almost totally alienated from the tribal belt. The chief minister has in fact accused the TUJS of hounding out his party workers from the tribal areas using terrorist methods. The Marxists' fear is that if the council elections are held in this atmosphere and the TUJS sweeps the polls, which seems likely, it will have an adverse impact on the CPM in the assembly elections due next year.

It will, however, be too rash to dismiss the chief minister's fears that there can be a recrudescence of disturbances if the council elections are held in the near future. No one can be certain. But a further postponement of the poll will further embitter relations between the communities and increase the possibility of the TUJS leadership reverting to the extremist, who have been ousted from all positions of importance in the organisation.

The moderate TUJS leaders, who now control the organisation, have declared their adherence to the democratic path and assert that their aim is only to gain constitutional safeguards for the tribals. Their assertion cannot be dismissed out of hand because these leaders are all Hindus and are not prone to exploit the ethnic factor for creating inter-communal discord. They have basic differences with extremists like Mr. Bijoy Rankhal who are more akin to the Mizo insurgents, both in faith and temperament.

Presumably for partisan political reasons, Mr. Chakravarty refuses to see this important difference and is inclined to condemn them all as firebrand extremists with secessionist objectives.

But the people here have noted that Mr. Chakravarty had himself at one time gone all out to woo the moderate TUJS leaders.

They wonder what his attitude would have been had the TUJS leaders responded to his call.

CSO: 4220/7627

PRIVATE SECTOR PLAN TARGETS 'UNREALISTIC'

Bombay THE TIMES OF INDIA in English 24 Aug 81 p 8

[Article by Prem Shankar Jha]

[Text] EVER since the second plan, the private sector has been treated as the neglected step-sister of the public sector. While the Planning Commission has made the most detailed projections of resources, allocations and targets for the public sector, covering hundreds of pages of the plan document, the private sector has often merited no more than a few paragraphs.

Yet the burden placed on the private sector has been large by any standards. It is asked to be responsible for no less than two-fifths of the capital formation in the country. What is more important, it is expected to produce efficiently. For if it does not, since the public sector as a whole is running at a loss, there will be very little profit for the government to tax.

The sixth plan conforms to the above pattern with dreary fidelity. In all, the private sector is expected to invest Rs. 74,000 crores, only Rs. 25,000 crores less than the public sector. Rs. 16,000 crores is to be invested in agriculture, and Rs. 24,000 crores in trade and other services. Of the remaining Rs. 34,000 crores, no less than Rs. 30,000 crores is destined for investment in industry. And of this the corporate sector is expected to account for around Rs. 17,500 crores.

It is only for this last sector that the planners have attempted to give any further details. They estimate that the investment likely to occur in various sectors of industry and mining will add up to Rs. 13,182 crores. The balance is accounted for by non-financial services and industries.

DOUBLE

Of the Rs. 13,182 crores, the government expects the private sector to find Rs. 8,870 crores either from its own surpluses and reserves (Rs. 5,760 crores) or as promoters' capital (personal investment plus money raised through the sale of shares). The balance is to come from the financial institutions.

These estimates are, to say the least, unrealistic. To begin with, they imply that the corporate sector will invest on an average Rs. 3,500 crores a year. This is almost double the current level of investment. Therefore to achieve the plan target, private investment will have to accelerate in constant prices from around Rs. 1,800 crores in 1980-81 to about Rs. 5,000 crores in 1984-85. But since the cost of investment is rising at about 13 per cent a year, this means that in money terms corporate investment will have to be nearer Rs. 9,000 crores in 1984-85 if the above targets are to be fulfilled.

Far from achieving the sixth plan's goals in real terms, the corporate sector may not be able to meet them even in money terms. An examination of the four main sources of funds for long-term investment makes this amply clear. To begin with, while the companies have financed one-third of their past investment by ploughing back their own earnings, the Planning Commission now expects their share of total investment to rise to 41 per cent. Unfortunately current trends point in exactly the opposite direction.

The main internal source of finance is a company's depreciation funds. But, as a recent study has shown, far from increasing, the share of depreciation funds in total corporate investment has been declining, from 34.5 per cent in the late sixties to 29.6 per cent in the late seventies. The reason is obvious: since depreciation is allowed by the tax authorities only on the original purchase price of a machine or other fixed asset, as inflation pushes up its replacement cost, the gap between this and the sum accumulated in the depreciation reserve grows progressively wider. Thus, only a major change in the laws governing the provision towards depreciation can bring about the rise in internal resource generation that the planners are hoping for. But they have not proposed, and the finance ministry has not even considered, any significant change in these laws so far.

REVIVAL

What about the corporate sector's retained profits? The share of its net profit after tax that a company wishes not to distribute depends on a number of considerations, some of which, like maintaining a good corporate image or not letting down the shareholders, are psychological rather than economic. But if profits after tax do not rise, there can be no question of ploughing back more and more into the company every year. The reserve bank studies of the private corporate sector show that the ratio of net profit after tax to sales revenue has declined steadily from 4.6 per cent in 1970-71 to 3.6 per cent in 1978-79. Even in absolute terms the rise in corporate net profits has lagged behind the rise in prices over these eight years. Clearly, corporate reserves, are not likely to yield even a tiny fraction of the additional investment that is being asked of the private sector.

Two other domestic sources remain: the share market, and the term lending institutions. Till late last year, the share market had been in a prolonged coma. So poor was the investor's response to new shares that one-third of the total shares floated between 1970-71

and 1974-75 had to be bought by the term lending institutions, whose underwriting business increased from Rs. 40 crores in 1970-71 to Rs. 190 crores in 1978-79.

But in the last nine months, there has been a sustained revival of interest in share capital, so much so that for the first time shares floated by new companies and not just those of FERA companies or the Indian giants, are finding buyers. This healthy trend has also been reflected in a sharp decline in underwriting by the term lending institutions — in the case of the IDBI by no less than 25 per cent in 1980-81.

The government's attempts to create a second money market, by raising the interest rate on debentures, encouraging the issue of convertible debentures, and putting a ceiling on company deposits to divert funds to the debenture and share markets, have also met with some success. This is reflected in sharp increase in the sale of debentures to Rs. 125 crores in the first half of 1981, against only Rs. 26 crores in the same period of 1980.

But all in all, the spurt in the volume of money raised through shares and debentures, is not of such a size as to make a major dent in the resource gap. A study of total capital consents published by *The Economic Times* shows that against an average of just over Rs. 300 crores in the four years from 1977 to 1980, if the trends visible in the first five months of 1981 are maintained, the share and debenture markets may provide around Rs. 400 crores of capital this year.

This brings us to what has emerged in the 'seventies as the mainstay of private corporate investment — long term borrowing from the term lending institutions, the Industrial Development Bank (IDBI), the Industrial Credit and Investment Corporation (ICICI) and the Industrial Finance Corporation (IFC). All of these have recorded a sharp increase in business, mainly as a result of a spurt in loan applications that began in late 1981 and has continued this year. So sharp has this been that the IDBI's lending rose by 36 per cent, in the year ended March 31, 1981. Significantly, project finance to the large and medium sector recorded the largest rise of 72 per cent. The ICICI's sanctions have also risen sharply from an average of Rs. 275 crores a year to an annual rate of Rs. 400 crores in the first seven months of this year.

SHORT

But this increase in business has brought all the three financial institutions up short against lack of funds. In fact, according to their own calculations they need an additional Rs. 405 crores to meet their anticipated commitments. The government has sought to meet this by raising a foreign loan of dollars 100 million, asking the LIC to invest Rs. 110 crores in their bonds and asking the three development banks to raise Rs. 200 crores in the market. Last month IDBI completed its first sale of bonds of Rs. 100 crores.

But after all this is taken into account, the fact remains that the total loans sanctioned under all heads to the medium and large scale corporate sector by the term lending institutions, which amounted to Rs. 825 crores in 1979-80, are unlikely to go beyond Rs. 1,200 crores in 1981-82. Allowing for another Rs. 400 crores from the share market, about Rs. 1,000 crores of internal resource generation and perhaps Rs. 100 crores of promoters' capital not raised through the floating of shares, the total investment in 1981-82, is not likely to go beyond Rs. 2,700 crores. This is 20 per cent short of the average sum that needs to be invested every year in money terms, and 35 to 40 per cent short in real terms. Clearly without major changes in government policies designed to make investment in industry more attractive, and to increase the availability of funds to the entrepreneurs, the private corporate sector will fall woefully short of the targets set for it in the sixth plan.

CSO: 4220/7627

PRK CULTIVATION PROGRESS, OBSTACLES NOTED

Vientiane SIANG PASASON in Lao 28 Aug 81 p 3

[Text] Although weather conditions have not been very good with some areas suffering drought and others hit by floods, the planting of rice and other food crops in the PRK has still yielded good results. This is especially so in the border areas, notably in Battambang Province which was the only province to complete the planting of rice on 199,580 hectares. The cultivated area has doubled compared with last year. Aside from this, Mondolkiri, Kampong Cham and other provinces have largely completed planting.

In Kratie, Takeo, Kampot and Kampong Speu provinces, although the planned goals were not met due to drought, the farmers with the assistance of the revolutionary authorities at all levels, had timely solutions to the problems. More than 170 agricultural specialists installed pumps and supervised the pumping of water into the paddies in those areas. Moreover, the government distributed 22,000 tons of rice seedlings to various localities. Also, cadres from the SRV Ministry of Agriculture cooperated closely with the revolutionary authorities and Kampuchean farmers in building irrigation systems, repairing feeder canals and installing pumps. In order to fulfill this year's agricultural production plans set by the PRK Ministry of Agriculture, the people were mobilized to take an active part with the concerned sectors facilitating things and responding to all needs of the people engaged in agricultural production. The farmers in localities not damaged by natural disasters were united in providing assistance to people in other localities in order to safeguard crops to insure that this year's crop will be better.

CSO: 4206/70

PROVINCIAL BUDGETS FOR 1981-82 ANNOUNCED

Karachi ECONOMIC REVIEW in English Jul 81 pp 30, 35-39

[Text] All the four provinces presented their budgets during the month under review. The respective development outlays of the four provinces were as follows: Punjab Rs. 3350 million, Sind Rs. 1194 million, NWFP 980 million, Baluchistan Rs. 500 million. Agriculture received 56 per cent allocation in the Punjab development outlay, while an allocation of 49 per cent has been made for education and health sector in the NWFP Annual Development Programme. Physical Planning and Housing received the largest share of 33.4 per cent in Sind ADP. A special Development Plan for Baluchistan has also been prepared.

PUNJAB

A record allocation of Rs. 335 crore for the Annual Development Programme, various tax reliefs and no new taxation except 25 per cent increase in Abiana rates and a record surplus of Rs. 148.07 crore in non-development account for investment in the ADP are the main features of the Punjab Budget of Rs.1496 crore, announced by the Finance Minister Mir Nawaz Sharif on June 27, 1981.

The Annual Development Programme, as usual, places main emphasis on agriculture, education, rural uplift and health which account for Rs. 179 crore that is, 53 per cent of the total programme.

The highest priority has been given to improving agricultural productivity with an allocation of Rs. 124.68 crore, that is, 37.22 per cent of the total Annual Development Programme for agriculture and water sectors.

For provision and expansion of social and infrastructural facilities for rural areas, the Budget provides Rs. 30 crore for farm-to-market roads, Rs. 15 crore for electrification of tubewells and villages and Rs. 7 crore for development of local points in rural areas by providing facilities like electricity, water supply, road communication, health units and schools in selected villages at union council and markaz levels.

Of the total allocation in non-development account, 24 per cent has been earmarked for education which accounts for Rs. 156.94 crore besides Rs. 33.47 crore in the development account.

The Budget provides Rs. 653 crore for administration and services including 360 crore for economic and social services, Rs. 41 crore for subsidies, Rs. 435 crore for state trading in foodgrains and

BUDGET AT A GLANCE

(Rupees in crores)

	Budget 1980-81	Revised 1980-81	Budget 1981-82
A. Non–Development Budget			
Revenue	606.54	721.56	783.85
Expenditure	586.69	618.58	653.47
	+ 19.85	+ 102.98	+ 140.38
Net Capital Receipts	+ 1.63	+ 2.12	– 1.72
Account Receipts	9.14	+ 9.62	+ 9.41
Surplus	+ 30.62	+ 114.72	+ 148.07
B. Development Expenditure	280.00	265.90	335.00
Operational Shortfall	– 14.80	–	– 15.19
	265.20	265.90	319.81
C. State Trading	375.71	404.91	434.95
D. Non-Development Capital Expenditure	76.40	77.18	94.87
Total: (A+B+C+D)	1318.80	1366.57	1518.29

sugar, and Rs. 95 crore for capital expenditure outside the development account and the Annual Development Programme allocation.

Most of the tax reliefs and concessions provided in the Budget are in respect of urban immovable property in order to encourage housing industry and grant exemptions to widows, orphans and the disabled.

Annual Development Programme

Agriculture sector shared Rs.104.35 crore which is 56 per cent more than the provision for this sector in the current ADP. The highest priority has been assigned to the subsector of agriculture and agricultural credit with an allocation of Rs. 80.06 crore as against Rs. 44.22 crore in the revised Annual Development Programme of 1980-81. The main activities in this sector are farm-to-market roads for which Rs. 30 crore have been earmarked, improvement of over 15,000 water courses, electrification of tubewells for which Rs. 15 crore have been provided, development of barani areas and subsidy on diesel tubewells, seeds, sprayers; lift irrigation and supervised credit. The total provision of subsidies is Rs. 5.50 crore.

The total allocation for livestock sub-sector including fisheries has been increased from Rs. 8,03 crore in the revised Annual Development Programme 1980-81 to Rs. 11.36 crore in the ADP 1981-82. Priority has been accorded to artificial insemination programme control of paramistic diseases and livestock research. The development of hatcheries and expansion of research facilities in fisheries would be geared to encourage private sector. Government has appointed a high-powered committee to prepare a action plan to activate livestock sector and to encourage private initiative. The committee's recommendations may cause re-adjustment of strategies in livestock and dairy development.

The allocation for rural development programme has been increased by 95 per cent from Rs. 15.09 crore in the revised ADP 1981-82 to Rs. 29.49 crore in the ADP 1981-82. In addition to the on-going programme for construction of

link roads, markaz complexes and adult education programme, a beginning will be made to develop focal points in each union council and markaz, Rupees 7 crore have been allocated for the growth of such focal points by providing physical and social infra-structure. Besides an allocation of rupees four crore has been kept to provide matching grants to Zila councils, Union councils which will mobilize natural local resources.

Under the public sector development programme of industries, major emphasis has been given to small industries and development of minerals. Out of total sectoral allocation of Rs. 4.68 crore Rs. 1:46 crore will be given to Mineral Development Corporation and Rs. 2.22 crore to the Small Industries Corporation. A sum of Rs. 20.33 crore has been allocated for the sector of water (irrigation). Major emphasis will be on drainage and small dams programme. About 270 miles of new drains would be constructed and 240 miles of existing drains would be improved. Most important drainage project is the Khairwala drain which would provide relief from waterlogging and salinity to an area of about 1350 square kilometers in Faisalabad and Jhang Districts.

The main programme of Highway Department relates to widening and improvement of existing roads and construction of new roads and bridges. Rs. 11.92 crore has been allocated for construction of 155 miles of new roads and Rs. 8.17 crore for widening and improvement of 70 existing roads. This is in addition to rural roads programme Rs. 2.31 crore have been provided for the construction of bridges and Rs. 2.19 crore for flood restoration works.

The ADP provides Rs. 34 crore for urban development programmes to be executed by three development authorities at Lahore, Multan and Faisalabad. The Lahore Development Authority has been allocated Rs. 2.45 crore for constructing roads and bridges and another Rs. 9.56 crore for water supply and sewerage of schemes. The FDA has been given Rs. 13.72 crore for sewerage and water supply beside a sum of Rs. 1.27 crore for roads and bridges. The Multan Development Authority has been allocated Rs. 2.10 crore for water supply and sewerage and Rs. 130 crore, for roads and bridges.

A sum of Rs. 33.47 crore has been allocated for education and training which showed an increase of 26 per cent over the allocation made in the current year's revised ADP. The bulk of this amount, Rs. 11.45 crore would be spent on primary education, which came to about 64per cent, of the total allocation for this sector. The amount would be spent on opening of new schools up gradation and repairs of existing schools and colleges and for improving facilities for science teaching.

The health sector has been allocated a sum of Rs. 32.18 crore. The development programme includes completion of 44, health centres and 200 basic health units, adding 352 beds in rural hospitals. In addition to this, work on 23 rural health units would be started during the year. As many as 950, medical college students would be provided hostel accommodation while many hospitals would be completed during the year. An allocation of Rs. 3.23 crore has been made in the ADP for four schemes of manpower training which would help train 984 persons in various skills.

An allocation of Rs. 7.17 crore has been made for various area development schemes for housing purposes in the province which would be financed from the deposit account created out of the sale proceeds of plots in schemes completed in the previous years. Housing and Physical Planning Department is expected to complete five such schemes in Lahore townships, Gujar Khan, Sahiwal and Rahimyar Khan which would make available 7500 developed plots for allotment to the public. With a view to providing clean and hygienic water to the rural population, an allocation of Rs. 10.09 crore has been made which will be spent on 56 on-going and 50 new schemes. An allocation of Rs. 3.56 crore has been made for 37 urban water supply schemes.

HIGHLIGHTS OF PUNJAB BUDGET

- All new houses constructed and used for residential purposes only shall henceforth be exempt from property tax for the first three years after completion.
- General exemption limit in respect of urban immovable property tax increased from annual rental value of Rs. 480 to annual rental value of Rs. 720.
- Subject to new assessment, tax on self occupied houses reduced to 12.50 per cent of the normal amount of tax. The exemption limit of annual rental value of Rs. 1,200 for self occupied houses to continue.
- Widows, orphans and disabled persons totally exempted to the extent of one house, from the urban immovable property tax.
- Entertainment tax on dramatic performances reduced by 50 per cent.
- All games and sports events totally exempted from entertainment tax.
- Buses plying for hire on urban routes falling partly within and partly outside the municipal or contonment limits with 60 per cent of the total length of the route lying within the limits of a corporation, municipal committee or contonment board, to pay motor vehicles tax at the rate of Rs. 88 per seat per annum meant for vehicles plying for hire exclusively within the municipal or contonment limits instead of Rs. 168 per seat per annum applicable to the vehicles plying on intercity routes.
- Abiana rates increased by 25 per cent as a step towards mobilizing resources for narrowing the wide gap between income and expenditure of Irrigation Department and as a measure to encourage more efficient and economical use of precious irrigation water.
- Highest priority given to improving agricultural productivity with an allocation of Rs. 124.68 crore, i.e. 37.22 per cent of the total annual development programme, for agriculture and water sectors.
- Special emphasis on provision and expansion of social and infrastructural facilities for rural areas: allocation of Rs. 30 crore for farm to market roads, Rs. 15 crore for electrification of tubewells and villages, Rs. seven crore for development of focal points in rural areas by providing facilities like electricity, water supply, road, communication health units and schools in selected villages and small towns at union council and Markaz levels,
- Allocations of Rs. 5.50 crore for subsidies on installation of tubewells, seeds, sprayers, lift irrigation and supervised credit Rs. 10.65 crore for development and improvement of water-courses and Rs. 2 crore for procurement of spares for agricultural machinery.
- Allocation of Rs. 65.21 crore for roads and bridges including Rs. 30 crore for farm-to-market roads, Rs. 8.04 crore for rural link roads and Rs. 27.17 crore for road building programme to be executed by the Highways Department.
- 24 per cent of the total allocation in non-development account earmarked for education which accounts for Rs. 156.94 crore besides Rs. 33.47 crore in the development account.

SIND

Sind Finance Minister Ashraf Tabani on June 28 announced a Rs. 4.3 million surplus budget for 1981-82, with a Rs. 1,194 million Annual Development Programme and certain tax adjustments generating an additional revenue of Rs. 55 million. A cut of two-and-a-half per cent is being made on the outlay in the development programme except on pensions, debt-servicing, subsidies and irrigation maintenance. With the proposed cut, the non-development expenditure estimates would thus be reduced from Rs. 3481.3 million to Rs. 3317.7 million. The funds for the development programme would now stand at Rs. 1164.15 million.

The expected saving of Rs. 109.5 million in non-development expenditure would be offset by the benefits allowed in dearness conveyance and house rent allowances and salary increment and pensions. With the rationalisation of tax incidence, the Budget also announced tax relief measures abolishing fixed tax on cinemas to provide an incentive to the film industry in the Province.

The other relief measure are:—

1) A three-year tax holiday will be allowed to any entrepreneur willing to set up amusement parks for children and adults anywhere in the Province outside Karachi.
2) Rationalisation of tax on professions and callings to provide relief to small-scale private limited companies and importers.
3) Ad valorem fee on appeals in fatal accident cases will be abolished.
4) The levy on airway bills of lading and customs declaration is being abolished.

To provide additional funds for propar maintenance and improvement of the irrigation system an increase of 25 per cent over the present water rates (abiana) will be made from the next 'kharif' season.

A revision of the present rates of fee under the Registration Act 1908, cotton fee at the rate of Rs. 5.50 per 100 kilograms paddy development fee at the rate of Rs. 0.75 per 100 kgs of the existing rates of Motor Vehicles Tax and fee, and excise duty and fees on spirituous preparations and consumption of liquor by non-Muslim licences.

The overall economic situation in the province remained satisfactory during the current fiscal year. Wheat production rose bt 5.2 per cent, rice by 3.4 per cent and a marginal increase in the sugarcane crop. The target for cotton output of 1,400,000 bales was achieved. The growth of the large-scale manufacturing sector registered an increase of 4.35 per cent while small-scale manufacturing has shown a growth of 5.54 per cent over the previous year. Due to strict enforcement of financial discipline, particularly in the employment of staff and the use of telephone, savings of Rs. 38.5 million were effected.

Annual Development Programme

The physical planning and housing sector secured the largest share of 33.4 per cent of the Annual Development Programme due to the inclusion of the Hub Dam Water supply Scheme. Greater Karachi Sewerage Scheme and a higher provision for the Hyderabad Water Supply and Sewerage Project.

The development plan for 1981-82 had been formulated within the framework of the medium-term plan, covering the period 1981-82 to 1983-84. The estimated size of the Sind medium term plan is Rs. 4366.00 million. He said only 80.3 per cent of the ADP had been devoted to on-going and 19.7 per cent to new projects. In monetary terms the size of the ADP is seven per cent higher than the current year's revised estimates of Rs. 1106.6 million. The Federal Government has allocated a total amount of Rs. 1189.7 million for financing the ADP. The Provincial Government's contribution is plus 4.292 million.

The total tax revenues are estimated to go up from Rs. 2611.7 million to Rs. 2925.1 million during 1981-82 million during 1981-82, an increase of about 12 per cent. The non-tax revenue during 1981-82 is estimated to go down from Rs. 480.3 million to Rs. 423.5 million The net decrease over the revised estimate

HIGHLIGHTS OF SIND BUDGET

- Rs. 60 million earmarked for the Hub Dam Water Supply Scheme, Rs. 30.94 million for Greater Karachi Sewerage Scheme and Rs. 83 million for Hyderabad Water Supply and Sewerage Project.
- The increased allocation of Rs. 100 million to be utilized for the benefit of 28,000 acres in Kotri and 107,000 acres in Guddu.
- 500 villages, almost twice of the current year are to be electrified.
- About 175 miles of canal banks to be strengthened.
- On-farm management to be stepped up to achieve economy in the use of irrigation water for optimum crop production.
- Work on Phase I of the Hub Dam Water Supply Scheme is expected to be completed during the year 1981-82 to supply additional 30 million gallons of water daily to Karachi.
- A population of 845,000 to be provided with notable water and sewerage facilities.
- Thatta and Dadu sugar mills are to be disinvested. Announcement inviting offers to be made in due course.
- Reafforestation of highlying areas in riverian forest of Nawabshah and introduction of agro-forestry in Sind to be taken up.
- Karachi Fish Harbour to be rehabilitated with a grant from the European Economic Community.
- Present rates of fee under Registration Act, 1908 to be suitably revised.
- Cotton fee to be charged at the rate of Rs. 5.50 per 100 kilograms.
- Paddy development fee will now be Rs. 0.75 per 100 kgs.
- The existing rates of motorvehicles tax and fees to be revised on a selective basis, in respect of non-commercial motor vehicles.
- No increase in the tax rate to be made in respect of private carriers, commercial transport or motor cycles.
- Tax rationalisation measures to generate an additional amount of Rs. 55 million.
- 300 kilometers of new roads, improvement of 235 kilometers of existing roads and 5 bridges are to be taken up.
- Rs. 2.3 million provided for reconstruction of Benaras Chowk in Karachi.
- Fixed tax on cinemas to be abolished to provide an incentive to the cinema industry in the province.
- A cut of two and a half per cent being made on the outlay in development programme thus reducing non-development expenditures from Rs. 3481.3 million to Rs. 3317.7 million.
- An increase of 25 % over the present water rates (abiana) to be made from the next kharif season.
- Existing rates of stamp duty on receipts and acknowledgement, affidavit conveyance, power attorney, copy and counterpart to be rationalized.

1980-81 is of Rs. 56.8 million. The contribution of the provincial and Federal taxes in total tax revenue of 1981-82 is in the ratio of 3:7, the same as during the current year.

It is expected that during 1981-82 receipts from direct taxes will be Rs. 1470.5 million or 50.3 per cent and from indirect taxes Rs. 1307.6 million or 50.0 per cent, the overall increase in 1981-82 over the revised estimate 1980-81in direct and indirect taxes is of Rs. 313.4 million. The increase in direct and indirect taxes over the revised estimates 1980-81 is expected to be Rs. 166.5 million and Rs. 147.0 million. In the coming year, the single largest revenue yielding tax is stamps (24.1 per cent)

followed by motor vehicles (14.8 per cent), entertainment duty (14.2 per cent) capital gain tax (6.3 per cent) and cotton cess (5.7 per cent), electricity duty (7.7 per cent) and land revenue (9.3 per cent).

Over Rs. 250 million have been provided in the Annual Development Plan (ADP) for 1981-82 for construction of new roads and improvement of old ones.

The ADP provides for:—

- Contruction of 300 kilometres of new roads (with the emphasis on rural areas);
- Improvement of 235 kilometres of existing roads;
- Improvement of five bridges, including two boat bridges, one bridge on the Phuleli canal in Hyderabad and another on the Khairpur Feeder West Canal; and
- A special provision of Rs. 2.3 million from the revenue budget for reconstruction of the Banaras Chowk in Karachi for the benefit of industrial workers in the Manghopir area and the Orangi township.

An additional sum of Rs. 16 million has been allocated in the Provincial budget for 1981-82 to improve SRTC transport facilities in the interior of the province.

This will include the purchase of 50 new buses and the retrieval of 55 others lying in the workshop. Measures to increase the area under forests in Sind were announced as part of the budgetary provisions for 1981-82. Two new schemes will be launched during the coming year, namely re-afforestation of highlying areas of the Nawabshah riverian forest and introduction of agro forestry in Sind.

NWFP

A record Rs. 335.20 crore NWFP Budget for the fiscal year 1981-82 with a development outlay of Rs. 98.08 crore was announced by the provincial Finance Minister, Mr. Salim Saifullah on June 28, 1981.

The Budget estimated a nominal deficit of Rs. 39.50 lac, after rationalisation of various levies and grant of some concessions which would yield Rs. 62.11 lac. The total budgetary deficit was estimated at Rs. 1.01 crore.

The budget envisaged Annual Development Programme of Rs. 98.08 crore and non-development expenditure of Rs. 2,292,942,000 as against revenue receipts of Rs. 2,282,791,000. It also shows an overall budgetary shortfall of Rs. 78,265,000 which would be covered through economy cuts, during the course of the year.

The next year's Budget showed an overall increase of 24.35 per cent over the 1980-81 Budget. An amount of Rs. 1,142,286,000 proposed to be spent directly on the socio-economic welfare projects, in the non-development sector besides the ADP of Rs. 98.08 crore, to make it a record budgetary provision. Wheat subsidy to the order of Rs. 301,878,000 would also be provided.

Annual Development Programme

A Rs. 98.08 crore Annual Development Programme for the year 1981-82 was announced. Over one-third of the total development Budget, had been allocated for Education and health sectors, with provision of Rs. 35.58 crore. About 49 per cent of the ADP goes to the Irrigation Agriculture drinking water and communication sectors.

The sectorwise allocations are:—

	(Rs. crore)
Education	20.65
Physical Planning and Housing	17.16
Health	13.92
Agriculture	12.15
Industries	2.84

The Government's developmental strategy was to ensure accelerated implementation of the on going projects in order to provide their benefit to the people of the province. Under this strategy, it was proposed to spend Rs. 59.50 crore on the on going schemes. It was also Government's policy to remove interregional inequality with liberal allocations for the proportionately backward areas in the province. Similarly, special atten-

HIGHLIGHTS OF NWFP BUDGET

- No new tax has been imposed.
- Concessions to the order of Rs. 40.78 lacs have been granted through reduction in rental charges of bulldozers by Rs. 10 per hour and withdrawal of 50 paisa excise duty on rectified spirit.
- Rationalisation of certain livies would yield Rs. 10,289,000.
- The budget envisages Rs. 65.45 crore for the education sector, showing a 25 per cent increase over the current year's allocation of Rs. 52.54 crore.
- Rs. 9.60 crore have been allocated for primary education, i.e. 46 per cent of the total budgetary allocation for the education sector.
- Rs. 2.30 crore have been provided for provision of medicines in the hospitals and dispensaries.
- Residential accommodations for 99 Government employees of various categories would be built.
- A provision of Rs. 15 lac has been made for the establishment and revitalisation of viable multipurpose cooperative societies in each union council of the province.
- Additional food storage capacity for 2250 tons would be created,
- Minor development schemes worth Rs. 4.50 crore will be excuted by the District and Union Councils.
- The Attock bridge would be opened to traffic in August next.
- Lady Reading and Khyber teaching hospitals in Peshawar would be provided Rs. 2.63 crore.
- Rs. 50 lac have been provided for public parks, libraries etc.
- One hundred residential quarters would be built for the school teachers, while Rs. 2.80 crore have been allocated for maintainence of schools.
- One crore rupees would be spent on small hydel stations to the province
- Drinking water facilities would be extended to 35,000 rural population and 3.25 lac urban population, at a cost of Rs. 9.81 lac.
- Eightyone miles of bitumen and 48 miles of Shingled roads would be built during the year, besides implementation of 74 schemes for expansion of roads.

tion had also been accorded to the welfare of the rural population in formulation of the development schemes.

Discussing sectorwise development schemes, included in the ADP Mr. Salim Saifullah said that the allocation of Rs. 20.65 crore, provided in the next year's ADP for education sector, was an increase of Rs. 4.90 crore over the current year's provision.

He said that primary education would get major share of Rs. 9.61 crore as part of the Government's policy of universal literacy. Three hundred new primary schools would be opened while condition of 200 other existing primary schools would be improved. Thirty-eight primary and 30 middle schools would be upgraded to the middle and high levels respectively.

The Chashma Right Bank Canal, Mardan Scarp, cement plant at Kohat, urea fertilizer factory at Haripur and Dir Forest Complex were some of the major development projects, being implemented in the province. Similarly the Attock bridge had been completed, while work on the D.I. Khan-Darya Khan bridge was processing satisfactorily.

TAXES & CONCESSIONS

The budget has taken steps to rationalise existing levies to generate Rs. 62.11 lac to reduce the budgetary deficit of Rs. 1.01 crore to Rs. 39.8 lac. The net deficit of Rs. 39.6 lac would be made up through recoveries of Government arrears.

A 25 per cent increase in the rate of Abiana, in line with other province would yield Rs. 59.72 lac, raise in licence fee

for various types of arms to fetch Rs. 15.13 lac: increase in the contractors registration fee to gain Rs. 13.4 lac and 25 per cent reduction of subsidy on pesticides and insecticides to save Rs. 15 lac. The concessions included as reduction of the rental charges of bulldozers by Rs. 10 per hour and the abolition of 50 paisa per litre excise duty on rectified spirit effecting losses to the Provincial Exchequer to the order of Rs. 40.78 lac.

As a result of these financial measures, the Government would gain about Rs. 62.11 lac, reducing the total budgetary gap to Rs. 39.8 lac. The relief to the Government employees announced by the Federal Finance Minister in the Budget, would put an additional burden of about Rs. 10 crore, which was expected to be provided by the Federal Government.

The following taxes and concessions for the year 1981-82 were announced:—

1) The rate of Abiana has been increased by 25 per cent.
2) The licence fee in respect of various arms has been raised effecting increase between Rs. 2 and Rs. 20 in accordance with the type of arms.
3) The fee for the countrywide licence of arms has been raised from 15 to Rs. 100.
4) The contractors registration fee has been raised from Rs. 250 to Rs. 5,000. The Irrigation and Public Health Engineering contractors would also pay the same registration fee.
5) The subsidy in respect of insecticides and pesticides been reduced by 25 per cent.
6) The rental charges of bulldozers have been reduced from Rs. 105 per hour to Rs. 95 per hour, providing concession of Rs. 10 per hour.
7) The 50 paisa per litre Excise Duty on rectified spirit has been withdrawn.

BALUCHISTAN

Baluchistan's annual budget for the year 1981-82 entailing largest outlay of funds to tune of Rs. 1,794,490 million, the biggest in history of the province, both in real and nominal terms, was presented by provincial Governor, Lt. Gen. Rahimuddin Khan. Of the total appropriations, Rs. 500.150 million will go to development and Rs. 1,294.340 million for revenue expenditure. Budget for new fiscal year shows an increase of Rs. 326.580 million. Revenue receipts for the year 1981-82 have been projected at Rs. 1,140.349 million as compared to budget estimates of Rs. 904.306 million and revised estimates of Rs. 1,071.586 million for outgoing year. Share of Baluchistan in Federal tax assignments have been estimated in next years budget at Rs. 346.822 million while provincial tax receipts would amount to Rs. 27.052 million and non-tax receipts are being budgeted at Rs. 766.475 million. The increase in projected receipts for 1981-82 has been attributed largely to increase in offtake of Sui-gas, higher share in Federal tax assignments and some improvement in provincial receipts.

The gap between approved revenue expenditure and revenue receipts as shown in budget has been of order of Rs. 169.896 million. This deficit under existing arrangement will be accommodated by the Federal Government.

The provincial Government will be transferring 10 per cent of revenues realised from Motor Vehicles Tax to local Councils from whose jurisdiction tax is collected. Loss thus accruing to provincial receipts will be made up by 10 per cent increase in all existing taxes relating to motor vehicles becoming effective from July 1, 1981. As decided by the National Economic Council an increase of 25 per cent in the existing Abiana rates is being made effective from July 1, 1981 and certain adjustments in rates of royalty on specific minerals are being made along with amendments in rates of departmental fees.

A decision to amend Court Fee Act 1890, West Pakistan Family Court Act 1964, and Fatal Accidents Act 1855, has been taken to bring rates of court fee in conformity with rates prevailing in other provinces. Amendments also incorporate

provisions for penal court fees in case of frivolous civil suits and fixed fee of Rs.15 in case of suits under Fatal Accidents Act.

As a result of the unfavourable international economic situation the adverse trade balance, the burden imposed on the economy due to the energy crisis, the strains generated due to influx of nearly 2 million Afghan refugees, the various financial and physical projections made in the Fifth Five-Year Plan were rendered unrealistic.

There was need therefore, to prepare a more meaningful plan. With this end in view, a three-year mini-plan, commencing from 1981-82, has been prepared. The mini-plan preserves our basic strategy of developing the social and economic infra-structure. It concentrated on projects with relatively shorter gestation period. It encourages gains in agricultural and industrial productivity and aimed at ensuring regional balanced growth. The mini-plan envisages an investment of more than Rs. 1,800 million during the next three years ending in 1983-84.

While the mini-plan would be able to cater to the normal requirement of development in Baluchistan, it is realised that there are a large number of projects that require very lumpy investments and cannot be taken up for financing through the normal Annual Development Programme. The Government of Baluchistan, in consultation with the Federal Government, has prepared a special development plan for Baluchistan. This document has since been circulated among donor countries and international financial institutions.

The response from the international community has been most encouraging so far. This would lead to a substantial enhancement in the total size of development investment made in the province during the mini-plan period.

The strategy of the Special Development Plan is to execute blend of projects, which will go to confer quick economic and social benefits on the inhabitants of Baluchistan and at the same time to construct such physical infrastructure facilities as are found to be essential for the development of the natural resources. This would in turn bring the socio-economic development to a level comparable with the more developed parts of the country. Abridgement of the time frame in which this is to occur is of critical significance.

Annual Development Programme

The size of the Special Development plan has been fixed at Rs. 19,393.200 million with a foreign exchange component of Rs. 4,657.860 million. This is an approximation but should be indicative of the magnitude of funds involved. The bulk of the investment is proposed for the development of water and power resources, construction of new roads and promotion of industrial and mineral development.

The Kuwait Fund has committed to provide an amount of Rs. 130.200 million for rural electrification programme in Baluchistan. The project envisaged provisioning of electricity to 300 villages in Baluchistan for domestic and agricultural consumption. Work on the project would commence within the first quarter of the fiscal year 1981-82 and would be completed within two years.

The Kuwait Fund would also provide an amount of Rs.140.300 m for the water supply schemes of Quetta and Gaddani. Work on the Quetta water supply scheme would be implemented by the Quetta Development Authority (QDA) while that of Gaddani would be taken up by the Baluchistan Development Authority. Work on both those projects would commence in the second quarter of the next financial year as soon as tender formalities have been completed. It is expected that the Kuwait Fund would also provide an amount of Rs. 90.500 million for small irrigation scheme in Baluchistan.

The British Government has agreed to provide an amount of Rs. 80 million to WAPDA for undertaking the construction of transmission lines for linking Qilla Saifullah to Zhob. Kashmore-Sui Dejiugti

and Khanozi to Ziarat. Work on these three lines is expected to be taken up in the first quarter of 1981-82.

Negotiations have also been conducted with the Japanese and West German Governments. The extent of their participation in the development of Baluchistan would be known in due course.

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BUDGET UNVEILS PROSPECTS, PROMISES

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[Article by Iqbal Haidari]

[Text] The Budget 1981-82 has increased the tax burden. The tax/GDP ratio was 11.42 per cent in 1976-77 which increased to 14.73 per cent in 1980-81. Direct taxes on the whole have a very low yield appropriating a little more than 3 per cent of the GDP. Budgetary Gap has considerably widened, increasing the deficit financing to Rs. 5.44 billion. It is commendable that the Finance Minister has widened his tax-net and consequently the number of tax payers has increased to nearly 850,000 in 1980-81.

The size of the 1981-82 Federal Budget has been placed at Rs. 66.54 billion which, represents 14.23% increase over last years revised budget of Rs. 58.25 billion. This included Rs. 36.94 billion current expenditure and Rs. 29.59 billion development expenditure. Both showed an increase of 16.1% and 11.9% respectively over the revised budget of last year.

A large part of the current expenditure amounting to Rs. 20.83 billion or 56.4% would be spent on General administration (5.4%), Defence (47.9%), law and order (3.1%). The Annual Development Programme of Rs. 29.59 billion included the largest share of 21.0% for power programming, followed by 20.7% for transport and communication. The shares of other sectors are: 14.2% water, 12.3% agriculture, 7.3% fuels, 3.1% physical planning and housing and 11.8% industry. The main change in the Federal Programme for 1981-82 relates to the Manpower sector. A National Vocational Training Programme has been prepared for the training of skilled workers on a large scale. An amount of Rs. 61 million will be spent to train about 21,000 workers annually.

The budget would mobilise Rs. 43.05 billion internal resources and Rs. 14.21 billion external resources. According to the estimates of the expenditure the budget has been left with a resource gap of Rs. 9273 million as compared to 4366 million according to the revised estimates for 1980-81. This gap has been widend further to Rs. 11.05 billion on account of the relief measures provided to fixed income group. The Finance Minister proposed to bridge the gap as follows:—

(a) By cutting the development expenditure by 2½% of Federal and Provincial Governments. This will result in an overall of Rs. 1690 million.

(b) By streamlining the tax machinery rupees 1000 million.

(c) Public sector enterprises to contribute additional Rs. 400 million.

(d) Additional capital receipts of the order of Rs. 400 million through savings.

(e) Reduction in subsidy on wheat would save Rs. 970 million.

(f) By increase in sale price of sugar by rupee one per kg additional Rs. 640 million.

(g) Rs. 240 million through an increase in the price of cement.

(h) By increasing Rs. 1 per litre on lubricating base oil additional Rs. 125 million.

(i) Increase in rental of telex machine from Rs. 10,800 to Rs. 25,000 would yield Rs. 50 million.

These measures would yield a total sum of Rs. 5608 million as follows:—

	(Rs. in million)
1) Cut in expenditure	1690
2) Improvement in tax Administration	1000
3) Additional non tax revenue	800
4) Reduction of subsidies and price adjust	2070
5) Net effect of Taxation measures and relief	48
	5608
Balance proposed to be covered by Bank Borrowing	5444
Total	11052

According to Finance Minister deficit financing of Rs. 5444 million would be within safe limits as it would work out less than two per cent of the GDP. It would be recalled that ratio of deficit financing to GDP was 1.7% in 1979-80 and 3.1% during the preceding five years.

The budget has provided relief to fixed income groups both in the public and private sector. The dearness allowance, house rent and conveyance allowance to Government servants have been increased. An adhoc increase of 10% subject to a minimum of Rs. 200 has been announced for pensioners. The dearness allowance has been allowed at the rate of 10% of pay subject to minimum of Rs. 100 and maximum of Rs. 250 per month to Government employees of all grades, including corporations banks and financial institutions. An increase of Rs. 40 per month has also been allowed to employees in the private sector. The increase would however, be adjusted against increases that the unions may have obtained through any agreement or wage award.

The corporate sector has not much in the budget except 5% reduction in the surcharge on super tax. Increase in the depreciation of machinery would also benefit the corporate sector. Tax holiday to mineral sector would boost investment in this neglected sector. Income tax deduction at the rate of 1½% instead of 2% at the custom stage would also benefit the importing firms.

The budget faithfully maintains its age old tradition without introducing any change in the basic format. The dependence on aid has been increased with the release of aid from the consortium countries. The ratio of direct and indirect taxes has not changed significantly while the burden of taxes has increased.

The Annual Development Plan has been allocated a sum of Rs. 29.59 billion as compared to Rs. 26.43 billion in the preceding year. The following table illustrates the position.

ANNUAL DEVELOPMENT PROGRAMME

Year	Size of A.D.P.	External Resources	Dependence on Foreign Aid %
1975-76	14.60	12.13	83.00
1977-78	18.00	8.86	49.22
1978-79	20.18	10.75	53.27
1979-80	21.91	13.61	62.11
1980-81	26.53	10.98	41.54
1981-82	29.59	14.20	48.00

HIGHLIGHTS OF FEDERAL BUDGET

- Most balanced budget for years, oriented toward development and investment and also providing incentives.
- Emphasis on energy and agriculture
- Economy cut in expenditure on administration.
- Streamlining of tax administration.
- Continuous growth of exports.
- Relief provided to fixed income groups.
- No increase in prices of petrol, diesel and kerosene oil.
- Prices of wheat and sugar rationalised.
- Duties reduced on many raw materials.
- Sales tax rate reduced from 20 per cent to 12½ per cent.
- Rates of custom duties rationalised.
- Rate of gift tax reduced to half.
- Small businessmen given income tax relief.
- Professional writers and poets given income tax concessions.
- Minimum increase in the monthly emoluments of lowest grade salaried group in larger towns will be Rs. 70. Appropriate income given to higher grades.
- Carpet and leather goods industry supported and given cash compensatory relief of 12½ per cent on exports.
- Self-assessment scheme to be applicable to all tax payers.
- Rs. 3,662 million allocated for community, social and economic services against the previous year's allocation of Rs. 2,935 million, showing an increase of 25 per cent.
- More funds being allocated for national defence. Showing an increase of 242 crore rupees.
- Provincial share in federal taxes increased from 722 crore to 898 crore rupees.
- Surcharge on super tax reduced by five per cent.
- Tax relief ror new houses constructed between 1st July 1981 and 30th June 1983.
- Wheat, sugar and cement prices rationalised.
- Tyres and tubes of motorcycle, rickshaw, scooter produced in the country exempted from excise duty and sales tax.
- For mineral development, tax holiday provided for five years and a half holiday for subsequent five years.
- Machinery for marble industry and gemstone corporations exempted from import duty.

It was a good sign that dependence on foreign aid was considerably reduced in some years but this was not due to any voluntary efforts. It was a time when aid was refused from every side and Pakistan's possibility of defaulting on debt repayment was being discussed in some circles. It was also a time when Pakistan had to borrow on the Eurodollar market not on the strength of the nation's goodwill but against specific collateral of rice crop at the current commercial interest rates.

While it is admitted that when Foreign aid is forthcoming in a such massive scale why should we not utilize it for accelerating the tempo of the development activity. By its should be noted that foreign aid distrorts domestic savings pattern. People get used to higher consumption level and they would not be prepared to save even when the foreign aid is tapered off. This the experience of the development countries. We already had a better experience of this phenomenon in the recent past. Moreover, the debt service burden is likely to increase from $ 896 million in 1980 to $ 1000 million in 1981.

DIRECT & INDIRECT TAXES

It will be seen that the total tax revenue has shown an increase of 169.54 per cent up from Rs. 15.50 billion in

1976-77 to Rs. 37.13 billion in 1980-81. The budget of 1981-82 places this figure at Rs. 41.78 billion.

The statistic relationship between the direct and indirect taxes at 17/83 reflects accentuation of income between the rich and the poor. All the forms of indirect taxation whether on commodities or through inflationary finance, in the final analysis involves exploitative transfer of resources from the poor to the rich. One expects that the Government should have initiative the process to reverse this imbalance. But it appears that the Government is planning more and more reliance on indirect taxes.

It will be seen from that the ratio of direct taxes to indirect taxes was 16% in 1970-71 and remained pegged and this figure in 1976-77 moved upward to 17%, in 1979-80 and now it is at 19.22%. This shows that the ralationship of the direct taxes to the regressive indirect taxes has not made any significant change. Nevertheless, the revenue from income tax would yield a sum of Rs. 7.78 billion relecting a rise 8.9% over the preceding year. This is quite commendable. The increase in the last five years worked out to 212.44%. But it must be admitted that direct taxes on the whole have a very low coverage and yield in Pakistan appropriating hardly a little more than 3% of the GDP. The total number of tax payers has considerably increased from 350,000 in 1976-77 to 844,645 in 1980-81.

TAX GDP RATIO

Year	G.D.P. Billion	Tax Revenue	Ratio
1976-77	135.68	15.50	11.42
1977-78	156.56	19.29	12.32
1978-79	177.66	22.99	12.94
1979-80	210.60	30.33	14.40
1980-81	252.00	37.13	14.73
Cumulative increase	86.66%	139.54 %	

It will be seen that GDP increased from Rs. 135.68 billion in 1976-77 to an estimated figure of Rs. 252.00 billion in 1980-81 showing an increase of 86.66%, while tax recepts increased from Rs.15.50 billion in 1976-77 to Rs. 37.13 billion in 1980-81, showing a rise of 139.54%. Thus tax receipts increased faster than GDP, Moreover, the tax GDP ratio which was 11.42% in 1976-77 increased to 14.73% in 1980-81.

Direct and Indirect Taxes

(Rs. in million)

Year	Tax Revenue	Revenue from Indirect Taxes	Revenue from Direct Taxes.	Direct Tax %	Indirect Tax %
1976-77	15.50	13.01	2.49	16	84
1977-78	19.29	16.64	2.63	14	86
1978-79	22.99	19.65	3.34	15	85
1979-80	30.33	25.21	5.12	17	83
1980-81	37.13	29.99	7.14	19	81
1980-81 *	41.78	34.00	7.78	19	81
Cumulative increase	169.54%	437%	212.44%		

* Budget figure

DEFICIT FINANCING

Deficit financing implies government spending in excess of its revenues like taxes, public loans, earnings of state enterprises etc. The central bank thus issues paper currency in lieu of various government securities held by it. The net result is an increase in the supply of money leading to an increase in price level. Deficit financing in developing countries like Pakistan is common. But if deficit financing is restored indiscriminately, it is likely to block the entire growth of the economy. It is rather difficult to measure deficit financing. However, if actual gap in the budgetary statements is to be taken as the deficit financing, the position would emerge as follows:–

Budgetary Gap & GDP

Year	Gap	GDP	Gap GDP Ratio
1977-78	3860	75,656	2.46
1978-79	7056	17,768	3.97
1979-80	3808	21,060	1.80
1980-81	4366	25,200	1.73

It has been been admitted by the finance chiefs that deficit financing is the most horrible form of taxaton. Yet deficit financing of the order of Rs. 5444 million would be done during the year 1981-82. It is good to see that the share of deficit financing has been gradually declining. As ratio of GDP it was 3.97% in 1978-79 then gradually declined to 1.73% during 1980-81. The deficit financing is likely to exceed the figure as it has been the experience in the past. For instance deficit financing was envisaged at Rs. 3500 million in 1980-81 but actually it came to Rs. 4366 million about 25% more than the limit fixed. Deficit financing in the last four years worked out to about Rs. 4750 million on an average per annum. Thus the budgetary gap this year would be much higher than the average of the last four years. The deficit financing will thus add to the money supply and push the prices appreciably.

Text book rules of economic management are simple. If inflation is the worry, restrict the government spending and limit the monetary expansion and credit, prices would come down. If unemployment is causing concern pour out money, relax credit and economy would soon rise. These simple rules cannot be applied in the modern complex economic system. In our case if prices are allowed to rise unchecked, there is danger of political unrest. If restrictive policies are allowed to reduce the rate at which prices rise then we face a social discontent on the issue of unemployment.

Under the circumstances we will have to apply unorthodox methods like the pumping out black money from the economy which would check smuggling and unethical trade practices and adopting austerity and simple life in every sphere of our national activity. Economy should not be applied only in the use of energy but it should be our way of life. There will have to be a ruthless cut in non-development expenditure and luxury imports. Both production and productivity will have to be accelerated by framing suitable policies in this direction.

CEMENT

The official price of cement has been increased from Rs. 45.00 to Rs. 50 per bag or Rs. 1,000 per tonne. The increase of five rupees per bag would yield a revenue of some thing around Rs. 350 million on an estimated production of 3.50 million tonnes and if the production goes upto 4.60 million tonnes the net revenue yield from the above increase in cement prices would be Rs. 460 million. Cement was available at Rs. 151 per ton in March 1972. Then suddenly it dawned upon the Government it could become a good source of revenue as shown below.

INCREASE IN AVERAGE WHOLE-SALE PRICE OF CEMENT

(In rupees)

Period	Price Per ton.	Price Increase	%
March,72	151	–	–
January,73	162	11	7.9
October,73	168	6	3.7
February,74	200	32	19.0
July,74	220	20	10.0
March,75	260	40	18.1
March,76	320	60	23.0
June,77	440	120	37.5
July,78	600	160	36.3
July,79	900	300	50.0
July,80	903	3	0.33
June,81	1003	100	11.0

The cumulative increase worked out to 562% or average 70% increase annually. The excise revenue from cement was as follows:–

EXCISE COLLECTION FROM CEMENT

Year	(Rs.in million)
1974-75	114.00
1975-76	150.00
1976-77	150.00
1977-78	436.20
1978-79	812.50
1979-80 *	1626.00
1980-81	1764.00
1981-82 *	2016.00

* Budget estimates

Excise duty on cement was only Rs. 107 per ton effective June 5, 1976 Duty increased sharply. The increase of Rs. 120 per ton in the price of cement announced in the Budget of 1978-79 was merged with rate of excise duty through an ordinance with effect from June 11,1977. This was done to pool the additional receipts into the Federal Consolidated Fund. However, with a view to giving some relief to the state owned units a reduction of Rs. 27.35 per ton in the duty on cement was allowed restrospectively with effect from June 11, 1977. The effective rate of duty today is Rs. 507 per ton on ordinary grey portland cement while Rs. 567 per ton on all other cement. The Government is the largest consumer of cement about 50 per cent of the cement production is consumed in Governments projects and works programmes. Thus various government agencies would now pay higher prices for cement and thus the revenue raised from one source would be drained out from some other public sector channels.

Another point which needs consideration is the argument of the Finance Minister that the cost of project has gone sky high and the cost is now about Rs. 700 million. It may be stated that cement plants which are now being set up have already been planned. These plants would become operational in 1983-84. A number of plants are in the private sector and they are not likely to benefit from the increase in the price of cement until they are fully in production.

ANNUAL DEVELOPMENT PROGRAME

(Rupees in Million)

Particulars	1981-82 (BE) Rupees	%	1980-81 (R) Rupees	%	1980-81 (BE) Rupees	%
Major Development Heads:						
Autonomous Bodies	9,773	33	9,848	37	9,795	37
Departmental	10,255	35	8,167	31	8,124	31
Contribution to Provinces	5,900	20	4,936	19	4,890	18
Fertiliser Subsidy	2,000	7	2,448	9	2,423	9
Indus Basin/Tarbela	1,380	4	1,007	3	1,007	4
AJK Government	286	1	225	1	225	1
	29,594	100	26,431	100	26,464	100
Sources of Financing:						
External	14,206	48	10,982	42	10,970	41
Internal	6,114	21	11,083	42	8,558	33
Resource gap	9,274	31	4,366	16	6,936	26
	29,594	100	26,431	100	26,464	100

R = Revised, BE = Budget Estimate

CSO: 4220/304

NEW IMPORT POLICY FOR 1981-1982 ANNOUNCED

Karachi ECONOMIC REVIEW in English Jul 81 pp 15, 12

[Text]

The new import policy for fiscal year 1981-82, announced, reflects several changes aimed at gearing the economy to higher production and exports, improve availability and stabilise prices. Announcing the import policy, Izharul H q, Secretary, Ministry of Commerce expressed the hope that an expanded policy with liberal features will help the industrialists businessmen, and exporters to fulfill the needs of the consumers & boost exports.

Import of nearly 40 new items of raw material and capital goods has been allowed. These items include various types of industrial machinery, tools and workshop equipment, agricultural machinery such as tobacco transplanter and intercultivator, mini-computers, microprocessors and data entry machines, special types of centrifugal pumps, asbestos (raw), coloured, white, slag, supersulphate cement, mineral substances, chemicals, new kinds of starches and glues/sizing materials, sulphurised and polymerised oils and composite solvents.

This measure will increase the availability of raw materials and capital goods, and help in raising the level of industrial production and exports. It should also encourage industrialists to develop new product lines and innovations.

In order to enable the smaller industrial consumers, who cannot themselves effect the import of necessary raw materials, it has been decided to shift 31, items from part 'B' to part 'A' of the free list. These include fibre glass, synthetic rubber synthetic fibre iron and steel scrap for remelting and re-rolling, iron or steel tin plates and tinned sheets, aluminium, copper and zinc manufactures.

This measures is in line with the consistent government policy to minimise administrative controls.

Cement, power tillers, stoving acyrlic paint, aircraft finishes, and wooden sleepers for railways, presently on part 'C' i.e. exclusively importable by the public sector, have been shifted to part 'A' while tractors of standardised makes have been shifted to part 'B'. Tractors for which the assembly/manufacture stands sanctioned will be importable in CKD condition only by recognised assemblers/manufacturers, while other tractors of standardised makes will be importable in CBU condition. Similar import of new tractors in CKD or CBU as the case may be, will also be allowed under personal baggage and gift schemes, In addition, old tractor (but not more than two years old) of all standardised makes will be importable in CBU condition under personal baggage/gift scheme.

As imports of edible oil, pesticides and newsprint are not exclusively tied to the public sector, these items have been also deleted from part 'C'. Edible oil will, however, continue to be imported by the TCP for meeting requirements of Ghee

Corporation of Pakistan. The above measure reaffirms the policy of the government to afford greater opportunity to the private sector to play more active role in the national economy.

To solve problems encountered by industrial units in procuring from tied sources, certain items of machinery, tools workshop equipment and some other items, 36 items currently on the tied list will be importable against cash licensing provided these items of machinery, tools and workshop equipment are not locally manufactured.

In view of rising international prices, the machinery ceiling on the import of machinery under BMR has been increased from Rs. 2.5 million to Rs. 5.00 million. However, in many instances this facility has been misused by installation of the imported machinery for expansion or setting up new units, It has been accordingly decided that in case of the misuse of the facility, the importer shall pay double the amount of customs duty and sales tax ordinarily leviable from which he has obtained exemption by importing the machinery under BMR

15 additional items will be added to list of machinery importable duty free by the following export oriented industries:—

1) Footwear industry;
2) Surgical industry;
3) Sports goods industry.

19 items of consumer goods which are subject to ceiling on the value of licensing, will be now importable without any value restriction, these items include ball-point pen, dry battery cell, laboratory earthen and porcelain ware, safety helmets, ginger, glucose and homeopathic medicines.

Remaining 28 items of consumer goods presently subject to monetary ceiling will be licensed at the rate of 115 per cent of value licensed during 1980-81.

Caustic soda of B.P/A.R. quality in packing upto 2.5 kg has been made importable for laboratory use.

Plastic eraser has been made importable as an item of stationery as it is a cheaper substitute for rubber eraser.

Additional machinery and safety equipment items for mining industry has been made importable.

Additional scientific instruments, apparatuses and appliances for laboratory use for quality control have been made importable.

Suitable changes in the existing description of relevant items have been made to prevent the circumvention of exclusive ban imposed on the import of brass water fittings.

At present the importers of penicillin have to purchase 50 per cent of their requirements from the Daud Khel Penicillin Factory. In view of increase in local production the ratio of compulsory local purchase to imports has been changed to 80:20.

Existing procedure regarding registration of importers has been simplified by substituting words "Income Tax Assessment Order and of the Demand Notice" occuring in para 14(2)(i) of import policy with the words "Income Tax Assessment Order or demand notice.

Izharul Haq said during 9 months ended March this year, import totalled Rs. 3,977 crore — up 27 per cent from the like period of last year. The principal imports included oil and oil products Rs. 1,195 crore, machinery Rs. 572 crore, fertilizer Rs. 340 crore, steel and other metals Rs. 317 crore, chemicals Rs. 288 crore, edible oil Rs. 207 crore, fibre and synthetic yarn Rs. 161 crore, cars, buses, trucks motorcycles and scooters Rs. 158 crore, and pharmaceuticals and raw materials for pharmaceutical industry Rs. 130 crore.

It shows, a very large portion of imports either consisted of raw material and machinery meant to enlarge production, or essential items which are either not produced in the country, or the supply is much less than the demand.

He said 59 per cent of the imports were of raw materials, 27 per cent capital goods, and only 14 per cent consumer goods. The consumer goods imports in 1979-80 were 16 per cent and in 1978-79 these were 21.8 per cent.

The proportion of consumer goods which was already very small, is declining further from year to year. An analysis of imports shows, essential items like wheat, oil products, tea pharmaceuticals, powdered milk, second-hand clothing, sugar, and books and journals accounted for Rs. 435 crore of all consumer goods imports.

The remaining items it means all of imports together formed only three per cent of the consumer goods, In view of this, there is very little possibility of a further reduction in the import of this category.

Reviewing the performance of the foreign trade sector, the commerce secretary said, Pakistani exports rose from Rs. 1,129 crore in 1976-77 to Rs. 2,341 crore in 1979-80, and to Rs. 2,870 crore in 1980-81, which is 23 per cent higher than the last year. In view of the encouraging picture of exports in 1980-81, the export target for 1981-82 has been set at Rs. 3,170 crore which is equivalent to dollar 3,200 million.

CSO: 4220/304

ECONOMIC SURVEY FOR 1980-1981 RELEASED

Karach ECONOMIC REVIEW in English Jul 81 pp 9-12

[Text]

The Pakistan Economic Survey for 1980-81, the first pre-Budget document was released to the Press, summing up the state of the economy. The 288 page survey has been prepared by the Economic Adviser's Wing of the Finance Ministry.

The following is an official summary of the survey:—

For the fourth year in succession, the economy has attained significant gains in both physical and financial terms, output and productivity have continued to increase at a creditable pace. The Budget and balance of payments deficits have been contained to reasonable levels and private sector confidence and interest has begun to revive. The progress portrays a marked reversal from the trends in the years before 1977 and is all the more encouraging for having been accomplished in an adverse global environment.

The gains achieved so far are no doubt a cause for satisfaction but should not detract from the considerable efforts that are to be undertaken without respite.

Pakistan is among the low income developing countries which must strive relentlessly for years and decades to attain basic goals of banishing poverty, illiteracy and malnutrition and to acquire simultaneously the skills and technology which will make it truly self-reliant and secure the capability for self-sustained growth within the foreseeable future.

Gross Domestic Product (GDP) has maintained a fairly high growth rate during 1977-81. With a 5.7 per cent increase estimated for 1980-81, the average Annual Growth Rates stands as high as 6.2 per cent during the four years 1977-81, exhibiting a marked acceleration over the 3.7 per cent growth during 1970-77. In Parallel, Gross National Product (GNP) recorded an increase of 5.5 per cent during 1980-81 and has averaged an annual growth of 7.8 per cent during 1977-81. Given the 3 per cent population growth, this indicates a 3.9 per cent increase per annum in per capita income in contrast to the 1.2 per cent increase in the preceding seven years.

The substantial improvement in domestic production reflects broad-based recovery which is particularly satisfactory in containing a better blend between growth in production of goods and that of services. The commodity producing sector of agriculture, industry and mining recorded an increase of 6.0 per cent in 1980-81 and its average annual growth at 5.5 per cent during 1977-81 is significantly higher than the growth of 2.0 per cent recorded during 1970-77. The growth in the commodity producing sector has outpaced that in the services sector for the 2 consecutive years of 1979-81. With the improved domestic commodity production the per capita commodity valued added has increased

by 3.8 per cent per annum during 1977-81, compared with about one per cent per annum decline during 1970-77.

The rate of advance in the services sector slackened to 5.4 per cent in 1980-81 from 6.2 per cent last year. However, the higher growth of infrastructure facility components of the sector i.e. transport, storage and communication electricity and gas distribution and construction services with respective growths of 6.7 per cent , 10.6 per cent and 5.8 per cent point to better availability of services directly affecting public welfare.

Despite a declining secular trend, the share of agriculture in GNP stands at 29.36 per cent in 1980-81, which qualifies it as the largest single sector of the economy. Its growth estimated at 4.4 per cent during 1980-81, though lower than 6.9 per cent registered during 1979-80, has an average annual growth rate of 4.2 per cent for 1977-80.

Among the sub-sectors of agriculture, major crops recorded the highest growth of 4.9 per cent during 1980-81 followed by minor crops with a 3.5 per cent growth.

Their respective growth rates for the last year were higher at 9.3 per cent and 4.0 per cent.

The government has continued to pursue from policies and programmes to promote a sustained increase in farm productivity and incomes.

Its agricultural development strategy largely hinged on price support reinforced by streamlining the market system, ensuring adequate and timely availability of essential agricultural inputs and implementing programmes to safeguard quality of land and agricultural in-frastucture.

Though the Government has initiated the process of gradual withdrawal of subsidy on inputs in order to make correction in market distortions, inputs like fertilizers, installation of tubewells, pesticides, etc, were still heavily subsidised.

Agriculture

During 1980-81 the support procurement prices of principal crops such as wheat, rice (paddy), cotton (phutti) and sugar-cane were raised upward well before the sowing. Water availability at farm gate rose by 7.7 per cent to 94.14 MAF in 1979-80 over 1978-79 and is estimated at 96.43 MAF during 1980-81. The number of tubewells installed during 1979-80 is 8,783 as against 8,642 installed in 1978-79. Another 8,820 tubewells are estimated to be installed during 1980-81.

The offtake of fertilizer estimated at 889 thousand N. tonnes during the first three quarters of the year. The quantity of improved seeds is estimated to have increased by 23.4 per cent to 52 thousand tonnes in 1979-80 and by 26.9 per cent to 66 thousand tonnes in 1980-81. The Government has allowed liberal import of tractors. About 19 thousand tractors were imported during 1979-80 and14,302 tractors have been imported during the first ten months of 1980-81.

Credit advanced by the four traditional financial sources like commercial banks Agricultural Development Bank, Cooperative Societies and Taccavi is estimated at Rs. 4,686.0 million during 1980-81 which shows an increase of 55.7 per cent over Rs. 3,008.97 million advanced during 1979-80.

The rising tendency in the use of many essential inputs reflects the positive response to Government's policies to encourage investment in agriculture. This has undoubtedly pushed up the production contours in the sector. Besides, favorable weather has helped in the case of certain crops. The wheat crop touched a new peak production. Though final estimates will not be known for a while, evidence points to the output being at least as high as the target of 11.34 million tonnes for 1980-81 which shows an increase of 5.0 per cent over the last year. The sugarcane crop increased by 16.9 per cent to set an all-time record at 32.16 million tonnes which exceeds by 6.9 per cent, the earlier record production of 30.08 million tonnes attained in 1977-78, Maize production has risen by 2.9 per cent to 8.9 million tonnes in 1980-81. The cotton crop of 1980-81 estimated at 4.1 million bales, more or less retained last year's bumper level. Rice crop however, is estimated at 3.08 million tonnes

HIGHLIGHTS OF ECONOMIC SURVEY

- Rural areas registered 2.7 per cent population growth rate and urban areas 4.6 per cent.
- At national level population grew by three per cent.
- Energy supply position increased by 13.6 per cent.
- Gas and oil continue to be the leading source of energy, meeting 78 per cent of the countrys needs.
- The present year saw 11.6 per cent increase in the total fixed investment.
- Investment in public sector grew by 10.7 per cent and private sector by 13.6 per cent.
- The monetary expansion was restricted to 11.2 per cent as compared to 14.7 per cent of last year.
- Deficit financing amounted to Rs. 3587 million, down from Rs.3860 million on the last year.
- The federal non-development revenue expenditure declined from 14.7 in 1979-80 to 8.4 per cent in 1980-1981.
- Merchandise exports rose by 20 per cent.
- Home remittances increased from dollar 1700 million of last year to dollar 2100 million this year.
- Significant stride was made in Islamizing the economic system.
- The profit and loss sharing (PLS) deposit account balance reached Rs. 2,182 million by the end of April, 1981.
- Alongside the achievement in economic sector, social sector made satisfactory accompalishments.
- Health and educational facilities have been expanded.
- Economy attained significant gains in both physical and financial terms
- Gross National Product (GNP) recorded an increase of 5.5 per cent with an average growth rate of seven per cent.
- The commodity producing sector increased by six per cent.
- The rate of advance in the services sector slackened to 5.4 per cent in 1980-81 from 6.2 per cent of last year.
- The consumer price index rose from 8.8 per cent of last year to 12 per cent this year.
- The wholesale price index registered an increase of 10.5 per cent in the first three quarters of 1980-81 compared to 7 per cent of last year.
- Prices rose mainly because of international inflation.
- Total imports constituted 20.1 per cent of the Gross Domestic Product (GDP).
- The GDP increased by 5.7 per cent.
- Agricultural sector and industrial sector grew by 4.4 per cent and 9.2 per cent respectively.
- The share of agriculture in the GNP stands at 29.36 per cent—the largest single sector of economy.
- Major crops recorded highes growth of 4.9 per cent this year.
- The large scale industry grew at the rate of 10 per cent.
- Small scale manufacturing industry recorded an increase of 7.3 per cent
- The per capita income at the current factor cost rose by 15.9 per cent.
- The country's population has been estimated at 82.49 million on Jan 1 last.
- Of the total population, 23.68 million are in urban and 58.81 million in the rural areas.

or 4.4 per cent lower than 1979-80, mainly due to a decline in Irri-6 cultivation in Punjab.

The manufacturing sector, the second largest commodity producing sector of the economy recorded an impressive growth rate of 9.2 per cent during 1980-81 with a component break-up of 10.0 per cent for large-scale and 7.3 per cent for small-scale manufacturing. The respective growth rates for 1979-80 were 9.5 per cent, 10.4 per cent and 7.3 per

cent, the year 1980-81 witnssed continued production gains in all the principal industries except cotton cloth in the mill sector, including the revival of the sugar industry, which had remained languid during the preceding two years. During the first three quarters of the current year, compared with the corresponding period of last year the production gains were estimated at 47.1 per cent for sugar, 50.6 per cent for nitrogenous fertilizer, 10.0 per cent for phosphatic fertilizer, 21.9 per cent for bicycles, 28.3 per cent for soda ash, 18.6 per cent for jute goods, 15.9 per cent for M.S.Products, 11.5 per cent for vegetable ghee, 18.6 per cent for cigaratoes, 6.9 per cent for cigarettes. 6.9 per cent for cement and 2.0 per cent for cotton yarn. Both the improvement in the utilisation of the existing capacity and additions in it have contributed to the increase in the production of various industries. In the case of sugar, the additional factor production was the revival in which had helped to spur its the sugarcane production during the year. The production of cotton cloth in mill sector although increased last year recorded a decline of 10.1 per cent during 1980-81. However, this merely reflects the transfer of production from the large-small-scale sector. On the basis of disposal of yarn it would appear that in the aggregate production of cloth will have increased by five per cent.

State Industrial enterprises which had achieved, striking gains in output and profits in the previous fiscal year continued to improve but at a modest rate. During 1980-81 as compared to last year, the value of products (at constant prices of 1972-73) is estimated to have risen by 1.9 per cent sales by 14.2 per cent and pretax profit by 2.9 per cent. Taxes and duties paid/payable to Government at Rs. 3,515.1 million were also slightly up as compared te 1979-80. The aggregate performance of the units would have been much better but for a sudden slack in the demand for transport vehicles and its effect on the operations of the Pakistan Automobile Corporation. Significant development during the current year was the commissioning in April 1981 of the Pakistan Steel Mills' first battery of coke oven and by-product. The first blast furnace is scheduled to be fired in August 1981, while steel making plant would become operational during 1982. The cumulative expenditure on the mills upto April 1981 amounted to Rupees 15,396.1 million.

Impetus to investment

The Government policy to encourage the private sector continued to provide impetus to investment. The investment sanctions that is total fixed cost of the projects which have been approved by Investment Promotion Bureau (IPB) or for which loans have been sanctioned by Pakistan Industrial Credit and Investment Corporation (PICIC) and Industrial Development Bank of Pakistan (IDBP) which had slumped to Rs. 1,345 billion in 1976-77 rose to Rs. 4,650 billion in 1977-78. Rs. 6,524 billion in 1978-79, Rs. 8.065 billion in 1979-80 and Rs. 8,524 billion in the first nine months of 1980-81. Midway through the Fifth Plan period (1978-83), the total cost of the projects sanctioned in the private sector has amounted to Rs. 23 billion or 67 per cent of the provision of 34.6 billion for the private sector in the industrial investment schedule.

The upswing in investment activities and capital market continued during 1980-81. The total fixed investment has increased by 11.6 per cent – public sector investment by 10.7 per cent and private sector investment by 13.6 per cent. The distinctive feature of improved investment trend is the 27.1 per cent rise in private industrial investment, likewise the share market recorded positive gains.

Oil import bill

In view of the continued escalation in the oil import bill and its consequent pressure on the balance of payments and continuously rising domestic demand for energy, the Government continued to exercise vigilance on use of energy and undertook vigorous efforts for exploring and developing indigenous energy sources The production gains recorded during the first three quarters of the year over the comparable period of last year as 16.0

per cent in natural gas, 4.8 per cent in coal, 15.7 per cent in electricity and 5.0 per cent in liquified petroleum gas (LPG) Encouraging progress has also been made in developing non-traditional energy sources like Bio-gas.

A 210 MW Guddu Thermal Power Station and two units of 40 MW each at Warsak have been completed and commissioned, by end June, units 7 and 8 of 100 MW each at Mangla, and units five and six of 25 MW each at Kotri are scheduled for commissioning. In order to improve efficiency the power distribution function of WAPDA has been decentralized. Electricity connections have been provided by WAPDA to an additional 100 thousand new consumers during the first three quarters of the year and to 522 villages, thus raising the number of electrified villages to 10,050 by March 1981.

Inflation

The price situation gave cause for concern as inflationary fpressures became more assertive during the current fiscal year. The pace of price advance at both the wholesale and retail levels accelerated. While several factors combined to contribute towards the persistently rising tendency in prices, by far the single most important factor was the steep climb in the prices of many import items. The import until value index rose by 39.9 per cent during July-March 1980-81 over the same period last year. With imports constituting 20.1 per cent of GDP, the effect of the advance in their prices is reflected prominently in the domestic price structure. Regulated and support prices of agricultural commodities and some other items have undergone upward adjustment during the year. This revision had become all the more necessary in order to cushion cost escalation in certain sectors like agriculture and to offset market distortions which were a nagging source of inefficiency and hindrance in optimal resource mix.

Nevertheless, efforts have been made to check the rising tendency in prices without jeopardizing production incentives or encouraging consumption rather than savings. The enhanced domestic production level has helped partly to absorb the pressure of inflationary forces. Adequate import of essential consumer items, raw material and machinery for essential industries and transport sector was made to ensure adequate supply in the market. Credit and monetary policies were also geared to the achievement of the goal of higher-growth with price stability. Monetary expansion was contained to 11.2 per cent (Rs. 10.130 million) during 27th June-28th March, 1980-81 compared to 14.7 per cent (Rs. 11.243 million) during 29th June-27th March, 1979-80. Deficit financing has been brought down to Rs. 3,587 million in July-March, 1980-81 from Rs. 3,860 million during the corresponding period last year. Further in order to check undue expansion in demand which, when unmatched with a corresponding increase in supply, generally spills over into inflation, the growth in Federal non-development revenue expenditure has been pruned down from 24.9 per in 1978-79 to 14.7 per cent in 1979-80 and further to 8.4 per cent in 1980-81.

The year 1980-81 witnessed some significant changes in the factors effecting balance of payments. There was a sharp deterioration in the terms of trade, coupled with deepening recession in and protectionism by our major trading partners. Despite all these adverse factors the balance of payments position remained quite comfortable. It was, therefore, possible to relax many of the import restrictions imposed in October, 1979 and to further liberlize raw material and capital goods imports. Several factors contributed to the easing of the balance of payments constraints, first, the current year started with a substantially higher level of foreign exchange reserves than the preceeding year, and hence the acute strains encountered in 1979-80 were absent. Second both export earnings and home remittances manintained rising tendency and are estimated to have surpassed the targets for the year. Third, extended fund facility arranged with the IMF brought access to substantial external credit

and, alongwith partial debt rescheduling more than compensated for decline in regular aid inflows. As a consequence, the current account deficit in the balance of payments is expected to remain at the last year's level and a fairly sizable accertion of the order of dollars 250 million is estimated in foreign exchange reserves.

Both sides of the trade ledger have witnessed increases. The merchandise exports which had virtually stagnated around the one billion dollar mark from 1973-74 to 1976-77 have rise in each successive year and are estimated at $ 2,800 million for 1980-81, reflecting an increase of about 20 per cent over the preceding year. Much of the improvement is due to the remarkable performance of cotton. In value terms and quantitively the raw cotton exports not only set a new record but considerably exceeded the Fifth Plan targets. The earnings are anticipated to cross the $ 500 million mark which is almost double the Fifth Plan target of $ 275 million set for 1982-83. Higher earnings from rice also contributed towards this expansion. Although export of major manufactures did not farewell, this was offset by sharp increase elsewhere, especially in synthetic textiles, textile made-ups and miscellaneous items.

Commodity imports were originally projected at $ 5,091 million for 1980-81 which were subsequently revised upwards to $ 5,628 million due to escalation in prices of energy and other manufactures, and liberalisation of imports of raw material and capital goods. The import of POL alone is estimated at $ 1.585 million during 1980-81 which is 56.6 per cent of the total export earnings and 28.2 per cent of the import bill envisaged for the year. Its import experienced a sharp acceleration in its continuously increasing tendency and amounted to $ 1.155.4 million during the first three quarters of the current year as compared to $ 1,079.3 million in the whole of 1979-80 and $ 530.0 million a year earlier. Bulk of the remaining increase during the year was accounted for by private sector imports as a consequence of the relaxation of the administrative restraints that were imposed in 1979-80 following serious depletion of foreign exchange reserves.

Home remittances maintained a buoyant trend and, as in the last year, were responsible for bridging a large chunk of the trade gap. Retaining the upswing since the oil boom in the Middle East, remittances amounting to $ 1.7 billion in 1979-80 are expected to exceed $ 2.1 billion in 1980-81. Thus, despite the sizable increase in the merchandise trade gap, the current account deficit was contained to $ 1.198.8 million in 1980-81 compared to $ 1.148.9 million last year.

The Capital account was characterised by isgnificant changes in the pattern of foreign exchange inflows. In the main, an Extended Fund Facility contracted in November 1980 resulted in substantial drawings from the IMF which substituted for declines in regular aid flows and the extraordinary borrowings in the previous fiscal year from Saudi Arabia and other Islamic countries. On balance, the improvements more than offset the declines as such the foreign exchange reserves of the country are expected to rise substantially during 1980-81.

In parallel with the achievements in economic fields, the social sectors made satisfactory accomplishments. Both the educational institutions and student enrolment have substantially increased. From 56.920 primary schools with 6.57 million enrolment in 1979-80 the number rose to 58,398 and 6.59 million respectively in 1980-81. The number and enrolment of Secondary Vocational Institutions rose from 248 and 35,000 respectively in 1979-80 to 251 and 37,000 respectively in 1980-81. There were 15 Universities with an enrolment of 57,019 in 1979-80 which rose to 20 and 62,048 respectively in 1980-81.

CSO: 4220/304

'REVIEW' COMMENTS ON BUDGET

Karachi ECONOMIC REVIEW in English Jul 81 pp 7-8

[Editorial: "More Than a Routine Budget"]

[Text]

The Rs. 66.5 billion federal budget for fiscal year 1982, providing 55.5 per cent for current expenditure and 44.5 per cent for Annual Development Program records an overall resource gap of Rs. 9.2 billion. Through withdrawal of subsidy on wheat, streamlining of tax administration and a cut in development and non-development expenditure, the gap has been reduced but still it is as high as Rs. 5.4 billion which is planned to be met through deficit financing or largely from bank borrowings. In absolute terms the deficit financing proposed is quite sizeable, approximately 2 per cent of the GDP. At the moment we receive almost $ 2.5 billion annually in home remittances from overseas Pakistanis the net impact of which is highly inflationary. The big chunk of deficit financing coupled with large inflow of home remittances is likely to accelerate the rate of inflation much higher than 13 per cent conceded by the Finance Minister for the previous fiscal year. Reduction in subsidy on wheat and increase in the prices of essential commodities handled and controlled by the government such as wheat flour, sugar and cement, increase in telephone, telex and postal rates etc. should definitely push up the general price level at a much higher level than anticipated. The effect on the current general level of prices is already visible in the period subsequent to the announcement of the budget and the administrative measures to control the prices have almost failed despite severe punishments

awarded to shop keepers. The normal market mechanism is to a large extent crumbling and the bureaucrats are trying to take refuge in the mushroom and sporadic 'Jooma Bazar's' which are being officially encouraged in all sizeable urban areas.

No administration would have taken this big risk of generating an accelerated inflation rate but the Finance Minister has taken the risk largely to accommodate the recommendations of the World Bank without, however, totally upsetting the existing economic situation. This boldness distinguishes the FY 1982 budget from most of its predecessors.

The Finance Minister has proposed some sophisticated budgetary measures mainly to create an attractive investment climate especially since large aid funds are expected during the year. Investment incentives provided in the budget include reduction of surcharge on the corporate tax by 5 per cent, increase in the initial tax relief on depreciation from 25 per cent to 40 per cent, reduction of the standard rate of sales tax from 20 to 12.5 per cent, full tax holiday for Pakistani companies engaged in the exploitation of minerals for first 5 years and 50 per cent of the normal rate for the next 5 years. Import duties have been rationalised, and enhanced on items which are being produced locally to give them a larger measure of protection. To promote the leather industry import duty of 85 per cent on wet blue goat and sheep leather has been withdrawn, domestically produced tyres and tubes have been exempted from both the central excise and sales tax. Custom duty has been exempted on tractors imported in CKD form, rates of duty have been rationalised on spare parts for tractors, sales tax has been completely withdrawn and custom duty reduced from 40% to 20% on bulldozers, angle dozers and levellers.

These incentives are liberal but have been spread out so thinly over such a vast field that their total impact in improving the investment climate is almost negligible. It did not provide any incentive for the corporate sector, especially the stock market which is sparking off in anger, showing largely minus signs on its score board since the announcement of the budget. The higher interest rates available on various savings schemes of the government and handsome

rates of fixed deposits with provision for tax exemption and relief are directly discouraging corporate sector which because of various other factors such as the welfare oriented labour policy, higher corporate tax rates, and prices of inputs inclusive of power and transport cannot match up their profits with the interests available on investments in savings schemes and fixed deposits.

The most distinguishing feature of the budget which has made it more than an ordinary budget is the attempt it has made in simplifying the procedure involved in tax collection. It has converted the existing composite rates into specific rates and has reduced the number of ad valorem rates from 42 to 16 only, staying within the existing range of duties from 10 per cent to 350 per cent. It is hoped that the simplification and rationalisation procedure which has been initiated now will be carried on further to reduce anomalies and help in limiting the discretion of the customs personnel which results in bribery and corruption.

Yet another feature of the budget which makes it more than a routine budget is a big jump in the allocation of funds for manpower training. However, the amount of Rs. 66.6 million is quite meagre in view of colloosal requirement of skilled manpower at present. We can substantially increase foreign exchange earning through manpower export provided a vast network of training institutions are set up throughout the country. Home remittances contribute 9.48% to the country's GNP and in view of this fact there should be an allocation equal to 4% of GNP for manpower training in our budgets.

The behaviour of the stock market subsequent to the announcement of the budget suggests that the budget has not been able to provide adequate incentives to build up a favourable investment climate. Some of the other factors keeping the investment climate depressed include the administrative policies which run contrary to the interests of the investors such as the proposed changes in the country's company law, delay in announcement of a labour policy, and a complete lack of comprehension of the future political and constitutional structure. We believe that investment climate cannot be improved with sporadic

measures since an investor has to take into consideration the whole spectrum before commiting himself and his money to any project which take time in taking off the ground. We suggest some interim budgetary measures such as completely abolishing the surcharge on corporate companies, exempting dividend income to the extent of twenty five thousand rupees, and provision of investment allowance as a direct deduction from income tax as prevailed prior to FY 1980 budget are some of the measures that may bring in some life in the stock market and make investment climate somewhat more attractive than it is today.

CSO: 4220/304 END

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South and East Asia Report

No. 1058

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FOREIGN MINISTER EXPLAINS REJECTION OF GRIFFIN

New Delhi PATRIOT in English 9 Sep 81 p 1

[Text] Foreign Affairs Minister P. V. Narasimha Rao told the Lok Sabha on Tuesday that India opposed the posting of Mr George Griffin as political counsellor at the US Embassy in Delhi in order to save the relations between the two countries from becoming more "unfriendly".

Though he described as unjustified and unwarranted the US retaliatory step in opposing the posting of Mr T. Prabhakar Menon at the Indian Embassy in the US, Mr Rao said he could not call it an unfriendly act.

Mr Rao said India requested the US to reassign Mr Griffin to some other post in view of the 'activities of this gentleman'. Mr Rao, however, did not elaborate.

Mr Rao said that Mr Griffin's posting to India was objected to after a careful evaluation of his activities when he was posted in Calcutta.

"India's intention was to avoid the likelihood of greater friction being introduced into our bilateral relations with the US, which we value and have always sought to strengthen."

The Minister was replying to a calling attention motion on reported Indo-US differences over the posting of diplomats in India and Washington respectively. The motion was tabled by Mr S. M. Krishna, Mr Ramvilas Paswan, Mrs Geeta Mukherjee, Mr B. V. Desai and Mr M. V. Chandrashekhara Murthy.

Mr Rao regretted the stand of the US authorities that in case India did not find it possible to reverse the decision on Mr Griffin's case, they would ask this country to withdraw the proposed assignment of a senior foreign service officer, Mr T. Prabhakar Menon to the US.

United States was informed that India considered this 'unprecedented retaliatory step on their part as unwarranted and unjustified', he added.

Mr Rao explained to Mrs Mukherjee that Mr Menon was never posted to the US. In fact, he had nothing to do with the US on his previous posting, including the one in Delhi.

While India was trying to do everything to avert friction in Indo-US relations, the good relations depended on response from both side, he said.

The Minister hoped that the 'limited matter' of posting of officers would not give rise to any side issue.

Mr Rao denied that the objection to Mr Griffin's posting was raised on somebody's prompting. The objection was made on India's own information.

He regretted particularly the statement of the US State Department that "this action was taken at a time when Mr Griffin was a target of a Soviet disinformation campaign".

It is incorrect to suggest that views, information and pronouncements made by any other country played part in India's decision. Any such conclusion or insinuation is resented by the Government of India.

Mr S. M. Krishna (Cong-I) said the whole world knew that India did not have a set up like the CIA which had its tentacles spread to all corners of the world. He wondered why Mr Griffin had been allowed to visit India frequently while he was posted in Kabul.

Mr Rao said according to his information Mr Griffin's family was here. Apart from that there was no reason for giving Mr Griffin a multi-purpose visa to visit India.

Mr Ram Vilas Paswan (Lok Dal) said both India and the US had drifted apart and could not be brought together in the present situation. India and the US had reached the extremes in their ties.

When Mr Paswan wanted to quote from a book written by a former ambassador, Deputy Speaker G. Lakshmanan disallowed him saying that was irrelevant and had nothing to do with the subject matter of the calling attention motion.

Several CPI and CPI-M members pleaded that the quotes from the book were relevant.

Mr Lakshmanan remained firm and said it was for him to guide the deliberations of the House.

Mrs Geeta Mukherjee (CPI) asked if it was a normal diplomatic practice to reject persons without assigning any reasons.

Mr B. V. Desai (Cong-I) wanted to know the steps taken by the Government to improve the sagging ties between India and the US. He felt this difference on the posting of diplomats should be tackled on political level.

CSO: 4220/7746

GANDHI ADDRESSES WOMEN'S SCIENCE CONFERENCE

New Delhi PATRIOT in English 9 Sep 81 pp 1, 6

[Text] Bombay, Sept. 8 (UNI)--Prime Minister Indira Gandhi today appealed to the scientists and technologists to ensure that their national loyalties do not clash with international priorities.

Inaugurating the Sixth International Conference of Women Scientists and Engineers here Mrs Gandhi said the moral concern of the scientists should prevent the misuse of scientific advancement to the detriment of some sections of the population.

Mrs Gandhi said while age old superstitions were said to be holding back scientific and technological advancement, the educated lot forgot the negative impact of 'new superstitions which are as bad as the old superstitions'.

'Scientists believe that they have solutions for all the problems but science has created a greater number of problems than what they have solved' she said.

Science was indeed a knowledge of consequences, she said and pointed out that some elements of scientific advancement had taken mankind nearer to annihilation.

The Prime Minister referred to the problems created by destructive weapons and pollution and opined that scientists should raise their voice of sanity and ensure that mankind benefited to the utmost.

Self-Reliance

Mrs Gandhi said scientists in India should help the country in achieving its goal of self-reliance adding that it was unfortunate the educated lot on whom 'we spend a lot of money in training and education, migrate to the advanced countries to assist them in their growth.'

It was also unfortunate that 80 per cent of the natural resources in the world was used for the benefit of less than 20 per cent of the population she said. Efforts should be made to ensure that the fruits of science and technology benefit people in all parts of the world.

Referring to women the Prime Minister said that they should give up feeling of inferiority and added that scientists, both men and women should work together to eradicate poverty and disease.

French scientist Mme Nicole Becarud, the chairperson of the fifth international conference of women engineers and scientists, said that advancement should ensure equal responsibility between men and women in technical and scientific activities.

Dr Sumati Bhide, chairperson of this conference, said that the Indian Women Scientists Association (IWSA) would struggle to take science to the people for the benefit of the masses.

Dr Kamal Ranadive, founder-member of IWSA felt unhappy that benefits of scientific progress were not reaching the masses in India due to its age-old cultural and social values. It was time she opined for all of us to adopt the new culture of science to solve our problems.

CSO: 4220/7746

EDITORIAL NOTES BENGAL CPI, CPI-M RAPPROCHEMENT

Calcutta THE SUNDAY STATESMAN in English 6 Sep 81 p 6

[Editorial: "Return of the Native"]

[Text] The West Bengal CPI's willingness to join the Left Front is expected to put a formal seal on the present close relations between the two; the Front is unlikely to spurn the move. It was exactly a decade ago that the CPI broke with the CPI(M) after an uneasy partnership in two United Front Ministries and chose to align itself with Mrs Gandhi's party. The estrangement lasted till the 1980 Lok Sabha poll when the CPI was reluctantly accepted by the CPI(M) as an electoral partner of the Front. Since then, however, the two have gradually come closer, although there are still sharp differences on several issues. The CPI(M), for instance, still seems to harbour misgivings about the CPI's attitude towards the Congress (I); the feeling seems to persist, at least among the West Bengal Marxists, that the chances of the CPI changing its present line under Soviet pressure cannot be ruled out. In earlier pronouncements, the CPI had made it clear that it continued to support Mrs Gandhi's foreign policy, while disagreeing with her on internal issues. After its recent National Council meeting, however, the party's general secretary, Mr Rajeswara Rao, indicated a slight change by complaining that the Prime Minister was trying to equate the Soviet Union with the USA by talking about super-Power rivalry. The allegation may have been aimed at weakening the position of the pro-Dange elements in the CPI. In any event, this stance along with continuing criticism of Mrs Gandhi's domestic policies, has possibly softened the CPI(M)'s attitude. Perhaps the Marxists also feel that the presence of both Communist Parties in the Left Front would be a greater deterrent to any move to topple the West Bengal Government.

Sections of the CPI, on their part, have serious reservations about the CPI(M). The pro-Dange group's hostility is well-known; some others, too, are said to be uneasy about what they regard as the CPI(M)'s sectarian and domineering attitude. If, despite these differences, the two are on the point of entering into a formal alliance, it is perhaps because of their experience during the period of estrangement. A sizable section in the CPI came to the conclusion that the party had made a mistake in going along with the Congress (I), whereas the Marxists, despite recent electoral successes, have come to consider it necessary to guard against the kind of political isolation that they had gone through during 1972-77. The West Bengal CPI's decision, however, may continue to be a subject of some controversy within the party. There may be problems within the Front as well.

The CPI leaders are right in saying that the party is not interested in Ministerial offices as it was not a partner of the Front in the 1977 election; in any case the next State Assembly elections are due in less than a year. However, even after its late entry, the CPI may gradually come to occupy the second position in the Front ahead of the RSP and the Forward Bloc, which could cause some resentment.

CSO: 4220/7732

GANDHI SAYS INDISCIPLINE IN PARTY MUST BE CURBED

Calcutta THE STATESMAN in English 10 Sep 81 p 1

[Text] New Delhi, Sept. 9--Mrs Gandhi today expressed herself strongly against dissident activity in her party in a number of States. Addressing a meeting of the Congress (I) Parliamentary Party executive, Mrs Gandhi regretted the indiscipline in the party and said she wanted this to be curbed immediately. The party members should keep a vigil on such activities and report to the party high command whenever members indulged in indiscipline.

She also expressed her distress at the absence of a number of her party M.P.s whenever either House of Parliament discuss important issues.

After a long time the Congress (I) Parliamentary Party returned to its earlier office premises, right at the entrance of Parliament's main gate, which it had lost to the Congress-U (now Congress-S) after its 1977 defeat. Mr K. Lakkappa, secretary of the CPP(I) welcomed Mrs Gandhi and requested her to inaugurate the new office.

The Congress (I) Parliamentary Board today decided to name Mr Shiv Lal Valmiki and Mr Ram Punjab Patel, former Deputy Ministers, for two by-elections to the Rajya Sabha from Uttar Pradesh.

Announcing the names Mr Vasantrao Patil, AICC (I) general secretary, said that Mr Valmiki is a Harijan and Mr Patel belongs to a backward class.

The board also decided to field Mr Zulfiguar Ali Khan for the by-election to the U.P. Vidhan Parishad. The seat had fallen vacant following the election of the Chief Minister, Mr Vishwanath Pratap Singh, to the Vidhan Sabha.

The board, which met for about half an hour at the Prime Minister's office in Parliament House, considered some 16 names for the Rajya Sabha elections, including those of Mr Yashpal Kapoor, Mrs Aziz Imam and Mr Devendra Dwivedi.

CSO: 4220/7748

REPORT ON GANDHI MEETING WITH GOVERNMENT SECRETARIES

Bombay THE TIMES OF INDIA in English 6 Sep 81 pp 1, 9

[Text] New Delhi, September 5--The prime minister, Mrs. Indira Gandhi, said today that the country was in a "very difficult phase economically, politically and militarily" and the challenge could be met by developing "a greater sense of national purpose."

The task should not be left only to those in politics, the prime minister told secretaries to the government in an hour-long talk. Officials must share the responsibility.

Mrs. Gandhi observed: "There is a crisis, which is an Indian crisis and also an international crisis. We have to meet it with unity and determination. We cannot afford to adopt any lackadaisical approach."

Referring to "a major and sustained campaign to downgrade" India, the prime minister said: "We have to be alert all the time to refute anything anti-Indian said or done and safeguard the country's image."

Respect for India would increase only "if we take a firm stand in dealing with other countries," she said. It was wrong to think that "we will earn more goodwill by giving in."

Development Tasks

The major task of senior officials today was that of development and not law and order as in the pre-Independence days. She said the officials should function with a sense of commitment and national purpose.

The prime minister regretted that the term "commitment" had attracted criticism in the past because it had been misconstrued. She said "commitment" should be not to a person or party but to national objectives and the accepted programmes of the government.

She said she expected senior officials to express themselves fearlessly on important subjects even though some ministers might not appreciate this. She was also advising the ministers to encourage officials to put forward their views freely.

"Of course," she reminded the officials, "once a political decision is taken, you will have to carry it out."

She assured the civil servants that they would not be punished for bona fide mistakes. However, non-performance would be taken as seriously as good performance.

The prime minister called for a sense of urgency on the part of officials in handling their work. Deadlines and targets were not meant to be pushed back. If these were not strictly adhered to, the result would be avoidable cost escalation, at a time when the country was in the grip of inflation.

In many areas, she felt, the targets had been set very low. This would result in under-utilisation of capacity which must be avoided in order to ensure the fulfilment of objectives set out in the sixth plan.

Mrs. Gandhi said the term bureaucracy was not very popular with the people. It had come to be associated with red-tape, deferring of decisions and indifference to the common man. She did not agree that all bureaucrats were necessarily bureaucratic.

But this widely prevalent feeling could and should be removed by senior officials if they displayed special care in the execution of programmes for the welfare of weaker sections. If such programmes failed, people would lose their sense of hope. This could lead to despair and if that happened it would mean the end of all progress.

Mrs. Gandhi cited her own experience. She said she received scores of letters from the public, especially from younger people, which contained suggestions for improvement in various areas.

She found that very little action was taken by ministries when she forwarded the letters to them. The ministries did not take direct representations by people seriously. This kind of cool approach could dampen the enthusiasm of well-meaning people who sent useful and concrete proposals.

Mrs. Gandhi also criticised the tendency of officials to harp on rules and remarked that this traditional habit should change. It should not be forgotten that even rules were framed to achieve certain objectives. If they stood in the way, the rules should be amended.

The prime minister said she was aware of the increased burden on officials nowadays. When the ICS or even the IAS was constituted, its primary responsibility was law and order. Now the main task before the officials was to ensure speedy and all-round development. In the coming days, these burdens would increase.

Officials would be able to cope with the task only with greater co-operation from the people. After all, it did not cost officials anything to be friendly and courteous to the public and make an honest effort to meet their legitimate grievances.

The prime minister asked the secretaries and other senior officials to feel a sense of involvement in the public sector. They should not interfere in the day-to-day work of public sector units. But they should feel themselves responsible and accountable for its good performance.

Referring to her recent discussions with a cross-section of young industrialists, Mrs. Gandhi said one of them felt that officials were flocking to the public sector because it offered full security without accountability. She did not share this view. But the prevalence of such a feeling must be taken note of.

Mrs. Gandhi asked the officials to adopt a programmatic rather than management approach. They should function in a result-oriented way while ensuring fair play and justice.

She said senior officials must shed their snobbery in their dealings with their juniors. They should evince keen interest in the working conditions of class III and IV employees.

On visits to some ministries she had noticed that the administrative staff was engulfed by heaps of files with no scope for fresh air.

The prime minister also stressed the need for eliminating corruption and activating vigilance sections in various ministries.

She asked the officials to develop an overall perspective while discharging their responsibilities. There was no need for them to be apologetic about the progress made by the country in the past three decades.

CSO: 4220/7730

CONGRESS-I 'DISTURBED' OVER ANDHRA PRADESH POLLS

New Delhi PATRIOT in English 12 Sep 81 p 4

[Text] Hyderabad, Sept. 11--The Congress-I high command appears to be a little perturbed over the party's recent debacle at the civic elections at Vijayawada and Visakhapatanam, the two major political and industrial centres of the State and considered a citadel of Mrs Indira Gandhi.

Indication to this effect was available from the talks AICC-I general secretary S. S. Mahapatra had with newsmen on his arrival this evening to study the political situation', in Andhra Pradesh.

Mr Mahapatra, commenting on the poll debacle in the two municipal corporation elections, said 'This is all the more needed for revitalising the party organisation in coastal area. I also want to find out where we lack in Visakhapatnam and Vijayawada where we lost corporations'.

When he was reminded that the Congress-I in Andhra Pradesh had won an overwhelming majority of the municipalities and losing two municipal corporations was not a big debacle, Mr Mahapatra said 'Even a small defeat we do not take it easily' and added that the high command had received a large number of reports on the debacle.

Asked whether the emergence of a dissident group against the non-performance of the Government of Mr Anjiah had came to the notice of the high command, Mr Mahapatra said, 'I am not aware of this.

However there may be dissidents here or elsewhere. The workers may express their grievances from time to time. But they have ultimate and supreme faith in Mrs Gandhi'.

Mr Mahapatra said now, the time has come for enlarging the activities of the party with the successful completion of elections to various bodies pending for a decade. In fact, he had come to Hyderabad to review and reactivise the party organisation at various levels and to help implementation of the 20-point economic programme of Prime Minister Indira Gandhi.

CSO: 4220/7753

DETAILS ON INDIA-BANGLADESH STATEMENT GIVEN

New Delhi PATRIOT in English 14 Sep 81 pp 1, 7

[Text] India and Bangladesh have agreed to take immediate and effective steps to resolve the major outstanding issues "that have been acting as a source of irritation and strain" on relations between them.

Minister for External Affairs P. V. Narasimha Rao and Bangladesh Foreign Minister Mohd Shamsul Haq in their talks this week in New Delhi agreed that the Foreign Secretaries of the two Governments will meet next month and revalue all available data to pave a way for an early and peaceful solution to the New Moore Island controversy that was causing tension.

The two Foreign Ministers said they would meet again at an early date to resolve the Farakka issue.

A joint statement released on Sunday at the end of Mr Haq's visit to India said the two countries reaffirmed that efforts should be made to ensure that peace and tranquility are maintained on the border. Each side agreed to take effective measures to stop illegal movement of people across the border and to prevent their respective territories from being used for hostile activities directed against the other.

The talks were held in a cordial atmosphere. The release described the discussion on the New Moore island as 'free and frank'. The statement also noted the similarity in their views on many international issues and agreed to cooperate closely in various international forums in upholding the principles of the United Nations Charter and the non-aligned movement.

On delimitation of the maritime boundary, India and Bangladesh reiterated that the question should be resolved "by mutual agreement in a spirit of understanding and good neighbourliness" and proposed another meeting at an early date.

At the talks, first in more than a year between the two Foreign Ministers since Mr Rao's August 1980 visit to Dacca, the two sides reviewed bilateral relations and also discussed regional and international matters of mutual interest.

They expressed their firm belief that the foundation for building good neighbourly relations lay in mutual respect, trust and goodwill.

Both sides agreed to intensify efforts for completion of steps already agreed upon at the Indo Bangladesh secretary-level talks at New Delhi in October, 1980 towards early implementation of the 1974 land boundary agreement. The two sides confirmed their respective government's acceptance of the delineation on map, by their survey officials, of the territory to be leased at Tin Bigha.

It was agreed that a meeting at the level of Foreign Secretaries would be held in October, 1981 to resolve all outstanding problems related to the land boundary, including finalisation of the terms and conditions of the lease-in-perpetuity of the Tin Bigha corridor. Pending finalisation of the terms of lease, conditions would be created to ensure that necessary facilities of access which have so far been provided would continue to remain available.

As regards the establishment of railway links between the two countries, both sides agreed to take further positive steps to advance progress on the basis of the talks that have been held between the two railways in October 1980.

The two sides also agreed that the momentum of progress in the implementation of the proposal for regional cooperation among the South Asian countries should be maintained and all necessary steps for this purpose should be undertaken in concert with other neighbouring countries in the south Asian region.

CSO: 4220/7756

NEW MEMBERS ADDED TO MANIPUR COUNCIL OF MINISTERS

New Delhi PATRIOT in English 5 Sep 81 p 1

[Text] Imphal, Sept 4 (UNI)--Chief Minister Rishang Keishing today expanded his two-and-a-half-month-old Council of Ministers with the addition of six Cabinet Ministers and five Ministers of State, who were sworn in this afternoon at Raj Bhavan.

Mr Keishing's ministerial team now consists of 19 members.

The Cabinet Ministers who took office today are: Messrs Tompok Singh, Soso Lorno, Y. Trabot Singh, D. Juanang, Mr Krishan Singh, and Mr Mahamuddin.

The Ministers of State taken in are Messrs H. Khomgosai, Mr Rajdham Singh, K. Vungialian, P. H. Sagar Singh and H. Kamgjamba.

An official spokesman said Mr Tompok Singh would be deputy leader of the Congress-I Legislature Party. He was elevated to the position at a meeting here last evening.

Mr Singh and Mr Lorho were Cabinet Ministers in the last Ministry. Other Cabinet Ministers were Ministers of State in that Ministry while Mr Mahammuddin is a new entrant.

Mr. M. Kumar Singh, a Minister of State-designate, did not turn up for the ceremony.

Chief Minister Rishang Keishing, his Cabinet colleagues, Congress-I legislators and top officials attended the swearing-in ceremony.

After the ceremony, Mr Keishing said that there "is no threat to his Government. It will be a stable one and will function in the interest of the State".

He said that portfolios would be allocated to the new ministers in a day or two.

CSO: 4220/7728

CONTROVERSY OVER MAHARASHTRA CHIEF MINISTER CONTINUES

Request for Dismissal

Bombay THE TIMES OF INDIA in English 5 Sep 81 p 1

[Text] Bombay, September 4--Fifty-five opposition members of both the houses of the Maharashtra legislature met the governor at Raj Bhavan today to demand the dismissal of the chief minister, Mr. A. R. Antulay, for his alleged corruption and misuse of office.

A memorandum presented to the governor, Mr. O. P. Mehra, said the dismissal would restore the confidence of the people in the government and strengthen the foundation of democracy "which has been eroded by the actions of the chief minister."

Mr. G. P. Pradhan, leader of the opposition in the legislative council, later told newsmen that the governor was cordial and responsive during the meeting that lasted an hour.

The memorandum was signed by Mr. Pradhan, Mr. B. B. Dhakne (Janata), Mr. N. D. Patil and Mr. D. B. Patil (PWP), Mr. Hashu Advani and Mr. G. B. Kanitkar (BJP), Mr. Padamsinha Patil and Mr. Datta Meghe (Cong-S), Mr. Lahanu Kom (CPM), Mr. Sudam Deshmukh (CPI) and Mr. Suryakant Dongre (RPI).

The opposition leaders told the governor that there were three main areas in which the chief minister resorted to corruption: the allotment of cement, granting of "no objection" certificates for building on land in excess of the urban ceiling regulations and distribution of quotas for industrial alcohol.

It was alleged that the chief minister used his authority to collect donations.

This was made possible by setting up trusts like the Konkan Unnati Mitra Mandal, the Raigad Zilla Pratishthan, the Shriwardhan Matadar Sangh Pratishthan, the Mhalsa Taluka Trust, the Ambet Pratishthan (all named after the Konkan and places in the Konkan, from where the chief minister hails), the Indira Pratibha Pratishthan and the Sethia Foundation. These were all private trusts contrary to the impression that they were public trusts.

Price of Cement

The chief minister was alleged to have reduced the public sale cement quota from 100,000 tonnes a quarter in 1978 to a mere 21,670 tonnes. As a result, the black-market price of cement had shot up from Rs. 40 to Rs. 125 a bag, twice the level in other parts of the country. The controlled price of a cement bag is Rs. 28.

Mr. Antulay, it was claimed, collected huge sums from builders by issuing them cement permits for large quotas. At the same time, schools, colleges, hospitals and the government housing authority were starved of cement.

The memorandum said about 75 per cent of the alcohol produced in Maharashtra was used for industrial purposes. The users of industrial alcohol yielded to pressure and agreed to donate to the trusts to get their quotas restored. Some others got the quota, though not entitled to it, by giving donations. The parties had to contribute Re. 1 per litre of alcohol.

The chief minister was also alleged to have brought pressure on the sugar co-operative factories to donate crores of rupees to the Indira Pratishthan.

G. K. Reddy's Analysis

Madras THE HINDU in English 5 Sep 81 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, Sept. 4.

The Antulay episode figured in Parliament again today in the shape of concerted attempts by the Opposition in both Houses to move privilege motions against the Finance Minister, Mr. R. Venkataraman, on the ground that he had misled the members by maintaining that the Prime Minister, Mrs. Indira Gandhi, was not in any way connected with the trust set up by the Maharashtra Chief Minister in her name.

The Speaker of the Lok Sabha, Mr. Balram, and the Deputy Chairman of the Rajya Sabha, Mr. Sham Lal Yadav, held over the motions, since they needed time to consider the notices before allowing any discussion on them.

The privilege issue arose over the publication of a report, on the basis of a photograph released on October 12, 1980, by the Directorate of Information of the Maharashtra Government, that Mrs. Gandhi had indeed affixed her signature, giving consent to the formation of the Indira Gandhi Pratibha Pratisthan at a ceremony in Raj Bhavan. The Finance Minister, in his replies to the calling-attention motions in both Houses on Wednesday, had maintained that the Prime Minister had never agreed to the association of her name with the trust.

The privilege issue was raised in the Lok Sabha by Messrs A. B. Vajpayee (BJP), Madhu Dandavate (Janata), Jyotirmoy Bosu (CPI-M) and George Fernandes (Lok Dal) while in the Rajya Sabha, a parallel attempt was made by Messrs L. K. Advani (BJP), A. G. Kulkarni (Cong.-U), P. Ramamurthi (CPI-M) and Dinesh Goswami (Ind.) in different forms pressing for the admission of motions against the Finance Minister as well as the writer of the article alleging that Mr. Venkataraman had mislead Parliament.

The Finance Minister was present in both the Houses, with the relevant papers, including a copy of the trust deed, ready to defend himself by adhering to his earlier contention that Mrs. Gandhi had not given her consent to the use of her name. But the two Presiding Officers felt that a more appropriate course would be to seek the explanation of the persons concerned before deciding on the admissibility of the privilege motions.

Issue deferred

The issue was thus deferred until next week and both the ruling party and the Opposition were all set to fight out a fresh battle over the alleged breach of privilege. As far as Mr. Venkataraman was concerned, he did not let go the opportunity to fire his first salvo today itself by remarking in his characteristic good humour, "When a shoe bites a man, he does not bite the shoe".

But the wisecrack did not help to mitigate the ruling party's discomfiture over the Antulay episode. The fact remained that the Centre was trying to shield the Chief Minister by taking a strictly legalistic view of the whole controversy and ignoring the wider implications.

At the higher political level, however, the Prime Minister and her advisers were not ignoring the fact that the fall-out of the Antulay episode was going to sully the party's image badly at a time when the nominated Chief Ministers in several other Congress (I)-ruled States were not crowning themselves with any glory by their equally controversial actions.

It was the case of Mrs. Gandhi having to save herself from her friends than her enemies, since more harm was being done to her leadership by her own colleagues who have made a profession of their loyalty to her than by her opponents who are unable to make any headway with their criticism.

As this odious controversy gathers momentum, it is becoming increasingly clear that the thoughts of an earlier poll in the Congress (I)-ruled States, south of the Vindhyas, are being quietly given up, in the wake of the growing realisation that it will be extremely unwise to go to the polls with the present set of Chief Ministers in office.

The current thinking, therefore, is that after the dust has settled over the Antulay affair, the Central leadership should start exploring the possibilities of replacing some of these Chief Ministers to make way for more acceptable persons who could project a better image of the party before facing the people.

But the time factors involved in the contemplated changes are such that there is more than an even chance of the whole exercise being put off again. The Prime Minister will be away from the country for over a month from September 23 to November 14 on her foreign visits. She will be in Delhi for hardly 25 days during the inter-session period, from the conclusion of the current monsoon session to the commencement of the winter session of Parliament.

It is not going to be easy to carry out during this period the twin operation of replacing the controversial Chief Ministers, who have become an embarrassment to her, and reshuffle the Central Cabinet which was postponed at the last moment before she left for Nairobi last month after finalising the changes. The focus is shifting again to what Mrs. Gandhi might or might not do in this difficult situation than on just what is going to happen to Mr. Antulay in the wake of his indiscriminate fund collections.

PTI reports:

The privilege motion sought to arraign the Finance Minister as also Mr. Arun Shourie, Executive Editor of "Indian Express" based on a signed article on the front page of that newspaper.

PM's comment

In Bhubaneswar, Mrs. Indira Gandhi said that if there was anything wrong in the collection of funds by Mr. Antulay, "we can look into it later".

When a Reporter wanted to know "the latest about the Antulay affair" at her airport press conference, Mrs. Gandhi said there was a prolonged discussion on it in Parliament and asked him, "What more do you want?"

When the Reporter told Mrs. Gandhi that it was "embarrassing to her", she shot back: "Why should it be embarrassing to me or anybody? If there is anything wrong in it, we can look into it later".

CSO: 4220/7725

LALDENGA INTERVIEWED ON NEW MNF PROPOSALS

New Delhi PATRIOT in English 13 Sep 81 pp 1, 7

[Text] Silcher, Sept 12 (UNI)--The rebel Mizo National Front has formulated a new package of proposals in a bid to solve the vexed insurgency problem in Mizoram, according to MNF chief Laldenga.

In an interview at Silchar airport today, Mr Laldenga said that some of the points that figured in the Centre's 15-point proposals were not acceptable to the MNF executive council which held an emergency session at its headquarters in the Arakan woods of Burma in the first week of September. He, however, declined to elaborate.

The MNF chief, who presided over the underground executive council meeting, said the new proposals of the MNF 'are a slightly modified version' of the earlier 26-point proposals put forward to the Centre in April. He said he was not satisfied with the Centre's proposal for a Nagaland type of statehood for the Union Territory.

He, however, said that he would not press for a greater Mizoram that envisages integrating other Mizo inhabited areas contiguous to Mizoram.

On his return journey from MNF headquarters, Mr Laldenga was accompanied by his two Ministers Mr Thankima and Mr Rual Chhira and his wife and father-in-law. They flew to Silchar airport by a IAF chopper from Parva--a border village of Mizoram--in the afternoon. Later the party flew to Calcutta by an Indian Airlines flight on way to Delhi.

He said that he would meet Prime Minister Indira Gandhi next week to present the new MNF proposals.

Mr Laldenga had left for the Arakanese headquarters of MNF on 26 August.

CSO: 4220/7754

MINING MINISTER REPORTS TO PARLIAMENT COMMITTEE

Bombay THE TIMES OF INDIA in English 11 Sep 81 p 15

[Text] New Delhi, September 10 (UNI)--The government has decided once again to canalise the import of pig iron, the minister for steel and mines, Mr. Pranab Kumar Mukerjee, told the consultative committee of Parliament members attached to his ministry here today.

The minister said that though pig iron had been on open general licence for the last two years, not much of its imports had taken place because of the difference in the landed costs of the imported material and the price of the indigenous variety.

He said the matter about exemption of import duty on pig iron was taken up with the finance ministry and to facilitate a decision in this regard the import of this item had been canalised since September 4 last.

Mr. Mukherjee also informed the committee that billets and re-rollable bars and rods, including wire-rods, hot rolled coils above 5 mm thickness and cold rolled coils and sheets, had been taken out of the regulated distribution system of the joint plant committee. In the case of pig iron, instead of the average of three years as the basis for calculating entitlement, it would now be the best year's takeoff in the last five years or 20 per cent of the capacity, whichever was higher.

Answering a question about the disposal of iron ore concentrate, the minister said two contract documents--one for the construction of the Mangalore pellet plant and another for the sale of about three million tonnes of ore per year--had already been signed with the Rumanian government. He said the plant was scheduled to become operational in 1984.

Mr. Mukherjee said negotiations for the sale of pellets had reached an advanced stage with some countries like Bahrain, Indonesia, Malaysia, Bulgaria and Czechoslovakia.

Mr. Mukherjee said encouraged by the rising trend of steel production in the integrated steel plants under the Steel Authority of India Limited the government had raised the target of ingot steel, saleable steel and pig iron for 1981-82 to 8.01 million tonnes, 6.3 million tonnes and 1.56 million tonnes, respectively. The original targets for these items were 7.2 million tonnes, 5.7 million tonnes, and 1.4 million tonnes, respectively.

CSO: 4220/7749

SOVIET DENIAL OF OFFER TO PAKISTAN ACCEPTED

Bombay THE TIMES OF INDIA in English 5 Sep 81 p 18

[Text] New Delhi, September 4 (UNI)--The external affairs minister, Mr. P. V. Narasimha Rao, said today that the Soviet Union had denied reports of having offered a nuclear reactor to Pakistan and added that India had no reason to disbelieve the "official" contradiction.

Replying to Mr. Jaswant Singh (BJP) in the Rajya Sabha, he said the government had seen press reports originating from Pakistan. "We have been told officially by the USSR that there is no truth in these reports," he added.

Mr. Singh drew the minister's attention to his reply which, he said, spoke only of the Soviet denial. He wanted to know what the government's own information in this regard was.

Mr. Rao explained that he had placed before the house the available information. Some press reports (suggesting the Soviet offer of a nuclear reactor to Pakistan) had appeared and the other side (the USSR) had categorically denied them. "This is all I could say at this moment," the minister added.

When Mr. Singh insisted on precise information the government had on the matter, Mr. Rao remarked, "The information would not be available in such exactitude so I stop at that...."

Mr. Singh argued that Mr. Rao had not denied the existence of the Soviet offer to Pakistan. He wanted to know whether the government had accepted the Soviet statement.

Mr. Singh claimed that the Prime Minister, in reply to one of his questions, did not deny such a possibility.

CSO: 4220/7725

'DIPLOMATIC INCIDENT' RAISED TO 'CONFRONTATION' LEVEL

Washington Correspondent's Report

Madras THE HINDU in English 4 Sep 81 p 9

[Article by N. Ram]

[Text] Washington, Sept. 3--A diplomatic incident--that has been raised to the level of a limited confrontation--is rather indicative of the techniques that might be employed from time-to-time in the handling of strained Indo-U.S. relations.

On July 28, the Indian Ambassador, Mr. K. R. Narayanan, conveyed to Mr. Nicholas Veliotes, a senior State Department official, the Government of India's decision to reject the appointment of Mr. George Griffin as Political Counsellor in the U.S. embassy in New Delhi.

The State Department--as if pouncing on the opportunity--recorded surprise, characterised the decision as "most unwarranted," insinuated a connection with an alleged Soviet "disinformation campaign" against U.S. foreign policy, and announced retaliatory or "reciprocal" action, blocking the assignment of Mr. T. R. Prabhakar Menon to succeed Mr. G. Parathasarathy as Political Counsellor in Washington.

In choosing and then insisting upon Mr. Griffin for the third-ranking slot in the U.S. embassy in New Delhi, Washington was driving what appeared at the surface to be diplomatic indelicacy to a point that will be regarded in India as indistinguishable from political arrogance.

In fact, in its communication the Government of India suggested to the U.S. that in the light of the information available with the Indian (intelligence as well as public) sources, the choice of the gentleman in question, triggering public controversy, could not be good for bilateral relations.

The real objection: On the other hand, the U.S. raised the questions: Since the assignment of Mr. Griffin was known to New Delhi as early as March or April, why did not the Government of India give a hint of its objections before July 28?

And since the Indian Government has been quite aware of Mr. Griffin's work in Calcutta in the midst of events leading to the establishment of Bangladesh

independence, is it not the case that the real objection has more to do with the gentleman's alleged role in Afghanistan?

In other words, where exactly does the Indian objection begin, and the Soviet "disinformation campaign" end.

In a response sprung on the public as suddenly as Ambassador Narayanan conveyed New Delhi's decision to it, the U.S. administration appears to have done two kinds of things to refuse to let the business subside and, clearly, to get mileage out of it.

First, it determined there was a link between official Indian objections and alleged Soviet efforts aimed at a capable American diplomat specialising in South Asian affairs. Secondly, it decided on "retaliatory" action to block the posting in Washington of Mr. Prabhakar Menon, an Indian diplomat who (even according to the U.S. side) was in no way and at any stage in his career involved in any comparable controversy.

Then, armed with a 'fact sheet' of carefully edited details about the business and adjectives suggesting an aggrieved and even annoyed status, it resorted to a leak to the home media.

Political message: The political message at this juncture is presented by the State Department thus: "That this action was taken at a time when Mr. Griffin has been a target of a Soviet disinformation campaign makes it particularly regrettable."

And it seems no simple coincidence that the message is being promoted at a time when American Congressmen and the media are referring more and more frequently to India's "close alignment" with the Soviet Union, usually in the context of discussing military and "security" ties between the U.S. and the Zia regime.

Prominent sections of the American media have also characterised the blocking of the appointment of a foreign diplomat at the level of Mr. Griffin as "unprecedented."

What their reconstruction of facts has neglected to point out is that the dossier available on Mr. Griffin's past and present with the Indian sources, but especially with hard-nosed American researchers is too serious a matter for diplomatic ploys, or 'tit-for-tat' propaganda fusillades.

It is for the Government of India to explain why Mr. Griffin--whose background was known and who had no diplomatic business in the country--was allowed an extraordinary "courtesy" in 1980-81 in carrying out his activities hostile to a friendly country, and also when and how exactly the objections to his posting in New Delhi were formed.

So far as public opinion is concerned, it is not particularly important (and not easy) to determine whether the gentleman is a CIA operative. He might well not be one. The real point of interest should be the nature of his clandestine

political work both in Bangladesh and Afghanistan, his undisputed intelligence background in the State Department, the insistence of the Reagan Administration on his assignment to New Delhi at this point, and the political mileage sought to be got out of the belated Indian objection.

'TIMES OF INDIA' Editorial

Bombay THE TIMES OF INDIA in English 4 Sep 81 p 8

[Editorial: "A Needless Fuss"]

[Text] Indo-U.S. relations could have clearly done without the fuss that the two sides have made over the appointment of relatively junior diplomats. It can perhaps be argued that the unfortunate controversy has erupted precisely because the relations are already under stress owing to the U.S. decision to rearm Pakistan and the security problems for this country that this has created. But New Delhi has been anxious to save its ties with Washington from avoidable damage. Surely this must be known to the Reagan administration, especially after Mrs. Jeane Kirkpatrick's visit to this country and talks with Mrs. Gandhi. Why, then, has the State Department chosen to blow up into a public row what, at worst, was a minor irritation of a kind that friendly countries usually sort out quickly behind the scenes? The timing of the contretemps is also intriguing. It was a good three months ago that New Delhi first informed Washington of its inability to accept as political counsellor in the U.S. embassy Mr. George Griffin who had earlier worked in the U.S. consulate-general in Calbutta, done a number of postings in other parts of the sub-continent and, at the time of his proposed transfer to this country, was the number two man in the truncated U.S. embassy in Kabul. Even the U.S. request for a reconsideration of the decision was turned down by South Block a month later. Thereupon, the State Department, acting on the doctrine of reciprocity, declined to agree to Mr. Prabhakar Menon's appointment as political counsellor in the Indian embassy in Washington.

The score was thus even and this should have been the end of the affair. But it has not been. Washington has chosen not only to make the issue public but also to protest in rather strong terms. Judging by the propaganda blast from Washington, the U.S. administration has convinced itself that New Delhi objected to Mr. Griffin's appointment because of Soviet disinformation. (Soviet media accused him of being a CIA agent and even of being involved in the alleged attempt to sabotage the Prime Minister's plane.) The official spokesman of the external affairs ministry has repudiated this and pointed out that New Delhi has made up its mind on a careful consideration of Mr. Griffin's past activities in the sub-continent. Even so, South Block cannot be congratulated on its handling of the issue. Mr. Griffin may well have a CIA connection. But are not many other CIA men already working in the U.S. embassy, just as the Soviet embassy has its quota of KGB men? A little more sophistication on New Delhi's part could perhaps have averted the present unpleasantness. But there is no point crying over spilt milk. Unfortunately, what has been done already cannot be undone. But there is no reason why the bitterness over the unhappy incident should be allowed to increase. Indeed, it is time the two sides treat the issue as closed and not allow it to sour their relations further.

CSO: 4220/7724

U.S., PRC, DACCA LINKS WITH PAKISTAN DISCUSSED

Bombay THE TIMES OF INDIA in English 4 Sep 81 p 1

[Text] New Delhi, September 3--The government had noted increasing co-operation among the U.S., China, Pakistan and Bangladesh in the field of defence though it did not know of any formal alliance among these countries, Mr. P. V. Narasimha Rao, external affairs minister, informed the Lok Sabha today.

All developments "relevant to India's security are kept under constant review," the minister assured Mr. Jagpal Singh in a written reply to his question about what steps the government proposed to take "to weaken this alliance."

"All measures are being taken to ensure full defence preparedness taking into account the evolving situation," Mr. Rao added.

He also confirmed reports gathered by the member that China had agreed to supply "certain categories" of military equipment to Bangladesh.

Quoting Pakistani press reports, Mr. Rao said that Pakistan had requested the U.S. government for supplies of tanks, armoured personnel carriers, aircraft, helicopters and anti-tank missiles. "The exact quantity of military equipment to be supplied to Pakistan is still under negotiations," he said.

In written replies to other questions, the minister informed the house that foreign countries were in illegal occupation of 21,680 square miles of Indian territory. China was in occupation of 14,500 square miles in the Ladhak region and Pakistan of 5,180 square miles in Jammu and Kashmir. In addition, an area of 2,000 square miles of Indian territory had been given over by Pakistan to China through an "illegal agreement" between the two countries.

The government's policy, the external affairs minister said, was to settle this issue "through peaceful bilateral negotiations."

The boundary question figured in the talks held recently with the Chinese foreign minister in Delhi. The Chinese side acknowledged that the border was a major problem between India and China. It accepted India's basic proposition that progress in relations between the two countries could not be completed as the boundary question remained unresolved.

CSO: 4220/7720

AKALI DAL ACCUSED OF WORKING AGAINST SIKHS

New Delhi PATRIOT in English 6 Sep 81 p 7

[Text] Jullundur, Sept. 5 (UNI)--Punjab Pradesh Congress-I general secretary Basant Singh, MLA, today charged the Akali Dal for working against the interests of the Sikh community and the country as a whole.

Talking to newsmen here, he said the Akali Dal was trying to divide the Punjabis on communal lines. He said the call to Sikhs to launch "dharm yudh" and reach Delhi were a pointer to the direction in which the Akalis were moving.

Mr Basant Singh who was recently appointed general secretary of the PCC-I was on a tour of Jullundur and Gurdaspur districts.

He said the Sikhs had never suffered the type of humiliations which they were made to suffer during the Janata regime when Akalis shared power at the Centre. Reiterating the charge that Sikhs were not getting their due, he said the Sikhs occupied most prestigious political, and administrative positions. He said the Sikhs never enjoyed such high positions which they were given during the rule of Mrs Indira Gandhi.

Mr Basant Singh dubbed the demand for ban on tobacco in Amritsar, Anandpur Sahib resolution, holy city status to Amritsar and assertions of "Sikhs are a nation" as a reflection on the "sick mind" of the Akali leadership. He said it was strange that whenever the Akalis found themselves away from the seat of power they raised a hue and cry about "dharam" being in danger.

There was enthusiasm among the Congress-I workers since the PCC-I had been reconstituted under the presidentship of Sarla Prashar, he added. He disclosed that the PCC-I president had written letters to those Congress-I leaders who were given party tickets during the last Assembly election but had lost. He said these leaders who were feeling ignored had been asked to work wholeheartedly in their constituencies.

CSO: 4220/7735

ANALYST NOTES SIGNS OF POOR INDO-U.S. RELATIONS

Madras THE HINDU in English 6 Sep 81 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, Sept. 5.

Indo-American relations, which showed some signs of improvement during the Carter Presidency, are now heading for another spell of mutual recrimination, with the Reagan Administration behaving as though India was not relevant to the pursuit of U.S. policies in South and South-West Asia.

It is a sad reflection of this strained relationship that the Prime Minister, Mrs. Gandhi, will be avoiding even a technical stop-over in the U.S. on her way to Cancun (Mexico) next month for the North-South summit conference.

Not even refuelling halt: The chartered Air India plane flying her to Mexico will be making an over-night stop-over in Canada and over-flying U.S. territory the next day on its way to Cancun. She will be avoiding even a refuelling halt in the U.S. on her return journey, stopping over in London for a day of rest before resuming the flight to Delhi.

The earlier idea of her addressing the U.N. General Assembly has been given up to avoid a halt in New York for this purpose.

There were no indications from the U.S. side whether any senior member of the Reagan Administration, like the Secretary of State, Gen. Alexander Haig, would like to meet her in New York, if the President himself did not find it possible to make a special exception of inviting her to Washington, when some 20 other heads of Government would be passing through the U.S. on their way to the Cancun conference.

But Mrs. Gandhi will be meeting President Reagan at Cancun during the North-South conference. The permanent representative of the U.S. to the United Nations, Mrs. Jeane Kirkpatrick, conveyed a personal message to this effect from Mr. Reagan during her recent visit to Delhi.

There are no active moves from either side for resuming the nuclear dialogue soon to work out the modalities for the termination of the Tarapur agreement. The last round of talks in Delhi made no headway at all in evolving a mutually acceptable approach to the abrogation of the agreement.

Warships keep off: The U.S. is going ahead with its plans to rearm Pakistan ignoring Indian protests, although the U.S. Congress has not yet cleared the three billion dollar aid package. The soured relationship has reached such a stage that no U.S. warships are now calling at any Indian ports, since they do not want to answer even routine queries whether these ships are touching Diego Garcia or carrying nuclear weapons.

The Griffin episode is bound to figure in one form or the other during the Congressional hearings later this month on confirmation of the U.S. Ambassador-designate to India, Mr. Harry Barnes.

There is still no valid explanation of why the State Department has chosen to play up the Indian refusal to accept Mr. George Griffin's posting to Delhi, unless the intention is to utilise this controversy for introducing a new element of irritation into Indo-American relations.

Griffin episode: If India did not want him for whatever reason, Mr. Griffin could have been reassigned to some other country without Washington making a big issue of it. The way the State Department has gone about in first pressing for reconsideration and then accusing India of allowing itself to be unduly influenced by Soviet "disinformation" in refusing to agree to the posting of Mr. Griffin has only heightened India's suspicion that the U.S. had some special purpose in assigning him to Delhi.

The Prime Minister has already commented publicly on this episode and the External Affairs Minister, Mr. P. V. Narasimha Rao, may have more to say when the issue is raised in Parliament.

Another round in Islamabad: The American Under-Secretary of State, Mr. James Buckley, who negotiated the arms and economic aid package to Pakistan in June, is to visit Islamabad again for another round of talks, Radio Pakistan said this morning quoting a Washington report. Mr. Buckley will leave for Pakistan tomorrow or on Monday, PTI quoted the radio as saying.

The visit would be a follow-up on the one to Islamabad made by Mrs. Kirkpatrick.

During her visit, the American envoy had promised speedier delivery of the sophisticated F-16 fighter aircraft.

CSO: 4220/7734

PRO-KHALISTAN GROUP ACCUSED OF JOURNALIST'S MURDER

Bombay THE TIMES OF INDIA in English 11 Sep 81 p 8

[Editorial: "Murder on the Highway"]

[Text] Even in the present climate of violence in various parts of the country, Lala Jagat Narain's assassination near Ludhiana on the main highway in Punjab comes as a nasty shock. The 82-year-old freedom fighter, politician and journalist was shot in cold blood for patently political reasons. Not since the murder of Mr. Pratap Singh Kairon in 1965 has the state witnessed a comparable outrage. The Punjab chief minister, Mr. Darbara Singh, has confirmed that the three alleged killers of Lala Jagat Narain, now in custody, belong to a group of extremists which he has asked the police to weed out. He has not said so, but it is no secret that the group in question is spearheading the dangerous demand for "Khalistan" and in the process spreading a lot of communal poison and hatred in the state. As proprietor-editor of a newspaper in Jullundur, Lala Jagat Narain had been writing consistently against the concept of a separate "homeland" for the Sikhs and he had been doing so with remarkable restraint in a milieu in which moderation is not much in evidence. This, coupled with the respect he enjoyed in Punjab's public life, perhaps explains why his writings had been annoying the votaries of "Khalistan" even more than much sharper criticism by others. In recent months he had been receiving numerous letters containing the threat which has now been carried out.

The widespread mourning for Lala Jagat Narain is a tribute to his many qualities. But it also indicates a realisation that Punjab's tragedy is much deeper than the snuffing out of a valuable life, deplorable though that is. The truth of the matter is that the forces of bigotry and fanaticism, which use the slogan of "Khalistan" as a rallying point, can no longer be dismissed as a mere lunatic fringe and have got to be countered more effectively than seems to have been the case so far. For instance, one of the three alleged assailants of Lala Jagat Narain, arrested immediately after the crime, is a proclaimed offender in connection with the murder of the Nirankari Baba in Delhi last year. Since he was not exactly in hiding, it remains a mystery why he was not apprehended earlier. Also, of late, the advocates of "Khalistan", including a former minister of Mr. Badal's cabinet, have been publicly declaring that they would happily accept "arms" from the U.S., Canada, China and even Pakistan in pursuit of their goal. Some have even floated the so-called Khalistan currency. The time has therefore come to put an end to such diabolical activity. On the other hand, it is necessary to give short shrift to reckless bigots without adding to tensions between the two

principal communities living in Punjab. The news of Lala Jagat Narain's murder was followed regrettably by attacks on the offices of those Jullundur newspapers which apparently support the "Khalistan" demand. This is precisely the kind of danger to avoid. The situation needs to be handled with a judicious mixture of tact and firmness.

CSO: 4220/7749

INSURGENT ACTIVITY IN ASSAM DISTRICTS REPORTED

Calcutta THE SUNDAY STATESMAN in English 6 Sep 81 p 7

[Text] Shillong, Sept. 5--Groups of the People's Liberation Army are active in some parts of Cachar in Assam instigating people to insurgency. The most disturbed part of the district is Lakhipur, wedged between Manipur in the east and Mizoram in the south. The insurgents, in groups of four and five, are reported to have been entering the area and taking refuge with local tribals.

Recently, a young Manipuri was arrested in the area and a pipegun and six cartridges were recovered from him. Interrogation revealed that he was an active member of the PLA.

The PLA is now playing a pivotal role in indoctrinating the local tribals and instigating them to insurgency. It is now consolidating its bases in Joypur, Harinagar, Banskandi and areas of the Lakhipur assembly constituency by establishing rapport with the tribals.

Some Manipuri youths moving about suspiciously were arrested. They gave vital clues about their modus operandi. They sneak into the district with the cooperation of smugglers in foreign goods. They are reported to hold nocturnal meetings in their hideouts in the inaccessible border terrain of the district to decide their strategy.

Knowledgable sources affirm that the extremists, besides receiving training in the use of arms in the Chittagong and Arakan Hills, are also given guerrilla training somewhere in the jungles of Sylhet district in Bangladesh. There are indications that the insurgents have their hideouts in the Camcherra area at the junction of Mizoram, Tripura and Bangladesh, where they are training the local tribals in the use of arms and explosives.

CSO: 4220/7732

GOVERNMENT CONCERNED OVER ERRATIC MONSOON

New Delhi PATRIOT in English 6 Sep 81 p 8

[Excerpt] The Centre has written to northern States, where the monsoon appears to have withdrawn early, to make adequate power and diesel available to farmers for irrigating kharif crops, reports UNI.

Union Agriculture Ministry sources said although the erratic behaviour of the monsoon was causing concern, the production outlook for 1981-82 at the moment was bright. The ripening kharif crops, of course, needed two more good rains.

In a communication to the Chief Secretaries of Punjab, Haryana, UP, Bihar and Madhya Pradesh, Union Agriculture Secretary S. P. Mukherjee conveyed Union Agriculture Minister Rao Birendra Singh's desire that the States should give priority to farmers in the allocation of diesel and electricity.

Efforts should be made to ensure uninterrupted supply of power preferably during fixed hours in the day time.

The foodgrain production target for 1981-82 is 138.5 million tonnes. This included 58 million tonnes of rice, 38 million tonnes wheat and 30 million tonnes coarse grains.

CSO: 4220/7735

HINDU PARLEY RESOLVES TO FIGHT SOCIAL DISCRIMINATION

Madras THE HINDU in English 7 Sep 81 p 9

[Text] New Delhi, Sept. 6--An All-India Hindu Solidarity Conference (Akhil Bharatiya Hindu Ekta Sammelan) held here today pledged to dedicate itself to fight out the 'poison' of untouchability and social and religious discrimination against vulnerable sections of society.

Nearly 1,000 representatives of various religious sects and organisations of Hindu society drawn from all parts of the country, who participated in the conference, also resolved to float a non-political "apex platform" to be known as 'Virat Hindu Samaj' (large Hindu society) to achieve the goal.

The 'Virat Hindu Samaj' would strive to inculcate among various sects of Hindus a sense of solidarity and brotherhood.

The conference has been convened at the initiative of Dr. Karan Singh, MP.

Objectives: Other aims and objectives of the Samaj include eradication of the evil of untouchability and emancipation of the downtrodden and backward sections of society.

The Samaj will also evolve ways to guard Hindu society from allurement, terror and use of force against it.

To achieve this goal, the Samaj will train pracheraks, help to bring about reforms in the education system, create public opinion by organising Hindu solidarity conferences and publish literature.

Membership of the Samaj will be restricted only to organisations in agreement with its aims and objectives.

Among those who participated in the conference were Acharya Tulsi (Jain Muni), Mr. Ramgopal Shalwale, Sarvadeshik Arya Pratinidhi Sabha, Muni Mahapragye, Mr. Prem Chand Gupta, Sanatan Dharm Mahasabha, Mr. Hansraj Gupta, former Mayor of Delhi and Mrs. Vijayaraje Scindia, MP.

Speaking on the occasion, Dr. Karan Singh said the Hindu society had to be rid of the social evils still prevalent despite the best efforts to eradicate them.

Foremost among these evils, he said, was the "poison" of untouchability. He regretted that even today there were streets in some places in South India where cattle was allowed to move about but not Harijans. Such a sorry state of affairs of Hindu society was responsible for mass conversion of Harijans into Islam, he said.

Commotion: There was a bit of commotion at the conference when some Harijan leaders protested that none of their community was sitting on the dais.

Mr. Shiv Narayan Sarsunia, a former MP from Delhi, Mr. Jaikishan Jatav and Mr. Sohanpal Sumnakshar, ex-member of Delhi Municipal Corporation, rose in their seats and almost shouted to make their point.

There was a minor scuffle when volunteers of the conference tried to pacify the Harijan leaders.

Later, they were escorted to the dais and given chairs and were also called to speak.

Mr. Sarsoonia made a scathing attack on the 'caste Hindus' and said 'Harijans' had played greater role in the service of Hindu society than anyone else. He wanted the propaganda that Harijans were changing religion for money to be stopped forthwith since it hurt them. What Harijans sought was a rightful place in society, he said.--PTI.

CSO: 4220/7740

PUBLIC ENTERPRISES SELECTION BOARD REORGANIZED

Madras THE HINDU in English 4 Sep 81 p 9

[Article by G. K. Reddy]

[Text] New Delhi, Sept. 3--The Government has reconstituted the Public Enterprises Selection Board and streamlined the procedures for the appointment of senior executives to provide for greater professionalism in the management of the public sector units.

The new board will be headed by Mr. R. P. Billimoria, a former chairman of the Steel Authority of India, who is now Chairman of the National Textile Corporation. He is a well known authority on higher management.

The other members of the board are Air Chief Marshal I. H. Latif, who has just relinquished charge as Chief of Staff of the Air Force, Dr. S. Varadarajan, Chairman of Engineers India Ltd., Co. S. P. Wahi, Chairman of the Oil and Natural Gas Commission, Mr. S. M. Ghosh, Secretary of Industrial Development and Mr. P. K. Basu, Director-General of Public Enterprises.

The previous boards functioned as glorified public service commissions recruiting persons not only for the key posts of chairmen and directors, but also the lower management cadres. The new board will concentrate on top level appointments of senior executives, so that the rest of the vacancies as and when they occur could be filled by the respective managements.

Over 60 top posts vacant: There are altogether 169 public sector enterprises set up by the Centre with a total investment of approximately Rs. 15,700 crores. The posts of 63 chief executives and functional directors have been vacant and the new selection board will have to find the right men with the requisite managerial experience to fill them.

The whole emphasis now is on progressively professionalising the higher managements of these public sector enterprises and reducing the direct control and supervision by the Ministries and departments concerned. Though some of these units continue to be on the sick list, the overall performance of the public sector has shown a marked improvement yielding a gross profit of eight per cent on the total investment.

The Prime Minister, Mrs. Indira Gandhi, who took the initiative for reconstituting the Public Enterprises Selection Board and streamlining its functions, feels that there is enough scope for further improvement through proper professionalism of the higher managements of these units.

The board has been reconstituted in such a manner that it represents collectively a higher degree of expertise for selecting the right kind of persons for these posts.

Decentralisation in Coal India: The Government is also taking steps to reorganise the management of Coal India which has been the target of considerable criticism. It proposes to introduce greater degree of decentralisation within this mammoth organisation, besides reducing the supervisory role of the Department of Mines.

Another pending decision relates to the proposal for raising the capital outlay from Rs. 20 crores to Rs. 50 crores for bringing any industrial unit within the purview of the Monopoly and Trade Practices Commission.

It is also proposed to prevent interlocking by reducing the capital participation and representation on the boards of one company in another from the present one-third level to one-fourth to discourage monopolist influences.

Steps to relax controls: The Government is also arming itself with powers to exempt certain categories of priority industries from the need to secure clearance of MRTP before obtaining permission for expansion. It is part of the parallel steps underway for reducing bureaucratic controls and other regulatory constraints on the private sector for facilitating increased production in selective spheres.

CSO: 4220/7724

PRIVATE SECTOR PERFORMANCE DEEMED CREDITABLE

Calcutta THE STATESMAN in English 5 Sep 81 p 9

[Text]

NEW DELHI, Sept. 4.—A study made by the Industrial Credit and Investment Corporation of India has revealed that the private sector's financial performance is "remarkably creditable" while the public sector has been incurring heavy losses for the past few years.

The study says that in 1979-80, the private sector experienced a marked improvement in its financial performance in terms of sales and profits. The sales rose by 15.3%, gross profits by 17.3% and retained profits by 35.5%.

The operations and performance of the corporate sector in 1980-81, on the basis of results declared so far, continue to be "generally satisfactory", the study says.

While inflation continued in 1980-81, pushing higher the level of financial operations, industrial output in 1980-81 increased because more infrastructural inputs were available. Hence, profit margins were maintained in the corporate sector as a whole in 1980-81, the study concludes.

The study is based on a sample of the results of 417 companies in all industrial sectors. Despite the good showing by the private sector, the study says that although the operating profits to sales ratio went up in 1979-80, the increase in profitability has not been sufficient to cover the increased financial requirements of capital formation, costs of which have been pushed up by the recurrence of inflation in the year.

A number of industries such as jute, tyres and tubes, electrical lamps and dry cells which had performed marginally in the past few years but had indicated signs of improvement in 1978-79, showed even better results in 1979-80.

Since industrial production as a whole had declined in 1979-80, it would seem to be a fair conclusion that the growth in sales of 15.3% of the sample companies in 1979-80 reflected chiefly the pressure of a 14.9% increase in costs. This would suggest that the financial results have been inflated by rising costs.

There has been a significant increase in long-term debt whereas recourse to bank borrowings for financing current assets declined in 1979-80. The pay-out ratio (dividends as a percentage of profits after tax), which was around 50% during 1975-76 to 1977-78, dropped to 40% in 1979-80.

Dividends in 1979-80 increased to Rs 189.4 crores compared to Rs 172.5 crores in the previous year. This modest increase was made possible by a faster growth of profits before tax at 19.4% as compared to the provision for tax (14.5%) in the previous year, the slower growth in the latter resulting from increased fixed assets formation.

CSO: 4220/7726

'SPECTER OF DROUGHT' REPORTED IN BIHAR PLATEAU

Calcutta THE STATESMAN in English 5 Sep 81 p 7

[Text] Ranchi, Sept. 4--After an early promise of good kharif crops, a drought-like situation is prevailing in the major areas of the Chotanagpur plateau in Bihar where rainfall was scanty last month. Green fields of paddy are becoming sere causing concern to farmers.

Forty per cent of the paddy crops already have been damaged and in at least 15 per cent of the farmland transplantation could not be done for want of rain. Although the officials are reluctant to comment on the situation, current estimates indicate a loss of 50 per cent of the yield. Even if there is rain in the coming weeks, the crops which have already been damaged cannot be saved. If there is no rain in the next 15 days, a famine is inevitable.

The sowing is done in two parts. In about 70 per cent of the total arable land seeds are broadcast just before the monsoon. In the remaining 30 per cent low land (don land) paddy is sown by transplantation which needs plenty of water. Due to inadequate rain, transplantation could not be done in vast areas.

In Kurse and Kosha panchayats, paddy transplantation has not been done in 80 per cent of the low land, according to village mukhias. Even where transplantation was completed, the fields are now dry and plants are withering. In the down hills of Kasiadin village about 90 km from here, vast tracts of land, where paddy was transplanted, are parched. The plants are drying. "There is no hope now", a farmer said. A similar situation prevails in Nari Navadih in Kisko panchayat. The block development officer of Kisko said in his office that he had received a memorandum from the villages demanding the area to be declared drought-hit.

The prospects of the remaining land where paddy was broadcast are equally grim. In vast areas, paddy plants have not sprouted due to insufficient water. According to an agriculture officer, there is some hope if it rains in next 10 or 15 days the yield would, however, be better only when urea is used. But the use of fertilizer is beyond the means of most farmers in this region.

In Class I Don land, where water is sufficient and crops are green, insects are damaging the plants. In vast paddy land gall flies are wrecking the plants. In certain areas earmarked by the Agriculture Department, pesticides are given free.

But a spokesman of the Agriculture Department said that due to insufficient water, the use of pesticides had to be restricted. In those areas not covered by the Agriculture Department, where plants are diseased, the villagers cannot afford pesticides. As one mukhia said, it costs Rs 200 to cover an acre. "From where will we get the money," he said.

Adivasis

In Bhakso village, there are 35 families of Adivasis, only five of which still hope to harvest the crops, and the remaining families have lost all hope. The worst situation is in Pakhar and Bundobag villages, situated on the hills bordering Ranchi and Palamau districts. The two small villages are inhabited by primitive tribes known as "Asurs" and "kisans", numbering about 1,300. While Bhadai crops like maize, goda and gundli grown in 15 per cent of the land have by and large been good this year, in the hills maize and goda have been damaged for want of rain. As most of these Adivasis live on coarse grain, loss of Bhadai crops has added to their misery.

CSO: 4220/7726

RAJYA SABHA MEMBERS ASK DISCLOSURE ON IMF LOAN

New Delhi PATRIOT in English 9 Sep 81 pp 1, 6

[Text] The Government was on Tuesday accused of bartering away the country's economic sovereignty and freedom of action in negotiating the five billion dollar loan from the International Monetary Fund.

Union Finance Minister R. Venkataraman's assurance in the Rajya Sabha that the Government would not accept any terms which were against the self-respect and interests of the nation did not appease the angry members who charged that the very principle of the IMF demanding 'progress reports' on the fulfilment of its conditions would make the country an economic serf and would mortgage its future and development.

They demanded that the nation and Parliament be taken into confidence on the terms and conditions of the loan, and the issue be discussed at large before the Government commits itself.

Mr Venkataraman rejected the demand, and in turn said the Government ought to be congratulated for negotiating the 'biggest ever loan' from the IMF.

'Time Is Good'

The Minister claimed that the loan was necessary for developmental schemes and it was economic to apply for it at this time when India's credit was good and the ratio between its income from exports and loan repayment promised to come down from last year's 15.1 per cent to about 13 per cent. This, he said, was a good showing as even a 20 per cent ratio was considered to be quite good by international standards.

Mr Venkataraman also denied charges that the rupee was being progressively and effectively devalued and subservience to the IMF conditions would aggravate the situation.

He said the loan had become necessary in view of the steep increase in petroleum prices and the difficult balance of payment situation which followed. He also defended imports as being necessary to the development process.

The Minister was challenged on all points by members. Mr A. G. Kulkarni reminded the Government that as far back as the third five-year plan, it had been

suggested that India achieve a net zero foreign debt. The Constitution also sought limits on foreign debts. Mr Kulkarni said the Government should take hard decisions to tighten imports, curb foreign remittances and do away with subsidies.

Loan Magnitude

CPI leader Indradeep Sinha said the Government was now taking a Rs 5,000 crore IMF loan and had already taken a Rs 3,000 crore loan from Aid-India. Loans from the World Bank and other countries have also been taken and now even the private sector had been allowed to seek credit from the international market. In one year, the country will take foreign credit to the tune of Rs 10,000 crores in addition to the outstanding loans totalling about Rs 15,000 crores. "How are we going to repay", Mr Sinha asked.

He said the IMF like a Shylock wanted progress reports on the fulfilment of their conditions. If India had to get its schemes approved by them, "we will have to become a subservient Government". 'We are mortgaging our freedom of action, we are mortgaging our future'.

Mr Sinha pointed out that foreign loans were being sought for even trivial schemes. The Karnataka Government with Central concurrence had sought loans for small irrigation schemes which obviously had no foreign earning potential. Such steps took the country to economic mortgage.

Mr Sinha questioned the Minister's statement that there would be no devaluation. He also did not agree that the rise in petroleum prices made the loan imperative. The Government he said, should have taken measures to cut dependence on oil. What was the need to phase out coal locomotives? Why was the emphasis on diesel pump sets instead of developing available water resources by building canals? he asked.

Mr P. Ramamurthi (CPI-M) saw in the loan an attempt at ushering in neo-colonialism in the country posing a threat to its independence.

Mr S. R. Bagaitkar (LD) said the proposed loan would render a blow to 'our objective of economic self-reliance'.

Mr S. C. Kha (Janata) objected to the preconditions envisaged in the IMF deal, suggesting restructuring of economy. Mr N. N. Pandey (Cong-I) wanted the Parliament taken into confidence on loan terms.

Mr Shahabuddin (Janata) questioned the wisdom of allowing such a massive indebtedness to a single source.

Mr G. C. Bhattacharya (DSP) feared political destabilisation in the country in the wake of the massive foreign loan. Mr Jaswant Singh (BJP), Mr Hukmdeo Narayan Yadav (LD), Mr S. W. Dhabe (Cong-S), Mr Ramakrishna (AIADMK) and Mr H. K. Malick (Janata) also participated in the discussion.

CSO: 4220/7746

NEW CHIEF OF AIR STAFF INTERVIEWED

Madras THE HINDU in English 7 Sep 81 p 6

[Text] New Delhi, Sept. 6--The impending acquisition of the American-built F-16 aircraft by Pakistan has made it imperative for India to look for means to deal with this looming threat.

In an exclusive interview to PTI, the new Chief of the Air Staff, Air Chief Marshal Dilbagh Singh, said on Sunday that India was examining various proposals relating to defence equipment capable of matching the fighting capabilities of the F-16.

The Air Chief was of the opinion that if Pakistan acquired the F-16 aircraft by the end of this year or early next year, India would have to find the necessary wherewithal to accelerate the strengthening of the Air Force in critical areas.

He did not rule out the possibility of acquiring an interceptor capable of meeting the challenge of F-16.

It had been the constant effort of the Government and the Air Force to keep every new development in the region under review and take necessary measures to redress any adverse technological imbalances between "our Air Force and the Air Forces of our neighbouring countries."

Imbalances: However, temporary imbalances between the defence forces could not be ruled out. "No two countries in the world, however advanced can remain evenly matched in the strength of their armed forces and combat technologies at every point of time," he said.

He was proud to be a fighter-pilot of one of the world's best Air Force and now its overall commander. "It is the quality of our men and the kind of training imparted to them and constant attention to development of tactics that have given us the confidence to tackle the problem arising out of the introduction of the American F-16 in this region," Air Chief Marshal Dilbagh Singh said.

To emphasize his point further, the Air Chief said it was always the machine which provided the superiority in its strike capability, but more important was the man behind the machine.

Replying to a question, the new Air Chief said one effective way of dealing with the F-16 could be with greater numbers, better tactics and updating of fighting equipment. "We keep these points always before us while planning the present and future requirements of the country's defence," the Air Chief Marshal said.

PTI reports from Islamabad:

The U.S. has agreed to supply Pakistan some items of military hardware excluding F-16 aircraft of its own stock.

F-16 in short supply: In a despatch from Washington the Pakistan Press International news agency said a State Department official had told its correspondent that the U.S. public opinion would not understand the transfer to another country items in short supply domestically.

These items included F-16 aircraft--of which the U.S. Air Force needed another 1,000 to reach its prescribed strength--and just a couple of other items, the official said.

However, there were scores of other items about which there was no problem and the U.S. had agreed to share them with Pakistan, he said.

The official, the agency said, reaffirmed the U.S. Administration's commitment to sell Pakistan the F-16s it wanted but cautioned against some opposition on the "Hill" to the sale of this aircraft to Pakistan.

CSO: 4220/7740

OPPOSITION CONCERNED OVER AIRSTRIP NEAR BORDER

New Delhi PATRIOT in English 9 Sep 81 p 5

[Text] Opposition members in the Rajya Sabha on Tuesday expressed concern over the airstrip constructed for Mantalai Ashram, a part of the Aparna Ashram of Dhirendra Brahmachari in Jammu, which they felt posed a threat to the country's security as it was in the proximity of border with Pakistan in a sensitive region.

Minister of Tourism and Civil Aviation A. P. Sharma tried, however, to allay their fears by stating that although no permission was required for construction of private airstrips, in this specific instance permission was sought and granted by the Air Headquarters.

Construction of the airstrip did not pose any threat to the security of the country and foreigners visiting the Aparna Ashram were cleared by security, he added.

He further informed that he had no knowledge of efforts to enlarge the airstrip and the Defence Ministry was also unaware of it either.

As for the permission given by the Air Headquarters, he clarified in reply to a spate of queries by several members including Syed Shahabuddin (J), that the Air Headquarters had laid down three conditions: (a) flying should strictly adhere to visual flight rules, (b) the aircraft must carry two way radio communication equipment and (c) prior permission from the Udhampur control tower must be obtained.

Mr J. P. Mathur (BJ) showed a photograph of a very high tower with powerful wireless sets installed at the Aparna Ashram and alleged this was done illegally. Foreigners visiting the Ashram were engaged in espionage activities, he charged.

Mr H. S. Bhabhra (BJP) said the Brahmachari was constructing another airstrip at Katra in Jammu after demolishing Harijan houses and without consent of the municipal corporation.

At one stage when tempers ran high and Mr Kalpnath Rai trying to defend the Brahmachari shouted at the Chair, Chairman M. Hidayatullah was heard saying "I would expect the members to address the Chair more gently and not show their temper.

The Minister informed the House that work on the Jammu airport was going on and will be completed by the end of November to enable the Boeings to land there.

CSO: 4220/7747

INDIAN EXPERTS PESSIMISTIC OVER U.S. ARMS DEAL

Calcutta THE STATESMAN in English 10 Sep 81 p 5

[Text] Washington, Sept. 9--India, while objecting vigorously to a new U.S. arms credit programme for Pakistan, for almost a year now has had pending an arms purchase programme of its own with the USA.

But while this programme was initiated by India and would have been sizeable--one-third-billion dollars at last year's prices and now considerably higher--visiting Indian military experts (who requested anonymity) say the deal now never will come off.

They give as the main reason for this the U.S. insistence that spare parts for arms to be purchased would be dispensed as the U.S. saw fit, not necessarily as India found need. Such a condition, these experts say, would be "unacceptable".

Other reasons given for India's U.S. arms purchase being in indefinite limbo are: the U.S. insistence on payment in advance with actual delivery stretched out for as long as seven years; the arms sales contract being subject to unilateral cancellation by the U.S. after payment had been made, with reimbursement possible only if the U.S. Congress decided to approve appropriate legislation; the uneven delivery schedule in which meaningful groupings of the arms would be apportioned at the USA's own discretion; the refusal of the USA to provide India with the license to manufacture these arms and the U.S. insistence that, unlike the $1.75-billion arms programme for Pakistan, there would be no concessional credits for India--it must be all cash in advance.

India has not yet formally rejected the U.S. arms programme and still has regrets that its terms make it unacceptable. India's regrets, it is reported, are because the U.S. arms it seeks are both cheaper and better than comparable weapons elsewhere.

The arms sought fall into two groups: (1) $300 million (at last fall's prices, now inflated) for 230 light-weight long-range, highly-accurate, towed M-198 howitzers, which can be airlifted to replace antiquated British and Soviet designed weapons in India's mountain divisions; and (2) $39 to $40 million (also at last fall's prices) for Tubelaunched, Optically-guided, Wire-controlled missiles (tows)--60 launchers and about 3,500 actual missiles--to replace a 20-year-old anti-tank weapon which has been manufactured under French license in Bangalore.

These Indian purchases would have been the first from the U.S. arms market in more than 16 years, and by far the biggest order ever contemplated. India originally requested that both weapons be demonstrated on Indian soil, which they were. And then, last October, the Defence Secretary, Mr K. P. S. Menon, led a high-level military delegation here for what U.S. officials first understood would be final negotiations. In anticipation of this, the required notification of the U.S. Congress had been made for India's purchase of the TOWs, a "letter of offer" had been readied, and binding contracts had been drawn up with the suppliers. The required notification of the U.S. Congress also had been made regarding the M-198 howitzers.

But, to the surprise of U.S. officials, the secretary, Mr Menon, confined his visit to "discussions" and, after returning to Delhi, started sending back queries for information which, for the most part, U.S. officials said already had been supplied.

Now some U.S. officials suspect the inaction of the arms purchase is caused not so much by the specified objections given by the visiting Indian defence experts, but by foreign policy considerations--i.e., the increased souring of Indo-American relations over the massive U.S. arms programme proposed for Pakistan; the failure of the USA to continue supplying enriched uranium to the Indian nuclear power plant at Tarapur; and the differing views on how to deal with the Soviets in their military occupation of Afghanistan.

CSO: 4220/7748

NEED TO OPPOSE F-16'S WITH NEW PLANES STRESSED

Calcutta THE STATESMAN in English 4 Sep 81 p 9

[Text] New Delhi, Sept. 3--What is the F-16 aircraft which Pakistan is to acquire from the U.S.A.? It is a single seater, single-engined aircraft which could carry as much bomb load, with some fuel reduced of course, as a twin-engined canbeera but fly almost twice as fast.

It can carry 6,894 kg of bomb load and they can be laser guided onto the target without the help of any other airborne or ground tracking station.

Besides, it has a radar jammer, which would clutter up the tracking radarscopes below, making it very difficult for the opposing side to detect its intrusion and use any kind of radar actuated surface-to-air missiles against it. That is but one aspect of sophistication.

The F-16 can perform formidably in air-to-air combat. It has a multi-barrel 20 mm cannon with a capacity to carry 500 rounds of ammunition. It can also carry up to six heat-seeking sidewinder missiles.

The aircraft is fully equipped to launch electro-optical missiles like the Sparrow and the Sky Flash air-to-air missiles and the maverick air-to-surface missile.

The Sky Flash missile has been tested under conditions where radar was being jammed and it scored partial success. It has hit drone targets as low as 150 meters above the ground without the ground returns affecting its radar-homing devices. Matching its air combat armanent is its performance, with its accuracy and destructive capability.

In any air combat situation what is of prime importance is the turning radii of the two opposing aircraft engaged in the fight. An aircraft which can turn inside the other has always a better chance of shooting it down. In the F-16 it is the onboard flight control computer which ensures that at any given speed and height the aircraft executes a maximum rate turn without flicking or getting into a high speed stall. Therefore, in a battle of sustained tight turns the chances of the F-16 pilot making a mistake are minimized.

To counter such a menacing aircraft India will have to do much more than it has so far, according to defence experts. It would be wrong to equate India's purchases of Jaguars and MIG-23A with Pakistan's acquisition of the F-16. What is overlooked by those who subscribe to this view is that the Jaguar and the Model of the MIG-23 purchased by India are exclusively for ground attack.

Though these two aircraft may be able to carry air-to-air missiles, they would be no match in the air combat for an aeroplane of the F-16 variety. Another factor which should be taken into account is that India not only has to take care of its border with Pakistan but the long mountainous one with China, with which relations have only now started to thaw.

In building up its ground strike capability India has not only to consider its western border, but the support the Indian Air Force would be able to give to the ground troops through interdiction and close support. Punch and range, therefore, are necessary for any aircraft that IAF may buy for ground strike.

The gap in India's air defence has now been filled up with the MIG-23, but only with its ground strike version. Much more than this is needed, the experts say.

The urgency to equip the Air Force with MIG-25 and Mirage 2000, in addition to the Jaguars would be imperative, the experts say. They argue that MIG-25, together with the Jaguars and Mirage 2000, could somewhat restore the balance. MIG-25, particularly with their Mach III speed could be an asset in future combats. Some of these have already been put into service, though, for the present only in a reconnaissance role.

Reconnaissance is a necessary operation and this job until now was being performed by the outdated Canberra photo reconnaissance aircraft. But these have become obsolete and have been phased out. This photo reconnaissance capability has been made up with the single squadron of MIG-25--the high altitude reconnaissance version. This aircraft, though capable of Mach III speed, is now completely unarmed and it is its high speed which will enable it to get away from enemy action whether from the ground or air. This aircraft, according to experts, could serve well in an attacking role as well.

CSO: 4220/7722

ARMY NEED FOR HELICOPTERS IN BATTLE EXAMINED

Calcutta THE STATESMAN in English 5 Sep 81 p 8

[Article by G. C. Katoch]

[Text] Describing the tussle over a Helicopter Wing for the Indian Army, G. C. Katoch stresses the crucial role of tank battles in a future war and the efficacy of helicopters as anti-tank weapons. He finds a strong case for the Army acquiring full control over the helicopters meant for its use, despite claims to the contrary by the Air Force. What is needed is not supportive action by helicopters but total involvement.

Mr Katoch was formerly Financial Adviser to the Defence Services.

A MAJOR proposal of Army Headquarters, pending with the Government since 1968, relates to the raising of the Army Aviation Corps. The proposal gathered dust for nearly a decade until the late General Raina revived it early in 1977. The Cabinet Secretary, the Defence Secretary and the Secretary to the Prime Minister then deliberated for a whole year before recommending creation of a separate Helicopter Wing for the Army.

It was said that General Raina's forceful advocacy had virtually rammed the proposal through. But Air Chief Marshal Moo'gaonkar, then Chief of Air Staff, vehemently declared that it could be implemented only "over my dead body". Rumour had it that Mr Jagjivan Ram stalled approval of the Helicopter Wing as a quid pro quo for the Air Chief's support for the Jaguar deal. While this may have only reflected the political mood of the time, the Government found it convenient not to take a decision then, or thereafter. The issue has generated much inter-Service steam, reminiscent of the days when transfer of the Constellations to the Navy was being debated. Well-meaning people advise you "not to touch this sensitive subject". Yet the decision on it could affect the outcome of a future war.

POTENT WEAPON

What the Army wants is to take over and fly all helicopters meant for its own tasks. At present these are operated by the IAF as part of its fleet. The Army's case is that the attack helicopter is the most potent anti-tank weapon in modern warfare and its utilization must be integrated with mechanised infantry, armour and heliborne troops. It is the Army which has to bear the brunt of the land battle, which in the western sector mostly means tank battle. The Army formation commander must, therefore, have full control of all inputs, including helicopters bearing on the land battle. Air Force pilots, nurtured in a different service environment and lacking intimate knowledge of the army organization, tactical concepts and so on, can hardly function as an integral part of the team.

The vertical envelopment concept also requires great flexibility in the use of heliborne troops, which the present division of command and control between the two Services does not ensure. Moreover, since the helicopters are meant primarily for Army tasks, should they not form part of the Army on the major user principle, already accepted in the case of the Navy's air arm?

In fact, about 85% of the IAF's helicopter fleet is sanctioned wholly for Army tasks. At stake is roughly one-fourth of the total combat aircraft strength. Predictably, the Air Force is not enthused over the idea that the best way to win a future war is by handing over a chunk of its assets to another Service. Its experts point out that flying modern helicopters requires specialized skills which artillery or armoured corps officers cannot be expected to acquire as a sort of extra-curricular activity. It is claimed that

IAF pilots are quite conversant with Army tactics and procedures and that nobody has ever complained of their messing up Army tasks. Helicopter operations need close coordination with fighter activity and the offensive support they give to ground troops is less complex than that provided by supersonic jets.

Against the major user principle invoked by the Army, the Air Force relies on the principle that all air activity must be controlled and coordinated by one Service. The Army, it is said, is overstretching the unified command and quick reaction concepts. Its proposal, besides, cannot but lead to the setting up of parallel facilities for training and maintenance. To put a colourful cap on it all, it is whispered that what really irks the Army is the inability of its top brass to use helicopters freely: how this or that General wanted a helicopter to be laid on for taking him from Pathankot railhead or Srinagar airfield to his residence—a perk which the IAF denies to its own Air Marshals.

It is easy to lose one's way in this jungle of claims and counterclaims. The Defence Ministry knows that helicopters as a class, though not as expensive as fighters and bombers, are yet high-technology aircraft armed with guns, rockets, missiles, and very vulnerable in battle. It is loth to disturb the status quo for fear of excessive helicopter mortality in operations. It could also be inhibited by the probable price tag. The army utilizes an AOP pilot on average for less than half the period that the Air Force pilots serve after training. This is why the pilot-intake to aircraft-held ratio is a wasteful 1:5 for the Army, compared with 1:10 in the Air Force (The Navy comes a bad third with its ratio of roughly 1:3)

PILOT INTAKE

For the additional pilot intake the direct training costs alone will be an estimated Rs 1.5 crores per year. Large numbers of technicians and support staff will also have to be trained. The Navy example shows that, regardless of assurances given at whatever level, separate training and maintenance infrastructures do get built up in course of time. This means sheer waste of resources. Even so, a few crores more in a budget of the order of Rs 4,000 crores should not cause bureaucratic insomnia, though an unwillingness to be seen taking sides might. The end result is still indecision.

If practice in other countries is any guide, many major armies, including those of the NATO countries, the USA and Pakistan, have their own aviation corps. Many others do not, notable among them being the USSR and Israel, both with track record in tank battles. But their armed forces are so organized that an independent air force does not exist as such. As regards the control of air space, modern concepts seem to favour horizontal separation, the army being left with air space below 250 feet to fly its helicopters.

It stands to reason that the Army formation commander should have full operational control of all the "resources" employed in the land battle, including helicopters. Indeed, the Air Force apparently recognizes this since a counter-proposal is said to have been made by them some years ago that a separate Light Support Squadron to be flown by IAF pilots, should be formed for Army needs and placed at the disposal of the Corps Commander in the western sector. The catch was that the squadron would comprise not only Army helicopters but also the AOP aircraft now flown by Army pilots.

One is tempted to concede that flying sophisticated helicopters needs the type of skill that can best be provided by the IAF. However, the specialization argument turns out on closer scrutiny to be double-edged, the Army wielding the sharper edge. In the all-arms team concept of tank warfare, effective use of attack helicopters involves two things: hazardous flying and understanding the battle. Both are equally important. It necessitates contour and NOE ("nap of the earth") flying, which the Air Force code would rule out as near-suicidal

FLYING TANK

Those who have watched tank battle exercise abroad would appreciate that if the helicopter's high-kill potential and extreme flexibility are to be exploited with a fair chance of survival, it has to be operated practically as a flying tank just a few feet above ground. There has to be close coordination with the artillery and other ground forces. Expert understanding of the land battle as it develops is crucial since radio silence has to be maintained and the pilot must react on his own. This presupposes a deep sense of involvement and constant training in simulated environments. This kind of specialized skill and attitude can hardly be bred in the "army task" culture of the IAF.

The serious objective behind the Army's demand of helicopters is not supportive action so much as participation; not cooperation but integration. Helicopters must therefore become like armour, a part of the Army—controlled commanded and piloted by Army officers. Initial pilot training and maintenance must, however, continue to be the responsibility of the IAF and the Government must not succumb, as it did in the case of the Navy, to pressures to duplicate these facilities.

To add punch to its own aviation corps, the Pakistan army has since last year started importing Huey-Cobra helicopters fitted with Tow missiles. These are specially designed for the attack role. Likewise, their armour is being strengthened with the induction of M-60 tanks and otherwise as part of the U.S. aid package. Tank battles in the next round (and we have to be prepared for it) are thus likely to be fierce, massive and crucial. This lends urgency to softening of postures and settling the controversy over the Helicopter Wing The Army has been anxiously waiting for the Government to make up its mind. With new Army and Air Force Chiefs of Staff in position, and the Prime Minister continuing to hold the Defence portfolio, the odds seem favourable.

CSO: 4220/7726

ASSAM MP CONDEMNS WAVE OF ARRESTS IN STATE

New Delhi PATRIOT in English 9 Sep 81 p 5

[Text] Mr Ajit Kumar Sharma, a Rajya Sabha member from Assam on Tuesday condemned what he called the new wave of arrests of editors, teachers and students in the State since 15 August and demanded their immediate release, reports UNI.

In a statement in Delhi, he alleged that the arrests have been made on false and fabricated grounds by police in league with some anti-national elements who are bent upon damaging the prevailing peaceful atmosphere and preventing a satisfactory settlement of the foreigners issue.

"The arrest of the editor and the printer of the daily JANAMBHUMI of Jorhat on the Independence Day is an instance of an attack on the press and the freedom of the people. The only offence of the editor was that he published news of protest meetings against police atrocities at different places", the statement says.

It further says "the continued midnight arrests of several teachers and students by the CBI on the plea of investigation and bringing some of them to Delhi for putting them before the lie-detector have proved beyond doubt that all these atrocities upon the innocent people are nothing but a planned device to create an atmosphere of terror and to give protection to the real culprits instead of apprehending them. The fact is that as soon as any one of the real culprits is apprehended the anti-national role of some of the ministerial leaders and top police officials will be exposed". The statement adds "Assam being under residential rule at present the Central Government will be fully responsible for all the consequences of an anti-national game pursued by the police and the administration in the State".

CSO: 4220/7746

KARNATAKA CHIEF MINISTER ACCUSED OF GRAFT

Calcutta THE STATESMAN in English 7 Sep 81 pp 1, 9

[Text] Bangalore, Sept. 6--An Antulay-type of fund collection, but on a minor scale, is one of the nearly 60 charges reportedly made against the Karnataka Chief Minister, Mr R. Gundu Rao, and some of his Ministerial colleagues in a memorandum presented by a group of dissident Congress (I) legislators to Mrs Gandhi in Delhi last week.

The memorandum, according to informed sources here, alleges that over Rs 15 lakhs have been collected by a cultural organization, Bharathi Vrinda, of which Mrs Varalakshmi Gundu Rao, wife of the Chief Minister, is the president, Mrs Seetha Narasimha Rau, wife of the Chief Secretary to the State Government, vice-president and Mrs Vatsala Garudachar, wife of the Additional IGP, secretary.

The Vrinda, according to available information, was established six years ago as a registered body with Mr R. K. Srikantan, a well-known Carnatic musician, as its first president, with the vowed objective of encouraging traditional Carnatic music, establishing a college devoted to music, dance and other fine arts and an auditorium in Bangalore. The governing body of the organization, it is learnt, was filled with the musician's relatives and became almost a family affair. Subsequently, Mrs Gundu Rao, whose husband was then a member of the Devaraj Urs Cabinet, became the president of the organization and Mr Srikantan continued as its working president.

Over the last three years, the organization is alleged to have collected over Rs 15 lakhs mainly by organizing a number of entertainment programmes which included dance recitals by film stars, Vaijayantimala and Hema Malini.

Although the organization has been in existence for several years and has been collecting funds, it is yet to fulfil its objectives. The activities of the Vrinda came to light some months ago when it organized a filmstar nite at Mangalore. It was advertised that some of the top stars would take part in the show, but they did not turn up. An irate crowd which had paid heavily for the tickets went berserk, resulting in a police lathi-charge.

Mr A. K. Subbiah, president of the State BJP, raised the matter in the Legislative Council which was then in session. He alleged the State Government helicopter carried the wives of the Chief Minister, the Chief Secretary and the

Additional IGP to Mangalore and back to Bangalore and that the police had "compelled" business men to buy expensive tickets. He also alleged that the Deputy Commissioners and police officers in districts had been asked to collect donations for the organization.

The dissidents' memorandum appears to have spurred the organization to issue a long explanation. Interestingly the unsigned explanation has been issued by Mr Prakash, secretary, on behalf of the Bharathi Vrinda and distributed to reporters along with daily Press notes released by the Department of Information and Publicity.

The secretary makes three points in his explanation. First, Mrs Gundu Rao resigned from the presidentship of the organization some months ago, that her resignation has not been accepted and the Vrinda still seeks her assistance. For the past 10 months, she has not been taking any interest in the working of the organization. Second, Mrs Narasimha Rau, wife of the Chief Secretary, has no connection with the Vrinda. However, the explanation does not specify since when. Third, Mrs Garudachar is only one of the secretaries.

The secretary asserts that the Bharathi Vrinda has not collected or received any funds from individuals, institutions or from the public. It had not received any help from the Government and that the Chief Minister or his wife and the Additional IGP or his wife did not use their influence either with the Government or with other organizations to help Bharathi Vrinda or in collecting funds.

CSO: 4220/7739

MIZO NATIONAL FRONT 'NOT HAPPY' WITH DELHI OFFER

Bombay THE TIMES OF INDIA in English 7 Sep 81 p 9

[Text] Shillong, September 6--The national council of the outlawed Mizo National Front has found the government offer of statehood for Mizoram inadequate, according to information received from the M.N.F. headquarters in the Arakan hills of Burma.

The national council, which was in session since August 29 to review the progress of talks between the MNF chief, Mr. Laldenga, and the Union government over the last 13 months, has directed Mr. Laldenga to make a fresh effort in persuading the authorities in New Delhi to concede their demands for dismissal of the Salio ministry, installation of an interim government with the MNF chief himself in the driver's seat, and the integration of Mizo inhabited areas of Manipur, Assam, Tripura, Bangladesh and Burma with Mizoram as a prerequisite to a final settlement of the Mizo issue.

The council has also turned down the government demand for depositing of weapons by the MNF men as stipulated in clause (3) of the July 1, 1976, agreement (Mr. Laldenga prefers to call it an "understanding").

Mr. Laldenga will return to New Delhi on September 13 from the underground headquarters in the Arakan Hills on conclusion of the national council deliberations.

Mr. Laldenga, according to report available here, has approached the government to make arrangements for transporting him from Parva, the southern tip of Mizoram, to Silchar in Cachar district of Assam by an IAF helicopter on September 11 and from there to Calcutta on the same day. After an overnight stay in Calcutta, he is expected to fly to Delhi on September 12.

The government, in view of the proposed bandh in Calcutta on September 11, has made arrangements for flying out Mr. Laldenga, his wife, Mrs. Kiawkdeki, and his two aides to Calcutta on September 12 and from there to New Delhi the next day. He has been informed of the changed programme accordingly.

CSO: 4220/7737

AKALIS DEMONSTRATE AGAINST DELHI INTERFERENCE

New Delhi PATRIOT in English 8 Sep 81 pp 1, 7

[Text] In a massive protest march, Akalis from Punjab, Haryana, Delhi and other parts of the country walked peacefully from the tented township of "Master Tara Singh Nagar" behind the Red Fort wall to the Boat Club lawns on Monday to demand what they called no Government interference in Sikh affairs. Later about 2109 including 40 women Akalis led by their leaders Sant Harchand Singh Longowal, G. S. Tohra and Prakash Singh Badal courted arrest. They were later released in the evening after warning.

At the Boat Club lawns, supporters of the Shiromani Akali Dal-L carrying safron flags and wearing blue turbans with safron bands renewed their demand for the implementation of the Anandpur Sahib resolution which calls among other things for greater autonomy to the States.

Amidst allegations of Governments repressive use of its machinery to stop Sikhs from coming to Delhi, the speakers charged that five Akalis had fallen to police bullets, warned the Government not to ignore their voice and demanded new elections to the Delhi Sikh Gurdwara Management Committee.

The protestors observed complete silence for almost three hours the rally lasted, except for occasional jhakaras of 'Bole So Nehal and Sat Sri Akal. But the entire area was barricaded with contingents of the DAP, DP, CRPF, PAC of UP and MP police keeping strict vigilance.

The vanguard of the procession began from the camping grounds at around 10 a.m. It was led by the traditional 'Panj Piaras' with Akali leaders Sant Harchand Singh Longowal, Prakash Singh Badal and G. S. Tohra following them and the jathas of the Akalis carrying placards and banners coming behind. Among the banners carried by the jathas was one of 'UK Akali Dal.'

The procession passed through Link Road, Darya Ganj, Delhi Gate roundabout, Irwin Road, Minto Road, Connaught Place, Kasturba Gandhi Marg, Janpath and onto Rajpath and the Boat Club lawns. At the lawns there the Akali-L had made arrangements of water and langar for the marchers. As each jatha arrived it went in to have the langar and then assembled at the lawns.

Even as the frontliners reached Boat Club by 1.15 p.m. the rearguard was still in the Darya Ganj area. The stage from which the leaders addressed the gathering

was decorated in white with kalins spread on the lawns below. On the screen of the stage was put a banner that said the Shiromani Akali Dal had begun its 'Dharm Yudh' for the rights of the Sikhs, freedom of religious places, and the rights of Punjab and its proper place.

Charging that there was interference in Sikh religious affairs Amritsar SGPC president G. S. Tohra alleged that the present Government was moving on the same lines as the Mughal emperors and perhaps there would be a price on the head of Sikhs now as it had been the case during the Mughal rule.

Referring to the various places where the Sikhs had been stopped during their journey to Delhi, he asked if the Government's action was not discriminatory. He said the Akali Dal had asked for three special trains to bring the people. But this had been denied although the Cong-I Government had used 120 trains to bring kisans for its rally.

He said the Sikhs had come to Delhi to seek justice but had been greeted with lathis, tear-gas and firing on the way. This showed the discriminatory attitude of the Government which had for a long time been trying to make the gurudwara its mouthpiece. He said this was in spite of the fact that Mahatma Gandhi himself had given the Sikhs an assurance and Nehru had drawn up a pact with Master Tara Singh.

Shiromani Akali Dal-L leader Sant Harchand Singh Longowal warned the Government that the Sikhs had never tolerated interference in their religious affairs, and if the Government did not pay heed the Sikhs would be forced to resort to other measures. He, however, did not specify what these steps would be.

Former Punjab Chief Minister Prakash Singh Badal, reiterating the charge of repression on the part of Government, alleged that deputy commissioners and senior police officials had gone to various villages to dissuade the villagers from attending the rally and also kept watch on the truck unions to prevent them from being hired out.

He demanded that the Government order a re-election to the Delhi Sikh Gurudwara Management Committee, enact the All India Gurudwara Act and allow the Sikhs to broadcast kirtan from the Golden Temple in Amritsar.

In between the speeches some of the persons allegedly injured in the police action in Karnal and other parts of Haryana were brought on the stage and their presence provoked cries of 'shame, shame' from the gathering.

Among others who addressed the gathering were Dr Rajinder Kaur, MP, Jathedar Jiwan Singh Umranangal and a UK Akali Dal leader Malkiat Singh Grewal.

A report from Karnal said that a scuffle between policemen and Akalis following checking of some of the buses carrying the volunteers led to blockade of the national highway near Taraori for nearly four hours early morning.

The blockade was intense between Pipli and Traori and even the taxi carrying newspapers from Delhi were held up, the report said.

Mr Mool Chand Jain, leader of the Lok Dal and Opposition in the Haryaha Assembly, in a statement in Karnal assailed the Haryana and Punjab Governments in putting restrictions on Akali's joining their march in Delhi.

Janata Party chief Chandra Shekhar also criticised the Government for what he called its "anti-democratic attitude" in stopping Akali Dal workers from participating in their demonstration.

In a statement, he said the "repression" would only inflame passions and strengthen the hands of separatists.

CSO: 4220/7744

LOSS OF LIVES IN KERALA TROUBLES DEEMED 'ALARMING'

Bombay THE TIMES OF INDIA in English 7 Sep 81 p 1

[Text] Trivandrum, September 6 (UNI)--The Union minister of state for home affairs, Mr. Yogendra Makwana, said here today that political murders and trade union rivalries leading to loss of lives in Kerala had acquired alarming proportions calling for popular action to remedy the situation.

Mr. Makwana told a news conference that a comparative study of figures relating to the last three years revealed a disturbing trend in the law and order situation in Kerala.

While political clashes in 1979 resulted in the death of 33 persons, the figures in 1981 till the first eight months showed 431 clashes taking the lives of 46 persons. While nine persons died in bloody trade union rivalries in 1979, the first eight months of this year saw as many as 12 killings out of union clashes.

Asked whether he called for a 1959 model liberation struggle in Kerala, Mr. Makwana said that he did not like the phrase "liberation," used frequently by the communists. He declined to answer a specific question on the possibility of Central intervention.

Mr. Makwana said that he was shocked to learn that the state government agencies refused to provide protection to the Central government employees to attend office and work on September 3 in a bid to draw support to the strike against the Central ordinance to curb strike in essential services.

The employees' organisation had complained about this and he would ask the state government and the recalcitrant Central government officials to explain their acts of omissions in this regard, he added.

The minister referred to an article by the former chief minister and communist leader, Mr. C. Achutha Menon, which said that there were 17 cabinets, each functioning independently within the Nayanar government. How could Mr. Nayanar ignore this and object to his statements about the situation in the state, he asked.

Mr. Makwana reiterated his charge that the state government had made to lapse about Rs. 1 crore sanctioned by the Centre for Harijan welfare.

Charge Refuted

PTI adds: Meanwhile, at a hurriedly-called press conference, the Kerala Harijan welfare minister, Mr. M. K. Krishnan, refuted Mr. Makwana's criticism that the state government had allowed funds for Harijan welfare to lapse.

He gave figures of Central allotment and releases of funds for Harijan welfare to Kerala last year and said that the Union minister's criticism was "unfortunate."

He said Mr. Makwana had voiced the same criticism during a previous visit to Kerala and a similar charge had been made later by the Union deputy minister for finance, Mr. Maganbhai Barot.

CSO: 4220/7737

RESURGENCE OF VIOLENCE REPORTED IN MANIPUR

Madras THE HINDU in English 5 Sep 81 p 6

[Text]

IMPHAL, Sept. 4.

Manipur is reeling under recrudescence of violence by insurgents who are trying to settle scores with the security forces for arresting their leader, Bisheswar, two months ago.

Daily there are bomb attacks on the security forces claiming heavy casualties.

The insurgents, after watching the routine movements of the security personnel will plant a land mine and the commandos will take positions on both sides of the road.

The first vehicle will be irreparably damaged killing most occupants. Before reinforcements arrive they will vanish after snatching arms and ammunition from the injured personnel.

So far intensive combing operations, launched after the shoot-outs, have failed to round up the commandos or recover the snatched arms.

The insurgents are acquainted with the streets and lanes, unlike the army and security forces. The public cannot betray their whereabouts for fear of reprisals.

Political instability has greatly hampered the counter-operations. Factional fighting has weakened the Ministry led by Mr. Keishing.—Our Correspondent.

CSO: 4220/7727

NORTHEASTERN UNIVERSITY 'HOTBED' OF TRIBAL CONFLICT

Bombay THE TIMES OF INDIA in English 7 Sep 81 pp 1, 13

[Article by V. I. K. Sarin]

[Text] Shillong, September 6--North-Eastern Hill University (NEHU) which not too long ago enjoyed the reputation of being an "oasis of peace" in the turbulent academic life of the country--has become the scene of gheraoes, strikes, assaults on teachers, witch-hunting, litigation, inter-tribal rivalries, unseemly poster wars and pamphleteering.

While the 14-month-old search for a vice-chancellor seems to have become interminable, the situation on the campus has come to such a sorry pass that the authorities have been compelled to enforce prohibitory orders under Section 144 Cr. P.C. and post armed police in and around the pro-vice-chancellor's office apprehending a breach of the peace.

An atmosphere of fear, insecurity and distrust prevails on the campus with the teaching staff and students sharply divided into pro and anti-establishment camps.

The North-Eastern Hill University Act, 1973, under which this central university was set up, envisaged a federal structure. It was stipulated that the headquarters of the university would be located in Shillong and the university would have separate campuses in Meghalaya, Nagaland and Mizoram.

Unfortunately, the university authorities overlooked the spirit of the Act and paid scant attention to the planned development of various campuses. The university headquarters and the Meghalaya campus, both located in Shillong, have come to be clubbed together, resulting in the distortion of its intended federal structure. The under-staffed, ill-equipped and haphazardly developed campuses in Nagaland and Mizoram have consequently become poor adjuncts of the Meghalaya campus.

One result of this is that the people of Meghalaya have started raising the demand for total reservation of seats and jobs for "sons of the soil". This, in turn, provoked the Nagas and Mizos to launch a whispering campaign for establishment of separate universities in the two states.

The sustained movement launched by the Naga students for removal of the pro-vice-chancellor, Dr. S. C. Banwar, on the one hand and the unstinted support extended to him by the Khasi students on the other have sharpened the tribal conflict.

Dr. Banwar, who was appointed as the personal choice of Dr. A. K. Dhan, the former vice-chancellor, was expected to quit along with Dr. Dhan last year.

Heart-Burning

However, taking advantage of a clause in the Act, Dr. Banwar has been acting as vice-chancellor. His continuance in office has caused much heart-burning among a section of the students and academics and the demand for his removal has gathered momentum. Rightly or wrongly, his detractors have accused him of engineering groupism amongst the academics, promoting inter-tribal rivalries among the students, witch-hunting of teachers unwilling to toe his line, and pursuing the policy of divide and rule.

While the public praise of his "efficiency" by the Meghalaya students' union is sought to be utilized by his critics to substantiate their charge that he is backing the Khasi students, his suspension of Dr. K. J. Joseph, reader in the education department without assigning any reason has exposed him to the charge of being vindictive towards his opponents. Incidentally, Dr. Joseph has challenged his suspension in the Gauhati high court.

The recent assault on two senior teachers, Dr. P. S. Ramakrishnan and Dr. Dutta, knowing to be out of favour with the pro-vice-chancellor, and the failure of the authorities to identify and take action against the miscreants, had further sullied his reputation.

Alarmed over the developments in NEHU, its executive council resolved a few months ago to recommend a comprehensive inquiry by a retired high court judge. The recommendation was forwarded to the chancellor, Dr. H. M. Sethna, who has not taken any step so far in this regard.

Meanwhile, the Union government continues its search for a regular vice-chancellor. An experts committee set up to draw up a panel recently suggested three names--Dr. N. Suresh Singh, a senior bureaucrat, Dr. P. N. Srivastava, senior professor of Jawaharlal Nehru University, and Mr. M. K. Rustomjee, former chief secretary of Meghalaya.

While Mr. Singh reportedly declined the offer, the other two names were reportedly not acceptable to the Prime Minister. The committee has since been asked to draw up a fresh panel.

CSO: 4220/7737

FINANCE MINISTER SPEAKS ON PRICE SITUATION

Madras THE HINDU in English 4 Sep 81 p 11

[Text] New Delhi, Sept. 3--The Government of India is reviewing its policy on taking over sick industrial units and will see that the country is not burdened with all the mistakes of somebody else.

This was stated here today by Mr. R. Venkataraman, Union Finance Minister, in his reply to a three-and-a-half-hour discussion in the Lok Sabha on the price situation and the steps taken by the Government to tackle it. It was probably the only new point which emerged from his speech.

Mr. Venkataraman said it was a mistake "in my opinion" to have taken up all the sick units and "that is why we are in this difficulty. In fact, I do not understand what kind of socialism it is where the private sector takes the profits home and the Government has to take over when it makes losses."

Replying to the criticism by the Opposition members of the Government's failure to control prices, he contended that he had never said he would bring down the prices. All he had been saying was that he would try to keep down the rate of inflation.

"Whether you like it or not," he said, "you will find the prices increasing wherever you go, in India or Timbuctoo."

He, however, said that there might be exceptions. "In a totally controlled economy it is possible to control the prices, supplies, production, etc. But this is not an ecomomy which we have.

Budget Deficit

Mr. Venkataraman said he was still hoping to keep down the deficit for 1981-82 at the budgeted level and ridiculed suggestions that it would mount to Rs. 3,000 or Rs. 4,000 crores.

In this connection, he said that of the Rs. 1,000 crores he had hoped to collect from the sale of bearer bonds Rs. 200 crores was expected to be realised in 1980-81 and Rs. 800 crores in 1981-82.

But the accrual in 1980-81 was Rs. 80 crores, leaving a deficit of Rs. 120 crores. This was included in the budgetary deficit which "by the way, is very much lower than the precedent set by Mr. Charan Singh."

In 1981-82 the accruals amounted to about Rs. 300 crores, notwithstanding the fact that the case was pending before the Supreme Court. So the net deficit was only Rs. 500 crores.

Mr. Venkataraman did not, however, give any indication of the Government's thinking on the impounding of the additional DA instalments due to Central Government employees or the freezing of dividends or the negotiations relating to the loan of Rs. 5,068 crores proposed to be drawn from the International Monetary Fund or the resumption of the bearer bonds scheme.

On impounding DA and freezing dividends, he said, "I am unable to take the House into confidence. We are now discussing it with the persons directly concerned. I am unable to give more information on the IMF loan. There is a lot of speculation. Under the conventions, neither IMF nor we can disclose the terms."

Inflation Rate Down

The Finance Minister, however, claimed a great deal of success for his efforts to bring down the inflation rate. Claiming that the present Government had taken over an economy which was akin to a patient in a delirium, he said it had brought down the inflation rate to 14.8 per cent in 1980 and 10.4 per cent in first eight months of 1981 from 22.2 per cent in 1979.

He, however, admitted that deceleration of inflation was no answer.

"A one per cent increase may be flattering to the Government, but it is of no significance or advantage to the consumer because it is 22 plus one per cent and not one per cent. We fully realise this."

He, however, said that the recent by-elections in which the Opposition could not get one seat showed that "the country has rejected your criticism."

He also drew the attention of the members to the world economic survey by IMF which had found that the inflation rate in India was 11.4 per cent in 1980 while it was 44.4 per cent in West Asia and 60.2 per cent in Latin America.

Mr. Venkataraman denied that the Government had given up the food-for-work programme. It had been replaced by a more comprehensive national rural employment programme. It provided not only for more food but also for a cash component which would add durable assets to the rural areas. The amounts provided in 1981-82 for the NREP was Rs. 360 crores of which Rs. 180 crores would come from the Centre and the balance from the States. This had been agreed to by all the States. "We are going to give five lakh tonnes of foodgrains for this scheme."

Replying to criticism by Mr. Indrajit Gupta on the delay in acquiring undervalued property, the Finance Minister said the Government had been trying to acquire some of the properties but legal difficulties came in the way and many of them had been held up in court action.

There were also difficulties in regard to properties held by companies and cooperatives. "We are hopeful that given the cooperation of all those handling black money transactions we will be able to enforce the law. But if we are brought up short by courts and tribunals which give preference or priority to individual rights over the social rights of the nation, then we have to abide by the Constitution and take the consequences."

Mr. Venkataraman said in reply to a question from Mr. Indrajit Gupta that there was no programme or budget as such for raising loans from the international capital markets.

"We had to borrow for an aluminium project and went to the Euro-dollar market for $800 millions. It it becomes necessary we shall decide how much more we should borrow, considering the various aspects."

Cost Escalations

Conceding the validity of the point made by Mr. Satish Agarwal that the real investment declined when there was a cost escalation, he said, "It has been our endeavour to see that the projects are properly prepared, their costs properly estimated and their execution is not delayed, leading to further cost escalation.

"Cost escalations are sometimes due to international factors but mostly they are due to our own short-comings. Every effort is being made by the Public Investment Board to have a correct assessment of the cost of the projects, the gestation periods etc. so that there is no cost escalation."

Replying to the criticism of Mr. Sunil Mitra of the import duty of 150 per cent on edible oils imported by the private trade, Mr. Venkataraman said it was levied only to prevent the private trade from "making a killing."

He explained that the Government had canalised the import of edible oils through STC and the duty payable on the imports was only five per cent. But certain parties had pleaded that they had entered into agreements before the canalisation order came and therefore were entitled to import the edible oils.

"We tried to resist it but certain decisions were given which enabled them to import. The cif prices of the edible oils was about Rs. 7,000 as against Rs. 14,000 in the market. If we had not levied the 150 per cent duty on the private imports, they would have got all the profits. The reason why I had to issue an ordinance is that the statutory limit to which I can increase customs duty is only 40 per cent."

Fall in Edible Oil Prices

The Finance Minister said that the Government had cracked down on the edible oil trade in Bombay as a result of which the prices had crashed. The prices of edible oil had come down from Rs. 16 a kg to Rs. 14 and 13 a kg.

Earlier Mr. Venkataraman defended the decision to import 1.5 million tonnes of wheat. He explained that it was not possible to give Rs. 190 per quintal which

was the price of imported wheat to the Indian farmers as procurement price. If it was done the issue price would go up to Rs. 250 per quintal and the price index would go up. If the Government did not pass on the price increase "there will be a higher deficit and this ultimately would also result in the prices going up."

"Chasing a mirage": Initiating the debate, Mr. Sunil Maitra CPI(M), said Government efforts to control prices were like "chasing a mirage." Despite official claims of stability, the consumer price index had risen from 386 to 439 in one year.

Though there had been a record food production of 133 million tonnes, increase in oilseeds output by 28 per cent and cane production by 19 per cent, prices continued to rise.

This year's budget was "already a shambles." The failure of the bearer bonds scheme and the indirect taxation through "savage" increase in petroleum and petroleum products prices were evidence. He also criticised the wheat imports which he said could have been avoided by proper procurement.

He said Government's basic policies were responsible for rising prices. The Government's policies on taxation, deficit financing, public borrowings and on monopoly houses had the only political objective of building up capitalism.

Need to curb black money: Mr. N. K. Sharma (Cong-I), while commending the Government's steps to increase production, said the results could not be expected overnight. He also appreciated the measures taken to check prices but said they would not succeed till parallel economy and black money were done away with.

Mr. Sharma urged the Government to encourage a strong consumers movement.

CSO: 4220/7724

SPECIAL COURTS FOR CRIMES AGAINST HARIJANS ASKED

New Delhi PATRIOT in English 12 Sep 81 p 5

[Text] The Centre has asked State governments to set up special courts to ensure speedy trial and punishment of those who commit atrocities against Harijans, Minister of State for Home Affairs P. Venkatasubbiah told the Lok Sabha on Friday, reports PTI.

Two States had already set up such courts, he said.

The Minister was replying to the discussion on a non-official resolution seeking job guarantee to the educated youths of scheduled castes and scheduled tribes, moved by Mr Ram Swarup Ram (Cong-I).

The Minister said the Centre was also assisting states to set up special cells for overseeing enforcement of the protection of civil rights act to safeguard the rights of scheduled castes and scheduled tribes. Special grants were given for the purpose.

He allayed fears of members that funds allocated for the uplift of the weaker sections might not be utilised fully. 'The Centre is in constant touch and dialogue with the State governments to see that the schemes meant for their benefit are implemented,' he said.

The resolution was withdrawn by the mover who suggested a separate Ministry for scheduled castes and scheduled tribes.

During the debate, Mr Virdhi Chander Jain (Cong-I) said that the recent conversion of some Harijans to Islam was due to their economic suffering.

Mr Rashid Masood (Lok Dal) said if somebody had used money or pressure to convert Harijans, 'it is bad.' He said the propaganda that Harijans were yielding to money should be halted. Such propaganda hurt their feelings, he said.

Mr T. Nagaratnam (DMK) said Scheduled Castes and Scheduled Tribes had not been given adequate representation in service in Government and public sector undertakings.

He alleged that the AIADMK Government in Tamilandu had failed to safeguard the interest of Harijans in the State. He suggested that the Government should provide free legal aid to Harijans.

Mr Kunwar Ram (Cong-I) said the Government should provide an unemployment allowance of Rs 100 per month to Harijan youths.

Mr Ajoy Biswas (CPI-M) claimed that the Government had failed to uplift the living condition of Harijans during the last 34 years, as it was following a capitalist system.

Mr Sunder Singh (Cong-I) lamenting the lack of leaders who could champion the cause of Harijans appealed to Harijan MPs to represent to Prime Minister Indira Gandhi to have two or three full-fledged Harijans Ministers in her Cabinet. 'Mrs Gandhi is the only hope.'

Mr Girdharilal Vyas (Cong-I) did not share the view that nothing was being done for Harijans. 'Enough is being done but there may be shortcomings,' he said.

CSO: 4220/7753

FRG TEAM IN DELHI TO NEGOTIATE SUBMARINE SALE

Bombay THE TIMES OF INDIA in English 7 Sep 81 p 1

[Text] New Delhi, September 6 (UNI)--A high-level team of West German naval experts is now here making final negotiations with the government for the supply of submarines for the Indian Navy.

The German team representing experts from the Howaldt Deutsche Werke (HDW) shipyard has brought with it a final report regarding the delivery schedule of submarines, spare parts supply, transfer of technology and also a project report for the indigenous manufacture of submarines in India.

The HDW shipyard had been selected by India for the supply of two German submarines as outright purchase and two submarines to be manufactured in an Indian shipyard by Indian naval designers and engineers.

Slight Hesitation

An Indian defence delegation, led by Mr. S. K. Bhatnagar, additional secretary in the defence ministry, which also included vice chief of the naval staff, Vice-Admiral M. R. Sehunker and officials of the ministries of law and finance had visited Bonn on May 5, to sign a memorandum of understanding (MOU) with the West German government. Some difficulties had arisen in the signing of the MOU which included a clause for the uninterrupted supply of spare parts to India during emergencies. There has been slight hesitation from the German side in signing the MOU.

After the visit of the Indian team, the West German government modified its stand and expressed its willingness to have only "verbal understanding" with India.

The German team now in the capital will sign "some kind" of papers regarding the submarine deal, authoritative sources said.

The government had also constituted a ministerial sub-committee consisting of the finance minister, Mr. R. Venkataraman, the external affairs minister, Mr. P. V. Narasimha Rao, and the minister of state for defence, Mr. Shivraj Patil to go into the question of the submarine deal.

According to the new comparative prices of submarines and torpedoes, the Swedish submarines manufactured by their firm Kockums, including material package for two subs to be manufactured at Mazagoan Docks and torpedoes would cost Rs. 364.98 crores, while the West German subs would cost Rs. 396 crores.

Naval experts here felt that even though the German offer was on the higher side, it would be worthwhile to go in for them.

There has been some uncertainty about the German deal, but with the initial troubles regarding the MOU almost sorted out, the two countries are now going to put their seal of approval on the deal. Besides, another factor that has gone in favour of the Germans is the revaluation of the Indian rupee against the German mark which brings the total cost of HDW subs slightly downwards.

CSO: 4220/7737

NEW PORT CONSTRUCTION NEAR BOMBAY TO BEGIN IN 1982

Bombay THE TIMES OF INDIA in English 5 Sep 81 p 13

[Text] New Delhi, September 4 (UNI)--The construction work on the long-awaited new port at Nhava Sheva, near Bombay, would commence by the middle of next year, the shipping and transport minister, Mr. Veerendra Patil, announced in the Rajya Sabha today.

Replying to questions, he said the Nhava Sheva port would be constructed in phases. In the first phase, which would cost Rs. 550 crores, the port would have eight berths.

However, he was not in a position to indicate the total cost of the project. The final project report would be available later this year. The government had received only an interim report so far, Mr. Patil said.

He said the government had also drawn up plan for simultaneous expansion of other ports for which Rs. 500 crores had been provided. The ports would be expected to handle 130 million tonnes of cargo by the end of the sixth plan against 80 million tonnes at present.

Replying to Mr. Kalpnath Rai (Congress-I), Mr. Patil said the new Nhava Sheva port would end the growing congestion at Bombay port, which was aggravated by the forwarding and clearing agent employees' strike in March.

However, he said, the waiting period at Bombay port had been cut down from 40 to 30 days.

"Ship Diverted"

Mr. A. G. Kulkarni (Congress-S) alleged that a ship loaded with edible oil was diverted to the high seas from the Bombay port to manipulate prices in the domestic market.

Mr. Patil replied that there was one reserved berth at the port to handle edible oils. However, he was not in a position to explain under what circumstances the ship was diverted. He did not suspect any shady deals as alleged by the member.

Dr. Rafiq Zakaria (Congress-I) said the construction of Nhava Sheva was suggested by the Maharashtra government a decade ago.

The minister denied the charge of Mrs. Margaret Alva (Congress-S) about the existence of a racket involving diversion of ships from one port to another. In fact, the government was persuading ships to call on other ports where berths were available.

CSO: 4220/7725

'SPECTACULAR' INCREASE IN THERMAL POWER REPORTED

Madras THE HINDU in English 7 Sep 81 p 6

[Text] New Delhi, Sept. 6--As a result of concerted efforts made by the Power Ministry, thermal power generation has shown further buoyancy, according to a press release today.

The thermal power output in August recorded a 'spectacular increase' of nearly 24 per cent over August last year. Of this nearly 18 per cent was achieved by maximising generation from the existing thermal units and the balance from new capacity additions.

Another notable achievement during August has been a big spurt in the overall power output. The generation during the month was 10,274 million units, which is the highest for a month in the current year.

Between April and August, thermal power output recorded an increase of over 21 per cent compared to the corresponding period of last year.

The total power generation during these five months, from thermal, nuclear and hydro, also registered a significant growth of 16 per cent, exceeding the growth of 10 per cent fixed for the whole of 1981-82. This trend is expected to be maintained during the coming months also.

The power output went up from 43,428 million units during April-August last year to 50,324 million units this year, marking an increase of nearly 7,000 million units. Hydro-power generation also went up by 9.4 per cent in these five months.

All the regions made notable achievements during April-August. In the eastern region, the increase was 22.1 per cent, followed by 18.1 per cent in the southern region, 14.3 per cent in the northern region and 12.5 per cent in the western region.

The rise was 27 per cent in the north-eastern region where, of course, the overall power generation is comparatively small.

The marked improvement in power output, according to the press release, is fully reflected in the big increase in coal raisings as well as in the growth in industrial output.

Another beneficiary of the increased power output has been the agricultural sector. The highest priority is being given to supply of power to pumpsets, and all State Governments have been asked to provide maximum power for agriculture.

In States like Punjab and Haryana, where there are signs of drought conditions, farmers are being provided with power for 12 to 16 hours a day.

CSO: 4220/7740

RECORD PRODUCTION IN INDIAN STEEL PLANTS REPORTED

Madras THE HINDU in English 7 Sep 81 p 13

[Text] New Delhi, Sept. 6--The plants under the Steel Authority of India Limited (SAIL) considerably improved their performance in August over the corresponding month last year.

The output in August was 4.52 lakh tonnes of salable steel, which was 97,800 tonnes or 27.7 per cent higher than the production in the same month a year ago. This was also 8,400 tonnes higher than the output in July last.

The cumulative output of salable steel during the first five months of 1981-82 (April-August) is 21.48 lakh tonnes against 16.52 lakh tonnes during the like period last year.

"What is noteworthy" observed a SAIL press release, "is that this increase in production has been achieved despite the fact that the Bhilai Steel Plant continued to be under power restrictions throughout the month of August. Restrictions also hit the plants served by the DVC."

Ingot production in these plants in August was 5.47 lakh tonnes--19 per cent more than the aggregate output of 4.60 lakh tonnes in August last year.

Individually all the plants except IISCO exceeded the August 1980 production levels in salable steel by handsome margins. The Bokaro unit more than doubled its salable steel output by producing 1,15,100 tonnes in August as compared to 53,700 tonnes in the same month last year.

Bokaro's output in August was the highest ever achieved by it. It established a record by aggregating 5.72 lakh tonnes of salable steel between April-August this year. This is the highest salable steel production at Bokaro in the first five months of any financial year.

The plant has also achieved a new high in the production of ingot steel by aggregating 7.17 lakh tonnes of ingots during the first five months of the current financial year. Ingot steel production in August amounted to 1.47 lakh tonnes, which is the highest for any August so far at Bokaro.

The production of 42,557 tonnes of hot rolled plates and sheets at Bokaro in August is a new record for the hot strip mill. The previous best production was

39,456 tonnes in May last. On August 30 Bokaro established a record in daily output by producing 6,817 tonnes of hot rolled coils.

The Rourkela Steel Plant established a new high in the production of spiral weld pipes during August with an output of 5,077 tonnes of large diameter pipes. The previous best figure in production was 4,793 tonnes in December last.

In the production of granulated slag also a new record was set. Rourkela produced 29,000 tonnes of granulated slag in August, which was marginally higher than the best performance of 28,935 tonnes produced in January 1978.

The Durgapur Steel Plant established a new record in the production of skelps in August with an output of 14,665 tonnes. The previous record of Durgapur was 14,652 tonnes in November 1978.

Durgapur produced 68,200 tonnes salable steel in August, which was the highest for the month since 1976. Ingot production in August was 82,000 tonnes, which was also the highest for the month since 1979.

Dwindling Coal Stocks

As higher production levels are being attained and in view of the comparatively comfortable position in coal stocks, oven pushing rates are being gradually stepped up.

However, there has been a drop in the stock of indigenous coking coal at the SAIL plants. The stocks dropped from 4.25 lakh tonnes on July 1 to 3.97 lakh tonnes on August 1 and further to 3.66 lakh tonnes on September 1.

Against the required average daily receipt of 35,000 tonnes, the arrival of coal at the SAIL plants has come down to 31,000 tonnes inclusive of a daily average of 800 tonnes of imported coal.

According to the press release, the first phase of the Salem Steel Plant which is due to go on stream on September 13 will be the second major project to be commissioned on schedule in recent years.

The first stage of Salem will yield 32,000 tonnes of cold rolled stainless steel strips. In the second phase, the plant is proposed to be expanded to 2.20 lakh tonnes of stainless steel and other special steels.

CSO: 4220/7740

ONGC VISITOR RECEIVES MOSCOW AID PROPOSALS

New Delhi PATRIOT in English 13 Sep 81 p 1

[Text] Moscow, Sept 12 (UNI)--India and Soviet Union have evolved 'concrete proposals' for augmenting production from depleting oil wells in Gujarat.

These proposals were finalised last week when Col S. P. Wahi, chairman-designate of the Oil and Natural Gas Commission, was here.

Mr Mineev, chief of South and South-East Asia in the department of economic cooperation, told UNI that two groups of Soviet experts would shortly leave for Gujarat to make a detailed study of the problem.

This would be the first major effort to augment crude production in Gujarat.

Most oil wells in Ankleshwar region have started drying up, resulting in a one million tonne fall in the annual production of crude from these wells.

The ONGC has been planning further reduction in the production.

Oil from Ankleshwar is of high quality and its byproducts are useful for the petrochemical industry.

Similar

The Soviet Union has faced similar problems in its oilfield at Baku on the shores of the Caspian Sea.

A leading Soviet expert explained that fall in production was due to lower pressure of crude and the problem could be solved through several means.

Method widely used in the Soviet Union was that of pumping water or steam into the oil-bearing structures to increase the pressure of crude.

This required a careful study of the oil-bearing structure and selection of suitable sites where water or steam pumping could be undertaken.

Mr Mineev said the Soviet Union had also offered to take 'any number of Indians' for being trained in higher oil technology.

CSO: 4220/7754

MORE DETAILS ON INDIA-MADAGASCAR COMMUNIQUE

New Delhi PATRIOT in English 12 Sep 81 p 7

[Text] India and Madagascar have expressed concern at the large-scale induction of sophisticated weapon systems in India's neighbourhood, reports PTI.

The two countries agreed, without naming Pakistan, that this could upset the existing balance, trigger off an arms race and have an adverse effect on the process of confidence building and normalisation of relations amongst the countries of this region.

According to a joint communique issued on Friday at the conclusion of the four-day visit to India of President of Madagascar Didier Ratsiraka, the two countries also reiterated their desire to redouble efforts for a speedy implementation of the UN declaration for making the Indian Ocean a zone of peace.

The two countries noted with serious concern the expansion of the Diego Garcia military base in the Indian Ocean and intensification of military resources in the area and called on those powers progressively to reduce and eventually eliminate their military presence from the Indian Ocean.

They expressed full support for holding a UN conference at Colombo (Sri Lanka). In this context, the President of Madagascar reiterated his proposal to convene in Antananarivo a summit meeting of the heads of state and government on the theme of Indian Ocean as a zone of peace. The Prime Minister of India recalled that the New Delhi conference of foreign ministers of the non-aligned countries had already, inter alia, welcomed favourably in principle the initiative of the President of Madagascar.

The two sides noted with grave concern the situation in South West Asia and agreed that it carries dangerous consequences for the peace and stability of the region. In this context, the situation in Afghanistan was analysed with particular attention. The two parties called for an urgent political solution of the problem based on respect for the independence, sovereignty and territorial integrity of Afghanistan.

They also called upon Iran and Iraq to resolve their differences in accordance with the principles of the United Nations charter and the non-aligned movement.

The two countries also reaffirmed their total support for the Namibian people's inalienable right to peace and freedom and their solidarity with the struggle being waged by the South West African Peoples Organisation (SWAPO), the sole and legitimate representative of the Namibian people.

Both leaders condemned all attempts by South Africa to subvert the UN plan for Namibia, contained in Security Council resolution and deplored the actions of certain States which had resulted in the apartheid regime of South Africa feeling encouraged to persist in its recalcitrance and arrogant defiance of world opinion. The President of Madagascar and the Prime Minister of India expressed their strong condemnation of the recent acts of unprovoked armed aggression by the South African regime against the People's Republic of Angola and called for an immediate and unconditional withdrawal of South African forces from the territory of Angola.

CSO: 4220/7753

HIDAYATULLAH ON ALLEGATIONS ON ANTULAY TRUSTS

New Delhi PATRIOT in English 12 Sep 81 p 7

[Text] The following are excerpts from the ruling of Rajya Sabha Chairman M. Hidayatullah disallowing motions of breach of privilege of the House against Finance Minister R. Venkataraman and Mr Arun Shourie of the INDIAN EXPRESS:

The charge that the Minister misled the House is based on:

--a photograph showing the Prime Minister signing a document with the Chief Minister, Maharashtra, looking on with a caption under the photograph;

--the contents of that document,

--a photograph showing the Prime Minister addressing a gathering of members of the Maharashtra Assembly with its caption in the INDIAN EXPRESS of the 7 September, 1981.

--the accounts published in the newspapers of the happening of the 11 October, 1980, the date to which the photographs relate.

'Coming now to the comments of the Finance Minister:

I shall deal with the two allegations against him separately.

Consent on Name

1. RE: The consent to the name of the Prime Minister.

There is no document, letter or other in which this consent was given or asked for except the document the Prime Minister is signing as shown in the photograph. The document mentioned the name of the trust as 'Pratibha Pratishthan, Maharashtra.' There was no mention of the new name or that the old name would be changed. Ordinarily, there is a letter of request to associate the names of the President or Prime Minister and there is a specific or categorical reply. There is none in this case. Looking at the photograph and the document (now produced) one finds no mention of a consent to a change of name.

'Now the caption below the photographs showing her affixing her signature was most probably done by the Maharashtra Government.

It could not be the Prime Minister's doing. It is asked by Mr Shourie what the Prime Minister was doing from 11 October 1980 to 23 June 1981 when she asked that her name be dropped? If Government machinery moved with the speed of an express train it would be possible, but we know that it does not. The criticism against the trust had not built up till lately. It appears that between the P.M. and the C.M. there was a communication gap and one thought that the consent was given and the other was clear that it was not.

Whether Mrs Gandhi inaugurated the trust?:

'Beneath the photo in the SUNDAY STANDARD of 12 October, 1980. There is an account of the meeting which the Prime Minister addressed. There is no mention of the Indira Gandhi Pratibha Pratishthan, much less its inauguration. In fact, no trust is mentioned at all.

'In the SUNDAY STANDARD (said by Mr Shourie to be of 12 October, 1980) the photo of the signing of the document appears and the caption is:

'Prime Minister Indira Gandhi affixing her signature on the document giving her consent to name the Maharashtra Government's trust for promoting talents in literature and fine arts as 'Indira Gandhi Pratibha Prathishthan' at Raj Bhavan on Saturday. Watching keenly is Chief Minister A. R. Antulay.'

'I have referred to this caption common to all newspapers where this photo appeared either in English or its translation in Marathi. There is a news item which is reported separately when it could be reported with the news item about the meeting held at Raj Bhavan. In this news item it is stated what the trust was to do and this was based on an announcement by the Chief Minister on Tuesday (9 October, 1980). That must have been at some other function and not the function on the 12 October, 1980.

In the SUNDAY EXPRESS of the 12 October, 1980 immediately below the report of the meeting which the Prime Minister addressed is another news item headed: 'Antulay assures P.M. of policy implementation.'

After reporting other matters the news item goes on to say that the Chief Minister announced that the Prime Minister 'had given her consent for naming the proposed trust after her. The 'Indira Gandhi Pratibha Pratishthan' would grow very fast, Mr Antulay said.

'I have read both the English and Marathi versions and I feel that Mr Antulay probably spoke in Marathi. If that were so, the Prime Minister would not be fixed with knowledge with that move. Even if this was spoken in English, the purport could be missed.

Added to these are the following incontrovertible facts which the Finance Minister has mentioned. They may be taken from his reply.

'(i) The trust was registered on 18 November and there could be no inauguration before that date,

(ii) The news item of 4 September 1981 does not state that there was inauguration of the trust on 11-10-1980,

(iii) The official programme issued by the State Government in connection with the visit of the Prime Minister to Bombay, 10-12 October, 1980 does not mention the inauguration of the Pratibha Pratisthan.

(iv) When the document was signed by the Prime Minister there was nobody else apart from Mr Antulay and the photographers present as stated by Mr Antulay in the letter.

(v) Mr Antulay was trying to have the inauguration on the 19 November, 1980 (P.M's birthday) but this could not be held (vide INDIAN EXPRESS Bombay edition dated 17-12-1980). To this may be added the last paragraph of Mr Dhawan's letter dated 23 June, 1981 to which I have referred already. It reads:

'As desired by you, the Prime Minister would be pleased to meet the trustees of the Pratishthan during her next visit to Bombay.'

All these facts speak for themselves.

CSO: 4220/7753

MINISTER SEES FOREIGN HAND BEHIND KHALISTAN MOVEMENT

New Delhi PATRIOT in English 12 Sep 81 p 5

[Text] Home Minister Zail Singh said in the Lok Sabha on Friday that some foreign hand was behind the Khalistan movement, reports PTI.

When there is a foreign hand, you can feel but you can't see it, Mr Zail Singh said while replying to a calling attention by Mr Atal Bihari Vajpayee and four others to the murder of Lala Jagat Narain, former MP and an editor, near Ludhiana on 9 September.

In view of the international situation, you can't name a particular country and say which country is interfering where, Mr Zail Singh told Mr Vajpayee, who was the External Affairs Minister during the Janata regime.

Mr Zail Singh refuted the allegation of Mr Krishna Kumar Goyal (BJP) that the Punjab Government was responsible for the death of Lalaji. On the other hand, he pointed out that the Punjab Government had made arrangement for providing a gunman for Lalaji but the latter never took the gunman with him.

The Home Minister said he would enquire why Lalaji had not taken the gunman with him.

Mr Zail Singh also denied Mr Vajpayee's allegations that he was having differences with Punjab Chief Minister Darbara Singh and that the Punjab Government was not cooperating with the Delhi administration in arresting the assailants of Nirankari Baba, Gurbachan Singh.

Expressing his profound sorrow and deep anguish over the tragic circumstances under which Lalaji fell a victim to an assassin's bullet, Mr Zail Singh said immediately on receipt of the information about the incident, Punjab Government was contacted and advised to make all out efforts to apprehend the killers. They were also advised to take every precaution to ensure that the unfortunate incident was not exploited by unscrupulous elements and all efforts were made to maintain peace in the State.

To Mr T. S. Negi, who referred to an allegation made by a Punjab leader that Chief Minister Darbara Singh had a hand in the Khalistan movement, the Home Minister said: "I cannot think of it. The Chief Minister cannot support such a movement. I am sure of that."

Giving details of the murder, Mr Zail Singh said Lalaji was on his way to Jullundur from Patiala on the fateful day on 9 September. When his car was between Ludhiana and Ladowal, his driver suspected that a motor-cycle was following his car. The driver tried to turn the car towards Ludhiana when the miscreant on the motor-cycle opened fire with .455 revolver hitting Lalaji. He was declared dead in the hospital at Ludhiana. His driver Som Nath also received bullet injuries, but he is progressing.

While the miscreants were trying to run away, their motor-cycle turned turtle and one of them was captured by the people on the spot. The other culprits managed to escape, the Home Minister said.

UNI adds:

Mr Zail Singh said according to information received from the State Government, Lalaji's driver, Som Nath, who also received bullet injuries, was progressing.

The person arrested had been identified as Nichhatar Singh who is said to have extremist leanings. Interrogation by a selected team of officers was in progress.

The Home Minister added that a case under Section 302/34 had been registered.

Mr G. S. Nihalsinghwala thought the murder of Lala was part of a plan by communal forces to disturb peace in the border State of Punjab. Bold action on the part of the Government was called for to prevent any further damage.

Mr Nihalsinghwala alleged that during the previous Akali regime vast quantities of arms and ammunition had passed into the hands of undesirable elements. The Government should, therefore, dig into the past records to find out the extent of arms in the possession of such elements.

Mr Zail Singh promised to do so.

Mr Vajpayee, who joined Mr Zail Singh in expressing his sorrow, said the murder of Lalaji posed danger to the freedom of expression and democracy. There might be two opinions about what he wrote, but he symbolised an independent expression. Through his newspaper, he carried on a crusade against religious fanaticism. In two of his editorials, he had demanded the Punjab Chief Minister to arrest murderers of Nirankari Baba and put down the Khalistan movement. He had said that if the culprits found refuge in gurudwaras and if Punjab Chief Minister Darbara Singh failed to take against against them, the people would lose faith in the State Administration.

Referring to Punjab Chief Minister Darbara Singh's initial statement that all the three assailants were arrested and subsequent claim that only one was arrested, Mr Vajpayee wanted to know 'who was the person who gave the wrong information to the Chief Minister. 'There appears to be a conspiracy,' Mr Vajpayee alleged.

Mr K. K. Goyal (BJP) said the murder of Lalaji had direct links with the murder of Baba Nirankari and the demand for Khalistan. He demanded the dismissal of the Punjab Government which he held responsible for the death of Lalaji.

Mr Goyal said editor of HINDUSTAN TIMES, Kushwant Singh, has also received threatening letters for publishing a news item that assailants of Nirankari Baba had participated in a rally held at Amritsar.

CSO: 4220/7753

SETHI REPORTS NEW OIL FINDS IN TRIPURA, NAGALAND

Bombay THE TIMES OF INDIA in English 8 Sep 81 p 1

[Text] New Delhi, September 7--The petroleum minister, Mr. P. C. Sethi, announced amidst cheers in the Sok Sabha today oil finds in Tripura and Nagaland and discovery of oil in new wells in proven fields in Assam and Gujarat.

The announcement comes three days after his disclosure in Parliament of the discovery of a 80-square-kilometre new oil field, 35 km east of Bombay High.

Mr. Sethi informed the house of these "small finds" in the north-eastern region and Gujarat, while piloting a bill for the take-over of Oil India and the Assam Oil Company, which the house later passed.

The bill stipulates a compensation of Rs. 21.56 crores to Oil India, in which Burmah Oil Company and the government of India have 50 per cent share each and the Assam Oil Company (AOC), a wholly-owned subsidiary of BOC. The legislative measure is also intended to take over Burmah Oil Company (India trading) Limited.

Mr. Sethi expressed the confidence that oil exploration and development would get a fillip after the take over of BOC and AOC.

The minister repudiated the charge made by Mr. Hairsh Kumar Gangwal (DSP) that Rs. 5 crore had changed hands during the negotiations on compensation.

He said the take-over of Oil India would bring the entire programme of oil exploration and development under national control.

The petroleum minister said Oil India was now producing three million tonnes of crude and 13 million cubic metres of natural gas annually. Production would now be given a further fillip.

Mr. Sethi was hopeful of striking 'black gold' in some other areas also. He said he might make an announcement after a few days. The minister, however, did not specify the area.

He said there were expectations of finding oil in the Godavari basin as well.

He said he did not come out with the announcement about the new oil find earlier about these oil discoveries because they were in small quantities.

Mr. Sethi said that an official team had already been sent to Digboi to work out the details of expansion of the Digboi refinery. This oldest refinery mainly produces paraffin wax, which is in short supply in the country.

Engineers India Limited had already made a preliminary study, he said.

Mr. Sethi said the Assam Oil Company produced about 40,000 tonnes of crude annually, which was fed to its refinery in Digboi. He expected this 52-square-kilometre Digboi oil field to be full of potential and various methods, including water injection, would be used to extract more oil. A thousand wells had been drilled and 400 were in production.

CSO: 4220/7742

JANATA LEADER DEMANDS PROBE OF ANTULAY AFFAIR

Calcutta THE STATESMAN in English 11 Sep 81 p 9

[Text] New Delhi, Sept. 10--Mr Raj Narain, Janata (S) leader, met the President, Mr Sanjiva Reddy, today and submitted a memorandum saying that "corruption in high places as revealed by the Antulay affair is only the tip of the iceberg" and that the President should order an inquiry into the "numerous" other cases of corruption of which he appended a list to his memorandum.

Mr Raj Narain demanded that to ensure a proper investigation, "the President should immediately dismiss the present Government and invite another person of the ruling party to become the Prime Minister".

Talking of "corruption in high places", he alleged in the memorandum that 7 million pounds sterling had been "made" in the "Nelco deal" and the amount had been deposited in a bank in Paris; Rs 32 lakhs had been taken from a shipping company in Goa in exchange for a permit to buy a floating tanker; a huge amount was going to be taken as "kick-off" money in a cement purchase deal with a foreign country; hush-money had been taken in the deal for the import of two million tons of sugar, and the London firm which supplied the sugar had already filed a suit in this connection.

Mr Raj Narain later told a Press conference that he met President for half an hour in this connection.

CSO: 4220/7751

'PTI' GIVES DETAILS ON OILFIELD DISCOVERY OFF BOMBAY

Bombay THE TIMES OF INDIA in English 7 Sep 81 p 1

[Text] New Delhi, September 6 (PTI)--It will take a minimum of two years before any commercial production is taken up in the new oilfield discovered off the Bombay coast, official sources here said today.

They, however, told PTI that at least two to three wells in this completely new field, 35 km. east of Bombay High, had to be tested before the commercial viability is worked out.

The first well drilled on Thursday showed a test yield of 1,030 barrels a day without acidisation.

Acidisation is the process to clean out the pores with the use of hydrochloric acid to get pure crude oil. The yield is expected to go up after the acidisation process is completed.

The first exploratory well in the new field, named B-57, was spudded by the jack-up rig "Sagar Samrat" which gave the Oil and Natural Gas Commission and the country the oil bonanza in Bombay High in the early 1970's.

"We expect the new field to be commercial," official sources said, adding that after a few more well-testings "we will have an idea of the reservoir here and draw up a development plan."

"At this stage," the officials said, "we can have the drilling platform" indicating that this might be acquired from abroad.

They said that the new field was not a satellite area of Bombay High and could be connected to the pipeline carrying Bombay High crude to the coast.

Hopes of a good oil find are pinned in this area in view of the much older oil bearing formation than in Bombay High. "It is an interesting area."

The new field does not come under the technical collaboration the ONGC entered into with the Compagnie Francaise Petroles (CFP), the French consultants for the development of Bombay High reservoir and nearby satellite structures. But it would be possible to stretch the agreement to cover the new field.

Production in Bombay High itself is now about eight million tonnes and is expected to go up to 10 million tonnes next month and to 12 million tonnes in April next year.

With additional production from Bombay High and increased production planned from both ONGC and Oil India fields in the onshore areas imports will go down marginally, probably by a million tonnes, next year.

India is importing 15 million tonnes of crude and 5.5 million tonnes of petroleum product this year. The import of petroleum products were 7.5 million tonnes last year because of the oil blockade in Assam.

UNI adds: The government is convening a meeting of top officials shortly to work out the details of next year's import programme. Among others the traditional exporters of oil to India are Iran, Iraq, Saudi Arabia, and Soviet Union.

According to oil experts this is the first time there is a declining trend in oil imports in the country. It is hoped that with the government's decision to throw open 32 blocks in the Indian continental shelf for oil exploration, the country might be able to reach self sufficiency in oil sooner or later if everything goes according to schedule.

The burden on the exchequer on account of oil import has gone up from Rs. 1,681 crores in 1978-79 to Rs. 3,270 crores in 1979-80 and Rs. 5,209 crores in 1980-81.

CSO: 4220/7737

CONSUMER PRICE INDEX RISES MORE THAN 12 PERCENT

Calcutta THE STATESMAN in English 10 Sep 81 p 9

[Text] New Delhi, Sept. 9--While the wholesale price index is rising at a slower rate than at the same period last year, this supposed "moderation in inflationary pressures" is not reflected in the cost of living. In fact, a more realistic index--the consumer price index--has been leaping upwards since the beginning of the year.

Thus, while the wholesale index rose from 268.3 in February to 279.8 in June, or more than 10 points (roughly 5 percent), the consumer price index soared from 411 to 439 in the same months--a rise of 28 points, or more than 12 percent.

The consumer price index has been worked out only until June. The pace of its increase is bound to rise since the wholesale index from June rose from 279.8 to 289.2 in the third week of August. This is a 10-point rise in less than two months, or as much as it rose from February to May 1981.

This sharp increase is bound to be reflected in the consumer price index since, for some strange reason, although a slow rise or even a fall in the wholesale index has no impact on the consumer price index, a sharp rise registers immediately. In other words, while prices go up, they never come down.

In fact, the sharp rise in the wholesale index in July and August by 10 points contradicts the claim made by the Finance Minister that inflationary pressures have been "moderated". If anything, the pressures have been increasing in the past two months. This is certain to be reflected in the consumer price index for these months.

The rise in these two months is contra-seasonal since the wholesale index usually goes down after the rabi harvest. This has not happened so far, so even using the same yardstick as the Finance Minister, the inflationary pressures have not been contained as is being claimed.

Officials expect that the current years inflation rate will be less than 10 percent (as compared to 16 percent in 1980-81 and 22 percent in 1979-80). Since the much-talked-about "moderation" in inflation is not borne out by official figures, it is difficult to appreciate what the official expectations are based on. Obviously, the supply and demand management theories on which the Government is working have an impact on prices and the hope is that they will bring results in the next few months of the year.

CSO: 4220/7748

INDO-SOVIET TRADE QUADRUPLES OVER 20 YEARS

New Delhi PATRIOT in English 14 Sep 81 p 3

[Text]

MOSCOW, Sept 13 (UNI) — Indo-Soviet trade has not only expanded more than four-fold in the past 20 years but has undergone vast changes in its pattern.

These changes reflect the pattern of industrial growth in both India and the Soviet Union during the period.

From 1,300 roubles (about Rs 10 make a rouble) in the 1961-65 period, the value of trade rose to 5,700 during 1976-80, according to figures available with the Department of Trade here.

Last year saw a record trade of 1,740 million roubles.

This is far in excess of the 150 per cent growth envisaged in the 1973 agreement.

BRIGHT FUTURE

Until 1976, the growth had been fast but unspectacular. But in the five years that followed the value more than doubled compared to the previous five years.

With the Soviet Union importing more and more of consumer goods, especially those that have run into the hurdle of restrictive trade practices in the west, chances are that the growth in the next five years will be even more rapid.

A trade protocol for next year is due to be signed in December within the framework of the five-year agreement last year at the time of Soviet President Brezhnev's visit to New Delhi. Preliminary talks are to begin in about a month.

There has so far been no balance of payment problem on either side and, the trade is wholly on rupee payment basis.

During the ten years from 1961, Soviet machinery were the major export item to India.

But these exports came down from 1,700 million roubles during 1961-70 to 740 million roubles in the succeeding decade despite the increased trade turnover.

The bulk of these exports comprised spare parts for machinery, oil prospecting equipment, heavy trucks and dumpers, escalators and high efficiency machinery.

The fall in export of machinery was accompanied by an increase in Soviet raw material export. These commodities included crude oil, fertilisers, non-ferrous metals, asbestos, and newsprint.

India now depends on the Soviet Union for 60 per cent of kerosene requirement 40 per cent of diesel import, 55 per cent of asbestos requirement 20 per cent of zinc import and 20 per cent of newsprint import.

The Soviet Union is today the biggest buyer of Indian goods the value of its imports from India having more than doubled in the past five years. The Soviet Union today accounts for nearly 15 per cent of total Indian exports.

CSO: 4220/7756

INDIA-BANGLADESH TRADE TIES GROW, DIVERSIFY

Calcutta THE STATESMAN in English 11 Sep 81 pp 1, 13

[Text] Trade ties between India and Bangladesh are growing and diversifying at an impressive rate despite unsteady political relations between the two countries. The volume of trade has increased in recent years and India is now among the first five of Bangladesh's trading partners.

In 1980-81 Indian exports to Bangladesh rose to about Rs 65 crores and imports from Bangladesh to about Rs 10 crores. Only a few years ago exports totalled Rs 35 crores and imports Rs 1.5 crores. What is significant is that despite the trade imbalance country's and Bangladesh's small and restricted economic base, the exports to India registered a steady rise in recent years.

Both sides now believe that they stand to gain from such business connections. Bangladeshi industrialists and business men consider Indian technology relevant and suitable because the Indian experience and stages of development have been identical.

It is mainly for this reason that Indian equipment and know-how are now finding greater acceptance than those of the advanced countries whose products have dominated the Bangladesh market for long. Indian products may not be the best of their kind, but they are capable of withstanding the operational factors peculiar to the subcontinent. Indian equipment have been found good enough to take on sudden power cuts and vehicles manufactured in India can withstand overloading unlike the foreign ones. Indian equipment are easier to handle and maintain and are less sophisticated. They are even cheaper than those of the advanced countries. Spares can be had from India at short notice.

Bangladeshis are no longer shy of buying Indian goods as substandard and spurious products from Calcuttas Burrabazar are now hardly available in the Bangladeshi market. Quality products of prestigious Indian companies, many of which have become household names in Bangladesh are successfully competing with those of Japanese, American and European companies. Indian buses, trucks, scooters, mopeds, dyes and chemicals, textiles, jute mill and cycle parts are in great demand. Some are either being exported by India or are being assembled in Bangladesh.

Indian trucks and buses have almost wiped out the Japanese monopoly. Indian buses are about $400 cheaper than those from Japan. Over 300 buses and 1,000 trucks

were exported recently. A well known Indian scooter manufacturing company is having 3,000 of its scooter rickshaws assembled in Chittagong every year. A Union Government undertaking manufacturing scooters is going to assemble its vehicles in the private sector in Bangladesh. Assembling of India-made mopeds is likely to begin soon. The Hindusthan Machine Tools has secured a licence to manufacture tube lights. Indian pump sets are also in great demand.

Bangladesh is now India's eighth largest importer of engineering goods which form about 50 per cent of India's exports to that country. The Engineering Export Promotion Council is considering Bangladesh as one of its key markets. Machinery for cold storages, solvent extraction plants and small and medium-scale industries are being exported in large quantities. Rice bran oil plants are being set up in Rangpur and Dinajpur with Indian plant and machinery. A sugar mill with a production capacity of 1,500 tons a day is coming up in Dinajpur with Indian machinery. Bangladeshi industrialists and the Government Sugar Mill Corporation are planning to set up mini sugar mills as in India. Two distilleries are being built in Rajshahi with Indian equipment; technical assistance is being provided by a reputed Indian distillery. Textile machinery are being imported from India to set up new units and modernize the existing ones. The machinery of the cement plant at Chhatak, in Sylhet, is being modernized by the Heavy Engineering Corporation, Ranchi.

Public sector corporations and the new generation of entrepreneurs are keen on having technical advice from and collaboration with India. Joint ventures for manufacturing dyes and ready-made garments have already been set up. Indian expertise for manufacturing hand-made paper from agricultural wastes has been sought as Bangladesh has large stocks of low grade jute and cuttings.

The Indian experience in the movement and storage of food, fertilizer and seeds is being shared by Bangladesh which has hired the services of experts from Indian food, fertilizer and seeds corporations to streamline its own set-up. Consultants of the Indian Railways have been engaged in the World Bank-aided modernization programme of the Bangladesh Railways. The Indian Institute of Management, Bangalore, helped the local self-government authorities in Bangladesh to set up an information system.

Bangladesh's exports, especially of newsprint and wet blue leather, are becoming increasingly popular with Indian users. In fact India wants the quota of newsprint imports raised but Bangladesh is unable to fulfil it because of its export commitments.

CSO: 4220/7751

INDIA INTRODUCES NEW COTTON ON WORLD MARKET

Calcutta THE STATESMAN in English 11 Sep 81 p 15

[Text] Bhopal, Sept. 10--India has entered into the world market with its Suvin variety of extra long staple cotton, grown in Guntur, Andhra Pradesh, and Coimbatore in Tamil Nadu, and regarded as equal to the famed Egyptian variety of Giza-45, the Cotton Corporation of India Chairman, Mr N. S. Kulkarni, said here yesterday, reports UNIFIN.

Talking to reporters Mr Kulkarni said the first export of 100 bales of Suvin to Indonesia had received encouraging response. Besides, CCI was also exporting long staple cotton variety called Varalaxmi to the Far-East and west European countries.

He said the Corporation, a marketing organisation, last year purchased 1.19 million bales of cotton in the country of which Madhya Pradesh accounted for one-sixth. It had now decided to buy cotton from individual cotton growers in the tribal areas like Ratlam and Jhabua districts in M.P. to minimize the exploitation of the growers, he added.

Mr Kulkarni said the CCI had been paying to the growers a price which was nearly 40 per cent more than the Central support price to compete with private traders. He said Madhya Pradesh had 640,000 hectares under cotton cultivation.

In his talks with the Chief Minister and the Agriculture Minister here, he had requested them to increase the cotton acreage in the State. A request had also been made to exempt cotton ginning units from power cuts, he added.

CSO: 4220/7751

BRIEFS

TRIPURA ACT REVOKED--Agartala, September 3 (PTI)--The Tripura government has decided to revoke the Tripura Tribunal for Criminal Jurisdiction Act, 1980, which empowers the government to set up special tribunals to try persons involved in last year's June carnage in the state. Announcing this, a spokesman of the state government said here yesterday that the decision followed an improvement in the situation in regard to speedy trials in the sessions court after the addition of three judges. [Text] [Bombay THE TIMES OF INDIA in English 4 Sep 81 p 9]

KANNADA DAILY TAKEOVER--Bangalore, September 3--The management of SAMYUKTA KARNATAKA, one of the oldest Kannada dailies of the state published simultaneously from Bangalore and Hubli, has been taken over by the state government. The taking over has been effected through an ordinance and it applies to the Loksikshana Trust which, among other publications, runs SAMYUKTA KARNATAKA. Mr. S. S. Meenakshisundaram, an IAS official who is at present director of sericulture, will be the administrator of the trust. The affairs of the trust, one of the founders of which is Mr. R. R. Diwakar, freedom fighter and former Bihar governor, have been subject to persistent litigation and disputes. Following the promulgation of the ordinance, all persons in charge of the trust management, including receivers appointed by courts, are deemed to have vacated their offices. [Text] [Bombay THE TIMES OF INDIA in English 4 Sep 81 p 13]

CONGRESS-S PARLIAMENTARY LEADER--New Delhi, Sept. 3—Mr Bhola Paswan Shastri was today elected leader of the Congress (S) Parliamentary Party and Mr K. P. Unnikrishnan, its Deputy leader. Mr Unnikrishnan will also act as leader of the party in the Lok Sabha. [Text] [Calcutta THE STATESMAN in English 4 Sep 81 p 1]

HIMACHAL PRADESH AICP--The Himachal Pradesh unit of the All-India Communist Party has recently been formed with trade union leader Azad Kumar as its secretary, AICP central committee member N. C. Dutta said in New Delhi. He claimed that over a thousand card-holding members of the CPI including one State executive member, four members of the State council, one member of the district executive have dissociated themselves from the CPI to join the AICP. [Text] [New Delhi PATRIOT in English 5 Sep 81 p 4]

AGRICULTURAL EXPORTS--New Delhi, September 5--Agricultural exports have gone up by 35 per cent during this April-June quarter over the corresponding period last year. This quarter, their value was Rs. 269 crores. The export target for agricultural commodities this year is Rs. 1,208 crores and 23 per cent of the target has been achieved during the first quarter. The agricultural commodities

which fared particularly well in the exports market during the first quarter include cashew, tobacco, groundnut and cottonseed extractions, shellac and processed food. It is hoped that the target of Rs. 150 crores for tobacco and tobacco products for 1981-82 would be exceeded. The export of processed food during the quarter has been estimated at Rs. 55 crores against Rs. 41 crores achieved during the first quarter last year. [Text] [Bombay THE TIMES OF INDIA in English 6 Sep 81 p 9]

ASSAMESE EDITOR CHARGED--Tezpur, September 5 (PTI)--Mr. Pranab Sinha, editor and printer of MAHAJATI, an Assamese biweekly published from Tezpur, was arrested here today on charges of criminal conspiracy, waging war against the government and sedition, official sources said. The police searched the MAHAJATI premises and its office last night. The Tezpur Press Club at an emergency meeting today condemned the arrest. [Text] [Bombay THE TIMES OF INDIA in English 6 Sep 81 p 9]

CPI-M LEADER DIES--Madras, September 5 (UNI)--Mr. A. Balasubramaniam, politburo member and Tamil Nadu state secretary of the CPM, died here today following a massive heart attack. He was 64. He is survived by wife, two sons and a daughter. Mr. Balasubramaniam was admitted to the Government General Hospital on September 1 following chest pains and he was kept in the intensive care unit. He had a massive heart attack at 1000 hrs, the state CPM office said. A veteran communist leader, popularly known as "AB", Mr. Balasubramaniam was in the communist movement for the past 40 years. After taking his law degree, he plunged into the freedom movement and later joined the Communist Party of India. When the party split, he went over to the CPM. He became the state secretary of the party in 1968, the post he held ever since. He was elected member of the politburo in 1978. He was also the leader of the CPM group in the Tamil Nadu assembly from 1967-71. His body was taken to his residence at K. K. Nagar. The funeral will take place here tomorrow. [Text] [Bombay THE TIMES OF INDIA in English 6 Sep 81 p 9]

CPI EXPELLEES--Bombay, September 5--Mr. B. S. Dhume was elected secretary of the Bombay council of the CPI at a meeting of the party's state council held recently. The meeting formally expelled from the party Mr. Sudam Deshmukh and Mr. Babasaheb Thube, both MLAs, and Mr. Bhagwan Thorat and Ms. Malini Tulpule for their joining Mr. Dange's AICP. It was also decided to raise a fund of Rs. 2 lakhs from the state as part of the all-India party's decision to collect a party fund of Rs. 25 lakhs. The state party will hand over the contribution to Mr. Rajeshwara Rao, general secretary, when he comes to Bombay some time later this month. [Text] [Bombay THE TIMES OF INDIA in English 6 Sep 81 p 5]

SIMLA AIRSTRIP PLANS--Mr M. S. Mukherjee, Finance Secretary and the Director of Tourism of the Government of Himachal Pradesh, said in Calcutta on Saturday that an airstrip was being built at Simla to attract more foreign tourists. He said that the turnover of the Himachal Pradesh Tourism Development Corporation had gone up to Rs 2 crores this year, compared to about Rs 1.10 crores last year. [Text] [Calcutta THE SUNDAY STATESMAN in English 6 Sep 81 p 7]

ORISSA CONGRESS-I CHANGES--Bhubaneswar, Sept. 5 (UNI)--The presidents of 11 of the 16 district organisational units of Orissa Pradesh Cong-I have been replaced to revitalise the party activities, according to an announcement by the OPCC-I

here today. The announcement made through a press release said party President Mrs Indira Gandhi had approved the new appointments. [Text] [New Delhi PATRIOT in English 6 Sep 81 p 4]

RESETTLERS FROM SRI LANKA--Trivandrum, Sept 5 (PTI)--A total of 472 families of repatriates from Sri Lanka have been resettled under the centrally aided Punalur rubber plantation scheme of the Rehabilitation Plantations Limited. The scheme started in 1972 envisages raising of rubber plantations over an area of 2,000 hectares in Yeroor in Quilon district Kerala Irrigation Minister A. Subba Rao told newsmen here today. Mr Rao said that all families resettled in the plantations had been provided with housing accommodation and employment at the rate of two persons per family. He said three other rehabilitation schemes for repatriates from Sri Lanka were being taken up in the State. They were at Pachakanam for resettling 150 families, at Nelliyampathy for 100 families and Kampamala for another 100 families. [Text] [New Delhi PATRIOT in English 6 Sep 81 p 8]

OMAN LEADER'S VISIT--Dubai, Sept. 5 (UNI)--Sultan Qaboos of Oman would soon be visiting India, Mr Romesh Bhandari, Secretary (East) in the Ministry of External Affairs, said today. Mr Bhandari told UNI on telephone from Muscat that the exact date for the visit had not yet been fixed. However, he said, the visit would either take place at the end of this year or at the beginning of the next. Mr Bhandari is in Muscat on a four-day official visit. He said he had apprised the Oman Government of India's support to the eight point Saudi peace plan for West Asia and hoped that on its basis the Gulf Cooperation Council (GCC) would be able to achieve a diplomatic breakthrough for a permanent peace in the region. [Text] [New Delhi PATRIOT in English 6 Sep 81 p 7]

COAL PRODUCTION TARGET--New Delhi, September 6--The coal companies have been advised by the energy ministry to increase the coal production target for the current financial year from 121 million tonnes to 124 million tonnes. The prime minister, Mrs. Gandhi, has commented that some departments were keeping the targets low which led to underutilisation of their capacities. In the recent months, coal production has picked up but because of the inability of the railway system to meet the full transport requirements, huge stocks of coal have piled up at pitheads. The coal companies have also been trying to gear up their distribution machinery. The revision of the target will mean an additional three million tonnes of coal and an 8.8 per cent increase over the last year's production of 114 million tonnes. [Text] [Bombay THE TIMES OF INDIA in English 7 Sep 81 p 10]

NORTHERN COMMAND CHIEF--New Delhi, September 6 (UNI)--Lieutenant-General Bhupindar Singh has taken over as chief of staff, Northern Command. In 1974, he took over the command of a mountain division in the rank of major-general. He was deputy adjutant-general in the army headquarters from July 1976 to March 1978 and later commanded an infantry division. General Bhupindar Singh was promoted to the rank of lieutenant-general in April 1979 and he took over the command of a corps in the western sector. Air Vice-Marshal N. K. Nair has been appointed director of signals (air) at air headquarters here. Earlier, he was air officer commanding the Kanpur base of the air force. [Text] [Bombay THE TIMES OF INDIA in English 7 Sep 81 p 15]

PATNA AIRPORT IMPROVEMENT--Patna, Sept 6--Night landing facilities will be available at Patna airport from 1 October. This was announced by Union Minister for Tourism and Civil Aviation A. P. Sharma here yesterday. Mr Sharma also announced the Indian Airlines proposal to introduce a late evening service through Patna in the coming winter schedule effective from October. Mr Sharma said that the land for extension of the airstrip by 1000 feet had already been acquired. Of this 350 feet had been added to airstrip. The remaining 650 feet would be completed by the middle of next year, he said. With the completion of the extension 1000 feet to the airstrip it would be possible to introduce airbus service to Patna, he said and added three kinds of lighting facilities were being provided. [Text] [New Delhi PATRIOT in English 7 Sep 81 p 4]

NEW WEEKLY EDITOR--Mr. K. C. Khanna, resident editor of the Bombay edition of this paper, takes over as editor of THE ILLUSTRATED WEEKLY OF INDIA today from Mr. M. V. Kamath, who has retired. Mr. Kamath is 60. He celebrated his 60th birthday on Monday. Mr. Khanna joined THE TIMES OF INDIA in 1946 as a correspondent. He served as its foreign correspondent in Rangoon, Cairo and London and as a senior assistant editor before taking over as resident editor in Bombay in April 1978. Mr. Kamath, too, was on the staff of THE TIMES OF INDIA before he took over as editor of THE ILLUSTRATED WEEKLY from Mr. Khushwant Singh. He had served as the paper's foreign correspondent in Bonn, Paris and Washington. Mr. Khanna has written extensively on economic and political developments both at home and abroad. [Text] [Bombay THE TIMES OF INDIA in English 8 Sep 81 p 1]

BOMBAY AIRBASE--Bombay, September 7--A full-fledged flying station of the Indian Air Force was inaugurated by Air Marshal T. S. Brar, air officer commanding-in-chief, Central Air Command, at an impressive ceremony at Cotton Green here today. The station, commanded by Group Captain A. N. Mehtani, will eventually shift to a permanent location near Santa Cruz. Speaking to officers of the station, the air marshal said that it would help in the strengthening of the over-all defence of the key areas in and around Bombay. He said that the station would co-ordinate air force activity in the entire sector. [Text] [Bombay THE TIMES OF INDIA in English 8 Sep 81 p 4]

GANDHI TO EAST EUROPE--New Delhi, September 7 (PTI)--The Prime Minister, Mrs. Indira Gandhi, will visit Romania and Bulgaria in October and November, it is learnt. Mrs. Gandhi will go to Bucharest in the latter half of October on her way to Mexico to attend the North-South summit. She will also visit Sofia in early November and after spending two days there proceed to Rome where she will address the Food and Agricultural Organisation and hold talks with Italian leaders. [Text] [Bombay THE TIMES OF INDIA in English 8 Sep 81 p 13]

INDIAN AIRLINES PURCHASE--Bombay, September 7--Indian Airlines has converted two options it held for A 300s into firm orders, raising its total order to ten. The aircraft will be delivered in the summer of 1982, a press release from the Airbus Industries said here today. The airline at present operates eight A 300s of the shorter range B2 version on its domestic network. The newly selected aircraft are of the longer range B4-200 type, which will enable the airline to operate them on longer distances and fulfil its expansion plans as a regional carrier. The aircraft will be fitted with 263 seats, including 31 in the executive class, instead of the present 278, all economy, on the B2s. They will also operate on Indian domestic routes. [Text] [Bombay THE TIMES OF INDIA in English 8 Sep 81 p 21]

SINDHI CONFERENCE PLANNED--New Delhi, September 7 (UNI)--Ways and means for the preservation and development of the Sindhi civilisation and culture will be discussed at a two-day world Sindhi conference here in December this year. Acharya Bhagwandey, MP and chairman of the co-ordination committee of the conference, said that about 25,000 delegates representing various Sindhi organisations from all over the world would participate in it. The participants would include prominent writers, educationists, artistes and social reformers and freedom fighters. Sindhi panchayats and organisations in India and abroad had given a very encouraging response to the proposed conference, being held under the auspices of the Vishwa Sindhi Samaj. The Acharya said the conference would try to find out solutions to the various problems affronting the Sindhi community in the educational, social and cultural fields. It would also endeavour to project the achievements of the Sindhi community in various walks of life in India after partition. [Text] [Bombay THE TIMES OF INDIA in English 8 Sep 81 p 23]

MORE CHINESE BALLOONS--Rourkela, Sept 7 (UNI)--Police recovered a balloon of 20 metre circumference with Chinese markings from the city near the special sub-jail on Saturday. [Text] [New Delhi PATRIOT in English 8 Sep 81 p 1]

MANIPUR CONGRESS PARTIES--Imphal, Sept 7 (UNI)--The Manipur Congress-U has decided in principle to merge with the Congress-I according to a spokesman of the party. The decision was taken here this evening at a convention presided over by Mr H. Nilmani Singh, president of the MPCC-U. It was attended by all the members of the PCC and representatives of the District Committees and Kendra Committees. Mr Nilmani Singh was authorised by the meeting to hold talks with the Congress-I on the terms and mode of the proposed merger. A sub-committee to assist the president in this regard was also [?formed]. [Text] [New Delhi PATRIOT in English 8 Sep 81 p 7]

PROMINENT NEWSMAN DIES--Lucknow, Sept 7--Mr Bishan Kapoor, a senior journalist and incharge of the Lucknow bureau of Blitz, died at the Lucknow Medical College here today after a protracted illness. He was 56. A large number of people including Ministers, Government officials and journalists attended his last rites. Glowing tributes were paid to him by leaders of various parties. [Excerpt] [New Delhi PATRIOT in English 8 Sep 81 p 7]

OIL DRILLING TEAMS--The Oil and Natural Gas Commission (ONGC) plans to increase to 30 the number of seismic parties for oil exploration and also modernise the equipment of a number of parties for the coming field season, Petroleum Minister P. C. Sethi told the Lok Sabha on Monday, reports UNI. At present 28 such parties were operating in Gujarat, three in Cauvery basin, four in the Krishna-Godavari basin, one in Rajasthan, one in UP, two in Bihar, four in West Bengal, one in Tripura and four in Assam. He said one well in Tripura was being drilled on contract by Soviet experts. [Text] [New Delhi PATRIOT in English 8 Sep 81 p 5]

NEW BENGAL GOVERNOR--Calcutta, September 10 (UNI)--The former Union cabinet secretary, Mr. B. D. Pandey, has been appointed governor of West Bengal. Mr. Pandey will take over on Saturday. The appointment of Mr. Pandey as governor in place of Mr. T. N. Singh was conveyed to the chief minister, Mr. Jyoti Basu, by the Union home minister, Mr. Zail Singh, this evening. Soon afterwards, the chief minister met the governor, Mr. T. N. Singh, at Raj Bhavan. New Delhi (PTI):

The President, Mr. Neelam Sanjiva Reddy, is understood to have accepted the resignation of Mr. T. N. Singh. Mr. Singh had been pressing the President for sometime to be relieved of his post at the earliest. He is believed to have had a telephonic talk in this regard with Mr. Reddy this morning. [Text] [Bombay THE TIMES OF INDIA in English 11 Sep 81 p 1]

CPI DEFECTORS--Calcutta, September 10--A CPI spokesman claimed here today that the worst of the AICP factor might be said to be over already and some "rank and file", who had recently deserted the CPI to form a new co-ordination committee, have expressed their willingness to return to the party fold. He said it would not be difficult to take them back, because many of them technically had been non-members. As for leaders, who had resigned on their own or against whom the party had taken disciplinary action, they would have to explain their earlier action before they could be readmitted. [Text] [Bombay THE TIMES OF INDIA in English 11 Sep 81 p 12]

DEMOCRATIC SOCIALIST RESIGNATIONS--Calcutta, Sept. 10--Mr Santi Das Gupta, Chairman of West Bengal unit of the Democratic Socialist Front (DSF), now known as Democratic Socialist Party (DSP) and 30 other members today resigned from the party in protest against party joining the CPI (M) led ruling Left Front. A letter to this effect has been sent by Mr Das Gupta to Mr H. N. Bahuguna, Chairman of DSF and convenor of DSP. [Text] [Madras THE HINDU in English 11 Sep 81 p 6]

BJP MAYOR ELECTED--Visakhapatnam, Sept 10--The Bharatiya Janata Party candidate, Mr. N. S. N. Reddy, MLA, was elected the Mayor of the Visakhapatnam Municipal Corporation on Wednesday. The candidate of the BJP, which has a strength of 25 in a 50-member Council, secured 28 votes as against 20 secured by the Citizens Front candidate, Mr. Jamisetty Yellaji Rao. The Government issued an order on Tuesday directing that more than 50 per cent corporators should be present for electing the Mayor. The BJP had 25 candidates, exactly 50 per cent. [Text] [Madras THE HINDU in English 11 Sep 81 p 12]

CPI MAYOR ELECTED--Vijayawada, Sept. 9--Mr. T. Venkateswara Rao, of the CPI was today unanimously elected Mayor of Vijayawada Municipal Corporation. Mr. Venkateswara Rao then announced the unanimous election of Mr. I. Ramulu CPI(M) as Deputy Mayor. [Text] [Madras THE HINDU in English 11 Sep 81 p 12]

BIHAR YOUTH CONGRESS-I CHIEF--Mr Tarip Anwar, MP general secretary of the Indian Youth Congress-I (IYC) has been appointed president of the Bihar unit of the IYC-I. Mr Anwar would continue to function as all India general secretary "for some time" party president Ghulam Nabi Azad, told newsmen. Mr Azad also announced the nomination of Mr Vilas Muttemwar, joint secretary IYC-I as president of the Maharashtra unit in place of Mr Ranjit Deshmukh who had crossed the age limit of 35 years for office-bearers. Mr Muttemwar would relinquish his present office. The IYC-I president said the Maharashtra Youth Congress-I unit had been dissolved and would be reorganised along with some other State units. The Bihar committee would however continue, he said. [Text] [New Delhi PATRIOT in English 13 Sep 81 p 7]

SOVIET TEAM ARRIVES--A three-member delegation of Soviet educationists arrived in New Delhi on Saturday at the invitation of the National Council of Educational Research and Training (NCERT), reports PTI. The leader of the delegation, Mr K. Balakmelov, said that this visit under the Soviet-Indian cultural exchange programme was mainly to acquaint themselves with the development of Indian educational system and work out schemes of cooperation between the two countries. The delegation was received at the airport by Soviet Charge d'Affaires S. I. Semivolos and NCERT joint director T. N. Dhar. Mr Dhar stressed the significance of such visits which help in understanding each other's system of education and teachers' training. [Text] [New Delhi PATRIOT in English 13 Sep 81 p 5]

SALEM STEEL PLANT--Salem, Sept 13 (UNI)--A steel plant at Salem which was conceived by an Englishman, Josiah Heath, 150 years ago, became a reality with cold rolled stainless steel coils and sheets rolling out of the Salem steel project of the Steel Authority of India (SAIL) today. The Rs 167 crore first stage of the plant, the second special steel plant in the public sector after the Alloy Steel Plant Durgapur, situated in the iron-ore rich area will produce 32,000 tonnes of special stainless steel a year to cater to the requirements of petrochemical and chemical industries, fertilisers, atomic reactors and for the making of dairy equipment, hospital-ware and kitchen utensils. The steel will become available to a large number of small industries in the country through the numerous marketing outlets of the SAIL. Prime Minister Indira Gandhi, who initiated work on the project eleven years ago, is expected to formally inaugurate the project this December. [Text] [New Delhi PATRIOT in English 14 Sep 81 p 7]

CSO: 4220/7757

MOCHTAR LUBIS SPEAKS OUT ON FEUDAL ATTITUDES

Jakarta KOMPAS in Indonesian 9 Jul 81 pp 1, 12

[Article: "Mochtar Lubis on Feudalism: No Concept To Destroy It Has Yet Appeared. It Must Be Made Possible from Above"]

[Excerpts] Up to the present no concept or thought have appeared or been voiced on how to destroy feudal values in our society. Feudal attitudes have been destroyed quicker in Europe and the U.S. because resistance to those attitudes has been pioneered by thinkers. But in Indonesia, whether realized or not, our thinkers don't seem drawn to investigate and give information on this.

This is the opinion of reporter and literary figure Mochtar Lubis given while he was speaking with KOMPAS at his home on the night of 7 July.

According to Mochtar Lubis, feudal values bagan to develop a long time before the war of independence in 1945 and were coincident with the development of the powers of kings on several islands of our country.

Feudalism is not something that came from abroad, but it springs up anywhere.

According to Mochtar Lubis, when the power of kings began to appear in our country, the king was considered as God's or the gods representative to carry out His (or their) decisions to the people. So the king's decisions were always considered right and not to be argued. On the other hand, if the king fell, it was considered that the gods had deserted him. This pattern continued to develop and was ulilized by the Dutch colonialists to repress the Indonesian nation. In fact, the Dutch provided an even better opportunity for the development of these feudal attitudes.

One of the purposes of the proclamation of independence by the Indonesian nation was to destroy the feudal values out of the life of our nation. But we did not fully succeed in getting rid of them or of greatly lessening them. This can be seen, for example, in the life at the palace when Bung [popular address among men, lit brother] Karno [Sukarno] was the first president.

Also during the "new order" [present government] time, how many people hold onto the feudal characteristics if the life of our society, both in private and in the government.

According to Lubis, feudal attitudes such as these change into a kind of neo-feudalism which can now be seen in such terms as "provided father is pleased". Because power is handed down from above, those beneath are always doing that which pleases those over them. For example, in giving reports, the situation isn't pictured accurately but rather stress is laid on the things that will please those over them.

"It is the same in the present situation," Mochtar Lubis said. "Don't criticize those over you or argue. All arguments are considered as destructive elements."

He feels that reports based on "provided father is pleased" and not based on actual facts often produce decisions that are totally unrelated with the realities of society.

Another reality, for example, the wife of an official automatically becomes the leader of the women's organization in his department. "But it isn't certain that she is more capable or smarter than the wives of those working under her husband. This is a feudalistic characteristic," Lubis said.

In every day life there are families who want and force their servants to bow when they serve or pass in front of them.

"The same things happen in the life of political parties. In the past Bung Sjahrir was never replaced as head of the Indonesian Socialist Party. His followers didn't want to replace him, even though Sjahrir himself asked to resign. This is a feudalistic attitude that came from below because, perhaps Sjahrir was considered the only one having the charisma to be party leader," Mochtar Lubis said.

He also mentioned several terms which serve as symbols of feudal characteristics. The term "bapak" [father] for example is one that is too absolute and this can't be denied. The term Bung for officials is considered more intimate and friendly.

The Time Has Come

Mochtar Lubis feels the time has come for us to discuss our national culture as it relates to feudal values that are held relatively wide spread in the life of the Indonesian people.

It is important for leading figures in society as well as leaders in the smallest areas to begin now to try to inform people in their spheres about those things that are related to feudal cultural values. However, efforts to wipe out feudal attitudes must come from above through examples given to the people.

In addition those in higher positions must also be courteous in judging the opinions of others who disagree with their opinions. Don't allow a difference of opinion to become an immediate accusation of "subversive activity".

He added that politeness ought to come not only from below. "If we want to develop a democracy with sovereign rights held by the poeple, politeness that is a blend of two directions must be encouraged. Those on lower levels must not be fearful

of showing what is true in an attitude that genuinely honors those in leadership and those above them," Mochtar said. "The feeling of fear must be destroyed by those in higher positions by giving motivation to those under them to make known their ideas. On the other hand, those in higher positions should not be afraid of criticism which comes from those under them. In this way a healthy relationship between those in higher and in lower positions will be created."

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GOVERNMENT MAKES NEW EFFORT TO COLLECT OUTSTANDING LOANS

Jakarta KOMPAS in Indonesian 11 Jul 81 pp 1, 12

[Article: "Outstanding Credit Total for Various Mass Programs More Than 250 Billion Rupiahs"]

[Excerpts] Presidential Instruction No 10 of 1981 is to speed up repayment of the outstanding or delinquent credit in mass programs distributed by the Indonesian People's Bank (BRI). This is so the programs can be further expanded. The main target claims for repayment are those who received non-farmer, potential-farmer and new-farmer credit.

Secretary of the Operational Control for Development Solihin G.P. as chairman and coordinator of the Team to Increase Repayment of Credit in Mass Programs [TPPKPM] said this during a press conference on 10 July at the Bina Graha. In attendance were other team members, Director of BRI's program Hartawan Sumosubroto, various director generals connected with the credit and representatives from Kopkamtib [command for the restoration of security and order] and the attorney general.

250 Billion Rupiahs

There are 10 types of credit in mass programs that at the end of May 1981 had outstanding loans totaling 250 billion rupiahs, including 126.9 billion rupiahs of outstanding current loans. The handling of repayment for these outstanding current loans is not a part of the team's responsibility. Hartawan Sumosubroto said that "these current loans aren't a problem".

Included in the team's responsibility are outstanding late credit totaling 52.4 billion rupiahs, outstanding credit in arrears totaling 68.1 billion rupiahs and defaulted credit totaling 123.3 billion rupiahs, said the BRI director.

The outstanding credit total of 250.2 billion rupiahs is divided into outstanding Bimas/Inmas [government intensive agricultural programs, mainly rice] and secondary crop credit of 144.8 billion rupiahs; outstanding TRI (intensification of public sugar cane production) credit of 54.7 billion rupiahs; outstanding credit for food production of 20.8 billion rupiahs; outstanding credit for public fisheries of10.2 billion rupiahs; outstanding PUTP credit of 4.3 billion rupiahs; outstanding credit for warehouses and drying floors of 4.1 billion rupiahs; outstanding credit for chicken raising of 1.018 billion rupiahs; outstanding KIK

credit for laying out sawahs of 534.5 million rupiahs; outstanding credit for intensification of pepper, cloves and coffee of 3.8 billion rupiahs and outstanding credit for mini tractors of 5.6 billion rupiahs.

Answering a question Solihin G.P. admitted that he is a supporter of agricultural mechinization to achieve increased rice production, which he expects will motivate the increase of credit for mini tractors. He also admitted that at the time he hadn't thought whether there would be a guarantee for the tractors as regards reserve parts and after sales service. But based on experience there would be positive improvements in the type of tractors needed and the guarantee of reserve parts and after sales service.

According to Solihin G.P. President Suharto hasn't fixed a time limit when the team must complete its task. But he did promise that by the end of December 1981 the team would have collected 50 percent of the outstanding loans. It is estimated that by the end of March 1982 all of the outstanding credit will have been repaid to the BRI, Solihin said.

He added that with the issuing of the presedential instruction this doesn't mean that there were no previous efforts to facilitate repayment through collection efforts. There were efforts but these weren't guaranteed and were unrelated one to the other. With the issuing of the presidential instruction collection efforts were more integral and the organizational operations were better, he said explaining why in such a matter as this there must be a presidential instruction before matters get moving.

He explained that results of this "Simultaneous Movement for Prpayment of Credit in Mass Programs" are reported to President Suharto each month. And the governor or head of a region is required to make a report each Friday to the Bina Graha through the Central BRI.

According to Hartawan Sumosubroto at the end of June 1981 the largest amount of outstanding credit in mass programs is in West Java and totals 58.4 billion rupiahs. Of this amount, 19.09 billion rupiahs is outstanding credit on current loans, 14.66 billion rupiahs is outstanding credit that is late, 24.6 billion rupiahs is outstanding credit in arrears and 18 million rupiahs is outstanding credit that is in default. Then follows South Sulawesi with outstanding credit of 14 billion rupiahs then North Sumatra and South Sumatra.

Later Solihin G.P. mentioned the Bandung district as being the record holder for outstanding credit. This district has outstanding credit of 2.8 billion rupiahs, 223 million of which is in the hands of non farmets such as teachers and workers of the department of education and culture totaling 215 people; village officials, 175 people; BRI employees, 7 people; ABRI [Indonesian Armed Forces] personnel and pensioners, 89 people, information department experts, 40 people,etc. In all of this, Solihin said there is outstanding credit totaling 23 million rupiahs in the hands of one village chief of the Rangcaekek village while 9 million rupiahs is owed but the village clerk of Pangalengan village and one person who calls himself a religious teacher owes 26.6 million rupiahs.

He explained that there are many kinds of actions that will be taken to solve outstanding credit. Non farmers will be called in and ordered to pay in full. If they can't pay, they will be threatened with administrative judgment or corporally punished. Third parties will be called in and ordered to pay. If they don't pay in full, their goods will be confiscated and auctioned off and if they continue to be obstinate, they will be taken to special fast acting courts.

FArmers will be called in, questioned about the reasons why they haven't paid, then their reasons will be examined in a face to face confrontation with officials. Then information will be sought on their social status. If their backgrounds aren't good, their property will be confiscated for a specific time period given them to pay up. If the time expires then their property will be auctioned off. If their reasons are acceptable because just, the time for repayment can be lengthened. This is some of the information given by the TPPKPM.

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INDONESIA CONTINUES TO INCREASE FIGHTING CAPABILITY OF ITS ARMED FORCES

Jakarta KOMPAS in Indonesian 9 Jul 81 pp 1, 12

[Article: "Menhamkam/Pangab Gen M. Jusuf: ABRI Must Continue Efforts To Increase Its Fighting Capability"]

[Excerpts]The Indonesian Armed Forces [ABRI] continues efforts to increase its fighting capability. On 8 July at Ujung pier in Surabaya Menhankam/Pangab [Minister of Defense and Security/Commander of the Armed Forces] Gen M. Jusuf commissioned another two warships into the ranks of the Indonesian fleet. These were the submarine KRI [Republic of Indonesia Ship]Cakra and the LST KRI Teluk Mandar.

These two ships are the latest ships of the Indonesian navy and only arrived last week. The KRI Cakra is one of two submarines ordered from West Germany. The other, the KRI Nanggala, is expected to arrive before 5 October.

The KRI Teluk Mandar is one of four LST ordered from South Korea. Two of these have been in service since the end of February. These are the KRI Teluk Semangka and the KRI Teluk Penyu. Another is expected to arrive in Indonesia before 5 October.

So, since 1979, 11 new warships have been added to the ranks of the Indonesian fleet. These would be four PSK [fast guided missle patrol boats] from Korea, three exojet guided missle corvettes of the KRI Fatahillah type from the Netherlands, three LST from South Korea and one submarine.

"We aren't stopping yet," Gen M. Jusuf said. According to the Menhamkam/Pangab before 5 October of next year two more warships will be added. No mention was made of the types or countries of origin. But he did say that all of this clearly reveals that our navy will continue to steadily grow in the future.

But this growth is not only in the navy. According to Gen Jusuf growth of the same speed is taking place in the Indonesian airforce and army. It's all taking place evenly throughout the country.

On the same occasion Gen Jusuf presented commander's stripes to Navy Lt Col Antonius Subiyarto as commander of the KRI Cakra submarine and to Navy Lt Col Suparman as commander of the KRI Teluk Mandar.

The KRI Cakra and the KRI Nanggala still to come are expected to replace the Russian built submarines that are already antiquated. During the Dwikora period [period of confrontation with Malaysia] Indonesia had 12 Russian built submarines

At present only one is operational, the KRI Pasopati which is expected to last until 1982.

The new submarine KRI Cakra was ordered in April 1977 from West Germany. The ship constructed by Howaldtswerke Deutsche Werft in Kiel is 59.5 meters in length. The diameter of its pressurized body is 6.2 meters. Its weight on the surface is 1,000 tons and while submerged 1,200 tons. It is equipped with 21-inch torpedo tubes and its operational capability is for patrols, detection, searching out and destroying ships on the surface and submarines. Its speed is 10 knots on the surface and 22 knots while submerged. It has two ballast tanks, passive and active sonar, detection sonar and underwater telephones along with two periscopes and radar.

The Teluk Mandar is 100 meters long and 15.4 meters wide. Its weight while empty is 1,800 tons and 3,770 tons when loaded. It has a maximum speed of 15 knots per hour.

It is equipped with a Bofors 40 mm anti-aircraft L-70 cannon and a Rheinmeter 20 mm anti-aircraft gun. It can carry three helicopters and its hold is capable of carrying 17 tanks and 300 troops. If necessary it could carry 1,000 troops.

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FAMILY PLANNING PROGRAM QUESTIONED, DEFENDED

Jakarta KOMPAS in Indonesian 8 Jul 81 pp 1, 12

[Article: "Success of Family Planning Program Continues To Be Questioned"]

[Excerpts] Following the announcement of the results of the 1980 population census, the success of the family planning program has been continually questioned. There are those who feel that the program that has been underway for 10 years can't be said to be succeeding. On the other hand there are those who say that based on figures which have been released up to now, it is too early to say that the family planning program hasn't been successful.

Dr Hananto Sigit, head of the special analysis division of the BPS (Central Bureau of Statistics) feels that the decrease in the 1971-1980 birthrate by an average of 8.16 percent over the 1961-1971 period shows that for 10 years the family planning program can't be said to have succeeded. This is based on the family planning target itself which calls for a decrease in the fertility rate (birthrate) of 50 percent by 1990 from the 39.09 per thousand recorded in 1961-1971.

In a conversation with KOMPAS the statistics expert also questioned whether in the remaining 10 years until 1990 the family planning program can reach its target. "It seems it is too difficult to do," he said.

In other words, according to Hananto Sigit, the decrease in the fertility rate of only 8.16 percent reveals the falseness of the statement that family planning is succeeding well in Indonesia, even though its success is acknowledged by western nations.

However, Dr Haryono Suyono, deputy chairman of the BKKBN (National Family Planning Coordination Board) in charge of family planning said that the statement that the family planning program isn't succeeding is being made too early. Up to now the 1980 census results that have been released by BPS haven't indicated anything about the fertility rate including its decrease.

In reality the figures quoted are not the figures for the two census periods (1971 and 1980). The 8.16 percent was taken from the 1979 national economic social survey and is applicable to the 1971-1980 period and isn't a figure which is a result of the census. The figure was only for the 1971-1978 period.

Conderning the difficulties in the family planning program target for 1990 to decrease the fertility rate to 22-33 per thousand, Haryono Suyono who is also a stastistics expert as well as a sociologist said there is no one who will debate whether the target is difficult or not. "It is difficult. But that doesn't mean there is no optimism," he added.

Haryono Suyono bases his optimism on several things. When the family planning program was begun in 1970-1971 the major effort was to get public participation in the program (to become family planning participants). There were some efforts geared to the decrease of the birthrate, but only around 1977-1978, after it was learned from the population survey of the census that the public was prepared to accept the family planning program, was the program coordinated with efforts to decrease the birthrate.

In 1974 there were only six provinces (in Java and Bali) taking part in the program. In 1975 this increased to 16 provinces and only in 1970-1980 to 27 provinces.

However, the BKKBN deputy chairman said, only now has a formal family planning program become a national commitment that must be translated into a public commitment in the villages throughout Indonesia.

In addition another "plus" factor is that in Java and Bali that have 60 percent of the total Indonesian population, the commitment has reached into the village subdivisions and not just to the villages themselves. In Java and Bali around 47 percent of the couples in the fertile age are participants in the family planning program. In East Java, Central Java, the Special Region of Yogyakarta and Bali there are over 47 percent while in West Java and metropolitan Jakarta the figure is under 30 percent. So intensive efforts are being aimed at metropolitan Jakarta and West Java.

According to Haryono Suyono, the family planning program in Java has already been taken over by the public. There are groups in society that are carrying out the family planning program by looking for participants, determining the number of children for couples in those groups, when another child should be had, etc. In this way the family planning program has in reality become the peoples' own.

This BKKBN optimism is also based on the fact that during 1979-1980 for the first time the number of new participants reached 3 million couples. Before it was only between 2.2 million and 2.5 million. "So, the basis is different and better," he said.

Concerning the acknowledgment by other international agencies, Haryono Suyono said this can't be due to Indonesia's success in decreasing the birthrate, but is mainly because Indonesia with more than 140 million people has succeeded in getting its people to participate in a family planning program.

Dr Hananto Sigit of BPS also said that the mathematical calculations carried out by BKKBN in its efforts to decrease the birthrate and which are based on the counting of the number of family planning participants to be reached, actually contains a fairly large predictive element. For in reality fertility is affected

by many variables that are difficult to identify. In addition to the social, economic and level of health factors, the variations are caused by the system of values that is developing in society.

In assessing the experience of advanced countries, it is very difficult to decrease the birthrate before the value system is changed in a society. So the number of participants doesn't guarantee the desired decrease in the birthrate, Hananto Sigit said.

Speaking about the value system in a society that must be changed before a family planning program can be started, Haryono Suyono said that in Indonesia there will be no opportunity to do this. "We don't have time to change the value system. It is impossible for a family plannin g program to wait for several institutions to change their value systems and only then could the family planning program get started."

Meanwhile Hananto Sigit also said that based on BPS data the Indonesian population birthrate is following a normal pattern. For people on the lowest economic and educational levels, the birthrate is relatively low. But for those with higher income and education, the birthrate is higher. Still, as the educational and income levels reach higher levels, the birthrate will again decrease.

According to Dr Hananto Sigit this represents a reflection of the value system that exists in Indonesia at present. That value system has a very close relation to the economic condition of the people.

According to Dr Hananto Sigit the most important thing for BKKBN to watch is the situation when society leaps from a very low economic and educational level to an improved one. Because, for a society like that, the birthrate is at its peak, he said.

7785
CSO: 4213/91

VANG PAO SAID TO ORGANIZE FRONT, PARTIES IN THAILAND

Bangkok SIAM RAT SAPPADA WICHAN in Thai 13 Sep 81 pp 4-7

[Excerpt] News sources have revealed that Lao officers and General Vang Pao have established a united national salvation front in Lao refugee camps. The headquarters is in the United States and there is a headquarters in Thailand at Udonthani. Three parties have been formed. They are the Putser, Pureser and the Putei [Thai phonetics] parties. They have allocated themselves areas of operations in the north, center and south of [Laos]. They get support from the United States which comes through Thailand and China. They get training in weapons and guerrilla warfare. The training courses last approximately 4 months, at the end of which they are given weapons and per diem allowances to operate in the LPDR.

Those joining the groups are hilltribesmen and Lao refugees including Meo, Yao and Haw Chinese. At this time approximately 300 have completed training. Training is being carried out continuously.

CSO: 4207

COOPERATIVIZATION CONTINUES, PRIVATE HOLDINGS STILL HIGH IN VIENTIANE

Vientiane VIENTIANE MAI in Lao 12 Aug 81 pp 1, 4

[Article: "Results of Agricultural Cooperative Organization in Vientiane"]

[Text] The Vientiane Agricultural Service disclosed that as of August of this year, following its mobilization of farmers and coop members to understand the line of building economic independence, the spirit of becoming their own masters, and the various guidelines on protecting and improving agricultural coops set forth by the central government, the Vientiane Agriculture, Forestry and Irrigation Service has succeeded in mobilizing and promoting the organization and improvement of a total of 101 cooperatives in the Vientiane area. An additional 29 cooperatives will soon be organized, thus resulting in a total of 130 cooperatives, which will set samples for other coops because they are organized on a solid foundation.

Following the organization of the coops in 1979, the Vientiane agricultural cooperative office was upgraded and became the Vientiane Agricultural Cooperative Sector on 15 July 1980. The organization and improvement of the coops has since been expanded throughout Vientiane. The multi-ethnic farmers themselves have also deeply understood and realized the guidelines of the party and state that protect and build socialism. Many agricultural coops have exceeded goals. For example in 1980 the average harvest from 1 hectare of dry season farming is 3-3.5 tons, and as high as 6 tons at some coops. The lowest average production is 360 kilograms per capita and the highest is 700-800 kilograms per capita. In addition, most coops have sold their rice to the state, and exchanged their production for rice mills, irrigation pumps and other items for use at their coops. As a result, members of the coops, especially the vegetable-growing coop of Khao Liaw Village, have produced average incomes of 20,000 kip per family per year after expenses have been deducted.

With regard to the other activities by the coop members at various provinces, district, cantons and production bases until the period just ended, in addition to the organization of 101 coops, they have given 49 lectures on the modern scientific farming techniques to a total of 8,682 farmers.

According to the primary census of farm households of 1981, there are a total of 30,855 farm households in Vientiane City-Province area, with 129,472 people. There are 52,126 hectares and 6,513 square meters of farming plot. Out of the

above number of farm households, a total of 2,017 households, and their 17,520 members, have already joined the cooperatives, whose farming acreage covers an area of 2,715 hectares. Some 1,338 households, with 10,753 members work fields collectively covering 1,281.44 hectares. Another 2,071 households, with 10,378 members have joined the labor exchange units to work fields of 1,796.9051 hectares. There are also 25,345 private farm households, with 101,723 members, who own a total of 46,866.8262 hectares of farms. There are 7,781 households, with 36,850 members who are swidden farmers working 5,340.041 hectares. There are 1,350.4542 hectares of dry season rice fields. This year's production has reached a new level and has increased considerably. For example, some districts have eliminated private livelihoods which were mired in poverty. These people have turned to join the coops, collective farms, and labor exchange units. These farmers therefore are now utilizing the modern scientific farming techniques to gradually improve their living condition. In addition, the number of farmers who are interested in intensive farming has also increased.

9013
CSO: 4206/67

SPORTS WITH THAILAND HAILED AS FRIENDSHIP BUILDING

Vientiane VIENTIANE MAI in Lao 4 Aug 81 pp 2, 4

['Talking Together' Column by S. Thipthiangchan: "Going for Friendship"]

[Excerpt] The hearts of [our team's players] were filled with hope of victory. We knew we were after victory because our comrades at home trust us to bring back victory. We absolutely did not want to disappoint them.

At 0830 hours we arrived at Tha Deua Port. We thought we were early, but we had to follow our schedules. When we arrived in Nongkhai it was exactly 0900 hours as scheduled. The friendly welcome we received from Nongkhai went on for a certain period, and afterward we proceeded to the city, where we synchronized all rules of the sports.

This was the fourth friendship meet between Vientiane and Nongkhai. If the boat race is included, this was then the sixth tournament since the liberation of our nation 5 years ago. The first meet, the tennis tournament, between Vientiane and Nongkhai was held in Vientiane. The next meet, the badminton and pingpong tournaments, took place in Nongkhai. The third meet, the senior football tournament, was held in Vientiane, and this fourth tournament, a volleyball game, was in Nongkhai, as planned by the friendship exchange between the two parties.

In order to satisfy the purpose of this friendship tournament, our team players have sincerely and thoroughly fulfilled their duties in expressing their warm and sincere friendship toward the Nongkhai people.

Our hearts at all times contain the sayings "Lao and Thai peoples are none but brothers... so there eat fish, come here eat rice; we used to bathe together, and work together; the left bank is a daughter-in-law, and the right bank is a son-in-law." Thailand and Laos are brothers, and no enemies will destroy our brotherhood. [Although] in the past as well as the present the Washington and Peking power holders have joined with reactionaries in Thai ruling circles to try to break the neighborly solidarity between the two countries, they will not succeed in damaging the honorable neighborly relationship, which has been in existence for ages.

When we saw smiling faces of the Thai people we immediately realized their friendship and warm welcome. The atmosphere during the sport events, therefore, was

filled with the most friendly and joyful spirits. Throughout the tournament, the Vientiane players incessantly created lofty values and won over the Thai audience with their motto that "Friendship is first, victory is secondary." As a result, their motto allowed the Vientiane players to interact with the Thai players with cordiality and friendship.

During the tournament the Nongkhai people swamped the stadium, where they became intimately acquainted with the Vientiane players. The atmosphere that day was as bright as the sky at dawn after a rainy day, thus symbolizing solidarity and friendship between the Lao and Thai people. Moreover, the Nongkhai people were sincerely aware of the good will and sincerity of the Lao people, thus they realized that we were there on a genuine friendship mission.

9013
CSO: 4206/67

COMMON BORDER CREATED BETWEEN USSR, PAKISTAN

Peshawar MASHRIQ in Urdu 5 Aug 81 p 1

[Editorial: "Karmal's Handing Over of Wakhan Strip to Soviets Criticized"]

[Text] If it is true that Afghanistan has officially handed over the Wakhan Strip to Russia, then it is a tragedy, because this means that Afghanistan has now been deprived of one of its most important regions forever, and secondly, because some very important changes will be brought about in this territory which undoubtedly will not be very agreeable. Wakhan is situated in the northeast of Afghanistan and falls between Tadjikistan, Republic of the Soviet Union and Chitral in Pakistan. Wakhan is about 200 miles long and varies in width from 10 to 50 miles. Though there is no direct border between Pakistan and the Soviet Union, the eastern Wakhan Strip connects Afghanistan with China. This entire piece of land contains the Hindu Kush mountains and high and difficult valleys, one of which is known as the Valley of Baroghal and is 12,400 feet high.

If Wakhan has really become a part of Russia, then it means that henceforth, a common border between China and Afghanistan will cease to exist as a result of which the Afghan elements struggling against the Russian military intervention will no longer be able to receive help from China. In addition, Pakistan which previously did not have any direct contact with Russia will now have a common border with this superpower. Handing over one's own territory to another power is not easily done. How the brave and courageous Afghan nation will look upon this obnoxious act of Babrak Karmal is not possible to speculate on at this stage because the Karmal government's position itself is doubtful, rather it is nothing. It is only existing because of the support of Russia, otherwise should Russia leave today, Karmal's government will be crushed. Afghans expect anything from Babrak Karmal. Therefore the handing over of Wakhan will not come as a surprise to them. It will be different when the political solution of the Afghanistan issue takes place, then Babrak Karmal's activity will be remembered. His actions have been labelled, by the Kabul Radio, as "Babrak Karmal's Historical Gift to the Soviet Union." In this way then, notice can be taken of Karmal's actions yet nothing can be done. Once a superpower sets foot in the area it never withdraws; it is not easy to recover a territory. By this exchange, the Russians have not established a good precedent. It could lead to many disturbances. Afghanistan did not exist 200 years ago. The Soviet Union has taken over Wakhan today, tomorrow it will claim the regions occupied by the Tadjiks.

9778
CSO: 4203/116

BRIEFS

NWFP GOVERNMENT CONFISCATES PAMPHLETS—The government of the Northwest Frontier Province seized pamphlets entitled, "Four Years of Usurper Military Dictatorship, 5 July 1977—5 July, 1981." An attempt was made through this pamphlet to create a sense of restlessness among the people and violent anti-government sentiment against the present government. The pamphlets are based on false material. [Text] [Rawalpindi TAMEER in Urdu 29 Jul 81 p 5] 9778

CSO: 4203/116

THAIS SEEK INCREASE IN IMPORTS OF SAUDI OIL

Bangkok DAO SIAM in Thai 14 Sep 81 p 16

[Text] Lieutenant Suli Mahasanthana, minister of the Prime Minister's office announced to newsmen that Thailand will renew the government-to-government agreements for oil purchases with Saudi Arabia. For the new year, [Thailand] will seek to boost purchases from 65,000 barrels per day to 100,000.

However, it is as yet unknown whether they will approve of the increased sales because they may have a policy of limiting their sales of oil.

Concerning the prices in a new agreement, it is hoped that we can buy the oil at US $32 per barrel, the cheapest price there is at present.

The minister also revealed that in this oil purchase agreement between us and the Saudis, which has previously called for year-by-year agreements, we will ask for a 3-year agreement and hope that there won't be any problems.

Newsmen asked him if there would have to be changes in the domestic oil prices when the new agreement is made. The answer was, "I really couldn't make a guess on this because there are news reports that OPEC will have another meeting next month. At the last meeting, they were unable to reach agreement."

The minister also indicated that the large surplus of gasoline at the Bangchak refinery no longer is a problem because Shell and Caltex made purchases through the Petroleum Trust of Thailand. This served the interests of both corporations since they didn't have to import foreign oil.

END

CSO: 4207

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OPINION ON INTERNATIONAL IMAGES, PREOCCUPATION WITH SECURITY

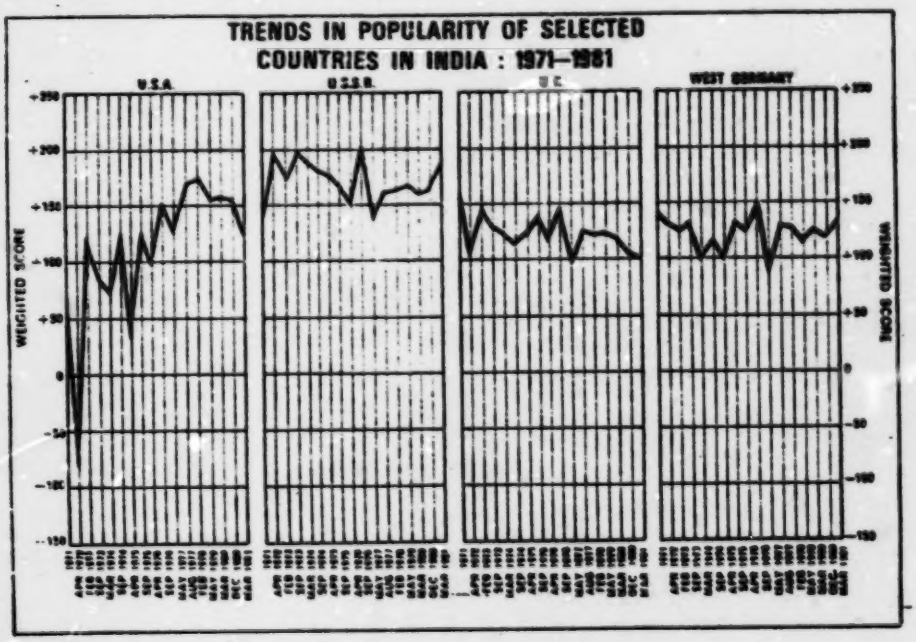
New Delhi MONTHLY PUBLIC OPINION SURVEYS in English May-Jun 81, Blue Supplement pp I-X

[Text]

The current survey is the sixteenth in the series, carried out by the Institute over the last sixteen years, designed to ascertain popular images on a five-point scale. The results have been set against those obtained in all the surveys conducted since 1971. Since these surveys covered the same universe and used the same five point scale, it has been possible to obtain trends in popular rankings of certain leading countries.

An analysis of the results of these surveys becomes meaningful if they are discussed against the back drop of international events preceding the survey for, on past record, it is the perception of these events especially those affecting our national interests, that condition popular images of leading countries.

The current survey was conducted shortly after the United States decided to rearm Pakistan on a scale that has raised serious



misgivings in this country about its security. The unfortunate record of three Indo-Pakistan wars over the last 34 years has lent weight to the contention that the sophisticated arms acquired by Pakistan could eventually be used against this country. Perhaps rearmament of Pakistan would not have exercised the Indian people to the extent it currently does, had Indo-Pak relations been normalised. As it happens the two neighbours continue to nurse suspicions of each other's motives, notwithstanding the change in the geopolitical complexion of the region brought about by the Soviet military presence in Afghanistan.

The Sample

The sample in the current survey was larger (1500 interviews) than covered in most of the surveys in this series. As already mentioned, it covered, the same universe in which others in this series were carried out over the last decade—the literate segment of the population in the four Metropolitan cities of Bombay, Calcutta, Delhi and Madras. In all 1500 interviews—375 in each city—were conducted. The sample was randomly selected from electoral rolls eliminating literates in the process of selection.

United States : Suffers a Significant Setback

The United States—which had recovered the goodwill lost after the Bangladesh crisis was again seems to be going down in popular estimation. Currently it is ranked fourth after the Soviet Union, Japan and West Germany. It has lost 33 points in its popularity score since the last survey conducted in December, 1980. The reasons for this slideback are quite obvious. In its anxiety to secure the oil-rich Gulf region for the West, the United States have picked Pakistan to play the kind of role the late Shah performed. Rearmament of Pakistan with sophisticated weaponry was only a logical step to that end. Understandably this has raised serious misgivings in this country, given the past record of three Indo-Pak wars. The Indian people, as the responses to another question discussed elsewhere indicate, have come to believe that arms acquired by Pakistan are likely to be used against this country.

The Reagan administration seems to be too preoccupied with security of the Gulf region to take into account Indian susceptibilities and security concerns. But then nor did the Nixon administration when it opted more towards Pakistan' during the Bangladesh crisis. Needless to recall that the damage suffered by the United States was undone after seven years

The Image of the United States (Percentages)

Year	OPINION						IIPO Weighted score
	Very Good	Good	Neither good nor bad	Bad	Very bad	Don't know	
1971	15	34	18	24	4	5	71
April 1972	2	11	16	32	20	15	80
February 1973	10	40	31	9	1	9	120
September 1973	7	35	34	11	5	8	88
March 1974	13	34	21	13	11	8	69
September 1974	7	48	.7	9	2	7	120
April 1975	7	30	26	19	12	6	33
September 1975	13	45	18	8	3	13	122
April 1976	11	30	18	12	2	18	99
September 1976	24	43	15	10	1	7	150
May 1977	9	49	18	9	1	14	123
August 1977	20	53	16	5	1	5	169
February 1978	19	56	16	5	1	3	172
May 1979	14	57	16	6	1	6	157
March 1980	18	48	21	5	1	7	158
December 1980	18	47	21	5	1	8	156
March 1981	12	42	28	10	1	7	123

This indeed seems to be an unfortunate development, as the image of the United States, on survey evidence, had registered a remarkable imorovement over the last four years. The U.S. even surpassed the Soviet Union in popularity in 1977 and 1978 and later continued to claim a ranking at par with the Soviet Union.

Has this fund of goodwill been lost by its decision to arm Pakistans? Since Pakistan's ability to take on the Soviet military might remains patently doubtful—and it has not foreclosed its options vis-a-vis the Soviet Union—one wonders if the decision to arm it would deliver the desired results for the United States' long-term interests in the region.

The Soviet Union—Again at the Top

In the last survey, the Soviet Union was ranked at par with the United States. In fact the results of the last three surveys had shown that it was gradually losing ground with the Indian people though the loss was not as precipitate as expected because of its military intervention in Afghanistan. In the current survey it has again claimed the top position in popular ranking with an addition of 28 points to its score. The U.S. decision to arm Pakistan with sophisticated weaponry seems to have revived the memories of the Soviet record vis-a-vis India over the last 34 years; the Indian people have come to believe that the Soviet Union would always come to its rescue whenever India faced a crisis. During the 1971 Bangladesh crisis when this country was virtually isolated the Soviet Union recorded a peak in its popularity score. Given the changed geo-political climate in the region a similar eventuality cannot be ruled out. Even the Soviet military intervention in Afghanistan has been relegated to the background by the Indian people's pre-occupation with the country's security.

The Image of Soviet Union

(Percentages)

Year	Opinion						IIPO weighted score
	Very good	Good	Neither good nor bad	Bad	Very bad	Don't know	
1971	14	15	25	8	1	7	154
April 1972	43	33	4	2	—	18	195
February 1973	22	52	12	3	1	10	173
September 1974	32	47	11	1	1	8	196
March 1974	27	50	10	2	—	11	187
September 1974	28	45	15	3	1	8	180
April 1975	18	57	14	3	—	8	176
September 1975	20	48	15	3	—	14	165
April 1976	17	45	15	3	1	19	147
September 1976	35	43	12	1	—	9	201
May 1977	10	50	19	4	—	16	141
August 1977	17	52	17	3	2	9	160
February 1978	15	532	0	3	2	8	162
May	14	57	16	2	—	11	168
March 1980	11	48	21	4	1	9	157
December 1980	21	45	18	4	..	12	163
March 1981	27	48	15	2	1	8	185

United Kingdom—A Stable Score

The U.K. in the current survey is ranked sixth with a popularity score slightly lower than it had claimed in the last survey.

It seems that the United Kingdom no longer figures prominently in the reckoning of the Indian people. However, one fact goes in its favour; it is no longer regarded blatantly pro-Pakistan as it used to be in the late sixties. Its record during the Bangladesh crisis seems to have conditioned its popular image favourably. The British assessment of the changint power balance in the sub-continent, enabled it to strike a balanced in the sub-contineng enabled it to strike a balanced posture. The 1972 survey recorded a fairly high score for U.K. (158 points). Now the U.K. popularity has settled at what might be described a stable plateau.

West Germany and France

West Germany in the current survey is ranked third with a popularity score of 132 points. The corresponding figure for the last survey was 117. West Germany seems to have acquired a lasting place in the Indian people's estimation. Indeed a look at the table on page 5 would indicate that its image has stood the test of time. Presumably its phenomenal economic progress coupled with the increasing Indo-German cooperation have together contributed to this favourable image. The goodwill for west Germany has also been sustained by the memories of Willy Brandt's favourable stand on Bangladesh crisis when this country was short of friends.

Another leading country of the European Community, France seems to have settled at a middling level of the popularity scale. Unlike West Germany, as the record in the surveys in this series indicate, France has failed to deeply impinge upon the minds of the Indian people. Its image continues to be marked by an large element of 'don't know'. It appears the arrival of the new Socialist President, Mitterand with pronounced pro-Third World leaning is still to register on the minds of the Indian people.

Japan Claims High Second Ranking

Japan has always figured prominently in the estimation of the Indian people since the surveys in this series were started. In fact for three years in a row (1969-71) it surpassed the two super-powers by claiming first ranking. Only after the Bangladesh crisis when it adopted a dubious posture it was relegated to the background. However it managed to forge ahead after a couple of years; since then it has always been claiming second or third position in the popular ranking. In the current survey it is not only ranked second, it has obtained a score which is only marginally lower than the Soviet Union's—175 against the Soviets' 185 points.

The Image of The United Kingdom

(Percentages)

Year	OPINION						IIPO weighted Score
	Very good	Good	Neither good nor bad	Bad	Very Bad	Don't Know	
1971	19	38	28	—	1	14	158
April 1972	3	40	26	4	—	27	106
February 1973	10	50	20	2	1	17	143
September 1973	5	45	29	2	—	19	130
March 1974	4	44	27	3	—	22	121
September 1974	4	43	26	4	—	23	116
April 1975	4	45	27	3	—	21	123
September 1975	7	57	25	1	—	20	138
April 1976	5	43	22	3	1	26	114
September 1976	8	48	28	3	—	13	142
May 1977	2	31	35	4	—	28	95
August 1977	7	42	30	4	1	16	124
February 1978	7	44	28	6	1	14	122
May 1979	4	45	32	4	1	14	123
March 1980	7	41	28	5	1	18	118
December 1980	5	36	30	5	1	23	104
March 1981	5	36	34	9	1	15	100

The Image of West Germany

(Percentages)

Year	OPINION						IIPO Weighted Score
	Very Good	Good	Neither good nor bad	Bad	Very bad	Don't know	
1971	12	41	24	2	—	21	138
April 1972	4	50	19	2	—	24	130
February 1973	10	39	15	1	—	35	121
September 1973	6	45	21	—	—	28	129
March 1974	3	32	27	1	—	37	98
September 1974	8	38	18	1	—	35	116
April 1975	4	32	25	1	—	38	99
September 1975	11	40	19	1	—	29	130
April 1976	10	39	15	—	—	37	123
September 1976	14	47	16	1	—	22	150
May 1977	3	28	20	1	—	48	83
August 1977	11	40	18	1	—	30	129
February 1978	13	36	20	2	...	29	127
May 1979	6	40	15	1	—	38	111
March 1980	9	39	23	2	—	27	124
December 1980	9	34	26	2	—	29	117
March 1981	10	40	23	1	—	25	131

THE IMAGE OF THE U. S. A.

On the whole, what is your opinion of the following countries Very good, good, neither good nor bad, bad or very bad ?

(Percentages)

	No. of Respondents	Very good	Good	Neither good nor bad	Bad	Very bad	Can't say
TOTAL	1500	12.1	41.4	27.7	10.5	1.1	7.2
SEX							
Male	965	12.2	36.9	30.8	12.0	1.4	6.6
Female	534	12.0	49.6	21.9	2.9	0.4	8.2
AGE (in years)							
12 to 35	867	14.3	41.4	27.2	6.9	1.3	6.2
36 to 50	406	10.1	40.6	27.8	12.3	0.7	8.4
Above 50	227	7.5	42.7	29.4	11.0	0.9	8.8
EDUCATION							
Primary or less	72	5.8	41.7	16.7	9.7	0.0	26.4
Some secondary	227	8.8	43.6	24.2	10.1	0.9	12.3
Sec. complte/some uni	601	13.1	42.1	26.8	9.8	1.2	7.0
Univ. degree or more	600	13.2	39.8	31.2	11.5	1.2	3.2
HOUSEHOLD INCOME							
Up to 150	8	12.5	37.5	37.5	12.5	0.0	0.0
151—300	38	7.4	44.7	28.9	10.5	0.0	7.9
301—500	155	1.16	43.9	19.4	8.4	0.6	16.1
501—750	216	10.2	35.2	28.2	15.3	0.5	10.6
751—1000	282	9.6	40.1	34.0	11.0	1.1	4.3
Above 1000	684	13.7	44.6	28.1	9.5	1.3	2.8
Refusal	117	14.5	13.3	18.8	9.4	1.7	22.2
OCCUPATION							
Professionals	90	17.8	40.0	31.0	10.0	1.1	1.1
Businessmen/retailer	245	18.0	39.6	29.0	10.6	0.4	9.4
Govt.offl/Bus. Exec.	88	26.1	36.4	25.0	8.0	2.3	2.3
White collar workers	393	10.9	34.1	33.8	11.9	1.4	7.8
Skilled workers	97	5.2	41.2	23.7	19.6	2.1	8.2
Unskilled workers	35	8.6	40.0	25.7	17.1	0.0	8.6
Housewives	330	10.6	50.3	20.0	8.8	0.0	10.3
Others	58	17.2	44.8	20.7	10.3	1.7	5.2
Not working, Retired	264	11.7	41.7	32.6	8.0	1.9	4.2
RELIGION							
Hindu	1323	12.2	39.9	28.2	11.1	1.1	7.5
Muslim	54	13.0	53.7	29.6	1.9	0.0	1.9
Christan	65	9.2	63.1	16.9	6.2	0.0	4.6
Sikh	29	6.9	37.9	24.1	20.7	3.4	6.9
Others	29	20.7	41.4	27.6	0.0	0.0	10.3
CITY							
Bombay	375	17.6	50.1	25.3	4.8	0.5	1.6
Calcutta	375	7.2	31.5	36.3	16.5	1.6	6.9
Delhi	375	11.5	27.2	29.3	19.2	1.9	10.9
Madras	375	12.3	56.8	19.7	1.6	0.3	8.3

THE IMAGE OF THE U. S. S. R.

(Percentages)

	No. of Respondents	Very good	Good	Neither good nor bad	Bad	Very bad	Can't say
TOTAL	1500	27.1	47.8	14.4	2.4	0.6	7.7
SEX							
Male	966	29.7	44.9	15.5	2.7	0.8	6.3
Female	534	22.3	53.0	12.4	1.9	0.2	10.3
AGE (in years)							
21 to 35	867	29.4	47.3	13.3	2.4	0.7	6.9
36 to 50	406	24.1	47.3	17.0	2.2	0.7	8.6
Above	227	23.3	50.7	14.1	2.6	0.0	9.3
EDUCATION							
Primary or less	72	12.5	52.8	4.2	0.0	1.4	27.2
Some secondary	227	25.1	46.3	13.7	1.5	0.0	13.7
Sec. compite/some unv	601	28.5	48.9	12.1	2.8	6.7	7.0
Univ. degree or more	600	28.2	46.7	18.2	2.7	0.7	3.7
HOUSEHOLD INCOME							
Up to 150	8	12.5	62.5	12.5	0.0	0.0	12.5
150—300	38	21.1	42.1	26.3	0.0	0.0	10.5
801—500	155	28.4	46.5	8.4	1.3	0.6	14.8
591—750	216	32.9	49.5	7.9	1.4	1.4	6.9
751—1000	282	30.9	47.5	14.5	1.4	0.4	5.3
Above 1000	684	22.7	50.3	18.3	3.9	0.3	4.5
Refusal	117	34.3	33.3	7.7	0.0	1.7	23.1
OCCUPATION							
Professionals	90	20.0	42.2	23.3	10.0	1.1	3.3
Bustnessmen/retailer	245	26.9	46.1	14.7	2.0	0.4	9.8
Govt. offl/bus. Exec.	88	37.5	39.8	17.0	1.1	2.3	2.3
White collar workers	203	34.5	41.0	15.0	1.7	0.7	7.2
Skilled workers	97	30.9	48.5	12.4	0.0	1.0	7.2
Unskilled workers	35	22.9	48.6	11.4	2.9	0.0	14.3
Housewives	330	20.6	54.2	11.8	1.2	0.3	11.8
Others	58	32.8	43.1	17.2	1.7	0.0	5.2
Not working, retired	264	23.9	54.2	13.3	3.8	0.4	4.5
RELIGION							
Hindu	1323	28.0	48.3	13.8	1.7	0.6	7.6
Muslim	54	22.2	50.0	16.7	5.6	0.0	5.6
Christian	65	10.8	52.3	18.5	6.2	1.5	10.8
Sikh	22	48.1	31.0	10.3	3.4	0.0	6.9
Others	29	10.3	27.6	31.0	20.7	0.0	10.3
CITY							
Bombay	375	23.5	44.8	21.3	4.5	0.5	5.3
Calcutta	375	21.6	49.6	19.2	2.7	1.6	3.3
Delhi	375	51.7	32.0	5.9	0.3	0.3	9.9
Madras	375	11.5	64.8	11.2	2.1	0.0	10.4

THE IMAGE OF THE UNITED KINGDOM

(Percentages)

	No of Respondents	Very good	Good	Neither good nor bad	Bad	Very bad	Can't say
TOTAL	1500	5.3	35.3	34.8	8.9	1.1	14.6
SEX							
Male	966	6.3	35.1	36.6	9.7	1.7	10.8
Female	534	3.9	35.8	31.5	7.3	0.0	21.5
AGE (in years)							
21 to 35	867	6.2	35.6	34.4	9.2	1.0	13.5
36 to 50	406	3.7	35.0	33.3	8.4	1.5	18.2
Above	227	4.8	34.8	39.2	8.4	0.4	12.3
EDUCATION							
Primary or less	72	2.8	16.7	20.8	1.4	0.0	58.3
Some secondary	227	2.2	33.0	26.9	7.9	0.9	29.1
Sec. compete/some unv	601	6.3	35.3	35.9	8.0	1.3	13.1
Univ. degree or more	600	5.8	38.5	38.3	11.0	1.0	5.3
HOUSEHOLD INCOME							
Up to 150	8	0.0	50.0	12.5	12.5	0.0	25.0
150—300	38	2.6	36.8	18.4	2.6	0.0	39.5
301—500	155	5.8	34.8	29.7	2.6	0.6	26.5
501—750	216	3.2	25.0	43.1	7.4	0.9	20.4
751—1000	282	3.2	34.0	37.6	12.8	1.8	10.6
Above 1000	684	5.6	38.9	36.1	10.4	1.2	7.9
Refusal	117	13.7	35.9	18.8	3.4	0.0	28.2
OCCUPATION							
Professionals	90	2.2	41.1	44.4	11.1	1.1	0.0
Businessmen/retailers	245	4.9	34.7	32.2	11.8	1.6	14.7
Govt. offl/aus. Exec.	88	14.8	40.9	29.5	10.2	1.1	3.4
White collar workers	293	7.8	35.2	35.8	8.9	1.0	11.3
Skilled workers	97	3.1	34.0	44.3	7.2	1.0	10.3
Unskilled workers	35	2.9	34.3	25.7	2.9	2.9	31.4
Housewives	330	2.4	32.1	27.9	8.5	0.0	29.1
Othe s	58	5.2	48.3	32.8	3.4	0.0	10.3
Not working, retired	264	5.7	34.2	41.3	8.0	1.9	9.1
RELIGION							
Hindu	1323	5.3	34.4	35.7	8.9	1.0	14.7
Muslim	54	3.7	48.1	27.8	7.4	1.9	11.1
Christian	65	4.6	50.8	27.7	3.1	1.5	12.3
Sikh	29	3.4	27.6	27.6	20.7	3.4	27.2
Others	29	13.8	27.6	31.0	10.3	0.0	17.2
CITY							
Bombay	375	4.3	38.4	38.9	9.1	0.8	8.5
Calcutta	375	1.3	28.3	42.9	12.8	3.2	11.5
Delhi	375	10.4	31.5	31.7	10.1	0.3	16.0
Madras	375	5.3	43.2	25.6	3.5	0.0	22.4

THE IMAGE OF THE WEST GERMANY

(Percentages)

	No of Respondents	Very good	Good	Neither good nor bad	Bad	Very bad	Can't say
TOTAL	1500	10.3	40.4	23.2	1.4	0.1	24.6
SEX							
Male	966	12.6	44.5	23.9	1.8	0.1	17.1
Female	534	6.2	33.0	21.9	0.7	0.0	38.2
AGE (in years)							
21 to 35	867	10.8	39.9	24.9	1.2	0.1	23.1
36 to 50	406	9.1	40.1	19.7	1.7	0.0	29.3
Above	227	10.6	42.7	22.9	1.8	0.0	22.0
EDUCATION							
Primary or less	72	2.8	13.9	5.6	0.0	0.0	77.8
Some secondary	227	4.0	29.5	19.4	2.6	0.0	44.5
Sec. compite/some unv	601	10.6	38.4	25.1	1.3	0.2	24.3
Univ. degree or more	600	13.3	49.7	24.8	1.2	0.0	11.0
HOUSEHOLD INCOME							
Up to 150	8	0.0	37.5	12.5	0.0	0.0	50.0
150—300	38	10.5	18.4	28.9	0.0	0.0	42.1
801—500	155	9.0	35.5	14.2	0.6	0.0	40.6
591—750	216	6.9	36.6	26.9	1.4	0.0	28.2
751—1000	282	6.7	35.1	32.3	2.5	0.4	23.0
Above 1000	684	12.4	47.4	21.6	1.2	0.0	17.4
Refusal	117	15.4	33.3	14.5	1.7	0.0	35.0
OCCUPATION							
Professionals	90	18.9	52.2	18.9	1.1	0.0	3.9
Bustnessmen/retailer	245	10.2	41.2	27.3	1.2	0.0	20.0
Govt. offl/bus. Exec.	88	26.1	46.6	17.0	3.4	0.0	6.8
White collar workers	293	9.9	43.7	25.9	2.0	0.0	18.4
Skilled workers	97	6.2	50.5	22.7	0.0	0.0	20.6
Unskilled workers	35	2.9	25.7	11.4	5.7	0.0	54.3
Housewives	330	6.1	27.0	21.2	0.0	0.0	45.8
Othe s	58	17.2	44.8	10.3	3.4	0.0	24.1
Not working, retired	264	9.1	43.9	26.9	1.5	0.4	18.2
RELIGION							
Hindu	1323	10.1	40.3	23.1	1.4	0.1	25.0
Muslim	54	9.3	37.0	33.3	3.7	0.0	16.7
Christian	65	6.2	55.4	20.0	0.0	0.0	18.5
Sikh	29	20.7	24.1	13.8	3.4	0.0	37.9
Others	29	20.7	34.5	24.1	0 0	0.0	20.7
CITY							
Bombay	375	14.1	42.1	24.8	1.3	0.0	17.6
Calcutta	375	5.6	38.4	29.9	2.9	0.3	22.9
Delhi	375	12.5	40.8	23.5	0.5	0.0	22.7
Madras	375	9.1	40.3	14.7	0.8	0.0	32.2

THE IMAGE OF JAPAN

	No. of Respondents	Very good	Good	Neither good nor bad	Bad	Very Bad	Can't say
TOTAL	1500	22.6	46.1	16.3	0.7	0.1	14.3
SEX							
Male	966	23.9	46.6	17.5	0.8	0.1	11.1
Female	534	20.2	45.1	14.0	0.6	0.0	20.0
AGE (in years)							
12 to 35	867	22.9	45.7	16.7	0.9	0.1	12.7
36 to 50	406	18.0	49.3	15.0	0.5	0.0	17.2
Above 50	227	26.0	41.9	16.7	0.4	0.0	15.0
EDUCATION							
Primary or less	72	11.1	27.8	9.7	0.0	0.0	51.4
Some secondary	227	11.0	35.2	20.7	0.9	0.0	32.2
Sec. complte/some uny	601	21 1	49.9	15.6	0.7	0 2	12.5
Univ. degree or more	600	29.8	48.5	16.0	0.8	0.0	4.8
HOUSEHOLD INCOME							
Up to 150	8	37.5	37.5	0.0	0 0	0.0	25.0
151—300	38	28.9	36.8	10 5	0 0	0.0	23.7
301 - 500	155	12.9	35.5	20.6	0.0	0.0	31.0
501—750	216	13.0	47.7	20.8	0 0	0.0	18.5
751—1000	282	17.4	52.8	16.3	1.1	0.4	12.1
Above 1000	684	28.5	49.6	14.3	1.0	0.0	6.6
Refusal	117	28.2	23.9	16.2	0 9	0 0	30.8
OCCUPATION							
Professionals	90	36.7	43.3	14.4	1.1	0.0	4.4
Businessmen/retailer	245	20.0	47.3	20.4	0.4	0.0	11.8
Govt.offl/Bus. Exec.	88	39.8	47.7	9.1	0.0	0.0	3.4
White collar workers	293	18.8	48.8	19.8	0.7	0.0	11.9
Skilled workers	97	9.3	49.5	22.7	2.1	0.0	16.5
Unskilled workers	35	14.3	37.1	14.3	0.0	0.0	34.3
Housewives	330	19.1	42.1	12.4	0.0	0.0	26.4
Others	58	3[illegible].8	46.6	12.1	1.7	0.0	6.9
Not working, Retired	264	26.9	47.0	15.2	1.5	0.4	9.1
RELIGION							
Hindu	1323	22.1	46.3	16.5	0.8	0.1	14.4
Muslim	54	27.8	46.3	9.3	0.0	0.0	16.7
Christan	65	26.2	50.8	10.8	1.5	0.0	10.8
Sikh	29	13.8	37.9	31.0	0.0	0.0	17.2
Others	29	37.9	34.5	17.2	0.0	0.0	10.3
CITY							
Bombay	375	32.0	46.7	13.1	0.8	0.0	7.5
Calcutta	375	13.1	55.2	18.9	1.3	0.3	11.2
Delhi	375	13.9	40.0	26.1	0.0	0.0	20.0
Madras	375	31.5	42.4	16.9	0.8	0.0	18.4

CSO: 4220/5

INDIAN OPINION ON SUPER-POWER MOVES IN INDIAN OCEAN

New Delhi MONTHLY PUBLIC OPINION SURVEYS in English May-Jun 81, Blue Supplement pp XI-XVIII

[Text]

The Iranian Revolution and Afghanistan have changed the geopolitical complexion of the entire Gulf region. With the fall of the Shah vanished the West's central security design for this vital region. The power vacuum made West Europe's anxiety critical. Western Europe depends for 75 per cent of its energy needs on the Gulf oil. The West was virtually caught unawares and unprepared, without any contingency plans for the Shah's disappearance. The conception of 'Rapid Deployment Force' was only a reflex action, as it were : handicapped by logistical problems it could not fill the bill—certainly not in the near future. The need to ensure security of the Gulf region, in American reckoning, has acquired great urgency after the Soviet intervention in Afghanistan. Indeed, Soviet intervention has lent weight to the contention that the Soviets are out to control oil assets of the Gulf countries Thus the Gulf region now figures prominently in the American strategic planners' priorities. The naval buildup of the superpowers in the Indian Ocean and the Gulf region, however, has made many a littoral country uneasy about the security of their own countries. India has voiced its concern in more than one international forum, for any conflict in the region would gravely affect its vital interests.

The Indian Institute of Public Opinion, while conducting its latest survey on international images, therefore, decided to elicit public opinion by including a few questions on the issues involved. The responses to these questions indicate that the Indian people are exercised over the defence moves of the West. The respondents were asked to comment upon the increased military strength of the United States in the Indian Ocean to meet the challenge posed by the events following the overthrow of Shah of Iran and the Soviet intervention in Afghanistan. Only one in eight persons approved of the United States moves. As against this nearly two-thirds were against the United States' naval buildup in the Indian Ocean. There was hardly any differential in terms of sex, age, education and income. Citywise the disapproval of the United States action was most widespread in Calcutta (7[illegible]%) and lowest in Madras (43%).

The Indian people, it seems, believe that their security would be threatened by the United States moves in the Gulf countries. Thus only 5 per cent thought that the U.S. moves would strengthen India's security, whereas a little over three-fifths thought it would threaten it 'greatly' (37%) or 'somewhat' (24%). As in the responses to the previous question, Madras is the only city which does not seem to be too concerned about the threat posed by the United States in the Indian ocean. In other cities, including Delhi 56 per cent felt that the United States' presence in the Indian Ocean could 'greatly threaten' the security of this country.

On Arming Pakistan

The United States strategists seem to have chosen Pakistan to assist in filling the vacuum

left by the Shah and have, therefore, decided to arm it to meet the threat posed by the Soviet presence in Afghanistan. Indian public opinion seems unimpressed by the U.S. reaction to the Soviet presence in a country though it is nearer home. Thus only one in eight persons accept the American rationale for arming Pakistan. On the other hand, the proportion of people who were concerned about the US move to arm Pakistan is much larger: (52 per cent 'strongly disapprove', whereas 15 per cent 'somewhat disapprove'). Citywise, the disapproval of Pakistan's re-armaments was much stronger in Delhi (66% disapprove strongly) and Bombay (59%) than in Madras (35%).

The argument that the arming of Pakistan is designed to meet the Soviet threat only does not seem to carry conviction with the Indian people. A question was asked to determine whether the American retionale that the armament of Pakistan could strengthen India's security. A little over 70 per cent of the people thought that arming of Pakistan would threaten India's security. Here again, a larger proportion of Delhi respondents (62%) felt that arming of Pakistan would 'greatly threaten' this country's security. The same view was shared by 53 per cent in Bombay and 47 per cent in Calcutta. In Madras, however, only 36 per cent thought that the arming of Pakistan would pose a great danger to India's security.

The responses to another question also brings into sharp relief the acute awareness of the threat posed to the security of this country as well as the burden that it would entail in terms of the cost in developmental effort. Thus three in five respondents rejected the view that the armaments of Pakistan did not pose any threat to the security of India as 'it was meant to strengthen the Pakistan's defence against the Soviet presence in Afghanistan'. A large majority, on the other hand, agreed with the view : 'since Pakistan cannot take on the Soviet military might, arms acquired by it may be used against India'. As many as three-fifths of the respondents subscribed to this view. Only 15 per cent rejected this possibility. Indeed, one observes a near consensus on the implication of Pakistan's rearmament in regard to the arms race it would generate in the sub-continent : seven in ten persons thought that Pakistan's "armament drive would lead to the kind of arms race in the sub-continent that would certainly hamper India's developmental effort".

The broad conclusion that emerges from these responses is that the Indian people are too concerned about the security of their own country to think of West's interests in the Gulf Region. Somehow the Soviet presence in Afghanistan is viewed with less concern than is the Western presence. The explanation is, of course, that uncertainty on Pakistan's military intentions still persist, particularly in North India. This points to the need of reducing distrust between India and Pakistan. The fears of U.S.A. or USSR operations in the Gulf would, it seems, disappear if Pakistan's armour were not considered a potential threat to India: apparently Pakistan continues to fear Indian armour in the same way.

As you may know, following such events of recent years as the overthrow of Iran's Shah and the introduction of Soviet military forces into Afghanistan, the U. S. has increased its military strength in the Indian ocean region. Do you strongly approve, somewhat approve, somewhat disapprove or strongly disapprove of the U. S. action

(Percentages)

	No of Respondents	Strongly approve	Somewhat approve	Somewhat disapprove	Strongly disapprove	Don't know	No answer
TOTAL	1500	5.4	7.8	16.7	46.7	17.7	5.7
SEX							
Male	966	7.1	8.1	17.0	52.8	10.2	4.8
Female	534	2.2	7.3	16.3	35.8	31.1	7.3
AGE							
21 to 35	868	6.8	9.1	16.8	45.0	16.2	6.3
36 to 50	405	3.5	6.7	17.0	47.2	22.0	3.7
Above 50	227	4.8	4.8	15.9	52.4	15.4	6.6
EDUCATION							
Primary or less	73	-	1.4	5.5	20.5	64.4	8.2
Some secondary	227	2.2	2.2	10.1	36.1	38.3	11.0
Secondary Completed or some university	601	5.8	8.3	18.6	48.1	13.6	5.5
University degree or more	599	6.8	10.2	18.7	52.6	8.2	3.5
HOUSEHOLD INCOME (Monthly in Rs.)							
Upto 150	8	12.5	-	-	25.0	37.5	25.0
151 - 303	38	5.3	7.9	13.2	26.3	34.2	13.2
301 - 500	155	1.9	2.6	18.7	36.1	31.0	9.7
501 - 750	215	3.7	4.2	19.5	46.5	22.3	3.7
751 - 1000	281	6.8	5.3	12.8	50.9	17.4	6.8
Above 1000	685	5.4	11.7	18.5	49.8	11.8	2.8
Refusal	118	9.3	5.1	10.2	41.5	19.5	14.4
CITY							
Bombay	375	4.5	10.1	12.0	56.5	14.7	2.1
Calcutta	375	4.5	5.9	22.7	48.0	15.5	3.5
Delhi	375	4.0	3.2	9.3	60.0	16.5	6.9
Madras	375	8.5	12.0	22.9	22.4	01.1	20.4

In the light of this changed overall situation in countries to the West of india, in what way—if at all—would you expect the increased U. S. presence in the Indian Ocean to affect India's security? Will the U. S. presence greatly strengthen India's security, somewhat strengthen it, have no effect on India's security, or greatly threaten India's security.

(Percentages)

	No. of Respondents	Greatly strengthen	Strengthen Somewhat	Have no effect	Somewhat threaten	Greatly threaten	Don't know	No answer
TOTAL	1500	1.7	3.5	11.9	24.1	36.7	15.5	6.7
SEX								
Male	966	2.3	2.9	13.0	26.9	40.4	9.9	4.6
Female	534	0.6	4.7	9.7	18.9	30.0	25.5	10.7
AGE								
21 to 35	868	1.6	3.8	13.6	23.6	35.8	14.6	6.9
36 to 50	405	1.5	4.0	9.6	23.7	36.3	18.3	6.7
Above 50	227	2.2	1.8	9.3	26.4	40.5	13.7	6.2
EDUCATION								
Primary or less	73	—	1.4	5.5	5.5	19.2	57.5	11.0
Some secondary	227	—	2.6	6.7	14.1	29.5	29.1	18.9
Secondary completed or some university	601	1.3	3.5	12.6	23.3	40.4	13.1	5.7
University degree or more	599	2.8	4.2	14.2	30.9	37.7	7.5	2.7
HOUSEHOLD INCOME (Monthly in Rs.)								
Upto 150	8	—	—	12.5	25.0	12.5	12.5	37.5
151 - 300	38	—	5.3	13.2	13.2	21.1	28.9	18.4
301 - 500	155	0.6	—	8.4	24.5	27.7	27.7	11.0
501 - 750	215	1.9	1.9	7.9	23.7	39.1	20.9	4.7
751 - 1000	281	1.1	3.6	10.0	23.5	39.9	16.0	6.1
Above 1000	685	1.9	5.3	14.2	28.6	38.1	9.5	4.5
Refusal	118	3.4	0.8	14.4	14.4	34.7	18.6	13.6
CITY								
Bombay	375	1.3	6.7	16.3	20.5	38.7	14.4	2.1
Calcutta	375	1.9	3.5	6.4	34.1	35.2	16.0	2.9
Delhi	375	0.5	1.3	2.9	17.6	56.0	14.4	7.2
Madras	375	2.9	2.7	21.9	24.0	16.8	17.1	14.7

With Soviet forces now nearly in Afghanistan, some people say the U. S. should provide arms to Pakistan as a check against possible Soviet threats against Pakistan and the nations of the Pakistan Gulf region. Do you strongly approve, somewhat approve, somewhat disapprove, or strongly disapprove of the U. S. providing weapons to Pakistan ?

(Percentages)

	No of Respondents	Strongly approve	Somewhat approve	Somewhat disapprove	Strongly disapprove	Don't know	No answer
TOTAL	1500	4.5	9.6	14.7	52.5	14.1	4.6
SEX							
Male	966	5.5	10.7	13.6	56.3	9.9	4.0
Female	534	2.8	7.7	16.9	45.7	21.5	5.4
AGE							
21 to 35	868	5.9	10.4	16.0	49.5	13.5	4.7
36 to 50	405	2.5	8.4	12.5	55.3	16.3	4.9
Above 50	227	3.1	8.8	13.7	59.0	12.3	3.1
EDUCATION							
Primary or less	73	-	5.5	9.6	30.1	50.7	4.1
Some Secondary	227	1.3	4.0	11.0	44.5	28.2	11.0
Secondary completed or some university	601	3.8	8.7	17.0	54.9	11.3	4.3
University degree or more	599	7.0	13.2	14.5	55.9	7.0	2.3
HOUSEHOLD INCOME (Monthly in Rs.)							
Upto 150	8	-	-	12.5	37.5	12.5	37.5
151 - 300	38	5.3	5.3	26.3	28.9	26.3	7.4
301 - 500	155	0.6	6.5	16.8	41.9	27.7	6.5
501 - 750	215	1.7	7.4	13.5	54.4	19.5	3.7
751 - 1000	281	2.1	12.1	14.2	53.0	13.5	5.0
Above 1000	685	6.3	10.9	15.6	56.6	7.7	2.6
Refusal	118	11.0	5.9	6.8	45.8	20.3	10.2
CITY							
Bombay	375	6.7	13.1	11.2	59.2	8.5	1.3
Calcutta	375	2.4	8.3	20.5	49.9	16.3	2.7
Delhi	375	1.9	3.7	8.3	65.9	13.9	6.4
Madras	375	7.2	13.3	18.9	35.2	17.6	7.7

How, if at all, would you say that American arms designed to strengthen Pakistan against possible Soviet pressures and threats might affect India's security? Will providing the weapons greatly strengthen India's security, somewhat strengthen or have no effect on India's security, somewhat threaten India's security, or greatly threaten India's security?

(Percentages)

	No of Respondents	Greatly Strengthen	Somewhat strengthen	Have no effect	Somewhat threaten	Greatly threaten	Don't know	No answer
TOTAL	1500	1.3	1.8	7.5	22.4	49.6	11.3	6.1
SEX								
Male	966	1.6	1.6	8.8	23.8	51.7	8.0	4.7
Female	534	0.7	2.2	5.1	19.9	45.9	17.4	8.8
AGE								
21 to 35	868	1.2	2.1	8.2	22.1	49.4	10.9	6.1
36 to 50	405	1.5	1.7	6.4	22.2	47.9	13.1	7.2
Above 50	227	1.3	0.9	6.6	23.8	53.3	9.7	4.4
DUCATION								
Primary or less	73	—	—	2.7	17.8	26.0	42.5	11.0
Some secondary	227	0.9	1.3	2.2	16.7	39.6	21.1	18.1
Secondary completed or some university	601	1.0	1.3	9.0	21.6	53.4	9.2	4.5
University degree or more	599	1.8	2.7	8.5	25.9	52.4	6.0	2.7
HOUSEHOLD INCOME (Monthly in Rs.)								
Upto 150	8	—	—	—	—	25.0	—	75.0
151—300	38	—	—	13.2	21.1	28.9	18.4	18.4
301—500	155	—	0.6	3.2	20.6	40.6	24.5	10.3
501—750	215	0.5	1.4	5.6	19.5	53.5	14.0	5.6
751—1000	281	0.7	1.8	7.5	21.0	51.2	12.5	5.3
Above 1000	685	1.9	2.6	8.9	25.3	53.9	5.1	2.9
Refusal	118	2.5	—	6.8	18.6	39.0	19.5	13.6
CITY								
Bombay	375	2.1	1.9	11.5	24.3	52.8	5.7	0.8
Calcutta	375	1.1	3.2	5.1	27.7	47.2	11.7	4.0
Delhi	375	0.5	1.1	1.6	11.2	62.1	14.4	9.1
Madras	375	1.3	1.1	11.7	26.4	36.3	12.5	10.7

With which of the following statements do you agree?

A. Pakistan's armament drive would generate an arms race in the sub-continent that would hamper India's development effort.

B. Pakistan's armament programme poses no threat to our security as it is meant to strengthen its defences against the Soviet presence in Afghanistan.

C. Since Pakistan cannot take on the Soviet Military might, arms acquired by it may be used against India.

	No. of Respondents	A			B			C		
		Agree	Disagree	Can't say	Agree	Disagree	Can't say	Agree	Disagree	Can't say
TOTL	1500	62.3	1406	23.1	16.4	38.4	25.2	71.2	6.5	22.3
Male	966	67.6	15.8	16.6	19.5	61.3	19.3	74.3	7.5	18.2
Female	834	52.6	12.4	35.0	10.9	53.2	36.0	68.5	4.9	29.6
AGE (in years)										
21 to 35	867	63.2	13.8	23.0	17.6	57.1	23.3	70.5	6.9	22.6
33 to 50	406	57.9	17.0	25.1	14.5	57.6	27.8	69.0	6.7	24.4
Above 50	227	665	13.2	20.3	15.0	64.8	20.3	78.0	4.8	17.2
EDUCATION										
Primary or less	72	36.1	5.6	58.3	4.2	31.9	63.9	45.8	2.8	51.4
Some secondary	227	41.9	8.4	49.8	11.9	42.3	45.8	69.0	1.8	39.2
Secondary completed or some university	601	64.9	13.8	21.3	17.6	59.4	23.0	72.5	6.7	20.8
University degree or more	600	70.5	18.8	10.7	18.3	66.7	15.0	77.5	8.7	13.8
INCOME (Monthly in Rs.)										
Up to 150	8	50.0	0.0	50.0	0.0	50.0	50.0	37.5	12.5	50.0
151 to 300	34	47.4	7.9	44.7	5.3	50.0	44.7	52.6	5.3	42.1
301—500	155	53.5	7.7	38.7	19.4	43.9	36.8	63.9	1.3	34.8
501—750	216	61.6	9.3	29.2	10.2	59.7	30.1	65.3	6.0	28.7
751—1000	282	62.1	12.1	25.9	13.1	61.0	25.9	70.9	3.9	25.2
Above 1000	684	70.0	17.7	12.3	17.0	66.2	16.1	79.7	8.8	11.5
Refusal	117	35.9	24.8	39.3	33.3	26.5	40.2	51.3	7.7	41.0
OCCUPATION										
Professionals	90	67.8	25.6	6.7	22.3	65.6	12.2	73.3	16.7	10.0
Businessmen	245	62.9	11.0	26.1	17.1	51.0	31.8	66.1	6.1	27.8
and retail traders	88	68.2	19.3	12.5	15.9	69.3	14.8	75.0	8.0	17.0
White collar workers	293	65.5	18.1	16.4	22.9	61.1	16.0	77.8	4.1	18.1
Skilled workers	97	68.0	10.0	21.6	9.3	64.9	25.8	69.1	8.2	22.7
Unskilled workers	35	74.3	0.0	25.7	11.4	65.7	22.9	82.9	0.0	17.1
Housewives	330	49.1	10.0	40.9	7.6	50.0	42.4	62.7	3.6	33.6
Others	58	69.0	17.2	13.8	17.2	67.2	15.5	81.0	3.4	15.5
Not working—retired/	264	65.5	17.4	17.0	20.8	61.4	17.8	74.2	10.2	15.5
RELIGION										
Hindu	1323	62.1	14.4	23.6	16.2	58.0	25.8	71.2	5.9	24.4
Muslim	54	63.0	14.8	22.2	13.0	57.4	29.6	64.8	11.1	24.1
Christian	65	60.0	18.5	21.5	18.5	60.0	21.5	56.9	15.4	27.4
Sikh	29	62.1	24.1	13.1	27.6	58.6	13.8	86.2	3.4	10.3
Others	29	75.9	6.9	17.2	17.2	72.4	10.3	79.3	10.3	10.3
CITY										
Bombay	375	77.9	14.7	7.5	20.5	61.3	18.1	77.6	11.7	10.7
Calcutta	375	59.7	81.5	28.8	4.0	65.9	30.1	73.6	4.0	22.4
Delhi	375	60.3	17.6	22.1	30.4	48.0	21.6	73.9	2.1	24.0
Madras	375	51.2	14.7	34.1	10.7	58.4	30.9	50.7	8.3	32.0

A. Do you think the Cold War has come nearer to Indian borders ?

B. What, in your opinion, should be India's response to this threat ?

(Percentages)

	No. of Respondents	A			B			
		Yes	No	Can't say	Further strengthening of our defence preparedness	Work for vacation of Super Power presences in the region	Others	Can't say
TOTAL	1500	65.1	13.9	20.9	48.4	13.9	2.4	35.3
SEX								
Male	966	68.7	15.2	16.0	50.3	15.1	3.0	31.6
Female	534	58.6	11.6	29.8	44.9	11.8	1.3	41.9
AGE (in years)								
21 to 35	867	64.9	13.6	21.5	47.8	14.0	2.1	36.2
36 to 50	406	62.1	14.3	23.6	46.5	12.8	2.5	38.2
Above 50	227	71.4	14.5	14.1	54.2	15.9	3.5	26.4
EDUCATION								
Primary or less	72	30.6	11.1	58.3	23.6	6.9	0.0	69.4
Some Seconday	227	53.3	10.1	26.6	37.5	11.9	2.6	48.0
Secondary Completed or some University	601	67.7	11.8	20.5	53.1	13.3	1.7	31.9
University degree or more	600	71.2	17.8	11.0	50.8	16.2	3.3	29.7
INCOME (Monthly in Rs)								
Upto 150	8	62.5	0.0	37.5	50.0	0.0	0.0	50.0
151 to 300	38	42.1	21.1	36.8	36.8	5.3	0.0	57.9
301 to 500	155	49.0	7.1	43.9	35.5	10.3	0.0	54.2
501 to 750	218	69.0	9.7	21.3	50.9	14.4	1.9	32.9
751 to 1000	282	66.3	13.8	19.9	48.9	14.5	2.8	33.7
Above 1000	684	69.6	16.7	13.7	51.2	12.9	2.9	30.0
Refusal	117	58.1	13.7	28.2	29.1	26.5	3.4	41.0
OCCUPATION								
Professionals	90	63.3	25.6	11.1	52.2	7.8	1.1	38.9
Businessmen and retail traders	245	66.9	12.2	20.8	51.4	12.7	1.2	34.7
Government officials and business executives	88	65.9	22.7	11.4	46.3	15.9	5.8	30.7
White collar workers	293	68.3	16.0	15.7	44.4	20.5	3.4	31.7
Skilled workers	97	63.9	10.3	25.8	43.4	16.5	3.1	35.1
Unskilled workers	35	65.7	8.6	25.7	51.4	14.3	0.0	34.3
Housewives	330	53.9	10.6	35.5	39.1	12.1	0.7	47.9
Others	58	75.9	8.6	15.5	85.5	10.3	1.7	22.4
Not working—retired/unemployed	264	72.3	13.6	14.0	58.0	11.4	3.4	27.3
RELIGION								
Hindu	1323	65.8	13.5	20.7	49.0	14.1	2.2	34.7
Muslim	54	61.1	13.0	25.8	38.9	20.4	5.6	35.2
Christian	65	58.5	20.0	21.5	44.6	9.2	3.1	43.1
Sikh	27	69.0	10.3	20.7	51.7	17.2	3.4	27.6
Others	29	51.7	27.6	20.7	44.8	0.0	3.9	51.7
CITY								
Bombay	375	66.9	21.1	12.0	48.0	16.5	3.7	31.7
Calcutta	375	69.9	12.8	17.3	55.2	7.2	5.1	32.5
Delhi	375	66.9	8.8	24.3	39.7	25.9	0.3	34.1
Madras	375	56.8	13.1	30.1	50.7	6.1	0.5	42.7

CSO: 4220/5

SURVEYS ON NAM; FOREIGN ECONOMIC ASSISTANCE

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[Article: "The Non-Aligned Movement: Popular Perception of Its Role"]

[Text]

The Non-aligned movement has come a long way since the halcyon days of Nehru-Nasser-Tito era. No long do the leaders speak in the same strident voice that carried moral authority in the councils of the world. Its membership has multiplied several times since then But the numbers have failed to lend it commensurate strength, as a matter of fact the movement's numerical strength has tended to make it a little unwieldly, and prone to divisiveness. Indeed with passing years the division in its ranks have become distinctly marked: with the two 'Soviet-leaning' and 'Pro-West' groups at two extremes and the 'traditional' non-aligned countries holding the balance. As a result the movement seems to be losing its thrust, perhaps for the same reason India which not long ago virtually led the movement cannot claim the decisive leverage for it is becoming increasingly difficult to carry along countries whose perspective and perceptions of International issues tend to be super power oriented. The Non-aligned Conference held this year in Delhi has brought these hard realities into sharp focus.

The present survey was carried out shortly after this Conference. A few questions were therefore asked on the state of the Non-aligned movement in general and India's role. The results indicate that a sizeable proportion of the informed segment of the Indian people is aware of the weakening of the Non-aligned movement.

It is a measure of Indian people's interest in international affairs that 55 per cent of the literate segment had either heard or read about the Non-aligned Conference ; among graduates the awareness was shared by seven in ten. From the responses to the relevant question, one can safely conclude that a majority of the informed segment of the Indian people is convinced that the Non-aligned movement has weakened over the last few years. Thus of the 44 per cent who expressed an opinion on the question, 26 as against 18 per cent, agreed with the view that the movement has lost its momentum. There are no significant demographic differentials on this score except that among the higher educated and informed sections, a larger majority expressed their views.

As regards India's weight in the movement, the opinion is virtually equally divided. Thus whereas 21 per cent thought that India's voice now carries less weight in the non-aligned movement, 23 per cent challenged this contention.

In the Non-aligned Conference held in New Delhi, many a political analyst and commentator observed that India was isolated on Afghanistan and Kampuchea. The Government of India denied this contention. The responses to the relevant question, however, indicate that a majority of those who expressed an opinion on the question held the view that this country was indeed isolated in the conference. Thus 22 per cent agreed with the view that on the questions of Afghanistan and Kampuchea, India could not carry a majority of the Non-aligned countries. 15 per cent, on the other hand, did not accept this assertion of India's diminishing role in the Non-aligned movement.

The broad conclusion that emerges from these findings is that the Indian people are not prone to wish away the unpleasant realities even when it comes to this country's prestige They seem to have accepted the hard fact that not only has and the non-aligned movement weakened and lost its thrust, but India's capacity to carry along the majority of the countries in the movement of which it has been leader by consensus, has been seriously impaired.

A. Have you heard or read about the Non-aligned Conferenc held in New Delhi in february last ?

B. Do you think the Non-aligned movement has weakened over the last few years ?

(Percentages)

	No. of Respondents	A		B		
		Yes	No	Yes	No	Can't say
TOTAL	1500	55.1	44.2	26.4	17.7	55.9
SEX						
Male	966	67.8	32.2	33.5	21.1	45.3
Female	534	32.2	67.8	13.5	11.4	75.1
AGE (in years)						
21 to 35	867	54.0	46.0	25.0	16.3	58.7
36 to 50	406	54.2	45.8	27.8	21.2	51.0
Above 50	227	61.2	38.8	29.1	16.7	54.2
EDUCATION						
Primary or less	72	9.7	90.3	1.4	2.8	95.8
Some secondary	227	30.0	70.0	7.5	10.6	81.9
Secondary completed or some university	601	51.9	48.1	23.8	15.5	60.7
University degree or more	600	73.3	26.7	39.2	24.3	36.5
INCOME (Monthly in Rs.)						
Up to 150	8	12.5	87.5	12.5	0.0	87.5
151 to 300	38	31.6	68.4	5.3	13.2	81.6
301 to 500	155	41.9	58.1	11.0	7.7	81.3
501 to 750	216	48.1	51.9	23.6	14.4	62.0
751 to 1000	282	57.1	42.9	24.5	22.0	53.5
Above 1000	684	63.0		34.6	19.2	46.2
Refusal	117	45.3	54.7	16.2	20.5	53.3
OCCUPATION						
Professionals	90	81.1	18.9	48.9	28.9	22.2
Businessmen and retail traders	245	59.6	40.4	27.3	18.0	54.7
Government officials and business executives	88	86.4	13.6	55.7	18.2	26.1
White collar workers	293	67.2	32.8	34.8	20.5	44.7
Skilled workers	97	57.7	42.3	18.6	22.7	58.8
Unskilled workers	35	34.3	65.7	8.6	5.7	85.7
Housewives	330	23.9	76.1	10.0	9.7	80.3
Others	58	63.8	36.2	20.7	27.6	51.7
Not working—retired/unemployed	264	57.2	42.8	25.8	17.8	56.4
RELIGION						
Hindu	1323	56.0	44.0	26.8	17.8	55.4
Muslim	54	37.0	63.0	24.1	9.3	66.7
Christian	65	55.4	44.6	21.5	18.5	60.0
Sikh	29	41.4	58.6	17.2	13.8	69.0
Others	29	62.1	37.9	34.5	27.6	37.9
CITY						
Bombay	375	46.9	53.1	31.5	14.7	53.9
Calcutta	375	61.3	38.7	29.6	24.3	48.1
Delhi	375	58.9	41.1	16.8	19.2	64.0
Madras	375	53.3	46.7	27.7	12.5	59.7

A. Do you think India's voice now carries less weight in the Non-aligned Movement?

B. Do you agree with view that India was isolated in the recent Non-aligned Conference espicially on Afghanistan and Kampuchea?

	No. of Kespondents	A			B		
		Yes	No.	Can't say	Yes	No	Can't say
TOTAL	1500	20.7	22.9	56.1	21.8	15.2	63.0
SEX							
Male	966	27.8	27.5	44.6	29.0	18.7	52.3
Femal	534	7.7	14.6	77.7	8.8	8.8	82.9
AGE (in years)							
21 to 35	867	19.1	21.5	59.4	21.3	21.5	66.2
36 to 50	406	21.9	24.6	53.4	21.4	18.2	60.3
Above 50	227	24.2	25.6	50.2	24.2	20.3	55.5
EDUCATION							
Primary or less	72	2.8	4.2	93.1	1.4	4.2	94.4
Some secondary	227	7.9	10.1	81.9	7.9	7.0	85.0
Secondary completed or some university	601	17.5	20.6	61.9	16.8	14.5	68.7
University degree or more	600	30.8	32.3	36.8	34.5	20.3	45.2
INCOME (Monthly in Rs)							
Up to 150	8	12.5	0.0	87.5	0.0	0.0	100.0
151 to 300	38	0.0	13.2	86.8	13.5	7.1	92.4
301 to 500	155	15.5	7.1	77.4	13.5	7.1	79.4
501 to 750	216	20.4	15.7	33.9	22.7	8.3	69.0
751 to 1000	282	21.6	27.3	51.1	22.3	18.1	59.6
Above 1000	684	25.3	27.8	46.9	26.3	19.3	54.4
Refusal	117	6.0	23.1	70.9	11.1	12.0	76.9
OCCUPATION							
Professionals	90	34.4	42.2	23.3	36.7	23.3	40.0
Businessman and retail traders	245	28.6	15.9	55.5	26.5	14.3	59.2
Govecnment officials and business executives	88	39.8	36.4	23.9	40.9	20.5	38.6
White coller workers	293	29.0	26.3	44.7	30.4	17.7	51.9
Skilled workers	97	14.4	28.9	56.7	14.4	19.6	66.0
unskilled workers	35	5.7	11.4	82.9	8.6	0.0	91.4
House wives	330	4.8	11.5	83.6	7.0	6.7	86.4
Others	58	13.8	29.3	56.9	22.4	17.2	60.3
Not warking—retired/unemployed	264	18.6	26.9	59.5	19.3	19.3	61.4
RELIGION							
Hindu	1323	21.3	22.4	56.3	22.4	15.2	62.4
Muslim	54	14.8	20.4	64.8	16.7	11.1	72.2
Curiatian	65	10.8	32.3	56.9	13.8	13.8	72.3
Sikh	29	20.7	20.7	58.6	20.7	13.8	6.55
Others	29	23.1	34.5	41.4	20.7	27.6	51.7
CITY							
Bombay	375	21.1	32.2	54.7	21.3	11.7	66.9
Calcutt	375	26.7	27.5	45.9	28.3	25.9	45.9
Delhi	375	17 1	16.0	66.9	18,1	10.9	70 9
Madras	375	16.8	25.1	58.1	19.5	12.3	68.3

The crisis currently afflicting the economies of the West seems to have impaired the capacity of the advanced countries to provide economic assistance to the less developed countries. One observes a kind of reluctance to channelise funds through multi-lateral agencies. The Reagan Administration at least does not make any bones about it : it would rather go in funding through private enterprises on bilateral basis. As a rusult the economic problems of the less developed countries have been further aggravated. In India too the impact of this worldwide crisis has been registered. The loan it has sought from IMF is an index of this impact. The balance of payment crisis has aequired disturbing dimensions.

How has the changed international econo mic perspective affected people's attitudes to foreign economic assistance ? Do people tend to disdainfully dismiss away foreign economic assistance as of no consequence ? Do they share the views of have-not countries that the developed countries "owe necessary economic assistance to them" that they are helped in achieving their develop mental goals. Would they still insist upon government at foreign economic assistnce or are they willing to go in for commercial loans ? These were some of the question on which public opinion was elicited in the current survey.

The broad picture that emerges the survey finding is one of the people who believe that the developed countries owe to have-nots the requisite assistance to enable them to move towards economic development but at the same time they place heavy premium on economic self-reliance. Thus 45 per cent subscribe to the view that the developed countries must 'share the responsibility' to help the less developed ones. As against this 41 per cent would prefer the 'developing countries to look after themselves' without waiting for the helping hand from advanced countries.

Contrary to the popular belief the Indian people, on survey evidence, do not show any preference for government to government economic aid. In fact the proportion who would go in for 'commercial loans' is almost three times larger (61%) than that opting for 'government foreign assistance' (21%).

The responses to another question designed to ascertain the type of assistance the people think would enable the under-developed countries to achieve development clearly indicate that the Indian people would not like to receive doles to tide ove economic difficulties : the emphasis is clearly on foreign assistance that in the long run should help the people to attain self-reliance. Thus only one in four persons opted for the suggestion that the advanced countries should 'provide food products when shortage occur'. A large majority, on the other hand would go in for measures that should enable the people in the less developed countries to help themselves: Thus a little over one-third (35%) would like 'people from less developed countries to study in developed countries'. About one-fifth thought that if the developed countries provided funds to 'local people to study ways and means to solve their own problems', the goal of development would be easier to achieve. About the same proportion would like advanced countries to 'provide technical know-how at no cost basis'.

A. Are you in favour of forein assistance from Governments would you prefer commercial loans such as from the world Bank's Institutions or International Banks?

B. Do you feel that the problems of the under developed countries of the world are their own responsibility, or do do you feel that the developed countries must share in this responsibility.

	No of Respondents	Foreign Assistance	Commercial loans	Can't say	Under developed must look after themselves	Developed must share responsibility	Don't know
TOTAL	1500	20.8	60.7	18.1	40.7	45.0	14.3
SEX							
Male	966	22.4	64.8	12.8	41.7	45.3	12.9
Female	534	18.0	53.2	28.8	39.0	44.4	16.7
AGE (in years)							
12 to 35	867	20.5	61.2	18.2	41.9	43.5	14.6
36 to 50	406	21.2	59.6	19.2	36.9	48.0	15.0
Above 50	227	21.1	60.4	18.5	43.2	45.4	11.5
EDUCATION							
Primary or less	72	9.7	31.9	58.3	30.6	36.1	33.3
Some secondary	227	20.3	44.1	35.7	42.3	32.2	25.6
Sec. complte/some uny	601	20 1	62.7	17.1	41.6	43.4	15.0
Univ. degree or more	600	23.0	68.3	8.1	40.5	52.5	7.0
HOUSEHOLD INCOME							
Up to 150	8	12.5	37.5	50.0	25.0	25.0	50.0
151—300	38	10.5	50.0	39.5	26 3	36.8	36.8
301 – 500	155	21.3	46.5	32.3	36.8	35.5	27.7
501—750	216	25.0	52.3	22.7	43.1	35.6	21.3
751—1000	282	27.0	55.3	17.7	41.5	44.3	14.2
Above 1000	684	18.9	68.9	12.3	44.0	50.1	5.8
Refusal	117	12.8	65.0	22.1	26.5	50 4	23.1
OCCUPATION							
Professionals	90	15.6	71.1	13.3	30.0	65.6	4.4
Businessmen/retailer	245	20.8	60.4	18.8	47.7	31.8	20.8
Govt.offl/Bus. Exec.	88	22.7	72.7	4.5	33.0	63.6	3.4
White collar workers	293	27.3	63.5	9.2	72.2	51.2	11.6
Skilled workers	97	18.6	66.0	15.5	35.1	47.0	17.5
Unskilled workers	35	20.0	54.3	25.7	45.7	31.4	22.9
Housewives	330	18.2	44.5	37.3	38.5	39.7	21.8
Others	58	12.1	48.5	3.4	46.6	51.7	1.7
Not working,Retired	264	20.8	64.0	15.2	47.7	43.2	9.1
RELIGION							
Hindu	1323	20.1	61.6	18.3	41.3	44.2	14.4
Muslim	54	37.0	42.6	20.4	44.4	38.9	16.7
Christan	65	18.5	60.0	21.5	21.5	63.1	15.4
Sikh	29	20.7	55.2	24.1	48.3	44.8	6.9
Others	29	27.6	58.6	13.8	41.4	51.7	6.9
CITY							
Bombay	375	27.5	58.7	13.9	58.7	35.7	5.6
Calcutta	375	17.1	65.1	17.9	40.3	40.8	18.9
Delhi	375	20.3	64.3	15.5	36.5	50.9	12.5
Madras	375	18.4	54.7	26.9	27.5	52.0	20.0

If assistance is to be provided how, in your opinion, should it be done? Here are some suggestions. Would you tell me which one or once you think are most appropriate and in the long run can actually achieve development ?

(Percentages)

	No. of Respondents	Provide food Products when shortages occur	Provide funding for local people to study wages and means of helping them slove their own problems	Send people from less developed countries to study in developed countries	Send in a team of experts to make reccommendations for developing the country	Export food and other necessities to these less developed countries at cost	Provide at no cost technical know-how developed in the Western world	Don't know
TOTAL	1500	25.1	27.0	35.5	15.5	5.7	25.2	14.4
SEX								
Male	966	23.8	26.3	35.6	15.4	5.9	26.3	11.8
Female	534	27.3	28.3	35.2	15.7	5.4	22.8	19.1
AGE (in years)								
21 to 35	867	23.9	26.2	35.2	14.3	5.9	24.9	13.5
36 to 50	406	27.1	27.1	36.2	16.5	4.4	25.1	16.5
Above 50	227	26.0	30.0	35.2	19.8	7.5	25.6	15.0
EDUCATION								
Primray or less	72	30.6	19.4	22.2	6.9	5.6	11.1	44.4
Some Seconday	227	32.2	22.5	31.3	14.5	5.3	15.4	29.1
Secondary Completed or some University	601	22.8	28.3	36.6	14.5	6.5	24.8	13.1
University degree or more	600	24.0	28.3	37.5	18.0	5.2	30.7	6.5
INCOME (Monthly in Rs)								
Upto 150	8	50.0	25.0	12.5	12.5	0.0	12.5	25.0
151 to 300	38	39.5	39.5	50.0	18.4	5.3	5.3	18.4
301 to 500	155	29.0	29.7	32.3	9.7	5.2	17.4	21.3
501 to 750	218	27.8	25.5	31.0	10.6	6.0	19.4	20.4
751 to 1000	282	23.0	28.7	34.8	15.6	6.4	19.1	16.0
Above 1000	684	25.1	27.8	36.5	19.2	6.6	34.4	8.9
Refusal	117	12.8	13.7	40.2	10.3	0.0	12.8	20.5
OCCUPATION								
Professionals	90	32.2	26.[illegible]	50.0	16.7	8.9	40.0	6.7
Businessmen and retail traders	245	23.7	13.9	35.5	9.0	4.5	21.6	23.7
Government officials and business executives	88	18.2	35.2	28.4	14.8	9.1	37.5	2.3
White collar workers	293	19.5	29.4	39.9	17.1	4.4	26.3	5.8
Skilled workers	97	30.9	27.8	32.0	17.5	1.0	24.7	17.5
Unskilled workers	35	40.0	17.1	31.4	11.4	5.7	17.1	20.0
Housewives	330	27.6	26.4	32.1	16.7	6.1	20.0	25.5
Others	58	24.1	34.5	51.7	20.7	12.1	29.3	5.2
Not working—retired/unemployed	264	25.4	34.1	37.1	17.0	6.1	24.2	8.3
RELIGION								
Hindu	1323	25.6	26.4	36.4	15.8	5.4	24.3	14.4
Muslim	54	18.5	37.0	20.4	13.0	7.4	35.2	20.4
Christian	65	21.5	30.8	33.8	12.3	1.5	26.2	12.3
Sikh	29	13.8	24.1	31.0	13.7	10.3	17.2	13.8
Others	29	31.0	31.0	31.0	20.7	14.1	44.8	6.9
CITY								
Bombay	375	15.7	22.4	21.9	12.3	8.3	46.9	13.9
Calcutta	375	32.5	29.9	20.5	19.2	5.1	24.8	23.7
Delhi	375	13.6	9.6	47.7	4.5	3.2	14.4	9.3
Madras	375	38.4	46.1	51.7	26.1	6.4	14.1	10.7

CSO: 4220/5

CRITICAL PAYMENT GAP; EXPORT PROJECTIONS

New Delhi MONTHLY COMMENTARY ON INDIAN ECONOMIC CONDITIONS in English No 12, Jul 81, Blue Supplement pp I-XII

[Article: "The Outlook for Indian Exports 1981-1985"]

[Text] 1. India's Critical Payments Gap: 1980-81

The figures recently released reveal that India's overall balance of trade in merchandise in 1980-81 was adverse to the extent of Rs. 5,535 crores and has naturally produced alarm and intense pessimism on the possibility of overcoming the current payments crisis. There is no need to underestimate the current crisis, particularly in terms of the stagnation of Indian exports (and re-exports) and the strident rise in imports in the year 1980-81. In fact exports at the level of Rs. 6,675 crores (partially revised figure), but now raised nearer to Rs. 7,100 crores, are Rs. 5,100 crores short of imports which are placed at Rs. 12,210.16 crores (also a partially revised estimate). Both the stagnation of exports, which have shown virtually no rise for two years, and the rise in imports look like presenting an enduring picture. If India had not had the exceptional good fortune on her 'invisible' exports in 1980-81 and if she had no recourse to the IMF facility that year the payments crisis would have been almost as severe as the trade gap.

Details of the course of events for the whole decade are shown in Table I. It will be seen that we have not, until 1979-80, had a very severe balance of trade gap. In 1979-80 the revised figure was Rs. 2,449.12 crores but this is less than half the latest figure for 1980-81. In other words, there must have been special factors which have operated in the last two years. These are not difficult to seek, since most of the rise in imports was due to the payments made to OPEC for crude oil and for petroleum products. From April to December 1980, crude oil imports were of the value of Rs. 2,302 crores and petroleum products of the order of Rs. 1,271 crores, or Rs. 3,573 crores together. For the full year 1980-81, the figure of crude oil and petroleum products imports was over Rs 5,500 crores against only Rs. 1,681.16 crores in 1978-79 and Rs. 3,211.90 crores in 1979-80 (Table II).

As indicated earlier gross invisible receipts have provided a windfall. The figure has risen from 2806.7 crores in 1977-78 to Rs. 4,467 crores in the calendar year 1980 (Table III). This last figure was much higher than the 1979-80 figure of Rs. 3,071 crores. There was thus a happy saving grace on the invisible side, while the merchandise side showed an alarming deterioration both ways; stagnation of exports and a sharp rise of imports.

In the net result with aid in 1980-81 of the order of perhaps Rs. 3,500 crores including repayments and the additional 'payment' net proceeds of about Rs. 1,400 crores, Rs. 4,500 of the Rs. 5,500 crores in the balance of trade was overcome by payments advantages. However, India's foreign exchange resources fell in 1980-81 from about Rs. 5,422 crores at the end of 1979-80 to Rs. 4,617 crores at the end of 1980-81. The fall is continuing in 1981-82 (see Table IV) and the question arises as to how severe the condition might be in 1981-82 and 1982-83.

The rest of this Blue Supplement is devoted to one side of this (alarming) picture, namely,

TABLE I

India's Overall Balance of Trade (Merchandise) 1970-71 to 1981

(Rs. Crores)

Year/Period	Imports (−)	Exports (including re-exports) (+)	Balance of Trade (Marchandise)
1970-71	1,634.20	1,535.16	− 99.04
1971-72	1,824.54	1,608.22	− 216.32
1972-73	1,867.44	1,970.83	+ 103.39
1973-74	2,955.37	2,523.40	− 431.97
1974-75	4,518.78	3,328.83	−1,189.95
1975-76	5,265.20	4,042.25	−1,222.95
1976-77	5,073.79	5,142.25	+ 68 46
1977-78	6,025.29	5,404.26	− 621.03
1978-79	6,814.30	5,726.26	−1,088.04
1979-80 (P)	8,231.32	5,998.64	−2,232.68
1979-80 (R)	8,907.88	6,458.76	−2,449.12
1980-81 (P)	11,783.29	6,578.41	−5,204.88
1980-81 (P R)	12,210.16	6,675.15	−5,535.01
April-May 1980 (P)	1,721.87	837.57	− 884.30
April-May 1980 (R)	1,965.01	1,197.90	− 767.11
April-May 1981 (P)	1,531.22	1,010.38	− 520.84

(P)=Provisional.
(PR)=Partially Revised.
(R)=Revised.

Source: Directorate General of Commercial Intelligence and Statistics, Government of India, Calcutta.

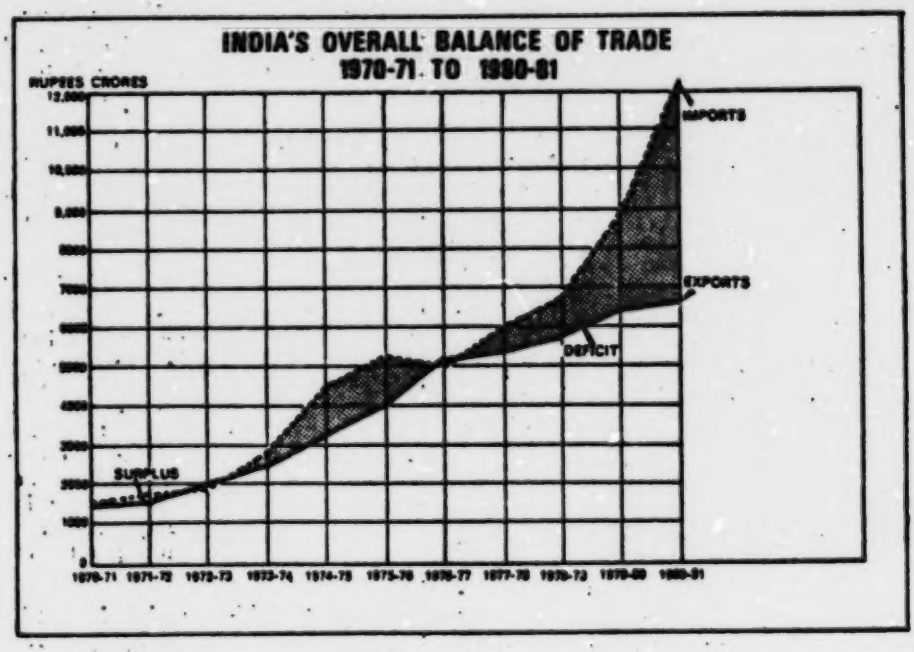

TABLE II

Imports of Crude Oil and POL Products

(Qty.-'000 Tonnes)
(Value-Rs. Crores)

Product	1978-79		1979-80		April-Dec. 1980*@	
	Qty.	Value	Qty.	Value	Qty.	Value
(a) Crude Oil	14,657	1,251.17	16,119	2,186.93	11,849	2,302.38
(b) Petroleum Products	3,878	429.99	4,478	1,024.97	4,943	1,270.94
Of which :						
Naphtha	301	33.62	131	29.30	90	23.29
Kerosene	1,449	181.26	1,491	364.09	1,421	396.11
HSD	1,120	133.41	1,936	478.61	2,223	601.37
LDO	24	2.49	77	21.37	27	6.95
Furnace Oil	912	57.92	741	87.14	955	145.13
Lubes and Greases	44	12 46	52	19.99	129	61.17
Others	28	8.83	50	24.47	98	36.92
Grand Total (a)+(b)	18,535	1681.16	20,597	3,211.90	16,792	3,573.32

*Provisional.

@Excludes products obtained under crude processing arrangement with Aden Refinery.

the possible rise in the Indian exports to provide the additional defence against repetition of the 1980-81 balance of trade crisis. Fortunately, it seems likely that there will be a revival in exports, since the first two months of the financial year 1981-82 have been highly encouraging. There has also been a fall in overall crude oil prices and an expected fall in that of petroleum products So it is conceiveable that something like Rs. 1,000 crores might be saved on petroleum crude imports. If exports rise by Rs. 1,400 crores and imports drop to Rs. 1,000 crores, it is possible, though perhaps not extremely likely, that India will recover the position of 1979-80 when the adverse balance was less than Rs. 2,500 crores.

How, in the face of this dismal picture, can one look upon the financing of the Plan which unfortunately made no provision for an adverse balance of trade of this order in 1980-81 though the facts were broadly known. It is obvious that, particularly to finance the large capital investment in oil exploration and further development of Bombay High, particularly South Bombay High, massive foreign exchange will be required. This explains in part the approach to the International Monetary Fund for a loan of the order of five billion SDR's which, like the trade balance of the current year, is a breathtaking figure making financial history. The taking of such a massive loan raises serious problems of repayments and naturally discussions are proceeding on the wisdom of the operation over the long haul.

It is obvious, however, that a standby credit is necessary in order to ensure that India's present credit rating which was and is high since 1976 should not be eroded. There is much to be said for the negotiations. The money obligation of India's Sixth Plan should be underwritten in advance by the standby credit under terms which are admissible under the IMF rules. This does not make the trade picture any happier but it does suggest that, while the trade balance will continue to be adverse throughout the Plan, the payments situation can be safeguarded "for the duration".

TABLE III

Non-export Receipts (Gross) : 1979 and 1980 Monthwise

(Rs. crores)

Month	1979	1980
January	206.50	400.47
February	171.96	285.58
March	323.19	311.42
April	221.88	308.66
May	210.68	232.16
June	266.96	223.12
July	186.02	230.05
August	207.73	599.13
September	242.47	689.04
October	167.25	643.37
November	247.64	231.37
December	323.02	312.91
Total	2,775.30	4,467.28
April-December	2,073.65	3,469.81
April-March	3,071.12	

Source : Information given in the *Lok Sabha* by Mr. R. Venkataraman, Minister of Finance, Government of India.

TABLE IV

Movements in India's Foreign Exchange Reserves/Assets : 1971-1981

(Rs. Crores)

Year/Month/Week ending	Foreign Exchange Reserves[1] (As at the end of)	Net Foreign Assets of of the Banking Sector[2] (As on last Friday/Friday)	Foreign Exchange Assets of the Reserve Bank of India[3] (As on last Friday/Friday)
1970-71	438.12	559	350
1971-72	480.38	619	421
1972-73	478.90	579	376
1973-74	580.78	674	530
1974-75	610.50	436	633
1975-76	1,491.70	1,094	1,518
1976-77	2,862.99	2,471	2,767
1977-78	4,499.75	4,445	3,889
1978-79	5,219.86	5,434 (P)	4,655
1979-80	5,163.66	5,422 (P)	4,782
1980-81		4,617	4,320
April, 1980	4,854.39	5,019 (P)	4,535
May, 1980	4,890.21	5,022 (P)	4,655
June, 1980	4,774.90	4,874 (P)	4,488
July, 1980	4,582.49	4,770 (P)	4,335
August, 1980	5,245.69	5,162 (P)	4,954
September, 1980	5,209.13	5,023 (P)	4,811
October, 1980	4,999.40	4,880 (P)	4,661
November, 1980	4,949.80 (P)	4,821 (P)	4,599
December, 1980	4,760.70 (P)	4,663 (P)	4,444
January, 1981	4,850.54 (P)	4,707 (P)	4,480
February, 1980	4,888.34 (P)	4,824 (P)	4,589
March, 1981		4,617	4,320
April 3, 1981		4,678	4,354
April 10, 1981		4,589	4,265
April 17, 1981		4,603	4,277
April 24, 1981		4,514	4,209
May 1, 1981		4,470	4,167
May 8, 1981		4,473	4,149
May 15, 1911		4,446	4,120
May 22, 1981		4,378	4,075
May 29, 1981		4,403	4,100
June 5, 1981		4,279	3,978
June 12, 1981		4,279	3,978
June 19, 1981		4,187	3,966
June 26, 1981		4,155	3,932
July 3, 1981			3,932
July 10, 1981			3,932
July 17, 1981			3,932
July 24, 1981			3,392

(P)—Provisional and subject to revision.

[1] Excluding Gold and Special Drawing Rights.

[2] As available in the 'Analysis of Sources of Change in M_3'.

[3] Foreign Securities plus Balances held abroad (As available in the 'Statement of Affairs of the Reserve Bank of India').

Source: Reserve Bank of India.

II. Export Projections: Government and FICCI 1981-82

It is not surprising that the alarmir growth in India's trade deficit from Rs. 1,055 crores in 1978-79 to Rs. 2,370 crores in 1979-80 and Rs. 5,436 crores in 1980-81 has made both the Government and Trade and Industry resolve on plans for much better export performance in 1981-82 than in the immediately preceding years. They have arrived at not very different export projections for the current year which are given in the table on page VI.

FICCI visualises an export target for 1981-82 higher by 22.85 per cent than actual exports in 1980-81 as against 18.31 per cent under the corresponding Government target. Its export expectations are high in the area of plantations/agricultural and allied products. They are also higher in textiles, jute and allied products; but lower in respect of gems, jewellery and handicrafts.

Export targets are comparable for engineering products, which undoubtedly constitute an important growth area. Since nothing is said in FICCI's Export Plan for 1981-82 about the comparison of its own targets with Government's, but Government sources and plans seem to have been the basis of change and Government assistance is a condition of success. Obviously, 22.85 per cent increase in exports in a single year as anticipated by FICCI would call for a good deal of effort on the part of industry and trade and co-operation from governmental agencies. Even the 18.31 per cent improvement in exports in 1981-82, as expected by Government appears high demanding a 11 per cent average annual increase achieved during 1979-80 and 1980-81.

However, the export trend in the first two months of the current year (April-May) is a good augury for a major improvement. While export earnings, on the basis of provisional data, have gone up by nearly 20 per cent to Rs. 1,010.38 crores compared to Rs. 837.57 crores in the corresponding months of the last year, imports have gone down by about 12 per cent to Rs. 15,131.22 crores as against Rs. 1,721.87 crores. The trade deficit is thus, lower at Rs. 520.84 crores as compared with Rs. 884 30 crores, correspondingly. In case these two months' exports from same proportion to the total year achievement as it was in the preceding year, the 1981-82 exports should be Rs. 8,557 crores, that is, near the FICCI export expectations.

Agricultural Products

Of plantations/agricultural and allied products, tea will be a leading foreign exchange earner as in the previous years but at almost half the growth rate. As analysed in IIPO's Quarterly Economic Report (99) an annual figure between Rs. 400 and Rs.500 crores looks as though it will be normal for the eighties on Tea exports of above 250 million kgs. The most significant growth product is sugar whose export of Rs. 35 crores (provisional) in 1980-81 as against Rs. 145.8 crores in 1979-80 is expected to earn Rs. 150 crores in 1981-82. This figure is arrived at by FICCI on the assumption that sugar production will rise and that exportable surplus will be 3.5 lakh tonnes in 1981-82. Such an assumption is subject to many 'ifs' and 'buts' in regard to domestic production and exportables supplies. FICCI itself bases its projection on the hope that the monsoon has been favourable and that the area under sugarcane is larger than before. But it concludes on a pessimistic note: "the picture today is not quite clear and a final outlook would be possible by 1981-82." Rice is next to tea in matter of foreign exchange earned in 1980-81 and to earn in 1981-82. Whatever may be argued against 'stop-go' or 'switch-on' or 'switch off' approach to its exports, its surplus for export is most susceptible to domestic demand pressures. Reversal of a negative into positive growth rate of export of spices, cardamom and marine products as anticipated in 1981-82 will be conditioned more by international market factors than domestic supplies.

Ores and minerals, conspicuously iron ore claiming 82.65 per cent of the group total, are expected to maintain a steady pace. So are exports of leather goods which, if properly planned marketwise, can earn more than anticipated. Similar is the case with sports goods, except that their exportable surpluses face more severe production constraints, than leather goods.

Gems and Jewellery

The Government expects more foreign exchange from gems and jewellery than FICCI, perhaps because of an optimistic picture presented by STC for gold jewellery exports to Middle East countries. Such optimism has, unfortunately, been abated by the fierce competition there from other countries, especially

China. Diamond exports, accounting for over 90 per cent of the group exports, have been hard hit by a deeper world recession leading to restricted credit sales in our main markets. In the result, the total group exports declined by 30 per cent to Rs. 11.74 crores in 1980-81 compared to Rs. 16.93 crores in 1979-80.

Handicrafts can become a good item for increased export if their prices are lowered through improvement in technology, whenever permissible, and more elaborate workmanship. In view of their total exports around Rs. 808 crores in 1979-80 and Rs. 878 crores in 1980-81, a massive effort will need be mounted to achieve the Government target of Rs. 1,190 crores in 1981-82.

Textiles, Jute and Coir

Textiles, Jute and Coir manufactures have been shifting their relative position as foreign exchange earners, due more importantly, to the increasing foothold of competitors in foreign markets, caused, inter alia, by our own erratic and uncertain supplies in the wake of unsatisfactory position of infrastructural inputs like power, coal, transport, etc. Exports of coir products are spread over 110 countries in the world at present. In view of our decentralised industry, only a few selected markets should be our target. Textiles constitute a vexed export problem subject to international and national pulls and pushes and need a cautious steering in the most competitive as well as restrictions-ridden world markets. No less vexed is the position of jute manufactures threatened by competition from Bangladesh and lately China.

Engineering Goods

Engineering exports are no doubt a promising area. An anticipated rise of Rs. 250 crores during this year calls, however, for very intensive and selective effort, especially for project and consultancy exports. The signs are encouraging as India has already bagged overseas civil construction contracts worth Rs. 644 crores in the six months of the present calendar year. Thus encouraged, the Government has very lately raised the export target from Rs. 1,150 crores to Rs. 1,200 crores for the current year and taken certain measures to remove export bottlenecks. It has formulated a new scheme to replace the system of compulsory pre-shipment inspection and simplication of the weighted tax deduction facilities for exporters. It has already asked the Reserve Bank of India to prevent transfer of foreign carrency from one project to another in the same country. It might consider the exporters' plea to raise exemption limits for project clearances by IDBI from Rs. one crore to Rs. 10 crores.

FICCI has suggested in its Plan the commoditywise measures in the nature of securing normal facilities for production and incentives in special cases where industry is placed at a disadvantage vis-a-vis the facilities available in other competing countries. These are largely general, not specific in nature. Currently official procedures are still an obstacle. Government should concentrate on removing procedural bottlenecks, causing delays in execution of export orders, as well as delaying implementation of existing export policies at all official levels.

TABLE

Government and FICCI Export Targets for Major Items on 1981-82

(Rs. crores)

Product Groups	Government Projection	FICCI Projection	Export 1980-81 (P)	Percentage increase of 4 over (2)
(1)	(2)	(3)	(4)	(5)
Plantations/Agricultural and allied products	2,300	2,556	1,925	19.5
Ores and minerals	500	492	380	31.6
Leather goods	425	425	360	18.0
Gems, jewellery and handicrafts	1,190	1,074	1,050	13.3
Textiles, jute and coir manufactures	1,575	1,695	1,375	14.5
Chemical and allied products	525	539	450	16.7
Engineering products	1,150	1,150	900	27.8
Total (including others)	8,400	8,600	7,100	18.3

III. The Changing Terms of Trade in India's Balance of Trade Crisis

Obviously, the major factor in the deterioration of India's balance of trade in the last two years has been the high price paid for petroleum products while unit export prices have tended to remain relatively stationary. The relation of export and import unit values is often described as the net terms of trade. The changing terms of trade, looked at over a decade and then, more specifically, over the short period need to be described as one major factor leading to the current deterioration in India's trade balance.

The terms of trade (with base 1968-69=100) improved markedly from 106 in 1970-71 to 124 in 1972-73. Indeed it was precisely because of this spectacular improvement in the terms of trade in 1972-73, that India had, surprisingly with a relatively low quantum index for exports in 1972-73, a favourable balance of trade. The figures in Table I will show that the terms of trade improved in that year to a peak figure of 124. Thereafter there has been a steady decline and there has been a major fall between 1978-79 when the figure stood at 90 in 1980-81. The deterioration from 1972-73 has been due to the OPEC crisis which first began in 1973-74 with the initial attack in 1973-74 greatly enhanced in 1974-75 and 1975-76. There was a partial recovery in 1977-78 and 1978-79 because the unit value of India's exports rose significantly in two years while the import unit values fell. The current position is significantly worse than in 1979-80. The question which now arises is as to how the terms of trade look currently for the year 1980-81.

If we look at the provisional figures of the import of crude oil and petroleum products between 1978 and 1980, we have quantities which have somewhat declined since 1979-80, so far as April-December 1980 is concerned, but quite conceiveably, they could be a little higher for the period 1980-81. On the other hand the total values between April and December at Rs. 3,573.32 crores already exceeds the value for the full year 1979-80 (Table II). If, therefore, we assume that quantities are slightly higher and value much higher, obviously the imports of petroleum products will have caused a further deterioration in our terms of trade. This is reflected in the unit value in April-December 1980 of Rs. 2,128 per tonne against Rs. 1,559 in 1979-80, or an increase by about 36 per cent. If we look at exports of selected number of items for India as shown in Table III one sees that while the total value in crores looks as though it has been maintained, in all cases the rise in unit prices is substantially less than the 30 per cent rise on the import of petroleum products. The best that can be assumed on the rough indications that are now available for 1980-81 are that export prices might have gone up by about 10 to 15 per cent on an average, whereas, in this year, as a whole import prices of petroleum products have gone up by 30 per cent. Assuming this applies to the total value of India's imports and exports, one might assume, therefore the deterioration in the terms of trade in 1980-81 could be conceiveably between 10 to 15 per cent. If we take figure for 1979-80 as the average of Apr.-Oct. 1979, the possible index of terms of trade for 1980-81 would then be under 70 and this in itself would raise India's adverse balance of trade by not less than ten per cent. If we translate this into the figures available for 1980-81 on the adverse balance of trade of Rs. 5,530 crores, one might argue that no less than Rs. 550 crores was due to the adverse balance of trade and, conceiveably, this could be higher of the order of Rs. 750 crores.

It is in the light of these figures that one must look upon the prospects of improvement in the terms of trade. It now appears that the Indian Rupee is coming under pressure so that currently the official rate has passed Rs. 9 for a dollar (US). Unofficially the Rupee is also again quoted at a substantial discount which suggests that a decline in the external value of the rupee is already under way. One might assume that a 10 to 15 per cent rise in the Rupee value of exports is possible. By the same token, one can argue that with disagreement inside OPEC and the possibility of India as a large buyer can obtain some larger discounts, there might be a decline in oil prices in 1981-82 of the order of perhaps five per cent. If both these conditions operate together, one might hazard the guess that, in 1981-82, the terms of trade might return to the 1979-80 level or about 75 in the index quoted in Table I.

Over the decade as a whole, except in the first three years when the terms of trade were improving, the operation of our import sector has been such as to wholly offset all gains in

both the quantum and prices of our exports. We have now moderated the severity of this blow but it is not possible, perhaps for the next six or seven years, to remove this high adverse factor in our trading pattern. In effect, an adverse balance of trade of not less than Rs. 2,500 crores is written into each of the next four or five years It is a matter of great good fortune that India's invisible exports still help to sustain the balance of payments while the balance of trade continues to be highly adverse.

TABLE I

India's Terms of Trade and Index Numbers of Exports and Imports 1968-69 to 1979-80

(Base : 1968-69=100)

Year	Unit Value Index		Net Terms of Trade	Quantum Index		Gross Terms of Trade
	Exports	Imports	(2)/(3)	Exports	Imports	(6)/(5)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1969-70	104	100	104	100	84	84
1970-71	106	100	106	106	87	82
1971-72	108	93	116	107	105	98
1972-73	120	97	124	120	99	83
1973-74	146	138	106	125	114	91
1974-75	183	239	77	133	100	75
1975-76	197	280	70	147	99	67
1976-77	210	272	77	174	99	57
1977-78	236	249	95	168	130	78
1978-79	234	260	90	180	140	78
1979-80 (E)	252	344	73	156	109	70
October 1979	228	401	57	154	92	59

(E)-Estimated on the data available upto October 1979.

Source : Directorate General Commercial Intelligence and Statistics, Calcutta.

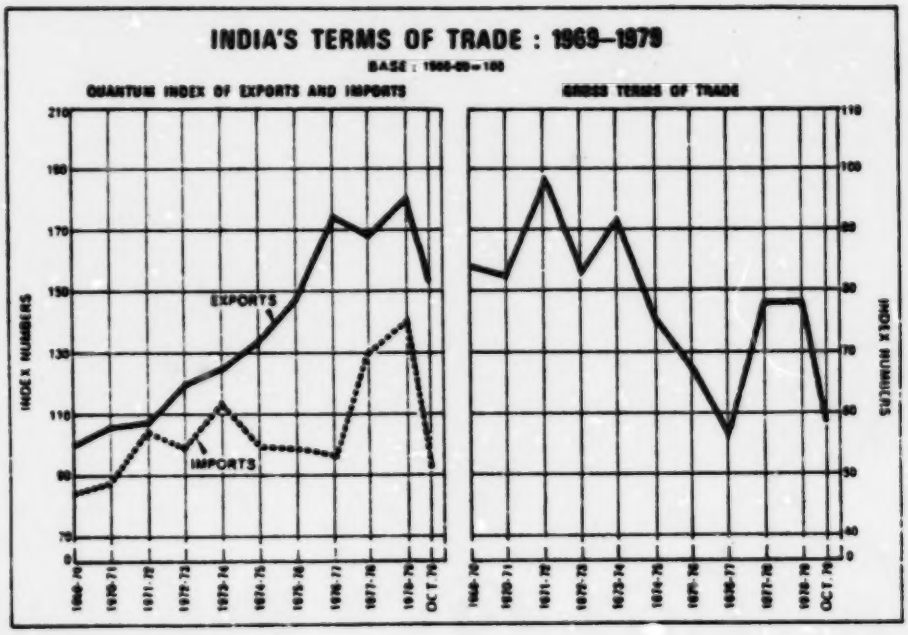

TABLE II

Import of Crude Oil and Petroleum Products : 1978-1980

(Quantity : Thousand Tonnes)
(Value : Rs. Crores)

Item/Product	1978-79			1979-80			April-December 1980 (P)		
	Qty.	Value	Unit Value (Rs./Tonne)	Qty.	Value	Unit Value (Rs./Tonne)	Qty.	Value	Unit Value (Rs /Tonne)
1. Crude Oil	14,657	1,251.17	854	16,119	2,186.93	1,357	11,849	2,302.38	1,943
2. Petroleum Products	3,878	429.99	1,109	4,478	1,024.97	2,289	4,943	1,270.94	2,571
Of which :									
(a) Naphtha	301	33.62	1,117	131	29.30	2,237	90	23.29	2,588
(b) Kerosene	1,449	181.26	1,251	1,491	364.09	2,442	1,421	396.11	2,788
(c) HSD	1,120	133.41	1,191	1,936	478.61	2,472	2,223	601.37	2,705
(d) LDO	24	2.49	1,038	77	21.37	2,775	27	6.95	2,574
(e) Furnace Oil	912	57.92	635	741	87.14	1,176	955	145.13	1,520
(f) Lube and Greases	44	12.46	2,832	52	19.99	3,844	129	61.17	4,742
(g) Others	28	8.83	3,154	50	24.47	4,894	98	36.92	3,767
Total : 1+2	18,535	1,681.16	907	20,597	3,211.90	1,559	16,792	3,573.32	2,128

TABLE III

Exports of Selected/Principal Items from India : 1978-1980

Period	Tea and Mate		Spices		Raw Jute		Jute manufacture include Twist and Yarn	
	Qty. Million kgs.	Value (Rs. Crores)	Qty. (000 Tonnes)	Value (Rs. Crores)	Qty. (000 Tonnes)	Value (Rs. Crores)	Qty. (Lakh Tonnes)	Value (Rs. Crores)
1978-79	172.4	340.45	98.1	148.06	2.2	0.78	3.3	165.63
1979-80	196.6	355.26	109.4	148.87	6.0	1.80	4.9	341.18
April-September 1979 (Revised)	88.0	147.68	59.1	69.18	4.9	1.54	2.4	164.98
April-September 1980 (Provisional)	71.1	132.10	37.0	49.84	3.8	0.21	1.6	146.92

TABLE IV

Unit Value of Selected Fxport Commodities : 1978-1980

(Rupees)

Commodity	Unit of Qty.	1978-79	1979-80	April-September 1979	April-September 1980
Jute Manufactures	Tonne	5,019.0	6,962.9	7,365.2	9,182.5
Tea	Kg.	19.8	18.1	16.8	19.3
Spices	Tonne	15,092.7	13,607.8	11,705.6	13,470.2

IV. Exports: Need for New Priorities

It is the habit of governments not to emphasise too much the economic troubles which face the people, but rather to turn away attention from them. But in India we see a curious exception. Our balance of payments difficulties are, if anything, played up by the Government, no doubt with the noble intention of spurring exports. These difficulties are none the less serious, and the urgent need for increasing exports requires not only reiteration but vigorous and purposeful action. Even so, the question of exports and export strategy has to be viewed calmly and objectively, not sentimentally.

For this, it is better to begin from the beginning and ask, why export? Simply stated, it is to earn the means to import what is necessary for the sustenance and growth of the economy. Import requirement is, therefore, the true measure of the importance of and need for exports. These requirements are large and varied, but among them crude oil and petroleum products stand in a class by themselves. Though we produce more than 10 million tonnes and hope to increase the output soon, we still have to set apart about three-quarters of our export earnings to pay for the import of crude oil and petroleum products. A few days ago there came from Government sources the breathtaking statement that India's production will go up to 30 million tonnes in three years. When that miracle happens, then or years later, India can, of course, join another kind of international club. But until then, the need for exports will remain as great as ever.

But that does not necessarily mean that we should try to export anything and everything whatever the cost or effort. In all situations, 'comparative advantage' must remain the general guiding principle. That is to say, among the various goods and services which can be exported, we should prefer those that can be produced more cheaply and efficiently. It is only then that a given amount of resources and productive effort can give optimum results.

It would follow, therefore, that production for export should be organically integrated with production in the economy as a whole. Similarly, among the choices available for investments for export, those offering better or quicker returns should be taken up first. Stated in general terms, these propositions may seem quite self-evident. But curiously enough, they have often been ignored in practice. For example, our greatest natural advantage is sunlight of which we get more than most countries. One would, therefore, have thought that agriculture would have been our most preferred source of exports. But it is nowhere near so. On the other hand, it is the most advanced industrial country in the world, the United States, which happens to be the world's biggest exporter of agricultural products.

Of course, we should not try to export each and every agricultural product. Some, like foodgrains, can be thought of only after domestic needs are met. Choices have, therefore, to be made. Cashewnut is a good example. India is still the leading exporter of processed cashewnuts but we still import half the raw material from Africa. It has been evident for some time that this source will dry up as the African countries begin to process the nuts themselves, and this is happening. Yet very little has been done so far to extend and improve the cultivation of cashew. Palm oil and soyabean are other examples. Both offer the twin advantages of opening up export opportunities and easing the domestic situation by increasing the total supply of edible oils.

Another insufficiently tapped asset, which has great potential, consists of the many natural advantages we have for attracting tourists—mountains, forests, beaches, ancient monuments and our diverse and picturesque ways of life. With some imagination, these can be turned into tourist attractions without calling for undue investment. Yet, compared to the potential, the development of tourism can only be called negligible. Apart from Europe and the Mediterranean, which have a long experience and tradition of tourism, several smaller countries in this region, like Sri Lanka and Singapore, attract far more tourists than India. Tourism, therefore, deserves to rank as one of the priority areas for earning foreign exchange.

While areas of great potential benefit have thus been rather neglected, we have at the same time lavished a great deal of effort (and frittered away resources in the process) in trying to export a host of items in which we have no particular advantage. There are many such instances where real export earnings (that is to say apparent earnings *minus* import costs directly involved) are quite incommensurate with the investment and effort put in.

A search for priorities, made in the light of our advantages and our skills in using them, would show that, except in rare cases, it would not be worthwhile—indeed it would be futile—to promote industries or enterprises solely for export. Industrial investments should be selected in response to market demand; the important point being that market demand should also include export demand. Then, and then only, can much better advantage be taken of the economies of scale. The production which results will then be cheaper and better for the domestic market, as well as competitive in the export markets Further, industries with a wide and stable home base can better face the fluctuations in international demand which can sometimes be quite sharp and violent, than industries solely dependent on exports and therefore wholly exposed to the vicissitudes of the international market To illustrate, one reason why the Indian tea industry has been able to put up with fluctuations has been the continually broadening domestic base.

Following the same lines, it would be seen that export obligations, which have been imposed during the last 15 years on many industrial units have probably done more harm than good. The very obligation to export puts exporters in a weak bargaining position. Some of them are compelled to make distress sales to fulfill their obligations, and these sales may adversely affect export of the same goods by others. It would be well worthwhile to take a second look at this system and withdraw or phase out these obligations before long.

This naturally leads to the question of how to make Indian industry more competitive in the export markets. The only enduring solution is to make Indian industry as a whole more efficient. For this, all should have reasonable access to the necessary equipment, technology and raw materials Confining such access to enterprises which profess to produce only or mainly for exports would not be the right answer in the long run. Doing so would give rise to two sectors, one efficient and the other much less so. These cannot co-exist for long. Because, like Gresham's law which says that bad currency drives out the good, the inefficient will always infect and weaken the more efficient.

The same considerations will also have to be borne in mind on the question of incentives for export. A number of forms of assistance for exports are loosely known as incentives. Some of them, strictly speaking, are not incentives at all. I refer to drawbacks and reimbursement of taxes. These really amount to no more than removal of handicaps. What is required in this field is further simplification of procedures. Incentives proper stand on a different footing as they all involve some subsidy, direct or indirect. Such incentives too are legitimate instruments of policy, but only so long as the industries chosen for assistance have some prospect of improving and doing without them within a reasonable period. They should not become permanent props. Such incentives are better fixed on a generalised formula aimed at encouraging the more efficient to a greater extent than the less efficient In other words, the quantum should not vary from unit to unit depending on the cost of production of each, because if it does so, there will be no inducement to improve. It is true that a generalised incentive may give more profits to the better. But far from deterring us, it should be looked upon as a way of encouraging the less efficient to emulate and improve.

There is a popular impression that while exports are 'good' imports are not so and should be avoided. Such a view is quite unjustified. For, after all, the very object of exports is to earn the means for import.

Courtesy: The Author and the "Indian Express"

V. Outlook for India's Exports: 1984-85

The Sixth Plan assumes that India's exports will grow at an annual rate of nine per cent in real terms during the Plan period, from Rs. 6,420 crores in 1979-80 to Rs. 9,878 crores in 1984-85. However, there are risks in making such projections during a phase of Indian and international inflation and uncertainties over the protectionist and monetary policies of industrial countries. Already, the trade deficit in 1980-81 has increased to Rs. 5,500 crores when the Plan had expected it to rise only to about Rs. 3,972 crores by 1984-85.

The main argument in favour of an optimistic view of the prospects ahead is the increase in India's industrial production in the current year at a rate of about eight per cent, and the likelihood of this rate being maintained during the rest of the Plan with the improvment of the infrastructure and the incentives offered for organised industry. To the extent to which export promotion has hitherto suffered owing to shortage of goods or raw materials—sugar is one example—there is bound to be an improvement. There is less assurance now about the early removal of protectionist restrictions on imports of manufactured products by the industrial countries and hopes of any progress will rest on the outcome of the several conferences due to be held on North-South issues at Mexico in October and later in the U.N. global negotiations. The recent India-EEC agreement is a hopeful sign of the advance that can be made given mutual goodwill and a constructive approach in bilateral and inter-regional agreements even if there are obstacles to understanding at the global level. World exports last year had increased only by 1.5 per cent and this rate is unlikely to show any change in the current year. All developing countries are naturally affected by this relative stagnation growth but by 1982-83, when the industrial countries are able to overcome their problems of inflation and balance of payment, an accelerated growth rate of exports may become a practical possibility.

Indeed, India will now be under strong pressure as a result of its obtaining a massive loan from the IMF of Rs. 5,068 crores (5 billion S.D.Rs) to step up its export efforts by pursuing effective policies for the purpose. For the current year 1981-82, the Commerce Ministry has fixed a target of Rs. 8,400 crores, representing an increase of over 20 per cent in nominal terms over the final figure for 1980-81 which is estimated at Rs. 7,100 crores. Some helpful measures have been taken to assist engineering exports such as priority for its requirements of steel and pig iron, exemption from the last price increase and facility to obtain steel at international prices. Project exports and consultancy contracts are also likely to show an upward trend. Official procedures have to respond in still better ways to changes in the conditions in foreign markets. The present position of tea in which local impediments are hampering exports is an example of the lack of prompt responses to world trends in competitive items.

India's terms of trade have been steadily deteriorating in the last two years mainly because of the higher oil prices. Recent meetings of the OPEC on oil prices have failed to agree on further increases mainly because of Saudi Arabia's influence and also because of rising stocks indicating a stiffening of the attitudes of buyers and their partial success in saving fuel based on oil. There are experts who expect this phase of relative stability in oil prices to continue while some hopefully expect even a slight decline. If this happens, India's payment position can improve.

Whether the exchange rate of the rupee will make any significant contribution to the export promotion effort remains to be seen. The strength of the dollar, because of higher American interest rates, has contributed to a devaluation of the rupee in relation to that currency which should help exports. But the trade weighted exchange rates of the rupee in relation to a basket of currencies show contrary trends in respect of other currencies which are equally important for our exports. There is also the important factor of a possible rise in import costs if the rupee depreciates too much as this can further accentuate the cost push inflation within the country and perhaps also increase the real burden of debt-servicing which will go up from about nine per cent of the value of exports of goods and services in the current year to nearly double that rate when the new IMF loan and further commercial loans from international banks are to be serviced.

A new Export-Import Bank will soon be set up under the recent legislation enacted by Parliament. The Finance Minister has also offered the assurance that cash subsidies and duty drawback to neutralise the effect of indirect taxes on exported goods will be maintained on a stable basis. Such constructive approaches provide the basis for expecting the export targets to be fulfilled by 1985.

CSO: 4220/5

SEMINAR ON CHINESE PROBLEMS IN WEST KALIMANTAN

Jakarta HARIAN UMUM AB in Indonesian 27 Jul 81 p 6

[Text] A seminar on Chinese problems in West Kalimantan, held recently in Pontianak, was sponsored by the cooperation council of the University of Tanjungpura and Military Region XII/Tanjungpura.

At the seminar, which attracted the attention of a number of groups, a working group on "The Chinese Problem in West Kalimantan" was developed as a concept for the resolution of Chinese questions in that area.

The working group is to be composed of Col Eddy Yusuf (chairman), Dr Panjang Soegiharjono (deputy chairman), Lieutenant Colonel Mulsinggih (secretary), Dr Ismet M Noor and Abdussamad (deputy secretaries), and Lt Col Anwar Rahman, Lt Col Aang Suwarjo, Major Sumitro, Dr Janes Siagian, Dr Hadari Nawasi, and Chandra Hasan (members).

The working paper of the group mentioned above covers the matter of the arrival of the Chinese in West Kalimantan, the formation of Chinese associations [kongsi-kongsi], the Chinese during the period of the Dutch colonial government, the Chinese during the Japanese occupation of Indonesia, the Chinese at the time of the proclamation of Indonesian independence, the Chinese group in West Kalimantan, the implementation of Presidential Instruction 02/1980 on Indonesian nationality certificates (SBKRI), and Chinese culture.

Meanwhile, the indigenous inhabitants of the area made it clear that they do not want to have Chinese in their associations. This question was among the problems which call for a solution, particularly in terms of the implementation of Presidential Instruction No 02/1980 on Indonesian nationality certificates.

According to the Presidential Instruction, there are 155,520 people of Chinese ancestry who are clearly Indonesian citizens. However that may be, their attitude and their behavior do not reflect the fact that they are Indonesian citizens, especially the older Chinese group.

The results of the seminar will be turned over to the governor of West Kalimantan.

The seminar, which was opened by the chief of staff of Military Region XII/ Tanjungpura, Col Ida Bagus Sujana, on behalf of the commander of the Military Region, Brig Gen Untung Sribadi, was attended by the director of the Bank of Indonesia branch in Pontianak, the presiding judge of the State Court of Pontianak, representatives of the immigration and transmigration services, and by journalists.

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LOAN FROM KUWAIT SET AT $36.5 MILLION

Jakarta HARIAN UMUM AB in Indonesian 22 Jul 81 p 3

[Article: "Kuwait-Indonesia Sign $36.5 Million Loan"]

[Text] A loan agreement amounting to 10.3 Kuwaiti Dinar (about $36.5 million) was signed recently in Kuwait between the Kuwaiti government (the Kuwait Fund for Arab Economic Development) and the Indonesian government.

The signature of the agreement was in the framework of a Kuwaiti loan to Indonesia, to help in the financing of the rehabilitation and expansion of the electricity network in Bandung (greater Bandung power distribution network).

The Indonesian government was represented at the signing ceremony by the Indonesian ambassador to Kuwait, R Sajogo, while the Kuwait Fund for Arab Economic Development was represented by Minister of Finance and Planning 'Abd al-Latif Yusuf al-Hamad.

The loan is for a period of 20 years, including 5-year grace period, at a rate of 3.5 percent interest and an additional 0.5 percent per year for administrative costs.

The loan is a follow up to the visit of the amir of Kuwait to Indonesia last September. At that time Kuwait agreed to grant a soft loan of $107 million for several projects.

Friendly relations between Indonesia and Kuwait have existed since the opening of the Indonesian Embassy in 1976. They have continued to improve, with President Soeharto visiting Kuwait in 1977. As a follow up to the visit that year Kuwait provided a soft loan of $30 million for the Bandung electricity network project and $18 million for the construction of the Belawan-Medan-Tanjung Morawa highway.

Beside that in 1979 Indonesia issued bonds worth 7 million Kuwaiti Dinar [$25.2 million) in Kuwait, in cooperation with the Kuwait International Investment Company.

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EAST TIMOR DEVELOPMENT

Jakarta HARIAN UMUM AB in Indonesian 17 Jul 81 pp 1, 8

[Article: "After Five Years of Integration, East Timor Welcomes Its Increasingly Bright Future"]

[Excerpts] East Timor, which officially became the 27th province on 17 July 1976, is presently growing and developing quickly. As the youngest province, the development of East Timor seems somewhat less than that of other provinces of Indonesia. However, compared with the situation 5 years ago, progress in all sectors of life can be clearly seen. [The previous two sentences, carried as a correction in HARIAN UMUM AB on 18 July, replace the following sentence as published in the original article: "As the youngest province, the development of East Timor appears to have fallen behind, compared with the situation 5 years ago, progress in all sectors of life can be clearly seen." In carrying the correction, the editors stated that several words had been left out, altering the meaning of the sentence.]

"Now the economic, social, cultural, and educational life of the province, as well as that of other sectors, is experiencing rapid progress," said the governor of East Timor, Guilherme Maria Goncalves, to HARIAN UMUM AB in an interview in Jakarta on Wednesday [15 July].

According to the governor, the progress achieved in the province has steadily reached new levels after it successfully went through the three-stage, short-term development program, particularly the rehabilitation phase (October, 1976, to the end of 1979). Thus, East Timor at present is able to take part in the application of the third Five-Year Plan, together with other provinces in Indonesia.

As stated by the chief of the Bureau of Economic Affairs and Development of the province of East Timor, Dr Jose Goncalves, in an interview with HARIAN UMUM AB in his office recently, short-term development programs must be implemented, in view of the conditions in the province. East Timor is in a backward condition as a result of the Portuguese colonial system. To this was added the atmosphere of a kind of "civil war" before the province joined Indonesia.

According to Dr Goncalves, perhaps East Timor is the area which is receiving the greatest amount of budgetary support, based on a per capita calculation. In the

1981-1982 fiscal year total subsidies, financial transfers, and development aid amount to Rp 32,682,253,000. This total is relatively large, compared to the total population of East Timor which, according to the last census, had 552,954 inhabitants.

The budget involves subsidies and financial transfers of Rp 10.5 billion, development aid of Rp 15,182,253,000, and a sectoral budget of Rp 7 billion.

With a development budget which increases year by year, step by step the province, which covers an area of 14,989 square kilometers, is increasingly able to carry out development activity in all sectors. This is not only the case in the larger cities but also in the rural areas of East Timor, which has 13 regencies and 64 districts.

In a physical sense development in East Timor can be seen in the construction of new buildings, for offices, schools, community welfare centers, markets, and resettlement of the population, and so forth. At present the highway infrastructure is steadily improving and reaching far into the interior, opening up a number of regions which were previously isolated. Dr Goncalves further stated that an asphalt-surfaced road, 350 km long, has been constructed from Dilli to Baucau, Meliana, Tampoa, and Los Palos. The construction of highways is very much needed for social development and growth in the rural areas and to facilitate the marketing of the agricultural produce of East Timor.

Some of the agricultural products which have some potential in this region include coffee, copra, corn, and several kinds of nuts. In the past few years the cultivation of cloves has been stimulated in several areas, including Meliana and Los Palos. Livestock raised in the province include cattle, horses, sheep, and chickens. Indeed, last year President Soeharto provided 1,000 cattle for the development of animal husbandry in the province.

Regarding the participation of the community in development, both the governor and Dr Goncalves on separate occasions expressed the same view that community participation is very evident and has been increasing in recent years. Perhaps this is a result of the fact that the community directly feels that the development activity being carried out is for their own benefit, and they can appreciate its usefulness.

One of the practices which is spreading among the people of East Timor, according to the governor, is the increasing fluency with which they speak Indonesian. This is due to the formal and informal education which they receive. Thus, the people increasingly understand the meaning of the development activity which is carried on. This situation is further affected by television broadcasts enjoyed by the people of East Timor, following the construction of several relay stations in the province.

The governor frankly admitted that one obstacle which was felt at the beginning of the period of integration was the matter of communications, and particularly the Indonesian language. However, now this obstacle has been overcome, and the people can understand the meaning and purpose of the development program which is being carried out in the province.

In the educational field in particular, the governor said he placed great emphasis on this area, especially to raise the level of knowledge of the younger generation. At present elementary school buildings have been constructed down to the sub-district and village level. At this time junior high schools are found in the districts and regencies, while senior high schools are only found in the capitals of regencies. In the near future senior high schools will be built in several district capitals.

From available data it appears that the number of children of school age in all of East Timor total 90,280. Those in elementary school total 63,073; those in junior high school total 2,471; while those in senior high school total 286.

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ADDITIONS TO GARUDA AIRCRAFT FLEET

Jakarta HARIAN UMUM AB in Indonesian 16 Jul 81 pp 1, 8

[Article: "Garuda Adds Three Fokker-28 Aircraft to Its Fleet"]

[Excerpts] Garuda Indonesian Airways this year will add to its fleet three Fokker-28 MK 4000 series aircraft, with a transport capacity of 85 passengers per aircraft. The chief of the Garuda Community Relations Office, Karyono Adhy, told ANTARA on Wednesday [15 July] that one of the three aircraft arrived on 2 July 1981 and was put into operation on 3 July 1981. The second and third aircraft are expected to arrive in Indonesia in August and September, 1981, from the Fokker aircraft plant in the Netherlands, he said. With the addition of the three Fokker aircraft, at the end of this year Garuda will have a total of 70 aircraft, consisting of four Boeing 747's, six DC-10's, 24 DC-9's, 21 Fokker-28 MK-1000, seven Fokker-28 MK-3000, and eight Fokker-28 MK-4000.

Karyono said that later in 1981 Garuda will add to its fleet six Airbus A300 aircraft, with a capacity of 255 passengers per aircraft. He said that the Fokker-28 and DC-9 aircraft were used for the domestic service, while the Airbus A3000 will be used for domestic and nearby regional flights. The DC-10 will be used for foreign flights (to Singapore, Hong Kong, and Tokyo) and for heavily travelled domestic routes such as the service to and from Surabaya, Denpasar, and Ujungpandang.

To handle long-range overseas flights (to Europe and Australia), Garuda will operate Boeing 747 aircraft with a passenger capacity of 425 per aircraft, according to Karyono.

Karyono said that flights on the Ujungpandang, Surabaya, and Ambon routes are being increased in frequency. "The demand for air freight on these three routes is growing," he said. On the Jakarta-Ujungpandang route, beginning 6 July 1981 the number of flights will go up from four to five per day, in both directions. Service on the route from Jakarta to Surabaya will be strengthened by three flights using DC-10 aircraft. On 15 June 1981 direct service once a day was opened on the Jakarta-Ambon route, using a DC-10 aircraft with one stop in Bali and a Fokker 28 from Denpasar to Ambon.

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ALUMINA FACTORY ON BINTAN ISLAND

Jakarta HARIAN UMUM AB in Indonesian 27 Jul 81 p 3

[Article: "Government Decides to Build Alumina Plant on Bintan Island"]

[Text] After carrying out detailed research on where would be the most economic location to build an alumina plant--whether on Bintan island, where the raw material, bauxite, is found, or at Kuala Tanjung Asahan, where the aluminum plant will be built which will use the alumina--the Indonesian government has decided to build the alumina plant on Bintan Island, in the Raiu Archipelago.

In accordance with separate research programs carried out by Kaiser Engineers and a Japanese consortium, both of them concluded that the cost of construction of the alumina plant on Bintan would be less than at Kuala Tanjung Asahan. It was the same conclusion regarding operational costs: specifically, it would be cheaper if the plant were built on Bintan Island.

The construction of the plant, which will have a capacity of 600,000 tons of alumina per year, will begin in November, 1981, and it is hoped that it will be completed by the end of 1985, at an overall cost of $572.3 million.

For the construction of the alumina plant PT Aneka Tambang has been designated as the prime contractor, with the task of overseeing the construction and the purchase of equipment needed for the factory. Beside that PT Aneka Tambang will also carry out development of a new bauxite mine which will provide raw material for the plant, construct housing for the employees, etc.

Subsequently, Kaiser Aluminum Corp has been designated as the supplier of technology and of technical assistance for the plant. Kaiser Engineers, who will prepare the designs for the project, will act as construction manager and be responsible for the performance achievement of the plant as a whole, in accordance with the plans. Later on the Kloekner Co will do the physical development of the site and be responsible for the mechanical performance of each part of the plant.

The largest reserves of bauxite in Indonesia are found on Bintan Island and its vicinity, as well as in West Kalimantan. The bauxite reserves which are found on Bintan Island and its vicinity are estimated to total 75 million tons, with an Aluminum 203 content of 49.4 percent and a silicon dioxide content of 8.2

percent. The chemical composition of the crude bauxite exported by PT Aneka Tambang is as follows: alumina, 52.99 percent; silicon dioxide, 5.49 percent; titanium dioxide, 0.82 percent; and moisture, 12.7 percent. The bauxite found in West Kalimantan in general has a lower aluminum content.

At present the only bauxite mine in Indonesia is on Bintan Island and a few small islands nearby. The mining operations are carried on at several places, and then the ore is transported to Kijang, the storage and mixing site. The ore is then loaded on ships for export.

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'VODK' REPORTS BATTLE ACTIVITIES

June Report for Oddar Meanchey

BK181010 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 16 Jul 81

[Excerpt] In June, our comrades in arms on the Choam Khsan-bak Anlung-Oddar Meanchey battlefield killed 540 Vietnamese aggressors and wounded 523 others, for a total of 1,063. A company-commander lieutenant and a platoon commander were among those killed. We destroyed 7 trucks, a C-25 field radio, 3 60-mm mortars, 7 M-79's, an RPD, 17 B-40's, 76 AK's, 24 military barracks, 15 trenches and a quantity of other materiel. We seized a B-40, 6 AK's, 2 AR-15's, 700 rounds of AK ammunition, 7 B-40 rockets, 1,900 m of telephone cable and a quantity of other materiel.

Compared with the 800 casualty target for the month, we achieved 132.8 percent or almost 33 percent above the plan.

We liberated a company-sized position at Phum Svay Chanthu, Oddar Meanchey battlefield, and completely liberated and controlled Phum Khna, Samraong District, Oddar Meanchey Province.

Concerning the production of primitive weapons, we made and planted 414,000 new spikes, dug 400 punji pitfalls and set 380 automatic bows.

Attacks in Kompong Som

BK180956 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 16 Jul 81

[Text] On 10 July, our soldiers and guerrillas in Kompong Som attacked the Vietnamese troops at the rubber plantation, killing four and wounding two. At night, we attacked them at (O Traeung) station, killing five, wounding two and destroying some materiel.

On 11 July, the enemy tracked us and stepped on our mines shortly after leaving their positions. They suffered two killed and three wounded. We attacked them north of the oil refinery killing two and wounding three.

In total, we put 23 enemy troops out of action and destroyed a quantity of various materiel.

Long live the valiant army, guerrillas and people on the Kompong Som battlefield!

Siem Reap-Route 6

BK190905 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 17 Jul 81

[Excerpt] In June, our comrades in arms on the Siem Reap-Route 6 battlefield killed 195 Vietnamese aggressor troops and wounded 147 others, for a total of 342. Among those killed were two company-commander lieutenants. We destroyed 2 10-wheel trucks, 2 60-mm mortars, a (Santo) gun, 4 RPD's, 7 [word indistinct], an M-30 machinegun, 26 AK's, 3 AR-15's, a C-25 field radio, 600 rounds of AK ammunition, 2 military barracks and a quantity of other materiel. We seized a B-40, an AK, 4 B-40 rockets, 100 rounds of AK ammunition, 10 handgrenades and a quantity of war materiel.

We destroyed two platoon-sized positions and liberated five villages in (Kromnhor) commune, Puok District.

Concerning the production of primitive weapons, we made and planted 16,000 new spikes, dug 260 punji pitfalls and set 200 automatic bows.

Telephone Line Cut in Phnom Penh

BK181122 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 17 Jul 81

[Text] On 15 June, our guerrillas in Phnom Penh cut 500 m of the telephone cable at Wat Phnum.

Long live the valiant and courageous guerrillas and people in Phnom Penh!

June Successes in Chhep-Thalabarivat

BK200746 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 18 Jul 81

[Excerpt] Last June, our comrades in arm on the Chhep-Thalabarivat battlefield killed 252 Vietnamese aggressors, wounded 236 others for a total of 488 casualties.

They destroyed a Vietnamese vehicle, an 82-mm mortar, an M-79, three AK's, a C-25 radio, a telegraph and six barracks. They cut a bridge and eight sections of road.

They seized 13 B-7 landmines and a quantity of materiel. They cut 250 meters of telephone wire.

Concerning the production of primitive weapons, they made and planted 300,000 new spikes, dug 100 new punji pitfalls and set up 100 new automatic bows.

Guerrillas Cut Road in Sisophon

BK191032 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 18 Jul 81

[Text] On 10 July, our soldiers and guerrillas cut eight portions totalling 40 m of the Nimit-Poipet Road in Sisophon while firing 80-mm mortar shells on the (Sras Chhouk) position. In the attack five Vietnamese enemy troops were killed and seven others wounded.

Long live the valiant and courageous army, guerrillas and people on the Sisophon-south of Route 5 battlefield!

June Figures for Central Region

BK210758 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 19 Jul 81

[Excerpt] Last June, our comrades in arm on the central region battlefield killed 147 Vietnamese troops, and wounded 162 others for a total of 309 casualties. Among those killed were two company commanders.

They destroyed two pistols, an RPD, six AK's, three trucks, a boat, a C-25 radio, two barracks and a quantity of materiel. They cut three portions of road and a bridge.

They seized an AK, 160 rounds of AK ammunition, and a quantity of materiel.

Compared with the monthly plan to inflict 300 Vietnamese casualties, our comrades in arms achieved 103 percent--3 percent more than planned.

Concerning the production of primitive weapons, they made and planted 753,000 new spikes, dug 100 new punji pitfalls and set 80 new automatic bows.

June Figures for Eastern Region

BK220022 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 20 Jul 81

[Excerpt] Last June, our comrades in arm on the Ratanakiri, Stung Treng, and Kratie battlefields in the eastern region killed 54 Vietnamese troops and wounded 69 others, for a total of 123 casualties. Among those killed was a Vietnamese district chief.

We destroyed a truck and a quantity of materiel.

Concerning the production of primitive weapons, we made and planted 198,000 new spikes, dug 700 new punji pitfalls and set up 1,200 new automatic bows.

June Figures of Mondolkiri

BK220252 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 21 Jul 81

[Excerpt] Last June, our comrades in arm on the Mondolkiri battlefield killed 16 Vietnamese aggressors and wounded 23 others for a total of 39 casualties.

Concerning the production of primitive weapons, they made and planted 179,000 new spikes, dug 380 new punji pitfalls and set up 450 new automatic bows.

Southwest Region Statistics

BK230244 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 22 Jul 81

[Excerpt] Last June, our comrades in arms on the southwestern region battlefield killed 124 Vietnamese troops and wounded 142 others for a total of 266 casualties. Among those killed were a member of a Vietnamese brigade, two Vietnamese provincial governors, and a company and a platoon commander.

We destroyed three vehicles and a quantity of materiel. We seized two AK's, an AR-15 and a quantity of materiel.

Concerning the production of primitive weapons, they made and planted 754,000 new spikes, dug 300 new punji pitfalls and set up 200 new automatic bows.

June Report for Moung-Kaos Kralor

BK250808 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 23 Jul 81

[Excerpt] Last June, our comrades in arms on the Moung-Kaos Kralor battlefield killed 15 Vietnamese aggressor troops and wounded 17 others--a total of 32 casualties. They destroyed an RPD, 4 AK's, an AR-15, a military barracks and a quantity of various other items. They also destroyed a Vietnamese platoon position and routed a platoon-sized Vietnamese intervention unit.

In the production of primitive weapons, our comrades in arms produced and planted 180,000 new punji stakes, dug 170 punji pitfalls and set 120 automatic bows.

June Report for Bakan-Pursat

BK260244 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 24 Jul 81

[Excerpt] Last June, our comrades in arms on the Bakan-Pursat battlefield killed 37 Vietnamese aggressor troops and wounded 27 others for a total of 64 casualties. They destroyed a 12.8-mm machinegun, 2 B-40's, 9 AK's, a truck, 4 military barracks, 2 warehouses, a bridge, a (?drain) and a quantity of materiel. They seized two AK's and a quantity of materiel. They also destroyed four Vietnamese positions--one company-sized and three platoon-sized positions--and cut a railroad bridge and a [words indistinct].

In the production of primitive weapons, our comrades in arms made and planted 163,000 new punji stakes, dug 200 punji pitfalls and set 170 automatic bows.

Mines Planted in Phnom Penh

BK260820 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 25 Jul 81

[Excerpt] Our soldiers and guerrillas are united with our people in all localities, stepping up their attacks against the Vietnamese aggressors more intensively and vigorously throughout the country in order to wear down and destroy their forces constantly.

On the Phnom Penh battlefield: On 11 July, our guerrillas in Phnom Penh laid mines in Tuol Pourk which wounded four Vietnamese soldiers.

June Figures for Western Region

BK270222 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 26 Jul 81

[Excerpt] Last June, our comrades in arms on the western region battlefield killed 12 Vietnamese aggressors and wounded 9 others, for a total of 21 casualties.

We destroyed a vehicle and a quantity of materiel. We seized an AK and six magazines.

Concerning the production of primitive weapons, we made and planted 853,000 new spikes, dug 200 new punji pitfalls and set up 150 new automatic bows.

Battles in Ban Me Thuot

BK270925 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 26 Jul 81

[Text] Report on attacks by the Dega-Fulro [this term previously rendered phonetically by FBIS as "(Bigiar)-Fulro] guerrillas on the Ban Me Thuot battlefield:

On 9, 10 and 11 October 1980, the Dega-Fulro guerrillas ambushed the Vietnamese Le Duan enemy at the (Ha Lam) plantation, attacked it at (Keh Mot Rach) position and intercepted a jeep moving from Ban Me Thuot to (Ma Tra), killing six enemy troops, wounding seven, capturing another, destroying a jeep and an ammunition depot and seizing two M-16's. On 12, 13 and 14 October, they attacked the Vietnamese Le Duan enemy at the plantation north of (Seuk), ambushed a jeep moving from (Thom Thiep) to Ban Me Thuot and intercepted enemy troops launching an operation at (Chi Trang) Hill, killing 10 enemy troops, wounding 7 others, destroying a jeep and seizing 6 M-16's, 6 AK's and an AK-54. On 15, 16 and 19 October, they attacked the Vietnamese Le Duan enemy at (Buon Phu Maha Bede), at (Chi Pul) and at (Buon Rung), killing 10 enemy troops, wounding 6, capturing 4 others and seizing 8 AK's, 5 M-16's, 2 AK-54's and 2 M-79's. From 23 to 26 October, they attacked the enemy troops at (Buon Mi Ga) plantation, at (Buon Ko Emong), (Buon Kri) and at (A Hou

Buon Teh), killing 9 enemy troops, wounding 13 others and seizing 6 AK's, an M-16 and an AK-54. On 27, 29 and 30 October, they attacked the enemy troops at (Buon Hiap), at the (Buon Kri) road junction and on the road leading from (Buon Kram) to (Ai Nghia), killing 25 enemy troops and wounding 15 others.

In sum, on the Ban Me Thuot battlefield, the Dega-Fulro guerrillas put 108 Vietnamese Le Duan troops out of action, captured 5 others, destroyed 2 jeeps and an ammunition dump and seized 14 M-16's, 20 AK's, 2 M-79's and 4 AK-54's.

Memot District Ambush

BK290831 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 28 Jul 81

[Excerpt] Our army and guerrillas have intensified their attacks on the Vietnamese aggressors and have scored more successive victories.

The eastern region battlefield, Memot District: On 12 July, the Vietnamese enemies chased our Kampuchean girls at (Chamkar Bopea). They were ambushed by our guerrillas, killing two of them and wounding another. The rest of them escaped the attack and returned to the Memot position.

Phnom Penh, Route 5

BK050405 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 3 Aug 81

[Excerpts] Our soldiers and guerrillas are stepping up their attacks against the Vietnamese aggressors more intensively and with greater independence, creativity and initiative thus constantly inflicting more losses on the enemy.

On the Phnom Penh battlefield: On 10 July, our guerrillas attacked the Vietnamese enemy troops south of Toek Thla and near the hospital for Buddhist monks in Phnom Penh, killing three and wounding seven.

On the Sisophon-North of Route 5 battlefield: On 20 and 22 July, our guerrillas attacked the Vietnamese troops at their positions in Phum Svay Check and Phum Bek Chan, and ambushed them while they were moving from Phum Chas to Phum (Pring Kaong). We killed 11 and wounded 12.

On 23 and 24 July, we attacked them at the positions in Phum Samraong, Phum Snuol, Phum Bek Chan and Phum Preah Puth, and ambushed them when they were sallying out of Phum M'kak, killing 26 and wounding 34.

On 26 and 27 July, we ambushed an SRV vehicle on the way from Thmar Puok to Phum Svay Chek, and attacked them at Phum M'kak and at the positions at Phum Kam Nat, Phum Thnaot and Phum Song. We killed 31, wounded 40, destroyed a vehicle, and seized an AK and an AR-16. We also cut a portion of road between Phum Treas and Phum Svay Check, and a 3-meter-long bridge south of Phum Treas.

In sum, on the Sisophon-North of Route 5 battlefield, we put 154 enemy troops out of action.

21 Killed in Kompong Thom

BK110613 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 9 Aug 81

[Text] Having grasped the movement of the Vietnamese troops who fled in 15 trucks from Siem Reap Province to stay at a position in the Stoung District seat of Kompong Thom Province, our special detachment launched a successful attack on this position on 13 July. They killed 21 Vietnamese troops, including a battalion commander and 2 company commanders, and wounded 13 others. They also destroyed a 60-mm mortar, 2 RPD's, 3 B-40's, an M-79, 5 AK's, a C-25 radio set, an ammunition depot, 3 trucks, 3 barracks and a quantity of various other items.

Long live our valiant and courageous army, guerrillas and people in Stoung District of Kompong Thom Province!

Koh Kong-Kompong Som July Figures

BK110648 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 10 Aug 81

[Excerpt] Last July, our combatants on the Koh Kong-Kompong Som battlefield killed 413 Vietnamese aggressors and wounded 410 others for a total of 823 casualties. Among those killed was a captain company commander.

We destroyed a vehicle, a pistol, 3 B-40's, 32 AK's, 6 barracks, 5 trenches and a 12-meter bridge. We cut a 3-meter portion of Route 4 and 1,130 meters of railway track between the (Roluos) and (Krapeu Pong) stations.

Our combatants seized 3 AK's, 48 A-2 landmines, 8,841 rounds of AK ammunition and a quantity of materiel. They cut 1,200 meters of telephone wires.

Concerning the smashing and liberations of Vietnamese positions, our combatants destroyed an independent Vietnamese platoon position and liberated an independent battalion Vietnamese position. They put out of action an intervention platoon.

Concerning the production of primitive weapons, they made and planted 950,000 new spikes, dug 150 new punji pitfalls, 95 new traps and set up 75 new automatic bows.

Toxic Chemicals Sprayed in Kratie

BK120810 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 10 Aug 81

[Excerpt] On 21 July the Vietnamese aggressors sprayed toxic chemicals to destroy our people's rice seedlings and transplanted rice in Sambo District, Kratie Province, causing the crops to wither and die.

Because they have suffered more serious setbacks and experienced a great impasse in the military field, the Vietnamese aggressors stop at nothing. They are intensifying looting and destruction of our people's property and crops to continue to cause famine so as to starve and massacre our people in a most savage and inhuman manner.

Attack in Stoung District

BK120808 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 10 Aug 81

[Excerpt] On the Kompong Thom battlefield, in Stoung District, on 27 July our guerrillas attacked the Vietnamese at the Sakream commune position, killing two and wounding three others while destroying an M-79 and three AK's.

Attacks in Kompong Thom

BK120835 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 11 Aug 81

[Excerpt] On the Kompong Thom battlefield: In Stoung District on 11 and 12 July our guerrillas attacked the Vietnamese in the forest near Roleap Tong Village and intercepted them when they raided Phum Dong, killing four and wounding two. They also destroyed a B-40 and an AK, and seized two other AK's.

On 13 July our guerrillas intercepted the Vietnamese when they launched an operation along the Tonle Sap River bank in the vicinity of Tomnup Chroeng, killing six, wounding nine and destroying a motorboat, five weapons and some war materiel. In sum, we killed or wounded 21 enemy troops in Stoung District.

Western Leach July Report

BK120840 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 11 Aug 81

[Excerpt] In July, our comrades in arms on the Western Leach battlefield killed 512 Vietnamese troops and wounded 567 others--a total of 1,079 enemy casualties. They destroyed 2 B-40's, an M-79, a Goryunov, 11 AK's, 3 B-40 rockets, 5 military barracks and 2 trenches. They cut 7 bridges and 9 route portions, and destroyed some war materiel. They seized a B-40, an AK, 12 A-2 mines, 100 rounds of AK ammunition, 2 AK magazines, 500 meters of telephone cable and some other equipment.

Our comrades in arms liberated and occupied a regiment-size independent position and routed a company-size interventionist group.

As a result of their efforts to build a primitive weapons network, they made and planted 749,000 new punji stakes, dug 1,300 new punji pitfalls, set 200 new snares and made 350 new automatic bows.

July Figures for Samlot

BK130310 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 12 Aug 81

[Excerpt] Last July our comrades in arms on the Samlot battlefield, Battambang Province, killed 328 Vietnamese aggressors and wounded 380 others, for a total of 708 casualties.

They destroyed a 60-mm mortar, an M-30 machinegun, a B-40, 3 AK's, a truck, 10 barracks and a quantity of materiel. They cut a 2-km portion of the route between Samlot and (Treng). They seized 3 AK's, 4 A-2 landmines and a quantity of materiel.

Concerning the smashings and liberations of Vietnamese positions and the ambushing of Vietnamese intervention troops, our comrades in arms attacked, liberated and occupied 3 independent Vietnamese platoon positions and routed an intervention company.

Concerning the production of primitive weapons, our comrades in arms made and planted 315,000 new spikes, dug 100 new punji pitfalls, made 80 new traps and set up 70 new automatic bows.

Siem Reap-Route 6

BK180328 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 17 Aug 81

[Excerpt] Last July our comrades in arms on the Siem Reap-Route 6 battlefield killed 382 Vietnamese aggressors and wounded 304 others for a total of 686 casualties. Among those killed were a Vietnamese colonel, a captain, a member of the Siem Reap Provincial Committee, a company and a platoon commander. Four Vietnamese soldiers were captured and 6 others surrendered.

Our comrades in arms destroyed a jeep, 3 trucks, 2 C-25 radios, 3 pistols, a 69-mm mortar, 2 RPD's, 6 B-40's, a B-41, 27 AK's and 2 AR-15's. Eleven barracks, 21 trenches and a quantity of materiel were also destroyed. They seized 10 AK's, 2 CKC's, an AR-15, 6,500 rounds of AK ammunition, a map and a quantity of materiel. They also cut 150 meters of telephone wire.

Concerning the smashings and liberations of Vietnamese positions and ambushings of Vietnamese intervention troops, our comrades in arms smashed and liberated three independent platoon positions at (Chak Svay), (Anlung) and Boeng Mealea villages in Varin, Banteay Srei and Chikreng Districts. They liberated a platoon position which is a part of the defense line of a battalion position at (Prasat Char) village, (Don Kev) commune, Siem Reap Province. A company position at (Anlung Thom) village and a platoon position at (Tach) village in Banteay Srei District which were posted to defend a regiment position were also attacked and liberated. Our combatants entirely liberated Samraong, (Ta Prok), (Leang Dai), (Don Ok), (Thleang) and Trapeang Svay villages in Angkor Thom commune, Banteay Srei District; and

(Sre Nong), (Kantuot) and (Kulen) communes also in Banteay Srei District. They smashed and liberated five platoon positions which contributed to the defense of a Vietnamese brigade position in (Sre Khnong), (Phsar Sala Kakaoh), (Koul), (Sambat) and (Kabot) villages in Sot Nikom District. Our comrades in arms smashed and routed eight platoon and three company intervention troops, as well as a platoon-sized transport unit.

Concerning the production of primitive weapons, our comrades in arms made and planted 18,000 new spikes, dug 100 new punji pitfalls and set up 100 new automatic bows.

CSO: 4212/2

REPORT ON SYRIAN-KAMPUCHEAN COMMUNIQUE

BK310353 Phnom Penh SPK in French 1432 GMT 29 Aug 81

[Text] Phnom Penh, 29 Aug (SPK)--Hun Sen, vice chairman of the Council of Ministers and minister of foreign affairs of the PRK, visited the Syrian Arab Republic on 24 and 25 August.

A joint communique was published at the end of Minister Hun Sen's visit to Syria. In the communique, the two parties stressed their desire to develop their cooperation in all domains in order to contribute to intensifying the struggle of the two countries and strengthening the friendship between the two peoples.

The joint communique says: While in Syria, Minister Hun Sen was cordially received by 'Abdallah al-Ahmar, assistant secretary general of the Ba'th Party, and 'Abd al-Halim Khaddam, deputy prime minister and minister of foreign affairs.

Minister Hun Sen informed the Syrian leaders of the achievements which the Kampuchean people have scored in defending and rebuilding the country under the leadership of the Kampuchean front for national construction.

In their talks, Faruq al-Shar, Syrian secretary of state for foreign affairs, and Minister Hun Sen briefed each other on the current situation in Kampuchea and the Middle East, the maneuvers of the imperialists and Zionists against the Arab peoples, especially the Palestinian people, and the Syrian people's support to the Kampuchean people's struggle. The two sides vehemently condemned the Camp David agreement and other separate solutions. They pointed out the correct and urgent solution to the Middle East problem: The Israeli troops must withdraw from the occupied Arab territories, and the Palestinian people recover their national rights, including that of winning back their country and founding an independent state on their territory with the participation of the PLO, the only legal representative of the Palestinian people.

Both sides condemned the activities of the imperialists, Zionists and their lackeys in Lebanon, and hailed the relations of friendship and cooperation that bind the two countries together. Both sides also hailed their relations with the Soviet Union and other fraternal socialist countries.

The two sides confirmed the positive role of the nonalignment movement in the achievement of peace and social progress of peoples and in the struggle against imperialism, Zionism and colonialism for the setting up of a new economic order.

CSO: 4200/1

FOOD SHORTAGE CALLED BAD, BUT NOT FAMINE

BK040644 Hong Kong AFP in English 0634 GMT 4 Sep 81

[Text] Bangkok, 4 Sep (AFP)--War-torn Cambodia will face a serious food shortage in 1982, much worse than originally expected, but far short of a return to famine, according to an authoritative report received here today.

The report, from an expert who did not want to be identified but who has been reliable in the past, said it was still too early to tell the exact extent of damage to crops caused by the erratic behavior of this year's monsoon.

Drought conditions prevailed in the southeast, but varying amounts of rainfall had enabled preparation of land for planting in the southeast, the report said.

Meanwhile, flooding of the Mekong River was persisting in the southeast. River levels elsewhere were reported to have decreased slightly.

The report seemed to lend weight to a recent call by President Heng Samrin, the Vietnamese-backed Cambodian leader, for continued humanitarian aid to his calamity-prone country. Heng Samrin made his call in a Phnom Penh interview with AGENCE FRANCE-PRESSE.

CSO: 4220/13

HEALTH INFRASTRUCTURE SAID TO BE PRECARIOUS

BK070712 Hong Kong AFP in English 0630 GMT 7 Sep 81

[Report by Michel Blanchard, AFP correspondent in Hanoi who was recently in Phnom Penh]

[Text] Phnom Penh, 7 Sep (AFP)--The health situation in Kampuchea is still precarious, despite progress in the past 2 years, because there are not enough doctors, nurses or medicines to go around.

The authorities say that cases of extreme malnutrition, a legacy from the previous Khmer Rouge regime, are a thing of the past, and that last year's cholera epidemic has been ended.

But they admit that malaria and tuberculosis are still rife, along with other parasitic diseases, conjunctivitis and viral hepatitus.

Metnal illness is also widespread, since the country no longer has any qualified psychiatrists or psychologists.

Sanitary conditions border on the catastrophic even in the capital. Sewers are blocked. Garbage piles up in the streets. The water supply is minimal, at best. This has led to a plague of rats, which Health Minister Nut Savoeun [title as received] says could lead to outbreaks of bubonic plague.

Cambodia used to have 19 medical school professors, all have disappeared. Official figures state that nine out of 10 of the former 618 doctors, pharmacists and dentists were massacred, along with many nurses and other hospital staffers, during Khmer Rouge eradication of Western civilization.

The Vietnamese troops which took over Phnom Penh in January 1979 were followed by Vietnamese doctors (350 of them in 1979, of which less than 100 remain). Cuban and Czechoslovak medical personnel were also sent, along with Red Cross aid (mainly from Soviet bloc countries) and assistance from other international organizations.

The medical school reopened late last year. Six-month training courses were set up for the 718 (out of 3,000) surviving medical and pharmacological students who had begun their studies before the Khmer Rouge takeover. Accelerated courses were also set up to turn out public health aides, midwives, paramedics.

Most of Phnom Penh's existing doctors--including the deputy health minister, who is a pediatrician--currently give courses at the medical school. Teaching is in French and Khmer. Hospital equipment is also in short supply. When the Khmer Rouge were driven out, abandoned or ravaged clinics had to be cleaned and made operational with whatever came to hand.

For months, jury-rig solutions made it impossible to hook up sophisticated equipment donated from overseas.

At the moment, the biggest hospital in Phnom Penh is a former Chinese one which has been given the name "Seventh of January." It has 472 beds and a multinational staff: 350 Khmers (including 15 doctors), two Vietnamese doctors, 17 Cubans (a dozen of whom are M.D.S.), and three French members of the French Medical Aid Commission. Some of the medical supplies are made locally--Kampuchea has three pharmaceutical factories--and the rest comes from Europe, Cuba and Japan.

Hospital Director Sau Sok Khonn says his institution has further problems, right down to the basics of electricity and water. There is a single operating room. There are not enough blankets, mattresses, mosquito nets.

In overcrowded departments, two patients sometimes have to share a bed. A campaign is under way to fight malaria, a blood bank has been opened with international aid, and the Institute of Epidemiology (formerly a branch of the Pasteur Institute) will soon be back in operation with foreign experts, thanks to a 150,000 dollar grant from the European Economic Community (EEC).

According to official figures, each of Kampuchea's 20 provinces has a central hospital and there are 125 district clinics plus 1,148 village infirmaries (covering nine out of 10 of the country's villages).

But the health facilities are not evenly spread. Battambang, Kandal and Kompong Cham Provinces are relatively well served. Elsewhere most medical facilities are ultradependent on international aid and Red Cross personnel.

Cambodian authorities are worried about the impending end of emergency aid from the United Nations Children's Fund (UNICEF) and the International Committee of the Red Cross (ICRC). They hope the slack will be taken up by other humanitarian organizations operating in Kampuchea and that other bilateral aid arrangements can be worked out, notably with France, the former colonial power.

Since Vietnamese troops moved in 1979, Kampuchea has received 2,500 tons of medical and pharmaceutical supplies.

CSO: 4220/13

AID CUTBACKS, HARVEST SAID TO ALARM PRK

BK090953 Hong Kong AFP in English 0844 GMT 9 Sep 81

[Report by AFP special correspondent Michel Blanchard]

[Text] Phnom Penh, 9 Sep (AFP)--The government and people of Cambodia are viewing two future setbacks with alarm--the next rice harvest is expected to be poor owing to bad weather conditions and most international emergency aid will shortly end.

The rice crop will be lower than estimated, but it will be impossible to calculate the deficit for another 4 to 6 weeks until the harvest is fianlly gathered.

But already one international expert here has described the situation as "serious."

This kind of difficulty is felt even more keenly by the Khmers because the greater part of international emergency aid sent to Kampuchea since 1979 will, in pricniple at least, come to an end. All international experts here are in agreement that Kampuchea is not in any way in a position to face up to any aid stoppage, envisaged for the end of the year. But the fact is that international agencies cannot continue giving aid indefinitely.

The International Committee of the Red Cross (ICRC) has spent a total of $43,500,000 over the past 2 years--$31 million in 1[illegible]-80 and $12.5 million in 1981. It will cease all food and medical aid by 31 December, and will then concentrate on its traditional work with a smaller team here.

The United Nations Childrens' Fund (UNICEF) has spent a total of $336 million in aid, and is expected to end it by the end of the year. But it will still have a $5 million budget for Kampuchean children.

A meeting of donor countries which is scheduled to meet in New York tomorrow could decide on a more supplie manner of ending aid. Meanwhile, international agencies operating here are looking for ways of replacing themselves by humanitarian organisations already here.

In any case, Soviet and Vietnamese aid alone will not be sufficient, for these two countries have their own set of problems.

Cambodia suffers in the health sectors, like all the others, of a shortage of trained personnel. Only 50 doctors, out of 500 in 1975, have survived the nightmare years and not a single veterinarian. There is a shortage of medical drugs and while malaria has been wiped out, tuberculosis is rife. In addition, according to the authorities, there is a serious risk of cholera in Phnom Penh owing to the rubbish lying about in the streets--there is no waste disposal service in the capital.

Business has made a partial comeback, mainly in the capital. Makrets here are flourishing but their prices are high for they are based on the black market price of gold or dollars--for instance the official exchange rate for a dollar is four riels, compared to 16-18 on the black market.

There is a growing income gap between wage-earners and peasants on one hand and businessmen on the other, and there is practically no trade between one province and another.

While Cambodia now has a constitution and a national assembly, the shortage of trained civil servants is making itself felt. Opinions differ about the priorities in the country's march towards socialism.

Certain leaders believe that it is wiser to provide food for the people rather than spend time on political indoctrination. But supporters of political education explain that this is essential in the general interest and that Cambodia, while profiting from the experience of Vietnam and the Soviet Union, has to stress Khmer civilisation and customs.

The security problem has not been completely solved, especially along the Thai border. In addition, the Battambang train linking Phnom Penh with Thailand operates with army protection. The 20,000-strong Khmer army is formed of inexperienced and poorly trained young recruits.

"If the Vietnamese army withdrew today," a senior Cambodian official said, "then Kampuchea (Cambodia) would fall into the hands of the well-equipped and well-trained Khmer Rouge within 24 hours. The Vietnamese army is our life insurance policy."

The people, deeply shocked by the Khmer Rouge massacres, do not seem to look on the presence of Vietnamese troops as an occupation, but tend to see them, provisionally at least, as the only bulwark against further "genocide."

It is pointed out here that one-third of the Vientamese army in this country takes part in farm work and another one-third in training local people at various tasks.

Cambodian leaders point out that: "We will accept aid from any source. So far as Vietnamese advisers are concerned, they will return home as soon as we have trained our own people to become skilled workers and managers--most of these were assassinated or have fled abroad." All Cambodians whom we met, and not only officials, said that they were shocked to learn that the United Nations continues to recognise the Khmer Rouge regime.

A Vietnamese adviser to a Cambodian minister remarked: The period that has just passed was difficult for Kampuchea, but the future will be even worse."

CSO: 4220/13

BRIEFS

KOMPONG THOM BURIAL PITS--Phnom Penh, 30 Sep (SPK)--Some 40 mass graves were uncovered in the vicinity of a temple at Phnum Pros, Kompong Siem District, 7 km west of the provincial city of Kompong Thom. Mrs Mao Mork, 72, pointed out a temple to the correspondent of SPK and said that it was in that building that the Pol Pot gang had imprisoned innocent Kampucheans. They were taken by groups of 10 to 20 persons, hands tied, toward the valley for execution. The large buddha statue in the temple was smashed by the Pol Pot hangmen. One of the stone lions decking the entry of the temple has part of its body strangely flattened. Mrs Mao Mork said that the hangmen had used this lion as a sharpening stone to grind their hatchets and other tools. If the combatants of the front [KNUFNS] and Vietnam did not come to liberate us, she said, the lion would have been more eroded and the massacre of the Kampucheans would have been going on. The inhabitants searched more than 40 pits--each 5 m-wide, 5 m-long and 3 m-deep--containing each hundreds of bodies and located in two rows around a pond. Mrs Mao Mork was said to have seen upon her return to that place a 5 m-high heap of clothes of the victims. [Text] [BK011111 Phnom Penh SPK in French 1444 GMT 30 Sep 81]

YOUTH REPRESENTATIVE TO CONGO--Phnom Penh, 4 Aug (SPK)--At the invitation of the National Union of the Socialist Youth of Congo [NUSYC] Im Sousdey representing the Kampuchean Revolutionary Youth Committee left Phnom Penh on Monday [3 August] to attend the fourth NUSYC conference to be held in Brazzaville on 9 August. He was seen off at the airport by Kang Nem, vice chairman and other cadres of the Kampuchean Revolutionary Youth Committee. [Text] [040755 Phnom Penh SPK in French 0410 GMT 4 Aug 81 BK]

'PRAVDA' AID TO 'KAMPUCHEA'--Phnom Penh, 17 Aug (SPK)--The representative of the USSR Embassy in Phnom Penh handed over to the board of editors of the journal KAMPUCHEA on 13 August some office equipment donated by the Soviet journal PRAVDA. Speaking on the occasion, Khieu Kanharith, director general of KAMPUCHEA, expressed his sincere thanks to the PRAVDA board of editors for the donation and expressed his conviction that the bonds between the Kampuchean and USSR peoples will further develop. [Text] [BK191209 Phnom Penh SPK in French 0410 GMT 17 Aug 81 BK]

RED CROSS ACTIVITIES--Phnom Penh, 17 Aug (SPK)--The Kampuchean Red Cross had recently distributed relief goods to 1,330 families in Seng commune, Samraong District, Takeo Province. The goods included knives, hatchets, saws, chisels, planes, hammers, picks, shovels, harrows, nails, vegetable seeds and rat poison. In the border province of Battambang, Sisophon, Preah Net Preah, Phnum Srok and Battambang districts received about 8 tons of cooking oil and foodstuffs. [Text] [Phnom Penh SPK in French 0408 GMT 17 Aug 81 BK]

KHUN CHHY LEAVES FOR SRV VISIT--A delegation of the Ministry of Communications, Transport and Posts led by Comrade Minister Khun Chhy departed on 14 September for a visit to the SRV at the invitation of the Vietnamese Ministry of Communications and Transportation. Seeing Comrade Khun Chhy and the delegation off at Pochentong Airport were many cadres and personnel from the Ministry of Communications, Transport and Posts. [Text] [BK150841 Phnom Penh Domestic Service in Cambodian 1230 GMT 14 Sep 81]

POLISH FOREIGN MINISTER THANKS HUN SEN--Comrade Jozef Czyrek, foreign minister of the Polish People's Republic, recently sent a message of thanks to Comrade Hun Sen, member of the KPRP Central Committee Politburo, vice chairman of the Council of Ministers and foreign minister of the PRK. The message says: I thank you for your fraternal congratulations and salutations extended to me on the occasion of the 32d anniversary of the rebirth of Poland. I wish you good health and successes in your mission for the interest of the Kampuchean people and the cause of peace in Asia and the world. [Text] [BK170352 Phnom Penh Domestic Service in Cambodian 1230 GMT 16 Aug 81]

CAMEROON'S PAUL BIYA SENDS MESSAGE--Khieu Samphan, chairman of the State Presidium and prime minister of Democratic Kampuchea, recently received a message of thanks from Paul Biya, prime minister of the United Republic of Cameroon. The message reads in full as follows: Excellency Khieu Samphan, prime minister of Democratic Kampuchea: I am honored to inform your excellency that I have received your message of congratulations extended us on the occasion of our national day. I thank you sincerely for the message and extend best wishes to you in return. May your excellency enjoy happiness, the Democratic Kampuchean people enjoy prosperity and the friendship and cooperation between our two countries develop with every passing day. Best regards, [signed] Paul Biya, prime minister of the United Republic of Cameroon. [Text] [BK040309 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 2 Aug 81]

CSO: 4212/2

GUERRILLA GROUPS PLAN ANTI-REGIME STRATEGY

BK211040 Bangkok FOCUS in English Sep 81 pp 17-18

[Article by Errol de Silva: "Rebels' New Game Plan"]

[Text] At a series of secret meetings held over the past 2 months, four major anti-communist guerrilla groups in Laos have drawn up a three-phase strategy aimed at overthrowing the Pathet Lao administration and expelling the Vietnamese occupation forces and their Russian advisers. Lao resistance sources who attended the clandestine meetings told FOCUS that the new strategy comprises:

--Sporadic hit-and-run attacks on the government-organized heroin trails running between Savannakhet and Danang, and from Pakse to Danang. Heroin peddled by the Lao Government is believed to yield a considerable amount of foreign exchange for the Vientiane regime;

--Secondly, ambush attacks on Vietnamese field commands on active duty in Laos and their Soviet advisers; and

—The final phase to involve an expansion of military activities to a full-scale insurgency war waged on several fronts throughout the country.

The sources also disclosed that the leaders of the four rebel groups have agreed to continue the current practice of attacking smaller bands of Pathet Lao soldiers at small provincial military outposts, and seizing weapons for eventual use in the projected insurgency war.

Western military strategists earlier told the Lao rebel leaders that one sure way of obtaining weapons and ammunition was by killing the Pathet Lao troopers, and seizing their guns. The sources said, "The advice was for us to cut the throats of the Pathet Lao soldiers, and grab their arms. This seems to be working well, judging by the supplies falling into our hands."

Resistance sources claimed that the different anti-communist insurgent groups now had a combined military capacity adequate to launch limited operations in the battlefield. However, top strategists present at the meetings in secret locations on the plain of Jars advised the insurgent troops not to engage in heavy military operations at this time. Instead they were urged to carry out armed attacks on trucks and wagons transporting heroin from the refineries located around the plain of Jars through Lao territory and on to the port of Danang in central Vietnam.

Western antinarcotics operatives have established that some of the heroin ending up in Western cities originates in Laos. Investigations have shown that heroin traffickers have made contacts with Pathet Lao Government leaders in an effort to secure supplies from the Lao. This has been particularly so during the past two crop seasons when two successive droughts destroyed much of the opium crop in the golden triangle.

The Western enforcement officials have learned that the Pathet Lao Government has taken over most of the refineries on the plain of Jars, previously run by Corsican mobsters and by loyalists under Gen Vang Pao, the legendary Hmong (Meo) military leader who formerly ran an irregular army with funds secretly provided by the U.S. Central Intelligence Agency (CIA).

After the Pathet Lao seized power in the land-locked Indochinese country, the heroin trade--certainly the bulk of it--was made use of by the Kaysone Phomvihan government to enrich the state coffers. Heroin processed in the government-controlled refineries in Laos is handed over to agents of the big-time traffickers and smuggling syndicates by Pathet Lao authorities at the Danang port. For those who are rather nervous about visiting Vietnam, the Lao offer to air drop heroin packages at points in the Gulf of Tonkin off the central coast of Vietnam. This exercise, according to Western observers, is being carried out with Vietnam's full connivance.

The four underground guerrilla groups which met secretly have decided that attacks on the heroin trails will begin within the next few weeks. Resistance sources claimed that sustained pressure on these trails will weaken even further the already shaky Lao economy.

The sources contended that the Hmong insurgents were in an extremely strong position to ambush the heroin routes, since they themselves were involved in drug trafficking activities before the Pathet Lao came to power. The leader of the four insurgency movements have expressed the view that such attacks coupled with the present commando-type raids on Phet Lao forces with the objective of building up the rebels' arms supplies will create a great deal of difficulty for the Pathet Lao regime.

Phase II of the insurgent's strategy is an extension of the first phase. The rebel leaders expect the Vietnamese troops to venture further into the countryside to help relieve the pressure on the Pathet Lao soldiers. Resistance sources said that this could happen about 2 years from now. By then the insurgents would have built up a considerably stronger military clout.

The insurgent leaders believe that with the launching of ambush attacks on the Vietnamese occupation troops and their Soviet advisers they will be able to effect at least a partial pull-back of the Vietnamese troops and Russian advisers. Said one rebel source: "The situation in Laos is quite different to that existing in Cambodia. For one thing the Vietnamese presence in Laos is much smaller, and the area being a more open terrain the occupation forces are more vulnerable to ambush and sabotage attacks. And Vietnam is likely to be rather reluctant to commit extra forces to Laos. They might be more inclined to let the Pathet Lao draw the insurgents out into the open, and then try to eliminate the rebels."

Thus the scenario would be set for a long drawn-out war, he said, and claimed that the warfare under this phase would still be confined to guerrilla insurgency. The source claimed that phase II of the strategy would move into the third phase "perhaps within 1 year," and with a sustained guerrilla effort, Laos could be liberated within the next 5 years.

The source also said that none of the insurgent leaders held even a dim hope that Laos could be freed of Vietnamese and Soviet control through negotiations. He added, "We are still following the same policy of not going into a full-scale war for the moment. We will bide our time until there is proper coordination between the anticommunist insurgent groups. It is better now. But the latest series of secret meetings were only the second time we have met. It is not easy to meet together. Traveling is difficult, but we have the determination to fight through to victory. When we do meet we draw up long-term plans as well as contingency plans should something go wrong or if the conditions change."

He disclosed that the four resistance groups were the Lanna division and the Yao insurgents currently undergoing military training in locations on the Sino-Laotian frontier; Lao army troops of the former neutralist government of Prince Souvanna Phouma operating in north central parts of Laos; and the Hmong insurgents carrying out rebel activities on the plain of Jars, right up to the Lao-Vietnamese border.

CSO: 4220/14

PEACE COMMITTEE CONDEMNS SOUTH AFRICA

BK031027 Vientiane KPL in English 0906 GMT 3 Sep 81

[Text] Vientiane, 3 Sep (KPL)--The Lao Committee for the Defence of World Peace issued a press release on 31 August condemning the aggression of South Africa against the People's Republic of Angola.

The press release runs: The South African ruling circles recently sent their troops and mercenaries to invade into the PRA aiming to assist and support the UNITA banditry gang in the overthrowing of the present government of PRA, and aiming to keep Namibia as their colony. They had used the military armed forces in colluding with the air force to carry out this invasion against the PRA.

This new foolish act of the South African apartheid regime, the press release notes, clearly showed their aggressive intention against the sovereignty and territorial integrity of the People's Republic of Angola, and it strongly violated the UN Charter. This aggression also threatened peace and security in southern African region.

Concerning this problem, the press release says, the U.S. Government must be responsible for all consequences because they had officially declared to support the apartheid regime of South Africa. This clearly showed once more that the PRA, since its foundation, has become the destroying target of the imperialists headed by U.S. imperialists.

The Lao Committee for the Defence of World Peace and the entire Lao people resolutely condemned the South African aggression against Angola and demanded the South African ruling circles to immediately and unconditionally withdraw their troops from Angola, and, to immediately grant the independence to Namibia in accordance with the UN resolution.

The LCDWP and the Lao people firmly pledged to strengthen solidarity with and support the struggles of the Angolan and Namibian peoples against the aggression of the South African apartheid regime for the cause of national independence, sovereignty territorial integrity.

We are convinced that the struggle of the Angolan people under the leadership of the National Liberation Front of Angola and that of the Namibian people under the leadership of SWAPO, with the support and assistance of the socialist countries and the peace and progressive movements, will certainly defeat the South African aggressors, the press release concludes.

CSO: 4220/8

PROPAGANDA MINISTRY ISSUES ANNOUNCEMENT ON FILMS

BK261523 Vientiane Domestic Service in Lao 0000 GMT 26 Aug 81

[Announcement issued by Ministry of Propaganda, Information, Culture and Tourism--dated 15 August read by announcer]

[Text] To all ministries, departments, ministerial-level organizations, mass organizations, local administrations, units and sections;

Subject: Management of films of all types throughout the country;

On the basis of order and regulations No 156/157 dated 3 June 1981 issued by the Council of Ministers on the authority and sphere of management and distribution granted to the film distribution organization, Ministry of Propaganda, Information, Culture and Tourism, the ministry, implementing the contents and spirit of the order and regulations, proposes that the various ministries, ministerial-level organizations, mass organizations, departments, units, sections and private citizens possessing films of all types do the following:

1. They must inform in writing the film distribution and screening organization, cimenatographic department, of the number of films, projectors and cameras in their possession. They should itemize the types of films--short or long documentary films, short or long motion-picture films, number of rolls, and the sizes of films, 8, 16 or 35 mm. The film producing companies, countries and owners of films must be identified. The purposes of bringing the films into the country must be stated.

2. After notifying the film distribution and screening organization, all their films must be handed over to this organization for examination, management and registration. Reply letters will be sent later.

3. Any office or organization wishing to retain some types of films, for example, educational films for specialized work or scientific and technical films needed for its regular use, must submit a request to the propaganda ministry through the film distribution and screening organization, stating its purposes and the need to retain such films. Upon approval by the propaganda ministry, the film distribution and screening organization, after studying the request, will issue a license. By so doing, retention of the films will be legal and authorized.

4. Offices, organizations and the public can contact the film distribution and screening organization to borrow or hire films or equipment for their use in accordance with the current procedures being implemented by the organization.

5. As from the date of this announcement, the screening of any film--both socialist and capitalist--without written permission from the Propaganda, Information, Culture and Tourism Ministry will be regarded as an action violating articles 1, 2 and 3 of the order dated 3 June 1981 issued by the Council of Ministers.

The Ministry of Propaganda, Information, Culture and Tourism hopes that this announcement will be implemented by ministries, ministerial-level organizations, offices, mass organizations and local administrations. This is to check the uncontrolled import of foreign films, some of which may adversely affect society and culture and which may run counter to the line of socialist construction in our country.

[Signed] Ounheuan Phounsavat, acting minister

Vientiane

CSO: 4206/3

DROP IN BORDER TRADE SAID TO REFLECT DECLINING PURCHASING POWER

Bangkok THE NATION REVIEW in English 15 Sep 81 p 9

[Article by Pairoj Poompradit]

[Text] NONG KHAI – The doldrums that have hit the Thai-Lao border trade since the beginning of this year continue to haunt traders on both sides of the Mekhong River.

"The drop in border trade between Thailand and Laos is obvious. There are no signs yet of any improvement. Last year, an average of about 100 traders crossed the river from this side to the Laotian side every day to conduct their business on the local and small level. But now, there aren't more than 30 each day," an official at Tha Sadet border checkpoint at this northeastern city told *The Nation*.

Tha Sadet is the only crossing point from Thailand to Laos at the moment, the other being for ferrying cargo known locally as "Tha Pae Kananyont."

The official said he didn't understand the factors behind the drastic decline in the Thai-Lao border trade. "From what the traders have told me, their complaints usually are that they can't sell their products on that side and the profit margin is dwindling as well," he said.

Latest official figures from the Bank of Thailand for the Northeast region said that the Thai-Lao border trade had "suffered tremendously."

The report said that in the first half of this year, Thailand exported only 156.3 million baht worth of goods to Laos and imported only 15.4 million baht from that country in the same period..."

The figures tell the story. They represent a 68.2 per cent drop in Thai exports to Laos and a 26.7 per cent drop in imports from that country.

The central bank blamed "the devaluation of the Laotian kip currency which had in turn reduced the purchasing powers of the people there" as the main reason behind the drastic decline in trade between the two countries.

The same set of figures shows that among the Thai exports to Laos, 55.1 per cent were consumer products while 25.2 per cent were capital goods. Thailand's main import item from Laos was processed wood. In the first six months of this year, import of timber from Laos alone dropped by 87.4 per cent.

Informed sources said that several companies registered with the Commerce Ministry to trade with Laos had backed out from their businesses.

Smuggling has, likewise, gone down, according to local officials, again attributing the decline to the much-reduced purchasing power among Laotians.

The regulations for smaller traders say that each of them could cross the border with no more than 20,000 baht worth of goods on each trip. They may not be required to pay export tax on the Thai side, but they do pay customs once they reach the Laotian side.

"But it doesn't mean that the traders don't pay any tax to the Thai Government at all. They have to obtain permits to get their

goods across the border for every trip. The Revenue Department, based on the permits, could then demand payment of income tax and business tax from the traders," local officials explained.

They said smuggling of money and gold, once a brisk business, has also gone down in the past months.

"We presume that there are two reasons for this: For one thing, gold prices on the Thai side are now lower. For another, the amount of gold and ornaments in Laos must have also come down quite considerably as well since the rich and the middle-class people have fled, leaving behind only the poor," the Thai officials said.

Thai authorities do place strict control measures on what are known as "strategic goods," which must come under careful screening by the Thai officials before they are allowed to cross over the Mekong River to the other side.

"It's all a matter of high-level policy," said a local official, who himself believes that the definition of "strategic goods" may be debateable at times.

"Sometimes, I doubt that bicycles, torchlights and food seasoning could be described as strategic goods. But what is certain is that such control measures tremendously reduces our income from Laos," a local senior official said.

CSO: 4220/7

TENDER NOTICE ISSUED FOR FORESTRY DEVELOPMENT PROJECT

Vientiane BULLETIN QUOTIDIEN in English 9 Sep 81 p 7

[Text] The Department of Finance of the Ministry of Industry and Commerce (MIC) invites sealed tenders from member countries of the Asian Development Bank (ADB) for: The design, supply, delivery, installation and commissioning of a saw mill, grading plant and sawnwood drying kilns.

To be financed in various currencies from the special Funds resources of ADB under the Lao Forestry Development Project. Such project is to be implemented by MIC through the Wood and Rattan Industry Company, a State-owned company under the jurisdiction of MIC.

Tender documents can be obtained on any working day during office hours from 8.00 a.m. to 5:00 pm (Lao time) upto 15th Jajuary 82 on payment of a non-refundable sum of US$ 50 per set from:

Department of Finance
Ministry of Industry and Commerce
Vientiane
Lao PDR.

CSO: 4220/7

BRIEFS

VIENTAMESE DOCUMENTARY FILM--Vientiane, 27 Aug (KPL)--The Vietnamese ambassador to Laos, Nguyen Xuan, on 25 August presented the Lao Ministry of Propaganda three copies of a documentary film. The film is on the celebration of the 5th founding anniversary of the Lao People's Democratic Republic. Ounheuane Phounsavat, acting minister of propaganda, information, culture and tourism received the gifts from Nguyen Xuan. [Text] [Vientiane KPL in English 0900 GMT 27 Aug 81]

MEDALS FOR SRV EXPERTS--Vientiane, 27 Aug (KPL)--The Lao Ministry of Communication, Public Works and Transport on 25 August held at the kilometere 4 ferry a ceremony of presentation of friendship medals to Vietnamese technicians. The honoured recipients have for some time helped Laos in designing and making transport barges each capable of taking 50 tons of cargo. [Text] [Vientiane KPL in English 0902 GMT 27 Aug 81]

SRV PROVINCIAL PARTY DELEGATION--Vientiane, 26 Aug (KPL)--The Communist Party of Vietnam delegation of the northern Ha Nam Ninh Province led by its acting-secretary, Pham Van Dong, paid an official visit to the Lao northern Oudomsai Province on 23 August. Questions on cooperation and mutual assistance between the two provinces were discussed. This was aimed to enhance fraternal solidarity between the two provinces of Laos and Vietnam. [Text] [Vientiane KPL in English 0958 GMT 26 Aug 81]

PHOUMI VONGVICHIT AT SCHOOL CEREMONY--Vientiane, 1 Aug (KPL)--The Teachers Training School No 4, on 29 July organized [a ceremony] here on the ending occasion of its 1980-81 school-year. Present on this occasion were Phoumi Vongvichit, vice premier and minister of education, sports and religious affairs, and other high-ranking officials. On this occasion, the director of the school, Douangta Douangmala, reported to the audience the past works of the school. Nearly 500 final year students have graduated from this school in this 1980-81 school year, he said. Phoumi Vongvichit, at the end, addressed the gathering stressing on the important roles of the teachers in the new regime. He also appealed to all the new teachers to use their abilities and effort in the tasks of socialist construction. He finally stressed on the present world situation concerning the struggle of the national liberation move-ents and the justice and peace-loving people. [Text] [BK011328 Vientiane KPL in English 0932 GMT 1 Aug 81]

THANKS FROM POLISH LEADERS--Vientiane, 13 Aug (KPL)--General Secretary of the Lao party and Chairman of the Council of Ministers Kaysone Phomvohan, and President of the Republic and of the People's Supreme Assembly Souphanouvong recently received

a message of thanks from Polish leaders for their National Day greetings. The message was jointly sent by Stanislaw Kania, first secretary of the Polish United Workers' Party CC, Henryk Jablonski, president of the State Council, Wojciech Jaruzelski, chairman of the Council of Ministers, and Stanislaw Gucwa, president of the SEJM. On this occasion, the Polish leaders expressed their conviction that the fraternal friendship and solidarity between the two countries' parties, governments and peoples will further be enhanced for their mutual benefits and for the cause of peace, progress and socialism. [Text] [BK131036 Vientiane KPL in English 0916 GMT 13 Aug 81]

TRANSPORT DELEGATION BACK FROM SRV--Vientiane, 7 Sep (KPL)--A delegation of the Communication, Public Works and Transports [Ministry] led by its acting minister, Khamphoui Keoboualapha, returned home on 5 September after ending the official visit to Vietnam. During its stay in Vietnam, the Lao delegation had signed an agreement on communication, public works and transports with its Vietnam counterpart. Greeting the delegation at the airport were high-ranking officials of the said ministry. Nguyen Xuan, Vietnamese ambassador to Laos, was also present. [Text] [BK071149 Vientiane KPL in English 0908 GMT 7 Sep 81]

INDUSTRY DELEGATION BACK FROM GDR--Vientiane, 17 Sep (KPL)--A delegation of Industry and Trade Ministry led by its Deputy Minister Nousai Sitthisai, returned home on 18 September from the German Democratic Republic. The delegation had previously participated in the annual Leipzig fair which was held on 6-12 September. [Text] [Vientiane KPL in English 0908 GMT 17 Sep 81]

PEACE DEFENSE DELEGATION HOMEBOUND--Vientiane, 14 Sep (KPL)--The delegation of the Committee for the Defence of World Peace headed by Son Khamvanvongsa, deputy-minister of propaganda, information, culture and tourism and secretary of the committee arrived here on 12 September from the Soviet Union. The delegation previously attended a conference of the committees for the defence of world peace of socialist countries which was held in the Soviet Union from 7 to 10 September. [Text] [Vientiane KPL in English 0909 GMT 14 Sep 81]

SWEDISH GRANT--Vientiane, 17 Sep (KPL)--A memorandum on aid was signed here on 15 September between Laos and Sweden. Under the term of the memorandum, the Swedish Government is to give a grant of 5 million Swedish kronor for the development of forestry, irrigation and communication in Laos. This grant comes under the 1981-82 agreement on economic and social cooperation between Laos and Sweden. Previously, the Swedish Government gave Laos a grant which amounted to 50 million kronor. Signing the document were, on the Lao side, Kham-Ouan Boupha, deputy minister of agriculture, forestry and irrigation, and on the Swedish side, Mats Aberg, charge d'affaires of the Swedish Embassy to Laos. After the signing ceremony both men expressed their satisfaction over the friendship relations and cooperation existing between the two countries. [Text] [Vientiane KPL in English 0910 GMT 17 Sep 81]

SAVANNAKHET DELEGATION TO SRV--Vientiane, 17 Sep (KPL)--A delegation of propaganda, information, culture and tourism service of the southern Savannakhet Province led by its Deputy Head Thongseui Khotvongsai, head of the Radio Broadcasting and News Agency of the province, on 12 September left for the Socialist Republic of Vietnam. The Lao delegation will pay a 10-day friendship visit to the Vietnamese Binh Tri Thien Province. [Text] [Vientiane KPL in English 0909 GMT 17 Sep 81]

BUDDHIST CONFERENCE--Vientiane, 17 Sep (KPL)--The Lao Buddhist Association of Chanthabouli District, Vientiane Municipality, on 15 September closed its conference after 1 week sitting. A total of 289 clergies from various temples in the district attended this conference. Present on this occasion were Venerable Thongkhoun Anantasounthon, president of the Lao Unified Buddhist Association and Khamphon, president of the Administrative Committee of Chanthabouli District. [Text] [Vientiane KPL in English 0913 GMT 17 Sep 81]

SOUPHANOUVONG ON LIBYAN NATIONAL DAY--Vientiane, 1 Sep (KPL)--Souphanouvong, president of the Lao People's Democratic Republic, on 1 September sent a message of greetings to Mu'ammar al-Qadhdhafi, president of the Socialist People's Libyan Arab Jamahiriyah. The message writes: "On the 12th anniversary of the SPLAJ National Day, on behalf of the Lao people, the government of the LPDR and on my own behalf, I am most happy to convey to you and, through you, to the friendly Libyan people my warmest congratulations and best wishes of happiness and prosperity. I also would like to wish you new and still greater successes in the struggling cause against imperialism headed by U.S. imperialists and against all reactionary forces--particularly the Israeli Zionists--for peace and national independence in the Middle East region." The message finally wishes for the strengthening of friendship relations between the peoples of the two countries. On the same occasion, Phoun Sipaseut, vice-premier and minister for foreign affairs, also sent a greeting message to his Libyan counterpart, Dr 'Ali 'Ab al-Salam al-Turayki. [Text] [BK011121 Vientiane KPL in English 0937 GMT 1 Sep 81]

TRANSPORT DELEGATION TO SRV--Vientiane, 28 Aug (KPL)--A Lao delegation of Communication, Public Works and Transport [Ministry] led by its acting minister, Khamphoui Keoboualapha, on 27 August left here for the Socialist Republic of Vietnam. During this friendship visit, the Lao delegation will sign an agreement on the communication and transport cooperations between Laos and Vietnam for the year 1981-82. [Text] [Vientiane KPL in English 0916 GMT 28 Aug 81]

SAVAANAKHET DELEGATION TO SRV--Vientiane, 31 Aug (KPL)--A delegation of the Lao southern Savannakhet Province led by Bouakham Sathouphan, secretary of the party committee of the said province, on 29 August left for Binh Tri Thien, the central province of the Socialist Republic of Vietnam. The Lao provincial delegation will participate in the 36th anniversary of the Vietnamese National Day which will be held on 2 September 1981 in the said Vietnamese province, thus aiming to strengthen and consolidate the existing special combatant solidarity between the two provinces and the two countries as well. [Text] [BK010333 Vientiane KPL in English 0905 GMT 31 Aug 81]

DELEGATION TO USSR, BULGARIA--Vientiane, 28 Aug (KPL)--A delegation of the Book Distributing Office led by Sitha Phengphengmouang, head of the Publishing House Department, on 26 August left here to attend the third international book fair. The fair is to take place in the USSR from 2 to 9 September. The Lao delegation will confer with socialist officials on 4 September on the question of book distribution. After the USSR, the delegation will attend the international book fair in the People's Republic of Bulgaria. [Text] [BK010333 Vientiane KPL in English 0918 GMT 28 Aug 81]

ECONOMIC MANAGEMENT CONFERENCE--Vientiane, 31 Aug (KPL)--The Ministry of Industry and Trade, on 28 August, closed its conference on economic and state-owned enterprise management after 12 days of sitting. Personalities among those present at the closing ceremony were Sali Vongkhamsao, vice-premier and chairman of the National Planning Committee; Thongdam Chanthaphon, deputy-minister to the premier's office; and Nousai Sitthisai, deputy-minister of industry and trade. Vice-premier Sali Vongkhamsao, in his speech addressing at the closing ceremony, stressed on the important roles of the economic construction tasks. He also appealed to all the participants to do their utmost to contribute to the national economic construction in accordance with the party and state's economic lines. The vice-premier highly praised the success of the conference. [BK010333 Vientiane KPL in English 0902 GMT 31 Aug 81]

MALAYSIAN NATIONAL DAY RECEPTION--Vientiane, 1 Sep (KPL)--Charge d'affaires A.I. of Malaysia Anaitullah Karim yesterday evening gave a reception here to mark Malaysia's National Day. Among personalities present at the function were Phoun Sipaseut, vice premier and minister for foreign affairs; members of the Council of Ministers, People's Supreme Assembly, and the Lao Front for National Construction. Members of the diplomatic corps and representatives of international organizations were also on hand. The reception proceeded in an atmosphere of warm friendship. [Text] [Vientiane KPL in English 0947 GMT 1 Sep 81]

VIETNAMESE PHOTO EXHIBITION--Vientiane, 1 Sep (KPL)--The Ministry of Propaganda, Information, Culture and Tourism, the Laos-Vietnam Friendship Association and the Vietnamese Embassy to Laos, on 31 August opened here a photo exhibition to mark the 36th anniversary of the National Day of the Socialist Republic of Vietnam. The photos on display were on the achievements in national construction in the past 5 years and the development of the friendship relations between the parties and peoples of Laos and Vietnam. Among personalities present were Phoun Sipaseut, member of the Political Bureau of the Lao People's Revolutionary Party CC, vice premier and minister for foreign affairs; Channi Douangboutdi, member of the party CC, minister to the premier's office and party secretary of Vientiane Municipality and Province; Ounheuan Phounsavat, acting minister of propaganda, information, culture and tourism, vice president of the Laos-Vietnam Friendship Association; along with representatives of various mass organizations. Nguyen Xuan, Vietnamese ambassador, members of the diplomatic corps and the international organizations to Laos were also present. On the evening of the same day, a Vietnam film week was inaugurated here. [Vientiane KPL in English 0949 GMT 1 Sep 81]

VISA AGREEMENT WITH POLAND--Vientiane, 11 Sep (KPL)--Laos and Poland, on 10 September signed here a bilateral visa agreement. Foreign diplomatic and service passport holders of these countries can reciprocally enter Laos and Poland without the requirement of visas. Signing were on the Lao side Khoun Chandeng, deputy minister for foreign affairs and on the Polish side Marek Czurey, Polish ambassador to Laos. The signed agreement is to enhance the friendship relations, cooperation and the fraternal friendship relations between Laos and Poland based on Marxism-Leninism and proletarian internationalism. [Text] [BK121225 Vientiane KPL in English 0914 GMT 11 Sep 81]

EDUCATION DELEGATION TO VIETNAM--Vientiane, 12 Sep (KPL)--A delegation of the Education, Sports and Religious Affairs Ministry led by its deputy-minister, Outtama Chounlamani, on 10 September left here to the Socialist Republic of Vietnam. An agreement on educational cooperation between Laos and Vietnam will be signed in Hanoi by the Lao delegation and the Vietnamese Ministry of Universities and Secondary Vocational Training. [Text] [BK121225 Vientiane KPL in English 0914 GMT 12 Sep 81]

INDUSTRY DELEGATION TO BUDAPEST--Vientiane, 12 Sep (KPL)--A delegation of the Lao Industry and Trade Ministry led by its office head, Bounmak Inthavong this morning left here for the Hungarian People's Republic. The Lao delegation will participate at the international handicrafts fair in Budapest which is scheduled to be held from 18 to 27 September. Seeing the delegation off at Wattai Airport were Lao officials and Toroczik Bela, charge d'affaires of the Hungarian Embassy to Laos. [Text] [BK121225 Vientiane KPL in English 0916 GMT 12 Sep 81]

PROVINCIAL DELEGATION HOMEBOUND--Vientiane, 12 Sep (KPL)--A delegation of the Central Savannakhet Province led by Bouakham Sathouphan, secretary of the party committee and chairman of the Administrative Committee of the said province, on 6 September returned home after ending its friendship visit to the Vietnamese Binh Tri Thien Province. During its stay in the Vietnamese province, the delegation had contributed in the 36th anniversary of the Vietnamese National Day and visited some production bases and historical sites in the said province. [Text] [BK121225 Vientiane KPL in English 0917 GMT 12 Sep 81]

EDUCATION CEREMONY--On the afternoon of 1 August, the administration of the worker-peasant cultural training school of the Ministry of Education, Sports and Religious Affairs held a ceremony to review results of the final examinations taken by the students for the 1980-1981 school year. The chairman of the school's board of directors read a report on the results of the final examinations of the 194 students attending the school. "Vice Premier and Education Minister Phoumi Vongvichit, who attended the ceremony, addressed the meeting. First of all, speaking on behalf of the Education Ministry, Phoumi Vongvichit hailed the outstanding achievements recorded by all departments of the school during the past year. At the same time, he also noted the significance of the school, whose policy is to admit worker and peasant youths throughout the country for training programs in modern science and technology so that they can effectively contribute to national defense and construction. In conclusion, he encouraged all teachers and students to maintain a high level of vigilance and to be determined to overcome all difficulties in the new period of the revolution so as to fulfill all their duties. [BK040540 Vientiane Domestic Service in Lao 0000 GMT 4 Aug 81]

GUERRILLAS' PATROL ACTIVITIES--Since late May 1981, guerrillas of Sinsai Canton, particularly of Khai Gnao and Sinsai villages, in Paksan District, Vientiane Province, have regularly carried out patrol activities to maintain peace and public order in their localities. On 10 and 17 June, the guerrillas of the two villages attacked a number of bandits who crossed over from the Thai bank to plunder property including cattle of the people in the villages. The bandits were duly punished. [BK270839 Vientiane Domestic Service in Lao 0400 GMT 25 Aug 81 BK]

NEW SWEDISH ENVOY--On the evening of 8 August, Phoun Sipaseut, vice premier and foreign minister, received Ernst Axel Edestam, the new ambassador extraordinary and plenipotentiary of the Kingdom of Sweden to the LPDR, after the latter had presented his credentials to the LPDR president on 4 August. During the courtesy call, the host and guest held a conversation on various topics related to diplomatic affairs. They dealt in particular on ways to develop relations and cooperation between the two countries--Laos and Sweden--for the benefit of each country. At the same time, Phoun Sipaseut also expressed his sincere thanks to the Swedish Government and people for rendering assistance and cooperation to the Lao Government and people, both in the past and at present. [Text] [BK111244 Vientiane Domestic Service in Lao 0000 GMT 11 Aug 81]

CPSU PUBLIC SERVANTS DELEGATION--Vientiane, 10 Sep (KPL)--A delegation of the public servants of the CPSU headed by N. I. Sonnov, secretary of the Tchelizbinsk Province, arrived here on September 9. The delegation in the morning of September 10 paid a courtesy visit to Ounheuan Phounsavat, acting minister of propaganda, information, culture and tourism. Present on this occasion was Rachit Khamidouline, counsellor of the Soviet Embassy to Laos. Talks were held between the Lao Propaganda and Training Board and the visiting delegation. Somlat Chanthamat, deputy head of the propaganda and training board of the Lao party headed the Lao side at the talks which are aimed to exchange views on propaganda and training work. [Text] [BK101223 Vientiane KPL in English 0923 GMT 10 Sep 81 BK]

JOURNALISTS SOLIDARITY RECEPTION--Vientiane, 10 Sep (KPL)--The Soviet cultural center in Vientiane, on September 8, held a friendship reception to mark the International Journalists Solidarity Day. Present at the reception were the deputy heads of the press and newspaper department, of the Lao National Radio and officials of the press department of the Foreign Ministry, the representatives of the TASS agency and Soviet PRAVDA newspaper to Laos. Taking the floor, Nikolay Khomenkov, first secretary of the Soviet Embassy to Laos in charge of cultural and press work, stressed on the role of journalists of socialist and other peace-loving countries in the world who are spokesmen and important assets of the working-class and laboring people whose role is to record and present authentic facts to the people struggling for independence, peace and security of the world laboring people. [Text] [Vientiane KPL in English 0926 GMT 10 Sep 81 BK]

BULGARIAN NATIONAL DAY RECEPTION--Vientiane, 10 Sep (KPL)--Zhecho Radunov, Bulgarian ambassador to Laos, on September 9, held at his residence a reception to mark the Bulgarian National Day. Present at the reception were Phoumi Vongvichit, vice premier and minister of education, sports and religious affairs; Phoun Sipaseut, vice premier and minister for foreign affairs; Sali Vongkhamsao, vice premier and chairman of the National Planning Committee and other members of the government. Members of the diplomatic corps and international organizations to Laos were also on hand. The reception proceeded in an atmosphere of friendship and cordiality. [Text] [Vientiane KPL in English 0921 GMT 10 Sep 81 BK]

RADIO DELEGATION TO HANOI--Vientiane, 7 Sep (KPL)--A Lao delegation led by Chaleun Vongsam-ang, director of the National Radio, on September 5, left here for Hanoi to attend the international conference on Asia and Pacific radio broadcasting development. The conference is going to open on September 7 to 19. Seeing the delegation off at Wattai Airport were deputy-directors of Lao National Radio and other officials. [Text] [BK071147 Vientiane KPL in English 0913 GMT 7 Sep 81]

DELEGATION TO USSR--Vientiane, 2 Sep (KPL)--A delegation of the Lao [committee] for the defence of world peace headed by its secretary Son Khamvanvongsa, who is also deputy minister of propaganda, information, culture and tourism, yesterday left here for the Soviet Union. The delegation is to attend the consultative meeting of World Peace Council scheduled to be held from September 7 to 10 in the USSR. [Text] [BK030603 Vientiane KPL in English 1000 GMT 2 Sep 81 BK]

SRV AMBASSADOR'S LECTURE--Vientiane, 2 Sep (KPL)--Nguyen Xuan, the Vietnamese ambassador, yesterday presented a lecture to mark the 36th founding anniversary of the Socialist Republic of Vietnam. The lecture was jointly organised by the Ministry of Propaganda, Information, Culture and Tourism, and the Laos-Vietnam Friendship Association. Among those present were Khambou Soumisai, head of the National Labor and Wage Committee; Phouvong Phimmason, secretary general of the Laos-Vietnam Friendship Association, and other high-ranking officials. On this occasion, the Vietnamese ambassador briefed the all-round achievements scored in the past 5 years in the tasks of national safeguarding and socialist construction. The enhancements of the special combatant solidarity and all-round cooperation between Laos and Vietnam was also highlighted by Ambassador Nguyen Xuan. [Text] [Vientiane KPL in English 1001 GMT 2 Sep 81 BK]

PROVINCIAL VIETNAMESE DELEGATION--Vientiane, 2 Sep (KPL)--A delegation of the provincial party committee of Ha Nam Ninh of the Socialist Republic of Vietnam, headed by Pham Van Bong, on August 30, left the Lao northern province of Oudomsai for home after ending its friendly visit to the said province. During his stay in Oudomsai, Pham Van Dong led his delegation to exchange views on the party cooperation between the two provinces with his Lao counterpart. The Vietnamese delegation also visited some production bases in the province. [Text] [Vientiane KPL in English 0958 GMT 2 Sep 81 BK]

DPRK NATIONAL DAY RECEPTION--Vientiane, 9 Sep (KPL)--Ambassador of the Democratic People's Republic of Korea to Laos Yun Chong-sop, on September 8, gave a reception here to mark the 33rd National Day of the DPRK. Present on this occasion were Phoun Sipaseut, vice-premier, minister for foreign affairs; Maisouk Saisompheng, minister of industry and trade, president of the Lao Committee for Support of Peaceful Reunification of Korea, and a number of high-ranking officials. Member of the diplomatic corps and representatives of international organizations to Laos were also on hand. The reception proceeded in a warm atmosphere of friendship and cordiality. [Text] [BK101121 Vientiane KPL in English 0927 GMT 9 Sep 81 BK]

VIETNAMESE FILM WEEK--Vientiane, 9 Sep (KPL)--A Vietnamese film week organized by the Ministry of Propaganda, Information, Culture and Tourism, in collaboration with the Vietnamese Embassy to Laos, was closed here on September 7. The film week was to mark the 36th National Day of the Socialist Republic of Vietnam. Present on the closure-ceremony were Phoun Sipaseut, Political Bureau member of the party Central Committee, vice-premier and minister for foreign affairs; Chanmi Douangboutdi, member of the party CC, minister to the premier's office, secretary of the party committee of Vientiane Province; Ounheuan Phounsavat, acting-minister of propaganda, information, culture and tourism, along with other officials, diplomatic envoys and international organizations' representatives to Laos were also on hand. [Vientiane KPL in English 0929 GMT 9 Sep 81 BK]

HEROES DELEGATION RETURNS--Vientiane, 7 Sep (KPL)--A delegation of Lao heroes led by Khamkang Soulivong, deputy air chief commander, on September 5 arrived here from the Socialist Republic of Vietnam after ending its friendship visit. Meeting the delegation at the airport were Thongdam Chanthaphon, deputy minister of the premier's office, Major General Inkong, deputy head of the Political Bureau of the armed forces; Bouahan, head of medal institute and other high-ranking officials. Vietnamese Ambassador Nguyen Xuan and other staff members of the embassy to Laos were also present. During more than 1 month of its staying in Vietnam, Khamkang Soulivong led his delegation to call on Vietnamese leaders. The Lao delegation also visited several historical sites, revolutionary and production bases in all parts of Vietnam. [Text] [Vientiane KPL in English 0903 GMT 7 Sep 81 BK]

AUSTRALIAN BOOKS EXCHANGE PROGRAM--Vientiane, 7 Sep (KPL)--Australian Ambassador Philip Frederick Peters, on September 5, presented a collection of Australian books to the Lao National Library. Twenty-five volumes of books which are parts of the exchange program between the national libraries of the two countries were handed over on the occasion of the meeting between the ambassador and the Lao deputy premier and minister of education, sports and religious affairs, Phoumi Vongvichit. [Text] [Vientiane KPL in English 0906 GMT 7 Sep 81 BK]

LITERACY CAMPAIGN DAY RALLY--Vientiane, 9 Sep (KPL)--The Ministry of Education, Sports and Religious Affairs, on September 8, organized here a mass rally celebrating the 14th anniversary of the international literacy campaign day. Present on this occasion were Phoumi Vongvichit, Political Bureau member of the party Central Committee, vice-premier, minister of education, sports and religious affairs, and vice-chairman of the national committee for the literacy campaign; Outtama Chounlamani, deputy-minister of education, sports and religious affairs, and other officials from various state institutions in Vientiane Province. Representatives from international organizations to Laos were also present on this occasion. Phoumi Vongvichit, on this occasion, read out his appeal to the entire Lao people on the significance of the international literacy campaign day. [Vientiane KPL in English 0921 GMT 9 Sep 81 BK]

CSO: 4220/10

BRITAIN OFFERS MILITARY AID TO PAKISTAN

Karachi BUSINESS RECORDER in English 14 Sep 81 p 3

[Text]

LONDON, Sept 13: Britain has offered increased military training assistance to Pakistan and was looking into the possibility of meeting some of her needs for defence equipments, PPI learnt here.

Informed sources here said that Britain w. also considering, alongwith its allies, further measures of economic assistance to Pakistan.

These sources said the British Government had reviewed its defence policy in South-West Asia, following the Soviet invasion of Afghanistan which it feels had obviously profoundly undermined stability in the region.

They said Britain would continue to contribute to the security of her friends and allies in the region by providing defence equipment and military training assistance.

Periodic deployment of naval air and land forces to the area will be maintained in consultation with the respective countries. For the moment any need to re-establish a substantial permanent United Kingdom military presence in the area has been ruled out. In addition there was also no question of going back to the age of bases and pacts.

Moreover, Britain was not convinced that the presence to a Western military force in the region was the right answer. Nevertheless, detailed discussions are continuing among members of the NATO against a background of the major strategic issues facing the alliance in the light of the Soviet invasion of Afghanis- action for stability in South- tan, and the implications of that West Asia.

These sources said during her forthcoming visit to Islamabad on Oct 8, the British Prime Minister Mrs. Markaret Thatcher will hold important discussions on latest developments in the wake of the Soviet occupation of Afghanistan besides bilateral matters with President General Mohammad Zia-ul-Haq.—PPI

CSO: 4220/3

STRAINS ON DEBT SERVICE PAYMENTS

Islamabad THE MUSLIM in English 11 Sep 81 p 7

[Text]

That the debt-servicing liability of foreign loans is exerting increasing strains on Pakistan's foreign exchange resources is borne out firstly by the increased allocations for debt-servicing in the 1981-82 budget and secondly by the reduction in the net inflow of foreign loans to a trickle after taking into account the repayment of current maturity.

The interest liability, anticipated during 1981-82 on foreign loans, as provided for in the budget, increased by 21.1 per cent to Rs. 2,884.299 million over the 1980-81 revised estimates of Rs. 2373.621 million. Additionally, the appropriations for the purpose of reducing or avoiding debt burden accounted for Rs. 2666.681 million, showing 14.68 per cent increase over the preceding year's amount of Rs. 2,466.399 million.

The break-up of the above allocations for interest payments on foreign loans shows that interest on foreign loans would account for Rs. 1503.514 million, interest on IMF Drawings Rs. 782.100 million and interest on food credits was estimated at Rs. 598.485 million.

The interest charges on foreign loans, in fact, were reduced by Rs. 464.173 million due to relief or rescheduling of certain instalments and interest charges, allowed by the consortium members.

The reduced amount of net availability of foreign aid is evident from the fact that out of the estimated gross inflow of foreign loans during 1980-81 of the order of 1031 million dollars, the debt-service payments are expected to absorb 684 million dollars. As a result, the net availability of fresh loans has fallen off to an insignificant amount of $ 347.00 million compared with $ 588.00 million in the preceding year. The debt-service payments work out to about 66 per cent of gross aid inflow while only 34 per cent is available as net transfer. The ratio of debt-service payments to export earnings in 1980-81 worked out to about 24.42 per cent. However, foreign debt-service ratio to total foreign exchange earnings, including home remittances, worked out to 13.56 per cent.

It may however be pointed out that if the country had not received relief in the form of rescheduling for the payments of current instalments and interest thereon in respect of Consortium loans, the debt-service liability during 1981-82 would have been still higher and the repayment of current instalments would have left a very insignificant amount out of the current inflow of fresh foreign loans. The memorandum of understanding on debt relief signed on 14th January, 1981 provided for relief to the extent of $ 232 million in respect of some of the current maturities during 1981-82. It will be a agreed that the aforesaid debt-relief (postponement of current repayments) is relatively very insignificant while the period of this rescheduling covers only 18 months upto July 14, 1982. This means that the next year's budget is likely to carry the heaviest-ever brunt of debt-service liability because by that time, the moratorium on current repayments would be over.

The gross amoutn of foreign loans sanctioned or committed to Pakistan by the end of 1980, since 1950 stood at $ 17,800 million which represented an increase of $ 1600 million or about 10 per cent increase over the previous year's total foreign debt of $ 16,200 million.

Actual disbursements of foreign aid/loans to Pakistan by the end of December, 1980 amounted to $ 11,100 million compared with the previous year's 10,100 million dollars. Repayments made by the country so far amounted to only $ 2,500 million and the outstanding debt was of the order of $ 8,900 million as on 31st December, 1980 as compared with $ 8,000 million at the end of December, 1979.

Thus, it may be pointed out that despite fairly handsome increase in export earnings—to the extent of 19.60 per cent—to an estimated amount of $ 2,800 million (1979-80: $ 2,340.9 million) combined with 21 per cent increase in remittances from overseas Pakistanis to $ 2,284 million (1979-80: $ 1,895 million) in 1980-81, the country's economy continues to drift away from the goal of self-reliance.

In addition to rather sharp increase in the annual debt-service liability and consequent nullifying of a positive impact of foreign loans, the strident rise in the prices of imported goods such as plant and machinery, petroleum oil, chemicals, iron and steel and other metals, transport vehicles and a wide range of industrial raw materials, continues to neutralise the favourable impact of increase in exports.

CSO: 4220/5

BANKERS CREDIT TO SMALL FARMERS DISCUSSED

Karachi BUSINESS RECORDER in English 15 Sep 81 pp 1, 3

[Text]

The State Bank Governor, A. G. N. Kazi, yesterday called upon the bankers to break the "vicious circle" which makes the resources raised by the banks in rural areas flow to urban areas, where loans are easier and cheaper to administer and credit risks are lower.

He was inaugurating a two-week seminar in Karachi on the "Central Bank Measures for Strengthening Agricultural Credit Provision to Small Farmers" The seminar has been organised by the SBP in collaboration with FAO and Near East and North Africa Region Agricultural Credit Association.

Delegates from Pakistan, Libya, Syria, People's Democratic Republic of Yemen, Jordan, Cyprus, Morocco, Sudan, Somalia and Yemen Arab Republic are attending this seminar.

A. G. N. Kazi stressed that for meaningful development there should be equitable distribution of resources among the population instead of appropriation by the privileged urban class.

He said that it is futile to assert that resources for development will automatically flow to backward rural areas. Active intervention and sustained efforts of the Government and Central Banks in the context are necessary he added.

The SBP Governor said that the central banks of developing countries share the responsibility for economic development and have to play a vital role in creating a sound agricultural credit system.

APP adds

He said that they have to promote, foster and develop credit institutions to service the credit requirements of agriculturists with a view to replacing the non-institutional sources.

Kazi suggested the measures which the central banks can take in this regard: provision of resources to the credit institutions by direct investment or by way of providing short, medium and long-term loans on concessional terms, devising of measures to assist the credit institutions in mobilisation of savings, inspection and supervision of credit institutions for ensuring development of sound practices and procedures in their operations providing required training facilities for the personnel manning the credit institution, participating in the setting up of new credit institutions and coordinating the activities of various credit institutions in the field".

COOPERATIVE APPROACH

About Pakistan's experience in the field of agricultural credit, he said:

"It was more than 70 years ago that some efforts were made to organise the agriculturists into cooperatives on self-help basis and to channel funds to farmers through the cooperatives. Though a large number of cooperative credit societies were organised, many of them failed and went into liquidation. Causes of the failure were the underlying feudal structure of the society at that time and prevalence of illiteracy and backwardness which militated against any meaningful and genuine rural community development."

"Despite these early failures, we persisted with the cooperative approach as we felt that it was the most promising measure of channelling credit to the small farmers. At present there are many thousands of cooperative credit societies in the country and more than a quarter of the total agricultural credit is being channelled through the cooperatives. In

the recent past the central bank has assumed a more active role in promoting cooperatives".

Kazi added: "in 1976 the Federal Bank for Cooperatives was established in which the major shareholder is the State Bank of Pakistan. This bank provides finances to the provincial cooperative banks and multi-unit cooperative societies and assists in the formulation and financing of schemes for revitalisation of the cooperative system in the country. While many difficulties still remain to be tackled, in the recent past there has been rapid growth in agricultural lending through cooperatives in certain areas of the country. It is evident that with the implementation of government programme for organisation of rural communities and rural development cooperatives will progressively grow in importance particularly for channelling crop loans to the small farmers

"Despite the early start of cooperative credit in Pakistan and the recognition of the importance of cooperatives for activating the productive potential of the rural communities, Pakistan does not have a doctrinaire approach to rural credit. There has been no hesitation to adopt a pragmatic multi-agency approach. As far back as 1952 government set up an Agricultural Development Finance Corporation which was subsequently converted into the Agricultural Development Bank. This bank is the main agency for providing long and medium term loans for land development and financing tubewells and purchase of tractors and farm machinery. The bank has at present about 180 branches and also makes supervised short-term production loans for financing inputs like seeds, fertilizers and pesticides. Last year this bank disbursed more than a billion rupees of credit which is about 20 per cent of the total agricultural credit disbursed that year.

"The Agricultural Development Bank has to a considerable extent compensated for the somewhat slow growth of co-operatives but with only a limited number of branches it could not possibly meet the short-term credit needs of the small formers of the country."

MANDATORY TARGETS FOR BANKS

He said: the State Bank of Pakistan had therefore to mobilise the potential of the commercial banking system for agricultural finance. We have five well developed nationalised commercial banks which have as many as 7000 branches in the country. Every village with population of 5000 and above has a branch. The nationalised commercial banks are annually given mandatory targets for agricultural credit of which about half is reserved for lending to small farmers. In case they fail to reach the target they have to deposit an amount equal to the short-fall, interest free, with the State Bank. On the other hand, if the banks incur losses in respect of loans made by them to small farmers, the State Bank meets half the loss. Since 1972 when this scheme was launched the agricultural credit advanced by commercial banks has increased 20 fold. Last year commercial banks advanced about half of the total institutional agricultural credit in the country.

"While the growth in agricultural financing by the commercial banks has been most impressive, it has still to deal with many problems. In particular, the percentage of bad and doubtful debts is quite high. To avoid this, progressively, field staff is being increased for more effective supervision of credit. It is the intention to extend supervised agricultural credit through commercial banks throughout the country in accordance with a phased programme", he added.

He said "from what I have stated, it would be evident that the State Bank of Pakistan, has actively promoted the evolution of the institutional structure for agricultural credit in the country. The State Bank is also involved in formulation of operational policies of the credit institutions. A credit plan for the country is drawn up by the National Credit Consultative Council annually in line with the requirements of the national development plan. In particular, the total requirements of agricultural credit are worked out in the context of the targets of agricultural investment and production set by the national plan and quantity of inputs to be made available during the year under the plan.

"A methodology had been developed for working out the institutional credit requirements in line with targets for agricultural investment and utilisation of agricultural inputs set by the plan. The total requirements of short-term and long-term credit worked out are then distributed among the main loan giving agencies namely, the commercial banks, the Agricultural Development Bank and the co-operatives and their actual performance is monitored periodically in the context of targets set for them.

"The co-ordination of agricultural credit plan with the national development plan was essential to achieve optimum production. The farmer has to be provided a package of requirements to increase production viz. agricultural extension services, marketting facilities and credit for investment and agricultural inputs. The credit element of this package has to be integrated with the other elements."

Earlier, I. Abdullah, Secretary-General of Nenaraca, in his welcome address explained the working of the association and the objectives of the seminar.

S. M. I. Mahmood, Seminar Director, also spoke on the occasion.

The seminar will continue until Sept 28.

CSO: 4220/3

PROBLEMS WITH AFGHAN REFUGEES IN CHITRAL

Islamabad THE MUSLIM in English 16 Sep 81 p 6

[Article by Saeed Qureshi]

[Excerpts] Bamburat, the largest of the three valleys, can be compared to Kaghan except that it looks more squeezed between the imposing mountains than the latter.

This forlorn yet splendid valley is linked with Ahun, the biggest town in Chitral, by a narrow jeepable track passing over a high steep mountain.

The rest house is situated on the route which leads into the Nooristan Province. While Arandhu is the south-western end of Nooristan, Bamburat falls in the backyard of western end of this largest province of Afghanistan.

Because of its close proximity to Afghanistan, a sizeable number of Afghan refugees have found it convenient to stay here. This seems to have upset the sparsely populated valley. The locals do not appear to be prepared to accommodate the influx which is increasing with the passage of time.

The refugees are woefully divided among themselves. Violence and shootouts among the militants are common.

We arrived at Bamburat in the afternoon and were resting on the grassy lawns of the rest house, when a group of bearded sturdy persons came and presuming that we represented some aid-giving agency, projected themselves to be the valiant freedom fithters. Suddenly they were challenged by another group who contested their claim by saying that they were in fact the real Mujahideen and deserved aid. To our embarrassment more people joined the fight which continued unabated until evening. Each one was trying to dub the rivals as hoax and humbug merely posing to grab the bounteous and abundant aid. We, however, could not conclude as to who was genuine and who was not.

A school teacher who claimed to have been to Nooristan several times said that those Afghanis staying in Bamburat had never thought of firing even a single bullet. However, those still left behind were engaged in the bitter struggle with the alien troops. He disclosed that in one assault the Mujahideen, including his relatives, destroyed some 200 enemy tanks. However, the old man was not boastful. With the humility characteristic of the Faithful he attributed the feat to 'the help of Allah the Almighty.'

CSO: 4220/3

NO BAN ON CONSTRUCTIVE TRADE UNION ACTIVITIES

Islamabad THE MUSLIM in English 16 Sep 81 p 6

[Text] Sept 15--The government has no intention to ban the constructive trade union activities in the country.

This was stated in Abbottabad yesterday evening by the Federal Minister for Water and Power, Raia Sikandar Zaman at the oath-taking ceremony of the United Bank Limited Employee Union, Hazara Division.

The Minister said all the trade unions should work for the progress and prosperity of their organisations.

Raja Sikandar referred to recent actions in PIA and said the PIA union was banned due to its malpractices and irregularities. It will, however, be revived soon but prior to that purging of undesirable elements was a must, he said.

Referring to various demands put up to him in the address of welcome, the Minister said the government wanted to give maximum benefits to working class within the available resources of the country.

Raja Sikandar said the interest-free banking system introduced in the country last year has proved successful and the bank employees should work hard to make it a greater success.

The Minister assured that their demands about bank wage award and hill allowance would be considered sympathetically.

He said work on electrification of a large number of villages in Hazara division would start soon with the assistance of the Asian Development Bank. The Minister also enumerated a number of development activities being carried out in Hazara division, such as construction of Daur bridge, Chappar road in Haripur area, a 500-bed hospital in Abbottabad.

Highlighting the role of banking industry in the national economy, the Minister called upon the bank employees to work hard for the consolidation and strengthening the economic structure of the country.

The Minister also stressed the need for further simplification of the procedure for grant of loan to small farmers.--APP

CSO: 4220/3

'BUSINESS RECORDER' DISCUSSES FORMULATION OF LABOR POLICY

Karachi BUSINESS RECORDER in English 16 Sep 81 p 2

[Editorial: "The Sooner the Better"]

[Text]

The formulation of a practical, realistic and equitable labour policy, is an urgent national need, but the Government seems to have decided to move step by step without hurry. The latest development in this connection is the formation of a standing committee of the Tripartite Labour Conference so that a regular forum is provided for continuous dialogue between the workers and employers. What the authorities expect to come out of the exercise, is not very clear. Promulgation of a bold new labour policy is required to end the state of uncertainty and to create a climate for the entrepreneurs to come forward with greater confidence and accelerate the pace of economic revival. The absence of a sound labour policy is an obvious hurdle in the way of speedy economic recovery.

Labour being the most important factor of production, the need for a clearly defined policy in respect of wages, working conditions, workers' rights and responsibilities, employers' obligations, etc., cannot be overemphasised. It is now four years that industrial relations are being regulated, on ad hoc basis, without any positive effort to remove the deficiencies and excesses of the thoughtless labour laws devised by the previous regime. As a result, both workers and employers feel insecure. A tripartite labour commission was set up about three years ago to make recommendations to the Government on the basis of which a new production-oriented labour policy could be framed. The commission submitted a report after lengthy deliberations over a year. Again, it took quite some time for the report to go through the official routines and then came the news that final shape had been given to the proposed

labour policy. It was also said that the policy would be promulgated after another round of consultations between the concerned parties-employees, employers and the representatives of the Government. At that stage we had vehemently opposed the idea of holding another tripartite conference and had pointed out that it was an issue on which a consensus was rather difficult to achieve. The two main parties, that is, the employers and the employees, could never arrive at any agreement because their points of view, as indicated in their demands and suggestions, were almost conflicting. The employers' demand for the right to hire and fire, can never be acceptable to the employees. This is, as a matter of fact the main issue. Looking from the employers' point of view, the demand is wholly justified. They should have the right to get rid of an inefficient and unwilling worker. But the possibility of abusing this right on the part of the employers, looking from the workers' side, cannot be totally ruled out. That is where the Government had to evolve a via media and to make rules ensuring that the right to hire and fire was not arbitrarily exercised to harass the workers. It could have allowed replacement of inefficient and unwilling worker with an efficient and willing one. But at the same time some financial safeguards could be prescribed for the outgoing worker so that by the time he got another job, he was not starved and the employer did not act on whims for fear of financial costs. As we have said earlier, there are certain decisions which the Government has to take in the larger national interests. These decisions may annoy many and please few. But they have to be taken for the present and the future of a nation. For a political government such decisions are rather difficult to take. But for a Government like this which has no political ambitions, it should not be so difficult to make up its mind and act boldly on major national issues. It was in this context that we had opposed the holding of a second tripartite labour conference and had advised the Government to finalise and enforce what had been agreed upon in the first conference. The advice was not heeded, with the result that things have now bogged down. One thing should be clear that no government can ever evolve a labour policy which can please everybody. Displeasure on the part of some sections has to be faced. Time is running out. The Government must take a final decision and promulgate a policy so that the present state of uncerainty comes to an end.

CSO: 4220/3

DEVELOPMENT OF SPACE SCIENCE AND TECHNOLOGY UNDER STUDY

Karachi MORNING NEWS in English 20 Sep 81 p 3

[Text] A four-phase long-term national programme for the development of space science, technology in the country is presently under the consideration of Executive Committee of the Space Research Council (SRC).

The first meeting of the SRC Executive Committee was held in Islamabad on Wednesday last under the chairmanship of Mr Ghulam Ishaq Khan, Federal Minister for Finance, Planning and Coordination.

The meeting was also attended by three other executive committee members, namely Mr M. Kazi, Adviser to the President for Science, Mr Salim Mehmood, Chairman of the Space and Upper Atmosphere Research Commission (SUPARCO) and the Federal Cabinet Secretary.

The SUPARCO Chairman submitted the programme for the planned and phase wise development of space science and technology in the country for the consideration of the SRC Executive Committee.

Mr Salim Mehmood said it was decided at the meeting that the programme should be modified in the light of some suggestions put forward at the executive committee meeting.

This revised programme will be considered at the next meeting of the SRC Executive Committee, which is scheduled to take place at the end of October next, or in early November.

The SUPARCO Chairman said that after the proposal had been cleared by the SRC Executive Committee it would be placed before the first meeting of the full Space Research Council, which is headed by President Gen. Mohammad Zia-ul-Haq for consideration and approval.

The first full meeting of the SRC is likely to be held before the end of this year. (The SRC came into being in May 1981 and its formation is a sign of the Federal Government's determination to ensure that space science and technology is developed on the national level in a planned manner without any further loss of time).

Mr Salim Mehmood said that the proposed four-phase programme was designed for implementation over a 10-year period, and the end of each phase would mean the acquisition of a "distinctive capability" in particular aspects of space science and technology.

Salient Features

Outlining the salient features of each phase in the proposed programme, he listed them as under:

--Phase One: Construction of ground receiving station in various parts of the country to attain the capability of receiving radio and TV signals from all types of orbiting satellites (including radio and TV signals, scientific data concerning earth resources, cloud cover, snow pictures, etc);

--Phase Two: Emphasis on tracking satellites through both radar, radio and optical means;

--Phase Three: Launching of a Pakistani satellite (some of the components of which are to be fabricated within the country and others purchased abroad).

The satellite will be launched on either a European or American rocket.

This phase includes construction of mobile and fixed receiving-cum-transmitting stations in various parts of the country to provide a countrywide communications link-up with the orbiting satellite.

--Phase Four: To be devoted largely to developing to the maximum extent possible the capability to manufacture satellite parts and other space technology-related items within the country.

The SUPARCO Chairman emphasized that throughout the 10-year programme all possible efforts would be made to build up the space technology-manufacturing industry in Pakistan.

He also said that during the Space Research Council Executive Committee meeting in Islamabad last week a report on the progress achieved by SUPARCO since its upgrading from the status of a committee to that of a full-fledged commission was also submitted.--APP

CSO: 4220/3

SUGAR OUTPUT MAY TOP 1M TON MARK IN 1981-82

Karachi MORNING NEWS in English 20 Sep 81 p 5

[Text] Federal Food and Agriculture Minister Vice-Admiral Mohammad Fazil Janjua yesterday expressed optimism that the production of sugar would top the one million-ton mark during the current 1981-82 financial year.

He said this expectation was based on the fact that this season's sugar cane crop was five percent larger than that of last year.

The target sugar cane production figure for the current year is 33.78 million tons, and last Thursday the agriculture Minister told newsmen that this goal would in all probability be met since the crop this year was a good one.

Delivering the inaugural address at the 17th annual convention of the Pakistan Society of Sugar technologists (Past) at Hotel Intercontinental here yesterday, Vice-Admiral Janjua noted that the sugar over the two preceding succeeded in reversing the decline in the production of sugar over the two preceding years (viz. 1978-79 and 1979-80).

He said production of sugar in 1980-81 was 8,53,000 tons, which was an appreciable increase over the 6,09,000 tons recorded in 1978-79 and the even lower figure of 5,74,000 tons in 1979-80.

He recalled that decline in sugar production during 1978-79 and the even sharper drop in 1979-80 had necessitated the import of 1,70,000 tons of sugar from abroad to meet the shortfall.

Redressing this situation was a challenge for all of us, he added.

Controls Relaxed

In order to encourage the increased production of sugar cane, he continued, the Government had relaxed some controls by which the sugar mills had been hemmed in during the past, namely, fixed prices for both sugar cane and refined sugar.

In "a bold departure" from past patterns, some freedom was given to the sugar industry to come up with initiatives to enhance production of sugar and improve relations with the growers, he added.

He noted that the results of this policy were "extremely encouraging" and along with incentives of free sale quota, coupled with exemption from excise duty in excess of the last three years' average production and fixation of ex-factory prices "at reasonable levels, the sugar industry now stands rehabilitated."

Continuing, he said that likewise certain concessions were also granted to the sugar cane growers, including raising the upper limit of their quota of sugar and sharing part of the profit earned by the mills on account of sucrose content being higher than that assumed in the ex-factory price fixation formula.

He said another reason for expecting higher sugar production during the current 1981-82 financial year was the fact that gur prices were lower than those prevailing last year and therefore, (even in the NWFP) it would no longer be economical for the growers to divert their sugar cane for gur-making.

Regarding sugar beet production in the NWFP, he felt that this could be doubled through various measures, and the progressive fall in sucrose content in the beet crop (noticed over the past three-odd years) should be checked.

He said that an experts committee had been formed to go into the question of increasing sugar beet production in the NWFP and its report was awaited.

Sugar Policy

He said the sugar policy for 1981-82 had been finalised and would be announced shortly after its approval by the Federal Cabinet.

The new policy would (like that adopted in the previous year) contain incentives for increased proruction, including partial de-control, exemption from excise duty and free sale quota for mills on attaining prescribed targets etc.

He said in case sugar production exceeded the domestic requirements, the Government would consider exporting it but only after a sizeable reserve had been built up to meet any production decline in future years.

Vice-Admiral Janjua disclosed that a committee had been set up to consider the advisability of setting up "mini sugar plants" in various parts of the country which fell "outside the zones of the large sugar mills."

He said there was a need to establish such small plants in order to process the maximum quantity of sugar cane in the most profitable manner, cut down losses, etc.

He said that more sugar mills should be built and the production capacity of the old mills could, where feasible, be extended. Besides better utilisation of sugar refining, by-products should be introduced.

Vice-Admiral Janjua spoke of the need for increasing sugar production on the basis of a programme which had short, medium and long term aspects.

Certain facets of this programme would, however, not be limited to any one particular time interval but would represent a continuous effort, he added.

He said the constant features of this programme included optimum utilisation of sugar mill capacity, improving per-acre yields and the sucrose content of sugar cane, agronomical practices, pest control, seed quality and credit facilities.

Earlier, Mr Asghar Qureshi, President of the Pakistan Society of Sugar Technologists presented the welcome address.

The function was followed by a luncheon.--APP

CSO: 4220/3

SUGARCANE PRICES MAY BE INCREASED

Karachi BUSINESS RECORDER in English 14 Sep 81 p 1

[Article by Bakar Ayaz]

[Text]

The Agricultural Price Commission is likely to recommend an increase in the sugarcane prices in the 1981-82 sugar policy, which will be announced shortly.

According to informed sources, the sugarcane prices in NWFP may be increased (Rs. 8.75 per maund) by 7 paisa, in Punjab (Rs. 9) by 12 paisa and in Sind (Rs. 9.86) by 20 paisa per maund.

These sources said that new prices for 1981-82 crop have been worked out on the basis of average recovery of sucrose during the last three years in the three sugarcane growing provinces.

This system was worked out after considering various other methods.

However, it is generally agreed in all concerned quarters that in the long run the cane growers should be paid on the basis of the cane quality (Sucrose content). But any system of pricing on the basis sucrose content is not thought feasible at present as additional establishment would be required to determine the quality of the cane which comes from 17,000 growers in Punjab and 25,000 growers in Sind.

The sources pointed out that the Agricultural Price Commission will divide Sind into two zones, subject to approval from Sind Government, for the purpose of price fixation as the recovery of sucrose in upper Sind and lower Sind was significantly different.

Lower Sind which has high content of sucrose comprises Thatta, Badin, Hyderabad and Mirpurkhas districts. The upper Sind sugarcane price may be fixed at Rs. 9.40 per maund.

Meanwhile, the period for calculating recoveries would be 160 days commencing from November 1, to April 10.

CSO: 4220/3

OVER 20 PERCENT INCREASE IN WAPD'S POWER CAPACITY

Karachi PROGRESS in English Sep 81 p 8

[Text]

MORE than 20 percent increase has been recorded in the installed capacity of WAPDA's power system during the last one year. The WAPDA power system includes the northern areas, Upper Sind, Lower Sind and the Quetta region excluding the power generating capacity of KESC and the KANUPP.

WAPDA's total installed capacity stood at 2,685 MW in June, 1980, comprising 1,118 MW of thermal power and 1,567 MW of hydel power generating capacity. This has risen to 3,225 MW during the last one year of which thermal power generating capacity accounts for 1,378 MW and hydel power 1,847 MW, recording increases of 23.3 and 17.9 percent respectively.

The increase of 260 MW in thermal power generation has been due to the commissioning of a 210 MW unit at Guddu Thermal Power Station and two gas turbines (Unit No. 5 & 6) of 25 MW each at Kotri, whereas increase in hydel power generating capacity of 280 MW has been on account of the commissioning of two units (Unit No. 7 and 8) of 100 MW each at Mangla and two units of 40 MW each at Warsak.

Installation and commissioning of these units, both in thermal and hydel sectors, has gone a long way in augmenting power supply position in the country.

In view of the growing demand for electricity from industrial, agricultural, commercial, domestic and other sources WAPDA has in hand/planned additional generating plants which are expected to go into operation during the next few years. The work on the installation of Tarbela units 5 to 8 of 175 MW each is in progress and according to present schedule Unit No. 5 is expected to be commissioned by October 1982, Unit No. 6 by November 1982, Unit No. 7 by January 1983 and Unit No. 8 by February 1983.

Feasibility studies on Tarbela indicate that the installed capacity of the power house could be increased from the originally conceived 2100 MW to 3350 MW. This is planned to be done by the installation of additional units at Tunnel No. 2 and Tunnel No. 3.

WAPDA has also initiated studies on Kalabagh project for which the UNDP has provided Rs. 80 million under Technical Assistance Programme for carrying out detailed investigations of the proposed multipurpose project.

In the thermal sector WAPDA plans to augment the capacity of Quetta thermal power station by installing a 25 MW gas turbine in 1982. A 200 MW thermal power capacity at Jamshoro, and an additional 310 MW capacity at Guddu have also been planned.

The installation of a thermal power station based on Lakhra coal is also under study.

CSO: 4220/4

BRIEFS

BALUCHS URGED TO SHUN PROVINCIALISM--Quetta, Sept. 20--Federal Minister for Labour, Manpower and Overseas Pakistanis, Mr Ghulam Dastagir Khan, while addressing gathering of the workers of Baluchistan exhorted them to shun provincialism and sectarianism and work for the solidarity and progress of country like true Muslim. He said that the present Government was making strenuous efforts to Islamise the society and has adopted certain measures to achieve the cherished dream. He added that the Government was fully aware of the problems faced by the workers and was working relentlessly to solve them. Earlier, in the welcome address, the Minister was assured unflinching support and cooperation to the Government.--APP [Text] [Karachi MORNING NEWS in English 21 Sep 81 p 8]

CSO: 4220/3

FIRST LADY SIGNS WORLD BANK LOANS FOR $145-M

Manila BULLETIN TODAY in English 27 Aug 81 pp 1, 10

[Text] WASHINGTON, Aug. 26 – First Lady Imelda R. Marcos, signed yesterday two World Bank loans amounting to $145 million (₱1,987.5 million) to help improve the country's elementary education and agricultural programs.

A $100-million loan will finance part of the Philippine government's $448 million (₱3,360 million) development program for elementary education from 1982 to 1985.

A $45-million loan will be part of the country's $74.5-million (₱558.75-million) project to improve and expand agricultural research and increase crop and livestock production.

The First Lady said 22 million Filipino students will benefit from the educational loan while 2.3 million farmers will benefit from the agricultural loan.

"The educational loan will improve the country's human resources while the agricultural loan will advance our natural resources," said Mrs.

"The loan agreement will offer more livelihood opportunities to the Filipinos and increase their chance for a better quality of life," she added.

World Bank vice president for East Asia and Pacific, S. Shahid Hussain, witnessed the loan signing. Others present were Ambassador Eduardo Romualdez, Ambassador Rafael Gonzales, and Stephen O'Brien, World Bank division chief in charge of the Philippine desk.

The $448-million elementary education project of the government seek to improve student population in poor areas and upgrade rural education to urban educational standard.

Over the four-year period (1982-75), the program will supply an average of 11 million basic textbooks per year, about 11,000 classrooms annual and train managers, planners, and school staff.

About 60 sub-projects such as curriculum development, development and production of instructional materials, provision of facilities and equipment, and performance evaluation for elementary education will also be financed.

To improve student performance in elementary education, the curriculum will be revised according to the development program.

A textbook agency will be formed to become a permanent government corporation responsible for providing textbooks to students in public schools.

The World Bank educational loan has a 20-year term, including a five-year grace period, with 9.6 per cent interest annually. Mrs. Marcos said the elementary educational development program would, hopefully, reduce education disparities among the different regions.

The country's $74.5 million agricultural project is expected to raise levels of income through small farm systems and diversify food production and other agricultural commodities, said Mrs. Marcos.

She added that the loan would lead to the attainment of higher nutritional standard for the country as a whole.

CSO: 4220/4

GALOC WELL OIL OF MEDIUM QUALITY

Manila BULLETIN TODAY in English 15 Aug 81 pp 1, 10

[Text]

Energy Minister Geronimo Velasco revealed yesterday that the oil discovered from the Galoc well northwest off, Palawan island was of medium grade quality with more diesel than gasoline content.

The quality based on standards set by the American Petroleum Institute was between 32 to 31 degrees API, he said.

Velasco declined, however, to give any estimate on the well's flow rate pending completion of a series of drill stem tests still to be performed by Philippine Cities Service (PCS), the drilling operator.

Oil was flowed from the well Wednesday morning while drillers were conducting the seventh drill stem test at a depth of about 7,-400 feet.

Further tests to establish the well's flow rate were scheduled in the next few days but drilling operations have reportedly been slowed down by bad weather.

The oil strike at Galoc No. 1 well was confirmed by the government last Thursday afternoon.

Velasco said the Galoc oil discovery was significant because it was the first strike in the country made in a sandstone reservoir.

Previous oil finds like the Nido, Matinloc, Pandan and Cadlao, which are in what is now known as Palawan "oil province" at South China Sea, were made on reefal or limestone reservoir.

The Galoc well, spudded on April 2, was drilled under more than 1,000 feet of water. It was drilled up to a depth of 12,141 feet last month after which a number of tests were performed by the drillers.

The drilling operators on board the drilling vessel Penrod 74 were planning to test two more intervals of "intersected sandstone" at other levels of the well where evidence of hydrocarbon was also encountered.

Both the government and the local oil exploration industry regarded the Galoc oil find significant, believing it could completely alter the oil exploration picture here. It is the first time oil was found in a sandstone structure in the Philippines.

Sandstone structures, according to industry experts, are always larger and more extensive than a limestone or reefal structures.

Galoc I was an exploratory well drilled by the PCS on a completely unexplored area located 120 kilometers northwest of the Nido oilfield.

Sources said the PCS was expecting to find a limestone structure in the well but it hit, to its surprise, a sandstone reservoir.

CSO: 4220/4

BRIEFS

NATIONAL LIVELIHOOD PROGRAM--President Marcos has set in motion the reorganizational structure of the Jilusang Kabuhayan at Kaunlaran [KKK] from the national level down to the municipal level. The chief executive took the action as he presided over the first meeting of the livelihood program's national council at Malacanang. Meeting for over 2 hours, the national council also activated the KKK secretariat, to be placed under the Human Settlements Ministry, whose first task is to inventory all existing projects of all ministries. The different KKK bodies which were activated included not only the national council under the chairmanship of the president but also the regional, provincial, city and municipal councils, which will be responsible in identifying and supporting the various Kilusang projects. During the meeting the president also approved a proposal to help some 950 cooperatives. These cooperatives have accumulated savings of more than 10,000 pesos each with matching loans to launch their own projects. [Text] [HK040427 Baguio Mountain Province Broadcasting Corporation in English 0400 GMT 4 Sep 81]

LIVELIHOOD PROGRAM ALLOCATIONS--President Marcos has set aside 1 billion pesos for the funding of livelihood enterprises under the nationwide Kilusang Kabuhayan at Kaunlaran [KKK]. The outlay, he said, will come from the government's national budget reserved for 1981. The chief executive said the 1 billion pesos KKK fund will cover both the equity and loan components of the livelihood program. He issued the directive during a 6-hour meeting with his economic advisers in Malacanang. The KKK National Council, chaired by the president, will prepare the guidelines for the program's financing aspects. The council is due to meet again this coming Tuesday. It was decided earlier that the KKK funding will pass through the banking systems following the successful pattern of the (Maspagana) 99 rice program. Loans under the KKK will be categorized and charged lower interest rates than those of commercial banks. For the equity component, the president said municipal treasures will get the money from the bank and will be held responsible in accounting of the funds. He also directed that all obligations from KKK loans and equity be sent through the Ministry of Human Settlements, which is acting as secretariat of the livelihood program. [Text] [HK060444 Baguio Mountain Province Broadcasting Corporation in English 0400 GMT 6 Sep 81]

DIRECTIVE ON LIVELIHOOD PROJECTS--President Marcos has directed all governors to submit a [words indistinct] project for each municipality in their provinces, which will be covered by the Kilusang Kabuhayan at Kaunlaran [KKK] program. These projects, the president said, would benefit from the loan components or

capital arrangements of the livelihood program. The president issued this directive during a 7-hour joint meeting of the cabinet, the NEDA [National Economic and Development Authority] and the KKK National Council at Malacanang. The chief executive also set aside the needed funds to finance the various livelihood projects in each municipality. [Text] [HK090942 Baguio Mountain Province Broadcasting Corporation in English 0400 GMT 9 Sep 81]

DEVELOPMENT PLAN DRAFT--President Marcos has received from NEDA [National Economic and Development Authority] director general Placido Mapa the preliminary draft of the national economic development plan for 1983 to 1987. The major goals of the 5-year plan are sustainable economic growth, equitable distribution of the benefits and total human development. During the meeting yesterday, the status of the sugar industry was also discussed. On these matters, it was decided that the single agency selling system by which the Philippines sells sugar abroad only through the national trading corporations shall be retained. It was also brought up during the meeting that a long-term selling contract entered by the (NATODA) has [words indistinct] industry from the current low prices in the low markets. The meeting also took up the rationalization of the government procurement system to bring about substantial savings. After the meeting, the president inducted into office (Arnold Shervilli) as deputy minister of natural resources and (Takella Bonashere) as deputy minister of budget. [Text] [HK090944 Baguio Mountain Province Broadcasting Corporation in English 0400 GMT 9 Sep 81]

POLICE FORCE CONTROL--Town mayors may be given back operational control over police forces if their towns are within the so-called combat areas. President Marcos has ordered military authorities to submit a revised list of such combat areas. He said town mayors in those areas could be given a degree of control over the police forces if the mayors are shown to be capable of assuming such duties. The president gave instructions during a meeting with town mayors from Agusan Del Sur. During the 2-hour meeting, the president was informed about the activities of the new people's army in the province. The president told the town mayors he will consider providing firearms for their towns to help them fight subversion. [Text] [HK190448 Baguio Mountain Province Broadcasting Corporation in English 0400 GMT 19 Sep 81]

MORE PORT BUILDING--The construction of more ports in the country will start next month. The ports, costing 1 billion pesos, are in Cagayan de Oro, Cebu, Iloilo and Zamboanga. The Philippine Ports Authority [PPA] said the construction for the development and expansion of these ports is expected to be completed in 3 years. The PPA added that the four ports are being given priority for development to facilitate interisland transport systems, along with the ports of Manila and Davao. [Text] [HK190452 Baguio Mountain Province Broadcasting Corporation in English 0400 GMT 19 Sep 81]

REBEL LEADERS--President Marcos has authorized the sultans of the Royal Houses of Lanao, Magindanao and Sulu to contact rebel commanders within their respective jurisdictions. The chief executive also pleaded with the rebels to return to the fold of the law and assist the government's development programs. The president issued an authority during a meeting with members of the Muslim royalty, who

called on him and the first lady Mrs Marcos, to pledge their efforts in establishing peace and unity in the southern Philippines. During the meeting Mrs Marcos ordered the establishment of cultural centers as well as orphanages in each of the 10 provinces in regions 10 and 12. The first lady, who is minister of human settlements, is also the chairman of the southern Philippines development authority. [Text] [HK210421 Baguio Mountain Province Broadcasting Corporation in English 0400 GMT 21 Sep 81]

FOREIGN BORROWING--The Philippines is expected to receive $1 million in loans from 17 foreign lending institutions to finance the country's various development programs. This was disclosed by the Central Bank. The monetary board said the loan to be signed next month in Hong Kong will bring the country's total foreign borrowings this year to $350 million. [Text] [HK250635 Baguio Mountain Province Broadcasting Corporation in English 0400 GMT 25 Sep 81]

PHILIPPINES, AUSTRALIAN ECONOMIC AGREEMENT--The Philippines and Australia have signed an agreement on projects involving Australia in the countries [as heard], acting foreign minister Manuel Collantes said. Australian Ambassador Richard Woolcott signed the agreement. Under the agreement, the Australian Development Assistance Bureau will organize the research to be conducted by the NEDA [National Economic and Development Authority]. The research concerns Australian-ASEAN economic cooperation. [Excerpt] [HK290757 Baguio Mountain Province Broadcasting Corporation in English 0400 GMT 29 Sep 81]

1982 BUDGET APPROVED--At the Batasang Pambansa, the proposed 59.7 billion peso national budget for 1982 has been approved. Also approved was the 5-year program providing for public works expenditure amounting to 32.7 billion pesos starting 1983. The budget measure and the public works bill will be submitted to President Marcos for signing into law, possibly on his 64th birthday tomorrow. The Batasan is expected to pass the modified income taxation bill tomorrow. [Text] [HK100108 Manila FEBC in English 2330 GMT 9 Sep 81]

NPA MEMBERS REJOIN GOVERNMENT--Some 1,500 sympathizers and members of the New People's Army in 3 provinces in Mindanao have rejoined the government since the military intensified its drive against dissidents 1 month ago. Brig Gen (Emilio Luga), 4th infantry division commander, said the surrenderees were from Agusan del Sur, Lanao del Norte and Misamis Occidental. He said the same treatment accorded to members of [words indistinct]. [Text] [HK100107 Manila FEBC in English 2330 GMT 9 Sep 81]

EXPORT STRATEGY--Trade Minister Roberto Ongpin says the government will focus its export efforts on a few selected products to boost the country's international trade. The move is one of the major policies which the Trade and Industry Ministry is soon to implement. Ongpin said the trade policy this coming year will concentrate on trading partners that will accept most of the Philippine products, and the opening of more foreign markets. The products which have good markets are diamonds and textiles, electronics, shoes and leather products, furniture, handicrafts and overseas construction. [Text] [HK150144 Manila FEBC in English 2330 GMT 14 Sep 81]

CSO: 4220/12

INDIAN ENVOY DISCUSSES SOUTHEAST ASIA POLICY

BK180134 Bangkok NATION REVIEW in English 18 Sep 81 p 3

[Text] Indian Ambassador to Thailand A.B. Gokhale said yesterday that his government would like to see ASEAN and the Indochinese states establish a "dialogue" instead of the current "rigid stands" on both sides over the Kampuchean issue.

In an interview with the NATION, the Indian ambassador said he had no confirmation on reports that the Soviet Union would let India take the initiative to unseat the Khmer Rouge government from the United Nations at the forthcoming UN General Assembly session next month. "We recognized the Heng Samrin government in June or July, last year, and recently, we set up an embassy in Phnom Penh with a charge d'affaires running it," the Indian ambassador said.

He pointed out that India is the only non-communist country with diplomatic representation in Phnom Penh "and that does offer an opportunity of getting the non-communist views across to the people of Kampuchea, we feel," the envoy said.

Singapore Deputy Premier S. Rajaratnam said on Monday: "It occurs to me that this time, the Soviets will leave it to the Indians to take the initiative," adding that Vietnamese leaders and officials of Hanoi-backed Heng Samrin regime had held a series of discussions recently with Indian and Soviet leaders.

The ambassador pointed out that India, in both 1979 and 1980, abstained from voting on the Kampuchean credentials resolution in the UN. "And we abstained last year even after we recognized the Heng Samrin regime," he said.

The ambassador refused to speculate on what position his government would take in the upcoming UN General Assembly on the issue.

Ambassador Gokhale, asked whether strains had developed in relations between India and ASEAN over the Kampuchean issue, said: "We feel that our honest differences in views over an international issue should not come in the way of India's relations with members of ASEAN, bilaterally or collectively."

Asked why India did not hold the annual dialogue with ASEAN this year, the ambassador replied: "You would have to ask ASEAN. India would be glad to have the dialogue, which is supposed to be about economic cooperation in the first place."

Ambassador Gokhale said that New Delhi would like to see countries in the region discuss the problems among themselves without interference from the superpowers.

"We support ASEAN's proposed zone of peace, freedom and neutrality which, incidentally also seeks to prevent superpower rivalry," the ambassador said.

Asked whether India was in favour of a "regional conference" as proposed by Vietnam on the Kampuchea issue, Ambassador Gokhale said: "That could be one idea which should be explored.

He said India did not take part in the 13-16 July international conference on Kampuchea in New York "because it was our belief that since some major actors (Vietnam and USSR) were not taking part, there was no point for us to participate in the conference."

"We support consultations and discussions to find a solution to the Kampuchean problem among countries in this region. As to the method of doing it, it's up to them," the envoy said.

The Nonaligned Movement, of which India is a member, had failed to come to a consensus on which faction to support in the Kampuchean UN credentials battle, the ambassador explained. He pointed out that during the last Nonaligned Movement meeting in February this year, in New Delhi, a call for the withdrawal of foreign troops from all countries was contained in the joint statement which also called for political discussions between the conflicting parties in the Kampuchean issue.

"Unfortunately, after that conference both sides went back to their rigid positions. We would have liked to see ASEAN and the Indochinese countries reach a solution through a dialogue, naturally," the ambassador said.

CSO: 4220/14

MALAYSIAN ENVOY INTERVIEWED

BK100222 Hong Kong AFP in English 0608 GMT 9 Sep 81

[Text] Bangkok, 9 Sep (AFP)--Malaysia, as an immediate and close neighbour of Thailand, could not ignore the serious implications in the eventuality of Vietnamese aggression across the Thai border, Malaysia's ambassador to Thailand, Datuk Shahuddin Mohamed Taib, said in an interview here.

To transform ASEAN, the Association of Southeast Asian Nations, into a military grouping, however, would only invite tension in the region, Mr Shahuddin said.

The interview with the ambassador was carried in the latest edition of BUSINESS IN THAILAND (BIT), published in Bangkok.

ASEAN, comprising the staunchly non-communist countries of Thailand, Malaysia, Singapore, Indonesia and the Philippines, was formed in 1967 to foster cooperation in the economic, social and cultural fields. "Malaysia for one would like to see ASEAN adhering to these objectives and pricniples," Mr Shahuddin told the magazine.

He said that as far as Cambodia was concerned, his country supported the ASEAN declaration at the United Nations calling for the withdrawal of foreign troops from the occupied country, and that Malaysia had urged the international community to spare no efforts in finding a political solution to the problem. "With close consultations among ASEAN member countries on this problem, it is hoped that a political solution could be achieved in the near future," he said.

The interview with the Malaysian ambassador was held just after the first visit to Thailand by Malaysia's newly elected prime minister, Mahathir Bin Mohammad. Mr Shahuddin said that under Dr Mahathir, a pragmatic and far-sighted politician, he expected relations between the two countries to be even further strengthened and intensified.

Mr Shahuddin said that during his 3 years as ambassador to Thailand, he had seen the deepening of relations between the two countries as far as agriculture, trade and communications went, as well as more effective cooperation across the mutual border against smuggling and communist terrorism.

The activities of the outlawed Communist Party of Malaya (CPM) and Communist Party of Thailand (CPT) along Thailand's southern and Malaysia's northern border with each other have been a thorn in the sides of authorities in Bangkok and Kuala Lumpur.

"In our view, the bilateral cooperation to overcome the communist threat has been effective and resulting in frustration, desertion and breakdown of morale among the rank and file of the CPM," he said.

"Combined operations by police and military units of both countries have been conducted occasionally and these have proved useful in putting pressure on these subversive elements."

CSO: 4220/14

BACKGROUND OF NEW SPECIAL BRANCH CHIEF NOTED

Bangkok THE NATION REVIEW in English 12 Sep 81 pp 9, 10

[Text] POL MAJ Gen Opas Ratanasin was caught by surprise this week when he was suddenly named commander of the Special Branch Division (SBD) – perhaps one of the most powerful police bodies.

In one way, the new job may suit him fine since the 51-year-old police officer has during the past 20 years been handling information and intelligence work.

Now commander attached to the Border Patrol Police (BPP), Opas is a rather surprise choice for the powerful post at the SBD. It is unprecedented that an officer from the BPP is named top man at SBD.

Born on December 26, 1930, Opas began his police career in 1954 at the BPP where he gradually gained access to higher posts until he became its commander in 1979.

In Opas's own words, his post at the BPP was of no particular importance.

"I just handle work concerning with information and intelligence," said the bespectacled police officer.

He said he was in the United States in 1956 to attend an FBI intelligence course "and this could be one of the reasons why they made me the new commander of the Special Branch."

Opas was instrumental in setting up the new intelligence centre for the three main police units of BPP, provincial police, and metropolitan police. The centre was formed in July, 1965 to improve the intelligence work of the Police Department.

"I then worked hand-in-hand with the national police chief. And this might be one reason why he picked me as the new SBD commander," said Pol Maj Gen Opas.

Yet, the SBD commander-designate admitted that he was stunned when Pol Gen Surapol Chullapram told him that he would like him to take up the post – just two days before the announcement.

"After all, I really don't know the real reason behind the appointment," said the outspoken police officer.

The surprise appointment has predictably touched off comments in the Police Department as it was the first time that a BPP official was named to the post.

It is said that Opas was named to the SBD top slot because of his relations with the national police chief who is a former BPP official.

"Apart from Pol Maj Gen Opas, BPP Commander Pol Lt Gen Pranetr Kithruechai was also promoted as assistant police director general in charge of special affairs," said the source.

"But I am averse to nepotism. I have never fawned on anyone. Although Pol Gen Surapol was once my immediate boss, I have never visited him after he was named police director general," said Pol Maj Gen Opas.

He said that he adhered to "righteousness" in his work. "If there is any conflict or problem I would face my opponents squarely. I hate nepotism and foul play," he stressed.

Asked about his new challenge at SBD, Opas said although the work at SBD would be more difficult and the scope of responsibility wider, the nature of the two agencies had something in common.

"I am now studying my new job to locate loopholes which should be plugged. But I won't go as far as changing the structure of SBD," said Pol Maj Gen Opas who added that he would place more emphasis on the aspect of internal security in carrying out his work.

Another asset for the new SBD commander is that throughout his police career, he has been familiar with intelligence work which is the core of SBD.

"I will do my utmost in my new slot," declared the SBD commander-designate.

CSO: 4220/7

'DAILY NEWS' COMMENTS ON 'FINANCIAL CRISIS'

BK310805 Bangkok DAILY NEWS in Thai 26 Aug 81 p 3

[Editorial: "The Urgent Task"]

[Text] The current financial crisis in the country is the result of the increase in interest rates abroad. In the United States, the loan interest rate shot up as high as 20-22 percent per annum. Thailand is now suffering from a shortage of money because domestic banks and financial institutes must hasten to pay back their foreign loans so that they do not have to pay the high interest rates.

Meanwhile, the Bank of Thailand, the organ in charge of controlling the operation of all commercial banks in the country, has decreased its loans to commercial banks from 7 billion baht to only 3 billion baht, adversely affecting businessmen who must depend on bank loans.

This situation is obviously hurting trade and industrial circles in the country. The government is trying to remedy the situation by promulgating a royal decree providing tax exemptions for foreign creditors or financial institutes which give short-term loans. This privilege was formerly extended only to loans which carried at least a 1-year repayment period.

However, it is difficult to predict the effect of this measure taken by the government. It is unlikely that foreign creditors who are now enjoying the tax exemption privilege would lower their loan interest rates for Thai debtors lower than those in world markets. Therefore, the rates of commercial banks in this country will not decrease.

If the country's tight money situation is going to be solved by seeking more foreign loans, Thai debtors will have to pay high interest rates. Thus, prices of commodities will rise proportionately. The people who are now shouldering the heavy burden will feel the direct impact.

The government recently readjusted the baht value, which was in fact a devaluation of baht currency. Nobody can guarantee that the government will not do that again. If baht currency is further devaluated, Thai debtors will have to pay more for their loans.

We hope that the government has capable and wise economists who can systematically solve the monetary problem which is at the heart of the country's economy. Do not neglect the problem until it becomes unsolvable and the country collapses.

CSO: 4207/2

BANK REPORTS IMPROVED ECONOMY AFTER REVALUATION

BK111534 Bangkok Domestic Service in Thai 1300 GMT 11 Sep 81

[Text] According to the Bank of Thailand, the country's economic and financial situation has improved during the past 2 months following the devaluation of the baht by 8.7 percent vis-a-vis the U.S. currency on 15 July.

After the revaluation of the baht, only $32.3 million worth of this currency was sold from 15-31 July. A net sale of $15.4 million was recorded during the entire month of August. About $250 million worth was sold between the end of June and mid-July before the revaluation. In short, the revaluation is successful in stemming the flow of money out of the country.

As for the balance of payments, in August the country recorded 300 million baht favorable balance of payments. This is compared with a 1,063 million baht balance of payments deficit in June and a 1,198 million baht deficit in July.

Exports in August are expected to amount to 14 billion baht, as compared with 12.5 billion baht in June and 13.2 billion baht in July. The August 1981 exports will be about 58 percent higher than the exports in August 1980.

As for the inflow of money, after the revaluation, the value of foreign loans brought in by the private sector amounted to [passage indistinct]

On the cost of living issue, it appears that the consumer price index for Bangkok in July decreased by 2.4 percent. Although this index increased in August, the increase was recorded at only 0.3 percent. Therefore, the effects of the revaluation on the cost of living is minimal.

In summary, the revaluation on 15 July has produced the desired results as far as the foreign currency situation is concerned, while it has produced little negative effects in the cost of living. The effects on the cost of living are certainly not as drastic as many have claimed.

CSO: 4207/2

PARLIAMENTARY COMMITTEE DISCUSSES BAHT DEVALUATION

BK171046 Bangkok Domestic Service in Thai 1300 GMT 16 Sep 81

[Text] At the parliament on 16 September, chairman of the parliamentary committee on economic affairs Phanit Samphawakhup reported to newsmen on the results of the committee meeting on the economic situation since the baht devaluation.

According to him, deputy finance minister Phaichit Uathawikun, representing the Finance Ministry, explained to the committee that the heavy trading of the U.S. dollars was the main reason for the baht devaluation, and that, without the devaluation, the country's reserves in U.S. dollars would have dried up. As a result of the baht devaluation, Thailand's payment deficits over the past 2 months have improved. The country meanwhile earned a trade surplus and gained 304 million baht from its crop exports. He said the current tight money situation is not the result of the baht devaluation but is the result of several other factors.

Representatives from the Bank of Thailand meanwhile explained to the committee that the Bank of Thailand has introduced several measures to solve the tight money situation, including raising the interest rates on bank deposits, reducing taxes on interest from foreign loans by 10 per cent, injecting 8 billion baht as a fund for the purchase of crops from farmers, instructing commercial banks to relax credit supplies, and finally, guaranteeing loans acquired from abroad by commercial banks.

Phanit Samphawakhup said the committee noted to the officials that the baht devaluation has resulted in rising costs of goods and has thus caused hardship for the people. Soft drink manufacturers and distributers have appealed to the committee to ask the government to review tax collection on soft drinks because the companies are faced with serious losses from the drop in sales. Some companies might have to shut down operations, which would affect their employees.

CSO: 4207/2

BANK OF THAILAND HAPPY WITH DEVALUATION RESULTS

BK160212 Bangkok POST in English 16 Sep 81 p 21

[Text] The Bank of Thailand announced yesterday that the decision to devalue the baht on 15 July this year has proven very useful to the country as during the past 2 months the financial situation has improved in many ways. It said the devaluation has nearly completely stopped the capital outflow which was as high as US$250 million during the last few weeks before the devaluation.

In August, the Exchange Equalisation Fund (EEF) sold only a total of US$15.4 million. It added that the balance of payments also improved, with the country in August registering a surplus of 300 million baht as against the deficits of 1,063 million baht and 1,198 million baht in June and July respectively.

In August exports totalled over 14,000 million baht as against a total of 12,500 million baht and 13,200 million baht in June and July respectively.

It said corporate firms, as expected, began to bring in more foreign exchange. In August alone, firms brought in over US$90 million. The inflow increased by a certain extent which helped relieve the local tight money situation.

The forward covering rate for the U.S. dollar also dropped from 8 percent per annum to only 4 percent per annum and it is expected that the rate will drop further as the situation improves.

Commenting on the reports that the devaluation would spur the cost of living, the Bank of Thailand said the consumer price index (CPI) in July in fact fell by 0.4 percent and in August it rose by only a small margin of 0.03 percent.

CSO: 4220/14

INDUSTRIAL SECTOR SAID TO RECOVER

BK160311 Bangkok POST in English 16 Sep 81 p 21

[Text] Thailand's industrial sector recovered to some degree during the first half of this year, the Bank of Thailand announced yesterday.

The recovery has been followed by a substantial increase in agricultural output in the 1980/81 season, plus the fact that the energy shortage problem has been eradicated. However, the Central Bank said the industrial growth rate during the first half of this year was not high as it had to face a tight money situation and high interest rates requiring most manufacturers to keep their stocks at minimum levels. Industrial market conditions both here and abroad were not so good, it added.

Sustaining high growth rates during the first 6 months of this year were agricultural, machinery, transportation-related and export-oriented industries.

Sugar production during the first half of this year totalled 1.44 million tons, diesel engine production totalled 56,270 units while production of garments, motorcycles, automobiles, automobile tires, batteries and cement rose by 15, 19, 29, 16, 15 and 17 percent respectively.

On the other hand, paper production dropped by nearly 10 percent due to shrinking demand. Petroleum production also decreased by 18.8 percent as summit refinery slowed down its production.

The Central Bank also stated that production of soft drinks and beer as well as other non-alcoholic beverages dropped by around 35 percent. However, production of soda water rose by nearly 8 percent.

Exports of industrial goods during this period also grew significantly, it said. The export value of 62 major export items totalled 23,400 million baht, up by over 22 percent from exports in the same period 1980. Major export items were readymade garments, shoes, plastic flowers, optic lenses and watches.

The Central Bank also forecast that the country's industrial production level during the second half of this year will remain the same as in the first half as the tight money situation still persists. However, as a result of the baht devaluation, it is expected that exports of readymade garments, electrical appliances and wood and plastic products will continue to increase.

CSO: 4220/14

TRADE OFFICIAL COMMENTS ON TIGHT MONEY SITUATION

BK150727 Bangkok Domestic Service in Thai 1300 GMT 14 Sep 81

[Text] Due to the tight money situation prevalent in the private sector, the Bank of Thailand has decided to release 5 billion baht to boost the country's exports. Commenting on this matter, Somphop Susangkorakan, chairman of the board of trade of Thailand said:

[Begin recording] The current tight money situation in the private sector, as you know, is rather serious. I have learned that the National Bank is trying to extend more credits to the private sector through commercial banks with an interest rate slightly lower than the prime rate. This measure was designed specifically to promote the country's exports so that exporters can buy more agricultural products from farmers. In late May, the government collected some 7.7 billion baht in taxes from partnership companies. Later the National Bank issued bonds worth about 2 billion baht which were sold to commercial banks on a compulsory basis for the opening of their new branches. Each new branch is required to buy 25 million baht worth of the bonds. Some 9.7 billion baht from the private sector was then transferred to the government. This caused the tight money situation. The government's new move to inject some money into the private sector is, therefore, good news because it will help relieve the tight money situation. [end recording]

[Question] Is the situation now improved?

[Begin recording] I do not know how many commercial banks have granted such loans. Farmers are now beginning to grow crops. The export season starts in November. More money will be released when the export season arrives. [end recording]

CSO: 4207/2

FORMER DEPUTY PREMIER ON ECONOMIC SITUATION

BK210836 Bangkok NATION REVIEW in English 21 Aug 81 pp 1, 12

[Text] Former Deputy Prime Minister Bunchu Rotchanasathian said yesterday that the private sector has lost confidence in the government's ability to solve present economic problems following the devaluation of the baht. "Whenever I meet my banker friends, industrialists and foreign businessmen, they always asked me when the government will devalue the baht again" said Bunchu in his speech on "Problems on Economics and Politics" at Indra Regent Hotel. "This has clearly indicated that people have lost confidence in the government," he said.

He criticised the baht devaluation as the worst damage to the country's overall economy. It has made people, especially the educated ones, feel desperate and worried due to lack of both political and economic stability.

"The devaluation has not helped farmers as it has claimed. Farm products are already in the hands of traders. What will be worse is that next year, farmers have to pay higher price for fertilizer. Thus there is a tendency that farm products will decline," he said.

He pointed out that total debts of the public and private sectors which stand at 140,000 million baht shot up by 13,000 million baht immediately as a result of the devaluation which was 1 percent in June and 8.7 percent in July. He predicted that the inflation rate which stands at about 20 percent will rise further, interest will go up followed by deflation and decline in investment if there is no confidence in baht stability.

Bunchu said that local oil price increase is inevitable. "If Saudi Arabia raises oil price by US$2 per barrel, that only accounts for 5 percent but the devaluation has done much more than that," he added. The government should not pass all the burden on to the people, he said.

"The economic problems can still be solved. I never lose hope. We must find a way to let continuous handling of the problems. If those in the government just indulge in seeking power without time for working, the worst thing can happen to the country," he said.

"What I had done before, people called it "Bunchuism"—all imaginary—but at least I had tried to maintain the stability of the baht to solve the balance of payments deficit and to gain confidence of the international community," he said.

CSO: 4220/14

GOVERNMENT REVIEW OF ECONOMIC POLICY DISCUSSED

BK131313 Bangkok SIAM RAT in Thai 11 Sep 81 p 3

[Editorial: "Do Not Solve the Problem at Its End"]

[Text] Nobody can deny that the present economic situation in Thailand is really hard for the consumers. The prices of goods--especially essential goods like food, clothes, housing and medicine--have gone up uncontrollably. They have increased in and of themselves as well as in order to keep pace with major economic upheavals such as rising oil prices and the devaluation of the baht. Despite its claim of successful price control, the government has never been able to effectively control prices, especially on essential items. The consumers are left to adjust to the prevailing economic situation by themselves. They have to spend all their money without even thinking of saving. With inflation, they are tempted to spend all their money because they cannot be sure of its future value.

The present economic situation is slowly ruining the middle-class income earners. They have automatically taken the place of the low-income earners, whereas the latter have become the class of poor people. Nobody can imagine how the extremely poor manage to survive these days.

Although there has never been a Thai who died of starvation, it is believed there will soon be some who will die of starvation, like those in Kampuchea and elsewhere in the world.

It has been reported that in order to help the low-income earners cope with the present economic trouble, the government is considering a cut in personal income taxes. This, however, is a short-term measure and one that, according to figures, will not really help the poor nor allow them to overcome their poverty.

Under its plan to help the poor, the government will also fix fair prices for commodities. This can never be achieved unless the government is itself the trader.

In our opinion, those proposed measures are not the correct solutions since they do not deal with the problem at its root. The government will not achieve its goal of helping the poor. Moreover, it will lose national income as well.

In order to solve the problem effectively, the government must review the overall national economic policy and systematically reform it. Yet, it is doubtful that the government will be able to do that.

CSO: 4207/2

INTERIOR MINISTRY ANNOUNCES NEW MINIMUM WAGES

BK161504 Bangkok Domestic Service in Thai 1300 GMT 15 Sep 81

[Announcement of the Interior Ministry on new minimum wages]

[Excerpt] Announcement of the Interior Ministry subject: minimum wages, No 11

By virtue of clause 2, (4), of the announcement of the revolutionary party No 103, dated 16 March 1972, and in compliance with the announcement on minimum wages dated 16 April 1972 of the Interior Ministry, the Interior Ministry hereby issues an announcement as follows:

1. The announcement of the Interior Ministry, subject: minimum wages, No 10, dated 1 September 1979, is hereby cancelled.

2. This announcement cannot be applied to:

(1) agriculture, comprising farming, fishing, forestry and livestock;

(2) other as to be defined by the Interior Ministry.

3. The minimum wage is fixed at 61 baht per day in Bangkok metropolis, Samut Prakan, Nonthaburi, Pathum Thani, Samut Sakhon, Nakhon Pathom, Ranong, Phangnga, Phuket, Chon Buri, Sara Buri, Nakhon Ratchasima and Chiang Mai.

4. The minimum wage is fixed at 52 baht per day in the following provinces: Kanchanaburi, Nakhon, Nayok, Ayutthaya, Prachin Buri, Lop Buri, Rat Buri, Prachuap Khirikhan, Chainat, Chachoengsao, Phet Buri, Suphan Buri, Sing Buri, Samut Songkhram, and Thong, Trat, Rayong, Chanthaburi, Krabi, Trang, Chumphon, Pattani, Narathiwat, Satun, Songkhla, Yala, Nakhon Si Thammarat, Phatthalung, Surat Thani, Kamphaeng Phet, Tak, Chiang Rai, Phayao, Nan, Lamphun, Lampang, Mae Hong Son, Phetchabun, Phitsanulok, Phichit, Sukhothaim Uttaradit, Uthai Thani, Nakhon Swan, Udon Thani, Khon Kaen, Ubon Ratchathani, Kalasin, Buriram, Sakon Nakhon, Sisaket, Liei, Roi Et, Yasothon, Mahasarakham, Nakhon Phanom, Nong Khai, Surin and Chaiyaphum.

CSO: 4207/2

LABOR LEADERS UPSET AT MINIMUM WAGE

BK100927 Bangkok WORLD in English 10 Sep 81 p 1

[Text] Labour union leaders are angry at the decision of the Wage Committee yesterday to fix a new minimum wage for Bangkok and environs of 61 baht per day from 1 October.

Mr Phaisan Thawatchainan, president of the Labour Congress of Thailand [LTC], told the WORLD this morning that the LCT will call a national meeting soon to campaign for the dissolving of the tripartite system used in appointing the committee. He charged that the workers' voice went unheeded in the committee made up of five employers' representatives, five workers' representatives and five government officials.

Another labour representative, Mr Noppharat Na Ayutthaya, said he had lost faith completely in the government representatives on the committee.

But a senior official at the Labour Department said that it must be borne in mind that an increase in the minimum wage for labourers also led to an increase in the cost of living for people not benefitting therefrom, such as farmers and traders. The official, who asked not to be identified, said also: "I think we can predict the situation within a [few] months of this announcement. It always happens that some factory can no longer afford to pay all its workers, so some of them have to be laid off. Anyway, we will have to wait and see."

He said that some union leaders push for higher wages purely in the interests of their own groups without thinking of the welfare of all. Others are seeking to win the favour of union members.

"The minimum wage will have an effect on everyone, not just the labourers, and I'm glad that some of the leaders see this and dispute with each other on the amount by which the wage should be increased.

The new minimum wage of 61 baht is an increase of 13 percent over last year's wage. It applies to the provinces of Bangkok, Samut Prakan, Nonthaburi, Pathum Thani Samut Sakhon and Nakhon Pathom.

The committee is meeting again today and is expected to fix a new minimum wage for the remainder of the country.

CSO: 4220/14

DEVALUATION HURTS PTT; PRICE HIKES POSSIBLE

Bangkok THE NATION REVIEW in English 12 Sep 81 p 4

[Editorial]

[Text] IT MAY SEEM IRONIC that the day when natural gas started flowing to two plants of the Electricity Generating Authority of Thailand, Governor Thongchat Hongladaromp of the Petroleum Authority of Thailand (PTT) has asked the government to either raise the price of oil or seek big loans to pay off the huge debts that have accumulated. Actually there is neither irony nor any contradiction involved in this. Unfortunately, the government has been generating too much public euphoria about the flow of natural gas — a euphoria which has consistently fought to dampen. Natural gas will only bring long-term benefits to the economy of the country since it is no magic wand to end the energy crisis which the government has chosen to ignore for nearly a decade.

At the same time we must take cognizance of the importance which the flow of natural gas means to this country. From now on it is expected to take care of 14.2 per cent of our total oil consumption; 23.1 per cent in 1984; and 44.7 per cent in 1986. These figures are nothing to be sneezed at unless of course we are reckless and increase our total oil consumption to an extent that will offset the benefits of the flow of natural gas. What worries Thongchat is that it is necessary to increase the price of oil or obtain fresh loans due to the backlog of debt accumulated because of the lack of any positive energy policy on the part of the government.

Unfortunately oil is tangled with politics. This is not true of Thailand alone but true of every country whether it exports or imports oil. There is no question the PTT is facing a crisis and must find means to make up the 2,400 million baht loss it incurred because of the devaluation of the baht. Because Thailand will have to continue paying for crude oil imports in dollars, it only follows that this debt will keep on increasing. the either-or choice which PTT has put before the government is extremely unpleasant.

Seeking loans to offset the PTT's loss is fiscally most unattractive since Thailand's foreign exchange reserves are very low and that was one of the main reasons for the develuation of the baht. And, as everyone knows, loans will have to be repaid with interest and Thongchat has already said that it is shocking how much Thailand has to pay in the form of interest every month. Thailand's credit has been and is very good abroad and this has been so because Thailand has always paid interest when it fell due and has never reneged on debts. But that does not mean that Thailand will have to go on compounding that problem.

The other choice, according to Thongchat, is to increase the price of oil thereby making the consumer share some of the burden. But this is

a political decision as he himself points out and it is only a very stable government that can take such an unpopular decision. Right now a variety of political forces are trying to undermine the stability of the government, not to mention the jinx that seems to be worrying the parliamentarians. From this point of view seeking loans to bail out the PTT seems to be the easier way out for the government but that will definitely mortgage the fiscal policy of this and future governments.

There is no easy way out and it will be wrong to blame the Prem Tinsulanonda Government alone. The problem has been compounded by various governments since the 'oil shock' of 1973 and not one of them came close to working out an energy conservation policy. Now, since politics is intimately involved, we can only wait and see what Prime Minister Prem and his Cabinet think is politically feasible.

CSO: 4220/7

OPEC FUNDS TO HELP FINANCE HYDROELECTRIC PROJECT

LD191730 Vienna OPECNA in English 1356 GMT 18 Sep 81

[Text] Vienna, 18 Sep (OPECNA)--The OPEC fund for international development has extended a 21.8 million U.S. dollar loan to Thailand to help finance the Chiu Lan hydroelectric power project. The loan agreement was signed at the fund's headquarters here today. It carries an interest rate of 1 percent plus an annual service charge of 0.75 percent and has a 20-year maturity with a 5-year grace period.

The project, on the Salwin River, involves the construction of a dam, power house and transmission lines and the resettlement of 315 families living in the reservoir area. It forms part of a Thai Government program designed to reduce the country's dependence on imported oil through development of its indigenous energy resources.

With the signature of this fourth loan to Thailand, the fund's lending to the Southeast Asian country has reached 43.8 million dollars. The other three were also for energy projects, of which two were rural electrification schemes and the third, at Mae Mo, related to generating power from lignite.

Thailand will also benefit from a project loan by the fund to Laos, as a proportion of the electricity generated under the scheme will be exported to it.

CSO: 4220/14

USSR TOPS LIST OF THAI RICE BUYERS

Bangkok THE NATION REVIEW in English 3 Aug 81 pp 9, 10

[Article by Manas Ruamrudee]

[Text] **THE SOVIET UNION has, for the first time in recent years, shot up to become the top importer of Thai rice in the first six months of this year, with a dramatic increase to 242,435 tons compared to 160,795 tons in the corresponding six-month period last year.**

Figures at the Board of Trade of Thailand show that Moscow bought most of its Thai rice (mainly white rice 10 per cent) from private exporters — to the tune of 242,435 tons.

Iran came second with imports of Thai rice (second grade, 100 per cent) from private exporters amounting to 211,670 tons. Other big buyers of Thai rice during January-June, 1981 included Senegal, Malaysia, China and South Korea. Malaysia and China only bought through government channels, however.

Total purchases of Thai rice from these six countries were 979,707 tons or 53.5 per cent of the total export volume of Thai rice.

Observers noted a vastly different pattern of rice export this year. Last year, Indonesia was the top importer with a record of 594,015 tons (or 33 per cent of the total rice exports) in the first six months of last year.

Rice exports during January-June, this year, proved to be active and encouraging, most traders said. Total exports for the six-month period were as high as 15,669.73 million baht, compared to 11,889.91 million baht in the same period last year — representing a significant increase of 31.79 per cent.

It was also noteworthy that 68.97 per cent of the exported rice in this six-month period was through private exporters while the government's share in this respect was only 31.03 per cent, a drop from last year's 42.79 per cent.

"This is one reason why this year's export value of rice is so much higher than that of last year," said a major rice trader.

Prices were generally on the high side for rice in the six-month period, except for broken rice which was on the downward trend without any sign of picking up.

Domestically, the price of rice was up about 25 per cent compared to that of last year while export price was also up by about 20 per cent.

Paddy prices were up tremendously due to the government's price guarantee scheme, the main stimulant in pushing up prices of rice here and abroad.

Trading of rice for the next six months may ease somehow due mainly to the heavy contracts already signed in the first part of the year.

The government is committed to deliver about 700,000 tons abroad in the next six months — 225,000 tons for Senegal; 223,700 tons for Indonesia; 124,500 tons for China; 83,594 tons for Malaysia and 50,000 tons for other countries. The private exporters still have yet to deliver another 100,000 tons.

All in all, about 2.6 million tons of rice have been committeed for sales this year — quite close to the originally set target of 2.8 million tons. The remaining 200,000 tons off the target could easily be sold, especially with the more competitive edge for Thai exports following the 8.7 per cent baht devaluation.

At one point recently, the sharp rise in the price of high grade rice (100 per cent and 5 per cent white rice) in the second week of May caused fears that the supply of high-grade rice would fall short in the domestic market. The Foreign Trade Department reacted to the trend by curbing the export of more high grade rice in the next few months.

President of the Agricultural Cooperatives Federation of Thailand, Mr Prapat Limprabhan, urged the government to speed up the export of low-grade rice. Measures have been mapped out and are expected to produce results soon.

Thailand produced 18 million tons of paddy during 1980-81 but because of flood, the rice milled contained a high percentage of low grade rice, causing a pile-up of large stock. The second harvest, expected to be in the market now, should yield a high percentage of high-grade rice.

Meanwhile, a compromise has been struck, but has yet to be implemented over the Thai Rice Millers Association's request to the Revenue Department to remove the 1.5 per cent business tax levied on sales by medium and large scale mills.

The controversy caused ricemills in several provinces to stop buying paddy from farmers until the dispute is settled.

The Revenue Department introduced the 1.5 per cent business tax in early May, after it had been scrapped several years ago on grounds that it was in effect tax on poor farmers who could ill afford it. But the business tax was reintroduced in May on the grounds that the government was in need of revenue to meet tax shortfalls in other categories.

Representatives of the Thai Rice Millers Association and the Revenue Department met last week to thrash out the controversy and a compromise based on the sizes, production capacities and operation hours of each rice mill in levying the tax was agreed upon although details have yet to be worked out, according to informed sources.

Here is a comparative table showing rice purchases made by various countries from Thailand in the first six months of this year compared to that in the six-month period of 1980: (Volume: Tons)

	1981	1980
1. USSR	242,435	160,795
2. Iran	211,670	103,815
3. Senegal	154,094	173,333
4. Malaysia	134,110	34,894
5. China	120,494	18,195
6. Korea	116,904	12,246
7. Nigeria	116,397	133,767
8. Indonesia	104,630	594,015

Source: Rice Inspection Committee, Board of Trade of Thailand.

CSO: 4220/7

BRIEFS

GREETINGS TO SRV--On the occasion of Vietnam's National Day, I extend my congratulations and best wishes to you and the people of Vietnam for their happiness. [Text of greetings message from King Phumiphon of Thailand to the chairman of the SRV Council of State on the occasion of SRV National Day--dated 2 September] [Text] [BK021346 Bangkok Domestic Service in Thai 1300 GMT 2 Sep 81]

SPECIAL PARLIAMENTARY SESSION--Royal decree convening an extraordinary parliamentary session of 1981. The signature of his majesty King Phumiphon Adunyadet, Rex, given on 19 September 1981, being the 36th year of the present reign. By the royal command of his majesty King Phumiphon Adunyadet, it is hereby proclaimed that: Taking into consideration the necessity for convening an extraordinary session of the parliament in the interest of the nation, empowered by the provision of articles 118 and 159 of the constitution of the kingdom, his majesty the king has graciously ordered a royal decree convening an extraordinary parliamentary session on 25 September 1981. Countersigned by Gen Prem Tinsulanon, prime minister. [Text] [BK201356 Bangkok Domestic Service in Thai 1300 GMT 20 Sep 81]

FOREIGN AID NEEDED--The information office of the supreme command has reported that to date some 5,000 babies were born from parents who are Kampuchean immigrants in various refugee centers. Thailand will be shouldered with the burden of caring for these babies because assistance from international organizations will end by the end of this year. The supreme command information office notes that international organizations providing assistance to Kampuchean illegal immigrants reportedly will end its assistance by the end of this year due to shortage of funds. As a consequence, the burden for caring for some 5,000 babies will fall on Thailand. Thailand, therefore, will need assistance from international organizations in order to alleviate its burden. High-level discussions for assistance from international organizations are currently underway. [Excerpts] [BK300345 Bangkok Voice of Free Asia in Thai 1000 GMT 29 Sep 81]

GATT, UNCTAD COMMISSIONS ESTABLISHED--The cabinet has recently approved the establishment of the National Commission on United Nations Conference on Trade and Development (UNCTAD) and General Agreement on Tariff and Trade (GATT). The commission has the commerce minister as its chairman, undersecretary of state for commerce as deputy chairman, and 17 representatives from agencies concerned as members of the commission. The committee is authorized to lay down the policy and the rule of Thailand on economy and trade under the control of UNCTAD and GATT and to seek that Thailand most benefit from the activities of the two agencies as well as to appoint a Thai delegation to attend the meetings and discussions held by UNCTAD. [Text] [BK030321 Bangkok Domestic Service in English 0000 GMT 3 Aug 81]

BANK TO EASE LOAN SITUATION--The Bank of Thailand has increased rediscount percentage of promissory notes pledged by the commercial banks from 25 percent to 30 percent effective as of 4 September this year. This is an effort to ease the tight money situation and to help the commercial banks widely extend their loans to finance the purchases of rice from farmers under the price support scheme for 1980-1981 season. Since 1 December 1980 the Bank of Thailand has been providing rice purchase credits for the government's rice price support scheme which has proved very successful. The credit scheme has been reported to have been very helpful to farmers. So far the Bank of Thailand has extended loans totalling 804.7 million baht to the commercial banks for use in this project. [Text] [BK100236 Bangkok Domestic Service in English 0000 GMT 10 Sep 81]

CORN TO USSR--According to the director general of the Foreign Trade Department, the private sector has signed an agreement with the USSR to sell 100,000 tons of corn to that country valued at about 35 million baht. The delivery of the grain has been set for September. [Bangkok Voice of Free Asia in English 1100 GMT 29 Aug 81]

RICE SALE TO IRAN--A leading Thai rice exporter has received an order for the supply of 30,000 tons of second class 100 percent grade white rice worth about 350 million baht to Iran. Another Thai rice exporter also received an identical order also destined for Iran. This brought the total purchases by the country to 60,000 tons valued at about 690 million baht in only 2 weeks, with these amounts to be shipped out within the next month. [Bangkok Voice of Free Asia in English 1100 GMT 31 Aug 81]

CSO: 4220/14 END

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14 October 1981

South and East Asia Report

No. 1060

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SOUTH AND EAST ASIA REPORT

No. 1060

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BRIEFS

EMBASSY SECURITY ENHANCEMENT--Canberra--The Foreign Affairs Department will spend $850,000 this year on security equipment for overseas missions, more than double its last year's amount. The increased spending is part of a five-year program to drastically improve diplomatic security. The money will be used for sophisticated alarm systems and other protective devices. Security of classified information and communications will also be strengthened. [Excerpt] [Sydney THE SYDNEY MORNING HERALD in English 4 Sep 81 p 3]

CSO: 4220/6001

FOREIGN MINISTER NOTES NEED FOR NONALIGNED UNITY

Dacca THE BANGLADESH OBSERVER in English 1 Sep 81 pp 1, 12

[Text] Foreign Minister Prof. M. Shamsul Huq has stressed the need for further strengthening and consolidating the Non-aligned unity and solidarity to make the movement "a still stronger force" for world peace and progress reports BSS.

In a message on the occasion of observance today (Tuesday) of "the day of Non-alignment" to mark the 20th anniversary of founding of the movement the Foreign Minister reaffirmed Bangladesh's unswerving adherence to the principles of Non-alignment.

He paid tributes to the founding members who 20 years back on September 1 inspired by a common determination and vision launched the movement at the historic Belgrade Summit to chart out a new path of peace freedom and neutrality steering clear of the power blocs to promote peaceful and equitable relations among all nations.

On this auspicious day he said, we hope all member countries will take a solemn vow to further consolidate and strengthen the Non-aligned unity and solidarity to make the movement a still stronger force for the world peace and progress.

Prof. Huq said, "the day of Non-alignment" is being observed today in Non-aligned countries all over the world as well as at the United Nations to mark the 20th anniversary of the founding of the Non-aligned Movement in pursuance of the resolution adopted at the last Non-aligned Foreign Ministers' Conference in New Delhi.

The message said, "on this very day 20 years ago the founding members inspired by a common determination and vision launched this movement at the historic Belgrade conference to chart out a new path of peace freedom and neutrality steering clear of the power blocs and to promote peaceful and equitable relations among all nations."

He said, "the significant contribution of the Non-aligned Movement during the last two decades to international peace and security through peaceful coexistence and relaxation of tension has been widely recognised. The Movement also played an equally important roll in the process of decolonisation and promotion of social and economic development on the basis of sovereign equality. On this historic occasion we pay our special tributes to the founding members for their

far-sighted vision and untiring service to the cause of our movement. Bangladesh's adherence to the principles of Non-alignment was categorically affirmed by our late President Ziaur Rahman at the sixth Non-aligned Summit Conference in Havana. We are firmly committed to uphold the principles of the sovereign equality and territorial integrity of all states non-interference and non-intervention in the internal affairs of other states non-use of force and peaceful settlement of all disputes. This commitment has been consistently reflected in the position taken by Bangladesh on various international issues.

The message added "on this auspicious day we hope that all the members of the Non-aligned Movement will take a solemn vow further to consolidate and strengthen unity and solidarity among the Non-aligned countries so as to make this movement a still stronger force for world peace and progress."

CSO: 4220/7018

MUKTIJODDAH SANGSAD WARNS AGAINST INTERNAL FOES

Dacca THE BANGLADESH TIMES in English 29 Aug 81 pp 1, 8

[Text] Messrs Mahfuzur Rahman and Sadek Hossain Khoka, convener and [word indistinct]-convener of the Central Convening Committee of the Bangladesh Muktijoddah Sangsad in a statement on Friday urged the people to unitedly foil the conspiracies hatched against our national existence.

They said that the independent and sovereign existence of Bangladesh and democratic process in it had been threatened by a deep-rooted conspiracy. Since February the internal enemies have been trying in a systematic way at the instigation of their foreign master to split the nation and create political turmoil raising a motivated debate on "freedom fighter-non-freedom fighter issues."

"The landing of Indian troops at South Talpatty which is an integral part of Bangladesh and deployment of Indian warships at Bangladesh territorial waters, return of Awami League (Hasina) President Sheikh Hasina Wazed in Dacca, threat to stage Afghan style revolution in the country Farakka, rebellion by a small section of army at Chittagong and above all the killing of President Ziaur Rahman all these were not isolated events from the conspiracy."

Any pointed out that the Chittagong rebellion and President Zia's assassination were carried out aiming at creation of political confusion and foil democratic process in the country. But the conspiracy took a newer turn after the people and patriotic Armed Forces undid the aims of the conspiracy. The new target of the conspiracy is to foil the forthcoming presidential election. Another target of this conspiracy is to involve the freedom fighters and downgrade their image.

They appealed to the patriotic political parties to grasp the reality of the moment as any failure to face the evildoers who depend the interest of foreign powers will impair the democratic process in the country.

The leaders of the freedom fighters urged the "patriotic political parties to consider the participation in the presidential polls keeping in mind these aspects of their national duty."

They further said that it should be remembered that forthcoming presidential election was not an outcome of normal situation. The need for it arose following the assassination of the President.

If the elections were disrupted our national existence would be at stake, they observed.

They said that certain persons were trying not only to involve the freedom fighters into the mesh of political controversy but also conspiring to drag them into its tantaotes(?).

They further observed that individually the freedom fighters might have different political affiliations but the Muktijoddah Sangsad was an organisation independent of any political belief.

They also sounded that the freedom fighters of the Sangsad would never brook such conspiracy.

They further said that a rally of the freedom fighters would be held in Dacca on September 2 to decide about the tasks of the FFs to resist all conspiracies against national existence and [word indistinct] the present situation.

CSO: 4220/7010

TEXT OF SATTAR'S MESSAGE TO NONALIGNED MEETING

Dacca THE BANGLADESH OBSERVER in English 1 Sep 81 pp 1, 12

[Text] Acting President Mr Justice Abdus Sattar has reaffirmed Bangladesh's firm commitment to the principles of non-alignment and hoped that the non-aligned countries would take a renewed pledge "to meet the challenges of our time" reports BSS.

In a message on the eve of observance of the day of non-alignment on September 1, the Acting President called for intensifying the efforts aimed at further strengthening the unity and solidarity and mutual cooperation among non-aligned countries and to endow their movement with new vigour and strength in serving the cause of peace, progress and justice all over the world.

Justice Sattar said, Bangladesh is irrevocably committed by the terms of her Constitution to the principles of non-aligned movement, as stated by our late President Ziaur Rahman at the sixth Non-aligned Summit Conference in Havana "the policy of non-alignment is a cornerstone of our foreign policy."

Following is the text of the message: I am very happy to know that 1st September this year is being observed as the day of non-alignment in all member countries of the non-aligned movement to commemorate the 20th anniversary of the 1st conference of heads of state or government of nonaligned countries held in Belgrade in 1961.

On this very day, 20 years ago, inspired by a common determination and vision the non-aligned movement was launched. Today we recall with great pride, the historic contribution which the founding members of the movement have made to serve the cause of humanity by seeking an independent path, free from bloc rivalry and ideological polarisation and to promote peaceful and equitable relations among all nations irrespective of size power and ideology. In the last two decades the movement has grown to embrace 95 countries from all continents representing more than half the world's population, all the religions and virtually all political, ideological, economic and social systems.

Since its inception the record of the non-aligned movement in pursuit of that determination and vision, is one of remarkable accomplishment. The movement has not only made significant contribution to the process of detente and relaxation of global tension but also played an important role in the process of decolonisation and helped in the promotion of social and economic development.

The historic 20th anniversary of the movement is a fitting occasion to pay our special tribute to the founding members for their wisdom and farsightedness and to reaffirm our determination to strictly adhere to the principles of non-alignment Bangladesh is irrevocably committed by the terms of her constitution to the principles of non-aligned movement as stated in non-aligned summit conference in Havana "the policy of non-alignment is a cornerstone of our foreign policy."

On this historic day we reaffirm our firm commitment to the principles of non-alignment upholding the sovereign equality and territorial integrity of all states, non-interference and non-intervention in the internal affairs of other states non-use of force and peaceful settlement of all disputes.

We also hope and pray that in order to meet the challenges of our time, the non-aligned countries would take a renewed pledge on this day to intensify the efforts aimed at further strengthening the unity and solidarity and mutual co-operation amongst ourselves and to endow our movement with new vigour and strength in serving the cause of peace progress and justice all over the world.

CSO: 4220/7018

SPEECH BY BANGLADESH DELEGATE TO PYONGYANG MEET

Dacca THE BANGLADESH OBSERVER in English 29, 30 Aug 81

[Text] [29 Aug 81, pp 5, 6] A Symposium of Nonaligned Group on 'Increased Food and Agricultural Production for Self-sufficiency in Food' began in Pyongyang on August 26, 1981 with the observance of one minute's silence in honour of the late President Ziaur Rahman of Bangladsh. The symposium was inaugurated by Prime Minister Mr Li Jong Ok. Seventy-nine countries and 12 international organisations are participating in the symposium. A banquet was given by President Kim Il Sung in honour of the participants the same night.

Leader of Bangladesh delegation, Mr Amiru Islam Kalam, State Minister in charge of Agriculture and Forest, delivered the following speech:

THANK you, Mr Chairman for giving me this opportunity to address this conference. I deem it an honour and privilege to be here with you and address this wise audience. The issue before the conference is quite clear. A majority of the world today, particularly in rural Asia, Africa and Latin America is living in unbelievable misery and unnecessary squalor. Development has passed them by. Yet, should this be so?

I must begin, Excellencies, with thanks to the Preparatory Committee for having framed the parameters of our discussions in concrete terms. They have done it not only by choosing and ordering the main topics judiciously but also by underlining certain thoughts and actions which are often deliberately swept under the rugs. These are issues of direct relevance to the non aligned and other developing countries vis-a.vis their food and agricultural situation and the total rural development milieu.

Excellencies, it is reassuring to note that this Pyongyang meet would discuss with due priority the value-premises like collective self.reliance for self.sufficiency, mass-mobilisation for real accumulation, popular participation for unleashing the potential mass-creativity, group dynamics for maximising benefits to the many, countervailing power for a fairer International Food and Economic Order, and the myriad facets that influence the life of the rural majority. The rural majority are a powerful and creative force with a muted voice. The political leadership in the countries and globally must respect their quiet force and not be misguided by loud whispers in the corridors of power.

Mr. Chairman I shall start with the international scene, although I accept the national responsibility for accelerating agricultural development and food production. It is easy to pontificate upon poverty of a nation being its internal political and economic problem. But as the country-side interfaces the national metropolis, the nation is bound up in the international metropolis and its politics. The importance of world food security and its dispersion as key components in the New International Economic Order is now a matter of common knowledge. Yet, the global food outlook for the 1980's looks rather grim since the early seventies. It was viewed with deep concern by the last Non-Aligned Foreign Ministers' Conference in New Delhi that the developing countries, with more than two thirds of the world population and 91 per cent of agricultural employment, are responsible for only 44 per cent of the world food production. Standing on the threshold of the New Decade, the Ministers therefore had sent out a fervent appeal to the advantaged world inviting its countries to change heart and come up with new initiatives for a more equitable development process.

Time and again the developed countries have been urged to adopt a time-bound programme for implementation of various measures, including enhanced resource-flow and technology transfer envisaged in the recommendations of international bodies and conferences on world food policy so that the efforts in increasing food production by the developing countries may be supported with adequate infrastructural investment and necessary inputs. But what has been the outcome so far?

As you are aware, Excellencies, in spite of some recent improvement in certain countries, the overall agricultural situation faced by the food unfortunate developing countries, particularly by the least developed among them, continues to be critical and threatens to deteriorate further. Therefore, in

their efforts to be able to achieve about 4 per cent average annual growth in agricultural production as considered necessary to stem the rot, serious and urgent attention should be paid to low-income and food-deficit countries. Here I would like to emphasise, Excellencies, that the central issue of the much talked about Food Security is the transfer of additional resources of right quantity and quality to the developing countries for investment in fodd production and agricultural development to reach and sustain desired production targets. As such, these countries are to be provided on an emergency basis with what may be called working capital in terms of very special assistance.

But this is an old story by now and perhaps will remain as such. Because when we ask for it they say they have their set of questions to be answered first. Do we have adequate institutions to utilise additional resources? Are we really mobilising our internal resources, or simply looking for soft options? In this series, Excellencies, there are even amusing questions like—How can we go for more production before having more storage facilities? As if the storage problem is not redeemable through appropriate assistance. And so on and so forth. I shall come back to some of these issues later. Let me first tell you about what we are actually doing at home.

Most of you are perhaps acquainted with the Bangladesh setting. Nevertheless, allow me, Excellencies, to delineate some salient features in broad strokes. It is a small deltaic plain of about 55000 square miles and yet the eighth most populous state in the world with about 90 million people. Bangladesh lives in about 70 thousand villages. 90 per cent of the population is rural and of them over 80 per cent work on land. The man-land ratio is among the worst in the world, being below half a hectare per capita which is again scattered in very small plots. Fifty per cent of the rural population are functionally landless. The vast majority are below poverty line. Rural unemployment and underemployment together with malnutrition are endemic. To aggravate the situation, the physical factors that obtain are recurring flood and drought combined with periodic cyclones and tidal bore. Half the land remains under water for more than six months and there is too little water in the water. Only a little over ten per cent of the land is under controlled irrigation. There are no landlords or rich farmers in Bangladesh and yet ninety per cent of the farm-families operate only fifty per cent of the cultivable area.

Yet Bangladesh is endowed with highly fertile land, abundant water, natural gas and most important of all—a resilient people. Technically, it should be possible for us to double or even treble the food production, but Bangladesh continues to be a net importer of food. Why is this food gap, poverty and hunger? Today it may very much look like an internal economic and political malaise. But it would be naive if one does not view the existence and cause of this poverty and hunger in their historical context.

Land used to belong to the crown throughout the history of Bangladesh. But its colonial rulers wanted to make everything English in a land where everything was un-English and to begin with privatised the ownership of land with many echelons of rent receiving interests upto the crown and an oppressive revenue-collecting machinery in operation, in their bid to annexe the peasant economy to the metropolitan. Thus the traditional agrarian society came apart and an outlandish set of production relationships came about. The characteristics of new social dynamics of asymmetrical dependency relationships may be identified as (i) sub-infeudation, (ii) share-cropping, (iii) perpetual indebtedness (iv) distress sale of produce and assets by the tenants and (v) multiple social roles of the dominant group, the landlords, money-lenders, merchants, capitalists, and village-brokers vis-a-vis the dominated group, the primary producers, the land-poor, the landless, the agricultural labourers and the odd-job destitute. The whole move was to change drastically the social fabric of peasant-society, but at the same time, to leave virtually unaffected the basic mode of production at the traditional level, denying it the technology. Thus agriculture was simply squeezed for industries at the colonial and royal capitals. As a result the upper strata benefited handsomely, agricultural production stagnated and the cultivators suffered.

For Bangladesh, the partition of India only meant replacement of the continental colonialists by the sub-continental colonialists. And therefore structural change in the agrarian economy was not even expected. Bangladesh agriculture was colonised for turning foreign exchange earning of agricultural produce into import-substituting industries in the new capital. The Legislative Land Reform of 1950 was marginal as far as redistribution of land to occupancy tenants and tenants at will were concerned.

It is against this background of a basically subsistence agriculture, systematically denied of investible fund that the war

[30 Aug 81, pp 5, 6]

A major improvement in the agricultural productivity can be achieved only through the provision of a modern technological package well adapted to particular soil and water-regimes and applied by skilled farmers given adequate institutional and marketing support. The core of this technology is high yielding variety of seed and nutrients. The security needed by farmers for this investment in technology will be primarily provided through expansion of irrigate acreage and through drainage and flood control. Development, control and efficient utilization of water resources do constitute the most important element of the food production strategy. Almost two-thirds of the projected incremental production is directly attributable to water development programmes. The irrigated area is proposed to be doubled (from the current 3 million acres to 7—8 million acres in 1984-85). In addition, about 2—0 million acres are to be provided with drainage and flood control facilities.

Water control, being the spearhead of improved crop-production technology, it will have to be backed by improved arrangements for input supply, training and organisation of farmers, adaptive research, marketing and price support.

While the main emphasis in the Food Plan is on water resource development rainfed agriculture will still have to play an important role. The current momentum for expansion of rainfed wheat acreage and production will be supported and maintained. Accelerated adoption of HYVs for summer and autumn rice will also be emphasised as well as of improved cultural practices for producing higher yields.

Agricultural credit requirements from institutional sources are expected to rise sharply

for purchase of inputs and equipment. Steps have been taken to increase the availability of credit to cooperative farmers increasing the total stock of credit, opening up more credit channels and liberalising credit procedures. Scheduling of credit to cover farmers' annual multicrop production programme is also being initiated.

Further, to ensure the growers a fair price government have undertaken to construct feeder and access roads to markets and procurement centres as well as to increase the government grain procurement and storage capacity including improvement in storage management. Besides, the private grain-traders are being encouraged through access to credit for trading and construction of private storages.

To support the food production drive during the Plan and for sustained growth, particular emphasis will be given to situation specific adaptive research based on feedback from the extension service. Research programmes will also emphasize cost-effective farming techniques. To support longer range nutritional objectives vigorous research programmes on non-cereal food crops (particularly pulses, oilseeds; vegetables and fruits) will be pursued so that suitable technical packages will be available for a big push with these crops once cereal self sufficiency is achieved.

Farmers' training is being organised on a regular basis through the training and visit system and short institutional training of progressive farmers at Agricultural Extension Training Institutes. Training programmes will be constantly under review and existing facilities for both technical and sub-technical personnel of the extension department will be expanded.

The bureaucratic set-up of the agriculture sector has been reorganised so that the available management and technical cadres could be deployed more effectively. On the job and in-service training including management training is being institutionalised for all kinds and levels of personnel. Agricultural research and extension efforts are being intensified and their linkage established through emphasis on adaptive research, on field demonstration and extension of the training and visit system throughout the country.

For better co-ordination among the agencies at the field and implementation level, Government have appointed Ministers as Chairmen of District Agricultural Development committees created the post of District Development Co-ordinator occupied by a Member of the Parliament and revived the local level planning system for the identification and execution of schemes under the Rural Works Irrigation and Land Use Development Programmes.

The ultimate success or failure of the plan will, however, be determined by the extent to which the 7 million farm families respond to the incentive provided in the Plan. Their participation in the plan will be encouraged by reinvigorating the co-operative movement, involving the village governments and vigorous motivation efforts by political leaders. The late President himself had launched the movement for production and the people have been mobilised.

Excellencies : We are sure that our food grain based growth strategy would generate marketable surplus in the present subsistence farm holding. Besides, high yield technologies for foodgrains production in two-thirds of the land are likely to generate half a billion additional man-days of employment. As a consequence, demand for non-cereal food crops rich in protein would expand considerably by 1985. Foodgrain us to an opportunity to narrow down the protein gap provide a more balanced nutrition to the entire population by maximising he production of pulses, oil-seeds, vegetables and fruits.

The acceleration of growth rate in agriculture and the consequent linkage are technically possible provided there is adequate investible fund which is yet to be forth-coming. We are aware of our resources constraint. That is why we have already identified the major resource to be mobilised for immediate assault on hunger and poverty. They are our people the rural majority-the small farmers, the tenants; the share-croppers the artisans the landless agricultural labourers, the doubly exploited women and the volatile youth.

These hitherto untapped and virtually inexhaustible human resources of the country of 90 million souls are now being mobilised and organised throughout the 70 thousand villages to harness all their initiative and latent creativity for building up the self-reliant and mass-participatory economy of Bangladesh. We are determined to convert our land into a bread basket. Mr. Chairman, we have a dream, a dream that Bangladesh will again become the provider of food not only for our people but also others a dream that every human being should be able to fulfil his minimum needs. In Bangladesh we are striving with diligence to create these conditions so that the broad masses are in a position to satisfy their inherent rights to food, health care, education and employment opportunity. But our target at least for our children goes far beyond these minimum necessities or should I say, rights I want to underscore the point that the satisfaction of basic needs should not and could not become the ultimate goal of development effort. It could only be a take off point.

Mr. Chairman, our people in the villages have withstood flood and drought, the scourages of hunger and deprivation. They are the people who will make development take place, development which is for the many and by the many. The people have been mobilised. Their creativity has been unleashed. What gives us the strength? The people. The political mandate that the people have given to our government is that agriculture is the foundation of the economy. To achieve this objective industry must be retooled to support agriculture and to provide valueadded to primary produce. What we need today is the critical mass of investment necessary for all these. But will our partners in development come forward?

The official development assistance has reduced in real terms The group of eighteen priority food deficit countries containing over 40% of the developing world's population received less than quarter of the capital commitments to agriculture in the first half of the decade of the seventies. And, what about the quality of assistance? By quality, as you are aware, I mean more grant elements, more untying of aid, more commodity aid, more programme aid, as opposed to project aid less divergence between pledge and commitment, less gap between commitment and disbursement and above everything else, decentralisation is a sine qua non of development at the national level. Is it not true of the official development assistance at the international level? How much of international assistance has been provided for eradicating hunger, and how much as geo-political investment? Improvement in any of these, will surely mean much more than the over dwinding quantum increase in

real terms. Secondly equally important as aid for us is trade liberalisation. Many of us are still suffering from colonial hang-over of having to depend on one single agricultural crop of exchange value, like jute in our case. Why don't the rich who are allegedly sympathetic to the poor talk about price-stabilisation for jute, our major export commodity? Unequal international trade imposes tariff and non-tariff barriers against our exports both primary and value-added. Therefore I would again say, if we can forge some counterveiling power, let us use that first for favourable trade, and then for the quality of aid.

Excellencies: I know it is time for me to conclude. And I should conclude reiterating my confidence in the central theme of this symposium: collective-self-reliance for self-sufficiency. In other words, let us not wait for anybody and let us go for the hard option of relying on our own resources. We are also an international communion of nations, with all the potentials one needs to draw on for a breakthrough. All that we have to do is to put our available resources together as the group of the Non-Aligned in the developing world or regions. Even pooling of mere regional wealth can take us a long way ahead. Precisely on this concept Bangladesh has been able to make fruitful dialogues going on among seven nations of the south Asian region with intent to exploring the possibilities of resources in men material and information. We have already jointly identified certain fields of cooperation in agriculture among the South Asian countres. The areas are also relevant to the community of the Non-Aligned countries. I would therefore like to mention some of them as they might be of interest to the participants in this forum.

With the deteriorating fossil fuel situation, the cost of energy has become prohibitive for most of the member countries which have been trying to go in for increased use of synthetic fertilizers and mechanisation. One has to fall back on the conventional sources of energy & look for innovations in the form of recycling and maximisation of output from non-renewable resources. Therefore, specific research and development for multilateral action may be very fruitful in the improvement of draft breeds of cattle, and their better management through improved nutrition and health care: improved designs of farm equipment and tools to reduce the wastage of energy and improve their efficiency. Research and development will be extremely useful also in the field of solar energy for rural areas and appropriate technology to devise newer and better machines, based on local source of fuel such as bio-mass alcohol and cellulose.

Fertilizers come next only to water as a pre-requisite for modern agriculture. In this area cooperative actions may be initiated in the exploration of the possibilities of joint ventures in fertilizer production: research in the optimum and efficient use of fertilizers; establishment of a 'fertilizer bank' by the member countrids for various types of chemical fertilizers in order to overcome acute shortages at times of need, and, exploring alternatives to chemical fertilizers.

A significant proportion of food produced in the community is unfortunately lost at the post-harvest stage. Presently, considerable research effort is being made everywhere to improve the situation and devise storage and post-harvest techniques suitable for local conditions that are based on local materials Sharing of this knowledge and joint research on post-harvest technology would certainly accelerate the rate of progress of the countries concerned in this direction.

An inventory of all the institutions responsible for agricultural research, extension, education; and management in the non-aligned community may be prepared as a ready reference for use of the member-countries Similarly a mechanism may have to be developed to catalogue various varieties of crops breeds machines, techniques and patents so that interested parties in the whole group may have ready access to the same.

Excellencies, I am sure, I will return from this symposium far richer in experience, but even more important, with the ever-abiding hope of collective self-reliance. Let us continue our battle against poverty and with our collective strength I am sure we shall overcome.

(Concluded)

CSO: 4220/7012

SATTAR OPENS NATIONAL ABORIGINAL-TRIBAL PARLEY

Dacca THE BANGLADESH TIMES in English 31 Aug 81 pp 1, 8

[Text] Acting President Mr Justice Abdus Sattrar has called upon the aboriginal and tribal people to make their individual contributions to the mainstream of country's development in expression of their solidarity with national hopes and aspirations.

Inaugurating the first National Convention of Bangladeshi Aboriginal-Tribal people at the Bangladesh Shilpakala Academy on Sunday the Acting President reiterated the declaration of late President Ziaur Rahman and said, "like him, I also want to emphatically announce that there is no existence of any majority or minority in Bangladesh. Here all of us are Bangladeshis."

Continuing, the Acting President said, "I think that only through this that your rights will be established in the society. Nobody will be able to keep you behind if you become the followers of nationalism and democratic principles."

Organised by the Bangladesh Aboriginal-Tribal Welfare Federation and presided over by its convener Prof Michael B. Malo, the function was also addressed by the State Minister for Food Aung Showe Prue Chowdhury, special assistant to the President Subimal Dewan, Mr Promode Mankin, Mr K. S. Prue from Chittagong Hill Tracts, Mr Joachim Asakra from Mymensingh, Mr Paresh Chandra Mri from Tangail, Mr Suja Hemrom from North Bengal and Mr Joymun Singh from Sylhet.

The function was also attended by Deputy Prime Minister S. A. Bari, AT, Minister for Information and Broadcasting Shamsul Huda Chowdhury, State Minister for Sports and Culture Dr Fazlul Karim, and State Minister for Science and Technology Dr R. A. Ghani.

Cultural Life

The Acting President said that the people of the country would undoubtedly be benefited by the valuable information about socio-economic and cultural life of our aboriginal-tribals to be reflected during the national convention.

Describing the first ever national convention by the aboriginal-tribal people as a new chapter in the history of our socio-cultural advancement, he said that the unique living and tradition of the aborigines were not separated from the soil and people of Bangladesh. Rather, their addition had made the country's own culture varying in character and lively.

Recalling the memory of President Ziaur Rahman, the acting President said that the late President was a real friend and servant of the people irrespective of caste and creed, high or low. He had found that most of the areas of the country remained undeveloped due to hundreds of years of colonial rule and exploitation. The impregnable areas inhabited by the aborigines and tribes with no exception.

Happy Society

Mr Justice said that the late President worked hard for this reason to establish an exploitation free happy society through a peaceful revolution by organising and uniting the people on the basis of Bangladeshi nationalism. It is our misfortune that he could not see the successful end of the revolution launched by him.

The Acting President said that the dream of President Zia could be realised if we all of us adhere to his ideals and principles and work together to keep continue the revolution launched by him "and we shall have to do it for our economic emancipation," he said.

Mr Justice Abdus Sattar assured that the Government would continue its efforts for early implementation of all development projects announced by the late President for the entire country including the tribal areas.

Mr Aung Showe Prue Chowdhury said that it was President Zia who took the first ever initiative for the overall development of the aborigines and tribal people, of this country.

He assured total support to the present government on behalf of the aborigines and tribal people. He also called upon the people to vote for Mr Justice Abdus Sattar in the forthcoming presidential election in order to ensure political stability.

Economic Uplift

Mr Subimal Dewan said that it was necessary for the people to keep the present government in power to ensure uninterrupted economic development of the country.

The representatives of the federation, in their speeches, highlighted the problems of the aborigines and tribal people at different areas.

They pleaded for formation of a development board at national level, and restoration of rights of land illegally occupied by others.

At the beginning of the meeting, one minute's silence was observed as a mark of respect for the departed soul of President Ziaur Rahman.

Tribal and aboriginal artistes presented a lively cultural show on the occasion.

CSO: 4220/7016

DELEGATE TO PYONGYANG MEET RECEIVED BY KIM

Dacca THE BANGLADESH TIMES in English 30 Aug 81 p 8

[Text] Pyongyang, Aug 29:

Mr Amirul Islam Kalam, State Minister in charge of Agriculture and Forests and leader of Bangladesh delegation to the Non-Aligned Symposium on "Increasing Food and Agricultural Production for self-sufficiency in Food" called on the DPRK President Mr Kim Il Sung here yesterday. President Kim received the delegation most cordially, says an official announcement.

Matters of mutual interests and greater cooperation between the two countries were discussed.

President Kim condoled the demise of late President Ziaur Rahman and described him as his brother. He recalled the untiring efforts of late President towards the cause of Non-Aligned movement and increasing food and agricultural production in his country. Paying rich tributes to the late President, he expressed his confidence that under the inspiring leadership of Acting President Justice Abdus Sattar Bangladesh would achieve great success in realising her cherished national goals. President Kim also assured all help and cooperation to Bangladesh in her efforts to attain self-sufficiency in food.

The meeting held in most friendly and cordial atmosphere lasted for about 40 minutes.

CSO: 4220/7014

CANDIDATE OSMANY PLEDGES NATIONAL DEFENSE SYSTEM

Dacca THE BANGLADESH TIMES in English 29 Aug 81 pp 1, 8

[Article by Shamsul Huq Zahid]

[Text] Bogra, Aug 28: Gen (Retd) M.A.G. Osmany on Friday said that he would develop a defence system on national basis with a strong well-equipped regular army backed by a people's militia if he went to power.

Addressing a public meeting at local Altafunnessa Ground Gen Osmany explained that the people's militia would be in line with those available in Israel and Yugoslavia. This force made those countries invincible against any external attacks.

He also said that he would also strengthen Bangladesh Rifles to stop smuggling and other activities along the border.

The meeting was presided over by Abdul Khaleque and addressed among others by Dr M. R. Khan a former Presidential Adviser, Dr Mofiz Chowdhury former Minister in Awami League Government, Mr Khalequzzaman, Convener of BSD, Mr Mahmudur Rahman Manna, Vice President of DUCSU.

Gen Osmany also assured that he would strengthen various organisations relating to freedom fighters like Sena Kalyan Sangstha and Muktijodha Sangsad. He also said that if elected, he would withdraw all warrants of arrests against the freedom fighters on condition that they would live an honest life.

He also proposed for revolutionising cooperatives which would aim at improving the lot of the landless and help develop agriculture. The national policy for agriculture will also have a rural bias underlining greater participation of the farmers and workers.

Speaking on the political scene, Gen Osmany said that the country was beset with the politics of conspiracy and falsehood. Economy has been crippled and the foreign aid had been put to unproductive use. Agriculture was not getting due attention.

The Taka had been devalued three times in recent past causing high inflation which badly hit the fixed and low income group people.

Gen Osmany reiterated his four objectives which included restoration of 1972 Constitution through constitutional means. He said that people wanted and called for constitutional movement.

He also criticised establishment of export processing zone, which he said would only help some people while the vast multitude would have derived no benefit. Disparity between man and man region and region would only increase.

Gen. Osmany said that the BNP was bluffing the people and criticised the party for showing that he called disrespect to their leader by passing the Sixth Amendment. They did not give the due honour which the late President deserved by preserving the Constitution, he said.

Defending his call for return to parliamentary democracy he said the killing of two Presidents had proved that other forms of government were not suitable for the country.

He also called for strong nonaligned policy and said his Government would frame its policy after due evaluation of every issue.

CSO: 4220/7010

CANDIDATE OSMANY PROMISES ADMINISTRATIVE CHANGES

Dacca THE BANGLADESH TIMES in English 31 Aug 81 pp 1, 8

[Text] Khulna, Aug 30: Presidential candidate Gen (Retd) M.A.G. Osmany said here today that if elected he would establish rule of law in the country and would take concrete step to separate the judiciary from the executive for the purpose.

Addressing a public meeting at Shahid Hadis Park, Gen Osmany said that as a first step towards the end, the Ministry of Establishment would not be allowed to deal with appointment, transfer, promotion and other related matters of the judicial officers and such matters would be dealt with by a separate body.

Presided over by Advocate Abdul Wahed, a local Jatiya Janata Party leader, the meeting was addressed, among others, by Dr Zafarullah Choudhury, convener of Jatiya Nagarik Committee, Dr M. R. Khan a former presidential adviser, Mr Khalequzzaman Bhuiya, convener of Bangladesher Samajtantrik Dal and Mr Mahmudur Rahman Manna, vice-President of DUCSU.

The nominee of the Nagarik Committee for the presidential election reiterated his demand for shifting the date of presidential polls to November. He warned the ruling party not to make a mistake by not shifting the polls date "If you make the mistake you will be ruined," he cautioned.

Gen (Retd) Osmany said that he would modernise the police force so that it could become popular and could be termed as the protector of the interest of the people. He said that he would strengthen the Bangladesh Rifles, make the Armed Forces stronger and well-equipped and introduce an effective peoples' militia as done in countries like Israel and Yugoslavia.

The retired General said that he would go in for step-by-step decentralisation of administration. He said that he would also abolish all laws repugnant to the freedom of press, fundamental rights of the people and provisions of ILO.

The presidential candidate called for balanced dispersal of industries all over the country and criticised the establishment of export processing zones, which he said would lead to the concentration of industries in particular areas.

Gen Osmany said that he would give guarantee of full freedom to all religion and strengthen the religious education.

Reiterating his committment to change the presidential form of government to parliamentary form, Gen Osmany said that the presidential form led to autocratic rule.

Our Jessore correspondent reports: Gen Osmany said here today that the people fought for independence in 1971 for not establishing one-party government. Its principal aim as the establishment of parliamentary democracy in the country, he said.

Addressing a way-side meeting at Daratana Square in Jessore town this morning the presidential candidate said that parliamentary form of government was a prerequisite for economic emancipation and restoration of democratic rights of the people. He said that the elected presidents of the country had to die because parliamentary democracy was not established even after 10 years of independence.

The retired General called upon the patriotic people to participate in the movement through constitutional process so that the constitution of 1972 could be revived.

CSO: 4220/7016

COMMERCE MINISTER ASKS FOR NEW EXPORT STRATEGY

Dacca THE BANGLADESH TIMES in English 1 Sep 81 pp 1, 8

[Text] State Minister for Commerce Choudhury Tanbir Ahmed Siddiky on Monday asked the Export Promotion Bureau (EPB) officials to develop new strategies taking in view of the international recession to achieve the export target of the country for the current year.

Addressing the officials of the EPB at its office, Mr Siddiky said that in spite of the international recession it was possible to reach the target. He advised them to use their expertise and work relentlessly to find new markets for Bangladesh products and strengthen the existing ones.

The State Minister for Commerce said that the motto of this year's export policy was not to give emphasis on volume but on value.

Mr Siddiky underlined the need to constantly monitor the changes in international market such as in Middle-Eastern countries which imported food items worth 19 billion dollar annually. Since Bangladesh had very good relations with these countries, he hoped a share of this huge market could be easily obtained.

Indonesia and Australia could be other good markets. Referring to allegations about poor quality control of export items, he said that some exporters were adopting what he described as "hit and run policy" in their business which was earning for the country bad name. He told the EPB officials to ensure that exporters understood that such policy was unacceptable and harmful to the country.

Referring to allegations against some exporters who failed to supply products as per specifications, he said that this should be dealt with strong hand.

Listing proposed measures to increase country's exports, he said these including holding of seminars and workshops all over the country to motivate prospective exporters about export business. He said that the first seminar would be held at Bogra in September.

Mr Siddiky directed the EPB to complete the first phase of work of the proposed world trade centre within next two years. He said that an all out effort should also be made to complete the centre within Second Five-Year Plan period.

Earlier, the Vice-Chairman of EPB Mr Ruhul Amin Majumdar said that there was shortfall in country's export trade in 1980-81 because of fall of prices of certain items in the international markets. He said "we could earn Tk 210 crore more last year even the prices remained at par with that of 1979-80."

Mr Majumdar said that there were enough scope to further increase export of Bangladesh products including frozen food, readymade garments and jute and jute goods to the United States, principal importer of Bangladesh products.

CSO: 4220/7020

EDITORIAL NOTES DOUBTS OVER CREDIT CURBS

Dacca THE BANGLADESH TIMES in English 31 Aug 81 p 5

[Editorial: "New Credit Measures"]

[Text] Business circles and some experts are having doubts whether recent curbs on credits by the banks will really check inflation. On the contrary, they believe, the recent attempts at credit controls might depress economic activities while inflation abates not at all. They advance the following reasons for fearing exactly such an outcome. First, they point to what probable effects the new fiscal measures may have on the import trade. According to Bangladesh Bank regulation, the LC margin to be borne by the private importer ought not to be less than 25 per cent in any case. In other cases, the margins would be as high as 50 per cent. Almost 75 per cent of the finances for imports under the WES used to be supplied by the banks. The new rule reverses this policy and requires now that the importers himself should bear the LC margin to the extent of 75 per cent while importing consumer items.

The raising of LC margin will impose money constraints on many importers. In a way, this might mean lesser imports and diminishing supplies of commodities in the markets, as they say, and hence scarcities and a fresh spate of price rises on the ground of shortages. The reduced role of genuine importers will encourage black money wielders and a few influential ones with special connections with the banks to engage in monopoly business activities. Such a development would hardly safeguard the consumers' interest or put a brake on inflationary spirals.

The banks have been ordered to decrease their overall credit ceiling by 10 per cent on average. The private trading in jute already remains dull due to unmitigated liabilities carried over from the previous seasons. Shrinking credit availabilities in this season may add cause to depress further the private sector buying and selling of jute. Credit insufficiency might also afflict tea exporters and foreign buyers mopping up the produce cheap in auctions because of lagging competition. The new bank policies, it is also being said, may deter private investments in industries and trade leading to lesser trading, manufacturing and services and thus overall decline in economic activities in the country creating thus a situation of fewer economic opportunities. In short, it could restrict economic growth with negative impact on employment and income generation.

We do not suggest that the present credit controls be lifted. We simply draw attention to possible undesirable implications of credit controls so that the present rules can be restructured somewhat as would serve the dual purpose of well regulated monetary expansion while not bringing about a 'depression' that nobody wants.

CSO: 4220/7016

POOR SITUATION IN JUTE MARKET REPORTED

Dacca THE BANGLADESH TIMES in English 31 Aug 81 pp 1, 8

[Text] Actual exports of raw jute for the period June-July 1981 was lower than those of the corresponding period of the previous season (June-July, 1979-80).

During June-July, 1979-80 a total of 19,68,006 bales of raw jute had been exported while in June-July 1980-81 a total of 19,43,946 bales of raw jute was actually exported, according to official estimates.

Actual export of jute goods during June-July 1981, however, was higher than that during June-July 1980. Jute goods (hessian, sacking, C.B.C. and others) exported during June-July, 1980 was 4,40,233 tons, while during June-July, 1981, total export of jute goods stood at 4,86,708 tons.

The cumulative production of jute goods in the different mills of the country during June-July, 1981, was higher compared to the production during June-July, 1980. During June-July, 1980 a total of 5,23,006 tons of jute goods had been produced while during the corresponding period of 1981 a total of 5,80,853 tons of jute goods had been produced in the various jute mills in the country.

Our Narayanganj Correspondent adds that although the jute season has got underway since mid-July, the buying and selling of jute in the internal markets had been extremely low-keyed during the past weeks.

Exporters Demand

The situation arose because the private jute traders, who virtually control nearly 60 per cent of the country's jute trade have deliberately stayed aloof from the market. The jute traders had deposited their licences to the Bangladesh Jute Association (BJA) with a view to pressing their 10-point demands in May, 1981. The BJA had decided not to submit any of the licences for renewal until their demands were met.

Renewal Delayed

In a delayed decision, the BJA called upon its members to submit their licences to the Government for renewal. But it was after July 25, which was the last extended date for submission of licences for renewal. Now all the licences of the private traders are lying with the Jute Ministry for renewal.

BJA sources learnt that out of 250 jute traders, 17 have not applied to get their trading licences renewed for the year 1981-82. A member of the Executive Committee of the BJA told that most of the traders out of these seventeen, have expressed their inability to carry out their export business in the current fiscal year, as they do not have sufficient funds. Moreover, most of these exporters have incurred a huge loss due to the slump in the international jute market over the past few years. But an official of the Directorate of Jute told this correspondent that many shippers after taking bank loans in the name of jute trade, have switched over to other lucrative business.

According to an estimate a sum of Taka 181 crore has remained outstanding to different jute exporters in the country for the last five years.

It was also learnt that the Bangladesh Bank has not yet sanctioned fresh loans to the private traders in view of its huge amount of arrears--and as such the private traders have remained off the market.

It is gathered that Bangladesh Jute Association and Bangladesh Jute Export Corporation will jointly form an inspection team to go through the problems of the jute exporters and find out its solution shortly.

It is officially learnt that 19 lakh bales of jute was exported during the last fiscal year. The private traders shared 16.5 lakh bales and the rest 2.5 lakh bales were exported by Government Jute Corporations. The bulk of the jute export is being handled by the private traders.

The daily average arrival of raw jute in Narayanganj is eight thousand maunds while in Daulatpur is around three thousand maunds.

The quantity of jute supplied in Narayanganj was 20 thousand while Daulatpur was 10 thousand maunds to the corresponding period of last year. The lack of sufficient financial arrangement and delay in the renewal of licences are the main reasons for the poor supply of jute this year.

Only a few private jute traders, namely Kumudini Welfare Trust of Bengal, A.R. Jute trading and several other firms have opened their lucky jute purchase at their own initiative.

Meanwhile, the Government Corporations namely Bangladesh Jute Trading Corporation, Bangladesh Jute Mills Corporation have started the purchase of new jute through their agencies. At present the jute corporation are apparently the lone purchaser of raw jute in the terminal market of Narayanganj.

CSO: 4220/7016

BRIEFS

UNPRECEDENTED FOOD STOCK--Narsingdi, Aug 28--Food Minister Mr Abdul Momen Khan said that the stock of foodgrains had reached 13 lakh tons till now since last year, a level unprecedented in the country's history reports BSS. He expressed his optimism that the food supply situation of the country would remain favourable to face any situation. He was addressing a women conference of BNP at the Municipal Hall here this morning. [Excerpt] [Dacca THE BANGLADESH OBSERVER in English 29 Aug 81 p 12]

ENVOY TO EGYPT--Lt Gen (Retd) Meer Shawkat Ali, Ambassador designate to Egypt left Dacca on Thursday night for Cairo to take up his new assignment, reports BSS. Talking to newsmen, he said at the Zia International Airport that his mission in Egypt would be to further strengthen the existing 'very good and brotherly' relations between the two countries. [Excerpt] [Dacca THE BANGLADESH TIMES in English 29 Aug 81 p 8]

ENVOY TO SINGAPORE--Singapore, Aug 29--the new Bangladesh High Commissioner to Singapore, Syed Najmuddin Hashim presented his credentials today to the Acting President Dr Yeoh Ghim Seng at the latter's official residence, reports AFP. Mr Hashim, who is concurrently Bangladesh Ambassador to Burma, is resident in Rangoon. After presenting his credentials the High Commissioner conveyed the warmest greetings of Acting President Justice Abdus Sattar to the acting President of Singapore who reciprocated the sentiments. Dr Yeoh Ghim Seng and Mr Hashim also discussed matters of mutual interest. [Text] [Dacca THE BANGLADESH OBSERVER in English 30 Aug 81 p 12]

BNP EXECUTIVE MEMBERS--The National Standing Committee of the BNP at a meeting on Friday had decided to induct three persons as members of the National Executive Committee of the party, reports BSS. According to a Press release of the party the Executive committee had been expanded with the inclusions of Mr Abu Salek an advocate of Khulna, Mr Abdul Hanes Chowdhury of Sylhet and Mr Subodh Mitra of Jessore. [Text] [Dacca THE BANGLADESH OBSERVER in English 30 Aug 81 p 12]

APPEAL AGAINST VIOLENCE--The National Democratic Front condemned the acts of violence like grenade charge explosion of bombs etc by certain quarters and said that through this the country was being led to a very critical situation. The Front Presidium in a resolution adopted at its meeting on Sunday made this observation Mr Shamsul Huda, Convener of the eight-party Front presided over the meeting. The resolution said meetings processions etc. are part of normal democratic process. But killing of democracy in the name of democratic activity

was looked down upon by the people. The front called upon the patriotic democratic forces to resist this type of unholy act in the interest of continuation of democratic process in the country. [Text] [Dacca THE BANGLADESH OBSERVER in English 31 Aug 81 p 1]

AWAMI LEAGUE-M EXECUTIVE--Mr Mizanur Rahman Chowdhury President of AL (Mizan) on Sunday announced the name of 33 members of the Central Executive Committee reports BSS. According to a Press release the Committee includes Mr Ahmed Ali, advocate, Dr Ashbul Haque, Mr Sirajul Haque, Advocate Mr Ahmed Faxiur Rahman, Dr Shamsuddin Chowdhury, Mr Sajed Ali Miah, Advocate Abdul Hakim, Mr Kamruddin Ahmed and Mr Fazlul Karim. [Excerpt] [Dacca THE BANGLADESH OBSERVER in English 31 Aug 81 p 1]

DEATH OF MP--Madras, Aug 30--Mr Yar Mohammad Khan, former Bangladesh MP, died yesterday evening at the Vellone Christian Medical College Hospital, reports PTI. The 63-year-old Khan had come from Bangladesh on August 11 for treatment of chronic bronchitis and cancer of the lungs, his son-in-law, Dr Mohammad Shahabuddin, who accompanied him said. The body would be flown to Calcutta this afternoon and would reach Bangladesh tomorrow, he said. He said Mr Khan was a founder-member of the Bangladesh Afami League and was a close associate of Hussian Shahid Suhrawardy, the Awami League's late President. [Text] [Dacca THE BANGLADESH OBSERVER in English 31 Aug 81 p 3]

DPRK AMBASSADOR--Mr Jong Tae Gun has been appointed Ambassador of the Democratic People's Republic of Korea (DPRK) to Bangladesh it was officially announced in Dacca on Saturday reports BSS. Born in 1933, Mr Jong Tae Gun is a career diplomat who served in the DPRK Ministry of Foreign Affairs and its missions abroad in various capacities. At present he is Deputy Director General with the rank and status of Ambassador in the Ministry of Foreign Affairs of DPRK. [Text] [Dacca THE BANGLADESH OBSERVER in English 31 Aug 81 p 3]

AWAMI LEAGUE-M OFFICIALS--Mr Mizanur Rahman Choudhury, MP, President, Bangladesh Awami League (Mizan) on Sunday announced the names of 33-member of the Central Working Committee and nomination of 10-member to the party's National Committee. The members of the Working Committee and presidents of all district committee are ex-officio members of the AL national committee. The Central Working Committee members include: Dr Asabul Huq, ex-MP, Mr Sirajul Huq Advocate ex-MP, Mr Ahmed Fazlur Rahman, former CSP, Dr Shamsuddin Choudhury, ex-MP, advocate Abdul Hakim ex MP Mr Kamruddin Ahmed, ex-MP Md Fazul Karim, ex-MP, Prof Shamin Mishir, ex MP Mr Afzal Hossain, ex-MP, Mr Mohiuddin Ahmed (Khwaja), Khandaker Nurul Islam Advocate ex-MP, Khaled Mohammad Ali, ex-MCA, Mr Manirul Huq Choudhury, former student leader. [Excerpt] [Dacca THE BANGLADESH TIMES in English 31 Aug 81 p 8]

GREETINGS TO LIBYA--The Acting President Mr Justice Abdus Sattar has sent a message of greetings to the Libyan leader Colonel Muammar Al Gaddafi on the twelfth anniversary of the First September revolution of the Socialist People's Libyan Arab Jamhiriya reports BSS. Justice Sattar conveyed his very best wishes for continued peace progress and prosperity for the brotherly people of Libya and health happiness long life for the Libyan leader. He expressed the confidence that the fraternal relations and fruitful cooperation existing between the two brotherly countries would be further consolidated to the mutual benefit of the two peoples in the days to come. [Text] [Dacca THE BANGLADESH OBSERVER in English 1 Sep 81 p 1]

CSO: 4220/7009

SHEIKH TELLS STAND TOWARD INDIAN GOVERNMENT

Madras THE HINDU in English 16 Sep 81 p 9

[Text] Srinagar, Sept 15--The Jammu and Kashmir Chief Minister, Sheikh Abdullah, has said the move of some non-Congress(I) State Governments to have more powers or "internal autonomy" should not be construed as secession.

Intervening in a discussion on a private member, Mr Abdul Gani Iones bill in the Assembly, seeking to change the name of Governor to "Sadri Riyasaat" as provided in the separate constitution for the State Sheikh Abdullah said today he was not opposed to the amendment. But a ministerial committee had already been appointed to review all those Central laws or amendments made in the State Constitution from 1953 to 1975 when his party was out of power.

The Government would introduce any fresh amendment only after the Committee had submitted its recommendations.

Only those Central laws or amendments made when he was out of power and which had in anyway eroded the internal autonomy were being reviewed, he said.

Besides his Government, some others also wanted to have more powers. The Centre should not view this demand as secession, he said.

Ties With Indian Union: The State's relations with the Indian Union were governed under Art 370 of the Indian Constitution, the Chief Minister said.

Therefore compared to other States, "we enjoy complete internal autonomy and can pick and choose and implement only those Central laws that will be in the larger interests of the people and do not erode our internal autonomy" he said.

However "it is unfortunate that whenever we make any move to safeguard the State's internal autonomy people outside doubt our integrity as if we want to secede from the Indian Union," he said. But the fact is that the State acceded to the Indian Union voluntarily, because the people of the State did not believe in the two-nation theory, Sheikh Abdullah said.

CSO: 4220/7006

SECURITY FORCE TO BE WITHDRAWN FROM DISPUTED ISLAND

Madras THE HINDU in English 16 Sep 81 p 9

[Text]

NEW DELHI, Sept. 15.

The Government of India has agreed to withdraw the dozen BSF personnel stationed on the New Moore island on the basis of a firm undertaking by Bangladesh not to attempt any landing on it, pending a final settlement.

The understanding was reached during the Indo-Bangla talks last week as a follow-up of the steps already taken by both sides to withdraw their naval vessels from the vicinity of the island. The one small patrol craft now left in the area will also be pulled out soon.

But the agreement reached to resume the talks by picking up the threads of the discussions that took place in August last year did not imply that India was restoring *status quo ante* prevailing at that time. The token Indian presence on the island was maintained off and on, as and when required to assert the claim to the island in the face of the Bangladesh attempts to challenge it.

The recent decision to station a small BSF contingent on the island was taken when India had definite information that Bangladesh was attempting to land its men there. The Indian naval vessels moved into the vicinity only after the Bangladesh warships started violating the territorial waters around the New Moore island.

The decision to pull out the BSF personnel from the island on the basis of the assurances given by Bangladesh does not amount to a withdrawal of the Indian presence as claimed by an official spokesman in Dacca today. As India had no permanent presence on the island at any time, the question of withdrawing as a condition for the resumption of negotiations does not arise.

But the Government of India is not refuting the Bangladesh claim since it does not want the atmosphere to be spoiled for the forthcoming official-level talks on all pending issues, including the New Moore island.

It was for this reason that there was no official comment in Delhi today on the interpretation given by the spokesman of the Bangladesh Foreign Office on the outcome of the talks between the two Foreign Ministers in Delhi.—Our Political Correspondent.

CSO: 4220/7006

KERALA CHIEF MINISTER PROTESTS GANDHI VISITS

Bombay THE TIMES OF INDIA in English 16 Sep 81 p 8

[Text]

BANGALORE, September 15: "Hands off the states" appeared to be the theme of the Kerala chief minister, Mr. E. K. Nayanar, who rounded off his three-day visit to Karnataka today with a strong protest against the Prime Minister, Mrs. Indira Gandhi's visits to state capitals to review or inspect plan implementation.

There was no provision in the constitution for such visits nor were they in conformity with the spirit of the constitution, Mr. Nayanar said.

Asked what he would do if Mrs. Gandhi visited Kerala, as she had visited some other states, Mr. Nayanar said, "Let her come and we shall decide. The question is hypothetical."

Mr. Nayanar told the Karnataka union of working journalists that the only right forum to discuss plan implementation was the National Development Council. Issues should be discussed in the open but it should not be one-sided. The work of the Centre also should be discussed because the main chunk of the plan and finance was with the Centre. Innumerable issues pending with the Centre for months and years should also be taken into account.

The Kerala chief minister claimed that the reason why there had been no conversion to Islam in his state, as had happened in neighbouring Tamil Nadu, was that Kerala had abolished the landlords system. Conversion took place not because of the love for god but because one wanted to save oneself from oppressive landlord system, he remarked.

CSO: 4220/7002

MINISTER ANSWERS QUESTIONS ON AIR DEFENSE MATTERS

New Delhi PATRIOT in English 17 Sep 81 p 7

[Text]

Although Indian aeronautic engineers were doing their best to design and improve the HS 24 Marut and HS 73 the deep penetration aircraft, they had not been able to produce a design as yet which would successfully compete with aircraft being produced in some other countries, Minister of State for Defence Shiv Raj Patil said in the Lok Sabha on Wednesday, reports UNI.

Replying to Mr Pratap Bhanu Sharma he said re-equipping the Indian Air Force with more effective aircraft was a continuous process and while doing so various factors such as maintainability and effectiveness of new aircraft in the changing threat environments were kept in view.

Mr Patil said another important factor was the availability of these aircraft on reasonable terms. He said it would not be in public interest to disclose the specific steps being taken to modernise IAF.

Mr Patil said as a matter of policy the Government dealt directly with he foreign companies concerned for defence purchases and not through their agents in India or abroad. He said the policy was to deal at the Governmen level as far as possible.

Replying to another question, Mr Patil said there were reports that Pakistan had increased its airbase facilities during recent years and had also acquired and was likely to acquire more interceptor aircraft.

Government take cognizance of inductions of all weapons systems in our security environment and take appropriate measures to maintain full defence preparedness, he said.

The Minister said the Government was also aware of Pakistan's efforts to acquire uranium enrichment and nuclear fuel reprocessing capability which would enable it to assemble a nuclear device. The Government was equally alive to the implications of Pakistan acquiring a nuclear weapons capability, he said.

CSO: 4220/7007

FOREIGN MONEY FLOW INTO WEST BENGAL CONTINUES

Madras THE HINDU in English 15 Sep 81 p 10

[Text] Calcutta, Sept 14.

Despite a ban on the activities of foreign missionaries and similar organisations in West Bengal in certain areas, the extent of remittances from abroad has not been affected.

An American-based organisation, which is not functioning here any more, has recently sent large remittances to two individuals, according to reliable sources.

Usually, such payments are made through foreign-owned banks in the country.

The State Government has banned the activities of missionary organisations and similar bodies initially in the tribal areas, and was now considering whether to extend it to cover other regions as well.

According to a Home Department spokesman, foreign money comes in the name of social or religious organisations. While the Government was not prepared to label all such organisations as subversive, evidence of their fishing in troubled waters had been found not only in the tribal majority districts, but also in North Bengal, in connection with the Uttarakhand movement.

Sponsors of this agitation, it may be recalled, have demanded the return to Bangladesh immediately of all displaced persons who have settled in North Bengal.

In Tripura, at least one particular church had been categorically named as having played a role during the disturbances some time ago. It was also suspected that some kind of link between these organisations and regional bodies like the Amra Bangali existed. The Government was keeping a watch over the situation, he said.

CSO: 4220/7000

CORRUPTION DEEMED BIGGEST THREAT TO STATE

Bombay THE TIMES OF INDIA in English 16 Sep 81 p 4

[Commentary by Girilal Jain]

[Text]

MRS. GANDHI is on trial — at the bar of history. It will be to her credit if she somehow keeps the system going so long as she is around. But that will not win for her the kind of place Jawaharlal Nehru occupies in Indian history. She will secure such a place only if she can ensure that when she finally leaves the scene, the Indian state is strong and vibrant and the Indian people reasonably well off.

On present reckoning the chances are that she will lead her party such as it is at the next general election in 1985 and that she will once again put her rag-tag band in power. For, it seems unlikely that any opposition party will be in a strong enough position by then to challenge her successfully at the hustings. But if she does not take steps to end the drift now, it will be pointless to expect her to do so in 1985. India has reached another turning point in its history.

If Mrs. Gandhi does not act with grim determination without further loss of time, it is almost certain that the country will once again have taken the downhill path from which there may be no turning back for a long time. This is the inescapable lesson of Indian history. It is, for instance, inconceivable that without Akbar the Moghuls could have consolidated their empire and assured a fairly high degree of law and order and prosperity in the country for over a century. And see what happened when pleasure-loving and incompetent rulers succeeded one another after Aurangzeb.

These days modern states do not disappear as empires did in the past. In the post-war period only Pakistan has broken up into two. But modern states go into such decline that they no longer deserve to be called states. The Third World is full of instances of cruel and venal men seizing power and establishing tyrannies which are efficient only in terrorising and massacring their own peoples.

MATERIALISE

India has already witnessed the rise of corrupt men in public life who think nothing of undermining the future of the country so long as they can make their pile and salt it away in foreign banks. Mercifully, cruel tyrants are still not in evidence in and near the corridors of power. But like maggots they can materialise out of nowhere when the conditions are ripe as they would be if the democratic process is discredited and the elected rulers lose their legitimacy. These are not dire contingencies which one has to invent. The democratic system is already under great strain and not many politicians enjoy the respect of the people without which they cannot claim legitimacy.

India faces enormous problems — population explosion, deplorable educational standards, deforestation leading to worsening floods year after year, continued dependence on monsoon for good crops, stagnant technology, low investment, burgeoning trade deficits necessitating large-scale borrowings, inefficient use of available resources, growing caste conflicts leading, among other things, to mass conversions of Harijans to Islam, perpetuation of backwardness and poverty in large parts of the country and 40-45 per cent of the population below or at the poverty line (a euphemism for destitution in millions of cases).

Even a ruling group fully assured of its legitimacy cannot take sufficiently tough measures to tackle these urgent tasks. Imagine what will happen if the rulers come to depend largely on the coercive apparatus. Incidentally, that, too, is beginning to crack up. Witness the blinding episode in Bhagalpur, looting of buses, trains and banks and the near mutiny in various police and paramilitary forces in large parts of the country in 1979.

On top of it, we are now getting ministers and chief ministers who are almost wilfully undermining the state machinery. They take bribes for the postings and transfers of even poor school teachers, they humiliate senior officials in the presence of their subordinates; they make them dance attendance on them and collect funds for them; and they arbitrarily punish and reward officials. They have still not abolished the rules (thank the British for establishing the procedures so firmly) so that they can auction public offices as the rulers used to do in the olden days. But they have come fairly close to doing so. In several states there is a price for every transfer to a coveted place.

RESPONSIBLE

If the rot has spread so far and so deep, what is the point of expecting Mrs. Gandhi to stem it? Her all too numerous detractors go farther and contend that she herself is largely responsible for the decline in the standards of public morality and demoralisation of the administration. But when they overcome their dislike of her, they are

forced to admit that India has no other leader capable of either replacing her through the democratic process or of trying to check the dangerous drift. At least she is in a position to try. Mr. Morarji Desai, for instance, could not even have tried for want of authority in his own party.

On sober reflection we can also agree that the situation is by no means hopeless. Our present-day Pindaris are not men of great daring. They can be made to see sense fairly quickly. Things can visibly improve if the impression spreads that Mrs. Gandhi is keeping an eye on their activities, that she has a reliable machinery to keep her posted and that she will not put up with men who acquire a bad reputation. Men who quivered in their shoes at the very mention of Sanjay Gandhi's name will not risk Mrs. Gandhi's displeasure if they were to know that the consequences would be serious. We have also a fairly large body of fairly honest men and women in the administration, especially at the top levels, who can, given a proper atmosphere, make it difficult for ministers to engage in corruption openly.

To avoid misunderstanding I am not recommending a vigilance role for civil servants over politicians, though, to be candid, I am not critical of the Madhya Pradesh chief minister's and speaker's decision to encourage district officials to write to them of the pressure legislators bring to bear on them. But what I am suggesting is that officials will be willing and able to stand up to ministers bent on amassing fortunes if they know that there is someone they can appeal to in case they are sought to be unjustly penalised. We need politicians to see to it that our bureaucrats do not go berserk. But we can no longer depend on our politicians to observe even the minimum norms of propriety. So we need a civil service which is capable of exercising the autonomy which in theory it has never ceased to enjoy in independent India. Judging by Mrs. Gandhi's own address to secretaries to the Union government recently, she, too, seems to be thinking in these terms.

The "puritans" who have no touch with the political reality would have us believe that the rot started in the first years of independence under Mr. Nehru himself. This is an unacceptable proposition, its implication being that parties can do without contributions which in the nature of things must come either from rich individuals and companies or from rich trade unions as in the case of the British labour party.

The "puritans" must know that for some years we have been face to face with a phenomenon of altogether different proportions. Under Mr. Nehru, ministers did not enter into deals with businessmen who contributed to party funds. They have been doing so for quite some time. Under Mr. Nehru, they did not siphon off funds for their personal use. Of late they have been doing so. Under Mr. Nehru, by and large only those authorised to collect funds for the party did so. Now almost every minister, especially in the states, is engaged in this enterprise. If the sums raised ran into lakhs then, they run into crores now. Only in this field has inflation been more than taken care of.

CONTINUED

The rot in its present form started in 1969 when the Congress leadership decided to ban donations by companies. This opened the sluice-gates for collections of black money. The rise of free enterprise in this field is relatively of even more recent origin. It began with the Janata rule when every minister was a law unto himself and it has continued under Mrs. Gandhi, though only in the states. The formula is simple. Profess loyalty to Mrs. Gandhi day in and day out, criticise the judiciary and the press in the wildest language and amass personal fortunes in the name of the party.

The nature of the malady itself suggests the prescription. Donations by companies must be allowed and only the treasurers of the ruling party in the capital and the states be authorised to approach them for contributions. And we should enact legislation prohibiting men and women in office from setting up trusts and foundations under their own and their family members' control. These measures will, of course, not produce a completely clean public life. But they can help contain the menace which has come to threaten the future of the Indian state.

No task, not even the alleviation of mass poverty, is more urgent than to protect the Indian state. India's future hangs on it. We have suffered grievously in the past for want of a strong state. We shall so suffer again if the state goes into desuetude. The freedom and the civil liberties which we rightly prize cannot survive without a viable state. To vary Mr. Nehru's famous statement: The Indian state is in peril, defend it with all your might.

CSO: 4220/7002

MINISTER RULES OUT LAW TO PROHIBIT CONVERSIONS

Madras THE HINDU in English 16 Sep 81 p 1

[Text]

NEW DELHI, Sept. 15.

The Union Minister of State for Home, Mr. Yogendra Makwana, has ruled out any legislation to prohibit conversion of Harijans to Islam or any other religion.

"It is the fundamental right of every individual to profess the faith he likes and if anybody voluntarily embraces any religion, the Government cannot prohibit it", he said, replying to a five-hour debate in the Rajya Sabha on the recent mass conversion of Harijans in Tamil Nadu.

Mrs. Satyavanimuthu (AIADMK), who initiated the discussion raised the question whether the Government intended to bring forward legislation to prevent conversions.

Individual right: The individual's right to profess any religion was also stressed in the main statement by the Home Minister, Mr. Zail Singh.

He said, "India being a secular State, the Constitution guaranteed liberty of faith, and worship to all citizens and the right freely to profess, practise and propagate religion, provided this right did not contravene the provisions of part III of the Constitution "fundamental rights", and did not impinge upon public order morality and health."

Mr. Zail Singh, however, hoped that the individual's right of conscience would be exercised in an atmosphere free from coercion or inducements.

"Anything that might create social tensions would naturally cause concern and we are confident that the State Governments would take appropriate action, if any violation of law or threat to peace occurs," he said.

Role of Gulf money: During the debate some members referred to reports of monetary inducements, including flow of funds from the Gulf countries, to bring about the conversion.

One member sought confirmation of the reported observation of Mr. Zail Singh and the Minister of State for Agriculture, Mr. R. V. Swaminathan, about the possible role played by petro-dollars in the mass conversion at Meenakshipuram in Tamil Nadu.

But Mr. Makwana replied that the Government had no information of any funds flowing from the Gulf countries. Both Mr. Zail Singh and Mr. Swaminathan had denied the reported observations attributed to them, he said.

Special programmes: Mr. Makwana attributed the conversions to socio-economic factors and recounted the steps taken to ameliorate the socio-economic conditions of the Harijans.

He mentioned about the increase in outlay provided for the special component Plan for the Scheduled Castes and to the increase in the ceiling from Rs. 6,000 to Rs. 12,000 in respect of financial assistance given by the Scheduled Caste Development Corporation to each Harijan as margin money for taking up self-employment schemes.

Mr. Makwana also claimed that the amount earmarked for various programmes for the uplift of the scheduled castes constituted six per cent of the total Plan outlay now. The Prime Minister, the Home Minister and he himself had written to the Chief Ministers to implement the special component plan and other programmes.

Since the problem was socio-economic, the Government should be assisted by religious leaders and others in eradicating untouchability and bringing about equality among all classes of society. The Government would play its part by way of propaganda and giving aid for publishing literature, he said.

Special cell: Referring to Mrs. Satyavanimuthu's suggestion for an effective machinery to prevent atrocities on the Harijans and ensure their safety, Mr. Makwana said a special cell had been created in the Home Ministry to monitor the implementation of various programmes for the uplift of Harijans.

"It was the State Governments' responsibility to ensure safety and protection of Harijans. The Centre had issued the necessary guidelines for this purpose.

Clash between MPs: The debate, in which members belonging to all parties participated, was marked by a clash between Mrs. Satyavanimuthu and the DMK member, Mr. V. Gopalaswami.

When Mr. Gopalaswami alleged that the Tamil Nadu Government had miserably failed to protect Harijans in the State and referred to the death of a Harijan girl in a party office of AIADMK, Mrs. Satyavanimuthu protested and a wordy duel ensued for sometime.

Calm was restored only after persistent appeal by the Vice-Chairman to Mr. Gopalaswami not to bring in DMK-AIADMK politics.

There were also heated exchanges between some Congress (I) members and Mr. B. D. Khobargade (RPI) when Mr. Khobargade referred to Vedic sanction to the Caste system. He was shouted down by the Congress (I) members who alleged that he was misquoting the scriptures.

Caste Hindus blamed: The point made by most members was that the caste Hindus themselves were to be blamed if the Harijans chose to embrace Islam or other religion. They alleged that the caste Hindus, who now made a furore over the conversion, had treated the Harijans as untouchables and perpetrated atrocities on them for decades.

"What were the religious heads, who now show concern for the Harijans, doing all these years?" asked some of the Harijan members.

The Opposition members charged the Government with having failed to eradicate untouchability and bring about social equality even after 35 years of independence.

CSO: 4220/7006

PRO-KHALISTAN SIKHS DOING 'IRREPARABLE DAMAGE'

Madras THE HINDU in English 16 Sep 81 p 8

[Editorial: "Aggressive Extremism"]

[Text]

WHAT THE UNION Home Minister, Mr. Zail Singh, said about the Khalistan demand in Punjab at a meeting of the consultative committee of members of Parliament attached to his ministry is a indication of the Centre's concern, belated as it is, over certain dangerous developments in the State. The complacent attitude adopted by the higher-ups towards the protagonists of a separate homeland for the Sikhs — described as a microscopic minority by the Home Minister — now seems to be totally unwarranted. Lala Jagat Narain was vigorously pleading against any further vivisection of Punjab, and he has been brutally done to death. If only the authorities had nipped in the bud provocative activities of the extremist sections, among the Sikhs, things would not have come to this pass. It was said in the Lok Sabha the other day that the response to the State Government's directive to people holding even licensed arms to surrender them has been poor, and there are perhaps many still holding illegal arms. There is no other way of accounting for the recent spurt of violence. On Independence Day, supporters of Khalistan went to the extent of hoisting their flag after tearing the National Flag in many towns in the State and, instead of tracing the culprits and taking stern action against them, the whole affair was brushed aside as no more than the handiwork of a few frustrated elements raising the bogey of a separate State.

Even granting that the large majority of the Sikhs are not in favour of Khalistan right now as is being repeatedly said by the Chief Minister, Mr. Darbara Singh, the truth is that those who support the idea are doing irreparable damage to the cause of national unity. The Akali Dal which at one time presented a picture of cohesiveness is now a divided house because of the unending internecine quarrels among its top leaders. The organisation is split vertically, one section vigorously advocating the idea that the Sikhs are a nation in the belief that such a populist cry will add to its strength and influence among the masses. A former minister in the Badal Cabinet, Mr. Sukhjender Singh, recently resigned from the general secretaryship of the Dal as well as from its working committee and now sits on the Opposition benches as the sole advocate of Khalistan. A few days ago the sponsors of this demand had the temerity to print and distribute their own currency notes in a bid to establish their credibility. There is no knowing to what extent they would go if their activities are permitted to be carried on unchecked. There obviously is a section which is out to create mischief aided and abetted by certain foreign elements, as the Home Minister has hinted. Members of the Sikh community residing abroad are known to have been actively helping the secessionist movement by providing money, and it is time the Government of India took firm steps to end this aggressive extremism.

CSO: 4220/7006

POOR CONDITIONS IN PAKISTANI REFUGEE CAMP DESCRIBED

Bombay THE TIMES OF INDIA in English 16 Sep 81 p 11

[Text] Raipur, September 15 (UNI). No one ever thought that the Mana camp housing the erstwhile East Pakistan refugees, 15 km from here, would justify its appellation "permanent liability houses."

The refugee camp with about 5,000 inmates has now become a camp of frustrated people dissatisfied with the treatment they get from the government. The future poses a big question mark to the people in the camp.

A UNI correspondent who visited the camp found the inmates barely "existing" on the Rs 40 being doled out to each of them by the government every month.

The sub-human living conditions and inhuman treatment meted out to the refugees by the authorities and outsiders alike have turned many bright and educated young men into criminals.

Gangs of such youths have become a terror to fellow inmates and surrounding villages. Recently, some youths from the camp were caught snatching a gold chain from a woman on a train.

About 1,000 girls go outside the camp daily in search of their livelihood. It is alleged that many have taken to prostitution. Several of them do household chores and petty jobs in private factories.

A security officer who wished to remain anonymous said a strict watch was now being kept on the inmates, and if anyone got a job outside, a written undertaking had to be obtained from the employer to protect the girls.

The inmates came here in 1963 after the war with Pakistan. In March last year, the Centre had asked the state government to administer the camps. An estimated Rs 40 lakhs is being spent annually on the "permanent liability homes" at Mana.

The government is proposing to set up a powerloom in the camp under the district industrial centre next month.

More than 30 per cent of the inmates were born in the camp itself, according to a rough estimate.

A young man said many girls had gone to faraway places like Uttar Pradesh, Bombay and Delhi and many of them had taken to prostitution.

Tara Rani Dey, a 28-year-old woman, told this correspondent that she had been driven to the limits of frustration. "We at the camp are always looked down upon even by fellow Bengalis outside the camp," she said.

Tara said the dowry system existed even among penniless refugees.

"There is no job for us. We cannot get government jobs because we have no Indian citizenship, nor is the government coming forward to set up industries to employ us. We are destined to lead lives like this. No one will ever marry us because of the stigma attached to us," she said.

For 14-year-old Sitanshu Sarkar, the future is dark and bleak. Many of his friends, he said, were taking lessons in riding cycle-rickshaws, a popular mode of transport in Raipur. There are cases of harassment by hooligans, both inside and outside the camps, and also by a few unscrupulous camp officials.

CSO: 4220/7002

PUNJAB, HARYANA HARVESTS THREATENED BY DROUGHT

Madras THE HINDU in English 16 Sep 81 p 8

[Text] The northern region is in the grip of severe drought conditions this year. Paddy, the main kharif crop of Punjab and Haryana, faces large-scale damage which may approximate to the devastation caused by the dreadful drought of 1979. The other kharif crops of these States viz., maize, bajra and cotton are equally hit by drought.

The monsoons virtually withdrew from the region in the middle of August, normally the peak of the rainy season. Monsoons end in this region usually around the middle of September. Even in the first fortnight of August it was below normal rainfall.

Monsoon yielded place to westerly winds which not only lowered humidity but also dried the upper layers of soil in the fields. Evaporation of water increased by about 10 per cent. Paddy plants began to wilt. Saplings sown late were not only stunted but dried on the stalk.

Erratic Supply

The unfavourable weather condition apart, power supply for operating tube wells became erratic annoying the farmers, particularly the small and marginal farmers. Utter ruination of the crop on which they had pinned their hopes, stared them in the face.

The extent of monsoon failure in the predominantly agricultural Punjab and Haryana can be assessed from the total rainfall during July and August in Ludhiana which is the most productive district of Punjab. It was 364 mm against 666 mm during the same period last year, a position typical of the region.

The dry spell has continued relentlessly and the concern of the farmers and the State governments has grown into grim disquiet. Even yagnas etc failed to propitiate the weather gods.

The Central Government and in particular the Agriculture Ministry must naturally be worried in view of the already depleted buffer stock.

In just one decade Punjab and Haryana had become the rice bowl of India, the two States occupying the first and second positions, leaving behind all traditional rice-growing states.

Outcry

There was an outcry from the farmers of the two States for a reasonably adequate and regular supply of power to operate the tube wells of which there are at present 3,75,000 in Punjab and more than 2,50,000 in Haryana.

The Union Energy Minister is believed to have convened a high level meeting, including the Bhakra-Beas management board, at Delhi last week to consider the feasibility of additional releases of water from the Bhakra and Pong reservoirs for a short period, notwithstanding the low level of water in them.

This step was to increase power generation as also augment water flows in the Bhakra canals to grapple with the crisis which had overtaken the farm sector not only in Punjab and Haryana but also in Rajasthan.

Thanks to the measure daily eight lakhs and 10 lakhs units more power was made available in Haryana and Punjab respectively from the first week of September. The HSEB has directed the industries to cut consumption by 10 lakh units daily to make that quantity available to the farmers. The major industrial units would have to save 40 per cent power and fall back upon their own generators to make up the deficit. Some of these units might have to be closed for three to four days in a week.

Appeal to P.M.

The Chief Ministers of the two States have approached the Prime Minister seeking her intervention to ensure the release of an additional 2,000 cusecs and 3,600 cusecs from the Bhakara and Pong reservoirs respectively during the critical period when the paddy crop matures.

The Punjab Chief Minister, Mr. Darbara Singh, has instructed PSEB as well as the district authorities to accord top priority to ensuring uninterrupted power supply to the agricultural sector for at least 12 hours daily. Until a few days back there was discontent over the frequent trippings and low voltage affecting tube well operations not to speak of the fall in water table in some areas making it hardly sufficient for domestic requirements.

Mr. Darbara Singh also issued a personal note to the Divisional Commissioners and Deputy Commissioners to send responsible Revenue and Development department officials to the rural areas to make an on-the-spot day-to-day assessment of power supply to the tube wells and of the over-all condition of the kharif crop. The Deputy Commissioners were also to wire or phone summaries of previous day's reports to the Chief Secretary specifically mentioning the area where power supply duration fell short of 12 hours. The Chief Secretary has been asked to keep the Chief Minister posted with the daily progress in fighting the drought.

Ad hoc estimate of damage

The Haryana Chief Minister, Mr. Bhajan Lal, amidst the political and factional wrangles prior to early next year's elections to the Assembly, is managing to spare time and attention to the anti-drought measures.

According to ad hoc assessments, paddy loss may be of the order of 30 per cent excepting in the amply irrigated areas in the Majha region of Punjab and the Karnal-Kurukshetra belt in Haryana. Damage to crops in some worst hit areas may be as high as 50 per cent. The damaged maize and bajra have been used as fodder. In Bhatinda and Ferozepur districts of Punjab and Hisar district of Haryana cotton crops have been damaged to a large extent.

Maximisation of both canal irrigation and tube well irrigation in some less affected areas has sustained hopes of curtailing drought damage. In fact, there are hopes of a revival of monsoonish spell in the second half of this month, illusory though in the prevailing atmospheric conditions. But the experts in the two agricultural universities of the region would not hazard any opinion of how much of the damaged crop could be salvaged. According to the district authorities, however, the fall in paddy production may not be below 10 per cent of last year's level.

Paddy arrivals in the Punjab and Haryana markets last year were 43 lakh tonnes and 22 lakh tonnes respectively.

Support Price

In view of the damage to the paddy crop the Punjab and Haryana farmers expect the Union Government to come to their rescue fixing a remunerative support price. The Agricultural Prices Commission has recommended Rs 115 per quintal this year as against Rs 105 last year. The two State governments have recommended a support price of not less than Rs 130 per quintal.

The Punjab Government has suggested to the Union Food and Agriculture Ministry that FCI should procure 65 per cent of the market arrivals and the State Government the balance. The FCI wants that as in the case of wheat the State Government should procure 75 per cent. The Union Agriculture Ministry wishes to allocate 50 per cent to each of the two agencies.

The tussle over procurement is because of storage and dehusking difficulties. The dehusking is virtually in the hands of the private trade.

Whatever the decision it will apply to Haryana also.

CSO: 4220/7006

GANDHI SAYS FOOD DISTRIBUTION A MAJOR PROBLEM

Madras THE HINDU in English 15 Sep 81 p 7

[Text] New Delhi, Sept 14.

The Prime Minister, Mrs Indira Gandhi said here today that the country had achieved self-sufficiency in foodgrains, but the major problem was "distribution."

Addressing a group of 25 American tourists who called on her at residence, the Prime Minister said anti-social elements like hoarders, black marketeers and smugglers also added to the country's problems.

"We dealt with them effectively in my previous regime," Mrs Gandhi said and added that the Janata Government, which came to power in 1977 set them free after the detenus made a plea that they were "political prisoners."

Mrs Gandhi told the American tourists that since Independence the country had changed a great deal and achieved self-sufficiency in many fields. "There is all round improvement in the country," she said.

Referring to the severe drought in the country in 1979, the Prime Minister said it had affected the crop last year. Even now some parts of the country were under drought.

Mrs Gandhi said now our farmers were much better off. The country was large and its problems were many. The results of its achievements did not reach everybody.

She told the visitors that there was better prosperity in Punjab, Haryana, Western U.P. and parts of Maharashtra, Andhra Pradesh and Tamil Nadu.--PTI

CSO: 4220/7000

GEOLOGICAL BOARD DISCUSSES 1981-82 SURVEY PLAN

Calcutta THE STATESMAN in English 16 Sep 81 p 3

[Text]

THE annual programme of the Geological Survey of India for 1981-82 was drawn up at a meeting of the Central Geological Programming Board in Calcutta on Tuesday. The programme gives priority to exploration of coal and strategic minerals, geological mapping and exploration of the sea bed. The need for off-shore mineral exploration with the help of some newly-designed research vessels was stressed.

Addressing the meeting, Mr C. S. Swaminathan. Secretary, Department of Mines. Ministry of Steel and Mines, said that efforts would be made to assess the maximum resource potential for geo-thermal power generation. Though power crisis had gripped almost all the countries in the world, the problem was acute in India as it did not have sufficient resources to import oil at the ever-increasing prices.

One of the possible renewable sources was geo-thermal energy, for which the GSI was carrying on investigation, Mr Swaminathan said. A limited potential for power generation had already been identified at Puga in Ladak and in Parvati valley, Himachal Pradesh. Geological experiments were going on at Alokananda valley in the Himalayan region and in the Narmada and Tapti vallies, he said.

A new exploration programme for mercury had been launched by the GSI in the West coast area in collaboration with the National Geophysical Research Institute, the Bhaba Atomic Research Centre and the Indian Navy. Explorations at Arnala island off Bombay coast had indicated the possibility of mercury prospects along the western coast. Moreover, emphasis would be given for research and development of strategic minerals.

A special committee had been formed for this purpose and a new directorate of Special Mineral Project had been set up in the central region at Nagpur. Mr Swaminathan said. Another wing was likely to be set up for the western region very soon he added.

The GSI has placed orders with the Federal Republic of Germany to obtain a sophisticated deep sea research vessel. It might be delivered shortly. India has a two million sqare km of exclusive economic zone offering a tremendous opportunity for search of non-living resources and geo-scientific data. The GSI had already acquired a second hand ship from the Shipping Corporation of India. The ship was now being remodelled. This vessel could be used for the GSI's own exploration work by 1982.

High priority has been given to completion of the systemetic geological mapping of the entire country. About 49% of the country's total area of 3.29 million square km had already been mapped. Mapping of the inaccessible terrains of the Himalayan and North Eastern States had been taken up, he said. Recently, two officers of the GSI met with serious accidents while on a difficult trek in Arunachal Pradesh and another while working in a glacier in Jammu and Kashmir, he added.

Mr V. S Krishnaswamy, Director-General of GSI presented the programme for the year, which was accepted by the Board.

CSO: 4220/7004

CRUDE FLOW FROM NEW WELL OFF BOMBAY DOUBLES

Madras THE HINDU in English 15 Sep 81 p 1

[Text] New Delhi, Sept. 14. The flow of oil from the newly-discovered offshore oil-field ATV B-57, 35 kilometres to the east of the Bombay High, has more than doubled to 2,500 barrels a day (about 334 tonnes) from the earlier 1030 barrels announced earlier.

Both the Oil and Natural Gas Commission (ONGC) and the Union Ministry of Petroleum had expected the flow of oil to go up after the completion of acidisation of the newly drilled well.

The acidisation for which hydrochloric acid is used for cleaning up the pores has since been completed and according to the latest reports reaching the Petroleum Ministry, the flow of oil has gone up to 2,500 barrels.

It is hoped that the rate of flow will go up still higher since the testing of oil in the intervening zones is yet to be completed.

At the present rate, the annual production from this well alone would approximate to around about 1.20 lakh tonnes, which will be worth nearly Rs 28.35 crores at current international prices.

As per the 1980-85 Sixth Plan of the ONGC, two more contract seismic parties, apart from ONGC's own seismic survey ship, "Anveshak" are planned for deployment to cover the eastern and western continental shelf and slope areas. A total of 95 exploratory wells are planned to be drilled in the offshore areas for exploration purposes.

The ONGC's plan to step up offshore oil production from 8.5 million tonnes in 1981-82 to 19.12 million tonnes in 1984-85 has been submitted to the Government. The ONGC is also preparing plans for increasing oil production in the north-eastern region.

CSO: 4220/7000

MP'S DISCUSS 'DISMAL' PERFORMANCE OF UREA UNITS

Bombay THE TIMES OF INDIA in English 16 Sep 81 p 8

[Text]

NEW DELHI, September 15.

MEMBERS from both sides of the Lok Sabha today expressed concern at the Rs. 171.23-crore loss sustained by the seven public sector fertiliser companies last year and blamed the managements for the poor performance.

The members specially dwelt on the adverse impact of the failure of the companies to raise fertiliser production on the economy. While on the one hand foreign exchange was being frittered away in fertiliser imports, farm output was also suffering owing to the shortfall in fertiliser supplies.

Through supplementaries, during question-hour, the members said the performance of most fertiliser units in the country was 'dismal' and this was due to the fact that the management of the factories continued to remain under bureaucratic control.

Replying to the members, Mr. P. C. Sethi, minister for petroleum, chemicals and fertilisers, disagreed with the view that the poor performance was due to bureaucratic control. He pointed out that the personnel for the management of the units were selected by the bureau of public enterprises.

CAUSES OF POOR OUTPUT

The minister listed the causes of the poor production in the fertiliser factories as non-availability of feedstock due to the Assam agitation, power cuts imposed by the state governments and shortage of inputs like coal. Equipment problems and design constraints were the other factors.

The members, however, did not seem to be fully convinced. Mr. Chandrajit Yadav said the production in some factories was as low as seven per cent of the installed capacity. All the factors, mentioned by the minister/ he thought, could not account entirely for this state of affairs.

Mr. Yadav said lack of planning and co-ordination were the main reasons for the shortfall in production. These factors were responsible for the heavy losses. Consequently, the country was suffering.

Mr. A. K. Roy (Ind) also felt that there was a woeful lack of planning and co-ordination. He said the two fertiliser plants at Sindri and Durgapur were located in the coal belt and yet they were based on gas. Was the government considering changing them into coal-based units? he asked.

Mr. Sethi said the two coal-based plants at Talcher and Ramagundam had been set up only recently and a decision on installing more coal-based units would depend on their performance. He pointed out that the cost of production of coal-based plants was higher than those of gas-based plants. And since gas was available, it was decided to set up such units at Sindri and Durgapur.

The minister, however, conceded that the fertiliser plants were facing problems. The plants at Sindri and FACT in Kerala were very old. There was no point in trying to modernise FACT. The Durgapur plant was a "sick child".

NITROGENOUS FERTILISERS

Mr. Sethi nevertheless claimed that the performance of the public sector units was improving with the removal of some of the bottlenecks. The production of nitrogenous fertilisers was expected to touch 30 lakhs tonnes this year against 20 lakh tonnes last year.

He said the performance of the plants was not uniformly bad. For example, the production of the Madras plant was 98.6 per cent of the rated capacity. Additional projects were under implementation. It was proposed to start work on eight new nitrogenous and 11 new phosphatic plants during the sixth plan.

However, even with the expected yield of 65 lakh tonnes of nitrogenous fertilisers at the end of the sixth plan, the country would have to continue to import fertilisers.

CSO: 4220/7002

UREA UNITS CLOSED TO GIVE POWER TO IRRIGATION

Bombay THE TIMES OF INDIA in English 16 Sep 81 p 8

[Article by G. K. Pandey]

[Text]

NEW DELHI, September 15.

THE government has been forced to shut down two of its outstanding fertiliser plants at Bhatinda and Nangal in order to provide more power for irrigational purposes, it is authoritatively learnt.

Although the closure of these plants would mean heavy losses in fertiliser production, the government has apparently taken this drastic step keeping in view the enormity of the problem created in the wake of prolonged dry spell.

The closure of the plants would mean a loss of 2,700 tonnes of urea (Rs. 60 lakhs) per day. Besides, the sudden shut down of the plants is dangerous for the sophisticated machinery and equipment.

Dr. M. S. Swaminathan, member, planning commission, who is an authority on agriculture, told this correspondent that the decision to shut down the Nangal and Bhatinda plants had been taken keeping in view "the alternative competing demands."

Dr. Swaminathan said at least a million tonnes of additional rice could be ensured by providing the much-needed water to the standing paddy crop.

CRISIS SITUATION

The prolonged dry spell, lasting over six weeks, has created a crisis situation. Severe cuts have been applied in the supply of power to industrial and other consumers from the northern grid. And if necessary, more cuts in power supply to other than the agriculture sector would be applied to save the paddy crop.

Agricultural experts are of the firm view that with assured irrigation, the standing paddy crop in the surplus states of Punjab and Haryana can be saved. It is stated that during 1978-79 when the country suffered one of the worst drought conditions, there were practically no losses in paddy output in Punjab because over 90 per cent of the area is irrigated.

Sources here point out that since adequate supplies of diesel and power have now been ensured, losses in production would be minimised. However, no one is inclined to hazard a guess at this time regarding the extent of loss in paddy output because of the failure of rains.

The attainment of food target of 138 million tonnes fixed for the current year has assumed added significance because of the sharp decline in the official foodgrains inventory. Against 18 million tonnes last year, the food inventory at this time is around 14 million tonnes.

In order to control market prices and to keep sufficient stocks of foodgrains to meet the requirement of public distribution system the government had decided to import 1.5 million tonnes of wheat from the U.S. The first shipment of wheat from the U.S. is expected to touch Indian shore in the next couple of days.

CSO: 4220/7002

BRIEFS

CONTRACTS FROM LIBYA--New Delhi, Sept 14--The National Buildings Construction Corporation (NBCC) has secured new contracts in Libya valued at over Rs 200 crores. These include construction of public buildings at Ghat, Fivet, Berkat, Gatrone and Mazruk area (Rs 95 crores), road construction at Ghat, Fivet and Barkat (Rs 65.5 crores) construction of 225 houses at Ghat and Viet (Rs 35 crores) and roads illumination work in Beniwalid area (Rs 4.5 crores). With these new contracts, the project export of NBCC have increased to Rs 400 crores. A few other offers of the Corporation for the construction of an electrical institute at Zilton, air strips, farm roads and township at Misurata valued about Rs 400 crores are under negotiation. [Text] [Madras THE HINDU in English 15 Sep 81 p 7]

KULABA AIRSTRIP PLANS--New Delhi, September 15--The permission to construct an air-strip at Kudal in Kulaba (now Raigarh) district was given in March last to the Maharashtra Industrial Development Corporation, subject to clearance from the Indian Air Force and the navy. This was disclosed today in a written reply by the minister of state for tourism and civil aviation, Mr Chandulal Chandrakar, to Mrs Margaret Alva (Congress-S). The request of the MIDC was to facilitate local people to get the facility of air travel, it was stated. The civil aviation department has no information about the land acquisition proceedings for the airstrip and complaints from landowners. [Text] [Bombay THE TIMES OF INDIA in English 16 Sep 81 p 5]

INDO-AFRICAN SOLIDARITY COUNCIL--New Delhi, September 15--A new organisation to promote relations between India and the African countries has come into being under the presidentship of Mr S. S. Mohapatra, M.P. and general secretary of the all-India Congress committee. The Indo-African solidarity council held a reception last night for the heads of African mission and the representative of the African National Congress. Several MPs and ministers were present. Mr Mohapatra said India under the leadership of Mahatma Gandhi and Jawaharlal Nehru had fully supported the African freedom struggle. Mrs Indira Gandhi had, in the same tradition, taken every opportunity to demonstrate India's solidarity with the African nations fighting against the colonial rule. [Text] [Bombay THE TIMES OF INDIA in English 16 Sep 81 p 5]

SHEIKH REJECTS INTELLIGENCE BUREAU--Srinagar, Sept 15--The Jammu and Kashmir Chief Minister, Sheikh Abdullah, said that he had not accepted the jurisdiction of the Intelligence Bureau over the State, reports UNI. "Why cannot our own agencies be trusted"? he asked while speaking in the State Assembly over a

motion, seeking extension of time for the presentation of a select committee report on a private member's Bill. He added "India is our homeland and we must be proud to call ourselves Indians." [Text] [Calcutta THE STATESMAN in English 16 Sep 81 p 9]

SUPPORT FOR JUTE--New Delhi, Sept 15--The Government today announced cash compensatory support of 7.5% of the FOB value for jute cloth and hessian with effect from today. It was announced that the matter had assumed urgency because exports of hessian were not picking up and there was a recessionary trend in the world market. The decision follows a detailed review of the jute industry's problems by the Commerce Ministry. [Text] [Calcutta THE STATESMAN in English 16 Sep 81 p 9]

WIRE ROD SHORTAGE--Mr Umesh Kumar Modi, chairman, Steel Wire Manufacturers Association of India, said in Calcutta on Tuesday that mild steel wire rods, the basic material required to manufacture steel wires, continued to be in short supply. Talking to reporters, he said that a major producer of wire rods in the country was the Bhilai Steel Plant, which could hardly meet 25% of the requirements of the steel wire industry. Under the circumstances, he suggested, that the Government continue its present policy of allowing imports of wire rods under the O.G.L. to avoid a raw material crisis for the steel wire industry. Mr Modi said that the Government had already increased the Customs duty and countervailing duty on imported rods, giving sufficient protection to the indigenous producers. The landed cost of imported rods was about Rs 5,100 a ton, against Rs 4,650 for indigenous products. Thus, the imports, if continued, would not create any problem for the producers in the country to sell their products. Mr Modi also referred to the difficulties being faced by stainless steel manufacturers mainly because of the increase in import duty on stainless steel wire rods to 80%. [Text] [Calcutta THE STATESMAN in English 16 Sep 81 p 9]

SOVIET SHIPPING TEAM--Representatives from the Soviet shipping line, Blasco, and the Russian trade visited the container terminal at Calcutta port on Monday to explore the possibility of increasing container traffic between Indian and Russian ports. The members of the delegation held discussions with the chairman of Calcutta Port Trust, Mr R. H. M. D'Silva and the General Manager. Mr M.K. Verma, Port Trust sources said that the Russian experts had been satisfied with the improvements made at the container terminal at Calcutta during the past eight months. The Russians indicated that a gearless cellular ship, carrying 772 containers would regularly call in this region once every six weeks from the end of 1981. They raised the issue of transporting containers between Calcutta and Haldia by the river route and requested the Port chairman to rationalize the container-handling rates at Calcutta to bring it on a par with the prevailing rates at other Indian ports. [Text] [Calcutta THE STATESMAN in English 16 Sep 81 p 9]

ASSAM 'SETTLEMENT' OPPOSED--New Delhi, Sept 15--Prominent leaders of Leftist parties met Mrs Gandhi here today and expressed their "Opposition" to the reported "settlement" on the Assam issue between the Government and the agitation leaders, reports UNI. The leaders submitted a joint memorandum. They are understood to have told Mrs Gandhi that they had learnt from Press reports about a series of confidential talks between the Cabinet Secretary and between

the Cabinet Secretary and the representatives of the Assam agitators and that a final agreement was likely to be reached by the time present Parliament session ended. The memorandum questioned the validity of any such consultations held after the terms of settlements and added "such consultation will be meaningless." [Text] [Calcutta THE STATESMAN in English 16 Sep 81 p 16]

TEAM TO PRC--New Delhi, Sept 15--A further evidence that China intends to follow an "open door" policy was the departure of a four-member Indian delegation to Beijing during the weekend to observe ecology, environment and conservation at the invitation of the People's Republic Government. The members will study flood control, soil erosion, curbs on noise pollution in urban areas and afforestation. The visit, which is to last three weeks, will take the delegation to several remote parts of the country. Since the problems are akin to those prevailing in this country, the team's observation will evoke considerable interest here. The members are Mr B. B. Vohra, chairman, National Committee on Environmental Planning, Mr L. M. Nath, member Indian Wildlife Board, Mr Digvijay Singh, MP and Mr Dalip Mathai. [Excerpt] [Calcutta THE STATESMAN in English 16 Sep 81 p 16]

SOCIALIST LEADER DIES--Bombay, Sept 16 (PTI)--Socialist leader, D. S. Thakur, was killed in an accident here last night. He was 61. He is survived by his wife and three sons. The jeep in which Mr Thakur was travelling collided with a state transport bus in central Bombay yesterday. He was thrown out of the jeep and removed to a private clinic where he breathed his last. [Text] [New Delhi PATRIOT in English 17 Sep 81 p 4]

CSO: 4220/7001

BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesian personalties has been extracted from Indonesian language sources published in Jakarta.]

MAJ GEN H SUKAJI--The chief justice of the Indonesian Supreme Court, Maj Gen (retired) Dr Haji Sukaji Hendrotomo, on 15 July 1981 died peacefully at Gatot Subroto Hospital in Jakarta, after being treated for more than a month for an illness which he suffered. The deceased was buried on 15 July at Kalibata Heroes Cemetery in Jakarta. The deceased was 56 years old when he died, leaving a wife, three sons, and three daughters. The last position which the deceased held in the military field was that of chief justice of the armed forces in the Ministry of Defense and Security. The educational background of the deceased included attendance at the Military Justice Academy in 1959, the Military Justice Graduate School in 1963, and the Army Staff and Command School in 1966. Decorations which he held included the Guerrilla Star, the Eight Year Service Star [Bintang Sewindu], the 16-year Service Medal, the Independence War Medal I and II, Military Operations Medals I to V, the Dwidya Sitha Medal, the Good Conduct Medal, and the Kartika Eka Paksi Medal III. [Excerpts] [Jakarta HARIAN UMUM AB in Indonesian 16 Jul 81 p 2] 5170

MAJ GEN RAIS ABIN--Maj Gen Rais Abin, presently assistant for general plans at the Ministry of Defense and Security, has been appointed Indonesian ambassador to Malaysia. He replaces Ambassador Makmun Murod, who has completed his tour of duty. Rais Abin became well-known when UN Secretary General Kurt Waldheim, with the agreement of the governments of Indonesia, Egypt, and Israel, appointed him as commander of the UNEF (United Nations Emergency Force) in the Middle East. He held this command for two years (1977-1979). Before serving in the Middle East, Rais Abin was deputy commander of the Army Staff and Command School In Bandung. Rais Abin was born on 15 August 1926 in Bukittinggi. He has three children: two daughters and one son. His wife, Dewi Rais, is well-known in her own right as a reporter and a writer. [Text] [Jakarta KOMPAS in Indonesian 17 Jul 81 p 12] 5170

BRIG GEN DR H ASWASMARMO--Brig Gen Dr H Aswasmarmo was appointed to the post of secretary general of the Ministry of Religion of President Soeharto in presidential decision letter [SK] No 128/M dated 14 July 1981. The post of secretary general of the ministry had been vacant since 16 June 1981, when the previous incumbent, Dr Marah Ali Siregar, died. Brig Gen Aswasmarmo was previously fourth assistant to the minister of state for the control of the state apparatus, who is concerned with the security of operational tasks. [Excerpts] [Jakarta KOMPAS in Indonesian 24 Jul 81 p 2] 5170

H ABDUL QADIR BASALAMAH--H Abdul Qadir Basalamah was appointed to the post of inspector general of the Ministry of Religion by President Soeharto in presidential decision letter [SK] No 128/M dated 14 July 1981. The post of inspector general of the ministry had been vacant since 16 June 1981, when the previous incumbent, Dr Marah Ali Siregar, died. Inspector General H Abdul Qadir Basalamah is a senior official of the Ministry of Religion who once held the post of attache for pilgrimage affairs in the Indonesian Embassy in Jiddah. [Excerpts] [Jakarta KOMPAS in Indonesian 24 Jul 81 p 2] 5170

DR AHMAD ARIF--The post of director general of penal administration in the Ministry of Justice on Monday [27 July] was transferred from Dr Ibnu Susanto to Dr Ahmad Arif. Ahmad Arif, who was born in Semarang on 18 September 1928, initially held the post as chief of the Employees Education and Training Center of the Ministry of Justice. Before becoming chief of the Employees Education and Training Center [KAPUSDIKLAT] he was a "Penal Administration man" with the post of secretary of the Directorate General of Penal Administration. He graduated with a law degree from the University of Indonesia in 1958. Later he obtained a master's degree in public administration from Indiana University, in the United States, in 1962. After serving in the government for 25 years he is now classified as a senior official (IV-d PGP). [Excerpts] [Jakarta KOMPAS in Indonesian 28 Jul 81 p 12] 5170

DR IBNU SUSANTO--In the course of transfer of the post of director general of penal administration in the Ministry of Justice on 27 July from Dr Ibnu Susanto to Dr Ahmad Arif, the minister of justice, Maj Gen Ali Said, said that Dr Susanto had made a major contribution to national development during the time he held the post. His work provided a strong and useful foundation for the future functioning of the Directorate General of Penal Administration. It is not yet clear what will be Dr Ibnu Susanto's next assignment. Before becoming director general of penal administration six years ago, Dr Susanto was secretary of the National Law Development Body [Badan Pembinaan Hukum Nasional]. [Excerpts] [Jakarta KOMPAS in Indonesian 28 Jul 81 p 12] 5170

DONO INDARTO--The chief of staff of the Indonesian Air Force, Air Marshal Ashadi Tjahjadi on Wednesday [29 July] at the Air Force section of the Armed Forces Academy in Yogyakarta presided over the retirement ceremony of 13 senior Air Force officers. Included among them was Dono Indarto, who at present is still chief of the National Search and Rescue Organization. [Excerpt] [Jakarta KOMPAS in Indonesian 30 Jul 81 p 12] 5170

PROF DR BUYA HAMKA--The grand ulama [religious teacher] of Indonesia, Prof Dr Buya Hamka, on Friday [24 July] died at age 73. Buya, who was born on 17 February 1908 in Sungai Batang, near Lake Maninjau in West Sumatra, had been under treatment for a week at the Pertamina Hospital. He was suffering from heart disease, inflamed lungs, and an obstruction in a blood vessel of the brain. Prayers for him will be recited at the Al Azhar Mosque. The full name of the deceased was Abdulmalik bin Abdulkarim bin Amrullah bin Abdullah bin Shalih, but he was better known by the name of Hamka. Buya Hamka, the highest-ranking ulama who had many followers as the senior imam of Al Azhar Mosque and as general chairman of the Indonesian Council of Ulama, resigned from these positions on 19 May 1981. He entered the Pertamina Hospital on Friday, 17 July. When they heard that Buya Hamka was being treated at the hospital, many community leaders and government officials came to visit him. All of them prayed that Buya Hamka might recover quickly from his illness. [Excerpts] [Jakarta PELITA in Indonesian 25 Jul 81 p 1] 5170

DIDIN S DAMANHURI--Didin S Damanhuri (28 years old) was born in Talaga-Majalengka, West Java. He is a graduate of the Faculty of Economics of Padjadjaran University, having majored in general economics. He is presently working as a staff researcher for the Economic and Social Research, Education, and Information Council (LP3ES) in Jakarta and is teaching at the Bogor Agricultural Institute [IPB]. Since 1978 he has been a staff researcher at the Center for Research on Economic Sources of Power (PPES) at the Faculty of Economics of Padjadjaran University. He has written numerous articles on economic, social, student/university questions for KOMPAS, PIKIRAN RAKYAT, PUSTAKA [Bandung Technological Institute], SALEMBA, and other publications. As a member of a Padjadjaran University team, he participated in writing for the Research Study Project of the National Defense and Security Council. His study was entitled, "Comparison Between Indonesian Economic Concepts and Economic Concepts Based on Liberalism and Socialism" (1978). He wrote a study for the Research and Development Center of the Ministry of Internal Affairs, entitled, "Ideologies and Their Implementation and Development in the Life of the State (Economic Sector)" (1978). He was a member of the Student Senate in the Faculty of Economics at Padjadjaran University (1973-1974); general chairman of the Padjadjaran University Student Council (1977); editor of the student newspaper IDEA (1976); and an editor of ECONOMIA (1974). He took a graduate course in "Cooperative Economic Science" at Marburg University in the Federal Republic of Germany, in the framework of a cooperative project between the Faculty of Economics of Padjadjaran University and Marburg University (1980). [Text] [Jakarta PRISMA in Indonesian No 5, May 81 p 88] 5170

NURIMANSJAH HASIBUAN--Nurimansjah Hasibuan was born in Talu (West Sumatra). He graduated in 1967 with a degree in the economics of industry from the Faculty of Economics of Krisnadwipayana University. He taught at the Jakarta Senior High School (1963-1968) and from 1969 to the present has been a staff instructor at the Faculty of Economics of Sriwijaya University. In addition to carrying on research and attending seminars he has been assigned to participate in development planning in South Sumatra (1973 and 1978) and in Jambi (1973). In 1976 he did higher studies on higher education, regional economies, and the measurement of defects in the division of income at the Faculty of Economics of the University of New South Wales in Australia. He was a member of the National Development Commission at the coordination meetings of the National Defense and Security Council (1977-1978). At present he is engaged in graduate studies at Gadjah Mada University. He has written a number of articles for EKONOMI DAN KEUANGAN INDONESIA, MASYARAKAT INDONESIA, SUARA GURU, INDONESIAN QUARTERLY, and KAMI [student newspaper] (1970-1973). [Text] [Jakarta PRISMA in Indonesian No 5, May 81 p 88] 5170

SAYAHNIAR MAHNIDA--Syahniar Mahnida was born in Labuan Deli. He is a lawyer and an instructor in the lawyer's assistant course sponsored by PERADIN [Indonesian Lawyers' Union], and is also director of the course and of the educational program of the Legal Assistance League. He graduated with a degree in law from the Faculty of Law of the University of Indonesia in 1971. He was a member of the board of GASBIINDO [Association of Indonesian Islamic Trade Unions] (1966-1967) and a defense attorney for the Legal Assistance League (labor section). From January to February, 1967, he observed labor activity in the Federal Republic of Germany. [Text] [Jakarta PRISMA in Indonesian No 5, May 81 p 88] 5170

T MULYA LUBIS--T Mulya Lubis was born in Muara Botung (North Sumatra) in 1949. He is the director of the Legal Assistance League (LBH) in Jakarta. He graduated from the Faculty of Law of the University of Indonesia (1974). He later took a master's degree at the University of California in Berkeley, in the United States, graduating in 1978. For one year he was a visiting scholar at that university. His other positions include that of a staff instructor at the Faculty of Law of the University of Indonesia and a staff member of the Center for the Study of Law and Economics in Jakarta. [Text] [Jakarta PRISMA in Indonesian No 5, May 81 p 88] 5170

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CSO: 4213/92

NEW UNITS FORMED TO COMBAT SOUTHERN INSURGENCY

Bangkok THE NATION REVIEW in English 15 Aug 81 p 10

[Text] **DESPITE repeated government claims of heavy casualties suffered by southern communist insurgents since the beginning of the year, the recent announcement to form two more counter-insurgency units in the South apparently indicated official concern over the nagging problem.**

It is no secret that terrorism in the South is unique and more complicated than those in other regions. The region is not only plagued with communist guerrillas, but also infiltrated by southern separatist movements and the Communist Party of Malaya (CPM).

Officials in the Fourth Army Region said about 20 separatist movements have been actively moving in the southernmost provinces of Pattani, Narathiwat, and Yala with a common aim of secession.

Meanwhile, the area of operation by CPM is the border province of Yala which is regarded as a major sanctuary and springboard for the communist Malays, according to the sources.

The complexity of the problem has prompted the government to set up a special unit assigned to directly cope with the problems related to terrorism.

The unit, named the Southernmost Province Administration Centre (SPAC) is empowered to overrule the provincial administrations in Songkhla, Yala, Pattani, Narathiwat, and Satun.

The powerful SPAC is directly under the command of the Fourth Army Region Commander Lt Gen Juan Wannarat who is responsible to Prime Minister Prem Tinsulanonda so far as the security problem in the South is concerned.

The formation of SPAC was a clear indication of government efforts to handle the problems which the provincial administrations could not possibly solve, the source said.

Apart from SPAC, the Fourth Army Region also set up special combined forces – codenamed Civilian-Police-Military units or CPM units – to directly cope with insurgency in the 14 southern provinces.

So far there are three such combined units: CPM 41, CPM 42, and CPM 43 to maintain security in their respective provinces in the South.

The government recently announced that two more of such units would be formed in October this year "to deal with the worsening situation in the South. The new units – CPM 44, and CPM 45 – will be reportedly responsible for the areas in Chumphon, Ranong, Trang, and Phatthalung provinces.

CPM 41, CPM 42 and CPM 43 are now responsible for Phatthalung, Trang, Nakhon Si Thammarat, Chumphon, Surat Thani, Ranong, Phuket, Phangnga, Krabi; and Pattani, Yala, Narathiwat, Songkhla and Satun respectively.

The setting up of the two new CPM units means lesser area of jurisdiction for each of the units and an overall increase in the reinforcement for the South.

Military sources said the 28 companies of volunteer rangers

posted in the South would be shortly reinforced with 15 new companies — a clear indication of intensified activities by terrorists.

Despite official claims of successive victories over communists, senior military officials admitted renewed attempts by the insurgents to extend their operation area northward.

The trend, admittedly, has alerted the military men and is believed to be the main cause for the plan to set up two new CPM units.

A report of the Fourth Army Region might possibly reflect the thoughts of government officials towards the new trend. It said: "Southern communists tended to expand their operation areas to Chumphon, Ranong, Phangnga, and Krabi provinces and the setting up of provincial committees by the communists in these provinces could not be ruled out."

A high-ranking official in the Fourth Army Region told *The Nation:* "We have got to nip it in the bud. We believed that their efforts were aimed at cooperation with Burmese Communists.

He added that communist parties in the region were forced to be more cooperative with one another because of the shift in the policy of China which tended to give them less support.

The Communist Party of Thailand did not only try to link its operation with Burmese communists, it also attempted to expand its influence southward to effect closer cooperation between CPT and CPM by reducing the influence of southern separatist movements, the same source said.

Southern communists have so far established provincial committees in the four areas of Surat Thani, Nakhon Si Thammarat, Phatthalung-Trang-Satun, and Songkhla.

The announcement of the new combined forces thus reflected the thinking of senior military men in the South that military attacks were a major factor in suppressing communist insurgents — though Prime Minister Prem Tinsulanonda's policy of having politics leading military in dealing with communist expansion of influence.

As Fourth Army Region Commander Lt Gen Juan put it recently, if we have only good political policy without strong military forces, then our country could not survive."

CSO: 4220/15

PRK MEDICAL PROBLEMS, ACHIEVEMENTS NOTED

Hanoi VIETNAM COURIER in English May 81 pp 6-7

[Text] TWO years have elapsed since Pol Pot's genocidal regime collapsed. Observers of all political complexions have testified to the country's rapid recovery. The medico-sanitary efforts deployed have played a central role in this process, and are all the more impressive that they took place within the context of a society shaken to its very roots.

Upon liberation the population suffered from denutrition and grave deficiencies resulting from four years of forced labour and acute food shortages. Cases of cholera were reported in several provinces. Malaria and tuberculosis were rife.

All maternity homes, all the country's 62 hospitals and research centres had been left to waste, and their buildings and equipment smashed. The same was true of the Medical and Pharmacological Faculty, and all the secondary medical schools. There were practically no stocks of medicines. Teachers, doctors and nurses had suffered the same fate as the rest of the population: some were massacred right at the beginning and the others, driven out of the towns and forced to do hard labour, were killed or died of disease and exhaustion. The breakdown of survivors in January 1979 was as follows: 56 doctors, 28 dentists 29 pharmacists, 249 midwives and 716 State nurses. Not a single one of the country's 19 "agrégé" lecturers had escaped the massacre. All the survivors were spread throughout the countryside.

Pol Pot only tolerated "barefoot doctors", trained in three months. Indeed he claimed, in a report to the cadres of the Eastern provinces, that "to know how to read, to know French are not necessary; social origin alone is important. Cultural levels are of no significance, as they will not help us cure people". As a result, 80% of patients died in these "hospitals".

These are the ruins on which Kampuchea undertook to build a new medico-sanitary system which now covers the whole country, with the aim of serving townspeople and country people alike. To this end the people's energies were mobilised around the surviving medical personnel, while the international aid was used to best effect.

Very rapidly hospitals were restored and re-opened in Phnom Penh and all the provincial and district centres. Phnom Penh has 8 centrally-run hospitals, including one specialising in paediatrics and another in tuberculosis Some provinces, such as Koh Kong, Battambang, Kompong Cham and Pursat, even have two hospitals each. 90% of the villages (1,148 out of 1,286) have infirmaries and maternity homes. Not counting the latter, the country now has 6,000 hospital beds (1).

Emphasis has also been placed upon training hospital staff.

The survivors were immediately dispatched to the various hospitals by the Health Ministry. By July

1979 a central nursing school had opened in Phnom Penh to train auxiliary staff. One year later, 256 nurses graduated there. Provincial schools were also opened. After one year's preparations, the Medical and Pharmacological Faculty re-opened on 7 December 1980, attended by the surviving students: 506 medical students and 222 pharmacology students, spread amongst the various years, up to the 6th in medicine and the 5th in pharmacology. In June 1980, 8 doctors of medicine and 9 pharmacists graduated, and 27 and 18 respectively in January 1981. The teaching medium was French. A commission was set up to elaborate a curriculum in the Khmer language for the first year of the coming academic year.

In 1981 Kampuchea has 160 Doctors of Medicine, dentists and pharmacists. All included, there are about 10,000 medico-sanitary staff at all levels.

Three pharmaceutical factories have been restored. Production in the first two years reached 150 tonnes of injectable serums, of various medicines in the form of ampoules, pills, syrups, eye-washes, etc. The provincial hospitals try to produce serums and medicines themselves. The pharmaceutical departments set up have processed 2,500 tonnes of international medical aid in medicines and equipment.

The medical staff has got down to the job of restoring the population's health with truly revolutionary ardour. Ten million cases have been dealt with and prescriptions given. The hospitals have admitted several tens of thousands of patients. Mass vaccinations prevented a cholera epidemic in May 1980. Measures to counter malaria were taken right from the start. Following the initial emergency measures, a national, long-term programme was launched with the help of Vietnamese experts. Anti-tuberculosis teams were organised, and are working with help from the WHO.

The measures, achieved in record time, are all to the credit of the Kampuchean staff, of the leadership of the National United Front and the People's Revolutionary Council, without ignoring the crucial role of international aid, of Vietnam, the USSR, the other socialist countries, and of international organizations such as UNICEF, ICRC, OXFAM, etc. In particular, right from the start, the Vietnamese Ministry of Health sent medicines, medical equipment and, above all, a sizeable contingent of doctors and technicians to help their Kampuchean colleagues treat patients, stop epidemics, restore hospitals, train personnel and organize the medico-sanitary network.

However, two years are not enough to eliminate the consequences of a regime such as Pol Pot's. Social diseases are still rife: malaria, tuberculosis, trachoma, psychic ailments, etc. Everywhere present, the medico-sanitary network must nevertheless be further consolidated. Pharmaceutical production is far below the levels required.

Kampuchean cadres are busy consolidating the network and expanding it with centres of epidemiology and prophylaxis, of malaria and tuberculosis prevention, while constantly seeking to improve the personnel at all levels.

Prophylaxis and general hygiene are emphasized, along with protecting the mother and child. The aim is to progressively eliminate malaria, to get tuberculosis and other social diseases under control and take steps to prevent them. The manufacture of drugs from local raw materials is encouraged, as well as the study of traditional medicine.

The Kampuchean people is courageously confronting these difficult and complex tasks. And doubtless the international community will continue to provide a much needed and appreciated help.

LE VIET CHUNG

CSO: 4220/15

OVERVIEW OF ECONOMIC PERFORMANCE

Karachi BUSINESS RECORDER in English 5 Aug 81 pp 2, 5

[Text] With a per capita income of $90 (1979 estimate), the Lao People's Democratic Republic is one of the poorest nations in the world. The country is landlocked and, except for a strip of varying width along the Mekong River is mountainous. Transport within the country, as well as to the sea, is difficult and costly. These geographical characteristics and the sparse population have resulted in a highly fragmented pattern of relatively isolated zones of economic activity. Agriculture absorbs most of the local labour force; industrial activity is minimal.

The low income of the country is also in part the result of Lao socicpolitical history. With some interruptions, Laos has been beseiged by armed conflict over nearly three decades, leaving in its wake destruction of productive assets and profound structural distortion. During these years the rural population, attracted by employment opportunities and safety, migrated in large numbers to the cities. While output in agriculture and forestry—the mainstays of the economy—stagnated, or fell, economic activity in the urban areas expanded rapidly because it was mainly geared to the servicing of the needs of a large high-income expatriate community and of a growing civil service. Exports covered only 10 per cent of imports in the first half of the 1970s, and the current account deficit of the balance of payments, equivalent to about a quarter of gross national produc (GNP), was entirely financed by aid programmes. Large aid programmes permitted Laos to absorb most of the liquidity in the economy through budget deficits, as well as to maintain an exchange and trade system relatively free of restrictions. The result was a reasonably good price performance.

The end of the conflict in Indo-China in 1975 coincided with an abrupt reduction in both the size of the foreign community and external assistance from non-socialist countries. Simultaneously local managers, trained civil servants, and foreign expert fled the country in lare numbers, leaving behind a dismantled administration and an idled production base. The priorities of the Government that came into power at the end of 1975 and created the Lao People's Democratic Republic were the resettlement of early a third of the population in their areas of origin, the establishment of a new administration, the creation of job opportunities and the revival of domestic production capacity.

Economic Reforms of 1980. Although progerss had been achieved by the end of 1979 in several areas (output, exports, prices, and control of public outlays), the economy continued to suffer from low yields in agriculture, large urban unemployment, and severe price distortions. Free market prices were still multiples of official prices, which discouraged output and exports and prevented an efficient allocation of budgetary resources. Indeed, 25 per cent of budget expeditures was for consumer subsidies and the financing of the losses of inefficient state enterprises. The weaknes of the financial position of state enterprises was due mainly to their low levels of activity and to pricing policies that prevented costs from being passed on to the prices of final products. Moreover, the Lao economy continued to rely heavily on foreign aid, which financed over 30 per cent of budgetary expenditures in 1979 and nearly two thirds of total imports. Finally, self-sufficiency in foodgrain was still to be achieved, so that imports of foodgrains—combined with a rising oil bill—had to be made at the expense of imports of essential raw materials and capital goods.

These shortcomings, and the related requirements for substantial policy change, were recognized by the Lao Government and were the subject of much deliberation by the Party Central Committee and the Government. A new policy guideline (Resolution of the Seventh Plenary of the Party Central Committee) was issued in November 1979, resulting in the introduction in late 1979 and early 1980 of major changes in virtually all policies. First, official pricing policies were made more flexible and producer prices of agricultural produce and of exportables were raised by amounts ranging between 400 and 500 per cent to ensure a real increase in the purchasing power of producers, while special import programmes for farmers were implemented in 1980. Concomitantly, in order to reduce distortions and the attendant economic inefficiencies and to reduce the amount of budget subsidies, the official sales prices of most products, including rice and petroleum products, were increased to levels that covered costs and incorporated a profit margin and, in many cases, to free market levels. Second, a new currency, the "kip national", was introduced in December 1979, when about 10 per cent of the stock of currency was eliminated. Third, the exchange rate of the kip was depreciated from KN 4 to KN 10 per U.S. dollar. Fourth, the authorities abolished all administrative barriers to the internation circulation of goods and liberalized private border trade. And fifth, the decision-making process in state enterprises was decentralized, providing them with more autonomy in daily management and, in particular, in foreign contracting.

The above set of policy changes formed the basis of a financial programme supported by a one-year stand-by arrangement with the Fund (June 1980-May 1981) in the amount of SDR 14 million, or 58 per cent of the country's quota. During the first half of the programme, additional measures were implemented to provide added incentives to producers, in particular in agriculture. For instance, the agricultural tax, which was highly progressive in nature and based on actual output, was changed to a fixed land-based tax in August 1980, simplifying at the same time the task of assessment and collection. Also, the authorities introduced a system of procurement prices for agricultural products negotiated between farmers farmers and the official procuring agency, thus abandoning the system of compulsory delivery quotas to state agencies at officially set prices. By early 1981 official procurement prices for paddy were virtually aligned with free market prices.

Although it is too early to make a complete assessment of the impact of the refoms on economic performance, . progress in some areas can be clearly identified. Following an increase of 6 per cent in 1979, real GDP rose by 10 per cent in 1980, largely as a result of good rice crops and increased activity in some state enterprises because of an improved supply situation. Domestic rice production in the 1980-81 crop year increased by 15 per cent, so that for the first time in years foodgrain self-sufficiency will be nearly achieved in 1981. The liberalization of border trade increased this incentives to production and trade and helped to alleviate the shortages of raw materials and other inputs. On the budget side domestic revenue increased from the equivalent of 8 per cent to 14.5 per cent of GDP betwen 1979 and 1980, largely as a result of improved profitability of the state enterprises; after foreign financing the budget showed a small surplus, in contrast with the heavy recourse to bank financing in previous years. Particularly noteworthy on the expenditure side were the sharp reduction in subsidies and the increased share of development outlays, which rose from 7 per cent to 15 per cent of GNP between 1979 and 1980.

In other respect, however, economic performance in 1980 was not as favourable as hoped for, particularly the balance of payments. Although the new policies were supported by an increase in imports to revive activity and reduce inflationary pressures and a widening of the current account deficit was envisaged on that count in 1980, the deficit was larger than expected for two reasons. First, export earnings fell by 13 per cent in 1980, due to the closure of the border betwen Laos and Thailand in June-August 1980 which coincided with the seasonal peak in export activity; other factors for the poor export performance were the softening of foreign demand for timber and the adverse impact on production and exports resulting from the vacillations of official policies as to the precise role of the private sector in exporting. Second, import prices, particularly of oil products rose sharply in 1980. As a result, the current account deficit increased from $84 million to $128 in 1980—that is, from 31 per per cent to 44 per cent of GDP. The overall balance of payments, which had shown a surplus in both 1978 and 1979, was in deficit by $11 million, and gross external reserves fell to $14 million at the end of 1980, or the equivalent of 11 per cent of total imports, compared with 28 per cent at the end of 1979. Meanwhile, net reserves declined to $5 million.

CSO: 4220/15

NWFP GOVERNOR RAPS CRITICS OF AFGHAN REFUGEE PRESENCE

Karachi MORNING NEWS in English 25 Sep 81 pp 1, 10

[Text] Peshawar, Sept 24: The NWFP governor, Lt Gen Fazle Haq, said that those elements who were spreading baseless propaganda to create differences between the local population and the Afghan refugees currently lodged in Pakistan were neither sincere to Pakistan nor Islam.

Addressing a mammoth public meeting in Chitral today, he said that a handful of elements were criticising the presence of refugees in Pakistan to fulfil their nefarious designs. He reminded the people that these elements were related to those saboteurs who were sitting now in Kabul for subversive activities. This act of theirs, he said, spoke of itself how friendly they were in the innocent people of Pakistan.

He declared amid applauses that majority of the people of Pakistan would neither be misled baseless and concocted propaganda nor fell prey to their trap.

Gen Fazle Haq said that the Afghan refugees during their stay in Pakistan had exhibited exemplary character and discipline and were adherent to Islamic tenets. During the last three years, no major case or any moral offence or heinous crime had been reported.

He said that the resistance being put up in Afghanistan was an ideological war for the cause of Islam and the whole Muslim fraternity of the world. If this failed, communism would prevail all over the South Asian subcontinent.

The provincial Governor was optimistic that the Afghan refugees would return to their homeland one day honourably and with dignity. The Islamic identity of Afghanistan would be restored by the grace of God, he added.

Referring to the campaign of vilification by the Indian leaders and the propaganda of the Indian Press against strengthening of Pakistan defence capability, he said that the Indian leaders should realise the fact Pakistan did not intend to go on war with India. Nor any threat was posed to her from Pakistan, but instead a militarily strong Pakistan was in the interest of India, he said.

The recent developments in Afghanistan were taking historical and political background, he added.

The Governor said that the supply of arms to Pakistan would not upset the military balance in the subcontinent. He said that the real motive of this campaign by India was to influence the pro-Indian and Jewish lobby in the West to create obstacle for Pakistan. Pakistan had always tried to keep bilateral and good relations with all its neighbours, he maintained.

About the package deal with USA, Gen. Fazle Haq said that this agreement was reached on Pakistan's terms without compromising on principles and with no shift in the stand regarding Non-aligned Movement, Islamic Conference and peaceful nuclear programme.

Earlier, the Chairman of Chitral District Council, Mr Khurshid Ali, in his welcome address, lauded the policies of the present Government and assured it of unflinching support on behalf of the people of Chitral. He also thanked the Governor for his special interest in the speedy development of Chitral.--APP

CSO: 4220/17

IMPORT SUBSTITUTION MAKES SLOW PROGRESS

Karachi MORNING NEWS in English 16 Sep 81 pp 1, 5

[Article by Amanullah Hussain]

[Text]

The progress made by the import substitution in the manufacturing sector of Pakistan is either glaringly inadequate or totally conspicuous by its absence. Significantly these are the areas the development of which is vital to the people onto the next stage of industrial maturity and are thus of critical importance.

These include chemicals, transport equipment, capital goods, heavy electrical machinery and electronics. In view of their obvious importance these sectors deserve high priority and no efforts should be spared in their promotion.

Study on the review of import substitution by the Economic and Research Department of Pakistan Industrial Credit and Investment Corporation (PICIC) points out that the progress in the import substitution in steel, fertilizers and polyester fibre has, however, been outstanding.

According to the study, success is also striking in the traditional preserves of the private sector—large, medium and small. Among the large industries, the most notable examples are sugar and cement. In both of these, adequate capacity is being lined up which will not only ensure self-sufficiency but also permit some exports as in the past.

In the case of paper and board the country remains dependent on imports from 30 to 100 per cent as of 1979-80. Yet another example of the same is the pharmaceutical industry where progress in import substitution is nominal.

The entire chemical industry and the off-shoots with the notable exceptions of fertilizers and polyester fibre, present a picture of lagging growth. A petrochemical complex is still a pipe-dream, despite several efforts in the past. Even in the conventional chemicals, the gaps are too numerous to mention.

In the transport equipment sector—automotive, railways and shipping—the progress appears to be unimpressive. In the automotive group, the trend is strongly towards the import of ready-to-drive vehicles in preference to local manufacture or assembly. This is true, the study says, not only of cars, buses and trucks but also two wheelers. Assembly of two wheelers established on the premise of gradual but definite deletion of imported components have failed to perform according to expectations.

It is, however, in the manufacture of elementary electronic products like transistors, diodes and other components where the performance is far below the potential. Almost all the requirements of components and most of the finished products are imported, causing a heavy drain on the scarce foreign exchange resources.

The study points out lack of progress in this field in Pakistan and is in sharp contrast to the strides taken by India, South Korea, Taiwan, Hong Kong and several other developing countries.

CSO: 4220/17

HEALTH FACILITIES FOR AFGHAN REFUGEES DESCRIBED

Karachi DAWN in English 24 Sep 81 p 4

[Text] Islamabad, Sept 23: The Federal Government with the financial assistance of United Nations High Commissioner for Refugees, is providing health, education and drinking water facilities to Afghan refugees.

A sum of Rs 17.5 million was earmarked during 1980 out of which 10.5 million were utilised by the Government of NWFP and the remaining amount by the Baluchistan Government for implementing a comprehensive plan for providing health facilities to Afghan refugees.

Presently, 40 static and 20 mobile dispensaries in NWFP and 15 static and 10 mobile dispensaries (with 5 ambulances for quick transportation of serious patients are operating in Baluchistan.

Some private national and international voluntary agencies are also operating 24 mobile units and a few static dispensaries for providing medical care to Afghan refugees. For the current calendar year an amount of Rs 74.3 million has been earmarked for providing one medical team for each group of 10,000 refugees.

For providing proper educational facilities to the Afghan refugees' children, 50 tented primary schools in NWFP and 28 in Baluchistan have been established. In all, 8769 students were enrolled in these schools.

A sum of Rs 1.5 million was utilised in this sector during 1980. An amount of Rs 16.5 million has been earmarked for raising the number of tented primary schools from 79 to 286 by the end of 1981 and ensuring adequate staff for all the schools. Moreover, an education cell for Afghan refugees has already been established in NWFP.

A comprehensive programme for providing clean, hygienic and potable drinking water to Afghan refugees at an expenditure of Rs 21.43 million has been implemented resulting in the completion of 23 water supply schemes. For the current calendar year 1981, an amount of Rs 31,313 million has been allocated for enabling each refugee residing in a refugee tented village access to 10 litres of water per day. The local population will also be benefitted from these drinking water supply facilities.

It may be mentioned here that the livestock, brought by the Afghan refugees, coupled with the local livestock population, has caused considerable pressure on our grazing grounds, pastures, vegetation and forests in NWFP and Baluchistan.

With a view to rejuvenating these areas the Government of Pakistan with the financial assistance of UNHCR, is implementing a comprehensive regeneration/reafforestation programme. Under the programme five small schemes of regeneration/reafforestation at a cost Rs 4.5 million in Baluchistan and two schemes costing Rs 39.6 million in NWFP are being implemented. In addition some flood irrigation schemes for improving grazing facilities are also being implemented in Baluchistan at an estimated cost of Rs 2 millions.--APP

CSO: 4220/17

WHEAT STORAGE CAPACITY TO BE INCREASED

Karachi DAWN in English 24 Sep 81 p 6

[Text] Hyderabad, Sept 23. The Governor of Sind, Lt-Gen S. M. Abbasi, said here today that Pakistan had attained complete self-sufficiency in wheat and was even in a position to export 50,000 tons of wheat out of the surplus production.

The Governor, who was the chief guest on the occasion of wheat prize distribution ceremony at Circuit House here this morning said, however, the Federal Government for the time being had decided against the export of wheat till such time that ample reserves of wheat had been stored.

He disclosed that at present the storage capacity of wheat was 4,75,000 tons and efforts would be made to increase this capacity. The Governor said that during the last two years 16 grain godowns had been constructed and arrangements were under way to store additional 8,000 tons of wheat.

In addition to this, the Governor said the National Logistic Cell had also undertaken the construction of godowns to store one lakh tons of wheat. He said the work on this project was in progress and so far almost one-fourth of the work had been completed. He said it was most imperative that all precautionary measures should be taken to protect our most precious agricultural products for any damage to these precious commodities would be a great national loss. The Governor said all efforts were being made on national level that Pakistan should become self-sufficient in the entire range of food grain items.

The Governor said apart from rice there had been some increase in wheat production in the Sind province, and he exhorted the growers to use scientific technology which he said would go a long way in increasing the production.

He disclosed that there had been a record increase in rice production and expressed confidence that there would be an appreciable increase in the production of cotton crop this year.

Later, the Governor gave away prizes to the best growers. The Governor's Shield for wheat production was awarded to Sukkur District. He also distributed gold and silver medals among the best growers.

Earlier the provincial Minister for Food, Sardar Ghulam Mohammad Maher, presented an address of welcome to the Governor.

CSO: 4220/17

BRIEFS

TENT VILLAGES FOR AFGHANS--Islamabad, Sept 15--New tentage villages have been established for the newly arrived Afghan refugees in Hazara division as well as in tribal agencies. This follows suspension of registration of new arrivals from Afghanistan in some of the district of NWFP where the number of Afghan refugees has reached the saturation point. Quoting an official spokesman, Radio Pakistan reported that new tentage villages have been established in the districts of Abbottabad, Mansehra and Kohistan as well as in the Orakzai and Khyber agencies where the newly arrived refugees from Afghanistan are being registered. PPI [Text] [Karachi DAWN in English 16 Sep 81 p 4]

JOBLESS GRADUATES OF BALUCHISTAN--Quetta, Sept 27--The Baluchistan Unemployed Graduates Cell, Ministry of Communications, Islamabad, has directed all unemployed graduates from Baluchistan to assemble in Railway Institute, Quetta, on 27th, 28th, 29th and 30th September along with original and one photostat of domicile and birth certificate, national identity card and registration card of Unemployed Graduate Cell (if any). Those who are in service are not eligible for interview. Recruitment teams from Federal Ministries and Federal autonomous bodies have reached Quetta for the purpose.--APP/PPI [Text] [Karachi DAWN in English 28 Sep 81 p 8]

CSO: 4220/17

BACKGROUND OF NEW MUSLIM PATRIARCH NOTED

Bangkok THE NATION REVIEW in English 15 Aug 81 p 10

[Text] THE ELECTION of a Muslim leader in Thailand, known officially by the title of Chula Rajmontri, seems to be a complicated issue.

The procedure is in fact simple. Muslim leaders from 26 provinces in the country come together and exercise their franchise. The latest election was held last Monday when a long-time religious teacher, Prasert Mahamad, was elected.

A candidate should be proposed by one of the electing members and seconded by at least another two. Prasert, 54, was the only one who met the requirement during the election at the Interior Ministry last Monday.

Though it was not a direct election by Muslims throughout the country – it was done with the consent of Muslim leaders who are respected by their "subordinates" in their respective provinces.

The balloting was closely witnessed by senior officials from the Interior Ministry, Education Ministry, the Islam Central Committee of Thailand, the Royal Household Bureau and the Parliament.

There is not law or regulation concerning the election of the Chula Rajmontri but this is the traditional process that has been followed.

The same procedure was applied to the previous election about 32 years ago when the late Tuan Suwannasart was chosen.

This was the second election in the past 30 years and Prasert is the eighth Muslim leader in Thailand's history.

Chula Rajmontri, the leader of Muslims throughout Thailand, has the major responsibility of providing advice on religious affairs to the Religious Affairs Department of the Education Ministry.

Formerly, the Chula Rajmontri used to be the direct secretary and subordinate of the King and acted on the King's behalf in religious affairs of the Muslims.

The authority of the Muslim leader changed when a royal decree was issued in 1948, assigning him to advise the Religious Affairs Department.

The election is approved finally by His Majesty the King. Prasert, the Chula Rajmontri-designate, will therefore assume his full authority after His Majesty's final approval.

Chula Rajmontri also assumes simultaneously the post of chairman of the Islam Central Committee of Thailand.

The committee also provides consultation to the Interior and Education Ministries on Muslim religious affairs.

Prasert, the Chula Rajmontri-elect, is a very religious-minded person and could read the Koran – the holy book of the Muslims in Arabic – when he was only seven years old.

A father of seven children now he seriously studied Islam Arabic and Malay and was capable of giving religious lecture when he was only 19 years old.

He is currently manager and director of a Muslim school in Klongton. He has been a senior official in the office of the late Chula Rajmontri before he was elected, to the top post.

Undersecretary of State for Interior, Pisarn Mulsartsathorn, said he would discuss improving the relations between Thai Buddhists and Thai Muslims with the new Chula Rajmontri after he was officially appointed by His Majesty the King.

Their relations are currently very good but they should be further strengthened, he said.

The election of the new Muslim leader was held following the death of the late Tuan Suwannasart who held the post since 1948. He passed away on March 22 this year.

CSO: 4220/15

MILITARY RESERVE FORCES PLANNED

Bangkok THE NATION REVIEW in English 15 Aug 81 pp 1, 8

[Text] THE army will this year embark on a programme aimed at readying more than seven million military reserve men for a possible outbreak of war, Chief of the Reserve Affairs Department Maj Gen Mana Rattanakoses said yesterday.

An informed source said that the army had completed the blueprint for the programme on December 8 last year after it had called up a number of military reserve men for training on trial basis last year.

The programme was initiated on grounds that security situation of the country was vulnerable to external threats and the active forces might be insufficient to defend the country, according to the source.

It said that the programme was aimed at preparing the military reserve forces to fight together with the army when it was necessary.

The military reserve forces would also be educated on the correct political line, economic knowledge, and social problems under the "National Military Reserve Programme", according to the source.

He added that the forces would be educated on the democratic ideology in the field of politics and trained to resort to cooperatives as a means to solve the economic problems facing the country.

On the social front, the military reserve forces would be ordered to help police forces in curbing crimes, according to the source.

Under the programme, a chairman of the military reserve force, a national committee, provincial committees, and district committees would be set up to command the "paramilitary forces".

Maj Gen Mana Ratanakoses said Prime Minister Prem Tinsulanonda and he would hold a press conference at the Army Auditorium on coming Monday to announce the programme.

He said that the premier would make it clear during the press conference that the structure of the reserve forces would be different from those of village scouts and defence volunteers.

Discharged soldiers would also be included in the programme, according to Maj Gen Mana.

CSO: 4220/15

MUSLIMS ASK RELIEF FROM TRAVEL RESTRICTIONS

Bangkok THE NATION REVIEW in English 28 Aug 81 p 3

[Text] **OVER 380 THAI Muslims rallied at the Communications Ministry on Rajdamnern Avenue yesterday morning to call for the abrogation of a ruling, that restricts their annual pilgrimage to Mecca.**

Their representatives also protested during their meeting with the Communications Minister Adm Amorn Sirigaya the monopoly in organizing the pilgrimage to Mecca by the Union Trading Co.

Vichien Pan-in and Booncherd Sonasi, two of the representatives, claimed that many Thai Muslims had been arrested after they had tried to organize the pilgrimage on their own.

The Thanom Government on April 15, 1972 imposed Order No III which prohibits group pilgrimage by Thai Muslim without permission from the Communications Ministry.

The order does not allow Thai Muslims to go on pilgrimage to Mecca in groups exceeding 10 people.

However, the ministry has authorized the Union Trading Co as the sole agent in organizing such pilgrimage.

The company reportedly charges the pilgrims 19,500 baht each for the annual trip to Mecca.

Vichien said some of the pilgrims had tried to organize the trip but were arrested by police, who were tipped-off by the company.

At least five of them have been arrested so far and the Saudi Embassy in Bangkok had also denied them visa.

There are approximately 3,000-5,000 Thai Muslims going to Mecca every year.

Vichien said they could organize their own pilgrimage at a lesser expense of 14,000 baht per head.

Amorn said after the meeting with Vichien and Booncherd that the Communications Ministry will allow new companies to register as agents in organizing the pilgrimage.

Vichien said yesterday that letters airing the 'Thai Muslims' grievance had been sent to Premier Prem Tinsulanonda, senators and MPs.

The Communications Ministry is expected to take up the issue today.

- The committee responsible for dealing with Thai Muslims going on pilgrimage to Mecca of the Communications Ministry will meet today to discuss the problem.

CSO: 4220/15

END

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South and East Asia Report

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COUNTRY'S DEFENSE, FOREIGN POLICY VIEWED

Kuala Lumpur ASIAN DEFENSE JOURNAL in English Oct 81 pp 32

[Article by Michael O'Connor, National Executive Director of the Australia Defence Association: "Does Australia Have a Defence and Foreign Policy"]

[Text]

A recent tiff between Australia's Foreign Minister, Tony Street, and his Singaporean counterpart, Sinnathamby Rajaratnam, over policy towards Kampuchean representation at the United Nations has focussed attention on the floundering pragmatism which passes for foreign policy making in Canberra. The details of the argument between the two Ministers don't matter so much as the apparent inability of the Australian Government to identify its national interests and make policies based on them.

A similar problem is current in Australia at the time of writing. The American Government wants Australia to contribute troops to a peace-keeping force in the Middle East, to monitor the withdrawal of Israeli forces from Sinai and to prevent any possible outbreak of hostilities between Israel and Egypt. The Australian Government cannot make up its mind how it should respond. Three considerations seem paramount. First, Australia cannot afford the soldiers because it does not have enough. Second, it fears to antagonise the rejectionist Arab states with whom it conducts a very lucrative and growing trade, and finally it fears to antagonise the Americans on whom it depends for this country's security.

Given the history of the Coalition Governments of the past thirty years, it is likely that Australia will make at least a token contribution. The concept of paying insurance premiums on the American alliance is deeply ingrained in the Coalition parties, if only because it means less has to be spent on defence. The whole justification of Australia's involvement in Vietnam was just that. It had absolutely nothing to do with defending a small nation against external aggression.

It is against this background that the real threads of Australian defence and foreign policy can be perceived. Despite the declarations of principle and intent, little gets done because governments and their advisers cannot agree on the principles which will permit judgements between conflicting advice. The Australian Government does not appear to recognise the indivisibility of significant elements of domestic and foreign policy, nor does it appear to be able to choose and justify its choice between its various options.

The classic area of conflict arises from Australia's trade and industry policy. There are classic and serious contradictions in Australia's current policies. What is more, their solution is urgent from a domestic and foreign policy point of view. The problems are obvious. Australia's

manufacturing industry is, in significant areas, obsolescent. Technological developments have allowed less developed nations with substantially lower cost structures to compete in such high employment areas as clothing, textile and motor vehicle manufacture. The competition of significantly cheaper imports is met at the cost of tariffs and quotas, with still higher wages in Australia to allow the ordinary worker to pay the cost of the tariffs. The industry thus supported continues to flounder because its total cost structure is insupportable. The rationale of the policy of protection is that jobs — and profits — must be protected at whatever cost because they represent votes.

The other side of the coin — the cost — is that resentments are built up in the developing nations and, as those nations grow and Australia stagnates, the security implications of the resentments could become overpowering.

Domestically, the costs are real. Stagnation, unemployment, a decline in living standards and a consequent decline in security capability are all highly predictable. Socially, the costs bear more heavily on exporters of primary products, leading to a growing division in society between the producers (who are the losers) and the consumers (who are the winners, at least in the short term).

It is not that the problem is not recognised. It is — by economists, businessmen and politicians. But it can be put off because the effects are gradual and unlikely to eventuate before the next election. Not so the unemployment and factory closures which would result from a reduction in protection. The solution of reductions in protection coupled with structural adjustment assistance either does not occur or is totally unattractive to the owner who has made shirts all his life – as did his father and grandfather before him. And his very vocal lobby group is totally uninterested in the security problem except when it claims more protection on the basis that shirt making is essential to national defence. We must be able to make shirts for our soldiers, he says. He is not interested in the proposition that if Australia continues on its current road, it will not be able to afford soldiers but may need them very badly.

Policy making on security questions by the Coalition Government appears to be based on a number of highly simplistic propositions.

First, the American Alliance is of overriding importance. No matter how much the Government, its advisers and constituents may tell themselves that the alliance is not a blank cheque, the 'knee-jerk' reaction to any security question is to ask what the Americans will think. It is a matter of habit based on the very real benefits which have been derived from the alliance. If the habit is dying — and there is some evidence that it is — it is the Americans themselves who have wrought the change. They are fed up with dependent States who demand benefits but contribute little.

The second proposition appears to be to do as little as possible — and then only when absolutely necessary. Policy should always be reactive, never initiatory. After all, how can policy be initiated in the absence of principles.

This is the third feature of Coalition security policy. There are no apparent principles by which to judge policy options. There is no debate on principles in public or, as far as can be determined, in private. Which is why the Government gets bogged down in such relatively uncomplicated issues as recognition of Kampuchea or contributions to a Sinai peacekeeping force. The only advantage such policy making might have is to keep other countries guessing. The Australian Government in more unpredictable than the Libyan — but at least the Libyans do make up their minds eventually.

The confusion of the policy making machine is best summed up by the current explanation of the politicians and their advisers — that is,

we will do what we think is best for Australia. Leaving aside the obvious comment that no one seriously believes that they wish not to do what is best for Australia, the validity of the claim depends on the definition of 'best'. The statement has some use as a ringing political declaration. It has none as a basis of a coherent national security policy.

On the Opposition side of politics, the situation is, if anything, worse. Leaving aside the Labour Party's declaratory policy, because like most declaratory policies, it is meaningless, the overriding impression gained from its actions is of a policy of non-involvement, of 'Little Australia' eschewing all contact with the outside world. This is to say the least odd, coming from a member party of the Socialist International with its tradition of internationalism. But Labour is the party of high tariffs, of no foreign involvements, of White Australia and of strident criticism of all authoritarian governments (with some exceptions) coupled with a knee jerk anti-Americanism from all sections of the party.

Since 1968, the party has been uniformly friendly to Hanoi. Indeed, this seems to be one principle on which the party is entirely predictable. Its reaction to any foreign policy question can be judged by its effect on Hanoi. To be sure, the moderate wing of the party is not quite so strident as the left wing but its voice is muted and its influence negligible.

If this is unusual coming from a party generally hostile to authoritarian governments, the extreme left of the party demonstrates a selective hostility which polite debate in Australia does not acknowledge. Criticism of left wing authoritarian governments is at best off-hand but significant and vocal elements of the party make no secret of their sympathy for the Soviet Union and Vietnam in particular. As powerful figures in the Victorian State branch have said, "To be anti-Soviet is to be anti-working class". Even the moderates such as the Federal Opposition leadership while condemning the Soviet invasion of Afghanistan managed to point out that the incident was remote from Australia.

The general popular disinterest in all foreign policy matters, including security questions, simply reinforces the lack of a serious political debate. Even that small proportion of Australians who are concerned with security questions tends to distinguish between defence policy and the more significant underlying strategic questions. Defence becomes a question of conscription and nuclear weapons, of armed forces and their structure rather than a concept of operations.

The reality for Australia as for most nations is that defence policy is indistinguishable from foreign policy. In Australia's particular case as a major trading nation, it is also impossible to separate defence, foreign, trade and economic policies. To try to do so, is to attempt the impossible conjuring trick. Australian governments and electorates have been trying this for decades. So far, they have got away with it either because there was no audience or because the audience was laughing itself silly at the attempt.

Australia faces a future which, as for all other nations, is uncertain. Unlike many others, it does so with a policy making apparatus which avoids making policy, with political parties largely concerned with winning the next election and totally lacking in principle , and with an electorate uninterested and ignorant of the vital issues. In such a climate, the right decisions will only be made by accident, while the Defence Force which is the ultimate guarantor of national security will continue to be a small, albeit efficient, force whose overworked units are reluctantly replaced usually much later than they should be.□

CSO: 4220/24

CONTRACT AWARDED FOR SUPPLY OF NAVY EQUIPMENT

Kuala Lumpur ASIAN DEFENSE JOURNAL in English Oct 81 p 44

[Text]

A A$12 million fixed price contract has been awarded to a West German firm for the supply of minehunting weapon systems for two prototype minehunter catamarans for the Royal Australian Navy.

In a joint announcement recently, the Minister for Defence, Mr D.J. Killen, and the Minister for Administrative Services, Mr Kevin Newman, said a contract for three systems had been awarded to Krupp-Atlas-Elektronik, of Bremen, in the Federal Republic of Germany.

The Ministers said the selection of the West German firm followed evaluation by the Department of Defence and the Department of Administrative Services after proposals had been sought from Australian and overseas companies. No Australian tenders were received.

Mr Killen said: "The minehunter catamaran is a unique and innovative Australian design. The ship's hulls will be constructed from a sandwich of plastic foam encased in fibreglass. This is the first time a catamaran design has been used for a minehunter. Contracts for the construction of the two prototype ships are planned to be awarded to an Australian shipbuilder later this year."

Mr Killen said that the main elements of the Krupp-Atlas minehunting weapon system were an advanced high definition sonar designed for minehunting, and a tactical data system to integrate all the information necessary for the very precise and difficult task of detecting and classifying mines on the seabed.

"Data from the sonar is fed to the tactical data system where the information, together with data from precision navigation equipment, is used to determine the exact geographical location of mines.

"The information is presented to the operator on a tactical display, and may also be recorded for future use.

"Once a mine has been located it can be destroyed by an explosive charge laid by a remotely-controlled submersible vehicle."

Mr Killen said that the new minehunting weapon system would be containerised for easy handling and maintenance and to allow rapid replacement or removal from the catamarans so that they could perform alternative roles.

Krupp-Atlas had accepted a contractual obligation to achieve a level of Australian industry participation of more than 34 per cent of the value of the contract.

This would be achieved by Australian participation in various aspects of the manufacture and assembly of the weapon systems, together with an offset programme for the manufacture by Australian companies of Krupp-Atlas electronic equipment for worldwide sale.

The minehunter catamaran had been designed in Australia as a replacement for the RAN's British-built TON Class minehunters.

CSO: 4220/24

SENIOR ARMY APPOINTMENTS REPORTED

Kuala Lumpur ASIAN DEFENSE JOURNAL in English Oct 81 p 45

[Text]

Brigadier B.H. Hockney has been appointed Chief of Personnel-Army. This was announced recently by the Minister for Defence, Mr D.J. Killen.

Mr Killen said: "Brigadier Hockney, who is currently the Director General of Materiel-Army, is to be promoted Major General and will take up his appointment on August 3, 1981.

"He replaces Major General A.L. Morrison who has retired".

Biographical Details

Brigadier Barry Herbert Hockney was born in Adelaide in 1930, and graduated from the Royal Military College, Duntroon, in 1951. The following year he attended the Adelaide University and gained a Bachelor of Science degree.

During his career he had served in a number of regimental signal corps postings including Malaya in 1957 and South Vietnam in 1969. He has also served as the senior instructor at the School of Signals and as the Director of Communications at Army Office.

In 1976 he was promoted brigadier and appointed Director General of Service Personnel Policy. The following year he was appointed Chief of Staff, Field Force Command. He spent 12 months at the Royal College of Defence Studies, London, prior to his appointment as Director General of Material-Army in 1979.

Major General Alan Lindsay Morrison, AO, DSO, MBE, was born in Sydney on August 15,1927 and graduated from the Royal Military College Duntroon in 1947.

He held a number of regimental appointments with the 2nd and 3rd Battalions, Royal Australian Regiment, and was a staff captain on the Headquarters British Commonwealth Occupation Force in Japan. He also served on the Headquarters of 28th Infantry Brigade in Korea.

In July 1956 he was appointed as an instructor at the Royal Military College and in 1959 he attended Staff College, Camberley, in the United Kingdom. He worked as a staff officer with the Australian Army Staff (London) until March 1962 when he joined the 1st Battalion, Royal Australian Regiment.

He was an instructor at the Australian Staff College from January 1965 until he was appointed Commanding Officer of the newly raised 9th Battalion, Royal Australian Regiment, in November 1967. He commanded the battalion in South Vietnam from November 1968 to November 1969 for which he was awarded the Distinguished Service Order.

On relinquishing command he was appointed Military Assistant to the Chief of the General Staff until promotion to the rank of colonel and appointment to the Army Reorganization Planning Staff in February 1971. He later became Director of Reserve Operations at Army Office.

He attended the 1975 course at the Royal College of Defence Studies in London and in January 1976 took over as Commander 1st Task Force at Holsworthy, New South Wales. He held this position until he was promoted to major general to become Commandant at the Royal Military College on March 21, 1977. He became an Officer of the Order of Australia in the Queen's Birthday Honours List of 1980.

Major General Morrison was appointed Chief of Personnel-Army in April this year.

CSO: 4220/24

BRIEFS

HARPOON MISSILE FIRED--The First Australian Defence Force firing of a devastating new weapon took place recently when a Harpoon anti-ship missile was launched from HMAS Canberra off the Californian coast. HMAS Canberra, the RAN's second guided missile frigate, successfully fired the Harpoon at the end of its weapons system acceptance trials, and demonstrated the lethal capability of the new missile system which has a range in excess of 60 nautical miles. Early on 25 July morning a destroyer sized target was engaged at a range beyond the visual horizon. Target information was provided to HMAS Canberra by land-based range control, but under operational conditions this could be provided either by the ship's electronic sensors or helicopter, or by other co-operating units. Harpoon is now operational in the RAAF's P3C Orion Maritime patrol aircraft and FFG class ships. The RAN's Oberon class submarine will be fitted with the capability. The Australian Defence Force first took delivery of the Harpoon missile in December 1980. The missile, flying at high sub-sonic speed just above the wave tops, is very difficult to detect or shoot down. It is highly accurate, its fire-and-forget computerised guidance system enabling it to seek out and attack targets without further direction from the launch platform. The warhead had demonstrated its high effectiveness against ships of up to destroyer size. HMAS Canberra will arrive in Australia early next year. (1982). [Text] [Kuala Lumpur ASIAN DEFENSE JOURNAL in English Oct 81 p 44]

NEW HELICOPTERS--The Department of Defence is considering the purchase of up to 15 additional light helicopters primarily for use by the RAAF in search and rescue operations. Announcing this recently, the Minister for Defence, Mr D.J. Killen, said: "While the RAAF's enquiries are essentially exploratory at this stage any purchase of search-and-rescue helicopters will be additional to 18 helicopters approved for purchase last August. These latter aircraft are for use by the RAAF and RAN for training, survey and light utility work. They will replace the Iroquois UH-1Bs which are due out of service in late 1983. "A request for tender, embracing both the firm requirement for the UH-1B replacements and the proposal for light search and rescue helicopters will be issued to helicopter manufacturers shortly. The manufacturers are Aerospatiale (France), Bell Helicopter Textron (US) and Hughes (US)." Mr Killen said that should the present enquiries enable selection of a common helicopter to meet the training, survey, light utility and search-and-rescue roles, there could be substantial benefits in terms of maintenance, spares support and Australian industry programmes. [Text] [Kuala Lumpur ASIAN DEFENSE JOURNAL in English Oct 81 p 45]

MIDDLE EAST STUDIES ORGANIZATION--The Australian Middle East Studies Association (AMESA) is being established as a response to the growing importance of the Middle East to Australia. Dr Irwin Herrman, Assistant Director, Footscray Institute of Technology and Dr Ron Macintyre, Senior Lecturer in Politics at the University of Canterbury (NZ), who are Joint Conveners of an Interim Committee for AMESA announced the launching of the organisation. They indicated that the main purpose of the new organisation was to provide scholars, teachers and interested individuals from the business community, the media, and government agencies with a platform for the exchange of ideas and the presentation of scholarly papers in the field of Middle East studies. The new organisation also aimed to foster research on the Middle East and to coordinate developments in that area of study, they added. Letters have gone out inviting membership in the new organisation; and a questionnaire is being distributed seeking information for use in compiling an Association Directory. Dr Herrman indicated that the Footscray Institute of Technology Library would [as published] [Text] [Kuala Lumpur ASIAN DEFENSE JOURNAL in English Oct 81 p 46]

CSO: 4220/24

'VOPB' REPORTS GUERRILLA ACTIVITIES OF PEOPLE'S ARMY

In Tenessarim

BK160927 (Clandestine) Voice of the People of Burma in Burmese to Burma 0030 GMT 16 Aug 81

[Text] Guerrilla attack in Tenasserim Division: On 2 May , a small unit of the People's Army conducted a guerrilla attack on the military government's mercenary 17th infantry regiment near Yebu village in Tenasserim Township. One enemy soldier was wounded and another was taken prisoner in the attack.

Guerrilla warfare in eastern Keng Tung region: On 8, 23 and 24 July, Guerrilla and mine attacks conducted by small units of the People's Army at (Loi-hpala), near (Man Lawng) village in Mong Hpayak field, and on Mount Nawnglong resulted in two enemy soldiers being killed and five others wounded.

On 24 July, a small unit of the People's Army made a surprise attack on the enemy soldiers guarding the (Man Nam) bridge between Keng Tung and Loi Mwe. The attack killed one enemy soldier and wounded four others. One G-3 and over 100 rounds of ammunition were seized from the enemy.

On 26 July, a small unit of the People's Army made a surprise raid on the enemy's (Nan Lao-ke) camp in (?Keng Lap) region. Three enemy soldiers were killed and two others were taken prisoner. Four carbines, 3 G-3's, 2 G-4's, 2 M-16's and over 100 rounds of assorted ammunition were seized from the enemy.

Two prisoners captured during the attack were released unharmed by the People's Army on 28 July.

On 28 July, an attack by a small unit of the People's Army between Mong Yawng and Mong Hpayak killed three enemy soldiers.

Mong Yawng

BK210933 (Clandestine) Voice of the People of Burma in Burmese to Burma 0030 GMT 21 Aug 81

[Text] Combat news on guerrilla attacks in eastern Keng Tung District:

On 9 August, a small unit of the People's Army carried out a surprise attack in which it captured an enemy camp guarding the (Gonleik) bridge in Mong Yawng. A military government's mercentary corporal was killed during the attack and a total of 11 persons, including 6 mercenaries and 5 defense volunteers, were taken prisoner.

A total of 11 weapons, including 5 G-2's, 1 G-4, 2 carbines and 3 guns, were seized from the enemy. Some of the captured prisoners were released unharmed on the day of the attack.

Kayah Rebels

BK231255 (Clandestine) Voice of the People of Burma in Burmese to Burma 1200 GMT 23 Aug 81

[Text] On 30 July, an attack by a small unit of the People's Army near (?Mong Ngen), northern part of Keng Tung, resulted in three enemy soldiers being wounded. Also on 1 August, mines planted by the People's Army near (Yawnghtaw) resulted in three enemy soldiers being killed and another wounded.

Combat News of the Kayah New Land Revolutionary Council [KNLRC]:

On 10 June, mines planted by a small unit of the KNLRC between Ywama and Chinbaungdaung Ywathit in Thandaung Township, killed or wounded four enemy soldiers from the military government's mercenary 26th light infantry regiment. On 30 July, a unit of the KNLRC attacked a column of the military government's mercenary 87th infantry regiment, west of (Pekin) village in Pekon Township. The attack resulted in four enemy soldiers being killed--including a mercenary officer--and six others wounded.

East of Keng Tung

BK071231 (Clandestine) Voice of the People of Burma in Burmese to Burma 1200 GMT 7 Aug 81

[Text] Combat news on guerrilla war in areas east of Keng Tung:

On 2 July, an attack conducted by a small unit of the People's Army near (Ban Hmaw) village wounded nine enemy soldiers, including two military government defense volunteers.

On 3 July, a people's mine attack on (Ban Hmaw) hill killed three enemy soldiers and wounded severn others, including a mercenary captain.

On 4 July, a People's Army attack near (Tong Yaw) on the Keng Tung-Mong Hpayak Road killed two enemy soldiers and wounded three others. One G-2 and over 200 rounds of ammunition were seized from the enemy.

On 5 July, a clash occurred near (Pwin Sar), killing one enemy and wounding two others, including a mercenary captain.

On 7, 12, 16 and 20 July, people's mine attacks near (Alan) village in Mong Yawng, (Baw Ga Gyaw), (Kya Ei) and (Pan Hu) villages killed six enemy soldiers and wounded five others.

Shan State, Keng Tung

BK160411 (Clandestine) Voice of the People of Burma in Burmese to Burma 0030 GMT 16 Sep 81

[Text] Combat news from central Shan State:

On 8 and 14 August, guerrilla and mine attacks conducted by small units of the People's Army at Wan Hwe and (?Namsang) killed an enemy soldier from the military government's 8th infantry regiment and wounded two others including a mercenary captain.

On 24 August, a small unit of the People's Army conducted an attack in (Loi Pong Khauk), killing five soldiers from the military government's mercenary 8th infantry regiment and wounding six.

Combat news from northern Keng Tung:

On 7 and 11 August, small units of the People's Army launched two guerrilla attacks in Mong Ngen area, wounding four enemy soldiers.

On 15 August, a small unit of the People's Army blew up a bridge used by the military government's mercenary troops for communication between Tongta and Mong Ping.

On 16 August, guerrilla and mine attacks conducted by small units of the People's Army killed four enemy soldiers and wounded two.

On 23 August, an ambush conducted by a small unit of the People's Army at a hill west of (Two Pe Long) village killed two enemy soldiers.

On 24 August, an ambush conducted by a small unit of the People's Army near Mong Ping killed three enemy soldiers and wounded some. One person was taken prisoner and 1 G-2 and 300 rounds of ammunition were captured from the enemy.

Kutkai Region

BK201046 (Clandestine) Voice of the People of Burma in Burmese to Burma 0030 GMT 20 Sep 81

[Text] Combat news from Kutkai region: On 4 September, small units of the People's Army attacked the military government's mercenary 3d infantry regiment around Mawtawng, (Man Baw) and Man Pan. According to incomplete reports, 11 enemy soldiers, including 1 mercenary officer, were killed and 8 others were wounded in the attack.

Three carbines, 2 G-3's, 4 G-4's, 1 2-inch mortar, 9 shells for the 2-inch mortar, 12 shells for the collapsible mortar, 12 grenades and over 3,000 rounds of assorted ammunition were seized from the enemy.

Combat news from central Shan State: On 4 September, an ambush by a small unit of the People's Army between Ho-Lan and (Khai Mawng), southwest of Mong Nawng, resulted in one enemy soldier killed and several others wounded.

Combat news of the joint force of the People's Army and the Shan State Nationalities Liberation Organization [SSNLO]: On 19 August, a joint force of the People's Army and the SSNLO conducted a surprise guerrilla attack on a column of the military government's mercenary 101st light infantry regiment near (?Saga) in Yawnghwe township. The attack killed one enemy soldier and wounded two others.

On 21 August, an attack was conducted against the enemy at Taunggyi village in (?Banyin) Township on Taunggyi-Hsihseng road. The attack killed one enemy soldier and wounded two others.

On 24 and 29 August, two guerrilla attacks by small combined units of the People's Army and the SSNLO at (Hsi Taso) and near Loi-Long, west of Hsi-Hseng Township, killed four mercenaries and wounded several others.

On 30 August, in a clash with the military government's mercenary 101st light infantry regiment on a hill east of (?Saga) in Yawnghwe Township, nine enemy soldiers were killed.

CSO: 4211/1

'VOPB' RAPS GOVERNMENT OVER FOREIGN LOAN PROGRAM

BK231248 (Clandestine) Voice of the People of Burma in Burmese to Burma 1200 GMT 23 Aug 81

[Unattributed article: "The Military Government Does Things in a Big Way--on Credit"]

[Summary] The so-called People's Assembly released all sorts of figures claiming that the economic growth rate in 1980-81 was 6.7 percent which surpassed the target of 6.5 percent, that there was 674.4 million kyat surplus funds and that if this trend could be maintained, the third 4-year plan was bound to be a success. Although they were lavish in reporting various successes, the facts which people really wanted to know were omitted.

The capitalist economy, which the military government calls the world economy, is in a shambles. It is plagued by inflation, rising prices and unemployment. Restrictions imposed on imports, soaring interest rates and so forth are rife in capitalist countries. As a result developing countries--so-called because they are economically dependent on other countries--are shouldering the burdens of the capitalist world. Their export value has declined while prices of imported finsihed goods have risen. These countries are debt-ridden and as of 1980, the debts to be settled by these countries amounted to over $8.8 billion [as heard].

"There are over 30 countries like Burma in the world where individul yearly income remains at between U.S.$1,000 and $1,100. These are called the world's poorest nations." People in these countries are concerned as debts rise.

"How much does Burma--one of the poor countries--owe? To what extent if Burma reliant on the capitalist countries? The figures released by the military government do not answer these questions."

"According to figures in the report of the Organization for Economic Cooperation and Development and the Asian Development Bank, Burma had debts of $106 million in 1977, $351.1 million in 1978 and $471.7 million in 1979." In terms of kyat, the debt in 1979 was 3.4689 billion. On the basis of a population of 32.6 million in Burma in that year, it means that every person in Burma owed 106.41 kyat.

"The military government takes foreign loans without restraint, shows surplus funds in hand and uses the excuse that loans are for the success fo short- and long-term

projects. Since the beginning of the third 4-year plan, the military government has brought in loans, assistances and large amounts of imports. Exports, however, have failed to keep up with imports and deficits have been recorded continuously in foreign trade.

"The deficit in foreign trade in 1977-78--the last year of the second 4-year plan--was 358.7 million kyat, and the figure rose to 1.9503 billion kyat in 1980-81--the 3d year of the third 4-year plan.

"In this year also, imports will be 5.5249 billion kyat while earnings from exports will be 3.7563 billion kyat. More than half of the 5.5249 billion kyat import cost will be covered by foreign loans and assistance. This is just an estimate. If last year's figures are any yardstick, loans and cost of imports are bound to rise.

"At this rate, more losses in foreign trade are about to be incurred. Last year, the estimate for the foreign trade deficit was 93 million kyat. However, the actual trade imbalance at the end of the year was 674.4 million kyat. This year again, the estimate for the foreign trade deficit is 72 million kyat, but the trade imbalance is bound to rise."

Loans come with interest repayments, and even interest-free loans come with conditions. Burma uses 20 percent of its export earnings to repay loans and interest. Although debts rise, the military government will continue to take loans. At a so-called seminar held a year after the military clique usurped power, the top boss of the military clique said: "We Burmese have always been involved with loans. We would even ride an elephant if we could buy one on credit." That was when he insulted the peasants over agricultural loans.

The Burmese people have had experience with foreign loans and are not the ones who would buy an elephant on credit. It is very obvious that it is the rulers who want to ride elephants. "Today, the military government is trying to ride an elephant at any cost while the people are in debt up to their necks. The people are being trampled by the 'economic elephant' of the Buram socialist program party." The people must struggle for a self-reliant and independent economic system.

CSO: 4211/1

BRIEFS

SHAN REBELS, COMMUNISTS SPLIT--Shan resistance forces have severed their 10-year-old ties with the outlaws Communist Party of Burma, accusing the Peking-backed communists of committing "atrocities." The decision to end the alliance, formed in 1971 to fight the Rangoon regime of Burmese President Ne Win, was made at a recent jungle summit of 200 chieftains of the Shan State Progress Party, the political arms of the Shan State Army. Shan rebels have been fighting a mini-civil war against the Burmese Government since 1958, demanding the right to secession for the three to five million ethnic Shans living in a 60,000 sq mile State that includes one of the richest opium growing areas of the notorious Golden Triangle. The Shans accused their former communist allies of terrorising the mountain people of northern Burma with summary executions, pillage and forced conscription. "People were summarily shot to death just because they were rich enough to have a corrugated roof over their heads" said one Shan officer. "Those who owned an extra bullock cart were trussed up like animals and beaten." The Shan said the communists requisitioned rice and salt from villagers at gunpoint and forced young village boys to join their ranks. The Shan charged the communists with "forcing" local tribesmen to grow opium poppies and then insisting that the harvest be sold only to them at prices far below the markets level. Shan officials said the rebels initially made their alliance with the communists because they needed help from the communists superior military forces in fighting government troops. [Text] [Kuala Lumpur ASIAN DEFENSE JOURNAL in English Oct 81 p 16]

CSO: 4220/24

AIR FORCE PLAN FOR OPERATIONAL READINESS REPORTED

Kuala Lumpur ASIAN DEFENSE JOURNAL in English Oct 81 P 61

[Text] A major effort has been made by the Indian Air Force to ensure a high state of operational readiness with gradual discontinuation of restrictions on combat exercises — restrictions that were affecting the operations potential of front-line units.

According to defence ministry sources the restrictions, particularly on low-flying exercises, had been introduced some years ago to minimise air accidents, particularly those caused by bird hits.

Such restrictions, it was felt, had greatly curbed the initiative of fighter commanders, supervisors and young pilots, making them over-conscious of flight safety. It was also felt that the restrictions would adversely affect the morals of the fighter pilots.

The IAF discontinued the restrictions to maintain a very high level of air combat-worthiness at all times. The recently-acquired deep penetration strike aircraft — Jaguars — are considered specially suited for low-level flying and at near-sonic speeds.

While greater emphasis is being placed on combat capability, the emphasis on flight safety remains very high and, in terms of priority, is next only to combat capability.

In the mid-70s about 60 per cent, of air accidents in the IAF occurred during non-tactical exercises. This had been brought down to 40 per cent, during the last three years.

Pilot's error accidents have also been reduced from around 4 per 10,000 hours of flying in the early 70s to less than one for 10,000 hours now.

According to published figures, the U.S. Air Force loses 25 to 30 aircraft every year in low-flying accidents. In combat exercises, the aircrew are subjected to very high speed accelerations and G factors which, sometimes, cause loss of consciousness of the pilots for short durations and other accompanying hazards. It is learnt the U.S. lost 17 aircraft last year due to loss of control by pilots during combat training exercises. The IAF losses, in similar circumstances, over the last three years, have been a fraction of this.

The Indian air space, especially at low altitudes, is heavily infested with vultures and kites. The presence of these birds poses a very serious hazard, particularly to high performance aircraft now in the inventory of the IAF.

Air Force headquarters are at present engaged in an in-depth study of this with the assistance of the Bombay Natural History Society, and several remedial measures have already been introduced.

Air accidents in the transport wing of the IAF have also been progressively reduced, though such aircraft, including helicopters, undertake a large number of sorties every month in extremely difficult terrain and weather conditions.

The IAF is, however, still operating some aircraft like the C-47 Dakota which were introduced nearly 40 years ago. However, through careful maintenance, supervision and flying skill, the accident rate in the transport wing has been reduced.

CSO: 4220/24

PAPER ON SRI LANKA'S TAMIL PROBLEM

BK301422 Delhi INDIAN EXPRESS in English 22 Sep 81 p 6

[Editorial: "Sri Lanka Dilemma"]

[Text] A heartening aspect of the post-riot situation in Sri Lanka is the effort made by President Jayewardene to curb the wild men in his own party. From all accounts, they played a most reprehensible role in the events leading up to the mob violence on the hapless Tamils in the central provinces. Apart from making inflammatory speeches, some of them are known to have played a more active part. Mr Jayewardene publicly spoke in anguish about the damage they had done to his party as well as the nation. That he was not just expressing pious sentiments is clear from his subsequent action. First, he dismissed a deputy minister, Mr G.V. Punchinilame, found guilty of gross misbehaviour. This was followed by last week's expulsion from Parliament of Dr Neville Fernando, a member of the ruling United National Party [UNP]. The UNP working committee has also asked three other party members, including another deputy minister, to withdraw the rabidly anti-Tamil remarks they had made in the pre-riot parliamentary debate over the censure motion against Mr Amrithalingam, leader of the opposition and secretary-general of the Tamil United Liberation Front [TULF].

The Sinhala chauvinists in the ruling party are reported to be rebelling against these decisions. It is to be hoped that the president will be able to contain the revolt. Otherwise, the situation will become more complicated. A split in the ruling party is bound to jeopardise the proposed joint efforts towards a peaceful settlement of the Tamil problem, in pursuance of the recently announced agreement between the government and the Gulf leaders.

The sufferings of the Tamil minority in Sri Lanka have naturally caused concern in the country. In Tamil Nadu particularly, feelings run high, as demonstrated by the hartal sponsored by the state government itself and the DMK's mass picketing campaign. The government of India cannot afford to ignore this, especially since those who are exposed to danger in Sri Lanka include many awaiting repatriation to India. At the same time, it cannot lay itself open to the charge of interfering in the internal affairs of a neighbouring country.

CSO: 4220/18

DELHI COUNTS COST OF RECORD IMF LOAN

London 8 DAYS in English 29 Aug 81 p 23

[Text] IMF officials say India must expect stringent measures to be demanded if the Fund is to approve the approximately $5bn loan requested by New Delhi. The loan, if granted, will be the largest-ever accorded by the IMF. In particular, IMF sources said, India would be expected to lift several food-price subsidies and restrict loans by setting higher interest rates. Some limited devaluation of the rupee, to about 10 to the dollar, may also be 'recommended.'

The IMF has noted that, as a preliminary measure to advance its case, the Gandhi government has already reduced fertiliser subsidies and allowed a considerable increase in retail oil prices. India is also trying to boost exports through tax incentives.

IMF officials stress that India's situation is far from desperate. Although foreign-currency reserves have slipped by about $2bn in 18 months, they still stand at about $5bn. But India had an unfavourable trade balance of $1.9bn in 1980 and will have one this year of over $5bn, principally because exports.

Indian officials blame the situation largely on oil prices and note that remittances from Indian workers in the Gulf are static.

CSO: 4220/21

STATE OF AIR FORCE EXAMINED

Kuala Lumpur ASIAN DEFENSE JOURNAL in English Oct 81 pp 62-63

[Article by Pushpindar Singh]

[Text]

As the Indian Air Force approaches the fiftieth year of its existence (founded in October 1932), it is engaged in a major review of its organisational set up and in planning for the future. The training infrastructure, already accepted as one of the most comprehensive and extensive in the world, is being reorganised and expanded whilst new aircraft missiles, and equipment are being inducted to replace obsolescent types in service which would be phased out within the next few years.

The Indian Air Force is planning to substantially raise the number of pilots it trains every year. While in the immediate future, the existing facilities will be properly utilised, it is proposed to appreciably augment those facilities. In fact, an additional training academy is likely to be established.

Though the Air Force at present finds itself hard pressed to meet the training requirements of pilots for itself, its sister services, and foreign armed forces it is also concerned about the quality of men who choose a career of combat flying.

It has been found that there are insufficient applicants of merit to fill the quota of direct-entry pilots. These are young men who after their graduation seek commissions, as opposed to those who have their initiation to the armed forces at the National Defence Academy.

Initially, it had been stipulated that only science graduates could seek direct entry to the Air Force but now the rules have been amended to include arts graduates as well provided they had done mathematics and science at school. It is hoped that this change will attract more candidates.

Air Force officials concede that they — in fact, the armed forces as a whole — no longer attract the cream of the youth. Many of the young men who apply for commissions do so after having failed to make the grade in other professions. Entering the management cadres of commercial houses and certain public sector undertakings appears a more attractive proposition to most young men.

Living Conditions

It is not only the lower emoluments that prove the discouragement. Living conditions can be difficult and there are many places in which the officers do not enjoy the type of accommodation and recreation facilities to which they are entitled. The Government is in the know-how of this situation.

Perhaps some consolation can be drawn from the fact that the IAF is not alone in this predicament. The Royal Air Force was similarly afflicted and only a few months ago the British Government announced a substantial increase in the pay and service conditions for those seeking commissions.

The drop in the quality of the "raw material" has made IAF training more rigid and strenuous, for it has to be ensured that the finished product is of requisite standard. The training is obviously good, for there are a large number of developing countries, who wish to have their pilots trained by the IAF.

And it is from the money realised as training charges that the additional training facilities could be financed. It has been

calculated that the training of foreign personnel could generate a revenue of Rs 14.7 crores a year. Within two years the additional facilities would have been paid for.

The training of pilots for the aviation branches of the Army and the Navy is also the responsibility of the IAF and the demand for such training has been proportionately more than what the Air Force projects for itself.

This is because Army and Naval fliers do not devote their entire professional career to flying as does the Air Force pilot. They fly at a particular period of their career and then move on to non-flying assignments. Is this economical? The IAF does not think so and would cite this as a reason why the aviation wings of the other two services need not be expanded much further.

Training is an expensive proposition. It is calculated that the cost of training a flier, from his basic flying to his commission, is Rs 25 lakhs. And while the Air Force has not always been able to fill the vacancies for pilot trainees, not all those who want to be pilots make the grade.

But rather than allow those who do not qualify as pilots go waste, the IAF trains them as navigators. Former cadets of the National Defence Academy, who fail to make pilot status are automatically diverted to navigation, the direct-entry trainees are offered commissions as ground duty officers but have the option to seek their fortune in civvy street.

Adequate trainer aircraft would be one stumbling block in the IAF's expansion plans. At present basic flying training is imparted on the HT-2, there has been much delay in the development of the indigenous HPT-32. The first jet aircraft which a pilot learns to fly is another HAL product-the Kiran. Production of this had at one stage fallen short of requirement and the Iskara aircraft had to be imported from Europe.

The Air Force feels that the Kiran will fulfill its role as the initial jet trainer for at least 15 years more. It will become obsolete only when there is a complete revolution in the design and power plants of combat aircraft — something which is still not round the corner.

Production of the Kiran in sufficient numbers would be possible if the Air Force projects its requirement to Hindustan Aeronautics well in advance. The IAF is currently thinking in a 20-year time frame; thus it hopes that it will not run into bumpy weather for want of adequate jet trainer aircraft.

If the training programme is to be expanded, another air base will be required. Every airfield has limitations imposed by runways and available air space. The new base will preferably be located in the southern part of the country, where most of the present training facilities have been established.

While looking to the future, the IAF hopes that it will be in a position to induct almost 200 pilots a year, at present it can train a total of just 128 pilots (from all services, including foreigners). That number ought to suffice to keep the force with sufficient pilots for its fighter/bomber aircraft, transport planes and helicopters.

The future would also see requirements of new aircraft and land-based detection and attack systems. This too involves some foresight for the average life-span of a particular type of combat aircraft which is about 15 years. In fact the moment you induct one type of aircraft is the time to start thinking of its replacement.

Air Force personnel feel a trifle annoyed at the general impression that they suddenly decide to buy aircraft. At present, there is much talk of the Mirage 2000 — the Air Force maintains that it had projected a requirement of an aeroplane of that type, described in official parlance as an "air superiority fighter", in 1974.

Similarly, though the contract for the Jaguars materialised in 1979, the requirement had been projected in the 1960's. Most laymen do not appreciate the fine points of distinction between aircraft a different type is required for the role it would be expected to play.

There are three basic roles — air defence, support to ground forces, and counter offence. And each requires an aeroplane with different capabilities. There are "multi-role combat aircraft" being produced, but their induction would not be cost effective.

Air Defence

The IAF at present uses the Mig-21 FL and the Mig-21B is for air defence, which essentially means attacking enemy aircraft before they can strike at their targets. It is to increase our ability to thwart attempted attacks that the IAF would like an aircraft like the Mirage 2000. The need for such an

aircraft becomes imperative in view of the probability of the USA supplying F-16s to Pakistan.

The offensive air support operations are carried out by Mig-21 MF, the Sukhois and the Marut and Ajeet. Counter air operations — striking at the enemy's airfields, attacking his war machine — would be done using the Jaguars, which is slowly replacing the Hunter and the Canberra.

A new dimension to warfare has been added by developments in the fields of electronics and in this a series of devices and counter devices have been developed. For example radar initially proved extremely effective in detecting enemy raiders, and there was time enough to scramble one's own interceptors to engage them before they delivered their weapons.

But the realisation that radar became less effective when the raiders were flying low has resulted in the development of strike aircraft which operate at a little above treetop heights. The difficulties of navigation and aiming of weapons from a low height have been removed with the use of computerized navigation and attack systems. Most strike aircraft are equipped with electronic "jamming" devices to render radar and "homing missiles", less effective. But the man operating the radar and missiles has his systems designed to counter the jamming device of the raider. It is a constant battle of wits, the man who uses his system quicker is the winner.

Thus, while the IAF is on the look out for better aeroplanes to meet the anticipated threat it is also seeking to augment its own missile and detection capability.

There are two recent "actions" which highlight the importance of electronics in warfare in the air. The Israelis were able to attack the nuclear installation near Baghdad unchallenged because they were able to "jam" the Iraqi air defence system. Conversely, the American attempt at freeing the hostages in Iran failed because the electronic systems aboard the aircraft were rendered useless by some counter devices — suspected to have been used by the Soviets.

In today's environment the talk of the IAF needing only defensive aircraft and systems becomes totally irrelevant. Adopting a defensive posture would mean that the war would be fought in our own skies, and whatever damage was caused would be ours. It is imperative to hit an enemy before he hits you; but even more than the old adage of attack being the best form of defence is the fact that the best deterrent to an enemy is to make him realise that you can hit him very hard. □

CSO: 4220/24

'J 'G' CORRESPONDENT ON INDIAN ARMS BUILDUP

GF280810 Karachi JANG in Urdu 22 Sep 81 p 1

[Excerpts] According to JANG correspondent Akhtar Jamal reporting from Vienna on 21 September, the Indian leaders, in order to counter the Pakistani move to find replacements for its 20-year old aircraft, have started negotiations with several countries to purchase modern planes, tanks and ships. According to European military experts, India entered agreements worth $10 billion or more in 1980-81 alone for purchase of arms. Indian defense personnel are reportedly trying to conclude three more such agreements by the end of 1981. The last of these agreements involves some $8 billion under which the Soviet Union will supply India with MiG-25 planes by 1982-83. These planes are also known as "Foxbat." Other agreements include making Jaguar-type French planes in India and purchase of British-made Harrier planes. The latter will reach India by 1983. Plans are underway to buy 150 Mirage 2000 planes by May 1983. An Indian purchase team of defense personnel will leave for Paris within the next few weeks to finalize an agreement to that effect.

Assembly work on the Jaguar planes has begun at the Hindustan Aeronautics Factory in Bangalore. Parts from the United Kingdom are then assembled to make the fighter planes. According to Indian defense experts, India is interested in learning the know-how and technology to help it make such planes within the country. Since the beginning of the last decade, Indian defense experts have been following the policy that the capability to build modern weapons and missiles should be developed within the country. Thus dependence on arms supplies from other countries is decreased. Apart from this, India also has plans to build French missiles, Italian radar equipment, certain Swedish weapons and Soviet tanks by itself. By 1984 India will build 600 T-72's under Soviet license. Some 100 T-72 tanks are expected to arrive in India in the next year. According to information, the Soviet Union has offered full aid to India for building ships. It may be recalled that the Soviet Union has made great progress in this field. The Indian navy is already the strongest in the subcontinent. It is expected to add two Soviet destroyers and two modern frigates on. India is the only Third World country whose navy includes an aircraft carrier. Experts believe a helicopter-carrying ship is under construction in Bombay.

CSO: 4203/7

INDIA NEARS ITS OIL AMBITION

London 8 DAYS in English 29 Aug 81 p 48

[Text]

INDIA'S OIL and Natural Gas Commission (ONGC) has just celebrated its 25th birthday and has much to be pleased about. Petroleum Minister P.C. Sethi announced that annual production in Bombay High will go up from the present 9m tonnes (172,600 b/d) to almost 20m tonnes (383,560 b/d) by the end of 1983. India uses about 32m tonnes a year and currently imports two thirds of its consumption.

The ambitious target has been made possible particularly because of a recently concluded agreement between ONGC and France's Compagnie Francaise des Petroles (CFP) for the development and exploitation of hydrocarbon reserves in the Bombay High area.

ONGC will pay CFP around $50m for transfer of technology and technical services. The fee is not related to production levels, an Indian government spokesman told *8 Days*. CFP will assist ONGC in evaluating the petroleum potential of the offshore areas along the Bombay-Ratnagiri coast starting from the Heera field in the north and extending westwards to the edge of the shelf. Development plans of Bombay High north, south and east of Ratna field will also be updated with the help of CFP experts.

There are very few Indian public sector organisations with a track record as impressive as that of ONGC. When the commission was first set up in 1956, the annual oil production was a mere 400,000 tonnes, mainly from a few wells in Assam in northeast India. Any significant increase in output seemed unrealistic at the time as western oil experts had labelled India 'petroleum-destitute'. Exploration activity was in its infancy and any talk of offshore reserves seemed a pipe dream. As the *Indian Express* pointed out, the prospects of finding substantial hydrocarbon deposits appeared so hopeless that the ONGC was provided with just Indian rupees 85m ($9.6m) to search for oil.

ONGC has come a long way since those parsimonious days. India's recoverable reserves are currently estimated at about 300m tonnes, while the annual output is expected to exceed 16m tonnes this year — nearly 40 times higher than production twenty five years ago. ONGC's performance to date has been comparable to the world's top oil companies. It has already produced over 82m tonnes of crude oil and over 8,240 cubic metres of gas.

During the next five years, ONGC plans to produce over 63m tonnes of crude oil from offshore reserves and over 27m tonnes from onshore fields. As a result India will make a foreign exchange saving of IR160bn ($18bn) at current world market prices. ONGC also expect a seven-fold increase in gas availability by 1985.

Some doubts have arisen about the availability of external aid for ONGC's projects. The US government is reported to have recommended that the World Bank scraps or drastically cuts back its lending programme to public sector oil and gas projects in the Third World. Some 17 such projects in the Third World are currently under World Bank scrutiny including India's Godavari offshore project. ONGC has asked the World Bank for $120m. but if the institution accepts Washington's advice, the Godavari project will be seriously affected. Fortunately, the World Bank has already committed itself to $400m in aid for Bombay High.

Meanwhile, the Gandhi cabinet has approved the state takeover of Oil India Limited and the Assam Oil Company. Oil India was jointly owned by the government and the Burmah Oil Company of the United Kingdom on a fifty-fifty equity basis and will continue as a separate oil exploration company. The Assam Oil Company, a fully owned Burmah Oil subsidiary, will lose its separate identity after the takeover.

CSO: 4220/21

BRIEFS

AIR FORCE PLANS--The RMAF will aspire towards expanding its air support services so that the various Asean air forces can use its facilities for their common interests, said the Chief of Air Force, Lt. Gen Datuk Mohamed Taib recently. He said millions of dollars could be saved if the RMAF was self-reliant in maintenance, repair and recovery work. He said he was proud that the RMAF had begun pioneering efforts in this field some time ago. He was speaking at the opening of the Air Support Headquarters (Mabanud) at the TUDM base. The RMAF, he said, was in the process of buying new jet planes to supplement and replace existing planes. This, he added, would increase the burden on the RMAF organisation, especially that of Mabanud. He said Mabanud would be given the responsibility of training all personnel (including pilots and technicians), the assembly of planes and logistics supplies. Apart from these, Mabanud would also be given other support duties, including the air force reserves and the RMAF band. As a high-technology organisation, the RMAF needs personnel who are skilled and of high calibre. In this respect, the right kind of training was an important and necessary factor, he said. The RMAF, he said, was at the crossroads in the drive towards more intensified development, the success of which depended upon the undivided support of all personnel. It was of no use having expensive and sophisticated equipment if they were not well used and maintained, or if the spirit of dedicated service was not present, he added. [Text] [Kuala Lumpur ASIAN DEFENSE JOURNAL in English Oct 81 p 8]

AIR FORCE PILOT SHORTAGE--The RMAF is hard-pressed in its efforts to train its pilots in the face of a shortage of trainer jets and other training aircraft. The main training aircraft used now are the 11 Tebuans based in Kuantan and the F15 jets for jet plane training and the 13 Bulldogs in Alor Star for basic training besides a number of Cessnas. Although tenders for advanced trainer jets were closed last month, the jets are only expected to arrive in 1982 or later. Six such jets have been ordered up to 1983 and another six after that. Modern turbo trainers are also intended for future training purposes. It is understood that 120 pilots will be trained annually. In the meantime, trainee jet pilots will continue to use the Tebuans. Nine Tebuans have crashed in the last six years, although they were tested for airworthiness before take-off and checked again after landing. A trainee jet pilot is supposed to have logged at least 210 flying hours before embarking on the course. During the course, he is required to log 85 flying hours before he is deemed qualified. The 68 refurbished A4 Skyhawk jets which the RMAF intends to buy from the US Navy for about $7.5 million each will not replace the Tebuans, although 14 of them will be converted to two-seaters for training purposes. The RMAF also plans to intensify its training programme to overcome the shortage of technical staff, especially fitters where there are 2,700 vacancies. The RMAF will also continue to send its staff overseas for training. About 500 returned from the United States recently after a 13-month course. [Text] [Kuala Lumpur ASIAN DEFENSE JOURNAL in English Oct 81 p 8]

NEW NAVAL BASE--The Royal Malaysian Navy which had just celebrated its 29 years old recently will have another modern naval base in Kuantan in addition to its existing one in Lumut. The base in Kuantan will become the RMN's headquarters for all aspects of marine safety in peninsular Malaysia. It will take on its role from the K.D. Malaya based in Woodlands which would become the headquarters for the RMN's warship operations, according to a statement from the communications division of the Defence Ministry. The base in Kuantan is now being built on a 200 acre site at Tanjung Gelang costing $125 million. It would be fully completed at the end of 1983 and could accommodate 500 personnel. The statement said the transfer of RMN's operations to Lumut by 1985 signified the beginning of RMN's reconstruction programme. At present, 60 per cent of the Lumut base is completed. The rest would be ready by the end of 1984 or early 1985. Early last year, the recruits and cadet officers training centre, K.D. Pelanduk, was transferred to Lumut and several groups of recruits, including the women, completed their training there. The original estimate for constructing the naval complex at Lumut was $450 million but this has increased to nearly $1,200 million. The RMN expects to base 30,000 married seamen at the complex. The Lumut base would have a dockyard to enable the RMN to repair its own ships. [Text] [Kuala Lumpur ASIAN DEFENSE JOURNAL in English Oct 81 p 9]

CSO: 4220/24

GRADUAL ISLAMIZATION OF LEGAL SYSTEM URGED

Islamabad THE MUSLIM in English 24 Sep 81 p 4

[Editorial: "Islamisation of Judicial System"]

[Text]

AT a recent meeting at Quetta, the Federal Cabinet discussed at length the recommendations of the its sub-committee formed to bring the existing cumbersome judicial system in conformity with the tenets of Islam in order to provide inexpensive, expeditious justice to the people. After a fuller scrutiny in another couple of meetings, the draft recommendations would be circulated for eliciting public opinion.

That Islam was the *raison d'etre* of Pakistan has been repeated *ad nauseam* over the past thirty four years. Yet, the social and legal order under which we have lived has been far from Islamic. True, it is not possible to transform, in one sweep, the character of the socio-legal infrastructure inherited from the alien rulers. Yet, no visible effort was made during the first thirty years of independence to even initiate the process of Islamisation of laws and life in the country.

The Fundamental Law of Islam, enshrined in the Quran and the Sunnah, is a code of Divine Commandments and does not lend itself to change through legislation by man. But this age of ever-changing socio-economic landscape has witnessed innumerable points of conflict between human conduct and the Islamic Fundamental Laws. The situation is fast deteriorating and it is time a clear line of demarcation was drawn between what is Islamic and what is not.

Since the birth of Pakistan, successive governments have publicly committed themselves to the establishment of a complete Islamic order in the country. It does not have to be emphasised that laws are the most effective single instrument of change from one social set-up to another. Yet, no appreciable process of Islamisation of Laws was initiated until 1966, when the Council of Islamic Ideology was first instituted. Its terms of reference included bringing all existing laws in conformity with the Quran and the Sunnah and recommending abolition of all laws repugnant to the spirit of Islam. In 1967, a Law Reform Commission was constituted, with the then Chief Justice of Pakistan, as its chairman. After three years of

hard work under its terms of reference, the Commission submitted its Report in 1970. It can be presumed that the Report must have recommended reforms on various aspects of the existing codes of law. But, neither the Report, nor its recommendations ever saw the light of day, and we have continued to live under the obnoxious Anglo-Saxon Laws, which not only suffer from inherent defects, but under which, redress is unbearably expensive and unnecessarily lengthy.

Since it took over, the present regime has repeatedly announced its resolve to completely Islamise all existing laws. An Ordinance was promulgated in February 1979, establishing a Law Commission to study and keep under continuous review, the laws and the judicial systems itself. The object was stated to be to bring them into accord with the changing needs of the times, yet keeping to the soul of Islamic laws, notably the concept of Islamic social justice. The aim was to evolve a simple and effective procedure for the administration of law and ensure substantial, inexpensive and speedy justice to the litigants and to remove extant anomalies in the existing judicial system.

Since the Council of Islamic ideology was reconstituted in 1977 and given a fresh mandate, it has done some constructive work, which deserves honourable mention. Its recommendations leading to the introduction of the Zakat and Ushr Ordinance, interest-free banking, promulgation of the Enforcement of Hudood Ordinance, the establishment of Shariat Faculty (now Islamic University), the constitution of the Federal Shariat Court, introduction of measures for the training of Qazis and the initiation of programmes for imparting knowledge of *fiqh* to civil judges and magistrates, are no doubt some of prominent milestones on Pakistan's journey to Islamisation of laws.

It is recognised on all hands that there is no room in any polity, much less Islam, for the judiciary to be at the mercy of the executive. The fourth Khaleefah-i-Raashed, Amir-ul-Momineen, Imam Ali (May Allah be pleased with him), wrote the most glittering chapter in the history of the independence of the judiciary by deciding to stand in the docks in the court of the Qazi. Yet, here in Pakistan, each Government has been louder than its predecessor in proclaiming its pious resolve of redeeming the judiciary from the pernicious stranglehold of the executive. But, things are where they were 34 years ago.

It is strongly felt that instead of introducing all Islamic Laws in one package, at one point of time—which may well take decades—individual laws may be brought in conformity with the spirit of the Divine Commandments and promulgated without unnecessary delay. Now that the President has made it clear that his government would continue running the affairs of State till the Islamic administrative set-up was provided at all levels, it was imperative that the institutions associated with the task of Islamisation of Laws speeded up their work to bring the transfer of power to the people nearer.

CSO: 4220/25

CHANGE TO LOCAL INDUSTRIES URGED

Karachi MORNING NEWS in English 26 Sep 81 p 7

[Text] INDUSTRIALISTS have been advised to invest in sophisticated branches of manufacturing so that the country's growing needs can be met locally. The timely advice was given the other day by the Governor of Sind while addressing the local industrialists. The country's industrial strategy in the fifties and the sixties was based on the promotion of import substitution. This was in essence a sound idea, though some of the industries set up for the avowed purpose of import substitution increased the country's dependence and failed to strengthen the economy. For these and other reasons doubts came to be expressed about the wisdom of the very idea. Import substitution is now back in favour — and rightly — with the difference that it is thought to be advisable to extend it, where possible, to the realm of industrial processes which have a higher value-added component. As has been pointed out earlier many a time, the country has come to depend very heavily on imported goods and technologies. The total imports of manufactured goods of all types increased from Rs. 10,146 million in 1975-76 to Rs. 24,788 million in 1979-80. This works out to a rate of increase of 25 per cent per annum in spite of governmental efforts to keep importation in check.

The technology transfers over the last three decades have added to our debt liability as well as created a heavy technological dependence on foreign countries, to the detriment of national interests. So far, we have been content to import plants and instal imported machinery and equipment. We have to import even spares and ordinary components for day-to-day replacements in industries and in power and transport sectors. It is no wonder our import bill is rising steeply. In a recent fiscal year, the country imported auto spares worth over Rs. 500 million. Apart from ball bearings, such simple items as spark plugs, oil and air filters, brake linings, auto bulbs, wind screen glasses, etc., are all imported because either they are not produced locally or their quality is very poor. In quite a few cases, import substitution has made little progress or its quality has been spurious. One example is presented by assembly plants whose licensing was contingent upon progressive manufacture of the goods locally. But these plants have remained units for assembling or packing the materials imported at exorbitant prices. Pharmaceutical industries are another case in point. Most of them have been and are glorified packing units. For much of our industrial production, we rely heavily on imports of industrial raw materials.

According to a recent PICIC study of import substitution, progress "has been outstanding in some areas (as for example steel, fertilisers and polyester fibre) and disappointing in others (chemicals, capital goods, transport vehicles and equipment, electrical machinery and electronics). It will need planned and vigorous efforts to extend import substitution to industries in the second category. This involves moving into the realm of sophisticated industries. The development of engineering, chemical and electrical industries will go a long way in putting industrialisation on a sound footing, reducing dependence and paving the way for technological progress and innovation. Pakistan has now joined the group of developing countries which are producing their own steel. This important development will give a fillip to industries in general and advanced industries in particular. Pakistani entrepreneurs have so far failed to enter this highly lucrative field whereas many countries, which became independent later than Pakistan, are today well-established producers of sophisticated goods.

'MAIL' SUGGESTS INDIA THREATENS BANGLADESH ELECTIONS

Peshawar KHYBER MAIL in English 25 Sep 81 p 3

[Editorial: "Clouds Over Bangladesh"]

[Text]

The daughter of the late Shaikh Mujibur Rahman, Haseena Wajid, has lately signified her intention for taking her party to the polls for President that would be held in November. To people in Pakistan this would be a harmless move and suggesting that there is nothing wrong for a political party to take part in elections, as a matter of right. No one would dispute the right. The question is what would it lead to eventually. Elections are often a very tricky affair. People in Pakistan know very little of what happened during the 1970 polls. We would like to enlighten them. Bangladesh, when it was East Pakistan, had a substantial Hindu minority, who lived in separate villages and some in the cities, as they do now in that country. Since some time before the polls, shoals of West Bengal Hindus began infiltrating into that region. The result was a terrorizing of the patriotic Muslim elements, 43 per cent of whom did not go to cast their polls. Of the 57 per cent who did, 25 per cent were Hindu votes, 15 per cent were cast against and as many as 10 per cent were bogus votes thrust for the Awami League candidates, leaving 7 per cent of the polls which catapulted the party into power. What transpired later is known to everyone. The latest information reaching Pakistan shows that actually more than 90 per cent of the people favour the party in power today and have a soft corner in their hearts for Pakistan. Five per cent are opposed to the Government and it may be less than 5 per cent who would be supporting the Awami League which is obviously being supported by India. This is factual analysis, but by no means the one that would be reflected in the coming elections. What would actually transpire is very difficult to say. But, it in itself portends of evil when a party with a following of only 5 per cent of the people, which it must know, has decided to rush into the arena. It must be some cards which it is keeping up its sleeve and of which the Government knows little.

Some people may point out that there have been pro-Awami League demonstrations in Dacca and even strikes were threatened which forced the Government to how before their demand for postponement of elections. Demonstrations are not very difficult to promote in a highly-populated, poverty-ridden country like Bangladesh. They can be rigged up by any one as long as it can invest some cash, throw about lies which seem to appear true to the unsophisticated poorer citizens. Bangladesh has a 300-mile long border, and there are ample chances for

making a pretty penny through illegal trade with India. This way, with full Indian cooperation, a new class of businessmen who made a big pile in a very short time grew up in Bangladesh in the early years following its establishment. It is this section which wants cooperation with India to return and backs the Awami League. The Awami League could muster a sufficient force to rig up demonstrations, further swelled by on-lookers and the youngsters who get a kick out of such tamashas. The Awami League has received further strength from its fresh backing from India. The other day the papers were full of an Indian plan to be put into execution for the sub-verting of the Government by the end of August and the beginning of September. It is on the cards that the Government accepted the demands of the Awami League for the postponement of elections only to avoid the plan to be put into operation as was probably expected. While the Government would be trying to plug the gaps in their security plans, the other side would be busy reorganising it to be used during the polls.

The Awami League stands for full cooperation with India and a secular Government, in which religion plays no part. The present Government, however, is for promoting better relations with the Muslim countries especially Pakistan. The Soviet lobby would be active in the support of the Awami League. But, fortunately, the communists of that ilk are not very strong, rather the pro-Chinese reds have a greater voice with the people, and they would not like the Awami League to come to power. Bangladesh as a problem country, due to its excessive population (10 crores now in an area one-fifth of that of Pakistan) and the absence of many resources, mainly of management know-how and investment potential, though the country, has forged ahead during the presidency of Ziaur Rahman. The latter had built a position among the Muslim nations of the world and had been receiving substantial aid from the petro-dollars, and was able to fill difficult gaps. With his assassination, it is not quite certain how the people would react. Shah Azizur Rahman, the Prime Minister ,is a strong enough person. He was a student-leader at the time of independence and is a man of parts. He, however, lacks the charisma of his predecessor. He may be able to ward off Indian machinations with success. Bangladesh would be saved if the present party returns to power at the polls and any underhand methods to subvert the results are offset.

CSO: 4220/26

NATION SHOULD CONSIDER NUCLEAR ALTERNATIVES

Peshawar KHYBER MAIL in English 23 Sep 81 p 3

[Editorial: "The Symington Amendment"]

[Text]

On the eve of the discussions in the US Congress regarding the Symington Amendment, which sought to control military aid to nations which are on the road to proliferation of nuclear weapons, the Zionist American media have let loose a broadside against Pakistan. After close discussions with the Pakistani authorities, the Reagan Administration had tentatively decided to provide weapons assistance to this country in view of the danger that loomed large on its western horizon from the "predatory eyes" of the Soviet Union. The Congress was to discuss recommendations on that score. It seems that the Symington Amendment was passed only for application to Pakistan during the Nixon regime whose foreign policy was dominated by that great Jew, Dr. Kissinger. For, in actual practice the law has not been applied to any other country. It is well known that the United States has provided six billion dollars worth of military and to Israel annually for the last several years, in addition to guaranteeing more when it was needed. Israel is known to have been developing the atomic bomb since it was delivered essential nuclear raw materials by an American Zionist firm. The white racist Government of South Africa has similarly been on the path of building up a nuclear stockpile and although the Pretoria Government does not have any military assistance from the United States, it has its commercial and other relations with.

The most discriminatory example is that of India. This country has not only not agreed to sign the nonproliferation treaty, it has consistently refused international inspection by the International Atomic Energy Commission, but actually developed the bomb with American enriched uranium

and heavy water facilities. Even after the 1974 explosion, the Symington Amendment did not come into operation though the supply of heavy water and uranium certainly brought these items within the definition of military use. It seems the Indo-Israeli connection, which has not been played up at all but has always been there has certified the increase of nuclear blasts by Indian and promptly accepted by the leaders of the Uinted States. As we have been consistently writing in these columns, the attitude of the United States and other Islamic nations to the question of their defence is overshadowed by the expansionist policies of Israel so clearly underwritten by the United States and its allies. In the meantime Israel is utilising American weapons to destroy Muslim lives and property in Lebanon by openly attacking the Palestinian refugee camps and also the Muslim inhabitants there.

American congressmen already in the pay of Israel or themselves Zionists, have started a solid opposition to the President's promises to open the doors of military supplies to Pakistan. The press and audio-visual media have opened up a barrage against such sanction by the Congress. Pakistan and her friends across the Gulf shall have to consider seriously the alternative open to them, which are actually very few. In such a case it would be suicidal for this country to continue its policy of playing second fiddle to any big power. It would prove to be a veritable death-wish to do so. This country as well as its other Muslim friends shall have to mend their fences with those who threaten our very existence and for which our erstwhile friends do not have anything for us in the shape of support.

CSO: 4220/26

BETTER QUALITY OF PRODUCED GOODS URGED

Peshawar KHYBER MAIL in English 24 Sep 81 p 3

[Editorial: "Quality Control"]

[Text] The deteriorating quality of our finished industrial products is a matter which is being viewed with alarm by all concerned. The falling standards of our industrial goods which are no more durable nor reasonably priced had increased the incidence of smuggling and induced people to go more for imported goods through illegal channels than make use of the ones produced in their own country. This surely has undermined our national pride and our liking for indigenous goods, though patriotism warrants that we should be proud of using goods produced in our own country. But the case is quite different. The sad part of the whole thing is that many of our industrialists have not only duped foreign importers by supplying them sub-standard items but also not giving a fair deal to the indigenous consumers. Their craze for money has brought a bad name to the country. At least this is a matter which should not be brushed aside so easily and government must come down with a heavy hand on the unscrupulous elements who are out to besmear the image of their country for a mess of pottage.

To quote a few out of the many, we may for instance take the case of pharmaceutical industry which has played havoc with the national health. When the generic system of medicines was introduced in the country one could see life-saving drugs being produced and packed in the dingy streets under most unhygenic conditions. Their preparation was not backed by any research as was the case with the drugs manufactured for firms of repute. Thus the sub-standard drugs had not only no efficacy but they also proved a drain on the national exchequer. The medical practitioner was wondering as to why the patient was not responding to the drug and his treatment. Was it due to some error in the diagnosis? The patient on the other hand was losing confidence in his doctor. The chemists were baited by the manufacturers by allowing them high margins of commission to sell their sub-standard products. The last two were thriving on the hard-earned money of the poor man. Then there is the case of electrical goods manufactured in the country whose very durability is questionable. The specifications as set by government are totally ignored in their case with the result that inferior quality goods with not much of durability have to be purchased over and over again and thus causing a drain on the pockets of the people. Still the manufacturers and those responsible for the enforcement of the quality control in this industry are unmoved.

Government has banned the import of foreign goods and with stringent measures recently adopted the smuggled items have not totally disappeared from the local market but the indigenous goods are yet to take their place. One may rightly question the need for the production of such goods. It is about time proper heed was paid to such things and a lot could be done if there is the will. The present government has taken upon itself the responsibility of cleaning the aegen stables and the rubbish left by the previous regimes. But for one, the Government alone cannot do everything by itself. We would appeal to the consumers as well to come out with a helping hand and boycott patronising such products which are of sub-standard and thus expose the manufacturers. At the same time newspapers and other media of publicity should exercise greater restraint and project only those products which they honestly consider to be of real use to the people. Let us all make a crusade against such evils so as to restore national pride and our ardent desire for using our own products. Only then we will become real Pakistanis.

CSO: 4220/26

WORLD BANK REPORT ON ECONOMY

Karachi MORNING NEWS in English 26 Sep 81 p 7

[Article by A. T. Chaudhri]

[Text]

THE national economic scene sketched by the World Bank in its Annual Report (1981), against the backdrop of "mild global downturn", has both bright and bleak features which characterise most of the economies of South Asia. But the analysis of the plus points in the national economy, for which the IBRD and IMF claim some credit, and the assessment of the current and potential constraints on growth, call for a more forthright reappraisal.

The Bank's Report on Pakistan bristles with generalisations. Speaking of the upturn in agricultural output and revival of industrial growth — slower in fiscal 1981 than in 1980 — the Bank says the expansion was made possible by a host of factors. These were: good weather, steady rise in exports and migrants remittances, incentives provided to private sector, general budgetary situation, public and national savings, control of inflationary spiral, rescheduling of external debts and last but not least, moderation of balance-of-payments pressures through an accord with the IMF for an Extended Fund Facility — "the largest granted by the Fund so far." (Page 32).

The "recent achievements" have also been attributed to the stimulus offered by the stewards of the economy to private investment and exports, tougher standards of financial performance, reduced inefficiency in public manufacturing sector, investment in quick yielding agricultural projects and improvement in support services and higher crop prices.

Problems

The Report has however, brought into focus some of the "principal problems which block the economy's surge ahead. these are: "low productivity in agriculture an inefficient public industrial sector, slow growth in large-scale private industry, heavy dependence on imported energy supplies a low level of domestic savings and a high rate of population growth" Such generalisations would hardly impress independent observers of Pakistan's economic landscape.

The fact is that Pakistan is currently in the grip of an economic crisis. It has been accentuated — partly though — by the role of the World Bank and this country's Extended Fund Facility accord with the IMF — "the lender of last resort" to Most Seriously Affected (MSA) countries.

True, Pakistan has managed an annual growth rate of about 5 per cent as the Bank points out. But what it fails to pinpoint is that this growth is more a result of the expansion of service sectors than of agriculture and industry. Notwithstanding near-autarky in wheat, there are structural obstacles to the growth of agriculture. The heavy inputs in the past few years have largely helped the mechanised sub-sector, and not the agrarian economy as a whole.

In industry, the growth is below the target owing mainly to sluggish investment. In contrast to agriculture and industry, the service sectors are buoyant — thanks to the inflow of migrants' remittances, although these too, have lately slowed down and the steady inflow of foreign credits, which in the longrun are going to add to the debt repayment problem.

Then, the monetary scene is quite disturbing because of the unsavoury rise in the inflationary spiral. The annual rate of inflation in fiscal 1981 may touch a new high — 20 per cent — since investment is running ahead of savings and inflated imports are outstripping exports. The operations of black money in the free market mechanism have assumed menacing proportions, as is evident from the recent skyrocketing of the prices of pulses.

Subsidies

Again, the freedom of the managers of economy has been considerably circumscribed by the conclusion the new agreement with the IMF. We have been obliged to cut subsidies, throw open the market to inflation-ridden imports, expose domestic industry to the hazards of foreign

competition, freeze the wages and abandon the liberal labour policy. Where will all this lead to? These trends may breed social unrest and economic discontents.

In recent months, the IMF and the World Bank have made an "intensive" study of our mounting economic problems. Their causes have been spotlighted but proper cures have not been prescribd. The suggested recipes if uncritically accepted can only benefit overseas interest groups. And their implementation would hardly leave any scope for harmonising economic and social policies and satisfying popular urges, so essential for developing country.

Pakistan has to depend on its own eminent economists, rather than on foreign analysts, for a thorough and incisive analysis of the present economic malaise and pursuit of correct policies to put the economy on an even keel. Particular attention has to be paid to foreign debt management and development strategy on which the World Bank Report is silent. Meaningful economic policies have to be evolved — and evolved independently — to make use of the regulatory economic instrument of planning, instead of concentrating on expenditure sanctions for projects promoted by diverse interest groups, here and abroad.

There is an imperative need to analyse development problems in the correct national perspective draw up labour-intensive and employment-oriented plans and implement these with short-term and long-term action programmes. In this task, Pakistan could draw upon the experience of the Third World countries who have already reached the threshold of self-reliance. That way alone can we rescue the national economy from its current impasse, arrest its downhill slide in the future and give it a measure of self-generating progress and buoyancy, which cannot be done by placing it on the foreign crutches of IBRD or IMF.

Now as a beneficiary of the World Bank, Pakistan has so far received 900 million dollar in aid out of 68,000 million dollar loaned by the Bank to the developing countries. The International Development Association (IDA) has extended credits worth 1,500 million dollar to Pakistan. This figure is less than one-sixth of what has been advanced to India. The IMF has lent billions of dollars to its members; it has pledged 1.7 billion dollar to Pakistan, on the understanding that we accept its old role as a watchman of the exchange rate management rules and also its new role as an "international financial policeman."

Unfortunately, some of the policies recommended by the IMF and the World Bank as a prerequisite to loaning are questionable. Both are protectors of the global interests of industrialised nations and their pledges carry the usual strings. The conditions attached may help Pakistan overcome short-term problems, but in the long term it may find its economy more and more hitched to the First World — even lying at the mercy of donors.

The IMF, it should be noted has of late come under severe criticism of the Third World because of the new mantles it has assumed. For example, the policies it tries to impose on the recipients of aid are "too free-market oriented": it makes little distinction between "internally and externally generated balance of payments problems": then, it does not hesitate to push its beneficiaries too for into borrowing on any terms."

Spectacular

All this underlines the imperative need to rationalise the policies of the IMF and IBRD. Their 36th annual meeting is scheduled to be held, at Washington, in a few days from now. Some 141 countries, including Pakistan, will participate in what has been described as a "spectacular concourse of global experts."

One should like to hope that Pakistan, in concert with other developing countries, will do some plain speaking at Washington to strike a new balance between the conflicting interests of lenders and borrowers. The objective interests of the world economy can be served only if institutions like the World Bank and the IMF revamp their policies to bridge the widening gap between the capitalist and proletariat nations. The Washington concourse should not turn into "a dialogue of the deaf."

CSO: 4220/25

PUBLIC, PRIVATE SECTORS FLOURISH SIDE BY SIDE

Karachi MORNING NEWS in English 26 Sep 81 pp 1, 5

[Text] Federal Minister for Production, Lt-Gen Saeed Qadir, yesterday stressed the need for doubling effort towards training in management at various levels in the country.

Inaugurating the three-day convention on "Management challenges in the 80s" held under the auspices of the Management Association of Pakistan at Hotel Inter-Continental, the Minister stated that the public sector industries in the country were taking a lead in demonstrating the advantage of running the industry on the basis of modern management practices. The public sector management cadre, he remarked, was the single biggest source for feeding the growth of any industry now being set up by the private enterprise. The challenge of brain-drain in the public sector, he suggested, could be met by making greater effort towards training more better people who would fill the managerial ranks in the future.

Severe Blow

The Minister said the growth of a strong management cadre was stunted during the past decade for two fundamental reasons. Firstly, managerial cadres were denied reasonable incentives and secondly, the over centralisation of authority after nationalisation of major industries.

This coupled with brain-drain from among the managerial cadre was a severe blow to the growth of industry in the country.

The consequences of such a massive nationalisation aside, the direct result of the brain-drain on the on-going industries was disastrous, he remarked. The paintaking efforts with which the managerial cadres were progressing in the decade of 60s were washed away in the decade of 70s, he said.

The present Government during the past four years, Gen. Qadir said, had made a gradual effort to rebuild the morale of this cadre to help restore the growth of industry. "The Government has to play a dominant role in expediting rehabilitation programme on management," he added.

Discussing the effect of large scale nationalisation, the Minister said it shattered the confidence of private entrepreneurs. The present Government had demonstrated by its policy and action during the last four years

that private and public sectors could flourish side by side without impinging on the growth of either sector. He felt in a country like Pakistan there was socio-economic justification to allow fair amount of growth of both the public and private sectors.

PUBLIC SECTOR

Reviewing the functioning of the public sector industries which are controlled by eight corporations, the Minister said efficiency of these units should not be judged purely on the basis of accounting profits. There are other important factors to be taken into account while assessing the efficiency of any unit.

However, he said, "if these units" abound with inefficiencies, it would certainly reflect in our profitability."

"What I presume is implied by these 'so-called inefficiencies' is that we could make perhaps much larger profits if we adopt some of the practices followed by private enterprise."

PRIVATE SECTOR

Regretting the response of the private sector, the Minister said, it had been hedging over investment in the field of sugar, cement and fertilizer. He said no government could afford to create a vacuum in the uplift of living standard of its people. Under such circumstances, he suggested, gap must be filled by the public sector. Consequently, the Punjab and Sind Governments had to set up eight sugar mills.

He, however, said as the climate for investment appears to be improving the private entrepreneurs were willing to risk their money. The Government had already announced disinvestment plan of these mills.

He said although sanction had been accorded for setting up 13 cement plants in the private sector, the response so far was not very encouraging.

He hoped deliberations of this convention would lead to fruitful results and help bridge the gap between the public and private sectors.

WELCOME ADDRESS

Mr D. M. Qureshi, Managing Director, Bankers Equity called upon the public and private sectors to develop professional managers to relentlessly pursue corporate objectives with sincerity of purpose.

He was presenting his address of welcome as the President of Management Association of Pakistan.

Mr Qureshi dealt at length the economic scenario of the country and emphasised the need of reforming the structure of the public sector. He said that public sector had an important social role to play and a public enterprise should exist purely for strategic or economic reasons. He believed that economic profit was more important than accounting profit.

Mr Qureshi said that translated into monetary terms, the resulting efficiency bonus for the public sector would amount to Rs. 2.5 billion in 1980-81 and would be equal to 1 per cent of our GDP. He further said that if these funds were transferred to the Government, these would provide revenues equivalent to 53 per cent of direct taxes, or 82 per cent of all foreign grants and assistance and would be sufficient to finance increases of 46 per cent in total Government expenditure on education or 49 per cent in direct Federal development expenditure.

He suggested that operational efficiency in the public sector might be achieved by reducing the number of units under its control through a controlled disinvestment policy and by reducing the number of sector corporations.

Mr Qureshi gave a detailed outline for disinvesting public sector projects to the private sector. He advocated that the Government should adopt a phased disinvestment programme for some of the public sector projects in a manner which gave the Government an opportunity to oversee the operations of the project in the initial years.

The convention would continue its deliberations for two days and is being attended by prominent managers from the public and private sectors in the country.

CSO: 4220/25

BRIEFS

TUT OILFIELD OUTPUT--Islamabad, Sept 19--The Attock Oil Refinery is expected to remain under-utilised for quite some time because the output at the Tut Oilfield, which was supposed to provide the bulk of refinery's requirement, has become static. According to the latest reports, the Tut-11 and Tut-12 have run into difficulty, and the producing wells, Tut-6, Tut-7, Tut-4 and Tut-10A, are giving only about 1,500 barrels per day. The refinery has the total capacity of about 25,000 BPD and is based on light crude. The refinery expansion, undertaken last year, was based on the supposition that Kazian oilwell would provide about 5,000 BPD. This well has been abandoned due to high pressure underground water. Originally, a refinery was programmed to be placed at the end of the pipeline near Multan but later on this was changed. An oil expert said that original decision would have saved the national exchequer about Rs 1,500 million a year. Meanwhile, the second credit of the World Bank for the development of the Tut Oilfield has not yet materialised. [Text] [Islamabad THE MUSLIM in English 20 Sep 81 p 1]

SIND SOLAR ENERGY UNITS--Hyderabad, Sept 23--The Sind Governor, Lt Gen S. M. Abbasi here today directed the Sind Agriculture Minister, to install four solar energy generating units on experimental basis, in the province. He said this, while on a visit to the specially arranged demonstration of solar energy generation, by an experimental unit placed at the local Circuit House, on the occasion of the second Annual Wheat Prize Award ceremony. Lt Gen Abbasi taking keen interest in the demonstration and details provided on it's operation in Pakistan, by the company representative, expressed the hope that the same could prove beneficial in extending much-needed power to the tubewells, run in remote agrarian zones. While dedicated efforts were under way to undertake the planned village-electrification programme, the new technique could be an enormous help. The Sind Governor directed Sardar Ghulam Mohammad Mahar, to plan installation of four solar energy units, to run them on experiment basis, to be extensively adopted later, if found successful and economical. The private company representative briefing the Sind Governor stated the company had tested the operation of it's varied capacity solar energy power units at different places in Pakistan. APP [Text] [Islamabad THE MUSLIM in English 24 Sep 81 p 6]

CONTRABAND GOODS SEIZURE--Karachi, Sept 23--The customs drug enforcement cell unearthed another racket of forged forms 'A' and arrested one person in this connection, official sources said here today. Contraband goods worth Rs 5,28,000 imported against these forms were also seized. These included 12 refrigerators, colour television sets, 9 washing machines, two steel trunks, 9 cartons, one wooden crate, containing contraband goods. The arrested person was named Mohammed Iqbal. [Text] [Islamabad THE MUSLIM in English 24 Sep 81 p 6]

NEW TEXTILE MILLS--Karachi, Sept--About 50 new textile mills with a combined installed capacity of over 700,000 spindles and 2,500 looms have been set up during the past four years, it was revealed here yesterday. Besides, it is said, 50,000 spindles and 11,000 looms are under installation. The expansion of the textile industry has been brought about by various measures taken by the present government to stimulate private investment. As a result of the concessions given in customs duty on balancing and modernisation of existing plants, knowledgeable quarters said, by end of June 1981 an investment of Rs 300 million has already been made by the management of the existing units. Similarly, a number of sick units have changed hands and many of them are reported to have improved their performance. In fact some of these units are reported to have even improved the quality of yarn and are competing favourably with the Koreans in price in overseas markets. Thus the number of closed or partially closed spindles is estimated to be over 4 lakh, not accounting for the mills which have been completely closed or scrapped. The country has an installed capacity of some 3.7 million spindles and 20,000 looms and about 2.25 spindles and over 13,000 spindles are now in operation. [Text] [Islamabad THE MUSLIM in English 24 Sep 81 p 8]

SMUGGLERS FOILED--The Airport Custom yesterday foiled a bid of currency smuggling and seized Pak Rs 22 lakh from a Dubai-bound passenger. The custom officials had received an information that huge Pakistani currency would be smuggled out of the country, after which a constant vigil was started on the outgoing passengers. During surveillance, the custom officials became suspicious of a passenger Shahid Mahmood who was due to leave for Dubai by the Gulf Air flight 761. After the suspect completed the airlines briefing formalities the custom officials subjected him to intensive interrogation. Later his suitcase was searched which resulted in the recovery of Pak Rs 22 lakh concealed in the inside of the suitcase in a thermosoic packing layers. The officials seized the currency and arrested the passenger. Preliminary inquiries revealed that the accused was engaged in construction business and was holding residential visa of Dubai. Further investigation is in progress and the custom investigators are on the look out of other persons behind the currency smuggling racket. Last year custom officials also foiled two attempts of smuggling out Pakistani currency amounting to Rs 46 lakh.--APP [Text] [Karachi MORNING NEWS in English 28 Sep 81 p 5]

SECOND MAJOR SAUDI CONTRACT--Jeddah, Sept 23--The Airport Development Agency (ADA) of Pakistan has been awarded a dollar 225 million housing project contract with the King Khaled military city at Hafar Al-Batin, the Pakistan embassy reported. This is second major project to be awarded to ADA in the city. With the award of the new contract, the total value of projects the company is participating amounts to more than dollar 500 million. In the Kingdom where it employs nearly 4,000 workers, including 300 engineers and supervisors, the ADA has developed technical facilities worth dollar 120 million at the Dharan base and has participated in civil projects for the dollar 90 million Al-Kharj electrification project. IINA [Text] [Peshawar KHYBER MAIL in English 24 Sep 81 p 1]

BOMBS SEIZED--Peshawar, 25 Sep--An unspecified number of time bombs, complete with detonators, fuses and clocks, as well as a number of copies of subversive literature, meant for the disruption of Afghan Mujahidin, was captured in Peshawar late on Tuesday night. The dangerous material was being smuggled from Kabul concealed in grapes. The Sharqi police station where a case has been registered refused to give any details. Police also refused to give the name of the person they took into custody in this connection on Wednesday. [Text] [GF281114 Karachi DAWN in English 26 Sep 81 p 4]

FALSE PROPAGANDA SPREAD--Chitral, Sept 24--The NWFP Governor, Lt.-General Fazle Haq, has said that those elements who are spreading baseless propaganda to create differences between the local population and the Afghan refugees were neither sincere to Pakistan nor Islam. He was addressing a mammoth public meeting in Chitral on Thursday morning. General Fazle Haq in his speech spoke at length regarding external and internal policies of the government. His speech was interrupted frequently with prolonged applause and slogans of Islam Zindabad, Pakistan Zindabad, General Ziaul Haq Zindabad and General Fazle Haq Zindabad. The Governor told his audience that a handful of elements were criticising the presence of refugees in Pakistan to obtain their nefarious designs. He reminded the people that these elements were related to those saboteurs who are sitting now in Kabul for subversive activities. This act of theirs, he said, speak of itself how friendly they are to the innocent people of Pakistan. He declared amid applauses that majority of people of Pakistan would neither be misled by baseless and concocted propaganda nor majority of the people could fall prey to their trap. [Text] [Peshawar KHYBER MAIL in English 25 Sep 81 p 1]

CSO: 4220/18

NATION'S EXTERNAL DEBT RISES TO $14-BILLION

Manila PHILIPPINES DAILY EXPRESS in English 14 Sep 81 p 10

[Text]

THE country's external debt amounted to $14.14 billion as of end-June this year, posting an 11-percent increase over the $12.70 billion registered at the close of 1981, according to the Central Bank.

In a report made public over the weekend, the CB also placed the country's debt service ratio – a key element in assessing the nation's ability to repay foreign loans – at 19.2 percent this year.

The CB added, the debt service ratio could rise to 19.4 percent next year.

For the current year, the CB said the debt service burden or the amount of loans the country will have to repay would be $1.74 billion.

THE highlights of the CB report on the country's outstanding external debt follows:

• P10.45 billion or 74 percent of the external debt are fixed-term credits and $9.62 billion or 92 percent are long-term loans. Of the overall long-term credits, $3.35 billion or 35 percent represent official development assistance (ODA) which mature in 15 years or more.

• Revolving credits amounted to $3.70 billion or 26 percent, $702 million or 23-percent more than the end-1980 level of almost $3 billion.

• Outstanding CB loans (these exclude loans from the International Monetary Fund amounting to $1.15 billion) rose to $1.37 billion from the end-1980 figure of $1.18 billion. This was traced to the bank's availment of $99 million new loans under the consolidated foreign borrowing program and $97 million oil loans.

• Foreign loans tapped during the January-June period reached $4.06 billion, while principal and interest payments totalled $3.31 billion. This resulted in a net total inflow (of foreign loans) of $757 million.

• Refinancing loans availed of by the country hit $136 million, all of which were for the private sector.

• Japan, the US, Hongkong and United Kingdom remained the top sources of fixed-term loans for the country. The respective shares of these countries in the Philippine external debt follow: Japan – $2.12 billion; US – $2.02 billion; Hongkong – $974 million and UK – $693 million.

• Foreign loans granted by offshore banking units (OBUs) to private firms and government agencies were $917 million and $722 million, respectively, for a total of $1.64 billion. Of the total, $827 million were revolving credits and the rest fixed-term loans.

CSO: 4220/21

MARCOS PICKED UNCLE TO BE CHIEF OF STAFF, BIO DATA

Kuala Lumpur ASIAN DEFENSE JOURNAL in English Oct 81 p 18

[Text]

Philippines President Marcos had recently promoted and appointed his uncle, General Fabian Ver, to become the country's Chief of Staff. In doing so President Marcos had paid deference to a more senior officer and relative — which actually counts a lot in the Philippine style of patron-client party politics. The other contender for the post, a younger officer with very good academic credentials, is Marcos own cousin, Major General Fidel Ramos.

Ramos is well liked just like Ver. Unlike the latter, he is more exposed to academic training and could have done the same job equally well. He is also known to be more pro-America mainly because of his training background. However, he has no reasons to be unhappy about Ver's appointment — simply because he is the next best person for the post. He would not have to wait too long for his turn - if he plays the game well.

Much has been made of the controversy between uncle and cousin - unnecessary comments on both characters. Indeed, it would be argued that the task to select the top man was difficult for President Marcos. Both are relatives, efficient and of good calibre. The only thing against Ramos which many dismissed, was his age. In the Asian society, given everything equal, in such a fix it is normal to pay deference to age.

The *Far Eastern Economic Review* has depicted Ramos as pro-America. Even though the journal does not say what it means in many words, the implications are well known. We would like to offer a different perspective from the *Review*. We feel that if it is true that Ramos is pro-America, he would be a good candidate - at the time when Manila is trying to patch things up with Washington.

Ver was appointed because he is more senior and closer to Marcos. Age and his alleged pro-American attitudes had very little to do with Marcos decision not to appoint Ramos, whose intellect is well respected by Marcos.

Knowing Ramos he would not demur at not being selected. He knew he had to wait for his turn. Indeed, the atmosphere would be more difficult if he was appointed in place of Ver - his own senior relative. Given everything equal, Marcos choice of Ver for his Chief of Staff is very appropriate. Of course, it would make many people happy if he were to break away from traditions and give Ramos a four-star rank. That would silence Ramos critics and would enhance his own standing. Properly managed the whole family controversy would have a happy ending. □

CSO: 4220/24

KKK: A TOTAL DEVELOPMENT PROGRAM

Manila PHILIPPINES DAILY EXPRESS in English 14 Sep 81 pp 4, 5

[Article by Jesus C. Sison]

[Text]

THERE HAS never been a more comprehensive approach to national development than the Kilusang Kabuhayan at Kaunlaran.

In the past, we had the total Economic Mobilization Program of President Quirino and the Emergency Employment Administration of President Macapagal. The Total Economic Mobilization Program was a blueprint for industrialization. It sought to transform a basically agricultural economy into an industrial one. Although it failed to take off due to the defeat of President Quirino in 1953, the program became a basis for future industrialization policies.

The EEA was bound to fail from the start because it was a program for massive employment. It was meant to generate labor without taking into consideration other ramifications. The government became the main source of employment funds. The project became a political tool and thus became as big a flop as it was a big idea.

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THE KKK is an entirely different concept. It approaches the problems of development from all aspects, including small-scale industries and agro-business ventures. It is a challenge to the Filipino ingenuity and enterprise.

But like all other projects, the KKK has to contend with problems or pitfalls, as some observers are wont to say. These problems are, as usual, brought about by men of both well-meaning and ill intentions.

Red tape, of course, has always been the scourge of all government projects. The implementors of the KKK must see to it that red tape is eradicated or minimized from the planning board to implementation.

NOT TO BE overlooked is the reluctance of people in the rural areas to accept new ideas. This is due to long-standing traditions and beliefs. The farmers and the fishermen in the far-flung villages of the country would rather continue doing what they and their fathers and grandfathers have been doing the past many years than adopt new and untried ideas and methods.

In the construction of Pantabangan Dam, it took a long time before the residents agreed to be transferred to a new site. They did not want to leave the place where their lives and history had taken roots. They were used to a way of living. When they were transferred to a new townsite in a nearby upland area, they felt dislocated. Up to now, the Pantabangan residents are still finding it difficult to adjust to new ways of livelihood.

Another problem is the dole-out mentality of the people. This may hurt the pride and sensitivity of many, but it is true. A great number of the people think that everything the government gives is a dole-out.

There is also the tendency of many Filipinos to postpone the settlement of loans and other obligations. This is no more evident than in the delayed payment of Masagana loans and the amortization of farms transferred to tenant-farmers under the land transfer program. In Nueva Ecija alone, farmers in 16 out of 29 towns are very much behind in the payment of their amortizations.

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MARKETING has always been a problem. Farmers, upon the encouragement of government officials, have gone into massive production of cash crops, mostly perishable goods like vegetables. But how many times did they have

bountiful harvests only to see their produce rot because of lack of transportation and storage?

Politicians can also pose a danger to the realization of KKK objectives. It is of common knowledge that relatives and friends of many local executives have established their contracting and construction firms and are cornering local contracts for construction, equipment and supplies.

Even now businessmen are already going around towns and provinces with proposals for business ventures under the KKK program. The only concern of these businessmen is profit.

There are also unscrupulous persons going around rural and urban areas claiming to be influential and close to high government officials. These persons will attempt to take advantage of the KKK as they have taken advantage of several government projects. They swindle the small entrepreneurs of their hard-earned money. They always prey on the misinformed and the uninformed in the provinces and villages.

THE PEOPLE should realize their stakes and the benefits they can derive from the KKK. Conscious of all these, they will know how to safeguard their rights and interests from unscrupulous politicians, businessmen and operators or hustlers.

In the case of politicians, President Marcos gave his assurance that they will have nothing to do with the handling of funds for KKK projects. The government, almost certainly, will disburse the funds in the form of loans or equity through existing banks throughout the country. This way, the money loaned out or invested in KKK projects will earn interest in the process.

It has been pointed out that the KKK can generate some 150,000 job opportunities every year. This means much to the army of unemployed Filipinos who numbered some 797,000 at the end of 1980. Our total labour force, as of the fourth quarter of 1980 was 18,543,000 of which 17,746,000 or 95.7 percent were employed.

The KKK will work. The government will see to it that it does. President Marcos is committed to its success.

There are hundreds of projects throughout the country that can qualify under the KKK program. The people are aware of this. They were hindered in the past by lack of capital and motivation. Now the KKK has the answer.

CSO: 4220/21

FOREIGN FIRMS CORNERING GOVERNMENT CONSTRUCTION JOBS

Manila PHILIPPINES DAILY EXPRESS in English 14 Sep 81 p 10

[Text]

FOREIGN contractors continue to outmaneuver the local boys in clinching multi-million-peso construction jobs, most of which are government funded, industry observers indicated yesterday.

They still dominate the construction market, observers pointed out, citing the recent entry of a Taiwanese contractor who won a $310-million contract to build a trade center here and 100,000 housing units.

What is lamentable, they said, is that foreign contractors get the juicy contracts and the Filipinos, the leftovers, all because they offer the lowest bids and tempering terms.

(Foreign contractors, such as Nam Kwang, which has been undertaking large road construction projects by the Ministry of Public Highways for the past years, is subsidized by the South Korean government in terms of operational funds and heavy equipment and spare parts.)

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OBSERVERS cited as examples five commercial ports which the Ministry of Public Works had just awarded. The biggest, the Cebu port project worth P251 million, went to the Marubeni of Japan, and the rest, consisting of smaller contracts, spread out to the local builders.

They said that of the total contracts bidded out by agencies like the National Power Corp., National Electrification Authority and the National Irrigation Administration, apart from those of the public works and highways ministry, only about 14.3 percent actually went to Filipino contractors.

The so-called lion's share of some P28.67 billion was gobbled up by foreign contractors that now include Kumho, Hyundai, Nam Kwang and Marubeni, whose proceeds of the contracts have been siphoned out, observers said.

A breakdown showed that in 1979, of the contracts won by local firms, Construction and Development Corp. of the Philippines got only 5.9 percent; Atlantic Gulf and Pacific Co., 2.1 percent; Engineering Equipment, Inc., 2 percent; Hydro Resources Corp., 1.7 percent; Erectors Inc., 1.3 percent; and D.M. Consunji, Inc., 0.6 percent.

These firms, now engaged in overseas construction, can equal their foreign competitors in terms of expertise and equipment. But still they are elbowed out after the biddings by the foreign contractors.

CSO: 4220/21

FOUR RIZAL TOWNS TO GET P10.6 MILLION

Manila PHILIPPINES DAILY EXPRESS in English 14 Sep 81 p 13

[Text]

SOME P10.6 million has been programmed by the Laguna de Bay Development Project-Irrigation Component (LLDP-IC) for the improvement of several communal irrigation projects (CIP's) and construction of new ones in the towns of Morong, Baras, Tanay and Pililla in Rizal.

A total of 950 hectares will be irrigated by the irrigation program which is designed to pump water from the Laguna Lake to supplement the present water supply in the area.

This was disclosed by project manager Maximino A. Eclipse in a recent dialogue with he farmers and the municipal officials of Pililla headed by Mayor Nicomedes Patena.

The program of work includes the construction of access roads, intake facilities, canal and service roads, canals, pumping stations and pipe lines.

The project which had already started is due for completion by March 1983, as per original implementation schedule. (OMA-IV)

* * *

MEANWHILE, P100,954,210 was earmarked for the implementation of various priority projects throughout the Southern Tagalog under the Ministry of Public Works and Highways infrastructure program.

Regional director Eduardo Lagunilla said the biggest budgetary share of P51,397,810 representing 50.9 percent of the total is alloted for the construction, repair and rehabilitation of school buildings. This include those funded out of the United States Economic Support Fund amounting to P14,203,810.

* * *

THE SECOND largest capital outlay amounting to P26,768,000 or 26.5 percent is for the construction, repair and improvement of several priority flood control and drainage projects. This is followed by water supply at P11,232,200; hospital and health units, P5,471,000; portworks P4,925,200; national buildings, P600,000; lighthouses, P360,000, and shore protection, P200,000, Lagunilla added.

He mentioned that the current infrastructure activities of the region includes the completion of some 1153 carry-over projects of various categories valued at a total cost of P34,731,602. (OMA-IV)

CSO: 4220/21

FOREIGN MARKET FOR NATION'S WORKERS GOOD

Manila PHILIPPINES DAILY EXPRESS in English 15 Sep 81 p 5

[Article by Michael A. Bengwayan]

[Text]

THE MARKET abroad for Filipino skilled workers has remained strong despite a temporary slack in recruitment for countries experiencing political crisis.

An Overseas Employment Development Board (OEDB) report said numerous specific skills are still in demand in particular Middle East and African countries which constitute immediate markets for Philippine skilled labor.

It cited Saudi Arabia, Nigeria, Kuwait and the Arab Emirates as top potential labor market for Filipinos.

Iran was temporarily ruled out as a destination country for Filipino workers because of the uncertain political conditions in that country.

Before the crisis, 2,360 Filipino skilled workers found employment in Iran, OEDB records show. Today, its total manpower needs stand at 700,000. High on the "help wanted" list are 3,000 medical workers, 16,000 engineers and 42,000 technicians.

* * *

BULK OF Filipino skilled workers placed overseas in the last few years are involved in Saudi Arabia's infrastructure and public projects.

In Nigeria, ranked seventh world oil producer, less than 1,000 Filipinos have already been recruited, according to OEDB. A delegation from that country which came here recently indicated interest in recruiting more Filipinos, particularly engineers and technicians.

In the United States and Europe, traditional markets for Filipino labor, foreign employment demand has shown promising signs after a temporary slack, arguing well for Filipinos available for overseas placement. Germany, England, Italy, Belgium and Austria continue to recruit nurses from the Philippines, said OEDB.

Placement opportunities are equally encouraging in Oceania and Asia, according to OEDB. An example is Papua New Guinea whose long term programs will certainly need foreign recruits.

Citing its national health plan for 1974-78 alone, OEDB said it had required 372 health inspectors, 4,675, its demand for medical and health workers has been on the rise.

* * *

IN THE entertainment field, Filipino musicians, singers and performing artists continue to be in demand abroad, particularly in Japan, where about 40 percent of foreign entertainers are Filipinos.

The city state of Singapore is perhaps one of the new markets for talented Filipino professionals, said the OEDB. Jobs ranging from administrators, engineers, doctors, teachers, construction workers, dentists, surveyors, writers and computer operators are open to foreigners.

Among the trust territories like Guam, the Philippines continues to be the preferred source of manpower because of the Filipino proficiency in English and acknowledged adaptability.

OEDB admitted that not all of these foreign job placements were working satisfactorily.

(DEPTHnews)

CSO: 4220/21

SALE OF COCONUT OIL TO INDIA, CHINA EYED

Manila PHILIPPINES DAILY EXPRESS in English 19 Sep 81 p 10

[Article by Samuel V. Senoren]

[Text]

THE Philippines will try to sell coconut oil to India and export some more to China to help improve the depressed condition of the local coconut industry.

According to Prime Minister Cesar A. E. Virata, the two countries are being considered for further market development because traditional importers have either slowed down or completely stopped their coconut oil purchases.

The industry is reported to have a huge inventory of coconut oil which can't be sold in the world market because prices are either too low or buyers are hard to find.

Virata said the government will send a mission to China to brief Chinese officials on the commercial and industrial uses of coconut oil.

Among the applications of coconut oil is its use as a fuel mix to power transportation.

* * *

VIRATA also said that an expanded nutrition program would require the use of as much as 100,000 metric tons of cooking oil which comes from coconut oil.

Copra trading has slowed considerably during the past months and prices took a dive soon after the coconut levy was removed.

Virata said however that the levy and the low copra prices should not really be connected because the primary factor for the low copra prices is the depressed condition in the international coconut oil market.

At present, there is an oversupply of fats and oils in the world market and a bumper crop in soya bean production whose oil derivative is being effectively used as a substitute for coconut oil.

IN referring to the beneficiaries of the levy such as insurance for farmers and scholarship programs, the industry may have to do its own assessment instead of doing it through the Philippine Coconut Authority, Virata said.

Before the levy was discontinued, its proceeds were used to finance various programs which gave the industry a sense of direction.

These include the acquisition of a commercial bank, coconut oil milling facilities, hybridization to increase productivity, insurance and scholarship benefits for coconut farmers.

CSO: 4220/21

BOI ATTRACTS FOREIGN INVESTMENTS

Manila PHILIPPINES DAILY EXPRESS in English 14 Sep 81 p 10

[Text] More than P8 billion in foreign investments have entered the country since the enactment of the Investment Incentives Law in 1967.

These investment accounted for 40 percent of the P20.64-billion equity which private concerns invested in business ventures set up under the law, according to Edgardo Tordesillas, vice chairman of the Board of Investments (BOI) and deputy industry minister.

He said the share of foreign equity in the investments in priority projects merely reflect the government's policy of encouraging the inflow of foreign capital to the Philippines.

But this posture of "encouraging foreign investments," he stressed, does not mean less regulations (for the entry of foreign investors into the country).

CSO: 4220/21

BRIEFS

FRG ANTITERRORISM COMMANDOS--Three members of the crack West Germany commando unit which took part in the daring rescue operation in a skyjack drama in Mogadishu three years ago, made a secret visit to Singapore recently. The identities the German police officers, who made international headlines, were not known. It is believed they have been invited here to conduct "clinics" on security matters for both police and army commando units. Sources said the topics raised by the German police experts which included a psychologist, were their experiences in anti-terrorism work, including hostages rescue situations. Observers linked the commando's visit to the forthcoming opening of the Singapore Changi Airport. The multi-million dollar ultra-modern airport became partly operational from July 1. Like the police and army, the West German embassy here was also tight-lipped about the commandos' presence. The police unit left Singapore after a week-long visit. The crack unit's sensational operation involved a raid on a hijacked Lufthansa plane at Somalia's Mogadishu airport in October 1977, rescuing all 85 hostages on board. The two-minute operation left three hijackers dead and one wounded. There were no police casualties. [Text] [Kuala Lumpur ASIAN DEFENSE JOURNAL in English Oct 81 p 13]

CSO: 4220/24

BORDER OFFICIALS SAY RELATIONS WITH LAOS ARE GOOD

Bangkok THE NATION REVIEW in English 22 Sep 81 p 4

[Text]

NONG KHAI

LOCAL OFFICIALS say recent trends on both sides of the Mekong River indicate gradual improvement in relations between Thailand and Laos. But most officials are cautiously optimistic. "We are keeping our fingers crossed. So far, so good," one of them says.

Officials at all border provinces on the Mekong have been told to contribute efforts to convincing Laotian authorities and people that Thailand intends to turn the Mekong River into the "River of Peace and Prosperity," despite the flareup of tension along the common border earlier this year.

Gunfire was exchanged for several days over the Mekong River in the latest clash between Thailand and Laos in February, this year, prompting the Thai Government to order a 14-day closure of the border to keep down the degree of confrontation. As of Feb 23, only Tha Sadet and the cargo ferry checkpoints at this border province have been reopened.

A local senior official told The Nation: "Since then, there have been no incidents along the Thai-Lao border. The situation in general could be said to have returned to normal. The trend, we are happy to report, is encouraging..."

Today's scene is a stark contrast to the scene back in February when heavy guns thundered across the river, and Amphoe Ponepisai, only 45 kms from the Nong Khai provincial proper, was hit by Laotian gunfire, with some casualties on both sides.

Since then, cautious local officials, sometimes not too certain about the central government in Bangkok's political policy at a certain time, would only say, in response to questions about relations with Laos, that everything was in accordance with the joint communique signed by the two governments in 1979 during the Kriangsak Chomanan government.

Breach of that joint communique since 1979 is not unheard of, of course, especially with the growing suspicion following the increasing presence of Vietnam in Laos.

The Thai Foreign Ministry, in its broadcasts over Free Radio Asia, has noticeably toned down its direct verbal attacks against Laos. In fact, the thrust of the Thai statements, whenever Laos was involved, has been to cast Vietnam as the main agitator and manipulator of anti-Thai actions taken by the Laotian Government.

"We understand the Laotian Government. We are sympathetic with their position. And we would like to show that by avoiding any souring of relations with Laos," said a senior Thai official.

Meetings between Thai and Laotian senior officials have taken place, although without much publicity. "The meetings have improved mutual understanding of the need for both countries to pursue a peaceful co-existence policy," another senior Thai official said.

Informed sources said that about two months ago, a meeting of senior officials from all provinces border Laos at Nakhon Ratchasima called by the National Security Council served to stress the government policy to cultivate better relations with Laos.

"There was nothing very new in the meeting. The emphasis was to follow strictly the Thai-Lao joint communique so that the implementation would be assured. The meeting also served to get all concerned officials together to follow the same policy so that the everyone-on-his-own trend would be done away with, once and for all," said a Northeastern official who took part in the

meeting.

The conference also offered a chance for the local officials to raise problems related to policy-implemention with policy-makers from Bangkok so that a clear picture could be thrashed out.

In Nong Khai here, local officials say they have tried to improve relations with Laos through the local provincial-level joint committee comprising representatives from Nong Khai and Vientiane.

The previous vitriolic verbal attacks on radio broadcasts from both the Laotian radio and the Thai station have come to a halt. The newspapers on both sides have also been stressing the positive side.

"We have held three Thai-Lao sporting events. And the events will continue in the future, with each other alternating as host," local officials said.

A Thai dancing troupe recently visited Vientiane for a friendship show. Vientiane has been invited to send over a dancing troupe to the Thai side. Such cultural and sporting exchanges are beginning to smoothen things over on the Mekong River.

A Thai member of the joint provincial-level committee said: "We don't normally have problems with the Laotian officials. After the meetings which dealt with some serious problems, we even joked and teased one another. Yes, the atmosphere has improved noticeably..."

The Thai side has also responded more positively to Vientiane's requests for more lenient regulations concerning the movement of goods in transit through Thailand destined for Laos. Strategic goods have come under close scrutiny by Thai officials. "But if the commodities are really meant for the Laotian people, we usually process the goods rapidly. We just don't want the foreign elements in Laos to get the benefit from the goods transitted through Thailand," said another Thai official.

Thai officials at the policy-making level are now also trying to "synchronize" the trade and political policies. The border closure and stricter controls on the movements of troops at one time had affected Thai border trade.

Relaxation has also been noticeable in this northeastern province recently, for local people on both sides of the river to cross the river for their daily trading although the total volume of trading has gone down drastically since the February closure of the borders.

The absence of hostile words in itself marks a significant improvement in the Thai-Lao relations. All signs point to a further "return to normalcy" across the Mekong River.

CSO: 4220/19

GENERAL SAIYUD SAYS CPT CONTINUES TO GROW

Bangkok THE NATION REVIEW in English 23 Sep 81 p 16

[Article by Gen Saiyud Kerdphol, chief-of-staff of the Armed Forces: "Total Defense Means Total Commitment"]

[Text] Gen Saiyud Kerdphol is Chief-of-Staff of the Armed Forces and the man behind the "Total Defence Concept"--a security-economic package to fight internal and external threats. Here, he outlines in details the plan, with the latest developments taken into consideration.

WHEN WE WERE YOUNGER we could most generally look at our country's problems and expect "they". . . or the leadership to do something about it. We cannot do that any more. We are "they," who can make a very important impact upon the security and well being of this country. This is "where the buck stops."

There are two threats to Thailand – one from without and one from within. The internal threat, insurgency, has been, I think relatively well contained over the past several years. This has resulted from the development of a very perceptive set of government programmes – economic, social and military – which has done much to convince our people in remote areas that Thailand is concerned for their welfare and security and that alignment with the Communist Party of Thailand (CPT) is a dangerous and counter-productive course.

Despite a success story in this area, the insurgency threat is still there. We cannot afford to become complacent. It is a major disease which lingers and we must continue to treat it. At present the CPT growth is controlled to about 7-8 per cent annually – an acceptable level. If the increase ever reached 20-25 per cent, it would represent a very dangerous condition. At this rate of growth, the number of CPT would expand from the present 11,000 to 20,000 by 1986. We cannot allow this to happen. This is doubly important now – since this CPT force could link up with and assist the current external threat which stands on our border. A linkup of these two forces could threaten our freedom and way of life.

Everyone here is aware of the Soviet-backed Vietnamese military forces which faces us along our border with Kampuchea. It consists of 25 Vietnamese divisions and 200,000 men. It also boasts over 200 armoured vehicles. It is a vastly superior enemy in terms of numbers. The western Press puts us at a 3:1 disadvantage. It is an experienced fighting force subsidized by the Soviets at the rate of $3 million per day. The Vietnamese are unpredictable. The events of June 23 of last year prove that they will attack without cause, without warning if they perceive that there is an opportunity to do so and if there is a political or military advantage to be gained.

Once again, the existence of both an external and internal threat and the potential for a linkup of these two, causes us serious concern.

My conclusion is that we must settle in for a long term confrontation of this problem. The Communists calculate success in terms of years. My concern is that we integrate our security and economic efforts so as to gain long term benefits in both sectors. We must also consolidate all our security resources and focus them upon the threat in one centrally coordinated and managed effort. It is these two things – the combining of economic and security development and the consolidation and central management of all security resources that constitute this programme which I am talking about – total defence.

I think we all realize that there are three different groups which play an important role in our national defence. These are:

- Civil defence forces
- Territorial defence forces
- Strategic defence forces

Strategic defence forces consist of our military – army, navy, marines and air force – our conventional force structure. Territorial defence forces include the national police, the border patrol police, volunteer defence called rangers and civil defence includes the civilian volunteer and communities' organisation and all of those other civilian agencies and individuals who can be called upon in an emergency.

Our interest is in creating an overall command and communication structure for these three groups and their many components and to encourage the expansion and exploitation of this latter group – the civilian defence forces.

Let me return now for a moment to the threat. The first area incorporates Loei, Pitsanuloke and Petchabun provinces. It is a vulnerable border area – long a transiting area for CPT's entering our country from Laos. The forested high ground of this region offers a convenient route of advance into central Thailand. Next is area covered by Prachinburi, Nakhon Nayok and Nakhon Ratchasima provinces. This is our vulnerable border area – the defensive area which must block the advance of our most likely external threat. From the enemy's point of view, it is a covered route of advance which they can use to span the 100-kilometre distance from the Kampuchean border to Bangkok.

Under the total defence concept, these two areas – the northern insurgency region (Loei, Pitsanuloke and Petchabun) and the eastern strategic threat region (Prachinburi, Nakhon Nayok and Nakhon Ratchasima) would be developed into long term economic-security areas. Our interest would be twofold. First would be the priority of developing the defence in these areas in depth.

Improving lines of communication, building lateral road systems, constructing obstacles to block the enemy's advance and channelize them into killing zones, developing counterattack plans to eject the enemy, should he successfully breach our initial defences in a surprise attack. These are all a part of that process. To do this, we would utilize the political/social infrastructure which already exists in the area. Villages along the border would become strategic villages – communicating with neighbouring villages and local military forces by radio – recruiting their own security forces and providing their own leadership and chain of command under the village chief. Military forces in the area would be situated so as to provide support – to patrol between strategic villages and act as a counterattack force when any one of the strategic villages came under attack.

On the socio-economic side, the objective would be to build these areas into politically and economically sound entities. Through our solid support and interest, we can develop these areas into solid bastions of national resolve.

Economic and security development, if closely and imaginatively coordinated can be complementary or mutually supporting. Roads, properly positioned, can both support the marketing of local agricultural products or facilitate the movement of a counterattack force or the repositioning of an artillery battery. A fish pond, properly positioned, can both encourage fish breeding or channelize the enemy's advance. Irrigation canals can support rice production in peace time but become formidable tank traps in war. Water storage, dispensaries, and local energy production can improve villagers' living conditions while, at the same time, offer self-reliance and staying power in the event of an attack. In sum, our development proposals are aimed at promoting the welfare of the people in these areas by creating both improved economic opportunities and strategic defence capabilities.

Our current objective is to develop this concept in areas spanning a total of 4,000 villages during the five year period of our 1982-86 development plan.

This, now, is where we come in. National resolve becomes a fact when people demonstrate interest and become involved. Yes – we can throw money at the problem but money alone never seems to do much. I would like to see this Rotary Club sponsor the development of a strategic village on the border area. I would see it becoming the model village for the extension of this programme to the other 3,999 villages. I would like to see other Rotary clubs, other civic organizations, step into assist by sponsoring other villages. I sense that all of us are looking for a useful, significant role to play in support of this country. I can think of none more timely or more vital than the one I have just outlined to you. So this is total defence:

- Self-sufficiency in threatened areas
- Coordination of our economic and security efforts
- Consolidation of all our security resources into one unified responsive system.

Perhaps I should add one more contributing factor to total defence:

That is total involvement.

CSO: 4220/19

GENERAL SAIYUD DETAILS DEFENSE PLANS FOR LAO, KAMPUCHEAN BORDER AREAS

Bangkok THE NATION REVIEW in English 18 Sep 81 pp 1, 8

[Text]

ARMED FORCES Chief-of-Staff Gen Saiyud Kerdphol yesterday outlined plans to place the country's two "most sensitive areas" – the Northern Insurgency Region and the Eastern Strategic Threat Region – under the long-term economic-security programmes as part of the "Total Defence Concept."

Gen Saiyud said the first area of primary concern to the government incorporates Loei, Phitsanuloke and Petchabun provinces.

"It is a vulnerable border area – long a transitting area for the Communist insurgents entering our country from Laos. The forested high ground of this region offers a convenient route of advance into Central Thailand," he said.

The second vulnerable area covers Prachinburi, Nakhon Nayok and Nakhon Ratchasima provinces – "the defensive area which must block the advance of our most likely external threat."

Gen Saiyud added: "From the enemy's point of view, it is a covered route of advance which they can use to span the 100-kilometre distance from the Kampuchean border to Bangkok."

Under the "Total Defence Concept," he said, these two areas would be developed into long-term economic-security areas.

Gen Saiyud was speaking on "Total Defence" at the Rotary Club of Bangkok at the Erawan Hotel yesterday.

"Our interest would be twofold. First would be the priority of developing the defence in these areas in-depth. Improving lines of communication, building lateral road systems, constructing obstacles to block the enemy's advance and channelize them into killing zones, developing counter-attack plans to eject the enemy, should be successfully breach our initial defence in a surprise attack. These are all part of that process," Gen Saiyud said.

The senior military officer said that to achieve the goal, "we would utilize the political-social infrastructure which already exists in the area. Village along the border would become strategic villages – communicating with neighbouring villages and local military forces by radio; recruiting their own

security forces and providing their own leadership and chain of command under the village chief."

Gen Saiyud said that military forces in the area would be situated so as to provide support – to patrol between strategic villages and act as a counter-attack force when any one of the strategic villages came under attack.

On the socio-economic side, the objective would be to build these areas into politically and economically sound entities.

"Through our solid support and interest, we can develop these areas into solid bastion of national resolve," Gen Saiyud said.

The current objective is to develop this concept in areas spanning a total of 4,000 villages during the five-year period of the 1982-86 development plan.

He pointed out that the existence of both an external and internal threat and the potential for a linkup of these two, causes serious concern to the government.

He said that the government must integrate security and economic efforts to gain long-term benefits in both sectors.

"We must also consolidate all our security resources and focus them upon the threat in one centrally coordinated and managed effort. It is these two things – the combining of economic and security development and the consolidation and central management of all security resources that constitute this programme which I am talking about – total defence," he said.

He pointed out that there are three different groups which play an important role in our national defence: civil defence forces; territorial defence forces and strategic defence forces.

"Strategic defence forces consist of our military (Army, Navy, Marines and Air Force). Territorial defence forces include the National Police, the Border Patrol Police, Volunteer Defence called rangers and Civil Defence includes the civilian volunteer and communities' organizations and all of those other civilian agencies and individuals who can be called upon in an emergency," he said.

Gen Saiyud said that his interest was in creating an overall command and communication structure for these three groups and their many components and to encourage the expansion and exploitation of this latter group – the civilian defence forces.

Gen Saiyud called upon the Rotary Club of Bangkok to sponsor the development of a strategic village on the border area. "I would see it becoming the model village for the extension of this programme to the other 3,999 villages."

CSO: 4220/19

END

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23 October 1981

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PROCEDURE FOR PRESIDENTIAL NOMINATIONS TOLD

Dacca THE BANGLADESH TIMES in English 10 Sep 81 p 1

[Text] Nomination papers of the intending candidates for the coming presidential election will be received by the Returning Officer at his office on September 21 between 7:30 a.m. and 2 p.m., an Election Commission press release said on Wednesday, reports BSS.

The Returning Officer will scrutinise the nomination papers on September 22 (Tuesday) while the last date for withdrawal of nomination papers has been fixed on October 14. The presidential polls will be held on November 15.

The Secretary of the Election Commission has been made the Returning Officer and his office is situated at block number 5 and 6 of the Gazetted Officers' Hostel at Sher-e-Bangla Nagar, the press release said.

Giving the required qualifications of the candidate, the press release pointed out that no one would be eligible for contesting the presidential election if his or her age is less than 35 years, if he or she is not qualified to contest the parliamentary election and if one is removed from the presidency under Constitution.

Any voter could be the proposer or seconder of only one candidate but one candidate could submit more than one nomination papers.

An amount of Taka five thousand will have to be deposited to the Returning Officer or he has to show the receipt of such deposit with a bank in the name of Election Commission at the time of filing nomination papers. Other wise, nomination papers will not be received by the Returning Officer.

The candidate or any one on his or her behalf could deposit the said amount with any branch of the Bangladesh Bank or in any government treasury under the head "P-deposits and advance-part-2-deposits not bearing interest-civil-deposits--deposits in connection with election."

The proposers, seconders and one person authorised by a candidate could be present at the time of scrutiny. Any appeal against the cancellation of nomination papers by the Returning Officer could be made before the Election Commission within three days of the cancellation of nomination papers. However, the order of the Election Commission will stand as final. The prescribed nomination forms are available in the office of the Returning Officer and concerned persons could collect them during office hours.

CSO: 4220/7042

FINANCE MINISTER TALKS TO PRESS ON RETURN FROM PARIS

Dacca THE BANGLADESH TIMES in English 12 Sep 81 p 1

[Text] Finance Minister Saifur Rahman on Friday said the Paris Conference on the LDCs "is sure to bring positive outcomes" with 12 developed countries having already committed to back up the Substantial New Programme of Action (SNPA), reports BSS.

The countries which have already committed to extend full support to the SNPA are France, the Netherlands, Norway, Sweden, Finland, Denmark, Belgium, Luxemburg, Switzerland, Italy, Ireland and Canada.

Mr Saifur Rahman, who led the Bangladesh delegation at the Paris meet told reporters on his return on Friday that some major developed countries like Britain, Federal Republic of Germany and the United States also agreed in principle to support the SNPA but failed to make any immediate commitment, particularly with regard to the target of aid flow to the LDCs.

Although conceptually everybody supported the whole programme. Countries like the United States showed some reservations with regard to aid modalities and follow-up procedures, the Finance Minister observed.

He said the United States was possibly less concerned with the magnitude and urgency of the problems. An attitude, they tried to explain, had resulted from "their own economic problems."

French Govt Lauded

He lauded the role of the new French Government for showing "favourable attitude towards the problems of the LDCs."

Besides, Mr Rahman pointed out, in the context of the existing global issues--which were enormous--it would be easier for the developed countries to agree to satisfy the 31 LDCs, whose problems were comparatively smaller.

He said that although it was agreed that the developed countries should contribute 0.7 percent of their GDP to the developing countries Bangladesh had stressed the need for subtarget arrangements for the poorest of the developing countries.

Bangladesh had suggested that at least 20 per cent of the total Official Development Assistance (ODA) flow should come to the LDCs by the year 1985 and which should be raised by 30 percent by 1990.

He described the Paris conference as "the most important and crucial conference" for Bangladesh and said that his delegation had played a pivotal role in highlighting the plight of the LDCs.

The Finance Minister said that Bangladesh role at the Paris moot was highly appreciated both by the developed and the developing countries.

CSO: 4220/7046

CHHATRA LEAGUE-KC CRISIS RESULTS IN PARTY SPLIT

Dacca THE BANGLADESH OBSERVER in English 14 Sep 81 pp 1,12

[Text] Despite repeated efforts to cement the crack in the leadership of Bangladesh Chhatra League (Kader-Chunnu), 26 Secretaries and members of the Executive Committee belonging to Jalal-Jahingir faction severed ties with the committee headed by Dr Jalal, says a Press release issued on Sunday.

The Jalal-Jahangir panel was illegal, unconstitutional and irregular, the Press release said and the dissident members pledged their solidarity with the 'legal' Fazlu-Chunnu faction. In the conference of the organisation held on August 29 last Jalal-Jahangir gave their panel illegally in order to divide the organisation and foil the 'BAKSAL' philosophy laid down by Bangabandhu, the Press release added. They condemned the conspiracy to undo the 'BAKSAL' philosophy and split the organisation.

Following are the names of the dissidents and their position in the Jalal-Jahangir panel Bahalul, Majnum Chunnu, Member of the Executive Committee (EC); Golam Mohiuddin, Vice President; Muhibur Rahman Bublu, Vice-President; Jahangir Kabir Nank, Joint Secretary; Mukul Bose, Publicity Secretary; Morshed Alam, Publication Secretary; Motahar Hossain Cultural Secretary; Shahriar Rumi, Treasurer; Kamal Sharif, Assistant Secretary; S.M. Shahabuddin, Assistant Secretary; Matiur Rahman Bulbul, member of EC; Bashir Hossain, Member of EC; Habi [name illegible] Rahman, member of EC; Badrul Islam Khan Bablu, Member of EC; Sultan Mohammad Mansur Ahmed, Member of EC; Abdul Mannan Pathan, Member of EC; Manjur Kader Qureshi, Member of EC; Alamgir Bablu, Member of EC; Jahirul Islam, Member of EC; Niranjan Sarkar Bacchu, Member of EC; Haider Ali, Member of EC; Siddiqur Rahman, Member of EC; Mobarak Hossain Selim, Member of EC; S.M. Abdul Mannon, Member of EC; Shamim Osman, Member of EC; and Nazrul Islam, Member of BC.

CSO: 4220/7050

AWAMI LEAGUE-H RESOLUTION ON PRISONERS REPORTED

Dacca THE BANGLADESH OBSERVER in English 8 Sep 81 pp 1, 12

[Text] The adjourned meeting of the Central Executive Committee of Bangladesh Awami League (Hasina) resumed in Dacca on Monday evening at the party office at Bangabandhu Avenue, reports BSS.

Presided over by Sheikh Hasina, Chairman of the party the meeting discussed the government's attitude towards the Awami League's four-point demand and the situation arising out of the Governments announcement with regard to the shifting of the date for presidential election, an Awami League Press release said.

The meeting was adjourned again till 4 p.m. on September 9.

In a resolution the meeting condemned what it said "pleading of a minister against the release of political prisoners for criminal laws at a public meeting on September 6," the Press release said.

The party reiterated its demand for the release of political prisoners including those convicted by the military courts.

City Unit's Rally

ENA adds: Awami League Dacca city unit chief Mohammad Hanif on Monday said his party cannot participate in the forthcoming presidential polls if its four-point election demand is not met.

Addressing a rally in front of the Awami League central office at Bangabandhu Avenue on Monday afternoon Mohammad Hanif warned the Government that his party would launch a vigorous movement so that election could not be held without meeting his party demand.

Awami League's four-point election demand included shifting of election date from October to November third week, lifting of Emergency Rule release of political prisoners and fresh enrolment of electorate. Out of these demand, the election date has already been shifted to November 15.

After the rally, a procession was brought out in support of party's four point election demand. The procession was led by Awami League Presidium member Shajeda Chowdhury, Central Committee members Sheikh Abdul Aziz and Col (Retd) Shawkat Ali MP and Organising Secretary Tofail Ahmed and city unit President Mohammad Hanif. The processionists paraded main thoroughfares of the city and dispersed at the central Shaheed Minar.

CSO: 4220/7036

AWAMI LEAGUE-H ISSUES STATEMENT ON ELECTIONS

Dacca THE BANGLADESH TIMES in English 7 Sep 81 p 1

[Text] Bangladesh Awami League (Hasina) on Sunday night said that announcement of shifting the date of Presidential election was inconsistent with the government assurance regarding the fulfillment of three other demands for free and fair election, reports BSS.

The Working Committee of Awami League (H) which met at an emergency meeting with the Party Chief Sheikh Hasina Wazed in the chair described the government announcement as frustrating alleging that it was a clear violation of the government commitment of fulfilling its four-point demand.

The Awami League(H) in a press release said that its leaders in course of their meeting with the Acting President Mr Justice Abdus Sattar on September 3 pressed home to accept the Party's four-point demand for holding free and fair presidential election.

The Awami League(H) expressed its firm determination to continue struggle for realising its four-point demand.

It also called upon the people to build up mass movement for the establishment of people's rights.

The evening session of the meeting was presided over by Mr Abdul Mannan, the meeting was adjourned till Monday evening the press release said.

CSO: 4220/7034

AWAMI LEAGUE-H MEETING ENDS, REITERATES STAND

Dacca THE BANGLADESH OBSERVER in English 10 Sep 81 pp 1,12

[Text] Bangladesh Awami League (Hasina) on Wednesday announced that there is no question of its participation in the forthcoming presidential elections unless its four-point demand was met, says ENA.

The party stand on the election was announced following a four-day extended meeting of its Working Committee which reviewed the Government announcement on election date vis-a-vis the party's four-point demand, says a party Press release.

The Working Committee which resumed its session in this morning with Presidium-member Korban Ali in the chair also condemned what it said the Government's dilly-dally attitude regarding the four-point demand set to create an atmosphere conducive to free and fair polls, the Press release added.

Hasina Indisposed

Awami League (H) President Sheikh Hasina who has been indisposed since Tuesday is now under treatment of Professor Nurul Islam says a party Press release.

The Awami League President advised complete rest by her physician cancel her visit to Beirut scheduled for Tuesday.

Meanwhile Mr Zillur Rahman, a member of the party Presidium has left for Beirut to represent his party's President at a conference of the Palestine Popular Union.

CSO: 4220/7040

MORE DETAILS ON AWAMI LEAGUE-H COMMITTEE RESOLUTIONS

Dacca THE BANGLADESH TIMES in English 12 Sep 81 pp 1, 8

[Text] Bangladesh Awami League (Hasina) on Friday asked the Government to accept the remaining three of its four preconditions for participating in the presidential polls by September 16.

The party also declared that "it would not be possible for AL to participate in the ensuing presidential election if the demands were not accepted within the stipulated time."

The ultimatum was contained in a resolution adopted at the meeting of the Central Working Committee of the AL(H). The adjourned session of the meeting was held at the residence of party chief Sheikh Hasina Wazed with herself in chair.

The resolution accused the Government of "violating the assurances" given to the AL leaders on September 3 when they met the Acting President Mr Justice Abdus Sattar at Bangabnaban. It claimed that the Government had assured them of acceptance conditions. But so far the Govt. failed to announce any decision except changing the date of election.

By another resolution the party accused the BNP leadership of making "provocative and objectionable remarks" against Awami League leadership. The party said it appeared that the Government was not willing to accept their four-point demands.

The meeting also decided to hold a meeting of the central working committee at 5 p.m. on September 16, a Press conference at 10 a.m. on September 17 and a public meeting at Baitul Mukarram Square at 3 p.m. on September 21.

Meanwhile, according to AL sources the meeting authorised party chief Sheikh Hasina Wazed to form a parliamentary board to take decisions regarding the election matters.

The sources said that party leaders were also awaiting the return of Dr Kamal Hossain from his visit to London to take final decision regarding the election.

According to sources, majority of district-level leaders support AL participation in the election with its own candidate, while a section of leaders call for extending support to General (Retd) M.A.G. Osmany.

The sources pointed to the recent meeting between Sheikh Hasina Wazed and the retired General in this connection.

The situation is likely to be clear when AL(H) General Secretary Mr Abdur Razzak returned from Bombay where he had gone for treatment of his only daughter. Mr Razzak is likely to return on Sunday while Dr Kamal Hossain may return within a day or two.

CSO: 4220/7046

JOINT-PRC FRIENDSHIP SOCIETY HOLDS DACCA REUNION

Dacca THE BANGLADESH OBSERVER in English 5 Sep 81 p 1

[Text] Speaker Mirza Golan Hafiz on Friday said that China is a tested friend of Bangladesh and she stood like a rock behind us in times of our need. The heroic people of China will also extend their support to the people of Bangladesh in times of need, he added.

Speaking at the Eid reunion function of Bangladesh-China Friendship Society at the Bangladesh Shilpakala Academy on Friday afternoon Mirza Golan Hafiz who is also the President of the society said that the friendly ties with China dates back to over four thousand years. Both the people of China and Bangladesh are closest friends and have similar experiences in the fields of cultural heritage. He said that the people of Bangladesh have a high regard for the people of China who have made a great leap forward in emancipating the lot of 100 crore people from the deep dungeon of poverty.

Narrating his recent tour impression of China, the speaker said that full religious freedom exists in China. He noted that he said his Eid-ul-Fitr prayer in a grand mosque of Shanghai.

The function was also addressed by Mr S.A. Bari A.T. Deputy Prime Minister, Mr Mayeedul Islam, Minister for Post and Telegraph, Dr Fazlul Karim, State Minister for Sports and Cultural Affairs, Kazi Zafar Ahmed, former Minister and the Ambassador of People's Republic of China Mr Li Shu Qing.

Mr S.A. Bari A.T. in his speech said that the bond of friendship between the people of Bangladesh and China will be strengthened more and more with the passing of time.

Mr Mayeedul Islam praised the Government of China for its all round assistance to the development programmes in Bangladesh.

Dr Fazlul Karim said that frequent exchange of delegations in the fields of sports and culture will contribute much to the friendly ties between the two countries.

Kazi Zafar Ahmed, Vice President of the association said that the heroic people of China are standing like a rock in the face of two super-powers in the present world. China, he said, following the policy of Mao Tse-tung is giving moral and material help to all the genuine liberation movements in the world.

Referring to the hegemonistic designs of India against Bangladesh Kazi Zafar said that the people of Bangladesh will fight to the last in defending the independence and sovereignty of the country. He also hoped that China will stand by the side of Bangladesh in time of need.

In his reply the Chinese Ambassador praised the heroic people of Bangladesh for their role in defending their independence and sovereignty in the face of so many odds. Recalling the recent visit of Chinese Premier Zhao Zhi-Yang to Dacca at a time when the country was passing through a great crisis the Ambassador said that it proved that the people and government of China have a deep concern for the people of Bangladesh.

Amidst thunderous cheers from the audience the Ambassador declared that the hundred crore people of China will stand behind the people of Bangladesh in defending their independence and sovereignty in the face of any danger from outside.

The reunion was followed by a neatly arranged cultural function which included classical and folk dances and music. The function was presented by the Performing Arts Academy of Bangladesh.

Mr Nazmul Huq Nannu Joint Secretary of the association conducted the function in the packed house.

CSO: 4220/7026

OSMANY CALLS ON OPPOSITION PARTIES FOR SUPPORT

Dacca THE BANGLADESH OBSERVER in English 5 Sep 81 pp 1, 12

[Text] Presidential candidate Gen. (Retd) M.A.G. Osmany at a meeting on Friday called upon the Opposition political parties to support him in the forthcoming presidential polls. It is a struggle for the realisation of the rights of the people against what he termed 'one-man dictatorial rule.'

Addressing a public meeting organised by the Citizens National Committee at Baitul Mukarram, Gen. Osmani said that the future of the nation would depend on the success of this "struggle."

Presided over by Dr Ahmed Sharif it was addressed, among others by Lt Col (Retd) Kazi Nuruzzaman Chairman Central Command Council of Muktijodda Sangsad, Mr A.Z.M. Enavetullah Khan, Dr M.R. Khan, Mr Ashraf Ali, Mr Khalequzzaman and Dr Zafarullah Chowdhury.

Gen. Osmani said that if voted to power he would establish parliamentary democracy in the country. He pledged to restore the 1972 Constitution minus the Fourth Amendment.

Reiterating his demands for shifting the date of presidential polls towards the end of November he said that he would not file his nomination paper on September 7 if the election date was not shifted. Exhorting BNP to follow the constitutional way and abide by truth and justice, he said that otherwise the ruling party might face a grave crisis. Gen Osmani said that Allah does not like injustice and untruth.

He said that if voted to power his Government would pursue a strong non-aligned foreign policy aiming at the welfare of 90 per cent of the people and help materialise the just demands of the common people.

He said that they want election but he reiterated his demands for free and fair one and equal opportunity to Opposition candidates for using government transport and publicity media.

Gen Osmani sounding a note of warning said that the ruling party must abide by law if not the people would compel them to do so. He cautioned the Government not to use the government employees or influence them for election purpose.

Gen. Osmani said that if voted to power he would give freedom of the Press, ensure social justice, emancipation of the women, encourage setting up of cottage industries, distribute khas lands to the landless, develop agricultural industry, would not allow banking in the private sector, formulate welfare oriented labour policy, strengthen the Muktijodda Sangsad and Muktijodda Kalyan Trust, try to release the freedom fighters and would complete the list of the name of the freedom fighters.

He cautioned the freedom fighters to remain united and not to be misguided by BNP. He alleged that BNP was trying to create division among the freedom fighters. He also called upon the ulema of the country not to be used by the ruling party. Referring to police, he said that he would try to build up the country's police force as a well equipped modern force to serve the cause of the people.

Regarding his defence policy, he said that he would build up a strong regular army capable of safeguarding the country's independence and sovereignty and would also build up people's army with necessary training and would support the regular army in time of necessity Gen. Osmani said.

Recalling the role of the Opposition political parties following the Chittagong incident on May 30, he said that they had supported the Government to overcome the crisis. He also urged the Army not to be used to remain over alert of the protection of the country's independence and sovereignty.

Criticising the Government economic policy he said that grants and aids were being spent in the unproductive sectors.

Dr Ahmed Sharif said that the people are told of happiness but they have never tasted it. There was no security of life in the past and also today, he alleged.

Lt Col (Retd) Nuruzzaman said that the Muktijodda Sangsad had supported Osmani as its free choice. He said that by supporting Osmani in the presidential polls did not mean that the Sangsad was indulging in politics. The Sangsad is supporting him for protecting the country's independence and sovereignty, he said.

He alleged that BNP was following politics of killing and oppression.

Mr A.Z.M. Enayetullah Khan said that during the one-party Government and one-man rule, the independence and sovereignty of the country had been jeopardised. He said that the people were capable of defending the country's independence and sovereignty effectively.

We do not have economic freedom today which is a precondition of political freedom, Mr Khan said. The people's strength can ensure independence and sovereignty on the one hand and ensure economic freedom on the other, he said. The need of the hour is an able candidate and a well-organised organisation, he said. Praising Gen Osmani's role in the Liberation War and his stand during 1975, he said that he resigned his Parliament membership protesting the one-party one-man rule, Mr Khan said.

CSO: 4220/7026

PRESS REPORTS POSTPONEMENT OF ELECTION DATE

Text of Press Release

Dacca THE BANGLADESH OBSERVER in English 6 Sep 81 p 1

[Text] The Election Commission on Saturday night announced the shifting of date of presidential polls to November 15 next. The election was due to be held on October 15.

A Press release issued by the Election Commission on the day said that the date of presidential election has been shifted in deference to the demand of many political parties. The Election Commission reviewed various aspects of the matter and shifted the date of polls earlier from September 21 to October 15. But most of the political parties were still persisting in their demand for holding the election in the third week of November, the Press release added.

Some political leaders approached the Election Commission and placed their demand for consideration of the shifting of the date.

According to changed schedule, the date for filing of nomination papers to the returning officer has been fixed on September 21 and the last date of withdrawal of candidature is October 14. The date of scrutiny of nomination papers is September 22.

Following is the text of the Election Commission Press release.

"In deference to the demand of many political parties for shifting the date of election to the Office of the President, the Election Commission reviewed the various aspects of the matter and shifted the date of poll from 21st September to 15th October, 1981 with consequential changes in the schedule. But most of the political parties were still persisting in their demand for holding the election in the 3rd week of November, 1981. Some political leaders approached the Election Commission and placed their demand in that behalf for consideration.

"The Commission took all necessary measures to hold the election on the 15th of October 1981. On review, it found that further shifting of the date of poll would create difficulties. It may be mentioned in this connection that the period of 180 days as prescribed in the Constitution within which the Presidential election must be held will expire on the 25th November 1981.

"To consider the matter, the Election Commission met on the 5th of September 1981. Notwithstanding the difficulties the Commission has given due importance to the demand of the political parties and has decided to shift the date of poll from the 15th October 1981 to 15th November 1981 and has accordingly issued a gazette notification today, the 5th of September 1981 specifying the revised schedule as under.

a) Date for filing of nomination papers by the intending candidates to the Returning Officer. September 21 (Monday) 1981.

b) Date of scrutiny of nomination papers by the Returning Officer September 21 (Monday), 1981.

c) Last day for withdrawal of candidature, October 14 (Wednesday) 1981.

d) Date of poll, November 15, (Sunday) 1981.

Awami League-H Informed

Dacca THE BANGLADESH OBSERVER in English 6 Sep 81 p 1

[Text] Civil Aviation Minister K.M. Obaidur Rahman on Saturday called on Awami League President Sheikh Hasina at Sheikh Mujib's Road No 32, Dhanmondi residence to convey on behalf of Acting President, Mr Justice Abdus Sattar the decisions of the Government on the discussion it held with the Awami League regarding the Presidential election an Awami League source said, reports ENA.

The source would not give details of the message, Mr Obaidur Rahman conveyed to Sheikh Hasina.

Awami League Presidium members Korban Ali Abdul Mannan and Zillur Rahman Acting General Secretary Sajeda Chowdhury and Organising Secretary Tofael Ahmed were present during Sheikh Hasina's discussion with Mr Obaid.

It may be recalled that Awami League held discussion with the Acting President at the latter's invitation on its election preconditions on November 3 and the Government was scheduled to convey its decision on the matter to the Awami League on Saturday.

CSO: 4220/7030

MARXIST-LENINIST PAPER SCORES POLICY ON COUNTRY

Dacca THE BANGLADESH TIMES in English 3 Sep 81 pp 5,6

[Text] The powerful Russian equipped Indian Navy was sent to forcibly establish India's claim over New Moore Island. Gunboat diplomacy marks a new stage in Indira Gandhi's to better Bangladesh into submission. Interfering in Bangladesh's internal affairs is nothing new for the Indira fascist clique which aims to lord it over all of South Asia (of course, under the cover of a Soviet social imperialist unbrella).

Just little while ago was the astounding statement of Hasina Wazed, daughter of Mujibur Rahman and newly-elected President of the Awami League, that she count on New Delhi's help in overthrowing the Ziaur Rahman regime. There is no doubt at all that Hasina like her late father is acting under the direction of New Delhi. Before Hasina's stagemanaged election as Awami League President (that took place while she was still in New Delhi) two top leaders of the Awami League had visited Delhi and had secret meetings with Congress(I) leaders. The two Awami League leaders were up at the SAIL Guest House in Delhi, which is often used by RAW for its activities. It was all this that prompted Khandokar Mushtaque Ahmed to state that Awami League "politics...is being directed from New Delhi." (STATESMAN, April 8, 1981).

Hasina and the Awami League are not alone in their pro-Indian and pro-Soviet activities in Bangladesh. They have been joined by Major Jalil, President of the Jatiya Samajtantrik Dal. After a visit to Afghanistan, the good Major had the audacity to say, "Now people are happy there and only feudal reactionaries are opposed to it (i.e. the Russian occupation)." [from the May-June 1981 issue of FOR A NEW DEMOCRACY, organ of the Provisional Central Committee of the CPI-ML]

Indira Directs Hasina

Indira Gandhi's directing of Awami League politics has not been merely political. It has been murderous and terrorist. Awami League members, armed by India have been threatening members of other political parties in Dacca and elsewhere. It is by now well-known that the marauding bands of Tiger Siddiqui were being directed by RAW from Indian bases. One of the first actions of the Morarji Desai Government was to hand over these armed bands to the Bangladesh Government. The then RAW chief Sankaram Nair however, saved the gang leader Tiger Siddiqui from this fate and he survived to continue to do bidding of the Indian expansionists.

India's interference in Bangladesh's internal affairs has as its aim the setting up of a pliant government in Dacca, one that would do New Delhi's bidding, just as the government of the late unlamented Majibur Rahman used to. The base of such political ambitions is the economic expansionism of the Indian comprador-bureaucrat capitalists who as sub-imperialist under the aegis of Soviet hegemonism which to turn Bangladesh into one of their special areas of exploitation. Only recently the Indian High Commissioner in Dacca, Sri Dubey, said in the manner of an imperialist that "the economies of Bangladesh and India are complementary to each other (STATESMAN, April 8, 1981). It was in order to end East Pakistan's complementarity with West Pakistan and establish such a complementarity with India that the Indian expansionists under took the Bangladesh war in 1971. What is the meaning of such complementarity? That India would provide the manufactured goods for the Bangladesh market (just as the erstwhile West Pakistan used to do) and Bangladesh would provide the agricultural raw materials. This is the classic imperialist division of labour that the Indian expansionists are trying to force on Bangladesh. It is in order to break from this that Bangladesh has developed its own jute textile industry, which has emerged as a formidable competitor to India on the world jute markets.

Farakka Barrage

In attempting to browbeat and control Bangladesh the biggest weapon in India's hands is the Farakka Barrage. Ostensibly meant to assure sufficient water during the summer months to flush out Calcutta Port and thus prevent it from silting up, the Farakka Barrage has had grave consequences for the Bangladesh economy.

The record of the Indian Government (except for the period of Morarji Desai's Janata Party Government) is a sordid one of international piracy and contravening all established norms of international behaviour in matters concerning rivers that flow through more than one country.

To begin at the beginning from about 1952 talks were held between the Indian and Pakistani Governments to discuss the sharing of the Ganga waters. Notwithstanding the fact that no agreement had been reached the Indian Government went ahead with the construction of the Farakka Barrage and in 1973 it was presented to Bangladesh as a fait accompli.

In 1974 the Prime Ministers of India and Bangladesh met to discuss sharing of Ganga waters and even while the discussions were going on, the Indian side requested that the "feeder canal" be run for a limited period (21 April to 3 May, 1975). This was meant as a trial run. Indira Gandhi had committed in the talks with Majibur Rahman that the Farakka Barrage would be commissioned only after a mutually acceptable allocation of the waters had been arrived at. But the Indira Government broke this solemn commitment and turned the trial run into a full-fledged operation. Bangladesh protested against and was forced to take the matter to the United Nations' General Assembly. The General Assembly urged the two countries to resolve the issue by bilateral negotiations in a spirit of cooperation.

While the defeat of the Indira Gandhi Government in 1977, the Morarji Desai Government was much more willing to reach amicable settlements with the neighbours.

The 1977 Agreement had a gu on the minimum water that would be available during the dry period for Bangladesh. This minimum was to be maintained even at the cost of giving Bangladesh upto 80 per cent of the flow at Farakka.

The agreement was denounced by Indira Gandhi as a betrayal of India's interests. The CPI(M) played its own role in supporting Indian chauvanism and expansionism by denouncing the agreement as a sell-out of Calcutta Port.

The justification given for the Farakka Barrage is that in the dry months it is necessary to divert water down the Hooghly in order to flush out Calcutta Port and thus prevent the silting-up of the port. Well-known experts like K. Bhattacharya, who is an internationally renowned expert on water management and Dr. Ippen have shown that the diversion of Ganga waters at Farakka cannot solve the problems of Calcutta port. Observations over the last few years have shown that the diversion of waters through the Farakka Barrage, has in fact, not made any difference to Calcutta Port. It is then only natural to suspect, as Bangladesh rightly does, that the purpose of the Farakka Barrage is not so much to save Calcutta Port (which it cannot do) but to make Bangladesh pay the costs of India's development in the UP-Bihar areas and to gain a stranglehold on the Bangladesh economy which is so heavily dependent on the Ganga waters. In the 1977 Agreement Bangladesh had made a great sacrifice by agreeing to accept a flow which was only 40 percent of what it was historically used to.

The root of the problem of Calcutta Port was pointed out in an editorial in the STATESMAN of 15 July, 1981: "Farakka is starved because of the centre's greater concern for irrigation, drinking water and industrial requirements in Uttar Pradesh and Bihar. It is patently unfair to continue to turn a blind eye to these increasingly lavish drawings and then invoke Calcutta's plight to persuade Bangladesh to make do with a much smaller quantity of water."

The decline of Calcutta Port started with the implementation of the Damodar Valley Project. Now there are more than a dozen major and a hundred minor irrigation projects alone in the upper and middle reaches of the Ganga, i.e. in UP and Bihar. So the problem is not the water Bangladesh gets from Farakka. Rather it is reduced flow reaching Farakka itself which is much reduced because of legal and illegal drawings of water in Bihar and UP Farakka is only an attempt to make Bangladesh pay the entire price of these drawings in UP and Bihar.

The 1980 dry season flow at Farakka was abnormally low. Even the 80 per cent guarantee did not safeguard Bangladesh's interests. This had disastrous effects on Bangladesh's agriculture, ecology and economy as a whole. The veteran journalist Ajit Bhattacharya recently visited Bangladesh and wrote a report in INDIA TODAY (May 1-15, 1981) on the disastrous effects Farakka had on Bangladesh.

"People were seriously concerned with the impact that the drying up of water from the Ganga was having on the eastern part of the country which is watered by the river. Officials claimed that irrigation projects were being crippled, fresh water was disappearing, the Ganga estuary was silting up and industries and power projects dependent on fresh water were coming to a halt throughout the area. The process had begun after Farakka was commissioned in April 1975, but the situation had deteriorated rapidly in the last dry season and was critical already though the dry season would go on up to June.

"Indeed, a visit to the Kushna area shows that their fears have basis. The Gorai river, the main channel taking off from the Ganga near Kushtia, is a sluggish trickle at the place where it separates from the main river. Fishing nets are stretched across it, but few fish are caught. According to official readings, the flow of Gorai at this point is 300 cusecs as compared to 2,500 cusecs at the same time last year. Yet there are no obvious signs of crisis. In the light of the setting sun the water at the confluence seems plentiful. From a boat, however, the shallowness of the water is obvious with shifting shoals of silt just under the surface.

"The intake of the big irrigation project at Bheramara, near the Hardinge rail bridge, is being deepened constantly by dredgers to keep the pumps going. Even so, the water is flowing very slowly into the pumps. The water level is three feet or more below the lowest marking on the pumphouse gauge.

"The threat facing Khulna port and the area upstream is increasing salinity and rapid silting. One of the biggest industries in the area is the Khulna Newsprint Mills (KNM) which exports half of its product to Calcutta. Its motor launch, the Keora is being used as a tug to haul one or two ungainly water-carrying barges upriver to search and bringing back the fresh water needed to keep the mill going--one of the two units has already closed down. The people of Khulna are depending on deep tube-wells, but even tube-well water is too brackish for the delicate newsprint and powerhouse machinery. The barge that fetches fresh water has to travel about 35 miles upstream before water with a low enough chloride content... is found."

The last monsoon was a good monsoon. Yet the situation in 1981 is worse than it was in 1980, as Ajit Bhattacharya's report brings out. The reduced flow is then due not so much to drought as to the increased drawings in the upper and middle reaches of the Ganges. Bangladesh's agriculture and economy are in a serious plight because of it.

The question of augmenting the dry season flow of the Gange's thus an urgent one, particularly for Bangladesh one third of whose agriculture depends on Ganga waters. Two proposals have been put forward. The Indian Government has proposed that the waters of the Brahmaputra should be diverted into the Ganga above Farakka by means of a canal running through Bangladesh. Bangladesh, on the other hand has proposed storage dams in the upper reaches in India and Nepal to conserve the monsoon waters now being wasted.

At first glance it would seem that the choice between the two proposals is merely a technical one made difficult by the suspicions between New Delhi and Dacca. But, as Ajit Bhattacharya writes in the same report, "...on closer examination, it is clearly Mrs Gandhi's Government that seems to be guilty of callously aggravating and exploiting the difficulties of a weak ecologically dependent neighbour to force it to accept New Delhi's diktat. International conventions governing the use of river waters and previous bilateral commitments are being misrepresented for this purpose."

CSO: 4220/7029

SATTAR SPEAKS AT CONFERENCE OF COUNCIL CHIEFS

Dacca THE BANGLADESH TIMES in English 7 Sep 81 pp 1, 8

[Text] Khulna, Sept 6--Acting President Justice Abdus Sattar said here today that the Swanirvar Gram Sarkers and Union Parishads would be provided with more power and responsibility in future in light with the government policy of decentralisation of power.

Addressing a conference of Chiefs of Gram Sarkers and Union Parishads and representatives of different cooperative societies of Khulna, Jessore and Kushtia districts at the local cinema hall this morning, the Acting President declared that the date of election of the Union Parishads which was scheduled to be held in March 1982 would now be shifted to by six months.

The conference which was attended by about 2500 leaders of different local bodies was addressed among others by Mr Abdul Halim Chowdhury, Local Government Minister, Lt Col (Rtd) Mustafizur Rahman, Home Minister, Mrs Quamrunnahar Zafar, State Minister for Local Government, Advocate Enyaet Ali, a former M.P. and Chairman of Khulna Municipality and Mrs Ferdaus Ali, Secretary of Bangladesh Samabaya Union.

The meeting was also addressed by Mafizul Huq, Fayequzzaman Khan, Nurul Islam Chairmen of Union Parishads, Liaquat Hussain, Abdur Rahman, and Enamul Huq of Gram Sarkar Prodhans, Musharraf Hussain and Hamidul Islam, cooperators.

More Power

Acting President exhorted the leaders of Gram Sarkars and Union Parishads to carry out their respective responsibilites and tasks towards the people with devotion so that more power could be given to them in future. He said the country was bound to march ahead with the united efforts of the people.

Justice Sattar reminded the Gram Sarker chiefs of their responsibility towards increasing the foodgrain output, removing the curse of illiteracy and checking the population boom. "If we can successfully complete this three tasks, the country is sure to prosper," he added.

He said the country's deficit in foodgrains had come down and will come down further with increased foodgrain output due to canal digging programme.

The Acting President asked the members of the Village Defence Parties to ensure law and order in their respective locality and take measures to check dacoities and other criminal activities.

Justice Sattar suggested that litigation should be shunned in the case of small disputes as it meant suffering and miscries of the people in the long run. The small disputes should be settled through conciliation and necessary powers have been given to the local bodies in this connection.

Paying rich tributes to the Late President, Justice Sattar said the prestige of the country was enhanced in the international arena due to different policies of the Late President.

President Zia fully devoted himself to the reconstruction of the country on assumption of power and his contribution to the Liberation War "was very important." He wanted to build a self-reliant prosperous, happy and strong Bangladesh. "A leader like him will not be born in the next hundred years," he said.

"With our determination we will be able to realise this dream and complete the unfinished task of late President.

Capt. (Retd) Abdul Halim Chowdhury said that "there has been no deterioration in law and order situation of the country following the death of President Zia. Credit for this goes to Acting President," he said.

He said that there were calculated efforts by some interested quarters to defame the institution of Swanirvar Gram Sarkar and asked the leaders of local bodies to remain vigilant about them. The workers of BNP are inspired with the spirit and ideal of late President. "A dead Zia is more powerful than a living Zia," he said.

Home Minister Mr Mustafizur Rahman said that the implementation of 19-point programme would usher in progress and prosperity of the country. President Zia had chalked out this programme to improve the lot of the rural people who earlier remain neglected. He said maintenance of law and order was prerequisite to the development of the country. He asked the village leaders to remain alert to thwart any attempt at disruption in the society. We will have to resist for the uninterrupted progress of the country, he added.

All representatives of different local bodies who addressed the conference on behalf of their respective organisation expressed their determination to implement the 19-point programme of late leader and pledged total and unstinted support for the BNP nominee Mr Justice Abdus Sattar in the forthcoming presidential polls.

CSO: 4220/7034

SATTAR: AWAMI, BAKSALITES MAY TRY TO DISRUPT POLLS

Dacca THE BANGLADESH TIMES in English 12 Sep 81 p 1

[Text] Acting President Mr Justice Abdus Sattar has called upon the people, particularly the workers of the Bangladesh Nationalist Party and its front organisations, to thwart any attempt to foil the forthcoming presidential election.

Addressing a reception arranged in his honour by the Bangladesh Jatiyatabadi Chhatra Dal, the student wing of the BNP, at Rarona Green on Friday, the Acting President said: "People want election to express their desired will. They will not allow anybody to obstruct democracy in the country."

Presided over by Mr Habibullah Habib, President, city unit of the organisation, the meeting was also addressed among others, by Prime Minister Shah Azizur Rahman, Dr Khandker Mosharraf Hossain, Secretary, students affairs, BNP, Mr Osman Ghani and Mr Jamal Shareef Hiru, Vice-President and General Secretary respectively of the city unit of the Chhatra Dal.

The Acting President said that while the nation was going to hold presidential polls on November 15, some Opposition parties had been mobilising themselves to frustrate it. He expressed the hope that the members of the Jatiyatabadi Jubo Dal and Jatiyatabadi Chhatra Dal would successfully foil such designs.

He said that except General (Retd) Osmany, no Opposition party had so far announced the names of their candidates for the presidential election. He said that he felt that the Awami-BKSALites would not place any candidate. On the contrary, they might try to disrupt election by calling hartal on election day, throwing grenades, damaging buses, looting shops and destroying national property. "This cannot be allowed," he said and urged the people to face the situation with courage and fortitude.

Recalling the contribution of late President Ziaur Rahman, Mr Justice Abdus Sattar said that although President Zia was no longer physically present, he had left behind his revolutionary programmes. He called upon the students to work for the implementation of President Zia's programme as extra-curricular activities.

The Acting President said that it was through successful implementation of the 19-point programmes of President Zia that the country could reach its cherished goal. He hoped that BJCD would emerge as an ideal organisation.

Shah Aziz

Speaking on the occasion, Prime Minister Shah Azizur Rahman said that the BNP must implement the 19-point programmes of President Zia through peaceful revolution. He urged the Chhatra Dal workers not to confine themselves within the towns but spread all over the country and reach the message of the late President to every doorstep.

The Prime Minister said that the members of the front organisations of the BNP had a great role to play in sustaining democracy in the country. He said "we want to give you the responsibility of maintaining law and order in the polling booths."

Urging the students to be more united and strong, he declared that no conspiracy would be successful against the BNP.

Dr Khandker Mosharraf Hossain said that the Chhatra Dal workers would stand solidly behind the Acting President and help implement the programmes of Late President Ziaur Rahman.

A minute's silence was also observed as a mark of respect for the late president. Munajat was also [word illegible] for the salvation of the departed soul.

The reception was also attended by members of the Council of Ministers, Parliament Members and senior leaders of the Bangladesh Nationalist Party.

CSO: 4220/7046

DETAILS OF BANGLADESH-FRG COOPERATION PACTS GIVEN

Dacca THE BANGLADESH OBSERVER in English 9 Sep 81 pp 1, 12

[Text] The Federal Republic of Germany (FRG) and Bangladesh signed in Dacca on Tuesday a formal agreement under which Bangladesh has received 25,000 metric tons of soft wheat worth Taka 84 lakh as grant for 1980-81, reports BSS.

Mr Shaful Maro, Additional Secretary External Resources Division and Mr Boron Von Marschall, the FRG Ambassador to Bangladesh signed the agreement on behalf of the respective sides.

As in the previous year a quantity of 5,000 tons of the total amount will be distributed within the framework of 'Food for Work' Programmes. The rest 20,000 tons would be used through rationing system.

The wheat has already arrived in June this year. This shipment is the continuation of the previous wheat supplies which come to a total of 3,59,000 metric tons.

The two countries also on Tuesday exchanged notes regarding the German assistance in the field of food assistance and security. This arrangement is in pursuance of the agreement signed between the two countries on July 15, 1972 which is worth Taka 245 lakh.

Under this agreement the German side will extend the assignment of three German experts already working with this project. The German side will also draw up a report on stores protection, send two short-term experts for this programme and supply photoxin and other materials for this project.

Later talking to newsmen, the FRG Ambassador said "we owe certain assistance to you" and the FRG also received aids after the Second World War. He said his government was happy to provide Bangladesh aids and assistance.

Mr Von Marschall paid rich tributes to the late President Ziaur Rahman and said the friendly relations between the two countries were further deepened during his visit to FRG three weeks before his assassination. The aid to Bangladesh was a sign of confidence in Bangladesh effort for national uplift, the Ambassador observed.

CSO: 4220/7038

FINANCE MINISTER RAHMAN HOLDS PARIS NEWS CONFERENCE

Dacca THE BANGLADESH OBSERVER in English 8 Sep 81 pp 1, 12

[Text] Paris, Sept 7--United Nations member countries now have the choice of leaving the world's 280 million poorest people in abject poverty or giving them the means to start living, says Bangladesh Finance Minister Saifur Rahman reports AFP.

Behind "all the soulless statistics and data presented last week during the first half of the 14-day U.N. Conference on the 31 Least Developed Countries (LDC), are the human beings who are in a desperate position," Mr Rahman said at a news conference this weekend.

"These people are at the moment just existing not even living," Mr Rahman said. "They are being denied the dignity of human beings."

But for the first time ever, all 31 of those countries ranging from Afghanistan to Tanzania--have drawn up comprehensive development programmes aimed at "bringing their people to the level of living at least," he said.

The proposal presented to the Conference by the Group of 77 developing countries calls for a 400 per cent increase in aid to the world's poorest nations or a total of 240,000 million dollars by the end of the decade.

For Bangladesh, whose 90 million people represent almost one-third of all human beings living in the LDCs, the extra aid money would allow the country to carry out an integrated development package that has been approved by the World Bank and is being stymied only for a lack of funds Mr Rahman said.

At present some 80 per cent of Bangladeshis live under the country's poverty line of 120 U.S. dollars a year, about 30 per cent of the labour force is unemployed some 21 per cent of the people can read and write, and they live on an average for 47 years. Almost 45 per cent of the country's population is under the age of 15.

But under the development programme Bangladesh intends to lift 100 per cent of its people from below the poverty line by the end of the century, become self-sufficient in cereal grains within the next few years eliminate illiteracy, reduce fertility diversify exports and provide minimal amenities such as health care clean drinking water and electricity, especially in rural areas.

All that is needed now is more money Mr Rahman said Bangladesh at present gets some 1,300 million dollars in aid and is calling for 37,000 million dollars more over the next 10 years.

The country had to curtail its development programme last year because of a shortage of funds, and the future of its agricultural plan heralded as a great success by the U.S. is in jeopardy because of the lack of money, Mr Rahman said.

The U.S. has said that some LDCs would not know how to efficiently use extra aid money.

But World Bank approval of Bangladesh's development plans shows that the U.S. comment just did not apply to his country, Mr Rahman said.

Mr Rahman also rejected as "ungenerous" a comment made by a delegate from a developed country, which he did not identify, that the LDCs could solve their own problems if their people just worked harder.

The LDCs and other countries in the developing world, whose economies are often based on only one items have been hard-hit by wild fluctuations in world prices of certain commodities during the last several years, he said.

A major Bangladesh export is jute, Mr Rahman said. While worldwide inflation has made the cost of such essential imports as food and energy skyrocket, jute prices have fallen he said.

"It is these inequities in terms of trade and other international institutions which are perpetually working against the people who labour from sunrise to sunset and yet cannot earn a living" Mr Rahman said.

"These inequities are denying them their fruits of their labour," he said "and most of them do not even know the reason why."

CSO: 4220/7036

BANK GOVERNOR STRESSES NEED TO SLOW CREDITS

Dacca THE BANGLADESH TIMES in English 13 Sep 81 pp 1, 12

[Text] The Governor of Bangladesh Bank, Mr M. Nurul Islam, has stressed the need for "slowing down" the bank credits and money supply, reports BSS.

The Governor was discussing various measures taken by the Bangladesh Bank to restrict expansion of bank credit at a meeting on Monday last with the representatives of the Federation of Chambers of Commerce and Industry.

The Governor pointed out that a substantial expansion of credit in recent months to both the private and public sectors partly due to irregular accounts and non-recovery of overdue loans, among other things, had led to sharp rise in money supply which might put further pressure on prices.

On the other side, the Governor said, a slow growth of exports and availability of commodity aid coupled with sharp rise in the Import Bill for petroleum and other importables had put pressures on the balance of payment position.

Restriction on bank credits, he said, would help check growth of money supply and credits without physically restricting import or raising customs duty on imports and to ease the balance of payment position.

Twin Measures

The twin measures of reducing the cash credit limits and imposing higher Letter of Credit (LC) margin for imports therefore, he said, were essential to deal with the situation caused by the sharp rise in credit and money supply.

He said that a five per cent general reduction in the cash credit limit "is nominal and is expected to ensure better and economical use of bank loan."

Care has been taken, the Governor said, to ensure that a minimum burden was imposed on importers of industrial raw materials and other essential consumer goods.

The federation representatives while indicating their understanding of the need and rationale of the measures taken pointed out the advisability of holding discussions with representatives of trade and industry on a regular basis.

Because, they said, while some of the measures would be temporary subject to adjustment later some might have to be continued for a longer time.

The Federation representing also pointed out the need for preparing a list of essential goods which would qualify for preferential treatment in regard to LC (Letter of Credit) margin.

Margin Restriction

The federation representatives that the margin restrictions would affect the small importers, but agreed to study the matter further in the light of actual situation.

They strongly urged for equal treatment to both public and private sectors in the matter of LC margin.

It was pointed out to the federation representatives that several public sector units do not compete with the private sector at all fall in a different category deserving differential treatment.

Moreover, all public sector units are required to turn over their surplus to the Government without being able to retain much for working funds the federation representatives were told.

CSO: 4220/7047

TEXT OF BANGLADESH-INDIAN JOINT STATEMENT

Dacca THE BANGLADESH TIMES in English 14 Sep 81 pp 1, 8

[Text] New Delhi, Sept 13--Bangladesh and India, in a significant move, today decided to reverse the unhappy trend in bilateral ties by pledging to resolve all disputes through discussions in a friendly spirit, reports BSS.

Agreeing that unresolved issues act as a source of irritation, two countries committed to "peaceful and speedy," resolution of the problems like the South Talpatty and the sharing of Ganges waters, a joint Press statement said.

Both sides agreed to strengthen ties on the basis of 'mutual respect, trust and goodwill,' and further develop the good neighbourliness, according to the statement, issued at the end of Foreign Minister Prof. Muhammad Shamsul Huq's two-days' talks with Indian External Affairs Minister Narasimha Rao.

The two Foreign Ministers, resuming their talks held in the Bangladesh capital last year, agreed that both sides would constantly endeavour to settle any outstanding problem peacefully in a spirit of mutual understanding. About the south Talpatty issue, a major irritant, early talks were proposed at Foreign Secretaries level to examine all available data for report to Foreign Ministers with a view to an "early and peaceful" resolution.

Steps To Defuse Tension

The two Foreign Ministers reviewed implementation of steps to defuse tension over the issue and agreed to take further steps to remove "remaining causes of tension" and to resolve the island problem, the statement said.

They agreed to meet at "an early date," to settle the question of sharing the water of the Ganges between the two countries.

The two countries agreed to intensify efforts to find a solution to the long-term problem to augment the dry season flows of the river to their "mutual satisfaction."

About the lease—in perpetuity of the Tin Bigha corridor to Bangladesh as provided by the Indo-Bangladesh agreement of 1974, talks would be held at Foreign Secretaries level next month to finalise the terms and condition of the lease and resolve all outstanding problems about the land boundary.

Pending finalisation of the terms of lease conditions would be created to ensure necessary facilities of access as provided in the past, the statement said.

The two sides decided to resolve the question of delimitation of maritime boundary and expressed satisfaction at the signing of new trade agreement last year and the news telecommunications agreement reached early this year.

As regards to the establishment of railway link between the two countries both sides agreed to take further positive steps to advance progress on the basis of talks held in October last year.

On the South Asian regional cooperation mooted by Late President Ziaur Rahman, two sides would work in concert with other neighbouring nations for the progress and implementation of the proposal.

Text

The following is the Joint Press statement on Indo-Bangladesh talks signed by the Foreign Secretary of Bangladesh and Secretary, External Affairs of India, today on the conclusion of visit of Foreign Minister Prof. Md Shamsul Huq to New Delhi.

At the invitation of Shri P.V. Narasimha Rao, Minister of External Affairs of India, Prof Muhammad Shamsul Huq, Foreign Minister of Bangladesh paid a visit to India from September 11-13, 1981.

During his stay, the Foreign Minister of Bangladesh called on Shri Neelam Sanjiva Reddy, the President, Shri M. Hidayatullah, the Vice-President and Shrimati Indira Gandhi, the Prime Minister of India. He also called on Shri P.V. Narasimha Rao, Minister of External Affairs.

The two Foreign Ministers assisted by their respective aides held several rounds of talks in resumption of their earlier talks held during the visit of the External Affairs Minister of India to Bangladesh in August 1980. These talks were held in a cordial and friendly atmosphere. During the talks, the two sides reviewed bilateral relations and also discussed regional and international matters of mutual interest.

The two Ministers recognised that friendly and good neighbourly relations between Bangladesh and India were clearly in the larger interest of the peoples of the two countries and also of peace and stability in the region.

The two Ministers also expressed their firm belief that the foundation for building good neighbourly relations lay in mutual respect, trust and good will. The two Ministers agreed that some of the unresolved problems between Bangladesh and India were acting as a source of irritation and strain on the relations between them and that an early and peaceful resolution of their problem was clearly dictated by the larger interests of the peoples of the two countries. They, therefore, agreed that both sides would constantly endeavour to resolve any outstanding problems between them peacefully in a spirit of mutual understanding and good neighbourliness.

Land Boundary

Both sides agreed to intensify efforts for completion of steps already agreed upon at the Indo-Bangladesh Secretary level talks at New Delhi in October, 1980 towards early implementation of the 1974 Land Boundary Agreement. The two sides confirmed their respective Government's acceptance of the delineation on map, by their survey officials, of the territory to be leased at Tin Bigha. It was agreed that a meeting at the level of Foreign Secretaries would be held in October 1981 to resolve all outstanding problems related to the land boundary, including finalisation of the terms and conditions of the lease-in-perpetuity of the Tin Bigha corridor. Pending finalisation of the terms of lease, conditions would be created to ensure that necessary facilities of access which have been provided in the past would continue to remain available.

Maritime Boundary

The two Foreign Ministers reviewed the progress achieved in the resumed talks on the delimitation of the maritime boundary between Bangladesh and India in Dacca from December 2-5 1980 held in pursuance of the decision taken at their meeting in August 1980. They reiterated that the question of delimitation of the maritime boundary should be resolved by mutual agreement in a spirit of understanding and good neighbourliness and that another meeting be convened at a mutually convenient and early date.

Ganges Waters

The two Foreign Ministers took note of the understanding reached between them at their meeting in August 1980 and of the report of the first government review meeting under the Farakka Agreement concluded in April 1981. They agreed that efforts should be intensified to find a solution to the long-term problem of augmenting the dry season flows of the Ganges to the mutual satisfaction of both the countries. The two Foreign Minister agreed to discuss at an early date further measures to be taken in this connection.

The two sides, reaffirmed that efforts should be made to ensure that peace and tranquality are maintained on the border. It was agreed that each side would take effective measures to insure that their respective territories were not used for hostile activities directed against the other.

Both sides re-emphasised the need to stop illegal movement of people across the border and to strengthen existing arrangements and cooperation in this regard.

South Talpatty

A free and frank discussion was held on the question of the newly emerged New Moore-South Talpatty Island at the estuary of the border river Hariabhanga. The two Foreign Ministers reviewed implementation of steps in defusing the tension over this problem. They reiterated their agreement to take further necessary steps to remove the remaining causes of tension and to resolve the issue. For this purpose the two sides agreed to early talks at the level of Foreign Secretaries to examine all available data and report to the Foreign Ministers for further necessary steps to be taken with a view to an early and peaceful resolution of this problem.

Trade Railways

The two sides reiterated their willingness to pursue positively all efforts for increasing cooperation in various fields of mutual interest. They noted with satisfaction the signing of the new trade agreement in October 1980 the protocol on cultural and academic exchanges in December 1980 and the new telecommunications agreement in May 1981. As regards the establishment of railway links between the two countries, both sides agreed to take further positive steps to advance progress on the basis of the talks that have been held between the two railways in October 1980.

The two sides also agreed that the momentum of progress in the implementation of the proposal for regional cooperation among the South Asian countries should be maintained and all necessary steps for this purpose should be undertaken in concert with other neighbouring countries in the South Asian Region.

The two countries noted with satisfaction the similarity in their views on many of the international issues and agreed to cooperate closely in the various international forums in upholding the principles of the UN Charter, and the Non-aligned Movement.

The Foreign Minister of Bangladesh expressed his warm appreciation to the Minister of External Affairs of India for the generous hospitality extended to him and to the members of his delegation. He extended an invitation to him to pay an official visit to Bangladesh which the Indian External Affairs Minister accepted with pleasure.

CSO: 4220/7049

IMPROVEMENT OF FARM CREDIT PROCEDURES URGED

Dacca THE BANGLADESH TIMES in English 14 Sep 81 p 5

[Article by Mir Obaidur Rahman]

[Text] Management is a broad concept. It encompasses areas of diverse nature. Management agricultural credit essentially covers the area of procedural methodology of loan disbursement and its recovery, fixation of interest rate which pays dividends both to the institutions and the debtor and determination of areas where the use of loan is most effective.

Agriculture is the mainstay of our economy. The agriculture sector contribute 53 per cent of gross domestic product to the national economy and employ more than 80 per cent of labour force. The importance and necessity of agricultural credit deserve special consideration for the overall development of the country since attainment of growth rate of more than 6 per cent is only possible when agricultural output shows substantial improvement. Credit is the lifeblood for agricultural operation since most of the peasants are on the subsistance level and operate their farm activities with inadequate finance or finance from dubious sources with exorbitant interest rate. The fragmentation of land holdings and increasing landlessness in rural area manifest the importance of proper management of credit in agriculture and agriculture allied activities such as pisciculture, poultry and horticulture.

At present, institutional sources meet only 15 per cent of total agricultural credit in rural Bangladesh and the rest by money lender, relatives and friends. The rate of interest in the latter case is quite high which tell heavily on the farmer's already precarious economic condition. The different institutions entrusted with the financing of agricultural activities are Bangladesh Krishi Bank, six nationalised commercial banks, the Bangladesh Samabaya Bank and the IRDP. The financial institutions finances' agricultural activities under two programmes; the Special Agricultural Credit Programme (SACP) launched in February 1977 and the Normal Programme. The IRDP mainly finances the activities in cooperative structure through the formation of KSSs and the credit is advanced mainly on programme basis. This type of financing may be conceived as input financing; the financing is specially meant for production activities. It is safe to say that programme oriented input financing is most effective for increased production and farmers cooperatives can repay the loan without much difficulty.

Very often the repayment loan suffers due to the nonutilisation of credit in the productive activities. Landless farmers generally consume 26 percent of credit is generally advanced without any valuable collateral, the recovery suffers from uncertainty.

Table (in Crore Taka)

Disbursement	1976-77	1977-78	1978-79	1979-80	Total
SACP	23.00	73.65	41.27	36.17	174.09
NP	71.96	135.49	125.97	100.33	403.75
Recovery					
SACP	--	28.11	34.24	12.16	74.51
NP	58.50	78.60	82.50	45.66	265.26

Note: Figures up to December, 1979 for SACP and figures up to February, 1980 for NP

The table shows the disbursement and recovery position under SACP and Normal Programme of agricultural financing by BKB, nationalised commercial banks and Bangladesh Samabaya Bank Ltd.

The table asserts that recovery of loan under SACP was 42 per cent and under normal programme was about 65 per cent. Although disbursement and recovery figures during a period might not have a direct correspondence, the cumulative disbursement and recovery figure depict a disappointing picture.

The uncertain nature of recovery severely restrict the credit operation and retards the agricultural activities. The cumulative effect does not bring any good for the economy as a whole. It is imperative to ascertain the cause of default for better management of agricultural credit.

There are many reasons for the default. The most outstanding cause of default are due to the lack of trained and technical staff who failed to appraise the various investment proposals in depth. Determination of economic viability of a project which is subjected to the vagaries of nature is seldom accurate because risk element predominate the entire agricultural production. The untimeliness of credit availability is another reason for poor recovery. This result in diversion of credit to nonproductive activities. On the other hands, availability of credit in time facilitates the farmer to carry the activities according to plan schedule.

The recovery of loan may be ensured by its proper utilization. Thus supervision of credit use by the loaning agency may be a vital step for total recovery of outstanding and part credit. The supervised credit system will ease the administrative compliancy and also free the farmers on security such as title of land and other documents. The coverage of loan operation may be increased substantially and more landless and marginal farmers may claim access to credit facility

either independently or through cooperatives. This is a pragmatic approach which will cost little for the economy as commercial banks have already opened a good number of branches in rural areas and also a division in the head office for proper execution. Supervision of credit by persons qualified in various technical field no doubt, ensure the proper utilization of credit and thus recovery will be an easy task.

Economy in the credit supervision may be attained either through area approach or Group approach procedure of loan disbursement. "Experience shows that a compact and contiguous area comprising a cluster of villages, if selected for financing various rural projects and extending need based credit to all the viable borrowers, gives much better result from the viewpoint of utilization of money and its recovery than financing a few isolated individuals and sporadic items of investment." Supervision oriented credit programme ensure productive utilization and disbursement may be regulated by installments payments and past performance with credit. Group lending programme has several advantages. The element of risk can be minimized and landless and marginal farmers may be encouraged to form group for mini projects on agricultural activities. This group lending approach will ease the supervision and generate employment opportunities for marginal and landness farmers. "This system helps to ensure proper end use of the credit and fixes part of the responsibility for the follow up on the group members themselves."

The recovery performance sometimes suffer due to some side conditions which deteriorate the economic situation of the debtor. Since agricultural operation involves times and risk elements pervade both in the production and marketing area, the real income phenomenon of the producer cannot be wiped out. A reasonable price of the product only ensure profit and recovery propensity may be enhanced by the pursuance of a realistic price policy. The price of the product should be fixed up with proper consideration of the cost of the production and, if necessary artificial fixation of the floor price by the government in contravention of the determination of price by the market law of supply and demand may be desired. The recovery performance is also constrained by environmental apathy of the farmers towards non-repayment who took it for granted that repayment is voluntary and failure of repayment will not pose any problem for the credit institutions. They fail to appreciate that chain effect of non-repayment seriously jeopardise the expansion of financial facilities. In fact, the defaults has resulted in the reduction of loan operation by the financial institutions and enforce more strictness in granting loan for agricultural activities. Thus establishment of a separate unit to motivate debtor for timely repayment may expedite the recovery.

The existing coverage of 12 per cent of rural mass in the credit operation can only be extended by fair recovery of the outstanding and past debt. Poor recovery of the credit, not only restricts the expansion of credit to the landless and marginal farmers but also severely raises the administrative cost of credit management, the ultimate effect of which brings rescheduling of interest rate to cover the inflated administrative cost. Repayment capacity is entirely a function of the productive utilization of credit and motivation can play an effective role to infuse the idea that timely repayment augur the credit worthiness. The deteriorating economic condition of the landless and marginal farmers

can be averted by a well coordinated credit programme. Since most of the landless and marginal farmers cannot advance any security for credit worthiness, these groups may be extensively covered by production oriented programme with strict supervision by the credit institutions. It is the supervision oriented credit programme rather than security oriented credit programme which can profit both the financial institutions and the debtor.

CSO: 4220/7049

AGRICULTURE MINISTER RETURNS FROM PYONGYANG MEETING

Dacca THE BANGLADESH OBSERVER in English 7 Sep 81 p 1

[Text] Mr Amirul Islam Kalam, State Minister for Agriculture and Forests, returned to Dacca on Sunday after attending a symposium on increasing food and agricultural production in the Non-aligned and developing countries held at the North Korean capital Pyongyang.

Mr Kalam who led a three-member Bangladesh delegation to the symposium described it as a great success in discussing agricultural and food production problems of the developing countries.

He told BSS on arrival that there were valuable deliberations at the symposium which stressed the urgent need for increasing food production and agricultural cooperation among the Non-aligned countries 'utilising their own resources.'

Mr Kalam said emphasis was also given on increasing cooperation in the field of agricultural technology and mechanisation.

At the symposium, one minute's silence was observed to show respect to the late President Ziaur Rahman.

During his stay in Pyongyang the Bangladesh Minister also called on the great leader of the Democratic Peoples Republic of Korea (DPRK), President Kim Il Sung and conveyed the felicitations from Acting President Justice Abdus Sattar.

The symposium was participated by representatives from nearly 80 countries and 14 international agencies concerned with food production and agricultural development.

The Minister said that during his visit to North Korea, he also met with other North Korean leaders including the Vice-Premier and discussed bilateral cooperation in the field of agricultural development.

Earlier on his way to Pyongyang the Minister had a stop over in Peking where he met with the Chinese Vice-Premier Wang Li and other leaders and discussed bilateral cooperation.

The Bangladesh delegation to the symposium included the Agriculture Secretary, Mr A.Z.M. Obaidullah Khan.

CSO: 4220/7033

NEW PROCEDURE FOR ISSUANCE OF URGENT PASSPORTS TOLD

Dacca THE BANGLADESH OBSERVER in English 8 Sep 81 p 1

[Text] Government has announced a new procedure for issuance of passports on urgent basis pending police verification, says a PID handout.

The new procedure, which provides for filing of applications for urgent passports and collection of such passports by the applicants themselves from the regional passport offices alone, comes into force immediately.

Explaining details of the new procedure an official announcement from the Ministry of Home Affairs says that of late there has been a great rush of people to the Ministry of Home Affairs seeking issuance of passports urgently pending police verification.

To avoid such rush as well as to alleviate the difficulties of the people intending to travel abroad for employment attending urgent work the following procedure shall henceforth be followed for issuance of passports on urgent basis.

(1) Applicants for urgent passports will have to deposit their passport application forms in the "Special Counter" meant for the purpose in the regional passport offices of their area with a fee of Tk 400/- (Taka four hundred) in the shape of passport and visa stamps. The applicant for urgent passport will have to appear personally before the passport issuing authority for submission of passport application. The passport will be issued with 10 (ten) days from the date of receipt of such applications.

(2) The applicant will also have to take delivery of the passport himself on the call date.

The Director-General of Immigration and Passports has been advised to apprise the Government-appointed recruiting agents/authorised travel agents of the new procedure. The Government-appointed recruiting agents/authorised travel agents are also being advised to arrange passports for their prospective candidates sufficiently ahead of their expected dates of travel to avoid last-minute rush for the purpose.

The existing procedure for issuing ordinary passports will continue. The existing procedure of issuing passports for visits abroad for official and Government-sponsored purposes and for study on approved scholarships/stipends will also continue.

CSO: 4220/7036

FOREIGN OFFICE SPOKESMAN COMMENTS ON DELHI TALKS

Dacca THE BANGLADESH TIMES in English 15 Sep 81 p 1

[Text] The just concluded Foreign Minister-level Indo-Bangladesh talks "proved to be a significant step" towards resolution of the various outstanding problems between the two countries, a Foreign Office spokesman said on Monday.

He said "as regards the South Talpatty island there was a reconfirmation of the commitment to defuse completely the situation by removing the remaining causes of tension. Such steps would include withdrawal of India's presence from the island and return to the status quo ante as of August 1980" when Foreign Ministers of the two countries agreed to a peaceful settlement of the problem in their meeting in Dacca.

The spokesman said that Foreign Secretaries of the two countries had been charged with the responsibility of examining all available data and to report to the Foreign Ministers for further steps to be taken with a view to an early and peaceful resolution of problem relating to South Talpatty.

He said that the visit of Bangladesh Foreign Minister Prof Shamsul Huq to New Delhi at the invitation of Indian External Affairs Minister, Mr Narasimha Rao for resumption of talks on various outstanding problems between the two countries provided an opportunity for exchange of views in light of the latest position. The talks were held in an atmosphere of amity, cordiality and objectivity. The talks reviewed the overall bilateral relations and also covered regional and international matters, he said.

The Foreign Office spokesman said that in view of the urgency for early implementation of the land boundary agreement it was agreed that the draft terms for lease in perpetunity of Tin Bigha corridor would be finalised in October, 1981. The Foreign Secretaries were to meet in October to resolve all outstanding problems related to the land boundary including finalisation of lease terms. Pending the finalisation conditions would be created to ensure that all facilities provided in the past would continue to be available.

With regard to the Ganges Water dispute, the spokesman said, decision of April 4, 1981 of the first review of the Farakka Agreement might be referred to it said "both sides reiterated the great importance they attach to finding an urgent solution to the problems of the augmentation of the flow of the Ganges. Both

sides noted that appropriate and adequate measures for the purpose would have to be decided upon by the two governments at a high political level.

The two Foreign Ministers also agreed that they would meet again to discuss at an early date further measures to be taken with a view to finding a solution to the long term problem of augmenting the dry season flows of the Ganges to the mutual satisfaction of both countries, the spokesman said.

The foreign office spokesman further said that on the maritime boundary the two Foreign Ministers reviewed progress achieved since last meeting on maritime boundary held in December 1980 and reiterated that the question be resolved by mutual agreement in a spirit of understanding and good neighbourliness. They agreed that another meeting be convened at an early date.

CSO: 4220/7052

CHHATRA LEAGUE-JJ LEADERS ISSUE JOINT STATEMENT

Dacca THE BANGLADESH OBSERVER in English 15 Sep 81 pp 1, 12

[Text] Bangladesh Chhatra League (Jalal-Jahangir) group expelled on Monday Messrs. Fazlur Rahman and Bahalul Majnun Chunnu from the organisation, says a Press release.

Meanwhile 17 leaders of the BCL (Jalal-Jahangir) in a joint statement issued on Monday alleged that the "Fazlu-Chunnu clique" were engaged in anti-organisational activities and the clique had been making "pretentious claims" of their loyalty to the programmes of the second revolution of Banglbandhu Sheikh Mujibur Rahman.

Bangladesh Chhatra League (Jalal-Jahangir) group enjoys the blessings of Sheikh Hasina Wazed President of Bangladesh Awami League.

It may be noted that 26 secretaries and members including Bahalul Majnun Chunnu of the Executive Committee belonging to Jalal-Jahangir faction severed ties with the committee headed by Dr Jalal.

On Sunday the rebel group in a Press release termed Jalal-Jahangir panel as unconstitutional and irregular. The members pledged their solidarity with the legal Fazlu-Chunnu faction.

Both the factions separately announced the election of two sets of office-bearers at the end of BCL conference held last month.

CSO: 4220/7051

TEXT OF 14 SEPTEMBER PRESS NOTE BY INDUSTRIES MINISTRY

Dacca THE BANGLADESH TIMES in English 15 Sep 81 pp 1, 8

[Text] The Government in a Press Note on Monday warned a small section of the delinquent employees of the sector corporations for preventing a vast majority of the officers and staffs from attending their respective offices at Industrial Bhavan. It said under no circumstances acts of indiscipline would be tolerated and no pains would be spared to ensure maintenance of congenial working atmosphere in the offices.

Following is the text of the Press Note issued by the Ministry of Industries on Monday.

The Government has noticed with satisfaction that there has been a very perceptible improvement in the overall attendance in Sector Corporations.

The officers have all reported for duty with the exception of a few; while considerable improvement has been noticed in the attendance of the staff.

It has however been observed with concern that a small section of the delinquent employees have persisted with acts of intimidation and obstruction.

To prevent the vast majority of the officers and staff from doing their duties, this section of employees have resorted to nefarious acts like tampering with locks and damage to public property, including Government vehicles.

Action under criminal law is being taken against those responsible for crimes of this nature. Also disciplinary proceedings have already been initiated against those officers who have still been absenting themselves from duty.

Elaborate security arrangement has been made to ensure maintenance of peaceful atmosphere in the offices. In this connection, the Government would like to make it clear that under no circumstances will acts of indiscipline be tolerated and no pain would be spared to ensure maintenance of congenial working atmosphere in the offices.

It is reiterated that the Government is fully aware of the necessity for fulfillment of all the legitimate demands of the employees but in no case will resort to illegal strike and violence be tolerated.

CSO: 4220/7052

PEOPLE URGED TO BE ALERT AGAINST BORDER INFILTRATORS

Dacca THE BANGLADESH TIMES in English 10 Sep 81 pp 1, 12

[Text] Deputy Home Minister Prof Abdus Salam has called upon the people in the bordering districts to remain alert against possible infiltration by anti-state elements from across the border for carrying out subversive activities in the country.

Addressing a rally of cross section of people at Nakla High School field in Jamalpur district recently, Prof Salam said that those elements who left the country after August 1975 political changeover, might try to return to create law and order situation. He urged the people to watch the movements of "new faces." "If you find their movements suspicious, apprehend them and hand over to the local law enforcing agencies," he said.

Presided over by Mr Firozuddin Ahmed, President, Naklathana unit of the Bangladesh Nationalist Party (BNP), the meeting was also addressed by the State Minister for Petroleum and Mineral Resources Subil Gupta, Joint Secretary of the BNP Zulmat Ali Khan, a member of the party's Central Committee Suboth Mitra Khandher Mujibur Rahman, Vice-President, Sherpur district BNP and Mr Abdur Razzak Ashish, President, Sherpur district Jatiyatabadi Jubo Dal.

Stressing the need for maintaining a peaceful atmosphere in the country, Prof Abdus Salam said that only an ideal and law and order situation could ensure free and fair presidential election. The present government was determined to weed out anti-state and anti-social elements for the greater interest of the nation.

He urged the members of the law enforcing agencies to be impartial in their attitude and serve the people with dedication.

Mr Supil Gupta said that the present government would implement all the programmes of late President Ziaur Rahman and would fulfill all his commitments.

He said that various programmes of the late President, particularly the canal digging one, had begun yielding fruits. He urged the people to participate in canal digging programmes in future.

Mr Zulmat Ali Khan appealed to the people to rally round the BNP and vote for Mr Justice Abdus Sattar in the forthcoming presidential election to maintain political stability and ensure unhindered economic growth.

As the successor of President Ziaur Rahman, the Acting President had already proved his worth as a man of the hour to lead the destiny of the nation.

Mr Subodh Mitra said that with the shifting of the election date, all the Opposition parties should now take part in the election.

CSO: 4220/7042

FOREIGN MINISTER TALKS TO PRESS ON LEAVING FOR DELHI

Dacca THE BANGLADESH TIMES in English 12 Sep 81 pp 1, 8

[Text] Foreign Minister Prof M. Shamsul Huq said in Dacca on Friday that he would discuss the entire gamut of bilateral relations with India with the Indian leaders for peaceful settlement of the outstanding problems between the two countries, reports BSS.

The Foreign Minister was addressing a Press conference at Zia International Airport before departure for New Delhi on a three-day visit for the talks at the invitation of his Indian counterpart, Mr Narasimha Rao.

Describing the present climate of Bangladesh-India relations to be characterised by "understanding and amity" Prof Huq said that the talks would be held with an open mind.

The results of the New Delhi talks, he hoped, would pave the way for enduring friendship and increasing cooperation between two countries.

He said that at his meeting with the Indian External Affairs Minister "we will pick up the outstanding issues from where we had left in our last meeting held in Dacca in August last."

Land, Maritime Boundary

The four outstanding issues, he said, are the South Talpatty question, implementation of the 1974 Bangladesh-India land boundary agreement, the long-term plan for augmentation of the Ganges waters and the delineation of the maritime boundary.

He said he was carrying a message from Acting President Mr Justice Abdus Sattar to Prime Minister Mrs Indira Gandhi. The Foreign Minister will call on Indian President Mr Nilam Sanjiva Reddy, Vice-President, Mr Hedayetullah and Prime Minister, Mrs Indira Gandhi.

Prof Huq replying to questions said that both the countries were committed to peaceful settlement of the outstanding problems.

He expressed the hope that the talks would produce positive results restoring "mutual trust, understanding and amity" between the "two close neighbours."

He told a questioner that all but one navy ship of India had been withdrawn from South Talpatty.

The process of defusion of the problem, he said, had already started. This, he hoped will be completed resulting in full Indian withdrawal from the island and a peaceful solution to it.

Prof Huq told a questioner that no effort would be left for protection of Bangladesh's national interests on all the outstanding issues and problems.

"It's Not Sudden"

Asked the reason for sudden change in Indian position for peaceful solution of problems through talks, Prof Huq said, "it's not sudden." In Cancun (Mexico) and New York I had discussions with Mr Narasimha Rao on all outstanding issues including South Talpatty for a peaceful settlement to which both the countries are committed."

Asked about the prospect of a just solution of the problems Prof Huq said, "some forward movement has already been made" and expressed optimism for a positive outcome in the larger intest of the two peoples as well as for peace in the region.

The Foreign Minister hoped that the talks would be held in an atmosphere of amity, objectivity, mutual trust and, understanding and result in concrete measures for an early and peaceful solution of the problems.

The results of the talks Prof Huq hoped would pave the way for enduring friendship and increasing cooperation as expected between the two close neighbours.

He said that his present journey for three important missions would also take him to 36th UN General Assembly session and the Commonwealth summit conference in Melbourne.

Prof Huq leaves New Delhi for United Nations on Septmeber 13.

He will return to Dacca on October 9 after attending the Commonwealth conference.

CSO: 4220/7046

FREEDOM FIGHTERS URGED TO UPHOLD NATIONAL UNITY

Dacca THE BANGLADESH OBSERVER in English 3 Sep 81 p 1

[Text] Mr Abdul Halim Chowdhury, Minister for Local Government, Rural Development and Cooperatives, on Wednesday called upon the freedom fighters to forge a strong unity for fighting out the enemies of country's sovereignty and independence, reports BSS.

Addressing the Eid-reunion function organised by the freedom fighters residing in Dacca city at Shilpakala Academy, Mr Chowdhury who was a Commander of Sector Number 2 in the Liberation War said that the War of Liberation would continue till the enemies of the independence were eliminated.

Presided over by Mr Mudassir Hossain Modu a crippled freedom fighter who arrived at the Academy in a wheel chair the reunion was also addressed among others by Mr Azizul Haque Chashi and Khondkher Shafiqul Alam.

Mr Abdul Halim Chowdhury declared that none would be allowed to grab a single inch of soil of Bangladesh territory.

Regarding the territorial issues of South Talpatty Dahagram and Angarpota he said efforts were being made for peaceful solution of the disputes.

He said if the diplomatic negotiations fail the freedom fighters would not sit idle. "I in my sixties would fight in the forefront against the independence were now working hard shoulder to shoulder with the freedom fighters for building the country.

Abdul Halim Chowdhury recalled that the late President Ziaur Rahman, whom he (Halim) termed as the greatest of all freedom fighters had wanted to rehabilitate the freedom fighters in their rightful place with dignity and honour.

He said that everybody including the persons in the Government must have regards for the freedom fighters.

Commenting on the debate whether the freedom fighters would do politics or not the Cooperative Minister made it clear that the very basis of the War of Liberation in 1971 was political for economic emancipation.

He said freedom fighters must involve themselves in national politics for upholding the national independence and sovereignty.

He said that the freedom fighters should shun their petty differences and spread themselves in each and every part of the country with the message of national unity for upholding democracy and stability in the country.

He said that the freedom fighters should also play a pioneering role in educating and inspiring the younger generation so that they could equip themselves with adequate knowledge and spirit to bring economic emancipation of the country.

CSO: 4220/7024

FORMER ARMY OFFICERS JOIN FREEDOM FIGHTERS GROUP

Dacca THE BANGLADESH OBSERVER in English 14 Sep 81 p 12

[Text] Six retired and two dismissed Army Officers have joined the Bangladesh Muktijoddah Sangshad and called upon all pro-liberation forces and individuals to resist unitedly the conspiracies of the anti-liberation forces.

In a joint statement, they said that the country was now passing through a critical time following the "mysterious killing" of President Ziaur Rahman. The "betrayers of the War of Liberation" have now captured the state power and hatched a deep conspiracy to wipe out the values, spirit and genesis of the Liberation War and the Freedom Fighters, they alleged. They said that they joined the War of Liberation and fought the Pakistan occupation army for national interest and today also they added, they have decided to join the Muktijoddah Sangshad to uphold the spirit of the Liberation War and the interest of the Freedom Fighters.

The eight Army Officers who joined the Muktijoddah Sangshad are: Lt Col (Retd) Sajjad Bir Pratik, Lt Col (Retd) Modasser Hossain Khan, Bir Pratik, Major (dismissed) Syed Mizanur Rahman, Major (dismissed) Ehsanullah, Major (Retd) Mahbubur Rahman, Major (Retd) Atiqur Rahman, Major (Retd) Syed Manibur Rahman and Major (Retd) Anisur Rahman.

The Central Organising Committee of Muktijoddah Sangram Parshad demanded fulfillment of the demands of the hunger-striking members of the families of the 12 Army Officers. The committee warned the Government of the consequences if the lives of the hunger-striking persons are endangered.

CSO: 4220/7050

CANDIDATE OSMANY MEETING WITH SHEIKH HASINA REPORTED

Dacca THE BANGLADESH TIMES in English 6 Sep 81 pp 1, 12

[Text] General (Retd) M.A.G. Osmany, presidential candidate sponsored by the 'Citizens' National Committee had a secret meeting with Sheikh Hasina Wazed, President of Bangladesh Awami League (Hasina), according to a report published in the current issue of weekly SACHITRA SANDHANI.

The weekly reported without mentioning any date of the parley that it was the first meeting between the two leaders and described it as very important."

The report said that the meeting was important for General (Retd) Osmany. The role of Awami League (Hasina) in the forthcoming election would be important for him as he needed the support of the Awami League (Hasina) for putting up a tough fight in the poll, the report said.

On the question of possibility of AL(H) support to the retired General the weekly said that the chances so far remained were remote though a section of the party, specially the members of the Muktijoddha Sanghati Parishad were "ready to support Osmany."

The SACHITRA SANDHANI further reported that the leaders of JSD, Workers Party, Awami League (Mizan), NAP (Muzaffar), and Sramik Krishak Samajbadi Dal also met Gen Osmany, recently. The weekly described these parties as considering to support him.

CSO: 4220/7032

FINANCE MINISTER'S REMARKS TO PARIS MEET REPORTED

Dacca THE BANGLADESH OBSERVER in English 3 Sep 81 p 1

[Text] Paris, Sept 2: Finance Minister Saifur Rahman urged the Group of 77 to adopt the substantial new programme of action prepared by the senior officials of the least developed countries (LDCs) reports ENA.

Making an intervention in the final preparatory meeting of the Group of 77 here on Monday night the Minister put up a strong plea for unity and cohesion among the developing countries.

Mr Saifur Rahman suggested "instead of frittering away our precious time and energy in negotiating among ourselves, we should put in our full weight behind the programme and negotiate unitedly with the developed countries for their back-up assistance for the programme."

He said the developing countries should concentrate more on negotiation with the developed countries than on whipping up unwarranted controversies on certain details of the programme to create impediment in the negotiation with the developed countries.

The Minister's appeal elicited favourable response from the members state of the Group of 77 who later adopted the programme without any reservation.

It may be noted the implementation of the substantial new programme of action in the 31 LDCs will involve an estimated expenditure of 220 billion dollars throughout the decade of 80s. Of this amount 100 billion dollars will be mobilised by the LDCs from their domestic resources and the rest 120 billion dollars are expected to be committed by the developed countries through their Official Development Assistance (ODA).

Commenting on the inaugural address of President Mitterrand yesterday, Mr Saifur Rahman told ENA it articulates the sentiments and expectations of the LDCs. His address is also indicative of the French Government's favourable response to the programme. He hoped it would serve as the peace-setter for the conference.

Earlier, Mr Saifur Rahman had separate talks with the Chinese Vice-Minister of Economic Relations with the Foreign Countries. During the talks the Chinese Vice-Minister assured his Government's full support for the programme.

CSO: 4220/7024

POLITICAL LEADERS APPEAL FOR OPEN TRIAL REPORTED

Dacca THE BANGLADESH OBSERVER in English 3 Sep 81 p 8

[Text] Twenty leaders of ten political parties on Wednesday night urged the Government to stop the execution of twelve Freedom Fighter army officers who have been convicted and sentenced to death for the killing of President Ziaur Rahman reports BSS.

In a joint statement the ten-party leaders warned that if the execution of the twelve army officers were carried out the Government would have to face the consequences. They reiterated their demand for open trial of the killers of the late President.

The signatories to the statement are: Sheikh Hasina Wazed and Mrs Sajeda Chowdhury President and Acting General Secretary of Bangladesh Awami League (Hasina), Mr A.S.M. Abdur Rab and Mr Shahjahan Siraj, General Secretary and Joint Secretary of Jatiyo Samajtantrik Dal, Mr Mizanur Rahman Chowdhury and Mr Nur-e-Alam Siddky President and General Secretary of Bangladesh Awami League (Mizan), Mr Mani Singh and Md Farhad President and General Secretary of Communist Party of Bangladesh Advocate Ismail Hossain and Pir Habibur Rahman Acting President and General Secretary of National Awami Party (Muzaffar) Chowdhury Haroonur-Rashid and Mr Pankaj Bhattacharya of NAP (Haroon) Syed Altaf Hossain and Sarder Abdul Halim of Ekota Party, Mr Siddikur Rahman and Mr Nirmal Sen of Sramik Krishak, Samajbadi Dal Moulana Abdur Rashid Tarkabagish and Abdus Samad of Gano Azadi League and Mr Haider Akber Khan Rano and Mr Rashed Khan Menon of Workers Party.

CSO: 4220/7024

CHHATRA LEAGUE CRISIS RESULTS IN PARTY SPLIT

Dacca THE BANGLADESH TIMES in English 2 Sep 81 pp 1, 8

[Text] The crisis over the leadership of Bangladesh Chhatra League (Kader-Chunnu), student wing of the Awami League (Hasina), resulted in a vertical division in the organisation with the announcement of two separate central committees on Tuesday.

After bickering for four days over the leadership the rival factions of the BCL elected their own committees in separate meetings.

The out-going President of BCL, Mr Obaidul Kader declared at a meeting of the workers at Madhu's canteen of the Dacca University, the names of 59-member central committee with Dr Mostafa Jalal Mohiuddin, Mr K.M. Jahangir and Mr Hemayetuddin alias Auronga as President, General Secretary and Organising Secretary, respectively.

On the other hand, a press release issued by Mr Bahalul Majnun Chunnu on Tuesday night said that the Subjects Committee of BCL Conference in a meeting held at the auditorium of the Jagannath Hall of the Dacca University had elected a 59-member central committee with Messrs Fazlur Rahman, Bahalaul Majnun Chunnu and Jahangir Kabir Nanak as President, General Secretary and Organising Secretary respectively.

After the meeting of the subjects committee the names of the new central committee were announced at "Battala" of the Arts Faculty by Mr Shahpewaz Zaman Azad Choudhury, the press release said.

Mr Obaidul Kader while speaking at the meeting of the BCL said a Compromise Committee with five members each from two faction replacing the subjects committee elected at the council session on Saturday had elected the new leaders.

The Compromise Committee he said had voted 6-4 in favour of the new committee.

The Compromise Committee met several times at the Dhanmondi residence of Awami League (Hasina) chief Sheikh Hasina Wazed.

The subject committee was reportedly dissolved after its members fled in panic when threatened by gunmen loyal to a certain person.

The Press release issued by Mr Chunnu claimed that the subject committee meeting at Jagannath Hall was attended by Presidents and General Secretaries of 60 organisational district committees of the BCL. It has 70 district committees.

Meanwhile, the supporters of Mr Chunnu further claimed that the so-called compromise committee had no right to elect leadership of the BCL at the instances of Awami League (Hasina) high ups. They further said that they were opposed to the terror unleashed by one group which supported the candidature of a fugitive wanted in at least a dozen murder cases including that of a member of the intelligence service. They said that he had been staying with Kader Siddiky in India.

The faction headed by Mr Obaidul Kader had been enjoying the support of Mr Tofael Ahmed, the Organising Secretary of AL while the group led by Mr Bahalaul Majnun Channu had the blessings of Mr Abdur Razzak, General Secretary of the party. It is also reported that AL chief Sheikh Hasina had her blessings for the panel submitted by Mr Obaidul Kader.

CSO: 4220/7023

EDITORIAL HAILS SATTAR REMARKS ON MINORITIES

Dacca THE BANGLADESH OBSERVER in English 2 Sep 81 p 5

[Editorial: "No Minorities"]

[Text] Mr Justice Abdus Sattar, the Acting President, has said that there are, conceptually, no minorities in this country. This not to deny the existence of any group or section distinct from others, nor to say that all are the same in every respect. Obviously, they are not and they cannot be. What the Acting President has emphasised is the fact that here in this country no distinction is made between one man and another or between one group or another on any ethnic, cultural, economic or social grounds. It is more than saying that all are equal in the eyes of law. That they surely are; but they are equal in all other ways too--socially and culturally, as citizens of the country and as agents of development. The statement of the Acting President is significant and deep-rooted. It reflects the attitude of the people and of the government. Recalling the ideals of late President Ziaur Rahman, the Acting President said that he was a real friend and a great patron of the people of this country irrespective of caste, creed and colour.

The occasion on which the Acting President has spoken is important too. He was the chief guest at the national convention of the aboriginal and the tribal people of the country. The convention was the first of its kind. It was participated by representatives of many a tribe and many an area, and the participants had brought into focus the problems they were faced with and the ways in which they could contribute to the process of national development. The convention dismisses the mistaken impression, if there be any, that the tribal and the aboriginal are forgotten people. They surely are not. The developmental efforts that have been mounted in tribal areas--in the Chittagong Hill Tracts, for example--are by themselves a pointer to the government's sincerity of purpose. It was nonetheless necessary to hold a convention of this kind, for it has drawn attention to the tribal and the aboriginal and to their problems, and has reminded all of the link that exists between them and the rest of the people.

The tribal and the aboriginal represent a distinct stream in culture. The values they have preserved and the social norms they have kept unaltered are not of the ordinary kind. And yet these are neither outside the factors which, taken together, constitute the culture of the land, nor are these basically different from those. There is no conflict between culture in general and the

specialized streams that are to be found within its well-defined limits. In this basic sense too, there are no minorities in this land. It would be important to preserve and safeguard these special traits and to enrich them if possible. It is through a proper understanding of the way of life of the tribal and the aboriginal that their talents can be made best use of and their full potential realized.

Responsibilities that the citizens of this country bear are the same for all. It is a common will, a common aspiration, a common determination that is at work behind all that is being done. The Acting President has called upon the special groups to actively participate in the main stream of development, and this is what it should be. Since they are no different from the others, their interest lies in promoting and strengthening forces that are being made use of for securing total, overall and uncompromising welfare of all the people. The tribal and the aboriginal realize this as much as others do. It is only logical therefore to expect that all would work together and in cooperation with one another for attaining goals that this nation as a whole must try to attain soon. It would be important, however, also to extend to the tribal and the aboriginal facilities they specially need and deserve, for the disadvantage they might have suffered from in the past must be done away with as quickly as possible.

CSO: 4220/7021

U.K. TO AID POWER PLANT CONSTRUCTION, PACT SIGNED

Dacca THE BANGLADESH OBSERVER in English 2 Sep 81 p 1

[Text] Bangladesh will receive Taka 64.78 crore as grant and subsidised loan from the United Kingdom for financing the 90 megawatt combined cycle power plant to be installed at Ashuganj under an agreement signed in Dacca between the two countries, reports BSS.

Of the total amount equivalent to 17.5 million pound sterling 4.68 million pounds (Taka 17.31 crore) will be in the form of grant and the rest will be in the form of subsidised loan under Export Credit Guarantee (ECGD) scheme.

The loan will be advanced by M/s Williams and Glyn's Bank Limited as soft-term loan bearing an interest of 7.75 per cent. The repayment will be made in 10 years after a three-year grace period.

The project will be executed by M/s GEC Gas Turbine Limited on turn-key basis.

The agreement was signed by Mr Shafiul Alam Additional Secretary, External Resources Division and Sir Michael Scott British High Commissioner in Dacca, at the Planning Commission on behalf of their respective countries.

After the signing ceremony, Sir Michael said that this was the first agreement to be signed between the two countries under ECGD scheme. He further said that the agreement was outside 40 million pound sterling Great Britain was providing to Bangladesh under bilateral assistance programme for the current financial year.

CSO: 4220/7021

SATTAR MEETS WITH PATRIOTIC FRONT LEADERS

Dacca THE BANGLADESH OBSERVER in English 6 Sep 81 pp 1, 12

[Text] The leaders of the Patriotic Front who met the Acting President Mr Justice Abdus Sattar at Bangobhavan on Saturday placed a seven point demand to the government for creating a congenial atmosphere for election in the country.

A Press release of the Front said that the leaders of the Patriotic Front discussed with the Acting President about the existing political situation in the country. They reminded the government of its responsibility for creating a congenial atmosphere to hold free and fair election.

The seven-point demand of the Patriotic Front includes withdrawal of Emergency and repeal of all black laws, release of all political prisoners, amendment of the Constitution for parliamentary system of government and resignation of the nominee of the ruling party from the post of Acting President to ensure free and fair presidential election equal opportunity for publicity in government news media like radio and television, return of the "patriots" of the August "revolution" to the country, arrest of price spiral, and cancellation of the 25-year "unequal agreement of slavery with India."

The delegation of the Patriotic Front which met the Acting President included, Mohammad Toaha, Convener of the Front, Mr Alauddin Ahmed Khondokar Ali Abbas, Mr Dilip Barua, Mr Matiur Rahman, Mr Sirafur Huq, Mr Abdul Latif Talukdar, Advocate Quamrunnahar Laily, Advocate Lutfe Adam and Advocate Garib Newaz.

CSO: 4220/7030

MEET NAMES PROJECTS FOR AGRICULTURAL COOPERATION

Dacca THE BANGLADESH OBSERVER in English 10 Sep 81 p 1

[Text] The first meeting of the study group (agriculture) of seven Asian nations ended in Dacca on Wednesday identifying 14 specific projects for consideration of cooperation among them in agricultural sector reports ENA.

The projects are soil seeds, water energy fertilizer and fertility, livestock fisheries pests and diseases, tools and machinery post-harvest technology, nutrition, forestry, consultancy and training.

Experts and representatives from Nepal, Bhutan, Sri Lanka, India, Pakistan, Maldives and Bangladesh took part in the two-day deliberations of the meeting held at a local hotel.

As an arrangement for monitoring and implementing various projects the meeting proposed for evolving a three-tier "contact mechanism" at ministerial secretarial and scientist levels of the regional countries.

Briefing newsmen on the outcome of the meeting, Dr Kazi M. Badroddoza Country Coordinator for Bangladesh said the contact mechanism being the key to the success of all programmes was strongly recommended to be examined at the secretarial level meeting and approved at the ministerial level.

The meeting also recommended the necessity of economic cooperation among the regional countries in the field of processing and marketing agricultural commodities and initiating an action programme on the issue, Dr Badruddoza said.

The meeting laid strong emphasis for inter-country cooperation in those fields where the countries have acquired indigenous capabilities and experience that is unique to their problems and conditions and where there are mutual advantage and complimentaries in cooperating among themselves.

It also recommended that lasting cooperative arrangements at the substantive and technical levels should be systematically promoted by linking appropriate institutions, facilities and programmes in various fields in the countries willing to commit themselves to serve as partners in technical cooperation.

Dr Kazi Badruddoza said the meeting also recognised as an urgent need to improve the system of information on needs capacities and opportunities so as to ensure

an efficient flow of information to governments and institutions of the countries in the region.

The meeting resolved that the governments of the countries in the South Asian region should endeavor to establish or strengthen suitable arrangements to encourage and maintain closer technical collaboration in the fields of agricultural research, extension and development.

Recommending for creation of a not work of complimentary training programme the meeting felt that the governments should keep in view the training facilities available in the region and make best use of such facilities to build up human resource in the region.

CSO: 4220/7040

PEOPLE'S LEAGUE CANDIDATE BEGINS CAMPAIGN

Dacca THE BANGLADESH OBSERVER in English 10 Sep 81 pp 1, 12

[Text] People's League presidential candidate Mr Alim-Al-Razee on Wednesday said his party is committed to establishing "people's democracy" in the country which will ensure total control of Parliament over the executive, reports ENA.

Addressing his maiden public meeting after announcing his candidature for Presidential election the People's League Chairman said that his party wants to introduce a democratic system which will put an end to the prospect of coup once for all. "We want people control the guns and guns never the people," he added.

The meeting held at the Baitul Mukarram square was also addressed, among others, by party leaders Dr Ahmed Hussain, Amjad Hussain, Fazlul Huq; Yaqub Ali; Hamida Rahman and Kazi Nurul Islam.

Dr Razee ridiculed the BNP claim that its candidate Justice Sattar was a veteran politician. He said "Who had been in politics during the last 30 years, but who had seen Justice Sattar on the street supporting a cause of the people," he posed a question.

Dr Razee said Justice Sattar as held the office of Vice-President as "a mere appointee." He said Justice Sattar was a judge in the erstwhile Pakistan and "since then always served as government servant."

He said after the death of President Ziaur Rahman, he was declared a Presidential candiate of the BNP in violation of the constitution.

He said this is a clear pointer to the fact that BNP has no love for democracy or respect to even the presidential system of democracy which he said "is an extravagant luxury for a poor country like Bangladesh.

CSO: 4220/7040

DACCA MEETING HELD ON MAO DEATH ANNIVERSARY

Dacca THE BANGLADESH OBSERVER in English 10 Sep 81 pp 1, 12

[Text] Bangladesh Sammayabadi Dal on Wednesday observed the fifth anniversary of death of Mao Tse-tung, reports ENA.

On this occasion the party held a discussion meeting at Dacca District Sports Association auditorium in Dacca on Wednesday afternoon.

Chairman of Sammayabadi Dal Mohammad Toaha MP was the main speaker at the discussion meeting while it was presided over by Kandakar Ali Abbas Assistant Secretary of "the party."

Speaking on the occasion Mr Toaha paid glowing tributes to the memory of Chairman Mao Tse-tung and suggested the left political parties to learn the basic ideals of Marxism and Leninism.

He admitted that the left political and progressive organisations proved to be failures on different occasions in the past because of their disunity and lack of proper knowledge of progressive movement.

Mohammad Toaha put up a strong plea for unity among the leftist and progressive political forces and observed that there is no way for achieving emancipation of the people without making the country "self-reliant."

The discussion meeting was participated among others by Mr Santi Sen, Advocate Luthfey Alam, Mr Alauddin Ahmed, Mr Amanullah Kabir and Mr Dilip Barua.

CSO: 4220/7040

MINISTER OPENS DACCA AGRICULTURAL MEETING

Dacca THE BANGLADESH OBSERVER in English 9 Sep 81 p 1

[Text] The agricultural study group of seven South Asian nations began its first meeting in Dacca on Tuesday for identifying the areas of mutual cooperation in the agricultural sector.

Inaugurating the meeting, Mr Amirul Islam Kalam, Minister of State for Agriculture and Forests called upon the members of the group to formulate a joint course of action on effective collaborative lines for agricultural research and uplift in the concerned countries. He felt that regional cooperation among the developing nations had become an important instrument in the present-day world for promoting sound development programmes.

The meeting is being participated by experts and representatives from Bangladesh, Sri Lanka, Pakistan, India, Nepal, Bhutan and Maldives. It is a follow-up action of the decision of the Foreign Secretary level meeting of South Asian nations, held in Colombo in April last.

In his inaugural speech the Bangladesh State Minister recalled that the proposed regional cooperation forum among the South Asian countries was first put forward by late President Ziaur Rahman. "It is our proud privilege to give a concrete shape to his ideas and carry forward the movement of regional and global cooperation," he observed.

He was quite optimistic that much could be achieved in bridging the food gap in the countries of the region through a cooperative effort in Agricultural field. He noted that increasing collaboration and effective cooperation for utilising the material and human resources of the region would help establish and strengthen a more efficient agricultural production system.

Mr Amirul Islam Kalam said that the difficulties encountered by the Third World countries made it all the more imperative that the countries of South Asia evolve strategies on collective self-reliance through mutual cooperation.

He stressed the need for a systematic approach on the basis of careful study and adequate preparations and added that regional cooperation in agricultural field should be complimentary to the existing bilateral and multilateral cooperations and should be viewed as "substitutes for the same."

The State Minister pointed out that the goals of agricultural development had to be realised within the shortest possible time in view of "our very pressing problems."

He observed that there was information gap even with regard to our respective scientific capabilities in the region. He said that the related scientific capabilities developed over centuries and most suited to the socio-economic conditions of the region, should be profitably harnessed for collective regional advantage.

The State Minister was very hopeful that the deliberations at the meeting would materially contribute towards the achievement of "tangible results" and help the regional countries in realising the goal of self-reliance.

CSO: 4220/7038

BUSINESSMEN FEAR EFFECTS OF CREDIT RESTRICTION

Dacca THE BANGLADESH OBSERVER in English 6 Sep 81 pp 1, 12

[Text] Dacca Chamber of Commerce and Industry on Saturday expressed the apprehension that credit restriction would create great problems in utilising licences and adversely affect the implementation of the Import Policy, reports BSS.

In a memorandum submitted to the Chief Controller of Imports and Export (CCIE) the Chamber pointed out that public sector had been allowed to open letter of credit (L/C) against five per cent margin while there existed differential treatment between the public and private sectors.

The Chamber also pointed out the bottlenecks in the way of implementation of the Import Policy and suggested expeditious disposal of revalidation of L/C authorisation, continuation of duty benefit for imports under Wage Earners Scheme and increasing import entitlement of any industry to not less than 100 per cent.

A Press release of the Chamber said that out of the total import allocation of Taka 2950 crore for the current fiscal commercial and industrial imports under private sector accounted for only eleven percent and 26 percent respectively. The Chamber also demanded increase in the private sector's share considerably.

However the Chief Controller of Imports and Exports explained the financial constraints and said that credit restriction was a temporary phase while efforts were being made to mobilise funds to tide over the situation according to the Chamber Press release.

CSO: 4220/7030

TRAINING SCHOOL FOR GOVERNMENT ADMINISTRATORS OPENS

Dacca THE BANGLADESH OBSERVER in English 6 Sep 81 p 12

[Text] A new training academy designed to improve planning and development capabilities of the personnel engaged in administrative machinery was inaugurated in Dacca Thursday by the Establishment Minister Mr Majedul Haq, reports BSS. Speaking on the occasion the Establishment Minister said that more such training academies would be opened to impart proper training to persons associated with administrative jobs in the Government.

He said that training should be conducted in such a way that our own shortfalls could be detected. Training from a very highly developed country would not serve our purpose, he added.

Planning Minister Dr Fasihuddin Mahtab, who presided over the function stressed the need for planning capabilities of the officials and said the development efforts would be thwarted if the planning cell did not function properly. He said the recent evaluation had revealed that our implementing capabilities had increased.

Mr J. Abedin, Vice-Principal of the Academy and Group Captain (Retd) Syed Ahmed also spoke on the occasion.

The Academy will offer basic courses for foundation training of new recruits, refresher courses and seminars and workshops for the in-service personnel on a regular basis. The basic courses will be designed to impart training in development economics, business information systems, statistics, planning techniques and allied subjects.

The academy when fully developed will have an annual capacity for training 260 officers.

A four-week training course on project management, the first programme being run by the academy, was also inaugurated on the same day.

A batch of 20 officers drawn from different ministries and agencies concerned are participating in the programme.

CSO: 4220/7030

POWER DEVELOPMENT BOARD PLANS NEW GIANT PLANTS

Dacca THE BANGLADESH OBSERVER in English 11 Sep 81 pp 1, 12

[Text] The Power Development Board would install a number of giant power generating units under long and short-term programmes to generate additional power for ensuring systematic reliability in the power system of the country, reports BSS.

An additional 210 megawatt turbine, the single largest generating unit in the country, at Ghorasal, two more units at Ashuganj--150 megawatt capacity each--and the 50 megawatt third unit at Karnafully Hydel Project are four of the several other generating units to be installed in the next few years for additional generation of power.

A Power Board source said that the work of the Karnafully third unit had almost been completed to put it into commission by the first week of next month. Feasibility study for the fourth and the fifth units at Kaptai having fifty megawatt capacity. Each had also been done and civil engineering works had been progressing to complete the project by 1986. Negotiations for fund for the project had been going on with Japan, the source said.

In an interview with the BSS the Chairman of the Power Development Board, Brigadier M.A. Munim said that the installed capacity of the generation system would roughly be doubled by 1985 and eleven hundred and fifty megawatt power would be available for transmission. The demands for power in the country would then roughly be nine hundred and forty three megawatt, he added.

One 60 megawatt steam station at Sikalbaha in Chittagong and one 110 megawatt steam station at Khulna are being built under Czechoslovak aid. These stations would be completed in the next two years.

The Ashuganj units of the projects are being financed by the World Bank, the Federal Republic of Germany and the Organisation of Oil Exporting Countries (OPEC). These units would come into operation in 1985 and 1986.

The Ghorasal unit is being financed by the Soviet Union and it would come into operation in 1984.

The Chairman of the Power Development Board said that constant efforts were being made to develop cheapest but abundant electricity preferably by careful exploitation of the natural resources of the country. This is being done to cater to the existing and potential demands of the people.

He said that simultaneous efforts were being made to balance the transmission and distribution system with the generation of the power in the country.

In reply to a question, the Chairman of the Power Board attributed the cause of power breakdown mainly to mechanical faults due to aging machinery and equipment. "Because of many constraints, we can not go for routine overhauling of the equipment. We have to run the machine more than eight thousand hours at a stretch overstripping the overhauling date," he said.

Brigadier Munim said that the Board had done some overhauling work on some equipment despite inconveniences caused to the consumers. These overhauling works would improve the generation capacity of the units, he added.

The Chairman of the Power Board said that the cost of the production of electricity was dependent on imported oil, gas and hydraulic system. We cannot reduce the generation cost of power when the price of oil goes up, he said and added that the per unit fuel cost for generation of power in the western zone is Taka 1.80 which is more than 22 times the cost in the eastern zone.

He said during the last financial year the total cost of fuel for generation of power was Taka one hundred thirty six crore and seventeen lakh of which Taka one hundred twenty one crore and five lakh were spent for the western zone, where generation is based on oil only.

CSO: 4220/7043

GOVERNMENT PLAN FOR RUBBER CULTIVATION REPORTED

Dacca THE BANGLADESH OBSERVER in English 11 Sep 81 p 1

[Text] Chittagong, Sept 10--The government has drawn up an elaborate programme to bring about 70,000 acres of land under rubber cultivation within 1990 in the country.

Of this land 40,000 acres will be set aside for rubber cultivation under government management and 30,000 acres under private ownership.

The Asian Development Bank is committed to provide 20 million dollars for materialising the programme.

According to the official sources, the programme is aimed at achieving self-sufficiency in rubber. The present requirement of rubber in the country is about 10 million pounds, but the production of current year was only 1.2 million pounds.

The programme was prepared on the basis of a feasibility report of the Food and Agricultural Organisation (FAO). The Asian Development Bank financed FAO for undertaking this feasibility study.

The work under this programme will be completed in two phases. The first phase envisages the production of high yielding varieties of rubber over an area of 25 068 acres by 1937 [as published]. The remaining 15,000 acres will be brought under rubber cultivation during the second phase. Presently 2,598 acres come under rubber cultivation in Chittagong, Chittagong Hill Tracts and Sylhet districts.

The government will soon set up a rubber board to facilitate the implementation of rubber cultivation programme. The proposed board will be responsible for the rubber plantation in both public and private sectors in place of Bangladesh Forest Industries Development Corporation.

The programme also envisages the construction of central latex concentration factory development of infrastructure for rubber estate and establishment of rubber development centre.

CSO: 4220/7043

VISITING UN TEAMS TO EXAMINE OIL, WATER PROJECTS

Dacca THE BANGLADESH OBSERVER in English 8 Sep 81 pp 1, 12

[Text] A number of United Nations expert teams as well as some foreign consulting firms are expected to visit Bangladesh soon to examine projects in the petroleum and water resources sectors, Kazi Anwarul Huq, Minister for Flood Control Water Resources and Power, said in Dacca on Monday, reports BSS.

The Minister who returned Dacca on Monday, after a visit to the United States and Britain told reporters at the airport that he had useful talks with the executives of the United Nations Development Programme (UNDP) and some foreign oil companies who had expressed interests to participate in the country's oil and gas exploration and development of the energy.

He said the UNDP would send an expert team to examine whether mini-hydroelectric projects were feasible in Bangladesh. The team will also study whether the Teesta Flood Control and Irrigation Project can be converted into a multi-purpose project that can also generate hydel-power.

The Minister said another UNDP team was expected to look into the possibility of replacing of diesel by compressed natural gas in the transport sector.

Kazi Anwarul Huq said that during his visit to the United States, he had fruitful discussions with the American geological survey which is expected to help upgrading the Bangladesh geological survey.

Besides, some American private firms had shown keen interest to provide consultancy services to the country's oil and gas exploration and development sector during the interim period till the Bangladesh Petroleum Institute goes into full operation.

On his way back, the Minister had talks in London with British Petroleum (BP) who had shown interest in the exploration activities through a production-sharing contract.

But he said that the British Petroleum was particularly interested in the Surma basin area where Petro-Bangla had already been working. However, the Minister said that company might also be interested in other zones and was expected to send a team to discuss in this regard.

CSO: 4220/7036

BETTER TERMS FOR MULTINATIONAL OIL FIRMS URGED

Dacca THE BANGLADESH TIMES in English 3 Sep 81 p 5

[Article by K.M. Manmudur Rahman]

[Text] The extractive sector of all economics are the most technology and capital intensive, Oil exploration, drilling and production are at the zenith of all such activities. The complexity and sophistication of its technology is unmatched by any other mining sector. The progressive growth in oil-exploration technology has been phenomenal over the last decade. This is manifest in the move to commercially extract oil from the sea-beds of the world, often many miles from the coastline. This technology, like most others, is the monopoly of a few developed countries, or more precisely of some multinational corporations of these industrialised economics. Virtually all developing countries have to relay on these corporations of these industrialised economics. Virtually all developing countries have to relay on these corporations for oil exploration and production within their own territories. This dependence is an unpalatable economic fact.

While most areas of the developing world remain unexplored and unexploited with regard to its oil-potential, the exact opposite is true for industrialised countries. Thus the opportunity to tap these virgin sources, is no doubt an attractive proposition for multinational corporation. At the same time, these Corporation are fully aware of the dependence of less developed economics on their technology. Thus a classic bilateral bargaining situation is involved. In the past most oil corporations owned extremely attractive concessions in developing countries--the later obtaining only one-tenth of the revenue obtained from their oil. The rest of the benefit went to rich developed countries in terms of low price of oil, and to oil corporations in the form of phenomenal profits. This state of affairs encouraged oil companies to invest ever-increasing amounts of capital into developing countries for exploration and production.

In 1973, this state of the distribution of gains from oil exploration was changed drastically by a four-fold increase in earnings of some developing countries producing oil (i.e. OPEC). Even prior to this even, strict production-sharing contracts had begun to come into force in Iraq, Indonesia and few other developing countries. This new-found assertiveness on the part of developing countries. However, it is worth mentioning that since then, over the last 5 years, new investments in oil exploration in all developing countries by multinational corporations have been on the decline both absolutely & relatively.

Bangladesh overtook her oil-exploration activities with new vigour since her independence. Many foreign oil companies were invited to negotiate the terms. Only seven finally agreed and paid signature bonuses to take out options which was an extremely low number in view of the virginity of Bangladesh's soil what is even more surprising is that only three companies actually carried out any substantial exploratory work. These two aspects of Bangladesh's experience with multinationals in oil exploration is clearly explicable by two factors. First, the terms and conditions of the Agreement were perhaps too harsh to permit an attractive return on their high risk capital. Second, despite the unattractiveness of the terms, these companies decided to come in merely on the basis of a defensive oligopolitic strategy i.e. hold concessions in order to prevent other companies from finding oil but not to use the concessions.

There is no doubt that profit-making is the basic goal of any multinational corporation. Their investments in various areas of the world are dictated by considerations of global profit maximisation over the long run. Any investment of high-risk capital in Bangladesh would have to be part of that objective. Therefore the terms of the production sharing contracts offered by Bangladesh would be treated as generous or harsh on the basis of existing investment opportunities, existing rates of return at other places and of course the existing general financial environment of the world. An examination of these facts of the problem will reveal the present policy option available to the Bangladesh Government.

It is widely agreed that virtually all probable land areas for oil exploration in developed countries, had been fully exploited. In other words by 1972 it was an established fact that any increases in world reserves of commercially exploitable oil would have to come from finding oil in the developing areas of the world. This was a healthy position for the less-developed countries. The assertiveness of the developing world was partly hastened by this situation. However, the four-fold increase in price imposed by the OPEC countries changed the state of affairs previously uncommercial oil reserves in developed countries suddenly became profitable. Off shore oil exploration became an economically viable idea. Alternative energy sources suddenly became very promising options. Multinational oil Corporations began to invest huge amounts in these areas within the advances economics. The dependence of oil Companies on less developed countries as sources of energy decline drastically.

In addition, the general financial environment within which these companies operated, deteriorated significantly. Inflation became world-wide and rapid the US Government withdrew its tax rebate on multinationals.

In the context of the above developments, investment opportunities in Bangladesh became less significant for these oil corporations. Due to the absence of detailed geological information and inadequate knowledge of the potential for oil, high risk capital would be involved. This needs very high returns to encourage its flow. It is true that foreign oil corporations in Indonesia are working under production sharing contracts of the type offered by Bangladesh. The same is true in Iraq. However, one should not forget that these stricter terms were imposed only after oil had been discovered and produced in many areas of Indonesia and Iraq. The oil companies were aware of the high probability of striking oil in both these countries. This is certainly not true in the case of

Bangladesh. It is quite possible that no oil may be found or if found, the quantity may be small. Thus, more generous terms and conditions should be offered at this stage of our oil exploration. Once the oil Corporations have invested funds and have discovered and produced oil, the government could then impose a stricter production sharing agreements in view of her increased bargaining power, vis-a-vis the Corporations.

There seems to be a feeling within the Government, that in view of the past experience with foreign companies, Bangladesh should undertake exploration and drilling on her own, by hiring foreign expertise. There are three aspects of this approach which merit serious consideration:

1. Monitoring & controlling the operation of foreign exports.
2. Financing the project.
3. Marketing the oil if discovered.

The first two aspects pose serious problems of this approach as opposed to direct exploration by foreign oil companies.

It is virtually an axiom that to monitor a highly technical, sophisticated and technology-intensive operation like oil exploration there is need of experienced and extremely well-trained indigenous manpower at the highest levels of decision making (like Indonesia), Bangladesh cannot master such skills. Thus it would be impossible to even monitor the work of foreign experts. Exercise of control by the Government on the operation of foreign experts would be totally absent. Thus these foreign technical teams would be endowed with all the freedom to explore and drill for oil without any corresponding responsibility for accountable action. This would certainly be an unacceptable state of affairs. If a multinational was operating instead at least all technical manpower employed, would be controlled and channelised in the right direction, in view of its need to obtain a return on their investment. Bangladesh would serve the spin-offs from their Agreement control and their need to find oil, if it exists.

Secondly, if Bangladesh undertakes exploration she would have to find external finance. This would be very difficult. Development-aid funds would not be forthcoming for this sector. Commercial funds, if available, would carry high interest rates and short maturity periods. If oil is not discovered in adequate quantity, the country would be laid-up with a heavy debt-servicing burden with no corresponding returns to finance the debt. On the other hand multinational corporations would bring in high risk capital which would not lead to any debt servicing burden if oil is not found.

Moreover, if despite the above adverse factors and the riskiness of the venture, oil is found, Bangladesh government would have all the attendent problems of international oil marketing. Oil has an extremely oligopolic market set-up internationally. This entry into this international market by a nascent marketing company of Bangladesh would entail high costs. In the end, the situation might dictate collaboration with an international oil company with all the problems of bargaining for gains.

A better and sounder option for Bangladesh is to relax the restrictive aspects of the present production sharing contract and increase the possibilities of greater gain to oil companies if oil is discovered. As and when it is discovered, Bangladesh will be well situated to impose better terms for herself both in new agreements and in renewal of old contracts. Without this approach the possibilities of oil production may be lost forever.

CSO: 4220/7028

STEEL, ENGINEERING PRODUCTS FACE MARKETING PROBLEMS

Dacca THE BANGLADESH TIMES in English 12 Sep 81 p 8

[Text] Local steel and engineering products have been facing serious marketing problem due to uneven competition from large-scale imports and imposition of heavy duty and tax on the imported raw materials.

This observation was made by the speakers at the inaugural session of the two-day annual conference of Bangladesh Steel and Engineering Corporation (BSEC). The conference that began at a local hotel on Friday would evaluate the performance of the UNITs under BSEC.

The unfavourable market situation has resulted in stockpiling of finished goods at various units of the Corporation. According to the Director of Finance BSEC, finished goods worth over Taka 68 crore were stockpiled at various units of the corporation by the end of last fiscal year (1980-81).

The Corporation, however, earned a profit of Taka 23.73 crore during 1980-81 which is the highest amount of profit earned by the Corporation during past four years.

The Director of Finance referred to the gradual increase in production and sales proceed during this period. Barring the inflation, the Corporation had been showing gradual improvement in its performance over the previous years, he said.

He said that during the last fiscal year, the Corporation had not been able to export any of its products except 15 diesel engines. This is for the first time country had exported 15 diesel engines worth Taka 1,70,000 to Australia, he said.

Dr Nazrul Islam, Chairman of BSEC, inaugurating the conference said that the management being the main factor in production should be efficient so that the responsibility that had been entrusted with the Corporation could be carried out.

CSO: 4220/7046

BRIEFS

METRIC SYSTEM ORDINANCE--The Acting President has promulgated an ordinance on introduction of international system (metric system) of weights and measures on Tuesday, reports BSS. Announcing this, Dr R.A. Ghani Minister of State for Science and Technology said the metric system will be effective from next year. Earlier, the Government decided to introduce the metric system in the country which is in practice throughout the world. The introduction of this system will facilitate both internal and international commercial and business transactions. [Text] [Dacca THE BANGLADESH OBSERVER in English 2 Sep 81 p 1]

AID FROM NETHERLANDS--The Hague (Holland), Sept 1--The Netherlands has pledged extra financial aid this year to Bangladesh, Kenya, Guinea Bissau and Tanzania, the Development Cooperation Ministry said today, reports REUTER. A spokesman said Bangladesh would get an additional 60 million guilders (21.4 million dollars) over and above 94 million guilders (39 million dollars) already pledged for this year. [Text] [Dacca THE BANGLADESH OBSERVER in English 2 Sep 81 p 1]

SAUDI GRANT ANNOUNCED--Saudi Arabia has decided to make available 100 million US dollars (about Taka 180 crore) as grant to Bangladesh, a Foreign Office spokesman said in Dacca on Tuesday, reports BSS. The decision of the Saudi Government was intimated to Bangladesh mission in Jeddah, the spokesman said adding that an agreement on the Saudi grant was expected to be signed in Washington between the Finance Ministers of Saudi Arabia and Bangladesh during the forthcoming annual meeting of the IMF and the World Bank. The Saudi grant will be utilised for import of foodgrains and spare parts and financing the requirements of the Industrial Bank. [Text] [Dacca THE BANGLADESH OBSERVER in English 2 Sep 81 p 1]

FREEDOM FIGHTERS COUNCIL DISSOLUTION--Messrs Shafiqul Haq Ansari and Abdul Halim, commander and deputy commander of the Secretariat Unit of Bangladesh Muktijhoddah Sangsad on Tuesday urged the chief of adviser of the Sangsad to dissolve of the Central Command Council, which, they alleged was engaged in political activities ignoring the interest of the freedom fighters. In a joint statement they said that a dynamic and strong leadership should be established at the Central Command Council through constitutional means, to preserve the image of Muktijhoddah Sangsad and promote the interest of the freedom fighters. The Muktijhoddah commanders expressed their deep concern at the activities of the Central Command Council and said that the Sangsad which had been taking organisational measures to rehabilitate freedom fighters as a nonpolitical

organisation had indulged in political activities setting aside the activities relating to the interests of the freedom fighters. They condemned such activities of the Central Command Council. [Text] [Dacca THE BANGLADESH TIMES in English 2 Sep 81 p 8]

ISLAMIC BANK LOAN--Jeddah, Sept 2--The Islamic Development Bank (IDB) loaned Bangladesh nine million Islamic dinar (US dollars 12 million) to finance imports of cement from Indonesia under an agreement signed here today reports INA. The agreement was signed by President of the Bank Dr Ahmed Mohamed Ali and two officials from Ministry of Commerce and Bangladesh Bank. [Text] [Dacca THE BANGLADESH OBSERVER in English 3 Sep 81 p 1]

SOVIET JUTE CONTRACT--Bangladesh Jute Export Corporation on Wednesday signed contracts with a visiting trade delegation from the USSR for sale and export of about 90,000 bales of raw jute worth about Taka 13 crores, reports BSS. The contracts were signed by Mr S.M. Matiur Rahman, Chairman, Bangladesh Jute Export Corporation and Mr V.M. Telesh of Exportljon USSR. Mr V. Nasedkin, Representative of Exportljon in Bangladesh was also present. The USSR is one of the regular and important buyers of Bangladesh jute and this is the first contract signed during the current season. [Text] [Dacca THE BANGLADESH OBSERVER in English 3 Sep 81 p 1]

COOPERATION WITH GDR--Bangladesh war-injured Freedom Fighters Action Committee in a Press release expressed its resentment over the report published in a section of the Press under the headline "New game with the crippled Freedom Fighters." The Action Committee termed the news as motivated and baseless and said that the report had tarnished the image of the war-injured Freedom Fighters. The Action Committee said that late President Ziaur Rahman had given recognition to "war-injured Freedom Fighters" by deleting the word "crippled Freedom Fighters." The report, the committee said had maligned the late president. [Text] [Dacca THE BANGLADESH OBSERVER in English 3 Sep 81 p 8]

IRAQI COOPERATION--Iraq has assured Bangladesh of its continued cooperation and assistance for the economic development of the country, Deputy Prime Minister, Mr Jamaluddin Ahmed said in Dacca on Friday. Talking to BSS at the airport on his return home after a three-day visit to Iraq, Mr Ahmed said the assurance came when he met the Iraqi President Saddam Hossain during his stay there. He said the Iraqi President with whom he had cordial discussions for about one and a half hours, conveyed his best wishes to the Acting President, Mr Justice Abdus Sattar and the people of Bangladesh. During his stay there Mr Ahmed also met the First Deputy Prime Minister, Industries Minister, Housing Minister and Foreign Minister of Iraq and had discussions with them on matters of mutual interests. The Deputy Prime Minister, who made stopovers at Doha, Kuwait and Amman met the government leaders there and discussed with them matters of bilateral, regional and international issues. These countries also assured Bangladesh of their cooperation in its economic development, Mr Ahmed said. [Text] [Dacca THE BANGLADESH OBSERVER in English 5 Sep 81 p 1]

FARIDPUR BYELECTION RESULTS--The BNP nominee, Mr Abidur Reza Khan was on Friday declared elected uncontested to the Jatiya Sangsad in the Faridpur bye-election according to Election Commission sources in Dacca, reports BSS. The Returning

Officer of the Constituency No 222 Faridpur 17 found the nomination paper of the Ione candidate, Mr Abidur Reza Khan as valid after scrutiny on Friday. The Jatiya Sangsad seat fell vacant following the death of Muslim League member, Mr Ibrahim Khalil on July 7 last. With the election of Mr Abidur Reza Khan the total number of members belong to the ruling BNP party in the 330 member, Parliament now rose to 250. [Text] [Dacca THE BANGLADESH OBSERVER in English 5 Sep 81 p 1]

SUPPORT FOR SATTAR--National Republican Party headed by Mr Zahir Khan, extended its "total support" to BNP Presidential candidate, Mr Justice Abdus Sattar, in the forthcoming election, reports BSS. The party took the decision at a meeting held in Dacca on Sunday under the Chairmansip of Mr Zahir Khan says a Press release. The party leaders earlier met the Acting President Mr Justice Sattar on August 28 and discussed the matters relating to the forthcoming polls. The Press release said that the decision to support Mr Justice Sattar was taken with view to materialising the dream of late President Ziaur Rahman and for continuation of democratic process in the country. The NRP adopting a number of resolution in the meeting also warned "a number of political parties' for their conspiratorial acts and observed that the people of the country would no longer tolerate them. [Text] [Dacca THE BANGLADESH OBSERVER in English 6 Sep 81 p 1]

PLO POSTER EXHIBITION--An exhibition of Palestinian posters and photos was inaugurated by Dr Fazlul Karim, State Minister for Sports and Cultural Affairs for Sports and Cultural Affairs at the gallery of Bangladesh College of Arts and Crafts in Dacca on Friday reports BSS. The four-day exhibition depicts life and the long and heroic struggle of the Palestinian people against the occupation of their mother land by the Zionist forces of Israel. Inaugurating the exhibition Dr Fazlul Karim reiterated the whole-hearted support of the people and the Government of Bangladesh to the just cause of the Palestinian brothers in their struggle for liberation against Israel. The State Minister expressed the hope that the exhibition will go a long way in further consolidating and strengthening the bonds of friendship between Bangladesh and the Palestinian people and give an opportunity to witness different lively symbols of their movement for liberation. Speaking on the occasion, Mr Ahmed A. Razeq the PLO representative said that the exhibition would reflect history of the people of Palestine and their daily struggle and resistance against Zionist occupation of their motherland. He also reiterated the determination of the Palestinian people to continue their struggle, whether militarily or politically against all odds. [Text] [Dacca THE BANGLADESH OBSERVER in English 6 Sep 81 p 3]

DEMONSTRATION IN CORRIDOR--Rangpur, Sept 6--About five thousand students staged a big demonstration at Tingibha corridor today, shouting full throated slogans against continued Indian blockade around Dahagram and Angarpota. Processionists carried relief goods individually for distribution among the starving people of the besieged enclaves. When they reached Panbari border, large number of Indian nationals with bows and arrows massed on the opposite side of Tinbigha corridor. The demonstrators stayed for some time at Piller No 112 demanding immediate withdrawal of Tinbigha blockade. [Text] [Dacca THE BANGLADESH TIMES in English 7 Sep 81 p 1]

ISLAMIC DEMOCRATIC LEAGUE MEETING--Bangladesh Islamic Democratic League will take part in the presidential election in view of the Government's decision to shift the date for the polls in the third week of November in deference to the demands of various opposition parties. It was decided at a meeting of the National Committee of the League which concluded in Dacca on Monday with Mauiana Abdur Rahim, party chief, in the chair. In a resolution adopted at the meeting, the party appealed to all Islamic forces committed to the ideals for the establishment of real Islamic order in the country to set up a united candidate. The party felt that its chief, Maulana Abdur Rahim, MP, was the best suitable candidate for this. Yet the party in the interests of greater unity in the Islamic camp has not itself decided in favour of setting up Mr Rahim, MP, as its candidate and hoped that an agreed candidate from the Islamic camp could be finalised after negotiations, says a Party Press release. [Text] [Dacca THE BANGLADESH OBSERVER in English 8 Sep 81 p 1]

RAILWAYMENT SUPPORT SATTAR--Bangladesh Railway Workers and Employees League, at a meeting on Sunday, lent their total support to the candidature of Mr Justice Abdus Sattar and urged the people, particularly the railwaymen, to elect him in the forthcoming presidential election. Presided over by Mr Maqbul Ahmed, the meeting was attended by delegates from Dacca, Khulna, Jessore, Darsana, Chuadanga, Paksey, Iswardi, Parbtipur, Syedpur, Setabganj, Kawnia, Kurigram, Lalmonirhat, Bonarpyara, Dewanganj Bazzar, Mymensingh Gauripur, Pahartali Pahartali Workshop, and Chittagong. [Text] [Dacca THE BANGLADESH TIMES in English 8 Sep 81 p 1]

MESSAGE TO UAE--The Acting President Mr Justice Abdus Sattar has sent the following message of condolence to the President of the United Arab Emirates (UAE) Sheikh Zayed Bin Sultan Al-Nahayan on the sad demise of the Ruler of Ajman, Sheikh Rashid Bin Humaid Al-Nuaimi, according to a PID handout. "I was deeply shocked to hear of the sad demise of His Highness Sheikh Rashid Bin Humaid Al-Nuaimi, Ruler of Aiman. His death has been a great loss to the brotherly people of UAE. Permit me to convey on behalf of the Government and the people of Bangladesh and on my own behalf to Your Highness, to the Government and the brotherly people of the UAE and to the members of the bereaved family our heartfelt condolences. May Almighty Ailah rest his soul in eternal peace. Amin. Please accept, Your Highness the assurances of my highest consideration.' [Text] [Dacca THE BANGLADESH OBSERVER in English 9 Sep 81 p 1]

DEMONSTRATION AGAINST EXECUTIVES--The Ten Party Alliance and three Muktijoddha organisations on Tuesday held demonstration in the city streets and demanded of the Government to stop the execution of the 12 army officers convicted in the Chittagong mutiny case, reports BSS. They also demanded open and fair trial of the convicted persons with facilities to defend them by civilian lawyers. The demonstrators represented Bangladesh Awami League (Hasina), Bangladesh Awami League (Mizan), Jatiya Samajtantric Dal, Sramik Krishak Samajbadi Dal, Bangladesh Workers Party, Jatiya Ekota Party Gono Azadi League, National Awami Party (M). Communist Party of Bangladesh, Awami Party (Tarun) Bangladesh Muktijoddha Sangsad, Sanghati Parishad Bangladesh, Muktijoddha Sangram Parishad. [Text] [Dacca THE BANGLADESH OBSERVER in English 9 Sep 81 p 1]

MALAYSIAN HIGH COMMISSIONER--The High Commissioner-designate of Malaysia Mohammed Haron, presented his letter of credence to the Acting President, Mr Justice Abdus Sattar, at Bangabhaban in Dacca on Tuesday morning, reports BSS. Presenting his credential, Mr Haron expressed the hope that the bonds of friendship existing between the two countries would be further strengthened in the coming days. The Acting President reciprocated the same sentiment. [Text] [Dacca THE BANGLADESH OBSERVER in English 9 Sep 81 p 12]

AGRICULTURAL COOPERATION WITH SRI LANKA--Bangladesh and Sri Lanka will further expand mutual cooperation in the field of agricultural development, reports ENA. This view was expressed by the State Minister in charge of the Ministry of Agriculture and Forests Mr Amirul Islam Kalam, and Dr C.R. Panabokke, Director of Agriculture Sri Lanka when the latter called on the former in Dacca on Wednesday morning. Mr Panabokke, is a member of Sri Lankan delegation to South Asia Agricultural Cooperation Study Group meeting now being held in Dacca Mr Charita Ranasinha, High Commissioner of Sri Lanka in Bangladesh was present during the meeting. Under a seed exchange programme the two countries will exchange seeds like black papper clove and different types of coconut plants. Under a training exchange programme agri-scientists of BARI and BRRI will receive training in Sri Lanka Agri-research Institutes and Sri Lankan scientists will receive training in BARI and BRRI. Bangladesh will undertake a special scheme for isolated coconut gardens, particularly in the coastal areas. [Text] [Dacca THE BANGLADESH OBSERVER in English 10 Sep 81 p 1]

PLO SOLIDARITY CONFERENCE--A five-member delegation from political parties left Dacca in the small hours of Wednesday for Lebanon to attend an international conference for expressing Solidarity with the Palestinian people. The members of the delegation include Mr Zillur Rahman of Bangladesh Awami League (Hasina), Chowdhury Haroonur Rashid of National Awami Party (Haroon), Mr Mohammad Farhad of the Communist Party of Bangladesh, Mr Saiful Islam of Ekota Party and Mr Nasim Ali of Bangladesh Workers Party. [Text] [Dacca THE BANGLADESH OBSERVER in English 10 Sep 81 p 12]

DELEGATION TO HAVANA--A five-member parliamentary delegation led by the Deputy Speaker, Mr Sultan Ahmed Chowdhury, left Dacca on Thursday evening for Havana to attend the 68th Inter-parliamentary Union Conference to be held there from September 15, reports BSS. Talking to newsmen at Zia International Airport, the Deputy Speaker said the conference to be held from September 15 to 23 would hold discussions on various global problems such as international cooperation aimed at attaining the objectives of disarmament questions violations by Israel of the United Nations resolutions and its attack against Lebanon. The conference will discuss measures for the liquidation of the vestiges of colonialism in the world and the practice of apartheid in Namibia and South Africa and safeguarding the ethnic minorities. Mr Chowdhury who is also Vice-President of the Inter-Parliamentary Union (IPU) said that the conference would also discuss the energy problems. He said that election for the two posts of executive members of IPU would also be held during the conference one from among the Arab countries while the other from the socialist countries. The other members of the delegation are Mr Nur Mohammad Khan, MP Md Moinuddin Sarkar, MP, Mr Rashad Mosharraf, MP and Kazi Shamsuzzaman, Deputy Secretary, Parliament Secretariat. [Text] [Dacca THE BANGLADESH OBSERVER in English 11 Sep 81 p 12]

NATIONAL FRONT DEMANDS--The National Front on Thursday called upon the Government to make definite announcement regarding the five point election preconditions of the Front within September 15, says ENA. The Central Committee of the Front in a resolution adopted at a meeting on Thursday with its convener Ataur Rahman Khan in the chair noted with resentment that the Government had so far accepted only one of the five preconditions by shifting the presidential election date. The National Front declared that if the Government fails to accept its four other election preconditions within September 15 the Front would proceed with its programme of a "bigger movement announced earlier." The Front also demanded that electoral disqualification of leaders like Khandaker Moshtaque Ahmed and Shafiul Alam Prodhan who were convicted by Martial Law courts, be withdrawn. [Text] [Dacca THE BANGLADESH OBSERVER in English 11 Sep 81 p 12]

GANOTANTRIK COMMITTEE MEETING--The Standing Committee of Ganotantrik Party at the end of its two-day meeting on Wednesday termed the sudden Indian proposal for discussion with Bangladesh and acceptance of that proposal by Bangladesh Government as "unnatural." The meeting presided over by Hazi Md Danesh, in a resolution observed that the acceptance of Indian proposal and government's contention that the talks would be fruitful were the manifestation of the policy of appeasement pursued by the government. The meeting wanted to know from the government whether the question of armed infiltration across the border had been included in the agenda of the meeting between the two foreign ministers. [Text] [Dacca THE BANGLADESH TIMES in English 11 Sep 81 p 8]

DELEGATION TO PAKISTAN--A four-member trade delegation led by Secretary for Industries Mr M. Matiul Islam left Dacca on Saturday for Islamabad on a six-day visit to Pakistan, reports ENA. Official sources said that the members of the delegation will explore the possibilities of mutual cooperation in the fields of trade and industry. Negotiation is likely to be held on the possibility of setting up of a sugar mill in Bangladesh, the sources said. [Text] [Dacca THE BANGLADESH TIMES in English 13 Sep 81 p 3]

HOSSAIN ADDRESSES AWAMI LEAGUE--The Presidium of the Bangladesh Awami League (Hasina) went into an emergency session on Monday evening to consider a report submitted by Dr Kamal Hossain, who returned home from a fortnight-long visit to London and other European capitals on Sunday. The meeting held at the residence of party chief Sheikh Hasina Wazed with herself in chair. The meeting heard the report of Dr Kamal Hossain summing up his talks abroad with some of the Bangladeshi leaders now in London and former President, Mr Justice Abu Sayeed Chowdhury. The meeting empowered the party chief to form an 11-member Parliamentary Board to finalise matters relating to the elections. It is learnt that Dr Kamal Hossain had talks with former President Mr Justice Abu Sayeed Chowdhury during his visit abroad. He had approached Justice Chowdhury to contest the presidential elections on AL ticket which he had reportedly declined. The meeting was adjourned till 10 a.m. today (Tuesday). [Text] [Dacca THE BANGLADESH TIMES in English 15 Sep 81 p 1]

CSO: 4220/7052

GOVERNMENT DECISIONS ON INCREASING CROP YIELDS EXPECTED

Lahore THE PAKISTAN TIMES 29 Sep 81 p 5

[Text]

According to a report, the Federal Government will soon take important policy decisions to increase the per acre crop yield, particularly of wheat which is the country's staple food. Low farm productivity is one of the most obstinate problems plaguing Pakistan agriculture during the last 30 years. The situation is receiving fresh attention from the Government in the light of the 200-page report submitted by a group of agricultural scientists who investigated the problem for two years. The report says that in Pakistan farm output is generally low, even in those areas where modern technology has been applied. It points out that compared with the standards of achievable output set by international farm research and the production levels attained in a number of developing countries, the average per acre yield in Pakistan is much too low. The meagre return from farm investment is a stark fact of Pakistan agriculture, with the overall situation only marginally improving after years of massive injection of funds into the sector. Our productivity is low not only in comparison with the high levels of developed agriculture but is also disappointing when set against the yield per acre in some developing countries. One example is Egypt where average farm productivity is three times that in Pakistan.

The reasons for this state of affairs are many and varied. An important one is that the Green Revolution brought changes only on big farms, while the small ones by and large remained out of its purview. The improved inputs, subsidies and credit for the most part went to the rich landowners. It must also be noted here that the taking of average is a deceptive device which balances the high yields on large farms against extremely low production on subsistence ones. Another significant factor is the failure to put the new technology to optimum use. Productivity in barani areas presents a particularly dismal picture; it is only half of the national average. Clearly, any remedial measure to be effective will have to take all these aspects into account. While, on the one hand, the search for new improved varieties should be stepped up on the other, extension services should be strengthened to train agriculturists in the use of fertilisers and pesticides. There is a special need to meet the challenge of barani agriculture which, if properly exploited, can turn Pakistan into a grain-exporting country. It is to be hoped the Government will expeditiously complete its study of the findings of the experts committee so that they can be given concrete shape before the next Rabi season.

CSO: 4220/29

ARTIFICIALLY GROWN BARLEY FODDER BEING TESTED

Islamabad THE MUSLIM 29 Sep 81 p 8

[Text]

ISLAMABAD, Sept. 28: A special species of barley plant grown artifically in a closed truck is being tested in Islamabad and Faisalabad to determine its suitability as fodder for the cattle in Pakistan it was learnt here.

Each truck yields one ton of the eight inch green plant. An enterpreneur from Karachi who already has one such truck in Landhi and has been growing the plant successfully has disclosed that this special fodder was more nutritious and richer than the oridinary grass. He said it would cost only one-twentieth of what is opent on the normal fodder given to the cattle in the country.

The artificial conditions of temperature, humidity and rain created within the truck make the grass grow round the year. The grass much liked by the cattle remains green and fresh for at least a week.

A livestock source said a ton of this grass was sufficient for 40 heads of cattle. It also increases milk. He said when it is commercialised the persistent scarcity of fodder would disappear once for all. The artificial barley plant is already being grown and used as fodder in many countries of the Middle East including Saudi Arabia, Libya, Emirates and Morocco, and other countries with deserts.

The truck, which costs 7,8000 dollars, can be purchased and operated by big enterpreneurs and large farm holders. The one at Karachi, which has now been placed in Landhi, is selling grass to the cattle owners to see in how much time the cost could be met. The owner intends to import more trucks once their cost and suitability of the plant in local conditions are established officially.

According to the detail spelt out by a source of the ADBP the plant is gorwn in six trays with a chemical mixed water. After every minute the plants are sprayed automatically. The plant sprouts in water and its roots are also eaten by the cattle. It is said the agricultural loaning agencies and other associated organisations are watching the new experiment with great interest. According to a report they are willing to offer loans to the importers of the trucks.

CSO: 4220/29

BRIEFS

FERTILIZER STOCK ADEQUATE--There will be no import of fertiliser for the forthcoming Rabi crop in the country in view of the indigenous production and the sufficient stock kept in reserve. The quantity of nitrogenous and other varieties of fertiliser required for the crop is estimated to be around 15 lakh metric tonnes. Last year, about 13 lakh tonnes were utilised. The Government organisations connected with agricultural supplies are motivating the cultivators to undertake balanced use of fertiliser throughout the Rabi season, i.e., from October to March. Accordingly, the target of fertiliser consumption has been increased by 15 per cent. The Federal Government is subsidising the cost of fertiliser by 50 per cent for the benefit of farmers. In 1980-81, the total subsidy amounted to Rs. 200 crore. Seven factories are, at present, producing urea (nitrogenous) and phosphatic fertiliser. Five belong to the public sector and two to the private sector. Another factory in the public sector is being installed at Rahimyar Khan and is expected to start the production of urea within this year. Fertiliser is to be applied according to the requirement of the crop and the soil. The Soil Fertility Department provides facilities for soil testing but a majority of the growers do not approach it. The local producer of fertiliser are also maintaining adequate arrangements for soil analysis. [Text] [Lahore THE PAKISTAN TIMES 29 Sep 81 p 3]

TRAINING PROGRAMME FOR REFUGEES--The Government of Pakistan, with the financial assistance of United Nations High Commissioner for refugees, is implementing a skill-training and income-generating programme for the Afghan Refugees. The programme is aimed at imparting training to Afghan Refugees boys along with locals in the art of carpet weaving/other vocations. Each trainee will be given a stipend of Rs. 100 per month during training. Under the programme 14 carpet weaving trainee-cum-production centres (8 in NWFP and 6 in Baluchistan) have already been set up. A total of 107 looms has been installed in these centres and 269 boys are being imparted training in these centres. One vocational training centre has also been established at Killa Abdullah in Baluchistan. Besides the existing carpet vocational centres, 12 more carpet weaving centres, one vocational centre, one blanket-making centre, two garment-making, two handicraft and two embroidery centre's for ladies will be set up. It may be recalled that an expenditure of Rs. 4.97 million was incurred on the implementation of the programme. [Text] [Islamabad THE MUSLIM 28 Sep 81 p 3]

CSO: 4220/29

END

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RAIDS ON ANANDA MARGA COMMUNES FIND CHOGM DOCUMENTS

Hotel Floor Plans

Canberra THE AUSTRALIAN in English 25 Sep 81 p 1

[Article by Paul Lynch]

[Excerpt] Photographs and floor plans of the hotel where the Commonwealth heads of state will stay during their conference next week were discovered in dawn swoops on Ananda Marga sect communes yesterday.

Police and security chiefs are studying the documents--which include itineries of the CHOGM meetings in Melbourne and passports and diaries of the Indian sect's members. The Indian Prime Minister, Mrs Indira Gandhi, will attend the conference.

Sect Legal Action

Melbourne THE AGE in English 25 Sep 81 pp 1, 4

[Article by Roy Eccleston and Simon Clarke]

[Excerpts] The Ananda Marga movement is considering legal action after raids early yesterday by more than 100 police on the houses of sect members in Sydney and Melbourne.

The raids, by armed police associated with CHOGM security, led to the arrest of three people and the seizure of a large quantity of documents.

In Sydney, a male member of the sect was arrested over an unpaid parking fine and a woman, who was not a member of the sect, was later fined $100 for possessing Indian hemp. In Melbourne, a man was detained and questioned for five hours before being released by a Justice of the Peace.

Police said Australian Security Intelligence Organisation agents were last night examining documents taken in the raids.

Police with dogs and search warrants for firearms raided four Melbourne residences and seven homes in Sydney and said that the operation was "successful," although no guns were found.

Asked why police were happy with the raids despite finding no guns or explosives, a police source said: "It depends what you are looking for." Police refused to say what they found or why they made the raids.

One man was arrested during the Melbourne raids. The man, about 33, was taken from the Greville Street flat and questioned at Russell Street police headquarters for about five hours.

Photograph

A spokesman for the Ananda Marga said the man was questioned about papers police seized at the flat and a photograph the man had taken of Collins Place in Collins Street. The Wentworth Hotel, where some CHOGM delegates will stay, is in Collins Place. The man was not charged and was taken before a Justice of the Peace and released at about 11 a.m.

The director of the sect's Fitzroy women's refuge, Didi Ananda Bratatii denied yesterday that members were planning any political activities during CHOGM. She said the sect was non-violent and had no quarrel with the Indian Prime Minister, Mrs. Gandhi, who will attend the meeting.

Ananda Marga officials in Sydney said their solicitors were considering possible legal action for the violation of search warrants during the raids.

Leaders of the movement also challenged police to produce the evidence which led them to raid the houses.

The spiritual director of the movement in Sydney, Mr Acharya Japasiddhanada, said the Special Branch and CIB detectives who raided the houses at dawn yesterday did not have warrants which allowed them to seize such material as the movement's magazines, meditation handbook and members' private address books.

A labor member of the New South Wales Parliament, Mr Petersen, last night claimed the raids and allegations against the Ananda Marga in Sydney and Melbourne were "an absolute frame-up."

CSO: 4220/6002

NATION CANNOT BE OBLIVIOUS TO PAKISTAN ARMING

Bombay THE TIMES OF INDIA in English 18 Sep 81 p 4

[Editorial: "F-16s And All That"]

[Text] After a charade lasting several months the $3.2-billion U.S. package of economic aid and military supplies to Pakistan has been tied up. The U.S. under-secretary of state for security assistance, Mr. James Buckley, and President Zia-ul-Haq have also agreed that even before the agreement becomes operational in October 1982, the U.S. will supply Pakistan, against cash payment, six or seven F-16s which are the most advanced and sophisticated warplanes in existence today. In recent months, General Zia had said repeatedly that speedy deliveries of F-16s would be the "real test" of American "sincerity." The Reagan administration has evidently bent over backwards to meet this test. To give Pakistan at least half a dozen F-16s within a matter of months, it has persuaded Belgium and Netherlands to forgo their prior claims. The U.S. commitment to bolster Pakistan militarily, regardless of its consequences, is thus clear. On the objective of the renewed U.S.-Pakistan military relationship the two sides are, however, still talking in different voices. While according to Mr. Buckley, Pakistan is being rearmed to enable it to cope with the threat arising from the presence of the Soviet troops in Afghanistan, Pakistan's foreign minister, Mr. Agha Shahi, has been proclaiming from the housetops that it is a slander to talk of a Soviet threat to Pakistan. This leaves only this country as the only possible source of threat to Pakistan.

In the circumstances, New Delhi cannot be oblivious of the proposed addition to the Pakistani armoury, especially to the new level of technology in aerial warfare being introduced into the sub-continent by the F-16s. To argue, as the Pakistani ambassador to this country did on Sunday, that the Jaguar, the MiG-21, the MiG-23 or even the reconnaissance version of the MiG-25 that India has can match the F-16 is to be both specious and disingenuous. This does not mean, however, that the F-16 presents a challenge which India cannot cope with. But this will necessarily mean an additional defence burden, indeed an arms race, which India would have liked to avoid. It is entirely typical of Gen. Zia that while clinching the arms deal with the U.S., he has offered this country talks on "non-aggression and non-use of force." All efforts to improve Indo-Pakistan relations must be welcome at all times. But can the present offer be divorced from its context which is one of deliberate heightening of tensions by importing into the sub-continent superpower rivalries? It is no mere coincidence that the offer of a dialogue has come precisely at a time when the U.S.-Pakistan arms deal is being taken up for approval by the U.S. Congress where there is considerable opposition to it, especially in the democrat-dominated house of representatives. No wonder Mrs. Gandhi advised parliament only the other day to look at all Pakistani proposals sympathetically, but to avoid being caught in a trap.

CSO: 4220/7081

GANDHI SPEAKS IN LOK SABHA CONFIDENCE DEBATE

Bombay THE TIMES OF INDIA in English 18 Sep 81 pp 1, 5

[Excerpt]

NEW DELHI, Sept. 17.

THE Prime Minister declared in the Lok Sabha today that in all spheres her government was working with clarity. The people the world over knew that in India there was now a government and not a desperate group — obviously referring to the Janata.

Mrs. Gandhi, in an emotionally-charged voice, stoutly refuted the opposition allegation of non-performance by her government.

Raising her voice, she said: "If this is a government that does not work, then how are we making all this progress?" In support of her assertion she quoted several figures to show the progress achieved in different economic fields since she took over as Prime Minister.

The no-confidence motion was rejected by the house by 294 votes to 83. Loud applause by the treasury benches greeted the announcement of the voting result.

In the debate on the non-confidence motion lasting till late in the evening, in which as many as 18 members participated, the main thrust of the opposition attack on the government was the conduct of the Maharashtra chief minister, Mr. A. R. Antulay, in creating the controversial trust, including the Indira Gandhi Pratibha Pratishthan.

It provided the content of the speeches of the main opposition leaders like Mr. George Fernandes (Lok Dal), Mr. Madhu Dandavate (Janata) and Mr. Ram Jethmalani (BJP). Other members also referred to this issue. It led the Prime Minister to remark that the debate could be properly called the "Antulay debate" and not a no-confidence debate.

The reference to the issue repeatedly led to emotional outbursts in the house with members trading accusations against one another. The treasury bench members raised several points of order on the ground that allegations could not be made against a person who could not be present in the house to defend himself. The opposition members were quite often restrained by the chair.

Mrs. Gandhi in her reply was quite categorical in denying that she had given her consent to her name being used with the name of the Pratibha Pratishthan.

She said she was asked about it only when she visited Bhubaneswar. She had replied that she told Mr. Antulay that it was a good idea (the setting up of the trust). "In that sense I gave my blessings. But when he asked whether my name could be used, I advised him against it because I do not normally allow my name to be used for such purposes."

She said she was not asked any more questions at Bhubaneswar. If more questions were asked, she would have replied to them.

Earlier, Mr. Inderjit Gupta (CPI) had alleged that the Prime Minister had unnecessarily allowed the house to remain in a "turmoil" for several days. The matter could be cleared up by her making a statement in the house, but she failed to fulfil her obligations as the leader of the house.

Mr. Gupta said he was not so much concerned about the Antulay affair as with the erosion of principles, conventions and traditions of Parliament. He alleged that the Prime Minister, by keeping away from the house, was showing scant regard for parliamentary democracy, and reminded Mrs. Gandhi the great value attached by Mr. Jawaharlal Nehru to parliamentary traditions.

The Prime Minister bitterly attacked the role of the two communist parties. She said that these two parties were doing everything to weaken her government and strengthen the rightist forces. She charged the CPM with voting against the no-confidence motion against the Janata government in 1979.

When Mr. Samar Mukherjee, leader of the CPM group, protested against the remark, Mrs. Gandhi added that whatever might have been the case, the Marxists had broadly supported the Janata government's policies. "By your action, you had brought the rightists (into the government) before. You are now strengthening them again."

Mrs. Gandhi said that the manner in which the opposition members had brought up the Antulay affair in the debate on the no-confidence motion raised doubts whether they were at all seriously concerned about the other problems affecting the country. They seemed to have nothing new to say on the various problems. Very important developments were taking place in the world and in the neighbourhood. But the opposition members were least interested in them.

However, it was acknowledged the world over that the danger in the Indian Ocean region had increased. The danger had increased with the immediate neighbour acquiring sophisticated arms. But India was being charged with military build-up. This was unwarranted. "We can assure all that we are working with the Simla spirit."

She said that the newspapers had reported that a final decision had been taken to accelerate the supply of F-16s to Pakistan. However, it was not a question whether a particular country should have more weapons or not. It was a question of the whole attitude behind it and the tension that it was bound to create.

"INFLATION DOWN"

"It enjoins upon us to be more careful so that the tranquallity of the area, now disturbed, is restored."

Mrs. Gandhi alleged that wh/ the international situation continue to be serious and delicate, the opposition was creating an atmosphere of despair and frustration. "This is the most weakening thing that can happen to any community. We have tried to give them (the people) hope. It is this you are trying to take away from them."

Referring to the allegation by Mr. Jagjivan Ram that the government seemed to have lost confidence in the workers because it had to adoot a strike ban measure, the Prime Minister said: "We have no doubt about the patriotism of the workers. But there are many people who mislead the workers with political motives."

UNI adds:

Lashing out at the opposition, Mrs. Gandhi asserted that her government had taken steps to put the country's economy back on the rails and had brought down the rate of inflation. She, however, admitted that unless the prices of essential commodities were brought down, the common man could feel little relief.

Mrs. Gandhi felt that a fall in the rate of inflation would lead to a fall in prices.

Mrs. Gandhi said production in the key sector like railways, power and coal was picking up.

When she referred to the railways, an opposition member asked, "what about accidents?"

Mrs. Gandhi retorted: "who started the sabotage? How could one expect the railways to work properly when the workers, dismissed, for good reasons, were taken back by the previous government."

She said there was an increase of 16 per cent in the freight traffic in the first quarter of the current financial year as compared to the same period in the previous year. The power generation also went up by 17 per cent during the same period.

Defending the maintenance of essential services bill, Mrs. Gandhi said her government had all the sympathy for industrial workers.

Even though industrial production was on the increase, "there are people to mislead them for political purposes," Mr. Gandhi said.

Mrs. Gandhi assured that the government was tightening up the public sector and efforts were being made to professionalise the management.

Listing the various achievements of her government, Mrs. Gandhi said oil import bill had been brought down by Rs. 1,000 crores. "This is not a small achievement."

Referring to the functioning of Indian Airlines and Air-India, Mrs Gandhi said during 1980-81, I A had made a profit of Rs. 2.48 crores and Air-India had not only covered the loss but also made a profit of Rs. 1.98 crores in the first three months.

She declared that the government had every reason to be proud of its achievements.

GRAIN IMPORT

Even in agriculture, Mrs. Gandhi said in spite of uncertainties of the monsoon, the government hoped to have a comfortable year. It was as an insurance against these uncertainties that the government had thought it better to import some grains.

The public distribution system, she said had been completely disrupted when her government took over. Now the situation had improved although she would be the first to agree that it was stil not satisfactory.

On unemployment, Mrs. Gandhi said the problem could not be wished away. The government was trying to tackle the problem first by improving the infrastructure for increasing production. Once it improved, some dent would be made on the unemployment problem.

Mrs. Gandhi said she was surprised at the arguments advanced by some members at the government move to secure a loan from the IMF. They should realise that in the world today, there should be inter-dependence, without sacrificing independence. There was absolutely no question whatsoever of giving in to any conditions which could be against India's declared policies. This had been very definitely told to the IMF and others.

She said much of the criticism against this decision was ill-informed. At no time India was in such a good bargaining position as it was today, she asserted. All the countries in the world knew that "my government is not the one which can be pressurised or pushed around economically or militarily," she declared.

Talking about the domestic scene, Mrs. Gandhi said the government was not at all complacent. The main danger the country faced today was from communalists of all hues and denominations. A new phenomenon she had noticed when she went to Biharsharif was that the trouble there "was politically motivated." This had been told to her by many people who did not belong to her party.

When referring to the Jamshedpur riots Mrs. Gandhi mentioned the name of the Jana Sangh, an opposition member pointed out that it was no longer Jana Sangh but BJP. Mrs. Gandhi shot back: "It is Jana Sangh to me always. They can change their name a million times, but it is only Jana Sangh."

The BJP leader, Mr. Vajpayee, protested when Mrs. Gandhi made fun of the Jana Sangh claiming to believe in Gandhian ideology. Nothing could be more insulting to Mahatma Gandhi, the Prime Minister said. When Mr. Vajpayee asked what was wrong in it, Mrs. Gandhi said she knew what Jana Sangh leaders had been talking about Mahatma Gandhi. It was not nice for her to say that anybody in this country should feel that way about the Father of the Nation but the Jana Sangh did feel that way.

Mrs. Gandhi gave one instance of how she was harassed by the opposition parties when they were in power. She had to go all the way to Manipur on a non-bailable warrant on a charge that she had abetted a person in stealing two chickens and six eggs. This was the highest esteem in which the opposition parties were looking after people those days.

The Prime Minister claimed perceptible improvement in the law and order situation saying that the number of robberies, murders and other anti-social activities had declined during the last one year. The government faced difficulties because the Janata party had released all the anti-social elements like smugglers when they came to power. It would not be easy to nag them all again.

She mentioned in this connection the Galdhari brothers who were mentioned by some members and said it was in 1977 that the names of these persons were removed from the list of suspects.

Mrs. Gandhi took strong exception to the opposition interruptions. People who threw stones at others should not be surprised when they get them back, she remarked.

Referring to the foreign policy, Mrs. Gandhi said the situation was full of difficulties. She, however, did not find much enthusiasm among the opposition parties to discuss the matter.

Mrs. Gandhi said that as alleged by Mr. Vajpayee, she was not trying to take up foreign issue to hide things here. There was no doubt that the danger to peace was increasing and this had been recognised by all world leaders.

The danger was more pronounced in the immediate neighbourhood and the country had to be prepared. Only this morning reports came from abroad that a final decision had been taken on an accelerated supply of F-16 aircraft to Pakistan.

Earlier, moving the no-confidence motion against the council of ministers, Mr. Samar Mukherjee (CPM) warned that the country was heading towards another emergency. He called for united action by the people to prevent

such an eventuality.

Mr. Mukherjee expressed deep concern over the emerging "linkages" between ministers, the administrative machinery and anti-social elements. This was a dangerous portent. The Antulay affair was one such instance of degeneration of political morality, which was ominous, he added.

In a hard-hitting 45-minute speech, Mr. Mukherjee accused the government of pursuing a policy which made the poorer sections more poor and the rich richer. As a result of this policy, the government had not only to succumb to the pressures of monopolists and rich traders at home but was even being dictated terms by foreign agencies like the International Monetary Fund.

Mr. Mukherjee said the opposition had been forced to bring forward the no-confidence motion because other avenues of raising in Parliament issues agitating the people had been closed.

He said prices were rising so fast that a nationwide action by all sections against inflation had become an absolute necessity.

Mr. Mukherjee charged the government with surrendering to the IMF, which had insisted on devaluation as one of the conditions for giving loan to India. He said the rupee had been devalued by 14 per cent since the talks with the IMF started.

Mr. Mukherjee said since the government was afraid of the growing discontent among the people, it had brought forth several draconian measures like the National Security Act to crush popular agitations.

He also charged the government with trying to subvert parliamentary democracy and introducing a presidential form of government. He said the Maharashtra chief minister, Mr. Antulay, was one of the determined champions of this change.

Several Congress (I) members raised protest when Mr. Mukherjee referred to the Antulay affair. The speaker, Mr. Jakhar, asked the member not to bring in personalities. Mr. Mukherjee said he was not raising anything personal, but was only pointing out the growing linkage between ministers, administrative machinery and anti-social elements.

CSO: 4220/7081

GANDHI 18 SEPTEMBER SPEECH TO CONGRESS-I MP'S REPORTED

Calcutta THE STATESMAN in English 19 Sep 81 p 1

[Text] New Delhi, Sept 18. Mrs Gandhi said today that she was dissatisfied with the functioning of some State party units. The performances of these units had not come up to expectations of the Central party, she added.

Addressing members of the Congress(I) party in Parliament, Mrs Gandhi said they should display a greater sense of unity. Members of Parliament had particularly an overall responsibility in tackling the present difficult situation. Therefore, she said, they should show the utmost sense of discipline.

According to Mr K. Lakkappa, secretary, who briefed the Press, Mrs Gandhi advised her party men to express their grievances regarding intra-party matters within party forums. They should not ventilate these in public.

Mrs Gandhi asked the members to go round the country to see what steps were being taken to implement the 20-point economic programme and help accelerate the pace of its progress.

Members of Parliament should associate MLAs in the implementation of the programme in their respective constituencies.

Stressing the importance of cooperative movement and the need for its strengthening, she expressed herself against the cooperatives being captured by a few "powerful elements." All the people should be involved in the development of cooperatives.

Mrs Gandhi called for the toning p of the distribution system through cooperatives. [as published]

The Prime Minister said the consumers' movement should get a fillip to fight the black marketers and hoarders and similar unscrupulous persons. She spoke of the plight of Harijans and asked members to look into their problems. Members of Parliament, she said, should also try to dispel certain wrong impressions being created against the Harijans by certain "interested elements."

PTI adds: On the prevalent corruption in the country, Mrs Gandhi said the names of those who spoke strongly about corruption were often mentioned in connexion with corrupt deals.

Without mentioning any names she regretted that currently there was almost a perpetual talk about corruption, but recalled that there was much more corruption during the Janata Party regime.

The Prime Minister said corruption was a world-wide phenomenon and India could not escape from this menace. She said efforts were made to remove corruption during the Emergency and tangible results were achieved to some extent.

CSO: 4220/7085

GANDHI, PATIL REPLY ON AIRCRAFT PURCHASE PLANS

New Delhi PATRIOT in English 11 Sep 81 p 5

[Excerpt] Prime Minister Indira Gandhi told the Rajya Sabha on Thursday that it was possible that Pakistan was trying to procure the F-15 fighter aircraft from the United States apart from the F-16 jets.

In a written reply to Mr V. Venka and Mr V. Gopalsamy, the Prime Minister said no authentic information was available.

Minister of State for Defence Shivraj Patil in separate answers denied that an Indian military team which visited France in June negotiated for the purchase of Mirage aircraft and other arms.

He told Mr K.L.N. Prasad that some officers visited France to appreciate the various aspects of the weapons system displayed during the Paris airshow.

He told Mr N.P.C. Naidu that the Hindustan Aeronautics Limited was going ahead with the assembling of the Jaguar supersonic strike aircraft as per the contractual obligations.

He said there have been no circumstances warranting discontinuance of the binding part of the Jaguar agreement.

Mr Patil also disclosed that the Indian Air Force had not evaluated the Tornado multi-role combat aircraft and therefore it was not possible to know the relative capabilities of the Tornado, Mirage and Jaguar aircrafts.

CSO: 4220/7061

GANDHI SCORES FOREIGN MEDIA REPORTING ON NATION

Calcutta THE STATESMAN in English 19 Sep 81 p 12

[Text]

NEW DELHI, Sept. 18.—Mrs Gandhi has deprecated the "bias" of the foreign media in reporting India and the propagation of a "gloomy view" of the country by a large number of "our own newspapers", reports PTI.

Mrs Gandhi, in a message to the first issue of the international weekly of National Herald, said foreign media had their own criteria for reporting Indian events. For the most part, they followed the dictum "bad news is good news, good news is no news."

India's achievements were ignored with a "perverse consistency", while its shortcomings were presented with "exaggerated glee", she said. The same countries and newspapers which unabashedly supported dictatorships lectured to India on democracy and humaneness. "The reason for this chronic bias against us and for the double standards is that we insist on independence and self-reliance. We make our own choices and policies."

Mrs Gandhi said: "Unfortunately, a large number of our own newspapers also propagate a gloomy view of the country, unquestioningly adopting foreign yardsticks of newsworthiness and their attitudes in foreign policy."

Referring to the large number of Indians working abroad, Mrs Gandhi said it was not easy for these numerous groups of people to get accurate news about India. She hoped the international edition of the National Herald newspaper, founded by her father during the days of the freedom struggle, would give Indians as well as friends of India abroad a "balanced picture of events and of our efforts to fulfil our social and economic objectives."

The President, Mr Sanjiva Reddy, in a message hoped that the weekly edition would depict events correctly and help to enhance the country's image abroad.

CSO: 4220/7085

GANDHI INTERVIEW WITH MELBOURNE 'AGE' REPORTED

Calcutta THE SUNDAY STATESMAN in English 20 Sep 81 pp 1, 9

[Text] New Delhi, Sept 19--Mrs Gandhi has said India will carry out the Pokharan-type peaceful nuclear tests, if necessary, but will not manufacture the atom bomb, report UNI and PTI. She has laid emphasis on the fact that India is developing nuclear energy solely for agricultural and other developmental purposes.

The Prime Minister, however, has added India's transition from peaceful to military use of nuclear power depends on "what the real danger is" to its national security interests.

Mrs Gandhi was asked in an interview by a correspondent of the AGE of Australia how India would respond if Pakistan developed and exploded a nuclear weapon.

"Well, if you think just because Pakistan has done something we are going to rush in to something, no," she replied.

Q: "India does have a sophisticated nuclear industry for peaceful purposes."

A: "We think we need it specially for power and electricity in agriculture."

Q: "But if it were necessary in what you consider to be your national security interests, would it take long for you to take the step from peaceful to military uses in nuclear power?"

A: "Well, that is a question for scientists to answer how long it will take because things are getting more and more sophisticated all the time. But we have to see what the real danger is, whether it will be that type of danger or it will be a more conventional type."

Asked whether India had any evidence that Pakistan was developing the nuclear capacity and would soon explode a device, Mrs Gandhi said she only knew what the rest of the world knew.

The BBC had shown a film on this, as also the Soviet Union.

"And these are documentaries, not fiction," the Prime Minister emphasized. "They show how they got information and things from various countries, even from Canada."

Mrs Gandhi was asked about Pakistan's recent offer of immediate talks, with India on mutual nonaggression and nonuse of force.

She emphasized that India had been making the offer of a "no war agreement" for long years. "My father made it. Mr Shastri made it. I made it."

Mrs Gandhi doubted if any other country had a parallel for the unilateral cease-fire she had declared after the 1971 war with Pakistan. She took the initiative for the Simla talks soon after.

"India is not interested in having a weak and unstable neighbour," she said adding "In fact, I feel that it is one of the biggest dangers that any country can have. That is what leaves the place wide open for all kinds of influences, interferences and other troubles."

But, Mrs Gandhi regretted, "Pakistan has not seen that. I thought Mr Bhutto had seen that way. Otherwise he would not have signed the Simla Agreement. But then soon afterwards he was not there any more and we heard very little about the Simla Agreement for a long time. Now we are still, in spite of everything, trying to create a better atmosphere."

Q: "Are you saying in effect that it is very hard for India to have a good working relationship with a military Government, military dictatorship in Pakistan?"

A: "Now obviously we would prefer a democratic Government. There is no doubt about that. But we don't believe in interfering in the internal affairs of any country, that is for the people there to do what they want to about it. But what we are saying is that when that dictatorship's public posture is against us, it is a little difficult."

F-16 Supply

Questioned about the U.S. supply of F-16 aircraft and other military equipment to Pakistan, Mrs Gandhi said: "That is what they are getting from the USA. It is probable that they will get from other places, other countries also."

"These, as they were before, have been used only against India, not once but several times."

Q: "Do you feel that in fact this deal is going to trigger off an arms race?"

A: "It has."

Mrs Gandhi doubted if Pakistan wanted the Afghanistan conflict settled at all. "I think they are taking the maximum advantage of the Soviet Union being there and they would like them to remain there so that they keep on taking this advantage."

Q: "Are you any more hopeful about withdrawal of Soviet forces from Afghanistan conflict than you were a year ago?"

A: No.

Q: Despite initiatives taken by India and other countries?

A: Well, when the main people involved, I mean to say Pakistan as I said before. I don't think they want the solution. The Soviets say unless they (Pakistan) stop sending people there, they cannot withdraw. Unless the outside interference stops from other quarters."

She saw no parallel between events in Kampuchea and Afghanistan. "I would not call it Vietnam's occupation of Kampuchea by any means," she commented elsewhere in the interview.

Asked if a Commonwealth consensus could do something to influence and "soften" Reagan Administration's attitude to North-South problems and Namibia, Mrs Gandhi said it was awfully difficult to prophesy.

/Mrs Gandhi was today quoted as having denied Australian reports that India was ready to accept Pakistan's readmission to the Commonwealth under certain conditions./ [in boldface]

She said in an interview with the Sydney MORNING HERALD that she believed there had been a misunderstanding in recent talks she had with the Australian Prime Minister, Mr Malcolm Fraser.

Asked whether India objected to Pakistan's re-entry, she said: "This time or any other time our experience is that Pakistan uses all such international forums to raise bilateral issues that go against the very spirit of the Commonwealth."

She said some member-countries including Australia, were taking a "deep interest" in Pakistan's readmission, but she did not know whether Canberra still felt the same way.

Earlier this month, Australian officials said that Commonwealth heads of Government, who meet in Melbourne on September 30, were expected to indicate to Pakistan that it would be welcome if it applied for readmission. Pakistan pulled out in 1972 after the other members recognised Bangladesh.

A Foreign Ministry spokesman said today that India may have reacted to Press reports which incorrectly made it appear that Australia thought Pakistan's readmission was a foregone conclusion. "India may have interpreted this as Australia going too far." He said that if Mrs Gandhi's views had been accurately reflected in the interview, it was unlikely Pakistan would be told it could expect to be readmitted.

Meanwhile, the Pakistan Foreign Minister, Mr Agha Shahi, has expressed "surprise and disappointment" that India should have chosen to question Pakistan's bonafides on the Afghan problem, Radio Pakistan reported tonight.

Mr Shahi claimed that Pakistan was "committed" to a peaceful settlement of the Afghan problem.

CSO: 4220/7089

GANDHI TROUBLES WITH ANTULAY, CHIEF MINISTERS TOLD

Madras THE HINDU in English 10 Sep 81 p 1

[Article by G. K. Reddy: "She Sought and Got the Letter"]

[Text] NEW DELHI, Sept. 9.

The Prime Minister, Mrs. Gandhi, asked for and received the letter of resignation from the Chief Minister of Maharashtra, Mr. A. R. Antulay. The letter is with Mrs. Gandhi and she is expected to act on it as soon as she makes up her mind about a successor to head the Ministry in the State.

Mrs. Gandhi today took some of her senior colleagues into confidence that she had already obtained Mr. Antulay's resignation, although she did not indicate how exactly she proposed to deal with it.

As Prime Minister, she can forward it to the Governor of Maharashtra since the letter is actually addressed to him. It is open to her as president of the Congress (I) to place the letter before the central parliamentary board of the party and direct Mr. Antulay to submit his resignation directly to the Governor for acceptance.

Almost all her senior colleagues at the Centre had told Mrs. Gandhi that she should ask Mr. Antulay to resign before more harm was done to the ruling party's reputation. She has also been informed by the party whips that the great majority of Congress (I) MPs were equally concerned about the fall-out of the odious controversy raging over his indiscriminate fund collections.

Rajiv's stand: The Prime Minister had tacitly accepted the advice of her party colleagues, although she was reluctant to call for Mr. Antulay's resignation while the Maharashtra Assembly was still in session. But what clinched the issue was the stand taken by her son, Mr. Rajiv Gandhi, who felt that there was no justification at all for any further vacillation.

The imminent exit of Mr. Antulay will bring to an abrupt end the inglorious activities of a highly controversial Chief Minister, who has over-reached himself in an ambitious bid to establish a firm political base of his own. He has run the risk of being unceremoniously jettisoned by Mrs. Gandhi for becoming a major embarrassment to her through the ill-advised fund-raising done in her name.

The remorseless logic of Mr. Antulay's downfall will compel Mrs. Gandhi to take similar action against some other Chief Ministers who are no less culpable of misusing their powers for equally questionable purposes.

More CMs may quit: It would not be surprising if a few more heads roll in the next few weeks in the course of a wider cleansing operation.

The proposed changes in the States are inter-linked with the long over-due Cabinet reshuffle at the Centre in the sense that the two steps cannot be taken compartmentally, without some internalisation. The Antulay episode has served a useful purpose in at least making the central leadership of the Congress (I) painfully aware of the ruling party's growing alienation in this permissive atmosphere.

The Prime Minister tried to shield Mr. Antulay up to a point, feeling that any action taken against him while he was still under fire, would only encourage the Opposition parties to play for higher stakes by intensifying their campaign against the Central Government.

But she realised that he could not be saved when she found that her own party was becoming increasingly restive over the disquieting exposure of his actions.

Nemesis again: The exit of Mr. Antulay would focus attention once again on the dubious methods adopted by the central leadership in selecting party nominees to head State Governments. It remains to be seen whether the same questionable procedures would be followed for foisting another nominated Chief Minister on Maharashtra with no worthwhile political base of his own in the State.

Timing: Though Mr. Antulay did not have many sympathisers among Congress (I) seniors, opinion was divided on the timing of the action against him, reports Our Special Correspondent.

Some favoured immediate action on the ground that Mr. Antulay had become a political liability. The coverage of the Antulay affair in the Marathi press was cited as an index of the anti-Congress (I) sentiments generated by it.

Others wanted the action to be delayed so that it was not interpreted as a surrender in the face of Opposition pressure. Any action against Mr. Antulay now, according to this viewpoint, would be construed as a victory by the Opposition which would start gunning for other Congress (I) Chief Ministers.

Issues like the choice of Mr. Antulay's successor, too, needed to be examined carefully, the section of the party said.

The pace of activity in the Congress (I) camp slackened today because of the debate in the Maharashtra legislature in Bombay.

The Congress (I) Parliamentary Board, which met in the afternoon — for the second time in two days — was mainly concerned with the selection of party candidates for two vacancies in the Rajya Sabha from U.P. Even if it discussed the Antulay episode, nothing was made known officially by party spokesman.

Document shown: The Opposition meanwhile, made it clear that it would not relent in its efforts to pursue the Antulay case in Parliament. The Janata party leader, Mr. Madhu Dandavate, showed to correspondents a document which, according to him, belied the assertion that Mrs. Gandhi had only given her blessings in October last year to the trust floated by Mr. Antulay and had not agreed to lend her name to it.

The document was a letter dated Aug. 4 last, purported to have been sent to the Deccan Sugar Factories Association by the Indira Gandhi Prabhe Pratishan, asking its members to contribute liberally to the fund as done by cooperative sugar factories.

According to the Opposition, Mrs. Gandhi now sought to wriggle out of the situation by saying she had not permitted her name to be used. No Chief Minister would have the guts to use her name without her consent, they said.

CSO: 4220/7058

WRITER HOPES GANDHI WILL LEARN FROM ANTULAY AFFAIR

Madras THE HINDU in English 13 Sep 81 p 2

[Article by G. K. Reddy]

[Text]

THE one achievement of the Janata party during its ill-fated rule was that it succeeded in at least banishing fear from the minds of the people. After the bitter experiences of the Emergency, the parody of Janata politics and the eccentricities of its leaders like Morarji Desai, Charan Singh and Raj Narain brought all authority into ridicule. The result is that even after the change of government, nobody is afraid of anybody these days — not even of Mrs. Indira Gandhi with all her power and ability to punish her detractors, whether in the ruling party or the Opposition.

Only the cringing sycophants totally dependent on her patronage are scared of her displeasure. Her opponents are no longer frightened of her wrath because they know the limitations of her power in the present-day situation.

The free-booting politicians and other parasitic elements that continue to flourish in the permissive atmosphere know very well that she can't go in for another emergency, without running the risk of endangering the entire system.

Mrs. Gandhi will have to contend, before taking the plunge, with the ugly reality of another and perhaps more detestable and less scrupulous breed of men in politics and services catapulting themselves into pivotal positions, by simply forswearing their loyalty and promoting insidiously a narrow cult of personal allegiance.

A fatalistic acceptance of the growing degradations in public life is a familiar aspect of the Indian tradition. What infuriates the average citizen is not so much the misuse of political power as the arrogance and conceit of the ignorant and indolent who exercise this power in the name of the people.

The absence of any widespread sense of outrage over the infractions of those in high places does not mean that the public is unaware of what goes on in the corridors of power or acquiesces in it. It only implies that the margin of tolerance in India is much bigger than in comparable societies elsewhere, plagued with similar transgressions.

Mrs. Gandhi's failing

A major failing of Mrs. Gandhi in the last 20 months since her dramatic return to power has been her inability or reluctance to wield the big stick or the big broom. The people are prepared to put up with the misconduct of the minions so long as they feel reasonably reassured that the leader is making a determined bid to enforce some degree of rectitude. They get disillusioned and indignant, as they did with cataclysmic consequences in the last two general elections, when they feel that the presiding deities also have started failing them.

A big majority by itself does not provide for stability, since the last two governments at the Centre ran into trouble despite their two-thirds majorities in Parliament. It is not easy to recover the lost faith or rekindle the old Gandhian spirit without a conscious effort to purify public life with an uncompromising crusade against corrupt practices.

It calls for total disengagement from the politics of manipulation, the tendency to resort to double standards of morality when one can get away with it. The sad part of this erosion of values is the absence of any compelling urge to initiate corrective action, until those in power realise that they are being overtaken by events.

Corrupt structure

It is difficult to draw a dividing line for affixing responsibility between the politicians in power and those in opposition at a given moment, since both are equally culpable for the continuing dilution of public values and the conduct of the individuals actively involved in the spoils system. If the Congress fared no better than the Janata in its earlier days of power, the Janata did not crown itself with any glory during its brief spell of office.

The expectations that the present ruling party has returned to power in a chastened mood have been belied by the bizarre behaviour of those who managed to jump onto Mrs. Gandhi's bandwagon. The old spark is missing in her because she has to function with a corrupt and corroded power

structure that is bereft of talent. The badly divided opposition parties are unable to fare any better since they are also victims of the very same evils putrefying public life.

No ruling party feels secure enough that it would be able to complete its full term. This feeling of uncertainty in a country that is becoming increasingly ungovernable makes the less scrupulous in positions of power indulge in malpractices while the going is good.

This happened in the Janata time and is happening much more blatantly under the present Congress rule. The basic hypothesis during the Janata regime was that the conglomerate would not be able to complete its term and that it would fall apart before going to the polls again.

The prognosis in the case of Mrs. Gandhi's Congress is that the growing public disillusionment with its rule will compel her to opt for another snap election at an opportune moment during the second half of its term, before it becomes too late to retrieve its waning influence.

False values

The Prime Minister's obsessive sense of an unfulfilled mission will only sharpen her dilemma with the passage of time, unless she is prepared to act decisively with determination to recapture the old faith by shedding the ugly legacies of the past.

The average Indian voter imbued with his own horse sense is not unaware of the fact that, in the last three decades since Independence, men of no great means or consequence whether it is in the village or the big cities, have amassed wealth well beyond proportion by misusing their political connections.

The new political generation flaunting its ill-gotten wealth and peddling its influence has fouled the atmosphere by creating false values and perverting the whole system. The talk of increasing corruption in high places cannot be dismissed as motivated propaganda to malign those in power, since it has come to be widely accepted as an indisputable fact of present-day life.

The Antulay episode represents a new phenomenon in Indian politics, not merely the aberration of an individual misusing the powers of a Chief Minister for personal promotion through an espousal of public welfare. The fact that he had employed questionable methods for his fund-raising spree bordering on open extortion does not make him any better or worse than some of the other Chief Ministers who have been indulging in similar collections with a little more discretion. His brash behaviour provides an interesting case study of how the Congress (I) bigwigs tend to place themselves above the normal run of political probity and personal accountability for their actions.

Is resignation enough?

But then what is the bewildered public to make of the stout defence of Mr. Antulay's conduct by the Finance Minister, Mr. R. Venkataraman, in Parliament and the Prime Minister's call for his resignation a week later? A resignation is enough when it is only a case of dereliction of duty or misuse of patronage for questionable causes not involving pecuniary gain.

A Chief Minister or ordinary Minister cannot go scot free by simply quitting office without facing the consequences of gross improprieties and blatant transgressions. In the old days, the ruling hierarchy at least went through the motions of judicial inquiries before letting off the offending party stalwarts faced with corruption charges.

These days a mere resignation is considered sufficient punishment for such infractions with no further questions asked about what has been done with the vast sums of money collected by them.

The origins of this malaise can be traced to the first Congress split when all norms of political propriety and individual accountability were thrown to the winds in the heat of controversy and confrontation. The discards and drop-outs who normally would not have made the grade got a golden opportunity to make themselves indispensable by casting themselves in the role of hatchet men.

The second Congress split enabled those who chose to remain with Mrs. Gandhi in the hour of her isolation to worm their way into pivotal positions and emerge as influential personalities after the party's landslide victory in the last elections. The permissive atmosphere in which they functioned gave them the feeling that they could get away with anything and that they need not consider themselves accountable for their actions.

Mandate for good govt

After the trauma of Watergate, Mr. Jimmy Carter won the presidential election in the U.S. with the promise of an era of honest, compassionate and responsive government. In India Mrs. Gandhi came back to power with the slogan of a government that works after the paralysis of the Janata-Lok Dal interregnum.

It is quite legitimate for the public to question whether a Prime Minister even with a two-thirds majority in Parliament has the right to foist on the country palpably incompetent party colleagues in exercise of her constitutional prerogatives and political patronage for rewarding those who have made a profession of their loyalty to her. The mandate given by the people is to provide a good government, not load it with dubious characters at the cost of public welfare.

The Antulay affair can prove to be a turning point for the better, if the ruling party is prepared to draw the right lessons from it. The Prime Minister should realise that, in questioning the propriety of her choice of some of her colleagues, the critics are not challenging the legitimacy of her own position. The purpose of the whole debate is to focus attention on the need for greater discretion in the formation of Cabinets whether at the Centre or in the States.

If the Opposition parties which behaved no better during their brief spell of power hold no monopoly for virtue in Indian politics, the Congress (I) also cannot afford to pretend that it is endowed with any moral superiority for running the country as it likes with men and women of its choice irrespective of their integrity and experience.

The critics are not clamouring for retributive justice, but only cautioning the ruling hierarchy that the country will be swept by another wind of change, if the powers that be do not pull back in time.

It may be too late by next year when the present government crosses the half-way point of its tenure to go through a catharsis for purifying its body and soul and proving itself worthy of another mandate when it goes to the people again. And this in brief is the real moral of the Antulay episode.

CSO: 4220/7069

MEMORANDUM TO GANDHI ON ANTULAY SUMMARIZED

Calcutta THE STATESMAN in English 9 Sep 81 p 9

[Text]

BOMBAY, Sept. 8.—Long before the cement deal scandal in Maharashtra was raised in Parliament, a group of 14 M.P. from the State had submitted a memorandum to the Prime Minister against the Chief Minister, Mr A. R. Antulay, in which more severe allegations were made, it is learnt.

The ruling party members of Parliament, who had submitted the memorandum, refrained from making its contents public to save the image of the party and the Government and not allow the Opposition to use it as a weapon, it is stated. It was this memorandum which set off the process of devaluation of Mr Antulay with the party leadership.

If the issue had not blown up in public, the Central leadership was certain to remove Mr Antulay from his office in due course, party sources say. But capital being made out of it by the Opposition had made it imperative for leaders to fight the Opposition and defend Mr Antulay at least for the time being, it is stated.

The memorandum makes a number of startling allegations, it is learnt. Besides criticising Mr Antulay's style of functioning over a number of decisions concerning raising of funds, the memorandum alleged that the Chief Minister had manoeuvred the allocation of alcohol and molasses quotas in such a way to extract funds in crores of rupees.

Far more serious is the allegation that Mr Antulay tried to concentrate all power in his hands and projected himself as a powerful leader in the country next only to Mrs Gandhi. In this context, the memorandum quoted the statement made by Mr Bal Thackeray, the Shiv Sena chief, that Mr Antulay should be made Deputy Prime Minister.

While he spent nearly a crore of rupees on projecting his image, he created artificial shortage of essential commodities, freeze decisions on issuing no objection certificates on land deals and took over the distribution of cement and alcohol just to make money, the memorandum reportedly stated.

Freezing of no-objection certificates for new constructions led to a meteoric rise in the price of flats in Bombay and within a year prominent builders made crores of rupees as profit, it is stated. The Chief Minister took this decision on the advice of a syndicate of builders who had dubious connections and in the process nearly rupees one crore changed hands, the memorandum alleges.

In this context, the memorandum reportedly noted that many known smugglers in the city had entered the estate business and were constructing skyscrapers. Among the handful of big companies who were issued no-objection certificates for building construction is one connected with Mr Yusuf Patel, the memorandum says. This company is now engaged in building a 44-storey skyscraper at a prized plot at Worli, it is alleged.

Maharashtra produces alcohol in abundance. The memorandum reportedly stated that Mr Antulay controlled allocation of alcohol to various parties. Sugar factories were allowed to increase their alcohol production for some consideration. While a public sector factory was starved of alcohol, the State Government allotted 20 lakhs litres of alcohol to a liquor factory

CSO: 4220/7055

GANDHI OPPOSES PAKISTAN'S RETURN TO COMMONWEALTH

Calcutta THE STATESMAN in English 18 Sep 81 p 1

[Text]

NEW DELHI, Sept. 17.—Mrs Gandhi has opposed Pakistan's entry into the Commonwealth and indicated that there should be criteria for membership of the organization and certain objective considerations governing any country wishing to re-enter it after having left it on its own as Pakistan had done.

According to an official spokesman, the Prime Minister told an Australian reporter that entry into the Commonwealth should be on the basis of unanimity. She pointed out that membership of the Commonwealth was based on expression of public opinion in a country. There was no such forum in Pakistan through which the people could express themselves.

It had been India's experience, Mrs Gandhi said, that Pakistan usually made use of such international forums repeatedly to raise bilateral issues.

In India's assessment, Mrs Gandhi said, no new development had taken place since Pakistan opted out of the Commonwealth which could be the basis for that country's re-entry into the organisation.

Meanwhile, members of Parliament's Consultative Committee for the External Affairs Ministry were told today by Mr P. V. Narasimha Rao that Pakistan's move for talks on an agreement for non-aggression was still being studied. The proposal was made in a certain context and would be examined in that light.

The Minister reiterated that the Government was alert to the critical developments in India's neighbourhood as mentioned by the committee's members. The country's foreign policy was geared to meet these developments and challenges.

India had consistently favoured a policy of peace and good neighbourliness towards Bangladesh and other countries, Mr Narasimha Rao said.

The Minister was hopeful of the coming North-South summit in Mexico and said India had participated in the preparatory process at different levels to create a purposeful atmosphere.

According to an official spokesman, members of the committee were unanimous in expressing their concern over the announcement by the USA of an arms aid package for Pakistan. Some mentioned, in particular, the use of electronic equipment in Pakistan and that country's willingness to supply military facilities and bases to the USA.

Some members felt that the USA was adopting "antagonistic" policies towards developing countries. There was an element of opposition to non-alignment. However, certain allies of the USA such as France had a different approach.

CSO: 4220/7082

LABOR MINISTERS OF SEVEN STATES MEET IN DELHI

Bombay THE TIMES OF INDIA in English 13 Sep 81 p 7

[Excerpt] New Delhi, September 12. The tendency of some entrepreneurs to shift their units to low-wage states, particularly in the southern and western parts of the country is causing concern.

The issue came up for review at a meeting of labour ministers of seven states who agreed that the wage differences among the states should be minimal, not exceeding a rupee, and that the minimum wage in the states should be fixed between Rs 7 and Rs 8. This will be enforced by January 1.

The ministers belonged to Gujarat, Maharashtra, Madhya Pradesh, Andhra Pradesh, Karnataka, Kerala and Tamil Nadu.

The Union minister for industry and labour, Mr N.D. Tewari, who presided over the meeting, reminded the states representatives that in some cases a revision of wages was overdue. At present, the minimum wages among these states ranged between Rs 4.50 and Rs 13.50 a day. He pointed out that some states had provided for guaranteed payment of minimum wages, while others had not.

In his view, even if the wages could not be made uniform, minimum wages should be revised and enforced.

He agreed that there could be difficulties in making the wages uniform throughout the country. But the criteria for fixing wages could be applied on a national scale. A committee of officials was examining the question.

The Union minister recalled the recommendation of the last conference of labour ministers for linking minimum wages with consumer price index numbers. A subcommittee of the labour ministers had earlier proposed that each state should consider introducing a variable DA formula as a distinct element in determining minimum wages. According to Mr Tewari, this formula would facilitate revision of wages.

The seven ministers at yesterday's meeting also recommended that each state should guarantee minimum wages, not less than 50 per cent of the average daily payment, to prevent exploitation of labour on the plea of nonavailability of raw material or rejection of their finished goods. They also endorsed the suggestion of the Union minister on the DA formula. They felt the minimum wages could be revised periodically on the rise of five points. In any event, there should be revision at least once a year.

CSO: 4220/7067

BIHAR, OTHER STATE MINISTERS CHARGED WITH CORRUPTION

Calcutta THE SUNDAY STATESMAN in English 13 Sep 81 p 7

[Text] Patna, Sept 12--Political and official circles here were yesterday rocked by the publication in a section of the Press of the Union Home Minister, Mr Zail Singh's written reply in the Rajya Sabha that memoranda against the Chief Ministers and Ministers of Bihar, Haryana, Karnataka and Madhya Pradesh addressed to the Prime Minister had been processed or were being processed. This was according to the procedure under the code of conduct for Ministers and the circumstances of each case.

It is significant that a fierce controversy had been raging in Patna since September 3 following the publication of a report in a leading local English daily that a detailed inquiry conducted by various wings of the Central intelligence agency had found prima facie cases of corrupt practices against many Bihar Ministers and ruling party politicians.

The report was denied by the State Chief Minister, Mr Jagannath Mishra, next day. But the controversy did not come to an end. When Mr Zail Singh's statement was published yesterday morning, the Chief Minister's denial of the report was being looked at in political circles as an object of ridicule.

In its issue of September 3 the local English daily had said: "A detailed inquiry conducted by the various wings of the Central intelligence agency is understood to have found prima facie cases of corrupt practices and favouritism leading to the amassing of wealth disproportionate to their known sources of income against many Bihar Ministers and ruling party politicians." The probe by the Central intelligence and its allied organizations had been ordered by the Union Home Ministry, the paper said, and added that the probe report had been submitted to the Ministry on August 10. On the party front, the inquiring agencies had found connexions of some MPs and MLAs with irregularities and bungling in the State's Cooperative Department and other semi-Government institutions, the paper said.

The report is understood to have confirmed the link of some of the Ministers with foreign banks and has said that a large amount amassed by them by dubious means has been deposited in a neighbouring country.

The Chief Minister, who has been charged with ignoring the activities of his colleagues, either conceded or found himself too weak to stop their activities the report is understood to have said.

Next day the Chief Minister's strongly-worded denial was published on the front page by the same newspapers. Advising reporters, to maintain a code of conduct and decency, he described the report as misleading and baseless. "This morning I had a talk with the Union Home Minister who repudiated the report that any such probe had either been conducted or ordered, the Chief Minister said.

Opposition parties, particularly the BJP are now examining whether they can move a privilege motion against the Bihar Chief Minister in Parliament.

CSO: 4220/7068

STATES TOLD TO REVAMP INTELLIGENCE ORGANIZATIONS

Madras THE HINDU in English 14 Sep 81 p 9

[Text]

NEW DELHI, Sept 13

The Centre has sent detailed instructions to the State Governments on revamping their intelligence set-up to prevent communal trouble.

On the basis of special studies of communal incidents in the past, the Centre had concluded that the trouble, in good many cases, could have been avoided, had the intelligence system not been found wanting. Hence the stress on steps to remove its weakness and fill the gaps.

The Centre would like the States to proceed along the following lines:

Special units: The adequacy, focus and effectiveness of the communal intelligence at the State-level and in sensitive areas should be reviewed on a priority basis for appropriate corrective action.

Special intelligence units should be established at the headquarters. These units should be headed by a senior police officer and composed of persons who have aptitude for the kind of work, and are impartial in their outlook.

Simultaneously, cells should be set up in communally sensitive districts and taluks. Specialised channels for collecting and disseminating intelligence should be created down to the station house (thana) level.

The staff of the district special branch should be distributed in various station houses for collecting intelligence. The information collected by the intelligence agencies should be passed on to the station house officers simultaneously while being communicated to the Superintendent of Police and higher authorities.

Feed-back of intelligence from the State headquarters to the districts should also be ensured.

Gaps in intelligence because of the breakdown of the older mechanism of communication between village authorities and the police station need a systematic reappraisal.

Effective means should be devised to remain in contact with intelligence at the village level.

Communal intelligence organisations in the districts should collect information regarding disputes over land, between members of the two major communities and religious processions, and make specific assessment of the situation on the eve of major festivals.

They should also watch the activities of organised communal groups and study communal propaganda and publications.

List of dts: The Centre has drawn a list of districts prone to communal incidents for the guidance of the State Governments. The names of the districts of the southern States are:

Andhra Pradesh: Medak, Karimnagar, Nizamabad, Rangareddy, Adilabad, Kurnool and Nalgonda and Hyderabad city.

Kerala: Mallapuram, Cannanore, Trivandrum and Trichur.

Karnataka: Bangalore, Bidar, Gulbarga, Dharwar, Mysore, South Kanara and Kolar.

Tamil Nadu: Tiruchi, South Arcot, Madurai, Ramanathapuram, Tirunelveli, North Arcot, Dharmapuri and Coimbatore.

CSO: 4220/7073

DELHI EXAMINING PAKISTAN NONAGGRESSION PROPOSAL

Madras THE HINDU in English 17 Sep 81 p 1

[Text]

NEW DELHI, Sept. 16.

The new Pakistan proposal for "mutual guarantees of non-aggression and non-use of force", which is a follow up of its earlier suggestion for a balanced reduction of forces by both sides is being examined by the Government in all its aspects.

An official spokesman today declined to answer any questions on the merits of the Pakistani offer, pending a careful assessment of its implications.

The text of the Pakistan statement, calling for a no-war pact, was handed over to the Indian Ambassador in Islamabad yesterday for transmission to Delhi. It was released by the Pakistan Embassy here today for publication.

A careful analysis of the text would indicate that the main purpose of the proposed non-aggression agreement is to forestall the anticipated criticism in U.S. Congress about the Reagan Administration's decision to rearm Pakistan. The statement tried to assure all concerned that, in seeking this military aid from the United States, Pakistan was in no way attempting to enter into an arms race with India, much less engage in a confrontation with it.

F-16s supply: The statement disclosed, without directly referring to Pakistan's bid to acquire F-16s at an early date, that during the latest visit of the U.S. Under-Secretary of State, Mr. James Buckley, the unresolved issues relating to the delivery schedules of essential defence items had been settled to its satisfaction. It meant that the U.S. had promised an early delivery of at least the first few of these aircraft.

But the statement went out of its way to accuse India of embarking on a programme of acquiring, in large numbers the most modern offensive weapons, including Jaguars, MiG-23s, MiG-25s and Mirage-2000, from both Western and Soviet sources. In spite of this development, it was stressed, Pakistan was ready to seek a tension-free relationship with India through mutual guarantees of non-aggression and non-use of force in the true spirit of the Simla agreement.

The statement also claimed that the acceptance of the U.S. military aid package would not affect Pakistan's principled stand on international issues, including its commitments as a member of the Islamic conference and the non-aligned movement. Similarly, there would be no weakening of the efforts to improve Indo-Pakistan relations.

But the fact remains that the U.S. decision to rearm Pakistan has already strained the relationship between the two neighbouring countries by creating new tensions in the sub-continent. In the context India feels constrained to take appropriate counter-steps, both at the political and military levels, to meet a renewed threat from Pakistan.

Commonwealth exit: As Pakistan has been misusing every available international forum to malign it, India sees no reason why it should support Pakistan's re-admission to the Commonwealth in the present circumstances. So it proposes to oppose actively the move of some countries, notably Britain, Australia, New Zealand and Canada, to invite Pakistan to rejoin the Commonwealth at the coming conference in Melbourne, because India does not want it to exploit one more forum for its anti-India campaign.

The friends of Pakistan in the Commonwealth are trying to muster the support of several Afro-Asian member countries for its readmission as a sort of reflex action of their disapproval of the Soviet intervention in Afghanistan. It is being argued that the Commonwealth countries should extend their moral support to Pakistan in meeting Soviet pressures through neighbouring Afghanistan.

The Government of India will have to take all these politico-military factors into consideration before responding to the latest Pakistan suggestion. In its view a non-aggression pact cannot make much sense if one of the signatories to it is bent on acquiring arms well beyond its legitimate requirements or allows itself to be used as surrogate in the developing super power rivalries in the region.

CSO: 4220/7079

DELHI SCORED FOR 'HIGH-HANDED' OFFICIAL TRANSFERS

New Delhi PATRIOT in English 15 Sep 81 p 5

[Text]

Opposition members strongly attacked the Government on Monday for the 'high handed manner' in which Governors of States had been transferred.

Speaking at the meeting of the Consultative Committee of members of Parliament attached to the Home Ministry, the members deplored the manner in which Rajasthan Governor Raghukul Tilak and West Bengal Governor T N Singh had been summarily forced out of office.

Home Minister Zail Singh's claim that nothing unconstitutional had been done in the appointment of Governors did not convince the members. Mr Niren Ghosh of the CPI-M charged that the West Bengal Governor had been sacked because the Centre wanted to topple the Left Front Government in the State at a convenient time.

Mr Ghosh and Harkishen Singh Surjeet, also of the CPI-M strongly protested about the Centre's failure to give assent to many legislative measures enacted by the Left Front Government. The bills, passed by the Assembly, had been sent to the President for his assent, but no action had been taken for many months, the members said. They charged that the Centre had a hostile attitude towards the State Government and therefore assent to the bills was being delayed.

The Home Minister tried to assuage the feelings of the members and assured them that every effort would be made to persuade' the concerned ministries to expedite scrutiny and clearance of the pending bills.

The members, cutting across party lines, expressed grave concern on recent violent incidents and activites of secessionist elements and called for stern action to root out these forces. The members were exercised over the brutal murder of veteran journalist and freedom fighter Lala Jagat Narain. They also referred to the continued violence and underground activity in the north-eastern States

Mr Zail Singh said the Government was fully aware of the activities of the divisive and secessionist forces operating in the country and was actively working to "curb and frustrate their efforts to disturb peace"

The Government, he said, was keeping a careful watch on the situation. The Minister, according to an official spokesman of the Home Ministry, "agreed with members that some foreign hands seem to be actively working in fostering these dangerous movements with the sole intention of disturbing the peace in the country".

Briefing the members on the situation in the north-eastern States, the Minister said talks with MNF leader Laldenga were in progress. Mr Laldenga had recently been provided facilities to visit Mizoram and consult his colleagues on the proposals which were under discussion. Mr Zail Singh hoped that the MNF leaders will show more realism in their approach to the problem and work in unison with patriotic forces in the region for the betterment of the community.

On Assam, Mr Zail Singh said there was satisfactory progress in the series of talks with the agitation leaders. And further headway was likely to be made in the meeting to be resumed shortly.

CSO: 4220/7074

RAJYA SABHA PANEL UPHOLDS RIGHT TO STRIKE

New Delhi PATRIOT in English 15 Sep 81 p 5

[Text]

The Rajya Sabha Committee on Subordinate Legislation has recommended the deletion of a provision in the Bombay Port Trust Employees (Conduct) Regulations, 1976 which bars an employee from resorting to or in any way abetting any form of strike in connection with any matter pertaining to his service or the service of any other employee, reports UNI.

The committee has noted that some of the public undertaking have made no mention of 'strike' in their conduct and discipline rules and have simply provided that no employee "shall engage himself or participate in any demonstration which involves incitement to an offence".

The 47th report of the committee was presented to the House on Monday.

Regarding participation of employees in politics and elections, the Committee has recommended the retention of that part of a regulation which prevents employees from taking part in an election to a legislature or a local authority.

But it has expressed itself against prohibiting an employee from canvassing or using his influence in connection with an election on the ground that part of the regulation violates freedom of speech and expression guaranteed under Article 19 (1) of the Constitution.

PTI adds: The committee, under the chairmanship of Mr Narasinha Prasad Nanda, has viewed this departure from the Central Civil Services (Conduct) Rules in the context that even though there is no Constitutional right to strike in India, a strike in industrial establishment has been accepted as lawful under the Industrial Disputes Act.

The committee has further affirmed that employees of the public undertakings are as much public servants as others and that in the interests of the efficient functioning of those undertakings it would be imperative to extend to them some of the conduct rules applicable to Government servants, with suitable modifications according to their special requirements.

CSO: 4220/7074

SIKH CONVENTION RESOLUTION SCORES KHALISTAN

Bombay THE TIMES OF INDIA in English 14 Sep 81 p 9

[Text]

NEW DELHI, September 13.

AN all-India Sikh convention held inside Gurdwara Rakab Ganj today declared that the demand for Khalistan was not supported by the Sikh world.

The convention, which a spokesman claimed was attended by 2,000 delegates from all over the country, said in a resolution "The Khalistan demand is a bogey raised by defeated politicians who are puppets in the hands of a foreign government. They (protagonists of Khalistan) are, in fact, enemies of the Sikh world and want to keep this a burning topic."

The resolution said that the Sikhs had, under the leadership of Master Tara Singh, already taken a decision in 1947 that they were an inseparable limb of the Indian Union. The majority of the Sikh masses had never thought of separating themselves from India and as such would continue to contribute their mite towards the development and defence of the country as its free citizens.

While condemning strongly the communal propaganda of the majority community aimed at creating an atmosphere of hatred against te Sikhs, the convention warned that such attacks would not be tolerated.

It also appealed to the people having faith in the secular and democratic character of India to ensure that any move leading to separatist mentality was nipped in the bud, as it was essential not only for strenthening their faith in the welbeing of the minorities but also to win the confidence of the minorities and the Sikh community in particular.

CSO: 4220/7071

RAJIV GANDHI TALKS WITH NEWSMEN IN LUCKNOW

New Delhi PATRIOT in English 20 Sep 81 pp 1, 7

[Text]

LUCKNOW, Sept 19—Mr Rajiv Gandhi MP said here today that those Congress-I men who raised slogans demanding that he should be made Chief Minister of UP 'must be nuts'.

He was talking to newsmen after a vociferous reception at the aerodrome. And various points of the road leading to the State's VIP guest house. Congress-I men from various parts of the State had collected in Lucknow to accord him a befitting reception on his first visit to the city after his victory in the parliamentary byelections at Amethi. Groups of Youth Congress-I workers who had gathered at the aerodrome and on the road raised slogans in favour of Rajiv Gandhi or someone from the Nehru family becoming the Chief Minister of UP.

Mr Gandhi addressed meetings of UPCC-I executive, Congress Legislature Party and the State Youth Congress-I workers. At all the meetings he urged the Congress-I men to 'work to serve the people and to strengthen the organisation.'

He denied all reports about taking up any office either in the party or in the Government. 'At present I want to serve only as an ordinary MP,' he added.

Mr Gandhi regretted that the newsmen were falling a prey to those who were planting stories to serve their own political ends. For instance, he said, a story was published by a paper about Congress-I MP Arif Mohammad Khan allegedly involved in a passport racket. When pointed out that an official of the rank of superintendent of police had given a statement, Mr Gandhi said that officers should check facts before giving press statements.

Another paper, he said, had published a story about his daily visit to a shooting range, while the fact was that he visited it only once.

Asked about the establishment of a fertiliser factory in his constituency, Mr Gandhi said that the site of the factory was to be decided neither by the party, nor by the Government. It will be decided by a computer.

He denied any knowledge about any move to replace the UP Chief Minister Vishwanath Pratap Singh by any of his (Rajiv's) relatives or cousins and deprecated those who talked about it.

Mr Gandhi said that during his talks with the party legislators office-bearers of the PCC and workers, he heard complaints against the non-availability of power as required by farmers in the State.

He said no one had made any complaint about the non-functioning of the Government or that the bureaucracy was dominating.

When his attention was drawn to complaints of a section of the people that innocent persons were being killed by the police in fake encounters, Mr Gandhi said 'It is very difficult to distinguish who is a dacoit and who is not.

Asked if any party legislator had drawn his attention to a signature campaign, launched by the supporters of Mr Mahesh Upadhyaya a UP MLA recently expelled from the party by the party High Command for revoking of his expulsion, Mr Gandhi replied in the negative.

Earlier, replying to an address of welcome, accorded by the PCC Mr Gandhi called upon party members not to approach the press for the solution of their problems. There might be differences, but the party was the only forum for the solution of problems.

Briefing newsmen after the meeting, a spokesman of the party said that Mr Gandhi was of the view that the workers, who had all along been loyal and sincere to the party, even in its adverse days, should be given preference both in the party and the Government, but they should be accountable to their efficiency and performance.

CSO: 4220/7092

CPI LEADER SEN SPEAKS ON FUTURE OF COMMUNISM

New Delhi PATRIOT in English 19 Sep 81 p 4

[Text]

HYDERABAD September 18

"COMMUNISM has come to stay in India. There is no future for India without a strong and significant Communist presence. Far that the Communists in India must also realise that their future depends on the strength and growth of India".

This is how CPI leader Mohit Sen described "the future of the Communist movement in India" while speaking on the subject at the historic Durbar Hall of the women's college at a function jointly organised yesterday by Institute of Asian Studies, India International Centre, and the English forum of Osmania University.

Outlining at length the origin and growth of the Communist movement in India, Mr Mohit Sen said that Communists were in fact the pathfinders of India's freedom struggle. Referring to the criticism that Communists had contributed nothing for the country's freedom. Mr Mohit Sen said that even before the Communist Party was officially born an international group of Communists had declared in their manifesto that the goal of freedom struggle in India should be accepted by the Indian National Congress after half a decade only, Mr Mohit Sen declared.

Commenting on the slow progress of the Communist movement in India, Mr Sen said that this was due to their own failure to understand the multiple and multi-structural character of the India society and its struggle for freedom. The 1964 split had greatly hampered the growth of Communist movement. But for that, this movement would have more than doubled its present strength, both inside and outside the Parliamentary institutions," he remarked.

Mr Sen was optimistic about the immediate prospects for the Communist movement in the country despite hurdles. He stated that there was a vacuum of leadership and at the same time the working class had acquired a new potential. He was of the view that the CPI in particular had emerged as a class revolutionary party with a national outlook. The rest of the Communist movement, Mr Sen said, would have to follow suit.

The CPI leader said that the Communist movement had to remain in total opposition to the present unjust social order. At the same time it had to adopt an attitude of national responsibility even before coming to power. "If you do not care for India now, India will not care for you in the future", he declared.

While making a fervent appeal for the unification of the Communist movement, Mr Sen warned against premature expectations. He called for a step-by-step approach. "Let time and practice test the theory, the programme and policies of the CPI and the CPI-M", he said and added. "let us march together but respect our differences and discuss them. There can by unity but not identity".

CSO: 4220/7087

WEST BENGAL CPI-M ACCUSED OF CORRUPT PRACTICES

Bombay THE TIMES OF INDIA in English 19 Sep 81 p 5

[Text] Calcutta, September 18: The Congress-I legislature party leader, Mr Bhola Sen, today alleged that by creating the West Bengal Human Aids Services Society and the West Bengal Medical Air Charitable Trust and attracting government funds through the trust, the CPM was trying to "serve its own political purpose."

Mr Sen said this would be one of the biggest scandals. According to him, the Maharashtra chief minister, Mr A. R. Antulay, did not collect money for himself and all collections had come through cheques for the trusts set up by him.

The chief minister, Mr Jyoti Basu, was soon there after asked about Mr Sen's allegation. He said what Mr Sen had said about the trust, with which the government was connected as being an agency for promotion of medical research, was "all rubbish." The name of the trust itself, as Mr Basu gave it, was somewhat different and so was the composition.

According to Mr Sen, the society was registered in 1979, its signatories being Mr T. N. Singh (the former governor in his personal capacity) Mr Jyotirmoy Bosu, MP, Syed Sahadullah (brother of the assembly speaker), Mr Amal Datta (Mr Basu's nephew), and three others. Its office was located at Mr Basu's residence. No one knew how much money it had collected, and "exploiting Mr Singh's name." The society had taken about 8,000 square metres of port commission land presumably on lease. Mr Basu said the government had no connection with the society, but he knew it planned to open a hospital.

About the West Bengal Medical Aid Charitable Trust, Mr Sen said it was registered on July 27, 1981, of which Mr Singh was the founder-member, again in his personal capacity, along with two others--Dr M.K. Chhetry and Dr S.K. Bhattacharyya.

CSO: 4220/7083

CPI DELEGATE SPEAKS ON ASSAM SITUATION

New Delhi PATRIOT in English 15 Sep 81 p 5

[Text]

CPI leader Yogendra Sharma said in the Rajya Sabha on Monday that neither agitation nor repression in Assam would help solve the problem of foreign nationals which could only be settled through negotiations and by eschewing the path of confrontation.

Participating in a discussion on the Assam State Legislature (Delegation of Powers) Bill, 1981 prior to its adoption in the Upper House, Mr Sharma said his party was normally opposed to imposition of President's Rule, but Assam was a peculiar case since no party could form any permanent Government in that State even with a large band of defectors. He, however, hoped that President's Rule in Assam would end soon to help organisation of fresh Assembly elections there.

He pointed out that the agitators in Assam were comprised three different elements. One section was genuinely misled, another section despite its strong views was amenable to reason, while a third section was avowedly anti-national. He wanted the Government to adopt steps that would help the first two sections subscribing to nationalist sentiments to return to sound rails; but urged for stringent measures against anti-national elements.

In this context, he referred to the activity of foreign-inspired forces in Assam, the fact that the national Tricolour was burnt recently on Independence Day, and that five of the CPI's brave cadres had been killed by such elements. These elements were found to possess a lot of arms and ammunition besides maps of oil installations and strategic locations in the state, as recent seizures had revealed.

While severely dealing with such people the Government should try to remove the genuine grievances and apprehensions of the Assamese populace who feared that they would become a minority in their own State, Mr Sharma pleaded.

He also wanted some information of the talks the Government was having with the agitators, but qualified that even if the Government felt that it would not be proper to reveal the details of the talks, the House should know the stage the talks had reached.

CSO: 4220/7074

SUSPENSION OF DELHI METROPOLITAN COUNCIL EXTENDED

New Delhi PATRIOT in English 20 Sep 81 p 1

[Text] President Sanjiva Reddy on Saturday suspended the Delhi Metropolitan Council for a further period of six months till 20 March 1982.

The order, extending suspension of the operation of the provisions of the Delhi Administration Act, for the fourth time in the last one-and-a-half years, said that the President was satisfied that for the proper administration of the Union Territory it is necessary to do so.

With this latest suspension of the council, the elections to the representative body of the Capital have been pushed further by a couple of months, and if the elections are not held between now and March next, then the Capital will have been without an elected body for two years.

The council was first suspended on 21 March 1980. It was further extended for two six-month terms in September 1980 and March, 1981.

The Opposition parties had vehemently criticised the Government action and accused it of trying to run the Capital with the help of the bureaucracy.

Even the Delhi unit of the ruling party began demanding early elections to the Council and some local Cong-I MPs led delegations to press the demand for elections to the local body.

Cong-I Fear

Mr Kidarnath Sahni, who was Chief Executive Councillor of the Metropolitan Council at the time of its dissolution, has described as 'unfortunate' the decision to extend the term of supersession of the Council by six months, adds PTI.

The decision 'betrays the fear of the Congress-I to face the Delhi electorate," Mr Sahni said.

CSO: 4220/7092

DACCA SAID TO BE WARNED AGAINST PAKISTANI OVERTURES

Madras THE HINDU in English 13 Sep 81 p 1

[Article by G. K. Reddy]

[Text] NEW DELHI, Sept. 12.

The Foreign Ministers of India and Bangladesh, Mr. P. V. Narasimha Rao and Mr. Shamsul Huq, concluded their talks today on a hopeful note, reflecting the desire of both countries to settle all outstanding issues in a "constructive and cooperative spirit" and re-establish good neighbourly relations on the basis of "mutual trust and shared interests."

The two sides agreed to take "positive and practical" steps, avoiding negative statements, to resolve sensitive problems like the Ganga waters, maritime jurisdiction, New Moore island and access to enclaves.

PM's assurance: When the Bangladesh Foreign Minister called on the Prime Minister, Mrs. Indira Gandhi, today, she assured him that India would adopt a "constructive, practical and rational" approach to all these contentious issues in an earnest effort to find amicable solutions.

She told Mr. Shamsul Huq that India remained committed to fostering mutually beneficial relations

After the two Foreign Ministers concluded their discussions, the senior officials of the two sides met to draft a joint statement recording these sentiments and voicing the desire of both countries for better relations. It also indicated the decision to take practical steps for settling bilateral issues without any outside interference.

Turning point: The outcome of these talks represented a turning point for the better in the chequered history of Indo-Bangla relations. But it was too early to think in terms of a major breakthrough in resolving any of the outstanding problems.

The two sides were, therefore, particularly careful to avoid undue expectations, while exuding cautious optimism about the prospects for settling these issues

The tone for the discussions between the two Foreign Ministers was set by the understanding arrived at earlier during the preparatory talks in Dacca last week to resolve bilateral differences bilaterally without attempting to internationalise them. It was in this context that the two sides agreed to withdraw their naval forces from the vicinity of the New Moore island and respect the status quo pending a final settlement.

The Indian side utilised the opportunity to caution Mr Shamsul Huq about the implications of the Pakistani overtures to Bangladesh to forge an entente cordiale based on common antipathy towards India than on shared affinity between them.

It was made quite clear that outstanding disputes could not be resolved in an atmosphere of contrived hostility fuelled by political propaganda and religious prejudice.

At the same time India was able to get across the message that it was ready to do whatever was possible, consistent with its own national interests, in giving due weightage to Bangladesh's stand on these issues, so long as Dacca was prepared to adopt a positive approach to them.

Mr Shamsul Huq seemed to have got the point that the key to a good relationship with India lay in Bangladesh's own perception of it.

CSO: 4220/7069

PAKISTAN ENVOY: ALARM OVER WEAPONS UNWARRANTED

Bombay THE TIMES OF INDIA in English 14 Sep 81 p 9

[Text]

NEW DELHI, September 13 (PTI).

PAKISTAN's ambassador to India, Mr. Abdul Sattar, has said that "misinformation and exaggeration" have spread "unwarranted alarm" about the acquisition of sophisticated arms by his country.

Addressing an inter-city Rotary seminar here, Mr. Sattar said his country had no intention of starting an arms race with India. Such a possibility was "excluded because of the objective disparities."

Describing the 1.5 billion dollars worth of arms purchases Pakistan proposes to make as "comparatively modest," Mr. Sattar said, "more than this amount is being paid by India for the purchase of one single item, namely the Jaguar aircraft."

According to Mr. Sattar, the "deterioration in the security environment" had underlined the need for Pakistan to strengthen its defences. Replacement of much of the equipment of Pakistan's armed forces had become unavoidable in any case because of obsolescence.

AFGHAN ISSUE

Dwelling at length on the situation in Afghanistan, the ambassador said that more recently the "Kabul regime has discarded all caution and escalated reckless acts of violence and hostility."

He also stated that much had been said lately about the F-16 aircraft being acquired by Pakistan to "create the alarmist but incorrect impression that this plane will provide aggressive capability."

He said no mention had been made of "the fact that before Pakistan receives the first of the small number of F-16 aircraft it is negotiating to buy, several squadrons of the latest MiGs and Jaguars will have reached India."

India, he said, was also negotiating for the purchase of submarines from a West European country and a "futuristic aircraft" from another.

Mr. Satter said that a recent statement by Pakistan that it did not intend to use its arms against the USSR "has been misinterpreted, although it should be self-evident that Pakistan cannot concrive of attacking the Soviet Union."

"Nor by the same token, can Pakistan wish to fight India. Our sole purpose is self-defence," he said.

In his view, if Pakistan-India relations were perceived in "adversary terms, it is Pakistan that should be concerned. It is incomprehensible to us that the alarm should be given in a country that enjoys a vast superiority in power."

CSO: 4220/7071

TRANSFER OF POWER BEGINS NEW ERA IN KASHMIR

Bombay THE TIMES OF INDIA in English 9 Sep 81 p 8

[Article by V. K. Dethe]

[Text]

SRINAGAR: The "transfer of power" within the ruling National Conference from father to son marks the beginning of a new era in Kashmir politics. Dr. Farooq Abdullah, his eldest son, is the political heir to Sheikh Mohamad Abdullah who has dominated the political scene in the Himalayan state for five decades.

The transition has been smooth. The process was accelerated late last year when the Sheikh fell ill and his son-in-law, Mr. G. M. Shah, who was then being projected by a ruling party faction as his political successor, virtually took over the functions of the chief minister at Jammu, the winter capital. Some senior cabinet ministers resented this move and made their feelings known in no uncertain terms. The message was not lost on the Sheikh. His acerbic son-in-law could not carry the party with him despite his reputation as a person who could get things done.

The public endorsement of Dr. Abdullah's candidature for the presidentship of the National Conference was secured by the Sheikh when he announced his choice at a religious congregation at the Hazratbal shrine. Though he was criticised by some political parties for "misusing" a religious shrine for political purposes, the protests did not carry weight. He could effect the change without much of a hullabaloo over trying to found a political dynasty because of the disarray in the opposition parties. The Janata is splintered, with most of its MLAs owing allegiance to the Bharatiya Janata Party who are afraid of switching over for fear of expulsion from the house under the defection law. In any case, the BJP has a tacit alliance with the National Conference in the Jammu region.

The Sheikh sought to neutralise his critics in the Congress (I) by recalling, in his opening speech at the three-day annual session of the National Conference, the historic statement in 1930 of Pandit Motilal Nehru: "Let us hope the son will accomplish the task begun by the father." (It was made when Motilal Nehru handed over the presidentship of the Congress to his son, Jawaharlal.) The Sheikh added that subsequent events were to vindicate the choice of this "wise Brahmin". By citing this parallel, the Sheikh, who recently claimed that his forefathers were Brahmins, sought to confer legitimacy on his son's elevation to party chief.

Father's charisma

Dr. Abdullah has his father's charisma. His greatest asset is his affability and the ability to get along with people. He made it a point to invite to the annual session some erstwhile comrades of his father, who had left the party after differences with him. Significantly, Mr. Shyamlal Saraf and Mr. Ali Mohammed Naik accepted and attended. Maulana Masoodi, formerly chief of the state Janata party, did not attend, but sent a "warm letter". Dr. Abdullah also displayed this ability to build bridges of friendship during the speaker's crisis last year. At a time when the name of Mr. Mohiuddin Malik, the then speaker, was anathema to the National Conference, Dr. Abdullah was seen going into his chamber and embracing him. He kept Mr. G. M. Shah's sensitivities in view by asking him to preside when he vacated the presidents chair on occasions during the session, despite the presence of both the provincial presidents.

Observers here, while admitting his ability to carry the party with him, refer to his relative political and administrative inexperience. He has never gone, they say, through the rough-and-tumble of politics. They have a point. Until last year, his political experience was confined to being seen with his father. He did not even have to go to the hustings during the 1980 parliamentary elections as all the opposition candidates withdrew at the

last minute. There was no contest even for the presidentship of the party. His was the only nomination paper received by the returning officer. But there is no denying that he is forward-looking and that, with him at the helm, there will be changes in party functioning.

Dissidence within the party, if any, will surface when he reconstitutes the central working committee. Till now, the struggle between him and Mr. G. M. Shah has been fought through proxy within the confines of the Srinagar municipal council. This struggle saw the ouster of the council president, who owes allegiance to Dr. Abdullah, and the coming into power of Mr. Shah's supporters.

The National Conference president, has, however, taken the precaution of announcing the formation of a youth wing. Hitherto, the youth federation unofficially played this role and observers here feel that the new body, named the Youth National Conference, will serve as a counterweight to the parent body till such time as the new president consolidates his position.

But for a resolution and a proposal, there was nothing startling at the session. The resolution on the state's autonomy announced the steps, including a review of Central laws extended to the state, being taken towards the restoration of the constitutional position of Jammu and Kashmir as it existed prior to August 1953, when the Sheikh was dismissed and arrested. If carried to its logical conclusion by the government, this resolution will put the latter in direct confrontation with the Centre.

Special proviso

A careful reading of the agreed conclusions of the Kashmir accord, which brought the Sheikh back to power in 1975, would show that under clause four, "with a view to assuring freedom to the state of Jammu and Kashmir to have its own legislation on matters like welfare measures, cultural matters, social security, personal law and procedural laws, in a manner suited to the special conditions in the state, it is agreed that the state government can review the law made by Parliament or extended to the state after 1953 on any matter relatable to the concurrent list and may decide which, in its opinion, needs amendment or repeal". The clause goes on to say that the grant of President's assent to such legislation would be sympathetically considered.

But the preceding clause makes it clear that only provisions of the Indian Constitution which have been applied to Jammu and Kashmir with modifications or adaptations can be altered or repealed by an order of the President under article 370, each order being considered on merits. But any provision of the Indian Constitution applied in its totality will remain unalterable.

Though the Sheikh is believed to have urged the enlargement of the state's autonomy during discussions with Mr. G. Parthasarathi, Mrs. Gandhi's negotiator, he did not make any headway. In any case, Mrs. Gandhi, in her letter of February 12, 1975, appreciating the Sheikh's acceptance of the agreed conclusions, remarked: "I am aware of your views on the Centre-state relationship in respect of the state of Jammu and Kashmir. I have already explained to you that the clock cannot be put back and we have to take note of the realities of the situation."

Similarly, observers say that Dr. Farooq Abdullah's suggestion that the Congress (I) wind up its state unit appears illogical. If the National Conference, as it claims, has massive grassroots support, then the existence of the Congress (I) should not be a matter of concern to it. By accusing the Congress (I) of creating trouble, the National Conference is tacitly admitting that it enjoys support, even if only in certain pockets of the state.

CSO: 4220/7053

CORRESPONDENT EXPRESSES ALARM OVER SOVIET INTERVENTION IN AFGHANISTAN

Islamabad THE MUSLIM in English 5 Oct 81 p 6

[Text] Karachi, Oct 4: S. S. Akbari Chief correspondent of RADIANCE weekly Delhi, has said in an interview that the people in India are appalled, and alarmed at the Russian troops intervention in Afghanistan.

They are alarmed by the mass massacre of the Afghans and at the grim prospect of escalation of war. He said the Indians dread the whole sub-continent may be engulfed in war leading believed its mass killings, poverty, hunger and diseases. The Indian journalist opened that what is happening in Afghanistan today may happen in Iran, Pakistan and India. The people of India are already crying aloud in the face of mounting poverty, hunger and disease rampant in every nook and corner of India.

When his attention was drawn towards the communal riots in India, Mr Akbari said the communal riots have become the order of the day in India not because the Hindus hatred of the Muslims but because the heart of the problem is the wretched plight of the Hindus and Muslims living in India.

The heart of the problem is unemployment coupled with hunger and disease. Although the government headed by Indira Gandhi deals ruthlessly with the rioters yet the basic cause of the communal riot is pure and simple economic.

Unless, he added, poverty and hunger are banished from India, the agitation of students, farmers are communalists will continue unabated reverting to Afghan affairs the Indian newsmen remarked that the Muslims of India are not happy with the policy of the Indian Government pursued in Afghanistan. [as published]

Talking about India and Pakistan relations, Mr Akbari said the Muslims of India look forward for extremely friendly and cordial relations existing between India and Pakistan as they are of the considered view that in the happy relations of India and Pakistan lies the well being and prosperity of the minorities of both the countries. Any strained relations between the two countries, Mr Akbari said becomes the cause of concern and anxiety of the minorities of both India and Pakistan.--PPI

CSO: 4220/32

KASHMIR CHIEF MINISTER ON HIS STATE'S RIGHTS

Karachi BUSINESS RECORDER in English 8 Oct 81 p 3

[Text] Sialkot, Oct. 7: Puppet Chief Minister Sheikh Mohammad Abdullah of Indian occupied Kashmir state said that we are fully alive as far as the safeguard of our rights are concerned and nobody will be allowed to do harm to these rights at any rate, he added.

According to an Urdu daily TROSHANI of Srinagar Sh. Abdullah was speaking in the so-called legislative assembly of state in reply to a question raised by an opposition member Abdulla Abdulghani Loan of Peoples Conference.

The Sheikh continued that the particulars of the rights of our state had already been defined in the 310 section of Indian Constitution apparently under which the estate enjoys special status.

The relation between the state and centre are based on this section, he added. Sh. Abdullah set aside the blame levelled by Abdulghani Loan regarding the confirmation of the appointment of Chief Justice of the occupied Kashmir High Court, in which Loan alleged that the delay caused in confirmation of the Chief Justice's appointment was synonymous to harm the internal independence of the held state. The state Chief Minister on this point clarified the constitutional position and said that the President of India has the jurisdiction of authority under the held state constitution in this connection.

The approval of recommendations by the occupied state government in connection with the appointment of Chief Justice of the State High Court is a legal prerequisite and the Central Government shall have to concede to these recommendations, Sh. Abdullah concluded.--PPI

CSO: 4220/32

PAPERS PUBLISH REPORTS ON PRC INTRUSIONS

Guerrillas in Ladakh

Calcutta THE STATESMAN in English 12 Sep 81 p 9

[Text] Srinagar, Sept.11--Six China-trained guerrillas have been arrested by the Indian security forces recently in different parts of the border areas of Ladakh, according to official reports reaching here yesterday.

The reports further reveal that the guerrillas who managed to enter into Changthang and Nobra areas of Ladakh last month were reportedly deployed by the Chinese Army Intelligence authorities for espionage work in the border areas. They were taken into custody while they were roaming around some Indian defence installations located in these areas.

Official sources said, however, that local Buddhists refused to provide them with shelter because they suspected them to be foreign agents.

PRC Denial Reported

Bombay THE TIMES OF INDIA in English 13 Sep 81 p 1

[Text] Beijing, September 12 (PTI): China today pleaded innocence of a recent border incident in which several Chinese troops armed with automatic weapons reportedly entered the Ladakh region and hoisted the Chinese flag.

A foreign ministry official merely said: "We know nothing about this," when his attention was drawn to the incident.

According to reports Chinese-trained guerrillas had crossed into Ladakh and hoisted the Chinese flag. Both incidents happened last month, but it is not clear if they were connected.

A foreign news agency report from Leh, capital of Ladakh, said six Tibetan guerrillas were found near defence installations "disguised as smugglers and apparently deployed by the Chinese army intelligence unit in western Tibet."

China has been conducting survey work along the border and at times Chinese troops have crossed the frontier, but New Delhi was not making a fuss about the intrusion, some sources added.

An official Indian delegation is due here possibly in late October or early in November to discuss the long-standing border dispute that caused the 1962 Sino-Indian border war.

Officials Refute Denial

Madras THE HINDU in English 14 Sep 81 p 1

[Text] Srinagar, Sept. 13. Though China has pleaded innocence about its troops' recent intrusion into Ladakh, official reports reaching here say that they (Chinese troops) have neither withdrawn from the tri-junction area (of Ladakh), which is 200 metres inside Indian territory, nor pulled down their flag, planted after the intrusion.

Official circles here are, however, hopeful that the Chinese Government will direct its troops to withdraw from Indian territory.

Report From Foreign Ministry

New Delhi PATRIOT in English 24 Sep 81 p 1

[Text] Chinese troops had strayed into Indian territory on the trijunction North Ladakh as early as in May this year, it was learnt from the External Affairs Ministry on Thursday.

It may be recalled that the Chinese Government had denied any such intrusion when such a report had appeared in an Indian newspaper earlier this month.

It is learnt that the Chinese were approached by the Indian border guards who told them that they had strayed into Indian territory. Within a few hours, the Chinese had left the place and returned to their territory. India had not played up the incident, but it acquired publicity when the press report appeared.

The Chinese authorities had taken exception to the report describing it as a "very friendly act" in the official organ of the Chinese Communist Party, PEOPLE'S DAILY. The paper had observed that such a report would harm the cause of Sino-Indian relations.

CSO: 4220/7066

ASSAM GOVERNOR REPORTED READY TO FORM CABINET

New Delhi PATRIOT in English 11 Sep 81 p 4

[Text] Gauhati, Sept 10 (PTI). Governor of Assam and Meghalaya Prakash Mehrotra today said that he was ready to examine proposals by political parties for formation of a popular government in Assam, but stability of a ministry would be the 'main criterion' before considering such proposals.

No political parties or groups in the State Assembly, however, had approached him so far in this regard, Mr Mehrotra told PTI in an interview at the Raj Bhavan here.

The Governor said that his immediate concern was the economic development of Assam and he had ordered the State Government to initiate time-bound concrete measures in that direction.

Referring to the urgent need of industrial development in the State, the Governor said that efforts had been made to give more incentives and necessary assistance to the entrepreneurs 'under one roof' to remove the present difficulties faced by them to start new ventures.

Mr Mehrotra said that he had asked the State Industry Department to prepare a 'project profile' on industries which could be set up in the State on the basis of available resources.

The Government, he said, had also constituted a committee to review high power tariff to ensure availability of electricity to the industrial units at reasonable rate.

The Governor said that he would visit each and every district of Assam soon for first hand information about the problems faced by the people of different areas and to take remedial measures accordingly.

CSO: 4220/7061

COMMUNIST PAPER REPORTS KHALISTAN DEVELOPMENTS

Khalistan Currency Released

New Delhi PATRIOT in English 10 Sep 81 p 1

[Text] Amritsar, Sept 9 (UNI)--The currency of the so-called Republic of Khalistan" was released here today by national council of Khalistan secretary-general Balbir Singh Sandhu.

The currency note--in denomination of five dollars--bears the picture of the Golden Temple on one side, and the portrait of Maharaja Ranjit Singh on the obverse.

It bears the signature of Mr Surjan Singh as the 'Governor of the Reserve Bank of Khalistan.'

The words "Republic of Khalistan" and "five dollars" are written on the note,--both in Roman and Gurmakhi scripts.

Speaking on the occasion, Mr Sandhu said that currency notes in other denominations would be released soon. He, however, refused to disclose the name of the designer of the note and the press where they had been printed.

The notes had been sent by the council "president," Dr Jagjit Singh who was currently abroad, he said.

Meanwhile, 'the Radio Golden Temple,' would be installed here on the birthday of Guru Nanak that falls on 11 November this year, he added.

Opposition in Punjab

New Delhi PATRIOT in English 10 Sep 81 p 4

[Text] The Punjab Hindu SANGATHAN on Wednesday demanded that those raising the demand for a separate Sikh state of "Khalistan" be disenfranchised and not allowed to contest elections to Parliament and State legislatures, reports UNI.

The demand was made by a deputation of the SAGATHAN comprising among others Punjab Arya Pratinidhi Sabha president Virendra, former Punjab Home Minister Mohan Lal and Punjab Vyapar Mandal general secretary Chaturbhuj Mittal, when it met Prime Minister Indira Gandhi.

A spokesman of the SANGATHAN told newsmen that the deputation apprised the Prime Minister of the "divisive, separatist and destructive policies of the Akali Dal whose demand for State autonomy in consonance with the Anadpur Saheb resolution was a stepping stone to Khalistan."

Clarifying that "the SANGATHAN was not opposed to the Sikhs but to the 'communal' policy of the Akalis, the spokesman said the Akalis were playing the same game that was played by the Muslim League for the creation of Pakistan."

The spokesman showed copies of a "Khalistan" passport and a currency note to the newsmen, which, he said, proved that the "Khalistan" movement enjoyed powerful support.

He said the deputation also demanded official language status for Hindis in Punjab and minority status for Hindus in Punjab, Nagaland and Jammu and Kashmir.

CSO: 4220/7060

SPLIT AMONG ASSAM AGITATION SPONSORS 'IMMINENT'

Bombay THE TIMES OF INDIA in English 10 Sep 81 p 9

[Text]

SHILLONG, September 9.

A SPLIT in the All-Assam Students' Union (AASU) and the All-Assam Gana Sangram Parishad (AAGSP), co-sponsors of the two-year-old Assam agitation over the foreign nationals issue, appears imminent.

The organisations are being subjected to various pulls and pressures and a sort of polarisation is taking place between those who are not too concerned with the plums of office and others having political ambitions. While the relatively moderate and non-political elements are understood to be keen to reach an understanding with the Centre on measures to resolve the issue, the hardliners among the agitators are not too happy with what they describe as the capitulation of the moderates.

The parishad, a conglomerate of over a dozen organisations, has three main components. While the AASU provides it with the muscle and the Assam Sahitya Sabha the support of intellectuals, local organisations like the Purbanchalya Lok Parishad and the Assam Janatabadi Dal (AJD) form the political frame of this loosely-knit organisation.

While the AASU and the Sahitya Sabha — the two non-political organisations with no political axe to grind —are on one side of the fence, differences exist even within the various political constituents of the AAGSP. For instance, the AJD is already split into three factions with three self-proclaimed presidents of the organisation.

The marriage of convenience between the AASU and the AAGSP was virtually dissolved late last year when both sides publicly declared their intentions of going their own way. However, the efforts of some mediators helped in papering over the cracks on that occasion.

The AASU leadership had then grudgingly agreed to continue its partnership with the parishad for fear of being held responsible for scuttling the agitation.

The rift once again surfaced last week when the executive of the parishad expelled one of its convenors, Mr. Jatin Goswami, who represented the Sahitya Sabha and was known to be a votary of an early-negotiated settlement to the problem. He was expelled on the charge of "anti-movement" activities. Last one got an impression that the action against Mr. Goswami was directed to silence the moderates, the parishad executive performed the balancing act of admonishing the "hawkish" PLP leader, Mr. Nibaran Bora, for writing a signed article in a Gauhati journal, 'Agradoot', challenging the wisdom of continuing the negotiations with New Delhi.

CSO: 4220/7057

DELHI APPROVES HALDIA PETROCHEMICAL COMPLEX

Bombay THE TIMES OF INDIA in English 10 Sep 81 p 7

[Text] Calcutta, September 9. The industry minister, Dr Kanai Bhattacharya, told the assembly today that the government of India had adopted the Haldia petro-chemical complex plan and that some officers would visit Calcutta this week-end to finalise the details.

He told another questioner that he did not agree with the government of India's view, conveyed to the chief minister, Mr Jyoti Basu, that an electronics complex, proposed to be located at Salt Lake in the city's suburb, mainly to meet the defence needs, should not be located so near an international border.

The border state concept, according to him, no longer held good, because of the fast development of weaponry with which it was possible to reach any point from any other point. The state government would, therefore, pursue the matter.

In the meantime, the state government, on its own, was going ahead with a Rs 25-crore electronic development project to be implemented during the current plan period. But Salt Lake had its own advantages. The industry posed no pollution hazard and there was land earmarked already for it.

The small industries minister, Mr Chittabrata Mazumdar, responded positively to a member's suggestion that an all-party legislators' delegation should visit Delhi to persuade the authorities concerned to increase the allotment of raw material like iron and steel, tallow, paraffin wax and aluminum to over 70,000 small units in West Bengal.

Mr Mazumdar gave figures of the allotment and actual supply of these items to West Bengal over the last few years, comparing with those made available to Punjab and Haryana, to say that the state was not getting justice in this regard. He cited the example of tallow and said not an ounce of this raw material could be obtained during 1980-81 because the STC wanted users to lift stocks from Bombay docks.

CSO: 4220/7057

PUNJAB LEADER SAYS DELHI AKALI RALLY A FLOP

Bombay THE TIMES OF INDIA in English 10 Sep 81 p 7

[Text] Chandigarh, September 9: The Punjab chief minister, Mr Darbara Singh, yesterday claimed that no more than 40,000 people joined the Akali Dal rally in Delhi on Monday. Only 20,000 of the participants were from Punjab, he stated.

The chief minister told newsmen here that the "thin" attendance at the rally showed that the Sikhs did not support the demands of the Akali Dal(L). The party had failed to prove that the Sikhs were being discriminated against. Most of the slogans and demands did not concern the Sikhs alone. They concerned the entire state, he said.

The demands were mainly economic, but the Akalis were in the habit of giving them a religious colour to exploit the sentiments of the masses, he stated.

Mr Darbara Singh said the charge of religious interference also did not hold water. It was indeed ironical that the Akali Dal, which held a convention in 1971 to install Mr Santokh Singh as president of the Delhi Gurdwara Prabandhak Committee, was now trying to dislodge him from the post. In any case, if the Akalis felt so strongly about it they should urge the government to abolish the Gurdwara Act and manage the affairs of the gurdwaras themselves. Why should they ask the government to hold Gurdwara elections, he asked.

According to observers here, the Akali rally did not prove to be a damp squib as was predicted by the chief minister, or a fiasco as feared by the PCC(I) president, Miss Sarla Prasher. However, the number of participants fell far short of the Akali Dal(L)'s expectation of 500,000.

CSO: 4220/7057

CIVIL RIGHTS LEADER ALLEGES DICTATORSHIP PLANNED

Calcutta THE SUNDAY STATESMAN in English 20 Sep 81 p 3

[Text]

Mr V. M. Tarkunde, eminent jurist and president of the all-India body of the People's Union for Civil Liberties, warned that attempts were being made to impose dictatorship on the country. A definite step in this direction was likely to be taken in the near future, he said in Calcutta on Saturday.

Inaugurating the first State conference of the West Bengal unit of the PUCL, Mr Tarkunde said that many Third World countries, particularly those which, like India, had been under colonial rule, now had dictatorial regimes. Events in the country, according to him, indicated that a change for dictatorship was impending.

Many people he said, thought that the country's problems could be solved under a benevolent dictatorship. But dictators preferred to maintain a status quo, whereas a change for the better could be achieved only in a democracy.

Mr Tarkunde expressed grave concern over the recent attempts to convert the judiciary into Government machinery. Citizens' rights —political, civil or economic—could not be protected without an independent judiciary. The alleged attempts at subjugating the judiciary to the ruling party and the Government was part of the design to impose dictatorship, he said.

He was also critical of the National Security Act and the Essential Services Maintenance Bill. He doubted the Centre's argument that the Act had been promulgated to punish economic offenders. According to him, had the Government been sincere, it could deal with economic offenders with legislation such as the Conservation of Foreign Exchange and Prevention of Smuggling Act. In reality, he alleged, the Act had been used against political opponents of the ruling party at the Centre. It was "dangerous" for the people of the Government had a permanent provision for preventive detention without trial.

Mr Tarkunde said that the Government would have been justified in passing the ESM Bill if it set up an alternative machinery to redress workers' grievances. Strikes he added, were a means to collective bargaining and asked how workers could bargain without strikes in the event of a dispute.

Civil liberties were far more important than the franchise. Events had proved that elections could be "bogus". The protection of civil liberties was also a guarantee for political rights. He urged people of all political views to organize themselves to safeguard civil liberties, so that the Government did not find them "sleeping over" the repressive laws and reimpose an emergency.

Among others who addressed the conference were Mr Pratap Chandra Chunder, former Union Education Minister and Janata leader, Mr Santosh Rana, MLA (CPI-ML) and Mr Asutosh Banerjee (SUCI). Mr Ananda Shankar Ray, noted litterateur, presided.

CSO: 4220/7089

DELHI RESPONSE TO PAKISTAN PROPOSAL LAUDED

Calcutta THE SUNDAY STATESMAN in English 20 Sep 81 p 8

[Editorial: "Scope for Discussion"]

[Text]

It might be difficult to consider the Pakistani proposal for talks to evolve guarantees for "non-aggression and non-use of force" in isolation from the formidable military plans now being discussed by the U. S. House Foreign Affairs Committee. The Reagan Administration's rationale seems to be that since Pakistan is under direct and constant Soviet pressure. General Zia-ul-Haq needs the $3.2 billion package promised by Washington as well as about 42 F-16 aircraft, to defend his country. Mr James Buckley, the Under-Secretary of State for Security Assistance and now Islamabad's most fervent champion in the West, would not be deflected from pursuing this line of fallacious reasoning even when several Congressmen drew attention to Mr Agha Shahi's repeated affirmations accepting assurances of Moscow's pacific intentions. The anomaly is less easily dismissed in India for it inevitably raises questions about who really is seen as the adversary from Islamabad. In this context, it is pertinent to note that while 15 Pakistani infantry and two armoured divisions are stationed along the Indian frontier, only five divisions (four infantry and one armoured) are deployed on the border with Afghanistan. If Mr Buckley's claim of Pakistani fears of an Indo - Soviet "pincer movement" provides a partial answer, it also implies that the USA is arming General Zia for purposes other than those that are so vigorously stated.

This seeming prevarication is not likely to generate confidence in New Delhi or induce any degree of optimism about agreement. It is curious, for instance, that while U. S. spokesmen justify military aid in terms of the alleged Soviet threat, the Pakistani ambassador to India defends acquisition of sophisticated weapons only on the grounds of India's military capacity. The contradiction does, however, lend some importance to a proposal that was first mooted when Mr Agha Shahi visited India last year, and reiterated when Mr Narasimha Rao was in Pakistan in June. Islamabad's original and wholly unrealistic interest in military parity seems in recent months to have shifted to a mutually agreed reduction of forces leading to the establishment of some kind of ratio. If, for argument's sake, the proposal were to be treated as genuine, it would still have only limited application to the Indo-Pakistani border: India's defence obligations elsewhere, especially along the Himalayas, cannot be included in the purview or in any way be circumscribed by an agreed formula. Nor, as Mr Swaran Singh earlier told Islamabad, can the matter be left to military commanders who can at best discuss conditions on the ground within strictly defined sectors. Any overall decision can only be taken at the highest political level.

Nevertheless, New Delhi has done well not to reject the offer out of hand as had seemed likely from Mrs Gandhi's earlier reference to the "trap" of a lower level military balance. While scepticism is perfectly understandable, any approach that holds out even the remote prospect of reducing tension deserves thoroughly to be examined. Even if it leads nowhere, New Delhi's positive response might help to scotch the bogey of Indo-Soviet collusion. A negative Indian attitude can at this time only strengthen General Zia's case, for he must find strident American expositions of his peril at Soviet hands somewhat embarrassing when he is also trying to repair relations with Moscow. Indian inflexibility would provide him with just the excuse that he might be looking for to obtain sophisticated arms without offending the Soviet Union, a point that cannot be lost on the External Affairs Ministry's parliamentary consultative committee.

CSO: 4220/7089

STAND ON PAKISTAN COMMONWEALTH REENTRY SUPPORTED

New Delhi PATRIOT in English 19 Sep 81 p 9

[Text]

India's stand on the controversial question of Pakistan's re-admission to the Commonwealth has found broad support from Commonwealth Secretary General, Siddarth Ramphal, reports PTI.

Mr Ramphal feels that the concurrence of all members countries of the 44-nation Commonwealth was involved in such an issue. India is also of the view that such questions had to be decided on the basis of unanimity as stated by Prime Minister Indira Gandhi, in a press interview two days ago.

Any dramatic developments regarding Pakistan's re-entry into the Commonwealth at the Melbourne summit later this month have been ruled out by Mr Ramphal in a recent meeting with diplomatic and Commonwealth writers in London.

The issue of re-admission of Pakistan is not on the agenda for the Melbourne summit which begins on 30 September, Mr Ramphal said.

The Commonwealth Secretary General expressed himself 'against projecting the question in 'high relief.' It is not really helpful to project this matter in high relief and certainly not in an east-west context,' he said.

According to Mr Ramphal, the formal position is that no approach of any kind had been made to the Commonwealth Secretariat. However, he was aware that the issue had been the subject of some bilateral contacts.

Mr Ramphal expressed the view that Pakistan's re-admission is the kind of matter that 'most appropriately evolves in quiet conversation.' Melbourne could provide the opportunity of that kind, he said.

He told the questioner that any process of consultation did not imply 'automaticity.' The concurrence of all member countries was involved.

The Secretary-General also spoke of the important convention that requests for membership should broadly reflect the 'wish of body politic.'

'Since this is the first time such a matter will be arising, I expect that the Commonwealth leadership would want to consider wider questions of policy and procedure before dealing with any particular case While Melbourne, therefore, could see a beginning along these lines, I would not expect it to take the process all the way,' Mr Ramphal added.

CSO: 4220/7087

BENGAL ASSEMBLY ASKS JUTE INDUSTRY NATIONALIZATION

Calcutta THE STATESMAN in English 19 Sep 81 pp 1, 9

[Text] The West Bengal Assembly passed a resolution on Friday, demanding nationalization of the jute industry, Mr Kamal Guha, Agriculture Minister, said nationalization of the industry alone could save jute growers. Mr Bhola Nath Sen, leader of the Congress(I) legislature party, however, opposed the resolution.

The nationalization of the jute mills was demanded in an amendment moved by Mr Ashok Bose, Chief Whip of the Left Front legislature group, to a resolution moved by Mr Kamal Sarkar (CPM) and six others.

Mr Guha alleged that the jute mill owners had virtually declared a war on jute growers and workers in the jute industry by refusing to purchase raw jute. They had made the "dangerous" propositions that both the cultivation of jute and production at the mill be cut down, he added.

The Minister alleged that the mill owners were trying to precipitate a situation in which they could close down units and avoid paying bonus to the workers. The mill owners had stopped buying raw jute from the growers because they would have to pay the rates fixed by the Jute Corporation of India at Rs 182 a quintal if they bought the produce now. They were biding their time to buy raw jute at much lower rates when the growers took to distress sale.

Mr Guha referred to a meeting of the representatives of the Indian Jute Mill Association with the Chief Minister, where the IJMA men pleaded inability to buy raw jute unless they were provided with bank loans. But the mill owners had not bought the produce with Rs 84 crores they had received 14 weeks ago from the Reserve Bank of India for purchasing jute. During the meeting with the Chief Minister, Mr Guha said, the IJMA representatives had said the mills bought raw jute for six weeks with the RBI loan and that the rest of the money was spent on production.

While describing this as unfair on the part of the industry, the Minister said that Mr Jyoti Basu had told the IJMA delegation "firmly" that they must buy raw jute from the growers. He criticized the Centre for failing to persuade the JCI and the industry to buy more jute from the growers. But the jute growers would not accept the situation. Mr Guha warned that if a law and order problem was created because of the jute industry's "raw deal" to the growers, the Centre would have to take the responsibility.

According to the Minister, jute crop in the State this year had amounted to about 3.9 million bales. The JCI had agreed to buy about 1.3 million bales. Usually, the mills purchased the remaining crop. But this year a "disastrous" situation had been created by the mills' refusal to buy raw jute from the market.

Demand

Earlier, moving the main resolution, Mr Kamal Sarkar complained that the present system of purchase of raw jute and the current jute price were detrimental to the growers' interest. He demanded that the Centre buy the entire crop and immediately stop the purchase of the produce by private agencies. He wanted the Centre to arrange the purchase in consultation with the State Government and the panchayats be involved in opening purchase centres and issuing identity cards to jute growers.

Mr Sarkar demanded that the crop be priced at Rs 300 a quintal and that the purchase be ensured early in the season. He wanted the Centre to allow the State Government to set up its own jute corporation and provide funds to it.

While supporting Mr Sarkar's resolution, Mr Bhola Nath Sen opposed Mr Ashok Bose's amendment demanding nationalization of the jute industry. He said that nationalization would not solve the problem of the farmers. He criticized the State Government for failing to complete arrangements for the purchase by the JCI. According to him, cards were not distributed to bona fide growers when the JCI went to market. He alleged that the panchayats which were entrusted with the task of distributing identity cards were patronizing middlemen. Godowns were not provided to the JCI. Referring to the incident in West Dinajpore a few days ago, in which two jute farmers were killed in police firing, Mr Sen said that the killings would not have occurred if the State Government completed the preliminaries.

The Agriculture Minister maintained 12,00,000 identity cards had been distributed to growers. He said that he had earlier told the House that the distribution of the cards would take two to three years. He claimed that the State Government had done its best to provide storing facilities to the JCI. Different Government buildings and schools had often been used for the purpose. A meeting had been convened by the Land Reforms Minister on September 21 to discuss further measures in this respect. He informed Mr Sen that the Land Reforms Department, and not the panchayats, distributed the cards. He also denied Mr Sen's allegation that the panchayats were patronizing middlemen.

In fact, the Left Front Government's purchase policy had so antagonized the middlemen that they had formed an association and made representations against the policy.

Mr Deba Prasad Sarkar (SUCI) moved another amendment to the main resolution, demanding that the State Government make its own arrangements to buy the produce from the growers if the Centre did not act in accordance with the

resolution. Referring to his amendment, Mr Guha said that the mill owners ignored the JCI, a Central organization, despite the fact that they had to depend on the Centre on many counts. One could easily imagine that mills would take a worse stand towards the State agency, he said and asked: "Who would then buy the crop?"

The House rejected Mr Sarkar's amendment by a division.

CSO: 4220/7085

SCHEDULED CASTES PANEL REPORTS ON TAMIL NADU TOUR

Calcutta THE STATESMAN in English 21 Sep 81 p 9

[Text]

NEW DELHI, Sept. 20.—The Tamil Nadu Government has told Parliament's Committee on Scheduled Castes and Scheduled Tribes that although conversions had been taking place in the State since 1944, the present mass conversions of Harijans to Islam "were very serious", and were "being done in an organized way".

The committee mentions this in its report of a study tour of Tamil Nadu in August. The report was tabled in both Houses of Parliament on Friday.

"It had been found by the State Government that after conversion, the converts were under continuous follow-up action for the purpose of religious initiation and were drawn into the religious network systematically", the report said.

The committee was also told that the conversions were of "great concern to the State Government" and the latter was "trying to find out what and where things had gone wrong".

The State Government's Home secretary, who was among the senior officials the committee spoke to, said that Meenakshipuram in Tirunelveli district, which was the principal scene of recent conversions, was situated among three Muslim villages and was, therefore, having considerable impact.

Harijans of that village, according to the official, had been working in the homes of Muslims for a long time, were conversant with their customs, "and their minds were ready for conversion". The State Government had also received information that people from outside the State were visiting the area and encouraging Harijans to embrace Islam.

The committee, which visited Meenakshipuram on August 11, was told, according to the report, that "atrocities committed by the police on the Harijans of Meenakshipuram hastened the process of conversion from Harijans to Muslims".

In a graphic description of the process of conversion, gleaned by the committee from the leaders of the Harijan community in the village, the report says: "It was stated that about 300 families of Meenakshipuram had embraced Islam so far. On March 19, Muslims of the area and certain Muslims who had come from outside had arranged a feast and invited the Harijans. Those Harijans who did not want to go were dragged to that feast. The conversions followed the feast on that day. Prior to that a local MLA belonging to the Muslim League and a member of Parliament belonging to the same party were seen visiting the village. They generally came after 10 p.m. and remained there for some time.

"It was alleged that many well-to-do Muslims were putting pressure on them to get converted. They were being told that if they embraced Islam they would get social equality and respect and they would be able to marry their children into the Muslim families and also their children would be sent abroad for jobs...

"It was also reported that a large number of Muslims from neighbouring districts and from Kerala visited Meenakshipuram regularly and exchanged greetings with the newly converted. The study group saw for themselves on that day (of its visit to the village) that more than 100 Muslim men and women had come from outside and were present there".

DISCRIMINATION

At the committee's meeting with officials in Madras, the Home Secretary pointed out that Harijans were subjected to discrimination in non-Harijan villages, that the use of chappals by them was objected to, and that there were separate barber shops and drinking water facilities for the Harijans. The official told the committee that social change would be the only answer to the problem. "Quite a lot of change had already taken place".

The State Social Welfare Secretary felt the situation was "very complex", that conversions had been going on for a long time, and that despite economic development Harijans had not been given social equality. Also, it was not the poorest among the Scheduled Castes who were converting "but the educated, who had taken advantage of the relaxations and benefits earmarked by the Central and State Governments". They were revolting against social inequality.

"The Harijans also had a feeling that Muslims responded more to their greivances and difficulties than the Hindus. In the State, in certain pockets prejudices were deep-rooted and would take time to go".

The report notes that in response to the committee's query about the role of foreign money in these conversions, the Social Welfare Secretary said that it was difficult to say whether foreign money had been involved. "So far, affected persons had not given any information in that regard. It might be that they felt that it was not in their interest to disclose whether they had received any amount for conversion. However, it was engaging the Government's attention and it would have to be probed".

The committee records that in a subsequent note, the State Government drew the conclusion from the recent conversions that religion had ceased to be a matter of conviction and had become more a matter of convenience.

More importantly, the State Government pointed out that "after the initial euphoria, there was a certain disillusionment already setting in among the new Muslims since they had been given separate places of worship, etc"

WOMEN AT DISADVANTAGE

The State Government note also mentioned that the converted women were at a particular disadvantage "since all the social disabilities suffered by Muslim women were being imposed on these women also, who were, until recently, enjoying freedom of movement, freedom of social mixing and economic wages, all of which had been lost to them".

Details supplied to the committee by the State Government indicated that although conversions had taken place recently in three southern districts of the State, the number converted was the largest in Meenakshipuram (1,000 converted on February 19) and in Kurayur in Madurai South district (400 between February last year and May this year).

Kanday (in Madurai South) with 93 conversions in June; Veerawanur (in Ramanathapuram district) with 56 on May 20; Maravakudi (in the same district) with 48 on May 15; Melamadai (also in the same district) with 46 on May 29, and Ernampatty (in Madurai North district) with 29 in May were also on the list of recent conversions. In six other villages in the same districts there had been conversions, but they numbered less than 10 in each case.

CSO: 4220/7095

WEST BENGAL EXPECTS RECORD AUTUMN PADDY CROP

Calcutta THE STATESMAN in English 21 Sep 81 pp 1, 9

[Text]

WEST Bengal expects a record production of paddy during this kharif season. Unlike in the Northern States, where the monsoon has reportedly withdrawn early, affecting the vital period of paddy plant's growth, it still persists in West Bengal. The West Bengal farmers have no complaints about the weather, since it had never been so good for many years. Rain has been more or less evenly distributed. As a result, dependence on irrigation has also been marginal.

A conservative estimate of the aman paddy expected is around six million tons, to 6.2 million tons, which, however, was reached earlier in the State. The optimist section of the Agricultural Department of the Government hopes that the production may be as high as 6.5 million tons, specially because the monsoon is still favourable for the formation of "milk" in the paddy grains.

Except for a few pockets in Midnapore and Bankura, crop damage due to flood and drought has been minimum this year. In the drought-prone area of Bankura, specially in Mezia and Gangajalghat, crops were lost in about 100,000 acres, while in another 40,000 acres in Debra and Moina sub-divisions of Midnapore were affected by floods. The destruction even in these areas may not be total because of recent rain in the drought areas of Bankura and transplantation in some areas of Midnapore, where the flood water has drained out.

Another important factor which could have affected production was plant diseases. Experts feared a spread of such diseases this year because of the persisting cloudy weather. Fortunately, that too has been kept low. Sporadic cases were reported from the Sunderbans and Arambag, but the losses were not serious. The only "epidemic" was reported from Egra, where caterpillars destroyed a portion of the crop. However, the total loss will not be over 1% of the crop.

The coming three weeks, agricultural experts say, are crucial for the "pregnancy" of the paddy plant. This is the time when the grains are formed, which require occasional rain and some sunshine. The dry spell over Punjab, Haryana, Rajasthan and Uttar Pradesh for the past six weeks has affected grain formation. Since Nature has been favourable in West Bengal, farmers hope that for the coming three more weeks too, there will be no upset in the weather. Specially because the irrigation system in West Bengal is not as widespread as in Punjab or Rajasthan and only widespread and evenly distributed rain can decide the prospects of the crop. Experts feel that after a favourable season, if rain stops before the crucial three weeks, as it has been the case in the Northern States, growth of paddy can be stunted, affecting as much as 15% of the total crop. Meteorologists do not think that there will be an early withdrawal of monsoon in Bengal and as far as trends go, there should not be anything to hamper the record target expected this year.

Last year, agricultural experts were alarmed when they found that jute cultivation was eating into aman cultivation land. Jute was cultivated in 610,000 hectares, which was much higher than the "ideal" of 475,000 hectares. This year, however, jute cultivation has been brought down to 500,000 hectares and thus, increased the acreage under paddy. Moreover, aman paddy was sown in some areas after an early jute harvest. This was specially so in north Bengal, where about 20% of jute land was used for sowing aman paddy this year.

The total area under aman cultivation in West Bengal is about 10 million acres. It is difficult to increase the area further and the Agricultural Department is trying to increase the yield of paddy to persuade the farmers not to allow the land lie fallow after jute production. The attempt at multi-cropping suffered a setback as the price of fertilizers was raised twice early this year, raising the price over 50%. The consumption rate of chemical fertilizers, which was steadily growing by about 30% every year, dropped to about 15% this year after the price rise. The State Government's subsidy on nitrogenous fertilizers, however, increased the consumption to some extent. In spite of the fertilizer limitations, about 40% of the area of cultivatable land, according to the Agricultural Department, has been used for double cropping.

CSO: 4220/7095

COMMENTATOR DEPLORES 'DISARRAY' IN MILITARY

Calcutta THE STATESMAN in English 9 Sep 81 p 8

[Commentary by Romesh Thapar: "State of the Military: Time To Sit Up and Take Notice"]

[Text]

THE other day, I had occasion to visit a major military hospital. The hedges were trimmed. The lawns had been swept clean. The familiar little white bricks lined the roadways and pathways. The vast complex of buildings was well-maintained. There were no crowds—and no noise. Oh, if only we could bring this kind of "culture" to the crowded space of our sub-continent.

By the time I had entered the wards, and spoken to a few of the patients, all the glamour of the outward facade had dissolved. The cockroaches were crawling. Air-conditioners and air-coolers were out of order. The rooms were dingy and unkempt. The curtains had not been washed for a long, long time. And the bathrooms had that familiar smell we associate with underdevelopment.

It cannot be, I thought to myself. But it was. The nursing set-up, claiming to be "understaffed", did not seem to have any system by which it worked. Patients had often to hunt for the nurses to get their medicines. The food was terrible. Casual visits by doctors. No rigorous inspection. The hospital had become like so many in the country, but without the reasons we usually ascribe to the sharp decline in efficiency and standards.

The technical apparatus was in a similar state of free-wheeling. Despite good equipment, X-ray pictures were of poor standard. The most complicated tests, some described as "nuclear", were being conducted by junior assistants unlikely to understand what was expected of them. Small wonder that even the Intensive Care Unit, supposedly the most sensitive in a hospital, had been "invaded" by influential family members of patients.

I came away deeply demoralised, and began to wonder whether the infections which are destroying us have taken hold of the aloof military establishment which is so carefully looked after and nurtured by the ruling elite. The demoralization increased when senior military officers, who should know better, advised caution in criticism and pretended that maybe it was wrong to generalise. Yes, these too were the lazy civilian responses to an unhealthy situation.

If hospitals are becoming neglectful, a quiet look around at the disabled of previous wars on our borders will show that no one cares about them except voluntary bodies which are shocked by our casual attitude and the way we treat our soldiers as faceless creatures. If the impression gathers, as it is bound to, that no one cares about the disabled any more, there will be reluctance to risk one's life in battle. Make no mistake about it: morale is made up of many tiny elements of consciousness and a variety of sensitivities. It is the most elusive factor in our somewhat selfish society.

SECRET STRIFE

Obviously, something is wrong. Apart from the defence sector which must embody all the sicknesses of the public sector, and arms dealing by senior retired officers running into hundreds of crores, strange reports are coming out of the ordinance storage depots. At several centres, soldiers and NCOs have been involved in some kind of gang war, the details of which are being withheld without proper reason. There have been equally strange stories about men in our border formations spying for Pakistan, and the harassment of their families. And, to top it off, the officer corps is now resorting to the courts to fight promotions and demotions and suspensions, which points to confusion in selection systems. No probing is being done. All is secret.

I recall how some time ago I was startled to discover that now it is very difficult to be recruited into the defence services unless money is paid to the recruiting apparatus. The going rate a few years ago was Rs 2,000. It has doubled since then, I am told. What is interesting is that this state of affairs is well-known to the military staff, but no Chief has been able so far to break this dangerous corruption at the grassroots. May be, even the effort has not been made.

The seniormost echelons are not free of sloth and dilly-dallying. For example, it is well-known that the famous Jaguar file passed through the hands of three Air Chiefs. As one finally made up his mind, it was time for his retirement. And so the dismal story was repeated three times. Meanwhile the cost had soared, a story that is repeated at

every level in the economic ministries of the Government. Despite all this very expensive cogitation, we are now busy telling the country that the Jaguar is not really the aircraft we want. The F-16s, promised to Pakistan, are too good. So, we are back to considering the Mirage 2000, and the Tornado which is the successor to the Jaguar. What happens when the F-17s and F-18s are released for the junior partners of the USA?

REGIONAL FEARS

These stray thoughts on the state of the military need recording because we are confronted with a very grave destabilization in the region. The decision of President Reagan to build Pakistan into an Israeli-type front-line state, ostensibly against the Soviet Union, does not and cannot change the thinking of Islamabad's military clique which has only one enemy—India. The entire argument about confronting the Soviet Union is not taken seriously by the Pakistani generals.

As for the proposition of moulding themselves into a tough, efficient Israeli-type state, that is a rather far-fetched idea for Pakistan's military rulers, even if they were to romanticize their role for their unhappy people. For them, India will remain the enemy, and it is in our direction that the U.S. military aid will be used—unless, of course, we are able, through intelligent political management, to dissolve the tangles between us and around our borders.

In all our military confrontations, preparedness and the efficient utilization of available armament have been decisive factors. The collisions with Pakistan have invariably emphasized that theoretical superiority in armament must be matched by the capacity to activate it. The destruction of the Patton tank myth and the virtuosity of our own Gnat fighter are living examples to refute those who spend their time merely matching armament strength. Even the collapse in 1962 against China in NEFA, when we were literally unprepared, was not due to the prowess of our northern neighbour but to the failure of tactical generalship at the front. It is an event that needs more intelligent understanding even at the professional level, or else it is likely to distort and unbalance rational thinking.

Its preparedness — and I now use the term to cover the entire military canvas—is the critical factor, we need to shake the military machine out of any lethargies that may have accumulated over these recent years of political and economic drift. Courage and bravery in modern war are not enough. A highly sophisticated machine operates behind the lines. If the administration and coordination here is wanting or defective, it can write finis to any brilliant operation.

With the entry into South Asia of a USA controlled by men obsessed with rather simplistic notions about how the USSR is to be isolated, it is vital that the Indian Army, Air Force and Navy begin to sharpen their systems to overcome any deficiency in equipment. This is doubly important for a poor nation. We are at present talking about F-16s and their allegedly incredible power. Soon, other exotic pieces of armament will be under debate. This is inevitable when arms build-ups become fashionable, but it would be disastrous if we forgot the nuts and bolts of the military system.

I do not believe for one moment that the defence services in India are insulated from the general national environment which is not very healthy. In the drive for more and more matching armaments, and the inevitable physical expansion of the defence services in which all members of the officer corps are intensely interested, there is every likelihood of the military administration suffering increasingly from the palsies and paralyses which have hit the civilian fabric of society. We are inclined to be very short-sighted about this—and particularly in military circles.

Over these years of freedom, the military establishment has undergone profound changes. Unlike the situation prevailing at the time of the British, when recruitment was based firmly on carefully nurtured "martial classes" and officers were drawn from non-political or "loyal" families, today open competition is the entry point of the officer corps and recruitment is spread over the entire sub-continent. The military establishment is still uninvolved, always reluctant when called upon to interfere in civilian strife, but it is political in the sense that it reflects the moods and passions of the wider classes and castes from which it is drawn. The secure, politically manageable base of recruitment is no more.

If we have not understood this change, we are oblivious too of the need to intensify motivations and commitments among cadres who possess no martial traditions and look upon a military career as only another job where jobs are scarce. Demobbing and retirement systems in our fantastically expanded military establishment need careful study so that we are ensured of the finest fighting men who at a critical moment are prepared to die fighting. Selectivity should not be evaded. This sounds like a cliché, but flabbiness in promotions is a challenge. It is like a vicious weed. If neglected, it overwhelms.

SHADY BARGAINS

Political interference at various levels sharpens these problems. Fortunately, it has so far been possible to minimize the impact on the military establishment. However, it would be short-sighted to imagine that it is not touched by widely publicized "scandals" around the Jaguar deal, the Centurion tank sales and transfers, the wobbly decisions over Swedish and German submarines, and the decision to abandon the Harrier aircraft, to mention a few. The military cannot but be upset and demoralized by armament purchases which are subject to secret bargaining by unprincipled political fixers. Their lives depend on these purchases.

The whole framework of probity, discipline and accountability is being shot through. We cannot leave these matters to secret assessment. India's military budget was around Rs 1,300 crores when the problem of Bangladesh surfaced in 1971. Now it is more than double—some Rs 3,500 crores. And the projection is for another Rs 1,000 crores. If as civilians we are angry over what little we know of these goings-on, can the military be less incensed? After all, feeding these angers are all the other disgruntlements which are part and parcel of life in India today.

And that's the most disturbing fact of all. If the military establishment reflects the disarray—and breakdown—all around, is it possible to carry out a correction without attending to our "total" condition? The sooner we face this fact the better.

CSO: 4220/7055

WRITER GIVES BACKGROUND TO NEW SALEM STEEL PLANT

Madras THE HINDU in English 12 Sep 81 p 8

[Article by S. Parthasarathy: "Salem Steel Plant: Waiting for the Second Lap"]

[Text]

TO Josiah Heath, a sagacious Englishmen who lived in the early years of the 19th century, belongs the credit of first manufacturing steel in South India. He dreamt of an iron smelter at the foothills of Kanjamalai, a hill overlooking Salem and pregnant with iron ore.

The pioneering efforts of Josiah Marshall Heath, a member of the Indian Civil Service, saw the setting up in 1826 of a smelter worked with oxen and fired by charcoal. This iron was exported and used in the construction of Menai Straits suspension bridge. His first iron works was in Porto Novo in South Arcot followed by similar works in Pullampetti in Salem and Tiruvannamalai in North Arcot.

These gallant efforts could not, however, gather momentum, faced as they were with financial difficulties unfavourable climate, non-availability of fuel, etc. Operations ceased in Pullampetti in 1858, in Porto Novo in 1866 and in Tiruvannamalai in 1867.

A century and a half later Heath's dream has taken shape, though not in its plenitude, with the first stage of the integrated Salem Steel project (officials still maintain it is an "integrated plant") going on stream and commercial production starting on Sunday.

The first step was taken way back in 1970; the inauguration of work on an integrated flat rolled stainless steel plant at the project site by the Prime Minister Mrs. Indira Gandhi. But this actually did not mean anything. No funds were provided for several years to go ahead with the construction.

In fact, the project staff, engineers and others, left for better pastures elsewhere after being in Salem for a couple of years; they doubted the sincerity of the Government in going ahead with the project in the form announced. The notable exception was Mr. V. Subramaniam, former Managing Director of the Salem Steel Company, who was fretting and fuming with no work to do at Salem.

It was in 1977, seven years after the formal inauguration of work, that the project was resuscitated and funds were provided under the first stage of a Detailed Project Report, prepared by Desturs, to create facilities to produce annually 32,000 tonnes of cold-rolled stainless steel sheets and strips. It is this stage that has come to fruition now exactly on the target date with not much cost over-run, a rare distinction for public sector projects.

There is an interesting background to the efforts to set up a modern steel plant in Salem where iron/steel was produced for the first time in India over 150 years ago. After Independence, the Tamil Nadu Government initiated several proposals for an integrated steel plant in Salem making use of the local iron ore. These included one based on Kanjamalai ores and Neyveli lignite. Desturs were associated with most of these proposals and they prepared DPRs for a 0.5 million tonnes of mild steel plant. The Japan Consulting Technical Institute confirmed the technical feasibility and commercial attractiveness of the proposal.

The input for the cold-rolled complex will initially be purchased hot bands. Facilities for iron and steel making, hot rolling and cold rolling are to be added as per the DPR in the second stage to produce 220,000 tonnes of finished steels and strips comprising 70,000 tonnes of stainless steels, 75,000 tonnes of electrical steels and 75,000 tonnes of other special and mild steels. While the whole plant is estimated to cost around Rs. 700 crores, the first stage has up to now cost about Rs. 145 crores.

Stainless steel as an industrial raw material is widely used in the manufacture of equipment for chemicals, pharmaceuticals, fertilizers, dairy, atomic energy, space research, automotive vehicles etc. Its demand as seen from consumption figures is of

the order of 45,000 tonnes per annum. This must be only the tip of the iceberg. Limited availability and high domestic prices as compared to international prices have kept the demand low.

The temple of modern India should make shortage of stainless steel in the domestic market a thing of the past. The profitability of the company will be affected by the steep rise in the customs duty on the imported hot bands (it is now 320 per cent) operating over and above the countervailing duty and transport costs, according the company's chief executive Mr. A. A. Raju. The company's selling prices which take account of these, may not be economic particularly when imports of finished cold-rolled products are also allowed. The company has represented to the Government calling for doing away with or at least considerably reducing the levy, besides stopping imports.

With such a large investment of Rs. 145 crores and with direct employment remaining as low as 1000, the only hope for its becoming the focal point for the industrial development of this region, depends on application industries which unfortunately are not emerging in the neighbourhood or in the State. Observers are afraid that it may remain just a rolling mill with no multiplying effect for growth.

The project is getting wound up with its completion on schedule. What next is the question that bothers observers. The Union Government still maintains that this is only the first lap of the journey. Is the journey going to be long? When is the second lap beginning? Salem, in their view, should blossom into a giant integrated special steels plant as originally sanctioned. Only then will the dream of a steel plant for Salem come true. Will that happen, ask these observers.

The Salem plant was assured of a second Sendzimir mill and last year even a token provision was made for preliminary work. Because of the availability of infrastructure, it is expected to cost not more than Rs. 10 crores. Observers however, learn that thanks to the pressure from the Alloy Steel Plant (ASP), Durgapur, the second Sendzimir mill was not included in the Sixth Plan. ASP is trying to have certain extra facilities now itself so that after a couple of years it can stake a claim for the second Sendzimir mill in the country. That would mean the Salem plant would have to live with just one Sendzimir mill with annual production of 32,000 tonnes of stainless steel.

Though Mrs Gandhi's Government had taken a policy decision to set up an integrated steel plant at Salem and the same was approved by the Cabinet, during the Janata regime, the Steel Minister, Mr. Biju Patnaik, by a mere order, completely changed the concept of the integrated plant for Salem. Observers say he did it to accommodate the ASP lobby as well as to provide at Paradeep in his home-State a port-based plant. They regard this as a serious matter.

In view of the limited scope for expansion of the Salem Steel Plant, it is necessary to think in terms of horizontal expansion, under which semi-finished steel could be hot-rolled etc. in Salem to meet the demands of the Southern States. Market considerations should justify this, it is pointed out.

There is a hint that Dasturs are being asked to examine the future direction in which the Salem plant could be developed further. Power cannot be cited as a restraining factor with the Mettur thermal station coming up. For the functioning of an integrated plant, about a 100 MW power generation capacity would be needed while for the first stage, just commissioned, the power requirement would be around 30 MW when production reaches full capacity.

CSO: 4220/7064

COMMENTATOR SPECULATES ON IMF LOAN TERMS

Madras THE HINDU in English 13 Sep 81 p 2

[Text] Does the Government of India have any right to borrow from International institutions like the International Monetary Fund without first placing before Parliament all the facts relating to the loans and the conditions it proposes to accept?

Mr P. Ramamurthy (CPI-M) who raised this constitutional question in the Rajya Sabha during the half-hour discussion last week, took the view that under Article 292 of the Constitution, the Government does not have this right.

Article 292 says: "The executive power of the Union extends to borrowing upon the security of the Consolidated Fund of India within such limits, if any, as may from time to time be fixed by Parliament by law and to the giving of guarantees within such limits, if any, as may be so fixed."

Mr Ramamurthy's interpretation of the Article was that so long as Parliament does not enact a law fixing a particular limit, the Government of India has no right whatsoever to go on borrowing. "Otherwise," he said, "there is no need for this law, there is no need for this constitutional provision that casts a responsibility on Parliament to fix a limit for borrowing purposes." He charged the Government of India with by-passing this constitutional provision.

Mr Ramamurthy cited the examples of both Britain and Italy which also had raised massive loans from IMF in the past. "Even before they (the loans) were finalised these conditions (relating to the loans) were placed before Parliament and Parliament's approval was sought" by the United Kingdom and Italy. He charged the Government of India with trying to make a fait accompli before coming to Parliament.

Mr R. Venkataraman, Union Finance Minister, did not agree with Ramamurthy's interpretation of Article 292 and asserted that it did not cast such an obligation on the Government "It is the other way about," he said. The Government's right to borrow was unfettered by this constitutional provision as long as Parliament does not impose any limit on such borrowing.

Mr A. G. Kulkarni (Cong-S) who also participated in the discussion on the IMF loan and referred to Article 292, however, appeared to accept the position as explained by the Finance Minister, but regretted the "utter negligence on the part of the Government" in not having taken Parliament into confidence.

Since the "loaning and guaranteeing operations of the Government are beyond the purview of Parliament," Mr Kulkarni said, "it is high time that he (the Finance Minister) brings forward such a legislation so that these operations of the Government of India come under the purview of Parliament." The Finance Minister said that he would take note of this point of view which has been made several times before.

The country will have to wait to know the conditions relating to the IMF loan until the Finance Minister, as he has promised, places them before Parliament after the completion of the negotiations.

Among the "key documents" mentioned in this connection is a "letter of intent" from the Finance Minister to IMF laying down his acceptance of the "arithmetically formulated performance clauses." One may be certain that the contents of this "key document" will be a well-guarded secret unless the Finance Minister places them also before Parliament.

It appears that the "letter of intent" to be signed either by the Finance Minister of the Governor of the Central Bank of the borrowing country will have an "annexed memorandum" "requesting an extended arrangement from the IMF."

The Finance Minister of the borrowing country making a "request" for assistance from the Extended Financing Facilities of the IMF, has to set forth in his letter (a) the objectives and policies that the authorities intend to pursue for the period of this extended arrangement, (b) the policies and measures that the authorities intend to pursue for the first year of this extended arrangement, (c) understanding with the IMF regarding reviews that will be made of progress in realising the objectives of the programme and of the policies and measures that the authorities will pursue for the second and third years of this extended arrangement.

The "arithmetically formulated performance clauses" mentioned in the Washington report are presumably the following:

The borrowing country will not make purchases under this extended arrangement throughout the first year during any period in which the data at the end of the preceding period indicate that (1) the limit on domestic credit or (ii) the limit on credit to the public sector..."are not observed."

This conditionality would apply if the borrowing country "fails to observe the limits on authorisations of new public and publicly guaranteed foreign indebtedness" or if "throughout the second and third years, if before the beginning of the second year and the beginning of the third year of the extended arrangement, suitable performance clauses have not been established in consultation with the IMF as contemplated" in the attached letter.

The final paragraph says that in accordance with the attached letter, the borrowing country will consult IMF on the adoption of any measures that may be appropriate at the initiative of the Government or whenever the managing director requests consultation because any criterion has not been observed or because he considers the consultation on the programme is desirable.

In addition after the period of the extended arrangement, and while the borrowing country has outstanding purchases under this extended arrangement, the Government will consult with IMF from time to time at the initiative of the Government or at the request of the managing director concerning the borrowing country's balance of payments policies.

All these should leave nobody in any doubt that IMF is not only asking very hard questions but also insisting on getting the right answers before it could be persuaded to part with any cash.

CSO: 4220/7069

AGENCIES REPORTED TO MISUSE FOREIGN FUNDS

Madras THE HINDU in English 17 Sep 81 p 9

[Text] New Delhi, Sept 16--The Government said in the Lok Sabha today that the Gandhi Peace Foundation and AVARD (Association of Voluntary Agencies for Rural Development) were "misusing" foreign funds by engaging themselves in "political" activities.

Mr Yogendra Makwana, Minister of State for Home, also announced that the Government had under consideration amendments to the law regulating foreign contributions.

His senior colleague, Mr Zail Singh, promised that the commission being set up by the Government to inquire into complaints against the Gandhi Foundation and AVARD would be "dispassionate."

Answering a spate of questions, the Ministers made it clear there would be no assumption against any foreign country. "We feel they have given the assistance only for the welfare of the people."

The proposed commission would see whether the foreign funds were being used "in the right manner or not."

Mr Eduardo Faleiro (Cong-I), who had tabled the question, demanded an inquiry into "receipt of funds by CFD (Citizens for Democracy)," while Mr Madhu Dandavate (Janata) asked whether the Asia Foundation (now banned) had provided grants to the Nehru Museum and Library of which "our present Prime Minister, Mrs Indira Gandhi is the president" and to the Indian Law Institute of which Krishna Menon used to be the president.

At this stage, Mrs Gandhi was seen making a comment, but what she said was not audible in the press gallery.

Denial: Mr Makwana denied a suggestion by Mr Dandavate that the inquiry was being ordered just because Jayaprakash Narayan's name was associated with those organisations.

There were allegations against the Gandhi Foundation and AVARD and that was why the Lok Sabha adopted a resolution calling for a commission of inquiry against them, he explained.

Intervening, Mr Zail Singh regretted that in the name of Gandhiji so many things were happening.

Asked by Mr Bhikhu Ram Jain whether Mr Morarji Desai had returned the funds when informed that the Asia Foundation, the donor organisation, "belonged to CIA," Mr Makwana denied knowledge of it.

Ban not lifted: Mr Indrajit Gupta (CPI) suggested that the remarks of the Minister--that the recipient organisations were engaged in political activities--meant "a prima facie case" against them. Under what circumstances the ban on the Asia Foundation was "removed" later, he asked.

Mr Makwana said the 1968 ban was the result of "some irregularity, misuse of funds and certain activities detrimental to the cause of the country." The ban was not lifted.

About the "political" activities of the Foundation and the AVARD, the Minister said a meeting had been called at which Prof. Raj Krishna, former member of the Planning Commission, was also present and it was decided to revive the People's Union of Civil Liberties as a common forum to bring together the various Opposition parties. At a meeting in Nadiad, a decision was taken "to undertake political activities."

This "is nothing but misuse of money for purposes other than that for which it is received," Mr Makwana asserted.--PTI

CSO: 4220/7079

IFAD OFFERS FUNDS FOR SUNDERBANS DEVELOPMENT

Calcutta THE STATESMAN in English 18 Sep 81 p 9

[Text] The International Fund for Agricultural Development has come forward to offer financial assistance for the implementation of the five-year integrated development project for the Sunderbans. After the green signal from the World Bank, which had earlier sent a team to India to make a critical appraisal of the project, the Rome-based international organization has agreed to offer one-third of the cost of the project which is about Rs 32 crores.

According to Mr T. B. Lahiri, member-secretary of the Sunderbans Development Board, the assistance is in the form of a soft loan to be repaid in 50 years with a moratorium on repayment for the first 10 years.

The project, which has taken effect from April 1 this year, will cover 62% of the total area in the Sunderbans and will largely benefit small and marginal farmers, landless labourers and poor fishermen. In fact, such a big project has never been taken up in the past for development of one of the most backward regions of the State.

The project aims at transforming the pattern of farming from mono to double cropping. There are 737,967 acres of cultivable land which comes under the plough only in the kharif season. Aman paddy is the traditional crop. Maize, wheat and pulses are also grown and the area also has great potential for the production of sunflowers, chillies, watermelons and cultivation of fish.

Drainage Facilities

Once the project is implemented, about 540,000 bighas will have proper drainage facilities leading to an estimated 50% increase in the yield of aman paddy. 112,500 bighas will come under irrigation in the rabi season; and the acreage under such rabi crops as chillies, watermelons, oilseeds, wheat and vegetables will increase.

Drainage and minor irrigation have been given priority in this labour-intensive and employment-oriented project. Ten major sluices and "river closures" will be constructed in Chhatna, Sukha, Moni, Chilkamari, Gomati and Moukhali rivers. A number of derelict canals and drains will be excavated. Silted tanks will also be dug up.

To promote pisciculture in the Sunderbans, two fish farms will be set up in Jharkhali and Mahisani islands. A provision for about Rs 2 crores has been made in the project for fish breeding in brackish water. It is expected that fish production will go up by another 650 tons a year.

Social forestry to provide fuelwood to the people and fodder to their cattle, has found a place in the project. Trees will be planted on embankments, canal banks, along roads and on the banks of ponds. A provision of Rs 35 lakhs has been made for this purpose.

A number of brick-paved roads running to 280 km, 10 large and 20 small jetties, wooden bridges and other physical infrastructure facilities will be provided to accelerate mobility of both men and material.

The Sunderbans is a composition of scores of islands and is crisscrossed by innumerable rivers, rivulets and water channels. Planners have, therefore, felt the necessity of developing a transportation system which will give a much-needed boost to the economy of the region inhabited by about 2.5 million people.

CSO: 4220/7082

IMF SOURCES, OTHERS QUOTED ON LOAN SOUGHT BY NATION

Madras THE HINDU in English 10 Sep 81 p 1

[Article by N. Ram]

[Text]

WASHINGTON, Sept 10

The five billion SDR extended loan to India is expected to come up for approval before the International Monetary Fund's Executive Board in October, following the annual meeting of the World Bank and the IMF.

Highly placed Fund sources confirm in response to enquiries that staff papers relating to the arrangement under the Extended Fund Facility (EFF) have gone to Mr J. De Larosiere, Managing Director and Chairman of the Executive Board of the institution.

"The T's haven't been crossed yet nor the I's dotted", one such IMF source told THE HINDU, adding that in the case of such a major deal the practice was to circulate the documents to Executive Directors and a limited number of City staff members a few weeks before the matter came up formally before the decision-making body.

The key documents are the "Letter of Intent" from the borrowing country's Finance Minister and the arithmetically formulated "performance clauses".

Tough Scrutiny

Mr Larosiere is known to back the arrangement as it has been negotiated. The detailed terms and conditionality are expected to come under tough scrutiny by the more conservative sections of the Executive Board, above all the Reaganites — who are on record demanding that IMF conditionality (which has been, by their sights, deplorably relaxed in recent years) must be made more explicitly rigorous. The Fund's Managing Director now openly supports this approach, underlining the shift to greater rigour in his latest pronouncements.

A survey by the institution's "staff" released in July is quite explicit about two aspects of this point while dealing with the Fund's current role in "the key related areas" of adjustment and financing.

"First", it noted, "the Fund has decided to concentrate its financial support on countries engaged in strong programmes of economic adjustment — that is, programmes that will tailor external deficits to what can be serviced on a sustainable basis out of a growing income... Adjustment has become imperative in many countries and may require more time and may have to include measures addressing structural problems...

Prime difference

"This emphasis on adjustment programmes constitutes the prime difference from earlier practice. In the period following the first wave of oil price increases in 1973-74, approximately two thirds of the resources provided by the Fund to its members were made available on terms involving a low degree of conditionality. At present, by contrast, some three fourths of the Fund's new lending commitments involve upper credit tranche programmes: That is, they require rigorous adjustment policies".

"Secondly", the survey known as 'World Economic Outlook' noted, "the Fund assists member countries in identifying economic problems and in diagnosing policies to correct them. Sound fiscal and monetary policies are always essential...

"There may also be a need for complementary measures designed to enlarge a country's economic capacity and the resources available to it, as well as for more specific measures designed to provide better incentives for production, to remove bottlenecks, or to eliminate existing distortions in cost-price relationships and resource allocations.

"In view of this, the Fund has increased its collaboration with the World Bank in order to ensure that its adjustment programmes are supportive of a member country's investment priorities".

A relative thing

Some Fund officials — sensitive to the controversy in India over the forthcoming loan and especially aware of the strong criticism expressed in Parliament and by a number of independent economists — are currently engaged in "clarification" to the effect that conditionality is a relative thing, depending on the standpoint and indeed on the eye of the beholder.

They are also making the point that whereas, "typically", governments come to the IMF when they are in "deep financial trouble", the Government of India is coming at a time when it is in "a relatively strong position". To what conservative or business appetites in the West, they are throwing in the message that the essential idea is for the Fund to step in where the World Bank has failed — offering India "freedom" (as a front-paged 'New York Times' report puts it) to invest in oil production and other industries".

In fact, an IMF official told the leading American newspaper, the terms of the EFF loan would be highly suited to financing "major outlays for offshore drilling equipment as well as other investments".

The IMF's annual report, to be released on September 13, is expected to reflect a reinforced and more explicit conservatism. The orientation will be spelt out, more clearly than in recent years, on monetary and fiscal policies, foreign borrowing, exchange rate management, import liberalisation and export performance, policies towards foreign investment and domestic savings and investment, de-regulating prices, demand management and social programmes.

The official IMF line today is openly to advocate — for countries undertaking "structural adjustment" — the scrapping or reduction of automatic wage indexation, "excess" demand conditions (whatever that means), price regulations, and other "rigidities" seen as standing in the way of a desirable allocation of resources.

Tutelage

It is precisely this orientation or tutelage that is generating controversy in a number of countries, including India.

Regarding publication of the details of conditionality involved in the extended loan to India, the IMF sources said the fund could not be expected to release any details and it was up to the government involved to reveal less or more.

But the question is: Notwithstanding the Finance Minister, Mr. R. Venkataraman's promise to make the deal "almost a public document", is he going to place in Parliament the text of the "Letter of Intent" and the "performance clauses"?

CSO: 4220/7058

INDIAN, ROMANIAN CHAMBERS OF COMMERCE MEET

Bombay THE TIMES OF INDIA in English 20 Sep 81 p 5

[Text] New Delhi, September 19. The first meeting of the joint working group of the Federation of Indian Chambers of Commerce and Industry and the Romanian trade ministry felt that the current volume and value of bilateral trade could be stepped up sizably.

India could import several items from Romania such as rolled steel products, oil drilling equipment, specialised machine tools, ball bearings, railway equipment, electronic components, fertilisers, chemicals, pharmaceuticals and drugs, and newsprint.

Romania could take from India items like hydraulic pressers, compressors, railway equipment, electrical and electronic components, including wires and fables, measuring instruments, iron ore and pellets, finished leather goods, tyres and tubes, coffee, paper, rice, sugar and Tea. It was stressed that larger purchases of Indian goods and services by Romania would help balance the two-way trade.

Several areas were identified for industrial cooperation between the two countries. For instance, Romania could cooperate in setting up projects in India in fields such as fertilisers, electronic equipment, petro-chemicals, basic drugs, pig iron, iron ore pellets and such other items--some on buy-back basis.

India could join hands in establishing labour-intensive enterprises especially for automobile parts and accessories, electronic components, construction material, certain railway equipment and parts, hand tools and such other items involving labour intensive and less sophisticated technology.

In some of these areas, there was a need to explore the possibilities of exchanging teams of scientific, developmental as well as consultancy personnel.

It was also mentioned that in many of the projects which Romania was presently setting up in Africa, the Middle East and South-East Asia, India, in view of its close proximity, historical links and similarity in socio-economic conditions could become a natural and useful partner. Romanian enterprises could be associated with the projects which Indian entrepreneurs had been undertaking and executing abroad. It was agreed that by working together, both countries could derive better results to their mutual advantage.

CSO: 4220/7088

KANPUR FERTILIZER UNIT CAPACITY EXPANDED

Madras THE HINDU in English 20 Sep 81 p 6

[Text]

NEW DELHI, Sept. 19.

The Rs. 85-crore expansion project of IEL (Indian Explosives Limited) fertilizer unit in Kanpur was commissioned on September 17, making the unit the largest urea producing plant under commercial operation in the country. The plant's annual installed capacity had been raised to 675,000 tonnes (equivalent to 310,000 tonnes of nitrogen) from 450,000 tonnes.

Announcing this at a press conference here on Friday, the Managing Director of the plant, Dr. S. S. Beijal said the additional production from the third stream now commissioned, would result in reduction of import of urea and saving of $6.59 millions (Rs. 53.10 crores) in foreign exchange.

When in full production, he claimed, the plant would account for ten per cent of total all-India production of nitrogen and would meet one third of Uttar Pradesh's requirements.

The IEL unit was set up in the sixties with a twin-stream plant and the third stream, now added, will have a production capacity of 137,000 tonnes of ammonia and 225,000 tonnes of urea. The expansion project has been completed in 28 months, which is claimed to be the shortest period ever recorded for a project of this kind.

Dr. Beijal said the investment per tonne of urea in the expansion worked out to Rs. 3,500 compared to Rs. 5,500 for the proposed gas-based plants being set up in the country.

Another feature was that for the first time the detailed engineering of a fertilizer project and procurement of hardware had been handled entirely by Indian consultants.

For the expansion project ICI of U.K. had provided the process knowhow for the naphtha reformation section and ammonia synthesis. Toyo Engineering Corporation of Japan provided process knowhow and basic design for the urea plant. The Benfield Corporation of USA provided the process for carbondioxide removal.

He said unstable power supply had led to the plant tripping up and consequently being shut down for two or three days at a stretch resulting in huge production loss. Apart from this, there had been a 25 per cent power cut and there was every likelihood of a further increase in the power cut. Still, he expected the urea production in the current year to be 410,000 tonnes, of which 5,000 tonnes would be from the third stream commissioned on Thursday last.

Net worth definition

Asked about the retention price fixed for the manufacturers, Dr. Beijal said the existing basis for determining the 12 per cent post-tax return on net worth was not attractive. He said the definition of 'net worth' followed by the Government was not the same as commonly understood.

According to Government definition, "net worth" was the total of "net fixed assets" and "working capital". If this was adopted, Dr. Beijal said, in eight or nine years the entire fixed asset would be wiped out due to depreciation and the return would be worked out only on the basis of the working capital which would not amount to much in an industry like fertilizer.

This would not enable the industry to declare at least 15 per cent dividend to shareholders. According to him, the "net worth" should be the total of "equity" and "reserves". He said a representation on these lines would be made to the Government by the industry soon.

CSO: 4220/7090

RESERVE BANK REPORTED UNHAPPY OVER ECONOMY

Calcutta THE STATESMAN in English 19 Sep 81 p 9

[Text]

NEW DELHI, Sept. 18.—The Reserve Bank of India does not apparently share the confidence about the state of economy expressed by the Prime Minister and the Finance Minister in their recent pronouncements.

The Reserve Bank's annual report for the year July 1980-June 1981, which was approved by the bank's board of directors last month and which is expected to be made public later this month contains forthright, if rather circumspectly expressed, reservations about the price situation, balance of payments, the state of Government finances and even the recovery in industrial production claimed by the Government.

While acknowledging that there has been "a slight slowing down" of the pace of price increase the Reserve Bank's report underscores the fact that the price increase this year "is of a more general nature" than in the last year. This the report regards as "the qualitative difference" in the current price situation.

In 1979-80 (July-June), the sugar group and petroleum crude and mineral oils together accounted for more than 50% of the total increase in the price index. In contrast, in 1980-81 (July-June) there has been a sharp rise in prices of most "primary articles" Even among "manufactured products", if "sugar, gur and khandsari" are left out, the other manufactured products notably iron, steel and ferro-alloys and groundnut oil, have had a more marked influence in 1980-81 together accounting for 10% of the price rise, as against only 1.7% last year.

Very ominous is the Reserve Bank's conclusion that with the price increase assuming a more general or widespread character, containing inflationary forces has become "more difficult", requiring "more general measures by way of management of overall supplies, as well as demand".

STRUCTURAL IMBALANCE

The Reserve Bank is obviously dissatisfied with the management of the Union and State Government's finances especially in the context of its judgment about inflationary pressures becoming more widespread. The bank's report makes no bones about the emergence of "a structural imbalance" in the finances of the Government of India, as seen from the appearance of "deficits even in the revenue account" in the past three years.

Referring to the Union Government's attempts to shore up its finances by increasing recourse to market borrowings, the Reserve Bank points out that it has not been possible for the "narrow market for Government securities" to absorb this "sharp increase" in the quantum of Central Government borrowing, with the result that "the Reserve Bank has had to take on an increasing portion of these loans".

CSO: 4220/7085

POLITICAL MURDERS 'UNIQUE TO COMMUNIST-RUN STATES'

Calcutta THE STATESMAN in English 21 Sep 81 p 9

[Text]

MR Yogendra Makwana, the Union Minister of State for Home Affairs, said in Calcutta on Sunday that political murders "were unique in the Communist-run States". In other States like Uttar Pradesh and Bihar, there were cases of murders but these had no political overtone.

Talking to reporters, he said that he knew about political murders in West Bengal. Such things were also happening in Kerala and "probably in Tripura". When it was pointed out to him that Mr Jyoti Basu has ascribed these murders to the intra-party clashes in the Congress (I), Mr Makwana said: "I do not agree with the Chief Minister. His allegations are bogus".

The Union Minister alleged that the Communists were intolerant of other political parties and "wanted to finish them off". This attitude of the Communists led to political murders. The law and order problem in Uttar Pradesh and Bihar mainly related to atrocities on the Harijans and communalism. He, however, made it clear that communal disturbances were not an all-India phenomenon. These were confined to particular areas which were prone to such happenings.

Referring to the Jamshedpur riots during the Janata regime, Mr Makwana pointed out that the inquiry commission, in its recent report, has blamed the RSS for the communal disturbances. Asked whether the Government was contemplating to ban the organization, he replied; "We will think over it". All the State Governments had been requested to ban holding of "sakhas" (drills in public) by the RSS followers. A few States, including West Bengal, Kerala and Gujarat, had complied with the Centre's request, he said.

When his attention was drawn to Press reports that the West Bengal Governor had called for confidential character rolls of some senior State Government officials, Mr Makwana said: "I do not know anything about this". If the Governor had done any such thing, he said, it might be that he had some reasons for this.

He had received allegations from various non-Communist parties that there had infiltration in Government services by Communists. Asked whether the Centre was contemplating any change in the bureaucratic set-up in West Bengal, the Union Minister said that it was the State's concern. As for the Central Government offices in the State, he said, the Union Government was "competent to do it".

Mr Makwana, who had met the new Governor, Mr B. D. Pande, on Saturday, said that Mr Pande had told him that he was happy to meet the Chief Minister and his colleagues. Mr Pande was now in Delhi possibly to pay courtesy calls on the President and the Prime Minister. Mr Makwana did not disclose to reporters whether he had had any discussion with the Governor on the current political situation in the State.

CSO: 4220/7095

INQUIRY COMMISSION REPORT ON BIHAR RIOTS RELEASED

Bombay THE TIMES OF INDIA in English 14 Sep 81 pp 1, 9

[Text] Patna, September 13. The three-member inquiry commission, headed by a judge of the Patna high court, has blamed major administrative lapses, aggressive behaviour of Hindu communalists preceding the disturbances and panicky reaction of the minority community for riots at Jamshedpur on April 19, 1979. Officially, it was said that 108 lives were lost in the riots.

The commission, headed by Mr Jitendra Narain, former judge of the Patna high court, includes Mr P.P. Agrawal, former secretary to the Union government and Mr S.M. Rizvi, former inspector-general of police, Bihar.

The commission submitted its report on August 31. It was released to the press today by the chief minister, Dr Jagannath Mishra.

The report further says: "After giving careful and serious consideration to all materials on records, the commission is of the view that the Rashtriya Swayamsevak Sangh (RSS), with its extensive organisation in Jamshedpur and its close links with the Jana Sangh and the Bharatiya Mazdoor Sangh, had a positive hand in creating a climate which was most propitious for the outbreak of the communal disturbances."

The report says the Hindu communalists, certain of their strength in sheer number, prepared the Hindu psychology, by evocative appeals and actions. "We do not, however, consider that the material on record warrants a conclusion that by such action, the Hindu communalists were planning for a riot. They cannot, however, escape the liability for having created with full awareness the conditions in which a riot could break out."

The commission has also indicted the civil and the police administration of the district, including the commissioner, and found substance in the allegation that the Bihar Military Police (BMP) jawans acted in collusion with the Hindu communalists. The commission has also blamed the then vice-chancellor of Ranchi university for having accorded permission to the RSS to hold its camp and "shakhas" on the campus of the cooperative college, Jamshedpur.

The report says: "There is nothing on record to substantiate the contention that the Muslims were determined to start a riot. However, acting in panic, for which there was sufficient cause, the Muslim minority had planned to the

extent of preparing themselves against an attack by the Hindu communalists. The anti-social amongst them turned this preparation into aggressive action."

"On the basis of the facts before the commission, the conclusion is irresistible that some preparation had been made both by the Hindus and the Muslims. After a close look at the evidence on record, pre-planning and preparation for an attack by one community on the other is not discernible. On the part of the Hindus, the pre-planning was to get the Ram Navmi procession taken out through Road No 14 at any cost."

In a damaging indictment of the administration, the commission says on the basis of evidence before it, it is clear that no steps were taken to defuse the situation arising out of the demand by Hindu communalists to take out the procession through Road No 14 through a predominantly Muslim populated area, where a mosque was located right on the roadside. "Had the controversy regarding Road No 14 been resolved earlier, before the tensions mounted, there would have been no riot."

The report says the officers of the district administration headed by the deputy commissioner and the superintendent of police had, in fact taken the stand throughout that there was no communal disharmony before the outbreak of the riot. "Starting with such an approach, it is no wonder that the officers concerned failed to comprehend the depth of feelings that had been aroused over the dispute on the question of the Ram Navmi procession route."

Dealing with the role of the BMP and its alleged collusion with Hindu fanatics, the commission quotes the course of events to prove that it did give rise to the suspicion that, deliberate or otherwise, firiing on the Hindus had no effect. Not a single Hindu could be identified as having been injured or killed as a result of the 108 rounds of firing by the BMP in 22 hours in a Muslim basti.

"This, coupled with the fact that when the Hindu attacking mob had been driven away from the area, nine Muslims were found dead in their own houses, gives some clue and credence to the allegation of connivance."

Dealing with the conduct of the civil and police administration of Jamshedpur during the riots, the commission has pointed to lapses on the part of the then commissioner of Chhotanagpur. The administration failed to rise to the occasion.

"If the anti-social elements had gone into hiding, it was not enough for the police to admit helplessness. And in the deteriorating situation, some determined action was called for stretching all forms of administrative action to the extreme. We hold that the SP failed to provide the proper leadership in this operation and the DC remained 'satisfied' with all that was being done without justification for such compliance."

Analysing the role played by communal organisations, the report says the RSS leader, Mr. Balasaheb Deoras and Mr. Dinanath Pandey, Janata party MLA from Jamshedpur, added fuel to the fire by their activities preceding the outbreak of violence.

Enumerating the sequence of events, the commission says that the holding of the RSS camp and "shakha" on March 31 and April 1, 1979, and the speech made by Mr. Deoras at 4.30 p.m. on April 1, just five days before the Ram Navmi festival were the beginning of the communal frenzy in the steel city.

Mr. Deoras had said at the camp that he was sad that Hindus in their own country were not allowed to take out religious processions freely and that the number of mosques were increasing day by day and in the Arabian countries Hindus were not allowed to construct temples. Mr. Deoras also referred to the controversy regarding Road No. 14 which ultimately became the bone of contention for the Hindu fanatics resulting in large-scale rioting, arson, plunder and firing.

In the opinion of the commission, "the speech by Mr. Deoras, made the stand of the extremists amongst Hindus all the more rigid in respect of their previous stand regarding Road No. 14 and the commission has found that the proximate cause of the disturbances was the controversy regarding Road No. 14."

The report says: "In the first instance, the speech of Mr. Deoras tended to encourage the Hindu extremists to be unyielding to their demands regarding the road. Secondly, his speech amounted to communal propaganda. Thirdly, the "shakhas" and the camps that were held during the divisional conference presented a militant atmosphere to the Hindu public. In the circumstances, the commission cannot but hold the RSS responsible for creating a climate for the disturbance that took place on April 11, 1979, and thereafter."

The commission says Mr. Dinanath Pandey created a situation for the outbreak of riots by stalling the progress of the Ram Navmi "jhanda" procession of the Dima basti "akhara" after he failed to stall the agreement reached earlier that only three MLAs would accompany the flag throughout the disputed zone, others joining the procession later. The "akhara" procession had to pass through the disputed Road No. 14.

When Mr. Pandey saw that his plan had been stalled by the administration, he put forward the demand that one Mr. Trivedi of the "akhara" arrested earlier as a precautionary measure be released forthwith. His associates in the procession took this as a cue and stuck to their position. No amount of persuasion could move them.

Meanwhile, over 2,000 people armed with "lathis", "bhalas" and other weapons joined the procession. The provocation started with the throwing of bricks on the procession and rioting followed.

The commission observes that "Mr. Pandey's action in raising an impossible demand resulting in precious time being lost in the passage of the procession through new Purulia Road was directly responsible for escalating the tense situation. Repudiating Mr. Pandey's denial of his links with the RSS, the commission concludes that "his actions followed a line which was in fulfilment of the general scheme of the Hindu communalists of Jamshedpur. His conduct had thus directly contributed to the outbreak of the riot."

Referring to a leaflet circulated by the Shri Ram Navmi Kendriya Akhara Samiti on April 7, asking their supporters to defy the authorities since they (the samiti) had the backing of the constables, havaldars and homeguards, the commission observes that "a noticeable link did exist between the claim made through the leaflet and the subsequent conduct of the BMP sepoys."

The commission has recommended that meetings and conferences of communal organisations like the RSS and the Jamait-e-Islami should be prohibited in all educational institutions, whether public or private. An officer of the rank of deputy commissioner should be posted at Jamshedpur to co-ordinate the work of both the Dalbhum and Saraikela subdivision, specially in the matter of law and order.

The commission has suggested that communally-sensitive areas like Kasidih, Bhalubasa, Dhatkidih, Shastrinagar, Ramdas Bhatha and Mohammedan line of Sakchi be kept under surveillance and more police stations and outposts should be created immediately.

The commission has deprecated the practice of house allotment by private companies to their employees on communal lines. It noticed that Muslims the Hindus at another. This practice according to the commission, should be discontinued and the quarters allotted on a "non-sectarian basis."

UNI adds: A three-member commission of inquiry has blamed the Rashtriya Swayamsevak Sangh (RSS), the erstwhile Jana Sangh, (now Bharatiya Janata Party) and its labour wing, the Bharatiya Mazdoor Sangh for fomenting the riots at Jamshedpur in April, 1979.

The commission, headed by Mr. Jitendra Narain, a former judge of the Patna high court, said the seeds of communal violence were sown by the RSS chief Mr. Balashaheb Deoras, in his speech during a divisional meeting of the RSS workers in the last week of March, 1979.

CSO: 4220/7071

WRITER LAUDS REJECTION OF GRIFFIN APPOINTMENT

New Delhi PATRIOT in English 15 Sep 81 p 2

[Article by Mohit Sen: "The Griffin Connection"]

[Text] The Griffin connection is being pushed out of sight. Coincidence or not the fact remains that the attention of the nation has been successfully diverted to the Antulay abomination. Stinking and reeking, the Antulay affair certainly is. To let it pass would have been a crime. But a greater crime is the fade-out of what the Griffin connection amounts to.

It is certainly no coincidence that the very same quarters that went to town on the Pratibha Trust are advising that too much should not be made of what our External Affairs Minister has chosen to term an episode of temporary bitterness between our country and the sponsors of the CIA murder gang leader. But those who care for India and fight for its future must not allow this to happen.

For there was certainly a method behind the madness of the Reagan administration in proposing that the Government accept Griffin as the political counsellor of the US embassy in India. The Left and its press can certainly claim credit for having informed the nation about who Griffin was. This was some time ago. It showed the indispensability of the patriotic concern of the Left.

But Washington knew that the Government of India knew for quite some time who Griffin was. Still it pushed him forward. Its real assault on India was not the retaliation in rejecting Prabhakar Menon but in the brazen insistence on Griffin's acceptance by our Government after all that he was known to have done on and from our soil.

The Government deserves the congratulations of all of us in having called the US bluff and demonstrated that it is not going to be bullied or blackmailed by anybody, no matter how powerful he imagines himself to be. It will give a shot in the arm to the entire Third World which is sought to be bludgeoned and frightened into acceptance of the role of international terrorist that the US has now assumed.

Let us recall that this rejection comes against the background of increased frenzy in the rearming and instigating of Pakistan against us. F-16s to Pakistan and Griffin to India--that was the scenario. Jean Kirkpatrick made this

quite clear in New Delhi and in Islamabad. She went a step further in Kathmandu when she asked democrats to pillory India for preferring Soviet dictatorship to American democracy. Some Indian democrats are obliging her, even anticipating her at Atal Behari did on his US visit.

It comes against the background of what a section of the press has called the plan of Pakistan's supercaucus of generals who are planning a sneak attack against India in pursuit of a secret plot hatched by them in collaboration with the CIA and Pentagon. And that is why Buckley is again in Islamabad.

Against this background comes the Griffin connection. He is no ordinary CIA agent dressed up as a diplomat. He is one of the key figures of the CIA disposal squad--disposal of the leaders of the Third World. He has won his spurs in organising the murder of Mujib and the entire leadership of Bangladesh. He has gained fresh laurels in helping the murderous gangs which intervene every day in the internal affairs of sovereign Afghanistan. He is a destabiliser through murder.

The CIA has publicly announced that it is now placing still greater importance on the killing of Third World leaders. The 'accidents' in the air that brought down Torrijos of Panama and leaders of Ecuador and the liquidation of the Iranian leadership after the 'hostages' are back in the US are part of the same strategy that continues to menace the lives of Castro and Qadhdhafi. The murderous removal of all leaders of the army in Bangladesh who fought for its freedom is also a link in the same chain.

Let us not imagine that it could not happen here. The pressure to make our Government accept Griffin was a crude reminder that targets for CIA association are not lacking in our country, unless they are ready to be lackeys. And whatever else the leaders of the Government of India are, they are not the lackeys of US imperialism.

What is disturbing in the unfolding situation is not only that bolting the door to a particular Griffin does not mean that others are not already within the house nor that still others would not get in. It is still more disquieting that there are no signs of any kind of national mobilisation against this latest act of US effrontery. A somewhat tepid discussion in Parliament seems to be all that would happen. The Government evidently wants to play it on a low key so that fences can be mended and, perhaps, the IMP loan secured.

Some of the Opposition, at any rate, are not particularly the opponents of the Griffin line. Some others of the Opposition seem to find it uncomfortable to be on the same side of the barricade as the Government even on the issue of exposure of and opposition to the CIA.

And so the Government and even those of the Opposition whose anti-imperialistic redentials and aspirations are beyond doubt, combine to keep the people of our country virtually immobilised. This is irresponsibility, bordering on the criminal. After all, the country would be safe, to say nothing of its leaders, only when the people are aroused as to who their enemies are and what they are up to.

Surely, the time has come for the shedding of unnatural allergies, at least on issues where there is agreement and which are at the heart of the very existence of the country we have all suffered together to bring into and keep in being. Surely, the time has come for consultations between all those who sense the coming doom if joint initiatives and the most widespread mass mobilisation are not undertaken.

In this connection due note should be taken of the fact that while one 'superpower' announces its plan to plant murderers as its diplomats so that India should cease to count in world affairs, the 'other superpower' takes just the opposite position. It has been reported that on 7 September, President Brezhnev of the Soviet Union mentioned India by name while talking of the active participation of Asian states in world affairs during a speech at a banquet in honour of the visiting top-most leader of the Vietnamese Communist Party, Le Duan, President Brezhnev said 'We welcome the growth of the international influence of India, of the countries of Indo-China, of other Asian states and their active participation in world politics.'

This should answer the mischievous and motivated propaganda that the Soviet leadership has suddenly become very critical of the foreign policy pursued by the Government of Smt Indira Gandhi. It is quite clear that the Soviet leadership not only supports the realistic, anti-imperialist and pro-peace progressive foreign policy of the Government but would do all in its power to promote the growing emergence of India as an influential world power in its own right.

As for vacillations, ambiguities and dangers emanating from external economic relations or internal policies of the Government of India, these are for us, the people of India, to debate, discuss and struggle over. But these should not and cannot blur the progressive character of the foreign policy of Smt Indira Gandhi's Government nor make anyone doubt that it has the support of the Soviet Union.

This should also make the Government and the ruling party leaders realise that the constant talk of 'two superpowers' and at least, verbal equating of the Soviet Union and the USA is not in the national interest. It is always better to speak the truth. Otherwise, the people may get demoralised and even disoriented about the basic reality of where we are in the world of today. The Soviet Union is our friend, is for peace and the freedom and development of all newly independent countries. The US is the polar opposite.

What is more, there are powerful forces in the US which do not go along with the brinkmanship and bullying of Reagan and his gang. Plainspeaking by our Government would help the further assertion of these forces. Balancing, even verbally, would be counterproductive.

And if we are to be helpful to ourselves, to the world and to the opponents of the Reagan course in the US itself, we must not allow the Griffin connection just to vanish.

CSO: 4220/7076

PRO-KHALISTAN PARTY FOUNDER ARRESTED IN JULLUNDUR

New Delhi PATRIOT in English 15 Sep 81 pp 1, 7

[Text] Chandigarh, Sept 14 (UNI)--Former Punjab Education Minister Sukhjinder Singh was arrested at Jullundur tonight.

According to official sources, Mr Sukhjinder Singh, who recently formed the pro-Khalistan party after breakingaway from the Akali Dal (Longowal) was apprehended for his alleged unlawful activities. The Punjab Government had recently registered a case against him following his various statements, pleading for Khalistan.

Mr Sukhjinder Singh was arrested under Section 13 of the Prevention of Lawlessness Activities Act 1967 and Section 124 (A) of the Indian Penal Code for inciting a revolt.

Soon after his arrest, Mr Sukhjinder Singh was produced before a magistrate who remanded him to judicial custody.

Our Staff Correspondent adds: Sant Jarnail Singh Bhindrawale wanted in Lala Jagat Narain murder case outmarted the Haryana and Punjab police last evening.

As the police secured warrants for the arrest of the Sant from a court at Ludhiana yesterday forenoon a statewide alert was ordered by the police in the two States. The Punjab CID also informed the Haryana authorities that the Sant was at 'Dera' in village Chamoya of district Sirsa.

Accordingly, the two States ordered heavy contingents of the armed police from places as far as Jullundur and Patiala in Punjab and Madhuban in Haryana to rush to the village. As the truckloads of the armed police from the two states reached the village, they threw a heavy ring around the village.

The authorities on the spot and the State headquarters here felt almost cheated when the news finally came around noon today that the Sant had in fact, left the village 'dera' around dusk last evening leaving, the Punjab and Haryana police high and dry.

Amidst reports that the Sant, along with his dozen heavily armed supporters had escaped from village Chamoya and finally reached his 'dera' headquarters at Chowk Mehta in district Amritsar, the director general (police) Birbal Nath and DIG (CID) J.S. Anand left presumably for Amritsar to person ly supervise the operations.

Meanwhile, heavy contingents of police fully armed have thrown a tight ring around Chow Mehta in Amritsar, amidst reports about his possible escape or just dramatic appearance to offer arrest.

Reports from his 'dera' said that the Sant has denied his involvement in any way in the murder of Lala Jagat Narain.

Meanwhile, unconfirmed reports reaching the State headquarters from Sirsa in Haryana said that the heavy police force of Punjab and Haryana deployed around village Chamoya to arrest the Sant and the other two proclaimed offenders exchanged fire.

The reports claimed that it was during a confusion that the Sant escaped to reach his 'dera' headquarters Chowk Mehta.

Reports reaching Chandigarh from Amritsar have quoted the Sant as saying that he 'was prepared for arrest.'

According to these reports, the Sant expressed his 'preparedness to a group of Amritsar newsmen visiting his dera at Chowk Mehta.'

The Union Home Ministry is reported to have expressed unhappiness over the escape of Bhin drawala.

It is also learnt that Union Home Secretary T. N. Chaturvedi, who reviewed the situation with the Chief Ministers of Punjab Haryana and the senior government officials last week, was in touch with them regarding the arrests of the alleged assassins.

CSO: 4220/7074

ACUTE SHORTAGES AFFECT NORTH INDIA PRODUCTION

New Delhi PATRIOT in English 15 Sep 81 p 8

[Text]

Acute shortage of inputs like coal, iron and steel, cement, furnace oil, diesel and kerosene continues to plague industry in North India UNI reports quoting the quarterly survey of the Punjab, Haryana and Delhi Chamber of Commerce and Industry for April-June, 1981.

In many cases, it shows, the actual shortfall in the supply of inputs was as much as 100 per cent.

The survey covered representative firms producing sanitary-ware and ceramics, distilleries, chemicals and allied products, starch, gluten, oil vanaspati, sugar textile, carpets rubber and engineering products.

According to the survey coal consuming firms received less than 36 per cent of their total requirement of 4,602 wagons, though they had been allotted a quota of 56 per cent amounting to 2540 per cent.

STEEL

In iron and steel an acute scarcity of structural steel has been observed. This impact has been felt on the slow progress in expansion programmes. The scarcity has also compelled entrepreneurs to purchase structural steel from open market at very high prices.

Many units, which have undertaken expansion programmes or want to set up new projects, have been held up due to lack of cement. Even urgent repair works have been stalled due to the shortage.

The furnace oil consuming firms were allotted less than 43 per cent (2812.8 kl) of their actual requirements, out of which some firms received nothing. In certain cases, the availability was mainly restricted due to inefficient management of supply and lack of adequate transportation facilities.

CSO: 4220/7074

SAMPRADAYIKTA VIRODHI APPEALS FOR CURBS ON RSS

New Delhi PATRIOT in English 15 Sep 81 p 7

[Text]

All-India Sampradayikta Virodhi Committee President Subhadra Joshi has stated that the report of the inquiry commission on the Jamshedpur riots 'should open the eyes of all those parties and groups interested in maintaining communal harmony and preserving the secular character of society.'

In a statement on Monday, Mrs Joshi said the Government should take immediate action to curb the activities and propaganda of the RSS, squarely blamed for the Jamshedpur riots, and other organisations of this nature.

"But the Government action alone is not enough. There is need for a national campaign, in which all secular-minded parties and groups should participate, to educate public opinion about the anti-national and communal character of the RSS. I appeal to all well-wishers of the nation to sink their political differences in order to build up such a campaign, she underscored.

Referring to the RSS chief's observation that the report was 'politically motivated,' she said it was baseless on close examination of facts "The Commission (which had indicted the RSS) was set up by a Government of which the political wing of the RSS was a part. The RSS had been given full opportunity for explaining its conduct. The verdict cannot be honestly dismissed as Mr Balasaheb Deoras has tried to do," she observed.

CSO: 4220/7074

NEWSPAPER SOCIETY HOLDS MEETING IN BANGALORE

Keynote Speech, Officers Elected

Madras THE HINDU in English 17 Sep 81 p 10

[Text] BANGALORE, Sept 16.

The Indian and Eastern Newspaper Society (IENS) today expressed grave concern over the alarmingly increasing attacks on newspapers and newspapermen and called upon the Government to take adequate steps before these tendencies got out of control.

Presiding over the 42nd annual general meeting of the IENS here, Mr. K. L. Sarkar, Chairman, said the attacks were often inspired and encouraged by politicans in a bid to suppress criticism or make newspapers toe their line.

The IENS, he said, had urged all professional organisations to discuss these grave threats and find solutions to overcome them.

Financial burden

Mr. Sarkar said the Centre's acceptance of the Palekar Tribunal's awards subject to certain modifications, had imposed a heavy financial burden, to the tune of Rs. 40 crores, on the newspaper industry.

The Government struck another "severe blow", he said, by levying 15 per cent customs duty on imported newsprint and simultaneously announcing a hike in its price. This would impose a yearly additional financial burden to the tune of Rs. 50 crores, he said.

To forestall any move on the part of newspaper establishments to lighten their burden of Palekar awards to some extent by retrenching some of the unwanted staff, the President has recently issued an ordinance protecting jobs of part-time journalists, Mr. Sarkar said.

The newspapers would have no option but to further increase their price and advertisement rates. Thus, gradually, newspapers will be beyond the reach of the common man.

The Government's newsprint allocation policy for the current year would further curtail the growth of newspapers, since the lower growth rate had been permitted to the small and medium categories of newspapers.

Newsprint wastage

Referring to wastage of newsprint, Mr. Sarkar said the IENS had already pointed to the Government that the actual wastage of newsprint was not less than 10 per cent and urged it to maintain at least the status-quo in regard to wastage allowance.

Describing the supply of newsprint by the State Trading Corporation (STC) as far from satisfactory, Mr. Sarkar said the IENS had suggested forming a cooperative society like the one in France to handle all operations of buying newsprint for all newspapers and their storing at a no profit basis.

Mr. Sarkar informed the meeting that the Reserve Bank of India had promised to take a realistic view while considering the proposals for increased working capital requirements of newspapers because of the recent hike in newsprint prices and the customs duty levy.

The IENS hoped that the Government would also not go ahead with the proposed amendment to the Press and Registration of Books Act and stand firm by its earlier policy of not fixing any news-advertisement ratio.

The IENS, Mr. Sarkar said, was shocked to understand that Chief Ministers of certain States had reportedly stated that Government advertisements should be stopped to such newspapers which criticised Government policies and not highlighted its achievements.

Such leaders want the newspapers to blindly toe the Government line giving up their independent thinking, he said.

Intolerance was growing against the press with Chief Ministers at different forums describing journalists as scorpions, snakes and prostitutes.

On complaints of invasion of privacy by the press, he said the Press Council was conducting a separate investigation into this.

Mr. Sarkar pointed out that the IENS had argued that it was difficult to formulate workable guidelines. The Society felt it was dangerous to legislate on the subject.

The newspaper industry in the country had started modernising its operations only during the last few years. Mr. Sarkar said. Fresh information was being generated at a fast pace and a nation which did not have the due means to cope adequately with this mushroom growth would become an 'anachronism'.

The IENS, Mr. Sarkar said, had urged the Government to immediately withdraw the levy of customs duty on import of printing machinery and equipment by newspapers to enable them to replace their outdated machinery.

The Press Trust of India (PTI) planned to computerise its news services. This, he felt, would ensure greater accuracy and rapidity in editing, and corrections and greater communication efficiency.

He also lauded the commendable work done by the Press Institute of India and the Research Institute of Newspaper Development for bringing professionalism in editorial, managerial and technological aspects in newspapers.

Office-bearers elected

Mr. Mammen Verghese, of the Malayala Manorama was elected President of the IENS for 1981-82 at the meeting.

Mr. Ramesh Chandra of Dinman and Mr. N. Murali of THE HINDU were elected Deputy President and Vice-President respectively.

Mr. Vishwa Bandhu Gupta of Daily Tej is the Hon. Treasurer. — PTI.

Resolutions, Press Briefing

Madras THE HINDU in English 17 Sep 81 p 10

[Text] Bangalore, Sept 16. The Iran and Eastern Newspaper Society, here, today, took a grave view of the inceasingly large number of crimes committed on newspapers and newspaper organisations in the country.

In a resolution, the IENS said that it had pointed out time and again, particularly, in the last few months, about the grim forebodings of such incidents, without any action being taken.

It advised the Governments at the Centre and in the States that if extremist tendencies were allowed to raise their head further and the voice of dissent muffled by violence, the very edifice of democracy would collapse.

The IENS also adopted a resolution condemning the fatal attack on Lala Jagat Narayan and paid tributes to his services to the country as a freedom fighter and journalist.

At the end of the meeting, briefing reporters, the Deputy President of the IENS, Mr Ramesh Chandra, expressed concern over the impact of the governmental levies on the newspaper industry and feared that because of the resultant escalation in newsprint costs and government levies, the daily newspaper faced the threat of being priced out. He said that since newsprint constituted more than 60 per cent of the total cost of production of a newspaper, the continuous price hike and the subsequent customs duty would mean the difference between survival and failure to hundreds of newspapers in the country.

Mr Ramesh Chandra spoke of the important place of newspapers as purveyors of information, particularly, in a developing country and said that instead of the Government trying to save foreign exchange by making newsprint costlier, it could very well try to build up and improve the indigenous production of newsprint.

Though newsprint projects in Kerala and Karnataka had been started, they had not reached the stage of production as earlier envisaged.

It was also stated that the Mysore Paper Mills, which had been building up a newsprint project, was thinking of pricing its product at Rs 7000 per tonne as against the price of imported newsprint of Rs 4,500 just a year ago, which had of late increased again. He said one would expect that in view of the international situation and the prices going up, the Government could consider some sort of a subsidy system to help the newspapers keep the price of newspapers at reasonable levels.

CSO: 4220/7079

FORMER MNF 'ADJUTANT GENERAL' REPORTED MISSING

Calcutta THE STATESMAN in English 17 Sep 81 p 12

[Text]

SHILLONG, Sept. 16.—The former "adjutant-general" of the MNF Biakvela, who was in Aizawl on bail from Gauhati jail, has disappeared, according to reliable indications. The self-styled Colonel led a contingent to China and back a few years ago. A dare-devil like the late Kaito Sema of the Naga underground, he led a group of rebels diagonally across northern Mizoram from Manipur to the Chittagong Hill Tracts in the mid-70, —a spectacular dash that took them within a few kilometres of Aizawl itself.

He was subsequently caught by the Burmese and handed over across the Manipur border and thereafter, lodged in Gauhati jail. According to reports, he had an active role in organising the recent student demonstrations in Aizawl. The Mizo Zirlai Pawl, the student body, has now suspended the agitation.

The Sailo Administration has made no secret of its fears that Biakvela and another hawk, "Lt. Col. Lalrawna", were allegedly forming a new cadre of young men for a fresh insurgency. The alleged aim was to indoctrinate about 50 graduates or under graduates and take them across the border for training in weapons.

Secondly, and more important, the plan was to brainwash boys in the 15 to 20 age-group, boys who had no idea of the insurrection, the emotional climate and subsequent human suffering and misery.

CSO: 4220/7078

DROUGHT ENDANGERS AUTUMN HARVEST IN NORTH

Calcutta THE STATESMAN in English 17 Sep 81 p 11

[Text] New Delhi, Sept 16--The lack of rain in the northern States since the end of July has sharply affected the kharif crop prospects, particularly of rice. It is not expected that the rice production target of 58 million tons will now be reached.

How much the shortfall will be depends on the effectiveness of the emergency measures being taken by the Central and State Governments to save the kharif crop, but it is possible that the production will be from 3-4 million tons short of the target.

This is bound to affect the availability of grain both for buffer stock purposes and also for keeping the public distribution system going. Some exercises have been done on the possibility of making more grain imports.

The first imports of wheat in five years were made when 1.5 million tons were bought in the U.S. market in July. This was then considered the minimum necessary, both as a precaution and as a measure to prevent traders from raising prices.

At that time, after the procurement of approximately 6.3 million tons of wheat--nearly 3 million tons below the target--total grain stocks were around 14 million tons. The needs of the public distribution system must have depleted the stocks further since.

Rice procurement will begin after the harvest in two or three months but the current drought in the north is bound to affect the target. Fortunately, paddy production in the south and other regions of the country is said to be satisfactory. The main States affected are Rajasthan, Haryana, Uttar Pradesh and Madhya Pradesh.

When wheat was bought in the U.S. markets, prices were low since neither Russia nor China had shown interest in making grain purchases despite their bad harvests. Since then, both these countries have made inquiries which are expected to lead to heavy purchases. Prices in the USA have risen sharply.

Hence, further grain imports will cost the Government considerably more than the Rs 270 crores that it had taken in July--and this at a time when the foreign exchange reserves are falling sharply.

Even in July, some officials felt that at least 4 million tons of wheat should have been imported. However, it was decided to limit the imports in view of forecasts that the monsoon would be normal.

The monsoon was, in fact, bountiful in June and July in nearly all parts of the country. But the kharif crop needs further showers in August and early September and the lack of these in some States has affected the production prospects and led to the possibility of more imports.

CSO: 4220/7078

PLAN TO INCREASE PULSE, OILSEED OUTPUT TOLD

Madras THE HINDU in English 14 Sep 81 p 16

[Text]

NEW DELHI, Sept. 13.

The Centre has finalised a plan of action to step up oilseeds production from 8.9 million tonnes in 1979-80 to 13 million tonnes by 1984-85 and pulses production from 8.4 million tonnes to 14.5 million tonnes.

The two centrally sponsored programmes will together involve an outlay of Rs. 81.7 crores.

It has been proposed to organise pulse growers around cooperative dal mills into cooperatives on the lines of the milk cooperatives of Anand to ensure remunerative prices as an incentive for increasing production.

Top priority is proposed to be given to the implementation of the centrally sponsored programmes to supplement the efforts of the State Governments as the shortage of oilseeds and pulses, which are articles of mass consumption, has caused concern to the Government.

Arrangements have been finalised to ensure timely supply of various vital inputs required to make this drive a complete success.

Flexible approach

As an important component of the campaign all the agencies, both at the Centre and in the States, including the field agencies, will be activised to undertake successfully the drive for augmenting the production of oilseeds and pulses.

State Governments will be authorised to divert funds, if necessary, upto an extent of 15 per cent from one programme to the other? within the overall sanctioned financial limits to provide operational flexibility in the implementation of each of the centrally sponsored programmes for oilseeds and pulses.

It is expected that the flexibility of approach in spending the funds will enable the State Governments to tailor the programmes to their specific needs. This concession will also apply to all the central sector and centrally-sponsored schemes with which the Department of Agriculture and Cooperation is concerned.

The Centre has taken up the responsibility for the supply of quality seeds. A committee under the chairmanship of Mr R. C. Sood, Additional Secretary in the Department of Agriculture and Cooperation, has been set up to promote and monitor a planned programme for seed production.

Adequate number of trained village level staff will be provided in the States, where the training and visit system of extension is not in operation, to ensure effective and quick transfer of improved technology to farmers for increasing production of oilseeds and pulses. In other States, the oilseeds and pulses development technology will be suitably incorporated in the existing T and V system of extension.

Concerted efforts are proposed to be made to promote the cultivation of short duration Arhar varieties in Andhra Pradesh, Karnataka, Maharashtra and Madhya Pradesh.

An intensive drive will be undertaken to expand the area under summer moong and rabi moong in States like Orissa, Andhra Pradesh, Tamil Nadu, Karnataka and Madhya Pradesh.

CSO: 4220/7073

ANALYST DISCUSSES 'DEMORALIZATION' IN CIVIL SERVICE

Madras THE HINDU in English 14 Sep 81 p 8

[Article by K. K. Katyal: "Officialdom: Distortions and Deficiencies"]

[Text] The recent shake-up of 15 Secretaries at the Centre was startling. The changes were significant for many reasons, and chiefly because merit appeared to receive greater attention than loyalty. But the exercise is going to be a long haul.

MANY more steps are needed to restore confidence and a sense of purpose among top civil servants besides Mrs Gandhi's recent exhortation to Secretaries of Central Ministries to be correct and fearless in their dealings with their political bosses. To say this is not to suggest that the Prime Minister was less than categorical in her assurances but to stress that the rot in the bureaucracy is too acute to be removed by one such exercise. What happens in practice over a long period will carry greater conviction with officials than the outlining of abstract propositions.

It is equally important to identify the causes for the demoralisation that had set in among the officials or for the appearance of a new culture in which the relationship between officials and political heads was based less on accepted principles of a democratic parliamentary set-up and more on mutual convenience. The bureaucracy conducted itself eminently well after the transfer of power from the alien rulers to a popular Government in 1947 but could not withstand the pressures and tensions that accompanied the transfer of power from one party to another in the last four years, as also the Emergency.

The ICS got kudos for its role in the trying post-partition period, especially in the shattered State of Punjab, from those very people who used to decry it as "neither Indian nor civil nor service". Why is it that the IAS and other Central services collapsed under lesser pressures? To blame the bureaucracy for this steep drop in standards is to oversimplify the situation. The politicians in power too are responsible.

True, the bureaucracy needed to be turned and conscious steps were required to see that it adjusted to the changed role. True, there was some resistance by it and the process was not very smooth. But did politicians in authority observe the new norms concerning them in letter and spirit?

The situation at the Centre might not have been as bad as it was in the States where Ministers and MLAs would browbeat collectors and superintendents of police, or others among the ruling elite would put pressure on station house officers to take decisions to promote some personal and political interests. But are not top officials at the Centre categorised as "ours" and "theirs" by political bosses? And has this not been the deciding factor in good many cases in the matter of postings, transfers, promotions, and demotions? That officials allowed themselves to be categorised thus is another sordid aspect of this state of affairs.

The ascendancy of "ours" (they changed with the change of the Governments) worked havoc with the administration at a time when, because of new, intractable problems, the country was more ungovernable than ever before. This set of officials was preoccupied more with efforts to keep themselves on the right side of the source of favours bestowed on them than with

the efficient discharge of duties. Their "to hell with them" attitude towards those with whom or for whom they were expected to work made things worse.

Then there were unedifying spectacles of such appointees clashing with one another and of their wrangles continuing endlessly because none of them, feeling secure with the support enjoyed by him, was prepared to yield to the other.

If Mrs. Gandhi's address to the Secretaries is part of a bigger, sustained operation, there is a hope that the present unhealthy trends may be reversed. Perhaps it is not an isolated case but part of an exercise, of which the last month's shake-up in the high echelons in the Central Secretariat and her known desire to do away with the institution of "Special Assistants" to Ministers are the other facets. The expected reshuffle of the Cabinet too may fit in with this streamlining process.

The changes of Secretaries were startling both because of their sweep and quality. Rarely in the past were 15 Secretaries affected by a shake-up at one time. There were some welcome signs of return to professionalism, though in one case, where the Minister and the Secretary did not pull on well, the latter was moved instead of identifying the causes of friction and taking the logical follow-up action.

The changes were significant for many reasons chiefly because merit appeared to receive greater attention than loyalty. There was at least one clear case of a loyalist being sent to his State because of the controversy over the deals finalised by his Ministry under his stewardship. This followed the change of the Minister, a loyalist too. Two women officers were elevated to the top level while a senior Secretary, earlier posted in an unimportant Ministry got an assignment commensurate with his standing. The Home Ministry under a new incumbent appeared set for a more dynamic role than had been the case since January last year.

The impression that the advice of the Prime Minister's new Principal Secretary, Mr. P. C. Alexander, influenced the decisions and that he and the Cabinet Secretary, Mr. Krishnaswamy Rao Sahib have an effective say in such matters may help restore the morale of officials.

A long haul

But it is going to be a long haul and results would be evident only after officials find tangible evidence of the changed climate. Till then, we would have to live with the consequences of the present distortions and deficiencies. The points that Mrs. Gandhi raised in her talk with Secretaries were not new and had been mentioned by her, in official files, notes, letters to Ministers and Chief Ministers during her earlier tenure. That the situation should have remained unchanged, nay, even worsened, is a sad commentary on the state of the administration. It also shows that optimism about the future is premature.

The tendency to pass the buck, the comparative emoluments of seniors in the Government and the private sector, the tyranny of rules, need for discipline and effective leadership and caution against indolence about which she talked recently, figure at length in a note she circulated among her Cabinet colleagues in 1975.

Tyranny of rules

This is what this unpublished document says about rules: "In a parliamentary democracy, everyone from the Minister down to the civil servant at the lowest level is accountable for the decisions he takes. This is at the root of the elaborate documentation and the rules governing every transaction. But it does not justify the complexity of the rules or the unnecessary, discursive and repetitive noting that impedes the functioning of Government offices. Accent should be on simple rules and on brief and precise exposition of points at issue so as to facilitate quick decision making".

About evading decisions: "A major cause of deterioration is the tendency of higher officers to shirk responsibility. The feeling has grown that taking decisions is risky and invites criticism. The file-pusher feels safe because he commits no mistakes. This tendency must be combated. Officers should be judged on the basis of the results they show and the contribution they make to the fulfilment of the objectives of the organisation they serve. They should be assured that Government will draw a distinction between genuine errors of judgment and those based on fradulent motives. It is essential that full protection is given to officers in all cases where their action is *bona fide* even though they may have committed mistakes. Honest and upright officers should be assigned to posts which call for exercise of discretionary powers. They should not be allowed to atrophy in inconsequential jobs".

Witch-hunting

A word of caution against witch-hunting: "Tax dodgers, smugglers, disappointed applicants for licences and permits and disgruntled subordinates often seek to wreak their vengeance on honest officers through wild and baseless allegations. Honest officers

should be shielded fully against witch-hunting inspired by such unscrupulous elements".

And the comparison between the Government set-up and the private sector: "There is a feeling of relative deprivation among Government employees arising out of higher emoluments for comparable work in public undertakings. Some measure of differential in the pattern of emoluments may be called for having regard to the differences in the nature of work and the procedures for recruitment, promotion and removal of employees in public enterprises. But it has to be ensured that the levels of emoluments in public enterprises do not outstrip significantly those in Government".

Seniority

The tyranny of seniority too evoked adverse comments and rightly so, but the criteria to be devised to induct dynamic, young officers in top positions would have to be free from extraneous considerations. The reliance on seniority undoubtedly detrimental to the health and vigour of the administration increased over the years.

As the Deshmukh study team pointed out, the oldest and the youngest Secretaries in 1934 were 54-1/2 and 42-1/2 years of age, but, in 1968, the oldest was 60 and the youngest close to 50. Similarly, the average age in the Thirties at the time of promotion was around 48 and in the Sixties about 53. This as also the practice of appointing officers at the fag end of their career as Secretaries calls for remedial action without recourse to arbitrariness.

CSO: 4220/7073

PUNJAB EDITOR'S MURDER REPORTEDLY POLITICAL

Calcutta THE SUNDAY STATESMAN in English 13 Sep 81 p 12

[Text]

CHANDIGARH, Sept. 12.—The group behind the murder of Lala Jagat Narain had other names on its list. The Punjab Government has taken steps to insure the safety of those included in the list, according to Mr Paramjit Singh, Chief Secretary.

Mr Singh told a Press conference today that this group believed in certain views which it felt were being opposed by the Lala and others. The murder bid was not to end with Lala Jagat Narain's death.

He, however, refused to comment when asked if protagonists of Khalistan were suspected of being behind the murder. He did not identify the group either, but said that the police were looking for the suspects.

The investigation so far—questioning of the arrested suspect, Nachatar Singh, and verification by the Police—showed that it was a political murder, planned and financed by those who differed with the Lala's views.

The Chief Secretary said that some other editors in Jullundur, including Mr Virendra of Pratap, Mr Sadhu Singh Hamdard of Ajit and the Editor of Akali Patrika, Mr Ram Singh had been provided with police guards.

A charge was made in the Lok Sabha yesterday that people behind the Khalistan movement and the killing of the Nirankari Baba Gurbachan Singh were responsible for the shooting of Lala Jagat Narain a veteran journalist, on Wednesday near Ludhiana. It was also stated that the Punjab Government was not cooperating in the investigation of such murders and that the Centre should take the initiative for an investigation.

CSO: 4220/7068

KILLINGS BY PRO-LIN BIAO NAXALITES INCREASE

Calcutta THE SUNDAY STATESMAN in English 13 Sep 81 p 3

[Excerpt] The pro-Lin Biao group of Naxalites has once again taken to the path of annihilation of "class enemies" according to the police. Land owners, small business men and shopkeepers are the main targets.

For example, on the evening of July 28, Mr Dilip Kumar Bhowmick, the owner of a poultry farm was attacked while he was returning home on a motorcyle. As the vehicle slowed down near a culvert, a few persons jumped on him with swords. He sped away, but could not escape serious injuries. Similarly, the owner of a petrol pump was ambushed by a dozen people, near Santipur railway station on the evening of July 18, and stabbed to death.

Records show such extremist activity, particularly in West Dinajpur and Nadia districts. In West Dinajpur, there were 15 violent incidents involving suspected Naxalites in 1980, including eight murders, two bomb cases, one assault on policemen and four incidents of looting of paddy. Compared to this, till July this, year, there were 69 such incidents. Including 12 murders, 31 dacoities, two dacoities with murders, four robberies, 15 incidents of carrying of illegal arms and two bomb cases. In Nadia, there were 15 murder and gun snatching cases involving suspected Naxalites between December last year and July this year.

Theft of Guns

The revival of Naxalite activity seems to have resulted in a sharp rise in the incidents of theft of guns (snatching as well as stealing) in the State. While last year 155 such cases were recorded, this year, till July, the figure was 185. The affected districts are: West Dinajpur (73), Burdwan (19), 24-Parganas (21), Murshidabad (10) and Nadia (9).

The Naxalite groups responsible for these incidents are said to be regrouping in West Dinajpur, Nadia, Malda and Birbhum. When chased by West Bengal police, they take shelter in Bihar where they are said to be maintaining a low profile to avoid persecution by Bihar police.

CSO: 4220/7068

BIOGRAPHICAL INFORMATION ON BENGAL GOVERNOR

Calcutta THE SUNDAY STATESMAN in English 13 Sep 81 p 1

[Text] Mr Bhairab Datt Pande was sworn in as the Governor of West Bengal at Raj Bhavan, Calcutta, on Saturday afternoon. Mr Sambhu Chandra Ghose, Chief Justice of Calcutta High Court, administered the oath of office.

The Chief Minister and most of his Cabinet colleagues, judges of Calcutta High Court, the Speaker and the Deputy Speaker of the West Bengal Assembly, the vice-chancellors of Calcutta, Jadavpur and Rabindra Bharati universities, some members of the diplomatic corps, the Inspector-General of Police, West Bengal, the Commissioner of Calcutta Police, the Chief Secretary and secretaries of different State Government departments and the president of the West Bengal Pradesh Congress (I) were among those present.

In a televised interview broadcast in the evening, Mr Pande sought the cooperation of all sections of the people in the State. He said that as the Governor of West Bengal it would be his duty to achieve its all-round development.

The Governor said that he and his wife were great admirers of the art and literature of West Bengal and appreciated the State's contribution to music, the humanities and the sciences. He hoped to be fully involved in these activities in the State.

Earlier, Mr Pande arrived in Calcutta from Delhi. He told reporters at Calcutta airport that West Bengal was a premier State in India and as such should take its premier position. He wished prosperity to the State and its people.

Asked whether his appointment as the West Bengal Governor was political, he replied: "Why should it be political? I am not a politician". He was, however, happy with his present appointment.

Mr Pande, who was accompanied by his wife, was received at the airport by Mr Jyoti Basu and some of his Cabinet colleagues, the Speaker and senior officials of the Union and State Governments.

Mr Pande was born on March 17, 1917, and obtained his B.Sc. degree from Allahabad University and B.A. degree from Cambridge.

He entered the Indian Civil Service in 1938 and had his first posting in Bihar. He served the State for nearly 21 years in various capacities before he moved over to the Centre as Joint Secretary in the Ministry of Community Development and Cooperation and later in the Ministry of Defence Coordination and Supply from 1960 to 1963.

Mr Pande later became Additional Secretary in the Ministry of Finance and for some time was chairman of the Central Board of Revenue and Gold Control Administration.

For two years from 1963, he was chairman of the Life Insurance Corporation before moving to Bihar as Commissioner-General cum Chief Secretary in 1967.

Soon after, he returned to the Centre and till early 1970 was Secretary in the Planning Commission and till May 1971, Secretary in the Department of Heavy Engineering and the Department of Industrial Development.

He was Finance Secretary from May 1971 to November 1972 and till March 1977 Cabinet Secretary and Principal Secretary to the Planning Commission.

He was part-time chairman of the National Transport Policy Committee set up by the Planning Commission from May 1978 to 1980. He was till recently the chairman of the Railway Reform Committee.

CSO: 4220/7068

LARGE NUMBER OF 'OVERSTAYING' PAKISTANIS REPORTED

Bombay THE TIMES OF INDIA in English 13 Sep 81 p 7

[Text] Islamabad, September 12 (PTI). More than 45,000 Pakistani nationals visiting India stayed on in the country in the last 30 months, according to a study conducted by the Indian Embassy here.

The number of Pakistani nationals staying on in India was thus more than two-and-a-half times the number of Indian nationals staying on in Pakistan during this period, the embassy said in a press release here yesterday.

The study indicated that reports appearing in the Pakistani press, including one attributed to a Pakistani government official that a large number of Indian nationals who travel to Pakistan settle down here were "totally incorrect," it said.

The pattern of traffic this year, for example, indicate that the number of Indian nationals arriving in Pakistan was approximately equal to the number returning.

Therefore, there was no basis for the assumption that some of them had settled down in Pakistan though at any given time there would always be a certain number of Indian and Pakistani nationals staying on in the other country.

This did not mean that they had settled down or intended to settle down in the country of their visit, the embassy press release added.

According to the embassy study, in addition to the number of Pakistanis staying in India for various reasons, 9,866 overstayed without valid reasons in 1980. However, this had not prevented the Indian government from continuing its liberal visa policy--as it was their declared policy to facilitate travel between India and Pakistan. Efforts were being made to further liberalise issue of visas.

As far as possible, intending Pakistani visitors to India were issued visas on the same day as the application was made, the embassy said.

CSO: 4220/7067

BOOK ON INDO-SOVIET COOPERATION RELEASED

Bombay THE TIMES OF INDIA in English 12 Sep 81 p 15

[Text] New Delhi, September 11. The Vice-president, Mr M. Hidayatullah, said yesterday that Indo-Soviet friendship and cooperation was based on mutual trust and was not directed against any other country.

He said that over the past decade, since the signing of the Indo-Soviet treaty of peace, friendship and cooperation, relations between India and the Soviet Union had been further strengthened and both countries were striving to promote and nourish world peace.

Mr Hidayatullah was speaking after releasing the book "Studies in Indo-Soviet Cooperation" at a function held at Vithalbhai Patel Bhavan. The book has been edited by Dr Shankar Dayal Sharma, MP.

Mr Balram Jakhar, speaker of the Lok Sabha, who presided, said that Indo-Soviet ties were on a firm basis and for the mutual benefit of both the countries. The treaty had stood the test of time.

Devotion to Duty

He called upon people in India to imbibe the Russian qualities of hard work and devotion to duty which alone could lead the country towards progress and prosperity.

The Soviet charge d'affaires, Mr S.I. Semivolos, said it was significant that the book was being released when the tenth anniversary of the Soviet-Indian treaty of peace, friendship and cooperation was being widely celebrated in both the countries.

He said the treaty symbolised the "relations of sincere friendship and close cooperation between our two countries. These relations have deep historical, political, cultural, and material roots and have always been marked by mutual respect, by identity or similarity of our positions in the international arena."

Earlier, Dr Sharma, welcoming the vice-president, said the publication, which had contributions from several well-known writers and intellectuals was bound to further strengthen the Indo-Soviet ties of friendship and cooperation.

CSO: 4220/7062

SIKH SETTLERS IN UTTAR PRADESH TRIBAL AREA ILLEGAL

Bombay THE TIMES OF INDIA in English 12 Sep 81 pp 1, 9

[Article by K. Bikram Rao: "U.P. Settlers Defiant"]

[Text]

KHATIMA (Naini Tal), September 11.

"WE will give up our life, not our land." This forceful statement of a Rai Sikh in the Terai region at the foothills of the Himalayas sums up the defiant mood of the Punjabi settlers who face eviction under the recent UP government ordinance.

A quick tour of the area shows that the ordinance, promulgated ostensibly in pursuance of the Prime Minister's resolve to undo the injustice done to the scheduled tribes and scheduled castes, has generated social tensions. There are apprehensions that attempts to dispossess the settlers of the land, the ownership of which vests with the tribals according to revenue records, may lead to clashes.

The ruling Congress (I) is apparently not united on the issue. Even while the revenue minister, Mr. Baijnath Kureel, who is a Harijan, reiterated the government's resolve to restore the land to the tribals, Mr. Ranjit Singh Sethi, a Sikh minister of state, who was recently dropped from the ministry, publicly announced at a meeting here: "Mrs. Indira Gandhi has stayed the operation of the ordinance." Inquiries at the secretariat, however, show that there was no such directive from New Delhi.

The essentially agrarian problem has acquired a political colour with the circulation of the "Khalistan map", drawn up by Canadian Sikhs, showing the Terai region as part of Khalistan.

Given the rigid stance of the Tharus and the Punjabi settlers, the state ministry has a tough problem on its hands. At Haldwani, a Harijan Congress (I) MLA, Mr. Bihari Lal, has said the "continued exploitation" of the hapless Tharus should end soon. He and his party colleagues are pressing the district administration for the effective implementation of the ordinance.

The land, officially claimed to be under the illegal occupation of the settlers, is put at 16,552 acres. Spread over 238 villages, this land had been occupied after 1969, according to official statistics.

The Sikh leaders, Mr. Jai Singh and Mr. Barbans Singh, who had been living in the Terai area for the past four decades, contend that the government should regularise the occupation by the settlers. They argue that the settlers had reclaimed inhospitable land after undergoing considerable risks.

The general secretary of the Terai Krishak Sangh, Mr. Jagir Singh, a young farmer who is organising the settlers' agitation, told this correspondent that the revenue records were defective and as such could not form the basis for dispossessing the settlers. Major Avtar Singh, another settler, claimed that several Tharus had of their own volition sold the land to the settlers. How could the government invalidate such transactions?

The district administration is, however determined to implement the ordinance. The district magistrate, Mr. Babu Ram, said in an interview that the "new Punjabi settlers" had no case at all. It was not correct to say that implementation of the ordinance had been stayed by the Prime Minister or anyone else in authority. "My administration is going ahead with it."

He pointed out that in 1951 the "Tharu and Bukosa tribals owned about half a million acres of land. Today they own only 80,000 acres."

Whatever the merits of the rival claims, any visitor to Khatima, Sitarganj, Barpur and interior villages can-

not but notice the sharp contrast in the life styles of the settlers and the Tharus. At Baghora village, Mr. Mohan Singh, a Sikh farmer, owns a huge farm and lives in a modern bungalow. Only a few metres behind his coutryard, the land is dotted by Tharu huts and hovels.

Three Tharu farmers, Sukhi Singh, Mulu Singh and Hira Singh, said their fathers owned the land before the settlers came over and occupied it. The Tharus alleged that most of it had been taken away by the settlers through illegal mortgage and transfer of ownership, or forcible occupation.

The Tharus have no leaders worth the name. A Rana family has set up a Rana Parishad. This family in course of time built up an empire for itself by allegedly depriving the other Tharus of their land. In private conversation, several Tharu farmers are sharply critical of the Rana Parishad leaders. They were previously money-lenders. The result is that the Tharus accounting for nearly one lakh families, remain an unorganised lot, much like rural labourers.

These Tharus, who are Rajput by caste, had migrated from Chittorgarh in Rajasthan. When the Khilji emperor, Alauddin Khilji, destroyed the Rajput kingdom in his pursuit of the beautiful Queen Padmini, hundreds of Rajput princesses escaped with their servants to the safety of the Himalayan foothills in the Terai region. Traditionally, these royal women enjoyed a higher status than men. Even today the women rule the household and look after other affairs.

The first serious attempt at settlement in the Terai region was made during the chief ministership of Mr. Govind Ballabh Pant, soon, a large number of Sikhs from Pakistan came over to the area. The UP government offered them land. The sturdy agriculturists soon reclaimed the land and emerged as rich farmers. With the development of communications in the Terai hinterland in the sixties, more people from Punjab, retired army personnel and cultivators from the backward eastern UP were attracted to Terai.

They bought land from the Tharus at throwaway prices. Sukhhi Singh, a Tharu, had bartered Rs. 1,300 and in the bargain lost his holding of 46 bighas and paid over Rs. 8,500 as interest on the loan he had taken for his son's wedding. There are hundreds of cases of people from eastern UP and Punjab, who came as moneylenders and became owners of the Tharus' land.

When the alienation of tribal land assumed serious proportions, the social welfare directorate appointed a study team to probe the living conditions of the Tharus. A detailed study report was prepared in 1978. It revealed that some 1,500 settler families had grabbed land from the Tharu and Buksa tribals who had owned it for a century or so. But various efforts to check land alienation failed because of political and other factors.

The June 3 ordinance is in fact an amendment to the land laws bill. It bans the sale of Tharu land and empowers district officials to prosecute illegal occupants of Tharu land. As the objects and reasons explain, the bill seeks to remedy the disturbed social equilibrium in the Terai region.

Even as controversy rages over the issue, curiously no political party has taken any initiative to sort out the problem. This is because almost all political parties are divided vertically on the agrarian issue.

The ruling Congress (I) is split into the Harijan tribal block led by Mr. Bihari Lal and the Sikh group led by Mr. Jai Singh. The Bharatiya Janata Party, which has some influence in the area, is scrupulously avoiding taking sides, apparently for fear of facing a split in its ranks.

The two Communist parties find themselves in a curious situation. The secretary of the district unit of the CPM, Mr. Satya Prakash, openly champions the cause of the Punjabi settlers. The Marxist leader contends that the ordinance is "undemocratic." Under Mr. Satya Prakash's leadership, the district unit of the CPM did not join the "land to the Tharu tiller" struggle.

The CPI has its own problems. Revenue records show that two chief functionaries of the district CPI own over 200 acres of land. An important CPI leader here allegedly has some 150 acres of farmland registered in the name of his pet dog.

The government is apparently determined to enforce the ordinance. It remains to be seen, however, whether it has enough political will to go ahead with the scheme, particularly in the light of the militant stand taken by the settlers who possess licensed arms.

CSO: 4220/7062

GARHWAL LOK SABHA REPOLL SCHEDULED FOR 22 NOVEMBER

Calcutta THE SUNDAY STATESMAN in English 20 Sep 81 p 1

[Text] New Delhi, Sept 19.--Re-poll in the Garhwal Lok Sabha constituency by-election will be held on November 22. The Chief Election Commissioner, Mr S. L. Shakdher, told this to reporters here this evening, after a meeting with contesting candidates and their representatives earlier in the day.

According to Mr G. C. Bhattacharya, general secretary of the Democratic Socialist Party, the repoll will be held on November 22. Mr Raj Narain told a separate Press conference that it would be in the second half of November.

The re-poll was ordered following protests from Mr H. N. Bahuguna, the Democratic Socialist Party candidate, that police from Haryana and other States had been posted at polling stations without the prior permission of the Election Commission.

The seat had fallen vacant following the resignation of Mr Bahuguna both from the Congress(I) general secretaryship and Parliament. Mr Bhattacharya, who represented Mr Bahuguna, and Mr Negi, U.P.'s Minister for Forests, were among those who met the Chief Election Commissioner to urge an early by-election in Garhwal. Mr Bhattacharya said the commission told the delegation that 15 days would be given for campaigning and the notification would be issued by November 7.

On behalf of Mr Bahuguna, it was urged that in conformity with the Election Commission's order, the re-poll should be held under the direct supervision of the Election Commissioner. This will require that no police force from outside the State be allowed in the constituency.

CSO: 4220/7089

BRIEFS

MINORITIES PANEL MEMBER--New Delhi, September 8 (PTI)--Mr Sajjan Singh principal of Guru Nank Khalsa College of Dehra Dun, has been appointed member of the minorities commission. He comes in the place of Mr Arjan Singh, former chief of air staff, whose term ended last month. [Text] [Bombay THE TIMES OF INDIA in English 9 Sep 81 p 14]

AUSTRIAN LOAN--New Delhi, September 8--Austria has granted a loan of 206 million schillings (equivalent to Rs 10.3 crores) to India. The loan has a grace period of ten years and carries an annual interest of two per cent. It is earmarked for the purchase of investment goods from Austria. The loan was proposed by the Austrian chancellor, Dr Kriesky, after his return from a visit to India last year. Dr Kreisky wanted the loan to be announced as a prelude to the North-South summit conference in Mexico. [Text] [Bombay THE TIMES OF INDIA in English 9 Sep 81 p 14]

AICP ON CPI--Leaders of the West Bengal unit of the All India Communist Party believe that the liquidation of the Communist Party of India has been completed following its decision to join the Left Front in West Bengal. The CPI has now become an appendage of the CPI(M). A spokesman of the AICP said in Calcutta on Monday that the CPI had been relegated to the position of the Forward Bloc and the RSP and lost its independence. He called upon the CPI leaders, who had opposed the decision to join the Left Front, to realize the futility of an inner party struggle. These leaders should come out openly against the official line of the CPI, he said. The spokesman said the AICP did not support the proposed bandh called by the Left Front on September 11, which was politically motivated though the party was against the Essential Services Maintenance Ordinance. But the party would not oppose the bandh for the sake of trade union unity. [Text] [Calcutta THE STATESMAN in English 9 Sep 81 p 3]

CONGRESS-S RESIGNATIONS--New Delhi, Sept 8--Several senior members of the Youth Congress(S) today submitted their resignations to the party president, Mr Sharad Pawar, in protest against the "defamed clique" within the party. Among those who sent in their resignations were Mr Ram Kumar Sharma and Mr Azad Singh Saini, vice-president and general secretary of the Haryana Youth Congress(S), respectively; Mr Ravinder Kumar, general secretary, U.P. Youth Congress(S): Mr Jai Prakash, working president, Rajasthan Pradesh Youth Congress(S), Delhi Pradesh Youth Congress(S). In a memorandum to Mr Pawar, the leaders said that they were "amazed" to find the same "defamed clique" of the Youth Congress(S) functionaries at the helm of affairs of the Congress again. Mr Pawar was named the interim

president of the Congress(S), there was an open clash between supporters of Mrs Ambika Soni and Mr K.P. Unnikrishnan, general secretaries of the Congress (S), within the party premises at 3, Raisina Road, New Delhi. The police had to be called to restore order. [Text] [Calcutta THE STATESMAN in English 9 Sep 81 p 9]

AIR MARSHAL CHAUHAN--Madras, Sept 9--Air Marshal B.W. Chauhan, AOC-in-C, Training Command, has urged the officers and men of the Air Force to be dedicated and loyal, and give their best to the nation. Addressing the staff at Air Force Station, Tambaram, Air Marshal Chauhan stressed the need to follow meticulously the instructions given to them. Air Marshal Chauhan, who is shortly taking over as the C-in-C of the Central Air Command, said the Government was aware of the need to provide more benefits to the soldiers. Air Marshal Chauhan was earlier received by Air Commodore K. Subramanian, Air Officer Commanding, Air Force Station, Tambaram. Air Marshal Chauhan and his wife later visited the Air Force Station at Avadi, where they were received by Group Cpt. C.L. Malik, Station Commander and Wg. Cdr. P. Kunhiraman, Commanding Officer, MTTI. [Text] [Madras THE HINDU in English 10 Sep 81 p 12]

AIR CHIEF IN NORTHEAST--During his first visit to the eastern States after assuming the office of Chief of the Air Staff earlier this week, Air Chief Marshal Dilbagh Singh congratulated Air Force men at Shillong on their able support to the Army in combating insurgent activities and helping civilians. The Air Chief was accompanied by his wife, Mrs Parkash Dilbagh Singh. Referring to the geographical difficulties in which Air Force men in the northeast had to work, Air Chief Marshal Singh highlighted welfare measures for the airmen initiated by his predecessor, Air Chief Marshal I.H. Latif. The new Air Chief called on Mr Prakash Mehrotra, Assam and Meghalaya Governor, at Shillong on Monday. At Tezpur, he was presented a guard of honour by Air Force personnel. The Air Chief returned to Delhi on Wednesday after a stopover at Kalaikunda. [Text] [Calcutta THE STATESMAN in English 12 Sep 81 p 3]

NEW JAPANESE AMBASSADOR--Tokyo, Sept 11--Mr Eikichi Hara was today appointed Japan's new Ambassador to India succeeding Mr Masao Kanazawa, reports AFP. Mr Hara (62), joined the Foreign Ministry in 1941. He served as Ambassador to Malaysia till 1979. [Text] [Calcutta THE STATESMAN in English 12 Sep 81 p 5]

TRADE WITH ROK--Seoul, Sept 11--South Korea has expressed interest in Indian civil engineering and plant construction projects. A standing council meeting of the Indo-Korean Chamber of Commerce and Industry here on Wednesday discussed ways of expanding trade and other economic cooperation. The delegates also agreed to strengthen cooperation in resource development, maritime and air transportation, economic information and technology exchanges. The Indian delegation was led by Mr Charat Ram, Chairman of the bilateral business Council. Mr Chung Soo-chang, Chairman of the Korea Chamber of Commerce and Industry led the Korean delegation.--UNI. [Text] [Madras THE HINDU in English 12 Sep 81 p 5]

CONGRESS-S YOUTH LEADERS--New Delhi, Sept 12--Three Youth Congress(S) leaders today announced their resignation from the party. Mr Mohinder Singh, general secretary of the Punjab unit, Mr Vinod Solanki, acting president of the Gujarat Youth Congress(S), and Mr Anil Sharma, joint secretary of the Delhi unit, have

in a joint letter to the Congress(S) president, Mr Sharad Pawar, said they were quitting the party as they found the present atmosphere in it "suffocating and disheartening." They said Mr Satish Verma, Youth Congress (S) general secretary, had also quit the party because of the highhandedness of a group led by Mrs Ambika Soni and Mr K.P. Unnikrishnan. [Text] [Madras THE HINDU in English 13 Sep 81 p 12]

LEANDERS EXERCISE--Bombay, September 13 (UNI)--For the first time in Indian naval history six Indian-built leaders--INS Nilgiri, INS Himgiri, INS Udaygiri, INS Dunagiri, INS Taragiri and INS Vindhyagiri have sailed out together this week for exercises in the Arabian sea. The ships are fully air-conditioned and have a modern radar system built in collaboration with a Dutch company at Bharat Heavy Electricals, Bangalore. The latest two Leanders carry Sea King helicopters. [Excerpts] [Bombay THE TIMES OF INDIA in English 14 Sep 81 p 9]

MANGALORE PELLETIZATION PLANT--Bangalore, September 13 (UNI)--The stage is set for the setting up of the three-million-tonne pellétisation plant at Mangalore. Kudremukh Iron Ore Company Limited signed two separate contracts with Rumania in Delhi yesterday for the pelletisation plant and for supply of about three million tonnes of Kuremukh iron ore concentrate, KIOCL sources told UNI here today. While the contract for the plant was signed with the Rumanian Uzine Export and Import Company, the other contract was signed with the Rumanian mineral import and export organisation. The Rs 90-crore Mangalore pelletisation plant was expected to be ready by the middle of 1984 and preliminary work on the project was expected to begin shortly. The agreement with Rumania included the supply of critical equipment worth about Rs 34 crores and provision of technical know-how and supervisory services. The pelletisation plant would also involve a large Indian content." [Text] [Bombay THE TIMES OF INDIA in English 14 Sep 81 p 4]

CONGRESS-I MP WINNERS--Lucknow, Sept 14 (PTI)--Two Congress-I candidates Rampujan Patel and Shivlal Balmiki were today declared elected unopposed to the Rajya Sabha in the byelection from the Uttar Pradesh Vidhan Sabha constituency. Since no other nomination papers were filed against them, returning officer Satya Priya Singh, the secretary of the State Vidhan Sabha, declared them elected today, the last date for withdrawal of nomination papers. Another Congress-I candidate, seeking election to the Vidhan Parishad Mr Zulfikar Ali Khan, was also declared elected unopposed. The Rajya Sabha vacancies were caused following the death of sitting Congress-I member Sherwani and on the resignation of seat by Prakash Mehrotra on his appointment as Governor of Assam. The Vidham Parishad seat fell vacant following resignation by Chief Minister Vishwanath Pratap Singh, on his election to the Vidhan Sabha in June this year. [Text] [New Delhi PATRIOT in English 15 Sep 81 p 1]

ANDHRA PRADESH ELECTIONS--Hyderabad, Sept 14 (PTI)--Elections to the Andhra Pradesh Legislative Council from all the 30 local authorities constituencies would be held, as per schedule, towards the end of October. Stating this here, Chief Minister T. Anjiah, referred to a "suggestion of party workers" conveyed to him by the Congress-I general secretary, Mohapatra yesterday to postpone the polls in view of the ruling party's debacle in the recent elections to the

municipal corporations of Vijayawada and Visakhajatnam. The Chief Minister said he pointed out to Mr Mohapatra the "difficulties" in postponing the elections. He was certain that the Congress-I would win all the seats, he said. [Excerpt] [New Delhi PATRIOT in English 15 Sep 81 p 7]

AMBASSADOR FROM YEMEN--Yemen's new Ambassador Taha Ahmed Ghanim, presented his credentials to the President, N. Sanjiva Reddy, at Rashtrapati Bhavan, this morning, reports PTI. Welcoming the Ambassador, the President said, "We look forward to strengthening of relations in different fields--political, economic and cultural between the two countries. [Text] [New Delhi PATRIOT in English 15 Sep 81 p 7]

HARIJAN POLICE STATIONS--Patna, Sept 14--The Bihar Government has decided to set up Harijan police stations in 10 district headquarters in additional to those at Patna, according to a Government press release. These police stations will be set up at Biharsharief Sasaram Arrah Gaya, Hajipur, Samastipur, Begusarai, Bhagalpur, Monghry and Ranchi which will cover all the districts of the State and will be under the control of DIG of complaint disposal cell." These police stations will enter the cases related to atrocities on Harijans, Adivasis and minorities. They will collect open or secret information regarding such cases from Government or non-Government sources and verify the complaints received from the affected communities. [Excerpt] [New Delhi PATRIOT in English 15 Sep 81 p 4]

WORLD BANK, IDA LOANS--New Delhi, September 16--The World Bank has sanctioned a loan of $100 million and its affiliate, the International Development Association, a credit of $220 million to India. The World Bank loan is for the construction of a bagassee-based pulp and paper mill in Tamil Nadu, while the IDA credit is for irrigation development in Madhya Pradesh. The IDA credit will help the provision of irrigation facilities under the Mahanadi reservoir project and the Hasdeo Bango project. Both projects are under construction and are estimated to cost $439 million over a five-year period--July, 1981, to June, 1986. Under the scheme, canals will be enlarged to enable them to meet peak water needs. Sufficient control structures will be provided to enable them to respond to changing seasonal and annual water demands. The IDA credit is for 50 years with ten years of grace. It is interest-free but carries a service charge of 3/4 per cent. [Text] [Bombay THE TIMES OF INDIA in English 17 Sep 81 p 1]

GANDHI DELEGATION NAMED--New Delhi, September 16 (UNI)--The Prime Minister, Mrs Indira Gandhi, will pay official visits to Indonesia, Fiji, Tonga, Australia and the Philippines from September 23 to October 9, it was officially announced here today. She will be accompanied by a 10-member delegation. From September 29 to October 8, she will attend the Commonwealth heads of government meeting being held at Melbourne. Mrs Gandhi's delegation includes Dr P. C. Alexander, principal secretary to the Prime Minister, Mr H. Y. Sharda Prasad, information adviser to the Prime Minister, Mr J. R. Hiremath, additional secretary, Mr N. N. Jha, joint secretary, Mr S. C. Tandon, joint secretary, Mr K. K. Bhargaya, joint secretary, Mr Hardev Bhalla, joint secretary, and Mr Sushil Dubey, director, all in the external affairs ministry. Mr K. K. S. Rana, joint secretary, and Mr R. K. Dhawan, special assistant to the Prime Minister will also accompany her. [Text] [Bombay THE TIMES OF INDIA in English 17 Sep 81 p 1]

MADRAS VICE CHANCELLOR--Madras, Sept 16--Dr M. Santappa has been appointed Vice-Chancellor of the Madras University for three years from the date on which he assumes charge. The term of office of the former Vice-Chancellor, Mr G. R. Damodaran, ended on September 3 and a committee of convenors of Syndicate Committees has been looking after the duties of the Vice-Chancellor since then. Starting his career as Reader and head of the physical chemistry department of the Madras University in 1952, he moved to the Madurai extension centre as professor during 1958-62. He became professor of physical chemistry in the Madras University in 1962. He was also concurrently Director of the Central Leather Research Institute (CLRI) during 1972-79. Dr Santapa was also Vice-Chancellor of the Sri Venkateswara University, Tirupati, from January 1979 to June, 1980 and then came to CLRI again as its Director. This is the first time in the 125 year history of the Madras University that a university professor has been appointed Vice-Chancellor. Also, for the first time in the long history of the university, a person belonging to the scheduled caste has been given the privilege of presiding over the destinies of this prestigious alma mater. [Text] [Madras THE HINDU in English 17 Sep 81 p 1]

CONSPIRACY IN TRIPURA--Agartala, September 18 (PTI)--The Tripura chief minister, Mr Nripen Chakravarti, said today some "documents and letters," recovered recently, brought to light a "deep-rooted conspiracy by a section of Tripura tribals in collusion with the RSS to overthrow the left front government in the state." Some foreign powers and antidemocratic elements were also involved in this, he told the state assembly, while concluding a debate on a private motion moved by the opposition Tripura Upajati Juba Samiti member, Mr Nagendra Jamtiya. Earlier on the opening day of the monsoon session today, the four-member TUJS opposition staged a walk-out protesting against a discussion in the house on alleged charges against them of an anti-state conspiracy. This was no part of the agenda, he said. [Text] [Bombay THE TIMES OF INDIA in English 19 Sep 81 p 1]

MANGALORE AIRPORT IMPROVEMENT--New Delhi, Sept 18--The Civil Aviation Minister, Mr A. P. Sharma, told the Lok Sabha today that a parallel runway would be constructed at Mangalore airport to overcome landing difficulty faced by bigger aircraft. A survey was being conducted and the cost of the runway would be known only after its completion. He admitted that the present runway was short and Boeing 737 aircraft could not land at Mangalore during the rainy season. Mr Janardhana Poorjary said the existing runway was dangerous. He referred to the HS-748 (Avro) aircraft of the Indian Airlines, which met with an accident while landing at Mangalore airport in August. UNI. [Text] [Madras THE HINDU in English 19 Sep 81 p 7]

FARM EXPORT TASK FORCE--New Delhi, Sept 19.--A task force has been set up to tap the export potential of the farm sector as had been done in the case of marine products. This was stated by the Commerce Minister, Mr Pranab Mukherjee, at the first meeting of the reconstituted Central Advisory Council on trade here today. [Excerpt] [Madras THE HINDU in English 20 Sep 81 p 1]

ANTULAY ACCUSES U.S.--Nagpur, Sept 19 (UNI)--Maharashtra Chief Minister A.R. Antulay today alleged "American hand" in the campaign launched against him by the "capitalist" press on the issue of donations to the trusts with which he is associated. Addressing the eleventh convention of the All-India Panchayat Parishad here, Mr Antulay said the campaign had begun immediately after his condemnation of the US at the intellectuals' convention in Bombay for arming Pakistan "to destroy Indian democracy." Mr Antulay lashed out at the "so-called national press which is in reality a capitalist press" for giving what he called a distorted view of the events in the country and for claiming to represent public opinion. These papers did not reflect the hopes and aspirations of the rural poor comprising 80 per cent of the country's population, he felt. [Text] [New Delhi PATRIOT in English 20 Sep 81 p 1]

KASHMIR CONGRESS-S--Srinagar, September 20 (PTI)--Senior leaders of the Jammu and Kashmir Pradesh Congress(S), led by Mr Bhim Singh, MLA, at a meeting here today resolved to set up a "state-level regional party," and sever their links with the party led by Mr Sharad Pawar. The name and the manifesto of the new regional party shall be finalised at a general body meeting of the PCC and the active members of the party on October 2, a press release said. [Text] [Bombay TIMES OF INDIA in English 21 Sep 81 p 5]

LOK DAL LEADER KILLED--Patna, Sept 20--The Bihar Lok Dal organizing secretary, Shivanandan Prasad Chandrabansi, was allegedly killed in broad daylight today by a group of persons including some policemen at Chak Mussalahpur here, reports UNI. The Deputy Inspector-General of Police Central Range, said that an assistant sub-inspector, Mr Ganga Prasad Singh, who allegedly hit Chandrabansi with a sharp weapon leading to his death, was arrested along with three other policemen and two civilians. Mr Ganga Prasad Singh, another ASI, a havildar and a constable had been suspended. The Lok Dal's Bihar unit tonight called a Patna bandh tomorrow in protest against the murder. [Text] [Calcutta THE STATESMAN in English 21 Sep 81 p 1]

CSO: 4220/7096

PROCESS FOR APPOINTMENT OF GOVERNORS DISCUSSED

Jakarta SINAR HARAPAN in Indonesian 20 Jul 81 pp 1, 12

[Excerpts] In his statement that 60 percent of the new appointees for governorships had been determined by the central government and 40 percent by the regional governments, the minister of internal affairs only meant to illustrate the vital importance of the regional system of government, in accordance with Law No 5/1974. So stated Drs. Feisal Tamin, spokesman for the Department of Internal Affairs, Monday morning.

In his statement to SINAR HARAPAN Feisal added that the comment of the minister of internal affairs, Amir Machmud, did not imply a strict attention to percentages but only indicated that considerations for national unity lie above regional interests.

Feisal said that according to Law No 18/1965 decentralization meant granting autonomy to the regional governments on as broad a basis as possible, but according to Law No 5/1974 autonomy takes on an explicit, responsible character. This, said the department's spokesman, means giving precedence to the concern for national unity. "And that's what Pak Amir meant by '60 percent,'" said Feisal. That's also the reason why the figures "60 percent" and "40 percent" have never been in any of the laws.

Feisal added that, no matter what, the provinces cannot free themselves from the undivided state of the Indonesian Republic, whereas the responsibility for unity and union lies with the central government. Governors must be persons who have the trust of the central government because they represent the central government and the president in their respective regions. But, he said, regional interests continue to receive strong attention, and this is reflected in the provincial parliamentary elections.

Feisal explained that last Friday night Ahamad Amins, head of Aceh's regional parliament, together with the heads of the parliamentary factions and Aceh's current governor, Eddy Sabara, gave Amir Machmud a list of candidates for the position of governor of Special Region Aceh.

The regional parliament of Aceh determined the candidates for governor to be Teuku M. Hadi Thayeb (nominated by FKP [Development Work Faction], ABRI, [Indonisian Armed Forces] and PDI [Indonesia Democracy Party]), Mohamad Ali, Drs. Agus Yusuf and Asnawi Hasyim (also nominated by PDI) and Gazali Amna (nominated by FPP [Development Union Faction]).

According to Feisal, the minister of internal affairs only agreed to three gubernatorial candiates: Teuku M. Hadi Thayeb, Mohamad Ali and H. Gazali Amna. According to plans, Aceh's parliament will elect a new governor on 25 July.

The choice of Aceh's governor will be made on the basis of a presidential executive order, but, according to the law, the president's decision is absolutely not tied to the number of votes each candidate has received.

Meanwhile, Sudarko Prawiroyudho, MP, verified Monday afternoon that there is nothing new in the law about the 60-40 percentage split between the Central and regional governments as expressed by the minister of internal affairs. In his statement to SINAR HARAPAN the member of the Development Work Faction added that when it comes to politics, mathematical calculations can't be used. They only result in different kinds of interpretations.

He said he thought probably what the minister meant was related to the presidential prerogative to make the definitive choice for governor from several chosen candidates submitted by the provincial parliaments, witout being tied to the candidate that has received the most votes.

He said that provision is made in the law that prior to the time candidates are officially brought before the provincial parliament, there must first be a discussion with the minister of internal affairs. "In that constitutional but unofficial discussion there is allowance for debate," he said. The president remains tied to those candidates submitted to him, and he may not choose a candidate apart from those submitted.

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REAGAN ADMINISTRATION POLICIES DISCUSSED

Jakarta KOMPAS in Indonesian 21 Jul 81 pp 1, 12

[Excerpts] Two persons who know much about U.S.-Indonesian relations have given differing views on current U.S. Government policy. Tribuana Said said there is nothing new in U.S. policy on aid to the developing nations. The only difference lies in President Reagan's personal style of "snapping a lot at others." On the other hand, Jusuf Wanandi from DSIS [expansion unknown] said it is evident that the United States Government today has not yet developed a complete and comprehensive foreign policy.

The two men were interviewed by KOMPAS Monday in connection with the summit of seven industrial nations now taking place at Chateau Montebello in Ottawa. There has been a lot of comment on the dissatisfaction of the Reagan Administration over aid given by the governments of the industrial nations directly to the governments of the developing nations. Reagan wants to transfer the funds to the private sector through loans or investment activity.

According to Tribuana Said, there is actually a great deal of continuity in American presidential politics, even when there is a change of administration. This is espcially true in the area of U.S. foreign policy. "What differs is only the style and the poltical emphasis of each president," he said.

As to whether Reagan intends to decrease foreign aid, Said feels U.S. Ambassador Edward Masters' comment in East Java some time ago still needs to be heeded. According to Masters, U.S. aid to Indonesia actually is going to increase next year, from $60 million to $75 million. "Masters' statement implies a sense of continuity in U.S. foreign policy," he said.

According to Said, Reagan really does want to enlarge the role of the private sector, both in his own country and in the Third World. Similar issues, i.e., the desire to increase the role of private business in U.S. foreign economic relations, are being debated in the U.S. Congress. Construction of the Pusri Fertilizer Plant in Palembang is one of the cases affected by the move to the private sector because direct government-to-government aid is involved. Congress has been critical of such direct aid.

These congressional attitudes are not showing signs of disappearing. Congress is leaning toward increasing aid via the private sector in order to facilitate the development of private enterprise in the two countries and does not want to increase the government's role in economic affairs.

According to Said, it is important to note that private businesses of the two nations hold differing views in the negotiation process. Up till now Western governments have used different methods than Western businesses. For instance, governments have lightened the tax burden, import-export duties and interest rates on loans. "If you can call that 'aid,' then that is the kind of aid to expect under the Reagan Administrtion," he said.

Tribuana Said feels this policy will not cause major problems for Indonesia's private sector. Economic relations with the West are growing stronger now that the New Order is several years old. "And for those private Indonesian businesses that have already laid the groundwork for relations with the United States, this policy will even stimulate new growth," he said.

Meanwhile Jusuf Wanandi said that current U.S. policy is emphasizing recovery of the American economy itself. But U.S. foreign policy is not going to wait around until domestic problems are solved. As a result, said Wanandi, one must admit that the Reagan Administration has not yet formulated a complete and comprehensive foreign policy. U.S. allies in Western Europe and Japan recognize current U.S. foreign policy as "so much rhetoric." Most of the rhetoric revolves around sounding the alarm on the Soviet threat. It's almost as if the United States is saying that all international problems today are a direct result of Soviet machinations. That simply is not true, says Wanandi. For instance, many problems in the developing nations only have local causes or reflect some instability in domestic or regional developments.

According to Wanandi, the developing nations do hope for military aid in certain crises. But more often economic relations and transfer of technology are what is needed most. "These have a more stabilizing, long-term effect and can benefit the U.S. Government as well," he said.

But the very opposite is happening, said Wanandi. The U.S. Government does not understand the desires of the developing nations or use those desires as "unbreakable tools" that might help govern and improve its friendships. The United States is actually ignoring the chance to develop better relations with Third World nations.

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TALKS WITH FRENCH LEADERS REPORTED

Jakarta KOMPAS in Indonesian 27 Jul 81 pp 1, 9

[Excerpt] Indonesia is holding comprehensive discussions on Indonesian-French bilateral relations in technical and cultural cooperation, politics and trade. So stated Foreign Affairs Minister Mochtar Kusumaatmaja to reporters upon his arrival at the Halim Perdanakusuma Airport Sunday evening.

The foreign affairs minister had just attended the International Conference on Kampuchea in New York. On his return trip to Indonesia he stopped in France at the invitation of French Foreign Minister Claude Cheysson for discussions from 22 to 24 July.

Kusumaatmaja said that in addition to meeting with the French foreign minister, he was also involved in a series of meetings with the minister for research and technology, Chevenement, the minister of industry, Drefuss, and several other high French officials. Discussions revolved around bilateral relations the two countries have shared up till now.

In addition, the foreign affairs minister said, they discussed international problems that related directly to the national interests of the two countries. Furthermore, he said that he took the opportunity to brief the French minister on the International Conference on Kampuchea, while Claude Cheysson informed him about the summit of the seven industrial nations in Ottawa.

The two ministers agreed that French-Indonesian relations will grow through friendship and cooperation in a number of fields. The French foreign minister noted the vital importance of Indonesia's position in international politics, for instance in the nonaligned movement or the Muslim world. The two nations agreed to conduct close, regular discussions on the matters of mutual concern in all fields.

Kusumaatmaja said he considered his meetings in France to be very important in the light of current French reformulation of domestic and foreign policy. The foreign affairs minister said in response to a question that Indonesia welcomes Mitterand's plans and ideas for increasing assistance to the Third World. It means the Third World has a friend [among] the developed nations. But because these plans and ideas are only at the conceptual stage in the new French Government, Indonesia is taking a wait-and-see position. Clearly, however, Indonesia welcomes the French expression of interest, especially their efforts to attract attention to the North-South dialogue. "This is most encouraging," said the foreign affairs minister.

During his talks Kusumaatmaja also asked if the French were willing to become members of the commission that was established by the International Conference on Kampuchea in New York. "I hope France will not refuse to become a member of the commission," he said.

Furthermore, on behalf of President Soeharto the foreign affairs minister renewed the invitation to the French president that had been made earlier. "Foreign Minister Cheysson expressed his thanks and said he would be happy to convey the message to Mitterand," said Kusumaatmaja. The French foreign minister himself accepted Kusumaatmaja's invitation to visit Indonesia at an unspecified date.

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INVESTMENT BOARD TO HAVE INCREASED SUPERVISORY ROLE

Jakarta KOMPAS in Indonesian 30 Jul 81 pp 1, 12

[Excerts] President Soeharto has asked the Capital Investment Coordinating Board (BKPM) to give more serious attention to supervising business investments in Indonesia in both developmental and operational stages. So stated Ir Suhartoyo, head of BKPM, after his interview with the president at the Cendana Street residence Wednesday.

Suhartoyo said that in the light of this supervisory role, BKPM has sent out letters to each business concern asking for an accounting of its activities. The first reminder was sent on 1 June and the second on 2 July 1981.

He said that letters of reminder were sent to each of more than 500 companies that have invested here. The letters were sent because the companies had not yet responded to the first reminder to report on investment activities. Most of the investment companies are located in Jakarta, he said.

"If there is still no response," said Suhartoyo, "then we will take action. The deadline is this month." He said the individual letters are not quite (but "almost") a reprimand, and they are the "final reminder."

Concerning sanctions, Suhartoyo said that first of all BKPM can revoke customs and tax exemptions. Only the Department of Industry may cancel permits, but BKPM does have a right to make recommendations.

Ir Suhartoyo also reported to the president on steps to carry out Presidential Decision No 33, dated 27 July 1981, which concerns BKPM's function and organization. Replacing Presidential Decision No 53, 1977, the new directive concerns additional responsibilities and organizational developments for BKPM, including supervisory tasks.

Concerning organizational developments, Suhartoyo said that while BKPM now has two deputies besides the chairman and vice chairman, in the future there will be three: The deputy of planning and management, under the Bureau of Planning and the Bureau of Management; the deputy of development and promotion under the Bureau of Development, the Bureau of Training and Guidance and the Bureau of Promotion; and the deputy of evaluation and permits under the Bureau of Project Evaluation, the Bureau of Allowances and Permits and the new General Service Bureau.

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REPORT ON DISSIDENT GROUPS, DEATH OF WARMAN

Jakarta HARIAN UMUM AB in Indonesian 29 Jul 81 pp 1, 8

[Article by Tatos Kesuma: "Who is Warman? Hunted for 3 Years, Finally Shot Dead in Soreang"]

[Excerpts] The anti-terrorist squad of the 6th Military Region Command ("Siliwangi") has shot and killed the terrorist leader called "Warman." The incident took place in the Soreang Kolot section of the village of Soreang in Bandung district.

Syaefudin, head of the 3rd Village Association in Soreang Kolot, and Ibu Enggah, landlady, just shook their heads in amazement. Ibu Enggah said she never imagined that an "uninvited guest," long sought by the authorities, was living in one of her guesthouses. Warman and his wife were staying at Ade's cottage.

According to Ibu Enggah, Ade and his wife had begun to rent out one of the huts in back just 5 months ago. About 24 years old, Ade is regularly employed as a tailor in Bandung. Normally he and his wife don't see each other very much.

Warman (a name easily remembered) became well known from the time he started to commit his terrorist acts. Having formed the "Holy War" army and under the pretense of defending the fisabillah faith [Dar ul-Islam], he began to incite the people to rebellion against the legitimate government. Some people he had stirred up fled to a jungle hideout from where they began to launch their terrorist actions. In North Sumatra the gang, called the "Holy War Command," burned down a church, destroyed a mosque in Padang, and performed acts of terror in Lampung, South Sumatra. From there the gang crossed over to Java and committed atrocities in Surakarta, Jakarta and West Java.

Warman's gang meant to terrorize the people so that neighbor would suspect neighbor. Now in the midst of development, the Indonesian people would become agitated, and the government program for development would end in failure. Muslims were deceived. Churches were burned so that Christians would mistrust Muslims; mosques were defaced so Muslims would suspect Christians. Important figures in society, educators and students, were murdered. All was done for the sake of the ultimate goal of the gang.

The commander of the Restoration of Security and Order Command once divulged the background of terror and theft that occurred in Sumatra and Java. According to the commander, the movement began in 1976. Led by Haji Ismail Pranoto, the terrorists tried to blow up the Baptist Hospital in Bukittinggi on 11 October 1976. Then they blew up Nurul Iman Mosque in Padang on 11 November 1976. There were bombings in Medan at Ekabudimurni Church, the Methodist Church, Apollo Restaurant and Riang Theater. The underground newsletter "Ghost of the Revolution" was distributed 25-26 December 1976. H. Ismail Pranoto, the mastermind of these acts, was captured and tried in the Surabaya court. He was convicted on 19 September 1978 and received a life sentence.

In 1977 the Hasan Tiro group calling itself the "Indonesian Muslim Liberation Front" became active. Some people who called themselves "Free Aceh" and later the "Hasan Tiro Outlaw Terrorist Band" (GTLHT) were involved. The proclamation of the Free Aceh State was signed by Hasan Tiro, who was residing in the United States along with Dr Muhtar Hasby, Ir Samawi, Dr Zaini and Dr Husaini. The activities of the terrorists led to armed rebellions. The group's methods were to incite the people and force its desires on them, to put pressure on transmigrants and to commit acts of sabotage, such as the attack on the liquified natural gas plant at Arun, Aceh. Authorities have now virtually paralyzed the movement.

In 1978 the A. Q. Jaelani group was formed. Members called themselves the followers of the "Islamic Revolutionary Struggle." Essentially the high point of GPI's [expansion unknown] illegal activities occurred in the planned event of 20 March 1978, which, because of the alertness of the security forces, was thwarted. GPI has espoused five stages for its movement. The first stage involves introduction and expansion. Then the following stages include participation, mobilization and situation development. The fifth stage is action.

The terrorist activites of Warman and company seem to have peaked in 1978-80, ending in 1981. First, Jaja Sujadi, former member of Darul Islam and its Indonesian Islamic Army [Muslim dissident group], was murdered in West Java in 1978. The murder of Parmanto, First Assistant Rector of the March Eleven State University in Surakarta, occurred on 19 January 1979. He was shot to death by four persons, later known as Musa, Farid Gozali, Hanif and Muhammad. Some of the names were aliases. Farid was known particularly in Jakarta because he killed two members of the 5th Military Region Command ("Jaya") who were trying to capture him. Finally he was killed in a shoot-out with security forces.

On 19 January 1979 Suman Kalijaga, an IAIN [State Islamic Religion Institute] student in Yogyakarta, and Hassan Bau were killed in the village of Cangkringan, Kalasan, Yogyakarta. [sic] The investigation showed that five people were involved in the crime, including Musa, who had also killed Parmanto in Surakarta 8 days earlier with the same weapon. It was learned further that there was a plan to murder the judge and the public prosecutor who tried the case of H. Ismail Pranoto in 1979. Also exposed was the robbery of almost 4.5 million rupiahs (salary for IAIN employees) in February, 1979 by Musa's gang. And on 31 March 1979 there was an attempt, which failed, to steal the staff's wages at the Malang Teachers College (32 million rupiahs). Abdullah Umar and Harun were captured in Malang, East Java.

The person called Musa actually was none other than Warman himself. Born in Central Java, Warman joined up with the Kartosuwiryo Darul Islam/Indonesian Islamic Army band in West Java during his youth.

After the Kartosuwiryo band was wiped out by the volunteer service, Warman joined those who were transmigrating to Lampung in South Sumatra. But later from his new residence he was able to recoup once again, and he continued to foment disorder. He masterminded the theft of the gold shop in Tasikmalaya on 9 April 1980, the robbery of the Sinar Jaya gold shop in Bandung on 31 March 1980, the robbery of the Save and Borrow Cooperative in the Cikijing Majalengka subdistrict in April 1980, the robbery of the gold shop in Subang, the robbery of the teachers' wages in Banjarsari Ciamis on 3 May 1980 and the Rajapolah case in which two policemen were killed on 22 August 1980. All were planned by Warman.

It was learned that after Warman had wandered about for approximately 3 years, finally he settled in the region around Bandung district. The intelligence units of the 6th Military Region Command, which also were the anti-terrorist team, quietly began to pick up the trail.

On Thursday, 23 July around 2:30 in the morning, a small team stole up to a little 3 meter by 5 meter hut in Soreang Kolot and surrounded it. It was still pitch dark and no one could be seen moving about. But voices of the villagers began to be heard. Apparently they were getting up to eat the post-midnight meal [during Ramadan].

A voice ordered Warman to surrender and come out. All grew still in the hut. Then the officers repeated the order to surrender. Warman, who really was inside, apparently began to realize he was surrounded. Bur rather than heed the command to surrender, he threatened anyone who tried to capture him.

Finally the well-trained officers threw smoke bombs on the roof of Warman's hut. This seemed to work, because all the residents swarmed out of their homes to avoid the acrid smoke. But the fugitive Warman couldn't be seen. Apparently he hadn't come out of the door but had tried to escape through the rear bamboo wall. He was stunned when he got through the wall. Seeing that escape there was futile, he reentered the hut. Finally, because of the choking smoke, he broke out the side wall while spraying bullets from his 45 calliber Browning FN. Here, then, he was killed by the authorities.

9792
CSO: 4213/95

LABOR SAID TO DISTRUST BARGAINING COMMITTEES

Jakarta KOMPAS in Indonesian 17 Jul 81 pp 1, 12

[Excerpt] The Labor Arbitration Team is not a legally-established body and for that reason workers do not have to abide by its decisions. According to the Labor Law, only P4 Pusat and P4 Daerah are recognized as official labor arbitration boards. So stated Dr Yap Thiam Hien in response to a KOMPAS reporter's question Tuesday afternoon concerning the recent formation of the Labor Arbitration Team under a directive of the minister of manpower and transmigration.

But, said Yap, the government action to form this team cannot yet be said to be in opposition to the law as long as that action does not violate basic labor rights or other regulations. Yet, if the government simply relies on P4 Pusat and P4 Daerah to arbitrate labor disputes, that doesn't mean all problems will vanish, Workers have not even trusted P4 and P4D for quite some time. "What workers still have faith in those institution?" asked Yap. In fact, management controls the bodies which arbitrate labor disputes. And that is no longer a secret, said Yap.

According to Yap, members of the World Council of Churches and Indonesia's well-known senior attorneys tend to think that the workers are going to be pacified. And there is already an established way to do that. But the problem is that labor has not trusted the legal channels for so long that it is now looking for a shortcut by appealing to parliament. It is precisely actions like this that the government is trying to prevent.

By opting for the court system now, labor's problem is can it wait 3 or 4 years for disputes to be settled. Actually management's own tactic is to use the court system. What it means is that if you aren't happy with P4's decision, appeal to the courts. "So where are the guarantees for labor?" asked Yap.

Labor has a right to request parliament's attention insofar as that approach is considered the most effective way for labor to make its case. It is clear, though, the route through parliament is not only a judicial approach but also a political one. What is wrong with a political approach, asks Yap, if it remains within existing legal bounds?

Those cases in which workers were forbidden to seek legal assistance are, according to Yap, disturbing signs. "Illegal," he said, "Don't forget, workers are citizens too. Apart from whether workers are of high or low estate, in our nation all must obey the law. And because we are a nation under the law, equal rights for all are also written into the 1945 Constitution. On that basis, workers are included among those who have a right to seek legal assistance.

9792
CSO: 4213/95

TIN AGREEMENT SUPPORTED

Jakarta KOMPAS in Indonesian 18 Jul 81 pp 1, 12

[Excerpts] Prof Dr J. Katili, director general of General Mining, has proposed that the text of the sixth International Tin Agreement be ratified immediately by the government. During the fourth set of discussions in Geneva 9-26 July, a majority of the representatives of the consuming and producing nations, except for the United States and Bolivia, accepted the text of the agreement.

In his statement Friday, Katili, who had led the Indonesian delegation in the Geneva meetings, said that agreement on the text was reached because of the like-mindedness of the producing nations (ASEAN specifically), the skill of the negotiators and the resolve of the moderator, Peter Lai, from Malaysia.

The text has been submitted to each of the governments, but final ratification is to take place in the UN General Assembly in New York beginning 3 August.

According to Katili, there is no more room for compromise. Indonesia should accept the text as it is because a new principle has been included in the agreement, concerning obligatory contributions that must be paid by producers and consumers alike.

Compared to previous tin agreements, he said, the sixth International Tin Agreement has made progress in achieving a balanced accord on the mutual responsibility of producers and consumers alike. "But in the future perhaps the tin market will continue to be as depressed as it has been," he said.

In response to a question on what it would if the United States did not join in ratifying the agreement, the director general said that it could have a profound effect, especially if the U.S. continues to release its reserves. But Katili still believes the United Stated as a large nation will not act irresponsibly, all the more since the United Stated itself knows that releasing reserves can ruin the market. "Even though the United States is now releasing its reserves only a little at a time, we continue to oppose such action because it is done at a time when the price of tin is declining," he said.

In repsonse to a question on production plans, chief director of PT Timah [Tin Company], A. R. Ramly, yesterday said plans set for 1981 will continue to be carried out. In order to keep to that schedule, PT Timah must become more efficient and more competitive. It also must revise its budget up to 15 percent over earlier figures.

By remaining efficient, he said, Indonesia will prevail over those producers who are less so. He said that tin production costs in Indonesia are far lower than they are in Bolivia or Nigeria. Compared to other countries, Ramly said, Indonesia is "most fortunate" to have such easily accessible, large reserves. Even compared to Malaysia or Thailand, Indonesia is still in a better position, because the mining process all the way to the smelting stage is handled by Indonesians themselves.

9792
CSO: 4213/95

SHIPBUILDING PROJECTIONS, CAPABILITIES

Jakarta HARIAN UMUM AB in Indonesian 30 Jul 81 p 3

[Excerpts] Of the 275 ships and barges of different sorts and sizes being built in the drydocks of Iperindo [Indonesian Shipping Industry Association] members during 1980-81, 127 should be completed by mid-1982. The rest should be finished at the beginning of the following year.

Soelarto Hadisoemarto, general chairman of Iperindo, said that the order for 275 new ships is significant because it means valuable job opportunities for the Indonesian shipbuilding industry.

According to Hadisoemarto, a large number of orders has been placed because at the end of 1980 the director general of sea communications made an out-of-budget order for 97 ships. Other orders placed include 8 ships for the army's Transport Service, 10 ferryboats for the director general of land communications, 20 ships for Pertamina [National Oil and Natural Gas Company] and 60 vessels for private firms.

Large tonnage vessels that have been built in domestic shipyards for the first time include a 3,000 DWT barge, a 3,200 horsepower tugboat, a 40 ton harbor patrol boat and a 1,030 DWT twin mud transport vessel. In the past Indonesian drydocks have built 2,500 ton lift capacity floating docks, 1,000 DWT freighters and passenger ships, 400 BRT passenger or transport ferries, 950 DWT "white" oil tankers and 1,100 cubic meter per hour suction bore dredges.

Iperindo's secretary general, Wasono N. A., also explained that about 70-80 percent of the basic construction materials, machines and equipment for the ships still must be imported. He said that no import duty is levied on these goods in compliance with the government's wishes for the domestic shipping industry. But quite a long time is needed for the imported items to arrive at the shipyards. That is why Indonesian shipbuilding construction time is still behind that of foreign countries.

Soelarto said further that the director general of sea communications may order 200 ships in 1982-83. If placed in domestic shipyards, the order would represent an excellent opportunity for the development and expansion of Indonesia's shipping industry.

According to Soelarto, it is time for the shipbuilding industry to expand its capabilities and build ships from 1,000-5,000 DWT. Till now the drydocks have been capable of constructing vessels only up to 1,000 DWT.

Members of Iperindo feel that because each kind of ship is to be reproduced a number of times, it would be best if each drydock were to receive orders for only one kind of ship and make use of the "series" method. For instance, one drydock could be given the job of building 3-5 coasters of 1,000 DWT all at once. Another might build 3-5 animal transport vessels of 1,200 DWT all at one time.

9792
CSO: 4213/95

BRIEFS

MECCA-MEDINA TELEPHONE CONTRACT--A 16.7 billion rupiah extended contract on the Mecca-Medina telephone project between Dong Ah Construction Ltd. and the Consortium of Indonesian Businesses was signed at the end of July in Riyadh, according to a PT Elnusa [Indonesian Electronics Co.] press release on Tuesday. Not many details on the project were given, but evidently Dong Ah, a South Korean firm, landed the telecommunications contract from the Saudi Government. The Consortium of Indonesian Businesses is to be sub-contractor. According to the press report, last year the Mecca-Medina project ran into trouble in meeting construction deadlines. But schedules were brought up to date through the assistance of the Indonesian Government and PT ICCI (Indonesian Consortium of Construction Industries). Part of the project involves construction of a telephone cable network in the Plain of 'Arafat, which will make international direct dialing possible. This means that pilgrims coming to the plain can dial directly to countries outside of Saudi Arabia without having to contact the operator. [Text] [Jakarta KOMPAS in Indonesian 16 Jul 81 p 2] 9792

HELICOPTER SQUADRON REACTIVATION--Gen. Ashadi Tjahjadi, Air Force chief of staff, officially reactivated the 8th Heavy-lift Helicopter Squadron of the 004 Operation Wing at Atang Senjaya Air Base in Bogor Tuesday. During the ceremony the Air Force chief of staff installed Lt. Col. Soeparman as commander of the 8th Squadron. The squadron was first activated on 22 May 1965 with its main strength being the Soviet MI-6 helicopter. But because of political developments and the lack of guarantees for spare parts from the manufacturing country, the big MI-6 helicopters couldn't be used any more and the 8th Squadron was frozen. Now that the squadron has been reactivated, the 004 Operation Wing in the United Air Fighter Command can be restored to its initial strength. The command consists of the following: The 7th Squadron, which has Bell 204B and Bell "Sious" helicopters, the 6th Squadron, which has Sikorsky "Twin Pack" helicopters, the 8th Squadron, with SA-330 "Puma" helicopters, and the 024 Technical Squadron. Tjahjadi said the Air Force is gradually reactivating attack fighter squadrons, fighter bombers, heavy transport planes, helicopters and training systems. [Text] [Jakarta KOMPAS in Indonesian 31 Jul 81 p 9] 9792

CSO: 4213/96

EDITORIAL EXPRESSES CONCERN OVER AIR SPACE VIOLATIONS

Lahore THE PAKISTAN TIMES in English 6 Oct 81 p 4

[Editorial: "A Dangerous Trend"]

[Text] Grave concern will be expressed over the latest incident of violation of Pakistan air space by Afghan jet fighters and attack on a border post in Baluchistan. According to a Press note of the Ministry of Defence, two Afghan MIG-17 aircraft intruded into Pakistan territory on Sunday morning and flew over the Domandi border post for about 20 minutes. They circled over the area four times and in their fifth run strafed the post. Pakistan's ground forces took necessary defensive measures and the post remained unharmed. This is the second time in less than a month that Afghan aircraft have strafed the Domandi post. In the first week of September Afghan planes attacked the area twice, which resulted in injury to two civilians and damage to the building of the post. Pakistan lodged a strong protest with Kabul over this brazen intrusion and also informed the U.N. Secretary-General of the Afghan trangression.

It is clear that Kabul is following a policy of escalating border tension in a deliberate and pre-meditated manner. Unprovoked raids across the border by Afghan forces have been taking place over the past two years, but lately they have increased both in frequency and intensity. Last month Afghan armed personnel along with heavy vehicles penetrated one mile deep into Pakistan territory and harassed people in the village Shahbaz Kili in Baluchistan. The intruding aircraft do not any more make a show of straying by mistake but stay for up to half an hour in our territory in an act of open provocation. The intention of the Kabul authorities seems clear. It is to put pressure on Pakistan and make it abandon its principled stand on the Afghanistan issue. By creating tension along the border the Karmal regime also perhaps intends to divert world attention from the worsening crisis at home and the growing strength of the Afghan resistance. Pakistan has so far acted with exemplary restraint in a bid to avoid any untoward situation developing but, given the increased recklessness on the part of the Kabul authorities, it will have to strengthen its border defences as a safeguard against further intrusions. Secondly, Islamabad must take steps to give wide publicity to incidents of border violation so that the international community is kept properly informed of the dangers to peace posed by the Kabul rulers' deliberate attempt to extend the area of conflict beyond the frontiers of Afghanistan.

CSO: 4220/31

NUMBER OF PAKISTANIS SEEKING ASYLUM IN W. BERLIN INCREASING

Karachi MORNING NEWS in English 5 Oct 81 p 3

[Text] Berlin, Oct. 4--A new wave of Pakistanis seeking asylum is apparently breaking upon West Berlin.

Last month 418 Pakistanis put in appeals here for asylum, over 150 more than in August.

Interior Ministry spokesman Hans Birkenbeaul told journalists on Friday that unscrupulous agents bringing Pakistanis to Berlin were clearly renewing their activities.

During 1977 and 1978 there was a strong influx of Pakistanis into Berlin. Over 10000 asylum seekers were registered during the period, some equipped with illegal passports. The authorities managed to stop the swell by large scale deportations.

In September no Tamils from Sri Lanka came here seeking asylum. Twenty-seven Lankans who had arrived during earlier months were officially registered last month, but the big inflow of July had petered out, the spokesman said.

During the first nine months of this year a total of 10.034 asylum seekers came to Berlin, more than during the whole of 1980. The majority were Arabs, mainly Lebanese and stateless Palestinians.

The number of Turkish nationals coming in had, however, fallen off, apparently because of the one-year ban on working permits.

Birkenbeul said between 10,000 and 12,000 asylum seekers were presently living in West Berlin. The number of those entering West Germany from Berlin was on the increase.

Last year the figure had been only nine percent, while during the first six months of this year it had risen to 25 percent.--DPA

CSO: 4220/34

EDITORIAL CRITICAL OF INDUSTRIAL POLICIES

Peshawar KHYBER MAIL in English 6 Oct 81 p 3

[Editorial: "Self-Reliance"]

[Text]

This country's acute financial straits though are not due to any temporary tripping down on a short-term policy but due to the cumulative effect of policies pursued from the very beginning and further accentuated during the period 1970-77. The territories of Pakistan were the most undeveloped regions of the South Asian sub-continent. There was no industry worth the name. We had to start from the beginning. It was appreciated from the outset that even a bumper agricultural production cannot do away with the basic poverty of the people. The agricultural layout earns one-twelfth of its industrial counterpart. There is, more or less the same ratio in the prices of the end products of either. For a raising of the standards of living industrialisation was a must. Naturally, there were other considerations which dictated this outlook. So the country had to be industrialized and rapidly too. Rapidly because the availability of consumer and other goods which were the result of an overall industrial machine common to the whole of the sub-continent, had been cut off because of the fresh drawing up of new borders. A complete dependence on its own resources would have resulted in reduction in the standards of living. The first mistake we committed, however, was that in order to build up not only our industry but also our cities and towns and all that they required we took the advice of foreigners. In this we played right into the hands of the imperialists who were switching on from a political colonialism to an economic one. They laid down Master Plans which ensured an enormous demand for requisite paraphernalia which cut deep into our foreign exchange resources, leaving little for industrialisation. For that they offered us financial aid which might not have political strings attached (as was repeatedly claimed but with a doubtful essential), but there were definitely economic strings. If we wanted certain type of machineries, they offered others, and these had to depend heavily on imported spare parts and even certain type of raw materials which we did not have.

Our first concern was the setting up of the textile industry, for which we had the raw material, cotton, but no machinery and dyestuffs. Easy availability of these through so-called "generous" assistance loans, forced us to depend on them for these and no steps were taken by us to set up our own indigenous plans to manufacture them. We, therefore, went for a rapid expansion of the textile industry without caring to organise our own factories

for the constant flow of spares and dyes. They had to be imported even now. If we don't, we run the risk of having our textile production to close down. This has resulted in our being tied to their apron-strings for getting them or run the risk of bringing the industry to a standstill. On the other hand we went for other manufactures in order to widen our industrial potential. As a result of the expansion of these industries, we tied ourselves not only to foreign assistance but also depended on raw materials and spares from them. a vestige of a fake prosperity was achieved by a limited section of our people who used it to raising their standards of living very high, making it imperative for the import of luxury items to satisfy them. These include endless fleets of motor-cars, air-conditioners, building-materials, and innumerable little items which add up to a gigantic figure. None of these are produced locally, and a fat slice had to be taken away from our foreign currency bill.

We can take a small lead out of the economic policies of our neighbour, India. They do not import much, and that too when it is absolutely necessary. As a result they seem to live a little austerely, but have no terrifying problems of foreign exchange. The money thus saved they are using to adding more to the expansion of their industrial potential. They may not look prosperous but they have contentment. A start had been made some time ago to set the awry picture right, here in Pakistan. The setting up of the Heavy Machinery Complex, the plan of the Steel Mills etc, were attempts in that direction though they hardly touch the frings of our problems. We have to set up our own dye-stuffs industry, make our own radios and television (not just assemble them), and take to using our cycles instead of flashy motor-cars, as the present regime advises us.

CSO: 4220/31

GROW MORE WHEAT CAMPAIGN LAUNCHED

Karachi BUSINESS RECORDER in English 8 Oct 81 p 1

[Text] Islamabad, Oct 7--Minister for Food and Agriculture, Vice-Admiral Mohammad Fazil Janjua today announced a production target of 12.2 million tons of wheat for the coming crop while launching a grow more wheat campaign.

The new target envisaged an increase of 7.2 per cent over the last year's actual production of 11.38 million tons.

Addressing a press conference here today, the minister said there would be no shortage of agricultural inputs including loans, fertilizers and the certified seeds and was confident that the country would have a record crop.

He said the country had become self-sufficient in wheat yet the present growth rate has to be maintained and accelerated to meet the growing demand and guard against natural hazards.

Based on recommendations of agricultural scientists, extension workers and farmers, Admiral Janjua said the grow more wheat campaign provides for increase in per acre yield rather than the area in which no rise was expected. He said farmers will be provided loans to buy agricultural inputs and WAPDA has been instructed to meet demands of tube-well operators.

He said availability of certified seeds was being increased by 20 per cent and fertilizer offtake by 25 per cent.

He thought that with the proper application of fertilizer and seeds the country could easily exceed production targets.

The Agriculture Minister said that President Mohammad Zia-ul-Haq wanted complete coordination among official agencies and full access for farmer to increased crop production technology and agricultural inputs.

The minister said farmers were aware of the significance of the use of certified seeds, proper fertilizers and timely sowing and steps are being taken to streamline the supply of inputs. Already, he said there had been growth in usage of agricultural machinery fertilizer and certified seeds.

Last year, he said 90 per cent of wheat was thrashed by mechanical threshers in Punjab alone. He said the government was encouraging the mechanised farming. He said 20,000 tractors were being imported this year.

Credits

The minister said credit targets have been increased from last year's actual distribution of Rs 4000 million to Rs 5427 million and of this Rs 3699 million were production loans.

Replying to a question, he said that government has been extending interest-free loans to small farmers as a matter of policy. Rs 719 million were distributed last year through commercial banks and Federal Bank of Cooperatives.

About the availability of water, he said it was expected to increase this year due to installation of more tube-wells and measures to assure the supply of diesel oil and to prevent the electric load shedding for tubewell feeder.

The minister said there could be an increase of 15 to 20 per cent in wheat yield by sowing certified seeds and in case of cotton 100 per cent of the area was under certified seeds.

Replying to a question, he said 13.45 lakh maunds of disease resisting seed would be sold to farmers during 1981-82. This was about 41 per cent of the total requirements (33.10 lakh maund) and the balance would be met by farmers through their own seed or purchasing from private sector. He said barani areas, which contributes 12 per cent towards the national production was already 50 per cent under approved seed programme.

The minister was confident that with the timely sowing proper application of inputs and a favourable weather, the country will have a bumper crop this year. APP

CSO: 4220/31

PAK WHEAT SEED FOR SRI LANKA

Lahore THE PAKISTAN TIMES in English 5 Oct 81 p 10

[Text]

ISLAMABAD, Oct. 4. Mr. E L Senanayake, Minister for Agriculture Development and Research of Sri Lanka held today a meeting with his counterpart Vice Admiral Mohammad Fazil Janjua to discuss exchange of experts in coconut plantation and plantation of Sri Lanka garden near Islamabad Zoo.

Welcoming the distinguished visiting Minister, Vice Admiral Janjua said that today's exchange of views will help share experience and knowledge in relevant fields to the mutual benefit of both the countries.

The Sri Lanka Minister was informed that Pakistan was launching development programmes in which coconut plantation to be encouraged particularly along the coastal belt of Sind and Baluchistan. In this connection, the distinguished Minister of Sri Lanka agreed to provide 40 coconuts variety.

A team of Pakistani experts comprising one person each from Sind, Baluchistan and Pakistan Agriculture Research Council will visit soon Coconut Research Institute in Sri Lanka to study the research production technology.

Responding to the request from Sri Lanka Minister, the Food and Agriculture Minister agreed to provide 10 tons of wheat seeds by this season.

During the meeting it was agreed that tea variety of high elevation zones of Sri Lanka could have provision for introduction and research in Pakistan.

The Sri Lanka Minister appreciated the proposal of establishing a Sri Lanka park by the CDA in the Federal capital at 10 acres which could further be increased that have already been earmarked.

Earlier, Mr. Senanayake has expressed his country's desire to purchase wheat seeds from Pakistan and said Sri Lanka is interested in increasing wheat production in the country.

Talking to newsmen at the Islamabad Airport on his arrival on the week-long visit to Pakistan, he pointed out his country is interested in purchasing 'sonalika' and 'blue siver' varieties of wheat seeds from Pakistan.

The Federal Minister for Food, Agriculture and Cooperatives, Vice-Admiral Mohammad Fazil Janjua, received the Sri Lanka Minister at the airport.

Mr. Senanayake further said he will discuss with the Pakistani officials the possibility of cooperation in the field of agricultural research between the two countries. The Sri Lanka Minister said he also will hold meetings with the Pakistan Food Minister to discuss matters furthering cooperation in the field of agriculture to the mutual interest of both the countries.—APP/PPI.

CSO: 4220/33

WATER SUPPLY SCHEMES FOR BALUCHISTAN

Karachi MORNING NEWS in English 3 Oct 81 p 3

[Text] Quetta, Oct. 2--In order to provide better drinking water facilities to the peoples of rural areas in various parts of the province, the Government of Baluchistan is spending a sum of Rs. 16.20 million on four ongoing schemes, namely Panjgur Water supply scheme, being completed at a total estimated cost of Rs. 7 million out of which Rs. 4 million have been spent so far while the Government has allocated Rs. 2,800 million in the 1981-82 financial year for the said scheme.

The Government is also working on Dera Murad Jamali water supply scheme costing Rs. 4 million and 9 percent work has already been completed.

The work is also in progress on NAL and Khuzdar water supply schemes. Both the schemes are expected to be completed by the end of current financial year.

Besides, Government of Baluchistan has approved six new water supply schemes in district Zhob during the current fiscal year, namely Lawara Water supply scheme at Sherani area, Shbozai water supply scheme of Gaqal, Tarewal water supply scheme near Killa Saifullah.

Another scheme relates to rural water supply and sanitation in Baluchistan which will be financed by the UNICF. These schemes will be completed at an estimated cost of Rs. 57.06.--APP

CSO: 4220/34

FARM UPLIFT SCHEMES FOR SIND

Karachi MORNING NEWS in English 3 Oct 81 p 5

[Text] The Sind Food and Agriculture Minister, Sardar Ghulam Mohammad Mahar, has said that a sum of Rs. 600 million will be spent on various agriculture development schemes in Sind during the mid-term plan period 1981-82 to 1983-84.

Talking to APP, he said that of the total allocation, Rs. 132 million have been provided in the current year's Annual Development Programme (ADP), while the proposed outlay for the years 1982-83 is Rs. 224.44 million and Rs. 243.55 million respectively.

Explaining the salient features of the mid-term agriculture development plan, the Minister said that during the period 13 new schemes pertaining to agriculture research, mechanisation and extension, animal husbandry, fisheries grain godowns will be launched. For which a total allocation of Rs. 222.376 million has been earmarked.

The Minister said that emphasis will be laid on increasing the pace of work on 22 ongoing agriculture schemes which include some major projects which on completion will put the agriculture in the province on modern lines.

Sardar Mahar further said that major schemes under implementation include procurement of farm machinery, modern seed processing industry on-farm water management, agriculture extension and adaptive research, South Rohri Fresh Water project and awuaculture development.

He said that for effective implementation of these schemes and their timely completion, a monitoring cell has been established in the agriculture Department for regular appraisal and evaluation of the progress.--APP

CSO: 4220/34

BRIEFS

SHIA, SUNNI PEACE COMMITTEE--Sargodha, Oct 5--The Provincial Government has decided to constitute a provincial Peace Committee for the maintenance of Shia-Sunni cooperation during the forthcoming Muharram. Disclosing this, Syed Mujahid Hussain Sherazi, a member of the Provincial Mosque Committee (Auqaf) who is also General Secretary of the Shia-Sunni Ittehad Committee (Pakistan), said that Shia and Sunni leaders will meet tomorrow in Lahore at the Auqaf Chambers under chairmanship of the Chief Administrator Auqaf for the purpose of setting up peace committees in the Province. [Text] [Lahore THE PAKISTAN TIMES in English 6 Oct 81 p 8]

RAHIMYARKHAN FERTILIZER COMPLEX--Pan Islamic Fertilizer Complex being set up at Rahimyarkhan in the private sector will go in production in 1985, informed sources said in Karachi yesterday. The complex, said to be one of the largest in Pakistan, would produce 1725 urea and 500 ton dia-ammonium phosphate daily. The plant and machinery for the complex is negotiated from the United Kingdom under the terms of suppliers credit for a 15 year period. With the coming in production of this project, the country would save Rs 940 million annually in the share of import substitution. Rs 1250 million has been arranged by the sponsors as nonrepatriable investment in Pakistan. Till date, the sanctioned capacity of fertilizer units in operation in the country is 1833250 ton urea and 242150 ton of phosphatic fertilizer. The country is annually importing 354.81 n/ton urea and 124.70 n/ton phosphatic fertilizers to meet its requirements.--APP [Text] [Karachi BUSINESS RECORDER in English 8 Oct 81 p 1]

BANK BRANCH IN BEIJING--Beijing, Oct 5--The National Bank of Pakistan has opened a representative office in Beijing, its first branch in China and sixth in the region. It already has four branches in Hong Kong and one in Tokyo. This follows a visit to China by the bank President, Mr Mohammed Nawaz Khan during which he had held talks with his Chinese counterparts for extending cooperation between the financial institutions of the two countries. Need for the representative office of the National Bank of Pakistan in Beijing was felt in view of the growing trade and financial relations between China and Pakistan. To begin with the Bank has opened its representative office in a local hotel and will engage itself principally in liaison work which about a dozen other foreign banks in Peking are also doing. In due course of time it may along with other banks be licensed to do full banking business. Mr Gul N. Khan, National Bank of Pakistan, representative in Beijing said that formal opening of the Beijing office would take place in the near future. He said they were looking forward that the bank President Mr Mohammed Nawaz Khan will participate in the ceremony.--APP [Text] [Lahore THE PAKISTAN TIMES in English 6 Oct 81 p 7]

GOVERNMENT FORFEITS MAGAZINE--The Government of NWFP has forfeited all copies of the magazine entitled JAMHOORI-PAKISTAN dated September 21, 1981 issue No 9 Vol 3. The magazine contains material exciting disaffection towards the present regime in Pakistan and likely to excite feelings of enmity between different classes and sections of the citizens of the country. [Text] [Peshawar KHYBER MAIL in English 6 Oct 81 p 6]

COMMODITIES ARRIVAL--Karachi, Oct 4--A container vessel, "Henriette Schulte' and a tanker, 'Nitsa' loaded with 24,000 tons of soyabean oil are expected to enter the outer anchorage tomorrow. Besides, two other vessels, 'Vivien' and 'Zarka' are also due on the same day. Meanwhile, activity at the port remained fairly high where a total of 24,423 tons of dry cargo was handled which included the unloading of 15,777 tons of import and loading of 8,656 tons of export cargo. The import cargo consisted of 2,750 tons of wheat, 1,140 tons of fertiliser, 6,160 tons of cement and 5,727 tons of general goods, while one export cargo comprised 5,984 tons of rice and 2,662 tons of general commodities. [Excerpt] [Islamabad THE MUSLIM in English 5 Oct 81 p 7]

LENTIL SHORTAGE--The Adviser to the President on Business Coordination and Internal Trade, Sh. Ishrat Ali, in Lahore on Monday remarked that the responsibility of present pulses crisis rested equally on the shoulders of private sector, growers, PASSCO, utility stores and Coops. He was replying to a question as to whether the Government had determined the responsibility of the present crisis. Sh. Ishrat Ali said while the production of pulses last year was about 30 percent less than the preceding year, the growers as well as all the aforesaid agencies also contributed in aggravating the pulses crisis by hoarding pulses in anticipation of enhanced returns. Sh. Ishrat Ali hoped that the situation would ease when the imported pulses reached the market. In reply to another question the Presidential Adviser said that the imported pulses cost about Rs 7.50 per kg at the Karachi Port and that the retail prices in other parts of the country should not exceed Rs 8.50/9.00 per kg. When his attention was drawn to reports about inferior quality of pulses being sold by the PASSCO, he said the Government would take stern action against the PASSCO officials, if the samples taken from the PASSCO store proved of inferior quality.--PPI. [Text] [Lahore THE PAKISTAN TIMES in English 6 Oct 81 p 1]

CONSUMER RELIEF PLAN--Rawalpindi, Oct 5--The very launching of the Agricultural Marketing and Storage Limited (AMSL), which was aimed at ensuring unhindered supply of eatables to consumers at reasonable rates has been delayed by several months. The AMSL, a subsidiary of the Federal Bank for Cooperatives with the Governor of State Bank of Pakistan as its ex-officio Chairman, was registered in March this year to relieve the consumer from the pressure tactics of market manipulators. The organisation which was to start functioning immediately is however yet to emerge. The delay in its launching is stated to have been caused by the nonavailability of the expertise to run the organisation in accordance with its

charter. The new organisation which has been floated with a share capital of Rs 100 million was assigned the task of undertaking necessary measures for supporting and stabilising prices of the agricultural produce of all categories and protect the interest of both the producers and consumers. The idea of setting up this multi-dimensional organisation was conceived in view of the failure of the Pakistan Agricultural Supply and Storage Corporation (PASSCO) and the Utility Stores Corporation which have miserably failed to do the job. [Text] [Lahore THE PAKISTAN TIMES in English 6 Oct 81 p 5]

RICE MAXIMIZATION PROJECT--Lahore, Oct 4--The Federal Minister for Food, Agriculture and Cooperatives, Vice-Admiral Mohammad Fazal Janjua expressed great satisfaction on the achievements of rice maximisation project which he visited near Lahore yesterday. The project has been launched by the Pakistan Agricultural Research Council (PARC) in 12 villages of the Sadhoke Union Council to demonstrate the results of adopting improved practices with balanced use of inputs for increasing the productivity of rice. The demonstration fields visited by the Minister presented a real good look of bumper crops. Dr Amir Muhammad, Chairman, PARC told the Minister that the expected increase in production in the project fields was in the range of 50 to 70 percent. Addressing a gathering of rice growers in a nearby rest-house, the Minister congratulated those who had adopted the package of new technology for producing more rice. He suggested that other farmers of adjoining areas should visit the demonstration fields in large number and learn the details of improved production strategy from the production teams. The Minister said the government was keen to extend all facilities to the farmers, particularly with small holdings, to improve their lot. Recently, he said, the price of paddy and rice were enhanced keeping in view the cost of production incurred by the farmers. Earlier, the Minister visited the demonstration rice farms of the Punjab Agriculture Department in the Sheikhupura district.--APP [Text] [Islamabad THE MUSLIM in English 5 Oct 81 p 6]

WHEAT INSPECTION TEAMS--Karachi, Oct 4--Special inspection teams have been constituted to check the dispatches and arrivals of wheat stocks, effectively and expeditiously to find out discrepancies, if any. This was stated by a spokesman of the Sind Food Department following reports in a section of the Press alleging that government wheat worth Rs 10 million had disappeared. The spokesman termed the news report as highly exaggerated and misleading. He said, the food department was already carrying out thorough checking of the consignments despatched from various points in the interior of the province. This checking, he said, was done as a routine exercise with a view to tallying the despatches from upcountry with actual arrivals in Karachi. To expedite the checking, the government had appointed special teams, he said, adding that this work is in full swing and will be completed soon. Prompt and severe action, the spokesman said would be taken against the responsible staff as well as the contractor, if any discrepancy or missing stock was detected. He said, the food department had always been vigilant to check any discrepancies in handling of the procured wheat stocks which, he said was a sacred public trust. He said, recently some stocks of wheat were found damaged by rains in Nawabshah and Sanghar Districts due to negligence of the concerned officials. The responsible District Food Controllers of Nawabshah and Sanghar along with other staff had been suspended and enquiry against them was in progress.--APP [Text] [Islamabad THE MUSLIM in English 5 Oct 81 p 7]

CSO: 4220/30

WHO FOOD FOR NWFP WORKERS--October 4--Mr Salim Saifullah Khan, NWFP Minister for Labour, Finance and Industries, said here today that negotiation with the World Health Organisation for the distribution of wheat, milk and butter oil among families of industrial workers in NWFP had been finalised. He was talking to representatives of various labour unions. [Text] [Lahore THE PAKISTAN TIMES in English 5 Oct 81 p 10]

MORE SUGARCANE CULTIVATION--There has been an appreciable expansion in the area under sugarcane cultivation for the second consecutive year and has been estimated at about 859,000 hectares, it is learnt. During last season sugarcane was grown over 823,000 hectares which was 14.6 per cent more than the area in 1979-80.--PPI [Text] [Lahore THE PAKISTAN TIMES in English 5 Oct 81 p 10]

CSO: 4220/33

STATUS OF GEN ATHIT EXAMINED AS A RESULT OF ANNUAL PROMOTIONS, TRANSFERS

Bangkok SU ANAKHOT in Thai 27 Sep-3 Oct 81 pp 9-12

[Article: "Athit Kamlang-ek...Standing in Line for RTA CINC"]

[Text] "The basis for these appointments and transfers of officers is that the individuals concerned must be those who will make sacrifices for the common good, be honest and of good character and [is a question of] whether they really do the job." This is the statement of Gen Prayut Charumanee, RTA CINC as he talked to intimates, adding, "There are some senior people who aren't worth a damn."

And things went from there. When the results of the annual transfers of officers were formally announced to the public in the afternoon of 24 Sep, [it was said that] for the various positions in the RTA changes would be based on "knowledge, ability and suitability more than seniority."

"Don't forget that in the RTA there are a total of three people with the authority to make transfers. They are Gen Prem Tinsulanon, prime minister and minister of defense; TRA CINC Gen Prayut Charumanee and Lt Gen Athit Kamlang-ek, First Army commander," said sources in the RTA.

"It is certain that these are really big changes because it is a complete housecleaning of the old staff and an intake of a new team who will be able to work with all three [of the above men]."

"Moreover, it opens the way for Lt Gen Athit to become the next RTA CINC next year and that is for sure," said the same source.

Prem-Athit Holding Positions of Power

The notable aspect in this shuffle of army officers is the creation of a new power base for General Prem in particular. Because regardless of whether it is in the position of Deputy RTA CINC Gen Sak Buntrakun, or RTA Assistant CINC--and it is expected that these will be Acting First Army commander Lt Gen Athit Kamlang-ek, or Army Chief of Staff Lt Gen Pramote Thawonchan and Vice Chief of Staff Lt Gen Patnom Sermsin--they are all General Prem's men.

"Just like Lt Gen Pramote who had been deputy commander of the 2d Army region ISOC [Internal Security Operations Command]; he was Pa's [somewhat pejorative term

for Prem] man," said the source in the RTA. "As for General Prayut's man, it looks like there is just one: Lt Gen Seup Aksaranukroh, the new vice chief of staff. General Prayut had been his patron since right after he had graduated from the military academy."

The deputy commander and subordinate slots are filled by people who might be called "friends" or those who really do belong to Lt Gen Athit Kamlang-ek, whether it is 2d Army Commander Maj Gen Phak Minakanit or Lt Gen Han Leenanon, commander of the 4th Army Region or Maj Gen Sin Kertsombun who went from being 9th Division commander to be First Army deputy commander. All of them were in class 5 of the military academy, in the same class with Lt Gen Athit Kamlang-ek.

In this shuffle of troop commanders, those playing a big role were members of class 1 of the military academy and it can be said that they are General Athit's men including Maj Gen Chaichana [?Thamrichat] the commander of the 1st Cavalry Division, Col Sunthon Khongsomphong, commander of the Army Aviation Center, Col Wanchai Reuangtrakun, First Army chief of staff, Col Panya Singsakda, commander of the 5th Division, Col Charuay Wongsayan, commander of the 2d Army circle and Col Somkhit Chongphayuha, commander of the 9th Division who is replacing Maj Gen Sin Kertsombun.

There have been no changes in the commanders of troop units in the First and Second Army regions. Maj Gen Phichit Kunlawanit is 1st Division commander and Maj Gen Prachum Phibulaphanuvat is commander of the 2d Division.

Athit Getting Strong, Thought to Hold Two Slots

That Lt Gen Athit Kamlang-ek has moved up to hold the position of RTA Assistant CINC has made it necessary to move Gen Chamnan Nilawiset, the original incumbent, up to deputy undersecretary of defense. This is generally felt to be a complete removal from Army circles.

"General Chamnan is hardly likely to raise the battle flag because he has said that he must obey the orders of the commander," a colonel not on active duty close to General Chamnan said, giving his opinions after the results of the annual appointments and transfers had become known.

This transfer of General Chamnan had been expected. General Chamnan had known about this before it happened saying that he had no way to climb up to the position of RTA CINC because, aside from coming from the quartermaster corps which is only a combat support outfit, he was still close to and on good terms with the "young turks," especially Col Manoon Rupkhachon.

There are reports that another important figure will receive the command of either the First or Fourth Army region. That is Maj Gen Yuthasak Khlongtruatroke, the commander of the military academy. This must be the case because he was transfered into a "lieutenant general" slot as adviser to the Army. It can be said that this was most unexpected.

"Maj Gen Yuthasak has been in conflict with people from many quarters and so he can't get on General Prayut's staff," said the above-mentioned news source in the RTA, stating that "He is in conflict on almost every matter and so the commander felt that he can't work together with him." The views of the colonel not on active duty

are that "Maj Gen Yuthasak has been having problems with Lt Gen Athit since the events of 1-3 April. This is because on 2 April, Maj Gen Yuthasak went with Gen Kriangsak Chamnan to negotiate a peaceful settlement, acting as a middle-man. Then Lt. Gen Athit asked both of them to leave the room, saying that he would be having discussions with the higher-ups. This slighted General Kriangsak and Maj Gen Yuthasak and since then, they have not been on speaking terms."

Therefore, with the appointment of Lt Gen Athit Kamlang-ek as RTA Assistant CINC, those officers not in his clique have lost their opportunity "to compete." It looks like this has made things smoother in the RTA, but they will be even smoother if Lt Gen Athit stays on as acting commander of First Army. This means that he will be in control of two important posts at once.

"I couldn't say who will be the next First Army Commander. You'd have to ask the RTA CINC, because he is my commander," Lt Gen Athit said after he learned of the appointments.

A Green Light All the Way--Waiting in Line for RTA CINC Job

High-level posts in the RTA, which presently include Gen Prayut Charumanee, RTA CINC, Gen Sak Buntrakun, deputy RTA CINC, Lt Gen Phaichit Somsuwan, Assistant RTA CINC will all be vacated by mandatory retirement next year.

"Lt Gen Phaichit Somsuwan came up from being assistant RTA comptroller and although he has no way of becoming RTA CINC, when he reaches mandatory retirement age next year, it will open the way for Lt Gen Athit to move up to be RTA CINC. There will be absolutely no problem," said the colonel not on active duty. "Things will be all set up to open the way free and clear for Lt Gen Athit to hold the power in the RTA next year without doubt."

"In all units, Lt Gen Athit's men are all over," said the aforementioned source, adding that "at this time people with the rank of major are holding down deputy battalion commander slots, lieutenant colonels are holding down jobs from battalion commander all the way to regimental commander. Special colonel types and those belonging to former RTA CINC Gen Amnat Damrikan who passed away have joined up with Lt Gen Athit."

Therefore, it is pretty much certain that Lt Gen Athit Kamlang-ek will be able to rise to RTA CINC. There is no doubt about this. He will be able to hold the slot for 3 years because he will reach mandatory retirement age in 1985.

Conclusion

"Don't ask me to criticize. If the water flows fast, don't make the boat to go against the current. I'd like to reserve comment to see what the media says. We all know what is going on. I'd just like to say nothing." These were the words of Maj Gen Yuthasak Khlongtruatroke who was moved into a "floating" position, that of adviser to the RTA at the same time as Gen Pin Thammasiri, deputy RTA CINC was about to reach mandatory retirement age this month. He said "I don't know the transfers took place like this now that I think about it...but I'd rather not say anything. It would be better not to voice an opinion."

No matter when officers are appointed or transfered, there are going to be voices of approval and voices of protest. It is this way every year.

The voices of approval come from those who got jobs they are satisfied with and the voices of protest come from those who are not happy with what they got. Justice in the RTA is served up by the commander who is more just than anything.

That Lt Gen Athit Kamlang-ek went from 2d Army deputy commander to First Army commander and then up to RTA Assistant CINC in less than a full year shows what the future holds for this man and for the RTA as a whole. Time will tell whether the 1981 military shuffle will lead to unity or divisiveness in the RTA.

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SOUTH AND EAST ASIA REPORT

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POLICY ON FOREIGN STUDENTS, STUDIES ABROAD NOTED

Madras THE HINDU in English 21 Sep 81 p 10

[Text] New Delhi, Sept 20--The Education Ministry, in consultation with the External Affairs Ministry, is now formulating a scheme to regulate and monitor the education of foreign students in India.

The need for this has been felt in the context of the spurt in demand from foreign students for educational facilities. There are at present about 25,000 of them in different parts of the country and every year their number is increasing by at least 3,000.

The presence of such a large number with different cultural backgrounds often leads to problems of adjustment with the local community and sometimes there are unpleasant incidents. Unless steps are taken to prevent this, the students will carry back to their countries unpleasant memories.

Three Categories

There are three categories of foreign students: 1. Those studying on Government scholarships under cultural exchange programmes; 2. those deputed by their respective Governments under bilateral agreements; and 3. those who are called self-financing.

In the case of the first two categories, there is no problem as they are sponsored by the Government and their intake can be regulated.

But in the case of self-financing students, the position is different. Anyone with a valid visa can get admission in a college here provided a seat is available and there is no dearth of institutions to offer them seats as that will bring in more money.

In fact, the mushrooming of capitation fee institutions in cities like Bangalore is attributed to this demand from foreign students, especially those from Iran. Apart from these, private educational institutions have come up which offer on payment certificates and diplomas equivalent to the basic qualification required for admission to a degree course.

First Step

For quite some time now, the authorities have been exercised over this and considering remedial measures. As a first step, the intake of self-financing students has been regulated by stipulating that only those cleared by their respective Governments and having "student visas" can be admitted.

The programme, now being formulated, seeks to ensure that the students have sufficient knowledge of English to follow the lessons and that their progress is monitored regularly.

If any foreign student is found deficient in his basic attainments to pursue the course of his choice, he will be given special coaching. Similarly, in the course of his studies, he will be helped to get adjusted to the local cultural and social environment.

A central agency to implement the programme is contemplated.

Soviet Offer Not Accepted

The growing demand from foreign students for study facilities is regarded as indicative of the extent of facilities available here for higher education. In view of this, the Union Government has been reluctant to allow Indian Students to go abroad for studies, except at doctoral and post doctoral levels.

In pursuance of this policy, it has politely turned down offers of scholarships from foreign Governments to Indians at undergraduate and post-graduate levels.

The Soviet Union, for instance, has been requesting the Indian Government to send students for its five-year integrated courses leading up to the graduate level. It has offered scholarships to these students upto post-doctoral courses.

But the feeling in official circles here is that if this is agreed to, the Indian student concerned will have to spend nearly 10 years in the Soviet Union and will find it difficult to get adjusted when he returns home. It is also felt that scholarships should be availed of only in fields where facilities are not adequately developed in India.

For the past two years, the Union Government has not been nominating any student for undergraduate courses in the Soviet Union.

CSO: 4220/7097

G.K. REDDY: GOOD ECONOMIC TIES WITH U.S. POSSIBLE

Madras THE HINDU in English 21 Sep 81 p 6

[Article by G. K. Reddy]

[Text] New Delhi, Sept. 20 A conscious effort is being made by India to maintain a reasonably good working relationship with the U.S. in the economic sphere, despite the growing strains in its political dealings with the Reagan Administration.

The necessary steps are being taken to eliminate avoidable irritations in Indo-American relations to the extent possible in the present circumstances, without in any way compromising India's basic positions on issues like Kampuchea and Afghanistan, militarisation of the Indian Ocean and arming of Pakistan.

It is pointed out that the U.S. fixations on such issues, impinging on India's interests in the region, need not come in the way of a more equitable economic relationship between the two countries with an annual trade turn-over of over $3 billions, which has immense potentialities for expansion.

There is a vast grey zone in Indo-American relations where it is both possible and desirable to delink power politics from economic interests.

It is with this object in view that India has started actively exploring the possibilities of keeping up a credible distinction between differing political perceptions of global developments and mutuality of interests in increased economic cooperation.

Haig's Delhi Visit

The External Affairs Minister, Mr P. V. Narasimha Rao, who is due to leave for New York tomorrow to attend the U.N. General Assembly session, will try to persuade the U.S. Secretary of State, Mr Alexander Haig, not to put off his long overdue visit to Delhi to attend the much-postponed ministerial level meeting of the Indo-American Joint Commission.

Though he had agreed earlier to pay this visit some time this autumn, there have been no subsequent moves from the American side to decide on mutually convenient dates for the Joint Commission meeting to review and approve the agreed programmes for increased economic, technological scientific and cultural cooperation.

It has suggested that a final round of talks for terminating the fuel supply agreement should be held in November, before Mr Haig visits Delhi in December, according to the latest expectations.

Now that the U.S. has decided to go ahead with its military and package for Pakistan, there is very little purpose in the Prime Minister concentrating primarily on this issue during her meeting with President Reagan in Cancun.

The present Administration in Washington, with its closed mind, is not prepared to pay any attention to India's apprehensions.

Positive Aspects of Ties

But if the two countries can at least agree to disagree on the nature of the Soviet threat to the region, it should be possible for them to pay more attention to the positive aspects of their residuary relationship which provides enough scope for increased cooperation in non-political spheres.

It is to highlight this opportunity which is still open that India is taking steps to initiate a limited dialogue with the Reagan Administration.

The Finance Minister, Mr R Venkataraman, who left today to attend the annual Fund-Bank meetings, will also explore the possibilities during his stay in Washington.

And the part the U.S. plays behind the scenes in the finalisation of the IMF loan terms will indicate whether it is really interested in this two-dimensional approach to Indo-American relations.

CSO: 4220/7097

GOVERNMENT SIGNS 1982 COOPERATION AGREEMENT WITH FRG

Bombay THE TIMES OF INDIA in English 24 Sep 81 p 7

[Text] New Delhi, September 23: India will receive DM 360 million (Rs 133.92 crores) as financial assistance for the year 1981-82 from the Federal Republic of Germany under an agreement signed between the two governments here today.

The agreement was preceded by negotiations on economic cooperation which began on September 21, in an atmosphere of mutual trust.

Mr M. R. Sivaraman, joint secretary in the ministry of finance, led the Indian delegation in the negotiations. The FRG delegation was led by Dr Franz Klamser, ministerial dirigent in the ministry for economic cooperation.

Out of the assistance provided by the Federal Republic of Germany, DM 235 million (Rs 87.42 crores) is earmarked for projects. The project aid will be used further to finance agricultural refinance and development corporation's credit project IV., Korba 500 mw turbo-generator set, the Neyveli lignite corporation's second mine cut and power station's expansion project.

The remainder of the assistance will go for import of capital goods, DM 40 million (Rs 14.88 crores) for the industrial development banks. DM 40 million (Rs 14.88 crores), and for commodity aid, DM 45.89 million (Rs 16.74 crores).

In addition, technical assistance in the form of equipment, services of experts and training facilities amounting to approximately DM 36 million (Rs 13.39 crores) will also be made available to India in the current year for the Indo-German technical corporation projects.

During the negotiations between the two governments, it was agreed that greater attention should be paid to rural development, including agriculture and water supply, development of energy resources and elimination of bottlenecks in the economy while selecting projects for Indo-German cooperation.

CSO: 4220/7101

SUBRAMANIAN SWAMY REPORTS ON TIBET PILGRIMAGE

Calcutta THE STATESMAN in English 24 Sep 81 p 9

[Text] New Delhi, Sept 23--On his return here today, ahead of the 15-member party of pilgrims who visited Kailash and Mansarovar, Mr Subramanian Swamy, M.P., said that the Chinese authorities had told him that they would welcome more and more Indian pilgrims.

Mr Swamy suggested at a Press conference that a Kailash Mansarovar Yatra Samity on the pattern of the Haj committee should be formed to coordinate the activities of the various Government agencies involved in organizing the logistics of pilgrims travel.

He said that the border roads organization should be asked to build metalled roads along the Kali river up to Lipulakh at the border. The present trek route goes up and down causing unnecessary strain. Nepal has already built such a road along the bank of the Kali river.

He wanted a passport and foreign exchange office to be opened at Pithoragarh and asked the Government to take up with the Chinese the question of opening up the border trade, and also the issue of visas at Lipulakh or Taklakot.

Mr Swamy said he felt privileged to be the first Indian to reach Kailash and Mansarovar, where Indians could now go again after a lapse of 22 years. He also felt a sense of fulfillment because he was the first to raise the subject of opening the pilgrim route to Tibet in 1978 in course of his conversation with the Chinese Deputy Prime Minister, Mr Ji Peng-Fai, in Beijing. He continued to raise the matter in his subsequent visits to China--including in April, 1981, when he met Mr Deng Xiaoping.

Answering questions, Mr Swamy said when he raised the matter in 1978, "everyone said that the Chinese would never agree to the opening of the route because it was certain ramifications," but he knew it was a question of "creation of an atmosphere of friendship" between the two countries that would make it possible.

Mr Swamy said he believed that the solution of the border question was possible "if we can ensure this atmosphere of friendship." An Indian border team would be going to Beijing in November. There was already the "package proposal" of Mr Deng Xiaoping. The Government of India could also propose "an alternative package."

"Let us not talk on the basis of historical records, when looking at the border problem," he said, adding that even the joint communique (issued at the end of Foreign Minister, Mr Huang Hua's recent visit), talked of "national sentiments." It is this matter of national sentiments that has led to the reopening of the pilgrimage to Kailash and Mansarovar."

Mr Swamy said he had always maintained that the border problem should be settled on the basis of give and take. "Kailash-Mansarovar can come in this category of take." Mr Deng had proposed another package. "If the atmosphere is friendly, a few thousand square miles here and there do not matter."

He said his ideas and suggestions were only "conceptual." It would be for the representatives of Governments of the two countries to sit down, "and draw a line keeping in view their respective geographical or military aspects and interests."

Talking of his journey, Mr Swamy said the Ministry of External Affairs, particularly the China division, should be congratulated for getting the trip organized in a short time following Mr Huang's visit. Praiseworthy logistics support was given to pilgrims by the Indo-Tibetan border police, the U.P. Special Police Force, and the Kumaon Vikas Mandal Nigam, despite very trying conditions and inclement weather.

It took the pilgrims nine days of walking through difficult terrain to reach the Pithoragarh district-Tibet border at Lipulekh pass. This was at a height of 18,000 feet. Throughout the journey, the Indian villages received the pilgrims warmly and gave them refreshments, and presented Mr Swamy with memoranda demanding building of roads and reopening of the Indo-Tibetan border trade.

On the Chinese side, the people were friendly and treated the pilgrims well. "On the bank of the Mansarovar, a Lama ran out of his tent to welcome me and gave me tea and sugared puris. When I asked him what he was doing there, he said that Hindus would be coming to Mansarovar and he was there to give them all tea and refreshments."

CSO: 4220/7103

ANANDA MARG DENIES HAND IN PLOT TO KILL GANDHI

Calcutta THE STATESMAN in English 24 Sep 81 p 10

[Text] Patna, Sept. 23--The Ananda Marg yesterday denied reports appearing in a section of the Press that it had entered into a conspiracy to assassinate the Prime Minister, reports UNI.

In a statement here, Acharya Shraddhananda, advocate for the general secretary, Ananda Marg Pracharaka Sangh, denied the allegation and said the Ananda Marg had nothing to do with such activities. He said "we condemn such activities if done by anybody anywhere.

"Ananda Marg has always asserted that it is a purely spiritual organization preaching yoga and doing social service to relieve the suffering humanity through education and relief," the statement added.

The alleged plot to assassinate Mrs Gandhi was reported to have been uncovered by the police with the arrest of two youths from Bihar. The police submitted that the two youths along with Prem Shankar Poddar of Calcutta had allegedly entered into a conspiracy to assassinate the Prime Minister at the instance of the Ananda Marg.

Police said the two youths were to carry out their plan during an election meeting at Ranchi on January 1 last year. The plan, however, failed as Mrs Gandhi did not visit Ranchi that day because of bad weather.

The sources said Poddar was a zonal secretary of the Proutist Bloc of India, political wing of the Ananda Marg. The other two also had close links with the organization.

Having failed to execute their plot in Ranchi, the suspects visited Delhi in August. They stayed at an unknown place in the capital for three days and "studied the route and the timings of the Prime Minister's motorcade."

CSO: 4220/7103

CORRESPONDENT NOTES U.S. POLICY ON IMF LOAN

Madras THE HINDU in English 24 Sep 81 p 9

[Article from N. Ram]

[Text]

WASHINGTON, Sept. 23.

Mr Donald Regan, U.S. Secretary of the Treasury, said on Monday, in a discussion with journalists on the eve of the annual meeting of the International Monetary Fund and the World Bank, that the U.S. did not think that IMF "should become another IDA", another "soft loan window".

He said this within the context of finding fault with IMF for allowing the conditionality of loans to poor developing countries to become lax in recent years and demanding that the terms be made "more strict".

Mr Regan, a private investment specialist, appeared to be targeting two entities with one stone when he said that.

Dr Beryl Sprinkel, a far-right economist, who is Under-Secretary of the Treasury for monetary affairs and one of the stridently articulate voices of the Reagan Administration, is handling these issues directly.

He went even further than his boss. "There has been slippage in recent years. We want to push the IMF's conditionality to where it was." These remarks came, interestingly, in a published interview.

Rigorous regime

The Wall Street Journal reports that many private financial analysts voice similar concerns, demanding that IMF immediately raise the rigour of its regime as "policeman of the world's monetary system" and trend-setter of conditions that sizable credit arrangements should carry.

It adds that the internal assessment by the U.S. Treasury Department is that the conditionality attached last year to the 1.268-billion SDR arrangement for the Government of Pakistan under the extended fund facility was not rigorous enough.

The absence of sufficient rigour could be seen in the failure to impose a "summary devaluation" on an "overvalued" currency and also in the lack of a specific indication as to "how far its import-liberalisation programme would go".

The report adds that IMF's action on India's application for a five billion SDR loan may be a "test case"—with pressure being applied by the U.S. and other "industrialised countries" on the Fund management to impose conditions harsher than those worked out in the negotiations.

The Treasury Department's "internal" critique of the functioning of IMF, the World Bank and other multilateral lending and development institutions became public even before Mr Regan or Dr Sprinkel spoke out—with the document falling into the hands of the Wall Street Journal.

Thorough scrutiny

At the moment at least, the U.S. Treasury and State Departments are approaching the issues, and especially the business of approving the loan for India, from different angles.

According to sources within the Administration, the Treasury Secretary appears to have woken up to the details of the Indian arrangement quite late in the game—but by no means too late to insist on thorough scrutiny of the scale and terms of the arrangement, applying the rigorous conservative standards spelt out in the critique.

On the other hand, the State Department's specialists on South Asia have publicly welcomed the IMF and World Bank arrangements or initiatives favouring the Zia regime. They have no quarrel whatever with the demand for increased rigour in the "conditionality", or for sharper teeth in the enforceability, of the Indian arrangement.

They are, as much as anyone in Washington is, for pushing the Government of India—using every lever and every means available—in the direction of monetarist, "supply side" oriented economic policies.

These policies mean more concessions to the private sector and to foreign capital, further liberalisation of import policy, tight reining in on money supply and deficit financing, more "realistic" valuation of the rupee, "de-regulation" of price and supply controls, elements of a wage freeze, restraint on "excess" demand conditions, and elimination or reduction of social subsidies.

The State Department specialists note with appreciation that, to a considerable extent, these are the policies and directions that have been prescribed by the Fund for oil-importing developing countries in recent pronouncements and documents.

They would, as much as Mr Regan or anyone else here, like to see IMF enforce more strictly the "conditionality" of its unprecedented loan in terms of these policies and to fine-tune the "performance clauses".

Deal to go through?

But they appear to be inclined, in balance, to let the five-billion-dollar extended arrangement go through at a time when Indo-U.S. relations are marked by serious tensions—and under terms which, after all, express a more conservative orientation in the socio-economic arena.

The conflict of interests that the official Indian delegation will be facing at this annual meeting of the Bank and Fund—having to practise accommodation and compromise nervously in relation to the deal with IMF and being expected to articulate a general stance in the ranks of developing countries critical of the orientation of the two institutions—has not escaped their attention.

And the prospect of India's Finance Minister, Reserve Bank Governor and top officials in charge of economic affairs courting the personages of the Reagan Administration, conservative Europeans, Saudi dignitaries and other forces which make a difference within the Executive Boards of IMF and the World Bank appeals to their sense of how the world should be tending.

CSO: 4220/7104

KERALA CHIEF MINISTER WRITES TO GANDHI ON CHARGES

Madras THE HINDU in English 24 Sep 81 p 9

[Text]

TRIVANDRUM, Sept 23

The law and order situation in Kerala cannot by any stretch of imagination be said to be unsatisfactory compared to the rest of the country, the Kerala Chief Minister, Mr E K Nayanar has pointed out in a letter to the Prime Minister, Mrs Indira Gandhi.

The letter was with reference to the statement the Prime Minister had made in Parliament in respect of the law and order situation in Kerala.

Quoting statistics in support of his claim, Mr Nayanar said, compared to other States, "Kerala presents a very peaceful picture."

"Our police", he said, "has always been to discourage all forms of lawlessness. Police action has been taken against offenders irrespective of their party affiliation. Conciliation, and peace initiative have always been made by law enforcing authorities wherever a situation threatens to become violent. In serious situations, myself and the Home Minister have intervened personally to restore peace."

The Prime Minister's statement contained three specific allegations: No one can honestly say that law and order situation in Kerala is all right. Political murders are taking place in large numbers on a scale unprecedented in any part of India, and Congress (I) people and people of other parties are being killed.

The Chief Minister said that he would quote from the statistics given by the Union Home Ministry at the conference of Chief Secretaries and Inspectors General in July to substantiate his claim.

The cognisable crime in Kerala during 1978-80, as per the statement made, was only 176.8 per lakh of population in 1980. This figure was far below the all India figure of 200.3 for the country and 195.8 for all the States.

The crime levels of Bihar, Jammu and Kashmir, Karnataka, Maharashtra, Manipur, Nagaland, Orissa, Rajasthan, Tamil Nadu, Tripura and Uttar Pradesh and all the Union Territories except Arunachal Pradesh and Lakshadweep were all higher than Kerala.

In respect of murders, Mr Nayanar said, statistics showed that Kerala had the lowest incidence in 1977 with 1.9 per lakh of population as against the all India average of 2.9. In 1980, the figure was 1.8 and the trend of statistics in 1981 indicates that the figure will continue to remain at the low level which had been maintained from 1977 onwards. By no stretch of imagination could these figures reflect failure of the law and order machinery.

As for political murders he said in 1980 and 1981, the largest number of persons killed belonged to CPI (M). fourteen out of 39 victims in 1977 were CPI (M) followers and 18 were Congressmen. On the other hand, in 1980 and 1981, only three and six persons belonging to the Congress (I) had lost their lives.

Of the 207 persons arrested in 1981, CPI (M) numbered 115, RSS 44, CPI 24, CPI (ML) 17 and Congress (I) 7.

In 1981, there were nine murders in Andhra Pradesh, 8 in Bihar and one in Kerala. Many extremists had also been killed by police action in many States.

Mr Nayanar wanted the Prime Minister to take such action as possible to repair the damage that had been done by her statement in Parliament.

CSO: 4220/7104

UK CONSORTIUM WINS PARADEEP STEEL CONTRACT

Madras THE HINDU in English 24 Sep 81 p 1

[Article by G. K. Reddy]

[Text] NEW DELHI, Sept. 23

The British Consortium, Davy International, has won the mammoth contract for the construction of the first phase of the Paradeep liquid steel plant in Orissa involving an expenditure of over Rs. 3,500 crores, in the face of very stiff competition from the West German combine, Demag-Mannesman, with an aid-cum-loan package offer of $ 2.8 billions.

The Cabinet formally approved the award of the contract to Davy International on the eve of the Prime Minister's departure for Melbourne, where she would be meeting the British Prime Minister, Mrs. Margaret Thatcher, during the Commonwealth conference.

The present contract relates to the first phase of the Paradeep steel plant for which Davy International has assumed responsibility for raising the foreign exchange component of $ 2,800 millions through Euro-dollar loans. After deducting the U.K. aid of roughly $ 220 millions, which will be in the form of grant, the foreign exchange outlay of the project would be in the range of $ 2.5 billions.

Shot in arm for U.K.

The Indian decision comes as a shot in the arm for the ailing economy of Britain, which has been making an all-out effort to obtain its share in India's development.

Mrs. Thatcher had gone out of her way to press the British claim for the award of the contract for this liquid steel plant with an ultimate capacity of over three million tonnes.

The British bid was finally accepted because the financial package offered was considered to be more attractive in terms of its grant component and repayment terms for the loans. But the West German combine staked its claim with the plea that the technology offered was far superior, although the British consortium refuted this contention.

As part of his additional charge, the Commerce Minister, Mr. Pranab Mukherjee, had been handling these delicate negotiations.

But in view of the very big outlays involved in the award of this contract, the Prime Minister had kept herself fully informed of the discussions at every stage to ensure that the right choice is made by giving due consideration to both the technical and financial aspects of the British and West German terms.

Apart from Britain and West Germany, France also had been evincing considerable interest in the Paradeep project in the wake of the contract it secured for building the alumina plant in the same State.

But it did not tender independently since as a participant in both the British and West German consortia, it was going to have its slice of the cake in either case.

British answer to F-16

The British Government is immensely satisfied with the Indian decision and Mrs. Thatcher is expected to thank Mrs. Gandhi personally for it. It will encourage Britain to make a similar bid to participate on a bigger scale in the development of the coal, power and transport sectors involving much larger investments.

British Aerospace, with its characteristic tenacity, is not giving up the race for the supply of aircraft for the Indian Air Force. It is sending a delegation in the next few days to canvass for the Tornado as an ideal match for the F-16s being supplied by the U.S. to Pakistan.

It is fighting a bitter rearguard action to convince India that the real answer to the F-16 is not the French-built Mirage-2000 but the Tornado, the successor to Jaguar, which is capable of dual performance in both attack and interceptor roles operating at low as well as high altitudes.

The British delegation is coming to forward its case before the Indian defence team goes to Paris shortly to finalise the Mirage-2000 deal with the French manufacturers, Marcel Dassault.

More Jaguars

After securing the Paradeep contract, Britain is no longer protesting too much over the Indian decision to give up the manufacturing part of the Jaguar programme.

The real profit is made through the sale of fully assembled aircraft or supply of sub-assemblies for final assembly in India, not in the shape of royalties for manufacture under licence.

The purchase of over 100 Jaguars in whatever shape, along with the acquisition of over a dozen Sea Harriers, will involve an expenditure of over Rs. 1,500 crores.

The British Government is, therefore, quite content with the present arrangement under which India will assemble some more Jaguars from imported sub-sections as compensation for abandoning the manufacturing programme.

And it is in this context that British Aerospace is now entering the race with France for the supply of a futuristic aircraft to match the F-16, in the wake of Davy International's success in securing the Paradeep contract.

BHARATIYA JANATA TO MAINTAIN SEPARATE IDENTITY

Bombay THE TIMES OF INDIA in English 24 Sep 81 p 1

[Text]

VRINDABAN, September 23.

AS the Bharatiya Janata Party is confident that it alone can provide the "national alternative" to the ruling party it has decided to maintain its separate identity and shelved all proposals for merger with any other party.

This was the consensus at the four-day all India study camp organised at this temple town and which ended yesterday. It is a measure of the growing confidence of the party from the small successes it has scored recently.

Among these, the unexpected victory in the Visakhapatnam municipal poll in Andhra Pradesh — a stronghold of the Congress (I) — is given the pride of place. The successful anti-price rise demonstration by women in Delhi is claimed as evidence of growing disenchantment with the ruling party and growing support for the BJP.

But more importantly, its burgeoning confidence seems to rest on what it claims its ability to give a philosophical content to its movement — a "successful" synthesis between its tradition-based nationalism and Mahatma Gandhi's rural-oriented economic programme.

Mr. Atal Behari Vajpayee, who presided over the camp, claimed that the new "Gandhian socialism" expounded by the party could gain universal acceptance. The people were craving for change, he said.

The papers read out at the four-day study camp displayed a fighting mood among the participants. It helped the hardliners led by Mr. L. K. Advani, party general secretary, to carry the day with its opposition to any kind of alliance or merger with any other party. Mr. Vajpayee recognised the merit of this stand and said his party would not go in for any merger talks though it might co-operate with opposition parties on specific issues.

Reflecting the mood of the camp, Mr. Vajpayee said emphatically that his party would now make a bid for power. "We are not power-hungry", he said, "but we want power to change the social structure."

The Congress, he said, failed to accomplish the task of restructuring the social order in its 30-year rule. It had ignored Gandhi's teachings and had now brought the nation on the verge of an unprecedented crisis — moral, social, economic and political.

"It seems to me that the responsibility of translating Gandhiji's ideas into reality has fallen on our shoulders," Mr. Vajpayee said.

The BJP leader said his party was not in favour of strikes. But if the government failed to curb the price rise, the workers had a right to go on strike.

He said the one principal reason for the price rise was corruption. The "Antulay affair" was only one of the instances. The ruling party, unable to tackle the growing crisis, had taken to the path of confrontation with the opposition parties. It is frightened of its own shadow," he said.

CSO: 4220/7101

U.S. CONNECTIONS UNDERMINE INDO-PAKISTAN RELATIONS

Bombay THE TIMES OF INDIA in English 24 Sep 81 p 4

[Commentary by Inder Malhotra: "Pakistan's U.S. Connection Shadow Over the Subcontinent"]

[Text] EVEN at the best of times in recent years this country has found the pursuit of good relations with Pakistan to be the task of Sisyphus, the mythical Greek character condemned to rolling a heavy rock uphill and to begin again when it rolled down. Now, however, the problem has become even more acute. It is not merely that on the road to rapprochement the two countries have run into a bad patch much rougher than those encountered earlier. The trouble really is that Pakistan and the United States, between them, have deliberately chosen to change the entire context in the Indian sub-continent and to bring back to the region the kind of tensions which first started flooding in, to disastrous effect, in the wake of the U.S. military aid to Pakistan in the fifties.

Mrs. Gandhi's plain speaking on the subject, in a series of recent interviews, underscores the gravity of the developing situation from this country's point of view. Those responsible for the defence of India's freedom and frontiers cannot remain indifferent to it.

GLOSS

Strangely, there is clear contradiction between what the Americans are saying about the renewed U.S.-Pakistan military relationship and the gloss that the Pakistanis are trying to put on it. For, according to the Pakistanis, what they are doing is no more than buy arms from the U.S. either on cash payment or on commercial credit. But Mr. James Buckley, the U.S. under-secretary of state for security assistance, has said categorically, in his testimony to the U.S. Congress, that Pakistan has taken a "courageous decision to embark on a qualitatively new relationship with the United States". He has also described the new arrangement with Pakistan as a "strong security relationship" and has gone on to add: "I cannot over-emphasise the importance we attach to this new relationship."

Moreover, neither Mr. Buckley nor any other spokesman of the Reagan administration has made any bones about the fact that the new relationship with Pakistan has been forged in pursuance of the U.S. global strategy to confront the Soviet Union in every region and eventually to re-establish American military superiority over it from the Pacific to the Atlantic. They have added that in their scheme of things, Pakistan, facing 90,000 Soviet troops in Afghanistan, fits in as neatly in south-west Asia as does Israel in west Africa or South Africa in the African continent south of the Sahara.

In the circumstances, what is one to make of Pakistan's protestations that it is not embarked on a confrontation course with the Soviet Union and that, in any case, it does not fear any attack by the Soviet Union? Pakistan's foreign minister, Mr. Agha Shahi, has even gone to the extent of declaring that those who talked of a Soviet military threat to Pakistan were indulging in "slander."

Since even the Americans cannot be so naive as to be unaware of the Pakistani statements, the only logical conclusion one can come to is that these declarations are largely for the public record and that behind the smoke-screen of rhetoric the two sides have a clear understanding of what each expects from the other.

Going by available indications, the U.S. expectation is not that a rearmed and reequipped Pakistani army would mount an expedition through the Khyber Pass against the Soviet troops in Afghanistan but that Pakistan would play the role assigned to it "should the balloon really go up in the Gulf." A visiting U.S. professor indeed said this in so many words to a gathering of intellectuals and journalists in Karachi only the other day.

Afghanistan is but a sideshow. The most the U.S. may want Pakistan to do in this respect is to step up the arms aid to the Afghan rebels so that the Russians remain bogged down in Afghanistan. It is in the Gulf, where Pakistani military presence even today is not insubstantial, that the U.S. needs Pakistan the most.

For its part, Pakistan evidently wishes to utilise the opportunity offered by the Reagan administration's strident response to the Afghan crisis to get from the U.S. Highly sophisticated weaponry in order to increase its military leverage vis-a-vis India, bluntly described in conversations between U.S. diplomats and the Pakistani military leaders as the principal security concern of Pakistan and indeed its "arch enemy."

In this connection, a part of Mr. Buckley's testimony to the U.S. Congress has an ominous ring. For while praising Pakistan for having "courageously" established a new security relationship with America, he has stated that this exposes Pakistan to the "risk of increased Soviet hostility and pressure, including military attack by proxy forces." Since it is inconceivable that Mr. Babrak Karmal's army can invade Pakistan, what is the expression "proxy forces" supposed to mean in this context?

In any case, the F-16 super-sophisticated warplanes, the speedy supply of which as been described by General Zia-ul-Haq as the "litmus test" of U.S. "sincerity", aren't going to be used against the Soviet helicopter gunships in Afghanistan. Nor are the brand new and up-gunned M-48 tanks going to be deployed on Pakistan's north-western frontier.

JOLT

Altogether therefore the India-Pakistan relations have been given a dual jolt. On the one hand, a new military situation has been created to cope with which will mean additional spending on defence, indeed an arms race. On the other, the very basis of the Simla agreement — strict bilateralism in a sub-continental environment free from the tensions generated by superpower rivalries — has been totally undermined.

Islamabad is bound to turn round and point to the presence of Soviet troops in Afghanistan. But then it was open to Pakistan to pursue the policy of seeking a political settlement of the Afghan crisis and thus secure a speedy withdrawal of the Soviet troops from Afghanistan. But it has chosen instead a course which would prolong rather than cut short the Soviet presence in Afghanistan, heighten the conflict and widen the area of tension.

In the circumstances, the kind of efforts that Mrs. Gandhi and Mr. P. V. Narasimha Rao have been making during the last 20 months, despite many ups and downs, to improve Indo-Pakistan relations have become rather difficult to sustain, and this fact is not lost on Pakistan.

In fact, Pakistan has interpreted this country's refusal to allow Pakistan unhindered re-entry into the commonwealth as a sign of Indian resentment against, and displeasure with, the new U.S.-Pakistan military relationship. In spite of this, Islamabad did try, shortly before Mrs. Gandhi's departure for south-east Asia on way to the Melbourne summit of the commonwealth countries, to secure Indian concurrence to Pakistan's readmission into the commonwealth fold. This it did by reassuring New Delhi that it would not use the commonwealth as a forum for raising bilateral India-Pakistan disputes. But this did not take in the Indian policy makers who have had rather sad experience of similar Pakistani assurances in the past, given during the Janata regime, which helped Pakistan to get admission to the non-aligned movement.

No sooner had the Pakistanis got to the non-aligned summit at Havana than its delegation started harping on Kashmir and indeed equating it with the Palestine issue! No wonder Mrs. Gandhi has been driven to remarking that what mattered was not the good things the Pakistanis said in New Delhi but what they really said and did the world over.

The trouble is that Pakistani leaders are adept in saying different things to different people. For instance, they blandly told Mr. Firyubin that when they signed with the Chinese prime minister a joint statement denouncing "hegemonism", Mr. Zhao might be thinking of the Soviet Union but they themselves had only Indian "hegemony" in mind!

CONTRAST

Of a piece with this is the contrast between Mr. Agha Shahi's repeated emphasis on the enduring nature of Pakistan's non-alignment and Gen. Zia-ul-Haq's interview to *U.S. News and World Report* on Pakistan's "American connection."

Gen. Zia did not offer the U.S. military bases, as the Soviet news agency, *Tass*, tried to make out by tearing some of his remarks out of context. But what he did say leaves this possibility vaguely open.

For, after declaring that the question of bases had neither been discussed nor was it a good idea "under present-day thinking", Gen. Zia did add: "but once the mutuality of interests has been confirmed then it is up to the two countries to pursue the policies to the ultimate achievement of their interests. Now once that stage arises .... then there are no reservations. Now, I am not saying that if it leads to a stage of no reservations, then Pakistan would offer bases. It does not necessarily follow. All we are now trying to do is bolster up the understanding we have had in the past."

The subject of India-Pakistan relations is vast. There is space only for a fleeting mention of two points. First, a straw in the wind is that the visit to New Delhi by the Pakistani polo team, scheduled for November, has been cancelled.

Secondly, even those in this country who have a soft corner for Gen. Zia have been somewhat embarrassed by his sudden enthusiasm for talks with India on "non-aggression" and "non-use of force." For only last year he had denounced a "non-aggression pact" with India as "not worth the paper it might be written on."

Everyone knows that the offer of talks with India at this stage is addressed to Pakistan's critics in the U.S. Congress, not to the Indian leaders.

CSO: 4220/7101

GANDHI INTERVIEWED BY 'SYDNEY MORNING HERALD'

New Delhi PATRIOT in English 22 Sep 81 pp 1, 7

[Text]

... SYDNEY, Sept. 21 (Reuter).

PRIME Minister Indira Gandhi has been quoted in a newspaper interview published here today as the United States wanted to establish military bases in Pakistan.

US arms aid to Pakistan was a deliberate irritant to the Soviet Union, and "is the first step to try and get bases or base there," she said in the interview with the New Delhi correspondent of the Sydney Morning Herald.

She accused the US of trying to make Pakistan replace Iran as its policeman in the region and said Washington was hostile to India because 'we do not fit in with their global strategy'.

Washington was 'generally used to people toeing their line and they don't like a country which pursues an independent course,' she said.

Mrs Gandhi said the US had opposed the concept of non-alignment originally and was still not happy with it.

Washington, she added, did not like India's position on South Africa, Namibia or earlier Vietnam. She denied that India might be increasing its dependence on Moscow. 'We are not dependent on the Soviet Union. So there is no question of increasing dependence', she said

Mrs Gandhi said India had diversified its purchases of military hardware, was trying to make as many as possible of its own arms and usually bought from those willing to give it technical knowhow. 'Often when you buy from the United States you do get dependent on them because they do not give the technology'.

She said it was unrealistic to expect Moscow to reconcile itself to an anti-Soviet government in Afghanistan. She did not know what India could do to help bring a settlement there 'because Pakistan does not want a solution of the problem'.

On Kampuchea, Mrs Gandhi said she did not think the Soviet Union was the villain. 'Actually it was China which started it'.

She also thought massive western aid would not end Vietnam's ties with Moscow. 'It is not a question of having ties with any country. They are fiercely independent', she said

UNI adds:

'You know they (the US) are trying to get Pakistan to take the place of the Shah of Iran for them,' she said.

Mrs Gandhi spoke of the 'disastrous consequences' that had happened in Iran and said 'one does fear the same in this case.'

Asked whether she foresaw an attack on India by Pakistan with its latest acquisition of arms, Mrs Gandhi replied: 'That does not seem logical or rational.' But India's experience had been that whenever Pakistan had arms, it had used them against this country.

She drew particular attention to the background to Pakistan's acquisition of arms, 'the tension in the region, the bringing closer to us of global confrontations and great power rivalries.' She noted that for the first time American themselves, at least one official, has been reported as saying, 'well, they can be used against India.'

To a question whether US arms aid was aimed at restoring the 'old balance of power theory' in subcontinent Mrs Gandhi said, 'It does not restore the balance of power at all. It is merely to establish.... Well. I think that it is in a way an irritant tao the Soviet Union. It is the first step to try and get bases or a base in which they may or may not succeed.'

CSO: 4220/7099

PRO-KHALISTAN POSTERS SEIZED IN POONCH BORDER AREA

New Delhi PATRIOT in English 22 Sep 81 p 4

[Text]

SRINAGAR, Sept. 21 — Chief Minister Sheikh Abdullah today confirmed in the Assembly that pro-Khalistan posters had recently been seized by the authorities in the border area of Poonch.

He added that the intelligence agencies of the State and Centre were investigating the matter in order to determine the source of these posters and also their possible implications.

The issue was raised in special mention during zero hour by the Rishi Kumar Kaushal (Janata party). He said that the appearance of the pro-Khalistan posters in the sensitive border area was a disturbing matter which needed to be tackled immediately. According to him this incident was a spill-over of the Khalistan movement in Punjab.

Mr Kaushal urged the government to take serious note of this incident and nip the mischief before it is allowed to assume more serious dimensions.

The Sheikh informed the House that the posters had been found pasted at different places in Poonch without any indication of their sponsors or the press where they were printed. He said that the intelligence staff of army as well as other agencies of the State and Central Governments were looking into the matter. He assured the members that the State authorities "were keeping a close watch on such activities and nobody would be allowed to create trouble in the State.

Earlier replying to a question during question hour the Sheikh said that the condemned Pakistani saboteur Mohammed Maqbool Bhat was facing another murder charge in the court of special judge trying cases under the "enemy agents ordinance." This case related to the murder of branch manager of the Jammu and Kashmir bank in June 1976.

CSO: 4220/7099

DETAILS OF BOTSWANA PRESIDENT'S VISIT TOLD

New Delhi PATRIOT in English 21 Sep 81 pp 1, 7

[Text]

INDIA and Botswana on Sunday agreed that forces of freedom and progress in Southern Africa should be given all encouragement and support in the face of the intransigent attitude of the racist regime in Pretoria, reports PTI.

Expressing deep concern over the impasse on liberation of Namibia and increased military incursions by South Africa in Angola and Mozambique, visiting Botswana President Q K J Masire and Prime Minister Indira Gandhi agreed that these were disturbing developments affecting stability and peace in the region.

South Africa's aggression against frontline states of Southern Africa also came in for condemnation from the two countries at a banquet hosted Sunday night by President N Sanjiva Reddy in honour of Dr Masire.

Besides developments in Southern Africa, the international economic situation and bilateral relations also came up for discussion during the 50-minute official discussions without aides between Dr Masire and Mrs Gandhi.

The possibilities of increased economic and technical assistance by India in agriculture and railways were also explored during a meeting lasting over an hour between Botswana Foreign Minister A M Mogwe and Union Agriculture Minister Rao Birendra Singh.

During the talks with Dr Masire, Mrs Gandhi said India would be happy to expand and diversify bilateral cooperation with Botswana in the economic field, according to the spokesman of the External Affairs Ministry.

During the exchange of views on international economic situation, Mrs Gandhi stressed the importance of cooperation among developing countries themselves. Both leaders agreed that self-reliance among Third World countries would make a purposeful contribution to North-South dialogue also.

With four-fifths of its area lying in the Kalahari desert, Botswana is seeking India's assistance in afforestation and crop systems suited to its climate. India has 300 experts in various fields assisting in Botswana's development.

DESPERATE SITUATION

At the banquet President Reddy and President Masire agreed that the majority of the countries in the region did not propagate violence but the desperate situation and the cul-de-sac that political persuasion had reached in the area had left the oppressed people with no alternative but to take to arms.

Presenting the toast, President Reddy warmly praised Botswana for its support to freedom movements in Southern Africa and for fighting shoulder to shoulder with others in the region in opposing racial discrimination.

Dr Masire in his reply praised India for the 'internationally acclaimed role' as strong supporter of the 'struggles for self determination' particularly in Africa.

WARM WELCOME

Earlier on his arrival in Delhi on Sunday morning Dr Masire was warmly welcomed with a 21-gun salute. The Botswana President also inspected an inter-service guard of honour.

President Sanjiva Reddy, who received him at the airport, said his visit would no doubt "initiate a new era of even closer cooperation between the two countries".

Prime Minister Indira Gandhi, dressed in a brown embroidered black Manipuri dress which resembles the African outfit, was also present at the airport to receive the President and Madame G. O. Masire. Others present included Central Ministers, the three Service Chiefs and members of the diplomatic corps.

On Monday, Dr Masire will visit Hissar Agricultural University. Mrs Gandhi will host a lunch in his honour. Later, he will go sight-seeing in the Capital.

On 22 September, he will begin a tour of the country which will take him to Varanasi, Agra, Madras, Bangalore and Bombay where he will visit various industrial establishments.

Dr Masire is scheduled to leave for Australia for the Commonwealth conference from Bombay on 28 September.

BRIEFS

SPRING CROP SUPPORT--New Delhi, Sept 20--The Agriculture Ministry has set apart Rs 111 crores for immediate distribution as short-term loans to States for purchase and distribution of agricultural inputs for the rabi season. The strategy for the rabi crops, evolved recently, aims at augmenting the production of wheat, oilseeds and pulses. The area under wheat will be expanded by exploring the possibility of growing it in Assam and the North-Eastern Region. The Agriculture Ministry has written to State Governments, indicating crop-wise and areawise, the production targets, and the arrangements required for their realisation. The Ministry has streamlined the procedure to expedite financial sanctions for all Centrally-sponsored rabi campaigns without delay. A Central control room is being set up to keep effective liaison with all State Governments to review the progress from time to time, identify the bottlenecks, if any, and initiate necessary measures to clear them. The Ministry has also designated some of the senior officers as "area officers" each of whom will be in charge of one or two States for intensive review of the progress of the agricultural production programmes in the States allotted to him. They will start visiting the States to assist them in various agricultural programmes. [Text] [Madras THE HINDU in English 21 Sep 81 p 10]

CABINET MILITARY WING--The military wing of the Cabinet secretariat is to be headed by a naval officer, Commodore M.B. Kunte, reports PTI. Commodore Kunte entered Britainia Naval College, Dartmouth in 1951 and was the last executive branch officer to be trained in the royal navy. He was commissioned in 1954 while serving on board the submarine depot ship HMS Forth of the Mediterranean fleet under the then Commander-in-Chief Admiral of the fleet, the late Lord Mountbatten. [Text] [New Delhi PATRIOT in English 22 Sep 81 p 7]

USSR OIL MINISTER--Moscow, Sept 21 (UNI)--Soviet Oil Minister N. Maltsev is likely to visit India shortly for discussions with the oil authorities in the country about the programme of cooperation for the period 1981-85, reports APN. Under the new plan of bilateral cooperation, the Soviet Union will assist in introducing mechanised methods of extraction in various Indian oilfields and in putting idle wells to use. Soviet experts are already providing assistance for seismic research in West Bengal and for drilling operations in Tripura. [Text] [New Delhi PATRIOT in English 22 Sep 81 p 7]

SIKKIM CONGRESS-I WIN--Gangtok, Sept 21 (PTI)--Congress nominee Saloman Saring was declared elected to the lone Rajya Sabha seat from Sikkim in the biennial election here today. Mr Saloman Saring polled 20 votes out of his party's total strength of 23 while his nearest rival, Mr Karma Gyampo polled seven votes. [Text] [New Delhi PATRIOT in English 22 Sep 81 p 7]

AJMER MINERAL FIND--Jaipur, September 21--Gold and arsenic deposits have been indicated at Bhugore village about four km from Ajmer. In a written reply to Mr Ghanshyam Tiwan (BJP) Minister for Mines said today that, samples containing 0.1 to 0.12 part per million of gold and 50 part per 1000 gramme of arsenic have been found. The survey work in the area is in progress. [Text] [New Delhi PATRIOT in English 22 Sep 81 p 7]

ENVOY TO ZAMBIA--Joint Secretary in the External Affairs Ministry A.N. Ram has been appointed Indian High Commissioner to Zambia in place of Mr Ravindra Tandon who recently died in New Delhi following a glider crash. Mr Ram, who has served in the Indian missions in New York and Thimpu, had twice been advisor to the Government of Bhutan. His last assignment abroad was as minister in the Indian Embassy in Tokyo. [Text] [New Delhi PATRIOT in English 22 Sep 81 p 5]

DOLOMITE, LIMESTONE DEPOSITS--Imphal, Sept 21 (PTI)--There is good prospect for large and medium industries in the North Eastern region following discovery of major deposits of petroleum, coal, dolomite and limestone in five States in the region. Geological and mineral surveys have indicated an estimated total reserve of 78 million tonnes of petroleum, particularly in Assam, and current investigation should result in upward revision of these estimates, according to official documents available here. The foot hill belt of Nagaland, Imphal valley in Manipur, Tripura and Mizoram was being explored for oil and gas. The documents urged that modern methods should be adopted for reversing the slow trend of progress of resource surveys, manpower shortage, unavailability of data on industrial testing of raw materials which have retarded mineral and industrial development in the North Eastern region. [Text] [New Delhi PATRIOT in English 22 Sep 81 p 5]

MEETING WITH FIDEL CASTRO--New Delhi, September 23--President Fidel Castro of Cuba has expressed his great admiration for India and high regard for the Prime Minister, Mrs Indira Gandhi, in his talks with Dr Balram Jakhar, speaker of the Lok Sabha. Dr Jakhar leader of the Indian parliamentary delegation to the 68th inter-parliamentary conference now in progress in Havana, was Mr Castro's guest at a day-long outing on September 20. The Cuban leader personally took Dr Jakhar to a sugar plantation, a citrus fruit orchard, land reclamation sites and an integrated school where dignity of labour is taught while imparting formal education. Mr Castro also spent an hour at a reception hosted by Dr Jakhar at the Indian ambassador's residence. Participating in a debate on "urgent measures for liquidation of vestiges of colonialism in the world and the practices of apartheid in Namibia and South Africa, and safe-guarding ethnic minorities" at the conference, Dr Jakhar called for comprehensive sanctions against South Africa and reiterated India's commitment to the liberation movement in Namibia and elsewhere. [Text] [New Delhi PATRIOT in English 24 Sep 81 p 5]

TRIPURA BORDER THREATS--Agartala, September 23 (PTI)--The chief minister, Mr Nripen Chakraborty, yesterday said that Tripura was facing serious threats along its 850 km. border with Bangladesh and its 100 km. internal border with Mizoram and the Cachar district of Assam. Replying to a calling-attention motion in the state assembly, Mr Chakraborty said there were reasons to believe that foreign hands were active behind the recent spurt in the influx of Bangladeshi tribals into this border state from the Chittagong hill tracts. He said tribal elements from Tripura were being harboured and trained there "to carry out attacks along the state's international border." [Text] [Bombay THE TIMES OF INDIA in English 24 Sep 81 p 10]

AIR VICE CHIEF OF STAFF--New Delhi, Sept 23--Air Marshal T. S. Brar has been appointed Vice-Chief of the Air Staff, at Air Headquarters here. Earlier, he was Air Officer Commanding-in-Chief, Central Air Command.--PTI. [Text] [Madras THE HINDU in English 24 Sep 81 p 9]

SEVERE UNREST AMONG SIKHS--New Delhi, 12 Oct (APP)--Indian officials have reported that many extremist elements have been arrested in connection with the secessionist movement following the hijacking of an Indian airliner. The majority of the arrests were made in the Punjab, where 13 million Indian sikhs live. Soon after the hijacking, 100 sikhs were arrested in northern India. However, the arrests made yesterday involved persons connected with blowing up railway bridges, government buildings and telecommunication systems in Punjab. Two sikh organizations announced on 11 October that they will resist restrictions that have been imposed on carrying karpans [short sikh swords] on airline flights. The Gurdwara administration committee and the All India Sikh Students Federation have announced that the ban on sikhs carrying the karpan amounts to religious discrimination and will not be tolerated. According to JANG's correspondent in Chandigarh, following a recent clash between arrested sikhs and police, the sikhs occupied Jullundur prison and took the warden and other officials hostage. They also planted the free Khalistan flag on top of the prison. During the clash in the prison, more than 50 sikh prisoners and 14 guards were wounded. [Excerpt] [GF211759 Karachi JANG in Urdu 13 Oct 81 p 12]

CSO: 4203/11

DK 'CAPITALIST ENCLAVE' NEAR NONG SAMET DESCRIBED

BK040350 Bangkok BANGKOK POST in English 4 Oct 81 p 23

[Article by Jim Gerrand: "The 'Chicago' on the Thai-Khmer Border"]

[Text] Chamka Kor is a sprawl of thatch huts with patches of blue plastic sheeting. The village sprouts on the edge of woodlands just 3 kilometres from Nong Samet camp, the largest of Son Sann's "free market" sanctuaries.

Amongst Thai traders along this blackmarket belt of the border, Chamka Kor has been dubbed "Chi-ca-go." In its thriving market centre, Khmer traffickers buy up cigarettes, cloth and footwear, bicycle bits, foodstuffs and sundry little luxuries that are peddled back along the trails to Sisophon and then fan out to the major population centres in Kampuchea and even through to Vietnam.

But Chamka Kor is not a stronghold of the noncommunist "free Khmers" nor of the warlords and bandits who until this year had fought for power and preyed on the misery of refugees in this wild west fringe of Kampuchea.

No, it is under the aegis of Pol Pot's Khmer Rouge guerrillas that this free-wheeling capitalist enclave has grown to rival the better known markets in the camps at Nong Samet and Nong Chan, north from Aranyaprathet. While all the world remains sceptical of declarations from the government of Democratic Kampuchea that its notorious communist doctrines have been abandoned, at least here at Chamka Kor the Khmer Rouge really have found a soft spot for capitalist enterprise.

With AK-47 rifles or fearsome rocket tubes slung from their shoulders, Khmer Rouge soldiers wander at leisure past the benches of gold dealers toying with their scales, or peer with curiosity at photo studios where 60 baht buys a Polaroid snap shot against a painted backdrop of the famous Angkor temples.

Chamka Kor also boasts two commercial cinemas built of thatch, a pagoda with 10 monks in saffron robes, tailor shops, coffee stalls, fortune-tellers and several sporting rinks where men spend their idle hours engrossed in games of French-style bowls.

Many soldiers have exchanged their Maoist caps for hats from Thailand emblazoned with yellow badges and the words "Black Tiger." Others adorned the butts of their rifles with quaint knitted covers in pastel colours.

"If they carry weapons they must be Khmer Rouge," assured one civilian.

From loudspeakers near the noodle shops, a committee of men in black fatigues appeal for donations to the hospital building fund. The broadcast is interspersed with recorded buddhist chants. One committeeman says that Prince Sihanouk has now joined hands with Khieu Samphan, the prime minister of Democratic Kampuchea, which is something less than accurate.

Seated in a barber's stall with his rifle propped nearby, one of Pol Pot's guerrillas stretches back his head as the razor scrapes for hair on his neck and chin.

Such coexistence would seem incredible--barbers, buddhists and blackmarketeers all flourishing under the benign gaze of their former persecutors.

"The Khmer Rouge soldiers are very disciplined; there is never any trouble here," commented one man selling buddhist posters in the market. "It's not the same with soldiers at Nong Samet," he said.

The poster seller says he fought as a marine on Lon Nol's side against the Khmer Rouge. He carries a scar on one arm where he says he was shot in April 1975 during the final hours before Phnom Penh fell to the communist forces. All of his family died, he believes, during the 3 and 1/2 years before Pol Pot was ousted by the Vietnamese invasion.

Sitha now buys buddhist posters at the Thai border and carries them back to hawk in Chamka Kor. The profit, he says, is 30 satang on each.

Other hawkers complain of the taxes and recruiting by "free khmers" in neighboring camps. But the Vietnamese troops who demand bribes on the trails to Sisophon are the target of much more bitter criticism. Some traffickers claim they had paid up to 300 baht on one trip--all the profits from a bicycle load of cigarettes.

But what of taxing, recruiting and propaganda by the Khmer Rouge?

It simply does not happen, civilians claim in Chamka Kor. From somewhere though, soldiers do have money to spend in the market and yet so far as is known there are still no wages paid to the cadre and troops of Democratic Kampuchea. Perhaps their families earn pocket money from gardening and cottage industry. Or perhaps Khmer Rouge in this one area receive some special allowance.

One civilian says he works for the Khmer Rouge carrying drums of water on his bicycle to the combat zones. His pay is 25 baht per 20 litre drum. In other Khmer Rouge strongholds, women and children have always provided this logistic backup without any dreams of payment.

"This is the soft face of the Khmer Rouge," observes one Western diplomat based in Bangkok who has known of the Chamka Kor phenomenon for some months. Just a short walk further north is Phnom Chhat, a hardcore Khmer Rouge base where troops and supporters live in more spartan conditions with no formal market or other bourgeois trimmings.

It is not that Chamka Kor is staged to impress the outside world. In fact very few foreigners have found their way to the camp--not even international relief aid workers, let alone reporters.

Undoubtedly though, the experiment is very much aimed at domestic political gain and an attempt to salve the distrust of so many Kampucheans who suffered and lost family during the brutal excesses of Pol Pot's ultra-revolution. And while it seems that the Khmer Rouge are not in it for money themselves, presumably there are intelligence benefits as traffickers bring back news of Vietnamese movements in the interior.

"Beaucoup liberte ici" says Sitha, the poster seller, who is still bemused by the freedoms and absence of regimentation in Chamka Kor. He sleeps in the hut of a friend and has done nothing to register his name with camp authorities.

Sitha turns out the lining of his trousers pocket to show the address of a "brother" who made it out last year and has been resettled in Australia. He scrawls out a letter to be carried to Sydney but really his hopes have died for any escape bid across the border to a formal camp in Thailand. He's told there is no more resettlement to third countries from Khao I-Dang and that sooner or later the refugees in Thailand will have to return to Kampuchea.

He owns the clothes he stands in, a small plastic bag and 200 baht from trading. That's all. He has no hut of his own or even a hammock to sleep in. His wife has no coupons for rice distributed by UNICEF at Phnom Chhat. Their baby is 1 year old.

But for the time being, Sitha, like hundreds of other traders is free to come and go on the border trails.

He passes Khmer Rouge guards on the fringe of the camp without being stopped for checking. One soldier stands with the aid of a crutch. He is an amputee who recently returned after hospital treatment at Khao I-Dang camp in Thailand.

"Free Khmer" soldiers at the next checkpoint on the path back to Nong Samet smile and chat and then ask a fee of 5 or 10 baht from the traders on loaded bicycles. A drink seller's crate of soda is lightened by one bottle.

At the next checkpoint too, "free Khmers" are collecting tax. Well in his cups at 10 a.m., one soldier swaggers with a revolver to impress his importance. Smiles appease and the traders pass by.

Note: Uninvited but unhindered, I was able to walk into Chamka Kor on two occasions in a search for three young children who have escaped from Phnom Penh in a bid to be reunited with their mother in Australia. Though the children have still to be found, it is clear that many refugees have indeed arrived in the camp with desperate hopes of sneaking across the border for asylum. Their movements too are unhindered by the Khmer Rouge. Traders showed no qualms at all about asking a foreign intruder to stay overnight in their huts and at no stage did camp officials check papers or identification. This, you'd better believe, has not been typical of Khmer Rouge rule in the past.

CSO: 4220/39

'VODK' BATTLE REPORTS

Pailin July Battle Statistics

BK140932 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 13 Aug 81

[Excerpt] In July, our comrades in arms on the Route 10-Pailin battlefield killed 441 troops of the Vietnamese aggressors and wounded 524 others for a total of 965 casualties. Among those killed was the commander of the 287th artillery regiment. Our comrades in arms destroyed a 130-mm artillery piece, 2 60-mm mortars, a 12.7-mm machinegun, 16 B-40's, an M-79, 81 AK's, 3 vehicles, a C-46 radio set, 15 military barracks, 76 trenches, an oil depot, 2 ammunition depots, a 12 meter-long bridge and a quantity of war materiel. They seized 20 crates of M-30 rounds, a large quantity of AK ammunition and a quantity of various other items. They also destroyed an independent regiment position, an artillery unit position and a dump for storing artillery shells which was the defense line of a regiment position of the Vietnamese enemy. They routed one company-sized and one platoon-sized intervention units.

In the production of primitive weapons, our comrades in arms made and planted 952,000 new punji stakes, dug 100 new punji pitfalls and set 80 snares and 100 automatic bows.

July Figures for Western Battambang

BK150803 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 14 Aug 81

[Excerpt] In July our comrades in arms on the battlefield of Sisophon south of Route 5, Mongkolborei and Bavel of Battambang Province killed 405 Vietnamese aggressor troops and wounded 462 others for a total of 867. Among those killed were two company commanders. We destroyed a DK-82, an 80-mm mortar, 4 12.7-mm machineguns, a goryunov, 2 RPD's, 13 B-40's, 2 B-41's and 25 AK's. We also destroyed 2 10-wheel trucks, 21 military barracks, 26 trenches, an ammunition depot and a quantity of other materiel. We seized 5 AK's, 9 crates of AK ammunition, 2 B-40 rockets, 3 crates of goryunov ammunition, 5 crates of 12.7-mm ammunition, 30 M-79 grenades, 36 M-30 rounds, 6 Soviet mines, 300 A-2 mines, 2 ammunition bags, 6 AK magazines, 150 m of telephone wire, 20 sacks of dried rice and a quantity of other materiel.

We destroyed three independent positions including two of company size and one of battalion size. We liberated and controlled eight positions: (Say Samon); Damnak Preah Ang; Angkor Samnang; Bak Samnang Tao; Tuol Chke; (Chey Samraong); Tuol Pralay; and Chan Kduoch. We crushed two suppression drives conducted by a company and a battalion. We cut 23 portions of Route 5, totalling 150 m between Nimit and Poipet, 2 portions of the railway track between Sisophon and Poipet, and a span of the drainage pipe south of Route 5 near (Paoy Rumchek) Village.

Concerning the production of primitive weapons, we made and planted 56,600 new spikes, dug 80 punji pitfalls and set 120 automatic bows.

July Figures for North Western Battambang

BK160704 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 15 Aug 81

[Excerpt] In July our comrades in arms on the battlefield of Sisophon north of Route 5, Thmar Puok, Phnum Srok and Preah Net Preah of Battambang Province killed 278 Vietnamese aggressor troops and wounded 370 others--a total of 648 enemy casualties. They destroyed a B-40, three AK's, three 10-wheel trucks, two command posts and some other materiel, and seized an AK, an AR-15 and some materiel. They cut off four road portions and destroyed six bridges and an 8-meter drainage pipe on Route 6.

As a result of their efforts to build a primitive weapons system, our comrades in arms made and planted 189,000 new punji stakes, dug 50 new punji pitfalls and made 100 new automatic bows.

July Figures for Northern Battlefield

BK170625 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 16 Aug 81

[Excerpt] Last July our comrades in arms on the Choam Khsan-Bak Anlung-Oddar Meanchey battlefield killed 416 Vietnamese aggressors and wounded 460 others for a total of 876 casualties. Among those killed were one battalion, two company and three platoon commanders.

They destroyed a truck, a 60-mm mortar, an M-30 machinegun, 7 B-40's, 4 M-79's, 25 AK's, 5 AR-15's, 21 various types of guns, 35 barracks, 6 trenches, a 5-meter bridge and a quantity of materiel. They also cut a 2-kilometer portion of road.

They seized a B040, 3 M-79's, 2 AK's, 460 rounds of AK ammunition, 4 B-40 rockets, 9 M-79 grenades, 3 handgrenades, 41 landmines, 7 cartridges and quantity of materiel. They also cut 2,000 meters of telephone wire.

Concerning the attacks on and liberations of Vietnamese positions and the smashing of enemy intervention troops, our comrades in arms liberated a company position at (Koul) Village, Anlung Veng District, Oddar Meanchey Province, and routed a company and two platoon intervention troops.

Concerning the production of primitive weapons, our comrades in arms produced and planted 415,000 new spikes, dug 350 new punji pitfalls, and set up 350 new automatic bows.

Kompong Thom, Sisophon-North

BK170613 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 16 Aug 81

[Excerpts] Here is a battle report from the battlefront.

On the Kompong Thom battlefield:

In Stoung District, on 5 August, our guerrillas attacked the Vietnamese enemies at (Thnal) Village and on Route 6, killing 4 of them and wounding 5 others. They destroyed a B-40, 2 AK's and a barracks. They seized an AK, 2 AR-15's, 200 rounds of AK ammunition, 30 rounds of AR-15 ammunition, a radio receiver and a quantity of materiel.

On the Sisophon-North of Route 5 battlefield:

On 2 and 4 August, our guerrillas attacked the Vietnamese enemies at (Ta Ma), Treas Villages and north of (Ta Ma) Village, killing 14 of them and wounding 12 others.

On 5 and 6 August, our guerrillas attacked the Vietnamese enemies at Tnaot, Soeng and Khvav villages. Eight enemies were killed and 10 others were wounded. Our comrades in arms cut a 150-meter of route between Svay Check and Treas Villages.

On 7 and 8 August, our guerrillas attacked the Vietnamese enemies west of (Don Noy) Village, at Slar Kram position, at (Yeang Khve) and (Bek Chan) Villages, killing 13 and wounding 20 others.

Attack on SRV Forces in Kratie

BK190148 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 18 Aug 81

[Text] On the night of 5 August our soldiers and guerrillas successfully attacked the Vietnamese enemy position at Prek Prasap District, Kratie Province. They killed 12 Vietnamese enemies and wounded 9 others for a total of 21 casualties. Among those killed was a Vietnamese district chief. We destroyed a quantity of weapons, ammunition and other materiel.

Long live our valiant army, guerrillas and people of Prek Prasap District, Kratie Province.

Preah Vihear Province Report

BK190157 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 18 Aug 81

[Excerpt] In July our comrades in arms on the Chhep-Thalabarivat [Preah Vihear Province] battlefield killed 305 Vietnamese aggressor troops and wounded another 323 for a total of 628. Among those killed were two senior-lieutenant commanders and two company commanders. We destroyed 2 vehicles, a telegraph set, a 60-mm mortar, an RPD, 3 B-40's, an M-79, 10 AK's, an AR-15, 2 military barracks, 3 trenches and 9 bridges, cut 37 portions of road, and destroyed a quantity of other materiel. We seized an RPD, a B-40, 4 AK's, 60 Soviet landmines, 14 handgrenades, 8 B-40 rockets, 200 rounds of AK ammunition, 200 rounds of AR-15 ammunition, 7 magazines, 1,000 m of telephone wire and a quantity of other materiel.

We raided a position at (Dong Phlet), liberated and controlled a platoon-sized position, and crushed two intervention units of company and platoon sizes.

Concerning the production of primitive weapons, we made and planted 320,000 new spikes, dug 80 punji pitfalls, set 80 automatic bows and felled 84 trees to block roads.

Central Battlefield Statistics

BK200538 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 19 Aug 81

[Excerpt] Lat July our comrades in arms on the central region battlefield killed 201 Vietnamese aggressors and wounded 174 others for a total of 375 casualties. Among those killed were a battalion commander, two company commanders and a platoon commander. A Vietnamese soldier was also captured.

Our combatants destroyed a pistol, a 60-mm mortar, 12 B-40's, 4 RPDs, an M-79, 37 AK's, 4 AR-15's, 5 trucks, a motor boat, 4 C-25 radios, a radio receiver, an ammunition depot, 11 barracks, 2 trenches and a quantity of materiel. They also cut a 10-meter bridge.

They seized 2 RPDs, 2 (Centos), 20 60-mm mortar shells, 670 rounds of (Cento) ammunition), 1,300 rounds of AK ammunition and a quantity of materiel.

As for attacking and liberating Vietnamese positions and ambushing Vietnamese enemy troops, our comrades in arms liberated an independent platoon position. They entirely liberated (Neay Pich) commune. They smashed and routed four intervention units.

Concerning the production of primitive weapons, our comrades in arms produced and planted 65,300 new spikes, dug 80 new punji pitfalls and set up 70 new automatic bows.

Ambush in Kompong Thom

BK161038 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 13 Sep 81

[Text] On 23 August our army and guerrillas ambushed a Vietnamese platoon at Kbal Tonsaong in Baray District of Kompong Thom Province. They killed 12 Vietnamese troops and wounded 5 others. The survivors fled in disarray. Our army and guerrillas also destroyed an M-79 and a quantity of materiel.

Long live our valiant and courageous army, guerrillas and people in Baray District of Kompong Thom Province.

Koh-Kong, Kompong Som August Report

BK151434 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 10 Sep 81

[Text] In August our comrades in arms on the Koh Kong-Kompong Som battlefield killed 529 troops of the Vietnamese aggressors, including a senior lieutenant and 4 lieutenants, wounded 576 others and captured 3 others alive--a total of 1,108 enemy losses. They destroyed 2 pistols, a 120-mm artillery piece, 4 82-mm mortars, 4 60-mm mortars, 5 DK-75's, a 12.7-mm machinegun, 2 M-30's, 2 M-79's, 3 goryunov guns, an RPD, 119 AK's, a C-25 radio set, a truck, a tractor, a battalion command post, 7 military barracks and 37 trenches. They cut 2 stretches of Route 4--a total of 10 meters long--west of K'aong Bridge and to the west of Kompong Seila, and a 185-meter span of railroad tracks from an area east of Krapeu Pong to Kbal Chrous and to the west of Krapeu Pong. They also seized 18 AK's, 25,000 AK rounds, 222 R-2 mines, 3 other mines, 120 cans of humanitarian aid food and a quantity of materiel.

Our comrades in arms also destroyed a platoon-sized position and routed three company-sized intervention units of the Vietnamese enemy and a battalion-sized intervention unit.

In the production of primitive weapons, our comrades in arms produced 613,000 new punji stakes, planted 57,100 unji spikes, dug 150 pitfalls and set 157 snares and 120 automatic bows.

Long live our valiant and courageous army, guerrillas and people on the Koh Kong-Kompong Som battlefield.

Road Cut in Sisophon

BK160305 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 11 Sep 81

[Text] On 3 September our army and guerrillas cut a 6-kilometer section of road between Svay Check and Kreas villages, Thmar Puok District, Sisophon-north of Route 5 battlefield.

Long live our valiant army, guerrillas and people on the Sisophon-north of Route 5.

August Action in Western Leach

BK160322 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 11 Sep 81

[Text] During last August our comrades in arms on the Western Leach battlefield killed 335 Vietnamese aggressors and wounded 407 others, for a total of 742 casualties. They destroyed 3 B-40's, a goryunov, an M-30, 8 AK's, 14 barracks, 11 trenches and a quantity of materiel.

Our comrades in arms seized 300 rounds of AK ammunition, 3 AK ammunition clips, a bag and a quantity of materiel.

Concerning the production of primitive weapons, our comrades in arms made and planted 650,000 new spikes. They dug (?1,000) new punji pitfalls, set up 250 new automatic bows and 190 new traps.

Long live our valiant army, guerrillas and people on the Western Leach battlefield.

Guerrillas Destroy Bridge, Railraod Tracks

BK160841 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 11 Sep 81

[Excerpts] Here is a report from various battlefields.

The Koh Kong battlefield: On the Koh Kong Kraom front, on 5 September we attacked the Vietnamese enemy at the Pralean and (Kandal) positions, killing 6 enemy troops and wounding 11 others. They fled and hit our mines, suffering six killed and eight wounded. We also destroyed a 15-meter bridge at west of Phum (Tuol Khpos), Chi Kha commune, Sre Ambel District.

The Moung [Battambang Province] battlefield: On 1 September our guerrillas destroyed the Vietnamese railroad tracks at eight places near Svay Don Kev with a total length of 280 meters.

Samlot August Battle Statistics

BK160847 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 12 Sep 81

[Text] Last August our comrades in arms on the Samlot battlefield killed 199 Vietnamese aggressors and wounded 241 others for a total of 340 [figure as heard]. They destroyed a 60-mm mortar, 13 AK's, 3 barracks, and cut 100 meters of telephone line. They seized a quantity of materiel.

Concerning the production of primitive weapons, our comrades in arms made and planted 420,000 new spikes, dug 150 new punji pitfalls, set up 100 new traps and 100 new automatic bows.

Long live our valiant army, guerrillas and people of the Samlot battlefield, Battambang Province.

Battambang August Battle Report

BK161036 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 13 Sep 81

[Text] In August our comrades in arms on the Route 10-Pailin battlefield in Battambang Province killed 213 troops of the Vietnamese aggressors and wounded 261 others for a total of 474 enemy casualties. They destroyed an AK and 10 military barracks and seized 360 AK rounds, 250 meters of telephone cable and a quantity of materiel.

In the production of primitive weapons, our comrades in arms made and planted 763,000 new punji stakes, dug 700 punji pitfalls and set 180 snares and 100 automatic bows.

Long live our valiant and courageous army, guerrillas and people on the Route 10-Pailin battlefield in Battambang Province.

Ambush in Kompong Thom

BK161147 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 13 Sep 81

[Excerpts] The Kompong Thom battlefield: In Baray District, on 1 September our guerrillas ambushed and set ablaze a Vietnamese 10-wheel truck on Route 6 at a place between Trapeang Chhuk and Bamnak. They killed a Vietnamese trooper and wounded three others.

The Chhep-Thalabarivat battlefield: On 1 and 2 September our guerrillas attacked the Vietnamese troops at Stoeng Chenh, killing three of them and wounding five others. On 3 September our guerrillas attacked the Vietnamese troops at Stoeng Chenh, (Troy Kang Toap) and at Pou Teap, killing three of them and wounding three others. The Vietnamese troops hit landmines, suffering one killed and another wounded. We destroyed a 100-meter stretch of the road from Pou Teap to Bos Thom.

August Victories in Sisophon

BK171415 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 14 Sep 81

[Text] Last August our comrades in arms on the battlefield of Sisophon south of Route 5 which includes Mongkolborei and Bavel districts, Battambang Province, killed 114 Vietnamese aggressors and wounded 122 others--a total of 236 enemy casualties. Among these enemy losses, a company commander and a platoon commander were killed. Our comrades in arms destroyed a pistol, 2 B-40's, 8 AK's, an AR-15 and some war materiel and seized 2 handgrenades, 500 meters of telephone cable and some materiel. They also liberated and occupied two Vietnamese positions--a regiment-size and a company-size--cut off total of 1 km of Route 5, including bridges, and a 63-meter stretch of Tumnop Kach trail.

As a result of their efforts to build a primitive weapon system, our comrades in arms made and planted 185,000 new punji stakes, dug 300 new punji pitfalls and set 180 automatic bows.

Train Ambushed in Kampot

BK171534 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 15 Sep 81

[Text] Our army and guerrillas ambushed a Vietnamese train east of the Tani station in Kampot Province on 22 August. We killed three Vietnamese soldiers, including a platoon commander, and wounded four others. On 4 September our army and guerrillas cut off a 50-meter stretch of track west of the Tani station.

Long live our valiant army, guerrillas and people of Kampot Province.

Oddar Meanchey August Report

BK181420 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 16 Sep 81

[Text] Last August our comrades in arms of the Choam Khsan-Bak Anlung-Oddar Meanchey battlefield killed 226 Vietnamese enemy aggressors, wounded 278 and captured 8 others. Among the casualties were a district committee member and a commune committee member--both Vietnamese--who were killed. Our comrades in arms destroyed 4 trucks, a 60-mm mortar, 2 M-79's, 9 AK's, an AR-15, 27 military barracks, 7 trenches and some materiel, and seized a pistol, an AK, 100 rounds of AK ammunition, 600 meters of telephone cable and some materiel.

As a result of their efforts to build a primitive weapon system, our comrades in arms made and planted 410,000 new punji stakes, dug 200 new punji pitfalls and set 200 new automatic bows.

Long live our valiant army, guerrillas and people of the Choam Khsan-Bak Anlung-Oddar Meanchey battlefield.

SRV Position Attacked in Kompong Thom

BK181434 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 17 Sep 81

[Text] At 2200 on 9 September our army and guerrillas attacked and captured a Vietnamese company-size position at Anlung Pring Village in Pralay commune, Stoung District, Kompong Thom Province. We killed 10 Vietnamese soldiers, including a company commander, and wounded 6 others. We destroyed a 60-mm mortar, a B-40, an RPD, five AK's, a C-25 radio set, two military barracks and some other materiel, and seized a quantity of materiel. This Vietnamese company-size position was completely liberated and occupied.

Long live our valiant army, guerrillas and people of Stoung District, Kompong Thom Province.

Siem Reap-Route 6 August Action

BK191114 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 17 Sep 81

[Text] Last August our comrades in arms on the Siem Reap-Route 6 battlefield killed 440 Vietnamese aggressors, including a Vietnamese colonel commander of the 775th brigade [Kang Pol], a sub-lieutenant, 2 battalion commanders and a platoon commander, wounded 372 others and destroyed 3 trucks, an 82-mm mortar, a 60-mm mortar, an 82-mm DK, an RPD, 11 B-40's, a B-41, an M-79, 39 AK's, 3 AR-15's, a C-25 radio set, 4 military barracks, 3 trenches, 17 meters of 5 bridge spans, 3 stretches of Route 6 and some other materiel. They seized 2 12.7-mm machineguns, an RPD, 3 B-40's, 2 B-41's, 2 M-79's, 16 AK's, 5 CKC's, 4 AR-15's, 3,670 rounds of AK ammunition, 21 B-40 rockets, 12 B-41 rockets, 50 M-79 grenades, 30 hand-grenades, 15 magazines, an ammunition pounch, 1,750 meters of telephone cable and some other materiel.

As a result of their attacks on and liberation of enemy positions and their smashing of enemy interventionist groups, our comrades in arms liberated and occupied a Vietnamese battalion position at Phum Chan Kuy, the position of Don Svay Village and the Vat Svay position in Puok District; liberated and occupied Phum Koul in Chikreng District; liberated and occupied the Vietnamese battalion position of Phum Ta Saom and the Phum Phsa Angkrong position in Sot Nikom District; and completely liberated Balang, Run Ta Ek and That Pong communes in Sot Nikom District; they smashed or routed nine Vietnamese interventionist groups--three regiments, two battalions, two companies and two platoons.

In their efforts to build a primitive weapon system, they made and planted 19,000 new punji stakes, dug 130 new punji pitfalls, and set 150 new automatic bows.

Long live our valiant army, guerrillas and people on the Siem Reap-Route 6 battlefield.

SRV Officers Killed in Oddar Meanchey

BK190932 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 18 Sep 81

[Text] On 14 September our army and guerrillas ambushed a jeep on a Vietnamese division commander moving on a laterite road near Phum (Ta Tang) on the Oddar Meanchey battlefield. They destroyed the jeep and killed seven Vietnamese enemies--a division commander, a regiment commander, three battalion commanders and two bodyguards. They destroyed three pistols, four AK's, a C-46 radio set and all the materiel on the jeep. They also damaged a vehicle escorting the jeep, killing five Vietnamese troops on the vehicle, wounding seven others and destroyed a quantity of assorted weapons.

In sum, our army and guerrillas put 19 Vietnamese enemies out of action--including a division commander, a regiment commander and three battalion commanders killed--and destroyed three pistols, four AK's, a C-46 radio set, two vehicles and a quantity of materiel.

Long live our valiant and courageous army, guerrillas and people on the Oddar Meanchey battlefield.

Chhep-Thalabarivat August Report

BK210613 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 18 Sep 81

[Text] Last August our comrades in arms on the Chhep-Thalabarivat battlefield killed 494 Vietnamese aggressors and wounded 405 others for a total of 899 casualties. Among those killed were a major and a lieutenant.

They destroyed a truck, a B-40, an M-79, an AK, 6 barracks and a quantity of materiel. They cut 16 portions of route.

Our comrades in arms seized 2 RPD's, a B-40, 2 B-41's, 2 M-72's, 18 AK's, 19 landmines, 27 handgrenades, 40 B-40 rockets, 400 rounds of M-30 ammunition, 12 M-79 grenades, 8 shells of 60 mm mortar, 2,400 rounds of AK ammunition, 25 clips, 20 cans of humanitarian food and a quantity of materiel. They also cut 450 meters of telephone line.

Our comrades in arms smashed and routed 11 Vietnamese enemy intervention forces--two platoons, five companies, three battalions and a regiment.

Concerning the production of primitive weapons, our comrades in arms made and planted 321,000 new spikes, dug 100 new punji pitfalls and set up 100 new automatic bows.

Long live our valiant army, guerrillas and people on the Chhep-Thalabarivat battlefield.

Central Region August Report

BK210645 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 19 Sep 81

[Text] Last August, our comrades in arms on the central region battlefield killed 82 Vietnamese aggressors and wounded 62 others for a total of 144 casualties. Among those killed were a captain and a company field officer.

They destroyed a pistol, 4 B-40's, 3 M-79's, an RPD, 10 AK's, an ammunition store and 3 barracks. They seized an AK, 2 AR-15's, 40 B-40 rockets, 900 rounds of AK ammunition, 30 rounds of AR-15 and a quantity of materiel.

Our comrades in arms smashed two Vietnamese intervention troops—a company and a platoon.

Concerning the production of primitive weapons, our comrades in arms made and planted 67,000 new spikes, dug 90 new punji pitfalls and set up 60 new automatic bows.

Long live our courageous army, guerrillas and people on the central region battlefield.

Report for Eastern Region

BK210808 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 20 Sep 81

[Text] Last August our comrades in arms on the Ratanakiri-Stung Treng-Kratie and eastern region battlefield killed 33 Vietnamese aggressors and wounded 28 others for a total of 61 casualties. Among those killed was a Vietnamese district chief.

They destroyed a truck and a quantity of materiel. They seized a pistol, a B-40, 4 AK's, 2 handgrenades and a quantity of materiel.

Concerning the production of primitive weapons, our comrades in arms made and planted 78,000 new spikes, dug 400 new punji pitfalls and set up 600 new automatic bows.

Long live our valiant army, guerrillas and people on the Ratanakiri-Stung Treng-Kratie and eastern region battlefield.

Report for Kampot Province

BK210754 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 20 Sep 81

[Text] On 7 September our army and guerrillas attacked the Vietnamese enemies stationed between Tani and (Trapeang Sar) stations in Angkor Chey District, Kampot Province. We killed two Vietnamese enemies. At the same time, our comrades in arms cut a 50-meter portion of railway track between these two stations.

Long live our brave army, guerrillas and people in Angkor Chey District, Kampot Province.

Report From Kompong Thom

BK210752 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 20 Sep 81

[Text] On 9 September at 2200, our army and guerrillas successfully attacked a Vietnamese company position at (Spean Koul) on Route 6, Stoung District, Kompong Thom Province. We killed 20 Vietnamese enemies and wounded 12 others for a total of 32 casualties. We destroyed a B-40, an RPD, 6 AK's, 2 barracks, 3 trenches and a quantity of materiel.

Long live our valiant army, guerrillas and people of Stoung District, Kompong Thom Province.

Jeep Ambushed on Route 3

BK220753 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 21 Sep 81

[Text] On 1 September a Vietnamese jeep was ambushed on Route 3 near (Phsar Saing Kasei), Takeo battlefield. It was completely destroyed on place. We killed a Vietnamese Takeo provincial official, a Vietnamese captain and two bodyguards for a total of four casualties. We destroyed a pistol, an AR-15, a C-46 radio, a jeep, and seized a pistol, an AK, 150 rounds of AK ammunition, an AK clip and a quantity of documents.

Long live our valiant army, guerrillas and people of the Takeo Province battlefield.

Southwestern Region August Report

BK220809 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 21 Sep 81

[Text] Last August our comrades in arms on the southwestern region battlefield killed 120 Vietnamese aggressors and wounded 116 others for a total of 236 casualties. Among those killed were two company commanders and a platoon commander.

They destroyed 6 trucks, an M-30 machinegun, 10 AK's, 2 barracks and a quantity of materiel. They cut a 50 meter-portion of railroad track west of Tani station. Our comrades in arms seized 2 AK's, 300 rounds of AK ammunition, and cut 300 meters of telephone line.

Our comrades in arms smashed a company Vietnamese enemies intervention troops.

Concerning the production of primitive weapons, our comrades in arms made and planted 97,000 new spikes, dug 300 new punji pitfalls and set up 200 new automatic bows.

Long live our valiant army and guerrillas and people on the southwestern region battlefield.

Positions Liberated in Preah Vihear

BK240405 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 23 Sep 81

[Text] Unable to withstand heavy attacks from our army and guerrillas who cut their communications and transportation lines, surrounded them and fired barrages of cannon shells into their positions, thus inflicting heavy losses on them, on 19 September the Vietnamese enemy troops were compelled to withdraw from six battalion-sized positions west of Phum Khlem, at Anlung Smach, Anlung Chheuteal, (Anlung Hing), at west of Phum (Ta Tel) and at west of Phum Kbal Kamrei along Tonle Lpeou River banks in Chhep District of Preah Vihear Province. We liberated and took control of these six battalion positions.

Long live our valiant and courageous army, guerrillas and people on the battlefield in Preah Vihear Province.

Western Battlefield August Statistics

BK261408 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 24 Sep 81

[Text] Last August our comrades in arms on the western battlefield killed 18 Vietnamese aggressors, including a lieutenant and a sub-lieutenant, wounded 27 others, destroyed a truck, a B-40, 2 AK's, 5 barracks and some materiel, and seized a goryunov gun, 2 AK's, 100 rounds of AK ammunition and some materiel.

At the same time, they destroyed a company position and a platoon position of the Vietnamese aggressors. In their efforts to build a primitive weapon system, they made and planted 71,000 new punji stakes, dug 70 new pitfalls and set 100 new automatic bows.

Long live our valiant army, guerrillas and people of the western battlefield.

1 September Mutiny in Takeo

BK261406 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 24 Sep 81

[Excerpt] A group of Khmer soldiers forcibly drafted to serve the Vietnamese stationed at Tram Khna market on National Route 3 in Takeo Province mutinied on 1 September, setting ablaze a jeep belonging to a Vietnamese colonel, killing four Vietnamese soldiers onboard, including the colonel. The action was prompted by repeated abuse of and contempt for the fraternal Khmer soldiers by the Vietnamese aggressors and their orders to the Khmer soldiers to rob the Kampuchean people for them and to conduct operations against the guerrillas and die in their place.

Sisophon-Thmar Puok Report

BK010423 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 30 Sep 81

[Excerpts] The Sisophon north of Route 5-Thmar Puok battlefield: On 12 and 14 September our guerrillas attacked the Vietnamese positions at (Bong Bassac), Kouk Prech, (Spean Chhlang) and (Praat Chamka Trasak), killing 9 enemy troops and wounding 17 others. On 15 and 16 September our guerrillas attacked the Vietnamese troops at Bridge Number 8, at positions west of Phum Khvav, in Phum Yeang, Phum Tnaot, Sla Kram, Phum Khvav and (Spean Chhlang). They killed 16 enemy troops, wounded 22 others, damaged a 200-meter stretch of the Sisophon-Thmar Puok road at an area north of Bridge Number 8 and a 5-meter bridge, and seized 450 meters of telephone cable. On 20 and 27 September our guerrillas ambushed a Vietnamese platoon moving from Kouk Prech to Bridge Number 8, killing 6 enemy troops, wounding 8 others and damaging a 150-meter stretch of road south of Thmar Puok.

Guerrillas Attack in Kompong Thom

BK020233 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 1 Oct 81

[Text] On the night of 20 September our army and guerrillas attacked a Vietnamese company position at (Chanserei Dong) Village, Stoung District, Kompong Thom Province. They killed 11 Vietnamese troops, wounded 7 others and destroyed a B-40, 2 AK's, 2 60-mm mortars, 3 military barracks and a quantity of materiel.

Long live our valiant and courageous army, guerrillas and people of Stoung District in Kompong Thom Province.

SRV Truck Convoy Ambushed

BK100653 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 9 Oct 81

[Text] On 2 October our army and guerrillas ambushed a Vietnamese truck convoy at O Chamna in Prey Nop District along Route 4 on the Kompong Som battlefield. We killed 25 Vietnamese troops, wounded 28 others, set a truck ablaze, damaged 16 other trucks and destroyed or seized a quantity of materiel.

Long live our courageous army, guerrillas and people of Kompong Som battlefield.

SRV Troops Killed by Snares

BK110749 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 10 Oct 81

[Text] On 19 September the Vietnamese troops stationed on Santuk Hill in Santuk District of Kompong Thom Province launched an operation in the jungle in an attempt to look for and arrest our people who were searching for rattan and trapping wild animals. When they saw wild boars trapped in our people's snares, these Vietnamese bandits rushed in. However, two of them were hit by the other snares, fell and died instantly. Following this event, the other Vietnamese troops from Santuk Hill accused our people of setting snares to kill their colleagues. But our people protested against this accusation and condemned the Vietnamese troops for their crimes and banditry. The people agreed that they would fight back should the Vietnamese troops dare to arrest and torture them.

CSO: 4212/3

BRIEFS

ACCOUNTANTS COURSE--Phnom Penh, 11 Oct (SPK)--On Saturday, the Central Trade School closed an account improving course, the eighth of its kind, for 190 accountants from various provinces. Tang Saroem, minister of trade, was present on that occasion. [Text] [BK141209 Phnom Penh SPK in French 0357 GMT 11 Oct 81 BK]

BELGIAN SOLIDARITY OFFICIAL VISITS--Phnom Penh, 28 Aug (SPK)--Ralph Coeckelherghs, secretary-general of the Belgian Association of Socialist Solidarity, arrived in Phnom Penh on Thursday for a visit to the PRK. Cadres of the PRK Foreign Ministry welcomed Ralph Coechkelherghs when he arrived at Pochentong Airport. [Text] [BK010325 Phnom Penh SPK in French 0400 GMT 28 Aug 81 BK]

WOMEN DELEGATION'S SRV VISIT--Phnom Penh, 18 Sep (SPK)--The delegation of the Kampuchean Women's Association led by Mrs Mean Saman, chairman of the association, returned to Phnom Penh on Monday [14 September] at the end of its friendship visit to Vietnam. During its stay, the delegation held a working session with the Central Committee of the Vietnam Women's Union and visited a number of economic and cultural establishments and women's and children's welfare projects in Hanoi, Quang Ninh and Lang Son provinces. [Text] [Phnom Penh SPK in French 0424 GMT 18 Sep 81 BK]

PHNOM PENH YOUTH MEETING--Phnom Penh, 17 Sep (SPK)--The Revolutionary Youth Organization of Phnom Penh held a meeting on Monday [14 September] to review the activities of Pioneers in Phnom Penh. Keo Chanda, secretary of the Phnom Penh City KPRP Committee, attended. In his report, the representative of the organization recalled the abject life of the Kampuchean people under the genocidal Pol Pot-Ieng Sary-Khieu Samphan regime and spoke about their free and happy life under the new regime. The report said that during their summer vacations the Pioneers participated in clean-up activities, agricultural production, the strengthening of antiflood dikes and traffic direction. The activities of Pioneers in foreign countries also increased. [Text] [Phnom Penh SPK in French 1436 GMT 17 Sep 81 BK]

GOODS AT BUDAPEST FAIR--Phnom Penh, 29 Sep (SPK)--The PRK participated for the first time in the international trade fair in Budapest which was opened on 18 September. Its made in Kampuchea, especially handmade products, silverware, textile and silk materials were highly appreciated by visitors, including Hungarian leaders. [sentence as printed] The Budapest fair was attended by some 1 million people. [Text] [Phnom Penh SPK in French 1442 GMT 29 Sep 81 BK]

ARTISTIC DELEGATION TO USSR--Phnom Penh, 28 Sep (SPK)--A Kampuchean artistic delegation led by Him Chhem, assistant to the minister of information, press and culture, recently visited the Soviet Union. During their 9-day visit, Kampuchean artists gave performances in Moscow and several Soviet republics. Following its visit to the USSR the delegation left for the GDR. [Text] [Phnom Penh SPK in French 0406 GMT 28 Sep 81 BK]

OXFAM AID--Phnom Penh, 25 Sep (SPK)--British humanitarian organization OXFAM donated two 240 hp barges to the Kampuchean people. OXFAM already gave Kampuchea a 200 hp barge in 1980. [Text] [Phnom Penh SPK in French 1447 GMT 25 Sep 81 BK]

BULGARIAN MUSICAL INSTRUMENTS--Phnom Penh, 26 Sep (SPK)--The People's Republic of Bulgaria has given musical instruments to the People's Republic of Kampuchea. During a ceremony organized in Phnom Penh on Friday [25 September], Simeon Dimitrov, Bulgarian ambassador to Kampuchea, delivered this gift to Chheng Phon, minister of information, press and culture. Chheng Phon deeply thanked the Bulgarian party and people for their assistance to the Kampuchean people since the country's liberation from the genocidal Pol Pot-Ieng Sary regime. He said this gift contributed to the development of the ties of friendship, of solidarity and of cooperation between the two countries, especially in the cultural field. [Text] [Phnom Penh SPK in French 1441 GMT 26 Sep 81 BK]

CUBAN OFFICIAL CONGRATULATED--Phnom Penh, 21 Oct (SPK)--On the occasion of the second congress of the Cuban Committee for the Defense of the Revolution, Chea Sim, chairman of the Kampuchean Front for National Construction, recently sent his congratulations to Armando Arcosta, chairman of the committee. In his message, Chea Sim stressed: We firmly support the sacred cause of the heroic Cuban people who, under the clear-sighted leadership of the Communist Party of Cuba and the revolutionary government headed by beloved Comrade Fidel Castro Ruz, have struggled and are struggling courageously to frustrate all the maneuvers of sabotage, intimidation and provocation by the U.S. imperialists and international reactionaries, to defend their revolutionary gains and to build a prosperous and happy socialist country. The committee for the defense of the revolution, the most important of the Cuban mass organizations, has made an active contribution to these brilliant victories of the Cuban people. May the bonds of friendship and militant solidarity between our two peoples further develop every day for the happiness and prosperity of our two peoples and for peace, national independence, democracy and socialism in the world. [Text] [BK211401 Phnom Penh SPK in French 0404 GMT 21 Oct 81]

BULGARIAN FATHERLAND FRONT--Phnom Penh, 19 Oct (SPK)--On 13 October, on the occasion of the 1300th anniversary of the foundation of the state of Bulgaria, the Kampuchean Front for National Construction sent its warm congratulations to the fatherland front of Bulgaria. It expressed its firm conviction that the bonds of solidarity between the Kampuchean and Bulgarian peoples will grow stronger in their common struggle against imperialism, hegemonism and reactionary forces for the defense of peace and stability in the world. [Text] [BK190614 Phnom Penh SPK in French 0406 GMT 19 Oct 81]

FRENCH 'ROLE'--Marseilles, 26 Sep (AFP)--Prince Norodom Sihanouk, the former Cambodian chief of state, said here today that France had "a very big role" to play in the solution of his country's problems. Here for the showing of a film he made in 1969, "Tragic Destiny"--adapted from a Cambodian novel, the prince said that France, "at the head of the rare countries adopting an intermediary position" in a situation that had polarized the two opposing camps, "could serve as a bridge" towards a conference where both sides could eventually "soften their positions." [Text] [NC262200 Paris AFP in English 2118 GMT 26 Sep 81]

SRV RADIO-TV DELEGATION--At the invitation of the Voice of the Kampuchean People, an SRV radio and television delegation led by Comrade Le Quy, vice chairman of the Central Radio and Television Commission and editor-in-chief of the central television station of the SRV, arrived for a visit to the PRK on 22 October. Greeting the delegation at Pochentong Airport were Comrade Van Sun Heng, acting president-director general of the Voice of the Kampuchean People; female Comrade Som Kim Suor, deputy director general of the national radio; and several cadres, personnel and workers of the radio. Also present were Comrade Nguyen Van Dieu, counsellor of the Vietnamese Embassy and Comrade Kieu Minh, first secretary of the Vietnamese Embassy accredited to Kampuchea. [Text] [BK221431 Phnom Penh Domestic Service in Cambodian 1230 GMT 22 Oct 81]

ENVOY ATTENDS CAIRO FUNERAL--President al-Sadat's funeral was solemnly held in Cairo on 10 October. Many heads of state and government and other personalities were in attendance. On that occasion, Chan Youran, Democratic Kampuchean ambassador to the Arab Republic of Egupt, expressed his grief and condolences as well as the sympathy of the Democratic Kampuchean people and government to His Excellency Soufi Abu Taleb, the acting president of Egypt; His Excellency Vice President Husni Mubarak; and Mrs al-Sadat. Egyptian leaders deeply thanked our Democratic Kampuchean representative. [Text] [BK130930 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 12 Oct 81]

SFRY LEADER THANKS KHIEU SAMPHAN--Recently Khieu Samphan, chairman of the state Presidium and prime minister of Democratic Kampuchea, received a message from His Excellency Sergej Kraigher, president of the Yugoslavian State Presidency, warmly thanking him for his condolences on the death of Stevan Doronjski. The message reads: To His Excellency Khieu Samphan, chairman of the state Presidium of Democratic Kampuchea, I greatly appreciate your condolences message on the death of His Excellency Stevan Doronjski, member of the state presidency of the Socialist Federal Republic of Yugoslavia and member of the presidency of the League of Communists of Yugoslavia. On behalf of the state presidency of the Socialist Federal Republic of Yugoslavia and in my own name as well as in the name of the deceased's family, I would like to warmly thank you for your condolences. [signed] Sergej Kraigher, president of the State Presidency of the Socialist Federal Republic of Yugoslavia. [Text] [BK090355 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 8 Sep 81]

PHILIPPINES PRIME MINISTER'S MESSAGE--Khieu Samphan, chairman of the State Presidium and prime minister of Democratic Kampuchea, recently received a warm message of thanks from His Excellency Cesar Virata, prime minister of the Philippines, for his congratulations on the latter's appointment. The message reads: To His Excellency Khieu Samphan, prime minister of Democratic Kampuchea: Excellency: I wish to express most sincere thanks to you for your warm congratulations and the encouragement given me on my appointment as prime minister. Please, excellency, accept my highest regards. [signed] Cesar Virata, prime minister of the Philippines. [Text] [BK121036 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 9 Sep 81]

ROMANIA'S CEAUSESCU'S MESSAGE--Khieu Samphan, chairman of the State Presidium and prime minister of Democratic Kampuchea, recently received a warm message of thanks from His Excellency Nicolae Ceausescu, president of the Socialist Republic of Romania. The message reads: Your Excellency Khieu Samphan, chairman of the State Presidium of Democratic Kampuchea: I sincerely thank you for your message of congratulations and best wishes on the occasion of the 37th anniversary of the revolution to liberate the Romanian society and nation from fascism and imperialism. On this occasion, I extend best wishes to your excellency and the friendly Kampuchean people. [signed] Nicolae Ceausescu, president of the Socialist Republic of Romania. [Text] [BK190410 (Clandestine) Voice of Democratic Kampuchea in Cambodian to Kampuchea 2330 GMT 18 Sep 81]

GDR ENVOY PRESS CONFERENCE--Phnom Penh, 6 Oct (SPK)--GDR ambassador to Kampuchea Rolf Dach held a press conference in Phnom Penh on Monday [5 October] to mark the 32d founding anniversary of the GDR. On this occasion, the German ambassador talked about the GDR's position regarding the world's situation. He expressed the GDR's support for the USSR's proposals to pursue the USSR-U.S. talks on disarmament as well as for the struggle of the world's peoples for peace, democracy and social progress. Rolf Dach reiterated the GDR foreign minister's statement at the 36th UN General Assembly session in which the GDR demanded the return of Kampuchea's UN seat to the PRK and refuted all attempts by the imperialist and hegemonist forces to disturb Kampuchea's peaceful construction. [Text] [Phnom Penh SPK in French 0419 GMT 6 Oct 81 BK]

PUBLISHING PERSONNEL TRAINING--Phnom Penh, 5 Oct (SPK)--The Ministry of Information, Press and Culture on Saturday [3 October] closed a training course of publishing house workers in Phnom Penh in presence of Chheng Phon, minister of information, press and culture, and his assistant Him Chhem. This 2-month course--the first of its kind--was opened for 66 persons, including former workers who survive the genocide. They were trained in various publishing houses and made good successes. [Text] [Phnom Penh SPK in French 1434 GMT 5 Oct 81 BK]

BATTAMBANG AID DISTRIBUTION--Phnom Penh, 4 Oct (SPK)--Kampuchea's Red Cross recently distributed a large quantity of relief materials to 3,000 families in the border province of Battambang. They were given items of everyday use. [Text] [Phnom Penh SPK in French 0422 GMT 4 Oct 81 BK]

CSO: 4200/3

LAO DELEGATE SPEAKS TO UN CONFERENCE ON UNDERDEVELOPMENT

BK301140 Vientiane Domestic Service in Lao 0430 GMT 27 Sep 81

[Speech by Soulivong Phasitthidet, head of the LPDR delegation, delivered on behalf of Lao Deputy Prime Minister and Foreign Minister Phoun Sipaseut, on 8 September at the UN Conference of the Least Developed Countries held in Paris from 1 to 14 September 1981--read by announcer]

[Text] Mr Chairman, ladies and gentlemen: First of all, the LPDR delegation would like to congratulate you, Mr Chairman, for your glorious election as chairman of this UN Conference on the Least Developed Countries. Our delegation firmly believes that with your rich experience and remarkable ability, our conference will be successful. At the same time, our delegation would like to sincerely congratulate all members of the conference staff.

In addition, our delegation wishes to express warm congratulations and sincere thanks to Mr (Kamani Corea), secretary of this UN Conference on the Least Developed Countries, for exerting efforts in making preparations for this conference and for defending the interests of the least developed countries.

Our delegation would like to take this opportunity to express sincere thanks to UN Secretary General Kurt Waldheim for giving unremitting attention to all the interests of the least developed countries. Our delegation highly praises the various countries and organizations for creating the conditions for this conference. Moreover, our delegation would like to express sincere and deep congratulations to the king of Nepal and other heads of state for their encouraging and circumspect views.

Mr Chairman, our delegation observes with satisfaction that after long and difficult preparations, the UN Conference on the Least Developed Countries is being held in Paris today as scheduled. We are thus now in a vital period. It is during this period that after several negotiations, we will be able to see if the various economically (?developed) countries will hasten to seriously assist in freeing the least developed countries from this serious state of underdevelopment.

The resolution No 122 on complete programs for assisting the least developed countries, adopted in 1979 at the UN Conference on Trade and Development, was a new hope for the people in these countries. Nevertheless, this hope swiftly

vanished, because the adopted resolution was not put into practice due to a lack of political intentions. Urgent assistance programs which are part of the above-mentioned complete programs were not seriously implemented. It is regrettable that these programs, compiled with great effort after difficult negotiations for the interest of the least developed countries, failed to achieve good results.

The economic and social situation in the least developed countries has not been improved and, worst still, has deteriorated. The people in these countries continue to pursue a difficult life. The international community is aware that the least developed countries have been actively obstructed by the special conditions of their own structure, and that the daily deterioration of the world economic conditions has affected these countries more seriously.

The various least developed countries in Asia and the Pacific are poorer and weaker economically than the developing countries. As we already know, their GNP is very low. For this reason, the rate of their development is low. It can be said that there has been no developments at all over the past 20 years. Moreover, these countries have encountered great difficulties stemming from their unfavorable geographic locations, particularly regarding the cases of four of the least developed countries which have no access to the sea.

Furthermore, these countries have been constantly damaged by natural disasters. The development of various national economic branches has been seriously delayed by the shortage of development funds and skilled labor. Even though agriculture is the most important sector in the national economy of each country in Asia and the Pacific, the production in food and other agricultural supplies per capita is constantly decreasing, while its industry is at its early stage and contributes less than 7 percent to overall national income. Labor has been utilized at a low rate and thus plays a limited role in the difficult national economy.

Therefore, the various least developed countries, owing to their own specific conditions, are generally in the same situation. These countries have encountered many problems and difficulties, such as low agricultural and industrial output, shortages of skilled labor, insufficient production, the lack of national capital and foreign funds, shortages of imported raw material, the lack of management experiences and specialized institutes, exorbitant prices of products, inappropriate use of technology, the lack of domestic markets, limited goods for export and so forth. All this constitutes an unfavorable factor which limits the development of the economy of these countries.

Owing to the lack of capital and necessary technical knowledge, their natural resources have not been fully exploited. For this reason, no matter how much effort the people in the least developed countries will make, their economic and social development will not achieve results beyond what they can do in their self-sufficient economy and will proceed slowly. The lack of food supplies and utensils for daily use has further worsened the social conditions of these nations. The poorest continue to live on sustenance. In addition, they lack other social services which are important since they contribute to the quality of life. It is regrettable that such services are insufficient and not available in rural or mountainous areas.

Mr Chairman, the serious situation in the least developed countries calls for an urgent and realistic solution. As is already known, the main responsibility rests with the least developed countries themselves. Yet, it is still necessary for the international community to positively cooperate with these countries in their efforts to achieve their economic and social development. This is the duty of all, since the reduction of tension, peace and international security depend on the balanced and rapid development of the poor countries. At present, the international community has acknowledged and deemed it necessary to assist these countries to ease their hardships and completely free them from the state of underdevelopment existing in the past and at present and brighten their future hope in order to advance toward the establishment of a new international economic order. This is also an urgent requirement in the international strategy for development of the United Nations Organization in its 3d decade. It is now time to begin implementing this.

For this reason, to make this UN Conference on the Least Developed Countries successful, the participants must have ways to carry out activities to completely change the economic situation in these countries. The conference has acknowledged the various extremely just proposals advanced by the various least developed countries. These proposals deal with the implementation of the new assistance programs for 1980. This program is a result of long studies and preparations. Regarding this issue, we would like to once again call on the international community to extensively support these countries' struggles for survival.

With regard to this question, we would like to express profound thanks to various UN organizations, particularly the UNCTAD, for making significant contributions to the adoption of this new project. We also thank the groups of high-level experts on least developed countries for, after studying in the Geneva conference, giving creative suggestions for the cause of development of the least developed countries. Therefore, in conformity with the direction stipulated in the 122d resolution of the Manila conference, the new action program for 1980 for the least developed countries is aimed at transforming the structure of social requirements, ways of investments, and urgent assistance. It is, therefore, required that various countries increase their support and assistance to various branches. This support should be given in the form of international support and assistance.

The proposal on the requirements of overall assistance as submitted by the Group of 77 aims to double the value of assistance provided for the least developed countries during the past 5 years. This increase in the value of assistance is to come into effect beginning early this decade. To each of these countries, it is a just, reasonable proposal which can enable them to carry out the transformation of necessary structures. The proposal on requirements of urgent assistance under special conditions is aimed at guaranteeing developed countries provide as much as 0.15 percent of their national revenue to the least developed countries. This provision is to be made in the form of state assistance in the development field between 1981 and 1985. This percentage will be increased to 0.20 percent during the second half of this decade. This proposal is also an appropriate and equitable proposal.

We consider that the above-mentioned proposals are as correct and equitable as the one which is aimed at having each organization which renders aid bilaterally or multilaterally increase its contribution to the overall assistance under special conditions. Specific objectives as well as expectations of capital and assistance are to be set for various least developed countries. Our delegation also deems it necessary to partly change ways of giving assistance. We support the direction stipulated in the draft program of action on the assistance for 1980 that must be implemented by those countries and organizations providing assistance.

We would hereby like to put emphasis on certain points that we consider to be points of great significance. Based on the possibility of actual capital, the LPDR wishes that the assistance willingly provided by various countries should be in the form of gratuitous and unconditional assistance. Therefore, based on the situation in our country on the financial balance, we see that the assistance under this form is very necessary. We also want the various countries providing assistance to agree to shoulder responsibility for the expenses that are needed in carrying out various plans and projects of assistance in the least developed countries. The assistance-providing countries should also take responsibility of the expenses needed in fulfilling the programs of action in those least developed countries. In addition, we support the idea to give top priority to the request for assistance of various least developed countries, particularly the request for assistance on the building and training of managing cadres in the countries given with assistance. This is aimed at serving the implementation of various plans.

We also support all ideas concerning the promotion and restoration of the economic activities of the least developed countries. The monetary and technical assistance or assistance in the form of giving other facilities is also desperate needed by the least developed countries. Until present, although the various least developed countries have accumulated a large amount of their capital to develop the agricultural, industrial, transportation, trading, educational, public health and other branches, they still remain in the condition that they could not profoundly carry out the transformation of their national economy.

We, therefore, would like to call on the various countries with developed economy to provide necessary monetary and technical assistance to the least developed countries so as to help them successfully transform their national economies.

The new assistance program for 1980 should emphasize the specific concerns of the 15 countries in the 31 least developed countries which have no access to the sea. These countries are encountering serious problems with the transportation of goods in transit. We agree with the various countries which have no access to the sea and (?uninhabited) islands in requesting special assistance from the international community.

We support the statement of the UN Conference on the Least Developed Countries proposed by the delegation of these countries which are members of ESCAP and ECWA. The statement was approved by a ministerial-level conference of the members of the two organizations to resolve economic problems in the regions.

We would like to further notify this conference that the various reports and statements adopted by it emphasize the importance of resolution No 3201S6 and resolution No 3202S6, dated 1 May 1974, which deal with a statement and a program of action concerning the establishment of a new international economic order, and resolution No 3281-29, dated 12 December 1974, which deals with the treaty on states' economic rights and duties.

We would like to reiterate that the statement and reports of a conference in Bangkok emphasize the importance of relations between the reduction of arms and development, the planning of state economic and social development and the necessity to eliminate colonialism and neocolonialism. The inclusion of these matters in the assistance program for 1980 will add life to the documents of our current conference.

Mr Chairman, the LPDR, which is one of the 31 least developed countries, realizes the paramount importance of the current conference. Following the adoption of resolution No 34/203 of the UNGA in 1979, the purpose of which is to hold this conference, the LPDR enthusiastically made preparations for it.

Our country, like many other countries, is currently in an underdeveloped state. This underdevelopment stemmed from several decades of occupation and colonization. After this, the LPDR was faced with a war of destruction unleashed by the imperialist aggressors. This protracted war left our people poor and underdeveloped. Following the establishment of the republican system, the LPDR government has made positive efforts to carry out its duties in developing all the national economic branches destroyed by the war. We have gradually been freed from the prolonged state of underdevelopment. Nevertheless, no matter how much effort we have made, we continue to encounter many difficulties causing the continuation of this state of underdevelopment.

As a matter of fact, following the establishment of the LPDR in December 1975, the enemies of the revolution have made use of all opportunities to obstruct our country's normal development work and sought every possible way to sabotage the Lao people's efforts in peacefully making a living and to sabotage our development plans. They have incited and deceived skillful engineers to flee the country and put an end to the transportation of goods and equipment needed for the implementation of the LPDR's development programs.

At present, an economic blockade has been imposed by a neighboring country sharing a 1,500-km border with Laos. The LPDR is a country which does not have access to the sea. It has only one overland access to the outside world from Vientiane. Moreover, they [apparently referring to Thailand] have charged exorbitant taxes and transport fees for goods in transit.

For the sake of the interests of the peoples of the two countries, we call on this neighboring country to implement the joint communique of 1979 signed with the LPDR and observe the international principles on the countries having no access to the sea.

In the face of such a situation, the LPDR is doing everything to develop a new route for transporting goods in transit, particularly via the SRV. The Lao Government is utilizing all its manpower, material and technical knowledge to construct this route, since it is imperative to the exchange of goods and economic development. The construction and repair of other roads is also an urgent and imperative task.

Moreover, our country has been victimized by natural disasters. Regarding this, we completely support the inclusion of this issue in the 1980 assistance program so as to give assistance to the least developed countries in case of natural disasters.

Mr Chairman, the LPDR has begun implementing its first 5-year plan ending in 1985. The Lao people of all nationalities are concentrating on materializing this plan aimed at eliminating the state of economic underdevelopment, boosting national production, transforming and making its society progressive, improving the people's living conditions, efficiently making use of our material and natural resources, manpower and capital and creating necessary conditions for improving production bases. The materialization of this first 5-year plan will help Laos, an underdeveloped country, gradually free itself from the state of underdevelopment. To implement this plan, our government is mainly relying on its own strength. To achieve this aim, we will utilize all our economic strength.

Nevertheless, because of various difficulties, economic and technical difficulties in particular, our government has called for extensive international assistance to aid our national development efforts.

The specific document on Laos, No (Ember)/CP/5, concluding document No A/104/SP2 dated 11 February 1981 compiled by (?UNICEF) and the report on the LPDR published by the consultative conference in Vienna all constitute economic and social development programs and meet our country's requirements for international assistance.

We would like to thank the various countries and international organizations for attending the special consultative conference on the LPDR and hope that those attending this conference will understand our problems and respond to our requirements.

We invite the countries which did not attend the conference to study our documents and, if possible, contribute to our national development.

As you know, the LPDR delegation has always persisted in its positive efforts to cooperate with all countries and all international organizations which intend to assist Laos in its cause of restoring and developing the national economy on the basis of respect for each other's independence, national sovereignty and territorial integrity and for the various principles of non-interference in internal affairs, good neighborliness and mutual interests.

We remember with extreme regret that in the past many countries which are members of the committee for development assistance did not give sufficient assistance to Laos in its economic and social development as our country chose a political

and social system which is different from theirs. According to latest statistics on assistance for Laos, it is clear that these countries are not concerned about the development work of the LPDR.

More serious still, the imperialists who conducted a war of aggression to devastate the Lao nation and its people have so far not yet made any contribution whatsoever to the task of reconstruction and healing the wounds of the devastating war in Laos. The international reactionary forces have colluded with these imperialists to pursue a hostile line against the LPDR government and the Lao people.

We would like to express deep gratitude to the SRV, the Soviet Union, other fraternal socialist countries and various friendly countries for cooperating with the LPDR in an all-round manner. We highly appreciate the economic and technical assistance given by them to our country. This assistance is all-round and gratuitous.

We would like to sincerely thank the United Nations and various international and private organizations for giving assistance and support to us.

Mr Chairman, the new assistance program for 1980 which will be approved by this conference is of important significance to the least developed countries. We hope that the ongoing negotiations on this new program of action will achieve concrete results since it concerns assistance for the poorest countries in the world and since it is time for the richest countries to express the necessary political intentions to support them.

In a positive response to the aspirations of these poorest countries mentioned in the various proposals advanced by the Group of 77, we earnestly hope that proposals advanced by other groups will not be aimed at darkening the legitimate objectives of the least developed countries.

The LPDR will do everything it can to comply with the stipulations of the 1980 program of action. Our government has acknowledged this program and will take all necessary measures to implement it by cooperating with various responsible UN organizations.

In conclusion, in the spirit of cooperation, we wish the conference glorious success.

I thank you, Mr Chairman.

CSO: 4206/8

BRIEFS

DPRK EMBASSY FILM NIGHT--Vientiane, 10 Oct (KPL)--The embassy of the Democratic People's Republic of Korea, last night, organized a film night to mark the 36th anniversary of the Workers Party of Korea. Among important personalities were Khoun Chandeng, deputy-minister for foreign affairs, other members of the Council of Ministers, people's supreme assembly and the Federation of Lao Trade Union. Diplomatic envoys and representatives of international organizations were also on hand. Films screened included a documentary [on] the 36th party congress. [Text] [Vientiane KPL in English 0926 GMT 10 Oct 81 BK]

DELEGATION TO MOSCOW CONFERENCE--Vientiane, 8 Oct (KPL)--A delegation of the National Committee for Social Security and War Veterans led by its head Meun Somvichit yesterday left here for the Soviet Union. The Lao delegation is to attend the fifth Soviet war veterans conference in Moscow. [Text] [BK081051 Vientiane KPL in English 0909 GMT 8 Oct 81 BK]

SOVIET LECTURERS' DEPARTURE--Vientiane, 8 Oct (KPL)--The delegation of visiting Soviet lecturers led by Ivan Dedov, head of the personnel department of the Communist Party CC of Tadzhikistan yesterday left here after concluding its 8 day visit to Laos. During its visit, the Soviet lecturers talked at several state and public institutions and some production bases. The delegation, besides calling on several Lao leaders, visited historical sites in Vientiane Municipality and province. [Text] [Vientiane KPL in English 0908 GMT 8 Oct 81 BK]

SOVIET CONSTITUTION DAY CELEBRATION--Vientiane, 7 Oct (KPL)--The Soviet cultural center, on October 6, organized here a get-together commemorating the constitutional day of USSR. Present on this occasion were Faidayg Lobaliayao, vice-president of the People's Supreme Assembly and of the Lao Front for National Construction; Sali Vongkhamsao, vice premier and chairman of the National Planning Committee; Khoun Chandeng, deputy minister for foreign affairs; along with a number of the Council of Ministers' members and other high-ranking officials. Diplomatic envoys of the socialist countries to Laos were also on hand. On this occasion, the Soviet Embassy's counselor to Laos, Anatoliy Nikuline addressed the gathering stressing on the significant roles of the constitution playing upon the livelihood of the Soviet people. "The constitution of USSR has guaranteed the fundamental rights for all the Soviet citizens in their daily life," A. Nikuline said. Documentary films on the constitution of Soviet society were also screened to the gathering at the end of the ceremony. [Text] [Vientiane KPL in English 0909 GMT 7 Oct 81 BK]

GDR NATIONAL DAY RECEPTION--Vientiane, 8 Oct (KPL)--Dieter Doering, ambassador extraordinary and plenipotentiary of the GDR to Laos, on October 7, held here a reception commemorating the 32nd National Day of the GDR. Present on this occasion were Phoumi Vongvichit, Political Bureau member of the LPRP CC, vice premier and minister of education, sports and religious affairs; Khamsouk Keola, vice president and secretary general of the People's Supreme Assembly and vice president of Lao Front for National Construction; Sali Vongkhamsao, secretary of the party CC, vice premier and chairman of the National Planning Committee, Khoun Chandeng, deputy minister for foreign affairs, along with other members of the PSA, the Council of Ministers and high-ranking officials. Diplomatic envoys and representatives of the international organizations to Laos were also on hand. The reception proceeded in an atmosphere of cordiality and friendship. [Text] [Vientiane KPL in English 0903 GMT 8 Oct 81 BK]

CONGRATULATIONS ON GDR DAY--Vientiane, 8 Oct (KPL)--Bounthiam Phitsamai, deputy minister of education, sports and religious affairs, on October 7, led a number of Lao officials to congratulate Dieter Doering, GDR ambassador, and GDR experts on the occasion of the 32nd National Day of GDR. On this occasion, Bounthiam Phitsamai, on behalf of the Lao Government and Dieter Doering exchanged views concerning the enhancement of solidarity and the friendship relations between the two countries. The deputy minister also expressed deep gratitude to party, government and people of GDR for their past and current effective support and assistances to Laos. [Text] [Vientiane KPL in English 0905 GMT 8 Oct 81 BK]

MONGOLIAN PARTY OFFICIAL VISITS--Vientiane, 7 Oct (KPL)--Pourev, secretary of the party committee of Ulaanbaatar of the Mongolian People's Republic, on October 6 paid a courtesy visit to Sali Vongkhamsao, secretary of the party CC, vice premier, and chairman of the National Planning Committee. The meeting took place in an atmosphere of warm cordiality. On this occasion, the Lao vice premier informed the guest about the implementation of the first 5-year plan of the state. Issues on cooperation and mutual assistance between Laos and Mongolia were also discussed. Pourev arrived here on October 1. [Text] [Vientiane KPL in English 0913 GMT 7 Oct 81 BK]

RADIO DELEGATION TO CUBA--Vientiane, 3 Oct (KPL)--A delegation of the National Radio Department led by its head Chaleun Vongsam-ang, on September 30, left here for the Republic of Cuba. The Lao delegation is to attend the festival of the nonaligned countries in Havana. [Text] [BK040721 Vientiane KPL in English 0917 GMT 3 Oct 81 BK]

LAO-HUNGARIAN TRADE UNION TALKS--Vientiane, 2 Oct (KPL)--Talks were held here on October 1st between the delegations of the Federation of Lao Trade Union [FLTU] and the Central Council of the Hungarian Trade Union [HTU]. The delegations were headed by, on the Lao side, Bountham Khounlapviset-akhom, acting-president of the FLTU, and on the Hungarian side, Sandor Jakab, member of the Hungarian Socialist Workers Party CC and secretary general of the HTU CC. Bela Torocsik, charge d'affaires a.i. of the Hungarian Embassy to Laos, was also on hand. The talks were centered on the development of friendship relations and on the exchanges of experiences and mutual assistances on trade union work between the two countries. The Hungarian trade union delegation arrived here in the morning of the same day in response to the invitation of its Laos counterpart. [Text] [Vientiane KPL in English 0903 GMT 2 Oct 81 BK]

WOMEN'S DELEGATION TO CSSR, GDR--Vientiane, 2 Oct (KPL)--A delegation of the Lao Patriotic Women Association led by its acting president Khamsouk Vongvichit, on September 30, left here to attend the world women conference and the 8th congress of the International Democratic Women Federation which will be held in Prague. After taking part in both congresses, the Lao women delegation will pay an official visit to GDR in response to the invitation of the Democratic Women's League of the German Democratic Republic. [Text] [Vientiane KPL in English 0905 GMT 2 Oct 81 BK]

PUBLISHING HOUSE DELEGATION'S RETURN--Vientiane, 2 Oct (KPL)--The delegation of the publishing house department led by its head Sitha Phengphengmuang, on September 28, arrived here from the Soviet Union and Bulgaria. The Lao delegation attended the third international book fair held in Moscow from September 2 to 8 and the 23rd international book fair held in Sofia from September 14 to 21. [Text] [Vientiane KPL in English 0907 GMT 2 Oct 81 BK]

GDR NATIONAL DAY--Vientiane, 10 Oct (KPL)--Khamsouk Keola, vice-president and Standing-Committee member of the Lao Front for National Construction, on October 6 sent a greeting message to Werner Kirchhoff, vice-president and secretary general of the National Front of Democratic Germany. The message writes: "On the occasion of the 32nd National Day of the GDR, on behalf of the Lao people, the LFNC and in my own name, I would like to convey to you and, through you, to the NFDG and the fraternal people of GDR my warmest salutations and best wishes." The message further recapitulated the great and significant successes gained by the GDR people under the leadership of the Socialist Unity Party of Germany [SUPG] during the past 32 years. "The foreign policy of GDR in support of the peace initiative proposed by the 26th congress of the Communist Party of Soviet Union for peace, international cooperation and detente has once more reflected the firm stand of the GDR in its contribution to the struggle against imperialism, hegemonism and other reactionary forces," the message notes. The message finally wished the NFDG, under the leadership of the SUPG headed by the beloved Erich Honecker, new and still greater successes in the implementation of the resolutions laid down by the 10th congress of the SUPG. The strengthening of friendship relations, the combative solidarity and the fraternal cooperations between the national fronts and peoples of the two countries is also stressed at the end of the message. [Text] [BK101218 Vientiane KPL in English 0921 GMT 10 Oct 81]

SAVANAKHET PROPAGANDA DELEGATION--Vientiane, 4 Oct (KPL)--A delegation of the propaganda, information, culture and tourism service of the southern Savannkhet Province, led by its deputy-head Thongseui Khotvongsi, recently returned from the Socialist Republic of Vietnam. Thongseui Khotvongsi led his delegation to pay a 10-day friendship visit to the Vietnamese Binh Tri Thien Province. [Text] [BK041303 Vientiane KPL in English 0904 GMT 4 Oct 81 BK]

GIFTS FROM SRV--Vientiane, 24 Sep (KPL)--Nguyen Xuan, Vietnamese ambassador to Laos, on September 23, presented gifts of the Ho Chi Minh Communist Youth Central Committee to Thonglai Kommasit, head of the mobilizing committee of the Lao People's Revolutionary Youth Union. Those gifts, including 500 document briefcases, 500 metres of red cloth, 3,000 pieces of pioneer scarves, 1,000 books and 500 pens, were presented on the eve of the general congress of the Lao People's Revolutionary Youth Union to be held here. [Text] [BK280701 Vientiane KPL in English 0920 GMT 24 Sep 81 BK]

EDUCATION DELEGATION TO SRV--Vientiane, 26 Sep (KPL)--A delegation of the Ministry of Education, Sports and Religious Affairs led by its deputy-minister Outtama Chounlamani, on September 24 arrived here after paying a 16-day visit to Vietnam. The official visit of the Lao education delegation was in response to the invitation of the Ministry of Universities and Secondary Vocational Education of the Socialist Republic of Vietnam. During its stay in Hanoi, an agreement on educational cooperation for 1981-82 between the two countries was signed by the delegations of both countries. The Lao delegation also visited some historical sites and some production bases in the vicinity of Hanoi. [Text] [Vientiane KPL in English 0906 GMT 26 Sep 81 BK]

NATIONWIDE AGRICULTURAL CONFERENCE--Vientiane, 26 Sep (KPL)--The second nationwide conference on agricultural plantation was closed here on September 25, at Salakham research and rice experimental station center, after 8 days of sitting. Present on the closing ceremony were Khamsouk Saignaseng, minister of agriculture, forestry and irrigation; Kouchan Sina, head of the soil survey and fertilizer department, and a number of officials. Forty-three representatives from various agri-coops and agricultural services throughout the country attending the conference were also present on this occasion. Addressing the conference, Khamsouk Saignaseng stressed on the significant roles of agricultural network in the development of the socialist construction of the nation. He also said that the agriculture is regarded as the back-bone potentials for the national industrialization tasks. [Text] [Vientiane KPL in English 0900 GMT 26 Sep 81 BK]

FRENCH ASSOCIATION'S GIFTS--Vientiane, 2 Oct (KPL)--Philippe Mourgues, representative of the France-Laos Friendship Association, on September 30, presented a quantity of medicines and books to the Ministry of Propaganda, Information, Culture and Tourism. Present at the handover ceremony was Sitha Phengphengmuang, head of the publishing house department. [Text] [Vientiane KPL in English 0908 GMT 2 Oct 81 BK]

HEALTH DELEGATION TO HUNGARY--Vientiane, 28 Sep (KPL)--A delegation of the Public Health Ministry led by its deputy-minister, Vannalet Latsapho, on September 26, left here for the Hungarian People's Republic. The delegation will attend a conference of the public health ministers of the socialist countries which is scheduled to open from September 28 to 30 in Budapest. [Text] [BK290535 Vientiane KPL in English 0902 GMT 28 Sep 81 BK]

SWISS GENERATOR INSTALLATION CONTRACT--Vientiane, 28 Sep (KPL)--A contract on the installation of the fifth power generator at Nam Ngeum dam was signed here on September 25. Signing the contract were: on the Lao side, Khammon Phonkeo, general director of the Lao electricity company, and on the Swiss side, Verner Tross, director of the Southeast Asian Affairs Division of the Motor Colombus Enterprises. Previously, Verner Tross, accompanied by Khammon Phonkeo, had paid a courtesy visit to Bounkeut Khamphaphongphan, deputy minister of industry and trade. [Text] [Vientiane KPL in English 0908 GMT 28 Sep 81 BK]

INTERNATIONAL HANDICRAFT FAIR AWARDS--Vientiane, 28 Sep (KPL)--Five exhibited Lao handicraft products were awarded on September 25 at the international handicraft fair which was held in Bulgaria. Delegations from 15 countries of Latin America, Africa, Asia and Europe participated at this fair which is being held till the end of October. [Text] [Vientiane KPL in English 0909 GMT 28 Sep 81 BK]

DELEGATION RETURNS FROM SRV--On the afternoon of 21 September, a Lao delegation headed by Chaleun Vongsam-ang, chief of the National Radio Department, returned to Vientiane after attending the international conference on radio broadcasting programs for rural development held in Hanoi from 7 to 17 September. Greeting the delegation at Wattai Airport were Bounmeut Phengsavan, acting chief of the department; Thongphet Louangphengsouk, deputy chief of the department; and cadres concerned. [BK230249 Vientiane Domestic Service in Lao 0430 GMT 22 Sep 81 BK]

AUSTRALIAN SOCIALIST PARTY THANKED--Vientiane, 3 Oct (KPL)--Vice Prime Minister and Minister for Foreign Affairs Phoun Sipaseut recently sent a message of thanks to the general secretary of the Australian Socialist Party. In his reply to the support in the domestic and foreign policy of Laos earlier conveyed to Lao leaders, Phoun Sipaseut said: "The resolution adopted last June by the Australian Socialist Party is full of spirit of solidarity and fraternal friendship which proves its clearsighted and just views concerning the regional issue--in particular that of Kampuchea." "The gesture," continued the message, "serves as a great moral boost in the implementation of the correct and reasonable proposals advanced by the Indochinese foreign ministers in view to furnish the region peace, freedom and cooperation, and to answer wide-range aspirations of the people. Furthermore, this gesture serves to foil schemes of division, of creating tension and turmoil of the imperialists, Beijing reactionaries and other reactionary circles." The Lao vice-premier finally expressed the Lao people's appreciation for moral and material support coming from the Australian Socialist Party and peace-loving Australians which have been used in building peace and rehabilitation of the economy after many decades of war. [Text] [BK031040 Vientiane KPL in English 0909 GMT 3 Oct 81]

HEALTH DELEGATION IN HUNGARY--Vientiane, 9 Oct (KPL)--A delegation of the Public Health Ministry led by its deputy minister Vannalet Latsapho, on October 5, arrived here from the Hungarian People's Republic. The Lao delegation attended the conference of public health ministers of the socialist countries which was held in Budapest from September 28 to 30. [Text] [BK101425 Vientiane KPL in English 0913 GMT 9 Oct 81 BK]

LITERACY WORK REVIEWED--Vientiane, 10 Oct (KPL)--The central leading committee for literacy campaign and refresher course, on October 9, opened here its first meeting to review its work. Present on the occasion were Souphanouvong, president of the Lao People's Democratic Republic, of the People's Supreme Assembly, and chairman of the central leading committee for literacy campaign and refresher course; Phoumi Vongvichit, vice-premier, minister of education, sports and religious affairs and vice-chairman of the committee; Outtama Chounlamani and Bountiam Phitsamai, deputy ministers of the Ministry of Education, Sports and Religious Affairs; venerable Thongkhoun Ananasounthon, president of the Lao Unified Buddhists' Association. Also present were representatives of various government institutions and educational services of Vientiane Province. Vice-Premier Phoumi Vongvichit,

taking the floor, gave a report on the work of literacy campaign and refresher course launched by the committee. In his inauguration speech, President Souphanouvong stressed on the significance of the literacy course regards in Laos. [sentence as received] Some 636,970 persons out of 755,262 the total number of illiterate people throughout the country now can read and write. Fifteen percent of the illiterate population is expected to be literate by 1981-82 school year, disclosed the report of the meeting. [Text] [BK101210 Vientiane KPL in English 0914 GMT 10 Oct 81]

GOVERNMENT DELEGATION RETURNS--Vientiane, 22 Sep (KPL)--A government delegation of Laos led by Soulivong Phasitthidet, envoy of the vice-premier and minister for foreign affairs, on September 21 returned home from France. The Lao delegation attended the UN conference on assistance to the least developed countries which was held in Paris from September 1 to 14. Meeting the delegation at the Wattai Airport were Kot Silakon, acting-general secretary of the Foreign Ministry and Patthana Chounlamani, head of the Protocol Department of the said ministry. [Text] [Vientiane KPL in English 0909 GMT 22 Sep 81 BK]

PRESS DELEGATION RETURNS--Vientiane, 22 Sep (KPL)--A delegation of SIANG PASASON newspaper, on September 21 returned here after attending the festival of L'HUMANITE newspaper, organ of the Communist Party of France. The festival was held in Paris on September 12 and 13. [Text] [Vientiane KPL in English 0911 GMT 22 Sep 81 BK]

MEDICAL TRAINEES TO SRV--Vientiane, 21 Sep (KPL)--Thirty medical workers of the medical service of Savannakhet Province on September 16 left to Binh Tri Thien Province of Vietnam. In accordance with the bilateral agreement on medical cooperation between the two sister provinces, the said medical workers will attend a training course in this Vietnamese province. [Vientiane KPL in English 0919 GMT 21 Sep 81 BK]

GIFTS FROM SOVIET TU--Vientiane, 25 Sep (KPL)--Rachit Kamidouline, charge d'affaires a.i. of the Soviet Embassy to Laos, on September 24 handed over gifts to the Federation of Lao Trade Union [FLTU]. Bountham Khounlapviset-Akhom, acting president of the FLTU, received these gifts presented by the All Union Central Council of Trade Unions. The aid included 2 sedan cars, 2 station wagons, nearly 16 tons of sugar, over 2 tons of medicines, 15,000 metres of fabric and some other consumer goods. [Text] [Vientiane KPL in English 0949 GMT 25 Sep 81 BK]

TROUPE'S RETURN FROM USSR--Vientiane, 25 Sep (KPL)--A delegation of Amateur Youth Art Troup led by Somphet Phetvinyan, on September 21, arrived home after participating in the 7th song competition festival in Soviet Union. Artists from 35 countries from all parts of the world had participated in this festival, held at the Black Sea resort of Soci, USSR. The Lao youth art troup has won second prize at the competition with two Lao singers, Khanthavan Latsasak and Boua-Ngeun Saphouvong, receiving certificates as international singers. [Text] [Vientiane KPL in English 0950 GMT 25 Sep 81 BK]

GDR DOCUMENTARY FILMS--Vientiane, 26 Sep (KPL)--Dieter Doering, ambassador of the German Democratic Republic to Laos, on September 25 presented the document films to Ounheuan Phounsavat, acting minister of propaganda, information, culture and tourism. The films were produced by the GDR Ministry of Culture during the celebration of the 5th anniversary of the Lao People's Democratic Republic. [Text] [Vientiane KPL in English 0905 GMT 26 Sep 81 BK]

GDR JOURNALIST TRAINING COURSE--Vientiane, 26 Sep (KPL)--The 2nd training course on journalism sponsored by the Journalists Association of the German Democratic Republic was opened here on September 26, at the KPL News Agency. Present on the opening ceremony were Ounheuan Phounsavat, acting minister of propaganda, information, culture and tourism and president of the Lao Journalist Association [LJA]; Chaleun Vongsam-ang, head of the National Radio Department and vice president of the LJA, along with other officials. Dieter Doering, GDR ambassador to Laos, and all of the GDR journalist teachers were also present. Addressing the opening ceremony, the president of the LJA had expressed his deep thanks to the GDR Government, in particular to the GDR Journalists Association for its assistance. He also stressed on the important role and position of the Lao journalists in the contribution to the past national revolutionary struggle and the present national socialist construction as well. [Text] [Vientiane KPL in English 0909 GMT 26 Sep 81 BK]

VIANGSAI GUERRILLA ACHIEVEMENTS--Since early this year the regional forces of Viangsai District, Houa Phan Province, in coordination with local guerrillas, have carried out public security missions on 1,252 occasions. They are also attending political courses to study national defense and public security tasks as well as the new line and tasks adopted by the party and state. [Vientiane Domestic Service in Lao 0400 GMT 17 Sep 81 BK]

PLANNING DELEGATION TO USSR--On 23 September, a 20-man planning delegation led by Somphavan Inthavong, deputy chief of the National Planning Committee, left for Moscow to participate in a 2-month high-level economic training course which will be opened in that city on 28 September. [BK280703 Vientiane Domestic Service in Lao 0000 GMT 24 Sep 81 BK]

CSO: 4206/8

BRIEFS

TEXTILE GOODS EXPORTS TO U.S.--Karachi, October 3--Exporters of certain categories of textile goods to the United States of America will henceforth need no prior approval from Export Promotion Bureau for the shipment of their consignments to USA. According to an official source the availability of the export quotas of certain categories of textile goods which include shirts, gloves and trousers for the USA has improved following consultations with American Government. Consequently the Bureau has advised all such exporters to arrange for shipment of their consignments to USA without seeking prior approval. Those exporters who have already applied for prior approval for making shipments to USA under the prescribed categories have also been declared free to make shipments if they have confirmed orders or letters of credits irrespective of the fact whether quota has been allocated to them or not.--PPI [Text] [Lahore THE PAKISTAN TIMES in English 4 Oct 81 p 7]

GAS PRODUCTION UP--More than eight per cent increase was recorded in gas productions from Sui field during January-June this year over the corresponding period of 1980, it was learned here. Increased production of gas was mainly on account of high demand by the Guddu Thermal Power Station and the Sui Northern transmission system. [Excerpt] [Karachi MORNING NEWS in English 13 Oct 81 p 8]

OBJECTIONABLE PUBLICATION--A Summary Military Court tried Irshad Rao S/o Wajid Ali, Zaman Ali S/o Mohammad Ehsan and Abdul Salim S/o Abdul Khaliq and awarded them one year rigorous imprisonment each under MLR-4, 13 and 18, says an official handout. On Jan 1 a police party had raided the flat of accused Irshad Rao in Pechs area and had recovered objectionable publications from there. [Text] [Karachi MORNING NEWS in English 4 Oct 81 p 8]

BAN URGED ON TRADE UNIONS--Sheikhupura, Oct 3--A ban on trade unions in all autonomous and semi-autonomous organisations and departments which deal directly with the people, particularly WAPDA, has been demanded by the local Markaz Council. Apart from the untold difficulties and problems caused to the people--the taxpayers--trade unionism in these set-ups, the Council stressed is a drain on the national exchequer. Referring to the endless closure of tubewells the Council demanded a thorough probe into the working and affairs of tubewell operators because the closure of tubewells meant a big setback to the national food endeavour. Negligence and deliberate feet-dragging, the Council continued, have become chronic in organisations dealing

with the public and if effective steps are not taken expeditiously it may become too late. The Council also slated the nation-building departments of the Government and accused them of deliberately ignoring resolutions by the Council containing suggestions for the welfare of the people. A demand for financial and administrative powers was also made for the execution of welfare projects. [Text] [Lahore THE PAKISTAN TIMES in English 4 Oct 81 p 3]

PARTIES, GOVERNMENT HOLD TALKS--The eight banned political parties of Pakistan have offered to hold talks with the military government of the country to break what they call the present political stalemate and restore democracy. A spokesman for the parties grouped in the Movement for the Restoration of Democracy [MRD] said that the government should first lift the ban on political activities and press censorship and release the detained political leaders. [Text] [BK210910 Delhi Domestic Service in English 0830 GMT 21 Oct 81]

CSO: 4220/49

OPERATIONS OFFICER IN 2ND ARMY DISCUSSES DK-KPNLF BORDER ACTIVITIES

Bangkok TAWAN MAI in Thai 12 Oct 81 p 4

[Interview with Lt Col Chatraphon Khatnophat, assistant chief for operations, 2nd Army Forward Element in 'Invited Guest' Column]

[Excerpt] [Question] What impact will the establishment of operations bases by the Pol Pot-Sihanouk-Son Sonn group along the border have on Thailand?

[Answer] There sure is going to be a problem here. It is obvious at this time that it is a border war, or guerrilla war. So why are things like this? We see it two ways. There is a need to have absolute power over Kampuchea. If those opposition groups go in to stage raids and then flee back onto Thai soil many times, the Heng Samrin forces will pursue them onto our soil and we will have a Non Mak Mun situation or a Non San Khiap situation. Another problem is a foreign relations problem.

[Question] What will happen if Pol Pot-Sihanouk-Son Sonn set up a headquarters in Thailand?

[Answer] If we adhere to the principle of neutrality, then the establishment of a joint headquarters by Pol Pot-Sihanouk-Son Sann would not be correct. But at this time, this is only being discussed and it is not known what form this will take. In terms of diplomatic or political policy, I do not know what they will do. But in military terms, they must make an effort to make the battlefield outside the country as much as possible; this would be good.

[Question] [Are we] giving support to these groups or not?

[Answer] In principle, we are neutral. We are not helping anybody. But in the actual situation...we cannot say. Because we feel that we must make the combat zone outside the country, we push them to fight outside of the country.

CSO: 4207/18

U.S. ROLE IN THAI POLITICS DISCUSSED

Bangkok SU ANAKHOT in Thai 4-10 Oct 81 pp 6-10

[Excerpts] The American Embassy--A Legitimizing Force

The great power, the United States, when it confers recognition on an administration or institution, that is tantamount to worldwide legitimization of that administration or institution.

Examples can be clearly seen from the past. The United States announced its recognition of the government of Khuang Aphaiwong, who set up his administration in March, 1948 after the overthrow of the administration of Pridi Phanomyong. The same holds with the U.S. Embassy as it came to play a role in formally recognizing all Thai military leaders as they took power, whether it was Field Marshal P. Phibunsongkhram, Field Marshal Sarit Thanarat or Field Marshal Thanom Kittikhachon up to the events of 14 October 1973.

After that, the U.S. Embassy (and other embassies in Thailand) reduced their role in legitimizing the new governments of Sanya Thammasak and those of subsequent democratic administrations.

After the events of 6 October 1976, the U.S. Embassy did not once again play a role in legitimizing Thailand's new government to the extent it had in the past, but it still gave its approval to the "ruling class" in many other forms.

There are reports that right after the Thanin administration had been established, Ambassador White house turned over five American helicopters to Thanin for use in narcotics suppression. In May, 1977, the U.S. ambassador led the former prime minister and high-ranking military leaders on a visit to the aircraft carrier USS Constellation. Only a month after that the embassy sent a personal letter from President Carter to former Prime Minister Thanin to praise the Thai Government for its strong role in reducing the quantities of narcotics in the region.

From the role played by the U.S. Embassy recently, it may be concluded that one trend of U.S. policy is to generally grant formal approval and support to the ruling classes in Thai society that are "conservative" or those rulers who are able to create order in maintaining the status quo in Thai society.

One result of this is that among Thai military leadership circles, there has arisen basic assumption that they will be given formal recognition by the United States, legitimizing them politically and leading to recognition by other Western nations.

At the same time for the United States, the personal qualities and fame of the U.S. ambassador likewise all play a part in promoting the legitimization conferred on the Thai ruling class at the time. For example: Ambassador William J. Donovan (1953-1954), a close friend of President Eisenhower, had a part in helping to greatly expand the Thai armed forces, especially those of the police by approving and promoting the power of Pol Gen Phao Sriyanon, the director general of the police department at the time as did John E. Peurifoy, who was very anti-communist. He was the one who arranged for Field Marshal P. Phibunsongkhram to take a world tour. During the era of Field Marshal Sarit Thanarat, he was also supported militarily and socially by a close friend of President Kennedy, Ambassador Kenneth T. Young.

American ambassadors who did not achieve the expected success were those like Max W. Bishop who was resisted mightily concerning U.S. military assistance programs during the rule of Field Marshal Phibunsongkhram and William Kintner who was appointed ambassador after the events of 14 October 1973. Although the latter was a political science professor at the University of Pennsylvania, he did not use his knowledge or abilities in promoting Thai political stability at all. Moreover, Whitehouse's tenure which started in 1975 brought great resistance from students and intellectuals especially in the struggle to remove U.S. bases in Thailand.

Catching the Eye of--the Eagle, Political Signs

"The U.S. Embassy simply promotes dictatorship..." is the constantly heard statement which the United States is trying to deny. It has always said that it supports gradual, evolutionary change of a democratic form of constitutional government and that it promotes popular participation in the political process.

An American embassy official stated that "The embassy encourages all political parties that have joined the government and the political forces that are in opposition to the government, but the [embassy] role in the latter category was very difficult at a time when Thailand was ruled by a military dictatorship. When Thailand has been a quasi-democracy, the embassy has gone out to make contact with important opposition figures."

That embassy officer gave an example in the case of the U.S. disagreement with the actions which attempted to destroy the democratic system, such as that period following the 1947 coup. Ambassador Stanton demonstrated his "viewpoint" in that situation. Also, during Thailand's long administration by military dictatorship, Ambassador Martin demonstrated the wishes of the United States concerning political and economic reforms in Thailand. Another time was right after 14 October 1973. Ambassador Kintner formally praised the political reforms that had occurred in Thai history.

"We welcome developments which open the way for the Thai people to participate much more directly in their government.... We congratulate the youth of Thailand who have opened a brilliant new era in the annals of Thai history.

However, the problem with the form which the U.S. attempts to show is that it is suspiciously self-contradictory. Such as during the administration of Sanya Thammasak, the U.S. Embassy, through the operations of the CIA, made an effort to sound out the attitudes of the Thai Government to know whether it would "follow the behind" of the United States. This was don in 1974 by the CIA base in Sakon Nakhon sending a letter to then-Prime Minister Sanya Thammasak claiming to be a communist named "Chamrat." That letter stated that the CPT would be glad to negotiate a cease-fire with the government, requesting that the zones of communist control be broken off and turned over to a CPT administration. It appeared that after U.S. officials were questioned, this was discovered to be the handiwork of the CIA.

It was the same way with the establishment of U.S. military bases in Thailand which they used in the Indochina war and in the Mayaguez incident in which the United States violated Thai sovereignty during the administration of MR Khukrit Pramote. This proved that U.S. actions did not respect Thai independence, sovereignty and territorial integrity.

The Prem Government--Fulfilling Reagan Policy?

After the Indochina War, the United States made a strategic and foreign policy blunder which was the starting point of the U.S. inertia toward Thailand.

"The main thing is that a conflict has arisen between the CIA station chief in Thailand and the American ambassador concerning the security of Thailand. Each one wants approval and so he sits down and writes a report to his superiors. The U.S. Government itself is not certain whose information is right or wrong," the embassy official said. "When a new ambassador comes in, things will probably get better."

The internal problems of the U.S. Embassy are partly to blame for the deterioration in Thai-U.S. relations, especially in the period following the fall of Gen Kriangsak Chamanan's administration in February 1980.

"Shortly after General Prem's administration took over from Kriangsak, the United States did not trust him, because certain high-level individuals in his cabinet leaned toward the Soviets," a source in the U.S. Embassy said, adding "there probably had to be some definite proof, but now for the Prem II administration, everything has changed and one could say that everything has improved in the eyes of the foreigners."

Present Thai Government policies show a tendency to accommodate President Reagan's policies to a great extent. Frank Carlucci, U.S. assistant secretary of defense visited Thailand and called on General Prem from 24-25 September. He said that the United States and Thailand have "an especially close congruence of views" concerning the increased threat from the military buildup and Soviet abusive policies.

"The United States sincerely holds its responsibilities toward Thailand in accordance with the Manila Pact...and is acting to assist Thailand in improving its capabilities to meet those threats," said Carlucci.

However, recently it seems that the clear shape of Thai policy has been more and more pro-U.S. Some Thai officers who were especially close to the United States were appointed to important positions such as Gen Saiyut Kertphon. It can be said that he is the most pro-American appointee to the position of supreme commander.

"The fact that they invited us shows that everything must be getting better. Previously, the United States shunned us, never inviting us because they viewed the government as unstable--a here-today-gone-tomorrow thing. But the invitations we are getting now mean that we will probably make it," a news source close to the Thai Government told SU ANAKHOT.

Another political trend we can see is that the United States, via ex-Ambassador Morton Abramowitz, was very close to Gen Kriangsak Chamanan. "The United States sees that Kriangsak could return. From those close to the leadership, it looks like there have been high-level agreements with the leaders of the important parties not to work with the government until General Prem's term expires 8 months from now. It is certain that General Prem will not enter the political arena, but after that..." a source close to the government said.

Conclusion

Future Thai political trends in the Prem administration are generally headed in a more pro-American direction than they were at the beginning of his administration. Relations that follow this visit to the United States will probably prove that the United States "is paying more attention to Thailand," in the words of Burton Levin, U.S. charge d'affaires in Thailand.

The steady stream of American VIP visitors--senators, congressmen and high-level U.S. Government officials--are for the purpose of making the good relations better than they had been.

Burton [Levin] stated that President Reagan has declared that Thailand and Southeast Asia will be protected and strengthened at all times. This is directly contrary to the declarations that followed the Vietnam War, that the United States would withdraw from the region.

Therefore, it can be stated that from now on, during John Gunther Dean's tenure as American ambassador, the U.S. Embassy will become once again the political "heart" in that it will play a much bigger role in Thailand than in the past.

And in this role, will the U.S. Embassy promote the development of democratic Thai politics or will it lead Thailand back into the dictatorship we have had before? This is something we have to keep close track of.

Whatever direction Thai politics takes depends only on how much the Thai Government fulfills U.S. foreign policy [goals].

CSO: 4207/15

EDITORIAL DISCUSSES LOCAL ECONOMY

BK050105 Bangkok NATION REVIEW in English 5 Oct 81 p 4

[Editorial: "We Must First Set Economic House in Order"]

[Text] Trade and foreign investment, as advertised, will figure high during Prime Minister Phem Tinsulanon's visit to the United States and he has already set the targets when he met with Thai ambassadors stationed in Western Europe. The objectives are good but the question will always remain whether Prem's efforts will succeed and, if they do, when. It is a fact that trade exhibitions and export-oriented efforts by our diplomatic missions abroad do produce results, but what Thailand needs is not a sudden upsurge in trade followed soon by a tapering off. Only a steady stream of foreign trade will enable planners to base our economy on predictable figures.

Foreign investment is altogether a different matter and it is an arcane subject that usually confounds experts. The basic principle of securing foreign investment is not only obtaining a large amount of capital but also the attraction of technology in various fields which is not now available in Thailand. A strictly capital-oriented investment will not qualify as foreign investment since capital can be generated locally without the profits having to be shared with investors from abroad.

Foreign investors are highly sensitive persons since it is they who decide to export to Thailand, or for that matter any other country, both capital and technology. If there is some suspicion of "risk" in one country--the "risk" being real or imaginary--there are several other countries which are vying for that investment and foreign investors can pick and choose. Foreign investors study political questions very seriously. For instance, the guerrilla war that is going on in Kampuchea may not have any influence on Thailand but, for no fault of ours, its effect rubs off on us.

Further Thailand does not project an image of political stability, immaterial of what we ourselves may think. During the past 10 years we have had seven prime ministers, two successful coups d'etat, two unsuccessful ones, and one violent overthrow of the government. To a foreigner who is going to invest his capital in Thailand and who is not an intimate scholar of current Thai politics, our political "instability" will definitely be considered a risk for business. He will certainly compare us unfavourably to Singapore or Indonesia. To add to all this, the American Chamber of Commerce is presenting no glowing picture of Thailand.

It may possibly be an understatement to say that the economy of the country is not in good shape. The cost of living has been steadily rising and the government has been forced to increase the minimum wage--which, in turn, means pumping more money into an over-heated economy. The baht has been devalued and the foreign investor will wonder that if he is to invest in Thailand and take away part of the profits from this country, how much his profits will shrink if there is further devaluation. Our balance of payments, our foreign reserves and foreign loans do not present a very healthy picture--at least not healthy enough to disabuse a foreign investor of pessimistic ideas.

We know that Prime Minister Prem will make a strong sales pitch but however ingenious that may be, the first thing he must do should be to convince his audience of the programme he will implement in order to put Thailand's economic house in order. We know that investing in Thailand will be an excellent opportunity for foreign businessmen and business organizations but convincing them will require more than just painting a bright verbal picture.

CSO: 4220/38

PRISONER EXCHANGE CALL OPPOSED

BK201022 Bangkok THAI RAT in Thai 20 Oct 81 p 3

[Editorial: "Western Prisoners in Thailand"]

[Text] There was a report that the European Parliament, whose members are the countries in the European Common Market, has passed a resolution calling for a discussion with the Thai government on the repatriation of drug convicts in Thai prisons so that those young Westerners can serve their sentences in up-to-standard prisons in their respective countries.

The resolution, adopted by a majority vote by the European Parliament, constitutes a gross interference in Thailand's internal affairs and is not a resolution worthy of civilized countries. Thailand has never been a colony of any European country, in the past or now. Those people were convicted to serve jail terms in Thai prisons because they committed serious crimes of either possessing narcotics or engaging in narcotics trading. Some of them even belong to major drug trafficking rackets. Their crime is an offense against the health and well-being of other people including those in their own countries.

Recently, foreign drug prisoners at Bang Khwang prison staged a hunger strike demanding an exchange of prisoners between Thailand and their countries. Their strike was called off when no attention was paid to it. Yet, the European Parliament finally adopted the resolution which constitutes an interference in Thailand's internal affairs.

We want the Thai Government to reject any discussion if the European Parliament's resolution is forwarded to it. In addition, we must indicate to those Westerners that their act is an interference in Thailand's internal affairs. We must tell them that if they do not want their people to serve prison sentences in Thailand they must prevent them from committing crimes in this country. Otherwise, they must share the same prisons as Thai prisoners because they are not considered special by being Westerners. They have no right to demand treatment in prisons with better standards than Thai prisons.

CSO: 4207/17

EDITORIAL DISCUSSES SUPPORT OF LEADERSHIP

BK151548 Bangkok SIAM RAT in Thai 11 Oct 81 p 2

[Editorial: "A Good Government in the Eyes of the Military"]

[Text] After paying a courtesy call on Prime Minister and Defense Minister Gen Prem Tinsulanon at the central security command early this month following their promotion, supreme commander Gen Saiyut Koetphon, army commander Gen Prayut Charumani, navy commander Admiral Sombun Chuaphibun and air force commander Air Chief Marshal Thaklaeo Susilawon held a joint press conference. They pledged to increase the capability of the armed forces in order to give confidence to the people. They also pledged that soldiers will work closely with the people in order to learn their problems and solve them through mutual understanding.

Army commander in chief Gen Prayut Charumani said the soldiers will support any good government with honest leadership, dedicated to the cause of the people and which works to bring happiness to the people. We have already seen that a dishonest and corrupt government was the cause of the downfall of the countries in Indochina. The military, therefore, wants a clean and honest government, he said.

The recent military reshuffle was a big event since we have a new supreme commander and new commanders of the three armed forces replacing the former leaders who reached retirement age at the same time. It was appropriate, therefore, for the new supreme commander and the armed forces leaders to issue a statement on their policy and the direction they will take in assuming their responsibilities.

Any change within the military is always of great interest to the people, because the military has been involved in the politics to such an extent that it is said the military and politics are inseparable. It is generally understood that any government without the backing of the military could face the problem of instability and could not ultimately survive.

Since this is the general belief, it is natural to assume that the views of the new military leaders regarding the government are of significance. We agree with the view of the army commander in chief that the military will support a

good government with honest leaders, like the present government we have. We have already seen that the Indochinese countries could not survive because they lacked a good government and honest leadership.

Yet, in our opinion, it is not sufficient that a good government be defined only as a government with an honest person as its leader. In the present situation, the role of a government is not primarily its capability to cope with internal and external communist threats and to wage a war to win loyalty of the populace. Rather, it has a bigger problem to cope with, that is, the economic difficulties, the poverty hardships of daily life. A good government, therefore, needs more than just one honest person as its leaders. All cabinet ministers must be trusted by the public for their integrity.

An important element of a government, therefore, is that it must stand ready to protect the interests of the majority. Such a government can only come from democratic elections by the people, and cannot be a government that is democratic only by name.

CSO: 4207/17

GENERAL PRAYUT ORDERS TRANSFER OF 24 COLONELS

BK160753 Bangkok NAEO NA in Thai 11 Oct 81 pp 1, 2

[Text] Army commander Gen Prayut Charumani has signed an order dated 9 October 1981 on another massive transfer of 24 (special) colonels. "Colonel Suchinda Khraprayun" becomes the new deputy director of army operations. The transfer list is as follows:

Col Thawisit Sangsomwong, intelligence chief of the 1st Army Region, to become deputy chief of staff of the 1st Army Region;

Col Chamlaeng Uchukomon, chief of the 1st Army Region's civilian affairs section, to become deputy chief of staff of the 1st Army Region;

Col Sanan Sawettaserani, officer attached to the army headquarters, to become deputy commander of the 2nd division;

Col Wichai Ninwiset, chief of staff of the 2nd division, to become deputy commander of the 2nd division;

Col Prachuap Kanchanaphan, deputy commander of the 9th division, to become deputy commander of the infantry school;

Col Charun Phunsanong, chief of the operations section of the 1st Army Region, to become deputy commander of the 9th division;

Col Choetchai Thiratthanon, officer attached to the army operations department, to become deputy commander of the 9th division;

Col Praphan Chamnanpun, deputy commander of military circle 2 and deputy commander of Prachin Buri military circle, to become deputy commander of the army adjutants school;

Col Khamron Kanchanakhom, deputy commander of Chon Buri military district, to become deputy commander the military circle 2;

Col Maitri Yusathaphon, chief of staff of Chon Buri military district, to become deputy commander of Chon Buri military district;

Col Sunthon Chaimuanwong, acting chief of staff of military circle 2, to become acting chief of staff of Chon Buri military district;

Col Banchong Charuwan, deputy commander of Lop Buri military district, to become officer attached to the army headquarters;

Col Amphon Khamphiranon, chief of staff of Lop Buri military district, to become deputy commander of Lop Buri military district;

Col Pricha Patthamanon, chief of personnel section of the 1st Army Region, to become deputy commander of Lop Buri military district;

Col Wira Sewikun, chief of the army personnel division, to become deputy director of the army personnel department;

Col Panya Khwuanyu, chief of the army personnel division [as received], to become deputy director of the army adjutant general department;

Col Ngamphon Nutsathit, commander of military intelligence, to become deputy director of the army intelligence department;

Col Methi Samutrak, chief of the army intelligence division, to become commander of military intelligence;

Col Suchinda Khrapprayun, chief of the army intelligence division, to become deputy director of the army operations department;

Col Praphat Woraphisit, deputy commander of the army finance school, to become chief of the finance department;

Col Narong Khamphiranon, chief of the army auditors office, to become deputy director of the army auditors office;

Col Phongkiat Sutchukiat, chief of the army logistics division, to become deputy director of the army logistics department;

Col Wichian Sangkhaphraiwan, officer attached to the army intelligence department, to become deputy chief of staff of the army field force headquarters.

CSO: 4207/16

BRIEFS

AMBASSADORS TO IRAQ, SWEDEN--The king on 19 September received in audience the Thai ambassador-designate to Iraq Chamrat Chomphuphon and Thai ambassador-designate to Sweden Wiche Suthayakhom. The two ambassadors took leave of his majesty prior to their departure to take up their new posts. [BK250423 Bangkok Domestic Service in Thai 1300 GMT 19 Sep 81 BK]

AMBASSADOR TO BRAZIL--According to a report from the Foreign Ministry, the Brazilian Government has approved the Thai Government's nomination of Thongchan Chotikasathian as Thai ambassador extraordinary and plenipotentiary to the Federative Republic of Brazil replacing Prasong Suwanprathet. [Bangkok Domestic Service in Thai 1300 GMT 23 Sep 81 BK]

FAO AID--The director general of the agricultural extension department reports that FAO will give Thailand 5 million baht for use of agricultural development projects in the poorest farm areas throughout the country. Another 1.6 million baht will also be granted to the bank for agriculture and agricultural cooperatives in order to make it possible for the bank to increase credits for farmers. [Bangkok Domestic Service in Thai 0530 GMT 2 Sep 81 BK]

U.S., DANISH LOANS--Thailand signed two loan agreements with the United States and one more with Denmark on 24 September. The first two loans, granted by the U.S. agency for international development, included $5.9 million for the development of Tambon and district planning. The loans, with a 40-year maturity and a 10-year grace, carry a 2 percent interest for the first 10 years and 3 percent for the last 30 years. The Danish loan amounted to 90 million Danish kroner for the financing of four projects under the fourth national economic and social development plan. It is interest-free with a 25-year maturity and a 7-year grace. [BK300251 Bangkok Domestic Service in Thai 1300 GMT 24 Sep 81 BK]

CORN EXPORT--The director general of foreign trade department has disclosed that from 1 July to 9 October Thailand exported over 800,000 tons of corn. Only 700,000 tons was exported during the corresponding period of last year. This year Thailand has set a target to export 2.5 million tons. [BK161439 Bangkok Domestic Service in Thai 1300 GMT 13 Oct 81 BK]

SOEM RETURNS FROM EGYPT--Deputy Prime Minister Soem Na Nakhon returned this morning from Egypt where he represented Thailand at the funeral of President Anwar al-Sadat. He told newsmen on his arrival that the Thai delegation was accorded an excellent welcome by the Egyptian Government. The Egyptian deputy prime minister for people's assembly affairs met the Thai delegation at the airport. The Thai delegation, on behalf of its government, expressed condolences to the acting Egyptian President on the passing away of President Anwar al-Sadat. General Soem said Egypt has to form a new government as soon as possible to run the country. The Egyptian foreign minister reiterated that there will be no change in Egypt's foreign policy. The deputy prime minister said he talked with Egyptian government officials about bilateral relations, including trade. It was agreed that trade should be increased since the present volume is too small. He noted that Egypt has a food problem, since only 4 percent of its land is arable while the rest is mainly desert. Egypt has to import a large amount of meat for local consumption every year. Asked if he had been told about who was responsible for the killing of President al-Sadat, General Soem said he did not talk with the Egyptian leaders on the matter. He had learned, however, that investigations are being carried out by the Egyptian authorities and that it was a conspiracy among some soldiers and civilians. He said he also learned of extensive U.S. support for Egypt in various areas. Speaking about the security arrangements for President al-Sadat's funeral, General Soem said security was tight and the funeral procession was guarded throughout by soldiers. He said what happened in Egypt should serve as a lesson to us and that we must improve our security system. [Text] [BK150946 Bangkok Domestic Service in Thai 1300 GMT 14 Oct 81]

SECRETARY CHAMLONG RESIGNS--Colonel Chamlong Simuang, secretary general to the prime minister, resigned this morning. He submitted his letter of resignation to the prime minister through cabinet secretary General Plang Michun. Colonel Chamlong Simuang cited his difference [of] opinion regarding the abortion bill as the reason for his resignation. [Text] [BK200653 Bangkok Domestic Service in Thai 0530 GMT 20 Oct 81]

PREM TALKS WITH ENVOYS--During a meeting with Thai ambassadors to 12 European countries during his stopover in Copenhagen yesterday, Prime Minister Gen Prem Tinsulanon asked the ambassadors to try to hold talks with officials of the EEC countries to preserve quotas for Thai textile products, radio and television sets because these products can well compete in the EEC markets, help Thailand earn more foreign income and generate jobs for Thai workers. The ambassadors were instructed to encourage the countries they are assigned to not to cut quotas for Thai tapioca, although Thai tapioca has met with very strong competition because corn residue and tapioca from some countries are exempted from import duty. Other Thai products such as canned pineapple can also compete in those markets because of their good quality and reasonable prices. The ambassadors were assigned to pursuade the EEC countries to join the international organization for the stabilization of sugar price and to appeal to the Western European countries to support Thailand's application for permanent membership in the general agreement on tariffs and trade. Regarding the narcotics problem, some European countries such as Norway, the Netherlands and West Germany are now giving assistance to Thailand in its narcotics suppression work. Other countries should also be requested to cooperate in this matter because narcotics problems can

effect all countries. This morning, the Danish prime minister had breakfast and held personal talks with the Thai prime minister at the Royal Hotel, where the latter was staying. The Thai prime minister and his party left Copenhagen for New York at 1240 today and were scheduled to arrive in New York at 1505. They will stay at the Waldorf Astoria Hotel during their visit to New York. [Text] [BK031308 Bangkok Domestic Service in Thai 1200 GMT 3 Sep 81]

PRC NATIONAL DAY--[Greeting message from the king to the chairman of the National People's Congress of the PRC on the PRC National Day, 1 October] On the occasion of the National Day of the PRC, I would like to extend to you my wishes for your happiness and for the prosperity of the Chinese people. [Text] [BK021445 Bangkok Domestic Service in Thai 1300 GMT 1 Oct 81]

CANADIAN AID--The Canadian Government has given another sum of 625,800 baht as aid to the office of the Narcotics Control Board for use under the Thai-Canadian crops substitution program. The aid was presented to Deputy Prime Minister Gen Prachuap Suntharangkun, in his capacity as chairman of the Narcotics Control Board, on 28 September. The fund will be used for setting up of an Arabica coffee research and experimental station and a cold storage for crop seeds to be provided to hilltribes under the opium substitution program. [Bangkok Voice of Free Asia in Thai 1000 GMT 28 Sep 81 BK]

AMBASSADOR TO CENTRAL AMERICA--The cabinet on 1 September approved in principle the Foreign Ministry's proposal to have the Thai ambassador to Mexico to concurrently represent Thailand as ambassador to Guatemala, Nicaragua, the Republic of Cuba, Dominican Republic, Costa Rica and Grenada. This is based on the desire to promote Thailand's relations with the countries in Central America and to achieve expected results for the conduct of Thailand's foreign policy. [BK060813 Bangkok Voice of Free Asia in Thai 1000 GMT 2 Sep 81 BK]

UNITED NATIONS TECHNICAL AID--The United Nations has granted an aid worth 10 million baht covering a period of 4 years for the expansion of the Ministry of Science, Technology and Energy. The deputy undersecretary of the ministry said the aid is aimed at developing science and technology policy, data collection and equipment. The first group of experts will arrive in December from Korea, Japan and the United States. Thai officials will also be sent for training in those three countries. [Bangkok Voice of Free Asia in Thai 1000 GMT 23 Sep 81 BK]

PREM TO VISIT ROK--His Excellency Prime Minister Gen Prem Tinsulanon will visit the ROK at the invitation of His Excellency Nam Tok-u, the ROK prime minister, from 8-10 November as official guest of the ROK Government. During the visit the prime minister will also call on His Excellency ROK President Chon Tu-hwan. He will discuss with the ROK prime minister issues of mutual interest and concern, particularly trade and investment, so as to further strengthen relations between the two countries. [Text] [BK071355 Bangkok Voice of Free Asia in Thai 1000 GMT 7 Oct 81]

TAPIOCA EXPORTS--The Foreign Trade Department reports that in the first 9 months of this year, Thailand exported 4.6 million tons of tapioca products worth about 12 billion baht as compared to the export of 3.4 million tons of tapioca products worth 9.4 billion baht during the same period last year. Tapioca products exported to the EEC totalled 4.1 million tons during the first 9 months of this year. [BK081153 Bangkok Voice of Free Asia in English 1100 GMT 5 Oct 81 BK]

OFFICIAL TO SADAT FUNERAL--Deputy Prime Minister Gen Soem Na Nakhon left last night for Egypt as head of the Thai delegation to attend the funeral of late President Anwar al-Sadat. Other Thai delegates who accompanied General Soem include minister of the prime minister's office Lt Gen Chan Angsuchot, secretary to the deputy prime minister Charan Kunlawanit and a representative of the Foreign Ministry. His Majesty the King yesterday cabled a message of condolence to acting president Husni Mubarak and the family of the late president. The Thai ambassador in Cairo will join the delegation at the funeral. The four-member delegation will stop over in Rome to take the connecting flight to Cairo. [Text] [BK091457 Bangkok Voice of Free Asia in English 1100 GMT 9 Oct 81]

AMBASSADOR TO SRI LANKA--The Thai Foreign Ministry has announced the Thai consul general to New York, Anat Suwanwihok, as new ambassador to the Democratic Socialist Republic of Sri Lanka. [BK220451 Bangkok Voice of Free Asia in English 1100 GMT 16 Sep 81 BK]

CORN SALE TO ROK--Thai exports have won a Korean bid to export 20,000 tons of maize to South Korea for delivery around October or November. Phat Itsarasena, director general of the Foreign Trade Department, has disclosed that this export order will be worth about 64 million baht as the winning bid has quoted the FOB price of $139 per ton. The price of maize in Chicago at present is around $133 per ton. [BK220451 Bangkok Voice of Free Asia in English 1100 GMT 17 Sep 81 BK]

OPEC HYDROELECTRIC LOAN--Thailand is to get a loan of about U.S.$21 million at a 1 percent interest rate from the OPEC fund for international development to finance a hydroelectric project in the country. The loan agreement was signed in Vienna on 18 September by the Thai ambassador to Austria and the OPEC fund director general. It has a 20-year maturity period, including a 5-year grace period, and carries a service charge of 0.75 percent per annum to be paid every 6 months. [Bangkok Voice of Free Asia in English 1100 GMT 19 Sep 81 BK]

REFINERY PRODUCTION INCREASE--The Industry Ministry has given approval to Esso Standard Thailand to proceed with its scheme to step up the production capacity of its Si Racha oil refinery from 46,000 barrels per day to 63,000 barrels per day. All terms and conditions have been agreed upon by the authorities. It is expected the contract will be signed within 2 months of the terms and conditions being approved by the National Petroleum Policy Committee. [Bangkok Voice of Free Asia in English 1100 GMT 4 Sep 81 BK]

CORN ACCORD WITH SINGAPORE--Thailand and Singapore signed a maize trade agreement on 28 September making the first time in the maize trade history of the two countries whereby Singapore will buy between 300,000 to 360,000 tons of maize from Thailand during the 12 months from November. The agreement makes Singapore the third country to sign a long-term maize supply agreement with Thailand this year. Taiwan and Hong Kong have already signed agreements. Based on the present maize export price, the Singapore deal is worth between 1,035 and 1,240 million baht. It was signed in Bangkok by Mr Surphon Atsawasirayothin, president of the Thai Maize and Producer Traders Association and representatives of eight companies from Singaore. [Excerpt] [BK290555 Bangkok BANGKOK POST in English 29 Sep 81 p 21 BK]

CORN ORDER FROM PHILIPPINES--The Philippine Government has, through its National Food Authority [NFA], placed an order for 20,000 tons of Thai maize worth about 71 million baht with the Board of Trade [BOT] of Thailand, according to the executive secretary of BOT, Mr Thapana Bunnak. Mr Thapana, who was a member of the three-man delegation headed by BOT Vice President Pricha Tanprasoet who concluded the deal with the NFA, expressed confidence that the NFA will buy at least another 40,000 tons, bringing the total purchase of Thai maize in the 1981-82 season to 60,000 tons. The agreement for the first 20,000 tons was signed in Manila recently by Mr Pricha who represented the BOT and the administrator of the NFA, Mr Jesus T. Tanchanco. [Excerpt] [Bangkok BANGKOK POST in English 29 Sep 81 p 23 BK]

OVERFLIGHT REQUEST TO USSR--Bangkok, 17 Sep --Thailand has asked the Soviet Union to double overflight rights for its flag carrier, Thai International (THAI), a senior Communications Ministry official said today. Undersecretary of state for communications Choengchan Kamphu said he put the request to Soviet civil aviation authorities during a recent visit to Moscow as part of a Thai Government delegation led by deputy premier Praman Adireksan. THAI currently overflies the Soviet Union three times per week on flights to Europe. Mr Choengchan said he expected the Soviet Union to give the greenlight to the request--for about six overflights per week--by the end of this year. Thailand is allowing the Soviet carrier Aeroflot to make about seven overflights per week, he noted. [Text] [Hong Kong AFP in English 0625 GMT 17 Sep 81 BK]

CSO: 4220/38 END

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SCIENTISTS' WARNING ON ANTARCTIC TERRITORY

BK140812 Sydney WEEKEND AUSTRALIAN in English 26-27 Sep 81 p 2

[Article by Peter Dwyer]

[Text] Australian Antarctic scientists believe the nation will lose much of its Antarctic territory to the Russians if it doesn't spend more than $100 million as soon as possible to reaffirm its claim.

With the territory would go potentially rich oil and mineral deposits the scientists say Australia has been too slow in trying to prove.

The scientists will meet informally in Canberra next week to begin preparing a submission for the federal government on what should be done about mineral exploration.

They want Australia to get on with the job of exploration and study its environmental effects before the present Antarctic treaty runs out in 1991 and the continent is "up for grabs."

Russia has never recognised Australia's Antarctic territory claim and has built four stations of its own in the zone.

The Russian stations are much larger than Australia's Mawson, Davis and Casey, and much more scientifically effective, according to the scientists.

One of them, the deputy director of the Australian Antarctic Division's headquarters in Hobart, Dr Pat Quilty, said yesterday it was scientific performance that counted in the international Antarctic forum.

He said: "If Australia is to have any credibility in that international forum, it must produce results.

"That's where we're being swamped by the Russians. They're doing good work and a lot of it, and they're getting it all published. They have gone in there in a big way.

"We haven't. We've gone down and scratched around to do a few little things with the logistics we have. We now have to sit down and say if we are going to do things in Antarctica, we're going to do them properly.

"The time has come for the Australian Government to decide what to do with its Antarctic claim. I believe the government does not know what it is doing in Antartica. We are there.

"It is time they found out what they think the Australian people should get out of Antarctica."

The $100 million-plus the scientists say must be spent covers logistics for the Antarctic operation and does not include the cost of resource exploration.

Dr Quilty said exploration in northern Canada and Alaska, similar to that he anticipated Australia should conduct in Antarctica, received an annual budget of between $4 million and $6 million.

The work would mainly involve rebuilding the three Antarctic stations, providing a new ship to service them and building a runway in the ice-free area near Davis station.

The government has already committed $59 million to a station rebuilding program and work has begun, but the Antarctic Division fears the spending would be worthless unless the government quickly allocates more than $50 million extra for the new ship and the airstrip and drastically steps up its rebuilding program.

The Danish ships now servicing Australian stations in Antarctica are considered by the division as being near the end of their days, and division officers say there are not many other ice-toughened ships around.

The division says an airstrip would make regular flights by scientists for short research periods possible. At the moment, they either spend several weeks on a boat getting to and from Antarctica or are forced to take infrequent flights through Christchurch, New Zealand, and the American Antarctica station McMurdo.

Scientists say these logistics matters need urgent attention before Australia can be seen to be conducting significant scientific research in its territory and, as a result, be able to stake an acceptable claim.

Dr Quilty said: "One matter that is rearing its head as a major subject in any treaty negotiations after 1991 is minerals, particularly oil.

"There are some areas of Antarctica that could have very high oil potential and it's oil that the world is going to need.

"We need to know what the oil potential of the Australian territories is. If we could show there were areas of high potential, government policy would probably be to hold on to our territories.

"With the Antarctic territories and the Australian continent, Australia lays claim to about 10 percent of the world's land mass and has only 0.3 percent of the world's population. Somewhere, someone is going to notice that imbalance.

"If we want to maintain that sovereignty over the Antarctic we have to be seen internationally to be responsible for the maintenance of the territories."

CSO: 4220/43

ANTARCTIC STATIONS IN NEED OF REPAIR

BK140401 Sydney THE AUSTRALIAN in English 1 Oct 81 p 2

[Article by Jane Ford]

[Text] Australia's Antarctic stations are in such disrepair that questions are being raised on whether Australia can continue its role as an effective Antarctic treaty member.

A government committee has found that buildings at Casey, Mawson and Davis stations have deteriorated so much that continuous maintenance is no longer practical and they have to be replaced.

In a report on redevelopment of the stations the parliamentary standing committee on public works said the rebuilding of three stations, at a cost of $58 million, must go ahead immediately if Australia is to continue scientific research and maintain an effective presence on the continent.

Buildings leaked, non-protected steel was heavily rusted, power shortages were constant and there were serious waste disposal problems. More, safety and efficiency were being affected.

The committee proposed that new buildings be constructed at the three stations over the next 10 years to a new design which would give larger and more attractive living and sleeping quarters, greatly improved generating facilities, better water, waste disposal and fire protection systems, and improved recreation facilities.

The new building system had been field tested in Antarctica and could be prefabricated in Australia and shipped to the continent for erection.

A unique integrated system of sewage and waste disposal had been developed to minimise discharge to the environment. It involved a biological treatment plant, the first to be installed in Antarctica, and a compaction unit for storage of solid waste for removal to Australia.

The committee said there was a need for an urgent investigation into providing Australia's polar stations with air services for travel to and within Antarctica.

A multi-purpose resupply and research vessel was also necessary if Australia was to effectively carry out research into living marine resources.

This proposal, which has been on the drawing board for a number of years, received no funding in the budget and recently the director of the Antarctic Division, Mr C. McCue, told a Senate estimates committee that the division's ship design group had been disbanded and work on the ship had been completed as far as the group could take it. "There is no group and there is no money to pay for it," Mr McCue said.

The parliamentary committee also supported the establishment of a fourth station on the continent and said it should be built in the eastern sector.

"The committee sees the continuing presence in Antarctica as a national commitment, an endeavor in which industry has a very real and vital role to contribute," the report said.

This year's budget allowed just over $1 million for the start of construction work on the stations.

CSO: 4220/43

CANBERRA'S 'PASSIVE' STAND ON TIMOR CRITICIZED

BK210911 Sydney THE AUSTRALIAN in English 6 Oct 81 p 3

[Article by David Wilson]

[Text] The Australian Council for Overseas Aid has criticised the federal government's "passive acceptance" of continuing wholesale violation of human rights in East Timor.

The council called on the government to suspend all military aid to Indonesia until there had been "a genuine process of self-determination in Timor."

The council chairman, Mr Richard Alston, who is also state president of the Victorian Liberal Party, told a council meeting in Melbourne that in view of Indonesia's long history of prevarication on events in East Timor it was impossible to accept Jakarta's denials of a major offensive in that area.

The meeting was responding to Indonesian claims that there was no renewed military action in East Timor to suppress the independence movement.

THE AUSTRALIAN published a report by the Act'on for World Development Organisation, a joint Catholic-Protestant agency, that a campaign of "pacification" by Indonesian troops in East Timor threatened a serious famine within the next few months.

The report said East Timorese were being forced to join the forces hunting Fretilin (independence) guerrillas and crop-planting was being affected.

The agency said Indonesian forces were destroying food to prevent supplies reaching the guerrillas.

Mr Alston said: "Indonesia's comments are clearly designed to deflect criticism in the coming United Nations debate on the question of East Timor.

"Even the Jakarta press in recent times has reported renewed Indonesian military operations in East Timor.

"Furthermore several overseas aid agency sources at the council meeting have confirmed that such operations are presently under way and are severely dislocating life in East Timor, and are likely to lead to a new famine affecting the lives of thousands of people."

The council resolved to call on the Commonwealth heads of government meeting and individual Commonwealth countries to condemn Indonesia for its military occupation of East Timor and the denial of self-determination to the Timorese people.

It called also on the Senate to establish a select committee to inquire into all aspects of the federal government's conduct of its policy on East Timor, and reiterated its support for the UN resolution favoring genuine self-determination in East Timor.

The council will:

--Advise the International Committee of the Red Cross in Geneva about the situation in East Timor, urging it to resume its food and medical program and to establish a prison visitation program there and,

--Seek permission from the Indonesian Government for Australian aid agencies to carry out an on-the-spot investigation in East Timor with a view to establishing an aid program there.

CSO: 4220/43

BRIEFS

UNEMPLOYMENT FIGURES--After several months of improvement, unemployment in Australia has taken a turn to the worst. Bureau of Statistics figures released in Canberra today show the number of people looking for full time work rose by 25,000 in July to 315,000, which amounts to 5.6 percent of the work force. This compares with 5.1 percent unemployment in June and 5.8 percent in July last year. The state most affected is South Australia. Unemployment there stands at 8.6 percent, 2 percent above the national average. [Text] [BK100659 Melbourne Overseas Service in English 0830 GMT 6 Aug 81]

EEC OFFICE IN CANBERRA--The EEC has opened an office in Canberra to try to improve relations with Australia. The EEC will seek regular discussions with government leaders and officials in attempts to overcome Australia's expressed discontent with the EEC marketing policies. The office has been established following discussions between EEC and Prime Minister Fraser 4 years ago. Deputy Prime Minister Anthony recently said that Australia was having a big battle with the EEC's unfair marketing policy. [BK180957 Melbourne Overseas Service in English 0830 GMT 12 Aug 81]

ENERGY CONSUMPTION--Australia's consumption of petroleum products is continuing to fall. Sales for the 10 major petroleum products in 1980-81 are nearly 3 percent lower than in 1979-80 and the lowest for any other annual period since 1976. The largest percentage reduction has occurred in the use of stationary fuel, such as heating oil, industrial and marine diesel fuel and lighting kerosene. However, petrol consumption has risen slightly. Sales of petrol in 1980-81 are less than 1 percent higher than in the previous financial year, but well below the peak level of annual consumption in 1979. The minister for national development and energy said the overall figures show the success of the government policy of encouraging energy conservation and substitution. [BK180957 Melbourne Overseas Service in English 0830 GMT 14 Aug 81]

MINERAL PRODUCTION--The minister for national energy said the value of mineral production in Australia last year has been estimated at a record A$7,060 million or nearly US$8,000 million. The Bureau of Mineral Resources has also estimated that mineral export reached A$6,800 million last year, about US$7,690 million. Black coal, iron ore and alumina were the major contributors. The value of mineral import last year rose by 63 percent to A$2,131 million or more than US$2,400 million. Crude oil was the major import. [BK180957 Melbourne Overseas Service in English 0830 GMT 13 Aug 81]

BALANCE OF PAYMENT--Australia finished the 1980-81 financial year with a record balance of payment surplus of A$1.15 billion--that is about US$1.3 billion. It was the first annual surplus for 8 years. The main reason for the surplus was the huge capital inflow of more than A$6.5 billion, almost double the previous record inflow in the 1978-79 financial year. This capital inflow more than made up for a record current account deficit caused by poorer trading figures. [Text] [BK180957 Melbourne Overseas Service in English 0830 GMT 12 Aug 81]

ENERGY, EARTH RESOURCES INSTITUTE--The federal government has established an Institute of Energy and Earth Resources with three divisions that will concentrate on energy research. The institute is part of the Government Scientific and Industrial Research Organization [GSIRO]. One of its divisions has taken over the non-nuclear research activities of the Australian Atomic Energy Commission. This division would concentrate on chemical research directed toward development of energy resources, such as the extraction of oil from shale and the exploitation of deep coal reserves. It would also support other GSIRO research into the conversion of coal into oil, energy storage and solar energy. The institute's other energy research divisions would be engineering orientated. This division's short-term objectives would include research into how industries could reduce the use of liquid fuel for heat generation and improvement of the engineering efficiency and mobility of the country's transport system. Its long-term goal would be the development of technology necessary to insure balanced utilization of Austrialia's energy resources. [BK061157 Melbourne Overseas Service in English 0830 GMT 5 Sep 81]

HIGH COMMISSIONER TO CYPRUS--The new Australian high commissioner to Cyprus will be Miss Mary McPherson. Miss McPherson has served in Australian diplomatic services in Europe, the Middle East and Asia since she joined the Foreign Affairs Department in 1937. She is expected to take up her appointment early next year, replacing Miss E. F. Grinwade, who has been acting high commissioner in Cyprus since 1977. [Excerpt] [BK141215 Melbourne Overseas Service in English 0830 GMT 9 Oct 81]

FORECAST OF WHEAT CROPS--Canberra, 12 Oct (AFP)--Australian wheat crops of over 20 million tonnes were forecast by Sir Leslie Price, chairman of the Australian Wheat Board, at the launching of the board's new corporate strategy. The forecast of bigger crops was based on projections that wheat plantings would rise from 12 million hectares to 13.6 million hectares in 1985-6. [Text] [BK141215 Hong Kong AFP in English 0243 GMT 12 Oct 81]

TRADING GROWTH WITH IRAQ--The federal government is expecting a boost to its trade with Iraq. The minister for housing and construction, Mr Mc Veigh, said that in addition to primary products, Iraq was keen to increase its imports from Australia of items such as agricultural machinery, veterinary products, air coolers and medical products. Mr Mc Veigh said Australia's exports to Iraq had grown fivefold over the past 4 years to be worth $226 million last financial year. Mr Mc Veigh has been visiting Iraq as part of a trade mission to four nations and held talks with the Iraqi president, Mr Saddam Husayn. [Text] [BK110909 Melbourne Overseas Service in English 0830 GMT 11 Oct 81]

RECORD QUARTERLY PAYMENT DEFICIT--The Australian Government has announced its highest quarterly balance of payments deficit. A Radio Australia reporter in Canberra says the deficit, which means Australia is buying more than it is selling overseas, may force the government to consider selling Australian goods overseas at cheaper prices. The figures show the deficit for the September quarter to be more than $2.2 billion, that is, more than U.S. $2.5 billion. (Cassidy) says the government was relying on foreign investment as a means of controlling the deficit. Now that this has failed, he says, the opposition economics spokesman, Mr (?Willis), has charged that the government's economic strategy is in disarray. The treasurer, Mr Howard, has told Parliament the deficit is much higher than the government thought it would be. [Excerpt] [BK130936 Melbourne Overseas Service in English 0830 GMT 13 Oct 81]

TRADE BALANCE FAVORS INDONESIA--The resumption of Indonesian oil sales to Australia tipped the balance of trade between the two countries last financial year in Indonesia's favor for the first time in a decade. The assistant Australian minister for trade and resources, Mr McVeigh, said the value of trade between Indonesia and Australia last financial year was almost U.S. $900 million, about $66 million of which was in Indonesia's favor. Speaking in Jakarta at the end of the 2-day visit to Indonesia, Mr McVeigh said the accelerated growth of trade between the two countries was largely a reflection of the resumption of oil sales to Australia. Indonesia's other main exports to Australia were coffee, rubber and tea. Mr McVeigh said Australia's main exports to Indonesia were wheat, zinc, iron, steel, refined petroleum and livestock. [Text] [BK171215 Melbourne Overseas Service in English 1130 GMT 17 Oct 81]

COPPER ORE RESERVES--Increased copper ore reserves at the Mount Isa Mines [MIM] are indicated in MIM's annual report released on 19 October. The report says that Mount Isa Mines have an estimated 180 million tons of ore averaging 3 percent copper. Radio Australia finance reporter in Brisbane says the latest copper ore reserves are 60 million tons more than stated in last year's annual report. The annual report also shows for the first time that MIM's silver, lead and zine mine just north of Mount Isa will be brought into full-scale production in the first half of the 1990's. Ore extraction under trial mining conditions at the (Hilton) mine will begin in 1985. [Text] [Melbourne Overseas Service in English 1130 GMT 19 Oct 81 BK]

RURAL PRODUCTION--Canberra, 20 Oct (AFP)--Australian rural production in real terms will decline by 8 percent, according to the Australian Government's Bureau of Agricultural Economics. The bureau, in its official statistics today, said the growth value would show an increase of 9 percent over the drought affected result of last year, but rising farm costs would offset the increase. After allowing for inflation, the net value would decline by 8 percent. Crop production, as against value, would reach high levels. Export returns from major commodities such as wool and wheat will be dampened by the economic recession in industrialised countries. The Bureau of Agricultural Economics released these figures in advance of its normal quarterly review, due in mid-November. [Excerpt] [Hong Kong AFP in English 0631 GMT 20 Oct 81 BK]

FEDERAL POLICE MAIL INTERCEPT POWERS--The federal government may soon give federal police the powers to intercept mail and have access to records for its drug trafficking investigation. The minister for administrative services, Mr Newman, told Parliament today the government was examining the proposal put forward by the (Williams) Royal Commission Into Drugs. But Mr Newman said it was essential to protect the honest citizens' right when working out controls if federal police should be given the power to intercept mail and examine taxation records. [Text] [BK220730 Melbourne Overseas Service in English 0500 GMT 23 Oct 81]

CSO: 4220/43

BRIEFS

OIL DEPLETION RATE--Brunei's oil reserves will be depleted in 20 years time, if production continued at the present rate. This was stated by the Brunei Shell Petroleum technical director, Mr (John Whybrook), in the company's quarterly bulletin. In view of this, the company will channel future investment into exploitation of gas. [Text] [BK041524 Kuala Lumpur International Service in English 0600 GMT 4 Oct 81]

CSO: 4220/43

BRIEFS

BATTLE REPORT--Combat news: On 8 September, a mine attack conducted by the people's army between Lauhkaung and (Ni Lan Koh) in Lauhkaung district located northeast of Myitkyina wounded two enemy soldiers. On 14 September, an attack conducted by a small unit of the people's army at (Hai Khan) village in (Ka Mauk) located east of Mong Kung killed three enemy soldiers and wounded some. News on presentation of a gun by a villager after his killing of a mercenary. On 2 September, a villager from Mong Kung township killed a mercenary from the military government's mercenary army who had been terrorizing them in various ways. A carbine and shells carried by the mercenary were handed over to the people's army. [Text] [BK031257 (Clandestine) Voice of the People of Burma in Burmese to Burma 0030 GMT 2 Oct 81]

HALF-YEARLY BATTLE REPORT REVIEW--Combat news on the total number of battles fought during the first half of 1981 in eastern Keng Tung. During the first half of 1981, that is from 1 January to 30 June, the people and the people's army of eastern Keng Tung fought a total of 276 major and minor battles against the enemy. During these battles, 342 enemy soldiers were killed, 309 were wounded and 21 were taken prisoner. Hence, a total of 672 enemies were put out of action. A total of 129 weapons were seized from the enemy: 10 pistols, 21 G-2's, 20 G-3's, 16 G-4's, 29 carbines, 11 rifles, 7 sten guns, 4 M-79 mortars with folding stocks, and 11 2-inch mortars. Also seized by the people's army were: 69 hand grenades, 250 rounds of 2-inch mortar shells, 75 3-inch mortar shells, 120 shells, 120 shells for M79 mortars with folding stocks, 15 75-MM recoilless fieldgun shells, 72,000 rounds of ammunition of other types, 1 generator, mules and military equipment. Moreover, 15 enemy vehicles were attacked and destroyed. [Text] [BK261224 (Clandestine) Voice of the People of Burma in Burmese to Burma 1200 GMT 26 Sep 81]

CSO: 4211/2

KASHMIR CONTINUES PUSH FOR AUTONOMY FROM NEW DELHI

London 8 DAYS in English 12 Sep 81 p 24

[Article by Sundar Rajan: "Kashmir's Lion Bares His Teeth"]

[Text]

SHEIKH MOHOMMED ABDULLAH, the 'Lion of Kashmir,' accepts that the Himalayan state is 'an integral part of India,' but never lets New Delhi forget that it is fundamentally different from India's other states.

He has once again reminded Prime Minister Gandhi that the Kashmiris are determined to maintain the state's autonomous status as the country's only one with a Muslim majority, and to fight for the abrogation of 300 federal laws extended to Kashmir without prior consultation with his National Conference Party.

The occasion was the installation of his 43-year-old son, Farooq Abdullah, as president of the National Conference Party, a post the sheikh held for 40 years. He remains the state's chief minister, but has hinted that he might retire in favour of Farooq after the next elections to the legislative assembly, due in two years. He intends to make sure that the political leadership in Kashmir is in safe hands after his death — he is already 76, and ailing.

Farooq's inauguration is Srinagar was marked by much enthusiasm. The crowds — partly drummed up — and the fiery speeches directed at New Delhi were meant to impress upon the Gandhi government that the sheikh and his National Conference Party alone matter in Kashmir. According to observers, the sheikh does not really expect Gandhi to repeal the 300 laws 'imposed' on his state. Nor does he expect a return to the status quo which prevailed at the time of the partition of the subcontinent, when the Hindu maharajah of Kashmir had yielded to the central government only defence, foreign affairs and communications. But the demand will help Farooq Abdullah rally Kashmiri Muslims behind him, and make up for the fact that he lacks his father's charisma.

A committee of the sheikh's cabinet has prepared a report on what needs to be done to enable Kashmir regain a fully autonomous status within the Indian union. The emphasis will be on negotiations with the federal authorities.

A senior National Conference Party official told *8 Days* that if the talks fail, 'the struggle for complete internal autonomy will take other forms.' He did not rule out an open confrontation with the central government 'even if it means the National Conference having to leave office,' and added that the theme of complete autonomy would dominate the next election manifesto.

Gandhi is under pressure from elements in her Congress Party to invoke federal powers and dismiss the Abdullah regime, paving the way for a mid-term election to the state assembly. But she seems realistic enough to appreciate that her party in Kashmir has little hope of winning the election. At the same time, she does not think that the sheikh or his son can afford to court open confrontation.

Though anti-Indian sentiment has grown in Kashmir in the last three years, New Delhi feels that it is in the sheikh's own interests to keep the militant pro-Pakistani elements under control. He clearly does not want to exchange Indian for Pakistani suzerainty. Abdullah's biggest problem is that Kashmir gets nearly 75 per cent of its finances from New Delhi, and would go bankrupt without this money.

CSO: 4220/44

USSR MEDICAL TEAM STEPS UP DRUG PURCHASES

London 8 DAYS in English 12 Sep 81 p 25

[Article: "Soviets Buy Indian Drugs"]

[Text]

THE SOVIET Union is stepping up its drug purchases from India, and will give preference to national companies over multinationals operating in the country according to a Soviet medical team which recently visited Indian pharmaceutical factories. India is currently exporting Indian rupees — 400m ($44m) worth of drugs to the Soviet Union, but the share of Indian national companies in this so far is only around 25 per cent or even less, according to industry sources.

Dr Vladimir Lepakin, the leader of the Soviet medical team, said that his country is interested in buying larger quantities of Indian drugs for the treatment of cardiovascular and kidney ailments. Apparently, some Indian herbal medicines had highly impressed Soviet doctors — one which Lepakin specifically mentioned is for the treatment of liver disorders. Interest in this seems to have been sparked by growing alchoholism in the Soviet Union.

Dr Lepakin caterogically denied published reports that the Soviet Union still preferred to import drugs produced under brand names. While admitting that drugs produced under certain brand names offered considerable guarantees of reliability, he said that the Soviet Union was encouraging the use of drugs under generic names, as a matter of policy.

I.A. Modi, managing director of a leading Indian drug firm, said that the Soviet delegation got a firm assurance that the quality of drugs produced by Indian national companies was in no way inferior to those produced by multinationals. He was happy about the Soviet response.

CSO: 4220/44

FAR EAST EXPERT ANALYZES CHINA'S ATTITUDE

Jakarta KOMPAS in Indonesia 14 Aug 81 pp 1, 5

[Article: "Dr Lie Tek Tjeng Believes That Relations for 'Political and Morale Reasons Is Stated Honestly; in Politics There Is No Absolute Guarantee"]

[Excerpts] The statement of Zhao Ziyang, prime minister of the People's Republic of China, to the effect that China's relations with communist parties or movements in the Philippines, Thailand, Malaysia, and Indonesia are limited to "politics and morale" is reasonably honest and can be upheld politically.

Since, Dr Lie Tek Tjeng replied in response to a question from KOMPAS on Thursday [13 August], there is no absolute guarantee, of course, in political affairs. "If you play poker, there are rules of the game so the rule for politcal affairs is that there is no absolute guarantee," Dr Kie said. He is an expert on problems of the Far East at the Indonesian Science Institute's National Cultural Research Institute. "According to Einstein, everything is relative; nothing is absolute. One cannot rely 100 percent on the other side," he added.

Prime Minister Zhao, during his visits to all ASEAN [Association of Southeast Asian Nations] except Indonesia, on the one hand said there would be no interference in ASEAN nation efforts to "handle" the communist movements in their own countries. On the other hand he said the PRC still has "Political and morale" relations with communist movements.

According to Dr Lie, Zhao's statement is consistent with the stance taken by the late Prime Minister Chou Enlai and that of the current strong man, Deng Xiaoping. "It is reasonably honest and its honesty, of course, should be respected," he said.

Dr Lie said this is a genuine response and is the maximum endeavor to be made by the Chinese in response to the ASEAN nation request that they relinquish their support to the communist movements in the Southeast Asian region, as was pointed out by Dr Mahathir, Malaysian prime minister. Yet the opposite is true for the PRC. The Chinese are model bargainers. They will grant the minimum possible of that which is demanded by the other side because they, of course, cannot meet the maximum demand.

The reasons the PRC cannot meet this demand, the Far East expert said, among other reasons, is that the PRC fears that if it breaks off relations altogether with communst party movements in these nations, there is a very great possibility that they will change course, turn toward Moscow or Hanoi, which is becoming China's primary enemy.

Dr. Lie believes that what the PRC appeared to be offering ASEAN nations recently is that Beijing no longer will provide logistic or materiel aid to communist movements to oppose the respective local governments. It is not offering this aid because the PRC views state-to-state relations more important than relations with these communist parties. Therefore, ties with communist parties or movements in these nations have been reduced to a level below relations between nation states.

In any case, Lie Tek Tjeng said, the PRC still would like to have a "foothold" in Southeast Asia. For that reason, China persists in aiding the Khmer Rouge regime of Pol Pot which it hopes will become China's foothold in this region of the regime can regain power.

In connection with PRC efforts to seek a foothold in Southeast Asia, Dr Lie remineded his listeners of the need for nations such as Thailand to remain vigilant because the PRC's fullest support to Bangkok in the past, including oil supplies and so on, in the long run can be a "binding" factor. ASEAN's overall position will be made more difficult later with such close ties between Thailand and the PRC. "And of course, Vietnam is aware of this," Dr. Lie reminded further.

If the situation changes in the future, Dr. Lie said, for instance if the PRC becomes reconciled with the Soviet Union, if PRC modernization is successful and therefore China no longer needs the United States or Japan, and further if the next generation of Chinese leaders are members of the radical group, it is not improbable that the aim will be the communizing of Southeast Asia. And in such a situation and under such conditions, Chinese activities will be based on communist movements in the Southeast or ASEAN nations.

"But for now, no, because China fears that if it acts harshly toward ASEAN nations, these nations could be persuaded to lean toward the Soviet Union. Yet, if that fear is no longer present, if China and the Soviet Union are reconciled, the situation and conditions, of course, are also different," Lie Tek Tjeng said.

He added, there is nothing unusual about the "political and morale" relations put forward by Prime Minister Zhao Ziyang. Since they have the same ideology, China's sympathy lies with the ideological movements outside its own country. But having sympathy for them does not have to mean it must provide direct aid. "The same thing could occur if a follower of a religion were oppressed somewhere. It would be natural for followers of the same religion everywhere to sympathize with him but at the same time they did not offer direct aid," Dr Lie said.

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CSO: 4213/01

JAPANESE OFFERS BUSINESS ADVICE

Jakarta KOMPAS in Indonesian 25 Aug 81 pp 1, 9

[Article: "Japan's Advice: Private Sector Must Be Invited To Help Formulate Economic Policies"]

[Excerpts] Japanese companies in Indonesia are very interested in immediately settling the technology transfer process. By doing so they can rapidly use their expert manpower in their own companies where such workers may be used more profitably. "However government interference is an obstacle to taking care of this matter," Eiichi Hashimoto said. He is the principal adviser of Mitsui & Company and chairman of the Japan-Indonesia Economic Committee made these remarks at the ninth Indonesia-Japan conference at the Hyatt Bumi Hotel in Surabaya last week. The conference was sponsored by CSIS [Center for Strategic and International Studies].

Hashimoto explained that many joint venture companies had sent their Indonesian specialists to Japan for training and apparently many were disappointed when many of these specialists went to other jobs after they returned to Indonesia.

After quoting Industries Minister Soehoed to the effect that Indonesia would experience a shortage of experts in the future because of the very accelerated rate of industrialization, Hashimoto asked whether the statement did not conflict with the Indonesian government's pressure to repatriate their foreign manpower?

Pointing to past experience, Hashimoto said Japan had resolved the problem of transferring its textile industry to other countries and is now studying the possibility of also shifting heavy industry such as the aluminum industry [to other countries]. "Naturally if such an industry leaves, Japan will select a country which has the most potential for creating a good climate for capital investment and one that is politicaly stable," he said.

Hashimoto added, considering the friendly relations between Japan and ASEAN [Association of Southeast Asian Nations], particularly Indonesia, "I feel it would be very advantageous for Indonesia to get capital investment and technology transfers that are adapted to its industrialization policy."

Continuing in the same vein, Hashimoto reminded his listeners that generally private capital investors were very "nervous" and therefore Indonesia needed to negotiate more satisfactory terms to attract foreign investors.

Generally foreign capital investment in developing nations can be planned so that its purposes are clear and can be handled in a businesslike way, for example, by providing marketing information, the technology transfer process, and oversight by an investor of his capital investment. Very unfortunately foreign investors in Indonesia are forced to allocate more capital than planned originally, and they continually are confronted with numerous uncertainties. "I am forced to say that this will destroy the business climate for the two parties!" Hashimoto said.

Eiichi Hashimoto expanded in detail, one after another, on problems that arise for foreign capital investment in Indonesia, categorizing them into six basic problems.

They include, one, the joint venture period of 30 years is too short considering that manufacturing projects are forced to expand their operations as changes occur in the economic situation. In any case, the short time period supports those who seek huge, quick profits.

Second, capital transfer. Aside from the fact that very few Indonesian businessmen invest in joint ventures, the Indonesian government wants the capital transfer to be done jointly. Meanwhile the terms for expanding capital for the respective companies differ and this causes complications.

Third, the technology transfer process.

Fourth, prohibition of reinvestment by joint companies. Reinvestment of capital is permitted in all ASEAN countries but Indonesia.

Fifth, the need to improve the investment climate. Hopes for an improved investment climate include improvement of the infrastructure, the taxation system, and similar factors.

Sixth, the need for a neutral institution for settling labor disputes.

Eiichi Hashimoto said he had submitted a request to the Indonesian government for the very great need to get opinions from the private sector when the government planned a general economic policy. "Of course, this need not be done if sensitive matters are involved," he said.

Hashimoto believes this would be of benefit for the experience as well as comprehension of the private sector, and it would raise the entrepreneurial level. He used the example of the Japanese Ministry of International Trade and Industry (MITI) which consults with the private business sector each time it plans a new policy for the industrial or economic sector.

6804
CSO: 4213/01

TEAM FORMED TO PREVENT LABOR DISPUTES

Jakarta KOMPAS in Indonesian 28 Aug 81 pp 1, 12

[Article: "PANGKOPKAMTIB Says Company Labor Union Leaders Must Be Good Men"]

[Excerpts] Labor organizations (FBIS [All-Indonesia Labor Federation]) absolutely must be formed in any private business that employes 25 or more workers because this is important for supporting and guiding the aspirations of the labor force and also for preventing disputes which occur between workers and employers.

PANGKOPKAMTIB [commander of the Restoration of Security and Order Command] Adm Sudomo so clarified when he discussed the formation and mission of TMBP (Labor Problems Assistance Team) in Jakarta on Thursday [27 August].

The PANGKOPKAMTIB said the "Labor Problems Assistance Team" formation was based on a decision of the NAKERTRANS [manpower, transmigration and cooperatives] minister of last May. This new body or institution includes elements of the NAKERTRANS Department, representatives of the FBSI Central Executive Council, PUSPI/KADIN [Indonesian Businessmen's Conference on Social Affairs/Indonesian Chamber of Commerce and Industry], security elements (Central Operation Order Unit), and representatives of a number of other departments whose mission involves labor problems.

The formation of TBMP, he said, in no way competes with or takes over the mission and responsibilities of P4D and P4P (regional and central Committees for the Settlement of Labor Disputes) but is concerned solely with the prevention of strikes, "lock outs" (the closing down of a company by employers as a response against workers who are on strike), or other similar measures. Such disputes will continue to arise and can affect economic stability and national security.

Sudomo stated the P4D and P4P mission to date has been limited to settling strikes or labor problems that have already occurred while the formation and mission of TBMP is by nature preventive, namely, to prevent the occurrence of such strikes or conflicts of interest between workers and employers.

Thus the mission of settling labor problems continues to be and becomes the responsibility of the NAKERTRANS Department (P4D and P4P), and other agencies whose mission concerns labor problems. Only after these agencies and elements are unable to handle the problem will TBMP, headed by Oetojo Oesman, Binalindung [Development of Manpower Protection], director general "interfere" to settle the labor problem.

The PANGKOPKAMTIB clarified that development activities are increasing and the public is beginning to feel the results. To guarantee the continuation of this development, a good climate must be created as a basis, particularly for guaranteeing economic stability and national security.

Therefore, the government does not want and prohibits labor strikes, "lockouts," or other similar measures. "Consequently the government has formed TBMP to prevent conflicts of interest between workers and employers," the PANGKOPKAMTIB remarked.

To date strikes have occurred, he said, because of a lack of harmonious communication between the workers and employers involved. Both sides only looked to their own interests.

Unfortunately also both sides tended to blacken each other after the strikes or "lockouts" were over. This could be prevented or resolved through the principle of discussion and agreement which is at the heart of the HPP (Pancasila Labor Relations) system.

Employers must have an open mind toward their workers. Employers must also pay attention to their workers' welfare including guarantees of social security. This includes wages, family welfare, career building, and so on. All of these matters can be included in the "Company Regulation," industrial cooperative agreement (PKB/CLA), and so on. "Of course, these must be adapted to the actual capabilities of the company," the PANGKOPKAMTIB reminded.

Conversely, workers must also meet the positive attitude of the employers, namely, they must want to work hard to increase production and also have the necessary discipline to do this.

PANGKOPKAMTIB Sudomo seemed to shake his head on hearing reports of a number of FBSI leaders. Essentially they reported that employers in general refused or put obstacles in the way of forming a basic FBSI in their companies or pressured labor by various means that conflicted with the law or regulations in effect.

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CSO: 4213/01

PROBLEMS IN INSTITUTING MINIMUM WAGE DISCUSSED

Jakarta KOMPAS in Indonesian 25 Aug 81 pp 1, 9

[Article: "Without a Report the Government Doesn't Know How Low Wages Are; Employers Pay on the Basis of Productivity Rather than KFM"]

[Excerpts] Wages in Indonesia are among the lowest paid in other countries. Thus, the government is trying to raise the minimum wage and adapt it to employers' ability to pay such wages. Although capital investment is increasing in Indonesia, it still is not paralleled by increased job opportunities because much of the investment is capital intensive.

Harun Zain, minister of manpower and transmigration, made these remarks to newsmen on Monday [24 August] at the Department of Industries in conjuction with the opening of the national working meeting on the textile industry.

Meanwhile, Drs Frans Seda, member of the Advisory Board of the Federation of Indonesian Textile Industry Associations, believes that Indonesian wages correspond to the rate of productivity. If wages are to be increased, productivity must also be increased.

"Workers who are paid less than the minimum wage should report this fact because the government will have no information without those complaints and employers will care less about the discrepancy," Harun Zain said.

The minister believes there are problems in comparing the low wages in Indonesia with subsistence. For instance, it is almost impossible for a worker's family to live on the daily minimum wage of 600 rupiah in Jakarta. In a number of other areas, for instance in East Java, the minimum wage for someone who makes kretek [clove] cigarettes is only 250 rupiah a day.

However, Minister Harun Zain said, it is difficult to enforce the payment of a minimum wage. Information must be available on the financial level at which a business operates so that the business does not shut down, resulting in unemployment for the workers.

Minister Zain used Bali as an example. When the minimum wage was enforced, businessmen moved their operations to other locations because they could not pay the minimum wage. It is not possible to set one minimum wage because business conditions differ. Therefore the minimum wage is set per area and per sector.

The minister said the government will have no information unless it receives reports from the workers. The government usually handles the situation after there has been a dispute between an employer and his workers. The government, of course, has supervisory personnel to oversee manpower problems, but there are not enough of them to cover all industries now in operation. For instance, there are only 26 government manpower supervisors for the 13,000 industries in East Java.

Agreement on a minimum wage must be achieved through negotiation among workers, employers and the regional government. The minimum wage changes each year in line with needs and the rate of inflation. All sectors and regions do not as yet have a minimum wage.

Minister Harun Zain acknowledged that wages were low in Indonesia because, among other reasons, productivity is low. Low productivity is due to the limited education of the workers. According to he latest census figures, 50 percent of Indonesia's population is in the work force, the majority of whom, or 70 percent, apparently have not graduated from elementary school. With such a large supply of relatively uneducated workers, of course it is difficult to get a high wage.

Drs Seda, who also has a ready-made clothing business, believes Indonesian wages, particularly those in the textile field, already correspond to the rate of productivity. He stressed that this is a separate matter from that of KFM (minimum physical requirement).

He admitted that if one looks at the matter from a KFM aspect, Indonesian wages are too low. However, if an employer must pay wages in line with the KFM, the company will go out of business because it cannot afford to pay at that rate. Businessmen will only pay wages that are based on productivity and not on the basis of KFM. If productivity increases, wages will also increase but higher wages will not raise productivity directly.

"I have already tried to increase wages but apparently this did not raise productivity," Frans Seda said.

6804
CSO: 4213/01

SYDNEY WEEKLY ON INDONESIAN CAMPAIGN IN TIMOR

BK140913 Sydney WEEKEND AUSTRALIAN in English 3-4 Oct 81 p 1

[Article by Robin Osborne]

[Text] A campaign of "pacification" by more than 3,000 Indonesian troops in East Timor will cause a serious famine within the next few months, according to church sources in the East Timorese capital, Dili.

Citing a report from there, a spokesman for the aid group, Action for World Development, a joint Roman Catholic-Protestant agency, said Indonesia's tactics in Operation Keamanan (pacification) would be the direct cause of the starvation.

The report says:

--East Timorese conscripted into the Indonesian Army are being maltreated and ill-fed and some conscripts have died.

--Indonesian troops are destroying food so guerrillas of the Fretilin (independence) movement cannot get it.

--There have been mass jailings of people believed to be sympathetic to the freedom movement.

The report says: "In an attempt to eliminate all resistance--which includes supporters and their families--the authorities have conscripted large numbers of Timorese males aged between 15 and 50."

The spokesman said there was a desperate shortage of labor to prepare fields for the planting of corn, the main crop.

He said, "The growing season starts with the rains around November but by then, even if the men do come home from the front line, they will be too weak to work."

The Catholic sources report conscripts are becoming ill while with the Indonesian troops and many have died of malnutrition.

The spokesman said: "The army is using a traditional Indonesian tactic somewhat akin to, say, a grouse shoot. Many men, both troops and conscripts, move in an extended line crying out in an attempt to flush out the resistance."

As they do this, the attacking forces move through villages helping themselves to the locals' food.

The spokesman said: "Although the army is supposed to provide its own food, in fact, the supply lines are stretched and the troops are stripping the land rather like a plague of locusts.

"If the food isn't needed, then it's destroyed so as to deny it to guerrillas. As a result of this, even more villagers are forced to abandon their farms and migrate to the lowlands."

There reports say, the Timorese are either shot as suspected Fretilin supporters or herded into refugee camps.

According to the agency, the situation in the camps has deteriorated since the main aid groups, Catholic Relief Service and the International Committee of the Red Cross, wound up their operations this year.

The aim of Operation Keamanan is the creation of a pincer movement from east and west converging on the plains around the coastal town of Manatuto.

According to a recent letter from a Catholic official, schools and government offices in the district have been closed and most able-bodied citizens aged between nine and 60 have been forced to join the Indonesian patrols.

In addition to the conscriptions, there have been mass jailings of people deemed unsympathetic to Indonesia. There are at least eight prisons in East Timor, the largest being the island of Atauro, off Dili.

The Catholic Church remains a thorn in the side of Indonesia's claims over Timor. Although it has not publicly denounced the takeover, the Vatican's policy is that East Timor is an occupied country.

It is believed the Protestant Churches' Relief Program is also experiencing problems with the Indonesian authorities in Timor and has now restricted itself to Dili.

This latest battle to control Timor was foreshadowed by a major exercise in eastern Indonesia in April involving 35,000 troops as well as ships and aircraft. Australia's defence attache in Jakarta attended the exercise.

CSO: 4220/43

EAST TIMOR AGRICULTURAL DEVELOPMENT TO BE ACCELERATED

Jakarta KOMPAS in Indonesian 25 Aug 81 p 2

[Article: "Agricultural Development To be Accelerated in East Timor; Critical Acreage Is Expanding"]

[Excerpts] Agricultural development in the newest province of East Timor is to be accelerated since security is improving there. In the fourth and fifth (final) years of PELITA III [third five-year development plan], agricultural development in that area will be focused on rehabilitating agricultural facilities which were destroyed during the "war". The developmental spirit of the local community will also be aroused, for the people were severely oppressed during the almost 500-year long Portuguese colonial domination.

This information was provided by Dr Eng Achmad Tunggul Birowo, chief of the Planning Bureau of the Department of Agriculture concurrently TKPP (Agricultural Development Coodination Team) chairman for the East Timor Province, to newsman after the "Seminar for East Timor Agricultural Development" was officially opened in the city of Dili last week.

With agricultural development, it is intended that the East Timor Province will become self-sufficient rapidly in the food sector. This includes self-sufficiency in corn, rice, secondary crops, and other foodstuffs. "It is optimistic to feel this program can be carried out because East Timor has a population of only some 550,000 persons," he said.

Other measures consist of rehabilitating and increasing traditional commodity production for export as well as for domestic requirements. This includes coffee, coconuts, cattle raising, hides, and sandalwood production.

The fishery sector, especially sea fishery, also has priority for immediate development in the East Timor region because fishing was never developed during th Portuguese colonial period. The idea was that a population isolated and unable to communicate with people in other areas would be less dangerous to the political interests of that colony.

Dr A. T. Birowo said for the 5 years (since 1976) that East Timor has been integrated into the Republic of Indonesia, the central government has been and is implementing two large programs there, namely, rehabilitation projects and increasing the activities there of directorates general in the Department of Agriculture circles which

include the Directorates General for Food Crops, Estates, Fisheries, Forestry, and Animal Husbandry. In the Bobonaro (Maliana) Regency, located on the border between East Nusatenggara and East Timor, it is carrying out unified agricultural projects (food crops and animal husbandry).

The central government had budgeted about 2 billion rupiah to support both of these big programs, he said. This was realized through providing thousands of cows for breeding as well as the construction of irrigation projects around Maliana to create about 100,000 hectares of wet ricefields and dry land.

The development packages which have and will be carried out in the East Timor region are created as unified projects, for instance, agricultural development is tied in with development of training, health facilities, and so on.

With such programs it is expected that development of the East Timor region can be accelerated so that by the end of PELITA IV socio-economic conditions and other aspects of East Timor will equal those in other provinces or at the minimum will be the same as those in the East Nusatenggara Province.

In an earlier speech, Dr Sukotjo described a study made by Pakuan University in Bogor using aerial photography. The study showed that the environment and natural resources of the East Timor region are "seriously damaged." For example, forest acreage there is rapidly diminishing; there is considerable land erosion; and the slash-and-burn system in the forests is still being used for cultivation by much of the population in the interior.

He also said the acreage of critical land is expanding; moreover, of the scores of rivers in the East Timor region, water can flow throughout the year in only five. Further in a number of rivers the flow is blocked or is absorbed into the barren earth before it reaches the sea.

6804
CSO: 4213/01

CONSTRUCTION, SHIPPING AGREEMENTS WITH SOUTH KOREA

Precedence in Construction Projects

Jakarta KOMPAS in Indonesian 23 Jul 81 p 2

[Text] Indonesia will give precedence to South Korean firms whenever bids are open to the international community on projects supported by the national budget or financed through international organizations, that is whenever civilian projects call for cooperation between foreign concerns and Indonesian contractors.

For its part, South Korea is to provide study opportunities in South Korea for managers, engineers, technicians and other skilled workers from Indonesia. Every year for the next 5 years South Korea will provide teachers and facilities for Indonesians who travel to South Korea for study. Indonesia will pay for transportation expenses.

So stated an agreement, in part, between Indonesia and South Korea, that was witnessed by Purnomosidi, minister of public works, during his visit to South Korea last week. The contract itself was made between Park Tong-kyu of the Overseas Construction Association of Korea (OCAK) and Edi Kowara of the Indonesian Contractors Assodciation (AKI). Nam Duck-woo, South Korea's minister of construction [sic] also witnessed the contract-signing ceremony.

Moreover, the agreement states that South Korea will give precedence to Indonesian construction firms (i.e., the Indonesian Consortium of Construction Industries) as partners in Middle East contracts. South Korea also agrees to provide on-the-job training opportunities for Indonesian workers in the Middle East.

According to Edi Kowara, when bidding is opened on a contract for a liquified natural gas refinery, the Indonesian Government will give precedence to South Korean firms as the main contractors. Bidding on the $2.8 million project will soon begin.

In another matter, Indonesia is now making arrangements so that South Korean contractors can become the sub-contractors in some large projects valued at $4 million. The United States and Japan are providing most of the financial backing for the projects, which constitute part of the Third Five-Year Development Plan.

Indonesia and South Korea has cooperated in quite a few construction projects in the past. For example, the Jagorawi toll road was built by South Korean contractor Hyundai. Several South Korean contractors are currently working on other road-building projects, such as a number of branch roads in Sumatra and part of the Jakarta-Merak toll road.

But the two nations have long cooperated with each other, beginning with projects in the Middle East, in an effort to expand construction services to foreign countries. Most Indonesian contractors operating in the Middle East are sub-contractors of South Korean firms. The total value of the Middle East contracts comes to about $700 million. The contracts are the largest ever made by Indonesian firms up till now.

Cargo Dispute Settled

Jakarta SINAR HARAPAN in Indonesian 25 Jul 81 p 11

[Text] The fate of an Indonesian-South Korean shipping agreement, which was scheduled to go into effect 1 September 1981, was brought into question in connection with a misunderstanding that occurred last June. The dispute occurred when th South Korean Government made it difficult for Indonesian ships to transport South Korean exports to Indonesia.

These efforts on South Korea's part caused Indonesia to counter with similar measures. South Koreans found it difficult to transport good from Indonesia to their own country. Yet, South Korean ships headed for other countries with Indonesian exports on board encountered no difficulties at all.

SINAR HARAPAN's source said South Korea made shipping procedures difficult on the basis of the Shipping Promotion Law, which requires that South Korean exports be transported by national carriers, unless foreign carriers have received special permission.

The fast-growing trade relations between Indonesia and South Korea, which have stimulated national lines to transport South Korean imports, have come into conflict under the Promotion Law. Faced by that regulation, the director general of sea communications together with the Indonesian National Shipowners Association (INSA) called for discussions with the Korean Maritime Port Authority and the Korea Shipowner Association (KSA).

In April, 1981 a shipping agreement ("Liner Agreement") was reached. It will go into effect on 1 September 1981. Before that date, KSA will see that INSA carriers will not need special permission to transport goods. INSA is to assist South Korean ships transporting goods from Indonesia to South Korea.

It was reported that the South Koreans apologized for any difficulties encountered by Indonesian national carriers. By July service was back to normal for the Indonesian lines.

Whether the misunderstanding would have an effect on the Liner Agreement, the spokesman only said that he hoped it would not.

SINAR HARAPAN's source said South Korea probably made things difficult for Indonesian lines because of the joint directive of three ministers which placed a limit on timber exports (logs) to several countries. South Korea is one of the nations on good terms with Indonesia that has imported large amounts of Indonesian timber for its plywood industry. But there was a drastic reduction in shipments of logs to South Korea after the joint directive went into effect. Several South Korean

plywood factories almost had to close down. At the same time, Indonesia began to emerge as one of the chief exporters of plywood in the world. Till now South Korea has been the foremost exporter of plywood.

9792
CSO: 4213/93

COAL SHORTAGE PROJECTED FOR 1984, FOLLOWING YEARS

Large Imports Predicted

Jakarta SINAR HARAPAN in Indonesian 22 Jul 81 p 11

[Excerpts] Indonesia will have a 22,000 ton coal surplus in 1981 according to estimates based on comparisons between production and consumption. In 1982 the surplus will decrease to 17,000 tons. But in 1983 the surplus is to leap to 376,000 tons.

Drs. Hardjoko Saputra, public relations spokesman for the Department of Mines and Energy, said to SINAR HARAPAN that the 376,000 ton surplus in 1983 is the highest amount that can be reached because in the following years Indonesia will face quite large production shortages.

According to projections for 1984, Indonesia will experience a coal shortage of 289,000 tons in the supply to cement factories, PLN [State Electric Company], tin smelting industries, PJKA [railway system] and private users. The shortages will occur because it is felt the increase in production will be far smaller than the increase in consumption.

Beginning in 1984 the government must import large quantities of coal in order to overcome the shortages. Imports are expected to jump to 2.6 million tons in 1985 and to double that figure (to 5.3 million tons) in 1988. According to SINAR HARAPAN's source, large amounts of coal will probably be imported from Australia and be located on Batam Island.

In response to a question, Saputra said that although unmined Indonesian coal reserves are now quite large, future needs will also be great. In the not too distant future Indonesia will be forced to import coal in order to satisfy increasing consumption.

Saputra explained that the General Policy Design in the Field of Energy now being compiled by the government emphasizes the point that national energy policy will be directed toward decreasing dependence on oil and replacing oil as an energy source with other sorces, such as coal, geothermal energy, hydroelectric power and natural gas.

According to Directive No 506/1981 by the minister of mines and energy concerning unmined coal reserves, the state has discovered and surveyed coal reserves in regions of North Sumatra, West Sumatra, Riau, Jambi, South Sumatra, Lampung, West Kalimantan, Central Kalimantan, South Kalimantan, East Kalimantan and Irian Jaya and Special Area Aceh, and, therefore, the aforementioned regions are reserved exclusively for the state and may be exploited only by the state, in accordance with chapter 66 of Government Regulation No 32/1969.

Nevertheless, he said, the government has not shut off the possibility for Indonesian private businesses, together with the State Coal Company, to exploit and develop the coal reserves in the areas set aside for the state. The government is giving national private businesses the opportunity to develop coal reserves in several regions of Java, South Sulawesi and elsewhere that were announced previously.

Coalfield Development Contracts Initialed

Jakarta HARIAN UMUM AB in Indonesian 16 Jul 81 p 3

[Excerpts] Three foreign companies--ARCO (United States), the ARCO/Utah Consortium (United States) and Rio Tinto (United Kingdom)--have initialed contracts for coal exploitation in Kalimantan together with the State Coal Company. "But parliament and the government still need to officially confirm the contracts," said A. H. Sazili M., head of the public relations section of the State Coal Company, to ANTARA Tuesday.

In addition to negotiating with the three American and British companies, the State Coal Company is also holding discussions with AGIP [National Italian Oil Company]. AGIP is interested in mining the East Kalimantan coal reserves. According to surveys, South and East Kalimantan reserves are though to contain as much as 1 billion tons of coal.

"The foreign companies will have to be involved in the whole coal mining process in Kalimantan, from exploration to exploitation," said Sazili.

The initialed contracts were written on the division of profits system whereby the government receives 32.5 percent of production profits and the contractor receives 67.5 percent. Under this system contractors have certain obligations, like paying taxes.

It is expected that the Kalimantan coal mine will be in production by 1989.

Apart from South and East Kalimantan, areas of Tanjung Balit, Jujuhan, and Senamat in the Bungo Tebo District of Jambi also contain quite large coal reserves. Based on surveys made by the Rio Tinto company, regions of Bungo Tebo District are thought to contain coal deposits of 70 million tons. But the British company apparently is not too interested in developing the mine. "One reason is that transport is very difficult in that area," said Sazili.

The State Coal Company itself is expected to tap Jambi's coal potential in the future. But just when Jambi's coal reserves can be exploited remains indefinite, according to Sazili, because a large amount of money is needed for such a project. The State Coal Company is now prioritizing an increase in production of the Ombilin and Kalimantan mines.

The government has agreed on $100 million in export credits for the first stage of increased production of the Ombilin mine in order to raise production from 205,000 tons (1981 production plans) to 750,000 tons in 1985. The production increases will be made in stage, with the goal of adding more than 1 million tons each year from 1986 to 1990.

Sazili said the Ombilin mine will produce enough coal to satisfy local needs, like the Indarung cement plant (West Sumatra) and the planned Lhok Nga cement plant in Aceh.

There will continue to be domestic shortages of coal through 1989. In 1985 coal consumption will reach 3,940,000 tons while production is estimated to reach 3,272,000 tons. Based on projections for regular production increases at Ombilin, Bukit Asam and other mines, Indonesia is only expected to be self-sufficient in coal in 1990, witha possible coal surplus at that time.

9792
CSO: 4213/93

THAI SUPPORT FOR KHMER OPPOSITION REPORTED

PM161409 Paris LE MONDE in French 15 Sep 81 p 5

[Dispatch by Jaques de Barrin: "Kampuchea: Thailand Agrees to Attempts To Form Opposition Government Taking Place on Its Territory"]

[Text] Bangkok--Thailand has just agreed that the ad hoc committee formed during the recent Singapore summit by the three main Kampuchean opposition groups with a view to forming a coalition government can meet on its territory. "I will convene it in a few days' time," Mr Son Sann, chairman of the Khmer People's National Liberation Front [FNLPK] told us, although the Khmer Rouge have not yet appointed their representatives to this committee.

"It is important to start the process of unifying the Kampuchean resistance before the start of the UN General Assembly meeting in mid-September which is to discuss Kampuchea's representation, in order to prove to the international community that the joint declaration signed in Singapore is not a dead letter," some official circles stress, specifying that: "Everything depends on China."

In addition some people apparently hope that Son Sann, in his capacity as prime minister appointed by former head of state Prince Sihanouk and Khieu Samphan, Khmer Rouge prime minister, might head the Democratic Kampuchea delegation at the next UN session. The efforts to achieve this have not yet been successful. Furthermore, nobody has any illusions about the possibility of forming a coalition government in the short term. "It will take at least 1 or 2 years," ASEAN members state.

Once their UN seat has been saved, will the Khmer Rouge not be tempted to raise the stakes? Whatever happens, Son Sann will not compromise. "How can I head a government unless I have the majority of portfolios?" he explained. On the other hand the number of Khmer Rouge condemned by him to exile in China, and which ones they will, is negotiable. The FNLPK chairman, in view of the weakness of his military means, is at present doomed to take an intransigent attitude or else he will be swallowed [words indistinct]," according to Kuala-Lumpur.

Some ASEAN members think that it is necessary to create a third nationalist force in order to avert the Khmer Rouge danger. In this connection the disagreements between Prince Sihanouk and Son Sann are not insuperable, according to them, although the latter is still demanding that this grouping should be organized under the FNLPK banner.

The needs of the moment make it necessary to form a coalition government with the Khmer Rouge, but nobody in ASEAN fails to realize that the vital dialogue with Hanoi will be impossible as long as Pol Pot's men are in the forefront. Now, according to them, the creation of a third force is the only way of opening the debate with the "other side." "This is the signal which we must send to Vietnam to show it that a solution is possible," Malaysian Foreign Minister Ghazali Shafie told us.

Although Son Sann for his part refuses to "forecast what will happen since the main task at present is to liberate Kampuchea," he nonetheless recognized "the need to start thinking now about building good-neighborly relations with Vietnam since we must live side-by-side."

In the view of some ASEAN members, the important thing at present is to give the nationalist groups the means of realizing their ambitions in the knowledge that, as Ghazali Shafie pointed out, "The Soviet Union's support for Vietnam will not waver." In this connection it is probable that China will do nothing which might ultimately upset the balance of forces to the detriment of the Khmer Rouge.

Therefore, most support must come from the "free countries" and especially from the United States. So far the United States has made do with giving moral support to the Kampuchean resistance. Will the Reagan administration decide to go further out of a concern to contain Soviet influence? "American opinion is not ready yet," Son Sann remarked. His front has started receiving humanitarian aid from Washington; in addition he hopes to obtain financial help to increase the number of information bureaus in foreign countries. As for military aid, the White House is waiting for ASEAN to adopt a common approach in this direction before deciding," the FNLPK chairman explained.

Some ASEAN circles suggest that the "main reason" for this American reservation lies in the fear of arms supplies being diverted. The United States would like to be sure that the military equipment sent to the nationalist forces will not be "confiscated" by Thailand en route since it would have to pass through Thailand to reach the Kampuchean border. Thus on-the-spot studies are being carried out to establish the safest ways of conveying possible supplies to the right destination, the idea being to give Malaysia or Singapore responsibility for transport and delivery. Will Bangkok be offended by that?

CSO: 4200/4

BRIEFS

AAPSO DELEGATION TO LAOS--Phnom Penh, 20 Aug (SPK)--At the invitation of the Lao AAPSO committee, a delegation of the PRK's AAPSO led by its secretary general, Chum Bun Rong, left Phnom Penh today for Vientiane to attend an AAPSO international conference on solidarity with the Lao people. Khieu Khanharith, chairman of the Kampuchea's AAPSO and other personalities of the Foreign Ministry went to see the delegation off. [Text] [Phnom Penh SPK in French 1433 GMT 20 Aug 81 BK]

RELIEF TO PROVINCES--Phnom Penh, 28 Aug (SPK)--Efforts have been jointly made by the Ministries of Communications, Transport and Posts, Trade and Agriculture in transporting necessary relief to the people in various provinces. In only 3 days, 2,000 tons of seeds were trucked to Takeo Province. The road transport service brought 1,117 tons of seeds to Dangkao, Phnom Penh and Kandal Stoeng districts, Kandal Province; 900 tons to Kompong Speu Province, and 378 tons to Prey Veng Province. [Phnom Penh SPK in French 0358 GMT 28 Aug 81 BK]

CSO: 4200/4

AUSTRALIAN NEWSMAN ON POISONOUS GAS USE IN LAOS

BK280251 Bangkok POST in English 25 Oct 81 pp 6, 7

[By Nicholas Rothwell of the Australian: "Death From the Sky"]

[Text] Slowly, a cloud of yellow rain began to fall from the sky. It was a fine morning in May 1978, and the small village of Ban-non Po in Central Laos was about to be eradicated.

The assistant chief of the village of Hmong Tribesmen, Yong Mang Yang, had heard the drone of an aircraft minutes before but had scarcely looked up from his work. As part of the Pathet Lao Government-controlled sector, his people had nothing to fear.

He heard no explosions as the Mig-21 fighter circling above him dropped four brown rice-sacks from its belly, then turned and headed northwards. The bags split, releasing another cloud of yellow fumes.

In the windless spring morning, the cloud dropped silently towards the houses of the village. Minutes later, Yong Mang Yang saw his people beginning to die.

There were only a few families in the village, a loose collection of houses huddled in a hillside clearing. Moments after the yellow rain touched them, the women and children began vomiting and blacking out, followed seconds later by the men.

Yong Mang Yang could smell nothing, but could not breathe through his nose, which ran and itched. He staggered through the cloud, feeling as if sand was in his eyes, crying tears of blood, realising he was blinded.

Minutes after the rain cleared, he himself began vomiting, his stomach ached and he felt a crushing sensation in his chest. Gradually, he began to sweat, his skin turned reddish and small black spots formed all over his body--even beneath his clothing.

Those who survived the attack tried to apply traditional Hmong remedies to their wounds--but smearing opium pastes on their skin or blowing smoke from raw opium into their bloodied eyes proved pathetically inadequate, the wounds festered, and the weakest villagers died.

Within hours, the skin of the bodies turned black, and began to peel off in strips. A thin whitish pus ran from the mouths and nostrils of the dead.

Ban Non Po was attacked by the yellow rain four times within the next year. Scores of other villages in the rough hill-country in Central Laos, inhabited by Hmong tribesmen, were also attacked by government planes unleashing clouds of toxic, bright-coloured gas.

After the last attack, which was also the most severe, 14 villagers, Yong Mang Yang, as assistant chief, composed a letter to the area hospital at Bon Don for emergency help. Days later, a messenger reported that a medical team would be sent to the village to "check into the matter."

Several weeks afterwards, a six-man Lao medical team arrived and diagnosed the villagers' illness as "fever" rather than the after-effects of chemical warfare. The Pather Lao District leader, Taseng Mai Chank, told Yong Mang Yang what to do.

"If you are attacked again, shoot down the plane for proof," he said.

Tales of gas attacks, of concerted chemical warfare aimed at the genocide of the Mong tribesmen, have been filtering out of Laos with the perpetual stream of refugees that have fled the Communist Government since 1976.

Yong Mang Yang's story is one of 40 separate accounts of gassings over the past three years which have been collected by refugee workers at the Ban Vinai Camp on the Thai-Laotian border.

Samples of the poison gases have been obtained. Exact dates, places and even a log roll of the names of Hmong people killed by the attacks are known. But it has taken a full three years since the first wave of systematic gassings for Western leaders to prove that the Laotian Government has lived up to its promise to "exterminate the Hmong."

Chemical warfare has hardly ever been used before, even though all the major powers have had nerve gas stockpiles since before World War II to understand how such a blatant breach of international law was permitted to continue in the face of over whelming evidence--the scared and pitted bodies of hundreds of refugees--we must know the history of the Hmong.

For 30 years, Laos has been a battlefield, part of French Indochina, then an independent kingdom. It was overrun during the '60s by the Communist Pathet Lao guerrillas who gradually wrested control of the country from Western-backed forces.

A vital part of the Ho Chi Minh trail supply line for the Vietnam War, Laos was inevitably part of the sphere of influence of Vietnam--a "sideshow" in Indochina if there ever was one. But the collapse of the American position in South Vietnam doomed tens of thousands of Laotians who had resisted the Pathet Lao forces.

Several clandestine groups had been mobilised in the '60s by the United States to fight the Pathet Lao. The most famous of these was the CIA's "secret army" of Hmong tribesmen, led by the charismatic General Vang Pao. The fall of Vientiane to communist forces did not end their struggle, largely because they knew their past resistance had already marked them for reprisals.

Vang Pao, who has been resettled to a farm in Montana, now claims the first gas attacks against Hmong villages were made in early 1976. But it is certain systematic campaigns were not mounted until the next year, when Pathet Lao soldiers began to encounter organised military attacks made by Vang Pao's men.

The first reports were discounted as tall stories. Since the evidence came from the Hmong, who were associated with Vang Pao, it was automatically disregarded by many Western authorities. As reports became more frequent in the late '70s, events in Laos were overshadowed by the tragedy of Kampuchea.

The other major difficulty was that the United States under President Carter was eager to counter Soviet influence in Vietnam by improving its own relations with Hanoi. Anything to do with the after-effects of the clandestine role played by U.S. intelligence in the Vietnam War rankled.

The few American State Department employees, Australian relief workers and Western correspondents in Thailand who first heard of the gassings found their efforts to alert the public were scarcely encouraged by the American administration.

Regular gassings had been under way for two years when a U.S. House of Representatives Subcommittee on Asian and Pacific Affairs held a hearing on "the use of chemical agents in Southeast Asia since the Vietnam War."

Even though the hearing provided detailed evidence that systematic poison gas attacks on the Hmong people were taking place, the subcommittee concluded that evidence of Soviet involvement in the gassings was "circumstantial."

It was not until last month when the Reagan Administration produced chemical analysis of foliage affected by the apray of "yellow rain" that U.S. officials even suggested the poisons had been supplied by the Soviet Union.

But documents in the possession of the Australian newspaper show that American intelligence knew more than three years ago that Soviet personnel were managing the gassings.

The Soviet Union rejects allegations that it prepared the poisons used to kill the Hmong tribesmen and says the United States is trying to blame Moscow for what it did itself in Vietnam.

"The world public knows the extent of American chemical warfare during the U.S. intervention in Indochina," a Novosti press agency statement released last April to rebut the new American allegations said.

So sensitive to the agent orange issue is the United States that even the subcommittee which gave the first airing to the charges of gassing in Laos referred to the matter, linking this problem of public opinion to the fate of the Hmong.

"We reject the charge that since the United States used a chemical agent as a defoliant--however ill-advised or brutal that may have been--we have no right to attempt to halt the use of overtly deadly chemical agents at this time," subcommittee Chairman Lester Wolff pointed out.

Even as the subcommittee held its hearing on 12 December 1979, American diplomats were presenting the Soviet Union with the detailed reports of their evidence that the Lao Government was gassing the Hmong.

This was done at the request of congress, since the Soviet Union, "as the principal sponsor of Hanoi, particularly in the military sphere, had special responsibility to join with the United States in seeking permanently to outlaw the use of chemical agents in warfare."

American diplomats in Thailand, who had been directly exposed to the horror of the refugees' stories, decided that only firm evidence--sample of the poison gas--would convince public opinion.

This step led to a quest for hard evidence, in the form of trees and clothing charred or partly destroyed by the unknown gas. Odd samples had already been brought over the border by Hmong refugees, but were in such poor condition they could not be chemically analysed.

The yellow rain was in fact not one but many different chemical agents. A rainbow of toxic gases had coloured the skies above Laos. Soviet and Vietnamese supervisors had been seen, according to refugees, checking the effects of the poisons.

For two years attempts to isolate known chemical poisons on the foliage collected proved fruitless. Because the clouds had been described as "yellow rain" the experts tested for mustard gas, soman and other nerve gases.

Eventually, a journalist, Mr Sterling Seagrave, pointed out the reported symptoms of the yellow rain sprayed in Kampuchea, Laos and Afghanistan coincided with those caused by a class of chemical known as mycotoxins.

A specific poisonous mycotoxin group, trichothecene, derived from the grain fungus fusarium, has been frequently reported as a naturally occurring poison in the Soviet Union.

The tricothecene mould isolated on foliage sprayed by the poison gas could not occur naturally in Southeast Asia, and could not grow naturally anywhere in such heavy concentrations. This was the "compelling but preliminary" evidence presented on 14 September by U.S. Secretary of State Alexander Haig.

But was it less "circumstantial" than the information given American intelligence three years before--in the middle of the gassing campaign--which was kept secret for want of proof while thousands of Hmong continued to suffer and die?

The Hmong made perfect targets. Their villages were small and isolated. Their reports of the attacks tended to be exaggerated. Their regard for detail did not match the needs of Western officials looking for "hard evidence." It was next to impossible to draw up an accurate picture of the military operations being conducted against them.

But despite these difficulties, the role of the Soviet Union in the coordination of the gassing campaign, and precise details about how it was being run, its clandestine centres, and its ultimate aims, were all known to U.S. officials in Thailand by the end of 1978.

Refugee accounts suggest the gassings continued in Laos throughout 1980, and are still being carried out by Vietnamese and Soviet troops in Kampuchea today. The campaign of gas attacks carried out against the Hmong people in the central hill country of Laos between 1977 and 1980 were well documented by interviews conducted in the Ban Vinai refugee camp in Northern Thailand.

But in addition to these interviews carried out by U.S. State Department personnel and later presented to the congress, another set of findings was assembled, based on debriefings of Laotian Government defectors.

Collected together in an amorphous intelligence assessment, some of this information was presented in State Department reports on chemical warfar, without disclosing the organisation which conducted the studies.

One underlying aim of the U.S. inquiry into the gassings was to establish beyond any doubt that American herbicides left behind in Vietnam at the end of the war, such as agent orange, were not being used in the attacks on the Hmong.

"I hope we will be able to put to rest any fear that those lethal agents used in Laos are captured American stocks left over from the war," Representative Lester Wolff said at the outset of the December 1979 congressional hearing.

Another congressman closely involved in the inquiry, representative Jim Leach, said he was convinced the poisons came from the Soviet Union and had been given "persuasive corroboratory evidence" to this effect.

"Our intelligence agency has determined for national security reasons that this evidence should not be made public," Mr Leach said.

This information, which gave details of Soviet involvement in the gassings, was not presented to the congress--and this may have been because the details it gave implicated captured U.S. weaponry in the gassings.

Most of the critical information had come to U.S. intelligence from two defectors, both pilots who had flown on the gassing missions. They provided chapter and verse on how the operation was run by the Soviet Union.

The first narrative is the story of a Laotain people's liberation army pilot, who began flying chemical warfare operations against Hmong resistance strongholds in 1976.

The missions, "specifically intended to dispense toxic chemical agents on Hmong villagers" in the vicinity of Phou Bia--the highest mountain in Laos and one of the chief hide-outs of Vang Pao's secret anti-communist army--began in April or May 1976.

They were flown in Soviet-built Hyushin L-19 "Ravens" or in converted T-41 Cessnas as part of a co-ordinated operation between the Laotian army and the People's Army of Vietnam.

The first sign that a special campaign was to be mounted came when two Laotian helicopters were flown from the Phonsavan airfield in Xieng Khouang Province, to Long Tiang on a series of missions that transported rockets back to Phonsavan for storage.

The entire operation was mounted within the hills of Central Laos. The backbone of the country is a series of steep ridges and valleys, covered in jungle. The area is impassable to conventional troops.

It was these hills, the territory of the Hmong, that the Laotian army had decided to target. Their bases were strategically located within striking range, and any resistance soldiers trying to flee to Thailand would have to cross enemy lines at least once in a month-long trek.

Between June and August that year, the Laotian Air Force Ravens mounted several attacks on Vang Pao's troops in the same area, concentrating on the redoubt of Bouamlong.

Rocket attacks were made, but the crews responsible for loading rockets on the attack aircraft were told that the special ammunition moved to Phonsavan should not be used--even though Phonsavan was much nearer the target zone of Bouamlong than was Long Tiang, where the aircraft rearmed.

These conventional attacks on Bouamlong went on for three months, until the dry seasons began. Then, the special rockets were brought from Phonsavan to a depot near the Ban Xon airfield and were fitted onto special external arms racks on the L-19s.

The pilot claims he flew some missions using American-manufactured warheads which came in two parts, with tip and canister separated for storage, and had to be joined together before being loaded onto the aircraft racks.

But all the special rockets loaded at Ban Xon were already joined. Part of the pilot's routine pre-flight check called for him to examine the tip portion of the new rockets. Most of these he saw, were loose at the point where tip and canister joined, unlike ordinary explosive-type rockets.

In late 1976, in preparation for air strikes against two Hnong strongholds--the villages of Phou Bia and Ka Si--Laotian pilots began to fly reconaissance missions.

Piloting a Cessna, the Laotians would take two or three Vietnamese army staff officers at a time on detailed overflights of Hmong villages. Then the first attacks began.

Initially, only Laotian officers accompanied the pilots on the airstrikes, but a fortnight into the campaign, Vietnamese officers began riding in the rear seats of the L-19s and alternating missions with the Laotinas. All the Vietnamese spoke excellent Lao, and would go over situation maps of the target areas with pilots before the mission, just as the Laotian commanders did.

The pilots knew nothing about the targets until they were told what to attack at the pre-flight briefings. A different Vietnamese officer was assigned to each strike. They never communicated with Laotian ground officers during the flight.

Before every mission which carried the special rockets, the L-19 pilots were warned by Laotian commanders to fly at higher than normal altitudes when firing the rockets, otherwise the operation could prove hazardous to the crew.

The pilot could see the rockets which he was firing at the Hmong were little more than smoke dispensers. Unlike ordinary ground-burst explosive shells, they detonated in the air, some producing a mixture of white and blue smoke, some red and yellow.

Before each mission, the pilots were given a pep-talk by their commander, they are told the purpose of firing the rockets was to "cause the Hmong people to die out completely." This type of operation would "wipe out" the reactionary Hmong people.

The pilots were also warned to keep the smoke rocket missions secret. During the two years that the pilot flew these missions, he learned from the Laotian people's liberation army officers who flew with him that there were two types or rockets.

The CIRT kind, the smoke rockets, could only be fired at targets far away from combined Laotian and Vietnamese troops. But the second kind, conventional close support rockets, could be fired near friendly troop positions.

The L-19 raids at first carried five conventional rockets and three smoke rockets. But later only four rockets, normally all smoke ones, were carried.

At the end of every strike in which smoke rockets had been used, the pilot was returned to a "rest house" at Phonsavan where an army doctor and nurse would give him a physical examination. By 1978--the year when the most serious effects from the gassings are reported--the pilot was being given a very thorough physical check by the doctor, and being "closely watched" by the nurse.

Gradually an elite corps of pilots who flew the L-19s on the special missions formed. They were allowed privilege unheard of in the Laotian army. In addition to the standard pilot's salary of 12,500 kip monthly, they received a bonus of 3,700 kip daily as additional "flight pay," and free meals at Phonsavan.

This special treatment continued until late 1978, when a squadron of Mig-21 fighters supplied by the Soviet and Vietnamese air forces took over the attacks on Phou Bia.

Coincidentally, U.S. intelligence also received some of the most detailed information given about the gassings from Hmong refugees who were driven into Thailand by the same series of repeated attacks during 1978.

This makes it possible to piece together just what effect the raids carried out so clinically by the L-19s had on the "enemy" tribesmen below.

Hmong from the same central highlards of Laos described a bewildering variety of different coloured clouds of gas, all producing deadly symptoms.

Rockets fired from small aircraft had released yellow powders which contaminated water supplies and produced "harmful gasses." Anyone who drank the water began to vomit, their eyes turned red and they died within the hour.

The immediate symptoms of the gassings were vomiting of blood, bleeding from the mouth and nose, and unconsciousness. The gas was dangerous for a week unless washed away by rain. Those badly affected died within 24 hours.

Scores of corroborated reports of separate attacks began to build up a picture of saturation attacks on any village suspected of harbouring members of the resistance. American intelligence believes more than 10,000 Hmong were killed directly by the gassings between 1976 and 1980.

Reports have even been received of accidental attacks on friendly villages by aircraft with Vietnamese markings, which dropped chemicals that led to the death of 300 Hmong, mostly children, who has sided with and even sheltered the communist troops.

Confirmation of the report by the Laotian pilot was received from another pilot, who defected in 1978 after service in the Lao People's Democratic Republic (LPDR) air force.

He provided information about the attacks on Phou Bia, and said chemicals had been dispensed from light aircraft by Lao People's Liberation Army (LPLA) units in a concerted campaign beginning in May 1978.

From his account, the American report of the gas operation was compiled, it read:

"The LPLA unit responsible for the chemical warfare rockets is a special LPDR air force unit to which is attached a Soviet expert. In Vientiane there are three persons, led by a Socialist Republic of Vietnam expert, who are responsible for putting the chemicals into the heads of U.S. manufactured 2.75 rockets.

"At Phonsavan there are two persons responsible for this activity along with four Soviet experts. In Savannakhet Province, there are two other persons responsible for Southern Laos."

Other reports collected by American intelligence officers indicated that 50 Soviet civilians were permanently stationed at Phonsavan. Their precise duties were not known, but they were "connected with" chemical warfare.

More than three years after this information became known it still has not been acted on. Villagers continued to die while American diplomats presented to the Soviet Union their limited knowledge of the gassing.

They asked Soviet officials to "use their influence" to stop the attacks, even though the intelligence community already knew--and had intimated to some congressmen--that Soviet experts were running the campaign.

The information was gathered in late 1978. The large-scale gassings went on until at least May 1979 in Laos, and hundreds of Hmong men, women and children suffered or died while international diplomacy took its course.

For five years between 1976 and 1980, the Laotian Government waged a clandestine campaign of chemical warfare deep within its own country, killing thousands of men, women and children of Hmong tribes.

But a steady trickle of refugees who survived the attacks made their way from the central uplands of Laos across the border with Thailand, where they were housed in camps and then resettled to foreign countries.

More than 100,000 Hmong--almost half the total population--now live outside Laos, and some 200 of the refugees from the yellow rain have reached Australia.

Eye-witnesses of the gas attacks, their testimony throws a new light on the statistics Western diplomats have compiled as evidence to unmask the campaign.

Chi Lee Vue, mother of a Hmong family, now lives in the Sydney suburb of Carramar, just two years ago Sho had never left the Phou Bia mountain area in the central uplands of Laos.

Chi Lee Vue, her 28 year-old Son Ying Li, and her three other younger children survived ten gas attacks by Laotian army light planes and fighters during their 18 months on the run from the Pathet Lao Government.

In that time, her husband was killed by government troops, she saw scores of children die a slow death from the yellow rain, and was forced to survive on starvation rations while moving from hide-out to hide-out in the mountain forests of Phou Bia.

Chi Lee Vue says Hmong people began to leave Laos when the Pather Lao assumed control of the country in 1975. The Hmong had been associated with the American-organised resistance to the Pather Lao, led by General Vang Pao.

Vang Pao's former troops fled or went into hiding when the general left Laos late that year, but the majority of the Hmong, who had not been associated with the resistance, stayed, assuming they would be safe.

"The poisoning began in 1976, when the authorities began bringing salt, which was very hard to come by then, to the Hmong," Chi Lee Vue said.

"The bags of salt they brought were poisoned, so anyone who ate the salt was affected. First it had the effect of eating into your gums, making them swollen and black, then the teeth dropped out, and it was very painful.

"Children who ate the salt would die within four days--but for older people it took 20 days to a month."

The Hmong found that if they lit the salt it would burn with a green flame, before turning reddish-brown and leaving a sticky residue.

The first gas attack on her village, Muong Cha, came in April 1977 when a light aircraft dropped a load of yellow powder over a wide swathe of the houses in the area. At that time, none of the villagers had heard any store is about the gassings, and so had no idea what to expect.

They stood and watched as the gas fell. Only when it touched their skin, when it burnt their eyes or made their noses bleed did they run for cover.

By then it was too late. More than 100 children and older people died in the first attack, as well as most of the farm animals. The people soon decided to abandon the village.

"The planes which dropped the first clouds were small aircraft just like the ones which we see flying from bankstown airport," Chi Lee Vue said.

The villagers took refuge on their outlying farms on higher slopes, and in caves, where government troops and plane could not spot them. Then they split into groups to go on forays, hunting for food, and the different groups lost contact.

Soon the planes began spraying another chemical which polluted the water used by the Hmong, in an attempt to flush them from their hiding places. A yellow spray. It left a red deposit on the surface of water.

Anyone who drank water which had been contaminated would bleed from the mouth, vomit, have diarrhoea, fall drowsy and soon die.

For months the villagers survived, moving from place to place to avoid the Pathet Lao. They saw gas sprayed directly from planes, gas released from rockets on impact with the ground, gas scattered by rockets which bust in the air, showering them with pellets of iron shrapnel.

They came across sprays which were yellow, green, blue, white--and every gassing would be followed by a ground assault. Not even crowded religious shrines were spared from attack.

Chi Lee Vue's husband, Fay Yao, was shot in one of these raids in early 1978. "At that time we never knew whether we would survive from one day to the other," she said.

Ying Li was suddenly in charge of the family and the loose group of 23 villagers who had stayed together. Without animals or food, they survived in the forest. Meanwhile, in a village near their own, the Pathet Lao killed a young Hmong couple, thrust their child alive into a rice husker and cudgelled the baby to death.

While the Hmong survived in the hills, temperatures dropped to freezing level. The forests were covered in cloud, and the rains were falling. They eventually decided to risk the journey to Thailand, across unknown territory held by the Pathet Lao.

None of the people who undertook the journey knew what they were headed for. Each villager, wrapped in warm winter cloaks, carried only a small supply of rice and a blanket. All their other possessions were abandoned.

They crossed the Mekong three weeks later. Of the entire village, only their group reached Thailand. Chi Lee Vue's eldest son, Ge Li, had already emigrated to Australia, so, only a few months later, the refugee family arrived in Sydney in time for Christmas 1979.

"I will just live here day by day--we cannot return to Laos because the same thing will happen again, and the Pathet Lao will try to wipe out our people everywhere," she said.

The Hmong believe they are natural victims of the present government, ever since they gave support to the anti-communist resistance.

"We would like people in other countries to know about what has happened to us, but they were far away and we were in hiding in the forests while this was going on, so there was nothing we could do," Chi Lee Vue said.

She stresses the gassings only began after Vang Pao left Laos. As long as the regular resistance army was active, civilians were never victimised.

Vang Pao visited Muong Cha several times, and was close to the chief of the village. He made a strong impression on the people, mainly because he always brought supplies with him when he arrived, either by jeep or by plane, in the Hmong strongholds of Phou Bia.

"When he left he promised he would return within the year, but now hope has faded," she said.

Doubtless the general also impressed the villagers by his habit of always wearing a Western suit when he came to visit them. "All the Hmong believe in him, and trust everything he says--he is their leader."

In Australia, the Hmong have made a quick adjustment to their new life. Chi Lee Vue has nothing but praise for the Australian Government programme which has helped her to make the change from life in remote farmlands to the strange new world of Sydney.

But there are still moments when she finds it difficult to understand the fate which has swept over her people in the last few years, since the end of the Vietnam War.

"Because of the Americans our lives changed completely, but there is nothing we can do about it and no one we can tell."

With the flight from death of the Hmong, one of the last, and least-known chapters of the West's adventure in Indochina has come to its end.

CSO: 4220/59

BRIEFS

WORLD'S LARGEST TIN MINING COMPANY--The world's largest tin mining company came into being in Kuala Lumpur on 11 October following the unanimous approval by shareholders of a merger between two of the largest mining companies in the country, the Malaysian Mining Corporation [MMC] and the Malayan Tin Dredging Company [MTD]. The merger of the two companies was approved by shareholders at a meeting on 10 October. The new group will have a capital of $1.1 billion and net profit of about $370 million. It will produce nearly 18,000 tons of tin a year. [BK141235 Kuala Lumpur Domestic Service in English 1130 GMT 11 Oct 81]

CSO: 4220/43

STATE BANK ISSUES ANNUAL REPORT FOR 1980-81

BK26114 Karachi Domestic Service in English 1005 GMT 26 Oct 81

[Text] The annual report of the State Bank for 1980-81, which was released in Karachi today, says the economic situation in the country during the year was characterized by increases in the Gross Domestic Product, savings and investments. It showed improvement in budgetary and balance of payments position and deceleration in the monetary expansion.

The report says the Gross Domestic Product in real terms increased by 5.7 percent broadly in line with the annual plan target. Although the rate of growth was 1.3 percent lower than the previous year, it was better than the average of all the non-oil developing countries and was nearly twice the growth rate of the population.

In the agricultural sector, the production of wheat reached a new peak of 11.34 million tons during the year showing an increase of 5 percent over the previous year. Sugarcane crop set a new record with an increase of 16.9 percent during the year while the cotton output stood almost unchanged at last year's level of about 4 million bales.

The production of rice, however, declined by 4.7 percent to 3.97 million tons.

The manufacturing sectors recorded a growth of 9.2 percent during the year, slightly lower than the preceding year.

Cotton yarn, refined sugar, fertilizers, vegetable ghee, cement, chemical, paper board and chip board, jute goods, [word indistinct] steel products, cigarettes, safety matches and cycle rubber tires and tubes were the major industries which achieved increases in the production.

The report says the ratio of gross investment to GNP was 16 percent and of national savings to GNP 12.9 percent. The government's budgetary position showed an improvement due mainly to higher revenue receipts and large foreign resources inflow.

The monetary and credit policies during the year continued to be basically oriented to checking inflationary pressures and resulted in considerable deceleration of the rate of monetary expansion from 18.5 percent in 1979-80 to 14.7 percent in 1980-81.

The price pressure, however, increased during the year because of the stiff rise in the prices of the imports particularly oil and industrial raw materials.

The report described the export performance of the country as creditable and said exports rose by over 25 percent during the year. Marked increases were recorded in the exports of raw cotton and rice, which accounted for a 36.9 percent of the total exports.

CSO: 4220/58

EXPORT EARNINGS HIGHER IN AUGUST

Karachi DAWN in English 16 Oct 81 p 5

[Text]

Pakistan's export receipts during August, 1981 amounted to Rs 1479.6 million (148.0 million dollar) as compared to Rs 1976.1 million (199.6 millions dollar) in the previous month and Rs 1405.7 million (142.0 million dollar) in the corresponding month last year. According to figures released by State Bank of Pakistan the earnings from exports during the month were higher by Rs 404.2 million than the average of Rs 1075.4 million for this month over the past five years.

Export proceeds during the first two months of the current fiscal year (1981-82) aggregated Rs 3455.7 million ($349.1 million) as against Rs 3103.3 million (313.5 million dollar) during the corresponding period last year. The monthly average rate, therefore, works out to be Rs 1727.9 million (174.5 million dollar) which compares with the corresponding two months average rate of Rs 1551.7 million (156.7 million dollar) for 1980, Rs 1330.4 million (134.4 million dollar) for 1979, Rs 972.3 million (98.2 million dollar) for 1978, Rs 786.7 million (79.5 million dollar) for 1977 and Rs 951.7 million (96.1 million dollar) for 1976.

MAIN COMMODITIES

The commodity-wise trend of exports reveals that rice which fetched the highest foreign exchange of Rs 209.1 million registered a decrease of Rs 164.4 million over the previous month. Cotton fabrics was the second biggest foreign exchange earner and export earnings on this account indicated an increase of Rs 13.5 million to stand at Rs 191.5 million as compared to Rs 178.6 million in July, 1981. Export proceeds from articles of textile materials and textile yarn and thread at Rs 141.6 million and Rs 141.0 million showed decreases of Rs 54.9 million and Rs 26.3 million as compared to Rs 196.5 million and Rs 167.3 million respectively in the previous month. Receipts from petroleum and petroleum products and floor coverings and tapestries were also lower by Rs 114.3 million and Rs 23.9 million respectively during the month. Proceeds from clothing, leather, cotton, scientific instruments, crude vegetable materials and fresh fruit and fresh/dry nuts at Rs 87.0 million, Rs 73.7 million, Rs 56.7 million, Rs 20.5 million, Rs 18.4 million and Rs 16.6 million depicted declines of Rs 10.2 million Rs 0.9 million Rs 1.6 million Rs 2.4 million, Rs 96.2 million and Rs 8.8 million respectively as compared to the preceding month. However, earnings from non-cotton woven textiles, fish and fish preparations, railway vehicles and toys, games and sporting goods at Rs 61.8 million Rs 48.8 million, Rs 26.0 million and Rs 24.6 million recorded increases of Rs 12.0 million Rs 15.0 million Rs 26.0 million and Rs 1.0 million respectively during the month under review.

PROMINENT BUYERS

As regards the destinational pattern of exports, Japan was the most prominent buyer of Pakistani merchandise and paid an amount of Rs 133.9 million mainly for cotton (Rs 45.6 million), textile yarn and thread (Rs 36.8 million) and fresh and simply preserved fish (Rs 26.0 million) The second biggest buyer was USA that lifted goods worth Rs 129.9 million. The main items of export to USA were cotton fabrics (Rs 30.4 million), articles of textile materials (Rs 29.6 million), clothing (Rs 18.3 million) and floor coverings and tapestries (Rs 17.2 million). Some of the other notable countries in descending order of magnitude of amounts were Kuwait (Rs 119.7 million), Singapore (Rs 112.6 million), Saudi Arabia (Rs 103.7 million), Hong Kong (Rs 82.1 million), UK (Rs 75.1 million), West Germany (Rs 70.4 million), Iran (Rs. 52.4 million), People's Democratic Republic of Yeman (Rs 51.9 million), USSR (Rs 48.3 million), UAE countries (Rs 41.5 million), France (Rs 40.4 million) Italy (Rs 39.8 million), Bangladesh (Rs 35.0 million) and Cameroon (Rs 30.9 million).

EXPORTS TO RCD

Export to RCD countries totalled Rs 139.8 million (14.1 million dollar) during the first two months of the current fiscal year (1981-82) forming 4.0 per cent of the total exports as compared to Rs 261.8 million (26.4 million dollar) during the same period last year. The main items of export to RCD countries during the period were rice (Rs 36.2 million), cotton fabrics (Rs 35.9 million) articles of textile materials (Rs 28.9 million), paper and paper board (Rs 6.0 million), medicinal and pharmaceutical products (Rs 5.2 million), leather (Rs 5.1 million), other inorganic chemicals (Rs 4.2 million) and unmilled barley (Rs 3.5 million).

BARTER DEALS

Pakistan's export under commodity exchange agreements stood at Rs 137.4 million (13.9 million

dollar) or 4.0 per cent of the total export proceeds during the first two months of the current fiscal year. Barter exports decreased from Rs 72.4 million in July, 1981 to Rs 65.0 million in August, 1981. The principal trading partners under commodity exchange agreements during the month were USSR (Rs 22.2 million), Czechoslovakia (Rs 15.7 million), Hungary (Rs 10.4 million), Sweden (Rs 6.5 million), People's Republic of China (Rs 4.3 million), Bulgaria (Rs 4.2 million), North Korea (Rs 1.3 million) and Poland (Rs 0.4 million).

The main commodities exported under commodity exchange agreements during August, 1981 were clothing (Rs 17.1 million), cotton fabrics (Rs 13.9 million) articles of textile materials (Rs 10.5 million) textile yarn and thread (Rs 9.3 million), leather (Rs 6.1 million) and medicinal and pharmaceutical products (Rs 1.9 million). The remaining commodities jointly contributed for Rs 6.3 million during the month under review.

CSO: 4220/47

EXPORT HOUSES TO BE SET UP

Karachi DAWN in English 13 Oct 81 pp 1, 10

[Text]

The Government has, for the first time, introduced a scheme to set up Export Houses, duly registered by a competent Federal Authority, to systematise the procedures in respect of designing, production, salesmanship and marketing of the country's exportable goods.

With exports growing at the rate of 30 per cent during the last four years and now touching the 3 billion dollars' mark, it has now become imperative to sustain the export momentum through "a sophisticated, well-groomed mechanism", official sources explained.

They cited the case of Japan, where nine or 10 Export Houses operate 55 per cent of that country's international trade.

The Export Houses scheme has been enforced under the Registration of Export Houses Order, 1981, under which a statutory notification has been circulated among the related agencies with an offer to apply for registration as an Export House.

Conditions of eligibility for registration are that a trading company should already be registered under the Companies Act, 1913, and also as an exporter under the Registration (Importers and Exporters) Order, 1952. Besides, it should have or should undertake to establish, within a specified period, an office abroad and that its export performance in the past should be of the amount of not less than Rs. 20 lakh immediately preceding the year in which the application is made.

In view of a large number of small-and medium-size export-oriented industries, a facility has been offered to the trading companies to seek registration as an Export House in the form of a consortium.

The registration of an Export House shall be valid for a period of one year and may, on application, be renewed from year to year — subject to satisfactory export performance.

PRINCIPLES

The Registration of Export Houses Order lays down that while granting registration, the Federal Authority shall satisfy itself with applicant/trading company's managerial capacity, technical, financial and service resources, testing facilities and quality control arrangements as well as its ability to provide assistance to the supporting manufacturers in the matter of the availability of imported inputs.

The Federal Authority, constituted under the 1981 Order, comprises the Vice-Chairman of the Export Promotion Bureau as its Chairman, and the Joint Secretary (External Finance) Ministry of Finance, and the Director, Exchange Control Department, State Bank of Pakistan, as its members.

The Export House, so registered, will be entitled to import against RMR and BMR facilities on behalf of individual or a group of importers. It will be treated at par with the recognised industrial units for the purpose of advance BMR licences and will be allowed one per cent of incremental foreign exchange earnings in respect of the exports of cotton textiles and cotton yarn and 2 to 5 per cent in respect of other products.

An Export House, under the Registration Order, shall maintain proper accounts of imports and exports and submit to the Federal Authority a pre-audit annual return and a statement of exports which, inter alia, will specify the exports made on behalf of each supporting manufacturer.

Officials said that with the pace of industrialisation, particularly in regard to the exportable engineering goods, a mechanism like the proposed Export House is needed to locate new markets, promote aggressive salesmanship, ensure production in accordance with the specific design and also to cater for the after-sale service.

CSO: 4220/36

INCREASED EXPORT OF GARMENTS URGED

Lahore THE PAKISTAN TIMES in English 9 Oct 81 p 6

[Text]

Ready-made garments have in the last few years emerged as an important export item. The earnings from garment exports have gradually been climbing and stood at 74.29 million dollars in fiscal 1980-81. This marked an increase of about 40 per cent over the preceding year's figure of 53.87 million dollars. An idea of the annual percentage difference can be had from the fact that in 1978-79 the income from this source was a paltry 38 million dollars. In other words, the sales have almost doubled in value in three years' time. In view of this rising trend the current year's earnings are projected at 133 million dollars. Although on the face of it, Pakistan's progress in the field appears satisfactory, our exports are extremely small in the context of the growing worldwide trade in ready-made garments, particularly in relation to many Third World countries' income from this item. In some cases they are 10 to 15 times the earnings of Pakistan. Our relative backwardness in this sector is rather anomalous. With a strong cotton base and developed textile industry, the logical expansion should have been towards the production of garments. Among the many reasons why this has not happened, one is that garment manufacture and export is much more exacting than similar undertakings in other areas and calls for a high level of organisational and managerial skill and marketing expertise. Another reason is the absence of an adequate fabric base for this fabric-intensive industry. There is a singular lack of standardisation and quality control which makes it difficult to execute large orders and ensure the requisite finish. Two other debilitating problems are dependence on costly imported synthetic and blended fibres and the lack of trained manpower.

The Werner report on Pakistan's garment industry made a number of important recommendations to revive the sector. The report said that Pakistan could not increase its share of the world garment market unless the industry modernised itself in terms of management expertise, production methods, productivity and quality levels, training programmes and marketing techniques. It recommended the adoption of modern garment technology in place of the simple lockstitch and overlock machines. It also pointed out that joint ventures with foreign countries would be an inexpensive way to ensure a quick inflow of improved technology and marketing know-how. A related need is to encourage expansion of existing uneconomic units with liberal Government assistance. The Small Industries Corporation, for example, could set up special programmes to impart training in garment-making. Another measure of support for the industry would be to declare it a cottage industry so that it can function unhampered by small cumbersome levies that don't amount to much and discourage investment in the sector.

CSO: 4220/55

INCREASED PRESSURE ON ECONOMY CAUSING SHORTAGES

Karachi DAWN in English 15 Oct 81 p 7

[Article by Sultan Ahmed]

[Text]

SUDDEN shortages of essential commodities seem to upset us just as much as a small surplus or illusory abundance rings the alarm bells.

If we had an acute shortage of sugar and severe rationing last year, we are told we have a sizeable exportable surplus now. And if we had vanaspati shortages in some parts of the country sometime or the other last year, we are alerted to the presence of an exportable surplus now.

We exported 7000 tons of pulses last year under the mistaken notion that we had a surplus of pulses in the country. May be it was a case of misplaced zeal for exporting as much of our products as possible. So we are now importing pulses at a far higher cost, and on an emergency basis.

The same situation may arise in respect of cement at some point when because of the very high cost of construction the private building boom eases.

In an agricultural economy surplus and shortages are not uncommon. They are common not only in the developing countries but also in economies as varied as those of the U.S. and the Soviet Union. But if our planners and officials can anticipate the shortages and cover the gap they would be able to handle a surplus, too, with equal facility as long as it is not too large.

But whether it is the result of the pressure exerted by the mighty farm lobby in Pakistan, or the agitation mounted by the exporters, or it is the outcome of both, a small surplus soon assumes crisis proportions as much as a sizeable shortage does.

The country is faced with such a crisis, real or manipulated, from time to time, as our official economists, planners and senior men in the economic ministries collectively have not been anticipating or estimating the available supply or the aggregate demand on a realistic or reliable basis. So when the estimates of total demand and available supply are unrealistic, the market forces exploit the situation promptly. The shortage there becomes more acute, prices shoot up, and the crisis becomes unmanageable.

Under-estimation

Too many of our difficulties in this area spring from under-estimation of the aggregate demand for goods and services in the country. That under-estimation applies to commodities as varied as sugar, and meat, cement and pulses, vegetables and dairy products and even onions and potatoes.

All that begins with the easy official approach to the money supply in the country that generates the demand and pushes up the prices whenever there is a shortage, real or wilfully created. This is the age in which the quantification of money supply has moved away from the traditional M 1 to M 2 and even M 3, and even to the inclusion of "near money" as Paul Samulson calls it, to determine the overall money supply and aggregate national demand for goods and services.

Under the pressure from the International Monetary Fund we now treat not only the currency in circulation and the demand deposits in banks but also the time deposits in banks as components of money supply in Pakistan. That certainly is a distinct improvement over the earlier M1 position of adding together only the currency in circulation and demand deposits in banks to determine the overall money supply in the country.

But the pressure on demand in the country is built up not only by this officially accounted money supply but also the invisible inflow of money from abroad. That money comes in the shape of about Rs. 500 crore sent home through non-banking channels by our emigre workers and consumer durables worth about Rs. 500 crores sent to Pakistan to be sold at higher prices and converted into cash for current consumption and marginal savings. Together they constitute about 10 per cent of the over-all money supply in the country, and that is not a small figure.

Even more significant than this non-official flow of money into the economic mainstream are the changes in the consumption pat-

tern and the variations in the nature of the bigger consumers in the country. Demands for higher consumption are coming from large new areas which did not exist before.

Transfer of resources

There has been a progressive transfer of resources to the country-side from the towns and cities. That has been happening following the steady increase in the procurement prices for wheat, rice, sugar and cotton compared to the largely static prices of the 1950s and 1960s. When wheat prices increase by about three times within about ten years, or the basmati price rises similarly, or there is a sharp rise in the price of sugarcane, regardless of the yield, more and more money has to become available in the villages.

In addition to the steady rise in the procurement prices, there has been a tremendous increase in agricultural output as well. When wheat production rises from 7.6 million tons in 1974-75 to 11.3 million tons, rice production from 2.3 million tons to 3.07 million tons, or sugarcane from 19.9 million tons to 32 million tons in the current year and cotton production, too, increases abruptly, a lot more money has to go into the villages.

Clearly, when industrial growth in the country lags behind the agricultural growth over a long period more of the finance resources of the country have to be transferred to the rural areas, although it may be said that the big beneficiaries are not the real beneficiaries as much as the rich zamindars, waderas and neo-sardars.

And that has to spur the demand for goods and services particularly when many of those in the villages are able to grow much of their own food, including vegetables, and raise their own chicken for eggs or cattle for milk. Through this means they are able to reduce the impact of inflation on them.

Compared to the villages, wage-earners in the cities do not have such cushions to shield them from inflation. They take on additional jobs, if available, to make both ends meet. It is difficult to quantify the transfer of resources to the villages through this means, or the increase in the aggregate demand; but it is very much there.

Secondly, the pressure on the demand for essential goods and services created by the over three billion dollars that come into Pakistan through banking and non-banking channels, or as clear money and goods to be converted into cash, is very substantial. This is the demad of a new rich class willing to spend easily and increase the aggregate demand, although it may be said that the inflow of the emigre workers' earnings is only about six per cent of the Gross National Product.

The Third factor that increases the demand for goods and services in the country is the money that is afloat in the underground sector or parallel economy of the country. That is the large income of the hoarders, profiteers and like groups, the income from the construction boom in the country, money collected by those who indulge in forgery and fraud, produce fake passports and visas and send hundreds of persons abroad for jobs for a high fee, the bank staff who rob their own banks clandestinely, and all the elements who indulge in corruption and crime of profit in the country.

The number of persons involved in such operations now is very large, and so is their gross earnings. It is almost impossible to quantify this money; but surely what is too easily earned is too readily spent. The impact of such spending on the economy is bound to be large when big time corruption in Pakistan is often a corporate deed and seldom an individual act. When one officer in National Savings Organization can rob his organization of Rs. 2.3 crore, and another of Rs. 80 lakh the amount of money that can come into the consumer market through such means can be visualised easily.

Usually our planners and economists would not give great importance to these factors as agents for increasing demand, sustaining greater consumption and causing larger shortages. Therein lies the setbacks to our successive five-year plans, the sudden shortages that arise and the alarm bells that ring all around.

Conventional approach

The previous government nationalised some of the means of industrial production, but could not ensure larger supplies or manage the consumption levels. While production did not increase appreciably the consumption increased substantially. In fact, the demand for goods was artificially increased through the state TV and radio. As a result, prices shot up. That trend has been sustained all through these years.

A part of the difficulty of the officials in comprehending what is happening may arise out of their physical isolation and the improbability of their becoming victims of the shortages themselves. And traditionally, they have tended to understate problems they are not familiar with or factors that do not impinge on their lives directly. If that kind of conventional approach does not give, way to a more realistic and rational approach to the real demand and actual supply in the country sudden shortages will continue to exasperate us and small surpluses embarrass the officials.

CSO: 4220/55

REPORT ON PAKISTAN, U.S. JOINT VENTURES

Karachi MORNING NEWS in English 12 Oct 81 p 4

[Text] The Federal Industries Ministry has finalised the exercise of preparing feasibility studies of 60 specific industries for possible joint venture collaboration with American investors.

Informed sources told PPI yesterday that these feasibility studies would soon be despatched to the Pakistan-American Economic Cooperation Council in USA for circulation among the American investors.

They said that American investors who are keen to join hands with their Pakistani counterparts in setting up of joint venture industrial units in Pakistan would study these reports before coming to Pakistan next November, when an American investors' mission is due to pay a visit.

These feasibility reports they said would give sufficient information about the availability of raw material, manpower and technology and possible assistance from American investors in implementation of specific projects and marketing prospects for products both within Pakistan and outside.

The sources said that once the American investors identify industrial project of their interest, the follow-up negotiations could be held with relevant Pakistani entrepreneurs and a more detailed and comprehensive report for the selected project could be prepared.

They said that the Government had assigned a number of financial institutions and public sector corporations to prepare such feasibility reports.

These institutions include Bankers Equity Limited, Pakistan Steel and Investment Advisory Centre of Pakistan which were involved in exercise of preparing the blue prints for possible joint venture collaboration between Pakistan and American investors in specific fields.--PPI.

CSO: 4220/52

GROUND RECEIVING STATION NEAR COMPLETION

Karachi MORNING NEWS in English 19 Oct 81 p 5

[Text] Plans are in an advanced stage for the construction of Pakistan's first permanent ground receiving station for satellite pictures and data beamed to earth from outer space.

Mr Salim Mehmud, Chairman Pakistan Space and Upper Atmosphere Research Commission, said here that negotiations for the construction of the ground station were currently underway with the American National Aeronautics and Space Agency (NASA).

He said a draft memorandum of understanding arrived at between NASA and SUPARCO had been forwarded for approval to the Federal Government and once official permission was forthcoming, a final agreement would be concluded between the two agencies.

The ground station will receive pictures and other information direct from the US "Landsat" series of orbiting earth resources satellites.

These satellites are designed to photograph selected parts of the earth and collect other data relevant to mineral resources, agriculture, flood control, meteorology, weather forecasting etc.

The SUPARCO Chairman said that heretofore, Pakistan received some pictures and other information gathered by the Landsat satellites on request from NASA, but this procedure involved delays.

The procedure was that the Landsat satellite was instructed by NASA ground control to take pictures of Pakistan at certain times and store this data in its recorder.

Later on, NASA ground stations received these pictures and other relevant data from the Landsat recorders, and the Agency passed them on to Pakistan. (Such data is also received from other countries).

However, Mr Salim Mehmud explained there were three drawbacks in this procedure, namely, the delays involved; secondly the loss of picture quality in the recording process; and thirdly, NASA's inability at times to provide the required pictures due to its other commitments.

The SUPARCO chief pointed out that with a permanent ground receiving station, far greater details of all areas of Pakistan could be obtained through Landsat satellites, and these would be especially helpful in exploration, exploitation and management of natural resources.

He said some of the equipment for the ground receiving station would be fabricated by SUPARCO within Pakistan.

With assistance from NASA, the ground receiving station will be built by SUPARCO itself, he added.

He said the three-year project will cost about 10 million US dollars (around Rs. 100 million).

He stated that if the draft proposals are approved by the Pakistan Government, work on the ground receiving station will start towards the end of next year.

In conclusion, Mr Salim Mehmud said that it was tentatively planned to locate the ground receiving station in Islamabad.--APP

CSO: 4220/55

OPERATION OF CLANDESTINE VISA MARKET DESCRIBED

Karachi DAWN in English 16 Oct 81 p 1

[Article by Shaheen Sehbai]

[Text]

With almost every Pakistani youngman aspiring to go to one oil-rich State or the other, there is a boom in the clandestine visa market – despite tight government restriction. The latest to join in the racket are European companies, for the illicit trade in manpower has now turned into big business.

To obtain that precious boarding card, one has to pass through numerous check-points and meet tough conditions set by the government but the clever recruiting agents – OEP (Overseas Employment Promoters) in official terminology – and their more shrewd foreign allies have invented scores of methods to render the checks ineffective.

That visas for all Gulf States, Saudi Arabia, Libya and Iraq are bought and sold in the open market is common knowledge. The procedure adopted by the OEPs is such that no one can trace whether a person who has obtained a visa is a genuine candidate for the job abroad or whether he has bought it, irrespective of the fact whether he qualified for the job or not.

The agents have made a mockery of the rules and regulations and it is in their hand to send anyone to any country they like, depending on the deal they strike with the individual.

Ironically, everyone who buys a visa through the OEPs has to undertake before the Protector of Emigrants that "he has not paid any amount to anyone except the fees of the Protectorate and that all other expenses including the passage has been paid by the company." This is the last para of the Foreign Service Agreement which is signed by the employee, the Overseas Employment Promoter (Recruiting Agent) and the Protector of Emigrants.

A formality

That in most cases this undertaking is merely a formality is taken for granted. In practice, it hardly takes an employee between three and five minutes to obtain his Foreign Service Agreement after all the other formalities have been completed by the OEP.

The employee has to appear before the officer at the Protectorate, sign the FSA and take a copy. He is rarely informed of what he is signing far less what rules and regulations he has agreed to. (The agreement is in English except for the last para)

In almost hundred per cent cases, the employee is never bothered about the conditions, neither is he worried about the fact that his undertaking absolves the Protector of Emigrants of all responsibility regarding the terms and conditions of his service and his rights. He knows only one thing, he has paid the agent for the visa and he should fly to the country he wants. Rest is immaterial.

While all papers processed by the Employment Promoters are according to the rules laid down, it is the business of "Azad Visas" (Free Visas which allow a person to go and work anywhere) that brings big money. This business is absolutely illegal and in many ways goes against the interests of Pakistan as well as it negates all the principles on which the tall order of government restrictions has been laid.

Genuine or fake employers in host countries send their demand to the registered employment promoters in Pakistan, the number of whom has been constantly under review. This OEP registers the demand with the Protector of Emigrants and obtains a number which entitles him to advertise the posts. Applications are received in hundreds and sometimes even thousands but none or very few are looked into. Jobs demanding highly technical qualifications or professional experience are an exception.

The selection is made by the agent and a representative of the employer on the basis of who comes first and pays the price set by the agent for each visa. Different rates are current for different countries. The Saudi (free) visa is the costliest ranging between 15 and 20,000 rupees. Others in demand are Abu Dhabi, Kuwait, other Gulf States, Libya, and Iraq ranging between 10-15,000 rupees. For a successful bidder, relevant certificates are easily

forged, either by the candidate himself or by the agent if he does not qualify for the post.

The papers then go to the Protector of Emigrants who countersigns the Foreign Service Agreement between the employee and the recruiting agent on behalf of the employer.

Having passed through these formalities (and they are just formalities as nobody ever bothers to check or verify any of the requirements or conditions as lavish tips are a routine), the emigrant is allowed to proceed.

At this stage, in case of "Azad Visas", the recruiting agent, in collusion with the employer or his agent, hands over a "release document" to the employee which states that he has been released from the job and he is free to undertake any other job. This document is kept highly secret and is virtually smuggled into the host country by various methods.

This, then, completes the scandal. The employee (of none) reaches the country he bought a visa for, the agent makes several thousand rupees per visa, so does the employer or his representative who leaves the country immediately after all his visas are sold.

While this business goes in the favour of job seekers in the case of countries like Saudi Arabia and the Gulf states, in others like Libya and Iraq this could prove to be disastrous and even sometimes tragic.

In Libya, for example, anyone who lands without a job is a lost soul. The NOC he has in hand is undated and, therefore, if it is found on his person by the Customs or other security authorities at the airport, the m[illegible] immediately deported.

If he succeeds in smuggling it in, he might be twice unlucky. For upto one year he cannot take up a regular job which provides him facilities of a legal residence permit, a bank account and a contract which allow him to remit 60% of his salary.

In the absence of a regular job, his duration of stay well expire and he will become an illegal resident. According to Libyan laws, the original employer has to grant him permission for an exit visa. This he cannot obtain as he is no longer in employment and in some cases there is no employer at all.

The poor chap is so stuck that he has to work on any wage that may be offered to him as he is continuously on the run from Immigration authorities and he is in no position to do bargain. He is exploited.

'Bekar Bagh'

Having stayed in Libya for about seven years, I have witnessed scenes in the centre of Tripoli where several hundred Pakistani labour and educated workers used to sleep for months in a public park and wait for Libyan contractors to come and give them some job, at least to meet their food requirements.

The park was known in the Pakistani community as "Bekar Bagh" (Unemployed Park) and it was a great boon for those Libyan contractors who did not wish to go through the cumbersome process of recruiting Pakistani labour through regular and official channels in Pakistan.

Here was a several hundred strong force readily available to them on much cheaper rates and with no attached obligations. They would just pick up as many as wanted, hoard them into a truck and take them to the site of work. Getting only half or reduced wages, these helpless people could not register even the slightest of protest. They could not return home as they could not buy a return ticket and the original employers who gave them the entry visas were no longer traceable and so the Libyan authorities would not give them the exit visa.

In late 1977 and 1978 the traffic of such people from Pakistan to Libya was at its peak and it was this period when those ignorant of rules and regulations and desirous of seeking a foreign job, fell prey to the dubious practices of recruiting agents and their foreign allies.

During this period in Libya there used to be frequent "gheraos" of the Pakistan Embassy in Tripoli with scores and hundreds of Pakistani workers pressing the Embassy to help them obtain exit visas from Libya.

Most of these unfortunate people had sold all their valuables and put their entire assets at stake to travel abroad. Several had nervous breakdowns while quite a few even attempted suicides, as horrifying news of their wives and children being in pitiable condition back in Pakistan, reached them since they could not remit even a single penny for months.

New rules

When the situation became critical, Pakistan introduced new rules and regulations and the role of the

Protector of Emigrants was introduced who would check the credentials of the employers and see to it that none of those leaving for foreign jobs are cheated. Things changed but not much.

The clever agents and their foreign friends soon found ways and means to dodge the new system. They introduced new and more sophisticated methods to obtain visas and bypass the Protector or just get through him without being caught.

Their latest technique was detected by this correspondent in a case processed by a Rawalpindi Employment Promoter for Libya. In this case, five Islamabad villagers were chosen to proceed to Libya after paying the agent 15,000 rupees each which included their single journey air ticket to Tripoli.

The visas issued by the Libyan People's Bureau were in the name of an Italian company which is supposed to have its branch in Obari, near Tripoli. This in itself is a new dimension to this racket as hitherto the employers were either local companies in host countries or fake companies with no existence at all.

These five got the visas and also obtained their Foreign Service Agreements duly countersigned by the Protector of Emigrants in Rawalpindi. Lastly they were handed the letters of release in Arabic language and they flew to Istanbul on July 30 last from Karachi on their way to Tripoli.

In this case, these five will now face a different kind of music, since they travelled on a visa issued by a foreign company which illegally released them even before they had boarded the plane.

Libyan laws do not accept the Agreement signed in Pakistan and all employees have to sign another agreement, which is only in Arabic language, before their papers can get processed for residence visas, remittances etc. In this particular case the employer has already released them from service so this is not possible.

That an Italian company is involved proves that the scandal has attracted Europeans as well. It could just be possible that the Italian managers of the company are not aware of the scandal as all paperwork in Arabic language is processed by Libyan liaison men who could have joined hands with the Pakistani OPE to earn big money without any loss to the company.

Here the role of the Labour Attache of the Pakistan Embassy in Tripoli comes in because he is the person who verifies the credentials of a company seeking recruitment of labour in Pakistan. Some questions need to be asked from him as I know of one such official who played havoc with the name of Pakistan by allowing thousands of labour to reach Libya without provision of any jobs.

Some questions need to be asked by concerned agencies in Pakistan as well. One of these five had a passport showing 'Labour' as his profession. He signed the Foreign Service Agreement with the Italian company as a 'Tile Mason'. This agreement was signed in the presence of the Protector of Emigrants whose signatures also appear on it. The company gave him the "Release Letter" (in Arabic) which said he worked as a 'labourer'. All this appears dubious.

This correspondent obtained photo copies of all the documents belonging to one of these five unfortunate men who are now in Libya. The copies were shown to other OEPs in Karachi, the Protector of Emigrants in Karachi and other agencies involved. The unanimous verdict was that the OEP involved was guilty of a grave misconduct.

A formal complaint with the Protector of Emigrants would, all agreed, lead to immediate and automatic cancellation of the promoter's licence as well as forfieture of his security deposits of Rs.100,000.

How can these malpractices be eliminated and a fool-proof system of manpower export created is a big issue that must be tackled.

Experts believe if all the requirements from abroad are registered with the Protector of Emigrants, directly by the host countries and if the Protectorate maintains a register of professional and technical as well as non-technical personnel on the basis of a set standard of qualifications for each cadre, then the middle man or these recruiting agents can be eliminated.

The manpower export programme of other countries as Bangladesh, Philippines, Korea and even India could well be taken as an example. From India no one can take up a job directly or through any agency. Every case is processed through their manpower export department and details are made available to every embassy so that each person who goes abroad is kept track of and looked after by the Indian Government.

CSO: 4220/48

INSTITUTE OF TRAINING IN ISLAMIC LAW DESCRIBED

Karachi MORNING NEWS in English 16 Oct 81 p 6

[Article by Dr S. M. Haider, professor of law and director, Institute of Training in Shari'ah and Legal Profession, Islamic University, Islamabad]

[Excerpts] October 17, 1981 marks the beginning of a new era in the sphere of in-service training in Pakistan when a new experiment is being launched for the in-service training of District and Sessions Judges as well as Prosecuting Deputy and Assistant Superintendents of Police at the Institute of Training in Shari'ah and Legal Profession of the Islamic University. The concept received recognition, support and blessings of the President of Pakistan, General Muhammad Zia-ul-Haq, and was put into operation by the rector of the Islamic University, Mr. A. K. Brohi.

The establishment of the Institute constitutes a significant milestone in the process of Islamization and it will go a long way in consolidating Islamic legal norms and in presenting a model for the entire world of Islam to emulate. The first course is being inaugurated by the Chairman of the Federal Shariat Court, Mr. Justice Aftab Hussain.

Rule of Law

The Institute of Training in Shari'ah subscribes to the view that an active judiciary is vital for the sovereignty of the rule of law and dispensation of justice. The Institute will prepare judicial officers, police officers and legal practitioners always to reflect the aspirations of the people and to symbolize the moral values of an Islamic society. The Institute is embarking on the uphill task of promoting Islamic law through the training of judges, and public prosecutors. The Institute is concerned with the promotion of Shariat-i-Islamia.

Islamic Law

The Institute of Training in Shari'ah and Legal Profession will promote a knowledge of Islamic legal system and will relate the particulars to the fundamental rules. The trainees will be helped to study its features and directions with interest and with depth of perception. While projecting the Shari'ah framework of legal profession, the Institute will seek to establish justice in the whole of the Islamic world through the methodology of in-service training.

Thus the Institute will have direct relevance to the growing needs of the Muslim World.

Quran as Source

In the training programmes of the Institute, explicit attention will be drawn to the Quran as an authoritative source of law. References will be made to the paramount authority of the Quran to resolve the conflict between the materials bearing on legal questions. It has been pointed out, for instance, that pronouncement about what is Halal (lawful) and Haram (unlawful) should be based on categorical Quranic verses. The Institute will serve as a barrier against the intrusion of non-Islamic elements in the process of instruction in Islamic law.

In this connection it would be helpful to bear in mind that the prime motive which has actuated the in-service training activity at the Institute is a practical one: the necessity to transmit and diffuse Shari'ah norms relative to actual legal situations. One of the major concerns of the Institute is to emphasize the soundness of Islamic legal doctrines.

CSO: 4220/52

UNEMPLOYMENT AMONG MEDICAL GRADUATES NOTED

Karachi MORNING NEWS in English 18 Oct 81 p 4

[Text]

Pakistan Medical Asociation (Karachi branch has expressed concern over the increased unemployment among medical graduates and has urged upon the Federal Health Ministry to take appropriate measures warranted by the situation.

The asociation's President Dr. Badar Siddiqui in a Press statement yesterday said the problems faced by the junior doctors have assumed serious proportions with the rapid expansion in the facilities for medical education.

During the last 10 years, the number of meical colleges went up from 6 to 16 and enrolment capacity from 900 to 4,000 While the number of doctors qualifying from these medical colleges each year is estimated to be aroun 3,500 to 4,000 job facilities has not been increased to accommodate the growing number of fresh medical graduates

Dr. Siddiqui also said the problem of employment has further aggravated with the unfavourable development in the western countries and the middle East culminating in the limited acceptance of Pakistani medical manpower abroad. In few months, another batch of 4,00 doctors will be ready and thus may further aggravate the employment problem.

He said it is imperative to solve the problem of unemployment and utilization of highly skilled manpower for the betterment of the common man otherwise the consequences may be disastrous he said.—PPI

CSO: 4220/52

U.S. SCHOLAR'S VIEWS CRITICIZED

Lahore THE PAKISTAN TIMES in English 11 Oct 81 p 4

[Letter to Editor: "Area Specialist"]

[Text] In a recent talk on Nationalism and Ideology at the Institute of Strategic Studies, Area Specialist Dr. Lawrence Ziring of the West Michigan State University put across what could be termed Brahmin geopolitician Subramaniam's viewpoint--with whom, incidentally, he had a dialogue earlier. Dr. Ziring's theme was full of forebodings. Half a dozen times he stressed the 'great-Power' position of India, hinting, by implication, at Pakistan's poor situation; indicated difficulties of American help from 'that' distance, should the Russians advance southward; stressed crucial nature of the 'coming three months' with expected Russian moves; indicated unlikely return of the Afghan refugees, hinting at Russian calculation about the situation; advised Pakistan to enter into a sort of regional co-operative arrangement with India (presumably on latter's terms), implying thereby that American support was conditional on that; reminded his audience of Russians' faith in their ideology and scientific system and their belief that history was on their side; referred to Russian thinking and calculation on the regional trends in parts of our country.

He was upset when questioned about some American books (including his own) fanning regionalism. The gamut of his talk, and much that could be read between the lines, appeared to be timed and calculatedly conforming to Indo-American thinking. It would be surprising indeed if these soundings, aimed presumably at creating fear-complex, were not officially motivated.

If the Russians think history is on their side, so does every nation, and very rightly, so. That concept has nourished communities and nations throughout history. Muslim dialogue and dealings with the Russian Slavs date back to the time when Pilgrim Fathers had not yet crossed the Atlantic. As regards India being a great Power, Americans need not play Alice in Wonderland. India was a great Power long before the British came to the Sub-Continent and the U.S. appeared on the world map. Difficulty of distance is a curious argument. It could well be asked: Did that distance not exist when CENTO and SEATO were formed under U.S. cover?

Fear-charged pontification of American scholars and politicians is a bad policy, and worse strategy. Dr. Ziring's suggestion of commonness of culture and economics between Pakistan and India betrays lack of appreciation of the historical forces operating in the Sub-Continent. That one regarded as a specialist on Pakistan who has also authored some books, should think the way he does is rather surprising. His audience, composed of academicians and administrative elite, would have been happier had he sounded less awesome.—K. A. HAMID, 98-A, Satellite Town, Rawalpindi.

CSO: 4220/53

APPEAL TO SETTLE GRIEVANCES OF NEWSPAPER INDUSTRY

Karachi MORNING NEWS in English 15 Oct 81 p 5

[Text] The All Pakistan Newspapers Employees Confederation (APNEC) appealed to the Government to settle the grievances of the newspaper industry and provide needed facilities in keeping with Islamic justice, according to a Press release.

Mr Usmani, Chairman (APNEC), who lately returned from a tour of the country, urged all newspapers to implement the Wage Board decision since the Government had not put any restrictions on advertisements or the receiving of newsprint.

Mr Usmani said that he met the Federal Information Minister on October 4 and apprised him of conditions in the newspaper industry. He said, "members of the national airlines and the railways receive concessions when travelling abroad but this is not the case with members of the newspaper industry."

He also stated that conveyance allowance for members of the trade unions was inadequate. He also said: "a just policy in the allotment of plots for the members of this industry is an imperative need. These factors are causing much disillusionment in the industry."

Mr Usmani stressed the need for a policy, based on Islamic justice and equality regarding the settling of problems in the industry and providing facilities that are the right of its members.

The Chairman of the APNEC appealed to the Government to take immediate and appropriate measures to eliminate growing demoralisation in the Press and thus create congenial atmosphere.

The newspaper industry, he added, would work for an Islamic society along with the Government.

CSO: 4220/52

RISE IN KARACHI CRIME EXAMINED

Islamabad THE MUSLIM in English 9 Oct 81 p 6

[Text]

KARACHI, Oct. 8. The Deputy Martial Law Administrator Karachi presided over a meeting on Monday to assess the prevalent law and order situation and the reported increase in crime rate.

Addressing the meeting which was attended among others by the Commissioner Karachi, the DIG Police and the Deputy Commissioner and Superintendents of Police in Karachi Division, the Deputy Martial Law Administrator compared the crime figures of the year 1980 to those of of 1981 and highlighted the areas where crime had shown an upward trend.

Referring to the activities of anti-social elements in the Division, the DMLA said despite some successful raids conducted by the Martial Law teams and the Police against these elements, the evil still persisted . He opined that a concerted effort on a regular basis was necessary to curb these elements.

He stressed upon the concerned officials to launch an intensive drive against these elements especially the organisers, to wipe them out completely. In this regard he directed the concerned officials to make the Crime Control Committees more effective He advised the SHOs and the SPs to take all measures necessary to make the functioning of satta dens and sale of narcotics in their respective functional areas impossible. He said that he will judge their performance by their effectiveness in this regard.

Drawing their attention towards the increased number of fatal accidents, the DMLA pointed out that effective measures should be taken by the DIG Traffic to prevent accidents. He futher directed that special efforts should be made to expedite prosecution of defaulters as a deterrent to potential law breakers.

Speaking on the conduct of the government functionaries he stressed the need for examplary behaviour by officials at all levels to infuse confidence in the public. The DMLA directed that a strict watch over the functioning of the subordinate staff must be maintained by the district and divisinonal heads.

Speaking on the accessibility of the officials to the public, the DMLA pointed out that open kutheries were not being held regularly by vrious officers in the required usefullness of such contact as a source of information reflecting true state of affairs in a administrative unit was indisputable, he said. He directed that the DCs and SDMS must hold open kutheries in their respective areas regularly so as to listen to the problems of the general public and redress their grivences where ever possible. He further said that where redress of grievances is beyond their scope, the problems should be refered to Martial Law authorities for further action.

Regarding encroachments, the DMLA directed that once an encroachment had been removed it was the responsibility of the local police to ensure that it did not reappear.

–APP

CSO: 4220/55

MEASURES TO END LAWLESSNESS IN INDUSTRY

KARACHI DAWN in English 13 Oct 81 p 3

[Article by Ghulam Dastgir]

[Text]

SHAIKHUPURA, Oct 12: The Federal Labour Minister, Mr. Ghulam Dastgir Khan, has said that special measures are under way to eliminate those disturbing industrial peace or creating lawlessness. He hoped the pace of industrial growth would accelerate after adoption of these measures.

Talking to PPI, the Federal Minister said encouraging results had been achieved after suitable guarantees were given to the private sector.

He said a survey was under way about the nationalised units and those running in loss. They could be handed back to the previous managements.

Answering a question, the Federal Minister said recruiting agencies indulging in malpractices or irregularities had been given a stern warning to desist from such activities.

He said that in future if any complaint was received against a recruiting agency or an agent, he would be tried in a summary military court and given an exemplary punishment.

Replying to a question about the activities of a Pakistani firm in Libya, Al-Murtaza, the Federal Minister said a special team would leave for Tripoli in a few weeks to look into this affair and those found guilty would be dealt with an iron hand.

He said renewal of recruiting licences was not being undertaken for the time being and this ban would only be lifted after necessary amendment in the rules.

He said licences of about 750 recruiting agencies had been cancelled for indulging in illegal activities or perpetuating fraud on the innocent Pakistanis.

Regarding the new labour policy, he said its draft was almost complete. He hoped it would be placed before the Federal Cabinet at its forthcoming meeting at Lahore for final approval.

The Federal Minister said implementation of the new labour policy would consolidate the Islamic system of economy in Pakistan as it protected the rights of both the employer and the employee.—PPI

CSO: 4220/36

TCP TO OPEN OFFICES IN KUWAIT, SAUDI ARABIA

Islamabad THE MUSLIM in English 9 Oct 81 p 7

[Text]

KARACHI, Oct. 8: The Chairman of the Trading Corporation of Pakistan (TCP), Aftab Ahmad, said here today that they planned to open Corporation's offices in Saudi Arabia and Kuwait initially to boost the export of Pakistani products in those countries.

In an interview with the APP, he said that feasibility study was underway for opening the TCP offices in other countries also.

The Chairman said, the TCP was now making all endeavours to enter the export market in a big way. He said that the government also expected the TCP to explore all avenues to boost the export of the country side by side with the commercial exporters.

Mr. Aftab said, the TCP channellised the export orders and charged 2 to 2/12 per cent commission from the suppliers. The TCP was exporting on competitive basis enjoying no monopolistic control.

He said, the main items exported by the TCP were towels, bed sheets, nylon blankets, bed covers etc. to China, bed Sheets, pillow cover to Italy, spices to Sri Lanka, dry dates, crude drugs and rock salt to India etc.

He said, the total export figures of the TCP during 1979-80 were worth Rs 70 million and during 1980-81 worth Rs 120.50 million. He added that during July and August this year the figures stood at Rs.10.113 million the exports are increase, he added. The items exported during July and August include prayer rugs, towels T-shirts, rock salt, crude drugs, terry towels, bed sheets, ready made garments and embroidered vallets.—APP

CSO: 4220/55

PAKISTAN WOOING OIL PROSPECTING FIRMS

Karachi DAWN in English 11 Oct 81 p 10

[Text]

MONTREAL, Oct 10: Finance Minister Ghulam Ishaq Khan has called upon Canadian oil prospecting firms to come forward and invest in Pakistan, as also in mineral and forest development fields in which Pakistan can benefit from inflow of both technology and capital.

Inaugurating the Canada-Pakistan Economic Council here yesterday he said, investment in manufacturing areas, particularly export-oriented industries was also welcome.

He pointed out that because of its close proximity to the booming Middle East markets, the Export Promoting Zone at Karachi provides handsome opportunities to multi-national corporations in establishing competitive production facilities.

"After the completion of the steel mills project," he added, "bulk of the investment in coming years will be channelled through the private sector."

"Even for industries which form a major part of the public sector such as cement, sugar and heavy engineering Government of Pakistan is willing, indeed keen, to encourage foreign private investment."

Mr Ghulam Ishaq Khan elucidating Pakistan's industrial policy said the aim is to encourage simultaneously private investment and public sector efficiency.

To attract private foreign investment he pointed out, the Government has promulgated a law guaranteeing repatriation of principal as well as interest, with no currency restrictions on such repatriation.

Praising Canada's contribution to Pakistan's economic development at government-to-government level, the Finance Minister said: "There is need to establish an equally strong link at the private sector especially with the current revival of private enterprise".

According to our special correspondent Ghani Erabi, the Canada-Pakistan Economic Council's inaugural session was attended by as many as 75 of Canada's top entrepreneurs, underlining the widespread interest aroused by the World Bank and IMF reports recording the progress made by Islamabad in imposing fiscal discipline on the country's economy and giving fillip to its argicultural and industrial development. Those present included representative of the "Bombardier", Westing House, General Motors, General Electric and Dominion Engineering and they elected Mr Gaston as president of the Canada-Pakistan Economic Council.

Summing up the progress made by Pakistan, Mr Ghulam Ishaq Khan said in the three decades since its independence, the GNP of Pakistan has quadrupled in real terms, agricultural production has doubled and industrial production has grown eightfold. The pace of growth and economic performance has had its ups and downs. The last four years have witnessed a welcome revival from a prolonged drought to self-sufficiency in wheat and sugar has been achieved and exportable surpluses in rice and cotton as well as other farm crops have registered considerable increase.

Earlier, Mr Ghulam Ishaq Khan paid tributes to Canada's contribution to the economic development of Pakistan, particularly in the establishment of infrastructure, the construction of the Warsak Dam and the training of technicians, launching of the oil exploration programme and the reclamation of land hit by waterlogging and salinity.

"The assistance provided by Canada has been of such solid character" he concluded, "that it should be termed as model transfer of real resources from the developed to the developing world."

The Council has the blessing of the Canadian External Affairs Department and Canadian International Development Agency and of the Embassy of Pakistan. But it is a private organisation, consisting of Canadian and Pakistani business firms, and is designed to provide a framework for closer ties, including joint enterprises. So far 31 Canadian firms have joined the Council.

Mr Ishaq Khan said: "I believe that the Council can play a significant role in promoting economic cooperation through dissemination of information about our investment strategies, through organizing exchange of visits of bankers, industrialists, and traders to Pakistan and Canada and through bringing together enterpreneurs of the two countries in organising joint ventures and mutually profitable investments." —PPI/APP.

CSO: 4220/47

RESOURCES TO BE MOBILIZED TO BOOST WHEAT OUTPUT

Karachi DAWN in English 11 Oct 81 p 4

[Text]

ISLAMABAD, Oct 10: Vice-Admiral, M. F. Janjua, Federal Minister for Food and Agriculture on Thursday said the Government will mobilise its best available resources plus quality seeds, fertilizers and latest technology to meet this year's wheat target of 12.2 million tons which is 7.5 per cent higher than the last year's wheat production of 11.34 million tons.

The Minister told newsmen about various positive steps which the Government are about to take for better wheat production.

He said the President, General Mohammad Zia-ul-Haq has directed the other relevant Government bodies to cooperate with the Ministry concerned. The President has also asked the Food Ministry to provide the growers with scientific knowledge on harvesting

Mr Janjua said that a sum of Rs 542.7 crore has been fixed as credit target for loan scheme as compared to Rs 400. crore of the last year. Out of the total amount, Rs 369.4 crore will be released to growers for seeds and fertilizers

He said the present wheat requirement of the country is about 10.5 million tons, which, he said will increase gradually with the passage of time Therefore for yielding better wheat output the Government has decided to take more positive steps in regard to basic strategic elements such as water fertilizers, certified seeds modern technology and ofcourse timely sowing of crops.

The Government, he said, will import 20000 tractors to make vorgin soil cultiveable. The farmers who utilised thrasher and other equipment during harvesting, got more benefit than those who did not, in the past, the Minister said.

He said the problem of water shortage for irrigation will be dealt with more effectively in collaboration with WAPDA.

He said that quality seed gives about 15 to 20 per cent higher yields. The ratio of wheat seeds to be distributed among the farmers this year will be 20 per cent higher as against the last year which was 10.80 lakh maunds, the Minister said

CSO: 4220/47

EDITORIAL ON WHEAT TARGET, STRATEGY

Karachi DAWN in English 15 Oct 81 p 7

[Editorial: "Wheat: Target & Strategy"]

[Text] The production target of 12.2 million tons set for the coming wheat crop by the Federal Government envisages an increase of 0.82 million tons over last year's actual output of 11.38 million tons. This will add up to a 7.2 per cent rise in output which is higher than the rate of increase in the population. During the coming year, the targeted production is expected to leave a marginal surplus after meeting the country's food requirements, but the achievement of the target will depend as much on inputs as on natural factors, especially the weather. For the last four years, various food and cash crops have been showing a progressive trend in production, which is due in part to favourable weather conditions. The production of rice and cotton already leave a surplus after meeting the internal demand. This, together with the attainment of near-self-sufficiency in wheat, can be regarded as a major breakthrough. For over a quarter century Pakistan suffered from a wheat deficit which was a grave blow to the national economy. Self-sufficiency is going to be a great blessing for an oil-importing poor country like Pakistan. But like all other crops, wheat is vulnerable to natural conditions, and the only firm guarantee of self-sufficiency lies in producing a sizable surplus.

The present rate of growth in wheat production is no doubt satisfactory, but from a longer-term point of view, it needs to be accelerated for several reasons. First, the trend towards higher consumption of wheat has been accentuated by urbanisation. Secondly, an increase in the per capita consumption, coupled with the high rate of population growth, will keep the internal demand for wheat on a rising level in the years to come. These factors, coupled with the susceptibility of the crop to natural hazards and the vagaries of the weather point to the need for a sizable increase in output from year to year. This will make it possible to build up and maintain sizable buffer stocks as an insurance against a poor crop. All this implies advance planning, and it is reassuring that the Government agencies are taking appropriate action on a number of related fronts. The measures include arrangements for easy availability of agricultural inputs and credit and the long-tern endeavour towards increasing per acre yields. The Federal Food Minister has announced that the availability of certified seed is being increased by 20 per cent and that of fertiliser by 25 per cent. Availability of water is also expected to increase this year as more tube-wells are being sunk and the Government has promised steady supply of diesel oil for power

pumps. An important factor has been the growing push towards mechanised farming. This year again, 20,000 tractors are being imported. The use of locally manufactured mechanical threshers has also found favour with the farmers. Last year, according to official figures, mechanical threshers were used for processing 90 per cent of the entire wheat output in Punjab. It is encouraging that farmers are slowly realising the benefits of modern inputs. To help them further in this direction, the supply of these inputs has to be streamlined, especially for the benefit of small farmers who till the bulk of the farmland.

A major factor in the agricultural operation is the adequate and timely availability of credit facility. By the present reckoning, the outlook seems bright. As against last year's actual disbursement of Rs. 4,000 million, the target set for the coming crop is Rs. 5,427 million. One hopes that a larger share of the total amount of credit will be provided to smaller farmers. Last year, interest-free loans totalling Rs. 719 million were disbursed among small farmers and it is hoped that this year the quantum will be increased further.

The basic drawback of low productivity on the farms is yet to be tackled in a vigorous way. It is reassuring, however, that the Government has decided, as a matter of strategy, to enforce measures to increase the per acre yield, rather than relying on an increase in the area under cultivation, to achieve the target of wheat production. A comprehensive research project has been completed recently. As a result, it has been discovered that in spite of efforts towards the popularisation of modern farm technology, the farmers' average yield under normal farm conditions is very low. A major reason appears to be that rich and large landowners manage to pre-empt a disproportionately high share of the improved inputs and credits, thus leaving the bulk of the farm land, owned by small owners, untouched by modern farming strategy. Small farms are also generally ignored by extension services which concentrate on big farms to show better results. These are some of the problems and shortcomings that need to be looked into carefully, so that proper remedial action can be taken without delay. In addition, attention has also to be given to the results of research work done within the country and to recommendations made on their basis. This is how it will be possible to achieve a productivity level, comparable at least to the standards of minimum achievable output set by international farm research for developing countries.

CSO: 4220/51

BRIEFS

POWER STATION NEAR GILGIT--Gilgit, Oct 10--WAPDA will soon undertake the construction of a 360 million rupees 10-megawatt hydel power station near Gilgit under the directions of President Gen Mohammad Ziaul-Haq. Details about the project were discussed at a high-level meeting held in Gilgit recently under the chairmanship of the Martial Law Administrator, Zone 'E', Maj Gen Imtiaz Waraich. Later, it was disclosed that the project will be completed in two phases, in four years' time. In the first phase, half the capacity of the power station will be completed to meet the urgent needs of Gilgit city. Chairman, WAPDA, said that the site for the power station had been selected after extensive survey and it was hoped that the construction of the dam on Gilgit River, a few miles from Gilgit, would start soon. Maj-Gen Waraich stressed the need for accelerating the pace of work on the site. He assured WAPDA of all possible help. [Text] [Karachi DAWN in English 11 Oct 81 p 4]

BID FOR PARTIES' ALLIANCE--Fresh efforts have been initiated for the formation of a broad-based alliance of pro-Islam and pro-Pakistan political parties with Pir Sahib Pagaro and Maulana Shah Ahmed Noorani playing a leading role in it. According to reliable sources, a meeting of the defunct Pakistan Muslim League (Pagaro group), to be called shortly by the party chief, will discuss this issue. The sources added that certain sections are opposing the entry of defunct Jamaat-i-Islami into the proposed alliance. Similarly some other quarters are taking plea to keep the defunct PPP out of the new alliance. By and large, other parties are willing to cooperate with the leaders who are currently engaged in the formation of the new alliance. Maulana Shah Ahmed Noorani, chief of the defunct JUP, has held a series of meetings with several leaders recently and exchanged views on this subject.--PPI. [Text] [Karachi DAWN in English 16 Oct 81 p 1]

FOODGRAIN GODOWNS TO BE BUILT--Faisalabad, Oct. 15--The Federal Government has chalked out a plan for constructing a number of foodgrain godowns in the country with the help of the World Bank and the Asian Development Bank said here yesterday. Disclosing this here yesterday, the Vice-Chancellor of the University of Agriculture, Faisalabad, Mian Mumtaz Ali said, it had also been decided to associate the private sector in the project. The Government, he said, would provide 60 per cent of the total cost as loan to private parties and would acquire these godowns on rent for 10 years. The Vice-Chancellor was inaugurating a training course on pest control and protective measures for stored foodgrains losses at the University campus. He said that at present the Government had godowns with a capacity of 2.5 million tons while new godowns with 1.1 million tons capacity were planned to be completed by July 1982 to meet storage requirements of the

next Rabi crop. The training course, he said, had been sponsored by the University at the request of the Punjab Government for 500 Assistant Food Controllers and Food Inspectors. They would be trained for protecting stored foodgrains and avoiding losses during storage. Training course for these officers would be completed before the next wheat harvesting so that they might be able to control pests and take preventive measures on scientific lines to avoid foodgrain wastage in godowns.--APP. [Text] [Karachi DAWN in English 16 Oct 81 p 12]

SUGARCANE ADVISORY COMMITTEES--Lahore, Oct. 15--To sort out the problems of growers and devise ways and means for the development of sugarcane in zone areas, advisory committees were set up for all the sugar mills in the province. These committees were formed after the Sugarcane Control Board met here yesterday under the chairmanship of Mr. Rafiq Haider Khan Leghari, Provincial Food Minister. Since the crushing season is starting this month, these committees have been asked to hold their first meeting in the first week of next month and these bodies should meet once every month. The ex-officio chairmen of these committees would be the Assistant Commissioners. In case of their absence, the General Managers of the respective mills will preside over. The Representative of growers who is also member of the Sugarcane Control Board and chairman of the respective Marakiz Council will be the permanent member. The Chairman of Marakiz Council of zone area of the mills will also be the member. The Board discussed at the meeting the viewpoints of the growers and mill managements threadbare and decided to establish 20 more purchasing centres. The mill managements were asked to arrange payment to growers within a fortnight and the staff posted at purchasing centres should be liable to transfer after a year. Moreover, the sugar mills will provide two rooms for the use of growers as rest-houses. It was disclosed at the meeting that in view of the bumper sugarcane crop, the sugar production will rise to about five lakh tons as compared to last year's production of 4.08 lakh tons. A subcommittee comprising three members each from growers and mill managements was also formed to suggest amendments in the existing Sugar Factories Control Act/Rules.--APP. [Text] [Karachi DAWN in English 16 Oct 81 p 12]

FORGED 'TAX STICKERS' ARREST--The FIA has arrested an employee of a foreign airline in connection with the sale of 'tax stickers' to Haj pilgrims. The employee was identified as M. Ilyas who was found in possession of 150 forged stickers of 100-rupee denominations. Meanwhile, the FIA is trying to locate one Abdul Qadir Sain for questioning about this 'illegal' trade. The FIA sources maintained that Sain is a former Assistant Traffic Supervisor of PIA who supplied the forged stickers to his accomplices after bringing them from Hong Kong. Inquiries revealed that Qadir Sain was once convicted in Hong Kong for forgery and was dismissed from service. [Text] [Karachi DAWN in English 16 Oct 81 p 18]

WHEAT PROCUREMENT PRICE--Lahore, Oct. 15--Vice-Admiral M. Fazil Janjua, Federal Minister for Food and Agricultural, today said that the Government was making every effort to provide inputs to the farmers on time to increase per acre yield side by side ensuring that they got better return for their agricultural produce. Speaking as chief guest at the first session of All Pakistan Kisan Board Conference here, the Minister said that during the last three years the Government had increased the procurement price of wheat from Rs. 37 per maund to Rs. 58 per maund to ameliorate the lot of the small farmers, who formed the backbone of the

country's economy. He said that whereas the new sowing season had started the Government was again considering whether to increase the procurement price of wheat. However, he added, as the country was on the threshold of self-sufficiency in wheat production and might soon be able to export wheat, the Government would have also to take into account the price structure in the international market.--APP. [Text] [Karachi DAWN in English 16 Oct 81 p 22]

SEED PROCESSING PLANTS--Islamabad, Oct. 12--The Government is setting up four seed-processing plants--three in the Punjab and one in Sind--to meet the requirements of quality seeds. Of these, one plant in the Punjab and one in Sind are expected to become operative by the end of this year or in early 1982. The total capacity of these plants is estimated at 16.5 lakh maunds which would meet about 50 per cent of the country's total requirements of wheatseeds for the coming crop. The provision of quality seeds is an important part of the Government's farm policy as quality seeds give about 15 to 20 per cent higher yield and are resistant to diseases. For the coming wheat crop the Punjab would require 23.76 lakh maunds of seeds, Sind five lakh maunds, the NWFP 3.49 lakh maunds and Baluchistan 85 thousand maunds of seeds. The balance requirements are to be met by farmers through their seeds or by purchasing them from the private sector. However, the Government has asked farmers not to buy substandard and uncertified seeds.--PPI. [Text] [Karachi DAWN in English 13 Oct 81 p 10]

GWADUR PORT FINANCING--Japan has backed out from its commitment to finance the mini-port at Gwadur, some 300 miles west coast of Karachi, it was learnt in Karachi. The Japanese International Consulting Agency (JICA) had completed the feasibility of the project and spent nearly one million dollars for the job which was completed recently by a team of six experts. The Government of Pakistan, in view of the economic viability of the project, would now seek help from other countries and aid giving agencies, sources said. The Japanese Government had pledged 30 million dollars for the project as grant-in-aid. The mini-port was primarily meant for improving the fish catch and to fully develop the fishing industry. A small jetty has been built recently some five kilometres from the proposed site of the port. [Text] [Karachi DAWN in English 15 Oct 81 p 1]

INDIAN TRADE FAIR PARTICIPATION--Pakistan is going to set up a pavilion at the International Trade Fair being organised at New Delhi from Nov. 14, to Dec. 4, 1981. The Gujranwala Chamber of Commerce and Industry is participating in the fair in collaboration with the Export Promotion Bureau, says a Press release from the Chamber. The manufactures to be displayed are air conditioners, electrical appliances, washing machines, electric lights and switch gears, non-stick kitchen-wares and stainless steel utensils. PPI adds: A convoy of 20 heavy vehicles of National Logistic Cell loaded with 10 tonnes of equipment will cross Wagah-Attarri border into India on October 20 to transport a variety of items for display in Pakistani pavilion to be set up in international trade fair. [Text] [Karachi DAWN in English 15 Oct 81 p 9]

HIGHWAY TO BALUCHISTAN, NWFP RURAL AREAS--The tribal and rural areas of Baluchistan and NWFP will be better interlinked for trade and traffic through the proposed construction of about 360-kilometre long inter-provincial highway. It is estimated to cost about Rs. 1,120 million and would take four years to complete. Official sources in Quetta say that the highway will connect Wahna in South

Waziristan Agency with Muslim Bagh in Zhob Agency. The highway would pass through difficult mountainous terrain rich in mineral and other natural resources.--Radio Pakistan. [Text] [Lahore THE PAKISTAN TIMES in English 12 Oct 81 p 8]

HIGHWAY TO SIND, BALUCHISTAN--Quetta, Oct. 11--An inter-provincial highway is proposed to be built to link Baluchistan with Sind for better trade and traffic facilities. It is estimated to cost about Rs. 900 million and take four years to complete. The proposed 290 kilometres highway would link Khuzdar with Sukkur via Shahdadkot. The highway on completion would shorten the distances between Khuzdar and Sukkur by about 370 kilometres, besides providing an alternate link between Baluchistan and Sind and better facilities of road traffic for the people of southern parts of this province. At present the people travelling from Khuzdar to Sukkur have to cover 668 kilometres.--APP. [Text] [Lahore THE PAKISTAN TIMES in English 12 Oct 81 p 8]

DRIVE TO CONTROL BIRTH RATE--Karachi, Oct. 12--The Federal Government has launched a three-year population welfare planning programme aiming at reducing the birth rate and raising the standard of living of the masses in the country. [Text] [Lahore THE PAKISTAN TIMES in English 13 Oct 81 p 3]

LENTIL PROCUREMENT--The Pakistan Agricultural Storage and Services Corporation (PASSCO) will start procurement of 'moong' and 'mash' pulses in the third week of the current month, according to a PASSCO source. Procurement centres have already been set up near all important markets throughout the country for this purpose. The Federal Government has directed PASSCO to purchase a total of 10,000 tons of both the pulses. The target may be revised if the crop yield was better than expected, according to these source.--PPI. [Text] [Lahore THE PAKISTAN TIMES in English 13 Oct 81 p 3]

VEGETABLE SHORTENING PRICE RISE--Lahore, Oct. 11--The consumption of vegetable ghee in Pakistan has increased by about 227 per cent during the past one decade, according to official statistics. The vegetable ghee production was 89,835 tons during 1971-72 which gradually rose to 2.93,600 metric tons during 1980-81. The number of ghee manufacturing units rose to 16 from 14 during 1971-72. The prices of ghee also rose by over 200 per cent during the past decade i.e. from Rs 3 per kg to Rs 10 at present. The main reason for this augmented dependence on vegetable ghee is increase in population and slow pace of development in the country.--PPI. [Text] [Karachi MORNING NEWS in English 12 Oct 81 p 5]

ITALIAN AWARD--Islamabad, Oct. 14--The Prime Minister of Italy, Mr Givonni Spadolini, on Monday awarded a trophy "Pioneer of Italian work in the world" to the Islamic Republic of Pakistan in recognition to Pakistan's utilization of Italian technical know-how in the field of development. Maj-Gen Shafique Ahmad, Federal Secretary for Housing and Works, received the trophy on behalf of the Government of Pakistan in Rome at the opening ceremony of the 17th international exhibition 'Samote' featuring machines for earth-moving, construction and building industry. The organisers of Verona fair decided to invite high ranking Pakistani official, competent in the field of public works, to receive this year the trophy there. In consideration of the competence of Gen. Shafique Ahmad in the relevant field, he was nominated to receive the trophy and represent Pakistan at the fair.--APP. [Text] [Karachi MORNING NEWS in English 15 Oct 81 p 3]

UNLICENSED ARMS--A Summary Military Court here tried two persons namely Sattar Ali Khan s/o Jahangir Ali Khan and Taj Mohammad s/o Yousuf Khan under MLR-8 and awarded them one year rigorous imprisonment and fine of Rs. 10,000/- each. In default of payment of fine the same will be recovered as arrears of land revenue. The accused persons were arrested on June 28 for possessing 49 unlicenced 32 bore revolvers and 5178 live cartridges. [Text] [Karachi MORNING NEWS in English 15 Oct 81 p 8]

CONTRABAND GOODS SEIZED--The Airport Customs staff in various raids recovered and seized contraband goods worth over Rs. one million and detained five persons for interrogation in this connection during the last three days, says a Customs Press release. The contraband goods seized from incoming and outgoing passengers include over 60 kilogram of artificial jewellery, about 400 watches, considerable quantity of ornaments made of white gold and studded with precious stones, and huge amount of Pakistan and foreign currencies. The Customs staff apprehended an air passenger who had arrived from Bangkok with two suitcases full of artificial jewellery and thousands of plastic flowers. The passenger attempted to pass through green channel by not declaring anything objectionable. The attempt was however foiled by the vigilant customs staff. The value of goods recovered comes to over Rs. 2 lakh. The customs staff also held a lady passenger who had arrived from Bangkok by a Thai plane on Friday. She had concealed 328 watches on her person with the help of adhesive tape. The watches recovered were of a popular brand fitted with calculators and are estimated to be of Rs. 3 lakh in value.--PPI. [Text] [Karachi MORNING NEWS in English 18 Oct 81 p 5]

EXPORT TO SOMALIA URGED--Mr. G.R. Arshad, Honorary Consul of Somalia in Pakistan yesterday said that Somalia offered a reasonably good market for a large variety of Pakistan's exportable items including textiles, readymade garments, tarpaulin, iron and steel products and food items. Mr. Arshad who held a meeting with Mr. Mohammad Yousaf Zia, President, Federation of Pakistan Chambers of Commerce and Industry in the Head Office of FPCC&I yesterday suggested that Pakistan should establish an export display centre in Mogadishu so that the Somalian importers might at a glance know the exportable items from Pakistan. He further informed that Pakistan had extended an invitation to a Somalian trade delegation to visit Pakistan to have on the spot assessment of Pakistan's export potential. Mr. Zia noted that there had been a steady decline in Pakistan's export to Somalia. Mr. Yousaf Zia expressed satisfaction over the staff of a regular shipping service and hope that this would greatly help in promoting trade between the two countries, said a Press release yesterday. [Text] [Karachi MORNING NEWS in English 18 Oct 81 p 7]

SMUGGLED CAR, GEMS SEIZED--Customs Intelligence staff traced out and seized a Mazda motorcar No. (SA 3734) from a Libyan national. The car was illegally retained in the country without payment of customs duty and sales tax. The same staff also seized precious stones valuing Rs. 30,000 from an Afghan national, Saheb Singh who had arrived at Lahore Airport from Delhi by air. The precious stones were concealed by him in his turban. He was arrested and booked under the law. [Text] [Lahore THE PAKISTAN TIMES in English 13 Oct 81 p 3]

LENTIL DEALERS DECLARATION--The Bureau of Supply and Prices, Sind has reminded all traders of pulses to declare their stock of pulses in writing to the concerned Deputy Commissioner. Declaration of stocks are necessary under MLO-116 and the defaulters will be dealt with severely under the law. All traders are reminded that the hoarding and speculation are not only unlawful but also immoral. [Text] [Karachi MORNING NEWS in English 18 Oct 81 p 7]

IMPORT OF SMALL TRACTORS--October 8--Import of small tractors is envisaged under the new policy which is to be framed by the Agricultural Mechanisation Board. According to the Federal Food Minister, due consideration for import of small tractors will be given because big tractors were of little use on small farms. The new policy, however, will not allow indiscriminate import of any tractor. Only those tractors will be allowed where the progressive assembly and manufacture in the country is ensured. At present only five standardised tractors were being imported on the condition that the country too, will participate in assembly and manufacture of tractors. [Text] [Lahore THE PAKISTAN TIMES in English 9 Oct 81 p 10]

GAS ACCORD SIGNED--A gas sale purchase agreement has been executed between Messrs Galadari Cement (Gulf) Ltd. and Sui Gas Transmission Company. By this agreement SGTC will supply the gas requirements of Galadari for their proposed plant being set up at Lasbela. The project envisages the laying of a 14-inch diameter pipeline from the offtake point located on the company's Indus Right Bank pipeline right up to Lasbela, i.e. a distance of about 35 miles. Foreign exchange component of this project ($4.2 million) will be arranged by Galadari. The agreement was signed by Mr Lateef E. Galadari, Chairman of Galadari Cement and Mr F.K. Khilji, Chairman and Managing Director of SGTC in the presence of Mr Yousui Haroon, Federal Minister of Interior. [Text] [Karachi MORNING NEWS in English 19 Oct 81 p 5]

CSO: 4220/55

MARCOS URGES ALL-OUT PARTICIPATION IN LIVELIHOOD PROGRAM

HK030125 Manila FEBC in English 2330 GMT 2 Oct 81

[Text] The president has urged all-out participation of both the private sector and the cultural communities in the Kilusang Kabuhayan at Kaunlaran [KKK] program. Mr Marcos said he will step up the movement upon his return from the summit meeting in Mexico. The president pointed out before the Malacanang newsmen that his main concern was to strengthen the domestic condition. Our problems are more domestic than anything else. Unless we strengthen our domestic situation, nobody will help us.

He indicated that when the rainy season ends, he expects to travel around the Philippines to see the other sectors of the citizenry and explain to them the KKK program. It is your program, you had better participate in it. President Marcos said that he did not intend to go to the mainland of the United States because he wanted all the big industrial projects launched properly and without delay to sustain the KKK livelihood program.

President Marcos also created yesterday the Kilusang Kabuhayan at Kaunlaran marketing coordinating center to ensure viable livelihood projects. The president issued Executive Order 737 creating the KKK coordinating center to link up foreign and local buyers with Kilusang producers. The center also aims to work out comprehensive marketing information including demands from both foreign and local markets for Kilusang participants. The president also ordered national food administrator (Jesus Vantiago) to work with other ministries and agencies in providing the marketing components of the movement. Mr Marcos said that the Kilusang marketing center will also set up closer links with the private and government sectors taking part in the Kilusang program.

The center, the president added, will coordinate marketing strategies, particularly the setting up of marketing outlets, for various Kilusang products.

CSO: 4220/43

DENDRO PLANT OPERATIONAL IN JANUARY 1982

Manila PHILIPPINES DAILY EXPRESS in English 27 Sep 81 p 3

[Article by Leonardo V. Micua]

[Text]

BOLINAO, Pangasinan – The Philippines' first dendrothermal plant will be operational in January next year, setting a new dimension in the nation's march to progress.

The dendro-thermal plant will be the first of its kind in the world to use firewood in generating electricity for the homes and industries.

The dendro-thermal plant is located in Bolinao, some 70 kilometers northwest of Dagupan City.

It is being built by the Pangasinan Electric Cooperative (PANELCO) at a cost of P44 million.

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THE DENDRO-THERMAL plant will be capable of producing a minimum of 3.4 million megawatts of electricity. The power is more than enough to meet the needs of over 30,000 households in Western Pangasinan.

With only the boiler and other mechanical components remaining to be installed, the project is expected to generate power for electric consumers in Western Pangasinan by late January.

The timetable for the completion of the project was set by the National Electrification Administration (NEA), World Bank and Asian Development Bank (ADB) which loaned the amount to finance the project.

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PHASE ONE of the project, which is about 80 percent complete, consists of the planting of over 15 million fast-growing ipil-ipil trees in Panelco's 1,400-hectare plantation area in Cape Bolinao.

Tree planting started in March 1980 following the designation by the Bureau of Forest Development (BFD) of wide suitable lands in Bolinao for the massive propagation of ipil-ipil on a cooperative basis.

To bring the social and economic benefits of the project down to the grassroots level, PANELCO signed an agreement with 100 farmer-cooperators to undertake the planting of ipil-ipil.

The cooperators will sell their products to PANELCO for use in the dendro-thermal plant. After 25 years, when the PANELCO loan shall have been fully paid, the cooperators shall become co-owners of the plant.

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THE FINAL phase of the project, to start by early December, will be the installation of giant boilers, a cracker and chipper, turbines and an aerial transport systems between the plant site and the ipil-ipil plantation.

PANELCO General Manager Arnulfo Cabrera left recently for Europe to shop abroad, possibly France, the mechanical requirements of the dendro plant.

Based on plans the ipil-ipil trees produced in PANELCO'S plantation areas will fuel the broilers to produce steam energy. The turbines, adjuncts to the plants, will convert the steam to electric energy.

Of the P44 million loaned to PANELCO, P30 million were earmarked for the purchase of much-needed plant equipment. The rest of the amount will finance the establishment of ipil-ipil plantations, and infrastructure facilities. (PNA)

CSO: 4220/45

MISUARI OFFERED SAFE CONDUCT PASS

Manila PHILIPPINES DAILY EXPRESS in English 8 Oct 81 pp 1, 6

[Text]

DEFENSE MINISTER Juan Ponce Enrile renewed yesterday a government offer for a "safe-conduct pass" to Middle East-based rebel leader Nur Misuari to enable him to move freely in Mindanao and see the conditions there.

Misuari can now travel anywhere in the South and the armed forces will not touch him, Enrile told five visiting journalists from Saudi Arabia who called yesteday at the defense ministry.

The newsmen were: Abdul Majid Shobokshi, editor-in-chief of *Al Bilad* and father of the Saudi Arabian ambassador to the Philippines; Shamsuddin Asari, city editor of *Arab News*; Khalid Abdulrahim, deputy editor, *Saudi Gazette*. Randal Palmer, chief of reporters. of the *Gazette*; and Othman Al Omeir, managing editor, *Al Jazirah*.

"He (Misuari) should see for himself if he still commands following in Mindanao contrary to what he is flaunting in Middle East circles," Enrile said.

* * *

LATEST WORD was that Misuari is still in Libya, his sanctuary for years, and where he is reportedly regrouping other self-exiled leaders of the Moro National Liberation Front.

Enrile revealed to the visiting newsmen that Misuari is attempting to form a new group but did not elaborate on what relations the new organization will have with the crisis-plagued MNLF.

At least three groups – one led by Misuari, another by Hassim Salamat and the other by rebel commanders in Mindanao who rejected the MNLF's secessionist moves – are known to be in the midst of a power struggle that has disorganized MNLF operations in the South.

* * *

BUT EVEN as Enrile reiterated the invitation to Misuari, Mindanao-based MNLF leaders who met the visiting newsmen yesterday expressed doubts on whether Misuari will go back to Mindanao.

MNLF commander Jamil Lucman, alias Jungle Fox, who helped Misuari form the MNLF, said the latter no longer has a place in Mindanao.

"He is a traitor," Lucman said of Misuari.

Lucman said the MNLF basically was a movement for reforms until Misuari introduced the separatist idea, apparently, he said, upon advice of some foreign supporters. All the trouble bugging the MNLF now was caused by the secessionist idea, he added.

ANOTHER MNLF leader, Hussein Loong, now an assemblyman, also expressed contempt for Misuari. He said that some 40,000 MNLF members and supporters in the South who have joined the government are satisfied with the concessions, especially in regional economy and politics, the government has given the Muslims.

Loong told the Arabian newsmen that majority of the Muslims abide by the idea that Philippine sovereignty should be the first consideration in organizing the autonomous governments in Regions 9 and 12.

Other Muslim leaders who met the visiting newsmen were Amelil Malaquiok, alias Commander Ronnie of the MNLF, and Justice Mama Busran.

CSO: 4220/45

MARCOS RESTORES COCONUT LEVY

Manila BULLETIN TODAY in English 3 Oct 81 pp 1, 9

[Article by Willie Ng]

[Text]

President Marcos signed a decree yesterday restoring the coconut levy which was suspended Sept. 9, but the amount of the levy is reduced from ₱76 to ₱50 per 100 kilos.

The President, issuing the decree before 10,000 coconut farmers at Malacañang's Maharlika Hall, said that the levy, although reduced, would prop up the sagging coconut prices in both the local and world markets.

The restoration of the levy would also ensure the continuation of the programs initiated and supported by the levy.

The coconut farmers professed to be more than satisfied by the move.

The levy, called the Coconut Industry Stabilization fund, would split the ₱50 in this way: ₱20 for the coconut replanting program, ₱4 for the scholarship program, ₱12.50 for the life and accident insurance coverage for the 45,000 coconut farmers;

₱8.50 for the liquidation of the obligation of the United Coconut Millers for the mothballed coconut mills; ₱3 for the operation of the Coconut Planters federation, and ₱2 for the Philippine coconut authority.

The President issued the decree restoring the levy, noting the farmers' urgent petition to him and the fact that the Batasang Pambansa was not in session.

He said that the "desperate situation of coconut farmers and their families cannot be allowed to continue for another day."

He ordered the PCA to meet oil millers and exporters to find out who would engage in exports and who would concentrate on the local marketing in order to achieve an orderly marketing of coconut products.

In their petition, the farmers said that as a result of the levy's suspension, the following would result or already have resulted:

1. The domestic prices of copra and its equivalent in coconut prices have become uneconomic with the lowest reported price of 30 centavos per kilo.

2. There will be 5,694 President Marcos-Cocofed scholars and 17,971 Juan Ponce Enrile-Cocofed high school and vocational scholars who cannot continue their studies.

3. Some ₱4.5 billion worth of insurance for the farmers will lapse.

4. The hybridization and replanting program will be discontinued and the more than ₱500 million already spent on it will go to waste—as the seed-nuts already produced will end up rotting.

5. The rationale for the coconut oil milling industry goes down the drain.

6. The copra-buying centers under the Cocofed Marketing Corp. will fail, and the farmers' credit system under the United Coconut Planters bank will be endangered.

7. Current foreign commitments and obligations entered into and incurred for the benefit of the farmers may end up unpaid for, jeopardizing the Philippines' international credit standing.

The President ordered the United Coconut Millers to buy up all surpluses in the market.

He said that the levy was suspended upon the petition of a group claiming to represent coconut interests.

The group, including some assemblymen, asked for a free market for coconuts, claiming the levy was collected against the wishes of the farmers.

The levy came into being in 1973, when coconut prices hit its peak in the world market. It was to serve as a subsidy for coconut oil.

When coconut prices went down, the levy was a hedge against further price declines. It started to become part of the computed cost of copra which millers and exporters had to pay.

In the past three weeks, the rice of coconut oil in the world market went down from $0.28 to $0.23, and with the levy suspended, millers stopped buying copra at the usual price of ₱2 a kilo.

CSO: 4220/45

IRAQ ASSURES OIL SUPPLY

Manila BULLETIN TODAY in English 3 Oct 81 pp 1, 11

[Text]

BAGHDAD, Oct. 2 — "The Philippines will never face another oil crisis. We will not allow it to happen now or in the future."

This was the pledge given yesterday to the First Lady, Imelda R. Marcos, by Iraqi Oil Minister Tayeh Abdul Karim who also promised to sell oil to the Philippines at friendship prices.

Iraq first helped rescue the Philippines from an oil crisis last year. This is one reason Mrs. Marcos is here on a four-day mission.

Now the second biggest oil exporter after Saudi Arabia, Iraq has proven oil reserves of over 34 billion barrels. It supplies 15 per cent of Philippine oil needs.

Karim also disclosed that on orders of President Saddam Hussein, priority will be given to Filipino workers in Iraq's construction efforts. A delegation is leaving for Manila immediately to hire more workers. There are 10,000 Filipino workers here.

On her first day here, Mrs. Marcos also:

— Signed a trade agreement with Trade Minister Hassan Ali to promote and diversify trade relations.

— Obtained a promise of Housing and Construction Minister Mohammad Fadhil Hussain Al Habboubi to hire capable Filipino construction companies for big Iraqi projects.

— Promoted the Kilusang Kabuhayan at Kaunlaran. A big trade delegation will visit the Philippines soon to survey the market for consumer goods for Iraqi industrial needs.

— Attended the opening of the 18th Annual Baghdad International Trade Fair.

— Met with members of the diplomatic corps to strengthen ties with other countries.

The first trade agreement between Iraq and the Philippines called for the setting up of a trade center and fairs. A join Philippine-Iraqi committee will be organized and will meet annually to fulfill the provisions of the agreement.

The two governments will also offer each other the-most-favored-nation treatment on customs duties, taxes and other charges.

After the signing, Minister Ali said, "I will personally follow up the implementation of this agreement and put it into immediate action for a closer and effective development of friendly and trade ties between our countries."

Through Mrs. Marcos, Ali thanked the President and the Filipino people for participating in the trade fair which he considered an important event in the Middle East.

For her part, Mrs. Marcos thanked the Iraqi government and leaders for employing Filipino workers and offered the country's sugar, textile, shoes, garments, copra, cottage industry products and industrial minerals. She invited the trade minister to visit the Philippines for a closer look on Philippine products.

She added that with the employment of Filipino workers the Iraqi government is helping the Philippine government improve the life of the Filipino people.

Mrs. Marcos also thanked the housing and construction minister for understanding some problems encountered with Filipino construction firms.

With the trade agreement, Mrs. Marcos said the Philippine government will set up a mechanism to supervise and check all contracts entered into by private companies with Iraq.

"I must confess that all the business relations with your country were initiated by the private sector," she said.

CSO: 4220/45

EXPORT GROWTH PROJECTED AT 13 PERCENT

Manila BULLETIN TODAY in English 6 Oct 81 p 2

[Text]

With just the last quarter to reckon with, the Central Bank now projects export receipts to register a growth rate of 13 per cent in 1981, compared to the actual growth of 26 per cent last year.

Export volume is projected to grow by 5.0 per cent compared to 18 per cent in 1980.

It pointed out that the lower increase in both the dollar receipts from exports and in volume was due to the slackened demand and depressed prices suffered by the country's export commodities on account of the recessionary conditions which prevailed in the world markets.

The value of principal primary exports was projected to grow by only 4.0 per cent this year, with declines for sugar and copper being offset by modest increase for coconut products and a substantial increase in forest products.

Manufactured exports, on the other hand, are projected to grow by 21 per cent this year, compared to the 32 per cent growth posted in 1980.

The value of imports, which registered an annual increase of 25 per cent in 1980, is estimated to rise by 14 per cent this year. In addition to the lower growth rates for capital goods and for raw materials and intermediate goods imports, the rise in oil import payments will be more moderate this year, as prices are easing and the volume will rise a little because of conservation efforts, substitution by domestically-sourced energy, and the use of part of the last inventories accumulated toward the end of last year.

CSO: 4220/45

BRIEFS

MARCOS DENIES RICE SHORTAGE--Manila, 4 Oct (AFP)--Philippine President Ferdinand Marcos dressed down his agriculture minister for releasing alarming reports of a possible rice shortage next year and said the country enjoys "adequate supplies and there is no need to fear." Following statements from Minister Arturo Tanco, also head of the World Food Council, that the country may have to start importing rice again next year, the president said the statement was "premature and merely precautionary," reports today said. He warned his cabinet that "no news releases should be issued on mere speculation particularly if they are of alarming nature without consulting the leadership." Mr Tanco had earlier warned that there was an 8 percent decline in rice planting last year, adding that "this worries the hell out of me." The president, however, ordered the National Food Authority to start buying more rice harvests from farmers in accordance with Mr Tanco's recommendations to discourage them from shifting to other more profitable agricultural crops. [Text] [BK041423 Hong Kong AFP in English 0316 GMT 4 Oct 81]

WARNING AGAINST SPREADING RUMORS--The national government continues to adhere strictly to the time-honored principle of free and responsible exercise of possession. However, it will not tolerate continued and malicious circulation of rumors that undermine national security and the people's confidence in the country's leadership. This government policy on mass media was reiterated by Minister Gregorio Cendana of the Office of Media Affairs in a speech delivered at the convention of the Mindanao Press and Radio Association in Davao City. Cendana stressed that the national security code penalizes those who publish, distribute, circulate and spread rumors, false news as well as information and gossip. Those found guilty of this specific provision face imprisonment ranging from 6 months to 8 years. [Text] [HK100640 Baguio Mountain Province Broadcasting Corporation in English 0400 GMT 10 Oct 81]

TRADE TIES WITH CANADA--Philippine Foreign Minister Carlos P. Romulo has called for a review of the existing trade agreement between the Philippines and Canada. Now worth more than D200 million, Mr. Romulo wants trade between the two countries to improve further. He made the call during his talks with Canadian External Affairs Minister Mark MacGuigan in Ottawa. [Text] [Manila FEBC Radio International in English 0230 GMT 10 Oct 81]

CSO: 4220/43

BRIEFS

USSR RUBBER PURCHASES--The Soviet Union has entered the local rubber market importing 500 tons per month in the initial stages. The Trade Ministry is hopeful of increasing this amount in due course. According to the ministry, a number of East European countries have also made inquiries for the purchase of rubber from Sri Lanka. Local representatives are already in those countries for negotiations. The export of rubber to China will continue. But measures will be taken to find new markets for rubber. [Excerpts] [BK141101 Colombo International Service in English 1045 GMT 14 Oct 81]

OIL STORAGE FACILITY--Replying to a question raised during adjournment by the member of parliament, Gampaha, (S.P. Bhandaranayake), acting Minister of Foreign Affairs (Tidon Fernando) said that the government has decided to set up an international oil storage terminal at China Bay, Trincomalee, in collaboration with the Coastal Corporation of Sri Lanka. He said that the agreement did not in any way affect Sri Lanka's nonaligned policy or the Indian Ocean peace zone proposal. He stressed that oil will not be supplied to warships. He said that one of the important clauses in the agreement with the American firm is that it shall adhere to and comply with all directives that may be given by the government for the purpose of maintaining national security, defense of the country and its foreign policy. [Text] [BK091341 Colombo International Service in English 1045 GMT 9 Oct 81]

CSO: 4220/43

LUCRATIVE BUSINESS OF FLAG OF CONVENIENCE SHIPPING DISCUSSED

London 8 DAYS in English 10 Oct 81 pp 42, 43

[Text]

ONE OF the world's youngest countries, Vanuatu, is about to challenge Liberia and Panama for the lucrative business of flag of convenience shipping. After only a year of independence the Pacific Ocean country, formerly the New Hebrides, has passed the legislation, laid down a scale of charges, established offices in New York and signed the first vessels on to its register to fly the green, red, black and yellow flag of Vanuatu.

Officials in Port Vila believe that there is a gap in the international shipping market, especially as Liberia is raising its charges. Liberia has retained the $1.20 per net tonne charge for registering but increased the annual tonnage tax from 20 cents to 30 cents and plans to raise it further to 35 cents and then to 40 cents.

'Such an increase might seem small,' said Peter Leversedge, head of Investors Trust in Port Vila and one of the main planners behind the Vanuatu register, 'but if you are a big shipowner with millions of tonnes of vessels, it can make a big hole in your budgeting.'

Vanuatu has its own financial imperatives for establishing an international shipping register. The country used to be ruled jointly by Britain and France and had a top-heavy civil service — in fact, three separate administrations, British, French and local.

In a new country with only 120,000 people spread over a large number of islands, with no income or corporation tax — and the possibility that collecting it would be more expensive than its yield — and with a budget propped up by foreign aid, any extra source of revenue is extremely useful.

Vanuatu's charges are on average less than Liberia's. There is a sliding scale for entry to the register, ranging from $1.50 a net tonne for vessels of up to 5,000 tonnes, $1.25 for vessels of 5,001 to 25,000 tonnes and $1 a tonne for vessels of more than 25,001 tonnes. The annual tonnage tax is a flat 25 cents a net tonne.

Like Liberia, Vanuatu has opened offices in New York, the Vanuatu Maritime Services on Broadway. Registration can be made either in New York or in Port Vila. The country has recruited Vince Hubbard to run the New York office: he used to be acting deputy maritime commissioner for Liberia.

What makes the Vanuatu shipping register interesting is that it is a joint venture between public and private enterprise. Whatever happens, the government will not lose money. The government sets the regulations and is responsible for supervision of the laws governing the international shipping register, but leaves daily matters and the running expenses to be borne by the private company, Investors Trust.

The income earned from the shipping register will be split between Investors Trust and the government. The stakes have not been disclosed but are believed to be about 70/30 at the start with the greater share going to the government, moving towards 85/15.

Liberia is a long way ahead as yet, with more than 75m gross registered tonnes in its merchant fleet. So far, Vanuatu has a mere 1,434 tonnes — the 500-tonnes *Brahman Express*, a cattle carrier sailing between Australia and Malaysia, and the *Italian Express*, 934 tonnes. The size of Liberia's fleet last year fell by 3m tonnes, and shipowners are worried about the political climate. In Port Vila, officials hope that Liberia's loss will be Vanuatu's gain.

END

CSO: 4220/54

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ANTI-VIETNAMESE COALITION SAID TO BE MAKING LITTLE PROGRESS

Bangkok BANGKOK POST in English 14 Oct 81 p 4

[Article by Alan Dawson]

[Text] THE battle to put together an anti-Vietnam coalition government is going poorly, despite intense and sometimes almost frantic efforts to turn the too-general Singapore statement into a reality.

There is a growing disillusionment within ASEAN with the Khmer Rouge, which seems to have somehow parlayed its importance on the resistance battlefield into a political superiority complex. At the same time, Khieu Samphan's men and women of Democratic Kampuchea are turning arrogant towards ASEAN views.

The ad hoc committee meetings in Bangkok which are trying to put together a coalition that would be both plausible to the world and workable on important policy points have not yet fallen into fruitless haranguing. But they appear headed that way.

The negotiators for Son Sann's Khmer People's National Liberation Front (KPNLF), who already consider that they have given in on a huge number of issues in order to try to make coalition work, are on the edge of being disenchanted. They feel they were forced to give in on principle because of outside pressure, and now do not wish to give in any more.

Ieng Sary, the Khmer Rouge foreign minister who was in New York to speak at the General Assembly debate, has directly criticised ASEAN. He has directly criticised the KPNLF, an unsurprising breach of the Singapore agreement to refrain from harsh words which was in any case broken within 24 hours by Prince Norodom Sihanouk.

Ieng Sary claims that the KPNLF has gone back on its word on an important principle in the coalition attempt. According to him, the KPNLF had agreed to share power three ways in each and every one of the ministries in a coalition, including the premiership.

But his argument for the moment is unimpressive and is dismissed even by ASEAN officials, some of whom are now openly angry with the Khmer Rouge. They are correct, in fact, in stating that Khmer Rouge leaders including Ieng Sary are firmly on the record as stating that Son Sann was to be the unique coalition prime minister, and that power in the government was to be shared, not power in each ministry.

In fact, according to some sources, the idea of tripartite ministries was never even raised by the Khmer Rouge until the ad hoc committee meetings began a month ago. The most angry of the sources stated bluntly that the Khmer Rouge are already trying themselves to seize full power in the coalition after Son Sann and Sihanouk had agreed ever-so-reluctantly to share power with the discredited communists.

Ieng Sary has also said publicly in New York that ASEAN has put too much pressure upon resistance groups to form the coalition, and to form it quickly. But the KPNLF and Thai officials who are the supposed villains say that is ridiculous. In fact, it was pressure upon the KPNLF which made any coalition discussion possible. And "pressure," if it can be termed that, upon the Khmer Rouge now is aimed at forcing them to honour their promises about truly sharing power with the other two groups.

Why the Khmer Rouge would now be complaining is hard to fathom. It appears, however, that it is a combination of factors which has led them to

believe that they can press what they see as a political advantage. It has not yet occurred to them, according to some analysts, that the political advantage they have comes only by accident.

First, the KPNLF and Sihanouk have some respect from Western, ASEAN and non-aligned nations who form the rough coalition of world opinion which opposes Vietnamese action in Kampuchea. Sympathy and respect for the Khmer Rouge is in extremely short supply, is heavily rationed and comes about almost only because of the tough, dedicated and highly-motivated army which continues to fight the highly-rated Vietnamese forces.

But Chinese support for the Khmer Rouge has, if anything, increased in recent months. "Democratic Kampuchea" has been reluctantly accepted by all resistance groups as the official name of the country, despite misgivings over it. Alexander Haig has shaken hands with Ieng Sary.

The Khmer Rouge has apparently put two and two together to make five, and fails to realise its mistake: that support for a coalition to take over the Democratic Kampuchea name (and seat at the UN) is not meant to show support for what passes today for Democratic Kampuchea.

FOOTNOTE: UN correspondent Edgar Koh notes a distinct chilliness in the air between Khmer Rouge and ASEAN diplomats.

He says that there is open criticism from the ASEAN officials of Ieng Sary and his aides, most especially because Ieng Sary failed to heed ASEAN advice on a diplomatically crucial point.

The coalition of nations opposed to Vietnam's Kampuchea policy managed with little trouble to keep the Kampuchean seat in the UN again last month.

As they have the past two years, ASEAN diplomats then asked Ieng Sary not to rub salt in the Soviet-Vietnam wounds by speaking.

Last month, for the first time, Ieng Sary ignored them and rose to his feet to attack Vietnam and to thank his "friends" for voting for the DK seat. It was gratitude that most of the nations did not want, for they abhor the Khmer Rouge and support them in the diplomatic forum only for technical reasons.

CSO: 4220/65

KPNLF PROPAGANDA CHIEF STATES VIEWS ON PERSONALITIES

Bangkok BANGKOK POST in English 9 Oct 81 p 6

[Article by Abby Tan]

[Text] HER black-rimmed school ma'am glasses hide her pretty, small, square face. It only helps to project a formidable image.

Inevitably some journalists call her the Dragon Lady.

Mrs Suon Kaset, propaganda chief of the Khmer People's National Liberation Front (KPNLF), one of the guerilla resistance groups fighting the Vietnamese occupation of Kampuchea, admits to spitting fire sometimes.

"I yell when people make me mad, that's all," says Mrs Kaset, 39, a petite bundle of forceful energy who has charmed many and turned off a few with her direct manner.

Mrs Kaset says she fled Phnom Penh in April 1975 as the American-backed government of Gen Lon Nol was crumbling and one week before the Khmer Rouge took over.

She took her three children — the oldest now an 18-year-old girl — with her on one of the last planes out to Paris. But her husband, a director in the Agriculture Ministry, had faith that Prince Sihanouk would come back and save the country.

The Khmer Rouge killed him and all of Kampuchea's remaining elite a year later. As the Khmer Rouge bloodbath continued, culminating in the death of some three million Kampucheans, the young widow and 15 other Kampuchean exiles in Paris formed the nucleus of what later became the KPNLF to preserve their nation and culture, she says.

Son Sann, who retired in Paris after resigning in disagreement from Sihanouk's cabinet in 1968, reluctantly accepted the leadership.

Because of her forceful manner and the fact that she was Son Sann's interpreter in English, French and Khmer and director of relief services among Kampuchean refugees, there are often suggestions that she influences the KPNLF leadership.

"Influence? Ha!" she hisses in accent-less English. "That is mere speculation. The president (Son Sann) is very wise. He consults the seven-man executive committee who are all senior people above 45 years old."

She stresses she has no political ideology.

"Freedom and happiness is my ideology," she says. "I am not a political person. My ambition was to be a good teacher, good wife and mother. Life has decided otherwise."

She has not seen her children (in the care of an aunt in Paris where she herself grew up) for two years. She commutes between Bangkok and the villages on the Kampuchean border under KPNLF control with one single objective in mind — the liberation of Kampuchea from the Vietnamese invaders.

Mrs Kaset bubbles like an excited schoolgirl when talking about her work for the KPNLF, but spirits fall suddenly at the mention of the Khmer Rouge. Her voice trails off in a whisper barely audible.

But above all she blames deposed Prince Sihanouk for the quagmire that Kampuchea is in today. She shrugs at the mention of the Prince.

She is known to be cool to the Prince's wife, Princess Monique, whose family's alleged wheeler-dealing has been mentioned by several authors as a contributory factor leading to the 1970 coup d'etat. It ended Sihanouk's rule as well as the era of peace.

She told her friends she was angry Prince Sihanouk did not return to Kampuchea to lead the resistance against Lon Nol but chose exile in Peking and subsequent alliance with the Khmer Rouge.

Her dream if and when Kampuchea is liberated, she says, is to indulge in her only fancy — "studying archaeology at Angkor Wat before it crumbles to pieces."— Gemini

CSO: 4220/65

FEMALES ASSUMING LARGE ROLE IN PRK ECONOMY, AGRICULTURE

Bangkok BANGKOK POST in English 8 Sep 81 p 8

[Article by Catherine Campbell: "Wanted: A Shipload of Marriageable Men for Kampuchea"]

[Text]

"I wish you would bring in a shipload of men instead of food," a Kampuchean woman recently told a foreign relief worker in Phnom Penh.

Shortages abound in Kampuchea following its years of social and political turmoil but the one most keenly felt by women is the lack of marriageable men, according to a report compiled by a Kampuchean woman and released last week by the United Nations Children's Fund (UNICEF).

Chantou Boua, a teacher who spent a year interviewing women throughout Kampuchea, quoted a leading member of the Government's National Women's Association as saying that men should be allowed to have two or three wives.

"This illustrates the desperate condition that Kampuchean women are in," Chantou Boua wrote.

Her report quoted the women's association president as saying that women now make up 75 per cent of Kampuchea's adult population.

Many of them are widows. Statistics from seven provinces showed that about 10 per cent of their husbands had died from starvation, illness or execution under the communist Khmer Rouge Government which held power from 1975 until it was toppled by Vietnamese-led forces in January 1979.

STARVATION

"It appears that women survived the starvation in the Pol Pot (Khmer Rouge) period better than men, and that men were looked upon by the Khmer Rouge cadres as a more dangerous element to the survival of the regime," the report said.

Women's emergence as a clear majority in the economically struggling society is incompatible with their historical, secondary role.

Daughters were traditionally a "cause for worry" in Kampuchea, the report said. "A girl has been compared to a piece of cotton wool, and a boy to a diamond. This meant that a diamond, when dropped into the mud could be picked up and washed as clean as before, while cotton wool, once dropped into the mud could never be returned to its purity."

Despite the urgent need for women to take part in all kinds of production, lack of education and training were keeping them out of the best jobs, the report said.

The Hanoi-backed government employs women as street sweepers, factory workers, teachers, nurses and administrators, it said.

"However among 35 members of the

ruling Central Committee of the United Front for National Salvation there are only six women, and in the Government there is only one woman of ministerial rank, the vice minister of Health," the report said.

"The National Women's Association does not seem to exert much influence on vital decisions concerning women's economic and social well-being."

Thus most women, often supporting the large families which are the norm in Kampuchea, work from dawn to dark in rice production.

Because of the severe shortage of manpower, they have also taken over jobs such as ploughing and harrowing, formerly reserved for men.

Other women sell produce or cooked food in makeshift market stalls. Only the few who managed to save gold or currency can do more than make ends meet, the report said.

Women can rarely afford to take time off or find child care facilities to enable them to join government training courses, and thus have little hope of acquiring skills.

Their daughters may fare little better. In one provincial high school, the report noted, only 44 of the 220 students were girls. — Reuter

CSO: 4220/42

COLUMN VOICES CONCERN OVER INFLUENCE OF THAI MEDIA, WESTERN FASHIONS

Many Students Watch Thai TV

Vientiane VIENTIANE MAI in Lao 27 Jun 81 p 2

['Conversations With the Editor' column: "Can We Correct the Matter of Listening to Capitalist Songs and TV?"]

[Excerpts] [Statement] 1. When one turns on the television, one sees base political and social propaganda from the West. Does the government have a plan to get rid of it?

Unfortunately, in our school 20 to 30 percent of the students miss each day because they are watching television. After watching it some of them spread the propaganda in class. They disregard their studies entirely. I see that it has a very destructive effect on the youth.

2. Are all the people who have long hair members of the CIA? What kind of people are these and is this type of thing appropriate? Are they going to stop this? I've heard some government employees say all long-hairs are CIA. I know well that the CIA is the most dangerous enemy of the revolution, the nation, and the people. I still see these long hairs in town and in the countryside. Some of them have fairly long hair, but some have such long hair that you would think they were girls if you saw them from behind. If you look at them closely, they look disgusting.

The merchants who sell records and cassette tapes in the morning market generally sell Thai, American, or other Western music. They play the music, and advertise to the fullest. Does the government have a way of limiting this? Our country has plenty of revolutionary music. I hope you can explain this for me. Bless you and Vientiane Mai.

[Response to] items one and three: The guidance order concerning supervising and improving literature and society of the Party committee of the City-Province of Vientiane, No 380/Kh.k.Ph issued on 20 March 1981 states in paragraph two that: Private merchants, individuals, or agencies not connected with this work are prohibited from buying tape cassettes from foreign countries or recording music and selling it without permission of the sector responsible. Only the government sectors have the right to import tape cassettes or record music and to sell them. Such groups are the Ministry of Propaganda, Information, Culture and Tourism, the National Radio Broadcasting Authority, the Vientiane Province

Department of Propaganda, Information, Training and Culture, Vientiane Capital Radio Broadcasting or others officially authorized by the Ministry of Propaganda or Vientiane Propaganda Department. Others are prohibited.

Listening to the radio or watching television from foreign countries such as Thailand, reactionary China, and other imperialists is also prohibited except for responsible agencies.

For offenders of this law there are the following provisions: "The Propaganda Department of Vientiane City and Province and the district propaganda departments in cooperation with those concerned are to investigate and organize effectively using education, training, and control." These are the orders. We do not know what results they will achieve or whether they will be ignored. That's the way it is now.

Item two: The way of life of the new Lao people is that of purity, neat dress, and simplicity. The youths you mention are also included in this way of life. This is mentioned in the rules of the Youth Organization. We won't answer this; you will have to find out for yourselves. As to whether the long-hairs are CIA, I cannot answer that because the CIA could be disguised in many ways. As to whether they are lawbreakers who do not respect the rules of the new Lao people, the new regime, and our beautiful customs--we concluded that they are the rotten remnants of the old regime which we must resist resolutely and abolish completely.

Foreign Media 'Psychological Warfare'

Vientiane VIENTIANE MAI in Lao 30 Jun 81 pp 2,4

['Conversations With the Editor' column: "Selling Obscene Books and Pictures"]

[Excerpts] [Statement] Recently the Party Central Training Commission issued information on resisting psychological warfare. It was disseminated for study by cadres, state workers, and people throughout the country to halt and resist the psychological warfare of the imperialists and Beijing reactionaries which is aimed at hindering our socialist revolution.

1. I have noticed magazines of Thai actors and actresses and other foreign stars (including obscene pictures) in private stores, apartments, and markets. They even display these in the stores. Some people sell them in markets and public places (especially the Morning Market). I think this is inappropriate and harmful for our new regime for it attacks our culture and way of life in a dirty, reactionary way which drags down the cadres, state workers and youth in our new regime. Anyway you look at it, this is propaganda which only serves the "psychological warfare" objectives and schemes of the imperialists and the Beijing reactionaries. If the responsible agencies do not have a way to stop this, how great will the damage be? What does the editor think?

2. It is now a popular thing to watch (Thai) television. Does this have a bad effect on the thinking and actions of the cadres and state workers (especially the young people) in the ranks of the revolution? It seems to me that

not a few young people pretend to be movie stars and behave badly. This will have a bad effect on the future of our young people. Does the government have a way of dealing with this?

[Response] Item 1. There is an proverb which goes: "Even though you know better you do what you want"... As far as this problem is concerned we have said before that these people are just doing what they want even though they know that the government has prohibited it. If these people are not selfish what are they? Are they enemy agents spreading psychological propaganda as you said? We do not want to use the word "enemy" because we are all here in Laos together. Although we [may] not be Lao, we should love our country and keep it safe. In any country one must obey the laws without fail.

In the document, one point says: "We must resolutely and promptly thwart the political, cultural and social tricks which the enemy uses to hinder the revolution and slander our socialist system. We must attack step-by-step until we finally crush the cultural and social remnants of the backward old regime that still exist in our new society."

This is the order, and the local propaganda and culture departments and the people are to carry this out. They are to report to Bounlian Veunvilavong and those in the Vientiane Propaganda and Culture Department. How many days have passed since order No 380 was passed? Has anyone acted as recommended? Let's go to the Evening Market--it has a place recording cassette music. And in the Morning Market they play music so loudly it about makes you deaf. It is not hard to find if you want to. There are many picture magazines and naked pin-ups at noodle shops and private stores everywhere. Call us any time you want to go.

Item 2. This has already been answered. Look in issue No 3040 of Saturday 27 June 1981.

8149
CSO: 4206/58

COOPERATIVES STILL BEING FORMED IN OUDOMSAI, SUCCESSES CITED

Vientiane SIANG PASASON in Lao 1 Jul 81 p 2

[Excerpts] We have already talked about the successful drive for agricultural cooperatives in Oudomsai Province. Not only have all the cooperatives kept going but they have been improving each year.

They progressed from two agricultural cooperatives in 1978 to 72 in the harvest season of 1979. Beng District was outstanding with 22 units. Houn District had 14 units and La District had 12 units. The creation of 70 cooperatives in Oudomsai Province in 1979 was not an accident and it was not as easy as peeling a banana. Ever since Resolution 4 of the party Central Committee Oudomsai Province officials encouraged the multi-ethnic people to set up labor exchange solidarity groups each season. These groups were a firm basis on which to establish agricultural cooperatives.

By 1980 Oudomsai Province had 90 agricultural cooperatives in 90 villages which is 12.86 percent of the farming villages in the province and 87.3 percent of the villages practicing wetfield or dry and wetfield farming. This amounts to more than 8,000 hectares out of 9,712 in the province.

In the past 2 years, not only the agricultural cooperative villages not been short of rice or fish, but there has been a great deal of food left over. The agricultural tax figures for the province have increased for the past 2 years. In 1980 agricultural taxes exceeded government estimates by more than 3,000 tons. In this period Oudomsai Province was self-sufficient in rice and had 1,000 tons to help other provinces with.

We needed to investigate these initial successes and discover the cause. In the meeting at the end of last year summarizing the work of the agricultural cooperatives throughout the province, Mr Bounsong Vongloum, of the Province Administrative Committee and chief of the Department of Cooperatives for Oudomsai Province correctly stated that "the reason for the progress of the agricultural cooperatives is primarily the leadership of the party. Government officials at all levels had to become aware of the special problems of their areas and had to handle them skillfully; province and district officials mixed with the people constantly and the people were aroused to support the party and government." It is an old truth that hard work leads to success.

8149
CSO: 4206/59

COOPERATIVIZATION CONTINUES, ABSENTEE OWNERS' LAND USED IN VIENTIANE DISTRICT

Vientiane VIENTIANE MAI in Lao 26 Jun 81 p 2

[Excerpt] Mr Khamsouk Phamalat of the administrative committee is in charge of the agricultural cooperatives in Saithani District, Vientiane Province. He was interviewed by our reporter about farming and establishing agricultural cooperatives in the 12 cantons surrounding Saithani District. Mr Khamsouk Phamalath said that since it has begun to rain all the farmers look happy while diligently working the land. The farmers expect to increase the amount and quality of their production so that it will better last year's and thereby improve the living standard of the people.

During the production season of 1981 the people of Saithani District primarily depend on the equipment they have but the ways they work are modern and scientific. The district authorities sent agricultural technicians to explain and supervise the new system of farming in each canton. At the same time the government sent 13 mobilization cadres to encourage the farmers' production. They helped the farmers with their recommendations on farming to make more decisions about production.

Because of the government's concern and the farmers' hard work there was little unused land left in 1981. The government then loaned land unused by the owners to those farmers without land. So as to form the basis for a gradual move to socialist production. Since 1979 the government has counsellors in each canton to encourage the farmers' production. This helps the farmers know the correct policies of the party Central Committee and change their individual ways and out of date farming methods. The government would like them to work together by establishing agricultural cooperatives.

There were some farmers who understood and agreed with the government resolution issued in 1979. They set up six agricultural cooperatives in Saithani District that year. The farmers voted for administrative committees for planning, rice planting techniques, for accounting, auditing the tools, and other committees.

In 1981 the Party Committee and District Administrative Committee appointed 17 officials to be in charge of improving production with the District Party Secretary as chief. In each canton there were four officials for this task and the canton administrative chairman is in charge of the other officials and production. In 1981 the number of agricultural cooperatives in Saithani District increased to 14.

8149
CSO: 4206/58

CULTIVATION AND COOPERATIVIZATION OF FARMLAND

[The following information was extracted from the Vientiane press on the dates indicated. The sources are SIANG PASASON, VIENTIANE MAI, KHAOSAN PATHET LAO.]

Saithani District Vientiane Province	As of first part of August, 95 percent of wet rice transplantation has been completed over the total acreage of 14,198 hectares. (SP 5 Aug 81 p 1)
Luang Prabang District, Luang Prabang Province	Completed transplantation on 3,034 hectares of paddy. (SP 13 Aug 81 p 1)
Pek, Mok, Kham Districts Xieng Khouang Province	Completed transplantation on 7,841 hectares. Mok District: 1,452 hectares; Kham District: 5,144 hectares. (SP 11 Aug 81 p 1)
Soukhouma District, Champassak Province	As of this production season, private farmers have formed 12 cooperatives. State trade officials obtained 1,856 tons of rice from the people by barter. (SP 10 Aug 81)
Nong Bok District, Khammouan Province	Transplantation completed on 9,370 hectares of paddy fields by the end of July. (SP 7 Aug 81 p 1)
Phieng District, Sayaboury Province	This production season has set up 12 agricultural cooperatives with 569 families, 3,847 people with more than 700 hectares of wet rice fields, nearly 2,000 draft animals. Throughout the district there are now 38 cooperatives. (SP 20 Aug 81 p 1)
Khanthabouli District, Savannakhet Province	Transplantation completed on 22,045 hectares of rice paddies. (SP 19 Aug 81 p 1)
Outhoumphon District, Savannakhet Province	Transplantation completed on 19,526 hectares of rice paddies. (SP 17 Aug 81 p 1)

Phieng District, Sayaboury Province	District has 38 agricultural cooperatives. District has 2,430.35 hectares of rice fields; one mid size and two small irrigation systems capable of serving 2,959 hectares of wet rice fields. (SP 27 Aug 81 p 3)
Hatsaifong District, Vientiane Province	Established one agricultural coop with 72 families, 448 people (235 women), 222 draft animals, 77 hectares of cropland and 100 hectares being opened up. (VM 24 Aug 81 p 1)
Phin District, Savannakhet Province	Completed care of rice plants on more than 8,000 hectares. (SP 7 Sep 81 pp 1, 3)
Vientiane City-Province	Transplantation completed on 52,126 hectares in all 15 districts of provinces. (VM 4 Sep 81 p 1)
Oudomsai District, Luang Prabang Province	Completed transplantation on 1,378 hectares. (SP 1 Aug 81 p 1)
Savannakhet Province	Has approximately 130,000 hectares. Used nearly 4,000 tons of seed. Average yield is 1.2 tons/hectare and with 440,000 pop., each gets 350 kgs of paddy per year. (SP 1 Aug 81 p 2)
Districts of Nasaithong, Phon Hong, Hat Saifong, Saithani, Thoulakhom, Keo-oudom, Sanakham, Hom, Vang Vieng, Paksan and Kasi, Vientiane Province	Continuing to take care of rice on 47,073 hectares. (VM 23 Sep 81 pp 1, 4)
Vientiane City	Taking care of rice on more than 4,000 hectares. (SP 22 Sep 81 p 1)
Sanasomboun District, Champassak Province	Total of 13,130 hectares of rice planted. District has 40 agricultural cooperatives with 1,750 families. (SP 19 Sep 81 p 2)
Champassak District, Champassak Province	Transplantation 60 percent complete on total of 10,106 hectares as of 10 July. (SP 21 Jul 81 p 1)

CSO: 4206/9

TRANSFER POLICY ON AUTOS NOTED

Main Text

Vientiane KHAOSAN PATHET LAO in Lao 30 Jun 81 p A1

[Text] On 30 January the Department of Materials and Machinery of the Ministry of Communications, Public Works and Transportation held a meeting to reach an agreement on legal and illegal vehicles. It was presided over by Mr Khampho Keomalavong. The meeting was also attended by representatives of the Department of Customs for the Diplomatic Corps, the Department of Revenue, the Department of Revenue for Vientiane Province, the Department of Public Works for Vientiane, the Border Patrol and the Department for Control of Motor Vehicles and Machinery.

The meeting considered the problems, exchanged ideas and unanimously agreed on the following agreements:

1. As concerns the vehicle traffic in the districts, province and capital, it was agreed that the Department for Control of Motor Vehicles of Vientiane Province would handle things together with the provincial Department of Public Works in support of the traffic police. They are to control and inspect strictly and follow the present regulations.

2. As for cars which enter the country illegally, the meeting discussed the violators and those who have been victimized or disadvantaged. They agreed on three different categories:

A. Cars seized by officials while entering the country illegally would be handled according to existing Finance Ministry rules.

B. Used cars which have been bought and sold many times and cannot be traced to find out where they entered the country.

C. Cars which have registration papers and plates but whose papers do not match the car and which have been bought and sold many times.

In cases B and C the meeting sought to determine courses of action people whose cars were siezed and what would be fair for the people. It was decided that the owner should pay the full tax.

In order to prevent and eliminate or at least decrease the smuggling of cars and illegal acts; affirm the legality of those who buy, sell and trade cars; and protect them from ill-intentioned people, regularizing things for those whose cars are not legal, per Paragraph 1 the meeting recommended that the following be made known throughout the country.

--Before cars are bought, sold or traded the transaction must have the permission of the Department for Control of Motor Vehicles of each province's public works authorities. Otherwise the car will be considered in category (A).

--Even though the car may be completely legal if the transaction is completed without permission it will be illegal and at a minimum both parties will be fined. Then the officials will consider transfering the registration.

3. Cars for which export permission has been requested are to be handled as follows:

A. Cars with diplomatic plates and U.N. plates must fill out forms for:

1. the Foreign Ministry

2. the Revenue Department

3. the Department of Alien Control (Ministry of Interior)

B. Cars with Ministry and Vientiane plates or cars without diplomatic or U.N. plates:

1. must be in compliance with item (A)

2. must report to the Department of Motor Vehicles (Ministry of Public Works, Communications and Transportation) before the car can be exported.

4. A car with complete tax papers in another province is considered legal and can be driven in any province.

5. Cars of Vietnamese refugees can be registered since it is the policy of the party and state in all cases.

6. The problem of the person buying a car from a government agency:

--an individual buying a new or old car from a government agency, whether a tax has been paid or not, must pay again according to the condition of the car and the time it has been in Laos. Then it can be registered.

Addendum to Policy

Vientiane KHAOSAN PATHET LAO in Lao 30 Jun 81 p A1

[Text] Per the agreement of the 30 January 1981 meeting at the Department of Motor Vehicles and Machinery and the dissemination by the Office of the Prime Minister on 26 February 1981, Article 4 of the policy concerning the movement of vehicles from other provinces is abolished. The following shall be adhered to:

1. Organizations and individuals are prohibited from buying vehicles in other provinces and bringing them to Vientiane selling vehicles from Vientiane to other provinces.

2. In the case of an official move, one must have a letter of permission from the Office of the Prime Minister in order to be able to change the registration plate.

8149
CSO: 4206/59

LACK OF PRESCRIPTION MEDICINES, SMUGGLING PROTESTED

Vientiane VIENTIANE MAI in Lao 2 Jul 81 pp 2, 4

['Conversations with the Editor' column: "Medicine Is Ordered But There Is no Medicine to Give"]

[Text] [Question] 1. When one goes for a checkup at the hospital, the doctor asks what the symptoms are and writes a prescription. The medicine prescribed is good for the symptoms but when the prescription is taken to the pharmacy you get nothing. The salesperson says they are out. It has been this way for some time at, for example, Hospital 103 or Mahosot Hospital. How does this happen?

2. You have answered letters concerning selling medicine and contraband gasoline in the market already but I wonder why the government agencies are short of medicine and gasoline when these are for sale on the black market?

[Answer] 1. At this time we are short in all areas and have a real problem meeting demand. You must understand that for some time, since the time of the feudalists, our economy was dependent on others and we have been independent for only 5 years. And our economy especially is still not self-sufficient. We depend on a number of foreign countries for almost 99 percent of our medicine. When we depend on others how can we count on having enough? As for your question, the doctors making the examinations and prescribing the medicine do not know whether there is enough medicine at "the pharmacy" or not. Or maybe the doctor knows there is medicine available but the pharmacist does not want to sell it. If this is the case he is breaking the rules. You are not the only one with this problem. We have also had it. We do not know whether there was cooperation between the doctor and the pharmacist or not. At present we are short of commodities but if they were distributed properly, it would greatly alleviate the shortages. But to return to your case, generally the people who really need things do not get them. However, if you check the stores they are full. They have some goods which private individuals are not allowed to purchase from abroad. For example, goods for cadres which we do not have and the state stores do not have, private individuals have. I have said enough for you to understand.

2. This is because of corrupt officials who cannot be trusted. They are the parasites of socialism, eating off the state.

8149
CSO: 4206/59

PRIVATE TRADERS ORDERED TO PAY TAX, EVASION WIDESPREAD

Vientiane VIENTIANE MAI in Lao 30 Jun 81 p 1

[Text] The Council of Ministers has ordered that all merchants pay a business tax. On 27 June 1981 Colonel Thongmani Thiphommachan, member of the party committee and police commander of the city and province of Vientiane, reported to VIENTIANE MAI that there are still some private merchants doing business in Vientiane who have not paid income taxes (paid for licenses) to the Department of Taxes. There are some private merchants who do not understand the tax policy and some who are avoiding paying the business tax. So the government of the city and province of Vientiane and the Department of Taxes requests all merchants whom this concerns to be good citizens and act correctly. This will be their investment in developing the nation.

In closing Thongmani said that tax evasion not only has a bad effect on the merchants themselves and the general population but also causes problems for the nation's money system and shortages. There have been many merchants who have acted according to the law, and we would like to thank those who did cooperate so well. Those who have not obeyed this resolution and law, should pay the Department of Taxes as quickly as possible.

8149
CSO: 4206/59

BRIEFS

VIENTIANE MOUNTAIN PEOPLE RESETTLED--During this year's production season 44 mountain families from Ban Pak Phou Village Phonsi Canton, Phonhong District, Vientiane Province voluntarily left their Swidden cultivation in the highlands and gave up their old-fashioned and ineffective individual, dispersed method of farming. They came as a group to clear new land in Phonhong District. Since the beginning of the year they have cleared 12 hectares and sowed 480 kilograms of seed rice. Now they are hard at work plowing and harrowing to be ready for their first season. [Text] [Vientiane VIENTIANE MAI in Lao 1 Jul 81 p 1] 8149

LOW RATE BANK LOANS--On the morning of 25 June 1981 the Board of Directors of the Vientiane City-Province Bank under Mr Sivilai Vilaihong and a group of government officials went to the agricultural cooperative of Khoum Hin Village, Nakhwai Canton, Saithani District, Vientiane Province. They wanted to explain to the members of the cooperative and the people of this canton about loans. They explained both the long term and short term loans available for use in production activities of the cooperative. Mr Sivilai explained the terms of the two different loans. The short term loan has a 1 year limit and a 4.8 percent interest rate. Long term loans have a 3-year limit and a 3 percent interest rate. He explained what the loans could be used for, such as raising capital and purchases of equipment for improving the efficiency of the cooperative. This has achieved totally satisfactory results. In addition the committee toured the cooperative and talked about the capabilities of the cooperative. They wanted the members and the farmers of the area to understand the activities of the bank and the conditions of loans for production activities. [Text] [Vientiane VIENTIANE MAI in Lao 27 Jun 81 pp 1,4] 8149

NEW BANK BRANCH--On 25 June 1981 the Board of Directors of the Bank of Vientiane came to the opening ceremony of the new National Bank branch in Nasaithong District of Vientiane Province. This was being opened in accordance with the resolution of the National Bank aimed at broadening the bank network down to the base 1 level which will increase production and expand construction. This branch bank will collect investment money from the people's savings which will increase production and improve the standard of living. Now there are branches of the bank in 12 districts of Vientiane City-Province, and new branches will be opened in other districts in 1981. [Text] [Vientiane SIANG PASASON in Lao 27 Jun 81 pp 1, 2] 8149

CSO: 4206/59

ISLAMICIZING OF JUDICIAL SYSTEM SUPPORTED

Karachi MORNING NEWS in English 7 Oct 81 p 6

[Editorial: "Islamising Pakistan's Judicial System"]

[Text]

JUSTICE or "Adl" is central to an Islamic society, Islam lays the greatest emphasis on the rule of law, in substance as well as in form, not just a semblance of it but justice in the absolute sense. The concept of might is right is alien to an Islamic society. In his inaugural speech, the Second Caliph Hazrat Umar Farooque proclaimed before the people that those strong among them were weak in his eyes until he snatched from them that which they had usurped from the weak and the weak were strong in his eyes until he had restored to them the right of which they had been deprived by the strong in the society. Throughout his Caliphate he upheld this principle. The Islamic polity was governed on the same principles throughout the period of the four Pious Caliphs. And the blessings it brought to the people, forced a Western scholar to proclaim in wonder: "They seemed to be men belonging not to this earth but to the world where people abide in eternity that is Paradise." It was all the blessing of justice in the society.

As an Islamic State, Pakistan aims at reviving the pristine society of Islam. All sincere, well-meaning and God-fearing men in the country are anxious to bridge the gap between the present state of society and the ultimate ideal, as early as possible. The ideal was never lost sight of during the last 35 years but the process of Islamisation has gathered momentum only after the present regime took over, though the bottlenecks accumulating for over a century make the process slow.

The Chief Justice of the Supreme Court of Pakistan, Mr Justice Mohammad Haleem, has made apt reference to the difficulties in this connection. In his presidential speech at the inaugural ceremony of the Supreme Court Judicial Year 1981-82, he reminded the audience that "an independent and active

judiciary is vital for the sovereignty of the rule of law and dispensation of justice". Further, he observed that "it was an uphill task to eliminate the alien and un-Islamic elements which had crept into the judicial system over the centuries... It was a challenging task both for the judiciary as well as the jurists to implement the Shariat-i-Islamia. At the same time, it was the test of sincerity and the dedication to the Millat-i-Islamia to pursue the ideals for which Pakistan had been established." Speaking on the same occasion, the Attorney-General of Pakistan, Mr Sharifuddin Pirzada, spoke at length on the evils of delay in dispensing justice. It is one of the axioms of law that "justice delayed is justice denied".

The serious attention given by the Government to remove the defects in the legal and judicial systems in Pakistan is one of the most important undertakings of the present regime. For, creating conditions for speedy and flawless justice is the crying need in our society in which the poor and the weak are cheated of their rights at every step by the powerful and the unscrupulous people. Moreover, the present legal system was devised by the Britishers according to the Anglo-Saxon concepts of law which has nothing in common with the Islamic judicial system which does not stand on ceremonies but wants real and unadulterated justice. Justice in Islam is intended to be speedy, inexpensive and unencumbered with tutored and professional witnesses. Speaking to the Press after the Cabinet meeting at Quetta last month, the Information Secretary said: "It was the Government's endeavour to provide to the people cheap justice and eliminate corruption at the investigation stages. The Government also wanted that the judicial system should be such where there is no piling up of cases in courts."

While inaugurating the first ever class for Qazis in Pakistan last month at Lahore, the Punjab Governor rightly observed that "Anglo-Saxon laws had created many evils in society". The process of justice in our society suffers from two main defects corruption at the investigation stage—as the Secretary Information referred to in his talks at Quetta—and at the stage of trial at the hands of lawyers who defend their client without reference to the fact whether he is guilty or innocent. A good lawyer succeeds in getting acquittal for a criminal by winning on law points. But this certainly is not the end of justice. The Information Minister made a reference to the role of lawyers in an Islamic judicial system in his speech at Mansehra Bar Council last month. He said: "Scholars of law, including advocates, shall have to perform onerous job under the new

judicial system and they would be expected to watch the interest of real justice more than the interest of those whom they represent."

The creation of a legal and judicial machinery ensuring speedy and inexpensive justice to all will have the most far-reaching effect in moulding the society on the Islamic pattern. It would become easier for victims of injustice and tyranny to get their rights restored without delay or unbearable expenditure. But to achieve the desired aim it would also be necessary to overhaul the working of the police department which is entrusted with the initial job of investigation and entering the cases under the relevant sections of law. Reports published in the Press at various times show that police use their discretion, not always conscientiously, to enter a case under a particular section of the penal code. There are instances where the same type of offences have been registered by the police at times under Shariat law and also under the ordinary law. Some method must be devised to ensure that at this stage nothing is done to defeat the ends of justice. Moreover, cases of tampering with evidence and records or producing professional and tutored witnesses are not uncommon. It all indicates that there is also a need to carry out a drastic restructuring of the whole police department so that cases that come before the court are not tampered at the lower stage.

The draft document considered by the Cabinet at Quetta would be circulated for eliciting public opinion, after which the Cabinet will again take it up. We hope members of the public will take keen interest in it and cooperate positively by making useful suggestions.

CSO: 4220/56

ARTICLE CRITICIZES BUREAUCRATIC WAYS

Islamabad THE MUSLIM in English 11 Oct 81 p 4

["The Saturday Column (delayed)" column by Masood Hasan: "Katchi Abadis, Pucca Fun"]

[Text]

A MOST unusual seminar has been witnessed in Lahore last week. The Punjab Government, UNICEF, P&D, Punjab and innumerable bureaucrats got together to organise a four-day workshop on the future of that vile spot that exists in this sunny metropolis of the Punjab – the 104 Katchi Abadis.

The organisers of this junket, comprising no doubt, the best brains in community development, rightly felt that to offset the grim reality of the Katchi Abadis, where gutters flow through the lives of the inhabitants, where sanitation is inexplicably absent, where medicare is a rarely witnessed phenomenon and where a large, miserable body of fellow human beings survive from day to day, a workshop to explore new avenues could only be held in Lahore's poshest five-star hotel. To those who suggested that NIPA, or the Staff College, or the University Auditorium were more appropriate venues, the organisers came down with contempt written all over their faces. Some even dared to suggest that the workshop be held in a Katchi Abadi so that participants of this momentous occasion would be able to experience first-hand the magnitude of the problems that confront the residents of these slums. These suggestions were turned down summarily. The organisers rightly felt that the best brains in the country could only function in the best location in the country and accordingly, arrangements were made.

The four-day workshop opened amidst scenes of great rejoicing as a right honourable minister inaugurated the proceedings in air-conditioned and plush carpeted surroundings. The organisers had sent out handsome invitations to about 100 notables (as the newspapers like to call this elusive community) but only 80 turned up for tea, snacks and speeches. It wasn't a bad turnout, really – 80 per cent is a good figure whichever way you look at it. The tea and assorted goodies were rapidly consumed. No wonder since tea was only Rs. 35 per head and what's Rs. 35 for a head that's so fervently committed to providing welfare and relief for the Katchi Abadis?

Four large rooms had been exclusively booked by the organisers. Naturally, you can't invite the cream of Pakistani bureaucrats without making certain that they are comfortably housed and therefore in just the right frame of mind to discuss such subjects as slush, filth, pestilence, disease and slums. At the cheap rate of Rs. 2,000 per room per day it only added up to Rs. 8,000 per day or Rs. 32,000 for the duration of the workshop. Small price to pay when the stakes are so high. Now it is common knowledge that where you have bureaucrats you also need large volumes of paper-work, stencils, photocopies and file covers. A separate room was accordingly hired by the wise organisers, for what they call a secretarial pool. Thank goodness it wasn't located in the swimming pool of the hotel. It might however have been cheaper than the 400-odd rupees the room was costing daily but as someone rightly pointed out, there were no

typewriters which could effectively function under water.

The organisers, well aware that a seminar is not a seminar without appropriate tea breaks, had cleverly worked in two breaks daily at 10 a.m. and 4 p.m. At the rate of Rs. 10 per head for the 50 delegates, the tea cost was a trifling amount of Rs. 1,000 daily. Lunch was where the organisers really went to town. Realising that a well-greased bureaucrat is the one who has dipped generously into greasy foods, the organisers had accordingly laid it on at the hotel's restaurant where half a dozen varieties of salads, dozens of meat dishes and exotic delicacies awaited the weary delegates. Tired at the speeches, they all had to sit through all morning, the delegates made short work of the buffet lunch, walking away with plates in two hands (an airline would have claimed excess baggage). With no restrictions on second or third helpings, the delegates had a field day and who can blame them. How many of us can enjoy a sumptuous lunch at just Rs. 76 per head four days running? That the total cost of the four luncheons was only Rs. 15,000 just shows you how judiciously the organisers had worked things out.

Naturally, the afternoon sessions were a little dull as slumber overtook many delegates as they deliberated over the plight of the Katchi Abadi have-nots. Mercifully there were no dinners. These were cancelled as experts were of the view that if these dinners were on the same scale as the lunches, most of the delegates could well pass away due to over eating, an event that could push our community development plans twenty years back. However, all and sundry agreed that a concluding dinner was in order and about a hundred merry makers were at hand on Monday night to partake of pullao, gosht, fried chicken, beef with chillies, raita, salad, nan, Caramel custard, egg pudding, fruit, tea, coffee and the great digestive of all seminars, green tea. This last binge only cost Rs. 97 per head, or per stomach if you want to be literal.

If you are getting the idea that all the delegates were moving from one feast to another, you are wrong. Secretarial activity was incredibly high with photostats and copies costing an average of Rs. 1,000 daily. For the two dozen representatives of the Katchi Abadis there was TA/DA at a flat rate of Rs. 100 per day while the out station participants walked away with a modest TA/DA of Rs. 350 per head per day.

The whole shin-din had been made possible because UNICEF had made available a grant of about Rs. 7 million to be spent on 11 chosen Katchi Abadis in a three-year period. Once the grant was there, the concerned authorities got itchy fingers and an uncontrollable urge to blow at least some of it on eats and entertainment. The idea of holding a workshop was but a natural conclusion and when you consider that the organisers managed to spend 10 per cent of their three-year budget in just four days or Rs. 100,000 of which almost 33 per cent went into food (or down the drain eventually), you can understand why some of us get hysterical every now and then.

CSO: 4220/57

WEST'S CONTROL OF MASS MEDIA CRITICIZED

Karachi MORNING NEWS in English 24 Oct 81 p 4

[Text] SPEAKING in the Special Political Committee of the United Nations on Wednesday, Pakistan's Ambassador in the world body, Mr Niaz A. Naik, pointed out that the global network for gathering and distributing information "had become one of the most effective instruments of a few developed countries whose news agencies present concoctions and half-truths as whole truth and created misunderstandings and prejudices." He called for "redoubling efforts" for establishing a new world information order to collect and distribute news objectively to serve the cause of world peace and progress and to bring the peoples and cultures closer together to pave way for the materialisation of man's dream of a safe, secure and happy world." Nothing would be better for the world if such a system could be created but in view of the diametrically opposed interests of the Western and the non-Western worlds it is doubtful if Mr Naik's appeal,—representing the aspirations of Asia, Africa, the Latin countries and many underdeveloped regions of the world,—would find the right response in the relevant quarters. It is now generally known that the Western mass media, along with the news agencies and scores of reporters and correspondents roving around the world, are indeed part and parcel of the Western political system designed to exploit the non-Western world. For a long time, it was not realised by people that the global network of information created by the Western countries carried on undercover political activities for them in complicity with various organs of the State. It was only when the erstwhile colonies regained freedom from the West and demanded political and economic justice for them, and the fight between the exploiters and the exploited was crystallised, that the hidden role of the Western mass media was fully exposed.

Dispensation of justice depends solely upon the truth being known to an impartial jury and judge. To get justice for the non-Western world and to check their political and economic exploitation at the hands of the colonial and imperialist Powers it is necessary that the world opinion be enlightened about the truth.

Viewed in this context, the important role of the global network of information is all too clear. By presenting a distorted picture of the non-Western world, the Western mass media helps in perpetuating the tyranny and injustice perpetrated by the West, and prevents the exploited countries from mustering moral support for their cause. But the highly unethical role played by the Western mass media is now thoroughly exposed. The brunt of the hostility of the Western mass media has been borne by the Muslim world. This was fully exposed by the Islamic Press Union. In its annual report for 1980, the IPU accused the Western media of being an accomplice of the Western Governments and of "launching a campaign of vilification against the Muslim world." "The whole world was aware that media in the West had always withheld circulation and display of films and literature which could even remotely damage their national interests and the interests of Jews and Israel," the IPU said. All this points to the fact that the Muslim world must try to create its own global news system, as powerful as the Western media, to counter it effectively.

After the first International Islamic Mass Media Conference held at Jakarta in September, 1980, it was decided to establish a permanent secretariat-general for the development of Islamic mass media. Also, an international conference was held at Islamabad in March this year which adopted a resolution on media which called upon the Muslim countries "to enforce the code of ethics ordained by Allah as common code for the mass media so that the Press laws are uniform throughout the Muslim world." The code of ethics suggested by the moot furnishes an excellent yardstick against which our accomplishments in this regard can be accurately measured. At the moment our journalistic equipment by way of personnel and motive force donot measure up to the standards set by the conference. Otherwise, there would be no need for the Government to "urge' the journalists to serve the cause of Islam.

The baneful hold of the Western countries over the global network of news system can be broken

if the Muslim countries create their own powerful mass media. How this can be achieved has been suggested by the Islamic Press Union, the Jakarta conference and the Islamabad moot. In fact, the profession of journalism is one of the most important instruments for achieving the aims of Islamisation and for that reason it ought to be the exclusive preserve of highly motivated Muslims who would take their guidance only from the Holy Quran and the Sunnah.

CSO: 4220/67

PAKISTAN EMBASSIES CRITICIZED FOR INEFFECTIVE REPRESENTATION

Lahore CHATAN in Urdu 3 Aug 81 p 6

[Article: "Performance of Pakistani Embassies Is Disappointing; Pakistanis Abroad Also Lack Patriotism"]

[Text] "People here are more familiar with India and its people. One reason is that the Indian embassy and consulates are functioning in an extemely organized manner. Second, the Indians are patriotic, and they strive to establish a good image of their country. On the other hand, the performance of our embassies is not only unsatisfactory, it is disappointing. Furthermore, some Pakistanis are a disgrace to their country. Since they are not living in their country, they do not care. None of them cares to put on his national dress. The Indian women always wear saris, even when appearing on TV programs.

"If the Pakistanis wore their national dress, or at least if the embassy staff set this practical example, it would certainly make a good impression on the people here."

The above is an excerpt from a letter written by a Pakistani residing in America to his relative in Pakistan. The issue pointed out in this letter is not new. It has been singled out a thousand times before and the national newspapers and magazines have discussed it at length. Regrettably, no effort is made to remedy the situation. It is commonly complained that the Pakistani embassies abroad make no effort to familiarize the local people with Pakistan and take no steps to counter anti-Pakistan propaganda. On the other hand, the Indian embassy has always been active on the diplomatic front. The reason is that diplomatic positions in our country are mainly given as bribes. It has been the trend of every government in office that any person who was to be repaid for past favors or was needed for favors overseas was given an ambassadorial post. Such persons are not at all interested in their official duties, and as a result, the staff, too, follows in their footsteps. It is commonly complained that our embassy personnel, instead of assisting or guiding the Pakistanis living overseas, rip them off.

West German sources have made some disclosures about the realities of Pakistanis seeking political asylum there. Thousands of Pakistanis arrived in West Germany seeking political asylum on the basis of letters bearing true or false signatures of the leader of a banned political party and his daughter. Each one of them paid 3,000 to 5,000 rupees for a single letter or document. The West German Government thought that these people had escaped from their country to avoid persecution. It was indeed a disgrace for Pakistan and its government. The Government of Pakistan

and the embassy personnel responsible should have investigated this matter and revealed the truth to the world. Apparently, no one felt this sense of duty. As a result, a faulty image of Pakistan was established in West Germany and other European countries.

Another complaint commonly voiced is that in many foreign countries the persons appointed in Pakistani embassies are unfamiliar with the local language. On the contrary, India has always gotten better results out of its embassies. For example, in all its embassies in the Arab countries, it appointed primarily people who knew Arabic and some of whom were Muslims. This knowledge of Arabic helped create a better image of India in those countries.

Pakistan, on the other hand, could not create a favorable impression in the fraternal Islamic countries because its embassy personnel knew English but not Arabic. This situation has not changed much so far.

Living nations abide by some principles. Their people manifest their love for those principles in the affairs of the nation and the state. Their personal likes and dislikes are limited to private circles only. As a matter of principle and policy, therefore, the only persons appointed in the embassies should be capable, true and sincere Pakistanis who will work earnestly for Pakistan in their countries of assignment.

There are sectarian disturbances almost daily in India, and Harijans (untouchables) are oppressed. Prejudice by the majority in India is an established fact, but Pakistani embassies have failed to reveal the true picture of India to the world. On the contrary, in most cases the Indians have been successful in making the world believe that Pakistan has no representative government and that the people are not participating in government affairs.

In recent years, there have been claims made that the existing situation is being corrected. The question is whether any positive steps have been taken to improve the performance of Pakistani embassies whether there has been any planning in this regard.

9779
CSO: 4203/3

FORMATION, REFORMATION OF GOVERNMENT INSTITUTIONS

Lahore CHATAN in Urdu 24 Aug 81 p 7

[Article by Waqar Hijazi: "Firm and Productive Action Is Necessary for the Purification of National Institutions; After PIA, Let Us Examine the Structure of Other 'Beauty Parlors' Too"]

[Text] The government has taken some steps to reform Pakistan International Airlines [PIA]. Employee organizations have been banned and their offices have been sealed off. As far as PIA is concerned, it is satisfied with the actions taken by the government because this national institution was heading rapidly toward destruction. Fraud in the sale of tickets, the disappearance of passengers' baggage and flight delays had become a daily routine. As a result, the institution was gradually losing the public's confidence. Hijacking incidents and the disappearance of valuable luggage had created an impression that this institution had become a citadel of robbers and plunderers. This constant trend toward national disgrace had obviously become a torment for the people. In principle we do not support bans on the activities of trade unions, but the negative and destructive manner of these activities is equally intolerable.

The government has paid attention to the pitiable condition of the telephone department. This department has ceased to function effectively. Most telephones are out of service and complaints are ignored. Bills are often incorrect. Improper dealings of department employees are well-known. Lately, the situation has deteriorated so much that contacting a desired number comes as a great adventure and to make one call a consumer has to bear the cost of many calls. Obviously, the consumers are bound to hold the government responsible for this situation. The secret of any government's success lies in the effective performance of public service departments and institutions. The people's complaints should be dealt with and evils should be eradicated.

It is a well-known fact that during the past era, many individuals were employed or given promotions in various departments and institutions due to political considerations rather than because of their ability. When the political situation changed, these people apparently changed their tune and were successful in giving assurances that they were professional employees and servants and were there to serve the government, whatever it might be. This should be the true spirit; only it wasn't. Corruption increased instead of decreasing, so much so that the president had to confess that the whole structure was corrupt. It is a matter of principle that if the person in authority is dutiful, honest, capable and efficient, his subordinates would never dare to be corrupt. The existence of corruption is proof of evil from

top to bottom. That is why capturing a small culprit once in a while brings about no reform in the existing situation.

In light of this situation, the president has voiced the need to appoint a chief investigator. It is essential, and the current situation demands speedy action for reform without partiality. The ordinance concerning the appointment of the chief investigator or that all evil elements will then be under control. The matter of appointing the chief investigator for a 4-year term should also be reviewed carefully.

As a rule, if the chief investigator appointee demonstrates better performance and his efforts are fruitful, his term of office should be extended. If his performance is unsatisfactory, he should be relieved of his duties before the expiration of his term of office. A person who knows that he is holding his office for a 4-year period, which can neither be extended nor shortened will have little incentive for improving his performance. If he is naturally conscientious, however, it is a different matter.

In celebrating 14 August, Independence Day, people gave ample evidence of their fervor and enthusiasm. The nation now wants to see the enforcement of true Islamic law in the country. It is an undisputed fact that only those people can enforce Islam who set a practical example by following the teachings of Islam. We all are well aware of the real obstacle in enforcement of the Islamic system.

9779
CSO: 4203/3

INCENTIVES FOR OVERSEAS PAKISTANIS TO SET UP INDUSTRIES IN PAKISTAN

Islamabad THE MUSLIM in English 21 Oct 81 p 3

[Text] ISLAMABAD, Oct. 20: The Overseas Pakistanis Foundation has launched a multipurpose programme to start a number of projects, both in the industrial and agricultural sectors with a view to providing incentives to Overseas Pakistanis to set up their business in Pakistan.

The Managing Director of the Overseas Pakistanis Foundation, Syed Iqbal Imam told APP in an interview today that the programme envisages to provide job opportunities to the overseas Pakistanis on their return home and to enable them to invest in Pakistan to set up small and medium sized industries.

The main feature of the programme, Mr Iqbal said was that the agricultural sector had also been included in such a programme for the first time. Livestock development projects in the form of sheep and goat farming, and dairy and model agricultural farms, he said would also be set up under this programme.

Mr Iqbal said some of the projects would be undertaken by the Overseas Pakistanis Foundation itself while others would be initiated with the cooperation and assistance of the international agencies.

The preliminaries to start four such projects like the liquid sugar, alcohol for industrial use, PIA Shavers, Pepsi Cola, sugar mill at Lalian with the cooperation of the PIDC, Mr Iqbal said had been worked out and the exercise was underway in the right earnest.

A Japanese firm, TAD, he said had offered collaboration to produce compressors for use in the air conditioning plants, fridges and freezers.

The Managing Director said a three-member team of the Overseas Pakistanis Foundation comprising the Deputy Manager of the Foundation, Director Welfare and one expert selected from outside, would go on tour of the Middle East countries, including the Gulf States by the end of this month to know the views of the Pakistani communities in those countries. --APP

CSO: 4220/66

FUNDS FOR DEVELOPMENT IN BALUCHISTAN

Islamabad THE MUSLIM in English 21 Oct 81 p 1

[Article by Jawaid Bokhari]

[Text] KARACHI, Oct. 20: High-level meetings will be held in Quetta next week to consider financial and credit needs for trade and industry in the province, it was learnt here today.

For assessing financial needs and ensuring smooth flow of funds, Chairman of Pakistan Banking Council, M.R. Khan will meet Provincial Governor Lt. Gen. Rahimuddin Khan. Yet another meeting of the PBC chief is planned with leading representatives of trade and industry.

M.R. Khan believes that one of the major objectives of the nationalised banks is to promote development of less developed or retarded areas.

It may be recalled that sometime ago the heads of financial institutions and nationalised banks had also decided that they would pay regular visits to Quetta and Peshawar to ensure smooth flow of required funds for development of the two provinces. Recently bankers equity chief D.M. Qureshi visited Peshawar, Habib Bank President, Haji Jabbar Khan went to Faisalabad and Muslim Commercial Bank Chief, Ajmal Khan covered some less developed regions of the Punjab. The top bankers meet a cross section of the business community and tried to assess and facilitate flow of funds in areas where they are needed.

It may be recalled that more than a year ago a committee of top bankers and heads of financial institutions was also set up to suggest measures for quickening the pace of investment in Baluchistan.

Experts associated with the committee felt that a financial package should be evolved to facilitate flow of required funds for industries based on local raw materials and skill and sponsored on local entrepreneurs. Fiscal concessions should be linked with the requirements of a particular industry rather than the entire area.

CSO: 4220/66

CRITICISM OF SENIORITY SYSTEM RISES AS TECHNICIANS EMIGRATE

Islamabad THE MUSLIM in English 18 Oct 81 p 4

[Editorial: "Brain in the Drain"]

[Text] Skilled labour has been fleeing the country at an alarming rate with the result that even policy-makers are now beginning to sit up and take notice. Plans are on the anvil for increasing the allowances admissible to various categories of public servants. In a report published by this newspaper last Thursday, a classic case in point was cited: half a dozen engineers were sent abroad for training by the Telephone and Telegraph Department. When they returned, they were offered Grade-16 and Grade-17 jobs. Five of the trainees resigned in a huff and sought employment with private firms or in the Gulf. We wonder whether special allowances of the type recommended--even demanded--by the Minister in charge of the Department will bring any of the old and well-trained employees back or prevent others from following suit. Nevertheless, the mere fact that the powers that be are beginning to get worried is indicative that remedial steps, belated and near-futile as they will be, may after all be taken. The trouble with us all these years has been that we do not anticipate problems; we only seek solutions when we are in the thick of it and gasping for breath. Brain drain, for example, is not a new problem; it predates even the post-1973 manpower boom in the Gulf and the rest of the Middle East. Doctors and engineers were leaving the country long before the Arabs used oil as a political weapon. Those who began migrating for work after 1973 were mostly unskilled people and even today the lure of the petrodollar is too great to resist. This has had a most disturbing side-effect: a few years ago some young boys were offered training abroad so that on their return they could get a better deal from their department. These young people also had firm offers from abroad. When they found that with the qualifications they already possessed they could earn ten times more than what they would be getting after a three-year training period, they naturally chose to resign and accepted Middle Eastern jobs. This has now assumed epidemic proportions. No one wants to spend unnecessary years at college. There are jobs to be had. So why waste time and, therefore, money? In ten years from now, Pakistan may be faced with a critical shortage in skilled labour and by the turn of the century may even become a net importer of trained manpower. The whole trouble arises from the fact that scales of pay are determined by constipated, status-conscious gentlemen of the bureaucracy who can't suffer to think that anyone with a Ph.D. in his discipline can or should earn more than

themselves. They have made it to Grade-19 after 19 years. So how can a mere fledgling whose claim to higher emoluments is nothing more than the special skill that his office requires lay claim to that honourable grade after three years of 'ayyashi' in a foreign land? Let the b- resign of he wants to but he will be 50 before he gets to Grade-19. The young b-resigns and goes abroad but the seniority list remains intact. Skill has abdicated. Long live the seniority list! What brain drain do we speak of, then? We washed out brains down the drain long ago and the neighbour's cat ran away with the grey cells. The seniority list boss writes and having writ moves on and there's nothing you can do to erase one half rule or undo one half regulation. By the way, we have thirty thousand seniority lists. Why not have just one senility list?

CSO: 4220/73

TOURIST DOLLARS VERSUS ISLAMIC MORALS

Islamabad THE MUSLIM in English 11 Oct 81 p 4

[Article by Sultan Ahmed: "Tourist Dollars and Our Threatened Morals"]

[Text] WHEN IN ROME, do as the Romans do, says the proverb or healthy homily for the worldly men.

Whether visitors to Rome, from imperious conquerors to simple tourists, have been conforming to the proverb or not, it has survived for centuries.

If what is sauce for the goose is sauce for the gander, European or Oriental, when tourists from Rome, Italy, Europe or the West as a whole come to Pakistan they have to behave as Pakistanis do, or so are they expected to.

So the Pakistan Tourism Development Corporation is reported to have rightly directed all its branches abroad to advise tourists wanting to visit Pakistan to wear proper clothes.

Visiting women in particular have to avoid wearing skin-tight dresses including tight blouses without brassiers when moving around cities or open spaces.

Hotels in Pakistan have also been instructed not to allow women swim in skinpy bikinis or other excessively revealing costumes.

Some may say these are severe instructions in this permissive age, and particularly for the permissive tourists who come for sun, fun and frolic here. But I do think that we are being still liberal with the visiting women in a country where most of the women are seen wearing ,burqas' in the cities and towns.

"When women go to St. Peter's catherdral in Rome don't they cover their bare shoulders and avoid hot pants and other tempting dresses?" asks my orthodox friend in defence of the new instructions.

I agreed with him, although I am told the cathedral authorities have now become somewhat less severe. "But Pakistan is not a cathedral", I said, "they don't come here for pilgrimage but for the fun and our sun, the hot all-the-year-round sun under which they take off much of their clothes and let the heat work into their skin so that they can go home tanned and looking terribly sexy."

But my friend argues that the tourists could have sun anywhere from Morocco to Australia, and in much of Latin America, and in the Caribbean island. "They need not come all the way to Pakistan for the sun", he asserts. He may be right.

But the trouble with tourists is that they want to visit countries where the laws are lax and not those where there are severe rules about their behaviour, dresses and drink. . I said.

"But they must com here to enjoy the difference", he said. 'It must be a lot of fun for tourists to be in a country where the laws are different from theirs, the rules are different, the customs and habits are different, and even the moral values are different. It is the difference that makes tourism. Otherwise they can stay at home '.

"When they want it they will come ', he said. Look at Oriana Fallacci, the notorious journalist from Italy who used to make world's leaders shiver when she interviewed them. When she went to interview Ayatollah Khomeinij she wore a proper chaddar and covered her head according to the Iranian custom now".

I stressed that coming on professional or business trips here was very different from being here as tourists. For example, if the women feel like having a swim in Hawks's Bay or Sandspit in a swim suit they can't, under the rules", I said.

"And what about the hotels in Pakistan which permit those foreign girls swim in their bikinis or other brief wear in pools near the cafeterias and dinning rooms? Do you want our new morality permit that too? That may be good for business, but bad for our morals - you want all that ogling to go on and on?" he asked impatiently.

'The new laws will take care of that too'. I said. Maybe the four and five-star hotels should have two swimming pools, one for the women and the other for men, and both should be shielded from the public eye '.

'That will make it all too costly ' said my friend. Instead, men and women should swim reasonably well clothed and far off from the dining rooms and cafeterias", he insisted.

'We are concerned not only with the fragile morals of our men, but also the safety of the visiting girls , he continued. "You know what happened to that English girl who went around the Ladakh tourist resort in tight clothes? She just vanished. Whether she was killed by someone after a sexual assault, kidnapped by someone or carried off by the abominable snowman or Yeti, no one knows." We don't want that to happen to tourist girls or airline stewardesses in tight dresses in Pakistan", he maintained.

I said tourists are finding it hard to feel at home in Pakistan. Prohibition makes drinking tedious for them, and terribly costly, there

are no night clubs, no gambling places, no betting at the races, hardly any place for dancing, and if they go out with a girl at night they may have to do a lot of explaining to the police. And they don't find many other forms of entertainment, traditional or modern, oriental or Western here", I said.

"They must go, and see our beautiful mountains, those magestic mountains like K-2 compared to the small hills they have all over Europe", he insisted.

'But they are not able to go much to the mountians now because of the Russians and the refugees', I said.

And the beach is not developed at all. And now even if it is, the tourists cannot move round in their brief dresses or get into the sea in their bikinis in this age of the topless or nothing-to-wear at all in the permissive West.

"But we don't want those kind of tourists, we want the better ones. Do what you like, they will still come for our charas", he said.

'But you don't want more charsis", I said." Don't we have enough of them? And surely the ones who come to smoke charas don't bring much money. Instead we want those with fat wallets and a generous hand".

"Fat wallets or thin wallets, I prefer the cultural types, those who come to see Taxila and Moenjadaro, Harappa, the Chukkundi tombs and the graves of Makli. With that kind we will have no problem", he said.

"They will be old folks", I said. "But what is wrong with old folks if they have the time and the money'

'But that is not Islamic culture or heritage", I said.

'What difference does it make? All we want is the tourists' money or our morals. If the two cannot coexist tourism goes and our morals stay.

I agreed, for who can ever argue with a moral man for long in our rarified atmosphere?

CSO: 4220/57

LIBYAN PREFERENCE FOR INDIGENOUS PRODUCTS

Islamabad THE MUSLIM in English 3 Oct 81 p 7

[Text]

KARACHI, Oct. 2: Libya will prefer buying its requirements from Pakistan if the products were of high standard and competitive in price, the spokesman of the 5-man trade edelegation from Libya Ben Shatwan said at a meeting with the President of the Federation of Pakistan Chambers of Commerce and Industry, Mohammad Yousf Zia here Wednesday.

The delegation, which comprises representatives of state companies importing readymade garments, electronics and electrical home appliances and kitchen ware and Libyan commercial office in Istanbul flew in Karachi on Sept. 28 on a market survey and exploratory mission.

The delegation spokesman said that during their stay the delegation members met a number of suppliers. He said, their visit was a beginning of visits by many more delegations representing specific lines of trade. In fact a trade mission representing sports goods had also arrived from Libya. He said, it was also proposed that Pakistani suppliers would be invited to visit Libya to have an idea of the market requirements.

Earlier, Mohammad Yousf Zia, President of FPCC & I welcomed the delegation members and informed them that Pakistan was in a position to supply a varied number of items to Libya including readymade garments, sports goods, surgical instruments, cutlery, electrical goods. He informed them that light engineering machines are also being exported now to countries which are quality conscious but are placing orders because of high standard and competitive prices. During discussion he further informed the delegation that Pakistani manufacturers are in a position to meet their requirements as per specifications and designs of the Libyan buyers.

Mohammad Yousf Zia assured that the Federation would extend all possible assistance and co-operation for promotion of trade between the two brotherly countries.—APP

CSO: 4220/57

POWER GENERATING CAPACITY TO DOUBLE BY EARLY 1984

Karachi MORNING NEWS in English 7 Oct 81 p 9

[Text] The capacity of the National WAPDA Power Grid will be virtually doubled from the existing 132 kilo volts to 220 KV by the beginning of 1984.

Disclosing this at a Radio Press conference here last night, Mr Parvez Ahmed Butt, Chairman, Karachi Electric Supply Corporation, said that this would enable the KESC to receive appreciably more electricity through the National Grid in time of need. Thus alleviating at a great extent the current power shortage facing the metropolis.

The KESC is already linked to the National Power Grid but since the present capacity of the latter is only 132 KV it cannot transfer much electricity to this city.

He said that the KESC had drawn up a five-year plan aimed at boosting its generating capacity so that the current gap between demand and supply could be bridged.

The KESC chairman said that with the commissioning of the first and second 200 megawatt each generating units at the under-construction power station at Pipri by the end of 1983 and 1984, the KESC would be able to meet most of the industrial, commercial and domestic power requirements of the city through its own capacity.

Total Cost

The total cost of these two generating units at Pipri is Rs 600 crore.

Mr Parvez Butt noted that at present the KESC had no reserve capacity to meet any crisis, but with the commissioning of the above two units, this would change, and the KESC would have some reserve electricity with which it could cope with the projected future demand.

He said at the moment the total daily requirements for electricity in Karachi city, including the industrial, commercial and domestic consumers, was 610 Mega Watts during the peak hours between 6 p.m. and 11 p.m.

The three-point energy conservation plan introduced by the KESC had reduced this demand by 60 MWs per day, through the compulsory close-down of shops and commercial establishments at 6.30 p.m. every evening, staggering of holidays in factories and no evening shift in industrial units.

He said if domestic consumers cooperated with the KESC by using two bulbs less in each household, this would result in a daily saving of 50 MWs, which could go far towards meeting the energy gap.

The KESC would shortly published a booklet on energy conservation and this would be distributed among the public.

New Connections

Answering a query Mr Butt said that electricity connections to many new flats could not be given at present since the apartment complex builders had not bothered to consult the KESC about future power supply at the planning and building stages.

He advised prospective apartment-buyers to make sure that the constructors had obtained commitments from the KESC to give electricity connections before they purchased the flats.

He said to prevent occurrence of such unplanned construction in future, the KESC and Karachi Development authority had decided to hold joint meetings at regular intervals and consult with each other about future city planning.

Regarding complaints about over-billing, he said in a small percentage of cases these were justified. However, some other complaints arose because the meters were not read for a number of months, and thus all of a sudden the accumulated bill landed before the consumer, he added.

He was of the view that without some amendments in existing labour laws this situation would be difficult to rectify.

In this connection, he noted that while it was relatively easy to dismiss a CSP officer, it was virtually impossible to get rid of a KESC employee.

Answering a question, he said electricity connections to some poultry estates in the Gadap area would be given soon, and through these adjacent tube wells could also be powered.

However, it was not possible to meet the demands of all applicants in this area at once, since many of them were agriculturists, and so the distances involved in providing individual connections were very large.

Regarding the use of solar power and windmills to generate electricity, he said this was not feasible at the present time, since the technology involved was in an experimental stage of development.—APP

CSO: 4220/56

MAJOR TRAFFIC PROBLEMS REPORTED

Islamabad THE MUSLIM in English 3 Oct 81 p 1

[Article by Saeed Qureshi: "Terrific Traffic"]

[Text]

ISLAMABAD, Oct. 2. According to available statistics the number of traffic challans in Punjab is around 22,000 in Sind 19,000 and in the NWFP it is approximately 10,000 per month.

Believing that their quick disposal was impossible unless the number of magistrates was raised, the authorities are reportedly contemplating summary disposals through standard penalties. The system would enable a cop to give option to violators either to pay a fixed fine or else get prosecuted in a court of law. The practice of impounding a vehicle or acquisition of documents would be discontinued.

The report of the National Highways Safety Cell says the five-month dissemination campaign to familiarise public with traffic rules launched in June 1978 raised the level of awareness about them from 1.5 to 22.5 per cent. The campaign had later to be called off statedly owing to lack of funds. It is claimed that the amount of Rs. 20,00,000 spent on the campaign was repaid to the exchequer to the tune of Rs. 40,00,000 in terms of avoidance of accidents.

A highly placed source, however, admitted that such campaigns do not necessarily guarantee decline in traffic accidents. He said the obeying of rules was different from knowing them. Even after the 1978 campaign the accidents showed no let-up and the graph moved up.

The public perception of traffic problems is certainly different from that of the authorities. Their main concerns are over-speeding, overloading, misbehaviour of the drivers, cut-throat competition to lift the passengers risking the lives of others, and fleecing the fares through arbitrary division of routes. The authorities place containment of accidents over all other problems.

Unfortunately neither the accidents have abated nor the behaviour of the drivers has shown any improvement. The cops overlook the offences of the drivers not because they have their eye on prevention of accidents but, as the public interprets, for monthly amounts paid to them.

The traffic authorities tend to defend the cops on the grounds that they are themselves ignorant of the rules, or they are corrupt because of poverty or they are corrupt, because the whole society is corrupt. This logic can not exonerate the cops from the public indictment which holds the police equally responsible for deaths taking place on the roads.

There is a move now to lay exphasis on 'moving' violations as compared to the 'stationary' violations. It is believed by the traffic experts that the main causes responsible for massive road fatalities were over speeding and other moving violations.

Another factor undermining a viable and safe traffic system is the divergence of approach and opinions between the Communication ministry and the satellite agencies, with regard to solution of problems. The reported friction has led to withholding of an integrated and early answer to a problem which has assumed alarming dimensions.

CSO: 4220/56

TALKS ON INDIA-PAK TRADE AGREEMENT

Islamabad THE MUSLIM in English 21 Oct 81 p 5

[Text] LONDON, Oct. 20: A further round of talks for hammering out a new trade agreement between Pakistan and India is expected to take place in New Delhi next month, it was learnt here.

Pakistan is sending its senior officials to have discussions with their counterparts in the Ministry of Commerce for the purpose. Pakistani officials will be in Delhi to participate in the International Trade Fair from Nov. 14 to Dec. 4. Islamabad is participating in the fair in a big way.

Indian officials are hopeful of concluding a new agreement. talks for which have been going on for the last two years at various level. The forthcoming talks may break fresh ground, Indian officials said.

They cite the purchase of about 50,000 bales of medium staple cotton from Pakistan as India's desire to strengthen its trade relations with Pakistan.

It is learnt that the entire quantity of cotton has reached the Indian ports. India has also been importing fuel oil from Pakistan, apart from raw cotton purchased this year.

India, on its part, is primarily exporting iron ore for the Pakistan Steel Mills project.

Indo-Pak trade touched a peak level in 1977-78, when India exported goods worth Rs. 42.12 crore. Imports from Pakistan were valued at Rs. 23.90 crore. After that year, the two-way trade has been moving in an erratic manner.

In the next year 1978-79, India's export earnings gells to Rs. 19.45 crore. Imports from Pakistan also declined.

The first trade agreement was signed on 1975 and lapsed in January, 1978.

CSO: 4220/66

PRIVATE SECTOR TO PLAY VITAL ROLE IN SHIPPING

Islamabad THE MUSLIM in English 17 Oct 81 p 6

[Text]

KARACHI, Oct. 16: The Presidential Adviser on Shipping, Mustafa Gokal, last night underlined the possibilities of the private sector playing an important and responsible part in the country's freight trade.

Speaking as chief guest at the annual dinner of Pakistan Ship Agents Association at a local hotel, he said, "All of you have an important and positive role to play in planning and promoting the development of shipping in Pakistan. Though ship-owning is in the public sector, the Government has expressed its readiness to consider plans for its expansion on the basis of co-operation and joint enterprise. Apart from transportation of crude oil, which is in the public sector, the import of grains and edible oil are still in private hands. Therefore, possibilities exist for the private sector to play a responsible part in the freight market."

Mr. Gokal said President Ziaul Haq was keen to encourage the private sector and the professional bodies to come forward with specific and constructive suggestions. The Adviser invited Pakistan Ship Agents Association to put forward its proposals before the Government.

Mr. Gokal said Pakistan possessed in the field of shipping infrastructure and trained personnel in the field of shipping industry not only to meet our own growing needs for seaborne trade, but also to share the benefits of cross-trading in South Asia and the Middle East which generated a high percentage of world trade. "We must exploit this potential which can make a very substantial contribution to our foreign exchange earning", he added.

He said that the recent inauguration of the Karachi Steel Mills underlined the need for nationally-owned carriers for the import of iron ore and coal. The Government would have to pay due attention to this matter which was an important element in the strategy for economic and industrial development.—APP

CSO: 4220/74

TIBBI DISPENSARIES, HOSPITALS URGED

Lahore THE PAKISTAN TIMES in English 20 Oct 81 p 5

[Text]

The Muttehida Jamiatul Attiba Pakistan called upon the Federal Government to set up Tibbi dispensaries and hospitals in all the four Provinces in accordance with a Government policy to encourage and promote Islamic system of medicine.

A resolution passed at a meeting of the Jamiat under the chairmanship of its President Hakim Mian Abdul Ghafoor Arshi expressed gratitude to the President for taking keen interest in the promotion of Tibb and said that people could benefit from this system only if dispensaries and hospitals were set up in the country to provide cheap treatment to the people.

By another resolution the meeting said that tabibs should be allowed to issue medical certificates and prescriptions and set up a Tibbia College and hospital at Rawalpindi and Islamabad in accordance with a proposal of the All Pakistan Registered Practitioners Association. The land for the proposed hospital should be given by the CDA or the Auqaf Department as a gift, it said.

The other resolutions called for setting up of herb farms and arranging of their packing and supply to hakims, a separate directorate for Tabibs and issuance of certificates and diplomas to the graduate Tabibs.—APP.

CSO: 4220/74

PLANS FOR PRIVATE FOODGRAIN STORAGE GODOWNS

Karachi DAWN in English 18 Oct 81 p 5

[Text] Faisalabad, Oct 17--The Punjab Government has approved a scheme for the construction of private godowns in the province for the storage of foodgrains.

Disclosing this to DAWN correspondent, Mian Khuda Baksh, Deputy Director of Food, Sargodha division, said under this scheme the agriculturists would bear 40 per cent cost of the construction while the remaining 60 per cent would be made available to them by the Government through banks on soft terms.

He added that these private godowns would be constructed according to the designs of the Food Department. After the completion of these godowns, he said, the Food Department will take over these godowns on rental basis at least for 10 years period for the storage of government purchased wheat.

Mian Khuda Baksh further disclosed that the Federal Government was also negotiating with the World Bank to acquire loan for the construction of a chain of godowns in the country out of which 10 godowns would be constructed in the Punjab province at important procurement centres including Faisalabad, Vehari Multan, Sargodha.

In reply to a question the Deputy Director of Food disclosed that during this season 11.3 million tons of wheat had been produced in the country. He said that in our country about five per cent of the total production of wheat goes waste owing to pests attack and thus we bear a national loss to the tune of Rs. 812 million every year. He said that in order to minimise this wastage, the Provincial Government would take every possible precautionary measures and had decided to impart training to food storage staff. He added that under this scheme the University of Agriculture, Faisalabad, has started training the first batch regarding the control of foodgrain diseases and elimination of pests.

In reply to another question, Mian Khuda Baksh said that the Provincial Food Department had this time procured 20 lakh tons of wheat which would be sufficient for consumption this year. He said that our of this quantity, 5,20,000 [as printed] tons of wheat had been kept in Government and private godowns in Sargodha division but still 47,000 tons of wheat was lying along railway tracks in open space.

CSO: 4220/74

PROSPECTS FOR VEGETABLE EXPORTS TO PERSIAN GULF COUNTRIES

Islamabad THE MUSLIM in English 18 Oct 81 p 7

[Text]

JEDDAH, Oct. 17: The export of Pakistani vegetables stands a bright chance in the Gulf Market, especially in Saudi Arabia, according to a recent official survey conducted by the Export Promotion Bureau of Pakistan, local English daily Arab News reported today.

The survey undertaken, in co-operation with commercial sectors of Pakistan Embassies in Kingdom, Kuwait, UAE, Qatar, Oman and Bahrain, attributed its prediction on the close vicinity of the areas markets and the existing quick, regular transhipment arrangements.

Pakistan, which has banned the export of fresh vegetables until recently, reversed its decision in the light of the increased production of vegetables in the country, according to Embassy sources here.

Apart from the survey, Pakistani officials have established contacts with the Saudi businessmen dealing in the imports of fresh vegetables. They have ascertained their packing requirements for different vegetables and their demand for supply of vegetables on long term basis.

Pakistani officials and businessmen hope, they will be able to sell their vegetables in the Kingdom's market at highly competitive prices and in large quantities.

Already, they have made considerable headway in selling Pakistani potatoes, onions and garlic when export was allowed at a restricted scale some two years back. They exported onions worth about SR. 3 million to the Kingdom alone during the last year, the source said.

In order to supply fresh vegetables to the Kingdom in bulk, the Pakistan Government is also considering a refrigerated shipping service between Karachi and Dammam. This will enable the Pakistani traders to supply the Kingdom fresh vegetables and service between Karachi and Dammam. This will enable other perishable items at reasonable prices, the source said.

The journey time between the two points is about three days and the officials are hopeful that this quick delivery by ship will ensure the availability of Pakistani fresh vegetables in Saudi Arabian markets at much lower price than from other sources adversely affected by inflated air freight charges.—APP

CSO: 4220/73

FIVE-YEAR PLAN TO BOOST OIL SEED PRODUCTION

Karachi MORNING NEWS in English 24 Oct 81 p 5

[Text] A five-year action plan is being launched by the Sind Agriculture Department from the current Rabi season to boost oilseed production by 48 per cent in the province.

Stating this, the Provincial Food and Agriculture Minister Sardar Ghulam Mohammad Mahar said that through intensive and extensive cultivation, the production of rape and mustard would be increased from 63.840 tons of 1980-81 to 91,900 tons in 1985-86.

He said that from the coming Rabi season of 1981-82, rape and mustard will be grown on 2.75 lakh acres in all five years of the plan with emphasis on increasing yield per acre from 6.8 maunds to 9 maunds.

Similarly, he said, another important Rabi oilseed, groundnut will be cultivated on an area of 5,000 acres this season with production target of 3,450 tons. By the end of the plan period in 1985-86, the acreage and production of groundnut will enhance to 6,500 acre and 5,660 tons respectively.

The yield per acre of the groundnut will be increased from 18.3 maunds to 23.3 maunds he added.

The Minister said that to achieve the targeted production, all important inputs like pule seed, fertiliser, pesticides credit and farm advice will be provided to the growers in sufficient quantity and in time.

Sardar Mahar further said that the Agriculture Extension Department will allocate areas and yield targets to the field staff who would be given necessary training by research experts in improved technology of oilseed cultivation.

He said that the acreage under oilseed cultivation will be closely supervised for giving necessary guidance to the growers from selection of land upto threshing stage.

Under the action plan, improved seed multiplication programme has also been prepared which envisages provision of 265.1 tons of rape and mustard seed and 135.4 tons of groundnut seed by 1985-86.

The research work on the improvement of seed of rape and mustard and groundnut will also continue to evolve better and high-yielding varieties of these oilseeds, the Minister added:

For plant protection measures the Minister said, 569 sprayers will also be provided to the growers besides adequate stocks of effective pesticides.

He further said that incentives in shape of better prices, easy credit, marketing and other facilities will also be extended to the oilseed crop growers.--APP

CSO: 4220/66

INCREASED OIL PRODUCTION BY 1982

Karachi MORNING NEWS in English 24 Oct 81 p 4

[Text] Muzaffargarh, Oct. 23: The production of oil from Dodak, Meyal, Toot and Adhi is expected to go up to 19,000 barrels per day by the beginning of next year and will meet about 23 per cent of country's requirements.

Sources of Petroleum and Natural Resources said that at present the total production of oil stood at 12,00 barrels a day which was meeting the 14 per cent requirements of the country.

The sources said to augment the production 30 wells were being drilled each at an expenditure of Rs. 80 million to 120 million. The government was pursuing an exploration programme at an expenditure of Rs. 13,000 million and by the end of the current five-year plan, that is by 1982 the production of oil is expected to rise from 40,000 to 50,000 barrels a day meeting about half of the country's total requirements.

The sources said that seven foreign companies were also engaged in oil exploration in the country.

The sources said that side by side with exploring of oil the Government had taken steps to increase the refining capacity.

In the meantime, a number of small plant for refining oil are to be set up near the discovered oil fields.

The sources said Government had agreed, in principle to the setting up of lubrication oil plants at the National refineries and the Pakistan Refinery at Karachi to manufacture high speed diesel oil from fuel oil. This would help save substantial amount of foreign exchange being spent on the import of oil.

CSO: 4220/67

CREDIT ALLOCATIONS FOR THE PRIVATE SECTOR UP

Islamabad THE MUSLIM in English 21 Oct 81 p 4

[Article by Jawaid Bokhari]

[Text] TOTAL credit expansion during 1981-82 stipulated by the National Credit Consultative Council works out to Rs. 19,495 million an increase of 19.1 per cent against the projected growth of rate 6.1 per cent in the Gross Domestic Product.

However, assuming the contractionary effect of foreign sector at Rs. 3,286 million, monetary expansion is expected to be of the order of Rs. 16,209 million or 15.4 per cent.

The Government's budgetary needs have been estimated at Rs. 5,444 million to be met through deficit financing and requirements of commodity financing have been placed at Rs. 962 million.

Credit needs of public sector enterprises, orginally estimated by the NCCC secretariat at Rs. 4,400 million, Rs. 2,400 million for fixed assets and Rs. 2,000 million for working capital have been reduced to Rs. 3,467 million or by Rs. 933 million at the insistence of the Federation of Pakistan Chamber of Commerce and Industry.

Simultaneously, the total credit allocation for the private sector have been increased from Rs. 9,389 million to Rs. 9,846 million.

The working group of the NCCC which met in Islamabad in July 1981 to consider the viewpoints of its members, decided that private sector allocation for fixed assets should be further increased by another Rs. 485 million.

As far back as 1978-79, the NCCC decided to prescribe separate credit ceilings for financing fixed investment. In the following year, one-third of the credit allocation was earmarked for fixed assets in the private sector. In the first half of 1980-81, the practice was discontinued. It was then discovered that the commercial banks did not provide sufficient finance for fixed industrial investment. This led the Economic Co-ordination Committee to reimpose separate ceilings in respect of fixed industrial assets. Any shortfall in the credit ceilings for the fixed industrial investment, as directed by the EEC, will be deducted from the concerned bank's overall credit ceiling. Thus the private sector has been assured that credit allocations made for it for fixed investment would be forthcoming without any difficulty.

The provision of Rs. 2,137 million for working capital for private sector for current fiscal year constitutes about 10 per cent of the total advances of over 20 billion dollars.

With an inflation rate of over 13 per cent and a projected growth of industry at 10 per cent the private sector believes there should be credit expansion of at least 20 per cent for meeting its working capital requirements.

They believe that by restricting working capital, the growth rate of industrial sector may be hampered.

As a result of the lower domestic credit expansion during 1980-81, the overall monetary expansion truned out to be 13.7 per cent as against the original projection of 14.2 per cent and revised estimate of 18.4 per cent made in January 1981.

The original credit plan for 1980-81 stipulated credit expansion of Rs. 12,500 million of which government and public sector accounted for Rs. 6,800 million, Rs. 4,500 million for Government and Rs. 2,300 million for public sector enterprises. On the other hand, the private sector was allocated a credit expansion of Rs. 6,400 million which together with a saving of Rs. 700 million in "other items" made up the total.

After a six-monthly review, the NCCC, which met in January 81, raised the allocation for government and public sector enterprises to Rs. 9,728 million and that of the private sector to Rs. 7,400 million.

Figures available for June 1981 show that the actual credit expansion of Rs. 12,608 million was nearer to the original plan than the revised projection made in January 1981.

Government sector utilisation was to the tune of Rs. 7,765 million or 61 per cent of the amount earmarked and private sector availed of Rs. 5,711 or 45 per cent of the allocated sum.

The nearly 30 per cent shortfall in the actual utilisation of the revised credit projection and the sudden utilisation of large sums of money by the public sector enterprises during the last two weeks of the six-monthly closing in end-December 1979 and June 1980 convinced the relevant authorities that allocation for public sector enterprises should be slashed.

On the other hand, the lower utilisation of credit than anticipated by the private sector is mainly attributed to the shortfall of over Rs. 1,220 million in the target fixed for Cotton Export Corporation due to brisk exports. The allocation for the CEC was made separately within

the overall ceiling fixed for the private sector. Trade bodies now want that the CEC allocation should be on account of public sector because CEC is a semi-government organisation.

The shortfall in the utilisation of credit in the private sector compared to the projected level was also attributed to a contraction of Rs. 227 million in IDBP credit mainly due to non-availability of external resources and improved recoveries.

Besides, the increase in outstanding credit of the Federal Bank for co-operatives and Punjab Provincial Co-operative Bank during the year under review of Rs. 348 million was less than half the estimated rise of 893 million.

An informal study by a trade organisation shows that monetary assets increased from Rs. 51.6 billion in June 1977 to Rs. 91.1 billion in June 1980, showing an increase of Rs. 39.5 billion in three years.

Excluding the net effect of foreign assets (aids, loans and home remittances) which account for 3.3 billion, domestic credit expansion amounted to Rs. 36.2 billion.

Credit expansion in the government sector of Rs. 19.3 billion was almost due to deficit financing (Rs. 17.7 billion) whereas commodity operations accounted for Rs. 1.6 billion only.

The private sector accounted for expansion of Rs. 13.9 billion whereas "other items" showed a negative growth of Rs. 3.6 billion.

Despite mandatory targets, commercial banks have failed to fulfil the credit targets for agriculture including small loans for farm production, small loans for business and loans for small industry.

During July 1980 to April 1981, figures show that on a proportionate basis, only 80 per cent of the target for agriculture as a whole was achieved, followed by 71 per cent for small industries and 48 per cent for small business.

In the previous three years – from June 30, 1977 to June 30, 1980 – bank advances for agriculture rose by 21.4 per cent for manufacture by 36.8 per cent for construction by 60.5 per cent, for commerce by 73.4 per cent for transport and communication by 132.3 per cent for services by 114 per cent and for "others" by 115.2 per cent. This indicates the emphasis the official credit policy has placed on various segments of the national economy with the rate of growth of credit expansion being the lowest for the commodity producing sectors like agriculture and industry.

CSO: 4220/67

BRIEFS

PUNJAB FERTILIZER DISTRIBUTION--Multan, Oct 17--The Punjab Government is stated to have decided to distribute 5.25 lakh tons of fertilisers to growers this year for making the wheat sowing a success. Necessary arrangements are being made to distribute fertilisers in the province. Concerned agencies have been advised to fulfil the requirements of the growers in time. In Multan division the fertilisers will be available at various depots on cash payment and under loan system on easy terms to enable growers to increase per-acre yield of wheat crop. [Text] [Karachi DAWN in English 18 Oct 81 p 3]

BRITAIN TO PROVIDE CEREALS--Islamabad, Oct 18--Britain will provide 4,250 tons of cereals to Pakistan according to a Press release issued by the British Embassy here today. The Press release quoting the Overseas Development Administration (ODA) said it was a part of Britain's 50,000 tons of cereal contribution to the World Food Programme (WFP). The ODA further announced that Britain would also give 5,000 tons of cereal to WFP International Emergency Food Reserve.--APP. [Text] [Lahore THE PAKISTAN TIMES in English 20 Oct 81 p 10]

ASSISTING FARMERS--Lahore, Oct 16--The Punjab Government has constituted 300 teams comprising the staff of PAD and SC and Field Assistant of the agriculture department, which would guide and assist the small farmers for boosting wheat production during the current rabi season in the province. This was disclosed by the Punjab Agriculture Minister, Brig (Retd) Ghazanfar Muhammad Khan in a meeting held here today. The Minister observed that the small growers, who constituted bulk of our farming community, were not in the habit of making judicious use of fertilizers as recommended by the agrarian experts. He said marked increase in wheat yield could be achieved by applying 50 lbs, each of the nitrogenous and phosphatic fertilisers per acre. They directed the members of the teams to work with dedication and missionary zeal to make the present wheat sowing campaign a real success. He expressed the hope that by coordinated and sustained efforts we could produce wheat in excess of domestic requirements and like rice, wheat could become a vital source of foreign exchange earnings this year.--APP. [Text] [Islamabad THE MUSLIM in English 17 Oct 81 p 6]

RURAL DIRECTORATE--Lahore, Oct 16--To take the fruits of scientific research in various fields to the rural areas and to popularise their use there, a rural Directorate under the control of the Pakistan Council of Scientific and Industrial Research will be set up soon.--PPI. [Text] [Islamabad THE MUSLIM in English 17 Oct 81 p 6]

FRG AID FOR PAKISTAN--Islamabad, Oct 23: An agreement providing 135 million deutche marks to Pakistan was signed in Bonn on Oct 20 between Pakistan and the Federal Republic of Germany says a message received here yesterday. Part of the consortium pledged by the Federal Republic of Germany in Paris this year the agreement provides assistance for passenger and freight transport electricity supply primary education vocational training and forestry. A sum of seven million deutche marks has been provided for assistance to relieve the situation caused by the refugee problem. A separate contribution was also made to the Baluchistan Special Development Fund. The agreement was signed on behalf of the Government of Pakistan by Mr Ejaz A. Nails Secretary of Economic Affairs Division while the State Secretary at the Foreign Office Mr. Sreiherr von Staden, signed on behalf of the Federal Republic of Germany.--APP. [Text] [Karachi MORNING NEWS in English 24 Oct 81 p 4]

ISLAMIC CHAMBER OF COMMERCE PROPOSALS--Mr Dat Ali, Assistant Secretary-General of the Islamic Chamber of Commerce said in Karachi on Monday that the Chamber will put up proposals before the General Assembly of the Organisation of the Islamic Countries (OIC) on the subjects of insurance, reinsurance, budget of the Chamber, banking, etc. He said in an interview that the General Assembly was scheduled to meet in Morocco in December this year. Talking in French through an interpreter, he said that the headquarters of the Chamber had been functioning in Karachi since May this year with Mr Sami Onorn, a Turkish national, as Secretary-General. Mr Dat Ali, a former Senegal Ambassador in Kuwait, said that the objective of the Chamber was to provide useful information about commerce and trade to other Islamic countries which are members of the OIC. This body, he said, also functions as arbitrators in commercial disputes arising between Islamic countries and added that so far none has been reported. [Text] [Karachi DAWN in English 7 Oct 81 p 5]

GAMBLING FOUND OFFENSIVE--Islamabad, Oct 6--Gambling in any form even within the four walls of any place is a cognizable offence under the law and whosoever if found guilty will be punished accordingly an official spokesman said here yesterday. He said it has come to the notice of the government that some people are induling in betting on horse races and gambling within the four walls of their homes.--APP [Text] [Karachi MORNING NEWS in English 7 Oct 81 p 8]

NEW TEXTILE MILLS--About fifty new textile mills with a combined installed capacity of over 700,000 spindles and 2500 looms have been set up during the past four years, it was gathered here today. Besides, available information show that 50,000 spindles and 11,000 looms are under installation. The expansion of the textile industry has been brought about by various measures taken by the present government to stimulate private investment. As a result of the concessions given in customs duty for balancing and modernisation of existing plants, knowledgeable quarters said by end of June 1981 an investment of Rs 300 million has been made by the management of the existing units. Similarly, a number of sick units have changed hands and many of them are reported to have improved their performance. In fact some of these units are reported to have improved the quality of yarn and are competing favourably with the Koreans in price in overseas markets. Thus the number of closed or partially closed spindles is estimated to be over 4 lakh spindles not accounting for the mills which have been completely closed or scrapped. [Text] [Islamabad THE MUSLIM in English 3 Oct 81 p 7]

ITALY'S FOOD AID FOR PAKISTAN--Rome, Oct. 23: Pakistan will receive food aid from Italy, Italian news agency (ANSA) said last night. Italian Foreign Under-Secretary Roberto Pelleschi said that the aid was being given in the light of the friendly relations Italy has with Pakistan and out of respect for humanitarian traditions. The food situation in Pakistan was particularly difficult due to the presence in that country of over two and a half million refugees from Afghanistan. The agency however did not specify the amount of aid. [Text] [Karachi MORNING NEWS in English 24 Oct 81 p 6]

BUSINESS GETS PESTICIDE DISTRIBUTION--Attock: Oct. 17--Distribution of pesticides among farmers has been given to the private sector instead of Agriculture Department in the Punjab Province. This was disclosed by Mohammad Afzal Kahoot, Commissioner, Rawalpindi District, while addressing an open 'Kutchehry' in Jinnah Hall, Pindi Gheb. [Excerpt] [Islamabad THE MUSLIM in English 18 Oct 81 p 6]

TRIBALS WANT REFUGEE AID--National Councillor North Waziristan Agency Said Mian Gul has made an appeal to the government for the provision of water, electricity and roads in their area. He said that on road from Dhandi Saidgi Road to Miranshah no work was done. He further said that all the tribes should be treated equality and no preference should be given to one on another. [as printed] Mr. Said Mian Gul has urged that the aid being given to Afghan refugees should be given in the hands of tribal maliks for its judicious use. [Text] [Peshawar KHYBER MAIL in English 20 Oct 81 p 3]

URDU BOOK FORFEITED--Lahore, Oct. 18--All copies of the Urdu book titled 'Ruh Parvar Yacein' have been forfeited to the government under an order issued by the Punjab government as it contains matter prejudicial to law, says an official handout.--APP. [Text] [Peshawar KHYBER MAIL in English 20 Oct 81 p 4]

INCREASED TRIBAL ACTIVITIES--Tehrik-e-Ittehad-e-Qabail in a meeting with Mumtaz Khan Muhmand in chair have decided to increase their activities for coming party elections. A public meeting would be held at Miranshah (North Waziristan) on November 6 and similarly meetings would be held in other areas also. The meeting latter on demanded resolutions that the restrictions imposed on Tehrik's senior vice-president Saif-ur-Rehman should be lifted, the demands of the students of Ladha College, South Waziristan should be accepted and the student leader Qasim Mahsood be released. They further urged that the urwanted attitude of the political authorities should also be changed. [Text] [Peshawar KHYBER MAIL in English 20 Oct 81 p 4]

PAK FOREIGN EXCHANGE RESERVES UP--Pakistan's approved foreign exchange reserves registered a rise by Rs 547 million during a week ending October 15, according to the Statement of Affairs of the State Bank of Pakistan. The approved foreign exchange as on Oct. 15 last stood at Rs. 6,733 million against Rs. 6,186 million as on Oct. 8 last. Notes in circulation also rose by Rs. 59 million during the week. The figures were Rs. 35,668 million as on Oct. 15 against Rs. 35,609 million on Oct. 8.--APP. [Text] [Karachi MORNING NEWS in English 23 Oct 81 p 7]

HOSPITAL POWER SUPPLY--All temporary power, lighting and distribution systems for the construction of Aga Khan Hospital and Medical College here will be supplied by a British company, says a Press release. The 40 million pound medical complex will be built by Cementation International of London. A complete turnkey scheme covering the supply of generating plant, switch gear and lighting together with a full commissioning service was drawn up by engineers from both companies. In addition the company will supply four 312 kva generators during the construction of the five major buildings in the Aga Khan Hospital complex, which set in 65 acres of grounds, is being built in an appropriate Islamic architectural idiom.--APP [Text] [Karachi THE MUSLIM in English 7 Oct 81 p 10]

COLLEGE 'QURAN' COURSES--Lahore, Oct 2--'Dars-e-Quarn' has been introduced in all colleges of the Punjab would be used as an effective medium of developing the character and personality of the students. [as published] A directive to this effect has been issued by Dr Abdur Rauf, Director, Public Instruction, Punjab to Principals of all colleges in the Punjab. 'Principals have further been directed that the 'Dars' should be regular and planned. Its, duration should be brief and interesting and logically inter-related contents should be included for harmonious development of student life. Students should be motivated to avail themselves of the developmental impact of the 'Dars' and 'Dars Committees' should be constituted in all colleges. Any negligence in this regard would be treated as "serious lapse in the performance of official duties." The directive concluded. [Text] [Islamabad THE MUSLIM in English 3 Oct 81 p 6]

STEPS TO INCREASED INDUSTRIALIZATION--Mr S. M. Askari Taqvi, Director-General of the Investiment Promotion Bureau, disclosed here yesterday that during the past two years an investment of approximately Rs 2,000 million had been made under the nonrepatriation investment scheme. Mr Taqvi who visited the Manghopir SITE Association yesterday informed the members of the Association that the pace of implementation of projects sanctioned under the nonrepatriable investment scheme was 50 percent. Mr Taqvi who held detailed discussion with office-bearers of the SITE Association, enumerated various steps taken by the present Government to accelerate the pace of industrialisation in the country. He also informed the members that the Government was taking measures to eliminate proceduralising for obtaining sanctions. Mr Taqvi said the list of restricted industries were being gradually reduced. He pointed out that 134 industries were placed on the restricted list three years ago. The number of such industries came down to 24 sometime back and at present the list had been reduced to 12 industries only. The restricted list he said was under constant review and if found necessary it would be further modified. [Text] [Karachi MORNING NEWS in English 8 Oct 81 p 5]

LIFE SAVING DRUGS IMPORT--Peshawar, Oct 8--Effective steps would be taken to import life saving drugs in NWFP and new importers in this field would be encouraged. This was decided in a meeting held under the chairmanship of Syed Zafar Ali Shah, NWFP Health Minister. The meeting was informed that introduction of new importers was necessary with a view to controlling drugs prices and ensure availability. It was pointed out in the meeting that NWFP Governor Lt-Gen. Fazle Haq was very keen to remove shortage of medicines in the market and had issued special directives to the provincial Health Department in this respect. The meeting decided that provincial government would contact Federal Ministry of Commerce through Federal Health Ministry for issue of more licences to importers in NWFP. The meeting was attended by Controller of Imports and Exports and Director, Health Services. APP [Text] [Karachi MORNING NEWS in English 9 Oct 81 p 8]

VIOLENCE AGAINST AFGHAN MUJAHIDS--An Afghan Mujahid allegedly shot dead by someone in the Sharea Faisal area, it was reported yesterday. The deceased was identified as Mohammad Naseem. He was living in the refugee camp of Peshawar and had come to the city two weeks back. The reports said that the body of the deceased was lying on the railway tracks on Wednesday. He was identified after his identity card was found on him by the police. The body was removed to a city mortuary and the post mortem finding revealed that he was shot dead by some one before his body was dumped in a desolate place of the railway tracks. A special investigation cell of the police has reportedly been formed to solve the mystery as two Afghan Mujahids were murdered in the city in previous cases. One was found murdered inside a mosque in the Liaquatabad area while another was murdered in Gujar Nala in the Nazimabad area. [Text] [Karachi MORNING NEWS in English 23 Oct 81 p 9]

BIG ARMS HAUL IN QUETTA--Quetta, Oct. 20: The biggest haul of illegal arms in Baluchistan was made by Land Customs Preventive squad last evening from a pick up (AB-1555) which was coming towards Muslim Bagh from Zhob side. The seized arms, mostly Darramade, include 109 rifles and 12-bore guns, 82 pistols, 11 revolvers, one sub-machinegun, and more than 10,000 rounds and magazines. The pick-up driver escaped from the scene but three others were arrested. The Collector, Land Customs, Baluchistan, Khalil Masood, told THE MUSLIM that his department had been getting information for the past two months that arms were being brought illegally to this area from the tribal areas of NWFP. He said he instituted a special squad for the purpose and also informed the Federal and Provincial Governments about the matter. The squad, including three Custom Inspectors, Qaiser Bagi, Chaudhery Dilshad and Sheikh Sattar, sighted a pick-up moving mysteriously on a narrow hill tracks between Zhob and Muslim Bagh. It followed the van and getting hold of them in a narrow valley recovered a huge quantity of arms. The pick-up has been impounded. It is learnt that the Chief Secretary, Baluchistan, and other concerned officials visited the Customs Collectorate to assess the situation of arms smuggling. [Islamabad THE MUSLIM in English 21 Oct 81 p 6]

PROJECT FOR ADDITIONAL STORAGE OF GRAIN--Islamabad, Oct 19: A 68 million dollars Project has been taken up to provide additional storage in the country for wheat and rice to reduce storage losses and improve the efficiency of public sector Grain Storage facilities. The international Development Association has approved a thirty two million dollar Credit to Pakistan for the purpose. [Text] [Quetta BALUCHISTAN TIMES in English 20 Oct 81 p 1]

FIRST CNG REFUELLING STATION--Pakistan's first Compressed Natural Gas (CNG) refuelling station is likely to be commissioned here within two months. The Hydrocarbon Development Institute of Pakistan sources told the APP that the station being set up near Kalapul is in final stages of completion. The Institute is introducing Compressed Natural Gas in the country to replace petrol and diesel in road transport. The sources said that the Karachi station would be able to convert daily fifty petrol cars and thirty diesel buses to run on CNG. Another pilot project will be set up at Islamabad where work is expected to start next month. On the basis of the results of the pilot projects, large scale utilization of natural gas would be made as transport fuel in the country to replace gasoline and imported diesel.--APP. [Text] [Karachi MORNING NEWS in English 24 Oct 81 p 5]

CSO: 4220/57

'AFP' CITES PHILIPPINE BANK REPORT ON ECONOMY

BK211236 Hong Kong AFP in English 1043 GMT 21 Oct 81

[Text] Manila, 21 Oct (AFP)--Rising imports, compounded by spiralling interest rates and weakened exports further burdened the Philippine economy during the first 9 months this year bringing to a staggering $15,369 million its total foreign debts during the period.

The latest Central Bank report on the Philippine economy showed the country's outstanding external debt swelling by 21 percent or $2,668 million from the year-end 1980 level of $12,701 million.

During the same period, the country's balance of payments [BOP] deficit widened by $150 million to reach $360 million. The BOP deficit rose by 71.43 percent over the $210 million registered during the same period in 1980.

The Central Bank attributed the further increase in BOP deficit to the sharp rise in the current account deficit to $1,663 million and the ever-growing oil import bil- which rose to the level of $2,037 million comprising about 39 percent of total import payments.

Exports comprising mineral products, forest products and traditional unmanufactured goods recorded sizeable losses and lowered by $90 million the recorded total export earnings of $3,414 during the period.

Imports, however, increased by $729 million or 16 percent during the period to reach a total of $5,396 million, according to the Central Bank report, which also noted the $329 million or 52 percent increase in the country's interest payments.

Short and long term net inflows, which amounted to $1,012 million prevented the further increase in the Philippines balance of payments deficit.

The inflow, the Central Bank said, came from combined external financing from non-monetary capital, monetization of gold and SDR allocations. It was also supported by non-merchandise trade and transfer accounts--growing by $90 million to $219 million--from incomes mostly of seamen and overseas contract workers.

The Central Bank report also noted the "significant abatement" in the country's inflation which declined from 19.1 percent the previous year to 13.2 percent as

a result of cautious monetary policies and extensive efforts to cushion the impact of oil price increases on consumer goods.

The report also cited government financial measures implemented during the period to correct the fundamental weaknesses of the country's banking and credit system.

CSO: 4220/69

BRIEFS

CUSTOMS REVAMPED--First in the news is the reported revamp in the Bureau of Customs. Customs Commissioner Ramon Farlan made the biggest revamp so far in the Bureau of Customs yesterday. He shuffled eight district collectors and relieved the entire staff of the bureau at the Manila International Port. south harbor, to improve the service and prevent fraternizing with the public, which could lead to anomalies. Many of those relieved from the international port were reported involved in some irregularities. Affected by the district collectors revamp were the ports of Cebu, Iloilo, Legazpi City, San Fernando, Ilognon, Surigao, the Customs Postal Branch, Zamboanga, and the Manila International Airport. [Text] [HK310038 Manila Far East Broadcasting Company in English 2330 GMT 30 Oct 81]

CSO: 4220/69

INTERIOR OFFICIAL SAYS NUMBER OF POOR COULD OVERWHELM NATION

Bangkok DAO SIAM in Thai 3 Oct 81 pp 3, 10, 12

[Text] At present, Thailand has approximately 10 million poor people who earn less than 2,700 baht per year. If we are not able to solve the problem of poverty, the number of poor will increase by about 1 million per year. Therefore, in the next 10 years, Thailand will have 20 million poor.

Mr Phisan Munsatsathon, undersecretary of the Ministry of Interior took part at the Faculty of Medicine at Sirirat Hospital in a discussion on "Thai Economic and Social Development Policy in the Next 10 Years" that would bring good health to all.

The nation's situation with poverty is such that the problem must be solved right away, because the number of poor grows every year, amounting to approximately 200,000 families. On the average, each family has approximately five persons. These people must struggle for their survival, by abandoning their fields and paddies to come to the cities as laborers and to make their living by inappropriate occupations such as prostitution.

If we just let the number of poor grow, in the next 10 years, about one-half of the nation's population will live in poverty. At that time, the people may rise up to solve their own problems by "simply rising up to take up arms."

However, in the current development plans, the government has made some policy changes, with a stress on rural development, especially in 37 poverty-stricken provinces. These areas are considered to be backward and so actions must be stepped up to give people there "enough to live on."

Mr Phisan stated that at present the Ministry of the Interior has responded to the government's policy and will act as the coordinator to solve the problems of poverty in the 37 provinces as fast as possible, notably in the matter of materials which the people there lack. This is "water" to help them be able to plant crops to support themselves as well as other services which the government should provide.

CSO: 4207/23

AIR CAVALRY REGIMENT TO BE FORMED; BUDGET PROBLEMS NOTED

Bangkok MATICHON in Thai 3 Oct 81 pp 1, 12

[Text] An air cavalry regiment will be formed prepared to fight a war in the eastern region, but there are budget conflicts.

Col Somphon Khongsomphong, new commander of the Army Aviation Center stated on 1 October that the Army Aviation Center has made plans to establish an air cavalry regiment and has proposed it to the RTA. It has been approved in principle. The air cavalry regiment shall be an air-mobile combat unit assigned to the Army Aviation Center. The Table of Organization and Equipment shall include three helicopter assault companies as the heart of the unit. It will have a mobile warfare capability by being able to quickly move troops in to hit the enemy hard. This will be suited to combat in Thailand's eastern region.

The Army Aviation Center commander said, "In one company there will be from 8-12 helicopters on standby. Each attack helicopter platoon will have 8-12 helicopters. We are requesting that the attack helicopters have a beginning organization date in 1982 and we will try to get this project accelerated as much as possible to be prepared to fight the external enemy. However, we have a problem in that our country is poor and we have to use a big chunk of the budget."

Concerning the amount of budgeted funds that must be expended, Col Somphon pointed out that it would be necessary to spend many hundreds of millions of baht because each helicopter costs 34 million baht not including weapons. It is necessary for us to have attack helicopters to fight tanks. At this time [we have] about 25 helicopters. There is no problem with pilots; we have enough.

CSO: 4207/23

SOVIET AMBASSADOR INTERVIEWED ON RELATIONS WITH THAILAND, KAMPUCHEAN PROBLEM

Bangkok SIAM RAT in Thai 2 Sep 81 p 5

[Interview with Yuriy Ivanovich Kuznetsov, Soviet ambassador to Thailand]

[Text] [Question] The world situation and relations between Bangkok and Moscow have changed greatly and rapidly. What are your views on these subjects?

[Answer] I would like to begin with international matters and from there go on to relations between our two countries.

At present, there are problems in that the United States has begun the foundation for the all-out production of neutron weapons including the installation of neutron weapons in various places. As is generally known, the Soviet Union made an announcement via TASS on 14 August 1981, which has been widely disseminated.

Our protest also appeared in announcements by Leonid Brezhnev on two or three subsequent occasions. In March 1978, the Soviet Union proposed to the Commission on Reduction of Forces headquartered in Geneva that a protocol be drafted on halting the production, installation and use of nuclear weapons. We feel that this document is of special significance and we will continue to be active in bringing this protocol to fruition. We wish to explain that the decision of the United States on neutron weapons is a very dangerous one which will be the cause for more competition in nuclear weapons, creating the risk of nuclear war.

We are not the only country to have such a resolution before the United States; there are serious struggles going on in several countries of Europe, which is understandable given the U.S. decision to install this weapon in Europe. This threat exists not only in Europe, because people in Washington have also said that they would seek opportunities to install this weapon in the Middle East and in the Indian Ocean. Aside from that, there are nuclear-armed U.S. submarines on patrol in waters all over the world. This means that there is a threat to every nation.

The United States has claimed that its policy of producing nuclear weapons is one of limiting destruction and that it would attempt to exercise the right of use of this weapon to solve political and military problems in various areas of the world. It claims that there is a Soviet threat. The United States is trying to scare the whole world by claiming that the Soviet Union will invade Europe or the Middle East

or other regions in Europe and so it would have to use these weapons in order to stop Soviet tanks. All of this is a propaganda coup for the U.S. military.

In the last 30 years, the United States has never abandoned these claims and it is necessary for it to use this line further in order [to serve] its plans of expansion and to protect its interests on all continents by pressuring U.S. allies to act in accordance with U.S. plans.

The Soviet Union has taken and is taking steps in line with the fact that the important responsibility in this world is to protect and defend peace. It is necessary to absolutely prohibit the production and installation of neutron weapons. We still have enough time to do that and the movements of nations the world over will force the United States to abandon this idea.

Neutron weapons are not simply a matter between the United States and the Soviet Union, but they concern every country in the world.

[Question] At this time, Thailand is being visited by a great many U.S. delegations. What are your views on this?

[Answer] One can sum up U.S. actions in this region by saying that while the Soviet Union supports good relations and broad contacts among all nations, it is not surprising that the United States would have to send visiting delegations to increase its relations. However, when one considers the announcements by U.S. officials, one can see that these delegations are interested in other matters, aside from trade or cultural matters. The United States is still probably talking about its views of installing weapons and repeating the Soviet threat. The United States has to provide military assistance and maintain alliances that are 30 years old. In fact, the agreements made since 1954 have lost all significance. The Soviet Union and its allies are a threat to no nation in this region, but we have always supported the beginnings of a peace process in the countries of this region, especially by making this region a zone of peace. Therefore, I feel that behind the feverish activity of the U.S. delegations, there are other purposes to the contrary.

Every day, the United States strengthens its forces in every part of the world it views as most important: those with natural resources and in line with its strategic interests.

According to announcements by Washington officials, Southeast Asia is felt to be an important area for U.S. interests. Why is this? The answer is that there is tin, rubber and other natural resources here. Secondly, the shortest distance between the Pacific and Indian Oceans lies here. These are the reasons why the United States is trying to pressure the nations of this area politically and militarily; so as to bring them into line with U.S. policy.

[Question] To what extent will the Soviet Union make more efforts to help the Thai economy, especially to promote exports which Thailand is trying to sell worldwide?

[Answer] Over the past 2 or 3 years, we have had very good trade [relations] with Thailand and trade between the two countries has increased greatly. Even reports in Thai newspapers now show that trade between the Soviet Union and Thailand has increased greatly.

In the first half of this year, the Soviet Union has purchased more of some of Thailand's principal products than other countries, especially two important items: rice and sugar. We are also determined to buy many more goods from Thailand in the future, but this must depend on quality, price and timing. However, in general the Soviet foreign trade organizations are quite satisfied with the quality of Thai agricultural products. Therefore, we see that the future for Thai exports to the Soviet Union is pretty good.

[Question] We are concerned about energy problems. Although we have some hopes concerning natural gas, it is still important and necessary to procure alternate energy sources at this time. What plans does the Soviet Union have to help Thailand in solving the energy problem, an important economic issue?

[Answer] You are correct in being concerned about the energy problem, which is a worldwide problem, not only for Thailand and the Soviet Union. Scientific research to find alternative energy sources other than oil, such as solar power, wind power and others is something on which we now have Deputy Prime Minister Maj Gen Praman Adireksan visiting the Soviet Union as a guest of the USSR Government. He has expressed interest in seeing our efforts to solve the energy problem.

We have no secrets in this matter and we think we could cooperate with the Thai Government in working together on development of energy from Thailand's oil shale. We have welcomed many Thai delegations who have come to see our work in this sector.

We have submitted a firm plan to the Thai Government. The only thing left is to start implementing things along these lines. We think this could be done in terms of the aforementioned cooperation.

[Question] Concerning relations between Thailand and the USSR...

[Answer] Relations between the USSR and Thailand have grown and progressed gradually, bit by bit I can't really cite a clear example of this, but I believe things will grow in the future. However, I see that we have a firm basis on which to make our relations grow in some areas and we are ready to promote and encourage these. This year, we have had numerous Soviet delegations visiting Thailand, most notably that of the Supreme Soviet, the highest legislative body with the ultimate power in the nation. Aside from that we have delegations from cooperatives, which have proposed cooperation with Thailand's cooperative movement. We have also had women's delegations come for visits and bilateral discussions.

For these reasons, in April, we had discussions at the foreign ministry level in Bangkok when Mr Firyubin, Soviet vice foreign minister, came. Both Thailand and the USSR felt that it was important to continue these discussions in the future.

These are the results of our bilateral relations over the past 8 months, aside from those matters mentioned previously.

[Question] What are your views about reports that a new Thai communist party has been established? According to reports, they use the name "New Party." The party has a base of operations in Indochina, close allies supported by the Soviet Union.

[Answer] First of all, I would like to tell you that I don't know about this and there is no way to link this to the Soviet Union.

Generally speaking, in theory, setting up a party is an internal matter for that country, especially in that the party being established must serve in its capacity as the representative of the people, or said another way, to serve the interests of the nation. But when I think about this, it is not likely that a party has been established outside the country to be compelled to come in and operate internally. That party would be the ultimate farce, a phony organization which could not exist because it would have no base whatsoever inside the country.

As to news reports about the establishment of this new party, I think they probably are fabrications. I personally think that China has the most interest in fabricating this matter, because China is trying to find an excuse for its support of subversive groups in every corner of Asia.

During his visit to Thailand, China's Premier Zhao Ziyang stressed that China's policy was to cement relations with these subversives, by claiming that if they didn't, the Soviet Union would do so. We can view Zhao's comments from two perspectives:

First, China is trying to blackmail the countries in this region once again by raising the so-called Soviet threat.

Secondly, China is trying to make the excuse that China is correct in trying to interfere in the internal affairs of the nations in this region. We have protested this to the fullest.

We feel that a situation cannot be permitted whereby a country pursues a two-track contradictory policy: a state-to-state policy and a party-to-party policy. The Soviet Union has one policy. The party and the state policy must be the same, because the party policy is made in the party congress and this is firmly set, disseminated and the government must implement relations with various countries as stipulated by the resolutions of the party congress.

[Question] I would like to know your views on Kampuchea and the fighting along the border with Thailand which has caused losses and death to Thai property and people. As Vietnam's large ally, how will the Soviet Union help relieve the hardships in this matter?

[Answer] Did you know that the present government in Phnom Penh has been in existence for 2 and one-half years? The important thing is that the Kampuchean people support this government. Any effort to change this government will be

fruitless. All others are not the political leaders of the Kampuchean people. They are only "political corpses."

The issue of the withdrawal of Vietnamese troops from Kampuchea is not the main problem so long as there is interference from movements outside the country against Kampuchea. I believe that Vietnam will stay in Kampuchea as long as there is trouble from the armed groups on Kampuchean soil. These groups are causing hardship for the people of Kampuchea and are also causing problems for the Thai people.

I wish to ask you who is firing weapons into Thai territory. This matter must be studied carefully. I doubt very much that Vietnamese troops are intentionally firing into Thai territory. However, in order to put this problem behind us and to avoid trouble, I think it is necessary to eliminate all these trouble-makers along the border as soon as possible.

CSO: 4207/23

FACTORS CAUSING 'STAGFLATION' EXAMINED

Bangkok THE NATION REVIEW in English 7 Sep 81 pp 9, 10

[Excerpts]

THE THAI PEOPLE will be hit by "stagflation" and a significantly higher cost of living for the rest of this year and next year. Several factors, including the July 15 baht devaluation by 8.7 per cent, will play havoc with the people's pocketbook.

For one thing, the series of increases in power and water fees have already put a dent in the people's cost of living.

By all estimates, the increase in the Consumer Price Index (CPI) for the whole of 1981 would at least 19.2 per cent. And if the effects from the baht devalution was to be taken into consideration, three to five additional per cent would have to be taken into consideration.

All in all, it would be safe to state that the CPI increase rate for 1981 would be in the range of 22 to 24 per cent, compared with 19.7 per cent in the previous year.

Economic stagnation and inflation have combined to put the country's economy in a state of stagflation. Figures for the first six months of this year clearly showed that the country suffered a trade deficit of 32,770 million baht, compared to 20,600 million baht in the same period in the previous year.

At the same time, the balance-of-payments picture was also grim. The deficit in this respect shot up to 5,262 million baht compared to a surplus of 14,495 million baht in the corresponding period the previous year.

Another major feature which affected Thailand's economy was the severe case of capital flight which seriously plunged the country's international reserves to a new low.

The May 12 and July 15 baht devaluation, with all factors taken into consideration, may well produce more disadvantages than merits, especially in terms of resolving trade and balance-of-payments deficits, as was contained in the claim of the government.

The fact that Thai goods would be cheaper in the market abroad do not necessarily mean that we would be able to sell more. Many other factors come into play.

Thailand's export pattern is generally considered at a disadvantage compared to other countries due to the fact that more than 50 per cent of our exports still comprise primary goods in the agricultural fields and mining. Productions and elasticity in response to market fluctations are far from consistent.

Thailand's imports, on the other hand, are mostly capital and industrial goods. About 75 to 80 per cent of the imports are still those items important to national development.

All in all, 1982 will continue to witness problems related to Consumer Price Index and cost of living increases, especially with OPEC making more efforts to wipe out the oil glut condition which had put a dent in their previously strong position.

That's an outside factor. But internally, production costs will continue to rise, while real income of the people on the average would not go up by any significant level.

CSO: 4220/42

FOREIGN INTEREST RATES STILL HURTING

Bangkok THE NATION REVIEW in English 7 Sep 81 pp 9, 10

[Article by Sopon Onkgara]

[Text] The prevailing tight money situation has threatened to refuse to go away. As time passes, complaints about the money squeeze in the financial and business communities grow louder. They are hoping for a sort of "miracle" which would prevent the government from taking a new step which could make things worse.

The fear is that such a step would be on a "pitfull" thus pulling the national economy to unfathomable chasm.

A lot has been said and discussed among financial pundits as to what are really the causes of tight money. The government has introduced various measures including restriction of credit facilities, devaluation of the baht, exemption of withholding tax, but the situation remains at unsatisfactory level.

Businessmen said that tight money derived from several factors. They identified these causes as the downing of business and less velocity of money. It has happened that all sectors of business operations seemed to have wanted money at the same time to boost the degree of liquidity which has dropped to an almost below zero level.

Another is inflation. People have no savings deposits which are the cheapest source of fund. Savings cannot mobilize enough to satisfy demand for loanable funds. The situation aggravated when commercial banks took step to "be careful" with lendings while "recalling" loans to boost their own liquidity.

But speculation was rife that commercial banks took this step as a retaliation against the squeeze applied by the Bank of Thailand on discount facilities. Commercial banks, certainly denied that they had "initiated" such a move as it would worsen the economy in general.

All seemed to blame recession – the overstock of products while there is less demand because the purchasing power of the public has been declining. The present off-balance of cash flow warrants more finance to boost liquidity.

But the accusing finger seemed to be on the high interest rates abroad. There has been no inflow of foreign funds to generate reasonable degree of liquidity but instead there has been more outflow of fund as local borrowers tended to settle their lendings in the wake of high interest rates making the whole business very expensive.

Another factor, they said, are balance-of-payments and trade deficits. This means even more outflow of cash leading to tight money.

But Assistant Governor of the Bank of Thailand Chawalit Thanachanan said that high agricultural production this year has led to more demand for fund by the business community to buy farm produce. Despite mobilization of funds by commercial banks which increased by 22-23 per cent over the previous year the amount still could not cope with the surge in money demand.

But he agreed that high interest rates abroad was a major factor which led to tight money. There has been less inflow of foreign capital because commercial banks had thought that they could rely on local loans which offered lower interest rates. Commercial banks, he said, in turn scrambled for cheap funds which were also needed by big business operations which previously sought foreign capital and turned to local sources when foreign interest rates were less attractive.

Economists did not just criticize government policy. They came out with various suggestions which they also admitted were also unpalatable if they don't have disastrous effects on the economy.

The first was that they called for better economic performance of the government while saying that such a achievement is "difficult" under present circum-

stances.

They called for better balance of trade and payments which is again "very difficult" to succeed unless the government is bold enough to take drastic measures to curb imports. This again would lead to retaliation by other major exporting countries which tend to impose protectionism against cheap imports from developing countries.

Reduction of inflation rate is another point called for. They were blunt enough to say that this would be "impossible" to achieve. Some have already laughed at the 15 per cent inflation rate predicted by Deputy Finance Minister Phaichitr Uathavikul who said that it would be the maximum for this year.

Another "drastic" measure which may be taken by the government is to increase domestic interest rate. Many have speculated that this will be one of the two options available. But they see this as another "impossible" because of political prohibition.

Already the Central Bank has come out with many statements denying that it would take such a move because foreign interest rates are on the decline. However, economists argued that the strain might overcome the government's ability to contain the situation before interest rates come down.

Another option of the two is further devaluation of the baht. Economists said that this move would "only drive the whole economy to hell" and call for more outcry from businessmen who have already complained about huge losses immediately after the devaluation of 8.7 per cent on July 15.

The best solution, economists said, is to only "pray" for the lower interest rate structure abroad. This will not be only harmless to the economy but instead will prop up what is moving on the downslide.

Assistant Governor Chawalit expected the same thing. He believes that interest rates in the United States would come down as a result of pressures from various directions, especially from the American automobile and construction industries.

He also denied that the Central Bank would raise domestic interest rates to attract inflow of foreign capitals. "This would only hurt business and industries and affect the investment climate," he said.

All points taken; it is obvious that all praying for lower interest rates abroad which may prove to be the light at the end of the tunnel amidst the darkness many are fumbling for a way out.

CSO: 4220/42

BURMESE BORDER TRADE DECLINES

Bangkok THE NATION REVIEW in English 8 Sep 81 p 3

[Text]

MAE SOD, TAK – Traders in this Thai-Burmese border town have been complaining about the deteriorating trade with their Burmese counterpart in the wake of devaluation of Thai and Burmese currencies.

Take Governor Charoensuk Silapan said the traders claimed that trading in the district had, during the past recent months, dropped by 30-40 per cent.

The purchasing power of Burmese traders for Thai goods had diminished, he said, adding that clothing, canned food, soap and detergents had been in a great demand by Burmese traders initially.

The Burmese traders sold only forest products including honey and animal skins to Thai people at the border, the governor said.

Charoensuk said he met early this month with some 30 farmers who expressed their desire to set up a trader group to monopolize trading with the Burmese along the frontier.

He said the monopoly of border trading would affect Thai and Burmese relationship as well as Thailand's economy in rural areas since it would eliminate the chance of other traders in selling their goods to the Burmese.

This, he added, might lead to a misunderstanding by the Burmese Government – that Thailand has changed its trade policy.

Charoensuk admitted that the smuggling between Thailand into Burma through the border was still prevalent.

He said he had instructed provincial authorities to keep close watch on smugglers.

CSO: 4220/42

COL CHAMLONG INTERVIEWED ON PERSONAL PHILOSOPHY

Bangkok THE NATION REVIEW in English 4 Oct 81 p 10

[Report on interview with Col Chamlong Srimulang, secretary general to the prime minister, by Pira Sudham]

[Text]

WE MET last Sunday morning, before he would be leaving for the United States on tour with Prime Minister, Prem Tinsulanonda. He was busy preparing notes for his religion affairs when I arrived at Wat Santi-Asoke, Klong Goom, where he attends to his duties every Sunday when he is free.

The temple seemed to be more crowded than usual for now over five hundred people are gathered there to observe the ordination procedures of the new monks.

We sat quietly among the gathering of the devout Buddhists, the newly converted, and the visitors from all walks of life, young and old.

Later on we talked. Tell me of 'peace' then, I said to him. This is how he began:

"Of peace I did not know it whether it is a peace of mind or tranquility of the surroundings when I was young for I was born amidst the tumult of Bangkok in the year 1935, holding an ambition to be successful in a military career.

"I think my life began when I met a lovely girl in a rugby match. She was among six or seven girlfriends of hers, and to me she was the most beautiful. I found out in time that she was in her final year at Triam Udom Highschool. As for me you could say that I was neither handsome nor bad looking but I sought to be diligent and helpful to my parents.

"You might think I am boasting should I tell you that in all the examinations that I took, I came first until in the Military College, I sometimes took second or third, but mostly I came out on top and my name has been engraved on gold plaques of the College. I never once played truant, sneaking out of the school through a hole in the fence. As a good all-rounder, both in class and in behaviour, I collected prizes and praises. In sports, it seemed that I was not made to be a forefront athlete though I did try for I also wanted very much to excel in sports as well as in the classroom.

"In time I got to know her and eventually I managed to change her mind for she intended to keep up her celibacy for all the rest of her life. She was a strict Buddhist and when we became friends, she asked me to uphold the *silas* as set for his followers by the Lord Buddha.

VOW

"I stopped smoking, drinking, and chewing gums and lozenges. We made a vow that we would not seek to be out together seeing movies or indulging in other forms of entertainment which wasted our time. In this way we helped each other and she also did very well in her studies.

"In the fifth grade of the Military College I was appointed the leader, honoured as the representative of the college to appear in parties outside in various occasions. Responsibilities were increased and I became outstanding, maybe too outstanding when I tried to make good for all.

"How little did I know then that by being too outstanding and doing good for all could get one into somebody else's way and bring only trouble to oneself. Some

people were trying to find fault, and when I organized a movie show to raise fund for the college, it was considered wrong and I was therefore punished by not being able to receive, upon graduation, my sword till three months later after other graduates received theirs. And my rank of the leader was stripped and I was placed at the bottom of the rung of the ladder. Since then I became aware of how one could lose honour at the wave of a hand. What is honour and position and namesake when a mere stranger or an enemy could take them away with the wave of a hand?

"When we were married we tried to save for a house, and after graduation, I sought extra income by teaching in my spare time. Then I won an award to study in a military academy overseas. Upon my return to Thailand I was ordained a monk, following the tradition more than anything else; once more I took first in a Dhamma examination while in the monkhood, but what I valued for having been a monk was that I managed to discard the belief in amulets, talismans, and magic.

"I was noted for my frankness; being outspoken does not bring popularity to one. While in the temple I could not hold my tongue, criticizing those monks who merely used their tonsure and yellow robes for personal gain, behaving unlike good monks who observe the 227 rules set for them by the Lord Buddha.

GOAL

"My worldly goal at the time was to have a piece of land on which we hope to build our own house. At the time we were accommodated by the government, to the dismay of my wife's mother who worried that her daughter would not be comfortable. She hardly believed that I would be a good bread-winner since she held that "wives of military personnel count the bottles while wives of policemen count bank notes."

"We spent our honeymoon at Bangsaen and thought we were very happy. Soon after that I left for Hawaii where I spent six months studying, and later I travelled widely in every direction in search of worldly happiness. On returning we bought a second-hand car from an adviser who was leaving Thailand for home, but we were short of money. Deciding that a car was more necessary than a diamond ring which is only a piece of stone, we sold the diamond wedding ring and bought the car. Since then I have never thought of buying my wife a ring.

"We love this car so much that when it is out of order we feel as if one of our loved ones are ill. When the car is scratched, we feel like someone had wounded our hearts. And this car has been with us up to now for 25 years. It goes to show that I too suffered all that time the power of possession, of attachment to material things as well as to persons.

"We stayed in the house provided by the government for a year until when someone high up thought that we would be too comfortable, so there was an order for us to move out and to live in one of the shophouses. I decided to take my wife out of the city to live in the midst of the rice fields of Ladprow. At that time when we built our hut, there was no electricity and water supply or neighbours.

"For three years we lived there where we used a kerosene lamp for light and bathed in a pond, watching the sunrise and sunset. Then the urge to have a decent house to live in made us take a loan from a bank to build this "dream house," despite the fact that we would have to spend years to repay the debt. Fortunately we don't have any children while we were trying to accumulate things which society expects us to have.

"How lost we were then, wallowing in the mire of craving, taking pride in having a car, a house, not realizing that we were travelling in a different direction of that of Lord Buddha's.

As I move on in life and up in the military hierachy, I began to see that I am more lost, devoting too much of my life to the worldly pleasures. At this point we began our quest to find our way back, seeking out famous abbots or the widely acclaimed monks in various temples, only to discover how lost and 'worldly' some of these monks are, until we came to Wat Santi-Asoke.

DISCOVERY

"Through a recommendation from a friend we finally discovered this unique temple in 1979. Prior to this discovery, we only heard that the monks who are admitted to this temple wear dark brown robes and that, when going out for alms in the morning, they hold a very composed air which makes them different from monks of other temples.

"When we made our first visit to Wat Santi-Asoke, it was beyond my expectation to find that all the monks here are vegetarians, taking only one meal a day. Having been a vegetarian long before this discovery, I knew

then that we were making a step in the right direction to follow the Lord Buddha.

"We found out further that the monks of Wat Santi-Asoke have a direct approach to Buddhism; they do not accumulate material gains and that they follow strictly the rules set up for them by the Lord Buddha. I could be proud verging on being arrogant, but not now, now that we have found the direct and correct way to be true Buddhists.

"I sometimes walk bare-footed following these venerable monks when they go out for alms, and join others to wash the dishes after we have taken our vegetarian meal at Wat Santi-Asoke. Not for long after the first visit to this temple, my practice and the observation of the *silas* or precepts progressed rapidly. From the 5 *silas* I began to take on the 8 *silas* which are: not to destroy life, not to steal, not to commit adultery, not to tell lies, not to take intoxicating drinks, not to take a meal beyond noon, not to sleep on materials made for comfort, not to adorn one's person with scent, cosmetics and seeking to be entertained in any form.

"Both my wife and I now uphold chastity and sold our two-storied house and furniture which once we were so proud of. We built a simple house near this temple and live with bare necessities; there is only a desk there for me to sit and work, but otherwise no chair, no table, no bed.

ONE MEAL

"We sleep on the hard wooden floor. I eat only one vegetarian meal a day, prepared from home and taken to eat at the office. We rarely receive guests at home, but you are welcome if you care to visit us. The house is just across the lane from here. And you shall see the 25-year-old car, the Nash Metropolitan model, a relic to our sense of value held in those days.

"Now I drive a 12 years old Fiat to work. I leave my home at 6 am and arrive at the office at about 6.45 and begin my work. As Secretary General to the Prime Minister, I coordinate with all Ministers and follow up on the orders of the Prime Minister. I must see everything clearly and prevent my personal affairs from entering into my office work. Being what I am, I am aware all the time that praises, honour, flattery, ranks and a sense of grandeur are transitory, while attacks gossips, criticism born out of ill-will or *avija* (ignorance — my own translation) have no effect on me. When you decrease you food intake to only one meal a day, you can decrease greed, lust, and anger, the craving for more.

"I moved from the big house on a 200 square *was* to a shack on a 50 square *was*. Following the *silas* make you diligent, not lazy, and you become less selfish or corrupted. Once a construction company offered to bribe me with millions of baht so that I would put its project on top priority for the Prime Minister to pass, but I declined the offer. This company wanted to jump the queue so that it would not have to pay a huge sum of money on interest.

"I know you would ask this question. Yes, I have had a role in re-enforcing the laws on closing hours of nightclubs, bars, and other places of *abaiyamuk*. It is a matter of law enforcement because the law on closing hours states the time of opening and closing, one wishes to see that the law is law.

"At issue are not only the curbing of places of ill-fame and gambling dens, but an attempt to re-educate the people on the right concept of making merits. Being a Buddhist devotee does not mean one should make a generous contribution or donations towards contructing the biggest Buddha images in the world, or spending a lot of money on food to offer to monks. A great deal of fund has been wasted on misguided charities and donations.

AWARENESS

"Yes, I am well aware that my position is but transitory. In the morning I walk up the steps to my office in the Government House and in the evening I walk down. I have been criticized for being too strict and devoted to Buddhism in my position, that in such a position the seat should not be given to a person like myself.

"On the contrary, I believe that the higher the positions are in government, the more control one should put on oneself. If I was not what I am, or if you were me, would you have already accepted some million baht offered as a bribe to push a construction project forward? Would you grant a concession to mine, to deforest, to set up refineres, to overlook so many other mishaps?

"Why would I want millions of baht offered to me when I, with my own volition, give up two meals a day, when I try to decrease my wants, moving from a big house to a shack near this temple? The police will not arrest me if I eat three meals a day.

PURPOSE

"What is the purpose of being satisfied with the bare minimum of neccessity? First of all when you take very little, you shall have a lot left to plough back to society. As far as my practice in Buddhism is concerned, it frees me from greed, from craving for more, whether it is tangible or intangible matters. I attach no value to 'having', or 'owning', and because I am married, to have a harmony in our married life, I urge my wife to also observe and strictly follow the *silas* and the *Dhamma* along with me, and now she does not use cosmetics, or dress to follow fashion or to be stylish. She also partakes of only one vegetable meal a day. Considered that she once attached so much value to comfort, luxuries, fashion, and was very fastidious in what she ate, she has come a long way.

"Both of us are very much at peace now in both religious and worldly senses. Praise, flattery, verbal attacks, misunderstandings, ill will fall on us but we attach no value to them. There is a constant flow of *'santi'* and joy deep within us."

CSO: 4220/42

GEN PRAYUT GIVES REASONS FOR SELECTING ATHIT

Bangkok THE NATION REVIEW in English 1 Oct 81 p 4

[Text]

THE "RISING SUN" in the army has finally made his official presence felt. The official order naming him to retain the First Army Region Commander has just been signed. Lt Gen Arthit Kamlang-ek, newly-appointed Assistant Army Commander-in-Chief, appears set for the top army post next year when most top men above him will be retiring.

Army Commander-in-Chief Gen Prayudh Charumanee called a press conference yesterday to strongly defend his nomination of Arthit to play that influential and powerful "double role." There was some tough questioning from reporters. But Gen Prayudh fielded the questions with equally tough replies.

Why did he pick Lt Gen Arthit for both positions? Gen Prayudh, who himself assumed the top army post only last month, said:

"Under the present circumstances, my main duty is to preserve national stability, the people's welfare and a democratic system under the monarch. To achieve these goals, we must have good, honest and hard-working senior military men. The person to be First Army Region Commander must have several qualities, particularly honesty, integrity and devotion for the public..."

It was a long and ambiguous introduction. Gen Prayudh continued:

"Certainly, if I decided on a certain person, some people may be happy while others may be upset. But I based my judgment on justice and fairness. I want the country to survive."

The army commander-in-chief, holding his Press conference at noon at the Army Auditorium, added: "You are concerned about coups. Let me assure you that there will be no more coups since the image of the military has improved. Once that image is good, everything, especially national security, would be boosted. Therefore, the military wants to support a good, honest government which works for the benefit of the majority of the people..."

He went on for more than ten minutes before the first question was posed by reporters.

Does it mean that by appointing Gen Arthit as Acting First Army Region Commander, there won't be coups – and that the army would be strengthened?

"Yes. I believe that the army's image would be better. Although Gen Arthit assumes two posts at the same time, he will be drawing only salary of one position. But he will have to work twice harder. But he is a man of devotion..."

Gen Prayudh said he had several candidates in mind before arriving at a decision. "But I had to choose the man I thought was most suitable under the circumstances. At the moment, our priority is to improve on the image of the army. I am glad that I have good friends now in charge of the air force and navy. From now on, the armed forces will devote themselves to national security only – and to support an honest government for the sake of the majority of the people. We also want government officials to devote themselves for national progress..."

Gen Prayudh added: "We don't want the country to lose to the Communists, like the Indochinese countries. Therefore, we must be decisive. I am nobody's puppet. You'd better not write that I am the puppet of somebody."

Another reporter asked: "Sir, was that your very own decision – the retention of Gen Arthit in the First Army?"

Gen Prayudh replied: "We must be courageous enough to make up our own minds. I proposed Gen Arthit's name to the proper channels. If the superiors were not happy with my proposal, they could

have objected to it. I sent it through the Supreme Command which in turn referred it to the Defence Ministry. Nobody could point his fingers at me. I myself didn't tell Gen Arthit that he would be nominated by me..."

Asked why he had nominated Gen Arthit to keep both positions, thereby centralizing authority in one person, the army commander-in-chief replied: "I am confident that Gen Arthit is a good man. He is a good soldier. The First Army comes under my jurisdiction. This acting post could be given out to the same person holding another position. The late Gen Amnart Damrikarn) held that post concurrently soon after the coup. I will consider later on whether a new person could be appointed..."

Were there any negative reactions in the army over this appointment?

Gen Prayudh replied: "I am happy that this time around, the reactions were not very noisy because most soldiers know what we are doing. They know we are doing the right thing. If you, the media, would look at it with an objective mind, you would also see the same picture."

Another reporter asked: "By appointing Gen Arthit to the two posts concurrently, were you suggesting that you were not too sure that there could be another general who could be as honest as Gen Arthit?"

"That's a good question," the army commander-in-chief said. "But I can't emphasize that point since it would be tantamount to putting the blame on others. Let me put it this way: For the time being, Gen Arthit is in a better position. So, he should be given a chance to be First Army Commander for a while. It's not because we don't have good people. But the question is: What's the best way out? We have to compare the merits of all possible candidates. But we must admit that nothing is perfect.

Then came the question which appeared to have incensed Gen Prayudh. "Some critics say that by appointing Gen Arthit to the two posts at the same time, the army might have lost ten good senior officers. Have you heard that too, sir?"

With a loud and somewhat excited voice, Gen Prayudh turned to the reporter who posed this question, and retorted:

"Who? Who made this statement? You must name him so that I could talk to him. Name him. If that some of the officers had been 'dug out of nowhere' to be put in senior positions. That only discouraged the persons concerned. For example, Lt Gen Paichit Somsuwan, promoted from the post as Defence Ministry's Accounting Chief to be Assistant Army C-in-C. He is a very capable man, and used to fight in the battlefields. He was made a major when he was only 25. That sort of fact was not mentioned by the critics..."

Gen Prayudh continued: "Gen Arthit, we must all admit, is a very competent man. Every army unit that he was assigned to head showed improvement. And that dates back to the time he was posted in the Northeast. You can check out his record. He is a fighter worth his salt. We all appreciate his ability..."

So, is the army commander-in-chief certain that there won't be any more coups?

"Yes, I am very confident. You know why? Let me tell you that the navy and air you don't name him, then he hasn't got guts. I have been accused of being a coward before. I want to meet a real man. Sure, some people might have been disappointed over the appointment. But I can't help it. Everybody wants to be army commander-in-chief. When I was named to that post, other people were naturally upset and I was naturally happy. That's fact of life..."

Asked about the observation from some quarters that a large number of senior officers from the Internal Security Operations Command (ISOC) were given promotions this year, Gen Prayudh said:

"Well, that's because some of them had attained the seniority required and, for fairness' sake, they should be promoted. We based our judgment on seniority. Some of the critics were being destructive when they criticized force commanders-in-chief are my close friends. And the country is heading in the right direction since officers who have been given senior posts are all honest and devoted. You can sense at first sight that they have no tendency towards staging coups. Why stage a coup after all?" Gen Prayudh said.

A reporter who couldn't resist the temptation to tease the army boss remarked: "Individually, they may not want to do it. But once a coup is staged, they would all join in..."

Gen Prayudh retorted: "Right. If the country is facing disaster, we would have to do it. We would have to stage a coup when the risk is high that we may become slaves of the Communists."

"Would that be the only reason for staging coups in the future?" another reporter asked.

"I don't know. If everything proceeds properly, there shouldn't be coups. Gen Arthit has told me that he wouldn't stage coups. I told him that's the right kind of thinking..."

CSO: 4220/42

EDITORIAL URGES INDEPENDENCE FROM U.S.

Bangkok SIAM MAI in Thai 17 Oct 81 p 5

[Editorial: "Policy Toward the Great Friend"]

[Text] Gen Prem Tinsulanon and his party have made their official visit to the U.S. which began 1 October and will probably return in the next couple days.

When Gen Prem has demonstrated clearly during this U.S. visit, whether in UN conferences, with the president or high-level U.S. officials or even in chats with Thai students abroad or with American business moguls whom Gen Prem went to persuade to invest in [Thailand] or even when he was quizzed by foreign newsmen was that concern over economic problems and the cost of living came first. Security problems and attacks from abroad were of secondary importance.

Moreover, Gen Prem appealed for sympathy from everyone he had an opportunity to meet with. He pleaded for sympathy while asking for help, a little from each. He asked that they give of their effort and spirit for the survival of the nation. Even for Bankok's bicentenial, Gen Prem hustled to do the public relations work to persuade foreigners to travel to Thailand in order to earn foreign exchange. This was one part of his speech to Thais abroad.

It seems that everyday Thailand confronts a sad state of affairs. The number of loans from abroad increases alarmingly by the day. High-ranking government officials, even the prime minister himself, constantly make known their anxiety in shamelessly appealing for sympathy to those they meet.

What is more worrisome is that, although it is known that they are at their wits end in solving problems, they still obstinately push to continue being the administrators of the country, Gen Prem himself does everything to remain in office, whether it is by controlling his previous positions in the armed forces to insure his power base or even by not taking responsibility for duties within his scope of responsibilities. He has never shown the slightest concern for the cries of those under his command or subordinates. What he has always shown in the exercise of his responsibilities has been a distracted look upwards. [naeng mong khun pai khang bon.]

In making this visit to the U.S. was Gen Prem fully aware that Thailand's status as an independent entity which had never been anyone's colony was because of an independence in making policy, in making alliances as equals with mutual respect, each acting as its own man?

We can wonder what the actual results will be when the time comes to implement the promises Gen Prem got from President Reagan, meaning the Manila Pact signed in 1954 or the ties resulting from the Thanat-Rusk agreements signed in 1962 if it affects American interests as Gen Prem gets senile, content with meaningless conversations.

At this time, the nation is having problems. Gen Prem's foreign policy is prepared to confront the reality. [It should] not tie itself excessively to following the backsides of some great powers; especially that of America because throughout the past, it is known among military officers that Gen Prem has given a secret order to producement sectors that they should buy only from the USA.

It is only by carrying out a truly independent policy not tied to any side and standing on our own two feet that we will survive.

CSO: 4207/25

GRANTING OF RICE EXPORT MONOPOLIES TO CORPORATIONS PROTESTED

Bangkok BAN MUANG in Tahi 2 Oct 81 pp 1, 2

[Text] Representatives from rice mills from all over the nation gathered to protest the Department of Foreign Trade having made 17 corporations the sole commission which controls consideration of distribution of rice for sale abroad. This would be the only group that would then monopolize the export of rice.

Around noon at the National Assembly yesterday (1 October) about 30 representatives from rice mills, led by Mr Charoen Unanan, president of the Association of Thai River Millers, met with government authorities who were led by Deputy Prime Minister Maj Gen Praman Adireksan. Other officials involved were Mr Prakai Phreuksarutanon, deputy minister of commerce, Mr Danai Dunlalampha, deputy undersecretary of commerce and others. Representatives from the people were coordinated by Mr Siri Thungthong an MP from Uthaithani.

The reason for the discussions was that rice mill managers complained that 17 rice export corporations who had been appointed on 11 August 1981 by the director general of the Department of Foreign trade to sit on a commission to consider the distribution of rice to be sold abroad were all rice exporters. It appeared that there were many problems over this. For instance, the price of milled rice had dropped further by more than 100 baht per sack. Aside from this, the group of 17 corporations still had the power to set rice prices both in domestic markets and abroad. They even had the power to request a decrease in the balance from the Ministry of Commerce, likewise claiming that the export price of rice had been lowered, asking for a drop in the premium and requesting permission to lower reserve stocks of rice. These actions would create losses in the nation's income.

For these reasons, rice mill owners all over the nation got together to invest money to form the Thai Rice Enterprises Corporation, Ltd. This is to be a corporation of the masses to help seek markets abroad. This would offset the power of the 17 corporations. Charoen Unanan added that the rice millers had to get together because they were under pressure from the group of 17 export corporations. The rice mills buy paddy from the farmers at government-set prices as the rice comes into the mills. Then the exporters claim that there are no markets and they don't buy rice from the mills. They buy only when they get a good price and the mill owners become the scapegoats. There are a lot of other examples of [mis] behavior by the group of 17 exporters. They don't trouble themselves to find markets because they consider themselves as having the sole right to export.

Therefore, the mill owners ask the government, especially the Ministry of Commerce to free up rice sales. Reporters asked that if this is done, would they be able to find rice markets since the 17 corporations have been selling and buying from each other for dozens of years. Mr Charoeun Unanan responded that markets are no problem and told reporters that the director general of the Department of Foreign Trade's remarks in an interview that the mill owners are complaining about this because of their own interests is not true. The mills had just received permission to register their rice trade enterprise on 25 September and got the actual document on 28 September, so what time was there to do anything, Mr Charoeun asked reporters.

Also, Mr Danai Dunlalampha, deputy undersecretary acting as the chairman of the Agricultural Product Price Administration Commission told reporters that the government will provide about 10,000 million baht to purchase rice from farmers in 1982 and would begin taking bids for rice purchases in 54 provinces throughout the nation. It is estimated that it will purchase about 11.4 million sacks of rice. After the bidding, the provincial authorities will send the results of the bidding to the ministry for its computer. The results will be sent to warehouse organizations, co-operatives and marketing organizations for their action.

As for the results of the meeting, after about one-half hour of discussion, Mr Siri Thungthong, discussion coordinator told reporters that the results achieved had been very satisfactory. Mr Dani agreed with representatives from the Association of Thai Rice Millers that from now on the ministry will provide 1.2 billion baht to purchase rice from the mills to correct the problems of the mills' inability to sell the rice. The rice mill representatives shall make agreements with the ministry of Commerce and warehouse organizations that the latter will purchase 5 percent milled rice from the annual wet rice crop at 714.70 baht per sack and 5 percent milled rice from the second crop at 645.90 baht per [100 kg] sack. A-1 broken rice will still be sold at the price previously set by the authorities and the mills may make agreements directly with the warehouses in any location.

As for the problem in which the millers' association was disatisfied with the Department of Foreign Trade having given an export quota to the 17 export corporations and wished to have some of the exports be given to the millers' association, Maj Gen Praman stated that it would be necessary to await the return from Europe of Minister of Commerce, Chuan Leekphai before negotiations could begin because this is something that must be taken care of by him.

CSO: 4207/24

MINING PROFITS DROP SHARPLY

Bangkok SIAM RAT in Thai 5 Sep 81 p 2

[Text] The Thai mining industry had an awful year. The top ore production and export figures for the first half of this year are very different from those of last year. Ore production has dropped by more than 2 billion baht.

The public relations section of the Ministry of Industry has revealed the results of its compilation of statistics on various types of ore production in Thailand for the first half of the year--January to June of this year.

It appears that Thailand has been able to produce ores of various types amounting to 6.657 billion baht, but this is compared to production for the same period last year, when Thailand was able to produce ores with a total value of 8.786 billion baht. Production dropped to the tune of some 2.129 billion baht.

In production for the first half of the year, an important ore for the nation, it seems that Thailand has been able to produce a total of 5.495 billion baht worth. Compared to that of last year, one sees that the production of tin has dropped by 20 percent.

This drop in production has resulted in the collection of only 1.728 billion baht in royalties in the last 6 months, a drop of 21.9 percent from that of last year. Last year, the government was able to collect 2.212 billion baht in royalties.

The drop in Thai ore production this year is due to the fact that national and internation economic conditions were not very good in the first half of the year. Moreover, production costs rose which forced the closure of dozens of mines, further decreasing the production.

CSO: 4207/24

EDITORIAL APPLAUDS THAI NEUTRALITY IN WORLD AFFAIRS

Bangkok MATICHON in Thai 8 Oct 81 p 3

[Editorial: "Thailand and the Third World"]

[Text] Prime Minister Gen Prem Tinsulanon gave a speech to the UN General Assembly in New York, USA on 5 October. There were some points worthy of mention: Thailand's attitude toward the threats to world peace and stability. These are important factors which receive the concern and support of the Third World. The problems are those of Namibia in southern Africa, the Palestinian problem in the Middle East and Arab lands seized by Israel, that of aggression in Afganistan and that of Kampuchea. It has been stressed over and over that all of these are a denial to those people of their rights.

In stating these attitudes, it must be considered that Thailand is increasingly coming into its own in the world political forum. All of these issues are backed by the two great powers in their entirety. They are issues in which third [party] nations are calling for peaceful solutions through international organizations such as the UN and other great power nations; because if we just let things go and force is used in another country, or if we let the unfinished business become chronic, there will be no peace or security in the world.

We especially agree with the Thai Government's political policy of turning itself away from all the great powers in order to stand on its own correctly and be neutral. In the past we have tended to always ally ourselves with the great powers, such as the USA, primarily. This has been done to the point where the domestic political climate in Thailand has changed with the political winds of that great power nation. Changes [have come] notably in the military sphere; in past coup d'etats, the great power nation has tended to interfere in the internal affairs of underdeveloped nations to [gain] political power, benefits in natural resources and other things for its own people and nation.

Another important issue is the matter of arms reduction. The prime minister pointed out that it is a most necessary matter. The world's expenditures in this sector for one year come to U.S. $500,000 million and there seems to be no end to it. We are ready to hope that the 2d extraordinary conference on arms reduction would help to fulfill this objective because the arms race is the cause of international conflict, reaping of profits and economic conflicts among various countries. Concerning these two important issues, we believe that at least the UN member states have become more clearly aware of Thailand's policies because of the statements and appeals of the head of the Thai government himself. This will demonstrate that the Thai government stands with the majority of the Third World which is protesting the great powers who support the creation of these problems which threaten world peace.

CSO: 4207/24

BANK OF THAILAND FINDS MINIMUM WAGE LAW WIDELY VIOLATED

Bangkok SIAM RAT in Thai 10 Oct 81 p 2

[Text] The Bank of Thailand has discovered that in 1980 more than 10 percent of the work force received less than the established minimum wage. In comparing increases, those of this year did not reach 200 baht per month while last year, workers' [wages] increased by 225 baht per month.

Bank of Tahiland specialists have reported their findings concerning wages for 1981-1982. They say that last year it was found that more than 10 percent of the work force out of more than 200,000 workers surveyed (workers in the industrial sector surveyed by the Labor Department nationwide number some 2 million in all) are still receiving less than the minimum wage set by the government.

Notably, in small enterprises in the northeast, more than 17.5 percent of the work force surveyed received wages less than those set by law. This percentage will rise even more this year.

The Bank of Thailand classified employees as follows: those paid monthly, daily, temporary day hires and contract workers. From the survey it was found that workers hired on contract got the highest wages.

Bank of Thailand specialists also compared minimum wage increases of last year and this year. They found that the increases this year, such as in Bangkok went from 54 baht to 61 baht per day. On the average, workers' wages did not increase by 200 baht per month while in October of last year, which saw a hike from 45 to 54 baht, workers' wages grew by an average of 225 baht.

CSO: 4207/24

FRENCH AMBASSADOR INTERVIEWED ON INDOCHINA POLICY

Bangkok THE NATION REVIEW in English 14 Oct 81 p 4

[Text] FRENCH AMBASSADOR to Bangkok Jean Soulier would not say it's a basic change in the French policy but Paris is clearly walking a subtly new path over the Kampuchean issue. "We don't want to cut off any possibilities which may eventually help lead to a negotiated political settlement in Kampuchea..." Soulier told *The Nation* the other day.

There have in recent months been signs of some "significant gestures" and a new approach: France has been reluctant to join the ad hoc committee set up during the International Conference on Kampuchea in July in New York. At the same time, the French door seems slightly more ajar for requests by Vietnam for economic aid following a two-year significant slowdown in assistance programme after Vietnam invaded Kampuchea in 1979.

The French government has, through the well-connected Vietnamese Ambassador to Paris Mai Van Bo, been getting numerous aid requests from Hanoi after the new Mitterrand Government let it be known that following a "slow-down" in French aid programme (part of the US$ 130 million deal signed by an economic aid agreement in 1976), France will consider, on a selective and case-by-case basis, proposals for assistance from Hanoi.

The Vietnamese invasion of Kampuchea in 1979 did put France in an awkward position. Paris turned "cool" and partially froze the assistance programme although a senior French diplomat maintained that French economic aid to Hanoi was never "frozen" but it was also pointed out that the grants and loans in the US$130 million protocol signed five years ago could have been spent much earlier. The last amount of the package was signed only about two months ago.

The new gesture by Paris may not underscore a drastic change in the French policy towards Vietnam over the Kampuchean stalemate "and we continue to be on ASEAN's side in the search for political solutions," said senior French diplomats who, however, insisted the Chinese line in "bleeding the Vietnamese" would not produce the desirable results.

France has been non-committal (together with Sweden) over the request by ASEAN and other countries to be a member of the ad hoc committee set up by the July 13-16 New York International Conference on Kampuchea. "Admittedly, we are cautious on this issue because we want to be certain that any decision we reach would not close the doors of possible dialogue with the Vietnamese," said another French diplomat.

Paris realizes that a decision would have to come some day — and soon — to decide on whether to be in the ad hoc committee or not. But she certainly doesn't want to be caught in a dilemma.

"For one thing, the new French Government has made it clear that we would be clear-cut in our public statements instead of being vague, offering nuances rather than specific statements. We have made it plain that we are against the Russian invasion of Afghanistan and we have been clearly against the Vietnamese invasion of Kampuchea. We, therefore, want a negotiated settlement," said Ambassador Soulier.

The basic philosophy and policy of the previous and present French governments might not have differed too vastly — but the approach and conduct apparently have taken some new twists.

The French are still talking these days of their "special relationship" with the Vietnamese, and they would not fail to point out at times the futility of the Chinese and the American policies in certain aspects.

Back in Paris, Southeast Asia may not rank very high in the list of foreign policy priorities but French diplomats handling Indochina and ASEAN would like to think that somewhere, somehow they should, and could, have an edge

over the other major powers in dealing with the Vietnamese.

One senior French diplomat told me: "The Chinese and the Americans may think that they can bleed the Vietnamese. Of course, they may be able to do that but nobody would get anything out of bleeding Hanoi. We have to talk to them. We have experience in dealing with them..."

The French would like to appear realistic and pragmatic in their policy in this region. "We are not running in to say we would talk and help the Vietnamese but if possibilities arise which may lead to possible defusing of the tension, our policy is not to ignore them..," another French diplomat said. But he also admitted that there had been no signs of more flexibility from Moscow or Hanoi in the Kampuchean question.

A French diplomat went to the extent of saying that Moscow might eventually hold the final card in the whole scheme of things.

"The Soviet Union, of course, would continue to be on Vietnam's side. But at the same time, Moscow realizes that it need friends in Asia apart from Vietnam as well. Look at how Deputy Foreign Minister Nicolai Firyubin was sent out recently to this area to cultivate better relations with ASEAN countries. And don't ignore the signals from some of the allies of the Soviet Union in Eastern Europe which have been asked to try to develop closer ties with ASEAN countries in this regard at the same time. So, Moscow would have to think very hard as well about its own image among non-communist countries in the region..."

In the French viewpoint, Moscow could well, in time, balance off its relationship. But the complications must necessarily be taken into consideration.

"Somebody told me the other day," a French diplomat with long experience in the region said, "If there hadn't been the Afghanistan invasion, it might have been easier for Moscow to relax things in Kampuchea. But the dilemma is clear: If Moscow loosens its grips in Kampuchea, people would ask: Why not Afghanistan as well?"

There are frustrations in the tone of some French diplomats when they discuss the stalemate over the Kampuchean question. But they are very careful in stressing that Paris is behind ASEAN. "We won't take any initiatives. We would follow ASEAN's line. But the Chinese haven't changed an iota of its policy," commented another French diplomat based in Bangkok.

Their frustrations obviously also are linked to the deadlocked negotiations among the three Khmer factions which have gone nowhere in their sixth round of talks. The seventh round of the negotiations is due on Oct 28, this time giving more time between intervals so that each side could report back to its respective boss.

"Prince Sihanouk seems flexible enough, for some reasons, but the Khmer Rouge simply wouldn't change their stand. Son Sann obviously doesn't want to yield to any condition which may place him in a disadvantageous position," commented a French diplomat who has been monitoring the negotiations closely in the past few months.

"The Khmer Rouge say they are ready to talk about a coalition government but they insist on maintaining the old Democratic Kampuchean structure — the Presidium and the Assembly. Son Sann, of course, had presumed that the coalition talks would mean dissolution of the old DK structures and that they would agree on a new structure," the French diplomat said.

The French appear more inclined towards Son Sann, having declared that they would have nothing to do with the Khmer Rouge. Sihanouk, a close personal friend of French President Mitterrand, remains an alternative the French consider important.

Obviously, Paris doesn't bank too much hope on the Khmer tripartite negotiations in Bangkok. Neither does she believe too much in the International Conference on Kampuchea's ad hoc committee. The French, if they had a choice, may want to wait until there are some favourable signs of a more flexible stand from Moscow and Hanoi.

But then, the French diplomats all admit that they haven't detected any new signs of positive reactions from the Soviet Union and Vietnam.

TOMORROW: FRENCH COMEBACK TO VIENTIANE?

CSO: 4220/65

MONKS ENJOINED FROM POLITICAL, OTHER ACTIVITIES

Bangkok SIAM RAT in Thai 3 Oct 81 pp 1, 12

[Text] The Department of Religious Affairs has compiled another 37 special prohibitions concerning the [Buddhist] clergy aside from those noted in ecclesiastical law. These special prohibitions are to be complied with by newly-ordained monks.

Mr Thanu Sawaengsak, director general of the Department of Religious Affairs revealed that at this time the department has compiled a code of conduct for the clergy written by the Supreme Patriarch including regulations, orders, rules and pronouncements of the Great Council of Elders [Mahatherasamakhom) as well as those of the Supreme Patriarch and the preeminent administrator [Sangkha Nayok]. This will be used for the benefit of all abbots and those on ecclesiastical commissions [Sangkhathikan] as guidance for newly-ordained clergy, aside from guidance materials which are already in use as handbooks for conduct.

The additional 37 prohibitions to be followed by the clergy are:

1) No driving long-tailed boats; 2) no repairing or driving cars; 3) no driving carts or riding horseback, riding bicycles or motorcycles, no flying planes or piloting boats; 4) no participation in sports, boxing or chess; 5) no playing music or watching entertainment (movies, songfests, bands, traditional dancing); 6) no consumption of alcoholic beverages, beer, marihuana, opium, morphine and heroin 7) no trips to strange places like nightclubs, massage parlors, coffee shops or disco bars; 8) no trips to bathing beaches; 9) no trips to the Weekend Market at the Royal Parade Ground [Sanam Luang] and watching royal functions; 10) no functioning as a guide for foreigners' trips to various places; 11) no photography, using cameras or telephoto lenses or binoculars to observe individuals; 12) no pleasure trips to ask for money from villagers; 13) no eating raw fish or congealed blood; 14) no wearing of underpants; 15) no permitting the mother to touch one while ill; 16) no accepting contributions without permission; 17) no loaning money; 18) no hiring out as construction labor; 19) no raising of step-children, adopted children; 20) no ordaining women as priests; 21) no residing at home; 22) no spending the night in places that are disgusting as stated in the code of conduct for clergy; 23) no purchasing of lottery tickets or having lottery tickets in one's possession; 24) no portrayal of oneself as a prognosticator of lottery or raffle ticket winning numbers; 25) no telling of fortunes; 26) no seeking of

forture by issuing bank notes as a doctor or medical practioner; 28) no charging fees for incantations and experimenting with supernatural materials; 29) no attending of [lay] schools; 30) no listening to political speeches at the royal parade grounds; 31) no attendance at [lay] schools for the purpose of auditing courses; 32) no competing for civil service appointments; 33) no membership in lay societies, associations or clubs; 34) no involvement with politics; 35) no involvement with temples or monastic organizations that have been established illegally; 36) no giving sermons that the great nation may be lost [thet mahachat talokkhanong sia somnsarup]; and 37) no playing rattan ball, kicking a football or lifting weights.

CSO: 4207/23

BRIEFS

MORE BORDER POINTS OPENED--In Pakse, in the Lao province of Champassak, some 8,000 cubic meters of Sung trees have been felled, valued at 10 million baht or more. It is ready for shipment to the Thai bank. It appears that for the length of the Thai-Lao border on the Mekong River, the 2d Army has permitted the use of only the Tha Sadet docks in Nongkhai Province. The distance from Champassak to Tha Sadet is 400-500 kilometers, but if goods are shipped to the Thai bank at the Thakhek and Savannakhet docks, it is only 40-50 kilometers. There has been a lot of scurrying about among traders and MPs in the Waritchaphum area of Sakon Nakhon Province asking that border points be reopened. Efforts made in this matter while Lt Gen Lak Sakikhup in command of the 2d Army were answered by saying that one should let things happen step-by-step and then permission would be granted. Last week, the shipment of wood was allowed to take place, opening the border as a special case. The cost of signing the order to open the border as a special case. The cost of signing the order to open the border for this special case came to 2-3 million baht. [Text] [Bangkok SIAM MAI in Thai 17 Oct 81 p 1]

CSO: 4207/25

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PROBLEMS OF SCHOOL DROPOUTS DETAILED

Jakarta MUTIARA in Indonesian 19 Aug - 1 Sep 81, Vol 249, pp 1-4, 15-16

[Article by Dr Antony Z Abidin: "Out of School Doesn't Mean Out of Hope"]

[Text] The question of school dropouts in Indonesia is indeed complicated and has even reached the critical level, according to Vice Minister Adbul Gafur. The total number of dropouts is large, while the causes vary. However, in fact dropping out of school is just like riding in a vehicle which breaks down in the middle of the road. In other words, dropping out of school does not mean losing hope or losing everything.

The total number of elementary, secondary, and university students who drop out of school still cannot yet be stated with precision. A discussion at the Joang Building in Jakarta in July mentioned the figure of 24 million young people who have dropped out of school. However, Dr Soelaeman Soemardi, an official of the National Planning Body [BAPPENAS] who is concerned with the education sector, thinks that we should stick to the results of the last census. Thus he estimates the number of school dropouts from elementary school to the universities last year was about 7 million, although Vice Minister Abdul Gafur estimates the figure at about 14 million.

In a cumulative sense the figure of 24 million may be correct, says Bunyamin Wibisono from the Indonesian Welfare Foundation [Yayasan Indonesia Sejahtera]. However, it must also be recalled that, of that total, there are certainly many who are working. It appears that those who drop out of school for the most part are to be found in the villages.

Dr Mochtar Buchori (LIPI) [Indonesian Science Foundation] thinks that children who drop out of school in the villages in general have the capacity to help themselves. Generally, they are able directly to go to work or to engage in farming, whatever the circumstances may be. The education that they have had is enough to meet their needs in dealing with life.

It is a different matter if they force themselves to continue their schooling in the cities and then fail when they are halfway through, with their education still incomplete, Dr Arief Budiman comments. In the cities there are not enough jobs for them. When they return to the villages, they don't like to work like village people. Their level of education is higher, and they are also accustomed to the

city style of life. Arief recalls that Rendra describes this in the poem, "Seonggok Jagung" [A Pile of Corn], which raises this phenomenon. Our educational system does not end there, which means that it continues. Every person who has once been to school is under pressure to continue his education at a higher level, Arief Budiman says.

Clearly, not all people can complete an advanced course of study. There are many who stop when they are halfway there. According to Tunggul Siagian (a teacher in the PSKD system [Jakarta Union of Christian Schools]), the average basic education at the junior high school level (SLP) is enough for our society at this time. However, out of about 10 million youths of junior high school age (from 13 to 15 years old), there are still a large number who do not attend school at the SLP level.

The Educational and Cultural Research and Development Body (BP3K) reports that 1,172.130 students were attending school in the SLP system during the school year 1979/1980. In 1976 this figure barely exceeded 800,000 students, and of this total figure, 74 percent graduated and 73 percent went on to senior high school (SLA). Thus, a large proportion of them continues in school. A far larger number later chose trade schools, such as technical high schools (STM) and commercial high schools (SMEA), which respectively total 645 and 673 throughout Indonesia and had 235,586 and 211,223 students, respectively, in 1979. This proportion seems reasonable, although, on an overall basis, less than 90 percent of these students complete their education. For the youths who drop out of technical schools, of course they are better able to take care of themselves, compared to those who drop out of the regular schools.

Ability to Help Themselves

As stated by Tardi (18 years old), a student at a technical school in Jakarta, "I deliberately chose a technical high school because I thought it would be easy to get a job." According to Tardi, an STM student who drops out of school and already has a skill has no trouble in finding a job. Or, if he has the capital, he can open his own business.

Mas'ud (29 years old) says it was the same with him when he was still studying at the STM. He was convinced that he could not go on to a higher level of education. While he was attending school, he also worked, including work as a waiter in a restaurant. Later on, he opened a men's clothing store, which was rather successful. Basically a technicians, his capital was not only used for the men's clothing store, or for the women's clothing store managed by a younger sister, but now he has more than 20 pedicabs and a motorized pedicab [bemo]. Mas'ud, a pedicab proprietor in Surabaya, says: "At first, dropping out of school was a necessity for me, because the economic situation of my parents made it impossible to continue."

This does not mean that dropouts from senior high school [SMA] can't do the same thing. A dropout from junior high school can make a beginning for himself in business with a small amount of capital. Rizal (16 years old), together with his parents, owns a small shop in Pasar Genjing in Jakarta. Of course, he is convinced that his business will develop steadily, although slowly. At present he feels he has enough business experience, and this will be an asset for him in the future.

"What could he do, when it turned out that it was no longer possible for Rizal to continue his education," asked his father. Rizal dropped out of school when he was attending junior high school.

School Dropout: Unemployed?

Quoting the results of the BP3K study in 1980, the vice minister for youth affairs, Dr Abdul Gafur, told MUTIARA: At present there are at least 14 million young people who have dropped out of school and have no job. This figure tends to increase each year. To deal with the problem will clearly take time. It cannot be resolved quickly. The GBHN [not otherwise identified] is demanding the adoption of an overall, integrated National Youth Policy. Its components, which would be the basis for this strategy, already exist: a cabinet office under the vice minister for youth affairs; basic guidelines for the development of the younger generation, which previously did not exist; and an integrated system for coordination, based on Presidential Decision Memorandum 23 of 1979.

Beside that there is the Coordinating Body for the Development of the Younger Generation, chaired by the minister of education and culture, with the minister of internal affairs as his deputy, and with several cabinet ministers of the Development Cabinet as members. It is this body which will develop the national youth policy in an integrated way.

Several efforts have been made to protect the interests and to guide the efforts of school dropouts through occupational training, both by the government through the Ministries of Manpower and Transmigration and of Education and Culture, as well as by society itself.

In West Java there is a complete mobile unit which circulates down to the villages to provide electronic education to the young people. However, Vice Minister Abdul Gafur continues, after that, what? It is not easy to answer that, he repeats. Because, in fact, those who have been trained may again get into difficulty. Now, the Coordinating Body has established a team so that, in a comprehensive and inter-ministerial way a basic point of view can be developed in protecting dropouts. It is hoped that the results of the work of the team, headed by Dr Danang, will be complete by next September, in terms of the curriculum, the direction of policy, and the ways of implementing the policy.

According to Dr Mochtar Buchori, the dropouts only begin to be concerned when they cannot immediately find work. In other words, when they are unemployed. In this way two problems appear: the dropout (PS) as a social problem and the PS as an educational problem. For that reason his protection must touch on both of the two problems mentioned above. As a social problem, he comes under the jurisdiction of his home and his relations. There are not a few parents who enforce their wishes on their children, for example in the matter of choosing a school or a field of specialization. The parents are busy and don't pay enough attention to the development of their children. As an educational problem this involves the question of the educational system: how far can a student get help from his school in helping himself after he is no longer going to school.

Vice Minister Abdul Gafur says that, basically, the Commission for Educational Renewal has taken the view that technical training should have a place in the school curriculum. This view has been included in the basic concept. Based on this concept, laws will be developed, and it is on this basis that our educational system will develop. "It is hoped that it will be able to meet our development needs: that is, producing qualified workers," says Dr Abdul Gafur. Perhaps Austria is a good example, he adds. "In the general schools technical trades are taught, so that the graduate of junior high school who does not continue to senior high school can go on to work in a factory."

No One Can Be Blamed

Of the dropouts from elementary schools in the cities, 53.7 percent are a result of financial costs, in village areas the figure is less than that, 43.3 percent. That is based on a survey by the Central Statistical Office (BPS) in 1978. With the abolition of the SPP [not otherwise identified], the financial cost reason should automatically be found less frequently. Husin, of the BP3K, who was in touch with MUTIARA, says the reason for dropping out of school is not exclusively economic but is rather due to the lack of interest and related factors, which cause low school attendance. The causes, according to Husin, may be found in the child himself or in his surroundings.

From research carried out by the Faculty of Psychology of the University of Indonesia (1975-1976) concerning dropouts from senior high school in Jakarta, it has been learned that the reasons repeatedly given for dropping out of school by the dropout himself (a sample of 125 children) are: first, an unfavorable family economic situation; secondly, the influence of school friends; other reasons, a low level of intelligence, a wish to attend another school, or parents who don't urge him to study. The teachers (53 interviewed) have their points of view, in the following order: a lack of interest and encouragement to study on the part of the parents; an unfavorable family economic situation; the influence of friends; a low level of intelligence; and an inability to meet school standards. It appears that the economic reason is still dominant.

Dr Arief Budiman, speaking in almost the same terms as Husin, says that an unsatisfactory school atmosphere can also lead to school dropouts. As a school principal, Tunggul Siagian holds the view that the matter of interest and communications between the parents and the school is very influential for the student. It often happens that the teacher hopes that the parents will come to the school (for example, when report cards are distributed), but only the family chauffeur comes. This circumstance indicates a low level of interest on the part of the parents toward the education of their children. There are also parents who turn over all aspects of the education of the children to the mother. The father doesn't want to know anything about the matter at all. Equal interest on the part of the parents is certainly better.

Manurung, a well-known senior high school teacher in Jakarta, says: "At school we always try as best we can to teach and direct the children to be acquainted with order and study discipline. However, if at home their parents provide an example of living separate lives, that's all wasted."

From the point of view of the parents, Kaharuddin (43 years old), a member of the management staff of a rather substantial private business firm in Jakarta, says: "In fact, the children are lacking something, even if all their school needs have been met--and they don't have to take a crowded city bus--but surprisingly, their school is still unsatisfactory." Kaharuddin admits that relations between teachers and their students are practically non-existent. Although this is the case, he hopes that the teachers at school can develop the children properly. "I also know that the error is not only on the side of the teacher, if they do not succeed in directing the children at school. Indeed, the children are often difficult to manage. However, I think that the teachers should be able to find a way to make the children behave in school," he says. He continues, "the question is how the children behave at home, and that is our problem." He also admits that school activities often lead to a loss of an opportunity to get close to the children themselves.

Meanwhile, a young man named Maks (19 years old) in another connection found difficulty in paying attention to what his father said. "My father indeed may give me what I need for school and other things. However, I often have arguments with him, because father is too self-centered. Whatever he wants, I have to do. I wanted to go to senior high school, but father forced me to go to a middle technical school. I would like to become a psychiatrist, but father wants me to be an engineer. At the middle technical school the atmosphere doesn't agree with me. It's too tense--at times the students fight with each other. I prefer a calmer atmosphere, wherever that might be. The consequence is that I reluctantly have to work with machinery."

Maks is different from Tardi, who chose a middle technical school of his own volition. A father says, "we can only provide a sense of direction by showing understanding first of all and, if possible, avoiding the use of force." This is because, the father continued, "although it may appear that we have succeeded in raising a child physically, it is difficult for us to control what is 'inside' him. Children often react in a hidden way to the authoritarian attitudes of their parents. And in connection with dropping out of school, it would be best if we avoid making accusations as to who is in the wrong, because if we study the matter carefully, we find that everyone is in the wrong, both the parents, the government, and also perhaps the teachers at school."

The Love Factor

The rector of the Teachers' Training Institute [IKIP] in Bandung, Prof Nukman Sumantri, has the same view as Prof Winarno Surakhmad, former rector of the IKIP in Jakarta.

A factor which is also very important is the matter of student-teacher relationships. The teacher must be liked by the students, must be their friend, and must pay special attention to the student who has a problem or difficulty in learning, says Prof Nukman. "Basically, the attitude of love by a teacher for his students must show and be continuously developed," he adds. "In this way it can be hoped that the school atmosphere will be more satisfactory, so that the children feel they can cope with school. I should also say that the background of each child is different. A child who does not receive attention at home must not also fail

to receive attention at school. If there are students who have mental problems (matters of mental health), the question will not be dealt with by just moving the student along as quickly as possible," Prof Nukman says.

Speaking of the question of leadership, according to Prof Nukman people always think of that as being directed exclusively to the pupil, the child. In fact, leadership is needed for all concerned, and the teacher can be the coordinator.

It may also happen that a pupil or a university student may encounter study difficulties because he is not happy with a given teacher. It is not impossible that there may be teachers or instructors who like the students, but they are also human beings who are not immune from attitudes of indifference. For that reason there should be consultations, and the teacher or principal can pay special attention and help in solving the problems faced by every child in school.

Dr Sukiat, a psychologist who has had experience as a counselor in the Sumbangsih junior and senior high schools and has been a consultant counselor at the Bogor Agricultural Institute (IPB), says that the pupil or university student who is a potential school dropout shows this tendency in the following way: his desire for academic achievement is very low; secondly, his performance is below the established standard; thirdly, he has a high rate of absence from school, and his behavior pattern tends to disturb the class; finally, he associates with badly-behaved children who often disturb their friends, fight, or break the disciplinary rules of the school. Such a potential should be recognized by the teacher as soon as possible so that a way of dealing with it may be found.

Dr Sukiat continues: "The way to deal with this is through leadership and counseling. For example, through raising the performance level of the child, helping him to know and develop himself, and so forth. Dealing with it may also take the form of establishing intimate, personal relationships, in which the teacher may become a person who is trusted by the pupil involved and may be able to understand him. It may be that through such efforts a potential school dropout can be saved."

Prof Winarno Surakhmad says: "If we follow the line of though that dropping out of school is a form of waste, then certainly dropping out of school should be a cause for regret when it happens. By using the assumption that the role of the school is to meet the educational needs of the child, dropping out of school is then the same thing as dropping out of education. But is that true? Now, dropping out of school, as a phenomenon, will continue to occur. And its recurrence is not a surprising consequence, as it is stimulated by the school system itself. It would not be wrong to say that school dropouts, as a problem, are the product of the system itself."

However, Prof Winarno continues, "using another assumption, we can be free to look at them as students who have dared to become 'broken down' youth. In this sense we cannot automatically accuse them by saying, 'you have failed.' Not at all! That would be a specific sign that it is the educational system which has failed. Under this assumption we can acknowledge the 'rights' of every child dropping out of school--without accusing him of belonging to an 'uneducated group'. What is wrong about his dropping out of school, as long as he does not drop out of the

process of education. It is clear that, using another assumption, outside of school he can find the level of education which he needs. What is the use of a person being kept in school, all because of the terrible fear of being labeled a dropout, when during the time he is in school he has simply been 'left out' (that is, forgotten and not taken into account)?"

Agreeing with Dr Mochtar Buchori, Prof Winarno says, "If we look more deeply into the matter, the question of dropping out of school is less important, compared with the question of where the child involved will 'drop in' after he has become a 'drop out.' In other words, where will he land after he has broken through."

The former rector of the Jakarta Teachers' Training Institute adds: "What has happened up to now has only developed a mistaken perception of the dropout. The parents feel ashamed; the children suffer from a low opinion of themselves; and society shows a lack of regard for them. The dropout may easily be compared with dull and poverty-stricken people, although in fact there are very many factors--apart from the factors of intelligence and economic status--which have an influence on him. Indeed, it often happens that there are school dropouts who have no relationship to these two factors. However, clearly it is the school system and the social system which render the first verdict on the dropout."

If we now get busy in resolving the question of school dropouts, basically this will only add to the impact of the verdict mentioned above, Prof Winarno says. He went on to say: "However, it would be better if we would just admit that the phenomenon of dropping out of school has begun to be a national question. The number of students involved is rather large--it may involve an average of 60 percent. Certainly, no government wants to be accused of squandering money. However, whether dropping out of school is a question or not, and if it is a question, whether it has reached a critical point or not, basically is only a consequence--not the cause--of the system in effect. What we need to fight against is the consequence of the basic cause: in the basic concept and in the management system."

According to Prof Winarno, thinking of a special field of work for the dropouts or those dropped out, or thinking of an arrangement to prevent waste in terms of those remaining in class, those repeating a grade, or those dropping out, only strengthens the impression that, in fact, dropouts are unwanted members of society. According to Prof Winarno, "the important thing for me is to look at a system as a whole! In fact, what we are looking at is only the question of dropouts. There are still many other questions which also result from the system in effect and whose handling cannot continue to be performed in a patchwork way. Of course, it is not my intention to belittle the question of dropping out of school, especially now, when the total number of dropouts is rather large," Prof Winarno concluded.

Different Questions at the University Level

It has been learned from the World Bank study that dropping out of school in the developing countries happens in most cases because of social, cultural, and economic factors and because of low quality school management. The causes may originate from a variety of sources: the child's personality, the social and cultural surroundings, the personality of the teacher, the school atmosphere, and

the system of instruction. These respective factors simultaneously influence each other. Meanwhile, accurate information is not yet available. The need is still felt for research on the question of school dropouts, according to Prof Dodi Tisna Amijaya, director general of higher education.

Low quality school management can be found in nearly all of our educational institutions, including the universities, both public and private. Dr Burhan Magenda, a political scientist who graduated from Cornell University in the U.S., who had previously studied in a medical school in a private university but did not graduate, states: "Our universities are still 'multiversities.' Although some teachers may think differently, the impression from outside our state universities is that everything is in order. However, a variety of problems develop even in our best-known state universities." A teacher gives the following example: "The credit system which should have been applied this year in the Faculty of Social Sciences of the University of Indonesia, a system which clearly will be to the great benefit of university students and indeed, according to the dean, will reduce the number of students dropping out, has not been put into effect because of the personality of one of the authorities there." The dean made this statement in an interview with SINAR HARAPAN some time ago. This credit system, which is advocated by almost all of the teachers, has not yet been adopted. Also because of that, an assistant dean who is regarded as competent and close to the students and teachers has resigned from his post.

Prof Dodi admits that, "It is true that our educational system is not yet felt to be perfect." A number of changes are being made. Teachers are still not satisfactory, both in quantitative as well as in qualitative terms. Up to the present there are still many teachers who do not know how to teach. They also apply their own "measurements" in marking and are not acquainted with standards of achievement. This is because the majority of them go directly into teaching as soon as they graduate from university. Teachers who have higher levels of education (MA and Ph D degrees) only amount to 14 percent of the total number.

However, a teacher who does not want his name mentioned says that a large number of teachers are no longer continuing their education just because of bureaucratic obstacles, while foreign scholarships are still available. Meanwhile, experienced teachers in that field are not yet available. As a result, there are two kinds of losses: first, the opportunity to study is not taken up; and secondly, qualified teachers for that field are still not available. Promotions to become state employees as teachers also take a long time. Meanwhile, the salary received by a staff teacher who has not yet been promoted to the status of a state employee is very low. Indeed, there are many staff teachers who receive less than Rp 1,500 per month. Special teachers, who make up half of all staff teachers in almost all state universities are also not much appreciated, not only from the point of view of salary (they receive about Rp 2,000 per month), but also from many other aspects. It is as if the "needy" are those who provide their services, not the educational institution involved.

Dr Burhan Magenda thinks that the existing educational system in many Indonesian institutions of higher education does not provide sufficient opportunity for the self-development of a university student.

No Information Available on University Dropouts

Sutjipto Wirosardjono, deputy director of the Central Statistical Office, says that the lack of serious attention to the registration sector in our universities is still relatively unresolved. Indeed, for the private universities [PTS] the figures are very difficult to obtain. The reasons are: First, the system of carrying out educational programs is not supported by a satisfactory administrative effort; secondly, the tendency of state and private universities to pay little attention to administrative work is out of proportion to its importance; thirdly, the lack of attention and interest on the part of the students and the teachers themselves to the matter of registration--for example, there is very little research or discussion involving this sector.

According to Sutjipto, this situation leads to many losses. What is clear is that it is very difficult to find figures on school dropouts per year. Beside that, the losses from the point of view of manpower planning are also substantial. How can you perform planning if satisfactory data and information are not available?

Furthermore, what applies to our society as a whole also applies to our educational world. Sutjipto says that the excessive orientation toward titles and degrees is another form of feudalism. In fact, not everyone must attend university. For example, Japan has a limit of 10 percent. However, in this country everyone may go to college, and everyone wants to go. Now, won't that keep us busy, he adds. In dealing with such an attitude, we must begin from the beginning and on an overall basis. Agreeing with Dr Abdul Gafur, Sutjipto considers it necessary to have occupational training in the lower schools.

Dr Burhan Magenda sees a new development since the 1970's, that is the increasing, elite status of higher education. Those who get through the screening examinations under Project Perintis I, or the previous Project Skalu, for the most part will be young people from the cities who are rich. They come from good schools. The good schools are generally found in the cities and are expensive. Supposing that a child from the provinces or from a middle class to lower class family enters a good school, he will usually find it difficult to develop together with the majority of his friends in his class, because their points of departure are different. Dr Juwono Sudarsono says the same thing.

Juwono proposes that, if possible, students who have an advantage because of the resources of their parents, for example if their father is an ambassador and has many books or video cassettes, should invite their classmates to share their advantages.

Burhan Magenda proposes a "quota system" like the one in effect in the 1950's and 1960's for students from the provinces and urges that it be revived. A graduate of a provincial university, because its facilities are limited, certainly is in a different position from that of a graduate of the five best-known universities in the country. Burhan gives the example of what the Bogor Agricultural Institute [IPB] has done, saying that "it is very good from all points of view." What's wrong if the best student in the provinces also gets the best education in the country?

He also thinks that it is necessary to expand the scholarship system, because the scholarships available now are inadequate, and they are few in number. This is a responsibility of the government. In a capitalist country like the United States, scholarships and loans which can be paid back after the student has been working for 3 years are broadly available. Both Juwono as well as Burhan Magenda think that leveling out the opportunities in institutions of higher education still needs to be given greater emphasis. If not, the existing tendency toward elitism will become increasingly noticeable. "When the richest and most intelligent enter state universities and pay the least amount of money, isn't this turning things around," asks Burhan.

Private Universities

In general, students who attend PTS [private universities] have already tried to enter state universities. There are many reasons. The cost of studying at a state university is far less than at a private university. Because of that, says Dr M O Tambunan, secretary general of the Council of Indonesian Private Universities and Institutes (UISI), economic questions are not the principal reason for dropping out of private universities. According to him, there are three reasons for dropping out of the private universities. First, there is studying without any direction. A student enters a university without any plan and, not infrequently, makes the wrong choice. Secondly, there is still a feudal attitude which continues to develop in our society: entering a university only to obtain a degree, not to expand one's knowledge. Thirdly there is the question of the average economic situation of the Indonesian people, which is far below what is needed to send a child to school through university.

Apart from that, according to Tambunan, there is the question of government policy, which makes it difficult for a student to complete his studies. This also leads to dropouts. In this connection at present the UISI is preparing a draft policy to be presented to the Ministry of Education and Culture, in order to find a resolution for the problem.

Our educational system as a whole also influences the process of instruction in the private universities. At least there must be equivalency in study programs. That is, the system which prepares the student to go through to a university and the system for technical and vocational training.

The rector of the University of Krisna Dwipayana, Dr Rusdi Hajerat, thinks that: "In the private universities the possibility of making the wrong choice and thus tending to drop out of school is greater. This is because many students are aware from the beginning that they don't need to continue school as far as university, but circumstances force them to decide to continue their studies, rather than go unemployed."

According to Rusdi, this necessity appears clearly . university students who have come from vocational training schools. When they graduate from such a school, there is no opportunity for work for them. Finally, they must choose between unemployment or continuing on to university. And to enter a state university, they must meet the requirement of working for 2 years. That is not possible, and in the end they choose to enter a private university. "This is very clearly apparent in the technical faculties," he said.

Supposing There is Enough Work Available

If it is believed that there is enough work available, says Rusdi, students from vocational schools really don't need to continue their studies in a university. They have sufficiently developed their theoretical knowledge with practical work. However, the reality is just the reverse. A student from a vocational school, whether he wants to or not, tries to continue his studies, because there are no job openings available. As a result, they enter a university, but without enough preparation. This means intellectual preparation and economic resources. After they enter a university, they fail and drop out half way through.

At the University of Krisna Dwipayana, says Rusdi, the figure of dropouts is relatively high. This is because many students do not finish their courses but go to work instead. For that reason they do not or are too lazy to complete their courses, apart from not having sufficient income or feeling that they no longer need to continue their studies, or they have too little time available. "Should this be called dropping out of school," Rusdi asks.

However the case, Rusdi says that the average proportion of graduates each year, compared to those entering the university, is only about 15 percent. This year the number of students admitted will be about 1,400, while those graduating will only number about 200. "This can't be prevented," Rusdi says.

Meanwhile, Dr P Y Francis, first deputy rector of the Indonesian Christian University, says that there are five factors causing students at private universities to drop out of school. First, there is the question of cost, which, it must be admitted, is higher than our average national economic capacity to pay. Secondly, there is the matter of making the wrong choice, or entering a university because they feel forced to do so. Thirdly, there is the status of private universities, which is very much determined by the government [KOTPERTIS]. Fourthly, the motivation of the students is weak. Finally, there is the question of their surroundings.

Francis places greater emphasis on the matter of motivation and the students' surroundings. "Many students in private universities are indigenous Indonesians, but they have no motivation to complete their courses on time. It is far different with students of Chinese descent and naturalized Indonesians, who always try to finish their courses on time and who turn in good performances," Francis says. At Indonesian Christian University there are many students of Chinese descent, but he didn't say how many there were.

Apart from that, Francis says, there is the factor of a student's surroundings. Jakarta, as a commercial city, functions at the same time as an educational city. As a consequence there are students who are influenced by one of the two aspects. Of those influenced by commerce, they go out for making money or work, which causes their studies to fall behind. "Can this be included in the category of dropping out of school" Francis asks. His immediate reply is, "perhaps not."

According to Francis the low level of students admitted is an additional factor. At Indonesian Christian University student applicants who are accepted are those who pass the selection process with satisfactory and nearly satisfactory marks.

However, Indonesian Christian University has a method for helping students who are below standard, using the system of matriculation for 6 months. In this way it is hoped that the new, sub-standard student can expand his field of knowledge. During the matriculation period they are given again the basic subjects they took while in higher level senior high school [SLTA]. By using this matriculation system, since 1974 the dropout figure has been reduced by between 10 and 15 percent per year.

Study While Working

Almost all students dropping out of school admit that the mistake was theirs: they didn't know how to use their time, they were lazy, and they didn't try.

Not a few of them have the intention of continuing their studies while working, but this is very difficult, because at times their work or their studies will suffer.

Johny Taufik, who is now a businessman, was a student in second year law school who was forced to halt his studies. He says, "My reason was in fact economic. However, I have no reason to feel regret. At present my business is going along well. I didn't succeed in school, but perhaps I can succeed in business."

The same is true with Wirvelmy Nasir, a third year student at Indonesian Christian University, who is a rather successful businessman in Blok M, Kebayoran Baru. "The educational system didn't stop me, and I also had no trouble in following the courses. The main reason why I dropped out of school was due to the cost and the demands of my family, because I also must think of my younger brothers and sisters."

It is apparent here that it is not difficult for young men in their 20's to pay for their education while helping their younger brothers and sisters at the same time. It happens frequently enough, and a number of cases appeared in Blok M, that a young businessman is forced to halt his studies or drops out of school and then tries for a time to make some money. After he has saved enough, he goes back to school while continuing in business. Finally, he achieves both of his goals. This is something which he could not possibly have done, had he only gone to school.

Dropping out of school can indeed be rather serious, but the reverse is also the case. This depends on where we look and what is the attitude of the student. Dr Sudjatmoko himself dropped out of school, but now he occupies a position of honor: rector of United Nations University. Sudarpo, who also left the Faculty of Medicine before finishing the course, but now is spoken of as the Indonesian 'king of ships.' There are many young men who drop out of school who have become "someone." All of them did so because they used dropping out of school as a beginning for the real struggle.

However, if we look at this matter and think of it in a negative way, the nickname of school dropout can be a pinprick which leads to illness.

Do They Drop Out Because the Teacher Is Indifferent?

There is no doubt about how the hearts of those taking the PP-I examination come alive when their names are listed on the "announcement sheet" as having passed.

They will take a new step on the ladder of their education, and an attractive prospect is spread out before their eyes. This is especially so if they are accepted at the University of Indonesia, one of the five most respected universities in Indonesia (University of Indonesia, Bandung Institute of Technology, Bogor Agricultural Institute, University of Airlangga, and University of Gadjah Mada). They say, "Gosh, I've been accepted by the University of Indonesia; isn't that something." Their mothers remark to themselves, as they go about their daily tasks, "So, my son has been accepted at the University of Indonesia; he certainly is smart." This year alone, of the 37,630 applicants taking the examination, only 1,919 are accepted at the University of Indonesia.

However that may be, hopes are not always the same as facts. The ladder leading to a degree cannot be climbed easily. One little false step and they will receive a "travel letter," in other words become a dropout.

According to Dr Paulus Wirutomo, a teacher and lecturer on social planning in the Faculty of Social Sciences at the University of Indonesia, the following factors lead to dropping out of university. First, after students complete the fifth level of high school, they usually go to work. This often involves them in work-related activity so that they cannot think about writing term papers. Secondly, the student, beginning with the first year of high school and continuing through fifth year, has not had a good foundation. The teacher has been too easy in giving marks. The student can pass his exams based only on his lecture notes and doesn't read enough books. Later on, without realizing it, they will have to write term papers.

The young sociologist at the Faculty of Social Sciences of the University of Indonesia adds that a student in fifth year high school should be able to write term papers. He should be able to look into a question, take a critical view of society, set up a proper framework, then connect it with theory and methodology, and know how to write a good term paper. However, the fact is that the student is not properly trained by his teacher to study, to real literature, and to read books properly. The initial steps in preparing a term paper are also not much appreciated by the student. Indeed, at times he has had no introduction to the preparation of term papers, or if he has had this, often it was only half done, as the teacher went overseas. Dr Paulus thinks that the primary cause for "dropping out of school" is that the teacher did not prepare the students properly.

Dr Arbi Sanit, a lecturer on the Indonesian political system who was once vice dean for student and alumni affairs at the Faculty of Social Sciences of the University of Indonesia, agrees with Dr Paulus Wirutomo that the manner of teaching at the university doesn't push the students hard enough. The student is very much dependent on his last lectures and has only a passive attitude toward his studies. Arbi Sanit thinks that there are still many university teachers, particularly in the faculty where he teaches, who have a rigid approach to their course of instruction. For example, they devote so much of their time to lectures, so much to preparing articles, seminars, field research work, book reviews, and so forth.

From the point of view of the teacher, says Dr Juwono Sudarsono, former first vice dean for academic affairs in the Faculty of Social Sciences at the University of Indonesia (1979-1981), who has recently resigned as a result of the postponement of

the implementation of the semester credit system at the Faculty of Social Sciences, what causes him concern is that the functions of educating and teaching have been pushed off to one side for a long time. In this connection, a good teacher must be innovative in character, must be interesting in giving his lectures, must want to study, and must be open with his students. Indeed, this depends on the teacher. If he has a philosophy of educating, studying, and teaching, that is good.

However, if the teacher feels that he knows everything better than his students, this makes things difficult. In this connection, Juwono adds, at times the students have a larger collection of books and even know more than the teacher. The irony is that at times the teacher feels threatened by the knowledge of his students. Such a situation must be dealt with firmly.

The lack of facilities for the faculty is also a cause of "dropouts." As stated by Dr Arbi Sanit, the lack of living facilities for the teachers causes many teachers to work at an outside job, in order to make enough money to live. Beside that, he adds, "libraries, as the heart of the university, are still less than satisfactory, both from the point of view of stocks of books as well as the capacity of the study rooms."

Basing himself on the results of research involving 88 students in third year at the Faculty of Social Sciences of the University of Indonesia, Dr Arbi Sanit says that there are three causes for dropping out of school. First, as is generally known, the level of achievement in senior high schools is now declining and needs to be raised. Secondly, the motivation of students at the Faculty of Social Sciences, according to the results of research, is in question. Only 34.09 percent (30 students) really wanted to enter the Faculty of Social Sciences, while the remainder (65.01 percent) wanted to study at other faculties, such as the Faculty of Economics (15.91 percent), the Faculty of Medicine (12.15 percent). This shows that only one-third of the 88 students really wanted to enter the Faculty of Social Sciences, while two-thirds study at the Faculty so that they will not just be unemployed. Thirdly, there is their attitude toward studies. The students involved in the study tend to prefer studies which do not require study of the exact sciences. They prefer field work, seminars and discussions, and general lectures. Meanwhile, lectures which require brain work, like looking up references, preparing term papers, and reviewing books are not popular. The above three factors are the causes of dropping out of school, from the point of view of the student.

This view was confirmed by Dr Priono Cipto Heriyanto, deputy director of research [LPEM] and staff instructor at the Faculty of Economics of the University of Indonesia. According to Dr Priono, when a student drops out of school, it is his own fault. Such students are lazy, lack discipline, have contempt for their lectures, and just "take it easy." Dr Priono says that, for the most part, students who drop out of school belong to wealthy families. They lack discipline and do not use their opportunities properly.

However, Dr Juwono Sudarsono does not agree that there is a correlation between the motivation for entering a given faculty and the question of dropping out of school. This is because, in his view, a student who lacks motivation and who meets a good teacher that makes his lectures interesting--he may become interested in his faculty. On the other hand, even if he has some motivation but does not meet a good teacher, he will fail.

A family atmosphere which has no orientation toward knowledge and provides too many facilities to the student may also be a cause of dropping out. For example, Arbi Sanit says, such a family may often go on trips overseas, go camping, and so forth. A family atmosphere which is not suitable for study may also be a cause of dropping out.

Arbi Sanit adds that it would be best if the relations of the parents with their children are not too paternalistic in character or give the children too much freedom. Parents should give their children some freedom but also should give guidance to their children.

An educational system which frequently changes may cause trouble for many students. This is the case at the Faculty of Literature of the University of Indonesia, says a student who dropped out in 1971. The [illegible] in the third year English program almost all passed the examination leading to a bachelor's degree. However, an announcement was issued later on which stated that those who passed with a grade of 6 were not permitted to continue to fourth year, because they were considered unprepared for a bachelor's degree. And they were advised to choose a library studies program.

A large number of students felt let down when they heard this announcement by the chairman of the department. The statement that they were "unable to graduate" shook their self-confidence. As a result, there were those who were determined to repeat a year so that they could get a degree, and there were those who switched to a library studies program, although with feelings of confusion.

This system was still in effect several years later, but now it has been changed. No one knows how many students were disappointed or even lost self-confidence as a result. And whoever approved this system, only heaven knows. What is clear is that the "marks" approved by the teachers have already been erased!

At the Faculty of Social Sciences of the University of Indonesia, says a student who did not want his name mentioned, the educational system frequently changes in a drastic way. Previously, there was the course packet system. A credit system was promised for this year, but what came out was just an open system, in which a second year student in the first-level program may take classes in the second-level program. A student in the third-level program may take classes in the fourth-level program. This is in accordance with the Announcement of the Dean of the Faculty of Social Sciences of the University of Indonesia, No: 373/BD/FIS/81. Then what will the faculty officials decide on next? No one knows! There is no consistency.

Some students of the Faculties of Economics, Social Sciences, Medicine, and Literature who have failed their courses feel that this is their own fault. B A P [initials only; no name given], a student in the Faculty of Sociology of the University of Indonesia, majoring in anthropology and also studying cinematography at LPKJ [sic; not otherwise identified; presumably the name of another institution], flunked out of the Faculty of Sociology because he didn't have enough motivation and therefore did not fit in. Still different is the view of M S, a student in the class of 1979 at the Faculty of Social Sciences at the University of Indonesia who had previously studied at the Faculty of Economics of the University of Indonesia. He felt that two of his teachers had something against

him. However, he now realizes that the fault was in himself, because he was not mature enough and was carried away by emotions!

N J, a former student in the Faculty of Medicine of the University of Indonesia who is now in the fifth-level of the Faculty of Social Sciences of the University of Indonesia, feels that he was really the one at fault. At the time he failed, he was unable to divide his time properly, could not absorb the substance of his lectures, and found it difficult to learn "Latin" terms by heart. There is another student who flunked out because he preferred to handle weapons in the Student Regiment than concentrate on piles of books.

According to the BERITA MAHASISWA bulletin of the Faculty of Economics of the University of Indonesia, students in the preparatory year who flunked out were as follows: 1970 - 39.6 percent; 1971 - 34.61 percent; 1972 - 27.08 percent; 1973 - 11.74 percent; 1974 - 29.03 percent; 1975 - 26.96 percent; 1976 - 13.00 percent; 1977 - 8.69 percent; 1978 - 13.63 percent; and 1979 - 0.5 percent. This is a consequence of the system which required students to pass two out of five classes in the first semester, without repeating a class.

At the Faculty of Social Sciences of the University of Indonesia, says Ibu Nana, a first-year student at the Faculty of Sociology of the University of Indonesia, before the credit system was adopted in 1971, students who flunked out might have had marks as high as 80 percent, but students flunking out now only have marks as high as 20 or 25 percent. According to Ibu Miroesam, chief of the Bureau of Educational Administration, 5 or 6 years ago, out of 350 to 380 students who entered the university, 80 percent were able to continue with their classes until the final semester.

Meanwhile, at the Faculty of Medicine of the University of Indonesia, the system of marks is based on the capacity for thought (perception); psychomotor capacity (skills), for example, holding an injection needle; and student behavior. The total number who flunked out was only 10 percent of about 140 students entering, according to Dr Syamsu.

At the Faculty of Social Sciences of the University of Indonesia, which is the youngest faculty in the university, the percentage of students who flunk out is not very large. "That's really true," says Dr Dwi Susanto, chief of the Bureau of Educational Administration of the Faculty of Social Sciences of the university. Students in the preparatory year who flunked out were as follows: 1977 - 18 students; 1978 - 13 students; 1979 - 10 students; 1980 - 10 students. Students who failed in the last year of the bachelor of arts program totaled 55 in 1979 and 28 in 1981. In the master of arts program students failing in 1979 totaled 211 and in 1981, 30. However, these are not figures for the years stated but are cumulative figures from previous years, because previous administrative practices were rather confused.

Road to a Solution

Beside the results of a study and teaching system which is not very good, it sometimes happens that the practice of turning over responsibility from the most senior teacher to his assistant does not function as it should. "The mechanism is not yet

fully developed," says Dr Dwi Susanto. However, there are also assistant teachers who do not become senior teachers until the senior teacher involved is dead! This happened at the Faculty of Law of the University of Indonesia. Colonial remnants still cling to this faculty, says a staff teacher who did not want his name to be mentioned. In fact, an assistant teacher must be trusted to provide guidance to the students. "This practice could reduce the number of dropouts," says Dr Arbi Sanit.

However, there is no balance between supply and demand for positions in the universities. The "dropout" system serves to reduce the waste of state appropriations. This is a question of effectiveness and efficiency. Why teach students for 10 to 20 years, when it would be better to give their places to others who have greater intellectual capacity and can study more properly, asks Dr Juwono Sudarsono. Indeed, here we see the cruelty involved in dropping out. Dr Priono agrees with Dr Juwono Sudarsono. Dr Priono says, "Imagine the opportunity cost of a student who drops out, even if this figure has not been calculated. If he attends a private university, for example Trisakti, for just 2 years, there would be hundreds of thousands of rupiah that would be saved."

The question of dropping out of school seems to be a consequence of structural factors. There are senior high schools that are good and there are those that are poor. There are students that come from wealthy families and those who come from poor families. However that may be, Dr Juwono Sudarsono suggests that those who come from wealthy families, such as the children of ambassadors, and who have books, video cassettes, etc, should invite their friends to use these faciliities for their joint education. They should form a study group. In this way there will be a leveling out of opportunity.

"Later on, when the credit system is in effect," says Dr Dwi Susanto, the frequency of dropping out will decline. For a teacher must prepare a lecture plan or instructional design. There is a syllabus, but how will he mark, what material will be covered, when will he be teaching, when will he give his examinations, and so forth. With the credit system, Dwi Susanto adds, there will be a teacher-counselor who will have seven to eight students to advise. In this way relations between teacher and student will be increasingly close, there will be interaction between the two, and, most important, the teacher will know what are the problems of the students whom ie is advising.

Dr Dwi Santoso says, "Yes, that is the reality at present in the university. There are many teachers who have never been trained as teachers. If they were sent to attend a teachers' training school, they were too lazy and this was the reason. Still, they are able to teach."

So, who must take action so that the cases of dropouts from the universities can be reduced? Who else, if not the students? The demand for a change in the system must come from the students. "From the teachers? Hardly possible. Aren't teachers state employees," asked a staff teacher at the University of Indonesia.

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PEOPLE'S NUCLEUS ESTATE PROJECT

Jakarta HARIAN UMUM AB in Indonesian 7 Aug 81 pp 4, 5

[Article by Basrin Nourbustan: "Significance of People's Nucleus Estate Project for West Kalimantan"]

[Excerpts] The government, through the Ministry of Agriculture, is engaged in accelerating the development of the estate agriculture sub-sector through a variety of activities. Its intention is to raise production and improve the quality of the items produced, so that there will be an increase in farmer income, as well as to create and broaden job opportunities. Apart from that the efforts are also intended to defend Indonesia'a position in the world market, lessen Indonesia's dependence on foreign countries, meet our own requirements for domestic industrial raw materials, and increase state receipts of foreign exchange.

In achieving this objective, it is desired to achieve other goals, including reaching an average income of $1,000 per year for each estate farmer's family, and raising exports, which in 1980 totaled $2.4 billion, to $5.5 billion in 1988.

Two Organizations

The Ministry of Agriculture, with the Directorate General of Estate Agriculture as its executive agent, has designated two bodies for the development of the estate agriculture sub-sector. The two bodies are the Project Implementation Unit (UPP) and the People's Nucleus Enterprise (PIR).

The activity of the two bodies involves the rejuvenation, rehabilitation, and expansion of planting of export products such as chocolate, coconuts, pepper, rubber, coffee, and oil palms.

The UPP, on the basis of the source of its financing, can be divided into programs for self-financing or from domestic sources (private funds) and the loan program under the World Bank.

Financing from domestic sources is also divided between financing based on the State Budget, under budget category XVI/Export Planting Funds (DTE), and credits from government banks in the form of soft loans to estate farmers. The soft loans are for a period of from 10 to 20 years with an initial, interest-free period of between 3 and 7 years.

During the interest-free period the interest and risk on the loan is fully the responsibility of the Directorate General of Estate Agriculture Affairs and the government bank as its executive agent. After the interest-free period the interest on the loan of 10.5 percent per year is divided, with 4.5 percent paid by the government and 6 percent paid by the farmer receiving the credit.

The project will be carried out through the stages of preparation, conversion, and repayment of the loan by the farmer. In the preparatory stage, the development of the estate will be handled by UPP employees and the farmer owning the land. The UPP will help the farmer until he is capable of meeting the requirements as a borrower from the lending bank. In this way the loan, which is orginally in the name of the director general of estate agriculture, can be changed to carry the name of the farmer himself in the second phase.

In the final phase, when the plants are harvested, the farmer begins to repay the loan to the lending bank.

Through this project the government intends to make it easy for the farmers to carry out the program for the rejuvenation, rehabilitation, and expansion of the planting of export products (PRPTE), especially rubber, coconuts, pepper, chocolate, and coffee.

Included within the work of the UPP is the Smallholder Rubber Development Project (SRD), which is financed by a World Bank loan.

Each hectare of area planted to estate agriculture products is eligible to receive aid in the form of a loan of up to Rp 1.4 million, under the same conditions as UPP programs, using domestic financing facilities.

In terms of the People's Nucleus Enterprise (PIR), also based on the source of its financing, a distinction can be made between the PIR as the Nucleus Estate and Smallholder Development Project (NES) and the PIR itself.

The PIR/NES has received financial aid from the World Bank in the form of a loan, while the PIR itself only uses funds raised domestically (private funds).

For West Kalimantan the PIR domestic program is being carried out in Dedai and Sintang Districts, Sintang Regency, as well as Semalantan and Singkawang Districts, Sambas Regency, involving an area of 13,000 hectares.

The project being carried out in this transmigration area in 1983/84 will cover planting rubber trees in an area of about 26,000 hectares, involving 13,000 family heads.

Each participant will receive 3.5 hectares of land, with 2 hectares for estate agriculture, 1.25 hectares for food plants and 0.25 hectares for housing and the area around the house.

Each unit will form a new village with 300 to 500 family heads in it. The National Estate Agriculture Enterprise has been designated by the minister of agriculture as the center of this activity, while the people's estate agriculture centers developed in the project will become points of implementation.

PIR V in Ngabang

The People's Nucleus Enterprise (PIR) represents an effort to develop people's estate agriculture in a compact and harmonious way, while the National Estate Agriculture Enterprise (PNP) is the center of this activity.

One of the PIR projects under way is located at Ngabang, a district in Pontianak Regency. This project has received financial aid from the World Bank.

The World Bank has provided help amounting to $267 million for the Nucleus Estate and Smallholder project and small enterprise development over a period of 20 years, including the grace period at a rate if interest of 9.6 percent per year.

This aid is intended to develop 53,000 hectares planted to rubber, coconuts, palm oil, food products, and truck gardens for about 20,000 families in West Java and West Kalimantan.

Ngabang, which has been preparing to receive the PIR project, which has World Bank support, since the beginning of last year, is located between Kilometer Stone 161 and Kilometer Stone 173 on the highway between Pontianak and Sanggau. In this location an area of 20,000 hectares has been set aside.

For the people's palm oil estate 11,000 hectares have been set aside with 5,500 heads of families taking up 5,500 hectares and the palm oil plantation belonging to Region VII of the PNP taking up 3,500 hectares as the center of the project.

From the first to the third year the project will have the status of a PNP Region VII effort. The people will receive salaries from the state agricultural enterprise.

Beginning with the third year the farmers will each receive a plot of ground planted to palm oil, amounting to two hectares for each family head. To this will be added space for simple housing and a truck garden, amounting to 0.2 hectares, and 0.8 hectares for planting to diversified products, especially food.

During the time the farmers participating in the project have the status of employees of PNP Region VII, the interest on the loan will not be collected from them. Up to the fourth year the loans to the farmers are claculated at about Rp 4 million. At that time the famers palm oil trees will begin to produce, and the PNP will be ready to collect the harvest.

Repayment of the loan will begin in the fifth year until it is completed in the 15th year, at a rate of interest of 6 percent per year.

According to present estimates farmer income per capita at this time is about $80 per year, or about Rp 800 per day. Based on this estimate and the calculation of the price of palm oil, which is steadily increasing, four to five years in the future, farmer income per capita will reach the figure of about Rp 2,415 per day. Farmer income will continue to increase until the palm oil trees are 25 years old.

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MERCHANT FLEET COMPOSED OF AGED SHIPS

Jakarta SINAR HARAPAN in Indonesian 5 Aug 81 p 11

[Article: "A Serious Matter: A Large Proportion of Our Merchant Fleet Is Now Very Old"]

[Text] Jakarta, 5 August--The development of our oceanic and inter-island merchant fleet has encountered a serious problem, as a large proportion of the ships now in service are more than 20 years old.

Available data shows that of 329 ships in the inter-island service, no less than 244 ships are 20 years old or older. Meanwhile, the total number of ships in the ocean-going service is 56, not including ships just purchased by navigation companies. About 24 of the ships are more than 20 years old.

The effort to rejuvenate the old ships, which was begun after the establishment of the National Merchant Fleet Development Company (PANN) in 1974, has not been able to move quickly in view of the limited funds it had.

In performing its functions PT PANN has only succeeded in providing 15 inter-island shipping companies with 59 ships. Of this total 58 ships have been operated as ships on Regular Lines Service (RLS), covering 17 established routes. The 59 ships already purchased have a total tonnage of 87,893 DWT, or 25 percent of the entire inter-island fleet.

Of the ships purchased by PT PANN, a large proportion are previously owned ships whose age is no more than 10 years. The effort to rejunenate the merchant fleet by purchasing previously owned ships from a number of countries is a policy which is considered appropriate for the present, in view of the limited funds available and the limited capacity of the shipping companies to buy or charter new ships. The cost of a used ship is much less than that of a new ship.

The used ships chartered or sold by PT PANN to private shipping companies were purchased at a price of less than $1,000 per DWT.

A large proportion of the funds to buy used ships came from World Bank aid to Indonesia. The World Bank funds, which were provided in 1976, will have been used up by the end of 1981. They totaled about $30 million.

Based on a report by PT PANN, funds from the World Bank earmarked exclusively for the rejuvenation of RLS ships in loan 1250-IND will have been used up by the end of 1981. Whether the government will add further to the funds which will have been used up is not yet certain.

Meanwhile, a SINAR HARAPAN source in the Directorate of Sea Communications states that the development or rejuvenation of the inter-island and ocean-going fleets will continue, even though funds from World Bank aid will have been used up. The purchase of new ships from domestic and foreign shipyards will be financed from bank credits, particularly from the Indonesian Development Bank [BAPINDO].

The source stated that an agreement has been reached that the purchase of new ships will be financed by a bank credit amounting to 75 percent of the total, with 10 percent coming from other ogranisms like PT PANN, and 15 percent must be provided by the company which wants to purchase the ship. For used ships, 85 percent will be financed by a bank credit and 15 percent by the shipping company.

In this connection the Directorate General of Sea Communications has been directed to determine the type of ship which will be purchased, as well as the manner of its operations. The source stated that the type of ship most suitable at present is the multi-purpose ship type, that is, a ship that can transport passengers and cargo at the same time.

The question now, according to the source, is the capacity of the shipping companies to make advance payments of 10 to 15 percent of the cost of a ship. In general the financial capacity of the national shipping companies, both those engaged in ocean-going as well as inter-island services, is still weak. This is because of the specific character of shipping companies, which have a slow return on their investments (slow yielding).

It is this financial weakness which leads inter-island shipping companies to be prepared only to lease ships from PT PANN. The lease system does not require large amounts of capital, apart for the "Commitment Fee" of 1 percent of the basic cost of the ship, which is paid at the time the deposit of 10 percent is paid or, if there is no deposit, it is paid at the time of the opening of the letter or credit. The interest rate charges by PT PANN is only 10 percent per year.

The interest on a bank credit for the purchase of a new or used ship demands on the size of the credit. A loan for up to Rp 75 million pays 10 percent; from Rp 75 million to Rp 200 million, the interest is 12 percent; from Rp 200 million to Rp 500 million, the interest is 13.5 percent; and above Rp 500 million the interest is 13.5 percent.

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PROCUREMENT OF COMMERCIAL SHIPPING

Jakarta HARIAN UMUM AB in Indonesia 11 Aug 81 p 3

[Article: "Commercial Shipping Fleet Procured by PT PANN Up to 1980 Totals 54 Ships"]

[Text] Jakarta, AB--A total of 54 ships (90,488 DWT) were procured for the commercial shipping fleet by PT PANN (National Merchant Fleet Development Company) between 1974 and 1980.

The hsips are operated by shipping companies as part of the fleet of ships which provide permanent service (Regular Line Service-RLS) and non-permanent service (non-RLS).

According to date obtained by ANTARA from PT PANN, the above total consists of 24 used ships operated by 12 private shipping companies and 29 new ships used by PT Pelni [Indonesian National Shipping Company].

The new ships used by PT Pelni consist of 20 ships (26,400 DWT) built in Norway and nine ships (7,530 DWT) built in domestic shipyards.

PT Pelni has also used previously-owned ships such as the KM [Motor Ship] Tampomas II (2,419 DWT), which burned and sank in Januray, 1981, in the waters near Masalembo Island. PT PANN was established by the government in 1974 (the government share is 60 percent) and the Indonesian Development Bank (BAPINDO), which holds 40 percent of the shares in the firm.

The task of PT PANN is to procure commercial ships by ordering new ships and purchasing used ships, as well as shipping equipment, so that they may later be sold, disposed of on a charter/purchase arrangement, or chartered to national shipping companies.

PT PANN also undertakes other activity to support the development of the national commercial shipping fleet.

The total number of PT PANN ships now being operated by shipping companies under charter and credit arrangements are nine units (7,350 DWT) operated by PT Pelni and 32 units (72,808 DWT) operated by private shipping companies.

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ROMANIAN TRACTORS ASSEMBLED IN INDONESIA

Jakarta HARIAN UMUM AB in Indonesian 22 Aug 81 p 3

[Article: "Romanian Tractors Will Be Assembled in Tegal"]

[Text] Jakarta, AB-Tractors made in Romania which are considered suitable for Indonesian weather and soil conditions will be assembled in this country. PT Dwika's factory in Tegal, Central Java, will shortly go into operation, assembling "Universal" brand tractors as soon as the 200 units ordered by PT Indoplano arrive in Indonesia. PT Indoplano is the agent of the "Universal" factory in Romania.

PT Dwika itself is the successor to the Brugner factory of the Dutch colonial period, which was purchased by the indigenous firm of PT Inodplano in 1959. It produces goods under the commercial label "Dwika," such as electric pumps with a capacity of about 20 liters per second, tile presses (using the hydraulic process), and other items.

Dr Kusharyanto, director of PT Indoplano who is also director of PT Dwika, not long ago made a visit to the "Universal" tractor factory in Romania. The factory, which uses advanced technology, each year produces 80,000 tractor units of various types, 60,000 of which are exported to various countries. If this tractor production is added to the production of Fiat tractors, the total would be the largest in the world. Fiat itself each year produces 300,000 tractors.

"The spare parts are interchangeable so that this won't create problems for the user," said Dr Kusharyanto. This means that "Universal" tractors can use Fiat spare parts, of Long parts made in America, etc. These brands of tractors are made under Fiat license, and these spare parts are easily obtained and at a reasonable price.

The chief of the Romanian commercial representative's office, Toma Aldea, said that in September a delegation of experts from his country would arrive in Indonesia, in connection with the assembling activity which will be undertaken in Tegal, the city in Central Java which has been given the nickname of the city of small industry, or "the Japan of Java."

Asked why PT Indoplano did not simple develop a mini tractor or a hand tractor of the kind being tried out in several areas of the country, Dr Kusharyanto pointed to the short lifetime of these tractors which generally are worn out after one year.

In this connection, 17-horsepower tractors, which cost about Rp 4.5 million, have a useful life of up to 5 years. Meanwhile, the tractors which will be assembled, with 26-horsepower motors and which cost about Rp 5 million, have a lifetime of up to 15 years.

Jakarta itself will be developed into the center for spare parts for "Universal" products for the countries of the ASEAN region and nearby areas.

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OIL EXPLORATION CONTRACTS DISCUSSED

Jakarta SINAR HARAPAN in Indonesian 28 Aug 81 p 11

[Excerpts] Minister of Mines and Energy Subroto said that studies have shown there are 40 pockets (sites) in Indonesia thought to contain oil and natural gas. Of the 40 locations 10 have been tapped and are in production, 11 have only recently been studied more intensively and 19 have not yet been tapped.

The minister made his statement after witnessing the signing of three production-sharing contracts between Pertamina [National Oil and Natural Gas Company] and [other] oil companies Thursday afternoon in Jakarta.

With these three signed contracts, to date the number of production-sharing contracts between Pertamina and foreign contractors has increased to 52, of which 3 are work contracts and 11 are cooperative contracts. Of that number, 17 contracts are already in effect.

Those who signed the three production-sharing contracts were: Drs. Joedo Sumbono, Pertamina's chief director, and Boris A. Ganke, head of Offshore Oil NL [Expansion unknown] from Australia, D. W. Martin, vice president of Trend Energy Kalimantan Ltd from the United States, and O. W. Hamp, president of Amoco (Indonesia) Bariot Petroleum Company from the United States.

Offshore Oil, NL, in this case in partnership with Oxoco International Inc from the United States, is exploring for oil in a 7,445 square kilometer area offshore Asahan, North Sumatra. The two companies will spend no less than $54.9 million in exploration costs in a 6-year period. The contractors will pay $4.5 million in information bonuses. Production bonuses will come to $7 million for 25,000 barrels per day and $25 million for 50,000 barrels per day.

Trend Energy Kalimantan Ltd and Sedco Indonesia Inc (United States) will work in a 7,725 square kilometer area in the South Bariot basin, block "B", South Kalimantan. These companies will pay out about $59 million in exploration costs in a 6-month [sic] period. The contractors will pay $15 million in information bonuses, $5 million after commercial production, $4 million for production at 25,000 barrels per day, $8 million for production at 50,000 barrels per day and $10 million for production at 75,000 barrels per day.

Amoco (Indonesia) Barito Petroleum Company (United States) will operate in the South Barito area, block "C", extending 7,220 square kilometers. This company will spend not less than $77 million for exploration costs over a 6-year period. The contractors will pay $4.2 million in information bonuses and $5 million after commercial production, $5 million for production at 20,000 barrels per day, $10 million for production at 40,000 barrels per day, $40 million for production at 100,000 barrels per day and $60 million for production at 200,000 barrels per day.

Division of profits between Indonesia and the contractors is 85:15 for oil and 70:30 for natural gas.

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LARGE-SCALE EFFORT TO CERTIFY LANDHOLDINGS REPORTED

Jakarta SINAR HARAPAN in Indonesia 21 Aug 81 pp 1, 12

[Excerpts] According to the Directorate General of Agrarian Affairs in the Department of Internal Affairs, there are 2 million square kilometers of land throughout Indonesia that should be certified, but until now only about 20 percent of the landholders have certificates or proof of ownership.

So stated the director general of agrarian affairs, Daryono, during a press conference Friday afternoon. Daryono said one of the reasons that so much land has not yet been certified is that the general public is not yet aware of the legal and economic value of a certificate. In addition, people are reluctant to deal with the local agricultural offices for certain reasons.

In this connection, in mid-August the Directorate General of Agrarian Affairs began to carry out a program called the "National Agrarian Operations Project," whose task, in addition to certifying all landholdings, is to try to eliminate or at least lessen the different kinds of land disputes that occur in the society.

Under this "mass certification" effort, the directorate's employees throughout Indonesia will no longer work as before, having a passive attitude by working behind a desk, but will open up their offices on the streets, "if necessary, spread their mats on the roads in order to speed up the granting of certificates on a mass scale and at the same time resolve the land disputes," said the director general.

He said land ownership certificates are very important for the public because a person should be able to use such proof of ownerhship to obtain credit from the local bank. Furthermore, the certificates guarantee a feeling of security to those who possess them.

One of the current challenges facing the nation, he said, is the appearance of the "insignificant farmers" who own no more than 0.3 hectares of land. Clearly that amount of land is neither productive nor economical. The "insignificant farmers" themselves are not the product of the government's current development program. Rather, in part, they are the result of the still ensconsed system of land ownership based on adat [customary law] or inheritance.

It is hoped that the National Agrarian Operations Project [PRONA) will make it possible for the government to control transfer of land ownership rights, whether through inheritance, adat or some other law.

The director general said that if the transfer of land ownership rights based on inheritance is not controlled, in the future it could happen that Indonesians will hold only 1 or 2 meters of land.

Daryono said that if you ask people whether they already have a certificate, they say "For what?" People think a land tax assessment paper or "petok," which actually is only a proof of tax payment, is the same as a land ownership certificate. "Such opinions or views are clearly in error," said Daryono.

Concerning the fee to arrange for the certificates, in Java it will generally be less than 10,000 rupiahs. Outside Java it will probably be less than that.

In the capital vicinity Drs. Suroso has been appointed to head the project, while in the outer provinces governors, district heads and others will manage the program.

Daryono admitted it is not impossible that new problems could emerge as the program is enacted, either in the form of "dual certificates" or illegal taxations. It is felt that most of the "dual certificates" will be found in Special Area Jakarta.

Daryono guarantees the directorate will try to settle the problems as best as possible, peacefully, for it is certain one of the two certificates will be legally defective, whether a falsified number, date, signature, seal or something else.

Asked about the policy on golf courses as it relates to efforts to put land into production, Daryono said that what can be stated for certain is that since 1980 no new golf courses have been made.

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RAILWAY CARS TO BE PRODUCED IN NEW MADIUN PLANT

Jakarta SINAR HARAPAN in Indonesian 20 Aug 81 p 11

[Text] The national railroad system entered a new phase when the State Railway Company Repair Shop in Madiun manufactured 20 type 4 as [expansion unknown] freight cars, each with a capacity of 15 tons.

Freight car production is financed under the Five-Year Development Plan budget. Only 10 percent of the parts needed in production of the cars is imported. The rest comes from the Madiun shop's own sources.

Since last month the freight cars have crisscrossed the East Operations Zone of the State Railway Company in a study of their transport capability, riding quality, ease of maintenance and durability. It's thought the cars will last for 25 years.

Sumarno, head of the State Railway Company's East Operations Zone, said to SINAR HARAPAN that no outstanding problems were found in the cars. The country has a right to be proud of the job done by the Madiun shop, he said, because no foreigners helped in the planning process. All was performed in a very traditional manner. The Repair Shop only had regular tools for repair and maintenance of equipment and was not really a manufacturing company. It didn't have any of the automatic tools that are needed in heavy industry. There was just one engineer in the shop.

Here we're all self-taught students, we learn everything from experience and from reading books, said Ach. Duryat, head of the Madiun shop.

According to Duryat, making 20 freight cars was just a warm-up for the manufacture of 400 similar cars by the end of 1982 and 44 passenger cars by mid-1983 under the management of PT Inka. Although the government has determined that the State Railway Company Repair Shop in Madiun has now officially become PT Inka, the new company won't begin production till next year.

Under the combined management of the Department of Industry, the Board for Techological Research and Development and the State Railway Company itself, PT Inka will be backed by the Department of Finance with an initial capital investment of 60 billion rupiahs.

Before going into full-time production, during the next 2 months the Repair Shop will begin to manufacture its first passenger cars, which will be 20 meters long.

According to Duryat, there are many problems involved in the manufacture of passenger cars, not only because of the simple tools but also because of the layout of the Madiun shop, which hampers movement during assembly of the cars.

The capability of producing our own railway cars will mean saving for[illegible]n exchange, but it will be all the more valuable because of our greater self-esteem, said Duryat proudly.

Concerning costs, imported freight cars cost 25 million rupiahs per unit, but domestic cars are only 14 million rupiahs each. Imported passenger cars cost 250 million rupiahs, while in Madiun they can be made for about 50 million. In addition, we are no longer heavily dependent on other countries for spare parts. It is in this sense that Duryat considers self-esteem to be an unlimited investment.

PT Inka is going to work together with the Japanese when initial production begins next year. We shall be able to speak with them at the same level, Duryat said, because we have shown that we do have the capability. Only in certain instances should cooperation with them be known [sic].

According to plans, at the end of this year large machinery should be installed that will change the Repair Shop into a factory.

The Madiun Repair Shop was built in 1884 and was taken over by the Indonesian Government from the Japanese authority in 1945. It had the task and function of being a repair and maintenance shop.

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NICKEL DEPOSITS DISCOVERED IN HALMAHERA REGION

Jakarta SINAR HARAPAN in Indonesian 13 Aug 81 p 11

[Text] PT Aneka Tambang [Diversified Mining Company] recently discovered the largest nickel deposits in Buli Bay, Halmahera after a number of exploratory studies had been carried out.

A spokesman for the company said to ANTARA in Ternate recently that the nickel deposits in Buli Bay are probably large and of a similar quality to deposits on Gebe Island (under the administrtative management of Central Halmahera/North Moluccas), which will take 20 years to exploit.

Exploratory activity was stopped last week after Aneka Tambang's geologists made the discovery. "Since the end of July nickel samples from the bay have been flown to Jakarta and Japan to be assayed further," said Syaifuddin Hamid, head of Aneka Tambang's office for nickel mining in Ternate, capital of North Moluccas.

When he was interviewed by ANTARA Tuesday, Hamid said that although Buli Bay has been emphasized, other areas have been sites for nickel explorations since the end of 1980. Of course it is true, he said, that new deposits were discovered at Buli Bay, but till now the quality and extent of the deposits remain unknown because the test assays in Japan and Jakarta aren't completed yet.

He said that if the limited studies show that the deposits could only be exploited for a period of 10 years or less, then the Buli mining operations would be cancelled.

When he was asked about stories circulating in the community and in government circles in North Moluccas and Halmahera that very large nickel deposits were found in Buli Bay, Hamid replied that he didn't know anything at all about such stories. "To date there hasn't been any official announcement concerning the results of the test assays" he said.

An employee of PT Aneka Tambang on vacation said that since the beginning of this year nickel exports from Gebe Island have been constantly increasing.

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ALUMINA FACTORY PLANNED FOR BINTAN ISLAND

Jakarta SINAR HARAPAN in Indonesian 8 Aug 81 p 11

[Text] PT Aneka Tambang [Diversified Mining Company] is currently holding talks with Kaiser Aluminum Corporation from the United States and Kloekner INA [expansion unknown] from West Germany on preparations for building an alumina factory on Bintan Island, Riau.

A spokesman for the Department of Mining and Energy said that construction of the 600,000 ton per year alumina factory will begin in November, 1981 and is expected to be completed by the end of 1985 at a total cost of $572.3 million.

The minister of mining and energy has chosen PT Aneka Tambang to manage plant construction and equipment purchasing.

Asked how far along preparations for the plant had progressed, public relations head of PT Aneka Tambang, Ali Ermas, replied that up to now he had related what the minister had instructed him to say. [sic]

Kaiser Aluminum was chosen to supply the technology and technical assistance for construction of the plant. Kaiser Engineers, which designed the plant, will oversee construction and be responsible for seeing tht the whole project is completed on schedule. On the other hand, Kolekner INA will actually build the plant and be responsible for the "mechanical perforamnce" of each factory area.

According to the source from the Department of Mining and Energy, an in-depth study showed that Bintan Island was the most economically favorable site for the alumina plant because of its bauxite deposits. At first two site were considered for the factory. Bintan was one; the other was at Kuala Tanjung, Asahan [North Sumatra], where an aluminum factory (which would use alumina) is gong to be built. But finally the government decided on Bintan.

According to a separate study that was done by Kaiser Engineers and a Japanese consortium, it will be less expensive to build the alumina plant on Bintan than at Kuala Tanjung. Operating costs should also be lower at Bintan.

The spolesman from the Department of Mining and Energy said that Indonesia's largest bauxite deposits (est. 75 million tons) are found on Bintan and surrounding islands. The only bauxite mining operation in Indonesia today is on Bintan and on several small neighboring islands.

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BUSINESS LEADERS LAUD U. S. AID

Karachi DAWN in English 28 Oct 81 p 6

[Text] The United States has provided to Pakistan three billion dollars out of the total foreign assistance of about 18 billion dollars committed so far including a grant-in-aid of four billion dollars, FPCCI President, Mr. Mohammad Yousuf Zia, said yesterday while welcoming the US Consul-General, to the Federation's office.

Mr. Richard Post discussed with the FPCCI the prospects of U.S.-Pakistan trade relations and economic cooperation.

The Federation chief said that the recent announcement of a package of 3.2 billion dollars as economic assistance and for arms purchases had opened a new chapter in the friendly relations of the two countries.

He said that eversince independence, United States has been Pakistan's major trading partners, and now has a share of five per cent in our exports and 11 per cent in our imports. United States has provided the largest amount of economic assistance given to Pakistan by any country or financial institution.

Mr. Yousuf Zia welcomed the decision of the US aid mission to set up a "bureau for private enterprise" which would be able to implement the decision of the Reagan administration for bringing private sector more fully into the development and foreign assistance process. He expressed the hope that the private sector in Pakistan would benefit from this new thinking with regard to the disbursement of official development assistance, specially those with a commitment to free enterprise, would follow this refreshing departure in aid disbursement to developing countries.

The federation chief said that they are watching with great interest the efforts being made by the US-Pakistan Economic Council for increase in US investment mainly through joint ventures. At present the US private investment in Pakistan is a very meagre amount of about 125 million dollars, which does not measure up to the expectations of an extended period of close friendship between the two countries.

He expressed the hope that the new stage of growing friendship between our two countries would attract the US private sector, specially a large number of its multi-nationals and pursuade them to take greater interests in Pakistan.

He suggested for the establishment of a liaison between US Chambers of Commerce and the Federation. He also stressed the need for relaxation in quota system to reduce the gap in balance of trade.

The Federation President also underlined the need for setting up joint ventures in fields like electronics, heavy chemicals and petro-chemicals as well as food processing industries.

He said that suitable guidance and facilities be extended to Pakistanis who would like to set up small industries like shoe and furniture making in United States.

US INVESTOR'S MISSION

The US investors mission would now come to Pakistan in batches instead of a single batch, chairman of Pak-US Trade and Industry Committee of the FPCCI, Mrs Salma Ahmad, said at a luncheon hosted by the federation in honour of Mr. Richard Post.

The first batch was due in Islamabad on Nov 12, earlier than the scheduled date.

She informed the US Consul-General that Government has despatched profiles of 20 specific industries to the USA for distribution among the American investors, so that they may get necessary information about industry of their choice.—APP/PPL

CSO: 4220/76

EXPORT PROMOTION BUREAU PLANS EXHIBITS IN MIDDLE EAST COUNTRIES

Karachi DAWN in English 22 Oct 81 p 7

[Text]

The Export Promotion Bureau plans to organise a series of single-country exhibitions in the Middle East and Gulf States in order to build up Pakistan's image as an exporter of standard products.

The Vice-Chairman of the Bureau, Mr Mohammad Yousuf in a meeting held in the Chamber yesterday with its President, Haji Razak Janoo, said the fairs and exhibitions being organised by them on scientific lines and with a professional touch, were intended to attain a long-term objective of export promotion.

The non-traditional and engineering goods were mainly displayed in such exhibitions, he added.

Mr Mohammad Yousuf revealed that Pakistan's pavilion in the Indian Exhibition to be held in New Delhi in next month, would present a total projection of Pakistan's socio-economic and cultural development and heritage.

He said that all categories of Pakistani products would be displayed in the exhibition so that Pakistan's export potential was known to the participants from all-over the world.

The Vice-Chairman attributed the abnormal rise in the rental charges of telex to the growing cost of its material and mounting demand in the face of rapid development of telecommunication system in Pakistan.

Mr Yousuf said that the present Government greatly valued the views and suggestions of the private sector and as such, their members have been given wide representation on various advisory bodies of the Government.

Haji Razak Janoo, President of the Chamber apprised the Vice-Chairman of the implications, arising from the abnormal rise in the rental charges of telex. This will have an adverse effect on export sector, where the use of telex was inevitable, he added.

The Chamber Chief said that frequent fluctuations in the value of international currencies caused complications for country's export trade and hence, a timely-mechanism was to be evolved to nullify its adverse impact.

He said that Chamber had organised many fairs and exhibitions successfully in the past and it could be counted upon for organising still bigger pavilion/fairs and exhibitions abroad.

The Chamber's President stated that the businessmen of Pakistan were keen to strengthen trade relations with Bangladesh in view of brotherly and historical relations with them.

He, however, said that inflated custom tariff levied by the Bangladesh authorities on Pakistan's certain exportable item like ZEERA acted as impediment to the export promotion effort.

He, however, assured the Vice-Chraiman of Export Promotion Bureau of Chamber's full support and cooperation in stepping up the export of the country.

CSO: 4220/70

MAJOR STEPS AGAINST SMUGGLING PAK CURRENCY

Karachi DAWN in English 30 Oct 81 p 14

[Article by Saghir Ahmad]

[Text] Several Government agencies are looking into reports of large-scale smuggling of Pakistani and other foreign currencies to Gulf ports and other destinations by air, land and sea routes.

The investigations have been stepped up following the seizure of large quantities of currencies at Dubai, Sharjah and Muscat besides major hauls at Karachi Airport and in Pakistani waters.

Details of the seizures outside Pakistan are yet incomplete, but some particulars of at least four launches are known here after their capture recently.

Official sources said these four launches reached the Gulf ports without a 'Port Clearance' certificate at Karachi and almost unnoticed and unchecked all the way to their destinations.

The currency-laden "Al-Asad" seized by Omanese authorities on July 31, these sources said, had no "Port Clearance" of the Karachi Customs.

According to details now available with the Customs, this fishing trawler left Karachi Fish Harbour on March 12 and was due to report back on March 31.

Instead, it reached Dubai where Immigration authorities detained it for undertaking the voyage without proper documents including the visas.

It was, however, allowed to continue journey to Sharjah after necessary legal action but was intercepted a second time at Sharjah where currency worth about Rs 30 million was also seized and the crew were detained. Later, the launch and the crew were repatriated to Karachi.

In Karachi, the Customs show cause notice for delayed return of the launch to the base elicited the reply that delay was caused by "engine trouble", sources said.

When it left on a fishing mission again on July 25, it was certified to have nothing except provisions but was found to be loaded with currency when intercepted by the Omanese authorities, officials said.

Investigating agencies suspect that some highly organised gangs of currency smugglers are involved in this operation, and they might have been using the fishing launches for their activities.

The procedure for the issuance of Port Clearance certificate to fishing trawlers is that the fishermen form queues to get the document from the lone Customs officer on duty. The officer normally issues 300 to 400 arrival/departure certificates daily, with the result that physical examina- of the boats in all cases is not humanly possible.

In January this year, launch "Al-Mubeen" got away without the Port Clearance certificate and was hauled up by the Omanese with silver and currency worth about Rs 40 million.

Two other launches caught with smuggled currency were "Shalimar" and "Al-Khalid". "Shalimar" was caught with Rs. 25 million worth of currency, while launch "Al-Khalid" was seized with Pakistani currency worth Rs. 11 million besides foreign currency "in abundance".

Currency on launches "Al-Khalid" and "Al-Asad" has since been returned to Pakistan Government by Oman as a gasture of goodwill.

CSO: 4220/77

SCHEME APPROVED FOR CADET COLLEGE IN SIND

Karachi DAWN in English 30 Oct 81 p 12

[Text] LARKANA, Oct 29: The Divisional Co-ordinating Commitee for Sukkur division has approved a scheme for setting up a Cadet College for upper Sind and advocated its inclusion in the Annual Development Programme of the province for the year 1982-83.

During its meeting held here recently, the committee fixed priorities for development schemes of the division for their inclusion in the ADP.

Speaking on the occasion, the Chairman District Council Larkana, Mr Ghulam Mujtaba Isran, said that the Governor of Sind, Lt. Gen. S. M. Abbasi, during his visit to Larkana early this year, had shown personal interest in the scheme of establishing a Cadet College in Larkana. He had also disclosed that the Federal Government had accepted in principle his proposals. He had assured the people that he would strive hard for the realisation of this scheme because the Cadet College of Petaro generally accommodates students from lower Sind areas, whereas the upper Sind region needs a separate college.

It may be recalled that the scheme for setting up a Cadet College for upper Sind area in Larkana was contemplated during early seventies. The site for the college was selected about 3 kilometers to the north of Moenjo Daro, by the side of which now the Dokri Grid station is being constructed.

In this connection, necessary funds amounting to about Rs 20 lakh had also been initially earmarked and a design was finally prepared for the construction of the building at a site about 25 kilometers to the south of Larkana town. But later, the scheme was abandoned altogether.

When the Governor visited Larkana again the representatives of Local Bodies' strongly suggested that the Larkana Cadet College scheme be implemented on priority basis keeping in few the long-standing demand of the people of upper Sind area for a standard educational institution for their children.

CSO: 4220/77

WIDE-RANGING UPLIFT PROJECTS APPROVED

Karachi DAWN in English 30 Oct 81 p 18

[Text] Islamabad, Oct 29: The Executive Committee of the National Economic Committee of the National Economic Council, which met here today under the chairmanship of the Federal Finance Minister, Mr. Ghulam Ishaq Khan, considered and approved a number of wide-ranging uplift projects in various sectors of the national economy.

Agriculture sector: The committee approved a project envisaging construction of five lakh metric tons of bagged storage (house type) for wheat in all the provinces: 2,90,400 tons in Punjab, 50,100 tons in NWFP, 104,500 tons in Sind and 55,000 tons in Baluchistan.

The project, costing Rs. 642.6 million with foreign exchange component of Rs. 148.4 million, will go a long way in improving grain storage capacity in the country. It will be completed in four years.

In the same sector, the committee approved a project providing for integrated development and management of Barani areas in the Punjab. The project will cover Sohawa and Chamal catchment of Jhelum and Sialkot districts.

In the agricultural research, the ECNEC gave approval to a scheme for undertaking a co-ordinated programme for livestock feed recources and nutrition at National Agriculture Research Centre, about eight km away from Islamabad.

The project will cost Rs. 22,00 million including foreign exchange worth Rs. 17.185 million.

Railways: The Executive Committee of the National Economic Council approved creation of facilities to undertake manufacture of diesel electric locomotives in a separate factory adjoining the carriage factory at Islamabad.

The project will involve a total expenditure of Rs. 894.91 million including a foreign exchange component of Rs. 292.49 million.

Petroleum and Natural Resources: The Committee approved revised estimates for phase I of Pirkoh development project in Baluchistan.

The project envisages seismic survey of Pirkoh gas field, six wells in addition to one discovery well, production and handling facilities, reservoir study and preparation of developing project (Phase II).

Water and Power field. The ECNEC gave go ahead signal to the establishment of a national load despatch centre with modern power system control facilities at Faisalabad/Islamabad and regional centre at Hyderabad.

The project will involve capital cost of Rs. 586.00 million with foreign exchange amounting to Rs. 240.00 million. The foreign exchange part of the cost will be provided by the Asian Development Bank.

Flood Control Sub-Sector: The committee sanctioned construction of Malir River flood protection bund, phase 111, Karachi East.

The scheme, costing Rs. 66.148 million, envisages protection of colonies and defence installations located on the right bank of Malir River against the onslaught of floods.

Production Sector: The Executive Committee approved revised estimates of Rs. 480.08 million including foreign exchange worth Rs. 229.59 million for the Boland Textile Mills project.

Industry sector: The committee approved Phase I of a scheme envisaging establishment of an industrial estate at Multan. The scheme will cost Rs. 28.28 million.

Communications sector: The ECNEC approved a project for the construction of an additional carriageway of 35.37 kms long on the Nowshera-Peshawar section of the National Highway N-5.

CSO: 4220/77

BIG RISE IN RICE EXPORTS REPORTED

Karachi DAWN in English 30 Oct 81 p 9

[Text] Pakistan's rice exports recorded an increase of 143 per cent from Rs 2 304 milion to Rs 5,602 million between 1974-75 and 1980-81, according to a study.

In general, exports rose because of a rise in volume export prices declined by 6.6 per cent during this period.

Pakistan's share in world trade has risen from 6.00 per cent in 1975 to 11.1 per cent in 1979.

During the period 1974-75 to 1930.81 exports of Basmati rice more than 55 per cent in 1976-77 owing to the rise in the volume of exports.

Since 1976-77 the share of basmati has tended to fall, declining to 44.9 per cent in 1977-78, 39,6 per cent in 1978-79; 53.9 per cent in 1979-80 and 51.3 per cent in 1980-81. The share of other varieties has consequently increased.

This faster growth in exports from Pakistan resulted due to higher rate of increase in output. Between 1975 and 1980 world output grew by 11.5 per cent, while in Pakistan it rose by 22.3 per cent.

Basmati rice, the best variety, is exported almost entirely to the repidly growing countries of the Middle East.

The major purchasers are Dubai, Iraq, Kuwait and Saudi Arabia, which together account for about two-third of the total exports of basmati rice.

Other varieties are exported to the African and Asian countries. The share of African countries has increased rapidly. The fastest increase occurred in exports to Cameroon, in which case they rose from Rs 21 milion in 1975-76 to Rs 574 million in 1980-81. Exports to Kenya have risen steadily rising from Rs 19 million in 1975-76 to Rs 139 million in 1979.80 Eexport to Indonesia rose from Rs 14 million in 1974-75 to Rs 874 million in 1977-78.

Exports to Sri Lanka, however, fell from Rs 447 million in 1974-75 to Rs 244 million in 1980-81, the report added.—PPI

CSO: 4220/77

BRIEFS

ISLAMIC FOOD COMMITTEE--The first international conference on "food security and agriculture development in Islamic States" held recently at Ankara decided to set up a permanent followup committee consisting of Pakistan, Turkey, Senegal and the UAE to review progress of implementation of decision of the conference. It will meet before the FAO meeting due to be held in Rome from Nov 7, Mr. Zafarullah Khan Jamali, Federal Minister of State for Food, Agriculture and Cooperative, said on return from Ankara after leading the Pakistan delegation. He said the committee will submit its report at the next meeting to be held in Khartoum in 1983.--PPI. [Text] [Karachi DAWN in English 27 Oct 81 p 10]

NONPOLITICAL ALLIANCE MOVE SUPPORTED--Some more public representatives have welcomed the move made by Shaikh Liaquat Husain to help form a non-political alliance of patriotic elements to counter subversive activities in the country. Mr. Abdul Ghairar Pasha, a former Minister of the defunct West Pakistan, in a statement, yesterday extended his support to the proposed alliance saying that "not a single patriotic Pakistani can think of opposing such an alliance." Mr. Sarfaraz Khan, senior Vice-President of the defunct Pakistan Muslim League (Qayyum Group), said that all those who took active part in the Muslim League activities on the city, district and provincial levels during the Pakistan Movement should come forward and cooperate in uniting the patriotic elements. He also stressed the need to strengthen the hands of the Government to deal with the subversive elements. In another statement, Raja Mohammad Iqbal, Central President of the Jammu Kashmir Rajput Association, has endorsed the move to form a patriotic front and termed it as a "wise step". [Text] [Karachi DAWN in English 28 Oct 81 p 1]

ZIA ON 'PILLARS ON STRENGTH'--Rawalpindi, Oct 27: Firm faith, sophisticated armaments and equipment and intensive through professional training are the pillars of strength. In the presence of these pillars no hostile power can cast an evil eye on Pakistan," President Gen. Mohammad Zia-ul-Haq said in Risalpur today. President Gen. Mohammad Zia-ul-Haq, who is also the Chief of the Army Staff, was addressing serving and retired officers and jawans of the Corps of Engineers on the occasion of his installation as the First colonel-in-Chief of the Corps of Engineers. President Zia-ul-Haq said that Pakistan was passing through crucial times, and it was therefore imperative for every Pakistani, particularly the armed forces, to protect the country against external aggression and internal turmoil. [Excerpt] [Karachi DAWN in English 28 Oct 81 p 1]

AGREEMENT WITH U. S. OIL FIRM--Islamabad, Oct 28: A memorandum of understanding was signed here today between the Government of Pakistan and Union Texas Pakistan Inc., for sale of Union Texas share of crude oil from Khashkeli oilfield, about 100 miles east of Karachi. After commercial discovery expected in December, 1981, the Pakistan Government will acquire 40 per cent production of crude oil and also purchase Union Texas share of crude oil at a discounted price. It is planned to drill four wells in addition to the discovery well during current financial year at Khashkeli. These additional wells will not be only used for production of crude oil but also will give data for assessment of the potential of the entire field. The production and storage facilities are being established at the well site to initially transport the crude oil by bowsers to Karachi for refining.--APP. [Text] [Karachi DAWN in English 29 Oct 81 p 4]

LOANS TO INDUSTRIAL UNITS--The Board of Directors of the IDBP at the Meeting at Lahore yesterday sanctioned foreign and local currency loans amounting to Rs. 52.06 million for seven Industrial Projects, says a Press release. The projects are a new basis metal casting unit in District Sheikhupura to produce 2000 metric tons of alloy steel, special steel tools etc., two paper board manufacturing Units (both in Punjab) to produce 10,800 tons of packing board and packing paper; two cooking oil manufacturing units, one each in Sind and N. W. F. P., to produce 12,000 metric tons of cooking oil and 840 metric tons of black soap annually, balancing and modernisation of an existing towel manufacturing unit in District Sheikhupura; and a glass bottles and jar manufacturing unit in Punjab, has been enhanced. [Text] [Karachi DAWN in English 28 Oct 81 p 10]

JOURNALIST JAILED--Hyderabad, Oct 27: Mr Nisar Channa, former President of the Hyderabad Press Club, who had presented himself before the local Martial Law authorities, on Sunday, was later sent to the Nara jail, according to an unofficial report. Meanwhile, the President of Hyderabad Union of Journalists (Rashid Siddiqui group), Mr Badar Jalanvi, has appealed to the Martial Law authorities to consider Mr Channa's case sympathetically.--App. [Text] [Karachi DAWN in English 28 Oct 81 p 6]

POSTGRADUATE EDUCATION IN AGRICULTURE--Islamabad, Oct 28: A major programme of imparting post graduate education in agriculture will soon be introduced in the agricultural universities of the country, Dr. Amir Mohammad Chairman, Pakistan Agricultural Research Council, said here yesterday. He was speaking at the conclusion of the four-day Agriculture Research Conference. He said that PARC might extend financial help of four to five million rupees to the agricultural institutions to buy latest equipment and other material for laboratories and libraries. It will enable agricultural scientists to import higher education to agricultural students, he said. Though the future of science in our country is very bright, but still we are facing the shortage of trained manpower in the field of agriculture. [Excerpt] [Karachi DAWN in English 29 Oct 81 p 4]

CLARIFICATION OF CENSORSHIP STATEMENT--Rawalpindi, Oct. 25--President Gen. Mohammad Zia-ul-Haq, in his speech at a function in Lahore held in connection with the launching of a special number of Naqoosh had observed that literary and creative books were exempted from censor. A Section of Press today, however reported that the President having said that all books were exempted of censor this is incorrect. [Text] [Karachi MORNING NEWS in English 26 Oct 81 p 1]

JAPANESE ALCOHOL FUEL MISSION--Islamabad, Oct. 25--A six-member study mission of the International Institute of Energy Economics Japan, led by Mr Hitoshi Shozawa, yesterday held discussions with Dr M. Shafquat Hussain Siddiqui, Chairman,

Hydrocarbon Development Institute of Pakistan, on introduction of alcohol fuel in Pakistan. The mission which arrived here on Friday on ten-day study tour of the country, during discussions agreed to extend technical assistance to Pakistan for the development of alcohol fuel projects to meet the future energy needs including co-operation in the field of research. The mission members hoped Pakistan would be able to develop the projects by 1987-90 since it has big potentiality. The mission also appreciated the pace of industrial development in Pakistan.--APP [Text] [Karachi MORNING NEWS in English 26 Oct 81 p 3]

DELIVERY OF SHIPS FROM POLAND--Pakistan will press Poland to honour the contract for the delivery of eight ships, a PNSC source said last night. The source said that PNSC had signed a formal commercial agreement with the concerned Polish authorities for the construction and delivery of eight ships and had already made down payments of about five million dollars for the first two ships. Two ships built under that agreement were scheduled to be delivered on Oct 26 and PNSC had sent the necessary crew to Gdansk, who still were in Poland. The third ship built under the agreement has also completed necessary sea trials with the participation of Pakistani engineers. Replying to a question the source said that the PNSC would go for international arbitration to pursue its case as the concerned Polish agency had no right to renege on the agreement. Replying yet another question the source said that the PNSC had already agreed to a ten per cent increase in the cost of ships. Meanwhile, the PNSC Chairman, Rear Admiral A. W. Bhambal is leaving for London in a couple of days to get the delivery of the third vessel ordered from Britain--1800 DWT M. V. 'Ayubia'. He is also expected to address a Press conference there.--PPI. [Text] [Karachi DAWN in English 30 Oct 81 p 18]

STATE BANK RELAXES CREDIT RESTRICTIONS--The State Bank of Pakistan yesterday revised the credit restrictions superseding all previous instructions and thereby allowing a number of relaxations. According to the Bank's Press release advances against maize which were hitherto allowed to manufacturers of corn oil, and corn products only will now be admissible to other entities also. Similarly, advances against gram, other grains and pulses which were hitherto allowed to manufacturers of chicken feed only will now be admissible ot other entities too. Ban on advances against Kariana items, spices, onions and potatoes, has been lifted. The condition of period restriction in respect of advances against paddy and rice to rice mills and authorised dealers and against wheat and wheat flour to flour mills has been withdrawn. Minimum margin requirement on advances to traders against tobacco has been reduced from 50 per cent to 25 per cent and against unspecified raw materials to traders from 75 per cent to 50 per cent. The minimum margin requirement on advances to manufacturing and processing units against finished goods has been scaled down from 35 per cent to 25 per cent. The minimum margin requirement on advances against bank deposits and deposit certificates has been reduced from 40 per cent to 25 per cent and against shares not quoted on recognised stock exchanges from 60 per cent to 50 per cent.--APP. [Text] [Karachi DAWN in English 30 Oct 81 p 14]

SIND TRACTOR CORPORATION--The Sind Government is examining the possibility of setting up of a tractor corporation to improve the working of tractors to boost farm production. At present, the Agricultural Department which has over 300 tractors at its disposal is not utilising the tractors properly. The farmers are also not satisfied as tractor services are not being made available. Another complaint is that most of the tractors are being engaged by the influential persons. Therefore, it has been suggested that to improve the working of the tractors the control of the tractors may be given to an autonomous corporation. A decision in this regard is likely to be taken by the Sind Government soon. [Text] [Karachi DAWN in English 22 Oct 81 p 4]

BAN ON ENTRY OF ULEMA--Sahiwal, Oct 29: The District Magistrate, Sahiwal, has banned entry of 31 Ulema in the district besides forbidding four Ulema to deliver any speech. Both the orders shall remain in force for two months. Those who have been forbidden from delivering speech are Maulana Habibullah, Maulana Meteeullah, Maulana Bashir Hussain Jafri and Maulana Mohammad Ramzan. Those who entry has been banned include Maulana Zameer Hussan, Maulana Alla Yar, Maulana Khadim Hussain, Maulana Qazi Saeedur Rehman, Maulana Abdus Sattar Taunsavi, Maulana Manzoor Ahmed Chinioti, Maulana Ziaul Qasimi and Maulana Manzoor Hussain Hyderabadi.--PPI. [Text] [Karachi DAWN in English 30 Oct 81 p 12]

CHEAPER PULSES AT JUMA BAZARS--The Bureau of Supply and Prices (Sind) has announced that some of the leading importers of pulses have agreed to sell imported pulses at Juma Bazars in retail at rates lower than the prevailing market prices, says an official handout. The Juma Bazars will be held as usual from 9 a. m. to sunset at Hydari Bus Stop (North Nazimabad); Eidgah Ground, Shah Faisal (Drigh) Colony; Punjab Colony Ground (Gizri Road); and Motor Training Ground (Aziz Bhatti Park, Gulshan-i-Iqbal). [Text] [Karachi DAWN in English 30 Oct 81 p 14]

UK VEHICLE SERVICING PARTS--London, Oct 29: A company which makes vehicle servicing equipment ranging from hand-operated jacks to electronic engine performance analysers is to follow up a growing demand for its products in Pakistan with its first visit to the country in November. TI Transport Equipment Ltd., which sells to many parts of the world, will be represented on a trade mission from the Birmingham Chamber of Commerce Nov 14-21 by Mr David Leeming, export manager for the Far East Zone. Mr Leeming told LPS that in the past 18 months there had been an increasing demand in Pakistan for TI transport products and he was confident that the ranges he would be introducing would be of interest to the Pakistani vehicle maintenance industry and, where appropriate, to domestic users. [Text] [Karachi DAWN in English 30 Oct 81 p 17]

QUETTA GAS PIPELINE PROJECT--The work on Quetta Gas Pipeline project undertaken by the Sui Gas Transmission Company (SGTC) is proceeding ahead of schedule. A spokesman of the SGTC told APP here on Tuesday that Rs. 338.455 million project is due for completion towards the end of the next financial year. The pipeline would take off from the existing Indus Right Bank pipeline of SGTC and supply gas to Quetta and a number of towns en route namely, Jacobabad Jhatpat, Dera Murad Jamali Bellpat, Sibi, Bibi Nam Mach Kolpur Darwaza and Sairab. In pursuance of the directive of President Zia to provide natural gas to the inhabitants of Baluchistan, the project involving construction of pipeline of 12 inch diametre and nearly 350 kilometre in length was undertaken. The foreign exchange component of the project is being provided by the Kuwait Fund for Economic Assistance. The raw material including pipes would cost ten million dollars. The spokesman further said that two shipments of the pipeline had already arrived. The third shipment is due next month and the last in January next. The Federal Government has provided bridge financing from its own resources.--APP. [Text] [Karachi DAWN in English 22 Oct 81 p 3]

CSO: 4220 END

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REASONS FOR FLIGHT OF CHITTAGONG TRIBALS GIVEN

Bombay THE TIMES OF INDIA in English 1 Oct 81 pp 1, 5

[Text] New Delhi, September 30--The unabated influx of tribals from the Chittagong hill tracts into Tripura is a clear indication that the "hawks" are to the fore again in Bangladesh.

It is an attempt to nullify the recent Indo-Bangladesh agreement to defuse tension.

The unexpected twists and turns that Dacca's policies are taking are the result of an intense power struggle now going on in the ruling group. For quite some time, the "doves" remained in background, but were able to stage a come-back, working upon the uncertainties of the future, and encouraged a new process of improving relations with India.

But the ascendency of the "doves," whose chief exponent is the foreign minister, Mr. Shamsul Haq, appears to have been shortlived. The pendulum is again on its backward swing. That the army has taken over the operations against the tribals is an indication that the recently concluded agreement with India had not been to its liking and it has taken the first opportunity to strike back.

Since the assassination of President Ziaur Rahman, the "hawks" have been slowly but surely entrenching themselves in power, eliminating the known "freedom fighters"--from the army and all governmental spheres. The Prime Minister, Shah Azizur Rahman, became the chief spokesman of the regime.

The upshot of this development was that there was an increase in contacts with Pakistan and proposals were mooted for the two countries entering into several bilateral agreements, including Dacca giving up its claims to a share in the assets of united Pakistan. It was apprehended that the process could culminate in a sort of defence arrangement with Pakistan.

The development did not give any comfort to the moderates who saw in it the possibility of an increase in tension in the sub-continent.

The coming Presidential election was a factor which momentarily helped the "doves" to assert themselves and come to the fore. The army continues to be unsure of the election result, acutely conscious of its isolation and unpopularity. It is distrustful of the bureaucracy which has vowed to see that the men in uniform remain

in the barracks. And the people have expressed themselves in various ways that they have seen enough of army rule.

Apparently wanting not to queer the pitch for the politicians in seeing its candidate through in the election by its over presence, the army chose to recede to the background for the time being. But it was taken by surprise by the manner in which the moderates hurriedly went to the extent of concluding an agreement with India. It was something it had not bargained for.

The volume and composition of the tribal influx into Tripura clearly shows that the armed forces are in a desperate mood. There has been a qualitative change from the small trickle of refugees crossing the border three months ago to the present flood of people fleeing from army atrocities. Unlike what has been going on in the Chittagong hill tracts during May-June, the present army action against the tribals appears to be non-discriminatory.

A slow influx of tribal migrants into India from the Chittagong hill tracts was to be expected following the plan drawn up by the former Bangladesh president, Mr. Ziaur Rahman, to settle 20,000 families from each Bangladesh district on the fertile land along the Karnafuli. The plan was first sought to be put into effect in 1978. The result was an influx of chakma tribals into the Indian border states of Tripura and Mizoram.

The reaction was not what the Bangladesh government had expected. A storm of protest was raised by the neighbouring Buddhist countries because the chakmas are by and large Buddhists. The world Buddhist organisations organised relief for the uprooted people on a big scale. The result was that the Zia plan had to be suspended.

In May-June this year, when the Bangladesh government tried to put the plan into operation, it was more careful and selective. The chakma villages were not touched. Groups of plains people supported by armymen from behind, went round the village in the Matiranga-Ramgarh area inhabited by Tripura's tribesmen who claim themselves to be Hindus. The bulk of the refugees during that period was from this tribe. About 3,500 tribals had crossed into India during these two months.

CSO: 4220/7150

LOK SABHA BYELECTIONS FOR LATE NOVEMBER

Calcutta THE STATESMAN in English 6 Oct 81 p 1

[Text] New Delhi, Oct. 5--By-elections to fill three vacant seats in the Lok Sabha from three States and 22 Assembly seats in 10 States and one Union Territory are likely to be held in the last week of November, it was learnt here today.

"We are in the process of consultation with the Chief Electoral Officers of the States and Union Territory concerned," an Election Commission official said. It is, however, understood that a specific date has also been suggested to most of these: November 29.

A week earlier, on November 22, the repoll in the Garhwal parliamentary constituency is to be held, as already notified.

The separation of the rest of the by-elections from the Garhwal repoll seems significant. The Election Commission evidently wants no distraction at the time of that repoll. To questions on the steps likely to be taken to prevent induction of police forces from outside, as happened during the poll on June 14, commission officials said "we will take all precautions."

There is no intension as yet to fill the vacancies, either in the Lok Sabha or in the local Assembly, in four States: Assam (with 12 vacancies in the Lok Sabha and seven in the State Assembly), Meghalaya (one in the Lok Sabha and two in the Assembly), Nagaland (two in the Assembly), and Himachal Pradesh (two in the Assembly).

The reason in respect of Assam and Meghalaya is that the foreign nationals issue in both States has yet to be settled and the situation in the area is yet to return to normal.

In Nagaland, since a general election to the Assembly is due in November next year, the State Government does not seem to be in favour of any by-election now. For the same reason, there is to be no by-election in Himachal Pradesh--the general election to the State Assembly there is due before June next year.

The Lok Sabha seats for which by-elections are to be held in November (besides the repoll in Garhwal) are: Sagar in Madhya Pradesh, Nandurbar in Maharashtra, and Bayana in Rajasthan.

The Bayana seat was won by Mr Jagannath Pahadia in the January 1980 elections. He gave up that seat on December 3 last year, following his shift to Rajasthan as Chief Minister, a position which he no longer holds.

The States where by-elections are to be held to fill vacant Assembly seats are: Andhra Pradesh (three), Bihar (three), Gujarat (three), Madhya Pradesh (one), Maharashtra (one), Manipur (one), Punjab (one), Tamil Nadu (one), Tripura (three) and Uttar Pradesh (one).

In the Assembly of the Union Territory of Mizoram, there are four vacancies. By-elections to fill these are likely to be held on November 30.

CSO: 4220/7185

MEGHALAYA COALITION PLANNING NEW PARTY

Bombay THE TIMES OF INDIA in English 29 Sep 81 p 10

[Text] Shillong, September 28--The ruling United Meghalaya Parliamentary Democratic Forum, comprising the Congress (I) and three regional parties, is in "sound health" despite persistent rumours regarding rift or differences among its constituents, according to the former Meghalaya chief minister, Mr. B. B. Lyngdoh.

Speaking to newsmen yesterday, he denied reports that the partnership formed in May, 1979, had developed strains. Referring to the reported misgivings of the regional parties about the Congress (I) manoeuvres for forming a one-party government, Mr. Lyngdoh said: "Everything is smooth." He added that newsmen always looked for "edges on a smooth surface."

On the proposed "broad-based" political party, he said, the coalition partners had already ratified the proposal, and the party would be formed soon. He added the Congress (I) in the state would have to join the new party.

It may be recalled that, when the ruling forum was constituted, its constituents--the Congress (I), the APHLC (Lyngdoh faction), the Hill State People's Democratic Party and the Jaintia National Union--decided to form a broad-based political party, that would support Congress (I) policies on national affairs. The objective was to end political instability that had become pronounced after the assembly elections in 1978.

CSO: 4220/7141

U.S. SAID TO HAVE 'MISCONCEPTIONS' ABOUT INDIA

Bombay THE TIMES OF INDIA in English 6 Oct 81 p 4

[Article by K. Subrahmanyam]

[Text] The Reagan administration's policies towards the Indian sub-continent, especially in respect of arms supplies to Pakistan, have to be viewed against the backdrop of its pursuit of a policy of neo-containment vis-a-vis the Soviet Union. The Reaganites argue that Pakistan is willing to stand up and be counted against the Soviet Union on both the Afghanistan issue and the problems in the Gulf, while India is not. Hence the Pakistanis deserve to be rewarded and if, in the process, India gets hurt, well, that is the price India must pay for leaning towards the Soviet Union.

When the officials of the Reagan administration are confronted with Mr. Agha Shahi's speech at the Lahore seminar on June 30 in which he had dismissed the danger of a Soviet attack on Pakistan, declared that Islamabad was acquiring arms against other threats and added that non-aligned Pakistan would neither give bases to the U.S. nor act as a conduit for weapons to the Afghan rebels, it is waved aside with a shrug. They say Mr. Agha Shahi does not count for much in policy making in Pakistan and the U.S. administration deals directly with the generals with whom it has a good understanding. Mr. Agha Shahi's pronouncements, in the American view, are part of a public relations exercise.

There are sufficient grounds to believe that this view of the U.S. officials is well founded. First, the Egyptian President, Mr. Anwar Sadat, has confirmed that from December 1979 onwards the CIA has been regularly lifting the Soviet arms supplied to Egypt during the years before 1972 to be passed on to Afghan rebels across the Pakistan-Afghanistan border. Secondly, there are indications that notwithstanding Mr. Agha Shahi's loud protestations of non-alignment, there have been talks between U.S. and Pakistani military establishments on the U.S. obtaining bases and other military facilities in Pakistan.

Risks

Lastly, Mr. Carl Bernstein recently published an article reporting that in General Zia-ul-Haq's belief it would be "well within the limits of the Soviet Union's tolerance" if up to two planeloads of arms were passed across the Pak-Afghan border to Afghan insurgents.

American officials are asked sometimes about the risks of the U.S. getting too closely identified with the military regime in Pakistan, as it did with the Shah of Iran, and the consequent danger that in the event of a discontinuous change in Pakistan, the U.S. might get totally alienated from that country, giving the Soviet Union an excellent opportunity to extend its influence there. Their reply is that all policies have some risks inherent in them.

Even so, the U.S. officials are aware of the possibility of Gen. Zia being replaced. This should explain why the U.S. military establishment is developing very broad-bases contacts with the entire Pakistani military establishment so that any abrupt change at the top does not affect the relationship between the two countries.

The possibility of Pakistan People's Party gaining power in the next three to five years is dismissed as negligible by U.S. officials who also consider it unrealistic to plan policy for a period beyond the foreseeable period of three to five years.

U.S. officials accept that Pakistan is making strenuous efforts to reach nuclear weapon capability. But they argue that through the renewed military relationship they are attempting to develop a structure in Pakistan that will compel the Pakistani rulers to weigh carefully the costs and benefits of carrying out a nuclear test and building up a nuclear arsenal. They feel that this attempt is better than the Carter policy of invoking Symington amendment which has proved counter-productive in Pakistan's case.

Pakistan's manifest anxiety and extraordinary pressure for the speedy delivery of some F-16s at least can mean, to say the least, that it wishes to acquire a reliable delivery system before carrying out a nuclear test. When this is brought up in conversations with U.S. officials they tend to dismiss the possibility. They say that once the test takes place and the U.S. stops supply of spares, within a few months Pakistan will not be able to fly F-16s. But some of the specialists in U.S. academic research institutions are not so categorical on this score. They point out that the Iranians were able to fly some F-14s, by cannabalising these aircraft, long after the U.S. had stopped supply of spares.

Great

In any case, even if the officials' claim is correct, all it means is that India's vulnerability to a Pakistani nuclear strike or nuclear blackmail will be great during the few months immediately following a Pakistani nuclear test when the F-16s in Pakistan's possession will still be operational.

The U.S. officials assert that Saudis who have considerable influence on Pakistan are fully aware of the impact that a Pakistani bomb will have on the regional stability and they are likely therefore to restrain Pakistan. But the academics underscore the Islamic character of the Pakistani nuclear effort and the widespread belief that Saudi Arabia is financing it. When confronted with contradiction, the standard reply of the Reaganites is that all policies have risks and that the U.S. must support Pakistan because it cannot allow the Soviet Union to get away with its intervention in Afghanistan.

In the U.S. today there is an enormous amount of misinformation about India and its policies, especially about its relationship with the Soviet Union. Most of the people who have moved into the Reagan administration are specialists in strategic weaponry and East-West relations and have very little knowledge about the developing world. Some of those who were familiar with south Asia have gone out of this administration.

One widespread misconception is that the Indo-Soviet arms deal of May 1980 was concluded at the initiative of Mrs. Gandhi, that it confirmed her leanings towards the Soviet Union and that it was a quid pro quo for India's silence on Afghanistan. The explanation that the deal was initiated when Mr. Morarji Desai was Prime Minister and Mr. Jagjivan Ram defence minister, that it was negotiated in detail during Mr. Charan Singh's caretaker regime and that it was all ready for signature except for some marginal adjustments in terms of credit was received with great deal of surprise and some scepticism.

That President Sanjiva Reddy in his banquet speech told President Brezhnev, then on a visit to New Delhi, that continued stay of foreign troops in another country was unacceptable to India was news to American audiences.

While many had not heard of Mr. Narasimha Rao's Karachi speech declaring that India had a vested interest in the permanency and separateness of Pakistan, there were a few who felt that the Narasimha Rao-Agha Shahi joint declaration, recognising the need for Pakistan to modernise its forces, had misled the U.S. administration into believing that the supply of F-16s to Pakistan was within India's tolerance limit.

Reservations

It had to be explained to them that at that stage reports emanating from Washington indicated that only F-5G aircraft or at the most derated F-16/79 aircraft (not F-16s with fully powered engines) would be supplied to Pakistan.

Another area of misinformation is that India has reservations about buying arms from the United States. American officials pointed out that India was not accepting the Tow anti-tank missiles and medium guns offered to it months back. When told about the unacceptable conditions, such as denial of manufacturing licence, unduly long delivery period and the U.S. right to cancel the contract at any time, American officials replied that these were standard conditions governing supplies to all nations that were not militarily allied.

As for the possibility of this country getting arms from the U.S. on terms that would be acceptable, some U.S. officials said that this would not happen as the Congress will not agree. Some felt that the issue had not been looked in that light. One disinterested official said that India was not likely to get arms on terms and conditions on which she gets them from the Soviet Union from any other source and that if he were an Indian, he would do exactly what India had been doing.

There is similar disinformation about the facilities India offers to Soviet ships and the nature, scope and extent of Indo-Soviet defence deals. Information on

Soviet technical assistance to India in the basic industries sector is surprisingly scanty.

In these circumstances it will be gross over-optimism to expect that the Indian point of view can be put across and have some impact on the U.S. administration at this stage. However, taking a long view, it is necessary to keep up a broad-based dialogue with the U.S. press, legislators and academics. Among them there is an increasing awareness that their earlier assessments of China's power and potential were vastly exaggerated and they may have overestimated China and underestimated India. A patient and sustained dialogue is in the long-term interests of both countries in spite of present difficulties in establishing communication.

CSO: 4220/7183

PENTAGON ASSESSMENT OF INDO-SOVIET TIES REPORTED

Madras THE HINDU in English 5 Oct 81 p 9

[Article by N. Ram]

[Text] Washington, Oct. 4--An official Pentagon document on Soviet military might identifies India as an area of "major concentration" for Soviet and East European military advisors, a "major Soviet arms client," and a signer, along with Vietnam of pacts with Moscow before the launching of "invasions of Pakistan and Kampuchea, respectively."

The declassified version of the document--bearing the title "Soviet military power"--introduces itself as a distillation of briefings provided to NATO Ministers of Defence on the theme of "the totality of the Soviet military build-up." Mr. Caspar Weinberger, the U.S. Secretary of Defence, ordered the "factual portrayal" to be prepared and published for circulation to every coffee table in this country, and also for readers overseas.

Obvious Aim

While containing some interesting information and assessments, the basic purpose of the document is obvious. Carefully leaving out any comparison with the U.S. military build-up and "projection of power" in all the continents, it carries the following message (in the words of Mr. Weinberger): "There is nothing hypothetical about the Soviet military machine. Its expansion, modernisation, and contribution to projection of power beyond Soviet boundaries are obvious... For the past quarter century, we have witnessed the continuing growth of Soviet military power at a pace that shows no signs of slackening in the future."

It is a message rationalising and bolstering the essential Reaganite posture that Congress and the American people, should not stand in the way of an unprecedented military build-up to "catch up with the Soviets"--must not clamour for "defence cuts" whatever the economic and financial difficulties and constraints.

Pages 84-85 of the glossy presentation bear a map portraying "Soviet global power projection." It offers nine indicators of special military ties with the Soviet Union--"active Soviet treaties of friendship...major Cuban military presence abroad...naval operational deployments...nuclear submarine operating areas...sea lines of communications...overseas facilities...major Soviet arms clients...Soviet

and East European military advisors (major concentrations)...Soviet reconnaissance aircraft facilities."

Three of the indicators are shown as applying to India, "active Soviet treaties of friendship...major Soviet arms client...Soviet and East European military advisors (major concentrations)." The country's west coast and territorial waters are shown, moreover, to link up with the blue depicting Soviet "naval operational deployments."

"A Canard"

The map portrays, in a separate listing, a "significant presence" of 1550 Soviet "military and civilian advisors." Asked about this, an Indian diplomatic source commented: "This is a canard. There are no Soviet military advisors with Indian military formations."

(The numbers of "Soviet-bloc" advisors presented by the map range from 87,000 for Afghanistan and 12,000 for Cuba to 425 for Madagascar, 395 for Tanzania and 185 for Peru.)

With reference to arms sales, "India and Ethiopia" are found to account for 15 per cent of the $37 billions in "arms aid" estimated to be extended by the Soviet Union in the 1974-80 period.

Annoying

But the official reference that will cause the most annoyance in India is the reassertion of the provocative positions that underlay the Nixon-Kissinger "tilt" of the early 1970s--focussed on the liberation events in Bangladesh. It occurs on Page 89 of the Pentagon document, in the section on "treaties."

It is pointed out--as context--that since 1971 the USSR has signed 12 treaties of friendship and cooperation of which 10 remain in force. That "such pacts do not reflect the true nature of Soviet support...(but)...it is no coincidence that the signatories have been the recipients of substantial Soviet military and economic assistance." And that "the signing of these treaties occurred at different stages of Soviet relations with the countries in question."

Then comes the reference to India: "With Angola and Ethiopia, treaties were signed after the principal objectives of military operations were basically achieved and the Soviet presence was entrenched. Moscow signed pacts with New Delhi and Hanoi shortly before they launched invasions of Pakistan and Kampuchea, respectively. The ruling regimes in the Congo, Syria and Afghanistan signed partly because they needed a tangible sign of Soviet backing against domestic opponents."

In all these cases, it is maintained, "the treaties vary slightly, containing similar calls for mutual cooperation, respect for sovereignty, and consultation on issues of common interest."

CSO: 4220/7181

U.S. POLICY CALLED 'MONETARISM RUN AMOK'

Bombay THE TIMES OF INDIA in English 30 Sep 81 p 4

[Editorial: "Monetarism Run Amok"]

[Text] The decision by the interim committee of the International Monetary Fund to endorse the policies currently being followed by the organisation relating to the terms and conditions it attaches to its loans, could mean that the Indian application for a $5.68 billion loan will finally be cleared, despite U.S. objections. The decision which follows an uncompromising defence of the IMF's policies by its managing director, Mr. Jacques de Larosiere, and a threatened walkout by the developing countries, underlines the limits to the Reagan administration's capacity to force its views on the body as a whole. But the mere fact that the developing countries were forced to go to such extreme lengths shows that so far as increased assistance in the future is concerned, they face a long hard winter. Indeed, some of the consequences of American muscle-flexing are already being felt. The developing countries failed to get an increase in the IMF's liquidity, of 12 billion SDRs a year in the next three to five years. Even a compromise proposal asking the IMF's executive board to consider an increase of 4 billion SDRs a year for the next three years, has provoked an explicit reservation from the U.S. and other hardline developed countries. What this means is that since prices are rising all over the world at over 10 per cent a year, if the total volume of SDRs is frozen, the IMF's capacity to lend money to countries with a balance of payments deficit will shrink in real terms by this proportion year after year. What the U.S. and its allies are, therefore, trying to do is squeeze international liquidity indirectly, after failing to do so more directly by hardening the conditionality clauses.

It is impossible for any sane economist to understand what the U.S. hopes to gain by this. Not long ago, aghast at Mrs. Thatcher's decision to flare North Sea associate gas rather than spend public money to pipe it into Scotland, THE GUARDIAN had called the mindless monetarism of her government the economics of the madhouse. Exactly the same description applies to what passes for economic thinking in the Reagan administration today. The U.S. is expected to record a massive balance of trade deficit this year. Its budget deficit is almost out of control, unemployment is climbing, the predicted economic upsurge in the last quarter of the year is failing to materialise, and the inflation rate is actually rising despite Mr. Reagan having raised real rates of interest to the highest levels ever recorded in the history of capitalism. By doing this he has exported stagflation to Europe, for these policies have forced up the international value

of the dollar, increased the real cost of oil imports by 15 to 30 per cent to his partners in OECD, and reinforced cost-push inflation in their economies. They can only combat this by raising their own interest rates to bring back the capital flowing out and thus raise the exchange value of their currencies. But this will hit investment and further worsen recession and unemployment. Despite this, two EEC countries, France and Britain, have already been forced to raise their interest rates.

Having learned nothing from the experience of Europe, and undaunted by the criticism of his policies by the members of OECD, the U.S. government now wishes to force a similar stagflation on the third world oil importers. Whether they devalue their currencies or are denied funds by the IMF to meet their balance of payments deficits, the result will be the same: a steep decline in the volume of their non-oil imports, a further drop in the production of industries that in many countries are already at a standstill for want of imported spares, and a sharp rise in local prices because of an increase in the local currency cost of imports. Since nearly all of the third world non-oil imports come from the OECD countries, including the U.S., the resulting decline in their exports will further worsen domestic recession and their balance of payments problems. The vicious circle will then be complete. Perhaps the only way of showing Mr. Donald Reagan [sic] and Sir Geoffrey Howe how to break it may be to send them complimentary copies of Keynes' "General Theory of Employment, Interest and Money."

CSO: 4220/7146

EDITORIAL SCORES REAGAN REARMAMENT POLICY

Bombay THE TIMES OF INDIA in English 3 Oct 81 p 4

[Editorial: "American Machismo"]

[Text] President Reagan's reckless decision to go in for the MX missile and the B-1 bomber merits the strongest condemnation. For it cannot but touch off a disastrous nuclear arms race. Even more ominously it is bound to encourage those in the U.S. who have already started arguing that their country can not only engage itself in a limited nuclear war with the Soviet Union but also win it. Against this dangerous backdrop it is no surprise that even some staunch supporters of President Reagan's programme for a massive rearmanent of the United States have been urging him to cancel the MX missile. Only last week the WASHINGTON POST reported that this might indeed happen. But this forecast has been belied, like the earlier expectation that, once confronted with the responsibilities of office, Mr. Reagan might learn to adjust his campaign rhetoric to harsh realities of life. The decision on the MX missile, it is noteworthy, was preceded by a strident publicity campaign--including the publication by the U.S. government of a 99-page booklet on "Soviet Military Power"--purporting to make out that the strategic balance between the two power blocs has changed to the disadvantage of the Western alliance.

The reasoning is specious. The U.S. and NATO, between them, possess more strategic nuclear warheads than do the Soviet Union and the Warsaw Pact. What has, in fact, happened is that after lagging behind the U.S. for years, the Soviet Union has at last achieved a virtual strategic parity with it. And in the name of countering this "Russian menace," the Reagan administration seems hell-bent on reestablishing the kind of superiority that the U.S. once enjoyed over the USSR. That this is a vain hope ought to be clear even to the simple minded hawks who comprise the policy-making hard-core of the Reagan administration but apparently is not. Mr. Brezhnev has left no one in any doubt that the Soviet Union will not permit the U.S. to change the present military balance, that it will match new American weapons, item by item, and that it will pay any price to ensure that never again is it reduced to a position of strategic inferiority vis-a-vis the United States. It is true that the Soviet economy is in bad shape and Moscow faces serious political and economic crises in its orbit, especially in Poland. But the U.S. economy is not in the pink of health either, while Mr. Reagan's rearmament programme runs counter to his equally serious concern for balancing the budget. It is indeed a moot point whether the economy can take the strain of the multi-billion-dollar MX programme which comes in the wake of the decision

to develop the neutron bomb and launch the space shuttle which too is capable of military use. As for political trouble, the Reagan administration's aggressive quest for renewed strategic superiority over the Soviet Union has frightened America's West European allies into opposing the deployment of the Pershing II and Cruise missiles in their territories, created a powerful anti-nuclear movement in Europe and encouraged faint antiwar stirrings even within the U.S. Above all, there can be no two opinions that when it comes to the crunch, the Russians are capable of accepting far greater sacrifices than the American people would ever countenance.

Two other features of the Reagan policies on rearmament deserve notice. First, while constantly complaining of Soviet "expansionism" and "aggressiveness," it is the U.S. which has stepped up its presence in the Indian Ocean, consolidated its hold on West Asia, initiated the re-equipment of NATO forces and at the same time gone in for a series of offensive weapons of which the MX is the latest but not the least. The Soviet weaponry is, by comparison, defensive. Secondly, the justification offered by the U.S. for developing the MX missile is dubious, to say the least. According to the protagonists of the MX programme, the Russians will soon be able to destroy all landbased U.S. missiles in one cataclysmic strike and therefore it is necessary to develop a movable missile which can be shifted from silo to silo to guard against a surprise Soviet attack. Not all strategists accept this scenario as feasible. But supposing the danger were real, what then? After all the present balance of terror between the two super powers rests on a "triad" of landbased ICBMs, long-range bombers and submarine-launched missiles. Will the Russians be so foolish as to invite self-annihilation through retaliation by America's submarine-launched and bomber-borne missiles by knocking off the landbased U.S. missiles? The argument holds good even in reverse.

CSO: 4220/7165

REPORTER TELLS OF SUPPORT FOR KHALISTAN IN U.S.

Bombay THE TIMES OF INDIA in English 3 Oct 81 pp 1, 5

[Article by K. N. Malik]

[Text] New Delhi, October 2--The government of India is keeping a strict watch on the protagonists of Khalistan in foreign countries.

Besides Dr. Jagjit Singh Chauhan, former finance minister of Punjab, who styles himself as president of the republic of Khalistan, Mr. Ganga Singh Dhillon, president of Shri Nankana Sahib Foundation, is the main pillar of the movement abroad. They claim to have the support of several influential Senators and Congressmen and other persons in the United States.

Amongst the supporters they have are Mr. Mark O. Hatfield, Senator J. Helms of North Carolina, Senator Sam Nunn of Georgia and Mr. James C. Corman, member of the House of Representatives.

Earlier this year, these leaders claimed to have met Mr. Alexander Haig, secretary of the state, and Mr. Charles Percy of the Senate foreign relations committee.

According to Indian intelligence sources, Dr. Chauhan is in close contact with Gen. Daniel Graham, co-chairman of the American security council, a private organisation. It is understood that Dr. Graham this year enabled Dr. Chauhan to meet the Pakistani foreign minister, Mr. Agha Shahi.

Both Dr. Chauhan and Mr. Dhillon have not only been keeping close contacts with the Pakistan embassies in London and Washington but have been frequently visiting Pakistan. They are reported to have easy access to top Pakistani leaders, including President Zia. It was only because of the support of the Pakistani leaders that Mr. Dhillon announced that a world Sikh conference would be held in Nankana Sahib on November 8 or 9. In view of the changed circumstances after the IA plane hijacking, it is, however, not certain whether the proposed conference will be held.

It may be recalled that the demand for Khalistan was first made by Dr. Jagjit Singh in the U.K. He had proclaimed himself president of the republic of Khalistan and said that he proposed to set up offices and consulates in the U.K.

and some West European countries. He said the first consulate would be opened in Frankfurt.

He had said he was discussing with the U.S. government the question of setting up a Khalistan government in exile. He had also said he would approach the U.S. government for assistance and training a 10,000-strong Khalistan army.

The Khalistan passports and stamps which were distributed in India early this year were printed in Canada. Blank passports were issued by Dr. Chauhan to several people.

Dr. Chauhan had issued refugee certificates to 1,400 people from Punjab and enabled them to seek refuge in Canada. He had also organised the defence of illegal entrants to the U.S., Canada and some European countries. He had issued certificates to these illegal entrants under the designation "president of the republic of Khalistan."

According to reports with the government, several Akali leaders who visited the U.S. participated in a conference organised by Mr. Dhillon and Dr. Chauhan. In one such meeting in April this year in New York, a resolution was passed favouring the creation of Khalistan to preserve the identity of the Sikh people. The resolution described the boundaries of the new state from Jammu to Kandla and Jaisalmer to New Delhi. It was claimed that this resolution had the approval of the SGPC and the Akal Takht.

These leaders also claimed they have made an application to the United Nations seeking associate membership of the U.N. or on consultative status. The Indian permanent representative at the U.N., however, has informed the government that the claim of the Sikh leaders has not been confirmed by the U.N. secretariat. The secretary-general's office has said no such application has been received so far from the Shromani Akali Dal.

It is in view of these activities that the government of India, at the highest level, is intensifying its efforts to meet the challenge in foreign countries.

CSO: 4220/7165

REPUBLICAN PARTY CENTRAL COMMITTEE HOLDS PARLEY

Bombay THE TIMES OF INDIA in English 2 Oct 81 p 8

[Text] Pune, October 1--The Republican Party of India (Khobragade) has blamed the Tamil Nadu government for the recent mass conversion of Harijans to Islam in the state.

The party central committee, which concluded its two-day meeting here yesterday, has said persecution by police officials and social inequalities and injustices perpetrated by caste Hindus led to the conversions.

Opposing conversions to Islam, the committee appealed to the scheduled castes to embrace Buddhism.

A resolution adopted by it urged the Central government to extend educational and other facilities to the Harijans who embraced Buddhism, as a deterrent against conversions to Islam.

The party welcomed the Centres move to reserve jobs for scheduled castes in the private sector. The reservations and other facilities were necessary for some more years, it added.

However, the party opposed reserved constituencies for the scheduled castes in the Lok Sabha and assembly elections. It also demanded implementation of electoral reforms in regard to financial help.

Briefing newsmen after the meeting, Mr. Khobragade, president of the RPI, alleged that the scheduled castes were pressurised to vote for a particular candidate during the elections in many states.

Mr. Khobragade said the silver jubilee of the mass conversion of Harijans to Buddhism would be celebrated in October. Some 2,500 Harijans in Tamil Nadu, 1,000 scheduled caste people and a Muslim family in Chandrapur district of Maharashtra and a few others in Gujarat would embrace Buddhism in October, he added.

CSO: 4220/7156

MORE CHANGES IN UTTAR PRADESH MINISTRY REPORTED

Calcutta THE SUNDAY STATESMAN in English 4 Oct 81 p 9

[Text] Lucknow, Oct. 3--In a major reshuffle of the portfolios of his Cabinet Ministers and Ministers of State the Uttar Pradesh Chief Minister, Mr Vishwanath Pratap Singh, today designated Mrs Swaroop Kumari Bakshi as the new Home Minister and allocated Education, Cultural Affairs and Sports to Mr Naunihal Singh, reports UNI.

The Chief Minister himself took over the Planning portfolio from his Finance Minister, Mr Brahm Dutt. The Minister of State, Mr Sunil Shastri, was made Minister for Energy.

He divested Mr Vasudeo Singh of the Cooperation portfolio and allocated it to the Minister of State, Mr Bachcha Pathak.

The Cabinet Minister, Mr Bhanu Pratap Singh, was divested of the Excise portfolio, which was allocated to the Minister of State, Mr Goverdhan Tewari, while Mr Nirbhay Narain Singh, Minister of State, was given independent charge of Forests and Wild Life.

Mr Ammar Rizvi, who retains the PWD portfolio, was divested of Parliamentary Affairs, which was given to Mr Ram Rattan Singh, Minister of State.

CSO: 4220/7173

UTTAR PRADESH CHIEF MINISTER EXPANDS CABINET

Bombay THE TIMES OF INDIA in English 2 Oct 81 p 5

[Text] Lucknow, October 1--In a surprise move, the chief minister, Mr. Vishwanath Pratap Singh, today promoted five deputy ministers as ministers of state and appointed two deputy ministers.

Three of the five deputy ministers who have been promoted are below 35 in age and all of them were attached to the energy department when a grave power crisis overtook the state in the summer.

Mr. Sunil Shastri, deputy minister for energy, is the son of the late Mr. Lal Bahadur Shastri. Mr. Sunil Shastri had met the main opposition attack of the ministry on the power issue in the vidhan parishad.

The other deputy minister for energy, Mr. Nirmal Kumar Khatri, is the grandson of the late Acharya Narendra Dev. He becomes minister of state for energy. Mr. Khatri, a Youth Congress (I) leader, was close to Mr. Sanjay Gandhi.

Mr. Zaffar Ali Naqvi, deputy minister, becomes a minister of state in-charge of energy. Another representative of the minorities, Mr. Javed Ali Khan, deputy minister for public works, was also promoted as minister of state. Mr. Jairaj Gautam, deputy revenue minister, was promoted as minister of state.

The new deputy ministers sworn in today are Mr. Daljit Singh and Mr. Dal Singar Yadav.

CSO: 4220/7156

HOME MINISTER REPORTS 'GRAVE' SITUATION IN TAMIL NADU

Calcutta THE SUNDAY STATESMAN in English 27 Sep 81 p 7

[Text]

MADRAS, Sept. 26.—Mr Yogendra Makwana, Union Minister of State for Home Affairs, said here today that the law and order situation in Tamil Nadu was "grave" and urged the Chief Minister, Mr M. G. Ramachandran, to transfer the inspector-general of police and "revitalise" the police force. Addressing a Press conference at Raj Bhavan, he hoped the Chief Minister would heed his advice.

Mr Makwana said it was odd that the State Government should claim that everything was in order when the Opposition DMK leader, Mr M. Karunanidhi and hundreds of his party men, were under detention and self-immolation of DMK volunteers to press for the release of their leader had been the order of the day. The Centre, he said, could not remain a silent spectator to the growing violence in the State.

Harijans and backward classes in Tamil Nadu were not receiving protection, Mr Makwana alleged. He wanted the State Government to implement schemes intended for their welfare and utilize funds allotted for the purpose.

The State Government in a Press Note denied the allegation made by Mr I. Elaiyaperumal, Congress (I) MLA, and endorsed by Mr Makwana, that Rs 2 crores sanctioned by the Centre for the welfare of the Scheduled Castes in Tamil Nadu had been diverted. The administration had undertaken a large number of socio-economic programmes to improve the lot of the Scheduled Castes, the Note said.

At a meeting hosted by the Chief Minister, Mr Makwana discussed with Mr Ramachandran the conversion of Harijans to Islam, the law and order situation in Tamil Nadu, the arrest of Mr Karunanidhi and his followers and the growing number of self-immolations demanding the release of the DMK leader. Two more cases of self-immolation were reported today.

Addressing a public meeting last night, Mr Makwana said the entire State of Tamil Nadu was in turmoil and Mr Ramachandran was sitting atop an active volcano. Hundreds of DMK and Congress(I) workers had been taken into custody and the Government had not taken proper steps to defuse the situation, he said. However, the the Centre had no intention to topple the AIADMK Ministry, he added.

PTI adds: There seemed no public response to yesterday's city "hartal" call given in Madras by a section of the student community demanding the release of the DMK president. Buses, taxis and auto-rickshaws were plying normally. Shops, business houses and banks functioned as usual. Attendance in Government offices were "above normal", police said.

Schools functioned as usual. Many colleges had declared "study holidays" from Thursday for the coming semester examinations. Mr Sripal, City Police Commissioner, said it was an "incident-free day".

The DMK has rejected Mr Makwana's advice that it discuss with the Tamil Nadu Chief Minister, the formula he had suggested to defuse the situation in the State.

Mr Dhandapani, DMK leader, said there was no further scope for discussion with the Chief Minister. His party had already made it clear on more than one occasion that there would be no necessity to continue the agitation (on the Sri Lanka Tamils issue) once all the DMK workers were released.

UNI reports: Mr Makwana said in Tirupati today that a solution to the Assam problem was in sight. He said a meeting was expected to be held soon.

CSO: 4220/7131

RAJ NARAIN TELLS DEMOCRATIC SOCIALIST AIMS

Calcutta THE SUNDAY STATESMAN in English 27 Sep 81 p 7

[Text]

MR Raj Narain, leader of the Democratic Socialist Party, said in Calcutta on Saturday that apart from the four seats held by his party in the West Bengal Assembly, the DSP as a constituent of the Left Front in the State would in the coming Assembly election lay claim to those seats where organizationally his party was strong He said that in the 1980 parliamentary election, the Lok Dal had come to an adjustment with the CPI and CPI(M) over five seats and in the next parliamentary election the DSP would show in the "Hindi belt" the same understanding to its partners in the Front in West Bengal.

Mr Raj Narain said the DSP had joined the Left Front to strengthen the Government in West Bengal. His party was trying to unite socialist, democratic and secular forces in the country as a viable alternative to the Congress (I). Complimenting the Left Front Government, he said it had done exemplary work in various fields and should be emulated by other States.

He declared that his party would try to frustrate any move by the Centre to dislodge the Left Front Government in West Bengal. He felt that considering the mass base of the Front, the Centre would find it difficult to dislodge it. But if it was toppled, it would certainly come back to power with a larger majority and greater goodwill of the people.

Mr Raj Narain was highly critical of the Centre's decision to send an Indian pilgrim party to Kailash and Mansarovar. The members of the party had to obtain a visa from the Chinese Government to go to these pilgrim spots which, according to him clearly belonged to India. "By allowing the members of the party to take the visa, the Government of India has accepted the Chinese sovereignty over these regions. I wonder how Mrs Gandhi accepted this position when her father clearly refused to do so," Mr Raj Narain added.

The Socialist leader expressed his concern over the attempted assassination of Mr Latoori Singh his party MLA in Uttar Pradesh, in Allahabad on Friday. He said the attempt on the MLA's life had come only a few days after the security guard provided by the State Government for [illegible] safety had been withdrawn.

CSO: 4220/7131

PUNJAB CRACKS DOWN ON KHALISTAN SUPPORTERS

New Delhi PATRIOT in English 5 Oct 81 pp 1, 7

[Text] Chandigarh, Oct. 4 (PTI)--The Punjab Government is understood to have decided to use the National Security Act against the protagonists of Khalistan, it was authoritatively learnt here tonight.

The sources said the district magistrates in the State had been directed to use the Act against the extremists, including the activists of the Dal Khalsa, a militant Sikh youth organisation which masterminded the hijacking of the Indian Airlines Boeing to Pakistan on Tuesday last.

Our Staff Correspondent adds:

Dr Sohan Singh, retired director of the State Health Services, and Dr Karnail Singh, retired joint director of Animal Husbandry department were among about 30 persons arrested by the police since the crackdown on Khalistan protagonists and the Dal Khalsa.

Both of them were arrested at Mohali and taken to Amritsar for interrogation.

Dr Sohan Singh is related to the former Congress president and Union Minister Mr Swaran Singh. His son, married to Mr Swaran Singh's daughter, holds a diplomatic assignment abroad.

Mr Sohan Singh and Dr Karnail Singh are president and general secretary, respectively o f the Sikh Sophisticated Forum.

The arrests followed raids on a number of places in the city and nearby Mohali in the last two days.

Dr Sohan Singh and Dr Karnail Singh were reported to have organised half a dozen seminars in the past two years in support of "Khalistan" movement and worked for bringing the Sikh intelligentsia together to espouse the cause.

Unconfirmed reports said most of these persons have just been rounded up for initial interrogation.

The Hoshiarpur Police have detained Mr Devinder Singh, a lecturer of Guru Gobind Singh College at Chandigarh stated to be a member of the Dal Khalsa, in connection

with the attempted sabotage of railway track between Hoshiarpur and Nasrala section earlier this week.

Reports also said that following recent CBI investigations, challan and likely to be put up against Sant Jarnail Singh Bhindranwale in the Nirankari Baba murder case as well. The CBI had closely questioned the Sant when he was in police custody after his arrest in connection with Lala Jagat Narain murder case.

Sant Bhindranwale had himself told the visitors in Forezepur jail that CBI had asked him about 400 questions in connection with the Nirankari Baba murder case.

Agencies add:

Phagwara police arrested Khalistan protagonist and senior Akali leader (Sukhjinder group) Jaswant Singh Multani from Bhulath village, 35 km from here yesterday.

Police also took into custody a Khalistan activist R. M. Nagauri in Kharar tehsil in Ropar district.

In Hoshiarpur, a well-known Naxalite, Mr David Bharti, from Tanda was held on charge of possessing unlicensed arms.

A Bhatinda report says about 48 of the 81 persons arrested as a precautionary measure in the district following the arrest of Sant Bhindranwale, have been released.

CSO: 4220/7179

MIRZA BEG TO REJOIN SHEIKH ABDULLAH'S PARTY

Calcutta THE STATESMAN in English 28 Sep 81 p 1

[Text] Srinagar, Sept. 27--Mirza Afzal Beg, former Deputy Chief Minister, today announced the disbandment of the Inquilabi National Conference and his decision to rejoin the ruling National Conference, reports PTI.

The decision was announced at a Press conference by his son, Mr Mehboob Beg. Mirza Afzal Beg, who has been ailing for the past two years, was present.

The decision to rejoin the ruling National Conference was taken at the "suggestion" of its president, Mr Farooq Abdullah, Mr Beg said.

This brings to an end a three-year "confrontation" between Mirza Afzal Beg and the Chief Minister, Sheikh Mohammad Abdullah. The two leaders parted company after a 45-year-long political association, when the Sheikh ousted Mr Beg from the Cabinet on September 25, 1978, and subsequently expelled him "forever" from the National Conference.

Mr Farooq Abdullah, who was expected at the Press conference to "bless" Mr Beg's "home-coming," did not turn up.

CSO: 4220/7138

HARYANA REPORTEDLY MAY HOLD 1982 ELECTIONS

Bombay THE TIMES OF INDIA in English 28 Sep 81 p 5

[Text] New Delhi, September 27--The possibility of Haryana assembly elections being held in February-March next year is now under serious consideration and this has activated both the ruling party and the opposition groups in formulating their strategies.

An electoral alliance or at least an understanding among the opposition groups is considered to be the only way in which they can put up a fight against the Congress (I). Moves have, therefore, been initiated for opening a dialogue among them for evolving a common approach to the elections.

Charan's Motive

In this context, the presence of Mr. Charan Singh, Lok Dal president, at a BJP function here to celebrate Dindayal Upadhyaya's 66th birth anniversary, where he delivered a speech, is considered significant.

Mr. Charan Singh, in his prepared speech, dwelt entirely on economic matters and did not touch upon political questions or any issue relating to current affairs. Yet, his mere agreeing to address a purely BJP gathering is seen as an indication that some moves are on in the context of the Haryana elections. This is the first time that Mr. Charan Singh was publicly seen with BJP leaders like Mr. A. B. Vajpayee and Mr. L. K. Advani after the fall of the Janata government.

The BJP, at a recent study camp held at Vrindaban, had decided that it would not participate in any merger talks with any other party and would maintain its separate identity. But the party president, Mr. Vajpayee, had also made it clear that it would co-operate with other opposition parties on specific issues.

It is known that the state Lok Dal leader, Mr. Devi Lal, had been approaching the BJP in the state for opening talks for a poll alliance. It would, therefore, seem that the matter has now moved up to the Central level for exploring the possibilities of having a common front for the limited purpose of contesting the elections.

As far as the ruling party is concerned, the two opposing groups led respectively by the chief minister, Mr. Bhajan Lal and the former defence minister, Mr. Bansi Lal, have become active. After maintaining a discreet silence for a long time, Mr. Bansi Lal has again appeared on the Haryana scene. In a few public speeches, he has claimed support of the prime minister.

CSO: 4220/7137

PRESIDENT ADDRESSES TROOPS IN WESTERN SECTOR

New Delhi PATRIOT in English 27 Sep 81 p 5

[Text] Somewhere in the Western Sector, Sep 26 (PTI)--President N. Sanjiva Reddy today expressed concern over the recent arms build-up across India's border and called upon members of the defence forces to be ready to meet any eventuality.

While India always pursued the policy of living in peace with its neighbours, 'we are not always allowed to pursue our peaceful policy,' he said while addressing members of the air force, army and Border Security Force.

Therefore, 'we have to be ready to meet any eventuality, for safeguarding India's independence,' he added.

Mr Reddy told the jawans that he was confident that entrusted with such a responsible job, they would discharge their duty with great zeal.

He said since India became independent, its soldiers had given a good account of themselves to defend the country's freedom on many occasions.

The record of service of our personnel of the army, air force and navy had been exemplary in times of peace also in helping people during natural calamities like floods and cyclones and maintaining law and order whenever their help was sought.

Mr Reddy said the whole nation was proud of the armed forces, guarding a frontier which 'requires will and courage.'

'I am glad to know that our soldiers are keeping vigilance round the clock with single-minded devotion,' the President said.

The Government, he said was fully aware of the many hardships faced by defence personnel, their families and ex-servicemen. It had been thinking of taking various steps to improve service conditions of the defence services, though modernisation of the defence forces was the first and foremost task before the Government.

The President said he was sure that the defence personnel would continue to maintain the tradition of 'true and disciplined soldiers' and carry the torch forward.

The Government on its part would always strive to do its best.

CSO: 4220/7135

DELHI STEPS UP VIGIL AGAINST NAXALITES

Madras THE HINDU in English 5 Oct 81 p 1

[Text] New Delhi, Oct. 4--The Centre has stepped up its vigilance on the activities of naxalite extremists which have been on the increase.

Law and order being the responsibility of the State Governments, New Delhi has not issued any formal directives but a coordinated approach is commended to them to deal with extremist violence.

Among the measures suggested is stringent application of existing laws and proper utilisation of legal and administrative provisions to prevent activists from instigating violence. The extremist thrust could be blunted, it is also pointed out, by improving the intelligence set-up.

Janata's liberal attitude: Since 1977 when the Janata Government adopted a liberal attitude towards the naxalites there had been a steady increase in violent incidents, triggered by them.

The number went up from 69 (with 21 deaths) that year to 163 (40 deaths) in 1978, to 233 (62 deaths) in 1979, to 305 (84 deaths) in 1980, to 203 (48 deaths) in the current year up to the end of August.

The worst-affected States had been Andhra Pradesh, followed in that order, by West Bengal, Bihar, Kerala and Punjab. Till last year, Tamil Nadu too figured prominently in this category.

Despite fragmentation into several groups, following different tactical lines, the naxalite movement, according to reports received here, has gained in strength with the number of its members exceeding 30,000. Besides it has increased its influence among students, youth, the intelligentsia, industrial workers, peasants and agricultural labour.

Tactical line: The participation of some extremist groups in the elections has not changed the situation materially, it is felt here, because of their declarations that this was only a new tactical line to propagate their ideology and not an evidence of their belief in parliamentary institutions.

The number of naxalites in jail now is not known. In 1977 before the Janata relaxation, 1,419 of them were in prison. This number dropped to 403 in June last year.

The assessment of the present Government is different from that of its predecessor, indicated among other things, by the letter sent to the State Governments by the then Home Minister, Mr. Charan Singh, which said:

"As you are perhaps aware, the naxalites are no longer a monolithic group having a common strategy and tactical line. After the death of Charu Mazumdar the movement split into several groups and there are six well-defined factions in existence of which the United Communist Party (Marxist-Leninist) is one.

"This party led by their general secretary, Mr. S. N. Singh, has been taking a relatively moderate line since 1972. The central committee of the party recently passed a resolution abjuring the path of violence, affirming its faith in democratic processes and expressing a desire for its participation in the forthcoming Assembly elections.

"Mr. S. N. Singh and some of his colleagues met me recently and assured me of their firm resolve to abandon the path of violent revolutionary struggle and suggested that they should be enabled to participate in the electoral process."

Land reforms: It is however conceded that attention needs to be given to land reform measures, particularly in the States where the progress is tardy, to the problems of those sections which feel alienated and therefore do not respond sufficiently to administrative overtures and to the building of social awareness, both in the areas affected by extremist violence and those considered to be likely breeding ground.

CSO: 4220/7181

REPORT ON DELHI PRC ANNIVERSARY OBSERVANCE

New Delhi PATRIOT in English 4 Oct 81 p 8

[Text] Chinese Ambassador Shen Jian said in the Capital on Saturday his country and India needed friendly relations for developing their national economies and improving the living standards of their people, reports UNI.

Addressing a function organised to mark the 32nd anniversary of the founding of China, he said there was no hiding the fact that history had left over some issues including the boundary question.

"I am convinced that a fair, reasonable and comprehensive settlement of the questions between us can be reached taking into account the historical background and the present actual situation and the national feelings of the two peoples," he added.

The Chinese Ambassador said in this turbulent and complex international situation and changeable, developing friendly and co-operative relations between the two countries conformed to the fundamental interest and wishes of the peoples. It would also be favourable to peace in Asia and the world, he added.

The Chinese Government had been following a new policy of readjustment, a policy of reducing the scale of capital construction and giving priority to developing agriculture, consumer industries, energy resources, communications and transport and reforming economic management. "The policy is paying off very well," he added.

Uttar Pradesh Congress Committee-I president B. N. Pande presided over the function, which was inaugurated by Dr B. K. Basu, who was one of the members of the Indian medical mission to China during 1938 and 1943. The Sri Lanka High Commissioner was also present on the occasion.

CSO: 4220/7176

DELHI, EXPERTS DIFFER ON DROUGHT DAMAGE ESTIMATES

Calcutta THE STATESMAN in English 26 Sep 81 p 9

[Text] New Delhi, Sept. 25--Conflicting versions are available about the extent of damage caused by this year's drought confined to Rajasthan, Punjab, Haryana and western U.P. While experts not willing to be quoted estimate a loss in the kharif production by 30 per cent, the Centre is optimistic that even if the paddy target of 58 million tons for the current season is not achieved, the total yield may touch 54 to 56 million tons.

Krishi Bhavan sources, however, add that it is too early to hazard a guess on the firm estimate of paddy production. At the same time, they are quite wary about the final prospects, which will depend on rainfall and irrigation "in the remaining period of the south-weast monsoon".

Though the official version says that drought is confined to four States, its impact in Himachal Pradesh and Jammu and Kashmir has been lost sight of. The dry spell has reportedly affected maize in these two States. The estimate of a senior scientist of the Indian Council of Agricultural Research is that while maize has been affected to the tune of 30 per cent in Himachal Pradesh, Punjab, Haryana and Rajasthan, the figure is 25 per cent in respect of bajra.

But he said that the next two weeks were a "critical". "If there are no rains for another two weeks gram, rape and mustard will be affected because their sowing time is limited.

The sugarcane crop in western U.P. may also be affected besides maize.

Krishi Bhavan's basis for optimism is not that the kharif production is likely to be normal in other parts of the country not affected by drought. In fact, West Bengal is one State where a record kharif production is expected.

The Ministry's analysis of crop production on the basis of this year's deficient rainfall (based on the 1978-79 production) is that in Haryana the rice production is expected to be 1.2 million tons, while in Punjab it is estimated to be 3.1 million tons. In Rajasthan, the rice production is likely to be 0.2 million tons and in U.P. 5.9 million tons.

The percentage of this year's rice production under kharif worked out by the Ministry in the drought-affected States, 22. It is 40 per cent for jowar,

39 per cent for bajra, 33 per cent for maize, 25 per cent for ragi, 19 per cent for small millets, 30 per cent for arhar, 15 per cent for other pulses, 7 per cent for groundnut and 20 per cent for cotton.

The Government's optimism is shared by Mr H. K. Jain, director of the Indian Agricultural Research Institute, New Delhi. His estimate is that this year's kharif production will be as good as last year's. He feels that this year's drought "is not widespread."

CSO: 4220/7127

STATES ADMONISHED TO STICK TO PLAN SCHEDULE

New Delhi PATRIOT in English 4 Oct 81 p 5

[Text] The Planning Commission has asked the States to make realistic assessment of the major Sixth Plan projects and accord adequate priority to on-going schemes while formulating the 1982-83 annual plans "to avoid time and cost over-runs," reports UNI.

Planning Commission member-secretary Manmohan Singh has written to State chief secretaries that 1982-83 being the mid-year of the Sixth Plan, "it has to be ensured that the Plan activities are strictly time-bound and completed within the Plan period, so as to avoid time over-runs and consequently cost over-runs."

In the guidelines for formulation of 1982-83 annual plans, the Commission has said that there should be greater emphasis on extensive plantation of quick-growing species and on setting up bio-gas plants and other sources of energy to mitigate fuel and energy shortages.

Dr Singh advised the States to lay adequate emphasis on timely completion of irrigation and power projects.

Self-Reliance

Reiterating the objective of self-reliance, he pointed out that better performance in agriculture would obviate the need for imports even where these were resorted to as a short-term measure.

About the resource position, he said every possible effort would be made to maintain Central assistance to the States at an adequate level. The States would have to economise on their non Plan expenditure and raise more Plan resources according to their commitments.

The working of the State Electricity Boards, irrigation systems and transport corporations needed to be improved with a view not only to making good their losses, but also to contributing to the States' resources. It was essential that every possible care was taken before taking up new starts while formulating the Plan proposal.

Dr Singh has said that priority accorded to the Minimum Needs Programme must be maintained. Other target-specific programmes such as the Scheduled Castes component plan, the tribal sub-plan, the Integrated Rural Development Programme and the National Rural Employment Programme had to be adequately provided for and efficiently implemented.

CSO: 4220/7176

PRC TEAMS CONSULT ON DEALING WITH MULTINATIONALS

Bombay THE TIMES OF INDIA in English 30 Sep 81 p 1

[Text] New Delhi, September 29--China has sought to learn from India's long experience in dealing with multinationals, opening up a new field of co-operation between the two countries.

In the first flush of post-Mao enthusiasm to reach out to the outside world, the Chinese leadership had decided to open the doors to multinationals in a big way in a bid to modernise the country's industry. A large number of agreements with foreign firms were entered into. But they were all cancelled when the Chinese leaders became unsure of the implications.

Beijing has, however, not given up the idea of inviting multinational investment entirely. But it is exercising caution in this regard, and has apparently decided to open up on a few selected fields as the first probing steps.

China has sought Indian assistance in this regard. Two teams of senior officials have visited New Delhi for talks with Indian leaders in order to benefit from India's experience. They held discussions with the finance minister, Mr. R. Venkataraman, and the ministry officials.

Interest in Terms

This was followed up by Mr. Wang Yao Ting, president of the China Council for Promotion of International Trade, sending specific queries to the Indian government on various aspects of multinational operations.

Since multinationals have been operating in India for quite some time, Mr. Wang has sought to know the areas in which the foreign firms have been allowed to make investment, the terms under which the collaboration agreements had been entered into and the mode of technology transfer.

Indian officials have already briefed the Chinese teams the various measures taken by the government to regulate and restrict the operation of multinationals in the country. They were explained how the inroads by multinationals into the national economy were prevented by the industrial policy resolution.

China has accepted the Indian suggestion that a code of conduct should be evolved for multinationals operating in the third world countries so that their operations did not imperil national sovereignty. There should be a consensus in the developing world on the terms under which these foreign companies should be allowed to operate.

India and China are gradually entering into other fields of economic co-operation. They have formed a sort of a cartel to make sugar purchases from the international market.

CSO: 4220/7146

BENGAL CONGRESS-I OPPOSES MARCH ELECTIONS

Madras THE HINDU in English 1 Oct 81 p 7

[Text] Calcutta, Sept. 30--The West Bengal Congress (I) has opposed the ruling Left Front's demand for Assembly elections in March 1982, three months ahead of schedule.

Mr. A. G. Mukherjee, PCC (I) president, said here that the Front should raise the issue at the appropriate level instead of publicising it beforehand.

He pointed out that elections and their timing were decided by the Central Election Commission. They were not ordered on anybody's demand.

According to information available with his party, between 35,000 and 40,000 fictitious voters had been listed in every constituency. The electoral rolls must, therefore, be revised. The Centre had also received complaints about the rolls. All this would take time.

He said he failed to understand why a majority Government was trying to go in for elections before its term had expired.

It may be recalled that Mr. Promode Dasgupta, chairman of the Left Front, had recently demanded the Assembly elections by March 1982, because June was either too wet or too hot.

CSO: 4220/7164

SHIFT IN CPI-M ATTITUDE TOWARD CENTER SEEN

Bombay THE TIMES OF INDIA in English 4 Oct 81 pp 1, 5

[Text] Calcutta, October 3--Interesting shifts in the overall attitude towards Mrs. Indira Gandhi's leadership are discernible within the CPM at various levels in West Bengal and it will be worth watching how far this line of thinking is reflected in the deliberations of the party's highest policy-making body--congress--to be held in Andhra Pradesh in January.

How far this has been prompted by the party leadership's desire to ensure the safety of the three state governments headed by the CPM in West Bengal, Kerala and Tripura is difficult to say. But what appears more likely to be the main cause is the developing situation inside and around India and an attempt to make an independent assessment of the roles of different political forces inside the country.

The areas outside the country which have attracted much attention are Egypt, Israel, Iran, Afghanistan, Thailand, and Pakistan in particular. All such developments have appeared to them as a definite pointer to the shape of things to come. Above all, President Reagan's new policies have created grave misgivings.

Starting from this understanding of the external situation, sections of CPM leadership and the rank and file have almost reached the conclusion that there is a danger to India's integrity and sovereignty, which has been aggravated by the presence and activities of divisive and sectarian forces within the country about whose loyalty to the national cause no one can be sure in case there is a precipitation, especially through the U.S. promptings.

Internally, the position is no less uncomfortable with the deepening economic crisis about which the government of India and its bourgeoisie-landlord-backed leadership is failing to do anything effective but, at the same time, trying to give concessions to national and trans-national monopolists.

These CPM sections have come to believe that Mrs. Gandhi alone can provide an effective leadership in this critical period of Indian history and there is no alternative. The natural corollary is she needs to be supported.

Quite obviously, this line of thinking rules out the potentiality or the effectiveness of an alternative bourgeoisie-landlord leadership that, one can imagine,

can be provided by the Janata, the Lok Dal or the BJP, single-handed or collectively. Also, it is an indirect admission of incapacity of the so-called left and democratic forces to replace Mrs. Gandhi and the Congress (I).

Even the top party leaders here admit that they fully support Mrs. Gandhi's anti-imperialist and non-aligned role in international affairs. But what worries them is Mrs. Gandhi's new measures like the National Security Act and the Essential Service Maintenance Act. In their view, Mrs. Gandhi might try to exploit India's external threat to further curb internal democratic activities and "how can we compromise on that?" they ask. Yet this seems to leave at least some scope for mutual understanding.

Obviously, this takes the party closer to Moscow and it might indeed be difficult for leaders like Mr. Jyoti Basu, in the West Bengal context in particular, to ask the rank and file to fall in line with this approach; any such talk can shock them out of their wits. But, if this be the feelings of a sizable section of the party here, those of comrades in other states can well be imagined because normally, the CPM unit has popularly been known as slightly pro-Beijing, even though the overall direction has been to keep equal distance from both these centres of the communist movement.

Naturally, therefore, it may be too much to expect a concrete reflection of this new thinking in any document emerging from the party congress, because the leadership knows it will take time for it to sink in and also it may expose the party to manipulations by Mrs. Gandhi. But how many times expressions like 'authoritarianism' and 'one-party dictatorship' are used in regard to Mrs. Gandhi in these documents and the way this is done, might become a sure pointer.

The fact remains in even a small section of West Bengal leaders and activists are found to be thinking on these lines, these must have been discussed already in the party's national forums in one form or another.

These circles make no bones to say that Moscow-Beijing relations have been a great hindrance, so much so that it is difficult now to start any political resolution, which has been customary for any party congress, with a preface analysing the international relationship of imperialist and socialist forces and to try to fit the domestic developments and forecasts therein. Mrs. Gandhi's latest talk about a revival of cold war atmosphere seems to have struck a sympathetic chord in many Marxist minds.

Even if this line of thinking prevails in the coming congress and still left unsatted for practical considerations, it may not necessitate any change in the two tactical slogans that had emerged from Jullunder. These are forging a broad platform "to exploit bourgeoisie-landlord differences," and a left and democratic front "to further the struggle against the bourgeoisie-landlord classes in order to overthrow them" in the long run.

However, the state unit might demand a clarification of the distinction between the two tactical lines, in order to avoid the confusion and misgivings created in the past and a reiteration that, without strengthening the left and democratic front, the thought of exploiting bourgeoisie-landlord differences through a broad platform is juvenile.

It is now authoritatively learnt that the differences in the last politburo meeting that had cropped up in course of the drafting of the political resolution concerned not any aspect of the left and democratic front, but arose out of the West Bengal leaders' insistence on recording in that document a correct assessment of the party's role in 1979-80, especially relating to the question of withdrawing support from the Janata government and pledging it to the one later headed by Mr. Charan Singh.

In the state unit's view, as reflected by members as a basis for intra-party discussions preparatory to the party congress, it has been clearly stated: "It is necessary to find out whether in implementing the decisions (of that period taken by the central committee) there had been deviations from the tactical approach formalised at Jullunder. This is all the more necessary, because an impression has gone round that our decision hastened the fall of Mr. Morarji Desai's government just as it fell due to internal conflicts. It is necessary to ascertain how much of this popular misgiving is real."

CSO: 4220/7171

DESAI: NATIONAL ALLIANCE WITH CPI-M DIFFICULT

New Delhi PATRIOT in English 4 Oct 81 p 4

[Text] Cochin, Oct 3 (UNI)--Former Prime Minister Morarji Desai said here today that it would be difficult for the Janata Party to cooperate with the CPI-M on a national alliance against the present Government.

Asked for his reactions to the politburo's call in this connection Mr Desai told a news conference "when I cooperated with them, they stabbed me in the back," "how can I trust them," he asked.

Mr Desai recalled that he as Prime Minister had supported the West Bengal Government against his own party unit in that State, but they (CPI-M) had no such consideration.

He, however, made it clear that he did not consider them as "enemies." But there was always the question of "whom one can work with and with whom one cannot." On specific issues, however, the two parties could have joint action, he added.

In Kerala Mr Desai said the Janata Party would not help the CPI-M to continue in office if the Congrss-S pulled out of the Left Democratic Front Government.

Referring to the law and order situation in Kerala Mr Desai said 'law and order is bad not only in Kerala but everywhere else.' Kerala might be worse since there were more political murders.

This he attributed to the 'Marxist philosophy which generates violence.'

Asked how he held the Marxists alone responsible he replied 'they are in Government and so their responsibility is more.'

About the 'Khalistan' movement he said it was nothing but 'high treason' and should be crushed with the full force at Government's command.

Condemning the hijacking of a plane to Lahore by 'Khalistan' supporters he told newsmen here that only traitors did such things. The Government would have the support of all parties in suppressing divisive forces.

But he added the Government seemed to be afraid to deal with such situations firmly. This showed its incompetence.

Commenting on corruption in the country, he said it was rampant at all levels of administration, the 'Antulay affair' was only one instance. The Prime Minister Indira Gandhi was the 'fountain head' and hence could not curb her partymen he said.

CSO: 4220/7176

CPI-M OVERCOMES UNCERTAINTY OVER DELHI AIMS

Calcutta THE STATESMAN in English 30 Sep 81 pp 1, 9

[Text] Whatever may be the outcome of the Left Front's move for an early Assembly election next year, it has been able to elicit the opinion of the Congress (I) leaders that they would like to see the Front Government in West Bengal continue its full term. This is considered significant in CPI (M) circles.

The CPI (M) workers have now overcome the feeling of uncertainty prevailing some time ago that the Centre may make a move to topple the Government. They are now sure that there will be no such move till the end of this year. This, they think, will place them in an advantageous position because by December the district conferences and the State conference will be over, helping to consolidate the party further.

Although the unpredictability of Mrs Gandhi's plans has been referred to time and again by Mr Promode Dasgupta and other CPI (M) leaders, there is a feeling in party circles that the Centre has been unable to take any drastic step against the West Bengal Government because of the differences within the State Congress (I) and the pro-Left atmosphere in the State following the success of the consecutive bandhs called by the Left Front and the failure of the Congress (I) sponsored bandh on March 30. The initiative that the Congress (I) had taken in the political sphere before that date petered out after the violence on that day. The new Congress (I) set up is yet to consolidate its position.

Mr Promode Dasgupta thinks that there is no reason why the Front's move for an early election to be conducted by a caretaker Front Government in February-March would be turned down by the Centre. Since Charan Singh, who ran a minority Government at the Centre, was allowed to run a caretaker Government, he wondered why a majority Covernment in West Bengal would not be asked to do so.

Referring to seat adjustments among Left Front constituents for the Assembly election, he said that no constituent was prepared to sacrifice the "sitting seats." The new constituents would be allotted seats till now occupied by Opposition parties like the Congress (I) and Janata.

CSO: 4220/7147

CPI-M DOCUMENT BASIS FOR '82 CONGRESS DEBATES

Bombay THE TIMES OF INDIA in English 30 Sep 81 p 4

[Text] Calcutta--A CPM state committee "party letter" containing guidelines for inter-party discussions in the coming weeks, preparatory to the Congress in January, has brought out all the political and tactical issues which appear to have created divisions between the state leadership on the one hand, and the national leadership of the party, on the other, throughout last year.

The document, released by the state committee secretary, Mr. Promode Dasgupta, is based on the discussions held recently at the committee meeting. This will now form the basis for debates at various levels of the party, culminating in the state conference at the end of the year.

The document quotes the Jullundur party Congress political resolution to define "a broad platform" as one mainly to fight against authoritarianism, and "a left and democratic front" as a means of economic and political struggle on the basis of a definite programme. The party has been trying for years to forge this front.

The document then refers to the fall of the Janata government at the Centre, owing to the party's own disunity. The CPM supported the no-confidence motion against Mr. Morarji Desai's government, though Mr. Desai resigned even before there was voting on it. The CPM then supported the Charan Singh government. But after Mr. Singh's resignation, the "authoritarian Indira Congress" returned to power in 1980.

At every turn in national politics during this period, the CPM central committee had to take decisions. "It is now necessary to examine whether there was difficulty in giving effect to these decisions. It is also necessary to answer questions that naturally arise under such circumstances in the minds of the people."

As to the situation in West Bengal, the document reiterates the validity of the new outlook for a "struggle" in this state after the installation of the left front government, which in the main consists of strengthening the government "against the vested interests and reactionaries." "This struggle should never be of a character which creates an opportunity for the enemy to exploit."

CSO: 4220/7146

CONGRESS-I IN NORTHEAST TO BE REVAMPED

Bombay THE TIMES OF INDIA in English 30 Sep 81 p 7

[Text] Shillong, September 29--The Congress (I) high command has drawn up elaborate plans to revamp the party apparatus in the sensitive north-eastern region to meet the growing challenge of prochial and revivalist forces.

With its eyes trained on the forthcoming general elections due in about 16 months from now, the party high command has initiated the process of mending its fences.

While the moribund organisation in Assam and Tripura is sought to be revitalised by dissolving the pradesh Congress committees and appointing "ad hoc" executive bodies in their places, the main thrust of the rejuvenation programme will be on involving the local youth in the party activities.

With this aim in mind, it has been decided to hold the national council meeting of the Indian Youth Congress (I) and a convention of the Youth Congress (I) units of Assam, Nagaland, Manipur, Tripura, Meghalaya, Mizoram and Arunachal Pradesh here on October 13 and 14.

All the national council members of the Indian Youth Congress (I), which includes over 40 MPs and all pradesh Youth Congress (I) presidents of the seven political units of the region, will participate in the national council meeting as well as the convention.

One thousand delegates from the seven pradesh Youth Congress (I) units of the north-eastern region will attend the convention. Besides the Congress (I) leaders of the north-eastern region, the convention will be addressed by Mr. C. M. Stephen, Union minister of communication, Mr. Ghulam Nabi Azad, MP and president of the Indian Youth Congress (I), Mr. Rajiv Gandhi MP, Mr. Arun Nehru, MP and Mr. P. K. Thungon, Union deputy minister of rehabilitation.

The star attraction of the convention, Mr. Rajiv Gandhi, will have a busy schedule during his visit to the north-eastern region. He will inaugurate free eye camps at Tura (Meghalaya) on October 11, Itanagar and Pasighat (Arunachal Pradesh) and Mokikchung (Nagaland) on October 12.

The free eye camps in the four parliamentary constituencies of north-eastern India will be sponsored by the Sanjay Gandhi memorial trust as a part of their campaign to organise such camps in 100 parliamentary constituencies all over India.

CSO: 4220/7146

GUPTA REPORTS ON AITUC GENERAL COUNCIL MEETING

New Delhi PATRIOT in English 27 Sep 81 pp 1, 8

[Text] AITUC has expressed serious concern over the findings of the Jamshedpur riot inquiry committee which squarely blamed the RSS and the BMS along with the Jamaat-e-Islami for a major role in the violence there.

The general council met in the Capital from 23 to 25 September to take stock of the current political developments and the situation in the labour field since its 31st session held in Visakhapatnam last October.

AITUC general secretary Indrajit Gupta, MP, released the council's decisions to newsmen on Saturday.

In a resolution on the Jamshedpur riot inquiry report the general council noted that the 'findings of the commission are great lessons for all the secular forces, particularly those who advocate joint working with such communal organisations.

When they were in power these organisations could totally paralyse the administration by rousing communal feelings, as it happened at Jamshedpur or previously at Ranchi during the days of the SVD government,' it added.

The resolution urged the Government to immediately act upon the recommendations of the report and 'launch prosecutions against all the named persons and organisations.'

It directed all AITUC affiliates to 'educate the working class about the findings of the commission.'

Giving a review of the deliberations at the meeting, Mr Gupta said it had been agreed that the working class should at the moment follow a 'two-pillar policy' to defend the country's security and territorial integrity with all its might as the most consistent patriotic force in the present complex regional situation, and fight with all its strength the retrograde internal policies of the Government aimed at curbing the workers' movement and curtailment of working class rights.

He said AITUC's leading activists at the meeting were all united in taking a balanced position on the whole. While they were not prepared to overlook the threat to our country's security, they could not accept the Government's moves

to deprive the working class of its legitimate rights in the name of the war danger.

Mr Gupta regretted that the Essential Services' Maintenance Act had been passed at a time when the mandays lost due to strike were on the decline and when the mandays lost due to lock-outs were on the rise. Moreover about 2,200 units throughout the country were closed in the name of being 'sick!' Therefore, it was the employer, not the worker, who was responsible for dislocation of production.

This thoroughly anti-worker legislation was enacted 'to gratify Indian and international monopolies,' he claimed.

Commenting on the dismal economic situation, he said the AITUC anticipated 'much worser developments in the coming days leading to further erosion of the worker's real wages and greater resort to repressive measures on the part of the Government. In this context, he underscored Communications Minister C. M. Stephen's threat to P and T workers and the move afoot to impound 50 per cent of the Government employees' DA.

'In our view a confrontation with the Government is approaching and we feel that the working class as the most organised contingent must be at the head of that confrontation,' he stressed.

The general council has, in this context, appealed to the President to refuse assent to the ESMA in view of the universal resentment of the working class to its enactment.

Mr Gupta said the general council was keen to see full implementation of the decisions of the Bombay trade union convention of eight trade union centres held last June. The programme decided there was to hold an all-India Protest and Demands Day on 3 November, followed by a massive rally of the working people before Parliament on 23 November. The AITUC unions would be in the forefront of these actions, Mr Gupta assured.

The council urged the workers to be prepared for an all-India one-day general strike, the date for which would be decided by the National Campaign Committee.

It criticised the US Administration for going in for the neutron bomb, and arming Pakistan and urged the workers to be vigilant against an 'imperialist conspiracy to destabilise' the developing democracies.

CSO: 4220/7135

VENKATARAMAN SPEAKS AT WORLD BANK-IMF MEETING

Calcutta THE STATESMAN in English 2 Oct 81 pp 1, 9

[Article by Warren Unna]

[Text] Washington, Oct. 1--Mr R. Venkataraman, Union Finance Minister, yesterday countered the Reagan Administration's challenge to multinational lending through the World Bank and the International Monetary Fund, and the challenge to India's own borrowing needs in particular.

"Most of the low-income countries face a grim situation. Their terms of trade have deteriorated sharply at a time when their export markets are stagnant and protectionism has increased. Their combined current account deficit has risen from $37 billion in 1978 to $84 billion in 1980. And this has happened when financing has become much more difficult. Aid flows are stagnant, and in some cases declining, while commercial borrowing has been made prohibitively expensive.

"We live in a world of scarce resources which need to be efficiently used. But the search for efficiency is not likely to be promoted by assertion of simplistic solution...which assume that the private sector is always more efficient than the public sector," the Minister declared here in his formal address before the combined annual meetings of the World Bank and the IMF. And later, before Indian reporters, he took on Mr Donald Regan, U.S. Secretary of the Treasury, for publicly raising doubts over whether the IMF should go ahead and approve a loan of five billion Special Drawing Rights (the IMF's bookkeeping "paper gold" which is worth $5.6 to $5.7 billion) to India.

Mr Regan, who has been hinting at outright U.S. opposition to the loan, the largest the IMF ever has considered, yesterday told a Press conference he considered it "very large and very unusual...and we want our executive director (on the IMF board) to take a very close look at it."

"The Secretary of the Treasury cannot raise any objection, only the executive director when the IMF board considers its staff recommendations on November 9...I can't go on what appears in the newspapers as the official statement of the U.S. Government," Mr Venkataraman countered.

India is depending upon the loan to tide over its widening gap in foreign exchange reserves to steady its economy until export earnings increase and its dependency on costly foreign oil imports decreases (as India's own oil reserves begin to

produce). The Finance Minister explained that the larger half of the loan, 2.6 billion SDRs, is to be made available at 10 per cent interest through funds supplied to the IMF by Saudi Arabia and the remaining 40 per cent, 2.4 billion SDRs, will come from the IMF's own extended reserve fund at 6 per cent interest. The loan is to be for three years.

Mr Venkataraman also confirmed to reporters that India intends to seek a $2-billion loan from the Asian Development Bank for a five-year period beginning in 1983, after the Asian Development Bank gets its projected capital increase. That loan money will be at 9 per cent to 10 per cent interest, he explained.

But Mr Regan, as well as President Ronald Reagan himself in his address on Tuesday, have been telling this gathering of Finance Ministers and central bank heads that the time has come for developing nations to become less dependent upon subsidized international loans and instead seek their luck from private sector banks at commercial interest rates.

"There is no single philosophy for all the world's needs," Mr Venkataraman told reporters. "Certain sectors, like infrastructure and irrigation, are not profitable for private investment and therefore are not attractive. But these are vital for development. So it is not a question of the private vs. the public sector, but of what is good for the individual country."

Mr Venkataraman said India had no objection to "co-financing"--the World Bank and the IMF collaborating with private banks in making loans--"just don't make it a condition and say that, unless there is co-financing, there will not be multinational financing."

The U.S. Secretary of the Treasury also has cast doubt on future U.S. contributions to the World Bank's International Development Association financing, the no-interest, long-term repayment loans of which India has been the single largest beneficiary (40 per cent) over the past several decades. There has been a clear hint that once the current sixth replenishment of IDA is completed, the USA will not come forward with any more funds for a seventh replenishment.

And even for IDA-VI, the U.S. Congress has been balking at fulfilling the commitments it already pledged, and the Reagan Administration has come up with a scheme to "stretch out" its financial contributions over a longer period.

IDA's peril was dramatized with the announcement yesterday that the industrial national deputies representing the other IDA donors now had become fed up with "carrying" the USA's delinquent contributions with advance pledges of their own and, for the remaining second and third-year instalments for IDA-VI, they now would make their money available only after the USA did. Since the USA is IDA's single largest contributor, and since IDA funding cannot flow until, by its charter, 80 per cent of the contributions are in to trigger the flow, this puts even the completion of the IDA-VI loan programme in jeopardy.

"As far as the developing countries are concerned, there is a sense of doom here that the multinational funding will be either reduced or be subjected to very hard conditions," Mr Venkataraman told reporters.

President Reagan's Administration has come to regard multinational organizations and their lending functions as performing the same kind of "charity" it has castigated America's own social institutions for conducting on the domestic scene. Mr Reagan's Republican Party traditionally has looked to the private sector as the cure-all for economic ills. It was the Democratic Party which started so many of the social welfare institutions that Mr Reagan's Administration now is attempting to dismantle. And it also was the Democratic Party which took the lead in organizing the Bretton Woods conference to start the World Bank and the IMF and help the world recover from World War II.

AP adds: Mr Venkataraman has said the crux of the problem facing oil-importing developing nations is financing balance of payments deficits. India has taken strong measures to reduce dependence on imported oil, he told the annual meeting of the IMF and World Bank yesterday. But, he added, the effort needed time and money to take effect.

He said "it will be necessary to finance a substantial balance of payments deficit"--an apparent reference to India's current negotiations for the IMF's largest loan of about $5.6 billion.

The chairman of the North-South Commission, Mr Willy Brandt, has criticized the Reagan Administration's insistence on curtailing aid to developing countries and called for immediate global negotiations on the matter, according to Tanjug.

He told reporters that he would soon send an open letter to the 22 heads of Government and State at next month's Cancun summit underlining the need for such negotiations. Mr Brandt said he expected the meeting to take concrete decisions or at least pass recommendations on the matter.

Reuter adds: Developing countries have renewed their call for more aid at the IMF and World Bank meeting despite strong U.S. opposition. Pakistan's Finance Minister, Mr Ghulam Khan, told the meeting that despite the economic lull, the industrial world would add more than $200 billion to its combined income this year.

He said only one-tenth of one per cent of that amount was needed to fund the the World Bank's affiliate, the International Development Association. Supported by delegates from Latin America, Asia and Africa, he urged the industrial Powers to expand their funding of the organization and not to place all their faith in the effectiveness of the private sector.

The Indonesian Finance Minister, Mr Ali Wardhana, said a flow of resources into the less-developed countries was essential to keep their economies going and their people alive. "The survival of their economies and their people is dependent on concessional aid."

A further expression of concern about the worsening economic situation came yesterday at the United Nations. A statement from Foreign Ministers of more than 100 developing countries said a global debate on economic issues "continued to be jeopardized by one country."

The statement, a direct reference to the USA, was issued by the so-called Group of 77, now numbering about 120 countries. And in Mexico City, President Jose Lopez Portillo said humanity ran the risk of "crucifying itself" if next month's summit between rich and poor countries was unsuccessful.

Mr Mohsen Nurbakshah, Governor of Iran's Central Bank, said Iran had decided to remain a member of the IMF, Teheran Radio said today. The radio quoted him as telling the official Pars news agency: "We will use international institutions as a means to express the views of our country and also to help countries under foreign domination to free themselves."

Mr Nurbakshah said Iran would support efforts by the Palestine Liberation Organization to become a member of the IMF and World Bank.

CSO: 4220/7158

STATE IRRIGATION MINISTERS HOLD DELHI MEETING

Calcutta THE STATESMAN in English 2 Oct 81 p 9

[Text] New Delhi, Oct. 1--Almost all States have supported the Union Government's proposal for Central legislation to establish a National Water Development Council for speedy resolution of inter-State river water disputes and to frame a national water policy. The consensus emerged at the sixth conference of State Irrigation Ministers which ended here yesterday.

Rao Birendra Singh, Minister for Irrigation and Agriculture, who presided over the conference, told reporters that only Kerala and West Bengal had expressed reservations on the Centre's proposal. West Bengal wanted to know the details of the proposal which envisaged inclusion of all Chief Ministers as members of the Council. However, he clarified that it would continue to be a State subject and it was not the intention of the Union Government to encroach upon the rights of States.

The Centre would only be authorized to prepare plans for inter-State rivers. Under this agency, there would be five river basin commissions with State chief engineers as members.

The Union Minister said that the Centre's idea was to consult the States and there was no compulsion. The Centre would think of introducing legislation only if it was acceptable to all States. At the conference, the Centre's attempt was to remove the misgivings of dissenting States and its plea was to have a national perspective on the utilization of water.

The State Ministers' conference also approved of the Centre's proposal for establishing a Central Water Development Agency for investigation, studies and project formulation of inter-State rivers. All Chief Ministers would be its members, while engineers from States would be involved in making investigations and feasibility reports.

Kerala dissented on this proposal. The State's plea was that investigation should be left to the States and the Centre should assist them in this work.

Rao Birendra Singh said that the Centre had already written to State Chief Ministers seeking their consent for becoming members of the proposed agency.

The Minister laid stress on quick resolution of inter-State disputes. Many projects were held up. Some for more than 10 years, because of such disputes. The result was that only 15 per cent of the 1,440 million acre ft of available surface water was being utilized by constructing storages.

Nepal, he said had agreed to look for storage sites for the Pancheshwar, Karnali and the Rapti projects. "If these projects come up the flood problem in the eastern region would be solved," Bao Birendra Singh said.

Also, storage sites were being investigated in Arunachal. In case the exercise was fruitful, the ravages of Brahmaputra floods would also be taken care of partially.

A resolution on ground water development suggested that a committee be appointed to recommend organizational framework within the States to promote such development in the private sector and to monitor the programmes with effective linkages with lending agencies, Government agencies and farmers.

The resolution noted that there was considerable scope for ground water development in Bihar, West Bengal, Orissa, Assam and Madhya Pradesh.

CSO: 4220/7158

STATE INDUSTRY MINISTERS MEET IN DELHI

New Delhi PATRIOT in English 2 Oct 81 p 1

[Text] The one-day conference of the State Industries Ministers held in the Capital on Thursday to consider the report of the Sivaraman committee on development of backward areas proved an exercise in futility as sharply divergent views surfaced on most of the important recommendations of the committee.

Industry Minister N. D. Tiwari, while summing up the day-long discussion, remarked that there were differences in regard to the committee's recommendations on criteria for defining backward areas, selection of growth centres and related institutions for infrastructural development.

He merely expressed the hope that it would be possible to evolve a scheme generally acceptable and conducive to industrial dispersal.

The special meeting, attended by three Chief Ministers and Industry Ministers of 20 States and Union Territories, recognised that industrial dispersal was integral to the total strategy of industrial development.

The Sivaraman committee had in its report to the Planning Commission made several recommendations regarding the criteria for declaration of backward areas, the strategy of setting up of growth centres for infrastructure and industrial development and encouragement of entrepreneurship and small-scale and ancillary industries in backward areas.

On the question of suggested criteria of cut-off distance from a developed centre, it was pointed out that smaller States, tribal areas and hill areas may not find this criteria helpful. Further, backward pockets in the vicinity of developed centres in industrially advanced States like Maharashtra, Gujarat and Tamilnadu would be adversely affected by the application of this criteria.

There were also differences regarding the committee's suggestion to allocate growth centres in a 70:30 ratio between backward and developed States.

However, there was general welcome to the nucleus plant development programme and some of the participants requested the Centre to take early decision regarding incentive package to be made available to investors in nucleus plant locations.

Special problems of the North-Eastern States were also mentioned.

CSO: 4220/7162

DELHI STEPS UP WATCH ON TERRORIST GROUPS

Madras THE HINDU in English 28 Sep 81 p 1

[Article by G. K. Reddy]

[Text] New Delhi, Sept 27--Security procedures are being tightened all over the country, under orders of the Central Government, for keeping a close watch on the activities and movements of suspected foreigners and their local accomplices connected with international or domestic terrorist organisations.

Indian intelligence agencies, working in concert with Interpol, have compiled lists of suspects, to be brought under surveillance on the basis of computer records of their antecedents.

The Government is also taking parallel action to step up vigilance against known criminals, communal elements, political activists and others prone to inciting violence.

Police experts in criminal investigation, counter-espionage and forensic sciences have been analysing every unusual case of arson, loot, sabotage, murder, subversion, smuggling, terrorism and even disinformation to detect possible patterns behind such offences which require further probing to track down the culprits.

Revival Seen in Many Countries

After a relative lull of over a year, there is a rivival of international terrorism which is compelling many countries to take stringent action to forestall the danger, if possible, or face the threat with deterrent measures to combat it.

As a coordinating agency, Interpol pools and analyses all available information and alerts the countries concerned.

Threats of foreign-inspired terrorism take different forms in different countries depending on their political vulnerability, laxity in security and exposure to external subversion. At the internal level, terrorism assumes the dimension of insurgency and incitement to violence depending on the prevailing unrest in a particular region.

Border Security Force and other paramilitary units assist the army in preventing infiltration across the borders in places like Kashmir and the north-east region.

Security forces also cooperate with the local police in coping with insurgency in these places.

Threats From Outside

But, when it comes to international terrorism, it had to be handled by the internal and external intelligence services with the cooperation of the governments concerned. The External Affairs and Home Ministries have to act together in first assessing the nature of the threat and then dealing with it.

Apart from protecting the top leaders of the Government, the security agencies have to ensure that the diplomatic missions are not exposed to terrorism. They have also to prevent sabotage of essential services during times of external threat or internal subversion.

It is in this context that a serious view has been taken of the involvement of the Iraqi embassy staff in a shooting incident, since it has demonstrated how easily a foreign diplomatic establishment can bring firearms into the country without authorisation.

The Government proposes to send out a circular to all missions drawing their attention to the relevant provisions of the Vienna Convention and asking them to declare and surrender any unauthorised arms in their possession.

Arms Smuggling

The smuggling of arms into the country is being supplemented by the illicit manufacture of weapons which find their way into the hands of terrorists and other anti-social elements. According to police experts, hardly 10 per cent of such unlicensed weapons are detected while the other 90 per cent remains with unauthorised persons.

A disquieting feature is that a good many of the weapons captured from criminals are of foreign manufacture, which indicates a flourishing underground trade in unlicensed arms. The Government is taking steps to plug loopholes in the licensing procedures to ensure that owners of smuggled weapons do not regularise their possession by obtaining licences for them.

There will be stricter control hereafter of imports by diplomatic missions to prevent abuse of this privilege for bringing in unauthorised arms and ammunition. Only the sealed diplomatic pouch containing reports and other communications the host country cannot insist on inspecting. It can insist on a customs scrutiny of all other imports, although no duty can be levied on them.

CSO: 4220/7139

STATES TOLD TO PREPARE PLAN FOR RURAL PROJECTS

Bombay THE TIMES OF INDIA in English 2 Oct 81 p 15

[Text] New Delhi, October 1--The ministry of rural reconstruction has asked the states to prepare a shelf of projects, district-block wise, on a priority basis as a continuous process on a sufficiently dispersed scale, under the national rural employment programme.

The rationale is that its precursor, the food-for-work programme, which while creating numerous assets did not ensure the selection and execution of works on a systematic basis.

Besides, according to the government, the programme's dimensions having increased considerably, the concept of a shelf of projects is appropriate.

Basic Facilities

The states have been told that while preparing the shelf of projects, it is not necessary that it should fit into the annual or five-year plans. The basic idea is that it should cover all the minimum needs of the people with a view to providing them with basic facilities.

The number of works to be executed during a given year out of these shelf of projects, will depend on the resources being made available in each block or district.

The population of marginal farmers and farm labour on the one hand and the incidence of poverty on the other constitute the basis for allocation of resources. As much as 75 per cent weightage is given to the number of farm workers and marginal farmers in making the allocations.

Technical institutions like the IITs, agricultural universities and engineering colleges as also voluntary agencies will be associated in the preparation of the shelf of projects. A system for the periodic review of the projects and monitoring of the progress in execution will be evolved by the states.

A note circulated among participants in a government-sponsored workshop on the programme says that the maximum quantity of grains given to workers is now restricted to one kg per head per day. Some state governments insist that the quantity should be doubled.

Acknowledging the "tight position of grains stocks," the note says supply had been irregular or delayed.

The ministry has suggested that for smooth implementation of the programme, the states should build up their own stocks of coarse grains to meet the requirements of the programme. It is suggested that the state governments should procure grains like jowar, bajra, maize and ragi which are locally grown. This will also save the cost of transport.

The ministry has pointed out that since 50 per cent of the funds are now provided in the state budget and half of the remaining 50 per cent are made available to the states at the beginning of the year itself, the states could arrange the procurement of locally-available grains.

CSO: 4220/7156

CHAIRMAN REPORTS STATE TRADING CENTER OPERATIONS

Calcutta THE STATESMAN in English 30 Sep 81 p 9

[Text] New Delhi, Sept. 29--The State Trading Corporation achieved an all-time record turnover of Rs. 1,670 crores during 1980-81 compared with Rs. 1,529 crores in the previous year, thus registering a 9 per cent increase, Mr Abid Hussain, STC's chairman, said today.

He claimed at the end of the 25th annual general meeting that the turnover of the STC group comprising the STC and its five subsidiaries, namely the Projects and Equipment Corporation, State Chemicals and Pharmaceuticals Corporation, Handicrafts and Handlooms Export Corporation (including Central Cottage Industries Corporation) and Cashew Corporation has risen to Rs 1,875 crores compared with Rs 1,752 crores during 1979-80--an increase of 7 per cent.

During the year 1980-81, the corporation contributed to the Government exchequer Rs 3 crores by way of dividends and Rs 37.50 crores by way of taxes. In the 25 years of its existence, the corporation has contributed directly to the national exchequer Rs 231 crores as corporate taxes and Rs 24 crores as dividend.

Explaining the reasons for lower exports (Rs 440 crores against Rs 626 crores last year), Mr Hussain said this was due to a substantial decline (of nearly 48 per cent) in exports of mainly canalized items like sugar, molasses, castor oil and semi-processed leather. Export of sugar dwindled because of a ban on the export imposed by the Government and of molasses because of restricted availability in the domestic market.

Castor oil exports suffered a setback owing to lack of parity in the international and domestic prices. Exports of semi-processed leather were low, partly because of the Government's policy of discouraging semi-processed leather exports to make more leather available for value-added goods and partly because of a general slump in the market. Mr Hussain said the corporation laid more emphasis on the export of non-canalized items. For the first time during 1980-81, non-canalized exports exceeded canalized exports.

During the year, the corporation introduced a number of new items of exports and found new markets for a number of traditional items. It gave special attention to various promotional measures like making improvements in quality, grading and packaging and providing infrastructural facilities to export units. For example, supply of leather, soling materials and imported sole and elastic was arranged

for shoe-manufacturing units. Production of machine grade shoes was centrally organized to standardize the size and fittings.

The corporation played an important part in meeting the domestic needs of items like edible oils, newsprint, sugar, cement and white printing paper. Import turnover of the corporation touched new heights during the year, viz Rs 1,214 crores in 1980-81, against Rs 884 crores in 1979-80. The import of edible oils during the year reached a level of 1,100,000 tons against 840,000 tons in the previous year--to meet the increased requirements under the public distribution system, and meet the needs of the vanaspati units.

To handle the higher level of imports efficiently and maintain buffer stocks, the corporation maintained 400,000 tons of storage capacity in various port towns, and inland destinations. Import of sugar during the current year was 215,000 tons (against 181,000 tons in the previous year) of which 170,000 tons had already landed and the balance was expected to arrive in the next 10 days. There are no plans for import of further sugar. The landed price per kg of sugar is Rs 5.50.

CSO: 4220/7147

BACKWARD AREAS DEVELOPMENT GROUP ADVICE REPORTED

Bombay THE TIMES OF INDIA in English 2 Oct 81 p 5

[Text] New Delhi, October 1 (PTI)--The establishment of industrial development authorities with sufficient administrative and financial powers in identified industrial growth centres has been recommended by the Sivaraman committee for development of backward areas.

This, in the committee's view, would help in co-ordinated efforts to develop the infrastructure and planned growth of industries.

Some of the recommendations of the committee were outlined by the Union minister for industry, Mr. N. D. Tiwari, today while addressing state industry ministers meeting here to consider them.

The department of industrial development, Mr. Tiwari said was considering further measures for rationalising industrial approvals specially for units to be set up in the backward areas.

The Sivaraman committee had drawn the conclusion that while schemes for development of backward areas had induced investors to those regions, the results had been uneven. In particular, the committee had noted that availability of infrastructure, including skilled workforce, governed investment decisions.

The committee had stressed the importance of concentrating all promotional efforts by the Central and state agencies in certain identified growth centres with some available infrastructure. In the committee's view, this would be the quickest way to generate growth impulses in selected points within the concerned backward areas, which could be transmitted down the line.

For implementing the growth centre approach, the committee had suggested setting up of industrial development authorities at those centres with sufficient administrative and financial powers delegated to them for co-ordinated development of infrastructure and planned growth of industries.

Mr. Tiwari said while the final report of the committee was awaited, the present meeting had been called to consider its report on industrial dispersal in a wider perspective of evolving alternative strategies for development of backward areas in accordance with the plan objective.

According to the committee, Mr. Tiwari said, the industrial estate programme launched some years ago did not seem to have achieved its objective of relocating industries away from developed areas.

The licensing policy did not also possess sufficient positive content to direct investment to chosen backward areas resulting in congregation of industries at certain locations even within the backward areas with well-developed infrastructural facilities.

Solanki's Objection

The committee has also recommended a criterion of varying cut-off distances from the developed urban centres depending on the number of persons engaged in non-household manufacturing employment beyond which both Central subsidy and concessional finance should be equally applicable.

A bigger role had been suggested for the Industrial Development Bank of India (IDBI) and various Central and state agencies in the promotion and development of entrepreneurship in backward areas.

The committee has outlined the framework within which the financing of these arrangements could be shared between the Centre and the states on the one hand and between budgetary and institutional funds on the other.

Mr. Tiwari said industrial development of backward areas must serve three purposes--dispersal of industry, diffusion of entrepreneurship and generation of employment and income to the local population. These should be the tests, which could apply while accepting or amending the recommendations of the committee.

Underlining the need for purposeful and concerted efforts by the state industrial administration in the development of backward areas, Mr. Tiwari urged the states to create effective monitoring cells to ensure utilisation of letters of intent and licences and ensure that industrial approvals were translated into projects, especially in backward areas.

He also suggested opening more industrial training institutes in backward areas to develop skilled manpower.

The Gujarat chief minister, Mr. Madhasinh Solanki, termed the committee's recommendation on dispersal of industrial units to backward areas as "rather arbitrary and unrealistic."

Mr. Solanki generally welcomed the committee's recommendation. But he did not agree with the recommendation that dispersal should be done on a cut-off distance of 50 to 150 km away from the industrial centres. This would leave more than three-fourths of Gujarat's underdeveloped tribal areas from the scope of industrialisation.

He pointed out his government's experience that taking large industrial units like a public-sector project to an underdeveloped area did not solve the problem of backwardness of the local area.

The Tamil Nadu industry minister, Mr. S. Tirunavukarasu, rejected the recommendations on dispersal of units and said that the recommendation would hit hard the state as only two or three of the 159 talukas in the state would be eligible to be called "backward."

"Tamil Nadu will be penalised only for having ensured industrial dispersal in the past," he said.

He felt that the committee should have noted that even within 30 to 40 km of major metropolitan centres, there were a number of villages as backward as in far away places.

CSO: 4220/7156

DACCA TREATMENT OF CHITTAGONG TRIBALS SCORED

Bombay THE TIMES OF INDIA in English 1 Oct 81 p 4

[Editorial: "Escape From Terror"]

[Text] It is truly extraordinary that Dacca should deny that a large-scale influx of tribals has taken place into the Indian state of Tripura from the Chittagong Hills Tract, the south-eastern district of Bangladesh. They are there for anyone to see. About 15,000 of them have crossed over into the Indian border state in the last two weeks alone. They have been provided shelter in makeshift camps. This exodus is the result of a new wave of terror unleashed against the tribals--Hindus, Christians and Buddhists--by Muslims who have been trying to seize their lands. The authorities, needless to add, have been siding with the aggressors. Shanti Vahini, the organisation which has spearheaded a movement for tribal autonomy, has been involved in clashes not only with Muslim militants but also the security forces. Instead of trying to redress the tribals' legitimate grievances, the authorities have sought to crush them in the name of combating terrorism. Last year, a number of western correspondents visited the area. They returned with shocking accounts of atrocities, particularly against the Chakmas, the Buddhist tribals. The protests then voiced by foreign humanitarian organisations and the Buddhist countries in Asia appeared to have had a salutary effect in Dacca. But things have deteriorated once again for the minorities in Bangladesh.

The latest outbreak of large-scale violence in the Chittagong Hills Tract has followed troubles in the capital as well as other towns in the wake of the recent execution of 12 army officers convicted of being involved in the assassination of President Zia-ur-Rahman last summer. It is difficult to say whether there is any connection between the two developments. But it is possible that the executions represent the triumph of Islamic crusaders against the saner and more secular elements in Bangladesh. The executed officers were freedom fighters who had taken part in the 1971 struggle. But that apart, extremists have in recent weeks again felt free to renew their attacks on the non-Muslim tribals. The Bangladesh government has been guilty of a grave abdication of responsibility by failing to check this systematic violence against the minorities. It is compounding its irresponsibility by denying the fact of the exodus. New Delhi has been tolerant, in fact too tolerant. It has contented itself with drawing Dacca's attention to the flight of the tribals and asking it to stop it. This apparently does not impress those in charge of affairs in Dacca. India will need to act more firmly if it is not to be saddled with lakhs of tribal refugees. To begin with, it can ask the U.N. authorities to verify the facts. Once that is done, it must insist that Bangladesh makes it possible for them to return to their ancestral homes.

CSO: 4220/7151

OVERSEAS PROJECTS USING INDIAN TECHNOLOGY NOTED

New Delhi PATRIOT in English 30 Sep 81 p 5

[Text] Over 200 projects, based on Indian technology, are in production or in the process of implementation in 39 countries, according to the Indian Investment Centre (IIC) in Delhi, reports PTI.

Most of these have been set up with Indian equity participation. In a move to make Indian capabilities known more widely, the IIC has brought out a series of publications like "India Offers Technology" and "Technologies from India."

The publication provides information as to the areas where technologies are available in India and on Indian companies interested in providing such assistance.

Chairman and executive Director of IIC Harbans Singh points out that besides the 200 joint ventures, there has been a "phenomenal growth" of Indian consultancy services in the fields of design and process engineering, management and accounting.

The IIC has also published an investment guide for non-resident Indians listing all facilities provided by the Central Government and some of the State Governments to attract investments and remittances.

There are over six million Indians and persons of Indian origin abroad. Among them are thousands of professionals in various discipline as well as large number of skilled and semi-skilled workers employed in various countries.

The publication brings out the series of policy liberalisations effected in recent years and incorporates government's industrial licensing and foreign collaboration policies.

A guide to entrepreneurs "investing in India" has also been brought out by the IIC intended to give all essential information relating to licensing, collaboration, investment and other procedures, incentives and exchange control regulations.

CSO: 4220/7149

BACKGROUND ON 29 SEP HIJACK LEADER GIVEN

New Delhi PATRIOT in English 30 Sep 81 pp 1, 7

[Text] Chandigarh, Sept 29--Mr Gajinder Singh, the leader of the hijackers, is one of the five members of "Dal Khalsa Panchayat," the supreme government body of young Sikhs.

Mr Singh, a handsome young man in his late twenties, is a graduate from a local college. He is married and has a six-month-old daughter. His wife is reported to be teaching in some private school at the Sahibzada Ajit Singh Nagar (Mohali) near here where Mr Gajinder Singh's residence is.

His mother Ranjit Kaur in mid-fifties and father Manohar Singh in mid-sixties live in Sector 23 of Chandigarh. The father has a small kirpana and general provision shop.

When this correspondent informed the father about his son's role in the hijacking, he appeared surprised but not shocked. The mother instead looked in complete balance.

Mrs Ranjit Kaur is a deeply religious woman and said that "her son had been always like that. He was a fanatic believer of 'Khalsa Raj.' Ever since he crossed matriculation he had been nurturing the idea of 'Khalistan.' He graduated from a local college and the thought of 'Khalsa Raj' was in him all the time," she told this correspondent.

The living room of his parental house looked to be the entire making of a man who was unbreakably wedded to an idea. The photo of Kapur Singh, former ICS and 'national professor of Sikhism' decorated the corner table in the room. A strip of photographs of Guru Nanak on one hand and Guru Gobind Singh on the other and two Sahibzadas between was another framed article to decorate the table.

Mr Gajinder Singh's sister Mrs Indermoham Kaur had contested the famous case pleading that Sikh women could not be forced to wear helmet while driving a two wheeler as per the law. The case in which SGPC president Gurcharan Singh Tohra, MP, had appeared as witness had been won by Mrs Indermohan Kaur leading to the exemption by the administration here and in Punjab from wearing helmet by all women driving two-wheelers, as the identification as to which lady was a sikh and which not was too tedious.

Slogans

Khalistan zindabad was among the slogans that decorated the main wall of the parental house of Mr Gajinder Singh. A sticker on almirah glass proclaimed 'tere sarian dukhan da daru--Raj Khalsa" (the treatment for all your ills--is Raj Khalsa). The almirah contained all sorts of books on religio-political matters dear to Dal Khalsa.

According to reports available from all over the State Mr Gajinder Singh had been staying for the last many days in room number 37 of Guru Nanak Niwas, an imposing mansion in the premises of SGPC controlled Golden Temple at Amritsar.

He left the place along with some others only five days back. The CID and police had instructions for his arrest but he managed to escape. He was last seen by an agency reporter along with Mr Sukhjinder Singh, MLA at Jullundur.

Another young man again a member of the five member top command of Dal Khalsa, Mr Harsimran Singh was also with him. Mr Harsimran Singh had been in service till about two months back in the Bhai Vir Singh Studies in Punjabi literature, headed by professor Vishwa Nath Tewari, politically close to the Congress-I.

Mr Harsimran Singh, who reportedly also included among those who hijacked the plane had, however, recently resigned his job. Mr Gajinder Singh on the other hand had been dismissed from Punjab Education Department as clerk when he wrote a book titled 'Panj Tir Hor' (five more arrows). The book had been banned by both the State and the Central Governments.

The CID file on Mr Gajinder Singh, by now a volumous thing, reveals that he was an old supporter of demand for Sikh homeland.

These Dal Khalsa leaders had addressed a press conference here only a fortnight ago. They had been acting mostly from a gurdwara at Sahibzada Ajit Singh Nagar (Mohali), a small upcoming new industrial township adjoining Chandigarh but falling in Ropar district of Punjab.

The news that hijackers were Dal Khalsa people has benumbed the entire top civil and police administration.

CSO: 4220/7149

REPORT ON RAO 28 SEP SPEECH TO GENERAL ASSEMBLY

New Delhi PATRIOT in English 29 Sep 81 p 3

[Text] United Nations, Sept 28 (PTI)--External Affairs Minister P. V. Narasimha Rao today expressed India's grave concern over the deteriorating security environment in the South Asia region.

While India does not find itself helpless in any way, we view with deep concern the possibility of the strategic calculations of outside powers engulfing countries in our region, he said.

Speaking during the general debate in the general assembly Mr Rao said that, on its part, India wanted to have strong and self-reliant neighbours. India was convinced that this was necessary in its own interests.

All the countries in the region faced similar economic problems and they should devote their energies towards development, he added.

Regional Cooperation

Some constructive steps have been considered in the direction of strengthening regional cooperation among the states of South Asia, Mr Rao said. He praised the late Bangladesh President Zia-ur-Rahman for the dedicated efforts he made in this direction.

India based its relations with neighbours on sovereign equality, recognition of mutuality of interests and perceptions.

India, he said, was also committed to the principles of the UN charter and non-alignment. Our twin commitments, in the field of foreign policy, are based on the objective of necessity to contribute in a positive manner towards the creation of a peaceful and cooperative world, he said.

There is a conscious and declared attempt to make relations with the developing countries a function of the East-West variable and to evaluate these relations in terms of the utility factor in the East-West game. Consideration of the material well-being, peace or stability of a country are being subordinated to those of strategic superiority and containment, Mr Rao said in a conference to the world situation.

Referring to Afghanistan, Mr Rao said India had unequivocally opposed the presence of foreign troops in any country.

For us, he said, this includes Afghanistan, whereas presumably to some other countries, this should apply only to Afghanistan.

He hoped the UN Secretary General's request to start a dialogue would succeed. The people of Afghanistan had a big stake in his success.

On Kampuchea, Mr Rao said, India would join in all constructive efforts aimed at seeking a peaceful solution of the problems of South East Asia.

It was necessary to reassure the Kampuchean people that their erstwhile persecutors--the Pol Pot regime--would never be allowed to return and unleash once again a reign of terror upon them.

He also objected to the presence of the Pol Pot delegation in the Assembly. It is a great irony of the times that the same despotic regime should bring the stench of their genocidal acts into this august chamber and to represent, as it were, their own victims, in a bizzare inversion of the principles of the Charter," he added.

Regarding the West Asia, he reaffirmed that a just and comprehensive solution could be found only through the total and unconditional withdrawal of Israel from the occupied Arab territories including Jerusalem city and through the exercise of their inalienable rights by the Palestinian people.

Referring to the Namibia problem Mr Rao urged the implementation of the UN independence plan as contained in the Security Council resolution.

He expressed India's solidarity with the South West Africa People's Organization and pledged moral and material support to it in its liberation struggle against South Africa.

CSO: 4220/7144

RESOLUTIONS OF AITUC COUNCIL PARLEY REPORTED

New Delhi PATRIOT in English 28 Sep 81 p 7

[Text] The General Council of the All-India Trade Union Congress wants further strengthening of trade union unity at all levels in order to meet the rising attacks on trade union rights mounted by the Government of late.

This is highlighted in one of the resolutions adopted by the general council whose meeting was held in the Capital from 23 to 25 September.

The AITUC hailed the Bombay Convention of Trade Unions and the programme for united movement of the working class it has chalked out. But it described as "unfortunate" the fact that "in some States the unity seen at the Bombay Convention has not been fully reflected due to certain continuing differences." In this context, it appealed to all unions, organisations and federations to shed their reservations and play their full role in achieving all-round unity "without which we cannot succeed in the struggle to win our demands."

AITUC general secretary Indrajit Gupta said his organisation was keen to approach the INTUC as well notwithstanding the fact that the INTUC leadership had been extending support to the Government.

Analysing the Essential Services' Maintenance Act, the general council observed: "When the definition of 'strike' has been made so wide that any worker who for genuine reasons is not able to work is brought under its ambit, when the police are given such sweeping powers to arrest any worker without warrant and on suspicion, the diabolical intentions of the Government to beat down the working class and snatch away its rights are crystal-clear considering that the Act provides for severe punishment of summary dismissals, huge fines and imprisonment for one year, this measure is more intended to strike terror in the working class using the arm of law, instead of governing industrial relations in a proper manner."

On the recommendations of the Ramanujam Committee set up to review the working of the Employees' Provident Fund Scheme, the council strongly opposed the proposal for decentralisation and removal of departmentally run public sector units out of the EPF Act's purview. However, it conveyed full support to the other recommendations unanimously endorsed by the central TU organisations.

It further called for amendment of the Minimum Wages Law of 1948 to bring in a number of employments not covered, make Cost of Living allowance mandatory, keep the minimum wage in no case less than Rs 400 and in the range of Rs 400 to Rs 500 depending on the nature of employment, enforce the Act's implementation with a strong hand meting out stringent punishment in case of non-implementation and mal-implementation.

The general council called upon the entire trade union movement as well as peace-loving democratic forces to condemn the US move to arm Pakistan with latest F-16 fighters, tanks, etc. and exhorted them to rally in defence of peace in this area.

It also pleaded for immediate implementation of the recommendations of the Rath Committee for correction of consumer price index based on 1960, a campaign for amending the Gratuity Act, launching prosecutions against all persons and organisations named in the Jamshedpur riot inquiry commission report, minimum bonus to all with raised quantum and widest possible movement against the US decision to manufacture neutron bomb.

CSO: 4220/7140

INDIAN COOPERATION WITH DPRK REPORTED WIDENING

New Delhi PATRIOT in English 28 Sep 81 p 3

[Text] Pyongyang, Sept 27 (PTI)--Indo-North Korean cooperation in economic, technical and cultural fields, which began on a modest scale a few years ago, is gradually widening both in scope and dimension.

This is becoming a reality as North Korea, makes determined efforts to increase industrial potential apart from liberalising some orthodox concepts of the past thanks to its joining the non-aligned movement in 1975. North Korea is a member of the coordinating bureau of non-aligned countries.

Pyongyang recently hosted one of the largest international conferences at which 81 non-aligned and other developing countries participated in a symposium on food and agricultural production besides a dozen major international organisations. It demonstrated clearly that the country is keen to embrace the outer world after remaining in seclusion for over two and a half decades.

"There has been a vast improvement in our relations, and it is still increasing," India's ambassador in Pyongyang Raj Krishan Manucha, told PTI recently.

The process of coming together of both countries appears to have received an impetus from the meeting of Prime Minister Indira Gandhi and North Korean President Kim Il Sung at late Yugoslav President Tito's funeral at Belgrade last year.

Since then several high level delegations visited either countries, and there is increasing evidence of identity of view between India and North Korea on many issues.

An Indian economic delegation led by Minister for Agriculture Rao Birendra Singh, visited here in November, while secretary (east) of the External Affairs Ministry Eric Gonsalves, was in Pyongyang in June last year.

CSO: 4220/7140

INDO-GDR FRIENDSHIP DELEGATION ENDS GDR VISIT

New Delhi PATRIOT in English 2 Oct 81 p 3

[Text]

BERLIN, Oct 1—An eleven-member Indo-GDR friendship delegation headed by Mr R P Yadav MP left for India yesterday after a 14-day tour of the GDR.

In a statement, the delegation said they 'saw flourishing democracy and all-round progress in various spheres of life in the GDR'. They felt after visiting factories and agricultural cooperatives that production has increased tremendously without an increase in the number of workers engaged. Though mechanisation has reduced the number of workers, yet there is no unemployment in the GDR, the statement added.

Members of the delegation felt that the exchange of experiences between the peoples of India and the GDR in various spheres of life may prove useful for both the countries.

They appreciated the anti-imperialist and anti-racist policies of the GDR. The statement condemned the US global strategy of suppressing national liberation movements and denounced the US decision to produce neutron bomb, its build-up around Diego Garcia and the Indian Ocean and arming of Pakistan.

The statement issued in Berlin yesterday was signed by Mr R P Yadav MP, Prof A K Sanyal, Prof K K Nigam, Prof C P Bhambri Mr Y K Sabharwal, Mr Mohan Dungalia, Mr V P Raghavachari, Mrs M M Sehgal, Mr Alka Roy and Miss Laish Ram Sarojini all social workers and Mr B K Pal, advocate.

The delegation was received by GDR-India friendship committee president and State Secretary Kurt Loeffler besides other officials. Members of the delegation called on Indian ambassador Krishnan Raghunath.

Members of the delegation visited, besides other places, Berlin, Gera, kindergartens, pioneer camps, printing works, rural health centre, Goethe house in Weimar and world famous Dresden art galleries.

CSO: 4220/7162

CORRESPONDENT REPORTS SITUATION IN PUNJAB

Madras THE HINDU in English 30 Sep, 1, 2 Oct 81

[Article by K. K. Katyal]

[30 Sep 81 p 8]

[Text]

WHAT is this Bhindranwale phenomenon in Sikh politics? And how strong is the extremists' demand for a separate Sikh State, Khalistan? Is there a linkage between them? The two, it can be said after a six-day study tour of Punjab are the outcome of different motivations and may converge now or later. But there is a technical possibility of their following separate, if not conflicting courses.

Then there are the Akali party, of which the former Punjab Chief Minister, Mr. Prakash Singh Badal, is a leading light, and a splinter group, led by the former President of the united party, Mr. Jasdev Singh Talwandi which do not hesitate to draw political advantage from the two thought currents, without identifying themselves with either. Why is it so? Sikh affairs are indeed, a jumble of enigmas.

To take the Khalistan demand first, it was clear that the Government had turned a Nelson's eye to its protagonists in the belief that they may get some respectability out of official attention, even though negative. They, however, made use of this indifference to step up their activities which were confined to a small band.

Sitting in a second-storey room in Nanak Niwas, the pilgrims' serai in the Golden Temple complex at Amritsar, Mr. Balbir Singh Sandhu gave me some details of the campaign. He called himself General Secretary of the National Council of Khalistan of which Dr. Jagjit Singh, a former Akali leader, now abroad, was mentioned as President. Under secret instructions from his chief, he said, they had organised rallies, hoisted their 'flag' on Aug. 15, circulated 'Khalistan currency' and sent letters with Khalistan stamps to senior officials and politicians in authority.

"Republic of Khalistan"

This was the initial phase of the campaign and therefore comprised symbolic action but he promised concrete steps later.

Mr. Sandhu gave details of the next phase including the plan to set up a "radio station", as he worked on the stove in a corner of the room to prepare tea for me. "The next time you come here, you will be an honoured guest of the 'Republic of Khalistan'", he said, as he handed over a cup to me. "You write this in your paper", he said seeing my puzzled look. "Even if I write, people won't believe me—and you', I replied. 'Why not?' he shot back.

Who is Dr. Jagjit Singh? A small-town medical practitioner of Hoshiarpur district and a middle-rank Akali, he, in the mid-sixties, became a Minister in a Cabinet of defectors supported by the Congress. That Government did not last long but the doctor did not relish the idea of being in the political wilderness and instead went abroad to begin the campaign for a separate State. Barring the two-year period of the Janata rule when he was in India, he has since remained in foreign countries, establishing contacts with the Sikhs settled abroad and getting their support, moral and material.

In another room of the Serai sat five or six young men—members of the Dal Khalsa, a PLO-type organisation, as they put it. They, too, had the same objective but concentrated on the youth, they said. "We do not know who killed Lala Jagat Narain but whoever did it, did a magnificent

job', was their comment on the recent developments, as they detailed their tactical approach.

They knew, said one of them Mr. Satnam Singh (35), they would not be able to achieve their objective without armed struggle and without confrontation with the Government. "And in this, we see no harm in seeking the support of other countries who may be willing to help us." There would be nothing wrong "in our seeking and others extending help to us. Did not the Indian Government interfere in the affairs of Pakistan before Bangladesh was formed," said another.

Dal Khalsa does not have an elaborate organisational network and its activities are conducted by a five-member "presidium". Mr. Satnam Singh is one of them.

Theirs was a small group of activists it was conceded but they, as Mr. Sandhu also said earlier, "had been effective in setting into motion the new thought currents" and in "influencing the minds of the Sikh masses." They were aware they were beyond the reach of the law enforcement authorities. The Sarai is a part of the holy complex, and police do not enter the Gurdwara lest it should inflame the religious sentiments of the Sikhs.

None of the organised Sikh parties has adopted the Khalistan platform. Some of them disown it feebly but none denounces the concept firmly, categorically. On the other hand, their leaders tend to explain the rationale of the extremists' plea with an implied threat: "You concede our demands, otherwise the extremists would carry the day." In Sikh politics, moderation is equated with cowardice and even those who profess to be opposed to Khalistan take care to see that they are not dubbed as weaklings.

Some propound the theory that the Sikhs are a separate nation, others say they would seek associate membership of the U.N. and still others talk of 'Desh Punjab', or a Sikh homeland with nominal links with the Centre.

Anandpur Sahib resolution

The organised groups swear by the resolution adopted by the united Akali party in October 1973 at Anandpur Sahib near Nangal which, because of its vague wording lends itself to several interpretations. Its central point is the demand for a State where the Panth's ascendancy is ensured. It means different things to different groups to suit their political convenience from time to time.

Sant Jarnail Singh Bhindranwale represents an essentially religious force—even in Sikh affairs where religion and politics are mixable, he confined himself to his field though occasional interest in the other side could not be avoided. He is the head of a 'Taksal' or mint, the name given to the institution which is concerned with religious teachings, and interprets the Sikh scriptures in what is regarded as the only correct or pure form, just as a mint turns out pure coins as against base ones, produced clandestinely.

A devout Sikh, the Sant, at 35, is a well-known figure because of his crusading zeal to ensure the purity of the Sikh religion. A fundamentalist, one could say. He sees the Nirankari sect as the gravest threat to the Panth and does not mince words in expressing his resolve to crush them. Religious teaching is his wholetime job; though married and with two children he, according to the norms that go with his position, has virtually renounced family life.

He visits his family members along with his disciples who too have accepted the same rigid discipline. Because they keep arms as part of the Sikh tradition, they are confused with a militant sect, the Nihangs.

When it was first set up, "Taksal" was located at a village near Moga, called Bhinder, from which it derived the appellation "Bhindranwale." It was later shifted to the present location, Chowk Mehta in Amritsar district.

Not on best of terms

Sant Bhindranwale had not been on the best of terms with the Akalis, when they were in the Government or out of it. At the time of a fierce clash between his followers and the Nirankaris—on April 13, 1978, the holy day of Baisakhi—he took a senior Akali leader, Mr. Jiwan Singh Umranangal, then Revenue Minister in the coalition Government, to task publicly.

At a massive religious congregation in the Golden Temple complex that day, he snatched the mike from Mr. Umranangal and demanded official action to disperse the Nirankari convention, being held in another part of the city and failing to get an assurance, led a march to the "enemy camp."

In the confrontation that followed, his disciples suffered heavily and the memory of that day—of the Akali Government's inaction, in his view, to protect the Panth from the Nirankari attack—rankles in his mind even today.

Last year, the Sant nominated his right-hand man, the son of his predecessor, Mr. Amrik Singh, to confront Mr. Umranangal in the prestigious elections to SGPC (Shiromani Gurdwara Prabandhak Committee). Even otherwise, the Sant threw his weight against the Akalis and, in the process, was backed—hold your breath—by the Congress (I) or a section of it.

Whether it was part of a conscious policy decision or the tactical game of

some in the ruling party, the impression prevailed that the Congress (I) sought to build the Sant as a counter to the Akalis, in the same way as Pratap Singh Kairon, a former Chief Minister, gave a boost to Sant Fateh Singh in the early Sixties to contain Master Tara Singh, the irrepressible Akali leader whose challenge could not be met otherwise.

Kairon's calculations were upset as his protege not only eclipsed the Master but posed a serious threat to the Government. Some such thing seems to be happening now.

Sant Bhindranwale shot into prominence with stunning suddenness, much to the discomfort of the State Government —and the Akalis. The Akali Dal, the extremists faction, in any case, backed Sant Bhindranwale to the hilt during the pre-surrender period, with emotion-packed assurances of a do-or-die struggle in the cause, taken up by the latter.

But are the Akalis happy, in their heart of hearts, over the emergence of a new force? Opinions differ. Some say, they may go slow in their championship of the Sant.

Congress fervour

Not all among the keen observers of the Punjab scene rule out the possibility of a renewed Congress fervour for this new force. Not all are prepared to believe that the Congress (I)'s links with the Sant are totally snapped carry conviction. What else is the meaning of the presence at the Chowk Mehta congregations of Jathedar Santokh Singh, President of the Delhi Gurdwara Prabandhak Committee and his emotional affirmation of solidarity with the Sant before he offered himself for arrest? The Jathedar recently captured the Delhi Gurdwara body with the help of the Congress (I) elements through an election process which the Akalis believe was rigged.

It was this case of Governmental 'interference' in the religious affairs of the Sikhs that chagrined the Akalis into planning for a "Dharam Yudh" or a holy war. Could they afford to ignore the presence of the Jathedar in the Bhindranwale camp and the pointers it threw up?

It is wrong to lump together the many centres of the Sikh politico-religious power. It is again wrong to treat the main Akali party and Sant Bhindranwale and his cult as one; or to regard the Sant and the pro-Khalistan activists as products of the same phenomenon or to suggest that Mr. Talwandi is a boson friend of the protagonists of a Sikh State. Wrong even to regard the Akali Dal as a compact, unified force.

Akali affairs deserve a detailed exposition. The party at best is an uneasy coalition of moderates, led by Mr. Badal, and not-so-moderates of which the President of Gurdwara Prabandhak Committee, Mr. Gurcharan Singh Tohra, is the rallying figure and functions under the nominal leadership of the party chief, Sant Harchand Singh Longowal. Mr. Badal and Mr. Tohra make no secret of their dislike for each other through their actions while taking care to present a facade of unity.

Mr. Badal is clear that the Sikhs, constituting 58 per cent of the population, have no chance of capturing political power without the support of a section of the Hindus, and that the Akalis could not have ruled the State in 1977-79 had they not been backed in the post-Emergency elections by the Janata Party (which in Punjab had the then Jan Sangh group as the main component), and shared power with the latter in a composite Government.

Inter-communal approach

In his opinion, there is no escape from the inter-communal approach, if the Congress is to be effectively countered. Of course, a section of Mr. Badal's associates, with a former Speaker, Mr. Ravinder Singh as its spokesman, would prefer a deal with the Congress (I) and had worked towards this end on the eve of the Assembly elections in June last year. That its efforts did not click was a different matter.

Mr. Badal's rivals in the party taunt him for his obsession and craze for office and his readiness, as they put it, to sacrifice the interests of the community in the pursuit of political power. In this tussle, Mr. Tohra is normally ranged against Mr. Badal at times with the support of Sant Longowal, at times, without it.

Was it a coincidence that Mr. Badal did not visit Chowk Mehta, while Mr. Tohra and others made a beeline towards the place last week? Left to himself, Mr. Badal would have attended the Kirya ceremony of Lala Jagat Narain. Did he refrain from doing so because of the fear that he would be misunderstood by Mr. Tohra and others?

The party stands by the Anandpur Sahib resolution which, whatever else it might say, does not call for secession. And yet there are suspicions about the Akali intentions in the minds of not only their political rivals but among the people generally in and outside Punjab. The Akalis blame it on the Congress (I). "To keep itself in power, the Congress (I) dubs us secessionists. Its idea is to create a scare among the Hindus and to keep them and the Sikhs divided for its political gains," Mr. Badal says.

This may be one side of the coin; but the other is different. The Akalis have refrained from condemning the secessionists unequivocally while the idioms, used by its extremists, are only slightly different from those employed by the votaries of Khalistan. Even while disapproving secessionist activities the party puts the blame

on those responsible for the present climate of discrimination against the Sikhs, because of which "some misguided persons" talk of secession. This is not the same thing as unequivocal denunciation of Khalistan. Secondly, the Akali-controlled SGPC allows the extremists to use Gurdwaras as sanctuaries.

All this and the talk of discrimination by Sikh politicians of various hues, a section of intellectuals and others add up to silent endorsement of the extremists' platform. That is a big danger. The situation could become still more difficult if religious fundamentalists join hands with secessionists.

Akali Dal Postulates

THE following is the English text of the Anandpur Sahib resolution translated from the Punjabi by an Akali senior, Mr. Amar Singh Ambalvi.

(A) Postulates: The Akali Dal is the only body which represents and is duly authorised to represent the collective will of the Sikh Panth—a society grounded in certain postulates concerning certain mutual human inter-relationships, the condition of man and his relationship with reality.

These postulates are enshrined in the triad of the Commandments of Guru Nanak—"Kirt karo, nam japo, wand chhako" (meaning that in his relation to society man must work and share the fruits of his labour with others and in his relation to reality he must try to have a communion with the essence of things). Coupled with this triad is the trifocal doctrine of Guru Gobind Singh laying down that (a) the individual is the true source of power, (b) that he is an end in himself and must never be enslaved or exploited by others, and (c) that prosperity and happiness, in an ever increasing measure, are the birthright and destiny of mankind.

General Aims: The Akali Dal shall be active and committed to the realisation of the following aims:

(i) Propagation of the Sikh way of life and removal of atheism and un-Sikh thinking.

(ii) Maintaining the feeling of a separate independent entity of the Sikh Panth and creation of an environment in which the "national expression" of the Sikhs can be full and satisfactory.

(iii) Driving away poverty and want and efforts to increase production in order to set up a just system in place of the present unjust distribution of wealth and exploitation.

(iv) Banishing illiteracy, untouchability, social inequities and caste-based discrimination which are contrary to the great teachings of the great Gurus.

(v) An end to the causes of ill health and disease, and condemnation and banning of narcotics and other intoxicants to promote proper physical growth of people in order to prepare the nation for national defence.

Religious Aims: (i) Bringing about a new all-India Gurdwara law which will ensure a more efficient and meaningful management of places of worship and community centres than at present and helping in the achievement of re-integration of ancient Sikh preaching orders (such as Udasis and Nirmalas) into a dynamic Sikh society without encroaching upon their financial resources and property.

(ii) Bringing all the gurdwaras of the world under the banner of one organisation to make the Sikh religious procedures and proceedings uniform throughout the world and pooling and making effective the aggregate resources of religious propagation.

(iii) Obtaining free and self-regulated access to and control of Sri Nankana Sahib and other Sikh sacred places from which Sikhs have been torn asunder in the recent past.

Political Aims: The political aims of the Panth are definitely ingrained in the orders of the 10th Guru, in the pages of Sikh history and in the perspective of the Khalsa Panth, the purpose of which is the pre-eminence of the Khalsa.

To give this "birthright" of the Khalsa a practical shape, creation of the necessary environment and achievement of a political constitution are the basic ideological planks of the Akali Dal.

To achieve this end the Akali Dal will use all possible means and struggle so that:

(A) The areas which have deliberately and intentionally been kept out of Punjab—Dalhousie in Gurdaspur district, Chandigarh, Pinjore, Kalka and Ambala, Una tehsil (Hoshiarpur district), the Nalagarh region, Shehbad and Guhla blocks of Karnal district, Sirsa tehsil, Tohana sub-tehsil and Raba block of Hissar district, six tehsils of Ganganagar district in Rajasthan and other contiguous Punjabi-speaking and Sikh areas—should be immediately included in Punjab and made into a single administrative unit wherein Sikhism and the interests of the Sikhs can be especially protected."

(B) In "New Punjab" the authority of the Centre should be confined to the defence of the country, foreign relations, communications, railways and currency. All the residuary subjects (departments) should be under the jurisdiction of "New Punjab" which should have the right to frame its own Constitution for these subjects."

In the Central subject "New Punjab" should contribute its share of the necessary finances in the ratio of its members in the Lok Sabha.

(C) Suitable constitutional and political safeguards should be provided to the Sikhs and other communities residing in other States to protect them from discrimination.

(D) The Akali Dal will strive to make the Constitution of India federal in the real sense and ensure that the authority and representation of all the States are equal at the Centre.

(E) The organisation considers the present foreign policy (framed by the Congress Government) "defective, ineffective and dangerous for the country and harmful for mankind." The Akali Dal will support a foreign policy based on peace and helpfulness to the cause of promotion of national interests, especially the cause of friendship with the goodwill for the neighbouring countries where Sikhs live and their sacred places are situated. The Dal is firmly of the view that its foreign policy should not be subservient to the foreign policy of any other country.

(F) To obtain justice for Sikhs and other servants of the State and Central Governments and raise an effective voice and wage a struggle in the event of injustice done to any of them are special planks of the Akali Dal programme.

(G) The Akali Dal will specially work for the maintenance of the traditional position of the Sikhs in the three wings of the defence forces and try to ensure that the demands and requirements of the Sikhs in the defence services get the required attention of the Panth. The Dal will also seek to make the Kirpan part of the uniforms of the Sikhs in the defence establishments.

(H) The organisation considers it its primary duty to obtain proper facilities for the rehabilitation of the former members of the defence forces in civil life, to organise them for safeguarding their rights and self-respect and to make their voice effective.

(I) The party is of the view that all men and women, who have not been convicted of any offence involving moral turpitude by a court of law, have the right to possess small arms, such as revolvers, pistols, guns, rifles or carbines; and no licence is necessary. Registration would suffice for their possession.

(J) The Akali Dal wants a ban on drinking and smoking at public places.

[1 Oct 81 p 8]

[Text]

THE people of the Western border region of Amritsar, Jullundur and other places live, to repeat a cliche, in two states these days—in the State of Punjab and in a state of turmoil.

The ugly events sparked by the surrender to the police of Sant Jarnail Singh Bhindranwale threatened to unleash an orgy of violence. That situation was happily averted but beneath the present calm surface, there is tension and uncertainty and a thoughtless move from any side, be it the Government or a political party could cause complications.

More ominous is the new militancy that showed itself in the shoot-outs in two cities. The culprits responsible for these incidents as also for the murder of Lala Jagat Narain, a veteran political figure and editor of a widely-read chain of papers, are yet to be apprehended (with the exception of one suspect). All this has, naturally, shaken the confidence of vast sections.

Mrs Gandhi's visit to Punjab on the eve of her trip abroad could not have been timed better. It helped to reverse, somewhat the prevailing trends and to evolve an all-party consensus on the need for maintaining peace and communal harmony. It would be a mistake to believe that her job ended with that. On the other hand, it was the beginning of what promises to be a long haul.

The present situation has several disturbing features some of which however look larger than life for various reasons. At the same time there is a lot positive, that could be built upon. Here is one instance: At Tarn Taran the scene of one of the two shooting incidents regarded to be handiwork of Sikh militants, the co-religionists of the attackers willingly joined the protest hartal by the Hindus and were in the forefront in offering blood for the injured.

Such manifestations of goodwill, commendable no doubt, are no insurance against determined fanaticism and violence.

New militancy

A brand new phenomenon, the militancy of what from all accounts is a tiny section of the Sikh youth contrasts sharply with the spirit of sacrifice and service of the earlier generation. What after all was the extreme step, threatened by Master Tara Singh and Sant Fateh Singh, who strode the Akali stage in the Sixties, to achieve their goal of a Punjabi-speaking State? That they would fast unto death or immolate themselves.

The militants have yet to be identified. No organised party owns them or approves of their action (there is no public denunciation either). Though they might have succeeded in creating a scare, the day-to-day life was not disrupted and there was normal turn-out of shoppers in the bazars and business centres of Jullundur and Tarn Taran two days after the shootings.

The offices of newspapers owned by Lala Jagat Narain, the slain leader, functioned normally but had security guards outside. Editors of Jullundur papers, whether supporters of the Akali Dal, Arya Samaj or others, had police escorts for protection.

Police posses guarded official buildings and manned improvised check-posts on the main approaches to the city.

Patrolling by the Punjab police, assisted by the Border Security force and the Provincial Armed Constabulary from U.P. was noticeably intensive.

Schools and colleges remained closed last week. Apart from ensuring peace, the police presence served another wholesome purpose. The Government became the bigger target of mischief-makers and to that extent the communal tension subsided.

CM's task

The task of the Punjab Chief Minister, Mr. Darbara Singh, was unenviable. It was not easy to nab Sant Jarnail Singh Bhindranwale, especially when he became a symbol of religious fervour, a somewhat mythical figure who gave a slip to the combined forces of Punjab and Haryana police, despite the care taken by them in working out a joint strategy.

The police could not keep track of the Sant's movements, after the warrants for his arrest had been issued and he was able to motor down undetected from his abode in Haryana to his headquarters at Chowk Mehta in Amritsar district, some 300 km away. But even if it were aware of his movement could it have apprehended him without bloodshed as the Sant had a lorry-load of armed supporters for escort?

Hypothetical issue

That in any case became a hypothetical issue after the Sant announced his intention to surrender to the police at the place and time of his choosing. This was so, despite the conflicting claims on what led to the surrender—while the authorities maintained they saw to it that he got the right advice, the Sant's top aide, Mr. Amrik Singh, was categorical that the arrest "would not have been possible without our cooperation, offered voluntarily and without any pressure."

The accounts one heard of the post-surrender happenings left no doubt about two points—one, that some miscreants among the crowd that had collected at Chowk Mehta were primarily responsible for the trouble and, two, that the police had not only been tactless but failed to take into account the mob psychology in an emotion-charged atmosphere.

Sanctuaries

The Sant episode and the events before and after it would make it difficult for the Punjab Government to continue with the old approach of benign neglect of the activities of the extremists. Also it may not be possible to defer action on certain basic issues, for instance, ways to deal with those who challenge the authority of the Government, but use Gurdwaras—outside the reach of the police, because of political considerations—as sanctuaries, or to delay a well-considered policy on arms.

The present situation creates strong compulsions for a Central move to deal with the complaints of discrimination against Singh. Whether the grievances are genuine, and whether or not there are political motives behind the Akali campaign (the Akalis did not raise these issues that insistently, when they were in power), New Delhi cannot say the problem was non-existent. Going by Mrs. Gandhi's observations during her brief visit to Chandigarh, a Central initiative appeared on the cards.

Mr. Darbara Singh has already written to the SGPC President Mr. Gurcharan Singh Tohra, suggesting steps by the Gurdwara Managing Committee against the use of places of worship by those wanted by law. Mr. Tohra's reply was considered encouraging—he was not aware of anti-national elements taking refuge in Gurdwaras and would like to be told of specific cases. Mr. Tohra said implying that he had the same ideas on the use of places of worship as the Government. May be there was a catch in what the Government said or what Mr. Tohra meant. But the ground was now set for pursuing the issue to a logical end.

Arms control

The control of arms is not an exclusive problem of Punjab though, here, it is more complicated because of the possibility of flow from across the border. Statistically, the situation may not be grave, there being only 2.15 lakh licensed arms with a population of 1.70 crores or less than 1.5 per cent. But a precise estimate of unlicensed arms with the people or the flow from Pakistan is not possible, which naturally creates problems for the authorities. Also, the weapons, both licensed and others are not evenly distributed among various sections. Individuals with militant leanings, political extremists have a disproportionately larger number.

Any examination of the Sikh grievances can only begin with a scrutiny of the demands put forward by the Akali Dal apart from other channels, through a memorandum given to the Government after the recent rally in Delhi. These include the transfer of Chandigarh and contiguous Punjabi-speaking areas of Haryana, Himachal Pradesh and Rajasthan to Punjab, direct transmission by radio of religious hymns from the Golden Temple, Amritsar, permission to Sikhs to carry Kirpans during travel by Indian Airlines and Air India, transfer of Bhakra-Nangal headworks to Punjab, revocation of the "rigged" elections of the Delhi Gurdwara Prabandhak Committee and an all-India legislation for the management of Gurdwaras throughout the country on the Punjab SGPC pattern. It is clear that even if a dialogue begins, an amicable settlement would not be easy.

'Hindu imperialism'

The problem posed by the Dal Khalsa, the extremist youth group, or the protagonists of Khalistan, owing allegiance

to Dr. Jagjit Singh, falls in a different category which obviously would not be resolved even if the Akali demands were to be met by the Government.

According to the Dal Khalsa spokesman "Hindu imperialism" posed a major threat to the Sikh religion. Mr. Prakash Singh Badal was their enemy number one. So strongly did he feel about the moderate views of the former Chief Minister.

By "Hindu imperialism" was meant attempts to project the Sikh Gurus as worshippers of Hindu Gods and similar other interpretations of the Sikh scriptures which, it was alleged, were intended to dilute the Panthic entity. They single out the Hindu press of Jullundur for attacks on this count.

During Mrs. Gandhi's Chandigarh visit, Opposition parties complained against the way the Home Ministry and the Punjab Government worked at cross-purposes. This was a reference to the none too cordial relations between the Chief Minister, Mr. Darbara Singh and the Union Home Minister, Mr. Zail Singh which were often played up by the regional press.

Many stories were current in Chandigarh last week on the subject—that influential anti-Darbara Singh politicians advised Mrs. Gandhi to impose President's rule in Punjab, that a section of the Congress (I) extended moral support to Sant Jarnail Singh Bhindranwale and that Mr. Darbara Singh plainly told the Prime Minister about the activities of "some" in New Delhi who were creating problems for him.

Can the ruling party afford the luxury of factional in-fighting at this juncture?

[2 Oct 81 p 8]

[Text]

IN an on-the-record interview in Chandigarh the other day, the Punjab Chief Minister, Mr. Darbara Singh, answered questions on the present situation repeatedly stressing the point that his Government would be firm and ruthless in its dealings with secessionists. He had initiated steps, he said, to ensure that anti-national elements do not get refuge in places of worship. Those familiar with the Punjab scene will vouchsafe that the efficacy and speed of his action would determine to a large measure the shape of things to come.

The telephone bell rang several times as he replied to queries in the office room of his official residence. It was Sunday the day the Akali Dal Working Committee met at a gurdwara near Ludhiana to chalk out its next plan for action. And his callers obviously kept him posted with developments throughout the State. He wanted them to keep two things in mind—speed and accuracy.

The misadventure

For official measures to be effective, this, it was clear, will have to be the guiding principle in all cases. As the developments of the last four days showed, Mr. Darbara Singh's would not be an easy job. The main Akali Dal, which participated in the discussions during Mrs. Gandhi's visit to Chandigarh on ways to restore normality later decided not to join the all party peace committee.

The militants among Khalistan campaigners dramatised their protest through the hijacking of the Indian Airlines plane and although the adventure misfired, the Dal Khalsa, the group responsible for it is unlikely to feel discouraged and may, at best, change its tactics. Though prominent members of the Sikh community were prompt in their denunciation, there were no such public comments by any of the Akali groups.

Even the moderates who are convinced of the harmful repercussions of such acts as hijacking have yet to pick up courage to say so in public. The extremists among the Akalis (who are different from militants), in any case, are not repentant. In support they cite the case of the two Pandeys, the Congress (I) activists who hijacked an I.A. plane to Varanasi in 1978 without being condemned by their party.

The Government, both at the Centre and in the State, had often described occasional pro-Khalistan rallies and other symbolic actions as the handiwork of a handful of people. The hijacking showed that though the movement might not have a wide base, the official complacency is misplaced. It adds a new urgency to Mr. Darbara Singh's resolve to be tough with extremists.

Here are his replies to some of the questions:

Question: In regard to the Bhindranwale episode, the Punjab Government is being blamed on two counts—(1) that it unnecessarily provoked the Sikh community by its decision to nab the Sant in the absence of firm evidence against him and (2) that the situation immediately after his surrender was not handled tactfully and was allowed to cause avoidable loss of life. What is the official view on it?

None above law

Answer: It is not our intention to provoke any community unnecessarily. Warrants for the arrest of Sant Bhindranwale were issued on the basis of circumstantial evidence

as also the statement given, on his own, by the suspect who had been arrested after the murder of Lala Jagat Narain (reference to Nichittar Singh).

In such cases the evidence can be indirect. It is not always necessary that we have direct evidence of the involvement of whosoever has taken part in the crime. If after interrogation and inquiry, nothing is found against the Sant, we would not come in the way of the law taking its course (and freeing him—he implied). But no person, big or small, is above the law.

The events at Chowk Mehta, on the day of the Sant's arrest, have to be seen in proper perspective. A crowd of 40,000 to 50,000 was there and had started dispersing after the arrest. The police were nowhere near the Sant's headquarters and had pitched their tents 1.25 km. away. They were not visible at all in the midst of the crowd, except four or five of them on traffic duty.

Unprovoked attack

Nearly half an hour after the arrest, when the police were rolling their tents, there was an unprovoked attack on them. The attackers were pushed back but regrouped themselves and advanced for another fling at the police. In the process, 11 tents were burnt, four vehicles and a fire-extinguisher were damaged and the duty magistrate was injured.

The police, including the mounted force, fell back but the attack continued with injuries to more of its members. It was at this point that the decision was taken to resort to firing—in self-defence against the unprovoked attack. There was no alternative. The police personnel had reasons to believe that they would have been done to death, had they not acted.

Q.: Would this process have been smooth, with better coordination between the law enforcement authorities of Punjab and Haryana, on the one hand, and Punjab and the Centre on the other?

Coordination

A.: So far as the Haryana and Punjab police were concerned, the coordination was very much there. I and my opposite number from Haryana, along with our Chief Secretaries and Inspectors-General of Police reviewed the situation (soon after the Sant's warrants were issued) and decided upon broad points of strategy. The Haryana police fully knew what is what. As regards the Centre, there was no missing link in coordination.

Q.: How do you plan to counter, politically and administratively, the cult of violence that has raised its head now?

A.: To promote amity and goodwill among different communities we have formed citizens' committees at the State headquarters and among parties and religious groups. With their help and consultation, we will formulate specific programmes of action. The authorities will be prompt in implementing the decisions taken by these bodies.

Intensive patrolling

Secondly, the Government had stepped up its vigilance. We will not leave anything to chance or let miscreants or undesirable elements continue their activities. We will try our best to contain militancy. We will enforce the law firmly and leave no doubt in anybody's mind that we mean business. Already the intensified police patrolling in various cities and the deployment of the BSF and other forces have helped restore confidence. This process will be built upon.

At the party level, we propose to organise a State-wide campaign to create public opinion against violence and militancy and take steps to strengthen the traditional good relations among different communities in Punjab. With its organisational network spread over all the State the Congress (I) could effectively discharge this function.

Q.: Is this new militancy, with its secessionist overtones, a sudden phenomenon? How strong is the Khalistan movement and could it not have been contained by timely action earlier? What are the factors and forces behind it?

Political motive

A.: In part, secessionist tendencies are fed by some sections of overseas Indians who have links with communal elements here. This is a general proposition. It can be examined in two parts.

One, there is a small section of militants who make no secret of their secessionist ideas. It is, however, not uncontrollable and we are going to take steps to counter them effectively and without delay.

Two, the extremist ideas are encouraged, perhaps, unwittingly, by the statements and agitations of those who talk of discrimination against Sikhs. The object of this section is political—it hopes to achieve its political ends by propagating alleged grievances of Sikhs. In practice, however, they lend support to extremist tendencies. You call it Khalistan or give it any other name.

Sanctuaries

Q.: Your views on the use of gurdwaras as sanctuaries by those indulging in anti-national activities?

A.: It is not proper that law-breakers are given shelter in gurdwaras, temples or mosques. There is a sanctity about

places of worship which, obviously, cannot be maintained if criminals or anti-national elements are allowed to stay there. I have written to the leaders of various religious organisations, SGPC, Sanatan Dharam, Arya Samaj and others, drawing their attention to the responsibility that devolves on them, and suggesting immediate action to throw out anti-national elements who are using the places of worship as sanctuaries.

It is unfortunate that this should be so. It is the job of the management of places of worship to take steps and not the responsibility of the Government. It is unexceptionable that religious places should not be used as springboards for anti-national activities. We have several communities which have their respective places of worship and the Government has respect for all of them. It has no intention to send the police into gurdwaras. It did not do so in the past and would not do in the future. Because of this the responsibility of the management is all the greater.

Drive against arms

Q.: What has been the role of arms, big and small, licensed and illicit, with the people and do you think it is possible to reduce the quantum of these arms to manageable levels?

A.: The drive against unlicensed arms is a continuous process and there has been no slackening. Last year we were able to seize some 300 pistols believed to have been smuggled from across the border. The drive would be stepped up.

Even in the case of licensees we would not hesitate from seizing arms if there is fear of misutilisation. The idea is that arms should not be allowed to remain with those who may use it for undesirable ends. There may be irregularities in the grant of arms to bona fide licensees. We will detect such cases and cancel the licences.

Q.: Will it be worthwhile attempting a long-term solution on the basis of power sharing with the moderate section of the Akalis?

A.: All those who subscribe to the ideology and policies of the Congress (I) and are willing to join the national mainstream are welcome to our fold. The Government cannot and will not have any truck with communal parties however.

CSO: 4220/7164

RESERVE POLICE DIRECTOR TALKS TO NEWSMEN

Bombay THE TIMES OF INDIA in English 26 Sep 81 p 10

[Text] Gandhinagar, September 25--The relevant provisions of the Cr. P.C. should be amended to give the Central Reserve Police Force (CRPF) the necessary authority like armed forces for maintaining internal security in the country, according to Mr. R. N. Sheopory, director-general of the CRPF.

Mr. Sheopory told newsmen yesterday that the overall law and order situation in the country was quite grim and the responsibility of the CRPF was growing every day.

He regretted that the CRPF units were deployed for long periods at places such as Aligarh, Moradabad and in the eastern part of the country. The law and order was the responsibility of the local authorities and the CRPF should only be deployed to assist them. Instead of taking long-term remedial measures, the local authorities were seeking the help of the CRPF too frequently and for longer periods, he added.

When asked at how many places the CRPF was being deployed, Mr. Sheopory said, "Please ask me at how many places CRPF units were not being engaged".

He said the CRPF was being reorganised and its training system was also being changed to make it more useful in tackling riots, agitations and insurgencies.

Referring to its past performance, he said that during the 1965 war, the CRPF was deployed against the Pakistanis. Earlier, in 1959, its soldiers were killed by the Chinese army while patrolling the Himalayan borders.

The CRPF was raised during the second world war for watch and ward duties at concentration camps set up for the people suspected of having allegiance to the "axis" countries, for guarding the communication system and other activities. It was called "crown representative's police". Till 1948, its strength was only two battalions.

He said the strength of the force had been raised to 66 battalions, though two more paramilitary forces, Indo-Tibetan police and the Border Security Force, were created in 1962 and 1966 for taking over the responsibility of manning border posts.

Mr. Sheopory was here in connection with the passing out parade of 66 battalions of the CRPF. The parade will be held today.

CSO: 4220/7126

MEETING MARKS INDO-SOVIET TREATY ANNIVERSARY

New Delhi PATRIOT in English 26 Sep 81 p 10

[Text] The Indo-Soviet Friendship Treaty, signed ten years ago, has shown the path for building bridges of friendship and cooperation between the peoples of the two countries.

This was the consensus at a meeting held in Delhi on Friday to mark the conclusion of the month-long celebrations of the treaty anniversary.

ISCUS National Council vice-president Mrs Aruna Asaf Ali presided over the meeting.

Soviet Nari (Hindi edition) editor I. Y. Golubyev, who is also the general secretary of the Soviet Indian Friendship Society, described the friendship of the two peoples as the Soviet people's apple of the eye.

Peace and stability were extremely necessary in any region that aspired for prosperity and progress, he said.

Mr Golubyev said that Mrs Gandhi was considered an outstanding international leader in the Soviet Union who had contributed a lot to the cause of world peace and understanding.

He said that the popularity of the Indian Prime Minister could be gauged from the fact that her name was a household word in his country and one daughter in every few homes was named 'Indira.'

CPI member of Parliament Indrajit Gupta told the gathering that both the countries had mutually resolved to maintain peace in the region.

The atmosphere in which the friendship treaty had been signed was vitiated by dangers of war, and the dangers still prevailed with Pakistan acquiring arms from USA and China.

In spite of claims to the contrary, Pakistan had in the past, used its acquired arms against India, Mr Gupta reminded the gathering. It was at a critical juncture that India and the Soviet Union had signed the friendship treaty.

Eminent writer and novelist Rajendra Yadav recalled how Tagore and Premchand had been influenced by Soviet thought and had reflected it in their works.

A book on "Indian Independence movement and the Soviet Revolution" in Hindi, written by Mr B. M. Upadhyaya, was released by Mr Golubyev to mark the occasion.

CSO: 4220/7130

FINANCE MINISTER'S SPEECH TO IMF MEET REPORTED

Bombay THE TIMES OF INDIA in English 28 Sep 81 p 1

[Excerpt] Washington, September 27 (PTI)--The finance minister, Mr. R. Venkataraman, has called upon the world community to provide the necessary resources to the International Monetary Fund (IMF) to enable it to play a major role in helping countries undertake adjustment programmes for overcoming their present balance-of-payments problems.

He was addressing the interim committee of the IMF yesterday which was meeting in advance of the annual meetings of the fund and the World Bank next week.

He drew attention of the committee to the "extraordinarily difficult" situation faced by the oil importing developing countries. These countries, he said, were facing a huge current account deficit which had been made worse by a weakening export demand for their products, stagnant and declined aid flows, the very high rate of interests and the weakening commitments to multilateral institutions.

Mr. Venkataraman said that the need for countries to undertake adjustment programmes was both necessary and urgent, and referred to the strong measures undertaken by India to overcome the present critical economic situation confronting it.

The investment programmes in India, he said, reflected the attempt to reduce dependence on imported oil, promote the shift from oil to non-oil energy resources and accord priority in other areas of import substitution and export promotion. He said that till these efforts at adjustment begin to take effect, country like India would require their balance of payments deficits to be financed.

Mr. Venkataraman emphasized that the size of deficit faced by developing countries was very much beyond the capacity of private capital flows to meet. Besides, the low-income countries that did not have adequate access to private markets would not be expected to borrow at prevailing rates of interest on these markets.

Under the circumstance, he said, the significant role of the IMF and the World Bank to assist the developing countries must be realised. There was a need for a substantial increase in multilateral aid flows.

While commending some of the recent measures undertaken by the IMF to provide substantial amounts over longer periods, Mr. Venkataraman expressed concern

about the pressures to limit the scale of fund activity. He urged the fund management to redefine its approach to conditionality by moving away from the traditional short-term stabilisation measures and to reflect the requirements of medium-term adjustment process depending upon investment programmes towards this end.

He called upon the interim committee to give clear indications to the IMF management to explore all avenues for augmenting resources.

CSO: 4220/7137

VENKATARAMAN'S WASHINGTON PRESS CONFERENCE REPORTED

Madras THE HINDU in English 29 Sep 81 p 1

[Article by N. Ram]

[Text] Washington, Sept 28--The proposal for a five billion Special Drawing Rights (SDR) extended loan to the Government of India goes before the International Monetary Fund's Executive Board on November 9, Mr. R. Venkataraman, Finance Minister, said here on Sunday.

The controversial proposal was originally scheduled to go to the 22-member body in the second half of October. Mr. Venkataraman explained the delay as being caused by the travel plans of the Fund's Managing Director.

He met Mr. J. de Larosiere here for a discussion on the loan and its terms.

Mr. Venkataraman told Indian correspondents here that the formal application--in the form of a "letter of intent" from the Government of India--would be "sent shortly" to the IMF.

Asked if he proposed to make the letter and the "performance clauses" public (in line with his promise in India to make them "almost a public document"), he clarified that the Government planned, after the loan was approved, to release a statement "summarising" the details. He took his stand on the ground that "these documents" were "never" released--although it was pointed out that some years ago the British Government placed, or was brought round to placing, documents on a massive loan from the IMF before Parliament.

Asked about the conditionality imposed by the Fund for the largest lending arrangement in its history, the Finance Minister responded, "There is no question of devaluation as a condition."

As for the U.S. stance towards it, he said that as "an optimist," he expected the arrangement to go through.

Commenting on suggestions in some American newspapers that the Government of India would use the IMF loan for "development financing," Mr. Venkataraman said it was "a categorical application for meeting balance of payments difficulties."

Shackles on Aid Agencies

Speaking earlier in the Interim Committee, the key policy-setting body of the Fund, he called attention to the "extraordinarily difficult economic situation" facing oil-importing developing countries. And in an obvious reference to U.S. and conservative Western stances, he noted that "the commitment to multilateralism has weakened and multilateral institutions are being put under undue and unwarranted restraint."

Attack on Monetarism

In this connection, Mr. Venkataraman had a dig at "misguided monetarism" that had pushed interest rates to unprecedented heights.

Asked after the meeting what specifically he had in mind when he criticised "monetarism," he listed, apart from an obsession with curbing money supply, "demand management as we know it...cutting down public expenditure...high interest rates...and less growth in the economy, leading to greater unemployment."

(Indian officials in the delegation explained that the Finance Minister had used the phrase with exclusive reference to developed countries, in particular U.S. and the United Kingdom. The negative results, they added, were most apparent in the case of the latter country.)

In the Interim Committee, Mr. Venkataraman defended the response of his Government as follows: "We...are in no doubt about the need for domestic adjustment and we have already taken very strong measures towards this end... Prices of crude oil and petroleum products have been raised to realistic levels. Fertilizer prices have also been raised by over 80 per cent. The burden of these price increases alone amounts to over three per cent of GNP. Adjustment on this scale is difficult in any circumstances and even more so at our levels of per capita income and within an open and democratic parliamentary system."

He added that "the logic of structural adjustment" was reflected in "an ambitious expansion programme" to increase domestic exploration and production of oil and also in the investment programmes in the Sixth Plan.

He went on to argue that "all this...takes time as well as money" and even given "the best effort at structural adjustment" it would be necessary to "finance substantial balance of payments deficits in the short run even as the adjustment measures begin to take effect."

Contending that the size of the new deficits were such that "private capital flows cannot possibly be an adequate answer by themselves," he said IMF and the World Bank could not be assigned "a residual role at this critical juncture."

He praised the IMF for responding "commendably to the needs of the situation in the past two years by making available substantial amounts over longer periods than was possible under its traditional stand-by arrangements."

He regretted the questioning of the Fund's "innovative developments" for "reasons hard to understand" and expressed "concern" over pressures to limit the scale of IMF activity and also for "stricter conditionality."

Addressing "the issue of conditionality" (which he recognised as "the specific and unique characteristic of Fund financing"), the Finance Minister said there could be "no dispute" that "the use of Fund resources must be accompanied by, and indeed support, the adoption of appropriate adjustment measures. But conditionality must be relevant to the needs of the situation and several aspects of the present situation call for a new approach to conditionality."

Using jargon in favour here, Mr. Venkataraman asserted (in the Interim Committee) that "an effective adjustment in the present situation depends heavily upon supplyside responses which in turn depend upon investment programmes."

He appealed to the Fund to "move away from its traditional, almost exclusive, focus on instruments of short-term stabilisation" and "move towards a broader definition of conditionality consistent with the requirements of a medium-term adjustment process."

CSO: 4220/7143

INDIAN BUSINESS DELEGATION HOLDS MOSCOW TALKS

Calcutta THE STATESMAN in English 1 Oct 81 p 5

[Text]

MOSCOW, Sept. 30.—The Soviet Union has reportedly showed interest in an offer by a group of private Indian business men to set up a synthetic fibre unit in India with Western technology provided the USSR agreed to buy a substantial part of its output on a long-term basis, reports PTI.

The offer was made yesterday by a group of leading Indian business men now on a visit here at the invitation of the USSR Chamber of Commerce and Industry during a two-and-half hour meeting with the Soviet Foreign Trade Minister, Mr Nikolai Patolichev.

The group also offered to set up a shoe plant in India with Soviet equipment and technology for producing footwear for the USSR and third country markets.

It acquainted the Soviet Minister with the strides made by private industires in India, their potential for growth and absorption of the latest technology in keeping with national goals.

The two sides reportedly discussed various possibilities of collaboration with the Indian private sector to supplement cooperation already existing between State agencies in the two countries.

Earlier, during the group's discussions yesterday, the Soviet side is understood to have suggested setting up on a permanent basis some joint machinery like those the USSR has with private enterprises in Japan and West Germany.

While welcoming the idea, members of the visiting group are believed to have felt that arrangements already existing with the Federation of Indian Chambers of Commerce and Industry could be further strengthened to achieve the desired results.

As regards collaboration in third country ventures, any proposal will have to take into account the parameters within which the Soviet Union operates in its economic relations with foreign countries.

As a rule the Soviet Union does not invest in outlays of enterprises in other States on a partnership or ownership basis. It only provides the technology, equipment and necessary credits repayable over long periods. It does undertake turn-key projects but without stakes in ownership.

CSO: 4220/7153

INDIAN BUSINESSMEN'S TEAM ENDS MOSCOW TALKS

Madras THE HINDU in English 2 Oct 81 p 5

[Text]

MOSCOW, Oct 1

The seven-member group of Indian businessmen concluded discussions on Wednesday with representatives of key Soviet economic Ministries on a hopeful note of new vistas opening up for fruitful collaboration between private Indian industry and Soviet commercial and industrial enterprises.

The group had prolonged discussions with the chairmen of the Soviet planning body and the State committee for economic relations with foreign countries Mr Nikolai Baibakov and Mr. Seymon Skatchkov.

During these discussions, as in the earlier meeting here, the group members outlined a large number of proposals that have relevance to the economies of the two countries.

They identified a long list of items which the group members felt could be supplied by India on a long-term basis for which the USSR is now spending substantial amounts in convertible currency against imports from the West.

Unlike in the past when India invariably ended up with a favourable balance of trade with the USSR, the Soviet Union is likely to turn the balance in its favour in the coming years and thus have enough trade surpluses to enlarge its imports from India.

The current year's trade turnover is expected to exceed Rs. 2600 crores and in 1982 both sides are aiming at raising the total two-way trade exchanges to almost Rs. 4000 crores.

Besides an export-oriented modern footwear plant in India with Soviet technology and equipment, and a synthetic fibre plant based on Western technology for meeting Soviet consumer needs, individual members of the group have indicated they could set up units to produce industrial robots which have a direct relevance to the acute labour shortage in the USSR.

The Soviet Union has already made a beginning in using industrial robots where human ingenuity is not altogether needed.

The talks covered bilateral, third country and export-oriented projects. It also proposed that the existing Indo-USSR Joint Chamber under the Federation of Indian Chambers of Commerce and Industry be broadbased and strengthened.

This will enable members of other industrial organisations like the Associated Chamber and the All-India Manufacturers Organisation, interested in promoting commercial and economic cooperation with the USSR, to join and participate in them.

However, there is no move to establish any permanent joint body of the Chambers of Commerce and Industry of the two countries, according to Mr K. N. Modi, a member of the group.

CSO: 4220/7160

PRESS COUNCIL CHAIRMAN REPORTS ON MEETING

Calcutta THE STATESMAN in English 3 Oct 81 p 11

[Text] Bhubaneswar, Oct. 2--The Press Council of India is seeking the power to censor, reprimand and warn the Government for setting up commissions. At present it can merely record its observations on issues involving the Government. This was stated by the council's chairman, Mr Justice A. N. Grover here yesterday.

Addressing a Press conference after a two-day meeting of the Press Council, he said that the Council had finalized its observations on a speech delivered by the Union Minister for Information and Broadcasting, Mr Vasant Sathe in Calcutta. Mr Sathe had reportedly observed that if a journalist did not "behave properly" he should be put in jail. The Maharashtra Chief Minister Mr Antulay's remarks on journalists had also been noted. The observations would be released to the Press in Delhi.

Mr Justice Grover said in response to representations made by journalists that a sub-committee of the Press Council, in collaboration with the Indian Law Institute, was making a detailed study of the clauses of different laws which could inhibit the freedom of the Press. These related, among others, to the Official Secrets Act, contempt of court and parliamentary privileges. The Press Council would forward its views on the subject to the Government with a request to amend certain clauses of the Acts concerned in order to ensure Press freedom, he added.

The Press Council had till last month received 350 complaints against the Government and newspaper managements. Mr Justice Grover was against the Government curbing the release of advertisements to newspapers on ground that they indulged in "yellow journalism" or character assassination of Ministers or officials. The aggrieved persons could very well bring the matter before the Press Council, he pointed out. The Council was interested in ensuring Press freedom.

Under the provisions of the law, the Press Council was levying funds from newspapers to meet its expenses. He felt that newspapers particularly the larger ones, should agree to pay double the fund being levied at present to stop the dependence of the Press Council on Government funds.

Mr Justice Grover stressed the need for newspapers to deal more elaborately with socio-economic problems. A sample survey made by the Council revealed that six national English newspapers devoted negligible space to the coverage of such items,

while four Hindi newspapers did slightly better. Some regional language papers provided more matter on the subject.

UNI adds: Mr Justice Grover said that the Council was satisfied with the replies given by the editors of Samaj and Prajatantra of Cuttack in connection with the attacks made by medical college students on the staff of their dailies.

Mr Justice Grover said the two editors had appeared before the Council and stated that they would not like to pursue the matter as because the Cuttack Medical College students and the police had apologized.

The Press Council had taken up the matter sue motto and had asked the State Government and the newspapers to give their versions. "It is disappointing that the State Government did not cooperate with us. It is the same in other States," Mr Justice Grover said. The newspapers maintained that the police had "connived" with students.

CSO: 4220/7166

PRESS COUNCIL SEPTEMBER DECISION REPORTED

Calcutta THE STATESMAN in English 6 Oct 81 p 9

[Text] New Delhi, Oct. 5--The Minister of External Affairs had asked the Press Council to evolve rules governing acceptance by the Indian Press of advertisements from foreign missions denouncing third countries with which India had friendly relations.

The council, however, decided at its meeting held at Bhubaneswar on September 29-30, 1981, to remit the case back to the External Affairs Ministry with a view to taking such action as it deemed proper through the diplomatic channels, requesting foreign Embassies in India not to use our media for any such purpose.

The Authors Guild of India drew the attention of the council to the cavalier treatment meted out to freelance writers by editors of newspapers, and requested it to draw up some conventions or rules with regard to this matter. The council was, however, of the view that no principles should be evolved in this behalf and that it could consider specific cases on the merits whenever they are brought before it.

The council decided to notify certain associations and news agencies in terms of the provisions of the Press Council Act, 1978, for the purpose of nominating members to the council, which will be reconstituted with effect from March 1, 1982.

A complaint lodged by a member of the council alleged that Mr A. R. Antulay, Chief Minister of Maharashtra, made some derogatory remarks against journalists. The council noted that its appeal to responsible public men and journalists made some time in the past to desist from using objectionable language against each other had not been taken seriously.

It accordingly resolved to reiterate the appeal to all concerned to refrain from making such statements which tend to undermine the freedom of the Press and interfere with the role expected of it in a democratic society. At the same time, the Press is also expected to maintain high standards of public taste and professional responsibility.

CSO: 4220/7185

TATA TALKS TO NEWSMEN ON VISIT TO USSR

New Delhi PATRIOT in English 3 Oct 81 p 3

[Article by Vinod Taksal]

[Text] Moscow, Oct 2--The Soviet Union might go in for collaborative ventures with the Indian private sector in a big way in the near future following talks here between an Indian industrialist's delegation and top managers of the Soviet economy.

According to sources, the Soviet Union has put forward a number of proposals for joint collaborative and third country ventures in the non-government spheres before the Indian delegation. Equity participation of the Soviet Union with the private sector has also been hinted at.

Delegation leader Naval Tata said today that they had "very useful" and constructive talks with top managers of the Soviet economy and foreign trade, including first Deputy Premier Ivan Arkhipov, who is also co-chairman of the Indo-Soviet Joint Commission, State Foreign Economic Relations Committee Chairman Seymon Skachkov, Planning Commission Chief Baibakov and Soviet Chamber of Commerce Acting Chief Plitnov.

Indian businessmen and Soviet authorities both of whom seem eager to cooperate with each other in the coming years in fulfilment of the goals set in the Brezhnev-Indira Gandhi documents signed in New Delhi last December.

Speaking at a largely attended reception yesterday by the group, Mr Seymon Skachkov, repeatedly emphasised that the discussions would lead to tangible results.

Later talking to newsmen, Mr Tata said several proposals were exchanged by the group and Soviet authorities which are to be pursued in the coming months.

Mr Grishin is due to visit India in December and the group has invited a delegation from the USSR Chamber of Commerce and Industry.

Mr Tata said all those to whom the group had spoken have indicated a willingness to cooperate with the private sector in India actively.

Photochemical Plant

The construction of a photochemical plant in India with Soviet assistance has been envisaged in a protocol signed during the visit of another Indian delegation.

A group of Soviet experts will soon arrive in India to discuss with their Indian colleagues the capacity of the plant and also to choose the site for its construction. They will also collect the required data for the preparation of a feasibility report for the construction of the plant.

The protocol, reports APN, also provides for the construction of new boilers with power houses at the antibiotics plant in Rishikesh and synthetic drugs plant in Hyderabad.

CSO: 4220/7169

SINGH TALKS TO PRESS ON KHALISTAN, COMMUNAL PARTIES

New Delhi PATRIOT in English 4 Oct 81 p 1

[Text] Hyderabad, Oct. 3 (PTI)—Union Home Minister Zail Singh today said that foreign money might be involved in the "Khalistan Movement" as some nations "do not want political stability in India."

"This kind of movement attracts others and you can understand what they do and what they want," he told newsmen on his arrival here from Delhi.

Mr Zail Singh said the Government would consider a ban on parties generating hatred among communities. However, this would be done only as a last resort if persuasion and negotiation failed to solve the problem.

Mr Zail Singh said that there is no proposal to promulgate President's rule in Punjab on account of the threatened Akali agitation.

He said that the Union Government would provide all possible assistance to the Punjab Government to deal with the situation arising out of the agitation.

He said the situation would be further reviewed after the Prime Minister's return from the foreign tour.

"There is no danger to the law and order situation. It is under control. The State Government is having dialogue with the political parties on the problem," he added.

Mr Zail Singh said some "misguided elements" were behind the Khalistan movement. The Sikh community as such was not supporting the demand. "This demand is harmful to the country and the Sikh panth as well," he said.

"The Sikh leaders were opposed to the movement," he added.

Mr Zail Singh expressed the hope that the Punjabis would live up to their tradition and not allow lawlessness and communal riots in the State.

CSO: 4220/7176

GANDHI PRESS CONFERENCE IN CANBERRA REPORTED

Calcutta THE STATESMAN in English 5 Oct 81 pp 1, 9

[Text] Canberra, Oct. 4--Mrs Gandhi said here tonight that India would not be "caught napping" by Pakistan which had jumped "a decade ahead of us" by acquiring sophisticated armaments, report PTI and UNI.

She told a dinner meeting of the National Press Club that she could not face people or Parliament if they thought that India, which had been invaded five times during the past three decades and which had been "caught napping" twice, was not fully prepared to meet any eventuality.

Mrs Gandhi's remarks came in reply to a reporter's question that how she reconciled her call for a halt to arms race when she herself was going to Paris next month to sign an agreement with France for purchase of 150 Mirages.

The Prime Minister expressed concern over Pakistan's preparations to acquire a nuclear weapon. "Naturally we do not approve of it."

The address to the Press Club was her last engagement here before she flew to Melbourne at the conclusion of the weekend retreat of Commonwealth leaders.

The New Zealand Prime Minister, Mr Robert Muldoon, was the only other Commonwealth leader to address the club. He preceded Mrs Gandhi by a few hours and drew small audience in contrast, nearly 800 people attended Mrs Gandhi's meeting.

Mrs Gandhi held Pakistan responsible for forcing India to make a huge defence expenditure to protect its security and integrity.

She said India had to divert funds for defence, which could have been used for the benefit of the poor.

In reply to another question the Prime Minister said India had protested against the supply of F16 aircraft by the USA to Pakistan though she did not know whether it could be described "as a formal protest" in diplomatic parlance.

On Afghanistan, she said India had publicly and privately told the Soviet leaders that their troops should quit Afghanistan, "but they feel encircled." She said that a proper way out would be to find a solution to the problem rather than make a big noise about it.

Criticizing the double standards practised by some countries in this regard, Mrs Gandhi asked why there had been "no mobilization of world opinion or even a condemnation" when some other major Powers had indulged in similar interventions." She said amid laughter: "We in India are different in this respect."

The Prime Minister, who answered a wide range of questions in an hour-long conference, including those on Pakistan's entry into the Commonwealth sports contacts with South Africa, and the plight of Harijans in India and the recent conversion to Islam, defended the utility of the Commonwealth, though it is a loose forum.

Mrs Gandhi said even a body like the Commonwealth could play a very useful role in arresting the growing confrontation between big Powers and their arms race and thus arrest the drift to war and in expediting North-South dialogue.

Mrs Gandhi explained that the Pokhran experiment was only the explosion of a nuclear device without any fall-out. India was interested in harnessing nuclear energy only for peaceful purposes like agriculture, power generation and the like.

Asked if this was one reason why India was blocking Pakistan's readmission into the Commonwealth, she replied in the negative.

She confirmed India had strong reservations on the issue and said there had been no change either in the Commonwealth or in Pakistan to warrant India supporting Pakistan's readmission. The decision to opt out of the Commonwealth was taken by an elected Government in Pakistan.

Since then there had been no elections there. "It is only the voice of one man, which need not be given great weight," she said, referring to the military dictatorship headed by General Zia-ul-Haq.

Further, where was the guarantee that Pakistan would not opt out again. She feared that Pakistan would utilize the forum as it had done in other international platforms to bring up bilateral questions, contrary to the accepted convention in the Commonwealth.

Without revealing name, Mrs Gandhi said a prominent international leader had told her: "It is so sad. Nobody wants war but the world seems to be drifting to it."

The Prime Minister said that in her view "we are moving towards greater confrontation" with the increase of the armaments industry and the spread of armaments. This drift should be arrested, she said.

The second danger to world stability and peace was "the widening gap between richer and poorer nations." Mrs Gandhi said action to eliminate this disparity should be taken immediately.

The Prime Minister, who was asked a number of questions suggesting that India was over-reacting to the situation, quipped: "Are you suggesting that Pakistan is going to use American-supplied F-16 aircraft and other equipment against the Soviet Union?"

Comparing the Indian and British systems, Mrs Gandhi said that the British Queen was completely non-political but in India the President belonged to political parties and right now he (the President) belonged to an Opposition party.

India, she said, sought genuine friendship with every country. This was India's attitude towards Pakistan and China too, she said.

CSO: 4220/7180

PATIL ADDRESSES EASTERN NAVAL COMMAND OFFICERS

Bombay THE TIMES OF INDIA in English 5 Oct 81 p 5

[Text] Visakhapatnam, October 4--The minister of state for defence, Mr. Shivraj Patil, said today India would spare no efforts in strengthening its armed forces for the better defence of the country.

Addressing officers of the Eastern Naval Command here, Mr. Patil said the country was aware of its neighbours being armed with some sophisticated weapons, including F-16 aircraft, by big powers. But our defence forces were also equally well equipped with modern arms, he said.

He warned that India's endeavour to promote peace in the world should not be mistaken for its weakness.

The Union minister said that some countries, which were envious of our rapid economic development, were trying to exploit India's internal problems like parochialism and casteism. The government was taking every care to safeguard the interests of the people and, at the same time, our armed forces were prepared to meet any threat to the country's integrity and sovereignty, he added.

Mr. Patil said the government was now engaged in improving the economic conditions of the weaker sections. He appealed to the people to help the government in this gigantic task. He also made a special mention of the important role the press had to play in this regard.

Mr. Patil, who was on a two-day visit to Visakhapatnam to inspect the naval establishments, was received by Vice-Admiral M. K. Roy.

CSO: 4220/7178

CONCERN SHOWN OVER NEWSPRINT COMMITTEE PROPOSAL

Bombay THE TIMES OF INDIA in English 3 Oct 81 p 5

[Text] New Delhi, October 2 (PTI)--The Editors' Guild of India at a meeting here noted with "profound concern" the newsprint advisory committee's proposal to deny newsprint to papers engaging in "anti-national" activities and to impose a 60:40 news-advertisement ratio.

The guild is of the view that "not only do these proposals go against the assurances held out to industry by persons in authority that, apart from the normal law of the land no other restrictions of any type would be imposed on the newspapers, but are calculated to jeopardise the freedom of the press," a guild release said.

"The guild is shocked to note that these suggestions should originally come from the Press Council. The guild has always been of the view that the Press Council's functions are solely of a regulatory nature and that it is not for the council to punish newspapers. As such its demand for 'teeth' is wholly misguided and in any case against informal assurances given to the guild," the guild resolution said.

The guild congratulated members of the newsprint advisory committee who opposed the Press Council's demand and urged the government to drop "this dangerous idea."

The guild welcomed the ruling given by the chairman of the Rajya Sabha, Mr. Hidayatullah, on the privilege motion against the executive editor of "Indian Express," Mr. Arun Shourie, over the "Antulay affair."

"Particularly noteworthy is his observation that newspapers are the eyes and ears of the public and if every citizen has the right to criticise the actions of others, so have newspapers whose job it is to turn the light of publicity on the irregularities of public action."

CSO: 4220/7165

TEXTBOOKS TO BE INSPECTED FOR COMMUNAL TEACHINGS

New Delhi PATRIOT in English 27 Sep 81 p 5

[Text] The Centre has instructed the State Government to take up the scrutiny and evaluation of school textbooks from class one to seven with a view to replacing them if they are found to instil in young minds feelings of animosity between different communities, reports PTI.

The Centre's instruction followed the recommendations by the National Integration Council and the Minorities Commission which have laid emphasis on the vital role of education in bringing about national integration.

The two bodies had recommended replacement of such objectionable textbooks and their replacement by such textbooks as encourage feelings of equality and brotherhood between members of all communities.

Emphasizing the urgency of such evaluation, the Centre has told the States in a communication that to begin with, the programme may be confirmed to evaluation of history and language textbooks. The textbooks in language would cover the first language, the second language and English.

History textbooks would include books taught either as an independent subject or as a part of social studies.

The Centre has also told them that efforts should be made to ensure that revised textbooks, where necessary, become available for the 1982 academic session. School textbooks in other subjects can be taken up in later phases for similar review. The Centre has issued detailed procedure in making the evaluation.

Besides the States, the National Council of Educational Research and Training will organise a national conference to coordinate evaluation.

The Union Government is also considering the question of setting up a high-level steering committee at the national level to coordinate such evaluation.

CSO: 4220/7135

INDIA MAY REPLACE SOVIET-BUILT TRANSPORT PLANES

New Delhi PATRIOT in English 3 Oct 81 p 5

[Text] India is examining the possibility of acquiring wide-bodied modern transport planes to replace its present fleet of Soviet-built planes, reports PTI.

According to new Chief of the Air Staff Air Chief Marshal Dilbagh Singh the Government would 'soon take a decision as to which model of the transport plane it should acquire to replace the A. N. 12 planes which had been phased out by its producer country--the Soviet Union.

In an informal chat with newsmen on Thursday night he said that these Soviet planes had to be phased out by India because of the difficulty in getting spares for them in future.

The AN 12 planes described as the 'work-horse' of the Indian Air Force in the western and eastern maintenance command were inducted into the air force in 1960s.

In reply to questions the Air Force Chief said that suitability of various models of transport planes were at present being examined in the world market and a final decision would soon be taken.

India is the only country in the world which has an air field at the height of about 10,000 feet above sea level.

Air Marshal Dilbagh Singh told a questioner that a final decision for replacement of 'Packet' and Dakota transport planes with the air force had already been taken. These planes would be phased out as the new replacement Soviet planes A.N. 32 were received, he said.

CSO: 4220/7169

ECONOMIST PREDICTS PROBLEMS CAUSED BY IMF LOAN

Calcutta THE STATESMAN in English 3 Oct 81 p 8

[Article by Amiya Kumar Bagchi, professor of economics at the Center for Studies in Social Sciences]

[Text] Last week we published an article by Mr K. Rangachari on the IMF loan. Amiya Kumar Bagchi takes a critical view of the loan conditions but says that the Indian Government has already taken a number of the measures the Fund is likely to insist on if the loan is to be sanctioned. He feels that the loan, if it finally comes through, will lead to an enormous increase in the country's debt burden. Given the protectionist trade climate and the poor aid prospects, there is no guarantee that exports will increase at a sufficiently rapid pace to take care of the higher interest payments. Apart from the balance of payments, there is also the problem of "disciplining the economy" which may lead to the death of sick industries and the birth of new units of production.

Dr Bagchi, who studied Economics at Calcutta and Cambridge, is Professor of Economics at the Centre for Studies in Social Sciences; he was earlier head of the Department of Economics at Presidency College, Calcutta.

When an application to the International Monetary Fund for a large loan is publicly announced and when an IMF team is officially appointed to examine the application, it means that negotiations have been going on for some time between Fund officials and the Government concerned. It also implies that an assurance of success has been given to the applicant, subject, of course, to the satisfaction of IMF "conditionality" (or conditions in plain English). President Reagan and his team have committed a diplomatic solecism by wanting to revoke the assurance at this stage.

Indian spokesmen are seeking, rightly, to convert this threatened revocation into an international issue. The postponement of the date of formal application by more than a month must be seen as a move in this diplomatic battle. But what Indian Government spokesmen are also seeking to do is to convert it into an issue of national honour and interest. As things stand, however, the success or failure of the IMF loan is a matter of Hobson's choice as far as the general Indian public

is concerned. And this situation is the cumulative result of a disastrous series of economic policies pursued by the Government during the past 15 years.

"Conditionality"

The success of the loan application will depend on the fulfilment of the usual "conditionality" imposed by the IMF in the case of loans for extended facility. Loans from this facility are granted for a period of up to three years to overcome balance of payments problems caused by structural imbalances. The IMF would then insist on adoption of policies to effect "structural readjustment." Now, structural problems and structural readjustment mean different things to different people. To economists following the lead of Raul Prebisch, structural problems mean problems resulting from lack of development of industry, narrowness of the home market, inelasticity of supplies of agricultural products, and so on, for which industrialization is considered to be the basic remedy.

To the IMF, however, structural readjustment essentially means allowing market forces a free play in the allocation of resources, and minimizing government intervention in the economy. Curbs on public expenditure, particularly of the unproductive variety (such as expenditure on defence and administration, social welfare measures and subsidies on foodgrain, fertilizer, etc.) are among the conditions required by the Fund. It also insists on removal of restrictions on both internal and external trade and on foreign exchange movements. It regards devaluation as the most desirable solution for recurring balance of payments deficits, for the shifting of resources towards the export sector and encouraging inflows of capital from abroad. The IMF also favours an incomes policy, which is a euphemism for wage restrictions.

It is important to realize that the Government of India has already gone a long way towards meeting some of the conditions likely to be imposed by the Fund for granting the loan. The World Bank, in its latest report, had kind things to say about the recent economic performance of the country and approvingly took note of a shift in its economic policy. One of the factors, paradoxically enough, contributing to our balance of payments crisis, has precisely been the relaxation of restrictions so favoured by the World Bank and the Fund.

The Government has also sought to improve the climate for foreign investment by widening the area in which foreign firms are allowed to invest, and by removing various restrictions on capacity expansion and diversification by monopoly houses and transnational corporations. The decision to impound 50 per cent of additional dearness allowances accruing to wage and salary earners in future is a step restricting wage increases. (Indexation of wages to the price level has generally been regarded with distaste by the Fund.) The passing of the Essential Services Maintenance Act has been rightly regarded by trade unions and Opposition parties as a potent instrument for curbing wage demands and workers' rights in general.

The Government has also brought down the planned rate of expansion of the public sector. The target share of the public sector in the outlay under the Sixth Five Year Plan is 56.6 per cent, which is below the 70 per cent projected for the public sector under the Fifth Plan and is in fact below the share of the public sector outlay in every Five Year Plan since 1951. For 1981-82, the Government has

budgeted for only a 10.6 per cent increase in governmental gross capital formation as against an increase of 26.5 per cent in 1980-81. Thus, with an inflation rate of 15 per cent, there will be an actual fall in the real capital formation under governmental auspices particularly since the resources of the State Governments and most non-departmental public enterprises for capital formation have also been adversely affected by Central Government decisions and inflation (partly fuelled by the latest round of price increases effected by the Central Government).

Good Boy

While the Central Government has slashed the value of public sector capital formation in real terms, the subsidies under the Budget for 1981-82 amount to Rs 2,090 crores, a large amount by any criterion. A major part of these subsidies will almost certainly be justified as being needed for pushing forward with the strategy of export-led growth.

Suppose that with all this ground preparation and with the "good boy" certificate from the World Bank, the Government is successful in its application for a loan for five billion Special Drawing Rights ($5.7 billion-$5.8 billion at the current rate of exchange). What does the Government expect out of such a loan? First of all, it expects an amelioration of the current balance of payments difficulties and an easy solution of its own ways and means problems. Such an amelioration will, of course, be at the expense of increasing the debt servicing burden enormously.

The current interest burden on India's debt is of the order of Rs 450 crores. Even though the Fund loan would amount to about a third of the current external debt of India, the interest burden will be doubled for the rate of interest will be much higher (around 9 to 10 per cent on an average) than on the IDA loans of which India has been a major recipient. When repayment of the loan starts in full, even assuming a maximum repayment period of 10 years permitted under the current Fund regulations, another Rs 500 crores will be added to the debt servicing burden. If the Fund insists on any major devaluation of the rupee (even though the Government has allowed the value of the rupee to slide downward by an appreciable margin), the rupee burden of repayment will increase further.

The Government expects an inflow of foreign capital into the country. International banks have indicated that their willingness to lend will be boosted if the Fund loan comes through. But the basic reason for this hidden "conditionality" should itself make the Indian public beware of such loans. With the enormous increase in the debt burden of the so-called developing countries--mostly non-oil exporting countries--the commercial banks have shown an eagerness to have the World Bank-IMF as their watchdog, and of course the USA as the final overseer. The interest rate on such commercial loans will be very high and unless there is a corresponding expansion of exports, India will find itself bound to a treadmill which forces continual external borrowing on a country in order to enable it to repay past debts. We have had some experience of servicing such a treadmill, but not with the rates of interest in prospect.

Does the Government seriously believe that exports will go up enough for this risky step to be taken calmly? Even if the reallocation of resources towards

the export sector takes place, will protectionism and continued recession in the advanced capitalist countries permit us to export our goods at remunerative prices? (Our external terms of trade have seriously declined during the last few years.) Or is the Government's horizon bound only by the date of the next election (or the next succession)?

Bitter Medicine

But there is more to the Government's (and the Fund's) calculation than just the amelioration of balance of payments problems. There is the serious business of disciplining the economy. Even many economists of the Fund or the monetarist school now admit that devaluation is likely to lead to an aggravation of inflation because of the inelasticity of demand for imported inputs and to recession. But they would judge that if the medicine is continued long enough, only the sick units will die and new units of production (or services) will be born out of the tribulations of market forces.

Is the Indian public prepared for such a medicine as a result of which whole industries will die? And is it likely to have the confidence that the growth of new business will be enough to compensate for the death of old industries? Only in severely repressive regimes has the government been able to "persuade" the general public to have this confidence and such confidence has as often been belied by events as justified by them. The Government, in the name of the Fund, may want to administer such a medicine to workers and salaried employees. But will all capitalist groups find such a medicine palatable?

Will wage-restraint, however, be enough for the Government to carry out the necessary tasks, even for the Fund's variety of readjustment? Year after year railway freight has increased, programmes of construction of power stations have fallen badly behind schedule (this is also true of 1980-81, the first year of the Sixth Plan), public sector projects have got delayed, and inventories have accumulated with both public and private sector units. (This has had the result of inflating the measured rate of "saving"--unintended saving--of the Indian economy.) For overcoming these problems, massive investments in the public sector along with "discipline" will be necessary. But the Fund guidelines will preclude such a stepping up of investment.

There are many other unanswered questions surrounding the Indian application for the loan. The ability of the Government to curtail non-developmental expenditure, particularly on defence, in view of its perception of a threat from a U.S.-equipped Pakistani military establishment, its ability to enforce discipline on a heterogeneous bourgeoisie, the prospects of success of its loan application in view of a serious deterioration of the international environment for aid and loans to poor countries are all subjects that merit a closer look. But the anodyne phrases and the occasionally nationalistic postures of the Government should not blind the public to its short-term perspective or to its demonstrated willingness to apply some of the medicine usually recommended by the IMF and--if necessary--to apply stronger medicines even if they prove oppressive or even lethal to ordinary people.

CSO: 4220/7166

LOK DAL ENDORSES OPPOSITION UNITY BID

Calcutta THE STATESMAN in English 3 Oct 81 pp 1, 9

[Text] New Delhi, Oct. 2--The national executive of the Lok Dal today is pleased with the informal talks Mr Charan Singh, its president, recently had with Opposition leaders and for the first time since the break-up of the Janata party, it "unanimously expressed itself in favour of unity of all Opposition forces."

The meeting, which heard a gist from Mr Charan Singh of the informal talks he had with representatives of the Congress (S), Bharatiya Janata party and the Janata party, gave him an almost "go ahead" signal by adopting a one-para resolution which said: "In view of the stupendous challenge with which the nation is confronted today and the ardent desire of the people for a viable and credible alternative, the national executive of the Lok Dal unanimously expresses itself in favour of unity of all Opposition forces wedded to democracy and social and economic changes."

The resolution signified a distinct change in the party's attitude on this issue of unity, since all along it had given the impression that although it was not opposed to unity, but the initiative must come from others.

However, this continued to be the stand when the party general secretary, Mr Madhu Limaye, briefing reporters after the meeting, continued to harp on the factor that the initiative had come from leaders like Mr Devaraj Urs and but for it, Mr Charan Singh would not have been in the picture.

Mr Limaye was ruffled when asked to name the Opposition leaders with whom Mr Charan Singh had held talks. He said that to know the details one would have to wait till the formal talks take place but he was unable to say when. Apart from saying that it was "affirmative and positive in manner," he was unwilling to say anything more on the resolution.

The national executive passed two other resolutions, one on corruption in public life and the other on parity price. The resolutions on law and order, which was termed as "law of the jungle," the Asian Games and Khalistan, were held over for tomorrow.

Commenting on the "rampant corruption prevailing in the ruling party," the national executive demanded the immediate dismissal of all the Congress (I) Chief

Ministers and the removal of Mrs Gandhi "by organizing public opinion against her continuance in the top political office."

The resolution further said that with the installation of the Congress Governments in the States in June 1980, "fleecing" the Indian people had become the chief activity of the Congress (I) and Chief Ministers were selected not for their ability but for their "capacity to collect money by hook or by crook."

According to the resolution, it has been estimated that the various Congress (I) Chief Ministers have been contributing to the central fund of Mrs Gandhi at least Rs 10 million a day. "It is Prime Minister Indira Gandhi herself who is the fountainhead of corruption," the resolution added.

The resolution congratulated Mr Arun Shourie of The Indian Express and other fearless journalists "whose number is necessarily limited" and it expressed concern over the growing ineffectiveness of the representative institutions in the country.

In another resolution, the national executive demanded that the cane price should not be less than Rs 40 a quintal, and paddy support price of Rs 160. Similarly a fair support price for jute and cotton should be fixed and the Government agencies must ensure that the growers actually get that price.

The Lok Dal warned the farming community that unless they organized themselves and developed power of resistance, they would be increasingly exploited by the "unholy" alliance of ruling party politicians, corrupt bureaucrats, trade and industry.

The national executive condoled the death of CPI leader Bhupesh Gupta and Lala Jagat Narain.

About 27, out of 34 members, attended the national executive meeting. Among those present were Mr Karpoori Thakur, Mr Biju Patnaik, Mr Devi Lal, Mr Kumbharak Arya Sheikh Abdur Rahman, Mr Rabi Ray, Mr Satyanarayana Reddy, Mr Chimanbhai Patel, Mr Purushottam Kaushik and Mr Sharad Yadav.

CSO: 4220/7166

GENERAL DESCRIBES TESTS FOR ARMY RECRUITS

Calcutta THE STATESMAN in English 26 Sep 81 p 9

[Text] Sept. 25--Young men seeking to enlist in the Indian Army will have to undergo a written examination from now on. A physiological examination is to be introduced and soon a psychological test will be added. All this is to ensure that soldiers-to-be have the intelligence to handle the increasingly sophisticated and complex weapons and equipment issued to the Army.

The tests have been carefully designed to make sure that the rural bias in recruitment remains unchanged. Eighty per cent of the recruitment is done from the villages and the Army would like it stay that way, the Director of Recruitment, Major General A. E. Joseph said in New Delhi today. The tests will begin on October 1.

Apart from enabling the Army to select personnel of better quality, the tests will obviate some of the malpractices that are committed in the hope of recruitment. A lesser advantage will be that since more than one officer will be handling the tests there will be fewer allegations levelled at the recruiting officers--allegations which General Joseph maintained were baseless.

The written examination would be of the type that any student who had studied till Class V ought to pass fairly easily. The physiological and psychological tests would aim at selecting men with quick reflexes. The overall gain would be that instead of just accepting people who had the minimal physical standards, and were literate, the Army would be getting recruits better suited to the requirements of modern warfare.

In the past, all that the Army asked an applicant to produce was a certificate of literacy from his school. He had to be literate in any language of the region. It had been observed that very many fake certificates were being presented.

The recruiting officers had had always sought to have suspect certificates verified from the local education officials. In many cases people who presented fake certificate were later handed over to the police. According to General Joseph, the main value of the certificate was that it contained the date of birth of the candidate. A medical examination was also conducted to try and establish whether or not a man was of recruitable age--17 to 20 years.

General Joseph said that aptitude tests would not be conducted at the recruitment stage. That would be, as is now done, at the Regimental Centre at which a recruit was given his basic military training. He explained that recruitment was done at two levels. What the Army called the normal rate was for fit young men who were literate, and the matric rate in which matriculates were asked to take a competitive examination and then selected. Many of these went in for the more technical arms and services.

Asked whether young men from the urban areas would have an advantage in the written examination, General Joseph said that he did not think so. But if there was such advantage the rural boys would probably have the edge in the physiological test. An overall assessment would be made. Nobody would start with a handicap.

Why was the Class V level chosen? He said that it was a very basic level, though even now young people who had studied till much higher were seeking recruitment. He felt that, if necessary, the level could be raised at a later stage. It would be preferable to raise a standard based on what actually took place rather than start with a high standard and then be forced to reduce it.

The basic class composition would remain unaffected. Depending upon the number of vacancies in each regiment, recruiting officers in different parts of the country were given a quota of vacancies to be filled. This ensured that recruitment was broad-based. He observed that almost all States were fulfilling their quotas. At times there had been shortages but were never of a nature critical enough to warrant the quota of one State being transferred to another.

Regarding the physical requirements, General Joseph said that a survey had been conducted. It had established the height, weight and chest measurement to be expected of physically fit young men of each caste or race. If a candidate possessed the requisite physique he was then subjected to a detailed medical examination.

General Joseph said that though the educational standard for recruitment was low, all soldiers continued to receive general education during the training and even when on active service. They did a series of certificate examinations and the special certificate was accepted as being equivalent to the Class X examination.

CSO: 4220/7127

OFFICIAL NOTES INCIDENCE OF INDUSTRIAL SICKNESS

Calcutta THE SUNDAY STATESMAN in English 4 Oct 81 p 9

[Text] Mr Maganbhai Barot, Union Deputy Minister for Finance, said in Calcutta on Saturday that "defaulting management" was responsible for the "sickness" of 54 per cent of the large industrial units which had fallen sick. At present, Rs 1,100 crores of advances from banks and other financial institutions were blocked in 378 such units. Another Rs 345 crores were blocked in 22,000 "sick" small industrial units. Mr Barot said that the incidence of industrial sickness was highest in West Bengal.

Addressing a meeting of the Bengal National Chamber of Commerce and Industry, the Minister urged the industry to look at itself and inquire if it had made enough contributions to the country's progress. Speaking on banks and industrial growth, he said that there was hardly anything to be said about the banks' performance in relation to the industry. But industry had to answer for rather poor utilization and realization of bank lendings, he said.

Mr Barot also complained that the number of mandays lost in industry due to strikes and lock-outs was the highest in West Bengal, closely followed by Maharashtra. Last year, over 3.6 million mandays were lost in West Bengal against nearly 2.5 million in Maharashtra. He wondered how the loss of mandays could be reduced in West Bengal, while the State Government had opposed the Essential Services Maintenance Act.

The Minister also complained that the West Bengal Government's figures for its overdrafts did not tally with the figures given by the Reserve Bank of India. While the State Government maintained that its overdraft amounted to Rs 65 crores, the RBI accounts showed it at Rs 117 crores. The State Government said that the RBI figure was not "correct" and that it could not get the "correct" figure because of the strike in the RBI for some time earlier this year.

Overdrafts beyond a limit created difficulties for any State, Mr Barot said and added that it was to the State's advantage to reduce it. He suggested that the State Government put its financial house in order.

The Minister claimed, however, that despite various constraints, production in the country had gone up in all sectors. Till August this year, power generation had increased by 15 per cent, production of coal 9.9 per cent and earnings from

railway and other traffic by 15 per cent. There had been considerable improvement in the production of steel, cement, sugar as well as industrial items. He declined, however, to reply to a question why huge stocks of steel were lying unsold at different steel plants and at Bombay port. It was for Mr Pranab Mukherjee, Union Commerce Minister, to answer the question, he said.

Discussing the Centre's plans for rural development, Mr Barot said that till the end of last year, the banks had advanced Rs 66 crores at differential rates of interest to the Scheduled Castes and Tribes. The banks had been asked to give emphasis on lendings to the poor at these interest rates. Rural families with an annual income of up to Rs 2,000 and urban families earning up to Rs 3,000 were eligible for bank loans at these rates for self-employment.

The Minister said that the Centre had decided to increase bank loans to the agricultural sector to 16 per cent by 1985. Even if the banks could not achieve this 50 per cent of the advances would be given to small landholders, artisans and the self-employed in villages. According to him, the Centre also had plans to bring 1.5 crore people above the poverty line during the Sixth Plan. For this purpose, Government agencies and commercial banks would identify 600 families every year in each block in the country and help them with loans and subsidy.

Mr H. N. Datta Gupta, president of the Chamber, suggested that banks give to agricultural and other rural development projects more credit on liberal terms. He pleaded that the Centre examine the possibility of reducing the interest rates of bank loans to the tea gardens in the eastern region since these were beset with problems.

CSO: 4220/7173

MORE CONTROL OF FOREIGN MISSION ARMS PROPOSED

Madras THE HINDU in English 4 Oct 81 p 1

[Article by G. K. Reddy]

[Text] New Delhi, Oct. 3--After the recent involvement of some Iraqi diplomats in a shooting incident in Delhi, the Government of India is taking steps to enforce stricter control on possession of firearms by foreign missions to eliminate the grey areas of law relating to the import and re-export of weapons by them.

Three of the five Iraqis, who had opened fire on the Iranian demonstrators near their Embassy premises, are being sent back to Baghdad in the next few days, and the other two would follow a week later if the pleas for reconsidering their cases are rejected by the Government.

All these years the Government has been turning a blind eye at the import of firearms by diplomats as part of their personal baggage, because the Vienna Convention is pretty vague on the subject. It has hitherto raised no objections to diplomats importing firearms and sporting weapons of standard bore, nor insisted on licensing them.

Clandestine Import

The trouble has arisen over the growing tendency of some of the foreign missions to import clandestinely weapons of prohibited bores normally used by the army and the police. The Government is well aware that some of the diplomats have exceeded all limits of tolerance by bringing in automatic weapons which is not permissible under any convention.

It is generally assumed that such weapons, whether of permitted or prohibited bores, are brought in with or without declaration as part of personal baggage, or smuggled in through the diplomatic bags without the knowledge of the Government. It is possible for the Customs authorities to exercise a stricter check on what can be deemed to be personal baggage, but there is no unanimity at the international level on what should legitimately constitute a diplomatic bag that cannot be subjected to any inspection.

The International Law Commission, of which India is a member, has been looking into this problem to define the size and contents of a diplomatic bag, determine

whether it is absolutely inviolable, and what should be done when the host has reasonable suspicion that it is being misused for purposes for which it is not intended under the Geneva Convention. It is India's contention that, in the event of some doubt about the nature of the contents, there is no harm in subjecting a diplomatic bag to electronic inspection.

Vienna Convention

Though the 25-member Commission is generally agreed on the need for some sort of surveillance to prevent smuggling of arms, narcotics and even bullion, it is sharply divided on the degree of discretion a host country should exercise in asserting its right of inspection within the framework of the Vienna Convention. The Indian view is that the secrecy of the documents in a diplomatic bag cannot be violated by merely checking it with electronic gadgets for any hidden weapons.

In the old days, a diplomatic bag was only a sealed pouch, which was brought in by a courier on his person. But over the years, it has assumed the dimensions of a big postal bag weighing a quintal or more, with each mission receiving at regular intervals several such consignments of varying sizes and weights. There was an instance recently when a foreign mission tried to bring in a highly sophisticated portable computer for some undisclosed purpose.

Second Class Bags

A country like India, which is quite new to this game used to indulge in some innocent violations in the early years of its independence. The horrified Customs at Delhi airport had to call the Chief of Protocol to inspect an Indian diplomatic bag dripping with oil, and it was discovered on opening it that some jars of pickle were being sent along with some highly secret foreign policy documents.

From then on, the Government introduced the system of second class diplomatic bags for permitting on a quota basis the Indian personnel stationed abroad to import edible articles and other gift packets from relations.

CSO: 4220/7175

ENGINEERING EXPORTS REPORTED TO INCREASE EIGHTFOLD

Bombay THE TIMES OF INDIA in English 30 Sep 81 p 9

[Text] Bangalore, September 29 (UNI)--The country's engineering exports have registered an impressive near eight-fold increase in the last one decade with an annual average growth rate of 27.5 per cent.

The exports, which were a mere Rs. 115.76 crores in 1970-71, jumped to an estimated Rs. 900 crores in 1980-81 with the southern region alone contributing to over 12 per cent of the growth, according to the Engineering Export Promotion Council.

In the southern region, the exports went up from Rs. 15.17 crores in the beginning of the decade to over Rs. 100 crores in 1980-81. Capital goods and consumer durables contributed to the bulk of the engineering exports from the southern region comprising Karnataka, Tamil Nadu, Andhra Pradesh and Kerala.

Tamil Nadu and Karnataka accounted for nearly 90 per cent of the exports with an export of Rs. 49.27 crores and 47.01 crores, respectively, last year.

A significant percentage of the exports had gone to develop West European markets and South-East Asia constituted the major market for Indian engineering goods among the developing nations.

Mr. Kumar Mahadevan, chairman, EEPC (southern region), told a party of newsmen, which visited the engineering units in Madras and Bangalore recently, that power was the major constraint to boosting engineering exports. Port facilities in the country should be expanded.

Mr. Mahadevan also suggested that the states could allocate specific quota of critical inputs such as power and cement to export units on a uniform basis. Such an idea had been successfully tried out in Haryana, he said.

Madras (PTI): The setting up of two units on a priority basis for manufacturing electronic equipment in the public sector has been suggested.

Mr. H. R. Bapu Sitaram, general manager and executive director of the public sector, Bharat Electronics Limited (BEL), Bangalore, told a party of visiting newsmen last week that the exact location had not been decided though they would be outside Karnataka.

He said production in the two units, with an expected turnover of Rs. 60 crores in the next five years, would be rationalised.

Mr. Sitaram said a glass shell unit was likely to be set up near Bombay where one million pieces would be produced.

CSO: 4220/7146

TASK FORCE STUDIES EXPORT-PROCESSING ZONES

Bombay THE TIMES OF INDIA in English 5 Oct 81 p 5

[Article by L. K. Sharma]

[Text] New Delhi, October 4--The mounting trade deficit and the phenomenal success of the free trade zones in Sri Lanka and South-East Asia have brought about a change in the government's thinking on export-processing zones.

It is examining what more incentives can be given to the entrepreneurs in the free trade zones and whether new zones could be established in the face of demand for these by several states.

A task force headed by Mr. Prakash Tandon is at present studying the working of the existing zones and the feasibility of setting up additional free zones. The task force includes representatives of different ministries and has Mr. K. G. Ramanathan, joint secretary in the commerce ministry, as its member-secretary. The government is expected to announce by April next year a package of measures to promote the free trade zones.

The states, which have demanded the establishment of free trade zones, are Karnataka, Kerala, Tamil Nadu, Andhra Pradesh, West Bengal, Goa and Pondicherry.

Present Zones

The present zones in Kandla and Santa Cruz have taken a long time to pick up and it is only during the last two years that their performance has shown some improvement.

In Kandla, a general production zone started in 1965. There are 56 units from which exports amounted to Rs. 2,551 lakhs last year. Significantly, the product pattern and the size of the units have been changing. Till 1976, simple goods like stainless steel utensils, embroidered sarees, roasted peanut and plastic goods were produced. Now the exports from the zone include capacitors, fur fabrics, machine-made woollen carpets, acrylic knitwear and cosmetics. There are also units with foreign collaboration.

The Santa Cruz Electronics Export-Processing Zone, which was started in 1974, has 37 projects with a total investment of Rs. 13 crores. It exported goods

worth Rs. 1,880 lakhs last year. The free trade zone in the area of electronics was considered vital since in the ordinary course, licensing delays would make the technology obsolete by the time the project got going.

For long, not much official attention was paid to the languishing free trade zones. There was complacency because of the satisfactory foreign exchange position in the mid-seventies. Then came the Janata government which did not believe in export-led growth. There are still some inhibitions about following the development model of Sri Lanka or Philippines but the new realities of the trade deficit and the foreign exchange situation have compelled the government to revise its thinking.

The government has already announced a scheme for cent per cent export-oriented units in areas other than the free trade zones. The task force will also examine how this scheme would affect the free trade zones.

The zones enjoy several concessions, including exemption from the payment of import duty on capital goods, raw materials and components. In the last budget, the government announced a tax holiday for five initial assessment years to the units in both the free trade zones.

These incentives are still no match for those offered by the free trade zones in Sri Lanka and South-East Asia. The Sri Lanka zone, for example, places no limits on equity holding of foreign investors and allows free transfers of shares within or outside the island. There are no import duties and exchange control procedures. It offers a tax holiday up to 10 years and a further concessionary period. Little wonder that this zone in our neighbourhood was able to attract 121 projects within the first two years and now employs more than 35,000 workers.

The entrepreneurs in the India free trade zones have been asking for permission to sell part of their production in the domestic market. There has been criticism of the present decision-making machinery and procedures and the infrastructural facilities in the zones.

The Indian investor, who enters the zone often finds that his expectations are not fulfilled. The foreign investor compares the zone with others in the neighbourhood and sees the Indian one as less attractive. The controlled Indian industrial environment does not permit the free trade zone to be as free as the foreign investor would like it to be.

CSO: 4220/7178

ISRO DEVELOPS TECHNOLOGY FOR POLYOL PRODUCTION

Madras THE HINDU in English 26 Sep 81 p 7

[Text] Cochin, Sept. 25--One spin off from space research in the country is the scope provided by its results for commercial exploitation.

A joint sector project between the Kerala State Industrial Development Corporation (KSIDC) and Fibro Plast Private Limited, Cochin, is to come up near Kuttippuram (Malappuram district) in Kerala based on the technology developed by the Indian Space Research Organisation for the manufacture of polyols from castor oil.

Polyols are the raw material for a variety of flexible and rigid polyurethane foams which find application in such areas as mattresses and cushions, insulation for refrigerators, cold storages and air conditioning systems, fish net floats, paints and varnishes, anti-corrosion coating materials, roof insulation for railway and road coaches, flush doors, decorative furniture, shoe soles and printing rollers.

Polyols are manufactured from petroleum derivatives. ISRO developed its technology for producing polyols from castor oil during the work on a solid propellant for rockets.

Mr. V. R. Menon, General Manager (Technical) of KSIDC, said the Corporation was investing 40 per cent of the investment of Rs. 97 lakhs on the project because this was a 'special project.' In the normal course KSIDC financial participation in a joint sector project would be only to the tune of 26 per cent, he said.

Patents: Mr. Menon said ISRO held Indian and international patents for this technology and it was for the first time that a major technology was developed for commercial exploitation in the joint sector. ISRO would be providing comprehensive engineering support for setting up the plant which is expected to go on stream within 15 months from now.

At present, Mr. Menon said, India imported about 1,000 tonnes of polyols but it was mainly used for the manufacture of flexible foams. The polyols to be manufactured in the new project which would have an annual capacity of 1,000 tonnes, would be, to begin with, for the manufacture of rigid foams.

There were over a dozen units manufacturing flexible foams in the country.

Mr. G. K. Kuruvilla, Manager, Propellant Fuel Complex in ISRO, said already, a few other technologies developed by ISRO had been released for commercial exploitation like manufacture of plasticides (Andhra Pradesh Small Scale Industries Corporation), pressure transducers (a private firm in Lucknow) and metal fire fighting powder (a private firm in Gujarat which will commence production shortly).

Mr. U. T. Menon, Managing Director of Castols (India) Limited, said the project would employ about 75 persons. Besides it would open up several opportunities for setting up downstream units, particularly in the small scale sector.

CSO: 4220/7128

SCIENTISTS CHALLENGE THEORY OF SUPERCONDUCTIVITY

Madras THE HINDU in English 26 Sep 81 p 6

[Text]

NEW DELHI, Sept. 25.

Physicists at the National Physical Laboratory (NPL) here claim to have obtained massive evidence that challenges the 24-year-old theory of superconductivity for which three Americans won a Nobel prize in 1972.

Superconductivity is a fascinating phenomenon exhibited by certain materials which abruptly lose all their electrical resistance when cooled to very low temperatures.

Using this property, tremendously huge magnets can be built employing superconducting coils because such magnets do not consume electric power. But these magnets have to be kept at very low temperatures less than —250 degree Celcius.

Now the three NPL physicists — Dr. S. N. Ekbote, Dr. S. K. Gupta and Dr. A. V. Narlikar (younger brother of the astrophysicist Dr. Jayant Narlikar) — have postulated a new theory of superconductivity that can potentially enable construction of superconducting magnets operating at higher temperatures, easy to maintain and control.

Old theory: Physicists at Max Plank Institute in Karlsruhe, West Germany, have already started work to verify the new theory and develop methods for the search of promising superconducting materials.

Dr. Narlikar and his colleagues first reported their work at a conference in Germany in March this year.

The scientists said their experiments on three different types of superconducting materials have shown positive evidence that the superconducting phenomenon is not explained by the currently held theory.

According to the theory proposed in 1957 by the Nobel prize winners Dr. John Bardeen, Dr. Leon Cooper and Dr. John Shrieffer, superconductivity arose due to the "pairing" of oppositely spinning conduction electrons in the material.

They said the pairing took place due to the influence of the vibrations of the crystal lattice (phonons).

Dr. Narlikar and his colleagues said their experiments have for the first time shown that electron pairs are formed not due to phonons but due to magnetic interactions of the spinning electrons.

Dr. Ekbote said the technique called "conduction Electron Spin Resonance (CESR)" was used by them for the first time to study the electrons in the superconducting state.

Many uses: Asked about the implications of their discovery, the scientists said it might help develop newer compounds that can become superconductors at temperatures higher than for the presently known materials.

If such materials are found, the day will come soon when superconductivity can be exploited for industrial uses like magnets for producing fusion energy, energy storage and high speed transport on rails. — PTI.

CSO: 4220/7128

SEMINAR ON ELECTRONICS COMPONENTS INDUSTRY HELD

New Delhi PATRIOT in English 26 Sep 81 p 7

[Text] Bangalore, Sept. 25 (PTI)--Union Minister of State for Science and Technology C. P. N. Singh, today underscored the need for a balanced, viable base for electronic components, which was essential to make the electronics industry self-reliant.

The component sector had confined itself to producing out-dated high-priced items, he said. The absence of research and the prevailing sellers' market had perpetuated the situation which was "highly detrimental to the growth of the electronics industry."

Inaugurating a national seminar here on the "Electronic Components Industry--Status and Prospects" the Minister expressed concern at the lack of emphasis on production of professional grade components, which had resulted in needless imports.

"This is a very unhappy situation and deserves urgent attention" the Minister said.

To expedite all aspects of industrial licensing for components the Government had set up an inter-departmental task force. Existing units were being encouraged to expand and modernise their technological base. "New capacities are being created on an internationally viable basis because of the immense potential for export of components, he said.

New entrepreneurs had shown keen desire to enter the components area, but initiative from existing units was lacking, he said.

The seminar has been organised jointly by the Karnataka state electronics development corporation and the Electronics Components Industries Association (ELCINA).

Karnataka Chief Minister R. Gundu Rao in his presidential address said his State produced Rs 250 crore worth of electronic goods out of the country's total production of Rs 700 crore. To help integrated development of the industry, his Government had taken up the construction of a pollution-free "electronic city" near Bangalore. He invited entrepreneurs to make full use of the facilities provided.

Mr M. Wadhwa, president of ELCINA, said outmoded technology and limited capacity had hampered production of quality components. India lagged behind other countries in technology by at least 15 years. He called for delicencing of electronic industries at least for five years and abolition of import duty on capital goods used in the manufacture of electronic components.

CSO: 4220/7130

KOLHAN TRIBALS REPORTED TO WANT INDEPENDENCE

Calcutta THE SUNDAY STATESMAN in English 27 Sep 81 p 7

[Text]

PATNA, Sept. 26.—The underground movement for the creation of an independent sovereign State for Kolhan tribals took a new turn with Mr Narayan Joke and Mr C. A. Topno, legal advisers of the self-styled Kolhan Government, reportedly leaving for the United Nations and the Commonwealth headquarters last fortnight to place their case before international authorities. The Kolhan area comprises the predominently tribal regions of Bihar, Orissa and Madhya Pradesh around the old Chaibasa sub-division.

A Press release recently issued to local reporters at Chaibasa by Mr K. C. Hembrom, State secretary of the so-called Kolhan Government, said that their legal advisers had been deputed to seek interviews with leaders of different world panels with a view to mobilising support for their cause. They would, the Press release added, also visit Germany, France and some other countries for the purpose. The release denounced what they described as suppression of tribals by the Bihar Government.

The secessionists case, according to the release, is that the Kolhan area had "never merged with the Indian Union during or after the transfer of power by the British Government". Their area, there-

Official sources in the State capital confirmed that "some anti-national elements" had been active in Chotanagpur. But they did not confirm if the legal advisers of the self-styled Kolhan Government had really slipped out of the country.

The sources alleged that some tribals, aided and abetted by a few foreign missionaries, had been trying to build up a secessionist movement in and around Chaibasa. The foreign missionaries had their offices in Goa and Bangalore too, the sources added.

However, observers here wonder why the Bihar Government had been trying to curb the activities of the Jharkhand Mukti Morcha—an organisation which had been acting as a counter-force in the area lately. The Morcha leaders, time and again, have denounced the activities of the secessionists. And significantly, the Congress (I) and the Morcha were poll partners last time.

CSO: 4220/7131

RESURGENCE OF NAXALITE ACTIVITIES REPORTED

Calcutta THE SUNDAY STATESMAN in English 27 Sep 81 pp 1, 7

[Text]

MR Tarapada Basu (40), a sub-inspector of Calcutta Police attached to the Special Branch, was shot dead near Dolpiri Bazar, at Ariadaha in the 24-Parganas, on Saturday morning.

The Police suspect that pro Lin-Biao group of Naxalites, led by Mr Nisith Bhattacharyya and Mr Azizul Haque, to be behind the killing. Several posters and leaflets denouncing the administration and the police and urging the people to take to the path of annihilation were found by the police at the place of the incident.

According to senior officials, about four to five men attacked Mr Basu while he was starting his scooter after shopping at the market. He reportedly tried to grapple with them, but was gunned down. The assailants escaped after the incident.

He was taken to the local hospital, where he died shortly afterwards. The body bore four to five bullet wounds. Later, the police found two empty cartridges at the spot. The cartridges were from "small firearms", the officials said. No arrest has been made so far.

Mr Basu was reportedly attached to the section of the Special Branch which deals with Naxalites. He lived in the police quarters at Belghoria.

The incident seemed to have surprised and confused police officials both in Calcutta and the 24-Parganas, since no policeman had been murdered in Calcutta and its neighbouring suburbs since the early seventies, when the Naxalite movement was at its peak.

The last murder of a policeman in West Bengal occurred in 1980, when alleged pro Lin-Biao supporters attacked a police camp and snatched away several arms.

Senior officials, including the Superintendent of Police, 24-Parganas, the Commissioner of Police, Calcutta, the Deputy Inspector General of the Criminal Investigation Branch and the Deputy Commissioner of the Special Branch, visited the spot.

A senior police official said, however, that no special alert had been issued following the incident. He said policemen throughout the State had already been asked to be wary of extremists.

Meanwhile, the Criminal Investigation Department has been entrusted with the investigation.

Mr A. K. Sen, Chief Secretary to the West Bengal Government, told reporters at Writers Building during the day that Naxalite activities, including involvement in violent incidents, were assuming a serious proportion in eight of the 18 districts of the State. The districts were the 24-Parganas, Birbhum, Nadia, West Dinajpur, Jalpaiguri, Malda, Darjeeling and Burdwan.

Although Naxalities had not till now involved themselves in violent incidents in Calcutta, they had increased their operations in the city considerably without attracting publicity. The people must be alert against renewed Naxalite acticities, he added.

Public opinion was to be mobilized and the people's cooperation sought to identify and track down the Naxalities, Mr Sen said. It was learnt that the police had requested the State Government to give it powers similar to those envisaged in the Preventive Detention Act which had helped it counter Naxalite violence in the past.

Till September 15 this year, Naxalites were allegedly involved in 38 violent incidents in which 27 people were killed and 12 injured, including nine policemen. As many as 1,288 people were arrested in connexion with these incidents. The number of rifles snatched was 74, of which 38 were recovered. Ten such incidents occurred in West Dinajpur and eight in Nadia.

In 1980, there were 31 incidents in which 28 people were killed and 25 injured. Among those killed were two policemen. West Dinajpur recorded the highest number of deaths, 14 last year. In 1979, six people were killed in nine incidents.

Mr Sen alleged that the murders had been committed by the pro Lin Biao group of Naxalites, led by Mr Azizul Haque and Mr Nisith Bhattacharyya, which believed in secret killings and collection of arms.

CSO: 4220/7131

HEAVY INDUSTRY UNITS REACH 98 PERCENT TARGET

New Delhi PATRIOT in English 29 Sep 81 p 7

[Text] Public sector undertakings under the Department of Heavy Industry achieved 98 per cent production target in August 1981. This was 30 per cent higher compared to the production during the same period last year.

The production achieved in August 1981 was Rs 121.89 crores, which is 98 per cent of the target of Rs 124.23 crores.

This production of Rs 121.89 crores is higher by 30 per cent compared to Rs 93.42 crores during the corresponding period of the previous year.

Production of these units cumulatively during five months--April to August 1981--was Rs 493 crores which is 91 per cent of the target of Rs 542.65 crores. This production is 22 per cent higher compared to the same period last year.

Among the six public sector undertakings which exceeded their targets during August included HMT (110 per cent), Burn Standard Co Ltd (131 per cent) and Bharat Heavy Plates and Vessels Ltd (113 per cent).

Units which fell short of achieving their targets included Bharat Heavy Electricals Ltd (97 per cent), Mining and Allied Machinery Corporation Ltd (92 per cent) and Bharat Wagon and Engineering Co Ltd (89 per cent).

For the period April-August 1981 the production figures were: HMT (112 per cent), Burn Standard (113 per cent) and BHEL (87 per cent).

Industries which have recorded significant increases in production during April-August 1981 over the corresponding period of the previous year are cement machinery (64.4 per cent), cars (105 per cent), mopeds (59 per cent), commercial vehicles (42 per cent), tractors (33 per cent) and railway wagons (33 per cent).

However, production of sugar and paper and pulp machinery showed a decline during April-August 1981.

CSO: 4220/7144

HYDERABAD FACTORY TO MAKE LIGHT VEHICLES

Madras THE HINDU in English 1 Oct 81 p 7

[Text] Hyderabad, Sept. 30--The Central Government has granted a letter of intent to Hyderabad Allwyn Metal Works Limited, a State Government company, for annual production of 10,000 light commercial vehicles such as mini-buses, pick-up vans and small trucks.

This will be the first public sector company in the country to enter the field of commercial vehicles production. At present, the production of commercial vehicles is completely in the hands of the private sector.

The letter of intent granted to Allwyn covers a wide range of vehicles up to three-tonne pay-load.

This was announced by the Andhra Pradesh Chief Minister, Mr. T. Anjiah and the State Minister for Industry, Mr. M. Baga Reddi, here on Wednesday.

The project is proposed to be located in Medak district, the Prime Minister, Mrs. Indira Gandhi's constituency. It will provide direct employment to about 10,000 persons, besides generating indirect employment in the many ancillary industries expected to grow up in and around Medak district. It will also help to optimise the capacity of various automobile ancillary units in and around Hyderabad.

Allwyn is negotiating with a number of leading automobile companies for technical and financial collaboration for the production of light commercial vehicles. A number of teams from Japan and elsewhere have already visited the facilities at Allwyn and confirmed that it is in a good position to take up production of such vehicles.

Allwyn already has a letter of intent for the manufacture of integral buses and has been building bus bodies with know-how from Park Royal, London, a subsidiary of British Leyland. It is also manufacturing scooters under the name of "Allwyn Pushpak."

At present it is negotiating with a number of international companies for production of mini-motor cycles and mopeds as part of its programme of expansion and diversification.

CSO: 4220/7164

FOOD MINISTER SINGH HOLDS PRESS CONFERENCE

New Delhi PATRIOT in English 2 Oct 81 pp 1, 8

[Text] India may import more foodgrains, Food and Agriculture Minister Rao Birendra Singh said on Wednesday.

At a press conference, he also announced that the minimum sugarcane price for the new crushing season would be Rs 13 a quintal, same as in the last season.

Mr Singh said that no team had yet gone abroad for purchase of foodgrains. However, additional imports would not be ruled out.

He would not say categorically that more imports were planned but added that additional quantities may be purchased, for "the hoarders cannot be allowed to hold the field to themselves, unchecked."

Mr Singh justified imports saying that recent imports of foodgrains, sugar and edible oils had the desired sobering effect on domestic prices.

Asked how imported sugar would be distributed, he said that the stocks were put to auction, but private bidders did not offer a reasonable price. Unless a good price was offered, the sugar would be kept as buffer stock or diverted for consumption through the public distribution system.

Mr Singh viewed the recent rainfall as "very beneficial" not only for the standing kharif crop but also for rabi sowing. He claimed that the kharif prospects this year were "better than last year."

He estimated that the kharif yield would exceed last year's record figure of 79 million tonnes.

In Gujarat, a bumper groundnut crop was expected, he also added.

Levy Sugar

Mr Singh said the levy price for sugar was still being worked out. However, since the formula for calculation was the same as for the last season, he did not expect much of a change in the levy price.

Asked about the ratio of levy and free sale sugar fixed for the sugar mills, Mr Birendra Singh said: "We have not yet decided that."

He said the concessions to mills for early and late crushing were proposed to be continued.

Mr Birendra Singh said the minimum price fixed for sugarcane was not likely to affect adversely the interests of the farmer as was evident last year. Last year, he pointed out, farmers got as much as Rs 26 a quintal for sugarcane.

CSO: 4220/7162

AGRICULTURAL DEVELOPMENT BODY TO SEEK LOAN

Bombay THE TIMES OF INDIA in English 29 Sep 81 p 1

[Text] Bombay, September 28--The Agricultural Refinance and Development Corporation (ARDC) proposes to raise $350 million from the International Development Association (IDA), an affiliate of the World Bank. Negotiations for this line of credit are expected to be concluded in November. A World Bank team was here recently in this connection.

Disclosing this in Bombay today, Mr. M. Ramakrishnayya, deputy governor of the Reserve Bank of India and chairman of ARDC, told newsmen that this money would be made available to the ARDC by the Centre in rupees for disbursements in 1982 and 1983.

He said the third $250-million IDA-assisted ARDC credit project was for the period ending December, 1981, but was expected to be exhausted earlier.

For the year ending June, 1982, the corporation had set a target for the total disbursements of Rs. 550 crores against the actual record disbursements of Rs. 499 crores during 1980-81.

Mr. Ramakrishnayya said that the overall overdues of member banks were nearly 50 per cent.

He pointed out that a few years ago, Maharashtra, Gujarat, Karnataka, Bihar and Tamil Nadu had shown unsatisfactory performance in the matter of overdues.

Mr. Ramakrishnayya said that the National Bank for Agriculture and Rural Development (NABARD) was expected to be set up soon. ARDC would be merged with this apex institution, which would be concerned not only with long-term but also short-term agricultural credit. He said Agricultural Finance Corporation Ltd. (AFC) might remain as a separate entity under the style Agricultural Finance Consultants Ltd. and would look after only consultancy work as at present.

CSO: 4220/7141

SHORTFALL IN MANIPUR AUTUMN HARVEST PREDICTED

New Delhi PATRIOT in English 27 Sep 81 p 5

[Text] Imphal, Sept. 26 (PTI)--Manipur expects to harvest this year a kharif crop of about 2,32,000 tonnes against last year's output of 2,90,000, official sources said here today.

Sources attributed the shortfall in production to a long spell of drought this year and consequent reduction in the area under paddy to 9,17,000 hectares from 1,14,900 hectares last year.

1,200 hectares in Thoubal and Bishenpur subdivisions, the rice bowl of Manipur, could not be cultivated due to waterlogging caused by excessive rainfall, while another 10,500 hectares in Thoubal area were hit by drought, they added.

On Sixth Plan agricultural programme, sources said, it was proposed to introduce improved agronomical practices in 'Jhum' land and set up potato production farms at high altitude areas.

The physical target for the former is 1,000 hectares during the Plan period spread over all the hill district of the State. This programme envisaged supply of incentives for jungle clearance, wood collection and ploughing of valleys for growing rabi, beside demonstrations deploying staff of the agricultural department.

Potato production farms would be set up at Ukhrul in Manipur East district where quality seed would be supplied to cultivators to ensure optimum production to meet not only the State's needs but also neighbouring States, sources added.

CSO: 4220/7135

STATES CONFER ON 1981-82 AGRICULTURE PROGRAMS

Bombay THE TIMES OF INDIA in English 29 Sep 81 p 15

[Text] New Delhi, September 28 (UNI)--State government representatives at a two-day regional meeting held here to discuss ways of effectively implementing agricultural development programmes during 1981-82 have indicated that they have adequate supplies of fertilisers, pesticides and seeds to meet the requirements of both the kharif and the rabi crop.

At this first of six meetings, proposed to be held by the department of agriculture and co-operation during the current agricultural year, the representatives, in the discussion on rabi production strategy, laid emphasis on the proper use of available water resources and the gearing-up of the extension machinery for quick transfer of technology to the farmers.

They also indicated the need for increased consumption of fertilisers and good-quality seeds, having larger areas under high-yielding varieties, integrated pest control and surveillance, and ensuring availability of weedicides for control of phalaris minor and wild oats.

Animal Husbandry

The meeting, which concluded here yesterday, also discussed allied subjects like animal husbandry, dairy development, fishery, forestry, co-operation and agricultural credit, and constituted various working groups for in-depth discussion of the various subjects on the agenda.

Those attending noted with satisfaction that the drought-affected states of Punjab and Haryana had arranged for power supply to farmers for 12 to 14 hours a day providing life-saving irrigation to the standing kharif crop and had also provided them with adequate supplies of diesel.

To synchronise water release from irrigation projects like Bhakra, the meeting recommended representation of the states concerned on the Bhakra management board during the coming season.

The meeting further urged the states to make the fullest use of the facilities available at the fertiliser, pesticide and seed-testing laboratories to check the quality of inputs like seeds and fertilisers. It recommended deterrent action against those found guilty of adulteration.

The meeting laid emphasis on the development of post-harvesting facilities like marketing, processing and storage in Himachal Pradesh and Jammu and Kashmir. It called for building up a reliable data base for horticultural crops and implementing the World Bank-assisted projects in these areas.

Cross-Breeding Plans

In the animal husbandry sector, the meeting recommended that states like Punjab and Haryana having high buffalo concentration should assign priority to buffalo development programmes, with emphasis on cattle cross-breeding programmes to increase milk production.

The meeting noted that all the four states represented--Punjab, Haryana, Himachal Pradesh and Jammu and Kashmir--have successfully completed preparations for the implementation of Operation Flood-II project.

In the fisheries sector, the states were urged to take measures to promote production of fish seed to improve the development of inland fisheries in these states. In this connection, the meeting recommended the setting up of fish-seed farms and hatcheries.

Regarding forestry, the meeting emphasised the need for accelerating afforestation in these states since the percentage of the forest area is much below that recommended under the national forest policy. It said that in Haryana and Punjab, possibilities lie only in the development of agro-forestry under the social forestry programme.

The conference was addressed by, amongst others, Dr. M. S. Swaminathan, member, planning commission.

CSO: 4220/7141

DELHI ACCUSED OF REDUCING BENGAL WHEAT QUOTA

Calcutta THE STATESMAN in English 5 Oct 81 p 9

[Text] Bangalore, Oct. 4--The West Bengal Revenue Minister, Mr Benoy Krishna Chaudhury, has alleged that the Central allotment of wheat to his State under the food-for-work programme (now renamed the National Rural Economic Development Programme) had been "reduced deliberately."

He told a Press conference here today that West Bengal had asked for 40,000 tons of wheat under the programme in order to provide employment to 26 million unemployed and partially-employed agricultural workers in the State. Till now it had received less than 12,000 tons. As a result the State Government was forced to reduce the quantum of grain given to those employed from 3 kg to 1 kg and increase the cash component from Rs 2 to Rs 4.50. Owing to meagre wheat supplies from the Centre, even the one kilogram of grain was given in the form of either wheat or rice.

The Minister said the State Government had provided Rs 24 crores for the cash component of the programme. Of this Rs 12 crores had to come from the Centre. But even this was not forthcoming. "The Centre has sanctioned only Rs 6 crores which has remained confined to paper," he said.

Mr Chaudhury, who is also president of All-Kisan Sabha, was disappointed with the Centre's recent decision to fix cane price at Rs 13 per quintal and that of paddy at Rs 115. Taking into consideration the cost of inputs and cultivation, these were not remunerative prices. They were less than those recommended by the Agricultural Prices Commission.

The Minister said that the West Bengal Bill to amend the Land Reforms Act was now awaiting the President's assent. The amendments aimed at the plugging in the Act loopholes were utilized by landowners to declare large areas as non-agricultural land, he said. Under the Act, only about 500,000 hectares was vested in the Government as surplus. With the amendment, another 600,000 hectares would be available for distribution among landless workers.

Mr Chaudhury said the amendments proposed to do away with all exemptions provided for in the Land Reforms Act. Three conditions were laid down for self-cultivation. The owner had to prove that his main source of income was from the land and that he was living within 8 km of it, he and members of his family would have to

cultivate the land. Occasionally, he could employ labour. The Minister said a Government committee appointed three years ago, had made a survey of tea gardens in West Bengal to determine the area actually under cultivation and the land needed for expansion. Surplus land would be taken over by the State-owned Tea Corporation, he said.

CSO: 4220/7180

FOODGRAIN STOCK REPORTED TO BE SATISFACTORY

Calcutta THE STATESMAN in English 6 Oct 81 p 9

[Text] New Delhi, Oct. 5--Optimistic about the procurement of paddy, the Minister for Agriculture today clarified that the country had a satisfactory stock of foodgrain to last one year. But the picture is not as bright as it is sought to be painted officially.

The Minister's clarification was intended to allay fears about depleting stock of foodgrain. Though the Ministry did not give statistics about the present level of foodgrain, it was happy to note that the procurement of wheat at 6.57 million tons was the second highest figure till now though it fell short of the target 9.5 million tons.

While referring to "adequate stocks," not only does the Ministry pin its hopes on the coming procurement of paddy, but points out to the arrival of wheat from the USA. Two ships carrying 73,000 tons of wheat have already arrived from that country. The third ship carrying 30,000 tons is expected to reach Mangalore by day after tomorrow. The fourth ship with 20,000 tons of wheat is expected to reach Cochin on the 17th of this month.

Besides, three super tankers carrying 260,000 tons of wheat are scheduled to reach India soon. The wheat imported from the USA is to be stored in the south from where movement is easy. With the arrival of 1.5 million tons of wheat from the USA and bright prospects of paddy procurement, the Ministry does not anticipate any shortage. On the contrary, it expects a smooth sailing for at least one year.

But the Ministry is not able to hide its anxiety about foodstocks. A buffer stock about 15 million tons is regarded ideal. The Government is on record that the total foodstocks stood at 9.80 million tons on April 1. In addition, 6.57 million tons of wheat procured by State agencies and 1.5 million tons of wheat imported from the USA made a total of 17.87 million tons.

Monthly withdrawal from the central pool for the States has increased steadily from one million tons to 1.25 million tons. This means that the present stocks minus the imported wheat is around 10 million tons, which is not a very comfortable position.

That explains why the Government will not mind to import more wheat "if necessary" in case the kharif crop does not come up to its expectation and there is no problem about foreign exchange.

The recent advice of the Centre to the paddy-growing States to make suitable changes in their rules with a view to maximizing procurement is an index of Krishi Bhavan's anxiety about the foodstocks.

CSO: 4220/7185

OIL MINISTER TALKS TO PRESS IN INDORE

New Delhi PATRIOT in English 4 Oct 81 p 5

[Text] Indore, Oct 3 (PTI)--Imports of petroleum products and crude oil is likely to fall from next year as a result of additional availability of oil from new sources in the country, Union Minister for Petroleum P. C. Sethi said here today.

The reduction in imports would result in a saving of Rs 1400 crore of foreign exchange, Mr Sethi told in a press conference.

He estimated the fall in import volume to be five to six million tonnes in petroleum products and two million tonnes in crude oil.

The Union Minister said there were indications of oil reserves at a point 35 km South-West of Bombay in the Konkan region.

The new find, 35 km away from the sea coast near the Palk Straits, had indicated availability of good quality of light oil, he said and added that the flow at this place was higher as compared to that at the B-57 structure of Bombay High. The commercial viability of the find would be known only after further investigation and tests.

The production at Bombay High was likely to reach 16 million tonnes by the end of this year, Mr Sethi added.

The country was at present importing 2.5 million tonnes of light oil from Saudi Arabia.

Fertiliser Plant

Mr Sethi said the final survey report for setting up the Rs 800-crore fertiliser plant based on Bombay High gas was not yet ready and hence there was no question of selecting Sawai Madhopur for location of the plant as reported in a section of press.

He said the survey report was likely to be available to the Government some time later this month. The survey was being undertaken to choose the best site from among Guna, Ratlam, Mandsaur and Budni in Madhya Pradesh and Sawai Madhopur and Bharatpur in Rajasthan.

The Minister added that prospects of oil finds are bright in the Konkan region of Maharashtra and experts were busy with experiments and survey work.

CSO: 4220/7176

EXPERT PREDICTS SELF-SUFFICIENCY IN OIL

Bombay THE TIMES OF INDIA in English 5 Oct 81 p 14

[Text] New Delhi, October 4 (UNI)--A United Nations Development Programme oil expert has predicted that India could become self-sufficient in oil within the next ten years through enhanced recovery in existing fields and coverage of new areas.

Dr. N. Mungan, an expert on petroleum recovery who made an evaluation of India's capability of recovering maximum oil, told UNI that the average recovery of oil in India was only 20 per cent.

This meant that India was at the moment extracting only one-fifth of the oil available and the remaining four-fifths of the known reserves were left untapped.

The total oil production now in India is about 15 million tonnes. By using sophisticated equipment and technology, if 40 per cent of the reserves could be extracted, India's oil production could be doubled.

Dr. Mungan, who was here at the invitation of the government of India, had recommended that the institute of reservoir studies in Ahmedabad be funded in a significant way for the next two or three years.

Pat for Institute

Dr. Mungan, who has specialised in enhanced oil and gas recovery methods, said that the institute, set up in 1978, was doing a very good job. Part of the funds which he recommended could be in foreign exchange from UNDP, so that sophisticated equipment which was not available in India could be purchased for the institute. He was optimistic that the government of India and UNDP would realise the importance of the institute and make the necessary funds available.

He had discussions with the institute and Oil and Natural Gas Commission authorities on the characteristics of the oilfields in India, and the best recovery process for each of the oilfields.

Dr. Mungan said that he was impressed by the activities of India in the field of oil exploration, "even though these activities were relatively of recent times."

In North America, 40 per cent of the oil reserves was being extracted. India, which had no complicated oilfields, could easily go in for 40 per cent extraction.

Dr. Mungan said even countries like Brazil and France imported 85 per cent of their oil requirements. India, which was comparatively younger in oil exploration, had pulled ahead of a number of countries and was able to meet 50 per cent of its requirements indigenously, he added.

An enhanced recovery of oil could be achieved through water flooding, chemical flooding, miscible flooding, carbon dioxide flooding and by adopting thermal methods.

He said India was interested in carbon dioxide flooding and thermal methods, and the application of these two methods to recover more oil might be adopted in the country in the next two years.

CSO: 4220/7178

INCREASED OIL PRODUCTION EXPECTED IN ASSAM

Calcutta THE STATESMAN in English 28 Sep 81 p 8

[Article by S. Guru Dev]

[Text] Oil exploration and production in the eastern region will get a "real big push" with improved technology, a dynamic strategy of optimization and new concepts of management. Funds are no constraints. Digboi is said to have been created by the pioneering slogan "dig boy, dig." Today's drillers also have their slogans, their towns to create and promises to keep. But the problem is one of pace; the energy crunch antiquates production targets.

ONGC's financial outlay for 1980-85 has yet to be approved. The original plan outlay was Rs 3,370 crores, of which Rs 1,107 crores was earmarked for onshore. The total outlay was revised upwards to Rs 4,788 crores because of the Centre's directive to step up production from offshore fields. An accelerated development plan for the eastern region is under consideration. This crude production plan aims at 12.2 million tons for the eastern region. A restricted document of 1969 hoped that ONGC crude from Assam would touch 1.75 million tons by 1973-74; current production is about 1.70 million tons per annum. Nazira is, however, confident of 2 million tons by the end of the year, 4.10 million tons by 1985-86 and 4.86 million tons by 1990-91.

ONGC, Nazira, came on the oil map with Rudrasagar in 1960 when only two structures, including Desangmukh, had been delineated. Today, the 31 structures taken up for drilling include Desangmukh, Rudrasagar, Lakwa, Geleki, Borholla, Amguri, Charali and Chargola in Assam, Champang in Nagaland and Bagimara and Gopinath Killa in Meghalaya. The perspective plan for 1980-85 envisages increasing the drilling rigs from 14 at present (including Cachar) to 19. Seven oilfields, Rudrasagar, Lakwa (including Lakhmani), Geleki, Amguri, Borholla, Charali and Champang, are regular producers; Demalgaon has yet to be developed.

Experts say that the best-known region for its hydrocarbon potential is the South Brahmaputra valley extending into the Dhansiri valley beyond Borholla up to the Barail ranges. Oil India's Nahorkatiya, Jorajan and Moran fields extend with a break of comparatively unexplored territory into ONGC's commercial fields. Further south is Badarpur where the Burmah Oil Company worked a well in the early twenties, producing 0.32 million tons before abandoning the well in 1932. Known gas fields of Bangladesh, like Chattak, Sylhet, Haripur and Habiganj, lie west of this zone.

Complications

The Cachar project activates exploration after nearly four decades. Drilling on the Chargola structure since July 1977 has primarily been to probe the lower Bhuban and upper Barail sands adjoining Badarpur. Chargola-1 was abandoned because of severe down hole complications, Barak-1 was found to be oil-bearing; drilling of Chargola-6 is continuing. Scientists hope to strike it rich in this belt in the near future. The belt includes Baramura, Rokhia and Gojalia in Tripura.

The foothills of the Arunachal Himalayas and the north Brahmaputra valley have yet to be drilled by ONGC; geological and geophysical work is being undertaken. Oil India has identified some prospects adjacent to the Mishmi hills in recent drilling. The Patkaibum region extending from Arunachal across Nagaland into the North Cachar hills, Mizo hills and the Manipur ranges is being investigated by ONGC but logistics is a problem, also along the southern foothills of Meghalaya. The area, like the Naga foothills, is characterized by oil and gas leaking from subsurface hidden reservoirs. ONGC is likely to discover some oil-fields in the near future; Oil India's Kusijan and Digboi are in this belt. As on January 1 this year, ONGC had established geological reserves of 271.33 million tons of crude and 5,320 million cubic metres of free gas. Of these, the initial recoverable crude reserves are estimated at 58.84 million tons.

In 1971 Oil India sold to the three refineries at Digboi, Gauhati and Barauni 3,103 million tons of crude, the full rated capacity since 1969. The throughput in subsequent years could have varied because of unforeseen refining problems and other factors. The Rs 45-crore pipeline from Duliajan to Barauni (1,157 kilometres) was expanded in 1977-78 at a cost of Rs 50 crores to carry 2.25 million tons per year. The total ONGC crude carried by the pipeline till July 31, 1981, was about 9.58 million tons.

Oil India's loss last year because of the blockade was estimated at Rs 36 crores, which may be recouped in five years considering the rate at which the company can generate profits. The approved outlay for the Sixth Plan (1980-81 to 1984-85) is Rs 327 crores, of which the major part (Rs 169 crores) covers exploration in Arunachal, Orissa and the Bay of Bengal; Rs 97 crores for capital equipment and Rs 39 crores to develop the Jorajan field. About Rs 15 crores is earmarked for the LPG project at Duliajan which should be operational by April 1982. The plant will produce 60,000 tons of LPG and 12,000 tons of natural gasolene, reducing import of kerosene and saving thereby Rs 15.5 crores of foreign exchange a year.

Gambles

Not much is known, however, of OIL's recent explorations in Arunachal. After establishing a drilling density of one well for every 23 sq. km. in Assam, the intensity of its Arunachal operations since 1968 is nothing to write about. The terrain is forbidding and discovering oil is a gamble. Nevertheless, one has the feeling that OIL seeks new fields to make up for the declining production from existing wells, not necessarily to augment the current flow. Oil and gas were discovered in five shallow wells at Kharsang in Tirap district. Thirty wells are to be drilled in the next five years. The Kumchai well drilled in 1979

was the deepest ever in India. Reports suggest that Bogapani in the alluvial plains west of Digboi and 50 km east of Duliajan in Upper Assam opens up interesting hydrocarbon prospects. A new oilfield is believed to be in the offing.

Major users of OIL gas include Hindustan Fertilizers, Assam SEB, Assam Petrochemicals, Assam Oil Company, Dum Duma, Tingri and Moran gas grids and small consumers, largely tea estates. Duliajan blames the major consumers for not using their quotas fully. OIL has committed more gas for HFC's phase III expansion. ONGC gas keeps going ASEB's Maibella project at Lakwa, the mobile generating sets at Geleki and some tea gardens. What will happen when the real big push raises production to about 8 million tons, including OIL's, in the late eighties? Can the throughput in the pipeline be increased further by "looping" a larger segment? ONGC officials prefer to cross their bridges when they come to them.

Because of the Assam agitation the IOC refinery at Gauhati processed only 0.639 million tons in the last financial year against a normal throughput of 0.82 million tons. It was "dry" during April and November last year. The refinery has plans to increase its storage facilities. Preliminary work has begun on new projects estimated to cost Rs 10 crores to Rs 12 crores. A naptha splitter facility is being built to cater to the Bongaigaon refinery and Petrochemicals Limited's special feedstock requirement. The facility is to be completed by 1982-83. Other projects include installing cooling towers and an effluent pipeline.

The refinery has ordered from BHEL an 8 MW turbo-generator to ensure uninterrupted power supply. The State Electricity Board has been given the contract for a 33 KV double transmission line from Chandrapur to the refinery to reduce dependence on the captive power plant. All the projects are to be commissioned by 1983 and that presupposes trouble-free working days. Crude processing was interrupted for 66 days in 1980-81 because of bandhs, non-cooperation, etc.

CSO: 4220/7138

MORE DETAILS ON CAUVERY OIL FIND REPORTED

Madras THE HINDU in English 27 Sep 81 p 1

[Text] New Delhi, Sept. 26--The exact location of oil strike in the Cauvery offshore basin announced yesterday is about 50 km from the Vedaranyam coast.

The oil gushing out at the rate of 1,500 barrels a day from the well which has now reached a depth of 3,426 metres is very light and it is presumed sulphur-free.

The Oil and Natural Gas Commission will soon be testing a horizon at 200 metres above the depth of 2,301 metres where the oil was earlier struck.

ONGC is not in a position to say at the moment what the potential of the new oil field will be as two or three more assessment wells will have to be drilled. But both the Commission and the Petroleum Ministry are quite hopeful of speeding up the commencement of production once the commercial viability of the field is established and this should not take more than a year and a half.

An advantage with the new oil find is it has occurred at a very shallow depth (the seabed is at a depth of nine metres) and the erection of platforms should be an easier job than in Bombay High.

Hopes of the oil field around the Vedaranyam area giving a substantial yield are based on the fact that the oil has come from rocks estimated to be around 70 to 100 million years old. The locations where ONGC had earlier drilled did not apparently have these rocks and the wells turned out to be dry.

Since the "Gettysberg" has stumbled on these rocks now, it is hoped that the area contains more rocks of this kind and that they would be oil-bearing. The Bombay High rocks are relatively younger.

High-level meetings are now going on at the Petroleum Ministry with senior officials of ONGC and the Finance Ministry to decide the steps to be taken immediately in the wake of the new discovery.

Indications about the presence of oil in the structure where "Gettysberg" has been drilling since July 20 by way of "fluorescence" came nearly two weeks ago, but ONGC and the Petroleum Ministry remained silent as they did not want to give false hopes. Only on the night of September 24 the presence of oil was definitely known.

CSO: 4220/7133

'UNI' REPORTS 14.1 PERCENT RISE IN COAL PRODUCTION

Calcutta THE STATESMAN in English 5 Oct 81 p 9

[Text] New Delhi, Oct. 4--Coal production in the country increased by 14.1 percent in September over the corresponding period last year, reports UNI.

According to an official release issued here today, 9.22 million tons of coal were produced in September 1981, against 8.08 million tons in the same month last year, marking an increase of 1.14 million tons.

Higher production was recorded by all the companies during the month (September 1981) over the corresponding month last year. Coal output at Bharat Coking Coal and Central Coalfield went up by 16 percent each, Western Coalfield 10 percent and Eastern Coalfield 8.8 percent. The Singareni Collieries recorded an increase of 29.6 percent in the month over the corresponding period last year.

The cumulative production during April to September 1981, also recorded an increase of 9.8 percent over the corresponding period last year.

This is against the original growth rate target of 6.1 percent for the whole year, 1981-82, and the raised target of 8.8 percent for the year.

During these six months, 54.94 million tons of coal were produced against 50.02 million tons produced during the corresponding period last year, marking an increase of 4.92 million tons.

Another notable achievement for the coal sector is that the production of 54.94 million tons in April-September 1981 was the highest achieved in a six-month period, surpassing the previous best of 50.02 million tons in April-September 1980.

Coal despatches during September 1981 recorded an increase of 14.9 percent over the corresponding month last year.

During the month, nine million tons of coal were despatched against 7.83 million tons in September 1980.

The cumulative despatches during April-September 1981 were 55.30 million tons, against 49.47 million tons during the corresponding period last year.

CSO: 4220/7180

GAS STRUCK IN TRIPURA'S BARAMURA STRUCTURE

Calcutta THE STATESMAN in English 6 Oct 81 p 1

[Text] New Delhi, Oct. 5--Gas has been struck in the sixth well on the Baramura structure in Tripura, it was announced here today.

Drilling of the sixth well had started on February 18 this year and till September 10, the well had been drilled to a depth of 2,370 metres.

After testing the interval between 2,276 to 2,288 metres, gas started flowing at the rate of 90,000 cubic metres a day through a 6 mm beam at 130 atmospheric pressure.

The Oil and Natural Gas Commission has been exploring for hydrocarbons in Tripura since 1972 and so far, it has drilled six wells there. Gas was found in the first well on the Baramura structure in June 1975, but the subsequent drilling of four wells on the same structure was not successful due to severe difficulties encountered.

The ONGC, however, persisted and further exploration was carried out and once again, succeeded in striking hydrocarbons in Baramura. Further tests are proposed to be carried out to assess the potential of the latest gas find.

Meanwhile, the ONGC is drilling wells on two other structures in Tripura--Gojalia and Rokhia. The Gojalia well is projected to be drilled to a depth of 4,000 metres and the Rokhia well, being drilled with the assistance of Russian experts, will go to a depth of 5,000 metres.

There have been a number of gas finds in the last few years, both onshore and offshore, the largest being south Bassein gas field which has substantial recoverable gas reserves.

In addition to south Bassein, gas has been found in other offshore structures like B-55 and south and mid-Tapti. The total gas availability from these offshore fields is now established at about 20 to 25 million cubic metres a day.

Gas has also been struck in two separate offshore structures in the Andaman Islands and also off Porto Novo near Pondicherry.

In the onshore areas, gas was discovered in the first well in Dahej in Gujarat. A second well is now being drilled there. Gas was also struck at Narsapur in Andhra Pradesh some time ago and two further wells are being drilled there.

UNI adds: The State-owned Hindustan Petroleum Corporation has embarked on a Rs 400-crore expansion project in the Sixth Five-Year Plan period.

CSO: 4220/7185

PROBLEMS, PROSPECTS IN STEEL INDUSTRY NOTED

Bombay THE TIMES OF INDIA in English 5, 6 Oct 81

[Article by J. D. Singh: "Problems and Prospects in Steel"]

[5 Oct 81 pp 1, 5]

[Text] Plants Face Supply Crisis

The public sector steel industry has been looking up in the past one year. But crisis keeps prowling round the corner like a hungry panther.

The beast has already drawn blood. A reversal of the trend towards infrastructural improvement is noticeable. Complaints are heard once again about shortfalls in coal and power supply and bottlenecks in rail transport.

As production picks up further, the requirements of the steel plants in respect of essential inputs and raw materials, as well as movement of finished products to distribution centres, will increase. The question is whether the authorities concerned will be able to cope with them. There is some doubt about it.

A visit to the steel plants after a gap of five years reveals a picture of great contrasts. In December 1976, the steel managers were exuberant and optimistic. There was a "surplus" of indigenous steel. True, it was the result of low production and lower demand. Still, in theory, there was a surplus. The then steel minister talked bravely of creating a capacity of 75 million tonnes by the end of the century. The target was wholly unrealistic, but it reflected the mood of the moment.

Today, the mood is a mixture of hope and uncertainty. Hope because steel production has picked up since October 1980. In the first six months of 1981-82, the five integrated steel plants under Steel Authority of India Ltd. (SAIL) produced 2.609 million tonnes of saleable steel. If this trend continues for the second half of the year, the total output will be 5.218 million tonnes.

This will be much lower than 5.432 million tonnes in 1976-77 and 5.293 million tonnes in 1977-78 (when, incidentally, the installed capacity was less), but substantially higher than the output in any of the previous three years.

Since the step-up in production has been due largely to an improvement in the infrastructure, an element of uncertainty creeps into the scene. Steel managers are apprehensive that infrastructural constraints would reappear in the near future.

The inadequacy of rail transport is a complaint shared by all steel plants. It has caused shortages of raw materials as well as unwanted stockpiles of finished products (like galvanised sheets at Rourkela). The total stock holding with SAIL exceeds seven-lakh tonnes. Rourkela alone holds stocks of 94,000 tonnes and Durgapur, 58,000 tonnes.

It is admitted that there has been some improvement in wagon movement, but this has not been sufficient. One of the problems is that the railways offer large unidirectional rakes, but not loose wagons which can carry the products to all or most of the distribution centres.

While saleable steel stocks have gone up (partly because of a "glut" in the market caused by liberal steel imports), coal stocks have gone down from 479,000 tonnes on July 1 to 343,000 tonnes on September 30.

The coal stocks are much below the safe level and the plants are forced to adjust oven-pushing rates frequently, thus running the risk of serious damage to coke ovens due to thermal variations.

Coking coal is not only in short supply, but is poor in quality, with the ash content as high as 18.5 to 21.8 per cent. It is blended with imported coking coal to reduce the ash content, but the foreign variety is unavailable in large quantities.

The steel plants are also starved of raw materials. The managing director of Bokaro (in Bihar) complained that stocks of all raw materials were running at an "alarmingly low level." Bokaro has captive mines at Kiriburu (iron ore fines) and Bhawanathpur and Kuteshwar (limestone). But it is not possible to move the fines and limestone due to railway bottlenecks.

The stocks of iron ore fines at Bokaro are 64,000 tonnes, against the normal requirement of 150,000 tonnes. When only three furnaces are in operation, the plant requires 8,000 tonnes of fines per day. Limestone stocks at Bokaro are even lower, a mere 3,900 tonnes (or just two days' consumption) as against the normal requirement of 40,000 tonnes.

Like railway transportation, power supply, which showed an improvement in recent months, also remains inadequate. Bhilai in Madhya Pradesh is the worst affected. The Madhya Pradesh electricity board imposed frequent and heavy restrictions during the year. In spite of the captive power generation being maximised by running all the three generators most of the time, the plant suffered a heavy loss of production. The output of captive iron ore and limestone mines also suffered due to frequent power trippings.

The Damodar Valley Corporation, on which Durgapur and IISCO at Burnpur (both in West Bengal) and Bokaro are dependent for their power, has performed better in the past few months, but supply still remains erratic.

Bokaro's total power requirement is 190 mva of which the DVC is expected to supply 100 to 120 mva, but last year it supplied only 40 to 60 mva. Bokaro's own power generation has a firm capacity of 67.5 mw (its installed capacity is 120 mw). The plant proposes to add three more sets of 60 mw each. But the developments in Poland, which is to supply the equipment, may delay shipments.

Power is a problem at the Salem plant (in Tamil Nadu), too. This is the newest plant to be set up in the country and it produces cold-rolled stainless steel sheets and strips. Its requirement of power is 13 mw. But its captive diesel set can generate only 6 mw.

All these factors as well as the quality of management, internal deficiencies and governmental policies affecting the public sector are responsible for the declining trend in SAIL production since 1976-77 (the best year for the industry). In that year, SAIL plants produced 5.432 million tonnes of saleable steel. The output declined steadily to 4.593 million tonnes in 1979-80. In 1980-81 it improved marginally to 4.746 million tonnes. If all goes well, it is expected to total 5.218 million tonnes this year.

Still, in view of the additions to installed capacity since 1976-77, this small increase in output can hardly be a matter of pride for SAIL. Indeed, capacity utilisation declined from 90 per cent in 1977-78 to 69 per cent in 1979-80.

As against the public sector steel plants, TISCO run by the Tatas at Jamshedpur (the oldest steel plant in the country), has notched up an almost 100 per cent capacity utilisation year after year.

This alone should call for some introspection on the part of SAIL and the steel ministry.

[6 Oct 81 pp 1, 5]

[Text] Short-Sighted Planning

A close and critical look at the public sector steel plants is apt to [illegible] diametrically opposite emotions--pride and disappointment.

There is pride in the fact that "we can do it" as well as any other n[illegible] world. Salem is an example of the most sophisticated technology in th[illegible] industry. Rourkela adopted the well-known LD process almost a quarter [illegible] tury ago. True, we have not followed Sweden's experiment in inred, elre[illegible] plasmared which are of potentially great relevance to the industry and the[illegible] scope for accepting the other latest trends in technology. But to say that [illegible] plants are outmoded would not be correct.

The spectacle of large volumes of red hot metal being poured mechanically from coke ovens into giant containers and then thrashed and beaten into ingots, bill[illegible] or snake-like strips and thin sheets--all under the supervision of indigenous [illegible] skills--is very impressive.

Instances of bungling and slovenliness are not wanting. But there is also much evidence of efficient and dynamic management and a degree of dedication on the part of engineers and ordinary workers.

By way of contrast, cold statistics bring a tinge of disappointment. A nation of 650 million people--the second largest in the world--is able to produce a mere six million tonnes of steel after three decades of independence and six five-year plans.

Even if we leave aside the United States, the Soviet Union and even Japan--each of which produces more than 100 million tonnes of steel a year--some of the smaller developing countries have done better than us. Unlike Japan which has to import most of the raw materials, India has coal and iron ore in abundance.

Insufficiency of financial resources has acted as a constraint, but it is not insurmountable. What has bedevilled the steel industry is the absence of imaginative long-term planning. The government's Rip Van Winkle-like attitude of fitful awakening after long periods of slumber has been responsible for the dismally low capacity in steel.

At the time of independence, our steel capacity was 1.5 million tonnes (one million tonnes for TISCO in Jamshedpur and 0.5 million tonnes for IISCO in Burnpur). Both were in the private sector. (IISCO was taken over by the government in 1972.) This capacity remained static until eight years after independence.

In the 1950s a decision was taken to set up three plants of one million tonnes capacity each in Rourkela, Bhilai and Durgapur with West German, Soviet and British collaboration, respectively.

Rourkela was the first to go into production in 1959 following a day later by Bhilai. Durgapur was commissioned later that year. The 1960s were characterised by expansion of capacities at these three plants. No new steel plant was commissioned until a decade later. This was in Bokaro, again with Soviet help, though it is claimed to be the first swadeshi plant because 80 per cent of its equipment is indigenous.

In 1970, it was decided to establish three more steel plants--in Salem, in Tamil Nadu, Visakhapatnam, in Andhra Pradesh, and Vijayanagar in Karnataka. However, 11 years were to elapse before the commissioning of the Salem unit and this too in a highly truncated form.

Final approval of the Visakhapatnam plant (with a capacity of 3.4 million tonnes a year) was made public only recently, while the fate of Vijayanagar still hangs in the balance. In the meantime, it has been decided to set up a shore-based plant at Paradip in Orissa.

As a result of the slow growth in capacity and the various infrastructural constraints mentioned in the previous article, steel production remained static at around 2.5 million tonnes until 1972-73. It picked up in the next three years but has not exceeded six million tonnes, of which five million tonnes is in the public sector.

Even though steel-making is heavily dependent on power, only half-hearted measures were taken to improve the capacity of public utility companies like the Damodar Valley Corporation and the state electricity boards. Nor did any one plan to make the steel plants self-sufficient in power by creating captive capacity. Captive power units have since been sanctioned for the plants, but only grudgingly and in a manner that they cannot meet the growing requirements.

Shortage of power, coal and railway wagons have all adversely affected steel production. Governmental policies in respect of steel pricing, product mix or imports have had an unhealthy effect on it, too.

The plight of the Salem steel plant provides a most graphic instance of bungling in planning. (It is a misnomer to call it a steel plant, for it makes no steel. It is only a rerolling mill.)

Salem depends wholly on imported hot-rolled bands which it rerolls into sheets and strips. Its requirement of 42,000 tonnes of imported bands is expected to cost Rs. 50 crores a year in foreign exchange. There is a proposal to produce the bands in Durgapur and hot-roll them in Bokaro for supply to Salem. But it may take years before it is put into practice. Till then bands will have to be imported to feed the Salem plant.

The decision to allow liberal imports of the kind of stainless steel sheets being made in Salem has also hit the plant. With a widespread recession in the world steel industry, the imported sheets are much cheaper (Rs. 5,600 per tonne) than the indigenous sheets made in Salem (Rs. 8,300 per tonne).

The production cost is high partly because Salem has to pay a customs duty of 325 per cent on the imported bands against 40 per cent charged on other raw materials.

Owing to faulty planning, Salem has got not an integrated steel plant but only a rerolling mill with only one sendzimir unit with a capacity of 32,000 tonnes when in full operation (30 per cent in the first year). The other facilities in Salem such as pickling and annealing can handle 70,000 tonnes. A second sendzimir unit can help double the production. The SAIL board is believed to have approved the installation of this second unit and the proposal is pending before the government.

Looking at the economics of Salem, it sounds ridiculous that the plant should start with a huge loss of Rs. 85 crores in the first year itself on an investment of Rs. 167 crores.

The Bokaro plant--the most modern of the steel plants in the country--is also expected to close the current financial year with a loss of Rs. 8 crores in spite of scoring new records in production in the first six months.

Thanks to pricing policy, the plant will make a loss on hot-rolled products though it will make a marginal profit on cold-rolled items. Since the demand for cold-rolled products has slumped, the plant has been forced to cut down its production by more than half--from 33,000 tonnes to 15,000 tonnes.

Durgapur is the steel industry's perpetually sick baby. So only Rourkela and Bhilai are expected to end the year with profits.

The steel sector demands considerable investments for expansion and modernisation. Hence steel executives are unanimous in their plea for a review of the formula governing prices. The piecemeal increases announced in recent months--the latest being in February--have not been found satisfactory.

The irony of the situation is that it is not the consumer but the middleman who benefits from the steel prices deliberately kept low. The steel-consuming industries get away with considerable profit because they are able to buy steel at low rates.

There is similarly need for a more realistic price for materials produced by the steel plants exclusively for government departments like the railways. Durgapur makes railway track materials like wheels and axles, fish-plates and sleepers, while Bhilai manufactures rails.

But neither gets a fair price. The managing director in Bhilai said: "We do not get even the primary cost of steel-making." This situation has gone on for almost two decades, with the government paying no heed to repeated pleas from the steel plants to revise the prices.

(To be concluded)

CSO: 4220/7178

CORRESPONDENT REPORTS TROUBLES OF SALEM STEEL

New Delhi PATRIOT in English 5 Oct 81 pp 1, 7

[First of a series on Indian Steel Authority plants]

> [Text] Our special correspondent recently visited the plants of the Steel Authority of India at Bokaro, Bhilai, Rourkela and Salem. He reports on the status of the expansion plans being executed in the face of delayed supplies, of production plans gone awry for want of electricity and coal and of SAIL's gearing up its corporate sinews for the 10 million tonne target.

Salem--The Steel Authority of India's infant prodigy, the Salem Steel Plant is really not a steel plant at all. It is a re-rolling mill processing extremely expensive imported special steel, rolls, largely for use in the utensil making industry.

And by current indications, unless the government comes to its immediate rescue by making the imported hot rolled coils cheaper by reducing the duty, it threatens to become a long-term losing proposition.

The plant commissioned on 13 September this year, uses hot rolled coils imported at a customs duty of 325 per cent. With a current installed rolling capacity of 32,000 tonnes, the plant is entirely dependent on imports till such time that the government agrees to make alternate arrangements through the expansion projects at the other integrated steel plants of SAIL.

Price Pincer

In fact, according to executive director A. A. Raju, Salem has been caught in a price pincer, further aggravated by the ease with which ultimate consumers manage to import cold rolled special steels at a much cheaper price.

The market price of cold rolled stainless steel sheets for instance is Rs 56,000 a tonne. After paying import duties Salem can produce the same sheets at only at Rs 83,000 a tonne or nearly 50 per cent higher than the market price.

The plant began with an in-built loss of Rs 86 crores annually. Recently the Salem plant sold one of its first consignments of finished steel at a loss to the

Tamilnadu Government's Southern Structurals Limited, which itself was a "sick" private sector firm before the State Government took it over.

Faced with this problem, the plant is pressing on the government to give it financial relief first by reducing the import duty from the present crippling level to something more reasonable, and secondly by importing steel slabs instead of hot rolled coils. The slabs with a 40 per cent duty only said Mr Raju, could be rolled at its sister plant at Bokaro within SAIL which will do the preliminary processing. Ultimately, Durgapur, it is hoped, will supply the special steels.

According to Mr Raju Salem's appeal is getting a favourable response from the highest quarters and a decision is likely soon. At present, the products are governed by the pricing schedule of the Joint Plant Committee which has so far not taken the production cost of Rs 83,000 per tonne into account as against the market price of Rs 56,000. SAIL has also pleaded for an outright ban, or at least drastic restrictions on the import of cold rolled stainless steel.

Pricing may be the more urgent need, but the problems of Salem are a decade old at least. Through the decade, what was conceived to be another modern integrated steel plant, making its own iron from nearby ores, converting it into steel ingots slabs and coils and then milling them to the fine quality required for the transport industry, utensils and chemical plants, has found itself truncated into a more rolling mill.

There seems no hopes in the next two decades of it ever becoming the integrated plant it was supposed to be.

Mr Mohan Kumaramangalam, the then Union Minister for Steel and Mines, who came from a nearby village, had planned for a plant that could utilise the iron ores in the picturesque foothills of the Kanjamalai range on Tamilnadu-Karnataka border with the Cauvery roaring by. In fact there are two huge hills made up of about 32 per cent iron in the sprawling 15.45 sq miles complex of the plant and its township which is speedily coming up on a very modern pattern.

The iron in the mountains was not economical to extract because far more enriched and cheaper ores were available in the country in abundant supply.

After a number of studies in the 60s, the site was chosen for one of the three new plants to be initiated in the fifth Plan together with Visakhapatnam and Vijayanagar in Karnataka. The work at the plant site was inaugurated by the Prime Minister on 17 September 1979. Construction was inaugurated by Mr Kumaramangalam two years later. According to the original schedule, the first phase--of setting up a cold rolling mill of 35,000 tonnes capacity--was expected to be completed in the fifth Plan itself, but there was no cash to carry on the plans.

Salem was almost forgotten for the next five years. There was no activity at all till March 13, 1977 on the eve of the general elections when the government gave its final clearance to SAIL to go ahead with the first phase and complete it within 54 months. The capacity was to be 32,000 tonnes using imported special steel in the hot rolled coils form.

A computer was pressed into service to ensure the completion of various projects on time. The cold rolling of special steels is a high technology field, for which the technical knowhow was received from the French concern Peugot Loire. Other equipment came from France, GDR, West Germany, Austria and Japan.

The heart of the Rs 167 crore first phase is a massive Sendzimir Mill which rolls the thick coils into various grades of very finely polished thin rolls or sheets in all specified gauges.

But before a steel coil can be rolled, it has to be cleaned (the process called pickling) and softened (annealing). The modern annealing and pickling units are said to be the best available in the world. Apart from the Sendizimir mill, which has a capacity of 32,000 tonnes a year, the annealing, pickling, shearing and slitting units are capable of handling 70,000 tonnes, sufficient for a further expansion. The SAIL board has already sanctioned a second Sendizimir mill and the proposal is now awaiting government sanction.

The plant has also the country's latest bulk handling structure for liquid petroleum gas used in the annealing furnaces. Three huge steel spheres of 500 tonnes capacity each are ready for use. The installation can unload 60 equivalent to about 30,000 cylinders of the type used in domestic cooking ranges. According to Mr Raju, the plant's profitability will increase once its production reaches 70,000 tonnes with the installation of the second Sendizimir mill.

As the facilities for smelting and continuous casting were being installed in the Durgapur modernisation scheme, the Salem mills could roll the entire product of the Durgapur unit, Mr Raju said.

Meanwhile, Salem is hopeful of catalysing a range of small-scale industries in the State to make use of its product. It has launched a massive campaign to educate the entrepreneurs of the region into the range of its special steels, and promises technical guidance to those who want to make use of it.

(To be continued)

CSO: 4220/7179

PLANS FOR SELF-SUFFICIENCY IN STEEL TOLD

Bombay THE TIMES OF INDIA in English 26 Sep 81 p 1

[Text]

NEW DELHI, September 25.

THE Union government's recent approval for setting up an integrated steel mill at Paradip with a capacity of three million tonnes per annum will enable the country to attain self-sufficiency in steel during the seventh plan period.

From a net exporter of steel during 1976-77 and 1977-78, India had become a net importer despite the slowing down in the rate of industrial growth. According to official sources here, the country will have to depend on imports of steel for meeting the domestic demand during the sixth plan period. This is in spite of vast improvement in the rate of capacity utilisation of the steel industry.

It is stated that there will be need for marginal import of steel even during the concluding year (1984-85) of the sixth plan, as there will be imbalances between various categories of steel. While there may be a surplus of flat products by 1984-85, the planners anticipate shortage of shaped products.

With the industrial growth rate showing positive signs of improvement, the demand for steel is also expected to go up. During the sixth plan period, the demand for steel is slated to grow at the rate of 8.8 per cent.

An all-out attempt is, therefore, being made to maximise steel production both from the integrated plants as well as the mini-steel mills. The steel ministry is keeping a close watch over the progress of the various expansion schemes. The idea is that there should be no slippages in the construction schedule.

Sources here point out that steps have also been initiated to start work at the Visakhapatnam steel plant, which had approved earlier by the Union cabinet. The first phase of the Vizag steel plant, which will have a capacity of 1.15 million tonnes, is expected to be completed during the final year of the sixth plan and it will go on stream in 1985-86. The second phase of the shore-based project with a total capacity of 2.25 million tonnes is expected to be completed in 1987-88 and it will start production during 1987-88.

The demand for steel is projected to go up to 12.9 million tonnes by 1984-85 and 18.4 million tonnes by the turn of this decade, starting from a consumption level of eight million tonnes in 1979-80.

The production of steel, including the output of mini-steel plants, has been planned to be increased from 7.4 million tonnes in 1979-80 to 11.5 million tonnes in 1984-85, and 17.4 million tonnes in 1989-90, provided the infrastructural constraints are adequately eradicated.

The short-term and long-term strategy on the iron and steel sector encompasses the removal of infrastructural constraints, including the import of coking coal, provision of captive power plants at Bokaro, Durgapur and Rourkela, and the speedy implementation of modernisation and expansion schemes.

The Bhilai steel plant's capacity is beinng expanded by four million tonnes, while the Bokaro expansion envisages an increase in the capacity to the tune of 8.75 million tonnes.

Bhubaneswar (PTI): Amidst thunderous applause, the chief minister of Orissa, Mr. J. B. Patnaik, announced in the state assembly on Friday the Centre's decision to locate the country's second shore-based steel-plant at Paradip.

Describing it as "historic" for Orissa, the chief minister said the plant, with an initial annual capacity of 1.5 million tonnes, would cost an estimated Rs. 3,000 crores. The capacity would go up to three million tonnes, he added.

CSO: 4220/7126

BRIEFS

WEST BENGAL ELECTIONS--Calcutta, Sept. 25--The ruling Left Front committee in West Bengal favours the holding of elections to the State Assembly in March and has decided to recommend to the State Government that it take steps to advance the poll by three months from its due date in June next year. Mr. Promode Daagupta, Chairman of the nine-party committee, told newsmen shortly after a meeting yesterday that June was not suitable for election campaign as it was too hot then and wet too. "If our recommendation is accepted the State Government, then, will have to request the Governor for dissolution of the State Assembly," he said. The CPI (M)-led Left Front Government will complete its full five-year term in June.--PTI. [Text] [Madras THE HINDU in English 26 Sep 81 p 7]

HALDIA REFINERY EXPANSION--The Haldia Refinery has taken up a project to expand the capacity of the propane deasphalting unit of the lube oil block to produce 15,000 tons of cylinder oil, in addition to 45,000 tons of "bright stock" annually, Mr N. L. Majumdar, general manager of the refinery, told reporters at Haldia on Friday. The cylinder oil to be produced at Haldia will be a special type of lubricant, which is at present imported mostly for the use of the railways. Mr Majumdar said the project was estimated to cost Rs 3 crores and expected to be completed by March 1983. Despite a shortfall in the availability of crude, the refinery gave priority to the production of high speed diesel, cooking gas and bitumen. As a result of the crude crisis the refinery, which produced mainly lube, had to handle about 12 types of crude. Its processing rate had gone up to 2.492 million tons in 1979-80 from 2.213 million tons the previous year. Mr Majumdar said foreign collaboration might be required for various new processing schemes now being examined. [Text] [Calcutta THE SUNDAY STATESMAN in English 27 Sep 81 p 12]

UTTAR PRADESH GOLD--Lucknow--Large deposits of commercially viable gold ore have been found in the hilly areas of Pauri Garhwal and Nainital districts of Uttar Pradesh, an official release said today. In the Upper Shiyalik hill reaches in the Kalachur region of Pauri Garhwal, a 60 km long and two to five km wide seam of gold deposit has been found. This seam of "placer" gold which in the west begins near Kalagarh between the Rai Ganga river, ends in the east near the Kosi river in Ramnagar. The belt stretches through the Corbett National Park, Pauri Garhwal and Nainital. In an earlier survey in May and June last, a nine km long and two to four kms wide seam of gold had been found in the Upper Shivalik reaches between Khara and Cheela in Pauri Garhwal district. Tests have revealed the ore has a recovery of 0.4 per ton of ore. [Text] [Madras THE HINDU in English 27 Sep 81 p 4]

FORMER AASU LEADER--Gauhati, Sept. 26 (UNI)--Former All Assam Students Union general secretary Prasanna Lal Choudhury who had been suffering from cancer for the last three years died in the Medical College Hospital here today. He was 35. AASU president Prafulla Kumar Mahanta and its general secretary Bhrigu Kumar Phukan along with other student and All Assam Gana Sangram leaders paid their last tribute to the departed leader by placing wreaths on the body. The body was later cremated at Navaraha cremation ground in the presence of a large number of people. [Text] [New Delhi PATRIOT in English 27 Sep 81 p 4]

CPI WIN--Vijayawada, September 28 (UNI)--The CPI, a constituent of the ruling united front, won a seat in the municipal corporation from the eighth division, trouncing the Congress (I) in the election field yesterday, the result of which was announced today. Election had been earlier countermanded because of the death of a candidate. The CPI candidate, Mr. M. Nasaraiah, polled 3,281 while his nearest Congress (I) rival secured 699. [Text] [Bombay THE TIMES OF INDIA in English 29 Sep 81 p 1]

ORDER FROM USSR--A repeat order for 35 sets of hot water generating systems consisting of package boiler, water treatment plant, expansion tank, etc. was signed in Bombay, by IAEC Bombay and Machinoimport, USSR recently, says a press release of the Company. The order follows a visit of Soviet technical and commercial teams to IAEC's factory at Bhandup, Bombay, where the "hot test" of a complete hot water generating system was conducted in the presence of Soviet experts on 24 and 25 August, 1981. The efficiency achieved by the IAEC hot water generating system was 92 per cent which is more than the guaranteed efficiency of 88 per cent. This is an extremely creditable achievement and gives further proof of the capabilities of Indian engineering and expertise. [Text] [New Delhi PATRIOT in English 29 Sep 81 p 5]

AMBASSADOR TO SENEGAL--Mr Roop Krishna Anand, presently Indian ambassador to Argentina, has been appointed ambassador to Senegal in succession to Mr Kanwar Gajendra Singh, reports PTI. Mr Anand is expected to take up his assignment shortly, says an official release. [Text] [New Delhi PATRIOT in English 29 Sep 81 p 5]

AID FROM HUNGARY--Hungary would help India in managing its water resources and irrigation projects, Union Minister of State for Irrigation Z. R. Ansari said in the Capital on Monday. Mr Ansari had recently discussed the issue with the Hungarian Irrigation Minister. Inaugurating an exhibition on water management at Hungarian Cultural Centre Mr Ansari said that he had discussed in detail about the scope of cooperation and collaboration in such fields. Hungary's Charge d'Affaires S. Varge said that water management in his country was the task of the National Water Management Authority. It managed supply and use of water to an acceptable level. [Text] [New Delhi PATRIOT in English 29 Sep 81 p 10]

GARHWAL REPOLL DATE--New Delhi, Sept. 29--The Election Commission today formally notified that the repoll in Garhwal Parliamentary Constituency would be held on November 22, reports PTI. The candidates will be the same as in the June 14 by-election, which was countermanded by the Election Commission on June 20 because of irregularities, including induction of policemen from outside Uttar Pradesh without the knowledge of the commission. There will be no fresh poll as far as

postal ballots are concerned. Those received the last time would be counted along with the ballots of the repoll. The contest had assumed national significance in view of the personalities involved. Mr H. N. Banuguna, who had won the seat in the last general election on a Congress ticket and resigned after leaving the party, was seeking to assert his personal influence in the constituency. The Congress (I) was equally determined to defeat him and had put up Mr Chandra Mohan Singh Negi, a U.P. Minister. There are four other candidates. [Text] [Calcutta THE STATESMAN in English 30 Sep 81 p 1]

VIDYASAGAR VICE CHANCELLOR--Professor Bhupesh Chandra Mukherjee has been appointed Vice-Chancellor of Vidyasagar University, according to Mr Sambhu Ghosh, Minister for Higher Education. Professor Mukherjee took charge in Calcutta on Tuesday. The Minister said that the new Vice-Chancellor had been requested to take charge during the day as it was the birth anniversary of Pandit Iswar Chandra Vidyasagar. Professor Mukherjee was a former principal of Moulana Azad College and president of the West Bengal Board of Secondary Education. [Text] [Calcutta THE STATESMAN in English 30 Sep 81 p 4]

MAHARASHTRA CABINET DECISIONS--The Maharashtra cabinet today fixed the support price of johar and paddy at Rs. 122 per quintal for this year. The chief minister, Mr. A. R. Antulay, who announced the decision to newsmen at a hurriedly convened press conference after the weekly cabinet meeting, said the procurement would commence from October 2 and the Maharashtra state co-operative marketing federation would be the government's agent for making the purchase. The state cabinet also decided to nationalise three textile mills in the state. They are the textile mills at Badnera, Phulgaon (both in Vidarbha) and the Western India Mills in Bombay. [Excerpt] [Bombay THE TIMES OF INDIA in English 1 Oct 81 pp 1, 5]

CPI MEMBERSHIP GROWTH--New Delhi, Sept. 29--The Communist Party of India has registered a modest growth in its All-India membership since the party held its 10th congress at Bhatinda in April 1978. According to an official CPI document, it approved all India membership stands at 465,483 in 1981. It was 459,513 at the time of the last congress in 1978. The CPI has very strong bases in Bihar, Andhra Pradesh, Kerala, Tamil Nadu, Uttar Pradesh and West Bengal. These State units contained 3,78,183 members in 1981. The CPI's Bihar unit is the strongest and has a strength of 127,199. Its membership in 1978 was 107,673. The tally of the CPI's membership in Andhra Pradesh is 82,882, in Kerala 54,855, in Tamil Nadu 41,726, in Uttar Pradesh 38,332, in West Bengal 33,179, in Punjab 19,892, in Orissa 14,172 and in Maharashtra 13,229. [Text] [Calcutta THE STATESMAN in English 1 Oct 81 p 11]

UNDP GRANTS REPORTED--New Delhi, Sept. 30--While world organizations such as the IMF have been constrained to assist India, the United Nations Development Programme has proved to be more liberal with its funds. It has raised its assistance to the University Grants Commission's nine selected university science departments from $1 million to $2.8 million, in the second phase of its programme covering October 1979 to December 1982. The UNDP's financial assistance is mainly for improving the research and development capacities of these departments in Indian universities. During the first phase of the programme, covering 1977 and 1978, the UNDP gave an assistance of about $1 million and on evaluation of the results, during the second phase covering October 1979 to December 1982, the UNDP's

assistance has been stepped up to $2.8 million. The UNDP support covers equipment services of foreign consultants and training facilities abroad besides other material inputs. The purpose of the special assistance programme is to enable departments concerned to modernize and consolidate their training and research programmes on an inter-disciplinary basis and to engage themselves in problem-oriented and time-bound research programmes with distinct R and D value. The special assistance programme was started by the commission about 10 years ago. The commission, with the help of its expert committees, has so far identified 32 such departments. The commission has given them substantial support to add to their facilities, sophisticated equipment and academic and research staff. The UGC's assistance for the programme relating to the 32 science departments is about Rs 15 lakhs for each department over a 5-year period. [Text] [Calcutta THE STATESMAN in English 1 Oct 81 p 13]

NEW ONGC CHIEF--Dehra Dun, Sept. 30--Col. S. P. Washi, former Chairman of the Cement Corporation of India and at present holding charge as officer on special duty, ONGC, will take over as the ONGC Chairman tomorrow. He succeeds Mr. P. T. Venugopal, who is going on a month's leave preparatory to retirement.--PTI. [Text] [Madras THE HINDU in English 1 Oct 81 p 16]

FOREIGN VOTERS REPORTED--Calcutta, October 1--The PCC (I) general secretary, Dr. Gopal Das Nag, yesterday referred to "alarming" reports about Bangladesh nations having been included as voters in many areas during the recent revision of electoral rolls. He said that a specific example of nearly 400 such entries in the rolls for a constituency near Santipur in Nadia district had come to his notice. The party was trying to obtain more information in regard to all the constituencies bordering Bangladesh and "will then decide what to do about it." [Text] [Bombay THE TIMES OF INDIA in English 2 Oct 81 p 15]

PLA ARRESTS REPORTED--Imphal, Oct. 1--A senior leader of the outlawed People's Liberation Army, Chongtham Beda Singh, and another PLA member were shot dead by some unknown persons at Naoremthong Bamon Yaima Leirak near here today, according to the police, reports UNI. Mr Beda Singh, who was responsible for the PLA propaganda balloons and for remodelling the mine-bombs used as traps, was walking down a main road with another PLA activist when he was shot dead. The other PLA man, who was critically wounded, died in hospital. His identity could not be established immediately. PTI adds: Three important members of the outlawed Peoples' Revolutionary Party of Kangleipak surrendered before the Manipur Chief Minister on Tuesday, and handed over three country-made pistols, according to an official release today. They were N. Mohon Singh, N. Gopal Singh and Iraiyaima Singh, the release added. Mr K. H. Chaoba, leader of the People's Democratic Front in Manipur today demanded the resignation of the Congress (I) Ministry in the State for its "failure to contain the deteriorating law and order situation." [Text] [Calcutta THE STATESMAN in English 2 Oct 81 p 1]

WEST BENGAL CONGRESS-S--The West Bengal Congress (S) thinks that the CPI(M) is straying from the path of unity of Left and democratic forces and is indulging in parochialism under the leadership of Mr Promode Dasgupta. The State Congress (S) executive in its resolution has called upon other constituents of the Left Front to rise against the big brotherly attitude of the CPI(M). The CPI(M), it says, has been consistently parochial because it has all along opposed the

progressive steps taken by the Congress. The resolution has also criticized the Left Front for deterioration of law and order in the districts. Because of the failure of the Left movement and acute unemployment, a deep frustration had set in among the youth. The Central Government had also completely failed to check the prices of essential commodities. [Text] [Calcutta THE STATESMAN in English 2 Oct 81 p 3]

WARSHIPS' COLOMBO PORT CALL--Colombo, Oct. 1--Two Indian warships, INS Dunagiri and INS Amba, now on a goodwill visit to Sri Lanka and the Maldives, sailed into Colombo on Monday morning. INS Dunagiri--a leander-class frigate and INS Amba--a submarine depot ship--are on their first visit to the island. Captain I. J. S. Khuranna, Commanding Officer, INS Dunagiri, and Captain S. Bhandoola, Commanding Officer, INS Amba, called on the Sri Lanka Navy Chief, Rear Admiral R. V. H. Periera, who paid a return visit. A reception was hosted by the Commanding Officers, which was attended among others by the Indian High Commissioner, Mr. Thomas Abraham, senior defence officials of Sri Lanka and consular representatives. A friendly basketball match was played by the team of the countries. A group of spastic school children were taken on board on Tuesday and shown round. INS Amba, a Russian-built depot ship, has a group of cadets from the Naval Academy, Cochin, who are on their maiden voyage. [Text] [Madras THE HINDU in English 2 Oct 81 p 5]

MARATHI DAILY CLOSES--Pune, 1 (UNI)--The "vishal sahyadri" a local Marathi Daily of 21 years' repute, today closed down due to "financial constraints." The management has served notices on its one hundred-odd journalist and non-journalist employees informing them of the closure and terminating their services with effect from today. [Text] [New Delhi PATRIOT in English 2 Oct 81 p 5]

WARSHIPS AT MOMBASA--Mombasa, Oct. 2--Two Indian warships--INS Brahmaputra and INS Beas--berthed at Mombasa on Wednesday on a four-day goodwill mission to Kenya. The arrival of the ships coincided with the visit of India's Chief of Naval Staff, Admiral R. L. Pereira, to Kenya. The Indian High Commissioner in Nairobi, Mr V. K. Grover, called on the commanding officers--Captain A. K. S. Chitre and Commander S. Pillai. The commanding officers of the warships called on the Kenyan Naval Chief, Brigadier Mbilu. Admiral Pereira was also present and held discussions with Brigadier Mbilu. The two naval chiefs presented crests of their respective Navy to each other. Both the commanding officers later called on the provincial commissioner of Mombasa and Rajab Sumba, the Mayor of Mombasa. [Text] [Calcutta THE STATESMAN in English 3 Oct 81 p 16]

STUDENTS FEDERATION DENIAL--The All-India Students Federation on Friday said that Gajinder Singh, leader of the five Sikhs who hijacked an Indian Airlines plane to Lahore, had no connections with the AISF. In a statement, the AISF said that "he was never a member" of the organisation. [Text] [New Delhi PATRIOT in English 3 Oct 81 p 7]

IMPHAL ARRESTS REPORTED--Imphal, October 3 (PTI)--The police and the Manipur Rifles have launched a drive against underground elements in various parts of Imphal for the last four days. In all, 13 "important extremists" including the former regional chairman of the Nationalist Socialist Council of Nagaland, Mr. Rochu Pao, and a PREPAK leader, Mr. Suren Macha, have been arrested during surprise raids.

The drive was conducted in the wake of reports that an attempt was being made by the underground organisations of Manipur, Nagaland and Assam to come under one banner. [Excerpt] [Bombay THE TIMES OF INDIA in English 4 Oct 81 p 5]

POWER STATION PLANS--New Delhi, Oct. 3--The State-owned National Thermal Power Corporation will set up seven big power stations, including one in the capital, with a total capacity of 15,000 MW by 1995. The project sites are Talcher (Orissa), Kahalgaon (Bihar), Waidhan and Pench (Madhya Pradesh), Bhadrachalam (Andhra Pradesh), and Uttar Pradesh, the NTPC Chairman and Managing Director, Mr A. K. Sah told reporters here today. When commissioned, these would account for more than 30 per cent of the thermal power capacity additions till 1990, he said. The first stage of 1260 MW-Waidhan project--nearing completion--has received Soviet assistance. Mr Sah said feasibility reports on four projects had already been submitted to the Government for investment approval. Mr Sah said that the World Bank which has already contributed $1,500 million for the thermal power and projects, was expected to give $350 million for expansion work at the 1,500 MW-Ramagundam project. The negotiations were expected to take place shortly, he said. [Text] [Calcutta THE SUNDAY STATESMAN in English 4 Oct 81 p 9]

KHALISTAN COUNCIL MEMBERS--Amritsar, Oct. 3--Two active members of the National Council of Khalistan, Master Hazara Singh and Mr Ujagar Singh Chackmishri, were arrested when they surrendered near the Guru Ram Das Serai here this evening, reports PTI. Both of them were mentioned by the Chief Minister, Mr Darbara Singh, as proclaimed offenders hiding in the Golden Temple premises to evade arrest. They were immediately taken away in a police jeep. A large number of Sikhs gathered inside Guru Ram Das Serai and shouted pro-Khalistan slogans when the two surrendered. A large police force was kept on guard near the serai. No untoward incident occurred. Both Mr Ujagar Singh and Master Hazara Singh became prominent when they crossed the international border with Pakistan on April 8 in protest against the Indian Government's decision to slash the number of pilgrims to Sikh Gurdwaras in Pakistan. They were imprisoned for several months during the Punjabi Suba agitation of Akali Dal in 1960. [Text] [Calcutta THE SUNDAY STATESMAN in English 4 Oct 81 p 1]

SCIENCE ACADEMY PRESIDENT--The annual general meeting of the Indian National Science Academy has reelected Prof M. G. K. Menon Secretary, Department of Science and Technology, as President of the Academy for 1982, reports UNI. The meeting also elected Prof. S. C. Bhattacharya (Calcutta) and Dr A. S. Mitra and Prof. P. N. Tandon (both of Delhi) as Secretaries. The annual meeting also conferred the Meghnad Saha Medal on Planning Commission member M. S. Swaminathan. Awards were also presented to Dr A. N. Radhakrishan (University of Hyderabad) for the Bires Chandra Guha lecture for 1981 and Prof. D. Lal of Ahmedabad for Dr Drishnan Memorial lecture for 1981. [Text] [New Delhi PATRIOT in English 4 Oct 81 p 5]

TRADE FAIR PLANS--Mowcow, Oct 3 (UNI)--The Soviet Union will be one of the major participants of the international trade fair to be held in Delhi in November-December this year, reports UNI. The Soviet exposition will include more than 4,000 items reflecting the development of Soviet economy and science, domestic and foreign policies of the Soviet State, the working and recreation of the Soviet people. The major Soviet foreign trade organisations represented at the

fair will demonstrate the export capabilities of the Soviet Union, Mr Nikolai Petrovski, head of the Soviet exposition at the coming fair told APN in an interview. The experience of the past years shows that the Delhi fair which is very representative in nature, provides excellent opportunities for business contacts and mutually advantageous contracts and agreements, he said. [Text] [New Delhi PATRIOT in English 4 Oct 81 p 5]

AID TO BHUTAN--Gangtok, Oct 3 (PTI)--India will assist Bhutan in setting up its own air service, according to Union Tourism and Civil Aviation Minister A. P. Sharma. The Centre was paying particular attention to providing better air service in the North-Eastern region, Mr Sharma, now on a two-day visit to Sikkim, said at a press conference here yesterday. As a first step in this direction, the present tri-weekly Delhi-Bagdora service was extended to four days a week. It was encouraging that traffic in the Delhi-Gauhati flight was picking up, the Minister said. The fare for the proposed helicopter service between Bagdora and Gangtok will not be more than the taxi fare, Mr Sharma added. [Text] [New Delhi PATRIOT in English 4 Oct 81 p 5]

VIP SECURITY CHECKS--Raipur, Oct. 4--All VIPs except Ambassadors, Chief Ministers and Union Cabinet Ministers would be required to pass through the security check in air travel. The Union Minister of State for Civil Aviation and Tourism, Mr. Chandulal Chandrakar said here on Saturday that the security rules on these lines existed at the international level also, but they were not being strictly followed till now. He said the Union Ministers of State, State Ministers, MPs, MLAs and other VIPs would now be subjected to security check. The security rules would now be strictly implemented.--PTI. [Text] [Madras THE HINDU in English 5 Oct 81 p 9]

AASU EXPELS LEADER--Gauhati, October 5 (PTI)--A prominent executive committee member of the All-Assam Students' Union, Mr. Lachit Kaita, has been expelled from the AASU for alleged corruption in the organisation. Mr. Bhrigu Phookan, general secretary of the union, said here today that the decision for expulsion was taken at the recent general meeting of AASU held at Bongaigaon. [Text] [Bombay THE TIMES OF INDIA in English 6 Oct 81 p 1]

BUMPER SUGAR CROP--Bangalore, October 5--Sugar production in the coming season is expected to be a record 6.5 million tonnes, according to Mr. Ranjit Puri, president of the 45th annual convention of sugar technologists of India. Attributing the expected bumper crop to the "practical and farm-oriented policies" of the government, Mr. Puri said he was happy that consumers' hardships on account of sugar would end. [Excerpt] [Bombay THE TIMES OF INDIA in English 6 Oct 81 p 5]

EAST EUROPE TRADE--New Delhi, October 5--Bulgaria, Romania and Yugoslavia have shown interest in importing chemicals from India, according to a six-member delegation of the Federation of Indian Chambers of Commerce and Industry, which has returned after a visit to these countries. In Bulgaria, the delegation was informed that India could send 50 tonnes of aspirin immediately. The three countries wanted some dyestuffs and dye intermediates, ayurvedic medicines and herbs. [Text] [Bombay THE TIMES OF INDIA in English 6 Oct 81 p 5]

HIGH-YIELDING FODDER--New Delhi, Oct. 5--New high-yielding varieties of sorghum for fodder have been developed by the Indian Agricultural Research Institute promising to increase the yield by 70 per cent. Mr H. K. Jain, director of the institute, has told reporters here that the new varieties will provide nutrition to cattle which will lead to higher milk production. Sorghum is the most important fodder crop. The varieties are--pusa chari-10, pusa chari-6, pusa chari-9, pusa chari-11 (all single cut varieties) and pusa chari-21, pusa chari-23, pusa chari-29 and pusa chari-40 (all two-cut varieties). [Text] [Calcutta THE STATESMAN in English 6 Oct 81 p 3]

WARSHIPS IN TANZANIA--Dar-es-Salaam, Oct. 5--The command ship, INS Brahmaputra, fired a 21-gun salute as it sailed in to Dar-es-Saleem harbour along with INS Beas early this morning. The salute was reciprocated by Tanzanian shore batteries. The two warships are on a five-week goodwill mission to east African ports. The ships were received by the acting Indian High Commissioner, Mr U. N. Abhyankar, and Brigadier R. L. Makunda, Chief of the Tanzanian Naval Staff at the jetty. A large crowd lined the shores as the ships steamed into the harbour. The commanding officers of the two ships, Captain A. K. S. Chitre of INS Brahmaputra and Commander S. Pillai of INS Beas called on the Tanzanian Minister for Defence and National Service, Lieutenant-General Abdallah Twalipo, and the acting Chief of the Defence Forces of Tanzania, Lieutenant-General Musuguri. The Defence Minister expressed his country's gratitude at the various assistance, technical and other, offered by India to Tanzania. The Defence Forces Chief was grateful to India for training its armed forces. The captain of the command ship presented a crest to the Chief of the Defence Forces. The commanding officers of the two ships later called on the acting Indian High Commissioner. The ships arrived in Tanzania from Mombasa. [Text] [Calcutta THE STATESMAN in English 6 Oct 81 p 16]

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END

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1 December 1981

South and East Asia Report

No. 1073

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ALL-INDIA CONGRESS COMMITTEE MEETS IN BOMBAY

Sharad Pawar Elected

Madras THE HINDU in English 21 Oct 81 p 1

[Text] Mr. Sharad Pawar was unanimously elected President of the Congress (S), here today.

Pawar's Presidential Speech

Madras THE HINDU in English 21 Oct 81 p 6

[Text] BOMBAY, Oct 20.

The Congress (S) President, Mr. Sharad Pawar today said it was time the party seriously considered the practicability of bringing together like-minded parties and forces for joint action "to check the country's drift towards lawless authoritarianism."

Mr. Pawar said in his presidential address to the All India Congress Committee that the high hopes with which the people elected the Congress (I) last year were turning sour and a deep ground-swell of discontent was feel building up. But though the Congress (I) was losing the confidence of the people, the Opposition had yet not been able to regain it.

The people were yearning for effective Opposition, but they were not certain if the Opposition, as it was today could provide it. As they saw it, the Opposition today was divided, uncertain and fractious, each of the constituent parties having its influence confined to certain pockets.

Mr. Pawar said that the past few months had been a trying period for the party. Some of the respected elders and younger colleagues had left it — some for the greener pastures of the Congress (I), while others for the sake of their own personal ambitions.

More homogeneous

With the departure of these friends, the party had become more homogeneous and there was a greater sense of unity and purpose, he said.

Mr. Sharad Pawar said the traditional thought and policies should be reassessed dispassionately and those that had only served to strengthen enormously the power of the State, thereby creating tremendous scope for corruption and reducing the citizen to a state of helpless dependence on the Government should be discarded.

He said while retaining the basic democratic socialist moorings, the party had much to imbibe from the Gandhian legacy.

Mr. Pawar said political corruption had not only become routine and all-perveerve, but had also been refined and perfected into an art of political profiteering, ostensibly in the name of the poor.

"Fertile ground for amassing money"

In an economy of shortages, administrative controls provided a fertile ground for amassing money. Most of the Congress (I) leaders today appeared to be preoccupied with raising funds in a variety of ways and forms. They had naturally developed a vested interest in creating and perpetuating shortages which enabled them to extract money by allocating quotas or effecting imports of scarce commodities.

Numerous scandals were coming to light involving important leaders, including Chief Ministers. What was, however, disturbing was the tendency to treat these scandals as matters affecting the party's interests and to defend the guilty without any sense of shame or to invent convenient excuses to belittle the guilt.

The President of the AICC (S) said that the Prime Minister recently asserted that corruption was a global phenomenon. This all pervasive corruption and its brazen defence were, in a way the inevitable product of the culture which the Congress (I) had tried to foster all these years, he remarked.

Soaring prices

Referring to the economic situation Mr. Pawar said that the economy had been plagued by soaring prices, growing shortages of essential commodities, a yawning gap in the country's external trade and the unchecked growth of the parallel economy.

The Government's economic policy was only helping to widen further the gap between the rich and the poor, and the distinct anti-farmer bias in its pricing policy was tending to aggravate the disparity between the rural and urban sectors.

PTI & UNI report:

"The earlier goal of economic self-reliance had been abandoned and there is now a growing dependence on imports and foreign loans," he said.

Backs KPCC (S) decision

Mr Pawar expressed the party high command's whole-hearted backing to the Kerala Pradesh Congress (S) Committee's decision to pull out of the marxist-dominated Left Democratic Front.

Deviating from he prepared speech Mr. Pawar explained that the KPCC (S) had been forced to take the step because it could not ignore the detenorating law and order situation in the State, the politicising of the police force and its "blatant use" for party purposes.

In spite of the party's warnings and efforts the CPI (M) had not changed its behaviour, he said and called on the marxists to mend their attitude to "maintain and strengthen" efforts towards unifying the opposition forces against the Conress (I)

Mr Pawar said a joint front of opposition parties could articulate specific issues which were uppermost in the people's mind and launch peaceful joint struggles for securing redress.

The formation of such a broad national front wedded to democratic, egalitarian and secular values and committed to the strengthening of national integration and communal harmony was the need of the hour.

"Attack on press and judiciary"

Mr. Pawar, deprecated the attempt by the Congress (I) Government to bring to a standstill the country's democratic pattern by undermining its system of checks and balances".

"A concerted attack is being mounted on vital institutions like the judiciary and the Press, which are the nerve centres of a parliamentary democracy", he said.

Parliament had been reduced to a ratifying body by frequent resort to ordinance raj, the police and intelligence agencies had been demoralised, and the workers' right to protest had been severely curbed by adopting the Essential Services Maintenance Act.

Mr Pawar said, "The populist and manipulative politics which dominated our national life over the last decade have brought about a virtual disintegration of the structure of all democratic parties, creating a great organisational void in our body politic".

CSO: 4220/7292

PAPER REPORTS NORTHEAST INSURGENT ACTIVITIES

Islamabad THE MUSLIM in English 17 Oct 81 p 5

[Text] INDIA's north-eastern states are facing a bushfire rebellion which may turn out to be a real nightmare for Prime Minister Indira Gandhi.

Latest reports indicate that the People's Liberation Army (PLA) in Manipur, the Naga underground in the jungle state of Nagaland and the Mizo rebels in the neighbouring state of Mizoram are plotting to build a "Pan-Mangoloid nation".

According to reports, this will comprise Nagaland, Arunachal Pradesh, parts of Assam, Manipur and Western Burma where the Naga rebels have found refuge.

Recently, the Indian Army announced the capture of 43-year-old N. Biseswar Sing, leader of the underground Manipur PLA. He was caught by the Army's "seek and destroy" patrols at Tekcham village in Manipur.

Biseswar Singh, according to the military, left his wife and three children to lead the fight against the central Government and carve out a free state.

Manipur was a tiny kingdom until 1949 when it was formally incorporated as a district in the Indian Union.

Military analysts explain that one of the reasons behind the rebellion in Manipur is the rising unemployment among educated youth. According to latest count, out of a population of 1.2 million, there are over 150,000 educated unemployed in the state.

Several youth organisations sprung up from among these educated unemployed and in the early sixties. Biseswar Singh set up what he called the "Revolutionary Government of Manipur".

In 1975, the elected government of Dorender Singh announced pardon for all the rebels. The youth were given land, money grants to start orchards near the Indo-Burmese border.

But Biseswar Singh was not satisfied with the government concession. He went with a team of guerillas to Lhasa in Tibet where they were trained by the Chinese.

In 1978, he reorganised the PLA from his hideout in Burma.

But a more disturbing aspect is that Biseswar Singh joined hands with a new leader of the Naga rebels, Tang Khul Muivah. Together, they launched their headquarters in North Burma.

With Biseswar Singh's capture Indian military authorities believe it is possible to seal the escape route of the rebels in the Burmese jungles.

But this hinges on the co-operation which they will have to get from the Burmese Government. In this light, Indian officials are worried by the impending abdication of Burma's strongman, Gen. Ne Win.

Officials here believe that the Indian Army's actions against the insurgents, backed by the Burmese troops, will be considerably weakened if Ne Win's successor is not strong enough to crush internal rebellion.

As one observer said: "The fortunes of insurgents in the entire north-eastern region are completely linked with the political state of affairs in Burma. Things are bad enough. Even with a strong ruler like Ne Win, who commands the loyalty of the soldiers, the Burmese Government has not been able to keep more than a token control over the North Burma jungles bordering India. The prospects of this guerailla-infested land expanding under a weak government are indeed frightening".

Adding to these fears is the fact that about 2,000 Naga rebels have established themselves in Burma. Reliable reports indicate that the Nagas have effective liaison with a militant body called the North-East Regional Students Union. Their aim is to set up a Marxist Pan-Mangoloid nation. They reportedly operate in small groups and plan the rebellion in such a way as not to disturb the authorities.

According to some experts, what has helped the Naga underground movement, the PLA and the rebel Mizos is the law which gives tribesmen in North-East India free movement up to 40 kilometres on either side of the international border.

T.N. Kaul, a confidant of Mrs. Gandhi, says: "The problem in Assam and other areas of the north-east is one of creating confidence in the hearts and minds of the people, their economic and social interest be protected in harmony with the larger national interest and integrity of the whole country".

The basic question is how to make the Nagas, the Mizos and the Manipuris, who are better educated than those in the neighbouring India states feel that they belong to the mainstream of Indian culture. Right now, this is a distant prospect.

CSO: 4220/7293

CSIS ANNIVERSARY MARKED BY COMMEMORATIVE PROGRAM

Jakarta KOMPAS in Indonesian 13 Sep 81 pp 7, 12

[Article: "Commemoration of 10th Anniversary of CSIS [Center for Strategic and International Studies"]

[Text] Jakarta, KOMPAS--The organization for the study of doctrine strategic and international questions, better known under the name of CSIS (Center for Strategic and International Studies), on 11 September commemorated its 10th anniversary.

The simple commemorative program was attended by Minister of Information Ali Moertopo, Deputy Minister for Youth Affairs Abdul Gafur, and many other guests.

On this occasion the CSI directors turned over a souvenir book as a gesture of thanks to two of the golden figures of CSIS, Lt Gen (Retired) Ali Moertopo, and Lt Gen (Retired) Soedjono Hoemardani, now a development inspector. The two leaders are honorary chairmen of CSIS.

Apart from that those attending the ceremony were given selections from five studies currently being worked on by CSIS: "Hubungan Bapa-buah dan Anak-buah dalam Masyarakat Indonesia" [Relationships Between Superiors and Subordinates in Indonesian Society]; "Gagasan Masyarakat Asia-Pasifik" [Concepts of the Asian-Pacific Community]; "Pendidikan dan Pemerataan" [Education and Equality]; "Energi dan Pemerataan" [Energy and Equality]; "Epistemologi dan Kebudayaan" [Epistemology and Culture].

The CSIS was established on 1 September 1971, with the principal objective of carrying out studies oriented toward policy, both on international questions as a specific matter and on domestic questions closely connected to overall developments.

To achieve this objective, in addition to having a permanent group of staff analysts, CSIS also brings together a number of consultants and correspondents from academic, youth and student and journalist circles and from industrial, financial, commercial, and labor groups. In this way, on the one hand, CSIS tries to provide an opportunity for the development of interdisciplinary studies and, on the other hand, tries to bring together a variety of intellectual views in an orderly atmosphere but in a spirit of independnece.

Basically, the CSIS does not present an official view or recommendations in its own name as an institution. The reports, studies, and analyses which are published are in the name of the respective authors. The CSIS is only responsible for the level and the objectivity of the analyses which are produced.

As of 1 September 1981 CSIS had about 40 professional staff members (permanent staff analysts), supported by the same number of administrative staff members. To support its study activity, the CSIS has a library and other, academic infrastructure which can be used by the general public also.

A large proportion of the results of the study activity of the CSIS is broadly distributed in various forms of publications, including books, monographs, reports, studies, and periodical publications. In the past 10 years the CSIS has published about 40 books.

CSIS publications like ANALISA (a monthly) have entered their 10th year of publication, while THE INDONESIAN QUARTERLY has entered its ninth year of publication. In 1980 the CSIS ceased publication of RINGKASAN PERISTIWA [Summary of Events], a bi-weekly which had been published since 1971. To replace it, CSIS is publishing DOKUMENTASI [Documentation], based on clippings on a variety of particular questions. Since July, 1981, it has published NAWALA CSIS [CSIS Life] as a means of contact and communications between the CSIS and various groups outside it. Through this publication it is hoped that information can be provided on a continuing basis (it is a bi-monthly) on what has been done, is being done, and will be done by the CSIS.

The Center functions under a Council of Directors chaired by Dr Daoed Joesoef (now minister of education and culture). Its offices are at Jalan Tanah Abang III/27, Jakarta Pusat.

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CSO: 4213/08

INCREASED INTERNATIONAL ORGANIZATION ASSISTANCE FOR TRANSMIGRATION

Jakarta KOMPAS in Indonesian 23 Sep 81 pp 8, 9

[Article: "Increase in Assistance of International Organizations for Transmigration."]

[Excerpts] Kendari, KOMPAS--There is substantial interest on the part of international organizations in the transmigration program in Indonesia. For the implementation of transmigration programs in Southeast Sulawesi alone, at present there are three international organizations which are providing support, respectively, the Asian Development Bank, the Islamic Development Bank, and the European Economic Community.

According to the secretary general of the Ministry of Manpower and Transmigration, Dr Urip Widodo, the assistance provided by the three organizations is in the form of a loan. From the Asian Development Bank the loan is for a period of 5 years (1979-1984) and involves $50,290,000. This total includes $10 million from the Islamic Development Bank and $5 million from the European Economic Community.

Regarding international organization assistance for the transmigration program in Southeast Sulawesi, according to Urip Widodo it is directed at performing rehabilitation work on 17 old transmigration projects and 70 local villages. In addition, for the movement of 4,500 heads of transmigrant families to Wawotoli (Kendari Regency), assistance will be provided to improve agricultural facilities, including provision of 5,800 work animals, irrigation, drinking water, and health services for the transmigrants and the people living around them.

The movement of transmigrants during the third five-year plan is targeted at 500,000 heads of families. According to the secretary general of the Ministry of Manpower and Transmigration, up to 12 September 1981, 133,992 heads of families had been moved. The movement of transmigrants during the third five-year plan has been much higher than during the two previous five-year plans.

During the first five-year plan the number of transmigrant families moved was more than 9,000 per year, on the average. In the second five-year plan this total went up to more than 11,000 families. However, during the third five-year plan the movement of transmigrants has increased rapidly. From January to September, 1981, 58,643 heads of family were designated, or 7,330 heads of family per month.

With the increasing implementation of the transmigration program there has come increasing reflection and more intensive action on the part of various government

offices involved in multi-sector implementation of the program. Rather complex problems have been encountered which are difficult to resolve, said Urip Widodo. For example, these problems involve deciding on the location of the project. The locations for housing for the transmigration project are determined, based on several considerations. In addition to the technical factor there is also the appropriateness of the location where people will live, the factor of health, and technical considerations involving agriculture.

These questions often result in moving the housing site from the place originally selected. This also often causes delays in preparation of the housing project, which finally causes a delay in the location of the transmigrants.

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CSO: 4213/08

QUESTION OF COMMITMENT TO MUTUAL ASSISTANCE RAISED

Jakarta KOMPAS in Indonesian 17 Sep 81 pp 6, 9

[Article: "Sarlito Wirawan: Perhaps Indonesians Are Not Really Committed to Mutual Assistance"]

[Excerpts] Jakarta, KOMPAS--In looking at present circumstances, it is possible that Indonesians are not really committed to helping each other [gotong-royong]. And the myth that this country has a mutual assistance tradition often becomes a set of shackles. It is because of that that every difference of opinion which comes up must always be resolved by means of discussion and the development of a consensus.

This was stated by Dr Sarlito Wirawan in his speech on "The Question of Basic Human Needs in Indonesia," which he made at the third National Science Congress in Jakarta.

Sarlito went on to say that for almost 10 years, that is, during the period of Guided Democracy and at the beginning of the New Order period, there were no votes taken in Parliament [DPR] and in the People's Consultative Council [MPR(S)]. At that time "voting" was considered taboo. However, later on "voting" began to be used in the DPR and in the MPR.

100 Percent

He said that this happened because total agreement could not always be achieved. And if a consensus was arrived at, it was always necessary to have a process of nonsensical "lobbying." That process was accompanied by intrigues and subtle terror.

According to Sarlito, the fact that the Indonesian people are not really disposed to assist each other collectively is based on the consideration of egotistical humanity. That is, a human being may help another person if his own interests are involved.

In this connection Sarlito also said that government leadership in Indonesia at the present time still contains many elements of traditional, paternalistic, and charismatic leadership. In this connection Sarlito noted that both Soekarno and Soeharto had become president because there was a revolution going on, although they were revolutionary leaders who had their own characteristics.

He went on to say that the question now is how long the revolutionary leadership can last during the period after the revolution. The style used by the revolutionary

leaders, who usually were also charismatic leaders, does not fit in with the procedures of true democracy. The more mature a society is, the more mature its democratic procedures. Thus, the techniques of manipulation to maintain power which were often used by the charismatic leaders are no longer appropriate.

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CSO: 4213/08

ECONOMIC DEVELOPMENT IN RACE WITH POPULATION GROWTH

Jakarta KOMPAS in Indonesian 17 Sep 81 pp 1, 12

[Article: "Prof Sukadji Ranuwihardjo: Rate of Economic Development in Race with Population Growth"]

[Excerpts] Jakarta, KOMPAS--The rate of Indonesian economic development is still in a race with the high rate of population growth. That is why the results of development are still slow to see. This was stated by Prof Sukadji Ranuwihardjo in his address to the third National Science Congress (KIPNAS) in Jakarta Wednesday afternoon [16 September].

In the context of human development and economic growth, according to Sukadji the core of the question can be summarized as the effort to wipe out poverty, which still weighs heavily on the Indonesian people. In the course of two five-year plans and by the middle of the current third five-year plan, economic development has been able to bring down the number of people who are below the absolute poverty level. That is, from more than 50 percent in 1969 to about 30 percent in 1981.

According to Sukadji, what is important in the process of economic development is relative poverty, not absolute poverty. That is, the poverty level of one group of people, compared with the average living standard of society. In this sense the distribution of indome and wealth and the ability to use them have a major influence on the abolition of absolute poverty.

Comparative studies in developing countries show that there is a high correlation between the level of poverty and the average income level (GNP per capita). Based on this it is suggested that the key to the solution of the problem of poverty is a high rate of economic growth.

Sukadji thinks that a high rate of economic growth alone is not enough. It must be accompanied by equality in the division of income and assets, which gives decisive influence to the abolition of absolute poverty and also to prevent a disproportionate division of wealth from spreading increasingly between rich and poor. "The argument which opposes the rate of growth and equality, in fact is unacceptable, because these are twin aspects of economic development," Sukadji said. He added that equality without growth if accompanied by rapid population expansion meant nothing more than the equalization of poverty.

Meeting basic human needs in the form of food, clothing, and shelter, as well as health care and education, has a very close, mutually-dependent relationship with the abolition of poverty. If their basic needs are met, this does not mean that the poor in society are free from suffering.

In fact, the lack of food and nutrients, poor health, and the lack of knowledge and skills will limit the opportunity to work and the capacity to earn an income. A number of studies show that, although labor may be abundant at relatively low wages, because its productivity is very low, the use of high technology capital is more economical. In turn, such use of high technology capital will narrow the opportunities for work.

According to Sukadji, increasing the availability of food, health care, and education is very important, but this is not enough. These must be accompanied by the attributes of policy. That is, in a deliberate sense the opportunities for work must be broadened and adequate levels of income stimulated, at the same time that a policy is adopted on the equalization of income and the control of assets.

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CSO: 4213/08

LONG-TERM FOOD FORECAST

Jakarta KOMPAS in Indonesian 11 Sep 81 pp 1, 9

[Article: "Chief of BULOG [Logistics Affairs Body] on the Year 2000: There Will Be No Famine in Indonesia"]

[Excerpts] Jakarta, KOMPAS--In the year 2000 it can be stated with certainty that Indonesia will be free of the danger of famine. The food available will be more than sufficient but not so abundant as to cause a food surplus.

This was stated by the deputy minister for cooperative affairs and the chief of BULOG, Dr Bustanil Arifin, in his speech before members of the Jakarta Lions Club Wednesday evening [9 September] at the Hotel Jayakarta Tower in Jakarta.

According to Bustanil, in the years between 1980-1990 and 1990-2000 the rate of population increase will fall, although slowly. For example, it will reach the rate of 2 percent in 1990 and, hopefully, will be at 1.8 percent in 2000. This is because the Indonesian people are increasingly aware of the effort to control population, for example by putting off the age of marriage and postponing the arrival of the first and second child.

It is believed that the elasticity of income in terms of demand for food, for example rice, will fall, because the level of consumption has already reached 130 kilograms per capita. Further, it is expected that income will continue to rise from the present level of $600 per capita annually to $900 per capita annually by 2000. "This means that increased consumption will be more influenced by population increase, compared with increased income," said Bustanil.

Bustanil continued that the food consumed by the Indonesian people 20 years in the future will remain relatively the same as at present, that is, with a heavy emphasis on rice. Meanwhile the people in the villages who eat corn or casava will continue to be numerous.

By 2000 the consumption of rice per capita will reach the level of 150 to 160 kilograms per year. After that it is estimated that consumption will only increase slowly because income, which will already be relatively high, will make it possible for the people to look for their caloric intake from other foods.

The population of Indonesia in 2000 is expected to be about 220 million. If consumption of rice per capita reaches a maximum of 165 kilograms per year, about 36.5

million tons of rice will be needed, plus about 10 percent more for carryover stocks. This means that 40 million tons will be needed, or twice the production in 1980. "It is felt that this is not a fantastic goal to be reached, because the production of rice between 1969 and 1980 increased by almost 90 percent in 11 years," Bustanil said.

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CSO: 4213/08

BRIEFS

BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesian personalities has been extracted from Indonesian language sources published in Jakarta.]

SENIOR CIVIL SERVANTS REPLACED--Jakarta, HARIAN UM AB--Secretary General of the Ministry of Finance Salamun, Director General of the Customs and Excise Service Tahir, Director General of the Tax Service Sutadi Sukarya, and Chairman of the Body for Establishing the Capital Market (BAPEPAM) J A Turangan will be replaced, based on Presidential Decision Letter No 153 of 29 August 1981. The post of secretary general of the Ministry of Finance will be held by Elly Soengkono, who is now inspector general of the Ministry of Finance. The post of director general of the Customs and Excise Service will be held by Lieutenant General Wahono. The post of director general of the Tax Service will be held by Dr Salamun, a graduate of the Technical Academy. The new chairman of the Body for Establishing the Capital Market (BAPEPAM) will be Dr Suradi Sukarya. Elly Soengkono, besides serving as secretary general of the Ministry of Finance, according to available information will temporarily continue to hold the post of inspector general of the Ministry of Finance. Before becoming inspector general of the Ministry of Finance Elly Soengkono was previously secretary general of the Ministry of Public Works and Electricity. Lieutenant General Wahono, who is a new face in the Ministry of Finance, previously was Indonesian ambassador to Burma, commander of the Brawijaya Division [Surabaya], commander of KOSTRAD [Army Strategic Reserve Command], and deputy chief of staff of the Army. Tahir, who has been director general of the Customs and Excise Service since 27 May 1973, according to available information will be assigned to a new post outside the Ministry of Finance. Sutadi Sukarya has been director general of the Tax Service since 1970, and Salamun has been secretary general of the Ministry of Finance since May, 1973. Before becoming secretary general of the Ministry of Finance Salamun held the post of director general of the Finance Office for several years. [Excerpts] [Jakarta HARIAN UMUM AB in Indonesian 4 Sep 81 p 1] 5170

H ABOENG KOESMAN SOMAWIDJAJA--In Presidential Decision Letter No 135/M/1981 President Soeharto appointed H Aboeng Koesman Somawidjaja, Mayor of Cirebon, as deputy governor of West Java. With the installation of H Aboeng Koesman West Java will have two deputy governors, the other one being Dr Soehoed Warnaen. According to the spokesman of the Ministry of Internal Affairs, Dr H Feisal Tamin, in his statement to the press yesterday [4 September], the installation of the new deputy governor will be held in Jakarta on 9 September. Asked by the press about the respective functions of the two deputy governors in the same province, Dr Feisal replied that, based on Law No 5

of 1974 on the basic functions of provincial government, a province or a regency could appoint more than one deputy governor or regent. This is based on several considerations, including efficiency and effectiveness in performing the tasks of government, the geographical situation, the local population, as well as other matters which may have a special character. He said that at present there are 10 provinces which have deputy governors, although there are not yet any deputy regents or deputy mayors in office. The provinces which already have deputy governors are Aceh, Lampung, the city of Jakarta, the three provinces of Java, Irian Jaya, East Timor, and South Kalimantan. Apart from Jakarta, which has 4 deputy governors, and West Java, which has 2 deputy governors, the other provinces only have one deputy governor. Dr Feisal Tamin also said that the position of deputy governor was not assigned on the basis of an election by the Provincial Council but rather was a matter for nomination by the governor after consulting with the Provincial Council involved. The nomination is later presented to the president through the minister of internal affairs, who has the power to forward it or return it. [Excerpts] [Jakarta HARIAN UMUM AB in Indonesian 5 Sep 81 pp 1, 9] 5170

MAJOR GENERAL (RETIRED) TAHIR--President Soeharto has appointed Major General (Retired) Tahir inspector general for development for projects at the provincial level directly subject to presidential instructions. The decision by the present, contained in Presidential Decision Letter No 155 of 29 August 1981, is intended to fill the post of inspector general for development which has been empty for some time, following the death of Air Vice Marshal Soetopo. Before being designated as inspector general for development, Tahir was director general of the Customs and Excise Service and was an officer on the Central Inspection Team (TEPERPU) assigned to KOPKAMTIB [Command for the Restoration of Security and Order] with the task of coordinating the interrogation of PKI leaders who carried out the rebellion known as the G-30S/PKI [30 September Movement/PKI] over the period from 1965 to 1973. After that Tahir was appointed director general of the Customs and Excise Service until the end of August, 1981. While he was director general of the Customs and Excise Service, he attracted public notice when, together with the attorney general, he launched Operation 902, that is, an operation aimed at wiping out smuggling, based on a Presidential Instruction dated 9 February 1976. Due to Operation 902 businessman, importers, and officials of the Customs and Excise Service who were involved in the smuggling of goods were brought before the courts. Indeed, some of them were assigned to special detention on Nusakambangan Island. The results of Operation 902 were very decisive in raising state tax receipts, which increased considerably in the following years. For example, in fiscal year 1979/1980 customs receipts were estimated at Rp 691.9 billion, but actual receipts were Rp 789.3 billion. For fiscal year 1980/1981 customs receipts in the budget were estimated at Rp 840.5 billion, but actual receipts totaled Rp 1.082 trillion. Tahir's final task as director general of the Customs and Excise Service was the formation of a Canine Narcotics Unit in the Directorate General of Customs and Excise. In the first phase the Australian government provided 6 dogs trained in sniffing narcotics and later provided training to 20 dog handlers for 3 months in Jakarta. The United States Customs Service provided further aid in training two dog handlers in the United States, and in October, 1981, it is expected that they will return to Jakarta with two narcotics detection dogs. With his appointment as the new inspector general for development, Tahir will join three others in the same position, that is, Soedjono Humardani, Soekasah Somawidjaya, and H V Worang. [Text] [Jakarta HARIAN UMUM AB in Indonesian 9 Sep 81 pp 1, 7] 5170

TWO AMBASSADORS APPOINTED--On Saturday [19 September] at the State Palace President Soeharto installed two career diplomats, Dr Sjahabudin Arifin as Indonesian ambassador to the United Kingdom and Dr Budi Hartantyo as Indonesian ambassador to Hungary. Ambassador Arifin replaces Saleh Basarah, who has completed his tour of duty in London. Arifin has been secretary general of the Ministry of Foreign Affairs since 1977. He was born in Jakarta on 3 March 1928 and obtained his doctoral degree in economics at the Rechtschaft Wissenschaftliche Fakultat of the University of Berne in Switzerland. He had previously served as ambassador to Iran (1963-1967) and director general of the Office of Foreign Economic, Social, and Cultural Affairs, before becoming secretary general of the Ministry of Foreign Affairs. Ambassador Dr Budi Hartantyo will replace Imrad Idris. Ambassador Hartantyo was born in Lamongan [East Java] on 29 November 1928. He graduated from the Foreign Service Academy in 1954 and obtained a degree in political science from National University in 1971. His most recent position was that of deputy chief of delegation at the Permanent Indonesian Delegation in Geneva, with the title of minister and later of ambassador. [Excerpts] [Jakarata KOMPAS in Indonesian 21 Sep 81 p 12] 5170

M DAWAM RAHARDJO--M Dawam Rahardjo was born in Surakarta (Central Java) in 1942. He is director of the Institute for Economic and Social Research, Education, and Information (LP3S) in Jakarta. He graduated from the Faculty of Economics of the University of Gadjah Mada (1969). He is active in directing survey and research projects, including a survey on the rattan industry in Central and South Kalimantan and a feasibility study on the industrialization of wood in East Kalimantan. He is active in seminars in Indonesia and overseas. He has written a number of studies published by the LP3ES, including: "Hasil Penelitian Kerajinan Rakyat Jawa Timur" [Results of Research on People's Handicrafts in East Java], "Unit Perencanaan Daerah" [Regional Planning Unit], "Hasil Penelitian Industrial Craft and Design" [Results of Research on Industrial Craft and Design], "Pesantren dan Pembaharuan (editor)" [Religious Schools and Renewal (editor)], and "Profil Pesantren" [Profile of a Religious School]. [Text] [Jakarta PRISMA No 6 June 81 p 104] 5170

SUMITRO DJOJOHADIKUSUMO--Sumitro Djojohadikusumo was born in Purwokerto in 1917. He is a professor at the University of Indonesia and general chairman of the State Employees Cooperative League (IKPN). He once served as assistant prime minister of Indonesia (1946); deputy chief of the Indonesian Mission to the UN Security Council; member of the Indonesian Delegation at the Round Table Conference (1948-1949); Indonesian charge d'affaires in Washington (1950); minister of economic affairs (1950-1951); dean of the Faculty of Economics of the University of Indonesia (1951-1957); Indonesian minister of finance (1952-1953 and 1955-1956); minister of trade (1962-1972); and minister of state for research (1972-1978). His most recent post has been that of deputy chairman of the National Commission for Educational Renewal. He has taken part in a variety of scholarly programs and written a number of working papers and articles published in Indonesia and overseas. He has written several books, including: "Ekonomi Pembangunan" [Development Economics] (1955); "General Economics: Principles, Theory and Policy (1956); "Searchlight on Indonesia" (1959); "Trade and Aid in Southeast Asia: Report on Malaysia and Singapore" (1956); and "Indonesia Dalam Perkembangan Dunia: Kini dan Masa Datang" [Indonesia in World Development: Now and in the Future] (1976). [Text] [Jakarta PRISMA in Indonesian No 6 Jun 81 p 104] 5170

ABDURRACHMAN SURJOMIHARDJO--Abdurrachman Surjomihardjo was born in Tegal [Central Java] on 19 September 1929. He is a researcher for the National Economic and Community Institute, Indonesian Science Institute (LEKNAS-LIPI). He graduated with a major in Indonesian history from the Faculty of Arts of the University of Indonesia in 1961. He was a teacher at the Taman Siswa School in Jakarta (1952-1964) and a teaching assistant at the Faculty of Arts of the University of Indonesia from 1958 to 1964 and then a history teacher up to 1964. He was a staff researcher in the National Cultural Research Institute (LKRN-LIPI) from 1964-1974. He has taken part in a number of research projects, surveys, scholarly conferences, and seminars, both within Indonesia and overseas since 1962, particularly in the field of history and, more recently, in the field of documentation and information in the social sciences field. He developed the theoretical outline for Volume V of the "National History of Indonesia" (1971-1975) and has written two books on "The History of the City of Jakarta," as well as a number of articles which have been published in several magazines and newspapers. [Text] [Jakarta PRISMA in Indonesian No 8 Aug 81 p 96] 5170

SARTONO KARTODIRDJO--Sartono Kartodirdjo was born in Wonogiri [Central Java] on 15 February 1921. He is a professor of history and director of the Center for Village and Regional Research and Studies of the University of Gadjah Mada in Yogyakarta. He graduated from the history program of the University of Indonesia (1956); obtained an MA degree from Yale University in the United States (1964); and received a PhD degree (cum laude) from Universiteit Amsterdam, in the Netherlands. He has written several books, including: "The Peasants' Revolt of Banten in 1888" (published by Martinus Nyhof, The Hague, 1966); the chapter on "Agrarian Radicalism" in Claire Holt (editor), "Culture and Politics in Indonesia" (Cornell University Press, 1972); and "Protest Movements in Rural Java" (Oxford University Press, 1973). In addition, he has written a number of working papers which he has presented at a variety of seminars in Indonesia and overseas. [Text] [Jakarta PRISMA in Indonesian No 8 Aug 81 p 96] 5170

CHANGES IN MINISTRY OF FINANCE--Minister of Finance Ali Wardhana on Saturday [5 September] will install in office several officials who will occupy new positions in the Ministry of Finance. They are: Lieutenant General Wahono as director general of the Customs and Excise Service, replacing Tahir. Dr Salamun, who is now secretary general of the Ministry of Finance, will occupy a new post as director general of the Tax Service, replacing Dr Sutadi Sukarya. Eli Sungkono, who is now inspector general of the Ministry of Finance, has been designated to take a new post as secretary general of the Ministry of Finance, replacing Dr Salamun. Dr Sutadi Sukarya, who is now director general of the Tax Service, has been appointed to a new post as chairman of the Body for Establishing the Capital Market (BAPEPAM), replacing Dr J A Turangan. The changes in the Ministry of Finance are provided for in Presidential Decision Letters No 153 and 154. Thus far new posts for the former director general of the Customs and Excise Service, Tahir, and the former chairman of Bapepam, Dr Turagan, have not been identified. [Excerpts] [Jakarta SINAR HARAPAN in Indonesian 3 Sep 81 p 1] 5170

PROMOTED IN RANK--Dr Mudjono, chairman of the Supreme Court; Ismail Saleh, Attorney General; and Bustanil Arifin, chief of BULOG [Logistical Affairs Body] who is also deputy minister for cooperative affairs, effective 1 September 1981 have been promoted to be lieutenants general in the Army. Meanwhile, the director of the State Film Enterprise, who is also assistant minister and state secretary for documentation

affairs, has been promoted to be a brigadier general in the Army, also effective on 1 September 1981. [Text] [Jakarta SINAR HARAPAN in Indonesian 4 Sep 81 p 12] 5170

MINISTRY OF FOREIGN AFFAIRS CHANGES--On Tuesday [29 September] Nana Sutresna Sastradidjaja turned over his office as director for European affairs of the Ministry of Foreign Affairs to his replacement, Sularto Sutowardoyo, in a short ceremony in the Ripta Loka room in the Ministry of Foreign Affairs on Jalan Pejambon. The director general for political affairs of the Ministry of Foreign Affairs, Munawir Syadzali, in the name of the minister of foreign affairs, installed Sularto Sutowardovo in office as acting director for European affairs. Nana Sutresna has been given a new assignment as deputy chief of the Indonesian Mission in Geneva, with the rank of ambassador. Nana Sutresna Sastradidjaja was born in Ciamis, West Java, on 21 October 1933. He began his career in the Ministry of Foreign Affairs after graduating from the Foreign Service Academy in 1957. His first assignment was to the Indonesian Embassy in Washington as third secretary. After that he served in Mexico (1970), Vienna (1976-1979), and, since July, 1970, he has been director for European affairs in the Ministry of Foreign Affairs. Nana Sutresna became well-known to the press when he served as spokesman of the Ministry of Foreign Affairs from 1972-1976. He and his wife, Megawati, have two sons and one daughter. Sularto Sutowardoyo was born in Semarang on 9 November 1930. He is married and has one child. His first assignment overseas after graduating from the Foreign Service Academy in 1956 was to the Indonesian Embassy in Buenos Aires. After that he was assigned to Jakarta, where he was assigned to work at the INDONESIAN HERALD. In 1960 he was assigned to Washington, in 1972 he returned to Jakarta, and in 1976 he was transferred to Helsinki. In 1978 he was assigned to Brussels, and in 1981 he returned to Jakarta, where he was assigned to the Directorate for European Affairs. [Excerpts] [Jakarta SINAR HARAPAN in Indonesian 29 Sep 81 p 12] 5170

5170
CSO: 4213/05

REFUGEE REPATRIATION PROCEDURE IN SAVANNAKHET DESCRIBED

Vientiane SIANG PASASON in Lao 7 Aug 81 pp 3,4

[Article by Phousamphan Vattana: "The Nation Forgives"]

[Text] In the evening of 31 July 1981 there were crowds of people along Khemkhong Road in the city of Savannakhet. It was like a festival. Among them were old men and women, young men and girls, and children. They were smiling and happy but also concerned and eager to see the return home of some Lao people who had been misled by slanderous, deceptive, reactionary propaganda. They left their homes and country and fled to Thailand, which the propaganda described as progressive and pleasant. They ended up in an oppressive hell for the destitute.

When the boat landed there appeared the faces of more than 30 Lao people. They looked very forlorn. Some were very thin and some were swollen from hunger, depending on their condition. Nevertheless, they all smiled proudly because they had made it back, confessed their mistakes to their country, and been warmly welcomed by the new revolutionary administration.

Since arriving back in their native land, they have been welcomed by the party committee, the provincial administration, the Central Committee of the National Construction Front, the provincial National Construction Front and by the people and friends etc. Everyone was happy and praised them for returning and becoming good citizens again.

Afterwards officials loaded them on buses which were waiting to take them to a rest camp which was not far from Savannakhet. The party and the administration committees had set this up for them, and it had many comforts. It had a sleeping area, a dining area, and a classroom for learning the truth and the policy of the party, the government, and the new regime.

While at the camp I met a middle-aged man who was thinner than all the others. He introduced himself as Thamit, aged 35, from Don Khong. I asked him, "What were you thinking before you came back and what was their slanderous propaganda saying?" He said, "Before I came back they interrogated me many times and told me that if anyone returned the Communist Lao government would punish them: they would be sent for a long term in a seminar because they were political offenders...."

"But no matter if this propaganda were good or slanderous, true or not, I knew I had to return to end this hell in Thailand where I found myself. If I am going to die, it would be better to die in my homeland."

When they were boarding the Thai boat to come back to Laos, everyone thought the same thing: refugees would be punished or sent for a long term in seminar. No one thought they would be welcomed as they were. But when they arrived back in Laos they felt excited and proud to see officials of the new regime. There were party officials and administrative officials from Savannakhet Province and Khanthabouli District. It was arranged for large numbers of people to greet them as they arrived. This was as much like the reactionary traitors' propaganda as sky was to earth.

The Lao People's Revolutionary Party with its brilliant leadership and the revolutionary administration had a just and correct policy for the gullible misled people. The Lao Democratic People's Republic, the homeland with its beautiful streams, forests, and lakes which belongs to and is protected and loved by all the Lao people always forgives misled people if they decide to return to build the nation.

8149
CSO: 4206/66

INDUSTRIAL PRODUCTION TARGETS, FIGURES NOTED

Vientiane SIANG PASASON in Lao 12 Aug 81 p 2

[Excerpt] The last 6 months was the beginning of the First Five-Year Plan and was also a period of preparation for the next 6 months of the year. All the officials and workers assigned to various jobs worked untiringly and did not think of themselves or the difficulties or the threats or slanders of those opposing the revolution and so were able to score basic achievements in economic construction. They expanded agriculture and industry considerably. For example they repaired old abandoned factories restoring them to normal operation so that these would again serve the economy. Among these were: rice mills, saw mills, the lead mine at Khammouan, plywood mills, tobacco drying sheds and the ice plant of the brewery and soft drink plant etc. Other factories which were already running were given careful guidance by the [Ministry of Industry and Trade] so that they could overcome various difficulties. This was apparent in the production of the first 6 months which equaled 58 percent of the planned production for 1980. Of this, industrial and handicraft production was valued at 83,036,222 kip. Electrical production amounted to 399,535,000 kilowatt hours worth 37,202,900 kip. Lead ore production reached 186.02 tons worth of 6,798,184 kip. Gypsum production was 25,000 tons worth 4,750,000 kip.

Of these factories, the government enterprises produced a value of 120,942,302 kip which was 91.77 percent of all production. Private factories produced a value of 11,463,612 kip or only 8.23 percent of the total. In addition, the production sector of the ministry took in revenues in the first 6 months of 49,132,893 kip. This was 90.76 percent of the plan. Some businesses and factories produced revenues at planned levels such as tobacco companies, agricultural tool companies, clothing factories and metal roofing factories.

In addition the officials assigned to the industrial and handicraft sector supported the production bases and, as contracted, bought 1,610 tons of tobacco leaves from the farmers worth 4,657,868 kip during the first 6 months. They also got 230 tons of dry leaf for the cigarette factory. The Wood and Cane Corporation bought 4,784 cubic meters of lumber worth 3,857,920 kip and 100,000 sheaves of cane.

Coincidental to reconstruction and production the workers and officials in the industrial sector strove to expand into new areas of production to increase production and ensure the economic well-being in 1981. The basic construction budget totals 20,349,508 kip and foreign aid and loans total 26,650,000 dollars.

8149
CSO: 4206/66

BRIEFS

AMBASSADOR TO ROMANIA--His majesty the king has appointed Royal Nepalese Ambassador to the Soviet Union Narendra Bikram Shah as Royal Nepalese Ambassador to Romania also. [BK080951 Katmandu THE RISING NEPAL in English 22 Oct 81 p 1]

GREEK, POLISH ENVOYS--Antonios Corantis has been appointed ambassador of Greece to Nepal, the foreign ministry announced in Katmandu on 19 October. Corantis is the residential ambassador of Greece to India. Similarly, Ryszard Fijalkovski has been appointed ambassador of Poland to Nepal. Fijalkovski is the residential ambassador of Poland to India. [BK080951 Katmandu THE RISING NEPAL in English 19 Oct 81 p 1]

ENVOY TO NETHERLANDS, LUXEMBURG--His Majesty the King has appointed Royal Nepalese Ambassador to FRG Ramhari Sharma as Nepal's ambassador to the Netherlands and Luxemburg also. [BK110931 Katmandu THE RISING NEPAL in English 4 Nov 81 p 1]

CANADIAN TECHNICAL AID--Nepal and Canada signed documents on 5 November under which the government of Canada has agreed to provide Nepal technical assistance of about 98 million rupees (10.2 million Canadian dollars) for the implementation of the second phase work of water and energy resources development project. Finance Secretary Karna Dhoj Adhikary and Canadian Ambassador J. G. Hadwen signed the memorandum of understanding on behalf of their respective governments. [BK110931 Katmandu THE RISING NEPAL in English 6 Nov 81 p 1]

CSO: 4220/97

CAUTION URGED IN ADOPTING NEW POLITICAL SYSTEM

Karachi DAWN in English 6 Nov 81 p 9

[Editorial: "A New Political System"]

[Text]

THE question of a new political system for the country has again become a focal point of public attention. The President has spoken twice on the subject recently, disclosing at his Lahore Press conference, on October 24, that the Government had under its consideration a political infrastructure based on Islamic principles. The matter is now being studied by the Islamic Ideology Council. The President also said that the draft, when finalised, would be submitted for scrutiny, revision and approval by the proposed Federal Council or Majlis-i-Shoora to be constituted some time this month. Four days later, at Peshawar, the President reverted to the subject to stress that in formulating the new framework for the country's governance, he was in contact with leading Ulema, Fuqaha (Islamic jurists), lawyers and intellectuals. The details of the draft proposals have not been disclosed but the President has stated that they are within the ambit of the Islamic tenets. What is obviously aimed at is a new political dispensation which satisfies the aspiration for an Islamic social order.

The move may have been inspired by the best of motives but its implications give rise to some questions and misgivings. It would have been different if the scheme in question had been conceived as an interim regulatory plan designed to provide a smooth exit out of the present transition via elections. But evidently this is not so. Present indications are suggestive of finality. There is wide awareness in the country of the critical compulsions inherent in the present situation, which, on the one hand, calls for accelerated but measured steps towards a resumption of the political and democratic process and, on the other, demands complete unity and solidarity in the national ranks to face the problems of security arising from the Afghan and other regional developments. Given these realities, responsible leaders of opinion, especially those claiming the political support of the people, must be wary of taking up a position on matters involving political governance. A return to representative rule is not a matter of dispute as such, although any lingering differences over the modalities and conditions of political and democratic revival could prolong the present uneasy interregnum and make things unpredictably difficult.

From what one knows of the thinking of the defunct political parties, several of them will perhaps agree to Martial Law being followed by an interlude or an intermediate phase before elections are held and power transferred to a representative government. In the course of such an interlude, the Government and leaders of political opinion may, if they deem it necessary, agree through a dialogue to certain readjustments concerning the holding of elections. There is a good chance, in the present climate of a largely shared perception

of what the country might risk if the gulf of mutual mistrust between the Government and the political forces were to continue, to obtain agreement on the issues involved in holding elections. But nothing should be done before or during such an interlude to unsettle the historically settled question of the Basic Law of the land

The prospect of a breakthrough in the stalemated relations between the Government and the political parties could be seriously impaired if an attempt is made to introduce a new pattern of government in supercession of the one envisaged by the 1973 Constitution Here one might look into the question of whether an attempt to modify the political structure embodied in the Constitution can be justified on the plea of Islamisation. It is scarcely possible to assert that the Constitution contains any provisions which are against the injunctions of Islam, even though it might legitimately be claimed that it suffers from deficiencies which ought to be supplied in the interest of establishing an Islamic society. Likewise it can hardly be claimed that the political scheme of the Constitution is incompatible with a given prototype of an Islamic polity. Most Islamic scholars are agreed that no such prototype is available as a frame of reference. For all practical purposes, Muslim countries are free to devise their own political systems and institutions to suit their particular needs, conditions and aspirations — the only stipulation being that they are not in any way in conflict with any of the fundamental tenets and principles of Islam. Indeed, if any criterion is to be applied, it is the spirit in which a system is worked — rather than its form — that must define the system and determine its orientation From this point of view, there is hardly anything to fault the political and governmental scheme written into the nation's Constitution — either on ideological, political or any other ground. In any case, Islamisation in our context will have to be an evolutionary process that will unfold itself in terms of a succession of laws and constitutional amendments passed by parliament over a period of time. This might be different in Iran which has gone through an Islamic revolution. Revolutionaries understandably have no patience with an evolutionary process.

Any new political structure, unless it is expressly said to have been devised for an interlude, will have to be grafted onto the 1973 Constitution. This obviously will involve a major change — and not just another amendment of limited importance as might be mistakenly supposed. It will materially change the 1973 document as it was finally adopted and enforced. What will remain of the original basic law if it is subjected to structural change? This cannot but erode the sanctity of the Constitution and impair the allegiance and commitment it must elicit from all sections of the nation. Secondly, there is the equally basic issue of the authority and acceptance of any important constitutional change brought about by an agency other than a representative one The proposed Federal Council may be a desirable ad-hoc step to fill an interim gap. Even if it has spokesmen for opinions ranging across the entire political spectrum, it will be a nominated body and cannot claim the credentials and authority of an elected Parliament. The chances of a new political structure emerging from the Council gaining public acceptance and durability will be slim indeed

The compulsion for a well-judged approach in this regard is underlined by the need to avoid a break between the Government and the politicians and to preserve the basic structure of the 1973 Constitution, which must remain available as a solidly founded bridge of continuity — and not as a slender thread running almost obscurely across the present interregnum. It is this aspect of the matter that demands the greatest of care and circumspection if the possibility of an early return to democratic stability and consolidation is to be kept open. Any drastic change in the pattern of government, the federal character, mode of elections, franchise, law-making powers of Parliament, the party system, and so on is likely to widen the gulf between the Martial Law regime and the leaders of political opinion. In paving the way for democratic restoration we possess a fairly elaborate framework of settled political and constitutional issues. The need is for developing a national consensus on the modalities of bringing the agreed framework back into play.

CSO: 4220/87

DEFENSE MINISTER DISCUSSES COUNTRY'S DEFENSE PLANS

BK101157 Karachi Domestic Service in English 1005 GMT 10 Nov 81

[Text] Federal Defense Minister Mir Ali Amhmed Khan Talpur has said Pakistan wanted to live in peace with all states particularly its neighbors and was sincerely endeavoring to promote further the existing peaceful and fraternal relations but it cannot ignore its urgent defense requirements. He was speaking at the inauguration of the light aircraft manufacturing factory at the Pakistan aeronautical complex at Kamra and the handing over ceremony of the first overhauled F-6 aircraft to the Pakistan air force today.

Elaborating his point the defense minister said that Pakistan has no aggressive designs against any country but due to the geopolitical changes in the region it had become imperative to boost up the country's defenses to meet the present challenges. He said that the factory was the first step toward the establishment of the aircraft manufacturing industry in the country.

The minister paid tributes to the Chinese and Pakistani engineers on their success for overhauling the first F-6 plane and thanked China, France and Sweden for providing technical assistance and training to the personnel of the Pakistan aeronautical complex.

Earlier, Director General of Aeronautical Project Air Marshal Sheikh M. Syed in his welcome address said that the factory would prepare various parts of the multipurpose light trainer aircraft--Mashak--from raw material and then a full-fledged aircraft would be assembled in the factory.

4220/93

PNSC ATTEMPTS TO STOP RESALE OF DENIED POLISH VESSELS

Karachi DAWN in English 10 Nov 81 p 5

[Article by Yehia Syed]

[Text] London, Nov 9--To deter any other buyers from getting hold of 3 ships, the Pakistan National Shipping Corporation took out an injunction from London High Court against the Polish foreign State enterprise, 'Centromor,' prohibiting the shipbuilding yard from disposing of the 3 vessels built exclusively, under contract, for PNSC, signed in Jan 1979. The High Court injunction orders Centromor to maintain 'status quo' until the ships are handed over to PNSC.

The PNSC has given notice to all shipping brokers here about the court injunction who have taken note of the action taken by PNSC.

The PNSC was forced to take this action because the Polish shipyard is demanding the price of 3 vessels which are ready for immediate delivery, in hard cash. They gave the plea that they are forced to ask the price in cash because of the prevailing economic situation in Poland, although there is no such clause in the contract. The PNSC has already paid five and a half million dollars as down payment in accordance with the terms of the contract.

In view of the desperate economic and food situation in Poland, PNSC even agreed to an increase of ten per cent in the contract price of the vessels although there was no escalation clause included in the contract.

Although it was purely a commercial contract and not a government to government loan, PNSC was forced to refer the Polish default over their international commitment to the government of Pakistan for intervention, which even failed to make the Polish authorities to hand over the 3 ships to PNSC.

Centromor's default has caused a very considerable setback to PNSC's worldwide commercial considerations, which has been planned to induct into services on regular intervals the ships being constructed in Poland and, although ready now, being held there by the Poles. In addition to the 70 crews of the two vessels, waiting in Gdansk since Oct 3 costing PNSC 20,000 dollars per day, consultants, surveyors and trial teams also have been present in Gdansk over the 12 months to supervise the construction of the vessels, which has cost PNSC a great deal of money. The first ship was originally scheduled for delivery in March, but due to setback at Gdansk shipyard the delivery of the first and second ship were to be made jointly on Oct 26. The third vessel was also to be delivered during the first week of November which is also ready now.

CSO: 4220/88

PAKISTAN BANK BLOCKS CREDIT TO LARGE ACCOUNTS

Islamabad THE MUSLIM in English 3 Nov 81 p 1

[Text]

KARACHI, Nov. 2: Over 44 per cent of the total bank credit is concentrated in just 601 accounts, according to official figures available here.

Statistics show that the tendency for credit to flow into big accounts at the cost of small borrowers has gained grounds over the past few years.

Bank advances by scheduled banks, excluding IDBP and ADBP, amounted to Rs.46,659 million by December, 1980, and were locked in 692,168 accounts. Out of the total credit, advances of Rs. 10 million and above accounted for a sum of Rs.20,775 million and were concentrated in 601 accounts.

As on June 1977, a little over 39 per cent of the total credit was locked in 322 accounts and amounted to Rs.10,013 million out of the total advances of Rs. 25,365 million.

On the other hand, total credit outstanding against small borrowers, for advances of less than Rs.1,000, has declined from Rs.80.7 million in June 1978 to Rs.20.6 million as on Dec 20, 1980. The number of borrowers in this category has declined from 99,417 to 53.844 during the period. Advaces of Rs. 26,3 million were outstanding in 56,653 accounts in June 1977.

The scheduled banks have failed to achieve many of the targets fixed by the State Bank for priority sectors including small loans. Official statistics reveal that whereas the target for quick profit yielding small seasonal loans for agricultural production was more than fulfilled, the gross discursement for agriculture as a whole fell short of Rs.256 million or 12 per cent of the target during 1980-81.

Similarly, the net increase in loans for small business and industry also fell short of the mandatory targets by 29 and 16 per cent respectively.

Whereas the bank credit has the Tendency to get blocked in big accounts because of increasing defaults in repayments, the recovery pace of small loans is good.

The shortfall in the mandatory targets for small loans, according to the State Bank, "appears to have been on account of better recoveries." Although the target anticipated on a net increase basis, was 31 per cent, disbursement on account of small loans during 1980-81 was 45 per cent higher than last year due to better than expected recoveries.

Despite the securities and sunities provided by the big borrowers, the banks are reluctant to enforce guarantees to recover long outstanding dues. With small borrowers it is different.

Similarly, big borrowers have access to the bank credit compared to small borrowers.

Even the National credit Consultative Council is influencing the commercial banks to advance credit to big borrowers rather than increasing the credit for small loans in the housing sector. The minimum lending limit for housebuilding has been raised to Rs. 1,50,000 with the maximum limit limit being fixed at Rs. 3 lakhs.

Another problem now confronting the banks is the rapid growth in advances with the simultaneous fall in the rate of increase in deposits.

The growth bank advances during 1980-81 was to the tune of 18.3 per cent against 15.8 per cent in the previous year. On the other hand, the growth in bank deposits slumped from 18.7 per cent in 1979-80 to 10.3 per cent in 1980-81. There has been a constant decline in the growth rate of deposits. The average annual growth rate of deposits at 14.9 per cent during 1978-81 has been lower than 25.4 per cent in the preceding three years. The slow down was more marked in the case of time deposits which fell sharply from 20.9 per cent in 1979-80 to 4.8 per cent in 1980-81.

The growth rate in deposits in the range of Rs. 50,000 and above have declined from 18.9 per cent in 1979 to 10.9 per cent in 1980. Their share in the total bank deposits fell from 36 per cent to 25 per cent.

On the other hand the growth rate in deposits of the size range upto Rs. 50,000 improved and their share in total deposits went up sharply from 64 per cent in 1979 to 75 per cent in 1980. Growth rate of deposits in the category of Rs. 1 lakh to Rs. 10 lakh declined from 19.8 per cent to 9.3 per cent.

CSO: 4220/87

IMPORTS RISE BY 14 PERCENT IN 1980-1981

Karachi DAWN in English 10 Nov 81 p 10

[Text]

The value of merchandise imports amounted to Rs 53.5 billion in 1980-81 fiscal as compared with Rs 46.9 billion in 1979-80, depicting a rise of 14.1 per cent.

According to official statistics this was mainly attributed to increased imports of raw materials. Imports of raw materials increased sharply by 38.8 per cent to Rs. 30.9 billion during 1980-81, accounting for 57.7 per cent of total imports as against 48.5 per cent in 1979-80.

The share of capital goods in the total imports fell from 35.5 per cent to 27.8 per cent, while that of consumer goods declined from 16 per cent to 14.5 per cent.

Petroleum and petroleum products, chemical fertilizers, vegetable oil, tea, iron and steel scrap, non-ferrous metals, animal tallow and machinery (electrical and non-electrical), were the major items recording increase during 1980-81 compared to the last year.

Imports of petroleum and petroleum products went up by 42.3 per cent to Rs. 15.2 billion due entirely to a marked rise of 63.3 per cent in the average imports price as their import volume declined by 12.9 per cent. In contrast the value of vegetable oil imports increased solely on account of enlarged quantum of imports which rose by 35.1 per cent to 468.9 million kgs, as their import price recorded a decline of 15.4 per cent.

The value of exports, at the same time, also increased by 25.1 per cent in 1980-81 to Rs 29.3 billion from Rs. 23.4 billion in 1979-80.

The increase in exports occurred notwithstanding a substantial appreciation, mainly in the second half of 1980-81, in the value of US dollars (to which rupee is linked and in which the bulk of Pakistan's exports are denominated), in terms of major European currencies.

The breakup of exports in terms of economic categories showed in the shares of primary commodities and manufactured goods in total exports rose from 47 per cent and 43 per cent in 1979-80 to 43.8 per cent and 44.9 per cent respectively in 1980-81 while the share of semi-manufactures declined from 15 per cent to 11.3 per cent.

Rise in the value of exports during 1980-81 was mainly attributable to record exports of raw cotton and rise resulting from both larger export volume and increased prices.

Export volume of raw cotton recorded a sharp increase of 29.5 per cent from 261,000 metric tons to 338,000 metric tons mainly due to larger demand from China, which accounted for about 65 per cent of the total raw cotton exports. Quantum of rice exports increased from 1,087,000 metric tons to 1,244,000 metric tons. Value of exports of fish and fish preparations rose due solely to enlarged export volume as their average export price declined by 6.2 per cent. Value of exports of cotton yarn and thread and carpets and rugs also increased entirely on account of increased average export prices.—APP

CSO: 4220/88

OVERSEAS JOB OPPORTUNITES REPORTED GOOD

Karachi MORNING NEWS in English 6 Nov 81 p 9

[Text] The opportunities for overseas employment of Pakistanis will keep on rising till 1985 at a rate of 15 per cent of the present outflow.

This was stated by Mrs Zulekha Zar Executive Director, Overseas Employment Corporation of Pakistan, while addressing a luncheon meeting of Rotary Club of Karachi (Midtown) here.

She pointed out that the number of people who secured jobs outside Pakistan in 1975 was more than 23,000 but it tremendously rose to 1,40,000 in 1977 while during 1980, the outflow was 1,30,000.

She said that the recruitment was done by the Overseas Employment Corporation, besides the 400 private licenced recruiting agencies.

She said that the Overseas Employment Corporation of Pakistan had over 250 clients in different countries, majority of them in Middle East, for recruiting workers for them in Pakistan.

She pointed out that among the people securing jobs abroad, majority belonged to the skilled and semi-skilled category, followed by labour and then highly qualified persons and professionals categories:

Among the total persons going abroad only four per cent belonged to the highly qualified category, therefore, there should not be any alarm on exodus of qualified people.

However, she suggested that a study be conducted about the scope of employment for various types of workers abroad and facilities for their training be provided here.

She said that Government took a positive step earlier by launching a five-year crash training programme under which 50,000 persons had been trained in different fields.

She said that measures should also be taken for providing employment opportunities to those Pakistanis who are returning after doing jobs abroad. She pointed that the ratio of those returning was 10 per cent as compared to those going abroad.

She pointed out that the competition for securing jobs abroad was hardening as other countries, like India, Thailand, Korea, Bangladesh, Philippines were also in the field nowadays.

She said that conditions abroad were changing and now technical personnel would be in greater demand was compared to the unskilled workers--PPI.

SO: 4220/86

CITING CORRUPTION, PRESIDENT URGES REVITALIZED CIVIL SERVICE

Islamabad THE MUSLIM in English 4 Nov 81 p 4

[Editorial: "Revitalising Bureaucracy"]

[Text]

FOLLOWING a visit to the renamed Civil Services Academy—the Pakistan Administrative Staff College—which is responsible for mid-career training, the President pulled no punches when he addressed public servants. Emphasising that the bureaucrats' 'prestige and respect was at the lowest ebb' today, the President added that 'bureaucracy today was known for its corruption, inefficiency and preference for materialism'. These words are harsh, but true. Perhaps no group of people is so maligned or so low in popular esteem than contemporary successors to the pucca sahibs of the Raj. In another move, the President made not an insignificant change in the nomenclature of the administrative services. The previous label of All-Pakistan Unified Groups, has been dispensed with in favour of the much-familiar Civil Services of Pakistan. It has, however, been emphasised that this in no way implies revival of the old CSP system, but in future all services including police, postal and accounts service would be incorporated into the Civil Services. This may be a mere change in nomenclature but it is nevertheless symbolically significant. As the President rightly pointed out, the bureaucracy went down in popular esteem due to its past history of misconduct.

Lord Macaulay's creatures were successfully transformed into bureaucratic Brahmins who, even in the post-colonial era, endeavour to cover their brown skins with the white mask of contemptible colonial superiority. They became synonymous with the arrogance of power, a gross inability to relate to the common man and an insufferable elitism which produced more an effete corps of impudent snobs than a professionalism with a demonstrated capacity for competence. However, the civil bureaucracy should not be seen as a monolith, which it never has been. There is the CSP (currently called the District Management Group) and the rest. The 1973 Administrative Reforms, which abolished service labels (CSP, FSP, PSP, etc.,) creating in its place the All-Pakistan Unified Groups, were directed more at the CSP than against any other service. In fact, the rest generally welcomed these reforms as they promised them long-sought promotion opportunities. Ever since the 1973 Reforms, the CSP group has been lobbying hard for a restoration, in practice as in name.

Recently, the Foreign Affairs Group (FAG) has been redesignated as the Foreign Service which is quite alright, for FAG did not sound too good. Now it is back to the Civil Service of Pakistan. Perhaps the civil services needed this face-lift but that is what it should remain and nothing more. One positive element is the renewed emphasis on mid-career training for public servants. Save for training involving foreign courses, civil servants dreaded the prospect of a return to the classroom. This situation has been changed and mid-career training is now linked to promotions, similar to the armed forces where the National Defence College trains senior officers. In a developing country one of the major problems is total lack of accountability of public servants. It is time bureaucracy was made accountable and we stopped treating it like a holy cow.

CSO: 4220/87

NEW AIRPORT IN BALUCHISTAN: CHAIN PLANNED

Karachi DAWN in English 6 Nov 81 p 1

[Excerpt] Quetta, Nov 5: The Governor of Baluchistan, Lt-Gen Rahimuddin Khan, today inaugurated the newly constructed asni Airport.

Speaking on the occasion he disclosed that there would be an airport at every 150 sq. mile area, in Baluchistan and the Federal government had already prepared a plan in this regard.

He said that Pasni airport would go a long way in meeting the needs of the relatively less-developed areas of Mekran division and added with the inauguration of this airport Baluchistan has advanced a step further in the development of communication sector.

He said the difficult geographical conditions and widely scattered population of the province were the main obstacles in the development planning and implementation. Keeping in view these difficulties, the Government had always accorded top priority to the communications sector, as is evident from today's ceremony.

He said work on Ormara and Gwadur airports was in hand while work at Tewani and Punjgur would be started very soon. At Zhob and Khuzdar, it would be taken up at an appropriate time. Expansion work at the Quetta airport was going on.

Taking into account the bad weather conditions, causing frequent cancellation of flights for Quetta, the Governor suggested that Sibi airport may be expanded to be used as an alternate for Quetta airport.

He hoped that PIA would not only expand its flights throughout Baluchistan but also increase their frequency to benefit maximum number of people of the province.

CSO: 4220/87

TALENT POOL COLLECTS DATA ON QUALIFIED PERSONS

Islamabad THE MUSLIM in English 3 Nov 81 p 3

[Article by Anwar Iqbal]

[Text]

ISLAMABAD, Nov. 2: National Talents Pool of the Manpower and Overseas Pakistanis Division is collecting the data of all those persons possessing Masters, M. Phil. and Ph.D. degrees in administrative educational and social sciences.

The work of data collection has been undertaken on a directive of President Ziaul Haq. The purpose of this survey is to maintain complete record of all such persons, who are highly qualified in their fields, so that their talents could be utilised in accordance with the national requirements.

The National Talents Pool has already asked all the government departments and institutions to provide them with a list of all such persons on their strength, who come under this category. Similar notices will also be issued to the semi-government and private organisations.

All the universities in the country – technical and non-technical both – have also been advised to provide the NTP with a list of all those persons, who are registered with them as holders of Masters and higher degrees.

At a later stage it will also be advertised in newspapers for information.

meanwhile, government departments and organisations dealing with public relationing have been asked to send the particulars of such suitable officers to the NTP by Nov. 3, who could be nominated as Co-ordinating and Assisting Co-ordinating Officers for data collection.

CSO: 4220/87

FALL IN COTTON PRICES MAY AFFECT EXPORTS

Karachi DAWN in English 8 Nov 81 p 4

[Text]

Pakistan's export of lint cotton during the current season may be adversely affected in terms of foreign exchange earnings following steep fall in world prices.

Cotton traders maintained that the world cotton production had attained the unprecedented level of about 70 million bales during the current season, which virtually upset the international cotton trade. The steep fall in New York cotton prices from 88 cents to 64 cents per lb was reflected all over the world including Pakistan, where the price dropped by about Rs. 130.00 per maund over the past two months. The world consumption even in boom period they said, seldom exceeds the 60 million bales mark. But as the major consuming countries, including Japan, were cuting back their imports, a large surplus of about 10 million bales might further depress the prices.

The task before the Cotton Export Corporation is to ensure fair return to the grower by lending support to the local market, and to sell the entire exportable surplus at a competitive price.

According to latest crop reports the production target of 4.6 million bales might be exceeded by a fair marwin but the local mill consumption might not be able to show the corresponding increase owing to slack world demand of yarn and cloth.

In any case, trade circles said, the mills demand may not exceed the 2.5 million mark, which would leave an exportable surplus of over two million bales.

The CEC export agents said that although inquiries were pouring in every day from foreign buyers, the CEC has not given them a go ahead signal. The CEC has also not made any export commitments for the new crop although the world prices had almost been stabilised around 65 cents and had dropped to below the international parity level locally they said.

The CEC officials, however, appeared optimistic about the prospects of cotton exports in view of its recognised quality.

CSO: 4220/86

COTTON PRODUCTION, EXPORTS PUSHED

Karachi MORNING NEWS in English 8 Nov 81 p 7

[Text] THE Government has announced new support prices for seed cotton (phutti) for 1981-82 which will be 4 to 6.4 per cent higher than the existing prices. The existing and new prices as per 40 kgs, are as follows:

Variety	Existing price Rs. (per 40 kgs.)	New price Rs. (per 40 kgs.)	% increase
Desi	156	166	6.4
BS 1. NT	160	170	6.25
B-557	171	178	4.09
Sarmast, Qalandri MNH-93, K-68-9 tellspine and MS-39-40	183	192	5.49

The production target for cotton for 1981-82 has been fixed at 4.6 million bales—0.3 million bales more than what was produced in 1980-81. The area to be brought under cotton cultivation is estimated at 2.07 million hectares. The production target for Punjab has been fixed at 3.05 million bales and for Sind at 1.55 million bales. This will give an overall increase of 6.97 per cent over the actual production of 4.3 million bales last year.

The Provincial Governments and Cotton Export Corporation will ensure that the farmers get the support price as fixed by the Government. The availability of inputs including seed and fertilizer have also been firmed up and WAPDA has been instructed to ensure regular supply of electricity for running tubewells.

Cotton crop this season is reported to be in excellent condition and it is expected that the country will easily achieve the highest ever production target of 4.5 million bales. Recent rains have to some extent affected crop in certain districts of Punjab but the damage caused has been much below the economic injury level and would not have a significant effect on the overall output. In Sind, 18 co-ordination centres have been set up in the main cotton growing areas to collect information on the availability of pesticides sprayers etc. and to locate the zones of affected crops on the basis of day to day field reports. An area of 608,800 hectares has been brought under cotton cultivation as against the largest of 563,000 hectares. The crop condition is reported to be satisfactory and if favourable climatic conditions would continue, the target of 1.55 million bales is likely to be easily achieved.

Sind Agriculture Department is implementing a 4 year plan for production of quality and certified cotton seeds of high yielding varieties in the province. According to plan by 1984-85 about 0.567 million maunds of improved quality seeds of cotton will be produced. During the current season, 105 maunds of pre basic seeds of Qalandri, Sarmast, K-68 and Desi varieties of cotton have been sown on 21 acres. The pre basic seeds will be resown in the next 3 kharif seasons to produce 1,575 maunds of basic seeds. In the 33rd year of the plan, basic seeds would be grown on the fields of registered growers for multiplication which will yield 23,625 maunds of seeds in 1983-84. The seeds will again be sown on an area of 70.875 acres which will produce 0.567 million maunds for distribution among growers for general cultivation. Of the total, 71.4 per cent will be Qalandri, 9.5 per cent of Sarmast and 14.3 per cent of K-68 and 4.8 per cent of Desi varieties. In this way the present desi varieties such as 'LT' would be completely replaced by high yielding long staple cotton varieties.

At the present level of production, cotton contributes almost 10 to 12 per cent to GNP and about 20 per cent value added to major crops. A part from its use as raw material for yarn and cloth, it is the most important indigenous source of edible oil. It is, therefore, necessary to tap the full potentialities of this important industrial crop by raising its productivity.

TWO WAYS

There are 2 ways of increasing the output of cotton-either by increasing the area under cultivation or the yield per acre. It is easier to induce farmers to bring more area under cultivation but the more productive and economical approach would be to raise yield per unit of cultivation. For a number of years the crop has been cultivated on about 2 million hectares of land. The current years estimation of 2.07 million hectares diversion of more area to this crop which would leave lesser land for other crops. The increase of production of one crop at the cost of other crops negates the entire development strategy. It is but natural that growers would concentrate on crops which ensure them better returns. At the moment what is required is to launch a comprehensive and well co-ordinated development plan and to concentrate on increasing per acre yields. Agricultural scientist and extension services need to play their pivotal role. Much remains to be done in the area of improving the quality of fibre and development of pest resistant strains. Expansion of efficient extension services would also help the farmers, particularly the small growers in adopting and practising modern technology to increase per acre yields. There is also need for experimenting with and perfecting a low cost technology so that the small grower is able to afford the cost within his extremely limited means. This is essential otherwise escalating costs will not permit the small growers, who form bulk of the farming community, to make use of modern inputs.

The Pakistan Central Cotton Committee is currently looking into the possibilities of growing cotton in Baluchistan in which both the Provincial and Central Governments are interested. The main reason for this interest is the fact that the major cotton growing areas face the danger of shrinkage owing to the erosion of land caused by salinity and waterlogging. Baluchistan has enormous area lying barren but there is a severe problem of water shortage. However, PCCC is experimenting in areas where there is a fair prospect of water for cultivation purposes. Concentration on development of barren areas also needs to be further emphasized to boost cotton production.

SECOND LARGEST EXPORTER

Since the last 2 years, cotton has regained its position as number one cash crop of the country. We have been able to break all past records of cotton exports. During 1980-81, Pakistan attained the status of second largest exporter of cotton after US in the free world market by exporting 1.92 million bales worth over 525 million dollars. This trend is expected to continue in the coming year as well. d.

World cotton production during the current year 1981-82 is expected to acrieve a record of 68.8 million bales. The production level has been estimated by the International Cotton Advisory Committee. It is expected that increase will be concerted in the United States, but other countries like Pakistan, India, Syria and probably China will also contribute their shares to the increase. Cotton production in USSR and Egypt may decline during 1981-82. World cotton growing during the year 1981-82 is expected to be over 82 million acres.

Pakistan has contracted to supply of 0.1 million bales of cotton worth $26 million to India. India had requested Pakistan for more than 0.1 million bales of 4 types of raw cotton but Pakistan has agreed to sell only 0.1 million bales for the moment. However CEC has agreed to consider the Indian request for additional cotton, when the present limit is exhausted. The 4 types of cotton which Pakistan will export to India, include Qamar, Eagle, Numoer 1424 and Number 1423. Between 15,000 and 35,000 bales of each variety will be exported to India, most of which will be shipped in September, 1981 while some quantity will be sent this month.—Courtesy ABL Agricultural Review.

CSO: 4220/86

PRICES OF PETROLEUM PRODUCTS RAISED

Karachi DAWN in English 10 Nov 81 p 1

[Text]

ISLAMABAD, Nov 9: The Pakistan Government this evening increased the retail prices of seven varieties of petroleum products in order to match the additional cost of Rs 280 million on their import due to Oct 29 OPEC decision to revise upward the world oil prices.

An official statement today explained that the OPEC decision will cost an additional expenditure of Rs. 280 million during the current fiscal year on the POL imports. It had, therefore, been decided to make certain adjustments in the selling prices of some of the POL. However the prices of kerosene oil, light diesel oil and J.P.-1 remained unchanged.

The World Bank and the IMF had come to an understanding with the Pakistan Government while negotiating Bank assistance a couple of years ago that the Government would make every endeavour to see that the cost on Government subsidies should be reduced and preferably eliminated.

The Government had taken a decision at the time of 1980 budget that the cost and tariff of all commodities and services related to imported energy would be automatically revised in the event of their import prices going up.

The Government statement said: "After meeting in Vienna on October 29 the OPEC have announced upward changes in the crude oil prices. The price of light Arabian crude has been increased from 32 dollars per barrel to 34 dollars per barrel from Oct. 1, 1981. The prices of other type of crude have also been revised

"The net effect of the changes in the crude oil prices on the Pakistan economy will cause an extra expenditure of Rs. 280 million during the current financial year. It has, therefore, been decided to make certain adjustments in the selling prices of some of the POL without increasing prices of kerosene oil, light diesel oil and J.P.I.

"The revised prices of the POL products, thus effected are as follows :-

Product	Existing price	Increase	Revised price
	Rs.	Rs.	Rs.
High speed diesel oil	3.05 per litre	0.10 per litre	3.15 per litre
Motor Gasoline	5.00 per litre	0.05 per litre	5.05 per litre
High Octain blending compound	6.30 per litre	0.05 per litre	6.35 per litre
J.P. 4	2.80 per litre	0.10 per litre	2.90 per litre
Lubricating base oils (average price)	6.90 per litre	0.05 per litre	6.05 per litre
Furnace Oil	1250.00 per M Ton	100.00 per M Ton	1350.00 per M Ton
Asphalt	2000.00 per M Ton	200.00 per M Ton	2200.00 per M Ton

BRIEFS

EXCELLENT PUNJAB COTTON CROP--Faisalabad, Nov 5--Cotton picking in the Punjab is in full swing and in view of the excellent crop condition the yield is expected to touch the mark of 32 lakh bales. An official source said here today that the newly evolved variety Express was cultivated this year over an area of 1,000 acres in the Punjab by progressive farmers. The variety evolved by the Ayub Agriculture Research Institute has shown quite encouraging results with an average yield production of 35 to 40 maunds per acre. The variety is an early maturing, pest resistant, and high yielding and better fibre quality. Picking in Sargodha Division has already been comp where normal wheat sowing is being done. The variety has already been recommended by the Punjab Agriculture Research Coordination Board and is now with the Pakistan Seed Council for approval for general cultivation. Enough seed of the Express variety would be available for distribution among the farmers during the next cropping season. Another desi variety Ravi was cultivated in the Lahore Division over a vast area and is expected to yield encouraging quantity during the season. Thousand maunds of seed of this variety were distributed among the farmers in the Lahore Division. Experts believe that with the advent of these new varieties country's export of cotton is also to increase considerably after meeting the country's requirements. APP [Text] [Karachi MORNING NEWS in English 6 Nov 81 p 7]

UK, KUWAIT AID--Quetta, Nov 7--A comprehensive power programme is to be executed with British and Kuwaiti assistance of over Rs 210,100 million. Official sources said that the Kuwait fund had committed Rs 130,200 million to provide electricity for 300 villages for domestic industrial, commercial and agricultural consumption in the province. It would take two years to complete. Similarly, the British government has agreed to provide Rs 80 million for the construction of three transmission lines in the province. These include Killa Saifullah-Zhob, Kashmore-Sue Dera Bughti and Khanozai-Ziarat transmission lines. This project will also take about two years to complete. Both projects for rural electrification and construction of transmission lines would be executed by WAPDA.--APA [Text] [Karachi MORNING NEWS in English 8 Nov 81 p 1]

BALUCHISTAN ENERGY VILLAGES--Islamabad, Nov 7--The second solar energy village in the country will be set up in Kharan (Baluchistan) in pursuance of the presidential directive. A team of experts from Energy, Resources Cell of the Ministry of Petroleum and Natural Resources, headed by Director-General, Mr Sohail Qureshi, will visit Baluchistan next month to finalise the project. It may be recalled that president Zia-ul-Haq during his recent visit to Baluchistan declared that

the country's second solar village will be set up in Baluchistan. Besides international agencies France is likely to provide grant assistance for the five kilovolt photo voltic solar village. Negotiations with the French Government in this connection is in final stages. The project is estimated to cost 150,000 dollars. Energy Resources Cell has completed the entire designing of the project. It will cater to the needs of the water requirements, domestic and community energy needs.--PPI [Text] [Karachi DAWN in English 8 Nov 81 p 4]

CHASE MANHATTAN BRANCH--The Chase Manhattan Bank yesterday announced to open its branch in Karachi in April 1982. Mr Francis X. Standkard, Executive Vice-President of the Bank, told a news conference that "setting up of a branch in Pakistan represents logical extension of our commitment to Asia and growing trade requirements of our customers." He said although the branch would not officially open until some time next year, "we are enthusiastic about improving investment and economic climate of Pakistan. He hoped that setting up Chase branch would help facilitate further investment in the country. He said Karachi branch would be Chase's first branch within the South Asia. He said the new branch was expected to be open in April 1982 until then, business in Pakistan would continue to be managed by Mr Victor Cordell, Vice-President Hong Kong. Mr Ronald Watt will serve as the country manager of the new branch here. [Text] [Karachi MORNING NEWS in English 6 Nov 81 p 9]

BARANI DEVELOPMENT PLAN--Sialkot, Nov 7--The National Economic Council has sanctioned the Barani development plan on which Rs 460 million would be spent. This was revealed by Brig (retd) Muzaffar Ali Khan Zahid, Chairman Agency for Barani Area Development (ABAD). Addressing a big gathering of cultivators at Shakargarh he said that according to this plan over 2 lakh acres of land in Chhamal, District Sialkot, and Suhawa, District Jehlum, would be brought under production by using most modern methods of cultivations. He further said that in the above project areas all out efforts would be made for the development of poultry farming and animal breeding. This included establishment of veterinary hospitals and poultry units. These steps would be taken with the help and assistance of various cooperative organizations, he added. This plan would be completed within six years, he said and added that it was the earnest desire of the government to revolutionise the economic and social conditions of the masses living in far flung rural areas. He assured the people that in the project areas electricity, pucca roads and hospitals would be provided. [Excerpt] [Karachi DAWN in English 8 Nov 81 p 4]

'JUI WON'T JOIN MRD'--Toba Tek Singh, Nov 4--Chief of Jamiat-ul-Ulema-i-Islam, Maulana Abdullah Darkhwasti, has said that MRD included a former ruling party whose hands were stained with the blood of martyrs of Nizam-i-Islam movement and the question of his defunct Jamiat's unity with such elements in any way, does not arise. He said this while talking to a delegation of Toba Tek Singh leaders of his party who called on him at his residence at Khanpur. The delegation included Maulana Mohammed Omer Ludhianvi, Ahmed Yaqoob Chaudhry and Maulana Mohammed Akhter. Maulana Darkhwasti said we want enforcement of the Islamic system based on Quran and Sunnah. The Maulana condemned the murder of Chaudhri Zahoor Elahi and demanded dire punishment for the killers. He said this incident identified those elements who believed in the politics of violence.--PPI [Text] [Karachi DAWN in English 5 Nov 81 p 6]

AFGHAN REFUGEES CAMP VISITED--The visiting three-member Maldivian education delegation led by Education Minister Mohamed Zaheer Hussain visited an Afghan refugee tented village near Peshawar this morning. Talking to the Afghan refugees, the leader of the delegation said that as Muslims the people of the Maldives share their sufferings and support their just cause. He expressed the hope that they would soon return to their country with honor and dignity. Later, the delegation drove to the historic Khyber pass and visited Pak-Afghan border at Torkhan. [Text] [BK061147 Karachi Domestic Service in English 1005 GMT 6 Nov 81]

NEW PANCHAYAT DIFFICULTIES--Many Municipal Panchayats which started functioning from Nov 1 without offices stationary or furniture are facing difficulties. Only a few are being run by educated Councillors, inquiries show. A number of members started working without taking oath, others without any knowledge of the rules or the working methods. In spite of the fact that the Mayor, Deputy Mayor and the Municipal Commissioners have been visiting various units to acquaint themselves with the problems, they have yet to find means to solve them. However, a programme of meetings has been planned from Nov. 17 for the chairman, members and staff clerks who will be briefed about the various Panchayat rules and laws to be tackled by them. A good number of Panchayats have yet to receive their seals (being given in phases) and their Identity Cards. There are others who have yet to get the possession of alloted offices. No responsible person in KMC seems to know the exact number of prosecutions launched in Panchayats or has issued any programmes for their own officers. However, Councillor Kalhori of Thatai Compound issued a press release stating admission of four cases under Local Government Ordinance and issuance of summons for Nov 9 to the parties. [Text] [Karachi DAWN in English 6 Nov 81 p 10]

THREE SHIPS IN PENANG--Kuala Lumpur, Nov 4--Three Pakistan Navy ships arrived in Penang, a port city north of here, yesterday, for a three-day goodwill visit to Malaysia. The three ships PNS "Tamiur" a fast anti-submarine destroyer, PNS "Tippu Sultan," a destroyer, and PNS "Badr," a battle class destroyer, arrived under the overall command of Rear-admiral Iftikhar Ahmad Sirohey, Commander of Pakistan Fleet. On arrival Admiral Iftikhar and the three Commanding officers paid a courtesy call on the Governor of Penang and the Chief Minister. They then attended a lunch given by the Governor. The Commander of the Pakistan Fleet will pay a courtesy call on the Malaysian Chief of Navy Vice-Admiral Datuk Mohd Zain Salleh. As a goodwill gesture the men from the three ships have also agreed to donate blood to the Penang Blood Bank. Friendly matches of hockey have also been arranged between the men from the three ships with local teams. The Malaysian-Pakistani League, an organisation of Pakistani Community in Penang, will host a tea-party to the crew of the visiting ships tomorrow. The ships will leave Penang on Nov 6. [Text] [Karachi MORNING NEWS in English 5 Nov 81 p 4]

ADP IN NWFP--Peshawar, Nov 7--The provincial Government has allocated Rs one billion for implementing the Annual Development Programme in various parts of NWFP during the current financial year clearly indicating the keen interest of

the government in the development and economic growth of the province. This was stated by Mr Salim Saifullah Khan, NWFP Minister for Finance and Industries while addressing the councillors and notables in Khairo Khel and Tajazai in Lakki Tehsil of District Bannu, on Thursday. He said that the main problems of Bannu district was the supply of drinking water which had been solved to a larger extent through spreading a network of tubewells in the district. A sum of Rs 10 million had been allocated for the expansion of drinking water in Bannu District during the current financial year and drinking water was now being supplied to about 100 villages through permanent pipelines, he added. He said that now when the local councils had been formed it was the duty of the councillors to survey the needs of their areas and fix priorities to complete minor schemes in the villages.--APP [Text] [Karachi DAWN in English 8 Nov 81 p 5]

HAQ GREETS BANGLADESH'S SATTAR--President Gen Mohammad Ziaul Haq has congratulated Mr Justice Abdus Sattar on his election as the president of Bangladesh. In a message to Sattar, the president said: Your obvious success reveals the confidence of the people of Bangladesh in your leadership and the policies of your government. The president wished the Bangladesh people continued progress and prosperity. He assured the newly elected Bangladesh president of full cooperation in further development and stabilization of relations between the two countries. [Text] [BK170937 Karachi Overseas Service in URDU 0800 GMT 17 Nov 81]

CULTURAL DELEGATION TO PRC--A 12-member Paksitan cultural delegation, led by minister for culture and sports Niaz Mohammad Arbab, left Karachi for Beijing this morning on a 12-day visit to the PRC. The delegation members will hold talks on strengthening further the existing close cultural relations between the two countries. [Text] [BK121313 Karachi Domestic Service in Urdu 0200 GMT 12 Nov 81]

HAQ GREETS BREZHNEV--President Gen Mohammad Ziaul Haq has sent a message of felicitations to Soviet President Brezhnev on the occasion of the 64th anniversary of the great October socialist revolution today. In his message he expressed the conviction that the existing relations of friendship and cooperation based on the principles of peaceful coexistence and good neighborliness between the two countries will continue to be strengthened in the coming years and that these relations will serve the interests of the peoples of the two countries and regional and world peace. [Text] [BK070715 Karachi Domestic Service in Urdu 0200 GMT 7 Nov 81]

AFGHAN ARSONISTS ARRESTED--Karachi, 26 Oct--It has been reported that the Pakistani Government arrested 12 Afghan saboteurs and terrorists when they entered Pakistan near Torkham to carry out subversive activities. The arrested persons entered Pakistan in disguise and were reportedly armed with the latest weapons, which have been taken from them. They have been brought to Karachi by a special fokker plane and are being interrogated to find out why they entered Pakistan illegally. The arsonists have been placed under strict surveillance, and some sensational revelations are expected to result from the interrogation. [Text] [GF311138 Karachi NAWA-E-WAQT in Urdu 27 Oct 81 p 1]

MAGAZINE ORDERED FORFEITED--The Government of NWFP have ordered forfeiture of Urdu/English monthly magazine entitled PAKISTAN PEOPLES NEWSLETTER which published from California/New York U.S.A. Magazine has been found containing objectionable material aimed at creating disaffection towards the Government of Pakistan and the armed forces of the country. [Text] [Peshawar KHYBER MAIL in English 29 Oct 81 p 6]

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South and East Asia Report

No. 1074

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FINANCE MINISTER'S STATEMENT TO WORLD BANK PARLEY

Dacca THE BANGLADESH TIMES in English 12, 15 Oct 81

[Statement by Mr. M. Saifur Rahman, Minister of Finance at the Joint Annual Discussion of the Board of Governors of the World Bank]

[12 Oct 81 pp 5, 6]

[Text] At the very outset, I would like to join the other Governors in extending a hearty welcome to Mr A. W. Clausen, the new President of the World Bank group. We are confident that under his leadership the institution will not only preserve but will carry forward the understanding that has been achieved over the years on international socio-economic development. I would also like to welcome at this stage the new members of the Bank and the Fund. We have listened with great interest to President Reagan's address and noted with reassurance the continued support of the United States for our two institutions. We are also greatful to the Managing Director of the Fund and the President of the Bank for their very thoughtful and forthright statements.

At the conclusion of last year's Annual Meetings in October 1980, a broad consensus had emerged on the role of the World Bank and the International Monetary Fund in the 1980s. There was widespread appreciation among the developing and the industrial countries of the assistance that the developing countries will need in the 1980s to improve their levels of living and to facilitate the structural changes in their economies required by the changes in external environments. It was also appreciated.

--That all previously planned programmes of international assistance, including that of the Bank and the Fund, must be re-examined in order to determine how the increased and urgent needs of the developing world could be met.

--That these institutions must mobilise substantial additional resources to take into account the unexpected rates of inflation, the sharply deteriorated current account deficits of the developing countries due to the rise in prices of oil and other imports, reduction in their export earnings due to recession in the industrial countries, increased requirements for energy investments and requirements of the People's Republic of China.

--That there was indispensable need for increasing development assistance to the non-oil developing countries, particularly for the low-income countries.

--That the industrial countries have to follow appropriate adjustment policies, improve market access for the exports of the developing countries, avoid protectionism, reduce undue reliance on monetary policies, with a view to reducing the heavy burden of adjustment which under those policies fell mainly on the developing countries.

Unfortunately, we are sorry to say that very little progress has been achieved on the consensus that we thought was arrived at among the members of these two institutions, and we note with deep concern the relentless deterioration of the short--and medium-term prospects for the developing countries and the apparent unwillingness of many developed countries to pursue policies supportive of international development and greater international assistance.

The Annual Reports of the International Monetary Fund and of the World Bank, the World Development Report 1981, and the World Economic Outlook published by the Fund--all indicate that the international economic situation continues to remain difficult and is deteriorating, particularly in the developing countries. A number of major industrial countries continue to face recession, energy cost continue to remain high, as to inflation and interest rates. Fluctuating exchange rates, almost negligible growth of world trade, and delining prices of primary commodities exports of non-oil developing countries have led to serious balance of payments pressures and depressed their investment programmes. The growth rates of the non-oil developing countries, mainly because of shortage of critical resources and also because of their dependence on the markets of industrial countries, declined further in 1980-81. The combined current account deficits of the non-oil developing countries, which reached $84 billion in 1980, almost 80 per cent higher than the level of 1979, are expected to go up to $97 billion this year, and will probably exceed $100 billion in 1982. Further, a serious deterioration has taken place in the relative terms of trade of the developing countries.

The most disappointing feature of the international development scenario is the picture regarding net disbursement of official development assistance (ODA). In 1980 the total flow reached 0.37 per cent of their aggregate GNP, of which only 34 per cent was available to the low-income countries. Most disconcerting, however, is the fact that only 10 per cent of ODA was available to the least-developed countries.

With aid flows much below the desired and reommended levels, and practically no access to the commercial bank resources, one could seek some compensation through exports and benefits of trade--a course vigorously advocated by international institutions and bilateral donors. Here also the low-income countries continued to be left behind. Their exports could not grow fast enough to match the rising cost of oil and imports from industrial countries.

The middle-income countries have been more fortunate in this respect in the past decade. The increase in developing countries' export purchasing power during the 1970s breaks down into $105 billion for oil exporters, $118 billion for middle-income oil importers, but a mere $3 billion for low-income oil importers. Low-income oil importers' export purchasing power was almost one third lower in 1980 than in 1970--in contrast to the middle-income countries, whose purchasing power

increased by almost two thirds. This is a clear indication that the deteriorating terms of trade had the most devastating effect on those who could afford it the least--and my own country is a serious casualty of this phenomenon to which I shall revert shortly.

What is most depressing and frustrating are the projections made by the World Bank and the International Monetary Fund for the decade as a whole. Under the optimistic "high case" projection of the World Development Report, as well as the "scenario A" of the Fund analysis per capita income for the low-income oil importing countries is projected to grow only 1.8 per cent in the next decade compared with 3.4 per cent for the middle-income oil importers and 3.1 per cent for the industrial countries as a group. Under the "low case" scenario, the situation is much more precarious permitting no more than 0.7 per cent per capita growth for the low-income oil importing countries compared with 2.1 per cent for the middle-income oil importers and 2.3 per cent for the industrial countries. Thus, even under the most favourable circumstances, i.e., the "high case", the gap between the rich and the poor countries (including the gap between middle-income and low-income countries) will widen in this decade, and this effect will be considerably aggravated under the less favourable circumstances. Is it not a shame for the international community that at the end of a century of unprecedented technological, economic and social advances in many parts of the world, 850 million people may still remain consigned to a situation devoid of a minimum element of human dignity?

In the low-income countries the identified adjustment problems appear to have no short-term solution. Apart from immediate balance of payments needs, the longer-term tasks of investments and restructuring will require a decade or more of increased support with concessional funds. The time scale is even longer for the least-developed countries where the essential foundations of economic development frastructure, human capital commercial networks, and administrative machinery at all levels are still at the nascent stage. It is in the context of these prospects that a UN conference for the least-developed countries was specially convened last month in Paris. The conference finalized and adopted the substantial new programme of action for 31 least-developed countries outlining in detail the objectives, goals, and strategy of development for these countries and also the support measures needed from the international community for realizing the programme of action. Though significantly short of expectations the conference in general terms agreed to double ODA to the least-developed countries by 1985. It was also gratifying that most donors reaffirmed their commitment to provide 0.7 per cent of their GNP as ODA in the immediate future. The hopes generated in Paris call for urgent positive action not only by the bilateral development partners but also by the multilateral agencies.

Exhortations for structural adjustments on all fronts, such as expansion of exports, containment of energy demand, steps for increasing energy supplies, and rearrangement of financial flows, are no doubt well-conceived. Admittedly, structural adjustment is a must for long-term stable and viable growth. But is it not unrealistic to expect the developing countries to tackle all areas of adjustment simultaneously? While concentrating on food and agriculture, the most important area for import substitution for many developing countries, no country can ignore even modest levels of investment in education, health, population planning, supply of pure water, and, above all, for building up physical infrastructure in the interest of

medium- and long-term growth considerations. The small indeed if they do not receive the requisite cooperation of industrial and oil surplus countries in this respect.

Apart from the much-discussed imbalances between the oil exporting and oil importing groups of countries, the other problem, perhaps not so widely recognized, as discussed by the Fund in the World Economic Outlook, is that which exists within the large group of oil importing countries, principally between the industrial countries and the non-oil developing countries. Developing countries cannot expand their exports, particularly of manufactures, if the industrial countries continue to use protective measures against them. The needed structural adjustment of their economies will also require time even if all the right policies are implemented. Most importantly, financing at adequate levels will be required for a number of years in support of adjustment programmes. Direct private investment in developing countries by industrial and oil exporting countries has no doubt a crucial role to play in that context, but in low-income it is clear that the overwhelming part of the financing need has to be met on concessionary terms.

The non-oil developing countries are receiving support toward covering a part of their current account deficits directly through bilateral loans and grants from the OPEC countries, as well as indirectly through international lending agencies. An important new contribution to the current account financing of Fund members, including non-oil developing countries, is the arrangement concluded by the Fund with Saudi Arabia. A noteworthy feature of OPEC assistance, as is well known, is its united character. We sincerely hope that the initiative taken by Mexico and Venezuela in helping developing countries with special measures relating to the import of oil will soon be followed by other oil producers.

Let me take advantage of this occasion to say a few words about my own country, Bangladesh, whose 90 million people represent almost one third of all human beings living in the least-developed countries. Almost 80 per cent of our people live below the poverty line. We have been most seriously hit by the adverse changes in the international economic situation. While over 70 per cent of our export earnings is pre-empted by oil imports, there is hardly any respite from the burden of payment for imported capital goods and industrial raw materials. The pressure on our balance of payments has thus been severe indeed. We are, however, determined to raise the level of living of our people and launched our second five-year plan a year ago, placing high priority on raising agricultural production, cutting down growth of population, exploiting domestic energy sources, and spreading mass literacy. I am glad to report to you that in the very first year of our plan, fiscal 1980-81, we exceeded our target of increase in food production and have been making all out efforts to raise domestic resources. Unfortunately, however, the full potential of growth of the economy cannot be realized due to shortfall from the expected level of international support. Our investment objectives and investment priorities are intended to bring structural changes in our economy and in fact in our situation it is hard to distinguish between structural adjustment and development. Limited capacity to save from the presently low levels of income and the deteriorating external environment, have put severe constraints on our efforts. Our terms of the trade have deteriorated substantially over the past two years, although we have been exporting more in terms of volume of many of our products, export receipts have declined. I mention these only to draw the attention of the

international community to strong and generous support needed to reinforce our national efforts. While we note the recommendations by the Bank and the Fund to adopt outward looking policies for increasing exports, there is a limit to which this can be achieved in the short run, as there is hardly any room to cut down consumption below subsistence levels. To generate a surplus for exports and to exploit our domestic energy resources, we need a substantial level of external assistance, which is known to the Bank and the Fund as well as to the bilateral donors.

We welcome the agreement reached on interim procedures for subscribing to the General Capital Increase of the World Bank. Although we congratulate the World Bank on another successful year of operation leading to a total commitment of over $ 12 billion for IBRD and IDA, we are disappointed to note that IDA commitments in fiscal 1981 were lower than in the previous year. Net disbursements appear to show upward trends. The IFC also deserves our commendation for increasing their operations significantly over the past year. We fully agree with Mr. Clausen that the major source of success of the IFC is its flexibility and shunning of doctrinaire approach.

We are, however, deeply concerned to note the dim prospects for expansion of the activities of the World Bank. We welcome the effectiveness of the Sixth Replenishment of IDA. But apart from the fact that it came late, considerable uncertainties still seem to remain about the level of actual commitments that will be achieved in fiscal 1982 and fiscal 1983. We strongly urge that according to the original international agreement, IDA VI should remain a three-year programme and should have the full authority to commit the agreed amount of $ 12 billion by fiscal 1983. In the light of the difficulties facing the low-income countries which have been described at length, it is absolutely essential that there is no slippage in commitment of IDA VI resources beyond fiscal 1983. Unless this is ensured, there is great danger of the commitment period of IDA VII being adversely affected. In the light of the timetable followed for Replenishments in the past, the negotiation process for IDA VII must start by the end of 1981 with the view of reaching agreement by July 1, 1983. We are encouraged by the statement of the President of the World Bank in this respect. What should be most important, is to ensure growth in IDA VII in real terms over IDA VI at least comparable to past trends. Since this is the largest single source of concessional assistance for the low-income countries, this will be an important indication by the donor community that it seriously considers helping the developing countries in meeting their resource needs in the most difficult period ahead and according to their requirements, as outlined in WORLD DEVELOPMENT REPORT 1981. We are extremely thankful to Mr. Clausen for his elucidation of the nature and role of IDA whould should help to disabuse the minds of many uninformed critics and remove serious misunderstandings existing in certain quarters. His discussions about the standards of IDA operations and the important and productive role that IDA has played and is playing in the developing world, and particularly in the low-income countries, has been most timely. We also congratulate him for so succinctly describing the contribution that IDA resources can make to help the poor countries in achieving greater economic stability, greater self-reliance, and greater social cohesion, and also the importance of IDA to the national self-interest of the developed nations.

While on this subject we also urge an early agreement on the composition and terms of reference of the Task Force on Concessional Flows in order that appropriate solutions may be found without loss of time for the problems that currently affect the volume, quality, and the effective use of concessional flows. It has assumed special importance in view of the need for mobilizing additional concessional resources for meeting the urgent needs of the Sub-Saharan African countries. There is hardly any scope for diverting resources to the African countries from other poor regions of the world. It should be borne in mind that the largest numbers of the world's absolute poor are concentrated in South Asia and per capita income "high-case" scenario, will barely be equal to the level obtaining in the Sub-Saharan African countries at the present time.

We shall be less than candid if we did not express grave concern over the developments regarding the lending programme of the World Bank for fiscal 1982, and the indicative plan for fiscal 1982-86. These do not take into account any of the concerns expressed by the Governors in the last Annual Meetings and reiterated in the Gabon meeting of the Development Committee. The Brandt Commission Report had made valuable recommendations for increasing the Bank's lending capacity.

[15 Oct 81 pp 5, 7]

[Text] We hope that the Task Force on Non-Concessional Flows set up by the Development Committee will also have important suggestions to make. But over and above all these, we look forward to the initiation of innovative techniques by the new President of the Bank who has vast experience in the handling of and raising international resources. As was recognised at the last Annual Meetings, the international financial institutions, including the World Bank, have a major role to play in the recycling of the international suprluses. The Fund has already taken a significant step by coming to an agreement with the Saudi Arabian authorities. We hope the World Bank will be able to come to some such arrangement to raise its resources for lending, in addition to exploring other means for increasing its resources by possible redesigning of the capital structure.

We remain concerned over the change in some members' perception of the role of the World Bank. The World Bank has played an historic role in increasing the understanding between the developing and developed member countries. We do not take any doctrinaire approach and believe that the private sector can play important roles in the development of many economies. However, we remain convinced that it is not necessarily the answer to the problem in all cases, particularly in the case of the low-income countries. The World Bank should not close its doors to financing of infrastructure projects and other viable projects in the developing countries in fields which cannot be attractive for private entrepreneurs such as roads and highways, rural development, population planning, and human resource development. Public investment will have to play a predominant role in these areas. We must recognise that the World Bank is not a commercial bank and was never conceived of as such by its members. As has been described by Mr Clausen, the Bank and IDA have been playing a significant role in the nonfinancial field also, such as technical assistance and research and there is a strong case for expanding that role rather than reducing it.

If concessional resources are likely to grow only very slowly, as the trends seem to indicate, it will be necessary for the management of the Bank to consider innovative measures through appropriate selection of projects and financial mechanisms

to channel IBRD resources to the low-income countries. We hope that under the leadership of the new President of the Bank, with his vast experience in international banking and finance, it will be possible to break away from the traditional concepts of creditworthiness, which have been mechanically applied and have resulted in the exclusion of a large number of developing countries from IBRD resources.

We hope that the World Bank will continue to retain the leadership role it has established for itself in the field of development policy and in the matter of meeting basic human needs of the poor people in the developing countries through innovative project designs. While we are happy to note from Mr Clausen's statement that the Bank will continue to follow the priorities established in its lending operations over the years, giving adequate attention to the needs for agriculture and energy, it would be wrong in our view to cut down the share of social sector investments. We firmly believe that these institutions have genuine obligations for helping the developing countries to meet the basic needs of those living in absolute poverty and to continue assistance in these areas for development of human resources.

We are also encouraged to note in the statement of the President of the Bank the importance that will continue to be attached to the need for expanding energy production in non-oil developing countries. But we want to re-emphasize that an increase in the Bank's investments in energy production must represent a net addition to total available resources, unless the pattern of resource allocation set up over the years, to which I referred a little while ago, is to be seriously distorted. While all parties--developing countries, industrial countries and oil surplus countries--recognise the need for such investment, it will be a pity if resource mobilisation measures suffer due to lack of agreement on an aprpopriate organisational arrangement for channeling such investment. In last year's annual discussions there was widespread support from the Governors for the establishment of an energy affiliate. We would strongly urge that the initiative earlier taken by the World Bank management be expanded and recommendations agreed upon between the concerned groups of countries for determining the optimum means of financing and the appropriate organisational mechanism for an expanded energy programme, including the possibility of an energy affiliate. In our opinion, the World Development Report has argued well why international financial institutions should play a significant part in the process of designing larger energy investments. While cooperation between such institutions and the member countries on the one hand and private energy companies on the other are most desirable, we would be hesitant to opt for any doctrinaire and generalised pattern for this purpose. After all, according to the Bank's own analysis, the bulk of the resources for energy investments will have to come from the private sector--with the Bank playing a catalytic role. Obviously, conditions will differ from country to country depending on the size of possible and probable reserves of energy resources, domestic needs, and possibility of exports. Before leaving this subject, we must reiterate our suggestion that if market-based resources are to play the major role in energy investments, special arrangements must be made for interest subsidy to the low-income countries.

The Annual Report of the Fund indicates that the institution and its Executive Board have been highly active during the year that is just over. We are happy to note that the financial activity of the Fund reached a new peak in terms of number of arrangements with members in the use of the Fund's resources.

We would also like to put on record our satisfaction about the coming into effect of the Seventh General Review of Quotas and steps taken to place in line the quotas of the People's Republic of China and Saudi Arabia. Though not fully meeting the expectations of the developing countries, the Executive Board's decision on compensatory financing of fluctuations in the cost of cereal imports to assist members encountering balance of payments difficulties is also a step in the right direction. We welcome the decision to establish a subsidy account in connection with the supplementary financing facility and hope that the resources of the subsidy account in connection with the supplementary financing facility and hope that the resources of the subsidy account will be supplemented by donations and borrowing on suitable terms in addition to using a part of the Trust Fund repayments. We would like to congratulate the Managing Director for concluding a borrowing arrangement with the Saudi Arabian Monetary Agency. Short-term financing arrangements made with several central banks of industrial countries will also help the Fund in augmenting its resources. While these steps will enable the Fund to pay a suitable role in recycling international surpluses and to meet the increased borrowing requirements of its members over the next three years, we would urge caution in exploring the possibility of Fund borrowing from the private market and its possible impact on interest rate structure and Fund charges. It is in this context that we reiterate the need for expediting deliberations by the Fund Board on the Eighth General Review of Quotas.

We cannot help pointing out that though the financial activity of the Fund reached a new peak, the bulk of Fund assistance to the developing countries in recent years is characterised by high conditionalities, whereas the major part of assistance provided in the period 1974-78 was low-conditionality resources under the oil facility and compensatory financing facility. Also any concrete Fund action on the proposal in the Group of Twenty-Four Programme for Immediate Action for a new medium-term facility in the Fund, and a subsidy account for the enlarged access policy are conspicuous by their absence in the Fund Annual Report.

Simplification of the composition and characteristics of the SDR is welcome, but we regret that discussions concerning allocation of SDRs in the fourth basic period have not come to a satisfactory conclusion and have failed to take account of the overriding principle that the SDR should be the principal reserve asset in the international monetary system. It is disappointing that the Executive Board of the Fund has not concluded its deliberations and made any recommendations for submission to the Board of Governors for further allocation of SDRs at an appropriate and substantial level. We hope that the Fund Board will carry out the mandate from the Interim Committee without any loss of time.

We have noted with great interest the reference made to Bank-Fund collaboration in the statements of the Managing Director of the Fund and of the President of the Bank. Admittedly, adequate collaboration and cooperation are required and desirable between the two Bretton Woods institutions, but such cooperation should be wholly for the purpose of helping the developing countries in following adjustment measures with adequate financial support. We would also like to point out that collaboration between the two organisations should not mean or lead to reinforcement of stricter conditionalities which will put the developing countries in straight jackets with serious economic and social consequences and inevitable depression of their growth rates.

The developing countries have never opposed or refrained from adopting rational and realistic domestic policy reforms and changes. The growing relationship of the developing countries with our two institutions is clear evidence of this process. But one must not lose sight of the need for a realistic time frame for such changes so as not to upset the fabric of social equilibrium. For economic policies of nations, particularly the developing ones, cannot be considered in isolation from their sociopolitical realities, programmes and institutions. What is more important, policy reforms in most cases can be undertaken only in the context of adequate resource support from the international community--the industrial and capital surplus oil countries which have been subjects of intensive discussions in the last few days.

Developments in the industrial countries in the last year or so invariably give an impression that assistance to the developing countries is an item being relegated more and more to a lower position in the agenda of their international concern. This contrasts sharply with positions being taken on ideological considerations and massive planned expenditure on armaments both in the East and the West. We must not let this occasion pass without drawing attention to the fact that the centrally planned industrial economies have also not played their part in helping the developing countries. The projections about the growth prospects of these economies in this decade are, on the whole, more favourable than those for other groups of countries. It cannot be denied that these countries are benefiting from trade with the developing countries, the OSCD countries, and also with the surplus oil countries. It will therefore be quite appropriate to urge them to take their legitimate contribution to the developing world in their efforts to improve the living conditions of their people.

During our discussions last year the recommendations of the Brandt Commission, aptly described as "A Programme for Survival," raised considerable hopes and, in our view, provided an opportunity for an exhibition of statesmanship and political will be the leaders of the industrial countries. It clearly brought out that most economic problems of the present world are interlinked, and global interdependence dictates that there can be no piecemeal solutions to these problems. The report rightly asserted that it is in the best interests even of the developed world to sustain and support the development of the developing world through a massive transfer of real resources and a restructuring of international economic relationships. We therefore sincerely hope that the ensuing Cancun Summit, which was pleaded for by the Brandt Commission, will restore momentum to the process of global negotiations which is now in a standstill position. In the context of this meeting we look forward to a consensus on channeling more resources to the developing countries if the drastic consequences of the "low-case" projections are to be avoided. The requirements for the "high-case" scenario as illustrated by the analyses of the Fund and the Bank are certainly not excessively demanding. Can the developed world, in all good conscience, suggest cutting down the flow of resources which is needed for investment to raise hundreds of millions of poor people from below the poverty line, raising their life expectancy, and educating their children? Whereas in the industrial countries per capita income increased from about $4 000 in 1950 to over $10,000 in 1980, and for middle-income countries it grew from $640 to nearly $1,600 in 1980, for the low-income countries the improvement was from an appalling figure of $170 to $250--a gain of only $80 per person in 30 years! Is it therefore too much to expect that a modest part of the increase

(only 3 per cent of the increase) of the national product of the industrial countries be transferred to the developing countries in the rest of the decade?

I am about to conclude. In recapitulation I would like to make some observations on the issues of structural adjustments, conditionalities, and the role of private investment in engendering the development process. So much has been made of these during the past few days in this forum and also in the Interim Committee and Development Committee that I feel a compelling urge to make some reference on these much-debated issues. We certainly believe in the virtues of undertaking structural adjustments to put our economy on the right track of a sustenable development process, but it has to be appreciated that this process calls for massive investment and a reasonable time frame. Of late, however, our task has been made manifoldly difficult by the recession induced by the trade restrictive, and at times, incoherent, policies pursued by a number of developed economies with debilitating repercussions on our adjustment efforts. Would it not be unfair of the developed economies to remain insensitive to the consequences of their policies for weaker economies?

The idea of appropriate conditionalities is well understood. But mechanical enforcement of performance criteria, relying mainly on soulless data without adequate consideration of the under lying objectives which the conditionalities are meant to attain, may end in fulfilling the criteria and yet the attainment of the objectives may remain as elusive as ever. On the contrary, objectives may be realized even though the fulfillment of performance criteria may fall short of numerical targets. Should then a country, which under difficult internal and external situations attains the major objectives, be penalized merely because it falls short of meeting some performance criteria mechanically? In my own country, we have met the performance criteria on export expansion in volume but have failed to meet it in export earnings entirely due to the serious deterioration in the prices of our main export products. Should the jute farmers, the tea garden workers, and the fishermen of Bangladesh to produce more by toiling from dawn to dusk under a broiling sun for a miserable reward and wretched existence be further penalised for failing to meet the numerical targets of export earnings? They are not even aware that they are condemned to a wretched existence not because of lack of endeavour on their part, but because of the unfair and inequitable international economic relationship. The answer lies not in penalizing our farmers, workers, and fishermen, but in correcting the unfair international economic relations. The area of adjustment therefore lies beyond the borders of Bangladesh. Doctrines of exchange depreciation mechanically applied merely result in the transfer of resources from the developing countries to the developed countries through deterioration of the terms of trade.

Concerning the virtue of market-oriented private investment, let me remind the audience that as a general rule, the market smiles at the rich but frowns upon the poor--and we are poor and least developed. And yet, being in desperate need for investment resources, we have adopted a comprehensive set of policies to encourage and promote private foreign investment--but except to a limited extent we have not yet been taken as a desirable suitor since our environment is not as attractive compared with that of the middle-income and advanced countries. Let me assure you that we shall continue our efforts for attracting private investment. I wonder, however, whether the private investors would invest in small irrigation and rural development projects, construction of jute and fertilizer godowns, construction of

primary and secondary schools, feeder rural roads and secondary roads, jetties and harbours, and other infrastructure projects. When we talk of private investment in least developed countries, could we lose sight of these compelling economic realities which certainly would not attract private investors?

What I want to say is that the doctrines of structural adjustment, conditionalities, and of private investment have to be pursued with caution and pragmatism. These doctrines should not be pursued in isolation from the economic realities in the low-income and least-developed countries, forgetting the millions of people living in sub-human conditions whose welfare is after all behind all our objectives and policies.

CSO: 4220/7311

NATIONAL CONFERENCE APPOINTS MA'SHUM LEADER OF MAJLIS

Jakarta MUTIARA in Indonesian 16-29 Sep 81 p 10

[Article by Jopie Lasut]

> [Text] The religious scholars of the NU [Nahdlatul Ulama] have just held their national conference at Kaliurang [Central Java]. A new general leader has just been appointed to fill the position left vacant by the late K H Bisri Syamsuri 16 months ago. "The decisions which they took concern ordinary matters," said a non-NU political leader, commenting on the conference of religious scholars, which is a legacy of the prophet.

Kaliurang--About 200 religious scholars [alim ulama] from 22 provinces, meeting at Kaliurang, 24 kilometers North of Yoguakarta, only made decisions on matters in a moderate way.

In the political field the conference decided that, "in order that the presentation of candidacies for the presidency might be presented in a constitutional way at a public session of the MPR [People's Consultative Council], the 1982 general election should be held on time."

The National Conference also declared, "the highest position in the government of our country is that of the chief of state who, according to the Constitution of 1945 is called the president and the supreme commander of the Armed Forces, but, according to the MPR, is their mandatory. And in order not to reduce the status of that position, there is no need to add other titles." This means that titles like "The Father of Development" are included among the unnecessary titles.

However, beside a number of decisions involving politics, the economy, health, and religion the most important decision made by the National Conference was the appointment of a new general leader.

Culture Plunges Into the Well

By a unanimous vote those attending the conference agreed to the appointment of Kyai Haji Ali Ma'shum as general leader of the Majlis al-Shura [Advisory Council] of the NU. That position automatically involves serving as general leader of the PPP

[Development Unity Party]. "Members of the NU know that unless it fills the post of general leader it will be difficult for the NU to maintain a high level of political activity," said Yusuf Hasyim, first chairman of the Executive Council of the NU, "particularly in view of the general elections which are 8 months ahead of us." Possibly, he had in mind the example of the walkout of the Development Unity Faction in Parliament.

According to Dr H M Tolchah Monsoer, of the NU Regional Advisory Council of the Special Area of Yogyakarta, the position of general leader of the NU certainly cannot be compared with the position of the pope in Rome, but his role for NU members is comparable with that of the great imam, Ayatollah Khomeyni.

(Editor's Note: there must be a fundamental distinction here. The general leader follows Sunni Muslim teaching which opposes worship of the Imam and the grant of forgiveness through the Iman. Conversely, these matters are very much encouraged in Shi'ite teaching.)

Why is the position of general leader important? There were people attending the National Conference who say that the PPP at present is theoretically the alternative to GOLKAR [Functional Groupings, the focus of government political activity]. Meanwhile, in accordance with the results of the last two general elections, speaking objectively the NU may be called the principal element in the PPP. The most influential group in the central organization of the PPP is the Advisory Council of the NU. "The problem is that the ulama who are members of the Advisory Council of the NU have the right to determine whether the NU will participate in a general election or in a cabinet," said Dr Tolchah Mansoer. "The Advisory Council can be compared with the legislature of a country. And the Tanfidziah is like the executive branch."

The fourth chairman of the Executive Council of the NU, Machbub Djunaedi, said that in the NU there are two bodies which parallel each other vertically. The Advisory Council handles religious questions, and the Tanfidziah provides the daily leadership, handling social and political matters. Although they are at the same level, if the Tanfidziah should say "B" and the Advisory Council should say "A," what would be in effect would be "A."

That is why the general leader who is chairman of the NU Advisory Council (which consists of 20 elected religious leaders [kyai]) holds a decisive position for the advancement of the PPP at critical times. This is especially the case at the time of general elections.

At present the general chairman of the Executive Council of the NU is K H Idham Chalid. And the position of general leader is held by K H Ali Ma'shum. This means that the leader who has the veto right is K H Ali Ma'shum. "If now K H Ali Ma'shum, as general leader, should order me to jump into a well, I would do it," said Jusuf Hasyim. "That is in my cultural outlook. Members of the NU expand in such a culture."

It once happened that all decisions of the Executive Council of the NU, which had been decided on carefully, were declared to be no longer in effect, at the stroke of a pen, by a general leader. The decisions were considered to be in conflict with religion. It is hoped that a general leader will be able to demonstrate his leadership, particularly in difficult times.

The senior ulama, K H As'ad, the director of the Asem Bagus Pesantren [Asem Bagus Religious School] in Situbondo, had occasion to picture for us what a candidate for the position of general leader should be. As an ulama known to follow a "hard" line (and who once turned down the position of general leader), he said, "A general leader must have charisma. However, beside that a candidate for the position of general leader must also have the qualities of a commander," he said. There are many senior NU ulamas who have prestige but do not have the mark of a commander. K H As'ad did not attend the National Conference at Kaliurang, but his message was used as a guideline by most of those attending the National Conference. K H Ali Ma'shum was regarded as the proper person to hold the highest position in the NU.

K H Ali Ma'shum once had also turned down that position. However, under pressure from those attending the conference, he finally agreed to accept it. According to observers, usually in the NU when there is an election for the position of general leader, people say, "Not me." This is different from the post of general chairman of the Executive Council of the NU. If a person is chosen for that post, he says, "I must accept."

"I am a natural kind of person," said the new general leader, in an interview at his religious school. The "Al Munawir" religious school is located on a parcel of land of two and one-half hectares, 9 kilometers south of Yogyakarta. Now 66 years old, he had just finished sweeping the verandah of his home, an attap building in the middle of a pious residential district, which has a population of 800 people.

He first studied under the direction of his father, K H Ma'shum, at the Lasem religious school, where the students lived on the premises. At age 16 he moved to the Termas religious school in Pacitan. There he was already regarded as a leader by the other students and given the nickname of "Village Chief of Termas." Then he moved again to study under K H Munawir in Krapyak. Because he was one of the most intelligent students, he was chosen as a son-in-law by this teacher. After visiting the Muslim holy land several times, finally he was assigned by his father-in-law to be the director of the Krapyak religious school. Since 1956 the school, which previously had space for only 90 sutdents, finally was able to produce about 1,340 experts in the Koran, who are spread throughout Indonesia.

This ulama, simple in manner, full of a sense of humor, who, according to his students, likes to listen to Indonesian popular songs, gives the impression, on better acquaintance, that he is like a "stone" carefully wrapped in cotton woool. "Perhaps I was chosen because I am known as an ulama who often writes pamphlets," he said, with a hearty laugh. "Usually, I express my views in a pamphlet. Then I send it to community leaders and other religious figures. For example, concerning the holding of a general assembly of the World Council of Churches. Basically, at the time, I said that it was not possible to ensure security for holding a conference of that kind in Indonesia. That became a general view. At the time the Muslim community in Indonesia was regarded by the followers of other religions as the most tolerant."

Furthermore, when Prof Dr Mukti Ali planned to print the Koran in Latin letters, again K H Ali Ma'shum prepared one of his pamphlets. He strongly opposed the effort to turn out this new edition. Both from the point of view of law, history, and politics, as well as from the point of view of the consequences--for example,

that it might be turned into a container for peanuts. Kyai Ali presented all of that as a reason for opposing the proposal of the Ministry of Religion.

Again, in the case of his opposition to the Marriage Law, he defended his views in pamphlets. Basically, the NU community at the time was ready to go to jail in the defense of their religion, Kyai Ali said.

What is the view of the former minister of religion, Dr Mukti Ali himself? As a man who is close to the NU as well as the Muhammadiyah [Muslim Brotherhood], Mukti Ali said: "The appointment of Kyai Ali was the right step. Kyai Ali does not belong to the Muslim fundamentalists. He is a moderate, compared with K H As'ad of Situbondo, for example. Besides that, K H Ali Ma'shum can be accepted by the Muhammadiyah. I myself was a student under Kyai Ali."

Kayai Ali has often conducted a dialogue with national leaders of the Muhammadiyah. "We consider that questions which could cause divisions within the Islamic community must be discussed openly," said K H Ali Ma'shum. A teacher who is a member of the Muhammadiyah in Yogyakarta said, "with the NU increasingly liberal and the Muhammadiyah increasingly conservative, there was a meeting place for the 2 organizations. And the process has already begun at the present time. On both sides there are elements which want to get together, and they are becoming more numerous with every passing day."

There Is No Longer a Great Leader

In connection with the National Conference of religious leaders at Kaliurang, apart from the opportunity to become acquainted with the new general leader, people also had the opportunity to become acquainted with the Jam'iyah, or the organization which will be led by K H Ali Ma'shum. According to its history, the NU was formed by ulamas of the Ahlul Sunnah Wal Jamaah religious school (following the Sunni variant of Islam) on 31 January 1926 in Surabaya. One of the founding ulamas was K H Hasjim Asj'ari, who held a central position. He functioned as a link for other ulamas because of his charisma, his age and piety, as well as his knowledge of religion. With him in attendance the NU movement gained a psychological benefit because the name of Asj'ari recalled the followers of the Great Imam al Asj'ari, the founder of the Ahlul Sunnah Wal Jamaah, K H Hasjim Asj'ari, the elder brother of the columnist, Abdurrachman Wahid, who finally was appointed "Great Leader" of the NU. This is a title which, up to the present, no other ulama has ever dared to claim. The Nadlatula Ulama, which means" the resurgence of the ulama," was established for several reasons.

When the Masyumi [Indonesian Muslim Consultative Aseembly] was established, the NU once joined that party. However, later on, in 1952, it split off from it. According to the NU Consultative Council for the Special Area of Yogyakarta, "the ulama at the time only functioned as an advisory body."

In 1955, when general elections were held for the first time, the NU surprisingly emerged as the third largest party, with 45 seats in Parliament.

After the "New Order" leadership was functioning smoothly, in 1971 general elections were held. The results of that general election placed the NU in position as the

largest party in Indonesia, among nine other parties, obtaining 10,213,648 votes. This was 3,258,096 more votes than the NU obtained in the general election of 1955, according to the official statement of the Executive Council of the NU to the 57th national conference of the NU. The number of the NU representatives in Parliament after the 1971 elections was 58, but after the general election of 1977 this total dropped to 56, because 2 seats were given to members of the PPP [Development Unity Party].

Regarding the various factions within the NU, according to a representative from West Java, it may be stated that there are "roughly" three. First is the faction from Jombang and Jember which, historically, dominated the NU until the National Conference in Kaliurang. The second faction consists of the ulamas from the religious schools of Central and West Java. The third faction consists of ulamas from outside of Java. However, according to Abdurrahman Wahid, such a division is slowly disappearing because many students from outside of Java are now studying at religious schools in East, Central, and West Java. Indeed, according to Prof Dr Mukti Ali, family ties between the ulamas from Banten to Madura are very close. Therefore, according to Dr H M Tolcha, it is very difficult to be in the opposition in the NU, in view of the family ties. However, he rejects the view that there are "aristocrats" in the NU. An NU leader may emerge only because of his piety, his knowledge of religion, or his leadership capacity, but not because of the religious school he attended or his family.

The NU Challenge

In the past week two conflicting statements came out in succession from organizations of ulamas. The first one came from the National Conference of NU ulamas at Kaliurang, which issued a statement that candidacies for the presidency must be presented constitutionally. The conference also issued a statement that additional titles for the president such as "the father of development" were not needed.

Differing from the statement of the ulamas was the statement issued by the Ansor Youth Movement (the younger generation of the NU) at its seventh general conference in Semarang recently. This stated that the award of the title, "Father of Development," to General Suharto was proper and was not excessive. The Ansor Youth Movement hoped that the MPR [People's Consultative Council] would entrust national leadership under the fourth five-year plan to General Suharto. As a reason for this view the general chairman of the Ansor Youth Movement, Chalid Mawardi, said that an integrating factor was needed which could support national unity and union for the subsequent implementation of national development. It appeared that this factor was to be found in General Soeharto. The title of "Father of Development" should be given to General Soeharto as a figure who has performed useful services in national development. Chalid Mawardi did not regard this statement as in conflict with the decision of the ulamas at Kaliurang.

However, previously, K H Ali Ma'shum, general leader or religious leader of the NU Advisory Council who was just chosen at Kaliurang, stated that subordinate organizations like the Ansor Youth Movement also were obliged to respect the decisions of the ulamas. Why? Because the ulamas were the legacy of the prophet, said the NU general leader. It was also heard later that the general leader would hold a special meeting to review the attitude displayed by Chalid Mawardi.

Ultimately, is it possible that this difference of opinion within the Islamic community in Indonesia cannot be bridged? Usually, according to a teacher at the IAIN [State Islamic Religious Institute], differences of opinion occur in questions where there is bargaining for position. However, if they involve basic questions touching on religion or religious institutions, then the Islamic leaders can unite in a concerted way.

5170
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REPORTER FINDS LIFE IMPROVING IN KAMPUCHEA

Stockholm VIETNAM NU in Swedish No 1, 1981 p 2

[Article by Bertil Ekerlid]

[Text] Together with Henrik Forss and the editor of this periodical I am sitting at an outdoor restaurant in Phnom Penh. We have ordered roast duck and rock lobster. It is a lively evening on this street which crosses Monivong, Phnom Penh's main street.

If anyone had said in November 1979, after our delegation went to Kampuchea, that roughly a year later I would be sitting at an outdoor restaurant in a vital Phnom Penh I would have rejected it as a Utopian vision.

The situation seemed so hopeless then that one wondered if this country could ever get back on its feet. Phnom Penh was largely a deserted city. There was no food in the country, no seed corn, no farm tools, no transportation means, nothing.

But a miracle has occurred. Thanks to a massive effort by various aid organizations--especially UNICEF--and a good harvest in 1980 the country has started to function again.

The destroyed medical clinic I visited with Marten Hauffman in November 1979, which was a complete wreck then, is now being operated by the Kampucheans as a dental clinic.

The poorly-equipped hospital we saw in 1979 has now been supplied with materials from the various aid organizations.

Everything seems to have started up even though of course there are still shortages in many areas.

But the Phnom Penh that was a ghost town in November 1979 has come alive. With markets, businesses, cyclists and cars on the streets.

6578
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REPORTER IMPRESSED WITH NATION'S PROGRESS

Stockholm VIETNAM NU in Swedish No 1, 1981 p 3

[Article by Maud Sundqvist]

[Text] Like Bertil Ekerlid I visited Kampuchea in February. At that time the harvest was almost over and there was enough food. Foreigners in Phnom Penh had started to talk about the "Kampuchean marvel."

I came to Kampuchea with TV pictures of starving people pulling themselves along the streets in the back of my head. Now in February 1981 there are no "wandering skeletons" to be seen.

Now farm carts with timber and water casks, baskets and food of all kinds are rolling into Phnom Penh and the marketplaces. These are carts drawn by slow-moving oxen or briskly trotting little horses and they are loaded with sacks of rice, beans, watermelons, pineapples, bananas, coconuts, lettuce, cabbage, to-tomatoes, pumpkins, dried fish, pigs and so forth.

Motorcycles and ordinary bicycles come by with bundles of poultry strapped to the baggage carrier. The poor geese have to bend their necks up to avoid hitting their heads on the road.

Picture of Hard Work

A hundred-mile roundtrip in the countryside shows a picture of hard work. The rice had been harvested and they were threshing it. Under the farm huts which are set up on piles stood sacks of rice in big heaps.

In 1980 rice cultivation doubled compared with the previous year, "Year 0." Now the goal is to further increase the area under cultivation by 20-30 percent. The people already have more to eat in Kampuchea than in Vietnam. And if one believes the official statistics Kampuchea produced twice as much rice per inhabitant last year as China did.

According to official statistics rice production in 1980 per inhabitant was: 146 kg in Kampuchea, 139 kg in Laos, 92 kg in Vietnam and 69 kg in China.

Gap of 6-8 Weeks

But even though Kampuchea had a good harvest in 1980 it was not enough. It will take at least 100,000 tons of rice to feed the population, now stated to be 5,756,000. This means that there is a rice shortage corresponding to 6-8 weeks' consumption. So toward late fall people will go hungry if the foreign aid dries up.

One should also bear in mind that the 1980 rice production was only about 40 percent of the prewar production. Kampuchea was exporting rice then.

The situation now is anything but stable. There are no reserves. If there is a drought hunger will return. There is a shortage of draft animals. An animal epidemic would be devestating and cases of hoof-and-mouth disease have been reported.

Fragile Miracle

The people are fragile, both physically and mentally. It is amazing they have been able to return to work so quickly. But many get tuberculosis and malaria. In the rainy season there is a lot of dysentery. There is a danger of cholera.

There is still fear of the Pol Pot people who are getting new weapons from China. As long as this traffic continues people can't feel safe in Kampuchea.

The fragile miracle will continue to be threatened for a long time to come.

6578
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RED CROSS GENERAL SECRETARY MY SAMEDY DISCUSSES WORK

Stockholm VIETNAM NU in Swedish No 1, 1981 pp 9-11

[Text] The Kampuchean Red Cross has resumed its work. "It is not our fault that activities were halted for 4 years," said general secretary Dr. My Samedy, who is also head of the medical college. He has now been elected to the national assembly along with Red Cross chairman Miss Phlek Phiroun.

Dr. Samedy told of work by the Kampuchean Red Cross which assists returned refugees, builds model villages and involves many people in volunteer projects.

We resumed our activities on 15 May 1979. Our building had been completely destroyed under the Pol Pot regime. It was overgrown and filled with trash and dirt. All documents had been destroyed. Even our sign had been destroyed. There we started by cleaning up and clearing out the rooms and looking for tables, chairs and other equipment. Then we could start to work.

Of the active Red Cross members before 1975 only the chairman, Miss Phlek Phiroun, is left. All the rest were killed, murdered. Some can be found on the lists at Tuol Sleng Prison.

When the Revolutionary People's Council, that is President Heng Samrin, decided that Kampuchea's Red Cross should be reorganized we formed a committee of 10 people. This group has cooperated with the International Red Cross and with sister organizations in socialist countries on relief work.

Then we formed local committees in the provinces. There are now 12 of these. For example the Red Cross committee in Phnom Penh has 2000 members who work without pay.

After the Pol Pot nightmare our Red Cross has an enormous job to do. The first thing is to help people return to their home towns. It was very hard for us with all those who wandered from north to south, from west to east. All they owned was the clothing on their backs, perhaps only a pair of ragged pants. There wasn't even rice to eat.

We helped as much as we could. The first aid also arrived from the Vietnamese Red Cross: medicine, equipment, food. We passed out bedding, mosquito nets, clothes and enough rice to enable people to walk the long way home.

Then came aid from the socialist countries, primarily the Soviet Union. Help from the international organizations did not start arriving before August 1979.

Since we lack doctors the International Red Cross committee has sent doctor teams. We now have a team from the Soviet Union which is working in Tak Hmau just south of Phnom Penh, one from the German Democratic Republic in Kompong Thom, one from Poland in Kompong Speu and then the Swedish Red Cross team which is working in Svay Rieng.

We have worked together with sister organizations in Sweden, France, Finland, India and other lands that have sent help. The chairman of the International Red Cross Committee has visited Kampuchea, as has a delegation from the Red Cross Socities' association (the League) and representatives from the Red Cross in Finland, the Soviet Union, Japan, etc.

We have been visited twice by Anders Wijkman, general secretary of the Swedish Red Cross, and its representative, Sven Rosen, has been here several times along with Sven Lampell. Right now the Swedish Red Cross is helping us build a home for children with room for a hundred young orphans and it is helping to repair the lecture hall at the medical college. Work on the lecture hall has begun and we expect to have it ready in a month. At the children's home we have set up sheds for construction materials which have just arrived at Cap St-Jacques (Vung Tau) in southern Vietnam. We think the work will be done before the rainy season.

The UN refugee commissariat has sent help to the refugees who have returned from Thailand, Vietnam and Laos. They reached an agreement with the Revolutionary People's Council that the Kampuchean Red Cross would distribute this aid. We have volunteers who go out and distribute the aid. Our central Red Cross organization and the provincial committees work together. In Battambang we have a very active committee.

The refugee aid is occurring in three stages and the first aid has now been distributed to 20,000 people. This involves mosquito netting, sleeping mats and cloth. We will now get going on the second stage and hand out kitchen utensils. Farming tools will come in the third stage.

Our work consists of much more. Our volunteers work with health care, perform mass vaccinations, hand out medicine and aid, sew clothes for orphans, train hygiene activists who can also give first aid.

One branch of activity is to create so-called model villages. Our volunteers go out and help people in the villages to build up health care. In Phnom Penh we have created six of these model villages.

I have started something we call the Young People's Red Cross. The core is formed by medical students and I have enrolled around 280 students in the work.

They work in the model villages, collect garbage and dig holes in which to bury it, build latrines, help out with agriculture--for example with the harvest-- and help distribute aid.

[Question] What assistance do you think you can get in the future?

[Dr. Samedy] We want to get aid from all countries. We have started a cooperation with the Japanese Red Cross and with the French branch which is engaging in the fight against TB here. They have made out a budget to fix up the old TB Institute. We are now waiting for the technical equipment.

When it comes to cooperation with the Swedish Red Cross we hope this can be developed further. We will go to Sweden at the invitation of the Swedish Red Cross.

In a few months our chairman will visit Geneva to discuss future relations with the International Red Cross Committee and the League. It may turn out there are more Red Cross branches that would like to work with us.

[Question] What is the position now? Are you members of the League?

[Answer] The Kampuchean Red Cross has been a member of the League since 1960. There was a break from 1975 to 1979 due to Pol Pot's genocidal regime. Then we were deported to various places.

Now the politics have been removed. In 1979 we went to the Red Cross League's general assembly in Geneva but the League did not recognize us officially. The imperialists and the Chinese hegemonists support Pol Pot's Red Cross--although it never existed. Kampuchea did not participate in the period 1975-79.

We represent continuity with the old Kampuchean Red Cross. The bylaws are the same, the headquarters are the same, the chairman is the same. If the committee members were still alive they would also be the same. But they were killed by Pol Pot. It is not our fault the activity was shut down for 4 years.

That is why we have asked to become League members but the vote went against us. That means the place will remain empty for the time being. We think that is a little inhuman. There is no principle to follow in our case but it is a question of continuity.

In the fall there will be a new general assembly in Manilla. We don't know if we will be invited or not. And if we are invited--in what capacity will it be? We don't know. If politics is not mixed into it people will vote for us. The League--and to a certain extent the International Red Cross Committee as well--approves of our activity. They see we are doing Red Cross work. We have good contacts with many Red Cross societies, though they are not official.

The International Red Cross will now conclude its relief work in Kampuchea since its job is to help people in catastrophe situations. When a country is out of danger the League takes over. That is why my chairman's Geneva trip is interesting. I think in the future we will cooperate bilaterally with the Red Cross branches in various western countries.

[Question] What kind of cooperation would you like with the Red Cross and other organizations in the West? How will the cooperation look?

[Answer] Mainly material help. That does not rule out our accepting personnel from friendly societies and from Red Cross groups in other countries if we lack experts. For example the French Red Cross is sending experts to combat TB. I can't say exactly how the bilateral cooperation will develop, if there are more Red Cross groups that would like to work with us. Discussions will show us that.

[Question] You have a picture of Buddha in the room. Does that mean you are a Buddhist?

[Answer] Yes, Kampuchea is a Buddhist land. Religion has now returned. But we must search through the rubble left behind by the Pol Pot people to find a picture of Buddha, for example. We found this among the refuse and brought it back. It weighs 200 kilograms.

[Question] Why are there so many with shaved heads, for instance in the hospital?

[Answer] There are several reasons. When somebody wants something he prays to Buddha for help in getting his wish fulfilled. Nothing is more costly than hair for a Buddhist. So one says to the Buddha picture: "If I am helped--get to see the family again, for example--I will sacrifice my hair to Buddha." If one of my children gets sick the doctors take care of it. But at the same time I pray to Buddha because the child is very dear to me.

In the Pol Pot period many people prayed for a savior, they prayed that God would help them stay alive. When FUNSK [expansion unknown] and the Vietnamese army rescued Kampuchea's people later on there were many--perhaps a majority--who shaved their heads.

6578
CSO: 8050/0261-A

DEPUTY FOREIGN MINISTER HOR NAM HONG: ALL AID WELCOME

Stockholm VIETNAM NU in Swedish No 1, 1981 p 16

[Statement by Deputy Foreign Minister Hor Nam Hong to VIETNAM NU]

[Text] Of Sihanoukh's ambassadors from the opposition government period, 1970-75, all but two were executed under Pol Pot and they are now part of the FUNSK [expansion unknown] leadership. One is the former ambassador to Cuba, Hor Nam Hong, now deputy foreign minister. He hopes for diplomatic relations and welcomes Swedish aid.

Hor Nam Hong made this statement to VIETNAM NU:

Starting this year we have an economic development plan and we are concentrating primarily on agriculture.

The most urgent assistance needs are in health care and education. Equipment is needed to develop farming--tractors, artificial fertilizer, pesticides and herbicides and other things. Help is also needed to start up industries that process agricultural products.

If Swedish aid is given it would be wise to concentrate on a few areas--for example health care and agriculture.

When we talk about realities in Kampuchea we cannot ignore the barbarity under the Pol Pot regime. If one doesn't know about that one thinks the situation in Kampuchea now is not so remarkable compared with that in other countries.

The Pol Pot years left deep scars on all our people. This isn't felt quite as strongly with foreigners. But as soon as we get together in the family or among friends we come back to it again and again. One sees children playing and people laughing--but what have they experienced?

We want peace in which to rebuild and we are not looking for trouble with any country, especially our neighbors in Southeast Asia. Here we want stability and peaceful cooperation. We don't understand how some countries can condemn the Pol Pot regime's genocide and at the same time work for the return of the Pol Pot people so they can resume their mass murders.

Now Son Sann's and Sihanoukh's names are being used but they are just cards in a game based on a "Pol Potism without Pol Pot." This just serves the hegemonistic policy of Peking and creates tension in Southeast Asia between us and the ASEAN lands. Without this tension China couldn't intervene. Thailand's policy serves China's interests more than it does that of the people of Thailand.

The Pol Pot people, the Khmer Serei, Son Sann, China, Thailand--it is those we call reactionaries, who are working together against us in order to sabotage our peaceful development and our revolution.

But their intrigues are useless, the situation here is irrevocable in the sense that neither Pol Potism nor other reactionary forces can return and seize power in Kampuchea. Never.

At the meeting of Indochinese foreign ministers in Ho Chi Minh City in January we made concrete proposals to get negotiations with the ASEAN countries going. We want Southeast Asia to be a zone of peace, stability, safety and cooperation in spite of different systems of society. This is no political tactic, we really want peace. We need peace. The same is true of Vietnam.

We would be grateful if you would explain what the situation in our country is really like and that we want peace to rebuild after all the destruction wrought by the genocidal regime. We also hope that normal relations can be restored between us and Sweden as soon as possible.

All assistance is welcome in the hard times being encountered by our people--on condition that it is not bound by political conditions. So far we have not listed what we wanted but have left it up to donors to decide the extent to which they can help out in the areas of health care, education and the social sector--especially with regard to orphans. This also applies to friendly nations.

6578
CSO: 8050/0261-A

BRITISH JOURNALIST SEES ZIA 'STRONGER THAN EVER'

Islamabad THE MUSLIM in English 11 Nov 81 p 8

[Text]

ISLAMABAD, Nov. 10: President Ziaul Haq's position is "more stable at the moment" than ever before, a British newspaperman said over the weekend after touring Pakistan.

David Dodwell of 'Financial Times', who returned to London from a visit to Pakistan replied to questions by Richard Open Heimer in the South Asia survey of the BBC about the present-day situation in Pakistan, broadcast on Nov. 7.

Asked about President Zia's position at the moment, David Dodwell said:

"It is my own impression that Zia is probably more stable at the moment than he has ever been. He certainly feels that for himself and I think there are many good reasons for him to believe that.

The economy is in better shape than it has ever been and after four good harvests, the country is now self-sufficient in wheat and may even export wheat this year which is perhaps something which would not have been conceivable three years ago. Money is pouring in form the Gulf States which is making the poorer regions of Pakistan, the Frontier province and Baluchistan, much wealthier than they have ever been. so, materially, the country is doing much better than you could have expected two years ago and much better than any of the ordinary Pakistani people could have expected. I think Zia feels that this has given him a degree of support or at least has foiled political opposition in the country".

Asked whether President Zia would go ahead with his programme to create a Federal Advisory Council, Dodwell said:

"I think that according to latest indication from Zia, he will firmly stick with his intention to introduce his Council. He will probably try to have it in position by the end of this year".

Dodwell also pointed out that the President was paying a good deal of attention to the rural areas. He was "channelling substantial funds for developments in the rather backward areas of Pakistan, Baluchistan and the NWFP".

Dodwell thinks that the creation of Regional Councils a year ago and the proposal for setting up a new Advisory Council were steps towards achieving the goal of Islamisation.—APP

CSO: 4220/96

PUNJAB MINISTER DEPLORES IBRD 'INTERFERENCE'

Islamabad THE MUSLIM in English 11 Nov 81 p 8

[Text]

LAHORE, Nov. 10: Punjab Finance Minister Nawaz Sharif admitted at a Press conference here this afternoon that World Bank's interference in the working of Water and Sanitation Agency of the Lahore Development Authority was on increase.

"The IBRD tells us what should be an establishment's strength, who should be what and what should be the salary bill", he said referring to World Bank's dictates and added that though WASA was over-staffed the strength of its directors still fell 30 per cent short of World Bank's demand.

The Minister said acceptance of such suggestions from the World Bank meant a great increase in overhead expenses of WASA while their rejection was not acceptable to the World Bank people. He agreed with a questioner that they (World Bank authorities) were after the government for increase in water rates. Their suggestions and recommendations were however, accepted when found proper, he said.

Mr. Sharif said the government was not prepared to give millions of rupees subsidy to WASA on account of its overhead expenses and wanted to turn it into a self-generating concern. But a subsidy would be provided when genuenly needed, he added.

He disclosed that 37 per cent of the city's water was going waste. Fifteen per cent of this amounted to water theft, another 15 per cent to distribution losses and seven per cent to leakages.

He also announced the government's decision to revert to water rates as decided by the budget meeting in July this year and accordingly freeze all other increases. These rates had increased between paisa 50 and Rs. 2 per month. Other increases in water billings would now be adjustable.

He insisted that water rates in Lahore were still the lowest in the country and the service the longest but admitted that water supply remained disconnected at places for days, sometimes as long as a week.

CSO: 4220/96

INDIAN JOURNALIST'S CRITICISM OF GANDHI NO-WAR PACT REACTION REPORTED

Karachi DAWN in English 12 Nov 81 p 4

[Text]

ISLAMABAD, Nov. 11: The way Mrs. Gandhi reacted first to the reduction of arms and now to the no-war pact offer makes her vulnerable to the charge that she has a vested interest in keeping the Indo-Pakistan pot boiling observed Kuldip Nayar in an article published by the "Tribune" on Nov. 5.

Captioned "Zia's offer: war and peace", the article says, "Mrs Gandhi has said that Pakistan's offer of a no-war pact was "intriguing" and could be a "trap" but has not explained why it should be so. Until a few months ago India was all for such a pact and had used different forums in the world to chide Pakistan for not accepting it, and now it is all against it. This is no less intriguing. Referring to the Indian claim that Pakistan was acquiring large quantity of modern arms, Nayar says this "is an added reason why there should be a no-war pact between the two countries. After all, Delhi is not sitting idle. It is acquiring the Mirage-2000 over and above what it has, including the Jaguars and the MIG-23s. The pact is not going to lull it into complacency. Therefore, Mrs. Gandhi's hesitation is rather surprising".

The article further says, Gen. Zia has even proposed a proportional reduction in forces and armaments on both sides. Delhi has not even asked him for elucidations which it has at least done in the case of the no-war pact offer. It may be argued that India's commitments are heavier because of its unresolved borders with China But this can be argued out at a meeting of the commanders. Beijing itself wants rapprochment between Delhi and Islamabad.

Some kind of equation with Islamabad would also help India in its Hindu-Muslim problem which has got inextricably linked with relations with Pakistan. The way Mrs. Gandhi has reacted first to the reduction of arms and now to the no-war pact offer makes her vulnerable to the charge that she has a vested interest in keeping the Indo-Pakistan pot boiling. It can divert the people's attention from problems concerning their day to day living. Gen. Zia's offer deserves consideration, but closing the door straight away is not even good strategy", the article says. —APP.

CSO: 4220/98

JOINT VENTURES WITH CANADA PROPOSED

Islamabad THE MUSLIM in English 10 Nov 81 p 8

[Article by Jawaid Bokhari: "Wider Cooperation for Joint Ventures Likely"]

[Text] Karachi, Nov 9: The Chairman of Canada-Pakistan Economic Council, Gaetan Lavalee, flew into Karachi this morning with proposals for joint collaboration in some 20 projects ranging from development of oil and gas to aircraft industry.

Mr Lavalee later told the Federation of Pakistan Chambers of Commerce and Industry that these proposals brought by him were formulated within a week of his departure from Canada to Pakistan. He expressed the hope that the private sector would help him materialise these projects.

Since the inauguration of the Canada-Pakistan Economic Council by Finance Minister Ghulam Ishaq Khan on Oct 8 last, 40 firms and individuals have become members of his organisation. And exactly a month later formation of the Council, he said, he was here to study the prospects of expanding trade and economic ties between the two countries.

Mr Lavalee hopes to see the Finance Minister and discuss with him the scope of expanding ties between Canada and Pakistan. He said there was scope of collaboration in oil and gas development, hydro-electric power, metallurgy and mining, forest management, tourism, manufacture of industrial and electrical machinery, aircraft industry and consultancy.

The Council chief advised the Federation of Pakistan Chambers of Commerce and Industry to set a similar body so that the two could cooperate in improving trade and economic ties.

He told Pakistani businessmen that his organisation would work for relaxation of restrictions and liberalisation of quota for textiles to boost up Pakistani exports. On the basis of six month's performance, Canadian exports to Pakistan would amount to some 80 million dollars against imports of some 21 million dollars in 1981.

Pakistani businessmen at the FPCCI meeting urged the Council President to help Pakistan boost exports so that Pakistan could repay the Canadian loans and credits that finance roughly half of its exports to Pakistan.

Mr Lavalee said the guarantees provided by Islamabad for repatriation of capital and profits would help attract foreign investment.

He also called for a series of steps to forge closer trade and economic ties between the two States. They included, holding of seminars, exchange of businessmen's delegation, and provision of detailed information of about Pakistan in Canada.

Mr Lavalee revealed that he had suggested to the Resource Development Corporation ways and means by which they could implement the 400 million dollar Saindak Copper Project through a group of Yugoslav-French and Canadian firms.

Earlier, the FPCCI chief, Mohammad Yusuf Zia, stressed the need for transfer of technology from the developed to developing States that is becoming increasingly difficult because of the rising costs involved in the process.

CSO: 4220/95

SHIPPING CHIEF IN POLAND FOR NEGOTIATIONS ON SHIP DELIVERY

Islamabad THE MUSLIM in English 11 Nov 81 p 1

[Article by Jawaid Bokhari]

[Text]

KARACHI, Nov. 10: PNSC Chairman Rear Admiral Abdul Waheed Bhombal reached Warsaw today at the invitation of the Polish State enterprise "Centromor" to negotiate delivery of three ships built by the yard for Pakistan, it was learnt here today.

The invitation of the Polish authorities follows the order of the London High Court to Centromor not to resell the vessels and maintain status quo till their delivery to PNSC.

A PNSC source said that it would get the three ships seized in case of resales. The PNSC has already informed all shipping brokers in the U.K. about the London High Court injunction on a suit filed by the Corporation.

Under the contract signed between the two organisations in January 1979 disputes in the agreement are to be resolved through arbitration under the English law. Negotiations for construction of eight vessels under a Polish credit were also conducted in London.

The Polish shipyard has held up delivery of the three vessels on the plea that it would sell the vessels on cash basis instead under credit as stipulated under the contract signed between the two sides because of a worsening food and economic situation in Poland.

PNSC has paid 5-1/2 million dollars as down payment in accordance of the terms of the contract and had also agreed late last month to pay 10 per cent more than the agreed price for the vessels despite the absence of an escalation clause in the agreement. The Corporation was motivated in doing so because of the food shortages being experienced by the Polish people.

Three vessels were to be delivered by November 1981, the first one in March, and the second on Oct. 26. But one day before the delivery date of the first two vessels in October, the Polish government decided to ask for cash against delivery and annuled the contract for deferred payments.

A 70-man crew of the Pakistani shipping Lines is now in Poland awaiting delivery of the vessels.

CSO: 4220/96

PLOT FORMED IN INDIA AGAINST PAKISTANI REACTOR 'HAS ISRAELI AID'

Lahore CHATAN in Urdu 3 Aug 81 pp 13-14

[Article: "Israeli Agents in India: Plans for Destroying Pak Nuclear Capabilities"]

[Text] With reference to the BBC report that plans for the destruction of the only nuclear plant in Pakistan have been made in India, Hindu imperialists consulted Jewish imperialists and also consulted the Russians and their agents in Kabul. However, this dirty plan has not been executed so far. This does not mean that the plan has been abandoned. It is possible that secret preparations for the execution of the plan are underway. Or it is possible that the plan has been postponed temporarily since, in the opinion of the planners, the opportune time for its execution may not have come yet. After the successful attack on the Iraqi nuclear facility by Israel, the possibility of such an attack on any Islamic country cannot be ruled out.

The United States and other imperialist powers made Israel a nuclear power by secretly supplying the necessary material. India conducted a nuclear explosion in 1974 and yet not a single voice has been raised against it from any quarter. Nor was the Indian nuclear bomb dubbed a "Hindu bomb." Pakistan has said time and again that it needs nuclear power for peaceful purposes and yet its program is seen as an "islamic bomb" in Washington, London, New Delhi and Moscow. There has been a lot of misleading and venomous propaganda against Pakistan's peaceful nuclear program. It is no coincidence that the highest levels in Moscow, New Delhi, Washington and London are equal participants in this. This is a carefully considered plan. The enemies of Islam do not want any Islamic country to develop a nuclear capability. This is a joint mission of those powers that oppose Islam. But it is regrettable that Moslems are not united against the common enemy. Believers in one God, Prophet and Quran are divided into various sects, factions and parties. Their strength has been converted into weakness by selfishness and greed.

Even prior to the attack on Iraq by Israel, the possibility of destroying the Pakistani nuclear plant by attack or force was discussed in Washington, Now the news has been received that such a plan exists in New Delhi. Under the present circumstances, only alertness and preparedness on the part of the protectors can render the dirty enemy plans unsuccessful. To sabotage a peaceful Pakistani nuclear program, destructive actions as well as an external attack could be used. Pakistan needs to be wary of untrusted friends. It should not overlook the fact

that Indian elements planning against Pakistan have consulted Jews, and Jews make the policies in Washington. Getting a few weapons from Washington amounts to no more than a mere hope for the future right now. In view of the hue and cry on the part of Indira Gandhi and the Jewish influence in America, not much faith can be put in the promises and pronouncements of the American Government. India has illegally occupied the Bangladesh island of Til Pati and now it is threatening Bangladesh itself. International organizations, laws and principles are a mere hoax.

The practical reality of life is in the adage "might is right." India devoured Hyderabad, Junagarh and various other states, and also took over Goa. Nobody could do a thing about it. Now it has illegally occupied a part of Kashmir, so that even a reference to the Kashmiri issue offends India. In such circumstances, how can a weak Bangladesh regain its island from India? Respect for international agreements are not words to be found in the Indian dictionary. Bangladeshis, who regarded India as their "sympathsizer" and saviour, have come to recognize India's true colors. But it is too late now, since having been ensnared by India through deception they have converted East Pakistan into Bangladesh, which is much weaker and smaller than India. Now, try as they might, they cannot turn back the clock. They have come to their senses too late.

The news that Murtuza Bhutto, Mustufa Khar and their companions took a trip to New Delhi has been published citing the world's foremost sources. Why they went to India is not hard to understand. Their forbears broke Pakistan into two pieces. Then they planted the seeds of waywardness, destruction and devisiveness and chaos, and later they fled the country. What they needed to do was to ponder their own and their forbears' repulsive acts, learn a lesson and do penance. But they did not do so.

9859
CSO: 4203/4

THREE ARRESTED, CHARGED WITH SUBVERSION

Islamabad THE MUSLIM in English 8 Nov 81 p 3

[Article by Anwar Iqbal: "Another Three of the Gang Arrested"]

[Text]

ISLAMABAD, Nov. 7: Three more members of the group involved in distributing subversive literature have reportedly been arrested.

It is said that these three persons—whose names have not yet been disclosed—were hauled up from a house on the Margalla Road by CIA police.

Police, when contacted, refused to confirm or deny the report. However, they said that they had expedited their action against the subversive elements.

It may be recalided that five men and a woman have already been apprehended by police in this connection. Three of them—Jamil Umar, Dr. Saleem and Tariq—were affiliated with the Quaid-e-Azam Unviersity while the foruth — Uzaer Kamal—was related to a teacher of the same University. The girl was stated to be working for a foreign mission in Islamabad.

In last night's raid, Police also recovered different kinds of subversive literature, including books which are banned in the country, underground magazines, pamphlets and handbills.

Meanwhile, the couple arrested on Tuesday night from a house in Sector F-8-1 for taking alcohol has been bailed out by the Sessions Judge, Khawaja Khalid Paul, on iterim basis. They had earlier been sent to the jail on 14-day judicial remand by the City Magistrate, Nasrullah Chatha.

The couple was taken into custody from the residence of a teacher of the Quaid-e-Azam University when it was raided by police after being tipped off by one of the accused held ealier.

However, none of the three other accused—Jamil Umar, Saleem and Tariq—have so far been produced before a court as police were still busy in making a challan against them. They will have to be produced before the District Magistrate for granting physical remand or sending them in judicial lock-up.

CSO: 4220/95

SHAHI TO VISIT INDIA BEFORE YEAR'S END

Karachi DAWN in English 13 Nov 81 p 1

[Text]

ISLAMABAD, Nov 12: Mr Agha Shahi, Foreign Minister of Pakistan, is expected to visit India sometime before the end of this year in response to the invitation of Mr Narasimha Rao, Indian Foreign Minister, which he extended when he came to Islamabad in June.

Mr Riaz Piracha, Foreign Secretary, who made an overnight stay in New Delhi earlier this month while going to Kathmandu to attend the regional Asian Foreign Secretaries conference, had met Mr R. D. Sathe, Indian Foreign Secretary, and held informal meetings with him.

The President, Gen Mohammad Zia-ul-Haq, had recently told an Indian journalist that the Foreign Secretary who was then due to visit New Delhi on his way to Kathmandu, might possibly elaborate on Pakistan's non-aggression pact offer to Mrs Gandhi, Indian Prime Minister. The President's observation was apparently with reference to a spate of highly confusing and wrapped news from the Indian capital suggesting that no formal offer had been received from Islamabad.

However, since then the Indian Embassy in Islamabad had made a statement admitting that Pakistan had communicated its non-aggression pact through the Ambassador to the Indian Government in September.

Informed sources however, point out that it is not correct as reported by some Indian newspapers that Pakistan had offered joint defence with India together with non-aggression pact. It is stated that it was hypothetical to talk of joint defence at this stage when as a matter of fact India has not even formally acknowledged Pakistan's offer which implies comprehensive discussions between the two governments about the nature and scope of a non-aggression pact.

It is further understood that the present offer to India is a new initiative by Islamabad and not related at all to the 1959 offer made by the late President, Field Marshal Ayub Khan, in the context of an entirely different geopolitical situation.

CSO: 4220/98

ISLAMIC CHAMBER TO EXPLORE JOINT VENTURES IN MUSLIM WORLD

Karachi DAWN in English 12 Nov 81 p 7

[Text]

Representatives of the Islamic Chamber of Commerce Industry and Commodity Exchange will start visiting member countries from this month to explore possibilities of increased cooperation and joint venture in the Muslim World, Secretary-General of the Chamber, Mr Sami Onaran, said in an interview with Radio Pakistan yesterday.

The President of the Chamber, Mr Abu Dawood, will cover Middle-East, Assistant Secretary-General, Mr A. Dat, will visit Africa, Assistant Secretary-General, Mr Agha Ghouse, will visit Indonesia, Malaysia and Bangladesh.

He said that the next General Assembly of the Islamic Chamber will be held in February next in Casablanca, Morocco.

The Secretary-General, who recently visited Morocco to finalise arrangements of the General Assembly, said the representatives of the National Chambers of Muslim countries would also be invited at the Casablanca conference.

He said a forum of the representatives of trade and industry would thus be formed to discuss increased trade and joint venture possibilities among the member countries.—PPI.

CSO: 4220/98

MULTIPURPOSE BRIDGE OVER INDUS DESCRIBED

Islamabad THE MUSLIM in English 5 Nov 81 p 6

[Text]

MUZAFFARGARH, Nov. 4: A modren multi-purpose 3410 feet-long bridge over the river Indus near Ghazi Ghat, Muzaffargarh is being constructed at cost of Rs.26 million under the supervision of Pakistani engineers and designers.

Briefing the Press correspondents who visited the site the Executive Engineer Bridges, Naeem Uddin said Pakistani engineers were performing an engineering feat by narrowing down the 14 kilometer wide indus to only 3.410 feet with the help of spurs and guide banks. He said this bridge would able to pass more than 10 lakh cusecs of water during the highest flood days while the past the highest flood recorded was 6.5 lakh cusecs.

He said work on this project was in progress round-the-clock.

The government had provided Rs.45 million for the current fiscal year.

With the completion of this project the distance between Multan and D.G. Khan would be reduced to 93 kilometres and guide banks would check the soil erosion near Drahma and fallow land would also be reclaimed by driving the flow of water.

He said the bridge would cross the river in 22 spans and the foundation of each span would be 134 feet deep.

He said 10 miles long approch-road would be constructed on both sides in two phases. He said a laboratory was functioning at the site to examine the quality of material and its resistance while some other official laboratories were also co-operating in this task. -PPI

CSO: 4220/95

DUPLICITIOUS POLITICIANS CAUSE PUBLIC DISILLUSIONMENT

Lahore NAWA-I-WAQT in Urdu 23 Oct 81 p 3

[Article: "Politicians, People At Opposite Ends of the Pole"]

[Text] Before writing these lines, I was reading "The Politicial Diary of Karachi," which is published in this issue of the magazine. In it, one of the Muslim League leaders, Mr Khwaja Khairuddin, has been quoted as saying: "The apathy that is found among people today can be very dangerous because it can be very injurious for people not to take an interest in anything."

Prior to this, Mr Khwaja demanded in this very diary that a national government be established.

Mr Khwaja is a seasoned politician and it is said that everything is possible in politics. In other words, a good politician is like a weather vane, turning with the wind. This style of politics is not prevalent among the countries from which we have learned the art of democracy or taken our model of politics. If you look at the political parties or politicians of these countries, it will be clear to you that every party, and the politicians connected with it, has a consistent viewpoint, one that represents an individual approach toward the issues of the nation. Parties do not break up overnight and have new parties born out of them, nor is it the custom for a politician to leave his party and join a party in the opposite camp. Undoubtedly, there must be a great deal of strife among the parties there as well, but the people neither change their parties nor their viewpoints, whereas in our country parties and viewpoints are changed as people change their clothes. If you look at it carefully, it appears that there are neither principles nor viewpoints. Therefore, they move in a direction from which it is possible to derive benefits. If they do not succeed in deriving the benefits, then they make a big hue and cry. We have seen such politics for years and years and politics has been presented to us in such a way that it seems to be another name for "lie". The real difference between various political parties is one merely of personalities, not of programs. What a party will do if it comes into power, nobody from the party seems to spell out. If it is spelled out, then it does not go beyond campaign slogans. If old slogans lose their attractiveness after a few years, then new slogans are created. Sometimes "the cause of the poor" and sometimes religion is exploited for political purposes. If governments change, then their influence remains confined to the upper strata. Government machinery is set up in our country so that its influences hardly reach the lower levels. It hardly affects the character of the officials in the lowest echelon.

However, Mr Khwaja's proposition that people are apathetic is worth examining.

True, people are apathetic, but toward whom? Nobody can be apathetic toward his own issues. They cannot be unconcerned about issues such as health, employment, education, justice, the distribution of resources and so forth. The future of the country, strangers on the borders and the issues confronting the dear motherland are subjects of interest to everybody. There can be different viewpoints about the issues, but it cannot be said that people do not recognize the issues. In a country where in the hamlets, villages, farms, alleys and bazaars people say, "Will India attack us? Can we take Kashmir? Is there danger on the border of the Soviet Union? Will China help us?" accusing such people of being apathetic is very unfair.

Surely these masses are apathetic to those politicians who want them to come out of their houses, not for their own sake but for that of the politicians, to get beaten up, burn buses, wreak havoc and help in bringing about a change that might enable these politicians to capture power effortlessly. After coming to power, the politicians ask the masses to stop the riots and to sit at home and wait because the revolution has already taken place. This is the drama that political leaders have asked the masses to play time and again and with which we are very familiar. In the many years of our journalistic experience we have seen many people trying hard to enter the government, and after entering it, changing completely. These people who have criticized the lack of freedom of speech and publication and the maladies of the government, these very people oppose these criticisms once they become part of the government. People pursue altogether different policies and giv e strong arguments in their support, including the defense of the country, when they are in power. If we remind these people about their campaign promises and assertions, then they say that they were made in different times and now the country is passing through a crisis and a different kind of policy is needed. When they are asked to solve the issues, they say, "We do not have the genie of Aladdin that we can solve all the problems overnight." In fact, crisis never ends. Hardships never terminate. These are strange issues that, in the face of government activity, remain unresolved for years.

There is nothing wrong in coming to power and conducting the affairs of government. If a political party or a politician truly wants to implement his principles, then he needs the government. But is it not necessary for an individual or a party after it comes to power to bring about a visible change in the condition of the masses--make their lives better, alleviate poverty, provide better system of justice, provide equal opportunities for employment and so forth? Whatever the case, the masses should discern the change as tangible, otherwise they are justified in thinking that political parties differ from each other in name only. The mere switching of faces in the government does not do much good for them. A question can be asked of Mr Khwaja Khairuddin, and with reference to other respected politicians, whether there is a workable program for solving the problems of the people of Pakistan. Often parties amount to no more than one individual or his cabal. If somebody has any doubt about this statement, then he should tell us what the difference is between three types of Muslim Leagues. What is the difference between any Muslim League and Tahreek, Istiklal or Jamhuri Party. Similarly, what kind of blueprint for solving the national issues do the other parties have? If democracy is established today and a shadow cabinet is set up, then there is an institution that will be able to criticize its work with solid arguments. It is not true that in every age there have been more or less only

two parties, one the party in government, the other the party that is out. If you look carefully you will find common principles in the party in power and the party in opposition. In such a state of affairs, it is difficult to know who is where and what he wants; and whatever he wants, is it a short-range wish or a long-range goal; and whatever is being said, it is politics or permanent planning. Time after time people have seen these politicians become turncoats.

Who can deny this fact: Democratic institutions and democratic style alone can become a stable program of action for the country. But for this purpose, the trust of the people will be necessary, unfortunately something no politician or political party has. Our politics have done so many somersaults that we cannot understand them anymore. Don't regard people as apathetic. They see everything with open eyes. Before their eyes they see new alliances being made and old alliances being broken. Every activity is obvious to them and they will give their verdict when the time comes. Now the politicians should come out of the 18th century system of feudalism and should try to understand the problems of the 20th century with reference to people.

In the politics of the provinces, the masses are treated like sheep and decisions are made on the basis of family considerations of the elite.

If we did not recognize the changes that are taking place around us and did not give the masses their true place, and if by sitting at home we could change faces and take new positions and give such statements as "people are apathetic," then the harm in this would injure us rather than the masses, because true politics is like a fish that remains in that water that is called people. Provincial unity cannot be created through marriages, nor in the name of national government. Without establishing the rights by making a back door entry into the mansion of power, the issues of the country can be launched on the right track. The sooner this bitter reality can be brought home to our leaders, the better.

9859
CSO: 4203/13

BRIBERY, CORRUPTION CHARACTERIZE SUI GAS DEPARTMENT

Lahore CHATAN in Urdu 20 Jul 81 pp 18-19

[Article: "Corruption at Department of Sui Natural Gas Charged"]

[Text] God had given the gift of Sui gas to the people of Pakistan to benefit them. Unfortunately, God did not give any one individual enough sense and intelligence to ensure that this resource would be used for the public good. Initially, to get connected to Sui gas, a person had to pay only a small charge, but every government has continued to increase these fees. Now the situation is such that, in addition to legitimate and illegitimate expenses, a person has to deposit as security 630 rupees. Obviously, there is no logical reason for this. Anyway, if we were to complain about the high security deposit, we would do so to the authorities. Our present grudge is against those employees of the Sui Gas Department who, even after charging the designated fee and processing the connection papers, do not let the people enjoy the benefits of nature's bounty.

Allegedly, every high official or low-level employee in the Sui Gas Department has made it his birthright to take bribes. It is virtually impossible to get a Sui gas connection without giving a bribe. The officials of the Sui Gas Department, in conjunction with the contractors, have created a network of graft in which countless citizens have been trapped. The tragedy is compounded by the fact that, whereas some people can bribe their way out of this trap, many find it very difficult to do so even after they have paid a bribe.

The real reason for this is that the officials, from top to bottom, as well as the clerks, workers, and contractors, have become so addicted to bribes that they don't have the fear of God in them. One can even say that fear of God and the personnel of the Sui Gas Department are two diametrically opposed things. The fact is that an individual, acting against his conscience and against the law, can give the maximum amount of bribe and apply for a connection in the morning and have the radiant Sui gas flames burning in his house in the evening.

An applicant for Sui gas has to encounter many faces along the line. Some through their speech and some through their silence express only one thing. If you give some money, your work will be done. Otherwise, in spite of having met all obligations as an applicant and in spite of a proper sanction for a connection and all your rights, you cannot have gas to cook with.

Nor is it the case that you can get your work done simply by giving a bribe only once. If you bribe at one stage and not at the next, you will encounter similar kinds of obstacles, necessitating, in essence, bribery at every stage and laments and heartaches all along.

The question arises as to why, after processing an application and receiving the deposit money, the connection is not made within a week or so. Sometimes the delay lasts for many weeks, months, or even years. What is the legal or moral reason for depriving the Public in this manner? The simple fact is that an official can say, "You come and grease my palm and I will heat your stove."

Nobody knows how many people there are in the city who have been deprived of this basic necessity and victimized in this way. We are presenting photostatic copies of the application papers of such a victim. He has paid deposit money. His connection orders have been issued and, yet, he has not been connected so far because he has not offered a bribe to anyone. Why is this man being punished, and when will his punishment end? Nobody in the Sui Gas Department is willing to give a satisfactory answer; they can only say, after ransacking their books of rules and regulations, that all that is needed is a bribe and, God willing, by the end of the day the man can have coffee made on his own gas stove.

The photostats that are being presented along with this article are apparently those of an ordinary citizen. But, if the true identity of that person is revealed, it would be a shock for our readers to realize how even prominent people are forced to bow their heads to the gas company. If this is the situation in the case of those with pull and contacts, you can well imagine how the tyrants at Sui gas suck the blood of the general, helpless public.

9859
CSO: 4203/9

BRIEFS

AID TO REFUGEES PRAISED--Islamabad, Nov 11--Maulana Mohammad Yunus Khalis, chief of a Hazb-i-Islami (Khalis Group) of Afghanistan, said here today that the people of Afghanistan would never forget humanitarian assistance being extended by Pakistan to Afghans, who have taken refuge here. In an interview with APP, the Afghan leader said over 2.5 million refugees have crossed into Pakistan and the influx had been increasing with the passage of time. He said they were impressed by the way the Pakistan Government and the people were accommodating the Afghans and this has reminded people the examples set by Muslims of early Islamic era. He said such an assistance from Pakistan was all the more welcome and should be appreciated, keeping in view problems facing this poor country.--APP [Text] [Karachi DAWN in English 12 Nov 81 p 4]

SMUGGLED GOODS SEIZED--Smuggled goods worth about Rs. 42.8 million were seized last month by the Customs Preventive Collectorate bringing the total to about Rs. 83.5 million during July-October, 1981. Included in the seizures were heroin, wrist watches, foreign cloth and Pakistan and foreign currencies, besides gold, spare parts and charas. A Customs spokesman said all-out efforts were being made to check currency smuggling. The Customs have already succeeded in seizing Pakistan currency amounting to over Rs. 3.9 million and foreign currency worth over Rs. 3.2 million during the last four months ending Oct. 31. [Text] [Karachi DAWN IN English 12 Nov 81 p 7]

PATRIOTIC ALLIANCE--A formal announcement of the formation of patriotic alliance will be made in Karachi on Nov 19 at a news conference according to reliable sources. Before this, a meeting of the pro-Pakistan and pro-Islam elements will be held at the residence of Shaikh Liaqat Hussain, a leader of the defunct Pakistan Muslim League.--PPI [Text] [Karachi DAWN in English 12 Nov 81 p 4]

MALDIVES SUPPORTS STAND ON AFGHANISTAN--Maldives Education Minister Mohamed Zaheer Hussain has commended Pakistan's stand on the Afghanistan issue. Addressing a press conference in Islamabad, he said the Afghan people should be allowed to set up a government of their own liking and the Afghan refugees in Pakistan should be given the opportunity to return to their homes with honor and security. The Maldives minister described the Afghan issue as extremely dangerous for the region. On the Indian Ocean, he said it should be declared a zone of peace and added that his country is opposed to military activities in the Indian Ocean. He described the civil aviation agreement between Pakistan and Maldives as very timely for his country as an international airport has been constructed at Male, the capital of Maldives. He said Pakistan International Airlines will soon start an air service to the Maldives. [Text] [BK050731 Karachi Domestic Service in Urdu 0200 GMT 5 Nov 81]

MALDIVES EDUCATION DELEGATION--The Maldives education delegation, led by Education Minister Mohamed Zaheer Hussain, called on Federal Education Minister Mohammad Ali Khan in Islamabad today. The federal education minister briefed the delegation on the education policy, its purpose and objectives and the educational system of the country. Earlier, on arrival in Karachi the delegation leader said that Pakistan is an important country of this region and the Maldives will cooperate with it in various fields. He lauded Pakistan for adopting a forceful policy on Afghanistan and said that their policy is also the same on the issue. He said that the Islamic and Third World countries should extend extensive support to Afghan freedom fighters. [Excerpts] [BK031632 Karachi Domestic Service in Urdu 1500 GMT 3 Nov 81]

ISLAMIC SUBJECTS POSTPONED--The Vice-Chancellor of the University of Peshawar has allowed the postponement of the introduction of the subjects of Pakistan and Islamic Studies keeping in view the shortage of teachers on and nonavailability of books in English. The notification would apply to both the regular and the private students alike. According to the details of notification issued here on Sunday by the Peshawar University, in B.A./B.Sc./B.Th. examinations Islamic and Pakistan Studies will be introduced with effect from the session 1981-82 instead of 1980-81. For the examination to be held in 1982 all regular and private candidates would be required to appear in the additional optional subjects already in vague. However, in 1983 examinations all additional optional subjects would stand abolished and candidates would be required to appear in Islamic and Pakistan Studies as a compulsory subject. In B.Sc. Home Economics examinations, paper entitled "Talimul Islam" in part-II is replaced with Islamic and Pakistan Studies and shall be applicable to the students appearing in Annual Examination 1983. [Text] [Peshawar KHYBER MAIL in English 10 Nov 81 p 5]

FOREIGN FIRMS EXPRESS INTEREST--Karachi, Nov 9--Some foreign companies have expressed interest in importing Pakistani manufactured goods and agricultural products, according to a bulletin from the export information and advisory centre. It said that South Korean firms had asked for tenders for the supply of deformed steel bars, hand tools, circuit breakers, variable speed motor pumps, etc. A Belgian firm required some medical and surgical instruments, while a firm in Kenya needed a wide range of chemicals. An indenting firm in Bangladesh had asked for bids for the supply of chemicals, raw cotton, cotton yarn and machinery.--APP [Text] [Peshawar KHYBER MAIL in English 6 Nov 81 p 3]

GROUP DEMANDS ELECTIONS--In Pakistan, the Labore High Court Bar Association has demanded that the present military regime should redeem its pledge to hold elections and restore democracy in the country. The association criticized President Ziaul Haq's recent statement that the country is not fit for a return to democracy and the demand for elections has been made by so-called secular elements. It asserted that the demand has come from honest, patriotic Muslims. The lawyers pointed out that the present military regime came to power 4 years ago with the promise of providing elections within 90 days, but it has prolonged its rule on flimsy grounds. [Text] [BK200943 Delhi Domestic Service in English 0830 GMT 20 Nov 81]

CORRUPTION IN REFUGEE AID--Peshawar, 18 October, APP--So far, within the short period of 9 months, 255 officials within the Administration for Afghan Refugees have either been suspended or dismissed. Official action has been taken against them on charges ranging from lack of performance of duty to irregularities. This was disclosed here to the newspapers by the provincial commissioner for Afghan refugees. He said that nobody here can claim to be without fault, but he added that they have tried to rid this organization of corrupt elements, as is obvious from the actions so far. [Text] [Lahore NAWA-I-WAQT in Urdu 19 Oct 81 pp 1, 10] 9859

ADB GAS FIELD LOAN--Islamabad, Nov 10--Pakistan is seeking a loan of 54 million dollars from the Asian Development Bank for the development of Pirkoh natural gas field, official sources told PPI here today. A three-member Pakistan delegation led by the Secretary, Ministry of Petroleum and Natural Resources, Mr Masihuddin has left Islamabad for Manila to negotiate the proposed loan with the Bank authorities. The delegation includes Chairman Oil and Gas Development Corporation and officials of Sui Gas Corporation and Economic Affairs Division. Official sources further said that the loan would also be utilised for the laying of gas pipeline from Sui to Karachi and drilling of six more wells at Pirkoh by the Oil and Gas Development Corporation. The Pirkoh gas field will start operation in 1983 when it will initially produce 72 million cubic feet of gas per day. The recoverable reserves of natural gas from the dry gas fields and associated gases from the oil fields are estimated at 454.78 billion cubic feet, including Dhodhak and Pirkoh gas fields discovered by the OGDC in the Punjab and Baluchistan, according to official estimates.--PPI. [Text] [Islamabad THE MUSLIM in English 11 Nov 81 p 1]

NUSRAT BHUTTO FILES STATEMENT--Karachi, Nov 10--Begum Nusrat Bhutto today filed her written statement in the suit filed by the government for the recovery of Rs 8,20,524.74, before the Additional Registrar of the Sind High Court. Written statement on behalf of Sanam Bhutto was filed by Abdul Hafeez Lakho, Advocate. The Additional Registrar filed Nov 24, the next date of hearing.--APP [Text] [Islamabad THE MUSLIM in English 11 Nov 81 p 8]

CHINESE MILITARY DELEGATION ACTIVITIES--The visiting Chinese goodwill military delegation led by Yang Dezhi arrived in Abbottabad today on a day's visit. Soon after the arrival, they visited the frontier force regimental training center. The delegation also visited the Pakistan Military Academy, Kakul. [Text] [BK191136 Karachi Domestic Service in English 1005 GMT 19 Nov 81]

CSO: 4220/101

MARCOS PUSHES PRIORITY MEASURES

Manila DAILY EXPRESS in English 10 Nov 81 pp 1, 2

[Article by Miguel Genovea]

[Text] President Marcos recommended yesterday to the Batasang Pambansa five measures for "the needs of social and economic justice" in the country.

Speaking at the resumption of the fourth regular session of the Batasan, the President said that these measures would increase incomes and employment opportunities in the countryside.

The President said the administration will intensify efforts to build on the benefits of land reform, improve the livelihood of tenant-tillers, small fishermen, landless rural workers, and upland and kaingin farmers.

The President reported that the nation "moved forward both in land reform (whose 9th anniversary was observed last Oct. 17) and the recent North-South summit in Cancun, Mexico, which he attended together with other world leaders.

The President said the two events "together symbolize the self-reliance and interdependence that characterize our world today."

The five recommendations by the President for Batasan action are:

1. Open more lands for production, by reclassifying all lands into their most economic use, including public lands classified as "forest" by laws.

2. Extend priority in the grant of leases and other similar gradient dispositions to those who occupy lands which exceed 18 percent, as indicated in forestry and related laws, which they have occupied, farmed, and developed for a reasonable period of years, as determined by the Ministry of Agrarian Reform and the Ministry of Natural Resources.

3. Give priority to landless rural workers and upland farmers in the use of idle and/or abandoned agricultural, timber and marshlands.

4. Extend additional fiscal incentives to timber-license holders and corporations created to develop industrial tree plantations, which employ individually or collectively upland farmers and landless rural workers.

5. Give priority in the grant of land reform is the country's declaration of self-reliance: "Our determination to put our house in order and our willingness to do all we humanly can to pull ourselves up by our own bootstraps."

Cancun, on the other hand, was a recognition by the world leaders of interdependence that what befalls one must sooner or later also befall the others, he said.

"Self-reliance and interdependence are two sides of the single coin that will pay our safe passage to the new society we seek for ourselves and for all of mankind," the President said.

The President said nine years of agrarian reform have given the country confidence to begin the livelihood program known as the Kilusang Kabuhayan at Kaunlaran and to prime up the economy with public investments that should stimulate big-city manufacturing for rural markets.

He said that the success achieved in Cancun was the beginning of a breakthrough in the global negotiations on the international economy.

The President pronounced the Cancun summit a success saying "It has been a worthwhile--a heroic--undertaking. It has brought the world a little distance away from confusion and confiict and turned it toward a vista of what the community of nations can do...."

He stressed to the lawmakers that both land reform and Cancun have the same lesson: that "change must come unavoidably to institutions and structures that have outlived their purpose."

After informing the Batasan of what happened in Cancun, the President submitted an 87-page "Post Cancun Summit Report."

CSO: 4220/94

JAYEWARDENE ON RAPPORT WITH TULF

BK041209 Colombo International Service in English 1045 GMT 4 Nov 81

[Text] President Jayewardene said yesterday that the Tamil United Liberation Front [TULF] leaders had agreed to cooperate with the government in wiping out terrorism in the north and elsewhere. The president was talking to the government parliamentary group about discussions he had held with the TULF leaders.

He said a rapport has been reached to preserve peace and stability and to push ahead with the development activities of the government. The TULF had agreed to have discussions with the government once a month.

The president told members of parliament not to be misled by certain elements who are out to disturb the peace and be cautious not to harm in any way the good relations that have been established with the Tamil leaders. They were trying to usher in a new era in forging communal amity.

The government, President Jayewardene said, had made it clear to the TULF that the government was against any division of the country. He also said he believed there was no link between the TULF and the so-called separatist type of movement. They had condemned the violence that had occurred in the north. If the TULF in any way did not cooperate to tackle it the government would have to think afresh.

Jayewardene said there were millions of Tamil speaking people who did not condone terrorist acts and wanted peace. They had to win their cooperation and solve the problems facing them without separatism. Under the constitution, every citizen, irrespective of community or religion, enjoys equal rights and the government is committed to implement this provision.

CSO: 4220/101

BRIEFS

IMPORTANCE OF TRINCOMALEE HARBOR--Prime Minister Premadasa, describing the Trincomalee Harbor as strategically important for peace in Southeast Asia, said yesterday that Sri Lanka which is not allied to any power block was following a foreign policy based on justice and fair play. Premadasa was addressing a (Janahemwa) after declaring open the (Dania Gama) model village in Trincomalee. He added that the government has taken all measures to safeguard this harbor. He also commended the unity which was prevailing among the Sinhalas, Tamils and Muslim communities in the area. [Text] [BK221106 Colombo International Service in English 1045 GMT 22 Nov 81]

UN INDIAN OCEAN MEETING--A United Nations committee has agreed to recommend an international conference on the demilitarization of the Indian Ocean. Although no firm date was fixed, the ad hoc committee on the Indian Ocean agreed on Monday [16 November] that the meeting should be held no later than the first half of (?1983). Strong U.S. opposition to the idea had delayed action through 2 months of committee meetings this year. A consensus decision was reached only with America expressing reservations over the phrasing of the draft resolution. Committee chairman Sir Lanka's ambassador (Ben Fonseka), said that those delegations that had difficulties would be allowed every opportunity to express their objection in the committee's report to the assembly which will be presented before the end of the year. The ambassador said there were three types of consensus. One, with which all parties could be happy, one with which all parties could live and the other where all parties were unhappy. He added that they had reached a consensus of the third kind. If the conference is held as agreed, it will be considered as a necessary step for the implementation of the 1971 declaration of the Indian Ocean as a zone of peace. [Text] [BK181145 Colombo International Service in English 1045 GMT 18 Nov 81]

CSO: 4220/101

ASSISTANT RTA CINC INTERVIEWED ON RELATIONSHIP WITH PREM, ROLE IN COUP

Bangkok SIAM MAI in Thai 10 Oct 81 pp 29-32

[Interview with Army Assistant Commander-in-Chief Lieutenant General Paichit Somsuwan; date and place not given]

[Text] [Question] Can you give us some brief background about yourself and how you became an assistant RTA CINC which is considered a high military rank.

[Answer] I did not graduate from the military academy. The reason for this is that while I was in my second year there Thailand had just entered the Indochina war. We were at odds with Indochina and France. When France was defeated by Germany, Field Marshal P. [Phibunsongkhram], who was the government leader at that time, demanded the return of land from France as did many Thai. He decided to send in the army in order to take back our land.

At that particular time we had a scarcity of high-ranking military officers. I had to leave my second year of the military academy to join the 21st Infantry Regiment at Korat. During World War II, I was stationed in the Third Army Region, 3rd Division, and saw combat just over 4 years. After the war ended I entered the Army Staff College in Lopburi for 1 year where I was a successful student. The government pulled me out to teach in the military academy. Since that time I have taught for 32 years. It took me 32 years to become comptroller. I continued teaching military science also and had many classes of students.

[Question] What was your job as comptroller?

[Answer] The position of comptroller in a great-power army is considered very important. The army commander-in-chief has to listen to this person for any increase in strength of arms purchases because he controls the purse. In short, the comptroller is the commander of the comptroller's office. This person doesn't do the accounting himself, as people might think. In fact, he administers the army budget so the money is spent wisely and in the right way. The Finance Department is a separate section that actually handles the money. That is the procedure. I was the one who made the decision whether to buy or not to buy. For example, suppose we want to add one more army division. The office of the comptroller will send its people to see how much it would cost, whether it is really needed or what kinds of weapons we need to purchase. We have to send our experts to study whether the weapons will be worth the expense and will

serve their purpose, how much to spend for maintenance, and even the purchase of army uniforms. The office of the comptroller has to judge whether it is necessary. In making changes, all branches must come to the comptroller. This includes housing, toilets, in other words, everything from head to toe for the military, even helicopter purchases, must be analyzed. The office of the comptroller must look at the expense to see if it is reasonable. If its quality is a little less but it enables the army to support it financially on a long-term basis, would that be better? This is a very important job that helps the commander-in-chief to make the appropriate decision.

[Question] How did you get to know General Prem in order to become the dark horse as the assistant commander-in-chief of the army?

[Answer] I knew General Prem at a distance at the military academy. He was only a year ahead of me. We used to have conversations later when he was a special colonel and I also was a special colonel. We knew each other as classmates a year apart. I know him, and he knows my background and what kind of person I am.

[Question] There have been reports that General Prem is given to favoritism. Do you have any comments on this?

[Answer] I think...that's not completely true. It is common that one will send for the person whose capability he already knows but it does not mean asking a person that he knows but who has no ability to work in the post, or just to promote him on the job. There were a lot of his friends of the same class in the academy whom he did not consider capable of the job and who were removed...a lot of them.

[Question] Who were those people, the ones who were removed by General Prem?

[Answer] I think they are uh...young military officers. There are a lot of them who used to work closely under him. When he saw they were not good he got rid of them. Just because he likes somebody does not mean that he is going to promote him. I cannot see him ever doing that. About the Young Turks, I don't know how close they were to him. I would like to excuse myself from commenting on that. I wasn't around him all the time, and I really don't know all the facts.

[Question] Normally, there must be a good relationship between the commander-in-chief and the comptroller.

[Answer] That's what was said...in the case of former commanders-in-chief, not General Prem. The commander-in-chief and the comptroller must have a very close relationship, but General Prem considers the comptroller equal to all the general staff officers. When something comes up he calls me in to work for him and to relay his instructions, just as an assistant chief of staff for personnel or intelligence would do. We just follow government procedures.

[Question] What abilities do you have that you think qualify you for this position?

[Answer] Normally people are going to speak well of themselves. Maybe you should ask why he appointed me, a general, as the army assistant commander-in-chief. Whenever an announcement is made concerning an appointment I believe it depends on luck. If you don't get it you don't have to feel bad about it. I considered myself unlucky for 32 years. It did not bother me when I did not get a position. There were many times that I did not get benefits because there was no position for me. I believe we have to control our greed, anger, and delusions. However, not everybody can eliminate them entirely, but at least we can lessen them. This in turn will help to improve one's work.

[Question] How do you feel about this job, and how do you respond to reports saying that you have never served in a troop command?

[Answer] The facts are--first, I was in the military academy. Second, when I was young I used to fight and even was a battlefield leader. Third, in all 32 years of teaching in the military academy I taught military science. In the army I studied this matter all the time. When my appointment was announced I was very happy. I will be the army assistant commander-in-chief and then be promoted to the rank of general after His Majesty the King's official announcement. I am very proud that commander Prem or commander Prayud has confidence in me. At this moment I have no idea what kind of job the commander-in-chief will want me to carry out. Whatever the job is, I believe I can do it. I already have some plans in mind. It does not upset me if outsiders don't think I can do the job. There was something in a newspaper which said that now a comptroller is being chosen, maybe later they will pick the chief of the Army Medical Department. Then they will probably carry a calculator to the battlefield.

[Question] Referring to the events of 1 April, there is some talk that you were with General San Chitpatima, so why will you be promoted to the army assistant commander-in-chief now when others involved have all disappeared?

[Answer] I went there on that day, that's true. The reason I did was because I was following military rules. At first I did not know who carried out the coup. But when I found out, I walked out of it the same evening. This was simply an indication that I was following regulations.

[Question] How about the expense of 130 million baht during the coup attempt, which is still a problem. What's the story about that?

[Answer] That's not true. Intelligence agency money was not used in this matter at all. If I had used that money, I would not be here now.

[Question] But you were the one who controlled the money, were you not?

[Answer] I was ordered to do so but I did not follow the order. General Prem knew very well about this. After I finished my job getting things ready and everything was safe I went very early in the morning on that day.

[Question] Does that mean that the money for the revolutionary council headquarters was taken out first, and then you left?

[Answer] No, the money was not taken out because it was government money which had to be in the National Bank, and it was Sunday.

[Question] If that's so, where did the coup expenses come from?

[Answer] They must have managed somehow. They must have figured out how much it would cost in taking the armed forces out. There must have been a way to do it. What was talked about was just people's speculation as to how it was done. There were some cartoons which showed me running away carrying a bag of money. I did not get angry. Whatever I did, my superior knew about it.

[Question] Hasn't someone else been passed over by your appointment? Lieutenant General Athit Kamlang-ek does not have seniority, but yet he was named the army assistant commander-in-chief. Is this a result of the events of 1-3 April?

[Answer] Let me talk about Lieutenant General Athit first. If you think about it, it is not a question of getting passed over because he was a major general, then lieutenant general, and then general. If we talk about the title of deputy region commander, then region commander, and then to army assistant commander-in-chief, then it is not a pass-over situation at all. I can't say anything about his having two jobs. You will know when my superior makes his announcement.

[Question] It has been said that a promotion from major general to general in the same year is unprecedented.

[Answer] It did so happen when there was an emergency, in Field Marshal P[hibunsongkhram's] time.

[Question] But that was an emergency, which was different from now when circumstances are more normal.

[Answer] Go ask the army commander-in-chief himself. I can't answer for him. You can't really rely on seniority, and if you do it's really bad. For example, I have been doing this and that for a long time. I am senior myself. When I was in the military academy I did not really jump up and down. When I was major general as the director of the Military Education Department, why was Region Commander Chuan appointed commander of the Military Academy? He was a year behind me, his salary was less than mine, and he had less experience in military academy affairs. Why didn't I scream about it then? I worked under him and never against him, and gave him advice in everything. I wrote him all the reports he needed for his meetings. Go and ask General Chuan about me. He used to say, "When I came to the Military Academy, 'Phi' [elder] Phaichit was the only person I was afraid of offending." If you talk about the army, I would say, "Hey, who do you think I am? I was in the infantry also. Then why....?" You have to know what was appropriate at that time. If you ask the army commander-in-chief, there are some questions he might not be able to answer. You have to understand that.

[Question] What is the strategy to save our nation from becoming like Kampuchea or others?

[Answer] First, there is the economy. We must help solve the starvation problem. Second, people who are in a higher level have to look to those in the lower level to see if they can come up with any compromise. They can't simply stay up at the ceiling. History shows us why Russia which had been a monarchy became a communist country. It was because the majority of the people were poor and starving. A leftwing dictator came to solve the problem. They solved it. (raising his voice). It is possible; the starvation problem can be solved by dictatorship. This forces everybody to work, and sweeps out the upper class so that they won't be examples.

Everybody thinks, yes...this is good, that everybody works. This is the way the leftwing can do it. Hitler solved Germany's problem. We can say that whenever there is an economic problem, it will invite dictatorship in which the left or right will step in to solve the problem. Therefore, it is right that the government puts a lot of money towards solving the problem of the economy. Secondly, people have to unite together, put their heads together. They should not use their strength to fight each other. This is not military strength, but the strength of the masses or a laborer's strength, whatever you want to call it. Otherwise, it will leave some room for the enemy. "Fighting" does not only mean fighting with weapons but includes words and the use of the masses' strength as well.

[Question] What do you think will be the central point that will help us win or survive?

[Answer] The central point is the king. Secondly, high officials and powerful politicians must make sacrifices. It is not that if you don't get what you want, you won't yield. The most important thing is that the members of parliament must be reasonable enough to control the government. I would say leaders in all areas must make sacrifices and not be extravagant.

[Question] What do you think about our political situation today?

[Answer] Our democracy now is in full sail. Whether it will work or not depends on all of us having MPs representing all the people instead of other influential people. If our country is not stable the enemy will come in to solve it for us.

[Question] Is it necessary for the military to come in to solve the problem?

[Answer] If they are not asked they should not interfere. Should not interfere! (emphasized). If people say, "Our country is getting worse, we cannot take it anymore. We need the army of the people to help us solve the problem." The army should then enter to help only when they are asked by the majority of the people. The army should not attempt to interfere without being asked.

[Question] Since the change of government in 1932, has there been any time that people asked for help?

[Answer] Just because I am at this post you want me to answer this question. No, I cannot. Let's say that I do not know.

[Question] There are military men who have political posts, for example, when they are ministers and senators. Are these people called military politicians or not?

[Answer] Military, in general, will do that kind of work if their superior appoints them. I have never paid attention to that. I do not know who did the appointing and who were Kunsue [translation unknown]. I can tell you that I have Samatha [Buddhism: self-control]; I do not worry about other people's affairs.

[Question] Do you think that's the right thing to do or not? What's your opinion?

[Answer] It's the affair of top level officials. Whatever they want to do, they must already have decided.

[Question] What do you think of the case of the military who set up political groups such as Klum Tong-Kaut [translation unknown], the Democratic Soldiers which gave out leaflets saying that if someday there is any attempted coup, they will turn their guns on whoever gives the command?

[Answer] I think it sounds more like people outside the military who wrote those leaflets. The military would not write such foolish things. Whoever wrote it didn't graduate from Chulachomklao Royal Military Academy. It really makes me feel bad that a person from the military academy could turn his gun against his own superiors, and how he could graduate from such a school. How was he trained? In a case like this he does not deserve to be a soldier. Military personnel must obey their superior's order when given, even though they themselves have to die. Never mind turning the guns around; even not doing anything is wrong. One has no right to critique or talk back to his superior. I myself have no right to second-guess or argue because I am not the army commander-in-chief. When I am retired, then I will have the right to speak out. However, I want to tell you ahead of time that when I am retired I will not get involved. I would not say anything at all.

[Question] Major General Rawee Wanpen, for example, is the leader of the Democratic Soldiers Group.

[Answer] In this case he is doing his job. He is a military officer in the Internal Security Operations Command. The purpose of his job is to maintain democracy.

[Question] Do you mean the Democratic Soldiers Group was formed by the Internal Security Operations Command?

[Answer] ...well...to cultivate democratic feeling in the people, and to guard against evil dictatorship, which we must fight with democracy. Who else will encourage us? Major General Rawee is working on this. He does not work in secrecy but announces openly what his work is.

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CSO: 4207/20

SPECIAL BRANCH CHIEF INTERVIEWED

Bangkok THE NATION REVIEW in English 31 Oct 81 p 16

[Interview with Pol Maj Gen Opas Ratanasin, special branch police commander; date and place not given]

[Text]

A NEW CHIEF OF every agency often faces difficulties securing recognition from his subordinates, especially when he is not an old timer of the organization. Newly-appointed Special Branch Police Commander Pol Maj Gen Opas Ratanasin is no exception to the rule.

The new commander found himself in an air of dissension when he took up his new post. His unexpected transfer from the Border Patrol Police (BPP) virtually decimated about 20 Special Branch deputy commanders' chances of being promoted to the powerful slot.

Some of his subordinates even declared that they would slow down their work to protest what they called "nepotism." They claimed that Police Director General Pol Gen Suraphol Chullapram handpicked Pol Maj Gen Opas because of their close relations during their stay at the Border Patrol Police Force.

Although Pol Maj Gen Opas has been recognized as a capable hand in intelligence work, many subordinates still cast doubts on his competence. They said that the intelligence mission he handled at BPP mainly involved communist operations while the work at SPD was characterized by political motives.

"The intelligence gathering at BPP mainly involves suppression of communist insurgency and narcotics trafficking, but the work here is quite different. It is not suppressive work, but political work," a police source said.

Pol Maj Gen Opas was head of the intelligence gathering unit of the Police Special Action Force before his appointment as SPD commander. He used to work hand in hand with Pol Gen Suraphol Chullapram in setting up a centre to gather intelligence from Metropolitan Police, Border Patrol Police, and Provincial Police agencies.

A police source, likening SBD to national police chief's eyes and ears, said that it was necessary for a police director general to handpicked a commander of SBP because he wanted a reliable and close colonel to keep him well informed all the time.

SBD in the past was known to be a major mechanism of the government to decimate its political opponents and to follow persons suspected of being communists. However, the image has apparently been dashed because of the inefficiency in gathering up-to-date intelligence reports.

The intelligence gathering unit was hard hit during the April 1-3 abortive coup as it could not keep the then national police chief, Pol Gen Montchai Pankongchuen well informed over the coup and its development.

Police sources said that SBP then led by Pol Maj Gen Yuthachai Vaivuth failed to learn that the Young Turk military officers would attempt a coup on April 1. Furthermore, it also failed to inform Pol Gen Montchai that Premier Gen Prem Tinsulanonda escorted the Royal Family to Nakhon Ratchasima where he set up a government in exile.

As a result of inadequate information about the development of the coup attempt, Pol Gen Montchai was said to report himself with the Revolutionary Party at the Army Auditorium in stead of immediately joining the government whose bastion was in Korat.

Highly-placed sources in the Police Department said that the then national police chief also wanted to replace Pol Maj Gen Yuthachai with another more efficient man, but he was stripped of his post before he could find any competent hand.

Pol Maj Gen Yuthachai who was appointed assistant commander of Police Zone Four told *The Nation* that SBD was too poorly equipped and understaffed to cope with its multi-dimensional work.

"SBD is not only responsible for investigative work it also has to take charge of security of diplomatic staffs, Cabinet members, and the Royal Family," said Pol Maj Gen Yuthachai who called for more budget for SBD.

Pol Maj Gen Yuthachai's predecessor was actually an old timer at SBD: Pol Maj Gen Boonsong Sribanpot who was the seniormost

deputy commander of SBD when he was promoted to the top post.

However, the appointment apparently only served to drive a wedge into the cracks within police intelligence gathering unit. A senior police officials said that SBD was then most trouble-plagued ever.

"You know, all works are mess and not systematic at all. Pol Gen Montchai then instructed me to seek a new commander for SBD," he added.

He said that he recommended Pol Maj Gen Yuthachai who was then under the Highways Police Division because there was no other better choice.

Some police sources said that the appointment of Pol Maj Gen Yuthachai was also partially due to "political pressure" imposed on the then national police chief by the Kriangsak Government which detailed Gen Thuangthong Suwannathat to the Police Department.

One of them said that when former Premier Gen Kriangsak Chomanan stepped down from power, Pol Maj Gen Boonsong was removed from the post as a result.

Pol Gen Suraphol did not only named his reliable aide to take up the top post of SBD, to enhance the efficiency of the unit, he also proposed with the Cabinet that a new post of assistant police director general on special affairs should be set up.

The reason for the proposal is that only one police deputy director general in charge of special affairs could not cope with sabotage whose rate has recently risen significantly.

Pol Gen Suraphol also nominated Pol Lt Gen Pranetr Ritruecha from the Border Patrol Police to new post in what observers believed to be another bid to tighten his grip of police intelligence gathering work.

Although Pol Gen Suraphol has thrown his full support behind his new commander of SBD: He recently summoned a meeting of senior SBD officials and declared in the meeting "Don't try to challenge my order." Pol Maj Gen Opas has yet to prove his competence before Pol Gen Suraphol retires next October.

CSO: 4220/95-A

ATTEMPT TO CUT INFLUENCE OF VDC NOTED

Bangkok THE NATION REVIEW in English 17 Oct 81 p 12

[Text]

NAKHON SI THAMMARAT – Just four days after taking up his new post, Fourth Army Region Commander Lt Gen Harn Leenanonda has taken action to trim down what he described as the influence of local mafia gangs in the South.

He stripped about 2,000 defence volunteers in Muang District here of their privilege to carry firearms on grounds that some of them have been backed by local tycoons in the biggest sourthern province.

His order, issued on October 5, has virtually raised a question over the merit of the defence volunteers – a paramilitary unit established to help the government crack down on communist insurgency.

Officially set up in September, 1978, the defence volunteer unit (Tor Sor Por Chor) has been hailed by the government as an effective mechanism to control the growth of the Communist Party of Thailand (CPT).

The defence volunteer units were established in almost every province, especially in communist-infiltrated areas, and their duty became more complicated: Apart from combatting communist guerrillas, the defence volunteers were assigned to cooperate with police and administrative official in clamping down on crime.

The defence volunteers in Muang District here were earlier ordered to join police forces in maintaining peace and order in the province which has been troubled by the high rate of murder and robbery.

But then the growth of the defence volunteers apparently surpassed any rational government control.

According to Lt Col Seri Dirapat, some leaders of the defence volunteers are former gangsters and it is believed that many defence volunteers have been exploited.

Another senior military official who asked not to be identified said the other day that the Fourth Army Region Commander is apprehensive that these defence volunteers might tarnish the reputation of provincial seat.

The military view, however, differed from that of administrative officials here. Muang Dustrict Officer Somboon Chaisawat told *The Nation* that the defence volunteers had contributed to the peace in his district.

Asked whether the the military as they were allowed to carry firearms and wear military-like uniforms.

He said that Lt Gen Harn decided to restrict the power of the defence volunteers partly because there were enough military troops and police officials to take care of the security in the defence volunteers were manipulated by local tycoons, the district officer said: "I don't think it is possible because we have regularly checked their performance and if we found currant defence volunteers, we would have immediately sacked them."

He added that so far about 2,000 defence volunteers in Muang District had created no problem and nobody had been fired for creating unrest or committing any untoward incident.

Somboon said that the Fourth Army Region commander had summoned local officials concerned to a meeting with him to explain the motives behind the order prior to the announcement.

"But I still wonder why I was later ordered to disband the defence volunteers in Muang District despite the fact that the commander told us during the meeting that only the defence volunteers in the metropolitan areas would be stripped of their authority," he said.

However, he said that he strictly abided by the order by the commander and had instructed all defence volunteers in Muang District to stop patrolling in the area.

Although, the Fourth Army Region has denied Press reports that the defence volunteers have been disbanded, and said that they were only instructed to stop

patrolling the district to crack down on crime, the defence volunteers have become jobless following the order.

A senior official of the Fourth Army Region said the other day that the military here believed that instead of carrying out duty involving the security of the public, the defence volunteers should assume a new role.

He cited fire-fighting as an example and in fact what he suggested appeared to be opposite to the initial concept of defence volunteers.

Having earlier declared that he would eliminate local influence which he said would gradually undermine the democratic system, Lt Gen Harn appeared to have challenged the influential people head-on – and the question is how far he would or could go to fulfill his goals.

CSO: 4220/95-A

PRODUCTIVITY, POVERTY IN SOUTH REVIEWED

Bangkok BANGKOK POST in English 1 Nov 81 p 8

[Article by Montri Chenvidyakarn: "Poverty Still Rife in the South of Thailand"]

[Text]

IN many areas of the South which is highly endowed with natural resources, the people are so poor that they cannot produce enough to eat, have to buy drinking water and all villages are without even a single toilet, a survey conducted recently by the Office of the National Economic and Social Development Board showed.

Results of the survey which covered a total of 20 poor villages in 27 districts of five provinces—Pattani, Nakhon Si Thammarat, Songkhla, Satun, and Phatthalung—were published in the July-August issue of the Economic and Social Journal just released.

From the study of the living conditions of 2,256 households, it was found that most of them are local people, with almost no immigrant from other regions.

Their main occupation is agriculture though they would try to get other jobs when they are free from farmwork. Each household has,on the average,only a small holding of 10 rai of rain-fed farmland.

Productivity of their farms is rather low, about 20 bushels per rai, so for most farmers in the South rice yields are not enough for consumption within their own households. Because of the small size of their farmland, only a small number of the people are engaged in growing cash crops.

Since the people cannot rely on rice farming to generate enough cash, they have to find supplementary income from other jobs. Fishing comes readily because most of the people live near the coasts.

Supplementary income from fishing can earn them from 10,000 to 20,000 baht a year per household for those who live near the seas. In the far villages, such income will be only from about 5,000 to 6,000 baht per year.

Another source of supplementary income is palm sugar which they prduce during the dry season (February-April). In the rainy season, the villagers will go catching crabs and fish in the klongs and rivers, which earn each household the equivalent of 2,000 baht per year.

For those families which grow rubber or coconut trees, each can earn from 4,000 to 5,000 baht a year from selling the products. Vegetable growing, charcoal making, and mattress weaving are only other sources of income for some villages which have the raw materials.

The main problem faced by the poor people in the South as by those in other regions is poor health. During the past five years, a large number of children less than one year old, have died of diphtheria, malaria, pneumonia,and worms.

Adults are ridden with such serious diseases as malaria, hemorrhagic fever and worms.

Obviously, these people have had no vaccinations against these diseases, and their sanitation is very poor, with almost all villages surveyed having no toilet at all.

The lack of portable water is another serious problem, especially during the dry season. Some areas are completely without water. Those which have water find it unusable because all the ponds containing fresh water are flooded with sea water and waste water released from the mines.

Although the local officials tried to take water to these villages, many still are unable to receive this service because of poor roads. Many villagers have to buy portable water at an expensive rate of 2.50 baht per big bucket, which puts more hardship on them.

Since the South is well endowed with minerals, sea food, and forests which provide main jobs for the people, most could find other jobs in their localities or in nearby provinces to get supplementary income. This situation is unlike that in the Northeast and the lower part of the North which see a high rate of emigration because of low job opportunities.

From the survey, only six per cent of the people have migrated to other areas to seek temporary jobs within the region, mostly in the agricultural sector such as rubber tapping, rice harvesting , land clearing, and fruit picking. Only a small percentage of them seek jobs in factories.

However the wages they receive are rather low, about 30-40 baht a day. Those with rubber tapping skill get paid better than those without it, and the income from rubber tapping can improve their living standard to a certain extent.

The problem of land tenure in the South is not as serious as in the lower part of the North and in the Central Plains because most farmers own their own land, though the size may be small, about 10 rai per household compared with about 24 rai per household in the Northeast.

Renting rate in the South is thus high, though they mostly rent from their neighbours or relatives, and only a small number of them rent from big landowners who reside in the town.

Even though supplementary income is important for the people in the South, jobs which provide such income

are not easily available to the majority of them. And the fact that they have a high proportion of income in cash does not mean that they are better off than the people in other regions.

THERE are 22 districts and 5 sub-districts in the five provinces which are officially declared "absolute-poverty" areas.

Pattani—Muang Pattani District, Nong Chik District, Mayor District, Yaring District, Sai Buri District, Yarang District, Panareh District, Thung Yang Daeng Sub-district, and Mai Kaen Sub-district.

Nakhon Si Thammarat— Ronphibun District, Muang Nakhon Si Thammarat District, Pak Panang District, Thungyai District, Chawang District, Phipun District, Chieng Yai District, Prom Khiri Sub-district.

Phatthalung — Muang Phatthalung District, Khuan Kanun District, Kong Hara District, Khao Sonchai District, and Tamod Sub-district.

Songkhla—Raphoum District, Ranod District, Sathingphra District, and Krasaesin Sub-district.

Satun—La Ngu District.

INTERVIEW WITH A FISHERMAN IN THE SOUTH

Mr Utmad Retmas, 46, a fisherman of Ta Rua village in Muu 2, Tambon Thung Wah, Thung Wah District of Satun Province:

Question: How long have you been fishing ?

Answer: More than 10 years.

Q: Have you any assistants?

A: Only my wife and children.

Q: How many children do you have ?

A: Three.

Q: What do you use for fishing ?

A: Nets.

Q: What do you catch?

A: Shrimps and small and trash fish?

Q: Is your boat motor-run?

A: It's run with a long-tailed boat engine.

Q: What is your daily income?

A: Some days more than 100 baht, others 70 baht, but mostly less than 100 baht.

Q: Why is that so ?

A: Because fuel oil is expensive.

Q: How much do you pay for oil a day?

A: Two gallons per trip, each gallon costs 50 baht.

Q: Where do you buy the oil?

A: From the person who lends me money.

Q: Is the price the same as elsewhere?

A: No. It's cheapter in Trang. There a gallon costs 35 baht.

Q: Why don't you go there to buy it?

A: Because I've no money, I've to get it from the Chinese moneylender.

Q: Where do you sell your fish catch?

A: To the moneylender.

Q: Does he give you good price?

A: Not at all. For example, a kilo of shrimp is 120 baht, but he gives me only 65 baht.

Q: Can you sell it to other buyers ?

A: No. Where can I get the money when I need it?

Q: How often do you borrow money?

A: Once a month.

Q: How much each time. Is the interest high?

A: 3,000 to 4,000 baht each time. He does not charge the interest.

Q: Are you still in debts now?

A: Oh! all the time.

Q: Is there any one in this village who is not in debts ?

A: No one. Every house is in debts.

Q: Do you own your fishing boat?

A: Yes. But I have yet to pay up the instalments.

Q: How much did you borrow to buy a boat?

A: 12,000 baht.

Q: What did you use as collateral.

A: Nothing. The money was given on trust.

Q: What happens to those whose boats are not equipped with engines ?

A: They are in a worse situation because they can't go out far. There are a lot of them in this district.

CSO: 4220/95-A

ANTI-BURMESE GOVERNMENT MINORITY GROUPS CROSS-BORDER OPERATIONS NOTED

Bangkok SIAM RAT SAPPADA WICHAN in Thai 18 Oct 81 pp 10-11

[Article: "Minority Rebellions on the Western Front Have Not Changed"]

[Text] On 6-7 October, a foreign armed force of 700 people surrounded an RTA unit of 39 in the vicinity of the highlands of Ban Kaw Phya Samakkhi, Mae Kham Subdistrict, Mae Chan District, Chieng Rai Province. The latest reports concerning that fight are that only four Thai troops escaped encirclement. Four foreign soldiers' bodies were picked up.

Who was the foreign armed force? They were Burmese troops or those of the United Shan State (SUA [Shan United Army]). Lt Gen Som Khattaphan stated that "we cannot yet reveal who they were because we are afraid that it could affect international relations." The SUA are Khun Sa's troops. They are a tribal minority army to which the Thai Government has issued an ultimatum to withdraw from Thai territory. In fact, this armed force is still carrying on its activities back and forth between the borders of the two countries in order to avoid being wiped out. They are still the armed force that controls the biggest share of the narcotics trafficking in the Golden Triangle. They control nearly 70 percent of the trafficking in the border area. "Khun Sa" himself is the fifth ranking heroin king of the world. His [real] name is Chang Chi-fu and the Thais have issued a warrant for his arrest and have offered a reward of 500,000 baht.

Pol Lt Col Witthaya Nilaphet, deputy commander of Border Patrol Police [BPP] Region 5, reports that the area around which the fighting took place is one where Thahan Phran Irregulars from the camp at Pakthongchai District, Unit 53 in Nakhon Ratchasima Province came for combat maneuver training. This took the form of preventing the infiltration of foreign military forces and that of guerrilla warfare. Internal Security Operations Command (ISOC) took charge of the operation. This took place at the same time as the Burmese armed forces sent in troops to wipe out the minority tribes along the Burmese border at Ban Lao Lao-chai, Mae Kham Subdistrict, Mae Chan District. The tribal armed forces fled onto Thai territory with a horse caravan of more than 100 horses. It was thought that there would certainly be fighting.

When the fighting started between the Thahan Phran Irregulars and the foreign forces, the Region 5 BPP command was ordered to send the 508th BPP Platoon to meet with Mr Khamdaeng Khemawong, acting as Khun Sa's representative and that of the SUA, at Ban Hintaek in order to get them to stop surrounding and attacking Thai troops.

This was felt to be a violation of Thai sovereignty and they were asked to release them and cease the encirclement. Were they to disregard this request, the Thai side would send in a large armed force without delay because of the violation of Thai borders and the provocation against Thai forces. After the meeting with Khamdaeng, it appeared that Khamdaeng himself could not confirm whose force it was.

In the fighting at Ban Kaw Phya Samakkhi, two Burmese patrol planes passed over Ban Hua Mae Kham and Tong Mae Kham, coming from the north and heading west. A helicopter flew right over Ban Mae Salong heading for Ban Pan Nun where the fighting was and then disappeared into Burmese territory. [Against] the presence of a large Burmese military force and combat supporting aircraft, the Karen troops [as published] have only anti-aircraft weapons.

The Thai-Burmese border problem is one of weakness and misunderstandings occur easily. There are no clearly placed border markers and the British-made maps are still in use. There has as yet been no understanding reached between Thailand and Burma, although some border markers have been placed. However, there are still problems in border control, patrolling and control of exit and entry. It is impossible to do these things because of the extremely mountainous topography. Moreover there are problems with the minority groups along the border who are resisting the Burmese Government.

The armed forces of rebellious tribal minorities along the Thai-Burmese border are based there to conduct resistance operations against the Burmese Government. Since the end of last year, the Burmese Government has thrown in troops to wipe out the minority armies along the Thai border in Tak, Chieng Rai, Mae Hong Son and Kanchanaburi provinces, especially those of the Free Karen forces. This began in September-October of last year with a division of 800 men [as published]. The Burmese troops hired some 2,000 Gurkhas to wipe out the Karens at the Mae Proh camp. This met fierce resistance and to this day, they have not been able to finish the job.

The Karen troops Camp Khareuktae and Camp Mae Proh have improved their bases that surround the camps on the Burmese side. They dug bunkers along ridge lines for 2 kilometers. The Mae Proh camp has stockpiled food and water in preparation for all-out resistance against the Burmese. Karen people have been conscripted to construct firing positions and anti-aircraft artillery has been emplaced on hilltops around both camps. Anyone refusing this conscription is fined 50 thaep or 96 Thai baht.

In the latest suppression campaign, the Burmese met with losses and were unable to smash the Karen camps even though they threw into battle the rapid deployment 2d, 5th and 6th battalions of the 44th Division against the Karen 49th battalion of the 7th Division at Ban Bo Leur in Burma. This was west of Ban Che Du Ye. In this fighting, the Burmese lost 13 men with 77 wounded. Only 3 Karens were killed and 6 wounded. The Burmese sent in 4 fighter planes in support.

As for the violence of the combat in the effort to suppress these minority groups' armed forces, the Burmese Government announced to the people of Thailand's Thachilek District [as published] that in the 4 months of August-November of this year there would be no cargo trucks or buses making the trip from Thachilek District to Chieng Tung, but that they could travel to Tha Deua. Buses could go from Chieng Tung to Thachilek. The reason for this was that Burmese military authorities were

unable to provide troops to insure safety along those routes and there were Communist Party armed forces still located in the area numbering approximately 15,000 troops.

What is going on along the western border is not the only violence of the Burmese Government which aims to wipe out armed minority groups. Going south along the border with Prachuap Khirikhan Province, the Free Mon have also [been] attacked in each stronghold which is opposing [the government]. The attacks have resulted in deaths and woundings requiring hospitalization. Most of the fighting with the Free Mon groups is only for the benefit of those with influence who will control the area around the border at Chong Chi Pass, Bang Saphan District, Prachuap Khirikhan Province, although the Thai side has sent in troops to push these forces out of Thai territory. However, there is still fighting and frequent violations of Thai territory.

These minority groups that have established armed forces in the area of the Thai-Burmese border, in accordance with Thai policy, are not enemies [of Thailand], but they are enemies of the Burmese Government. Thailand feels that the problems the minority groups have with the Burmese Government are the internal affairs of Burma and Thailand absolutely refuses to get involved. It is feared that the Burmese minority groups living along the border could become the enemies of Thailand and join forces with the communists. In the view of the military authorities, this would have an impact on Thai security. It is therefore necessary to be moderate in confronting them. Thai assistance to these minority peoples will be limited to humanitarian aid.

So, the minority groups' armed forces depend on the border as a sanctuary from suppression drives. When the Burmese attack them, they either resist or withdraw into Thailand. If Thailand pushes them out, they cross into Burma. The war of the minority peoples will probably be a protracted one. The battle line on Thailand's west has not changed.

CSO: 4207/29

NATION GETS INDIAN HYDRO GENERATOR

Madras THE HINDU in English 4 Nov 81 p 22

[Text]

BHOPAL

Mr A Ongetta Consulting Engineer of Motor Columbus of Switzerland, has congratulated Bharat Heavy Electricals Limited for "its excellent efforts and workmanship to meet production and quality performance of high accuracy and technology, satisfying requirements of international standards". The occasion was the handing over to Thailand of the biggest hydro electric generator to be exported from India.

This is a 115 MW hydro generator for the Bhumibol Hydro Electric Project of the Electricity Generating Authority of Thailand (EGAT), now ready at BHEL — Bhopal.

The stator of the generator, after successful testing in the presence of EGAT engineers and their consulting engineer from Switzerland, was handed over to them by Mr S P Singh, Executive Director BHEL — Bhopal. The other parts of the generator had been tested satisfactorily earlier.

The Thai engineers from EGAT expressed their full satisfaction over the high quality of the stator.

The Bhumibol project, being financed by the Asian Development Bank, has been secured by BHEL against stiff international competition through global tender. The project is an existing power station which is already equipped with six hydro turbines (70 MW each) from Japan and their matching generators. The seventh turbine for the project is being supplied by Japan.

BHEL — Bhopal has already supplied three hydro turbines of 28.8 MW each to Thailand for its Pattani project and generators of 30 MW each to Nepal for its Kulekhani project. Other export orders for hydro equipment under various stages of execution by Bhopal are: eight generators of 53 MW each for Ohau (New Zealand), two generators of 60 MW each for Rangipo (New Zealand), three sets of turbines and generators of 23 MW each for Tenompangi project (Malaysia), four sets of turbines and generators of 84 MW each for Chukha (Bhutan) and three sets of turbines and generators of 5 MW each for Devighat project (Nepal).

CSO: 4220/95-A

MASS LAY-OFFS INCREASE, LABOR EXPRESSES CONCERN

Bangkok THE NATION REVIEW in English 31 Oct 81 p 16

[Text]

MASS LAY-OFFS have continued both in Bangkok and in the provinces for the past two months.

There were arguments as to exactly how many people became unemployed. While the Labour Department reported that about 500 people were dismissed – mostly with severance pay – in Bangkok, the Labour Congress of Thailand claimed that as many as 1,000 people were laid off in Bangkok alone.

The worrying trend has become a matter of great concern for labour bodies which are trying to establish a motive behind it. But a senior official of the Labour Department said such trend was common during this particular time of the year.

Labour Director General Vichit Saengthong told a seminar on tripartite labour relations recently that the mass lay-offs were a result of unfavourable economic condition.

Employers were forced to cut back production because of declining sales.

The introduction of the new minimum wage was also blamed for the increased production cost for industrial establishments.

One month after the new minimum wage was imposed, a group of industrialists in Chiang Mai sent a letter to the governor asking the government to review the rate of the new wage, claiming that they could not cope with it.

Slightly before and after October 1 – the day the new minimum wage went into effect – workers at factories in Saraburi, Chonburi, Samut Prakarn, Samut Sakhon, Pathum Thani and Nakhon Ratchasima began to get laid off.

The subject of mass lay-offs was widely discussed during a seminar held recenly by the Social Research Institute of Chulalongkorn University by a group of labour leaders and academics.

Most of the academics studying the labour problem agreed that unfavourable economic situation was largely responsible for the mass lay-offs.

"But the question is whether the employers are doing it for survival

or just to cut down expenses," Narong Petprasert, one of the well-known academics, noted.

However, some of the academics also blamed what they described as "selfishness" of the employers for not diverting parts of the profits made when the economy was good to help the workers on rainy days.

Many of them scoffed at the employers' claim that they were hard hit by the introduction of the new minimum wage.

"Minimum wage is only a tiny part of the problem. Wages represent only slightly more than 10 per cent of the normal production cost," one of them said during the seminar.

Labour leaders have during the past several weeks been preoccupied with daily discussions on the disturbing problem of mass lay-offs.

Ekkachai Ekharnkamol, an executive of the Labour Congress of Thailand and president of the labour union of the Metropolitan Water Work Authority (MWWA), said lay-offs had become a handy tool for employers to deal with dissident workers.

"It is their legitimate right to dismiss workers they don't like. And all depends on the employers' own judgement," he said.

Ekkachai pointed out that employees should be given protection against such unilateral action.

"At least workers should be given a say in deciding on the question of lay-offs," he said.

President of the Labour Congress of Thailand Paisal Thawatchainan said the mass lay-offs that had been taking place were unprecedented.

"The situation not only aggravates the unemployment problem but also affects the morale of those who are still working," he said.

Paisal said many of the lay-offs had questionable motives. They were systematic and were carried out mostly against workers making the loudest voice in their demand for better pay or working condition or against those who tried to form labour unions.

"It's a kind of tactic to nip things in the bud," he said.

Nikom Tengyai, an executive of the Labour Congress of Thailand, observed that many of the labour advisers tended to advise employers to adopt "strong-arm tactics" to deal with dissident workers.

"These include factory shutdown, boycott of negotiations and attempts to incite workers to violate laws," he said.

He also accused some employers of employing "thugs" to deal physically with their dissident workers.

These advisers have been offering themselves to work for employers and always have a tendency to be antagonistic with workers, according to Nikom.

Deputy Director General of the Labour Department Charoen Siriphan said many of the employers had "blacklists" of undesirable workers. The blacklists would be passed among themselves.

Charoen said such blacklisting was very dangerous.

"In other countries there is a law to prohibit such blacklists," he said.

He also urged the Labour Congress of Thailand to pay more attention to this problem and campaign against the blacklisting of workers by employers.

Labour Director General Vichit said the Labour Department had been trying its best to make employers more sympathetic with workers particularly when the economic situation was bad.

The attempts to create tripartite labour relations were also seen as a solution to the problem, he said.

Members of the Labour Congress of Thailand are expected to meet soon to seriously discuss the problem.

"It has become a national problem that needs to be tackled seriously," said Ekkachai.

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END

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South and East Asia Report

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INFLUX OF ARAB PETRODOLLARS INTO ASIA FORESEEN

Kuala Lumpur BUSINESS TIMES in English 28 Oct 81 p 6

[Article by Thomas Thomson in Bahrain]

[Text]

ARAB money managers are looking to the East for new investments for the billions of petrodollars pouring into the Gulf oil exporting countries.

With the lustre of Western economies fading, Arab investors and governments believe that East Asia and Australia offer a lucrative home for at least some of the region's surplus funds.

Arab bankers and financial advisers, traditionally familiar with the economies of Western Europe and the United States, have long been strangers to the countries of the Pacific.

But research over the past three years, triggered by the West's slide into recession and a desire to diversify investment, has convinced the financially conservative Gulf states that it is an area rich in new financial opportunities.

Bankers forecast that next year will see the first big influx of Arab money to the growing economies of the Asian area.

The most tangible sign of increasing Arab interest was the formation this year of the Kuwait Asia Bank, a US$30 million institution with headquarters in Bahrain.

Its chairman, Mr Salah Al-Marzook, told *Reuters* after the first board meeting that the bank planned eventually to open a network of Far East offices in Singapore, Japan, Australia, South Korea, Malaysia and Indonesia.

Bankers estimate that members of the Organisation of Petroleum Exporting Countries (Opec) will amass balance of payments surpluses of perhaps US$80 billion in 1981 alone.

Much of that would be accumulated by the Gulf oil exporting countries, especially Saudi Arabia and Kuwait, and would bring total Opec foreign assets to almost US$400 billion.

The Kuwait Asia Bank, which has not yet begun operating, will funnel part of the surplus funds to the Pacific.

Its general manager and chief executive, Mr John House, told *Reuters* that he foresaw Gulf countries investing part of their new surplus funds in the Far East, but he did not believe any funds at present invested in the West would be withdrawn.

Mr House said the East Asian economies were attractive to Arab investors because of their high projected growth rates and the opportunity to help with their economic development.

Arab interest is likely to focus in Japan on bonds, shares and bank certificates of deposit, bankers believe.

An adviser to the Kuwait International Investment Company, Mr Hikmat Nashashibi, said that until early last year, Japan had been virtually passed over by Arab investors, most of whom knew little about the country.

But in an article in the Organisation of Arab Petroleum Exporting Countries (OAPEC) *Bulletin*, he said that he expected the flow of funds to Japan to gain momentum.

Weighing heavily in the Tokyo market's favour was the fact that they were the second largest in the world after the US, he said.

The bankers said that in Malaysia, the Philippines, Indonesia, Singapore and Thailand, interest would be less in shares and more in direct involvement in existing companies and companies to be formed to develop the Asean countries' economies.

Saudi Arabia, the world's largest oil exporter, has already invested fairly large sums in Japan, with the yen reckoned to be the country's third most important investment currency after the dollar and West German mark.

Kuwaiti interest in the Far East was fuelled by the visit last year to Singapore of the Emir, Sheikh Jaber Al-Ahmed Al-Sabah.

Kuwait is already Singapore's second largest oil supplier and the tiny island republic is the world's third largest oil refining centre.

Among countries being examined by potential investors is Australia, the bankers said.

A high growth rate predicted for Australia this year, centred on the development of its energy and mining industries, makes it attractive when contrasted with the problems of other economies in the developed world, they said.

The Kuwait Asia Bank, while pioneering Arab investment in Asia, is also an example of how oil-rich countries are beginning to manage their financial surpluses directly, rather than routing money through middlemen in Europe and the US.

The bank's shareholders include Kuwait International Investment Company, the Kuwait Public Institution for Social Security and a number of Kuwaiti banks, agencies through which surplus petrodollars are recycled. — Reuter

CSO: 4220/532

PROJECTED SPENDING BY ASEAN COUNTRIES ON OIL, GAS DEVELOPMENT

Kuala Lumpur BUSINESS TIMES in English 9 Oct 81 p 1

[Article by Safar Hashim in Manila]

[Text] ASEAN countries will spend about US$33.1 billion (M$76.13 billion) on oil and gas related development in the region during the 1981-1985 period.

Of this amount, Indonesia is expected to invest US$26.6 billion (M$61.18 billion), Malaysia US$3.8 billion (M$8.74 billion), the Philippines US$0.9 billion (M$2.07 billion), Singapore US$0.7 billion (M$1.61 billion), and Thailand US$1.2 billion (M$2.76 billion).

The Ascope Economic Committee, in a paper on financing requirements, noted that this projected investment cannot be considered large by global oil industry standards but for Asean countries there will be competing needs for funds for other development purposes.

As in the past, international oil companies, the World Bank, the Asian Development Bank and other international agencies will continue to contribute and play an important role. The committee did not foresee any problem in securing the financing required as the Asean region offers good opportunities for investors.

The paper said the biggest portion of total investment will go to exploration and production of oil and gas.

At the current level of crude oil production, a minimum of 700 million barrels of recoverable reserve must be discovered each year to cover depletion and to maintain production.

"It is the ambition of the Asean nations not only to maintain production but to increase production over the years to meet increasing domestic demand and to achieve a greater degree of self-sufficiency," the Ascope paper said.

The paper also noted that natural gas discoveries have become an important feature recently and the projected investment for LNG plants, pipelines and storage capacity in the Asean region cover major LNG plants in Indonesia and Malaysia, gas pipelines and gas processing plants for Thailand and Malaysia.

With the exception of the Philippines, all Asean members plan for substantial downstream investments to meet increased domestic demand for petroleum products.

In Malaysia, the major projects are the construction of two refineries — one to be located in Malacca with a capacity of 165,000 barrels per day and the other in Trengganu with a daily capacity of 30,000 barrels.

In Indonesia, major expansion of refining capacity is in hand, almost doubling its capacity by the end of 1984 and includes upgrading processing plants. Singapore will emphasise upgrading of facilites, Thailand will expand its refinery capacity and the Philippines, because of projected low growth in petroleum consumption, will do only some upgrading and replacement of facilities.

In a related paper, the World Bank said the bank's contribution in the energy field is for efforts that are vast in scope.

Its role in energy in developing countries among other things are to advise on the major technical issues involved in choosing which domestic energy resources to develop: and to identify and help prepare high priority projects which will attract private and public capital for investment.

"The bank's presence in the financing plans for these projects will be as a lender of last resort," the paper said. — Bernama

CSO: 4220/532

RUBBER PROGRAM AIMS AT ACHIEVING SELF-SUFFICIENCY

Kuala Lumpur BUSINESS TIMES in English 15 Oct 81 p 15

[Article by Kazi Maksudul Hasan in Dacca]

[Text] WITH only two decades of experience, Bangladesh now aims to become self-sufficient in rubber within the next 15 years.

Experts say that if all goes well the country will not only achieve self-reliance but will also be able to export a considerable amount of surplus rubber.

Toward this end, the government has drawn up an ambitious plan to grow rubber on a wide scale. It has also ordered requirements of natural rubber by 1992-93.

Officials at the Forest Industries Development Corporation (FIDC), the autonomous body responsible for setting up rubber plantations in the public sector, say this is a tall order. However, they hope to reach the target by 1996-97 when more plants on more land will mature to yield latex.

FIDC officials explain that the 1993 target cannot be achieved because of the frequent transfer of the project from one agency to another.

According to a FAO report, Bangladesh produced one million pounds of rubber in 1978-79. The total local demand at the time was 10 million pounds. This meant the country produced only 10 per cent of the total demand. But production has increased since then; total output for 1980-81 was 1.2 million pounds.

To achieve rubber self-sufficiency, the government plans to increase by 1990 the area under rubber plantation to about 70,000 acres of which 40,000 acres will be under government management and the other 30,000 acres under private ownership and care.

The government's rubber development project was entrusted to FIDC in late 1977 after it was twice transferred between the Forest Department, a government agency, and FIDC since 1960. To achieve the national objective, a fresh scheme was drawn up in early 1978 for extending rubber plantation by 27,400 acres in six years.

While the government was holding talks with various financing agencies for funding, the Asian Development Bank (ADB) showed interest. FAO was then requested to conduct a feasibility study under the financial arrangement of ADB.

Based on the FAO feasibility study in early 1979 and on subsequent findings and appraisals by ADB, the final scheme was prepared.

This scheme proposed to expand the total plantation land under FIDC's expanded rubber plantation and processing project from the present 12,598 acres at the end of 1979-80 to about 25,068 acres with high-yielding variety planting materials at the end of the project in 1986-87.

Former Minister for Agriculture and Forests Nurul Islam informed Parliament a few months back that a total of 320 private firms were given permission to grow rubber; 92 more firms were allocated land for the same purpose. He also said that the allocation of land the government was providing growers with technical facilities, including seeds and saplings.

According to the terms of the lease of land, the private firms were required to plant up those plots within a stipulated time. Some experts say the small area for each planter may not be profitable to them. A separate rubber board will also be set up soon for the successful implementation of the government rubber programme.

For its revived programme, the government is also considering joint-venture projects with some of South-East Asia's major rubber producers. The Malaysian government, in fact, has already promised to provide Bangladesh with various types of training with special emphasis on enterpreneur development.

The rubber programme did not have a smooth start in Bangladesh. After some initial setbacks in the experimental rubber plantation in the early 1950s, investigations were made to assess whether it could be grown on a commercial basis.

In 1959, a FAO rubber expert was assigned to study the feasibility of growing rubber on a large scale in Bangladesh. The expert reported that the climatic and soil conditions in some parts of the country were suitable for large-scale rubber plantation.

A pilot scheme was initiated by the Forest Department in 1960 with the immediate aim of planting 718 acres to rubber within the next five years. But the FAO expert further recommended to increase that area of plantation to 3,000 acres and transfer the scheme from the Forest Department to FIDC.

Accordingly, FIDC had raised 3,000 acres of land for rubber cultivation in Chittagong and Chittagong Hill Tracts districts by importing lenal seeds from Malaysia in 1965.

Even today, the rubber development project is not without handicaps. Experts maintain that the frequent transfer of the project from one agency to another and managerial inefficiency tend to impede the progress of the project.

But Waliul Islam, chief of FIDC's rubber project, is optimistic that the prospects are bright with the gradual solution of the problems and the unimpeded flow of funds to maintain the momentum. — Depthnews Special

CSO: 4220/533

BOLKOW HELICOPTERS, SURA ROCKETS FOR RBMR

Kuala Belait BORNEO BULLETIN in English 10 Oct 81 p 12

[Excerpts]

BANDAR SERI BEGAWAN. — The delivery schedule for Brunei's six German-built Bolkow helicopters was set back by several weeks because of a mix-up in paint by the manufacturers, it was disclosed last week.

Royal Brunei Malay Regiment officials discovered all six machines had been given a matt camouflage finish instead of semi-gloss as specified.

The fleet of Bolkow 105s, built by the Messerschmitt - Bolkow-Blohm factory near Munich, at a cost of B$2 million each, had to be stripped and repainted in the correct finish after the blunder was discovered.

The first three helicopters, which were originally scheduled for delivery at the end of June, arrived last week and the remainder, scheduled for last month, will not arrive until some time next month.

The new helicopters are being serviced and maintained by eight British loan service officers from the Royal Electrical and Mechanical Engineers.

The engineering team underwent a course at the MBB factory earlier this year.

A resident engineer from MBB, "Archie" Winter, will be with the engineering team for a year in an advisory role.

In addition, an MBB pilot, Captain G. Balik, will be in Brunei for three months to help with flying training.

The Bolkow 105 can be used for armed attack, casualty evacuation, liaison and reconnaissance work but the ultimate aim is to arm the fleet with rockets.

General purpose machine guns can be used in place of rockets if necessary, but not simultaneously.

Officials say the regiment plans to buy Swiss-made Sura LB 81-mm unguided air-to-ground rockets.

It is also planned to fit the fleet of 13 American-built Bell 212s with general purpose machine guns.

Test flying with these guns were carried out earlier this year.

The two Bell 206 JetRangers attached to the air wing will be used for training purposes.

There are almost 20 qualified local pilots in the air wing and four more are still under training.

The Bolkow can accomplish the most tricky manoeveres, such as loops and rolls and flying upside down, but as Capt Hoffman explained :

"This is purely for demonstration and certainly not used for military purposes.

"The advantage of the 105 is its twin-engine capability, especially in a country like Brunei where a lot of flying is done over jungle area.

"If one engine breaks down, it is always possible to fly back on the other engine."

CSO: 4220/534

CLEANUP CAMPAIGN DIRECTED AT MONASTERIES HAS POPULAR SUPPORT

Kuala Lumpur BUSINESS TIMES in English 20 Oct 81 p 6

[Article by Michael Fathers in Rangoon]

[Text] BURMA'S socialist government, in an apparent bid to control one section of Burmese society outside its authority, the Buddhist priesthood, has proposed the registration of all monks.

A campaign of purification and propagation, initiated under state auspices, is aimed at weeding out bogus monks, stopping monastical abuses such as commerce and sex and denying sanctuary to political opponents who by shaving their heads and donning the saffron robe successfully escape the police and army.

So far several hundred monks have been disrobed, mainly in Mandalay, Burma's former royal capital, and in Rangoon and Pegu, two leading religious centres in lower Burma, according to local newspaper reports.

The cleanup has won popular support in this devoutly Buddhist country where the 100,000-man clergy existed independently of all authority.

"When there is a bad fish the whole boatload stinks," a Burmese said in summing up local approval for the campaign.

The monks' unchecked power as the supreme religious authority had made them a traditional source of political dissent. The freedom is also widely alleged to have led to so-called scandalous practices in some monasteries.

The government is approaching the registration issue cautiously. But according to some monks who have been disrobed, coercion, victimisation and forced confessions have been used occasionally to remove men who were seen to have brought the sanga (Buddhist clergy) into disrepute.

The charges were that they disobeyed the priestly vinaya code of celibacy, fasting, and bans on gambling, drinking alcohol and handling money, according to monks.

But the campaign is not anti-religious and diplomats in Rangoon said Burma's socialist rulers who expound marxist doctrines and who have created a centralised state with all the trappings of Eastern European communism are as devoted in their worship of Buddha as any citizen.

President Ne Win, Burma's all powerful and reclusive ruler, began the process of monastic control which had eluded his predecessors by organising a conference of clerical leaders in May last year in Mandalay.

Known as the congregation of the sanga, the conference set up a 300-member central committee of the priesthood from the country's five main Buddhist sects which in turn was responsible for setting up similar committees in villages and towns.

Religious courts in existence but neglected for decades were revived and given the support of the state security organs to settle disputes.

But most important, the congregation agreed to a government suggestion that monks, who were alone among Burmese in not needing identification papers nor having to report their movements to local authorities, be registered to protect the purity of the faith.

"The monks are exempt from state control. Any criminal or government opponent could put on a robe, shave his head and hide in a monastery," a long-time foreign resident said.

"Now, under the new plan, if a layman were to turn up at a monastery he would not be accepted unless he were registered."

The registration has yet to begin and diplomats said the government was taking its time and using the fear of compulsory identification to bring about a voluntary exit of bogus monks and "criminals."

They said the Mandalay congregation marked a turning point in President Ne Win's nearly 20 years of rigid authoritarian rule. He turned 70 the same month and perhaps conscious of his age, was seen to be seeking to leave national reconciliation as his epitaph.

After the congregation he issued an amnesty to his opponents abroad and in the jungles along Burma's frontiers with China and Thailand, freed about 2,000 political prisoners and instituted a merit award and pension for all Burmese involved in past struggles against the Japanese and the British.

Diplomts said it was a magnanimous gesture in the tradition of Burma's kings. — Reuter

CSO: 4220/535

NO MAJOR CHANGES EXPECTED UNDER NEW ADMINISTRATION

Kuala Lumpur BUSINESS TIMES in English 16 Oct 81 p 6

[Article by Michael Fathers in Rangoon]

[Text] BURMA'S reclusive leader Ne Win steps down as President next month to make way for a successor as head of state and to try to guarantee an orderly transition of power after his death.

However the 71-year-old general, founder of Burma's communist-modelled one party state and its ruling Burma Socialist Programme Party (BSPP), will remain the country's strongman.

He stays as chairman of the party, the source of all authority in Burma, and diplomats and Burmese expect there will be little if any change in government policy when a new administration takes office in November.

Throughout the past two weeks 17 million registered voters out of a total population of 33 million cast their "yes" or "no" ballots in a general election to approve 475 party-nominated candidates for a parliament (Pyithu Hluttaw) which in turn elects a 28-member council of state and the President of Burma.

The elections which ended on Wednesday with the majority of candidates approved were held a year ahead of schedule, officially to allow a new government to prepare for Burma's new four-year economic plan beginning next year.

But Ne Win at his party's fourth congress in August announced he was retiring from the presidency because of old age and wanted the elections to establish a process for a smooth handover.

The general is reported to be in reasonable health although diplomats in Rangoon consider he is "a bit of a hypochondriac" and say he is not as physically active as he was. He has doctors in attendance all the time.

The man most widely tipped to succeed him is San Yu, 63, a revolutionary colleague from the time Ne Win took over the country in a military coup in 1962, a former general and secretary of the outgoing council of state.

San Yu lost his powerful position as general secretary of the ruling party at the August congress. His departure was first seen as a fall from grace but assumed new significance when Ne Win announced his retirement days later and his intention to separate government and party posts.

The top party job went to Thaung Kyi, 58, an ex-colonel and another close associate of President Ne Win from the 1962 revolution.

Together with former army colonel Maung Maung Kha, 59, Burma's Prime Minister for the past eight years, the three men are known as the triumvirate and have been loyal executors of the general's policies of socialist self-reliance and non-alignment.

On the sideline, but equally powerful according to diplomats, is the President's military assistant brigadier-general Tin Oo, former civil and military intelligence chief who is known as Ne Win's eyes and ears.

Tin Oo attended a CIA training course in the United States during the 1950s and later studied intelligence techniques in East Germany during the 1960s, informed Burmese sources said.

The four men are all members of the party's 15-member central executive committee, or politburo, which effectively runs Burma under the direction of Ne Win.

None of the four has the sort of widespread support among the armed forces or within the party that would allow one to dominate the rest when General Ne Win dies, the diplomats said.

"They will each need the support of the other to continue in office after the general's death, unless of course an unknown outsider from the army stages a coup and shoves them all aside," one veteran Burmese political analyst said.

President Ne Win has the total loyalty of the army, the diplomats went on, and has been careful in moving his generals in and out of government and party positions and around the six major military commands.

As the main survivor of the "30 comrades" who founded the Burma Independence Army which fought the British and later the Japanese he is seen as the architect of the country's independence.

"He is respected but he is a man without charisma. He is a recluse who makes no attempt to cultivate a popular image," a diplomat said.

He is rarely seen in public and resides in a heavily guarded bungalow on the edge of Inya Lake in central Rangoon.

The President has been compared by Burmese to a mahout, the driver of an elephant who is never seen by the animal but who makes his presence known as its master by regular proddings and jabs from his iron spike.

"Behind the scenes he is all powerful and as leader of the party he will continue to run the country until he dies," a diplomat from a non-aligned country said.

Power in socialist Burma is completely centralised and all authority emanates from the top.

Even the names of students who have been chosen for study abroad are scrutinised and approved by the cabinet, said a diplomat whose country is involved in an aid programme. — Reuter

CSO: 4220/535

POLRI TAKES ACTION AGAINST PIRATES IN PHILIPPINE STRAIT

Jakarta KOMPAS in Indonesian 26 Sep 81 p 12

[Article: "POLRI Sends Aircraft and Ships Against Pirates"]

[Excerpts] Police Brig Gen Drs Darmawan Sudarsono reported on Friday afternoon [25 September] that POLRI [Republic of Indonesia Police Force] will not be quiescent in opposing the crime of piracy in the Philippine Strait. The chief of the Republic of Indonesia Police Force has ordered the Territorial Waters Police Main Unit and the Water Education, Training and Development Command of Police Headquarters to send ships and aircraft to assist KODAK [Police District Command] IV, Riau, with this problem.

According to information received from a seagoing ship cargo expediting company in Singapore, about 200 ships have been pirated in the Philippine Strait, located in southern Singapore and bordering on Indonesian waters.

The pirates, according to information received, are dark skinned and flee to Indonesian waters after seizing money and valuables from individuals on the ships.

The pirates are armed with knives, climb to the deck, threaten the ship's crew, take what they wish, and flee. Usually three or four pirates are involved.

Police Lt Col Drs Koesparmono Irsan, Assistant I for intelligence and security of KODAK IX, Riau, told KOMPAS that ships which become targets for piracy usually are those that anchor or "park" in international waters to await entry into the port in Singapore.

Some ships, of course, "park" there, but some enter Indonesian waters to avoid paying customs duties.

They must pay duty on their cargo if they anchor in Singapore waters, but they avoid paying duty if they remain in international or Indonesian waters.

These ships then become targets for pirate bands. This was true for two Pelni ships that were pirated recently, Koesparmono said. According to other information received, other than pirating ships that were casting anchor, pirates also attacked ships that were moving slowly through the Philippine Strait. This is a sad fate

for a ship and could be dangerous because the ships continue to move ahead without a crew since the crew usually is locked up by the pirates.

There have been a number of acts of piracy this month including the attack on the 90,900-ton Mammoth Monarch where the pirates used a speed boat. Evidence is available that ships under way are also attacked as happened in the case of the 29,960-ton tanker Corsicana on 23 August. Pirates attacked this ship only an hour after it was guided into international waters by a Singpore port pilot.

6804
CSO: 4213/07

MILITARY OPERATIONS CENTER DESIGNATED

Jakarta HARIAN UMUM AB in Indonesian 9 Sep 81 pp 1, 3

[Article: "KODAU (Air Force Regional Command) III Designated Operations/Command Center"]

[Excerpts] Air Force Chief of Staff Air Marshal Ashadi Tjahjadi announced that Armed Forces Defense and Security officials have designated KODAU (Air Force Regional Command) III as a national defense command center for air operations covering "Surveillance and Security Zone II" in eastern Indonesia. According to the Air Force Chief of Staff, Hasanuddin Airbase in Sulawesi underwent testing during the joint armed forces exercises in 1981 and was found by defense officials to reasonably fulfill the conditions required to perform the functions of a defense operations/command center for eastern Indonesia.

Air Force Chief of Staff Ashadi made the above statement as he presided over a change of command ceremony in which the position of KODAU III commander was transferred from Air Commodore Suti Harsono to his replacement, Air Commodore Siboen. The function took place in the ceremonial hall of KODAU III headquarters in Ujung Pandang, Tuesday morning.

In accordance with the consolidated ABRI (Indonesian Armed Forces) force development program, the KODAU III area of responsibility will be developed as the designated territorial command possessing the air surveillance and combat assets for the "Eastern Security Zone."

Hasanuddin Airbase has been made ready to serve as a temporary center of deployment for the A-4 "Skyhawk" bombers and for the Fifth Reconnaissance Squadron.

While Walter Monginsidi Airbase is being prepared as a homebase for the A-4 "skyhawks," Air Marshal Ashadi said that it was considered necessary to designate officially Hasanuddin Airbase and change its functions so that it could serve officially as an Air Force command/operations center for air combat assets deployed in the region.

The new commander of KODAU III, Air Commodore Siboen, previously was base commander of Halim Perdanakusuma Airbase, Jakarta, while his predecessor, Air Commodore Suti Harsono, will now assume the position of Commander, KODAU V in Jakarta, replacing Air Vice Marshal Soetopo who will become Inspector General of the Air Force.

9464
CSO: 4213/06

PETROCHEMICAL JOINT VENTURE DEVELOPED

Jakarta SINAR HARAPAN in Indonesian 16 Sep 81 p 11

[Article: "Petrochemical Olefin Project in Aceh to be Developed Jointly with Exxon"]

[Text] The government has reached a decision to erect a petrochemical project in Lhok Seumawe, Aceh, by means of a joint venture between Pertamina and Exxon, an American firm.

Minister of State for Reform of the State Apparatus Dr J.B. Sumarlin added in Jakarta Tuesday night that further negotiations presently were being held to formulate developmental plans. Exxon was selected to participate in the development of this project after a conscientious and successive evaluation of various firms following negotiations with a number of enterprises which previously indicated an interest in the endeavor. The petrochemical project in Aceh, which will be able to produce 350,000 tons of ethylene (an ingredient for the manufacture of plastic) annually will be the largest olefin project in Southeast Asia. "It will be even larger than similar projects in Australia and New Zealand," Dr Sumarlin said.

The new project will use natural gas as a fuel. This natural gas, especially its ethane molecular component, will be treated chemically to produce ethylene.

Plastic at present is used in various Indonesian industries which manufacture a variety of products for developmental as well as daily needs. However, all such plastic presently must be imported because domestic industries so far have been unable to produce it.

Accordingly, it is hoped that the olefin project in Aceh will be able to fill all domestic needs for plastic in Indonesia. It is even anticipated that the quantity of plastic produced by the project in excess of domestic needs will be exported. With the establishment of this high-technology olefin project, Indonesia has taken a long step towards the utilization of sophisticated technology and in freeing itself of dependence on the import of raw materials.

Although negotiations are still under way with Exxon, it is estimated that developmental plans for the completion of the olefin project in Aceh will be carried out on schedule, according to Minister Sumarlin.

9464
CSO: 4213/06

INDONESIA TO HELP SOLVE SABAH DISPUTE

Jakarta HARIAN UMUM AB in Indonesian 29 Sep 81 pp 1, 3

[Article: "Indonesia Will Help Solve the Problem of Sabah"]

[Text] According to a recent statement by Ambassador Leo Lopulisa, Jakarta's envoy to the Philippines, Indonesia will offer all possible assistance to resolve the dispute between Malaysia and the Philippines over Sabah, but considers the Moro dispute in Mindanao to be an internal Philippine matter.

Ambassador Leo Lopulisa made the above announcement at the Merdeka Palace last Monday after being received by President Soeharto.

According to Ambassador Leo, Indonesia has no wish to see the eruption of turmoil along its border areas, because such turbulence could then spread to Indonesian territory itself. He noted that a border area which is seething with unrest could be exploited by certain elements, such as extremist groups, for example.

"We have all witnessed the consequences of such unrest," said Leo Lopulisa. "And if this turmoil is based on religious grounds, we all feel it."

Ambassador Leo Lopulisa added that the problem of Sabah so far has constituted an obstacle in the bilateral Malaysian-Philippine relationship.

Indonesia hopes that the Sabah dispute will not cause a deterioration in relations between Malaysia and the Philippines to the extent that the unity of ASEAN will be weakened. For this reason, several meetings were arranged under Indonesian auspices. For example, two meetings were held, one in Menado with President Marcos, and another at Labuhan with then-Malaysian Premier Datuk Hussein Onn. Both meetings produced certain points of agreement, among them the consensus that the Moro problem was an internal Philippine matter.

These meetings also produced a unanimity of views not to aggravate the Sabah dispute any longer. Therefore, the two meetings have led already to a mutual understanding of these two important problems.

Ambassador Leo could not agree with the view that the problem of Sabah is constitutionally a part of the Philippines while it is under the de facto control of Malaysia. For the Philippines, the problem remains a (communist-inspired) constitutional matter.

The ambassador also pointed out that a small Indonesian island is also part of the Philippines constitutionally, but is under the de facto control of Indonesia. So far, this has not caused any problem, he added.

Historically, said Leo Lopulisa, Sabah actually has not been a part of the Philippines. It was so considered because a long time ago, the Sultan of Sulu received tribute from Sabah. The sultan was paid this tribute amounting to several tens of thousands of pounds sterling so that the plantation areas in Sabah would be protected.

The ambassador also acknowledged that weapons for the Moros in the southern Philippines were passing through Indonesian territory.

Leo Lopulisa was KOWILHAN (Territorial Defense Command) III commander. Often, he said, his forces apprehended arms smugglers who admitted they were Moros from the Philippines. The Indonesians confiscated the weapons but released the smugglers because they were Filipinos.

"This was to avoid any provocation," said the ambassador. "Such a provocation could have taken the form of a 'Moro show of force' instigated by certain countries to test the Indonesian reaction."

9464
CSO: 4213/06

CUT IN BKPM LICENSES ANNOUNCED

Jakarta KOMPAS in Indonesian 26 Sep 81 p 12

[Article: "Licensing for Capital Investment Purposes To Be Simplified"]

[Excerpt] Licensing for capital investment purposes is to be simplified. The 36 licenses once required are now to be reduced to 15.

Suhartoyo, chairman of BKPM (Capital Investment Coordination Agency), provided a written clarification of the increased tasks and functions of BKPM which was presented by his deputy, RHB Mochtan in a press conference on Friday afternoon [25 September].

Although Mochtan gave no details of the kinds of licenses which were to be eliminated or retained, he grouped licenses into three categories: First, basic or core agreements, that is a type of government agreement which contains special decisions or terms which are basic for conducting an activity. This includes provisional agreements (SPS) and permanent agreements (SPT) for PMA and PMDN (foreign and domestic capital investment, respectively) and BRO (Bedrijfs Reglementeering Ordonnantie) projects, that is, temporary business licenses (IUS) which become permanent business licenses (IUT).

Second, implementation agreements which are made within the framework of carrying out the basic or core agreement entered into. This includes the offer of customs facilities for capital goods and basic materials; the offer of a business use right (HGU), construction use right (HGB) and use right (HP) for land. It also includes building permits and hindrance law licenses (HO licenses). HGU, HGB, HP, and HO licenses are granted by the authorities concerned except for projects in industrial parks or export processing zones.

Third, licenses (control instruments) issued and valid for the short term. The purpose of issuing such licenses is to appraise how well the agreements have been carried out and how well they conform to the decisions or terms which were laid down. It is estimated that this simplification will reduce the number of licenses required by 57 percent or from 36 to 15 licenses.

The new priority scale list (DSP) to be issued in October will consist of seven volumes: a PMDM Project List volume, a PMA Project List volume, a Non-facilities Project List (BRO) volume, a Closed Project List volume, a Registration Project List volume, a First Priority Project List volume, and a Project Index.

A first priority project is a project which is judged to have the maximum positive impact and to be a strategic project. Priority for these projects is based on the judgment that they require government initiative and participation. Therefore, they can be funneled through the State Owned Business Agency (BUMN) which cooperates with private business. First priority projects are also to be tied, as far as possible, to small or village industry participation which is capable of acting through cooperative groups.

High priority projects which are new investment projects are given a tax holiday and other incentives in effect. Orindary priority projects are given "investment allowances" and other incentives which have been in effect to date. Registration projects are non-facility projects which, because of their traditional or small-scale nature, do not require licenses from technical departments. For these, registration with the local regional government is sufficient. In general registration projects are projects of economically weak businessmen or cooperatives and are located in rural areas.

Looking toward an increase in the number of tasks and functions, BKPM issued Decision of the BKPM Chairman No 09/SK/1981 concerning the organization and administration of BKPM. Basic elements of BKPM now consist of a chairman, a vice chairman, a deputy for planning and management, a deputy for promotion of development, a deputy for evaluation and licensing, and a secretariat.

The initial five bureaus have now been increased to eight: the Planning Bureau, the Management and Evaluation Bureau, the Development Bureau, the Construction and Information Bureau, the Promotion Bureau, the Project Evaluation Bureau, the Facilities and Licensing Bureau, and the General Service Bureau.

6804
CSO: 4213/07

LAND TRANSPORT REVOLUTION, SAFETY REGULATIONS LACKING

Jakarta MATIARA in Indonesian 14 Oct-27 Oct 81 pp 2-4

[Article by Hans Sinaulan: "Revolution in Land Transportation"]

> [Text] There is not yet a specific name for this kind of land transportation. People call it "Colt." However, the vehicle may bear the name of Colt, Datsun, Daihatsu, Honda, Suzuki, Toyota Kijang [small deer], and also Mazda. This type of land transportation which turns out to be filling a gap in land transportation requirements is also often nicknamed a "coffin," because of the rate of accidents it is involved in. However, the passengers just continue to crowd into this one kind of vehicle.

Yoyok is really skillful at driving. He is 25 years old and just got his driver's license 8 months ago. The Colt vehicle with the yellow license plate with the police number beginning with "N" still looks new, like a toy which he can do what he wants with. With just his left hand on the wheel he can whizz along the highway at more than 80 kph, even though the alarm buzzer still installed on the dashboard continues to go "beep...beep." For him the "beep...beep" sound when he weaves through the streets is like the rhythm of disco music which he likes very much. For 6 months he has been driving along the route from Malang to Surabaya (round trip) and now knows the twists and turns of the road along the way.

However, no matter how skillfully a squirrel jumps, finally he also falls. However skillfully Yoyok drives, he also has his unlucky days. That is what happened to him one day near the end of September.

Since leaving the Colt station in Jalan Lombok in Malang, the vehicle which, according to the DLLAJR [Highway Transportation Service], was only capable of carrying 9 persons (including the driver) was pakced with 17 people. In this situation Yoyok was only able to drive with his left hand, because his right hand was used to support his body by holding onto the right hand door [vehicles in Indonesia are usually right-hand drive]. Three passengers with rather large bodies, who were sitting in the front seat, pushed him over to the right-hand corner of the cab.

With his left hand he also changed gears (of course, he had to take his left hand off the steering wheel when he used the gearshift). However, he was calm enough. Still, he kept his eyes more often on the edge of the road than in front of him.

In this way he could immediately move to the side of the road when a prospective passenger waves to him from the side of the road to the passengers already in the vehicle.

The fare collector was also standing at the left hand door, with half of his body sticking out to wave at prospective passengers. Whenever there was a wave of the hand from the side of the road, whether from a pretty girl or a decrepit grandmother, Yoyok immediately turned the vehicle to the left [In Indonesia you drive on the left hand side of the road] without looking to see what was behind him. Then it was the job of the fare collector to find space for the new passenger. No one knows where the fare collector had learned the art of wedging passengers into a narrow vehicle. Clearly, the new passenger would be carried also. And he practiced the art of pushing passengers on board until finally he himself was only able to stand on one foot, and his whole body was hanging outside of the vehicle. In this situation he was still waving his hand and inviting passengers to come on board. He never stopped calling, and his voice was clear and distinct. And it appeared that he enjoyed this: hanging on while his body was buffeted by the wind and he looked out through half-closed eyes.

Once past the city of Lawang the vehicles moved faster. The "beep...beep" alarm sounded more frequently. The passengers were increasingly afraid. Some of them were moving their lips, whether praying for their safe arrival or abusing the reckless driver. However, it was curious that no one spoke. He drove around curve after curve skillfully and drove up and down the small hills in the road adroitly. He really drove well, and this was still with only his left hand.

When entering the city of Purwodadi (East Java) he tried to follow a bus around a fairly easy curve. The bus was almost around the curve when suddenly a truck appeared from the other side of the curve. Fortunately, Yoyok reacted quickly. He pressed down on the accelerator until the Colt seemed to jump forward, while he turned sharply to the left. He avoided collision with the truck, but the nose of another bus came alongside and sideswiped the left rear section of the Colt, rather hard. The Colt lost control and turned over, then collided with a tree which marked the edge of the road alongside a deep ditch and stopped there. This was just a slight accident. The left rear and the central right sections of the Colt were scraped, and the passengers were crying with fear. Fortunately, no one was injured.

A Cat Stepped on by an Elephant

Accidents like that, even those which claim lives, often happen, not only on the road between Malang and Surabaya but also on all roads where Colts are in service. "These accidents generally are due to carelessness on the part of the drivers," said Soeparto, chief of the Highway Transportation Service in Central Java. Although this is so, not infrequently the accidents are caused by the condition of the Colts themselves. "A Colt which jumps off to a fast start will feel as if it is flying. If the steering wheel is moved just a little, it will cause the vehicle to overturn. Perhaps this is because the small size of the steering wheel does not fit in with the height of the body," said Sabam, an experienced Colt driver who drives along the road between Pasar Induk and Jakarta.

Dr Permadi, chairman of the Consumer Leagues Foundation (YLK) stated that on the basis of research undertaken by the YLK in cooperation with a government agency the conclusion was reached that many Colts are not appropriate for the transportation of passengers. In the country where they are made (Japan) Colts are not used to transport passengers. To this aspect may be added the fact that (according to the YLK) the quality of the Colts assembled in Indonesia is lower than those produced in Japan. This research also showed that the conversion of Colts into passenger vehicles (especially their bodies) does not meet technical standards. Indeed, such a standard does not exist. This has given rise to the fact that firms have sprung up producing Colt passenger bodies whose quality is certainly not of a high order. This is especially so if one recalls that in designing the body and using the necessary materials to build it a specially qualified person is needed.

From a Colt body manufacturing concern in Magelang [Central Java] it has been learned that the manufacture of a vehicle body is exclusively based on the order placed by the Colt owner and usually follows existing standards. The materials used and the design are most often determined by the owner of the factory. "Using trained technicians would cost too much. This would cause the cost of manufacture of the vehicle bodies to cost too much also," said the owner of a body manufacturing company. He went on to add that he felt there was not even one body manufacturing company which specially assigned a technician to design them or a researcher to check the materials.

Beside that the YLK also saw that there was no supervision of the application of the regulations after the vehicle went into operation on the roads. This means that the conditions of the vehicle itself may not meet the regulations for the transportation of passengers. For example, if often happens that Colts whose fuel tanks are worn out just use jerry cans with a plastic hose which is connected to the motor. Of course, this is very dangerous and threatens the safety of the passengers. There are also Colts whose doors can no longer be shut and which are just tied with a piece of string.

The YLK also notes that there have been substitutions of material in the manufacture of Colt bodies. There was once a Colt belonging to a chairman of a parliamentary committee which almost split apart when it was hit from the side by a motor bicycle. It turned out that the body of the vehicle was made from material of only slightly higher quality than the material for a can of prawn crackers.

From a number of accidents which occurred the indications are that the accidents occurred when passing another vehicle or after cutting in front of another vehicle suddenly after having passed still another vehicle. This means that the steering balance was impaired at the time the vehicle turned. As it happens, the drivers are rarely aware of such defects. Many reports have been submitted to the YLK to the effect that at a speed of 60 km the vehicles have lost their balance. There are even some which have been involved in accidents at 40 km (not serious accidents), but the vehicle itself has been a total loss, "like a cat stepped on by an elephant," Permadi said.

In view of these facts, YLK believes, before these vehicles are converted into public transport buses, they should be required to pass a safety test.

The already defective condition of the Colts that are turned into public transport vehicles is worsened by the carelessness of the drivers. Of course, these two conditions, taken together, are very dangerous for the passengers. If often happens that a Colt with its stability impaired, filled with passengers beyond its capacity load, is raced in a reckless manner because the drivers regard their Colts as "kings of the road." This is a result of the influence of advertising which almost every day is carried on TV and radio. "Advertising Colts as 'kings of the road' is really a murderous kind of advertising," says Permadi. Such advertising leads the drivers, whose basic education is limited, to think of themselves as kings of the road when they start off in their Colts.

The shortcomings found in Colt-type transport vehicles have drawn the attention of the Highway Transportation Service. That is because for every type of Colt once a year an inspection is usually performed, known as the KIR. The KIR inspection involves checking equipment such as: headlights, brakes, steering gear, and other components. However, it frequently happens that successfully passing the KIR inspection involves a process of bargaining or even bribery. In Yogyakarta, for example, owners of Colts who have not had their vehicles pass through the KIR inspection or who feel that the equipment of their Colts does not meet the requirements of the regulations can easily obtain a sticker showing that they have passed the KIR inspection, provided they make a "balancing" contribution that ranges between Rp 7,500 and Rp 10,000. Then their Colts will be free to operate. Such practices were frankly admitted by a Colt operator who provided service on the road from Yogyakarta to Surakarta and return.

Terminus Officials and "Officials"

The tendency of the drivers to drive their vehicles by paying no attention to traffic courtesy, in addition to the fact that they feel they are "kings of the road," is also a result of the fact that they feel they are under pressure to pay rather high rents. The drivers who serve the route from Surakarta to Yogyakarta and return must pay Rp 8,000 per day to the Colt owner. Although in past years such a sum was easily paid, it is not like that at present. There are hundreds of Colts which operate on that route, and of course they are in fierce competition for the transportation of passengers, as many as possible in order to pay the rent.

There are no longer cases of illegal collection of fees, as once was the case at Joyoboyo Terminal in Surabaya. Here the man who has the right to approve the departure of each Colt is a "terminal official" who is not listed as an official of the Highway Transportation Service or listed by the police. Each Colt which leaves, after waiting for its turn for a rather long time, is charged Rp 200. Meanwhile, those which want to leave more quickly can have the matter arranged after paying Rp 400. Then the driver still must pay from 10 to 20 percent "charges" for each passenger he gets.

In Padang the role of the "terminal official" is even more likely to resemble that of a "terminal boss." It is he who approves the departure of each Colt and he also also who determines which route they must take. Usually, the Colts are permitted to leave when they are full of passengers, because in this way the money collected will be that much more. Practices of this kind are generally in effect in many terminals throughout the country and are even carried on right under the noses of the government officials. "It is difficult to stop such practices. It is too

complex and may result in community disturbances. There are many social aspects that come up. For that reason, handling them must be in the hands of several government offices," said Soeparto, chief of the Central Java Highway Transportation Service.

The question of rents, paying off "terminal officials," and other illegal collections push the Colt drivers to drive as they do. As a consequence the Colts push each other to go faster. The question of discipline and paying attention to traffic regulations are matters for later attention. "For example, if there is a violation of the law, usually it can be settled peacefully with the policeman," said Suyono, a driver on the Colt route from Magelang to Semarang. It should not be surprising that the Colts which drive fast and are full of passengers should race with each other and that this is a common practice. Soeparto went on to say, "In this connection if the passengers are willing to be patient, they don't have to crowd in."

For the routes between Semarang and nearby areas, in addition to service by Colt there are also many buses and railway service as well. In this connection Colts filled with passengers are often seen passing empty buses on the same route. This is really astonishing, but it is also possible that this is because the Colt fare collectors have a special skill in attracting passengers, with the result that many passengers are happier riding in Colts than in buses. In East Java, for example, the average Colt driver is still rather young and good-looking. It should not be surprising that young girls and flirtatious women should prefer to ride in Colts (especially if they can sit beside the driver).

In view of the number of Colts, this brings up a special problem. The businessmen generally think that operating Colts is more profitable than operating buses. In Jakarta, for example, although the guidelines for transportation were set out in a Decision Letter by the governor in 1970, which provided that public transportation was limited to the railroads, buses, taxis, mikrolet [small buses], and 3-wheeled vehicles. Now the number of Colts in operation is very large, both those with a yellow license plate (meaning they have official approval) as well as those with a black license plate.

It must be admitted that Colts have the capacity to operate on routes where buses and railroads cannot go. Of course, in this way the inclusion of Colts in the transportation field is due to those who live far from bus and railroad lines.

Beside that, as Dr Permadi said, "the growth in population and the increasing progress in communications have stimulated the Indonesian people to become modern people. Of course, their needs for transportation are increasing by leaps and bounds." Meanwhile, the government itself is not able to meet these community needs, so that the provision of this kind of transportation infrastucture is still within the limits of what is possible. In this connection the need for quantity in transportation is still more important than the need for quality. "This is why the Colts are permitted here, whereas in their country of origin they are not permitted to operate to provide public passenger transportation."

The ease in obtaining an operation permit, the easy requirements for their purchase, and the low cost of maintenance have stimulated businessmen to go into this business in large numbers and to expand their business in the field of Colt

type transportation. In Padang, to serve a road network which does not exceed 200 km, no less than 300 Colts are currently in operation. In Bukittinggi the same number of Colts is felt to be too numerous to serve the needs of a population which only numbers 300,000. On the route from Surabaya to Malang people take Colts on the average of five per minute. The same thing happens in Balikpapan, Banjarmasin, Palembang, and as far as Kupang [Timor].

There area few areas like Padang which limit Colt transportation to certain types of vehicles only, such as: Suzuki, Datsun, Daihatsu, Honda, and Toyota Kijang. Meanwhile, the Mitsubishi Colt is prohibited. "There is an order by the governor which prohibits the Mitsubishi Colt from handling the passenger transportation business," says a local official of the Highway Services Department.

This prohibition was ordered after study of the rate of accidents of the Mitsubishi Colt which occured in Java, at the time this type of vehicle was being introduced and was popular with many people. The same thing happened in Pekanbaru, although it was not contained in an order by the governor.

Although the Colt population in Padang is rather large, the number of accidents which occur is relatively small. "This is because the Colts in operation are limited in their speed. In this way, although the drivers want to race, this is still not possible."

Limiting the number of Colts turns out to have encountered many obstacles. In Bukittinggi, according to Adhirudin (chairman of the "Mersi" Transportation Cooperative--Merapi-Singgalang), in fact there already is an order issued by the mayor which prohibits any addition to the number of Colts. However, no one knows why, in 1980 as many as 50 new Colts were issued licenses to operate and join the Jam Gadang cooperative, which was only formed last year. The increasing number of Colts has led to a larger number of them on two heavily-traveled routes: City Terminal to Aurkuning Terminal and Pasarbanto Terminal to Aurkuning.

However this may be, the usefulness of Colts for passenger transporation alongside buses and railroads and other forms of land transportation cannot be denied. This is not only in terms of a kind of business which has brought in monetary profits but also as a field of work which is able to support many people. Imagine in Central Java, according to available information, there were no less than 30 Colt dealers, 300 Colt spare parts stores, 200 garages, and 80 service stations. Don't places like those provide jobs to thousands of workers, and of course doesn't every worker support at least two other persons? And what about the thousands of drivers and fare collectors who of course are the support for several members of their families? This is just in Central Java. It can be imagined how many can be counted in Jakarta, West Java, Yogyakarta, East Java, Sumatra, and going as far as Irian Jaya.

"If you look at the matter from the point of view of the number of people who are supported by the Colt transportation business, it is proper for the government to show more sincerity and attention in handling the question which arise from the presence of Colts on the roads," said an official of the Central Java provincial government in Semarang. Research and study really need to be undertaken before deciding on policy involving this sector of land transportation. Because, as Permadi said, "When the government issues a regulation which is too restrictive, it is the people who suffer."

5170
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SMALL LOAN PROGRAM ACHIEVEMENTS DISCUSSED

Jakarta KOMPAS in Indonesian 18 Sep 81 pp 1, 12

[Article: "Ali Wardhana Says KIK and KMKP Issued Total 2.6 Billion Rupiah Per Day"]

[Excerpts] As of June 1981 KIK (small investment credit) and KMKP (permanent operating capital credit) issued by the government each work day totaled 2.6 million billion [as published] rupiah while there were 2,300 clients per day.

The finance minister said that the government to date has issued 1.2 trillion rupiah in KIK and KMKP credit to 1.2 million clients. The amount of KIK and KMKP credit rises each year. In 1978 KIK and KMKP totaled 300 million rupiah each work day; in 1979 it rose to 600 million each work day, and in 1980 it jumped to 6.1 billion rupiah each work day for a daily total of 900 clients.

These data prove that the government not only grants a great deal of credit, but it also takes equalization into account by offering credit to businessmen in the economically weak category. Total credit of all types amounted to 9 trillion rupiah. Of this total, KIK and KMKP amounted to 1.2 trillion rupiah.

The minister stated further that the major part of KIK and KMKP issued by the government is funneled through the Bank Rakyat Indonesia. Therefore the BRI must do the job of funneling credit to the economically weak businessman seriously in line with government policy.

Permadi, the BRI executive director, who was contacted by this reporter, said BRI has funneled 60 percent of KIK and KMKP credit. This is a huge job, and there are 24,000 bank employees scattered throughout Indonesia down to the village level. It is the only bank with many village units, and the majority of its clients are indigenous people.

Neither Finance Minister Ali Wardhana, Central Bank Governor Rachmet Saleh, nor the BRI executive director was prepared to provide any explanation of the improprieties which occurred in the BRI. A capital city newspaper reported that 31,429 billion rupiah were embezzled by BRI bank employees, from the leadership down to employees in the village units.

Permadi, BRI executive director, only said the matter was still under investigation, but he gave no additional information nor did he confirm that the embezzlements did occur.

The finance minister then said the inflation rate was only 5.9 percent for the period January through August. It is expected that it will not be that high by the end of the year. This proves that the government is watching closely day-to-day price fluctuations. In 1980 the inflation rate was 15 percent and 21 percent for the previous year.

Regarding confidence in the value of the rupiah, Ali Wardhana feels public confidence remains high as witnessed by savings account time deposits and Tabanas [national savings program] which now total 1.1 trillion rupiah out of the 5.5 trillion rupiah in circulation. In the past 5 years Tabanas held by students, employees, farmers, and others have jumped from 70 billion rupiah to 330 billion rupiah, a more than fourfold increase. This is encouraging. Time deposits have only risen twofold, from 400 to 800 billion rupiah.

6804
CSO: 4213/07

EXPORT OF CASA AIRCRAFT

Jakarta PELITA in Indonesian 5 Sep 81 pp 1, 7

[Article: "PT Nurtanio Will Export Its Production of 38 CASA Aircraft"]

[Excerpts] P.T. Nurtanio aircraft manufacturers are preparing another 18 CASA aircraft to fill orders from Bangladesh, Burma, and Thailand. Total export orders for the CASA now amount to 38 aircraft.

This was the statement made by Research and Technology Minister/General Director of P.T. Nurtanio Dr Habibie to journalists yesterday in Jakarta. On Thursday, he reported on various routine matters to President Soeharto at the presidential offices of Bina Graha.

Until the present time, Nurtanio has only produced 1.5 CASA aircraft per month or a total of 18 aircraft per year. Production for the past 2 years has amounted to 20 aircraft solely for export.

In response to questions, Dr Habibie said he did not want to accelerate production to two or three aircraft a month because Nurtanio did not have an ample supply of domestically manufactured components. If production were to be increased, advantage would accrue chiefly to the CASA home office in Spain, because components necessary to assemble the aircraft were still procured from that country. "So, I've held back as long as we don't have a large supply of locally made components," said Habibie.

"However, God willing, in 2 years when Nurtanio is using 100 percent domestic components, then the firm will be able to produce two or three CASA aircraft a month," he added. Until now, domestic components amount to about 60 percent of the locally assembled aircraft.

Dr Habibie declared unequivocally that Burma had ordered four aircraft and that Thailand had requested an additional four aircraft to its original order.

He admitted that Nurtanio, an aircraft manufacturing enterprise owned by the government, also employed foreign manpower from the NBB firm in West Germany. These foreign experts are employed as instructors.

When asked his opinion about licensed production rights to the CASA being granted by Spain to India, Dr Habibie replied that this policy by CASA did not place

Nurtanio at a disadvantage and would create no competition for the Indonesian firm. "However, the granting of a license to India is still being negotiated and the matter is not yet resolved," he said.

He explained that officials of the Spanish aircraft firm had kept him informed of the the discussions with India. "I told them to go right ahead, that there was no problem," he said.

Dr Habibie confirmed that certain decisions had been taken by CASA, among them an acknowledgement by the Spanish firm that plans were being formulated to develop the CN-235 aircraft together with Nurtanio. The latter aircraft would have a load capacity of 100 passengers.

Dr Habibie estimated that around 1991, God willing, Nurtanio with its production would be able to compete with CASA and NBB on a worldwide basis. This is because, at that time, all components for the aircraft will be manufactured by Nurtanio itself. "I'll have the courage then to cut prices by 20-30 percent, and we'll still be able to make a profit," he said.

To manufacture the CN-235, Nurtanio has paid $15 million for a co-production license from CASA. The fee will be fully paid off in 1983. Indonesia, in this case Nurtanio, has invested $55 million in the joint venture with CASA of Spain. CASA possesses capital amounting to $55 million. However, its liquid assets amount to $25 million.

There is no question that the license Indonesia purchased from CASA was very expensive. However, in this manner Nurtanio has access to technology developed by CASA that will be used to manufacture the CN-235.

Concerning the construction of helicopters with a load capacity of 10-12 passengers, Dr Habibie said that Nurtanio was ready to embark on the venture in 1983. He said, however, that helicopters of the Puma type with a capacity of 24 passengers were already under development by the firm, but admitted that Japan had a long technological lead in the manufacture of such aircraft.

Indonesia at present has its own fixed and rotary wing aircraft manufactured domestically, such as the CASA with a capacity of 24 passengers, helicopters with a capacity of 5 passengers, the BK helicopter with a capacity of 12 passengers and the Puma helicopter with a capacity of 24 passengers.

9464
CSO: 4213/06

REPORT ON CURBING OF OFFICERS' PRIVATE BUSINESS AFFAIRS

Jakarta EKSEKUTIF in Indonesian Oct 1981 pp 20-24

[Article by Jasso Winarto: "There Are No More Armed Forces Officers in Business"; words enclosed in slantlines printed in boldface]

> [Text] The action by the minister of defense and security 2 years ago concerning the Prohibition and Control of Business or Trade Affairs for Members of the Indonesian Armed Forces is working perfectly. According to the directive, senior officers who had been involved in business were told to choose, either continue to work in the private sector (meaning they had to request that their retirement date be sped up) or return to Hankam [Defense and Security; i.e. the military]. "You can go into business after you retire," said Gen M. Jusuf. "Only 10 officers chose to come back to Hankam; 143 asked to retire," said Adm Sudomo. "It's because they haven't held a weapon in their hands for a long time," Lt Gen M. Kharis Suhud commented last month.
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> But the relationship between the Indonesian Armed Forces and the business world is obviously not a simple one. What follows is a report by Jasso Winarto, with material gathered by Adolf Posumah, Bambang Kussriyanto and Charles Sihombing.

One rather prominent aspect of the military's role as a social force is its direct involvement in the development of the economy. As soldiers born from the womb of the developing nation, the Indonesian Armed Forces are committed to the ideals of the people, that is a national development that stresses expansion of the economy.

Although the armed forces have played a dominant role in the New Order government [under Soeharto, post 1965], during the First Five-Year Development Plan funds for military development were set aside for development of the economy. Moreover, the armed forces themselves were actively involved in building up sectors other than the military, either through a decision-making capacity or by the direct assignment of active-service personnel to various sectors. The armed forces became committed to the economic sector particularly from the end of the 1950's when officers entered state-owned businesses, former Dutch companies that had been nationalized.

But later there were excesses. Not all armed forces officers given assignments in the business world were successful, and their failure marred the military's image.

Meanwhile efforts to rebuild that image were stepped up, particularly through the labors of Minister of Defense and Security Gen M. Jusuf. Although there has been no shift in the commitment of the armed forces to economic development, for the past 2 years there have been signs of greater selectivity. Military involvement in the business world has been controlled, and the image of the armed forces has been improving more and more.

What the minister of defense and security/commander of the Indonesian Armed Forces prohibited was involvement of middle-level and senior military officers in /private business/ activities. As a result of that directive (No. Kep/26/XI/1979), officers who wished to continue their business affairs were ordered to request retirement. All of the officers involved were given enough time to reflect on the matter and to make their decision voluntarily.

In his statement to EKSEKUTIF last month, Adm Sudomo, vice commander of the Indonesian Armed Forces/commander of the Restoration of Security and Order Command, confirmed that the directive was being carried out smoothly. There are no difficulties. The instructions were completed within 3 months. According to available data, retirement has been approved for 143 officers who wanted to continue their private business ventures. Only 10 officers wanted to abandon private business and return to active duty in the military. "They haven't held a weapon in their hands for a long time," said Lt Gen M. Kharis Suhud, chief of the Administrative Staff.

The instruction prohibiting business activities for officers on active duty in fact has its roots in Government Ordinance No 6/1974 concerning the Limitation of Private Business Activities for Civil Servants. Included in the understanding of private business here are business concerns established by foundations under the auspices of the Department of defense and Security, service branches, the national police, or armed forces units. "Each branch has a foundation. Each foundation has a business unit. There are many of them. No active-duty officers may serve in these units," said Adm Sudomo.

The Department of Defense and Security itself is considered the sponsor of PT Tri Usaha Bhakti, which was officially established in 1968 by Gen Umar Wirahadikusumah, Mokoginta, Rudy Pirngadie and others. In 1966 about 40 businesses had been established by army officers in order to seek additional income. Later all of the companies were united into PT Tri Usaha Bhakti. The air force, navy and also the national police owned companies of that sort, whose objective actually was to take in the retired officers. Be that as it may, many officers on active duty worked there.

Many Who Went Bankrupt

Lt Gen M. Kharis Suhud, chief of the Administrative Staff, views the directive in the light of the needs of the Department of Defense and Security itself. At present, in line with development progress, the armed forces are buying a lot of new equipment: airplanes, warships, artillery, tanks and so forth. Officers are needed, therefore, who can manage these purchases. But armed forces officers who have business skills are tied up in private activities. For that reason the minister of defense and security has decided these officers must be pulled out for the time being. "Meaning those involved in business pursuits," he said.

How these officers came to be involved in the business of trade, according to Suhud, was that at first they were assigned to those positions. It began in 1957. The fight over West Irian was taking place and the Dutch didn't want to relinquish that territory. Then Dutch enterprises were nationalized.

"But just at that time PKI [Indonesian Communist Party] was also on the move through its SOBSI [All-Indonesia Federation of Labor Organizations]. SOBSI was powerful in Dutch companies. Then immediately after the Dutch companies were taken over, the armed forces entered and officers were assigned to the companies."

"Now, everything was going well, except in the field of trade. Many formerly large trading companies became small and went bankrupt because the officers had never been taught the business. They had no business skills. In addition, many workers, most of whom were PKI members, helped to undermine the companies."

"At that time the number of officers assigned to trading companies was quite large. But as time passed the number became smaller and smaller because of company bankruptcies. Then the officers were pulled back to Hankam again," said Suhud.

Today no more officers in the Indonesian Armed Forces are engaged in private business. In addition to being barred from private business, the officers may not hold the position of supervisor, commissioner or director of a private company. They also may not own /preferred stocks/, that is those stocks or capital that, because of their quantity or ownership characteristics either directly or indirectly influence company operations.

But this ruling does not mean that members of the armed forces are forbidden to own ordinary stocks. "Owning shares in private companies is /not/ prohibited, as long as they are not preferred stocks that exert an influence over the way the company is run," said Sudomo in his office.

For members of the armed forces whose rank is first lieutenant junior grade or lower, the ruling is rather mild. They are not forbidden to engage in private trade or business activities. That is also true for the wives of members of the armed forces on active duty with the rank of colonel or lower. But to do so they must obtain official written permission from the proper authority.

"They can sell rujak [snack food], for instance, to add to their husband's income. Those officers whose rank is first lieutenant junior grade or lower may engage in trade to supplement their income. But then they must obtain official written permission from the proper authority."

The directive, of course, does not say anything about children or sons/daughters-in-law of senior officers. What it means is that if senior officers or their wives have been immoderate in their ownership of private businesses which are affected by the defense minister's directive, they can simply transfer the businesses to their children or sons/daughters-in-law. Children or sons/daughters-in-law of armed forces officers are not barred from engaging in business. Only their fathers and mothers are prohibited--and then only if it is private business.

If they are involved in business or trade for a state-owned company, no restrictions are placed on senior armed forces officers. What is meant here is business concerns or corporate bodies active in the business field and established by law, financed in part or totally by the state, either in the form of a public utility (Perum), service enterprise (Perjan), shareholding enterprise (Persero) or regional company.

When requested by the department concerned, armed forces officers may be placed there, even given full-time assignments, especially in vital state-owned companies. "For example, officers in PT Timah [Tin Company] can continue to work there. Although they are involved in trade, they are working for the state, not a private concern," said Adm Sudomo later.

Although PT Pantja Niaga is a state-owned company under the Department of Trade, because it engages in general trade, its president director (an armed forces officer) must ask to be retired if he wants to continue to manage the company. Army Brig Gen Djukardi Odang, 52, has submitted his application for retirement to the defense minister. Odang has headed the company since 1966. As soon as the defense minister's directive went out, Odang said he would return to Hankam. He admitted that at first he wasn't interested in becoming a businessman. Later, it turns out, the world of business held out the greater challenge for him, closing off his interest in returning to Hankam. Finally he asked that his retirement be sped up. This November Odang will become a retired officer.

"I entered the world of business because I was ordered to do so. As a soldier I must follow orders. It's not a matter of wanting to. And I must carry out my duties as well as possible," Odang said to EKSEKUTIF. Evidently the world of business makes him shine. Several years ago he was chosen as model businessman, a title that indicates his achievements.

Pantja Niaga is, of course, one of the few state-owned companies that have been successful among the many that have failed. "Business regulations must be enforced. Sometimes they're heartless," said Odang.

When he was still a major in 1966, Odang was ordered to head Pantja Niaga, which at that time was almost bankrupt because of an excess of employees. There was no money. To resolve the problem, Maj Odang, graduate of the Law School at the University of Indonesia, asked the advice of the university's Management Institute. According to the institute, the number of employees had to be decreased to a work force of only 500. Fifteen hundred workers had to be dismissed. "Laying off 1,500 workers is really a most difficult task, all the more because many were members of the armed forces. None of them had any money. So I went to BNI 46 [Indonesian State Bank 1946] and was able to borrow 250 million rupiahs. With those funds I was able to provide separation pay for those who had to be laid off," he said.

Only after the workers were dismissed could the company get moving and make progress. PT Pantja Niaga not only developed in the field of trade, but also in distribution, construction, production and other fields. Pantja Motor was in the automotive business. Pantja Contracting was in the construction industry, with markets spread as far as the Middle East. PT Tri Sari Veem was in warehousing, and PT Djengger Tour established a tour business. Furthermore, Pantja Niaga has had 27 domestic branches, subbranches or agencies and three agencies abroad. The president commissioner of PT Pantja Niaga is Brig Gen Drs Murdiono, now holding the position of secretary of the cabinet. Members of the commission include Police Maj Gen (Ret) Drs Darjono Wasito and Drs Moh. Haris.

If Djukardi Odang was affected by the defense minister's directive, was Brig Gen Murdiono as president commissioner automatically affected as well? "No," said H. E. Mugni S., company management secretary, "because Gen Murdiono's chief responsibility is secretary of the cabinet." "In Pantja Niaga he is only president commissioner," the secretary said further. So Gen Murdiono is free from the responsibility of choosing.

Choosing between the armed forces and business is difficult indeed. Djukardi Odang himself confesses he would have been happier not to have been ordered to choose, because he had entered business on the basis of an order. It would have been better if they had just issued new orders: Brig Gen Odang is hereby withdrawn from duty in Pantja Niaga and ordered to Hankam. "Crystal-clear!" he said.

And if that had happened? "I would have been willing to hand over control of Pantja Niaga to civilians. What is important is loyalty to the government," said Odang.

Cattle Trade

After the defense minsiter's directive had been issued, a new policy was established on the matter of assignments. "We will not give assignments if there is no request from the department involved. If there is a request, only then will we transfer or place the individual. Then we have to do it. If there aren't any requests, well, we just won't issue a transfer."

"But there are many also who are still asking to remain in the armed forces. Pak Sumarlin, Pak Radius, Pak Widjojo have all decided for the armed forces--in order to confront those who have misbehaved. Haven't the armed forces been trained to command? What is needed is leadership capability to confront them," said Gen Suhud, chief of the Administrative Staff.

In confronting all kinds of social problems, the armed forces have followed these principles: Is it constitutional? Does it prioritize preventive measures? Is it humanitarian? Does it /educate in order to increase capability/? What it means is having to teach civilians. If, therefore, someone is ordered to Hankam, a capable civilian can replace him.

If an armed forces officer who is in active service is barred from business affairs, it is precisely the MPP [Retirement Preparation Period] officers who are suggested as the ones who could go into business, said Suhud further. It would be best for them to engage in private enterprise because their pensions are not enough to live on.

But obstacles for the pensioned officers are not small either. The government must train them. "These individuals are only skilled in holding weapons. If they are not trained, they will have a difficult time. There are many retired officers, thousands of colonels and hundreds of generals. But only a handful get ahead. Not many. The problem is there are those who want to work and those who really don't want to," said Vice Adm (Ret) O. B. Syaaf.

They are looking for a free ride, he said further. "A free ride off those who have capital. Then those who have capital use them in order to obtain favors. So all they have to do is twiddle their fingers. That is what is not right. Actually the retired officers can ask for credit at the bank and then go into business for themselves. Many retired officers don't want to work hard. So they become puppet chief directors."

The training program at Hankam's Management Institute is very useful, because the basics of management can be applied to all fields, said a retired admiral who currently sits as director of PT Graha Purna Yudha and commissioner of PT Bonded Warehouse.

Brig Gen (Ret) Acub Zaenal doesn't want to become a puppet. "In business I don't want to be under someone else. For that reason, I must be the largest stockholder when establishing a business. I plan on becoming the chief director of each of my companies. I don't want to simply be made into a puppet. I also don't want to be made a commissioner. I might be deceived again," he said.

He was indeed once deceived. After being released from military service and retired from his position as governor of Irian Jaya, Acub Zaenal entered into the cattle trade business. Often deceived, even by his own friends, he sold his Bali cows in Jakarta. His capital amounted to 12 million rupiahs. But after the Jakarta transaction, he only had 6 million rupiahs left. "Now, what happened to the other 6 million? I don't know. Obviously I was mistaken about the creditability of certain individuals," he said.

Clearly business cannot be part-time work if one is going to succeed. On the contrary, during the initial phases it is often necessary for one to become directly involved in the performance of the work. "From the moment I entered business I have never cultivated government markets, only markets in the private sector. Perhaps that is why I have not received any favors. I was in such a hurry looking for opportunities, I never took care of my pension," he said. As a businessman Zaenal has indeed been successful. He has many enterprises: PT Honolulu Film, PT Alpha-Zenith, a timber concession in Irian Jaya, and currently building an office complex in Yogyakarta.

Different from most retired military officers, Acub Zaenal does not agree if favors are given on the basis of being in solidarity with the armed forces. Business is different from the social domain. The institution of business is not a social institution. Even business achievement differs from social achievement. "But if the basis for the granting of favors is the development of individual capability and a balanced, positive contribution in an effort to fulfill the needs of the armed forces, then that is OK. The principle I follow is also valid for locating former armed forces personnel in business. The basis of the principle is a person's ability and achievement in business organization," he said.

Maj Gen (Ret) Haji Moh. Anwar, director of PT Lokta Karya, evidently is also averse to asking for favors. This company is involved in the import of weapons for Perbakin [Indonesia Shooting Association; small arms]. His idealism is still directed to the sport of shooting. "At the time of my retirement I am proud I can still contribute my energy to the building of the nation's character," he said. This grandfather with six grandchildren took the opportunity to say that he would not undermine the nation by asking for different kinds of favors. "As long as one believes in the teaching of religion, rightful fortune surely will come," he said. Last year his company had sales of 500 million rupiahs. Because the company is involved in security matters, a professional [civilian] manager cannot possibly run the firm. That is the reason the retired major general is there.

Confirming O. B. Syaaf's remarks, Haji Moh. Anwar also sees many retired generals who are tempted by wealth. Those who have money do not seek skills but protection. Many stumble into the trap of the wealthy. "And the danger is the further into the trap you get, the thirstier you are for money. This is the cause of the widening gap between rich and poor," he said.

Concerning the change of profession from military to business, he said an armed forces officer--especially one who had led in battle--surely could manage a company. In business, of course, there is the problem of mutual deception. Even in the military there is intelligence knowledge. But when it comes to discipline and work stamina, the armed forces have no equal.

Acub Zaenal is not surprised by those kinds of changes in profession. "Indeed there are many similarities between the military and business. Competition is the same as doing battle. Pursuing contracts and profits is the same as pursuing and defeating the enemy. Once there is a clash of arms with the enemy, the contact must be maintained so that the enemy does not escape. It would be difficult to find him later. So too when you meet with a fellow businessman or a consumer. He must be pursued and contacted. In the military there is strategy. In business also there is strategy. There are even tactics," he said.

Even though there certainly are many similarities, Air Marshall (Ret) Sri Mulyono Herlambang feels it a little strange to change professions, because one must begin at the bottom. After retiring in 1967, he began a career in business by raising 200 chickens. He needed a kind of mental discipline to free himself of the uneasy feeling he had because of his self-esteem--a soldier who had become a businessman. By raising chickens the air marshall could meet traders in the marketplace, pharmaceutical agents, and chicken farmers in the villages. One's mental state must be changed. This is what was most difficult for him as a senior officer who, whether he wanted to or not, had to maintain his social status.

In order to increase his knowledge, Sri Mulyono Herlambang had no qualms about studying again by taking management courses, attending seminars and so forth. Having been able to sell eggs and chickens, he then gathered up the courage to increase his business--by selling planes! Well, why not? "To date I have sold 70 planes. My customers include Merpati Nusantara Airlines, the Curug flight school, and the Adisucipto Air Force Academy." His chickens have also multiplied. No longer 200 but 10,000 chickens. Under the stipulation that he couldn't raise any more than 5,000 chickens, he said, "I had to put on the brakes."

Besides owning a chicken farm, Herlambang also owns six other businesses in a number of different fields, from selling planes, selling spare parts for the planes, aviation consultant, EMKU [expansion unknown], travel bureau, door-to-door parcel delivery, to selling chicken eggs. He has so many businesses that he admits he has never studied his sales in detail. "But because of the government's policy of equal distribution, I had to rein myself in. I could head many enterprises," he said, "but six is enough--besides raising chickens."

As a businessman formerly in the military, he holds to the principle that he must become an example, especially because of his spirit of endeavor. What it means is that state interests must come before the interests of groups. And the interests of groups must come before self-interests.

By this principle he continues to try to help fellow retired officers get involved in the business world. In his office he has employed many retired officers. He now has become head of the Hankam Friends Association, of which 1,800 companies are members. Apart from raising the living standard for retired officers, another goal of the association is to aim for a future defense industry by using experience and profession and by helping to protect state secrets. In any case, there are no active-service officers working in the association. Only retired officers are channeled there. Therefore the association is not affected by the defense minister's directive.

Keep On Going

Is the defense minister's directive of 1979 an indication that the Dual Function of the Indonesian Armed Forces [national security and social action] is going to diminish?

"Conceptionally the dual function of the armed forces will continue to exist. Aren't the armed forces from the people themselves? So, the understanding of dual function is we too must join in being responsible for the development of the nation. As a social force, we join together with other social forces in actively developing our nation. In developing the nation the armed forces can offer suggestions and be actively involved in the executive, legislative or judicial fields," said Adm Sudomo.

Here, then, is the understanding of the dual function of the armed forces: a social force together with other social forces responsible for the progress and decline of the state. When civilian leadership and professionalism increase, then society's need for the armed forces in that role will diminish. "And we would be wrong not to train cadres of them. The number of civilians who are capable of leading is also increasing more and more through different kinds of education, tours of duty and so forth," said Sudomo. The admiral sees a lot of progress in civilian leadership, whether as governor or district head, and their achievements are unequaled.

Similar remarks were made by Gen Suhud. "As long as there is a Pancasila [state ideology] based on the principle of national family spirit, the concept of dual function will continue to exist. The armed forces are a social force. Theoretically executive offices, for instance, are not related to the armed forces. But in practice is that possible? PKI is a latent threat. Even though we are not combatting the communists any longer, that doesn't mean that communism does not exist. We are members of the large family of nations. Many countries in the world profess communist ideology. And, whatever else may be, they will continue to carry out their goal of communizing the world," he said. For that reason the Indonesian Armed Forces will continue to be needed, even though not in great numbers.

9792
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NEW INVESTMENT FOR RAILWAY DEVELOPMENT DISCUSSED

Jakarta KOMPAS in Indonesian 28 Sep 81 pp 1, 12

[Article: "Large-Scale PJKA Development Has Begun; Investment Credit of $525 Million and 93.5 Billion Rupiah Is Allocated"]

[Excerpts] In the coming 5 years, from 1981-82 through 1985-86, Indonesian State Railways (PJKA) will enter into an unprecedented large-scale development phase. For such development the government has allocated $525 million in investment credit to which 93.5 billion rupiah have been added.

Eng Pantiarso, PJKA executive director, told KOMPAS in Bandung last week that this investment program is aimed at increasing and repairing the PJKA productive structure, increasing passenger service at an average rate of 7 percent per year, and supporting an increasing demand for freight transportation.

With such a large investment, Pantiarso said, there will be a drastic leap in PJKA freight service. For Java the increase is estimated to amount to 71 percent, for South Sumatra 169 percent, and what is more, for West Sumatra 376 percent. If the Bukit Asam project is completed by the end of 1984, freight transport in South Sumatra will rise by 751 percent by 1985-86.

Pantiarso said changes in the productive structure will also affect PJKA revenue. By 1985-86 revenue will have risen by 41.5 percent over that for 1981-82 which is estimated to total about 53 billion rupiah. Furthermore if the Bukit Asam project is completed, PJKA revenue for 1985-86 will rise by 98.1 percent.

"With the enormous leap in revenue, it is expected that the deficit for 1985-86 will be reduced to half the 1981-82 deficit," Eng Pantiarso remarked, without providing any detailed figures. Further, an allocation for maintenance that more nearly approaches actual requirements will be possible and consequently the burden placed on DIP (project schedule) for maintenance will be lessened.

Of the $525 million credit package, 75.2 percent will be used to purchase locomotives and rolling stock, 19 percent will be used for infrastructure, and 5.8 percent for other requirements. About 60 percent of the budgeted 93.5 billion rupiah will be used to fund infrastructure development and the remainder will be used for other requirements that support the development project.

The loan is also significant for passenger transport. For the coming 5-year period, it is estimated that passenger service, expressed in passenger-kilometers, will increase by 37 percent. For Java the annual increase in passenger-kilometers will be 10 percent.

Pantiarso said primary attention in regard to the investment credit will be given to railway maintenance and adding locomotives and rolling stock. First priority is to be given to rail line maintenance, that is, on 2,500 kilometers of primary rail lines in Java.

This is to be followed by the approximately 300-kilometer line in South Sumatra from Kertapati to Prabumulih to Tanjungkarang, the line from Prabumulih to Lahat to Lubuklinggau, and the 200-kilometer North Sumatra line from Rantau Prapat to Medan to the Belawan sector as well as the Belawan-Besitang line. Thereafter priority is to be given to the West Sumatra line that supports coal and bulk cement transport, that is, the approximately 150-kilometer line from Padang to Sawahlunto.

Pantiarso compared Indonesia with Thailand which has 4,000 kilometers of track that serves a population of 35 million with 1,500 passenger cars. Java, with 4,500 kilometers of track and must serve 91 million persons has only 800 passenger cars. With this huge investment credit, 300 passenger cars and about 100 locomotives will be added to the system.

Freight volume is expected to jump drastically compared with earlier years because in the same 5-year period PJKA must support rapid development in the industrial, mining, and agricultural sectors, particularly that which is expected to occur in Sumatra. It is planned that for fiscal 1982 PJKA will carry about 5.899 million tons of freight. In 1980-81 PJKA freight volume amounted to only some 4.224 million tons.

To meet expectations for this period, Executive Director Pantiarso said, PJKA will add a number of freight cars and locomotives. About 1,800 cars will be added to the 12,000 now on hand. With its current capacity, PJKA is transporting about 4 percent of the total national land, sea, and air freight traffic. Records show that PJKA has transported 973.06 million ton-kilometers annually.

Black Sheep

To date PJKA has been transporting negotiable freight such as oil, cement, fertilizer, coal, and estate products and non-negotiable goods consisting of nine basic commodities, asphalt, cattle, stone, sand, and other items. In addition, in years past PJKA has transported "fragile" items such as electronic goods, textiles, and automobiles.

PJKA now owns various types of freight cars, depending on what is needed: enclosed cars, semi-enclosed cars for cattle, gondola cars for carrying sand and stone, flat cars for transporting timber and vehicles as well as kettle cars for oil transport.

Eng Pantiarso did not have much to say about rates since these are set by the Department of Communication. In this regard, PJKA merely submits proposals based on actual cost calculations, competition, value of the transport or service, value of the load, and government policy. PJKA freight rates are lower than those for highway transport.

Persons or companies needing PJKA service can request a coach or freight car since by nature, this is a public service. Anyone, company expediters or individuals, can obtain freight cars to transport their commodities.

PJKA guarantees that the freight will arrive on time at the required destination. Compensation can be requested if the goods do not arrive on time.

PJKA also guarantees that the freight will arrive at its destination safely. To prevent anything undesirable from happening, PJKA lays on special supervision which is carried out by a railway security unit (SAT PAMKA). PJKA also authorizes the use of private guards to escort the freight if the customer so desires.

Pantiarso admitted that, viewed from a profit angle, freight transport is more profitable than passenger transport in the ratio of two to one.

Almost all of PJKA capacity for freight transport is used, and PJKA often finds itself unable to meet demand for service because it does not have enough cars to meet all public transport demand. Yet, with the little development that PJKA carries out from year to year, obstacles can be overcome. Nevertheless Pantiarso admitted that PJKA capability continually fails to meet demand for freight service.

Pantiarso could not say when the Jakarta-Surabaya line will be "double tracked." As a service agency, PJKA does not have to concern itself with making a profit. "In conformance with the GBHN [main line of national policy]," Pantiarso said, "PJKA focuses more on its social mission and therefore is not profit oriented." The government merely expects that PJKA, in the first phase, will be able to cover operating costs.

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CSO: 4213/07

KEMAL IDRIS DISCUSSES HOTEL CAREER, PHILOSOPHY

Jakarta JURNAL EKUIN in Indonesian Sep 81 pp 1, 12

[Article by Agus Suprihanto Soerono: "Kemal Idris: From General to Diplomat to Businessman"]

[Text] A. Kemal Idris, executive director of the Gryawisata Hotel Corporation, admitted that the pension he receives as the former commander of the Bali-Nusatenggara Defense Region would not cover his living expenses.

After completing his last assignment as ambassador to Yugoslavia and Greece in 1977, he dived into the hotel business. The Gryawisata Hotel Corporation was established with a brother in arms.

What attracted a military man to the hotel business? Kemal said it was because of a survey he made while stationed in Tito's land. The tourism sector was the biggest foreign exchange earner for that country. The situation is different in Indonesia where things are still a bit precarious as far as tourism is concerned. Yet the obstacles and challenges faced by Kemal Idris in founding the Singaraja Bali are not those put before him by foreigners but by Indonesians who doubt their own people's abilities.

Although he is a retired lieutenant general, Kemal Idris doesn't want to lean on this title to seek facilities for his business. "If I must see a lieutenant, I call on him as a private individual," he remarked. He is determined not to use his former position to get what he needs, and he does not want to beg for assistance. He wants to develop his business as any private individual would have to.

With a loan of 15 million rupiah, Kemal began to work himself into the hotel business. The fact that he is an extrovert helped bring him success. He began by managing a hotel, then added a restaurant and a cleaning service. With a turnover of 150 million rupiah annually, Kemal can afford to relax.

The business grew from year to year, and now in his home town he is organizing a hotel merger under the name of "Bali Sanur Bungalows." It includes the Peneeda View, Besakih, Irama, Puri Dalem, and Respati units.

In recounting the history of the Bali Sanur Bangalows which he has just inaugurated, Kemal Idris said the hotels which were merged into the BSB were small hotels that

ran into problems with repaying their bank debts. They solved their problems by agreeing to the merger. With the aid of a team of appraisers, they were able to pay off their debts with the price received for their property. Eighty percent of what remained after paying off their debts was converted into BSB shares and the remaining 20 percent was paid to the hotel owners.

Gryawisata, considered to be expert at organization in the hotel field, was asked by the bankers to handle the merger. The reorganization of the hotel began in 1978, and the first step undertaken was the creation of a new image for the hotel as a stepping stone to the future development of BSB.

A shareholder as well as owner is a consortium of banks consisting of the Bank Bumi Daya, Bank Rakyat Indonesia, Bank Exim, and BAPINDO [Indonesian Development Bank.] BAPINDO became involved because it took over the shares of the former hotel owners prior to the merger.

Initial Step

When Bali Sanur Bungalows ran into trouble because of a lack of equipment and skills of its employees, the organizers, as a first step, integrated the employees who came from different hotels and consolidated their skills.

The organizers had some problems with adjusting the different wage scales that had been in effect at each of the hotels in the merger, because under the labor law workers' wages cannot be reduced automatically. But with the ongoing integration, the differences in employees' wages could be resolved by BSB.

Kemal said that under "house rules" that were established, the employees knew when they were entitled to a wage increase. In addition such increases were dependent on the management's evaluation of an employee's performance. Moreover, workers who performed well were to be given an opportunity to expand their job skills. With the establishment of these house rules, the workers felt they had a bright future and they knew what could be expected.

In the first year of the renovation, BSB's occupancy rates were adequate. Overall, however, they still suffered losses because installments had to be paid on the debts incurred for integration and for modernizing the hotel equipment so that proper service could be offered. In line with its job as caretaker, Kemal said, Gryawisata had to make renovations as requested by the shareholders.

Having BAPINDO as a shareholder was a wise move for the bank granted credit for the hotel renovation.

"The difference in the hotel before and after renovation is like the difference between night and day," he said drawing a comparison.

"After changes were made, the guests felt more at home in the hotel," he added. The number of rooms were increased from 111 to 160. With the completion of the Respati unit, which is expected to be in operation in December 1981 as a "youth hostel" (with relatively low rates charged), the capacity will be increased to 200 rooms.

"The hotel can no longer be considered a small hotel and it is even beyond being considered a middle-sized hotel," Kemal said.

The cost of renovation, he said, has risen each year because of inflation. According to the latest records, renovation costs total 1.2 billion rupiah.

It was calculated that the high debt incurred would be returned within 10 years. However," Kemal said, "with the increasing numbers of foreign tourists who come to Bali and stay at the hotel, the debt is expected to be paid off in a shorter time. The occupancy rate for the Hotel Bali Sanur Bungalows was recorded at more than 70 percent but in July and August occupancy was 90 to 100 percent." Most of the guests at the BSB Hotel come from Australia and Holland because preference was given in marketing the hotel to visitors from the lands of the kangaroo and windmills. To attract even more guests, each unit was equipped with a swimming pool, lobby, restaurant, and kitchen, which match the size of the hotel, in order to serve guests more rapidly. This differs from the situation prior to the renovation where guests were not assured that their food orders would be served in 45 minutes. "Now a food order can be prepared in a short time," he stated with assurance.

Concerning his ambition to be awarded the "star," the Gryawisata executive director said this was tied in closely with the equipment available and the service provided. He judged that with the renovation, the quality of the hotel is much like that of the big hotels. An evaluation of the hotel has been submitted to the director general of tourism toward being awarded the star. "I expect BSB to be given three or more stars!" he said optimistically.

"It may get four stars, but it will get at least three," he added.

Speaking about Gryawisata, Kemal Idris said the hotel was built on an ideal, namely that he wanted to dispel the general view that white men are always more capable than Indonesians. As a comparison, he said that Indonesians proved themselves capable when they seized independence from their colonizers. So, this is a "de facto" admission that Indonesians can organize. This also means that the fourth force of ABRI [Indonesian Armed Forces] must give evidence of its capability to plan exercises. "Of course we ask foreigners for assistance to raise our weaponry skills, but these foreign experts never are appointed as battalion, company, or other commanders. They are merely asked to provide guidance as to how we can raise our capabilities, how to use equipment, how to handle maintenance, and for other matters," he said spiritedly.

The same is true for the tourist business in the economic sector. He brought in experts whose knowledge can be tapped to improve the management of the hotel, to point out that should be improved in methods of operation, handling of financial matters as well as establishing career ladders for the employees. "This does not mean that I am anti-foreigners. If they must be brought in, okay! But records must be kept and within such and such a time, they must be able to train two or three persons to replace them," he stated firmly.

He said he saw over 20 foreign workers employed in each of the big hotels in Jakarta. "How can we show what we are capable of doing if our people are never given an opportunity to handle a job?' he said stingingly.

Kemal believes it necessary to drill the need for confidence and the need for opportunities into the minds of government officials and private individuals because they lack confidence in the capabilities of their own people.

Gryawisata continues to spread its wings based on Kemal's ideal. In the field, Gryawisata manages the 210-room Hotel Tiara Medan owned by the Exim Bank. The company also acts as a consultant to hotels in East Java. The company's position is judged as increasingly stable through its own efforts. Kemal also manages the 80-room Hotel Swarna Dwipa in Palembang, which cost 600 million rupiah and is owned by the South Sumatra Regional Government.

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PARLIAMENT APPROVES NEW CRIMINAL CODE

Kuala Lumpur BUSINESS TIMES in English 17 Oct 81 p 6

[Article by Francis Daniel in Jakarta]

[Text] THIRTY-SIX years after independence, Indonesia has decided to scrap its old colonial criminal laws as too complex, harsh and inadequate to protect individual rights.

Parliament last month passed a new, streamlined criminal code to replace the century-old Herzien Inlandsche Reglement, inherited from the Dutch.

The code, enacted after years of public criticism of the old laws, will take effect after formal presidential endorsement, expected in the next few weeks.

Officially described as historic, the new code will, for the first time since Indonesia's independence in 1945, limit the period of detention before trial.

It will also allow defence lawyers to witness police interrogations and seek compensation for wrongful arrests.

But leading lawyers here said that the new code still had many loopholes that could be used to detain anyone without trial or cover up official irregularities.

They pointed out that the so-called "special laws" dealing with subversion, including corruption and economic crimes, have not been brought under the new code.

The military-backed government of President Suharto has only said it intends to change the "special laws" and incorporate them in the new penal code "in the shortest possible time."

Government backers argue that the subversion laws are needed at present for national security purposes and deny that they are being kept out of the new code for political reasons.

The anti-subversion regulations were first introduced by the late President Sukarno as one of many decrees under his "guided democracy." It was revoked in 1966, but was reimposed in 1969 to round up radical and underground elements, including members of the outlawed Communist Party of Indonesia (PKI).

At one stage in the early 1970s more than 30,000 people were held under the regulations, but the number has since dwindled to a few hundred — the bulk of them believed to be Muslim extremists.

Critics of the new law say that legal assistance a defence lawyer could provide during police interrogations remain too vague. In cases involving national security, the lawyers will be allowed to watch but not listen to the questioning.

Brushing aside criticism from the legal profession, Justice Minister Ali Said hailed it as a milestone in Indonesian jurisprudence and "a step forward in meeting the basic human needs."

The principles of "presumption of innocence, fair trial and equality before the law" were all enshrined in the new code, he said, adding there would no more be arrests on suspicion alone. A warrant of arrest specifying the charges should be produced at the time of detention.

Current laws set no time limit to detention. But the new edict spells out the pre-trial detention period for various offences after which a suspect must be released if evidence of his guilt cannot be established.

"There will be no more cases in which defendants are detained up to nine years without trial as in the past," the Justice Minister said.

One feature of the new code is the concentration of arrest and detention powers in the police, who at present share the power with regional military commanders, public prosecutors and the attorney-general's office.

A leading civil rights lawyer, Adnan Buyung Nasution, described the unified command structure under the new code as a breakthrough in simplifying pre-trial procedures.

But he doubted if the new system could be implemented throughout the 13,677 islands of the Indonesian archipelago where military commanders have held sway. Others said it would be a long time before police gained the legal knowledge necessary to handle the new powers.

The Justice Minister also held out the hope that the new code would help reduce corruption in the Indonesian official investigative machinery and the judiciary.

In the past, even plaintiffs had to give bribes for their cases to be heard, he said.

But Mr Nasution maintained the new laws contain defects and said a group of leading lawyers, educationists and social workers were studying ways to remove them in the coming years. — Reuter

CSO: 4220/536

U.S. COMPANIES LEAD IN INVESTMENT IN PETROLEUM SECTOR

Kuala Lumpur BUSINESS TIMES in English 27 Oct 81 p 3

[Article by Richard Cowper in Jakarta]

[Text] OIL and gas dominates much of Indonesia's economy, but direct foreign investment in this sector has always been a closely guarded secret. The result is that Japan has always been thought of as the country's leading investor.

But figures recently uncovered show that foreign investment in the petroleum sector accounts for about 60 per cent of all foreign investment in Indonesia, and that the US — critically important in the oil and gas sector — overshadows Japan as Indonesia's foremost investor.

Indonesia is the largest oil and gas exporting nation between the Persian Gulf and the west coast of America. Despite this, publicly available statistics on direct foreign investment in Indonesia have always excluded oil and gas.

This has disguised the overall size and relative importance of foreign investment to Indonesia's economy, and the key role played by American companies and investment.

Figures newly acquired show that in the last decade foreign oil companies spent around US$9.5 billion in Indonesia (excluding liquefied natural gas), of which US$5.8 billion might fairly be described as investment. Of the latter more than US$4 billion was invested by US companies.

The figures show that foreign investment in the petroleum sector accounted for around 60 per cent of total implemented foreign investment between 1971 and 1980.

According to the Bank of Indonesia, realised foreign investment in the non-oil sector during the last 10 years was US$3.8 billion. Added to the US$5.8 billion invested in the oil sector, this takes the total foreign investment in Indonesia during that period to US$9.6 billion.

Japan, which dominates the non-oil sector and is widely believed to be the country's top foreign investor, accounted for around 30 per cent of this total while the US accounted for more than 40 per cent.

America's desire to play down the key role that it performs in the country's economy, coupled with Indonesian political sensitivities over the size of the foreign stake in its economy, explain much of the official reticence in providing figures for foreign investment in the petroleum sector.

Difficulties in deciding on a precise definition for investment also play a part. In theory, spending on petroleum exploration and production by contractors in Indonesia is not investment, since the title on all equipment changes to Pertamina, the state-owned oil company, as soon as goods enter the country. However, experts dismiss this as a technicality, and generally agree that money spent on exploration, development and facilities, but not production, is most accurately defined as investment in the oil industry.

Looked at from the perspective of total spending by foreign companies, Japan may still be considered Indonesia's biggest spender. Because of the high demand for working capital in Japanese ventures in Indonesia, direct investment accounted for only a small proportion of their liabilities, perhaps 20 to 30 per cent. Thus Japanese companies, it seems, spent more money in Indonesia during the 1970s than American companies, but invested less.

Petroleum is crucial to Indonesia's economy — accounting for virtually 70 per cent of the country's exports, and around 70 per cent of the government budget.

Foreign companies, mostly American, play a commanding role in this sector. Eleven of the 16 foreign companies producing oil in Indonesia last year were American. Between them, these US companies accounted for over 80 per cent of Indonesia's oil production of 557 million barrels, and just under 80 per cent of the country's gas production of 1 trillion (million million) cubic feet.

Just how much these companies earn in Indonesia is by no means clear. But according to a US Department of Commerce report, US$2.4 billion flowed back to the US in 1979 from profits earned by US companies in the Asia and Pacific region, and the largest proportion was generated in Indonesia.

These companies are now pouring new money into Indonesia at a rate that has not been equalled since the near collapse of Pertamina in 1975.

Indonesia's political stability, its lack of foreign exchange controls and the rising price of oil (which has made it more attractive to tap the relatively small oil fields which are characteristic of most new finds in Indonesia) have all combined to generate the current boom in exploration activity.

Last year, foreign oil companies spent a record US$1.9 billion on exploration, development and production in Indonesia. This year they are budgeting for a total expenditure of US$3.2 billion.

Though Japan is now beginning to invest more in Indonesia's oil sector, of the US$1.5 billion which the Government expects oil companies to invest this year, over 70 per cent will be accounted for by US companies. — FT

CSO: 4220/536

BANNED BOOKS TO BE TRANSLATED, PUBLISHED ABROAD

Kuala Lumpur BUSINESS TIMES in English 28 Oct 81 p 19

[Article by Peter Griffiths in Jakarta]

[Excerpts]

INDONESIA'S best-known novelist and ex-political prisoner, Pramudya Ananta Tur, plans to publish his latest works abroad despite a ban on two of them by the Indonesian government.

A translator has just finished the English version of *Bumi Manusia* (The World of Man), the first four novels secretly written during the 56-year-old author's 14 years in detention. He was released in December, 1979.

...Negotiations were going on with the London publishing companies of Longman and Collins, Pramudya told *Reuters* and it was hoped *Bumi Manusia* and three related historical novels would be on sale by the end of next year, not only in English but in Japanese, Chinese, Russian and German.

A Dutch version of *Bumi Manusia* has already appeared and released wide critical acclaim in the Netherlands.

Pramudya was imprisoned with an officially-estimated 120,000 other suspected communist sympathisers following the 1965 communist-inspired coup attempt.

He was never formally charged with a crime, he denies he was ever a communist but says his guilt lay in his association with the communist-affiliated cultural association, Lekra.

Lekra itself effected a ban on the works of some writers opposed to Sukarno after it won a measure of control over Press and artistic groupings from 1963 to 1965.

"The situation at that time was quite different. Then Indonesia had many enemies," he said.

"I joined the revolution to maintain the people's unity. I never proposed any banning of books but neither did I oppose it," he added.

Pramudya insist he has no regrets over the activities of Lekra, which he justified in the cause of national unity. This is almost the same argument used last May when Pramudya's novels were banned by Kopkamtib (the Command for the Restoration of Security and Order) and by Attorney General Ismail Saleh.

Two of the four books Pramudya wrote on Buru Island — *Bumi Manusia* and *Anak Semua Bangsa* (A Child of All Nations) went on sale here last year.

Published by a company formed by two of the author's fellow Buru Island prisoners, the books were immediate hits.

Bumi Manusia sold over 40,000 copies through five printings, making it the biggest selling work of fiction in Indonesia's history.

But last May 29, the Attorney General announced the ban on the grounds that they threatened "the security situation and general order." The books emphasised Marxist-Leninist class struggle, officials said.

Security authorities directed all people owning copies to hand them in immediately to their local police stations. Only a small proportion of those distributed were returned.

"I have never studied Marxist-Leninism ... but it is true I am on the side of the people. What might worry some people now is that history repeats itself," he said.

There are plans to publish the second two novels of the quartet, *Jejak Langkah* (Step Forward) and *Rumah Kaca* (Glasshouse) in Indonesia soon.

"According to the law all new publication must be submitted to the Prosecutor General's office within 48 hours of release. We can distribute plenty of copies within that time," one of Pramudya's supporters said.

But the future of their "ex-prisoners" Hasta Mitra Publishing House is uncertain. One of the two former internees who ran it, Joesoef Isak, was arrested on the orders of Kopkamtib earlier this month.

His detention, along with four university students, follwed a talk the author gave at Jakarta University on Sept. 24.

The students were later released after questioning about who organised the talk. One of them was Isak's son.

Pramudya was confident the publisher would also be released soon. "If you look at the way things are now I don't suppose he will be held for another 14 years," he said.

Since his release and return to Java, Pramudya has had to report weekly to the military police. He has no passport and may not leave Jakarta without special permission.

The quartet is set in the Dutch period and focuses on Javanese life in the early 1900s. In his own words the novels deal with the problems and conflicts of a country moving from old to new.

Pramudya began by relating his stories to fellow Buru Island prisoners, for as one senior Indonesian official quipped in 1971, "Pramudya is allowed to write — but he has no pencil and paper."

Later the authorities relented and he was allowed a typewriter. — Reuter

CSO: 4220/536

BRIEFS

DELEGATION TO VISIT CHINA--A DPR (Indonesian parliament) delegation, consisting of 12 members led by Dr T. Iswan, deputy chairman of Commission VIII of the FKP (party coalition), according to present plans, will visit Beijing this month. The visit raised objections from DPR Chairman Daryatmo on Saturday as he closed the first session of the Legislative Institute and commented on the dispatch of the delegation to attend the Conference of Asian Parliaments on Population and Development. Although this trip is the first such visit to take place since Indonesia and China broke relations in 1967, there are no plans for the Indonesian parliamentary delegates to hold discussions with Chinese leaders. The 12 DPR members will depart the third week of this month to attend the above-mentioned conference that will be held from 26-30 October 1981. [Text] [Jakarta HARIAN UMUM AB in Indonesian 30 Sep 81 pp 1, 2] 9464

CSO: 4213/06

INTERVIEW WITH PRIME MINISTER MAHATHIR

Kuala Lumpur NEW STRAITS TIMES in English 27 Oct 81 pp 2, 3, 4, 5, 21

[Excerpts]

ON Datuk Seri Dr Mahathir's 99th day in office, he granted an interview to the New Straits Times, Berita Harian and journalists from Bernama and Utusan. Below are extracts from the two-hour interview.

Q: When you have a very active government, one hundred days is a long time. Can we ask about your first 100 days? What are your initial impressions? What do you think you have done? What do you think you have to do?

Dr M: It is not for me to assess what I've done. I know what instructions I've given but whether the instructions are carried out, whether they are effective or not, it is easier for people outside to assess. I am sitting in this room, giving directives, making decisions and all that.

This fact does not give me a perspective from outside as to what these directives have achieved; so it is very difficult to see. People keep on saying that I should have given this order, that order: What the results are, I really don't know. That's why maybe after a year you might be able to see differences, and I might be able to see the differences, but whether there are any differences or not it is difficult for me to say.

Q: But society does see something new. There is a difference. Some people are beginning to call it the 2 M Transformation. There is a sense of direction towards a clean society, towards an efficient society and towards a disciplined society. Some people have called it C, D & E formula; don't you yourself see that, don't you think it's fair for people to say that it is the beginning of a transformation?

Dr M: Yes, I would hope so but whether it is true or not is something else. I would like to see what you say; that is what I would like to see happen in this country. But have they been able to do it? It's fairly easy to say. But is it any better? I don't know.

Q: So far, what is the greatest challenge you have faced as Prime Minister?

Dr M: The greatest challenge has been to motivate all the people — not just the government officers but all the people of this country — to be aware of their responsibilities, their roles, in national development. This must not be merely material development. There must also be a spiritual achievement on the part of every individual, for, as the English saying goes, "Man cannot live by bread alone."

We must have a sense of accomplishment as a nation, we must be able to stand alongside other nations as an equal, so that we do not feel we are looked down upon. For me this is important. When I go somewhere and say I am from Malaysia, I don't want people to say, "Ah, the lazy Malays" or something like that, as they did in the past. I don't want this. Since childhood I was brought up in that atmosphere. I find this most intolerable. "Lazy, indolent Malays." Not just Malays, but Malaysians. To some extent the image of the Malays has rubbed off on the other races living in this country. I want people to respect Malaysia.

Q: So far, haven't we been accorded respect in the international community?

Dr M: Compared with the past, of course, now many people respect us. But we have yet to reach the status of the advanced countries, which are still patronising towards us. There is still a lot to do.

MALAYSIA'S FUTURE

Q: What about the future? What is your dream for Malaysia?

M: I wish to see a progressive Malaysian nation with its cultural and spiritual values intact. We must preserve our good values in attaining an equal footing with the advanced nations. That is my dream.

Q: Do you have a dream of this country becoming an industrialised country?

M: Well, it is not a dream. It is something that I hope to work towards. Whether it can be achieved when I am still around or while I am still the Prime Minister, that is irrelevant. Perhaps not while I am still living or while I am still the Prime Minister. But the process must be started. The process of accelerated development must start now.

Q: What do you hope your Prime Ministership would have achieved when you finally decide to do something else. What do you think is your greatest challenge and what do you think will be your greatest achievement?

M: To me the most important thing is to try to work out how to motivate the people in this country. And if there is anything I would like to see before I retire it is change in the attitude of the people which will make them much more self-reliant and much more productive and much more capable of protecting their own rights in the nation. I can't be very pompous about these things. I have very limited objectives.

Q: You have asked the people to give you one year to show results. How do you expect them to judge your performance. In which manner?

M: You're asking very difficult questions. You are now asking me about how people would feel about me. I really don't know. I think the best thing is when we have an election, if I am thrown out it means that I haven't achieved. If I'm still retained and I get the support of the people, which can be shown in many ways, I think that is an expression of the people's recognition of the correctness of the policy that I have honoured. I don't want to stay any longer than I am welcome. If I feel that I am not wanted, I have no problem at all in going back to my private practice.

MALAYSIA'S ECONOMY AND NEP

Q: How concerned are you with the present recession and its effect on us? The fact that we are expecting a deficit balance of payment?

M: You must remember that we started off in a much better position than a lot of other people. What is happening to us, although comparatively bad, compared to previous performance would be considered as comparatively good in relation to other people's performance. What is happening to us now would be welcomed by other countries. We are not really performing badly, only relative to previous records. Where before we had huge surpluses, now we are going to have maybe a small deficit. Maybe not even that, because sometimes the way these people do the accounting, I don't know, to me there may not be a deficit at all. But anyway, it all depends on the Minister of Finance. If he performs badly in the context of Malaysia we will be concerned, but not unduly upset, not depressed by it, because we know that what is bad in Malaysia is considered good by a lot of people.

Even our inflation rate which this year is supposed to be the highest, if you compare to some countries this is not inflation. People who are used to 60 percent inflation, even 20 percent, 14 percent inflation, they say 10 percent is reasonable, is very good. But we are not used to that, so there is a tendency in Malaysia for people to be unduly upset about small things. Because of that, I am taking this more or less in my stride. I feel that we can sustain a sound economy, sound relative to the rest of the world, not sound relative to the previous performance. And I think the people as a whole would not be bearing such a big burden. What is needed to overcome all this is nothing more nor less than a greater urge to produce more. This is what I've tried to stress, that all we need to do is to be more productive and we can overcome our problems.

Q: To be more productive, there have to be some incentives...

M: People should learn to understand that incentives should not be the basis of work. Rather, they should think in terms of rewards. You perform, and you get something. You don't expect to get something in order to perform. Any country that depends upon incentives in order to perform will eventually fail. You do well, I am quite sure we will pay you well. In fact, wages in this country have increased, not because of incentives, but because we are performing well. Therefore we get more. That's all there is to it.

Q: How about defence?

M: You must remember that we have attended to this. We have, in fact, reduced defence expenditure quite considerably in terms of what was originally planned, and I think we have reduced it as much as we can without damaging our capacity. We

feel that we can still sustain the defence expenditure at least in 1982.

Defence

Q: The effect of the world recession on Malaysia shows because we are an open economy. But our monetary authorities don't seem to take it into account. The policies they take are as if we are a closed textbook-type of economy.

M: In the first place I find that there is no such thing as textbook-type economy, because there are so many textbooks and all of them differ. You can have Keynesian theory; you can have somebody who will tear to shreds Keynesian theory, so you might as well forget about what they write. The fact is, the proof of the pudding is in the eating. We haven't done badly at all, despite the fact that we followed a rather conservative monetary policy. The fact that we look inwards rather than outwards. At present for example, we find the world is going through a period where interest rates are very high, and that has had some effects, which are good and bad, depending on how you see it. But we maintain a very low interest rate because we want to help the people within the country. Now if we raise the interest rate, I think money will flow into this country and people will keep money in the banks, trying to earn interest. But then people will not be able to borrow money because of the high interest rate. We may bring some of the smaller operators to a standstill. So we have to look at our internal problems as well and therefore we have tried to insulate our economy to a certain extent. But of course we cannot completely because this is an open economy. But what we have done by way of balancing on a tight rope so far has proven successful because we can do these things without being too badly damaged.

Q: The fact that your ideas are incorporated in the New Economic Policy shows that you are also partly an economist. The New Economic Policy has been implemented for the past ten years. What are your ideas about the achievement so far, about our position, about our economic development?

M: Well, the New Economic Policy is not merely an economic policy, it is also a political policy. If it is purely economic, we would go for growth all the way. But you know that if we go for growth all the way without equitible distribution, which is political, we will have political instability. So within the context of political stability the growth under the New Economic Policy is very good. Considering this constraint. If we were like Singapore, we go for mere economy, forget about rural poverty, forget about Malays and Chinese not being equal in economic development, I'm quite sure the growth in terms of the economy will be tremendous, but there will be tremendous political instability and everybody will come out and tear to shreds all these things. This is what I told the Far Eastern Economic Review: The Shah of Iran thought that the economy is the most important thing, so he tried to build a powerful Iran, build factories, everything, and he thought that people would be happy but people were not happy. They chucked him out of the country. Economic growth is not as important as political stability. But what you should try to do is to achieve maximum economic growth within the context of political stability. That is what we are trying to do in this country, and if you take that as the objective, we have done very well. But if you talk of only economic growth, of course people will say we didn't do very well. But you compare Malaysia now with Malaysia under the British. There is no comparision. There was nothing under the British. Look at KL now, four fifths of KL was built after independence. How long have we been independent? Twenty-four years. How long were the British here? More than 100 years. So we have done quite well.

Q: What are your plans for the next 10 years if we reach the target of 1990?

M: We will have to continue with the present policies, with the present activities, we will have to stand up to various economic activities, and to redistribute well. There are a lot of things to do, but most of all we want people to understand what it is that we are doing, because a lot of complaints against the New Economic Policy are due to lack of understanding.

CORRUPTION

Q: What are your opinions on corruption — its extent and causes? How does your Government intend to tackle this problem?

M: Corruption can be divided into two stages. One is under the table, and the other is above the table. When it is under the table, it implies that society itself doesn't accept corruption, regards it as a criminal act or at least as "perbuatan yang hina," an act that is degrading. When it is in that stage, you can reverse the process.

But once corruption gets above the table — when it is done openly as a matter of course, when everybody is involved, is corrupt, right from the top to the bottom — then you cannot reverse the process, because it is nothing more than earned income.

In Malaysia it hasn't come to the above-the-table stage. So we can still reverse the process. The question is whether we have gone very far in the under-the-table stage or not.

I don't think we are that bad really. Again this is comparatively speaking. There is nothing absolute about anything in my view. Every-

thing is relative. And in terms of relative corruption, I think we are not that bad. It can be reversed; but in order to reverse it, we have to have a corps of people who are dedicated to erasing corruption, and obviously the corps of people must themselves be incorruptible.

Now, having been very lax for some time, to establish the corps is going to be very difficult. That is one problem.

The other thing is that in the past, corruption was tackled by making bureaucratic processes more difficult. Supposedly, in this way, corruption could be avoided by vetting everything three or four times, making decision so difficult that you don't make the decision. All we were doing was to slow down the process of decision-making; but in the final analysis you find that corruption is still there.

We cannot completely avoid corruption, but we will focus on the person who is making the decision to see whether he is corrupt or not. In order to do that, naturally we need to have a fool-proof anti-corruption department. We are toying with the idea of changing the NBI or BSN back to an Anti-Corruption Agency (Badan Pencegah Rasuah) because quite a lot of the time of the BSN has been taken up investigating things which are not related to corruption, like the price of goods, the quality of goods. Although there is some fraud going on, that is not the duty of these people. They have enough on their hands without going into such things.

I would like to focus on corruption. Once we know that officers have declared their assets, then we'll be able to compute their wealth at any given time.

As you know one of the ways the Income Tax Department gets its victims — perhaps not the right word to use — is to compute the wealth of a person if it suspects he is not paying his income tax on his wealth or earnings.

We have now instructed the Income Tax Department to instruct the BSN on how to do the wealth computation. So once we've got all these forms gathered, at any time at all we can zero in on a person suspected of being corrupt, or even on a random basis to check on his wealth by means of wealth computation.

If we find that some person cannot explain why he has more wealth than he should have, some action will have to be taken against him. That's the only way.

By doing that, we now free the officer to make decisions, because he knows that if he cheats, somebody is going to find him out. So decisions can be made earlier without wasting time or losing money.

In the past, decisions were made late. We were trying to save money, but because decisions were made so slowly, the prices of things went up by much more than what it would have cost the Government if corruption had taken place. So we are not saving anything. At the same time we are losing so many things — we are losing jobs, we are losing supplies, and all merely because we are trying to avoid corruption in a very inactive way.

Q: If there is no giver there will be no receiver. So how would you view the other end of this case?

M: Well, it's true that the man who gives is just as bad as the man who receives. But sometimes we need the man who gives in order to find out the man who receives.

So, where the man who gives cooperates, he can get away. If the man who gives is prepared to turn King's evidence or, as they say, Agong's evidence, we can take a lenient view.

Q: Some people say that many governments in the world start off on the right foot and are very committed against corruption. The problem is, how do you sustain it in the face of difficulties and in the face of opposition both internal to a particular government and external to it. What is your response to that?

M: Well, this is a very big problem, admittedly. There will be forces which would not like to see corruption stamped out. But we, as I said just now, are not at that extreme stage where everything is involved, where you touch one person you are going to involve a lot of people.

I think we can still do it. But I will admit that I'll not be able to stamp out corruption. But I'll be able to limit it to a certain extent. I'll put the fear of God in these people who are corrupt — they will not live happily ever after. Because they will know that always there will be this sword hanging over their heads.

PAS, DAP AND BARISAN

Q: Can we switch to politics at home. There is talk now that there are negotiations about the DAP and Pas joining the Barisan Nasional, and that these negotiations have been on for some time.

M: I have not heard of negotiations between Pas, the DAP and the Barisan Nasional. We have no plans to co-operate with the DAP. But I have heard, from the newspapers, of a third party wanting co-operation between Pas and the Barisan Nasional — that is all. What I know I read from the newspapers.

Q: Are you in favour of the idea of Pas coming back to the Barisan Nasional, if it can be arranged?

M: As I have explained before, the Barisan Nasional is an organisation aimed at pooling as much as possible the resources and political interests in our nation. Its struggle has definite principles. Whoever subscribes to those principles can join the BN.

In the past we had the Alliance, a bit exclusive, confined to three parties, and we regarded that this party alone represented the various communites. Then we formed the Grand Alliance involving the parties in Sabah and Sarawak. Later we set up the Barisan Nasional catering for other parties as well; if not, they would not have had a chance to participate in the Government. Because some of the parties are too small to form the Government, they can only participate in the Government. We do not like anybody to be disappointed or left out.

With the Barisan Nasional, whatever party is prepared to accept the BN principles, which are quite flexible so that they are acceptable to all, it can join the BN. But there is one condition: the participation must get the unanimous approval of all members of the BN.

Q: Do you like to see this happen?

M: I like to avoid division, and I like to see,

if possible, that we concentrate our energy on work for the benefit of all.

Q: This is the basis of the talk that the DAP, too, is included in the negotiations...

M: I didn't hear about the DAP; but if we hear their talk, there is nothing in line with the BN. It is a racial party. How can it be suitable for the BN?

Q: But the PPP before was also a racial party.

M: That may be true. But, if we take a look, the party's leaders were Ceylonese, its followers were Chinese, and lately it has changed pattern. If the DAP, too, changed pattern, if Lim Kit Siang welcomes the New Economic Policy, we can still accept it. But at the moment I don't see it.

Q: As there are no serious efforts to bring Pas into the BN, some are of the view that Pas will be outside the BN during the coming elections. In this context, there is talk of Pas not focussing its attention on Kelantan and Kedah, but that it will try to capture Trengganu. What are Umno's preparations like?

M: Umno is ready to defend its position in Trengganu where Umno attained a 100 per cent victory. We are confident that the people of Trengganu, who know Umno's policy and that of the opposition, all support Umno. Maybe there are small groups attracted by the propaganda of Pas but I feel that the majority believe in the struggle of Umno.

Q: With the erosion of the power of the old Alliance, you now have perhaps three component parties vying for Chinese votes — MCA, Gerakan and to a limited extent the PPP. They tend to play racial politics to maintain their own stand in the Barisan, the main aim of which is to create solidarity. In fact we are encouraging this kind of....

M: But if we consider the majority, the silent majority— which is the deciding factor actually — these things have no effect on them. This is only evident during the general elections. Their choice is not based on racial extremism. It is based on stability. So far they have chosen "middle of the road" politics. Comparatively speaking the MCA can be called "middle of the road" in relation to some other Chinese parties, and so can Umno when compared to Pas, and MIC when compared to some Indian chauvinists in Malaysia. These (moderates) are still the majority. Extremism exists in all communities. We cannot avoid it in any country. When it's not extremism based on race, it's extremism based on class or ideology.

GENERAL ELECTIONS

Q: How about the next elections? Is it going to be in 1982 or 1983? What are the considerations that might determine it one way or the other?

M: It can be 1982 or 1983. That's certain. It cannot be 1981 so that's also certain. Now in determining the date, you cannot rely on one single factor. We cannot say economic performance will determine it.

There will be a host of factors that have to be taken into consideration before you can determine the date. If for some reason or other you find that the Opposition is in a weak position, you may do it earlier.

On the other hand, although the economic performance may be good, the rains come and people cannot come out to vote. You have to take that into consideration.

In Sabah, Sarawak, Kelantan and Trengganu, even the rains have an effect on the performance. So there are all those factors, many, many factors — the unity, the understanding within the party itself...

As you know, at one time we had Confrontation, and it was a good reason for holding elections.

All these factors come in. There was at one time, I think, a feeling that irrespective of when elections were held, we were going to win, nothing was going to happen.

I think that was the reason why the elections were held in 1969, right to the very last day to the term of office of that particular Parliament.

And then it was found that we were not really working on the factors, we were just taking things for granted, that we would come in anyhow.

That's the very sort of thing that we must not do. We must always take into consideration all the factors.

THE COMMONWEALTH

Q: IN the past 100 days there seems to be a misunderstanding of our perception of international relations, perhaps because of your decision not to attend the Commonwealth Conference at Melbourne.

The decision seems to have caused a misconception of the way we conduct our relations. Can you put the record right once and for all?

M: I have given my stand, in terms of relations, in terms of priorities. Our first priority is Asean countries, relations with Asean.

Second is with the Islamic countries, third with non-aligned nations, and only fourth with the Commonwealth.

Though we have this list of four priroties, they are not equidistant. The Commonwealth may not only be fourth but may fall far behind the others, perhaps for the moment.

But if in the future it shows it really functions as a Commonwealth, i.e. a great wealth divided equitably, we may revise our priorities.

But so far the policies of some members of the Commonwealth do not really benefit Malaysia in particular and developing countries in general. So we don't give priority to the Commonwealth.

I have stressed this several times, but if they still do not understand, I just can't explain further. They know the reason. Also, I make a difference between the Commonwealth and a Commonwealth conference.

The Commonwealth is important, but its conference may not be. For example, in Asean, sometimes we hold a Summit Meeting of Heads of Government, sometimes we don't. This doesn't mean Asean is not important.

What is not important at certain times is a Meeting of Heads of Government, and so we don't hold one. But Asean remains. Thus too with the Commonwealth. Its conference may not be important, but the Commonwealth is relatively important, that is, up to the judgment of the moment.

Q: Mant people say that what you have said is fair and a lot of people would agree, but some have said international diplomacy is the art of saying no when you mean yes, and yes when you mean no, and maybe when you mean to say yes and no at the same time.

When we have a Prime Minister who speaks straight from the shoulder and gives his frank views, we have a sort of shell-shock situation. What is your view?

M: Of course, in the first place I am a politician and not a diplomat; so while a diplomat may not say no, never say no, I, being a politician, am entitled to say no when I feel I should.

I find in my experience, my little experience in the international field, that saying nice things does not seem to achieve much.

You see, in an atmosphere where everybody is saying nice things, only the man who says nasty things gets noticed. It is something like the saying, "In the land of the blind, the one-eyed man is the King."

I am used to saying nasty things to everybody — to the Malays, to the Chinese, to the Indians in my own country — and I see no reason why I should stop within the country.

MALAYSIA-BRITAIN RELATIONS

Q: DO YOU think your views about Malaysian-British relations may have been misunderstood internally or externally?

M: I don't know why they should be misunderstood. I was very, very clear about our attitudes towards Britain. Very, very clear. We are not cutting off trade relations with them, we are not carrying out a general boycott of British goods. All we are saying is that the Government will not buy British if we can help it. But we will still buy if we cannot help it.

Q: Some foreign interests have expanded this event to say that what the new Government is doing is shaking the confidence of investors as a whole, not only from Britain but from other countries.

M: Yes, these foreign interests are largely British interests. That is what they have been saying all the time. Please remember that these things, these opinions, were first brought out during the Sime Darby problem, which was a long time before this idea of the "Dawn Raid" took place. Then we were buying openly in the market. We were conforming to the rules prevailing then. In fact, Tan Siew Sin made a clear statement that he wanted to buy Guthrie, for example. That was a long time ago and already we are being accused of backdoor nationalisation. Even the act of simply buying what is being sold in the market. You go to a shop, you buy something sold there, its called nationalisation. Makes no sense. You mean to say we cannot buy goods? Then don't sell, don't sell to anybody. But if you say this is for everybody, anybody who has the money can buy, willing buyer willing seller. We buy, we didn't force anybody, why is it called nationalisation? Only the British have been saying this of us. We haven't done anything to anybody else.

Q: And we are as committed as ever to foreign investments ...

M: Yes, even if the British want to invest here, they are still welcome. And British companies which have invested here and are producing things here are not subject to the ruling that they cannot qualify for Government supplies. As you know, one of the

companies producing concrete cement panelling, Shan, they can sell to the Government. We buy because they are producing in this country, they are Malaysian products.

Q: About the directive not to give priority to the British. In what way can we carry it out most effectively, considering they have such large interests here?

M: I don't see that they have such large interests in our economy. Actually it depends on us, whether we want to buy British goods or not. They do have interests here, but we have alternative sources for whatever we wish to buy — motorcars, military equipment, etc. Also we have said that if there is no alternative source, we will still buy from the British, so there's no problem. The balance of payment now is in favour of Britain, so it's better for us to buy less from them, to ensure a balance of payment in our favour. We no longer get special treatment now that Britain has joined the EEC. So there is no reason why we should give them special treatment. The British claim they are the third largest investors in Malaysia, but their's is old investment, not the investments of others in the past few years. British investment is minute. Compared with those of America or Japan or Singapore, it is very little. Of course if you count their total investment from the time of independence till now, it's quite substantial, because they invested a lot in the past. Today, the British would invest a couple of million ringgit in a factory, and still I go to open the factory. The Japanese invest 60 million ringgit, and I haven't yet gone to open their factory.

Q: Will the present decision be temporary or permanent, and with what type of response will you be fully happy before you reverse the decision?

M: Well, as far as I can see, it's going to be there for a long, long time, because I don't see any accommodation on the part of the British. So it will stay that way, unless of course there is some very strong mitigating factor created by them.

Q: Lately there has been a proposal to raise further the tuition fees for foreign students in Britain. What will be your next move?

M: Nothing.

Q: Are you not worried or concerned that the directive regarding British firms will affect the sentiments of the other foreign investors? Perhaps they will become slightly hesitant now; they may want to see our next move. So what sort of assurance do you have for the people?

M: In 1978 when I became Minister of Trade and Industry, there was practically no investment in this country because of the so-called ICA and because of the Petroleum Development Act. But we took action to explain what we were doing without changing our activities, without changing our policy. We explained what the policy was all about. And as you know, after the explanation, we had more investment than we could accept, so much so we could pick and choose. I have no fear, no worry, that we can explain that what we have done in buying shares in British companies does not amount to nationalisation. The trouble with ex-colonial powers is that when you nationalise, they say, "We wouldn't mind so long as you pay compensation." But when we take the companies and compensate, they say, "We wouldn't mind if only you will not take our companies." When we buy the shares in the market, they say, "We wouldn't mind so long as the price is right," but when we pay the higher price, they still feel unhappy about it. Nothing you do is right. Other countries nationalise, took it by force, didn't pay compensation. "If they paid compensation we wouldn't mind, it's their right to nationalise but they should pay compensation." But when we pay compensation they say "This is nationalisation, they shouldn't nationalise. If they bought shares in the market it would be all right, but this is nationalisation, though with compensation." When we buy shares in the market: "You shouldn't buy even our shares in the market." In short, their company which has squeezed out the wealth of our nation for 150 years must remain for ever, we have no rights at all. We can't even buy.

We are not forcing it from them; we are paying. For 600 pence worth of shares we are paying over 900. And all the shareholders were happy. The thing is, its not the shareholders, although the law is supposed to defend the shareholders, the minority shareholders. What these people want is to protect the rights and the privileges of the management. The management wants to stay there with all the perks that they get, the huge income that they can get, they want it for themselves, they don't care two hoots about the minority shareholders who are not getting much money anyway. Like Dunlop, for example, they are not paying any dividend because they are running at a loss. But the management will like to stay on as managers of those firms. Therefore they have urged that there should be no takeover, because a takeover would mean management would lose. The minority shareholders can still not sell if they don't want to sell; if they are not willing sellers, they don't sell. But if 51% of control is gained by any one group, the people who are going to disappear will be the manager. So this law is to protect managers who may not have a single cent share in the company. And this I have explained to the British, the *Financial Times*.

Q: So it appears now that with us having won control of Guthrie, we would see the management going?

M: Well, not all, not all, certainly. Those who are good for the company we will retain, but those who we think are doing things that are detrimental to the company and to us, surely we can't retain. For example, this act of deliberately disinvesting in Malaysia, going elsewhere. People involved in such things certainly cannot be retained. But the rest of the management will be retained.

Q: Would you like the domicile of a company, in particular Guthrie, to return to Malaysia as soon as possible?

M: Well, once we gain control of the company, we would like to bring them back home. That does not mean that we will completely disinvest in other countries. We will continue to be active in other countries, but our priority would of course be to use the resources of this company to stimulate growth in Malaysia itself, and that can best be done by having the company operating from here.

Q: The going abroad to take back what we should rightly own, the overseas assets, will that sort of thing continue?

M: For as long as there are assets that we can buy we will buy. But there will come a time when all our foreign-owned assets are already brought back and we still have some money. We can buy any shares; we can even buy foreign companies and bring them here, if we find there is no law against it. If they are up for sale we will buy. After all, the Arabs are buying, lots of other people are buying. At one time the Japanese were buying British companies and the American companies. Now why can't the Malaysians buy? We are like anybody else.

CSO: 4220/539

BRITISH SAID NOT TO UNDERSTAND MALAYSIAN VIEWPOINT

Kuala Lumpur NEW STRAITS TIMES in English 15 Oct 81 pp 1, 5

[Article by Wan A. Hulaimi]

[Excerpts]

LONDON, Wed. — Malaysia, hitherto the most amenable of former British colonies, has sent shockwaves among British Government officials by its recent attitude, seen here as an exhortation to buy British last.

Those who are perceptive enough to understand the cause of this recent furore point out that Britain, shackled by its imperialistic past, knows very well how to react to dissenters but just cannot come down to treat them as equals.

The background to the deterioration of relationship between Britain and Malaysia has been guessed at and possible causes listed out.

Some say that Malaysia was irked by the stock exchange changing its regulations soon after the Malaysians acquired Guthrie shares in a spectacular dawn raid.

Others attribute it to Malaysian retaliation to Britain's increasing its fees for foreign students, causing the most suffering to Malaysia with the largest number of foreign students here.

Others still recall the continuing tussle experienced by the Malaysian Airline System regarding flight arrangement problems to Britain.

If answers are sought they may be found in some, if not all of these.

Dissatisfaction has grown in certain Malaysian quarters over British attitudes towards Malaysia. Issues other than trade have been raised before but this being essentially a nation of shopkeepers, it was a threat to its trading relationship with Malaysia that finally sent ripples in the ostensible calm backwaters of the British policy-making body.

Last year, Britain exported £223.5 million worth of goods to Malaysia, putting it easily among the major buyers of British products in South-East Asia.

Also in Malaysia are three-quarters of the total British investment in South-East Asia.

The visit of the British Secretary of State for Defence, Mr John Nott, to Malaysia earlier this month showed British keenness to have a share in Malaysia's £2,000 million defence budget to keep the flagging British economy greased.

Whilst the British Press on the whole are eager to report and explain the causes of this outbreak of resentment on the Malaysian party, very few have understood the thrust of Malaysia's argument.

The *Financial Times*, in its patronisingly worded editorial of Oct. 1, said: "Every successful developing economy has something to be grateful for. But Dr Mahathir should not overplay his hand....The need for foreign capital and technology remains, high. Dr Mahathir stands to lose much if the twin nationalisms — Malaysia in general and bumiputra in particular — ruin the investment climate in the country."

The only light produced in the heat of the argument came from a letter published in the Oct. 5 issue of the *Financial Times* from two London stockbrokers, Mr P.E.Q. Long and Mr. H.M. Wedgwood, of Laurence, Prust and Co.

Replying to the *Financial Times* editorial they wrote: "Malaysia has a special relationship with Britain. This has its origins in history. In so far as it is possible to make any general statements of the mood of the nation, one might say that Malaysians would wish for the special relationship to continue but only as one between equals.

"Malaysians, like citizens of many other countries formerly administered by the British, have a wholly understandable desire to see a higher percentage of their country's assets owned by Malaysians.

"It is in Britain's true best interest to actively assist, not to stand in the way of this aspiration.

"Malaysians, almost alone, are prepared to pay a reasonable price, sometimes even a generous one, for the repatriation of the ownership of Malaysian-based assets.

"Malaysia's aspirations and actions have been consistently misunderstood by sections of the British business community and even by the Government.

"Unfortunately, it is the views of these sections that have received the greater publicity and in Malaysian eyes, have seemed to stand for British attitudes in general. It is time to redress the balance."

Not all Britishers perhaps see the situation in quite that light.

Most commentators see Dr Mahathir as an enigma whose recent actions threw into relief Britain's relationship with Malaysia with such brutality.

A few though have privately told me that this perhaps shows what was meant when it was argued that Britain's inward looking policy of stopping "aid" to foreign students by increasing its fees for higher education might sever feelings of attachment for Britain and anything British and make Britain the loser in the long run.

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PRIME MINISTER TERMS PRESS FREEDOM WESTERN MYTH

Kuala Lumpur BUSINESS TIMES in English 13 Oct 81 p 20

[Text]

FREEDOM of the Press is a myth invented by the so-called liberal West to serve its own interests, Prime Minister Datuk Seri Dr Mahathir Mohamad said last night.

He said this was because the West stood to gain most through their worldwide control of the media.

Speaking at the dinner hosted in his honour by the National Press Club in Kuala Lumpur last night, Dr Mahathir urged the Malaysian Press not to be lured by this kind of freedom, or give in to indirect "intellectual hegemony" of the Western media.

He said an informed public was needed for democracy to work effectively, and it was therefore an important function of the Press to inform the public on issues so as to enable its members to make an educated choice.

Dr Mahathir said while the Press has the right to expose any shortcomings, whether in the government or private sector, it also has a responsibility to present a balanced picture.

He reminded the Press that the right to expose any shortcomings should be exercised with an equal responsibility to ensure accuracy.

Failure to maintain balanced reporting would result in creating an image of a country not being able to do any thing right, he warned.

Dr Mahathir pointed out that it would be inimical to the efforts of the government to foster racial harmony if the Press in its overzealousness were to report without giving due consideration to the sensitivities of the various races.

He also pointed out that the media exercised their own censorship, not in accordance with national needs but according to the narrow views of the people who controlled the papers.

He added that the narrow interests of the Press as an institution would fade into insignificance when considered in the context of the larger interest of the country and people.

CSO: 4220/537

NO DIFFICULTY ENCOUNTERED IN UNDERWRITING $650 MILLION LOAN

Kuala Lumpur BUSINESS TIMES in English 15 Oct 81 p 1

[Text]

SEVENTEEN banks from all over the world have agreed to participate in the US$650 million syndicated loan for the Malaysian government. This underwriting of the loan has been completed within one week of Bank Bumiputra Malaysia Bhd being given the mandate for it.

Each of the banks will underwrite US$36 million, while Bank Bumiputra, the coordinating bank, will underwrite US$38 million.

Bank Bumiputra said yesterday that the response was encouraging, and "some banks which expressed unsolicited interest in joining the group could not be accommodated."

There had been speculation in Hong Kong that there would be difficulty in getting banks to participate in the loan due to the exceptionally low spread.

The fact that Bank Bumiputra had been able to assemble a group of underwriters in just one week, highlights the confidence of the international financial community in the Malaysian economy.

The banks participating in the 10-year syndicated loan include two from Malaysia. Apart from Bank Bumiputra, Malayan Banking Bhd, the country's number two bank, is also participating.

Six of the banks from the European Economic Community, namely Banque Nationale de Paris; Barclays Bank International Ltd; Lloyds Bank International Ltd, Midland Bank Ltd, National Westminster Bank Ltd and Societe Generale Bank Ltd.

The Japanese banks participating in the loan are: Bank of Tokyo Ltd, Fuji Bank Ltd, The International Bank of Japan, Mitsui Bank and Mitsubishi Bank.

Four banks from the United States and Canada are BT Asia Ltd, Chase Manhattan Asia Ltd, Manufacturers Hanover Ltd and Toronto Dominion (South-East Asia) Ltd.

The sole banks from the Gulf participating in the single largest loan ever sought by the Malaysian government is Gulf International Bank B.S.C.

Analysts in Hong Kong had noted that this was an unusually large number of lead managers for a loan, and bankers said that it reflected Malaysia's desire to ensure that the large amount would be provided by a broad group of banks.

The loan for development purposes will have a maturity period of 10 years with a grace period of five years. It will be divided into a conventional and tax-spared tranche.

The conventional tranche will amount to US$500 million. The interest payable on this amount is 0.375 per cent over the London interbank offered rate (Libor).

The tax-spared tranche of US$150 million will command a margin of 0.03125 per cent above Libor.

The commitment fee, a fee the borrower pays in lieu of interest on portions of the loan not immediately drawn, is to be 0.375 per cent. Meanwhile the management fee, a flat fee the borrower pays banks for arranging the loan, is about 0.4374 per cent.

CSO: 4220/537

COMMUNISTS REPORTED CHANGING TACTICS WITH FAILURE OF ARMED STRUGGLE

Kuala Lumpur NEW STRAITS TIMES in English 11 Oct 81 p 7

[Excerpt]

KUALA LUMPUR, Sat. — Police today warned of possible attempts by the Communist Party of Malaya to infiltrate organisations like trade unions and political parties with the aim of controlling these organisations.

CID Director, Datuk Abdul Rahman Ismail said the Communists have changed their tactics following the failure of their armed struggle.

The CPM has now directed its cadres to pay more attention to subversive activities and the united front in a bid to win the support of the people.

The CPM has also directed its underground organisations which had been crippled, to be reactivated.

Speaking at a passing out parade of police constables at the Police Training Centre here this morning, he said the Communists had a programme to get the support of the Malays so that the CPM could be looked upon as a popular organisation with the support of the various races.

In their propaganda they say that they were fighting for the welfare of workers, fishermen, farmers and the poor.

"They also claim that there are many similarities between Islam and Communism," he said.

Datuk Rahman said that just because there were no attacks by the Communists on security forces it did not mean that they had given given up their armed struggle.

CSO: 4220/537

GOVERNMENT SHOPPING FOR TANKS, PERSONNEL CARRIERS, AIRCRAFT

Kuala Lumpur NEW STRAITS TIMES in English 12 Oct 81 p 6

[Text]

KUALA LUMPUR, Sun. — The government has introduced new arrangements into the tendering system for arms purchases to ensure that there is no foul play.

This system incorporates various stages of checks and counter-checks to guarantee that purchases of arms are above board, said the Defence Ministry's secretary-general, Tan Sri Mohamed Yusof bin Abdul Rahman, today.

He said decisions on the buying of arms at the level of multi-million dollar deals such as the purchase of fighter aircraft and tanks are made by the highest levels in the government.

"Charges of foul-play that have been thrown around are baseless as no certain group of people make the decisions...the deals have to go through four or five stages before a decision is made," he added.

Tan Sri Yusof said the common belief that the Defence Ministry was responsible for the arms purchases was untrue.

"We are only the professionals, we evaluate the arms...why, we don't even make any recommendations," he said.

On the intended purchase of medium-weight battle tanks and armoured personnel carriers from West Germany, Tan Sri Yusof said the government had indicated that a decision would be given by the end of the year.

He admitted that the plans were being held up due to West Germany's restrictive arms exports policy.

However, in the meantime, the Ministry was shopping around elsewhere for other tanks and carriers.

"We cannot allow a delay on the part of the West Germans to postpone our plans in the modernisation of the army.

"If the decision is negative, then we will be in a position to order the intended arms from elsewhere immediately instead of having to wait longer," he added.

It has been reported that Malaysia has made inquiries at Thyssen-Henschel for the purchase of 103 Marder support tanks and Condor reconnaisance vehicles.

Ban on sales

On the purchase of fighter aircraft, Tan Sri Yusof said the Vought A-7D Corsair tactical jet fighters and the McDonnel Douglas A-4 Skyhawk were the main aircraft being considered.

"The fact-finding team in the United States is now evaluating these two aircraft," he said.

He said the government favoured the Corsair when it went shopping for jet fighters in 1978.

"But the Skyhawk was chosen when the US government under the Carter Administration rejected our plans to buy the Corsair as there was a ban on foreign military sales of the Vought Corsair single-seat ground attack planes," he said.

The ban was lifted by the Reagan Administration about two months ago. So the government was now again considering buying the aircraft, he added.

Tan Sri Yusof said Malaysia had already bought 88 cocoons (airframes of the Skyhawk) but this would not result in a loss if it went ahead to buy the Corsair.

He said the cocoons could be disposed of easily.

The cocoons had been purchased earlier as Malaysia could obtain them at a very low price.

Tan Sri Yusof said a decision on the purchase of gun howitzers had still not been made.

CSO: 4220/537

WATAN MANAGER, REPORTER HELD UNDER INTERNAL SECURITY ACT

Detained for Questioning

Kuala Lumpur NEW STRAITS TIMES in English 18 Oct 81 p 1

[Excerpts]

KUALA LUMPUR, Sat. — Datuk Abdul Aziz Ahmad, the managing partner of Watan and president of the Malaysian Book Publishers Association was detained by police this morning under the Internal Security Act 1960.

A Home Affairs Ministry statement said Datuk Aziz, 62, was detained for questioning in connection with police investigations into the publication of communist propaganda articles in several issues of Watan over the past few months.

Datuk Aziz's detention follows the arrest of Watan journalist Abdul Halim Mahmud who was held under the ISA last Monday on suspicion of allowing the paper to be used by the communists.

The Secretary-General of the Home Affairs Ministry, Datuk Rozhan Kuntom, stressed that Datuk Aziz was detained to help police in investigations of Encik Halim's activities.

"We hope to get more evidence on Encik Halim," he said.

He said Datuk Aziz was arrested under Section 73 of the ISA. Under the Section, police can detain a person for up to 60 days.

"If, in the course of investigations, Datuk Aziz is found to have committed some offences, he will be detained. If there's nothing, he will be released," said Datuk Rozhan.

This, too, applied to Encik Halim, he added. Asked if other Watan journalists were under investigation, Datuk Rozhan said he was not aware if they were.

The Home Affairs Ministry, he said, had from time to time called upon Watan "to give advice and some sort of guidelines" about their coverage.

"They have complied in the past, except for the last few months."

From January to mid-September this year, Encik Halim was the paper's acting editor before he resigned because of "heavy responsibilities."

Datuk Rozhan said it was routine for the Ministry to keep tabs on news items in the local newspapers. "If they make a pattern detrimental to the interest of our security, then we will do something about it," he said.

"When there is a pattern, there must be somebody behind it."

Articles Eulogized Communism

Kuala Lumpur NEW STRAITS TIMES in English 14 Oct 81 pp 1, 2

[Text]

KUALA LUMPUR, Tues. — Journalist Halim Mahmud, detained under the ISA yesterday, had published in *Watan* articles provided by a foreign embassy here and the Malayan Communist Party, Deputy Home Affairs Minister Encik Abdul Rahim Thamby Chik said today.

He told reporters at Parliament House that Halim was detained since he had allowed the newspaper to publish the articles which propagated and eulogised communism.

"The articles were published over a period of six months and since the first article we have been monitoring the newspaper closely," he added.

Encik Rahim said during this period, more than 10 articles containing these materials were used by the newspaper.

"For example, the newspaper published an article headlined *Islam in the Soviet Union* which gives the impression that Islam was and is still flourishing in that country although it is a communist State."

This had created the impression that Islam was compatible with communism, he said.

"How can this be so when everyone knows that the communists do not believe in God and hence Islam is certainly not compatible with it," he said.

Encik Rahim said the Government felt that such distortions constituted a threat to national security and hence Halim was detained under the ISA.

He said the matter was still under thorough investigation. Every aspect would be looked into.

The Deputy Minister said Halim was detained under Section 73 (1) of the ISA which empowers the Government to detain a person suspected of carrying out activities which constitute a threat to national security.

"Under the section, the authorities are empowered to detain a person for not more than 60 days for interrogation purposes," he added.

Encik Rahim said the Ministry had received a reply from *Watan* to its "show cause" letter sent to the bi-weekly earlier.

While the reply was being studied, *Watan* would be allowed to continue publication, he added.

The letter to *Watan* asking it to show cause why it should not be closed down, was sent before Halim's detention.

Meanwhile, Opposition leader Lim Kit Siang today failed in his bid to seek an adjournment for the Dewan Rakyat to discuss Halim's detention.

Mr Lim told the Speaker, Tan Sri Syed Nasir Ismail, that the matter was of "definite public importance."

However, Tan Sri Syed Nasir said: "After having given due consideration, I feel that it does not constitute a matter of public importance and hence I have to reject the motion."

CSO: 4220/538

PALM OIL PRODUCTION EXPECTED TO DOUBLE BY 1990

Kuala Lumpur NEW STRAITS TIMES in English 19 Oct 81 p 7

[Text]

KUALA LUMPUR, Sun. — Malaysia's palm oil industry was today described as one of the world's greatest achievements in agriculture.

The director-general of the Palm Oil Research Institute of Malaysia (Porim), Tan Sri Dr. Anuwar Mahmud, said that Felda, which produced 50 per cent of the country's palm oil, was now the biggest palm oil and oil palm group in the world.

Tan Sri Anuwar said this when briefing a group of 20 news agency journalists from Asian countries at Porim headquarters here.

The journalists are attending a month-long advanced journalism course organised jointly by the Malaysian Press Institute and Bernama here.

He told the journalists that the industry owed its tremendous growth to the fact that it was the cheapest oil to produce compared to other oils and fats.

"At any one time in Malaysia today, 25 per cent of the oil palm is still immature and production therefore is expected to be much higher," Tan Sri Anuwar added.

Emphasis

He also said that the cultivation of oil palm , which from 1978 to 1980 was given more emphasis than rubber at the ratio of 60:40, was now slowing down to 50:50.

Under the Fourth Malaysia Plan, 35,000 hectares of land were being planted annually with the crop.

Tan Sri Anuwar forecast that Malaysia's annual palm oil production would increase from the current 2.5 million tonnes to 3.8 million tonnes in 1985 and to six million tonnes in 1990.

He said the industry's success in Malaysia had prompted similar ventures in other countries.

There are plans to develop a 50,000-hectare oil palm project in the Philippines involving Malaysian and Philippine interests.

Another venture covering 200,000 hectares in Indonesian Kalimantan region was being developed, while Brazil, India and China were also developing theirs.

Tan Sri Anuwar disclosed that Porim would hold a workshop on the utilisation of palm oil wastes here in December.

The workshop would co-ordinate the existing research works in this field which had shown that palm oil wastes could among other things be turned into animal feeds and fertilisers.

It would also look into more in-depth studies on the economics of utilising such wastes. — Bernama.

CSO: 4220/537

INFORMATION MINISTER CRITICAL OF WESTERN PRESS

Kuala Lumpur BUSINESS TIMES in English 16 Oct 81 p 6

[Article by Manolo B. Jara]

[Excerpts]

FILIPINO journalist-turned legislator Jose Tumbokon has the proverbial axe to grind against the Western media, particularly the American Press on its coverage of the Third World.

Mr Tumbokon thus joins the long list of local officials, including President Marcos, and Datuk Seri Dr Mahathir Mohamad, who have complained against the "slanted and biased" reporting by the Western Press. He is the Minister of State for Public Information, aside from being the spokesman of the Batasang Pambansa (National Assembly).

But unlike the other officials, Mr Tumbokon tackles the issue from a somewhat different perspective. He assails the American concept of Press freedom and what constitutes news.

Mincing no words, he tells *Depthnews* in an interview: "The trouble with some American newspapers and magazines is that they are insensitive to the reactions of their human and intellectual targets. The more ranting, wailing, criticism and similar feedbacks they receive, the more they intensify their journalistic notoriety ostensibly in the name of Press freedom.

"As if Press freedom partakes of the opportunity to beguile, delude or distort, they are not content with their penchant for cataloguing, dissecting and raking over the coals what to them are defects, deficiencies and shortcomings of other peoples."

"That is the American Press for you," he adds. "But a Press which preaches strict adherence to fairness, accuracy and balanced reporting in the exercise of Press freedom should practice the same virtues in order to be credible and reliable."

In Mr Tumbokon's reckoning, the US Press has not been fair and accurate in its coverage of the Third World. The Philippines is a case in point, he says.

For instance, after the Sept. 21, 1972 referendum, a US news magazine reported that a Philippine constabulary (national police) trooper was posted in every precinct to ensure that the voters wrote the desired answer on the ballot.

"Readers at the other side of the globe would likely believe the story until informed that the PC did not have that many men and therefore, could not have posted a trooper in every precinct even if it assigned all the cooks, messengers, drivers and clerks to do the job."

But the Philippines is not the lone victim of this kind of reporting. Virtually all the developing nations of the world, Mr Tumbokon says, continue to "be targets of the shotgun blasts from trigger-happy foreign media men who take advantage of their victims' helplessness under present circumstances."

"Third World victims of the Western Press," he continues, "had fortunately resisted efforts to continuously make them the doormat of haughty, irresponsible and mercenary foreign correspondents."

Indonesia, for one, immediately banned an American newsweekly after publishing a cover story on the late President Sukarno based on "ostensibly manufactured facts and circumstances." Mr Tumbokon, however, cannot give the full details which led to the banning of the newsweekly from Indonesia.

The Indonesian example, he says, was similar to the action taken by the late Philippine President Carlos Garcia who banned an American correspondent for writing a story in a newsweekly which "degraded the country, its people and the President's family."

But President Garcia, Mr Tumbokon says, had emphasised that while the correspondent was expelled, his replacement was free to enter the country.

The reported ailment of President Marcos is another glaring example of the Western media's "slanted, biased and irresponsible reporting," Mr Tumbokon alleges.

The President has maintained that he is in the best of health. Still, the American journalists continue to harp on Mr Marcos' alleged ailment, he says.

"Judging on the main fare that the foreign media dish out," Mr Tumbokon adds, "their evaluation of news is that good news is no news at all."

"But bad news is the best — the best in selling point. Thus the bulk of Western magazines, newspapers and wire services specialise on stories of violence and disaster. Regularly fed with this kind of news items, the average reader eventually gets the impression that all's well in the West and all's worst in the rest of the world," Mr Tumbokon concludes. — Depthnews Asia

CSO: 4220/540

CENTRAL BANK OBTAINS $100 MILLION LOAN FOR RELENDING PROGRAM

Kuala Lumpur BUSINESS TIMES in English 16 Oct 81 p 1

[Text]

THE Philippine Central Bank signed a US$100 million loan agreement today to be provided by 18 financial institutions from eight countries.

This completes the bank's consolidated foreign borrowings programme for this calendar year, said bank governor Jaime Laya.

He said the bank had now borrowed US$350 million in 1981 under the scheme which is designed for re-lending to private companies and some government corporations.

The latest loan is to be lead managed by Bankers Trust Asia Ltd, the Chartered Bank, the Industrial Bank of Japan Ltd and the Nippon Credit Bank Ltd.

During the first three years of the scheme, the bank borrowed US$500 million, US$490 million and US$490 million respectively, Mr Laya said, adding that the reduced amount this year reflected high interest rates prevailing around the world.

Bankers Trust Asia's managing director, Mr John Harris, said during the signing ceremony that "we hope that interest rates will come down which will enable the borrowers to make further use of these loans."

The eight countries involved were named by Mr Laya as the United States, Japan, Britain, West Germany, India, Singapore, Luxembourg and the Philippines.

Today's signing was the first of its kind to be held in Manila, Mr Laya said, an event which he described as a timely example of international cooperation in meeting the needs of a developing country.

He said the Philippines now had an outstanding debt to foreign institutions of around US$14 billion, about half of which was owed by the private sector, but that it was repayable over an extended period of time.

"Never in the past has the Philippines failed to make its payments," he said, adding that the country continued to insist on as long a term of repayment as possible. Foreign borrowing is limited by law to not more than 20 per cent of foreign exchange receipts for the previous year. The rate for this year is given by the bank as 19.2 per cent.

"The balance of payments has not exactly been an extremely rosy picture," Mr Laya said.

■ Mr Laya has urged the International Monetary Fund (IMF) to enlarge the fund quotas of non-oil developing countries in view of the projected widening of their combined current account deficits resulting from their worsening traade performance.

He made the plea, citing the projected deficits in current account which, he said, would increase from US$38 billion in 1978 to US$100 billion in 1982.

Mr Laya said the widening deficit confirmed the IMF's judgment that worsening trade performance would result in "a reverse transfer of resources from developing to developed economies."

While calling for the resumption of trust fund-type loans — to provide concessional resources to the low-income developing countries with severe external payments difficulties — he said the enlarged quotas would also bring up "world liquidity to a level commensurate with present levels of trade and capital flows."

In a medium and longer context, Mr Laya said the IMF should create substantial amounts of SDRs to provide the system with the needed volume of international liquidity. — Reuter, AFP

CSO: 4220/540

NEW PRESIDENT DESCRIBED AS CONTROVERSIAL FIGURE

Kuala Lumpur BUSINESS TIMES in English 28 Oct 81 p 6

[Article by S.V. Suppiah in Singapore]

[Text] ONE of the more controversial figures in public life here has been installed as President of Singapore.

Mr C.V. Devan Nair, 58, a sometimes pugnacious labour leader and politician, was named Oct. 12 by Prime Minister Lee Kuan Yew.

There is much speculation as to how Mr Nair will fill the largely ceremonial presidency. Some expect him to alter the President's role by sheer force of personality and the fact that he is a long-time crony of Mr Lee.

The selection of Mr Nair was by no means an overwhelmingly popular choice.

"You either love Devan Nair or hate him. It is hard to be indifferent about the man," the *Straits Times* said in an editorial. The newspaper, which supports the administration, acknowledged that he has "been guilty of verbal excesses and hard-fisted actions."

Some of Mr Nair's critics contend that as leader of the National Trades Union Congress, he betrayed the labour movement by making its aims second to those of Mr Lee's ruling People's Action Party.

About a quarter of the labour force of 750,000 is unionised in this island republic of 2.4 million. Some workers grumble that Mr Nair was less than forceful in pushing their grievances with the government.

Mr Nair shaped Singapore's workers into a relatively tame but economically effective force that helped the country develop one of the strongest financial positions in Asia. Industrial disputes are not uncommon but full strikes are very rare.

Among those who disdain his abrasive and dramatic style, he is known as "Divine" Nair, a man who likes to publicly lambast those he perceives as his enemies and lecture them on their shortcomings.

His attack last year on "snooty, arty-crafty Singaporeans" stirred controversy.

Asked more recently to help settle a dispute between the management of Singapore Airlines and some of its pilots, he typically criticised both sides in public.

Mr Nair was born in Malacca, Malaysia. He had links with the Malayan People's Anti-Japanese Army during World War II and had to go into hiding.

He was an active campaigner against British colonialism and was twice detained for periods totalling four years.

Reflecting 30 years later on his time in Changi Prison and on St John's Island, Mr Nair said, "I spent those years profitably, delving extensively into English literature. If it had not been for the British, I would never have been able to profit from the only two universities I have attended, the St John's and Changi universities."

The presidency has been vacant since the death of Dr Benjamin Sheares on May 12. Dr Sheares, a physician, and his predecessor, Encik Yusof bin Ishak, a former journalist, kept low profiles and were non-partisan.

The main importance of the President's role is to symbolise national unity for Singapore's polyglot population. Some 76 per cent of the people are ethnically Chinese and it was seen as politically desirable in the past to fill the presidency from minority races. Encik Ishak was Malay and Dr Sheares a Eurasian while Mr Nair is Indian.

The President is elected for a four-year term. Although his political power is nominal, he can exert influence in other areas. On his record in public life, Mr Nair seems unlikely to eschew whatever power is available.

"Perhaps in Mr Nair we may find a President who is more than just a figure-head and a benevolent patron to Boy Scouts and charities," the *Sunday Times* commented.

"Without politicising the office, we can have a President who is able to provide a leadership that rises above the polls. Someone who can reach out to workers, professionals and intellectuals alike and voice the hopes and aspirations of the nation." — AP

CSO: 4220/541

STUDY RECOMMENDS CLOSURE OF MINISTRIES, CIVIL SERVICE OVERHAUL

Kuala Lumpur NEW STRAITS TIMES in English 30 Oct 81 p 5

[Text] SINGAPORE, Thurs. — A number of sweeping changes to the civil service, including the closure of the Ministries of Law and the Environment and the merger of the Ministries of Social Affairs and Culture, have been proposed by a government study team.

Recommended too are the:

CONCENTRATION of all establishment duties like salaries and negotiations with unions, now being handled by the Finance Ministry in the Public Service Commission so that it becomes a kind of central personnel department;

TRANSFER of almost all the Finance Ministry's functions, except those of a strictly Treasury nature, to the Ministry of Trade and Industry; and

RELOCATION of the Primary Production Department, now under the Ministry of National Development, and the National Productivity Board, which is under the charge of the Labour Ministry, also to MTI.

These changes are aimed at rationalising the duties and functions of the various ministries and government bodies so that they can have an even clearer purpose and thrust in what they do.

Caused stir

Two of them — the transfer of the Fire Brigade from the Social Affairs Ministry to the Home Affairs Ministry and the Registry of Vehicles from the Communications Ministry also to Home Affairs — have already been implemented.

But it does not follow that the others too will be put into effect as, from information pieced together, there is considerable dissent if not downright opposition from many quarters.

All these recommendations are contained in a report prepared by the Finance Ministry's Management Services Department, which was commissioned earlier this year to undertake the study.

The report, said to have been ready by April, touches almost every ministry except Defence and Education, presumably because of the special nature of their work.

It has been circulated to top civil servants for their comments and, as is to be expected in a relatively small, tightly-knit administrative service in which everyone knows everyone else, some of its contents have filtered down from the upper echelons.

The report has caused a stir, even among those senior civil servants who are affected only marginally.

Naturally, those whose ministries will be scrapped or enlarged, if the proposals are accepted, are not particularly enamoured of it.

A common complaint is the report is a paper study, put together by a team which has not spoken to enough senior officials at any length and has thus failed to understand why certain functions need to be carried out by this or that ministry and not some other.

The proposed closure of the Environment Ministry is often cited as a case in point of how fundamental objectives and first principles have been overlooked in the quest for organisational neatness and rationalisation.

CSO: 4220/541

U.S. AIR CARRIERS RESIST SIA EXPANSION

Kuala Lumpur BUSINESS TIMES in English 27 Oct 81 p 3

[Article by Francis Daniel in Singapore]

[Text]

A ROW has erupted between US air carriers and Singapore Airlines (SIA) which is trying to break into the lucrative trans-Pacific route in a big way.

Although belonging to one of the smallest nations in the world, SIA's aggressive thrust into the carrier markets of the Western hemisphere has brought a wave of protest from a number of US airlines, including Pan American Airways (PanAm).

The American carriers have taken their complaints about what they consider unfair competition from SIA to a powerful US congressional sub-committee, currently conducting extensive hearings into the US "open skies" policy.

In a statement to the sub-committee, released here, SIA strongly defended its position and hinted that the American protest could be partly due to envy over its success.

But PanAm chief William Seawell described SIA's marketing drive as "predatory tactics" and pointed to the fact that the Singapore carrier had made gains in the Pacific market while US airlines had lost a sizeable share.

US airlines accused SIA of selling below-cost air tickets in an attempt to strengthen its foothold in the Pacific service.

The sub-committee of the US House of Representatives' committee of public works and transportation is expected to conclude its investigations, including complaints against SIA, by the end of this year.

SIA chairman J.Y.M. Pillay, in his statement to the sub-committee denied all the charges levelled at the Singapore national carrier which, he said, had made "a very substantial contribution to the American economy."

The SIA, which began its operations in 1972 with a paid-up capital of US$30 million, had purchased US aircraft and related equipment amounting to US$1.4 billion, he said.

SIA's present fleet comprises 16 Boeing-747 jumbos, four DC-10s, three Airbuses and four Boeing-727s. Except for the Airbuses, all the airline's aircraft are American-built.

American allegations that the airline's growth was made possible through government subsidies, loans and other preferential tax benefits were erroneous, Mr Pillay said.

This is the second time in the past three years that SIA has fallen foul of its major rivals.

Earlier, it fought a running battle against Australia's International Civil Aviation Policy (ICAP) which was restricting cheap fares to British Airways (BA) and Qantas along the "kangaroo route" between Sydney and London.

Australia abandoned ICAP last March and accepted the principle of free competition on the Sydney-London service. Canberra also dropped its legal action against SIA for alleged selling of undervalued tickets in violation of Australian rules.

The SIA started its trans-Pacific passenger service only two years ago with a thrice weekly service to San Francisco via Hong Kong and Honolulu, using DC-10 aircraft.

It now operates 10 flights a week to the US with a modern Boeing-747 fleet and is planning to expand further into the American market.

Mr Pillay said SIA's profits since it started operations amounted to US$200 million and the airline had geared itself to take initial losses along the Pacific route.

US airlines maintain that SIA was deliberately expanding its services to the US despite its mounting losses as an acceptable trade-off for an increase in market share.

SIA admitted substantial losses over the past year on its US routes, but said it expected to make profits "in the not-too-distant future."

"The simple economic fact of life is that if an airline wants to inaugurate a service into a new market, initially it will experience losses. Certainly, SIA's operating experience is no different," Mr Pillay said.

He also dismissed American claims that the SIA had managed to modernise its fleet and show profit every year because of government support in securing low-interest loans.

Mr Pillay told the congressional committee that it was the Singapore government's policy not to give any special assistance to SIA which must operate purely as a viable commercial venture.

"With a 10-year history of profits, there has never been a need for government support — and indeed consistent with the government's policy, we would not have received it in any event," he said.

Unlike US carriers which may take advantage of an investment tax credit system in their country, the SIA receives no special tax treatment and must comply with all stipulations governing corporations in Singapore, he added.

Officials here are confident that SIA will win its battle with the US airlines, as it did against BA and Qantas.

SIA officials said that American charges are too flimsy to stand close scrutiny by the congressional sub-committee.

"No one is going to stop the Singapore national airline from joining the big league," said an SIA spokesman. — Reuter

CSO: 4220/541

COUNTRY SEEN AS U.S. SATELLITE

Bangkok SUPHAPBURUT PRACHAMIT in Thai 17 Oct 81 p 50

['Speak Thai' Column by RTN: "Thailand After Prem's Meeting with Reagan"]

[Text] It is necessary that we understand each other right off. We Thais today cannot exist in isolation at a time when the world is not peaceful and at a time when we are acting as a geo-political buffer state between great powers who could start a war at any time. When this is understood, one can see clearly that Prime Minister Prem Tinsulanon's trip was necessary and was not a matter of being looked down upon or losing face in the slightest at a time when countries in the same situation as Thailand, such as Vietnam, Kampuchea and Laos find it necessary to establish ties with Soviet leaders based on the same theory.

When Thailand chose the United States as its close ally after the great Asian war, we did so because the U.S. was the only great power that helped Thailand get away from the threat of England and China. It has been necessary that various policies concerned with Thailand's foreign affairs have to depend on U.S. policy actions for the most part. The same is true for the policies of Vietnam, Kampuchea and Laos, who for the most part have had to stand for Soviet policies. That Thailand would implement policy freely and independently in a nonaligned fashion in actuality is something that is beyond our control. Although in principle it is possible to do this, we have seen countries that have joined together calling themselves nonaligned shift from side to side, ultimately going to the side that serves their interests and is of greater significance.

When things are like that, in analyzing Thailand's role following Prem's October meeting with Reagan, it is necessary to view directly the significant issue: What kind of policy is Reagan pursuing at the moment. Do not look at it from the standpoint of what agreements did Prem make with Reagan or what did Thailand get out of America.

Reagan is a fighter; he is different from Carter, a thinker who thought about human rights. Reagan thinks of honor and pride. If Carter lived in Thailand, he would be in with those who held to the doctrine of "Defeat is saintly, victory is evil." Reagan is likely to adhere to the principle that "honor is self-bestowed."

So, Thailand in Reagan's presidency must go back to the way it had been during the presidencies of Kennedy and Lyndon Johnson. The preeminence of military affairs over political matters must be adhered to. For this reason Thailand must get more

weapons and materiel from the U.S. and we will once again become a key military base in the near future as the U.S. has started to stiffly and provocatively draw the line on Soviet influence.

In the next couple of months, or in the latter part of next year, Thailand may have to fully enter the Kampuchean battleground to drive off the Vietnamese influence which is operating under a Soviet shield. This would be the start of an offensive in drawing the line against Soviet influence. If Thailand does this successfully, the U.S. might support many other countries in doing the same, whether in Afghanistan, Iran, Poland, etc.

The fear of a big war, meaning a nuclear war, is seen as the ultimate horror. It is still believed that both the U.S. and the Soviets will not recklessly start a world-ending holocaust. Little wars will break out constantly. There will continue to be assassinations of leaders or coups in the satellites of both sides in order to destroy the influence of the opposing side which has intervened and is interfering.

Be that as it may, although Thailand has fallen into an orbit in which it has had to become a satellite, there are still some things which should be held as national ideological principles so as not to suffer the same fate as have our neighbors.

These are that even though Thailand has to follow U.S. policy externally, in matters internal, Thailand should have its own policies and should solve its internal problems with its own two hands by itself. It doesn't matter if these are vital problems of life and death; various political, economic, and terrorist (of every type) suppression problems in the country must be taken care of by Thais by themselves without helping hands or advice from others.

This would be my advice should former General Prem wish to complete his 4 years in office as stipulated in the constitution on the matter of forming a government.

And I believe that this advice has been offered by most people to the government and former General Prem. It is advice that the Thai government and the Thai prime minister ought to quickly act on in accordance with the views of most people. Thailand and the Thai people have suffered the least possible under the circumstances. At least, less than other countries in this region.

CSO: 4207/28

NATURAL GAS PRODUCTION PROBLEMS, DISCOVERIES IN NORTHEAST REVIEWED

Bangkok SIAM RAT SAPPADA WICHAN in Thai 18 Oct 81 pp 8-10

[Text] Discovery of natural gas in Thailand has brought forth hope and pleasure in all Thais, especially the government which coined the phrase that this would be the "Era of Brilliance." But many events have created doubts that we have reached the "Era of Brilliance."

We Have Not Yet Arrived at the Era of Brilliance

Natural gas in the Erawan field in the Gulf of Thailand, in the Union Oil Corporation's concession which laid a pipeline to land in Maptaphut Subdistrict, Rayong Province and then to the Bang Pakong and South Phranakhon electricity generating plants, was brought on stream as of 12 September amidst the joy of the Thai people at which time Gen Prem Tinsulanon announced, "This is the Era of Brilliance."

The natural gas in the initial phase was purchased by the Petroleum Trust of Thailand [PTT] and then resold to the Electricity Generating Authority of Thailand [EGAT] for use as an alternative energy to that of bunker oil since [gas] cost approximately 65 percent of the bunker oil price.

According to the October agreement, the PTT had to deliver about 200 [million] cubic feet of natural gas per day to EGAT. But that agreement has not been fulfilled and there are news reports that say when the gas first came on stream, EGAT received 50 million cubic feet per day and a maximum of 90 million cubic feet. Some days only 20 million cubic feet were received to the point where EGAT had to use diesel oil to power the generators, especially at the Bang Pakong Plant.

"We don't know the reason for this," said EGAT Governor Kasem Chatikwanit. "Normally we had been getting 90 million cubic feet per day and it has dropped to about 50 million cubic feet per day."

News reports from the Ministry of Industry say the reason for the lesser about of gas is a technical problem in production: the holding tanks for the gas have been damaged and it will be a while before the problem is corrected.

Chatchai's Hope

The gas from the Gulf of Thailand had not even been in use for one month before technical difficulties arose, dropping the volume below that which was needed. Maj Gen Chatchai Chunhawan, minister of industry, announced at the beginning of this

month that the Esso Exploration Corporation had discovered natural gas in drillings in Nam Phong District, Khon Kaen Province, with a daily output of 16.8 million cubic feet. This is good quality gas with a carbon dioxide content of only 1 percent. It might be possible to use it in industry without the need for a gas separation plant as is necessary for the gas in the Gulf of Thailand.

The fact of the matter is that confirmation still has not been received from officials or from the Esso Corporation, but the Minister of Industry is expressing his hopes in advance that there will be a proposal to move the soda ash plant to the northeast because it would be near the raw material: the saltpeter. At the same time, Maj Gen Chatchai was about ready to send an urgent telex to report to Gen Prem in the United States.

"I didn't know about this beforehand. When I found out, I rushed to send the prime minister a Telex right away," Maj Gen Chatchai said after the news broke. He went to the location of drilling in Khon Kaen. There were reports that he made this trip by helicopter and was not particularly enthused, rather it was as if he were going as a formality.

The Minister of Industry further reported that the Shell Corporation which is drilling at Lan Krabue in Kamphaengphet Province, has drilled to a depth of about 1,300-1,400 meters and has found natural gas [with a flow of] about 2.5 million cubic feet per day and oil that [would yield] 400-600 bbl per day. This also has not yet been confirmed by Shell.

Can This Be Believed?

Around the beginning of September, Maj Gen Chatchai had issued reports about discoveries of oil in Pratoo Tau Field #1 in Kongkrailat District, Sukhothai Province, but the driller, Shell, subsequently denied the report. The amount of oil discovered there is slight and not worth the cost. There is not enough to be commercially viable. The Pratoo Tau Field #1 had to be closed to move on to Lan Krabue in Kamphaengphet.

"Sometimes Minister Chatchai exaggerates things in reporting that commercially viable amounts have been discovered when this cannot yet be positively confirmed; even the corporation won't dare confirm it," a news source in the Ministry of Industry noted.

So the news of discoveries of natural gas at Nam Phong is something that people in many quarters doubt, saying it is the same as the news that oil had been found in Sukhothai.

High-level news sources in the Ministry of Industry further state that Nam Phong had once been an ancient sea basin--about 200 million years ago--and there was a possibility that gas might be found, but there was as yet nothing certain. Presently the corporation doing the drilling has gone down more than 3,000 meters and according to plans, they have to drill to a depth of about 4,125 meters which will take about another month.

"As to discoveries that have come out in the news, we really can't say for sure how much gas there will be," the news source stated. "We have to watch the results over the next month. The corporation will drill through various layers of rock to bring

up more samples for inspection. Then we can announce the amount of gas that has been found."

Chatchai is Offsides

It can be seen that Maj Gen Chatchai's announcement before definite confirmation had been received was probably not made out of ignornace, but was probably something of his own desire since he is a politician. The civil servants who knew the facts were not able to contradict him.

News reports have stated that Maj Gen Chatchai hastily broke the news. "He didn't think about the error involved. He thought this was an achievement and alter on he just faded out of the picture because the prime minister began to place more confidence in Deputy Minister Suli. So [Chatchai] had to get hopping. It didn't bother him that he jumped the gun a bit."

In fact, everybody is glad to have natural gas in the northeast because at least it will permit the development of industry in this region and there will be more employment for northeasterners. The economy will move more smoothly. But we will probably have to await surveys that inspire more confidence than the words of politicians.

There are still many opportunities to find commercially-exploitable natural gas like that found in the Gulf of Thailand. There are nearly 10 corporations holding drilling concessions who are willing to take the risk with massive costs that come to not less than 1 million baht per day. So we ought to be patient enough to await positive confirmation next time.

CSO: 4207/28 END

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South and East Asia Report

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BRIEFS

OIL PIPELINE APPROVED--The South Australian Government has given environmental approval to build an underground pipeline from the Moomba oil and gas field in the northeast of the state to the south coast near Whyalla. The cost of the project will be $800 million--U.S.$912 million. The state environmental minister, Mr Wotton, said the government was satisfied the pipeline would not cost lasting harm to the environment. The pipeline will end at a liquid processing plant to be established near Whyalla. [Text] [BK160633 Melbourne Overseas Service in English 0830 GMT 15 Nov 81]

CSO: 4220/105

ADMONITION TO U.S. CONGRESS TEAM REPORTED

Calcutta THE STATESMAN in English 14 Oct 81 p 1

[Text]

NEW DELHI, Oct. 13.—The team of top aides of the congressional Foreign Relations Committee of the USA which is here at the end of its visit to Pakistan was told at the Foreign Office today that India would not countenance any large-scale induction of sophisticated U.S. weaponry into Pakistan.

India, the aides were told, would never oppose economic aid to Pakistan. It, however, could not accept the U.S. reasoning that Pakistan needed to be armed with the most sophisticated weapons because of the so-called front-line status conferred on it by policy-makers in Washington.

The visitors were told of the intensity of feelings, cutting across party lines, which the U.S. decision to supply F-16s and other sophisticated weapons to Pakistan had aroused in this country. The feeling could only get more virulent as the supplies commenced.

They were asked if the arms were being supplied to Pakistan to eject the Russian occupation army physically from Afghanistan. Was it the U.S. view, the team was asked to explain, that Pakistan could militarily get the Russians out of Afghanistan? Was it the U.S. intention to enable the Pakistani authorities to counter internal insurgency with the help of the new weapons being made available to them? If this was not the case who was the Pakistan's likely enemy? The answer, according to Indian thinking and experiences, was that Pakistan was arming itself against India. India obviously did not expect the USA to alter its decision on the question of supplying arms to Pakistan but, at the same time, felt that the record must be put straight.

The U.S. officials were told that if intention was to get the Russians out of Afghanistan talks must be started without any preconditions. The Pakistani song and dance over its refusal to recognize the Babrak Karmal regime did not amount to much considering that Pakistan still maintained diplomatic links with Kabul. The question of recognition therefore was of no consequence. The Indians took the view that the Americans and the Pakistani must sit across the table with the parties concerned to find a mutally acceptable solution which, apart from ensuring Soviet withdrawal from Afghanistan, also restored that country's non-aligned, independent status.

India found the rationale behind the U.S. effort to project Pakistan as a front-line State curious. Without going into the merits of the respective positions of the two Governments, the Indians are reported to have asked how the Pakistani military Government could claim a "representative" character for itself while denying the same to the Kabul regime. This was by way of a hypothetical argument to counter the view that the Afghan Government was not representative of the people of that country.

CSO: 4220/7250

VALUE OF DUTY AGREEMENT WITH U.S. QUESTIONED

Bombay THE TIMES OF INDIA in English 12 Oct 81 p 8

[Editorial: "No Big Deal"]

[Text]

The newly-appointed U. S. Ambassador to India, Mr. Harry Barnes, has understandably made much of the understanding reached between the two countries on a dispute relating to certain countervailing duties imposed by Washington on exports from this country. But the significance of this accord must not be exaggerated. The United States had imposed duties on Indian industrial fasteners and leatherware on the ground that these are heavily subsidised. India has maintained that it gives cash assistance only to the extent of offsetting indirect taxes on these items which is fully consistent with the provisions of the general agreement on tariffs and trade (GATT). Even in its latest decision, Washington has not committed itself to withdrawing the duties. It has only undertaken to examine whether the import of the products in question causes injury to its domestic industry. Under GATT procedures it is obliged to establish this in the case of commodities it considers to be unduly subsidised before it can impose countervailing duties on them. So far it had refused to apply the "domestic injury test". It had gone so far as to inform the GATT secretariat last year that it would not be able to extend to India the benefits of the code on subsidies and countervailing duties. This was an extraordinary action without a parallel in relations between a developed and a developing country. The basis on which New Delhi has now been persuaded to withdraw its complaint against the U. S, action to a special committee of GATT is not entirely clear. The United States has been aware of the weakness of its position and has not seemed particularly enthusiastic about having to defend it before the dispute settlement machinery of GATT. Though India has now withdrawn its complaint, it is not known whether the U. S. has formally retracted its last year's communication to the GATT secretariat. Unless it does so, this country cannot be sure whether the facility of the injury test now being extended to it is in the nature of a bilateral concession or a recognition of a statutory obligation.

It is still necessary for New Delhi to make it clear that it will settle for nothing less than complete adherence to the international law on tariffs and trade. This is not just a question of the U.S.A. granting to this country the benefit of an "injury test". The real issue is whether countervailing duties can be levied at all in the case of India when these are not even contemplated in respect of comparable imports from other countries. U. S. officials are on record as having said that Pakistan, for example, is treated "less stringently" because it is a "poorer trading partner". In effect this discrimination deprives India of most favoured-nation treatment, the mutual extension of which is the foremost principle of GATT.

CSO: 4220/7242

IMPLEMENTATION OF OFFICIAL SECRETS ACT SCORED

Calcutta THE STATESMAN in English 12 Oct 81 p 7

[Text]

NEW DELHI, Oct. 11.—Thirty-four years after Independence the records of the British period in India continue to be treated as secret, reports UNI. This is a "comic" situation which has few parallels in history, says Prof. S. R. Maheshwari of the Indian Institute of Public Administration in his just released book. "Open Government in India."

Though the Official Secrets Act provides for the holding of routine official files for a period of only 30 years, this time-limit, itself of questionable validity, is never honoured. "The practice in the Government is that files are cleared for declassification not every year but every five years, and thus the 30-year secrecy rule becomes 35 years in actual practice.

The Indian Government has been following a colonial law, called the Official Secrets Act, 1923, along with other administrative provisions which seek to guard against the divulging of official information.

These laws, according to Prof. Maheshwari, induce behavioural patterns in the bureaucracy, which are geared to a predominant desire to let the citizens know as little as possible about the Government's functioning. There is a total absence of communication on a very wide range of official matters.

"Exclusive knowledge is power, and many civil servants have developed a passion for secrecy so that they can manoeuvre themselves into an advantageous position in relation to others. Not only that, in today's complex, competitive society, information is seen to carry a premium and is even sold and bought, depending on its nature and context. In the process, secrecy has emerged as a begetter of corruption", he writes.

Prof. Maheshwari says: "One also notices a marked degree of selectivity, or an absence of uniformity, in the application of the Official Secrets Act, and this, in turn, defeats the principle of equity, a true hallmark of administrative ethics. In practice, civil servants are occasionally seen to bend the law and adopt a somewhat flexible attitude.

"The sharing of information generally depends upon the personal equation between the civil servant and the recipient. Besides, it is widely believed that the Official Secrets Act is made to lie low particularly when Western scholars require information. It is also alleged that information which has economic and commercial value is often leaked out to the more unscrupulous business men . . ."

The author says that people have developed some kind of indifference towards their right to know. For example, in 1904 the Indian members of the Imperial Legislative Assembly opposed the proposed amendments to the Official Secrets Act of 1889, and even the Press had characterized them as a move to "Russianise" the Indian administration. In sharp contrast to this, in 1967 there was little opposition to the official move to make the provisions of the secrecy legislation more rigid. The Press did not oppose it.

CSO: 4220/7240

EGYPT'S TRAUMA PLACES INDIA IN A DILEMMA

Madras THE HINDU in English 11 Oct 81 p 2

[Article by G. K. Reddy]

[Text] The assassination of President Anwar Sadat, which has thrown Arab politics into the melting pot again, poses problems for countries like India in reshaping their responses to what happens next in Egypt. Though Indo-Egyptian understanding has not been as close in recent years as in the past, India has continued to attach utmost importance to the maintenance of a reasonably good working relationship with Egypt, in spite of the vagaries of its Israeli policy which led to its complete alienation from the mainstream of Arab opinion.

It is for this reason that India has been opposing the Arab moves to expel Egypt from the non-aligned movement. The Sadat regime had appreciated the Indian stand but was disappointed that it did not go far enough in giving Egypt at least the benefit of doubt over the validity of the Camp David agreements.

The Indian criticism of the late President's policies was not directed so much at his understandable desire for conciliation with Israel to recover the lost territories as his uncalled for attempt to fraternise with it even at the risk of outraging the feelings of other Arab States.

Semi-secular

As a semi-secular State with a long established tradition of religious tolerance. Egypt continued to represent a degree of modernity in its political outlook and national aspirations, whether it was in the feckless days of King Farouk or the mercurial years of Nasser's radicalism.

The high-mindedness of Egyptian statesmen like Zaglul Pasha who spearheaded the Wafdist movement for liberation from British dominance attracted Indian nationalist leaders like Gandhiji and Nehru, who built up a fraternal relationship between the two freedom struggles to give an international dimension to them.

After the Khilafat movement in India which Gandhiji started to champion the cause of Turkish independence following the collapse of the Ottoman Empire, the Indian nationalist leaders extended their support to Egypt in its fight against British imperialism. As the most advanced country in the region, Egypt became an eloquent symbol of Arab resurgence and self-assertion in the wake of the first world war which led to the collapse of the Ottoman Empire.

Though the Arabs had suffered much more at the hands of their Turkish enslavers than western imperialism, they did not want their liberated homelands to be parcelled out into new colonies by the victorious allies who defeated Germany and broke up the 600-year old Ottoman Empire that extended from south-eastern Europe through West Asia to north-eastern Africa straddling three continents.

Self-interest

Apart from this well-meaning sentiment, India had also an enlightened self-interest in establishing closer relations with Egypt as a fulcrum for better understanding with the Arab nations. Its entire trade with the West was routed through the Suez Canal and, after the trauma of partition, India had to cultivate the more modern-minded Islamic countries like Egypt to prevent Pakistan from carrying on religious propaganda to prejudice their attitudes.

After King Farouk's deposition in 1952, the leaders of the Egyptian revolution like Neguib, Nasser and Sadat sought Nehru's cooperation in creating a better awareness of their aspirations among the Afro-Asian peoples.

The way India went about extending all-out support to the new revolutionary regime in Egypt, and later championing its cause at the United Nations during the combined British, French and Israeli attack after Nasser's nationalisation of the Suez Canal in 1956, laid the foundations for the non-aligned movement in concert with other like-minded countries like Yugoslavia at a time when Pakistan was openly justifying the Anglo-French invasion.

The policy of close friendship and cooperation with Egypt thus became one of the basic postulates of India's strategy of steering clear of cold war entanglements. The leaders of India, Egypt and Yugoslavia used to meet at least once a year to share their thoughts on the world situation and coordinate their policies in cooperation with other non-aligned and like-minded nations.

Risky gamble

But the subsequent vagaries of Nasser's over-reaching ambition to cast himself in the role of an overlord of the whole Arab world became an embarrassment to countries like India that were whole-heartedly supporting him. In his risky gamble to project himself as an authentic spokesman of all Arab peoples, he ended up by infuriating both the conservatives and extremists among them.

The stage was thus set for some sort of moderation of Egyptian policy even before Nasser's death, if only for shedding its strident overtones. The tragedy of Egypt has been that, in attempting to restore the missing perspective Sadat went too far in abruptly reversing the earlier policy of closer identification with other Arab States and signing a separate peace accord with Israel and later establishing diplomatic relations with it.

Meanwhile the dynamics of Islamic politics in the wake of the new-found oil wealth brought about some readjustments in India's bilateral attitudes towards them. Its refusal to back the Camp David accords inevitably led to a certain amount of disenchantment in Indo-Egyptian relations which in turn paved the way for a better understanding with other Arab States, especially the radical ones like Iraq, Syria, Libya, Algeria and even South Yemen.

The conservative Arab States like Saudi Arabia, Jordan, Tunisia, Sudan and the Gulf Sheikhdoms, which were no less embarrassed by the extremes of Egyptian policy, were obliged to maintain a posture of opposition to Sadat's bid to befriend Israel, although they were not averse to the idea of reconciling to the reality of its existence on the basis of a reasonable settlement.

PLO recognition

The result was that the mantle of Nasserism passed on to Yasser Arafat, the leader of the Palestine Liberation Organisation. The Indian recognition of the PLO last year was resented by Sadat, since he felt that India was rapidly drifting away from its policy of close friendship with Egypt to one of increasing identification with the militant elements in the Arab world which were openly gunning for him.

The importance of friendship with Egypt as a major element in India's foreign policy, thus suffered in the process, since it was no longer possible to keep up a credible distinction between the traditional friendship between the two countries and their transient differences over the West Asian situation.

The tragic death of President Sadat will certainly lead to some rethinking in Egypt itself over the continued validity of its Israeli policy even if his successor, Mr. Hosni Mubarak, wants to adhere to it. There is bound to be some variation both in its articulation and application to meet the exigencies of the new situation.

Hobson's choice

A country like India will certainly sympathise with the predicament of the new leader as he faces the Hobson's choice of forsaking what Sadat gained by attempting to dilute the commitment, or risking increased hostility from the rest of the Arab world by fully abiding by it in the name of recovering the remaining occupied territory by April next as per the agreed time-table for restoration.

Any reappraisal by India of its relationship with Egypt in these changed circumstances will have to take into account this cruel dilemma that confronts the new President, while he remains buffeted by American pressure to uphold the policies of Sadat and the pulls of Pan-Arab sentiment to revert to the politics of a united front against Israeli expansion. If it is not in India's interest to see Egypt come under total American influence it is equally detrimental to its own policy pursuits in West Asia to unwittingly contribute to the reassertion of Islamic fundamentalism in the region.

The primacy of Egypt in the Arab world gives it a pivotal geopolitical position in the so-called crescent of Islam, the phrase coined by Zbigniew Brzezinski, to describe what he called the arc of crisis with Israel at its epicentre. It will be idle to pretend that the Soviet Union will let go this opportunity to dabble in Arab politics to regain at least a part of its lost influence in Egypt.

The grim prospect of this country getting engulfed in superpower rivalries again poses an equally perplexing challenge to Indian diplomacy as the recent events in the Gulf area and the Indian Ocean in the wake of Soviet intervention in Afghanistan.

The instability in this highly strategic region can be contagious if no timely steps are taken by the countries concerned to restore the missing power balances and political equations in their relations.

CSO: 4220/7234

JYOTI BASU 'TYPICAL OF MARXIST LEADERSHIP'

Bombay THE TIMES OF INDIA in English 11 Oct 81 Supplement p 1

[Article by Quark]

[Text] THE communist leadership consists predominantly of ageing men, unlike its Congress (I) counterpart which today is more youthful than ever before. This does not, of course, mean that more revolutionaries are to be found among those whose hair is turning white from grey; nor does it necessarily mean that communism has ceased to have any attraction for youth. It is also worthy of note that the senior communist cadres, apart from possessing the experience that age implies, have the advantage of being intellectually better equipped than the spokesmen of other parties. They also include some of our best parliamentarians. Which is an indication either that the reds have recognised the inevitability of the democratic process in India or that they have a flair for debate rather than for action.

Jyoti Basu is typical of the Marxist leadership. He is 67 and has a hairline that is fast receding. He is upper caste and upper class and his manner, which is one of elegance, shows his background. In other words, he belongs to the bhadralok and he is more comfortable among the urban middle and upper classes than among the workers and the peasants. It is believed that the higher echelons of the bureaucracy have a kinship with him, for Basu himself has something of the bureaucrat in him — one does not necessarily mean the Politburocrat. His education has been on lines predictable for the affluent Bengali: schooling at Loreto, La Martiniere and St. Xavier's. He went to Presidency College to read English literature for his Honours degree. Like many other Indians belonging to the privileged classes of his generation he had his "further studies" in London where he was called to the bar from the Middle Temple.

Even his communism he learned in London from Palme Dutt and Harry Pollit: it is the textbook variety and not an emotional or intellectual growth from experience or contact with the masses. Basu's background is not entirely dissimilar to that of Mohan Kumaramangalam. The latter, though, was a theoretician. The chief minister of West Bengal, for all his eminence, does not have any "thesis" to his credit. He has a common-sense approach to problems and does not claim to understand the dialectics or esoteric dogmas of Marxism. After the communists abandoned the Ranadive line of 1948-50, he was made secretary of the West Bengal CPI unit, but he was inept in [illegible] the party machinery and was replaced by Pramode Dasgupta. In the early sixties he emerged as a spokesman of the centrist movement and is said to have launched an attack on the left communists. But it did not take him long to grow out of this brief spell of adventurism (or was it the lack of it?) and become a leader of the CPI(M) after the split of the CPI. The power behind the Marxist throne in West Bengal today is Dasgupta who is chairman of the leftist coalition and has a better mass base than Basu.

Basu has very much mellowed since 1969 when he ruled West Bengal from behind the facade of a figurehead chief minister, Ajoy Mukherjee, and waged a war with the Centre. Today he is cautious though he remains a bitter opponent of the Congress (I). Yogendra Makwana, whose main job as Union minister of state for Home Affairs seems to be to needle non-Congress (I) state governments, has compiled statistics of the political murders in West Bengal during the last few years, apparently preparing a case for takeover by the Centre. But Basu is not prepared to take the bait. He is not easily provoked, unlike his counterpart in Kerala, Mr. Nayanar, who swells with anger whenever his government comes under attack.

Relations between the Centre and West Bengal were expected to hot up on the governorship issue. The impression was created that the replacement of T. N. Singh by B. N. Pandey was part of a diabolical move to sack the left front government. It is true that, when Mr. Singh departed, there was a touching farewell and that the eyes of Jyoti Basu and his colleagues nearly misted; also Mr. Pandey was treated as an unwelcome intruder. But Basu, the elegant revolutionary, is a shrewd politician. He knows how far to go in giving expression to his anger. His comment when he was told he had been friendly with Mr. Singh: "I have to be friendly with the governor. I have to be friendly even with the governor who is sent to my state to topple my government."

Whether or not his government will be toppled, the Congress (I) is not strong enough to take over in the event of fresh elections. The leftist coalition has not performed a miracle, but it still enjoys the support of the rural masses, though there are indications that there has been a small erosion of its popularity as shown by the results of the recent civic elections. Besides, the communists are realists and there are reports they are anxious to "come to terms" with Mrs. Gandhi. One wonders if a new thesis on the lines propounded by Kumaramangalam is on the anvil. Or is Dange, the wise old deviationist, after all, right?

GDR ENVOY MEETS PRESS, SCORES U.S. ARMS POLICY

Calcutta THE STATESMAN in English 17 Oct 81 p 6

[Text] MR Heinz Birch, Ambassador of the German Democratic Republic to India, said in Calcutta on Friday that his country shared India's concern over the arms supply to Pakistan by the USA. He agreed with the Indian contention that in the past arms supplied to Pakistan had always been used against India.

The Ambassador who was addressing a Press conference, stated that the proposed delivery of highly-sophisticated F-16 planes to Pakistan by the USA posed a great danger to this region. Such supplies would lead to an escalation of arms race in the subcontinent. He said that no sophisticated weapons should be supplied to any country in the South-east Asia since this would hinder peace and economic development of the region.

Mr Birch said that the GDR, which is situated between two power blocs, was keen on detente. The country was concerned over the proposed move by NATO to install missiles in West Germany.

He criticized some Western powers for adopting a policy of confrontation. They were interested in achieving a position of strength before starting any negotiation with the Soviet Union. Such an approach would make it imperative for the Warsaw Pact countries to take necessary measures for their defence.

On Afghanistan, the East German diplomat said that all outside interference in that country should be stopped and sovereignty and independence of Afghanistan should be respected. He stressed that it was for the Afghan Government to decide when to discontinue military assistance from the Soviet Union. He said the Soviet Union would withdraw all its armed forces from Afghanistan the moment the Afghan Government made such a request.

Mr Birch, who referred to recent demonstrations in West Germany and other west European countries against installation of missiles and manufacture of neutron bombs, said such movements, in which young people mainly participated, were very encouraging. He observed that before and during World War II, the imperialists had succeeded in winning young people to support war. But now it was the young generation, who were against war preparations.

The East German Ambassador was asked about his country's reaction especially of the working class, to the moves of Solidarity in Poland. He said the GDR officially was against Solidarity But many Polish workers engaged in East German factories in the border region had on occasions tried to persuade German workers to go on strike. But such attempts had not been successful.

Mr Birch, who has come to Calcutta to take part in the celebration of the 32nd anniversary of the GDR, organized by the Indo-GDR Friendship Society, said that both India and East Germany held close views on many international issues, especially regarding disarmament. He referred to the long-term economic agreement between the two countries, which would double the trade between two countries by 1985. At present the trade between the two countries had reached Rs 2 billion. He said that there were prospects for the two countries to collaborate in industrial ventures in third countries, especially in Africa. He said that in Libya, India and the GDR would jointly build a mixed fodder factory and silos.

The East German Ambassador referred to the next Five-Year Plan in his country, which sought to increase production by 30%. He said that the GDR, which faced a population shortage and encouraged a higher birth rate among its people through incentives, would introduce 45,000 robots in its industries by 1985 to tackle labour shortage. Each robot would be capable of doing three men's work, he said.

CSO: 4220/7269

REDDY SPEAKS AT BANQUET FOR GHANA PRESIDENT

Bombay THE TIMES OF INDIA in English 11 Oct 81 pp 1, 9

[Text]

NEW DELHI, October 10.

THE President, Mr. Sanjiva Reddy, today expressed concern over the induction of sophisticated arms in India's neighbourhood, which could upset the existing balance and start an arms race.

Speaking at a banquet hosted by him in honour of the visiting Ghana President, Dr. Hilla Limann, he said the arms induction would affect the process of confidence-building and normalisation of relations among countries of this region.

Referring to the alarming increase in military build-up in the Indian Ocean, the President regretted that "our constant calls for the elimination of great-power rivalry and military bases have failed to evoke any response".

Mr. Reddy said there was a perceptible revival of cold-war postures and the global outlook for peace had deteriorated in recent times.

He called for efforts to create the necessary political will and unity of purpose for restructuring the present inequitable world economic order, a legacy of the colonial era which made for easy and continued exploitation of poorer countries by the rich.

He said the non-aligned movement would have to intensify its struggle to achieve the new international economic order.

India and Ghana abhorred colonialism and racism in all its manifestations and believed in the brotherhood of man, and they were fighting together against the elimination of all forms of exploitation of man by man.

Recalling Dr. Kwame Nkrumah's fight for the total liberation of Africa, Mr. Reddy said if he were alive today he would have exulted in the victories Africa had already won—the 42 countries which have gained independence since Ghana first attained "the glory" in 1957.

He would, however, also have been full of impatience and justified anger to find that Africa was not yet completely rid of colonialism and racism in South Africa, Mr. Reddy said.

Mr. Reddy said Ghana could count on India's sympathetic support in its new democratic effort at national development and progress.

UNI adds: Replying to the toast, Dr. Limann observed that the tensions between the super-powers had grown.

Global peace and security were in "jeopardy" and were being increasingly threatened by gross disparities in the international economic situation.

Stormy clouds were gathering over the issues of Namibia, South Africa and West Asia. These darkening clouds made it all the more imperative for the non-aligned nations to resist all attempts at disrupting their unity, he said.

Earlier, Dr. Limann was accorded a ceremonial welcome on his arrival from Bombay by an Indian Air Force special aircraft.

Mr. Reddy and the Prime Minister, Mrs. Indira Gandhi, received the visiting dignitary.

Welcoming Dr. Limann, Mr. Reddy said the visit provided an excellent opportunity not only to strengthen the traditional ties of friendship but also to exchange views on matters of international and bilateral interest.

Responding to the warm welcome, Dr. Limann expressed the hope that his visit would strengthen the fruitful and cordial relations between Ghana and India.

PTI adds: Dr. Limann will have official talks with the Prime Minister on Monday. He will also visit Chandigarh and Bhakra Dam, Agra, and Bangalore before leaving for Bombay on October 14. He is scheduled to leave for Accra on October 15.

CSO: 4220/7232

GANDHI VISIT TO JAKARTA, MANILA DEEMED SUCCESS

Bombay THE TIMES OF INDIA in English 12 Oct 81 p 9

[Text]

NEW DELHI, October 11 (UNI).

THE Prime Minister, Mrs. Indira Gandhi, is believed to have attained a fair measure of success in her four-fold mission to the two prominent ASEAN countries—Indonesia and the Philippines—which she visited during her recent trip to attend the Melbourne Commonwealth summit.

Although these purposes were not stated explicitly, it was clear to the press corps which accompanied Mrs. Gandhi that these were: to remove the cobwebs of misunderstanding that still persist about India's recognition of the Heng Samrin government in Kampuchea to convince the ruling set-ups about India's strict nonalignment without any tilt towards either super power, to strengthen bilateral economic relations and to broaden the base of consultations and mobilise opinion among developing nations for the forthcoming Mexico summit.

Both in Jakarta and Manila the press corps was not taken into confidence about the discussions she had with President Soeharto and President Marcos without any aides.

But the two well-attended press conference in both these ASEAN capitals, the type of questions put to her and her clear exposition of India's stand on a variety of issues gave some inkling to what could have gone on at the highest level.

Kampuchea dominated Mrs. Gandhi's press conference in both these places and the questioners wished to know why India had done something which had estranged it from the ASEAN powers. Mrs. Gandhi took pains to point out that no new criteria has been followed and no departure had been made from the well-laid policy of the Indian government on the recognition of governments—namely, any set-up which exercised de facto control should earn recognition.

NO TILT

She pointed out that not only the information reaching the government from its own sources but also that in the possession of Western governments and independent press correspondents had clearly shown that it was the Heng Samrin regime which had effective control over the territory and commanded popular support. Neither any special favour had been conferred on Heng Samrin nor any superpower (meaning the Soviet Union) had obliged that government.

She positively took the stand that the barbarous acts of the Pol Pot regime and China's support to it could not be divorced from any value judgment about Vietnamese intervention. She argued that a negotiated settlement involving the countries of the region was the only way out. Mrs. Gandhi's persuasive but firm answers went home.

The next question flowing from the first was whether India was not tilting towards the Soviet Union. In Jakarta, a questioner even asked whether India was seeking Soviet military aid to offset the imbalance caused by acquisition of sophisticated US arm by Pakistan.

Here again, Mrs. Gandhi explained that India was not seeking any arms aid from the Soviet Union. It was contrary to its accepted policy. Only purchases of equipment were being made not only from the USSR but also from other sources like the U.K., West Germany, Sweden and even the U.S. If there was a show of anger or resentment it was when she said that "all this is deliberate propaganda. I do not wish to say by whom."

She said India had won freedom after a titanic struggle against the British and she knew the price of freedom. In thinking and action, India would always be independent. Also, in many cases, India had been driven to seek Soviet help even in the economic sphere because of the U.S.A.'s refusal to come to its help.

As for mutual relations between India and the ASEAN countries, Mrs. Gandhi took the view that differences in perceptions either on Kampuchea or Afghanistan need not inhibit dialogue towards greated understanding on political matters or come in the way of meaningful cooperation in the economic sphere.

CSO: 4220/7238

ANALYST DISCUSSES RELATIONS WITH PAKISTAN, PRC

Bombay THE TIMES OF INDIA in English 15, 16 Oct 81

[Two-part article by Inder Malhotra: "The Regional Environment"]

[15 Oct 81 p 8]

[Excerpts] I--Worsening Scenario

As in all human affairs, so in international relations, there are tides and ebbs. Few relationships, however, have been subject to so many vissicitudes as those between this country and its two principal neighbours, China and Pakistan. The ups and downs in the Indo-Pakistani equation have been more pronounced, more frequent and more painful than even the almost overnight shattering of the Hindi-chini-bhai-bhai spirit on the bleak Himalayan heights in October 1962.

Against this backdrop the recent deterioration in India's relations with China and Pakistan is not surprising though saddening it certainly is. For it cannot but exacerbate the already inflamed and ominous environment in the region. The negative developments in the India-China relations, such as China's denial of a visa to the Arunachal assembly's speaker, are manifest and have indeed been underscored by a succession of anti-Indian polemics emanating from Beijing. But the reality of the relationship between New Delhi and Islamabad has been obscured by the euphoria and goodwill generated by Pakistan's brilliant handling of the hijacking of an Indian Airlines aircraft to Lahore by some pro-Khalistan fanatics last month.

Complaints

Pakistan cannot be blamed, however, for utilising the opportunity to make its own complaints about the tolerance shown by India to Pakistani dissidents. Islamabad has objected to the transit through Palam of the Damascus-based hijackers of the PIA aircraft and to the visits to Delhi by Mr Murtaza Bhutto, the executed Pakistani prime minister's son, and Mr Ghulam Mustafa Khar, a leader of the late Mr Bhutto's party, the PPP, who now lives in Britain. It has also taken strong exception to the presence in New Delhi of a Pakistani poetess, Miss Fahmida Riaz, who has been given an extended visa and a job at Jamia Millia.

The external affairs ministry's answer to these Pakistani complaints is that if the Pakistani dissidents, travelling on valid passports, passed through Delhi, they did so without the Indian government's knowledge whereas the leaders of

the secessionist Khalistan movement such as Dr Jagjit Singh and Mr Ganga Singh Dhillon, have been welcomed during their repeated visits to Pakistan by high Pakistani dignitaries. As for Miss Riaz, the Indian Government's attitude is said to have been influenced by repeated pleas made on her behalf (she apparently faces charges of sedition in Pakistan) by Urdu writers of this country.

But to get back to the problem of the hijackers of the Indian aircraft, the question is that if Pakistan is reluctant to return them to India, would it mete out to them the death penalty prescribed under the martial law and in fact awarded to two Pakistanis who unsuccessfully tried to hijack an aircraft? Not by a long chalk.

Altogether, therefore, an incident which has won Pakistan deserved kudos at present might end up, in the long run, by adding to the sourness of India-Pakistan relations which took a nose-dive the moment a renewed U.S.-Pakistan military relationship was established.

Nuclear Issue

This indeed is the nub of the problem. For what the subcontinent is currently suffering from is not this action or that by either Pakistan or China but the massive and malign consequences of Pakistan's decision merrily to enter the warm embrace of the U.S.-sponsored strategic consensus, ranging from Islamabad to Cairo. After the murder of President Sadat it was thought that even the Reagan administration might develop second thoughts on its policy of bolstering fragile regimes. But this has turned out to be a vain hope.

There are at least three indications that the U.S. is hell-bent on rearming Pakistan for its own purposes regardless of consequences to others. First, a three-man team of U.S. congressional staff, on a visit to Pakistan, tried to gauge the reactions of the military regime's critics to the U.S. decision to supply F-16s and other sophisticated military hardware to Pakistan and asked some awkward questions about the Pakistani nuclear programme. It was given short shrift by Pakistani rulers, confident about their cosy relationship with the White House.

Secondly, the new U.S. policy on nuclear non-proliferation, now being leaked out in Washington, suits Pakistan to the hilt. For, as reported in THE WASHINGTON POST, it aims at virtually repealing the existing law making it mandatory to cut off U.S. nuclear exports as well as military and economic assistance to nations suspected of moving towards nuclear capability. The chief U.S. spokesman on nuclear affairs, Mr James Malone, is quoted as having said that even in regard to such sanctions against nuclear proliferation as the Reagan administration would like enacted, a distinction must be made between proliferation by countries friendly to the U.S. and those which are not. [as published]

If this is not a clear encouragement to Pakistan to go ahead with its nuclear plans, what else is it? And that brings one to the third point that an almost total military and political commitment to Pakistan is being made by the U.S. at a time when it has allowed its relationship with India to deteriorate to a depth never reached before, not even in the days of the notorious Nixon-Kissinger tilt towards Pakistan during the Bangladesh war.

Opportunity

At that time, a U.S. naval task force was despatched from the South China Sea to the Bay of Bengal. Today, the U.S. has not only developed the formidable Diego Garcia naval base but also deployed in the Indian Ocean two naval task forces, each headed by an aircraft carrier. In terms of punch, these vastly exceed the total naval power of all 36 states of the Indian Ocean littoral.

Of course, there are Soviet naval ships too chugging around in the Indian Ocean. But, as responsible Russian spokesmen have pointed out, the total tonnage of the Russian naval vessels in the Indian Ocean today would not equal even two-thirds of the displacement of a single U.S. carrier!

Regrettably, the U.S. also seems to have embarked upon what looks like a deliberate campaign of disinformation about the military realities in the subcontinent. For instance, the under secretary of state for security assistance, Mr James Buckley, was talking utter baloney when he said that even after the U.S. had supplied Pakistan 40 F-16 aircraft, in terms of modern, comparable warplanes, India would still have a six-to-one superiority over Pakistan.

A lot more alarming is a Delhi-datelined story simultaneously published in all major U.S. newspapers forecasting an early war between India and Pakistan "at India's initiative." Careful inquiries have revealed that the absurd report was based on a briefing by a senior U.S. embassy functionary.

In spite of all this, the Indian government's effort is to be patient and to do its utmost to prevent India's relations with the U.S. from becoming even worse than they are. For example, the Tarapur fuel issue has become something of a running sore. And yet the directive to the Indian negotiators is not to allow their frustration over it to affect Indo-U.S. relations in general. Washington has even taken the extraordinary step to impede the IMF loan to this country. Even to this New Delhi is reacting coolly.

[16 Oct 81 p 8]

[Excerpts] II--Need To Face Facts

IN the prevailing atmosphere some in this country might be tempted to believe that China's recent tantrums in its dealings with India are a product of the Sino-U.S.-Pak collusion. But this temptation ought to be resisted. There is doubtless a parallel between the Chinese strategic interests, as Beijing sees them, and those of the United States. Indeed this has been repeatedly underlined by Mr. George Bush and Gen. Alexander Haig as well as by Mr. Deng Xiaoping and Mr. Huang Hua. But parallelism is one thing and collusion quite another. Also there are some notable differences between China and the U.S., principally over Taiwan.

In any case, even in the face of the Reagan administration's unconcealed antipathy to this country, the Chinese, for good reasons of their own, have persisted in a policy of normalising relations with India. In fact, while maintaining their support to Pakistan and justifying its rearmament by the U.S., they have been advising Islamabad to improve its relations with New Delhi.

Of course, this policy has had its ups and downs. Mr. Atal Bihari Vajpayee's visit to Beijing as foreign minister was ruined by the Chinese invasion of Vietnam while he was still on Chinese soil and utterly unaware of this climacteric event. Later, the Chinese foreign minister, Mr. Huang Hua, abruptly postponed his visit to New Delhi evidently to protest against the Indian government's decision to recognise the Heng Samrin government in Kampuchea.

However, by the time of Mr. Huang Hua's cordial and useful talks with Mrs. Gandhi and Mr. Narasimha Rao in New Delhi, two things were clear. First, that the Chinese had learnt to live with the Indian policy on Kampuchea. And secondly, they had realised that the border question between the two countries could no longer be put on the back burner and that the pace of improvement in the overall India-China relations would be determined largely by the progress towards its settlement.

CHURLISH

It is something of a Chinese puzzle, therefore, that at this stage Beijing has given a gratuitous jolt to the process of normalisation by a series of steps of which the most offensive has been the denial of a visa to the speaker of the Arunachal Pradesh assembly, Mr. Rajkumar, who has been invited, along with other Indian parliamentarians, to Beijing for a U.N.-sponsored conference on population control.

The only explanation for this churlish step that has been offered is that the Chinese wished to underscore that Arunachal Pradesh is a disputed territory and that they do not recognise India's effective control of it. But it is inconceivable how the denial of a visa to a resident of Itanagar strengthens the Chinese case on the border or how the granting of the visa to him would have weakened it. However, the fact also remains that the discourtesy shown to the speaker of Arunachal assembly was preceded by a series of somewhat curious Chinese statements on the India-China border question.

One of these statements was an angry blast against routine replies by Mr. Narasimha Rao to parliamentary questions on the Indian territory under Chinese occupation. Such questions have been asked in every parliamentary session since the India-China dialogue was resumed and have been answered in exactly the same terms as used by the Indian foreign minister in early September. And yet more than a fortnight later, the Chinese reacted sharply to what they had previously taken with perfect equanimity.

Add to this the petulance that the Chinese displayed when an enterprising reporter brought to light furtive and temporary Chinese intrusions into certain areas of Ladakh and it becomes clear that something about the border question has begun to bother Beijing. Maybe, China is discovering that its earlier hopes of selling to the Indian public Mr. Deng's package deal on the border are not tenable. Maybe, the India-China border question has somehow got enmeshed in the debates and disputes within the Chinese leadership. But whatever the reason, the Chinese have not improved the atmosphere for the official-level talks on the border issue that are due to take place soon.

After Mrs. Gandhi's criticism of the Chinese policy on Kampuchea just before leaving for Jakarta, it was perhaps inevitable that Beijing would react. Indeed, the prime minister herself found it necessary, during her travels in Fiji, to explain that her interviewer had failed to convey the exact import of her remarks. Even so Beijing's tone in repudiating her statement was unduly sharp.

UNLIKELY

All this has put in a tight spot all those in this country who have been advocating a settlement with China on whatever terms Beijing is prepared to offer. It has also encouraged those Indians who, largely because of their love for Moscow, have unfortunately been opposing Sino-Indian rapprochement. But, for this state of affairs, China cannot blame anyone except itself.

The damage done to Indo-Pakistan relations by the resumed U.S.-Pak military relationship and the consequent importation into the sub-continent of big power rivalries and conflicts is grim enough. Rather than try to mitigate this situation, the Pakistanis have chosen to aggravate it by not only flogging yet again the dead horse of the Kashmir issue but actually raising the ante on this question.

The Simla agreement had laid down two fundamental and far-reaching principles to which both India and Pakistan committed themselves solemnly. First, that in all their dealings, including over Kashmir, the two countries would act on the basis of *strict bilateralism* and think of any other means only if both sides were agreed on it.

Secondly, both sides undertook to first convert the cease-fire line in Kashmir into the line of control and then to abjure all attempts to violate or change this line by force or threat of use of force or subversion.

The implication of the second commitment was clear—that the two sides had decided eventually to convert the line of control into a permanent border (with mutually acceptable changes, of course) and thus get rid of the Kashmir issue.

Indeed, this is what Mr. Atal Bihari Vajpayee meant when, as foreign minister, he "accused" Mrs. Gandhi of entering to a "secret-deal" with the late Mr. Bhutto at Simla. Several years earlier, Mr. Bhutto's critics, including Khan Wali Khan, bitterly criticised him for his attempt to absorb "Azad Kashmir" into Pakistan as a sixth province. This, they said, would be a prelude to the settlement of the Kashmir question along the existing line of division.

FURTHER

In the event, Mr. Bhutto never lived up to his promise. But, to his credit, he did two things. First, whenever he spoke publicly about Kashmir — and he did so frequently—he sent a private message to Mrs. Gandhi requesting her to bear with him because he faced many political difficulties.

Secondly, he saw to it that the Pakistani delegation did not raise the Kashmir issue at the U.N. general assembly. But as soon as he was overthrown, the military regime of Gen. Zia started raising the Kashmir issue at the U.N. general assembly and at other international gatherings. Indeed at both the U.N. and the Islamic summit in 1980, Gen. Zia personally equated Kashmir with Palestine and understandably invited a sharp retort from New Delhi.

In 1977 and 1978, however, the Janata was in power in this country and rather bemused by its own concept of good-neighbourliness. It prevented the Indian delegation from even exercising its right of reply when Mr. Agha Shahi raked up the Kashmir issue at the U.N. general assembly during those days. Mr. Charan Singh, though only a caretaker prime minister, reversed the Janata's directive.

During this year's exchanges over Kashmir at the U.N. Pakistan has gone one step further than even before. After Mr. Agha Shahi had spoken on Kashmir, Mr. N. Krishnan, India's permanent representative at the U.N., replied to him whereupon Mr. Bhatti of Pakistan was allowed a brief say. This, as in previous years, should normally have been the end of the matter. But, no, the Pakistanis had yet another trick up their sleeves. They asked Prof. Chughtai, their delegate to the committee on social, humanitarian and cultural affairs, to take up the Kashmir question.

There is no dearth of Pakistan's apologists in this country who would want this matter to be dismissed as trivial. But it is not. The unpleasant fact must be faced that the unremitting Pakistani attempt to keep the Kashmir issue alive, by hook or by crook, is not an innocent exercise, especially in today's strategic environment.

CSO: 4220/7260

DELEGATE REPORTS ON VISIT TO ASEAN COUNTRIES

Bombay THE TIMES OF INDIA in English 15 Oct 81 p 22

[Text] New Delhi, October 14: Several Association of South-East Asian Nations are keen to develop closer economic relations with India. But India must adquire "an export culture" to be able to promote its exports.

This is the impression of an Indian delegation after visits to Thailand, the Philippines, Indonesia and Malaysia. The delegation was led by Mr Satya Paul, president of the Federation of Engineering Industries of India.

Mr Paul told newsmen yesterday that the delegation had very useful discussions with senior ministers, government officials and representatives of trade and industry in these countries.

The governments as well as the business communites there were very keen to develop closer economic relations with India. Indian goods, though not very popular in the ASEAN region, were acceptable for quality.

Mr Paul said Indian exports faced stiff competition in the region from Japan, Korea and Taiwan whose brand names were very popular. Their goods compared well in and price and delivery schedules and were far better than in the case of Indian exports. Japan, a traditional exporter, had a large share of the ASEAN market.

Price, delivery and shipping were the main constraints facing Indian exports. Indian engineering goods, which were cheap till a couple of years ago, were now highly priced. Delivery schedules were not adhered to and shipping facilities were inadequate. As a result, Indian exports were losing to exports from Korea and Taiwan.

Mr Paul felt there was good scope for setting up joint ventures in these countries. Indian technology was considered most suitable and easy to adopt.

The delegation will submit a report on its visit to the government in the next two weeks.

CSO: 4220/7255

INDIA, GHANA SIGN 3-YEAR TRADE AGREEMENT

Madras THE HINDU in English 14 Oct 81 p 7

[Text]

NEW DELHI, Oct. 13.

Diamonds have been included among the items for import from Ghana to India in the three-year trade agreement signed here yesterday by Mr Pranab Mukherjee, Union Commerce Minister, and Mr. Vincent Bulla, Trade Minister of Ghana.

The agreement provides for the most-favoured-nation treatment to exports and imports from either country and in all other matters relating to bilateral trade.

The list of items for import from Ghana includes gold, cocoa, beans and products, railway sleepers, timber products, knocked-down furniture, coffee and pineapples (fresh and canned).

The items for export from India include tea, spices, oilcakes, tobacco, rice, marine products, cotton piecegoods, handloom and millmade, silk/art silk and woollen fabrics, raw jute/jute manufactures, agricultural machinery and equipment transport vehicles and feature films.

Joint committee to be set up: A joint committee consisting of representatives of both the countries will be set up to facilitate the implementation of the agreement.

The committee will, inter alia, keep under review the implementation of the provisions of the trade agreement, exchange information on regulations pertaining to trade and industry and examine measures to solve problems that may arise in implementing the agreement.

The committee will also consider proposals made by either Government for further expanding and diversifying trade between the two countries and identify appropriate areas of industrial co-operation, particularly those which offer prospects for developing mutually beneficial commercial exchanges.

For promotion of trade, both the countries have agreed to grant reasonable facilities to hold trade fairs and exhibitions and exempt from customs duty goods meant for exhibitions provided these are not sold or otherwise disposed of.

The agreement also stipulates that goods exchanged between the two countries should not be re-exported to a third country except with the prior approval.

It has also been agreed that India and Ghana will accord the most-favoured-nation treatment to each other's merchant vessels sailing under their flags in respect of all matters relating to navigation, access to the ports open to foreign trade and use of ports and harbour facilities.

Rs. 5 crore credit: India will also provide credit of Rs. 5 crores to Ghana.

The loan covers largely the financing of purchases by Ghana from India of equipment for rural electrification and water supplies.

Exploitation of oil: The agreement on economic, scientific and technical cooperation provides for cooperation in exploring and exploiting oil, natural gas and other mineral resources.

It envisages exchange of visits of experts and officials of the two governments in economic, scientific and technical fields, and cooperation in setting up industries, including small-scale ones and in developing infrastructure, trade, agriculture, fisheries and allied fields.

India has agreed to promote advanced training to experts, scholars, and scientists and other high-level administrative personnel of Ghana.

PTI reports:

Art and culture, education, sports public health and mass media are covered in the new cultural agreement.

CSO: 4220/7251

DETAILS OF CULTURAL PACT WITH GHANA REPORTED

Calcutta THE STATESMAN in English 14 Oct 81 p 1

[Text] New Delhi, Oct 13--India and Ghana signed a cultural agreement, the first of its kind, on the occasion of the visit of Ghana's President Mr Hilla Limann to India.

The agreement, details of which were released today, was signed by the Minister for Commerce, Steel and Mines, Mr Pranab Mukherjee, in the absence of the Minister for Education and Social Welfare, and the visiting Ghanaian Chinebuah.

According to the agreement, there will be cooperation in the fields of art and culture, education (including academic activity in the fields of science and technology), sports, public health and the media. It calls for reciprocal visits by professors and experts, representatives of educational, literary, scientific, technical artistic, sports and journalists' associations, grant of scholarships by each country to students and scientific personnel, exchange of artists, dance and music ensembles, exchange of art and other exhibitions, exchange of film, documentaries and radio and television programmes, participation in international film festivals and visits of sports teams.

The agreement provides for the signing of a protocol for the evaluation and recognition of educational certificates and degrees awarded in either country.

The agreement also provides for the setting up of a joint committee of the two Governments to review periodically the working of the agreement and recommend specific items of interest in the fields envisaged in the agreement.

The agreement will come into force from the date of exchange of instruments of ratification by both sides.

PTI adds: India will give Ghana Rs 5 crores in credit and the two will take steps to strengthen cooperation in a wide range of trade, economic scientific and cultural fields.

They will extend "the most favoured nation" treatment to exports and imports from either country under a trade pact, while another agreement covering economic, scientific and technical fields envisages cooperation in the establishment of industries and joint ventures and in the development of infrastructure. The credit will enable Ghana to import Indian manufactured goods.

CSO: 4220/7250

RAO TALKS TO PRESS ON RETURN FROM RANGOON

Calcutta THE STATESMAN in English 14 Oct 81 pp 1, 9

[Text] Mr P. V. Narasimha Rao on Tuesday described the Pakistan offer of a no-war pact to India as "curious" and said that the Union Government would have to take into account all aspects of the question before taking a decision on the offer. He was not sure whether the offer had been made with an eye on the U.S. Congressional hearings on arms supply to Pakistan or was just a pure coincidence.

The External Affairs Minister described the offer as interesting because Pakistan had rejected one by India. What motive had suddenly prompted that country to come up with the proposal would have to be studied. Mr Rao, however, said that unlike Pakistan, India would not reject the offer outright but would study all its implications before making a decision. He expressed his surprise at the "off-handish" manner in which the offer had been made to India. "When you make an offer you first officially inform the Government concerned. You don't convey it through the Press as the Pakistanis have done," Mr Rao remarked.

The External Affairs Minister said in an interview at the Calcutta airport on his way to Delhi from Rangoon that his trip to Malaysia and Burma had been "extremely fruitful," considering the interests these countries had shown in joint ventures with India. The leaders had told him clearly that they found Indian economic development more relevant to the conditions obtaining in their countries. In fact, they had said that the economies of their countries were complementary to that of India. Both were eagerly following India's achievements in the small-scale industries' sector.

"The real achievement of my trip is that the two countries expressed a desire to have our know-how in the machine tools sector. The Malaysians will send a high-powered delegation to the Delhi industries fair next month to ascertain what they need from India in the small-scale sector. The leaders have told me that they could not absorb the technology offered to them by the advanced countries. They find the Indian technology and experience more relevant," Mr Rao said.

He pointed out that there were more than 40 joint ventures in Malaysia and most of them were doing well. In Burma 16 of the 20 Indian pilot projects in the industrial estate had become viable. An Indian trade delegation would be visiting Rangoon next week to expand trade ties.

The minister said that India's stand on Kampuchea was based on an objective assessment of the situation. He said that the perceptions of India and the

ASEAN countries on Kampuchea were bound to be different. "Some countries see Russians behind every bush which is not a realistic way of viewing things," Mr Rao added.

He said that the Union Home Ministry would have to keep tag on Pakistanis and Bangladeshis coming to India with travel documents. The machinery for detecting those who overstayed in India would have to be made more effective. He had been assured by the Bangladesh Foreign Minister, Mr Shamsul Haque, both in New York and Melbourne, that Bangladesh would soon make arrangements for the repatriation of Bangladeshi tribals from Tripura. In fact he had been told of Bangladesh's anxiety over the influx of tribals into Tripura.

Mr Rao said that the assassination of President Sadat would have repercussions on developments in West Asia. But he felt that it was too early to predict what kind of development would overtake that region.

Mr Rao left for Delhi in the evening.

CSO: 4220/7250

U.S. PRESENTATION OF GRIFFIN CASE SCORED

Madras THE HINDU in English 12 Oct 81 p 6

[Article by N. Ram: "Griffin Affair: U.S. Charge Against USSR"]

[Text]

WASHINGTON, Oct. 11

The U.S. State Department has pulled out of its non-diplomatic hat 'affaire Griffin — as a classic case 'on which the Soviets did a number, to use vernacular English."

This appears to be part of a complicated political process of suggesting now that India is 'tilting' towards the Soviet Union, then, that the United States doesn't really believe this, and returning repeatedly to the original theme.

The other day the Pentagon, in an official release on "Soviet military power", replayed old lines about the Indo-Soviet friendship treaty serving as preparation for the "invasion" of Pakistan in 1971, and claimed that India had "a significant presence" of Soviet military advisors.

Soviet "active measures"

The charge against India's handling of the Griffin episode has come this time as part of an official State Department document on "Soviet 'active measures' — forgery, disinformation, political operations." The four-page document, released on Friday, deals particularly with "press manipulation" as a category of 'active measures' and techniques. It singles out "Blitz" in a characterisation that would probably be defamatory if published in India.

The broad range of Soviet "active measures' worldwide are said to include "written or spoken disinformation, efforts to control media in foreign countries... use of communist parties and front organisations... clandestine radio broadcasting, blackmail, personal and economic and political influence operations."

The goal of the effort is, of course, "to discredit and weaken the United States and other nations." The "specific cases" are supposed to include "The Soviet anti-theatre nuclear force (TNF) campaign in Europe... the Soviet anti-'neutron bomb' campaign... Soviet activities in support of the leftists in El Salvador... the Soviet campaign against the U.S.-Egypt relationship and the Camp David process." (The so-called case study relating to El Salvador actually credits the work of "influencing public opinion throughout Latin America and in Western Europe" with "some success.")

It is within the context that the Griffin affair is given a prominent place.

In a background briefing for the benefit of the Foreign Press corps in Washington, a State Department official initially presented the episode in sweeping and indignant terms implying the "manipulation" not merely of the Indian press, but also of political opinion and the Government. Then, under questioning on the facts of the case, he backed off and maintained that he was dealing solely with the conduct of "Blitz... the well-known Indian news weekly."

Soviet "disinformation"

In fact, the State Department official used the controversy and dispute over the proposed New Delhi assignment of Mr. George B. Griffin — "the American Foreign Service Officer" — as an illustration of "how it is possible to manipulte the press." The details he strung together were clearly meant to suggest that the charges against Mr. Griffin were exclusively the work of Soviet "disinformation" — "bouncing ping-pong, back and forth" among (pro-Soviet) Indian, Soviet and Afghan publications after first being "pulled out of the air."

As one who knew Mr. Griffin "for about 20 years," he denied categorically that he was a CIA operative and fastened on a single headline to make the sweeping point that "you've got a straight pack of lies. The sort of thing that gets picked up here, played up here, picked up over there, replayed somewhere else, etc., etc.

The State Department official was asked if it was not disingenuous and misleading to suggest that the wider Indian treatment of Mr. Griffin's background, his role in the Bangladesh liberation events, as well as his Afghan stint could be equated with the presentation by one publication — and, in fact, mainly with one sensational headline.

He was also asked if the State Department was not carefully shutting out from its presentation of the facts of the case the reference made to Mr. Griffin in the research of an American journalist and scholar, Mr. Lawrence Lifschultz, as well as in other published material on the Bangladesh liberation events: The characterisation of Mr. Griffin as an intelligence operative in a publication in the German Democratic Republic as early as 1968, before anyone could know he would play the role he did in the Bangladesh events; and the details provided in the whole range of the Indian press.

It was at this point that the State Department official seemed to back away from the original sweep of his denunciation and assertions.

CSO: 4220/7239

DETAILS OF PRC VISA DENIAL INCIDENT TOLD

Bombay THE TIMES OF INDIA in English 16 Oct 81 p 1

[Text]

NEW DELHI, October 15.

THE Chinese have relented on the issue of granting visa to Mr. T. L. Rajkumar, Speaker of the Arunachal Assembly, who is a member of the Indian parliamentary delegation to a population conference to be held in Beijing from October 27.

The Chinese have now decided to give visas to all members of the Indian delegation. Earlier, they had refused to give a visa to Mr. Rajkumar "on account of the boundary dispute between India and China in the region bordering Arunachal."

The Chinese have now agreed to provide identical visas to all members of the delegation. The visa will be given as a separate document and not in the form of an endorsement on the passports of the Indian delegates. It is not unusual diplomatic practice.

The Indian delegation led by Mr. Sant Paul Mittal, had decided to boycott the conference unless the entire team was given visas. The decision was conveyed to the Chinese and to the U.N. Fund for Population Activities, which is sponsoring the conference.

The earlier Chinese decision to deny visa to Mr. Rajkumar had introduced a jarring note in bilateral relations at a time when an Indian Official team is preparing for talks in Beijing next month to follow up the Chinese foreign minister, Mr. Huang Hua's visit to New Delhi in June last.

The earlier Chinese decision came as a surprise since Mr. Huang himself had desisted from playing up the border dispute and had gone as far as suggesting that such contentious issues should be kept aside while trying to evolve some political understanding.

The fuss that the Chinese made over granting the visa to Mr. Rajkumar only highlighted the border dispute.

In any case, the Chinese reaction to Mr. Rajkumar's selection was uncalled for since the government of India had no hand in the choice of the delegates of the parliamentary association.

NO DISCRIMINATION

The Indian delegation which reacted spontaneously insisted that it would not tolerate any discrimination against any of its members.

Besides India's cool but firm reaction, the pressure from the U.N. body, which supports the family planning programme in China in a big way, induced China to withdraw its objection to granting a visa to Mr. Rajkumar.

India did not overreact to this storm in the diplomatic tea cup which has blown over. Before drawing any conclusions about the prospects of improving bilateral relations, India would like to watch the Chinese attitude for some time.

Prior to the official level talks next month, Mrs. Indira Gandhi and the Chinese Prime Minister, Mr. Zhao Ziyang, will be meeting in Cancun. The proposed meeting attains significance since the request for the meeting came from the Chinese side.

CSO: 4220/7261

WRITER CONCERNED OVER FOREIGN AFFAIRS SECRECY

Calcutta THE STATESMAN in English 16 Oct 81 p 8

[Commentary by S. Sahay: "A Close Look: India's Image Abroad"]

[Text] THE helplessness of the Press (need one mention the Government-controlled radio and television?) in covering the country's foreign relations is almost total. The External Affairs Ministry is one department in which the imperial traditions still continue and the hoi polloi are sedulously kept out of higher secret knowledge. The winds of change may have effected, even if partly, other bureaucrats, but not our diplomats.

News is what the External Affairs Ministry spokesman says it is. And we are reminded again and again that history is made every time two Heads of State or Foreign Ministers meet, occasionally even when two Foreign Secretaries do. Journalists are necessary members of the Prime Minister's or the Foreign Minister's entourage—not so much because they may be able to tell readers back home about the country being visited or about the actual talks held (in the rush of things they can hardly go beyond the briefings by the official team, in particular the home team)—but because the importance the Prime Minister or the Foreign Minister attaches to a country has come to be judged not only by the strength of the official team but by the number of peripheral persons such as journalists. Their overall position is no better than that of the pundits and barbers forming part of the retinue of the travelling Maharajas of yore. This writer is personally aware of the Government of India officials' concern to match the number of journalists who may be accompanying a visiting Indian dignitary with the number of journalists brought to this country by a visiting dignitary.

SECRECY

In retaining secrecy or circulating feelers, no myth comes more handy to our officials than "national interest". And once again, "national interest" is what our External Affairs men say it is. Was it at all in the national interest that the Americans should have been allowed to plant a nuclear device, later reported to have been lost, in the Himalayas? Could the citizen, including a journalist, have a different perception of the national interest? Perhaps he could but how would he ever know about it? That was the official presumption. It had to be an American leak to let the facts be known to the Indian public, and that too years after the deed was done.

A classic example of the attempt to hoodwink the Indian people is the claim made by our "official sources" that the Commonwealth summit at Melbourne was a triumph of India's "silent and subtle" diplomacy. It was emphasised that despite world Press forecasts to the contrary, the issue of Pakistan rejoining the Commonwealth was not at all raised at the conference and that the Indian point of view on Afghanistan and Kampuchea had found a place in the communique. It did not occur to the "official sources" that Mrs Gandhi's very determined and vocal stand on the issue could be called neither silent nor subtle. And even though the Commonwealth summit communique, as usual, can mean different things to different people, the fact remains that, as far as Afghanistan is concerned, it went much beyond the earlier New Delhi communique.

THE ART

To the art of deceiving the people has now been added the art of self-deception or sycophancy. This extension of a disease from domestic politics to foreign affairs is disconcerting because, while there are counter-checks at home, a diplomat usually has the run of the field. There is reason to believe that some of our diplomats posted abroad would rather tell South Block what it would like to hear rather than something which may invalidate its fanciful theory on a given subject. That a diplomat is sent abroad to lie for the good of his country is text-book knowledge but that he has started lying back to his own country is a fresh development.

Nothing proves this better than this country's image abroad as against that of Pakistan. The plain fact is that, particularly after the Soviet invasion of Afghanistan Pakistan has very successfully been portraying its image as an aggrieved nation and winning sympathy all round. It has done so not only through its Foreign Minister or its regular diplomats but has been sending, without any fanfare, indeed in secrecy, some influential Pakistanis all over the globe for quiet lobbying. It has been exploiting to the full its friendship with the USA, with China and its links with the Islamic bloc. And this fact, known to our diplomats, remains uncommunicated because the diplomats do not want problems for themselves.

Today India's name evokes neither respect nor consideration in world forums and neighbours look on it with suspicion. It can possibly be argued that this is the price an independent and

populous nation growing stronger every day despite myriad domestic problems, has necessarily to say. Up to a point that is correct. But even this cannot explain away our failure to make friends and influence nations

The ebb and flow in the world popularity of India and Pakistan makes interesting reading. In 1947 we were on the top of the world. A series of diplomatic initiatives. Nehru's contribution to the concept of non-alignment the country being able constitutionally to retain the name India and the manner in which independence was won, helped. We were a name in the world. We had influence.

Our refusal to join the American defence against Communism (a good thing too), starting with Richard Nixon's trip to this country and Pakistan around 1958, alienated us a bit, as did our initial equivocation about Hungary, but it was after the Chinese invasion in which we cut such a sorry picture, that our image plummeted. It took an upward swing after the liberation of Bangladesh but nosed down again after the declaration of the Emergency in 1975. The 1977 General Election and the catapulting of the Janata Party into power radically changed our image. We were described as a vibrant democratic nation. Further, whatever Mr Morarji Desai's other faults, he inspired confidence among nations, in particular our neighbours. However, this was partly offset by the growing inability of Janata either to unite or to govern and the subsequent General Election and the return of Mrs Gandhi to power made the world make a reassessment of us. The subsequent developments in Iran and Afghanistan and the impression that we were under excessive Russian influence caused problems for us

And Pakistan? It was nowhere near us in the initial post-independence years. Its failure in the democratic experiment and its military regimes hardly improved its image, although, so far as the USA is concerned, it has always been patronised by a section who would condemn the Emergency in India but make friends with military dictators in Pakistan. The coming into power of Mr Bhutto resuscitated the Pakistani image a bit but his fall and execution left Pakistan virtually friendless.

THREE FACTORS

It bounced back again because of three factors: developments in Iran, Soviet invasion of Afghanistan and Mrs Gandhi's return to power. It has been skillfully and quietly taking advantage of each of these developments and winning international friends, usually at the expense of India.

What can India do? It is true that international relations is too complex a subject to be analysed in terms of image alone, and that irrespective of what we do some people will always be against us for the simple reason that our size, potential and comparative strength suit few. But then diplomacy is ultimately judged by its success and we must succeed in improving our image and winning friends.

Perhaps we could begin by improving our relations with our neighbours and inspiring the same kind of confidence that Mr Morarji Desai had successfully done. Also even if it means emulating Pakistan, we, too, could send out seasoned men (Mr Swaran Singh for instance) for quiet diplomacy abroad. Pakistan functions at several diplomatic tiers. So must we.

CSO: 4220/7263

PETITION AGAINST CUBAN ENVOY ACCEPTANCE REPORTED

Calcutta THE STATESMAN in English 16 Oct 81 p 9

[Text] New Delhi, Oct 15--The nonappearance of counsel on either side led to the dismissal of a writ petition under Article 226 of the Constitution by a two-Judge bench of Delhi High Court today. The petition was filed yesterday by Mr P. N. Lekhi, a senior adovcate.

Mr Lekhi had submitted in his brief that the Secretary, Ministry of External Affairs, and Mr P. V. Narasimha Rao, Minister for External Affairs, had failed in the proper performance of their respective public duties, before giving their consent to receive Mr Jose Perez Novoa, as Ambassador of Cuba, by overlooking deliberately or otherwise, his criminal antecedents, particularly the links of the Ambassador with KGB.

Referring to a report published in THE STATESMAN, Mr Lekhi said Mr Novoa, who had earlier been accredited to Ethiopia as Soviet Ambassador, was declared by that country as a persona non grata in 1978 and expelled on the ground that he had acted "as a mole of the KGB."

The report, based primarily on a DAILY TELEGRAPH report, "The Intelligence War--Cuban Spy Chief in New Delhi," had stated that Mr Novoa had been expelled from Addis Ababa together with his counsellor and the South Yemeni Charge d'Affaires when all three men had been found to be embroiled in a plot to install a Moscow-line Marxist in place of Colonel Mangistu at the head of Ethiopia's revolutionary regime.

Mr Lekhi had said in his brief being a "public spirited" person, a lapse on the part of the Ministry of External Affairs appeared to have occurred--a lapse, which he said could be rectified by the court.

If the lapse were not rectified, Mr Lekhi had said, grave consequences might result to the country. Its sovereignty, unity and integrity might fall prey to "sinister designs" of foreign Powers.

Mr Lekhi referred to the U.N. General Assembly resolution of December 21, 1965, which adopted the declaration on the "inadmissibility of intervention in the domestic affairs of the States and the protection of their independence and sovereignty," according to which no foreign State had the right to intervene, directly or indirectly, in the internal or external affairs of a State.

Mr Lekhi said Mr Novoa as such had been a conscious violator of diplomatic norms and that there was no guarantee that he would not behave the similar way in India as he had had in Ethiopia.

Mr Lekhi had requested the court to issue a writ of mandamus to the Ministry concerned asking it not to issue a visa to Mr Novoa and to issue a writ of certiorari to quash the agreement accepting Mr Novoa as Ambassador.

CSO: 4220/7263

USSR TO ASSIST EXPLOITATION OF OPENCAST MINES

Calcutta THE STATESMAN in English 17 Oct 81 p 9

[Text] The Soviet Union has agreed to provide technical assistance to India for starting new opencast mines in place of the existing underground mines in the Jharia coalfields, according to Mr R.N. Sharma, Chairman, Coal India. The Russians will introduce a new technology for mining of coal from a depth of 400 feet by opencast method.

According to Mr Sharma, the assistance will be provided under the Indo-Soviet technical cooperation programme. The assistance was agreed upon during the first meeting of the Indo-Soviet coal mining group held in Moscow early this month, Mr R.P. Kholsa, Additional Secretary (Coal) Union Energy Ministry, headed the four-man Indian team which included Mr Sharma.

Speaking to reporters in Calcutta on Thursday, Mr Sharma said difficulties were being faced in mining of coal in Jharia from the upper strata by underground method. There were about 15 seams of coal and since the upper strata was rich in coking coal, the Government had decided to take the Russian technical assistance for opencast mining of the coal.

He said that the new method would be introduced in 75 sq. km. area which now produced about 1.2 million tons of coking coal a year. The CIL hoped to raise the annual production to 12.5 million tons after the opencast method was introduced. The area had an approximate reserve of 500 million tons of coal. Under the agreement, the Russians would provide the design and planning of the mines to India.

During the Moscow talks it was also agreed upon that the Russians would help Coal India raise the production at opencast mines at Jayanat, in Singrauli, from six million tons to 10 million tons a year. They have already agreed to help in setting up a power house at Wadani and starting of new opencast mines at Nighai under a package aid programme. The Indian team stressed the need for parity in the quality of coal to be used in the power house and that to be available at the new mines at Nighai.

The proposal for digging underground mines at Jhanjra, in West Bengal, which had remained postponed since 1973-74, was also discussed at the meeting, Mr Sharma added. It was decided that the Russians would collaborate with Indians in longwall method of mining. Initially, the Russians would dig one mine on a turn key basis and later, they would act in advisory capacity in helping Indian engineers open new mines.

Mr Sharma said that in response to an earlier Indian request for technical assistance for coal excavation in Assam where conditions were difficult, the Russians submitted a report for introduction of a new system of mining in the State, which was accepted by the Indian team. Indian technicians would be sent to Russia for learning the new method of mining.

One important decision taken at the meeting was that the Russian technicians would prepare an integrated master plan for mining of coal in the Talcher Coal basin area. Optimum coal production would be the object of the plan. The Russians had also agreed to send technicians for mass blasting of hillocks in the Singrauli area to help quick excavation of coal, Mr Sharma added.

Our Special Representative adds: Performance of the Eastern Coalfields improved considerably during the first six months of the current financial year. In fact, production could have been still higher if the ECL authorities could start mining coal from the new collieries, which have been ready for operation for the past few months.

According to official sources, production of coal from the ECL mines between April and September this year rose to 10.06 million tons--about 800,000 tons more than what was mined during the corresponding period last year. The target for the current year has been fixed at 24 million tons. The authorities hope that it would be exceeded if the present rate of growth could be maintained. Last year's production crossed the 22.5 million-ton mark.

The ECL comprises the coal mining belt of Raniganj, Mugma-Salanpur and Rajmahal, covering an area of 1,600 sq. km. in six districts of West Bengal and Bihar. The Raniganj coalfield bears the pride of place because coal was first mined in the country there in the latter part of the 18th century. The management of noncoking coal was taken over on January 31, 1973.

More than 350 coalmines had been under private control before this. After nationalization, these mines have been regrouped into 90 reconstituted mines spread over 11 areas for administrative convenience. Only 15% of the total production of the ECL comes from opencast projects and the rest from underground mines. To meet the increasing demand for coal, it has been planned to raise the production to about 34 million tons at the end of the Sixth Plan. But delay in the opening of new mines has given a jolt to the future programme.

The ECL authorities have closed down 16 mines which have been exhausted. Apart from the loss of production of about 1.2 million tons a year, this has rendered thousands of workers surplus. These people cannot be given alternative work because of the delay in the exploitation of the new mines on which nearly Rs 3 crores have already been spent out of the total investment of about Rs 17 crores sanctioned. These new mines are situated at Narkonda, Searsole, Bansra Purandip, Tara Churulia, Dabor, Nigha and Bhanora. Capable of producing about 5,000 tons of coal a day, they could not be opened mainly because of the lingering controversy over employment of local youth.

The ECL has a total work force of about 200,000 which is said to be the highest among all the subsidiaries of Coal India. The wage bill for the workers constitutes more than 75% of the total cost of operation. If the present uncertainty over the opening of the new mines continues, the authorities might develop alternative mining spots to maintain the schedule for increased production of coal.

CSO: 4220/7268

PAPER REPORTS 16 OCTOBER INTERVIEW WITH SHEIKH

Calcutta THE STATESMAN in English 17 Oct 81 p 9

[Text] Srinagar, Oct 16--The Chief Minister, Sheikh Abdullah, has said that any fresh war between India and Pakistan would not help solve the problem of "Pakistan-occupied Kashmir." In an interview here yesterday, he said the best way to settle the issue was through negotiations, as was agreed under the Simla pact.

"Constitutionally and legally the Pakistan occupied areas of Kashmir belong to Jammu and Kashmir, which is now an integral part of the Indian Union," Sheikh Abdullah said and stressed the need to thrash out all differences between the two countries.

He said he would meet Mrs Gandhi to discuss with her issues concerning Centre-State relations. "However the Centre-State ties were a phenomenon which change with every ministry, and efforts should be made to pull on together in the larger national interest."

Sheikh Abdullah said that Jammu and Kashmir under his leadership would avoid confrontation with the Centre and would "try and pursue policies, especially on development" in accordance with Central guidelines.

Sheikh Abdullah said that in a democratic set-up every party had its right to win over the electorate. But every party had to work within certain democratic norms the ruling party at the Centre or in a State too had to work within some parameters and had to be responsive to healthy criticism.

In reply to a question, the Sheikh refuted allegations that the Iraqi delegation, headed by a Minister, during its recent visit to Kashmir had given any gift to him or to any Government functionary.

CSO: 4220/7268

HUNGARIAN FOREIGN TRADE MINISTER MEETS PRESS

New Delhi PATRIOT in English 17 Oct 81 p 5

[Text] Hungarian Foreign Trade Minister Peter Veress told newsmen in the Capital on Thursday that the trade turnover between India and Hungary was expected to increase considerably this year and reach the target of about 75 million dollars from 53.5 million dollars in 1980.

Mr Veress came to India at the invitation of Commerce Minister Pranab Mukherjee and held fruitful discussions with him and other members of the Union Cabinet.

Mr Veress admitted that due to shifting over to the system of payment in any free convertible currency in January 1978, trade turnover between the two countries had registered a temporary decrease: from 57 million dollars in 1977 to 44.4 million dollars in 1978. However,the figure since then has risen to 45 million dollars in 1979 and 53.5 million dollars in 1980. Further possibilities to explore new avenues of economic cooperation were being meticulously studied, he said.

Therefore there was justified hope that the trade turnover would exceed 80 million dollars within a couple of years.

According to Mr Veress, the most important precondition for enhancing trade was to encourage individual enterprises of India and Hungary to come in close contact with each other and forge bonds of cooperation. "Unfortunately there is among managers, chief engineers and technicians of the respective enterprises of the two countries a gap of knowledge about and lack of confidence in each other. Now both our countries have realised the need to overcome this weakness and encouragement is being given by both sides to the enterprises to closely interact with each other,"he informed.

The Hungarian Government, he said, was financing such activities as holding of exhibitions, organising goodwill tours of technocrats etc. in order to boost trade in the long run. The trend of improvement in Indo-Hungarian trade was quite favourable today. So far only about six items had played a major role in this trade but now a number of other items were being added. Mr Veress also spoke of India enjoying preferential treatment in Hungary in accordance with the UNCTAD recommendations and in certain cases was enjoying 10 to 40 per cent advantage.

In the last 5 years Hungarian participation in India's electrical energy supplies has progressively developed. Hungary has so far supplied eight complete hydro-power stations to India with the total capacity of 250 megawatts. Recently a contract was signed for the supply of machinery units for the ninth one to be completed in 1982.

During his present visit Mr Veress said he has found that "there is wide scope for further cooperation in energy, energy distribution mining aluminium industry, telecommunications, lamps etc.

In Hyderabad the largest lamp factory of the region was set into operation on the basis of Indo-Hungarian cooperation at the Hindustan Machine Tools (HMT) which supplies lamps, neon tubes and lamp making machinery for the Indian market. "We are ready to go on expanding production" of lamps in India if the HMT or any other authorised Indian enterprise would likewise try to increase cooperation with our enterprises" Mr Veress proposed.

He said Hungarian equipments supplied for the Moscow Olympics had earned world reputation. That is why on the eve of Asiad, 1982 discussions had begun with competent Indian authorities on the question of providing Hungarian manufacturing equipments for the Asian Games. Already two giant score-boards had been ordered from Hungary for the purpose.

Mr Veress said that Hungarian firms were in touch with the BHEL for cooperation in the sphere of hydro-electric plants and certain fresh ideas in this area were being exchanged. The HCL was working with the help of Hungarian experts to manufacture turbines and specialists of both the sides were considering possibilities of further cooperation in this regard.

CSO: 4220/7272

PRESS MEETS LEADER OF NEW JAMMU, KASHMIR PARTY

New Delhi PATRIOT in English 17 Oct 81 p 4

[Text] Srinagar, Oct 16--The Election Commission has recognised the pro-autonomy Kashmir Peoples Conference as the second major regional party in Jammu and Kashmir and allotted it the election symbol of lion. So far ruling National Conference was the only recognised regional party in the State.

This was disclosed today by party chairman Abdul Ghani Lone at a press conference. He said the notification of recognition had been issued on 12 August.

Mr Lone claimed that his party's claim for recognition had been granted on the basis of its performance in the Lok Sabha election.

Answering questions, Mr Lone categorically refuted the allegations levelled recently by newspaper that his party was receiving funds from Pakistan and some Gulf countries. He offered to subject himself and his party to any probe in this connection. He also announced that he was planning to launch legal proceedings aginst the concerned news paper.

Referring to what he called "the dangerous, consistent attempts" at maligning Muslim leaders and their institutions in the country by implicating them in unsubstantiated charges about inflow of foreign money from Muslim countries, Mr Lone suspected that this was being done to thwart the process of integration of the minority community with the national mainstream.

He did not rule out foreign hands behind the destabilisation efforts, especially in context of the spurt in separatist tendencies like Khalistan demand.

He noted that Prime Minister Indira Gandhi had already refuted the contention that petrodollars were flowing into India for subversive purposes. Mr Lone recalled that this contention was first raised in wake of Moradabad incidents and was reiterated following conversion of some Harijan families to Islam in Tamilnadu. He was intrigued that attempts were non-sought to be made in the case of Kashmir also because it happened to be a Muslim majority State.

Mr Lone also refuted newspaper reports that while Chief Minister Sheikh Abdullah had accused him of receiving foreign funds, he had retorted by counter-charging that Sheikh and his wife had received Rs 10 crore from Pakistan for demanding a plebiscite.

CSO: 4220/7272

PATNAIK REPORTS NEW PARTY BEING FORMED

Bombay THE TIMES OF INDIA in English 17 Oct 81 p 9

[Text]

AHMEDABAD, October 16: The Lok Dal leader, Mr. Biju Patnaik, who had a three-hour discussion with the forme. Prime Minister, Mr. Morarji Desai, on opposition unity, is optimistic about the emergence of a new democratic party early next year.

Mr. Patnaik came here specially to hold talks with the former Prime Minister. The talks were held this morning at the Gujarat Vidyapith. Later, he told newsmen, "Wait for a few days more. You will hear the news of the emergence of a viable alternative to the Congress (I) early next year."

Mr. Patnaik said his talks with Mr. Desai were encouraging. Mr. Desai was also keen on providing a viable alternative to the Congress (I), he added.

He said that there might be other leaders of opposition political parties who were keen on bringing all the democratic forces on one platform. The Lok Dal had already adopted a resolution at its working committee meeting urging the opposition parties to unite. The Bhartiya Janata Party was, however, divided on the issue.

Mr. Patnaik said that he had discussed the issue with several other leaders, including the Janata Party president, Mr. Chandra Shekhar. He had no idea whether the BJP president, Mr. Atal Behari Vajpayee, who is arriving here on Sunday, would meet Mr. Desai to discuss the issue.

CSO: 4220/7267

KARNATAKA CONGRESS-I EXPELS 22 DISSIDENTS

Calcutta THE SUNDAY STATESMAN in English 18 Oct 81 p 7

[Text]

BANGALORE, Oct. 17.—Alarmed by over 200 Congress (I) workers presenting a memorandum to the party central leadership in Delhi on Thursday containing serious charges of corruption, maladministration, malfeasance and anti-party activities against the Chief Minister, Mr R. Gundu Rao, and his Ministerial colleagues, the Pradesh Congress (I) Committee president, Mr K. T. Rathod, has tried to nip dissidence in the bud by expelling 22 party men for six years for anti-party and anti-Government activities.

At the same time, he has issued notices to Mr S. Bangarappa, former PCC(I) president, and Mr K. B. Choudhari, M.P. and president of the Bijapur district Congress (I), asking them to show cause why disciplinary action should not be taken against them for "encouraging anti-party and anti-Government activity and defying the directives of the AICC(I) and KPCC(I)".

Mr Bangarappa, who resigned from the PCC(I) presidentship 18 months ago, following his induction into the Gundu Rao Cabinet, said he would give a suitable reply when the notice reached him. He also resigned as Minister a year ago because of differences with Mr Gundu Rao.

Mr Rathod, a Minister in the Devaraj Urs Ministry, was in the wilderness following his defeat in the 1978 Assembly elections. At the instance of the Chief Minister, he was appointed PCC(I) president three months ago.

The 22 party workers were expelled because they were active in the newly-formed Karnataka State Congress Workers' Action Committee, a sort of parallel party organization which championed the cause of "loyal party workers". Their grievance is that workers who stood by the party while it was in the dumps have been "ignored" and dissidents (those who joined the Congress (I) after leaving the Congress (U) and Janata Party after last year's Lok Sabha elections) are being encouraged and given Ministerial posts.

Although he would not spell it out, Mr Rathod appears to feel that both Mr Bangarappa and Mr Choudhari are "encouraging" the Congress Workers' Action Committee. He also appears to feel that the two leaders are associated with the 200-odd delegation of party men now in the capital to seek Mr Gundu Rao's dismissal.

It is significant that there are no prominent party leaders in the delegation which is claimed to be composed of "loyal party workers" drawn from almost all the 19 districts of the State.

PCC(I) circles seem convinced that it would not have been possible for such a large contingent of party workers to go to Delhi but for the "extraordinary interest" shown by some State leaders in the capital who are opposed to Mr Gundu Rao continuing as Chief Minister.

CSO: 4220/7275

DETAILS OF GANDHI MEETING WITH PUNJAB FACTIONS

Bombay THE TIMES OF INDIA in English 17 Oct 81 pp 1, 9

[Text] New Delhi, October 16 (UNI & PTI).

Prime Minister Mrs Indira Gandhi today warned that all anti-national, secessionists and extremists activities in Punjab will be "put down with a firm hand at any cost."

Mrs Gandhi administered this warning at two separate meetings she had with a five-member deputation of the Akali Dal (Longowal) and 15-Hindu leaders representing various organisations in Punjab.

The Prime Minister cautioned that the activities of the extremist elements among the Sikhs might pose a danger to Sikhs who were carrying on their own peaceful avocations in other states.

She asked the Akali Dal leaders to exert themselves fully to maintain an atmosphere of amity and tolerance so that the Hindus in Punjab did not "feel any sense of insecurity of life and property."

Mrs Gandhi said "no country would tolerate secessionist activities" and her government would show no softness or complacency in handling such situation.

She said the administration in the state was being strengthened to fight these evil forces.

She also appealed to the Sikhs not to mix religion with politics and assured that the government would not in any way interfere with the religious practices of any group.

The prime minister, Mrs Indira Gandhi, had separate talks here today with the Akali and Hindu leaders in an attempt to defuse the crisis that had been brewing in Punjab for several weeks.

During an hour-long discussion with the Akali delegation, headed by Sant Harchand Singh Longowal, Mrs Gandhi said, she would have a Central minister with whom they could discuss their demands in detail.

Describing their meeting with Mrs Gandhi as "cordial," an Akali spokesman said their working committee would review the talks at Amritsar tomorrow and decide whether to call off the "civil disobedience" movement scheduled to be launched tomorrow.

Mrs Indira Gandhi told a delegation of Hindu leaders from Punjab that she was "really concerned" over the deteriorating situation in the state and that the Centre was determined to set things right there.

Describing as "anti-national" the demand for the creation of a new entity--"Khalistan"--Mrs Gandhi emphatically told the delegation it would never be accepted under any circumstances.

First Priority

She was meeting the Hindu leaders after having talks with delegation of Longowal Akali Dal in an attempt to defuse the situation which she had said was her first priority.

Significantly, neither the home minister, Mr Zail Singh, nor the Punjab chief minister, Mr Darbara Singh, were present at the talks with the two delegations.

But both Mr Zail Singh and Mr Darbara Singh met Mrs Gandhi separately before she received the Akali delegation.

The Haryana chief minister, Mr Bhajan Lal, also met Mrs Gandhi later.

The Hindu delegation, headed by Mr Virendra, president of the Punjab Arya Pratinidhi Sabha, regretted that not even a single person had yet been arrested in connection with the murder of the veteran journalist Lala Jagat Narain.

The law and order situation in the border state, Mr Virendra told Mrs Gandhi, was causing great concern.

The Hindu leaders told the prime minister that the extremists were trying to exploit the situation in the state, which had a weak administration.

It was not the proper time for talks with the Akalis as they might take an advantage of the situation and misrepresent facts, they said.

Mrs Gandhi is reported to have told these leaders that she was asking a non-Punjabi minister to look after the Punjab affairs in her absence. She is leaving on Sunday on a ten-day foreign tour.

Mrs Gandhi informed the Hindu delegation that the Akali leaders told her that though they demanded the release of Sant Bhindranwale, they had nothing to do with him or the demand for "Khalistan."

Earlier, the talks between the prime minister and the Akali leaders, belonging to the Longowal faction, on the Punjab issue had begun in the morning.

Besides Sant Harchand Singh, Longowal, president of the Akali Dal, the delegation included Mr Prakash Singh Badal, Mr G.S. Tohra, Mr S.S. Barnala and Mr Balwant Singh.

Mr Amrinda Singh, a Congress(I) M.P. who acted as the prime minister's emissary, accompanied the delegation to the prime minister's office.

The Hindu leaders told Mrs Gandhi that the government should not agree to the Anandpur Saheb resolution of the Akali Dal for autonomy since it only marked "the first step" towards a separate state.

Mrs Gandhi clarified that she was not fully conversant with the various demands of the Akali Dal and today's discussions were of a general nature and did not deal with specific issues.

The Hindu leaders met Mrs Gandhi after her 75-minute meeting with the Akalis.

The prime minister told them that her foremost aim was to bring about normalcy in the state by defusing the present tension. Punjab was a border state and any turmoil there was not desirable, she added.

The prime minister was assisted by principal secretary, Dr P. C. Alexander, cabinet secretary, Mr Krishnaswamy Rao Sahib, and home secretary, Mr T. N. Chathurvedi.

Emerging from the discussions, Mr Prakash Singh Badal told newsmen, "The meeting took place in a very cordial atmosphere."

Asked if he was satisfied with the talks, Mr Badal replied, "We are always hopeful."

CSO: 4220/7267

INTELLECTUALS CONFER IN PUNJAB SITUATION

Bombay THE TIMES OF INDIA in English 12 Oct 81 p 9

[Text] Chandigarh, October 11.

About 30 intellectuals, including educationists, historians and writers, who met here today to discuss the "growing communal tension" in Punjab, felt that the "situation does not admit of a simplistic view and that short and long-term strategies have to be evolved to handle it in terms of its economic and sociological aspects."

The intellectuals appealed to the people to ensure that the unity of the country was not undermined in any way as the state had always been in the forefront of the defence of the country. While reaffirming their faith in secularism and condemning disruptive forces, they also appealed to the press to evolve a code of conduct to check the spread of communal disharmony.

The Punjab chief minister, Mr Darbara Singh, who chaired the meeting, told newsmen later that three causes of communal tension were analysed. It was felt that the education system needed to be changed as it did not promote the composite culture of Punjab and was deficient in moral training. Secondly, economic problems and difficulties created tension. The solution for this lay in setting up industries in rural areas and adopting other measures for the betterment of the people. The third cause was the "crisis in religious faith."

In an obvious reference to the Akalis, Mr Darbara Singh said it was strange that whenever the Akalis were out of power, they exploited religion to voice their demands, but kept quiet when in power.

Answering a question, the chief minister pointed out that some of the demands included in the 45-point charter adopted by the Akali Dal (L) were not the demands of the Akalis alone. There were the demand of all Punjabis. As an example, he cited the issue of the Thein dam. Its expeditious construction was the demand of all Punjabis, he said and added that he was willing to sit with the Akalis anytime to discuss the issue.

As regards the Akalis' allegation of government interference in gurdwara affairs, the chief minister asked why the Akalis could not manage the gurdwara affairs themselves. Why should they ask the government to conduct gurdwara elections and seek the enactment of an all-India gurdwara act, he asked.

Asked whether some of the participants had demanded that Punjabi-speaking areas in Haryana and Himachal Pradesh should be merged into Punjab, the chief minister said the intellectuals were of the view that "all irritants" which caused tension should be removed.

Some participants were of the view that the spread of affluence in the state would go a long way in curbing communalism. In this context, they said it was worth finding out whether the reduction of strength of the Sikhs in the army was due to growing reluctance among them to join the defence forces because of economic prosperity, or there was some other reason.

CSO: 4220/7237

ATTEMPT AGAINST PUNJAB NIRANKARI LEADER REPORTED

Calcutta THE STATESMAN in English 17 Oct 81 pp 1, 9

[Text] Chandigarh, Oct 16--a senior Punjab IAS official, also a prominent Nirankari leader, was shot at by two unknown assailants at the State Civil Secretariat this morning. While the official, Mr Niranjan Singh, escaped with an injury, his brother was killed and his gunman (police guard) seriously wounded in the shoot-out. After what looked like a daring and extremely well-organized piece of shooting, the assailants ran back to their third companion who was waiting with a motorcycle. The three escaped while a large crowd collected at the site of the incident.

In a rare feat of courage, the official's gunman, Khush Nasib Singh, chased the two assailants. He had suffered a bullet would in his neck and was bleeding profusely. He collapsed a few yards from the motorcycle. It was not known whether any policeman was around.

The official's brother, a 26-year-old Surinder Singh, had recently been selected to join the IPS and had accompanied his brother as an additional security escort. He died on the spot after being hit by the assailant's bullets. Mr Niranjan Singh escaped as he ran out of the revolver's range.

Mr Niranjan Singh had been on the anti-Nirankari religious extremists' "hit list" for a long time. The Punjab Government was aware of the threat and had provided him with two armed guards.

Mr Singh, who was Deputy Commissioner of Gurdaspur during the tenure of the previous Congress-I Ministry, is believed to have actually promoted the cause of the Nirankaris. He was one of the Nirankari Guru's "Seven Stars" and had helped organise the Nirankari gathering at Amritsar in 1978 where they had clashed with the followers of Sant Jarnail Singh Bhindranwale resulting in the death of 22 men of the latter group. He was involved in the ensuing case and had been suspended from service by the Akali Government.

On his acquittal, he returned to the Punjab Secretariat and is now Joint Secretary (Revenue). Though he had apprehended a threat from the time of acquittal, his fears grew following Lala Jagat Narain's murder.

He is the third prominent Nirankari to be attacked by armed men, suspected to be followers of Sant Bhindranwale. The earlier two were the Nirankari Guru

himself and Mr Shadi Lal Angra in Anandpur Sahib. The murder of Lala Jagat Narain, is also suspected to be a part of the same series. The Punjab authorities claimed that they had provided armed escorts to all vulnerable figures, including Lala Jagat Narain and Mr Niranjan Singh. There are more names on the "hit list" but the authorities said today that they did not think it would be discreet to make them public.

Today's murder created a stir in the Secretariat. It occurred a little after 9 a.m. Mr Niranjan Singh and two others arrived in a car and proceeded towards the entrance as they entered the door, two Sikh youths--probably in their thirties--appeared on the scene and followed them. The Secretariat security staff at the entrance saluted the official. According to the guard, here a sudden burst of firing. Mr Niranjan Singh ran towards a room but was hit in his hand.

Mr Surinder Singh fell after being hit by two bullets. The gunman tried to fix the magazine to his stengun but was prevented by the assailants.

Immediately after the shooting a general alert was sounded to police forces in the Union Territory of Chandigarh and Punjab and Haryana to hunt for the assailants. Though the police sealed all exits from Chandigarh soon after the attack, the trio were at large when reports came in tonight.

PTI adds: The Punjab Government has suspended two armed guards, Ujjagar Singh and Niranjan Singh, who were on duty at the entrance of the Secretariat building when the shoot-out took place.

Meanwhile, the Chief Secretary has directed the Chandigarh administration to take disciplinary action against armed personnel it had posted on the Secretariat premises.

Khush Nasib Singh, however, has been given an aware of Rs 2,000 for "exemplary bravery" by the Punjab Director General of Police.

CSO: 4220/7268

BJP LEADER: AKALI FACTIONS PATRONIZE EXTREMISTS

Calcutta THE STATESMAN in English 16 Oct 81 p 16

[Text]

MR L. K. Advani, general secretary of the Bharatiya Janata Party, said on Thursday that if the current spate of violence and secessionist activities sweeping through Punjab was not halted immediately through political tact and acumen, it could have serious repercussions on this border State. Explosions and sabotage had become a daily routine, creating a sense of insecurity among the people of the State.

Addressing a Press conference in Calcutta, he alleged that what had made matters worse in Punjab was the bitter factional feud among the stalwarts of the Congress(I)) from that State who had given a boost to the Khalistan movement by using the Sikh extremist elements in their fight against one another. The other disturbing feature was that the Akali factions, far from condemning the secessionist movement, were vying with one another in patronizing the Sikh extremists who were spearheading the movement. Even sober and moderate leaders, including Mr Prakash Singh Badal, had been silent about the killing of Lala Jagat Narain and the hijacking of the Indian Airlines plane to Lahore. None of them had said anything against the Khalistan movement. This, according to him, was a matter of "great concern".

The BJP leader said the arrest and the release of Sant Jarnail Singh Bhindranwale was a "glaring example of Governmental ineptitude and bungling". If the Government had no firm evidence against the Sikh extremist leader for his involvement in the murder of Lala Jagat Narain, he should not have been arrested. And if there was evidence against the Sant, he should not have been released. "The Bhindranwale episode is a farcical drama enacted deliberately to boost the image of this extremist Sikh leader", Mr Advani added. According to him, there were close links between the Sant and the Congress(I) leaders of Punjab.

Mr Advani said a political settlement between Mrs Gandhi and the Akalis was of no concern to the people of Punjab. They wanted violence to end. His party's assessment of the seccesionist movement was that the Sikh masses had so far lent no support to the cause which was being espoused by a handful of urban, politically motivated Sikhs who were allegedly being helped by some foreign countries.

According to Mr Advani, what was politically most significant was the fighting in the Congress(I) in various States which was becoming more bitter every day. "A party which is divided against itself cannot solve the problems of the country. This is the most disturbing feature. Mrs Gandhi should first set her house in order to deal with various national problems". he added.

The BJP leader said his party would come to an understanding on specific issues with those parties which were not in power either at the Centre or in the States. He alleged that his party's workers had been killed and harassed in West Bengal by the Left Front. "CPI(M) leaders should realize that New Delhi has certain plans in mind for West Bengal. This kind of lawlessness does not help"

He claimed that his party had recently made significant gains in Andhra Pradesh, Karnataka and Kerala. Whatever influence the CPI(M) had in the Hindi belt was "withering". In Punjab, where the CPI(M) had good pockets of influence, the party had now become wholly inconsequential, he added.

CSO: 4220/7263

FOREIGN FORCES MAY BE BEHIND CONVERSIONS

Madras THE HINDU in English 12 Oct 81 p 8

[Article by K. K. Katyal: "The Spurt in Conversions"]

[Text] Are the conversions the outcome of the accumulated anger which has but to burst one day? Is there any substance in the talk of involvement of foreign money?

SOME ascribe it to high-caste repression, others call it the result of police atrocities and still others see the role of foreign money behind it. Perhaps, there is something of everything behind the seemingly sudden spurt of conversions of Harijans to Islam in some pockets of the South. To emphasise one point and ignore the others will produce the same result as was produced by the description of an elephant by the six blind men.

These conversions are not a new phenomenon and have been reported since the mid-forties from various parts of Tamil Nadu. What is new is their present dimension. Barring the 235 Harijan families that embraced Islam in 1944, the number of converts in any single case till 1979 was less than 40. This trend changed from early 1980 onwards, with some 400 conversions in Madurai South district and 1,000 conversions in Meenakshipuram in Tirunelveli district in one go, in each case.

These numbers were too big to go unnoticed. The attention paid by the media reflected the reactions in the country, and the fear of tensions, arising from the concern of the majority community. Luckily, the communal overtones these episodes threatened to acquire at one stage were contained and the problem was examined from sociological angle and in the context of the fall-out likely to be caused by suspicions aroused by large-scale conversions.

There is no evidence to support the view that politically frustrated elements among the Harijans were responsible for giving a fillip to conversions in order to establish their relevance and indispensability for the power apparatus. On the contrary, the Harijan community of the areas that reported conversions, was strikingly leaderless, and its protest over its present plight was articulated by a motley group. The absence of an accredited representative was felt by the Hindu organisations which belatedly bestirring themselves into activity, wanted to dissuade the converts-to-be.

Equally important is the fact that, in some cases at least, the lead in the matter of conversions was given by the educationally and economically advanced sections of the Harijans. Resenting social inequalities compounded by police excesses, this section tended to dramatise their chagrin and protest by a demonstrative rejection of the present structure.

Disillusionment

Till recently, the conversion to Christianity was considered an attractive proposition. That trend has slowed down, if not stopped. This was because of the disillusionment among Harijan converts who discovered that they had carried their caste with them and that inter-caste marriages and other contacts continued to be as difficult as before. They now tend to try the promise of equality offered by Islam.

The point whether Harijan converts would continue to enjoy the privileges and concessions, available to them as Scheduled Castes in the Hindu fold, is not clear. The Harijans who had turned Christians did not lose their eligibility for the concessions except that in the matter of recruitment to Government jobs and admission to educational institutions, they were treated on par with backward classes.

However, conflicting views were ex-

pressed as regards converts to Islam. While official spokesmen in Tamil Nadu felt that there would be no automatic transfer of benefits to this category, the representatives of Islamic organisations argued that concessions that go with economic status, could not be taken away simply because of the change of religion and that to do so would be a patent case of discrimination.

It is not difficult to establish the points of social ostracism of Harijans and police repression. Apart from the obvious factual position, the specific cases of large-scale conversions leave no doubt that the two factors had been at work though opinions differ on whether these constituted strong enough motivation for the Harijans to resort to the extreme step.

Sense of social revolt

To take the Meenakshipuram case, the harassment of the Harijans by the high-caste community of the area allegedly in league with the police, in the wake of a murder, served as the proverbial last straw on the camel's back. This, according to the account received by the Centre, bred a sense of social revolt spearheaded by two youngmen, not long ago Congress-I activists. The sequence of events that followed was not clear but the end-result of conversions was there for all to see.

In areas like Madurai villages, the humiliation experienced by Harijans for years prompted some prominent members of the community to embrace Islam. Other conversions followed in quick succession.

Neither the social disabilities of Harijans nor police high-handedness (of Harijans, other weaker sections, or even not-so-weak sections) is a recent development; nor is the protest by them a new occurrence. Is the present spurt in conversions the outcome of the accumulated anger which has but to burst one day? Or are there other reasons behind it? Is there any substance in the talk of foreign money?

Influence of foreign fund?

Last month, THE HINDU carried a report, based on bits of information received by New Delhi, on the possible influence of foreign funds behind the unusually large-scale conversions, of which some more details are available now. Among the agencies stated to be active in organising conversions were the Indian Union Muslim League, the Jamaat-e-Islami Hind, Tabligh Jamaat and Ishat-ul-Islam Sabha.

The Indian Union Muslim League is a political party, ably represented, for instance, in the Lok Sabha by senior leaders who do not miss any opportunity to represent the case of the community, as they see it. That is well within their province, but could this also be said of their reported proselytising role which belongs to religious organisations? The Muslim League is too well known to need detailed description but other parties are not.

The Tabligh Jamaat is not an organisation in the conventional sense but a movement and has been active in organising "Ijtemas" or religious congregations. Of late, the frequency of such congregations increased, a notable one being the world "Ijtema" held in Tiruchi in April last. It was attended, among others, by some 500 delegates from abroad—from the Arab world, Sri Lanka, Bangladesh, Malaysia as also some western countries. The discussions were confined to religious matters.

The Jammat-e-Islami is an avowedly communal organisation which was active in various parts of undivided India for years under the leadership of Syed Abul Maudoodi who, to his followers became a legendary figure during his life-time. It stands for the establishment of an Islamic order like most other institutions. The Jamaat was split as a result of the Partition, the Pakistani segment becoming more active not only in religious but also in political affairs. In India, however, it professed to be a non-political organisation. There was however, no change in the objective: ushering in an Islamic order.

The Ishat-ul-Islam Sabha, set up some 20 years ago in Tirunelveli, is known to be in the control of pro-Muslim league sections. It had been taking a keen interest in conversions and was active among other places, at Meenakshipuram.

The reports suggesting foreign influence are based on the Jamaat-e-Islami's links with pan-Islamic groups, particularly those in the Arab world and its recent activities. Special mention is made of its all-India conference in Hyderabad, earlier this year, when some new converts were presented, in the presence of several delegates from other countries, including the representatives of World Supreme Council of Mosques, Mecca, and the visit to Tamil Nadu of a representative of the Islamic Cultural Centre, London.

The foreign influence theory also gets strengthened by some other stories—press reports in West Asia and Pakistan about a large-scale aid programme for Indian Muslims, the plans of a Karachi-based organisation, Motmar-al-Alam-al-Islami, to support concrete moves for the propagation of Islam among the Harijans, the flow of funds from abroad for construction and renovation of mosques and specific targets stated to have been set by Muslim organisations in other countries for attracting Harijans to the Islamic fold.

Some of these reports may be exaggerated or give a distorted picture. On issues like this, it is difficult to separate the grain of facts from the chaff of fiction, and this is not a very happy situation. All this points to the need for 'do's and don'ts' in the matter of propagation of various religions, of involving Muslim religious leaders in a consensus on the subject

CSO: 4220/7239

WEST BENGAL CONCERNED OVER NAXALITE VIOLENCE

Calcutta THE STATESMAN in English 16 Oct 81 p 3

[Text] Mr Jyoti Basu said in Calcutta on Thursday that the West Bengal Government would deal with Naxalites "politically and administratively." The Chief Minister complained that the extremists were trying to regroup to spread violence and organize killings. He was speaking to reporters at Writers Building.

The Government, however, had no plan to order a general round-up of suspected extremists. He declined to disclose if a special cell of the police would be formed to tackle the Naxalite problem. According to him, violent activity, allegedly organized by the extremists, was on the rise in Nadia, Burdwan and some other places.

Mr Basu remarked that assassinations were a part of the extremists' "policy"; they had no "political ideology." They had allegedly killed 450 CPI(M) workers. The Chief Minister said he did not know why the extremists took to killings. "They had killed Hemanta Basu and might kill us as well," he added. There were many Naxalite groups. While some maintained that they did not go for killings, others, "particularly the pro-Lin Biao group," chose the path of assassinations, he said.

According to the Chief Minister, there was no report so far that the Naxalites had any collusion with the Congress (I). "We've heard that the extremists had a link with the Ananda Margis," he said. In reply to a question, Mr Basu alleged that both the Congress(I) and the Naxalites were exploiting the Jharkhand movement to gain a foothold in the tribal belt.

CSO: 4220/7263

WRITER DETAILS RISE IN NAXALITE ACTIVITY

Bombay THE TIMES OF INDIA in English 12 Oct 81 p 8

[Article by A. S. Abraham: "Resurgence of Naxalites: Politicians Must Carry the Can"]

[Text] THE Naxalites are getting dangerously active again. They are officially estimated to be 30,000-strong today and the number of violent incidents (many entailing the loss of human life) in which they are involved or implicated is also, again by the official count, growing by the year.

In 1977, the Janata government took office and, influenced by its concern for civil rights whose restoration after the emergency was its main objective and attainment, adopted a very liberal attitude to the many-splintered Naxalites, large numbers of whom had previously been killed in dubious "encounters" with the police in various states. Under the Janata, the police were reined in and made more accountable, while many prisoners long awaiting trial in jails and often dumped there on suspicion of being extremists or Naxalites (the two words have come to be all but synonymous in the Indian political lexicon) were set free.

In 1977, there were 69 violent incidents involving Naxalites and 21 deaths occurred in them. In 1978, there were 163 incidents and 40 deaths; in 1979, 233 incidents and 62 deaths, and in 1980, 305 incidents and 84 deaths. Until the end of August this year, there were 203 incidents and 48 deaths.

The states where the Naxalites are most active are, in order of severity, Andhra Pradesh, West Bengal, Kerala, Punjab and, although much less so since last year, Tamil Nadu. Interestingly, two of these states are run, in the one case, by a CPM-dominated Left Front and, in the other, by a coalition, albeit now on the verge of cracking up, in which the CPM is the leading partner. In both West Bengal and Kerala, after the present governments there came to power (mid-1977 in the former, January 1980 in the latter), one of the first things they did was to release those Naxalites held in detention without specific charges. They also decided not to use the National Security Act (when that measure became available) or any other preventive detention law against Naxalites, and to deal with the latter not through police "encounters" but at the political and ideological levels.

REALITY

Yet, reality has a way of knocking prudence into even the most radical heads. Thanks to the growing depredations of the Naxalites in the countryside in both states, the West Bengal government is discovering that it has tied its own hands in attempting to stem the admittedly as yet limited undermining of its writ by the Naxalites by its commitment not to use the NSA or similar legislation against them. As for the Kerala government, it has unsubtly and dishonestly broken the spirit of its commitment even while adhering to it in the letter. It is not using the NSA, true enough, but, in order to contain the spread of Naxalism, it has fallen back on a 30-year-old and all-but-forgotten law, the Travancore-Cochin Public Security Act whose provisions are even more draconian than those of the NSA!

Naxalism is commonly (and not wholly wrongly) believed to flourish in exploitative and feudal social conditions such as are prevalent in states like Bihar and parts of Andhra Pradesh which the "bourgeois-landlord-monopolist" axis is believed to hold in a vise-like grip. Yet, Kerala and West Bengal can hardly be characterised in these terms. Kerala is almost a by-word in the country for providing efficient mass social welfare services, especially for children and women. One index (and consequence) of this is the success there of the family planning programme, which is an integral part of a much larger assault on social and economic stagnation.

In West Bengal, the last four years and more have seen the passage and, more importantly, the implementation of progressive land-reform legislation bringing unprecedented benefits to, among others, the hitherto wretched of the Bengali earth, the *bargadars* or sharecroppers. The West Bengal government has put out big advertisements in the press throughout the country trumpeting its manifold achievements benefiting in the main the poor and the weak.

HEADWAY

For all these achievements, Naxalism does not seem to be making any less headway in these two states than it is in others generally believed to be symbols of backwardness and exploitation. In West Bengal in February, there were a rash of Naxalite gun-snatching incidents in West Dinajpur district in the north of the state (of the 74 guns carried away, 55 have since been recovered). On September 26, a Special Branch police sub-inspector was killed by Naxalites near Calcutta. Until September 15, Naxalites were behind 35 incidents in the state and 27 people were killed in

them. In 1980, 32 people died in Naxalite-organised incidents, as against only six deaths at Naxalite hands in similar incidents in the state in 1979. So far, some 1,300 arrests are reported to have been made. So much for combating Naxalism at the political and ideological levels!

In Kerala, 13 CPI-ML factions met recently in secret in Trichur district earlier this year to discuss coming together. Subsequently, in the guise of a body innocuously called the "Janakiya Samskarika Vedi" (People's Cultural Forum), the Naxalites have been engaging in the politics of intimidation. "People's courts" have been held, with doctors among the first objects of such extra-legal judicial solicitude. In another incident, a lorry carrying cement was intercepted at night and the cargo sold on the spot at the controlled rate (each bag of cement fetches a black-market price of Rs. 60 to Rs. 70). The lorry-owner, himself guilty of breaking the law, could hardly complain to the police! The regrouped Kerala Naxalites bring out a clandestine publication, "Inquilab", which says that their objective is to topple the rule in India of "feudalism, bureaucratic overlordism and imperialism" through "guerrilla warfare" and to institute "people's power" in a new, democratic, revolutionary set-up.

While there is a resurgence of Naxalism and of Naxalite activity in many parts of the country and while they have been able to establish (or re-establish) a popular base of some kind, even in communist-run states like Kerala or West Bengal, nevertheless, these developments must be kept in perspective. It is not as if the Naxalites are about to attain the following or the influence (especially on the less extreme left) that they had in the late sixties. They are still essentially a fringe phenomenon, more able to win popular support in specific instances (like campaigns to terrorise doctors into not charging poor patients extortionate fees) than to consolidate such support and convert it into ideological fervour for the larger cause of overthrowing the system.

How is it, then, that despite being even more peripheral, politically, today than they were in their heyday, they are emboldened to carry on their bloody campaigns against the police, bureaucrats, landlords (as now in Lahsuna village just south of Patna, Bihar's capital) and other targets of their ideological wrath? Why are they becoming more and more self-confident about stepping up their violent activities, as the statistics show they are steadily doing so?

One reason is that since 1977, they have enjoyed much wider public sympathy, especially among the middle-class, left-leaning intelligentsia and among those civil libertarians who genuinely believe that the test of an open society is its tolerance of even those dedicated to destroying it and replacing it with a set-up that will deny everyone the most elementary liberties. As the system becomes openly more and more corrupt and inequitous, many of these moulders of public opinion come to feel that acts like those the Naxalites commit are at worst a necessary evil and at best a vicarious register of the moral indignation of the long-suffering and exploited masses. Having lain low since they were crushed in the early and mid-seventies, the Naxalites now appear to believe, judging by their growing record of violence, that the times are again propitious for them to carry out their tasks as the self-appointed avengers of the oppressed.

OFFENSIVE

But even a favourable climate of opinion, such as now seems to exist, would not have encouraged them to go on the offensive had there not been a source of greater, if indirect and unwitting, encouragement. This is the manifest failure of legitimate and properly constituted authority to do its job. The Lahsuna instance has exposed yet again the natural alignment of authority with local bigwigs even (or especially) when the latter have flouted every legal and moral code. Another aspect of the contempt in which authority is coming to be held emerges in Bihar where senior IAS officers are in revolt against being made subservient to and humiliated by politicians.

Ultimately, it is the politicians who must carry the can. Because they have set about subverting the very institutions on which the state must depend to push through and win popular acceptance for its policies and programmes — the bureaucracy, the judiciary, the universities, the press — they have been ensuring that the entire edifice of ameliorative government becomes no more than a facade for a squalid, corrupt, amoral parallel set-up where hustlers, carpetbaggers and sharks do deals to enrich themselves and impoverish the country and the people at large.

When the face of legitimate and humane authority, on which a stable order rests in the end, becomes a mask covering a visage scarred by the most terrible venality, then the body politic on which that ugly head rests cannot long remain uninfected. Even as the infection creeps down, the worms of extremism, left or right, communal, sectional (Khalistan) or secessionist (the north-east), make bold to crawl out, hastening the onset of the rot on which they fatten.

CSO: 4220/7242

CONFERENCE ON TRIBAL AREA DEVELOPMENT ENDS

Calcutta THE STATESMAN in English 14 Oct 81 p 14

[Text]

BHUBANESWAR, Oct. 13.—A two-day all-India conference on tribal area development which ended at Rourkela on Sunday reached a consensus that socio-economic conditions continued to remain "miserable" despite implementation of tribal development programmes by official and non-official agencies.

Briefing reporters here yesterday, Mr K. R. G. Nair, secretary of the Society for the Study of Regional Disparities which organized the conference, said the conference had stressed the need for the adoption of "a practical and integrated approach" for tribal area development. It was also felt that the opinion of tribals should be sought while formulating development programmes.

About 50 delegates specializing in the field of tribal area development from different States attended the conference, at which the need for further study on methods of imbibing industrial culture among tribals without disturbing their traditional culture was also stressed. The problem of low fertility and high mortality rates in tribal areas was discussed.

Presenting the results of research work on the Chotanagpur region Mr L. N. Bhagat of Calcutta University, pointed to inadequate adoption of new agricultural technology by tribals and assigned its reason mainly to unsuitability of adopting modern farming in areas having uneven topography, scanty rain and resultant soil erosion. In his paper, read out at the conference, he called for appropriate technology to suit the physical environment in different tribal areas.

Professor Asish Bose of the Population Research Centre, Delhi University, in his paper expressed concern about the high infant mortality rate in rural and tribal areas of Orissa. This would result in lowering the birth rate without the practice of family planning. He said this was a cause for concern and not a matter for rejoicing.

Among several points raised at the conference on methods of tribal development, several experts referred to the difficulty in communicating with the tribals in their own languages. The conference felt that this was a serious obstacle in the implementation of various development programmes for tribals.

CSO: 4220/7250

OFFICIAL SAYS NEPAL ENCOURAGES SMUGGLING

Calcutta THE STATESMAN in English 14 Oct 81 p 14

[Text]

PATNA, Oct. 13.—Customs officials have expressed their inability to check smuggling along the 15,000 km-long border between India and Nepal, reports UNI.

Mr R. P. Thawani Customs Collector in charge of the Indo-Nepalese border, told reporters last night that complete stoppage of smuggling across the border was impossible because of Nepal's trade policy. He said the Nepalese Government was encouraging smuggling on both sides of the border.

Mr Thawani was briefing reporters on smuggling before the east zone conference on anti-smuggling measures to be inaugurated here by the Union Minister of State for Finance, Mr S. S. Sisodia, on October 20.

He said the foreign exchange earned through "export of Indian goods smuggled into Nepal, was being used to "import" luxury and other items which ultimately found their way into India.

The collector said that last year Nepal "exported" over two million tons of pulses, Rs 3 crores worth of snake skins and Rs 6 crores worth of goat skin. "All this was definitely smuggled from India", he added.

Nepal imported about one million watches against its maximum requirement of about 200,000 pieces. Similarly, textiles worth Rs 20 crores and other electronic goods were imported, resulting in what he described as "reverse smuggling".

Moreover, Mr Thawani said contraband items like ganja and charas were smuggled in huge quantity to Western countries via India. He said despite best efforts to check smuggling very little could be achieved as the entire border could not be manned.

The collector said goods worth Rs 1.80 crores were seized in 1978, followed by seizures worth Rs 1.45 crores in 1979, Rs 1.65 crores in 1980 and Rs 1.65 crores till September.

Mr Thawani said so far 11 people had been arrested and detained under COFEPOSA, of which seven belonged to Bihar. Seventeen others were evading arrest under COFEPOSA. Orders had been issued to detain six more people, he added.

CSO: 4220/7250

CONGRESS-I TAKES FIRM LINE AGAINST DISSIDENTS

Calcutta THE STATESMAN in English 13 Oct 81 p 1

[Text]

NEW DELHI, Oct. 12.—The Congress (I) high command is, to all appearances, taking a firm line against dissidents in the party in Bihar, Madhya Pradesh, Andhra Pradesh and Karnataka. Since her return from a 16-day trip abroad, the Prime Minister has met Mr R. Gundu Rao and Mr Jagannath Mishra, the Chief Ministers of Karnataka and Bihar.

She has also met three Bihar dissidents—Mr Ramratan Ram, Mr Jiten Majhi and Mr Moni Singh Yadav—and reportedly told them that she was "aware of everything" but at the same time advised them to maintain discipline because unity in the party was essential.

After Mr Mishra and a number of dissident Bihar legislators today met Mrs Rajendra Kumari Bajpai, the Congress (I) general secretary in charge of Bihar, she said that the AICC(I) had warned party men that indiscipline would not be tolerated in any State.

Neither attempts to destabilize the State Governments, nor campaigns against Chief Ministers belonging to the party would be allowed by the high command, and stern action would be taken against those found indulging in such activities.

However, she said, party men could always ventilate their grievances in party forums and apprise central leaders of their problems and difficulties.

Mrs Bajpai said she had assured Congress (I) members in the States that their grievances would be looked into, but indiscipline would not be tolerated at any cost.

Earlier, Mr Jagannath Mishra told reporters that he had overwhelming support among MLAs in Bihar and there was no threat to his Government. He held that "a maximum of 15 out of a total of 240 Congress (I) legislators" were dissatisfied with him but he would not call them dissidents.

He said his Government was stable and "everyting is fine". He enjoyed the Prime Minister's support. The law and order situation had shown a distinct improvement, and the Central leadership was satisfied with his performance.

When reporters pointed out that 40 MLAs were present in Delhi to meet Central leaders and demand his ouster, Mr Mishra said: "You can go and look at the register at Bihar Bhavan. Not more than five of them are here."

Mr Mishra even claimed that no memorandum of charges against him had been submitted to the party high command. The "disgruntled" legislators did not have any specific charges against him. The charges levelled by Mr Karpoori Thakur had been replied to in detail.

"It is a party led by Mrs Gandhi, and I am only working on her behalf as her faithful follower. Where is there any room for dissidence in this situation?"

A spokesman of the dissidents, however, pointed out that a formal charge-sheet against Mr Mishra had been presented to the Congress (I) leadership. And the Union Home Minister, Mr Zail Singh, had also said in the Rajya Sabha that the charges made were being investigated

The spokesman said that over 100 MLAs were unhappy with Mr Mishra's leadership and they wanted him to be replaced by a more acceptable leader. More than 40 MLAs were already in Delhi to seek his dismissal, and "many more" were on their way to the capital.

They alleged that corruption was rampant in Bihar under Mr Mishra. In the construction of the Rs 600-crore Kosi project around Rs 100 crores were being spent every year though no work worth this amount was visible anywhere. A State like Bihar with a population of 70,000,000 produced less than 200 MW of electricity. The State Government had failed to even to spend Rs 6 crores allocated for the Water Development Board.

With regard to Andhra Pradesh Mr K. Prabhakara Rao, PCC(I) president, announced after meeting Mrs Gandhi that the suspension of two Ministers of the Andhra Pradesh Government from the Congress (I) would be revoked upon fulfilment of certain "conditions" set by the party's leadership.

Mr Rao said he had submitted a "note" to Mrs Gandhi explaining the circumstances leading to the suspension of the two Ministers and the ways in which the issue could be resolved.

CSO: 4220/7244

MANIPUR POLICY ON INSURGENTS DESCRIBED

Madras THE HINDU in English 10 Oct 81 p 7

[Text]

IMPHAL Oct 9

The Manipur Government thinks that insurgents are misguided youths who can be brought back to the national mainstream. That is why in recent months the establishment has appealed to underground elements to come over-ground and avail themselves of the attractive rehabilitation schemes. They are promised employment according to their qualification and financial assistance to enable them start life afresh. But these opportunities are only for those who surrender.

Those insurgents who were captured in raids or encounters are still languishing in jail in different parts of the country. So far 197 insurgents have surrendered to the State Government and according to officials 120 of them have been rehabilitated. The remaining will be given jobs soon.

In view of the increasing number of insurgents who have surrendered, the Government had to open a separate Directorate of Rehabilitation this year.

The Government has approved several schemes including starting of cooperative societies.

At Cherung village, 27 surrendered rebels have started a cooperative society named United North Eastern Self-employed Youths Agricultural Development Cooperative Society Ltd. Now these youths are cultivating paddy, sugarcane, potato, beans etc., in a field of 25 hectares. The Agriculture Department has given them a tractor, power tiller and farm implements worth Rs. 1 lakh at subsidised rates.

At Khojuman village, 17 surrendered rebels have started fishery schemes worth Rs. 1.8 lakhs.—A Correspondent.

CSO: 4220/7228

TEXT OF GANDHI MESSAGE ON FAMILY WELFARE

Calcutta THE SUNDAY STATESMAN in English 11 Oct 81 p 7

[Text]

NEW DELHI, Oct. 10.—The Prime Minister has warned that if the present rate of population growth was not quickly brought down, "the strain on our resources will be too great to make any progress", reports PTI.

In a message on the eve of the National Family Welfare fortnight, she said the recent census has underlined the importance of family planning and the urgent need to free it from the limitation of a Government programme to a much more effective people's movement.

With adoption of small family norms, she hoped, the children would be able to look forward to a brighter future and women would make better home-makers and more interesting companions to their husbands and families.

The following is the text of her message: "The recent census has underlined the importance of family planning and the urgent need to free it from the limitation of a Government programme to a much more effective people's movement. If the present rate of the growth of population is not quickly brought down, the strain on our resources will be too great for any progress in development.

"The aim of family planning is to have healthier and happier children. Naturally this will be of enormous benefit to parents, and indeed to the entire country. Children will be able to look forward to a brighter future. Women will no longer be drudges and will be able to develop their personalities and become better home-makers and more interesting companions to their husbands and families.

"I hope our people will no longer be taken in by the false propaganda that has done so much harm. Let the National Family Welfare fortnight this year give a new impetus to mass acceptance of the small family norm.

"I wish the fortnight all success".

The Union Health Minister, Mr B. Shankaranand, today stressed the need to achieve the time-bound programme to reduce the birth rate to at least 21 and death rate to nine for every thousand and infant mortality by 50% by 2000 A.D.

Mr Shankaranand, who was speaking over All India Radio on the eve of the National Family Welfare fortnight, said unless this was done, population growth would nullify all efforts at raising the socio-economic level of the people.

CSO: 4220/7233

FAVORABLE PRODUCTION TREND EXPECTED TO CONTINUE

Madras THE HINDU in English 11 Oct 81 p 6

[Article by Leo]

[Text] The uptrend in industrial production in the first six months of the current financial year, following an improvement in the power situation and supplies of coal and other raw materials, has given rise to expectations that a growth rate of 8 per cent can be achieved in 1981-82. The increase of over 13 per cent in April-September as compared to the corresponding period last year has been exaggerated by the poor performance in April-June 1980.

It has been indicated in the annual report of the Reserve Bank that industrial production rose by only 4.6 per cent in the latter half of 1980 though this rate compared favourably with a drop of 2.9 per cent in the previous six months. There is usually a higher level of activity in the industrial sector during the winter months. It is, therefoe, reasonable to expect that the upward trend will remain in evidence. The better utilisation of capacity of the major industries has already been reflected in an accumulation of stocks of steel, aluminium, heavy chemicals and fertilizers as imports also are being received in sizable quantities.

Better use of capacity

It is estimated that the growth in steel production will be easily one million tonnes in a full year though the operating ratio will not be flattering as the installed capacity has increased substantially in the past four years. The output of fertilizers is likely to be higher by 8 lakh tonnes of nitrogen, aluminium 25,000 tonnes, caustic soda 20,000 tonnes and soda ash 30,000 tonnes.

The bottlenecks in rail movement, resistance to higher prices, delays in implementation of Plan schemes and credit restraints have created problems of marketing fully current production. It has been complained by the managements of steel plants that stocks have risen to unhealthy levels while there has been a reduction in off-take of aluminium due to the failure of the State electricity boards to accept deliveries regularly against orders for aluminium conductors. The difficulties in this regard have upset the plans of cable producers and the Minerals and Metals Trading Corporation has been able to sell only 35,000 tonnes out of imported aluminium supplies against the earlier expectation of one lakh tonnes.

The Steel Authority of India also has been making efforts to stagger imports of steel against firm commitments. The steep hike in fertilizer prices and bottlenecks relating to movement have led to uneven absorption of nutrients. It is, therefore, felt by MMTC that fertilizer imports will have to be reduced drastically. This may, however, create problems for the overseas suppliers as they have been formulating their production schedules on the basis of firm Indian purchases and a glut in world markets has emerged.

The consumption of caustic soda and soda ash has not risen significantly and it has been reported that the offtake by the main users has been limited to immediate requirements. It is, therefore, emphased that there will have to be proper utilisation of supplies from indigenous sources and deliveries against contracts for import should be suitably regulated and fresh commitments entered into only after taking into consideration all factors.

Scope for reducing oil bill

In regard to petroleum products the expenditure on imports of deficit items can be minimised as all the refineries are working at full capacity and there is no dearth of crude supplies. If indigenous production rises to 17 million tones in 1981-82 and imports of crude are restricted to 15 million tonnes, the quantum of imports of petroleum products can be even less than four million tonnes. While, thus, there can be a reduction in imports of crude by over one million tonnes and products by two million tonnes, there may not be a corresponding decline in the oil bill as higher average prices will have to be paid in terms of U.S. dollars and there will also be the disablity arising out of depreciation in the value of rupee against this currency.

It is, however, hoped that there will be a significant reduction in foreign exchange expenditure on imports in 1982-83 with a further rise in crude output from the offshore and onshore areas.

Even in respect of cement, the output in January-August has risen by 1.6 million tonnes and it is estimated that production in a full year will rise to 20-21 million tonnes against 17.76 million tonnes in 1980. There would have been no need for import if only the existing plants can be helped to operate at 90 per cent of its capacity of 28 million-tonnes. The operating ratio may rise to only 77 per cent from 73.4 per cent even under the most favourable circumstances as power or coal may not be available in the required volume. It is also necessary to point out that the higher level of cement production is due to the use of blast furnace slag and fly ash and clinker output has not risen suitably.

It has, therefore, become imperative to eliminate bottlenecks in regard to transport, coal and power as many units can raise output to above rated capacity with no constraints. Also new capacity will come into being in a big way in 1982 as a large number of units are in the final stages of construction. In the short term, however, it may not be possible to reduce imports of cement though there is scope for effecting sizable savings in other directions, as stated above.

Need for new strategy

The full impact of a higher level of industrial production will be felt in the coming months and it will have to be ensured that the operations of individual producers are not hampered due to difficulties in movement or excessive imports. The opportunity can also be utilised for boosting exports of products in which the country is advantageously placed.

In view of the large trade gap, utmost care should be taken when incurring expenditure in foreign exchange on imports. Any success in displacing unwanted imports will be helpful in purchasing other items which will facilitate even more effective use of existing industrial capacity and providing inputs required by export-oriented manufacturers.

WEST BENGAL USE OF URDU REPORTED INCREASING

Calcutta THE STATESMAN in English 15 Oct 81 p 16

[Text]

THE West Bengal Government has decided to make increasing use of Urdu for official purposes for the benefit of Urdu-speaking people of Calcutta, and Asansol and Islampur sub-divisions.

Mr A. K. Sen, Chief Secretary, told reporters on Wednesday that steps were being taken to implement this decision. Instructions had been issued, he saw to the departments concerned to see that actions were taken to grant recognition to primary and secondary Urdu-medium schools, which were already functioning and which had applied for recognition. Steps would be taken, he said, to purchase Urdu typewriters and to appoint Urdu typists in sub-divisional and block offices in Asansol and Islampur. Similarly, Urdu typewriters would be purchased for the departments of Education, Home, Health, Land and Land Revenue, Cottage and Small-scale Industries and Animal Husbandry. One typist would be appointed for each department.

He said that once the typewriters were purchased and typists appointed, all letters received in Urdu would be replied to in that language. Similarly, in Calcutta, Asansol and Islampur, Government circulars would be issued in Urdu.

Mr Sen explained that the decision was taken in view of several representations made by Urdu-speaking people from these areas. They complained that since they could not follow Bengali or English, the Government correspondence should be in Urdu for their benefit.

The Chief Secretary said that with the increase in allotment of kerosene from 28,000 tonnes last month to 36,000 tonnes in the current month, the supply position of the fl had improved. Instructions had been issued to the dealers to see that only ration card holders were given kerosene. The inspectorate staff of the Civil Supplies Department had been asked to check the retail outlets to ensure that only bonafide card-holders were given the supply.

The Chief Secretary deprecated the recent tendency in a section of the Press to publish reports saying that the Governor, Mr B. D. Pande, had met some senior Government officials. In some cases, no such meetings had taken place, but all sorts of "imaginary conversation" had come out in the papers. "This is nothing but a mischievous attempt to set the Governor against the Government in power", he said.

CSO: 4220/7256

MINISTER ACCUSES PRESS OF SENSATIONALISM

Bombay THE TIMES OF INDIA in English 15 Oct 81 p 9

[Text] New Delhi, October 14 (UNI): The information and broadcasting minister, Mr Vasant Sathe, today accused the national and the regional press of "getting derailed" by playing up fissiparous tendencies which were undermining the nation's unity and integrity.

Speaking of a journalism awards function organised here by the "Media India" journal, Mr Sathe deployed the way in which certain issues were being whipped up by the press giving an impression as if a secessionist movement was on in the country.

In an oblique reference to the Khalistan movement, Mr Sathe held the press responsible for "blowing it up beyond proportion."

Mr Sathe said he had every right to make suggestions for improving the functioning of the press and wondered why editors should feel piqued by it.

"As an elected representative of the people I have every right to make suggestions about the constructive role of the press as it is an important pillar of parliamentary democracy," the minister noted.

Mr Sathe alleged that the press did not highlight the achievements and all round progress of the country or the contribution of the common man in this regard. The press, however, believed in sensationalising events. He was not bothered about publicity of his government's policies and programmes.

"The government is willing to take on the editors...I do not want any publicity for the government's good deeds and development activities aimed at bettering the lot of the masses," Mr Sathe said.

CSO: 4220/7255

CPI-M REPORTED FIRMING UP POLITICAL LINE

New Delhi PATRIOT in English 11 Oct 81 p 4

[Text]

CALCUTTA, Oct 10.

THE West Bengal committee of the CPM is likely to make its differences with the party's Central leadership known clearly during the party conferences and before the party Congress at Andhra Pradesh in January next year.

It is reported that the points of differences are already being raised in the various local and branch conference of the party, now in progress in West Bengal. A comprehensive political line is likely to emerge at the party conference in the last week of December.

According to a source, the differences between the Central leadership and the State party are on two counts — organisational and political.

On the organisational question, the Bengal CPM is said to be critical of the Central leadership because the latter failed to spread its influence in the Hindi-speaking areas of the country. According to the West Bengal committee, the Central leadership has failed in this task.

The second point of difference relates to the party's attitude towards Mrs Indira Gandhi. The West Bengal committee feels that US arming of Pakistan is undoubtedly dangerous. But the State committee also believes that Mrs Gandhi is taking advantage of the situation and is creating a 'war psychosis' in order to divert the attention of the people from their economic distress and miseries.

The State committee feels that the Central leadership has not been clear about this attitude of Mrs Gandhi.

It is also reported that quite a sizable section of the party members in West Bengal is opposed to the CPI being given quarters. This section feels, it is reported, that the CPI would take the first opportunity to make up with Mrs Gandhi.

CSO: 4220/7236

WRITER DISCUSSES PROBLEMS, PROGRESS OF CPI-M

Bombay THE TIMES OF INDIA in English 12, 13 Oct 81

[Two-part article by Achin Vanaik]

[12 Oct 81 p 8]

[Text] AT its recent meeting in New Delhi the CPM politburo did not produce a draft political resolution for its forthcoming congress next January. Apparently, there were important differences within the nine-member body over the identification of the forces in the "left and democratic front". Indeed, it may not be agreed on this broad strategy as well.

It is well known that a minority in the party's West Bengal unit, headed by Mr. Promode Dasgupta, has been resolutely opposed to the application of such a line in West Bengal where a purely Left Front (LF) government has been in office. It is less clear whether this wing opposes the "left and democratic" front as a national strategy. Even so the failure of the CPM to make inroads into the Hindi-speaking heartlands (one of the principal aims of this strategy) and the recent developments in Kerala must make the "dissidents" within the party more doubtful about the validity of the strategy. Where, in any case, are these "democratic" forces?, they may well be asking.

Hitherto, the potential allies were the Lok Dal, representing the "middle peasants" who were seen as class allies of the landless and poor peasantry, and the Janata and the Congress (S), the former Congress (U). The Janata and the Congress (S) were seen as representing the "non-authoritarian" and "non-monopoly" sections of the bourgeoisie, in opposition to the "authoritarian" Congress (I). But now that the Congress (S) in Kerala is about to topple the CPM-led ruling coalition (a "left and democratic" front state government) and so many members and MLAs of the Congress (S) have joined the Congress (I) how long can the CPM argue that the two Congress parties have a different class base?

The CPM is in a dilemma. In Kerala and other states outside West Bengal, it cannot hope to share in power unless it forges a united front. But the purpose of acquiring power must be to enhance the strength of the party on a long-term basis. Yet should the CPM attempt, as in Kerala, to go too far to the left or otherwise pursue policies to consolidate its base, it can be brought down and its "bourgeois" allies can carry out a political realignment with the opposition to keep the CPM out of power. It is the Congress (S) this time, it could just as well be the Janata or any other party the next time.

Bengal problems

Even in West Bengal, where a purely Left Front government overwhelmingly dominated by the CPM rules, the party has its problems. The CPM favours the elections to the state legislature to be held in March next, ahead of schedule. It wants to cash in on the organisational weakness of its principal rival, the Congress (I), by denying the latter enough time to mount an effective electoral campaign. The CPM has also made no secret of its fear that the Centre might topple it at any time and impose President's rule on the state. If the party with its allies can receive a new mandate to rule, this "danger" recedes.

In brief, the fortunes of the CPM during the last three years have been mixed, even though it has been at the helm of affairs in West Bengal, Kerala and Tripura.

On the face of its the party itself has made remarkable progress. Since 1978 (and the Jullundur party congress) the CPM membership has increased almost from 161,400 members to 267,200. In Kerala the membership has grown from 67,500 to 104,000 and in West Bengal from 43,300 to 78,100. It has become the dominant force on the India left (though it is still basically a regional party). The CPI's shift towards it also reflects the changing balance between the two parties, in favour of the CPM.

But this impressive rise in membership carries its own dangers, and is also a reflection of the tension a party like the CPM faces in trying to be a mass party (an electoral force) and a vanguard party (a force for "radical change") at the same time. Whereas the first requires a dilution of the political pre-conditions for recruitment, the latter requires the opposite. It is only in conditions of "revolutionary" crisis that the tension is resolved and a Leninist-type party, which the CPM claims to be, can hope to achieve the characteristics of being both a vanguard and a mass party. Between February 1917 and October 1917, for example, the Bolsheviks jumped from being a party of 18,000 to over 300,000.

The tensions and internal conflicts within the CPM whatever may be their immediate focus (such as the strategy of a "left and democratic front") are ultimately rooted in the party's dual character. It is a party within the mainstream of Indian politics which finds it necessary to enter the whole bargaining process of alliance with other parties, characteristic of electoral politics. But it is also seen by many of the members and sympathisers as a force for "radical" change which must assign greater priority to implementing its particular programme through the activities of politically dedicated cadres.

Political murders

The rapid rise in its membership in such a short time could not have been accomplished without the entry on a large scale of the kind of elements who would join the Congress (I) or any other party which happens to be in power. One does not have to believe that the CPM is solely to blame for the spate of "political" murders in Kerala or the "breakdown of law and order" in West Bengal to recognise that the entry of such elements into the ruling party has been a factor in promoting these developments. These entrants could just as easily leave the party when it is out of power.

If, therefore, the aim of the CPM in this period was to consolidate itself, it cannot be said to have succeeded in a simificant way. In Kerala it is doubtful if the CPM has significantly strengthened itself. It can command the loyalty of perhaps 25-30 per cent of the electorate, but any stable alliance among its opponents can keep it out of power indefinitely. The united front which it cannot do without also makes it a hostage of its "bourgeois" allies.

In West Bengal, where for the first time a purely LF government came to power, the prospects were very favourable. The overall outcome seems to have been a failure by the CPM to gain ground in the cities which is partly compensated for by gains in the countryside. In a period of high inflation, the LF government has had to take the blame for the rise in prices of milk, sugar, kerosene and a variety of other essential commodities. Neither natural shortages nor control of stocks by the Centre can fully explain this. There is blackmarketing, hoarding and speculation in West Bengal as elsewhere and the efforts to curb it there have been just as unsuccessful. On top of it, the ration shops dole out grains and sugar mixed with dirt. The public transport system in Calcutta especially is in a shambles and whether true or not rumours that the LF government has received bribes of crores of rupees are widely believed. The underground railway is years behind schedule and rents are skyrocketing. The CPM has tinkered with the education system to its disadvantage.

[13 Oct 81 p 8]

[Text]

THE CPM's hopes of widening its base depend largely with what it has accomplished in the countryside in West Bengal. But it can only expect to have a base which is loyal to it if it alone serves the interests of that base. Such might be the case if the CPM could present itself as the only consistent defenders of the interest of the rural proletariat who make up 25 per cent of the rural population and of the 2 million or so bargardars, and the poorest sections of the peasantry.

But the most significant feature of the CPM's agrarian programme has been that it is intended not to offend the basic interests of those who for the most part operate on "middle-sized" family farms. This class owes no loyalty to any particular party and it is just as prepared to operate outside the party framework in Sharad Joshi type movements as it is to work within the ruling or opposition parties.

This bias of the CPM towards the upper peasantry reveals itself not merely in the policies that the party has tried to implement, but also in what it has failed to do. The issue of minimum wages for the landless labourer, for example, has not been made an urgent policy matter by the LF government. The statutory minimum in 1975 was Rs. 8.10 per day, which accounting for inflation should today be Rs. 12 per day. The LF government has increased DA for white collar workers in the towns but has not done anything to raise the minimum wage in the countryside. Indeed, there are few villages in West Bengal today where the minimum wage is above Rs. 8. In most places it is less. This is not to say there has not been a raise of some sort in the countryside. There has been and the CPM cadres have largely been instrumental in achieving this. But this has been done through persuading farmers to concede some rise, even if small, rather than building up pressure on behalf of the landless i.e. using "class struggle" methods. It is not just the landlords or the very rich peasants who are opposed to any rise in minimum wages, the "middle-seized" farmers are just as hostile. They are a vital constituent for the CPM's agrarian united front and it is not at all surprising that the campaign for higher procurement prices gets the full support of the CPM. Nor can it be argued that higher procurement prices will lead to higher wages for the landless.

Nor has the CPM distinguished itself from other "bourgeois" parties on the question of an agricultural tax on the rural rich. Not only has there been no imposition of any new tax, however moderate, on the rural rich, but the one tax that did exist and was faithfully collected by previous congress state governments—a paddy levy on big farmers—has dwindled to nothing.

Coming to what the LF government has done—land redistribution, institutionalisation of credit for the rural poor, food-for-work programmes and Operation Barga—the performance has in general been distinctly superior to that of other states or pevious governments (whether Congress or united front) in West Bengal. But the reforms have nonetheless been limited and it is not certain, how permanent they will prove to be. Take the distribution of surplus lands resulting from the implementation of ceiling laws. Out of roughly 140 million hectares of arable land in the country, only a paltry amount of slightly over 4,000,000 acres has been vested. Out of this 1,212,000 acres have been vested in West Bengal.

Surplus land

From this 1,212,000 57 per cent or roughly 670,000 acres have been distributed to 1,200,000 beneficiaries primarily from the scheduled caste and tribes. The distribution of another 179,000 has been held up by court injunctions and 360,000 have still to be distributed. In no other state has so much surplus land been vested. But at the same time, the overall programme is obviously limited in scope. Wh.. is

more, the landowners have begun to hit back legally.

It has been the experience of all land redistribution schemes that by themselves they do not count for much unless backed by schemes to provide credit and other forms of help to the new beneficiaries. It is necessary to establish institutional lines of credit and finance to the rural poor. From 1979, the LF government launched a drive to get the nationalised commercial banks, the State Bank of India and the regional banks to coordinate their efforts to provide credit to sharecroppers (bargadars) and the new assignees of vested land. Though a cooperative system exists with a wide network, these rural cooperatives are dominated by the rural rich. The relative success of the LF government compared to that of previous governments is shown by the fact that between 1972 and 1978, all banks together opened 79,000 new accounts in the rural sector carrying special low rates of interest. But it is not known how many of these were for the poorest sections. In 1979-80 alone, the number of new borrowing accounts exclusively for the rural poor was 130,000. This, however, covers only 6 per cent of the total recorded number of bargadars and assignees of vested lands. The vast majority of the rural poor have to rely on the traditional sources of merchant lending and usury.

Various food-for-work programmes like the rural works programme (RWP), food for work (FFW) and composite rural restoration programme (RRP) were initiated in West Bengal in the middle of 1978. Under these schemes a labourer is paid Rs. one or two plus two or three kg. of wheat for a day's work. Fifty-three million mandays of extra work was generated in 1978-79 and 54 million in 1979-80. Assuming that the total agricultural labour force (3,300,000) is involved along with the total number of recorded bargadars and assignees in these programmes, each participating household got ten extra days of work a year. Since the actual number of household members participating was much less, each unit got substantially more extra days of work. Again the performance of these schemes in West Bengal is likely to compare very favourably with the performance elsewhere. But the programmes have faltered. The reason given by Mr. Jyoti Basu is that the Centre has reduced its supplies of wheat from the Central pool.

"Radical" party

But a "radical" party like the CPM could simply tax the surplus producing rural rich in the state and carry on the food-for-work programmes regardless of the defaults by the Centre. That it does not even contemplate doing this is yet another indication of its bias. Indeed by calling for more support from the Centre, it is in effect begging the rural rich in other states to indirectly help the rural poor escape the clutches of the rural rich in West Bengal. Whatever else it is, this is not a "radical" perspective for liberating the rural poletariat.

Operation Barga has been a partial success. Bargadars were basically tenants/sharecroppers who enjoyed no secure tenancy rights, the tenancy contract being for the most part an oral one, with landowners having the power to kick out the tenant at will. Unlike previous Congress regimes, who placed the burden of proof of tenancy on the bargadar, the Left Front government shifted the onus of rebuttal of tenancy claims to the landowner. And in order to ensure the registration of bargardars in time, the LF government allowed the bargadars to register through the revenue courts, whose officials visited villages. Quite the most important innovation, however, was the LF's instructions to peasant organisations to actively help the bargadars register with these officials. This registration was followed by immediate public verification of the claims. Thus the most important factor was the sense of backing that bargadars felt in acquiring these new rights. In the absence of such organisational support, in due course, the landowners could find a dozen ways to get the bargadar to "voluntarily" surrender his rights.

Out of an estimated 2 million bargadars about 50 per cent have been registered compared to the previous total of 0.2 million since independence. This is something that the LF can take credit for.

But the OB is faltering. The landowners began organising to prevent the participation of peasant organisations in OB and sought legal sanctions against them. In the "Biswanath Ghosh vs the state of West Bengal" case, the High Court ruled that the peasant organisations should not help in the registration of bargardars. Thus the heart of the OB programme was weakened. Either the LF go against the legal structures of the system it has bound itself to respect, or it accept the negative impact on OB. The fact is that the rate at which further registration of bargadars is taking place has greatly declined and is further falling. There has been an increase in the number of bargadars murdered by landlords and a greater reluctance by them to press their claims. Between September 1978 and July 1979, 732,955 bargadars were registered. Between August 1979 and April 1980, only 121,700 bargadars were registered. Since then the pace has slowed further.

CSO: 4220/7242

WRITER REVIEWS CPI-M RECORD IN WEST BENGAL

Bombay THE TIMES OF INDIA in English 14 Oct 81 p 8

[Article by Gautam S.G. Vohra: "CPM's Mixed Record in West Bengal"]

[Text]

THE left front in West Bengal is keen that the elections, which are due in June 1982, be held in March. The heat and rain, it has argued, will make it difficult to organise the poll in June; general elections are, for this reason, usually held in February-March. Whether the Centre will agree to the front's request is hard to say.

But whatever the Centre decides, by the time the elections are held, the CPM-led left front government will have completed almost five years in office. This is the first time the CPM has run through its full term. When it came to power twice in the late sixties it was in office for no more than twenty months altogether. Besides, one of the constituents of the ruling coalition, the Bangla Congress, did not share its objectives.

What have been its achievements? On the industrial front, these have been far from impressive. One major plank of its economic policy was to encourage entrepreneurs, as well as multinationals, to set up units in West Bengal. No multinational has done so. Nor have many Indian entrepreneurs, big, medium or small, shown interest in setting up new units in the state. In fact, entrepreneurs from the state have chosen to start new ventures outside West Bengal.

The left front's rule has, however, been a blessing for the "entrenched" big entrepreneur. Chambers of commerce have voiced their preference for the front rule because when it comes to labour relations, the industrialists know who to deal with. During Congress rule, three to four men were often vying for union leadership and working at cross-purposes.

The left front has not been able to halt the decline that has pushed West Bengal down from being the leading industrial state in the country. Since independence, the percentage of jute as a foreign exchange earner has fallen from 60 to 15. West Bengal's share of engineering exports, despite the state's pioneering role, is down from 80 per cent to around 20 per cent. In chemicals, its share of the national production has declined from 40 to 15 per cent.

Situation gloomy

Obsolescence has taken its toll. Nowhere is this more evident than in the production of textiles in which once West Bengal led the country. Today it has only a few textile mills with outdated machinery. The design of its products has not changed. These can no longer compete with the brighter products of the more efficiently run mills in other states, particularly Maharashtra and Gujarat.

The present industrial situation in the state remains gloomy largely, if not solely, because of the poor power situation. For this the left front is not to blame. The poor maintenance of the power plants during the rule of the Congress regimes is largely responsible for their poor productivity.

But the attitude of the left front leaders towards the power situation has been peculiar. When I met its leaders in 1978, and again in 1980, they all made light of the state's power problems.

The chief minister, Mr. Jyoti Basu, even refused to acknowledge that a power crisis existed. When I told him that I had met many owners of factories who complained of power being switched off in industrial belts regularly for anything between four and six hours a day, he changed his stand and said that the government was doing all it could to improve the power position. And to ensure that the future was taken care of, the government had submitted proposals for new power projects to the Centre.

These have not been cleared yet. Though the extension of the Kolaghat

project, has been cleared by the Central Electricity Authority, the Planning Commission has yet to give its approval. The usual practice is that a project report is prepared only after receiving informal assurance from the Centre. This has not been forthcoming. In any case, after the power projects are sanctioned it takes at least three years for them to begin operating.

The Centre's indifference to the needs of West Bengal has harmed the industrial growth in the state in other ways as well. The industrial centres like Greater Calcutta, Durgapur-Asansol or Haldia, would have done much better if the Centre had been responsive to their demands of steel and other raw materials. Besides, New Delhi sat unreasonably long over West Bengal's application for new industrial projects, including the Rs. 430-crore Haldia petrochemical complex.

The left front government has had somewhat greater success in achieving its objective to help the rural people. Through legislation it has ensured that all peasant proprietors, the value of whose land is less than Rs. 50,000, do not have to pay property tax. Thus, of the 56 lakh landholdings in the state, only 9 lakhs have to pay the tax.

Loan facility

The rural poor have also benefited. The landless labourers now receive the minimum wage of Rs. 10, something that no other state has been able to ensure. The landlords cannot bring cheap labour from outside the state, as the local work force, which has been made conscious of its rights by the CPM, does not let them.

The West Bengal government has brought institutional finance within the reach of the bargadar (sharecropper). He can borrow up to Rs. 350, if the panchayat sponsors him. This poses no problem, because most panchayats are controlled by the CPM. The government pays the interest on the loan.

Despite this, the number of sharecroppers who have come forward to take advantage of this facility has not grown as rapidly as was expected. During the 1979 kharif lending programme, the target was to assist 80,000 bargadars. But only 60,000 loan applicants were sponsored. The story was much the same last year.

The government's laudable objective of opening a school in each village has been hindered by its political opponents. In many cases, when it has tried to set up a new school, a Congress (I) worker, who may occasionally hold classes in his house compound, has filed a petition in court claiming that a school already exists. The court has given an injunction and so the school project has had to be dropped.

Through the courts, the landlords have delayed the distribution of land that had been identified as surplus. But what is much more of a setback for the left front government has been its inability to implement the "Operation Barga" programme launched in June 1978. Under it, all the 35 lakh bargadars were to be registered by June 30, 1979 to prevent their exploitation by landlords. The floods, which ravaged large parts of the West Bengal countryside, delayed this process.

The target was then sought to be achieved by March 1980. To make things easier for the bargadars, the land reforms act was amended, so that the onus of proving that a cultivator is not a sharecropper was shifted to the landlord. Moreover, the landlord was required to issue a receipt for the produce he received from the bargadars. Even so, the left front's "Operation Barga" programme, has achieved marginal success.

CSO: 4220/7248

POOR PROGRESS OF BENGAL LAND DISTRIBUTION NOTED

Bombay THE TIMES OF INDIA in English 14 Oct 81 p 9

[Text]

CALCUTTA, October 13.

PROGRESS of vested agricultural land distribution in West Bengal continues to be tardy. This was conceded even by an official review made recently.

According to the state government, it took possession of over one million acres of vested agricultural land till the end of 1979, of which over 600,000 acres had been redistributed till that time. But the overall progress has been slow in terms of redistribution.

As for the reasons for this unsatisfactory performance in a situation marked by acute land hunger among those who have none or very little, the latest official view is that despite efforts since mid-1979 to remove procedural anomalies and controversies at the most effective level of the block land reforms advisory committee, the same reasons persist.

The present arrangement is that the department prepares the priority lists of beneficiaries, which are to be vetted by the advisory committees. These committees, created by the middle-tier panchayat anchal samities, are empowered to modify the list as they deem it fit in the light of the statutory guidelines.

INTERESTING ASPECT

Difficulties have been encountered in finalising the priority lists because of alterations made by the advisory committees, delay in the preparation of the alternative or supplementary lists and hesitancy on the part of the committees in recommending the distribution of land supposed to be unfit for agriculture.

All these recorded reasons point to an interesting aspect of the problem. All these advisory committees have been given already unfettered discretion in many matters relating to the redistribution of vested land. Also, being nominated by the popularly-elected panchayat bodies in which ruling parties mostly dominate, they are also expected to act in a more or less committed manner in terms of land reforms. But this obviously has not happened yet.

The definition of land unfit for agriculture also remains a bottleneck. Paddy being the main cereal crop of the state, the general impression has been that if a plot of land was unsuitable for paddy, it should be treated as unfit for agriculture, even though the state government has been consciously trying to encourage other types of farming, like dry farming, fodder raising, horticulture and fuel wood forestry. Attempts should be made to persuade the beneficiaries to accept such land and support them with necessary inputs, drawing on numerous schemes of various departments.

CSO: 4220/7248

NORTHEAST YOUTH CONGRESS-I HOLDS CONVENTION

Bombay THE TIMES OF INDIA in English 14 Oct 81 p 9

[Text]

SHILLONG, October 13.

THE North-Eastern Youth Congress (I) convention held here today, expressed grave concern over the attempts of certain vested interests to create instability in the north-eastern region.

The well-attended one-day convention—the first of its kind held here—adopted a political resolution alleging that external and internal forces of reaction were trying to disturb the peace in the region to weaken the nation.

The charge of foreign powers behind the current unrest in the sensitive North-East was repeated by the Meghalaya chief minister, Mr. Williamson A. Sangma, the president of the Indian Youth Congress (I), Mr. Ghulam Nabi Azad, and Mr. Rajiv Gandhi, MP, in their speeches.

The political resolution emphasised that the nation was one and indivisible and urged the youth of the north-eastern region not to be involved in irrelevant and destructive political exercises but engage themselves in constrctive programmes of political action.

The convention called upon the youth not to be swayed by any tendency towards isolationism. "They have enough talent, imagination and courage to wield the national party instrument and to play their role in shaping the destiny, not only of the North-East, but of entire nation," the resolution added.

The convention exhorted the youth of the North-East to act with unflinching determination and defeat the "design and machination" of those hampering progress by "misleading the people towards meaningless movements."

The economic resolution passed by the convention urged the government to accelerate the pace of development so as to effectively meet the problms confronting the region.

The convention urged the Centre to fulfil the special role assigned to it by the very history of the region and formulate a "new deal" for the North-East with special emphasis on immediate infrastructural development.

The convention emphasised the need for checking immediately the process of land alienation and emergence of a growing number of landless people in tribal society.

It viewed with concern the high degree of rural indebtedness and exploitation of the poor by moneylenders in the region.

It stressed the need for greater coordination between the state planning machinery and commercial banks to extend financial assistance to the rural poor. The convention underscored the urgency for manpower development and called upon the state government to come up with well-defined and time-bound programmes to build a cadre of scientific, engineering and technical personnel among the people of this region.

PTI adds: A call to fight fissiparous tendencies fomented by outside forces in some parts of the country with strong determination was given by Mr. Rajiv Gandhi.

"If one or two states think that they can survive on their own, they are mistaken, Mr. Gandhi said and cautioned the student community against unleashing forces beyond their control.

Mr. Ghulam Nabi Azad said some big powers were trying to hinder the progress of the country and it was for the youth to defeat such forces. The youth, he said, must actively participate in the nation-building activities.

Describing the YCC (I) convention as an "historic event", the chief minister of Meghalaya Mr. W. A. Sangma, called upon the youth to give a hand in solving the problems facing the country, keeping in mind the special needs of the scheduled tribes, scheduled castes and weaker sections of the north-eastern people. "We have to fulfil their aspiration and end all exploitation," he said.

Mr. Rajiv Gandhi said the North-East had special problems mainly because of the "communication gap" and asked the Youth Congress (I) to draw up an exchange scheme so that the people of this region and other parts of the country could understand each other.

COMPUTER TO INSURE FAIR ELECTIONS DEVELOPED

New Delhi PATRIOT in English 13 Oct 81 p 5

[Text]

The public sector Bharat Electronics Ltd (BEL) has developed an electronic voting computer, which could help conduct fair elections in the future, reports UNI.

The BEL was supplying 100 such computers to the Election Commission for field testing, BEL managing director N. L. Krishnan told a party of newsmen, who recently visited the plant in Bangalore.

Mr Krishnan said these computers would be tested for the first time in some of the coming by elections in the country.

The BEL would make necessary modifications to the computer after getting the feedback. The Election Commission was satisfied with the voting computer. But its future depended on the political system accepting it, he said.

BEL chairman M G K Menon said that while the BEL had developed an all solid-state TV receiver and digital watches, and was producing TV picture tubes, it was mainly concentrating on the development of professional electronics and not consumer items.

The development and engineering activities of BEL were generally aimed at meeting the requirements of the defence services, he said.

In the 27 years of its existence, the BEL has established a viable production organisation competent to deal with any kind of electronic equipment.

A multi purpose meteorological (multimet) radar system for obtaining accurate wind and weather data and detecting storms, cyclones has also been developed by it.

CSO: 4220/7247

FOREIGN SUBVERSION IN NAGA AREAS ALLEGED

New Delhi PATRIOT in English 13 Oct 81 p 4

[Text]

Nagaland MLA N C Zeliang has accused the neo-colonial and imperialist powers of denuding Nagaland of its ancient heritage, culture and even its dialect.

'These forces are also perpetrating all types of sinful acts, and creating terrorism and mischief in the poverty ridden Naga areas,' he added.

Inaugurating the National Vanavasi Workers' Conference at Thakkar Bappa Nagar in the Capital on Monday, Mr Zeliang said the dollar laden western powers have been acting as 'trojan horses' for the complete subversion of the peaceful Naga zone.

The conference was organised by the Bharatiya Vanavasi Kalyan Kendra (BVKA).

Citing instances, he said acting as development and evolutionary agencies, they have been using dollars to influence the thinking and life style of the Naga people. Gradually, the local dialect has been replaced with English with the opening of a chain of missionary run schools.

He said about 40 per cent of the Zeliangrong Naga tribe have embraced Christianity. When Mr Zeliang formed the Heraka Organisation to counter the subversive acts of the foreign powers he was offered bribe, and later efforts were made to assassinate him.

'We can face bullets, but are scared of the empty stomach,' he said and described the reported conversions of Hindus to Christainity as 'an act of livelihood.'

Addressing about 700 workers, including men, women and children mostly belonging to the tribal areas, Mr Zeliang appealed for the protection of national interests and the community.

CSO: 4220/7247

PADDY MARKETING BEGINS ON BRIGHT NOTE IN PUNJAB

Bombay THE TIMES OF INDIA in English 14 Oct 81 p 15

[Text]

NEW DELHI, October 13.

THE paddy marketing season has begun this year on a relatively brighter note in Punjab, the major contributor of grains to the Central kitty.

Official circles seem cheerful as the market arrivals till now are far higher than those in the corresponding period last year.

Ruling paddy prices in main mandis being higher than the statutory support price, the main buyers so far are the rice millers, who will have to give the bulk of their stocks after milling to the government as levy.

According to latest available information, nearly 160,000 tonnes of paddy has already been marketed in Punjab. Last year, only about 60,000 tonnes had arrived in the mandis in this state till this time.

Of the total paddy arrivals, rice millers are reported to have mopped up about 140,000 tonnes. The rest has been bought by the Food Corporation of India and other state agencies at the support price.

The millers enthusiasm to buy larger stocks this year is due mainly to the substantial increase in the price of levy rice announced by the government for the current year. They will have to sell 75 per cent of the PR-106 fine variety of rice and 90 per cent of the ordinary rice of IR-8 variety to the FCI as per the new levy regulations. So far the millers are reported to be concentrating chiefly on purchasing superior quality of paddy.

Presently, the prices of IR-8 type of paddy are ranging from Rs. 110 to Rs. 130 a quintal in different mandis. The superior paddy of PR-106 type is being bought at Rs. 130 to Rs. 135 a quintal.

A good beginning of the marketing season notwithstanding, experts are keeping their fingers crossed about the final outcome of the paddy procurement drive. No clear picture is yet available about the total production in the state and the expected marketable surplus.

CROP ESTIMATE

While some experts feel that the total market arrivals during the entire season might be around last year's level of 4.38 million tonnes, others believe these would be around four million tonnes. Paddy crop in some parts of the state had suffered due to the prolonged dry spell in August-September. The bacterial leaf blight disease had also appeared in some areas.

In any case, millers are expected to buy more paddy this year, than the 1.8 million tonnes bought by them last year. The total quantity of rice coming to the central grain kitty from the millers would be considerably higher as the levy has been raised substantially.

Reports from Haryana also indicate the beginning of paddy marketing season in that state. Nearly 12,000 tonnes of paddy is estimated to have arrived in mandis. The bulk of arriving stocks has been purchased by rice millers at prices slightly higher than the official support price.

CSO: 4220/7248

PARLEY DISCUSSES PUBLIC SECTOR ADMINISTRATION

Madras THE HINDU in English 13 Oct 81 p 7

[Text]

NEW DELHI, Oct 12

"Benchmarks" for performance have been worked out by the Bureau of Public Enterprises (BPE) for 15 sectors of Central public enterprises. These are awaiting the approval of the respective ministries in consultation with the individual units.

Once this exercise is completed, a set of agreed performance objectives and financial targets will emerge against which the economic efficiency of the public enterprises can be judged. Not only will this pre-empt inteference by ministries it will also enable the units to focus their attention on matters which have a direct bearing on improving physical and financial performance.

This was disclosed here today by Mr P. K. Basu, Director General of BPE in his special address to the conference on "economic adminstration of public sector enterprises" jointly sponsored by the Indian Society of Industrial and Fiscal Economics, the Standing Conference on Public Enterprises (SCOPE) and the BPE.

The conference provided an occasion for the expression of critical comments by Mr Mohd Fazal, Member, Planning Commission, in his keynote address and Mr L. K. Jha, Chairman, Economic Administration Reforms Commission (EARC), in his inaugural address.

Endorsing the views expressed by Mr Jha on the plight of the public sector steel industry Mr Fazal specially mentioned that the steel re-rolling industry in the private sector did not seem to suffer from any constraints at all. He wanted to know from the Finance Ministry how finance could be found by the steel re-rolling industry producing a large quantity of re-rolled steel when the public sector steel industry itself was suffering from paucity of resources.

Mr Jha, drew attention to the limitations which heads of public sector enterprises suffer from "for too many decisions which should be taken in an enterprise at the plant level or management level, require the approval of government.

"This has many unfortunate consequences. For one thing, decisions are delayed and delays cost money, resulting in losses. The very fact of referring problems to Delhi means that the most pressing issues get turned into files which move with their own speed from one level to another, from one department to another", Mr Jha said.

Mr Fazal said that top managements often failed to keep abreast of latest concepts and techniques. "As in the case of technology", he said, management can fast become obsolete. Indeed, managerial obsolescence can be more disastrous than obsolescence in technology." He mentioned the case of a public sector unit which had built up inventories worth Rs. 3 crores in items which it did not need.

In his presidential address, Dr V. Shanmugasunderam, Professor of Economics, University of Madras, urged that there should be a greater rationale in the production for export.

PTI reports:

Mr L. K. Jha, said today that the public sector should be governed by a "well-considered price policy which is fair alike to the producer and the consumer".

As a rule, he said, in price fixation whether of power, steel or fertilizers, the interests of the consumers received much more consideration than fairness to the producers.

While no one would suggest that the public industries should be allowed to fleece the consumer the reverse of it would be equally objectionable.

Mr Jha pointed out that while the private sector industries were free to sell their products at any price they liked, except where Government imposed price control, the public sector was required to follow the pricing policy laid down by the Government.

He said as a rule, prices should be left free from direct control and be regulated by ensuring adequacy of supply relative to demand.

If, on grounds of public policies, prices had to be administered and not left free to find their own level, care should be taken to ensure that the price fixed was reasonably remunerative, he said.

Additional imports: In the first of the alternatives, Mr Jha suggested additional imports suitably dutied to protect the domestic industry be permitted when production fell short of demand. If that was not possible, the increase in profits of indigenous produce could be either turned into more resources for expanding production or discouraged by excise duties directly accruing to the exchequer.

If administered prices became necessary, the price formula should not aim at giving a fixed return on capital, but at rewarding a unit which could keep down costs and show greater efficiency.

The return to inefficiently run units would be lower, even negative, he said.

Unremunerative prices: Mr. Jha said unfortunately all too often under pressure from major consumers — sometimes Government departments and sometimes the general public — unremunerative prices were fixed. In effect, "subsidisation" was involved.

He urged that the burden of price subsidisation should be borne directly and visibly by the exchequer and not concealed in the balance-sheet of public sector undertakings.

There could then be a meaningful debate on its quantum and justification. Such scrutiny was not possible if it was shown as trading loss of individual undertakings.

What was worse, inefficiency and waste would remain undetected

Mr Jha also cautioned that one consequence of administered prices would be generation of black money by middlemen where the end product did not go to the consumer directly.

While the producer lost, the consumer had to pay black-market prices. This situation was recently exemplified by steel prices

Efficiency, the aim: He said State supervision of public sector pricing was fully justified when the undertakings like air services enjoyed monopolistic status. But it was important to get the focus right. It should be "aimed not at curtailing profits 'per se' or fixing particular returns but ensuring efficiency. An electricity undertaking having poor capacity utilisation could not be allowed to improve its earnings by raising rates."

Mr Jha called for a comprehensive review of the personnel policy for the public sector and the extent of delegation of authority to the management.

The prime determinant to profits should be efficiency of management which barring some very bright exceptions had tended to be poor in the public sector

Better pay for the deserving: He suggested better payment for public sector managers, not necessarily modelled after the scales for civil servants, to attract talent. Their "security" should however be reduced and those who fail should be sacked.

Motivated criticism: Mr Jha prefaced his speech by calling for rejection of motivated criticism of the public sector, especially from those in the private sector who were not reconciled to its growing role. The private sector got a fillip from expansion of the public sector, he pointed out.

CSO: 4220/7245

DAS MUNSHI REELECTED BENGAL CONGRESS-S PRESIDENT

Calcutta THE SUNDAY STATESMAN in English 18 Oct 81 p 3

[Text]

THE West Bengal Pradesh Congress (S) on Saturday unanimously re-elected Mr Priya Ranjan Das Munshi president of the State unit, and strongly recommended to the central leadership that the party's separate identity be preserved. In fact, nearly all the 391 members of the Pradesh Congress Committee who had attended the general body meeting in Calcutta felt that the party should not be merged with any other organization. They authorized Mr Das Munshi to oppose any such move in the party's central working committee meeting, which begins in Bombay on Saturday.

Mr Das Munshi, who briefed reporters later said that the general consensus at the meeting was that the ideals of the old Congress—self-reliant economic policy and internal party democracy—should be preserved. Members were opposed to merger with other Opposition parties whose policies and programmes were either ambiguous or lacked socialist bias.

The PCC recommended that the party be renamed Indian National Congress (Socialist). The West Bengal leaders of the party would place the PCC's proposal before the Bombay session for approval.

Mr Das Munshi said that there were fundamental differences between his party and the Congress (I). There was no internal democracy in the Congress (I) and everything depended on the whims and fancies of Mrs Gandhi. The aberrations of the Congress (I) in formulating and implementing various programmes were becoming increasingly glaring. Mrs Gandhi had deviated from her policy of economic self-reliance and was encouraging huge imports to the benefit of the business community.

Mr Das Munshi said that since the time he had taken charge of the Pradesh Congress, erosion in support for the party in the State had not only been stemmed but the organization had been revitalized in many districts. He claimed that the party had 75,000 members who were possibly best organized in Burdwan district and in south Calcutta.

The PCC Chief alleged that during the past one month, CPI(M) workers had assaulted some leaders and workers of the Opposition parties. He cited as example his party leader in Andul having been recently beaten up by CPI(M) activists in the presence of the police.

Mr Das Munshi complained that the law and order situation in North Bengal districts, especially in Malda, West Dinajpur, and Darjeeling, was fast deteriorating. In the Harirampur area of West Dinajpur, 21 murders had taken place during the past one year. During his recent visit to the district, he had found people in the villages maintaining a night-long vigil.

Mr Das Munshi announced that the PCC had supported Mr Antony's decision to quit the Kerala Ministry and said that the CPI(M)'s "narrow and sectarian" policy was to be blamed for this. The experiment of Left democratic unity in Kerala had been nipped in the bud by "CPI(M)'s intolerant attitude" towards the other parties. If the Kerala Ministry was forced to resign, the CPI(M) should blame itself for that.

CSO: 4220/7275

PUBLIC SECTOR GIVEN FREE HAND TO BUY SHIPS

Madras THE HINDU in English 13 Oct 81 p 7

[Text]

NEW DELHI, Oct. 12.

In a bid to cut delays, the Shipping Ministry has decided to allow the public sector shipping companies a free hand in the negotiations for purchase of ships.

The Shipping and Transport Minister, Mr. Veerendra Patil told newsmen today he will soon approach the Union Cabinet for the approval of the new procedure.

He said it was proposed that the Government approve at one stroke the ship acquisition programme of a particular company and leave it free to negotiate with ship builders for buying vessels. At present, Cabinet sanction was necessary for every individual ship to be acquired by a shipping company.

Mr. Patil said his Ministry would approach the Public Investment Board later this month for its consent for the acquisition of 2.5 million grt more tonnage in the public sector during the Sixth Plan. The proposal would go to the Cabinet for approval.

He said the Shipping Corporation of India (SCI) would acquire 47 vessels and the Mogul Line 20 until 1985. Ship builders from Japan, South Korea, the United Kingdom, East Germany, Spain and Portugal have already approached the two companies for building ships.

Offers of the foreign shipyards were being scrutinised by shipping companies. Initially, it was proposed that the SCI would buy 21 ships and the Mogul Line, 11.

The public sector tonnage of 2.5 million grt was 55 per cent of the total tonnage to be acquired in the Sixth Plan.

Its previous contract, which ended in February this year, was for managing the port. It had earned about Rs. 3 crores in foreign exchange.

For the second successive year, the DCI has declared dividend. Its Chairman and Managing Director, Captain S. K. Somayajulu, today handed over to Mr. Veerendra Patil a Rs. 1.12-crore cheque — the dividend for 1980-81 at four per cent. Its net profit stood at Rs. 3.7 crores.

The Chairman told newsmen that the DCI's turnover in 1980-81 was the highest ever at Rs. 25.48 crores as against Rs. 20.92 crores in the previous year, marking an increase of 21.8 per cent.

Capt. Somayajulu said during the year the Corporation salvaged an unloader grab crane that sank at Haldia port 12.19 metres deep. Only limited technical assistance was obtained from abroad.

In the Sixth Plan, the DCI planned to procure two trailer suction hopper dredgers of 4,500 and 3,000 cubic metres costing Rs. 37 crores, he said.

It had earlier acquired rock drilling and blasting equipment worth Rs. 89 lakhs. A contract for drilling, blasting and removal of hard rock at Tuticorin was being executed.

Capt. Somayajulu said the DCI had formulated plans for developing an inland dredging wing for undertaking dredging of inland waterways, reservoirs and intake canals of thermal power stations.— UNI.

CSO: 4220/7245

RAJIV: CENTER SHOULD NOT INTERFERE IN STATE AFFAIRS

Bombay THE TIMES OF INDIA in English 13 Oct 81 p 1

[Text] Itanagar, October 12 (PTI)

Mr Rajiv Gandhi, MP, has said the fate of the Maharashtra chief minister, Mr A. R. Antulay, should be decided by the Pradesh Congress committee (I) and the state legislature early.

Talking to newsmen here last night, he expressed the view that the Centre should not directly interfere in the state affairs.

Asked about Mr Antulay's trip to Delhi when the Prime Minister was abroad and the chief minister's prolonged talks with him, Mr Gandhi said it was necessary to stop the signature campaign by party members and legislators in Maharashtra.

Most of the secessionist movements in the north-eastern region and in other parts of the country, including the demand for Khalistan, were being supported by foreign powers, according to Mr Gandhi.

Lack of communication in the region had created a sense of psychological isolation and kept away a part of it from the national mainstream, he said.

Stressing that anti-national activities in the region should be tackled with considerable wisdom, Mr Gandhi said political parties and bureaucrats should make efforts to defuse tension and work with more dedication and patriotism.

He suggested that it would be better if they could identify themselves with the "real problems" of the people, as it would be counter-productive if the people lost their traditional and cultural identities.

Mr Gandhi said that reservation for scheduled caste and scheduled tribes should be helpful in bringing these sections at par with the other sections of society.

Asked in what way he was helping his mother, Mr Gandhi said he had been helping her at the party level without interfering in the functioning of the government. He had been apprising her also of the aspirations of the people and sometimes helped in resolving party problem, he added.

Mr Gandhi today inaugurated the "Sanjay Gandhi eye clinic programme" at the local Mahila Imdad Bhavan. Emphasising that it was the solemn duty of every citizen to work for the uplift of society, Mr Gandhi regretted that instead most people complained against the government saying that it was not doing anything for them.

NANDURBAR BYELECTIONS SCHEDULED FOR 29 NOVEMBER

Bombay THE TIMES OF INDIA in English 13 Oct 81 p 1

[Text] New Delhi, October 12 (UNI)--By-elections to 16 assembly seats and one Lok Sabha seat (Nandurbar in Maharashtra) in eight states will be held on November 29.

Announcing this, the chief election commissioner, Mr S. L. Shakdher said that the commission had also asked the Rajasthan government to furnish certain clarifications for holding by-election in the Bayana parliamentary constituency in November itself.

Already an announcement had been made with regard to repoll in the Garhwal parliamentary constituency on November 22.

In all, there are at present vacancies for 17 Lok Sabha and 35 assembly seats.

Mr Shakdher said the by-election to the Sagar parliamentary constituency and an assembly seat in Madhya Pradesh would be held in December.

The following is the programme for holding by-elections on November 29: Issue of notifications October 30; last date for filing nominations November 6, scrutiny November 7; withdrawal November 9; and poll November 29.

There are two vacancies in Himachal Pradesh. As the general election to the state assembly is due in May-June, 1982, the commission has decided not to have by-elections now.

Similarly, in view of the impending general election to the Nagaland assembly next year, the commission has decided not to have by-elections to the two assembly seats there.

The commission has not taken any decision with regard to one vacancy in the Punjab assembly because of the disturbed political situation in that state.

In view of the delicate law and order situation in Mizoram, the commission is of the view that it was not possible to have by-elections to four assembly seats in the Union territory at present.

PTI adds: Mr Shakdher told PTI in an interview that the by-elections to the Lok Sabha would be held also from Sagar in Madhya Pradesh, Bayana in Rajasthan.

Mr Shakdher said the electronic voting machines and identity cards would not be pressed into service in the ensuing by-elections.

The commission had placed orders with the Electronics Corporation of India Limited and the Bharat Electronics Corporation for 300 electronic voting machines. They would be available early next year.

Regarding identity cards, Mr Shakdher said besides Meghalaya, a number of other states had also taken interest to introduce identity cards to the voters. But it would take some time, he added.

CSO: 4220/7243

CASE AGAINST MAHARASHTRA CHIEF MINISTER EXPLAINED

Bombay THE TIMES OF INDIA in English 13 Oct 81 p 4

[Text] Bombay, October 12. The plea that his case against the Maharashtra chief minister Mr A. R. Antulay, alleging commission of offences under sections 420 and 384, sections 161 and 165 of the I.P.C. and section 5 of the prevention of corruption act, and sections 109 and 120 B of the I.P.C. be withdrawn from the metropolitan magistrate's court and tried by the high court is made in a petition filed in the Bombay high court by Mr Ramdas S. Nayak, a BJP worker.

The case is presently in the court of the metropolitan magistrate, 28th court, Esplanade, and the magistrate, after hearing submissions of the rival sides on the maintainability of Mr Nayak's complaint, ruled that the complaint, was maintainable insofar as offences under sections 420 and 384 of the I.P.C. were concerned and that it was not maintainable in regard to the other offences alleged against Mr Antulay, Mr Nayak has challenged this order.

In support of his plea that the case should be tried by the high court itself, the petitioner submitted that a constitutional issue of great importance arose in the proceedings and that it required to be determined by the high court.

Since the magistrate had held that sanction under section 6 of the anticorruption act was required, the petitioner said this raised "constitutional controversies of grave public importance" which required to be resolved by the high court.

Among the issues required to be so resolved were, according to the petitioner, whether the power to grant or refuse sanction under section 6 vested in the governor under article 154 of the constitution; whether the governor could use this power independently of the advice of his council of ministers; whether the chief minister could be excluded from the "advisory process" contemplated by article 164; and whether the chief minister could partake in the advice "in the matter of sanction of his own prosecution."

The petitioner also wanted the high court to consider and to decide whether the chief minister could by virtue of his office "prevent his own prosecution for grave crimes" without infringing the provisions contained in articles 14 and 21 of the constitution. A further question that would fall for the high court's decision would be whether the magistrate's interpretation of section 6 of the anti-corruption act was intra vires or ultra vires the constitution and whether the section could be "saved from the vice of unconstitutionality" by an interpretation that would "avoid the unjust, arbitrary and absurd" result.

After contending that the magistrate failed to appreciate the case-law cited before him, the petitioner, who said he had "great respect" for the magistrate, expressed his apprehension that in the facts and circumstances of the case the magistrate might "well be inhibited" in discharging his duties "fearlessly."

The petitioner said: "The accused is a chief minister and he has in his public pronouncements attacked the judiciary. He has created the impression of being vindictive. Two judges of the court (Mr Masodkar and Mr Aggarwal) are associated with the accused (Mr Antulay) as co-trustees and they have been cited as witnesses. "Hearing of the matter by the high court, it was submitted, "will avoid embarrassment to all concerned" as "difficult questions of law and fact may well arise at every stage."

Mr Justice C. S. Dharmadhikari and Mr Justice S. W. Puranik today admitted the petition for hearing and made the rule returnable by November 9.

The judges who directed issue of notice to the attorney-general also stayed, by way of interim relief, "further proceedings" in the magistrate's court.

Mr Ram Jethmalani with Mr T. Ajwani and Mr S. B. Keswani appeared for the petitioner; and Mr M. R. Kotwal, public prosecutor, represented the state.

CSO: 4220/7243

ANDHRA PRADESH CHIEF MINISTER INTERVIEWED

New Delhi PATRIOT in English 11 Oct 81 p 6

[Interview with Mr T. Anjiah, chief minister, date and place not given]

[Text] It has been truly an eventful year in office for the Chief Minister, Mr T. Anjiah, as it has been quite a hectic one for all those who keep going the wheels of administration.

An eventful year indeed, packed with packages of concessions to farmers, weaker sections and people in general costing the exchequer hundreds of crores; year of momentous decisions with far-reaching impact on the economic upliftment of millions, termed scheduled castes scheduled tribes, and backward classes and who else?

In brief, during this short period in office, the worker-Chief Minister, Anjiah, has accomplished a good job. He has accounted for a sizable turnover for the welfare of the weaker sections, agricultural labour and working class in particular, and other sections of the down-trodden, as no other who preceded him in office could.

And more than anything else, credit goes to Mr Anjiah for setting the wheels of democratic institutions at the grass root level in motion again after a lapse of more than a decade--by holding elections, to Panchayat Raj and Municipal bodies, which have been almost defunct for several years.

With all these and several other achievements to his credit, Chief Minister, Mr Anjiah can proudly look forward to carry on the job with greater sense of confidence to lead Andhra Pradesh State, which crosses the silver jubilee year into a 'Golden era,' on November 1.

But what does Mr Anjiah himself feel and about it, on completing one year in office as Chief Minister? One would be naturally interested to know.

'How do you feel you played part?' editor of ANDHRA PRADESH JOURNAL, therefore, asked the Chief Minister.

It was past midnight--generally the time when the Chief Minister completes his 'day's' work of disposing of the files.

He had just disposed of the last file of the 'day'--the number--some (eight) thousand and odd since he assumed office, a special assistant said.

Only after completing the 'day's' work the Chief Minister could feel relaxed to talk to the press, perhaps 'his style of respite.'

Mr Anjiah is not a man given to beat his own trumpet; he is too modest to claim all the credit for himself for the achievements during the last one year. 'In my humble way, I have been in the service of the people, and I owe it to my leader Indiraji,' he says.

His loyalty to Mrs Gandhi is not of recent origin; his loyalty to the leader has been unfliching for the last three decades. And to him, the 25-point programme (Mrs Gandhi's 20-points and Sanjay Gandhi's five points) is the shee-anchor of development now. [as published]

But then what about the machinery to implement the welfare programme? How could he get the bureaucracy to implement them?

To this, the answer was creation of a task force in various departments to periodically review and ensure implementation of the Chief Minister's assurances and execution of developmental activities. Not only that. A task force to suggest methods of tightening administrative machinery to check corrupt practices and suggest personnel suitable for different departments of importance has been constituted headed by the Chief Secretary. It consists of Second Secretary for Revenue, Principal Secretary, Finance and Planning, and Home Secretary. And now that democratic institutions are restored at various levels, 'we are fixing targets for the time-bound programmes and entrusting the work to the Panchayat Raj bodies.'

As regards distribution of essential commodities, he said, the people's committees at taluk and district level have been constituted to advise the tahsildar and the collector. The committee consists of the concerned MP, MLA, MLC, and nominees of recognised political parties. They will advise not only on distribution of essential commodities at taluk level and at the district level but also on planning and execution of drought schemes. A similar committee has been constituted at the state level.

With the restoration of the Panchayat Raj and Civic bodies, the Chief Minister hoped for more active involvement of the people in execution of the developmental programmes.

Primarily a worker--Chief Minister, Mr Anjiah has undoubtedly provided a better deal to workers factory and farm hands.

A committee was appointed for implementation of minimum wages for the unorganised labour with Sardar S. Nagappa as its chairman. A policy decision also was taken that the minimum wage of an unskilled worker should not be less than Rs 7.70 ps per day, or Rs 231 a month, and correspondingly the wages in other categories of workers are also to be fixed.

Recently, 43 Assistant Labour Officers were appointed exclusively for effective implementation of minimum wages in agriculture, and four assistant Labour Officers for bidi and cigar establishments.

A child labour committee was constituted to inquire into the problems of child labour and to suggest effective steps for redressal.

For the first time, an employment guarantee scheme has been introduced in select blocks, to provide employment to agricultural labour during off-season. And for amelioration of conditions of working journalists and non-journalist employees in newspaper industry, a special cell has been created to oversee implementation of the Palekar award. The Chief Minister claimed that in as many as 20 newspaper establishments, the award was implemented in toto

As per the weaker sections, the Chief Minister explained various measures taken for their welfare. The measures include increase of the budget allotment from Rs 42 crores in 1980-81 to Rs 47 crores in 1981-82, 'additional provision made under old-age pension scheme; allotment of house-sites; allotment of Rs 52 crores under special component plan for the benefit of scheduled castes in the current year etc.

Under the Prime Minister's scheme to help scheduled castes families to cross poverty line, in the current year, it was proposed to cover 1.19 lakh scheduled caste families in the State. The scheduled castes Finance Corporation has drawn up 157 model schemes to serve as a guide to prospective beneficiaries. By the end of March, 1981, about 55,800 families have been benefited at an aggregate outlay of Rs 17.56 crores.

Andhra Pradesh is the first State in the country to take up the programme of insurance of huts of weaker sections. The scheme intended to benfit hutment dwellers in all Municipal towns in the first instance, covers all hutments with insurance against losses from fire, riots, malicious damage etc., It was proposed to extend the scheme to the villages also in due course.

And if Mr Anjiah can take credit for several 'firsts', the credit also goes to the worker Chief Minister for introducing crop insurance scheme in the predominantly agricultural State of Andhra Pradesh.

The crop insurance scheme, he explained, has been introduced during Kharif 1981 in 25 taluks for paddy, 10 taluks for Jowar and 5 taluks for groundnut. The State Government is participating as co-insurer in the Scheme sharing premium as well as claims to the extent of 25 per cent.

To the farmers who are affected by drought or cyclone alternately, the crop insurance scheme should prove a great boon.

The Chief Minister refuted the complaint often made that he had constituted for too many corporations. On the other hand, he asserted, that he had constituted only 2 or 3 new corporations: (i) The Hyderabad Old City Development Authority and (ii) Corporation for the Physically Handicapped. While the first one was created to pay special attention for the development of the old city which has been often a centre of troubles, the second one was created as part of the international year of the handicapped. And what is objectionable about it, he asked.

There is a general impression that the Chief Minister can never say 'no' to any one. Is it correct, he was asked. Far from it, he said, and added that he had known the common people so intimately that he could feel the pulse of the people, understand their feelings and grievances. 'They too have the capacity to understand me. It is, therefore, not correct to say that I conceded whatever they asked for. If it is only justifiable and reasonable, I agree to consider it sympathetically'.

Essentially a man of masses, the Chief Minister receives representations from the people by hundreds everyday. Representations thus received since he became Chief Minister run into several thousands. They are sorted out and sent to the complaints cell Set up in the GAD, in May, 1978, it has been in a dormant state until he reactivised the entire machinery now functioning under the Chief Secretary.

The cell after monitoring the complaints sends them to the concerned departments at the Secretariat for immediate action. But if the complaints are strictly local in nature, they are sent to the district collector for follow-up action.

But on complaints regarding atrocities against Harijans, the Chief Minister said; 'we have decided to order judicial enquiry in all fatal cases'.

As a first step in this direction he has already ordered judicial enquiry by a retired judge of the High Court into a case of alleged burning of a Harijan family in Karimnagar following the recent civic poll there. The judicial enquiry is now in progress. And the Chief Minister is as good as his word.

ANDHRA PRADESH PROGRESS IN ECONOMIC PROGRAM

New Delhi PATRIOT in English 11 Oct 81 p 8

[passages in slantlines printed in boldface]

[Text] The Prime Minister's 20-Point Economic Programme is the back bone of development programmes in the State. Implemented with substantial budgetary support over the past few years it has enabled development of specific programmes for the upliftment of the large masses of weaker sections, speedy exploitation of land and water resources, absorption in abundant measure of institutional finances, serving of consumers and catering to the requirements of the bulk of the population. Reciprocally it has raised hopes and aspirations throughout the State which has not only resulted in demand for increased attention to problems everywhere but also secured the involvement of the people in tackling local problems and securing for themselves as communities as well as individuals, benefits out of the variety of measures formulated for their economic strength and welfare.

It is necessary to recall the 20-Point Economic Programme in its entirety in order to appreciate the individual importance of those segments in the overall programme. As the essence of the programme is speedy growth but in such balanced manner as not only to prevent impoverishment and neglect in the process but positively remove poverty and assist the weak to share in the prosperity. The State has kept up its name as the granary of the South despite cyclones of the drought over the last few years. The farming community of the State has the distinction of being in the forefront in adopting modern farm technology to boost food production.

Investment in agriculture and irrigation and extension activity have created dependable potential on the food front and capacity to meet shortages on account of droughts of the type currently being experienced. It has also assisted in activity of various types resulting in improved employment, larger spread of prosperity, welfare measures and new look to the countryside.

As a result of the effective measures taken and implementation of different agricultural programmes, the foodgrains production is expected to touch 102-00 lakh tonnes during 1980-81 inspite of the severe drought that affected 14 districts and the ravages of flood in Srikakulam district, as against about 95 lakh tonnes in 1979-80. The foodgrains production during Kharif Season is estimated to be on par with 1978-79 Kharif, a record year of production. The production of Kharif Rice as per the preliminary estimates fo the Bureau of Economics

and Statistics is 53.32 lakh tonnes which has exceeded the production in 1978-79 and a new record has been set up on account of exceedingly good crop harvested in coastal districts.

20-Point Economic Programme

/Continuance of steps to bring down the prices of essential commodities, streamline production, procurement and distribution of essential commodities, strict economy in Government expenditure./

The State Government has made arrangements to distribute essential commodities like rice, wheat, edible oils, sugar and kerosene at fixed prices through a network of about 25,322 fair price shops throughout the State. About 42,000 tonnes of rice is being released every month through fair price shops. Sugar distribution has been streamlined, so that it is available to the public at controlled prices uninterruptedly. To pay undivided attention to the timely supply of essential commodities at fair price, Government of Andhra Pradesh has recently set up the Andhra Pradesh Essential Commodities Corporation.

Prices of Agricultural Commodities play a vital role in stabilising Agricultural Production. The need for remunerative prices for different Agricultural Produce has been accepted and Government of India have been announcing minimum support prices or procurement price to benefit the cultivators. For the year 1980-81, Government of India announced the procurement prices of Rs 105 per quintal for common variety of paddy, Rs 109 for fine variety and Rs 113 for superfine variety as against Rs 130 for common variety recommended by the State Government with a differential of Rs 7 for fine and Rs 8 for superfine varieties. Having considered the procurement prices fixed by Government of India not adequately remunerative to the growers, the State Government enhanced them by Rs 10 for each variety. The rates fixed by the State Government are Rs 115 for common variety, Rs 119 for fine and Rs 123 for superfine varieties. From the Rabi Season of 1980-81, Rs 10 more per quintal is being paid in respect of superfine variety. These enhanced procurement rates will enable the farmers to produce more.

/Implementation of agricultural land ceilings and speedier distribution of surplus land and compilation of land records./

Due to the vigorous implementation of land reforms in the State, an extent of 4.21 lakh acres surplus land had been taken over so far. Out of this an extent of 2,93,346 acres was assigned to landless poor. The number of beneficiaries totalled 2,03,464 out of whom 1,00668 belong to Scheduled Castes, 30,184 to Scheduled Tribes and 59,060 to Backward Classes and 13552 to other landless poor persons.

/Stepping up of provisions of house-sites for landless and weaker sections./

The scheme of provision of house-sites envisages the grant of house-sites free of cost to eligible persons i.e. those belonging to Scheduled Castes, Scheduled Tribes, Backward Classes and other economically weaker sections of the society.

So far house-sites have been provided to about 13,28,443 beneficiaries belonging to Scheduled Castes, Scheduled Tribes, Backward Classes and Economically Backward Groups. Private land to an extent of 59,992-75 acres was acquired up to 1980-81 and an extent of 22,624-38 acres of Government land also was assigned. So far an amount of Rs 36.21 crores was spent on the acquisition of house-sites by the Government of Andhra Pradesh.

/Bonded labour, wherever it exists, will be declared illegal./

Special schemes of rehabilitation of released bonded labour has ensured opportunities of new life to 6,803 families. This has resulted in adequate remuneration for agricultural work to those engaged freely in it and alternative opportunities for those who had been subjected to harassment and condemned bondage. A sum of Rs 20 lakhs was provided in the current year Budget to take up schemes for rehabilitation of bonded labour. This will be matched with an expected release of Rs 28 lakhs from the Government of India.

/Plan for liquidation of rural indebtedness, legislation for moratorium on recovery of debt from landless labourers, small farmers and artisans./

A sound beginning has been made in reducing indebtedness among the Tribal population, due to the strict enforcement of the Scheduled Tribes Debt Relief Regulation, 1960 and the enactment of the Andhra Pradesh Agricultural Indebtedness (Relief) Act, 1977. Increased Institutional support, together with release and rehabilitation of bonded labour and enforcement of land legislation has ensured the reduction of the menace of money lending and exploitation of the economically weak.

/Five million more hectares to be brought under irrigation National Programme for use of ground water./

As a part of bringing additional area under irrigation, technical clearance was given to 53,000 bore-well/tube well/filter points, 2,39,981 dug-wells 407633 pumpsets and development of 1,68,776 old wells together valued at Rs 330 crores for implementation by the Andhra Pradesh Cooperative Central Agricultural Development Bank and other financial institutions. The programme on implementation will bring in additional area of about 8 lakh hectares of irrigated dry under assured ground water irrigation.

With the fillip given by the Institutional finance and through various developmental agencies and with the present rate of construction of about 30,000 dry wells, 300 public tube-wells and energisation of 40,000 wells, an additional irrigation potential of about 50,000 hectares will be created annually, spreading widely and in particular among farmers of uplands, connected benefits.

/An accelerated power programme--Super thermal stations under Central Control./

The Super Thermal Power Station at Ramagundam at an estimated cost of Rs 459.14 crores for the power project and Rs 116.14 crores for the construction of 400 K.V. transmission lines was approved by the Union Government. This has enabled not only promise of further industrialisation but expansion of coal industry resulting in additional high wage employment to large numbers of skilled, semi-skilled and unskilled persons supported by further welfare measures. With

the addition of the recently commended 2nd unit of Vijayawada Thermal Station the installed capacity of power in the State has risen to 2,198 MW.

The State Government has agreed to provide Infrastructural facilities like roads, water supply, temporary buildings, etc. and the works are under progress. The power station is expected to be completed during the year 1984-85.

/New development plan for development of handloom sector./

To provide impetus to the Handloom Industry as a part of the 20-point programme, Government of Andhra Pradesh has taken a number of measures like administering as many weavers as possible into cooperatives, modernisation and replacement of looms to facilitate production of various types of fabrics, and enable the weavers to earn better wages.

In the recent years, these measures introduced have been intensified with matching assistance from Government of India.

As a result of these measures the following achievements have been recorded in the recent past.

(i) The number of societies have increased from 1,024 in 1976 to 1928 in 1980-81. The coverage of looms by Cooperative Sector has increased from 2.25 lakhs to 3.40 lakhs.

(ii) Paid-up share capital of societies has increased from Rs 231 crores to Rs 11.72 crores.

(iii) Based on the share capital the working capital of the institutions has gone up from Rs 3.45 crores to Rs 20.36 crores.

(iv) The production of cloth recorded an increase of 300% from Rs 11.30 crores to Rs 36 crores. Sales of Handloom cloth has touched a level of Rs 30.00 crores from a mere Rs 7.75 crores in 1975-76.

(v) Infrastructure facilities towards pre-loom and post-loom have been provided with an investment of Rs 345 lakhs by State Government.

(vi) The institutions in the Textile Industry of the State have exported garments and fabrics worth Rs 257 lakhs to foreign countries.

(vii) The cooperative spinning mills have increased the yarn production from 25,000 bales to 45,000 bales per annum. 6 more new spinning mills are coming up in cooperative sector to increase yarn production. A polyester yarn manufacturing unit in the cooperative sector, first of its kind, is coming up in the State.

(viii) Modernisation of looms has been taken up at a cost of Rs 102.00 lakhs aiming at diversification of production and ensuring more remunerative wages to weavers.

/Improvement in quality and supply of people's clothes./

With production of Janata cloth of 33 million sq. mts. achieved through quick support of weavers there is not only an assurance of abundant supply of reasonably priced cloth but also employment continuously for the weavers.

/New schemes for workers association in industry./

The scheme of workers' participation in Management was introduced as a part of 20-point economic programme of the Prime Minister. In Andhra Pradesh State the scheme was made applicable to the units where 300 or more workers are employed. Out of 190 establishments, only 147 establishments are employing 300 or more workers. Of these 190 establishments, 137 have formed shop floor/plant level councils.

The Government of Andhra Pradesh considered that there should be legislation for constituting the Shop Floor and Plant Level Councils. Accordingly a draft bill was prepared by the Sub-Committee of the State Labour Advisory Board and it is being placed before the Board for a final decision before a legislation is undertaken. The salient features of the proposed Bill are:

(i) It applies to every factory or undertaking where one hundred or more workmen are employed;

(ii) It applies to every establishment in which 25 or more employees are employed;

(iii) Every factory undertaking to which this Act applies shall constitute a shop-council in each department or shop or one council for more than one department or shop considering the number of workmen employed in different departments or shops;

(iv) Every employee or every factory/undertaking which is covered by this Act shall constitute a Plant Council for each unit;

(v) Functions of Shop Council: The shop council should in the interest of increasing the production, productivity service and the overall efficiency of the shops/departments.

(vi) Functions of the Plant Council: To achieve optimum production, efficiency and fixation of productivity norms of man and machine for the unit as a whole, etc.

(vii) It provides for the enforcement machinery to enforce the provisions of the Act with necessary penal provisions for nonimplementation of the provisions of the Act.

/National Permit Scheme for road transport./

With a view to encourage long distance Inter-State road transport, the Government of India promulgated an Ordinance in 1976 by amending the Motor Vehicles Act and made provision for grant of National Permits. Under this scheme this

State was allocated 900 permits. Sub-sections (11.A) and (11.b) of Section 63 of the M.V. Act provides for reservation of certain percentage of national permits for Scheduled Castes and Scheduled Tribes and for economically weaker sections of the community.

/Books and stationery at controlled prices./

With supply of note books to students of the value of Rs 2.87 crores this year the Andhra Pradesh State Trading Corporation has enabled students to secure quality stationery at low cost.

/New apprenticeship scheme to enlarge employment and training especially of weaker sections./

Apprenticeship training is being implemented in Andhra Pradesh with a view to provide job-training facility to ITI trained candidates and other unemployed youths. At present 4,378 candidates are undergoing training in the State and private sector establishments. Out of them 401 are S.Cs, 47 belong to Sts, and 17 physically handicapped. A majority of the apprentices have secured suitable jobs or started their own units after successful completion of training. In addition to the apprentices of the State Sector, there are about 3320 apprentices undergoing apprenticeship training in Central Sector establishments. About 902 Diploma and Degree holders are lakhs of seedlings of tree species also receiving training as apprentices. These two categories are under the control of Central Government. [as published]

216 types of industries have so far been notified under the Apprentices Act 1961 and 136 trade have been designated so far. The period of training ranges from 6 months to 4 years.

5-Point Programme

/Social Forestry Programmes in Andhra Pradesh/

Make India Green Programme:

A programme to raise 115 lakhs of seedlings of tree species for distributing, free of cost, to the rural people for planting them on private lands is being implemented. This includes raising of about 40 lakhs seedlings under Farm Forestry in Drought Prone Areas Programme districts.

Mixed Plantations Programme:

This scheme is being implemented during 1981-82 at a cost of Rs 95.5 lakhs. This includes raising Babul, Ku-babul and other plantations in the foreshores of tanks and community lands. The babul plantations raised in the tank foreshores will be maintained by the Forest Department. The benefits are to be shared on 50:50 basis by the Village Panchayat and Forest Department, when the trees are harvested at maturity.

Rural Fuelwood Plantation Programme:

Five districts via., Krishna, Guntur, Nalgonda Ranga Reddy and Medak have been selected for implementation of this programme in the State at a cost of Rs 76.30 lakhs during 1981-82. The Central assistance is forthcoming to the extent of 50 per cent of the cost of the scheme, Plantations of Eucalyptus, Babul, Kubabul and Bamboo are being raised over an extent of 3690 hectares.

Shelter-Belt Programme:

Shelter belt plantations of Casuarina are proposed to be raised over a length of 8650 row Kilometers (1770 hectares) along the coast during 1981-82.

Social Forestry Programmes:

Government are giving very high priority for undertaking extensive Social Forestry Programmes in view of its paramount importance and urgency for restoring ecological balance as well as to meet the fuel wood needs of the rural people and cellulose need of the wood-based industries and also to meet the various other social needs of communities like small timber etc. With a view to see that forestry crosses its erstwhile conventional boundaries confined to well established reserve forests areas, and step out to the people in the rural areas and also to the people in all walks of life like school children, industrial workers and households, Government have constituted a State Level Committee with Chief Minister as Chairman to help formulate district master plan for social forestry and review the progress. District Level Social Forestry Committee with District Collector as Chairman, with district officers and MPs, MLAs and voluntary organisations, has been constituted for tree plantation work on Community lands, Panchayat lands, Village waste lands, Private lands, Canal banks, School premises and Farm holdings. Forest Department is implementing the Social Forestry Schemes during 1981-82.

Scheme for Raising Fuelwood and Small Timber Trees on Private Lands:

A scheme which was posed to Government of India and on which orders are awaited is the scheme under Drought Prone Areas Programme/Integrated Rural Development Programme. It envisages growing of eucalyptus trees on the rainfed, marginal and submarginal lands of small and marginal farmers. 50 per cent of the cost of the scheme is being proposed to be provided as subsidy, besides supplying the seedlings free of cost. A hectare of eucalyptus plantation provides a substantial income of about Rs 10,000/- after a period of 7 years after repaying the loan. This will help the small and marginal farmer to improve his economic status.

Adult Education

In pursuance of the policy decision of the Government of India in 1977, a massive programme was launched to cover 10 million illiterate population in the State in the age group of 15 to 35 within five years. The National Adult Education Programme was formally launched in Andhra Pradesh on 2nd October, 1978. For implementing the programme, a Directorate of Adult Education was set up. During

the year 1979-80, 23 Adult Education projects of 300 centres each enrolling 30 learners at a centre were started. They were located one each for each of the 22 districts (except Vizianagaram) and one additional project at Paderu. Generally, each project operates in one block of the district. In January, 1981, 150 centres in the existing blocks were dispersed to these contiguous blocks in the districts. Necessary training for the functionaries was also imparted.

CSO: 4220/7236

ANDHRA PRADESH TRIBAL WELFARE PROGRAM NOTED

New Delhi PATRIOT in English 11 Oct 81 p 10

[Text] ANDHRA Pradesh has a tribal population of 22.26 lakhs which constitu-es 5.11% of the population of the State (1971). The scheduled area in the State extends over 30,031 sq. kms. which is about 11 per cent of the area of the State. Srikakulam, Vizianagaram, Visakhapatnam, East Godavari, West Godavari Khamman Warangal, Adilabad and Mahboobnagar are the districts having scheduled areas.

The tribal population in these nine districts is 14.05 lakhs. The remaining population of 8.21 lakhs is distributed in the other districts. There are 33 scheduled tribe communities in this State.

The tribal welfare programmes cover a wide range of activities as the aim is to remove all constraints in the way and help the tribal to join the main stream of national life. Education is given great importance and the programmes under this sector envisage provision of incentives to students by way of free board and lodging, text books, note-books, clothing and scholarships. A scouting programme has also been introduced, as also a programme for spotting cultural talents. There are training programmes to improve the tribals' employment prospects.

ECONOMIC UPLIFT: On the economic uplift side, emphasis is on agriculture which is the main occupation of the tribal. This is followed by an effort to eliminate unscrupulous traders who exploit the tribals by purchasing minor forest produce collected by them on low rates and also by selling domestic requirements needed by them at high rates.

The Andhra Pradesh Scheduled Tribes Cooperative Finance Corporation has been established to enable the tribals to draw upon institutional finances for their economic betterment. On the health side there is a programme for providing supplementary nutrition to pre-school children and expectant and nursing mothers. To insulate the tribal from the depredations of land grabbers and usurious money lenders, protective legislations have been enacted and are being implemented.

SUB-PLAN: Preparation of the Sub-Plan and the establishment of Integrated Tribal Development Agencies in Srikakulam, Vizianagaram,, Visakhapatnam East Godavari West Godavari Khammam, Warangal and Adilabad and a special project for Chanchus living in Rangareddy, Nalgonda, Prakasam, Guntur, Kurnool and Mahaboobnagar districts, Konda Reddis of Khammam, East and West Godavari districts and Kolams of Adilabad district, implementation of Modified Area Development Approach programmes in 17 identified pockets of tribal concentration represent our effort in tribal development.

EXPLOITATION CHECKED: To afford protection to tribals interest in land and prevent exploitation by non-tribals, various protective legislations have been enacted. These are the Andhra Pradesh Scheduled Area Land Transfer Regulation, The Andhra Pradesh (Scheduled Areas) Money lenders Regulation and The Andhra Pradesh Scheduled Tribes (Debt Relief) Regulation. The implementing machinery has been strengthened and loopholes in the laws plugged. The Andhra Pradesh Scheduled Areas Land Transfer Regulation, 1959 prohibits the transfer of land situated in Scheduled Areas to any one other than a member of the Scheduled Tribes. With a view to remove the persisting lacunae in the regulation and to facilitate effective implementation, the Regulation of 1959 was amended by Andhra Pradesh Regulation 1 of 1978. The amending regulation bars the registration of land transfer unless the transferee is a member of scheduled tribes. All offences under this regulation are made cognizable and are punishable with imprisonment up to one year or fine up to Rs 2,000 or both.

DEBT RELIEF REGULATION: Under the Andhra Pradesh Agricultural Indebtedness (Relief) Act, 1977 all the debts due by the agricultural labourers, rural artisans and small farmers in the State including the

scheduled tribes shall be deemed to be wholly discharged. In the cases not covered by the above Act, the debts of Scheduled Tribes in the scheduled areas are being scaled down under the provision of Andhra Pradesh (Scheduled Tribes) Debt Relief Regulation, to the level of principal extinguishing the interest element altogether.

STRATEGY OF DEVELOPMENT: The approach during the VI Plan period (1980-85) will be as follows: (i) Concentrate on areas outside the sub-plan and Modified Area Devlopment Approach Project areas, as far as the State's Plan funds are concerned, to the maximum extent possible.

(ii) Step up provision for Andhra Pradesh Scheduled Tribes Cooperative Finance Corporation while reducing outlays on foot-loose economic support programmes. This is done with a view to mobilise the maximum possible institutional finances. Close liaison with the Departments of Forest and Rural Development Department and Special Employment Schemes should be maintained both at the policy and implementation levels for tapping subsidies and training and teachnical support so as to maximise resource mobilization.

(iii) Strengthen essential areas under education, like incentives for enrolment and continued attendance in schools established, ashram schools, construction of girls hostels, boys hostels and strengthening of training programmes etc. and starting of a residential school in the Rayalaseema area.

(iv) Strengthening of the Tribal Cultural Research and Training Institute for research and monitoring purposes and build it into an institute of National stature to draw further assistance from various sources outside the State.

The strategy also will build into it appropriate allocations under relevant Plan heads to mobilise Central Assistance mobilisation of resources through financial institutions and through coordination with other departments, particularly the Forest and Rural Development Department which has with it not only the subsidies but supporting departments like Forest and Animal Husbandry which are of basic importance for tribal welfare.

The strategy would be family-based and poverty-line oriented with a view to plan the crossing of poverty-line by half the tribal families now below the poverty line, by the end of the VI Plan period.

New ideas like taking up extension forestry in blocks of lands belonging to tribals themselves or to be assigned where feasible, with bank finances and tie up with industrial buyers will be introduced as schemes during the VI Five Year Plan so that while the tribal may have other benefits given to him to provide him a living during a 5 to 7 year gestation period, at the end of the period he reaps a substantial income after paying back the bank loan.

CSO: 4220/7236

NUMBER OF PERMANENT JUDGES' POSTS INCREASED

Bombay THE TIMES OF INDIA in English 16 Oct 81 p 9

[Text]

NEW DELHI, October 15 (PTI): The government has decided to increase the number of posts of permanent judges in various high courts keeping in view the load of work, the guidelines prescribed and other relevant considerations.

The Centre would take up the matter with various state governments who, after consulting the chief justices of the high courts, would send proposals for the conversion of a substantial number of posts of additional judges into those of permanent judges.

The government has also decided that ordinarily further appointments of additional judges would not be made for periods less than one year.

A note containing the government's decision was handed over to a seven-judge constitution bench of the supreme court hearing the judges transfer case this morning by Mr. P. R. Mridul counsel for the law minister. Mr. Mridul told the court the decisions had been taken at the "highest level".

The note, handed over by Mr. Mridul on behalf of the Union government, said in 1980 itself, on the basis of institution, disposal and arrears of cases and the guidelines prescribed, seven state governments, where the probelm was more acute, had been asked to consider augmentation of the judge strength of their high courts.

CSO: 4220/7261

GOVERNMENT ANNOUNCES AID TO LEATHER INDUSTRY

Bombay THE TIMES OF INDIA in English 16 Oct 81 p 10

[Text]

NEW DELHI, October 15.

THE government has decided to license additional capacity for production of finished leather on a selective basis.

Mr. N. D. Tiwari, Union industry ministry, said today the additional capacity would be licensed mostly (A) in favour of those states where no finishing capacity exists or where finishing capacity is inadequate, (B) for the establishment of common facility centres to help small tanners in converting their semi-finished leather into finished leather, and (C) in favour of small-scale units wanting to convert their semi-finished leather capacity into finished leather capacity.

Inaugurating a conference of state ministers and chairmen and managing directors of leather development corporations, Mr. Tiwari said states with a large cattle population would not be left behind in the development of the leather industry. The instrument of licensing would be used for correcting regional imbalances to the extent possible.

Mr. Tiwari said the Centre had taken important policy decisions to stimulate the development of leather footwear and leather goods industry, particularly for exports.

EXPORT OBLIGATION

For example, the export obligation on finished leather units had been brought down to 40 per cent from 60 to 90 per cent. The existing and new units would be eligible to take advantage of this decision.

Secondly, to encourage the creation of a substantial export-worthy capacity for leather footwear and leather goods, the organised sector had been permitted to establish capacity on the basis of a minimum export of 70 per cent of production subject to certain conditions.

Thirdly, the position regarding export obligation by organised sector units for setting up capacity for the manufacture of items developed in the small-scale sector had been clarified. It would not be possible for such units to set up capacity on the basis of a minimum of 75 per cent exports to be achieved in three years.

Mr. Pranab Mukherjee, minister for commerce, told the conference that 84 per cent of India's total leather exports consisted of semi-finished and finished leather while the balance was accounted for by leather products. The policy accent of our expotr effort was on a progressive increase in exports of value-added items.

Mr. Mukherjee said a series of measures had been taken by the commerce ministry recently to increase exports in the leather sector. A sustained growth in the exports was possible only with a strong and stable domestic industrial base, supported by the necessary infrastructural facilities.

A small working group had been set up to work out a package of financial assistance needed for the leather industry, Mr. Mukherjee said.

Mr. Mukherjee said the export performance in leather in 1979-81 was fairly satisfactory, but the performance in 1980-81 suffered a setback due largely to an unprecedented international recession.

The export prospects were now getting better. During April-August 1981, the total exports of leather and leather products were of the order of Rs. 173.22 crores against Rs. 135.66 crores in the corresponding period of 1980.

CSO: 4220/7261

SIKH COUNCIL SENDS MEMORANDUM TO GANDHI

Bombay THE TIMES OF INDIA in English 16 Oct 81 p 9

[Text]

CHANDIGARH, October 15.

THE Council of Sikh Affairs, a local organisation formed two years ago, has senta memorandum to the Prime Minister, Mrs. Indira Gandhi, urging her to remove the grievances of the Sikhs and find alasting solution by negotiating withthe Sikh leaders.

The council said that the situation called for prompt action, as it feared that if the government and the Akali leaders continued to follow the present policies, the attitude on both sides might harden and would lead to communal disharmony.

Going into the history of the Sikh problem, the memorandum said it had several aspects. First, the Sikhs felt that they had a separate identity and entity which they wanted to preserve at all costs. The Sikhs had made tremendous sacrifices for the defence of the country, but they felt hurt when their demand for maintenance of their separate identity was considered disruptive of national integration.

The Sikhs, it pointed out, feared that under the garb of national integration, their identity was being eroded, weakened and an attempt was being made to absorb them into the Hindu culture. The Sikhs felt that the government was unnecessarily interfering in their religious affairs.

The memorandum cited the recent promulgation of an ordinance, (later enacted as an act), abolishing educational qualifications for office-bearers with the purpose of installing Jathedar Santokh Singh as president of the Delhi Gurdwara Prabandhak Committee. Sending Sikh jathas to Pakistan to pilgrimage without consulting the Shiromani Gurdwara Prabandhak Committee constituted another "ill-advised interference."

As regards the state's demands for more water and electricity and utilisation of bank deposits, the Sikhs felt that they were not being treated fairly.

As for the demand for Khalistan, the memorandum said that it was confined to a few persons, and almost all responsible Sikh organisations had opposed it. It regretted that the ruling party, by giving undue publicity to it, probably thought that they would be able to secure the Hindu votes at all elections. But the ruling party did not realise that the step would boomerang on them.

The memorandum was against fanning the demand for Khalistan because, if the idea really percolated to the masses, it would become a movement.

It said that the concept of Khalistan was harmful and loaded with potential danger, more so for the Sikhs. To end the controversy, statesmanship and political sagacity were required.

CSO: 4220/7261

GUJARAT COAL GASIFICATION PROJECT APPROVED

Bombay THE TIMES OF INDIA in English 16 Oct 81 p 15

[Text]

GANDHINAGAR, October 15: The Central government has approved a pilot project of the underground coal gasification (UCG) in the Kalol area of in north Gujarat as one of the important programmes of the new source of energy in the state.

Disclosing this to reporters here today, the state finance and planning minister, Mr. Sanat Mehta said that the Union government had appointed a three-member committee to finalise the draft plan for UCG. The committee would consist of Dr. Indrajit Singh of the ONGC, Mr. S. D. Mehta, adviser to the Gujarat government, and Mr. B. Singh, director of the Central Mining Institute.

Mr. Mehta said that in the Kalol region alone, an estimated 60 billion to 80 billion tonnes of coal reserve had been found at the depth of 1,600 metres to 1,700 metres. The depth of lignite coal in north Gujarat was found at 1,000 to 1,200 metres. This deposit could be converted into gas through the latest technology of coal gasification.

On the basis of this, the state was planning to set up a 1,500 MW power station by the end of the sixth plan. Mr. Mehta said that the Gujarat electricity board had been asked to prepare a blueprint for the project.

The finance minister said that the Central government had indicated that funds would be a constraint for this project. It had decided to send the team of experts to visit Belgium where a pilot project would be commissioned in November.

Mr. Mehta said the Soviet Union had also shown keen interest in the UCG at a shallow depth dam and that they had asked for the data from the coal department of the Centre.

He said that the secretary of Council of Scientific and Industrial Research had also suggested that the shallow mines of lignite in Rajasthan could also be utilised for the UCG.

The finance minister said that UCG would also be taken up in Bihar. He said the state government had suggested to the Centre to take up the UCG in the joint sector by making the state a partner in it.

CSO: 4220/7261

SECOND INDIAN-DESIGNED FRIGATE LAUNCHED 15 OCTOBER

Bombay THE TIMES OF INDIA in English 16 Oct 81 p 5

[Text]

BOMBAY, October 15.

THE "Ganga", the second Indian Designed frigate being built by Mazagon Dock here for the Indian Navy, was launched today by Mrs. Phyllis Pereira, wife of the chief of naval staff.

The tricolour-bedecked vessel slid down the slipway majestically, after Mrs. Pereira had broken the traditional coconut on the prow and garlanded her to the strains of the naval band.

The INS "Ganga" will be afloat in the dock basin till she is fitted out and joins the naval fleet in 1984. The first in the series, named INS "Godavari," launched in May 1980, is also being fitted out and she will join the navy in early 1983. One more frigate in this series, the "Godavari class", is to be constructed by Mazagon Dock for the navy.

Admiral R. L. Pereira, chief of the naval staff, said the "Ganga" was a lovely frigate and paid a tribute to the staff and workers of Mazagon Deck. More frigates would be ordered from the shipyard, he said.

Admiral Pereira said the shipyard should try to cut down the delivery period to about one year, from the present 15 months. The navy, he added, had an important role to play in national security. It had to guard the coast, the assets in the exclusive economic zone, and also ensure the free flow of trade amounting to 80 million tonnes a year.

Vice-Admiral N. P. Datta, chairman of Mazagon Dock, in his welcome address, said Mazagon Dock had built six Leander-class frigates for the navy under the frigate project, begun in 1966, and they had proved to be powerful units of the navy's frigate squadron. The last two in the series, "Taragiri" and "Vindhyagiri," had undergone major modifications in their design and were more versatile than their predecessors.

The Godavari-class frigates were longer and larger than the Leander-class, with 25 per cent more displacement. They would incorporate powerful surface-to-surface missiles for the first time in a ship designed and built in the country. They would be capable of operating two large helicopters with hanger facilities.

Emphasising the need for indigenisation, Admiral Datta said the shipyard had geared itself over the years to meet the country's sophisticated requirements in shipbuilding and related fields. The public and private sector had an important role to play in import substitution. He complimented the workforce for its skill and dedication.

CSO: 4220/7262

AGARTALA 'SOURCES' REPORT LETTER FROM CHITTAGONG

Calcutta THE STATESMAN in English 17 Oct 81 p 11

[Text] Agartala, Oct 16--The proposal of the Chittagong Deputy Commissioner to the District Magistrate of the Tripura south district for a civilian meeting at Ramgarh in Bangladesh to solve the problem if refugee influx into Indian territory is not so innocent as it would appear at first, reports UNI.

Although the content of the six-page letter from the Chittagong D.C. was a closely guarded secret, sources here said that the Bangladesh authorities had wanted to confuse the issue rather than help find ways of checking the exodus.

The letter had reportedly made a series of allegations against the Indian authorities and held them responsible for the recent development in the Chittagong Hill Tracts.

The letter alleged that India had sent armed personnel inside Bangladesh to create confusion and a law and order problem.

It also reportedly charged that the Indian authorities had wanted to create a permanent problem for Bangladesh in the region, and thus encouraged a large number of insurgents in that country.

The spirit of the letter, the sources said, would hardly help restore peace, and might even lead to misunderstanding between the two countries.

Bangladesh according to indications might try to raise a different issue at the proposed civilian meeting. It might take about a fortnights to organize the meeting in which a detailed list of the people who had crossed over to India since July 27 was expected to be placed for verification.

Bangladesh had raised doubts about the nationality of migrant tribals some time ago, and might stick to its gun in a bid to "lessen its own burden" of accommodating nontribals in the area.

Our Correspondent adds: The influx of tribals from the Chittagong Hill Tracts has posed a problem because of its impact over Tripura's "tribal politics."

By-elections to the three vacant seats of the State Assembly--Agartala, Bisalgarh, Raima valley--are to be held on November 29.

The Raima valley constituency is reserved for tribals. About 9,000 evacuees from Bangladesh, including those belonging to the Chakma, Mog, Marma and Tripuri communities, have been sheltered at Karbook. There is another camp at Silachhari, which is on the fringe of the Tripura-Chittagong border.

Charges of sedition and a conspiracy to launch an armed struggle to overthrow the State Government with help from "foreign quarters" were earlier made by the ruling CPI(M).

The Tripura Upajati Juba Samity, the only Opposition in the State Assembly and supposed to be a strong one, is contesting the Raima valley seat and has already made the refugee influx a major issue in its campaign.

The TUJS, since the last year, has been demanding the declaration of Chittagong as a "buffer State" for non-Muslim tribals, who constitute over 98% of its population.

This demand has some favourable impact on the Tripura tribals as the same clans dominate the villages on either side of the international border.

CSO: 4220/7269

BKMU FIFTH CONFERENCE OPENS IN RAJGIR 16 OCTOBER

Calcutta THE STATESMAN in English 17 Oct 81 p 13

[Text]

RAJGIR, Oct. 16.—The fifth Bharatiya Khet Mazdoor Union conference, which began here today, demanded "political rights" for farm workers and a due share for them, along with the working class and other Left democratic forces, in the "process of administration and power", reports UNI.

Voicing this demand the BKMU chief, Mr G. Yallamanda Reddy, told a gathering of farm labourers from all over the country: "Let us reflect their innermost thoughts and organize millions and millions of agriculture workers as a apart and parcel of the Left and democratic forces".

Mr Reddy warned farm labourers and poor peasants against the "dangerous offensive launched by casteist, communal and separatist forces" within the country and the "imperialists design" outside.

Mr Reddy said: "The arming of Pakistan by the U.S.A. with the most sophisticated F-16 planes and further help of billions of dollars for purchase of arms hold out a grave danger to the security of India". He was confident that the agricultural workers would defend the integrity and security of the motherland along with all Left, democratic and patriotic forces.

The situation inside and outside the country, Mr Reddy said, was such that more united struggles of the working class, agricultural workers and peasantry on many issues were not only possible but this was the need of the hour to defeat the anti-people policies of the Government.

"Time has come to work out a programme in this regards" Mr Reddy said and stressed the need for enrolling more determined cadres dedicated to the cause of farm workers at village and other levels.

He admitted that "we are organizationally for behind the movement we have built".

Mr Reddy alleged that the Congress(I) Government had failed to implement radical land reforms. Ceiling laws were being pushed aside and the landlords were enjoying surplus land, he added.

He called upon the farm labourers to fight back the atrocities like burnig of houses, beatings, killings and rape of women.

Earlier, welcoming the delegates, the reception committee chairman, Mr V. K. Yadav, M.P., said that owing to the democratic and socialist movement and spread of education among labourers cousciousness had grown considerablly and they were now no longer prepared to submit attacks and atrocities.

CSO: 4220/7269

FRESH BIDS ISSUED TO FOREIGN OIL FIRMS

Bombay THE TIMES OF INDIA in English 17 Oct 81 p 15

[Text] New Delhi, October 16. Fresh bids from foreign companies will be invited for the 35 blocks offered for oil exploration, according to Mr P.C. Sethi, Union minister for petroleum.

Mr Sethi told a press conference today that the originally 22 foreign companies had submitted bids. But eventually, only seven or eight of them remained in the field, and even they made offers only in respect of one or two blocks.

"Negotiations with these foreign companies have been completed," Mr Sethi said. "The picture is not very bright." Many of the 35 blocks were still uncovered. We may have to invite fresh bids for them and even revise the blocks," he added.

Replying to a question about the terms and conditions offered to foreign companies, Mr Sethi said that India had agreed to production sharing but it had made it clear that until it became self-sufficient in oil, it would not allow physical lifting of oil. Instead, it would offer to buy the oil from the foreign companies.

About the oil prospects for the immediate future, Mr Sethi said that India hoped to touch a level of production of 30 million tonnes by 1984, leaving aside the Cauvery finds and the new structure (B-57) discovered off Bombay.

The potential at B-57 appeared to be good. But until a deep study of the reservoir had been made, one could not confidently predict its commercial viability.

The first well at B-57 yielded 1,300 barrels a day; the second 1,030 barrels; the third 1,50 [as published] barrels; the fourth only water and the fifth 739 barrels a day.

The strike in Palk Straits, 12 km from the coast of Tamil Nadu in the Cauvery basin, yielded 1,500 barrels a day. The oil found here was light crude, which was in great demand in the country. However, the commercial viability of the structure, which covered an area of 50 square kilometres, was yet to be proved.

Bombay High yielded 1,500 barrels a day in the initial days and covered an area of 80 square kilometres.

Mr Sethi said that gas had been found in the Andaman islands and in Tripura. A Soviet team was drilling a well in Tripura while another Soviet team was carrying out a seismic survey in West Bengal.

A sum of Rs 800 crores was being spent every year on exploration. Both the finance ministry and the planning commission had assured him that there would be no dearth of money for this purpose.

CSO: 4220/7267

CALCUTTA PORT ATTRACTS INTERNATIONAL ATTENTION

Calcutta THE STATESMAN in English 16 Oct 81 p 9

[Text] The rapid development in container traffic at Calcutta port has attracted the notice of international shipping. International shipping magazines, publshed from the U.K., have commented that the rapid expansion at Calcutta as an alternative container port alone poses a major threat to Bombay's acknowledged position as India's premier port.

It is mentioned that not only has the container traffic shot up from 1,300 for the whole of last year to about 1,500 a month at present at Calcutta, but also other break bulk cargoes are on the increase. One of those magazines says that Calcutta has been free from any major trouble since the beginning of the current year with berths normally available and pre-berthing detention nonexistent.

The possibility of increasing containerization at Calcutta from the current level of 3.5 million tons a year to 6 million tons without any major capital investment has also been highlighted. About 55% of the cargo handled at Calcutta can be moved in containers but less than 10% is actually moved in this form at present.

A spokesman of the Calcutta Port Trust said that the port had handled 2.07 million tons of cargo between August and September this year against 1.81 million tons during the same period last year. Against an average monthly handling of 302,000 tons at Calcutta last year, the port is handling now 345,000 tons a month. During the six-month period this year 8,817 containers were handled.

Pre-berthing detention of ships at Calcutta had come down from 1.75 days last year to 1.30 days this year. The turn round time of ships from the Sandheads to the Sandheads had also decreased from 17.6 days to 14.9 days.

Labour productivity at the port had improved. The output per hook per shift for import cargo had increased from 42.8 tons last year to 53.20 tons this year. For export cargo the increase had been from 38.2 tons to 48.8 tons.

Meanwhile, Calcutta port is getting ready to receive the first despatch of foodgrain, expected to arrive within 10 days. A Food Corporation of India's mother vessel had already arrived at Kaknada in Tamil Nadu with grain from the USA. A FCI daughter vessel is on its way to bring 15,000 tons of grain to Calcutta. At a meeting between the officials of the FCI and the Port Trust held on Thursday, the Coporation had agreed to pay Rs 2.5 lakhs per month to the Port Trust for running of the mechanical handling equipment for unloading grain.

CSO: 4220/7263

INDIAN RESERVE BANK RAISES CASH RESERVE RATIO

Bombay THE TIMES OF INDIA in English 17 Oct 81 p 14

[Text]

BOMBAY, October 16: The Reserve Bank of India has raised the cash reserve ratio (CRR) of scheduled commercial banks from seven per cent to eight per cent. The implementation of the increase in the CRR will be effected in four phases. The ratio will rise from the present level of seven per cent to 7.25 per cent from November 27, to 7.5 per cent from December 25, to 7.75 per cent from January 29, 1982, and to eight per cent from February 26, 1982.

It may be recalled that the cash reserve ratio was raised in two stages from six to seven per cent—from six to 6.5 per cent from July 31 and further to seven per cent from August 21, 1981. Besides, the statutory liquidity ratio (SLR) of banks has been raised from 34 to 35 per cent—from 34 to 34.5 per cent from September 25 and further to 35 per cent from October 30, 1981.

These measures were taken by the RBI to mop up the excess liquidity in the banking system. However, recent trends have pointed out that there has been a continuance of a "high pace of monetary and credit expansion".

MONEY SUPPLY

The pace of monetary expansion (M3)—money supply with the public plus time deposits of scheduled commercial banks—in the first half of the current financial year (April-September 1981) has been of the order of 5.9 per cent, the same pace of expansion as in the first half of 1980-81.

The RBI governor had told the chief executives of major commercial banks on May 26, 1981, that the expansion in non-food credit in the 1981 slack season (May-October 1981) as also in the financial year 1981-82 should be at least be marginally lower than in the 1980 slack season and the financial year 1980-81, respectively. Banks were also told to plan their resource use in such a way that the increase in non-food credit in the first half of 1981-82 was not in excess of the corresponding expansion in the first half of 1980-81.

However, in actual practice, the expansion in non-food credit of scheduled commercial banks in the first half of 1981-82 has been of the order of Rs. 1,649 crores (seven per cent) against the expansion of Rs. 774 crores (four per cent) in the same period of the last financial year.

While the larger credit expansion in the current year is partly attributable to the recovery of industrial production, the pace of increase is definitely in excess of than what the monetary authorities wanted the banks to achieve.

The RBI has, therefore, considered it necessary to adopt "further supportive measures" to slow down the pace of expansion in non-food credit.

The one percentage hike in the cash reserve ratio would mean the impounding of Rs. 420 to Rs. 450 crores of bank funds by February, 1982. How far this will help in reducing the liquidity in the banking system remains to be seen. This will no doubt have an adverse impact on the banks' profitability, banking circles point out.

CSO: 4220/7267

RESERVE BANK REPORTS ON STATE OF ECONOMY

Calcutta THE STATESMAN in English 10 Oct 81 pp 1, 9

[Text]

BOMBAY, Oct. 9.—The Reserve Bank of India has called for discipline in economy to contain inflationary pressures and appealed to the State Governments to ensure that their fiscal policies do not add fuel to the inflationary fires, report UNI and PTI.

In its annual report for 1980-81, the RBI said some States had virtually ignored the new scheme regulating overdrafts introduced in 1979-80, so that the total outstanding overdrafts on June 26 amounted to Rs 641 crores.

The RBI stressed the need to increase productivity and savings to overcome the current balance of payment difficulties and called for an appropriate combination of fiscal and monetary policies and a comprehensive approach treating supply and demand managements as integral parts and not as alteratives.

"The most disturbing element in the current situation is the widening trade deficit", the report said and appealed to the Centre not to get carried away by the possible decline in the quantity of imported petroleum crude because of the resumption of Assam oil production.

The external payments situation was expected to worsen in the current fiscal year and the situation was not expected to improve during the next two years, so the "utmost economy" was necessary in consumption and in on-plan expenditure.

Warning against the possible continuance of the unfavourable climate for exports, the report said no significant improvement could be expected in the near future.

On industry, the RBI felt that there was need for further improvement in infrastructure for a high and more sustained growth this year and in future.

"The continuing difficulties in respect of coal supplies, especially to non-priority sectors, the reported pileup of coal at pit-heads and the continuing port congestions are persistent infrastructural deficiencies", it pointed out.

About the price trend, it said the Centre should not be carried away by the slight fall in the rate of increase in the index. "The price situation remains difficult", it said and suggested the toning up of administrative machinery "for regulating trade practices to curb blackmarketing in crucial inputs and essential consumer goods".

The report points out that the pace of replenishment of foodstocks has not been as brisk as might be expected. The pick-up in the pace of procurement since April and the proposed import of wheat might, however, improve the overall public sector stock position. Even so, it is likely that the forthcoming year would begin with a lower public sector food stock level than in the past two years.

The report adds that while there is urgent need for greater research efforts in exploring alternative sources of energy and for curtailing imports of crude oil and petroleum products by increasing domestic production as well as by exercising restraint on total consumption, it is clear that these efforts will require time as well as very considerable investment before they can be fully effective.

CSO: 4220/7227

UNION LEADERS SUBMIT MEMO TO LABOR MINISTER

New Delhi PATRIOT in English 14 Oct 81 p 7

[Text] CITU leaders P. Itamamurti, MP, and Dr M.K. Pandhe told Labour Minister N. D. Tiwari on Monday evening that the main question confronting the labour at present was that of changing the entire policy of the Government which happened to be directed against the working class.

They made this clear when Mr Tiwari tried to explain that the Government was not using its powers to curb working class struggles and had been keen to evolve a machinery for speedy settlement of disputes.

The CITU leaders submitted an eight-page memorandum outlining the organisation's views on the present industrial relations scene and suggestions for improving the situation.

Mr Tiwari told the leaders that the Government had yet to take a decision on the procedure to be adopted for determining the collective bargaining agent at the plant and industry levels.

He clarified that the procedure devised by his Ministry for verification of membership of Central trade union organisations was only for the limited purpose of their representation on various forums.

The CITU leader's meeting with him on Monday evening lasted 90 minutes. Earlier in the afternoon AITUC general secretary Indrajit Gupta, MP, had led a three-member AITUC delegation for a two-hour discussion with Mr Tiwari on labour matters.

These meetings were part of the Labour Minister's exercise of holding separate talks with representatives of the Central trade union organisations on questions related to the general industrial relations situation, verification of membership, convening of the Indian Labour conference including revival of the National Apex Body.

The two wings of the HMS held separate meetings with Mr Tiwari on Tuesday. The first delegation was led by Mr A. Subramanian and the other by Mr D. D. Vasisht.

The CITU memorandum charged the Government with attempts to browbeat the workers with daggers of ESMA and NSA in hand threatening them of dire consequences if strikes were not avoided. It gave several instances of police repression on

workers in different parts of the country with the Government deliberately assuming the role of silent spectator.

It held the Government responsible for boosting the INTUC in various committees where representatives of other central trade union organisations were not invited.

On the question of verification of membership of Central trade unions, it proposed that the secret ballot system should be introduced in those cases where the trade unions were contesting the figures of the Registrar of Trade Unions. It pointed out that under the Factories Act, there was already a machinery in existence for holding such elections through secret ballot.

CSO: 4220/7252

COURT ALLOWS TRADE UNION LEADERS' PRIVILEGE PLEA

Bombay THE TIMES OF INDIA in English 15 Oct 81 p 6

[Text] Cochin, October 14. The Kerala high court has held that the annual general meeting of a trade union is "a privileged occasion" and the publication of speeches made there in a journal, distributed only among its members, is "a privileged communication."

A division bench of the high court, consisting of Mr Justice G. Viswanatha Iyer and Mr Justice T. Kochu Thomman, made this observation while allowing an appeal by the president and general secretary of the Estate Staff Union of South India.

They had appealed against the decision of the Palghat sub-court, which had awarded damages of Rs 5,000 to a plantation managing director of the publication of a speech made by the president at the annual general meeting of the union in 1971 in the trade union journal, "Plantation Worker," which, the managing director contended, was per se defamatory. The high court set aside the decision of the sub-court.

It was not disputed that the statements in question were per se defamatory. But the trade union leaders claimed privilege on the ground that it was in the discharge of a duty or in furtherance of an interest that they made the statements. It is a claim of qualified privilege which, the court noted, was by its very nature defeasible on proof of express malice.

The court pointed out that the appellants as office-bearers of the union had the duty to safeguard the interest of the union members. The main purpose of the meeting at which the speech was made by the union president, Dr. P.H. Daniel, was to high-light the problems facing the members and to impress upon them the need for solidarity and sustained efforts to achieve the objectives.

"Subject to any such overriding consideration or principle of law, it is in the interest of society at large that trade unions should function without any inhibition or restriction," the court said.

Statements on privileged occasions, however emotional or irrational they may be, however rash or illogical their conclusions may be, will not be evidence of malice so long as such statements, although defamatory, are honestly made with full faith in the truth of what is stated and in their relevance to the claim of privilege, the court held. The court also pointed out that the law of defamation sought to hold the balance equitably between the rights of the individual and the interests of society. In so doing, the scale tilted in favour of communication, which the interest of society demanded.

PRICE RISE SPURS EXTENSIVE SEARCH FOR GOLD

Calcutta THE SUNDAY STATESMAN in English 11 Oct 81 p 3

[Text]

THE recent rise in the gold price has led to an extensive search for the mineral by the Geological Survey of India and the Mineral Exploration Corporation. Two economically significant gold prospects have recently been identified in Mallappakonda and Chigargunta areas in Chittoor district of Andhra Pradesh, lying in the southern continuation of the Kolar belt in Karnataka, it is officially stated.

It is said that India had a flourishing gold industry at the turn of the century, but the static price of gold over a long period resulted in the closure of many gold mines in southern India and Bihar. However, the current rise in gold price has made it possible to exploit low-grade gold ores which were previously considered uneconomic.

Apart from the prospects identified in Andhra Pradesh, gold planning has been found in Raigarh district in Madhya Pradesh and preliminary exploration has been carried out by the State Government. The GSI proposes to take up a programme of mapping and geochemical prospecting in the area during the current year to supplement the work done by the State Government and to formulate a programme for exploration. It is learnt that the existing programme for search of gold in Singhbhum district, Bihar, in Keonjhar district, Orissa, and in some parts of Maharashtra will be continued.

The Noble Metals Sub-Committee of the Centre has formulated a five-year gold scheme (1980-85) with two objectives: To establish additional resources in the vicinity of the existing gold mines at Kolar and Hutti belts, in Karnataka, to expand their lives and secondly, to explore the old mining belts and other potential areas to identify new prospects.

The bulk of the high priority exploration programme in the northern part of Kolar belt is likely to be completed by the end of the year. Of the 10 blocks explored, Manighatta and Setraswamy blocks have shown relatively better prospects. Encouraging results have also been obtained in the southern continuity of the Hutti gold field. Prospecting is also being done in the Gadag gold field, in Dharwar district, Karnataka, it is stated.

In view of the prominent position of diamond in export earnings, a high priority national programme on diamond has been initiated by the GSI from last year's field season. In Wajrakarur, Andhra Pradesh, the existing joint programme of exploration by the GSI and the State Government is continuing. Till June this year, 50 diamonds, weighing a little over 10 carats, have been recovered by processing 1,196 tons of rock material, it is learnt.

CSO: 4220/7233

ASIAN RAILWAY EXECUTIVES MEET IN DELHI

Madras THE HINDU in English 15 Oct 81 p 6

[Text] New Delhi, Oct 14. Railway systems of the developing countries, while stepping up the speed of their passenger trains will have to ensure that priority is given to the speedy movement of goods traffic too said Mr P. V. Narasimha Rao, Minister of External Affairs here today.

Inaugurating the sixth conference of Top Railway Executives of Asia and the Middle East (TREAME) Mr Narasimha Rao said: "We have to make the railway system serve the whole nation both by carrying goods and passengers. Let us face it. Railways are going to be for the next half a century the most important poor man's transportation.

"Speed has become important because people wish to travel long distances as quickly as possible. But at the same time increasing the speed of passenger trains has resulted in slowing down other traffic to some extent and we shall have to find a solution to this."

The ten-day conference in which delegates from as many as 20 countries including China, Japan and Vietnam are participating has a heavy agenda, including plans for the launching of an Asian railway decade (1982-1992) for effective development of rail transport infrastructure, facilitation and promotion of tourism by rail, consideration of the role of railways in the development of inter-nodal traffic, review of the progress on the establishment of Asian Railway Union, preparation for convening the first Asian Railway Ministers' conference, and of matters of common interest. The present conference is being held in India after an interval of 20 years.

Back to rail transport: Mr S. A. M.S. Kibria, Executive Secretary of the Economic and Social Commission for Asia and the Pacific (ESCAP), said that though the role of the railways for bringing about accelerated economic development had shown signs of declining in recent years with the advent of quicker and more sophisticated forms of transport--and even the developing countries tended to move away from the railways--the situation had now again changed because of the energy crisis.

The railways still remained one of the most efficient forms of transportation in view of the lesser consumption of petroleum compared to other forms of transport. The ESCAP, Mr Kibria said, had envisaged an appropriate strategy for the expansion of the industrial and agricultural sectors in which the railways were assigned a key role. In its recent session, the ESCAP had recognised

the increasing importance of railway containerisation and multiple unit trains for the transport of goods. The developing countries should draw up comprehensive plans for the modernisation of their railway systems and much had to be done at the national level for this purpose.

The relative importances of road, rail and water transport systems had to be taken note of to avoid unnecessary duplication of services. The energy crisis had made it imperative for the developing countries to evolve a well coordinated road-rail network, he said.

Talking about the crucial process of fixing an appropriate order of priority between improvement of existing lines and services on the one hand and extending the facilities of this mode of transport to new and needy areas and sections of the population on the other, he said, "we have to pool our respective experience as well as create an enduring structure of mutual partnership if we wish to roll back the tide of helplessness and display our determination to forge ahead."

More fast trains: In this connection he highlighted the problems facing the Indian Railways. New lines were being demanded by the people while there was an equally pressing demand for the improvement of the existing lines. Since stepping up the speeds of the trains was also taking precedence over other matters, the Indian Railways had introduced many fast trains and "we are going to introduce more in the future."

The Railway Minister, Mr Kedar Pandey, in his presidential address said, that to meet the ever increasing traffic demands, the Indian Railways had put in service a variety of modern and high capacity wagons. Loading and unloading of wagons in important centres was being progressively mechanised. In order to improve the quality of freight service and to speed up movement of goods traffic, super-express goods trains had been introduced on various trunk routes.

Giving an idea of the huge increase in passenger and goods traffic railways he said that the number of passengers originating had risen from 1284 million in 1950-51 to 3,550 million in 1980-81. Similarly the originating freight traffic had gone up from 93 million tonnes to 219 million tonnes during this period.

Mr M.S. Gujral Chairman, Railway Board in his welcome address said that the developing countries, despite their serious constraints of resources and foreign exchange were making an earnest effort to achieve progress and self-reliance and meet the growing demands of industrial development and mass transit. The pace of such progress could be accelerated by adopting modern technology suited to our requirements and not involving heavy capital inputs and through sharing of the accumulated experience of other countries in the region and outside.

CSO: 4220/7258

RESULTS OF GSI WORKING SEASON MINERAL SEARCH TOLD

Calcutta THE STATESMAN in English 15 Oct 81 p 12

[Text] New Delhi, Oct 14--The geological Survey of India located new coal reserves of over 837 million tons during its last working season ending on August 31, 1981.

It found about 116 million tons of bauxite with 40% aluminium oxide content and a reserve of 610 million tons of iron ore in the north Goa sector.

Reserves of 250 million tons of power coal were discovered in the Tulsidabad area of Saharjuri coalfield and 100 million tons of it were found in Rajmahal coalfield in Bihar.

The GSI established 270 million tons of coal reserves in the Beguina-Chanch sector and 217 million tons in the Andal-Dakshin-Khanda-Tamla-Dubchuria sector of Raniganj coalfield in West Bengal.

According to the GSI's findings, 81 million tons of bauxite with more than 40% aluminum oxide content in Koraput district of Orissa, 10 million tons in Rajmahal hills and 20 million tons in the Amtipani area of Bihar and 5.6 million tons in Rajnandgaon district of Madhya Pradesh can be exploited.

A reserve of 480 million tons of iron ore has been found in the Abujmar plateau in Bastar district of Madhya Pradesh.

According to a GSI estimate over 112 million tons of chromite reserve exists in the Sukinda-Nausahi belt of Orissa.

CSO: 4220/7256

GOVERNMENT TAKES OVER TWO OIL COMPANIES

Bombay THE TIMES OF INDIA in English 15 Oct 81 p 9

[Text] New Delhi, October 14 (PTI). The government today took over Oil India Limited and the Assam Oil Company (AOC).

The bill for the take-over of these two companies, along with the Burmah Oil Company (India Trading) Limited, was approved by parliament during the last monsoon session. The President gave his assent to the measure on September 28.

The government held 50 per cent equal shares with Burmah Oil Company (BOC) of U.K. in Oil India.

AOC was a 100 per cent subsidiary of BOC.

An official announcement said that all the three companies had been taken over with retrospective effect from January 1, 1977.

A total compensation of Rs 21.56 crores is being paid to them.

With the acquisition of the shares of these companies, the entire oil exploration, production and refining capacity in the country now comes under government control.

Oil India is one of the two premier agencies--the other being the statutory Oil and Natural Gas Commission--engaged in exploration and exploitation of hydrocarbons.

Oil India produces three million tonnes of oil yearly from its fields in the North-East.

AOC produces 50,000 tonnes of oil in Assam which is fed into its refinery at Digboi--the oldest refinery in the country.

By a notification, the government has also merged the exploration division of AOC with Oil India. The refining and distribution operations of AOC are being vested with the Indian Oil Corporation.

BOC (India Trading) Limited is also being vested with the Indian Oil Corporation from today.

CSO: 4220/7255

PAPER REVIEWS ELECTRONICS INDUSTRY DEVELOPMENT

Bombay THE TIMES OF INDIA in English 12,13,14,15 Oct 81

[Four-part article by S. Kumar: "State of Electronics"]

[12 Oct 81 p 20]

[Text] I-Turning a Room Into Ocean

Bombay, October 11. Taming the ocean may sound like a mythological fiction, but scientists at the Indian Institute of Science, Bangalore, are attempting something akin to it.

They are trying to turn a room into an ocean by building a special tank and by simulating the characteristics of the deep sea like its bottom, waves, salinity, pressure and temperature. The experiment is essentially to unravel the mysterious behaviour of sound waves in deep sea. A sophisticated computer system will record all the parameters.

The project is of immense importance to our navy and to the naval submarines, in particular. There are certain zones of shade in coastal waters and the sound waves hitting the zones are not reflected. If an enemy submarine takes umbrage in the shadow zone, our naval forces will not be able to detect its presence, leaving our coastal installations vulnerable.

Sonar is a device for detecting submerged objects and sound waves are the only effective carriers of information in water. A knowledge of sound transmission in Indian coastal waters is vital for the design and operation of sonars and the underwater communication systems.

The department of electrical communication and engineering at the IIS is engaged in the theoretical and experimental studies, with a view to developing a model for sound propagation and to helping the defence services in designing suitable sonar systems.

The operation of sonars and associated electronic subsystems is often affected by the noise emanating from other sources. Marine propeller is one such source of noise which distorts the functions of sonar devices. Especially for submarines, the noise radiated by a propeller is of the utmost importance for designing the sonar and other systems. "Noise characteristics of marine propellers" is currently being studied under a project by the departments of civil

and mechanical engineering of the IIS. The primary objective of the project is to develop the capability to predict the noise characteristics of full-scale marine propellers. A sophisticated wind tunnel, which is a unique facility, is being utilised for testing the propellers.

The 70-year-old Indian Institute of Science, with 22 departments in pure science and engineering, has been active in electronics for the last 50 years. During the last six years, the institute had undertaken 13 projects sponsored by the Technology Development Council of the Department of Electronics, with a total investment of Rs 2 crore. Five of the projects had already been completed.

Among the completed projects is an "Arrhythmia monitor" for detecting any irregularity in the rhythm of heart beats. The equipment, developed by the biomedical laboratory of the institute is the first of its kind in the country and it uses an electrocardiogram and displays the heart rate and other clinically significant measurements of a cardiac patient. This life-saving instrument is provided for continuous ECG rhythm monitoring of patients in coronary care units and for the timely detection of the so-called premature ventricular beats, said to be the harbinger of cardiac arrest and death. The equipment stores the data for future reference and gives alarms automatically when abnormal beats are detected. The unit relieves the medical staff from the drudgery of continuous manual monitoring of the patients. The indigenous equipment may cost around Rs 25,000 but would cost about Rs 1 lakh, if imported, according to a spokesman of the institute.

Heart Rate Alarm

Another device, a cardiac disastent alarm, gives an alarm if the heart rate goes below or above a predetermined rate. This is claimed to be a simplified form of cardiac monitoring system and attempts are being made to produce it indigenously.

The IIS has also developed some power-saving devices called thyristors. Using what are called the chopper technique, the IIS has developed thyristors for controlling motor drives. In the suburban electric train systems, the thyristors can be used for controlling the speed of traction motors instead of the conventional breaks, resulting in a saving of about 40 per cent of the total energy spent: Indian railways will have substantial requirements for thyristors for their locomotives in their future modernisation and expansion programmes.

Manpower development at the Centre for Electronics Design Technology (CEDT), design and development of acousto-optic devices for laser beam modulation, and machine translation of texts with pre-editing from English to Kannada and Kannada to Hindi, are among the projects currently under progress. The design and development of a demountable electron gun, a laboratory tool for studying the semiconductor properties and the development of techniques and equipment for processing and analysing X-rays and finger prints have also been completed by the IIS.

The task of rendering our defence equipment "invulnerable" rests with Bharat Electronics Limited at Bangalore, which enjoys the dubious distinction of employing the largest number of women (3,000) under one roof in the whole of Asia.

Prof. M.G.K. Menon, secretary to the department of science and technology, who is also chairman of BEL, in a chance encounter with the visiting newsmen at the factory premises, described the achievement of the company by saying that its efforts to make the critical components and to make them less vulnerable had progressed significantly though they were not totally successful.

To substantiate the claim that BEL has achieved a high degree of self-sufficiency in design and development of radio communication equipment and systems for armed services, police and other customers, a spokesman for the company said that the Indian Navy had entrusted BEL with the job of developing an integrated communication system for the next generation of warships. BEL had already been developing the radar and navigational equipment for the defence, civil aviation, merchant marine and meteorological services.

A multipurpose meteorological radar system which can obtain accurate wind and weather data up to a range of 200 km and at a height of 40 km along with the facility to detect cyclones and storms up to a range of 400 km, has been custom-designed by BEL for the Indian Meteorological Department. The project was sponsored by the DOE which gave Rs 36.40 lakhs for the first system in the country, now functioning at Bangalore. Four more systems are under production.

It is humanly impossible to test the quality of complex electronic circuits, systems and equipment which calls for the scrutiny of thousands of parameters. An automatic test equipment, developed by BEL under the patronage of the Electronics Commission, is considered a landmark in the R & D efforts of BEL.

The first, dual very high frequency omnidirectional radio range. (VOR), a navigational aid which enables an aircraft to determine its azimuth bearing, is one among the latest products released by BEL. An order for five VORs and five transportable VORs, along with six sets of test instruments, is already on hand. The civil aviation department has projected a demand for about 40 VORs in the next few years. While the first set has been installed at the Bangalore airport, the second VOR was despatched to Amritsar last month. The department of electronics had sanctioned Rs 21.5 lakhs for the project, which included foreign exchange components worth Rs 7 lakhs.

BEL has the unique distinction of commercially producing the small and medium integrated circuits (SSI and MSI), the only one to do so in the country, despite the fact that we are way behind the world leaders in this technology.

At present, BEL produces integrated circuits for radio, television and analog clocks. Preliminary work is being taken up for making the LSI chips, it is learnt.

Space quantity solar cells, designed, developed and produced at BEL, will power many of the future satellites. BEL has agreed to supply 100,000 solar cells to the space department from this year.

Products of exclusive BEL design have so far fetched about Rs 27.74 crores, while the redesigned components have brought about Rs 20 crores.

The development engineers are engaged in making telephone dialler chips which comprise some 17 large scale integrated circuits. The cost factor of the system is yet to be decided. The managing director of the BEL told newsmen that his firm would share the know-how and jointly produce certain products along with Switzerland. He, however, declined to give further details on the collaboration.

[13 Oct 81 p 6]

[Text] II--HAL's Air Route Radar Yet To Find Buyer

Bombay, October 12. The imminent entry of F-16 fighter aircraft into the Pakistani arsenal imposes fresh responsibilities on the avionics experts in India, though it may be a far cry to match the F-16 by indigenous efforts.

The electronics division of the Hindustan Aeronautics Limited (HAL) is trying to upgrade the Indian fighter planes as nearer to the F-16 as possible. A visit to the Hyderabad unit of the HAL reinforces the belief that the HAL has the manpower and the technical capability to complete any given project well within the set timelimit.

Even the radars in the USSR fighters are two generations behind the F-16 models, according to a spokesman of the HAL. In air-to-air fighter versions, HAL is trying to achieve most of the parameters found in F-16. For example, the radars in F-16 have five modes of operation but our radars have only two modes.

The fire control radar (FCR) is one of the most complicated and difficult systems to fabricate in a fighter aircraft. One should take into account the fact that both the enemy and the fighter are flying at supersonic speed, while fabricating the strategic FCRs. The government has earmarked Rs 865 lakhs for this innovative project, scheduled to be completed by 1983.

A futuristic Identification Friend or Foe (IFF) air-to-air interrogation system is currently being developed. The Rs 3.62 crore project envisages inclusion of systems for air-to-air and air-to-ground interrogation and for a threat analysis through computer.

India is yet to achieve the capability of identifying a flying aircraft from another aircraft. Thus, our ability to launch a missile on a flying aircraft becomes restricted until we know its identification. The HAL has, however, improved its earlier version of IFF last year, at a cost of Rs 12.5 lakhs. The new IFF, designed in a record period of 18 months, for the first time went abroad and was fitted into the Jaguar aircraft meant to be delivered to India by Britain. The improved IFF will enable the ground station to interrogate the flying aircraft and also find its altitude.

Money-Spinner

The basic air-to-ground communication equipment, developed by the HAL is going to be a money-spinner, according to a spokesman. The Russian-made AN-32 aircraft would have the HAL equipment fitted into it. An HAL-made altimeter, fitted into the Jaguar and the AN-32, will find the height of the terrain and help the aircraft in avoiding obstacles while landing.

Another significant product from the HAL is called the "proximity fuse". When attached to a shell and fired, it will explode in the air, killing those hiding in trenches.

The Hyderabad division of the HAL was established in 1964 to produce eight items of electronics for the MiG-21 aircraft, under licence from the USSR. Today, there are 18 systems designed, developed and produced at the HAL.

To ensure safe conduct of air flights, India is still not well equipped with radio and other navigational aids.

The National Radar Council recommended the need for long range radars called the Air Route Surveillance Radar (ARSR) and Precision Approach Radar (PAR) in 1974. The Electronics Commission granted Rs. 203.02 lakhs and Rs. 79.39 lakhs, respectively, for the development of these two radars.

The work began from the scratch in December, 1976 at the avionics design bureau of the HAL. In less than four years, the HAL developed the first ARSR system. For similar works, some firms in the UK and USA, with 40-years of reputation in the field, took 72 months and 52 months, respectively. India is the sixth country in the world to make this type of radars.

The ARSRs can be easily converted into military radars to protect our borders. It will cover a range of 160 nautical miles on an eight square metere target. The data obtained from the radar could be transmitted over a distance of 5 km to an operational room. If 23 such ARSRs are installed in the country, the entire air traffic in India can be controlled from a single place. Despite the urgent need for the ARSRs, the directorate-general of civil aviation is yet to place an order with the HAL for the system. Under the existing system, the aircraft losses touch with control towers after few minutes of flying.

The PAR provides an accurate method of assisting the aircraft to land under bad visibility conditions. The same PAR can be used for guiding different aircraft, landing at the same time. The civil aviation department is now using what is known as the Instrument Landing System, fitted into the aircraft.

The foreign exchange component in the ARSR and the PAR, when manufactured in 1983-84, would be about Rs. 97 lakhs and Rs. 15 lakhs, respectively. If imported, these systems might cost Rs. 400 lakhs and Rs. 140 lakhs, respectively.

The IAF has placed two orders for the PAR and two more are in the pipeline. No agency has placed any order for the ARSR so far.

The Electronics Corporation of India Limited (ECIL), another public sector undertaking at Hyderabad, which has made the EC TV a household name in this country, produces over 250 products in areas like defence, nuclear power, railways, industries and so on.

That the makers of an entertainment equipment can also make special electronic fuses which have the capacity to kill 10 times more than the conventional weapons, may be news to many. India is the fifth country in the world to possess this weapon.

LARGEST COMPUTER

The ECIL has made indigenously the largest computer in the country, named System-332. Only eight countries in the world have the capability to make computers of this type. The ECIL has the potential to manufacture 20 such computers annually, it is claimed.

The first System-332 computer has been developed for the department of atomic energy for its nuclear plant simulator to train plant operators, under artificially-created adverse conditions. The department of electronics gave a grant-in-aid of Rs. 118.75 lakhs for the development of this project.

The ECIL's computer will also monitor and control the first Fast Breeder Test Reactor at Kalpakam in Madras. There are about 100 computers made by the ECIL now in operation in the country.

In the days when railway accidents are on the increase a soothing development from the ECIL—the cab signalling and automatic train protection system. This has been made for the metro railways between Dum Dum and Tollygunge in Calcutta. The system continuously displays the safe permissible speed inside the driver's cabin by monitoring the occupancy of the track sections ahead. If the actual speed of the train is higher than the permissible speed, brakes are applied automatically. If any component of the system itself fails, the train will come to halt or its speed will be lowered. The department of electronics had given a grant-in-aid of Rs. 22.1 lakhs for this project and 12 systems are currently on trial.

ECIL's cockpit voice recorder or the black box is a valuable import substitution. The endless magnetic tape in the black box (which is actually orange in colour) records all voice signals transmitted and received by the aircraft crew members for a minimum period of last 30 minutes of continuous operation. The recorded voice is protected against all type of accidents and it provides valuable clues about the mishap. So far 40 units have been supplied to the Indian Airlines, the National Remote Sensing Agency and some others.

A fascimile trans-receiver has been developed by the ECIL and it can transmit or receive documents, charts pictures, handwritten, drawn, typed or original, from any part of the globe with telephone facilities. The time of transmission can be either four minutes or six minutes, depending on the type of the document to be transmitted. The maximum size of the original that can be transmitted is 21 cm x 29.7 cm. Newspapers, advertising agencies and commercial organisations will find the system very useful.

The ECIL, which is still under the department of atomic energy, has an expertise in installing the satellite earth stations and, on an average, it produces one antenna per day. It has also exported components worth Rs. 60 lakhs to the USSR.

Though the ECIL would in future concentrate on computer, communication and control system, the government has recently enhanced its licenced production capacity for the domestic TV sets from 20,000 to 40,000 per annum.

[14 Oct 81 p 12]

[Text] III--Computer To Maintain Rural Land Records

BOMBAY, October 13.

COMPUTER, a scientific marvel baby, offers a solution to an age-old Indian problem—the lack of proper land records and the inequities suffered by millions, as a consequence.

The technology development council of the department of electronics has assigned a project to the Computer Maintenance Corporation (CMC) to develop a computerised data base for rural land records.

The computer will keep track of details like the tenancy, the area of land cultivated by a person, revenue expected, dues from the tenant, irrigation, geographical and soil information and so on. Now, a village officer maintains 32 different records, if at all he maintains them. The computerised data will eradicate erroneous projections based upon incomplete data.

The CMC has embarked upon a pilot data base model, covering two taluks in Andhra Pradesh and it will store data concerning 5,000 land holdings, initially. The department of electronics has sanctioned Rs. 2.24 lakhs for the project, to be completed in the next 12 months.

What is known as "cannibalising" in computer field has yielded rich dividends to the CMC. Following a proposal from the department of electronics, the CMC undertook a project to enhance the performance of the existing computers and develop the spares indigenously. This method is known as cannibalism in computer. When the multinational IBM left India in 1978, there were over 100 computers of the 1401 type.

The R&D centre of the CMC at Secunderabad designed a new central processing unit early this year whose performance is claimed to be 30 per cent more than the original IBM machine. The IBM machine had 1,500 printed circuit boards but the CMC managed to reduce them to 253.

The computer industry is concerned about the traditional data input card as there is a dearth of appropriate pulp for making the cards and the maintenance of highly mechanical card readers is posing difficulties. The R&D engineers are currently designing an interface to replace the cards with what are known as floppy discs.

Another success story of the CMS's R&D efforts lies in its development and testing of mixed computer system. It imported various computer units and integrated them locally. This resulted in substantial foreign exchange saving. The sub-systems were later slowly indigenised.

A fascinating field of study now emerging out of the computer world is "electronic composition." The CMC is conducting a survey of users in graphic arts industry to assess the acceptability of the proposed electronic composition in Indian scripts using "electronic printer." The CMC has designed key boards for text entry and editing terminal for Telugu and Devnagari scripts. Electronic composition and word processing has been extensively used for English.

The government of India, with the concurrence of the UNDP and the UN interim fund for science and technology development, has recently entrusted to the CMC a project called "International education and research for applications of computer technology (INTERACT)."

SOFTWARE SYSTEMS

Among the immediate objectives of the project are to develop software systems and system design, to integrate hardware for computer-based systems for controlling, monitoring, and handling of power grids, railway wagon movement, communication and information systems, to train personnel and to disseminate the technical information to the developing countries. Trainees are likely to be drawn from the developing countries in Central and Latin America, Africa, Arab states, Asia and Pacific. The project is expected to be completed by April, 1984. The government of India has pledged $600,000 for the project under the Technical Co-operation among Developing Countries scheme.

The Tata Institute of Fundamental Research (TIFR) in Bombay, described as "the cradle of India's atomic energy programme" has proved that fundamental research and applied activities in science can foster together and planners in the country may draw their own inferences from this.

The TIFR, which designed and built India's first electronic computer called TIFRAC in the late '60s, has come to be recognised as the first national centre for computer sciences and hence, the setting up of the National Centre for Software Development and Computing Techniques (NCSDCT) at the TIFR. The centre was established in 1975 with the assistance of the UNDP.

To make a computer perform the desired functions is as difficult as or even more difficult than designing it. The writing of programmes, which decides the functions to be carried out by a computer, is known as the sofware technology and this has emerged as a branch of computer science hardly five years ago. The NCSDCT is the apex national agency concerned with the development of the software technology.

The NCSDCT's major contribution is in training the computer manpower. It has also developed expertise in computer operating systems, computer language processors, networks and computer communications systems, database management systems, computer graphics, computer aided designs, mathematical programming systems, text processing packages and software tools.

Thus, rightfully, the largest number of computer professionals in any city in the country is in Bombay. Bombay has 1,200 of them out of the total 5,500 in the country.

The NCSDCT has linked an ECIL-made computer at the VJTI, Matunga, with the main computer at the TIFR in Colaba through the commercial telephone channels. People sitting in front of a terminal at the VJTI operate the computer 25 km away.

From this modest computer network, the centre has jumped to a national network. Under its project, in collaboration with the Space Application Centre, Ahmedabad and the Telecommunication Research Centre, New Delhi, the TIFR computer would be linked to the computers at Madras, Ahmedabad and Delhi via the APPLE satellite. This network is expected to become operational by the year end. If the value of each computer is Rs. 40,000, this network would enhance the value of each of them to Rs. 4 lakhs. Common data stored in one place will become available to people in different locations. The experiment, in effect, makes the computers talk to each other, as we do.

Apart from linking the computers in different places, the NCSDCT has also specialised in the technology of closely linking together many small computers at one place which will ultimately generate much larger computing facilities.

Advanced computer courses conducted at the centre are complemented by an innovative part-time course in software technology, jointly conducted by the VJTI and the TIFR.

If there is a field in science where India is progressing on an equal footing along with the West, it is in speech research. The speech and digital systems group at the TIFR is engaged in speech recognition and synthesis by a computer. In other words, the group is trying to endow the computer with a brain that is as good as a human brain and to make it understand our speech and speak in our own language.

Though this research is just emerging out of the realm of science fiction, the TIFR group has already derived some practical applications from its work. When an Avro aircraft crashed in Pune in 1979, the court of inquiry found the conversation in the cockpit voice recorder unintelligible. The help of the TIFR group was sought which used its techniques to remove the unwanted noise from

the tape and improved the quality of conversation.

Electronic telephone exchanges, which will never go dead (they have no cables), and will have a hot line facility, has been developed by the systems and digital group for the defence. If an urgent call is to be put through, the man in command can interrupt even if the line is engaged. The system will enable automatic dialling and detailed billing of the STD calls.

A data handling system for air defence applications which processes radar data to detect, identify and help intercept enemy aircraft, is one of the defence projects handled by the group. The know-how can be exploited to build air traffic control systems.

Based on the fact that rain drops in atmosphere reflect radar signals, the SDS group has devised a computed scanning system for a weather radar which hands out instantaneously rainfall pattern maps in a given range. It will be futile to do this job manually. The system can generate a rainfall map once in every 15 minutes. One system is already operational at the India Meteorological Department, Madras, while another one is to be installed at Calcutta shortly.

The solid state electronics group at the TIFR, which once served as the nucleus of the Semi-conductor Corporation at Chandigarh, is the only group in the country generating the know-how for producing the large scale integrated circuits. An LSI is a silicon slice of the size of a postage stamp which will have over 10,000 components or transistors imbedded in it. Sadly, the country has not got the appropriate industrial infrastructure to absorb the technology.

The group, under a grant from the department of electronics, has developed computer-aided design system for ensuring proper working of the LSI chips, used in electronic watches, calculators and micro-processors. The complexity of the whole process can be judged from the fact that for designing an LSI chip for watch, 26 different processes have to be carried out.

The ion plantation beam, the equipment required for making the ICs, is being locally fabricated by this group at a cost of Rs. 8 lakhs while the equipment, if imported, may cost over Rs. 40 lakhs.

The dream of countries like Japan and the US is to make a cheap solar cell using the silicon chip but this still remains a distant and costly dream. Amorphous silicon is being tipped as an alternative material for making the solar cells and its economic viability is being established. The solid state electronics group is engaged in studying the characteristics of the amorphous silicon and a breakthrough is expected before the end of next year.

Microwave engineering is essential for land-based communication radars, television and remote sensing which form the core of our defence, civilian, industrial and energy sectors. That we are still importing hundred crores worth microwave components is an acknowledged fact. The department of electronics launched the Special Microwave Products Unit in 1978 at the TIFR as a spin-off from the microwave engineering group of the institute. The SMPU, by filling the gap in this technology, is producing components worth Rs. 60 lakhs annually.

Among its current projects are the development of a Doppler radar to guide the shells to hit the targets accurately. The most sensitive and sophisticated radar can measure the velocity of the shells to 0.1 per cent accuracy. The first unit made for the defence at a cost of Rs. 3 lakhs is on trial. This has reduced the cost by 50 per cent. The SMPU is also producing certain components which are used by defence services for jamming the enemy communication systems.

[15 Oct 81 p 19]

[Text] IV--Commission of No Help

Bombay, October 14. Divided bureaucracy, inconsistent policies and professional rivalry among experts are strangulating the electronics industry in India--a goose that lays golden eggs here as elsewhere.

Current official reports of growth in electronics may become its swansong, unless some metamorphosis sets in to change the dying goose into a phoenix.

A visit to some of the "impressive" projects of the electronics commission in the country overwhelms the visitor if he looks at them in isolation but seen in the light of national and international perspectives, the truth emerges that we have just touched the fringe of the field.

Compared to the fields of space and atomic energy, electronics seems to be a non-starter. Whatever little has been achieved in electronics has been in spite of the electronics commission, it is felt and hence the question whether we need an electronics commission at all. In fact, production activities in electronics comes under five different ministries while the research activities are supervised by 10 ministries.

Prof. Nag's Ouster

As a thumbrule one can say that any breakthrough achieved in electronics in our country invariably owed it to the defence services. Every single research and

production unit at Bangalore, Bombay and Hyderabad, which were shown to the newsmen recently by the department of electronics, bragged about its contribution to the defence but maintained a discreet silence over the consumer products.

Prof. M.G. K. Menon, the first chairman of the electronics commission since 1971 was saddled with too many responsibilities and in 1979 he was transferred to the department of science and technology when Prof. Nag took charge exclusively of the department of electronics. Displacement of Prof. Menon and the appointment of the Sondhi committee proved to be only a cosmetic solution to a deeper crisis. The unceremonious ouster of Prof. B. Nag and the appointment of Dr P.P. Gupta, managing director of the Computer Corporation of India, as the secretary to the department of electronics, in May this year, was puzzling.

Prof. Nag reportedly sided with the Sondhi committee recommendations which suggested the abolition of the electronics commission. The Sondhi committee report submitted in 1979 was lying in cold storage for two years and the government's rejection of the report lock, stock and barrel, followed the removal of Prof. Nag.

That confused minds run the department could be inferred from some of the instances. Semiconductor devices are the heart and soul of the electronics industry. The West is making very large-scale integrated circuits (VLSI) which has over 150,000 components in a tiny chip.

We are yet to make the large scale integrated (SLI) circuits which have over 1,000 components. Way back in 1972, establishment of a dedicated semiconductor corporation was suggested and the final decision was delayed till 1976, thanks to the redtapism.

During her electioneering, Mrs Gandhi announced that the complex would be set up in Chandigar, Mr Motarji Desai, who succeeded her, ordered a fresh appraisal of the whole project. The project, a spin-off from the research done at the solid state electronics group fo the TIFR, was scheduled to become operational in March, 1979. The TIFR professor who conceived and implemented the project was not retained to see its fruition. Many earlier decsions were reversed and foreign contracts renegotiated and till today no worthwhile production has taken place in the complex.

However, the authorities had the cheek to display a solar cell in an exhibition at Bangalore as "indigenously made" while the truth is that it is indigenously assembled. Now the corporation will import the components, assemble the devices and sell them for the industry. In the next few years, it is expected to take up production of the LSI chips indigenously.

Wasted Efforts

Housed in asbestos-thatched sheds, the special microwave products unit (SMPU) at TIFR which took birth along with the semiconductor corporation, annually produces components worth Rs 60 lakhs. Even the presence of persons like Dr Raja Ramanna on the board of directors of the Indian Institute of Technology, Powai, did not help the SMPU in procuring a site for its complex inside the IIT campus. During Prof. Nag's tenure, land was acquired in New Bombay from the

government of Maharashtra and the first installment of the amount was also paid. After the arrival of Dr Gupta, the SMPU is back to square one.

Some of us had the privilege of seeing the first electronic watch made by the Bharat Electronics Limited. The BEL, having achieved the breakthrough six months ago, claims that it can produce a million watches in a year. But the government refused them licence for production and their efforts have become a waste. On the other hand, the HMT has been allowed to collaborate with the Citizen watch company of Japan to produce electronic watches. That a factory next door should ignore the local technology and go in for foreign collaboration is bothering the BEL staff. As if to add fuel to the fire, suggestions are in the air that the BEL should give up its production of TV picture tubes and concentrate on professional electronics.

The studied silence on the part of the spokesman regarding similar products made by other firms was appalling. For example, the BEL spokesman, after a lot of prodding, reluctantly referred to the contributions made by the SMPU. The ECIL spokesman while claiming the superiority of the "proximity fuses" made by them for the defence did not utter a word about the fuses made by the HAL.

The department of electronics recently sent a stinker to Mr C.M. Stephen protesting against the proposed import of communications equipment worth Rs 363 crores by the P & T during the sixth plan period. The letter referred to delayed decisions by the user ministries and to the manipulations in equipment specifications and the supply time schedule so as to rule out the domestic production.

The rift between the railway ministry and the electronics department over the import of a modern computer is now common knowledge.

In 1990, the Microwave Landing System (MLS) will become mandatory for all civilian air traffic. The HAL has the ability to produce the system but there is no response from any agency in the country as yet, indicating the lack of a long-term perspective. Should the production stagnate, frustrated personnel may migrate elsewhere and there will be a manpower crisis, it is feared.

The committee on public undertakings in its 18th report to the Lok Sabha has rapped the ECIL for its heavy losses, as the firm has not been able to keep pace with the rapid technology development in the advanced countries. The ECIL had regretted that it failed to visualise the need for upgrading the technology at some stage. However, the committee was uncharitable in blaming the ECIL for its excessive research orientation and self-imposed restraint in adopting foreign know-how. When self-reliance is our gospel and when a tuppence is being spent on R & D, to criticise precisely these two aspects seems to be unfair and it may turn counterproductive.

The photograph of an Indian is prominently displayed in one of the sections of a well-known US computer firm, Memorex. The Americans thus express their gratitude for the Indian who designed and developed a computer disc subsystem for them. The CMC at Hyderabad has imported the Memorex disc subsystem developed by an Indian abroad!

Though the BEL has been engaged in the production of TV tubes for over a decade, about one-third of the country's requirements are still being imported.

A study of the Information, Publication and Analysis wing (IPAG) of the electronics commission says: "The price of almost all types of indigenously produced semiconductor devices are considerably high compared to the international prices due to various factors like uneconomical level of production, lack of modern technology and production facilities and the high incidence of import duty on capital equipment and raw materials."

According to the IPAG statistics, the licenced capacity for TV picture tubes in the organised sector is half-a-million and the installed capacity is 360,000. Against this, in 1980, the actual production was 260,000 and the projected demand in 1990 is about 2.8 million tubes.

In small and medium integrated circuits, the licenced capacity is 3.5 million pieces but the actual production is only 1.03 million pieces. By the end of the century, the country may need 30 million pieces. In LSI, the licenced capacity is 250,000 and the demand in 1990 is expected to be 10 million but the actual production today is nil.

The total production of electronic goods in the country is estimated at Rs 800 crores. We import goods worth Rs 400 crores and export a meagre Rs 42 crores.

Low capacity, outmoded technology, high cost, poor quality, lack of entrepreneurship, government delays and competition from countries like Singapore, Taiwan and Korea and of late, from China, have caused the current crisis in electronics, according to the Electronic components industries' association (ELCINA).

At a recent seminar, the ELCINA demanded delicensing of the electronic component industry for five years, free flow of technology, monitoring of licences by the department, opening up of telecommunication to the private industry and more fiscal incentives to give a boost to the declining industry. Mr C.P.N. Singh, Union minister of state for electronics, and Dr P.P. Gupta, who were present at the seminar could not have missed these points.

Dr Gupta's standard reply to certain embarrassing questions was to forget the past and to look into the future. How long should we continue to forget the past?

CSO: 4220/7254

SCIENTISTS IDENTIFY EIGHT NEW WHEAT VARIETIES

New Delhi PATRIOT in English 12 Oct 81 p 10

[Text]

WHEAT scientists have identified eight new wheat varieties for different agro-climatic conditions for extensive field tests and seed multiplication during the coming rabi season reports UNI.

The new varieties, chosen from about a thousand new wheat and triticale strains tested during the 1980-81 season for yield and other attributes, will add to the diversity of the existing varieties in the country.

The choice of new varieties was made at the All India Wheat Research Workshop of the Indian Council of Agricultural Research held at the Mahatma Phule Agricultural and Technology University at Pune. About 250 wheat scientists attended the workshop.

The scientists reviewed the work done during the previous seasons and noted with satisfaction that in spite of some constraints the country was able to harvest 36 million tonnes of wheat, indicating the stability of the Indian wheat revolution.

The new varieties identified are: HD 2285, DL 153-2 and WL 2265 for the northern plains zone of Punjab, Jammu, western Uttar Pradesh, eastern Haryana, Rajasthan, Delhi and northern Madhya Pradesh. Of these, HD 2285 is for late sown, good fertility irrigated conditions, while the other two varieties are for timely sown, low fertility rainfed conditions.

WH 291: for the north western plains zone comprising the alluvial tract of Gujarat, Rajasthan, excluding Kota, Udaipur and Sriganganagar divisions and Haryana, excluding Karnal and Kurukshetra divisions. The variety is meant for late sown, good fertility and irrigated conditions.

HUW 55 for the north eastern Uttar Pradesh and northern Bihar, for timely sown, irrigated high fertility conditions.

CSO: 4220/7241

COKING COAL RESERVES DEEMED SUFFICIENT

Calcutta THE STATESMAN in English 12 Oct 81 p 15

[Article by Damodar Gupta]

[Text]

COKING coal imports were first made in 1978 when Mr Biju Patnaik was Union Minister of Steel in the Janata Government at the Centre. One million tons were imported at a cost of about Rs 80 crores in foreign exchange. With the change of Government in 1980, it was expected that a pragmatic approach would be adopted regarding coking coal imports. That hope has been belied. Mr Pranab Mukherjee has announced that orders for the import of 500,000 tons of coking coal at a cost of Rs 45 crores had already been placed and that tenders would be floated for a further million tons which would cost Rs 90 crores in foreign exchange.

The reserves of coking coal in the country and the steel production targets do not justify imports. Mr R. G. Mahendru, Chairman-cum-Managing Director of Bharat Coking Coal Limited, is on record as having said that "the last ounce of coking coal will come out from the Jharia coalfields in 2145 A.D.". It implies that the coking coal reserves in Jharia alone will last for the next 165 years.

Total coking coal reserves in the country have been estimated at 23.406 million tonnes by coal exploration agencies. (According to the Central Mine Planning and Design Institute Diary, 1981-82, total reserves of coal in India are 113.977 million tonnes, which includes 2.099 million tonnes of lignite reserves besides reserves of coking coal.) Of the 23.406 million tonnes of coking coal reserves, proven reserves have been estimated at 10.734 million tonnes, indicated reserves at 8.780 million tonnes, and inferred reserves at 3.892 million tonnes.

These reserves have been found to exist to a depth of 1.200 meters. Further prospecting at greater depths is likely to reveal more reserves of coking coal. As such, there is no immediate cause for worry regarding availability of coking coal in the country. Secondly, the steel-coal ratio is 1 : 1.5, that is, for producing one tonne of steel, 1.5 tonnes of raw coking coal are required. The installed capacity of the integrated steel plants, namely, Bhilai, Rourkela, Bokaro, Burnpur and Durgapur is, as stated by Mr Pranab Mukherjee, 11.5 million tonnes. This capacity is expected to be raised to 24 million tonnes by 1990. Even so, the country's coking coal reserves are adequate to meet the demand for increased steel production.

QUALITY

As regards qpality, the picture is not alarming. The ash content of coking coal of steel grade I and steel grade II does not exceed 18 per cent and can be used by steel plants without washing. The ash content of washery grade coking coal—from grade I to grade IV—varies between 21 per cent and 35 per cent, but this can be brought down to 18 per cent to 17 per cent by washing. The moisture content of indigenous coking coal varies between two per cent and three per cent, which is a tolerable level for steel-making. Though the ash content of imported coking coal is low, the moisture content is reported to be higher than that of Indian coking coal.

The ash content of coking coal can be brought down to 18 per cent to 17 per cent by proper beneficiation. Coal beneficiation technology was first adopted in India in 1951 when a washery was set up by the Tata Iron and Steel Company in West Bokaro Colliery. Since then, 14 washeries in the coking coal sector have been set up having a total installed capacity of 25.82 million tonnes of raw coking coal input annually. Through proper beneficiation and, if necessary, by re-washing washed coking coal with a high ash content, the ash content can be reduced to a tolerable limit for steel-making.

The ash content of Assam coking coal, according to mining experts, varies between five per cent and 18 per cent while the sulphur content varies between

three per cent and seven per cent. The sulpher content can be brought down to one per cent to two per cent by beneficiation. The Central Mine Planning and Design Institute has prepared a feasibility report for setting up a beneficiation plant at Tipong (Assam) to treat local coking coal. The annual capacity of raw coking coal input in this beneficiation plant has been estimated at 470,000 tonnes.

The allegation that the ash content of even washed coking coal is high draws its justification from the fact that the washing is not done efficiency. In 1982 the coal washeries maintained an yield of washed coal of up to 57 per cent, the ash content being brought down to the level of 17 per cent. at present, the yield of washed coal varies between 65 per cent and 68 per cent but the ash content hardly ever is reduced below 20 per cent.

Since the washeries use modern technology, there is no reason why "perfect separation" of impurities in raw coking coal cannot be achieved or the ash content reduced to 17 per cent. Mining exports feel that "the yield of washed coal may come down drastically but the quality of washed coal can be maintained". According to these experts, "50 per cent yield of washed coal at 17 per cent ash level from the lower seam coals can be obtained by washing; half of the total production can be successfully utilized for steel making". The washeries, therefore, should be forced to produce washed coal at 17-18 per cent ash level. It is felt that there is a need "to re-assess the creation of new additional washing capacity" so that an adequate number of washeries are planned and installed for the entire coking coal output of the Jharia coalfields.

COST

Next comes the cost structure. There has been a gulf of difference between the cost of indigenous coking coal of inferior quality when washed and imported coking coal. According to mining experts, the cost of a tonne of washed coal produced amounts to Rs 300 while that of a tonne of imported coking coal from Australia, as admitted by the Union Steel Minister, is about Rs 900. Imported coking coal is therefore certain to lead to an escalation in steel production costs.

The Central Mine Planning and Design Institute has prepared a feasibility report for setting up a plant at the Talcher colliery (under Central Coalfields Limited) for preparation of metallurgical fuel from non-coking coal. The "formed coke" produced in this plant on an experimental basis from non-coking coal will be tested in the blast furnaces of steel plants to assess its suitability as an alternative fuel to the conventional hard coke produced from coking coal. If the experiment proves a success, it could usher in a revolutionary change in the steel economy in that the problem of metallurgical fuel would be solved for centuries to come because of the abundant reserves of non-coking coal.

With total coal reserves of 113,977 million tonnes, India occupies the eighth position in the world. Of these reserves, non-coking coal amounts for as much as 88.472 million tonnes.

Meanwhile, the CMPDI and BCCL have jointly prepared a massive plan for restructuring the entire Jharia coalfields—the cradle of coking coal—at an estimated cost of about Rs 2,029 crores. According to one estimate, more than 700 million tonnes of coking coal in Jharia is standing on pillars ready for extraction. The plan envisages reconstruction of the coal belt into 30 blocks, 21 of which will form underground mining blocks and the rest remaining nine open-cast mining blocks.

Seen against this background, there is hardly any justification for importing coking coal more so as a huge drainage of previous foreign exchange is involved. Some fact that the imports are based more on political factors than on economic necessity.

CSO: 4220/7240

INDUSTRY MINISTER WARNS ON AUTOMOBILE PRICES

Bombay THE TIMES OF INDIA in English 12 Oct 81 p 9

[Text] New Delhi, October 11 (UNI)--The Union industry and labour minister, Mr N.D. Tiwari, has said the government might enforce price regulatory measures if the manufacturers of automobiles, scooters, tractors and light commercial vehicles failed to control the prices.

Mr Tiwari told UNI that the prices of these products had started rising indiscriminately in the recent past and were causing great hardship to the consumers. He said some factors like inflation and rising cost of inputs may have necessitated the rise in prices in the past but the present escalation appeared to be far beyond these reasons.

He said the bureau of industrial costs and prices had been asked to review prices of these products in the light of data and arguments of the manufacturers and determine the rationale behind these increases. He said a period of three months had been set to complete this exercise after which the government would decide upon the course of action to limit the prices.

Voluntary Curbs

The industry minister told a group of tractor manufacturers recently that some manufacturers were not submitting the data required by the cost accounts branch of the finance ministry, which had been charged with the responsibility of examining the price increases.

He said a price surveillance scheme had been in operation since 1974 when the tractor (price) control order of 1967 was revoked to enable the manufacturers to maximise their production.

Mr Tiwari urged the manufacturers to undertake a voluntary exercise to decide the extent to which prices of these items could be reduced and ensure that there were no further increase in prices.

Mr Tiwari said a similar exercise was being conducted in the field of consumer products like cosmetics and tooth-paste, to control their prices. He could not understand how a tooth-paste company had recently declared a dividend of more than 20 per cent to its share-holders but could not reduce the price of the end product for the benefit of the consumers.

CSO: 4220/7237

POWER SECTOR GROWTH IN FIRST HALF '81 REPORTED

Calcutta THE SUNDAY STATESMAN in English 18 Oct 81 p 7

[Text] THE power sector in India maintained a high rate of growth during the first six months of the current financial year. Against a target of 9.4% increase in power generation for 1981-82, the rise between April and September this year was more than 14%.

According to official sources, during the six-month period, 60.480 million units were generated against 52.906 million units during the corresponding period last year. A notable feature of this achievement was 20% rise in thermal power. At present, it appears to be a paradox that while the performance of the power sector has improved, severe power cuts continue to affect life in many parts of the country.

According to the sources, all the regions in the country recorded a commendable growth during the past six months over the corresponding period last year. The northern region recorded an increase of 14%, western region 11% and southern region 14.6%. Power generation in the north-eastern region went up by 28% and the eastern region 21%. The Damodar Valley Corporation maintained a growth of 45%.

The sources claimed that a breakthrough in power generation had come in August 1980 with the onset of monsoon. Between September 1980 and January 1981, there had been considerable improvement in the power position. In December 1980, the power shortage in the country was about 11%, against 23% during December 1979. In January, the deficit was 14%.

Whatever may be the actual gap between demand and supply the Centre is assuming a significant role. The installed capacity in the Central sector is expected to be 45% of the total capacity in the country by 2000 A.D. A large number of projects are being implemented by various Central organizations. However, the capacity in the State sector will still be substantial and as such the State Electricity Boards have been asked to prepare a corporate plan so that the organizational growth to meet the power requirements of the State can be planned well ahead.

The need to improve technical skill in the management of the generation transmission and distribution system separately has been pointed out to the SEB authorities. The power industry is both capital as well as labour intensive. There is considerable interaction between equipment and the technical skill of individual workers. Management of the SEBs is likely to improve when all the areas are professionalized.

The impact of various guidelines given by the Centre for improving the performance of thermal stations has been periodically reviewed. An all-India conference of Power Ministers was held for the second time in November 1980. Besides meetings of Power Ministers on a regional basis were held in Bombay, Calcutta, Hyderabad and Lucknow in February and March this year. It is expected that a general change in the approach to the management of power industry will come about shortly in all the organizations concerned. Meanwhile, the Rajadhyaksha Committee, in its report, has recommended an increased role for the Central sector in power generation. It has suggested that the focus should be on regional planning rather than State planning for an effective control and coordination of the power system.

The committee has also suggested standardization of plants and machinery so that the time taken for detailed engineering designs and lay-outs is cut down. It has recommended that in order to bring about some competitiveness in the power equipment sector, another organization should enter the field of manufacture, failing which BHEL should be brought under the Department of Power.

A Staff Reporter adds: The 210-MW fifth unit at the Bandel thermal power station will be lighted up in November, according to official sources in Calcutta on Saturday. It will begin commercial generation in March. The sources said that the unit being a much bigger one than the existing ones in the State, was expected to serve better than the others.

Mr Jyoti Basu will review the progress of coming power projects in West Bengal at a meeting with the State Electricity Board and the Power Department officials at Writers Building on October 21. The progress of the first phase of the Kolaghat project of the Board will also be reviewed.

The sources claimed that work on the Kolaghat project was going on as per schedule. He hoped that the first unit there would be commissioned by December 1982. According to him, the problem of providing jobs to the people, who had lost their land because of the project, had been solved. Although the Calcutta Electric Supply Corporation's new project at Titagarh is not on the agenda of the October 21 meeting, its progress was stated to be satisfactory.

Meanwhile, the power shortfall continued to plague life in Calcutta and its neighbourhood on Saturday, despite an improved generation by three units at Santaldih. At one stage in the afternoon, the plant's generation rose to 230 MW. Two units at Bandel generated 128 MW at 2-30 p.m. The Durgapur Projects' supply to the Board was 44 MW in the morning and 50 MW in the evening.

According to official sources, the shortfall in Calcutta was 51 MW and 77 MW during the morning and the evening peak hours. The evening deficit was expected to come down as in the past few days.

The deficit had come down to 12 MW at 2-30 p.m. For a brief spell towards the evening, there was no deficit. But it shot up as the demand increased after 6 p.m. In the areas served by the Board, the deficit was 20 MW and 40 MW.

The Calcutta Electricity Supply Corporation is said to have generated 198 MW and 230 MW. The city system was aided by 201 MW and 220 MW from the Board and 78 MW and 73 MW from the Damodar Valley Corporation.

CSO: 4220/7275

INJUNCTION AGAINST ANTULAY-SPONSORED TRUSTS ISSUED

Calcutta THE STATESMAN in English 17 Oct 81 pp 1, 9

[Text] Bombay, Oct 16--Mr Justice S. C. Pratap of Bombay High Court today passed an ad interim injunction restraining the Indira Gandhi Pratibha Pratisthan and the Konkan Unnati Mitra Mandal from appropriating or utilizing the funds and assets so far collected for any purpose, report UNI and PTI.

Mr Justice Pratap issued the order after two writ petitions were filed against the trusts floated by the Chief Minister, Mr A.R. Antulay. He permitted the trusts to incur routine expenses of Rs 5,000 each till November 9.

He also ordered that the petitions--one by Mr Madhu Dandavate, M.P., Mr G.P. Pradhan, leader of the Opposition in the Legislative Council, Mr S.S. Varde and three others and the other by the Samajwadi Manch leader, Mrs Mrinal Gore, Mr Jagannath Madhav, Janata MLA and two others--should come up for final hearing before him on December 14.

Today's hearing in the court was marked by heated exchanges between the Government lawyers and the advocates of the petitioners.

The removal of the name of the Prime Minister from the list of 15 respondents given by the second petitioner was agreed upon by mutual consent.

Counsels for the petitioners told the court that certain provisions were vitiated by the Chief Minister, Mr Antulay, which amounted to "failure of mandatory obligations."

"Mr Antulay and the State Finance Minister, Mr Ramrao Adik, misused their positions and made the Charity Commissioner of Bombay part of the fraud," an advocate, Mr G.G. Kalsekar, said.

When counsel for the petitioners, Mr Ashok Desai, prayed to the court to restrain any further grant to the trusts by the Maharashtra Government, the Advocate-General, Mr Arvind Bobde, said: "The court cannot be a forum to deal with the decisions taken by the Government on expenditure and sanctioned by the State Legislative Assembly."

While granting the ad-interim injunction, Mr Justice Pratap alllowed, however, the trustees to collect funds for the trusts. The court sat overtime for half an hour breaking its normal practice while passing the order.

Mr Justice Pratap today adjourned the hearing of a petition seeking to disqualify Mr Justice B.A. Masodkhar and Mr Justice R.L. Aggarwal of the High Court from holding the office of a judge on grounds of their being trustees of the Indira Gandhi Pratibha Pratisthan. The hearing will begin after the Diwali vacation on a date yet to be fixed.

In New Delhi, the Supreme Court has served a show-cause notice on Mr A.R. Antulay, asking him why a writ petition challenging the constitutional validity of the cement allotment policy of the State should not be admitted.

Mr S.B. Bahadur and Mr Tejsi Shyamil of Bombay, contended in their joint petition that the procedure adopted by the State Government and Mr Antulay in allocating cement was arbitrary, discriminatory and unconstitutional.

The petition said the procedure was violative of Article 14 of the Constitution which guaranteed equality before law to citizens.

They had applied for small quantities of cement. But they were not allocated any cement, while those who donated funds to various trusts, which have been cited as respondents, had been alloted the commodity, they said.

Meanwhile, Mr Antulay arrived in New Delhi from Bombay this evening and immediately met the Prime Minister.

Mr Antulay told reporters on arrival that he had come to Delhi to attend a meeting convened by the Union Planning Minister, Mr S.B. Chavan, on development of Wardha in his State.

CSO: 4220/7268

BRIEFS

SOVIET SHIP'S VISIT--Madras, Oct 9--Borodino, A Soviet naval training ship, belonging to the Pacific Ocean Naval Academy, is in Madras port on a short visit. The naval vessel is on a routine mission to impart practical navigational training on the high seas to cadets of the Academy, Rear Admiral I.V. Karmadonov and Captain A.E. Chumichev, told newsmen aboard the ship on Thursday. The ship has come to Madras from Vladivostok after a 20-day voyage. Floating college: This is one of the four modern training ships of the Soviet Navy. A mini floating college, the ship has sophisticated equipment and it can communicate with satellites to detect its exact position on the sea. The ship is equipped with automatically operating anti-aircraft guns with a range of 10 km. The ship carries 500 Naval cadets. They have to undergo a five-year training stint both at theoretical and practical level. The Soviet vessel which arrived here on Wednesday will set sail for Vladivostok on Sunday. This is the second time that the vessel had called at Madras, the previous visit being in March, 1979. [Text] [Madras THE HINDU in English 10 Oct 81 p 9]

TRIPURA BYELECTION PLANS--Agartala, October 11--The election commission has announced that by-elections for three Tripura assembly seats will be held on November 29. The constituencies are Agartala, the Raima Valley (scheduled tribe reserved) and Bishalgarh. The by-elections will be followed by elections to the tribal areas autonomous district council. Although no date has been announced, the elections to the council are expected to be held by the end of December or the beginning of January next. All the three assembly seats were held by the CPM. The Agartala and the Raima Valley seats fell vacant when their sitting MLAs were elected to the Lok Sabha. The vacancy for the Bishalgarh seat was caused by the murder of the CPM member about a year ago. The contest in the Agartala and Bishalgarh constituencies is expected to be mainly between the CPM and the Congress (I). The Raima Valley constituency, the CPM's main rival will be the Tripura Upajati Yuba Samity. [Text] [Bombay THE TIMES OF INDIA in English 12 Oct 81 p 9]

INFLATION RATE DOWN--New Delhi, October 11 (PTI)--After nearly two years, the rate of inflation is no longer a double digit. Mr R. Venkataraman, the finance minister, broke the cheering news to reporters that, on an annual basis, the rate had now come down to 7.8 per cent from as high as 23 per cent in late 1979-80. The new rate was computed on the basis of the wholesale price index in the third week of last month, added Mr R. N. Malhotra, the economic affairs secretary. Other indicators in the economy like coal production, power generation, fertiliser output and railway movement had all maintained upward trends, they said. [Text] [Bombay THE TIMES OF INDIA in English 12 Oct 81 p 1]

IFCI ASSISTANCE RISE--The financial assistance sanctioned by the Industrial Finance Corporation of India for industries during 1980-81 rose to Rs 211 crores, representing an increase of 35% over the previous year. According to official sources, the private sector received more than 60% of the total assistance sanctioned by the IFCI during the year. The shares of the joint sector, public sector and the cooperative sector were 10%, 20% and 9%. Industries with national priority and other selected ones claimed the major share of the assistance. Of the 253 projects assisted during the year, 104 were new ones. In view of an overall improvement in the economy, particularly in the latter half of the fiscal year 1980-81, there was a marked rise in the number of applications for financial assistance. The IFCI, jointly with other financial institutions, processed applications from 259 concerns for a total assistance of Rs 1,319 crores (including soft loan cases). The IFCI was established soon after Independence by an Act of Parliament Fifty per cent of the share capital of the IFCI is held by the Industrial Development Bank of India, and the rest by nationalized and scheduled banks, other financial institutions and investment trusts. Credit is available for setting up new projects as also for expansion, renovation and modernization of existing ones. In West Bengal, for 10 industrial concerns, including nine in the private sector, financial assistance worth Rs 10 crores was sanctioned by the IFCI during the year under review. [Text] [Calcutta THE STATESMAN in English 13 Oct 81 p 3]

NEW BIOGAS PROCESS--New Delhi, Oct 12--The Cotton Technological Research Laboratory (CTRL) in Bombay has developed a technique for producing from cellulosic wastes combustible gas needed for textile processing. On the basis of laboratory tests, the CTRL has put up a small plant which produces 500 litres of biogas daily from 100 kg of willow-dust, which is a cotton waste. Scientists feel that if commercially adopted, this technique could not only lead to considerable economy of expenditure incurred on purchasing liquefied petroleum gas (LPG) by textile mills, but also reduce the mills' dependence on LPG. CTRL's initial trials showed that one kilogram of willow-dust, considered waste by textile mills, soaked in six litres of water and inoculated with cowdung could produce 160 litres of biogas in 60 days. Later it was found that the period could be reduced to half by treating the willow-dust with alkali and allowing it to ferment for three or four days. The scientists designed a plant on the basis of these trials. It was found that the spent slurry could be profitably used as manure as it contains a good amount of nitrogen.--UNI.[Excerpt] [Madras THE HINDU in English 13 Oct 81 p 7]

POWER UNIT PLANS--Hyderabad, October 13 (PTI)--The Union government has decided to entrust the second series of super-thermal power projects to the National Thermal Power Corporation for execution. The power stations proposed to be set up in the second series are at Kahalgoan, Waidhan, Pench, Talcher, Bhadrachalam and Singrauli-II, the chairman and managing director of the NTPC, Mr A. K. Sah, told a news conference here yesterday. The capacity of these stations put together would be of the order of 15,000 Mw. The NTPC was also constructing 400 kv. transmission lines connected with all the projects. The NTPC is presently implementing four projects located at Singrauli, Korba, Ramagundam and Farakka with a total installed capacity of 8,300 Mw. The work on the projects was progressing satisfactorily and the first 200 Mw. unit of Singrauli project was expected to be commissioned in February, he said. [Text] [Bombay THE TIMES OF INDIA in English 14 Oct 81 p 9]

RAVI SHANKAR VICE CHANCELLOR--Raipur, October 13--The chancellor of Ravi Shankar University has directed the vice-chancellor, Mr Koshal Prasad, to continue in office till the selection of a new incumbent is made. The vice-chancellor was to retire today. The three-member selection committee nominated by the chancellor has named a panel of three members to succeed the vice-chancellor. They are: Dr B. K. Shrivastava, Dr Rudradhar Sharma and Prof. J. P. Dube. Meanwhile, Mr B. D. Mishra, the senior most member of the university court, has complained to the chancellor that Prof. J. P. Dube is a son-in-law of Mr R. P. Noronha, former chief secretary, and member of the selection committee. [Text] [Bombay THE TIMES OF INDIA in English 14 Oct 81 p 15]

BENARAS VICE CHANCELLOR--Prof Iqbal Narain has been appointed Vice-Chancellor of the Banaras Hindu University for a period of three years in succession to Dr Hari Narain, reports UNI. He is at present professor of Political Science in Rajasthan University, Jaipur. Formerly he was Vice-Chancellor of Rajasthan University and chairman of the UGC panel on Political Science. An authority on the Panchayati Raj system, Prof Iqbal Narain was a visiting fellow of the Australian National University in 1975-76. [Text] [New Delhi PATRIOT in English 14 Oct 81 p 5]

BENGAL CPI MEMBERSHIP--Membership of the West Bengal CPI is now over 33,000, a little less than last year's figure. This shows, according to a party source, that the All-India Communist Party, the break-away group led by Mr Dange, has not made any appreciable impact on the membership. The State unit of the CPI is holding conferences of its 750 branches this month to be followed by conferences of local and district units throughout this year. The party will hold its congress at Varanasi early next year. [Text] [Calcutta THE STATESMAN in English 15 Oct 81 p 3]

BENGAL POPULATION GROWTH--West Bengal's population is increasing by about 3,000 every day. According to official statistics available in Calcutta, between Tuesday and Wednesday the State's population rose from 55,119,000 to 55,122,000. During the period October 11 to October 25, which is being observed as the National Family Welfare Fortnight, the State's population is expected to register an increase of 38,000. The 1981 census put West Bengal's population at 54,485,000, compared to 44,312,000 in 1971. According to the official statistics, the highest average daily rise in population has been recorded at 6.221 in U.P. The all-India average is said to be 37,440. [Text] [Calcutta THE STATESMAN in English 15 Oct 81 p 16]

INDUSTRY MONITORING UNIT--New Delhi, Oct 14--With the commissioning of the Periyar-point radio beacon last month, all-weather, all-day navigational assistance is being provided to ships of all kinds operating within a 400-km radius on the Laccadive-Mangalore-Cochin sector of the western sea board. This beacon, installed at Azhikode in Kerala, is the second in a series of three such beacons in the sector. The first one is functioning at Suratkal, near Mangalore and the third one in Minicoy island, is expected to be operational by the end of this year, according to an official release here. A dozen such beacons have been already operating along the Indian coastline and eight more are expected to be installed during the Sixth Plan. By intercepting the signals from any two beacons, a ship approaching the sector will be able to locate itself within pin-point accuracy. This beacon uses Naatel transmitter NBM 2000 and its power output is 500 watts. It has been installed at a cost of Rs 12 lakhs.--PTI [Text] [Madras THE HINDU in English 15 Oct 81 p 9]

NATIONAL FARMERS UNION--New Delhi, Oct 14--A control room is at work in the Ministry of Industry monitoring distress calls on raw materials, coal, power, movement, industrial relations, etc. On receipt of complaints from industrial enterprises in selected fields, it will get in touch with the authorities concerned at the appropriate level and help find a solution. The industries which can utilise the services of the control room are aluminum, including semis, zinc, copper, dry cells, fertilizers, caustic soda, soda ash, phenol, paper, newsprint and paper products, auto tyres and tubes, commercial vehicles, cement machinery, paper machinery, machine tools, textile machinery, sugar machinery, boilers, railway wagons, castings and forgings and electrical generation, transmission and distribution equipment. Mr S. K. Palhan, Director of Public Relations, Directorate-General of Technical Development, Ministry of Industry, Udyog Bhavan, is in charge of the control room. His telephone numbers are 374571 (office) and 588876 (residence) and telex number is 031-3914. [Text] [Madras THE HINDU in English 15 Oct 81 p 9]

SWISS TECHNOLOGY SOUGHT--London, Oct 15--The Swiss Government sees no impediment in the expansion of Indo-Swiss commercial and industrial collaboration provided specific fields could be identified by Swiss and Indian companies. This was conveyed to the Indian Commerce Secretary, Mr Abid Hussain during his talks in Berne with Mr Paul R. Jolles, Secretary of State for Foreign Economic Affairs of the Swiss Government. During the two day discussions which ended on Wednesday, Mr Hussein stressed India's interest in the transfer of advanced Swiss technology.--PTI [Text] [Madras THE HINDU in English 16 Oct 81 p 7]

CAUVERY WATERS TALKS--Madras, Oct 16--The Tamil Nadu team, led by the Chief Minister, Mr M.G. Ramachandran, which participated in the talks on the Chauvery waters issue at Bangalore, returned here on Friday "satisfied" with the progress of the discussion. The talks were held in a friendly and cordial atmosphere and raised hopes of a satisfactory settlement, said a member of the team. The Bangalore meeting, according to him, was different from several rounds of discussions held earlier, in that both sides, instead of relying too much on statistics, sought to make a realistic approach, and an earnestness to arrive at a speedy settlement was evident. Hopeful Sign: Instead of harping on their known stands and the validity or otherwise of the 1924 agreement, representatives of the two States (Tamil Nadu and Karnataka) discussed the need for providing irrigation to the existing ayacut in the larger interest of the nation for stepping up food production. An assessment of the water requirements of the farmers then followed. "This is a realistic approach and a hopeful sign," he said. The next round of talks will be held in Bangalore early next month. [Text] [Madras THE HINDU in English 17 Oct 81 p 1]

NEW UNIVERSITY OPENS--Anatapur, Oct. 16--Sri Saibaba of Puttaparthi inaugurated the new Sri Satya Sai University at Prasanthinilayam township on Oct 8. At present the junior, degree colleges at Prasanthinilayam and the Sri Satya Sai College of Arts and Science for Women in Anantapur are affiliated to the new university. To start with M.Com., and M. Sc. (Physics) courses are being started in the degree college at Puttaparthi and the next year post-graduate courses in economics, history, politics, Indian culture and music would be started. Prof. V. K. Gokak has taken over as the first vice chancellor. Sri Saibaba thanked Mr S.B. Chavan, Union Education Minister and the U.G.C. Chairman, Mrs Madhuri Sha for their help in starting the new University. Sri Saibaba

performed the "Bhoomi Pooja" and laid the foundation stone for the administrative buildings of the new university. Mr V.K. Narasimhan, Public Relations Officer of the Sri Satya Sai University said efforts were being made to affiliate the Sri Satya Sai Arts and Science College, Whitefield, Bangalore and other Sata Sai colleges and educational institutions in different States to the new university. [Text] [Madras THE HINDU in English 17 Oct 81 p 9]

SOVIET OIL AID--The Soviet Union will assist the Oil and Natural Gas Commission in reactivising sick oil wells in Gujarat under an agreement signed in New Delhi on Friday reports PTI. Under the contract, which will be valid for two years, the Soviet Union will supply the necessary equipment like rigs and machinery. A Soviet team of specialists will arrive shortly to assist in the project. The contract was signed by Mr V. Zenin of Technoexport Moscow and Mr H.G.T. Woodward Member (onshore) of the Oil and Natural Gas Commission. Present at the signing ceremony were visiting Soviet Union Deputy Oil Minister D. Takoyev, and Col S.P. Wahi, chairman of the ONGC. [Text] [New Delhi PATRIOT in English 17 Oct 81 p 7]

TALWANDI, OTHERS FREED--Mr J.S. Talwandi, president of the Akali Dal (Talwandi) and 38 of his supporters were on Friday released after one month of imprisonment. They had been arrested on 17 September outside Parliament for violating prohibitory orders under Section 144 Cr. P.C. [Text] [New Delhi PATRIOT in English 17 Oct 81 p 10]

CSO: 7273

U.S. AID EXPECTED TO STIMULATE ECONOMY

Karachi DAWN in English 12 Nov 81 p 12

[Text]

ISLAMABAD, Nov 15: Mr. John L. Kidde, leader of US businessmen's mission, said today that it was hoped that the proposed American economic aid package to Pakistan of over one billion dollars, would stimulate Pakistan's economy and encourage American businessmen to come in to invest here in Pakistan.

Mr. Kidde, who is on a week-long business trip to Pakistan to explore investment avenues and joint ventures potential, however, claimed that the mission was not supposed to serve as a channel for US investment in the private sector. But he recognised the link between the businessmen's interest in investments here and the proposed US economic aid package for Pakistan.

He told a Press conference that during the Mission's talks with Pakistani Government ministers and officials, they understood that although 70 per cent of Pakistani industrial complex was in the public sector, there were commitments by "your Government to move a lot of them out of this sector". He named life insurance business as one of the public sector ventures which, he claimed, the Government would like to transfer to the private sector because it was not doing well enough in public sector.

About the attitude of American businessmen towards this bias in Government circles for the private sector, Mr. Kidde said "our whole group is for private sector. So, if we have a mission politically, though I hesitate to use this phrase, it is to encourage you to go ahead with these (transfer from the public to the private sector) things which you say you are going to do".

Mr. Kidde said he and other fellow businessmen during their interview with President Zia-ul-Haq found him supportive of the efforts that the US businessmen were making. The response of the President to American investors' interest in enlarging the private sector was very very positive", the leader of US delegation said.

Answering a question, Mr Kidde said, the question of risk coverage of the US investment was very important and since the developments in Iran, a lot of analysis and study had been made to insure against risk of nationalisation, convertibility and such other situations. A good part of analysis against risks had been carried out by a US Government agency, called Overseas Private Investment Corporation (OPIC), although scope of such risk insurance could not be unlimited.

Mr. Kidde regarded reports in Pakistani Press about the agreed proposed size of US investment as premature and inaccurate. He said that the US businessmen had been offered 30 categories of industrial investment opportunities. They included deep-water fishing and high priority tyre and rubber tube manufactures. The businessmen had also some ideas of their own and they were pursuing a few specific projects. The Chase Manhattan Bank has decided to start business in Pakistan from the coming New Year's day and the Occidental Oil Exploration Venture also had interest in resuming business in Pakistan. He said it was not possible to say how soon their efforts would lead to tangible results, because he pointed out investment procedure was a very complex matter.

CSO: 4220/102

FRG TO SUPPLY ARTIFICIAL LIMBS FOR AFGHAN DISABLED

Karachi MORNING NEWS in English 15 Nov 81 p 8

[Text] Peshawar, Nov. 14--The Afghan Refugees Commissionerate with the assistance of the West German Government, is planning to import artificial limbs and joints for the disabled Afghan refugees who have lost their limbs in the Soviet helicopters bombing and shelling on the civilian population in Afghanistan.

Disclosing this, a renowned orthopaedic surgeon, Dr. Manzoor told A.P.P. yesterday that a consolidated list of the artificial limbs and joints had already been prepared and sent to the agency concerned which has approved the import of these items. These included 20 each joints of shoulder, elbow, wrist, hips, knee and ankle besides artificial limbs. The most modern equipment for the surgery would also be imported under the programme. The import of these items would cost about Rs. 1.5 million, he said.

A representative of the German Embassy in Islamabad had already visited Peshawar to meet Dr. Manzoor last month in this connection for processing and materialising the plan.

The Germans would also provide one orthotic and prosthetic specialist, one technician and one physiotherapist along with the equipment.

A separate artificial limbs centre has already been set up in the Khyber Teaching hospital where local-made machinery has been installed. The installation of the imported machinery would further improve the functioning of the centre.

Primarily the plan has been made for the Afghan refugees, but later other disabled persons of the province will also be benefited from the facility.

It may be recalled that for the first time in the history of the country, total successful knee replacement operation was performed in the Khyber Hospital by Dr Manzoor when the knee joint of an 80 years old man who was suffering from rheumatoid arthritis and was unable to move his left knee for the last eight years was replaced by artificial joint. The patient is stated to be in good health and can walk on his new joint.--APP

CSO: 4220/102

AFGHANS HELD ON SUSPICION, INTERROGATED

Karachi MORNING NEWS in English 16 Nov 81 p 3

[Text]

Nine Afghans, suspected to be members of Al-Zulfiqar organization, who infiltrataed into the city through Kandhar disguised as Afghan Mujahids, were arrested by the police in Saddar area, it was reported yesterday.

The police also seized six revolvers (foreign made) and 250 cartridges from their possession.

The accused were identified as Abdul Aziz, son of Dad Mohammad, Abdul Ghafar, son of Gul Mohammad. Saeed Mohammad, son of Agha Mohammad, Mohammad Rahim son of Mohammad Rasool, Gul Mohammad son of Nusratullah, Ahmed son of Lal Mohammad, Habibullah, son of Ahmedullah, Abdul Ghayas, son of Abdul Wadood, Waliullah, son of Dost Mohammad.

The accused were sitting on the lawns of the Jehangir Park when a police party, headed by Naim Bahadur, SHO Preedy police station, acting on a tip off, rounded them up.

Their search also led, besides the ammunition to the recovery of forged Afghani documents.

When interrogated the accused said that they were suffering from injuries, and they had come here for medical treatment and were staying in an inn, Al-Noor in the Napier Road area.

However, after intense interrogation they were to be suspected to be members of the Al-Zulfiqar organisation based in Afghanistan and had infiltrated into the country for ulterior political motive, the police sources said.

CSO: 4220/102

JOINT INVESTMENT BANK WITH U.S. CONSIDERED

Karachi DAWN in English 15 Nov 81 pp 1, 12

[Text]

LAHORE, Nov. 14: A joint Pakistan-United States investment bank is likely to be established to facilitate and syndicate the capital inflow for Pakistan's economic development.

This was stated this afternoon by Mr John Kidde, President of the United States-Pakistan Economic Council and leader of the 25-member group of US private entrepreneurs in an airport interview on arrival here for a brief visit to the provincial metropolis.

Mr Kidde reiterated his earlier statement that the general investment climate in Pakistan had now greatly improved, and said that this morning's meeting between his delegation and Pakistani industrialists and Government officials was extremely informative.

He said that already some of the well-known United States companies, including those dealing in insurance, agricultural products, were planning to open their offices in Pakistan.

The businessmen now visiting Pakistan were also discussing the possibilities of joint venture in the field of agro-based industries, fuel and manufacture of tyres and tractors.

He said the United States Private Investment Corporation, a Government agency which encouraged private investment in friendly countries, and whose President, Mr Gray Nalen, was a member of the 25-member group now visiting Pakistan, would also establish its office here to facilitate investment in Pakistan's industrial development.

The US businessmen's delegation was received at the airport by the officials of the provincial Industries Department and Trading Corporation of Pakistan. The Federal Minister for Industries, Mr Elahi Bakhsh Soomro; and the Federal Secretary Industries; accompanied the delegation in the special plane which brought them here.

Later speaking at a reception hosted in honour of the delegation by the Lahore Chamber of Commerce and Industry, Mr Kidde said that the Economic Council was only a-year-old and yet it seemed to have developed into a good idea.

He said 20 to 25 proposals out of the 30 priorities set forth by the Pakistan's side might become feasible in due course.—APP.

DAWN LAHORE BUREAU ADDS: A substantial amount of investment in private sector in the friendly developing countries around the world, including Pakistan, is the cornerstone of the foreign policy of the American President. Mr. Ronald Reagan, for which ways and means are being evolved on a priority basis.

An in-depth study to prepare feasibility report to determine the areas of cooperation in the field of private investment between the United States and Pakistan entrepreneurs is already in the process.

These views were expressed here today by the members of high-level US-Pakistan Economic Council mission at a meeting with the local private investors at the Lahore Chamber of Commerce and Industry.

The leader of the delegation, Mr Kidde, however, made it clear that the Pakistani entrepreneurs should not attach any immediate and high expectations to the visit of this economic mission to Pakistan. To better understand the investment practicabilities and to reach a positive conclusion, it might take a period from five to 10 years, he added.

The purpose of the visit of the Council mission, Mr. Kidde said, was, in fact, to locate the vistas of closer economic cooperation with the private entrepreneurs. For this purpose, he said, the United States Administration had sent four officials to Pakistan as member of the delegation. Everything possible would be done for developing closer economic and investment ties with the Pakistani entrepreneurs.

Agencies add: Director of the Overseas Private Investment Corporation of the United States, Mr. Graig Nalen said that for the businessmen of the United States, Pakistan was an unknown territory and Japan, South Korea and Hong Kong were naturally better known in the United States. He said the visit of the delegation was a good augary and was an earnest effort for the capital inflow from the United States.

Federal Industries Minister Elahi Bakhsh Soomro, addressing the meeting, said that the beginning of a new era of friendship and cooperation between the traders, businessmen and industrialists of Pakistan and the US was excellent.

He said the discussions and the negotiations held between the members of the Chamber and the visiting guests were useful.

Earlier, the President of the Lahore Chamber of Commerce and Industries, Mian Shahzada Alam Monnoo, in his welcome address, said that the investment climate in Pakistan was very good as the present administration had taken positive steps to restore the confidence of the private sector.

He said the annual private investment had gone up from 3.06 per cent in 1973-74 to 25.6 per cent in 1979-80. Pakistan's GDP had gone up from Rs 66.88 billion to Rs 229.96 billion in 1979-80. The exports had also gone up from 860 million US dollars in 1972-73 to 2.96 billion US dollars, he added.

CSO: 4220/102

BRIEFS

'SUBVERSIVE' GROUPS UNEARTHED--Lahore, Nov 14--Several groups indulging in the subversive activities, have been unearthed by the police, the Inspector-General of Police, Punjab, disclosed while talking to newsmen in Fountain House here this afternoon. These groups have been detected on the clues given by the persons suspected to be involved in the murder of Chaudhry Zahur Elahi. "Still, several groups remain untraced and efforts are being made to discover them," he added. About the progress in the apprehension of culprits involved in the murder of Chaudry Zahur Elahi, he said only one genuine culprit had been arrested and three others are being looked for. He reiterated that all the accused have a link with the clandestine and subversive organisation "Al-Zulfikar." He did not agree with the suggestion that they had fled the country. Whenever the remaining accused are hauled up, the details of their activities would be made public, he added.--PPI [Text] [Karachi DAWN in English 15 Nov 81 p 1]

IMPORT OF PULSES--Lahore--Nov 15--President Zia-ul-Haq today said the Government had allowed the import of 29,000 tons of pulses to overcome the present shortage for which letter of Credit for Rs. 220 million had been opened. He said that for the last two years the country was not having a good crop of pulses and added this year too, the situation was not satisfactory particularly in respect of gram. He pointed out that the Government had made arrangements to introduce soyabean as a pulse which was good in taste and had all the food value.--APP [Text] [Karachi DAWN in English 16 Nov 81 p 10]

CSO: 4220/102

ADDITIONAL TEST SCHEDULED FOR SOUTH GALOC-1 OIL WELL

Manila BULLETIN TODAY in English 2 Nov 81 pp 1, 14

[Article by Ray S. Enano]

[Text]

One more test is scheduled to be made this week on the South Galoc-1 well, site of the latest oil find in the country, the Ministry of Energy announced yesterday.

The test, according to the ministry, will be conducted by Philippine Cities Service, Inc., to determine the stabilized flow rate of the well which initially yielded 400 barrels of oil per day during the first drill stem test (DST).

The find was the 13th since 1976 when an oil strike was first recorded in the Nido oilfield.

South Galoc-1 well also produced gas in the first test and, according to the ministry, the gas flow is similar to the ones discovered in the San Antonio well in Isabela and the Sampaguita well in offshore Palawan.

South Galoc-1 well lies 5.1 kilometers from the north Galoc well where an oil strike was recorded last June. The first Galoc discovery recorded a flow rate of 1,600 barrels of oil per day.

This week's test will determine if the oil discovered is of commercial quantity, or if the cost of developing the oilfield is economical in relation to the expected oil yield.

Previous report made by the Ministry of Energy indicated that more gas than oil has been found in South Galoc.

The initial tests showed that the well yielded a flow rate of 3.7 million cubic meters of gas per day and 280 barrels of gas condensate per day.

Like the first Galoc strike, South Galoc belongs to a sandstone structure which means oil can easily flow due to the formation's permeability and porosity.

Previous oil discoveries belong to limestone or reefal structures where oil is hard to extract.

South Galoc reached a total depth of 8,576 feet and succeeding tests will be done on the shallower part of the well as oil signs have been likewise encountered on the early part of the drilling.

Ministry officials said successive tests will show whether the oil found in South Galoc belongs to the same quality as in the first Galoc strike. Should South Galoc yield the same oil officials said, it would mean that the two wells are in the same oil structure.

This, in turn, would mean that the oil reservoir is larger than expected since the two wells are 5.1 kilometers from each other.

CSO: 4220/104

COMMERCIAL LOAN CEILING OF $1.7 BILLION PLANNED FOR 1982

Manila BULLETIN TODAY in English 3 Nov 81 p 21

[Text]

The Philippines plans to seek a $1.7 billion ceiling in new commercial loans next year, about the same level as this year, to maintain the programmed foreign borrowing requirements of the government's development program, a senior government official said.

Commercial loans of one- to 12-year maturity are governed by the ceiling imposed by the International Monetary Fund on the Philippines under the conditions imposed by the stand-by credit agreement.

No increase is foreseen from this year's ceiling of $1.7 billion in view of the slack in loan availments this year on account of the depressed need for commercial loans.

However, government officials foresee a strong loan demand this year both from the government and the private sector because of the projected recovery in investment and business activity.

Out of the $1.7 billion loan ceiling available this year, only about $1.0 billion was availed of as the economic recession dampened new business activity and the high interest rates abroad discouraged borrowers.

Some $350 million were raised by the Central Bank for the consolidated foreign borrowing requirements. Other commercial borrowings of the government sector was estimated at $300 million. The private sector accounted for the balance.

Another reason for the high amount of unavailed loan from the ceiling was the fact that a good number of private borrowers were able to raise credits from the Eurodollar market of more than 12-year maturity, which made them not chargeable against the ceiling.

Next year, however, the authorities wanted to maintain the ceiling at $1.7 billion because of the requirements of the industrial projects, whose preparation was somewhat delayed this year.

CSO: 4220/104

NEW NATIONAL COCONUT POLICY TO BE DRAWN UP

HK140658 Baguio Mountain Province Broadcasting Corporation in English 0400 GMT 14 Nov 81

[Excerpt] The newly-formed blue ribbon committee of the coconut industry starts meeting with coconut sectors next week to draw up a new national coconut policy. Members of the 11-man committee, headed by Deputy Prime Minister Jose Rono, were named by President Marcos yesterday. Deputy Premier Rono said he has already scheduled meetings with the sectors of the coconut industry to speed up the rationalization of the industry, on which about 6 million Filipinos depend directly for their living.

Meanwhile assemblyman (Cesar Vilarival), who is the chairman of the subcommittee on coconut industry, is confident that solutions to the long-standing problems of the industry are in sight. He said the setting up of floor prices on copra will go a long way in protecting the coconut farmers.

The Coconut Federation of the Philippines, or COCOFED, welcomed the urgent moves of the government to protect the coconut farmers. COCOFED officials said the appeal of President Marcos to coconut oil exporters to buy copra at international rates is a big help. COCOFED's President (Maria Clara Roblega) said that the federation is right now buying copra for 1.50 to 2 pesos per kilos, not far from the international rates. (Roblega) said that with the support of the government given to the coconut industry, COCOFED hopes to expand its buying stations in 15 provinces to eventually cover all the provinces in the country. She assured that COCOFED would continue to support social and economic programs for coconut farmers.

CSO: 4220/105

PHILIPPINE RADIO ON PROBLEMS OF COCONUT INDUSTRY

HK160040 Manila Far East Broadcasting Company in English 2330 GMT 15 Nov 81

[Station commentary]

[Text] President Marcos has once again timely stepped in to arrest the worsening row between warring groups in the country's coconut industry. The president called on the divided factions in the coconut industry to stop quarrelling and instead attend to the problems of the country's more than 1 million coconut farmers. This first intervention by the president seized the situation and prevented it from growing out of proportion, and saved the plight of the victims caught in the crossfire of contending groups--the small farmers who have failed to get reasonable prices for their copra.

The president's order to union and other exporters of coconut oil and other copra by-products to agree on a reasonable copra buying price was a stinging rebuke to these groups who, in their frenzied pursuit of profit, forget that the small farmers who labored and toiled in silence to raise copra crops are entitled to get the best price for their products. This move, plus the initiative taken by the president in creating a blue ribbon committee to make an in-depth study of the problems of the coconut industry, might just as well improve the faulty coconut trading system in the country and give small farmers a lift in their present economic plight.

Meanwhile, warring groups in the coconut sector should forget their differences and heed the appeal of the president, unless they want to be rebuked next time with an iron hand. Exporters and other traders should likewise look beyond their own profit-oriented motive and see the plight of the struggling coconut and copra farmers.

CSO: 4220/105

BRIEFS

HELP FOR COCONUT FARMERS--President Marcos has taken another step to help the beleaguered coconut farmers now reeling from a slump in coconut prices. Aside from partially restoring the coconut levy, the president sought to fetch a better buying price of copra. Appealing to coconut oil exporters, the president urged that the local buying price be brought on par with the international rate of 25 U.S. cents per pound. The request was directed at major copra buyers and exporters like the (Intetro Ludu) Union and the United Coconut Millers. The president asked the private exporters to buy from the farmers at international prices, minus the sometimes controversial legal commission, transportation, housing and the like. The president also directed exporters to decide on a reasonable price and to publish that price for the guidance of farmers. This will also help in effectively monitoring the taxes of agents, middlemen and brokers, he added. For a broader perspective of the problems of the coconut industry, the president directed local government Minister Jose Rono to conduct a study of the situation for remedial measures. At the Batsang Pambansa, the steering committee is poised to decide on several resolutions asking for an inquiry into the performance of certain coconut organizations. The purpose is to see if the coconut farmers are being short-changed. [Text] [HK120437 Baguio Mountain Province Broadcasting Corporation in English 0400 GMT 12 Nov 81]

CLARK PILFERERS ARRESTED--Government agents have arrested 12 persons allegedly involved in the pilferage of plane spare parts at Clark Air base. They were arrested by combined elements of the presidential security command and the Office of Special Investigation at Clark Air Base. The group, which has been operating for the last 5 years, reportedly smuggled the spare parts and sold them in Hong Kong. The agents recovered some 31 million pesos worth of stolen plane parts. [Text] [HK150102 Manila Far East Broadcasting Company in English 2330 GMT 14 Nov 81]

MILITARY PARTS SYNDICATE SMASHED--Philippines authorities have broken up an international syndicate selling spare parts that are stolen from U.S. and Philippine military bases in the country. They are sold to communist countries, according to the armed forces chief, General Fabian Ver. In an announcement, he identified three Hong Kong-based American nationals as alleged ringleaders of the gang, which he said had stolen more than $12.5 million worth of aircraft parts in the past 5 years. He gave their names ad John Wright, James Smith, and Jeff Pitt, but gave no details about their personal backgrounds or their present whereabouts, and the U.S. Embassy authorities could not be reached for comment. [Text] [HK200052 Manila Far East Broadcasting Company in English 0030 GMT 20 Nov 81]

STOLEN PLAN PARTS SYNDICATE INVESTIGATIONS--Authorities are now looking into the possible connivance or links of some Philippine Airlines personnel in the pilferage of airplane spare parts. The pilferage is reportedly operated by an international syndicate. The pilfered parts, made for C-130 planes, are sold to countries which cannot buy them from the United States because of their anti-American policies. The investigation is being conducted by the presidential security command. [Text] [HK230428 Baguio Mountain Province Broadcasting Corporation in English 0400 GMT 23 Nov 81]

OVERSEAS WORKERS UNIONS--A Filipino labor leader has proposed that Filipino overseas abroad should first join organized labor unions in the Philippines before their employment contracts are approved by the government. The secretary-general of the Trade Unions of the Philippines and allied services said this will protect Philippine workers abroad and also trade unionism in the country. He said labor leaders from Iraq, Kuwait, Jordan, Syria, Libya and Algeria have assured him of assistance in case of labor problems of Filipinos working in the Middle East. Such problems range from contract sustitution to poor working conditions. [Text] [HK130207 Manila Far East Broadcasting Company in English 0130 GMT 13 Nov 81]

ILLEGAL LABOR RECRUITMENT--Here in the Philippines, 10 assemblymen have asked the Batasan labor committee to probe illegal recruitment of Filipino workers in the Middle East and Japan. The 10 assemblymen filed resolution 357 seeking investigation on the alleged illegal worker recruitment and exploitation. The assemblymen, led by Felicidao Santos, cited newspaper reports that Filipino workers in some Middle East countries are working under deplorable conditions, and he explained that it is the duty of the government to protect Filipino workers and to safeguard their rights and dignity as human beings. [Text] [HK140111 Manila Far East Broadcasting Company in English 0300 GMT 14 Nov 81]

PHILIPPINE-SAUDI ARABIAN TIES--President Marcos has hailed the growing friendly relations between the Philippines and Saudi Arabia. In his meeting yesterday with visiting (?Mayor) (Muhammad Said al-Farsi), the president expressed hope this relation would continue to grow stronger. He cited the effort of Saudi Arabian Ambassador Fawzi 'Abd al-Majid Shabukshi in promoting friendly ties between the two countries. [Text] [HK200050 Manila Far East Broadcasting Company in English 2330 GMT 19 Nov 81]

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END

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BANGLADESH PEOPLE'S CONGRESS ELECTION MANIFESTO

Dacca THE BANGLADESH TIMES in English 3 Nov 81 p 3

[Election Manifesto of Bangladesh People's Congress, Organizing Committee, in favor of Sirajul Islam]

[Text] Democracy means the authority of the people and not an authority acting on their behalf. The mere existence of a President and a Parliament means the absence of the people, but true democracy exists only through the participation of the people, not through the activity of their representatives. The President and member of parliament immediately after winning their votes he himself usurps their sovereignty and acts instead of them. That means that President and parliaments have become a means of plundering usurping the people's authority. The new principle, 'no representation in lieu of the people. Under such systems the people are victims, fooled and exploited by political bodies. Thus becomes clear that representation is fraud, and votes can be brought and falsified. After the successful establishment of the era of the republics and the beginning of the era of the masses, it is unreasonable that democracy should mean the electing of only a President and few representatives to act on behalf of great masses. The whole authority must be the people's. The most tyrannical dictatorships have existed under the shadow of parliaments and Presidents.

The party is the rule of a part over the whole. A party's aim is to achieve power under the pretext of carrying out its programme, party can be bought by money. The party is only a part of the people, but the sovereignty of the people is indivisible. The class political system is the same as the party. If a class, party, dominates a society, the whole system becomes a dictatorship. Plebiscites are a fraud against democracy, an instrument of governing which is the people as a whole. If that instrument can be brought into being the problem will be solved. Popular democracy will be realised, mankind will have put an end to tyrannical eras and dictatorial systems, and the authority of the people will have taken their place. Authority of the people, without representation or deputation and by realizing direct democracy in an orderly and effective form. The people's authority has only one face and it can be realised only by one method namely, congress and people's committee. No democracy without popular congress and committees. First the people are divided into basic congress. And basic congress will meet in their regular session. Each basic congress chooses its secretariate. The secretariate together form General congress, which are other than the basic congress, choose administrative people's committees to replace government administration. Thus all public utilities are run by people's committees which will be

responsible to the basic congresses and these dictate the policy to be followed by the people's committee and supervise its execution. Thus, both the administration and the supervision become popular and the outdated defination of democracy comes to an end. It will be replaced by the right defination. Democracy is the supervision of the people by the people, the people are the instrument of governing and in this case they are their own supervisor. The wage-worker is like a slave to the master who hires him, whether the latter is an individual or a state. The ultimate solution is to abolish the wage-system. The wage system which deprives the worker of any right in his production whether it is produced for society or for a private establishment. Man's freedom is lacking if somebody also controls his needs. The income is an imperative need for man, thus the income of any man in the society should not be a wage from any source or a charity from anyone. There will be no wage-workers in the socialist society, only partners. The purpose of the new socialist society is to create a society which is happy because it is free and this can be achieved through satisfying the material and spiritual needs of man, and that comes through to liberation of these needs from outside domination and control. Economic activity in the new socialist society is productive activity for the satisfaction of material needs, no individual has the right to carry out economic activity in order to acquire more of that wealth than is necessary to satisfy his needs because the excess amount belongs to other individuals. Under the new experiment you work for yourself to satisfy your needs rather than exploiting others to work for you. Freedom is indivisible for man to be happy, he must be free, and to be free, man post possess his own need. Whoever possesses your needs controls or exploits you. He may enslave you despite any legislation outlawing that. The material needs of man that are basic, necessary and personal. These must be within his private and sacred ownership. The purpose of the socialist society is the happiness of man which can only be realized through material and spiritual freedom. Attainment of such freedom depends on the extent of man's ownership of his needs; ownership that is personal and sacredly guaranteed, i.e. your need must neither be owned by somebody else, nor subject to plunder by any party of society. The over-turning of contemporary societies, to change them from being societies of wage-workers to societies of partners is inevitable. The final step is when the new socialist society reaches the stage where profit and money disappear. It is through transforming society into a fully productive society and through reaching, in production, the level where the material needs of the members of society are satisfied. In that final stage profit will automatically disappear and there will be no need of money.

CSO: 4220/7382

REPORT ON UN ENVOY'S SPEECH TO ECONOMIC COMMITTEE

Dacca THE BANGLADESH TIMES in English 13 Nov 81 pp 1, 8

[Text] New York, Nov. 12--Bangladesh reiterated at the United Nations that access to food and freedom from hunger is an universal human right and that food should not be used either as a political weapon or treated as just another commodity subjected to routine commercial activities.

An official announcement said this was stated by Ambassador Farooq Sobhan, Deputy Permanent Representative of Bangladesh to the United Nations in the Economic Committee of the 36th session of the United Nations General Assembly while making a statement on the subject of development and international economic cooperation.

He said that in spite of substantial increase in food production in some countries, over one billion people are affected by hunger and malnutrition. He added that increasing cost of energy, fertilizers, pesticides and other essential agricultural inputs together with high interest rates have seriously hampered efforts by developing countries to accelerate their food production. The very slow progress in meeting the food and development needs of the developing countries has created additional impediment to their national efforts for social and economic development.

The Bangladesh Representative said that the goal set by the World Food Conference in 1974 to eradicate hunger within a decade seemed no longer possible and the United Nations Development Strategy for the 1980s have set this goal at the end of the century. To reach this goal, massive increases in external resources in the food and agricultural sector would be required. The FAO secretariat estimated that external assistance to the tune of US dollars 13 billion would be required by 1990 to make this goal attainable.

He emphasised that together with an allout effort to accelerate world food production, the international community must seriously address itself to the establishment of a world food security system. He expressed disappointment at the lack of progress in negotiations for the international wheat trade convention which should include provisions for safeguarding the interests of the developing countries as a whole and Least Developed Countries in particular.

He said that adoption of the substantial new programme of action for the decade of 1980s for nearly 300 million people of 31 Least Developed Countries would go

a long way in alleviating their poverty and misery provided the commitments for international support measures are translated into action.

He expressed the hope that momentum of the Paris Conference would be maintained and the international community and the UN system would ensure a sympathetic and speedy implementation of the programme of action for the Least Developed Countries.

CSO: 4220/7386

EXCERPTS FROM CHOUDHURY SPEECH AT KATHMANDU MEET

Dacca THE BANGLADESH TIMES in English 5 Nov 81 p 5

[Excerpts from speech by Humayun Rashid Choudhury, foreign secretary of Bandladesh, at the meeting of South Asian foreign secretaries at Kathmandu]

[Text]

"Allow me to express on behalf of the Bangladesh delegation profound appreciation and thanks to Your Excellency and the Government of Nepal for the warmth of the reception and generous hospitality accorded to us as well as for the excellent arrangements made for this meeting.

Permit me also to extend warmest felicitations for your well-deserved election as Chairman of our meeting. I have no doubt that under your wise leadership we shall be able to have fruitful and meaningful discussions leading to the attainment of our common objectives.

We cannot but be conscious that in this magnificent capital city of Kathmandu nestled in the lap of the world's highest mountains, there is a particular relevance in carrying out our deliberations for the realisation of the objective of structured regional cooperation. For it is these very mountains, forming part of the chain that straddles the widest breadth of South Asia, that has given us a bearing and compulsion as a unique regional entity. It is in this context that I recall the words of His Majesty Birendra Bir Bikram Shah Deva, the King of Nepal during the Sixth Non-Aligned Summit Conference at Havana, in which he referred to an inspiring vision that one comes across in Nepal. He stated and I quote:

"It is a vision where hundreds of peaks in the Himalayan rise in grandeur and soar into the skies. These peaks they stand high, they stand firm and they stand alone, yet they are united, linked as though they were in a chain of non-alignment. They have, for long watched the drama of human civilisation. I would if I may, urge you all to draw inspiration from this vision and contribute to ensure the continuity of man, making him ever ascendant in the glory and the grandeur of a universal order of peace and security, progress and prosperity."

These words and this vision could not have been expressed more eloquently or serve better to inspire and guide us in our present endeavours.

I take this opportunity also to pay tribute to His Excellency Mr. Surya Bahadur Thapa the Rt. Hon'ble Prime Minister and Foreign Minister of Nepal who in his eloquent key note address has lucidly set forth the goals and challenges facing us.

Some six months have elapsed since the landmark, first ever, meeting of South Asian Foreign Secretaries in Colombo, in April, this year. Soon in its historic perspective what is remarkable is the degree of mutual accommodation that was reached despite differences and constraints in national perceptions and orientation of the individual countries. It can be said without hesitation that firm foundations were laid in fostering and prompting the idea of regional cooperation on a formalised basis. The Foreign Secretaries themselves in their joint communique were to stress "the historic significance and importance of the meeting which was a manifestation of the will of the seven countries to cooperate regionally". They also unanimously agreed that regional cooperation in South Asia was "beneficial, desirable and necessary".

At the core of the agreements reached was implicit recognition of the overall purpose for which we were meeting. The fundamental objective was to increase the welfare of our people, comprising more than a fifth of all humanity and to improve the quality of their lives in an environment of peace and harmony. The main vehicle for this purpose as we all know is the increase of the flow of goods and services.

In the regional context, it was recognised that we had to overcome the barriers of national self-interest and political sensitivities that have periodically plagued our relations. The process could not but be an evolutionary one. It cannot be weighed in terms of more costs and benefits but has to encompass the overall externalities of the situation. The essential question was that of assigning priorities and determining the scope and pace in which to proceed.

There was much that lay beyond the rhetoric. A set of essential Ground Rules

were established which emphasised that regional cooperation was to be based on and in turn contribute to mutual trust, understanding and sympathetic appreciation of the national aspirations of the countries of the region. In short, it provided an opportunity for all countries to asert their sovereign status in the region on the basis of effective equality. It also underscored the need for taking into specific cognisance the assymetries among the countries of the region and for equitable sharing of economic benefits by all member states irrespective of their stages of development.

The rules of unanimity in decision-making was accepted thus underlining the determination of South Asian countries to move together in promoting the goal of regional collectivity. It was further agreed that bilateral and contentions issues were to be excluded from the deliberations in a conscious effort to pursue cooperation that was truly regional in character. It was impressed that regional cooperation was not intended or expected to be a substitute for bilateral and multilateral cooperation but should complement both. Beyond these expressed imperatives was the clear-cut understanding that regional cooperation was not intended to lead to the formation of any new bloc or alliance inherent in the recognition that all countries of South Asia were members of the Non-aligned Movement.

These ground rules having been established the Foreign Secretaries moved on to identify specific areas in which mutually beneficial cooperation could take place. Bangladesh is particularly gratified that her Working Paper was accepted as providing a basis for discussions and that note was taken of the relevant broad areas of cooperation outlined in her Paper. As is well-known five specific areas were identified as an initial step. Study Groups were established under designated co-ordinator countries and detailed terms of reference drawn up for conducting the studies. These Groups were charged with submitting concrete recommendations to be considered by the current meeting of Foreign Secretaries.

It was recognised that these Study Groups constituted the basis for beginning the process in the hope and expectation that they could be progressively enlarged and evolve into a self-sustaining process. Provisions was accordingly made to explore identification of further areas of cooperation through establishment of a Committee of the Whole which was also to submit recommendations to us here at Kathmandu.

We are happy to note that all the five Study Groups established together with the Committee of the Whole have now completed their work and submitted their reports and recommendations.

This meeting in Kathmandu is charged with a four-fold mandate :—

1. To consider and act on the recommendations of the Five Study Groups established in April 1981 in Colombo.
2. To consider and act on the recommendations of the Committee of the Whole with regard to other areas of cooperation.
3. To examine whether the stage has been reached to recommend to the Foreign Ministers the convening of a meeting at their level.
4. To consider and further examine the institutional arrangements for regional cooperation outlined in the Bangladesh paper.

OUTCOME OF STUDY GROUPS ON FIVE SPECIFIC AREAS OF COOPERATION

In essence, our major task here will be to examine the extent, scope and potential of the outcome of the Study Groups and to determine whether the prospects are sufficiently positive to jusify moving into the plane of a political level meeting. In this context Bangladesh is convinced that the Groups have elicited a sufficiently positive outcome to warrant meaningful implementation of their recommendations. In virtually all the Study Groups there was unanimity in the adoption of the recommendations and effective contribution and participation by all member-states. It must be emphasised, in particular, that in each of the Study Groups concrete recommendations have been made on specific action—programmes many of which are susceptible to immediate implementation of cooperative efforts, not involving substantial capital expenditure or new investments and which do not require elaborate institutional mechanisms. Other programmes and projects have been indicated which have a larger gestation period and are fit for long-run investments, allowing time for commitment by member-states of necessary human and financial resources through evolution of appropriate collaborative mechanisms. It is also important to note that the Study Groups acting in accordance with the mandate laid down for them have indeed made concrete recommendations with regard to institutional machinery for implementing programmes identified by them. I am happy to note that the Host Government indicated in their invitation to us the need to include the Co-ordinators of the Five Study Groups. I think that it would be useful for firming up conclusions to have a report from each of them on the outcome of their respective Group deliberations.

OTHER AREAS OF COOPERATION

With regard to the other areas of cooperation identified in the report of the Committee of the Whole, Bangladesh as is well known, favours expansion both qualitatively and quantitatively. We had categorically stated that in approaching this matter we should search for a consensus in identifying areas of cooperation. The main objective was to seek through voluntary association to supplement existing cooperation where possible in the hope that this would create a catalytic effect in further progress to the mutual benefit of all. We are conscious of the dilemmas confronting us in the ordering of priorities. All of us here represent developing countries. Nationally, our approach is a multidimensional one, because of the inherent nature of economic and social development which is multi-sectoral and cross disciplinary and not, therefore, subject to easy compartmentalisation. In the context of regional cooperation we have per force to be selective for there coud be a danger of overstretching ourselves and defusing our efforts with little tangible gain. On balance, however, the logic of development overwhelmingly favours expansion into more and more areas of cooperation. This cannot be an exhaustive process but one of gradual accretion and phased in terms of organisation and resources. It is our hope that from the beginnings already made one could progressively enlarge cooperation to wider areas so that the process will become self-generating. In the immediate context we feel that we could

select some more areas and in the light of modalities already established call for a report and recommendations to be considered by us within a defined time frame. It is to be impressed, however, that the existing studies in the five areas are conclusive and positive enough to justify immediate implementation.

POLITICAL LEVEL MEETING

In the light of the above, Bangladesh fully supports the convening of a Foreign Minister level meeting at an early date with a view to making necessary preparations for a Summit Meeting. These would include preparation of a draft agenda, firming up of agreed areas programmes of regional cooperation and chalking out the modalities of such cooperation. I would like to reiterate in this regard that the proposal of our late President had initially envisaged starting the process of regional cooperation through a Summit meeting. This was in explicit recognition of the fact that the Summit was the only level competent to mobilise the necessary will and to give that thrust which would generate the process of regional cooperation Nevertheless, in acknowledging the need for preparation to make the Summit meaningful, Bangladesh had proposed the three-tiered approach of meeting at official and political level prior to the Summit to fulfil this essential requirement. We are, however., of the opinion that the content of preparations should not be overmphasised. As repeatedly underscored by us, the process of cooperation is an revolutionary one, embracing in its very nature a long-term perspective. What is needed now is a push to start the ball rolling and to sustain the momentum until the process becomes irreversible. Too much stress on technical studies, data etc. as a precondition to get started could dissipate the entire process and defeat the objective of regional collectively to which all of us have subscribed as being both necessary and desirable.

INSTITUTIONAL FRAMEWORK

This meeting is also charged with considering the recommendations outlined in the Bangladesh Working Paer on the institutional arrangements for regional cooperation. Bangladesh put forward these suggestions as a logical corollary to the fact that regional cooperation usually involves the establishment of a formalized and structured organisation. In that sense our proposals are an indicative outline of the ultimate objective of our endeavours. We are fully conscious that movement towards this goal would depend on the creation of a necessary environment for its receptivity and acceptability. It would nevertheless, be opportune to devote some thought to institutional arrangements be they structured or less formal in the recognitation that the process could evolve into an integrated association over the years. It is also obvious that without any institutional mechanism, regional cooperation would be relegated to the realm of the ideal.

Our deliberation have reached a critical turning point. The eyes of almost a billion people in our region are focussed on our efforts. We can draw strength from the realisation that we are not starting in a vacuum. We are bolstered by centuries of interaction politically, culturally and economically and bound by irrevocable ties of geography and common history. It is our objective to tighten the concentric circle of our varied interests into closer regional cooperation drawing on the existing levels of activity already under way. The challenge before us in an arducus one but so long as we are convinced that the goals can be realized we can work together for a better, more prosperous future for the peoples of our region in an area of peace free from confrontation.

CSO: 4220/7383

RAHMAN ASKS ISLAMIC COUNTRIES TO SHARE RESOURCES

Dacca THE BANGLADESH TIMES in English 2 Nov 81 p 1

[Text] Prime Minister Shah Azizur Rahman on Sunday called upon the rich Muslim countries to ensure greater flow of their surplus resources to the poorest of the Islamic world 'not as a charity but as a duty' reports BSS.

Such obligation of sharing resources between rich and poor of the Islamic world, he pointed out, was enshrined in the Holy Quran.

The Prime Minister was speaking at the foundation laying ceremony of Manarat International School at Gulshan Model Town in the morning. The function was attended, among others, by Religious Affairs Minister Abdur Rahman, the Saudi Ambassador Fouad Abdul Hameed al-Khatib, Kuwaiti Ambassador Saleh Mohammad Saleh al-Mohammad and heads and representatives of different Islamic countries.

Shah Aziz, in this context, reiterated the proposal for establishing world Islamic order for sharing of resources particularly in the economic fields. Muslim countries have the potential to become a great power 'if they combine their resources which Allah has bestowed upon them,' he said.

The Prime Minister, however, noted with appreciation that there was a growing awareness and willingness among the Muslim countries to consolidate Islamic unity and fraternity and foster economic co-operation.

Shah Aziz said Islam is not a religion of self-denial rather seeks self-assertion. Quoting from the Holy Quran, he said promotion of Islamic fraternity and brotherhood for the ultimate peace and stability of the world is a religious duty. "In our country it is a constitutional obligation to do," he added.

Speaking on the Islamic ideology, the Prime Minister said that Islam's comprehensiveness and dynamism must be comprehended and explained to the people particularly the younger generation and described the Holy Quran as 'the fountainhead of all guidance.'

The Prime Minister said Islam cannot be divided into watertight compartments. It is not merely a religion. It is a complete code of human affairs--both profane and spiritual, the Prime Minister pointed out.

Speaking about the new school whose foundation was also laid by the Prime Minister, he hoped that it would develop as an ideal school for imparting both Islamic and modern education.

The Prime Minister, who is also in charge of the Ministry of Education, said that other schools in the country should follow the pattern and emulate the example of the Manarat School in synthesising Islamic and modern education.

He also expressed gratitude for the assistance extended by the governments of Saudi Arabia, Kuwait, United Arab Emirates (UAE) and Muslim countries in establishing the school.

Earlier, Commodore (Retd.) Ataur Rahman, Chairman of the school Board of Trustee in his address of welcome narrated the scheme of the school which will cost Taka four crore for construction of the first phase of work. The Manarat School was established in 1978.

CSO: 4220/7380

SATTAR MESSAGE TO UNITED NATIONS ON NAMIBIA

Dacca THE BANGLADESH OBSERVER in English 30 Oct 81 p 1

[Text] New York, Oct. 29--Acting President Mr. Justice Abdus Sattar has reiterated Bangladesh's total support for the people of Namibia for independence and national liberation, reports BSS.

The Acting President in a message which was read out at the UN headquarters on October 26 at the solemn meeting to commemorate the week of solidarity with the people of Namibia and their liberation movement SWAPO said: "On the occasion of the observance of the week of solidarity with the people of Namibia and their liberation movement, SWAPO, I on behalf of the Government and people of Bangladesh wish to reiterate our total support for the people of Namibia for independence and national liberation. It is almost 15 years ago the General Assembly terminated the mandate of South Africa over Namibia and placed it under the direct responsibility of the United Nations. During these long years, South Africa has deliberately frustrated all efforts of the international community to secure the inalienable national rights of the people of Namibia and the withdrawal of the South African illegal military and administrative presence.

"The people of Namibia continues to suffer the humiliation and indignity of the most cruel form of racial discrimination and violation of basic human rights and constant repression of their just aspiration.

"Today, we honour the silent victims of apartheid, who risked their lives in the cause of human dignity. We salute the valiant freedom fighters of Namibia. The continued impasse on the question of Namibia demonstrates clearly the intransigence and lack of political will on the part of South Africa to resolve the question.

"Bangladesh believes that a just solution of the problem can only be achieved through unconditional implementation of the relevant Security Council resolution. We also believe that the right of self-determination of the Namibian people could only be exercised through election under the supervision and control of the United Nations and with active and full participation of SWAPO, the sole and authentic representative of the people of Namibia."

CSO: 4220/7378

REPORT ON FOREIGN SECRETARY'S 20 OCT UN SPEECH

Dacca THE BANGLADESH OBSERVER in English 21 Oct 81 pp 1, 12

[Text] New York, Oct. 20--Foreign Secretary Mr. H. R. Chowdhury said that Bangladesh's policy on disarmament was based on its constitutional commitment according to which "we are wedded to the concept of general and complete disarmament," reports BSS.

Speaking on disarmament at the annual general debate of the UN First Committee (Political and Security) here on Monday he said, The disarmament concept, prompted President Ziaur Rahman at the 11th special session of the United Nations General Assembly on International Cooperation and Development to state the current global military expenditure is nearly 500 billion dollars a year and is increasing at the rate of 50 billion dollars annually. By contrast, official development assistance is on the decline and is today less than five percent of the amount spent on armaments. The economic picture for the developing countries as a whole fills us with foreboding and gloom. The combined foreign debt of the developing countries is now in excess of 300 billion dollars.

The developing countries suffered a balance of payments deficit of 45 billion dollars in 1979. In 1980, this figure is likely to increase to 60 billion dollars.

The existing arrangements on the prevention of the proliferation of nuclear weapons beyond countries already having them were only an interim measure. The arms race, particularly in its nuclear aspects, ran counter to efforts to achieve the further relaxation of international tension to the establishment of international relations based on peace, coexistence and trust between all states and to the spirit of the peaceful settlement of disputes, and non-intervention and non-interference in the internal affairs of states. For that reason the elimination of nuclear weapons as part of a comprehensive programme of disarmament was essential if a nuclear holocaust was to be avoided.

Bangladesh attached great importance to the second disarmament decade largely because the first one had been characterised by more armament than disarmament. One of the primary objectives of the decade, reduction of the huge expenditures on armaments and use of the resources thus freed for purposes of development, particularly of the developing countries was far from being attained. He was encouraged by the growing awareness that world peace and security could not be maintained and guaranteed in the existing conditions of economic disparities.

Bangladesh attached utmost importance to the implementation of measures of disarmament that would result in the saving of important financial and human resources in both the developed and the developing countries and their reallocation for development needs. He said that was why Bangladesh felt that the proposals put forward by Romania and Sweden regarding the freezing and reduction of military budgets were particularly important.

The second special Assembly session on the disarmament should review the implementation of the decisions taken at the first special session. It should also be planned in such a way as to help increase awareness, both public and government of the need to halt and reverse the arms race and the urgency of progress towards disarmament. It should point out the direct benefit that nations and people's would derive in the attainment of their economic and development goals, and build support for specific arms control and reduction measures and for implementing the commitments already made in the final document of the first special session.

The disarmament process would be greatly enhanced if the constituency for disarmament was enlarged by involving more government leaders, prominent world citizens and non-governmental organisations in the process of disarmament. Bilateral and multilateral negotiations should be intensified for reaching agreements for arms control both nuclear and conventional.

CSO: 4220/7371

PACT WITH NORWAY SIGNED, AID TO LDC'S LAUDED

Dacca THE BANGLADESH OBSERVER in English 29 Oct 81 pp 1, 12

[Text] Bangladesh will receive 120 million Norwegian Kroner (approximately Taka 35 crore) as grant during 1982 under an agreed minute signed between the two countries in Dacca on Wednesday, reports BSS.

The signing of the agreement was the follow-up of the three-day annual negotiations for Norwegian bilateral economic assistance to Bangladesh held between the visiting six-member economic delegation led by Mr. Herman Pedersen, Deputy Director of the Ministry of Foreign Affairs and Bangladesh officials.

With this, the Norwegian assistance to Bangladesh since 1972 will total approximately Taka 200 crore. Bangladesh is the second largest recipient of Norwegian assistance among the Least Developed Countries. From the modest beginning of 20 million Norwegian Kroner in 1973 it goes up to 120 million in 1982.

The assistance will be utilised for development of water transport system, rural infrastructure, health and population control and women oriented projects. A major part of Norwegian assistance is also utilised to finance import programmes.

The agreement was signed by Mr. Shafiul Alam, Additional Secretary of the External Resources Division and Mr. Herman Pedersen on behalf of their respective countries.

After the signing ceremony Mr. Pedersen said that Norway is one of the countries whose development assistance had exceeded one per cent of gross national product. Expressing his satisfaction at the proper utilisation of the assistance by Bangladesh, Mr. Pedersen said their aid to the country was entirely on grant basis and large part of it was untied.

Speaking on the occasion, Mr. Shafiul Alam said that Norway is an active champion of the causes of developing countries and she is working as a pace-setter among the donors in the direction of increased resources flow to LDC.

Recalling the role of Norway in the recent Cancun summit, Mr. Alam appreciated the Norwegian gesture of extending development assistance to Bangladesh.

Norwegian Ambassador to Bangladesh, resident in Delhi, Mr. Per Gulowsen and Mr. Helge J. Sevendsen, representative of Norwegian Agency for International Development in Bangladesh were also present.

CSO: 4220/7376

DACCA REPORTAGE ON CANCUN SUMMIT CONFERENCE

Prime Minister's 22 Oct Speech

Dacca THE BANGLADESH TIMES in English 24 Oct 81 p 7

[Text]

CANCUN (Mexico), Oct 23: Following is the text of the addres of the Prime Minister Shah Azizur Rahman to the plenary session of the Cancun Summit delivered on Thursday:

"Mr Chairman, Your Excellencies.

I bring you the warm greetings of the people and Government of the People's Republic of Bangladesh.

Ever since on arrival here we have received the warmest welcome and treated with most generous hospitality.

We have also been surrounded by the great scenic beauty with which nature has endowed Cancun.

Our deepest gratitude goes to our most gracious host, the Government and the people of Mexico.

Twenty-two countries with divergent background of history geography, language, culture, economic, political and social system converged at Cancun with a common mission.

This unique and unprecedented gathering is by itself a historic event. Well deserved appreciation is due to His Excellency, Jose Lopex Portillo, President of Mexico and His Excellency, Bruno Kriesky, the Chancellor of Austria for their commendable initiative, painstaking effort and rare diplomatic and political skill in giving concrete shape to this idea.

We also congratulate His Excellency Prime Minister Pierre Trudeau on his election as a Co-Chairman.

Mr. Chairman,

We have assembled here because the contemporary world is in the grip of a deepening crisis. We have come from far flung parts of the world in quest of a solution to this crisis. We are here in a spirit of cooperation and not of confrontation. We are here neither to negotiate nor bargain.

HISTORIC

Mr. Chairman,

We believe that Cancun Summit provides a unique and historic opportunity to evolve a strategy through constructive dialogue, free and friendly exchange of ideas sharing of experiences and sharpening of our mutual perception of the character and magnitude of the crisis.

Mr. Chairman,

While the industrially developed countries are battling with the problem of stagflation, the developing countries are faced with a catastrophic situation caused, on the one hand, by the rapid rise in the prices of all imports include oil, and, on the other, by the slump in the prices of commodities they export. Heavily dependent on a deplectable resource, the OPEC countries are also faced with a formidable challenge, namely, developing a viable economic structure.

Mr. Chairman,

The disparity between the low income countries and the rich, as well as the middle income countries, continues to increase. In 1960 the per capita GDP the industrial countries was 26 times that of the developing countries. By 1979 it grew 44 times. It is indeed, tragic that after two decades of development sponsored by the UN, number of the hungry, the deprived and the destitute throughout the third world countries to multiply, currently numbering yearly 800 million. A greater irony is the decline in the official development assistance combined with a net transfer of resources from the poor to rich countries.

Mr. Chairman,

For the Least Developed Countries the line between survival and disaster is, indeed, very thin. An all out assault is needed to eradicate proverty in its most degrading form and to get the Least Developed Countries into the mainstream of development. This calls for global cooperation and an equitable burden sharing.

ZIA'S PROGRAMME

The 10-point programme proposed by our late President Ziaur Rahman at the 11th Special Session of UN General Assembly presents a pragmatic approach in this respect. The UN Conference on the Least Developed Countries in Paris adopted last month a Substantial New Programme of Action (SNPA) to be implement within this decade. We sincerely hope that all of you, here and outside this meeting will lend full support to the effective implementation of this action programme.

We believe that if the major issues in the areas of food security and agricultural production, energy, trade, monetary reforms and financial flows are to be pragmatically and effectively addressed, charges primarily in approach and political will are called for. Nowhere is the interdependent of the nations of the world more evident than in these five areas.

Mr. Chairman.

While we understand the anxiety of the industrial countries for curtailing inflation and their desire for free play of market forces, it is not too infrequently that we are bewildered by conflicting signals and decisions in these very areas. Heavy and historically unprecedented levels of planned military expenditure contrasts sharply with declining development assistance in the case of many of the donor countries.

Mr. Chairman,

We appreciate the concern expressed by some that the developing countries must undertake internal economic reform and structural adjustments. The low level of income and inadequate capacity of these countries to save place a severe limitation on their efforts. Nevertheless, in the Substantial New Programme of Action (SNPA) of the least developed countries, the LDCs have agreed to triple their domestic resource mobilisation in this decade which is much in excess of the expected contribution of the donor countries.

We want to highlight that policy reform measures have to be designed carefully keeping in view the socio-political conditions of the individual countries and their cultural and value system.

Austere domestic measures can be taken only in the context of adequate international support. Moreover, it is of utmost imperative that the policy pursued by the industrial countries do not disrupt the social fabric of the developing countries as it is imperative that we preserve the domestic framework in pursuing economic development.

LONG-TERM SOLUTION

Though the rich industrial countries are now preoccupied with the problems of recession, inflation and unemployment, they should recognise the reality that the long-term solution of these problems depends on greater and closer North-South Cooperation. The new markets and labour surplus lie in the South. The accumulation of unutilisde capital in the North, now further augmented by the transfer of surplus funds of the OPEC, combined with the large and cheap labour force of the South can vastly expand the global productive efforts, thus generating more employments and more income and enlarging the world market. While on this subject, Mr Chairman, I would like to say that suggestions for an increasing private sector role in the process of economic development in the developing countries are well taken but we believe that to attract and encourage private investment including foreign private investment in most developing countries, and particularly in the low income countries Government will have to continue to play a major role in creating the needed infrastructures. Major investments are needed in irrigation, agricultural extension, research, storage, rural roads, schools, hospitals, training centres, ports etc. which by their very nature will not be attractive to private entrepreneurs. But there are areas, such as development of proven energy resources where private sector can significantly complement public efforts.

Mr. Chairman,

We view development as a process leading to a person's health-fulfilment as an individual as a worker and as a citizen. We view man as the instrument of development and self-reliance as an imperative. Our peopel are willing and determined to work hard. This dtcermination was demonstrated during the last five years by the heroic efforts of our people who step up production and the striking progress achieved by them in agricultural production. Countries like Bangladesh have a vast production potential; but we need the vital inputs to build infrastructures and provide capital and appropriate technology to create additional opportunities of productive work.

As we have assembled in Cancun, centre of the great Maya civilisation we are also reminded of great civilisations which flourished in other parts of the world. Together they contributed to what is the cultural heritage of all mankind. We hope this shaved heritage, the product of man's undying quest for a better life, will be an added source of inspiration to us to work in close cooperation in a growingly interdependent world in keeping peace and progress.

I would like to conclude on the hopeful note that this informal but historic meeting through its construction deliberations will usher in a new era in international cooperation, pave the way to the global round of negotiations and meaningful dialogues on all the identified issues also in other forums, so that action-oriented decisions can be taken and their implementation expedited which alone will make our meeting here for two days historic and memorable".

Rahman on Global Food Security

Dacca THE BANGLADESH OBSERVER in English 24 Oct 81 p 1

[Text]

CANCUN, Oct. 23:—Bangladesh has noted with alarm that over the past decade per capita food production had dropped in more than 60 developing countries and the number of malnourished people have reached a record level, reports BSS.

Making an intervening remark at the afternoon plenery session of the 22-nation summit, the Prime Minister Shah Azizur Rahman pointed out that world food stock, on the other hand was likely to fall in 1980-81 to the lowest level in 20 years.

The leader of the Bangladesh delegation said if such trend continued "we may be faced with a crisis worse than that of 1972 and 1974."

The Prime Minister said that the problem could never be solved by increasing imports from few food surplus countries as, apart from the problem of payment, it would also involve the problem of necessary logistics for transportation of food grains for the growing population in developing countries.

The Prime Minister told the summit that "we in Bangladesh have assigned top most priority to agricultural development to achieve self-sufficiency in food within the shortest possible time.

Shah Aziz informed the summit that in one year Bangladesh was able to reduce its food deficit from over two million tons to about one million ton. He pointed out that the developing countries supplied out of their own resources over 80 per cent

of the total investment in agriculture and therefore additional requirements would have to come from the developed re. come from the developed countries and other sources.

He reminded that multilateral organisations, particularly FAO, FAD & WFP on the one hand & the financial institutions on the other had very important role to play in this respect.

The Bangladesh Prime Minister put forward a four-point suggestion to ensure global food security:

... To ensure that the food importing developing countries particularly the LDCs have access to resources to import the minimum quantum of food to protect their population from hunger and malnutrition.

... Creation of a dependable system of food reserve to guard against undue fluctuations in production and prices.

... A substantial increase in investment and flow of external resources to accelerate food production in the developing countries.

...Development of research and training facilities in the food sector.

The Bangladesh Prime Minister observed that in order to keep with growing population, food production during the current decade must increase by an average four per cent per annum. "This is a goal which can be achieved through international coorperational" Shah Aziz said.

EEC MOVE HAILED

Another report adds: Bangladesh reiterated the urgent need to institute a global system for the stabilisation of export earnings of the least developed countries.

The leader of Bangladesh delegation Prime Minister Shah Azizur Rahman intervening the discussion on trade and commodities at the third session of the summit on world development here this morning however welcomed the positive move by the EEC countries taken in the Paris Conference on LDCs last month to extend coverage of EEC's stabilisation of export arrangement to all the LDCs.

Rahman on Open World Trade

Dacca THE BANGLADESH TIMES in English 25 Oct 81 pp 1, 12

[Text] Bangladesh Prime Minister Shah Azizur Rahman has called for substantial increase of concessional assistance to low income countries in real terms and said an open trade environment is essential for both developed and developing countries.

Intervening in discussions on "monetary issues and financial flows" and "freight and commodities" on the concluding day of the 22-nation mini-summit in Cancun in Mexico, Shah Aziz expressed deep concern over sharp reduction in the availability of IDA assistance and appealed that "IDA-6 be restored to its original plans to complete commitment of agreed resources over a three-year period ending in June 1983."

Monetary Issues

"At the same time," he said, "we would also urge that IDA-7 negotiations be started as soon as possible to ensure substantial increase in real terms."

For immediate balance of payments support, the International Monetary Fund should reorient its policy so as to reflect a better understanding of the socio-economic realities in the developing countries, he said in his statement.

The Bangladesh Prime Minister said SDR allocation which can provide unconditional balance of payment support to the developing countries has come to a stand still, thereby defeating the very objectives behind the First Amendment of the Article of Agreement of the Fund for making SDR the principal reserved asset.

"Present difficulties of the developing countries render it imperative that the IMF resumes allocation of SDRs without any delay and ensure that the developing countries derive the maximum benefit from this measure," he said.

Shah Aziz urged the donor countries to give "full support to the understanding reached in the Paris Conference on the LDCs where it was recognised that only a substantial increase in ODA in real terms during this decade will enable the Least Developed Countries to achieve the objectives of their country programmes within the framework of the Substantial Programme of New Action."

COMMODITIES

In his statement on "freight and commodities" Prime Minister Shah Aziz said, "the prices of commodity exports which are the main interest of the low income countries have been fluctuating and weakening and recently they have been falling sharply."

He stresed the need for creation of an adequate common fund and put forward two specific measures for immediate adoption:

(1) In view of the decreasing unit value of the primary exports, we reiterate the urgent need to institute a global system for stabilisation of export earnings of the Least Developed Countries. In this context we deeply appreciate and welcome the positive move by EEC countries taken in the Paris Conference on LDCs last month to extend coverage of EEC's STABEX arrangements to all the LDCs.

(2) In the field of liberalisation of trade, textiles and other fibres including jute constitute a very significant field for the developing countries. We hope that negotiations of extension and liberalisation of multifilure Arrangements will yield positive results and the developed countries will liberally interpret provisions of the Arrangements. We also hope that Multifilure Agrement (MFA) will provide for special treatment to new entrants in textile export field and for small suppliers."

Rahman's London Statement

Dacca THE BANGLADESH TIMES in English 26 Oct 81 pp 1, 8

[Text]

LONDON, Oct 25: Prime Minister Shah Azizur Rahman said here today that the just concluded Cancun Summit proved fruitful and productive in promoting international understanding in the field of cooperation and development, reports ENA.

The Prime Minister hoped that the spirit of the Cancun summit will prevail.

The Prime Minister reached here this morning from Cancun Mexico, enroute home. He issued a statement on the outcome of the summit early this afternoon.

The statement said "the Cancun summit provided a historic opportunity, an informal free exchange of views, a meeting of minds between 22 countries at the highest political level. Though these countries came from diverse backgrounds of history, culture, economic and political systems and are in varying stages of development they represented a common mission and very significant and influential group within the international community.

The Bangladesh Prime Minister said the Cancun summit has been a memorable event and proved fruitful and productive in promoting international understanding in the field of cooperation and development. He said the leaders displayed an awareness, (a) that political stability and economic stability are complementary to each other to maintain and promote peace, security and development. (b) that the growing global economic interdependence between rich and poor states is a reality and (c) the effectiveness of cooperation on the basis of mutuality of interest involves many complex issues. There must be collective endeavour to resolve global issues globally in the universal forum of the United Nations in the form of global negotiations, he said.

The Cancun summit has focussed and identified some of the major issues and challenges facing the world economy, namely (a) food security and agricultural development, (b) commodities, trade and industrialisation, (c) energy, monetary and financial issues and menacing arms race.

"We are happy that despite diversity of views, consensus has been arrived at on areas of priority," he said.

Hunger must be eradicated

by 2000 A.D. National efforts in these respects have to be supported by timely and adequate international technical and financial support, he said. The fundamental importance of commodities as export earner of developing countries has been recognised. The need to bring Common Fund into operation and more impressive efforts to negotiate effective international agreements in core commodities aimed at stabilising commodity prices has been agreed upon, he said.

The North agreed that the South has a point. We are optimistic that Cancun spirit will prevail, the Prime Minister said.

The Prime Minister and members of his delegation left Cancun on October 24 afternoon. He was seen off at the airport by Mexican President Jose Portillo. He was given a 21 gun salute.

Rahman's Remarks on Return

Dacca THE BANGLADESH TIMES in English 28 Oct 81 pp 1, 8

[Text]

Prime Minister Shah Azizur Rahman on Tuesday said that the just concluded 22-nation Cancun summit had been successful as there was awareness and concern demonstrated by the participants in maintaining world peace, global prosperity and economic well-being.

Shah Azizur Rahman was talking to newsmen on his arrival at the Zia International Airport, Kurmitola, from Cancun, Mexico. Foreign Minister Prof M. Shamsul Huq also returned with the Prime Minister in the same flight.

He said that Bangladesh was one of the five Asian countries to be invited to the historic mini-summit. This invitation, he said, reflected the high esteem in which Bangladesh is held by the international community. "It is a recognition of the fruitful policies of development at home along with a forward-looking foreign policy. These were the main planks of late President Ziaur Rahman's policy, which are being followed by the present Government," he said.

The leaders in Cancun came from diverse regions, different political systems and varying stages of development; yet the importance they attached to the global interdependence and the North-South relationship reflected the priority for solution to issues of global concern, he pointed out.

SUGGESTIONS ACCEPTED

The leader of the Bangladesh delegation pointed out that his team made positive and constructive contribution to the deliberations in Cancun and "a number of our suggestions on various issues have been incorporated in the summing up statement by the co-chairman of the summit, the President of Mexico and the Prime Minister of Canada.

He said, "our interventions on agricultural development and food security, commodity trade and financial issues were particularly appreciated," he said.

The Prime Minister hoped that the momentum generated by the Cancun summit would be carried forward.

CONSENSUS

The Prime Minister, who led the Bangladesh delegation to the Cancun summit, said that there had been concensus amongst the nations of the North and South on speedy solution of problems of food security, commodity trade, agricultural development, adequate flow of resources to the developing and least developed countries reduction of arms race and diversion of these expenditures to productive purposes, and complete elimination of hunger by 2000 A.D.

There has also been concensus, he said, on the launching of global negotiation under the aegis of the UN with a sense of urgency. The summit also identified many areas of shared priorities.

The leader of the Bangladesh delegation to the summit pointed out that the participants also agreed on the need for timely and sufficient technological and financial support for increasing food production and rural development.

TRADE ENERGY

In the field of trade, he pointed out, they agreed to undertake measures for stabilization of commodity prices by creating common fund and putting it into operation and facilitating exports from developing and least developed countries through improvement of generalised system of preferences and pre-negotiation of multi-fibre agreement.

In the field of energy, he went on, the need for undertaking greater investment with international support for exploitation and exploration of energy resources and emergency steps for development of new sources of energy was emphasised.

On monetary and financial issues, suggestions were offered for improved international financial cooperation.

TALKS WITH LEADERS

The Prime Minister said, "our bilateral talks with the President of USA, Prime Minister of Japan, Crown Prince Fahd of Saudi Arabia, Prime Ministers of China and India, President of Nigeria, Prime Ministers of Canada and the United Kingdom, among others, have in particular been very useful".

All of these international leaders, he said, had shown eagerness to provide support to Bangladesh in her development efforts. "They highly appreciated our adherence to democracy and our resolve for advancing with economic progress", he said.

Replying to a question, the Prime Minister said that the deliberations in Cancun were characterised by a concensus." There has been no difference of opinion in any matter" he said.

SHAMSUL HAQ

BSS adds: Foreign Minister Prof Shamsul Huq said, the Cancun summit was an informal gathering of the 22 nations for finding out ways of meaningful cooperation between the North and the South.

Therefore, he said, these countries would have to continue to seek further to evolve the opportunities of global negotiations for abridging the existing resources gap between the nations in the North and the South.

The Foreign Minister said this when replying to questions at the Zia international airport just on his return from the Cancun summit accompanying the Prime Minister who led the Bangladesh delegation to the 22-nation meetings held on October 22, 23.

Answering a question Foreign Minister Shamsul Huq said leaders of all the eight developed nations in the summit showed considerable interest in our development efforts and assured to assist us.

Replying to another question Prof Huq said the global negotiations to being in New York would be preceded by official meeting of the representatives of the countries of the North and the South to lay down a procedure.

He said that the summit was though informal but was full of warmth which was expected to continue its future course.

The Foreign Minister further said that in such preparations of global round of talks the compromise finally reached the desirbility of support from the participants with a sense of urgency. The consensus to start the global negotiations would provide with the prospects of meaningful results, he added.

Replying to another question on the energy issue, the Foreign Minister said there was consensus on the matter to create an affiliate body under the aegis of the World Bank to deal with it. Late President Zia was the first among all to put forward a suggestion for setting up a consortium of the least developed countries (LDC) and the OPEC countries for helping the developing countries in the problem.

The function of the body will be to deal with the use of depletable and renewable resources for generating energy in the developing nations he said.

Answering a question on the acute slow agricultural growth in the least developed countries and its immediate remedies, the Foreign Minister said that when the summit targetted the removal of hunger by the 2000 AD, it had visualised a long-term and a short-term programme in the direction.

Under the short-term programme direct food transfer will be undertaken to face food insufficiency and under the long-term one adequate investments would be made in the agricultural sector for striking out a growth.

CSO: 4220/7373

NEW MAURITANIAN AMBASSADOR PRESENTS CREDENTIALS

Dacca THE BANGLADESH OBSERVER in English 22 Oct 81 pp 1, 12

[Text] Bangladesh Ambassador to Mauritania Sheikh Tavebur Rahman presented his credentials to President Lt. Col. Mohammed Khouna Ould Haidalla in Nouakchot recently a message received in Dacca on Wednesday reports BSS.

While presenting his credentials to the President the Ambassador said that Bangladesh was moving forward under the leadership of the Acting President Mr Justice Abdus Sattar on the direction shown by the late President Ziaur Rahman.

Speaking on the occasion the President of Mauritania expressed satisfaction at receiving the new Ambassador of Bangladesh establishing contact and hoped for closer cooperation and fraternal relation between the two countries in all fields.

Conveying his greetirgs to the Acting President Mr Justice Abdus Sattar, President Haidalla praised the role of Bangladesh and particularly the late President Zia's dynamic role in the non-Aligned and Islamic conference movement.

The Bangladesh Ambassador conveyed fraternal greetings from the Acting President, government and people of Bangladesh and expressed hope of greater cooperation and collaboration in various fields between Bangladesh and Mauritania.

CSO: 4220/7372

JAPAN TO GIVE FOOD PURCHASE, POWER PROJECT AID

Dacca THE BANGLADESH OBSERVER in English 21 Oct 81 pp 1, 12

[Text] Japan will provide Bangladesh with two grants amounting to yen 2,920,000000 (approximately Taka 22.4 crore) for purchasing rice from Japan and Burma and for implementing the installation [words illegible] irrigation project under two separate exchange of notes signed in Dacca on Tuesday between Japan and Bangladesh reports BSS.

Both the grants are to be utilised before March 31, 1982 which will be provided during this fiscal year.

Under the first exchange of notes Bangladesh will receive a grant of yen 1700000000 (approximately Taka 13 crore) which will be utilised by the Ministry of Food for purchasing rice from Japan and Burma under the Food Aid Convention of the International Wheat Agreement 1971 (known as Kennedy Round Programme) which provides food support to the developing countries. In addition to above, Japan will also grant an amount up to yen 380000,000 (approximately Taka 2.9 crore) towards the cost of transportation of the above rice from the port of Japan and Burma to the ports in Bangladesh.

The second exchange of notes provides a grant assistance of yen 840,000,000 (approximately Taka 6.4 crore) which will be utilised by the Bangladesh Water Development Board for pilot project for construction of terminal irrigation facilities in Narayanganj-Narsingdi area, such as construction of flood protection embankment, irrigation and drainage facilities pumping station and supplementary facilities and for purchasing equipment necessary for the maintenance of the facilities.

Mr. Hirohiko Otsuka, Ambassador of Japan to Bangladesh and Mr. A. M. A. Muhith, Secretary, External Resources Division signed this exchange of notes on behalf of their respective governments.

CSO: 4220/7371

PAKISTAN'S HELP IN WATER, POWER PROJECTS SOUGHT

Dacca THE BANGLADESH TIMES in English 20 Oct 81 p 1

[Text] Islamabad, Oct 19--Bangladesh Minister for Power, Water Resources and Flood Control, Mr L. K. Siddiqui now on a visit to Pakistan called on President Gen Mohammad Ziaul Haq and handed over a letter of the Acting President Justice Abdus Sattar last Thursday, reports BSS.

The Pakistani President expressed his warmest greetings and best wishes to his Bangladesh counterpart and prayed for the continued well-being and prosperity of the people of Bangladesh.

Earlier, the visiting Bangladesh Minister had formal talks with Raja Sikandar Zaman, the Pakistani Minister for Water and Power.

Mr Siddiqui was accompanied by the Bangladesh Ambassador in Pakistan on all the occasions.

Technical Aid

Bangladesh on Monday sought Pakistani technical help in implementing and running its water and power projects, Pakistani officials said.

The officials said the request was made by Bangladesh Minister of State for Water and Power L. K. Siddiqui in a meeting here with Pakistan Water and Power Development authority officials.

They said Pakistan was ready to help Bangladesh in building barrages and other water-related projects.

CSO: 4220/7370

MINISTER, BUSINESSMEN DISCUSS EXPORT-IMPORT POLICY

Dacca THE BANGLADESH OBSERVER in English 17 Oct 81 pp 1, 8

[Text] The arrangements for funding the annual import programme for the current financial year, 1981-82, have been firmed up. The temporary strains in the availability of cash foreign exchange as well as commodity assistance which led to the delay in the issuance of import licences for the current year have been overcome. Expeditious moves are now on in the office of the Chief Controller of Imports and Exports (CCI&E) to issue the licences to the importers.

Chowdhury Tanbir Ahmed Siddiky, Minister of State for Commerce, stated this on Friday, while addressing the members of Dacca Chamber of Commerce & Industry (DCC & I) at the conference room of the Chamber. The function was presided over by Mr. Nuruddin Ahmed, President, DCC & I.

The members of the DCC & I pointed out various problems faced by the private sector in the fields of import, export, credit programming, industrial investments etc. Besides the Chief Controller of Imports and Exports and the Vice-Chairman of the Export Promotion Bureau, the meeting was attended by the senior officials of the Ministry of Commerce.

In his speech, Chowdhury Tanbir Ahmed Siddiky assured the members of the DCC & I that the licences for the entire import programme for about Taka 2950 crore for 1981-82 would be issued before the current financial year was over in June, 1982. Referring to the various problems as were raised by the DCC & I members in their presentation at the meeting, he noted that the flexibility was the cornerstone of Government policies on the economic front and told them that all "reasonable and logical demands" of the private sector would be accommodated.

The State Minister gave an overall review of the economic policies pursued by the Government since 1977 with a view to "rejuvenating the economy" in general and "reactivating the private sector" in particular. He observed that the share of the private sector in the overall import trade had now raised to 40 per cent in 1981 as compared to 15 per cent in the pre-1975 period. The industrial investment schedule has been liberalised with wider opportunities for the private sector to perform an expanded and dynamic role, he added while stating that the number of industrial units, sanctioned during the last five to six years, would bear out the success of the industrial policy to encourage the setting up of industries in the private sector.

He disclosed that the Government had already accorded approval to all the proposals, received from the private sector setting up textile units in the country. Three proposals for setting up commercial banks in the private sector had similarly been 'okayed' and the banks would soon start functioning, he added.

Chowdhury Tanbir Ahmed Siddiky pointed out that the Government as a matter of policy attached highest priority to promote the growth of both export-oriented and import-substituting industries. He observed that the protection to the local industries was being given thorough appropriate tariff policies. He told the DCC & I members that the Tariff Commission was engaged in the task of ensuring protection to the local industries whenever necessary, with a view to promoting industrialisation and making goods available to the domestic consumers at reasonable prices.

He said that the Government believed in a mixed economic pattern for the country, the private and the public sector. He added that the Trading Corporation of Bangladesh (TCB) would work for building up a bufferstock for four months in case of certain essential imported goods. Within the next three to four years the TCB would convert itself into a leading export house for funding its import programme from its own cash foreign exchange earnings, he stated.

Earlier, the President, DCC & I, Mr. Nuruddin Ahmed, in his presidential speech at the function, called for all possible incentives in the fiscal and monetary fields for a strong private sector with a view to overcoming the 'prevailing recessionary situation' within the economy. He pleaded for lowering the LC (letters of credit) margin for the private sector and resented the 'inordinate delay' in issuing import licences.

In their observations at the meeting, the DCC & I members were critical of the imposition of heavy duties on the import of industrial spare parts which, they apprehended would lead to crippling burdens on the industrial units in the country. They demanded effective Government control over the smuggling of Indian sarees and felt that such smuggling operations had adversely hit the domestic textile units including the handloom industry. They observed that 'bureaucratic control and corruption' were hampering the export promotion drive by the private sector.

Some DCC & I members noted that the pricing policy of the Sector Corporations did not reflect at all the cost-effectiveness of the concerned units. They were critical of the import of some items like electric metres by the Governmental agencies despite the fact that the country had the capacity to produce the same locally.

CSO: 4220/7369

BRIEFS

BANGLADESH-PAKISTAN TAX CONVENTION--Bangladesh and Pakistan on Thursday signed a bilateral convention for avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income, says a PID handout. The convention was signed on behalf of Bangladesh by Mr. A. K. Azizul Huq, Secretary, Internal Resources Division and Chairman, National Board of Revenue and on behalf of Pakistan by its Ambassador to Bangladesh Dr. M. Humavun Khan. The convention which was negotiated earlier aims at facilitating closer economic and commercial relations between the two countries. [Text] [Dacca THE BANGLADESH OBSERVER in English 16 Oct 81 p 12]

LOAN FROM DENMARK--Denmark will provide Bangladesh with Taka 22-crore (80 million Danish kroner) as concessional loan under an agreement signed in Dacca on Friday between the two countries, reports BSS. Mr. A.M.A. Muhith, Secretary, External Resources Division, and Mr. Jens Ege, Charge d'Affaires of Danish Embassy in Dacca signed the agreement on behalf of their respective governments. The fund will be available for financing the procurement of a mini-oil tanker, work boats, postal railway wagons, road rollers, irrigation, dairy and cold storage equipment. This is the sixth loan from Denmark. The Danish loan is interest free and its re-payment period is 50 years with a 10 year grace period. Denmark has already converted the first and second loans into grant. Danish economic aid to Bangladesh, both in grants and loans, is being utilised mainly in agriculture, fisheries, inland waterways and rural development sectors. Mr. Jens Ege later told BSS that since 1976 Denmark had given 70 million US dollars to Bangladesh for its development activities in the form of loans and grants. He expressed the confidence that the amount would be increased in the coming years. Mr. Muhith said that the relation between the two countries would further be cemented in the coming years. Describing Denmark as the progressive partner in international development Mr. Muhith hoped that it would assist Bangladesh in future too. [Text] [Dacca THE BANGLADESH OBSERVER in English 24 Oct 81 p 1]

FRG COOPERATION PACT--Bangladesh and Federal Republic of Germany on Friday signed an agreement on the acquisition of a participation in the scheduled Industrial Promotion and Development Company (IPDC) by the German Company for Economic Cooperation (DEG), reports BSS. Mr. A.M.A. Muhith, Secretary, External Resources Division and Baron Von Marschall, Ambassador of FRG in Bangladesh, signed the agreement on behalf of their respective governments. This agreement enables the DEG to acquire a participation worth Taka 1.6 crore (2 million dm) in the Industrial Promotion and Development Company of Bangladesh which is being scheduled to be floated next week. The company, which will be owned jointly by Bangladesh and

four foreign agencies including DEG will provide direct financial assistance through equity participation and loans for promotions of industries in Bangladesh. It is expected to attract private foreign investments for industrial development of Bangladesh. [Text] [Dacca THE BANGLADESH OBSERVER in English 24 Oct 81 p 1]

DACCA-FRG TAXATION AGREEMENT--The Governments of Bangladesh and the Federal Republic of Germany initialled on Wednesday a bilateral agreement on the avoidance of double taxation, reports ENA. After the agreement is ratified by the two countries it is expected to go into effect with effect from January 1982. Mr. M. S. Chowdhury and Dr. Koch, leaders of the Bangladesh and FRG delegations to the negotiations respectively, initialled the agreement on behalf of their respective governments. The four-member FRG delegation included Mr. Koch (head of the delegates), Dr. Klemann, Mr. Michael Krause (of FRG's Finance Ministry) and Dr. Lohse of the Foreign Office of the FRG. And the members of the Bangladesh side for negotiations were Mr. M. S. Chowdhury, Member (Taxes-1) head of the delegates, Mr. S. H. Chowdhury, Commissioner of Taxes, Dacca (South) zone, Mr. Z. H. Qutubuddin, First Secretary, NBR and Mr. Eradatullah, Second Secretary (Taxes, NBR). [Text] [Dacca THE BANGLADESH OBSERVER in English 29 Oct 81 p 12]

GANOTANTRIK ACTING CHIEF--The standing committee of Ganotantrik Party has elected Mr Anwar Zahid the party's acting Chairman, reports BSS. A Press release said the party Chairman Mr Nurul Huda Mirza is away in People's China for treatment. [Text] [Dacca THE BANGLADESH OBSERVER in English 2 Nov 81 p 3]

NEW BRITISH ENVOY--The British High Commissioner designate Mr Frank Mills presented his credentials to the Acting President, Mr Justice Abdus Sattar, at Bangabhaban on Monday reports BSS. While presenting his letter of credence, the new British envoy expressed his hope that the already existing good relations and friendship between the two countries would be further strengthened in the years to come. Reciprocating, Justice Abdus Sattar assured all co-operation to the British High Commissioner. [Text] [Dacca THE BANGLADESH TIMES in English 3 Nov 81 p 3]

YUGOSLAV AMBASSADOR DEPARTS--Foreign Minister Prof. M. Shamsul Huq and Begum Huq on Thursday night hosted a dinner to bid farewell to Yugoslav Ambassador Mr. Yivko Josilo and Madam Josilo reports BSS. The dinner was attended among others by Establishment Minister Mr. Majedul Huq and the Dean of Diplomatic Corps in Dacca Mr. Josif Chivu of Romania. [Text] [Dacca THE BANGLADESH OBSERVER in English 7 Nov 81 p 3]

DELEGATION TO PEKING--A six-member friendship and goodwill delegation from Bangladesh left for Peking on Friday evening by Thai International flight at the invitation of Association for International Understanding of China. The members of the delegation are Mr Khaledur Rahman Tito, President, Jessore Dist. Ganatantrick Party, Mr Asgar Ali, President, Kushtia Dist. Ganatantrick Party, Mr Mahamudul Alam Khan, President, Khulna Dist. Ganatantrick Party, Mr S.A. Mirza, General Secretary, Bangladesh China Friendship Society, Chittagong, Mr Shafi Hossain Khan of Narayanganj and Mr Mohsin Sastrapani, a writer and cultural worker. They will join the leader of the delegation Mr Nurul Huda Mirza, Chairman of the Ganatantrick Party in Peking. The delegation will tour China for three weeks. [Text] [Dacca THE BANGLADESH TIMES in English 9 Nov 81 p 8]

CSO: 4220/7385

PAPER REPORTS GANDHI ACTIVITIES IN ROME

Madras THE HINDU in English 12 Nov 81 p 1

[Text]

ROME, Nov 11.

In a major trade agreement, India and Italy today decided to set up joint ventures in third countries for export purposes.

A high-power Italian economic delegation will visit India shortly to follow up the proposals already agreed upon and New Delhi has promised to establish a "focal point" to expedite their implementation.

The agreement was reached here after extensive three-day talks between officials of the two countries which began immediately after the meeting of the Prime Minister, Mrs. Indira Gandhi, and her Italian counterpart, Mr Giovanni Spadolini, on Monday in which they stressed the need for expanding the existing economic ties between the two countries.

Fertilizer, trucks offered

Italy has offered $100 millions as credit for 1982 and 1983 by way of economic assistance in addition to the $40 millions already agreed upon, a press statement said.

Italy also announced its decision to provide on a grant basis fertilizer and trucks for $10 millions as additional contribution towards the development of agriculture to India.

Later an Indian spokesman said Italy had shown itself keen on enlarging the area of cooperation in several fields, including petroleum chemicals agriculture, ship-building and leather goods.

The agreement envisaged cooperation in turn-key projects, technical assistance in areas where India was in a position to develop it further and provision of consultancy services and exports.

The whole basis of the economic cooperation the spokesman said was to make the best possible use of Italian technology and India's technical and industrial infrastructure. They also agreed to evolve new financial arrangements.

Another major area of cooperation identified was the manufacture of leather goods where India had the best quality leather and highly skilled craftsmen and the Italians had the best designs and a vast market the world over.

Italy agreed to help India set up an institute for training in leather goods manufacture.

The Indo-Italian joint committee which meets annually to review the trade will now meet more frequently. The number of Indo-Italian technical collaborations now is more than 200.

'India has right to defend itself'

Addressing a joint press conference with the Italian Premier, the Prime Minister, Mrs. Indira Gandhi today reiterated her opposition to any arms race in the subcontinent but at the same time asserted "India's right to defend itself against any foreign aggression."

Asked how she reconciled her Government's reported decision to buy the French Mirage aircraft, with her earlier plea at the FAO conference for diversion of armament expenditure to economic development, Mrs. Gandhi shot back: "Do you think developing countries have no right to defend thier independence and that this is only the right of the developed?"

She said India was not interested in entering into any arms race and it had not taken the first step in this direction.

In fact, all its energies were directed towards improving the lot of its people and the results were there for all to see.

But how could a nation fight poverty if its sovereignty itself was threatened, she asked, adding that India had never attacked any other country but had been a victim of foreign aggression on occasions.

No part of power bloc: Mrs. Gandhi also declared that India had never been a part of any power bloc in the past and would not be in the future," come what may."

Dispelling the wrong impression that in the Indo-Soviet treaty of 1971 her country had compromised on this basic stand, she said that "the treaty specifically acknowledged India's nonaligned position."

India's position on the treaty was "unchanged" and there had been no "loosening of ties," she clarified.

The Italian Foreign Minister, Mr. Emilio Colombo was also present at the press conference.

Double standards: Much of the hour-long press conference was devoted to questions on Afghanistan and acquisition of arms by Pakistan.

Both the Prime Ministers were assisted by an interpreter to translate the questions into English and Italian.

Mrs. Gandhi accused the Western world of adopting double standards when they condemned the Soviet interference in Afghanistan.

"The Western world has not always condemned foreign interference in other parts of the world. We see such interference still taking place. We want the same standards to be maintained," she said.

India had already made known its stand on the Afghan developments in international forums. "We are against Soviet interference of any kind, military or otherwise."

The Soviet Union, Mrs. Gandhi said, had agreed to withdraw from Afghanistan if there was no interference from others in its internal affairs, especially by those opposed to the present regime.

The late President Sadat of Egypt had admitted that help to the rebel forces by way of armaments was being given from outside.

Any plan for solution of the Afghan tangle, she said, must be acceptable to those directly concerned.

Differing perspectives: Though the two Prime Ministers shared a common view on strengthening bilateral relations their perspectives widely differed on issues like the Russian intervention in Afghanistan and the possible consequences of U.S. arms supply to Pakistan.

At the press conference, Mr Spadolini did not share India's fear of Pakistan using American arms against India. If that happened "we will condemn it," he said.

But, the developments in the neighbourhood of Pakistan could not be lost sight of, he added, in an obvious reference to the Soviet presence in Afghanistan.

Earlier in the day, Mrs Gandhi visited the Gandhi memorial here.

She also had a 40-minute discussion with the Italian Premier without aides from both sides. The officials joined later. The Italian Foreign Minister was also present.

The two leaders spoke of exchange of delegates to further improve relations and to follow-up the agreement arrived at the official-level talks.

Mr Spadolini said they had agreed to collaborate in the field of oil exploration and a delegation of his country's experts would visit India soon to discuss the matter further.—UNI.

CSO: 4220/7366

REPORT ON GANDHI TALKS WITH VENEZUELAN LEADER

Madras THE HINDU in English 5 Nov 81 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, Nov 4

The Prime Minister, Mrs Indira Gandhi, had a long discussion today on the problems of the third world with the visiting President of Venezuela, Mr Luis Herrera Campins, the most influential non-Arab personality in the Organisation of Petroleum Exporting Countries (OPEC) who had been taking a more sympathetic view of the hardship of oil-importing developing nations.

The importance that India was attaching to Mr. Campins visit was evident from the fact that Ministers and senior officials representing the Ministries of Defence, External Affairs, Petroleum, Finance, Industry and Commerce participated in these discussions.

The Venezuelan delegation, which included the Foreign Minister, Mr Jose Alberto Velasco, the Oil Minister, Mr Humberto Calderon Berti, and the President of the Central Bank, Mr. Leopoldo Diaz, had come prepared to explore the prospects for increased bilateral cooperation, besides exchanging views on a number of crucial international problems.

The two heads, Mrs. Gandhi and Mr. Campins, met privately without any aides for over 90 minutes, while the other Ministers and officials had separate discussions on various issues ranging from the activities of the group of 77 to a review of the international oil situation.

Need for cooperation: The Prime Minister is reported to have stressed the need for greater cooperation between the developing countries to achieve some degree of collective self-reliance before exerting pressures on the developed countries to agree to a new world economic order based on a better utilisation of the global skills and resources.

The Venezuelan President agreed with her view that the oil-exporting countries had a moral obligation to reduce the heavy financial burden of the oil-importing third world countries which were hit hard by the high prices.

The two Foreign Ministers, Mr. P V. Narasimha Rao and Mr Velasco, had a more detailed discussion on the outcome of the Cancun summit and the follow-up steps required for keeping up the momentum of these North-South exchanges.

They took note of the suggestion that a ministerial-level meeting of the Group of 77 representing nearly 120 members of the U.N should be held to create the necessary conditions for launching the global negotiations.

The Venezuelan Oil Minister, Mr. Berti, had a parallel meeting with the Minister for Petroleum, Mr P. C. Sethi, to finalise the offer of additional supply of crude depending on India's requirements.

It was pointed out to him during these discussions that the OPEC policy of categorisation of developing countries was sound in principle, but in practice it affected a big country like India with a vast population.

ONGC categorisation: In India's view, the categorisation should not be based only on total annual imports but also per capita consumption. The present gradation affected India because its total oil imports exceeded the ceiling fixed for concessional treatment.

Mr Berti saw the point and promised to exert his influence in getting the formula revised and new criteria prescribed for categorisation. He also took his Indian counterpart into confidence about the OPEC moves for setting up an international banking institution with some of the surplus petrodollars to assist the developing nations.

At the bilateral level, the President of the Central Bank of Venezuela which handles the oil revenues, spoke of his country's readiness to invest in the third world. He sought the necessary information about investment opportunities in India's core sector, besides discussing the possibilities of increased trade and technical cooperation.

At the end of these wide-ranging discussions, Mr. Campins addressed a press conference at which he praised India's record of proper utilisation of foreign economic assistance. He said Venezuela would consider with "great sympathy" any request from India for investment or assistance.

Praise for India's progress: He also praised India's "serious commitment" to the welfare of other developing countries which were at a disadvantage. He was greatly impressed by the rapid strides that India had made in the agricultural, industrial and technological fields in the face of many hurdles.

The Venezuelan President was quite critical of the lending policies of the World Bank and the IMF whose policy of attaching high conditionality to international loans called for a reorientation. He wanted these institutions to be strengthened and truly internationalised to promote global development without undue interference in the economic policies and procedures of borrowing nations.

Mr. Campins was quite confident that before long India would achieve self-sufficiency in its oil requirements. He promised all possible assistance in oil exploration and exploitation, besides offering additional crude to meet the country's more immediate needs until it is able to obtain uninterrupted supplies from the Gulf region.

He has made a profound impression on his Indian hosts with his sympathy and understanding of the third world problems. And as one who has been working in close concert with the Mexican President, Mr. Lopez Portillo, in Latin American politics, Mr. Campins has displayed a keen interest in establishing mutually beneficial relations with India which in his view represented eloquently the aspirations and dilemmas of the developing countries cutting across continents and regions.

Quantity doubled: Venezuela has agreed to double the quantum of its oil supplies next year, from the present five-lakh tonnes. (reports PTI).

CSO: 4220/7350

ALLEGATIONS AGAINST NEW CUBAN AMBASSADOR REFUTED

New Delhi PATRIOT in English 2 Nov 81 pp 1, 7

[Text] Cuban Ambassador-designate to India Jose Perez Novoa arrived in the Capital on Sunday afternoon and was received at Delhi airport by Deputy Chief of Protocol of the External Affairs Ministry Mrs K. Commar.

Ambassadors of many socialist countries including the USSR, Czechoslovakia, Poland, GDR, Romania, Ethiopia were present at the airport.

Mr Novoa was the Cuban Ambassador to Ethiopia from 1976 to 1978. Thereafter he was working in the Cuban Foreign Ministry in Havana as Director of its International Organisation, one of the important departments of the ministry.

Ethiopian Ambassador in New Delhi Amdemichael Belachew on Saturday characterised reports in a section of the Indian Press that Mr Novoa and Mr Francisco Oritz Rodriguez, who worked as his Counsellor in the Cuban Embassy in Addis Ababa, were expelled from Ethiopia on account of their interference in the internal affairs of Ethiopia as a "complete fabrication."

A statement by Ethiopian Embassy in the Capital informed that the fabrication was "devised and spread only to serve the anti-socialist interests of imperialist forces." It said that the Indian public should know that both Mr Novoa and Mr Rodriguez left Ethiopia only after they had completed their term of diplomatic assignment in Ethiopia.

Mr Novoa, who is due to present his credentials within a few days, is succeeding Mr Jose Lopez Sanchez, who left this summer after having substantially contributed towards the deepening of Indo-Cuban relations. These ties were further cemented both during and after the Non-Aligned Foreign Ministers' Conference in the Capital last February. Cuban Foreign Minister Isidoro Malmierca Peoli is on record having highly praised the outstanding role played by India at the conference for consolidation of the non-aligned movement.

CSO: 4220/7344

REDDY REMARKS ON STATE-CENTER RELATIONS ANALYZED

Calcutta THE STATESMAN in English 5 Nov 81 p 8

[Article by S. Sahay]

[Text]

AT first glance, there may not appear to be an apparent similarity between the Sardar Vallabhbhai Patel memorial lecture last week by the President, Mr Sanjiva Reddy, and the address before a scholarly forum (if memory serves, the Indian Law Institute) by the first President, Dr Rajendra Prasad, in which he had asked experts to study the Constitutional provisions on the President's powers, but in fact there is. Both, uneasy over the mere ornamentation of their office, have chosen a scholarly forum to speak out, a liberty otherwise denied to them while addressing Parliament, even perhaps in addressing the nation on Republic Day.

Dr Rajendra Prasad, who had been the President of the Constituent Assembly, it will be recalled, had his own notions of what the Constitution had provided. Twice he had written to Nehru on the subject and on both occasions the matter had been referred to the then Attorney-General, who on both occasions held that the President had to act on the "aid and advice" of the Council of Ministers.

Although that point can now be taken to have been well-settled, especially after the 42nd and 44th Amendments, there is nothing to suggest that the President cannot air his personal views before scholarly forums. And President Reddy has done well to let the country know his views on such a vital topic as Centre-State relations. And not merely that. He has seized the opportunity to answer back to Mrs Gandhi who had told the Melbourne Press conference that President Reddy was a party man. He has now categorically stated that, although he had been elected on a party symbol to the Lok Sabha, he had severed his party connexions on being elected Speaker and that, as President of the Indian Union he belonged to no party.

SPECULATION

This tangential reference leads one to wonder whether there is not more in the lecture itself than meets the eye. Is the President's lecture on national integration, in particular his advocacy of greater autonomy for the States and the need for decentralization, intended to be deeper than what appears on the surface? To answer the question would be to enter into the realm of speculation. However, the fact remains that, despite disavowal by Mrs Gandhi of any intention to change the parliamentary democracy into the Presidential system, rumours and doubts still persist. If the President's lecture is even remotely connected with this continuing doubt, then it is to be doubly welcome, for the warning against concentration of power at the Centre has come from no less a person than the President, who, as everybody knows, will complete his term next year.

However, even if it be considered that it is too fanciful to connect the President's lecture with future dangers, real or imaginary, the fact remains that the President has spoken wisely on a subject of great import: greater autonomy for the States. It needs to be remembered that he was speaking on the occasion of the 106th birth anniversary of Sardar Patel, a man who more than anyone else was responsible for the political integration of India. He paid the Sardar handsome tributes and even quoted Pandit Nehru as saying that, "even I who have been rather intimately connected with the State's people's movement for many years, if I had been asked six months ago what the course of developments would be in the next six months since then, I would have hesitated to say that such rapid changes would take place ... The historian who looks back will no doubt consider this integration of the States into India as one of the dominant phases of India's story."

INCONSISTENT

The President, it must be emphasized, was speaking on the integration of India, and, as he rightly said, the subject could not be properly discussed without discussing Centre-State relations. And he did not beat about the bush. He quoted with approval the Rajamannar Committee's view that several provisions of the Constitution were inconsistent with the principle of federalism, that there was the tilting of scales in favour of the Centre and that the theme of subordination of the States ran through the Constitution. He emphasized that practice had further accentuated this unitary

trend, in particular because of the inadequacy of the State's financial resources, adoption of Central planning, and a political setting in which the same party had been in power both at the Centre and in the majority of the States.

The President emphasized that the States, without exception, felt that the responsibilities cast on them were not matched by resources. Whether or not the feeling was stridently expressed, the States had become increasingly dissatisfied with their position in the Indian federal system and they desired greater autonomy. He then took note of what was stated in the Constituent Assembly on the subject, but suggested that more relevant would be an examination of the problem in depth by experts in the light of experience gained.

Even though he stated that he did not wish to comment on the subject at this stage, he proceeded to emphasize that through the pooling of resources, by no means evenly distributed, the country had made rapid strides. That had been possible because of the country's unity. Nothing should be done to impair that unity and the country's political integration. However, could unity be maintained by the assumption of larger powers by the Centre at the cost of the States? The President had no doubt in his mind that it was almost impossible for a Central authority based in Delhi to deal, promptly and effectively, with the multifarious problems faced by the States. He stressed that the Centre had no different or more efficient machinery than what was available in the States and that political and administrative authorities at the State level were better geared to meet the needs of the situation.

He conceded that the impartiality, integrity and good faith of local political authorities had on occasion been questioned, perhaps with reason. But he said the answer was not assumption of power by the Centre. "It must be quite frankly recognized, on past experience, that a Central authority cannot claim greater competence, wisdom and objectivity or greater immunity from extraneous influence. Inept administration at the State level cannot be remedied by arrogation to itself of more powers by the Centre." It was ultimately for the people of the State concerned to deal with an administration that fell short of expectations.

The President said that the demand for greater autonomy might lie dormant for a while, but in course of time the ever growing Central control and direction, by whatever name tthe process might be called for the sake of euphemism, was bound to be increasingly irksome to the States. "A stage might come when the demand for greater autonomy might become not merely vocal but bitter, threatening the country's integrity. It is the path of statesmanship to recognize betimes the desire of the States for autonomy to as large an extent as possible."

The President then proceeded to explain that integration did not mean political unity alone. There had to be cultural integration too. He decried the absence of teachers of standing of one region teaching in another region, as used to be the case before Independence, for instance, Dr Radhakrishnan and Dr C. V. Raman teaching in Calcutta University. He decried inter-State boundary disputes and the sons of the soil movement. He emphasized the need for a competent and strong civil service and reminded his audience what Sardar Patel told the Constituent Assembly: "Today my Secretary can write a note opposed to my views. I have given that freedom to all my Secretaries. I have told them if you do not give honest opinion for fear that that will displease your Minister, please then you had better go. I will never be displeased by a frank opinion."

REASON

It has been necessary to give a summary of the President's lecture because already ill-informed criticism has begun to be hurled against the lecture. Mr Kalp Nath Rai, one of the Congress (I) General Secretaries, has said that the President should not have spoken of State autonomy for the need of the hour was a strong Centre. It does not occur to him that in the strength of the States lies the strength of the Centre. The President has not supported fissiparous tendencies. His lecture by no means supports extremist demands such as by Akalis. His has been a voice of reason. Problems do not get solved by merely prolonging them, as in the case of the North-East. Nor is the country made strong by puppet Chief Ministers, describing themselves as Mrs Gandhi's soldiers. It is sad to hear Mr Kalp Nath Rai say that the fate of Mr Darbara Singh will be decided, not by Punjab legislators, but by Mrs Gandhi. That is what has gone wrong with the Constitution, in particular Centre-State relations.

Until there is decentralization of power, including political, there is no hope for the country. And that is what the President has gone out of his way to tell the country and for which he deserves our thanks.

CSO: 4220/7349

PAKISTAN TRADE DELEGATION HOLDS DELHI TALKS

Madras THE HINDU in English 12 Nov 81 p 9

[Text]

NEW DELHI, Nov 11

A 22-member trade delegation from Pakistan led by Mr Mohd Yousuf Zia, President, Federation of Pakistan Chambers of Commerce and Industry today had detailed discussions with representatives of the Federation of Indian Chambers of Commerce and Industry here on promotion of bilateral trade and economic cooperation

It was noted at the meeting that if a realistic view was taken and a pragmatic approach adopted, both countries could benefit by larger commercial exchanges in view of the complementary nature of the two economies.

India could meet many of the requirements of Pakistan, both in consumer and capital goods sector, in which it was dependent on foreign sources of supply and Pakistan could export to India products like cotton, furnace oil, certain steel products, metallurgical coal and such other items which India had been importing, according to a FICCI press communique

In his welcome address the FICCI president, Mr. Arvind N. Laibhai, invited Pakistani businessmen to take advantage of the liberalised import policy of India. On the same basis, he wanted Indian exporters to be allowed to supply items in the free list of imports of Pakistan. He also suggested that both private and public sector units be permitted to conduct business negotiations and trade transactions.

In his reply, Mr. Zia appreciated the liberal import policy of the Government of India and also the readiness of Indian businessmen to develop trade and economic cooperation. He said his delegation had come with an open mind and would be happy to join hands in strengthening bilateral economic relations. Pakistan's economy, he stated, was progressing fast and had achieved a high growth rate in the manufacturing sector, exports as well as imports. He hoped that India would consider importing such items which Pakistan was in a position to supply and which India was, in any case, importing from elsewhere He invited an Indian business delegation to visit Pakistan to see for itself the progress and potential of the latter's economy

Possible Indian exports: From the Indian side, the range of products offered to Pakistan included diesel engines over 30 HP, tyres and tubes, chemical and pharmaceutical products, electronic products including components and parts, agricultural equipments, tea, iron ore, sugar, etc. The Indian side also offered technological cooperation for manufacture of tractors as well as auto parts.

Preferential treatment: It was felt that both countries should consider extending preferential treatment for each other's products in their respective markets. The GATT provisions would not affect such arrangements if trade was conducted across the border on mutually acceptable terms. It was also felt that since both countries were setting up a number of construction and other projects abroad particularly in the Middle East, they could collaborate and make joint offers to win the contracts for mutual benefit.

CSO: 4220/7366

INDO-ARAB BUSINESS COUNCIL MEETS IN DELHI

Bombay THE TIMES OF INDIA in English 6 Nov 81 p 9

[Text] New Delhi, November 5--The Arab countries are keen to increase commercial exchanges with India but their entrepreneurs are still not convinced that India offers attractive investment opportunities.

This is the impression one gathers from the proceedings of the two-day meeting of the Indo-Arab Business Council, which ended here today. The Indian delegation was led by Mr. Arvind N. Nalbhai and Mr. R. P. Goenka and the Arab delegation was headed by Mr. Abdulkarim Jaafar, president of the Union of Arab Chambers.

The meeting identified specific areas of commercial exchanges. Arab countries could export fertilisers and India could export iron-ore and bauxite, it was stated.

The Arab side also suggested that India should set up its trade centres in different Arab countries in collaboration with Arab businessmen. Chinr has made a beginning in this direction.

The council emphasised the need for having better shipping services and it was agreed that the scope for a joint venture in shipping should be explored. The Arab side said that Indian firms were welcome to set up units in the Arab world. India's participation in the fields of metallurgy and petrochemicals would be especially welcome.

The Arab side recognised that India has liberalised investment policies especially for Arab countries. However, it was admitted that because of the high rate of interest in the developed countries, Arab investments were not flowing into India.

This was acknowledged by Mr. Burhan Dajani, secretary-general of the Union of Arab Chambers of Commerce at his press conference.

He said there was immense scope for intensifying economic relations between India and the Arab world because of their geographical proximity and identity of views in world problems. He said the Arab countries had already freed their oil from multinationals and were keen on cooperation with friendly countries, like India.

CSO: 4220/7353

UN ENVOY'S STANCE ON ISLAMIC CONFERENCE NOTED

Madras THE HINDU in English 11 Nov 81 p 5

[Text]

UNITED NATIONS, Nov 10

The General Assembly adopted without a vote yesterday an Iraqi draft resolution aimed at strengthening cooperation between the United Nations and the Organisation of Islamic Conference.

But India said afterwards the Iraqi draft contained some "unclear" elements and had there been a vote, it would have abstained.

Introducing the draft on behalf of the Islamic Conference, Mr Salah Omar al-Ali of Iraq said cooperation between the two organisations would benefit the parties directly concerned and the world at large.

The Islamic Conference had contributed to finding solutions to international problems and had adopted resolutions on disarmament, people's right to self-determination and creation of a new international economic order.

Some members, including India, Israel and the Soviet Union expressed their reservations on the contents of the resolution after it was adopted.

India's Permanent Representative, Mr. N. Krishnan, said adherence to the purposes and principles of the U.N. charter should be the starting point of any cooperation between the U.N. and any intergovernmental agency.

Sectarian approach not favoured

"We have always sought to discourage a narrow sectarian or denominational approach ... or the use of religious settlements as a cloak for fanaticism or for the expression of selfish national or local ambitions."

Mr Krishnan said India interpreted the Islamic Conference decision to seek cooperation with the U.N. as an indication of its preparedness to accept the U.N. charter as the chief repository of the ideals that should govern the progress of mankind.

India appreciated the activities of the conference wherever it had, "in our judgement," contributed to the enhancement of ideals which are enshrined in the U.N. charter.

India had no objection to the U.N. maintaining cooperation with the conference "along the lines of and on terms of complete equality with other observer organisations represented in the U.N." However, "we find that the draft (just adopted) does contain some elements the objectives of whose inclusion are unclear."

The Ethiopian envoy, Mr. Mohamed Hamid Ibrahim, said his country opposed the U.N. being "a party to or bound by the decisions of an organisation that based its raison d'etre on a particular religion, no matter how noble and lofty its teachings."

He asked: "Should the U.N. endorse decisions and resolutions that run counter to its own charter principles? That, he said, was precisely what "we are being prodded to do."

The Soviet delegate, Mr. Richard Ovinnikov, said there had been a continuing effort to place the Islamic Conference in a privileged position and the question of cooperation between the U.N. and the conference had been placed on the wrong plane.

The aim of the move was to create a special machinery to entrench what he called an "abnormal situation" and that approach was wrong. In the event of a vote, his country would have been unable to support it.

The General Assembly also adopted yesterday without a vote a resolution, sponsored by 20 Arab States, inviting the Arab League to participate in the work of the Assembly and its subsidiary organs as an observer. — UNI & Reuter.

CSO: 4220/7364

SOVIET AMBASSADOR'S OCTOBER ANNIVERSARY TV SPEECH

New Delhi PATRIOT in English 8 Nov 81 p 3

[Speech by Y. M. Vorontsov, ambassador of the USSR in India, on the occasion of the 64th anniversary of the Great October Socialist Revolution]

[Text]

Dear Friends,

It gives me great pleasure to address the Indian TV viewers on the day of the memorable occasion of the Soviet people—the 64th anniversary of the Great October Socialist Revolution.

The October Revolution under the leadership of the great Lenin abolished in our country class and national oppression, exploitation of man by man, and laid the foundation for the construction of socialism on the basis of justice and genuine democracy.

Now the Soviet people are zealously working to complete the targets of the first year of our 11th Five-Year Plan of which guidelines were adopted by the 26th Congress of our Party. The Congress has stressed once again that the Party's task of the highest priority is to secure steady rise of the well-being of the Soviet people.

The entire course of the Congress, all the documents it has adopted, have again shown that safeguarding peace is, as it has always been, our main concern in world affairs, the chief goal of our country's foreign policy. This policy is also aimed at stopping the arms race, especially in the field of nuclear arms. We have not only the will to struggle for peace, but also a precise and clear programme for this struggle—"Peace Programme for the 80s".

The friendship and all-sided cooperation between the Soviet Union and India are a model of relations among states with different political and socio-economic systems, answering both the basic interests of the Soviet and Indian peoples as well as the interests of peace in Asia and the world at large.

The time-tested relations between our two countries are based on the well-known principles of peaceful coexistence. The Soviet-Indian Friendship Treaty, the 10th anniversary of which was widely celebrated recently in our both countries, has raised the relationship between the Soviet Union and India to a new level.

The keynote of the entire Treaty is the profound interest of both states in ensuring security in Asia and throughout the world. This is very clear, because the Treaty is the joint document of the leading socialist power and the major nonaligned country, which play an important constructive role in the international arena. The past decade has made it abundantly clear that the Soviet-Indian Treaty fully justifies its objective, that the onward march on its basis of friendship and cooperation between the USSR and India meets the basic national interests of both states, as well as the interests of peace in Asia and throughout the world.

"For nearly a decade now it has been serving our peoples well," said Leonid Brezhnev in his speech in December 1980 during his friendly official visit to India. "As green branches keep growing out of the trunk of a mighty tree, so, too, do new agreements on ties, exchanges and interaction keep growing out of this treaty. It also helps us to cooperate in the struggle for a lasting peace and equitable relations among peoples".

The present state of relations between our countries is characterised by a wide and dynamic development, by a great range of areas of cooperation, by a high degree of stability. And we conceal from no one that we wish to see friendly and peace-loving India strong and capable of successfully defending its independence and promoting the cause of peace in Asia.

The exchange of visits of the leaders of our countries, like that of President L. Brezhnev's visit to India in December of 1980, provides every time a new impetus to the development of Soviet-Indian relations. These visits and also the activities of the two countries in the world arena have repeatedly revealed and reaffirmed the identity or proximity of stands of the USSR and India on crucial present-day issues. These issues are: averting a new war, stopping the arms race, strengthening the process of relaxation of tension and its extension to all regions of the world, final liquidation of colonialism, racialism and apartheid, establishment of a new, just international economic order, securing the right of all people to independent existence without outside interference.

The bellicose forces of international reaction—which have taken the path of whipping up the arms race and building up tension in the world—are directly responsible for the present worsening of the political atmosphere in the world. Their activities have made the world of today team with dangerous international disputes and conflicts. This concerns, above all, the south of Africa and the Middle East, the Persian Gulf zone and

the Indian Ocean, South-West and South-East Asia, Central America and the Caribbean area.

Today, under these conditions, as never before, wide unity and co-operation of all peace-loving states and their joint efforts are imperative for preventing the further aggravation of international tension. We are sure that our two countries will play a leading role in all peace endeavours.

As President Leonid Brezhnev pointed out, "We welcome the increasing role played by India in international affairs ... interaction with peaceful and independent India will continue to be one of the important areas of Soviet foreign policy."

In developing all-round relations of friendship between our two countries today we are doing a good thing—and not only for the present generation of the people of the USSR and India but also for the coming generations and for mankind's peaceful future.

In conclusion I would like to express the confidence that the Soviet Union and India, the peoples of our two great countries will in future as well follow the broad path of friendship and mutually-beneficial cooperation and do everything possible to guarantee the clear sky of peace over Asia and the entire world.

On this day of festivities in our country all the Soviet people send their warmest greetings to the friendly people of India.

—TASS

CSO: 4220/7362

CORRESPONDENT CHALLENGES STATEMENTS ON IMF LOAN

Madras THE HINDU in English 11 Nov 81 p 9

[Article by N. Ram]

[Text]

WASHINGTON, Nov. 10.

"Let me say this," India's Executive Director on the IMF claimed to Indian journalists immediately after the controversial five billion SDR arrangement was approved. "The Fund has not insisted that we should take any steps. We have presented the Fund with a bill of fare of the steps we have already taken. The Fund has not asked us to take any more steps this year than what we have done."

"We announce our steps to our own Parliament rather than to anyone else", he added for good measure.

"We are not taking any further steps. We have indicated to the IMF our programme already for the first year, in the sense that we have said that these are the steps we have taken.

"After all, the Indian budget is three months away. That will be the time for India to decide what steps are required for the next year. But we have not indicated to the Fund anything as to what we are going to do."

The documents available on the EFF loan for India, including the text of the decision by the Executive Board, do not support this contention at all.

Mr. R. Venkataraman's "letter of intent", the specific "performance clauses," and substantive details of the annexed memorandum and the IMF appraisal have already been published in THE HINDU.

We give below substantive extracts from the official texts brought before the Executive Board of the IMF for a decision — that went in favour of the deal.

Board's decision

The Board's decision (with the US abstaining)

1. The Government of India has requested an extended arrangement for a period of three years from November 9, 1981 in an amount equivalent to SDR 5,000 million.

"2. The Fund approves the extended arrangement attached to EBS/81/198 (10-7-81). (This is the confidential Executive Board document already reported in THE HINDU.)

"3. The Fund waives the limitation in Article V, Section 3(b) (iii) of the articles of agreement."

The extended arrangement

The "limitation" referred to is routinely waived in arrangements such as this providing enlarged access. It is that the proposed purchase ... would not cause the Fund's holdings of the purchasing member's currency to exceed 200 per cent of its quota.

The text of the "extended arrangement — India" is as follows:

Attached hitherto is a letter, with annexed memorandum, dated September 28, 1981 from the Minister of Finance of India, requesting an extended arrangement and setting forth:

(a) The objectives and policies that the authorities of India intend to pursue for the period of the extended arrangement;

(b) The policies and measures that the authorities of India intend to pursue for the first year of this extended arrangement, and

(c) Understandings of the authorities of India with the Fund regarding reviews that will be made of the policies and measures that the authorities of India will pursue for the second and third years of the extended arrangement.

IMF provisions

To support these objectives and policies the International Monetary Fund grants the extended arrangement in accordance with the following provisions.

1. Over a period of three years from November 9, 1981 India will have the right to make purchases from the Fund in an amount equivalent to SDR 5,000 million, subject to Paragraph 2, 3, 4 and 5 below, without further review by the Fund.

2. (A) Until June 30, 1982, purchases under this extended arrangement shall not, without the consent of the Fund, exceed the equivalent of SDR 900 million, provided that purchases shall not exceed the equivalent of SDR 300 million until January 15, 1982, and SDR 600 million until March 25, 1982.

(B) Until June 30, 1983, purchases under the extended arrangement shall not, without the consent of the Fund, exceed the equivalent of SDR 2,700 million.

(C) The right of India to make purchases during the period from July 1, 1982 to June 30, 1983, and from July 1, 1983 to the end of the extended arrangement shall be subject to such phasing as shall be determined.

The ratio

3. Purchases under the extended arrangement shall be made from ordinary and borrowed resources in the ratio of one to one until purchases under this arrangement reach the equivalent of SDR 4,809 million, and then from borrowed resources, provided that any modification by the Fund of the proportions of ordinary and borrowed resources shall apply to amounts that may be purchased after the date of modification.

4. India will not make purchases under this extended arrangement:

(a) during the period through June 30, 1982 in which the data at the end of the preceding period indicate that:

(i) the ceiling on domestic credit of the banking system described in

Paragraph 17 and the associated table of the annexed statement of economic policies or

(ii) the ceiling on net credit to the Government of the banking system described in Paragraph 17 and the associated table of the annexed statement of economic policies are not observed, or

(b) with respect to the period after March 24, 1982 if the reviews contemplated in Paragraph 5 of the attached letter have not been completed, or if following these reviews, any new understandings reached in these reviews are not observed or

(c) if India fails to observe the limits on authorisations of new official and officially-guaranteed foreign indebtedness described in Paragraph 21 of the attached memorandum: or

(d) for the period from July 1, 1982 to June 30, 1983 and from July 1, 1983 through the end of the extended arrangement, if before June 30, 1982 and June 30, 1983, respectively, suitable performance clauses for these periods have not been established in consultation with the Fund, or if such clauses, having been established, are not observed or

(e) throughout the duration of the extended arrangement, if India (i) imposes or intensifies restrictions on payments and transfers for current international transactions: or (ii) introduces multiple currency practices, or (iii) concludes bilateral payments agreements which are inconsistent with Article VIII, or (iv) imposes or intensifies import restrictions for balance of payments reasons

Right can be suspended

When India is prevented from purchasing under this extended arrangement because of this Paragraph 4, purchases will be resumed only after consultation has taken place between the Fund and India and understandings have been reached regarding the circumstances in which such purchases can be resumed

5. India's right to engage in the transactions covered by this arrangement can be suspended only with respect to requests received by the Fund after (a) a formal ineligibility, or (b) a decision of the Executive Board to suspend transactions, either generally or in order to consider a proposal, made by an Executive Director or the Managing Director, formally to suppress or to limit the eligibility of India.

When notice of a decision of formal ineligibility or of a decision to consider a proposal is given pursuant to this Paragraph 5, purchases under this arrangement will be resumed only after consultation has taken place between the Fund and India and understandings have been reached regarding the circumstances in which such purchases can be resumed."

"8. India shall pay a charge for this arrangement in accordance with the decisions of the Fund."

Consultations

"10. During the period of the extended arrangement, India shall remain in close consultation with the Fund. These consultations may include correspondence and visits of officials of the Fund to India or of representatives of India to the Fund.

India shall provide the Fund, through reports at intervals or dates requested by the Fund, with such information as the Fund requests in connection with the progress of India in achieving the objectives and policies set forth in the attached letter and annexed memorandum.

11. In accordance with Paragraph 5 of the attached letter India will consult the Fund on the adoption of any measure that may be appropriate at the initiative of the Government or whenever the Managing Director requests consultation because any of the criteria under Paragraph 4 above have not been observed or because he considers that consultation on the programme is desirable.

In addition, after the period of the arrangement and while India has outstanding purchases under this extended arrangement, the Government will consult with the Fund from time to time, at the initiative of the Government or at the request of the Managing Director, concerning India's balance of payments policies."

CSO: 4220/7364

G. K. REDDY REPORTS REACTION TO IMF LOAN

Madras THE HINDU in English 11 Nov 81 p 1

[Article by G. K. Reddy]

[Excerpts]

NEW DELHI, Nov 10.

The Finance Ministry has welcomed the IMF decision approving the Indian request for a massive loan of $5.8 billions, roughly Rs. 5,000 crores, to help the country overcome during the next three years the anticipated strains in its balance of payments.

The U.S. Government, which indicated earlier that it was only voicing its opposition in principle to the IMF advancing such loans, had assured in advance through diplomatic channels that it would not try to block the Indian application.

The first hint of the U.S. decision came during the visit of the Finance Minister, Mr R. Venkataraman, to Washington last month for the annual meetings of the World Bank and the IMF in the light of President Reagan's observations on the subject. It was followed up a few days ago with an assurance that the U.S. would abstain in the event of voting after it had registered its protest against the IMF granting such loans.

Never in doubt: So there was no doubt at any stage during the last three or four crucial weeks, after the US had made known its opposition, that the loan would be approved on November 9 when the Executive Board of the IMF met to consider the chairman's recommendation. What was not known until a few days ago was whether the IMF Board would try to step up the conditionality in the light of the US criticism.

Mr Venkataraman will have a relatively easy time in Parliament in defending the assurances given in his memorandum, now that the loan has been sanctioned on the basis of the prescribed conditions.

The critics in Parliament will have to contend with the reality of a fait accompli and the best they can do is to caution the Government that, in the course of complying with the procedures laid down for the release of the loan instalments, the country does not submit itself to undue supervision by the IMF of its economic policies and performance falling within its sovereign jurisdiction.

From Asian Bank: There is talk that the Government might follow up this unprecedented loan from the IMF with another $2 billion (Rs. 1,800 crores) loan from the Asian Development Bank in the near future. The decision will be taken before the Finance Minister gets down to the preparation of the next budget when he will have a clearer picture of the balance of payments position.

It was pointed out by Finance Ministry officials today that the Government would be entitled to exercise a certain degree of flexibility in the utilisation of this IMF facility since it was not a "tied loan" in the normal sense. The position was adequately explained and accepted during the protracted discussions with the IMF on the subject.

U.S. contention rejected: The Government has taken note of the increasing criticism of US banking circles against the very principle of countries like India turning to international financial institutions instead of tapping private sources on the world money markets. It rejects the American contention that the borrowing capacity of a developing country should be linked with its readiness to let in multinationals to invest and participate in their development.

'Boost to economy'

PTI reports:

Speaking to newsmen, Mr. Venkataraman said today that the clearance of the loan would give a "tremendous boost" to the country's economy and "remove an element of uncertainty about our foreign exchange position."

"We were all the time worried as to what will happen to our foreign exchange position arising out of the constant rise in oil prices. Now we will be sure that the foreign exchange position will not deteriorate because of oil imports," he said.

Expressing his happiness over the clearance of the loan, he said it had been approved on the basis of the same documents the Indian Government had furnished at the time of applying for it.

He explained that the loan facility was meant only for "overcoming our difficult foreign exchange position." It could not be used for investment purposes.

The Secretary, Department of Economic Affairs, Mr. R. N. Malhotra, who had been closely associated with the negotiations for the loan said: "We are happy that India's request (for loan) has gone through. It will enable us to tide over the balance of payments position over the next three years."

Mr Malhotra said: "I think the efforts which the country is making for improving its external position in the trade and foreign exchange area would bring us to a sustainable position immediately at the end of the three-year period (during which drawings could be made from the Fund)."

There was likely to be progressive improvement in the external account even during this period and he, therefore, hoped that the balance of payments support which would be provided by the Fund "will help us actually to pursue policies without having the necessity to cut development expenditures or starve the economy of essential imports."

CSO: 4220/7364

JAPANESE OFFICIAL INTERVIEWED ON IMF LOAN

Madras THE HINDU in English 3 Nov 81 p 9

[Article by K. V. Narain]

[Text]

TOKYO, Nov 2

A high ranking official of the Japanese Finance Ministry indicated here today that some of the less developed countries had complained to the International Monetary Fund about the size of the loan sought by India.

This was because, as a result of the grant of the loan they may not be able to borrow from the IMF to the extent they desire. He said the concern of these countries had to be taken into consideration and the size of the loan had to be discussed further.

This was one of the reasons why Japan had not yet decided its position on the loan.

In an interview with this correspondent the official noted that the loan sought by India was the largest in IMF history and "we have to look into the liquidity situation of the IMF — whether such a large loan can be financed within the IMF. Also if many of the LDCS have expressed concern about the size of the loan we have to take this into consideration".

Therefore, he added, while Japan had not proposed delaying a decision by the IMF on the Indian bid "the question of size also has to be discussed further".

China's name mentioned: The Finance Ministry official would not name the LDCS expressing concern about the size of the loan to India but one diplomatic source mentioned the name of China.

China this year had suffered a heavy unfavourable trade balance and it is logical to expect that China would also want to borrow substantially from the IMF to get over its balance of payments problems. However it has not been possible to confinn here whether China has voiced its objection to the size of the proposed loan to India.

The Finance Ministry official conceded that the Indian economy was suffering from deterioration in terms of trade due to the second oil crisis and "we think there is need for balance of payments financing in the medium-term".

He hoped IMF-lending could expedite economic adjustment in India. However, he added, "but there are many dimensions to the proposed loan, one being the conditionality regarding the loan and the other size of the loan".

As regards conditionality, he noted there were two views. One was severe namely that the IMF interfered too much in domestic economic policy. The other was that the IMF's stand was too loose and it may not meet the adjustments of the objectives for which the loan was sought. Therefore the official repeated more discussions were needed.

Conditionality defended: He defended the IMF's conditionality because, he said, it was set to expedite the internal adjustment of the borrowing country and it was in the interest of the borrowing country to follow the conditionality.

He cited Japan's own example when it borrowed from the IMF in the fifties adding that the IMF's guidance was helpful for the country's economic adjustment.

The official said conditionality also enhanced improving the credibility of the borrowing country in the market and induced the private flow of funds. "This is an important consideration to be taken into account," he said.

According to him Japan favoured the IMF assisting the internal economic position of India because that was the function of the IMF. But he repeated that further discussion was needed regarding conditionality and size of the loan.

As such, he added, "right now we cannot say whether we support the loan or not. We need further examination within our Ministry and consultations with other countries before taking a decision".

Speaking in general terms however, he said Japan and India were both Asian countries and as such the two countries had the responsibility of maintaining peace and stability in Asia and the world and so in that sense "we have much interest in the Indian economy and its future".

He concluded by reiterating that Japan had not yet decided its position on the loan and it was misleading to say that Japan supported the United States position on the issue.

CSO: 4220/7346

ONGC SIGNS LOAN AGREEMENT WITH SINGAPORE

New Delhi PATRIOT in English 5 Nov 81 p 7

[Text] The Oil and Natural Gas Commission on Wednesday signed in Singapore, a syndicate loan agreement for $74 million to purchase two oil rigs and allied equipment for expanding India's oil exploration activities, reports UNI.

The two-tranche borrowings, guaranteed by the Indian Government, is financed by 14 banks operating here, and lead managed by the Singapore branch of the State Bank of India with three British, Canadian and Norwegian banks.

Under the agreement, the first tranche of $44 million is covered by a fixed interest of 11.75 per cent, repayable in 16 semi-final instalments starting from June 1983.

The second tranche of $30 million is provided by a eurodollar facility with floating interest rate tied to the Singapore inter bank rates (SIBOR). The rate is 0.375 per cent over three or six months sibor for the first five years and 0.5 per cent thereafter. It is repayable in seven years in 10 semi-annual instalments.

The two rigs ordered from a Singapore shipyard are expected to be delivered around December next year.

The agreement was signed by ONGC chairman S. P. Wahi, SBI's chief manager for international division Susheel Chandar and joint secretary in Finance Ministry Yogesh Chandra.

An SBI spokesman said this was the largest syndicate loan the bank had floated in the region since it began operating here four years ago. It had arranged loans of more than $400 million earlier, besides financing several Indian joint ventures in the area covering $250 million.

CSO: 4220/7352

MINISTER DISCUSSES TECHNOLOGY IMPORT, OTHER MATTERS

Madras THE HINDU in English 4 Nov 81 p 1

[Text]

NEW DELHI, Nov 3

The Union Industry Minister, Mr N. D Tiwari, today assured the Parliamentary Consultative Committee for his Ministry that the import of foreign technology was allowed on a highly selective basis.

"It is not allowed unless there is an identified technology gap, and there is no repetitive import of technology either" he added.

But, to ensure production efficiency as well as export competitiveness, it was essential at the same time that the scales of production as also the technology rating did not recede into obsolescence.

If this was allowed the high cost structure of the economy would continue and Indian exports would lose their competitiveness. Hence a very clear and conscious balance had to be struck.

Small units: As for small-scale industries, Mr Tiwari said the Government was committed to the upgradation of their technology. There had been no instance where their request for technology import had been turned down.

Apart from setting up joint ventures abroad, India had also begun to export technology. "In small industries development, we are being looked upon as the leader and pathfinder by a number of developing countries, which are approaching us for our assistance."

Mr Tiwari assured the committee that there was no question of policy relaxations in regard to the areas reserved for the small-scale sector.

Broad decisions on the strategy to be followed for a survey of sick units in the small-scale sector were taken at a recent meeting of the standing committee of the Small-Scale Industries Board. The survey was expected to throw up valuable data.

Policy package: The Government was giving final touches to a policy package as an important element of strategy of backward area development.

This would be on the basis of eligibility calibrated particularly on the prospects of ancillarisation. The framework of relaxations and incentives would be worked out in consultation with the Planning Commission.

The instrument of licensing was being effectively used for canalising investments in backward areas, and the capacity aspect of licences, which had been worked out in terms of material balances projected in the Plan document,had been substantially relaxed in favour of the north-east region, Jammu and Kashmir, Himachal Pradesh, Goa and Pondicherry.

Mr. Tiwari said the Government expected the public sector to function viably and, therefore, the selection of location would have to be synthesised between the socio-economic objectives and cost effectiveness.

The Central public sector as well as the State public sector had to function as a development catalyst, particularly in the backward areas.

Apprising the members of the improvement in the infrastructure sector, which had been reflected in all-round growth in industrial production, he said: "We expect to close the year 1981-82 with an industrial growth of over 10 per cent which will mean, in a manner of speaking, an all-time record".

Auto sector: Giving details about the performance of the automotive sector, Mr. Tiwari said as a result of the collective effort of Government and industry, the situation had vastly improved.

The output of commercial vehicles in the first half of the current financial year was 41,581 as against 30,082 in the corresponding six months last year, an increase of 38 per cent.

The production of passenger cars had also gone up by 96 per cent from 11,131 in April-September last year to 21,781 during the same period this year.

There had been a 17 per cent increase in the production of two-wheelers and the strike in one of the premier two-wheeler manufacturing units had ended.

A similar healthy trend had been noticed in the tractor manufacturing field. Between April and September last 40,008 tractors had been manufactured against 31,610 during the corresponding six months last year.

CSO: 4220/7347

PAKISTAN EMBASSY MAKES STATEMENT ON NO-WAR PACT

Calcutta THE STATESMAN in English 12 Nov 81 p 14

[Text]

NEW DELHI, Nov. 11.—The Pakistan Embassy said in a statement here today that the Pakistani offer of a no-war pact, even if verbally made, had the necessary sanction of a formal proposal. Claiming that the proposal was in reality a formal offer, the Embassy suggested consultations between the two countries to work out the details of a non-aggression pact.

Sources here, however, felt that the suggestion made in a lengthy statement by the Embassy regarding the offer of a pact made by Islamabad on September 15, was again being repeated through the unusual means of a statement to the Press. India contends that no formal proposal for the pact has been received from Pakistan while the Embassy claimed today, that the proposal for consultations had been made "formally".

The Embassy statement admitted that the "offer" was made only verbally and not in writing. It argued that "in diplomatic practice, communications made verbally are not only as formal but frequently more so than written communications." The constructive idea for such a pact had unfortunately not been appreciated (in India) so far in a proper context," the statement said.

"Contrary to reports in the Press, the proposal for consultations was in fact made formally. As for the draft of the guarantees of non-aggression to be exchanged between the two countries that could be produced, perhaps more usefully, after the proposed consultations between the two sides", the Embassy said.

It argued that the Simla Agreement was drafted following an extensive exchange of views between the two Governments. Its first draft had been put forward after, not before, the consultations.

According to the Embassy release, the proposal for bilateral consultations was communicated to the Indian Ambassador in Islamabad on September 15 by the Secretary General of the Foreign Ministry, Mr S. Shah Nawaz. Later, the Pakistani Envoy, conveyed the proposal to the Foreign Office here.

(The Foreign Office here has maintained that on both occasions nothing had been proposed to India in writing, which is the normal diplomatic practice when formal proposals are made between nations.)

The Embassy said that consultations between the two sides could help clarify the points that should be incorporated in the proposed exchange of mutual guarantees of non-aggression.

CSO: 4220/7365

SPEECHES AT INDO-GDR FRIENDSHIP MEET REPORTED

New Delhi PATRIOT in English 2 Nov 81 p 10

[Text] The need to mobilise world public opinion against the arms race launched by the West was highlighted by several distinguished speakers at a meeting of the All India Indo-GDR Friendship Association on Sunday.

The speakers were unanimous in condemning the US administration's recent moves to produce Neutron bomb and deploy medium range nuclear missiles in NATO countries. However the speakers hoped that under a global pressure mobilised by the peace loving people these authors of war might desist from "this suicidal course."

'Peace is a must' not only for development but for 'our very survival,' stressed Dr L. Guenther, secretary general of the GDR-India Friendship Society.

Dr Guenther who is in India to take part in the anniversary celebrations of the formation of the association, charged that the arms race had been calculated to debilitate the socialist economies a pattern which was finding favour with the developing world.

Expressing his country's appreciation of India's stand in opposing 'imperialism' and sympathies towards newly emerging socialist countries, like Kampuchea, Dr Guenther said a close cooperation between the two countries towards achieving peace was all the more important as their securities were among the worst threatened by the present situation.

In his speech CPI secretary N. K. Krishnan felt the Reagan administration would not be able to carry its deliberate collision course for long on face of opposition now building up within the US society and the government circles.

Stressing on the role both India and the GDR could play in strengthening the forces of peace, AICC-S general secretary said it was essentially in common stand on issues concerning peace and development that had cemented the friendship between India and the Socialist countries, even though the earlier ties might have resulted from the generous aid the former received.

Making an oblique reference to the recently formed Friends of the Soviet Union, Democratic Socialist Party president Chandrajit Yadav urged the various associations working for promotion of friendship with progressive countries to unite on major issues, like world peace.

Former University Grants Commission chairman Prof Satish Chandra stressed that while there were several areas where exchanges between India and the GDR had proved mutually beneficial, there was a need to step up literary exchanges, especially in regard to texts of German history being studied in India. According to Prof Chandra, most of these texts, which had been written by British historians had never correctly presented the 'militaristic past' of that country as 'expression of a class phenomenon.' He suggested that a reassessment made by German scholars of their history over the past 100 years should be made available to the students in India.

CSO: 4220/7344

SOVIET ENVOY SPEAKS AT OCTOBER ANNIVERSARY FETE

New Delhi PATRIOT in English 7 Nov 81 p 9

[Text] USSR Ambassador Y. M. Vorontsov on Friday condemned the whipping up of the arms race and the building up of tension in the world.

Speaking at a function to mark the 64th anniversary of the October socialist revolution in New Delhi on Friday he called it the most significant event which had inspired many people to fight for their right and emancipation from bondage.

Dwelling on the foreign policy of the USSR, Mr Vorontsov characterised it as a 'programme for continuing the deepening detente, a programme for curbing the arms race.'

He underlined the fact that the Soviet people are committed to a lasting and stable peace and pointed out how the bellicose forces of imperialism has worsened the international climate.

In this connection he stressed the friendship between the USSR and India. 'We are sure the two countries will play a leading role in all peace endeavours,' he said.

Deputy Minister of Works and Housing Mohammad Usman Arif who was the chief guest said the October revolution changed the pattern of living for the entire humanity and inspired similar revolution all over the world leading to emancipation of the mankind.

CSO: 4220/7360

INDUSTRY MINISTER DISCUSSES TECHNOLOGY POLICY

Bombay THE TIMES OF INDIA in English 8 Nov 81 p 12

[Text] New Delhi, November 7--The government sets much store by its policy of judicious blend of imported contemporary technology and indigenous know-how, through research and development, to attain accelerated industrial growth, the Union industry minister, Mr. Narayan Dutt Tiwari, said here today.

He also based his optimism on the "significant pick-up in investment intentions" evident from the consents for capital issues given to non-government companies.

Further, according to him, the larger number of letters of intent and industrial licences were clear indications of the increasing industrial investment activity.

The minister was speaking at the international seminar on "development challenges for the third world in the eighties", organised by the forum of financial writers.

At the outset, he pointed out that developing countries were facing a situation in which they were neither in a position to pay for their oil imports, nor could they do without it.

The resultant dependence on foreign resources was quite critical for developing countries, he said, and went on, "So far as India is concerned, the requirement of foreign resources for the public sector during the sixth plan has been projected at nine per cent. We shall be able to mobilise 91 per cent of the resources internally for financing public sector schemes."

Reviewing the developments of the past three decades, the minister maintained that the economy had gone through a structural transformation to achieve a high and sustained rate of growth.

CSO: 4220/7361

INDIAN BUSINESSMEN IN UAE AFFECTED BY NEW LAW

Madras THE HINDU in English 7 Nov 81 p 5

[Text]

DUBAI, Nov 6

A number of leading Indian businessmen will have to give up their money-spinning trade agencies by 1982 in favour of the local nationals.

According to a new law published in the official United Arab Emirates (UAE) gazzette a few days ago, during the transitionary period, trade agencies will have to be registered with a new department to be created under the law. By the end of 1982, all agencies will have to be in the hands of local nationals.

Apart from the Indians, some of whom have been here for 10 to 30 or more years, businessmen from Pakistan, Britain and other countries will be affected by the new law.

The stronghold of foreign businessmen in the UAE is the Dubai Emirate where its ruler, Shaikh Rashid, has created a modern commercial trade centre of West Asia with easy banking and communication facilities.

Nearly 2.20 lakh Indians are settled in this Emirate.

UAE imports consumer, electronic and edible goods, worth billions of dollars. Trade agencies, distribute the goods to retail outlets not only in the UAE but also in other Gulf countries.

In fact, a bulk of the items imported in Dubai are re-exported or are purchased by the foreign community here for taking it back with them to their home countries.

Among the prominent Indians here holding important trade agencies are the Jashanmal, Bhatia, Choithram and Cosmos groups, who have been operating here even before the creation of UAE in 1971.

But all these groups have had enough flexibility to cope with the growing Arabisation of trade. According to the Indian Merchant Association (IMA) Vice-President, Mr. Ram Bussani these groups are willing and ready to comply with the new law.

Mr. Bussani told UNI that sooner or later this was bound to happen "as at certain stages every country has to meet the nationalistic aspirations of its people".

According to Mr. Nizar Sardast, Director-General of the Dubai Chambers of Commerce and Industry, detailed regulations governing the enforcement of the law will be published soon. A draft commercial law is also being studied to regulate all commercial activities in the country.

Under the UAE law, retail business is already governed by a regulation which warrants majority ownership with the locals.

UAE is the first country in the Gulf to introduce the agency trade law in favour of the nationals. — UNI.

CSO: 4220/7358

BENEFITS OF INDO-SOVIET COOPERATION DESCRIBED

Calcutta THE STATESMAN in English 7 Nov 81 p 7

[Article by M. N. Dastur]

[Text] This year marks 26 years of rewarding Indo-Soviet technical and economic cooperation. During this period a number of industrial units have been set up with Soviet technical cooperation. Soviet assistance has been generally project-oriented with special emphasis on the development of key sectors such as steel and non-ferrous metals, oil and coal, machine building, power generation, space, science and technology and agriculture.

The steel sector was one of the first to receive large-scale Soviet assistance. In fact, the signing of the Indo-Soviet agreement in 1955 for the establishment of the Bhilai Steel Plant represents an important landmark of Soviet technical assistance to the development of India's steel industry during the past 25 years. The outstanding examples of Soviet collaboration in this sector are Bhilai and Bokaro, and now Visakhapatnam. The Bhilai plant has reached a capacity of 2.5 million tons; it is now being expanded to four million tons. Similarly, in the case of Bokaro: the first 1.7-million ton stage has now been completed and the construction of its expansion to four million tons is in progress.

In the course of the work on various Soviet-assisted projects in India, the Soviets have now come to appreciate the technological capabilities of Indian engineers. Also, Indian consultancy organizations, by virtue of their proven competence in projects in India and in other countries, have established their international reputation. In addition, the Indian Government policy guidelines have laid down that Indian consultancy organizations will be the prime consultants even on foreign collaboration projects.

Thus, for the new Visakhapatnam steel project--the first coast-based large steel plant in India--which is being built with Soviet equipment and technology for the major production units, the Indian consultancy organization is the principal consultant. Several new technologies will be introduced and adapted at this plant for the first time in India.

To meet the country's requirements and reduce its dependence on foreign supplies, the Indian Government took steps in the late 50s to create adequate capacity for the manufacture of heavy machinery and equipment. For this India received the technical assistance of the Soviet Union as evidenced by a number of machinery

and equipment plants like the Heavy Engineering Corporation, Ranchi; the Heavy Electrical Equipment Plant, Hardwar; Instrumentation Limited, Kota etc. This Soviet technical collaboration in the key machine-building sector has contributed a great deal to the development of the technological infrastructure in the country.

Another important field which has made good progress with Soviet collaboration is the oil sector. This is of great significance to the country's future economic development, particularly in the context of the present world energy crisis. The joint Indo-Soviet research has revealed a number of promising oil-bearing structures in the off-shore water on the western coast. The development of the Bombay High oil field bears witness to the fruitful cooperation in this field. The Soviets have provided technical assistance for oil refineries at Koyali (Gujarat), Barauni (Bihar) and Mathura (U.P.). A new 10-year agreement for cooperation in oil exploration is in the offing.

Similarly, the technical assistance extended by the Soviet Union to the development of India's coal sector includes the Kathara coal washery and Banki underground mine in Bihar; Manikpur open-cast mine, Madhya Pradesh; large open-cast mines for the development of Singrauli coalfields; underground mining for the exploitation of the Jharia block of the Ranigunj coalfield and the development of coking coal mines in the Ramgarh coalfields.

Power Plants

In the power sector, over 15 Soviet-aided power stations have been built in India. Among them are the Neyveli thermal power station (Tamil Nadu); the Korba thermal power station (Madhya Pradesh); the lower Sileru hydroelectric power station (Andhra Pradesh); the Harduaganj power station (Uttar Pradesh); the Hirakud hydro-power station (Orissa); the Obra thermal power station at Singrauli (Uttar Pradesh) and the Patratu thermal power station (Bihar).

India's entry into the space age with the launching of Aryabhatta in 1975 also owed much to Soviet cooperation in the highly sophisticated field of space exploration. The Soviet Union along with other countries (the USA, the U.K. and France) has assisted in the establishment of the Thumba Equatorial Rocket Launching Station. The Indian Space Research Organization and the Soviet Hydrometeorological Services are also collaborating on various studies on climatology, atmosphere etc. India's second earth observation satellite, Bhaskara II, will be launched by an inter-cosmos vehicle from the Volgograd launching pad in the Soviet Union in the third week of November 1981.

Other sectors of the Indian economy that have benefited from Soviet technical cooperation are: mining, pharmaceuticals and drugs, non-ferrous metals, mass transport, agriculture, science and technology. Technical cooperation between the two countries has steadily developed over the past 25 years and is still growing.

By and large, India has gained by the technical collaboration of the Soviet Union, particularly in the local manufacture of equipment, structural fabrication, plant operations, maintenance etc. This transfer of know-how has been effected

mainly through supply of drawings and specifications as well as training of personnel and technical assistance during construction and equipment erection.

India has thus profited by Soviet technical and economic cooperation. Through the establishment of basic metallurgical, heavy engineering, chemical and other industries in the key sectors, India has built up a sound technological and industrial infrastructure. Simultaneously, it has built over the years the expertise for the planning, design, construction and operation of a wide range and variety of industrial plants, including sophisticated sectors like nuclear engineering and in the process achieved a degree of self-reliance.

CSO: 4220/7357

REPORT ON INDO-PORTUGUESE CULTURAL PACT

Calcutta THE STATESMAN in English 7 Nov 81 p 9

[Text] New Delhi, Nov. 6--India and Portugal today signed a cultural exchange programme. It will be valid for a period of two years beginning January 1, 1982.

The programme covers a wide spectrum of activities in the fields of education, science, art, culture, media, sports and public health. It seeks to explore areas of cooperation which would involve institutions, organizations and individuals in both countries.

The programme lays stress on establishment of bilateral contacts and exchanges between departments of universities and institutions of national importance and other institutions of higher learning in the two countries.

The programme also covers development of Portuguese language in India and study of Sanskrit and Indology in Portugal. The programme also visualizes cooperation between the national archival organizations in the two countries.

In pursuance of the cultural agreement between India and Portugal signed on April 7, 1980, an eight-member delegation led by Dr C. M. Ary Dos Santos, Deputy Director-General of Political Affairs in the Department of Cultural Affairs of the Ministry of External Affairs of Portugal visited India to negotiate and sign the first Indo-Portuguese cultural exchange programme for the years 1982-83.

The Indian delegation was led by Dr D. N. Misra, joint educational adviser, Ministry of Education and Culture.

CSO: 4220/7357

DETAILS OF INDO-VENEZUELAN COMMUNIQUE GIVEN

New Delhi PATRIOT in English 6 Nov 81 pp 1, 7

[Text] India and Venezuela have reaffirmed their determination to strengthen solidarity among countries of the Group of 77 for closer co-operation between developing nations, but simultaneously pointed out that this did not absolve developed countries of their responsibilities within the framework of the North-South dialogue.

This is embodied in the Indo-Venezuelan joint communique issued on Thursday afternoon at the end of Venezuelan President Dr Luis Herrera Campins three-day visit to India.

The communique pointed to the contribution India and Venezuela had made in the deliberations of the Group of 77, highlighting the 'positive results' of the high-level conference of economic cooperation among developing countries held in Venezuela in May, 1981 and reiterated the two countries' firm resolve to contribute actively to the early implementation of the Caracas programme.

The two countries underscored the need for nations to work together in a spirit of inter-dependence inevitable between developed and developing States. They expressed their view that global negotiations should be a 'decisive landmark in international cooperation' and felt that the success of such negotiations would depend on the 'political will' of participating States, especially the developed countries.

Bilateral Ties

Referring to bilateral relations, the communique noted the two countries' review of the excellent relations between the Petroleos de Venezuela and the Indian Oil Corporation particularly in the field of petroleum imports by the latter and concluded that they had "agreed to discuss enhanced supplies in the very near future."

The two countries also recognised immense possibilities of further expansion of economic and commercial exchange between them and agreed to conclude agreements in agricultural, economic, scientific and technical cooperation and cultural fields which were to be discussed 'through diplomatic channels.'

India and Venezuela voiced opposition to every form of interference in the internal affairs of other countries and came out in favour of the rights of peoples of every nation and country to "realise their aspirations for peace, social and economic justice and full freedom and independence to shape their own destinies."

The two also attached great importance to the principles enshrined in the UN Charter.

Both sides reaffirmed their full opposition to all forms of racial discrimination and especially to the practice of apartheid 'which offends human dignity and violates fundamental human rights.'

Dr Campins extended invitations to both President N. Sanjiva Reddy and Prime Minister Indira Gandhi to visit Venezuela, who accepted it with pleasure.

The Venezuelan President was given a ceremonial send off when he left here today for Paris. He was satisfied that his visit had been a step for greater friendship between his country and India.

President N. Sanjiva Reddy, bidding him farewell, also expressed that the visit had resulted in deeper understanding and had provided a new momentum to the development of ties between the two countries.

Mrs Gandhi, External Affairs Minister P. V. Narasimha Rao, Civil Aviation Minister A. P. Sharma and Health Minister B. Shankaramand were among those present at the Delhi airport to see off the Venezuelan leader.

CSO: 4220/7356

ECONOMIC COMMISSION HEAD ASSESSES CANCUN MEET

Madras THE HINDU in English 6 Nov 81 p 7

[Text]

NEW DELHI, Nov 5

Mr L. K. Jha, chairman of the Economic Administration Reforms Commission and former member of the Brandt Commission on North-South issues, said today that the Cancun summit last month had shown flexibility and responsiveness in the industrialised north to the problems of the developing south.

"I regard the Cancun summit as a distinct forward move and a gain largely in terms of a change in the climate of thinking", he said.

He was speaking at the fourth international seminar of economic journalists on "development challenges for the Third World in the eighties" organised by the forum of financial writers here.

Mr Jha felt the groundwork had been prepared for moving towards solutions of problems and an agreement. The willingness to come to agreement was writ large on the summit, he said.

He was impressed by the absence of "radical rhetoric" at the summit from any side, except the Chinese statement to some extent.

Mr. Jha hoped the summit would have a positive follow-up in the imminent action on a proposal of the Group of 77 countries for a ministerial-level meeting.

Mr. Jha felt the summit had paved the way for global negotiations in the U.N. by a compromise draft statement with the added sentence that the autonomy of world financial institutions should be respected.

Although no concrete decisions were taken, there was a clear consensus that the emergency programme for food should be got going so that countries facing famine or failure of crops might be helped. For obvious reasons, the summit did not go into details.

Mr. Jha said the need for finances to enable investment of the right kind to enlarge irrigation facilities and application of fertilizers was solidly supported by the summit. The Indian experience in this regard was sought, he said.

He said there was also unanimous endorsement of the idea of an energy —affiliate of the World Bank and even the U.S. President, Mr. Reagan, had only left the position open by emphasising that the World Bank should be strengthened to deal with the energy problem. —PTI.

CSO: 4220/7355

PORTUGUESE VISITOR TELLS COOPERATION POSSIBILITIES

Calcutta THE STATESMAN in English 6 Nov 81 p 9

[Text]

NEW DELHI, Nov. 5.—Portugal will buy iron ore from India and offer its expertise in tourism and ship-building industries to this country. Mr Andre Pereira, the Foreign Minister of Portugal, told a Press conference here today, adding that his country was willing to go in for joint industrial ventures with Indian companies in Latin America where the Portuguese have considerable experience.

At the end of his talks with the Prime Minister and the External Affairs Minister, Mr Pereira said a high-level Indian delegation, consisting of public and private sector representatives, would visit Lisbon on November 9 to discuss arrangements for collaboration in the industrial field and explore the possibilities of establishing joint ventures in Latin America and other places.

He said his country might purchase iron ore for it steel mills, as well as other minerals from India. He envisaged exchange of experts especially in the field of engineering, between the two countries.

The Portuguese Foreign Minister said his country had built the world's biggest shipyard in Bahrain. Portugal was prepared to collaborate with India in this field too. The Indian Minister of Shipping, Mr Veerendra Patil, would shortly visit Portugal for detailed discussions. A triangular shipping route between India, Europe and Latin America was under study, the Portuguese Minister added.

Mr Pereira described his talks with Mrs Gandhi as "very interesting and illuminating", and with Mr Narasimha Rao as "wide-ranging". He acknowledged that there were basic foreign policy differences between Portugal, a member of the North Atlantic Treaty Organization, and India a leading non-aligned nation. His talks with Mrs Gandhi and Mr Rao, however, had been "a meeting of minds". Both India and Portugal were concerned about the present international situation and had agreed to work to reduce tensions.

The two countries shared the view that tensions in Europe were growing and that this constituted a threat to peace in the entire world. Poland was one of the causes of tension in Europe. There was controversy over stationing nuclear missiles in Europe to counter 150 SS-20 Soviet nuclear missiles.

He said that there was "definitely" a strategic military balance in favour of the Warsaw Pact in Europe. He added that if the Soviet Union dismantled their 150-odd SS-20 nuclear-tipped missiles in the Warsaw Pact States, NATO would pull out the Pershing missiles.

The visiting Minister denied that his country had given any military bases to the USA but admitted granting "some facilities" at an Air Force base in the Azores. He said Portugal would not permit installation of any nuclear missiles on its territory by any country.

Referring to the South Asian region, he said that India had to undergo a considerable burden in buying arms because of events beyond its borders.

Mr Pereira said he had discussed with Mr Rao the situation in Afghanistan, Kampuchea and the growing naval rivalry in the Indian Ocean. He strongly opposed the Soviet presence in Afghanistan.

The Portuguese Foreign Minister said that he appreciated India's earnest efforts to bring about peace in the region and elsewhere, and added that these were not "lip-service" to the cause of peace. Portugal, he added was conscious of the positive role India was playing.

CSO: 4220/7354

UN DELEGATE WARNS AGAINST MISUSE OF OUTER SPACE

New Delhi PATRIOT in English 2 Nov 81 p 7

[Text] United Nations, Nov. 1 (PTI)--Mr Anand Singh, MP, member of the Indian Delegation to the current session of the UN General Assembly, warned against using outer space for "dark" purposes and affirmed that India was trying to develop space technology for the purpose of improving the quality of life of its people.

Addressing the special political committee, now discussing the report of the UN outer space committee Mr Singh said India felt that international cooperation in the peaceful uses of space was essential both for the orderly development of space activities and for the wellbeing of the global community.

Reviewing the space achievements made by India, he said: "Two successful launches of Rohni satellite by our own launch vehicles have marked the high point of our efforts to develop space technology. We hope to continue our efforts to improve the launch vehicles as well as satellites. Another high point in our efforts has been the launching of our first geosynchronous satellite, called APPLE." He also took for the occasion to congratulate the European Space Agency for the successful launching of Ariane that put APPLE in geo-stationary orbit.

Mr Singh said that based on the success of Bhaskara-1, India had proceeded with a repeat launch of a similar satellite, Bhaskara-II, expected to be launched from a Soviet cosmodrome.

He acknowledged the assistance extended by the Soviet Union to the Indian space programme over the years. He said India had been receiving assistance from the United States also. "We would like to record our appreciation of the assistances rendered by the US."

Mr Anand Singh urged the early completion of the work on the draft principles for direct television broadcasting satellites. A very narrow area separated success from failure, he said. If the delegations who have not yet agreed to an acceptable formulation that meets the concern of the majority of countries show the requisite political will, there is no reason why our work in this regard should not be completed by next year, he said.

CSO: 4220/7344

INADEQUACIES IN IMPLEMENTING LANGUAGE POLICY NOTED

Bombay THE TIMES OF INDIA in English 8 Nov 81 p 9

[Article by S. Dharmarajan]

[Text] New Delhi, November 7--Thirteen years after Parliament had commended the three-language formula as a tool for "promoting a sense of unity and facilitating communication among people in different parts of the country", its application has taken a course far from what the law-givers desired it to be.

Only a few states have sought to enforce it in conformity with the spirit and letter of the formula. Everywhere else even if accepted in principle the spirit of it is totally lacking.

The relevant resolution adopted by Parliament in 1968 proposed that "arrangements should be made in accordance with the formula for the study of a modern Indian language, preferably of southern languages, apart from Hindi and English, in Hindi-speaking areas and of Hindi along with the regional languages and English in non-Hindi-speaking areas."

The chief ministers of all states at a meeting in Delhi solemnly undertook to adopt it. The education ministry initiated schemes to facilitate the implementation.

Thirteen years later, most Hindi-speaking states have adopted a classical language or a modern Indian language other than a south Indian language as third language in school curriculum.

Tamil Nadu, on the strength of a resolution adopted by the legislature, enforced a two-language formula, keeping Hindi out of the curriculum. However, in the other southern states of Kerala, Karnataka and Andhra Pradesh, Hindi has become part of the three-language formula.

While Tamil Nadu brazenly ignores promotion of the study of Hindi, the policy of northern states hardly conforms to the spirit of the formula which envisages the adoption preferably of a southern language.

Even before Parliament adopted the resolution the central advisory board of education had as early as 1956 devised the three-language formula. It was

simplified and endorsed by a meeting of chief ministers. It has since received the backing of education commissions, conference of vice-chancellors and other concerned agencies.

The education ministry maintains that it is advisable that the three-language formula as enshrined in the national policy on education be followed and implemented "in its true spirit."

A related problem is the neglect of English relegating it to private schools where children of the elitist class go. The ministry feels the importance of study of the language cannot be under-estimated as it retains a significant place in education.

In fact, the national policy on education laid special emphasis on the study of English and other international languages. It had stated that the study of English deserved to be strengthened.

In the view of the ministry, the recommendations contained in the national policy in respect of English or the three-language formula least hinder the use of regional languages as the media of instruction. There could be no dispute over the primacy of the mother-tongue as the medium of instruction at the primary stage.

CSO: 4220/7361

IRANIAN STUDENTS' RAID ON NEWSPAPER PROTESTED

New Delhi PATRIOT in English 8 Nov 81 p 7

[Text]

PUNE, Nov . 7 (UNI) — The Press Council of India has taken a "serious" note of the attempts by some foreign nationals to interfere in the freedom of the press and has asked the External Affairs Ministry to "take action" through diplomatic channels.

In a letter to the Ministry, the Council noted that the allegations made by a local English daily were of 'serious' nature and urged the Government to take action 'with a view to curbing tendencies of the type reported by the complainant to interfere with the freedom of our press.'

The daily had complained to the Council that an Iranian students organisation, Islamic Students' Association, had stormed its offices to demand that the paper publish a contradiction to a news item they had published.

The news item was based on a police report that a raid into the association's premises had unearthed a huge cache of arms and other weapons. The Islamic Students' Association, owing allegiance to Ayatollah Khomeini, was involved in scuffles with other anti-Khomeini factions here.

CSO: 4220/7362

BIG POWERS COMPETE IN WEAPONS SALES TO INDIA

Madras THE HINDU in English 2 Nov 81 p 9

[Article by G. K. Reddy]

[Text]

NEW DELHI, Nov 1

The Prime Minister, Mrs. Indira Gandhi, will address tomorrow the opening session of the six-day biannual conference of the Army commanders, which is taking place immediately after the Air Force commanders' conference, to review the country's security environment and plan the defence strategy for the next 10 years in the light of the new power rivalries in the region.

In her dual capacity as Prime Minister and Minister in charge of Defence, Mrs Gandhi will be setting the tone for these discussions at the professional level by spelling out the geo-political compulsions that call for optimum preparedness on the part of the country's armed forces, in the uncertain atmosphere created by the U.S. decision to rearm Pakistan.

Arms race

But the increasing involvement of the two super powers in the area, in the wake of the continued Soviet military presence in Afghanistan and the mounting U.S. commitments in the Gulf region, is giving the perfectly legitimate process of a change-over of weaponry from one generation to another in India the character of a willing or unwilling entanglement in an arms race with Pakistan.

The Defence Chiefs are justified in pressing for the latest weapons system to meet the requirements of the country's armed forces in this potentially dangerous situation. But it is the duty of the Government to maintain a proper balance between its economic constraints and defence obligations in embarking on a policy of rapid modernisation of the armed forces.

The Prime Minister has to pose this dilemma before the assembled Army commanders to focus attention on the need for a lower profile even in the face of provocation to avoid the hazards of an all-out arms race in the sub-continent with all the attendant risks of stumbling step by step into a competitive bid to acquire nuclear weapons.

Psychological warfare

The very process of a switch-over to more sophisticated conventional weapons system is exposing India to a concerted campaign of psychological warfare by the big powers which are competing with one another in selling arms. The policy-makers at the political and professional levels are getting caught up in a flurry of disinformation.

The old ideological dividing line that cast the Western powers and the Soviet Union in adversary roles, with each side leaving no stone unturned in persuading or pressuring a potential buyer not to purchase arms from the other, has now been erased for all practical purposes. The fierce competition between individual suppliers now cuts across political alignments, with each country attempting to outbid the others by exerting undue influence.

The British, for instance, have been bitterly complaining that the French have been at the back of the campaign against the Jaguar to sell their own Mirages. But now the French suspect the British hand behind the current propaganda against the Mirage-2000 in the wake of their own bid to project the Tornado as the real match to the F-16 the U.S. is selling to Pakistan.

Soviet offer

Similarly, the pro-Soviet lobby has been carrying on a big tirade against the proposed purchase of submarines from West Germany, in preference to Sweden. The Soviet Navy Chief, Admiral Sergei Gorshkov, is expected to renew Moscow's offer of the latest naval craft including missile boats and submarines.

The U.S. is upset not so much by the Indian move to acquire the Mirage-2000s from France in preference to the Tornados offered by Britain as the concomitant decision to go in for MiG-23s and MiG-25s to give additional punch to its Air Force.

But otherwise, the Americans have been dragging their feet over the earlier offer to sell some mountain guns and TOW missiles by prolonging the delivery schedules and insisting on impossible conditions for the supply of ammunition or spares for them.

In normal circumstances, such keen competition between the seller nations should help a buyer country, if it has the money to pay for the purchases. But for a country like India, which is borrowing over $5 billions from the IMF to bridge the anticipated gap during the next three years, the process of modernisation of its armed forces is bound to impose an intolerable burden.

The money saved through a progressive curtailment of oil imports as a result of increased domestic production will be consumed by the mounting defence burden.

The country will have to spend several thousand crores over the next few years on this change-over to new weapons system. It is little consolation whether the payment is made in instalments spread over several years for the bulk of the equipment or in cash-down in some cases where no credits are available on reasonable interest rates.

CSO: 4220/7343

FRENCH DEFENSE TECHNOLOGY IMPORTANT TO INDIA

Bombay THE TIMES OF INDIA in English 3 Nov 81 p 8

[Editorial: "Mirage and Reality"]

[Text]

The government is right in taking a close look at the Mirage-2000 French aircraft and even in thinking of acquiring 150 such planes. But it will be wrong if it rushes into a firm deal without fully taking into account all its implications. Much of the criticism that the proposed deal has evoked is misplaced because the critics are looking at the Mirage-2000 merely as India's answer to the F-16 that the U.S. is supplying to Pakistan. Pakistan will have 40 F-16s by 1986: only a few Mirage-2000s can be available to this country by then. In any case, the issue is not only how to meet the challenge of the F-16. The real problem is how to obtain access to high and constantly developing technology in aeronautics that would enable this country to cope with not merely the F-16 but also the even deadlier F-14s, F-15s and F-18s which may appear in the sub-continent's skies one day. There is a school of thought which argues that the Indian Air Force should permanently opt for low technology. It need not be taken seriously. The esoteric debate on the relaive merits of the RDM radar, already fitted in the Mirage-2000 and the RDI radar, yet to be perfected by the French, can also be left alone for the present. But the problem of costs cannot be brushed aside.

On present estimates, 150 Mirage-2000s will cost $ 3 billion, perhaps more because of price escalation. Even when spread over several years, the annual outflow will be large enough to evoke awkward questions from the IMF from which this country is seeking a whopping $ 5.8 billion loan and the Soviet Union which sells arms to India on long-term credits. However, both this problem and several others can be taken care of if the proposed Mirage deal is viewed and negotiated, not in isolation, but as part of a mutually beneficial and comprehensive techno-economic collaboration between India and France. For this both plenty of precedents and even greater scope exist.

Except for the United States and the Soviet Union, France is the only other independent source for the

transfer of defence technology to the third world. How desperately other western countries are tied to American apron-strings was demonstrated by the brusque U.S. veto of Sweden's offer of the Viggen aircraft to this country. A certain amount of collaboration with France in defence production is already on and some more, other than that in respect of the Mirage, is in the offing. This cooperation extends from electronics and helicopters to missiles and highly sophisticated alloys. Many sub-systems of the Jaguar are also contributed by France. The idea of marrying French Matra air-to-air missiles to the India-built MiG-21s has made much headway. More significant is the French willingness to allow India to produce under licence the Milan anti-tank missiles and their helicopter-borne version, because the U.S. has refused to sell India the T.O.W. missile, made available to Pakistan in plenty.

This is by no means all. Transfer of technology by France in other critical fields such as space, nuclear power, laser technology computers and so on has also been considerable. France can also provide technology of deep-sea mining, not easily available from elsewhere. All this has been possible because of two reasons. First there has always been, especially since General De Gaulle's rise to power, a certain amount of political understanding between the two countries. This can perhaps be improved under President Mitterrand. Secondly, France knows that, unlike the superpowers, it must have, in various high-technology areas, a country like India to collaborate with. Otherwise the massive investment would not be productive enough. The production of the Mirage-2000 and its subsequent development into the Mirage-4000 is one such area where France might need India as much as vice versa. Moreover, compared with other suppliers of high technology France has proved to be a more reliable source. It may have reneged, under U.S. pressure, on its agreement with Pakistan on the uranium enrichment plant, but even in 1965 it did not interrupt its military supplies to this country. Britain did. On the question of costs France seems willing to establish arrangements for co-production, not just a supplier-and-buyer relationship with India. With adequate buy-back arrangements the net outflow of free foreign exchange to France can easily be reduced to a manageable level. Altogether therefore there is a promising prospect of an across-the-board techno-economic collaboration between India and France. Not merely the Mirage deal but a whole package of agreements on aeronautics can be an integral part of such a cooperation which can fruitfully be discussed during Mrs Gandhi's visit to Paris later this month.

CSO: 4220/7345

DEVELOPED COUNTRIES' EXPORT POLICIES SCORED

Madras THE HINDU in English 3 Nov 81 p 7

[Text]

NEW DELHI, Nov 2

Representatives of over 20 developing countries, which export textiles and are signatories to the Multi Fibre Arrangement, today began a five-day meeting here with a call from the Commerce Minister, Mr Pranab Mukherjee for progressive liberalisation of international trade in textiles.

"We cannot contemplate an MFA which makes international trade in textiles more and more restrictive every time it is extended," Mr Mukherjee told the meeting, which was the fourth and the last in the series to harmonise the positions of the developing countries and evolve a common stand to be taken at the final round of negotiations on the future dispensation of MFA to be held later this month.

Mr Filipe Jaramillo, Columbian Ambassador at Geneva, who had been coordinating the activities of developing countries in this respect in the past few months, told the assembled delegates that the outcome of the final round of negotiations on future of MFA would depend on the decisions of the current New Delhi meeting.

New arrangement from January

The present Multi Fibre Arrangement expires on December 31 and the main concern of the developing countries is to secure a more liberalised pattern in the new arrangement that will come into force from 1982. At the meeting here, they will examine the proposals made by the developed countries and formulate their response.

The general feeling among the developing countries was reflected in the observation of Mr Mukherjee that despite all the efforts made and attention focussed on the new International economic Order and North-south dialogue, the developed countries were hardening their attitudes to the legitimate concerns and aspirations of the developing countries. He hoped that protectionist tendencies would be reversed and impetus given to trade liberalisation. He considered this all the more important in view of the evolution in recent years of new and more sophisticated forms of protectionism.

For examcle, the Minister said, developing countries had been, and are being, confronted with demands for the institution of voluntary export restraints, orderly marketing arrangements and safeguards in an increasing number of so called sensitive industries.

"The idea that developing countries should give reciprocity of access, sometimes on a sector-by-sector basis to the exports of developing countries — an idea which ignores both the economic principle of international specialisation based on dynamic comparative advantage and the historical inequities and imbalances from which the developing countries suffer — is also unfortunately sought to be given increasing currency," he felt.

The MFA, Mr Mukherjee recalled, was originally conceived of as a temporary instrument to allow the principle of international comparative advantage work itself out in the area of textiles through a global restructuring of the industry without causing sudden or rapid disruptive effects in the markets of the importing countries.

In practice, it had been used as an instrument of protectionism, which always presented itself as an easy and soft political option to the Governments of the importing countries. Protectionism had its own hidden costs which must nevertheless be borne by the developed countries when they resorted to it.

Consumers paid more when Governments decided to shut out competitive imports, and employment ostensibly saved by protecting an inefficient industry was always at the cost of not creating additional jobs in more efficient sectors.

"Thus, structural adjustment is not merely a pious platitude in the MFA. It is also in the enlightened self-interest of the developed countries themselves. It is, indeed a natural market process which protectionism retards to the detriment of society at large," he added.

Mr Mukherjee said that the proposals made by the developing countries at the July meeting of the Textiles Committee formed a sound basis for the negotiations on the future of the Agreement. On the other hand, he felt that many of the proposals, made by some of the major importing countries would convert the MFA into a more restrictive and protectionist instrument.

Concepts such as market access linked to growth in domestic demand, differentiation of exporting countries on the bases of level of development and sensitivity of products, cumulative market disruption and the so-called social clause would not be in keeping with the objective of a more liberalised trading system", Mr Mukherjee added.

CSO: 4220/7346

INDO-SOVIET POWER ENGINEERING GROUP MEETS

New Delhi PATRIOT in English 5 Nov 81 p 5

[Text]

MOSCOW, Nov. 4 (PTI)

INDIA and USSR are working out a five-year programme of co-operation in the field of power engineering which will be signed early next year.

This was stated by Soviet Deputy Minister of Power Engineering N Lopatin, while giving details of the results of the first meeting of the Indo-Soviet Joint Group for Power Engineering held here recently.

Mr Lopatin told APN that the joint group had discussed the programme for the construction of the Singrauli super thermal power station. A general contract would be signed in March 1982 for the construction of the plant.

While the equipment supply will be shared by the two countries, the project design will be entirely taken up by the USSR. The Soviet part on the project will be covered by the Soviet credit given in 1960. Apart from the power units of 210 MW capacity, the Soviet side will supply all required equipment, materials and spare parts. It will also depute specialists and supervisors.

It was also decided at the joint meeting that the USSR would set up a special service in India to assist in repair and operational problems of Soviet equipment in India.

Discussions also took place at the meeting on the problem of setting up a power grid in India. A group of Indian experts is now in the Soviet Union to study the Soviet experience in building its power grid.

Mr Lopatin said that 'this is one of the most promising directions of our cooperation,' particularly so because the first grid was to be set up at Singrauli station with Soviet assistance.

CSO: 4220/7352

BUREAU OF MINES REPORTS MINERAL EXPORT TRENDS

New Delhi PATRIOT in English 9 Nov 81 pp 1, 7

[Text] Deep concern has been expressed at the massive deficit in India's overseas trade in metals and minerals, which has progressively widened in the last decade.

While India has had to pay progressively higher rates for importing much needed metals and minerals, items that India exports have not been able to fetch commensurate prices, a study conducted by the Indian Bureau of Mines shows.

The review by the Mineral Statistical Division, which analyses the export and import trends over the last decade, calls for concerted efforts to obtain a better price for Indian export commodities and augmenting indigenous production in minerals, metals, concentrates and alloys to restrict the expensive imports.

The value of imports of minerals and metals exceeded the value of exports by Rs 11,597 million in 1974 which was due to hike in petroleum prices after the West Asia war in 1973.

Considerable improvement in exports, particularly of metals, narrowed down the difference to Rs 6,546 million in 1975. However, progressive decline in exports of metals and other products on the one hand and successive increase in the oil import bill and higher imports of metals on the other, the gap widened again and reached the highest level of Rs 22,662 million in 1979. The trade gap in minerals and metals in 1979 constituted over 90 per cent of the trade gap in the total merchandise.

The share of minerals and metals in the total value of exports increased progressively from 14.5 per cent (minerals 9.8 per cent and metals 4.7 per cent) in 1974 to 24.4 per cent (minerals 18.1 per cent and metals 6.3 per cent) in 1978. It, however, declined to 18.3 per cent (minerals 15.2 per cent and metals 3.1 per cent) in 1979 primarily due to lower exports of cut diamond and steep fall in metals exports particularly of iron and steel and silver.

Minerals and metals accounted for a much bigger share in the total imports of merchandise, because of the larger imports of iron and steel, copper, aluminium and lead.

The share of minerals and metals, which was as high as 38.7 per cent (minerals 25.3 per cent and metals 13.4 per cent) in 1974 fell to 31 per cent (minerals 21.9 per cent and metals 9.1 per cent) in 1975 but moved up to the level of 30 per cent. A further sharp increase was recorded in 1979, the share touching the peak level of 44.5 per cent (minerals 31.7 per cent and metals 12.8 per cent).

Rising Trend

The total value of the country's exports and imports showed a rising trend during 1974-75 to 1979-80, almost doubling over the period. The uptrend recorded in exports was steady and sharp throughout the period rising from Rs 33,233 million in 1974-75 to Rs 64,392 million in 1979-80. But for a minor break in 1976-77, the imports also recorded a continuous and spectacular rise from Rs 45,187 million in 1974-75 to a record level of Rs 88,878 million in 1979-80.

The gain was more than offset by an overwhelming increase in the value of imports mostly due to spurt in petroleum prices. But for a nominal favourable balance of trade in 1976-77, large adverse balance of trade has been a prominent feature during this period, especially in 1979-80 when the deficit became more than double compared to the proceeding year touching the all time record of Rs 24,386 million, the report shows.

There have been significant changes in the direction of export trade in minerals and metals during this period, particularly during 1977 to 1979. One notable change has been the decline in the share of exports to Japan, which came down from 34 per cent in 1974 to 19 per cent in 1978. It, however, improved to 28 per cent in 1979. The share of Belgium which was nominal till 1976 became sizeable constituting 11 per cent to 14 per cent in the subsequent years, due to the spurt in the exports of diamond and semi-precious stones. The US also improved its position during 1977 to 1979, the share rising to 14 per cent to 15 per cent in 1978 and 1979.

On the other hand, UK's share dropped steadily from 10 per cent in 1975 and 1976 to 4 per cent in 1979. The exports to other principal countries viz. Hong Kong, France, Netherlands, Switzerland, USSR and Iran, Korea Republic and Saudi Arabia tended to show some improvement.

Two main factors, which have influenced the import trade in minerals and metals and the relative share of individual countries have been the increasing dominance of petroleum and in recent years of diamond and other precious and semi-precious stones. The major individual countries, which notably figured in India's import trade in minerals and metals were Iraq, Iran, Saudi Arabia, UK, USSR, Belgium, Japan, UAE, Federal Republic of Germany, USA and Australia. These countries together accounted for 84 per cent of the total imports of minerals and variations.

The imports from Iran which were around 28 per cent of the total till 1977 came down to 10 per cent in 1979. The share of Saudi Arabia which was over 16 per cent in 1975 and 1976 dropped below 10 per cent in 1978 and 1979. Iraq on the other hand, increased its share from around 13 per cent in 1975 to 1977 to

17 per cent in 1978 and 23 per cent in 1979 becoming the largest supplier. The Soviet Union also emerged as one of the principal suppliers following commencement of imports of petroleum from 1977 onwards. Its share rose progressively from 2 per cent in 1976 to 7 per cent in 1979.

The export earning from minerals which recorded a continuously increasing trend reaching the all time high at Rs 9,793 million in 1978 declined by 11 per cent to Rs 8,718 million in 1978 [years as published].

Diamond continued to be a major item. The exports of cut diamonds, which witnessed a phenomenal increase in past years suffered a setback in 1979. After registering the record level of Rs 6,224 million in 1978, the export earning declined sharply by 35 per cent to 4,594 million in 1979. This was due to the fact that the boom in world diamond trade abated leading to a fall in India's exports in 1979. India has a comparatively low indigenous production of diamond but possesses an excellent reservoir of skilled workmen for cutting and polishing of diamonds. Wage rates are also comparatively low. Uncut diamonds are imported on a large scale for cutting and polishing and re-export. Belgium, USA, Hong Kong and Japan continue to be the principal markets together accounting for 77 per cent of the total exports of cut-diamond. Other buyers include UK, Switzerland, Israel, Singapore and France.

After a setback in 1978, the exports of iron ore recovered in 1979 and the value of exports touched the record level of Rs 2,723 million registering an increase of 2.4 per cent over the previous year. During the quin-quennium ending 1979 the exports of iron ore rose by 7 per cent in terms of quantity and 32 per cent in value. Japan continued to be the principal buyer of Indian iron ore accounting for 69 per cent of the total exports.

The value of mica (manufactured and worked) was slightly lower during 1979 at Rs 250 million relative to Rs 272 million in 1978. The quantum of mica exports has been gradually declining over the period, mainly due to fall in the exports of scrap and powder mica. The exports of scrap mica and mica powder was 7,249 tonnes and 3,637 tonnes during 1979 as compared to 22,532 tonnes and 8,066 tonnes respectively in 1975.

After reaching the highest level of 371,000 tonnes in 1975 the exports of chromite showed a gradual fall declining to a mere 67,000 tonnes during 1978, largely due to recession in the world steel industry, particularly in Japan, the chief buyer of chromite from India. The exports of chromite were canalised through MMTC from August 1978. The exports in 1979 increased sharply to 236,000 tonnes in favourable market conditions.

Metals

India's foreign trade in metals witnessed a gradual decline in exports in general and progressive increase in imports in recent years. This is attributed largely to the rising demand for steel and other metals in conjunction with shortfalls in domestic production, caused by shortage of power and coal and transport bottleneck. Further, silver which was hitherto a major item of exports, came under export restrictions. The fall in metal exports accompanied by higher imports were particularly pronounced in 1979.

Exports of metals, which attained the peak level of Rs 5,633 million in 1976 registering a two-fold increase compared to 1975, declined steadily in the subsequent years.

Imports

The import bill of minerals increased steadily in recent years reaching a new high at Rs 23,607 million in 1979 as compared to Rs 11,763 in 1975, mainly due to higher prices of petroleum and increased imports of diamond. These two items together accounted for 90 per cent of the total value of minerals imports during 1979.

CSO: 4220/7363

AID TO THIRD WORLD FROM OIL-RICH NATIONS URGED

Bombay THE TIMES OF INDIA in English 6 Nov 81 pp 1, 9

[Excerpt] New Delhi, November 5--The need for increased aid from the oil-rich nations to capital-starved countries of the third world, through direct financial links, was emphasised here today by the finance minister, Mr. R. Venkataraman.

According to him, this process would be in the mutual interest of both parties.

He also noted that this had become imperative because of the implied politicisation of economic relations by the industrialised countries.

Mr. Venkataraman expressed his views in his inaugural address, read out in his absence by the secretary for economic affairs, Mr. R. N. Malhotra, at the opening session of the international seminar of economic journalists. The theme of the seminar, organised by the Forum of Financial Writers, is "development challenges before the third world in the eighties."

The minister pointed out that in spite of the achievements of the past three decades, the continuing rise in the population eating up most of the expansion in output. Persistent unemployment in rural areas and rapidly rising expectations outstripping the ability of the economic system to respond, constituted major challenges.

Major Challenges

Further, all third world countries faced new and externally imposed challenges which called for a substantial and speedy response.

The massive increase in the world price of oil, from two dollars a barrel in 1972 to 34 dollars a barrel now, signalled the end of the era of cheap energy. This had come at a time when the third world countries were embarking upon their industrialisation process, he said.

Mr. Venkataraman referred to the financing gap faced by the third world countries resulting from high prices for imported energy, a basic need for their development, and the slow-down of world trade and protectionism. He estimated the "truly staggering" financing gap at 80 billion dollars.

He acknowledged that financing was only a short-term solution and, in the long run, third world countries must reduce their dependence upon imported energy and also increase their ability to pay for the essential import requirements.

Speaking of the scarcity of energy resources, Mr. Venkataraman cited a recent estimate, according to which the total investment in energy which the developing countries must undertake in the five-year period, 1981-86, amounted to 300 billion dollars. Most of it would have to be mobilised from within third world countries.

This pointed to the need for external finance, a crucial element in the strategy of adjustment. It was in this connection that he referred to the insensitiveness of the industrialised countries to the needs of the situation, and proposed that third world funds should be channelled back into the third world through direct financial links instead of through the commercial financial institutions of industrialised countries.

At the same time, he maintained that action was imperative on the home front in developing adequate exportable supplies and moderating inflationary pressures. This should be in addition to action in the international area against protectionist barriers.

He wanted third world countries to press in every forum for the steady dismantling of these protectionist barriers. They must also simultaneously explore the alternative route of expansion of trade among themselves, he said.

CSO: 4220/7353

INDO-FRENCH COLLABORATION IN OIL FIELD PLANNED

New Delhi PATRIOT in English 9 Nov 81 p 7

[Text] Indo-French collaboration in fields of oil and petro-chemicals will be further developed.

Indian public sector organisations and institutions in the oil and petro-chemical fields and French Petroleum Institute and its associated and subsidiary organisations in France proposes to reinforce their relations through identification of specific areas of cooperation in exploration, production and processing of hydrocarbons.

Following discussions between an IFP team led by its general manager and a number of public sector organisations including the ONGC, OIL, IOC Hindustan Petroleum Corporation, Bharat Petroleum Corporation, Engineers India Ltd, Indian Petrochemicals Corporation and the Indian Institute of Petroleum, a memorandum of understanding was signed recently to further examine potential areas of interest in which the Indian and French organisations could collaborate to mutual advantage.

The memorandum of understanding was signed by Dr S. Varadarajan, Chairman EIL on behalf of Indian public sector organisations in the petroleum sector and by Dr J. C. Balaceanu, general manager of IFP and leader of the French team.

According to the memorandum of understanding future interests of the two sides could be in the exchange of personnel in research and development, improvement of equipment and capabilities in Indian research and investigative organisations, provision of services and equipment for all oil and petro-chemical activities, identification of joint research programmes and cooperation in projects in third countries.

CSO: 4220/7363

PRC DELEGATION DISCUSSES IRON ORE PURCHASE

Calcutta THE STATESMAN in English 12 Nov 81 p 3

[Text]

A THREE-man delegation from the People's Republic of China, which visited Calcutta port on Monday showed interest in importing iron ore to that country from the east coast ports of India including Haldia.

The team, during discussions with the Chairman of Calcutta Port Trust, Mr R. H. M. D'Silva, suggested that iron ore could be despatched from Haldia in small chartered vessels. Small vessels, it was pointed out, would be suitable because of limitation of draft at Haldia.

The draft at Haldia, which has a modern iron ore berth, is 29 feet. But the modern ore and bulk carriers require much deeper draft. Because of this the iron ore berth is unused at present.

The Port Trust authorities propose to ask the Union Shipping Ministry to explore the possibility of exporting iron ore to China from Haldia.

The team, which included Mr Qian Shu Dong, senior Vice President, Chinese Metallurgical Import and Export Corporation, Mr Zhon Hua Qin, chief of export and Mr Wang Cong Chen, transportation expert, visited the port to assess infra-structural facilities for handling import cargo mainly structural steel and pig iron. They indicated that import traffic of about 1.5 million tons would have to be handled at Calcutta port. Port Trust sources said that the delegation was satisfied with the facilities at Calcutta.

CSO: 4220/7365

BRIEFS

INDO-ALGERIAN SHIPPING PACT--New Delhi, November 3 (UNI)--Union shipping and transport minister, Mr. Veerendra Patil today informed members of the consultative committee of parliament attached to the ministry, that an Indo-Algerian shipping agreement has been signed, according to an official release. This will pave the way for starting a shipping service between India and Algeria and is expected to give a boost to the trade between the two countries. "All cargoes between the two countries will be carried by Indian and Algerian vessels on the principle of parity in liftings and freight earnings. The agreement will come into force after the designated organisations from the two sides finalise an agreement at the commercial level," he said. Referring to congestion at Bombay port, the minister said that the position has been improving. As on October 31, 1981, 16 vessels in a state of readiness were waiting for berths as against 31 on August 31, 1981. Referring to the road transport advisory committee meeting held recently the minister said that the members favoured greater usage of multi-axle vehicles in keeping with the modern technological advances and similar systems in other countries. [Text] [Calcutta THE STATESMAN in English 5 Nov 81 p 23]

MAHARASHTRA CABINET CHANGES--Bombay, Nov. 4--The Maharashtra Chief Minister, Mr. A. R. Antulay will now look after General Administration, Home, Information and Public Relations, Transport and any other subject not specifically allotted to any Minister, in the reallocation of portfolios announced here today. Mr. Babasaheb Bhosale has been allotted Law and Judiciary and Rural Development. He was earlier holding the Transport portfolio. The reallocation has arisen following dropping of Mrs. Shalinitai Patil and Mr. Baburao Kale from the Cabinet. [Text] [Madras THE HINDU in English 5 Nov 81 p 7]

SAUDI DEVELOPMENT LOAN--New Delhi, Nov. 6--The Saudi Development Fund (SFD) has agreed to give a loan of 106 million Saudi Riyals (a little over Rs. 27 crores) for the giant 710 mw Koel-Karo hydroelectric project in Bihar. According to the National Hydroelectric Power Corporation, which is building the project, SFD will enter into an agreement to this effect with the Government of India. India on its part will be lending the rupee equivalent of the SFD loan to NHPC and enter into a subsidiary loan agreement with NHPC. The Koel-Karo project is expected to harness the bulk of the hydroelectric potential of the South Koel river and its tributary, the North Karb. The estimated cost of the project is Rs. 390 crores. Besides Koel-Karo NHPC has four other major projects under construction. On completion these four together will make an addition of 1,020 MW of power. The Corporation is also building a 14.1 mw hydel project in Nepal. [Text] [Madras THE HINDU in English 7 Nov 81 p 7]

LAST INDIGENOUS MIG-21M--New Delhi, Nov. 11--The last of the MIG-21 M fighter aircraft rolled out of the Hindustan Aeronautics assembly line today, ending a 10-year indigenous production programme of this type. The last MIG-21 M will be handed over to the Minister of State for Defence, Mr. Shivraj Patil at a special ceremony at Nasik tomorrow by the HAL Chairman, Group Captain Baljit Kapur. With this the IAF will have a force level of five squadrons of MIG-21 M. Defence Ministry sources said the production of the latest version in this series MIG-21 (BIS) would, however, continue for a few years.--UNI. [Text] [Madras THE HINDU in English 12 Nov 81 p 7]

CSO: 4220/7367

INTERVIEW WITH NAVAL CHIEF OF STAFF

Jakarta SINAR HARAPAN in Indonesian 10 Oct 81 pp 1, 12

[Excerpts] Indonesia's Naval Chief of Staff Admiral Waluyo Sugito said that everyday the navy monitors the movement of foreign ships that pass through Indonesian territory, on the surface or under water.

In an exclusive interview with this paper Saturday morning, Admiral Waluyo said we can detect each day which vessels are berthed in Cam Ranh Bay (a Vietnamese harbor often frequented by Russian warships) and which others drop anchor at Subic Bay (U.S. naval port in the Philippines), "but please do not ask how we get such information, because this involves military intelligence."

Waluyo explained that Indonesian waters, strategically situated between the Indian Ocean and Pacific Ocean, are always utilized by warships of major powers, whether one wishes it or not. "It is true that some countries would inform us ahead of time about an impending crossing of their vessels over our waters, but other countries simply keep quiet when their warships pass through Lombok Strait. Nevertheless, we are able to monitor their movements."

For instance, during the latest joint armed forces exercises, Indonesian warships could successfully detect the presence of foreign submarines which followed a convoy of Indonesian war vessels. "I asked for instruction from our naval leadership at Baucau whether to order those foreign submarines to surface or not, but was told to acquiesce, for they were not disturbing us."

In reply to a question, the four-star admiral said our present naval equipment is sufficient to defend Indonesian waters, as compared with the past.

Indonesia's warships are not deployed to certain regions, but are used in and for the "mobile flotilla" system whereby the ships are sent to a particular sensitive area for special tasks at a given time.

The naval chief of staff said that this system is effective for preventing the poaching of fish or shrimp by foreign trawlers in East Indonesian waters. During the wet monsoon, the warships are withdrawn from East Indonesia, because no foreign ships would go to sea to catch marine products there.

If our ships are deployed to certain ports on a regular basis, they would serve no purpose.

Asked about the public sense of awareness of the significance of the navy's role for the defense of the Indonesian archipelago, Admiral Waluyo said that all the people have fully understood the functions of the navy. "Members of the House Commission I are also aware of the navy's important role," he said, "but they are reluctant to discuss expenditures." The price of a submarine is not cheap; the one paraded during the recent Armed Forces Day cost $110 million. With that money we can buy many airplanes, and the army can equip its divisions.

Asked about the future dangers faced by the navy, the naval chief of staff declined to make a forecast. "It is not easy to know who will be our 'probable enemy' in the days to come," he said cautiously, "but the 'probable enemy' may not come from the north." The Natuna Archipelago region may be described as a sensitive region, but let us not be deceived by things that come from the north, he added.

"It is possible that suddenly our foes have landed at Pameumpeuk or Pelabuhan Ratu, while we are training our eyes toward the north," he said somewhat jokingly.

"In future, the war that may break out will take the form of a 'limited war,' but not necessarily as a result of a 'border war,' he continued. "We simply cannot predict."

Nevertheless, he called on the Indonesian people to realize that the dangers being faced by Indonesia are not merely infiltration and subversion activities. "A limited war is very probable," Waluyo said.

Although the Indonesian Navy now possesses 14 new warships, they were acquired 3 or 4 years ago. "The ships we have ordered will arrive here 3 or 4 years later," he said.

With the combined fleet of new, sophisticated ships and old warships supplied by Russia, Admiral Waluyo is convinced that the Indonesian Navy is capable of defending Indonesian waters, although his word is to be taken with a grain of salt.

"For the Indonesian Navy, we must not use the comparison between the wide open seas and the number of available warships, because many other factors are involved in it," he explained.

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CSO: 4213/10

MONEY IN CIRCULATION TOTALS OVER 5 BILLION RUPIAHS

Jakarta MERDEKA in Indonesian 23 Oct 81 pp 1, 2

[Excerpts] Widjojo Nitisastro, minister for economic, financial and industrial affairs and concurrently chairman of the National Development Planning Board (Bappenas), stated that Indonesia's economic development during 1980 was more stable than the previous year. This was attributed to favorable general conditions, which brought about an increase in agricultural and industrial goods and services, and also better control of the rate of inflation.

Widjojo made these remarks during a work conference with House Commission X, led by Chairman Suryadi, in Jakarta Wednesday evening.

According to the minister, the government's success in speeding up the economic growth rate in 1980 would be maintained for this year which has 2 months to go. Yet, he warned, we have to be wary of a trend of world economic turmoil caused by a recession in industrial nations, which would affect development in developing countries. He added that industrial nations would be inclined to suppress prices of exports from the Third World.

By way of example, the minister mentioned regulation over certain commodities, such as tin, natural rubber, coffee and others. Regarding tin, for instance, the United States and a number of other countries have refused to take part in the International Tin Agreement for ascertaining the price of tin.

The minister also pointed out that the current recession in the industrialized world would spread to developed countries in the West and even to several socialist countries in 1982.

The minister made mention of the increasing currency. He said that in September 1980, money in circulation totaled 4,695,000,000 rupiahs, and the figure increased to 5,842,000,000 rupiahs one year later. The increase, according to the minister, was due to the growth in bank credits in rupiah and also to the increase in the production of goods and services. He added that thanks to a strong economic growth, Indonesia has escaped from a recession. He cited that food production increased by 13.3 percent in 1980--an unprecedented event. He attributed this phenomenon to the industriousness of farmers, aided by a coordinated intensification in the utilization of irrigation, pesticides and fertilizer.

An increase of about 21 percent and about 9.6 percent was registered in the fields of industry and of goods and services, respectively. These increases represented real values, not because of the rise in oil prices. Compared with industrialized nations, Indonesia's industrial growth constituted the top.

During the work conference, Minister Widjojo was assisted by Sumarlin, deputy chairman of Bappenas, on the discussion concerning the 1982-83 budget and the decrease in inflation rate.

He said that the inflation was about 11.8 percent during the January-September, 1980 period, but it was down to 5.73 percent for the corresponding period in 1981. It dropped furhter down to 3.02 percent between April and September, 1981.

In content, the inflation rate in various industrialized countries currently being hit by a recession has reached 14 to 15 percent. As inflation often spreads to other countries, we must guard ourselves against importing inflation, Minister Widjojo said.

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CSO: 4213/10

IRIAN JAYA DISSIDENTS REPORTED ACTIVE

Jakarta TEMPO in Indonesian 24 Oct 81 pp 13, 14

[Text] Until the end of last week, especially at night, a deserted atmosphere prevailed over Jayapura, Abepura and Sentani in Irian Jaya province. "Now it's difficult to find a taxi after 8 pm, whereas in the past it used to be easy to get it, even at midnight," said a Jakarta businessman who has just returned from Irian Jaya.

The quiet situation is apparently a consequence of the "9 October incident." On the early morning of 9 October, according to MERDEKA daily, a wild terrorist group [GPL] advocating "Papua Merdeka" [Independent Papua] attacked the Abepura Rehabilitation Center, at Abepura Regency, South Jayapura. As a result of the sudden attack, the prison guards ran away, while the terrorists ransacked and destroyed the office and personal belongings of the guards. The motive of the attack, according to Brigadier General Yusuf Chuseinsaputra, chief of the Irian Jaya XII Police Region, was to free their fellowmen who were being detained on orders of the Irian Jaya Special Executive Officer.

"The terroristic act of OPM (Free Papua Organization--Organisasi Papua Merdeka) is no longer a political struggle, but has turned into a criminal offense," said Yakob Mano, a congressman representing Development Party hailing from Irian Jaya who happened to be on the spot at the time of the incident.

According to several sources in Jakarta, the OPM dissidents, estimated in hundreds, descended from the hills behind Abepura city around 4:30 in the morning. They came down in three groups, equipped with pistols, Mausers, chopping knives, javelins and spears. Unable to break into the detention house to free their comrades-in-distress, the attackers broke the doors and windows of two adjacent houses occupied by the prison guards.

Around 5:30 pm, the attackers ran back to the hills, and on the way they managed to damage several houses, including the home of an official of the Transportation and Communication Service suspected of being an army officer. His motorcycle was destroyed, and a truck parked across the house had its windows and windshield shattered.

After their sortie, the OMP dissidents reportedly raised their red-colored stripes and stars flag at the hilltop, singing and dancing a Wanema war song around the flag. They disbanded after hearing mortar shots fired by government security officers.

The terroristic act was far from over. Last Wednesday the same group raided a lumber storage center owned by PT Hanurata at Holtekang, which included workers' living quarters, tractors and other equipment. At least five workers' sheds were burnt down, while several tenants, including one Malaysian andone Hongkong citizen, who were partners of the company, were held hostage.

The next morning, fighting took place between the dissidents and the security people. Tens of the dissidents were reported killed, about 30 other followers captured and some firearms confiscated. It turned out that some of the trouble-makers were students and teachers in Jayapura.

According to some Irian Jaya individuals residing in Jakarta, the attack by the dissidents was to be expected. "The security people over there were caught off guard," commented one, adding that signs leading toward possible disturbances had long been detectable. In fact, several "incidents" have flared up since the end of last September, including potshots at a motor vehicle belonging to Jayapura Radio Station and a tank truck carrying high-octane gasoline. One helicopter and another one trying to land at Sentani airport were also shot at.

The Special Security Office at Irian Jaya has taken several measures to overcome the terrorists' act. The Sentani-Abepura-Jayapura road is now patrolled by fully-equipped Army troops. However, local security people apparently regarded the OPM attack as a "naughty kid stuff," simply as a sign of social dissatisfaction without any political significance.

Consequently, the Special Security Office at Irian Jaya has since 1978 adopted a "policy of smiles" by a humanitarian approach in order to convince the dissidents and invite them to work together for the development of Irian Jaya.

This smiling approach was considered successful, to wit, the return of Marthin Tabu, self-styled President of West Papua and general of National Liberation Forces, to the fold of the Indonesian Republic on 16 April 1980. Marthin Tabu had been living in the jungles for the past 20 years, and it was he who masterminded the capture of several government officials at the end of 1978.

Dissatisfaction and frustration in certain Irian Jaya circles, which culminated in the recent terroristic attack, apparently was triggered by the lack of job opportunities for the "youths of the region." "Symptoms of dissatisfaction, which have been caused by lack of job opportunities for local youths and discrimination against them, ought to be wiped out," said Yakob Mano.

In the opinion of this member of the House Commission VI, Governor Busiri has now given many work opportunities to regional youths. For instance, in nine regencies of Irian Jaya, the posts of five regents and one mayor are held by the local people. Moreover, several key positions in regional government are held by Irian sons. Of the 9 members of the House of Representatives representing Irian Jaya, 5 are native sons.

According to another source, the Irian Jaya people were dissatisfied over the handling of the "Trikora Award" by the central government. This award was given to officials stationed in Irian Jaya before 1969 for their active participation in the struggle to wrest Irian Jaya from the Dutch. Today many officials are envious and disgruntled because they have not been given this "Trikora Award", although they, too, took part in the political struggle then. ["Trikora" stands for "Tri Komando Rakyat--Three Commands of the people," which was launched by the then President Sukarno in his campaign to get Irian Jaya from the Dutch hands.]

Sudarko Prawiroyudo, a Parliament member representing Irian Jaya, said that the smiling policy pursued by the government is correct. "But I hope that this policy is spread far and wide to embrace and to be understood by the common people, and not by the members of the armed forces only. In this manner, the responsibility will fall squarely on all the people, and not on the shoulders of the armed forces alone," he explained.

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CSO: 4213/10

CORRUPTION IN GOVERNMENT CIRCLES STILL RAMPANT

Jakarta KOMPAS in Indonesian 14 Oct 81 pp 1, 12

[Excerpts] Admiral Sudomo, commander for the Restoration of Security and Order, called on all functionaries to make a firsthand check on statements uttered by officeholders before publicly commenting on them, in order to get a clear picture of the situation.

Sudomo made the appeal through the press after holding a one-hour meeting with Umar Wirahadikusumah, chairman of the Financial Inspection Agency (Bepeka), at the latter's office.

According to Sudomo, the purpose of the meeting was to verify a public statement made by the Bepeka chairman last week concerning embezzlements of government money in various departments. Umar's statement was in fact a comment on a news report about corruption cases cited by Emil Salim, minister for the Supervision of Development and Environment [PPLH - Pengawasan Pembangunan dan Lingkungan Hidup], during a work conference with the Department of Public Works.

Sudomo said: "I request all government officials to carefully check beforehand a statement made by some other official, and not to rashly offer their own comments. Only then will everything be clear. But now everybody wants to join the action before knowing the true situation, making comments left and right. This has caused tension among us, especially when the problem involves corruption."

Sudomo added: "Let us all realize that our government does not tolerate corruption in any form or manifestation. And if we receive reports of corruption, we shall take action."

Earlier, Sudomo explained that Bepeka Chairman Umar Wirahadikusumah had never stated that "the government apparatus is not strong enough to curtail corruption cases" as reported by a newspaper in Jakarta.

"Mr Umar never issued such a statement," said Sudomo. "What he said is that corruption is rampant in all departments. This is a fact. But Umar added that of late much progress has been achieved in forestalling irregularities.

"Now, by rampancy, Mr Umar meant that he found several cases in a number of departments. It is indeed true that corruption exists in virtually all departments.

"The departments concerned may verify the charges directly with Mr Umar, whether investigations carried out by the Bepeka have indeed found corruption cases or not. But it is erroneous to infer Mr Umar had said that every official in the departments concerned is corrupt," Sudomo explained.

It is true that in a press report early last week, Mr Umar used the work "widespread" in his statement, but this was in reply to a reporter's question "Which government department is most conspicuous for committing deviations?" To this question, Umar gave a laconic reply: "Widespread."

Later, Sudomo explained briefly the tasks and authority of the Financial Inspection Agency. He said that this agency is authorized only to inspect and check financial records, but not to carry out investigations on alleged corruption cases.

According to Sudomo, the Bepeka submits its annual auditing of government finances to the Parliament and the President. If it discovers some irregularities in certain departments, it reports the findings to the attorney-general's office. Sudomo added that his meeting with Umar was not to discuss corruption cases, but to ask for a clarification concerning the latter's statement published in the papers last week.

9300
CSO: 4213/10

CANADIAN AID POSSIBLE FOR PAK COPPER PROJECT

Karachi BUSINESS RECORDER in English 9 Nov 81 p 1

[Text] Canadian assistance is in the offing for the long-awaited implementation of the Saindak Copper Project, it is learnt.

Chairman of SNC--International, an engineering company of Canada Gaetan Lavalee is scheduled to arrive in Pakistan and will hold talks with the Chairman of the Resource Development Corporation for this project. The SNC--International of Canada is reported to be the largest engineering Company in the world having the strength of about 30,000 employees on its roll.

Gaetan Lavalee is scheduled to hold a meeting in Karachi on Nov. 9 with the members of the Federation of Pakistan Chambers of Commerce and Industry. He will also meet the Chairman of the Bankers Equity Ltd., D. M. Qureshi.

The Resource Development Corporation (RDC) has already prepared a scheme to attract foreign investment for the implementation of the Saindak project. The total cost of the project has been estimated at about 400 million dollars which also includes the foreign exchange component of over 250 million dollars.

It may be mentioned here that the project was taken over by the RDC in 1975. Over five years have passed since then but the progress has been very slow. The government recently intensified its efforts to find out financial resources (particularly foreign investment) to implement this project.

Official sources told "Business Recorder" yesterday that the implementation of this project would change the economy of this region. Saindak is situated in Baluchistan.

The sources said that the project has the immense potential to increase the foreign exchange earnings of the country. The present price of copper in the world market is in the vicinity of 2,000 dollars per ton which is reported to be about six times the price of steel rods or forms.

The copper imports of Pakistan are reported to be about six million Kgs per annum.

The confirmed estimates of high quality copper ore deposits at Saindak are of the order of 415 million tons. A firm or consultants of U.K. appointed by the RDC which investigated the economic and financial viality of the project is stated to have recommended production of 12,500 tons per day.

In the first instance, it would be instrumental in the manufacture of 16,471 tons of blister copper, 228,235 tons of sulphuric acid and 96,882 tons of steel billets per annum. Other products to be obtained through the refining process will be: 41,850 ounces of gold, 155,166 ounces of silver and 374 tons of molybdenite per annum.

The RDC is reported to have prepared technical document comprising engineering drawings and specifications about each aspect of the project with a view to inspiring confidence in the prospective foreign investors with regard to the viability and profitability of the project.

CSO: 4220/99

BRIEFS

POPULATION TO DOUBLE IN 23 YEARS--In 23 years from now the present 83.7 million population of Pakistan will double or another Pakistan will be born population-wise--if the present growth rate is not brought down. So the question staring in the face of those concerned with long-term planning is: If the present birth rate is allowed to presist, leave alone development, can we be prepared to meet the basic needs of another Pakistan in just 23 years? A glance at the census figures reveals the startling fact that the country's population has almost doubled during the last 20 years. According to 1961 census it was 42.3 million. The high population growth rate coupled with 46 per cent of the population being in the non-productive age group--dependent on those who can work--requires a high level of investments to improve on people's standard of living. Pakistan national savings a present stand at 12.9 per cent of the GNP, which is miserably low according to the State Bank. Its effect on economy is wiped out by the intensity of population explosion. If the present population growth rate of 3 per cent is not reduced, no progress will be possible, as the per capita income will remain almost static. [Text] [Karachi BUSINESS RECORDER in English 10 Nov 81 p 6]

UTILISATION OF NORWEGIAN ASSISTANCE--Pakistan and Norway signed here Tuesday documents on utilisation of Norwegian grant assistance of kroners 65 million (about Rs 120 million) to Pakistan for 1982. The documents were signed by the Secretary, Economic Affairs Division, Mr Ejaz Ahmad Naik; and the Ambassador of Norway, Mr T.P. Svennevig; on behalf of their respective Governments. The grant will be utilised mainly on the import of telecommunication equipment, phosphatic fertiliser, bagging machines and the project for collection of all-shore seismic data for petroleum exploration. The signing was preceded by two-day discussions between the officials of the Economic Affairs Division and the visiting Norwegian mission. Besides firming up grant assistance, the two sides reviewed level of bilateral economic relations. Both sides expressed the hope that the economic collaboration between the two countries would grow further in future. [Text] [Karachi DAWN in English 13 Nov 81 p 12]

BOOK, MAGAZINE, POSTER TO BE FORFEITED--The Government of Baluchistan, under the West Pakistan Press and Publication Ordinance 1983 has ordered to forfeit the following forthwith: Book entitled "Sufaid Naqab Siah Chehray" written by Abdul Karim Muchtaw, published from Karachi. Urdu/English monthly magazine entitled "Pakistan People's Newsletter" published from California/New York USA. Urdu handbill captioned, "Keya Baluchistan Main Hukkam Ko Nau Abadeyati Ikhtiar Hasil Hein" issued by the Pashtoon Students Federation, Baluchistan. Urdu poster captioned "Sadi Inqilab" issue No. 6, for October/November, 1981 issued by the defunct PPP. [Text] [Karachi DAWN in English 13 Nov 81 p 14]

CSO: 4220/99

CITYBANK OFFERS TO BUY 40 PERCENT OF 1ST SUMMA BANK

Manila PHILIPPINES DAILY EXPRESS in English 11 Nov 81 p 9

[Text] The Citibank, N.A., one of four foreign banks operating branches here, is negotiating for the acquisition of the 1st Summa Savings & Mortgage Bank, one of the major assets being disposed of by the Herdis Group, a highly placed source disclosed yesterday.

The American bank may acquire up to a maximum of 40 percent equity in Summa Savings if ongoing talks push through, the source added.

It may also opt to acquire full control of the savings bank through its local affiliate the Citytrust Banking Corp., a commercial bank.

Summa Savings has a paid-in capital of P20 million and assets exceeding P50 million, it was learned.

The source did not disclose the asking price of the owners of Summa Savings, or the acquisition price offered by Citibank.

Summa Savings is the second major asset of the Herdis Group that is being put up for sale as part of the conglomerate's financial rehabilitation program.

Earlier, it was reported that the Government Service Insurance System (GSIS) was offering to buy for an undisclosed amount the Commercial Bank of Manila (Combank), another Herdis affiliate.

Combank has a paid-in capital of about P210 million, P180 million of which was pumped in by new investors earlier this year. The Combank is the successor of the Overseas Bank of Manila (OBM), a commercial bank ordered closed by the Central Bank 12 years ago.

Again, no working quotations were disclosed in the Combank-GSIS talks.

CSO: 4220/100

CITIES NOT PULLING OUT FROM NIDO FIELD

Manila BULLETIN TODAY in English 11 Nov 81 p 15

[Text] Energy Minister Geronimo Z. Velasco disclosed yesterday that Philippine Cities Service, Inc. is not yet withdrawing from its operation of the trouble-plagued Nido oilfield.

Cities Service, the minister said, still considers the Nido field viable at the moment.

The minister did not elaborate on the operator's move but it has been made clear that the American exploration firm decided to continue with Nido's operations in view of the recent decision of the Organization of Petroleum Exporting Countries (OPEC) unifying oil prices at $34 per barrel.

The OPEC unified price is expected to push Nido's crude oil price from the present $31.40 per barrel. Nido oil belongs to the medium grade type and the OPEC price level of $34 per barrel is certain to increase Nido's purchasing price similar to what Saudi Arabia had effected.

Saudi Arabia, which accounts for 58 per cent of the country's import requirements raised its crude oil price from $32 to the unified price of $34 per barrel.

With the expected increase in the price of Nido crude oil, Cities Service has apparently thought that Nido is still economical and viable to operate.

Earlier, the company thought of relinquishing its participating interest as operator in the Nido consortium "when the economic limit" of the project has been reached.

Negotiations between the Filipino partners and the American firm took place on a number of occasions and for a time, Cities Service was bent on withdrawing from the field.

With the recent move of Cities Service, however, the company is still not joining its Filipino partners in drilling an additional well in the area.

Filipino partners have decided to drill one more well at the field in a hope to recover five to 10 million barrels of oil still trapped in the reservoir.

Nido's production declined from a peak of 40,000 barrels per day early in 1980 to less than 3,000 barrels per day today due to rapid water encroachment.

CSO: 4220/100

BATASAN MEETS ON COCO INDUSTRY

Manila BULLETIN TODAY in English 11 Nov 81 pp 1, 11

[Text] The Batasang Pambansa vowed yesterday to improve immediately trading activity of Philippine copra and assured coconut traders, planters, and farmers of fair and just return for their investments.

Without taking sides in the raging coconut controversy, Batasan members of the ruling Kilusang Bagong Lipunan (KBL) met in a closed door caucus late the other day and agreed on the following points:

1. A need for a declaration of policy on copra trading.

2. A need to formulate a policy on copra buying that must assure farmers access to the market even through middlemen, if necessary, so long as it is in accordance with international price quotations.

The assemblymen agreed that without a policy, no trader will even think of investing if there is no assurance of fair return for his investment or if he does not know what is going to happen next.

Deputy Prime Minister Jose A. Rono, majority floor leader, was reported to have presided over the caucus. Another caucus has been scheduled for tomorrow to firm up the Batasan's position on the matter.

On Friday, representatives of the United Coconut Oil Mills (Unicom) and the Philippine Coconut Producers Federation (Cocofed) will be invited to attend a dialogue with the assemblymen. Members of the press may be allowed to attend the dialogue.

The controversy involves the coconut levy which the President lifted but later restored at a lower rate--from P76 to P50 per 100 kilos of copra.

Meanwhile, the Batasan elected last night Assemblyman Datu Blah Sinsuat as speaker pro tempore under the newly approved revised Rules of the Batasan.

Sinsuat was nominated by Pelaez and Assemblyman Joaquin Ortega (KBL, Ilocos region). His election was unanimous.

The new speaker pro tempore, a Muslim, immediately took his oath before Speaker Ouerube C. Makalintal in the presence of Mrs. Sinsuat.

At press time, the assembly was deliberating on a resolution expressing support to the efforts of maintaining the momentum of the Cancun conference to achieve the global negotiations as soon as possible for world survival.

The resolution was authored by Pelaez and 46 other assemblymen.

The steering committee finally reported out for approval another resolution amending the Batasan rules by providing procedures in impeachment proceedings.

CSO: 4220/100

BORROWINGS COVER HUGE DEFICIT

Manila BULLETIN TODAY in English 11 Nov 81 p 15

[Text] The national government borrowed heavily during the first nine months of the year to cover up a cumulative deficit of P8.22 billion in its treasury cash operations, the bureau of treasury reported yesterday.

The bureau reported that the national government incurred gross borrowings of P14.1 billion from January to September compared to P12.43 billion during the same period last year, reflecting an increase of P1.68 billion or P 13.55 per cent.

Bulk of the government borrowings during the nine-month period came from domestic sources, principally from bonds, treasury notes, the sale of treasury bills and other forms of government securities. Borrowed from domestic sector was P9.25 billion.

Foreign loans, amounting to P4.85 billion made up the balance of gross borrowings during the period.

The cash deficit swelled during the nine-month period as the increase in government gross receipts did not keep pace with the growth in government expenditures.

According to the bureau, the national treasury recorded total gross receipts of P41.52 billion during the period for an increase of 24.7 per cent or P8.22 billion.

On the other hand, government's gross disbursements amounted to P49.7 billion which exceeded gross receipts by P8.27 billion.

CSO: 4220/100

DOMESTIC TRADE ROLE STRESSED

Manila BULLETIN TODAY in English 12 Nov 81 p 5

[Text] Trade and Industry Deputy Minister Romulo B. Lumauig underscored the important role of domestic trade to the national economy in a talk with officials of the trade assistance center and the bureau of domestic trade in Region I.

He lamented the great disparity in the treatment of domestic trade and foreign trade as shown in the budgets of the two sectors, saying that under the current appropriations act, domestic trade promotion is given an appropriation of only about P8 million against P123 million for foreign trade promotion.

"And yet a strong domestic trade is the basis of a strong foreign trade," he said.

Lumauig said that the domestic market provides the primary outlet for most producers and manufacturers, particularly farmers and small and medium-scale industries, and this is facilitated through domestic trade.

"Domestic trade also directly affects the leves of the people, especially the ordinary consumers, and they normally gauge the responsiveness of government through the situations in the domestic market," he said.

He exhorted the domestic trade officials to be more imaginative and innovative in their work and come up with projects that are "specific," "implementable," and "replicable."

Lumauig said that emphasis should be made on the development rather than the regulatory aspect of domestic trade promotion in order to remove the "police" image of the Bureau of Domestic Trade.

He also said that in the ongoing reorganization of the Ministry of Trade and Industry, the overriding considerations in the hiring of people to man the domestic trade units will be "dedication to duty" and "commitment to integrity."

"We must have people who are not only highly motivated but also infused with missionary zeal, if we have to make domestic trade an effective tool for national development," he said.

CSO: 4220/100

P4.5-B MAGAT RIVER PROJECT TO CHANGE FUTURE OF N. LUZON

Manila PHILIPPINES DAILY EXPRESS in English 11 Nov 81 p 3

[Text] A 45-square-kilometer, mostly hilly area in this agricultural town will soon completely change the future of more than one million Northern Luzon residents.

By next year, that vast tract of land will be submerged when the P4.5-billion Magat river multi-purpose project is completed by the National Irrigation Administration.

The multi-purpose dam, the biggest ongoing project of its kind in Asia, is designed to irrigate 102,000 hectares of farmlands in Isabela, Nueva Vizcaya, Quirino and Ifugao and provide electricity to practically the whole of Northern Luzon.

The project will tap the water of Magat river which snakes through the 150-kilometer rugged foothills of Nueva Ecija to the wide plaines of Isabela and Ifugao.

Around 9,000 engineers and laborers and several dozens of heavy equipment are working round-the-clock to finish the project by the end of next year. Work on the dam started in 1975.

"We have completed about 80 percent of the project which is quite ahead of schedule," said Francisco G. Novido, assistant project manager.

Novido said they expect to finish the final phase of dam construction by July next year. Thereafter, the National Power Corp. will complete the hydroelectric plants to generate electricity of up to 540 megawatts.

The project is financed by loans from the World Bank and other foreign assistance and local funds. Work on the project is under close supervision by foreign consultants.

Project manager Benjamin V. Viola said the dam will have 45 kilometers of water reservoir, which will cover about 4,500 hectares of land, can store water of some 1.25 billion cubic meters, enough to irrigate year round 102,000 hectares of farmland.

Estimate by project officials showed that the project when fully operational would double rice harvest of farmers from 2.1 tons per hectare to 4.2 tons annually.

This could be achieved through two cropping seasons a year with the availability of irrigation water. At present, farmers in the four provinces depend only on rain for their farms which limit them to only one cropping season yearly.

They said the estimated 540 megawatts power generation of Magat, which is twice the 220 megawatts production of Tiwi geothermal plant in Albay, would be more than enough to provide electricity to over one million Northern Luzon residents.

This would mean savings for the country of some 2.06 million barrels of imported oil annually, project authorities said.

"As a whole, the Magat project will catalyze the agro-industrial development of Northern Luzon," Viola said.

He said irrigation and power are only among the benef'ts to be derived from the construction of the multi-purpose dam.

The reservoir will also serve as fishing ground in the area. It can also be developed into a tourist spot since it is surrounded by hills and mountains.

There are also plans to build sports and other recreation facilities around the dam, project officials said.

CSO: 4220/100

PREDICTED RISE IN PESO--DOLLAR BLACKMARKET RATE

Manila PHILIPPINES DAILY EXPRESS in English 12 Nov 81 p 10

[Text] Heavy demand for foreign exchange yesterday brought down the value of the peso vis-a-vis the United States dollar with the guiding exchange rate hitting P8.11 to the dollar.

It was a hefty jump from the previous day's guiding rate and was the highest so far achieved since January this year.

Central Bank officials discounted the sudden spurt in the guiding rate. They said it was to be expected because of the floating exchange rate system adopted for the peso.

"It simply means that there is big demand, more buyers of foreign exchange," said CB Deputy Gov. Escolastica Bince who is in charge of the bank's research sector.

"We have adopted a floating exchange rate system so the rate fluctuates depending on market forces of supply and demand," she added.

The CB official did not explain why there was heavy demand for foreign exchange that resulted in the sudden rise in the guiding rate.

The CB guiding rate merely indicates the market supply and demand conditions based on transactions authorized.

In the dollar blackmarket, the exchange rate has been higher with the big denominations, like $100 and $50 bills fetching P8.46 to the dollar, highly reliable sources disclosed.

Established and influential dollar blackmarket operators are bent on pushing the exchange rate up to P9.50 per dollar soon, they added.

They added that it is during this time of the year that dollar blackmarket operators make a killing because of heavy demand from people who go on Christmas shopping abroad.

Recently, the CB explained that the peso's cross exchange rates weakened against many currencies that appreciated in value against the US dollar.

However, in the case of the peso, the exchange rate with the dollar deteriorated as the American currency continued to fall, the CB noted.

CSO: 4220/100

GENERAL ATHIT SEEKS TO BOOST IMAGE OF IRREGULARS

Bangkok DAO SIAM in Thai 30 Oct 81 pp 1, 2

[Text] There are preparations for discussions on making Thahan Phran Irregulars who complete a 2-year term of service into "regular troops." Athit revealed that this matter was sent on to the Ministry of Defense for its consideration and there are no problems. They are brought into service at age 17-18. When they are released, they will become reservists. While they are in service, they will be exempt from military conscription. The Thahan Phran Irregulars are still viewed as important. What is good is that they have acted heroically both in the past and now.

General Athit Kamlang-ek, assistant RTA CinC and 1st Army commander had an interview with newsmen on 29 October. He discussed his visits with the troops in the south and his inspection of Thahan Phran Irregular units in Surat Thani 2 days ago. He said that the situation in the south has greatly improved. At the same time he reminded all Thahan Phran Irregular unit commanders to look after their units closely in order to work efficiently and to make an attempt to improve the image of these troops. As for the case involving the Thahan Phran Irregular troops in Chanthaburi, it was simply a small misunderstanding. Those troops were the responsibility of the Royal Thai Navy, which at this time is following up on and taking charge of things.

He also said that if instances of Thahan Phran Irregular misconduct occur, we will punish them severely. However, for the most part these are good troops and have demonstrated much heroism, both past and present. Any unit that is no good with [bad] influence will be disbanded or else the entire company will be discharged. An example of this is in Phatthalung Province, which now is very good. We have competitions every year among the Thahan Phran Irregulars to perform good deeds. In the future, [Athit] will visit Thahan Phran units in all Army regions. He said, "I am really very sympathetic to them; their salaries are small."

General Athit then said that Thahan Phran Irregular troops who are enlisted from 17 to 18 years of age and, as has been submitted to the Ministry of Defense for its reconsideration, if they serve for 2 years, they will be considered for service as regular troops and after the 2 years they will not be subject to military conscription. If they are discharged, they will be considered military

reservists. "I feel that aside from helping them, it will cause more people to volunteer. In this matter, it is understood that there will probably be no problems in the Defense Ministry's deliberations."

News reporters asked why those who are older are not accepted. General Athit expressed the view that age was not relevant. People will be good if they are controlled, and so age is not relevant. When a person gets old, if he is going to be bad, he will be bad. If he has a good commander, he will be good. Wherever I go, I stress this to all unit commanders. It is necessary to be selective in picking the unit commanders who will exercise that control and they must be good people. When the troops leave the base, they may carry no arms at all. Another important thing is the preparation to change Thahan Phran Irregular uniforms. We do not want to make them look like anybody else. "Taxi drivers are wearing striped clothing," said General Athit jokingly. He said that the uniform change may be to black. He asked the media to be a morale booster. We should help correct anything that effects the people and the nation.

CSO: 4207/30

LOW PRODUCTIVITY, UNDEREMPLOYMENT SAID TO PLAGUE LABOR FORCE

Bangkok SIAM RAT in Thai 19 Oct 81 pp 1, 12

[Text] The National Statistics Office revealed significant factors concerning Thailand's labor sector saying that discussions in this area must consider problems of underemployment more than any others.

The Statistics Office's summary came from the latest nationwide labor surveys in 1978. It was discovered that out of a total labor force of 21.9 million, some 14.7 million or 67.2 percent were fully employed. Of this number, some 9.9 million worked in the agricultural sector. This means that only 61.8 percent of the sector is fully occupied. In the industrial sector, those fully employed are some 84.3 percent of the total.

The Statistical Office's report stated that of the nation's population, some 7.2 million or 32.7 percent of the labor force are not fully employed. This figure includes some 156,800 unemployed, a total of 676,500 who work fewer hours than they should, some 6,324,000 earning less than the minimum stipulated by law and another 11,700 who are fully using their knowledge and abilities in their work.

The National Statistics Office also reported that Thailand's having few unemployed does not mean that it has no labor problems. The real problem is that of working fewer hours than normal or having lower incomes, or low productivity. These are characteristics of underdeveloped countries, whose populations are largely employed in agriculture or personal occupations. Therefore, in discussions of Thai labor problems, one should consider primarily the problem of underemployment.

CSO: 4207/30

LPDR ARRESTS, EXPELS CPT AGENTS

Bangkok MATICHON in Thai 3 Nov 81 p 2

[Text] Laos has arrested three Thai CPT [Communist Party of Thailand] secret agents and has handed them over to the Chief Inspector of Na Haeo [District], Nakhon Phanom. They say they are not secret agents cooperating with the Thai Northeast National Liberation Party.

News reports from Nakhon Phanom say that on 1 November, the Lao sent a letter to the Na Haeo District Officer asking him to come and get three Thais who were secret agents of the CPT and who had been gathering intelligence on military operations in Thailand [from] Ban Meuang Phre, Laos.

The reports stated that the Na Haeo District Police inspector and the deputy district officer for administration went to pick up the three agents: Mr Som Butkhot, alias Comrade Tam, 36, formerly a resident of Ban Na Duang, Na Khang Branch District, Nakhon Phanom Province; Mr Bunkong Wonwan, 26, formerly of Ban Kuruk, Muang District, Nakhon Phanom Province, and Mr Ta (surname unknown), 54, formerly of Ban Khlongluk, Muang District, Uttaradit Province. The officers brought all three in to turn them over to CPM [Civil-Police-Military] Unit 33 for further interrogation.

The reports said that the reason Laos turned the three men over to Thai authorities was that the three were unwilling to act as agents and cooperate in intelligence work with the pro-Soviet communist party, known as the Thai-Northeast National Liberation Party.

Moreover, the Lao Government has ordered Thai secret agents of the CPT who are conducting intelligence operations on Thai territory to leave [Laos] within 10 hours, starting from midnight, 1 November.

CSO: 4207/30

DROUGHT HITS NORTHEAST AND NORTH, HEAVY LOSSES EXPECTED NEXT YEAR

Bangkok MATICHON in Thai 2 Nov 81 pp 1, 12

[Text] Many provinces in the northeast are drought-stricken. Farmers cannot work paddies and are flooding into cities to get jobs. Farmers' groups are asking for water pumps but are being turned away because these are being used in the cities to prevent flooding.

MATICHON reporters recently went to survey areas in many northeastern provinces. They found that provinces such as Khon Kaen, Ubon, Udon, Kalasin, Roi-et, Chaiyaphum, Nongkhai and Nakhon Phanom are faced with severe drought conditions because the rains did not come during the monsoon. Farmers have not been able to work the paddies. This has caused a great deal of hardship. There have been severe outbreaks of famine. Waves of farmers, both men and women, have had to leave their villages and come to work in towns and nearby provinces over the past month. Children who have just reached working age are also sent to work in towns.

Bus and train stations are jammed with people preparing to go off to find work in order to avoid famine, sleeping all over the place.

Reporters said that some farmers who still have their own land are mortgaging it to get money to support themselves while trying frantically to get work in the Middle East. Some have been victimized and deceived, losing their shirts. This has caused great resentment.

In some villages such as those in Donsan District, Chaiyaphum Province, there are serious drought conditions. When it did begin to rain, the farmers were very happy, thinking they would be able to work their fields. But the rain lasted only one day and then stopped abruptly.

Newsmen further reported that this year's drought has brought trade to a standstill because of the drop in farmers' purchasing power. Traders are complaining that goods do not sell, interfering with the circulation of money.

Mr Prarom Buasamli, secretary general of the Central Committee of the Farmers' Association of Thailand told MATICHON that last month the northeastern chapter reported the drought problem to the Board of Directors of the Fund for Farmers

in order to request funding for cloud-seeding along with providing urgent assistance in water pumps. However, the authorities responded that most of the pumps were in Bangkok because they were needed to prevent flooding there. To date, it is not yet known whether pumps have been provided to farmers.

Mr Prarom further stated that many provinces in the north are likewise experiencing drought with the cool weather coming on. There is extreme worry that next year's production will certainly drop, which will affect Thailand's economy as a whole.

There were also reports from Sukhothai Province that during this year in nine districts [production on] nearly 335,000 rai of agricultural land was lost because of the drought. This was most of the paddy rice land out of a total of 531,203 rai. Out of a total of 138,956 rai of vegetable crop land, it was expected that approximately 69,400 rai would be lost.

However, the results of these losses are very worrisome to many concerned sectors because of concern that there will be political repercussions if the government just sits on its hands and does not urgently take action to pour resources into the area to relieve the hardship.

The Department of Meteorology's weather reports for the north and the northeast say that in November temperatures will began to drop to 3 degrees Celsius, which will cause abrupt droughts, especially in the north.

CSO: 4207/30

COOPERATION AGREEMENTS SIGNED WITH CHILE, ARGENTINA

Bangkok SIAM RAT in Thai 28 Oct 81 p 5

[Text] Thailand has made another two trade, scientific and technological cooperation agreements: with Argentina and Chile. This has been the result of the visit of the foreign minister et al.

The visits to Argentina and Chile were made by Foreign Minister ACM Sitthi Sawetsila and his party which was composed of Mr Kasemsomoson Kasemsiri, undersecretary of the Foreign Ministry, Squadron Leader Prasong Sunsiri, secretary general of the National Security Council and Mr Danai Dunlalampha, deputy undersecretary of the Ministry of Commerce between 19-22 October. The Foreign Ministry reported that following the party's discussions with those concerned from both governments, ACM Sitthi Sawetsila signed a trade agreement with Chile. He signed an agreement which provided for scientific and technological cooperation with the Government of Argentina. This was to be the basis for the search for cooperation on the government to government level and within the private sector relating to the promotion of trade and exchange of knowledge in the science and technology sphere.

In the agreements concerning scientific and technological cooperation with Argentina, both sides agreed to exchange experts in many fields, especially experts in the fields of agriculture, livestock raising and dairy. Argentine experts in energy technology and alcohol would be sent on exchange and would assist in projects in these areas in Thailand. It was further agreed that pertinent data and information would be exchanged concerning fisheries and fishing industry on a basis of cooperation to promote the expansion of trade and economic relations between both countries.

CSO: 4207/30 END

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ASEAN GUIDELINES ON INDUSTRIAL JOINT VENTURES APPROVED

Kuala Lumpur BUSINESS TIMES in English 10 Nov 81 p 6

[Article by Abrino Aydinan in Manila]

[Excerpts]

THE Asean Committee on Industry, Minerals and Energy (COIME) has approved the basic guidelines for the Asean Industrial Joint Venture (ALJV), a scheme for cooperation in essentially private sector projects not feasible under the ongoing industrial complementation programme.

Edgardo I. Tordesillas, deputy trade and industry minister, who chaired the COIME meeting in Manila in October outlined the guidelines that would be recommended for approval by economic ministers of Asean at their meeting in December.

The COIME agreed on the following:

- AIJV will be limited initially to products, to exclude services, but may be expanded in the future;
- At least two Asean countries can form an AIJV project, but non-Asean companies can participate;
- The Asean Chamber of Commerce and Industry (CCI) will take a primary role in identifying products for ALJV projects;
- AIJV projects are protected by exclusivity privileges in Asean — no similar projects can be put up in both participating and non-participating countries for two years in the case of products currently being manufactured, and three years for new products with a possible extension to a fourth year if decided by the economic ministers.
- Products of AIJV will get preferences under the Asean preferential trading arrangements (PTA) as well as special preferences outside the PTA;
- The same institutional arrangements for Asean Industrial Complementation (AIC) projects are adopted for AIJV products. These arrangements provide for project proposals to be evaluated by COIME and endorsed by the economic ministers.

Under the COIME decision, AIJV projects will get the same privileges and obligations as those stipulated in the basic agreement on AIC.

Both AIJV and AIC are essentially private sector programmes. On the other hand, the Asean Industrial Projects (AIP), the first to be implemented and designed to provide a basic industrial infrastructure, is undertaken by the governments.

UNRESOLVED: The COIME however left out some difficult issues raised by the Philippine business sector and the Asean private sector as a whole, which the COIME opted to leave for decision by the economic minister.

Philippine businessmen who met with the COIME proposed expanding the scope of the AIJV to include not only products but also trading, financing, shipping and other services.

Philippine officials were said to be inclined towards a wider coverage of the AIJV. Trade and Industry Minister Roberto V. Ongpin was reported to have inspired the idea of forming AIJVs projects in services as well as products.

Certain Asean delegations had reservations on the expanded AIJV concept, Mr Tordesillas said.

Mr Tordesillas said: "Rather than delay (decision on) the AIJV, we approved the guidelines and we will continue considering including services at a later period."

OWNERSHIP: One issue that remained unresolved concerns equity shareholdings, of Asean nationals in AIJV host country to investors from other Asean countries.

The ASEAN-CCI draft of the guidelines preferred full Asean ownership of AIJV projects, but provided that "in the event that full Asean ownership cannot be realised, non-Asean nationals may then be invited to participate — but their participation, direct or indirect, shall not exceed 49 per cent.

The alternative thrust prepared by the Philippine Asean Council would like joint venture projects to be at least 60 per cent Asean-owned. However, it included a provision that an investing firm in a project should be at least 70 per cent Asean-owned. In cases where this is not possible, the "grandfather rule" in ownership wil apply — adding up the non-Asean equity in every participating firm to a maximum of 40 per cent non-Asean ownership.

CSO: 4220/542

PRC OFFICIAL DISCUSSES SINO-INDIAN RELATIONS

Bombay THE TIMES OF INDIA in English 1 Nov 81 p 9

[Text] BEIJING, October 31 (UNI).

SINO-Indian differences on the border question, "though serious can and should be solved through negotiations," a highly-placed Chinese official said here today.

In an exclusive interview to UNI, the official admitted that an early solution of this long-standing dispute was essential for fully normalising relations between the two countries.

The official, however, urged that, in the meanwhile, efforts should be made to improve relations by promoting exchanges in various fields like information, culture and trade. Recently some steps had been taken in this regard but these were not enough.

He pointed out that Prime Minister, Mrs. Indira Gandhi herself had commended this approach during the visit of Chinese foreign minister, Mr. Huang Hua to India last June.

"FORGET BYGONES"

Sino-Indian relations, he said, had got soured only in the last 19 years but one should not forget that the two countries had had 2000 years of close ties. This bad patch should be forgotten by both. "Let bygones be bygones and let us look towards the future," he said.

The official referred to the "fruitful" meeting between Chinese Premier, Mr. Zhao Ziyang and Mrs. Gandhi at Cancun and said Mrs. Gandhi had been invited to visit China. He hoped she would do so soon.

Asked if China would recognise the McMahon Line and negotiate only Aksai Chin as indicated by some Chinese leaders themselves in the past, the official said he would not like to offer any comments at this stage.

He said an Indian official team was coming here next month for talks on the subject and it should be left to them and the two governments to handle it.

The official was asked to indicate what had led to the drift in Sino-Indian relations over the last two decades, apart from the unfortunate border conflict.

He replied that if he was pressed for an answer, he would say that it was the effort of former Soviet prime minister, Mr. Nikita Khrushchev to sow discord between the two countries.

INDO-SOVIET TREATY

The official was asked if he considered the Indo-Soviet treaty of peace and friendship an obstacle to Sino-Indian friendship.

In his view, he said, after the emergence of Khrushchev at the helm, the Soviet Union had become an expansionist hegemonistic and imperialistic power.

When such a country signed a treaty of friendship with India, one should be sceptical about its real intentions. Even his own country and Egypt had signed similar treaties with Russia.

One had only to read the memoirs of the late Egyptian president, Mr. Anwar Sadat for a correct assessment of Soviet intentions. He had pointed out how Egypt was let down by the U.S.S.R. at a critical time of its conflict with Israel.

The official felt that this treaty had dented the image of India as a non-aligned country. India's stand on Afghanistan and Kampuchea, with which his own country sharply differed, had not been liked by many non-aligned nations.

Perhaps, this treaty had something to do with India's stand, he said.

Asked if there was an apprehension in the Chinese mind that India might side with the U.S.S.R. in the event of a Sino-Soviet conflict on account of this treaty, the official said he would not like to peep into the future course of events.

On Pakistan, he said, China perceived no threat to India from Pakistan. The U.S. arms aid should not needlessly worry India specially when Pakistan itself was gripped by the fear that in the Soviet scheme of things, its turn might follow Afghanistan's.

The Chinese were, however, concerned with reports of border clashes between India and Pakistan lately and would like these to end and their relations restored to normalcy, he said.

Asked about the competing military presences of the two super powers in the Indian ocean, the official said that China was opposed to an arms race between the Big Two in any region of the world.

China had always regarded the role of ASEAN as vital for peace in the region. India should also respect ASEAN India, China and the ASEAN nations should join in a combined endeavour for peace and stability in the world, he said.

The Chinese official was told that while both the countries were engaged in promoting greater contacts, the Chinese "People's Daily" published little or no news about India. The official admitted that this was a lapse which should be rectified.

He favoured exchange of journalists and other media men to promote greater understanding between the two peoples. He recalled their age-old ties and said it was, in fact, China which had re-exported Buddhism to Japan after importing it from India. There was no reason why the two countries bound together by such historical ties and memories should not come closer to each other, he said.

The official recalled how the father of communist China, Chairman Mao Ze Dong had said in 1970 that India and China should bury the hatchet and open a new chapter of friendship.

He had conveyed a special message to Mrs. Gandhi through the Indian charge d'affaires in this regard, he added.

CSO: 4220/7339

INDIAN EDITOR RETURNS FROM VISIT TO PRC

Activities During Visit

New Delhi PATRIOT in English 23 Oct 81 p 7

[Text] PATRIOT editor, R. K. Mishra returned to New Delhi after a 12-day visit to the People's Republic of China on Thursday morning. Apart from a meeting with Chinese Vice-Premier Ji Pengfei, he had two and a half hours discussion with Chinese Vice Minister for Foreign Affairs Zhong Xidong, Mr Zhong briefed him on Chinese position on international issues and various aspects of foreign policies.

During his visit, the editor had extensive discussions with senior functionaries of the Chinese People's Association for Foreign Trade, Foreign Relations, Trade People's Daily and XINHUA NEWS AGENCY. He visited Guangzou, Shanghai, Xian, Talyuan and Da Tong. He also exchanged views with Chinese scholars in the South Asia Centre of Peking University and Dr Sunyat Sen University at Guangzou.

During the visit, undertaken in pursuance of a decision of the Editorial Board of PATRIOT and LINK, he studied the working of a commune, saw industrial establishments and toured many places of historical importance, specially ancient Buddhist temples.

In China, he had frank and candid discussions on the situation in that country following the fall of the Gang of Four, the new thrust of economic policies of the Chinese Communist Party and the Government, problems of youth and women and the domestic and foreign policies of the new Chinese leadership.

In Peking, Madam Li Chin, Deputy Chief Editor of the XINHUA NEWS AGENCY, hosted a banquet for him.

During his meeting with Vice Premier Ji Pengfei and other Chinese leaders, the Editor complimented XINHUA for the excellent arrangements they had made for his meetings during his stay in China which enabled him to grasp a lot in such a short period.

Meeting With Vice Premier

New Delhi PATRIOT in English 23 Oct 81 pp 1, 7

[Article by R. K. Mishra: "Chinese Leader Wants Better Relations"]

[Text]

BEIJING:

THE Chinese leadership is of the view that 'if the border problem between India and China is solved then that is all to the good. If, however, it remains unsolved for the moment, we can postpone the issue and resolve it when conditions are appropriate.'

This was stated by Vice-Premier Ji Pengfei at a meeting with me during which the senior party and Government leader of the People's Republic of China candidly admitted that 'we have differences with India in our outlook on world affairs.' But the relations between the two countries 'must not suffer because of these differences in outlook,' he added.

The meeting, which took place at the Great Hall of the People, came at the conclusion of my 12-day visit to China. India's Ambassador to Beijing K S Bajpai was present.

Mr Ji is a member of the Central Committee of the Chinese Communist Party and has held many important positions in the party and the Government in the past, including that of Vice-Chairman and Secretary General of the National People's Congress. He was Minister for Foreign Affairs of the People's Republic of China after the death of Mr Chen Yi.

VARIOUS ASPECTS

During the meeting, which lasted about 30 minutes, Mr Ji referred more than once to various aspects of India-China relations and to the border problem. The Vice-Premier remarked 'what are the outstanding problems between us? At the most there exists the border problem. If it remains unsolved for the time being, there is cause for concern, but we can gradually discuss this. Can't we?'

'Soon your country is to send a delegation for negotiations with our Foreign Office in order to settle problems in our relationship. We welcome them,' he said.

'Not only do we need to discuss the border question, but we can also discuss economic issues, the question of exchange of personnel and cultural exchanges. If the border problem is solved then that is all to the good. If it remains unsolved for the moment, we can postpone the issue and resolve it when conditions are appropriate,' Mr Ji added.

'Don't worry about the border dispute; we can discuss it gradually. This must not affect relations between our two countries,' he reiterated later.

BETTER RELATIONS

'The past is over and done with,' said Mr Ji. 'From now on we hope that the two countries will have comparatively better relations.'

Mr Ji observed that 'both our countries are very important. The normalisation of relations between our countries is very significant for peace in the whole of Asia and the World.'

Candidly admitting the fact that the two countries did not have the same perception of various international problems, the Chinese leader said: 'We have differences with India in our outlook on world affairs. We need not worry on this score as these can be resolved on the basis of increased contacts and understanding.'

He said: 'We must allow for differences in outlook; there are differences within a single country, not to speak of two countries.'

The Vice-Premier emphasised that 'our relations must develop steadily and must not suffer because of differences in outlook.'

He expressed the hope that the relations between the two countries 'will return to the pre-sixties level. We had a good relationship then. If we can improve on that, so much the better.

He said that both India and China are "developing countries and both need to build our nations". The two countries should try to identify what was common ground between them, excluding the differences. He said that there was need for more contacts and better understanding in the relations between the two countries.

The Chinese leader said "India is a large nation with many things we can learn from. Of

course you can also learn from us on several counts. Improved relations will help both countries."

"Our two countries are neighbours and are both large countries, densely populated with an enormous surface area. We must understand each other and do this more and more. Until a few years ago our contacts were few and our mutual understanding poor. This situation must not be allowed to continue and must be changed," Mr Ji said.

He expressed the hope that "contacts between the two countries would increase and result in improvement of mutual understanding, and development of friendly relations."

He recalled the then Chinese Premier Hua's meeting with Prime Minister Indira Gandhi in Belgrade when two leaders had gone to attend President Tito's funeral and subsequent discussion which Chinese Foreign Minister Huang Hua had during his visit to Delhi last June.

During these meetings, leaders of both countries had expressed their desire to increase contacts and improve cooperation between the two countries. "Our relations must speedily improve. This is not only the wish of our two peoples but also the common desire of our two governments" Mr Ji added.

Responding to an observation that Prime Minister Indira Gandhi had taken a series of steps since 1976 for improving relation with China and that India wished to base its relations with all countries on the basis of equality and mutual respect for independence and sovereignty of other States, Mr Ji said that "China and India both large countries, have always had good relations in the past. Later Prime Minister Nehru and Premier Zhou Enlai authored the five principles of peaceful coexistence at the Bandung Conference, China still respect the 'five principles.'"

"We respect the sovereignty, territorial integrity of other nations," he added.

Mr Ji said China had "always advocated noninterference in the internal policies of other nations.

The Vice-Premier welcomed my visit to China and said that "this will have the advantage of increasing our mutual understanding."

Mr Ji was appointed Vice-Premier in September 1979. Earlier he was China's Ambassador to the German Democratic Republic and also Vice Minister for Foreign Affairs. He has also been a principal figure overseeing the international relations between the Chinese Communist Party and the Communist parties of other countries.

CSO: 4220/7317

PRC REPORTED TO WANT BORDER TALKS WITH BHUTAN

Madras THE HINDU in English 1 Nov 81 p 11

[Article by G. K. Reddy]

[Text]

NEW DELHI, Oct. 31.

As a logical follow-up of the impending talks with India on the border problem, China intends to have parallel discussions with Bhutan for the demarcation of its boundary with Tibet.

The dialogue with Bhutan is expected to begin after the Indian and Chinese officials have met and settled the modalities for the border negotiations.

The boundary between Nepal and Tibet has already been delineated on maps except at the two trijunction points which can be demarcated only after the settlement of the Sino-Indian border dispute. Similarly, the trijunction point between India, Burma and Tibet at the end of the McMahon Line has been left open during the demarcation of the Indo-Burmese boundary in the North-Eastern Region.

The porposed Sino-Bhutanese border talks thus assume considerable importance in the context of the current Sino-Indian moves for normalisation. Though no dates have yet been set for it, China and Bhutan have agreed in principle to begin a dialogue on border demarcation.

India's concurrence: The Bhutanese Government proposes to engage in the exercise with Indian political concurrence and technical assistance. The survey of the Bhutanese border has been done by Indian experts from the British days and the necessary maps drawn up based on the traditional demarcation.

The present Government in China has been making renewed overtures to the Dalai Lama to make a trip to Tibet to study the local situation and decide for himself whether he should return to his homeland to serve his people. An offer has been made to him through his own relatives, who had visited Tibet, to pay a visit without any commitments on his part.

But he has not yet decided whether the time is ripe for paying a visit to Tibet, let alone for return from his 23-year exile. He is, however, reported to be satisfied that the conditions in Tibet now are better, although the people still resent the continued regimentation of their lives.

Sino-Indian talks: The Sino-Indian official level talks are likely to be held towards the end of November, or even early December, depending on mutual convenience. The Indian side has suggested some tentative dates and a decision will be taken soon about both the timing and the level of participation.

CSO: 4220/7341

DACCA AIMING AT FOOD SELF-SUFFICIENCY IN 1985

Kuala Lumpur BUSINESS TIMES in English 28 Oct81 p 6

[Article by Mufazzal Hussain in Dacca]

[Excerpts]

BANGLADESH is slowly moving away from its "basket case" image and is now more optimistic of feeding its teeming millions on its own by 1985.

Thanks to two consecutive bumper harvests, the country has managed to reduce its average annual food grain imports from 1.5 million tons to 1.1 million tons.

The shortfall in domestic grain production regarding consumption remains considerable. But the fact that it has finally managed to whittle down its grain imports is of considerable psychological as well as material comfort to a nation used to be called an international "basket case."

Encouraged by the initial success of the grain production campaign, the country now hopes to attain food self-sufficiency by the last year of the Second Five-Year Plan (SFYP), 1980-85.

To firm up the country's agricultural production campaign, Dacca has launched a medium-term food production plan (MTFPP) which outlines a "systematic approach" to food production.

Under this programme, the problem of attaining food self-sufficiency would be undertaken by the MTFPP instead of temporary efforts usually done in the past.

The Agriculture Ministry hopes that new initiatives to revitalise Bangladesh's lethargic food production programme would generate a total food grain output of 20 million tons by 1984-85, or a growth rate of about 6.2 per cent annually.

In crop-year 1979-80, Bangladesh produced only a little over 13 million tons of food grains.

The 20-million-ton target is exclusive of the estimated 10 per cent of total production lost due to severe weather conditions peculiar to the country.

Government estimates of future production means that Bangladesh would initially be able to feed 102 million of its population with 15.5 ounces of food per capita each day with almost 80 per cent of the average individual calorie requirement.

The government's strategy to increase crop yields includes a planned switch to rain-fed, high-yielding varieties, the expansion of rain-fed wheat, improved agricultural methods, full use of existing irrigation facilities, drainage and flood control and the establishment of new irrigation systems.

The incremental production of rice and wheat has been apportioned to different kinds of cereals for programming and implementation, an official of the Agriculture Ministry explained.

Emphasis is being given to the input distribution programme which agriculture planners claim to have made steady progress over the past few years.

An expert of the Bangladesh Agricultural Research Council said that except during years of severe drought or flooding, the effect of agricultural inputs, like fertiliser, on the overall production pattern has been greatly encouraging.

The government's programme for food self-sufficiency is backstopped by an expanded fertiliser-manufacturing scheme. By mid-1982, a multi-million-dollar fertiliser plant will be fully operational.

Agriculture Ministry officials said that during the current five-year plan, a total of 1.9 million tons of fertiliser will be distributed throughout the agricultural sector.

To ensure a smooth distribution of the fertiliser supply, the government plans to let the small private traders and village co-operatives handle the job. The Bangladesh Agricultural Development Corporation (BADC) used to handle the entire fertiliser distribution system.

Another major thrust of the food production programme is to expand irrigation.

Statistics show that out of the total cultivable land of about 23 million acres, only about 1.34 million acres are triple-cropped and 5.4 million acres are used for double-cropping.

This means that a substantial production potential remains dormant because of lack of irrigation facilities.

In irrigation, said an Agriculture Ministry official, "lies the main prospect of increasing the agricultural production of the country." He said that by 1985, the irrigated area will increase to 7.2 million acres.

To complement the nation-wide food production programme, the government has also stepped up extension works which include motivational and promotional activities geared to encourage farmers to adopt modern agricultural methods.

The government has adopted measures to remove constraints, which stood in the way of the efficient transfer of technology by introducing a new training system.

In addition, Agriculture Ministry officials have been instructed to oversee and evaluate actual conditions in the countryside instead of supervising field projects from the comforts of their offices as before.

Bangladesh's total effort to drastically improve its food production performance may not push it into the category of a food exporter. But if it manages to become self-sufficient in food, it would be a monumental achievement. — Depthnews Special

CSO: 4220/543

INDIANS REPORTEDLY MISTREAT ENCLAVE RESIDENTS

Dacca THE BANGLADESH OBSERVER in English 26 Oct 81 pp 1, 12

[Text] Rangpur, Oct. 25--Entire ten thousand population of Dahagram and Angorpota enclaves yet experiencing captive life due to continuous blockade by Indian nationals and Arji party. Although an agreement signed in between Deputy Commissioners of Rangpur and Coochbihar on September 15 to withdraw blockade, the Indian people instead showing respect to this accord, tightened blockade around these enclaves pressurising on enclave people to surrender to them.

According to information received at Patgram the people of Dahagram and Angorpota could not observe Eid festival due to blockade. Indian party equipped with arms lathies and bows and arrows patrolling around these enclaves round the clock preventing enclave people to come out from inside enclaves. On October 5 one Abdul Khaleque (25) of Dahagram who anyhow went to Dhapra bazar inside Indian territory was beaten by Indian nationals and Arji Party and his goods were snatched away and later on sent to hazat on some false allegation. On same day at Mekkiganj some children from Dahagram who went to purchase goods for Eid festival were caught by Arji Party and they beaten back snatching away their money. At Tin Bigha passage many other people were beaten by Indian nationals and Arji Party as they tried to enter inside main land at Panbari to purchase goods from Patgram to observe Eid festival. On October 13 one Raisuddin of Dahagram beaten by Indian nationals at Dhapra bazar.

On October 19 one Abdur Rezzaque (30) and Abdul Wahab (40) of Dahagram caught by Arji Party at Dhapra bazar and sent to jail hazat as they entered there to purchase daily necessities. On same day huge Indian nationals along with Arji Party equipped with arms cattlies raided house of one Kamruzzaman (27) of Munshipara village under Dahagram in broad day light at about 2 p.m. and ransacked his house and damaged paddy field in search of him. They come to arrest him on allegation that he bading causes of Dahagram Angorpota enclaves people. Since Indians blockade started around there enclaves on and from June 6 hardly a day passed without any incidents of beating the enclave people and hijacking of their cattle by Indians. According to latest information at least 50 persons including their 30 children died of starvation and malnutrition. Many others yet suffering from various diseases. One Taher (25) of Dahagram who attacked by eye disease some days back now facing condition of blindness due to want of treatment.

CSO: 4220/7375

POLICY MODIFICATIONS LEAD TO ECONOMIC REVIVAL

Kuala Lumpur BUSINESS TIMES in English 23 Oct 81 p 6

[Article by Michael Fathers in Rangoon]

[Excerpts]

BURMA is undergoing an economic revival, helped largely by previously banned foreign aid and new high-yielding strains of rice.

And the shroud of xenophobia which blanketed the country is being lifted cautiously, according to diplomats in Rangoon.

The change after nearly 20 years of rigid socialist control is highlighted by the planned return of English as the medium of instruction in universities and secondary schools later this year.

Crash courses are being organised for teachers from kindergarten level upwards and programmes on learning English are broadcast daily on Burma's one-year-old television network. Scripts are published the next day in local newspapers.

"A whole generation of Burmese was lost. Students no longer understand English and it will take us years to even catch the coat tails of the rest of the world," a bitter Burmese academic told *Reuters*.

The about-turn in education began last year when according to popular rumour President Ne Win, a fluent English speaker, was shocked that a daughter, trained as a physician in Burma, was refused admittance to a post-graduate medical course in Britain because she failed to pass an English-language test.

The economy began picking up when the government reversed its stand on foreign aid after a major food shortage in 1974 and student riots shocked Ne Win and his ministers.

The following year Burma cautiously began accepting foreign capital, eased its rigid economic controls, started a policy of large-scale investment in agriculture and other primary producing export industries such as forestry and fisheries, and introduced incentives and bonuses for workers.

The economic decline halted. Exports jumped impressively from US$180 million in 1975 to US$400 million last year and there has been an average six per cent annual rise in the gross domestic product.

Rice production, the key indicator of Burma's prosperity and its main foreign exchange earner, reached a record 12 million tonnes last year, according to government statistics.

Most of the foreign aid, averaging US$500 million annually from Japan, West Germany, Britain, China, Australia and this year for the first time from the United States, and international agencies such as the World Bank and the Asian Development Bank, is being ploughed back into agricultural development projects, transport and the oil industry.

Burma is self-sufficient in petroleum and exports a small surplus to Japan. But like other sectors of the economy production slumped during the 60s and 70s to a low of 7.1 million barrels in 1975 and Burma was forced to import petroleum for the first time. Domestic demand is about eight million barrels.

Last year oil production reached 11.7 million barrels.

Offshore exploration by foreign oil companies in the Bay of Bengal and the Andaman Sea ended several years ago without success and the Burmese government is to resume the search itself.

Despite the upturn, Burma has not yet reached the prosperity it enjoyed nearly 20 years ago when General Ne Win ousted elected Prime Minister U Nu and imposed his so-called Burmese way to socialism.

The volume of exports last year was 40 per cent of the 1975 level when the economy began its decline and was only 10 per cent of the pre-World War Two level in 1940 when Burma was the ricebowl of Asia and one of the world's major exporters of raw materials, according to the World Bank.

President Ne Win's government does not admit to unemployment and no figures are published.

The nearest it came to recognising the problem was by encouraging hundreds of university graduates to go to the countryside to work on farms to help with the harvest. It also set up regional colleges in 1975 for school leavers to cope with increased student numbers and to delay university entrance for at least three years.

Many of Burma's five million students were the victims of President Ne Win's 1966 Burmanisation programme which directed them to studies for jobs in state factories, industry and research establishments which because of poverty were never set up, the diplomats said.

Most are now taxi drivers, street vendors, mechanics, petty clerks, waiters, storemen and hawkers who service the private sector and the black market or have joined the armed forces.

Thousands are still jobless waiting for the few positions available each year in the public service and the state-owned trading and financial corporations. — Reuter

CSO: 4220/544

WRITER SEES MIXED ECONOMIC SIGNALS FOR 1981-82

Bombay THE TIMES OF INDIA in English 27 Oct 81 pp 1, 12

[Article by D. P. Sharma]

[Text]

IF one were to judge merely by the figures of gross national product (GNP), the economy could be said to have performed reasonably well last year and the outlook for the new Samvat Year also might not seem unpromising. But this would be too simplistic a view of the complex economic situation.

The year that has gone by was a year of impressive recovery and the current year seems to be one of mild growth. The most pleasing aspect of the current economic scene is the significant improvement in the supply of coal, power and railway wagons, made possible in no small measure by better co-ordination between different ministries and stricter monitoring of performance.

On present reckoning, industrial production in 1981-82 is likely to register an increase of about 10 per cent against the previous year's 4.1 per cent. The increase in agricultural production is estimated to be rather small, around two per cent against 19.2 per cent in 1980-81. Both foodgrain and commercial crops are expected to be better, the increase being particularly marked in sugarcane. Foodgrain output is expected to be around 133-134 million tonnes.

On the price front, the increase in the wholesale price index during the 12 months ended September 26, on point-to-point basis, has been substantially less — 7.2 per cent against 19.3 per cent in the same period of the previous year. This, however, is not reflected in the consumer price index.

On the basis of anticipated increase in farm and factory output, one could look forward to an increase of 3.5 to 4 per cent in national income against a rise of 7 per cent in 1980-81.

Going by the figures of the farm and factory output and of the national income, ministerial pronouncements have tended to foster the impression that the sixth plan targets —agriculture 4.2 per cent industry 8 to 9 per cent and GNP 5.2 per cent — are well within reach. But the picture looks very different if one takes into account the figures for the 1979-80 drought year when agricultural production dropped by 15.7 per cent, industrial output by 1..4 per cent and national income by 45 per cent.

Despite the emergence of a few hopeful signs, the economic horizon continues to be dotted with many question marks. Improvement in farm and factory output, welcome as it is, provides no more than a gloss over the economy where the basic situation has been steadily deteriorating.

The increase in the use of farm inputs — HYV seeds, fertilisers, pesticides, irrigation, finance — during the past decade or so has not led to any corresponding increase in output. The rate of increase in agricultural output has been barely keeping pace with the rate of growth in population. The growth rate has, in fact, been decelerating; it was 3.2 per cent between 1951-52 and 1964-65 and 2.2 per cent between 1964-65 and 1980-81.

It might come as a surprise that the per capita farm output in 1980-81 was significantly below the level reached as far back as 1970-71. The per capita foodgrain output in India is barely one-fifth of that in Russia, Germany and Europe. It is the inadequate purchasing power of the people that accounts for the illusion of self-sufficiency.

It is ominous that despite an impressive increase in foodgrain production from 109 million tonnes in 1979-80 to 133 million tonnes in 1980-81, there has been no improvement in procurement Food stocks with the government at the end of July 1981 stood at 13 million tonnes against 21.8 million tonnes two years earlier. Agricultural commodity prices which had risen by 12 per cent in the year of drought rose by 14 per cent in a year of good harvest. That New Delhi should have deemed it necessary to resort to grain imports after a lapse of four years is a measure of its concern over the supply position.

INDUSTRIAL LANDSCAPE

Industrial growth rate in the organised sector has also shown steady deceleration — from 7.4 per cent a year in the fifties to 6.3 per cent in the sixties and 4.6 per cent in the seventies. Apparently, massive investment and technological changes are required to raise the growth rate.

The unprecedented boom on the stock exchange, lifting the equity price index by the end of June to a level which even the most inveterate bulls could not possibly have anticipated at the turn of the year, and the significant increase in the sanctions and disbursement of loans by the public financial institutions give one the impression that an industrial boom is perhaps well under way. But the industrial landscape provides a curious blend of many odd elements.

While quite a few industrial units

are doing very well indeed, sickness in industry continues to be widespread. Various steps to restore health to sick units have proved to be of little avail so far. The three major industries — cotton textile, jute and tea— are having a tough time. Certain other industries are beginning to feel the pinch of consumer resistance.

There has, no doubt, come about a considerable improvement in the production of coal and power and the railways also have performed better, but it would be rash to conclude that all is now well with the infrastructure. Increase in coal output needs to be seen against the background of virtual stagnation in production over the years. Power supply remained vulnerable to the vagaries of the weather and erratic coal supply.

Any major breakthrough in the railway transport facilities in the near future seems very unlikely because of the low level of investment over the years. Already heavily overstrained, the railway system is in no position to meet the needs of expanding industrial output and economic activity. Industrial relations also have not undergone any major transformation. Industry continues to complain about financial stringency.

RATE OF INFLATION

Relief from the inflationary holocaust is still nowhere in sight. There has, no doubt, been a significant decline in the rate of inflation in terms of the wholesale price index. But the consumer price index which really matters does not show any signs of going down.

The government's anti-inflationary policy cannot command much credibility when it continues to push ahead with unproductive expenditure and when there is no let-up in the expansion of money supply despite the massive import surplus and the substantial decline in the net foreign exchange assets. Between March and September 26, 1981, money supply (M3) has risen by 5.9 per cent against 4.8 per cent in the same period last year.

The real obstacles to bringing inflation firmly under control are non-fiscal rather than fiscal and political rather than economic. It is no secret that profiteers and blackmarketeers often finance politicians and influence policies.

Non-inflationary path of development is virtually dependent on an efficient public distribution system, catering primarily to the needs of the poorer sections, both in the urban and rural areas. Public distribution needs to be treated as an integral part of the overall economic strategy.

Government finances continue to be in a bad shape. The budgetary deficits of the first two years have made nonsense of the plan arithmetic. The continued large expansion in money supply in face of strong contractionary influences, the enormous increases in bank credit to the commercial sector, net bank credit to government, state governments' borrowing programme, make a mockery of fiscal and monetary discipline.

The financial system is becoming increasingly sick because of the obsession with a target-oriented approach to priority lending without the requisite organisational effort to monitor the efficient deployment of funds and adequate recovery machinery.

BALANCE OF PAYMENTS

Perhaps, the most disquieting aspect of the economic scenario is the widening of the trade deficit which threatens to cross the Rs. 6,000-crore mark this year, bringing down the country's foreign exchange reserves to a level — Rs. 3,763 crores at the end of August — which must cause serious concern. In the absence of any breakthrough in domestic production and productivity, it would be wishful to look to any major upthrust in exports, especially when the global environment is becoming increasingly hostile due to intensified competition and protectionist trends. Aid outlook has been clouded by international economic and political uncertainties.

The balance of payments position which has already deteriorated considerably is likely to worsen further. The 5 billion SDR loan and commercial loans from the international capital market will certainly help buy time, but they cannot solve the balance of payments problem. The foreign exchange crisis may well worsen over the years, if the projects set up with the foreign credits do not generate adequate additional foreign exchange for the servicing and repayment of capital. The only hope lies in the successful outcome of the proposed massive oil exploration effort which must necessarily take time.

Yet another serious problem that the economy will have to contend with is the relentless pressure of population. The 1981 census results have caused universal dismay.

The country's development cannot be said to have suffered from a lack of resources. Government expenditure and capital formation expenditure as a percentage of GNP have risen very substantially over the years. But this has not led to any acceleration in the growth rate.

It is a lack of a sense of priorities and inefficient use of resources which is mainly to blame for many of the ills afflicting the economy which is awash with black money.

CSO: 4220/7326

RESERVE BANK RELEASES 1980-81 ANNUAL REPORT

Calcutta THE STATESMAN in English 23 Oct 81 p 9

[Text]

NEW DELHI, Oct. 22.—In its report on the trend and progress of banking in 1980-81 released yesterday, the Reserve Bank said that the modifications in the banking sector had been made to curb inflation. But it has hardly abated despite 7% growth in the economy.

The report pointed out that in 1980-81, prices rose by 18% (on the basis of monthly average) compared to 17% the previous year, thereby contradicting recent claims made by the Finance Minister that inflation had become a single-digit figure.

The Reserve Bank pointed out that the resources position of the banks fluctuated at the year-ending, June 1981, and there were many changes in the interest rate structure. Monetary and credit policy responded easily to trends in the banking sector.

The report said that the effect of excessive primary money creation in the preceding two years and the sizable decline in foreign exchange reserves called for the need to control monetary expansion. The board strategy of monetary policy, therefore, continued to be structured around the deceleration of money and credit growth to rates consistent with increases in real income.

It was this strategy which alternately required relaxing the cash reserve ratio in October 1980, and its subsequent tightening in May 1981, and a further tightening of the credit policy in July 1981, culminating in the raising of the bank rate and the statutory liquidity ratio.

Liquidity in the banking system swung between the first and second half of the banking year, mainly because of the pace of deposit accretion in the first half. Deposits increased by 9.3%, but before the busy season demand for credit was expected to be substantial owing to the growth of the economy and to meet requirements of food credit, priority sectors, exports and fertilizer and oil imports.

Hence the Reserve Bank decided to exempt banks from maintaining the additional cash reserve of 10% of the incremental demand and time liabilities from October 1980.

In the second half of the year, deposits grew rapidly by 10.1% making it possible to expand non-food credit at a time when expectations of a slowdown in monetary expansion had not materialized (money supply increased by 18%). Prices were also rising. All this made it necessary to make monetary changes and the bank rate was raised from nine per cent to 10% and the crr and slr by one each.

For the year as a whole, the deposit growth was substantially higher than in 1979-80. The rise in aggregate deposits amounted to Rs 6,807 crores, or 20.4%, compared with an increase of Rs 4,706 crores, or 16.4% in 1979-80.

The significantly higher deposit growth is attributed to the relatively higher increase in real national income in 1980-81 and, to some extent, to the sizable primary money creation. The expansion in non-food credit was much larger during the year at Rs 4,329 crores or by 23% compared to Rs 2,967 or by 17.8% in 1979-80.

Changes in the interest-rate structure simultaneously with the presentation of the last budget was an attempt to provide adequate incentives for savings in an inflationary environment.

The report said that in deployment of credit, the banks have a long way to go towards meeting the national targets. Thus, in March 1981, priority sector loans formed 33.6% of total credit—a level which was only marginally higher than the target of 33.3% set for March, 1979, and much below the stipulated target of 40% to be reached by 1985.

CSO: 4220/7314

LARGE SHORTFALL EXPECTED IN FOOD PRODUCTION

Calcutta THE SUNDAY STATESMAN in English 1 Nov 81 p 9

[Text] New Delhi, Oct 31.--Food production in 1980-81 dropped to 129.87 million tons against the Government's target of 135 million tons, according to official statistics released yesterday.

The food output in 1980-81 was two million tons--nearly 1.5% less than the 1978-79 record production achieved by the country. The shortfall by about five million tons has already forced the Government to import 1.5 million tons of wheat from the USA. More import is not ruled out.

The production figure has come as a shock in view of the Government's claim that the 1980-81 output target had more or less been achieved "notwithstanding adverse weather conditions." Judging by the production of nearly 130 million tons in 1980-81, the Government's target of 138 million tons for the current year is beyond reach.

The Government is now deriving consolation that the 1980-81 production represents an 18.4% increase over the previous year's output of 109.70 million tons. The comparison is odd because 1979-80 was a drought year. Nonetheless, yesterday's Government Press release gave the final production estimate of 1980-81 for rice, wheat coarse cereals and pulses along with the latest revised figures of 1979-80.

Thus, it was stated that the production of rice in 1980-81 was 53.23 million tons, 25.8% more than the previous year's output of 42.33 million tons. Similarly, the wheat output (1980-81) was 36.46 million tons compared with 31.83 million tons recorded in the previous year. The production of coarse cereals was 29.01 million tons as against 26.97 million tons in 1979-80. Finally, pulses output was 11.17 million tons in 1980-81 against 8.57 million tons registered in the previous year.

The Press note said that the final estimate of the wheat output for 1980-81 "exceeds by almost half a million tons the earlier estimates of 38 million tons." In 1978-79, the production level was 35.5 million tons. In 1979-80 the latest revised estimates place wheat production at 31.83 million tons.

The final estimate of rice "is about 1% lower than the previous record production of 53.77 million tons achieved in 1978-79." Again, the production of coarse cereals in 1980-81 is higher than the last year by 7.6% "though it falls short of the previous best by a margin of 4.7%."

The output of pulses in 1980-81 marks a rise of 30.3% over the previous year's production of 8.57 million tons. Though the crop year 1980-81 started well and promised to give a record crop, the kharif crop suffered heavily from drought towards the end of the monsoon season in Rajasthan and parts of Andhra Pradesh, Karnataka and Tamil Nadu. Also the failure of the north-east monsoon during October-December was a severe setback to samba, the main paddy crop of Tamil Nadu. Gram crop in Haryana and Rajasthan, too, suffered from drought and other unfavourable weather conditions in the rabi season while wheat in Punjab suffered damage from heavy rain and hailstorm in the second fortnight of March 1980. "In short, the crop year 1980-81 was characterized by unfavourable weather conditions both during the kharif and rabi seasons in several regions of the country," the Press note stated pointing out that a "remarkable recovery" had occurred in many States.

CSO: 4220/7340

DELHI PLANS TO BORROW LARGE SUMS FROM WORLD MARKET

Calcutta THE STATESMAN in English 26 Oct 81 p 1

[Text] New Delhi, Oct. 25.--Apart from the $5.6 million loan to be taken from the International Monetary Fund over a three-year period from this year, the Government plans substantial borrowings from world capital markets at relatively high rates of interest to finance development projects.

Such commercial borrowings have, under the terms of the IMF loan been limited to $1.2 billion Special Drawing Rights for a year--which comes to roughly $1.5 billion--but they are certain to exceed this amount because two major projects have been exempted from the limit set by the IMF.

The two projects are the 1.5-million-ton steel plant to be set up at Paradip in Orissa, the contract for which has been awarded to a British consortium led by Davy McKee, and a major super thermal power project the contract for which is still to be awarded.

In addition, the $650 million alumina project being implemented by Aluminium Pechiney of France, for which a French consortium of banks is arranging the financing, will be outside the limit set for non-concessional commercial borrowings by the IMF. Hence, the overall borrowings from world capital markets could well be in the region of $2 billion a year.

Such large borrowings will be made by India for the first time, since the Government has till now avoided tapping world capital markets to finance development projects. The main reason is that the interest rates are high, varying between 17% and 20%, and they will greatly and to the debt servicing burden.

For this reason the Government will limit the borrowings to quick-gestation projects, which can go into production quickly and hence pay for themselves without adding to the external debt excessively. Priority will be given to projects which either eliminate the need for imports or add to the export potential of the country.

There is growing interest in world capital markets in India, which has a high credit rating because of careful management of balance of payments problems and an unblemished record of debt repayment. It is because of this that the few loans raised on the Eurocurrency markets and the Hongkong market in the few years have faced no difficulty.

The biggest loans so far are those for the Paradip plant, the Orissa alumina project and the power projects being considered. It is possible that commercial borrowings will be considered for power and irrigation schemes, energy development steel projects and other key projects for which funds will otherwise not be available.

Private-sector firms will also be allowed to tap world capital markets for their foreign exchange needs though they will need the prior approval of the Government. Preference will be given to those which go to quasi-commercial institutions, such as the International Finance Corporation.

The quantum of the commercial borrowings should meet the questions that the U.S. Administration plans to raise when the IMF loan is considered by its executive board on November 9. The USA has been saying that India should have first exhausted the possibilities of commercial borrowings before going to the IMF.

CSO: 4220/7325

DELEGATE SPEAKS IN UN DEBATE ON KAMPUCHEA

Madras THE HINDU in English 22 Oct 81 p 6

[Excerpt]

UNITED NATIONS, Oct. 21

India on Tuesday called upon the international community to encourage rather than obstruct a political dialogue among the countries of South-East Asia for a peaceful solution to the area's problems.

Speaking at the U.N. General Assembly meeting on Kampuchea, the Indian delegate, Mr. K. Krishnamurthi, said the countries of the region clearly recognised the need for such a dialogue.

"We are aware of the ongoing contacts among them and trust that these would continue and develop to mutual advantage", he said. "It is incumbent on the international community to encourage rather than obstruct such contacts".

The Assembly began consideration of the situation in Kampuchea on Monday and has before it a 33-member sponsored draft resolution calling for adoption of the declaration of the international conference on Kampuchea held at U.N. headquarters in July.

The declaration by the conference, which was not attended by India, included elements of negotiations for a political settlement of the Kampuchean problem. The sponsors of the present resolution include Britain, Canada, Australia, Japan, Thailand, Singapore, Malaysia, Indonesia and Pakistan.

Threat to security: Mr. Krishnamurthi said India was against the presence of foreign troops or bases in any country and was not oblivious of the South-East Asian countries' concern over the "implications of the developments in the region for their own security".

However, it was necessary to realise that any position seeking "to reverse the process of normalisation within Kampuchea, and the restoration of status quo ante in Kampuchea would not be altogether productive", he said.

"It is difficult if not impossible to conceive of a situation where the people of Kampuchea would allow their erstwhile persecutors to return in order to unleash a reign of terror upon them once again".

He said India considered it a "bizarre inversion" of the principles of the United Nations Charter that the world organisation should continue to recognise "a moribund regime long since discarded by the Kampuchean people".

India's main concern was directed at alleviation of the sufferings inflicted upon the Kampuchean people by the "hated Pol Pot regime... during the short time they ran amuck in that country".

Team to visit Kampuchea: He said the Government of India was continuing its modest effort to ameliorate the situation in Kampuchea and an Indian mission would visit there in the near future with a view to expanding cooperation for that country's reconstruction.

As for a viable political solution to the problem, Mr. Krishnamurthi said, India had always been prepared to support any constructive action leading to a diffusion of tension in the area.

He said India had abstained on the General Assembly resolutions last year and the year before and boycotted the Kampuchea conference in July because the approach embodied in these attempts was not directed towards such an end.

He referred to the recent non-aligned countries Foreign Ministers' conference in New Delhi and the Commonwealth heads of State meeting in Melbourne. Both, he said, had stressed the urgent need for a comprehensive political solution which would provide for the withdrawal of all foreign forces, thus ensuring full respect for the sovereignty, independence and territorial integrity of all States in the region, including Kampuchea.

"The involvement and interference of outside powers in the region has exacerbated tension and must be eliminated".

"We would have very much hoped that the General Assembly would have found it possible to encourage a dialogue among the region's countries.

"Even if this were beyond the capacity of the Assembly for the present — as it regrettably seems to be the case — it would still be our hope that whatever the Assembly does would at least not come in the way of further attempts in this direction", he said.

CSO: 4220/7313

REDDY FAVORS GREATER AUTONOMY FOR STATES

Bombay THE TIMES OF INDIA in English 1 Nov 81 p 1

[Text] New Delhi, October 31 (PTI). The President, Mr N. Sanjiva Reddy, today came out strongly in favour of greater autonomy for states.

Delivering the Sardar Patel memorial lecture here, the President said the vastness and diversity of the country make it "almost impossible" for a central authority in "distant Delhi" to deal with the multifarious problems in different parts of the country promptly and efficiently.

The states"have become increasingly dissatisfied with their positions in the Indian federal system," Mr Reddy said and warned against neglecting the demand for greater autonomy on the plea that it was a threat to the country's integrity.

The president said that on past experience, a central authority "cannot claim greater competence, wisdom and objectivity or greater immunity" from extraneous influence, an argument advanced against greater autonomy to states.

"Remotely Situated"

The Centre had no different or more efficient machinery than what was available to states. Secondly, the political and administrative authorities at the state level were better informed and, would react and respond more readily to a situation than a "remotely situated" Central authority.

"Inept administration at the state level cannot be remedied by arrogation to itself of more power by the Centre," he said. The states were governed by popularly elected ministries responsible to local legislatures. It was ultimately for the people to deal appropriately with administrations that fall short of its expectations, he added.

While he realised that the question was a complex one, Mr Reddy said, "I am certain that the remedy for mal-administration in the states is not by any means greater power for the Centre. For, this would clearly imply want of faith in the working of democratic institutions at the state level, which might logically be extended to the institution at the Centre also."

The President, who was speaking on the theme "Integration of India" warned that a stage might come when the demand for greater autonomy might become not merely vocal but bitter, threatening the country's integrity. It would be unwise, he

said, to reject a "mere demand for examination of the problem as a threat to the country's integrity."

Mr Reddy said it was the path of statesmanship to recognise the desire of the states for autonomy to as large an extent as possible.

The autonomy problem was one that ought to be studied in "depth" in the light of the country's past experiences and the experience of other federations, the President said.

He said the demand might lie dormant for a while but in course of time the ever growing Central control and direction, was bound to be increasingly irksome to the states.

Mr Reddy said it was true that impartiality and integrity of local political and administrative authorities have on occasions been questioned.

"The remedy, however, is not to vest a remote Central authority with responsibility for dealing with such matters or vest supervisory power in the centre," the President said.

The President said there were many who had for a long time been pleading for the transfer of more financial resources to the states and for loosening of the powers of control and regulation, which the Centre had over the years acquired over the states, even in respect of subjects on the state list.

This demand, Mr Reddy said, was not confined to any particular party but had been heard from legislators and ministers belonging to all political parties.

He said "on occasions the demand remains muffled or even muted, but dissatisfaction with the limited financial resources of the states and desire for less control and regulation from the Centre is genuinely felt even if it remains unvoiced for reasons of party discipline."

Mr Reddy said open or implied threats of secession and frequent occurrence of disorders based on petty differences had so clouded "our thinking that we have come to equate national integration with political unity and the absence of outward symptoms of differences."

He said intellectual and cultural integration was as important as political integration.

"When we talk or think of national integration, we often look at the problem in a limited way," he said.

Mr Reddy said one of the problems that agitates the country from time to time, was the policy of "sons of the soil" sought to be adopted in making appointments.

Mr Reddy said no matter how carefully one drew the boundaries of the linguistic states, there were bound to be left on either side linguistic minorities, whose special needs were to be taken care of by the states.

IMF CONDITIONS IN ACCORD WITH DELHI POLICY

Madras THE HINDU in English 23 Oct 81 p 7

[Text]

NEW DELHI, Oct. 22.

Almost all the major policy measures relating to the promotion of exports, liberalisation of imports, credit restrictions, etc conceived by the Government of India in the country's interest have been initiated much earlier before its decision to seek the loan of 5 billion SDRs (Special Drawing Rights)

It is just an accident that the "conditionality" which the Government is willing to accept from the IMF corresponds to the measures which it has itself decided to implement on its own and there is, therefore, no question of its having to submit to any "dictates" from the IMF.

This seems to be the stand taken by the Union Finance Ministry to the series of disclosures from Washington published in THE HINDU.

The Ministry is keeping its lips sealed and is refusing to make any comments on the reports from Washington. However, in an unguarded moment, in reply to a specific question, it was admitted by a highly-placed source that the disclosures do 'embarrass' the Government.

As for the Government's stand that what the IMF would like India to take had already been anticipated and been taken much earlier, attention has been drawn to a number of such steps.

The committee to which the IMF staff paper refers in the paragraphs on export and import policies THE HINDU, Oct 21, is the committee on export promotion strategy set up under the chairmanship of Mr Prakash Tandon, Director-General, National Council of Applied Economic Research The interim report of the Committee was published in April 1980 and its final report has also been published

Since then the "major initiatives" taken to promote exports provide for (i) supplies of capital goods, raw materials, components and spares to 100 per cent export-oriented units from replenishment imports; (ii) the setting up an ex-imbank; (iii) simplification of duty drawbacks (to which the IMF staff paper also refers); (iv) widening of the weighted deduction in the computable of taxable profits under Section 35 (B) of the Income-Tax Act; (v) investment allowances or tax holiday for export-oriented industries in the free trade zones for an initial period of five years; (vii) complete exemption from income tax in the case of export-oriented electronic units; (viii) introduction of a new scheme for trading houses; (ix) supply of steel at international prices for engineering exports.

Letters of intent have been issued to 23 export-based units covered by the incentives offered to 100 per cent export-oriented units.

Foreign collaboration: The IMF staff paper mentions with approval the liberal policy being followed in respect of foreign investment. The figures available indicate the extent to which the Government has liberalised its policy in respect of foreign collaboration since 1978 and 1979 particularly in respect of financial participation by foreign companies.

In 1978, the total number of collaborations approved by the Government totalled 307 out of which 44 provided for financial participation. In 1979, the number of collaborations approved was smaller at 267 out of which 32 envisaged financial participation The total number of collaborations approved in 1980 rose to 5[illegible] out of which financial participation was permitted for 73. Upto June 1981, the Government has approved 169 collaborations out of which 26 were for financil participation.

CSO: 4220/7316

REPORT ON ACTION PLAN SUBMITTED AT CANCUN PARLEY

Bombay THE TIMES OF INDIA in English 25 Oct 81 p 1

[Text]

CANCUN, October 24 (UNI).

INDIA has submitted to the North-South summit a five-point action programme aimed at brightening what it called the "rather dismal prospects for the exports of the developing countries."

The action programme, submitted yesterday was contained in a document entitled "Major issues in trade," which has been accepted as a conference document.

The programme suggested measures to stabilise commodity prices and bring down the trade barriers that third world exports to the industrialised countries face. India called upon the 22 leaders present for the summit to support the plan.

Referring to the exhortations to the developing countries made by some of the leaders of the industrialised countries to promote free market economies as a panacea for poverty, the document said: "preaching of the virtues of the market mechanism is of no use when the developed countries practice the opposite to protect their entrenched sectional interests."

The points suggested in the action programme are:

Establishment of new commodity agreements;

Early activisation of the common fund being set up under the auspices of the United Nations Conference on Trade and Development (UNCTAD) to stabilise commodity prices and promote diversification;

Enlarging the general scheme of preferences (GSP) and opposing the growth of protectionism aimed against exports of manufactured goods from the developing countries;

Speeding up the process of negotiations to renew the multifibre agreement, and

Setting up a mechanism for systematic review of the non-tariff barriers of various kinds affecting the developing countries and phasing them out according to a time-bound programme.

The Indian document warned: "It appears that the declining rate of growth of exports is likely to be accompanied by deteriorating terms of trade, high cost of borrowings in world capital (markets) and uncertain prospects of official aid."

It linked these developments to the "uncertain prospects for growth in the developed countries, the rising tide of unemployment and the growing protectionist sentiments in these countries."

CSO: 4220/7323

DETAILS OF GANDHI CANCUN PRESS CONFERENCE

Bombay THE TIMES OF INDIA in English 5 Oct 81 pp 1, 9

[Text]

CANCUN, October 24 (UNI).

THE Prime Minister, Mrs. Indira Gandhi, said today she discerned hopeful signs in the summit that concluded yesterday.

Addressing a news conference, she said the conference had taken "one step forward" and the "door has not been closed." "This is a hopeful sign."

She confessed, "I did not come with much expectations." In Melbourne, where the heads of government of the Commonwealth countries met earlier this month and in New Delhi "the atmosphere was very pessimistic."

Mrs. Gandhi said that before leaving for Cancun she had told the press that she was hoping the door would not be closed on the expectations of the developing countries.

"Anything beyond that is a sign of hope," she added. The conference in which 14 leaders of the developing countries of the southern hemisphere and eight from the industrialised countries of the North participated had given them an opportunity to get to know each other directly and not through the press or through others which was very important, she added.

However, Mrs. Gandhi said that those who understood the problems of the developing countries and knew their needs may not be satisfied.

Mrs. Gandhi was wearing an orange salwar and a purple kameez with a bright red dhuppatta, when she came to the summit's press centre to address the news conference.

In reply to a question, Mrs. Gandhi said that in giving an assessment of the summit "anything one says il partly true and partly not true."

One of the problems at the conference was that some of the concepts, like global negotiations, had not been properly defined and delegations tended to have their own definitions. But, she added, the developing countries more or less agreed on the definitions.

Yesterday, Mrs. Gandhi reviewed India's bilateral relations with Japan, Algeria and Bangladesh in separate meetings with the leaders of these countries.

The Japanese Prime Minister, Mr. Zenko Suzuki, told Mrs. Gandhi that his country would like to have closer ties with India as it was playing a key role in world affairs, particularly in the non-aligned movement. This, he felt, would be good for peace and stability in Asia.

Mrs. Gandhi told Mr. Suzuki that with a little more financial assistance from outside, India could become much more self-reliant.

The Algerian President, Mr. Bendjedid, expressed his country's desire to have a more comprehensive cooperation with India in all fields of economic activity.

The two leaders invited each other to visit their countries.

In her meeting with the Bangladesh Prime Minister, Shah Azizur Rahman, Mrs. Gandhi voiced India's concern over the increasing influx of refugees from Bangladesh into Tripura and requested him to create necessary conditions for their return.

In a keynote address on "External finance and money," at the summit yesterday, Mrs. Gandhi demanded a change in the decision-making processes of international financial institutions, like the World Bank, to ensure that their working is not "influenced by extraneous non-economic considerations."

She said even if it was not possible to dispense with quota related voting rights, at least some guidelines should be framed to facilitate "consensus decisions" in these bodies.

She said friction in the relationship between the financial institutions and developing countries arose because of attempts to apply criteria and yardsticks to developing countries which were evolved under different conditions in developed countries.

CSO: 4220/7323

REPORT ON GANDHI 23 OCTOBER SPEECH TO CANCUN PARLEY

Bombay THE TIMES OF INDIA in English 24 Oct 81 pp 1, 7

[Text] CANCUN, October 23 (UNI).

THE Prime Minister, Mrs. Indira Gandhi, gave a call for a "global compact" which would ensure the development of the poorer countries along with the prosperity of the developed nations, in circumstances of international peace and security.

Addressing the 22-nation North-South summit in this Mexican holiday resort yesterday, Mrs. Gandhi made it clear that the conference could not afford to fail as "seldom has a gathering attracted such attention or raised such hopes."

Only by the establishment of a new international economic order, based on justice and equality could the mutuality of interest between different nations and peoples be served.

"The interests of the developed and developing countries are so intertwined that we can all survive in harmony only in conditions of true independence," the Prime Minister said.

Many of the leaders came to the conference, Mrs. Gandhi noted, with some apprehension regarding the outcome of the meeting. Yet she saw a "sign of hope" because of the "goodwill we witnessed yesterday in various informal gatherings and in this morning's speeches."

"We cannot afford to be defeatist. The mind has to put aside the fragmentary utilitarian approach and to look anew at the earth, the matrix of human heritage. Its problems are global and have to be so viewed," Mrs. Gandhi emphasised.

Mrs. Gandhi told the leaders of the rich nations that their problems with the developing countries could be solved better by co-operation rather than confrontation. "We all stand to benefit from the prosperity of our trading partners. "What the leaders from both sides should recognise was that while stagnation in industrialised economics would lower the export earnings of developing countries a rise in income levels of developing countries, would generate growth in developed countries, increase their exports and create employment,

Global negotiations, Mrs. Gandhi stressed, could not be delayed any longer. "Global negotiations do have urgency. We are not wedded to certain phrases. We are more interested in the results and the substance."

She was quite aware that some of the issues before the summit were highly technical. "In many areas there are differences of perception as well as of interest which will need negotiations and we are not a negotiating forum.

"Perhaps all we can do is to agree to discuss them and to assure those who are not present but are equally concerned, that there will emerge from this meeting, political support for early resumption of negotiations on a global basis after due preparations," she suggested.

While preparing for global negotiations, Mrs. Gandhi said the urgent problems of food, energy and financial flows must be tackled immediately. These problems brook no delay. Freedom and hunger must be at the top of priorities. A food security programme already drawn up with building up of emergency reserves as an essential component must be implemented in all earnestness.

Side by side, world food production must be augmented as a long term measure. The developing countries had a potential for doing so, but their productivity was low and irrigation woefully inadequate. She was sure that supply of fertilisers, better techniques and improved seeds could lead to what in India had come to be known as the "green revolution." But this effort require support of an inflow of resources from those countries which could provide finance, technology and other inputs.

Similarly, Mrs. Gandhi said, additional resources were needed by the developing countries to tide over the balance of payments crisis caused by successive adjustments of oil prices. The developing countries had also potentialities for the development of new energy resources.

"There is increasing consensus for an energy affiliate. Call it what you will, additional resources should be found for this purpose," she stressed.

The Prime Minister said it was crucial for developing countries to have increased financial flow whether for food or energy or for solving any other problem. "There are warnings of disaster if resources are denied." She hoped the expectations aroused among the third world countries for official development assistance bilaterally or through international financial institutions would not be belied.

To drive home the point why additional financial inflow was necessary for developing countries, Mrs. Gandhi explained the position which India presently occupies. It was no longer amongst the weakest or poorest nations. Through the most strenuous efforts at development, the country had achieved self-sufficiency in foodgrains and greatly augmented and diversified industry. "We can justly claim that we have made good and full use of aid and credit from outside, and have repaid our debts in full and on time."

Today the component of foreign credit was only nine per cent of the total resources needed for the country's Sixth Plan for development. "And this we have done in conditions of democracy, of full freedom of the individual and press."

"We have now reached a level when help from outside will make all the difference in terms of attaining the take-off stage in development. Far from being a burden, we can be a source of strength to others," Mrs. Gandhi stated.

While calling for faster action to produce more effective results at lower costs by existing multilateral financial institutions, Mrs. Gandhi disapproved the attempts to dilute their role.

"We are perturbed at what seem like pressures which might limit their efficacy. We should like to see acceptance of the Melbourne declaration that international institutions should rise above any particular ideology," she said.

CSO: 4220/7319

GANDHI MEETS PRESS ON RETURN FROM CANCUN

Calcutta THE STATESMAN in English 28 Oct 81 pp 1, 9

[Text]

NEW DELHI, Oct. 27.—Mrs Gandhi said here today that the no-war pact offer made by President Zia-ul-Haq of Pakistan did not make sense. There could not be parallel movements: one leading to the acquisition of sophisticated weapons and preparing for war and the other suggesting peace. "You cannot prepare for war and talk of peace", she said.

The Prime Minister, who was talking to reporters at Delhi airport on her return fom the Cancun summit, said successive Indian Prime Ministers had made similar offers in the past but without a response from Pakistan. When she herself had suggested this to the late Z. A. Bhutto, he had seemed to have something like an allergy for the words no-war pact and had asked her not to mention them.

Answering questions, Mrs Gandhi said the issue was not whether General Zia sent the offer in writing or mentioned it orally. The fact was that Pakistan was arming itself in a big way. Was Pakistan going to attack Afghanistan? Would it attack the Soviet Union? Since Independence, it was India that had been attacked. India had never waged a war against any country. For the Pakistani offer to be meaningful, the no-war pact should be accompanied by the right actions and attitudes.

Mrs Gandhi said what intrigued India was why General Zia should talk of a no-war pact when his country was arming itself, when anti-India propaganda was being carried out in that country. She referred to the Simla agreement and said the Simla spirit required that bilateral issues were mutually discussed and resolved and not raised at international forums.

Predictably, the focus at Mrs Gandhi's talks with reporters was on the Cancun deliberations. Mrs Gandhi summed up the achievements of the summit somewhat modestly, saying that there had been a step forward. "It was not a leap forward but it certainly was a step forward", she told a reporter who felt that the summit had not achieved much. Disagreeing, Mrs Gandhi said that while nothing of substance may have been achieved, there was a general consensus on getting the stalled global talks started.

Mrs Gandhi told a questioner that while she was not against specialized international agencies, like the IMF or UNCTAD, a large number of developing countries felt that their voices were not heard at those forums. Developed countries had a greater say in those bodies. She personally felt that a way had to be found so that the views and needs of developing countries were fully represented. If the existing forums could be strengthened so that the poorer countries had confidence in them, there would be no need for new agencies.

Speaking of her meeting with President Ronald Reagan and the

Chinese Prime Minister, Mrs Gandhi said their talks were of a general nature. In her talks with Mr Reagan, Mrs Gandhi said she had invited him to visit India. During her meeting with the Chinese Prime Minister, she had emphasized the need for a better and closer relationship.

Replying to questions about the U.S. attitude on economic issues, the Prime Minister said President Reagan's attitude was known much before the Cancun summit. Some of the issues might be relevant to the USA, but not to others, she added.

Asked to comments on reports that the Congress(I) high command had asked Mr A. R. Antulay to continue as Chief Minister of Maharashtra and given him a free hand to reshuffle and expand his Cabinet, Mrs Gandhi said: "No comments. I have been away for so many days now"

On the Kerala incident, Mrs Gandhi did not know whether her party would try to form a popular Government. She would have to consult her colleagues.

She made it clear that people indulging in anti-national activities would be dealt with strongly. When asked whether the Government proposed to ban the activities of secessionist elements in Punjab as was done to Manipur under the Prevention of Unlawful Activities Act, Mrs Gandhi said the Government would take "firm and strong action" against anti-national elements.

Asked if the Janata M.P., Mr Subramaniam Swamy, was right in demanding Parliament's approval for the Mirage 2,000 deal with France, Mrs Gandhi said: "Does Parliament go into such agreements ever?"

Replying to another question on whether she was satisfied with the progress of Mr P. V. Narasimha Rao's talks with the Akali leaders in her absence, Mrs Gandhi said she had only seen what had appeared in newspapers. She said there was no conversation over the telephone between her and the Minister for External Affairs on this subject.

PTI and UNI add: Mrs Gandhi's directive on "no flowers" at the airport were strictly followed by the security personnel. Some people came carrying bouquets but the security men persuaded them to leave the flowers before entering the airport lounge.

Mrs Gandhi was received by her Cabinet colleagues, diplomats, the Army and Naval chiefs and the Lt.-Governor of Delhi.

In a black-print silk sari, Mrs Gandhi looked fresh and relaxed despite her hectic 10-day tour. (Mrs Gandhi was accompanied by Mrs Sonia Gandhi, her daughter-in-law, on the tour that took the Prime Minister to Romania and Mexico with a brief stopover at London on her way back).

She asserted that development assistance by international agencies should not be influenced by a particular ideology or non-economic considerations. She said the need for reforming international financial institutions was recognized by all at the Cancun summit. This was a continuing process which depended on the situation in different countries.

Mrs Gandhi said the principle of interdependence was well recognized at the summit. While each country should work for self-reliance, interdependence among countries should be on the basis of quality—taking and giving help. Quoting an international magazine, she said assistance to developing nations was productive investment. "We are not asking for charity. Unless these basics are accepted, tension is bound to grow, leading to confrontation", she said.

CSO: 4220/7328

OIL MINISTER MEETS PRESS ON RETURN FROM BAGHDAD

New Delhi PATRIOT in English 29 Oct 81 p 10

[Text]

INDIA will soon take a decision on the offer by Iraq to supply 1.5 million tonnes of extra crude oil to India in addition to the 3.5 million tonnes already agreed to the next year.

Petroleum Minister P C Sethi who has returned to the Capital after attending the Indo-Iraq joint commission meeting in Baghdad told newsmen in New Delhi on Wednesday that the price of the Iraqi crude had become costlier by 60 cents per barrel due to the transport disruptions caused by the war. He said India was among the first few countries for which Iraq resumed oil supply since June last.

The country has already received about 600,000 tonnes of crude this year from Iraq.

Iraq is also facing transport difficulties in the case of sulphur since Basra port was not functioning due to shelling during the Gulf war. Basra is the nearest port.

He said India has a package of supply from Iraq, Iran, Saudi Arabia, Mexico, Algeria and other countries. The contracts were reached on the basis of price, consistency of supply and regularity.

Before the Gulf war broke out, India used to import about six million tonnes of crude from Iraq a year. The total import requirements for 1982 is estimated at 14 million tonnes out of a total demand of 31 million tonnes. The gap will be met through idigenous production, he said.

Mr Sethi said the Government as planning to acquire smaller drilling ship to suit shallow waters in Palk Strait oil exploration in Tamilnadu.

For the present they would continue with the larger vessel—Gettysburg, for exploration in Palk Strait where light crude oil was struck recently.

He said the Iraq Government's investment in Indian companies operating in that country has increased to 3,000 million dollars now from 600 million dollars before the outbreak of the war. The number of Indian workers in Iraq has gone up from 27,000 to 35,000 during the period.

He said there was great scope for further promoting the trade relations between the two counries particularly in the field of machine tools. There was great demand for Indian technicians in Iraq, he added.

Mr Sethi said that it was disclosed at the joint commission's meeting that the Iraq Government was taking steps to provide cover under a war risk insurance scheme for all the Indian workers and also the machinery of the Indian companies in Iraq.

The Commission, he said, expressed 'concern and anxiety' over the slippages due to the war in the works undertaken by the Indian companies there. The representatives of the 53 Indian companies were later impressed upon by the Minister on the need for making up the slippages.

Mr Sethi said the Indian companies had been asked to file claims for covering escalation costs on account of war condition.

To meet the shortage of sand and other building materials faced by the Indian companies, he said India had requested the Iraq Government to allow the Indian companies to set up their own quarry and sand washery units.

India also impressed upon the Iraq Government to expedite the payment of compensation to the victims of the ar. Some interim compensation had already been paid but the Minister said he was not happy with the quantum of the money.

He said in all 15 Indians were killed and 36 were injured in the war.

During his meeting with Iraq President Mr Sethi conveyed to him greetings and good wishes from Prime Minister Indira Gandhi. The Iraqi President reciprocated it.

CSO: 4220/7329

OFFICIALS HAIL OPEC UNIFORM PRICE FORMULA

Bombay THE TIMES OF INDIA in English 1 Nov 81 p 1

[Article by G. K. Pandey: "OPEC Move Benefits India"]

[Text]

NEW DELHI, October 31.

INDIA will save approximately Rs. 1,000 crores on crude oil and petroleum products imports during the next calendar year as a result of the new uniform price formula announced by OPEC and the reduction in imports because of larger domestic production.

Even during the remaining two months of the current year, the saving to the exchequer on oil imports will be as much as Rs. 26 crores. In addition to the benefit accruing due to the revision in prices, the country saved another Rs. 3.37 crores on a recent purchase of 250,000 tonnes of Arab light crude from the spot market.

Anticipating a hike in the price of Arab light crude oil, the Indian Oil Corporation made a prompt purchase from the open market. With this, the total saving would work out to Rs. 29.37 crores.

On account of the latest OPEC decision, the price of Iranian crude, for instance, has been brought down from $37 to $34 per barrel and that of Iraqi crude from $35 to $34 and the UAE crude from $36.36 to $35.07.. Iran, Iraq and the UAE account for more than 50 per cent of crude supplies to India. The average price of crude from November works out to $34.5 per barrel compared with $36 paid so far this year.

According to quick estimates by oil experts, the latest OPEC decision on crude price would account for a saving of Rs. 145 crores in a full year while the reduction in import of crude oil and petroleum products would account for another Rs. 840 crores on the basis of latest prices.

Sources here point out that a saving of Rs. 145 crores to the exchequer on crude import next year is significant since this is despite an increase of $ two per barrel in the price of Saudi Arabian crude. It is proposed to import 2.62 million tonnes of oil from Saudi Arabia next year.

Inquiries from official circles show that during the next year, the country would need to import 14.5 million tonnes of oil and 3.25 million tonnes of petroleum products against 16 million tonnes of oil and five million tonnes of products during the current year.

Although the demand for petroleum products next year has been projected to go up to 34.5 million tonnes from 32.2 million tonnes during this year, the country would need to import less oil products, thanks to the substantial increase in domestic production of crude against 16 million tonnes during the current year, 20 million tonnes of crude will be available from indigenous sources next year.

The additional four million tonnes of oil will be from the offshore areas of Bombay High. While during the current year, the Bombay High contribution would be eight million tonnes, it is projected to rise to 12 million tonnes next year.

The reduction in products imports is envisaged since the six-million-tonne Mathura refinery is scheduled to go on stream in November.

The colossal savings on crude import has sent waves of jubilation through official and political circles. It is pointed out that this development would go a long way in narrowing trade deficit. With crude and petroleum products imports costing as much as Rs. 5,000 crores, the country was facing a serious balance of payments problem.

Besides this, increases in oil prices by oil-exporting countries were also responsible for adding to the inflationary pressures. Every increase in the price of oil had to be accompanied by the increases of domestic petroleum prouducts prices to cover up the refining losses of oil companies. The price freeze announced by OPEC for the next 14 months would lend further stability to the economy, official circles felt.

CSO: 4220/7337

REPORT ON GANDHI SPEECH AT NEHRU UNIVERSITY

New Delhi PATRIOT in Englsh 31 Oct 81 pp 1, 13

[Text] Prime Minister Indira Gandhi said in New Delhi on Friday that the nation's foreign policy was shaped by the country's domestic aspirations, historical experience and the geographical position and not by the immediate experiences.

India had never desired to get entangled in rivalries and conflicts of power blocs and their war preparations, she said, while inaugurating the silver jubilee celebrations of the School of International Studies of Jawaharlal Nehru University.

Mrs Gandhi said a nation which had to struggle and make sacrifices for freedom had a different attitude to hegemony than those who had got it the easy way.

Admitting the need for a more careful security for a nation subjected to invasions, she, however, maintained that a temporary addition to strength could sometimes compromise long-term security.

Mrs Gandhi said there were instances where recipients of armaments did not confine themselves to serving the interests of the donor nations but used them for their own purpose, adding "we ourselves have been victims of such diversions."

"Had we built our defence forces at the behest of others or through gifts of armaments the centre of decision and policy making would have moved out of our hands," she noted.

Many countries even within an alliance were apprehensive of the stationing of missiles. "If not non-alignment, at least the independence of mind and action that it implies seems to be gaining an unsteady foothold within the blocs," she observed.

Mrs Gandhi said the foreign policy should not be concerned with complete consensus among political parties but its relevance for the people at large, and added Nehru's and Gandhi's policies had been proved historically correct and even praised by those who had vehemently criticised them in their life-times.

Ridiculing the critics of Mahatma Gandhi and Jawaharlal Nehru, she said they could not understand the indivisibility of freedom, adds UNI.

She said being aligned to one bloc or another would have brought more aid but it could not have helped in strengthening the foundation.

"Nonalignment helps to achieve technological self-reliance, ensures freedom of judgment and safeguards the true strength and interests of a nation," she said.

She maintained that the gigantic problems of the country "needed our total attention. Peace was imperative to solve these problems, to achieve progress and to strive for all round self-sufficiency.

"We cannot be dependent on others for all time. India is far too vast a nation and its problems massive to be baled out by any other nation," the Prime Minister said.

Mrs Gandhi said the very concept of nationhood was of fairly recent origin and many nations were breakaway parts of former empires. A common religion or a common language were often regarded as pre-requisites of nationhood.

"Yet we know that religion or linguistic uniformity is no more essential for national cohesion than ethnic homogeneity. We have often seen that nations of great diversity can be as strong and imbibed with as much sense of national purpose as those with one religion, one language or one race."

Earlier, Mrs Gandhi presented a scroll of honour to Prof A. Appadurai, founder director of the School of International Studies.

CSO: 4220/7336

DELHI EXTENDS BAN ON MANIPUR EXTREMIST ACTIVITY

New Delhi PATRIOT in English 27 Oct 81 p 1

[Text] The Union Government on Monday expected the ban on Meitei extremist "armies" of Manipur which are continuing their secessionist activities and violent attacks on police forces and civilian population of the State, reports PTI.

The People's Liberation Army, the Prepak (People's Revolutionary Party of Kanglepak) and its 'Red Army' and their offshoot organisations were declared illegal two years ago.

The Centre issued a fresh notification on Monday night under the Unlawful Activities (Prevention) Act as the old notification expired on Sunday.

The new notification will be in force for a maximum of two years and is subject to further extension.

The extremist organisations covered under the order are:

--The people's Liberation Army (eastern region) known as the PLA,

--The Peoples Revolutionary Part of Kangleipak, known as Prepak and its offshoots like the armed wing of Prepak called the 'Red Army' and the Kangleipak Communist Party (CKP)--the KEP's Red Army.

The notification said the Meitei extremist organisations named in the order have openly declared as their objective the formation of an independent Manipur comprising the State of Manipur and "have resorted to violent activities in pursuance of their objective to bring about secession of the said State from the Union of India."

The organisations have been employing armed forces, "namely the so-called Peoples Liberation Army, the Red Army, and the other bodies set up by them" to achieve their objective.

They have been employing their armed forces in "attacking the security forces and the civil government and the citizens" in Manipur and "indulging in acts of looting and intimidation against the civilian population and collection of funds for their organisations."

The organisations "have made some efforts to resume their contacts with foreign countries for securing assistance by way of arms and training."

The notification said that, therefore, the Central Government is of the opinion that the Meitei extremist organisations and other bodies set up by them including the armed groups named "are unlawful associations."

It said it was necessary that the order should take immediate effect because of the "repeated acts of violence and attacks" by armed groups of the Meitei extremist organisations "on the police forces and on the civilian population."

Therefore, the notification said the Government, in exercise of the powers conferred by the proviso to Sub-section (3), Section 3 of the Unlawful Activities (Prevention) Act 1967 (37 of 1967) directs that it "shall, subject to any order that may be made under Section 4 of the said Act, have effect from the date of its publication in the official gazette."

CSO: 4220/7327

GANDHI ADDRESSES AIR FORCE COMMANDERS' MEETING

Madras THE HINDU in English 30 Oct 81 p 1

[Article by G. K. Reddy: "Tension: PM Asks Air Force To Be Vigilant"]

[Text] NEW DELHI, Oct. 29

The bi-annual conferences of the Air Force Commanders this week and of the Army Commanders a few days later have acquired special importance because of the mounting tensions in the subcontinent in the wake of the U.S. decision to arm Pakistan.

The top Commanders of all the three Services meet twice a year to review their strategic concepts, combat readiness and logistical requirements.

But this time the exercise is assuming the dimensions of an in-depth study of the whole security environment and the kind of threats that India could expect during the current decade. The defence planning and acquisition of equipment is based on the broad conclusions reached at such conferences.

The Prime Minister, Mrs. Indira Gandhi, addresses the bi-annual conferences of the three Services in her capacity as Minister in charge of Defence and informally discusses their problems at a luncheon hosted by her and the dinner given by the President.

Setting the tone

But this year she is staying behind after formally inaugurating the opening sessions to set the tone for the discussions that follow with a detailed exposition of her own thinking on the politico-military aspects of the present situation in and around the subcontinent.

The details of her appraisal of the country's defence strategy for the next decade, which is of a highly confidential nature, are not being released for publication.

A brief summary of her speech to the Air Force Commanders today put out by the Defence Ministry referred to the acquisition of highly sophisticated arms by Pakistan, well beyond its legitimate requirements, the implications of General Zia-Ul-Haq's proposal for a no-war pact, India's policy of peaceful coexistence and the country's desire to devote its energies to economic development.

The only mention the press release made to the defence aspects was the assurance given by her that the Government would do its best to get the best equipment available for the Air Force to meet its operational requirements within the limits of its financial resources.

New chiefs

The latest Army and Air Force conferences have acquired some additional significance since the two Services are now headed by new chiefs who have brought in their own strategic concepts to generate some new thinking on the country's defence responsibilities within the policy framework prescribed by the Government.

The Army chief, General K. V. Krishna Rao, has already galvanised the higher commands to attune themselves to the new concepts and he has been visiting the field formations to infuse these ideas into them. In the last five months he has given his officers and men a new sense of self-confidence and sense of direction.

The Air chief, Air Chief Marshal Dilbagh Singh, also has been laying the primary emphasis on specialised training to make better use of the skilled manpower and available aircraft. He assured the Prime Minister at the opening session this morning that the Air Force was doing its best to absorb the new aircraft and put them into operational squadrons as early as possible.

The Indian Army, Navy and Air Force were going through the normal process of modernisation through a periodic rotation of their equipment, when the U.S. decided to rearm Pakistan.

The American move has compelled India to speed up the process and also acquire some additional equipment. The Army is getting new battle tanks, field guns and better communications equipment.

The Air Force is supplementing its Jaguars with MIG-23s and Mirage 2000s besides some latest helicopter gunships and missile systems, and the Navy is also getting additional frigates, submarines and Sea Harriers for its aircraft carrier Vikrant.

The Chief of the Naval Staff, Admiral R. L. Pereira, who is the present chairman of the Chiefs of Staff Committee, has done a lot during his tenure to modernise the Navy and set up new shore establishments for training its personnel in advanced skills of this highly specialised service. He will be completing his tenure and retiring in February next after laying the foundations for the Navy's rapid modernisation.

The Prime Minister noted with concern the threat to India's security and asked the Air Force to be vigilant in guarding the skies, keeping in view the "deterioration in the country's security environment" reports PTI.

"The threat to our security has come at a time when we are facing severe economic difficulties owing to inflation."

The Prime Minister said the acquisition of higher technology equipment (by Pakistan) had increased global and regional tensions. Therefore, "we have been compelled to take all appropriate steps to safeguard our security and to this end we are making all efforts within the constraints of our economic situation."

She said the steps taken to improve the emoluments and other facilities of Air Force personnel had to be seen in the context of these difficulties.

Welcoming the Prime Minister, earlier, the Chief of Air Staff, Air Chief Marshal Dilbagh Singh, said the conference would take stock of the performance of the IAF in the last six months and would identify areas where greater effort was required to meet and perfect the standard of performance.

CSO: 4220/7333

SIGNIFICANCE OF ADMIRAL GORSHKOV'S VISIT NOTED

Bombay THE TIMES OF INDIA in English 31 Oct 81 p 1

[Article by J. D. Singh: "Soviet Naval Chief Coming"]

[Text]

NEW DELHI, October 30.

CONSIDERABLE significance is attached here to the forthcoming visit to India by the commander-inchief of the Soviet navy and deputy defence minister, Admiral Sergei G. Gorshkov.

The Soviet dignitary is expected to arrive in New Delhi on December 10 for wide-ranging talks with Admiral R. L. Pereira, chief of the naval staff, about the supply of Soviet submarines for the Indian fleet.

The visit will help strengthen the bonds between the two navies and refute reports appearing in a section of the press alleging that there is "inadequate understanding" between them.

India is hoping to acquire a few more Soviet submarines as well as some West German submarines for which negotiations are in the final stage.

The aim is to strengthen the muscle power of the Indian navy as quickly as possible, while taking care that the sources of supply are suitably diversified.

The intended purchase of Soviet and West German submarines is part of the Indian navy's programme to modernise and re-equip its fleet. The proposal to acquire a second aircraft-carrier in addition to the aged Vikrant, which is being revamped and refitted, and to buy "Sea Harriers" from Britain are part of the programme.

It is felt that many of the submarines and frigates in the naval fleet have become outdated. The eight Soviet submarines acquired in the 1960s and 1970s have become totally obsolete. So haves everal of the Leander-typef rigates.

As far as the West German submarines are concerned, the initial proposal is to buy two of them straightway and to construct more from parts to be delivered by that country's shipyards. However, it may take as long as a decade before Indian can have a sufficient number of submarines to coupe with any threat in its sea waters.

Mazagon Docks, which launched an ambitious programme in the 1960s and has delivered several Leander-type frigates to the navy, has gone into construction of improved versions of them. The second frigate—totally Indian in design—"Godavari class"—was launched on October 15.

However, the capacity of Mazagon Docks being limited, it is considered necessary to import various craft for the Indian navy for then ext ten years.

It is in this context that the visit of Admiral Gorshkov to India has special significance.

CSO: 4220/7335

DELHI REFUSES COMMENT ON ZIA INTERVIEW

Bombay THE TIMES OF INDIA in English 31 Oct 81 p 1

[Text] New Delhi, October 30. The Pakistani President, Gen. Zia-ul-Haq's abrasive remarks about India's alleged collusion with the Soviet Union has not provoked the external affairs ministry to come out with any reaction.

It was officially stated yesterday that the full text of Gen. Zia's interview to an Australian daily was being studied. However, after examining the text, it was decided not to comment on Gen. Zia's interview.

The government has been watching with concern the step-up in the anti-India campaign by Pakistan and the prime minister, Mrs Gandhi, has already referred to this trend in her reaction to the Pakistani offer of a no-war pact with India.

The external affairs ministry today preferred to maintain silence since the Pakistani foreign secretary, Mr Riaz Piracha, will be here tomorrow on his way to Kathmandu to attend a meeting of foreign secretaries on regional cooperation.

The ministry spokesman said while no bilateral talks were scheduled for tomorrow, the foreign secretary, Mr R.D. Sathe, would host a dinner for Mr Piracha.

However, it is unlikely that the two foreign secretaries will abstain from talking on bilateral matters. Pakistan may even like to convey a specific message of India in case President Zia's remarks in his interview with the Indian correspondent of an Australian daily were not premeditated.

The Afghanistan issue may also figure in the talks between Mr Sathe and Mr Piracha, who was at one time Pakistan's ambassador in Kabul. India's ambassador in Kabul, Dr J. S. Teja, happens to be here these days.

The initiative by the non-aligned conference regarding Afghanistan has not made any headway and Pakistan's reluctance to participate in any meaningful talks on Afghanistan has not won it any friends in the Soviet Union. Though Pakistan has been making conciliatory reference to the Soviet Union, the latter's attitude has somewhat hardened. A TASS commentary has described the Pak offer of a no-war pact with India as a "propaganda manoeuvre."

CSO: 4220/7335

PROPOSED DEAL WITH FRANCE COVERS WIDE RANGE

Madras THE HINDU in English 25 Oct 81 p 1

[Article by G. K. Reddy: "Deal With France Will Cover Wide Range"]

[Text] NEW DELHI, Oct. 24.

The proposed purchase of defence equipment from France will cover a much wider spectrum than the mere acquisition of Mirage-2000s for the Indian Air Force.

It envisages French collaboration in production under licence of not only aircraft and helicopters but also missiles and guidance systems for use by both air and ground forces.

The Mirage-2000 manufacturing programme will be so designed that India can easily switch over to the production of Mirage-4000 when it is developed in due course. It will also enable India to continue the manufacture of the later versions of Mirage-2000 for export after this production programme is terminated by France.

Help in designing mid-range planes

The French aircraft industry has also offered to cooperate in training Indian aeronautical experts to design, develop and manufacture indigenously mid-range military planes by utilising the same advanced production techniques. The intention is to assist India in building both airframes and engines based on the basic modular designs developed for the Mirage series in France.

The French cooperation will cover the space programme as well, extending from the development of special fuels for the booster rockets to the manufacture of telemetry and monitoring equipment. The recent launching of the APPLE satellite from a French rocket was the starting point for this wide-ranging cooperation in this highly specialised sphere.

French team's talks in Delhi

The Chairman of the French Aeronautical and Space Industries Association, Gen. Jacques Mitterrand, who is now visiting India as head of an Aerospace delegation, has been having detailed talks in Delhi on all these aspects. As a brother of the French President, he has lent special importance to this delegation in discussing plans for increased Indo-French aeronautical cooperation.

The agreement in principle reached in Paris by the visiting Indian defence team for purchasing 40 Mirage-2000s in flying off condition, another 40 in sub-assemblies and about 70 to 80 to be fully manufactured under licence has set the tone for this ambitious Indo-French collaboration.

And it comes as a logical follow-up of the cooperation already initiated or envisaged in the field of civil industry, from oil exploration and alumina production to power generation and automobile manufacture.

CSO: 4220/7324

FRENCH-INDIAN COOPERATION: UNDEREXPLOITED POSSIBILITIES

Paris LE MONDE in French 13 Nov 81 pp 9-10

[Article by Patrick Frances]

[Text] Speaking about bilateral relations between France and India while on an official visit to New Delhi in August, French Minister of Foreign Relations Claude Cheysson did not mince words: "Without criticizing anyone," he stated at that time, "we must admit that the state of our relations even recently was almost unbelievable, given the size of India."

It is true that the figures speak for themselves. Published in the spring, a memorandum from the French economic expansion services in India revealed that in 5 years, growth in bilateral trade was only 40 percent (in value), an annual average of 7 percent. The report also stated that our imports had increased more rapidly than our exports[1] and that, traditionally showing a deficit, our trade with that country was only balanced, in 1980, after the sale of our Airbuses -- ten to date -- and metallurgical products.

In 1979,[2] France was only in 11th place among India's suppliers, trailing after Iraq, Iran, Canada and Malaysia, and in eighth place among its customers, following Belgium and the Netherlands. With respect to the share of the market, the figures illustrate even better the weakness of our presence in India, with our sales making up only 3.3 percent of its total imports and our purchases only 3.1 percent of what it sold abroad. As for the place of French-Indian trade in our overall foreign commerce, it was even worse because India was only France's 47th-ranking supplier, with .26 percent of the market. Our sales to India represented only .31 percent of our exports, putting that country in 45th place among our customers.

With respect to technical and industrial cooperation, the situation is scarcely more brilliant, especially when one compares it with that of our rivals (the United States, Japan, the Federal Republic of Germany and Great Britain).

While in the 1950's, French industry helped establish the basic Indian infrastructure (iron and steel, electronics, nuclear energy in particular), French businessmen have subsequently somewhat neglected a country that does remain one of the poorest in the world, but which is nevertheless the 13th-ranking industrial power on the globe, with the third scientific and technical community.

However, in the past few years, there has been a resurgence of the activity of French companies in India. This new growth is expressed in industrial cooperation agreements made up of contracts for the transfer of licenses and know-how, which must be approved by the Indian Government in terms of its industrial policy. Inasmuch as that government jealously protects local industry against competing imports, such agreements are in fact the main and, in some cases, the only way to penetrate the Indian market. Under such conditions, one has to regret that only 270 contracts of this type (5 percent of the total) were concluded from 1957 to 1980 between French industrialists and Indian partners, placing France in sixth place among India's suppliers of technology, far behind the United Kingdom (1,345), the United States (1,096) and the Federal Republic of Germany (998), with these three alone supplying nearly two-thirds of the total, and also behind Japan (502) and Switzerland (328). In 1980, 24 agreements for the transfer of licenses were concluded between French and Indian firms.

It should be noted that these contracts, in addition to transfers of licenses, paid for in the form of the payment of royalties or lump sums, almost always contain a clause regarding technical assistance in personnel. Finally, some 30 cooperation projects include financial participation in the capital of the Indian partner. This is the case of Creusot-Loire, Pechiney, Rhone-Poulenc and Ugine-Steel, for example.

The fact remains that there are very few French enterprises that carry the industrial and commercial logic to its conclusion, agreeing to invest in India, given the fact that that country does not accept foreign investments unless there is a transfer of technology.[3] Whence the modest size of French investments in India, which, in 1980, amounted to some 70 million francs (out of a total of some 10 billion), compared with 4.5 billion francs for the British, 2 billion francs for the Americans and .5 billion francs for the Germans. French participation was concentrated in three sectors (special steels, chemistry and precision machinery), to which one could add machine and electrical construction and pharmaceuticals.

Since nearly all of the French investments were made in the form of contributions in kind (which explains why it is generally a question of clearly minority participations), French interests have scarcely been concerned, up to this time, by the 1973 Indian legislation on foreign investments, which sets 40 percent as the maximum amount of nonresident capital in a local company. However, a special regime is reserved for enterprises that concentrate on or deal exclusively in exports (the share may then rise to 100 percent) and for projects using very advanced technology and making it possible to supply the Indian domestic market, in which case the figure is raised to 74 percent. In general, Indian firms intend to retain control of projects carried out in cooperation with foreign partners.

The fact remains that the lack of aggressiveness on the part of French firms regarding investments does not help them to win new markets since this form of penetration, linked with a contract for a license transfer, is in fact the only way to guarantee a lingering foreign presence in India, on the one hand, because outright sales are systematically discouraged and on the other hand, because industrial cooperation agreements are limited to 8 years. Furthermore, investing means gaining precious knowledge of Indian industrial circles and being able to learn to work with an Indian partner, which could be the key to future success.

Considering the industrial and political weight of India in certain regions of the world, particularly in Third-World countries, the presence of Indian industry and engineering on the world market, already substantial, can only grow in the future. It is therefore completely possible to anticipate that French firms will be associated with projects in third countries entrusted to Indian entrepreneurs. For a foreign firm, such cooperation can be a means of later penetrating the Indian market. And yet, the angle of the joint venture with Indian firms is currently very little used by French firms.

The vigor of Indian industry in this field explains why it has enjoyed impressive successes, particularly in Persian Gulf countries. However, with the exception of the construction of the Abu Dhabi airport, France is practically associated with no Indian firm for projects in third countries.

Nevertheless, Indian industrialists seem to be very well informed about French technical possibilities. It is therefore less a question, for French manufacturers, of making their products or technology known than of knowing how to present them and of seeking possible partners on the Indian market, whence the insistence with which a note from the New Delhi economic expansion service, devoted to "means able to expand the French presence in India," recommends the participation of French firms in local fairs or the organization of sectorial missions and technical conferences.[4] The purpose would be to encourage in one way or another "the coming of industrialists determined to devote to India the time and means needed to cement business relations with that country."

Logistics and Financing

In this conquest of the Indian market toward which they are impelled, French industrialists can now count on logistics contributing more and more to the development of French-Indian cooperation, on the public level, first of all, with a French-Indian joint committee that meets each year at the minister-of-commerce level and every 6 months at the level of high officials. In the field of scientific, technical and cultural cooperation, French-Indian commissions already exist. Finally, an organization under the French Ministry of Finance, ACTIM (Association for Technical and Industrial Cooperation), organizes technical training programs for Indian engineers and technicians.

On the private level, since 1976 there has existed an Indian-French Chamber of Commerce and Industry with headquarters in Bombay. It essentially includes Indian exporters dealing with France. A French-Indian Chamber of Commerce was recently set up in Paris.[5] Finally, The Federation of Indian Chambers of Commerce and Industry (FICCI), which represents some 5,000 enterprises and 5 million persons, and the National Council of French Employers (CNPF) decided in July 1980 to create a common entity, the French-Indian Committee, which is to serve as a regular, recognized forum for discussions on commerce, investment and commercial relations between the private and public sectors of the two countries (LE MONDE, 22 July 1980).

Regarding bank structure, the Bank of Indochina and of Suez has just opened a branch in Bombay, where the Credit Lyonnais will henceforth have an office that will be added to those of the General Company and the BNP [National Bank of Paris] (the latter also has branches in Bombay and Calcutta) in New Delhi. Several firms or organizations have representatives in the Indian capital as well: OFEMA [expansion unknown], Thomson, Renault, the General Radiology Company and soon Pechiney.

There naturally remain the sinews of war: money. Since 1961, France has participated in the consortium of aid to India. Since that time it has spent over 4 billion francs, thereby contributing 2.1 percent of all aid received by that country, compared with 7.7 percent for the Federal Republic of Germany and 7.5 percent for Great Britain. Annual financial agreements constitute most of that aid, which takes the form of privileged credits (loan from the Treasury and commercial credits) to be used to purchase French equipment. The "gift element" amounts to about 30 percent of this aid.

According to the most recent protocol signed on 5 June 1980, France has made a sum of 1 billion francs available to India, 400 million of which are to finance construction by Pechiney of an aluminum complex in Orissa, 360 million for various industrial projects and 240 million for balance-of-payments aid. It should be noted that private projects can also be financed outside of the protocol.

Since the 1 billion francs released at the time of Giscard d'Estaing's visit in January 1980 may soon be used up, particularly if French firms are involved in the Paradip (Orissa) iron and steel plant project, another protocol should soon be signed and could be announced at the time of Mrs Gandhi's visit to Paris. Only then will we learn whether France truly intends, as Cheysson hinted in New Delhi, "to do more" for French-Indian cooperation.

FOOTNOTES

1. French imports essentially include textile products, food and agricultural raw materials, livestock feed, precious stones and jewels. Exports mainly include boilers and foundry equipment, iron and steel, airplanes and glass products. Products with a high added value (mechanical and electrical equipment) make up over half of these sales.

2. There are no more recent customs statistics. This year, our exports amounted to 1,171,000,000 francs, while imports totaled 1,472,000,000. In 1980, they totaled 1,476,000,000 and 1,490,000,000 respectively. For the first six months of 1961, our sales amounted to 846 million francs and our purchases to 766 million francs.

3. Except in the case of developing countries and oil exporters which, with great financial resources but no technology to transfer, are authorized under certain conditions to take out participations in Indian companies.

4. From 7 to 12 December, in four cities in India, a French "advanced techniques week" will be held at which some 60 lectures of a high technical and scientific level will be given. This event is organized by the CFCE [expansion unknown], with the support of representative Indian professional organizations.

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CSO: 4200/6

NATIONAL SEARCH FOR MERCURY INITIATED

Madras THE HINDU in English 24 Oct 81 p 7

[Text]

NEW DELHI, Oct. 23

The Geological Survey of India, in collaboration with the National Geophysical Research Institute, the Bhabha Atomic Research Centre and the Indian Navy, has initiated a national project to tap mercury.

The decision to take up the project follows the identification of potential areas of mercury deposit covering a long belt from north Kerala to Bombay and beyond.

The latest instance of native mercury oozing out along a fine fracture plains in the trap rocks was recorded in the southern tip of the Amala island near Bombay.

This was the third reported occurrence of mercury in India. The two earlier ones were in Khitre in Karnataka and Badagara in Kerala.

The Amala deposit is about 1.5 km from the shore under a 1.5-metre-deep water column and is exposed only during low tide.

The project, if found economically viable, would provide the country with the first ever mineable mercury deposit and reduce the import of the scarce, strategic metal.

GSI has all along been carrying out fundamental studies on sea bed technology and preparing maps with limited resources in coastal waters and the exclusive economic zone.

It would now intensify its activities and studies for locating strategic minerals and metals, including mercury in collaboration with the other three organisations.

Other areas identified by GSI for further investigation include those for ilmenite, magnetite and radioactive minerals as well as likely placer deposits of gold and diamond. — Our Special Correspondent.

CSO: 4220/7320

MOSCOW MAY NOT MEET INDIA'S COAL EQUIPMENT NEEDS

Bombay THE TIMES OF INDIA in English 30 Oct 81 p 9

[Text]

DHANBAD, October 29.

THE Soviet Union is understood to have indicated its inability to meet fully India's demand for equipment for development of the coal industry over the next two decades.

According to Coal India sources, the Soviet Union may not be able to fulfil the terms of an Indo-Soviet protocol signed last year in regard to the suppy of equipment because it requires additional equipment to implement its own massive programme for increasing coal output.

However, the Coal India chairman, Mr. R. N. Sharma, said his recent trip to Moscow to review the progress made in Indo-Soviet collaboration under the protocol was fruitful. Both sides had frank discussions on the Mukunda project.

REVIEW OF PROJECTS

It was decided to "conceptualise" the feasibility report on the project and to firm up the Soviet and Indian commitments, particularly in regard to the tackling of underground fires, extraction of different coal seams and collection of geological data.

Other items finalised during the seven-day discussions related to a review of the Damuda opencast project, the Talcher field development, collaboration in the installation of the super-thermal power project at Waidhen in the Singrauli complex and development of the Jayant colliery to increase its output from six million to ten million tonnes.

Both sides discussed steps to commission the Jhajra project in the Raniganj coalfield on schedule, to modernise the Kathara washery in the Ramgarh area, the Patherdih washery in the Jharia coalfield and develop the Kathara mine.

The mining methods adopted in Assam by the North-Eastern Coal Company were also discussed. It was decided to adopt new methods to ensure safety and to increase production.

The next Indo-Soviet review meeting will be held in October next year.

CSO: 4220/7330

COMPROMISE FORMULA ON ASSAM FOREIGNERS DEVELOPED

Calcutta THE STATESMAN in English 30 Oct 81 pp 1, 9

[Excerpt] Gauhati, Oct. 29--A "compromise" Government formula to solve the Assam problem envisages dispersal elsewhere of those foreigners who entered the State between 1961 and March 24, 1971, and their disfranchisement for at least 10 years, reports UNI.

The formula has provision for setting up of an impartial official machinery to detect such foreigners. Every persons detected as a foreigner will be allowed to contest within three months his claim to citizenship before a special tribunal constituted for this purpose.

The formula, drafted following informal talks between Central officials and leaders of the Assam agitation in August at New Delhi, proposes that such foreigners would be detected on the basis of existing relevant laws such as the Citizenship Act, Foreigners Act and the Passport Act.

Their names would be deleted from the electoral rolls, the Government would ensure their settlement outside Assam by giving them incentives and would not be eligible for citizenship unless they have resided outside Assam for 10 years. Foreigners who had entered Assam after March 24, 1971, would be detected and deported and their names, if already on the electoral rolls, would be deleted.

The Government has also agreed to the agitationists' demand that future citizenship certificates will be issued only by the Central Government authorities.

The formula also provides for a special appellate tribunal to enable a foreigner to file an appeal against any adjudication or trial by the special tribunal within a period of 45 days. There will be no appeal against the judgment of the appellate tribunal.

The Government proposes to continue detection of foreigners and in the process make use of the 1951 National Register of Citizens, electoral rolls, including those of 1952, and relevant public documents, such as, land records available with the Government and birth and death registers.

Those foreigners who had entered Assam between 1951-60 will be regularized. For this purpose this category would be identified so as to distinguish it from other categories.

The Government has also agreed, according to the formula, to deport those aliens who had been deported earlier but had "illegally" reentered Assam.

"Also those foreigners having been already detected after 1961 and ordered to be deported, but did not leave, shall be deported or settled outside Assam."

The Government agreed to take "immediate, effective, practical steps" to prevent illegal entry of the foreigners by setting up physical barriers such as walls, barbed wire fencing at appropriate places and intensification of riverine patrolling.

The other features of the formula include, voters in Assam, after revision of the electoral rolls, will be issued identity cards with their photographs affixed. A household register will be prepared after issue of identity cards. It will be ensured that birth and death registers are duly maintained. Constitutional, legislative and administrative safeguards will be provided to protect, preserve and promote the cultural and linguistic identity and heritage of the indigenous people of Assam.

The formula further says that it will be ensured that relevant laws for prevention of encroachment of Government land and land in tribal belts and blocks are strictly enforced and unauthorized encroachers evicted as laid down under such laws.

The Government has promised speedy action to implement the formula.

CSO: 4220/7332

NATION OFFERS TECHNOLOGY TO SOUTHEAST ASIAN COUNTRIES

New Delhi PATRIOT in English 24 Oct 81 p 3

[Text] Singapore, Oct 23 (UNI) Union Minister for Industry and Labour Narayan Datt Tiwari yesterday urged industrialists from South-East Asian countries to take advantage of the facilities available in the Indian engineering industry, which offered good quality at costs substantially lower than from more advanced countries.

Speaking at a seminar organised by the Chemtech Foundation of India, Mr Tiwari said the industry could also offer appropriate in-house technologies developed by the Indian research and design establishments.

The seminar was aimed at highlighting the progress made by Indian industries and to create opportunities for exchange of technology and closer economic ties between India and countries in the region.

"India's experience in assimilating sophisticated technology into an otherwise under-developed industrial environment without compromising in any way the national socioeconomic priorities has qualified her as worthwhile partner in the industrial progress of other developing countries," the Minister said.

He said India was well placed to undertake turnkey projects of great diversity both in term of size and technology whether on her own or in association with other developed or developing countries. Mr Tiwari said the growing number of increasing successful Indian enterprises on overseas contracts in major industries, testified to the competivity and acceptability of Indian capabilities.

The Minister said India considered joint ventures as an important plank to promote active bilateral industrial cooperation and there has been significant increase of joint ventures in recent years based on Indian technology and managerial acumen.

At present there are 120 joint ventures operating in 40 countries while 90 others are under implementation. ASEAN region alone accounted for 45 per cent of these projects, he added.

Indonesia's Minister for Industry A.R. Soehoed who attended the seminar as chief guest, assured the participants of his country's preparedness to cooperate with India to develop appropriate technology.

CSO: 4220/7321

HINDUSTAN AERONAUTICS DEVELOPS F-16 RADAR SYSTEM

Calcutta THE STATESMAN in English 26 Oct 81 p 13

[Article by V. S. Maniam]

[Text] Hyderabad, Oct. 25.--Can the IAF take on the F-16? Yes, given just a little time.

What makes that American fighter aircraft formidable is its air-to-air multi-mode radar system. The Electronics Division of Hindusthan Aeronautics here is already building the more critical parts of that radar, Mr R.S. Sivaswamy, who heads the division says: "The F-16 radar has five modes. We are building two of them. And once we are successful in this, we shall build the rest."

The division has already designated and produced some highly sophisticated radar system, including one for the Jaguar.

The radar for the Jaguar was developed two years ago. Since then HAL's Electronic Division has designed and "productionized" (electronics jargon for beginning production) highly sophisticated air-to-ground communication equipment for some other aircraft. Another landmark is the design and production of a High Frequency Single Side Band Transceiver for the Russian An-32 aircraft. It is sent to Russia to be fitted on to the aircraft--a technological breakthrough for India.

HAL's plan for the 1980s includes the designing and producing of more highly sophisticated aircraft electronic equipment--from futuristic air-to-air interrogation to airborne weather radar and microwave landing systems.

Apart from making available equipment incorporating state-of-the-art technology, the Electronics Division has also saved the country Rs 180 crores in valuable foreign exchange so far.

Of the 18 systems in production here right now--all designed and developed at HAL--two are noteworthy: an Air Route Surveillance Radar and a Precision Approach Radar. Hindusthan Aeronautics in Hyderabad was specifically entrusted with the task of developing and building these two radars by the Electronics Commission.

Design engineers at HAL say India is the sixth country in the world to make these radars on its own.

CSO: 4220/7325

BRIEFS

KASHMIR MINISTER RESIGNS--Srinagar, Oct 22--Mr Harbhajan Singh, Jammu and Kashmir Minister of State for Health, today resigned his ministerial post following his defeat in the biennial election to the State Legislative Council as a candidate of the State Chief Minister, Sheikh Abdullah's ruling National Conference here yesterday. Sheikh Abdullah, according to an official spokesman, has forwarded his resignation to the State Governor, Mr B.K. Nehru. Sheikh Abdullah was searching for a suitable candidate belonging to the minority Sikh community to incorporate him in his council of ministers as their representative. Sheikh Abdullah has taken over charge of the State Health Ministry. According to ruling National Conference sources, the newly-elected president of the State ruling National Conference, Mr Farooq Abdullah, would shortly be inducted in the State Cabinet and would be allocated the Health portfolio. [Text] [Calcutta THE STATESMAN in English 23 Oct 81 p 1]

ENVOY TO TANZANIA--Mr Preet Mohan Singh Malik, till recently India's Ambassador in Cuba, has been appointed Indian High Commissioner to Tanzania, it was officially announced in the Capital on Thursday. Mr Malik, who served in Indian missions in Cairo, Singapore and Gangtok, was sometime back India's Deputy Permanent Representative in the UN. He had also been India's Ambassador to Bahrain. [Text] [New Delhi PATRIOT in English 23 Oct 81 p 5]

NEW GREEK AMBASSADOR--New ambassador of Greece Anthony Corantis, on Friday presented his credentials to President N. Sanjiva Reddy, at the Rashtrapati Bhavan, reports PTI. Welcoming the new ambassador the President said that both India and Greece "share the ideas of democracy and international cooperation for the establishment of peace." [Text] [New Delhi PATRIOT in English 24 Oct 81 p 5]

URBAN DEVELOPMENT LOAN--New Delhi, October 29--The International Development Association, an affiliate of the World Bank, has approved a credit of $25 million to India for urban development. The credit is for a project (total cost $51.7 million) aimed at providing improved shelter and urban services in Kanpur, U.P. Kanpur is the fourth city in India to receive funds from the World Bank and the IDA for improving urban services, including housing and transport. The other cities are Bombay, Calcutta and Madras. The Kanpur project will help the development of areas covering a total of 192 hectares. About 14,800 residential plots and 540 small industry plots will be established and provided with access roads and a full range of urban services. The IDA credit will be for 50 years, with ten years of grace. It will be interest-free but carry a service charge of three-quarters per cent per year. [Text] [Bombay THE TIMES OF INDIA in English 30 Oct 81 p 1]

SOVIETS EXPLORE KRISHNA-GODAVARI BASIN--Bombay Oct 29 (PTI)--The Soviet Union is understood to have made a proposal for oil exploration in the Krishna-Godavari basin. The proposal was made during his recent visit to India by Soviet Deputy Oil Minister D. Takoyev--a suggestion which the Oil and Natural Gas Commission said it would consider. It is not known whether the Soviet proposal relates to onshore or offshore exploration but sources point to the wide experience of the Soviets in onshore exploration. Meanwhile, ONGC has almost finalised the contract for hiring a drillship to resume exploration work in the offshore Godavari basin where the first well, drilled in September last year, yielded promising oil find. Further exploration was interrupted because of high currents and soft mud resulting in loss of costly equipment. The drillship is expected to arrive in December. [Text] [New Delhi PATRIOT in English 30 Oct 81 p 5]

ORE FOR BAHRAIN PLANT--India and Bahrain have reached "complete understanding" on the technical specifications of the Kudremukh ore to be supplied for the four million tonne pelletisation plant being built in the Gulf island, reports UNI. Stating this, Special Secretary S.D. Prasad of the Ministry of Steel and Mines, who led a five-member delegation this week for negotiations in Bahrain, said "there had been a useful exchange of views this time in continuation of the earlier talks and negotiations in prices were likely to be finalised soon." He said Arab Iron and Steel Company's Chief Executive Omar Girne visited the Kudremukh project last February and was satisfied of the quality of the ore. Authoritative sources in Bahrain, however, indicated that if the deal is finalised, India will supply 1.5 million tonnes of the Kudremukh iron ore concentrated to Bahrain every year from 1984 onward when the plant goes into operation. Mr Prasad said the Bahrain plant would be among the most modern steel projects. He said that a followup of this week's negotiations will be carried out by Indian Ambassador Prem Singh with the Bahrain authorities. [Text] [New Delhi PATRIOT in English 30 Oct 81 p 5]

LOAN TO ONGC--New Delhi, October 31 (UNI)--The Oil and Natural Gas Commission (ONGC) has secured a package loan of $74 million from the Export Credit Corporation of Singapore and south-east Asian commercial banks. The loans, secured on favourable terms, is to finance the purchase of two offshore oil drilling rigs from the Robin Shipyard in Singapore and the general operations of ONGC, according to official sources. A three-member delegation led by the ONGC chairman, Mr S.P. Wahi, is leaving for Singapore on Monday to sign the loan agreements on November 4. Other members of the delegation are, Mr M.C. Nawalkar, finance director of ONGC, and Mr Yogesh Chandra, of the ministry of finance. ONGC has already placed orders for building the offshore rigs. One rig is expected to be delivered by the end of 1982 and the other in early 1983. [Text] [Bombay THE TIMES OF INDIA in English 1 Nov 81 p 1]

ASSAM BORDER--New Delhi, Oct 31--The Assam movement leaders today succeeded in making the Government agree to construct a 270-km road parallel to the State's border with Bangladesh. It will be built 100 to 200 metres inside the boundary line, thus creating a no-man's land on the Assam side of the border to guard against further infiltration from Bangladesh. Creation of a no-man's land has been one of the principal demands of the movement leaders and this was conceded by the Government in course of the five-hour official-level talks interrupted

only by a working lunch. According to Mr Nagen Sarma, adviser to the All Assam Students' Union, the Government agreed to construct a wall or barbed wire fencing wherever possible to seal the border with Bangladesh. At present it is an open border. This again would help prevent the exodus from Bangladesh which has been going on at a steady rate, in spite of the agitation in the State. It was also agreed that river patrolling in the Brahmaputra and Barak would be intensified by the introduction of more engine and speed boats. [Excerpt] [Calcutta THE SUNDAY STATESMAN in English 1 Nov 81 p 1]

AMBASSADOR TO PRAGUE--Mr Nedungottu Philip Alexander has been appointed as the Indian Ambassador to Czechoslovakia, reports PTI. Mr Alexander, who was till recently Ambassador to Sweden, succeeds Mr Kishan Kumar Shivsinghji Rana, according to an official release. [Text] [New Delhi PATRIOT in English 1 Nov 81 p 7]

CSO: 4220/7342

PERTAMINA, ARCO IN DISPUTE OVER OILFIELD

Kuala Lumpur BUSINESS TIMES in English 10 Nov 81 p 20

[Text]

JAKARTA, Nov. 9

FOREIGN oil companies operating in Indonesia are closely watching a dispute between the state oil company, Pertamina, and Atlantic Richfield Indonesia (Arco) over the future of an Arco oilfield, industry sources said today.

Pertamina ordered Arco to halt production at the 2,719-hectare offshore field near Kalimantan on July 31 after 10 years of a 30-year production sharing agreement pending a government decision on whether Arco will be able to keep the field.

Interest in the situation heightened over the weekend following a statement by a senior Pertamina official that the oilfield may be put up for fresh bidding if Indonesia decided that Arco had not been operating it properly.

Foreign oil companies here work under production sharing agreements with Pertamina under which they must transfer 85 per cent of production to Indonesia after covering production costs.

Pertamina's foreign contract coordinating body chief D Zahar said in a statement Arco had not produced oil at a commercial rate from the field and thus Pertamina had gained nothing as the concession was still running on a cost recovery basis.

Foreign industry sources said Arco's view was that the field, producing about 10,000 barrels a day at the time of shutdown, was commercial and Arco would lose money if it lost the concession before recovering its investment.

The sources said there was some concern that Pertamina might foreclose on other concessions still in the process of cost recovery and auction them to other companies for fresh "signature bonuses" — amounts of several million dollars charged when production-sharing contracts are signed.

Mr Zahar denied the move against Arco was aimed at earning a fresh bonus and said: "Our aim in cooperating with foreign contractors is to earn maximum profits from oil production instead of merely hoping for a signature bonus," he said.

He said Pertamina was still studying the question of whether to extend Arco's contract for the remaining 20-years and a decision would be made in a few weeks.

■ Indonesia is to step up its quality control in the processing of essential oils to meet international market demands, a spokesman of the National Agency for Export Development said today.

He said last year the country exported essential oils valued at M$47.25 million compared with 1979's export which stood at M$30.4 million mainly to Singapore, Japan, Europe and the United States.

Indonesia is currently one of world's leading producers and exporters of essential oils such as citronella, clove leaf, nutmeg, cananga, patchouli and vetiver.

The oils are used in the preparation of food flavours and fragrances of beverages and in the pharmaceutical, toiletry and confectionery industries. — Reuter, Bernama

CSO: 4220/545

FIFTEEN REBELS KILLED NEAR PAPUA NEW GUINEA BORDER

Kuala Lumpur NEW STRAITS TIMES in English 28 Oct 81 p 13

[Text]

PORT MORESBY, Tues. — Indonesian troops airlifted into Irian Jaya killed 15 separatist rebels earlier this month in clashes only four kilometres from the border with Papua New Guinea (PNG), a PNG government spokesman said yesterday.

One Indonesian soldier was also reported killed.

The PNG Foreign Ministry statement quoted Indonesian officials as saying the 15 were killed after a raid on a logging camp near the border by rebels of the Free West Papua Movement (OMP).

Denied

"The 15 rebels were killed in a pursuit operation after Indonesian soldiers were dropped into the area by helicopter," the statement added.

It said the clash at Haltekang had previously been denied by Indonesian authorities.

OPM rebels have waged an intermittent guerilla war against Indonesian troops since Jakarta took over the former Dutch New Guinea, the western half of the New Guinea mainland, in 1969. — Reuter.

CSO: 4220/545

APPEAL FOR INCREASED U.S. INVESTMENTS

Kuala Lumpur BUSINESS TIMES in English 27 Oct 81 p 20

[Text]

JAKARTA, Oct. 26

A LEADING official on Saturday appealed for increased American investment in Indonesia which currently stood at US$406 million, or only two per cent of total US investment in the Asia-Pacific region.

Mr Suhartoyo, director of the Indonesian Capital Investment Board, told an Asia-Pacific Council of American Chambers of Commerce (APCAC) meeting that American investment here was only four per cent of the US$10 billion total foreign investment pledged since 1967.

He said the APCAC represents some 5,000 American business executives with about US$20 billion investment in the Asia-Pacific region. Indonesia would like to see a substantial increase of investment here.

Mr Suhartoyo promised to improve the atmosphere and conditions for investment in Indonesia and study existing regulations to provide more convenient service to investors.

At the same time, the government had identified 30 key projects in the manufacturing sectors which it would like to see developed by foreign capital, he added.

These included foundry and forging centres, machine tools production, general machine shops, shipbuilding, seamless pipe production and automotive component plant which were estimated to require investment of around US$6 billion during the next five to six years, he added.

Investment in the agricultural sector is also badly needed to reduce Indonesia's dependence on gas and oil as its main export commodities, Mr Suhartoyo said.

Preliminary estimates for this showed that some US$16 billion are needed during the next seven to eight years to develop an export-oriented agricultural sector, he added.

The APCAC conference later endorsed President Ronald Reagan's call at Cancun for global economic development based on free enterprise.

A statement issued at the end of the three-day meeting also urged the US government to focus more attention on the interdependence of the US and world economies. — Reuter

CSO: 4220/545

INTENSIVE PROGRAM TO COMBAT ILLITERACY

Kuala Lumpur BUSINESS TIMES in English 2 Nov 81 p 19

[Article by Warief Djajanto in Jakarta]

[Text] TELLING time, reading street signs, scanning a newspaper, signing a letter. These are daily activities many take for granted.

Yet human beings were never born with the ability to read and write. And 19 million Indonesians aged 10 to 45 years old can't take these activities for granted. They are illiterate.

Although over 90 per cent of Indonesia's school-age children are now able to go to primary schools, there are still a considerable number of adults, particularly in rural areas, who have never sat inside a classroom.

Illiterate farmers cannot hide their secret and embarrassment whenever they have to "sign" their name on the credit forms to seek a loan from the rural bank to buy seeds and fertiliser. For their signature, they place a thumbprint instead.

Thus many forms that require the filler's signature carry the notation "signature thumbprint."

The Indonesian term for illiteracy is "buta huruf." Literally translated, it means "letter blind."

A person's intellectual and social scope becomes severely restricted when he or she is "letter blind."

Aware of this, the Government has embarked on an intensive programme to help illiterate adults.

The programme, launched in 1976, seeks not only to teach reading and writing. It also has two other aims. One is to help people to speak Indonesian considering the dozens of regional languages in the archipelago. Another is to teach them basic education, the things they missed in elementary school.

"Eradicating illiteracy carries the inherent purpose to develop the intellectual faculties of a living nation," says Education Minister Daoed Joesoef in a speech marking International Literacy Day on Sept. 8.

The Ministry of Education and Culture has devised what is called a learning gourp programme whose acronym is fashioned into the apt Indonesian word meaning "catch up" (*Kejar — kelompok belajar*).

These groups consist of adults who can't read and write and those who dropped out before finishing primary school.

The programme centres on a packet of 100 volumes of lessons on basic reading, writing, arithmetic and basic knowledge. If the pupil has covered the first 20 volumes, he or she has acquired the basics of reading, writing and arithmetic.

A volunteer — who may be a member of a local mother's association or a student from a teachers' college — leads classes.

The first two years of the programme are mostly trial and improvement. Only in 1978 did the programme get underway intensively. In the past six years, as many as two million people throughout Indonesia have learned to read and write through the programme.

"People who have been freed from 'letter and numeral blindness' would make little significance for development and for themselves if the newly-gained knowledge and skills they now possess are not used to advance their level of living," Mr Joesoef said.

Thus, to supplement newly-acquired skills in reading and writing, this non-formal learning programme also offers other packets recommending income-generating activities.

Successive education packets offer courses on family welfare education, vocational and small-business skills. At village level, the village head, local school teachers and the local mothers' association are very much involved in promoting the income-earning programmes the packets recommend.

"Interest to join the learning groups has been tremendous," says Syamsuddin Pang, secretary of the committee for basic education development of the *Darma Wanita*, a social activities group composed of wives of government employees.

The *Darma Wanita* learning group programme has taught as many as 119,000 people in 1980.

"Each group has a membership of 60 to 75 people. Those who want to join are so many that we cannot take them all at once," Mrs Pang says.

This huge interest was absent when the *Darma Wanita* started its programme in 1978. At that time, they had to seek willing group members from the villages and city locals. Now, they seem to have their hands full of enthusiastic "students" anxious to end their "letter blindness." — Depthnews Special

PROBO'S ABILITY BRINGS HIM SUCCESS IN POULTRY BUSINESS

Jakarta JURNAL EKUIN in Indonesian Aug 81 pp 1, 12

[Article by Koos Arumdanie]

[Text] Jakarta--He is accused by many people of having succeeded in becoming a "big" businessman because he has ridden on the position of his elder brother, President Suharto.

At present, Probosutedjo controls 12 business firms in Indonesia. He is one of five brothers who have the same mother as President Suharto. Although there are five brothers who are sons of the same father, it is said, not one has succeeded in the business sector. Of the nine brothers of the president's generation, it is pointed out, Soedwikatmono has emerged the most successfully as a businessman.

Erect and rather tall in appearance, Probosutedjo wore a long-sleeved, light brown coat and dark brown trousers, with a contrasting tie, in his office on Jalan Haji Agus Salim in Jakarta. He smiled often while he wiped his mouth with a light blue handkerchief, while in the upper breast pocket of his coat he carried a fountain pen and a ballpoint pen inlaid with polished "diamonds." His office is pleasant in appearance, in a dominant brown with luxurious furniture made in Indonesia.

"The people's view out there is mistaken," he said, smiling. "In fact, it is not because I am the younger brother of a president that I have been able to succeed in business or commerce. Before my brother became president, I had already opened my own business. I am just one other brother, the son of the same mother," he said. "So it is not true if people say outside that I am riding on the coattails of my brother," he added.

Among his numerous enterprises, PT Cipendawa, which operated in the field of raising chickens, is a successful Probosutedjo operation. It is said that this chicken-raising enterprise was a model firm when established in 1969. However, the company was never able to develop itself fully because of a shortage of skilled personnel. Repeatedly, it was necessary to replace the poultry specialists from Taiwan as well as from Thailand. Indeed, the company was unable to overcome its major problem. Problems with the professional staff and the diligence of the workers were the primary cause of the bankruptcy of PT Cipendawa, which Probosutedjo finally took on with 35 percent of the shares in his hands. Progressing fitfully, PT Cipendawa changed from one group of foreign technicians to another. Finally, in 1975 Probosutedjo decided to take over the remaining 70 [as published] percent of the shares in the chicken-raising company. Although he was sharply

criticized, he brought a new spirit into the company and 40,000 more chickens. He gave the Taiwanese personnel 2 days to leave the poultry industry. After that, as the largest shareholder, he obtained poultry specialists from Indonesia. Several times he changed the Indonesian managers, but the company was still unable to develop properly. He concluded that the major obstacle was the available chicken feed and a problem with the diligence of the workers. "Raising chickens is a very sensitive business, and they are easily affected by disease," he said.

After finding an expert who had graduated from IPD [Bogor Agricultural Institute], Cipendawa began to grow. "Now even the foreigners are amazed," he said with pride.

What is so attractive about it that you want to become a poultry farmer? The reason is very simple. If the business continues to grow, income per head also will grow. Automatically, the requirement for calories in daily food needs is the primary requirement. Calories from poultry and eggs are more easily absorbed to meet the requirements. Furthermore, chicken products are said to be an effective medicine for the digestion. However, it is unfortunate that people have only recently become aware of this benefit from chicken products. In the past the production of chicken products on an industrial basis was still monopolized by the large chicken industries.

Compared with raising cattle or goats, the cost of raising chickens is less. With a small amount of capital it is possible to make large profits. For a chicken slaughtering firm, processing 1,000 chickens per week, only Rp 400,000 in capital is needed. Thus, the capital required per head is only Rp 400. The ideal time for slaughtering chicken is at the age of 6 weeks. Thus, the capital needed for that period is only Rp 2.4 million. Chicken coops can be made out of simple materials. However, for chickens laying eggs, the costs are higher. The cost per head is Rp 6,000, and a hen only begins to lay eggs after 6 months. The care of chickens is more expensive if the total number of chickens is small. Because of the problem of chicken feed, taking care of a small number of chickens is not cost effective.

At present, PT Cipendawa, which operates chicken-raising centers at Cipanas, Mega Mendung and Cihambalanc, has 600,000 chickens. They are cared for by 70 experts and 1,500 workers. At Cihambalang, chickens are being raised from "grandparent stock" imported from the United States at a cost of $40 per head. As a trusted American business representative, PT Cipendawa has successfully distributed high-quality chicks it has raised throughout Indonesia. Indeed, it has exported some chicks to Malaysia and Africa. This variety of chicken is customarily called "Oneday O-Chicken" (D-OC) and can go without feeding for 3 days. In Asia this variety is only found in Japan and Indonesia. An attempt to raise this variety in the Philippines was unsuccessful.

PT Cipendawa also handles eggs and is still active in the marketing of cut-up chickens (broilers). The company presently has 60,000 hens laying eggs, with a rotational system for egg laying. Usually, one third of the hens are held in reserve. "Not all of them lay eggs at the same time, as that would leave gaps," says Probo.

In a period of a month and a half the chickens are already able to swallow up the profits. Probo has shipped his chicken eggs to Irian and Aceh, and to all corners

of Indonesia. Exports to Sabah have been handled, and even Sri Lanka has asked him to open a chicken-raising enterprise in that country. "We are still looking at the situation," he added.

From the chicken "grandparent stock," 80 percent of the fertilized eggs hatch successfully, and only 5 percent are slaughtered because they do not meet requirements. The cost of chickens of this variety is about Rp 400 per head. Chickens raised from the D-OC stock may reach a weight of 4 kilograms in 2 months. However, the chicken feed formula must be right. Up to now, PT Cipendawa continues to import all of its requirements for chicken feed. Fish meal, soybean flour and the various medicines needed, as well as corn, are purchased from an importer through BULOG [Logistical Affairs Body]. However, as East Java produces corn, Probo is inclined to get his corn there.

There is a government regulation that poultry farmers are only permitted to own a maximum of 75,000 chickens. Probosutedjo says that he does not agree with this. He hopes that small poultry farmers will be given assistance in how to raise chickens properly. Then, if the poultry farmers are given an opportunity, there will be no vacuum in the market. As for chicken slaughterers, this is an easier matter, as their process only takes one and a half months. However, for laying hens, which take 6 months to get ready, the supply of eggs will go down. "Who loses?" he asks.

From chicks he is able to produce every month he makes about Rp 2 million. In a year he produces 250,000 chicks from the grandparent stock mentioned above. In a period of 6 months the chickens can lay eggs, and after 5 months they are in the category of preparing to lay eggs.

The chicken-raising business, according to Probo, should not disturb anyone, because it has become popular among the people. What needs to be done now is to increase the production of poultry and eggs. In Indonesia, on the average, the consumption of eggs is only 40 per year. In America, the consumption per capita is 4 eggs per day. In Singapore, Malaysia, and other countries the total of eggs purchased is far higher.

From PT Cipendawa's activities with the D-OC variety there has never been a decline in profits. Every brood of chicks is immediately taken up by orders. From egg-laying hens, daily production amounts to between 5 and 7 tons of eggs. The markets are the hotels, foreign firms and restaurants. It is difficult to sell chickens and eggs from the kampongs because their quality is not guaranteed. It often turns out that after kampong eggs are held for a week, they turn out to be bad.

In this poultry-raising enterprise, Probo regrets to say, there is not yet a role for cooperatives. Therefore, poultry raisers must market their own products. Ideally, the chicken raiser should store his products at a cooperative. With a special label that ensures quality, the cooperative could have the task of finding the market.

PT Cipendawa itself is involved in providing instruction courses for small poultry farmers. Throughout Indonesia small poultry raisers have registered to take a course that will be held in November. The training, which takes 1 month, can

accommodate 40 people, at a cost of Rp 4 million. "This is Cipendawa's participation in the program of providing information to the small chicken raisers," he says.

In establishing his business in 1964 he took a risk in setting up his own company. Without mentioning the name of the company, which is active in importing Toyota and Nissan vehicles in Medan, he complained about the situation. With small capital and energy he ran from one government office to another. Then, on the basis of trust, he succeeded in getting an order to import the vehicles. "I carefully explained that if you buy the car here, the price, for example, would be Rp 22 million. However, if you import it, the price is only Rp 12 million," he said. For that transaction Probosutedjo obtained advance payment, so that he didn't need a great deal of capital.

5170
CSO: 8127/0208

BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesia personalities has been extracted from Indonesia language sources published in Jakarta.]

BUNG TOMO--Bung Tomo died last Wednesday, 7 October, at 1350 local time in Saudi Arabia while making the pilgrimmage there. He was buried there shortly afterwards. This statement was made by the inspector general of the Ministry of Foreign Affairs, Lt Gen Sarwo Eddhie Wibowo, to KOMPAS last night [8 October]. Sarwo Eddhie did not yet have definite information on the cause of Bung Tomo's death. "However, it is possible it was because of the heat, as there were more than 100 pilgrims who died because of the heat," Sarwo Eddhie added. Bung Tomo, who was born in 1920 in Surabaya, had left for Jiddah to do the pilgrimage, together with his wife, Sulistina, and his two daughters, Ratna Sulistama and Dr Tien Sulistami. Bambang Sulistomo, his son, contacted by KOMPAS last night, had not yet received any direct information concerning the cause of death of his father. The late Bung Tomo was known during the period of the independence struggle for his fiery speeches arousing the spirits of the people to bear arms against colonialism during the Indonesian war of independence. At that time he was chairman of the Indonesian People's Rebellion Front. He once served as minister of state for veterans' affairs in the Burhanuddin Harahap cabinet, and his career in the Indonesian Army ended after he reached the rank of major general. The deceased also held a bachelor's degree in economics from the University of Indonesia. [Test] [Jakarta KOMPAS in Indonesian 9 Oct 81 pp 1, 12] 5170

DR SOEPARMANTO--Dr Soeparmanto has been appointed vice governor of the province of East Java, replacing the former incumbent, M. Soegiono, who will retire. The appointment of Soeparmanto is in accordance with Presidential Decision Letter No 167/AM/1981. He was born on 29 October 1932. Soeparmanto had been secretary in the Directorate General of General Government and Regional Autonomy Affairs in the Ministry of Internal Affairs for the past 15 years, since 1966, when Sunandar (now governor of East Java) was director general of general government and regional autonomy affairs. He will be installed in office in the course of October. [Excerpt] [Jakarta KOMPAS in Indonesian 13 Oct 81 p 11] 5170

SOEPARDJAN--Soepardjan, an instructor at the University of Diponegoro, is being processed by the central government to be vice governor of the province on Central Java. He was the candidate nominated by the governor of Central Java, Soepardjo Roestam, for the post. The occupant of the post of vice governor is appointed from

the career civil service. The provincial council is only asked for its agreement, but the appointment is not processed through the provincial council. [Excerpt] [Jakarta KOMPAS in Indonesian 13 Oct 81 p 12] 5170

DR SUKARDJAN--Dr Sukardjan [name as spelled in the item; clearly, this is the same person as the figure referred to in the preceding item, whose name is given as Soepardjan], a member of the Central Java Provincial Council (from the Functional Development faction) amd a teacher at the University of Diponegoro, has been appointed vice governor of Central Java, based on Presidential Decision Letter No 179/M/81, dated 7 October. He will be installed in office on 31 October in Jakarta by Minister of Internal Affairs Amir Machmud, in the name of the president. This was announced by the Bureau of Community Relations of the Ministry of Internal Affairs on Tuesday [20 October]. [Excerpt] [Jakarta KOMPAS in Indonesian 21 Oct 81 p 12] 5170

EDDY SABARA--The inspector general of the Ministry of Internal Affairs, Eddy Sabara, who had become known as a "specialist as acting governor," based on Presidential Decision Letter No 181/M/81 of 12 October, was appointed acting governor of Southeast Sulawesi. His installation in office will be presided over by the minister of internal affairs at a ceremony in Jakarta on 24 October. The appointment of the acting governor was made in connection with the illness of the governor of Southeast Sulawesi, Abdullah Silonda, and will remain in effect while the latter is undergoing medical treatment in the Jnited States. [Excerpt] [Jakarta KOMPAS in Indonesian 21 Oct 81 p 12] 5170

AIR VICE MARSHALL SUTI HARSONO--The post of commander of Air Region V yesterday [22 October] was transferred by Air Vice Marshal Sutoyo to his replacement, Air Vice Marshal Suti Harsono. Air Vice Marshal Suti was commander of Air Region III. Air Vice Marshal Sutoyo has been appointed by the Air Force to be inspector general of the Air Force. Air Vice Marshal Suti Harsono is currently responsible for the Air Region covering Jakarta and West Java. In this region there are two major Air Force bases: Halim Perdanakusuma AFB and Husein Sastranegara AFB. Other air bases in the region include Atang Senjaya AFT in Semplak, Bogor Regency, which is the base for a squadron of helicopters, and Kalijati AFB, which is an Air Force personnel training base. In the history of the development of the Air Force, Kalijati AFB has trained generations of flyers who have later occupied important posts. [Text] [Jakarta KOMPAS in Indonesian 23 Oct 81 p 3] 5170

CSO: 4213/09

REFUGEES' FARM LAND TO REVERT TO STATE CONTROL

Vientiane VIENTIANE MAI in Lao 11 Jun 81 p 1

[Text] To: District Administrative Committees in Vientiane City and Province

In the movement to establish agricultural cooperatives some farmers were deceived by the enemy and fled abroad. These people abandoned farms, paddy fields, and gardens.

In such cases there were relatives who came claiming that the fields and orchards were their legacy or that their parents or family had divided these among them. Some put the rice fields in the agricultural cooperative and then asked to leave the cooperative, causing great difficulty for the administration and the establishment and control of the cooperatives.

Therefore, effective with this order, in regard to the land of those who fled to foreign countries, anyone who claims it as his own must have the title deed, papers of transfer, and firm evidence. He must also have certification from the administrative authority. In case he has turned the land over to the control of the cooperative, it is not permitted for anyone to leave and work the land independently and separately, or to sell . It is the state alone that administers the land and maintains it.

For your information and implementation.

Vientiane 27 May 1981

Provincial Administrative Committee
Signed and sealed
Bounthon Souphanthon

9615
CSO: 4206/5

1976 REGULATIONS FOR COLLECTIVE, PRIVATE SECTOR LOANS ISSUED

Vientiane VIENTIANE MAI in Lao 8 Jun 81 pp 2,4

[1976 Regulation on Loans for Agricultural Production signed by Nouhak Phoumsavan]

[Text] I. Purpose of loans for agricultural production

1. To help the farmers obtain capital to buy the means of production and improve their living standards.

2. To restrict and proceed toward the abolishment of high interest in the rural areas, plus building up the production forces and new production relationships.

3. To have the offices, military units, factories, and specialized schools attain increased production capacity to become partially self reliant and expand their production. But they must be firmly established as self-supporting state enterprises.

4. To make agricultural production conform to the guideline of building a democratic national economy, advancing to socialism, and maintaining a stable currency.

II. Principles and Conditions of Loans

1. Those who wish agricultural loans must have a definite plan of operation.

2. Loans used for a certain purpose must be guaranteed by the borrower for payment in full and within the time period set.

3. The loan must have collateral, which may be products or the cost of labor to produce the products.

4. The products or the labor wage must have a value appropriate to the amount of the loan.

5. The loan must not pass through a non-productive middleman.

Conditions of Loans

1. Any cooperative or labor exchange unit that wishes to apply for a loan must consist of all members capable of labor. The leader of the cooperative or the unit fills out the loan form and lists the names of the members in the unit. The canton administrative authority certifies this. In receiving the funds, each member must sign his name. The leader will be responsible for seeing that the money borrowed by the members is used for the purpose intended.

When the loan is due to the state, the unit leader collects the money from the members and pays the bank.

In the case of a state agricultural settlement, the director shall use the funds for the collective, not giving it to the members. If individuals do use it, the director must pay the bank directly when the note is due.

2. Offices, military units, factories, and state specialized schools which want to borrow money must be organized as state enterprises, with leadership and strict conditions on cultivation and raising livestock (factory stations).

The responsible committee of the offices, military units, factories, and specialized schools will apply to the bank. In case there is a change of location of the offices, military units, factories, or specialized schools or a change in the committee, the former leader of the office, military unit, factory, or school applying for the bank loan will be the person responsible for the loan.

3. A state enterprise will consist of a state agricultural settlement, people's cooperative or labor exchange unit, military unit, factory, specialized school, which desires a loan from the state must have some original capital of its own. If they think it is not enough, they may borrow additional from the bank.

III. Loan Objectives

a. To take an interest in state agricultural settlements, people's agricultural cooperatives, labor exchange units and swidden farmers who want change to wet rice, cultivation, in order to buy water buffalo for plowing paddy fields, production tools, equipment to build small irrigation works, make waterwheels, purchase seed for planting, breeding stock, buy rice and salt for consumption, make irrigation ditches while they are increasing production.

In making loans, in order to normalize locations one should stress the areas where the weather is not favorable, where the wild game was destroyed and where formerly the people did swidden cultivation but now have turned to wet rice cultivation or field crops. Take an interest in those who expand into new rice paddies.

b. Grant loans to offices, military units, factories, specialized schools to buy seed, breeding stock, medicines.

IV. Methods for Getting Loans

Those who want loans must make out two application forms (forms are at the bank), one copy for the borrower to keep and one for the bank. On the application they must state the purpose clearly. The office, military unit, factory, or specialized school which wants a large loan will have a plan for production attached. Before awarding the loan the bank must send an official to inspect the labor, seed, stock, tools, and location. If the conditions are met, he recommends that the bank make the loan.

In making the loan the bank will give all the funds at one time or allow them to withdraw a little at a time depending on the individual needs and will try to have them make the transfer of funds in the accounts, when necessary, in cash, which is gradually withdrawn.

In regions distant from a bank, if it is possible, designate a bank official to take the loan to the locale.

VI. [As published] Terms of loans and payments

a. Short term loans are for 6 to 12 months to buy seed, breeding stock, inexpensive farming tools, to buy gasoline and other fuel for tractors.

b. A long term loan of 1 to 3 years to buy water buffalo, livestock, expensive farm machinery, tools for irrigation work, water pumps, and other needed machinery.

c. Repayment to State

Repayment to the state may be made before the note is due or in several payments at the end of the harvest season. The bank will urge the collective agricultural settlement, the labor exchange unit, or the private sector farmers who borrow to clear up their debts quickly.

VII. Calculation of interest

A state agricultural settlement, office, organization or military unit borrowing for a short term of 1 month to 1 year must pay an interest of 0.40 percent per month or 4.8 percent per year. A loan of 1 to 3 years pays 3 percent per year.

A people's agricultural cooperative for a short term of 1 month to 1 year must pay interest of 0.40 percent per month or 4.8 percent per year.

A long term loan of 1 to 3 years must pay 3 percent per year.

A short term loan of 1 month to 1 year for the private sector has an interest rate of 0.50 percent per month or 5 percent per year. A long term loan of 1 to 3 years has an interest rate of 3 percent per year. For those who do not strictly follow the policy for agricultural production loans, the bank will be obliged to take certain steps as follows:

--The bank will stop payment of money for further installments.
--Close the account.
--Demand full payment.

Vientiane 29 September 1976

Acting Prime Minister, Deputy Prime Minister, Minister of Finance

Signed and sealed
Nouhak Phoumsavan

9615
CSO: 4206/5

PROLIFERATION OF FREE MARKET MEDICINE, GOLD; FUEL THEFTS NOTED

Vientiane VIENTIANE MAI in Lao 9 Jun 81 pp 2,3

['Conversations with the Editor's Column: "Is the Sale of Medicine Licensed?"]

[Excerpts] [Question] 1. Do the various drug stores in the market or the other places that have opened now have licenses? The vendors sometimes sell medicine dishonestly and are not concerned about the health of other people. At times I have seen them steal government medicine to sell. I have seen them at the Morning Market stalls and in the waiting lines for buses. There should be some measures taken to deal with these groups.

2. Do the goldsmith shops have licenses? What controls will there be?

3. Illicit fuel shops proliferate along the edge of the Morning Market. Do they have permits?

[Answer] 1. To tell the truth, permits in general are licenses to open shops issued by the Revenue Department. They enforce the law to the extent that the shop-keeper sells goods specified in the permit, in accord with the purpose given by the owner. As for permits to sell medicine, the Public Health Ministry is directly responsible. They register stores in general for the sale of medicine. If you follow the press reports, you must have read the order for shops selling medicine, stating the regulations. We feel the officials concerned ought to coordinate things once more to implement the regulations in conformity with this order and enforce it.

As for those who steal medicine to sell, there are persons whose specific duty it is to deal with this problem, but when you see this, you ought to inform the police so they can act on the regulations and punish the opportunist offenders. The method of correcting and cleaning up is very difficult and the evil remains in our society today.

2. This is the same as question 1 because licenses are clearly divided by the type of articles sold. You should wait for the new orders which must be more stringent than now. You have learned of the various orders, particularly the socialist trade regulations.

3. There are no licenses to sell fuel. What you have observed now in the selling of gasoline is stolen goods, taking the opportunity to buy state gasoline from those who stole it. The officials have investigated this problem and are seeking a way to suppress it. One must correct the cause, not correct the effect. "We need strict measures against those who steal and sell fuel. If there were thieves, the ones who opened stores to sell illicit goods would not have gasoline to sell." Why did you bring up this subject? Stealing and corruption is not a characteristic of revolutionary cadres. Those who do this are not only just using a revolutionary disguise to cover up things in order to get rich off the state, but we call this group opportunists. It is necessary to eliminate and sweep them out completely from our society.

9615
CSO: 4206/5

BRIEFS

LUANG PRABANG POPULATION--Luang Prabang Province is essentially the center and is more prosperous than the other provinces. The population numbers 254,183 persons, made up of many ethnic groups. There are 8 districts, 74 cantons, and 1,113 villages. [Excerpt] [Vientiane SUKSA MAI in Lao Jun 81 p 10] 9615

CSO: 4206/5

PRIME MINISTER DEFENDS NATIONAL OIL DEPLETION POLICY

Kuala Lumpur BUSINESS TIMES in English 10 Nov 81 p 20

[Text]

THE national oil depletion policy is to ensure that the country's oil resources are not used merely as fuel which is burned.

Prime Minister Datuk Seri Dr Mahathir Mohamad told the Dewan Rakyat yesterday that with the development of technology, oil would have more beneficial uses than just as fuel.

He dismissed an allegation by Encik Kadir Sheikh Fadhil (BN-Kulim Bandar Baru) that the policy was not wise.

Datuk Seri Dr Mahathir said that the formulation of the policy was more of a commercial decision, with profit and loss taken in account.

Earlier, in reply to Mr Chan Teck Chan (BN-Kota Melaka) and Encik Ismail Said (BN-Kemaman), he said the country's potential oil reserves as at Jan. 1 this year were estimated at 2.5 billion barrels.

Since January last year, 96 wells had been drilled and of them, 10 had oil and 16 gas.

Petronas was studying the size and commercial value of the wells.

The Prime Minister said that under the depletion policy, the rate of production could be adjusted from time to time to suit national requirements.

The main aim was to reduce the rate of production and put off to three to five years' production in areas yet to be exploited.

He also told the Dewan that Petronas was carrying out exploration in areas off Sabah and Trengganu.

Replying to Haji Tajul Rosli Ghazali (BN-Grik), he said Petronas did not have any share in the existing oil refineries in the country at present.

However, the national oil corporation would fully own or hold majority share in the refineries to be set up in Trengganu and Malacca and also those to be set up in future.

Replying to Encik Abdul Shukur Haji Siraj (BN-Tanjung Karang), the Prime Minister said that following the depletion policy, the country's oil reserves should last 20 years. — Bernama

CSO: 4220/546

BUDGET STRATEGY AIMS AT PROMOTING ECONOMIC GROWTH

Thrust at Recession

Kuala Lumpur BUSINESS TIMES in English 24 Oct 81 p 1

[Article by Charles Chan]

[Text] TENGKU Razaleigh Hamzah yesterday proposed a $31,951 million budget for 1982 which is nothing less than an all-out frontal assault on the recession-prompted economic problems facing the Malaysian economy.

The basic thrust of the budget strategy, the Finance Minister told the Dewan Rakyat, will be to expand growth and supplies and to restrain price increases, particularly of the goods and services consumed by the lower income and poverty groups.

This will be through measures to spur the expansion of capacity in the essential areas of production, and to bring about higher incomes and employment, especially for those employed in these sectors.

"One of the corner stones of the 1982 will be the continued promotion of economic growth. This is essential in order to counteract the strong recessionary forces emanating from the weak economic performance in the industrial countries," he said.

"Further, regardless of international recession, we must strive to ensure that Malaysia's economy will continue to expand at a satisfactory pace, in order to achieve the socio-economic objectives of the New Economic Policy and the longer-term Perspective Plan."

To cushion the poor from the impact of rising prices, stimulate expansion of domestic economic activities, step up the war against poverty and adopt measures to strengthen the weakened balance of payments in the longer-term, the government will pump in $14,632 million for development and $17,319 million for operating expenditure.

This allocation, amounting to a total of $31,951 million, is an increase of $8,874 million or about 38 per cent over the original 1981 expenditure estimates of $23,077 million for operating and development expenditures.

Taking into account the $4,294 million allocated for the first supplementary budget estimates for 1981, the expenditure next year will show an increase of $3,580 million or about 17 per cent over the 1981 estimated outturn.

Under the operating expenditure budget about $4,950 million or 28.6 per cent is allocated for the social sector. Within this sector, education will receive $3,256 million while health is allocated $1,067 million.

The economic sector is allocated about $1,769 million or 10.2 per cent while security is allocated $3,316 million or about 19.2 per cent, for both defence and internal security.

The development budget will provide the highest priority to the economic sector, which will receive $6,640 million or about 45.4 per cent of the total 1982 development budget.

To restrain price increases for essential foods and create an incentive to increase production, the government will continue to provide subsidies which for 1982 will amount to about $1,327 million.

These subsidies will be given in areas of agriculture, transport, electricity, including tax credits for food crops and vegetables, fish, livestock and diary products.

The largest subsidies are for petroleum and related products, including diesel and kerosene, amounting to $750 million.

The agricultural sector will continue to receive high priority and will be allocated $2,027 million, including $480 million for agriculture and $280 million for drainage and irrigation and $713 million for land development.

While efforts are to be stepped up to help the country's farmers, the pressing issue of housing is not forgotten. Under the social sector of the development expenditure, the largest provision is for housing for which $1,428 million is proposed, followed by education which is provided $1,078 million to build 20,815 new classrooms, 20 new secondary vocational schools, 385 teachers' quarters in rural areas and 98 hostels for secondary schools.

In his assessment of the country's economic performance in 1981, Tengku Razaleigh said despite the further deterioration in the industrial economies, the Malaysian economy continued to perform well, with a growth rate of about 6.8 per cent compared to the earlier budget estimate of 7.6 per cent.

"This is still a relatively high and creditable rate of economic growth, especially at this time of international recession, inflation and wide-spread unemployment.

With the OECD economies expected to show some improvement in 1982 with overall real growth of about two per cent, the 1982 budget strategy will provide the impetus to enable the Malaysian economy to sustain its growth and to increase its momentum as commodity prices improve.

"Together with the commitment of the private sector to expand capacity and raise employment, Malaysia's economic growth is expected to expand by 7.2 per cent in 1982 while domestic consumer prices will be moderated, especially with the slowing down of inflation in the major industrial countries," he said.

Significant Budget Items

Kuala Lumpur BUSINESS TIMES in English 24 Oct 81 p 1

[Text]

OPERATING Budget: $17,319 million, up 17 per cent over 1981. Development budget $14,632 million, up 50.5 per cent. In total, the increase is 17 per cent over the revised estimate of 1981.

IMPORT duty, sales tax, surtax and quantitative restrictions: Changes made in the case of about 150 items, including food, farm inputs, and essential building and construction materials.

EXCISE duties removed on 12 items locally-made consumer items and import duties corresponding reduced.

TO encourage savings, all interest earned on savings deposits with the national savings bank exempted from income tax. Interest from deposits up to $10,000 placed with certain institutions continue to be exempted from income tax. Interest on individual deposits with commercial banks up to $1,000 also tax exempt, instead of $10,000 before.

ABOLITION of import duty on machinery not available locally. Surtax either wholly abolished or converted to two or three per cent on raw materials. This makes the benefit of lower surtax more widely available.

DUTY drawback system simplified with specific refunds to manufacturers who can show evidence of export performance. Bank Negara's export refinancing facilities liberalised to strengthen balance of payments.

POST-shipment facility now available to resource-based industries as well as those making higher value-added products but not to manufacturers of electronic components and parts.

HOTEL incentives extended for a further period and a hotel tax credit introduced to encourage further construction of hotels.

SHIPPING: The 12-year tax holiday accorded to shipowners will be extended to include another 12 years of partial tax relief during which chargeable income will be taxed at half the rate normally payable. Conditions which have to be met to qualify for tax relief over the entire period have been relaxed.

COMMERCIAL and merchant banks allowed to lend and syndicate foreign currency to Malaysian residents and undertake foreign borrowing, including accepting foreign currency deposits from non-residents. This is to be facilitated by exempting banks from withholding tax on interest paid to non-residents.

HIGHER road transport fees, fees for transfer of a motor vehicle doubled from $20 to $40 while that for a duplicate licence increased to $20 from $5.

SPUR to tourist traffic; scope of duty free status widened in case of goods brought in by a person. Removal of import duty, sales tax and surtax on cameras, watches, pens and cigarette lighters to Malaysia on same footing as Singapore in respect of these popular tourist items.

THE exemption level for export duty on palm oil has been increased from $75 to $95 to take into account the higher cost fo refining. More important, the duty has been restructured, with processed palm oil products classified into five categories instead of four as at present, to give progressively greater incentive related to the degree of processing. The effect of this is an additional gain of about $20 per tonne to manufacturers of palm oil products.

TAX incentives for the industry: Period for accelerated depreciation allowance extended up to basis year 1985 and scope widened to include all industries including leasing. Priority industries will get investment tax credits higher than present 25 per cent of total capital expenditure.

THE Real Property Gains Tax Act to be amended to exempt from tax gains arising from sale of companies undergoing an approved restructuring programme to conform with the New Economic Policy even if the transaction consists of money payment rather than shares. Gains arising from disposal of an asset compulsorily acquired by the government is also exempted from tax. Any gain derived from the sale of assets in the seventh year onwards after their acquisition will also not be taxed.

CSO: 4220/547

ECONOMIC, TECHNICAL COOPERATION AGREEMENT WITH FINLAND

Long-Term Goals

Kuala Lumpur BUSINESS TIMES in English 5 Nov 81 p 20

[Text]

MALAYSIA and Finland yesterday signed an economic and technical cooperation agreement which will serve to widen trade relations between the two countries.

Deputy Trade and Industry Minister, Datuk Shahrir Samad, signed the agreement in Kuala Lumpur yesterday on behalf of Malaysia while the visiting Finnish Foreign Trade Minister, Mr Esko Rekola, signed for his cpuntry.

A joint commission would be set up by the two countries to identify areas for cooperation and to look into questions of bilateral trade, taxation, financial arrangements and joint venture.

Speaking at the signing ceremony, Datuk Shahrir said Finnish enterprises, aside from aiming for immediate orders for the supply of capital goods and services, should also think in terms of a more lasting presence in Malaysia.

He suggested that Finnish concerns should make full use of Malaysia's various incentives to investors, especially import tariff exemptions as outlined in the recent 1982 budget, for raw materials and machinery that are used in the production of goods for export.

He added that Finnish enterprises should think about setting up fabrication establishments in Malaysia for export to the neighbouring countries in the region in view of the preferential tariff arrangements that Malayyia has with Asean countries.

Datuk Shahrir disclosed that a Malaysian trade mission would visit Scandinavian countries next year. This would be a follow up of Deputy Trade and Industry Minister, Datuk Lew Sip Hon's investment mission to these countries earlier this year.

Mr Rekola noted that the agreement was the logical consequence of the growing trade contacts between the two countries.

The agreement was first suggested in 1979 following the visit of a large Finnish trade mission to Malaysia that year as part of its South-East Asian trade promotion drive. It was supposed to have been finalised and signed in Helsinki when Datuk Lew visited Finland early this year.

■ FINLAND has offered to make available its technology in forestry, reafforestation and processing of timber products to Malaysia.

The offer was made yesterday by the Finnish Minister for Foreign Trade, Mr Esko Rekola, when he met the Deputy Minister for Primary Industries, Bujang Haji Ulis.

Encik Bujang told newsmen that Mr Rekola also offered technical assistance on the use of residue from timber as fuel in power generating plants.

He said he asked Mr Rekola to step up direct purchases of rubber, tin and palm oil from Malaysia. Finland now makes most of its purchases through third parties in Europe.

Encik Bujang urged Finland to play a more active role in international commodity pacts, particularly the rubber and tin agreements.

Finland is a signatory of the International Natural Rubber Agreement but has still not ratified it.

Meanwhile, the Deputy Minister of Transport, Datuk Abu Hassan Haji Omar, who also met Mr Rekola said that a joint Finnish-Malaysian commission had been set up to look into the possibility of the Malayan Railway adopting some of the equipment and systems used by the Finland Railway.

He said that a team from his mijnistry had already visited Finland to look at the railway system, including rolling stock, communications equipment, track lanes and workshop.

Current Trade Picture

Kuala Lumpur BUSINESS TIMES in English 2 Nov 81 p 20

[Text] FINLAND is a newcomer to the Malaysian trade scene. It established its embassy here only last year, but it must have been gratifying to the trade team to learn that in a recent pilot survey on Finland's image, about a quarter of the interviewees said they had heard about ABLOY padlocks, Finlux colour TVs, and Finnish glass and chinaware.

The Finns are making a determined effort to carve out their place in the trade market here.

Their forte is the production of capital goods. Their latest offering is technology — in mining, construction, transport and materials handling, forestry and energy — areas important to the Fourth Malaysian Plan.

Malaysia will get a preview of Finnish expertise in these areas at the *Technology from Finland* symposium this week in Kuala Lumpur.

Finland is a highly industrialised country and among the 15 richest countries in the world. Its per capita income as in 1980 was around US$9,500.

Today, besides being a world leader in paper and forest machines, its ore dressing and non-ferrous metal industry is second to none. This explains why Finland is self-sufficient in metals except iron.

The Finns are also one of the world's leading producers of lifts and cranes in Europe. The Charge d'Affaires here, Mr Esko Kunnamo, pointed out that during the recent container jam in Port Klang, Finnish straddle carriers helped essentially to clear the backlog.

The bulk of Finland's exports to Malaysia has been taken up by paper products (60 per cent). Metal industry products have in the last three years increased in importance, and will no doubt gather more trade momentum following the symposium.

In return, the Finns import rubber and palm oil from Malaysia. Textiles, small machines and electrical components are also imported by Finland and are growing in importance.

Total turnover of trade between the two countries is estimated at M$70-80 million this year, an almost 10-fold increase over the last 10 years. The trade balance is about even, after being in Malaysia's favour all this while.

The exchange of goods and the opening up of contacts and opportunities really only picked up rapidly in the last two years with exchanges of trade missions.

The Finnish Minister of Foreign Trade, Mr Esko Rekola, led a trade mission to Malaysia in October 1979. This was followed by a Parliamentary delegation to this country in January last year.

In May this year, Deputy Minister of Trade and Industry Datuk Lew Sip Hon led a Mida investment seminar to Helsinki. The earlier trade contacts bore fruit when 78 Finnish industrialists attended the Mida seminar.

The Finland-Malaysia Trade Association was also formed during that visit, cementing trade relations between the two countries. From those contacts some joint-ventures are in the offing and the first deal, to be announced shortly, has already been concluded.

The entire Asean region, with its growing economies, rising standards of living, increasing industrialisation and political stability, is now receiving the attention of the Finns.

Charge d'Affaires Mr Kunnamo says he has nothing but optimism for more trade between Malaysia and Finland. "I have seen with my own eyes that Malaysians are interested in working with Finnish industrialists and the Finns are keen to come here," he says.

After a strong beginning then, trade between Finland and Malaysia has a bright future.

CSO: 4220/547

INTERVIEW WITH DEPUTY PRIME MINISTER DATUK MUSA HITAM

Kuala Lumpur BUSINESS TIMES in English 9 Nov 81 p 6

[Excerpts]

SINCE his elevation to the country's number two post, Datuk Musa hitam has been using the big stick on the government machinery and public sector corporations with demand for efficient and clean service.

He has done some very straight talking with senior officials of key departments, telling them their secrets are known to him. He has told them he does not want to know nor does he care how it is to be done, but he wants, within a few months, the people to feel that the administration of these departments and generally of the government has improved in efficiency, promptness and courtesy.

In this special interview with A. KADIR JASIN, Datuk Musa spoke on a wide variety of subjects concerning the government as well as the private sector.

BT: There appears to be differences in official interpretation of the role of public sector corporations. Should they stress on socio-economic objectives, as one minister claimed should, or on profits?

A: The so-called contradiction is not so much on the interpretation of the role of public sector corporations but on the question of which corporations are supposed to be profit motivated, which should have socio-economic motives and which of them are in between.

Once the identification is made, this will be resolved. What has happened is that there has not been a basic interpretation. In the first 10 years of the New Economic Policy, many of those corporations were basically performing socio-economic objectives, mainly of exposing Bumiputras to matters relating to business.

I have also made it very clear that where a corporation was created mainly for training Bumiputras as opposed to making profit, it should now give more emphasis on making profit.

But let me say one thing. Initially in the course of my visit to a few states I made a big thing out of this; the idea is to send the message across to all states and federal corporations that they must look closely at their own operations and identify their roles, and determine whether they should be developed and improved or closed down.

Q: You have been looking very closely at these corporations lately. Do you anticipate the closure of many more of them?

A: Well I have not been looking at all of them. I only looked at companies in the states that I have visited. This is a very positive way of doing things because in the meantime the states themselves seem to be taking the initiative. So I think I have to close down fewer and fewer companies.

Q: Do you think that the government had in the past been too extravagant in its expenditure?

A: Let me say that I hold collective responsibility for whatever government commitments and expenditure in the past. So it would not be ethical for me to be making negative remarks about what has happened. But in so far as my role as the Deputy Prime Minister is concerned, I am only able to say that I am close enough to the machinery responsible for managing the financial affairs of the country so as to be able to reorientate our spending priorities.

While I cannot blame anybody for whatever had been committed before because they have their own sense of priority and collectively we agreed to it, now that I am where I am I will be able to identify our priority. Indeed we have given a general guideline that everytime we want to spend money we should think twice and be a little bit more stingy, especially on projects whose productivity is questionable.

We hope that every cent spent would be productive. Indeed this is what the whole exercise in discipline and punctuality is all about. If you see the salary scale and perks of the civil service, nobody could deny the fact that our government service has been categorised as one of the best paid in the world, particularly among the developing countries, to the extent that even the private sector is left behind.

We are now asking for our money's worth — the taxpayers' money. We are trying to extract as much as possible from our expenditure and for the civil servants to be more productive.

Q: In a recent visit to Trengganu you warned the state government against indulging in prestige projects. What do you mean by prestige projects?

A: I think I used the word fashionable. You are right, I was deliberately reminding the Trengganu government of the danger of concentrating too much on fashionable high prestige projects like petroleum. The reason is obvious. If we overconcentrate on these projects, we may lose our perspective and forget other aspects of development. If we look at Trengganu, the priority is poverty eradication among the fishermen and farmers. We should bear in mind that they are the people who require direct intervention of the government. But you find a situation where the whole psychological framework has been greatly influenced by petroleum and heavy industries.

I am afraid that fishermen and farmers will not be listened to because the officials are too busy trying to put up these large projects which would give them name and higher image. This reminder is applicable to other states.

In Trengganu if we neglect the fishermen and farmers we will end up having pockets of poverty existing in the midst of these high prestige projects and wealth.

Q: Datuk, our businessmen have often been accused of lacking good business ethics and that many of them are so profit-oriented that they are prepared to resort to manipulation and cheating. Do you share this view?

A: Yes I do to the extent that everywhere in the world you find businessmen who try to make profit without paying attention to business ethics. The fact that allegations are thrown at them serves to show that our businessmen are no different from others all over the world.

But they need to be reminded and caught if they adopt unethical business practices. One thing we must appreciate as a strength of the Malaysian system is that we talk and we are brave enough to expose our own weaknesses. By doing this we serve the positive purpose of discouraging and preventing or at least minimising unethical business practices.

Q: Datuk, when we talk about corruption and malpractice, we often point our fingers at the public sector. The private sector is equally bad. What is your view?

A: I am glad you are saying this. We have never ignored the existence of corruption and malpractice in the private sector. What we are doing is merely to say that before we move on to other sectors, we must look at our own house first. The public sector is really public, it belongs to the people. Therefore we give top priority to ourselves first.

Now you are seeing that we are moving slowly into the private sector. One example is the amendment of the Banking Act which is quite historical in the sense that we are formulating the administrative practices of the banking sector as well as gearing certain government departments to deal with the private sector.

As Home Affairs Minister I can tell you that we are in the process of expanding the Commercial Crime Division of the Police. Indeed we are getting to be more vigilant of the activities of the private sector.

Q: What is your advice to companies which have yet to restructure in line with the NEP?

A: My advice is the sooner they do so the better. They should not, I stress again and again, look at the exercise as pro-Bumiputras and anti-non Bumiputras.

They should not look at it as something which is going to cause them financial losses. Instead they should look at it as something of national interest if they are local companies. And for foreign companies, they should look at it as a long-term investment because the very process of restructuring is aimed at creating a conducive atmosphere for the promotion of goodwill and stability. In this situation business can expand. This can already be seen when compared with the period before May 13, 1969, and the launching of the NEP in 1970.

Q: Datuk, do you think that recent statements by Umno Youth need clarification in that they are talking of 51 per cent Bumiputra participation instead of 30:40:30 under the NEP?

A: To begin with I don't represent Umno Youth and secondly one must appreciate that the movement represents the young Malays who have ideals and are naturally much more critical and demanding. These are characteristics of the young as I very much appreciate not only because I was once young but also because I was one of the leaders of Umno Youth. But we must give anybody for that matter freedom to express his opinion.

I can only say that the objectives of the NEP have been stressed again and again as not to be deviated from. The NEP clearly stated all the important factors and objectives to be reached as well as the classification of these objectives in terms of dollars and cents, and percentage. As far as the government is concerned, we will not deviate from the objectives as expressed by the various documents and in the process of debate that has taken place.

Looking at it (Umno Youth claim) from the positive side. I would like to interpret the expression of the demand as a very positive development in the attitude of young Malays in wanting to have more. I'm saying this in all seriousness because 15 or 20 years ago, problems among the Malays were how to persuade them in wanting at all. I feel that this need not worry us too much.

Q: The 1982 budget has in part discriminated in favour of companies which have complied with the NEP. Will this be expanded so as to force companies yet to conform to the NEP targets to speed up restructuring?

A: We are talking of the next 10 years. We have to look at the situation every year. A budget of a country is always designed at trying to expand the economy within the perception of its economic needs. We will continue to identify sectors that need assistance and ecouragement. I think it is not quite correct to say that it is favouring companies which have restructured. There are other compaines which got roped in as well.

These exemptions are aimed basically at expanding output of the manufacturing sector by making raw materials available so that they can increase their productivity and become more competitive at home and abroad.

Q: Datuk, the view held by the public is that you and the Prime Minister are made for each other politically. What makes you click so well with Datuk Seri Dr Mahathir Mohamad?

A: Well, I would take it as a compliment, but an embarrasing one nevertheless that such an analysis is made concerning our relationship. The only thing I can say about our relationship is that we have been constantly in touch inside and outside the government. We have gone through somewhat the same experience and come from the same sort of background in the sense that we are not from the upper crust of society or from very wealthy families. We come from the grassroot so to speak and we have been involved in a lot of discussions and projects, even assigned by our political masters in the earlier days. I would think that we understand each other's perception and concept of government. On top of that, we basically agree on a number of things that need to be done, but simply could not do because we did not have the opportunity. So now that we have reached the stage where we are No. 1 and 2, we are getting on with the job as we perceived to be best for the country, of course, to the extent that we are elected representatives of the people. I am fully aware that we are two human beings but we appreciate that in order to make the country move we cannot afford to have any basic differences in opinion. The fact that we have basic similarity in our perception of government seems to have created the impression as you have put it.

Q: What in essence did you tell senior civil servants, in particular the Police and the Immigration as they are under your charge, in your meetings with them pertaining to clean and efficient civil service?

A: Well, don't think I should choose the Police or the Immigration Department specifically but I can only say this — immediately on assuming office (of DPM) I had taken upon myself, of course with the concurrence and knowledge of the PM, to put forward our viewpoints and perception of what a good government should be. I did pick on the Immigration, the Police, the Registration Department, Customs, PWD and other groups of civil servants.

My earliest directive to them was very simple. I did tell them quite bluntly what their weaknesses (were) as we know them and to issue very straight-forward instructions. In not too many words what I told them was that "I do not want to know and I do not care how it is to be done so long as within a few months the people feel that the administration of these departments and generally of this government has improved in terms of efficiency, promptness, courtesy as well as ridding themselves of possible allegation of corruption."

Q: The government has pledged that it will not relent to extremism of any kind. Which of the existing extremist tendencies do you think are most dangerous?

A: All extremist tendencies are dangerous. They come from both sides — race as well as religion. These are the two most important aspects in the daily life of our country. Extremism in these areas has to be avoided at all costs. Action would be taken without hesitation. But of course this is a very subjective matter and in terms of certain guidelines which we would formulate — to the extent that racial and religious extremism will destroy the very fabric of our society — it is important for us to be quite firm and definite. Race and religion are two of the easiest things in human nature to exploit for political purpose.

Q: Why do we allow foreign missions to circulate material which we consider harmful and punish newspapers for publishing these material? Is it not better to ban the issue of such material at source?

A: I think you are getting the wrong end of the stick. We do not ban or make judgment about any publication or any mission based on what they have (to issue) but more on the objectives in issuing these materials. We have a very clear policy towards communism — international and domestic if any. We have stressed time and time again that this country is anti-communist without apologies internally. Externally we are still anti-communist but we will have proper and correct diplomatic relationship with the communist countries.

Having said that we are uncompromisingly and unapologetically anti-communist, we will not at all tolerate Malaysian publications helping agencies that try to put communist philosophy on a higher pedestal. As far as banning is concerned we have issued strict instructions to newspapers based on our unapologetic attitude toward communism to say that no communist publications should be reproduced without the permission of the authorities. This is no secret and we have been criticised for being undemocratic but we say that's it. If newspapers still go against it, they must bear the responsibility.

Q: The tendency in some western countries is to think that since we are anti-communist, we are their ally. Is it correct that just because we are anti-communits we are their ally?

A: No, I have not heard western countries terming us as 'ally' at all, they would say 'friend.' We never encourage them to use the term ally and we never assume this role of being an ally of the western countries which are anti-communist. I suspect what you mean is the cooperation with western industrialised countries in the area of economy to the extent that we have been involved in discussions and dialogue. To that extent we are their friends in business. Politically we have never allowed ourselves to be considered as their ally. The policial stance of the members of Asean individually has always been that we are neutral as signified by the declaration on the Zone of Peace, Freedom and Neutrality.

Q: Datuk, you and a number of your Cabinet colleagues are products of campus activism. Don't you think the present system in the universities tends to dampen the growth of intellectualism and social awareness?

A: No, during my time I feel that there were more restrictions. It was the period of transition. The powers vested in the police and the government were much more suppressive, if at all you want to regard ours as suppressive. I never for a moment looked back in regret at what I did because I believed in the cause. I don't believe in opposing for the sake of opposing. Indeed we have rules and regulations which can be interpreted as undemocractic or not in conformity with the concept of university autonomy. But I do submit that the concept of university autonomy is outdated and is western-oriented. In the west it may be suitable to their stage of development. There's nothing to prevent intellectual stimulation in our universities. Indeed at university functions where economic issues are discussed the government has been scrutinised and criticised. Government leaders who appear at such functions are verbally slaughtered.

Because a university degree is a passport to a better life, our students are in (so much) a hurry to better themselves that they have less time to take part in politics. While our system may not be ideal, it does not curb intellectual stimulation. The onus is on the students themselves.

Q: While the ISA will remain do you intend to change the style of using the Act in the sense that in the past there appeared to be some kind of drama attached to it?

A: Since we have taken over we do not seem to have attach a drama to it at all. We are the last people to like to make a show out of it. But rest assured that I am not blaming my predecessor. I am not making insinuations — I hope there is not going to be bad interpretation of what I'm saying now — but whatever so-called drama may be out of sheer necessity and with certain objectives in mind.

As far as I am concerned, I would want to minimise the drama, in inverted commas, aspect of the implementation of the Act because we are interested in the effectiveness of the Act. If we feel that it is necessary for us to expose in a big way and that we want the publicity to produce the impact, we will do it. If it is not necessary we don't. But so far as the new administration is concerned we don't need to have that kind of treatment.

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NATION'S LARGEST STEEL PLANT TO BE BUILT IN TRENGGANU

Kuala Lumpur BUSINESS TIMES in English 31 Oct 81 pp 1, 14

[Text] THE government has decided to go ahead with the ambitious plan to produce over half a million tonnes of steel billets at a coastal location in Trengganu. This will give a big boost to the economy of the fourth poorest state in the country.

Deputy Prime Minister Datuk Musa Hitam indicated yesterday that the decision was taken at the Cabinet meeting earlier this week. This implies that the selection of a foreign firm to build the project on a turnkey basis is imminent.

The plant will be the largest of its kind in Peninsular Malaysia, with a capacity much higher than that of the Malayawata plant in Prai.

Datuk Musa made the announcement while opening the Kuala Nurul Umno building about 13 km from Kuala Trengganu.

The proposed plant will be sited alongside the supply base for Trengganu's offshore oil and gas industry being built three miles north of Kemaman in Chukai.

This location was chosen to take advantage of the facilities of the Tanjong Berhala supply base. The harbour being built there will make it possible for ships bringing in iron ore to unload directly inside the plant perimeter.

The supply base — expected to be completed next year — will be able to handle ships of 45,000 dwt. The site for the sponge iron plant is being cleared and levelled.

The selection of the successful tenderer for the plant was in fact expected to be made before the end of the month.

The executive director of the Heavy Industries Corporation of Malaysia (Hicom), Encik Mohamed Saufi bin Haji Abdullah, had earlier said that the bids from three international companies ranging from $500 million to $1 billion had been received and were being assessed.

Hicom is being assisted in this assessment by the Indian consultancy firm, Dasturco.

The three firms bidding for the project are Voest Alpine Ag of Austria (which won the contract to build the Sabah sponge iron project in Labuan), Ferrostaal of West Germany and a consortium of three Japanese firms led by Nippon Steel Corporation.

Business Times understands that the lowest bid was put in by the Japanese consortium which plans to set up the plant's composite facilities working on the direct reduction principle.

The second lowest bid is understood to have been from Voest Alpine which is proposing the application of the Midrex process, developed by the Midrex Corporation of the US.

The plant will consist of three principal units. Iron ore will be converted to sponge iron using natural gas as the reductant. In the next stage, sponge iron will be processed into steel in electric furnaces and the molten steel will then be transformed into billets in a continuous casting plant.

The plant with an initial output of 600,000 tonnes of sponge iron a year, is expected to start production in mid-1984.

Out of the total sponge iron production, 520,000 tonnes will be used for making billets and the balance of 60,000 tonnes will be reserved for the local foundry industry.

Financing arrangements made by the tenderers are understood to have been a decisive factor in the selection process.

According to the invitation calling for tenders, bids put forward by the companies have to be accompanied by financing plans. The merits of the respective plans will be a major factor in deciding which bid is accepted. It is understood that equity participation, giving the contractor a clear interest in the success of the project, would be particularly welcome.

Hicom would, however, hold the bulk of the equity, and a small proportion may be set aside for the host state.

On the development of Trengganu in general, Datuk Musa said the discovery of offshore oil and the exploitation of timber and land resources had turned the state into a fast-growing entity.

Between 1972 and last year, the state achieved an annual growth rate of 12.3 per cent, the highest in the country.

This, he added, was in complete contrast to the early years of the development when the state was short of resources and was forced to rely on limited revenue sources.

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NORTH KOREA SEEKS BARTER TRADE ARRANGEMENT

Kuala Lumpur BUSINESS TIMES in English 21 Oct 81 p 20

[Text]

NORTH Korea has expressed its interest in doing barter trade with Malaysia through public as well as private sector agencies.

In a Press statement reviewing the visit of a Malaysian technical and economic mission to North Korea, the Deputy Trade and Industry Minister, Datuk Shahrir Abdul Samad said the republic's Foreign Trade Minister told the mission his country wished to increase its direct imports of natural rubber, palm oil and tin from Malaysia.

However, North Korea lacked foreign exchange to pay for its imports and suggested the proposed imports be paid for through barter trading.

Pointing out that the Malaysian mission responded by indicating interest in the import of the republic's pig iron, steel products, zinc ingots and coal as well as light industrial and manufactured goods, Datuk Shahrir said it was made clear that any barter trade that takes place must be effected through the national corporation Pernas or similar companies from the private sector in Malaysia.

"The (Korean) Minister of Foreign Trade was responsive to this proposal," Datuk Shahrir said.

Referring to the mission's meeting with the North Korean Prime Minister, Datuk Shahrir said he stressed his country's wish to engage in direct trade with Malaysia.

To facilitate North Korea's import of more natural rubber and palm oil, the mission extended an invitation to the country's experts to visit Malaysia and see for themselves the technical aspects of natural rubber and palm oil production and marketing in Malaysia, the statement said.

According to Datuk Shahrir, the mission which he led paid a week-long visit to North Korea from Oct. 16 to study mini-hydroelectric schemes, rural industries and stage and presentation facilities.

The mission was a follow up to the official visit made by the Prime Minister, Datuk Seri Dr Mahathir Mohamad, in June 1979.

Datuk Shahrir said his mission, impressed by the republic's success in rural electrification through hydroelectric power generating schemes, expressed Malaysia's willingness to purchase a small generator-turbine set for trials in the mini hydro development programme.

Datuk Shahrir said the North Korean Foreign Trade Minister informed his mission of his country's interest in importing between 40,000 and 50,000 tons of natural rubber annually.

This amounts to more than four times the quantity of natural rubber imported directly by North Korea from Malaysia in 1980, Datuk Shahrir noted.

Datuk Shahrir added that North Korea also expressed interest in importing palm oil for industrial purposes, particularly for lubrication.

It is currently testing palm oil samples obtained from Malaysia for the purpose.

The Korean Foreign Trade Minister also indicated the country's wish to import tin from Malaysia, Datuk Shahrir added.

In a separate joint statement which was also released yesterday, it was stressed that concerted efforts must be made to increase the existing level of trade between the two countries.

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MORE THAN 100 COMMUNIST TERRORISTS IN SARAWAK

Kuala Belait BORNEO BULLETIN in English 31 Oct 81 p 14

[Text]

KUCHING. — There are now only slightly more than 100 communist terrorists left in the jungles of Sarawak, according to the latest government figures.

Most of the Red remnants are in the Rajang Security Command areas, which are in the Third, Sixth and Seventh Divisions.

But there are also 22 within the First Division. These are members of what is known as the North Kalimantan Communist Party's First Bureau.

They are split into two units, one 11-man party operating in the Lundu area under the leadership of a Bong Kim Lung, the second in the Matang-Sempadi area under a Chang Ah Hua.

The terrorists of RASCOM number 84, are members of the NKCP's Second Bureau and are led by a Hung Chu Ting.

The figures came from Inspector Benjamin Hasbie, and there was reason for him emphasising the presence of the Reds in the First Division — he was giving a "security and you" briefing to students of a First Division school.

He told students at Kuching Town Government Secondary School of the success in whittling down the numbers of Reds.

Before Operation Sri Aman in 1973 (the amnesty under which the government gave the terrorists a chance to abandon their struggle) the NKCP First Bureau had 357 members — and in the operation 305 gave up.

Of the remainder, 15 were subsequently killed by security forces at the time; another 15 surrendered.

Of the 387 Second Bureau reds at the time of Operation Sri Aman, 264 gave up. Security force efforts in following years either eliminated or had others surrender, reducing the number to the present 84.

Insp Hasbie urged the public — and this includes students — to provide police with information on the activities of the remaining terrorists.

People can send such information to PO Box 5000, Kuching, and if it leads to either the killing, capture or surrender of terrorists and the capture of arms, substantial rewards will be paid.

The briefing was part of the government's "hearts and minds" campaign in the state. The aimis to instill a sense of civic consciousness towards security and to prevent students, as well as the general public, from being subverted by the communists.

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ARMED FORCES LOGISTICS SUPPORT TO BE FULLY COMPUTERIZED

Kuala Lumpur NEW STRAITS TIMES in English 28 Oct 81 p 3

[Text]

KUALA LUMPUR, Tues. — The armed forces logistics support will be completely computerised by 1985 to provide more efficient, accurate and accountable services for the army, navy and air force.

The Chief of the Armed Forces Logistics Staff Mej-Jen Datuk Hassan Salleh said today that the present British system modified and adopted by the Malaysian armed forces was found to be outdated and not suitable for use in jungle warfare.

He told newsmen after opening a three-day seminar on a central logistics depot system at the Batu Cantonment here that the armed forces needed more efficient and accurate logistics backup services in view of the expansion programme.

Jen Datuk Hassan added that the recent series of the *Gonzales* war exercises and the Public Accounts Committee inquiries had revealed several weaknesses in the management and accountability of the armed forces logistics support services.

"It is physically impossible to manually keep track of the inventory comprising 500,000 item heads worth more than $100 million stored at the Batu Cantonment camp alone," he said.

The army, he added, had already taken the first initiative towards computerisation.

It is utilising rented mini computers to keep track of its inventory and the air force and the navy were expected to do so early next year.

He added that the usage of the mini computers was only a temporary measure while steps were being taken to acquire the army's own computers.

Jen Datuk Hassan said a pre-feasibility study was completed by a group of international consultants from the United States and Britain last year which had identified the various measures to be undertaken towards complete computerisation.

Additional

He added that consultants would also be appointed early next year to carry out the final in-depth study before the computers were acquired.

"The computers will enable us to despatch equipment and inventory to the fighting units on the front line immediately, unlike in the past where they had to get back to their bases for additional supplies," he added.

Todate the armed forces had 38 trained computer personnel while 22 were currently undergoing courses at the Mara Institute of Technology, Intan and in institutions in Australia, United States and Britain.

Jen Datuk Hassan said the seminar participants would also hold a brain storming session after which certain recommendations would be immediately implemented while those involving policy would be forwarded to the Armed Forces Joint Chiefs Committee for adoption. — Bernama

CSO: 4220/546

SLOWER RATE OF INCREASE IN DEFENSE SPENDING

Kuala Lumpur BUSINESS TIMES in English 31 Oct 81 pp 1, 18

[Text]

DEFENCE expenditures are undoubtedly claiming an increasing share of the combined operating and development budget. But this increase is slowing down.

This corroborates the statement made by Datuk Seri Dr Mahathir Mohamad in the interview marking his 100th day in office that the government has "in fact reduced defence expenditure quite considerably in terms of what was originally planned."

Before the defence expenditures gained a new momentum from 1979 onwards, their share in the total 1978 budget was 11.89 per cent. It was even higher in earlier years — 14.96 per cent in 1975 and 13.62 per cent in 1976.

In 1980, despite the considerable step-up in spending, the share of in the total budget was 10.6 per cent. This went up to 13.8 per cent in 1981 — a 3.24 point rise.

In 1982, defence claims a share of 15.56 per cent. Though this is historically high, the year-to-year rise is small.

This suggests that the government is seeking to channel resources to stimulating productive investments although it has to provide adequate funds for defence projects already under way. As Dr Mahathir put it: "I think we have reduced it as much as we can without damaging our capacity."

As a ratio of Gross National Product (GNP), however, defence expenditure has been rising. It was 3.9 per cent in 1979, 4.56 per cent in 1980, and 5.8 per cent in 1981, in line with the country's move to upgrade its external security, especially in the light of the US withdrawal from Vietnam in 1975.

The percentage in relation to projected GNP in fiscal 1982 has gone up again — to 7.39 per cent.

The increased spending next year — chiefly on development — is for the purchase of equipment and the construction of new facilities geared to plans for raising new army battalions and expanding the air force.

Purchase of new equipment alone, including presumably the fighter jets that the air force has said it will be ordering, is expected to amount to $1,147 million out of the $2,700 million set aside for development expenditure on defence in 1982.

"Expenditure on ongoing projects of the TMP, such as the naval base at Lumut, Kuantan and Labuan, and the air force base at Gong Kedak, has been planned at $300 million, $20 million, $25 million and $65 million respectively," the Treasury report says.

The Gong Kedak air base in Kelantan is of course the single most expensive project, estimated at to cost at least $1,400 million by the time it becomes operational in 1983. Spread over some 3,000 acres, it will be built to house 14,000 personnel — more than double the 1980 air force strength of 6,000 men.

Seen in perspective, the appropriations for development purposes have been rising since 1976. It was $338 million in that year, $812 million in 1980 and $1,619 million in fiscal 1981.

But as University of Malaya lecturer Mr M. Pathmanathan noted at the Economic Association's seminar in Kota Kinabalu last week, the increases are to some extent meant to "rectify" low expenditures in the past and are primarily for items of long-term strategic significance, including bases, weapons systems and units.

Spending on such projects of such significance and on the expansion of the armed forces was given express importance in the current Fourth Plan. The overall allocations for security purposes accounted for 23.8 per cent of the total plan outlay. Security was the only major category of public development spending for which the percentage share actually increased.

Under the Third Plan, security allocations were also high — 20.3 per cent of the revised total. But only 56 per cent of the $6,309 million put aside for this sector was actually spent.

The Treasury report however suggests that actual spending under the current five-year plan will be appreciably higher. In the past fiscal year, the latest estimate is that about 92 per cent of the total security allocations has been spent, and 89 per cent of the total for the defence subsector.

CSO: 4220/546

REPATRIATION OF WORKERS FROM LIBYA TO START 'SOON'

Lahore THE PAKISTAN TIMES in English 21 Nov 81 p 1

[Text] ISLAMABAD, Nov. 20: The repatriation process from Libya of about 3,000 Pakistani workers recruited by Al-Murtaza Associates will start within a week, the Federal Minister for Labour, Manpower and Overseas Pakistanis, Mr Ghulam Dastgir Khan, said here today.

The Minister was addressing a Press conference at Islamabad airport immediately on his arrival from Libya after a successful visit. He said that the Pakistani workers were given an open offer by the Government of Libya to work there or return home if they wished.

He said that according to the agreement between the two Governments, those workers would be paid for their work much more than the amount agreed in their contracts alongwith all of their dues and overtime.

The Labour Minister said that free air tickets will also be provided to the Pakistanis for returning home. He said that most of the workers interested to come back will reach here within a month.

An implementation committee headed by Pakistan's Ambassador to Libya would supervise the whole repatriation process.

This committee will ensure safe and comfortable return of all the workers and payment of dues etc.

A Pakistani high-powered delegation to Libya was headed by the Federal Minister.

The delegation visited Libya to increase mutual co-operation, understanding and relations between the two Islamic countries and also to solve the problems of Pakistani workers having been recruited by five overseas promotors for Al-Murtaza Associates.

The Minister had in-depth talks with his Libyan counterpart, Mr Mohammad Abdullah al-Mabrook, and offered every possible help particularly in the form of trained manpower.

The Minister disclosed that Mr. Mabrook will visit Pakistan on his invitation somewhere in the last week of January. He said that in future Pakistani workers will be sent to that country according to the Government-to-Government demand.

The Minister who had also a three-hour long meeting with Libyan Prime Minister Abdussalam Jalood, said that he discussed with the Libyan leader political, social and international affairs in a very congenial atmosphere. He was confident that his visit to the brotherly country would prove to be a milestone in strengthening friendship and co-operation between the two contries.-

CSO: 4220/109

U.S. PERCEPTION OF TERRORISM CRITICIZED

Peshawar KHYBER MAIL in English 12 Nov 81 p 3

[Editorial]

[Text] Soon after the assassination of President Sadaat of Egypt, things began to move at a bewildering speed in the area. The Americans sent AWACS to monitor military activity in Libya, President Nimeiri of Sudan began shouting 'wolf' and accusing Libya of making ready to attack that country, Col. Qadhafi threatened the use of missiles in case the AWACS transgressed the Libyan borders. President Gouekenni Ouedde of Chad only a few days ago most chummy with Libya, was reported to have asked Libyans to withdraw forces which had guaranteed the security of his regime against extra-territorial machinations. Things appeared to be "hotting up" alround in the area with everybody in the Third World wondering if there was some kind of fireworks in the offing. Then as suddenly things simmered down, the AWACS were recalled by the Americans, Nimeiri stopped making hue and cry and agencies reported that there was no concentration of Libyan forces near the Sudanese border, a piece of the desert hell of Sahara. The Chad President said he had never asked the Libyans to leave right then, but only when an OAU peace-keeping force entered Chad, an arrangement the Libyans had accepted, rather brought about through negotiations between Chad President and Foreign Minister of Libya. The most important thing that came to surface was the change of thinking as to the policies of President Hosni Mubarak of Egypt. He declared there could be a chance for Egypt re-entering the Arab fold as the Fahd Plan was worth considering. On the matter of Chad, the Libyans are at loggerheads with France. But, the French have been supplying Libyan with sophisticated weapons and training its personnel in their country as part of the deal.

The U.S. administration has been busy accusing Libya of "international terrorism", a canard which the Zionist press has been giving all the needed boost, from their point of view. All the time, however, the United States was purchasing Libyan oil in large quantities, and its technicians working for the uplift of that desert country. A Karachi contemporary recently published a detailed account which purported to point out that a large number of American mercenaries were flying Libyan military planes, transporting weapons, looking after other installations, and that everything happened to be within the law. In order to take any specific measures against these Americans, the law had to be amended or fresh regulations brought on the statute book. Involved with the ex-CIA ace, Mr. Wilson, are British firms headed by a Miss Byrnes from Wales. The sequence of events and accusations and counter-accusations, present a bewildering picture, like a film made mess of in editing of sequences. President Qadhafi, an extremely popular leader of the country for the

last eleven years, running a lawfully established Government, has been called a terrorist times without number. As opposed to him, Mr. Menachem Begin, the Israeli Prime Minister, who is still on the wanted list of the British Government for a devastating hotel explosion in 1939, is extolled as the head of a Government which in itself is not recognized by at least 50 nations of the world, one-third of the United Nations members. Only recently his Government threatened to continue its invasions of Lebanon (an independent country) and to make pre-emptive strikes against Saudi Arabia because they would get the AWACS and F-15's and F-16's.

When the CIA meddles in the internal affairs of countries, supplying arms to its agents, investing huge finances in efforts to subvert, it is nothing of an activity that could be termed terrorism. The very basis of expansion of Soviet ideology in other countries is based on principles of "subversion" and it yet is not terrorism. How is it terrorism when head of an independent Government takes similar steps for protecting its policies? One simply fails to understand the anomaly. What acutlly is the difference between "guerilla activity", terrorism or subversion, challenges one's knowledge of the nomenclature of history. Terrorists win a state through a resolution hustled through the UN, and they become respectable overnight. People driven from their hearths and homes by an aggressor, fighting for their own place under the sun which had been theirs for thousands of years, are only guerrillas for some time, but turn into terrorists when it suits a big power. Such is the case of the Palestinians and the PLO, termed as terrorists. Now a head of state, respected and followed by his own people, becomes a terrorist, because he helps the underdog whom the world's peace-keeping organisations have let down. The regret is that a Christian America plays to the tune of Zionist terrorists and even takes up their way of looking at things. Not until the US finds its own way to see things would there be a real hope of peace in the Middle East.

CSO: 4220/108

POLICE SEARCHING FOR TERRORIST GROUP RINGLEADER

Karachi DAWN in English 24 Nov 81 p 8

[Text] Police is looking for the ring leader of the terrorist group, who had been provoking the terrorist Lala Asad for the subversive activities in the city.

Meanwhile, search for Rukhsar Qureshi an ex-employee of Pakistan Steel Mill's and his wife, Robina, who had earlier applied for the job of airhostess in the Pakistan International Airlines, is continuing, according to the informed sources.

The sources said Lala Asad was a former student of Jamshoro Engineering University, Hyderabad. but was rusticated for three years. He joined the leftist group later on and then the "Al-Zulfiqar."

A special squad in the Liaquatabad Police Station is questioning the close associates of Lala Asad. The Special Cell has detained a doctor, who is real brother of Lala Asad. Police believed that he was aware of all the activities of Lala Asad.

Trained in Kabul

The sources said the terrorists were trained in Kabul and came to Pakistan through Quetta. The terrorist Lala Asad had contacts with some persons in Mitha Ram Hostel and a house in Drigh Colony and specifically another person, Ayaz Abroo.

Sources told PPI that before joining the Al-Zulfiqar" he belonged to the so-called 'Jiye Sind Group' and had been playing a very active role in those days.

Sources said that before the encounter the police was not aware of the fact that Lala Asad was present there. Only after the clash on Friday last, it was disclosed that he was Lala Asad.

CSO: 4220/107

CURRENCY PRINTING UNIT UNEARTHED

Karachi DAWN in English 24 Nov 81 p 8

[Text]

A complete currency note printing unit has been recovered on the pointation of three persons who were picked up earlier by the SITE police with over Rs 80,000 forged currency notes.

The police raided a printing shop located on Shara-i-Liaquat yesterday and seized the sophisticated unit which was reportedly smuggled into Pakistan by the accused persons from Britain official sources said.

They allegedly used to print Pakistani currency notes in a fashionable bungalow located in the Defence Housing Society and later circulated them in the market, the police said.

The detained persons mostly technicians, confessed before the police that they had already printed currency notes worth over Rs. 6 million. The bulk of these forged notes were circulated in Bara — the smugglers' paradise in the Federally Administered Tribal Area near Peshawar as it was considered a safe place to do so. However some of these notes, they said, were also circulated in the local market, mostly in purchasing goods, the police said.

The SITE police are still looking for the three principal accused persons — Haji Umer, Irshad Masud and Ali Khan — all residents of the Tribal belt.

They brought in the printing machine with sophisticated cameras and installed it here because expert technicians capable of operating it were found in Karachi only.

The SITE police are making further investigations.

Meanwhile, the SITE police have rounded up three more persons for their alleged involvement in the racket. They were identified as Haji Zahur, Rashid and Qasim. The first two persons purchased the machine from the principal accused and installed it in their printing press at Shara-i-Liaquat.

Qasim was stated to be the broker who made arrangements for the deal.

CSO: 4220/108

QUESTION OF PRESSURE ON PAKISTANI RUPEE VIEWED

Karachi DAWN in English 27 Nov 81 p 7

[Article by Sultan Ahmed]

[Text] ARE the international financial agencies lending money to Pakistan driving us towards devaluation of the rupee?

This question arises now as one agency after another is pressing Pakistan to raise the prices of basic items, including industrial inputs, which will ultimately push the price level far higher than it is today.

If the advices of such agencies as the World Bank, International Monetary Fund and Asian Development Bank are accepted in full, and acted upon promptly by the Pakistan Government, the end result will be the devaluation of the rupee.

The International Monetary Fund is insistent that the price of petrol and other oil products must be raised correspondingly to the rise in import prices, and oil consumption at home should not be subsidised in any manner.

ADB

The Asian Development Bank which has been providing funds for the development of power in Karachi and elsewhere is adamant that power rates should be enhanced not only to make power production and expansion economic but also to enable the borrowing companies in Pakistan to repay the loans regularly.

After we have done all that, the World Bank and the I.M.F together are now said to want that Pakistan should raise its gas prices so that they too come in line with world prices for energy. The federal government has appointed a high-powered committee under Mr. A.G.N. Kazi Governor of the State Bak, to 'revise the gas prices' which in more familiar language, means to raise gas prices.

I am not saying that each one of these steps is wrong. The water rate, for example, had to go up. And the prices of other items should as far as possible, be equal to the cost of production — but the real cost of production and not the fattened cost the consumers are forced to endure.

Do these international agencies consult each other before pressing such demands on Pakistan? Do they consider the cumulative impac of their demands on the price level in Pakistan, on the country's economy and the ultimate end results? They do not appear to.

In the West, whose leaders determine the policy guidelines for the World Bank and IMF, wages go with prices, and wages in most countries are tied to the inflation index. Would those agencies now not want Pakistan to push up wages all round to international levels? And when the disparity in per capita income between Pakistan and the U.S. is 1 to 40, how soon could we bridge this income gap, and with what disastrous results, if we follow any kind of pressure-cooker methods?

Secondly, when the lending agencies pressure Pakistan to raise prices at home to the international levels, would they also agree that those prices which are far above the international level should also be brought down? Sugar in Pakistan today, on an average, sells at a price 200 per cent higher than the world price. Should that be brought down? Cement prices in Pakistan are higher than the world prices? And imported items as a whole sell far above the international prices because of the very heavy import duties and the sales tax we have levied. And products manufactured at home, too, sell at prices far above the international level because of the heavy excise duties and sales on them. What would be the advice of the World Bank or the IMF in respect of such prices? Will they make the government bring them down drastically by slashing the taxes?

If the prices of the industrial inputs shoot up further and wages rise along with that, what will be the impact on the overall price line in the country? If the Government has to pay larger salaries to its two million employees will it not be forced to resort to larger deficit financing?

Deficit financing in Pakistan is already large enough. If it was Rs. 433 crore last year, it is to be Rs. 544 crore this year, and as usual the limit may be exceeded this year as well. And if the Government has to resort to massive deficit financing to pay far higher salaries to its employees, will it not result in a violent aggravation of the inflation in the country?

Money supply

Increase in the cost of industrial or agricultural inputs would mean higher prices of the export items. The high prices prevailing and the fall in world demand have forced the government to come up with sizeable subsidies for such exports in order to avoid the more painful devaluation of the rupee. If the export prices go up further how can Pakistan cope

with them, and to what extent can the rebates rise?

International financial agencies are usually opposed to rebates. President Reagan's administration, too, is not in favour of foreign governments subsiding their exports and making them compete with the U.S. exports. So when the Pakistan rupee takes a heavier beating because of any needlessly aggravated inflation they will force us to devalue the rupee.

Such demands from the IMF are coming at a time when the government is making determined efforts to curtail the money supply, and when it has come down from the giddy, 25 per cent and 20 per cent expansion to 14 per cent. And it has also come at a time when the government has admitted its largest price rise within a year—14 per cent last year—instead of singing the song of Pakistan's unique single digit inflation, as it did for several years.

The international agencies feel they are in the right when pressuring Pakistan to raise prices and repay the loans quick because Pakistan obtained rescheduling of the repayment of the debt earlier and is doing the same now. But it is doing that now because of the high price of oil and other imports, particularly the manufactures from the West, a problem which every developing country faces now and some far more acutely than Pakistan does.

Two devaluations

Otherwise Pakistan's credit rating is good in the world. That is how it is able to get large short term credit from consortiums of commercial banks in the Gulf and the West. And Pakistan's foreign debt load is not too heavy to repay if we manage the economy well and make it really productive all round.

Some foreign experts argue that there is too much non-productive expenditure in Pakistan, particularly in the official sector, and too much waste all round. If 50 per cent of the water is not wasted in the cities, and if 30 per cent of the power output of WAPDA is not wasted or stolen, and if the management of enterprises is efficient all round, and the people pay full taxes, the economy of the country could be on a much stronger footing they say.

The experts also deplore the poor productivity of the workers, the low yield per acre, excessive employment of staff as in PIA or KESC, and stress that re-allocation of the country's resources is imperative for obtaining the best results, instead of letting a state of drift or very slow change continue in a country with a high rate of popular growth.

Undoubtedly these arguments are well advanced, and we have not been able to do enough in these areas, not fast enough any way. Hence they come up with pre-emptory demands, like slashing of the subsidies and raising the prices, and devaluation of the rupee if we demur in taking the first two steps.

Pakistan's economic problems cannot be solved by making the rupee weaker or cheaper. Instead it has to be strengthened with a resolute will and on open mind.

A devaluation of the rupee will force us to resort to another soon. That is what happened with the U.S. dollar in the 1970s and so they are fortifying the dollar now. Let us hence strengthen the rupee now instead of subjecting it to a crazy new spin.

CSO: 4220/108

'HUGE' QUANTITY OF ARMS SEIZED DURING DRIVE

Karachi MORNING NEWS in English 27 Nov 81 p 9

[Text] A drive, launched by the Civil Lines police division, against anti-social elements to curb the trend of crimes led to the recovery of a huge quantity of unauthorised arms during the 10-days of the campaign, it was reported yesterday.

The arms recovered included on sten gun, 10 pistols, seven revolvers and 300 cartridges.

Some members of notorious gangs were also hauled up during the drive.

According to the reports a drive was launched by the Civil Lines division and all the Station House Officers of the division were alerted to make hectic efforts. This was done on the directive of Mr Baber Khatak, SP Civil Lines, after order issued by the Inspector General of Police, Sind for controlling the crimes in the city.

Among the arrested was a gang of five young men on Wednesday. One of them, an employee of PIA and others reported to be students were picked up by the Artillery Maidan Police on a tip-off and three revolvers, one sten gun, one pistol and 12 cartridges were seized from their possession.

The gang was suspected to have links with other notorious gangs in the city.

However, they were remanded to police custody for nine days, for the interrogation, by SDM Civil Lines after they were produced in the court yesterday.

During the current year the Civil Lines police have recovered two sten-guns, 40 revolvers 47 pistols and a large number of cartridges.

CSO: 4220/110

EDITORIAL CALLS FOR LIFTING OF CENSORSHIP OF PRESS

Karachi JANG in Urdu 27 Oct 81 p 3

[Editorial: "Government Must Lift Censorship"]

[Text] In giving an exclusive interview to JANG, Minister of Information Raja Zafarul Haq acknowledged that the majority of journalists in the national press is composed of responsible individuals, although the atmosphere is damaged because of the practice of a very few individuals. If this is the case, then why should the large majority be punished for the wrongdoing of a very small minority? If censorship were limited to those few individuals, then the majority could be delivered from this affliction. Those few individuals could also be controlled by means of the ordinary laws regarding the press. Nevertheless, if some elements should publish material that might be deleterious, can their efforts prove effective in the presence of a majority of responsible journalists? Certainly this will be answered in the negative. In this case, would it not be appropriate to lift censorship completely rather than in stages?

President Zia-ul-Haq, speaking with journalists in Lahore, has already said that the decision to lift censorship entirely will be made by the Federal Council. If the government wished to, it could itself make this decision immediately. Otherwise, when the Federal Council is formed, the first matter that should be put before it should be the problem of censorship. If the very first decision of the Federal Council is to lift censorship entirely, this would add to the prestige of that body. As far as censorship of books is concerned, it is appropriate to end the distinction of literary and creative works. The government should stop censorship of every kind of book. This will end the delay in the publication of books. If any objectionable material is published in book form, appropriate action concerning it can be taken under ordinary laws.

9914
CSO: 4203/12

PROPOSALS FOR AN ISLAMIC SYSTEM OF JUSTICE ANALYZED, REJECTED

Lahore NAWA-I-WAQT in Urdu 23 Oct 81 p 2

[Article by Azam Suhrawardy: "Will Islamic Courts Mean An End To Lawyers?"]

[Text] Many revolutionary changes are being discussed regarding the current procedures of the judicial system. It is being said that the present judicial system is English, and it is necessary that it be changed to an Islamic system. The following proposals for revolutionary changes are heard in regard to how this Islamic court system should be put into effect:

1. That the civil judge, magistrate, additional session judge, judge of the family court, judge of the labor court and judge of the summary court be called a qazi.

2. That the prosecutor or the legal scholar who is appointed Amicus curiae or Amicus, i.e., an expert legal assistant in some cases in court to help explain some important point of law, be called a mufti.

3. That the courts be free of the restrictions of the regulations of the civil and criminal courts, their procedures based on principles of natural justice.

4. That a lawyer cannot be present in court, and the parties subject to the case have to argue their positions themselves or with the help of a particular responsible person.

5. That cases be allowed an appeal, and every qazi's decision be final.

Let us see how the above changes will make the present procedures of the justice system Islamic.

Saying that any court will become Islamic by calling the honorable judges qazi, or the prosecutor or expert legal assistant mufti, or by taking the coats and pants off the honorable judges and dressing them in sherwani, is as ridiculous as saying that if we call some thief sayyid he will join the ranks of the nobility. We have nothing against traditional clothes or traditional terms. We consider such a change a good omen, but in this regard we would suggest that to expect any change in the current procedure of the justice system from this change alone is absurd.

As for the idea that the courts will become Islamic if made free of the regulations of the civil and criminal courts, the fact is that even today the family court and the tenant court are free of the regulations of the civil court and the law of evidence. Similarly, the summary court and most of the criminal tribunals even today are free of the restrictions of the criminal courts. Their regulations are based on principles of natural justice, and since the litigation of the tenant and family courts is more than half of all civil litigation, would it not be appropriate to say that more than half of the country's civil courts (that is, all the tenant and family courts) is Islamic?

Ending the occupation of the lawyer and restricting the presence of lawyers in court has been ardently proposed since Ayub Khan's martial law appeared in this country. Ayub Khan was quite successful, too, in this regard. There was a restriction on the presence of lawyers in the labor courts he established under Industrial Ordinance 59, and the restriction stayed in effect for quite a long time. The result of this restriction was that professional labor leaders began to be presented on behalf of the workers, and bureaucrats on behalf of employers, as a responsible person or friend; and when the professional labor leaders and bureaucrats became involved in their own professional activities, the workers and employers began to present lawyers, not as lawyers but as responsible persons. The readers know that lawyers cannot be present in the summary courts either; and since the martial law of 1958, every single important portion of every important criminal case has been included in the jurisdiction of the summary courts and the accused have had lawyers in the summary courts as friends.

In such a situation, people will begin to use lawyers or labor leaders, bureaucrats, village headmen, party leaders, religious guides, relatives, neighbors and other such people as a responsible person or friend, and all of these people, as responsible persons or friends, will fulfill the same duties that a lawyer fulfills in the present system. And this, too, is an admitted fact: Of the parties subject to a law case, the great majority prefer to appoint lawyers as their responsible person rather than labor leaders, bureaucrats, village headmen, religious guides, party leaders or relatives and neighbors, because lawyers are professional people, and human experience teaches that the professional is more competent. Under these conditions, we must necessarily draw the obvious conclusion that restricting the presence of lawyers in court will neither put an end to the profession of the lawyer nor cause any notable change in the system of justice. The only difference will be that lawyers will begin to be called responsible persons.

The proposal to end the right of appeal is also nothing new; but it is incorrect to assume that such a proposal will make possible swift justice, because in this case every party defeated in the trial court will knock on the door of a higher court authorized to hear constitutional appeals.

Of course, even today there are some court procedures in which there can be no appeal against the order of the trial court. For instance, the divorce court. How a speedy end to cases and appeals is possible under the present procedures, or whether a constitutional guarantee of the jurisdiction of the constitutional appeal of the high court is necessary, is a separate matter. At any rate, the point is that as long as the jurisdiction of the constitutional appeal of the high court is protected, the proposal to end the right of appeal in any case is completely meaningless.

The present system of justice is the essence of years of constitutional and legal research. The entire civilized world has adopted it. Those demanding a change in it are simpletons. Criticism of the justice system is correct, and even necessary for reform. Nevertheless, we should advance towards betterment, not towards disorder. The present procedure is also not the creation of the British but rather is based on Islamic principles and is the result of years of research by Muslim thinkers and scholars of the earlier ages of Islam. Any fundamental change in it will further complicate the issue. What is necessary is that it be made more vast and capable. Wherever there are shortcomings, they should be corrected. There is no reason why the system that fulfills the needs of all of Europe, Australia, Canada, America and East Asia should not fulfill our needs. If there is any shortcoming, it is in the machinery of implementation; or else, as in so many things, what is written on paper and what is actually done are different. If this inconsistency is removed, we can advance toward reform.

9914
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'ELITE'S' POLITICAL CONCERNS VIEWED

Karachi DAWN in English 23 Nov 81 p 15

[Article by M. A. Mansuri]

[Text] Being a predominantly Government employees' town, Islamabad has always been outside the mainstream of national life. A large section of the people here has always counted itself among the country's top elites. For most of them, until recent years the main concerns have been those of better grades, better housing and better social status, which kept them as a well-knit class with its various sections distinguishable only on the basis of their grades and housing sectors. But of late, a new trend is developing.

Now, most of us here have two faces. One is used to taking a bright view of every aspect of our national life: the other is given to fault-finding and cynical observations, though such voices are audible only in the seclusion of 'safe company.' The motivation of both is the same--self-preservation. Nobody likes to be bracketed with "unpatriotic elements." Everybody wants to play safe.

Writings in the foreign Press and broadcasts of foreign radios are in demand. Those who read or hear something new or exciting are quick to pass it on. Photostat copies pass around, reaching a wide cricle in no time. And they are hurriedly destroyed.

Demands by "patriotic parties" that they be allowed to resume their activiti in order to be able to deal effectively with "unpatriotic elements"--heard too frequently in the recent past--and reports about measures that are in the offing in the political field have not created sufficient enthusiasm here. Those who are involved in policy implementation and know a lot more than is known in the rest of the country usually observe discreet silence.

But the resported efforts of "patriotic" and other groups to forge alliances and united fronts do not go unnoticed. Statements of the leaders of "defunct" political parties are read with interest. Recently, the interview of Prof Ghafoor Ahmad to a periodical of Lahore which was later picked up by a number of Karachi dailies was in great demand. Its contents, timing and successful passage through the censor were extensively discussed and variously interpreted. Prof Ghafoor would be amused if he heard some of the meanings given to the interview.

Putting Record Straight

Prof Ghafoor in his interview had revealed the names of three of the PNA parties which, he said, had opposed a political agreement with the party then in power, and pressed for Martial Law. Why he chose this particular moment to make the disclosure, after keeping quiet for more than four years, remains a subject of animated discussion.

Professor Ghafoor was perhaps trying to put the record straight for posterity. In fact, a number of us here in Islamabad have small pieces of information which continue to be of interest even today. I myself have some small bits, though not very relevant to the situation--either then or now. For example, one evening, on the eve of the 1977 elections, a young American diplomat called on me at my residence in Islamabad. He was keen to discuss what will be the general reaction in Pakistan if the French Government backed out on its commitment on the nuclear reprocessing plant.

He abruptly asked me how the people would react if the Pakistan Government were made to abandon the nuclear programme. On my asking if the American Government had decided to go to that extent, he replied in the affirmative. "To any extent," he said. The American Embassy should be in a better position to say whether the Carter Administration had really made any such decision or the young diplomat was giving a free rein to his imagination.

I am sorry about this digression. I was talking about the new trend in Islamabad, a small town with the largest percentage of literates in the country where every minor and major occurrence gets known to everybody within a short time, even if it is at the university campus which is at the farthest end of the town.

I am not trying to be funny, but I am told that astrological calculations about the future of this region--Afghanistan, Pakistan, India and Bangladesh--have started finding their way to Islamabad from far-off places, and are read with a lot of interest.

It is not a healthy sign for a society which has yet to find a system to run the country's affairs when educated people get interested in astrological predictions and foreign Press writings in order to know thier own future.

CSO: 4220/107

UK TRADE TEAM HEAD TERMS CLIMATE FAVORABLE FOR INVESTMENT

Lahore THE PAKISTAN TIMES in English 27 Nov 81 pp 1, 5

[Text] Mr. Ray Edwardes, leader of the delegation of British businessmen and private industrial entrepreneurs, said in Lahore on Saturday that conditions in Pakistan were more favourable today than ever before for foreign investment and trade with Britain.

Talking to newsmen at a local hotel before the delegation's departure for New Delhi after a week-long stay in Karachi and Lahore, Mr. Edwardes remarked that he and his colleagues in the Birmingham Chamber of Commerce had noticed a great change for the better since their last visit a few years back. Pakistan's economy had recovered and had been put back on the rails during the past three years, and a fair amount of stability pervaded the economic scene. He said conditions prevailing in Pakistan were conducive to augment the volume of trade with Britain.

He said the possibility of joint enterprises was being studied with great interest by British businessmen. The visit of the delegation had helped in establishing a contact for that purpose, he added.

Mr Edwardes said his delegation was greatly encouraged by the warm reception accorded to them during their Pakistan tour. He, however emphasised the need for Pakistani businessmen to visit Britain He pointed out that not a single delegation of private sector had visited Britain during the past many years. He further emphasised that Pakistan should be adequately and effectively represented at international fairs in Britain.

He said Pakistan should try hard to make its products known abroad. He said there was vast scope for increasing the volume of trade between Pakistan and Britain.

Various team members showed great enthusiasm for and interest in entering into an effective economic relationship with their Pakistan counterparts They said Pakistan had the distinction of having a lot of expertise Pakistani traders should make a concerted effort to find more and more place in foreign markets and they were required to be very aggressive on that front, they added. The members spoke highly of the talent of Pakistani local dealers and agents, and pointed out that the success of their concerns was partly due to their superb techniques. It was further stated that Pakistanis had adequate know-how to maintain Western machinery.

Mr Edwardes stated that the delegation sympathised with Pakistan since it had to deal with the refugees problem. He said that the whole international community was behind Pakistan on that question.

The delegation expressed the hope that happy results would come out of their visit to Pakistan "Our mission proved to be highly successful" they remarked Mr Robert G Hyde First Secretary (Commercial and Economic) and Mr Ebrahim Kassemally Commercial Officer British Embassy in Islamabad were also present

CSO: 4220/110

UNHCR DIPLOMAT VISITS AFGHAN REFUGEE VILLAGES

Karachi MORNING NEWS in English 23 Nov 81 p 1

[Text] Parachinar (Khurram Agency), Nov. 22--Mr Allain Coat, Representative of the UN High Commission for Refugees in Peshawar, on Saturday visited the Afghan refugee tentage villages at Mathasanghar and Dassu, about 15 miles south of here, adjacent areas of which were strafed by the Afghan helicopter gunships last week.

Eye-witnesses told a Press party, accompanying Mr Allain Coat that the Afghan helicopter gunships had appeared from across the border from the direction of Kharlachi early in the afternoon. After circling over the Afghan refugee tentage villages, the gunships penetrated about 10 miles deep into the Pakistan territory and strafed the nearby areas on return.

Eye-witnesses said that a female refugee, Zarnama, wife of Tona, from village Said Karaam Ulaswali in Paktia province of Afghanistan, was killed instantly due to the strafing. Twelve other refugees, mostly children, were also wounded besides 15 local people.

They said that the gunships also dropped mines at Shangak and several other places close to the refugee camps. Mines in the shape of toys, birds and other attractive objects exploded resulting in injuries to a number of Afghan refugees.

The newsmen were also shown empties of machine-gun bullets and recovered unexploded mines from the affected areas.

Mr Allain Coat met the elders of the refugees and inquired about their problems and needs.

He was informed that adequate foodstuff were available and they were getting the food articles regularly. They however, demanded more tents, clothing, shoes and medicines.

CSO: 4220/108

CORPORATE SECTOR INVOLVEMENT IN FARMING SEEN GAINING SUPPORT

Islamabad THE MUSLIM in English 21 Nov 81 p 4

[Editorial]

[Text]

THE DEMAND of the entrepreneurs that the corporate sector should be enabled to enter large-scale farming is gaining support outside the farm belt . After the Federation of Chambers of Commerce and Industry endorsed their demand, the Government has come out openly in support of it. The Federal Food Minister, Vice-Admiral Janjua has been stressing for some time now that the agricultural salvation of Pakistan lies in increasing the yield per acre and not the acreage. He has been pleading for better, diseaseresistant varieties of crops, using high-yield seed, mechanisation and the high output techniques of cultivation. The Federal Industries Secretary has now told the U.S. investment mission that the Government laid great emphasis on reorganisation of agriculture on the most scientific and commercial lines. But he wants the induction of the corporate sector into farming without changing the ownership of land of the farmers. Undoubtedly, induction of the corporate sector can result in mechanisation of farming, the use of high yield inputs beginning with seed, fertilisers and pesticides, building up of better storage facilities that will reduce waste and infections, and proper transport arrangements that will enhance the profitability of the farms. But will the corporate sector by more fair to the peasants who will contribute their lands as share capital than they have been with their small share holders? Will they give thir peasant shareholders their due instead of treating them like the agonised shareholders of the industrial corporate sector? Such questions arise immediately because of the raw deal the small shareholers have received in Pakistan. If out of the over 300 companies listed on the Karachi Stock Exchange, half will not give any dividend, and half out of the rest give a dividend below the bank interest rate of 14 per cent, the shareholders have real reasons to feel they have been too badly treated. While private limited companies in which the public do not hold any shares, or companies in which family members or small groups of persons who hold most of the shares—like general insurance companies—are doing very will, public limited companies with the investment of the general public have been faltering and failing and giving nothing or very small dividend to the ordinary shareholders. And their performance stands in sharp contrast to that of the multinationals in Pakistan who are able

to pay adequate taxes, fair wages and handsome dividend to their shareholders. As a result, their shares are quoted at high prices while those of most Pakistan companies are quoted at low prices, and too many of them at prices below par. If such enterpreneurs are not inducted into farming will they really invest a large amount of money and not nominal amounts? And will they give fair wages to the farm workers and fair returns to the peasants who hold shares of such farms?

Private entrepreneurs want to go into farming through the corporate sector as they see a great deal of profit in it, something which the gentlemen farmers deny but if they do go into farming in a big way, will they reduce their new industrial investments and go for farming in the exuberant manner they went into commercial construction recently? All these basic questions must be answered by the entrepreneurs satisfactorly before the corporate sector moves into farming. The Federation of Chambers of Commerce and Industry which is stridently pleading the cause of the entrepreneurs should be able to give concrete undertakings on their behalf. What is at issue is not the principle of the corporate sector going into farming, but its practices hitherto, and the likely future trends. Hence the Federation should have larger obligations than merely espousing the cause of its members vigorously and insistently. Such commitments or assurances are all the more necessary in a country where the Government has not permitted the formation of an association of shareholders. Nor does the country have effective consumer protection societies. And the new corporate law is yet to see the light of day. So while the pressure groups are vocal and insistent, the public does not have the machinery, non-official or official, to protest and get a fair deal. And that disrupts the balance of power in the economy altogether. Undoubtedly the principle of inducting the corporate sector into farming is a good one in a country with a large population, steady increase in the population and limited cultivable land, but the farmers should be very agreeable to it initially. Otherwise, the efforts have to be experimental or limited to some areas. The entrepreneurs should themselves now demonstrate that they can be fair to the shareholders, beginning with those in the industrial sector, and they can now be relied upon to give a fair deal to the hapless peasants who may be persuaded to surrender their lands to the corporate barons.

CSO: 4220/109

FEDERAL ACADEMY FOR EDUCATIONAL PLANNING

Islamabad THE MUSLIM in English 21 Nov 81 p 5

[Text] KARACHI, Nov. 20: The Federal Government has decided to set up an Academy of Educational Planning and Management with its headquarters at Islamabad for evolving effective instruments for the implementation of education policy, it was officially learnt.

The Academy, which will be governed by a Board, will organise training programmes for different categories of personnel in educational planning, administration, supervision, research and evaluation. It will also organise research programmes on problems of educational planning, administration, supervision, financing, physical facilities research and evaluation.

The Academy will also be charged with the responsibility of organising conferences, seminars, symposia, workshops on various aspects of educational development for different interest groups such as policy makers, senior cadres of educational managers, academicians, research scholars and international experts.

It will co-ordinate training, research and evaluation functions of other agencies connected with educational development at the provincial, national, regional and international levels.

The academy will serve as research centre for educational information and retrieval and disseminate literature on educational planning, administration, supervision and research and evaluation.

The academy would advise and assist the government in formulating short - term, annual and five year plans for the education sector and on the formulation of education policy. It would provide professional services and support to educational institutions and all other related agencies.

The Secretary, Ministry of Education, will be the Chairman of the Board of Governors. The management, overall control and supervision of the affairs of the academy shall vest in the Board of Governors. Education Secretaries of all the four provinces and of Azad Kashmir, representative of the University Grants Commission, Vice-Chancellor Allama Iqbal Open University will among others, be its members. The Federal Government will appoint a Director-General which will be its member/Secretary.--

CSO: 4220/109

ONE MILLION ACRES BROUGHT UNDER WHEAT CULTIVATION IN SIND

Islamabad THE MUSLIM in English 21 Nov 81 p 4

[Text]

KARACHI, Nov. 20: About one million acres of land has so far been brought under wheat cultivation in Sind with sowing tempo being further accelerated to achieve the target.

According to the latest wheat crop reports, the seed germination and stand of the crop is satisfactory.

Wheat is to be grown this year on 25.45 lakh acres with production target fixed at all time high level of 20.60 lakh metric tons.

The Sind Agriculture Department has instructed the field staff to step up wheat sowing campaign and motivate farmers to adopt modern technology by using balanced doses of fertiliser coupled with agronomic practices for weed control in order to ensure increased per acre yield.

Under the directive of President of Pakistan, farmers melas are being organised by the Agriculture Department for dissemination of useful information about wheat culturing to the agencies to help remove constraints in timely supply of fertiliser and other inputs.

Wheat production target has been brought to the level of union councils and the field staff has been directed to make all out efforts to achieve the targets in their respective jurisdictions.

With a view to furthering the "grow more wheat campaign", the senior officials of Agriculture Department were also visiting the wheat growing zones to review the sowing position.

In this connection, the Additional Secretary Agriculture, Kamaluddin Qureshi, today visited Sukkur and reviewed progress of the campaign at a meeting with the extention officers.

The Agriculture Secretary, S. M. Wasim will soon leave for Hyderabad for an inspection of wheat sowing in the division.

CSO: 4220/109

LOW QUALITY OF FLOUR SCORED

Lahore THE PAKISTAN TIMES in English 21 Nov 81 p 4

[Editorial]

[Text]

Flour mill-owners are the natural target whenever public complaints of poor quality 'atta' arise. Sporadic raids on mills have revealed that during milling there is more than the permitted extraction of 'fines' or white flour and 'suji', which is then sold profitably in the open market. The mill-owners' contention, on the other hand, is that wheat supplied to them for milling is substandard and rotten. The Chairman of the Punjab branch of the Pakistan Flour Mills Corporation has accused the Food Department of supplying for milling grain from last year's stocks which has been exposed to the elements and is unfit for human consumption. According to him sometimes bags were underweight and the mill-owners were advised to increase the moisture content to make up the desired weight. Such 'atta' turns rancid within a few days.

The consumer knows to his detriment that the quality of wheat flour fluctuates while the price makes an ascending graph 'Thaila atta' costs Rs. 2 per kilo in the open market which a majority of people purchase in preference to ration-depot 'atta' in the hope of getting better quality. The customer is also frequently aware of the unpalatable almost muddy characteristics of ration-depot 'atta' and not a few doctors have blamed it for an increase in stomach complaints. Even 'atta' from the costlier bags is not always exempt from the charge. Storage and milling practices are the two obvious problems to be tackled. The former is notoriously inadequate, resulting in a high proportion of crop loss every year; the milling operation is a field for malpractices which unfortunately the regulatory staff has not been able to check. Who is to check the checkers? The public must become more exacting and refuse to accept substandard wheat, insisting on replacement, technically the mill-owners' obligation. The manual worker, the office worker, the affluent and the indigent, children and elders all deserve better than a mouldy chapati.

CSO: 4220/109

BRIEFS

TRACTOR PLANT IN LAHORE--Lahore Nov 22--The first tractor manufacturing unit in the private sector in Pakistan, being established with an estimated cost of Rs 135 million, will start producing tractors from February next year. The unit is being established at Lahore with the financial and technical assistance provided by the Yogoslavian Government involing an amount of Rs 70 million as a foreign exchange components. Mr Radovic the Managing Director of the IMT Tractors Company in Yogoslavia on Thursday visited the site of the proposed unit situated on Multan Road near here under the name of Associate Tractors Limited. In its first phase the unit will produce 250 tractors yearly of 50 horse power. It will provide job opportunities to about 2000 workers and give boost to the local light engineering industry as it will use 85 per cent of the tractor components manufactured in the country. Later speaking at a meeting with the dealers, the Managing Director of the IMT said that Yogoslavia Government had decided to provide absolutely free and complete tractor manufacturing know-how to Pakistan as a matter of special gesture. Farm and workshop service would also be made available for the farmers, he added. [Karachi DAWN in English 23 Nov 81 p 4]

REVIVAL OF POLITICAL PARTIES--In the opinion of President Zia and his colleagues the time is not conducive for holding the general elections. However, the President's numerous declarations on this subject make it clear that he wishes to transfer power through general elections. Presently the forces opposed to Pakistan wish that there should be chaos and crisis in Pakistan, from which they could benefit. If they succeed in their aims, they would wipe out everything that was done here during the past four years in respect of the Islamisation work. It is a fact that whenever there is a suspension in political activities, anti-state elements find the atmosphere helpful for their aims. The best and most effective way to crush these elements is through the revival of political parties. We apprehend that anti-state elements would try to take undue advantage of a prolonged interim period. Now that a decision has been made to form the Federal Advisory Council, some effective method should also be evolved to deal with anti-state elements. We believe that immediately after the formation of the Advisory Council, patriotic political parties should be revived and allowed to indulge in healthy political activities. This would make it impossible for anti-national elements to continue their activities. The success of patriotic parties depends on positive efforts, while the non-patriotic parties depend on negative tactics. Fearful of their defeat, the unpatriotic parties do not like to compete with patriotic parties in an open atmosphere. [Karachi DAWN in English 23 Nov 81 p 15]

WARNING ON SCHOOL 'MISCHIEF'--Lahore, Nov 22--Federal Education Minister Mohammad Ali Hoti said today that the Government was determined to take stringent action against the agents of certain political parties trying to create mischief and grouping in the educational institutions to achieve their ulterior motives. He said this while talking to a delegation of the Pakistan Nationalised Teachers Association, says an Association Press release here today. The Minister said the recommendations of the provincial Governments on the grievances of teachers were still awaited. The delegation, headed by Mr. Akhlad Ahmad, apprised the Minister of the difficulties of the teaching community. The Minister gave a patient hearing to these grievances, and said that every effort would be made to redress them, the Press release added. [Karachi DAWN in English 23 Nov 81 p 14]

CUSTOMS CLEARING POINT--Peshawar, Nov. 23--The Peshawar city railway station has been declared as customs clearing point for the export of goods to foreign countries from Peshawar with immediate effect. This was revealed at a meeting presided over by the provincial Finance Minister, Mr Salim Saifullah Khan in Peshawar yesterday. [Karachi DAWN in English 24 Nov 81 p 5]

PUNJAB INVESTMENT LIMIT RAISED--Gujranwala, Nov 23--In order to promote industrial development in the country, the Government hal decided to enhance investment limit upto Rs 5 million for establishment of industrial units. This amount does not include the cost incurred on land purchase. This was disclosed by the Provincial Minister for Revenue, Industry and Labour, Malik Allah Yar Khan, here yesterday. The Minister was addressing local Chamber of Commerce and Industry on his one-day visit of Gujranwala. In reply to welcome address presented by President the Chamber, Haji Manoor Husain, the Minister said that there was no restriction on private sector setting of heavy industries in the country and assured of his full co-operation of the government. He advised labour officials to perform their duties accorling to rules. He emphasised that they should discharge their responsibilities with honesty. The Minister disclosed that the Federal Government had already requested to provide the facilities for loan to industrial concerns through scheluled banks. The Ministry disagreed with the proposal to close down apprenticeship centres and expressed that these have been opened for providing technical assistance to the industry. He assured that Government would consider to set up export processing zone at Gujranwala, providel facilities could be available here. [Karachi DAWN in English 24 Nov 81 p 5]

DEVELOPMENT OF SHARIGH COALFIELDS--Quetta, Nov 22--Sharigh coal fields are being developed in Baluchistan at a cost of Rs 32.506 million to raise their annual production to one lakh tonnes from the present annual production of 50,000 tonnes. At Sharigh, a coal washing plant has already been set up at a cost of Rs 25.275 million to supply 75,000 tonnes of washed coal to Pakistan Steel Mills, Karachi. Meanwhile, plans are underway to set up a 50 MW thermal power station based on coal deposits at Dukki in Baluchistan at a cost of Rs 150 million. [Karachi DAWN in English 27 Nov 81 p 4]

MOVEMENTS OF NOORANI, NIAZI--Lahore, No. 26--Maulana Shah Ahmad Noorani, President of the defunct Jamiat Ulema-i-Pakistan has been externed from the Punjab and his entry into the Province has been banned for three months. Similarly, the movements of Maulana Abdul Sattar Khan Niazi, Secretary-General of the defunct JUP, have been confined to the District of Mianwali. Dawn yesterday carried a story saying that

the two have been detained and sent to their respective homse (Karachi and Mianwali) for house arrest. As a matter of fact, they have not been detained but externed and their movements have been restricted to their respective places. [Karachi DAWN in English 27 Nov 81 p 1]

ATTENDANCE AT MARRIAGES, PRIVATE FUNCTIONS--The Government of Sind has amended the Sind Economy of Food Order 1971 to relax the rules regarding serving food on the occasion of marriages and private functions, says an official handout. According to the amendment, the number of persons to be served at a marriage ceremony with bride and bridegroom from different places, has been increased from 50 to 250 persons and no permission will be required. For private functions, food can be served up to 40 persons, while there will be no restriction on serving food in contributory get-together and charitable distribution. The matter of relaxation in respect of local marriages is being ment. [Karachi DAWN in English 27 Nov 81 p 14]

EX-STUDENT LEADER SENTENCED--Rawalpindi, Nov. 21--The Special Military Court No. 38 today sentenced Raja Jamil Abbasi, a former student leader of Islamabad to 14 years rigorous imprisonment under Martial Law Regulation No. 4, 13 and 33. The convict was arrested from a house in Islamabad on May, 5 last and a large number of subversive literature including booklets, pamphlets and handbills were recovered from his possession The literature contained the material creating hatred and disaffection among the people against Martial Law A Huge quantity of illegal arms, such as detonators, pistol of 32 bore and explosives, were also recovered from his possession However the court observed that the convict could submit mercey appeal before the President Gen. Mohammad Zia-ul-Haq. [Lahore THE PAKISTAN TIMES in English 22 Nov 81 p 8]

UK CONSIDERING LAHORE CONSULATE--The British Government is seriously thinking of reopening the Consulate in Lahore. Mr. Robert Hyde, First Secretary (Commercial and Economic), British Embassy, Islamabad told newsmen that the proposal was being dissionately discussed but the decision would come from London. He said, to begin with a trade office might be established in Lahore. Later, a full-fledged Consulate might emerge. He said these proposals were being considered, but so far no decision had been taken. He, however, said that chances were bright. Britain decided to wind up its Consulate in Lahore in the mid-70s. [Lahore THE PAKISTAN TIMES in English 22 Nov 81 p 1]

BADIN OIL WELLS--Jhuddo, Nov. 21--Daily 10,000 barrels of oil is estimated to be produced from the oil wells being developed at Goth Khaskheli in district Badin, Sind. The concerned authorities said that drilling of another four wells have been under taken around the original well which produced the best quality of oil after initial drilling. The first well out of the four new ones will be ready within a fortnight while remaining will be completed in two and a half months. Meanwhile efforts are also underway to start drilling for oil at another Goth about eight kilometre from Goth Khaskheli where oil is also expected to be found. The work on wells at the new Goth will be started within two months. [Lahore THE PAKISTAN TIMES in English 22 Nov 81 p 8]

YUGOSLAVIA OFFERS TRACTOR TECHNOLOGY--Yugoslavia's largest tractor manufacturing organisation, IMT has offered to transfer the latest technology free of cost to Pakistan. This was stated by Mr. Radovic, General-Manager, IMT, while addressing

a select gathering of local entrepreneurs, Government officials and economists at a local hotel on Friday. Mr. Radovic said the necessary know-how for the manufacture of tractors existed in Pakistan and the local industry could make a great contribution in making some tractor components. The IMT tractors would now be produced in Pakistan in collaboration with a Pakistani company known as Associate Agencies. This is the first tractor plant in the private sector and expected to go into production by Feb. 1982. The plant is being set up with a capital of Rs. 135 millions and would eventually employ 2,000 hands. Its annual production is estimated to be around 3,000 tractors. The IMT General-Manager said their technology was the most modern and the buyers would appreciate the good quality. An elaborate workshop would also be set up in Lahore to solve the problems faced by the farmers, he added. [Lahore THE PAKISTAN TIMES in English 21 Nov 81 p 10]

PUNJAB BAN ON KHAIRUDDIN--The District Magistrate Lahore has banned the proposed two-day meeting of the (defunct) Pakistan Muslim League to be held at the residence of Malik Mohammad Qasim, while the Punjab Government has banned the entry of Khawaja Khairuddin in the province for three months. The political meeting was to be held on Nov 19 and 20 at the residence of Malik Qasim. Khawaja Khairuddin was served notice at Karachi through the Sind authorities. [Lahore THE PAKISTAN TIMES in English 21 Nov 81 p 10]

PIRKOH GAS PLAN--Quetta, Nov. 20--The first phase of Pirkoh Gas Fields-Integrated Project in Kohlu Agency of Baluchistan is expected to be completed in about two years to supply 72 million cubic feet of gas daily to meet country's growing energy demand. The first phase would cost over Rs 704 million including Rs 409 million in foreign exchange The Asian Development Bank has already signed a memorandum of understanding with the Oil and Gas Development Corporation to finance the first phase. The first phase envisages detailed seismic survey of the structure followed by drilling of six development wells in the Pirkoh area Two wells have already been dug in the area. [Lahore THE PAKISTAN TIMES in English 21 Nov 81 p 5]

CSO: 4220/110

TRIPOLI AGREEMENT SEEN AS LEGAL ABSURDITY

Kuala Lumpur BUSINESS TIMES in English 30 Oct 81 p 6

[Article by Teodoro Benigno in Manila]

[Text]

FEAR, uncertainty and violence continue to stalk the deep Philippine south where guns alternately roar and fall silent in the nine-year-old secessionist war that has already claimed 60,000 lives.

The Tripoli agreement of Dec. 23, 1976, which was supposed to bring the curtains down on the Muslim rebellion and bandage centuries-old wounds, is virtually in shreds and nobody seems to know where to pick up the pieces and begin again.

The Philippine government claims that it has implemented the Tripoli accord by setting up autonomous regions 9 and 12 in 10 Mindanao provinces and accuses the Moro National Liberation Front (MNLF) of non-compliance and 9,000 ceasefire violations.

The MNLF, umbrella group of about 10,000 to 15,000 Muslim guerillas, claims that the Philippine government has violated the Tripoli agreement across-the-board and accuses the government of dishonesty and insincerity.

The 42-nation Islamic Conference ritually supports the MNLF cause and in its 13th session on June 1-6 this year in Baghdad, Iraq, renewed its appeal to the Philippine government to implement the terms and provisions of the Tripoli agreement.

Earlier this year, on Feb. 21, after government statements that the MNLF leadership had been decimated, that 1,000 Muslim rebels were surrendering monthly and that peace is in sight, the Pata Island massacre exploded in everybody's face.

The massacre, said to be the worst Philippine armed forces reversal in the southern rebellion, saw 119 troopers die in a grisly slaughter.

Philippine government-MNLF negotiations should logically be resumed but even here, despite Islamic Conference pressure, the positions held by the protagonists are so wide and divergent that even simple agreement on an agenda requires the wisdom of Solomon.

The root of all this angry disagreement is the Tripoli accord, so-called because it was signed in the Libyan capital where negotiations were held between Philippine government and MNLF representatives under the aegis of Col. Muammar Gaddafi.

The Tripoli accord provides for an "autonomous Muslim region" embracing 13 provinces, and Muslim rights to their own judiciary, schools, administrative systems, a popularly elected Legislative Assembly and a regional security force.

The joker in the Tripoli accord was Article 16. This authorised the Philippine government to "take all necessary constitutional processes for the implementation of the entire agreement."

President Ferdinand Marcos thus flung the April 17, 1977, referendum across the 13 provinces, where the overwhelmingly Christian population predictably voted against MNLF rule in the "autonomous region" in favour of the central government in Manila retaining control.

Two Gordian knots then linked up. The first was how to successfully forge an autonomous Muslim region in a geographical area where Christians are in the overwhelming majority. The second was how to reconcile an "autonomous region" with a Philippine constitution that provides only for limited self-government in the rural areas.

Seen in this light, the Tripoli agreement was legal absurdity. This possibly explains why its signatories have been swearing at each other ever since.

The Tripoli harpoon that the MNLF and the Islamic Conference keeps throwing at the Philippines was countered by President Marcos who last March 18 said: "But whatever happens, we already have the autonomous governments and we cannot go back and wait for the MNLF."

Nonetheless, President Marcos avoids an open rupture with the Islamic Conference whose Middle East members supply the Philippines with about 80 per cent of its oil imports. The Philippines generally votes with the Arabs against Israel in the United Nations.

Two possible solutions are for the MNLF to fall back from 13 provinces to the five where they have the majority and there organise the autonomous region or set up a joint Christian-Muslim administration over the 13 provinces with Muslims occupying the key posts.

What renders the situation tragic for the Muslims is that not long ago, in 1948, they still comprised a majority of 52 per cent of the population in western Mindanao.

This was reduced to 35.8 per cent in 1970 as Christians continued to pour into their ancestral land from Luzon and the Visayan Islands where the population density had already peaked beyond 125 people per square kilometre.

President Marcos' government undoubtedly has done more for the south than all previous governments put together but the wounds remain deep. Grudges and vendettas multiply, passions overflow and the war goes on. — AFP

CSO: 4220/549

PAP LOSES FIRST BY-ELECTION IN 13 YEARS

Kuala Lumpur BUSINESS TIMES in English 6 Nov 81 p 6

[Article by Francis Daniel in Singapore]

[Excerpts]

THE loss of one by-election will be of little concern to any long-established government, but in Singapore it has created a major sensation, sending shock waves among the ruling hierarchy.

For it broke the spell cast on the island state by Prime Minister Lee Kuan Yew's People's Action Party (PAP) and ended its 13-year monopoly of the Singapore Parliament.

What was even more distressing for Mr Lee and his colleagues was the fact that veteran campaigner J.B. Jeyaratnam had swung to his side the Anson constituency which gave an overwhelming mandate to the PAP in a general election only 10 months ago.

Calling for more political and individual rights, Mr Jeyaratnam, secretary-general of the Workers Party (WP), defeated his PAP opponent, Mr Pang Kim Hin, by a 653-vote margin to win Anson last week.

It was the first by-election since the PAP swept all 75 seats in Parliament in the December general election. Anson was previously held by PAP founder member C.V. Devan Nair who was made Singapore's President last month.

PAP officials were at a loss to explain the sudden switch in party loyalties by the majority of the 14,500 voters at Anson which borders Mr Lee's Tanjong Pagar constituency — both described as lower-income working class areas.

"I had expected a shift of about 15 per cent. I never expected the additional 35 per cent. We'll have to find out why it happened and take the necessary measures," said Mr Lee.

But even ardent PAP supporters felt that Mr Lee and his colleagues could ill afford to ignore the outcome of the by-election which appeared to be an outpouring of resentment against seemingly harsh government policies over the past year.

Whether the election result reflected a groundswell against the ruling party is contentious, but as the influential English-language *Straits Times* puts it: "What cannot be disputed is that Anson voters are unhappy, even angry."

And Mr Jeyaratnam said the unhappiness stemmed from the fact that too many decisions were made at the top without taking into consideration the interests of what he described as "the silent majority."

Mr Jeyaratnam, a 55-year-old practising lawyer who had been campaigning against the PAP since 1972, conceded that under the unbroken rule of Mr Lee, Singapore had made big economic strides.

"The question is whether we love freedom or whether we love the pot of gold which the government says it will give us in exchange for our political freedom. Do we value freedom and human dignity more than the pot of gold?" he asked.

Among some distasteful recent official moves, according to Mr Jeyaratnam, was a proposal to use national servicemen at government construction sites to help alleviate the current shortage of labour.

"The move would turn national service into a source of forced cheap labour and camps for national servicemen into forced labour camps," Mr Jeyaratnam told the electorate.

He also raised his voice against a recent amendment to the labour code which, in effect, will ban all industrial actions, including go-slows, walkouts and sit-ins.

His attacks on Mr Goh's plan to remove government subsidies for public health services and run them on commercial lines also have apparently struck a sympathetic cord among the voters.

Most of the Anson voters, according to newspaper surveys, also complained about the spiralling cost of government-built flats, public utilities, like water and electricity, and bus fares.

Perhaps, the decisive factor in Mr Jeyaratnam's victory was the decision by all opposition parties, except a minor leftwing faction, to join hands for the first time against the giant PAP political machinery.

Mr Jeyaratnam said he would negotiate with all the opposition groups with a view to establish a united front to continue the battle against the ruling party.

On his role in Parliament, he said he would show the 2.4 million Singaporeans that he was not "just another PAP tag-along" and, although outnumbered, would not shy away from any confrontation with Mr Lee and other government leaders.

Singapore's Second Deputy Prime Minister, Mr Sinnathamby Rajaratnam, said that in the next four years, the lone opposition in Parliament would wither away unable to fulfill its promises.

"All we need do is to sit back, let our opponent make all the mistakes, and let the people realise what they are in for," he said. — Reuter

CSO: 4220/550

CHANGES IN LABOR LAWS LIMIT WORKERS' RIGHTS

Kuala Lumpur BUSINESS TIMES in English 2 Nov 81 p 6

[Article by Francis Daniel in Singapore]

[Excerpts]

THE Singapore government has made crucial changes in its labour laws that will in effect ban almost all forms of industrial action by the country's trade unions.

The changes, contained in the trade disputes amendment bill passed by Parliament without debate recently, will bring union acts such as go-slow and work-to-rule under the same stringent rules governing strikes.

The amended bill stipulates that any move "designed or calculated to coerce the government either directly or by inflicting hardship on the community" will be deemed illegal.

Legal sources here said the legislation was so wide in scope that it would be impossible for any union to take militant action over grievances other than seeking redress through government channels.

But the government-backed National Trades Union Congress (NTUC) raised no objection to the new labour code and, in fact, proposed a scheme to enable closer scrutiny of union leaders.

Under the NTUC plan, advisory councils including ministers, members of Parliament and management executives, will be formed to supervise the conduct of trade unions.

Senior government officials said the labour law and the NTUC scheme were to help workers from becoming victimised by political agitation at a time when Singapore was making an all out bid to restructure its economy.

The amended labour code prohibits workers from taking industrial action over a trade dispute not directly involving them. Any union action after a dispute has been referred to the government's Industrial Arbitration Court (IAC) is also illegal.

The Labour Minister has the powers to compel both parties in an unsolved dispute to appear before the Arbitration Court whose ruling is final.

The new amendments also more than doubled the maximum penalty for breaking the labour code. A person found guilty of starting or instigating an illegal industrial action can be fined up to S$5,000.

Opposition political leaders condemned the new legislative changes and the NTUC proposals as an attempt to tighten government control over the trade union movement because of its potential threat to the unbroken 22-year leadership of Prime Minister Lee Kuan Yew.

"The government has betrayed the labour movement, depriving the workers of their rights," declared Workers' Party leader J.B. Jeyaratnam, a practising lawyer.

Another opposition leader, lawyer Chiam See Tong, secretary-general of the Singapore Democratic Party (SDP), said: "The government has taken away what little leverage the workers had to improve their lot. Trade unions here remain only in form not in substance."

But the 75-member Parliament is dominated by the ruling People's Action Party (PAP).

The second reading of the bill was passed unanimously with government backbenchers, some of whom usually assume the role of "opposition" on important issues, avoiding any discussion.

The passage of the bill does not reflect any government concern over the unions which faithfully toe the official line under the firm leadership of the NTUC.

Under the latest government guidelines, Singapore workers have been told to discard their traditional Western-style trade unionism and establish a cooperative relationship with their employers to maintain industrial harmony.

Except for a brief work-to-rule campaign by the pilots of state-owned, Singapore Airlines (SIA), late last year, Singapore's industrial scene has been quiet and uneventful.

The government has adopted what it describes as "a strategy of cross-fertilisation", under which union leaders are coopted into the leadership of the ruling party while government party cadres, including MPs, have filled almost all key posts in the NTUC. Its secretary-general Lim Chee Onn is a minister without portfolio.

Yet, the NTUC, the central body directing all Singapore's labour activities, commands a total membership of only 250,000 workers out of a total workforce of 1.1 million.

Mr Chiam said that despite the new law the government would find it increasingly difficult to contain workers whose rights had been gradually chiselled away.

The task would be more difficult now that a young group of technocrats with little or no experience had taken over the leadership of the NTUC, Mr Chiam said.

"The PAP obviously does not want to take any chances. It wants to arm itself with legislation to make sure that the labour movement will remain within its fold," he said. — Reuter

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'ISI' DISSEMINATES JOINT INDIA-VENEZUELA COMMUNIQUE

BK061116 Delhi ISI Diplomatic Information Service in English 0907 GMT 6 Nov 81

[Text] Indo-Venezuelan joint communique:

Joint talks were held at the ministerial level. The Indian delegation to these talks was led by Foreign Minister P. V. Narasimha Rao and the Venezuelan delegation by Minister of Foreign Relations Doctor Jose Alberto Zambrano Velasco. The discussions, which were marked by cordiality and friendship, clearly brought out the similarity of views between the two countries, linked together by the common bond of a democratic tradition. They showed a common interest in the maintenance and strengthening of a peaceful international environment so that as developing countries they could dedicate their energies to the tasks of nation building and the socio-economic development of their peoples.

The two sides expressed concern at the deterioration in the international situation. They were against every form of interference in the internal affairs of other countries and came out in favour of the right of peoples of every nation and country to realise their aspirations for peace, social and economic justice and full freedom and independence to shape their own destinies.

In this context they attached great importance to the principles enshrined in the Charter of the United NAtions. They were convinced that faithful adherence to these principles by nations in regulating their relations with other nations would provide the best guarantee for the maintenance of world peace and the strengthening of international cooperation. They were of the opinion that disputes between countries should be resolved through peaceful and direct negotiations without outside interference.

The two sides reaffirmed their full opposition to all forms of racial discrimination and more particularly to the practice of apartheid which offends human dignity and violates fundamental human rights.

The two sides took note of the continuing deterioration in the world economic situation due to the unjust relations existing between developed and developing countries. While they recognised the need to reaffirm the determination to strengthen solidarity and unity of purpose and action among the countries of the Group of 77 for closer cooperation among developing countries, at the same time they affirmed that cooperation among developing countries does not absolve developed

countries of their responsibilities within the framework of the North-South dialogue. The two sides recalled the contribution they had made to the deliberations of the Group of 77 and took satisfaction in the positive results of the high-level conference on economic cooperation among developing countries held in Venezuela in May 1981 and reiterated their firm determination to contribute actively to the early implementation of the programme of action of Caracas.

The two sides recognised that with the rapid advance in modern science, technology and communications, the world has come closer together and that it is desirable for nations to work together in a spirit of inter-dependence, which is inevitable between developed and developing countries. They expressed their view that global negotiations should [words indistinct]. [?Possibilities] for their further [expansion]. They [words indistinct] to study [words indistinct] of cooperation and development among enterprises of the two countries.

The two sides reviewed the excellent relations between Petroles de Venezuela and the Indian Oil Corporation, particularly in the field of petroleum imports by the latter and agreed to discuss enhanced supplies in the very near future.

CSO: 4220/7415

BRIEFS

OFFER FROM ROMANIA--Lucknow, 13 November--Romania has offered to supply the latest power technology to Uttar Pradesh to meet the state's energy shortfall. Disclosing this, Minister of State for Power Sunil Shastri told a news conference here today that Romania, a small country, had over 14,000 MW of installed capacity against UP's 3,200 MW. Romanian boilers were run on coal with as low heat value as 1,500 calories while in UP, coal of even 3,750 calories was considered too inferior for power generation. Mr Shastri also referred to Romania's "headless" turbines which could be run by water flow and there was no need to have waterfalls to rotate them. Mr Shastri, who had talks with the Romanian ambassador here yesterday, said that the state would have a shortfall of 1,500 MW after the state completed its Sixth Plan projects of 2,000 MW capacity. The state was, therefore, trying to tap external sources to set up power plants outside the Sixth Plan allocation. The state would approach the centre to allow it to avail itself of the Romanian offer which envisaged supply of equipment for the state's agricultural and horticultural produce. The Romanians were prepared to buy potatoes and apples. [Text] [BK220600 Delhi NATIONAL HERALD in English 17 Nov 81 p 4]

CSO: 4220/7416

REPORTAGE ON EAST TIMOR SITUATION

Suharto Pressures Vatican

Maputo NOTICIAS in Portuguese 2 Nov 81 p 1

> [Text] Victoria, 1 Nov--General Suharto is pressuring the Episcopal Conference in his country to advise the Vatican to integrate the East Timor Diocese in the Church of Indonesia. The accusation came from the "Action for World Development" movement.

Integration of the East Timor Diocese in the Church of Indonesia would amount to Vatican recognition of Indonesia's annexation of the former Portuguese colony, which would be an important political victory for the invaders. Vatican authorities declared last year that they considered East Timor to be an occupied country, and they would only recognize annexation if it were ratified by the people of East Timor or by the United Nations.

Monsignor Costa Lopes, current administrator of the Diocese of Dili, recently appealed to the United Nations to conduct a plebiscite. The prelate refuses to recognize the Indonesian occupation, declaring it is not accepted by the members of the local Catholic Church.

"Action for World Development" is sponsored by the World Council of Churches (Protestant) and the Australian Catholic Church.

FRETILIN Denunciation

Maputo NOTICIAS in Portuguese 5 Nov 81 p 8

[Text] East Timor Foreign Relations Minister Mario Alkatiri declared that "Indonesia's plan to offer itself as the host for the next confernece of nonaligned countries calls for an intensification of diplomatic action by the Maubere people against such a proposal."

Alkatiri made the statement at the Mavalne airport in Maputo, speaking to reporters before he returned to New York, where he will take part in the proceedings of the UN General Assembly. His assertion is related to recent rumors that the Djakarta government is prepeared for Baghdad, if Iraq is unable to host the summit because of the war with Iran.

On his return trip, the Maubere leader stopped over in Luanda, where he contacted Angolan authorities regarding the next summit conference of nonaligned nations. It is thought that some of the points raised there by Alkatiri were linked to the diplomatic struggle to frustrate the intentions of the Suharto regime.

Indonesia has been conducting a war of aggression against East Timor, illegally occupying the territory despite the condemnation of international bodies such as the United Nations.

Speaking to the reporters about Portugal's current moves to solve the problem of Indonesia's illegal occupation of East Timor, Alkatiri said that, at bottom, the Portuguese position has not changed, it is "limited to declarations of intent," unaccompanied by specific action capable of solving the problem.

6362
CSO: 4724/81

FOREIGN INVESTMENT NEEDED FOR STRATEGIC AGRICULTURAL SECTOR

Jakarta KOMPAS in Indonesian 21 Oct 81 pp 1, 9

[Article: "BKPM Chairman Notes Dilemma in the Development of the Agricultural Sector"]

[Excerpts] The government faces a dilemma in developing the agricultural sector. On the one hand the government hopes to increase the role of foreign capital investment in the agricultural sector by offering first priority to these investors. On the other hand foreign capital is very difficult to obtain. Foreign investors are not attracted to the agricultural sector.

Eng Suhartoyo, chairman of BKBM (Capital Investment Coordination Agency), noted this dilemma in a seminar on agricultural economics held in the YTKI (Indonesian Manpower Institute) on Tuesday [20 October]. The seminar, which had as its theme "Foreign Capital Investment in Indonesian Agricultural Development," was handled by PERHEIP (Indonesian Agricultural Economics Association) and YTKI.

Eng Suhartoyo added, the agricultural sector plays a very important role in Indonesia. From 1969 to 1979 some 32 to 47 percent of the Indonesian gross domestic product was produced by the agricultural sector. The agricultural sector also employs the most manpower. In 1976 some 62 percent of all manpower was employed by the agricultural sector. Of this total, 97.5 percent were employed in the rural areas so the agricultural sectors really supported the equalization of opportunities.

Capital investment, both PMA [foreign capital investment] and PMDN [domestic capital investment], opened up jobs for about 1.8 million persons, and investment in the agricultural sector created 41.3 percent of the job opportunities for Indonesian workers, or two-fifths of all jobs that were created. Keeping this in mind, the agricultural sector, of course, must be developed with employment as the primary benefit to be achieved. Further, agricultural development that is oriented toward export is greatly expected to lessen Indonesia's dependence on oil exports.

"Although the agricultural sector is greatly needed, from 1969 to 1979 there was smaller growth in the agricultural contribution to the gross domestic product. It was only 3.5 percent. The growth rate for the industrial sector was 12.4 percent and for construction, 17.3 percent.

Eng Suhartoyo added that agricultural projects are less attractive to investors because they require a bigger investment and it takes longer to obtain a return on the investment.

Eng Suhartoyo cited the example of the estates subsector that includes production of sugar, palm oil, rubber, coffee, coconuts, and chocolate. To achieve a certain rate of growth in this sector by the end of PELITA IV [fourth five-year development plan], an investment of $16.7 billion (about 10.57 trillion rupiah) are needed to be carried out over a 7 or 8 year period. To increase production, acreage must be expanded, "recruiting" of persons skilled in marketing is needed, and infrastructure such as bridges, ports, and so on must be constructed.

For the estates sector only about 35 percent of the needed investment can be obtained from domestic sources (excluding government reserve funds) while two alternative sources could cover the remaining 65 percent. First, it could be obtained wholly from government reserve funds and, second, from government reserves augmented by foreign capital investment.

There appears to be a problem in using the first alternative, for priority for the use of government reserves is given to food production. Therefore foreign capital investment is required solely for the estates subsector but is still not required for the overall agricultural sector.

It is very difficult to obtain foreign capital. For example, for the period 1967 to 1981 the agricultural sector was only able to attract a cumulative total of some $994.9 million and only 33.8 percent of this, or 336.8 million dollars, was committed.

This shows that while little was realized, there appears to be an adequate interest by foreign investors in the agricultural sector but it was difficult to carry it through. The planned $994.9 million for the agricultural sector amounted to only 10.8 percent of all foreign investment agreed upon by the government. For the industrial sector, planned foreign investment amounted to 65.3 percent. The realization of foreign capital for the agricultural sector was 33.8 percent of that planned. This is lower than the total realization of such investment which amounted to 39.9 percent of that planned. These figures indicate a lack of interest on the part of foreign investors in the agricultural sector which lags far behind the industrial sector. The same is true for PMDN for the agricultural sector.

P.S. Siswoputranto, the keynote speaker, said investors, particularly foreign investors, show little interest in the agricultural sector because of the poor facilities offered. Only certain agricultural fields that are rapidly productive, such as forestry, attract foreign capital because projects which have been producing for a long time such as palm oil and rubber estates, are not offered better facilities.

In addition, no marketing is available which makes these projects less attractive. Disruptive government regulations also reduce interest. For instance, an export ban was placed on palm oil suddenly and it had to be sold domestically at a

fixed price. This clearly does not attract investment. Often there is no planning prior to the issuance of government regulations.

The need to include the participation of the economically weak group or cooperatives also can reduce investor interest. For instance, a private estate which has just begun to get on its feet suddenly is required to include the participation of the economically weak group or cooperatives in a nucleus estate. This can weigh heavily on the private estate.

Former Estates Minister Drs Frans Seda clarified that if given enough incentives and if it is managed well, the agricultural sector can be the most strategic sector in facing Indonesia's economic challenges and dilemmas in the 10-year period of the eighties.

The national challenge meant here is that the real revenue from oil will drop both as a source of domestic tax revenue as well as a source of foreign exchange. There is great pressure to create jobs to support the increasing population pressure. Development is spreading to the regions and transmigration programs are increasingly being carried out.

The world economic recession, he said, will have little affect on Indonesia's economy, which, for the most part, is still based on the agricultural sector because demand for agricultural products to be used as basic materials for industry remains high and must be increased in the coming period. "It is important that we use this opportunity wisely," he said.

6804
CSO: 4213/13

CONTROL OF CORRUPTION DISCUSSED

Jakarta KOMPAS in Indonesian 16 Oct 81 pp 1, 12

[Article: "KOPKAMTIB Commander/Central OPSTIB Chairman Says There Are Five Potential Sources of Corruption and Devious Activities"]

[Excerpts] On Thursday [15 October] Admiral Sudomo, KOPKAMTIB [Command for the Restoration of Security and Order] commander concurrently chairman of Central OPSTIB [Operation Order], said there are five potential sources for corruption and devious activities. Accompanied by J. B. Sumarlin, minister for PAN [Reform of the State Apparatus], Sudomo said they are (1) construction projects, (2) the supply of commodities, (3) customs duties, (4) taxation, and (5) the granting of business licenses, bank credit facilities and similar activities.

According to Sudomo, for construction projects and commodity supply, corruption and devious activities involve prices, quality of the items, and commissions. With regard to customs duties they are concerned with the entry of items into the country and smuggling by administrative means. For taxation, corruption and devious activities occur in the determination of the amount of tax to be paid while in granting business licenses and banking credit facilities, corruption and devious activities are related to commissions and favors in the form of bribes.

Sudomo added that corruption and devious activities require the interaction of two individuals, namely, the public and officials. For instance, in regard to customs duties, the individual negotiates so that the duty on his item is settled speedily. This means that these private individuals offer opportunities for corruption.

OPSTIB works conceptually, Sudomo said, adhering strictly to two basics. First, functional control that must be carried out by the respective agencies and departments in the current government structure. Second, by preventive and repressive means.

Preventive means are those which lessen or eliminate the factors that provide opportunity for corruption and devious activities. Repressive means are systematic measures that are followed by administrative sanctions and legal steps.

Earlier Minister Sumarlin had said that control is accomplished in two ways. First by internal control in departments by inspectors general. Second, control by the KOPKAMTIB commander who handles the big and strategic cases.

When asked, "Are the senior officials who provide the supervision clean?" neither Sumarlin nor Sudomo could answer the question positively. Sumarlin merely said that it was demanded of all officials, particularly the leadership, that they not be involved in such activities and that they set an example for their subordinates.

While Sudomo asked newsmen to point out who was not clean. "Please point out who they are and as of today I will look into this matter," he said.

Earlier in his statement Sumarlin had said that from June 1977 to August 1981 those in control in department circles and in other agencies, with the aid of the OPSTIB Team, had handled 5,768 cases that involved 8,660 civil servants. Steps have been taken against all of them. Administrative measures, beginning with demotions and ending with discharges, were taken against 7,573 while 847 cases were submitted to the courts and other measures were taken against 240 more cases.

By handling these cases, 110 billion rupiah of state money has been reimbursed and 56 billion rupiah are in the process of being reimbursed.

When asked, "Measures have been taken against which group of individuals?" Sumarlin said measures were taken against various groups. There is one group; there are two groups; there are directors and regents also. "Let's leave the subject of 'small fish' and 'big fish' alone."

KOPKAMTIB Commander Sudomo then added that from June 1977 to August 1981 OPSTIB had received 69,600 accusatory letters from the public. Of this total, 11,835 provided information that could be used for further investigation. Of these, 856 related to corruption, 1,360 related to misuse of authority and position, 2,284 related to bribery, and 6,744 to special matters concerning land, housing, and so on.

Of this total, Sudomo said, Central OPSTIB had handled 90 cases involving 265 persons. The number of persons involved is small because Central OPSTIB only handles the really big cases.

6804
CSO: 4213/13

WORKERS FIRED BECAUSE OF UNION TIES

Jakarta KOMPAS in Indonesian 20 Oct 81 p 2

[Article: "FBSI General Chairman Agus Sudono Says Shadow of Being Fired Hangs Over Workers Who Are Active in Labor Unions"]

[Excerpts] Some businessmen still arbitrarily use PHK (severance) or otherwise put pressure on their workers. Those who actively participate in the labor union movement (FBSI [All-Indonesia Labor Federation]), in particular, are targeted for discharge by certain businessmen. Their aim is to kill the incipient FBSI before it has a chance to be established.

Agus Sudono, general chairman of the FBSI Central Executive Committee, made this statement to newsmen at the opening of the "International Metal workers Labor Union Leadership Training for the Southeast Asia Region" on Monday [19 October].

PHK has been used arbitrarily against workers including those employed by PT Medifarma in Cimanggis (Bogor Regency). Four managers of the Chemist and Pharmacy Labor Union (SBFK/FBSI) in the PMA [foreign investment project] company that makes medicines were discharged by their employer in August.

Tens of PT Amalgam workers in Pluit (North Jakarta) were also discharged by the owner of that vehicle assembly plant because they were active managers or members of the local Assembling, Metal Working, and Machining Labor Union (SB AMP/FBSI).

While four employees of the Yamaha motorcycle plant, PT KSU, in Pulogadung (East Jakarta) were also discharged because they were active in the administration of the local SB AMP/FBSI. The P4D and P4P (Committees for the Settlement of Regional and Central Labor Disputes) ruled in favor of the four workers and they had to be reinstated. The same decisions were handed down by the NAKERTRANSKOP [manpower, transmigration, and cooperatives] minister and the court of first instance in East Jakarta.

Nevertheless the director of PT KSU continued to be obstructive and refused to reemploy the four workers whom he had discharged.

It is lawful to establish an FBSI labor union, Agus Sudono said, and that right is guaranteed by laws in effect including the GBHN (main lines of national policy).

Last August Admiral Sudomo, KOPKAMTIB [Command for the Restoration of Security and Order] commander, also stressed that businessmen should not place obstacles in the way of forming labor unions in their companies.

The FBSI general chairman strongly affirmed, "If some businessmen take this attitude, obviously the government will immediately take stern measures against them. If this were not the case, employees, who are always defenseless, would be the losers or become the victims of the businessmen who hold the upper hand."

6804
CSO: 4213/13

BRIEFS

NEW NAVAL VESSELS--The intent of equipping the Indonesian Navy with new warships is to enable it to fulfill its mission of defending the country's sovereignty and earning our people's respect. General M. Jusuf, minister of defense and security and concurrently commander of the Indonesian Armed Forces, made this statement on Wednesday [21 October] at the Dermaga Ujung in Surabaya during the official ceremony marking the entry of the three new ships into the Indonesian fleet. The first of these new ships is the KRI Dewantoro, a "destroyer escort" (DE) type training ship. In peacetime it will be used for basic and advanced training of Republic of Indonesia Armed Forces Academy naval cadets. The second ship, the KRI Teluk Sampit, is an LST which is capable of transporting some 200 landing troops, three helicopters, and 15 tanks. It is equipped with an elevator for moving equipment between the tank deck and the top deck. The third ship, the KRI Nanggala, is a new submarine that is capable of remaining submerged for a longer period of time. On that occasion General Jusuf pinned the new rank insignia on Navy Lt Col Kuncoro, commander of the KRI Dewantoro, Navy Lt Col Arman Aksyah, commander of the KRI Nanggala, and Navy Lt Col M. Sinaga, commander of the KRI Teluk Sampit. [Excerpts] [Jakarta KOMPAS in Indonesian 22 Oct 81 p 1] 6804

1981 RICE PRODUCTION FORECAST--Rice production for 1981 has not reached the expected 22.8 million tons forecast, but it has been ascertained that it will be more than 22 million tons. According to data collected for 1981, rice production is "close" to the 22 million ton total. Eng Achmad Affandi, vice minister for food production affairs, made this clarification on Tuesday [27 October] during a meeting with the press in the Senior Officials Complex on Gatot Subroto Street in Jakarta. The clarification was made to adjust the estimate for food production which is still tentative. A figure of 22.8 million tons was issued earlier. The second forecast for 1981 rice production issued at the end of May was 21.6 million tons. The end July forecast was 21,888 million tons while the third forecast for the end of October has not yet been completed. "The third forecast, I know, will be more than 22 million tons not quite up to the earlier 22.8 million ton forecast. It certainly will be more than 22 million tons," Achmad remarked. The vice minister for food production affairs said self-sufficiency in food, particularly rice, in all regencies is very idealistic but is impossible to achieve since not all regencies have suitable land. Only the sea is there for some and so on. In regencies where there is a potential for self-sufficiency in food, it must be carried out. "So food self-sufficiency is impossible for all regencies to attain," Affandi said. He pointed out that no regency whether it has the

potential or not will be forced to move toward food self-sufficiency. A more important goal is to raise the income of farmers in each regency as well as their production. For instance, a regency may have a good potential for coffee crops. If coffee crops are replaced with corn crops whose yield is lower than that of coffee, it would not be good for the farmers involved. [Excerpt] [Jakarta KOMPAS in Indonesian 28 Oct 81 p 12] 6804

CSO: 4213/13

SAVANNAKHET ELECTRICAL POWER GRID CONSTRUCTION FUNDING

Vientiane SIANG PASASON in Lao 19 Aug 81 p 2

[Excerpts] Outoumphon is a town located 35 kilometers east of Savannakhet on Route 9. The people generally call it Seno.

But now in accordance with the 8th Plenum and especially to realize the government's first Five-Year Plan (1981-1985), the nation's economy is to be strengthened by bringing electrical power to industry and agriculture. Even though the country is poor and there are shortages, the party and state decided to allocate funds to the Ministry of Industry and Commerce and the Lao Electricity Company to plan the construction of a power line from Savannakhet to Outoumphon.

On 12 August at the office of the Electric Company of Savannakhet Province, officials of the central echelon of the electric company held a ceremony beginning the project to build a power line from Savannakhet to Outoumphon. Phandon Savannalat, the leader of this project, and Sikan Insisiangmai, the deputy project leader, reported that the project will begin in August and be completed in 1983. The first stage of this project will be to clear a path through the forest amounting to 966 hectares. Then this will be surveyed from Savannakhet to Outoumphon, a distance of 30 kilometers, including the distance to various villages which will be electrified. The location for the substation in Savannakhet will have to be filled with 5300 cubic meters of earth and 500 cubic meters of stone, gravel, and sand. A place will be built to house the construction equipment. 216 power line poles will be transported from Vientiane to Savannakhet. In the second stage of the Plan, beginning in 1982, more holes for the poles will be dug and poles cemented in, and the substation will be 100 percent completed. There will be transformers installed for 18 villages along the line, each of 22 kilovolts. Power lines will be brought to houses in the villages and in Outoumphon. Later in 1983, in the last stage of the plan, the substation will be tested and power will be transmitted to Outoumphon and its factories, offices, organizations, agricultural cooperatives and dwellings according to plan.

This construction project is budgeted at 1,365,386 dollars and 3 million kip.

The entire construction plan consists of three parts: construction of 10,000 kilowatt substation at Savannakhet, stretching the single circuit 22 [thousand] volt wire from kilometer marker 7 to Outoumphon, and installing the low voltage

transformers for the various villages along the route such as the saw mill at kilometer 11, That village, Natia village, Dongbang village, Khua Khoahat village, Nongkom village, and Outoumphon District.

When this is done the demand for low voltage electricity in homes, along roads, and in populated areas will amount to 1,795,284 kilowatt hours per year. Industry will require 2,748,040 kilowatt hours per year. Agriculture on the plains of Phonsin Canton will need 2,112,000 kilowatt hours per year to pump water from the Sompoi River to irrigate more than 4000 hectares of dry field rice.

8149
CSO: 4206/68

FOREIGN COMPANIES COMPETE FOR MACHINERY SALES

Vientiane SIANG PASASON in Lao 18 Aug 81 pp 1, 2

[Text] In the morning of August 15 at the Ministry of Industry and Commerce Mr Nousai Sitthisai, the deputy Minister, presided at the opening of the bids of the different companies which were competing for sales of vehicles, such as trucks and boats, as well as machinery and rice mills to modernize the rice processing system in Vientiane, Savannakhat, and Champassak Provinces.

These provinces received a third loan from the World Bank of 13,400,000 dollars. This ceremony was attended by the representatives of the Finance Department for Industry and Commerce, the External Finance Department, the Office for Project Coordination, the Department for Currency Regulation, the Finance Ministry, the Foreign Trade Bank, the Lao Trading Company and of every department in the Ministry of Industry and Commerce. Representatives of the companies submitting bids, both domestic and foreign attended.

There were 23 companies submitting bids from Sweden, Thailand, Japan, the German Federal Republic, France, Hong Kong and India.

8149
CSO: 4206/68

THEFT OF BUDDHIST ARTIFACTS BLAMED ON THAILAND

Vientiane NOUM LAO in Lao 1 Aug 81 p 8

['Travel in Our Country' Column]

[Text] Dear young friends, you are the future of this nation we love so much.

The author of this article would like to guide you to see the historic places of our country. When I think about them it breaks my heart, and I don't know when things will get better.

In this article we will visit first the That Luong pagoda which is venerated by the people of Vientiane as well as the people throughout the country. Then we will go to other temples and historic sites such as: the That Louang temple, the Nong Bonh temple, the That Foun pagoda, the Dong Miang pagoda, the Ong Tu pagoda, the Inpeng pagoda, the Misai pagoda, the Chan pagoda, the Si Meuang pagoda and the Sisaket pagoda, the location of the emerald Buddha. We will start in the north and go south. We are going to so many places. We are going to these places to learn. It will be especially important for the young people to learn about our country.

Dear friends, what did you see in your travels? Well, many people might answer in different ways. As we entered the temple, we saw beautiful things and the bronze Buddha. When we entered the hall of the emerald Buddha, we saw many ancient things. When we look at the That Luong monument, we understand the bravery of the Lao in the past. Those things you see now, are what is left. How did this happen? History makes us see we had much more in the past and it was more beautiful. But these things were stolen and destroyed. Who? Who is it? Who was the thief? Who was the destroyer? It is a bitter history. The correct answer to the question is: Thai feudalists.

Thai feudalists took the Emerald Buddha, many great treasures, Vangviang, and King Anouvong and his family. They burned and killed like savages. Even though this happened many years ago, it caused great bitterness and resentment and will not be easily forgotten.

Dear friends, the problems mentioned in this article do not mean that we want revenge. Not at all. We still like the Thai people as always. But the Thai power holders are a different matter.
8149
CSO: 4206/68

PROBLEMS WITH BUSES NOTED, CRITICISMS VOICED OVER PRIVILEGE

Vientiane VIENTIANE MAI in Lao 6 Jul 81 pp 3, 4

["Conversations With the Editor" column: "Why Aren't the Buses Running Normally?"]

[Excerpts] [Question] 1. Why can we not correct the problem of regular bus transportation? When they lack workers, who are poorly paid with short rations, there is no transportation such as bicycles, motorcycles, or commuter vehicles. (Some units have no bus service to and from work. This makes it impossible for us to get to work: Do we get to work? What will the higher echelons do about this?

2. Why do so many ride in cars and have to walk although their work is similar (I'm talking about state vehicles)? My opinion is that each ordinary cadre should have a bicycle. I hope for some lucid explanation of the two problems.

[Answer] 1. In fact our state is the state for the good of all. The party is the party of the proletariat. "All the people who labor are the proletariat, the workers, the Lao laborers." Therefore, the LPRP is the party representing the working class who truly holds Marxist-Leninist doctrine. The party leads, the state administers, and the people are the masters. Do you understand the meaning in this? If you do, every problem or every action will be simple and clearly understood. Other problems such as the shortage of goods to meet the demand do not mean that the party-state is not concerned. The party and state are most concerned. The party and state are responsible for the destiny of the nation. Every resolution, every order which is issued, emphasize the improvement of the life and livelihood of all the people, the well-being and the progress of the nation and the people. We believe that every matter must proceed gradually, according to timeliness, conditions, and the labor that we create.

Enough said. As to your statement if the buses do not run, can the cadre be absent from work? If we think about this problem in detail we can see that the bus is not the element that makes one late or miss work. The bus is a convenience for all the people. But when we face shortages and cannot meet demand, as now, before anything else, we call on everyone to be patient and overcome every obstacle and difficulty. If we lack patience and a sense of struggle, the final result will be that we cannot succeed in anything. Think of the time we carried out the national democratic revolution for more than 30 years, passing through uncounted storms before we were able to liberate the whole country.

2. On the subject of vehicles, it is impossible to have buses for every cadre. They will be for the leadership cadre, not for the general cadre. Their work is the same but the responsibility differs. The leadership cadre have heavier responsibilities than we do, by the hundredfold. So whatever the conditions of work, it can be said that "Between the leaders and the led, identical treatment" is not rational, comrade.

9615
CSO: 4206/6

FOREIGN EXCHANGE SHORTAGES CAUSE DROP IN IMPORTS

Vientiane VIENTIANE MAI in Lao 13 Jul 81 p 2

["Conversations With the Editor" column: "Shortage of Drinks in State Stores"]

[Excerpts] [Question] Who do the state restaurants have a shortage of supplies, such as liquor, beer, and soft drinks? When I looked at the private sector stores, their shelves were full. They never suffer shortages. What is the reason? I hope you will answer to my satisfaction.

[Answer] I do not think your letter will be the last one on this. We hope in the future to receive your letters and talk with you comfortably. Speaking of VIENTIANE MAI's "Talking With the Editor," there are many things both good and bad. Some problems deal with people who do wrong. However, we believe that nothing presented on the pages of this newspaper is to serve the rights and benefits of individuals. Everything, great or small, serves the public interest.

1. The shortage of liquor, beer, and soft drinks in state restaurants at times is caused by the lack of supplies. For example, these plants get their raw materials from foreign countries, all imports, for their production. When there are not imports of raw materials, production stops temporarily. The problem is foreign exchange. We have little foreign exchange and there is great demand for it. We need urgently to buy spare parts, construction supplies, and other items, for example. With these reasons I hope you understand the problem of shortages.

That the private sector stores have goods to sell when state stores do not arises from minor reasons. The private sector store sells at too high a price and the customers are few. Therefore, they have enough whether state stores have a shortage or not. The second problem is the diversion of goods assigned to the state, which some people in state organizations selfishly sell outside. This means that the products instead of being in the state stores end up in the hands of the private sector. We will see this evil continue as long as some persons think more of themselves than of the public good.

In solving this problem we must first correct attitudes. Each person must be united in ideology, holding the public interest above his own. We must make everyone truly united in society, expand widely the rights of collective mastery. The administrative cadre especially must be increasingly conscious of collective mastery in society to emphasize the saying "We fear neither hunger nor want but only inadequate distribution." If the administrative cadre perform their duties, see to adequate distribution, then even if goods are scarce, the people who really need them will get them. Enough, we will talk another time. Thanks.

9615
CSO: 4206/6

VIENTIANE BANK MAKES LOANS TO COOPS

Vientiane VIENTIANE MAI in Lao 9 Jul 81 pp 1, 4

[Text] This action is to implement the Council of Ministers Orders No 87 concerning the fulfillment of the 1981 rainy season production plan and to participate in the 1981 annual rice production motivation plan of the Vientiane City-Province to fulfill the plan.

In the first 6 months of 1981 the Vientiane City-Province Bank set up a staff of credit cadre to give encouragement and advice on methods of applying for loans from the bank. They travel regularly once a week to the agricultural cooperatives in various districts of Vientiane Province. They help especially all the agricultural cooperatives facing difficulties because they lack capital for opening up land and buying production equipment, water buffalo, supplies, and other necessities for production.

Along with sending out the credit officer cadre on a regular basis, the board of directors, with Silisai Vilaihong responsible for credit, the Vientiane Province Bank sent additional cadres to keep close contact with various agricultural cooperative units. The committee met and talked with all the agricultural cooperatives unit members and the people at each place about bank loans and production capital in their units to improve the yield and efficiency step by step. The committee explained in detail the principles and conditions for bank loans. All the cooperative members and farmers in the different locales understood the bank's credit policy.

After the work in this period the provincial bank authorized 16 agricultural loans to agricultural production sections in the amount of 3,033,570 kip. Loans to 13 agricultural cooperatives amounted to 1,242,390 kip. The short-term loans were to buy livestock, prepare the land, buy chemical fertilizer, pesticides, fuel oil, and other requisites for production. There were eight loans amounting to 482,930 kip and were long term to buy draft animals (water buffalo), clear land, and purchase machinery. There were five loans amounting to 759,460 kip to agricultural settlements and state production divisions. There were three loans amounting to 1,791,180 kip to buy livestock, feed, hire labor, buy fuel oil, and production supplies.

Besides the 3,033,570 kip authorized as loans to production sections directly, the provincial bank granted a 700,000 kip loan to the provincial irrigation corporation for basic construction such as small irrigation works at Ban Simmano, Hat Saifong District.

From the work of the first 6 months of 1981 it is seen that the bank helped solve difficult problems of the agricultural cooperatives, such as the clearing of land and obtaining draft animals, enabling agricultural cooperatives to buy 60 water buffalo. This was a major objective of the bank in encouraging the annual rice production plan this year to fulfill the plan. In addition, it helped all the agricultural cooperatives to meet the conditions and obtain capital for machinery, various technical means with intensive agriculture production expanding and improving day by day.

9615
CSO: 4206/6

FALL OF KIP IN RELATION TO BAHT, DOLLAR DISCUSSED

Vientiane VIENTIANE MAI in Lao 10 Jul 81 p 2

["Conversations With the Fditor" column: "The Dollar"]

[Excerpt] [Question] 1. Why does the American dollar retain its value and why is it used in all the countries of the world?

2. Some items in Store No 2 (Morning Market) are sold for dollars. Why is that?

3. Why do baht and the dollar have a higher value than our bank kip? How can we correct this? Will the editor please explain?

[Answer] 1. The dollar is the currency of the capitalists. At this time we do not wish to give a lengthy explanation. However, if we speak of things and language, there are no social classes because things depend on the production of the worker's labor. At the same time the ruling class takes the fruit of production to oppress the workers who give of their energy. This occurs in capitalist countries.

1. Because of the expansion of our economy, there is imbalance with the dollar. In comparison with the British pound, the dollar is falling also. The USSR ruble is the same in relation to the dollar. One dollar is exchanged only for 75 kopeks. "One hundred kopeks is one ruble." The dollar is widely used because the World Bank guarantees the value of the currency.

2. We need foreign exchange to buy necessities from abroad.

3. This does not differ from question one, but if we speak of the baht, nothing is certain. When the economy of Thailand is compared with other nations in the world, it is backward. That it can surpass our country because our economy now has not yet caught up with Thai economy. The way to improve the value of the kip is to strengthen the national economy, exporting domestic products to many countries, making the incoming revenue greater than the outgoing. This means we create a strong economy in a stable system, with exports exceeding imports. This is the solution and depends on every one of us Lao, who must build the national economy because we cannot rely on the government alone. The state only gives the direction. Those who perform the job are the Lao people, everyone of us, as a component in developing the national economy, doing the duty assigned to us.

9615
CSO: 4206/6

BRIEFS

CANADIAN LAO STUDENTS SUPPORT REGIME--After a thorough study of the situation and the political, economic, financial, social and cultural progress of the LPDR, through the SIANG PASASON, VIENTIANE MAI and foreign newspapers, the general conference of the Lao Students' Association in Canada unanimously passed this resolution: We praise and commend wholeheartedly Resolution 8 of the party Central Committee and the state Five-Year Plan for normalizing the living standards of the people. We oppose and strongly denounce the barbarous and senseless action of the rightist extremist reactionary Thai, who have continually attacked Lao territory under the direction of the Beijing great nation expansionists. We praise and commend wholeheartedly the soldiers defending the front lines on the border and the Lao guerrilla-militia soldiers, who demonstrate the role of heroes to protect the land and the security of all the people in the nation. We support the special kind of unity between the people of Laos, Vietnam and Kampuchea, brothers bound in unity with the Soviet Union, all socialist nations, and progressive and justice-loving peoples in the world. We have confidence in the brilliant leadership of the LPRP. We have confidence in the ability of the government of the LPDR. We have confidence in the labor and self-reliance of all the Lao people. [Text] [Vientiane VIENTIANE MAI in Lao 6 Jul 81 pp 1, 4] 9615

OFFICIAL IGNORANCE OF NATIONALITIES--["Conversations With the Editor" column: "What Are the 68 Nationalities?"] [Question] The LPDR has three large national groups and 68 minorities living in the same country. I searched every record and there were not 68 nationalities. There were only 51, which are: Lao Loum, 9 tribes; Lao Soung, 13 tribes; Lao Theung, 29 tribes. What are the 17 other tribes? What are their names? [Answer] It is a difficult problem. In their haste the departments concerned have not fully recorded all the tribes, nor do they know the names. So they have not published the details. In fact, a few of the tribes, if we make a detailed analysis, are still a difficult problem because almost every tribe has become almost extinct.[as published] In Sayaboury, there are reports that one tribe has been discovered which has never experienced the modern world. Furthermore, they do not know how many people there are or their language. So we say they are actually a tribe, but it is difficult to name them. Nevertheless, I believe that the Nationalities Committee ought to have all the names of the tribes, but I myself have no time to investigate. I am in your debt. Propose to Comrade Somvang in the City-Province Nationalities Committee that we record the names of the various tribes. Let me know; by telephone is all right. I hope he will cooperate because many people would like to know about this, too. [Excerpts] [Vientiane VIENTIANE MAI in Lao 8 Jul 81 pp 2, 3] 0615

SARAVANE LIVESTOCK--In the first 6 months of 1981 livestock of different kinds, belonging to all the people in Khong Sedone District, Saravane Province, increased greatly: 198 head of buffalo, 203 head of cattle, and a great number of hogs, ducks, and chickens. At present throughout the district there are 12,543 water buffalo, 5,823 head of cattle, and thousands of hogs, ducks and chickens. [Excerpt] [Vientiane KHAOSAN PATHET LAO in Lao 10 Jul 81 p A4] 9615

SAVANNAKHET DISTRICT BANKING--In the first 6 months of 1981 the cadre, soldiers, and people of various locales subordinate to Song Khon District, Savannakhet Province, became alert and voluntarily brought their savings for deposit in the district branch of the National Bank. The funds totaled 21,320 kip. This is part of the state capital to be circulated for use in the task of national development, to enrich and strengthen it. This action demonstrates the sense of responsibility toward the nation as the masters of society, along with obtaining benefits for their households. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 14 Jul 81 p A7] 9615

CHAMPASSAK ELECTRICAL WORK--During the first 6 months of 1981 the officials and the workers at the electric power department in Champassak Province strove to work hard and responsibly. In order to ensure sufficient electric power for lighting and production in this province, they produced 2,012,923 kilowatt hours of electricity and made 1,451,089 kilowatt hours available for use. They installed 140 new poles, 13,439 meters of new wire and brought electricity to 28 more houses. They made 652 repairs on electrical service to offices and houses. They also fixed 43 transformers and did many other things. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 19 Aug 81 pA4] 8149

CSO: 4206/68

JOINT CHINA-NEPAL IRRIGATION PROJECT

OW201933 Beijing XINHUA in English 1831 GMT 20 Nov 81

[Text] Kathmandu, November 20 (XINHUA)--Nepalese Prime Minister Surya Bahadur Thapa today laid the foundation stone for the Pokhara water conservancy and irrigation project to be constructed by China and Nepal jointly in Pokhara, a city in central Nepal some 200 kilometres west of Kathmandu.

Over 2,000 people including Nepalese Minister of Water Resources Lal Bahadur Khadayat and local officials attended the ceremony. Chinese ambassador to Nepal Ma Muming, diplomats from the Chinese Embassy as well as Chinese experts working for the project were also present.

Speaking at the ceremony, Prime Minister Thapa said that on completion the project would generate enough power for the region.

He also expressed gratitude to China for the continued assistance to Nepal.

Chinese ambassador Ma Muming praised the traditional friendship and close cooperation between the peoples of China and Nepal. He said: "We are always of the view that assistance is mutual. We thank Nepal for her support to and cooperation with China in the past years."

Construction of the project comes under an agreement signed by China and Nepal in Kathmandu in 1977. The project is composed of two parts--an irrigation system including an 80-metre-long and 4-metre-high dam, a 7.8-kilometre-long canal, 26 branch canals and a number of aqueducts and sluices; and a small power station with a generating capacity of 1500 kw. Upon its completion, the project can provide irrigation for 750 hectares of farmland and electricity for Pokhara--a fast tourism-developing city in the country.

CSO: 4220/111

INJURIES RESULTING FROM AFGHAN AIR MINING DESCRIBED

BK231156 Karachi Domestic Service in English 1005 GMT 23 Nov 81

[Text] Touching scenes of human suffering and misery are witnessed at the agency headquarters hospital at Parachinar where 14 victims of the mines dropped by the Afghan helicopter gunships in the border areas near Parachinar are being treated. Radio Pakistan Peshawar representative who visited the hospital says they are all local people belonging to the border villages and 13 of them are with one foot amputated. The stomach of one was ripped apart.

The medical officer in charge told our representative that in all, 21 victims had reported at the hospital so far since the 17th of this month. Seven of them were discharged after they were provided first aid. Fourteen are under treatment in the hospital. He said that one amputee had been shifted to Peshawar at his own request. The medical officer said the wounds caused by the mines were taking a longer period in healing as compared to other injuries. He feared that the explosive contained some poisonous material.

Talking to our representative all the 13 amputees gave their account as to what had happened. They said that while walking about some colored object touched their foot and exploded violently blowing the foot away. The victim with stomach injuries ran for shelter during strafing when he fell on the ground and was hit by mine. Another victim with the bandaged hand said that he picked up an object taking it to be a plastic toy bird and was hit by it with an explosion injuring his fingers.

CSO: 4203/21

U.S. ARMS AID, LOAN RUN COUNTER TO PAKISTAN'S INTERESTS

Rawalpindi TAMEER in Urdu 22 Oct 81 pp 3, 50

[Article: "American Aid--Doubts and Misgivings"]

[Text] Pakistan has signed an agreement with the United States according to which it will provide a loan of $3 billion to Pakistan over a period of 5 years at an interest rate of 14 percent. A major portion of the loan will be spent on the purchase of arms, and some will be spent for economic recovery. Action on this plan will begin from October, 1982. At that time, Pakistan will be supplied with F-16 planes on a cash-and-carry basis. According to the latest reports, some hitches have developed in the supply of these planes. But it is still believed that sooner or later the United States will supply these planes to Pakistan. Comments from different quarters have been issued on this matter. Any agreement has far-reaching effects for a country. Especially when the agreement is between a big and a small country, it becomes even more important. Usually the larger of the two countries benefits from the deal. Also, the breaking of the agreement and violation thereof is usually initiated by the larger country. Certain agreements are important for the sovereignty and protection of certain nations. For instance, Gambia had effected a treaty with a neighboring country, Senegal. As a result, Senegalese forces entered Gambia and annihilated the people who had taken over the government, and President Jawara, whose government had been overthrown, was restorer to power.

Similarly, Afghanistan has an agreement of friendship and cooperation with its neighbor, the Soviet Union. Under that agreement, Soviet forces are helping the Afghan forces deal with destructive elements as well as powers hostile to Afghanistan. If there had been no agreement between these two countries under certain articles of the United Nations, it is quite possible that the conspiracies of the imperialist countries would have succeeded, and the revisionist government of Sardar Daoud would have again been established in Afghanistan. In brief, agreements between two countries are usually of the utmost importance. They can by no means be taken lightly.

The economic and defense agreement that Pakistan has concluded with the United States is undoubtedly of great importance. Although it is Pakistan's position that the U.S.-Pakistan agreement is not against any country and Pakistan has a right to purchase arms for its defense, in today's fast-changing world, one simply cannot remain unconcerned about the situation in neighboring countries and on the international scene. The Government of Pakistan is certainly aware of the fact that

none of its neighbors--India, Afghanistan and Iran--welsomes the agreement. On the countrary, India and Afghanistan have expressed concern.

Although Iran's reaction has not yet been openly stated, the government in Iran, under the leadership of Khomeini, is pursuing policies of anti-imperialism, and it regards the United States of America as the biggest Satan ever. From this, it can easily be inferred what the reaction of Iran would be to this agreement.

Political changes are taking place rather rapidly on this globe. The feet of the United States are being uprooted everywhere. After the demise of the apparently unconquerable kingdom of the American agent Reza Shah Pahlevi, U.S. allies in the Middle East have been forced to desert. Recently, Kuwait cancelled a large arms order with the United States. Awareness of anti-Americanism is rising among the Arab people because of America's inordinate support of Israel, giving it a license to bully. It is a different matter that, contrary to the will and aspirations of people, the fate of Jordan is intertwined with that of the United States. But it will have to give up its friendship with the United States sooner or later. Because without that the Holy City cannot be liberated from the cluthces of Zionism, the Palestinian people cannot gain their right to self-determination and Israel: aggression against Lebanon cannot be stopped. Certainly under these circumstances, those countries who are raising the slogan of liberation from American imperialism will not be happy with the new economic and military relationship between the United States and Pakistan.

Pakistan, because of its circumstances, cannot bear the wrath of any country, especially of its neighbors, let alone deliberately invite such wrath. Pakistan is not self-sufficient in many areas and it needs modern technology to develop its agriculture and industry. Pakistan needs to make strides, especially in the area of nuclear energy, because the electricity being generated through conventional means is not meeting urban needs, let alone serving the rural areas. For the rural electrification of the country, the establishment of nuclear power plants has become an important requirement.

[Several illegible lines]

Because of the $3 billion agreement, say the commentators, an impression is being created in the world that Pakistan is drawing very close to the United States. The United States is a representative of the capitalist world, it has interests of its own and it has rivalry with the Soviet Union in every field. It is conducting a campaign to defile the name of the Soviet Union in the world by raising the issue of Afghanistan. Under these circumstances of Pakistan's increasing friendship with the United States, the Soviet Union will be forced to alter its relations with Pakistan. The Soviet Union has transferred to us modern technology for the establishment of Karachi steel mills and a thermal power station that, in spite of our military and economic ties, we could not get from the United States. The Soviet Union is a big country and is regarded as a superpower. To make friends with a power that is thousands of miles away and to alienate the one next door does not stand to reason. It is as clear as day that the United States never comes to the aid and comfort of its friends. In the past, rather than Pakistan because of the defense agreement in the 1965 war, the United States imposed an arms embargo on Pakistan and refused even to supply spare parts. We also had a bitter experience regarding that friendship in the 1971 war, when the United States turned into a

silent spectator. Except for providing for the legitimate or illegitimate needs of Israel, the United States has no record of fulfilling the exigencies of friendship. Therefore, the Pakistani people have no hope that the United States will play an important role in strengthening Pakistan economically or militarily. In fact, it is the United States that is preventing Pakistan from progressing in the nuclear energy field and is conducting a campaign of publicizing the so-called "Islamic bomb." On the other hand, the Soviet Union has been offering modern technology to Pakistan for generating electricity through nuclear energy and for the establishment of industries. And this offer still stands, even today.

Under these circumstances, we can easily guess with which power our friendship can be a source of difficulties. The rulers of Pakistan say that an aid agreement with the United States is crucial to national defense. Undoubtedly, nobody can quarrel with whatever steps must be taken for the national defense. But it is essential to understand that arms alone are not a guarantee of integrity and survival in today's world. If arms alone determined the defense of a country, then not a single small country would remain in existence. Nepal is a small country that has a small number of arms, and it borders a much larger country equipped with modern weapons, like India. But its integrity and sovereignty have not been threatened so far.

The borders of France toubh many small countries whose combined armed forces and arms do not equal those of France. But these countries are free and sovereign. The borders of Turkey toubh the Soviet Union. But Turkey faces no danger from the Soviet Union. Similar examples of many countries can be cited--countries that are far weaker than their neighbors and that not only exist but are progressing. Therefore, the stockpiling of arms cannot guarantee the integrity of a country. But it needs a good policy. You should not turn one country into an enemy by making another a friend. In nonalignment, the policy of noninterference with others' internal affairs and of peaceful coexistence is stressed. The foreign minister, Mr Agha Shahi, has himself said that the Soviet Union has given assurances that Pakistan will have no misunderstanding with the Soviet Union in regard to its independence, regional integrity and stability. As far as Afghanistan is concerned, it is the general consensus that it will take years for it to strengthen its revolution and build a new culture. Therefore, the question of any military action from Afghanistan simply does not arise. Besides, the Government of Afghanistan is trying to build better relations with Pakistan.

With Iran, too, relations have always been good, and they will continue to improve in the time to come. Therefore, there is no danger to the independence, integrity and stability of Pakistan. Therefore, the need for it to buy weapons by borrowing at the rate of 14 percent is greatly limited. Still the Reagan government wants to supply it with weapons. So it should be borne in mind whether this is in the interest of Pakistan. It certainly is in the interest of the United States, and the United States, in its own self-interest, sacrifices other countries.

9859
CSO: 4203/14

PRESIDENT SPEAKS OF ESTABLISHING ISLAMIC ORDER

Lahore CHATAN in Urdu 2 Nov 81 p 5

[Editorial: How Much Longer Do We Have To Suffer the Present State of Affairs?]

[Text] The President has said once again that "I will carry on my duties until Islamic order is established in the country. And unless every Pakistani becomes a good Muslim individually, a collective Islamic order is not possible." These words were uttered by the president 27 October in Char Sida before a gathering of people from all walks of life. Possibly he may have used different words, but the above words carry his thought.

We want the establishment of Islamic order wholeheartedly and we used to demand it, even when doing so invited the wrath of the authorities. Whenever the President said anything about the establishment of Islamic order we seconded and supported it for the simple reason that the establishment of Islamic order is our mission. But we have complained time and again about the modus operandi and the pace of the establishment of Islamic order. The government that establishes Islamic order in the true sense in our country will be popular among the people and will create a venerable place for itself in history. Now the question of when the reality of Islamic order will come to pass is on the lips of all and sundry.

In this age of speed a period of 4 years is not short by any means. If there is firm determination and true motivation, a lot can be done in a period of 4 years.

There has been an increase--not a decrease--in irregularities and crime. Bribery, nepotism and favoritism is as usual. The president himself has conceded that everybody is corrupt and nothing gets done without bribes. The truth is that nothing has been done by way of reforms. Under such conditions, how will each Pakistani become a true Muslim?

Docile masses follow their rulers sheepishly. To people, the rulers are those officers of the government with whom they have to deal in their day-to-day affairs. Bribery and the rate of irregularities in official and semi-official institutions, instead of decreasing, are rising. Inflation has made people's lives very difficult. Such is the state of law and order that people cannot sleep safely in their homes. Can every Pakistani become a good Muslim in such a climate?

Pronouncements and promises cannot fill anybody's stomach. If the sermons were effective, then corruption would have been nonexistent in our country. It is in the interest of the government to find out what people are thinking. The things that have made people's lives miserable are inflation, irregularities and crime.

Elements unfriendly to Islam are very cleverly propagating the notion that the miseries of the people are in reality "blessings of Islam." The question is, if the dissatisfaction exceeds reasonable limits, then what consequences will follow? The internal and external enemies of Pakistan are lying in wait to profit from any decline in dissatisfaction that may occur. The solution of the problem is not censorship but action. Islam alleviates the miseries of people. It is a message of death for murderers, hoodlums, the wicked, blackmarketeers, bribers and incompetents. If Islam is established, people will begin to breathe easier. They will be rid of their worries. To continue the state of uncertainty and restlessness and talk about continuing to carry out routine responsibilities is on activity that no longer has public support. People want a solution to their problems. If they had peace and tranquility, they would not want anything more.

9859
CSO: 4203/15

PRESIDENT CALLED ON TO END INDISCRIMINATORY CENSORSHIP

Lahore CHATAN in Urdu 2 Nov 81 pp 6-9

[Text] There was a meeting in the Jinnah Hall of Lahore. From Islamabad came Minister of Information Raja Zafar-ul-Haq to attend. The meeting was held to commemorate the Upheaval. The speakers created a big racket, touched upon the issues, made caustic remarks on the slowness of the establishment of Islamic order and made fiery speeches on the maladies of society. It is beside the point that all these remarks, all those demands and so forth resounded in the auditorium--but in reality they did not sink into the hearts and minds of the listeners. Here speakers say what they wish and the listeners listen to what they want. If they had an effect--if they found a place in our hearts and minds--then our destinies would change.

The minister of information said in his speech: "Inflation is a cancer." The audience, in one voice and spontaneously retorted: "Sir, it is censorship, it is censorship--not cancer." Then Jinnah Hall, which is named after the founder of Pakistan, reverberated with the slogan: "Curse, curse, censorship is a big curse." The minister, to silence the audience, in the style of a parliamentarian, said that he also agreed that censorship was a curse.

We felt that it was not the voice of the nation, not the voice of a minister, not the voice of the people sitting in Jinnah Hall, but the voice of Jinnah himself. It was the voice of our great leader. It was the voice of the founder of Pakistan.

On the occasion of this tumultuous meeting held on the anniversary of the Upheaval, our great leader appeared to me arriving, speaking--he actually came to the work of our sense, gave us guidance, and then departed.

I mention this only in passing. Our great leader comes to our minds as a fleeting thought. It happens every year. If the memory of our great leader were a permanent part of our psyche, then the shape of the country would be as he envisioned it. When our people became divided, the thoughts of our national leaders became divided, the rulers became divided, and in the final analysis, for the purposes of ruling the country they became divided as well.

We were talking about the censorship that is in force in Pakistan. It is the longest censorship in the history of the subcontinent. Initially, it was supposed to have been enforced for a very short period. But, traditionally, there has always been a discrepancy between saying and doing here. Now this discrepancy has become longer than the distance between heaven and earth.

From day one of the enforcement it has been said that the censorship is temporary. Times changed, people changed, the country changed, along with the country the rulers changed, the words of the rulers changed and the meanings of the words changed. Today the name of stalling is delay, the name of temporary is permanent, the name of permanent is temporary and the name of lie is truth.

Hey, noble rulers, you say that you wish to establish Islam--then tell us, with God as your witness, in which Koran it is written that Islam will be established through the force of censorship? Islam is truth and whenever it is enforced, it will be enforced with righteousness. True, you are righteous people, you are pious rulers, you're the embodiment of justice, you're the protectors of the country--then why don't you do what you say?

A year and a half ago you said that censorship would be terminated, newspapers would be free and there would be freedom of expression. Then you started saying that all this would take place "gradually." What is this "gradually?" There is a limit to doing things "gradually." This world will end gradually; the day of judgment will come gradually; prior to the day of judgment there will be rulers who will be precursors of that day. Tell us, exactly, what is going to be the duration of the censorship? Is it gradually going to go away as doomsday will gradually creep up on us?

Sometimes you say that morality will be the code of conduct for the journalists. Sometimes you're seen pondering over the code of conduct and sometimes you say that the code of conduct is for the criminals, not for the journalists. Now it is not clear what to believe.

We do not address you because we are your enemies. Your enemies are those who do not express their viewpoint to you. Becoming mute devils, they conspire underground against you. We consider conspiracy against the existing administration and the effective power in control as conspiracy against our nation. If those people who are the very caretakers of the country become victimized by this conspiracy, then it will be a disaster for our people and the country.

Similarly, it is our view that the breaking of promises will make the people disappointed in you. They will not trust you or follow you. We want the people to trust you, listen to you, believe in your promises, regard you as the embodiment of virtue and obey your commands willingly. We want people to pay you not just lip service but sincere respect.

As far as conspiracies are concerned, they are for enemies and traitors. We were against them yesterday and are against them today. Censorship is not the way to rid the country of the enemies of the nation. In this way, even your supporters will turn against you. And the world, regarding your government as weak, will not even speak to you, because only weak governments erect a wall of censorship around themselves. Only weak and cowardly rulers regard this wall as the wall of Alexander. But this wall is usually weaker than glass. A few splashes from a pen can crash it to the ground. By the grace of God, you're the soldier of Islam, you're the commander of the armed forces, you're the mainstay of this nation, you're the protector of the geographical boundaries of this country--and your heart should be big.

Instead of imposing restrictions on the newspapers, you should alleviate those causes that, by defacing the truth, present a distorted picture of events to you.

In today's newspapers, the president was quoted as saying in a speech that a handful of destructive elements of the country will be brought under control. Now we humbly ask him (and the president will forgive our boldness, in the tradition of Islamic caliphs) what purpose censorship can serve if it is imposed upon those frightened by a handful of destructive elements? Remove the restrictions imposed on the newspapers and then see for yourself how people get even with this handful of destructive jackasses and how quickly they become repentent of mischief-making.

The press of this country is asking you not for a handout but for its right. Freedom of expression is everybody's birthright and to suppress or take it away is tantamount to usurpation of divine right. By all means use your own rights, but do not usurp divine rights. Keep in mind always that the freedom provided by God must exceed the duration of censorship.

True, freedom of expression should have some limitations. Exceeding the limits is improper. People who write against Islam, the country and established laws, should have their hands chopped off. They should be hanged in public. But to put fetters on the pens and tongues of those who are the patriots and soldiers of Islam (out of fear of the mischief of traitors and the enemies of Islam) is a revolt against Islamic, moral and democratic traditions.

It the censorship were instituted to foil the plans of the enemies of Islam and the country, then it would be understandable, but as things stand now, the curse of censorship is on the entire country. The censors themselves are a victim of this curse. Their days and nights pass in massacring the writings of the journalists. They are too busy curtailing the editorials of the newspapers and magazines, defacing feature articles, chopping off headlines and destroying the efforts of the journalists. Now, let us be fair--all the journalists of this country are not traitors, dishonest time-servers, stupid, immoral and enemies of the country.

Do your actions not infer that the press is against you and the whole nation is against you? Therefore, have you decided to shut the mouths of everyone?

If that is not the case, and we are certain that it is not the case, then what is the reason for a long-term censorship, without exception, on freedom of expression?

It is our view that you should take another look at your decision. We think that you have not had much time to ponder this decision or you would never have made such a decision. You will not have much difficulty in changing your decision, though you may have taken it.

Change this decision and do it soon. You, the entire nation and the whole world regards censorship as a curse. Imposing this curse on the entire nation is not a good decision.

9859
CSO: 4203/15

BRIEFS

NAVAL OFFICERS MEET--Rear Admiral (Salim-al-Dros Oglu) leader of the visiting Turkish naval delegation today separately called on the commander, Karachi, Rear Admiral T. K. Khan and the commander of Pakistan Fleet Rear Admiral (Iftekhar A. Sirohi) in Karachi. He discussed with them matters of common interest. Later, the leader of the Turkish team visited various naval establishments. [Text] [BK261033 Karachi Domestic Service in English 1700 GMT 25 Nov 81]

QUETTA AIRPORT INAUGURATED--The runway of the Quetta airport, recarpeted and strengthened at a cost of about 30 million rupees to facilitate the landing of airbus and Boeing aircraft, was inaugurated by Defense Minister Mir Ali Ahmad Talpur today. Speaking on the occasion he said the present government is paying topmost attention to modernize the transport and communication system in the country. He said the government is modernizing air facilities at Pasni, Gavatar, Jiwani, Turbat and Urmara so that the interior of Baluchistan is opened up for better trade and traffic. Plans have also been prepared for the development of better airport facilities at Khuzdar, Sibi and (?Zhob). The minister announced a cash award of 100,000 rupees for the staff associated with the completion of the runway in a record period of 4 months. Later, the defense minister told newsmen that by buying a small quantity of military hardware Pakistan is simply exercising its fundamental right for safeguarding its ideological and geographical frontiers. About the airspace violation, he said Pakistan had taken a very serious note of it. About Pakistan's offer to India for a no war pact, the defense minister said it is in the Indian Government's interest to accept the offer as it would save India from spending billions of rupees on its arms buildup to the detriment of its own people. Referring to the Kashmir issue, he pointed out it had to be solved within the framework of the Simla agreement. [Text] [BK251218 Karachi Domestic Service in English 1005 GMT 25 Nov 81]

AMBASSADOR TO SEYCHELLES--The government has appointed Pakistan's ambassador in Kenya, N. A. Ashraf, concurrent as ambassador to the Republic of Seychelles. [Text] [BK240603 Karachi Domestic Service in Urdu 0600 GMT 21 Nov 81 BK]

PRISONERS APPEAL FOR BAIL--Members of Al-Zulfiqar organization and those charged with destructive activities who are in prison have applied in Military Court No 27 for bail. The court will hold a hearing on these petitions. Abdul Hamid of Bhakar, who was arrested under Martial Law Codes 31, 4, 18, 13, 8 and 33, said in his application that he was arrested 15 March and since he suffers from tuberculosis, he should be released on bail. Zafar Husain Zaidi, accused from Lahore who was arrested under Martial Law Codes 24, 48, 33 and 13, asked in his application that he be released on bail since all of his companions have been released on bail. Mohammed Hasan, owner of a printing press who was arrested 28 March for printing and distributing objectionable pamphlets, has also applied for bail. Mohammed Nawaz Rabani, who was arrested 28 March, is charged with distributing objectionable pamphlets. Manzur Ahmed, Mohammed Yakub, Shoukat Ali and Mohammed Amin Bhatti, who were arrested by Model Town Police under Martial Law Codes 6, 33 and 13, have also applied for release on bail. [Text] [Rawalpindi TAMEER in Urdu 21 Oct 81 p 2] 9859

CSO: 4203/14

END

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23 December 1981

South and East Asia Report

No. 1080

FBIS FOREIGN BROADCAST INFORMATION SERVICE

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NINE OF 13 CHARGED AS CROATIAN REVOLUTIONARIES FREED

Sydney THE SYDNEY MORNING HERALD in English 9 Oct 81 p 3

[Text]

Nine of the 13 men charged with training for an invasion of Yugoslavia were found not guilty yesterday after a record 10-day deliberation by the jury.

One man, 47-year-old Jure Maric, was found guilty of training the group in the use of weapons and in military exercises and will appear for sentence today at the District Criminal Court.

The jury was unable to reach a verdict on the other three defendants and Judge Thorley remanded them for further trial.

After the verdicts, the judge praised the jury, which had been locked up in the District Criminal Court in Darlinghurst for 10 days, including the holiday weekend. "Though it is not a record for a jury to be confined to the court during the duration of a trial," said Judge Thorley, "it is certainly a record time for a jury to be out on deliberation."

The 13 defendants had allegedly belonged to a group called the Croation Revolutionary Brotherhood and had allegedly been gathering to prepare for an invasion of Croatia.

They were arrested on September 2, 1978.

Maric, a printing engineer, of Fromelles Avenue, Seaforth, was convicted of having been present at an assembly of persons for the purpose of training them in the use of military arms and explosives.

He was also convicted of training the group in military exercises.

The charges were brought under the Commonwealth Crimes, Foreign Incursions and Recruitment Act which, the court has been told, deals with attempts by people in Australia to interfere with the government of another country.

The other 12 defendants were charged with allowing themselves to be trained in the use of arms and explosives for the purpose of committing an offence under the Act, and with allowing themselves be trained in military exercises.

The nine found not guilty were: Nikola Bikic, 39, of Bedford Crescent, Dulwich Hill; Zlatimir Beg, 45, of Pommeray Street, Homebush; Franco Bosic, 28, of Commonwealth Street, Croydon; Simon Franjic, 39, of Eggslock Street, Duffy, ACT; Bosko Jukica, 43, of Jeffrey Street, Canterbury; Andrija Lemic, 37, of Stewart Crescent, Melba, ACT; Stjepan Novinc, 32, of Belmont Street, Alexandria; Ivan Sacer, 36, of Ross Smith Crescent, Scullin, ACT; and Ivan Tomic, 35, of Meig Place, Blacktown.

No verdict was reached on the two charges faced by Jerko Kovac, 33, of Rosserdon Street, Fisher, ACT and Ante Nisivic, 38, of Tumbores Crescent, Blacktown, or on the second charge faced by Ante Saric, 33, of Fifth Street, Ashbury.

During the trial, Commonwealth police gave evidence that at the time of their arrest, some of the defendants had been dressed in military-style uniforms adorned with Croation insignia.

It was also alleged that some of the defendants had been carrying pistols, shotguns, rifles, knives, Army field radios, ammunition and detonators.

The Crown Prosecutor, Mr J. C. Burchett, QC, told the court that a document found on one of the defendants indicated an intention to promote an incursion into Yugoslavia.

But a number of the defendants gave evidence that the purpose of the gathering had been to make a documentary film. Some segments of film, seized during the arrest, were developed by police and shown during the trial.

They showed groups of men patrolling through dense bushland, lying on the ground and crouching around a map.

The defendants had been released on bail since committal proceedings in the lower court but, as each finished giving evidence in his own defence at the trial, he was taken into custody in the remand section of Long Bay Jail until yesterday's verdict.

CSO: 4220/6003

BRIEFS

QUEENSLAND OIL FIND--A significant oil flow has been announced from an exploration well in southwestern Queensland. The Delhi Petroleum Company says its (Jackson) No 1 well has flowed about 350 barrels a day. Delhi's exploration manager Mr (Hollingsworth) says the find is significant because the well is in a new area 1,200 km west of Brisbane near the south Australian border. Mr (Hollingsworth) says it will be some time before it is known whether (Jackson) No 1 well will be a commercial well but it is an indication of the area's potential. [Text] [BK241041 Melbourne Overseas Service in English 0830 GMT 23 Nov 81 BK]

SOUTH AUSTRALIAN OFFSHORE OIL--A new offshore oil exploration program is beginning in south Australian waters. Australian Occidental Petroleum is starting a well in the great Australian Bight, west of Port Lincoln. A total of 18 more wells are planned by exploration companies in the largely unexplored waters of the Bight. [Excerpt] [Melbourne Overseas Service in English 0830 GMT 24 Nov 81 BK]

FRG LOAN SOUGHT--The Federal Government is seeking a West German loan of A$117 million, that is U.S.$133 million. The treasurer, Mr Howard, says a final decision on the proposed Deutsche mark public issue will be made next month in the light of market conditions. Mr Howard said that consistent of Australia being a net importer of overseas capital, it was the Federal Government's policy to borrow from overseas on a moderate scale from time to time. This financial year the government intended to seek loans totaling about A$500 million. Last week, the treasurer denied reports that a treasury official was planning to visit Saudi Arabia to negotiate a Saudi Loan. [Text] [BK290909 Melbourne Overseas Service in English 0830 GMT 29 Nov 81]

JAPAN BEEF MARKET--Australia has told Japan of its concern at the erosion of its share of the Japanese beef import market. The minister for primary industry, Mr Nixon, called on the Japanese charge d'affaires, Mr (Tajima), to express the government's worries. Mr Nixon, who is to visit Tokyo later this month to discuss the issue, said that he would be raising it directly in the strongest terms with the Japanese ministers and officials. He said Canberra was particularly concerned that Australia's share of the Japanese market had fallen at a time when Tokyo's import of high quality beef from the United States was increasing. Mr Nixon noted that the settlement achieved under multilateral trade negotiations clearly gave Australia reasonable expectations of steady growth in the Japanese import of its meat. This was against the erosion now being witnessed, which if it continued, carried serious implications for the Australian beef industry. Earlier, in the wake of trade complaints from Australia, Japan announced that it was reducing the price of imported beef to boost the sale. [Text] [BK050932 Melbourne Overseas Service in English 0830 GMT 5 Dec 81]

CSO: 4220/120

'VOPB' REPORTS BATTLE NEWS IN VARIOUS AREAS

Wa District, Mong Yang

BK180310 Voice of the People of Burma (Clandestine) in Burmese to Burma 0030 GMT 18 Nov 81

[Text] Combat news: On 19 October, a people's mine attack in (Laung Tong Kyaik) in northern Wa District killed an enemy soldier from the military government's mercenary 3d Kachin Rifle Regiment.

On 4 November, a small unit of the People's Army attacked the military government's mercenary Kayah Rifle Regiment at (Wai Yang) in Mong Yang region. The attack killed six enemy soldiers including a mercenary officer and wounded four others. One pistol, 1 carbine, 2 G-3's, 1 M-18, 1 signal gun, 6 hand grenades, and 140 rounds of ammunition were seized from the enemy.

Mine Attacks in Kokang

BK210910 Voice of the People of Burma (Clandestine) in Burmese to Burma 0030 GMT 20 Nov 81

[Text] Combat news on guerrilla attacks in Kokang region: On 2 October, a small unit of the People's Army conducted an ambush against the military government's mercenary 4th Chin Rifles Regiment on (Lin Su) mountain, killing two enemy soldiers and wounding one.

On the same day, a clash with the enemy at (Lu Khin Su) killed three enemy soldiers and wounded one.

On 8 October, a people's mine attack at (San Kho Kang) in (Yawng Htong Kyeng) killed two enemy soldiers.

On 22 October, a small guerrilla unit of the People's Army conducted an attack on (Kyu Kang) Road, killing one enemy soldier.

On 25 October, a mine attack by a small unit of the People's Army on (Ta Kwan) mountain killed one enemy soldier and wounded another from the military government's mercenary 109th Light Infantry Regiment.

Shan State

BK220827 Voice of the People of Burma (Clandestine) in Burmese to Burma 0030 GMT 22 Nov 81

[Text] A 9-month battle report from central Shan State: Between 1 January and 30 September--a 9-month period--the People's Army fought 30 battles against the military government's mercenary army on the western side of Mong Kung-Lai-hka Road. Forty enemy soldiers were killed and 57 others were wounded in these battles. Thus the People's Army put 97 enemy soldiers out of action, and also seized 3 firearms and almost 400 rounds of ammunition. One military vehicle was also destroyed.

In the same period, guerrilla units of the People's Army fought with the military government's mercenary army on the western side of (?Tonglau)-(?Na-lang) Road six times. Ten enemy soldiers were killed and six others were wounded in the clashes.

Comprehensive account of battles fought jointly by the People's Army, the Shan State Nationalities Liberation Organization [SSNLO] and the Kayan New Land Revolutionary Council [KNLRC] in a 9-month period: Between 1 January and 30 September, combined units of the People's Army, the SSNLO and the KNLRC fought 49 battles with the military government's mercenary army in southern Shan State. In these battles, a total of 131 enemy soldiers were killed, 98 others were wounded and 1 was taken prisoner. Thus a total of 230 enemy soldiers were put out of action.

A total of 21 assorted firearms, over 700 rounds of assorted ammunition, 1 telegraphic transmitter and some other military supplies were seized from the enemy. A bridge used by the military government's mercenaries was also blown up and destroyed.

CSO: 4211/5

BRIEFS

PEOPLE'S ARMY ATTACKS IN KENG TUNG--Combat news: On 11 November a People's Army unit attacked the camp of the military government's mercenary force in (Yang Kha) on the Keng Tung-Mong Hpyak road, killing six enemy soldiers. Three carbines, 1 G-2, 1 Sten gun, 9 artillery shells, 180 rounds of ammunition and some military equipment were seized from the enemy during the attack. On 25 November, a People's Army unit launched a surprise attack against the military government's mercenary 1st Rifles Regiment camp in (Kaung Pha) near Keng Tung. According to initial reports, eight enemy soldiers were killed and two were taken prisoner during the attack. Two carbines, 2 G-2's, 2 G-3's, 1 G-4, over 1,800 rounds of assorted ammunition--including 2-inch mortar shells--hand grenades and other military equipment were also seized from the enemy. [Text] [BK041311 (Clandestine) Voice of the People of Burma in Burmese to Burma 0030 GMT 4 Dec 81]

APPOINTMENT OF AMBASSADORS--Rangoon, 7 Nov--The President of the Socialist Republic of the Union of Burma has appointed U Kyaw Khin as Ambassador Extraordinary and Plenipotentiary of the Socialist Republic of the Union of Burma to the Union of Soviet Socialist Republics.--NAB [Text] [Rangoon THE WORKING PEOPLE'S DAILY 7 Nov 81 p 8]

TO INDONESIA--Rangoon, 7 Nov--The President of the Socialist Republic of the Union of Burma has appointed Dr Bo Lay as Ambassador Extraordinary and Plenipotentiary of the Socialist Republic of the Union of Burma to the Republic of Indonesia.--NAB [Text] [Rangoon THE WORKING PEOPLE'S DAILY 7 Nov 81 p 8]

TO MALAYSIA--Rangoon, 7 Nov--The President of the Socialist Republic of the Union of Burma has appointed U Myint Aung as Ambassador Extraordinary and Plenipotentiary of the Socialist Republic of the Union of Burma to Malaysia.--NAB [Text] [Rangoon THE WORKING PEOPLE'S DAILY 7 Nov 81 p 8]

CSO: 4220/121-E

DELEGATION TO ATTEND U.N.-SPONSORED CONFERENCE IN CHINA

No Plan To Meet With Chinese Leaders

Jakarta HARIAN UMUM AB in Indonesian 16 Oct 81 pp 1, 2

[Excerpts] An Indonesian parliamentary delegation consisting of six members and headed by Dr. T. Iswari, who is a member of the Golkar [functional group] faction and the vice chairman of Commission VIII, is planned to leave for Beijing on 23 October.

Dr Tien Iswari informed newsmen of the visit on Thursday afternoon [15 October] after the delegation had met with Information Minister Ali Murtopo on the visit. He added that the delegation's sole mission was to attend the Asian parliamentary conference on population and development.

"The conference is taking place in Beijing, and we are attending it at the invitation of the United Nations Fund for Population Activities (UNFPA)," he said, clarifying that there was no plan for the delegation to meet with Chinese leaders.

The parliamentary delegation had been contacted by Daryatmo, chairman of Parliament, after the close of the first session of that legislative body.

"We have been given no other instruction. We shall only discuss world problems relevant to the conference agenda," he replied when asked what had happened during the meeting with Information Minister Ali that afternoon.

It appears that the six-member delegation will be accompanied by Djoko Sujono, head of public relations for the National Secretary of ASEAN [Association of Southeast Asian Nations].

Solons Comment on Visit

Jakarta HARIAN UMUM AB in Indonesian 17 Oct 81 pp 1, 8

[Excerpt] Drs Surjadi, the youthful member of the PDI [Indonesian Democracy Party] faction of Parliament, feels that naturally the best possible use should be made of both private and functional opportunities that concern developments within a nation. Surjadi gave this response when questioned by the KNI

[Indonesian National Committee] on Friday [16 October] at the Parliament building in Senayan in connection with the visit of the Parliamentary delegation to Beijing (China) to attend the population conference.

Since the conference is being organized by the UN, he said, that is by the UN Fund for Population Activities (UNFPA), the population problem is a fundamental one for us as UN members.

This is a basic and serious problem for Indonesia, and therefore, there is no reason why Indonesia should not attend this session. Moreover, it is necessary that Indonesia additionally be able to offer proposals on population policy and benefit from hearing and studying how other countries have solved their population problems.

The PDI faction secretary said that by abiding by the fact that RI-PRC relations are frozen, trade relations with China to date have been handled by third parties. Therefore the third party automatically reaps larger profits than either of the other two parties. Thus earnest consideration should be given to the best possible step to be taken with regard to effecting direct two-way trade.

"I believe there are many commodities that could be sold to China," Surjadi said. Surjadi, who sits as chairman of Commission X (research and technology), believes the delegation's visit by nature is a private as well as a functional one. The members' eyes will be opened by more accurate, up-to-date, first-hand information on PRC developments and personalities rather than having to rely on the articles and reports of other individuals who, of course, have views and interests which differ from ours, he said.

"We must have confidence in our own ability to be the eyes and ears on matters of interest to our people and nation," Surjadi said.

Meanwhile, H.M. Amin Iskandar, an FPP [Central Pantjasila Front] faction member, said the decision to send an Indonesian parliamentary delegation to Beijing actually placed Indonesia in an awkward position. On the one hand, Indonesia does not want to absent itself from all activities of world bodies since Indonesia is a member of those organizations. On the other hand, the selection of Beijing as the meeting place conveys undesirable political indicators.

The Commission I (foreign affairs and defense and security) member said it had been noted that a PRC delegation had come to Indonesia to attend an international conference conducted by UN in Yogya some time ago.

If the visit of the Indonesian parliamentary delegation is construed as a return visit, then the PRC strategy to break the freeze in diplomatic relations could succeed as was the case with the United States in using ping pong diplomacy.

In view of the situation, conditions, and present PRC attitude toward helping subversive communist parties in other countries, Amin Iskandar said, it is hoped that Indonesia will act cautiously in this matter.

6804
CSO: 4213/11

BRIEFS

INDONESIA FAVORED ON TIMOR INTEGRATION--Bangkok--The Vatican is convinced that integration of East Timor into Indonesia is the best means of assuring the development and progress of this former Portuguese colony. This statement was made by Indonesian Foreign Minister Mochtar following a meeting with Monsegnieur Pablo Puente, Apostolic Nuncio in Jakarta. The Apostolic Nuncio was heartened by the assistance that the Indonesian Government had given to Catholic community of East Timor. This community is not a member of the Indonesian Catholic Church. Last August Suharto, the chief of state, urged the church authorities to initiate measures for integration of the local church into the Indonesian Catholic Council. [Excerpt] [Paris LE MONDE in French 25 Nov 81 p 6]

CSO: 4200/9

SIHANOUK INTERVIEWED ON INTERNATIONAL RELATIONS

Paris POLITIQUE INTERNATIONALE in French Autumn 81 pp 161-176

[Interview with Prince Norodom Sihanouk, former king and head of state of Cambodia, president of the FUNCINCPEC (National Union Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia), author of the following publications among others, "L'Indochine vue de Pekin" [Indochina Seen from Peking], Le Seuil, 1972; "Chroniques de guerre et d'espoir" [Chronicles of War and Hope], Hachette, 1979; "Souvenirs doux e amers" [Sweet and Bitter Memories], Hachette, 1980, by Patrick Wajsman: "My Cambodia"]

/Text/ Patrick Wajsman: Your Royal Highness, in 1972 you wrote in a book, published in collaboration with Jean Lacouture, that Indochina would never be "Hanoizied" and that Cambodia and Vietnam could live in an atmosphere of good understanding. Was your prediction imperfect or were events unforeseeable?

Norodom Sihanouk: Events were rather unforseeable. Generally speaking, I do not really like prophecies. Because events always wind up giving you the lie and ridiculing you. You want proof? Even my excellent friend Jean Lacouture--whom you mentioned a moment ago--did not anticipate the horrors of the Khmer Rouge; and you undoubtedly remember the enthusiastic articles which he published at the time on this revolution whose barbarism he had not suspected. Well, he was wrong--a sincere man, a faithful man. Me, too. That is all. But allow me nevertheless to add that the extraordinary confidence which our friends of the European left have for so long been placing in the "pure, hard, and human" socialism of Pol Pot and his followers raised by hackles and surprised me.

PW [Patrick Wajsman]: But did you yourself not yield to this funereal illusion?

NS [Norodom Sihanouk]: That is true I, too, believed that the Khmer Rouge were good revolutionaries. I believed that my country would have great luck if, thanks to them, it were to manage to defeat American imperialism and the thoroughly rotten puppets of the regime of Lon Nol. Once again, I was only thinking of my people, as I have always done. Thus it seems to me today that the Vietnamese protectorate provisionally constitutes a lesser evil than a possible return to power by the men of Pol Pot. The vast majority of Cambodians by the way would react in the same fashion. Does this mean that we, my people and I, are pro-Vietnam? Certainly not. Does this mean that one should condemn us for the simple reason that we are forced to choose the lesser of two evils? Not at all. As you

can see, history does not always offer us a possibility to make our political choices and our preferences coincide. I repeat: yesterday I opted for the hope represented by the Khmer Rouge against the clique of Lon Nol who was controlled by Washington. And today I reject those same Khmer Rouge because there is no way out of their adventure. In both cases, I am guided only by the higher interests of my people. I was wrong once. Should I therefore persevere in error?

PW: What, in your view, are the optimum objectives of the men in Hanoi? Do you think that, after having grabbed South Vietnam, Laos, and Cambodia, they would like to go so far as to destabilize Thailand? In a word: what, in your opinion, are the geopolitical limits which Vietnamese imperialism has set for itself?

NS: Allow me, first of all, to make a brief remark. It is true that the Vietnamese have always been imperialists; and everybody recalls that, what later on became South Vietnam, used to belong to the Khmer empire. But do not forget that, although Hanoi's army today occupies my country, this is because the Khmer Rouge provided the pretext for it. It is the friends of Pol Pot who, from the very beginning, are responsible for the conflict between us and Hanoi. As far as I am concerned, I have always tried to make sure not to provide a pretext for the Vietnamese imperialists. At the time when I was in charge of the destinies of Cambodia, I deliberately pursued a policy of aid and friendship toward them. As you know, I greatly helped the Vietcong and the North Vietnamese in their struggle against the Americans. That was very carefully calculated. A kind of "patriotic calculation" which made me support the men whose victory over Washington seemed inevitable to me.

Lon Nol had put his money on the Americans; he was wrong, and that is the least one could say. I put my money on the Communists of Hanoi and I was right. I thought as a matter of fact that, by helping, I would win their recognition and thus preserve my country from their "appetite." Every year, on the occasion of Tet, I went to Hanoi. I stayed there several weeks. I discussed the future with the Vietnamese leaders and in the end I developed the deep conviction that those leaders were sincere and that what I just called my "patriotic calculation" was justified.

PW: Are you trying to say that, if you had remained in power, the Vietnamese would not have occupied Cambodia?

NS: You cannot remake history. But, in any case, my profound conviction deep down is this: if Nixon had not supported Lon Nol, the latter would immediately have fallen. I would have come back to power. Because Peking and Hanoi, at the end of 1970, were in agreement to reinstall me at Phnom-Penh at the head of a neutral Cambodia, knowing perfectly well that I would have pursued an equally friendly policy toward China and toward Vietnam. At the time, Peking was still supporting Hanoi against Washington; the Chinese-American honeymoon did not exist at that time. The scheme which I have just drawn for you thus was perfectly practical. This is why I believe that I can say without excessive vanity that my presence at the head of the Cambodian state would have made it possible to prevent the dramatic occupation which my country is now undergoing. Is that what you wanted me to say?

PW: Perfectly, Your Royal Highness. But Indochina is not only Cambodia. Are you thus thinking that your return to head the Cambodian state would also have made it possible to forestall the invasion of South Vietnam and of Laos by the troops of Hanoi?

NS: As for Laos, that is an entirely different case. Because the Pathet Lao had always been enfeoffed to Hanoi. Their victory over the Laotian right and left was a victory of the Vietminh, no more and no less. And the occupation of Laos by the troops of Hanoi in the final analysis only helped finish a development which already existed in the latent state. In other words, Laos had given up its independence to the benefit of the Vietnamese even before having been occupied by them. How can one compare this situation to the situation of Cambodia where the Khmer Rouge--regardless of their faults--have always been extremely independent with respect to Hanoi? I might add that Laotian and South Vietnamese emigration is very strong whereas the Cambodians remained rooted to their soil and desperately hold on to their land to resist the invader from Hanoi. No, really, there is nothing in common between the situation of Cambodia, on the one hand, and the situation of Laos and South Vietnam, on the other hand.

PW: If you would, let us please go back to my initial question, after this little side-trip. Do you get the feeling that the North Vietnamese leaders want to destabilize Thailand?

NS: As you know, the Vietnamese are gluttons but they are clear-headed. They know that their digestive capacities are not endless. This is why, in my opinion, they will completely try to absorb that undigested food represented by Cambodia before they attack Thailand. And that will take them many long years. Besides, the leaders in Hanoi are perfectly clear on the risk which they would be facing in invading Thai territory. They know that they would run into the same difficulties that Napoleon and Hitler encountered in Russia. They also know that the United States and the entire free world are behind Thailand. Finally, they know that Ronald Reagan has nothing in common with Jimmy Carter, the Soft, and that the man in the White House now is a man who would not fail to react if the regime in Bangkok were to have to yield under the blows of Vietminh imperialism. Because, then, it would soon be the turn of Singapore and the other Southeast Asian countries. Even Australia and New Zealand would no longer feel safe. And that obviously is not acceptable to Washington. But there is another obstacle to a possible destabilization of Thailand.

PW: Which?

NS: I am getting to that. In Thailand they have a communism which is fighting against the Bangkok regime. Now, that communism does not belong to the Moscow-Hanoi church but to the Peking church. That would also complicate the task of the North Vietnamese. Do not forget either that the soldiers of Hanoi, by invading Thailand, could not present themselves as the "liberators" where this is precisely the role which they assigned themselves by penetrating into Cambodia. Here is the trouble: in Thailand, there are no Khmer Rouge, there is no Pol Pot, there is no hated faction to be eliminated with the approval of the local population!

PW: Did not the Hanoi leaders nevertheless try to introduce a "fifth column" in Thailand?

NS: Yes, you are absolutely right. Today, in Laos, the occupiers from Hanoi are training militants of the Pathet Lao who speak Thai and who infiltrate Thailand. What makes the whole thing even easier is the fact that there are several million

citizens of Laotian origin in Thailand. There are more Laotians in Thailand than in Laos itself. And among those Thais of Laotian origin, there is obviously a very large number who are in favor of the Pathet Lao, in other words, of Hanoi and, indirectly, Moscow. In summary, I believe that the North Vietnamese leaders will eventually try to destabilize Thailand only after that country has been undermined from the interior by the "fifth column" we just talked about. But that is not something for tomorrow.

PW: That brings us to the Soviets. In your opinion, what is the degree of autonomy of the North Vietnamese with respect to the masters in the Kremlin? Are they not just the docile and servile puppets of Moscow?

NS: Not at all. The Vietnamese are extremely independent people. They are much more the accomplices of the Soviets, rather than their employees. The Russian will never get to be the boss of the Vietnamese. But it so happens that, for the time being, the objectives of the Russians and those of the Vietnamese coincide; both of them are concerned with blocking the way of Washington and Peking. It is as simple as all that.

PW: Simple--and dangerous.

NS: Very dangerous. Because the Russians, as you know, are extremely "present" in Indochina. Not only in Vietnam, where they are using the former American bases, but also in Cambodia. Why does nobody ever talk about the land, air, and even naval bases which the Soviets are building on Khmer territory?

PW: Do you believe that this "association of troublemakers" between Hanoi and Moscow will last a long time or do you expect, on the contrary, a reversal of alliances in the region?

NS: In my opinion, it will last for as long as the alternate solutions appear terribly chancy. Why, as a matter of fact, did the Vietnamese ally themselves with Washington? The Americans promised some "carrots" to the masters in Hanoi in case they agreed to be more cautious. But it was not in their interest to be cautious. Why did they renounce Cambodia and Laos? Moreover, there was never really anything between Washington and the Vietnamese communists. Let us therefore, if you will, drop the American option.

That leaves us with China. I do not very much believe in that hypothesis either. First of all, because China has a common border with Vietnam and because the proximity of such a powerful neighbor can only cause "frictions." Next, because there is strong racial opposition between the Chinese and the Vietnamese. The Westerners do not clearly perceive this aspect of the problem although it is essential. I would even say that, for the Vietnamese, it is easier to love the Russians than the Chinese.

PW: Let us go further. Do you not think that there are objective reasons which persuade the Russians and the Chinese not to want to settle the Cambodian problem? The Russians as a matter of fact are "exploiting" the war in Cambodia to keep Indochina tied to them; as for the Chinese, they use that conflict to denounce Vietnamese-Soviet expansionism.

NS: It is always difficult precisely to evaluate the dose of cynicism of the Big Powers. But in any case, even if the war in Cambodia objectively played into the hands of the USSR and China, this does not mean that Peking and Moscow are thinking of moving closer together. My conviction as to that became stronger with each of my long sojourns in Peking. As far as I am concerned, I never met a single Chinese who does not viscerally detest the Russians. Just as much as the Chinese have a natural inclination to love the Americans (I saw that for myself during Nixon's visit to Peking and that by the way made me very angry), so do they hate the Russians, just as much. This is a deep feeling which we would be wrong to underestimate.

PW: Do you believe thus in the perennial nature of the antagonism between Moscow and Peking?

NS: You know, I may be wrong, as I was wrong regarding Hanoi's expansionism. But, in all sincerety, I do not believe in reconciliation between Moscow and Peking. Once again, I am not thinking that the Chinese would ever manage to overcome their hatred of the Russians.

PW: Let us nevertheless image that Chinese-Soviet hostility is not irreparable. Do you get the feeling that such a rapprochement between Moscow and Peking would help the settlement of the Cambodian conflict?

NS: Yes, that is my feeling. Because if there were to be a compromise between the two giants, it would take place necessarily to the detriment of North Vietnam, whereas Cambodia could then enjoy a status of neutrality. It would move beyond the reach of the Khmer Rouge, supported by Peking, and the hold of Heng Samrin, who is manipulated by Hanoi and the Kremlin. But in this respect I would like to confide to you a little secret.

PW: I am all ears.

NS: Well, here it is. I often talked about these prospects with my best friend, the North Korean President Kim Il Sung (I am saying that he is my best friend because he is the only one who did not make his support for my cause to depend on this or that condition; the Chinese on the other hand spent their time trying to "sign me up" side by side with the Khmer Rouge). Now, listing the various ways to settle the Cambodian problem, I told him the following, in general terms: "Mr President," I told him, "you are a communist and you manage to maintain good relations with Peking, without the USSR taking umbrage--why did you not intervene in this affair? Why are you not using your position as an arbiter between the churches of Peking and Moscow to try to settle the problem of Cambodia which precisely is the crossroads at which these three churches face each other? In a word: why do you not propose to the Soviets, to the Chinese, to the representatives of Hang Samrin, and to those of Pol Pot, to meet in Pyongyang, under your chairmanship, in order to end the sufferings of the Khmer people?"

PW: In other words, a conference attended exclusively by communists.

NS: Yes, of course. It is much easier for a communist to make other communists understand that any quarrel between communists is necessarily counterproductive!

Kim Il Sung thus could have proposed that a realistic compromise be worked out: a neutral Cambodia, directed by a national reconciliation government which would have brought about coexistence between a pro-Chinese wing, a pro-Soviet wing, and, in the middle, a chief of state who controlled the whole thing.

PW: You, my Lord?

NS: Yes, I. In any case, for a provisional period of time.

PW: Your suggestion apparently was not received with enthusiasm.

NS: For the simple reason that Kim Il Sung, who is not so young any more, did not want to commit himself to so complex an undertaking. His essential concern as a matter of fact is the reunification of the two Koreas and he wants to devote his best energy to this historical task and to it alone. I can certainly understand that.

PW: So, what to do now? How can one help you? Because China would like to tie you to the Khmer Rouge and the USSR is hostile to you, is there any hope from the Americans now?

NS: I told the Americans that they should help me establish a big Sihanoukist army --which would have been easy, considering the extraordinary popularity I retain in Cambodia. A big army intended not to crush the Vietnamese occupiers (which is impossible) but at least to make their life unbearable. Unfortunately, they did not listen to me. During the term of Jimmy Carter, I went to Washington. I talked to the people in the State Department and I tried to make them understand that their interest and my interest coincide henceforth. But--I repeat--they gave me to understand that my mission was useless and that America, by giving me assistance, would be committing a kind of political suicide.

PW: Jimmy Carter--and everybody knows that--never stood out by virtue of his political lucidity. But what about Ronald Reagan? Do you have any contacts with his administration?

NS: None, except through Intam, the former premier of the Khmer Republic; he participated in the coup directed against me in March 1970; later on he again became a Sihanoukist. Well, if I am to believe Intam, there is nothing to be expected either from Ronald Reagan.

PW: Whom are the Americans putting their money on in Cambodia? What is their "card" --if you allow me to use that expression?

NS: It is a very sad thing to say but their "card" is the Khmer Rouge army. The men who are in power in Washington think that only the soldiers of Pol Pot are capable of making the Vietnamese retreat.

PW: Do you not think that the Europeans could help give the "Sihanouk card" credibility?

NS: Undoubtedly. But that would not be easy because I must say that many of them, in the foreign offices, did not help me much. First of all, because my backbone is not flexible enough; and then because I do not shoot my mouth off easily and have no susceptibilities whatsoever; finally, because I happen to be proud and sometimes even haughty. You know, people above all appreciate those who flatter them, polished, neat, and courteous people. This is why Son Sann[1] is so appreciated today. The Anglo-Saxons call him "Mr Clean." And, after that, what? In spite of his niceness Son Sann does not have the charisma that would enable him to electrify the masses, to rally them around his name and to get things moving again. People are beginning to realize that now. I might add that the Cambodian intellectuals, who are in exile in Paris or elsewhere, too often present a distorted image of what I continue to represent for my people. Now, these intellectuals are uprooted individuals who no longer have any contact with the real situation in Cambodia and who stupidly and gratuitously keep demanding: "Take Son Sann, take even the Khmer Rouge, but above all, do not take Sihanouk!" How, under these conditions, could you expect the Europeans not to wind up considering me a plague?

PW: Would you nevertheless go so far as to say that the problem of Cambodia is best understood by the French now that Francois Mitterrand is in Elysee Palace?

NS: As you know, I was received by Mr Cheysson whom I found extremely receptive. Your foreign relations minister even told me that Mitterrandian France was dreaming of serving the cause of Cambodia. Of course, the French government could not take the risk of exposing itself too much by playing the "Sihanouk card"; but, overall, the France of Mitterrand does not seem to me to be any more inclined to help us than the France of Giscard. I had proof of that during my last meeting with Jean Francois-Poncet under the presidency of V.G.E. [Valery Giscard d'Estaing]. Claude Cheysson's predecessor at that time first of all warned me and asked me please not to undertake anything from French territory which could alter French-Soviet or French-Vietnamese relations. For example, recruiting an anti-Hanoi army. That, you will agree, was a rather disappointing beginning! I must admit that the socialist France of Francois Mitterrand, in spite of the inclusion in the adminiatration of communist ministers lined up with Moscow--no matter how profound my aversion to communism in all of its forms may be--seems less inclined to go along with the Kremlin and its allies than the France of Giscard.

PW: But are you not afraid that the influence of these communist ministers in the end would confuse our perception of the real situation in Indochina? After all, in reading L'HUMANITE, we can see that the PCF [French Communist Party] continues to deny any Vietnamese expansionism and keeps on analyzing the painful events experienced by Southeast Asia as just so much falloutfrom "French colonialism" and from "American imperialism!"

NS: French colonialism, that poor chap, has absolutely nothing to do with our difficulties! As I just indicated to you, Claude Cheysson is dreaming of "rendering a service" to Cambodia; but we are dreaming of the French colonialism of the good old days! And when we compare it to the current situation, that colonialism inspires us with nostalgia. I am--I believe--very well placed to talk about this because I fought against it at that time. But everything is relative. To answer your question clearly, I would simply say this: who still takes L'HUMANITE seriously, including among the members of the PCF? As for Georges Marchais, he is really funny!

PW: Since we are making judgments on individuals, I would like you to tell me who, in your eyes, are the European political leaders who best understood the Indochinese problem in general and the Cambodian problem in particular?

NS: I really respect only two men: General de Gaulle, whose speech at Phnom Penh was entirely prophetic, and Pierre Mendes-France who thanks to the 1954 Geneva Conference gave us several years of peace.

PW: And what about the American politicians?

NS: Nobody. There is not a single American who understands Cambodia. Except perhaps for Mike Mansfield who is currently ambassador to Japan. I am sorry he did not continue to remain a senator because in that job he could have continued to render us infinitely more services than by displaying his diplomatic competence in Tokyo. Mansfield was always one of the few men to maintain that Washington must not abandon Sihanouk. Is that not a sign of extreme lucidity?

PW: Let us get back to the specific problem of Cambodia. Under what conditions would you agree to take over at the head of a broadened front? Furthermore, if this were to materialize, do you think that such a front should include the Khmer Rouge or that, on the contrary, it should isolate them? In short, facing an apparent situation of deadlock, what would you suggest to give peace in Indochina some chance, even a minimum chance?

NS: You are quite right in asking me this question because--as I just reminded you --so far our attempts have not been fruitful; neither Kim Il Sung, nor the Americans, nor the Chinese have constructively responded to our appeals. We must therefore find something elese and explore all possibilities--as a matter of fact, there are three of them--which are available to us. And when I say "us," I am obviously talking about the Cambodian people.

First of all, we can dream of a "Third Force," a sacred union movement rallying all Cambodian nationalists (the partisans of Sihanouk and of Son Sann)[2] and excluding, on the one hand, the Khmer Rouge, and, on the other hand, the "nazi-style governors" of the Soviet-Vietnamese. By that I mean the men of Heng Samrin, the puppets who are in power in Phnom Penh. It goes without saying that, to be really effective, this Third Force would have to be aided militarily by the United States because China in all probability would continue to arm and finance Pol Pot and his friends.

I must say that this scheme becomes all the more critical as the Khmer Rouge, within the next 2 years, will see their international legitimacy eroded. In particular at the UN, where they still, as you know, hold the seat for Kampuchea.

Out in the field, we thus have two distinct forces: the force of Pol Pot and our force, fighting parallel against the Vietminh invader.

PW: Does that mean that a victory over the forces of Hanoi seems possible to you?

NS: Frankly, no. The Vietnamese, who have managed to defeat powerful America, are not parade-ground soldiers. And Washington knows that only too well. If

the scheme I just talked to you about should materialize, its international impact would be such that the leaders of Hanoi and the Kremlin would probably be forced to participate in a conference of the Geneva 1954 type. This is precisely what we want. Perhaps Mendes-France--who gave us every opportunity--could symbolically sponsor such a conference.

PW: Why not, as a matter of fact? But, Your Royal Highness, let us take up the second possibility which also seems to you to be capable of getting the situation moving again.

NS: The second option appears much more repugnant to me but we must also contemplate it because that is what Washington and Peking want and I do not know how completely to reconcile the desires of those two giants. This would involve setting up an enlarged front, this time consisting of the Cambodian nationalists and the Khmer Rouge. On that assumption, the United Front and the coalition government which would see the day would no longer be two-headed with the Sihanoukists and the Son Sannians --but three-headed since they would make room for the friends of Messrs Pol Pot and Khieu Samphan[3]. The only trouble is this: this simply would not fly. First of all because the Khmer Rouges, who feel that they have things going their way and who are gaining ground with every passing day, do not want to yield anything to Sihanouk and Son Sann. Khieu Samphan even wrote to me recently to let me know that he did not have the slightest intention of meeting me and that the idea of a possible coalition with me was totally out of the question! As for Son Sann, I received him here, at Mougins, early in August; he came to see me under pressure from the United States, from ASEAN, and some other countries, but the political result of our meeting was not much to write home about. Son Sann wants to build a coalition including his own supporters and the Khmer Rouge but without Sihanouk or rather with the distant support of Sihanouk but not with his participation. This is not very realistic, is it not?

Besides, Son Sann and the Khmer Rouge do not even manage to understand each other. They disagree already on the distribution of powers and authority within a future government. Son Sann wants to distribute jobs as he pleases and moreover demands that the Khmer Rouge chieftains--Pol Pot and a few other executioneers of the Cambodian people--immediately go into exile in Peking or somewhere else. So you see, in moral terms, Son Sann is rather right; but in practical terms he is not! How would you, under these conditions, have the Khmer Rouge, Son Sann, and me get together to lay the foundations for a tripartite coalition? That is chimeric.

PW: I agree, this is not very simple. But does that mean that this tripartite union project is definitely out?

NS: In theory, it could work, Provided, however, it follows two simple principles:

(1) Creation of a united tripartite front with a president who would be Sihanouk and who would also be the chief of state (but a purely "honorary" chief of state);

(2) Establishment of a likewise tripartite government in which the portfolios and responsibilities would be equally distributed and whose premier would be Son Sann.

PW: And what would become of the Khmer Rouges in this nice little structure?

NS: Well, I repeat, they would 33 percent of the ministerial posts. And Khieu Samphan, for example, could become vice premier or vice president of the republic.

PW: In all sincerity, you do not very much believe in that possibility.

NS: That is true, except if the Chinese, the Americans, and ASEAN put pressure on Khieu Samphan and Son Sann.

PW: You just mentioned to me three schemes. Now, if I am not mistaken, so far you have only mentioned the first two.

NS: The third scheme is not a particularly happy one either. But I must mention it to complete our conversation. Since Son Sann is with each passing day losing a little bit of his credibility and since his money suppliers are beginning to become aware of his ineffectiveness, some people certainly might advance the following suggestions: Sihanouk for president of a Khmer Rouge state.

PW: Indeed, a two-way alliance between you and the supporters of Pol Pot? In other words, without Son Sann.

NS: You understood me perfectly well. But I must tell you that, in this case, my people would very probably condemn me. And this would take place in spite of the capital of popularity I still have in Cambodia. This is why the idea of a three-way front seems preferable to me.

PW: Would your most loyal followers agree to a real get-together between Sihanouk and Pol Pot:

NS: Well, they would not be happy, that is obvious. But it so happens that some of them are increasingly forgetting the attrocities committed by the Khmer Rouge and, looking at the do-nothing attitude of Son Sann, they push me into going forward and sacrificing everything for the liberation of our fatherland.

Moreover, if I were to accept this type of two-headed alliance, the risk of having some day watch the Vietminh grab the seat of Democratic Kampuchea in the UN would definitely disappear. That would certainly be worth something.

PW: Pardon me for being so direct, but how could you hope to "throw your weight around" in facing the Khmer Rouge in such an unequal alliance?

NS: You know, I do not at all believe that the Khmer Rouge could ever again become the absolute masters of Cambodia. Not because of the "Sihanouk obstacle" but more simply because I do not see how the Vietminh could be defeated in the field. Consequently, asking whether Sihanouk "would be able to throw his weight around" in dealing with his Khmer Rouge allies after a common victory over the Vietnamese troops is something like a school hypothesis!

One thing is clear and that is that Hanoi would never agree to have the supporters of Pol Pot come back to power. For an evident reason: that would mean that Cambodia

has once again become a satellite of China. The truth is that, if the Vietnamese, in support of a political compromise, were to find themselves forced to evacuate my country partly, they would nevertheless continue to exercise their influence in it. As a matter of fact, at best, the Khmer Rouge and the Sihanouk supporters could only weaken the Vietnamese army, not defeat it. Under these conditions, why would you want the leaders of Hanoi to drop the idea of dictating the terms of a compromise which would be favorable for them?

PW: If I understand you well, you think that the idea of a totally independent Cambodia is a thing of the past.

NS: I am afraid so. At best, the destiny of Cambodia is delivered up to the double influence of Vietnam and the Pol-Potians. Or, if you prefer, that of the Soviet-Vietnamese, on the one hand, and the Chinese, on the other hand.

PW: All of this is not particularly encouraging. Is there not some political or military circumstance that could make it possible completely to relieve the Cambodians of the presence and influence of the Vietnamese?

NS: Think of the example of the Negus. He was exiled; he had lost everything and still World War II and the defeat of Italy offered him an opportunity to come back to power and to restore an independent state. After having expressed my pessimism or realism, I must confess that nothing in life is ever definitely lost. Irreversibility is only a matter of dreams.

PW: Your thinking is beautiful and deep. But you are not thinking that only a major conflagration could bring us an independent and sovereign Cambodia! You are not wishing for a third world war!

NS: That is not my wish quite obviously. But what have we to lose--those of us who have lost everything?

PW: In your opinion, should one estimate the liberation of Cambodia in a matter of years or decades?

NS: Why talk in terms of the calendar? I am happy to dream of a planetary Yalta between the three big powers, a kind of reshuffling of the cards which at last would offer my people a chance to breathe more freely.

FOOTNOTES

1. Son Sann, president of the FNLPK (National Liberation Front of the Khmer People).

2. In this setup, Norodom Sihanouk would be a protocolary head of state and Son Sann would be premier.

3. Khmer Rouge premier.

5058
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COURT REVEALS OFFENSES COMMITTED BY REPATRIATED THAIS

Vientiane VIENTIANE MAI in Lao 3 Sep 81 pp 2, 4

['Talking Together' Column: "A just Policy" by S. Thip Thiangchan]

[Text] On 27 August 1981 the Vientiane People's Court deported 26 Thais who had committed offenses. Each one was arrested in Vientiane Province but for different crimes. But from the completed investigation and the confessions of the defendants themselves all had violated the laws of the LPDR in four ways:

1. Entered the country illegally
2. Disrupted the peace and safety of the Lao people and committed petty theft
3. Sought to induce Lao people to flee their country
4. Smuggled goods into the LPDR

The shameless arrogance of the defendants demonstrates their intention to destroy the peace and safety of the Lao people, wreck the Lao national economy and serve the schemes of the imperialists, the international reactionary forces, and the extreme right reactionaries in the Thai power circles.

On the subject of the offenses of this evil group, legally speaking, they should be imprisoned from 1 to 3 years and fined 3,000 to 5,000 kip apiece. Although they violated the LPDR laws under the just policy of the LPDR party and government they are pardoned from the penalty of prison and fine. The Vientiane Province People's Court decided only to expel them from the LPDR to their country of origin. Nong Inthavong, who spoke at the repatriation proceedings, said "The 26 Thais have violated the laws of the LPDR, and disrupted the economy and political situation in Vientiane Province in many ways. Because of their deeds, they were arrested by the Lao people and public security officials, investigated, arraigned in court and tried under the nation's laws. After the court trial and confessions, it was evident that the group had indeed violated the regulations and laws of the LPDR. To pursue the LPDR government policy of equality in its fraternal reighborly relations with Thailand, and a humane policy, the Vientiane Province Court gave the verdict of expulsion from the LPDR with no payment of fine."

This action of the Vientiane Province Court was entirely proper because it is in harmony with the policy of justice of the party and government and the will of the Lao-Thai people who have had a friendly relationship since ancient times. It also shows clearly the humanity of our government, even in the policy of pardoning those who are misled, regardless of their being aliens with evil intentions against us.

In a policy of justice and friendship toward close neighbors of the LPDR, at all times our government and people have acted fairly but our enemies are the international reactionary imperialists and all other reactionary powers. They have never respected [us]. On the contrary, they have used every strategy to destroy our new regime in many ways, so it is in the case of the Thai mentioned above. This proved clearly that all these actions were a plan of deceit to destroy our new regime according to the insane intentions of the Chinese great-nation expansionist hegemonists, who conspire with the American imperialists to use the extreme right reactionaries in Thailand using bad Thais as their tools. They coordinate and participate with the Lao exiled reactionaries, who have military bases in Thailand, to infiltrate, destroy and threaten us directly, in their work inside our nation. Their intention is to weaken our solidarity and ruin us and then they will swallow our nation according to the last testament of Mao Zedong. Therefore, we must be alert and prepared completely at all times, firmly with every type of national defense force and public security force against all the tricks of the enemy, advancing the growth of the Lao socialist nation for permanent prosperity.

9615
CSO: 4206/4

LABOR UNION FAULTED FOR POOR RECRUITMENT EFFORTS

Vientiane HENG NGAN in Lao 8-15 Jul 81 pp 1, 12

[Excerpt] The expansion of membership in trade unions is a necessary demand. It is the objective of the socialist direction of our party. It is the function that supports the dictatorship of the proletariat. Every nation that is building socialism must make trade unions into a strong force, but this is difficult. This the problem of increasing the membership of the trade unions. We must develop them speedily. Then the working class will unite and expand their rights to mastery of the nation, as the labor force they will carry out the political duties of the party successfully.

The expansion of the rank and file of union membership has occurred in the machine shops, factories, mills, hospitals and vocational schools. Agricultural settlements and other production sections have had union members. Basic union sections have established union committees in many places. Of 100 workers, 50-60 percent are union members. Some units have more. At the same time, publicity for expansion has proceeded well and rapidly. Many new members have been recruited at the same time. All the workers clearly understand the role of the labor union organization. For this reason they have been bold and willing, voluntarily joining the union. Therefore, at present the rank and file of union members has expanded quite adequately. However, this is an initial expansion and we view the need here, and it is not adequate. We must improve many facets of our understanding and knowledge on this question of growth. We believe that it is a weakness that we must look at and seek methods of solution. Before all else we must understand that the trade union is a mass organization to rally social classes of the unions and working people. If we do not all unite, the workers who love their country and the new socialist regime may not want to become trade members. We do not yet know essence of and have not yet firmly grasped the role of the trade union organization. Addressing the workers who have not yet become union members, they have not showed responsibility toward their social class, that is, the workers. We need to correct this quickly. We must correct the lack of awareness. In some places recruitment of union members in a whole year has not reached ten persons. Expanding any area is making a serious choice. Workers who recognize the role of the union and sent in written applications for membership months ago, have not yet been recruited. Worse still, in some production bases hundreds of workers have applied for union membership, but [only] three or five persons are accepted each time. Some people have not applied again. Some places have hundreds of workers but the cadres and union members do not pay attention to mobilization propaganda to induce them to be aware and become union members. They are left outside the organization of the workers' social class. They have not received the instruction and the tempering from the union organization, which is established to unite the workers' social class as a school for the new socialist Lao people.

9615
CSO: 4206/4

BRIEFS

PHIANG DISTRICT POPULATION--Phiang District is one of the seven districts of Sayaboury Province. This district is 30 km southwest of Sayaboury. It has a total population of 19,716. There are 3,381 households, 68 villages, and 5 contons. [Excerpt] [Vientiane SIANG PASASON in Lao 27 Aug 81 p 3] 9615

SAVANNAKHET POPULATION--Savannakhet Province has 7 districts, 110 cantons, 1,390 villages, and 459,000 people. [Excerpt] [Vientiane SIANG PASASON in Lao 1 Sep 81 p 2] 9615

BANK LOANS TO COOPERATIVES--From the beginning of 1981 to the present the Vientiane City-Province Bank sent its credit officers every week to agricultural cooperatives in various areas of Vientiane Province to encourage and advise on methods of applying for loans from the bank, especially those cooperatives that were facing difficulties in capital for use in production. After six months of their operation the Vientiane Province Bank authorized the agricultural cooperatives and various agriculturel production sections to borrow 3,733,570 kip. This helped solve the difficult problems of the agricultural cooperatives, such as opening up land, draft power, materials and other necessities used in agricultural production. It also motivated the people in the annual rice cultivation to achieve the estimated goal successfully. [Text] [Vientiane HENG NGAN in lao 8-15 Jul 81 p 2] 9615

COFFEE FACTORY PRODUCTION--In the first six months of this year the workers in the factory producing powdered coffee, which is under the Vientiane Province Industry and Trade Service, put forth tremendous effort in enthusiastic production. During this period they were able to achieve a production of 6,556 kg of No. 1 coffee, 1,600 kg of No 2 coffee, and 150 kg of special coffee. [Excerpt] [Vientiane HENG NGAN in Lao 1-7 Jul 81 p 2] 9615

CSO: 4206/4

FUJIAN YOUTH CONFERENCE MEETS, URGES COORDINATION OF CHINESE GROUPS

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 9 Aug 81 p 4

[Article: "Fujian Federation Youth Section Delegates Conference Asks the Fujian Federation To Hold a Conference of Chinese Political Parties and Chinese Associations and To Establish a Coordination Council, Establish Minimum Guidelines of Unity, Protect the Rights of Chinese Descendents Together"]

[Text] The Malaysian Fujian Federation Youth Section's Standing Member Delegates Conference today asked the Fujian Federation to call a conference of Chinese political parties and Chinese associations, establish a coordination council, establish minimum guidelines for unity of the Chinese political parties and associations to protect the rights of the Chinese descendents together.

The conference unanimously passed a resolution opposing the 1981 revised law of assembly and asked the government to abolish or revise some unreasonable articles to assure the freedom of assembly and speech by the people under the Constitution.

Support the Fujian Federation Holding Company in the Issuance of Stocks for Purchase by People of Other Native Origins

In addition, the conference also decided to allow the Fujian Federation Holding Company stocks to be purchased by people of other native origins when it discussed the stockholdings of the Fujian Federation and it assigned four delegates of the Fujian Federation Youth Section to participate on the board of the Fujian Federation Holding Company to help promote the stockholdings.

Chairman of the conference, Liu Guiming [0491 2710 2494] said as he mentioned the stockholdings of the Fujian Federation, applications for stocks have already been approved by the Central Bank.

But, he pointed out: The Fujian Federation has been slow in pushing forward the work of the holding company.

Head of the administrative organ of the Fujian Alliance Youth Section, Dato Huang Meicai [7806 5019 2088], believed the Fujian Federation Youth Section should send four delegates to participate in the board meetings of the Fujian Federation Holding Company to inject some life into the organization and to help promote the stockholdings.

The Second Conference of Standing Members of the Second Congress of the Youth Section of the Malaysian Federation of Fujian Organizations was held this morning at 10 am at the auditorium of the Selangor Chinese Independent High School. Chairman Liu Guiming presided over the conference.

The conference had earlier unanimously accepted and passed the agenda and the financial reports of the section.

Deputy section leader of Fujian Federation Youth Section, Zheng Yatong [6774 0068 6639], thanked, in his closing remarks, the Chinese Independent High School principal, Chen Shunfu [7115 7311 4395], for his arrangements and the lunch and dinner honoring the officials of the Fujian Federation.

Resolutions Passed

The following are the resolutions passed by the Second Conference of the Delegates of the Standing Members of the Second Congress of the Fujian Federation Youth Section:

1. Oppose the 1981 revised law of the assembly and request the government to abolish or revise some unreasonable articles to assure the freedom of assembly and speech of the people under the constitution.

2. Social Resolutions

a. Request the Malaysian Federation of Fujian Organizations to call a meeting of Chinese political parties and Chinese associations, to establish a coordination council which cooperatively would establish minimum guidelines for unity of the political parties and Chinese associations to protect the rights of Chinese descendents.

b. Urge the police to stop the rampant use of narcotics and strictly prohibit the publication of pornographic materials and the sale of pornographic video tapes.

c. Urge the government to give equality to all citizens of every race in politics, economy, education and culture, and while helping a certain race to increase its economic status and educational opportunities, the government should not practice favoritism and strip the citizens of other races of their rights.

3. Educational Resolutions

a. Urge the government to act according to the memorandum proposed by Chinese social, cultural and educational organizations when implementing the 3M plans to assure that the Chinese elementary schools will not change in nature. At the same time, the number of hours of English classes given each week at Chinese schools should not be reduced.

b. Scholarships Should Be Distributed Fairly and Reasonably to Qualified Poor Students of Each Race

c. Urge the nation's Chinese compatriots and Chinese organizations to take action by providing materials and economic support to help the development of Chinese

independent high schools, such as sending children to independent high schools to receive education and to hire graduates from independent high schools.

Urge the fair and reasonable distribution of federal government scholarships to qualified poor students of each race.

Summary: According to statistics, in 1979, federal government scholarships were given to 6,958 persons, the natives (bumiputra) constituted 96 percent, the Chinese constituted 3.1 percent, the Indians constituted 0.8 percent, other races constituted 0.1 percent. The above distribution has caused a serious discrepancy.

Urge the Ministry of Education to continue to conduct teacher training classes using Chinese as the intermediate language.

Urge the government to allow our nation's Chinese citizens to have the opportunity to receive complete education in an educational system from elementary school to university in their mother tongue.

4. Cultural Resolutions

a. Urge the Fujian Federation to implement reform of all Chinese traditions and customs that do not suit the times, such as extravagant celebrations of marriage, birthday parties, anniversaries and mourning of the deceased.

b. Urge the government to treat the use of languages of each race equally, such as allowing Chinese to be written on gateways, displays, signs and road signs, and to increase Chinese language television programs, eliminate bad Chinese language radio and television programs.

c. Urge the nation's Chinese associations to encourage members to purchase and read the works of our nation's Chinese authors.

Summary: This is because the works of Malaysian Chinese writers have not received popular support from the Chinese society.

Method: The Fujian Federation should write a letter to the nation's Chinese associations to ask members to enthusiastically support the works of Malaysian Chinese writers.

5. Economic Resolutions

a. Exert all efforts to support the Chinese associations to push forward and organize large enterprises to enter the economic realm and to solidify the economic foundations of the Chinese descendents.

b. Urge the government to give the authority of selling low priced housing to private developers.

Minutes:

Ask the Fujian Federation Youth Section to pay attention to the development of stockholdings of the Fujian Federation.

Summary: Its achievement directly affects the reputation of the compatriots of Fujian.

Urge the Fujian Federation to reserve a fixed number of stocks when soliciting shares for stockholding so that members of each unit subsidiary to the Fujian Federation Youth Section can buy the stocks.

Summary: This is to encourage young compatriots to participate in investing in large enterprises and to elevate the economic status.

Method: The reserved stocks should be promoted by each subsidiary section so that members can purchase the stocks.

Urge the Fujian Federation to appropriate more scholarship loans to help compatriot children to further their education.

Urge the Fujian associations of each state to quickly establish an interstate association committee.

Urge the headquarters association to organize groups to visit the youth sections of each locality to make contact with the compatriots and to promote unity among Chinese.

Urge each subsidiary association to conduct Chinese language classes whenever possible.

Summary: This is to allow compatriots receiving other types of education to participate actively in federation activities.

Speech by Liu Guiming

(Kuala Lumpur, 8 August) Chairman of the Youth Section of the Malaysian Federation of Fujian Organizations Liu Guiming [0491 2710 2494] pointed out: At present, there is still no Chinese organization that truly struggles for the rights of the Chinese society.

He hopes Chinese community leaders will face the seriousness of this problem and come together to map out a strategy.

Liu Guiming spoke at the Second Delegates Conference of the Standing Members of the Second Congress of the Federation this morning.

Liu Guiming said in his speech: "The Fujian Federation Youth Section has been in existence for 4 years now and during this period we have exerted efforts to serve compatriots.

"In recent years, the international situation has been unstable, our nation's leaders have also undergone reorganization. We hope the new prime minister will emphasize the middle road and implement such policies."

He pointed out: "Malaysia was founded 24 years ago. At the beginning of its founding, when the three major races held negotiations at Bireuen, the Malay

delegate proposed many proposals to protect the status of the Ibans, the Chinese delegate at the time did not express the wishes of the broad number of Chinese descendents, and thus the status of the Chinese today is weak.

He said: Special privileges for Muslims have already become facts, we hope other races can also enjoy reasonable treatment.

He said: The Chinese are apathetic about politics, if they don't develop political strength, what they can obtain in this county can be imagined by everyone.

He asked who was to blame for the inability of the Chinese political parties and associations to unite. One side believes support should not be given, the other side says it is a wish but not expressed. Shirking responsibility is not the way, we must find a way to solve the situation.

At Present, There Is No Organization That Can Truly Lead the Chinese To Struggle for Their Rights

In Malaysia at present, there is no organization that can truly lead the Chinese in fighting for their rights.

When the political party cannot truly seek the rights of the Chinese descendents, the Chinese associations should launch activities and the Chinese associations should not shout empty slogans but seek truth from facts and play their own roles.

He said the Fujian Federation has already established a unit. He hopes the Chinese associations can take charge and study strategy together, but the response of the leaders of Chinese associations has not been enthusiastic, proving that everyone does not care about the benefits of the next generation.

He hopes the Chinese associations will stand up to study the difficult situation of the Chinese and seek a breakthrough.

He said, the economy of the Ibans has already been elevated, and the Chinese must correspondingly elevate their economic status in this regard. The Chinese associations care about whether they can reach the goals of the new economic policy by 1990.

He said, in education, those who understand education have exerted all efforts to realize Chinese language education.

He hopes the nation's Chinese associations can also play an active role in Chinese language education.

Speech by Li Yannian [2621 1693 1628]

(Kuala Lumpur, 8 August) President of the Malaysian Federation of Fujian Organizations Tan Sri Li Yannian [2621 1693 1628] pointed out, it is necessary for each Chinese association conscientiously to study the systematization of the associations, including the structure and the goals so that the associations can play an effective role under the new situation.

Tan Sri Li Yannian spoke at the Second Delegates Conference of the Second Congress of the Youth Section of the Malaysian Federation of Fujian Organizations.

He said in his speech: "In recent years, the evolution and the development of Chinese compatriots associations have been very obvious. The participation of the younger generation can be considered as a main thrust. The activities initiated by our Fujian Federation Youth Section including cultural activities and entertainment, sports and panel discussions on social problems are all very significant and are worth praise.

"The Fujian Federation places a lot of hope in the Fujian Federation Youth Section, you are the heirs of the future.

"Viewing the evolution of the Chinese associations we see and feel that the roles played by the younger generation are more important.

"At present, we face a common problem, besides considering how more effectively to express the feelings of the Chinese descendents, we must also consider how to make the associations and compatriot organizations understand, explore or correct the traditional ideologies that do not suit the times, and how to establish a more effective organizational structure and foundation. These are the goals which the younger generation should pursue.

"The Fujian Federation Youth Section and the Yong Federation Youth Section and other national youth organizations have already progressed one step further in mutual communication and cooperation. But, it cannot be denied, we still encounter many difficulties and resistance in seeking greater cooperation and in establishing a foundation for unity.

"The most important thing is, we must be courageous in abandoning the narrow egotistic concept of kinship with one's own group. We must develop an enthusiastic sense of group discipline and greater collective spirit.

"The 58th anniversary of the culture festival held at the Chinese Auditorium is a collective and cooperative effort and a manifestation of the Chinese associations, it is hoped that this spirit can be spread to every corner of the nation."

Conscientiously Explore the Question of Systematization of the Associations so That They Can Play an Effective Role Under the New Situation

"We can see from the implementation of the recent revised law assembly and the reaction of the Chinese associations that coordination between associations is still difficult, therefore, we must explore and develop a plan that can shorten the distance in spirit and in action between the associations. Only in this way can we march toward the goal of unity on the basis of a more healthy spiritual ideology.

"Now, it is necessary for us conscientiously to study the question of systematization of the associations, such as the organizational structure of the associations, the charters and goals and efficacy so that associations can play a truly effective role under the new situation.

"I personally call on intellectuals to propose suggestions or participate in the development of the systematization of associations through collective study."

9296
CSO: 4205/17

MCA OFFICIAL ACCUSES ENEMIES OF 'IDEOLOGICAL BANKRUPTCY'

Selangor KIN KWOK DAILY NEWS in Chinese 5 Jul 81 p 3

[Article: "Li Sanchun [2621 0005 2504] Accuses the Enemy of the Malaysian Chinese Association of Struggling on the Verge of Hopelessness and Being Ideologically Bankrupt"]

[Text] Head of the Malaysian Chinese Association (MCA) Dato Li Sanchun [2621 0005 2504] said today: The accusations made by some political enemies of MCA are struggles on the verge of hopelessness, and at the same time, they are already ideologically bankrupt.

Li Sanchun made the above accusation at the 1,000-person banquet held at 6 pm this afternoon to commemorate the 32d anniversary of the founding of the political party by the Pangkor branch of the MCA at the MCA Chinese Alliance School No 1 on Pangkor island.

He said, they only make various accusations because their political schemes of cheating have been seen through by the people. On the other hand, they cannot present to the people a plan of action that is broad in scope and carefully thought out. They are like a group of desperadoes, they are engaged in a death struggle. Let us see if they can create a smoke screen to cover up their lack of action and performance.

He said, many politicians are good at sweet talk and saying things that please others. But, political sweet talk and repeating famous sayings of ancient persons can never solve problems. The problem can only be solved by action and performance.

He said, the MCA welcomes all constructive criticism, but cannot accept malicious criticism with hidden intent. MCA will be criticized by those critics who do not understand the correct reasons of the plans carried out by MCA. On the other hand, some people express criticism because of jealousy. They do not wish to see the plans of the Malaysian Chinese Party achieve success, some people criticize for the sake of criticizing.

He emphasized, the Malaysian Chinese Association is determined to implement the plans and will have the same determination to carry out its political struggle. He hopes all party members strengthen their efforts and confidence to face the coming challenge.

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CSO: 4205/17

OFFICIAL URGES CHINESE TO ELIMINATE RACIAL BARRIERS

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 10 Aug 81 p 4

[Article: "Tun Chen Xiuxin [7115 0208 0207] Calls Upon the Chinese To Exert Efforts To Eliminate Racial Barriers, the Chinese Should Regard Themselves as Malaysians From Beginning to End"]

[Text] The government's financial adviser Tun Chen Xiuxin today urged the nation's Chinese to exert efforts to eliminate the barrier of racial segregation to establish a unified nation.

He said, Chinese should regard themselves as Malaysians from beginning to end, otherwise, we will face many serious problems.

Tun Chen Xiuxin is also an honorary chairman of the Malaysian Fujian Federation. He made the above remark as he conducted the opening ceremony of the 2d Delegates Conference of the Standing Members of the 11th Congress of the Fujian Federation today.

He said, the Fujian Federation did not catch up with the changes of the times and face the challenge of the times.

He believed, the Fujian Federation must consider ways to communicate with non-Chinese organizations, and thus promote harmony between races and at the same time help in some major social plans to prove that it can catch up with the times.

He said, "The present situation has fundamentally changed. We call ourselves Malaysians. We want the rights that a citizen should enjoy, and we have also performed our duties for the country, and in a multiracial society, besides our leaders, every citizen who can think, should have the will to eliminate the obstacles that favor racial segregation to realize a united country. I, of course, believe this is not possible in a short time, but this does not mean we should not exert all efforts to realize it.

"I want to make a personal proposal. I believe in this country, we should have a special organization to take care of those women and children who are being mistreated and beaten. I have talked with several friends, they are all prepared to support this endeavor. I hope the Fujian Federation can also conscientiously consider and support this plan.

Dr Tan Sri Li Yannian Believes the Fujian Federation Should Become a Political Organization

Chairman of the Malaysian Federation of Fujian Organizations, Dr Tan Sri Li Yannian [2621 1693 1628], also spoke at the conference. He said, to adapt to the needs of the times and organizational efficiency, social organizations and compatriot organizations must march towards a system of specialization.

He believed, if the social organizations and compatriot organizations emphasize the establishment of a scientific organizational foundation and management system, they will be able to develop greater strength and make greater contributions.

He also mentioned the 1981 revised law of assembly, and he believed the subordinate associations of the Fujian Federation should take unified steps regarding this question. He said, according to the stipulations of this law, it is firmly established that an organization can only continue to play a meaningful role as a compatriot organization if it becomes a political organization, therefore, the Fujian Federation has no other choice, but it is not necessary to rush things.

"Over the past year, the Fujian Federation has promoted the establishment of the 'Fujian Federation Holding Company Ltd' in addition to the activities of providing scholarship loans and literary s .olarship awards. We hope officially to solicit shares starting from 1 September, and at the same time send delegates to visit the subordinate organizations at each locality.

"Talking about the revised law of assembly, we basically cannot agree with the stipulations governing civic organizations. Our stand is that compatriot organizations should also have the right to continue to play the role of expressing the sentiments of Chinese descendents. If only political associations can play this role, then we have no other choice. At the present stage, we agree with the opinions and stand expressed at the Selangor Chinese Auditorium.

As regards the resolution to promote the establishment of a general umbrella organization of Chinese organizations resolved at the last conference, the Fujian Federation's special group has made contact and carried out discussion with delegates of other national organizations several times. Because the subject involves a very broad scope and is very complex, and the Chinese associations of each state have also played a related role, further contacts and discussions are necessary.

"The evolution of Chinese associations and compatriot organizations has entered a new situation. The new social environment, challenge and pressure have forced the Chinese organizations to make corresponding changes, in spirit, in organization or in action. How to establish a more effective foundation and a system is worth exploring and consideration. Therefore, now is the time to try to establish modernized social and compatriot organizations.

"The organizational structure of social and compatriot organizations include the charter, purpose and effectiveness of their activities. They should be reviewed and appropriately adjusted on an overall basis, and the foundation of the activities of compatriot organizations should be further systematized. We cannot use the traditional methods to handle the organization and activities of compatriot

organizations. We must try to establish a new value concept and an organizational system.

"If the social organizations and compatriot organizations can develop systematically, they will demonstrate the determination and progress of the entire Chinese community in seeking to play an active and constructive role.

"We hope the leaders and intellectuals of the whole nation's organizations and compatriot organizations can cooperate to exert efforts in this regard.

"Of equal importance is that the existence of various types of social organizations and compatriot organizations should not continue or encourage the sentiment of 'one's own group egoism.' Everyone should cooperate and support each other, regardless of whether it is direct or indirect participation in such activities.

"Only in this way can we more effectively participate in the main stream of national and social development, whether in social and cultural or economic construction.

"At present, the Chinese society holds different opinions regarding how to seek a foundation for cooperation and unity, there is continuous debate. The important thing is: If we emphasize community discipline and the common benefits of the Chinese, we have no reason to believe that we cannot be united, and we should not willfully or unintentionally create or fail into schism. Regardless of whether it is in politics or social activities, infighting cannot solve problems. We must abide by the democratic spirit and procedure and place the national benefits above all else.

"Prime Minister Mahathir Mohamad recently called upon the people of the nation to treat each race fairly on the occasion of the Lesser Bairam festival, and at the same time, the government also made a similar assurance. We welcome and support such statements. We hope that the new cabinet under the leadership of the prime minister can carry out just policies, so that the nation will become prosperous and so that the policies will benefit all the people."

Earlier, general manager of the Fujian Federation, Huang Maotong [7806 5399 2717], expressed the hope that the compatriots will be humble and join forces to develop the business of the federation together to benefit the compatriots and to contribute toward social cooperation in the country in his welcoming remarks.

Resolutions Passed by the Conference

The conference passed the following resolutions:

1. Social Resolutions

a. Oppose the 1981 revised law of assembly, and request the government to abolish or revise some unreasonable articles to assure the freedom of assembly and speech of the people under the Constitution.

b. This conference believes that under the stipulations of the revised law of social assembly, it is definite that only by becoming a political organization can

an organization more effectively play an active role of a compatriot organization, but compatriot organizations should not rush into the matter. The conference asks members of each subsidiary association to prepare charters for each subsidiary association to follow and to play an active role as a compatriot organization under the new situation.

c. Urge the government to strictly prohibit political persons (especially ministers or vice ministers) from making radical statements that are harmful to the unity of the whole people, such as the series of ridiculous advocacies recently made public by the head of the UMNO [United Malay's National Organization] Youth Section, Su Haimi [5685 3189 4717].

d. Urge the government to prohibit and handle immigration of illegal aliens to avoid affecting domestic security and destroying social peace.

e. Urge the government to give equal status to all races in politics, economy, education and culture, and while helping to enhance the economic status and the educational opportunities of a certain race, it should not practice favoritism and strip the rights of the people of other races.

f. Urge the Chinese political parties immediately to stop mutual attacks, if this continues, they will not be able to struggle for the rights of the Chinese, but will gradually weaken the status of the Chinese.

2. Educational Resolutions

a. Urge the government to act according to the memorandum proposed by the Chinese social, cultural and educational organizations when implementing the 3M plans to assure that the Chinese elementary schools will not change in nature and to give fair financial assistance in all aspects.

b. Urge the government to appropriate educational funds proportionally according to the ratio of the number of students under the Fourth Malaysian Development Plan.

c. Urge the government to allow our nation's Chinese citizens to have the opportunity to receive complete education from elementary school to university in their mother tongue.

d. Urge the Ministry of Education to conduct a national Chinese elementary school teachers' "Chinese educational method research class" to elevate the teaching caliber.

Business of the Federation

Stockholdings of the Fujian Federation should be carried out as early as possible to suit and help elevate the economic development of the Chinese society.

The method of distribution of stockholdings of the Fujian Federation should be based on issuing stock purchasing applications according to the number of members of the subordinate associations of the Fujian Federation to let each member have an equal opportunity to participate and to show fairness.

Urge the Fujian Federation Holding Company to appropriate a proportion of the annual profits for university scholarship loan fund for dependents of members.

3. Economic Resolutions

a. Urge the housing minister to announce quickly the list of legal housing development firms in the newspapers to prevent house buyers from being cheated by illegal housing development bureaus.

b. Urge the government to avoid procurement of the rubber plantations of small plantation owners, and appropriate houses and land for people to apply for them.

c. Urge the government to protect free enterprises in fair domestic competition and protect the democratic economic system of free investment.

4. Cultural Resolutions

a. Urge the government to order local officials not to limit the use of languages.

b. Request the Ministry of Information to increase the number of Chinese language television programs, including Chinese language weather reports, and to add Chinese language announcements at all airports in this state.

5. Other Resolutions

a. Urge the government to bestow quickly the rights of citizenship upon all residents holding red certificates who have lived in this state for 20 years, and simplify the application procedure to strengthen the citizen's sense of homeland so that they may demonstrate their patriotism.

The conference also passed a resolution thanking the Selangor Fujian Association for sponsoring this conference and at the same time to thank the Chinese Independent High School for making available its auditorium for the conference.

The conference also decided to hold the first delegates conference of the 12th congress at Kuantan to coordinate with the 60th anniversary of related subsidiary associations. The date of the next conference will be discussed separately by the federation and subsidiary associations.

9296
CSO: 4205/17

LIN JIXIANG CITES RACIAL POLARIZATION AS 'GREATEST PROBLEM'

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 19 Jul 81 p 12

[Article: "Lin Jixiang [2651 0679 4382] Believes That During the 1980's in Our Nation, Racial Polarization Is the Greatest Problem, If It Is Not Stopped, All Efforts of Founding the Nation Will Have Been Wasted"]

[Text] Leader of the opposition party of the Parliament, secretary general of the Democratic Action Party [DAP] and parliamentary delegate from Petaling, Lin Jixiang [2651 0679 4382], said in his speech "Urban Politics in Malaysia" at last night's meeting of the Malaysian Economic Council at the University of Malaysia that racial polarization is the greatest problem for Malaysia in the 1980's.

He said, this week, Prime Minister Datuk Hussein Onn has retired and Dr Mahathir Mohamed has succeeded him and become our nation's fourth prime minister. Bestowing the title of "tun" upon Datuk Hussein Onn is very appropriate, it can be said that he deserves the title, and this title also suits him.

He believes, the greatest problem facing Malaysia in the 1980's is racial polarization, if this is not stopped, then the efforts of the nation will be wasted.

Lin said yesterday he paid Dr Mahathir a courtesy visit, he congratulated him on his succession to the prime ministership, and he also took the opportunity to express concern about racial polarization in our nation.

"Racial polarization is most visible in urban regions, because there is direct face to face competition in many fields, such as educational opportunities, jobs and other common resources, it seems that all are being measured according to racial criteria.

"The founding of Malaysia as a nation may be the world's most complex task and it is not possible to achieve this within a short time. But we must weaken family ties and strengthen the concept of national unity of every race of our country.

"To promote a national concept, each racial society must walk away from their own world and establish a common Malaysia.

"Otherwise, racial polarization will become more serious, each racial society will unite within its own race, more like a member.

"I hope the new prime minister, Dr Mahathir and the deputy prime minister, Dato Musa Hitam, can pay special attention to the serious concerns of racial polarization because it affects the life of each sector of the nation, such as the economy, education, society, culture and even politics.

"Every Malaysian, regardless of race, hopes Malaysia will succeed, and a test of the political leaders is to see whether they are capable of promoting friendly relationships among the races in order to establish a united, peaceful, progressive and prosperous Malaysia, and they should not allow the races in Malaysia to segregate.

"As long as racial polarization still does not slow down, as long as racial and family ties are stronger than the ties among Malaysians, political consciousness and development will be misinterpreted because:

1. It will propagate the saying that the gain of one segment of society will necessarily sacrifice another segment, leading to the radicalism of Su Haimi [5685 3189 4717] aimed at controlling the economic development of non-Malays.

2. It will prevent the development of benefits for each social stratum, such as the poor and homeless, [and those suffering] social and economic exploitation, without differentiating among the races.

3. It will lessen the importance of an honest and upright public life, and even that of maintaining a democratic system and a free society.

When talking about the future of the Democratic Action Party, he said, there is no doubt that the incidents that happened several months ago were the most serious attempt to destroy the Democratic Action Party during the 15 years of struggle of the DAP. There were attempts to destroy the reputation and the image of the party from within and there were also external movements to bribe the federal and state parliamentary members of the DAP.

"Money politics will become a new political phenomenon in major elections in the cities, money is not only being used, a lot of money will be used.

"Last week, Dr Lim Chong Eu [2651 2417 4135], leader of the United Democratic Party [UDP], said the Malaysian Chinese Association [MCA] gave 50,000 yuan to the chairman of a branch of the UDP asking him to defect MCA. From this it can be seen that the price of bribing a state delegate or a parliamentary delegate may be from 300,000 to 500,000 yuan. Now, the price may have risen like the stock market, the prices vary according to the times.

"I believe the DAP can stand on its own feet, because regardless of what the inner party affairs are, the party has courageously advanced toward political goals during its 15 years of existence, and in the final analysis, we must rely on the whole record of the party and not just look at the action of the opportunists.

"I do not want to predict that the DAP will realize good achievements in the coming annual congress, but it may be the greatest challenge faced by it since its inception, it not only affects us greatly, at the same time, it also affects the political future of our nation."

9296
CSO: 4205/17

LIN JIXIANG ACCUSED OF IMPEDING ECONOMIC PROGRESS OF ETHNIC CHINESE

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 3 Jul 81 p 7

[Article: "Malaysianization Group Accuses Lin Jixiang [2651 0679 4382] of Being Jealous of Scholarship Loans by Large Enterprises and of Striking at the Economic Development of the Chinese"]

[Text] The Malaysianization group has issued a statement accusing the secretary general of the Democratic Action Party [DAP], Lin Jixiang, [2651 0679 4382] of using legal and illegal means to strike at the economic development of the Chinese and not wanting Chinese descendents to have the opportunity to enter the university for advanced studies because of his jealousy of the university scholarship loan plan of the large enterprises of the Malaysian Chinese Association [MCA].

The statement pointed out: "The MCA which has always avoided empty talk and which has always emphasized the practical, has finally drawn up a series of practical plans after study and restudy to assure the future of the nation and the nationality. The goal is to solidify and promote the economic position of the Chinese, to assure that the descendents of the Chinese will be of superior caliber so that they will not become "half witted" talent someday. These plans include the concentration of manpower, financial strength, skills and experience to enter modern big enterprises and to push forward the plan of scholastic loans for university students to help poor students attend the university for advanced studies.... Since the time these plans were enthusiastically implemented throughout the nation, they have received more and more support from compatriots at every social stratum. Facts are more convincing than argument, up to now, there are at least 100 Chinese social organizations that support the call of the MCA and have established enterprises or holding companies. The support given to the university scholarship loan plan promoted by the Malaysianization Independent Cooperative is also becoming wider and wider.

"Lin Jixiang obviously saw the situation and became extremely jealous. To rescue the situation from a sure demise and solicit a few more votes, he has taken all kinds of steps to join Su Haimi [5685 3189 4717], one sings and the other harmonizes, striking at and destroying the development of enterprises run by Chinese and the plans to train Chinese descendents. Su Haimi advocated at the conference of the UMNO (United Malays National Organization) Youth Section the limiting of the development of the economy of the Chinese population and prohibiting Chinese from purchasing stocks in foreign companies. Following this, Lin Jixiang expressed his crooked theories in the newspapers discouraging the university scholarship

loan plan promoted by the Malaysianization Independent Cooperative and sabotaging its smooth implementation. Both of them sing and harmonize together as if they had a mutual understanding. But, those with bright eyes will be able to see that Su Haimi does not want the economy of the Chinese population to continue to develop. Lin Jixiang does not want Chinese descendents to have the opportunity to enter the university for advanced study.

He said, "implementation of the university scholarship loan plan will lead to a loss of opportunities of university education for Chinese descendents," his "reason" being: "that after this plan is implemented, it will lead the government to believe that Chinese descendents will have the ability to afford university education, and correspondingly will reduce the rate of increase in the quotas for admission." We want to ask Lin Jixiang to consult his own conscience, we also want to remind him that although he is hiding under the banner of "Malaysia for Malaysians," the blood in his body is still that of a Chinese.

Lin Jixiang also said, the university scholarship loan plan is only a "temporary solution," it cannot become a "permanent cure." We want to ask him: What would be a "permanent cure"? If a "permanent cure" cannot be immediately found, or even if there is a "permanent cure" but it cannot produce results within a short period, should we then abandon even the "temporary solution"? Will our descendents lose the opportunity to receive higher education forever?

Lin Jixiang wants only a "permanent solution" and does not want a "temporary solution," this means, he is willing to watch the years go by as thousands and ten thousands of outstanding Chinese descendents lose the opportunity to enter the university for advanced studies because of economic conditions. We want to ask: Where is his national conscience? Is he a so-called "national hero" or a "national culprit," Mr Lin, please answer this question! The tens of thousands of compatriots at each social stratum who have already participated in the university scholarship loan plan and the broad Chinese population all want to know your answer.

9296
CSO: 4205/17

BUILDUP OF DEFENSE TECHNOLOGY URGED

Karachi DAWN in English 30 Nov 81 p 7

[Editorial: "Defence Technology"]

[Text] Quite inexplicably, an apologetic note sometimes creeps into Pakistani officials' explanations for acquiring new armaments or setting up new defence facilities. This is obviously an unnecessary politeness, whatever the countries not too well-disposed towards Pakistan may feel. The most important deterrent Pakistan has to a war thrust being upon it, short of having its frontiers guaranteed by the big powers, is the acquisition of armaments and the buildup of defence technology to a level where the armed forces are not only more effective but also more self-sufficient. No one will deny that at the moment the country is far more vulnerable than it would like to be. The present heavy dependence on imports cannot be viewed with equanimity. It is perhaps an indication of the times we live in that the first-ever seminar on defence technology opened this week. The Chairman of the Joint Chiefs of Staff Committee stressed in his inaugural speech that self-sufficiency in defence production must be achieved, and he broke new ground in emphasising that the private sector should also be associated in defence production industry on a large scale.

Achieving self-sufficiency in defence production in a comprehensive sense is, of course, a tall order, given the country's industrial backwardness. What is achievable, and certainly desirable, is local production of the less sophisticated equipment which it is apparent can be produced within the country without unduly straining human or financial resources, provided this element is studiously built into the nation's industrial programming. This becomes even more practicable when the possibility exists of cooperation with other countries--Turkey, for instance. Apart from progressive manufacture of armaments, another important necessity is that for servicing or 'rebuild' facilities for sophisticated equipment. Pakistan already has such facilities on a fairly large scale but, because of the very high cost of such services provided by the manufacturers, they should be expanded. Here again there is the possibility of cooperation with other countries. If Pakistan can provide such facilities to other nations--which it should be able to do at less cost than the manufacturers charge--then it will not only build up goodwill but also generate some much-needed revenue.

CSO: 4220/116

NATION'S ATTITUDE TOWARD U.S. PRIVATE INVESTMENT CLARIFIED

Karachi BUSINESS RECORDER in English 23 Nov 81 p 2

[Editorial: "Not the Same Mistake Again"]

[Text] They came, they talked and they went back. That is how the entire visit of the American businessmen to Pakistan can be summed up. But the way the publicity was handled and the press coverage was allowed gave an impression as if the visitors went head over heals to help us in overcoming our present difficulties. Such an impression would be beneficial neither to the country nor to the regime. It is neither good publicity nor good economics. During their week-long stay, the American businessmen exchanged views with the high officials, including a call on the Head of the State, and with their counterparts in Pakistan. And what came out of it, is known to all. They talked and talked and finally some of them even gave the verdict that most of the people in USA were not even aware about the existence of Pakistan, whereas the media in the country kept on projecting that the visitors have evinced interest in a number o projects. Investments in a joint banking company or in life insurance which would involve a major amendment in our law, as we have already pointed out, are no investment in the real sense. They showed interest in sheep breeding, poultry farming or fishing industries, but these are not the fields where we need any assistance from the investors of the leading industrial nation of the world. It is in the capital intensive fields which involved highly sophisticated technology that we need assistance from the developed countries. This country has given liberal concessions to the foreign investors. As entrepreneurs they should take advantage of the favourable conditions existing in the country. We know that investment is not charity. It is neither philanthropy. An entrepreneur invests to get substantial return out of the money he is putting in. His object is to have the most for the least. If they think that they can get the most for the least, they come forward and invest. If not, they keep aloof. If the American visitors thought that what this country was offering was insufficient, they should have made suggestions and should have given us a chance to see whether their suggestions were acceptable or not. Instead, in most of the places their behaviour was, we regret to say, simply deplorably disappointing.

There might be some apprehensions in the minds of the visiting American investors. Like many others in foreign countries, they might have been the victims of the hostile propaganda carried out by the western media about the policy of Islamisation being pursued in this country. They would have been justified if they had asked for full information about the shape of things in an Islamic economic order. As members of the US-Pakistan Economic Council, it was their duty to gather all facts and

taining harmonious intercommunal relationship and promotion of balanced social and economic order. Various agricultural strategies that have been adopted from time to time for raising indigenous production lacked profoundness. The priorities fixed favoured some commodities while others got neglected. Various incentives granted and facilities provided in the form of support and procurement prices, subsidization of critical inputs, supply of high yielding seeds and advance credit facilities helped to boost the production of commodities like wheat, cotton, rice and sugarcane. But no attention was paid to the declining production of pulses. It is only now that some interest is being shown for bringing more acreage under gram, Mutter and Masoor during the rabi season.

Among pulses gram occupies the pride of place. It is put to varied uses. It is used not only as an item of human diet but also as feed for animals. The reason for the shortage of pulses are not far to seek. Firstly, for the last two years the gram crop was destroyed by pests. Secondly, when the prices of items of meat group, vegetable group and other eatables started going up and up the demand pressure was diverted towards pulses which were already short of the existing demand. It is obvious that this group could not absorb the increased demand.

It is known that agricultural production cannot rapidly increase in a year or two. For raising production of pulses to the level of demand long-term planning is necessary. Not only that all the incentives and facilities that are given for the production of cash crops should be made available to this sector but also attention be given to the special problems faced by this sector. For formulating a long-term action plan a lot of research work is needed because authentic data is not available and it has to be found out what peculiar factors have been responsible for steady decline in the production of pulses.

CSO: 4220/114

U.S. INVESTMENTS SHOULD 'AIM AT INCREASING PRODUCTION'

Karachi DAWN in English 26 Nov 81 p 9

[Editorial: "US Private Investment"]

[Text]

THE just concluded visit of the Pakistan-US Economic Council delegation was part of a drive to attract foreign investment in the private sector. The visitors were able to familiarise themselves with the overall economic situation and the scope for foreign private investment. The Government has taken a number of measures to enable the private sector to play a vigorous role in the economy. To a large extent, these measures have restored the investors' confidence. The total investment approved during 1977-81 was 3,082 million dollars, averaging 770 million dollars per annum, as compared to 140 million dollars in 1976-77. The Government is inviting foreign private investment on a big scale to augment the supply of capital. A wide range of incentives and effective safeguards have been offered to foreign investors. They include repatriation of investment, including capital gains, current profits, remittance facilities for expatriate employees and legal protection to foreign investment. The "Protection of Rights in Industrial Property Order 1979" bars arbitrary industrial take-overs such as took place under the Economic Reforms Order, 1972. Furthermore, the Government has thrown open a large number of industries previously reserved for the public sector. The prospective American investment is further protected by the Investment Guarantee Agreement between the USA and Pakistan precluding expropriation or other losses. During the Second Five-year Plan period, (1960-65), private US investment in Pakistan was 25 per cent of the total sanctioned foreign investment. This rose to 80 per cent during the Third Plan period (1965-70), with the US taking first position among 30 countries which invested in Pakistan.

The Pakistan-US Economic Council delegation appears to have been impressed by the improved investment climate and the opportunities that exist for setting up profitable ventures here. The Federal Industries Minister has also ex-

pressed optimism on this score, stating that 100 projects have been identified for US investment. There is an indication that a joint US-Pakistan investment bank may be set up to facilitate capital flow. Agreement in principle has reportedly been reached for a poultry project and a sheep-breeding and marketing enterprise. There is also talk about the possibility of a life insurance company being set up by US investors. The inflow of US private capital had already started even before the Pakistan-US Economic Council delegation arrived here. According to official statistics, the sanction of US private investment in Pakistan amounted to 238.5 million dollars during the 15 months from July 1980. These are encouraging trends. Mutual efforts are, however, necessary to ensure that such investments are judiciously channelled and prove helpful to the economy. Since these investments will be repatriable or in the form of credit, care must be taken against misdirected placement. All foreign investment must basically be aimed at increasing genuine production capacity, developing basic industries, ensuring transfer of technology and establishing capital-intensive industries. They should be oriented towards the Fifth Plan objectives which accord high priority to capital goods industry. The second priority is for industries based on local raw materials and for mineral and agro-industries. As far as possible, these industries should be export-oriented, so that they make some contribution towards improving the balance of payments position. As a matter of principle, consumer goods industries should be kept outside the domain of foreign investment.

CSO: 4220/113

ZIA: GOVERNMENT TO ENCOURAGE PRIVATE SECTOR

Karachi DAWN in English 29 Nov 81 pp 1, 10

[Article by Hasan Akhtar]

[Text] ISLAMABAD, Nov. 28: President Mohammad Zia-ul-Haq today called upon the private sector to play its due role in developing the country's economy according to Islamic principles, giving a categorical assurance that his Government would neither allow political conditions to be disturbed by elections nor would it nationalise any of the private enterprises. He said, indeed, there would be more opportunities available to the private entrepreneurs by restricting the public sector to bare essential spheres.

Gen. Zia-ul-Haq, who was addressing the concluding session of the five-day symposium on economic performance of public enterprises, however, laid emphasis on improving the economic efficiency and productivity of the public sector, and announced setting up of a three-member Ministerial Committee to ensure implementation of the recommendations of the symposium, jointly sponsored by the United Nations and Pakistan Government (Cabinet Division), to bring about an overall improvement in public sector industries.

The President said the public sector versus the private sector controversy should cease because his military Government was committed to promote Islamic system of economy which protected free enterprise and competition. He [illegible] that the entrepreneurs [illegible] which he was determined to collect on behalf of the Almighty and said Government taxes, [illegible] investors) had nothing to fear.

He, however, declared that greater patronage to the private sector would not be permitted to make the rich richer and the poor poorer. He also underlined the importance of the public sector in the interest of social and economic requirements, but that should not discourage private enterprise which would have full and fair play under his Government, he added.

The President lashed out at bureaucracy, for its tendency to place obstacles in the way. The civil servants, he said, tended to regard everything in shape of files and files only. Even Zia-ul-Haq appeared to them as a file, he said [illegible] a land reporter from about 400 people assembled at the closing session of the symposium.

So far, the military and the civil services had been the principal forces in the country, he said, and added that the military had its own training and methodology to deal with problems. But now it was time that the third force of business community was allowed to emerge and play its part as it had some 15 years ago, he further said.

The President said he considered it of prime importance that the economic performance of public enterprises should be correctly and carefully evaluated as was stated in the tentative recommendations presented at this evening's session. He agreed with guest speakers that objectives of each private enterprise should be clearly defined, its management should have greater autonomy in running its affairs and the management should be accountable for its performances.

But, at the same time, he said, while evaluating the public sector performance, the fact that it had contributed to social welfare of the people should not be overlooked.

The President expressed his dissatisfaction at the way the public sector had dealt with its labour. He asked the public sector managements to appreciate that the labour had not created any serious problems for them and they should, therefore, do a good deal more for the welfare of the labour.

Gen. Zia-ul-Haq strongly advocated the need to organise programmes for training manpower at the establishment. He said he would consider a legislation which would make it necessary for enterprises to run training institutions for training manpower not only for domestic needs but for providing the necessary skilled personnel in friendly countries where they were in demand. The President also emphasised the importance of planning research and development programmes at industrial establishments.

LARGE PUBLIC SECTOR

APP adds: President Zia said Pakistan had a large public sector, which included such organisations as Railways, PIA, the National Shipping Corporation, the nationalised banks, to name a few. He said the Government had allowed competition

with NSC by the Islamic Steamship Company, but to create organisations to compete with PIA and the Railways was not necessary. He said the country had got to see whether the performance of the public sector enterprises was good.

He said the transport in the public sector was operating at a loss. In spite of the Government's permission to the private sector to come into this field, private businessmen were not forthcoming.

FOREIGN INVESTORS

President Zia said the private sector had to come forward and play its role in all spheres. He said private investors from abroad were showing a good deal of interest and confidence in Pakistani economy and were planning to invest. He said when a group of US investors recently met him, he had assured them that tinue to have political the country would constability, and there would be no nationalisation of the units they might set up here. He said he had also informed them that the policy of the Government was to patronise the private sector, and even denationalise some of the public sector units. These assurances he said, had warmed up the US investors, and 22 of them got ready to put in their money in various types of units and projects. "It is a happy augury", he added.

Referring to a proposal by Dr Mahboobul Haq, Director, Policy Planning, World Bank, who spoke earlier during the concluding session, the President said the Government would undertake as much decentralisation of decision-making in the public enterprises as possible. He said there were dozens of "horrifying stories and tales of bureaucratic controls which exist today between our agencies and corporations (on the one hand) and the ministries" on the other.

Mr. Ghulam Ishaq Khan, Minister for Finance, addressing the session earlier, said that in the last four years the Government had taken a number of measures to establish a good relationship between the public and the private sectors. He said "the private sector and the public enterprise are only two of the instruments of public policy and the aim of that policy is rapid economic growth with equitable distribution within the framework of an Islamic social order."

He said: "We should be prepared to adopt that blend of public and private sector which realises our development goals at a faster pace and spreads the benefits of progress more equitably according to the Islamic principles of justice and equity."

Mr. Ishaq said there was thus virtually no limit on the role which the private sector could play in the all important task of building the economy. Indeed, considering the financial and managerial constraints of the public sector, the private sector would receive a preferential treatment provided it was willing to come forward with the right spirit of combining its natural and justified instinct for commercial profit with a socially responsible, forward-looking attitude in the overall national interest.

RECEPTION

President Zia hosted a reception here this evening in honour of the delegates to the international symposium on economic performance of the public sector enterprises.

The President mixed freely with the delegates in the reception which was held in the Aiwan-i-Sadar and lasted an hour.

CSO: 4220/113

JUDGMENT ANNOUNCED IN HARS MURDER CASE

Karachi DAWN in English 19 Nov 81 pp 1, 6

[Text] HYDERABAD, NOV 18: The Sessions Judge, Sukkur, and ex-Officio Additional Sessions Judge, Hyderabad, Mr Qadeer Mohammad Qureshi today announced the judgment in the famous Hurs murder case and sentenced nine accused persons to death. They are Chaudhry Yakoob, Shah Muhammad, Abdul Ghafoor, Aslam son of Ismail, Noor Mohammad, Muhammad Munir, Ghulam Shabbir Kalyar, Imdadullah Unar, And Qasim. The death sentence for Ghulam Shabbir Kalyar, former DIG Police, and Imdadullah Unar former Deputy Commissioner, was announced in absentia under Section 537 Cr. P.C. The Sessions Judge, however, ordered that the sentence against these two convicts will be enforced after their arrest and production before the court.

Accused Mir Mohammad Lashari was sentenced to two years RI under Section 218 PPC. The Court was also pleased to acquit three accused namely Shah Nawaz Junejo, Muhammad Hussain Junejo and Dr. Afzal Arain.

APP adds: Those awarded death sentence besides Unar and Kalyar are: Chaudhry Mohammad Yakoob former S.H.O. Sanghar, Abdul Ghafoor, Head Constable and Constables Mohammad Munir, Noor Mohammad, Ghulam Kassim, Aslam s/o Mohammad Ismail and Shah Mohammad.

Each of the nine convicts are to be hanged by neck "till they are dead", the judgment added.

However, the said sentence shall be executed after confirmation by the High Court under Section 374 Cr.P.C.

The nine convicts have been allowed seven days time to appeal before the High Court.

In his judgment, the honourable Judge said I find accused Yakoob, Shah Mohammad, Abdul Ghafoor, Aslam s/o Ismail Noor Mohammad and Mohammad Munir guilty for offence under Section 302 and 34 P.P.C. and accused Ghulam Shabbir and Imdadullah Unar and Ghulam Kasim guilty for an offence under Sections 302 and 109 P.P.C. and convicted them under Section 265 (H) (2) Cr.P.C. and they are sentenced to death.

Mr Qadeer Mohammad M. Qureshi has said that accused Chaudhry Muhammad Yakoob has further been found guilty under Section 201 P.P.C. and has therefore been sentenced to suffer three year R.I. and to pay fine of Rs. 1,000, or in default to undergo further R.I. for three months.

He has further ordered under Sections 302 and 109 PPC, Sections 544 (A) Cr.P.C. that accused Imdadullah Unar and Ghulam Shabbir Kalyar shall pay Rs. 10,000 each as compensation or in default to undergo two years R.I. Accused Chaudhry Yakoob and Shah Mohammad shall pay Rs. 5000 or in default to suffer one year R.I. each as compensation, while accused Abdul Ghafoor, Aslam s/o Ismail, Noor Mohammad and Munir shall pay Rs. 2,000 each as compensation or in default to undergo six months R.I.

The amount of compensation, if recovered, shall be paid to the heirs of the six deceased persons, the judgement added.

Accused Imdadullah Unar and Ghulam Shabbir Kalyar are absent since the stage of arguments and it is held that judgement can be announced against them under Section 537 Cr.P.C. and so aforesaid conviction and sentence as well as compensation is ordered against them. But the sentence against them would be enforced after their arrest and production before this court, or Sessions Judge Hyderabad, or after they are surrendered in either of the courts.

The judgement added that offence under Section 218 PPC is not proved against the accused Dr. Mohammad Afzal Arain, and offence under Sections 302 and 109 PPC is not proved against Shah Nawaz Junejo and Mohammad Hasan Junejo and they are acquitted under Section 256 (H) (1) Cr.P.C. They are on bail. They stand discharged of their bail bonds and are set at liberty.

The offence of conspiracy under Section 120-B P.P.C. and of abduction under Sections 364 and 109 P.P.C. are not proved against any accused, the judgement added.

The case State v/s Ghulam Shabbir Kalyar and twelve others was filed under Sections 302, 201, 468, 471, and 120-B. P.P.C. whose hearing started at Karachi, in the same court, in July 1978.

Mr Mohammad Aslam was an approver in the case.

Except convicts Kalyar and Unar, all the remaining convicts were present in the court today.

Later in the evening, the convicts were shifted to the Central Jail.

The judgment into the six Hurs' murder case stretches over 130 pages.

The murder of six Hurs took place at Kanman Mori, seven miles from Sanghar, on the night between October 6 and 7 1972.

The same was however shown as an encounter of police with absconders, by the previous regime. The deceased who were disciples of Pir Sahib Pagaro were: Mehrab, Umed Ali, Jan Mohammad, Hamzo, Ali Sher and Dadan alias Allahdad Wadho. Mr. Mohammad Yakoob Sanjrani was the complainant into the six Hurs case. He had written an application to the then I.G. Police Sind, on October 11, 1972, three days after the Kanman Mori incident. The complainant was the immediate

cousin of the deceased Mehrab and Umed Ali.

After the imposition of Martial Law in July 1977, on fresh appeals made by the relatives of the deceased Hurs, the F.I.A. held a thorough investigation into the case. From this inquiry, it came to light that prima facie it was not the suggested encounter of police with absconders, but something of the nature of cold-blooded murder.

Statements of the accused and witnesses were thereafter made before a First Class Magistrate, Mr Shamsuddin, after October 15, 1977.

The hearing into the Hurs' case started in the court of Mr. Qadeer Mohammad M. Qureshi at Karachi in July 1978.

Evidence of 103 witnesses were recorded during the hearing out of which 15 were examined by the Special Public Prosecutor. The case had 509 exhibit documents. Three month long cross examination of the Approver Mohammad Aslam was done by the eight defence counsels, which was recorded on 120 fullscape pages.

The defence counsel panel included, Agha Abdul Rasool, Mr Allahdino Memon, Mr. Abdul Sattar Shaikh, Mr. Aftab Ahmed Akhund and Mr. Abdul Wahab.

Mr Admullah Shaikh, Special Public Prosecutor was assisted by Mr. Amiruddin Qureshi, advocate.

CHARGE SHEET

The names of former Prime Minister late Z.A. Bhutto and ex-Sind Governor Mumtaz Ali Bhutto were included in the Column No. 9 of the charge-sheet in the six Hurs murder case, judgement in which was pronounced here today.

Also shown in the Column No. 2 was the late Abdul Rahim Raisani former I.G. Prisons (Sind).

The six murdered Hurs were fasting on the day when they were taken into police custody from the courtyard of the convicted D.C. Sanghar, and later killed at Kamran Mori, on Oct. 6 1973.

They were devoted Muslims, according to relatives of the six Hurs.

On the other hand, the F.I.A. sources told APP that it was the first of Ramzan when the accused and now convict Ghulam Shabbir Kalyar was taken into police custody for interrogation in connection with the Hurs' murder case, in the year 1977.

CSO: 4220/112

AIR TALKS WITH MALAYSIA END IN DEADLOCK

Karachi DAWN in English 21 Nov 81 p 10

[Text]

KUALA LUMPUR, Nov 20: Pakistan and Malaysia ended their air services discussions here on Wednesday in deadlock as both sides disagreed on the extension of flights for their respective airlines, informed sources said.

The meeting was to revise an air services agreement signed between the two countries in 1973. Two earlier meetings were held earlier, this year in Karachi and the Malaysian capital.

Pakistan had requested that its Pakistan International Airlines (PIA) be allowed to extend its present flights into Kuala Lumpur, Singapore, Jakarta and Sydney, the sources said. PIA presently has two flights to and from Kuala Lumpur.

Malaysia, on its part, had asked that the Malaysian Airlines System (MAS), be allowed to fly to Karachi and beyond to Dubai and the West European points, the sources said. MAS has no flights into Karachi on the ground that it was unprofitable.

Pakistan was not prepared to meet Malaysia's request without some commercial arrangement but Malaysian officials argued that Pakistan had been operating in to Kuala Lumpur without any commercial arrangement, the source said.

Pakistan also insisted that it would only give MAS the rights if and when PIA is granted the rights by authorities in Jakarta, Singapore and Sydney to pick up passengers from Kuala Lumpur for their routes, the sources said.

The Pakistan team was led by Joint Secretary of the Aviation Division of the Defence Ministry, Altesamiddin Ahmad, while Bhupinder Singh, Deputy Secretary-General of the Transport Ministry, headed the Malaysian side.—Reuter.

CSO: 4220/112

PRC DELEGATION VISITS AFGHAN REFUGEE CAMPS

Karachi BUSINESS RECORDER in English 22 Nov 81 p 3

[Text]

PESHAWAR, Nov 21: The visiting press delegation of the Chinese Kinhua news agency, led by its Deputy Director General, Miao Hailing visited the Kachagarhi tentage village of the Afghan refugees and acquainted themselves with their plight.

Addressing the refugees, who had gathered to greet the delegation, at the camp Miao Hailing sympathised with them on behalf of the people and government of China and lauded their heroic struggle against foreign intrusion.

He declared amidst chants of Allah-o-Akbar that the Afghans were an invincible people and would never surrender to any foreign force. They were bound to be victorious in their just struggle as truth would ultimately triumph, he said. adding "We salute the heroic Afghan people for their courage and determination for freedom".

Miao Hailing assured the Afghan refugees that they were not isolated. The people of Pakistan, China and the whole world were on their side "What they are doing now is not only for Afghanistan but also for the entire south Asia and the whole world", he remarked.

He said that the people of Afghanistan, Pakistan and China were members of one family and shared each others happiness and sorrows. "We believe they will all march together on hand in hand", he said.

Extending sincere greetings to the Afghan people on behalf of the people of China, Hailing assured his audience that the Chinese people were familiar with the situation being faced by the Afghan brethren and the members of his delegation had a better understanding of the refugee problem, now. He appreciated that Pakistan was bearing this responsibility and making sacrifices for the Afghan refugees.

Hailing said that the stand of Pakistan on the Afghan issue was respected by the Chinese people.—APP.

He also appreciated the warmth with which the people of Pakistan had welcomed the Afghan refugees, and said that the whole world respected Pakistan's assistance to the uprooted Afghan people.

Miao Hailing and members of his delegation went round the camp meeting its inmates and inquiring about their problems and plight. They also visited two tents to acquaint themselves with the living conditions.

They also visited a dispensary set up by Saudi Arabia and talked to the doctors, inquiring about the treatment, being given to the camp inmates.

ATROCITIES

Earlier, an Afghan refugee elder informed the Chinese press delegation, of the developments, which forced them to abandon their hearths and homes. He said that the innocent and defenceless people of Afghanistan were being subjected to severe atrocities, by the Soviet troops.

He reiterated the determination of the Afghan people to continue their struggle for freedom and emancipation.

Before visiting the camp, the Afghan refugee commissioner, Mohammed Abdullah Khan, briefed the Chinese delegation about the Afghan refugee problem, with particular reference to administrative structure for relief and the mode of its distribution amongst the Afghan refugees.

He revealed that 50 per cent of the total relief expenditure provided to the refugees, was being borne by the Pakistan Government from its resources, in the form of cash allowance.

The commissioner also briefed them about the facilities being provided to the refugees in the fields of education, health, drinking water, self-reliance-cum-income generating projects etc.

Referring to the response of the people of the NWFP towards their uprooted Afghan brethren, Abdullah said that they had taken them as their basic moral responsibility and an ideological and human problem. This, he said, was the main source of inspiration for the administration to handle such a gigantic tasks of looking after about two million refugees, which was the biggest refugee theatre throughout the world today.

In his brief remarks on the occasion, Miao Hailing said that he

CSO: 4220/116

OFFER RENEWED TO USSR ENVOY TO VISIT REFUGEE CAMPS

Karachi BUSINESS RECORDER in English 22 Nov 81 p 3

[Excerpt]

ISLAMABAD, Nov. 24: President Gen. Mohammad Zia-ul-Haq has renewed offer to the Soviet Ambassador to visit the Afghan refugee tentage camps in Pakistan to ascertain whether they are genuine refugees or Mujahideen as is alleged by Kabul and Moscow.

The President was asked today by newsmen to comment on the recent attacks by Afghan gunship helicopters on the Pakistan border areas and the reported claim of the Soviet Ambassador that there were only two per cent refugees among the Afghans who had sought shelter in Pakistan, after he had opened [illegible] international symposium on economic performance of public enterprises at the National Assembly Building.

The President described the gunship's attacks and air and border violations by Afghan Armed Forces as something of great significance. He said they were possibly aimed at creating an impression that they were attacking Mujahideens' concentrations and not Afghan refugee camps on the borders. Everyone, including the Soviet Ambassador, had his standing offer to visit the tentage villages of Afghan refugees to satisfy himself about the bona fides of camp residents, the president said.

CSO: 4220/116

ATTEMPT TO BRING BALUCHISTAN TO PAR WITH OTHER AREAS REPORTED

Karachi BUSINESS RECORDER in English 26 Nov 81 p 3

[Text]

QUETTA, Nov. 25: The two-day session of Baluchistan provincial council ended here this afternoon. The provincial Governor Lt-Gen. Rahimuddin Khan who is also Council Chairman presided.

Addressing the concluding session, the Governor said that the overall development strategy of the province is to bring Baluchistan at par with other advanced areas of the country in the shortest possible time. He said for this purpose the projects of basic nature are being completed on priority basis. Provision of electricity, supply of drinking water, irrigation and communication sectors have been given special attention.

He said the performance of local bodies institutions during the past two years has been by and large, satisfactory. However, a committee is being formed to examine the working of the project committee already set up in the province to accelerate the pace of development, the new committee will suggest ways and means to further improve the working of project committees.

The Governor directed the project committees to ensure implementation of community development projects at the earliest possible time. He said local bodies institutions have been given adequate powers to implement development projects under their jurisdiction. These powers are being increased gradually. The councillors should select and implement projects of collective good.

He advised the councillors to prepare realistic and managable development programme for the next financial year.

The Governor said to make the local bodies institutions more effective and representative in character, special seats have been created for women at various tiers to associate them with development work.

Referring to the process of Islamisation the Governor said the government has taken concrete steps to achieve this objective.

About the situation across our borders he said, the government and the armed forces are fully pepared to safeguard the geographical and ideological frontiers of the country. He said the defence of geographical and ideological boundaries of Pakistan is the duty of the entire nation and people of Baluchistan would not lag behind in the performance this national task.

Earlier, the council was briefed on the pace of progress for development work in the province by the provincial secretary for planning Atta Mohammad Jaffar.—PPI.

CSO: 4220/116

DEVELOPMENT ALLOCATION DOUBLED FOR NORTHERN AREAS

Karachi DAWN in English 20 Nov 81 p 5

[Text]

GILGIT, Nov 19: The Federal Government has doubled the annual development allocation for the northern areas as against previous outlay of Rs 70 million.

This was stated by the Martial Law Administrator Zone 'E' Maj Gen. Imtiaz Waraich at a function to mark the formal inauguration of new building of Government High School at Astore in Diamer District. The building was completed at a cost of over one million rupees by the northern areas works organization and could cater to the education requirements of a population of 15000 with a provision for further expansion.

During the last four years a chain of educational institutions were opened and existing facilities were consolidated in this field.

Maj-Gen. Imtiaz Waraich assured that the Government would see to it that staff and other requirements of these institutions were met. He said that the current financial year's programme includes setting up of 124 new primary schools, construction of new buildings for 122 primary schools to middle level and 14 middle schools to high school level.

Earlier, the Director of Education, Brig Abdul Majid, in his speech underlined the activities of the department and said despite resource constraint, they were able to provide people with educational facilities at their door step.—APP

CSO: 4220/112

BLUEPRINT FOR NEXT FIVE-YEAR PLAN

Karachi MORNING NEWS in English 19 Nov 81 p 8

[Text]

ISLAMABAD, Nov. 18: The blue print for the next Five-Year Plan is being presently processed to take care of nation's growing development needs after the current Five-Year Plan ends in 1983.

This was stated by the Federal Finance Minister, Mr. Ghulam Ishaq Khan during his meeting with the Vice-President of the Canadian International Development Agency, Mr. Lewis Perin Bam here this afternoon.

The Finance Minister said that special attention was being paid to the development of comparatively less developed parts of the country. In this connection, he referred to the special development programme which had been prepared for Baluchistan.

Mr. Ghulam Ishaq Khan said that the government was also according high priority to the exploration of oil and gas potential and exploitation of mineral deposits in the country. This was essential not only to maintain but also to accelerate pace of progress he observed. He said the Government believed in optimally mobilising domestic resources for meeting requirements of socio-economic growth. He pointed out that in the span of last four years the public revenues had doubled and efforts were continuing to further improve their collection.

The Vice President of the Canadian International Development Agency informed the Finance Minister that the CIDA was presently reviewing its aid programmes in the light of its relations with the recipient countries with a view to improving the aid levels. He said that Canada planned to increase its official development aid for the developing countries to 0.5 per cent of its GDP by 1985 which would be further stepped up to 0.7 per cent by 1990.—APP

CSO: 4220/115

DISPLEASURE VOICED ON INTERNATIONAL LENDING AGENCIES

Islamabad THE MUSLIM in English 19 Nov 81 p 4

[Editorial: "The Lender Is Not Always Right"]

[Text]

INTERNATIONAL financial agencies lending money to Pakistan want higher prices all round, particularly for the basic items. Even if that is not exactly what they want directly, that will be the result of their pressures on Pakistan. The World Bank wants higher rates for water. The Asian Bank demands higher rates for electricity. The International Monetary Fund wants higher prices for petrol and other oil products. And now, it appears, the World Bank and the IMF want higher gas prices. The Government has accepted their demands in respect of water, POL and power one after another. And now, after resisting the pressure for increasing gas prices, even while accepting their pricing philosophy, the Government has set up a high-powered committee under Governor A.G.N. Kazi of the State Bank to review gas rates. What will be the result of the POL, power and gas prices going up? The cost of living will skyrocket. To remedy that, or to reduce the impact of such prices, salaries and wages all round will have to be increased steeply. How can that be done except through massive deficit financing by printing currency notes far in excess of the Rs. 5,444-million limit proposed for the current year, following last year's Rs. 4,366 million?

In Bangladesh, the International Monetary Fund has suspended its financial assistance on the pretext that that country is not giving up, or not reducing substantially, its deficit financing. The IMF is not, however, prescribing very rigid conditions for the record loan of 5.8 billion dollars it is giving to India. The contradictions in the IMF lending standards thus become transparent. What these international lending agencies want is a lot of rigmarole. Filtered water should be distributed at a price that leaves enough funds for repayment of World Bank loans. POL products should not be subsidised in any manner. Power rates should be such that the borrowing companies are able to repay the Asian Bank loans unfailingly. And now gas, which is a an indigenous product, has to be priced higher, as if it were also an imported product. If gas, which now forms half the energy source in Pakistan, is made to cost a lot more, prices of all manufactured

items will go up appreciably, and possibly power rates will rise again. But while the World Bank or the IMF wants international prices for energy of any kind, imported or locally produced, would it recommend international wages in Pakistan instead of a per capita income which is only one-fortieth of that in the United States?

If the country is paying low rates for gas or water, it is paying far higher than international prices for all its imports because of the heavy import duties and sales tax, and very high prices for indigenous manufactures because of heavy excise duties and sales tax. Today Pakistanis are paying about 150 per cent more than the international price for sugar. Higher, too, are the prices of cement and a variety of other items. Will the World Bank and the IMF suggest that the prices of all these items should be brought down so that when some items are raised to international level, the prices of others are brought down to that level? All this when the balance of payments support the IMF is giving is only 1.7 billion dollars spread over three years? So far Pakistan, like most other Asian States, was called a poor country and a low-cost market. But suddenly, it has become too good not to pay international prices both for imported and indigenous products. Does the World Bank and the IMF really want Pakistan to be engulfed by swirling inflation beyond all hope of redemption? These agencies feel free to make such demands on Pakistan because it has asked for rescheduling of the repayment of its debts more than once. But has it not been driven to do that by the incredible inflation in the West, and the resulting oil price like? And now Pakistan, like other developing States, is hit hard by the recession in the West and the rough tariff walls rising there against its export products. Rescheduling hence became necessary.

The international agencies want Pakistan to open the floodgates of inflation despite the fact, that unlike in the West, wages here are not tied to inflation and there is no social security, either. How are the people to survive then, particularly the fixed income group that has been under agonizing pressure for so long? Clearly, these international financial agencies and economic experts in the West who think like them have made a mess of their own economies. They have played havoc with the world monetary system, and their own system has come to grief. If it was the U.S. dollar that was taking a heavy beating until recently, it is the pound sterling, that is taking yet another pounding along with several other European currencies now. The advice of such experts and agencies should therefore be accepted or acted upon with great caution. All this emphasizes the need for Pakistan to try to live within its means, and make the most productive use of the assistance it gets from friends. Waste has to be eliminated. The urgency for increasing self-reliance is greater today than ever before. Otherwise, for a little of external credit, Pakistan will have to listen to a lot of absurd counsel and suffer irrational pressures because the lenders think they are always right.

CSO: 4220/115

ALLOCATION FOR FARM LOANS, STORAGE IN PUNJAB NOTED

Karachi DAWN in English 26 Nov 81 p 3

[Text]

LAHORE, Nov 25: The Punjab Government has earmarked a sum of Rs 865 million during the current fiscal year for providing agricultural loans to the farmers and for the improvement of food storages and agriculture extention facilities in the Punjab.

According to the Punjab Planning and Development Board (PPDB) sources the amount of funds made available for the budget year 1981-82 in the agriculture sector to the various agencies in the province was being utilised satisfactorily.

At this time, the sources added, the amount was being spent with the consultation and assistance of the members of the local bodies. The largest stt forth for the agriculture development programme for the first six months of the current fiscal year had already been achieved, the sourc es said.

Besides providing agricultural loans to the tune of about Rs 100 million, a sum of Rs 65 million will be spent on the construction and repairs of food storages.

An amount of Rs 47 million will be spent on the procurement and certification of agriculture seeds and a sum of Rs 202 million on the agriculture extension programme during the same period.

For carrying out research work programme at various agriculture research centres in the province, an allocation of Rs 33 million has been made. Funds to the tune of Rs 260 million have been made available for the construction of

For the electrification of villages and farm t bueilwel — and farm tubewells in the province, an amount of Rs 150 million will be spent during the current fiscal year.

CSO: 4220/113

CODE OF ETHICS FOR PRESS READIED

Karachi MORNING NEWS in English 29 Nov 81 p 1

[Text]

The Federal Secretary for Information, Maj-Gen. Mujibur Rehman Khan, said yesterday that the code of ethics for the Press was ready but certain measures were required to be taken before enforcing it.

He was talking to newsmen after Pakistan Television's ceremony for best TV commercial awards competition, 1980-81 here.

He said gradually steps would be taken to enforce the code of ethics in place of the Press and Publications Ordinance.

He said the first step towards enforcement of the code would be lifting of censorship gradually, and secondly an implementation machinery for enforcing the code would be needed.

When asked about the self-censorship by some newspapers, he said an experiment was being made which was not wholly satisfactory.

Replying to another question he said deals had been made with some private parties for sending Pakistan Television's plays to other countries.

He said no political government took any step towards replacing Press and Publications Ordinance by a code of ethics but the present Government had made much progress in that direction.—PPI.

CSO: 4220/115

NEW CULTURAL PACT WITH PRC EXPECTED

Karachi MORNING NEWS in English 30 Nov 81 p 8

[Text] A new cultural agreement between Pakistan and People's Republic of China is expected to be signed sometime in March next. The existing two-year agreement expired this year.

This was disclosed by the Federal Minister for Culture, Sports and Tourism, Mr Arbab Niaz Mohammad, at a Press conference yesterday on his return here after a 12-day visit to China.

He said that a draft of the new agreement was given to him during his visit to China. Both sides, however, agreed in principle on its contents.

The new agreement will be signed during the visit of the Chinese Cultural Minister and his Vice-Minister to Pakistan in March next.

To a question, Arbab Niaz Mohammad said that the Committee on Promotion of Tourism constituted under the directive of President Mohammad Zia-ul-Haq after the tracking convention held at Islamabad, will have its second meeting on Dec 7.

The committee, which is headed by the Minister himself, has already met once after its formation.

The committee, he said, would identify the bottlenecks hampering the promotion of tourism in Pakistan and make recommendations for their removal.

The recommendations, he added, would be submitted to the President within 3 months for approval.

He said that our main emphasis would be on the development of domestic tourism.

He, however, observed that without the involvement of the private sector, the objective of development in domestic tourism could not be achieved effectively.

The Cultural Minister described his visit to China as both "successful and meaningful" from the cultural and other aspect. The visit took him to Peking, Shanghai, Hanchu, Sochu and Canton.

He said that with the opening of Karakuram Highway, Pakistani tourists would be able to visit China and vice-versa. However, foreigners would not be allowed to use this route.

He said that during the visit, his Chinese counterparts agreed on his suggestion for joint film production to be dubbed in Chinese and Urdu languages. The suggestion, however, will be further discussed during the visit of Chinese Cultural Minister to Pakistan.

He said that a Chinese cultural troupe was expected to visit Pakistan at the end of February or early March, while a Pakistani folk artists troupe would visit China next year.

To another question, Arbab Niaz Mohammad said that the Sports Complex being built in Islamabad with Chinese assistance would be completed by the end of 1982. Eighty percent work of the complex had already been completed, he added.--APP

CSO: 4220/115

GOVERNMENT EMPLOYEES TOLD TO WEAR NATIONAL DRESS

Karachi DAWN in English 21 Nov 81 p 4

[Text]

QUETTA, Nov. 20: Baluchistan Government has decided that all Government functionaries in the province would wear Pakistani dress at least four times a week with effect from Dec 1 while on remaining days they would have option of putting on national dress, Pakistani dress, Western clothes, trousers and bush-shirts or anything similar, preferably Kurta and Shalwar.

A circular issued yesterday in Quetta by Mr. S.R. Pooneger, Provincial Secretary, Services and General Administration Department, said that dress to be used by officials would include national official dress, once a week, and Pakistani dress with "as much formality as individual wishes to create" during remaining three days. Definition of national official dress, it may be pointed out, has already been amended to include waist-coat in addition to Sherwani.

Senior officials and officers, the circular said, were expected to encourage their staff by personal example, persuasion and inducement to patronise Pakistani dress. On all official functions everyone was expected to wear national or Pakistani dress after the first of next month, it added.

The circular has further stated that it should be ensured that Government officials and officers at the time of their induction were advised about the matter and were made to wear national and Pakistani dress during the time of their training and early period of their service.

President General Mohammad Zia-ul-Haq, it may be recalled, had directed that the use of Pakistani dress should be encouraged as dress played an important part in cultivating national spirit.

CSO: 4220/112

KEROSENE TO BE IMPORTED FOR REFUGEES

Islamabad THE MUSLIM in English 19 Nov 81 p 1

[Article by Sikander Hayat]

[Text]

ISLAMABAD, Nov. 18: Efforts are afoot to procure 60 million litres of kerosene costing Rs. 180 million from abroad for the Afghan refugees, it was learnt here yesterday.

The kerosene, to be used for cooking and heating purposes, is expected to ease refugee pressure on the forests which have been reportedly seriously damaged.

The appeal for the fuel donation has gone to primarily Muslim oil-producing countries, one of which, last year donated half a million litres.

The official concern on the destruction of forests has been considerably grown and in the recent meetings of the local refugees handling authorities, UNHCR and the World Food Programme the need to wean away the refugees from the use of forest wood fuel was emphatically underscored.

The other issues that came up at these periodical meetings held at Peshawar on Oct. 26 and Quetta on Nov. 9 included better health, education, water supply and income-generating schemes.

Meanwhile, enumeration of refugees in Baluchistan has almost been completed, and results are expected to be not very different from the registration figure. Enumeration will be launched in the NWFP soon after the refugees have come down from the mountains where they shift during the hot summer months.

Mardan tested village has emerged as the biggest concentration where more than 260,000 people have been housed. Most of them have been shifted from Peshawar where more than half a million had come to live.

About 2.5 million Afghan refugees have been housed in a large number of camps traddling along 1,500 miles Pak-Afghan border. A little over 1,000 Kirghiz from Wakhan are settled in Gilgit and Hunzai. Since supplies are difficult to be reached in the Northern Areas the Kirghiz refugees get their entire allowance in cash at the rate of Rs. 120 per head per month. For the rest of refugees the allowance is Rs. 50 per head per month, besides food and some other items.

Pakistan is spending about Rs. 2,000 million on the upkeep and welfare of the Afghan refugees. It is almost equal to the international aid which comes in cash and kind.

Japan is sending 50 trucks soon to facilitate the logistics of the refugees welfare agencies.

A highly-placed official told this correspondent that it is not true that refugees would tend to settle down in Pakistan if they were given generous facilities. He said all of them want to return to their homes in Afghanistan. The mud houses which some of them have built are only to provide extra protection against extreme weather conditions, he added.

He said the law and order situation in the camps is by and large quite satisfactory and no major incident involving the locals has taken place.

CSO: 4220/115

GREATER PRIVATE INVESTMENTS IN ECONOMIC SECTOR URGED

Karachi BUSINESS RECORDER in English 26 Nov 81 p 2

[Editorial: "Let Us Take Pride in Our Own People"]

[Text]

The statements of President General Mohammad Zia-ul-Haq and Finance Minister Ghulam Ishaq Khan stand out in sharp contradistinction from the speech of the Production Minister, Lt-Gen. Saeed Qadir in the Islamabad Symposium. While the latter has maintained his stance of never missing an opportunity to reprimand and warn the private sector, his two seniors have held out assurances to the private sector in the country. Obviously, President Zia and his Finance Minister are intelligently conscious of the thinking, expectations and fears attending risk investment by private citizens.

Businses Recorder today wishes to draw the attention of President General Mohammad Zia-ul-Haq in particular and the people of Pakistan in every walk of life, bureaucracy included, to the very important fact that we seem to have lost the capacity to take pride in our countrymen, in their performance, in their patriotism and, to a very large extent, in our country itself. Those who pioneered the creation of a Pakistan economic base, established industrial and commercial establishments where none existed, were labelled cheats, thugs, blood suckers, profiteers and capitalists, and the term '22 families' became a label of contempt and disgust. It is also a fact of life that none of these epithets against Pakistani entrepreneurs was coined and used by the public or even the leftist politicians, to begin with, who eagerly caught on it, but by those jealous individuals who framed policies in the secretariats and their representatives in various parts of the country.

Where would our economy be today if we did not have people like Saigols, Sheikhs, Amin Bashirs, Latifs, Habibs, Adamjees, Ispahanis, Bawanys, Valikas, Dawoods, Arags, Fancy's, Gokals or such enterprising people as Agha Hasan Abidi, Abdul Jalil, Shakir Durrani, to name only a few? Have not Pakistanis like Mo-

hammad Shoaib, Anwar Ali, Dr. I. H. Usmani, Prof. Salam, Abdul Qadir, M. A. Rangoonwala and Dr. Minai made their mark inside and outside this country, once having got rid of controls and regulations that inhibited their capabilities and capacities? Who does not know that quite a few scions of Pakistan are engaged in reputable and sizeable businesses and industrial enterprises in several countries abroad, employing thousands of Pakistanis? They have gone there not because of any loss of attachment to and love for Pakistan but because to be an industrialist or a businessman or a capitalist is not considered something criminal or degrogatory there. They are there because they can work there more freely. But there is none among them who has cut his roots in Pakistan. Some of them have come back here opening the branch offices of their foreign establishments and are doing a lot of philanthropic work, besides. They are here unsung but still despised in some circles. We do not take pride in their performance abroad. We do not recognise the charitable foundations that they have established or scholarships they give or the welfare projects they are running in Pakistan. To name only one such institution, which was news even to this newspaper, there is a bank with three branches in the country sponsored abroad by a Pakistani, which has established a charitable foundation that would receive all the profits earned by the bank in Pakistan to use for the welfare of people in Pakistan. This institution has established another foundation based in Lahore, which has received a large chunk of its foreign profits. Then again, this institution is running a welfare and self-help project in Orangi Township. We should be proud as Pakistanis of these institutions and its sponsor, BCCI. This is just one example which has come to light. We are confident that there must be others who have as quietly established institutions like those mentioned above. However, neither they nor the authorities that be publicise their good deeds.

Another instance where lack of pride in our own people is brought into sharp focus is the fact that the opportunities in the economic field that we are prepared to allow a foreign investor we deny to our own people. If the news is correct, we are even prepared to amend the law and allow foreigners to undertake life insurance business in Pakistan, but perhaps, not to allow Pakistanis. This seems quite likely as do we not allow private sector banks of foreign nationality to establish their businesses in Pakistan with full guarantee for the remittance of their profits and capital?

Why do we have such a discriminatory attitude towards our own people, or shall we say, contempt for our own people? No nation can attain any position in the world community if it displays lack of respect for its own people or loses what Iqbal called its *Khudi*. It is a truism that no nation's flag can fly higher abroad than in its own country. Unless we take pride in our own people, in our nationhood and in our country, we shall command no respect abroad.

CSO: 4220/116

EFFORT TO LOWER PULSES PRICE REPORTED

Karachi MORNING NEWS in English 30 Nov 81 p 1

[Text] Islamabad, Nov 29--A high-level meeting under the chairmanship of Federal Minister for Food, Agriculture and Cooperatives Vice-Admiral Mohammad Fazil Janjua was held here today to review pulses situation in the country.

Addressing the meeting, the Minister said that the Government was taking all possible measures to bring down the prices of pulses in the country and that no one could be allowed to make fortune out of this situation. The Government, he said, was determined to overcome the shortage by increasing indigenous production and through imports so that pulses are available to the common man.

Satisfaction was expressed over the prospects of autumn crop this year. Target area under the crop for the year 1981-82 is 2.376 m. acre of which 96 percent has already been sown as against 2.082 m. acre last year. The production is expected to be 524,000 metric tonnes for the year 1981-82 as against 337 000 metric tonnes last year.

Quality and quantity of pulses, particularly mash moong and masoor to be imported and supply position with regards to local production was also considered and stocks of all pulses were found satisfactory. Sufficient quantity of imported pulses has already reached Karachi.

It was further decided that only comparable quality of what is being indigenously produced would be imported to help the market to reduce the prices of pulses in the country.

Among others, meeting was attended by Chairman PASSCO Utility Stores Corporation and Trading Corporation of Pakistan, representatives of all the concerned ministries and Pakistan Agricultural Research Council.--PPI

CSO: 4220/115

BETTER FOOD STORAGE FACILITIES URGED

Karachi DAWN in English 21 Nov 81 p 7

[Editorial: "Food Storage Facilities"]

[Text] THE announcement by the Federal Minister for Food and Agriculture that the country has now a national food security reserve of 1.5 million tons, including 0.8 million tons of operational reserves, is very heartening news indeed. After facing a long period of food deficit, the attainment of self-sufficiency leading to the building up of food reserves signifies a real breakthrough on the food front. There has been a run of very good harvests over the last three years mainly owing to progress in the reorganisation of agriculture on modern, scientific lines and favourable weather conditions. Today, we are self-sufficient in wheat, our staple food in which shortages have long existed, and surplus in rice—and cotton—to a degree that they have become our top commodities for exports. Moreover, there are indications that we may produce a marginal surplus in wheat as well next season or so. If the necessary improvement in funds, infrastructure and inputs is achieved by indigenous efforts and international help, Pakistan is in a position to further raise agricultural production.

It is, therefore, time that due attention was paid to building up storage capacity for foodgrains commensurate with the prospective increase in the output of wheat and other crops. At present we suffer enormous losses between two stages—the gathering in of crops and marketing. It is reassuring that some capacity has been added for storage of foodgrains recently while more is going to be built. In Punjab, foodgrain godowns will be built in seven 'mandi' towns having capacities of from 1,000 to 8,000 tons each at a cost of Rs 1.6 crore within the next couple of years. Sind has a storage capacity of 4.75 lakh metric tonnes at present. This year more godowns having a capacity of 8,000 tonnes are to be completed. Besides, the National Logistic Cell is also constructing foodgrain godowns on behalf of the Federal Government. The PASCO is also actively engaged in building godowns as part of a phased programme. These godowns, being built by the Provincial Governments and other agencies, will come as a boon to agriculture. The World Bank and the Swiss Government have committed a loan of 30 million dollars and a grant of 7.5 million dollars respectively for building these godowns. The private sector has also been invited to build foodgrain godowns which will be hired by the government if built according to given specifications. The Government should encourage small farmers to construct small godowns so that their produce also gets due protection. Interest-free loans to farmers will facilitate such a programme.

Along with wheat, rice, cotton and sugarcane, production of fresh fruit and vegetables is likely to go up for which more cold storage facilities than exist will be required in the near future. The Federal Government has set up a marketing company, the Agriculture Marketing and Storage Ltd. with funds provided by the Federal Bank of Cooperatives, for developing and maintaining a chain of cold storages throughout the country and for marketing of fruit, vegetables and milk. If the planned facilities can be operated efficiently, they will not only protect the growers' interests but also ensure regular supplies of fresh fruit, vegetables and milk at reasonable and stable prices to consumers.

CSO: 4220/112

NEED TO PLAN FOR LENTIL PRODUCTION DISCUSSED

Karachi BUSINESS RECORDER in English 21 Nov 81 p 21

[Editorial: "Planning Production of Pulses"]

[Text]

But for the prompt and decisive action taken by the Government such as the withdrawal of entire sales tax of 10 per cent, a 10 per cent reduction in the margin for establishing letters of credit and liberalisation of import of pulses, the situation should have become quite clumsy. With the replenishment of the depleted stocks the upward trend in the prices of this commodity has been arrested although they have not yet come down to the pre-crisis level. It is expected that with the arrival of new crops of Moong and Mash in the market there will be further easing of the situation.

The pulses crisis serves as a reminder that our agricultural planning and policy making suffers from inherent weaknesses and defects and calls for their removal. It is to be realised that the strategy of going for imports of primary commodities in case of their shortage may provide temporary relief but is not a permanent solution. It may help to meet the emergency but at what cost? A country which is faced with chronic adverse balance of payments and is forced to incur back breaking debt burden cannot afford to squander its scarce foreign exchange resources on importing a commodity like pulses.

The nation has paid through its nose to reach near self-sufficiency in wheat. But we cannot say that a real breakthrough has been achieved in agricultural production. The indigenous production of oil-bearing seeds is still far and we spend huge sums of money every year on the import of edible oils from abroad. If pulses are also added to our import list our efforts to narrow the import-export gap will be frustrated.

The pulses are rightly called the poor man's meat in view of their comparative cheap availability and for possessing high contents of protein, minerals and vitamins. The continuous supply of pulses at reasonable prices is therefore necessary for main-

to tell other Americans that the new scheme of things was not going to affect the interest of the private investors within or without. It is, indeed, surprising, as they alleged, that they themselves did not know much about Pakistan and its economy.

No doubt that we are in need of foreign private investment. This is evident from all the incentives which we are offering to the investors abroad. We are setting up an Export Processing Zone in Karachi which has already started attracting foreign investors. Even in the tariff zone, the incentives are quite generous. The foreign investors should, therefore, decide on merits whether it is profitable for them to come here or go somewhere else. We do not want to invite them at the cost of our national pride. It is not only true of the economic field but of every other sphere — cultural, political and even defence. We are not getting anything from the U.S. as charity. Even the 3.2 billion dollar economic and military package deal is essentially a commercial deal in which the loan which we are to take will not be concessional but on market rates of interest. We are to make purchases of defence equipment and will not be getting anything as gift or grant. The nation has endorsed the deal only because of the fact that it has not been made at the cost of its own pride. We will not do any such bargaining wherein our status as a sovereign state is compromised. If the American entrepreneurs are reluctant to come to this country and consider the existing incentives insufficient, they are entitled to their views. There are others who would come.

To our own authorities we would suggest that whatever foreign investment is coming to this country, should be carefully watched. The progress in the projects to be set up with the assistance of foreign capital should be reviewed from time to time and the people should be kept informed of the progress. This we have not done in the past nor have we, as far as we know, yet started monitoring the development of such projects. A large number of projects set up in the past with the specific understanding that they would gradually reduce their imports and increase the local capability, are still getting import licences worth as much their imports ten to fifteen years back. It is time that we took stock of the situation and made amends for the mistakes made in the past. Our magnanimity, perhaps, is being interpreted by some of the foreign investors as our weakness. Such an impression has got to be erased.

Before concluding, we would like to emphasise in relation to America and for that matter any other friendly country, that the portrayal of the goodwill and friendliness of that country's people and authorities, should be based on realism and should not be so overblown as to give a totally wrong impression about their attitude in times of our need. We should never allow the repetition of the mistakes we made in the fifties.

CSO: 4220/114

BRIEFS

'AL-SULFIKAR' MEMBER ARRESTED--Robina, the 21-year-old former nurse of a local hospital, who had disappeared from a Federal Capital Area flat on Oct 20 last after a shoot-out in which Lala Asad and a police officer were killed was caught in Sukkur yesterday. According to informed sources, Robina had gone to Khairpur to offer her condolences to the family of Asadullah, alias Lala Asad, stated to be the local commander of 'Al-Zulfikar.' She was picked up by the police when she tried to slip away from there. Earlier, she had escaped with her friend Rukhsar Qureshi, an employee of Pakistan Steel. Both of them were wanted by the police for interrogation and their alleged involvement in subversive activities. Robina worked as a Staff Nurse for more than two years. After that, according to sources, she joined the "terrorists" and reportedly played the role of a courier. Right from the beginning, police sources believed that she was an "important link" between persons hiding at different places. [Text] [Karachi DAWN in English 28 Nov 81 p 10]

PLAN TO INTENSIFY OIL EXPLORATION--Islamabad, Nov 27--The Government has chalked out plans for intensifying oil exploration in the country, and in this regard Pakistan will seek collaboration with Kuwait and Abu Dhabi. The Federal Minister for Petroleum and Natural Resources, Maj-Gen (Retd) Fao Farman Ali Khan, leading a three-member delegation, left here today on a 10-day visit to Kuwait, Abu Dhabi, London and Italy. In an interview before leaving, the Minister told PPI that he will hold talks with his counterpart in Kuwait and high officials in Abu Dhabi National Oil Company on matters relating to the collaboration. The level of present collaboration with these countries will also be discussed during the talks. Referring to his visit to London, the Minister said that he will hold talks with the drilling contractor of Toot oil field for intensifying drilling operation at the Toot oil field. He will visit Italy in the capacity of Managing Director of Fauji Foundation and discuss matters relating to Fauji fertilizer plant. The plant, located at Goth Makhi, is expected to go into production in March next.--PPI [Text] [Karachi DAWN in English 28 Nov 81 p 3]

COUNCILLORS ARRESTED ON SUSPICION--The Faisalabad police have held six persons including one local Municipal Councillor, Mr Yousaf Minnas, on suspicion of having links with the terrorist Al-Zulfikar Tanzeem, and started interrogation. The officer held persons include Shafique Ahmad and Mohammad Iqbal. The police have already arrested Mrs Zuoaida Malik, another Municipal Councillor on the same charge. She was to be sent to Lahore Fort for interrogation under orders of the District Magistrate, Faisalabad, but on recommendations of local doctors she has not yet been transferred to Lahore due to serious illness. The local Assistant Commissioner has directed the police to arrange proper medical treatment for Mrs Aubaida Malik before shifting her to Lahore. [Text] [Karachi DAWN in English 26 Nov 81 p 3]

MEHRAN STUDENTS EXPELLED--Hyderabad, Nov 29--The Vice-Chancellor, Mehran University of Engineering and Technology, Jamshore, has expelled seven students on account of their activities prejudicial to the maintenance of discipline and academic peace in the University, according to a circular issued here by the Registrar, Mehran University. Those expelled are: (1) Hafeezullah s/o Abdul Karim Solandi, (2) Abdul Aziz s/o Ghulam Mohammad Soomro, (3) Mukhtar Ali s/o Maui Ali Shah, (4) Nooruddin s/o Mohammad Azam Abbasi, (5) Pir Bux s/o Saeed Khan Babar, (6) Mohammad Zakaria s/o Ghulam Mustafa Memon and (7) Abdul Subhan s/o Ghulam Mohammad Memon. The four students who have been rusticated for a period of three years each are (1) Abdul Qadir s/o Abdul Jabbar Jarwar, (2) Mohammad Jobal s/o Mohammad Ismail Memon, (3) Mohammad Sulleman s/o Kasaro Khan Jatoi and (4) Mumtazali s/o Chandio Khan. These eleven students are required to immediately leave hostels and are restrained from entering the university campuses. [Text] [Karachi DAWN in English 30 Nov 81 p 6]

AUSTRALIAN IRON ORE--The Mount Newman iron-ore project in Western Australia has clinched a five-year contract to sell 300,000 tonnes of ore a year to the Pakistan Steel Mills Corporation. Worth $A30 millions (Rs 27 crores) at current prices, the iron-ore contract is the first awarded by Pakistan to an Australian corporation. The sale represents 18.5 per cent of Pakistan's total iron-ore requirements. While the new contract has only just been announced, Mount Newman began shipping small quantities of ore on a trial basis early this year and by March 1982, expects to have sent 100,000 tonnes. At this point the five-year contract will take effect. There is provision for an extension subject to agreement by both parties, as well as an annual price review in line with the current yearly price negotiations with Japanese Steel Mills-AUSTRALIAN INFORMATION SERVICE. [Text] [Madras THE HINDU in English 11 Nov 81 p 26]

PAKISTAN VS USSR, INDIA ATTACKS--Lahore, Nov 19--The British Ambassador to Pakistan, Mr Oliver Forster, has said the United Kingdom will support Pakistan to best of her ability in case of "unprovoked aggression against it by the Soviet Union or India." In an interview with PPI here today, he said: "No country of the free world will like to stand calm and see Pakistan being run over by the Soviet Union." Answering a question about the nature and magnitude of the support, he said: "It will depend upon the circumstances." Asked as to how UK takes the persistent violation of Pakistan territory by the Afghan planes, Mr Forster said: "It was unfortunate." No country should violate the territories of the other country. They are unacceptable internationally, we deplore these violations." Replying to a query, the British Ambassador said "It's not really for us to protest against these incidents, but we support Pakistan." Questioned if the United Kingdom will put forth an amended formula to settle the Afghanistan issue since its previous one, also backed by the European Economic Community, was rejected by the Soviet Union, the British Ambassador said: "We have no new formula at present but we shall prepare one if the circumstances necessitated it." "We also hope that the Soviet Union will change their mind but, at present, there are apparent signs that USSR will be prepared to get into negotiations to solve this problem," he added.--PPI [Text] [Karachi MORNING NEWS in English 20 Nov 81 p 12]

URDU POSTER FORFEITED--Peshawar, Nov 20--The NWFP Government has forfeited all copies of Urdu poster captioned "Akhairve Kun" ["Why All This?"] with immediate effect. The poster contains objectionable material. The action has been taken under Section 39 of West Pakistan Press and Publication Ordinance 1963.--APP [Text] [Karachi DAWN in English 21 Nov 81 p 4]

CSO: 4220/112

U.S., JAPAN GET LARGEST SLICES OF TRADE

BK031449 Hong Kong AFP in English 1230 GMT 3 Dec 81

[Text] Manila, 3 Dec (AFP)--The United States and Japan obtained the largest slices of the Philippines' external trade during the first 6 months this year taking up 60 percent of the U.S.$4,312 million generated by the country from its 10 biggest trading partners.

Latest statistics released by the Ministry of Trade and Industry showed the United States leading Japan by $405.5 million with its $1,499 million trade during the period, an amount which constituted about 34.78 percent of the 10-nation trade during the period.

Japan's total trade with the Philippines amounted to $1,094 million or 25.38 percent of the total.

Coming a far third was Saudi Arabia with $425.29 million or 9.86 percent, West Germany with $249.63 million or 5.79 percent, the Netherlands with $229.32 million or 5.32 percent and Indonesia with $200.79 million or 4.66 percent.

The country's seventh biggest trading partner was Hong Kong with $178.93 million or 4.15 percent followed by China with $145.64 million or 3.38 percent, Australia with $144.24 million or 3.34 percent and Republic of Korea with $144.14 million or 3.34 percent.

The Philippines posted a favorable balance of trade with seven countries except for Saudi Arabia, China and Australia. Its overall trade surplus during the period reached $302.17 million, up by 8.38 percent from the $278.8 million posted during the same period last year.

Posting the biggest increase in the bilateral trade with the Philippines was Indonesia whose aggregate trade of $200.79 million rose from $90.91 million by 120.87 percent.

The country's total trade with the 10 countries rose by 16.22 percent over the $3,710 million registered in the first half of 1980.

Factors cited for the favorable trade balance of the country during the period included the government's intensified export drive and the growth of earnings of electronics components, coconut oil, centrifugal sugar and garments exports.

MNLF MEN DOWN TO HALF OF '72

Manila PHILIPPINES DAILY EXPRESS 3 Nov 81 p 2

[Text] The regular strength of the Moro National Liberation Front has gone down to an estimated 9,000 men armed and unarmed, about half the peak strength in 1972. Maj. Gen. Josephus Q. Ramas, Philippine Army chief, said recently in an interview.

(The regular strength is derived from a headcount of the enemy combatants by field intelligence of the armed forces. The 9,000 regular strength, however, does not include the service or combat support elements and the mass base symphatizers of the MNLF whose number is always presumed much bigger by the military.)

Assessing the MNLF figures and the trend of its armed operations in the past months, Ramas said that the MNLF is no longer a big threat to the country's internal security.

He said that the MNLF ranks will continue to be decimated with the increasing number of MNLF hardcores in the South who are new giving up to seek accommodation under the government's policy of attraction and reconciliation.

Ramas said the armed forces need not deploy more troops to the South because of the waning MNLF strength.

He added that the combat capability of the Filipino soldier, particularly in guerilla warfare, has been proven "high" compared to his counterpart in other countries where insurgency thrives.

Because of this, he said, the armed forces does not have to adhere to the US-applied deployment ratio of 10 soldiers to one insurgent or the bigger 100 to 1 ratio in some South American countries.

Ramas, who has adopted the "economy in force" doctrine in Army operations since becoming Army chief a few months ago, said that the Army has embarked on a program to retrain soldiers in guerilla warfare.

Squad-size scout operations remain and will so continue in the rest of the 80's as the most effective mode of army operations in the areas affected either by the MNLF or the New People's Army, Ramas said.

Combat strategies, he said, will have to be modified and men retrained along this small-unit concept.

CSO: 4220/121-E

VIRATA SEES CUT IN BORROWINGS

Manila PHILIPPINES DAILY EXPRESS in English 20 Nov 81 p 116

[Text]

FOREIGN borrowings will have to be cut next year because of the drop in the country's export earnings this year, and to keep the repayment burden within manageable levels

Prime Minister Cesar E.A. Virata yesterday told financial executives that under the law the debt service or repayment burden has to be maintained at 20 percent of the export earnings in the preceding year

Latest available data from the Central Bank show that the country's outstanding foreign debt amounted to $15.37 billion as of Sept. 30, 1981, an increase of $2.67 billion or 21 percent from the end-1980 level of $12.7 billion.

The CB data also showed that from January to September this year interest payments on foreign debts amounted to $967 million, a sharp increase of $638 million in the same period last year.

* * *

THERE HAS been a slight drop in export earnings this year, which means foreign borrowings will be cut in 1982 to maintain the 20-percent debt service ratio, the Prime Minister said in a speech before the Financial Executives Institute (FINEX).

As of Sept. 30, 1981, earnings from exports had amounted to $3.4 billion compared to $3.5 billion in January to September 1980, CB data showed.

Virata also said that in the coming years, the country's concern will be focused on servicing foreign debts that were incurred to pay for the soaring oil import bill

He added that there will be a need for a moratorium or grace period on future borrowings so that the repayment burden will be manageable and within the country's self-imposed ceiling.

THE PRIME Minister also said that a budget deficit of P10 million is expected to be incurred this year.

He appealed to businessmen and financial leaders to reconsider their operations and lending activities so that more financing will actually go to the rural reas for agricultural and food production projects.

He chided bankers in the urban areas for not being keen in financing agricultural projects, and who would rather invest only in government securities to satisfy CB regulations.

Virata also appealed to businessmen to review their lending activities so that only the viable and feasible projects are given financial assistance.

CSO: 4220/121-E

RP WON'S SEEK MORATORIUM ON LOAN REPAYMENTS

Manila PHILIPPINES DAILY EXPRESS 22 Nov 81 p 10

[Text]

THE country will not seek a moratorium on interest and principal repayments on over $15 billion worth of foreign debts, but instead seek softer terms on new loans to ease the growing surben of servicing the borrowings, Prime Minister Cesar E.A. Virata said the other night.

In a press briefing, the Prime Minister also said that:

- The government expects to incur an P11 billion budget deficit in 1982, compared to P10 billion projected this year.
- The RP-United States tax treaty may take effect in 1982 pending to the resolution of additional provisions pertaining to the taxation of the income derived by American airlines operating in the country.
- The Cabinet is reviewing the service contract for geothermal exploration, particularly those proposed by Caltex and Total Oil.

* * *

THE Prime Minister said, the government will require the private sector to ask for softer terms, particularly the extension of grace periods, on new foreign loans.

Virata, concurrently the finance minister, said that another alternative being considered by the government is to capitalize the interest to make room for additional borrowings.

The move, he pointed out, is intended to make sure that the country does not go beyond its self-imposed limit of a 20 percent debt service ratio. Under the law foreign loans during the year is limited to 20 percent of the export earnings in the preceeding year.

The Prime Minister also said that in the case of export credits, borrowers will be asked to seek a grace period of three years after actual construction of the project which shall be financed by the loan.

* * *

VIRATA cited the need for softer terms on new loans because of the slight drop in export earnings this year. The drop in dollar revenues will result in the reduction of new loans in 1982 to conform with the 20 percent debt service limit.

As of September 1981, export earnings had amounted to only $3.414 billion which was $90 million less than the January-September 1980 figures of $3.504 billion.

The Prime Minister said that the P11 billion cash deficit is projected in 1982 because government spending will have to be stepped up next year to stimulate economic and production activities in the economy.

* * *

IN the case of the tax treaty, Virata said that the national laws of either country Philippines is agreeable to the US position that the income from the sale of airline tickets will be subject to the respective national laws where the transaction is made or where the ticket is sold.

This position had been offered by the Philippines in the past but it was not acceptable to the US.

CSO: 4220/121-E

BRIEFS

FREE ENTERPRISE--President Marcos has reaffirmed his belief in the free enterprise system. He also restated the government's policy that private enterprise should be left alone. President Marcos declared this during the opening of the 27th congress of the International Chamber of Commerce. The president said his leadership was retained because he has maintained and insisted that free enterprise be the agent of change. Several times during the president's speech he was interrupted by applause by well-known businessmen from all over the world who gathered for the congress. Mr Marcos stressed that the government neither intends to take over nor nationalize any existing organizations. He declared, "We don't intend to take over or confiscate private property. We don't believe in that. We don't intend to nationalize any existing organization, unless there is a war, where we need public utilities and the like. We don't believe in state capitalism," the president emphasized. [Text] [HK240053 Manila Far East Broadcasting Company in English 2330 GMT 24 Nov 81]

INDONESIAN, KOREAN ENVOYS--President Marcos has expressed optimism about the continuing growth of relations with Indonesia and South Korea. The chief executive made the statement as he received the letters of credence of Indonesian ambassador Leo Lopulisa, President Marcos cited the similarity of experiences of the Filipinos and Indonesians. He said the two peoples both emerged victorious from disastrous wars, and both peoples have also learned the true value of friendship. The president also received the new South Korean Yi Nam-ki. He said the recent visit of South Korean President Chun Tu-hwan helped to strengthen the already close relations between the Philippines and South Korea. [Text] [HK260501 Baguio Mountain Province Broadcasting Corporation in English 0400 GMT 26 Nov 81]

ARAB-FUNDED DEVELOPMENT BANK--An Arab-funded Developed Bank will soon be established in the Philippines. President Marcos approved last night the request by Philippine Muslim leaders for the establishment of the bank. The Muslim leaders, belonging to the ulamas, or scholars', council of the Philippines, told President Marcos that Kuwait, Saudi Arabia and other Arab states have offered to put up the bank in the country. During the meeting with the Muslim leaders, President Marcos also called for Filipino unity against the communist threat. [Text] [HK050202 Manila Far East Broadcasting Company in English 0130 GMT 5 Dec 81]

MINING INDUSTRY FUND--President Marcos has ordered the establishment of a special stabilization fund to assist mining companies during periods of depressed metal prices in the international market. The president's move was prompted by declining copper prices in the world market, which had adversely affected major Philippine mining companies. His order reflected the Philippine Government's continuing concern over the stability of the country's industries, especially those providing intensive employment. [Text] [HK060250 Manila Far East Broadcasting Company in English 0230 GMT 6 Dec 81]

SAUDI MARKETS--The Philippines has begun an intensified campaign to get a bigger share of the Saudi consumer goods and construction markets, with the opening of the Philippine trade and industrial exhibition in Jeddah, Saudi Arabia. Prince Majid Bin Abdul Aziz al-Saud, governor of Makkah Province, cut the ceremonial ribbon to formally open the trade fair. He was welcomed and taken around the exhibit area by charge d'affaires Emilio D. Biasa, and commercial counsellor Antonio Basilio of the Philippine Embassy. Close to 500 diplomats, Saudi and other foreign businessmen and industrialists, Saudi Government officials, Filipino businessmen and contractors and their wives attended the inauguration. [Text] [HK070233 Manila Far East Broadcasting Company in English 0130 GMT 7 Dec 81]

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REPORT ON INDIAN-UGANDAN COMMUNIQUE ON OBOTE VISIT

EA302040 Kampala Domestic Service in English 1700 GMT 30 Nov 81

[Excerpts] Uganda's initiative to promote regional cooperation in East Africa and with other neighboring countries has been noted with admiration. In a joint communique today at the end of President Obote's visit to India, Prime Minister Mrs Indira Gandhi described the step as a move to stability and economic progress. President Obote, on the other hand, expressed his appreciation of India's unwavering support for the cause of African liberation.

The two leaders expressed their confidence that strict observance of the principles of nonalignment would contribute to the strengthening of international peace and security. To this end, Uganda and India pledged to work together in accordance with the decision of the New Delhi nonaligned foreign ministers conference held last February.

President Obote appreciated India's initiative to establish durable peace and to promote economic cooperation among the neighboring countries. He expressed deep admiration for the outstanding progress and all-round development achieved by India under the leadership of Prime Minister Indira Gandhi.

The president and his host called on the foreign powers to progressively reduce and finally eliminate their military presence from the Indian Ocean. They noted that the prospect for the early convening of the Indian Ocean conference in Sri Lanka this year is essential, but, they said, Uganda and India will endeavor to bring about the implementation of the 1971 UN resolution on the Indian Ocean as a zone of peace. They counted on the cooperation of the other like-minded states.

Noting the widening gap between the developed and the developing countries, Dr Obote and Mrs Gandhi stressed the urgent need to bring about factual changes in the present inequitable international economic system. They also stressed the need for urgent measures to stabilize and improve commodity prices and affect transfer of energy resources from the developed to the developing countries.

The two leaders emphasized the need to counter the growing trend toward protectionism, saying this makes it increasingly difficult for the devleoping countries to have access to the markets of the developed countries. Mrs Gandhi and her guest welcomed the consensus involved at the UN on international development strategy for the third development decade.

The two expressed the hope that global negotiations on international economic cooperation for development would be initiated at an early date. It was also their hope that discussions of the recent Mexico summit in Cancun will now provide the necessary political emphasis to overcome the present deadlock.

President Obote and Prime Minister Gandhi expressed satisfaction over the signing of a number of agreements between their countries during the state visit. They said the signing of those documents reflected the close and friendly relations between the two countries and the principles contained in the economic declaration of the sixth nonaligned summit. This stipulates that economic cooperation among nonaligned developing countries is an important part of the struggle for the establishment of a new international economic order.

President Obote thanked the president of India and the government and people of India for the warm hospitality extended to him and his delegation during their visit. He extended an invitation to the president and to the prime minister of India to visit Uganda. His invitation is now accepted.

Dr Obote had also held wide-ranging discussions on international and regional issues with Mrs Indira Gandhi. They reviewed their countries' bilateral relations and discussed ways and means of developing them further.

The presidents' talks were attended by the high-powered delegation of ministers and high-ranking personalities that accompanied him to India.

CSO: 4220/7452

U.S. FOREIGN POLICY IN CONFLICT WITH WORLD PUBLIC INTEREST

Jakarta PELITA in Indonesian 24 Oct 81 pp 1, 7

[Article: "Panelist General (Ret) Soemitro: U.S. Foreign Policy in Conflict With World Public Interest"]

[Excerpts] Jakarta, PELITA--General (Ret) Soemitro thinks that among American foreign policy objectives at present are the desire to restore the image of America as a superpower which can be trusted and displaying real strategic military capacity balancing Russia. In this effort, during the present period of transition, Reagan is forcing NATO and Japan to increase their defense capacities as a part of an attitude of watchfulness in the security sector and seeking a strong bargaining position looking toward negotiations with Russia.

Speaking as a panelist in the panel discussion held by the "National University Political Science Student Study Forum" on Friday [23 October] at Jalan Diponegoro 78, Jakarta, the former commander of KOPKAMTIB [Security and Order Command] also mentioned "the effort to reduce international economic involvement by connecting it to U.S. strategic and global interests" as a part of the Reagan foreign policy objectives.

Starting from the weakness of the previous, Carter administration, which he considered inadequate, U.S. foreign policy as implemented now, he felt, was offensive and vocal. It was offensive in the sense of adopting old positions and talking about Russian efforts to expand, and vocal in the sense of creating domestic and foreign public opinion beneficial to it.

In the discussion on the theme of "The Reagan Foreign Policy and Its Implications for the International World," Soemitro expressed the view that because of the way U.S. foreign policy was being implemented it appeared to be displaying an arrogant attitude and seeing issues in "black and white" terms, as in the cold war period of the past.

In reviewing the background of the foreign policy which it is now following, he went on to mention Reagan's private characteristics, which reflect a tough and firm will, while also having great persuasive capacities. As a consequence, he carries out his promises as far as possible, although his policies will lead to conflict and have other implications for the international world.

There were two matters which he emphasized in considering the implications of the Reagan foreign policy at present. First, he said, world issues at present are humanitarian in character, in which the major objective is to reduce poverty, backwardness, etc., through construction activity in the developing countries and through cooperation or even aid from the developed countries. Secondly, all developed, noncommunist countries are facing difficult, sensitive, and disturbing problems caused by the energy crisis, the recession, etc., with the result that the survival of these countries and of their political systems are given first priority.

In view of these two world tendencies the Reagan foreign policy has clear implications in Western Europe, Japan, the Middle East, the Chinese People's Republic, and the Asian area, as well as in the rest of the Third World.

According to Soemitro, the Reagan foreign policy will have interesting consequences particularly for the Third World, especially if America cannot adjust itself very well to the demands and interests of those countries.

There are strong indications, he said, that the role of the World Bank, in which America has a veto right, will decline and that the economic assistance of the developed countries to the Third World will be channeled through the specialized agencies of the UN.

"If the independent and nonaligned nucleus is not strong enough, it can be predicted that the Third World will become a forum for Russian efforts. Also very interesting will be the sales of weapons to the countries of the Third World, which is a source of local tensions," he said.

"Thus, it is clear that American foreign policy at present is in conflict with the public interests of the world outside the communist bloc. However, on the other hand," he said, "people are aware that a weak America will have the consequence of a loss of equilibrium between the superpowers and will provide an opportunity for Russia to achieve its objectives without restriction, that is, a world revolution leading to a world communist society. On the other hand, in the absence of a wise attitude on the part of America, the time may come when it will be 'a lonesome cowboy' who will be avoided and abandoned by its allies and particularly by the developing countries and the Third World."

"How Indonesia will respond to American foreign policy, with all its positive influences as well as its excesses, should be considered in a careful manner," he said.

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CSO: 4213/17

VISIT OF PARLIAMENTARY DELEGATION TO CHINA

Jakarta SINAR HARAPAN in Indonesian 6 Nov 81 pp 1, 12

[Article: "Impressions of Parliamentary Delegation to Beijing; Chinese Prime Minister Says We Are Happy That You Have Come Here"]

[Text] Jakarta, 5 November--The Indonesian parliamentary delegation which recently visited Beijing to attend the conference on population which was held by the UN in that communist country, received no "special" welcome or a specific reception, as was previously anticipated. Everything proceeded normally.

Sabam Sirait, a member of the Indonesian parliamentary delegation, in his statement to SINAR HARAPAN Thursday [5 November] in Jakarta, said that a few days before the delegation arrived in Hong Kong to transit on the way to Beijing the local newspapers there carried rather sensational articles reporting the visit of the Indonesian delegation to mainland China. And a few diplomats from ASEAN countries had occasion to comment that the Indonesian delegation would certainly receive special attention and treatment from their hosts. However, on the basis of their experience while attending the conference from 27 to 30 October 1981, they had no special treatment, apart from the welcome they received from their two "guides" as English and Indonesian-language interpreters.

The Indonesian delegation to Beijing consisted of Dr T. Iswari from the Functional Development Faction (chairman of the delegation), Dr Emilia Lun Hadaitullah (Functional Development Faction), Dr Soemari Prawirowiyono (Armed Forces Faction), Dr H. Zaidan Djauhary (Development Unity Faction), accompanied by the secretary of the delegation, Dr Agen Ginting.

While in Beijing the delegation had no direct contacts with the Chinese leaders, apart from exchanging greetings with Prime Minister Zhao Ziyang at the reception concluding the conference. According to Sabam, the Chinese prime minister appeared tired because he had just returned from attending the meeting of developed and developing countries at Cancun, Mexico. When he shook hands with our delegation, he only said, "We are happy that you have come here."

There was no contact with the Chinese leaders, because the agenda of the delegation during the conference was very crowded. The conference was held in the Great Hall of the People, near Tienanmen Square, attended by participants from India, Japan, the Philippines, Indonesia, Malaysia, Singapore, Thailand, Bangladesh, Iran, Iraq, Jordan, Syria, Cyprus, the United States, Australia, and Egypt. Several Western European countries also attended in the capacity of observers.

Dr Soedjatmoko from Indonesia, who is now rector of United Nations University in Tokyo, attended to present a paper, together with former Japanese Prime Minister Fukuda.

According to Sabam, the most important thing to come out of the conference was its issuance of the "Beijing Declaration" on population and development whose main points were the joint determination of all concerned to build a good and prosperous world for all peoples. To that end international justice was needed in the economic field. In connection with population, it was emphasized that the rate of population growth can be further controlled and, as much as possible, should be brought down to a 1 percent birth rate.

Third Time

The conference itself was a continuation of the first world population conference which was held in Bucharest in 1974.

With the visit of the Indonesian delegation, which used diplomatic passports, it was noted that this was the third time that Indonesian citizens had set foot on mainland China since Sino-Indonesian diplomatic relations were broken in 1965. Two delegations which visited China in 1978 were a trade delegation (from the Chamber of Trade and Industry) and a sports delegation led by Dr Sudirman, when he was still general chairman of the PBSI [All-Indonesian Badminton Union], but in his capacity as vice president of the International Badminton Federation (IBF).

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CSO: 4213/17

AUSTRALIAN DEFENSE ASSISTANCE DECLINES

Jakarta HARIAN UMUM AB in Indonesian 6 Nov 81 p 8

[Article: "Defense Assistance Aid from Australia to Indonesia Declines"]

[Text] Canberra, HARIAN UMUM AB--Military assistance from Australia to Indonesia for fiscal year 1981/1982 will decline by A$1.1 million. The assistance, which is contained in the Defense Cooperation Program (DCP) between Australia and Indonesia, amounted to A$11.9 million for 1980/1981, while the budget allocation for 1981/1982 will only amount to A$10.8 million.

According to Allan Thomson, a senior official in the Australian Department of Defense, the reduction in the total amount of aid does not mean a reduction in the cooperation between the two countries. Defense cooperation between Australia and Indonesia, on the contrary, will increase even further in the future, in view of the importance of Indonesia for Australia as its nearest neighbor to the North.

"Although at present it is felt that the danger from China has rather slackened, because it appears that China can now be more fully trusted, the other Communist threat from the Soviet Union is still growing," he said.

In the Defense Cooperation Program with Indonesia it is stated that Indonesia has made a request for three more patrol/escort ships from Australia. Projects which are currently in the course of implementation involve the overhaul of several Hercules C-130 aircraft by QANTAS Airlines in Sydney and carrying out a survey and map-making program covering Irian Jaya and Maluku. In addition, Indonesia has obtained the services of eight technical advisers who have been assigned to the Indonesian Air Force.

Since the Defense Cooperation Program between Australia was begun in 1968, some 1,220 Indonesian military personnel have been trained in Australia, including 70 in fiscal year 1980/1981. This year it is estimated that about 70 more military personnel will undergo training in Australia.

One aspect of the Defense Cooperation Program between Australia and Indonesia is the holding of joint naval exercises. The joint exercises have been held since 1972. Last year joint exercises between the two navies were held, using several of each country's warships in Indonesian territorial waters in November. In 1978 the exercise was held in the Java Sea, while in the previous year (1977) the military exercise was held in Australian waters.

Military assistance from Australia to Indonesia in the framework of the DCP also included the delivery of 16 Sabrejet aircraft, together with spare parts, training, and technical assistance over a 7-year period (1973-1980). This assistance helped the Indonesian Air Force in raising the level of its logistical performance and in maintaining the aircraft.

To help Indonesia defend against smuggling, Australia has also provided aid in the form of 2 patrol/escort ships, 12 Noman aircraft, and 6 16-meter long small patrol boats. According to present plans 6 other Nomad aircraft will be provided by the end of 1981.

In addition, 12 Sioux helicopters, fully equipped and with spare parts and training, were provided to Indonesia between 1977 and 1980. The helicopters were stationed in Bogor and used to train helicopter pilots for the Indonesian Armed Forces.

About 250 Landrover type vehicles, together with spare parts for 2 years, were provided last year. Of this total 120 vehicles were directly delivered to Indonesia by the Australian Navy ship, HMAS Jervis Bay, in October, 1980.

Military assistance from Australia to Indonesia in the Defense Cooperation Program of the two countries began with fiscal year 1972/1973. "This is an important part of good relations between Australia and Indonesia," Thomson said, in completing his statement.

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BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesian personalities has been extracted from Indonesian language sources published in Jakarta.]

AIR MARSHAL SOEDHARMONO--Air Marshal Soedharmono took his oath of office under the Koran when he was installed in his new duties as secretary general of the Ministry of Foreign Affairs on Friday [23 October] in the Cipta Loka Hall on Jalan Pejambon, Jakarta. In the presence of Minister of Foreign Affairs Mochtar Kusumaatmadja Soedharmono repeated the words of the minister in taking his oath of office in the presence of senior officers of the Ministry of Foreign Affairs. Air Marshal Soedharmono was born in Surakarta, 18 May 1928. He began is military career in East Java by joining a unit of the Students' Army. His military training has included the basic military training course, the navigation training course, the Air Force advanced navigation course in India, the strategic studies course, and the staff training course with the Royal Air Force in England. Positions which he has held include those of navigation officer in the Transport Squadron in Bandung, chief of the general staff of the Education Department of the Air Force, operations officer in West Java, assistant director and then director at Air Force Headquarters in Jakarta, commander of Joint Forces at the Headquarters of the Mandala Siaga Command in Makasar in carrying out Operation Trikora in Irian Jaya. He was air attache in the Indonesian Embassy in Canberra from 1964-1966, commanding general of the Air Force staff and command school in Lembang [West Java], deputy commander of Defense Area II, chief of staff for operations in HANKAM [Ministry of Defense and Security], and finally (from 1977 to July, 1981) Indonesian ambassador to the Philippines. While he was assigned to HANKAM, Soedharmono was better known as an expert on the law of the sea and was a member of the Indonesian Delegation to the Law of the Sea Conference and deputy to Prof Mochtar Kusumaatmadja. [Text] [Jakarta SINAR HARAPAN in Indonesian 23 Oct 81 p 12] 5170

AIR COMMODORE SUMAKNO ISWADI--Based on Letter of Decision of the Minister of Defense and Security No SKEP/976/VIII/1981, dated 21 August 1981, on Thursday, 22 October 1981 in the hall of the Headquarters of the National Air Defense Command [MAKOHANUDNAS] the post of chief of staff of KOHANUDNAS was transferred from Air Commodore Sobirin Misbach to his replacement, Air Commodore Sumakno Iswadi. The transfer of office was reported to the commander of KOHANUDNAS, Air Commodore Iskandar, and was attended by senior staff officers from the National

Air Defense Command. The former incumbent of the position of chief of staff, Air Commodore Sobirin Misbach, has been assigned to a new post as commanding general of the Air Force Education Command. The new chief of staff, Air Commodore Sumakno Iswadi, was previously commander of Iswahyudi Air Force Base [Madiun, East Java], where the aircraft assigned to KOHANUDNAS are located. He is presently attending the National Defense Institute [LEMHANNAS]. Air Commodore Sumakno Iswadi was born in Pati, Central Java, in 1935. He graduated from Pilot Training School at Kalijati in 1959 and from Advanced Pilot School in 1960. He began is Air Force career as air second lieutenant and was assigned to Squadron III (P-51's) at Halim Perdanakusumah Air Force Base in Jakarta. He was later successively assigned to Wing Operations 002 at Abdulrachman Saleh Air Force Base; to Squadron 11 at Iswahyudi; to Squadron 11, Wing Operations 002, at Abdulrachman Saleh; as ground instructor on the "Cakra-3" in Wing Operations 002 (1963); as a pilot in Air Defense Wing 300 (1964); as commander of Education Unit 005 in the Air Force Education Command (1966); as assistant air attache in the Indonesian Embassy in Washington (1968); as aide de camp to the president of Indonesia (1972); as commander of Iswahyudi Air Force Base (1977); as an officer on the staff of the chief of staff of the Air Force (1981); and presently as a student at the National Defense Institute. [Text] [Jakarta HARIAN UMUM AB in Indonesian 24 Oct 81 p 10] 5170

ISKANDAR TEDJASUKMANA--Former Minister of Labor Dr Iskandar Tedjasukmana on Friday [30 October] died at Gatot Subroto Hospital in Jakarta at 66 years of age, after being ill for some time. The deceased was born in Cianjur [West Java]. He had served as deputy chairman of the Working Body of the KNIP [Central Indonesian National Committee] in Yogyakarta and as minister of labor in the Wilopo and Burhanudin Harahap cabinets. His last position was that of chairman of the Indonesian Management Institute and deputy chairman of the Indonesian Working Force Foundation. The deceased leaves his wife and 5 children. The remains of the deceased will be buried on Saturday [31 October] at Tanah Kusir Cemetery in Jakarta, according to Indonesian TV Friday evening [30 October]. [Text] [Jakarta SINAR HARAPAN in Indonesian 31 Oct 81 p 12] 5170

DR H ABDULLAH SILONDAE--The governor of Southeast Sulawesi, Dr H Abdullah Silondae, died on Tuesday [3 November] at Gatot Subroto Army Hospital in Jakarta. The deceased, who was born in Kendari (capital of Southeast Sulawesi) on 16 October 1928, had been suffering for several months from a serious liver disease which required treatment in the United States. That is why the inspector general of the Ministry of Internal Affairs, Eddy Sabara, on 24 October was appointed acting governor of Southeast Sulawesi to handle the ongoing government of the province. The remains of the deceased were flown back to Kendari, accompanied by Acting Governor Eddy Sabara, for burial. Previously, a commemorative ceremony was held at the Ministry of Internal Affairs by Minister of Internal Affairs Amir Machmud, after the remains lay in state for one day at the Office of the Government of the Province of Southeast Sulawesi at Jalan Sumenep 4. The deceased was installed as governor of Southeast Sulawesi on 23 June 1978, based on Presidential Decision Letter No 122/M/1978, dated 19 June 1978. [Excerpts] [Jakarta KOMPAS in Indonesian 4 Nov 81 pp 1, 12] 5170

MOCHTAR LUBIS--A well-known Indonesian journalist, Mochtar Lubis, has been elected director general of the Press Foundation of Asia, whose headquarters are in Manila. Lubis will take up his new duties in Janaury, 1982, according to a spokesman of

the Press Foundation of Asia in Manila, in a statement made Thursday [5 November]. Mochtar Lubis, who is a winner of the "Ramon Magsaysay" prize for journalists, and was once jailed for demanding freedom of the press, will monitor the development of press freedom in Asia and several other questions involving the press. In performing his daily duties Mochtar Lubis will be assisted by a Filipino journalist, Romeo Abundo, who functions as director of the Editorial and Finance/Administration Sections of the Press Foundation of Asia. [Excerpt] [Jakarta KOMPAS in Indonesian 7 Nov 81 p 7] 5170

CSO: 4213/14

NEED FOR LOCAL TRANSMIGRATION

Jakarta KOMPAS in Indonesian 3 Nov 81 p 12

[Article: "Vice Minister Martono: Government Must Immediately Apply Local Transmigration Program"]

[Excerpt] Jakarta, KOMPAS--In addition to the national transmigration program the government must immediately apply a local transmigration program in the form of moving people between the provinces outside Java. This was stated by Vice Minister for Transmigration Affairs Martono, after reporting to President Soeharto at the Bina Graha offices on Monday [2 November].

According to Martono, carrying out local transmigration or resettlement is particularly needed in Lampung Province, so that the average landholding in the future in this area will not drop below 0.5 hectares. The Lampung residents involved live in an area stretching from South Lampung to Central Lampung.

It is clear that Central Lampung is not capable of taking care of all of the excess population of South Lampung, so that people will have to be sent farther, to North Lampung. Even the area of North Lampung cannot take care of all of the excess population, with the result that the transmigration project in Baturaja (South Sumatra) has been forced to be expanded by 10,000 more hectares, Martono says.

By the middle of April, 1980, it was estimated that 35,000 families residing in Lampung had to be rehoused to prevent damage to the surrounding area. It was estimated that this total would continue to rise as a result of the growing flood of spontaneous transmigrants. Out of the total number mentioned above only about 5,000 families were rehoused in 1980. For that purpose President Soeharto provided help in the form of an allocation of Rp 1.37 billion.

The same situation exists in North Sumatra. That is, it is necessary to resettle former estate agricultural workers and workers from the Asahan project. At present there are about 10,000 workers employed at the Asahan project. When this project is completed, it is estimated that only about 3,000 workers will still be needed. Thus, there will be 7,000 workers unemployed who will have to be resettled.

Furthermore, Martono says that there are now between 3,000 and 4,000 estate agricultural workers who have completed their work contracts. According to the

provisions of the contracts when their agreements come to an end, they must return to Java at the expense of the estate agricultural firm involved.

The problem now is that it is better for them to be rehoused in another area of North Sumatra or in another place outside of Java. However, if they do not return to Java, the estate agricultural firm involved will not be willing to pay the cost of their return to Java.

Therefore, Martono is suggesting to the estate agricultural firms concerned to pay the cost of the return trip to Java, even though in fact they will not return there. The money can later be used for their initial living expenses when they are rehoused.

According to information obtained by KOMPAS, the return fare to Java for estate agricultural workers who have completed their work contracts is about Rp 150,000 for a worker and his family.

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CSO: 4213/16

TIMORESE FAMILY REUNIFICATION VIEWED

Jakarta SINAR HARAPAN in Indonesian 4 Nov 81 pp 1, 12

[Article: "Question of Reuniting East Timor Families; Indonesia Continues To Hold Firm to Its Concept and Definition"]

[Text] Jakarta, 4 November--It is not true that Indonesia is not preparing a plan for the reunification of members of East Timor families who are still in the province with members of their families who are now in Australia.

As is known, many people of East Timor fled to Australia and remained there when the conflict broke out in the province at the end of 1975.

A high-ranking official of the Ministry of Foreign Affairs who is handling the reunification of East Timor families stated to SINAR HARAPAN on Tuesday [3 November] that in 1978 a series of conversations were held between the Indonesian and Australian governments to discuss a plan for the reunification of East Timor families. The conversations did not succeed because there was a difference of opinion between the two sides, not only regarding the number of people from East Timor who would be sent to Australia to be reunited with their families, but also regarding the definition and concept of these families.

The meeting on 2 November 1978 broke down because the Australian side was unable to agree on the total number of 101 persons (70 cases) which Indonesia regarded as meeting the conditions for the definition and concept of a family.

Meanwhile, the Australian side presented the figure of 625 persons (266 cases). That figure was reached after a reduction from the original figure of 633 cases, involving 2,422 persons.

After the matter was investigated in East Timor, it turned out that of the 266 cases involving 625 persons only 215 cases could be found, involving 511 persons. In the Indonesian view, of that total the number who met the conditions for the reunification of families, according to the "Agreed Summary Record," of 25-26 July 1978 only totaled 70 cases involving 101 persons.

The official said that Indonesia continues to hold firmly to the definition of a family, that is, consisting of the parents, children, and grandparents and grandchildren of the two families involved. Meanwhile, Australia has a rather loose

definition of family, which also includes relatives by marriage, a view which is rejected by Indonesia.

However the case may be, when he visited Australia in December 1978, the Indonesian minister of foreign affairs decided to continue with the plan for the reunification of East Timor families, while awaiting a resolution of the difference of opinion mentioned above. On this basis Indonesia agreed to permit the departure of the total of 101 persons. However, Australia rejected some of them for medical or documentary reasons.

Later on, Indonesia also agreed to permit the departure of a number of people who were not included in the total number originally agreed to. In April 1979, a total of 83 persons left East Timor for Australia. After April 1979, a group of 122 persons also left for Australia. These last two groups were allowed to depart, not on the basis of family reunification, but on the basis of ordinary immigration procedure. This was because the Australian government at the time had recognized on a de facto basis the incorporation of East Timor into Indonesia.

The official at the Ministry of Foreign Affairs pointed out clearly that the Indonesian government had shown good will without holding too strongly to the terms of the juridical definition. And now the Indonesian government is no longer prepared to discuss the matter of reunification of East Timor families because that is usually done only in the case of areas which are affected by disturbances. Such conditions are no longer to be found in East Timor. The Australian government itself has recognized in de facto fashion the integration of East Timor into Indonesia.

At present the Ministry of Foreign Affairs official also thinks that what caused the latest complications in Australia was the remarks of a high Australian official. To begin with, Australian Minister for Immigration McKillen visited Indonesia in September 1978. At that time he raised the question of the reunification of families with the Indonesian minister of foreign affairs, without paying attention to the fact that, in reality, there had been no final agreement reached on the figures involved between the two countries.

When McKillen returned to Canberra, he indicated, without paying attention to the facts, that the 600 persons whom the Australians had proposed would be reunited with their families in Australia before Christmas at the end of that year. This statement aroused false hopes, whereas there had not yet been an agreement between the two sides.

Since then the question of reunification of East Timor families has remained an issue involving public opinion with Australian officials, and particularly with Minister for Foreign Affairs Street.

The Indonesian official in the Ministry of Foreign Affairs said that Indonesia hoped that the Australian people would be given an explanation of the true background of the reunification of families. "However, we do not know whether this would be politically advantageous within Australia," the official said.

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CSO: 4213/17

INCREASING NUMBER OF PREGNANT WOMEN

Jakarta KOMPAS in Indonesian 5 Nov 81 pp 1, 12

[Article: "Dr Haryono Suyono: There Appears to Be an Increasing Number of Pregnant Women"]

[Excerpts] Yogyakarta, KOMPAS--Dr Haryono Suyono confirmed the view that at present there appears to be an increasing number of pregnant women, especially among young couples. The deputy chairman of the BKKBN (National Family Planning Coordination Body) admitted that the tendency was quite clear.

He set forth two kinds of reasons to clarify the emergence of this sign. First, there is an increase in the number of young couples in the fertile age group (PUS) in the 1980's by about 40 to 45 percent, compared to data for 1971. The increase occurred among children born after the independence war. Those who were born in the 1960's at present are at the height of their fertile years. Thus, it is these couples who are "affecting pregnancies in the 1980's."

The second reason is the success of development, which has made one community group feel better off and be sure of meeting its living requirements. Therefore, those who originally felt it was not so necessary to have many children, with the improvement in private welfare then decided to become pregnant again.

He made the foregoing comment on this question after the opening of a national seminar on the small family at the Bulaksumur Campus of the University of Gadjah Mada in Yogyakarta. Dr Haryono said that because the tendency exists for an increased number of women to become pregnant, the BKKBN, after considering the problem, is presently increasing its campaign to limit women to becoming pregnant three times, among the members of the family planning [KB] program.

Speaking openly and frankly, Haryono Suyono admitted that there are always mistakes in calculating the participants in the KB program. This is particularly the case if the estimate involves village and remote areas. As an example he mentioned an experience last month when he received a report on an increase in the number of KB participants in West Nusa Tenggara amounting to 400 percent. He doubted such a level of success, and an inspection team was sent to West Tenggara. It turned out that the increase in the number of participants was in fact based on an estimate. As a matter of fact, in that area midwives were being selected to provide training centers, and dozens of midwives were sent into the villages to fit contraceptive devices.

"Whenever there is something unusual, we certainly will look into it again. We cannot just trust what we hear," he said. Specifically to reduce the incidence of mistakes like that, the central office of the BKKBN always screens the data on acceptors from four aspects. The aspects are the population census, reports from village officials, reports of village chiefs, and logistical reports from the BKKBN warehouse, in order to obtain data on the number of contraceptive devices which have been distributed.

By carrying on research by using the four kinds of reports mentioned above, it is hoped that the correctness of the figures will be increasingly accepted. Haryono Suyono said that he was a follower of open management. That is, everyone is allowed to know, from the beginning, all aspects of his plans. "If we fail, everyone will know. If we are successful, everyone will finally know, also," he said.

The deputy chairman of the BKKBN added, "basically, we are different from certain offices or ministries, which only dare to make public the success of their programs, but someone outside the office never knows what went wrong with their programs."

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CSO: 4213/16

BOOKS BY EX-DETAINEE PRAMUDYA BANNED

Jakarta SINAR HARAPAN in Indonesian 23 Oct 81 pp 1, 12

[Article: "Books by Pramudya Banned Because They May Cause Unrest"]

[Excerpts] Jakarta, 23 October--Minister of Information Ali Murtopo on Thursday [22 October] stated that the books "Bumi Manusia" [The Land of Humanity] and "Anak Segala Bangsa" [Child of All Nations], written by Pramudya Ananta Tur when the writer was "residing" on Pulau Buru, after having been reviewed by social, cultural, and literary experts, have been found to contain elements which may create fear among the community (due to insinuations).

According to the minister of information, in the two books by the former detainee who was involved in the G.30.S/PKI affair [abortive communist-led coup attempt in 1965] Pramudya sought to create fear in the community, suggesting that it was only his theories which were closest to the truth. Thus, he suggested that his theories needed to be followed and, if not, all other, existing theories would be wrong, Ali Murtopo said.

The minister of information made the foregoing statement in the final portion of his speech before those attending the symposium on political education for the younger generation at the Hotel Kartika Chandra in Jakarta. The minister added that for the reasons stated above the printing permit for the two books had been cancelled. The cancellation was required because, if this had not been done, it could have led to social unrest which finally could have developed into criminal activity, he said.

"Now, before unrest develops to that point, it would be better for us to stop it as of now," the minister said.

As is generally known, the first authority to disapprove publication of the books was the secretary general of the Ministry of Education and Culture, Soetanto Wiryoprasanto, who was followed in his disapproval of the books by "Discussion Group 17." In the statement issued by the group it was stated that if the books were not withdrawn from circulation, it was feared that they might have a negative influence on the younger generation and the solidity of the New Order. Through cultural channels, according to the group, the younger generation can be poisoned unwittingly by books which teach that communist ideology is not dangerous. In fact, communism is a latent threat to the Indonesian nation. And this appears to

be clearly implied in Pramudya's two books referred to above, according to the statement of "Discussion Group 17."

On 29 May 1981 the attorney general, Dr Ismail Saleh, officially prohibited the circulation of the two books. People who hold, own, and sell the books are required to turn them over to the local prosecutor's office.

"After careful study it appears that in a skillful way and with a clever pen the author, in a smoothly finished and covert way, through the use of historical data, has been able to slip the teachings of Marxism-Leninism into the books," the attorney general said.

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OIL EXPLORATION INCREASES

Jakarta WARTA PERTAMINA in Indonesian No 4, Sep 81 pp 10, 11

[Excerpts] This is an important day with the signature of three product sharing agreements between Pertamina and five companies which will work in three offshore contract areas in Blocks B and C. With the signature of the three contracts the number of product sharing contractors now operating is 49, compared to three contractors functioning under contracts of work and 11 contracts on a 50-50 basis, which are operating in 65 working areas. This was stated by Minister of Mining and Energy Subroto on the occasion of the signature of the three product sharing agreements with five foreign oil firms in the hall of the Ministry of Mining and Energy on 27 August 1981.

The minister said that among the contractors mentioned above 17 were now in production. We continue to urge production of oil, considering the fact that oil reserves in Indonesia are still sufficient. At present 40 oil-bearing basins [cekungan] have been discovered. Of these, 10 basins are already being worked intensively and are even in production; 11 new basins are in the first phase of being worked; and the remaining 19 basins have not yet been worked at all. Thus, there are still considerable possibilities for oil to be found in Indonesia.

The three product sharing agreements were signed with Offshore Oil N L, from Australia, and Oxoco International Inc, from Canada; Trend Energi Kalimantan Ltd and Sedco Indonesia Inc; and Amoco (Indonesia) Barito Petroleum Company from the United States.

Offshore Oil N L and Oxoco International Inc

These two companies will operate in the working area offshore from Asahan, North Sumatra, amounting to 7,445 km^2. During the first 6 years the companies will spend about $54.9 million. There will be a production bonus of $7 million when the production level is at 25,000 barrels per day and $25 million at a production level of 50,000 barrels per day.

Trend Energi Kalimantan and Sedco International Inc

These contractors will operate in the South Barito working area in Block B, South Kalimantan, covering 7,725 km^2. During the first 6 years the companies will spend no less than $59 million for exploration costs. In the contract it is also provided that the contractor must pay an information bonus of $15 million, $5 million

of which will be paid after the beginning of commercial production. The production bonus will be $4 million at a production level of 25,000 barrels per day, $8 million at a production level of 50,000 barrels per day, and $10 million at a production level of 75,000 barrels per day.

Amoco (Indonesia) Barito Petroleum Company

This company has obtained an operating area in South Barito, Block C, covering 7,220 km^2. Like the other contractors, during the first 6 years exploration costs will total no less than $77 million. The information bonus which must be paid by the contractor is $4.2 million, $5 million after the beginning of commercial production, and $7 million on the profit after taxes. At the production level of 20,000 barrels per day the contractor is required to pay a bonus of $5 million, $10 million at a production level of 40,000 barrels per day, $40 million at a production level of 100,000 barrels per day, and $60 million at a production level of 200,000 barrels per day.

Other Provisions

--All exploration, investment, and production costs will be borne by the contractor.

--The contractors will recover all operational costs from production, and the division of the product between Indonesia and the contractor will be on the basis of 85/15 for oil and 70/30 for natural gas.

--The contractors are required to pay the companies tax and the tax on production, dividends, and royalties, directly to the government.

--Regarding the oil sales aspect, Pertamina has the option of selling to the contractor the portion of oil to which it is entitled, so that the portion of the oil which is sold or received by Pertamina will be no less than 50 percent of overall production.

--If oil is found, the contractors will provide 10 percent of its interest for the participation of an Indonesian company, which will be designated by Pertamina.

--The contractors will be prepared to provide 28.57 percent of their portion of the production for refining in Indonesia and will construct an oil refinery or a petrochemical project in Indonesia when there is no available refinery capacity, when their portion of the oil exceeds 175,000 barrels per day.

--The contractors are required to provide oil for domestic supply purposes on a proportional basis at a price of $0.20 per barrel after the fifth year of production.

--The original working area mentioned above will be gradually returned to the government until, by the end of the sixth year, it will not exceed 20 to 25 percent of the area.

With the signature of the three new product sharing agreements, by the end of August, 1981, a total of nine new product sharing agreements had been signed this year.

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COUNTRY TO HAVE THREE OIL, GAS CONTRACT CONSORTIA BY 1988

Jakarta KOMPAS in Indonesian 4 Nov 81 p 2

[Article: "Three Indonesian Consortia of Contractors Formed in Oil and Gas Sector"]

[Excerpts] Jakarta, KOMPAS--By 1988 Indonesia will have three consortia of contractors capable of handling high technology projects in the oil and natural gas sector. Also by 1988, as a result, foreign contractors in the oil and natural gas sector will not be absolutely needed in Indonesia.

To this end, at present there are three consortia of contractors which will work with foreign contractors in the oil and natural gas sector. The three consortia will learn from foreign contractors and in a phased manner will take over the technology they have. The three consortia are Panca Perkasa Indonesia Konsorsium [Consortium of five Indonesian Companies] (PPIK), Purna Bina Indonesia (PBI), and Pertafinity.

Sukamdani S Gitosardjono, chairman of the Services Compartment, who is also chairman of the Board of Directors of PPIK, made the foregoing statement to reporters on Monday [2 November] at the Hotel Sahid. He said that the PPIK will handle the Cilacap oil refinery, together with its foreign contractor, Fluor Inc. Meanwhile, PBI will work with Bechtel on the Bontang LNG [liquified natural gas] project, and Pertafinity will work with Bechtel on the Dumai project.

Sukamdani said that PPIK will handle 200,000 working hours of the 1.2 million working hours needed for the construction of the Cilacap oil refinery. The foreign contractor, that is, Fluor Inc, will handle 1.0 million working hours.

PPIK is an association of sic state-owned and private domestic companies [sic; this is in contrast with the number 5 in the name of the consortium; perhaps a sixth firm was added after the name was adopted.]. This consortium will form a joint enterprise with Fluor Inc. However, as the formation of a joint enterprise takes some time, an "interim agreement" has been reached so that PPIK can go to work. The joint enterprise has $1.0 million in capital, and the Indonesian side owns 65 percent of the shares in it.

Since it began to work in July, 1981, PPIK has completed 23,000 hours of work. Beginning in November this rate of work will be increased, so that by the end of 1983 it will complete 250,000 hours of work. When this level is reached, it will

mean that it will have exceeded the level of hours of work required. However, this depends on the wishes of the foreign partner. "Reaching a level of just 200,000 hours of work may lead to objections by the foreign company," Sukamdani said.

The Cilacap oil refinery will be completed in about 1983/1984. When the project is completed, this will not yet mean that the PPIK has the same level of technical capacity as its foreign partner, because PPIK must reach a level of 1.2 million hours of work.

Therefore, after the Cilacap project is completed, the consortium must seek other projects and must still work with a foreign partner, but with a higher level of hours of work. Thus, it is hoped that before 7 years have passed PPIK will have been able to take over all of the technology from the foreign partner.

In the phase of taking over technology the schedule will be determined each year. For example, by the end of 1983 it is hoped that the PPIK will have the capacity of handling 50 percent of the project and the management of construction. By the end of 1983 also, it is hoped that it will have achieved the capacity of handling 28 percent of the engineering sector.

In the organization of construction management at Cilacap 25 key positions have been designated to be held by Indonesian employees of PPIK. By the end of December, 1981, 21 of these positions will be filled with Indonesian employees of PPIK, while the remaining positions will be filled as the construction of the Cilacap oil refinery project goes along.

With the entry into activity of the three consortia of contractors, this means that in a phased way the projects now handled by foreign contractors will begin to be taken over by Indonesians. Some time ago the Indonesian contractors complained that in the oil and natural gas projects ordered by Pertamina the role of Indonesian private firms only amounted to 5 percent, while the remaining 95 percent was handled by foreign contractors.

5170
CSO: 4213/16

DEVELOPMENT OF COAL MINING IN KALIMANTAN

Jakarta HARIAN UMUM AB in Indonesian 3 Nov 81 p 3

[Article: "Coal Mining to Be Developed in Area of 2.83 Million Hectares in East and South Kalimantan"]

[Text] Jakarta, HARIAN UMUM AB--The development of coal mining in an area covering 2.83 million hectares of East and South Kalimantan will shortly be undertaken by the PN Tambang Batubara company, working with three private foreign contractors.

The cooperation agreement on the development of the coal mining was signed yesterday [2 November] at the Ministry of Mining and Energy by the principal director of PN Tambang Batubara, Achmad Prijono, and representatives of the joint venture firms, Atlantic Richfield Indonesia Inc and Utah Exploration (PT Arutmin Indonesia), and the joint venture between AGIP Overseas Ltd and Consolidation Coal of Indonesia Ltd.

In the cooperation agreement it is provided, among other things, that PN Tambang Batubara will be responsible for the processing activity which will be undertaken, based on the agreement, while the contractor will bear all risks and all of the expenses.

Periodically, the contractors are required to report the results of their efforts to the government and gradually to reduce the area being exploited, so that the area proved to contain deposits of coal will, at the most, amount to about 25 percent of the original area.

The contractor is obliged to turn over 13.5 percent of the coal produced to PN Tambang Batubara in its natural form. In this way the contractor is reimbursed for the costs of exploration and exploitation.

The contractor is required to make an effort to prevent damage to the surrounding area and to safeguard the preservation of natural resources in the area concerned. Openings for work and the transfer of technology to Indonesian workers will be provided on as broad a basis as possible, so that 75 percent of the overall positions will be held by Indoensian workers by the third year, and 100 percent by the eighth year. Among the technical staff, supervisors, directors, and experts 85 percent of the workers in these groups will be Indonesians by the eighth year.

Four years after the production phase is begun, the contractor is required to offer his shares to the government or Indonesian citizens, so that by the 10th year after the beginning of production at least 51 percent of the shares involved will have been offered for sale.

The obligation for the contractor to offer to sell his shares will continue to be in effect until all of the shares offered for sale are in fact purchased by Indonesians.

The cooperation agreement will be in effect for 30 years, counting from the beginning of the operations period.

Minister of Mining and Energy Subroto considers that cooperation in the development of the coal is important, because this step is in accordance with Indonesian energy policy for using non-oil sources of energy. According to Subroto, sooner or later petroleum will be used up, and for that reason it is necessary to develop other sources of energy, like geothermal resources, natural gas, hydro-electric power, and biomass. The development of coal is important in the effort to meet the country's needs for energy.

It is estimated that requirements for coal by 1990 will reach the level of 15 million tons per year, and this is equivalent to 60 million barrels of oil.

Subroto also said that the development of this coal will have a major influence on the development of East and South Kalimantan.

5170
CSO: 4213/16

NO U.S. MILITARY EXPERTS TO BE ASSIGNED

Karachi DAWN in English 7 Dec 81 p 1

[Text]

WASHINGTON, Dec 6: No US military personnel will be assigned to Pakistan in connection with the F-16 programme.

Between 95 and 105 Pakistanis will be trained in the new technology embedded in the F-16 at facilities in USA maintained by the manufacturer of the plane, General Dynamics, and the US Tactical Air Force.

The Pakistani technicians will be assigned to two training sessions, one running from may 1982 to November and the other from June to December. Of the 100 odd technicians, 14 will be trained as instructors so that they in turn can train more Pakistanis back home. Six Pakistanis will be trained as pilots in USA in one batch and 4 in another. After that all will receive their training at home.

General Dynamics will start delivering the planes, 4 two-seaters and two on-seaters, in September next and complete the first consignment of six by December.

They will be ferried to Pakistan together in December.

The balance of 34 will be delivered about five every quarter, beginning in March 1984 and the last of them will arrive in Pakistan in late 1985.

The maintenance equipment will start going to Pakistan in September and the shipments will run over three years.

This is the most complex part of the highly sophisticated new technology that has gone into the F-16 and as in other countries, the manufacturers will help out by assigning some 14 technicians and the US Defence Department will depute no more than four civilians to administer the contract in December next year but within three months, they will begin to be phased out and all of them will have been withdrawn by the time the last of the planes is delivered.

US experts have recently made extensive surveys of Pakistan's technical potential. It appears that the Pakistan Air Force will have relatively few problems in effectively absorbing the F-16 despite the quantum leap in technology that the aircraft represents over other planes in its present inventory. The proven competence of Pakistani pilots and maintenance personel indicate high likelihood of relatively quick and effective utilisation.

CSO: 4220/126

REALISTIC APPROACH TO FOREIGN INVESTMENT STRESSED

Islamabad THE MUSLIM in English 27 Nov 81 p 4

[Editorial: "High Hopes and Disappointment"]

[Text]

IT WAS as wrong to have raised high expectations from the visit of the U.S. investment mission as it is to feel disappointed at the immediate outcome. One wrong often leads to another, and this particular event fits in with that pattern well. Americans, or for that matter major investors of industrial nations, do not make hard investment decisions when they come in large groups, particularly to countries or areas not too familiar to them. The fact that 23 Americans came along with a few Pakistani businessmen in the U.S, did not mean they were rushing in to invest following the new chapter in Pakistan-U.S. relations. Major investments are not made on the basis of sentiments, or the new or old goodwill of a country for another. If Pakistani entrepreneurs will not invest in their own country on the basis of sentiments, or following passionate appeals of the government or the public in the name of patriotism, social responsibility or humanitarian considerations, or even their own survival as a class, why would the American investors want to be sentimental or be swayed by emotions? And yet the Pakistani businessmen and industrialists are among the first to voice their disappointment with the outcome of the U.S. mission's visit. Some of them did expect to enter into quick deals for joint enterprises with the U.S. investors, but since that did not come through, they sound bitter. Some of them are writing strongly deprecatory letters about the visit of the mission to newspapers which is more of a comment on themselves than on the conduct of the visitors.

Poor investment of the domestic capital has been one of the major drawbacks of Pakistan's economy for a long time. The incontrovertible fact is that if domestic capital is shy, foreign capital will be even more shy. So the Pakistani investors have to blame themselves if others are not too enthusiastic about investing in Pakistan or their warm words of praise for this country are not matched by solid and immediate investment. Industries Minister Elahi Bakhsh Soomro says the Pakistan Government and the U.S. mission have identified 100 projects for joint enterprises to "marry the private sector in Pakistan with the private sector in the U.S." And when the leader of the U.S. mission says: "We have only

just scratched the surface in Pakistan", he is right. He is right, too, when he points out that Pakistan has to compete with 100 other countries in the world for U.S. private investment. Evidently, Pakistan has to offer good terms for U.S. capital. There is a credit crunch in the U.S. Interest rates there are as high as 20 per cent with the possibility of rising higher. American capital invested at home does not run the kind of risks it can in the tropical countries. So the U.S. investor's projections of possible profits from Pakistan have to be far above those he can get at home. Some of those who raised high expectations from the visit are shocked to find that the only immediate outcome is an investment of 1.5 million dollars for the extension of a multinational poultry farm in Pakistan and the agreement of another U.S. company to invest Rs. 10 million in the Pakistan Sheep Breeding Farm Ltd. But they certainly are not so much the immediate outcome of the visit as the result of earlier detailed negotiations. So it is wrong to think the visit has ended with only token investments on poultry farming and sheep breeding.

President Reagan can take the horse to the fountain but he cannot make it drink. Similarly, he can persuade U.S. investors to visit Pakistan but he cannot make them invest here and now, and on our own terms. The investors are bound to make feasibility studies of the 100 projects available to them for joint enterprises, ascertain the credentials of their possible local partners, and determine the actual profits possible, and the growth rate they can expect. The U.S. mission has not been the only one to Pakistan. British, Canadian and South Korean missions, too, have been here. And they will also decide whether or not to invest on the basis of hard realities. Pakistani entrepreneurs should now come forward, invest and create confidence in foreign investors not through sentimentalism but through positive action. President Zia has conceded the primacy of the private sector and assured it that the public sector will only fill the gaps. And the Production Minister, has warned the private sector that if the domestic private sector fails, the role of the public sector may become larger or more liberal concessions given to foreign investors than are available to the domestic sector. When that happens, Pakistani entrepreneurs will protest sharply and begin a vociferous campaign. Let that not happen. Instead, let the Pakistani private sector lead the foreign investors and let the Government come forward with a realistic fiscal policy and other concessions to make the climate more attractive for large-scale foreign investments, if that is what we honestly feel is required to keep the economy afloat.

CSO: 4220/129

ROLE OF PAKISTANIS IN LIBYA DISCUSSED

Islamabad THE MUSLIM in English 28 Nov 81 p 6

[Text] LAHORE, Nov. 27: Pakistanis working in Libya are contributing a lot towards the advancement of Socialist Peoples Libyan Arab Jamahuria as a developing country side by side earning precious foreign exchange for their own country, writes APP correspondent Aftab Ghani, who recently visited Libya with Pakistan's high level delegation.

There are about 100,000 Pakistanis working in different fields in Libya, they included doctors, engineers, nurses, teachers, technicians besides a large number labour force.

Since there is a lot of construction work going on in Libya to meet the housing shortage a number of Pakistani construction firms are also vying with foreign firms for securing contracts for building houses, some of them have already succeeded in securing contracts and were working on their projects, a Pakistani firm has won a contract for laying electric transmission lines.

In every city, big or small or a town substantial construction work was going on and new buildings were being erected to cope with acute shortage of houses.

Over 20,000 Pakistani labourers, 10,000 masons, 7,00 carpenters, 5,000 steel fixers and 3,000 electricians were busy working on these projects, the Libyan authorities were satisfied with their work and wanted to employ more Pakistanis to meet their domestic needs.

Although the number of the Pakistanis working against white collared jobs was not as much that of workers and skilled labour but their demand was gradually growing. The Libyan Government prefered Pakistanis, Bangladeshis and Indians over other nations, because they considered them hard-working.

Pakistani technicians, mechanics, drivers operators, fitter, plumbers, dentors and tailors were also very much in demand in Libya, those working at present there, however, were not much in number.

Biggest concentration of Pakistanis employed in Libya was visible in Tripoli, the Libyan Jamahuria capital and Ben Ghazi, the second biggest coastal city about 500 kilometres from Tripoli, where most of the projects were under execution.

The Pakistani delegation led by Federal Minister for Labour Manpower and Overseas Pakistanis, Ghulam Dastgir Khan, during its week long visit to Libya met a large number of Pakistanis working there and discussed the problems faced by them with a view to finding their solution.

In Tripoli and Ben Ghazi the Minister received a number of representative delegations of doctors, engineers, nurses, teachers and labourers and heard their complaints, he also attended receptions arranged by Pakistanis in honour of the delegation and met Pakistanis collectively and individually to know their problems.

Ghulam Dastgir Khan assured them that he would ensure that not a single person was put to any inconvenience.

He also directed Pakistan Embassy staff to work with still greater zeal in looking after the interests of Pakistanis working in Libya, he told them that President Ziaul Haq and his government was very keen to remove all their difficulties as they were making great contribution in the development and prosperity of the country.

A representative delegation of the labourers apprised the Minister of the difficulties they faced at the hands of recruiting agents and said that they were defrauded by them to the tune of several thousand rupees each person. They demanded that the recruiting business for foreign countries be taken over by the government to save innocent persons from being fleeced by the unscrupulous persons in the trade.

They said if the Emigration and Overseas Employment Corporation took over the business, it would greatly help in minimising their difficulties besides totally eliminating chances of corruption and fraud.

At every place the Pakistanis expressed their opinion that the visit of the delegation was very reassuring for them. They told the Minister that it was very encouraging for them that President Ziaul Haq and his government was very much concerned about their welfare abroad and at home and thanked President Zia in this regard.

The high powered delegation included Secretary Labour, Manpower and Overseas Pakistanis M.A. Kazmi, Additional Secretary Ministry of Foreign Affairs, S.A. Moid, Additional Secretary of Interior, Z.A. Taimuri and Director General Bureau of Emigration and Overseas Employment, Brig. (Retd) Mohammad Akbar.

CSO: 4220/129

NEEDS OF COUNTRY CONTRASTED WITH WORLD BANK REQUIREMENTS

Islamabad THE MUSLIM in English 3 Dec 81 p 4

[Editorial: "Doctor in the House"]

[Text]

WITH DR. MAHBUBUL HAQUE back home, we should have suspected it. He has been with the World Bank and there they don't use vanaspati as a cooking medium. It is quite natural for Dr. Haque to conclude that the ghee, engineering, fertiliser and automobile industries should be denationalised because the government's limited capacities should not be over-extended. "Too much of public sector shifts government responsibilities from other, more important social concerns like absolute poverty," as he said in his interview published by this newspaper yesterday. Ghee is a daily necessity. Its easy and cheap and continuous availability should therefore remain one of the foremost considerations of the government. What else can be a more important social concern? Two: fertiliser assures increased agricultural production. What else could be a more important concern than an abundant supply of artificial manure to all farmers for all crops? Self-sufficiency in food is one of the vital fronts this country has to win in its fight against poverty. The production and supply of sufficient quantities of fertiliser must therefore remain a very important social concern. Three: engineering, especially heavy engineering, must remain in the public sector because the country needs to manufacture its own ghee and sugar and cement and other plants. Opening heavy engineering to the private sector would be tantamount to surrendering the entire industrial sector to the whims and fancies of the entrepreneur whose only qualification is that he has the liberty to play around with a lot of commercial credit without an iota of professional entitlement. Engineering must therefore continue to be considered an area of social concern no matter what the World Bank-wallahs say. Even in South Korea which is now being cited as a model of development, 30 per cent of all industrial investment is publicly owned and is working quite well because those in charge in Seoul are, as an expert put it, intolerant of failure. We have rejected before and we reject again the allegation that any industry was ever nationalised here. God will punish Dr. Mubashir Hasan for the manner in which he 'nationalised' absolutely critical sectors of the economy but that's a separate story. No nationalisation ever took place, suffice it to say, and, therefore, it is absolutely cruel to say that the experiment has

failed. Four: transport must likewise remain in the public sector – not in the bureaucratic sector, like ghee and cement and things. Even the Americans have been thinking to give public transport a larger role in their scheme of things. In the era of expensive oil, private transport must be discouraged to the maximum possible. That is, if the government sincerely wants that it should mainly be concerned with eradicating absolute poverty. Public sector is a term we are sick and tired of hearing. There is no such thing in Pakistan, for Pete's sake. Whatever exists in the name of the public sector is that segment of the economy which operates under State protection for lining private purses. Or how else did the Mubashir Hasan 'nationalisation' led to a dramatic increase in the number of the notorious 22 families Pakistan's is a strange case history: it must be the only country in the world where millionaires have multiplied in the wake of nationalisation. Exigencies of space prevent us from continuing our harangue but you may be sure that were not yet done with the estimable doctor from the World Bank—not by a long shot.

CSO: 4220/129

MORE HELP FOR PAKISTANIS ABROAD URGED

Karachi DAWN in English 3 Dec 81 p 7

[Editorial: "Helping Pakistanis Abroad"]

[Text] IN spite of the rosy picture painted by home remittances and a visible rise in the standard of living of the expatriates' families left behind, Pakistanis working abroad often lead hard and difficult lives. A large number of them periodically require assistance and protection that our embassies in the relevant countries are ill-equipped and insufficiently inclined to provide. There are stories of unskilled and semi-skilled workers being duped in some Middle Eastern countries. Quite a few of them have landed in prison for lack of legal assistance. One particular episode relating to recruitment for some dubious jobs in Libya has already necessitated official involvement at the level of the Federal Minister for Labour, Manpower and Overseas Pakistanis. This may serve as an indication of the numerous travails of our workers abroad.

In this perspective, the report that at least ten Labour Attaches in countries where Pakistani workers are concentrated have been designated as Community Welfare Officers, gives hope for an improvement in the situation. The report, quoting informed sources, also discloses that legal-aid cells are being set up at some embassies to help Pakistani immigrants in cases of distress and exploitation by promoters and employers. Hopefully, the change in nomenclature is meant to alter approach and style and has come as the result of a serious evaluation of the problems faced by Pakistani workers. Legal-aid cells have been long overdue. There has been an inadequate realisation of the problems that overseas Pakistani workers have sometimes to encounter, problems that they cannot cope with unaided. It is estimated that 1.7 million Pakistanis are working abroad — 1.5 million of them in the Middle East. Most of these people live without their families and are exposed to considerable emotional pressure in alien lands. A large number of them are illiterate or semi-literate, unable to understand their rights and to defend them. Our missions, which so far have shown little sympathy for Pakistanis in distress, are legally and morally bound to come to their rescue in any emergency. If the existing staff is insufficient to perform this large task, more appointments ought to be made. One feature of our manpower export is the involvement of the underground in the recruiting business. A number of measures have been taken to regulate the operation. But enough attention perhaps has not been paid to detecting irregularities that take place in the foreign countries. Complaints about haughty behaviour of the diplomatic staff with lowly expatriate workers have also been frequent. The Community Welfare Officers are expected to be more considerate and courteous. Our embassies have to function in such a manner that an ordinary Pakistani can renew his sense of belonging to his homeland by just visiting them — even if without any specific problem.

PLAN TO REGULATE MANPOWER FLOW TO OTHER COUNTRIES DISCLOSED

Karachi MORNING NEWS in English 8 Dec 81 pp 1, 10

[Text] IN A BID TO REGULATE THE FLOW OF MANPOWER TO OVERSEAS, PAKISTAN WILL HENCEFORTH CONCLUDE GOVERNMENT-TO-GOVERNMENT AGREEMENTS REGARDING THE EMPLOYMENT OF PAKISTANI EMIGRANTS IN OTHER COUNTRIES.

This was disclosed by Federal Minister for Labour, Manpower and Overseas Pakistanis Mr. Ghulam Dastgir Khan, while talking to newsmen at the inaguration of "Overseas Express" (a subsidiary of the Overseas Employment Corporation) here yesterday.

Mr Dastgir said the first Government-to-Government agreement covering the recruitment and employment of Pakistani labour abroad would be concluded with the Arab Jamahirya of Libya.

Some initial discussions in this regard had been held with the Libyan Government representatives during his recent visit to that country last month, he added.

Noting that Libya wanted to employ Pakistani doctors, engineers, skilled and semi-skilled workers in large numbers, he said both the countries wanted to do this in a planned and systematic manner, especially in view of some recent untoward experiences.

He hoped that a governmental level agreement providing for the future recruitment and employment of Pakistanis in Libya would be concluded during the forthcoming visit to Pakistan by Mr Abdullah Mabrouk, Libyan Minister for Labour, who is scheduled to come here on an official visit at the end of January, 1982.

Overall Policy

Regarding the Government's overall policy towards emigrant labour, Mr Dastagir said that efforts were being made to check all lacuna and loopholes in the existing laws and regulations.

The aim of the Government, he continued, was to put an end to the exploitation of poor and uneducated workers by unscrupulous persons.

He recalled that the licences of about 750 "Overseas Employment Promoters" (i.e. recruiting agents) had been cancelled for indulging in malpractices, while sending Pakistani workers abroad.

The Government would continue to take strict action against all agencies fleecing Pakistani emigrant workers, he added.

Earlier, Mr Dastagir inaugurated the new "Overseas Express" office, which is located in the Sea Breeze Plaza on the Sharae Faisal, near the Aisha Bawany Academy.

The "Overseas Express' will handle a large part of the air travel arrangements for Pakistani workers being recruited and sent abroad by the Overseas Employment Corporation (OEC) of which it is a subsidiary.

The OEC sends between 1,000 to 2,000 workers abroad each month. The amount involved in purchasing air tickets etc. comes to a sizeable sum, and previously this went to private travel agencies.

First Priority

In his inaugural address, Mr Dastagir said that the Government's first priority in its manpower policy was to provide adequate avenues for the beneficial employment of professional skilled and unskilled workers within the country, and not to "export labour" to other countries.

He said, however, insofar as Pakistani workers were going abroad in the present circumstances, the Government wanted to prevent their exploitation by unscrupulous persons and to end all malpractices in this field.

He said the chief purpose of the Overseas Employment Corporation was to help Pakistani workers.

He hoped that the OEC would continue to be of assistance to Pakistanis wanting to go abroad to secure honourable means of employment.

Mr Dastagir stated that despite many measures taken by the Government to regulate the flow of Pakistani manpower abroad, some unscrupulous persons were still cheating poor would-be emigrants and further steps were needed to check such dishonest elements.

He also said that the Government was trying to provide would-be emigrant workers with technical skills so that they could secure better positions, and recalled in this connection that about half a dozen vocational schools had been opened in various parts of the country to provide necessary training and education.

Welcome Address

Earlier, in his welcome address, Brig. M. M. Afzal, Managing Director of the Overseas Employment Corporation, said that about 35,000 Pakistani workers had been sent abroad through the OEC since its foundation in July, 1976.

These 35,000 workers were remitting about Rs. 600 million to Pakistan annually, he added.

He said that up to now, the OEC had been routing air traffic worth about Rs. 40 to 70 lakh to the PIA per month, but henceworth a large part of this business would be handled by the new "Overseas Express" travel agency.

TRAVEL AGENT SAID SENDING 'POLITICAL' EMIGRES ABROAD

Karachi MORNING NEWS in English 8 Dec 81 p 5

[Text] A hectic search has been launched, by the police, for a recruiting agent who is alleged to have sent several persons to West Germany as political emigres, it was reported yesterday.

"The fact came to light when one of the passengers Anwar bound for West Germany was picked up by the airport immigration police a few days ago.

The reports said that Anwar of Sheikhupura, was going to West Germany when he was detained, for interrogation, minutes before his flight.

However, Anwar told them that he was going to seek political asylum and some documents were also seized from his possession.

When he was subjected to the intense questioning, he revealed that the recruiting agent had briefed him that he should say so when he lands at the West German Airport, and he would be allowed to say there.

The police have detained Anwar and the search for the agent who had his office in the Civil Lines areas, is continuing.

The agent is alleged to have sent several persons to West Germany with this modus operandi.

CSO: 4220/130

POLICE BREAK GANG OF PASSPORT RACKETEERS

Karachi MORNING NEWS in English 11 Dec 81 p 9

[Text] An organised gang of passport racket who cheated several innocent persons of lakhs of rupees on the promise of sending them to United States, was smashed by the Preedy police yesterday.

The police seized hundreds of passports, forged visas, stamps and other documents.

The reports said that the ringleader of the gang Yacoob Masih extorted from Rs. 6,000 to 11,000 as his fee from several persons on the promise of sending them to the United STates.

However the police led by Osman, SHO Preedy, under the instruction of SP Civil Lines Baber Khatak, after a clue raided the hideout of the gang leader and seized hundreds of passports, forged visas and rubber stamps from there.

Besides, ring leader Yacoob Masih, two other members of the gang were also picked up by the police.

The accused were later booked under Section, 420 and 406 PPC.

The Preedy police also arrested a notorious goonda, Mushtaq Ahmed, alias Gringo, who was wanted by different police stations of the city.

CSO: 4220/130

ISLAMIC CONFERENCE TO PROTEST ISRAEL'S MOSQUE DIG

Karachi DAWN in English 5 Dec 81 p 10

[Text] Jamiat Ittehad Alam-e-Islami at its meeting in Karachi yesterday decided to convene a conference of the leaders of Islamic countries in Karachi on Dec 28 to mobilise world Muslim opinion on the vital question of the restoration of Masjid-i-Aqsa from the clutches of Israeli Fascism.

The Jamiat in a Press release said it has been further decided in this connection to organise a people's voluntary force drawn from all the Muslim countries.

Speaking on the occasion, the Jamiat's President, Mr Anwaar Jaleos, said he received lately a communication from the parent body's President, Mr Fawwad Al-Khatib, expressing his deep concern over the Israelis' continued digging adjacent to Masjid al-Aqsa. Mr Fawwad has said that unless the Islamic world takes appropriate measures to check this wanton digging, the very foundations of Masjid al-Aqsa would be endangered.

Along with his letter, Mr Fawwad has sent the latest picture showing the Israelis at work digging the rear portion of Masjid al-Aqsa.

CSO: 4220/126

CRIME RATE IN PUNJAB DISCUSSED

Karachi DAWN in English 7 Dec 81 p 7

[Text]

If at all the crime rate in Pakistan's biggest province has to be compared with a foreign country, then let it be Saudi Arabia or the Gulf countries where crimes are almost non-existent. It is not a good practice for our officials to try to satisfy the masses by comparing our crime rate with those of other countries.

On the other hand, the officials should try to keep the people fully informed and side by side identify the steps which are being taken to counter crime. The people know that no police chief has the magic wand he could use to eliminate all crimes from the province within a fraction of a second. They are also aware of the problems being faced by the police and know that any improvement will only be in phases.

The Punjab police chief has mentioned some important steps which are being taken to improve the efficiency of he Department. First, the strength of the police force should be increased and it should be given modern equipment for investigation. Secondly, the salaries should be substantially increased to eliminate all temptations.

The decision to increase the strength of the force is welcome. But care should be taken to recruit only qualified persons. The colonial concept of recruitment is outdated and should be discarded.

We would suggest that as an experiment the salaries of policemen in a division should be couped and the results observed. If this increase can eliminate 50 to 60 per cent of police corruption, the public would heave a sigh of relief.

CSO: 4220/126

EDITORIAL DEPLORES STUDENT DISTURBANCES

Karachi DAWN in English 1 Dec 81 p 7

[Editorial]

[Text] While the academic atmosphere has not been too placid lately, events in Hyderabad and Nawabshah will cause considerable disquiet. Clashes were said to have taken place among groups divided on regional and ethnic lines. Though the existing state of affairs in the affected institutions has largely gone unreported, it is obvious that the new situation goes beyond the familiar pattern of student indiscipline and rowdyism. Intimations of the crisis were provided the other day by the Provincial Health and Information Minister when, in a speech in Hyderabad, he warned subversive elements trying to disturb the peaceful atmosphere in the educational institutions and said that "all those living in Sind are Sindhis and Pakistanis". The Vice-Chancellor of the Sind University also warned certain groups to refrain from indulging in activities prejudicial to order in educational institutions. A meeting was held to discuss measures for maintaining discipline on the campus. Later, a number of students of the Sind University and the Mehran Engineering University were either expelled or rusticated for a specified period. They were charged with activities prejudicial to the maintenance of discipline and academic peace.

The intrusion of militant parochialism into some educational institutions is a disturbing development. It cannot be taken lightly. But any moves devised to counter this tendency will have to be well thought out. It is wise to impress upon students that their enlightened self-interest lies in acquiring education and striving for academic excellence. Stringent action against known culprits is unavoidable. Teachers and parents have a role to play. Finally, establishment of a proper educational atmosphere in institutions of higher learning will provide the best defence against recurring aberrations. Post-graduate students are expected to deal with issues at an intellectual and rational level. Universities require a certain academic freedom and autonomy to be able to sublimate the students' restless energy and to direct their idealism into constructive channels. Often, regional issues are used to camouflage discontent born of a lack of expression and participation.

CSO: 4220/122

DISCIPLINARY ACTION AGAINST STUDENTS REPORTED

Karachi MORNING NEWS in English 7 Dec 81 p 5

[Text] Eighteen students of the Karachi and NED universities have been rusticated for three years.

The following is the text of Press note issued yesterday:

"According to the Notifications issued yesterday by the University of Karachi and N.E.D. Engineering University, 18 students belonging to these two institutions have been rusticated for a period of three years for their activities which were found prejudicial to the maintenance of discipline and academic peace.

"This action has been taken by the Vice-Chancellors in exercise of the power conferred on them by MLO-148.

This is sequel to the disturbances which took place in these two Universities on Dec. 3 and Dec. 4, 1981 when elections to the students union took place resulting in injuries to five persons."

The names of 10 rusticated students, who are absconding, are as follows:

N.E.D. Engineering University

Deen Mohammad Baloch alias Buro, Shirin Khan alias Shanzada, Jan Mohammad alias Janoo and Zafarullah Khan Ghichki.

University of Karachi

Shahzada Khan, Mohammad Waseem, Mohammad Saleem alias Ghora, Farrukh Ahmed, Najam, and Mohammad Amin.

"These students are wanted in F.I.Rs. registered with Gul-shan-i-Iqbal Station and as they have not surrendered themselves to the police they have been declared as absconders by the Home Department under MLO-137.

"Anyone giving shelter to these persons would be liable to action undertthe Martial Law. The relevant Martial Law Order reads as follows:

"No person shall protect, conceal, harbour, aid or assist any proclaimed offender, or rescue or attempt to rescue from detention, or resist or attempt to resist the arrest or recapture of any such offender or in any way abet the commission of all or any of the acts herein provided.

EXPLANATION: In this order, "proclaimed offender" means a person who has been notified as such by the Government of Sind in the Home Department".

CSO: 4220/127

CHRISTIAN LEAGUE VOICES DEMAND

Karachi DAWN in English 4 Dec 81 p 4

[Text] Lahore, Dec 3: The Pakistan National Christian League has welcomed the enforcement of Islamic system in the country and lauded the proposed formation of Federal Council.

At a Press conference here recently, the League President Mr James Subay Khan, expressed the hope that the Christian community would be accorded its rightful place, and the rights and privileges bestowed on it by Quaid-i-Azam Mohammad Ali Jinnah would be restored.

He hoped further that the principles laid down by Hazrat Umar Farooq in the Jerusalem pact would be observed while dealing with the issues relating to the Christian community.

He proposed 10 points in that regard for the promotion of Christian community.

These were: satisfactory representation in all the spheres of national affairs, minimum 10 per cent quota in jobs including in technical institutions, preference to Christian delegations on missions to Christian countries, allotment of land in Cholistan and other agricultural schemes to landless Christian farmers, quota in officially-launched housing schemes, entrusting the control of nationalised Christian educational institutions to a Christian administrative board, safe-guarding the Christian property and preventing its sale inquiry and verification by a Christian inquiry committee of the accounts of missionary organisations and institutions, discouraging political involvement of those administering missionary organisation and institution, instructing cathedral schools to a Christian vigilance committee and implementing the national language Urdu in these schools.

Mr James Subay Khan regretted that missionary Christian organisations and institutions' adminstration still remained out of the purview of the country's laws and their accounts also remained, unexamined by the country's authorities.PTI

CSO: 4220/124

SAUDI DEFENSE MINISTER ASSURES NATION OF SUPPORT

Karachi BUSINESS RECORDER in English 3 Dec 81 p 1

[Text] Rawalpindi, Dec 2--The Saudi Defence Minister Prince Sultan bin Abdul Aziz today said that Saudi Arabia would not tolerate anything that threatens the security and integrity of Pakistan.

Speaking at a dinner hosted in his honour by Federal Minister for Defence, Mir Ali Ahmad Khan Talpur, here tonight, the Saudi minister said that his country would protect Pakistan. "I assure our full and continuous support to the brethren people of Pakistan," he said.

He further said that the Saudi kingdom had always maintained special relations with Pakistan. Saudi Arabia holds Quaid-e-Azam Mohammad Ali Jinnah, who founded Pakistan, in highest esteem, the prince said.

Commenting on the Afghan issue the Saudi Minister expressed his hope that Afghan refugees would be able to return to their homeland honourably.

Earlier the Mir Ali Ahmad Talpur in his welcome address said the brotherly countries of Saudi Arabia and Pakistan have always enjoyed strong religious, cultural and economical ties. Their fraternal and cordial relations have withstood the test of time, he said. The minister further said that Pakistan is an ideological state founded in the name of Islam and we are sincerely trying to establish Islamic system in our country.

The minister further said that it is our ardent desire and sincere hope to see tranquility prevail in our region. He said "I am sure that Saudi Arabia and Pakistan by their mutual cooperation and support to each other would work for the realization of this objective." APP.

CSO: 4220/124

NEW TRADE ACCORD WITH HUNGARY TO BE SIGNED

Karachi BUSINESS RECORDER in English 3 Dec 81 p 1

[Text] Lahore, Dec 2: The ambassador of Hungary, Jozseff Ferro, said today his country would sign a new agreement with Pakistan next month to promote trade and industrial cooperation with his country.

Addressing the executive members of the Lahore Chamber of Commerce and Industry and leading industrialists and traders here, he said the new agreement would provide for a greater cooperation in the field of science and technology.

besides, he said, Hungary would also sign a fresh barter agreement with Pakistan after the existing accord expired in January next.

The ambassador said there was great demand for Pakistani products in his country as the Hungarian people loved these products. Every second person there was wearing a Pakistani shirt, he said to quote an example.

Jozseff Ferro said that Hungary was also keenly interested in joint ventures with Pakistan and the first such project, an electric bulb factory, would soon start functioning in Baluchistan.

The factory would have the capacity to manufacture 70 million electric bulbs and electric tubes, he added. Work on the project was going on satisfactorily, he said. Thirty per cent of the capital in this project had been invested by Hungary, he pointed out.

The ambassador said Hungary would also like to launch joint ventures in the field of rubber and rubber products, sports goods and drugs and medicines.

Earlier, the Lahore Chamber chief, Shahzada Alam Munnoo, while welcoming the ambassador, suggested that Hungary should emulate the example of other countries by supplying machinery on the basis of credit.--APP

CSO: 4220/124

ECONOMIST SUGGESTS PLAN FOR PAKISTAN TO MOBILIZE OWN RESOURCES

Karachi BUSINESS RECORDER in English 1 Dec 81 pp 1, 6

[Article by Anwar Rajani]

[Text] ISLAMABAD, Nov. 30: The Director of Planning and Programme of the World Bank, Dr. Mahbubul Haq, has suggested three-point plan for Pakistan to mobilise more of its own resources in the wake of a possible decline in foreign assistance to developing countries, in future.

Dr. Haq currently on a visit to Pakistan told "Business Recorder" here today that the present environmental situation being hostile to developing countries, the foreign assistance is likely to decline despite Pakistan's good performance in the volume of its exports and the agriculture production, during the past three years.

He said the resources which are with the World Bank now may be significantly reduced by the action of the US Congress.

The three devices to develop our own resources as suggested by Dr. Haq are: development of agriculture, better utilisation of home remittances and complete freedom for the establishment of new industrial units.

He said Pakistan's major problem is domestic savings which are 10 per cent of the GNP. This rate of savings is the lowest as compared to most of the countries in Asia and Africa. These savings cannot sustain rapid economic progress, he added.

In respect of home remittances, Dr. Haq said that at present only 12 per cent of this money goes to savings, about 25 per cent in real estate, about 63 per cent in consumption and the rest of it goes in luxurious consumption. "We must provide incentives whereby this money can be mobilised in Government bonds, setting up industry and improvement of agriculture productivity, so that what our workers save abroad with such effort and so much pain is converted into some national asset rather than into consumption".

Talking about the freedom for investment, he said that the frustrated private sector should be given a free hand. According to him this can be done only if there is a complete freedom to set up any industry that anybody wants to, without any permits, any sanctions or any quota that the Government may impose in this behalf.

To a question, he said that if there are some undesirable industries like luxury consumption that can always be eliminated in the National Plan. But within that broad plan, he said no industrialist should be subjected again to the torture and the prolonged tyranny of obtaining 40 different permissions before he can acquire land, credit, foreign exchange, electricity connections and other infra-structure services.

Dr. Haq said that all these allocations should be regulated by the market system or by the price mechanism with of course the overall framework of national development priorities.

Talking about agriculture, he said that a system of taxation be devised which should be effective and progressive for this sector. This system, however, should not give disincentives for further increase in agriculture production, he added.

To a question, he said that Pakistan can seek funds from OPEC countries for agricultural development. OPEC bloc, particularly Gulf states, savings per annum come to about 110 billion dollars, he added.

According to him if Pakistan receives about a billion dollars a year from these states as a loan that can bring a commendable revolution in the field of agricultural development.

To a question, he said that this loan can be repaid in kind. The loan-giving countries will certainly import foodgrains from Pakistan. About 45 million tons of foodgrains are needed by OPEC countries per year, he added.

He said that age-old system of land revenue can be done away with and new taxation system should be introduced in agriculture sector.

Replying to a question, he said that a few industries can be denationalised like ghee units and some units of engineering goods. In the field of fertilizers, he said private sector should be given facilities to come forward and compete freely.

To another question, he said that the local private sector should be allowed to set up banks. The private banks, he said, can provide credit to agriculture, transport, construction etc.

CSO: 4220/123

MASSIVE DEVELOPMENT PLAN FOR BALUCHISTAN

Karachi BUSINESS RECORDER in English 28 Nov 81 p 8

[Text] Quetta, Nov. 28--The Government of Pakistan has prepared a "master development plan" for the overall development of Baluchistan with the motivation of making this province self-sufficient. The plan which involves a total spending of Rs. 2,000 crore will be spread over a period of five to six years and would be completed in phases. The Federal Government would provide the funds as well as technical know-how for implementing the plan.

This was stated by the provincial secretary for Planning and Development, Ata Mohammad Jafar while speaking at a radio news conference.

The present government, he said, was paying great attention to the development of Baluchistan and was making record allocations. This can be guaged from the fact that during the period 1970/77 the average annual development budget stood at Rs. 25 crore. This amount shot up to Rs. 35 crore annually during the subsequent two years and Rs. 40 crore last year. While this year, the provincial development budget stood at Rs. 50 crore. In addition, the Federal Government development allocations for the year 1981-82 stood at Rs. 120 crore, he stated. This means that a total amount of Rs. 170 crore, both from the federal and provincial resources, is being spent during the current year on the development of Baluchistan, he added.

Foreign Aid

When asked if, besides country's own resources, other sources were also being tapped for financing the development of Baluchistan, the provincial secretary for Planning and Development said that an agreement had been signed with Kuwait under which, an amount of Rs. 40 crore would be available for this purpose. This amount would be utilised for improving the water supply schemes of Quetta and Gadani, implementing 40 small irrigation schemes and providing electricity to another 100 villages.

The European Economic Community is also providing funds for irrigation schemes of Kachhi area and the International Development Agency is giving Rs. 17 crore for taking up similar schemes in four different valleys of Baluchistan. There are bright prospects for getting handsome amount of aid from West Germany as well, he stated.

Ata Mohammad Jafar told a correspondent that an amount of Rs. 75 crore was being spent on laying of about 200 miles long pipeline from Sui to Quetta so as to provide gas facilities to the area. This year pipeline of 120 mile length is being laid. Ninety mile long pipeline has been procured from West Germany while orders have been placed for the remaining 30 mile long pipeline to be manufactured in Pakistan.

The entire project, he said, would be completed by December next year when gas would be pumped direct from Sui to Quetta. He told a questioner that both the gas and electricity would be utilised for domestic, industrial and commercial purposes.

Replying to a question, he said that Baluchistan was getting now annually an amount of Rs. 63 crore as its share from its gas resources.

The Planning and Development Secretary further said that the private sector is also investing an amount of about Rs. 30 crore in the development of Baluchistan.

Main Stress

He said main stress was being laid for utilization of funds on basic resources so that Baluchistan could be made self-sufficient. This province, he said, was full of natural resources such as copper, iron ore and chromite etc. and all-out efforts would be made to develop these resources. Emphasis would be laid on development of water and power resources so as to help in the development process, he stated.

Baluchistan, he said, was connected with the national grid in the year 1977. The total capacity is in the range of 200 megawatts, of which, 100 megawatts is already being utilised. Work on the completion of the power development project for utilization of the remaining 100 megawatt is in progress.

He said there were 4,500 villages in Baluchistan and of these 350 villages have been provided electricity under the village electrification programme. Efforts were being made that every home in Baluchistan got the electricity.

He further said that last year an amount of Rs. 130 crore was spent on the development of Baluchistan--Rs. 90 crore from the federal resources and the remaining 40 crore from the provincial resources.

To a question, Jafar said that the Federal Government had ensured that the federal agencies would be available for extending all possible help in the development of Baluchistan.

CSO: 4220/122

KUWAIT WEEKLY ASKS GULF STATES TO STRENGTHEN PAKISTAN

Karachi BUSINESS RECORDER in English 28 Nov 81 p 4

[Text] Islamabad, Nov. 27--A prominent weekly of Kuwait, Al-Balagh, has called upon Pakistan's friends, especially the Arab states in the Gulf, to help Pakistan become economically stable and acquire a credible defence capability.

This would serve the interests both of Pakistan and of its friends in the Gulf themselves, the weekly said in commentary on Pakistan's efforts to replace its obsolete arms.

The "Al-Balagh" in its comprehensive commentary, said the role played by Pakistan in identifying itself whole-heartedly without any reservation in support of all Islamic and Arab causes high-lighted the relevance of Pakistan's security to the int rests of our Arab brothers.

Any diplomatic or material assistance given by our Arab brothers to Pakistan would serve the interest of our Arab brothers, the weekly said, and added that: "a strong Pakistan automatically increases the strength of every Gulf state and of all Islamic causes." This should be clear from the record of Pakistan from her very birth, it said.

Al-Balagh underlined the disparity between military strength of India and Pakistan exposing hollowness of the Indian propaganda against Pakistan.

It also nailed the Indian allegation that Pakistan had abandoned its non-aligned character by negotiating with USA. The weekly also made it clear that the interests of Pakistan and the Gulf states were inter-dependent.

Pakistan has been sincerely engaged for sometime in developing a tension free relationship with India and in evolving a workable understanding with it. Pakistan is not in competition with India and genuinely wishes to live in peace with her.

Unfortunately, from the very first day of Pakistan's independent existence, India has campaigned ceaselessly against any strengthening of Pakistan's security. The purchase of even a single bullet by Pakistan has brought an uproar from India.

An examination of the respective military resources of India and Pakistan shows the total hollowness of the Indian campaign against Pakistan's efforts to

strengthen its security. Pakistan's military equipment has become obsolete since U.S. aid was terminated in 1965. Absence of adequate financial resources and denial of U.S. and other military supplies have obstructed efforts for modernisation of Pakistan's armed forces. On the other hand, the Indian defence establishment has increased on a significant scale. Some particulars in this connection are given below.

The Indian defence budget for 1980-81 amounts to over 5 billion dollars. The indigenous defence industrial complex in India produces weapons worth 2 billion dollars annually. India has an safeguards. It conducted a nuclear test in 1974 and is estimated to possess about 100 kilograms of unsafeguarded plutonium.

Last year India concluded a deal with the Soviet Union for purchase of military equipment which was announced publicly. The Military equipment will be given on credit with repayment not in cash but in kind over 17 years at an interest rate of 2.5 per cent with a grant element of over 50 per cent.

In other words, the quipment for which India will pay 2.5 billion dollars in goods would cost about 8 billion dollars in hard cash if purchased from the West.

At the same time India has signed a 2 billion dollar agreement with the U.K. for purchase of 200 Jaguar aircraft. India is also purchasing large quantities of military hardware from Western Europe including submarines from West Germany, missiles from the U.S.

Pakistan's dialogue with the United States is only for the conduct of bilateral relations. As far as regional arrangements are concerned, Pakistan is totally committed to the Mecca declaration stating that the security of the Gulf region was the concern of the littoral states themselves.

There is no question of Pakistan entering into any secret agreement with the U.S. or giving U.S. any bases or facilities in Pakistan territory. Pakistan is neither receiving nor seeking military assistance from the United States. Pakistan, however, retains its right to purchase defence equipment from the United States or other sources and to receive economic aid if offered without any conditions attached.

Pakistan is conscious of the dangers to her security from the military presence of a supper power in Afghanistan. Pakistan is making every possible effort to reach a political settlement of the problem through the withdrawal of Soviet military presence from Afghanistan and the return of the unfettered right of the Afghan people to decide their own future, as a non-aligned member of the Islamic World. Pakistan already has nearly two million Afghan refugees on its soil which are a heavy economic responsibility for Pakistan. Pakistan, however, cannot, on humanitarian grounds, throw out the Afghan refugees or accept a settlement which will leave a brotherly Islamic people under foreign control.

There is a clear inter-dependence of vital interests between Pakistan and the Gulf states. The internal stability of the region, its security from external interference and continued economic and social development of the states concerned, are matters which affect the Gulf states and Pakistan alike. Pakistan presently the

buffer between the Gulf and the Soviet occupied Afghanistan. Any threat to Pakistan's stability or security or any dominance of subversive forces in Pakistan will have its repercussions on the Gulf states.

Both Pakistan and Kuwait have friendly relations with a large number of countries. However, if one considers the criterian of a general community of sentiment with the Arab World, an identity of vital interest with the Gulf states, the ability to be of mutual help in important spheres and the absence of any ulterior motives or suspicions, one finds Pakistan to be in a special position vis-a-vis its brotherly state in the Gulf.

CSO: 4220/122

NEW ORDINANCE REQUIRES INSPECTION OF EXPORT ITEMS

Karachi DAWN in English 1 Dec 81 p 1

[Text] Islamabad, Nov 30--The President Gen Mohammad Zia-ul-Haq, has promulgated an Ordinance to control and regulate the business relating to pre-shipment inspection of goods exported out of or imported into Pakistan.

The Ordinance is designed to check effectively malpractices committed by a few exporters which brought bad name to the nation. It will also give necessary boost to the country's exports and help in building confidence among foreign buyers of Pakistani goods.

The Ordinance is based on the recommendations made by a high-powered committee set up by the Federal Export Promotion Board with the Commerce Minister as its Chairman.

Under the Ordinance, the Federal Government will appoint an authority for registering companies. It also provides for establishment of a council to be known as Pakistan Pre-shipment Inspection Council, consisting of member or members to be determined by the Federal Government. The council will extend required technical assistance to the authority in the execution of provisions of the Ordinance.

The Ordinance stipulates that no company, organisation or institution, including a foreign company, which has not been registered with the authority, will carry on the business of inspection or issue a certificate of inspection. Anyone contravening this provision shall be punishable with imprisonment for a term up to three years or with fine or with both.

CSO: 4220/122

PAKISTAN HAS FOOD SECURITY RESERVE OF 1.5 MILLION TONS

Karachi BUSINESS RECORDER in English 17 Nov 81 p 1

[Text] ISLAMABAD, Nov. 16: Pakistan has built up a national food security reserve of 1.5 million tons which includes 0.8 million tons of operational reserve, Vice-Admiral Mohammad Fazil Janjua said here today.

Talking to newsmen on his return from Rome after attending the 21st session of Food and Agriculture Organisation (FAO) conference, the minister said he told the conference that developing countries could in a short period contribute positively to the world food security and help the world community in combating hunger and malnutrition. However, he said, such countries need particular attention from bilateral and multilateral aid giving agencies.

The minister said that Pakistan expressed its disappointment at the conference that an internationally coordinated system of national food reserves has not been established due to the failure of the negotiations on a new chat trade convention. He urged that a new wheat trade convention be concluded as soon as possible to provide the essential stability for international grain market.

The minister further told the conference that the food aid convention has been extended but the quantum involved is still short of the 10 million target whereas the requirement of the low income food deficit countries has increased.

Admiral Janjua told the conference that Pakistan's immediate strategy for increasing food and agricultural production is to concentrate on enhancing crop yields for the early 1980s.

The minister said for the medium term strategy, continuing investments in irrigation, drainage and reclamation are needed to expand the irrigated area for the development of agriculture.

He said Pakistan is richly endowed with natural resources but limitation of resources is a constraint for the optimum exploitation of our potential.

The minister said that the new set of policies and the agricultural strategy have yielded satisfactory results and the average growth rate in agriculture in the past three years has exceeded four per cent recommended by the World Food Conference.

The leader of the Pakistan delegation further told the conference that high cost of energy and energy intensive inputs are becoming a constraint to food and agriculture production in developing countries even though only a very small percentage of their energy consumption is used in agriculture. In this context, he welcomed the initiative by the FAO to develop regional research and development programmes in accordance with the Nairobi programme of action on new and renewable sources of energy.

The minister urged the world community to review their policies so that the developing countries get fair and equitable returns for their agricultural products. He said incentives should be provided to the developing countries to increase the food and agricultural production. In this regard it is imperative that trade barriers and all other disincentives against agricultural trade are removed, he said.

He praised the recent decision by the IMF to allow regional balance of payments support to assist low income food deficit countries to meet their increased food import bill.

Regarding World Food Programme he said it is satisfying to note that it has proved to be a true example of partnership between developing and developed countries and has formally established the concensus and value of the concept of multilateral food aid and has in the process won the trust of the recipient countries. He said Pakistan has benefited much from the World Food Programme through the development projects and recently through emergency aid for the two and a half million Afghan refugees.

CSO: 4220/123

WATER THEFT IN KARACHI

Karachi MORNING NEWS in English 17 Nov 81 p 4

[Editorial]

[Text] The chronic water supply to Karachi has given rise to a host of social problems, water theft being one of them. In poor colonies, fed with community taps placed at intervals and supplying far less water than needed by the residents, there have been fights over a bucket of water, sometimes leading to murder. The waste of energy and time and the attendant agony form part of the problem. In certain residential areas, a number of people have taken recourse to stealing water through suction pumps which makes inroads into the normal supply of water to houses not using the pumps. This is an unethical practice which deprives other people in the area of their legitimate share and must be condemned. A warning was issued the other day by the Karachi Water Management Board, to all persons using suction pumps. They have been told to stop the malpractice on pain of action against them which includes confiscation of suction pumps, heavy fines, disconnection of water supply and prosecution in a Martial Law Court. The Board has appealed to the public to point out the culprits either to KWBM or to the Martial Law authorities. We hope the warning and the fear of denunciation will discouarge these callous water thieves.

Karachi has to live with the problem of short water supply till arrangements for adequate supply are completed. But it is a gigantic problem involving huge expenses. Besides, even when all the funds have been raised, it would take quite a few years to lay the pipelines and all that. It is quite obvious, Karachiites have to wait for years to come before they get all the water they need. But their hardship can be mitigated considerably if the authorities adopt a fair policy of distribution irrespective of the fact whether the area is poor or posh. For, partiality in this respect is all too clear. Only a few days ago we published a story on acute shortage of water in some areas forcing people to form long queues to get one bucket of water while in certain other localities, including the big hotels, swimming pools brimmed with water. It looks too ugly a situation that millions of people have to fight for a bucket of water while some others--a fraction of these thirsty millions--should wallow in water.

About a fortnight ago, over two dozen housewives from the Hussain D'silva township in North Nazimabad submitted a memorandum to the Governor's Secretariat demanding enough water to meet their basic needs. The water supplies through tankers, the

memorandum pointed out, were inadequate besides being too costly. On the Governor's directive, the Karachi Water Management Board sent a few tankers to the area. This, of course, is only a temporary solution. Moreover, demand for water through tankers is not always met by the people concerned, unless they are paid for them. A few weeks back a resident in North Nazimabad got his request for a tanker countersigned by the councillor of the area but the tanker reached his house after over 10 days!

The factors responsible for short supply of water include intermittent fluctuation in the daily quota, increasing use of suction pumps, maldistribution of available supplies within various sectors and sub-section of localities, malpractices of the valvemen and heavy withdrawals by tankers in areas like North Nazimabad against the overall quota of the township. In issuing a warning to the users of the suction pumps, the Karachi Water Management Board has taken the path of least resistance. These water thieves must be stopped or punished if they do not give up their malpractice. But it would definitely produce better results for the suffering public if the KWMB riveted its main attention on other causes of water shortage as enumerated above. For that of course, the Karachi Water Management Board will have to streamline its own administration and eliminate the culprits in other places, too.

One has heard people complaining to the engineers of the water wing that valvemen turn off the valves to pressurise them into paying some amount for opening these. The mismanagement and corruption indulged in by the staff, the contractors and the tanker drivers is too well known. The KWMB has been right in warning the water thieves but it must also take steps to track down those sitting at the source itself. And, above all, it should see that justice is done is distributing water on the basis of population to all areas. People resent water thieves but they also see no justice in a situation where millions fight for a bucket of water while the privileged ones enjoy abundant supply.

CSO: 4220/123

MINISTER SAYS NO NATIONALIZATION OF INDUSTRY PLANNED

Karachi MORNING NEWS in English 6 Dec 81 p 8

[Excerpt] HYDERABAD, DEC. 5: MR. GHULAM DASTGIR KHAN FEDERAL LABOUR AND MANPOWER MINISTER, HERE TODAY ANNOUNCED THAT THE GOVERNMENT WAS DETERMINED TO CONTINUE ENCOURAGEMENT OF THE PRIVATE SECTOR, TO INVEST MORE IN NEW INDUSTRIAL ADVENTURES IN THE COUNTRY.

Addressing a big gathering of labourers, representatives, industrialists and officials of the Ministries og Labour Manpower and Social Welfare, on the occasion of the foundation-stone laying ceremony of a labour colony at SITE area he stated that the Government has already made clear that there would no nationalization of any industrial concern.

He stated that because of the rational economic policies pursued by the Government, the country's industrial as well as agricultural economies had attained remarkable boost.

Mr. Ghulam Dastgir Khan stated that the pace of industrial investment in the country during the past four years had increased by seven per cent and the GNP had increased thre per cent, during the same period.

He stated that on the other hand, Pakistan had attained wheat 'sitarky, and efforts were underway to achieve self-sufficiency in yet other agricultural items. Because of the wheat self-sufficiency position, the country was now annually saving Rs. 210 crore which used to be spent on the provision of wheat in ports in the past.

The Federal Labour and Manpower Minister stated that the national arge-industrial economies have been put on sound and solid grounds, based on Islamic teachings of justice, fairplay and efficiency.

The Federal Minister further said that because of the pursuance of balanced and judicious economic policies, the Government had also been able to remarkably contain the inflationary trends, and the general price index of the essential commodities had been fairly under control.

Side by side, the Government was also giving genuine boost to the public sector, he added.

He said that with continuance of peaceful relations between the management and labour community it had been possible to appreciably increase the public sector industrial production.

He further stated that during the last four years there had been a fair increase in job opportunities, and the general standard of life of both rural and urban populations had bettered. This he termed was the result of the adoption of Islamic approach, in dispensation of justice and fairplay.

About encouragement of private investment the Minister said that the Government had offered liberal tax reliefs and permitted facilities for import of advanced industrial machinery.

He hoped that the present pace of private investment is expected to further increase with the passage of time leading to complete modernisation of our industrial sector.

CSO: 4220/127

STRONGER COOPERATION BETWEEN PAKISTAN, OMAN PLEDGED

Karachi BUSINESS RECORDER in English 3 Dec 81 p 1

[Text]

ISLAMABAD, Dec. 2: Pakistan and Oman have agreed to take all necessary measures to promote and strengthen technical know-how and cooperation in the fields of urban planning, survey and municipal affairs.

This was stated in a joint communique, signed here today, between the Sultanate of Oman and the Islamic Republic of Pakistan, by the Minister for Land Affairs and Municipalities Ahmed Bin Abdullah Al-Ghazali and the Federal Minister for Housing and Works, Air Marshal Inamul Haq, on behalf of their respective governments.

The two sides reviewed with satisfaction the development of existing relations and resolved to explore and utilize all possibilities for cooperation between the state organizations, public institutions and enterprises in the fields of urban planning, survey and municipal affairs.

It was also decided to take up for cooperation the field like regional, urban and rural planning, housing, land survey and mapping, design and construction technology in housing, public facilities and infrastructure, construction material research and techniques, rural and urban development training and research, and municipal affairs.

The communique envisages the exchange of experience and views through meetings, conferences and seminars, and assistance in carrying out assignments in city services, survey and mapping, construction, project management and other allied fields.

The communique includes training of Omani personnel in fields of physical planning, architecture, environmental engineering, municipal services, land survey and mapping, drafting, data storage, processing and retrieval and allied technical fields. It would also cover exchange of experts "trained personnel on deputation to meet the staff needs/requirements".

In order to review, implement and expedite the achievement of these objectivs both parties will nominate a joint standing committee for need identification, proposal preparation, feed back and approvals.

CSO: 4220/127

GREATER ECONOMIC COOPERATION WITH CANADA URGED

Karachi MORNING NEWS in English 7 Dec 81 p 8

[Text] Quebec City, (Canada), Dec. 6--Premier Rene Levesque of Quebec has expressed the hope that with concerted efforts, the area of economic collaboration could be expanded to the mutual benefit of Pakistan and the province.

Taking note of the programme and objectives of the recently formed Canada-Pakistan Economic Council and Canada's role in the economic development of Pakistan, the Premier assured Ambassador Altaf A Shaikh that his province would extend all possible assistance in expanding the area of cooperation particularly. He said the Provincial Government welcomed the formation of the Council and wished it all success.

Ambassador Shaikh, who was on a visit recently to the provincial capital, apprised the Premier of the on-going Canadian assisted projects in Pakistan. He appreciated the assistance and cooperation extended so far and said Pakistan was particularly keen on receiving technological assistance in developing its rich but largely unexplored mineral resources He also discussed possibilities of expanding trade, the bulk of which is now with Quebec.

Joint Venture

In his discussions with the Quebec Minister for Energy and Natural Resources, Mr. Yves Duhaine, the Pakistan Ambassador received assurances of Quebec's desire to enter into joint ventures, particularly in the field of power generation, mining and oil and gas exploration. In this context the Minister also referred to Quebec's offer of training facilities for Pakistanis in the field of Hydro electricity and technical assistance in other areas.

Earlier, in a separate meeting with the Provincial Minister for Trade and Industry, the Ambassador outlined the Government's liberal investment policies and said Pakistan welcomed foreign investment. In this he referred to the establishment of Export Processing Zones and the various incentives provided to foreign investors including the facility of fully repatriating their capital.

The Quebec Deputy Minister for Inter-Governmental Affairs hosted a lunch for the Ambassador, which was attended by Cabinet Ministers, members of the Provincial Legislature and Senior Provincial and City officials.

CSO: 4220/127

HANDLING OF PUBLIC SECTOR CRITICIZED

Karachi MORNING NEWS in English 2 Dec 81 p 6

[Editorial: "Primacy of Private Sector"]

[Text]

PRESIDENT Zia's recent statement that all encouragement will be given to the private sector is reassuring indeed. In a developing country where the lag of centuries has to be written off in decades, both the public and private sectors have to complement each other and contribute their mite to the national development in a concerted and well-coordinated manner to avoid overlapping. Obviously, the two sectors don't work at cross-purposes. On the contrary, they supplement each other's effort to promote national cause—the betterment of the national economy and wellbeing of the masses. It is in this context that delineation of the policy about the basic direction of Pakistan's economy by no less a personage than President Zia himself will be widely welcomed.

But for a brief interlude when the Bhutto regime completely distorted our sense of direction and order of priorities, allowing the public sector to transgress its limits and make inroads into the domain of the private sector to the grave detriment of the national economy, the role of the private sector in national development has been pivotal ever since the inception of Pakistan. Lacking both in resources and managerial experience, the public sector has confined itself to the development of infrastructural facilities, and promoting industries in which private capital has been conspicuously shy or the projects have long gestation period. Happily, this primacy of the private sector has been acknowledged by the present regime. The public sector will play its vital complementary role by filling the gaps in the economy or invest for accelerated development in the overall national interest or equity or socio-economic reasons. And thus the areas of operation of the two sectors have been clearly defined which is the quintessence of the con-

cept of mixed economy that holds the key to the manifold problems of developing economy ensuring its balanced growth.

This delineation is a significant step towards regenerating the investment climate. This meets the long-standing demand of the private sector and should remove any uncertainty lurking in its mind. Unfortunately, the policy or indiscriminate nationalisation pursued by the Bhutto regime completely eroded the confidence of the private sector. As a result, not only private investment came to a standstill during the PPP rule but there was also flight of capital on a massive scale. The virulent inflation that is gripping the economy is an upshot of investment stagnation, the natural concomitant of the economic black deeds of the Bhutto regime.

Islam fully recognises the rights of the individuals to own property and earn reasonable profit on their investment. It is a religion of moderation which fully safeguards the rights and privileges of both the employers and the workers. In Islam, the State and the private sector are the two parallel wheels of the same carriage. Unless they complement each other, the national economy cannot make any headway. The present Government has already taken a number of steps to enable the private sector to play its due role in national development. The assurance given by the President the other day should allay all misgivings and should prepare it to play its dynamic part in the economic wellbeing of the country thereby justifying the faith reposed in it.

Much has been said for and against the public sector. The fact that a number of nationalised units are in the red and their social or economic benefits are conspicuous by their absence clearly underlines the need for restricting State participation in such enterprises only in which private capital is shy. The State's resources are already strained overmuch on the count of defence, subsidies and debt-servicing. There is gross inadequacy of irrigation facilities, power supply, road and rail links and the like which must be removed expeditiously to pave the way for speedy development of national agriculture and industry. The private sector, on its part, should realise its national duty of ending the long-drawn out investment stagnation. Unless there is a speedy increase in national production and investment, neither can we create job opportunities for the teeming millions nor can there be any increase in the availability of goods for domestic consumption and export. The private sector must, therefore, shed its apathy towards investment and come forward in a big way to enable the economy to regain the buoyancy of the mid-sixties.

At the same time, the recent international symposium on the Economic Performance of Public Enterprises should help the public sector to assess its weaknesses and strength and take steps positive steps to put its house in order. Happily, recently there has been some serious effort to tie up the loose ends which has enabled it to keep pace with growth projections. The public corporations have bolstered the areas of the economy needing large-scale investment and broad spectrum of operations. However, these corporations must guard against such pitfalls as undue bureaucratic control, red tape and permanently depressed production levels so that their image may distinctly improve. Their significance in the context of socio-economic requirements can hardly be over-emphasised. The public enterprises must operate at a level of efficiency that can come about under private sector conditions. For this, they will have to give proper attention to cost-output ratio, cut down overheads and heavy administration cost. A solid chunk of their resources is being wasted on the luxuries and perquisites of the top brass, including entertainment, transport, furnishing of houses and offices and foreign trips. It is high time that the public sector submitted to the free market rules of profitability, cost-benefit and cost-effectiveness. Then alone it can play its significant role in making the economy prosperous and buoyant.

CSO: 4220/128

FOREIGN NEWSMEN'S TRIBUTES TO ZIA REPORTED

Karachi MORNING NEWS in English 3 Dec 81 p 8

[Text]

ISLAMABAD, Dec. 2: Top ranking foreign journalists have paid glowing tributes to the leadership of President Mohammad Zia-ul-Haq and his personality.

Mr Bayhan Cenkci, Chief Editor of Daily Baryam, Ankara and President of the Ankara Union of Journalists, who visited Pakistan in September this year, in his article published in Bayram dated Oct. 11, 1981, said: "Pakistan's President Zia-ul-Haq is the beloved leader of Pakistan. People have great hopes in him". He further said: "Zia-ul-Haq has not changed his previous way of life and the house order, even after becoming President. Zia-ul-Haq, who succeeded in uniting the people living in various regions of this giant country, for the sake of Islam, has become a part and parcel of the people"

RANJAN GUPTA

Mr Ranjan Gupta, Delhi-based correspondent of the Sydney Morning Herald who interviewed the President and in article published in the Sydney Morning Herald and the Age on Oct 27, extremely admired the President writing under the heading "the strong man of simplicity". He said "there must surely be few Heads of State who escort journalists to their car and then wait to waive a final goodbye. General Zia-ul-Haq notable example.

"Neither General Zia nor his staff put limits to how long one can talk to him "ask anything you like, in whatever form you like, the pleasure is entirely mine and the privilege is yours" he says at the start of the interview.

There are no clipped replies no "no comments" and no aggressive repartees. General Zia has a knack to put one at ease.

He further said: "there no doting aides as one talks to the President, no liveried attendants, no stifling air of presidential palace.

"He met me in casual wear in his modest sitting room and in a rare gesture on Friday, the Muslim Sabbath.

"The trappings of office so common in the Third World are absent with the President. He may not be the elected leader of his people but what is definitely more important is that he makes no pretensions of being one".

AJIT KUMAR

Mr Ajit Kumar Bhattacharya an Indian journalist in his article published by the Indian Express on Nov. 8 said: "the interview was the most friendly and informal that I have had with a Head of State or Government. President Zia is very different from the portrait often drawn of a Col. Blimp type or military ruler, with a passion for discipline and order and limited understanding of history or national aspirations. "He refused to occupy the grandiose presidential palace planned by President Ayub Khan in Islamabad. I was received, with a minimum of ceremonial or security, in his old-fashioned residence in Rawalpindi. He was not dressed in uniform or even a suit". He were Kurta and Pyjama.

"The interview lasted more than an hour. The President showed a considerable knowledge of detail, specially about Pakistan's nuclear programme"

CSO: 4220/128

STATUS OF PAKISTAN'S PUBLIC SECTOR EXAMINED

Karachi DAWN in English 3 Dec 81 p 7

[Article by Sultan Ahmed: "Pakistan's Public Sector--Most Diagnosed, Least Treated"]

[Text] PAKISTAN'S public sector is the most diagnosed and least treated patient in the country. Top economic doctors and professional analysts have been at it, and seminars and symposia have discussed the issue during the last ten years after the country opted for massive nationalisation.

They were joined last week by international experts at a symposium at Islamabad, sponsored jointly by Pakistan and the U.N. And they talked of the means of making the economic performance of the public sector far better from all angles.

But are the new prescriptions any different from the old for the endemically ailing patient? No. They sang largely the same old songs, and many of the singers, too, were the same, but the songs like all old songs, were nevertheless sound. The problem in Pakistan is not with the prescription but with its application, or more precisely, non-application.

Out of about six committees set up by the government to examine the maladies of the public sector the Beg Committee (headed by Finance Secretary H.U. Beg) suggested the merger of identical companies, following the current international pattern.

The committee headed by Mr. N.M. Uqqaili, former Finance Minister and Chairman of PICIC, suggested larger private sector participation in the public sector, an effective role for the minority directors on the boards of these companies, and progressive denationalisation of companies that could be done away with and those losing too heavily.

Denationalisation

And now Mr. Mahbubul Haq, Director of Policy Planning and Programme Review Department in the World Bank and former chief economist of the Pakistan Planning Commission, argues that it is wrong that while 75 per cent of the investment has gone into the public sector it is producing only 10 per cent of the industrial goods, while the private sector in which the investment is only 25 per cent is producing 90 per cent of the goods. So, as an effervescent evangelist of the market economy, his cure is de-nationalisation wherever possible, beginning with the ghee factory and light engineering industries.

In the past the doctors could not achieve much as their prescriptions were not administered to the patient. Instead one doctor, expert or committee followed another as if one of them would have come up with a cure-all kind of talisman.

But the difference between now and the past is, we do not know the final recommendations of the symposium — not until Tuesday which is four days after the symposium ended; but President Zia-ul Haq has appointed a three-man committee of the Cabinet headed by Lt.-Gen. Saeed Qadir to implement the recommendations of the seminar. Finance Minister Ghulam Ishaq Khan is to remain associated with this Follow-up and Implementation Committee. It is clear that President Zia, who inaugurated the conference and closed it will be interested in the outcome.

Managing Directors of the over 60 public sector companies have been protesting that they are not able to concentrate on their basic tasks as they have too many questionnaires to answer, too many proformas to fill, too many files to cope with and endless experts and committees to deal with. And their grievances are legitimate.

At a symposium held by the Pakistan Management Association recently a suggestion was made that a non-official committee should be appointed to monitor the progress of public sector industries. There was immediately a loud outcry from public sector officials that they had already far too many agencies to cope with and one more might be too many.

But the fact is that most of such committees comprised officials, and their way of looking at things cannot be the same as those of non-official experts or monitors. The officials tend to accept a great deal as common, inevitable or indispensable; the same is not the case with non-official experts.

Unfamiliar area

Why have the earlier recommendations of the various committees not yielded positive results? Why did all the public sector industries

together yield a profit of only Rs. 62.7 crore last year while the Telephone Department alone gave more than double of that amount as profit? Why did production go up only by 1.9 per cent last year, while the national average was 10 per cent? And why did profits improve by only 2.9 per cent while the sales improved by 14.2 per cent? Clearly, while the production increase was low sales went up because of higher prices, but the profits were low as higher cost of production ate off the larger revenues.

Maj.-Gen. (Retd) Syed Ali Nawab, Chief of the Experts Advisory Cell, in the Ministry of Production, says the ministry has so far been concentrating on increasing production and has not looked into the cost factor. The results are clear.

Why have the remedies suggested so far not borne fruit? That is largely because the government has been moving in a largely unfamiliar area. An essentially law and order agency cannot be effective in the production sector, its officials cannot take bold and quick decisions excepting under inescapable compulsion, cannot happily share authority with their juniors, and particularly the men in the field readily, and above all do not know the art of retreating, I mean strategic or tactical retreat for obtaining higher results and are singularly incapable of admitting mistakes and trying new remedies. Hence the recommendations of various committees remain secret, or are leaked out in bits and pieces and there is the tendency to commission one more expert or set up another committee.

Undoubtedly profit maximisation cannot be the sole target of public sector industries. But that cannot be the goal for large private sector industries either. And the public sector socio-political objectives should include production of quality goods at fair prices, expansion from within through generating investible funds, setting itself up as a model for private sector industries and giving a fair deal to the workers.

But if instead of ensuring low prices public sector industries push up prices (as is the case in cement) their contribution to the state revenues goes down vis a vis that of the smaller private sector, and instead of contributing to the state revenues they become more and more addicted to loans from the nationalised banking sector, and instead of generating investible funds from within and expanding them some of the ailing units are being shut off. The socio-political contribution of the public sector is in fact, negative.

Among the stronger recommendations of the symposium is decentralisation and investing the managing directors of the units with larger authority. Will this really take place now?

Will positive efforts be made to have professional managers for these enterprises? Will less and less of officials, retired or serving, be sent from Islamabad to man the senior positions in these industries? And will the managers really manage now, or merely obey and offer explanations to the senior officials in Islamabad?

Finance Minister Ghulam Ishaq Khan wants public sector industries to generate their own investible funds. That is a sound approach; but that can be done only if the profits are far larger than what they have been. And they have to be larger not on the basis of higher prices, as in many cases now, but through reducing the cost of production. And they as well as the private sector industries have to be given tax relief as well so that they can have larger savings. But the government cannot react positively in this vital regard.

There is unanimity on the need for public sector industries to train managers instead of depending on the private sector or importing them en masse from Islamabad. Gen. Zia says that he would ensure that each major public sector enterprise has its training programme.

No less is the obligation of the public sector enterprises to promote research and development. They have done very little in this regard now.

Setbacks

What is really striking is that the public sector has received serious setbacks despite the monopolistic or near-monopolistic privilege it has enjoyed. The lending policies of nationalised banks and import policies, too, have been tailored to meet the needs of the public sector. And the government has been ready to increase prices of public sector products readily to keep their balance sheets in the black. For all that the number of workers it employs now is only 67,300, inclusive of those in the Pakistan Steel Mills. Clearly aren't we spending too much on too few, lending too much for too few, and paying too high prices to benefit too few?

Of course, Pakistan's is not the only ailing public sector in the world. Industrially advanced countries like Britain, France and Sweden have the same problem; but over there the facts of the case, the analysis done by various experts and the committees are known to the public, and, above all, the public enterprises are answerable to the public.

We have to make the best use of the funds and technical manpower we have. There is nothing sacrosanct about the private or public sector. What matter are the results, not only in monetary terms, but also the social and political benefits.

While the Experts Advisory Cell and the various public sector corporations do serious cost-benefit studies of their performance, the country, too, has to make a proper study of the cost-benefit ratio of the public sector to it as a whole. Of course, the study should not be in terms of profits alone but should include the overall social benefits, real and not chimerical and take firm decisions.

CSO: 4220/128

INCREASED LENTIL CULTIVATION IN SIND REPORTED

Karachi BUSINESS RECORDER 3 Dec 81 p 6

[Text] Khangadh (Sukkur), Dec. 2--Cultivation of pulse in Sind province has exceeded the acreage target during the current Rabi season, said the Sind Food and Agriculture Minister, Sardar Ghulam Mohammed Mahar while talking to a growers delegation here today.

He said that according to the latest field reports Channa has so far been cultivated on 3.53 lakh acres against the target of 3.46 lakh acres, while sowing was still continuing in Sukkur and Thatta districts.

Similarly, he said, Matar has been grown on 3.30 lakh acres as against the target of 3.21 lakh acres. Matar cultivation is in progress in Hyderabad and Sukkur districts giving an indication of further increase in sowing area.

The Minister said that third important pulse of the season, Masoor is also being vigorously sown and so far 29,000 acres have been brought under its cultivation while the target area is 35,000 acres. Its sowing was still continuing and was likely to surpass the target.

The Agriculture Minister said that target of these pulses for the current Rabi season has been fixed as Channa 1.12 lakh metric tons Matar 62.400 metric tons and Masoor 6.500 metric tons.

He said that more acreage in pulses cultivation is expected to yield increased production of this food item thereby overcoming their shortage.

He advised the growers to properly look after their crops against pest attack and seek guidance from the field staff.

CSO: 4220/127

MEASURES FOR FARM MECHANIZATION RECOMMENDED

Karachi DAWN in English 5 Dec 81 p 4

[Text]

ISLAMABAD, Dec 4: Various steps for mechanisation of agriculture were discussed at the first meeting of the National Board on Agricultural Mechanisation here yesterday

Federal Minister for Food and Agriculture Vice-Admiral Mohammad Fazil Janjua, who presided over the meeting, said the Government wanted to mechanise agriculture, but methods had to be selective keeping in view demographic aspects and resource constraints. It should aim at creating more jobs cropping intensity, causing no major dislocation and should link with progressive development, he added.

The Board, among other things, recommend: A package of measures regarding appropriate size of the tractors within purchasing power of small farmer;

Introduction of small tractors with 20-35 horse power, in addition to 40-60 HP tractors being imported currently. It should, however, in no way affect the policy of indigenous manufacture of tractors;

Local manufacture of high quality agricultural implements. In this regard a negative import list was suggested;

Provincial governments be asked to place immediate emphasis on availability of the right type of implements to suit the requirements of the soil structure of a particular area.

A number of other recommendations relating to supply and local manufacture of spare parts, research and development of agricultural machinery, constraints in input flow and training facilities were also made to the Government.

These recommendations will be submitted to the Cabinet for approval.

CSO: 4220/126

DEALS FOR EXPORT OF PIG IRON

Karachi MORNING NEWS in English 18 Nov 81 p 8

[Text] The Chairman Pakistan Steel Mr. H. N. Akhtar, said here yesterday that deals had so far been finalised for the export of 31,000 tons of pig iron worth 34,10,000 dollars.

At a radio news conference he said that the first consignment of 10,000 ton of pig iron was being shipped to India.

He said that negotiations were now underway with Bangladesh Sri Lanka Iran and Romania for the export of pig iron and coke. He added that Iran and Romania had shown interest in the import of one lakh ton coke. He said the Government of Pakistan was now considering to give some concessions in respect of its price.

Mr Akhtar said that a team might be sent to those countries to continue the negotiations and finalise the deals

He said that on full production Pakistan Steel would be producing goods worth about Rs 600 to 700 crore annually saving about Rs 200 crore in foreign exchange.

Billet Mill

As regards future work of the project the Chairman said that the construction of billet mill would be complete by the end of the current year and would start production during the first quarter of the next year. He expressed the hope that the steel convertor would be complete by the middle of next year and start production in the third quarter.

Mr Akhtar expressed his firm hope that by the end of next year Insha Allah the second blast furnace and coke battery would be commissioned

Mr. Akhtar said that there was scope to double the production capacity of the mills in near future.

The Chairman said that the project has so far cost Rs. 1700 crore Besides Soviet credit a limited amount had been obtained from France and Japan for the project.

He said that with the establishment of steel mills the country could enter an era of industrial progress.

LPG, GAS FOR BALUCHISTAN PROMISED

Islamabad THE MUSLIM in English 27 Nov 81 p 1

[Article by Sikander Hayat: "10,000 Baluch Families to Benefit from LPG"]

[Text]

ISLAMABAD, Nov. 26: About 10,000 families in Baluchistan are expected to benefit from the use of liquefied petroleum gas (LPG) the supply of which has been started in five cities of the province from this month.

Within next two months, a little over 200 cylinders (four tons) of LPG will start reaching Quetta, Khuzdar, Gitani, Turbat and Hub through the Fonges, a subsidiary of the Fauji Foundation.

Per cylinder price will be Rs.36, the same as in Karachi or Rawalpindi, inspite of the heavy transportation costs which the Fauji Foundation is learnt to be meeting.

Upto now Quetta was the only Baluchistan town which was getting the supply of LPG-airmix a local production gas, for about 4,000 domestic consumers.

The consumption at Quetta varies significantly over the year with requirements of LPG ranging from 8 tons to 40 tons per day.

An official source said that diversion of 4 tons to Baluchistan would not adversely affect supply to other cities because reserves have built up, for the time being. Since the daily LPG production is only 110 tons, the overall demand for this fuel would keep on rising.

Natural gas supplies to Baluchistan will, however, begin in 1983 when the Quetta pipeline becomes operative. The pipeline project, started last September, aims at supplying gas from Sui field from an offtake point on the SGTC 18-inch Indus Right Bank Pipeline to Quetta and another 10 other towns through a 12-inch 344 kilometre pipeline.

Consumption in domestic sector in this area is expected to rise at an annual rate of 30 to 40 percent in 1982-84 and will stabilize around 11 per cent till 1990 when most of the natural gas distribution network would be completed. By then the LPG is expected to be completely replaced by the natural gas as domestic heating source.

Meanwhile, plans are in hand to set up two solar power plants with total capacity of 10 kilowatts in Kharan and Lasbela districts. Both are expected to be operational by 1984. Out of 35 Biogas plants sanctioned for Baluchistan, 13 are already in operation.

CSO: 4220/129

BRIEFS

SCIENTISTS IN BEIJING--BEIJING, Dec. 1--A delegation of Pakistani scientist and technologists headed by Shaikh Manzoor Ahmed, Secretary Ministry of Science and Technology, arrived in Beijing on Sunday on a ten-day visit. They will visit Shanghai, Hangchow and Canton and meet Chinese leaders in various fields of science and technology. Pakistani delegation was welcomed at Beijing airport by Chinese Vice-Minister for Economic Relations with Foreign Countries, Shi Lin and Pakistan's minister and charge d'affaires in Beijing, Afzal Qadir. Other members of delegation were M. Aslam Chairman Pakistan Council of Scientific and Industrial Research, Dr. Aftab Ahmed Khan, Additional Secretary Ministry of Industries and Abdul Qayyum Kazi of ministry of Science and Technology. After brief exchange of views with Chinese hosts Shaikh Manzoor Ahmed said that a protocol on scientific and technological cooperation between two countries would proposed to be signed on December two. [Karachi BUSINESS RECORDER in English 2 Dec 81 p 3]

SAUDI REFUGEE AID--Peshawar, Dec. 4--The Saudi Arabian Defence Minister, Prince Sultan bin Abdul Aziz today announced a donation of Rs. 10 lakh for the welfare of the Afghan refugees. The Saudi defence Minister, who made the announcement, while addressing the Afghan refugees, at the Nasserbagh tentage village near Peshawar, said that in addition a mosque Darul Uloom and health centre would also be constructed for the Afghan refugees, and hoped that the mosque and Darul Uloom would be instrumental in the promotion of Islam. The Saudi Defence Minister stated that the Saudi Ambassador in Pakistan would make arrangements for the construction of the mosque, Darul Uloom and the health centre, in consultation with the provincial Governor, Lt-Gen Fazle Haq. [Karachi MORNING NEWS in English 5 Dec 81 p 1]

CLAIMS MILLION AFGHANS KILLED--More than one million Afghans have so far been either killed or wounded after the Soviet intervention in Afghanistan, a Soviet professor told a news conference in Bonn, Radio Pakistan reported last night. The European Federation of Afghan students has said that world peace is not possible without guarantees for the security of Afghanistan. Immediately after Soviet President Leonid Brezhnev's departure from Bonn, Afghan students told a news conference that the Soviet Union was facing tough resistance from the Afghan people. The Afghan Mujahideen would continue their resistance the students said. A professor from the Soviet Union who addressed the Press conference said that more than three million people had been rendered homeless after the Soviet intervention. Bombing raids had been carried out on seventy per cent of villages and extensive areas of big cities have been destroyed by the bombings. [Karachi DAWN in English 3 Dec 81 p 7]

NEW LOCOMOTIVE FACTORY--Islamabad, Dec. 4--Facilities to undertake manufacture of diesel electric locomotives in a separate factory adjoining the carriage factory at Islamabad, will be created at a cost of Rs. 984.91 million including a foreign exchange component of Rs. 292.49 million, APP learned. The Project is proposed to be implemented in two phases. The first phase of the plan will form the medium term plan (1981-84), while the second phase will be provided in the subsequent Five-Year Plan. As against the requirements of the Pakistan Railways of 20 to 23 locomotives per annum, on the completion of the first phase, the locomotives factory will have the capacity to assemble 25 diesel locomotives per year in a single shift working. In the first phase 30 assembled and 8 completely knocked down locomotives will be purchased and facilities will be set up for fabrication of carbody, boggies and assembly of locomotives. In the second phase, the remaining facilities will be created to manufacture diesel engine, electric equipment and other accessories of the locomotives. The Railway has a fleet of 474 locomotives of which 133 were over age. The number of over-age locomotives will increase to 156 by the end of 1982. [Islamabad THE MUSLIM in English 5 Dec 81 p 3]

CONVENTION OF PAKISTAN, CANADIAN ORGANIZATIONS PLANNED--Ottawa, Nov. 28--Encouraged by Canadian authorities, the Canada-Pakistan Association of Ottawa Hull is planning a convention early next year of all major Pakistan-Canadian organisations in the country. The Department of Secretary of State has agreed to finance such a convention and 15 Pakistan-Canadian organisations across the country have already agreed to attend such a convention, Said Dr. Abrar Hassan, an economist with the Economic Council of Canada, who has been elected President of the Canada-Pakistan Association of Ottawa-Hull for the coming year. The Ottawa-Hull Association formed in 1971 had taken a similar initiative in 1977, he said, but the Steering Committee that had been formed at that time to arrange a convention to form a federation of the Pakistani Associations throughout the country did not arrange such a convention but itself called the federation. Dr. Hassan said, in addition to forming a federation of the cultural organisations in different cities of Canada, his organisation was hoping to take the initial steps needed for building a Community Centre in Ottawa for Pakistani Canadians. The organisation has already collected 500 books in Urdu for a library which will from a part of the Community Centre. Another priority, he declared, will be teaching of Urdu to Canadian-Pakistani children who are growing up. Funds for such a scheme are also available from the Canadian Government under its multicultural programme that encourages Canadians to preserve the language and heritage of countries where they came from. [Islamabad THE MUSLIM in English 29 Nov 81 p 5]

ACTION AGAINST STUDENT--In addition to the ten students of NED Engineering University and Karachi University whose names were notified earlier, another student of Karachi University, namely, Zarar Khan, has been rusticated for three years for activities prejudicial to the maintenance of discipline and academic peace in the University, says an official handout. The total number of rusticated students of these two Universities is 11 and not 18 as appeared in newspapers on Dec. 7 due to a clerical error. [Karachi MORNING NEWS in English 8 Dec 81 p 1]

EEC SOLAR PROJECT GRANT--Islamabad, Dec. 7--The European Economic Community (EEC) will exted a grant of 1.8 million dollars to Pakistan for a solar development project in the country. As agreement to this effet was signed in Brussels recently, Official sources told PPI today that Pakistan with first among the non-member

developing countries which received a grant for such project. Negotiations for the grant had started in September 1979. [Karachi MORNING NEWS in English 8 Dec 81 p 1]

STUDENT'S BAIL REJECTED--The Additional City Magistrate Khatwani yesterday rejected the bail application of a student and remanded him to judicial custody till Dec 17. Gulshane Iqbal police arrested the accused Umar Dar from NED Engineering University hostel and recovered from his possession an unlincened pistol. Police have registered the case against the accused under Section 13-D Arms Ordinance. [Karachi MORNING NEWS in English 8 Dec 81 p 1]

PROFESSOR GRANTED BAIL--Dr. Zafar Arif, professor of Philosophy Department, who was taken into custody by the police in Campus arms seizure case on Wednesday, was enlarged on bail by the SDM Central in the sum of Rs 10,000 yesterday. Dr. Abul Khair Kashfi was also arrested in this connection on Wednesday but was bailed out later by a court. [Karachi MORNING NEWS in English 11 Dec 81 p 9]

PROGRESS IN AFGHAN TALKS--Islamabad, Dec 3--There has been some progress in negotiations for a political settlement of Afghanistan issue and the UN Secretary General's special representative Mr Perez de Cuellar, may soon return to resume his mission, according to informed sources here. Discussions on substantive issues got a start when Foreign Minister Agha Shahi was in New York. It was an indirect dialogue--through UN Secretary-General Kurt Waldheim. There were indications that the Kabul authorities were ready to talk about the safe and honourable return of the Afghan refugees in Pakistan to their homes and lands. Other substantive points relating to a time table for the return of Soviet troops and guarantees for non-interference in Afghanistan's internal affairs from outside will follow one-by-one. However, these talks were said to be still in a preliminary stage and there should be no illusion about them. [Text] [Karachi DAWN in English 4 Dec 81 p 1]

KARACHI STUDENT DISTURBANCE--The following Press note was issued here yesterday (Thursday) by the Deputy Commissioner (East) Karachi. Today Students Union elections were held in Karachi University. At the time of tabulation of results some students tried to create disturbance fired few shots and displayed arms. The law-enforcing agency had to intervene and brought the situation quickly under control. A few miscreants were arrested and some arms were recovered. The Vice-Chancellor and the staff members were requested to finalise the tabulation and announce the results. The situation is completely under control.--APP [Text] [Karachi MORNING NEWS in English 4 Dec 81 p 10]

DATES FOR AFGHAN REFUGEES--The World Food Programme (WFP) is supplying 1,800 metric tonnes of dates worth Rs 19,8551,480 (equivalent to US dollars 2,005,200) from its commodities resources. These dates have been donated to the World Food Programme by Saudi Arabia for Afghan refugees in Pakistan according to a Press release. The World Food Programme jointly sponsored by the United Nations and the Food and Agriculture Organisation (FAO) seeks to stimulate economic and social development through aid in the form of food. [Text] [Karachi MORNING NEWS in English 4 Dec 81 p 9]

MORE OIL IN BADIN--Goth Khaskheli (Badin), Dec 1--Oil has been struck at the second well being spudded at Goth Khaskheli in district Badin, about 90 miles from Karachi. This was stated today by Syed Mukhtar Ahmad, field in charge at the well being developed by the Union Texas Company of USA. The field in charge told PPI correspondent that oil was discovered at a depth of 3,552 feet, and it was coming out with high pressure and has a gravity of 35 gases have also been found. This well has been spudded about 500 meters from the first well which had

yielded good quality. There more wells will be spudded in the near future. Meanwhile, an agreement for purchase of crude oil from the Khashkeli oilfield was signed in Islamabad today between the Cities Service, Pakistan Petroleum Corporation of USA and Government of Pakistan. According to it, the Cities Service has agreed to sell their share of crude oil at a discounted price on the same line as that of Union Texas Company. Trial commercial production is expected to commence this month. After declaration of commercial discovery this month, the Government will acquire 40 per cent share of petroleum produce in the field--PPI [Text] [Karachi DAWN in English 2 Dec 81 p 1]

GOVERNMENT ASSISTS MEDICAL PROFESSION--Islamabad Dec 1--The Government is actively considering a plan to set up a "doctors' bank" in the country in order to provide more financial assistance to doctors, nurses, and other technical staff affiliated with the medical profession. This was disclosed by the Federal Health Minister Dr Naseeruddin Jogezai in an interview with DAWN. The proposed bank, likely to start functioning some time in June next year, will deal exclusively with the financial issues concerning the medical profession. It will provide loan facilities to doctors, Government employees as well as private practitioners, to help them set up their own clinics, especially in the rural areas. Similarly, trained nurses who wish to set up their separate nursing homes would also be given loans. It will also help senior medical consultants who want to install latest medical equipment in their clinics. The Minister said the idea behind the scheme is to provide Pakistani doctors with the best facilities for all kinds of operation. This move will also discourage the trend among doctors to leave the country, he added. Dr Jogezai said the plan has been initiated by the Ministry of health after learning the difficulties being faced by the doctors. To another question the Minister said a four-member high-powered committee has recently been set up by the Government to provide more incentives in the doctors' service structure, an announcement about which is to be made shortly. [Text] [Karachi DAWN in English 2 Dec 81 p 1]

CONTINUATION OF TRACTOR POLICY--Islamabad, Dec 1--The Economic Coordination Committee of the Cabinet, which met here today under the chairmansip of Mr Ghulam Ishaq Khan, Minister for Finance Commerce and Coordination reviewed the situation of the availability of tractors in the country and decided to continue with the existing policy. It noted with satisfaction that new units for assembly and progressive manufacture of tractors sanctioned by the Government will start coming into production from March 1982. The Committee was also informed that as against the previous year the licensing for import of tractors had gone up by 323 per cent. The ECC approved a proposal of the Ministry of Petroleum for grant of an additional area of 4,287 square miles in the districts of Mianwali, Sargodha, Jhelum, Gujrat, Gujranwala and Sialkot to M/s Pakistan Shell Petroleum of Holland for exploration of oil. It also approved a new more favourable agreement with M/s Union Texas Pakistan under which 10 per cent discount on the 40 per cent of Union's share of production of oil would be given to the Government if the oil is bought here. On the remaining 60 per cent a discount of 20 per cent would be allowed if the Government opts to buy that also. A price reduction of Rs 10.86 per barrel of the crude oil has already been negotiated between the government and M/s Union Texas and it was also agreed that the Government's right of purchase would be enhanced from 12 per cent to 30 per cent of production--APP. [Text] [Karachi DAWN in English 2 Dec 81 p 1]

PUNJAB FORFEITS OCTOBER MAGAZINE--Lahore, Nov 30--The Punjab Government has prescribed the October issue of english magazine Readers Digest for publishing objectionable material. All copies of this issue have been forfeited to the Government under Section 99-A of Cr. PC says a handout. [Text] [Karachi MORNING NEWS in English 1 Dec 81 p 3]

PETITION AGAINST PORNOGRAPHIC ADS--A Division Bench of the Sind High Court has called for comments from the Provincial Censoring authorities on a petition filed by Maulana Quddus Bihari against seven Karachi newspapers for publishing what he alleges pornographic film advertisements. The Bench comprising Mr. Justice Naeemuddin and Mr Justice Saeeduzzaman Siddiqui called for comments in respect of the provisions of Section 23(F) of the Press and Publication Ordinance. The judges said in their order that the comments should be submitted within two weeks. The petitioner was present in person before the court. The newspapers which have been cited as defendants are: Aman, The Leader, The Star, Jung, Hurrivet, Nawa-i-Waqt and Daily News. [Text] [Karachi DAWN in English 1 Dec 81 p 5]

FAO, ADS FORESTRY ASSISTANCE--Islamabad, Dec. 2--The Asian Development Bank and FAO will provide technical assistance and consultative services amounting to US dollar 195,000 to Pakistan for the Development of Social Forestry in the country. This was stated by a six-member FAO/ADB forestry study mission at the conclusion of its recent visit to Pakistan. The main objectives of this study are to:--Intensify forest management activities in selected forest plantations in Punjab to improve timber and fuel wood yield. Introduce appropriate methods in timber extraction and transport in the higher elevation conifer forest in NWFP. Introduce improvement required in timber conversion and processing to maximize utilization in Punjab and NWFP. Improve regeneration practices. Study current marketing practices and carry out a feasibility study, leading to a farm forestry project in all the four provinces of the country. [Text] [Karachi BUSINESS RECORDER in English 3 Dec 81 p 6]

BALUCHISTAN EDITORS IN LONDON--Quetta, Dec 6--A group of four editors from Baluchistan left here yesterday for Islamabad en route to London for a study tour which is in pursuance of the directive of President General Mohammad Zia-ul-Haq to enable the editors and journalists of under-developed areas to acquaint themselves with the working of the modern Press abroad. The group includes Malik Mohammad Ramzan, Mr Sultan Sabir, Mr Maqbool Rana and Mr Iftikhar Yousuf. [Text] [Karachi DAWN in English 7 Dec 81 p 4]

MEDICAL COLLEGE SEATS CUT--Multan, Dec. 6--Federal Health Minister Dr Nasiruddin Jogezai has announced the 10 per cent seats are being reduced in medical colleges of the country to raise the standard of medical education in Pakistan, according to a radio report. In an interview at Multan Health Minister said he would call a meeting of provincial health ministers to consider the service structure of doctors and paramedical services, health cess of patients visiting hospitals, health cover at the lowest level and issuance of no objection certificates to doctors going abroad for higher education. The health minister disclosed that the Government has already set up a high-level committee to go into all these questions and make its recommendations within one month. These recommendations will also be considered at the conference of provincial health ministers. Delivering his presidential address at the two-day all Pakistan para medical convention at Nishtar College he said that categories of the para medical staff had been reduced in the structure now under preparation. He said that meetings had been held with the provincial governments to bring about uniformity in the proposed scheme. He told the convention that all their demands had been thoroughly discussed, evaluated and would be met largely in the new scales. [Text] [Karachi DAWN in English 7 Dec 81 p 1]

DRY PORT AT MULTAN--Multan, Dec 4--A proposal to set up a dry port at Multan is under active consideration of the Government, Federal Minister for Production and Railways Lt.-Gen Saeed Qadir said here this evening. Addressing the Chamber of Commerce and Industry, Multan, he said a survey had been ordered by him to work out the feasibility of the prot. He said in view of the importance of Multan in the agriculture sector, the Government had decided to set up a plant for the manufacture of Fiat tractors in the industrial estate, Multan. To begin with, the plant would be assembling tractors to be followed by their manufacture. He said some 6,000 to 7,000 480-and 640-type Fiat tractors would be turned out annually. [Excerpt] [Karachi DAWN in English 5 Dec 81 p 1]

TRUCK VENTURE WITH JAPAN, UAE--Islamabad, Dec. 5--Pakistan Government has set up a tripartite investment company in collaboration with Japanese and Arab entrepreneurs to manufacture under licence "Hino" trucks to be marketed in Pakistan as well adjoining Arab countries. The Pakistan Government Messrs Hino, the company with equity holding, Tyoda Tsusho Kaisha of Japan and Messrs Al-Futtaim of United Arab Emirates would be responsible for mobilising funds and procuring machinery for the project. The paid up capital of 25 million dollars would be contributed in the ratio of 51 percent, 9 percent and 40 percent respectively by Pakistan and the Japanese and Arab investors. Messrs Al-Futtam would be responsible for marketing the products of the joint venture in the Middle Eastern States. The project would be located at Lasbela in Baluchistan, where the Pakistan Automobile Corporation is already in the process of setting up its wheel rim plant and engine machine facility. When completed the plant shall have the capacity to produce 6030 trukcs and 1200 bodies with 80 per cent local contents.

LEADER BANNED FROM NWFP--Lahore, Nov 30--Malik Mohammad Qasim, Secretary General, defunct PML has been further banned in the NWFP province for 90 days under Sec 5 (1) (a) of West Pakistan PMO ordinance. Malik Qasim's entry had earlier been stopped for 90 days each twice. He cannot enter, peside or remain in NWFP under the aforesaid order. [Text] [Karachi MORNING NEWS in English 1 Dec 81 p 1]

RICE EXPORTING--Islamabad, Nov 16--Federal Minister for Foood and Agriculture Vice-Admiral Mohammad Fazil Janjua has said that country is exporting 1,000 tons of rice every year. Replying to a question regarding the rice production at a news conference here today the Food Minister said some new varieties of rice are on the anvil which will increase the yield per acre. The Minister however said that the overall rice production in the country is satisfactory. Replying to a question regarding the decrease in the production of IRRI Mr. Fazil Janjua described that the price of IRRI is less than Basmati which is the main factor in the decrease of IRRI production coupled with the weather conditions and cost of water. IRRI is sown in Sind while Basmati is sown in the Punjab. Recently cultivation of IRRI in the Punjab had been started but satisfactory results have not been achieved. [Text] [Karachi MORNING NEWS in English 17 Nov 81 p 8]

SIND GOVERNMENT FORFEITS MATERIAL--Karachi, Nov. 16--The Government of Sind has ordered forfeiture of all copies of a circular 'Waqt ki Pukar', a leaflet 'Hamid Baloch ka Qatal Baluchistan ke seeney per eik sarab lagai' and an Urdu magazine 'Paigham-e-Nau' for containing objectional material, says an official handout. The action has been taken under the West Pakistan Press and Publication Ordinance, 1963. [Text] [Islamabad THE MUSLIM in English 17 Nov 81 p 8]

BIOMASS CONVERSION PROMOTED

London 8 DAYS in English 21 Nov 81 pp 54, 55

[Text] THE PHILIPPINES hopes to save nearly $500m, or a third of its annual oil import bill, through a programme to develop the world's first big, industrial biomass conversion process using agricultural wastes as raw materials. It is of great global importance because, unlike related 'green petrol' projects, it may well cut energy costs without diverting valuable sugar or starch crops away from food.

The new industry will make use of coconut shells, rice husks, corn cobs and other cellulose wastes for the production of anhydrous alcohol for blending with petrol. Such schemes have been made possible through two processes — one developed in Canada and the other to be tried for the first time on a large scale in the Philippines — which may well avert the threat of conflict between commercial interests seeking to devote scarce agricultural land either to food or to energy crops.

Squeezed by the rising oil prices and encouraged by the energy-deficient industrialised world, the developing regions have plunged into the 'green petrol' business. Brazil has led the trend by turning molasses into ethanol fuel. Mexico consumes increasing quantities of cassava in its energy programme, while the Philippines' alcogas programme is based on sugar can juice. 'Green petrol' plants are growing up across Africa.

The young industry offers an enormous potential for meeting future energy needs without contributing further to the accumulation of carbon dioxide in the atmosphere. But all the energy conversion technologies deployed by the industry so far require vast quantities of feedstocks that could be used as food for the people who grow them and as exports.

The Philippines' ten-year alcogas programme is among the most aggressive in Asia. By 1988, the country plans to run 46 distilleries, cutting about 30 per cent of the 90m barrels of oil now imported, creating 340,000 new jobs and saving $477m in foreign exchange. Aided by the UN Industrial Development Organisation in Vienna, the Philippines is about to build a $19m pilot plant to take advantage of new technologies using enzymes for the conversion of cellulose waste into alcohol. There have been so many recent research breakthroughs in the field that the country hopes it can soon launch the first commercial production scheme.

It is calculated that the country's agricultural and forestry wastes could supply an energy equivalent of 60m barrels of oil a year. At present, the Philippines depends on imports of crude oil for 95 per cent of its total energy consumption.

Cellulose conversion begins with pretreatment of the raw materials which can range from coffee hulls through rice straw and grass to sawmill wastes. Enzymes than convert the material into a sugary liquid that is fermented and finally distilled into anhydrous alcohol. Waste residues can be evaporated into a syrup afterwards for feeding animals.

The second approach, developed under the auspices of the National Research Council of Canada, involves a fermentation process using an unconventional yeast. This, too, is a welcome change in the basic economics of 'green petrol' production because it can use most agricultural and sawmill wastes.

Poplar, aspen and eucalyptus, for example, are easy to plant, need little attention until harvesting, require little if any additional water and do not need replanting after harvesting. Some have attractive leaves for use as forage. Canadian scientists involved in the development of the process have been already approached by industrialists interested in marketing village-scale fermentation plants in the developing regions.

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END

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South and East Asia Report

No. 1082

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No. 1082

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BRIEFS

AUSTRALIAN ASSISTANCE FOR PHILIPPINES--Australian Ambassador Richard Woolcott explained last night the rationale behind Australia's assistance to the Philippines. He told newsmen that Australian aid to the Philippines stems solely from a desire to share in the common endeavors of all to achieve peace and economic growth in the Southeast Asian region. Mr Woolcott said the present target of Australian aid to the Philippines is to assist in the development of rural areas in Samar and Western Mindanao in the central and southern Philippines. Ambassador Woolcott has recently been awarded the "1981 achiever" award by southern Philippine journalists. [Text] [HK110058 Manila Far East Broadcasting Company in English 0030 GMT 11 Dec 81]

CSO: 4220/134

BRIEFS

HIGH COMMISSIONER TO SOLOMONS ISLANDS--Canberra, 27 Nov (AFP)--Australia's new high commissioner to the Solomon Islands will be Mr Tom Sofield. He will succeed Mr R. G. Irwin. The Department of Foreign Affairs said Australia and the Solomon Islands enjoyed warm, close and substantial relations. [Excerpt] [BK281017 Hong Kong AFP in English 0837 GMT 27 Nov 81]

JAPAN'S COAL PROJECT APPROVED--The Federal Government has given approval to the Japanese Government to establish a brown coal liquefication pilot plant in Victoria's Latrobe valley. The approval is subject to Australia being offered 50 percent equity in the project if it extends beyond pilot stage. The pilot plant is being developed under the control of a Japanese Government agency--the New Energy Development Organization--but construction and operation is being contracted out to a consortium of Japanese companies. Go-ahead for the scheme was made under the Federal Government's foreign investment policy. [Text] [BK281017 Melbourne Overseas Service in English 0830 GMT 25 Nov 81]

COOPER BASIN OIL FIND--A new flow of oil has been reported from a well in the Queensland section of the Cooper Basin. The exploration operator for the Cooper Basin partners--Delhi Petroleum--says oil has flowed again from the (Jackson) No 1 well at a fairly modest rate of 200 barrels a day. It is from a depth of about 200 meters below the first oil strike in (Jackson) No 1, which is the first well in the Queensland part of the basin to produce oil. The earlier flow was at a rate of about 350 barrels a day. A spokesman for Delhi says the second flow is significant because it comes from a different depth. But it is not yet known if it will improve the well's commercial prospects. [Excerpt] [BK031315 Melbourne Overseas Service in English 0830 GMT 30 Nov 81]

MINING PROFITS DROP--A survey has shown a substantial drop in the profitability of the Australian mining industry during the financial year ending last June. The survey by the Australian Mining Industry Council shows profits dropped by 34 percent. The council blamed the decline on weak world demand, lower metal prices, adverse movements in exchange rates and strikes. The report shows capital expenditure in the mining sector last financial year was $1,558 million. This was more than double the previous year's amount. Companies forecast a further rise in expenditure to nearly $3,000 million this financial year. [Text] [BK091335 Melbourne Overseas Service in English 0830 GMT 7 Dec 81]

BIGGEST ONSHORE OIL FIND--A consortium of companies has struck another oil flow of 2,500 barrels a day in a well it is drilling in the Cooper Basin of southwest Queensland. This brings the total flow of the well to 4,000 barrels a day making it the biggest onshore discovery in Australia. [Excerpt] [BK091335 Melbourne Overseas Service in English 1230 GMT 7 Dec 81]

HIGH COMMISSIONER TO JAMAICA--Canberra, 14 Dec (AFP)--A seasoned Australian diplomat, Ronald Little, has been appointed Australia's new high commissioner to Jamaica, it was reported here today. Foreign Minister Tony Street said Mr Little, 45, has served in Tokyo, Vientiane, Dacca and Beijing. He will take up his appointment in January 1982. Mr Street said the appointment of this senior officer indicates Australia's wish to retain warm and friendly relations with Jamaica. Mr Little succeeds Mr G. N. Bilney. [Text] [BK150941 Hong Kong AFP in English 0714 GMT 14 Dec 81]

OIL EXPLORATION IN NORTHERN TERRITORY--The northern territory is on the brink of a massive oil and gas exploration program which could cost A$700 million, that is about U.S.$800 million, over the next 6 years. Details of the program was given by the territory's mines and energy minister, Mr Tuxworth. Mr Tuxworth said that two oil rigs were now sinking wells in the Joseph Bonaparte Gulf, west of Darwin, where large noncommercial gas fields had been discovered previously. The minister said that by depending on the result of seismic surveys, between 6 and 16 offshore wells could be sunk next year and more than 40 over the next 6 years. Mr Tuxworth said that onshore exploration in the northern territory was expected to be even more intensive with 5 wells being drilled next year and up to 80 more by 1986. [Text] [BK150941 Melbourne Overseas Service in English 0830 GMT 14 Dec 81]

OVERSEAS RESERVES FALL--Canberra, 10 Dec (AFP)--Australian overseas reserves fell by A$371 million during November, compared with a rise of A$32 million in October 1981. These official statistics were released today by the reserve bank of Australia which said there was a fall of A$173 million in the holdings of Australia's official reserve assets during November, compared with a fall of A$480 million in September and a rise of A$40 million in October. The reserve bank places Australian gold reserves at A$2,848 million in the overall table of official reserve assets of A$4,156 million. The Australian dollar has devalued by 4 percent against the trade weight basket of the authorities since August, but has revalued 2 percent against the U.S. dollar. [BK140541 Hong Kong AFP in English 0859 GMT 10 Dec 81]

CSO: 4220/134

BRIEFS

INTELLIGENCE CHIEFS' APPOINTMENTS--The State Council has appointed Col Kyaw Tun, BC/6875, [former ambassador to Thailand] currently attached to the Prime Minister's Office in the post of Chief of Intelligence of the National Intelligence Bureau [NIB] as chief of intelligence of the office of the NIB from the date he assumes charge of his duties. [Rangoon WORKING PEOPLE'S DAILY in English 13 Nov 81 p 4 BK] The State Council has appointed Col Kan Nyunt, BC/7894, director of Defense Service Intelligence, Ministry of Defense, as a member of the Supervisory Committee for Guiding and Leading the National Intelligence Bureau. [Text] [BK031311 Rangoon WORKING PEOPLE'S DAILY in English 14 Nov 81 p 4]

AMBASSADORIAL APPOINTMENTS--The president of the Socialist Republic of the Union of Burma has appointed Zeya Kyaw Htin [honorific title] U Maung Maung Nyunt, Burmese ambassador to the FRG, as ambassador to the Islamic Republic of Pakistan. [BK150913 Rangoon WORKING PEOPLE'S DAILY in English 4 Dec 81 p 1] The president of the Socialist Republic of the Union of Burma has appointed Y Myo Aung, Burmese ambassador to the United Kingdom, concurrently as ambassador to Norway and to Sweden. [BK140913 Rangoon WORKING PEOPLE'S DAILY in English 9 Dec 81] The President of the Socialist Republic of the Union of Burma [SRUB] has appointed U Hla Swe, ambassador extraordinary and plenipotentiary of the SRUB to the Czechoslovak Socialist Republic, concurrently as ambassador extraordinary and plenipotentiary of the SRUB to the Hungarian People's Republic. [Text] [BK150913 Rangoon WORKING PEOPLE'S DAILY in English 8 Dec 81 p 1]

AMBASSADORS TO ROK, ITALY--The president of the Socialist Republic of the Union of Burma has appointed Zeya Kyaw Htin [honorific title] U Kyi Naung, ambassador extraordinary and plenipotentiary of Burma to Japan, concurrently as ambassador extraordinary and plenipotentiary of Burma to the Republic of Korea. [Text] [BK061237 Rangoon WORKING PEOPLE'S DAILY in English 25 Nov 81 p 1] The President of the Socialist Republic of the Union of Burma has appointed Zeya Kyaw Htin U Kyi, ambassador extraordinary and plenipotentiary of Burma to Malaysia, as ambassador extraordinary and plenipotentiary of Burma to the Republic of Italy. [Text] [BK061237 Rangoon WORKING PEOPLE'S DAILY in English 25 Nov 81 p 1]

KAREN REBELS AMBUSH TROOPS--Tak--At least 100 Burmese Government troops were killed and wounded when they were ambushed by Karen rebels in border area opposite Mae Sot District here on Monday, according to an intelligence report reaching Bangkok yesterday. The report said the ambush was followed by sporadic clashes on Tuesday and yesterday. It said that about 500 Burmese Government troops moved out from

Rangpoi Province toward Ban Ta Kerpo and a unit of the army advanced toward Ban Ba Kor, opposite Mae Sot District. The government troops which went to Ban Ba Kor were ambushed by around 1,000 Karen rebels, reportedly armed with M-16, AK-47 assault rifles and M-79 grenade launchers. One of the commanders of the Burmese troops was also killed in the battle but he was not identified, it said. According to the report, several thousands of Burmese Government troops have been mobilized since the middle of this month on search-and-destroy missions against the Karen rebels in areas near the Thai-Burmese border. [Text] [BK260337 Bangkok NATION REVIEW in English 26 Nov 81 p 1]

CSO: 4220/134

SOLON EXPLAINS PARLIAMENTARY APPOINTMENTS

Jakarta KOMPAS in Indonesian 31 Oct 81 pp 1, 12

[Article: "Questions and Answers in the Third KNPI Congress Regarding the Appointment of a Portion of the Members of Parliament"]

[Excerpts] Minister/State Secretary Sudharmono denied that the appointment of one-third of the members of parliament was intended to insure that the presidential position is converted into a life-long position. The view had been expressed that the appointments would pave the way for the reelection of the current president.

Sudharmono's denial was expressed on Friday morning [30 October] to participants in the third KNPI [Indonesian National Youth Committee] at the Senayan hall where parliamentary sessions are held in Jakarta.

Responding to a question from a participant, Sudharmono said that what lay behind the appointments was merely the need to safeguard Pancasila and the 1945 Constitution by using article 37 of the 1945 Constitution. That article states that changes in the 1945 Constitution are permissible if a parliamentary session is attended by two-thirds of its members and if two-thirds of those attending agree to the changes.

The appointment of one-third of the parliamentary members is in accord with the consensus achieved between the chief of state and political party and GOLKAR leaders early in the New Order period. The basis for the consensus was the need to safeguard the 1945 Constitution and Pancasil with article 37 of the Constitution. The purpose was to prevent the voting in, during a general election, of parliament members, two-thirds of whom would like to change the 1945 Constitution. If this were the purpose, then when one-third plus one member do not participate in the discussion aimed at changing the 1945 Constitution, "it merely guarantees that the 1945 Constitution will not be changed," the minister remarked.

Because ABRI is judged to have the Sapta Marga oath which includes, among other things, swearing to defend the 1945 Constitution and Pancasila, then one-third of the appointed Parliament members are members of ABRI [Indonesian Armed Froces], he added.

Meanwhile, within the framework of Sewindu [8-year cycle] KNPI and commemorating the Youth Oath, a photography and poster exhibit opened on Friday evening in the

Senayan session hall. Information Minister Ali Murtopo was to have opened the affair but could not. Soekarno, director general for building up the press and graphics, represented him.

The participants were informed by the committee that the information minister was unable to attend because of illness. Akbar Tanjung added that Minister Ali Murtopo had to have a week's "bed rest."

6804
CSO: 4213/15

PPLH AND KADIN TO COOPERATE AGAINST CORRUPTION

Jakarta KOMPAS in Indonesian 31 Oct 81 pp 1, 12

[Article: "Government and KADIN Agree to Cooperate in Handling Corruption"]

[Excerpts] The Indonesian government and KADIN (Chamber of Commerce and Industry) have agreed to cooperate in organizing a system which will handle corruption problems. The system, which is to be formed immediately, will attempt to forestall as far as possible situations which create opportunities for businessmen to bribe government officials or prevent government officials themselves from resorting to bribery.

The agreement was achieved between Emil Salim, minister of state for supervision of development and environment (PPLH), and the Industries Compartment of KADIN, headed by Drs F.H. Eman, on Friday [30 October] in the office of the PPLH minister. This cooperative agreement between government and businessmen is the first of its kind for handling corruption.

Initially Minister Salim requested KADIN to devise a system to handle businessmen who often offer bribes since government officials not only are guilty of accepting bribes but businessmen are also guilty of attempting to bribe government officials. "We in the government have had our own system for controlling government officials, which is continually being improved. We now hope KADIN will also organize an apparatus which will prevent its members from resorting to bribery," Emil Salim said.

However, businessmen tried to convince Minister Salim that they often find it hard not to bribe officials because of the measures taken against them by government officials.

Moreover the businessmen who met with Emil Salim feel that businessmen who become dishonest in their dealings do so because they run into difficulties in developing their businesses. The major error is not committed by the businessmen who offers the bribe, rather the fault lies with the government bureaucratic system which often forces the businessman to offer a bribe if he does not want his business ruined.

Minister Salim apparently was not convinced of this. He then proposed that any time a businessman is forced to offer a bribe, the matter should be reported immediately to the government official's superior. If this does not clear up the matter, it should be reported to a more senior official.

The businessmen responded by saying that this had been done but no results were achieved. Much time is wasted because senior officials do not want to meet with them and continually postpone such meetings so that the businessmen get fed up with wasting time. Moreover if the government officials become aware of these reports to their superiors, the situation worsens for the businessmen.

"The primary fault rests with the system of government service which forces the businessmen into devious activities," said the KADIN members.

It becomes a test of endurance. The businessman is certain to lose in the end because he suffers financial loss while the official loses nothing whatsoever since he is merely relieved of his responsibilities.

Emil Salim also proposed that such matters be reported to the inspector general's office of the respective departments since this office does not concern itself with affairs of an executive nature and therefore is not directly involved in the problems faced by businessmen. He hoped that a more objective view could thus be obtained, but apparently the businessmen were also doubtful that this would be the case. They doubted that there were no ties between that office and the executive side.

The minister also asked the businessmen not to feel that they had to express their gratitutde to officials by offering them gift items, since their appreciation should be expressed not only to the administrator who performs the service but to all members of the government agencies involved. "An official is unable to do his work without the assistance of his subordinates," Emil Salim said.

Minister Salim will pay heed when KADIN submits a black list of businessmen who are KADIN members and who indulge in devious activities. However that black list will not be taken at face value by Emil Salim because he is concerned that there are competitive elements and an innocent businessman can be tagged for the black list.

The idea of a black list had been put forward by Dr Hasyim Ning, the KADIN general chairman, who said that preferably, to prevent devious activities by businessmen, the government should deal only with businessmen who are KADIN members while KADIN will try to clean up its membership. If it becomes known that certain businessmen indulge in devious activities, they will be placed on a black list and expelled from KADIN membership which also means that the government will not deal with them.

However, Emil Salim would not agree to the government dealing solely with KADIN members because, he said, KADIN has not yet been established in all of the regencies. If he agreed to Hasyim Ning's request, it would mean that the government would not deal with businessmen in the regencies in which KADIN itself has said it had no branches. "KADIN should not operate solely in the center but must also build a membership in the outlying areas within the framework of equalization," Salim said.

However, in the meeting between Emil Salim and the businessmen no agreement was reached that KADIN would definitely establish a black list because the government must state that it will deal only with KADIN members before such a black list can be drawn up.

Another meeting will be held on 20 November to disucss the system to be implemented. This system consists of cooperation between PPLH and businessmen and the government agencies concerned. Under this system efforts will be made to keep the names of businessmen involved in a case from being mentioned.

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CSO: 4213/15

SUDOMO DISCUSSES SURABAYA, BANDA ACEH INCIDENTS

Jakarta KOMPAS in Indonesian 31 Oct 81 pp 1, 12

[Article: "PANGKOPKAMTIB Presents Clarification on the Surabaya and Banda Aceh Affairs"]

[Excerpts] Admiral Sudomo, KOPKAMTIB [Command for the Restoration of Security and Order] commander, said he had received a report on the Surabaya "10 November Stadium case." He had also spoken directly with the commander of the military district command and the LAKSUSDA [regional special executive officer] as well as the chief of the East Java Police District, and the matter has been transferred to the local LAKSUSDA for handling.

Responding to a question posed by newsmen in Jakarta on Friday [30 October], Admiral Sudomo said in this case the fault rests with the committee that handled the test to screen candidates for employment in the East Java Regional Justice Department. "I know the committee acted improperly. They invited these people to come, knew there were technical errors, and did not give the test."

Nevertheless, Sudomo added, this does not mean the public can take justice into its own hands. These people do not have to do things that violate the law and set fires everywhere. "Of course they can be angry, but they must keep cool heads," the COPKAMTIB commander said.

Responding to a question, Admiral Sudomo said there are no indications that another element is involved in the Surabay case. He judged that the incident resulted merely from pent-up feelings. "Nevertheless this had not been confirmed," he added.

Sudomo said that no one has been arrested in the case as of now, but the committee is under investigation by the police. He said no comment is permitted on statements made by the committee about the participants in the test.

Concerning a question on the "Banda Aceh case," Admiral Sudomo replied that initially this was an ordinary affair, but it turned into one with mass participation. "However the case has been settled, and there are no further problems," he said.

Three things happened in the Banda Aceh case. Sudomo said the first incident occurred on 25 October at 1300 on Diponegoro Street. A sidewalk vendor named

Nuradin Pelor operating in front of a shop owned by Alex, an Indonesian citizen of Chinese extraction, suddenly was doused with water from the upper story of the building.

Nurdin Pelor became angry and cried out harshly against the provocation. The masses then reacted and threw stones at Alex's shop.

The second incident occurred on 26 October at the Expo garage on Sheik Moh Yani Street. It began on 19 October when the older brother of a person named Zakaria brought his Vespa in to the garage for repair. On 26 October Zakaria returned to the shop and a quarrel broke out with Achin because Zakaria said Achin had installed the wrong Vespa part. This was followed by a fight.

People in the surrounding area saw the fight and threw stones at the garage and at the shops on either side of it. The situation was taken in hand immediately.

The third incident occurred at 2100 also on 26 October. Stones were thrown at the "Happy" radio shop. According to Sudomo, the perpetrators have been arrested and the situation also is in hand.

A similar incident occurred in Sala several days earlier, Sudomo said, but there was a deliberate "blackout" on the news of this affair in the papers. It was imposed only in order to be able to settle the problem locally without inviting further reaction.

Sudomo called on the public to report similar incidents immediately to the responsible authorities. "When this happens, we will arrest both sides in order to settle the matter and prevent it from spreading," Sudomo said.

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CSO: 4213/15

WEST GERMANY OFFERS AID TO SHIPBUILDING INDUSTRY

Jakarta KOMPAS in Indonesian 30 Oct 81 p 2

[Article: "West Germany Offers Aid to Indonesian Shipbuilding Industry"]

[Excerpts] Preparations are underway in Indonesia to develop a shipbuilding industry that will be capable of meeting sea transport requirements and maintaining the entire fleet by the end of REPELITA IV [fourth five-year development plan] in 1989. Also needed are support industries that can supply materials and components for the shipbuilding industry.

Eman Yogasara, director general for the basic metals industry, by way of encouraging West German shipbuilders and outfitters, said that Indonesia has shown great interest in German marine equipment. He also said that, other than drydocks, Indonesia would like to have support industries that could manufacture engines, shafts, electrical equipment, parts for engines, pumps, compressors, pneumatic components, separators, steering components, port equipment, anchors, safety equipment, and other components.

Yogasagara said shipbuilding is one of the 17 key projects in the basic metals industrial sector and is one of 30 key industrial projects which will be completed during REPELITA IV. At present most marine equipment is imported. In Indonesia 17 companies are capable of manufacturing marine equipment such as anchors, propellors, zinc anodes, lifeboats, cables, heavy rope and marine hardware.

H.J. Uckley, leader of the West German Businessmen's delegation, which held a symposium in Jakarta, explained to newsmen on Wednesday [29 October] that the West German businessmen in the group he heads would like to assist Indonesia in developing a shipbuilding industry suitable to Indonesia's needs.

The Agency for Technological Education and Application (BPPT) told the West German businessmen that Indonesia will need more than 1 million dwt tons of interisland ships, 212,000 dwt tons of interisland tankers, and 3.3 million dwt tons of oceangoing vessels during REPELITA IV. In fiscal 1981 Indonesia was only able to accept government orders for 101 units, consisting of various types of barges, pilot boats, tugboats, trawlers, coastal vessels, landing craft, and ferries. All are made in Indonesia.

It noted that Indonesia's shipbuilding industry obtains facilities for its development, such as the duty-free import of basic materials and relief from paying sales taxes on ship repair.

Indonesia now has 104 drydocks with an annual capacity of 45,355 tons and 136 drydocks for ship repair with an annual capacity of 581,112 tons.

The symposium on marine equipment is being held for 2 days in Jakarta and is handled by the West German Association of Ship Component and Ship Construction Companies and Owners (VDMA). It is attended by some 200 Indonesian shipbuilding specialists, the Indonesian Shipbuilding Industry (IPERINDO), and government representatives. West German industrialists have held symposia in several Asian countries to promote their industry.

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CSO: 4213/15

IMPROVEMENTS IN RAIL, COMMUNICATIONS EQUIPMENT OUTLINED

Jakarta KOMPAS in Indonesian 2 Nov 81 p 2

[Article: "Installation of New PJKA Executive Director"]

[Excerpts] On Saturday [31 November] Roesmin Nurjadin, minister of communications, installed Eng Sudjono Kramadibrata as executive director of the Indonesian State Railway Company replacing Eng Pantiarso.

On that occasion Minister Nurjadin pointed out that Indonesian railways were a cause for concern during PELITA I [first five-year development plan]. There were very few and very old freight and passenger cars, and there were only 272 locomotives.

The situation has improved gradually, and we now have 564 locomotives. This is an increase of 107 percent. In 1969 there were only 10 pairs of diesel engines; now there are 48. The number of passenger cars rose from 870 in 1969 to 1,105 in 1980.

In the JABOTABEK (Jakarta-Bogor-Tangerang-Bekasi) region, the communications minister said, the role of the railroad is continually being developed. A new 17-km line from Meneng to Dadapen to Banyuwangi will be built in the near future.

Touching on the role of telecommunications, Minister Roesmin pointed out that its role in reducing distances is of increasing benefit. In 1976 there were only 262,446 telephone lines. In 1980 there are 598,622.

Compared with other ASEAN [Association of Southeast Asian Nations] member nations, the number of telephones in Indonesia in 1978 was considered to be low, 0.2 per 100 population. For Malaysia, the Philippines, Singapore, and Thailand it is 2.9, 1.3, 19.6, and 0.8 per 100 population, respectively.

The demands for telephones in Indonesia by 1989, according to the method used by ESCAP (UN Social-Economic Council for Asia and the Pacific), will rise to 1.736 million lines. This is a rather large increase.

At the end of the installation ceremony, Eng Pantiarso, the former PJKA executive director, was prevented from communicating with newsmen who asked him for the impressions he gained as head of the state railway company.

This official was installed in March 1978, replacing Eng Soemali. Eng Pantiarso was known as an honest and modest official. Nevertheless a certain group evaluated him as a director who in many respects "gave in" to his staff. Perhpas it was for this reason that he was judged to be "lacking in authority."

Roesmin Nurjadin also installed Ngurah Oka as director of supply for PERUMTEL [Telecommunications Corporation], Drs Iwa Sewaka as PERUMTEL supply director [as published], and J. Soetopo Martodihardjo as chief of the Supply Bureau for the Communications Department.

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CSOL 4213/15

BRIEFS

COUNTRY 'OUT OF DANGER'—Manila, 4 Nov (AFP)—The International Committee for the Red Cross (ICRC) today officially declared Kampuchea "out of danger," after almost two years of one of the world's most massive relief operations to a country, then on the verge of "virtual extinction." In a report submitted to delegates to the general assembly of the League of Red Cross and Red Crescent societies, now meeting in Manila, the ICRC said the Cambodian people were now "over the worst and the spectre of famine had receded." The Red Cross, however, appealed for continued aid and assistance in addition to more than 500 million U.S. dollars spent since 1979 to avert the possibility that the troubled Indochinese country would "slip back." Severe political problems continue, the ICRC report said. The report cited that the 1980-81 rice crop in Kampuchea was more than double that of the previous year and 1.5 million children are back at school. A majority of refugees who reached the Thai border in the later months of 1979 have returned home, the report said. The report capped 15-months of relief and rescue work in Kampuchea by a joint ICRA and UNICEF team. The UNICEF had led other international agencies in the Cambodian bail out. [Text] [BK041550 Hong Kong AFP in English 0756 GMT 4 Nov 81]

CSO: 4220/145

LAO PARTY, STATE LEADERS RECEIVE GDR MESSAGE

BK310353 Vientiane Domestic Service in Lao 0000 GMT 31 Oct 81

[Text] Comrade Kaysone Phomvihan, general secretary of the LPRP Central Committee and premier of the LPDR, and Comrade Souphanouvong, president of the LPDR and of the Supreme People's Council [SPS], recently received a message of thanks from Comrade Erich Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany [SED] and chairman of the GDR Council of State; Comrade Willi Stoph, chairman of the GDR Council of Ministers; and Comrade Horst Sindermann, president of the People's Chamber of the GDR. The message reads as follows:

On behalf of the Central Committee of the SED, the Council of Ministers, the People's Chamber and the GDR people and in our own names, we extend thanks to you, the LPRP Central Committee, the Government and the SPC and the people of the LPDR for conveying cordial greetings to us on the occasion of the 32d anniversary of the establishment of the GDR.

We are profoundly convinced that the existing fraternal relations between the two parties, countries and peoples and our solidarity and friendship will be further consolidated and developed on the basis of Marxism-Leninism and proletarian internationalism.

May you, comrades, be assured that the GDR party, Government and people will resolutely and firmly stand side by side with the Lao friends.

CSO: 4206/12

VIENTIANE RECOUNTS EXPLOITS OF MUANG PEK COMPANY

BK101212 Vientiane Domestic Service in Lao 0400 GMT 9 Dec 81

[Feature: "Heroic Soldiers of Muang Pek District"]

[Summary] Faced with the ferocious war of aggression waged by the U.S. imperialists and their henchmen, the LPLA Supreme Command and the party committee and military command of Xieng Houang Province established a company composed of forces from the Muang Pek District in April 1966. In 1968, the company was reorganized and more men were attached to it. The company was then assigned to carry out guerrilla activities in the district. They were divided into three platoons to carry out independence operations from the Nong Pet junction to Nam Khan, as well as in the Phou Tiw, Phou San, Phou Laktai, Phou Kout Noi mountains, Mouang Song and other areas. They managed to put many enemy troops out of action and destroyed several hundred tons of war materials during these operations.

"In 1969, the U.S. imperialists and their henchmen mustered more than 50 battalions supported by the U.S. Air Force to launch an adventurous operation codenamed 'Koukiat" against the Xieng Khouang region for the purpose of destroying our people's property and lives." The operation created numerous untold difficulties to the Xieng Khouang regional forces, including the Muang Pek District Company.

However, the Muang Pek District soldiers launched a counterattack against the enemy forces in the Phou Viang area, putting a large number of enemy troops out of action in the course of several skirmishes. They also victoriously intercepted and crushed the enemy troops in the Phou Pha Tek area in Xieng Khouang Province. They were later assigned to operate in Piang Canton and engaged in a fierce fighting with the enemy for nearly 3 months. They subsequently launched mop-up operations to attack and destroy enemy bandit nests in Phou Koum, Bouam Long, Phou Keun and other areas.

"The Muang Pek District soldiers engaged in more than 100 skirmishes with the enemy in these areas, killing 224 enemy troops, capturing and wounding some 100 others, liberating 620 local people from the enemy control, and seizing 480 firearms and more than 10 tons of ammunition."

Because of its dedication in consolidating and strengthening its organization and capabilities in all respects, the Muang Pek District Company was assigned to the command of the Xieng Khouang Provincial Military Command in June 1979.

CSO: 4206/12

VIENTIANE ON CONSTRUCTION OF ROUTE 9 HIGHWAY

BK071612 Vientiane Domestic Service in Lao 1000 GMT 4 Dec 81

[Feature by a station reporter on a visit to highway construction unit 923]

[Summary] On a jeep ride from Savannakhet provincial town along a 150 km stretch on Route 9 highway, we met several groups of road construction workers attached to various companies, such as the irrigation company No 1, the bridge and highway construction unit and the irrigation company No 2.

Route 9 highway is more than 250 km long when it reaches the SRV border. The construction of this highway is divided among five departments. The bridge construction department is responsible for constructing five main bridges--the Se Tang Soi bridge, the Se (Koun Tan) bridge, the Se Pha Muak bridge and the Se Bang Hiang bridge with aid from several socialist countries. The Se Tang Soi bridge, which was constructed with aid from Bulgaria, is capable of handling a 100-ton load.

The highway is divided into four sections for construction by four companies. The first section, from Savannakhet provincial town to Donghen, is being constructed by the irrigation company No 1; the second section, from Donghen to Se (Koum Tan), by the irrigation company No 2; the third section, from Se (Koum Tan) to Tha Khong by construction unit 923; and the last section, from Sepon to the Vietnamese border, by a Vietnamese engineer corps. No section is more than 60 km long.

The construction of Route 9 highway began in late 1980. The construction crews have encountered numerous dangers, for this route was heavily bombed by the U.S. imperialists during the war. With close technical supervision from Soviet experts, some 1,000 workers at construction unit 923 are able to carry out their work very well.

CSO: 4206/12

DPRK LEADERS GREET COUNTERPARTS ON NATIONAL DAY

BK140400 Vientiane Domestic Service in Lao 1200 GMT 11 Dec 81

[Text] Comrade Kim Il-song, general secretary of the Korean Workers Party Central Committee and president of the DPRK, has sent a greetings message to Comrade Kaysone Phomvihan, general secretary of the LPRP Central Committee, and Comrade Souphanouvong, president of the LPDR. The message reads as follows:

On the occasion of the sixth founding anniversary of the LPDR, on behalf of the Korean Workers Party Central Committee, the DPRK Government, the Korean people and in my own name, I would like to convey my heartiest greetings to you, comrades, and through you, to the LPRP Central Committee, the LPDR Government and the fraternal Lao people.

After the establishment of the LPDR, the Lao people embarked on the road of socialist construction. They have achieved great successes in doing away with the consequences of the former colonialist domination through building their national economy and developing their culture by implementing both social and economic transformations. The various successes achieved by the Lao people in building a new life and a new society following the achievement of sovereignty in Laos under the leadership of the LPRP, with Comrade Kaysone Phomvihan as head, are considered glorious successes forever recorded in the history of the Lao people.

The Korean people wish the fraternal Lao people ever greater success in the implementation of the first 5-year plan in its next stage. The peoples of Korea and Laos have in the past maintained close relations of friendship amid the common struggle against imperialism. On this occasion, I would like to express my conviction that the friendly relations between the two peoples of Korea and Laos will continue to be consolidated and developed.

On the same occasion, Comrade Ho Tam, vice premier and minister of foreign affairs of the DPRK, also sent a greetings message to Comrade Phoun Sipaseut, vice premier and minister of foreign affairs of the LPDR.

CSO: 4206/12

LPLA ORDER OF BATTLE ON THAI BORDER NOTED

Bangkok SIAM RAT in Thai 17 Sep 81 pp 1, 12

[Text] Laos has sent eight battalions to the Thai border at Nan, facing the 1st Cavalry Division, Forward, which is heavily engaged in suppressing guerrillas in that area.

The report states that the Thai border situation in Nan Province is unsettling since Laos sent so large a number of troops to be stationed in that vicinity, on the north and northeast of the province. There are 11 places where foreign forces can enter Thai territory.

The detailed report on the eight Lao battalions gives their position in the province of Hasa, or the former Sayaboury, of Laos. They consist of the 410th Battalion located at Camp Lachakoun under the command of Thao Samrit, the 402nd Battalion at Ban Nakok, the 415th Battalion at Camp Kouchiang under the command of Col Sangvan, the 404th Battalion at Camp Pong Vang under the command of Thao Bounleut, the 413th Battalion at Ban Pak Neun under the command of Comrade Thongthat, the 411th Battalion at Ban Na Kok, the 412th Battalion at Camp Houa To under the command of Thao Bounleut, and the 423rd Battalion located at UP 4580 under the command of Lt Col Somdi Chanthamit.

The Lao troops are stationed opposite the Thai forces while the 1st Cavalry Division, Forward, is in the process of clearing out the guerrillas of the Thai Liberation Army, which for the most part is made up of the Hmong and Lwa tribal groups.

During the past two months in the sweep against the Thai Liberation Army forces the Thai troops were able to destroy four Thai Liberation Army companies of the total of 11 companies, inflicting casualties of 30 killed, more than 200 injured, with over 200 surrendering. This was one part of the operational plan "Nan Power," which used a very large number of forces during a 7-year period.

The Thai army has prepared a complete defense.

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CSO: 4207/3

ALBANIAN, ROMANIAN LEADERS GREET LAO NATIONAL DAY

BK121320 Vientiane Domestic Service in Lao 1200 GMT 11 Dec 81

[Text] On 1 December, Comrade Enver Hoxha, first secretary of the Central Committee of the Albanian Workers' Party, Comrade Haxhi Lleshi, chairman of the presidium of the People's Assembly of the People's Socialist Republic of Albania, and Comrade Mehmet Shehu, chairman of the Council of Ministers of the People's Socialist Republic of Albania, jointly sent a cougratulatory message to Comrade Kaysone Phomvihan, secretary general of the LPRP Central Committee and LPDR premier, and Comrade Souphanouvong, president of the LPDR. The message reads:

On the occasion of the sixth founding anniversary of the LPDR, on behalf of the Albanian people, the AWP Central Committee, the presidium of the People's Assembly and the Council of Ministers of the People's Socialist Republic of Albania, and in our own names, we would like to extend our warm congratulations and salutation to you, comrades, and to the Lao people.

The Albanian people have closely followed the achievements scored by the Lao people, and wish them many more successes in the course of national development for a better life and safeguarding of national independence against the imperialist superpowers. We hope that the relations of friendship between the peoples of the two countries will be further developed in the future.

On the same occasion, Comrade Nicolae Ceausescu, secretary general of the Romanian Communist Party and president of the Socialist Republic of Romania, Comrade Ilie Verdet, prime minister, and Comrade Nicolae Giosan, chairman of the Grand National Assembly of the Socialists Republic of Romania, jointly sent a greetings message to Comrade Kaysone Phomvihan, secretary general of the LPRP Central Committee and LPDR premier, and Comrade Souphanouvong, president of the LPDR and president of the SPC.

The message reads:

On the occasion of the sixth founding anniversary of the LPDR, on behalf of the Romanian Communist Party, the Grand National Assembly, the Government of the Socialist Republic of Romania, the Romanian people and in our own names, we would like to extend our sincere congratulations to you, comrades, and to the LPRP, the SPC, the LPDR Government and the fraternal Lao people.

After carrying out a struggle full of patriotic and revolutionary spirit for several years, the Lao people scored victories over the domination of the imperialists and internal reactionaries, and subsequently founded the LPDR. They have contributed every creative effort in building a new socialist society and in building Laos into a peaceful and independent country.

On the basis of the spirit of internationalist solidarity, the Romanian people have rendered fruitful assistance to the Lao people's struggle for national liberation, have a high respect for the founding of LPDR.

On this occasion, I would like to pledge to you that thorugh our reciprocal efforts in the spirit of high-level cooperation, the relations of friendship and solidarity between our two parties and countries will be consistently developed for the sake of the well-being of the Romanian and Lao peoples, the general interests of the socialist system, independence and freedom for all nations, and peace and international cooperation.

On the occasion of the LPDR national day, we wish you and the Lao people under the leadership of the LPRP, new successes in the socialist construction.

At the same time, Comrade Nesti Nase, foreign affairs minister of the People's Socialist Republic of Albania, and Comrade Stefan Andrei, foreign affairs minister of the Socialist Republic of Romania, also sent greetings messages to Comrade Phoun Sipaseut, LPDR vice premier and foreign affairs minister.

CSO: 4206/12

PHOUMI VONGVICHIT INTERVIEWED ON EDUCATION

OW280941 Hanoi VNA in English 0701 GMT 28 Nov 81

[Text] Hanoi, 28 Nov (VNA)--Education has been one of the most brilliant achievements of Laos in the past five years. A rundown of these achievements was given to the pictorial magazine VIETNAM, on the occasion of the close of the 1980-1981 school-year in an interview with Phoumi Vingvichit, Political Bureau member of the Central Committee of the Lao People's Revolutionary Party, vice-premier and minister of education, sport and religious affairs. Following is Phoumi Vongvichit's answers:

During the last five years, along with many other successes of the new system, education has obtained outstanding achievements and has become the basis for fostering a new-type socialist man.

We have in the main done away with the neo-colonialist education while building and developing a nation-wide system of education with a marked national, scientific and popular character. The Lao language has become a teaching medium at all levels of education, including higher education. The Marxist-Leninist theory and ideology has become a main subject in the education programme.

To the Lao people of various ethnic groupings in both the plains and the mountain areas, education has become a mass movement. The literacy and complementary education movement has vigorously developed in all public offices, factories and villages under diversified and appropriate forms. Hundreds of thousands of people are following complementary education courses organised at provincial and district levels, or at special schools for workers, peasants and young people of ethnic minorities or at part-time classes for workers and public employees. An eleven-year general education system has been uniformly enforced in the whole country. General and vocational education is also developing steadily. With regard to enrolment, compared with pre-liberation days, the increase is twofold for primary schools, sixfld for junior high schools, elevenfold for senior high schools and nearly fivefold for vocational schools.

In the recent 1980-81 academic year, education continued to make headway. Illiteracy has been eradicated in four of Laos' thirteen provinces. Four other provinces are trying to eradicate illiteracy in the not distant future. Almost 336,000 adults are attending complementary education classes. Apart from the complementary education school for workers and peasants run by the Ministry of Education, other complementary schools (full-tiem, part-time or in service) are multiplying at public offices and also in the localities. Rapid progress has also been recorded at infant classes and creches.

General education continues to develop with enrolments totalling more than half a million. Most of the villages have been provided with junior high schools, and many districts already have their senior high schools. The whole country now has 44 such schools with 14,500 students, up by 45 percent over the 1979-80 school-year and five times as many as the first school-year after liberation (1975).

Vocational and higher education has also made substantial progress in both quantity and quality. Former vocational schools have been reorganised and their programmes reformed to ensure better association of study with production and social life. The Lao Government has signed co-operation agreements with the Soviet Union, the German Democratic Republic, Vietnam and many international organizations for the supply of modern equipment to the school and the building of the first middle-level polytechnic of Laos.

We have paid special attention to the training and fostering of teachers, the decisive work to promote education, compared with the previous year, the number of teachers of primary education rose by 27.2 percent, that of junior high schools 23.68 percent, that of infant schools 18 percent.... Along with the improvement of the management and equipment of the teachers' schools the state has made big efforts to raise the teachers' political, ideological and professional standards. It has also decreed and enforced policies and regimes for teachers and mobilised the assistance of the various branches and the population aimed at gradually improving their living conditions.

In the field of education, Vietnam extended its assistance and co-operation to us even before Laos was completely liberated. Following our country's total liberation (December 2, 1975) Vietnam has considerably increased this co-operation and assistance. It has sent education specialists to Laos, received 2,000 Lao students of general education, more than 3,000 students in different specialised branches and more than 700 university students and post-graduates. In the next five years Vietnam will receive yearly 300 Lao university and vocational school students.

Vietnam has given to Laos a quantity of teaching materials. Every year the two countries have exchanged delegations for mutual visits and study tours. Vietnam's assistance and co-operation has largely contributed to the development of education in the Lao People's Democratic Republic.

CSO: 4220/142

BRIEFS

SRV CBW USE--Bangkok, 7 Dec (AFP)--A former Lao army captain has claimed that more than 60,000 Laos have suffered from "yellow rain" poisoning and called on United Nations experts to make an on-spot investigation. Captain (Jumua Lee) said a UN panel recently in Thailand came up with inconclusive findings because the experts were unable to go to areas where the lethal agents were being used. "If UN officials investigate without an on-spot inspection there is no way they can come up with conclusive evidence," he said in an interview published by the semi-official THAI NEWS AGENCY (TNA). "But if they had a chance to go to the areas, they would find that Vietnam is using poisonous chemicals in Laos and Cambodia," he maintained. The UN panel headed by Ismat Ezz of Egypt spent 10 days interviewing refugees here last month. The UN General Assembly's main political committee last Friday called on the team to continue the probe. According to the Lao captain, the "yellow rain" was most used in the Phou Bia mountains in northeastern Laos. Many survivors among the 60,000 continue to wage war against Vietnam from the hills, he said. [Text] [BK071206 Hong Kong AFP in English 1147 GMT 7 Dec 81]

SRV, LAOS TRADE AGREEMENT--Hanoi, 5 Nov (VNA)--An agreement on goods exchange and payment for the five years ending in 1985 between Vietnam and Laos and a protocol on the implementation of this agreement in 1982 were signed in Vientiane today. Signatories were Le Khac, minister of foreign trade and head of the Vietnamese trade delegation, and Maisouk Saisompheng, minister of industry and head of the Lao trade delegation. The signing ceremony was attended by Saly Vongkhamsao, secretary of the Lao People's Revolutionary Party Central Committee and vice premier, and Vietnamese Ambassador Nguyen Xuan. During its stay in Laos, the Vietnamese trade delegation was received by Nouhak Phoumsavan, political bureau member of the LPRP Central Committee and vice premier. It compared notes with a Lao trade delegation on the implementation of trade agreements in the past five years and worked out measures to enhance trade cooperation between the two countries in the years to come. The Vietnamese guests also visited several economic and cultural establishments in Vientiane. They left the Lao capital this afternoon, concluding their four-day visit to the country. [Text] [OW051908 Hanoi VNA in English 1559 GMT 5 Nov 81]

MINISTER RECEIVES SRV DELEGATION--Vientiane, 9 Dec (KPL)--Maisouk Saisompheng, minister of industry and trade, on December 7, received the Vietnamese delegation of the Ministry of Building headed by its Deputy Minister Vu Quy. The discussion which proceeded in an atmosphere of friendship and cordiality, dealt with industrial cooperation between the two countries. The said Vietnamese delegation has been here since December 3. [Text] [BK091325 Vientiane KPL in English 0921 GMT 9 Dec 81]

DELEGATION'S RETURN FROM SRV--Vientiane, 7 Dec (KPL)--A delegation of the propaganda and training board of the party CC led by its Deputy-head Somlat Chanthamat, on December 5, arrived here from the Socialist Republic of Vietnam. During its stay in Vietnam, the Lao delegation gave lectures on general situation in Laos at Thanh Hoa Province and the Central Trade Union School. Somlat Chanthamat also led his delegation to call on Nguyen Duy Trinh, Political Bureau member of the Communist Party of Vietnam CC, head of the propaganda and training board of the party CC, and to visit the party school of Ho Chi Minh City. The Lao delegation left here for the SRV on November 21. Meeting the delegation at the airport were Son Khamvanvongsa, deputy-head of the propaganda and training board of the party CC, and other members of the said board. [Text] [BK091325 Vientiane KPL in English 0921 GMT 7 Dec 81]

SOVIET WRITERS' DELEGATION--Vientiane, 7 Dec (KPL)--Son Khamvanvongsa, deputy-minister of propaganda, information, culture and tourism, on December 5, received here Soviet writers led by Gladkov. The discussion dealt mainly on literacy work in Laos and the Soviet Union. The Soviet writers arrived here on December 1 for an 8-day friendship visit to Laos. [Text] [BK091325 Vientiane KPL in English 0923 GMT 7 Dec 81]

BULGARIAN PHOTO EXHIBITION--Vientiane, 8 Dec (KPL)--The national committee for the celebration of Bulgarian national days in collaboration with the Bulgarian Embassy to Laos, on December 5, organized in Vientiane a photo exhibition commemorating the 1300th anniversary of the Bulgarian state. The photo exhibition is also to mark the 90th national day, the 12th Congress of the Bulgarian Communist Party and the 70th birthday of Todor Jivkov. Present at the opening ceremony were Sali Vongkhamsao, secretary of the party CC, vice-premier and chairman of the National Planning Committee; Chanmi Douangboutdi, member of the party CC and minister to the premier's office; Maisouk Saisompheng, member of the party CC, minister of industry and trade chairman of the national committee for the celebration of Bulgarian historical days; and Kham-Ouang Boupha, deputy minister for agriculture, forestry and irrigation, vice president of the Laos-Bulgarian Friendship Association. Also present on this occasion were Zhetcho Radunov and Petrov Tenu, respectively ambassador of Bulgaria and vice-president of the Bulgaria-Laos Friendship Association along with a number of diplomatic envoys and representatives of international organizations. [BK091325 Vientiane KPL in English 0921 GMT 8 Dec 81]

KAMPUCHEAN NEWS DELEGATION DEPARTS--Vientiane, 8 Dec (KPL)--A delegation of the KAMPUCHEAN NEWS AGENCY led by Kithimhuan, on December 7, left here for home after ending a 7-day official visit here at the invitation of the LAO NEWS AGENCY and newspaper department. Seeing the delegation off at Wattai airport were Chanthi Duansavan, acting head of the LAO NEWS AGENCY and newspaper department, and other officials of the said department. Chhong Toeum, counselor of the Kampuchean Embassy to Laos, was also present. [Text] [BK091325 Vientiane KPL in English 0929 GMT 8 Dec 81]

UNESCO EDUCATION AID--Vientiane, 4 Dec (KPL)--The United [Nations] Educational, Scientific and Cultural Organization (UNESCO) recently presented aid to the Ministry of Education, Sports and Religious Affairs. The aid, worth nearly U.S.$30,000, included 12 motorcycles, 104 bicycles and educational materials. The good are to be used in the literacy and training course campaign. [Text] [BK091325 Vientiane KPL in English 0926 GMT 4 Dec 81]

BULGARIAN FRIENDSHIP DELEGATION--Vientiane, 5 Dec (KPL)--Vice president of the Bulgaria-Laos Friendship Association, Petrov Tenu, on December 4, paid a courtesy visit to the deputy minister of propaganda, information, culture and tourism, Son Khamvanvongsa. Petrov Tenu was in the company of Mrs Chanmi Souvannavong, Laos-Beulgria Friendship Association's committee member. The cordial discussion was centered on the improvement of friendship relations, solidarity and cooperation between Laos and Bulgaria. The guest and the host also dealt with issues on cooperation in the fields of culture and literature. Petrov Tenu arrived in Vientiane on November 27 for an official visit. [Text] [Vientiane KPL in English 0908 GMT 5 Dec 81 BK]

HUNGARIAN DELEGATION'S ACTIVITIES--Vientiane, 4 Nov (KPL)--Boumtiam Phitsamai, deputy minister of education, sports and religious affairs, on October 31, received here the educational delegation of the Hungarian People's Republic, led by Kezor Zorkar, head of the cultural service of the Culture Ministry of Hungary. The meeting, which proceeded in an atmosphere of friendship and cordiality, was centered on the enhancement of mutual cooperation in the education field. The deputy minister also thanked the Hungarian education delegation for its assistance in the past, as well as in the present. [Text] [BK051117 Vientiane KPL in English 0911 GMT 4 Nov 81]

SPORTS ACCORD WITH SRV--Vientiane, 30 Oct (KPL)--An agreement on sports and physical education between Laos and Vietnam was signed here on October 38. Signing the agreement were, on the Lao side, Outtama Chounlamani, deputy-minister of education, sports and religious affairs, and on the Vietnamese side, Ta Quang Chien, head of the Federation Department of Sports and Physical Education of Vietnam. This agreement is not only in accordance with the implementation of the agreement on economic, cultural, scientific and technological cooperation signed on June 3, 1981, between the two countries, but it is also aimed to strengthen the special friendship relations between the peoples of the two countries. The delegation of the Federation Department of Sports and Physical Education of Vietnam had paid an official visit to Laos from October 19 to 26. [BK011009 Vientiane KPL in English 0923 GMT 30 Oct 81]

KOMSOMOL ANNIVERSARY RALLY--Vientiane, 31 Oct (KPL)--The Lao People's Revolutionary Youth Union [LPRYU] CC, in collaboration with Laos-USSR Friendship Association and the KOMSOMOL Leninists' organization to Laos, on October 29, organized here a rally celebrating the 63d founding anniversary of the All Union Leninist Young Communist League. Present on this occasion were Khamliang Phonsena, acting-minister of public health and vice-president of the Laos-USSR Friendship Association, Rachit Kamidouline, counselor of the Soviet Embassy to Laos, and other officials. Khamkong Keovongsot, member of the Mobilizing Committee of the LPRYU CC on this occasion addressed the gathering stressing on the past successes, as well as the present ones, of the KOMSOMOL Leninists youths. He also noted the friendship and cooperation between the two youth organizations of Laos and the USSR. [BK011009 Vientiane KPL in English 0905 GMT 31 Oct 81]

BULGARIAN MUSIC BAND DEPARTURE--Vientiane, 28 Oct (KPL)--The "Diana Express" music band of the People's Republic of Bulgaria led by S. Berberova, representative of the Department of Arts of Bulgaria, on October 27, left here for home after concluding its 6-day friendship visit to Laos. During its stay in Laos, the "Diana Express"

had also conducted performances to the Lao audience. The visit of the band was not only to exchange experiences on arts, but it was aiming to strengthen the fraternal friendship and combative solidarity between the peoples of the two countries as well [Text] [BK011009 Vientiane KPL in English 0921 GMT 28 Oct 81]

DELEGATION'S RETURN FROM CSSR--Vientiane, 30 Oct (KPL)--A delegation of the Lao Patriotic Women's Association led by its acting-president, Khamsouk Vongvichit, on October 26, arrived here from the Czechoslovak Socialist Republic. The delegation had attended the conference of the world women and taken part in the 8th Congress of the International Democratic Women's Federation which was held in Praha from October 8 to 15. Besides attending the Praha congress, the Lao women delegation had also paid an official visit to the German Democratic Republic at the invitation of the GDR Women's Federation. [Text] [BK011009 Vientiane KPL in English 0928 GMT 30 Oct 81]

DEATH OF BURMESE LEADER CONDOLENCES --Vientiane, 17 Nov (KPL)--Souphanouvong, president of the Lao Front for National Construction, on November 13, sent a message of condolences to U Ne Win, chairman of the Socialist Program Party [BSPP] of the Socialist Republic of the Union of Burma. The Lao president expressed his deep sympathy to Chairman U Ne Win, upon learning the news of passing away of U Thaung Kyi, general secretary of the Socialist Program Party of Burma. "On behalf of the Lao Front and in my own name, I would like to convey to you and through to the BSPP and to the bereaved family my deepest grief," the Lao president stressed. [Text] [BK171154 Vientiane KPL in English 0912 GMT 17 Nov 81]

'KPL' ATTENDS 'OANA' CONFERENCE--Vientiane, 3 Nov (KPL)--A delegation of the LAO NEWS AGENCY (KPL) led by its deputy-director Chanthon Thiangthepvongsa, on October 31, left here to attend the conference of the ORGANIZATION OF ASIAN NEWS AGENCY (OANA). The OANA conference will be opened from November 2 to 5 in Kuala Lumpur, Malaysia's capital. This conference, which was sponsored by UNESCO, is aimed to ratify the efforts of the nonaligned news agencies in the struggle against the imperialist and reactionary interferences into the news network of each news agency. [Text] [BK031234 Vientiane KPL in English 0914 GMT 3 Nov 81]

DELEGATION TO FIJI AVIATION CONFERENCE--Vientiane, 7 Nov (KPL)--A delegation of the Lao Civil Aviation Department led by its head Phoun Khammounheuang, on November 5 left here for Fiji. The Lao delegation will attend the annual conference of the heads of civil aviation of Asia and Pacific which will be held in Fiji on November 9 to 13. [Text] [BK071321 Vientiane KPL in English 0917 GMT 7 Nov 81]

YOUTH UNION GREETS KOMSOMOL--Vientiane, 9 Nov (KPL)--The Mobilizing Committee of the Lao People's Revolutionary Youth Union, on November 6, sent a greeting message to the All Union Leninist Young Communists League (KOMSOMOL) on the occasion of the 64th anniversary of the Great October Revolution. The message stressed that over the past 64 years, under the just and clearsighted leadership of the Communist Party of the Soviet Union, the KOMSOMOL Leninist youth became the vanguard in all emulating campaign in the task of the development of socialist construction to step up toward the Communist society which is the highest aspiration of the Soviet youth and people as well as of the world people. The message also appraised and expressed the deep gratitude for the support, the precious aid and the fraternal cooperation of the Soviet Youth and people accorded to the Lao revolutionary task. Wishes of new and greater successes were finally expressed to the Leninist KOMSOMOL in implementing the 11th 5-year plan adopted by the 26th CPSU Congress. [Text] [BK091031 Vientiane KPL in English 0926 GMT 9 Nov 81]

POLISH FILM NIGHT--Vientiane, 14 Oct (KPL)--The Polish Embassy to Laos on October 12 held here a film night commemorating the 38th founding anniversary of the Polish People's Army. Members of the government, the People's Supreme Assembly, the Lao Front for National Construction and a large number of military and civilian cadres attended the film shows. Diplomatic envoys and military attaches of the socialist countries to Laos were also present. [Text] [BK141225 Vientiane KPL in English 0910 GMT 14 Oct 81]

GDR PRESS DELEGATION--Vientiane, 14 Oct (KPL)--A delegation of the Press Department of the GDR Foreign Ministry led by its head Gunter Fritz, on October 13 arrived here for an official visit. The GDR delegation will exchange views with the press department of the Lao Foreign Ministry. [Text] [BK141225 Vientiane KPL in English 0911 GMT 14 Oct 81]

BURMA'S THANKS FOR ELECTION MESSAGE--Recently, LPDR President Souphanouvong received a message of thanks from U San Yu, president of the Socialist Republic of the Union of Burma. The message reads as follows: I would like to thank you sincerely, for the warm congratulations extended to me on the occasion of my election as president and chairman of the State Council of the Socialist Republic of the Union of Burma. I share your conviction that the time-honored relations of friendship between our two countries and two peoples will be further enhanced and strengthened. I wish you good health and happiness. [Text] [BK140354 Vientiane Domestic Service in Lao 1200 GMT 11 Dec 81]

BURMESE LAO NATIONAL DAY GREETINGS--On the occasion of the sixth anniversary of the Lao National Day, President U San Yu and Prime Minister U Maung Maung Kha of the Socialist Republic of the Union of Burma [SRUB] sent greetings messages to LPDR President Souphanouvong and Prime Minister Kaysone Phomvihan. The message from U San Yu to Souphanouvong reads: On the occasion of the LPDR National Day, the people of the SRUB and I would like to extend our congratulations and best wishes to you. We wish you happiness and health, and the Lao people progress and prosperity. I am fully convinced that the existing relations of friendship between our two countries will be further developed and strengthened. The message from U Maung Maung Kha to Kaysone Phomvihan reads: On the occasion of the LPDR National Day, on behalf of the SRUB Council of Ministers and in my own name, I would like to extend our sincere congratulations and warm greetings to you, and through you to the people of the LPDR. On the same occasion, SRUB Foreign Affairs Minister U Chit Hlaing also sent a greetings message to Deputy Prime Minister and Foreign Affairs Minister Phoun Sipaseut. [Text] [BK121226 Vientiane Domestic Service in Lao 1200 GMT 10 Dec 81]

XIENG KHOUANG ROAD REPAIR--According to a report submitted to the meeting held in Xieng Khouang Province on 15 October, the local youths have completed repairing Route No 4B linking Xieng Khouang town and Mok District. This route is 52 kilometers long. They also have leveled several sectors of the 74 km Route No 4A linking Xieng Khouang town to Tha Viang, repaired 19 bridges on this route, and leveled a 36 km sector of Route No 4 from Xieng Khouang town to Phon Savan. [BK011009 Vientiane Domestic Service in Lao 0400 GMT 31 Oct 81]

SAVANNAKHET ROAD REPAIR--Cadres and workers of an engineering unit under the Savannakhet Provincial Military Command recently completed repairing the 18 km road between Seno and Phon Deua Canton. They also repaired two damaged bridges and dug some canals. [BK011009 Vientiane Domestic Service in Lao 0400 GMT 31 Oct 81]

SAYABOURY ROAD REPAIR--Cadres and villagers in two cantons in Paklai District, Sayaboury Province, started repairing a 3 km damaged road on 6 October. The repair work has been completed, thus facilitating traffic in the area. [BK011009 Vientiane Domestic Service in Lao 0000 GMT 1 Nov 81]

UNICEF REPRESENTATIVE--Vientiane, 14 Oct (KPL)--Outtama Chounlamani, deputy minister of education, sports and religious affairs, recently received here the deputy head of UNICEF to Laos. On this occasion, issues on UNICEF aid to Laos in the next 5 years on the field of education were discussed. [Text] [BK141225 Vientiane KPL in English 0912 GMT 14 Oct 81]

AID FROM GDR TU--Vientiane, 19 Oct (KPL)--The handover ceremony of the aid from the Confederation of Free German Trade Union [CFGTU] to the Federation of Lao Trade Union [FLTU] was organized here on October 16. The aid was presented to Bountham Kounlapviset-Akhom, acting president of the FLTU, by the secretary general and deputy-head of the Foreign Relations Department of the CFGTU, and who is also head of the visiting delegation to Laos, Klaus Mensel. Dieter Doering, GDR ambassador to Laos, was also present on the handover ceremony. The aid includes 5 motor bikes, 20 bicycles, 13 typewriters in French language, 4 offset-printing machines and other sport materials. The delegation of the CFGTU left here on the following day, October 17, after concluding its 7-day official visit to Laos. [Text] [Vientiane KPL in English 0906 GMT 19 Oct 81 BK]

CSO: 4220/139

REFORM LAW PLANS PRESENTED TO ASSEMBLY

BK150319 Hong Kong AFP in English 0044 GMT 15 Dec 81

[Text] Moumea, New Caledonia, 14 Dec (AFP)--Plans for a draft law instituting wide-ranging reforms in this French-ruled South Pacific island were presented at a plenary session of the territorial assembly here today.

The assembly, which decides the more important territorial affairs, was expected to give an opinion on the project within 8 days.

The new law would give Caledonians more say in their government, speed up land reforms and make changes in mining and energy--a major source of income for the territory.

In addition it (?would) bring fiscal reform, promote the culture of Melanesians, who comprise the majority of the island's population, and set up an organization to create more egalitarian economic and social development.

Only assembly members from the Front Independantiste (Independence Front) applauded when the draft bill was presented. Majority members later expressed their "disappointment" with the draft law.

Rover Laroque, president of the Rassemblement pour la Caledonie Dans la Republique, said he had "learned nothing."

Christian Boissery, president of the Centriso Federation pour une Nouvelle Societe Caledonienne, said he was disappointed despite the fact his party was "for reforms."

Front Independantiste spokesman Yewene Yewene expressed satisfaction but added that the reforms "must be decolonization measures and must lead toward independence."

New Caledonia's 60,000 indigenous Melanesians, known as Canaques, had their hopes for independence strengthened by the socialist takeover of the French presidency and parliament last May and June.

The Canaques have a very small role in the French overseas territory's economic activity which is largely run by the some 50,000 European residents.

CSO: 4220/134

INDIAN PAPER ON PAKISTAN-U.S. RELATIONS

BK301352 Calcutta THE STATESMAN in English 20 Nov 81 p 8

[Editorial: "Zia's American Connection"]

[Text] General Ziaul Haq's announcement that there will be no early return to civilian rule in Pakistan evokes far less interest than the probable external compulsions responsible for this reiteration. Even if the Pakistan president had not said so many times before, the evasiveness of his political actions and the persistence with which he has put off elections on one flimsy pretext or another during the last four-and-a-half years of military rule, make it abundantly clear that he has every intention of retaining power for as long as possible. Illegal restrictions like newspaper censorship and the ban on political activity, that he recently upheld, are expected features of authoritarian governance. So too is his warning that the judiciary's conduct will be under scrutiny, General Zia presumably fearing that his efforts to create an Islamic jurisprudence, and the need since March for all high court and supreme court judges to swear allegiance to his new constitution, may not be sufficient guarantees of an acquiescent legal system. What is, however, of interest is the timing of this emphasis on existing policy and the regrettable fact that the Pakistani president has again chosen to involve India in his domestic strategems.

The reference to Pakistan being flanked by "two important powers" is especially surprising since General Zia and his advisers have been at considerable pains to explain that they fear no hostile action from the Soviet Union, while Islamabad also makes much of its oblique suggestion of a no-war pact with New Delhi. If these statements are to be taken at face value, there is surely no need for Pakistan to feel threatened. But even if, for argument's sake, India and the Soviet Union are seen as sources of potential danger, the general insults his country's political parties, press and judiciary by implying that their rights must be curtailed to protect national integrity. The clear implication is that a Pakistan governed by democratic norms would capitulate to its neighbours, and that only a military dictatorship can defend the country.

This preposterous thesis makes sense only against the background of Islamabad's emerging military relationship with Washington. The $3.2 billion package is less important in this context than the fact that the U.S. now expects Pakistan to look after its security interests in Southwest Asia and to act as a brake on what is

perceived to be the Soviet Union's policy of expansion toward the Indian Ocean. The examples of erstwhile South Vietnam, South Korea and the Philippines demonstrate that U.S. strategists prefer to entrust such policing duties to dictatorial regimes over which they can expect to exercise greater control than would be possible with elected governments accountable to parliaments and voters. Mr Alexander Haig has, in fact, spelt out this attitude in enunciating his views on human rights. President Reagan's despatch of military advisers and supplies to El Salvador merely confirms the preference. Given the Republican administration's allergy to democratically-ruled Third World countries, General Zia may have felt it necessary to stress that politicians will be kept out, especially since some American newspaper reports suggest that the Pakistani public is anti-U.S. Indeed, the Pakistani and U.S. presidents are bound by an identity of interests. If at the same time, General Zia feels it necessary to talk of a nominated federal advisory council, this is only a sop to liberal American opinion which may question the wisdom of relying on a military ruler without any popular base.

CSO: 4220/135

'INDIAN EXPRESS' ON POLITICAL REPRESSION IN PAKISTAN

BK091557 Delhi INDIAN EXPRESS in English 5 Dec 81

[Editorial: "Arms and the Man"]

[Text] The report of the Pakistan Committee for Democracy is at variance with the official stance of a little country badly in need of arms to ward off an imminent external threat to its existence. Most of those who questioned this perception, propagated by Washington as by Islamabad, have criticised President Reagan's philanthropy toward Pakistan almost wholly in terms of its propensity to raise temperatures in the region and trigger a wasteful arms race on the sub-continent. That the massive arms aid could have consequences for the people of Pakistan has been, by design or default, largely ignored. It has been left to a section of the people of Pakistan to draw the attention of the world in general and of opinion-makers in the United States in particular to their plight under the Zia regime.

Last month, defying the regime, the movement for restoration of democracy in Pakistan (the seven-party opposition front) issued a statement denouncing the U.S. aid package as something that will only benefit the "completely dictatorial and unpopular military junta." Now, the Pakistan Committee for Democracy has published a report detailing the "inhuman, cruel and gruesome repression" unleashed by Gen Zia. Hundreds of people have been flogged in public and men and women have been sentenced to death by stoning, some 800 people are executed every year, at least 9,000 political opponents are behind bars, prisoners and suspects are tortured and dismembered in jails, and people are denied all rights--"to speak, to write, to read, to association: everything is a crime...under the obscurantist official creed." Addressing itself to American public opinion, the report on "the horrors of the Zia regime" appeals to the "freedom loving peoples--especially in the U.S."--to oppose the regime and official American support for it.

CSO: 4220/135

'SANGBAD' EDITORIAL SAYS PAKISTAN IS 'SICK'

BK011638 Dacca SANGBAD in Bengali 21 Nov 81 p 4

[Editorial: "The Crisis of Sick Pakistan"]

[Text] General Ziaul Haq, the military ruler of the Pakistan Government, has made an interesting remark. He said that now is not the time to hold elections. Pakistan's condition is similar to that of a sick person, who needs treatment in a hospital. It does not have the strength to play the game on the election field.

General Ziaul Haq removed from power Zulfiqar Ali Bhutto, who made him powerful by handing over the iron rod of the position of commander inchief, at the first available opportunity. He did not stop there however. He threw Bhutto into jail, called him a "bastard", held a fake trial and finally wiped him out of the world by hanging him on the gallows.

He has been suppressing his people for the past 4 and one-half years by vigorously brandishing his stick and in a similar fashion uttering whatever comes to his mind to prevent an election. An honest statement, however--that sick Pakistan needs treatment--has slipped out of his mouth. It goes without saying that the person who diagnosed the disease should take the responsibility of supplying medicine and providing treatment.

The fact is that Pakistan has been suffering from a disease known as "crisis" from its very inception. Pakistani leaders extended the excuse of this crisis when just 1 year after its birth it came out on the battlefield. Because of the same crisis they could not frame a constitution for 9 years. Since then they have placed this excuse before the public whenever demands for food clothing, basic rights and so forth are raised. This crisis was labeled as "communist aggression" or "India's conspiracy." Of course, at that time China was also considered an unfriendly state. Therefore, the leaders of the then Pakistan tried their best to either suppress or divert public opinion by raising the bogy of these two threats.

General Ziaul Haq is also doing the same thing; however, he does not see all the communist countries in the same light. He said that Pakistan is surrounded by two big powers--the Soviet Union and India--and thus, the situation is very critical. Under such circumstances the question of holding an election does not arise and press censorship or the ban on political activities cannot be lifted.

In order to keep his dictatorship intact, he has mentioned on countless occasions, including this one, different things to counter demands for holding an election or setting up democratic rule. At the time he seized power, he gave his assurance that soldiers would return to their barracks at the appropriate time; however, he has given up the idea of relinquishing the seat of power by discovering different "crises" at different times. After Bhutto's downfall, he sought time for the return of peaceful conditions in the country, but it never came into being. In fact, Ziaul Haq himself did not allow the situation to normalize. He has not only aggravated the problems of food and employment by paying scant attention to economic development, but he has also raised political tension to its peak by repeatedly postponing elections, and in the interim, by executing Bhutto. When this periodically led to public agitations in Pakistan, the military dictator with the help of his soldiers promptly crushed everything. He formed his Council of Ministers with his own select brand of civilian and military personnel and sacked the Supreme Court judges under one pretext or the other.

Aid from the United States--the leader of the Western democratic camp--and the Saudi Arabian monarchy have strengthened the atrocious rule of Ziaul Haq. The Saudi king has handed over millions of dollars to Pakistan by entrusting it with the authority of safeguarding Islam and the United States is supplying large quantities of modern sophisticated weapons to it for the purpose of containing its enemy. Thus General Zia, overwhelmed with joy, is doing whatever comes to his mind.

In fact, the Afghan problem has widened his scope of keeping the power intact. He was in dire need of such a problem for the purpose of diverting the attention of his countrymen toward another side as well as for acquiring economic and military aid. Besides receiving $3.2 billion dollars worth of U.S. military hardware for the purpose of containing the imaginary Soviet aggression in the Gulf region--caused by the Soviet military presence in Afghanistan--various other forms of aid are also reaching the hands of the Pakistan dictator from China, which calls itself a follower of Marxism. Over and above all this, Pakistan is receiving international aid for the Afghan refugees. All this aid is not only extending the duration of atrocious rule in Pakistan but it is also bringing the subcontinent and the entire Middle East, including the Gulf region, into the tension of war.

While receiving these arms, Ziaul Haq is also trying to fool the world by making irrelevant statements. He said that the question of fighting a superpower--the Soviet Union--does not arise. At the same time, he said Pakistan cannot think of waging a war against India, which is five times stronger than it. In order to make his statement plausible, he extended a proposal of a "no war pact" with India. At the same time, however, he has told others that Pakistan, which is encircled by India and the Soviet Union, is confronting a very great danger and at this time the questions of freedom of speech, political activities and the holding of an election do not arise.

Besides the convenience of remaining in power, what the Pakistan president is trying to cover up with these talks are the reports of how he has been allowed to organize a dangerous game in Pakistan by being a tool in the hands of an interested foreign power. Despite his efforts, he can not hide news such as the large-scale training of Afghan rebels in guerrilla warfare inside Pakistan, the everflowing supply of arms and people into Afghanistan through Pakistani borders for conducting subversive

activities, the use of the Pakistani Government machinery as a center of worldwide propaganda against the present Afghan Government and so forth.

Ziaul Haq can say whatever he wants, but it is necessary for us to assess how far this dictator--who is blind in his craze for power and war psychosis--has pushed his own nation and people toward a dangerous path and also jeopardized the people of the region.

Thus, Pakistan needs treatment. Its anti-democratic rulers have made the country sick.

CSO: 4201/6

BRIEFS

LIBYAN LABOR MINISTER VISIT--Libyan Minister for Labor Muhammad 'Abdallah al-Mabruk is to visit Pakistan before the end of next month to conclude a labor agreement between the two countries. This was stated by Federal Minister for Labor, Manpower and Overseas Pakistanis Ghulam Dastgir Khan in Karachi today. Talking to newsmen, he said all the 2,800 Pakistani workers recruited by the Al-Murtuza Associates have been brought to Tripoli for their repatriation to Pakistan shortly. Ghulam Dastgir said that the government is also reviewing its emigration policy and steps will be taken to remove its shortcomings wherever necessary. [Text] [BK071114 Karachi Domestic Service in English 1005 GMT 7 Dec 81]

CSO:: 4220/135

FURTHER DETAILS ON PHILIPPINE CORN PROGRAM

HK170431 Baguio Mountain Province Broadcasting Corporation in English 0400 GMT 17 Dec 81

[Excerpts] The government has launched an intensive corn production program to make the country self-sufficient in corn and an exporter of the cereal in 4 years time. The program will have initial funding of 100 million pesos and will cover 48 provinces. The program hopes to wipe out the $42 million that the country spends annually in importing corn.

To get the program going, President Marcos reconstituted the national food and agricultural council to oversee the corn program. The council will be headed by Agriculture Minister Arturo Tanco. The president also ordered the creation of a national management committee for the program. All governors and mayors will act as chairmen of provincial and municipal program committees.

The president also raised the loan ceiling for corn farmers from 900 pesos per hectare/crop to 1,450 pesos per hectare for farmers who use the variety 1, and 2,300 pesos for farmers who use hybrid. He said this move should enable the corn farmers to afford the cost of the new technology. President Marcos also encouraged the participation of rural banks, the Philippine National Bank [BNP], the Agriculture Credit Administration [ACA] and the Land Bank by giving incentives such as raising interest rates from 12 to 15 percent to all the institutions a wider profit margin.

The chief executive said that under these liberalized rules, 140 rural banks in the program areas will qualify to participate in the corn program. He said these rural banks will be augmented by 47 BNP branches, 9 Land Bank branches, and 6 ACA branches.

As a further boost to the corn program, the president has ordered that land participating in the program will be exempted from the Land Reform Act.

CSO: 4220/134

BRIEFS

NEW AUSTRIAN ENVOY--Manila, 8 Dec (AFP)--The Philippine Government has accepted the nomination of Dr Friedrich Posch as the new ambassador extraordinary and plenipotentiary of Austria. Dr Posch, 50, has served in the Austrian embassies in New Delhi, the Hague, Pretoria and Brussels. [Text] [BK091507 Hong Kong AFP in English 0843 GMT 8 Dec 81]

SABAH DISPUTE TO BE SOLVED--The dispute between the Philippines and Malaysia over the territory of Sabah in Borneo may be settled soon. Malaysia's Prime Minister Datuk Seri Mahathir Mohamad said in Kuala Lumpur at the weekend that there were indications the Philippine Government will drop its historic claim to the Sabah territory. The Malaysian prime minister said he had been in personal contact with President Ferdinand Marcos over the issue. He did not elaborate on these contacts. Settling the dispute will fulfill the promise of President Marcos at the ASEAN summit 4 years ago, that the Philippines was taking definite steps to eliminate the claim on Sabah. Sabah is allegedly being used by Philippine Muslim rebels as a training base. The report from Malaysia did not mention the fact that President Marcos has declared that the Philippines has dropped its claim on Sabah, and that it considers Sabah a closed issue. [Text] [HK100103 Manila Far East Broadcasting Company in English 2330 GMT 9 Dec 81]

POPULATION GROWTH RATE REDUCTION--President Marcos said yesterday the government will pursue the reduction of the country's annual population growth rate. He said this will be done through a noncoercive approach. He said the government aims to reduce the population growth rate to 2 percent by 1985, and 1.6 percent by the year 2000. He made this disclosure at the 19th general conference of the International Union of the Scientific Study of Population at the Philippine International Convention Center. [Text] [HK110057 Manila Far East Broadcasting Company in English 0030 GMT 11 Dec 81]

OVERSEAS INFORMATION EFFORTS BOOSTED--President Marcos is speeding up the creation of well-coordinated information efforts overseas. Earlier, Mr Marcos had called on all ministries and agencies with attaches abroad to create an efficient foreign information machinery. The call directed a review of all the offices involved in the information efforts in foreign countries. The review aims to coordinate operations and reorient objectives to specific areas. [Text] [HK100157 Manila Far East Broadcasting Company in English 0130 GMT 10 Dec 81]

FARMERS PAY PART OF COCONUT LEVY--Coconut farmers pay part of the 50 peso levy collected for every 100 kilos sale of copra, a spokesman for the United Coconut Mills [UNICOM] said yesterday. Addressing the [words indistinct] club, (Jaime Gantiaga) said 44 percent of the levy is paid by the UNICOM, 40 percent by the foreign buyers of coconut oil, and 16 percent by the farmers and about 4 layers of middlemen. (Gantiaga) made this disclosure to dispute a claim of Mindanao Assemblyman Emanuel Pelaez, a critic of the coconut levy, that the imposition is paid solely by the farmers. It was the first time since the controversy on levy started that a UNICOM official admitted that the coconut farmers, numbering about 1 million, are contributing to the levy. [Text] [HK130533 Baguio Mountain Province Broadcasting Corporation in English 0400 GMT 13 Dec 81]

DEMONSTRATION PLANNED AGAINST CORRUPT OFFICIALS--Two of three Cebu officials charged with graft before the Sandigan Bayan [Anticorruption Court] last October are still in office. The three, along with a Manila businesswoman, have been charged before the Sandigan Bayan with allegedly overpricing school forms and materials bought by the city government. The irregularities had been reportedly going on for several years. However, not one of the officials charged has been suspended, and they continue to hold office. Some people are planning to stage a demonstration to protest the continued stay in office of the three. [Text] [HK130543 Baguio Mountain Province Broadcasting Corporation in English 0400 GMT 13 Dec 81]

ARMY DEVELOPS MODIFIED M-16 RIFLE--The armed forces research and development center has developed a modified version of the M-16 assault rifle, more handy and highly accurate, with special luminal sights to enable a soldier to see his target even in darkness. Called "Baby Armalite," because it is almost half the size of the U.S.-made M-16, it packs the same deadly firepower but is more stable during sustained combat-firing, according to Col (Jose Gilliam), chief of the center. It is capable of firing 650 rounds a minute. Its muzzle has been shortened, but its accuracy has been improved. It also has a three-round burst selector, drastically saving ammunition. [Text] [HK130547 Baguio Mountain Province Broadcasting Corporation in English 0400 GMT 13 Dec 81]

JAPAN, TAIWAN TO BUY CORN--Japan and Taiwan are willing to import the Philippines' yellow corn. This was revealed today by Deputy Agriculture Minister (Manuel Lim) as he assured the farmers of a ready market for their produce under the corn program. This program was launched yesterday by President Marcos. It aims to attain self-sufficiency and eventually export corn in 3 years' time. Deputy Minister (Lim) said that the governments of Japan and Taiwan signified their intention to buy more corn even before the launching of the corn program. These two countries, he said, prefer to import from the Philippines because of our nearness to them. He added that they have witnessed how the country has improved its agricultural production since the launching of the (Matagana 99) rice program. To ensure the success of the corn program and to eliminate the problems which were embodied in previous (Matagana) programs, the ministry has undertaken several steps. One is the fielding of about 1,500 technicians specifically trained to assist the farmers in planting the varieties of corn. The ministry plans to utilize up to 2,500 technicians for the full implementation of the said program. The corn program attempts to duplicate the success of the (Matagana 99) rice program. [Text] [HK170831 Manila Domestic Service in English 0800 GMT 17 Dec 81]

CORN SELF-SUFFICIENCY PROGRAM LAUNCHED--President Marcos has launched a corn program in Malacanang, aimed at bringing the country self-sufficiency in corn. The program also aims to export, to generate corn surplus worth 40,000 metric tons [as heard]. At the same time Mr Marcos increased the loan ceiling for corn farmers to 1,450 pesos. He also ordered the Central Bank to give rural banks rediscounting of up to 1 million pesos to motivate them in loaning funds to farmers. [Text] [HK170131 Manila Far East Broadcasting Company in English 0030 GMT 17 Dec 81]

CSO: 4220/134

SOCIALIST FRONT OF THAILAND LEADERSHIP HOLDS CONFERENCE

Bangkok PATINYA in Thai 14 Sep 81 pp 36-38

[Article: "Potentialities in Struggle of Socialist Front of Thailand"]

[Text] At the end of August socialist leaders, both those who had experienced the shameful stint in the jungle and those who had never entered the jungle, met at Thammasat University and shared their views on the potentialities in the struggle of the Socialist Front in Thailand. They were Somphong Sakawi, Thongpak Phiangket, Dr Supsaeng Phrombun, Dr Pricha Piamphongsan, and Somsak Chiamthirasakun. When socialists gather together it is usual for them to speak in praise of the socialist system, along with redressing wrongs, or to attack other systems. We ought to listen to what views the socialists have on their present situation.

We have given more than enough time.

The socialism of Somphong Sakawi is not a matter that should be taken lightly because it does not follow anyone else's ideas, but proceeds according to the actual limitations in society, remains in society, and fights for development gradually. Capitalism in Thailand, in the view of Somphong, has reached its peak and has developed on a vast scale, deep and widespread. The modern factory system employs thousands of workers and has evolved a production system of magnitude, similar to the communications that have spread to the rural area. The rural situation of dependence on the city has almost disappeared now. The development of capitalism cannot be halted by anyone. In such conditions Somphong thinks that the consequences are the devaluation of humanity by the money system, causing the status of man to lose its worth. Somphong stated that we must reply to the problem of the denigration of socialism. "We must answer the distortion of the word socialism by the ruling class, the capitalists, and those who do not understand what socialism is. We must counter that we are not beaten by socialism but by authoritarianism." Somphong used the example of Field Marshal P. taking over state enterprises as a source of profit. "The duty of socialist people is to face this problem tirelessly, explaining the socialist methods of correcting the nation's problems, making the form of the struggle fit actual conditions of society. We must act through democratic means." Somphong pointed to the problem arising from the democratic method approach by the socialists, that the problem comes from the coup d'etat and the plea by the capitalist group to extend the time. "We have given more than enough time." Finally, Somphong summarized in these words, "The path of the socialist struggle is something that no one can set, but

will be determined by actual conditions, where all the poor must seek the means for the allocation of wealth and economic justice, by socialist methods. So there should be no holding back."

Jungle joins town.

"Socialism should mean a social system where the workers can have a political life and the production of society. Socialism is the true struggle for these aims." Somsak Chiamthirasakun gave this initial definition, because Somsak is not certain whether Thailand has a Socialist Party. The many political parties that speak of socialism do not know whether their understandings of socialism as a political party are the same.

Is it possible to have a Socialist Party in Thai society? Somsak sees that the Thai rulers seize the opportunity to attack other political movements while they are suppressing the communists, such as the jungle people returning to the city, not because they are dissatisfied with socialism but because they do not agree with the form of it. "The ruling class sees that you can do nothing. It will be the jungle joining the city. Denial is not the denial of a possible direction." Therefore, we must struggle in this way first, do the people have the right to choose their system of government? Among those who love socialism there has arisen some confusion of thought. "The denial of the socialist direction of one political party does not necessitate the denial of all socialist ways." Somsak sees the confusion of thought, people, and the call to see which way the wind blows, as obstacles to founding a party, but the present conditions are calling upon socialists to revive the socialist energy to its former vitality. The socialist party that Somsak understands does not conduct its struggle from a seat in Parliament but awakens the people politically and is ready to assume the direction it must return to.

The potential is the criterion of socialism.

Thongpak Phiangket came in the name of the scientific socialism group. He thinks that the route to socialism is always possible, because the criterion of socialism is to make it applicable to actual conditions. "Therefore, we should set as our topic, how will we struggle and what will be better." Thongpak looks at limitations as props. Movements follow the criteria of socialist evolution. The activity of the working class will day by day expand and grow larger unceasingly. Within the ruling class there will be internal divisions or pressures, at the same time. Thongpak thinks that this is a matter for rejoicing because the workers' movement has been established and their knowledge has increased, expanding, with the tactic of modification. "This path is winding and long. Do not put out the fire. The flame of the struggle of the people, who were oppressed, must always leap up in brilliance." Thongpak takes the opportunity to instill socialism in order to seek a method of saying, "What shall we do to have every man work for each and each work for every man?" "I am not concerned whether there will be a true socialist party. It opens the opportunity to leave the jungle and I leave, to lay down arms and I do so. We will struggle in the way of democracy." So Thongpak spoke.

Stop dreaming.

Dr Pricha Piamphongsan turned the discussion, where everyone was talking of potentialities, saying we should cast aside our dreams, "In present conditions we ought not look at the world as good, the way Thongpak does. The time has come for us to ask why socialism has not succeeded in Thailand." Dr Pricha cited the reasons as the power structure of Thai society at present and the strong military influence. The Policy 66/1980 is more a political deceptive strategem because in fact militarism always crushes democracy. "The military is a conservative political group and sets itself as the enemy of socialist ideals." It is tied to the world power bloc, that is, the U.S. The status of the socialist masses is not yet well known. Socialist thought has not yet reached the Thai people. The feudal influence still has a strong hold. The middle class fears socialism "because they think revolution might be two ways. They do not go toward socialism of the illegal jungle, like Kampuchea. They want to continue with the old way even if it is not good. They are sure they will not take a risk as with something new." The crisis of faith in ideals which is widespread has kept socialist groups from uniting. The border situation has made Vietnam draw back from linking up with the return to the town by socialist groups in the jungle. So Dr Pricha proposed that it is the duty of the socialists to announce clearly that they are not concerned with these disagreements. The solution that Dr Pricha suggests has two parts for socialism in the city. The first is the scientific socialist group, like that of Thongpak, giving political education without any political activity. The second is playing politics at the Parliamentary level, such as the present New Force Party. "This is reform, compromise to give this system efficiency in criticizing the system, but in the end be willing to accept it." So Dr Pricha criticized the New Force. He felt that for complete revolution one must think of freedom from the shelter of the super powers. The revolutionary movement must be one sure part of Thai socialism. "Therefore, stop dreaming."

How much do you understand socialism?

Whether the word socialism is genuine or comparatively so is not the question for Dr Supsaeng Phrombun. The method he brings to socialism is quite different. It depends on the conditions within each society. "We must look at the society we are living in, how much we understand its limitations. How far any nation will adopt a socialist path depends on our understanding it and to what extent we employ it in that nation." Dr Supsaeng thinks that the Socialist Front in Thailand is weak, even though three parties have declared themselves in the socialist line, because they joined together under political conditions of urgency after the 14 October incident. Dr Subsaeng said that we cannot lead society to socialism because Thai society is conservative. So it is the duty of those who believe in the socialist way to see that they employ the history of socialism to build faith. Any socialist activity must rely on patience because there are three obstructive factors in the path toward socialism. Those with socialist thought must understand conditions that retard socialism and how much they themselves know of present political conditions. Dr Supsaeng agrees with Dr Pricha that it is militarism "but we are progressing toward change and it will not be long." "Whether we accomplish it speedily or slowly is not the point. The point is what are we doing now." This is the summation of the potentialities of the Socialist Front in Thailand in the view of Dr Supsaeng Phrombun. This report on the debate forewarned that from the

beginning there were arguments on the widespread political problems. Do not think that there were answers to the communist indoctrination activity being carried on widely. However, this reporter found no one who could give a clear reply on what socialism would do and by what methods for the survival or viability of the Socialist Front with the quality that they desire.

9615
CSO: 4207/14

MILITARY PROCUREMENT PLAGUED BY CORRUPTION, CONFLICT OF INTEREST

Bankgkok SIAM MAI in Thai 26 Sep 81 pp 18-20

[Text] "The whole Thai government system needs surgery. Then the nation will survive and the national economy can develop." This is the summary of Bunchu Rotchanasathian. Almost every businessman you meet is fed up with the Thai government. Although by their position government employees must administer facilities and provide service, the established government system has not and does not operate within the regulations set. When a dispute arises between the government officials and the people, there is no arbitrator except the commander, who for the most part is likely to side with his subordinates.

The government must order, purchase, or procure each year supplies for government use at enormous cost. This purchase of supplies that are needed takes place continually. At present it is most likely to cause problems of corruption. The pursuit of illegal benefits is a chronic problem that is difficult to solve.

Under government procurement regulations by law there must be tenders submitting prices, in accord with the order of the Prime Minister's Office. It is well known among merchants who want to do business with the government that, aside from the fixed regulations, winning the bid requires knowing detailed methods of seeking out high ranking government officials, who have procurement authority, and making an alliance with them.

Leading businessmen, who have been involved in procurement with the Thai government, dealing with tens of millions of baht, especially in the purchase of weapons, have summarized the effects of the Thai procurement system in this way.

1. The goods that the government buys is 40-100 percent higher in price than the price quoted in the private sector.

2. The government gets products of poor quality, not meeting the requirements of the user, because the system of purchase at a fixed price is not free.

3. Some groups or individual merchants cooperate with government officials or the committee checking bids for letting contracts to set conditions that honest businessmen cannot meet.

4. Merchants conspire with government officials to set a price for the highest profit and then divide the spoils among them.

5. They delay the procurement so they cannot use the budget efficiently.

6. The regulations and conditions concerning procurement methods are tools of certain bad officials to put pressure on honest merchants.

7. Of great concern in procurement are matters that directly affect national security.

8. For the daily bidding it is known in merchant circles that they must have funds ready to spend initially as follows.

- For the committee, 5 percent of the bid price.
- For the officials checking the bid, 2 percent of the bid price.
- For payment of customs, 1 percent of the bid price.
- For tax subtracted at payment (net profit not yet calculated), 1 percent of bid price.
- Interest and fees (L/C transfer, purchase), for 6 months 11.7 percent of bid price.
- Net profit for merchant, at least 5 percent of bid price.

So all five items total about 25.7 percent.

9. Government officials can easily cancel the bids for the simple reason that the budget is insufficient. Then it is necessary to call for bids by a special method in time for the end of the fiscal year.

10. The final step, if the bidder is not willing to pay bribes or benefits to the inspecting committee, is to frame him so he cannot pass the check, according to the contract. Then he will be fined and his deposit seized.

On the 20th of last August the Air Force Ordnance Department announced a call for bids on the purchase of 20 mm ammunition, fire bomb heads /?/ HEI LINKED, type M 12 (M 56 A3), three items in all; specifying 50,000 rounds for each, totaling 100,000 rounds. It set the time for receiving the closed bids from 0900 to 1000 hours. Each company entering bids had to follow the official procurement procedures, that is, the regulations of the Prime Minister's Office. At the designated time five companies submitted bids.

1. The Nattaphon Company, Ltd offered products from Taiwan, but it did not follow the specifications, that is, only one item (M12) for 50,000 rounds, at over 14 million baht. It failed.

2. The Witthayakhom Company, Ltd offered products from Singapore, for the two items, at over 38 million baht, which was the most expensive.

3. The Enterprise Power Company, Ltd offered products from Korea, following specifications for the two items, at 24 million baht. This was the second highest.

4. The Sathit Wisawakam Company, Ltd offered products from Korea, both as specified, at 23 million baht. This was the lower of the two companies mentioned.

5. The Intercraft Company, Ltd offered products from America, both as specified, at over 20 million baht, the lowest bid, which would win the contract at this time.

It appeared that the Air Force Ordnance Department, instead of taking the next step, making a purchase contract, tried to set details on inspection of the goods. The Intercraft Company was able to meet each condition. Finally the Air Force Ordnance Department declared that the budget for this purchase was only 10 million baht, lower by half of the winning bid. So it could not proceed with signing the purchase contract.

Later on 9 September the Intercraft Company was informed by Squadron Leader Somsak Ratchawat, the chief of the Procurement Division, Air Force Ordnance Department, that it was calling for new bids, as a special type, and that the company should offer a new price, with all conditions the same except the production year of the ammunition, formerly not more than two years, now set at not more than 12 years, that is 1969. The detailed specifications of procurement at this time Group Captain Lamnao Uchukomon, the chairman of the committee, claimed he did not know. This is what Miss Sunika Pitasatcha, of the company board, told SIAM MAI.

On 12 September, the date set for the opening of the special type new bids, only two companies submitted offers, the Suphat Company, Ltd, and the Intercraft Company, Ltd. At 1000 hours the committee chairman, who presided at the meeting, Air Marshal Surayut Niwatsabut, announced that the special bidding at this time was not conclusive. It depended on the Ordnance Department being satisfied with suitable data.

There was a protest and charge by the Intercraft Company that it received a letter cancelling the former bidding for this bid. The details and specifications for this bid were not announced in advance. There was a correction in the specification of the ammunition from not more than two years old to not more than 12 years old. The chairman himself did not know the actual requirements, which were cancealed by the subordinate level officials. The resultant confusion finally caused a two day postponement on the procurement because only one company was ready.

The Intercraft Company announced its withdrawal, not offering a price, because it was not prepared for the details which it received in ambiguous form and at short notice. Other companies did not join in the special bidding because they felt that there were plans to have certain companies receive the bids in the manner of a lightning flash. So the 12-year-old ammunition would be sold to the Air Force, even though this company was not ready to submit a price according to the Prime Minister's Office regulations for conducting the bidding. It is ammunition, over age, useless, packed in surplus metal /?/ left in Israel. So they revised several specifications from the previous bidding, the tenders for which were cancelled. In the end this special type of procurement could not be completed because other companies refused the invitation to submit prices. The requirements were vague. The hurried action did not give details. There was criticism in several daily newspapers to the effect that the Air Force was buying ammunition without competitive bidding. Finally this special procurement had to

be given up because there was a hitch that might cause subsequent loss. This committee was to come under investigation.

"I do not understand why the government announces a cancellation so easily without considering the loss to the private sector and how the procurement committee members, who are government employees, can simply revise specifications at will. Someone should be responsible if losses occur when they buy over age useless ammunition." So stated Miss Sunika Pitasatcha, an Intercraft Company board member, to SIAM MAI.

9615
CSO: 4207/3

COLUMNIST OPPOSES THAI SUPPORT OF KHMER FRONT

Bankgkok MATICHON in Thai 23 Sep 81 p 3

[Column: Sonthale]

[Text] Will the "lost nation" state of the Khmer, who are rallying internal forces to "rouse the ghosts" to rise up and stand firm as independent men once more, fulfill the purpose of the free democratic nations and Red China? It is a matter for study. Norodom Sihanouk, who claimed Khao Phra Wihan from the Thai nation, has been exiled from the land of his birth for a long time. He was the enemy of Khieu Samphan and Ieng Sary, accusing them of undermining the throne and killing millions of his people. How can they agree?

Son Sanh, the former prime minister of Cambodia, who fled to Paris, has tried to contact Singapore to ask for funds to return and "liberate the nation." But first he is showing his respect as a friend of Sihanouk, who responded with princely disdain.

However, with the understanding of America that Sihanouk can win the confidence of the majority of the Cambodian people, and the fear of the communists by Lee Kuan Yew, who thinks of Thailand as the "buffer" for Singapore and ASEAN, whenever Thailand becomes red, Singapore, which eats Thai rice, will be in trouble.

All press for Sihanouk, Son Sanh, and the Khmer Rouge to come consult together in Singapore.

No sooner will they decide who is the leader and who is the second in rank than they will be in disorder.

We do not understand at all why Khun Prem and Khun Sitthi Sawetsila are willing to have all three Khmer factions consult in Thailand for the overthrow of the Vietnamese Heng Samrin government. Why must they interfere like when the others are going to talk together in Singapore?

Does Khun Prem really think that Sihanouk, Son Sanh and the Khmer Rouge can join together?

Does Khun Prem think that this Khmer union will win against Heng Samrin, who has the backing of Vietnam?

Weapons assistance from outside will cause extended warfare again in Cambodia. Cambodian refugees will increase in horrendous numbers in Thailand again. Can Khun Prem accept them?

The Cambodian people today have the same "qualifications" for fighting as the Thai reserve forces. Will they be able to fight with Vietnamese soldiers in Cambodia?

Or is this done only for "show" to help keep the UN seat for the Khmer Rouge? until they will find a way to force Vietnam to withdraw its troops from Cambodia. It is a big play because they are competing for power.

The thought for today is that the person who thinks himself big in that country is not, others will think the same and are not. People of other nations will see themselves like that.

Two hundred thousand Vietnamese troops are on the Thai border but have not entered. If they should enter, they must fight. The Thai will not withdraw one step.

But why must they meddle to have Thailand the meeting place for consultation on killing other peoples?

Will the world understand that the Thai are on the side of the Khmer Rouge?

Do you remember Khao Phra Wihan?

Do you remember the villages, forests, fields, san ro changan [phonetic] that the Khmer Rouge destroyed completely?

Do you want it to happen again?

9615
CSO: 4207/3

RTG SUPPRESSION SAID TO SPREAD CPT INFLUENCE IN SOUTH

Bangkok SIAM MAI in Thai 26 Sep 81 pp 29-31

[Report by Chatcharin Chaiyawat "Fourteen Southern Provinces in Flame of War"]

[Text] Has the lightning strike attack plan of Army Area 4 achieved real results?

The weakness of the Communist terrorists (CT), which Policy 66/1980 defines, is the CT strongposts or permanent camps. Therefore, it specifies an attack plan in steps before it pours in forces in strength to assault the CT camps. In the first step the volunteer units will establish themselves in the white area to conduct psychological operations to attract the masses and to seek information. In the second step they set up units in the pink area collecting intelligence and conducting psychological operations. In the third step when they have the information they send forces from the white area to attack the CT camps and then withdraw rapidly. "Although it is true that we have not had many clashes or inflicted great loss upon the CT, nevertheless what we have captured in those camps has led us to believe that our initial operation was successful. At Camp Khian Sa, which is a large one, we seized several types of guns, rice, and drugs. In some places we captured factories. This shows that we can disrupt or conduct harassing operations with success."

On the contrary what the official forgot to consider was one point: were they able to strike the weakest point of the Thai Liberation Forces in the south in all truth?

While they were on psychological operations in the pink area, the CPT was conducting an orderly withdrawal of its forces from various camps. The troops that seized the camps had to retreat quickly. It was the equivalent of saying that the greatest success was destroying the morale of the CT masses in only certain locations. They have still not destroyed them or won a complete victory over the CT.

In addition, the subsequent conditions will cause a wider spread of the CT influence. For example, in a report an official who referred to the 1967 suppression stated that "Officials who sent suppression forces into the provinces of Phatthalung, Trang, and Songkhla caused the people living in the area under CT influence to evacuate and to stake out claims on land in Satun Province, in great numbers, to continue their livelihood of farming.

This sweep and suppression by officials made the CT in the area flee to Satun Province and intermingle with the people who had previously evacuated into Tambon Khao Khao, Amphoe La Ngu, Tambon Thung Wa, Amphoe Thung Wa, Tambon Nikhom Phatthana, and Tambon Thung Noi, Amphoe Khuan Kalong, Satun Province, living with relatives and neigbors, with whom they had former relationships. At the same time these people brought with them their philosophy and Communist doctrine to disseminate, established cells, and extended their work among the masses in the villages combining political and military activity. It was the beginning of the activities and operations of the CT in Satun Province. It became clearer in 1973 under the control of the 18th Army of the Thai Liberation Forces in Amphoe Pa Lian, Trang Province."

Therefore, attacks for the destruction of certain CT permanent camps or strongholds, as cited above, made the camps located in the mountains disperse their CT forces to work on the plain to a greater extent, as in Ranong Province, Amphoe Kan Tang, Trang Province, Amphoe Chaiya, Surat Thani Province, Krabi Province, and Phuket Province.

In the north they spread to King-amphoe Pha To and established their work in Chumphon Province. In the south they linked up with another group that had a strong operation, cooperating with the Malay Communist Party.

So the attack on CT permanent camps according to Plan 66/1980 was not an attack on the weakest point. The single characteristic of the Communist forces in the south is "the ability to disperse very widely and to rally very quickly in unity." The attack on permanent camps carries out harassment that the CT are aware of. It makes the area of conflict broader than necessary. Official data speaks of the spread of CT forces and the link with the Malaysian Communist Party, which operates in the southern provinces of Thailand, to this effect:

"The relations between the CPT and the Malay communists proceed smoothly and quite firmly since their objective is the same, to overthrow the Thai government which allows Malaysia to send troops to operate in Thailand. Besides, the CPT and the Malaysian communists achieve benefits that are not at variance.

The Malaysian CT want to seize administrative power in Malaysia. They depend on Thailand as a place of asylum to get funds and food in support. The elements that make the two sides cooperate rather closely are the Pao Wo group, Division 12, Area 4 of the Malaysian CT, which sent forces to join with the mixed division of the Thai Liberation Army, located in the south under the leadership of the CPT. With this firm relationship between the CPT and the Malaysian CT both sides agreed on the following.

"- Both sides may operate freely in the area under the influence of each one.

- The Malaysian CT want to collect protection money to support the party but the CPT wants the masses.

- The activities of the Malaysian CT emphasize work in villages that are predominantly Chinese. Thai villages are the region of influence for the CPT."

Making war under Policy 66/1980, which cannot win politically, has a military defect. It cannot find the weakest target for attack. The target that officialdom sought, the permanent camps or strongholds, instead has caused the dispersal of Communist Party strength, thus making officials unable to define the future war area.

Summary paragraph 6 in the document analyzing terrorism in the south under the heading "Results of government's economic situation" states in item 6.3 "The area of CT operations where the suppression must use strong measures is officially declared an insecure district and the people are forbidden to pursue their daily livelihood because the CT use it for their place of concealment, mixing in with the villagers. The suppression force must separate the people from the CT, making their livelihood and investment precarious." At this time the area declared insecure goes deep into Nakhon Si Thammarat Province and Surat Thani Province. After the two bombings of the railway line the Army in Area 4 had to assign units to special duty for internal protection under the strategy "Wanarat Enemy Sweep."

Officers from Army Area 4 stated that the operations of the Separatist Movement are in the four southern provinces of Songkhla, Pattani, Narathiwat, and Yala. There are 68 groups, each group having not more than 10 members. For example, in Yala Province they have 220 people in 24 groups, Pattani 70 persons in 12 groups, in Narathiwat Province 270 persons in 22 groups, in Songkkhla Province 50 persons in 10 groups. Their terrorist operations reach an international level.

These groups can provide safety for their members operating with small forces but great political effect, creating great disturbance for the government situation. In comparison the strength of the CT in Surat Thani Province alone is 1,500 persons, while Nakhon Si Thammarat, Trang, Phatthalung, and Satun have many thousands. This force can cause even more serious circumstances. We still cannot anticipate in what way they will act. We know only that they separate into small units, but we cannot yet learn when they will draw together their forces and what they will do later, when we take our forces in large numbers from the rural areas. We do not have provincial police stations as prey for them. While While these are the words of Army Area 4 officers, Manit Wallayaphet, governor of Phuket Province, said that the CT have quickly expanded into the whole province.

"Chang Hiu quotes the text on war strategy of Li Ching saying, "In an area that does not give advantage to either side we ought to deceive the enemy by feigning retreat and wait until half the enemy force passes from that area; then attack in ambush."

"Sun Wu War Strategy Text"

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CSO: 4207/3

ORDER DESCRIBES ISOC ROLE

Bangkok TAWAN MAI in Thai 28 Sep 81 pp 14-17

[Text] Order No 66/1980

1. General situation

1.1 The world situation has changed greatly in the recent past, causing crises in almost every region. These crises arise from the basic problems in matters of energy shortages, the differences in the balance of military power of the super powers, and the world divisions in the socialist camp. The general situation has changed to a confrontation in the form of a cold war, which has severe repercussions on the security of Southeast Asia and Thailand.

1.2 The Communist Party of Thailand (CPT) still maintains a steadfast purpose in promoting revolution to seize state power, by using democratic principles and other provisos which they support, manipulating the changing world conditions to their own advantage. They give the highest priority to the establishment of a front at every level to create revolutionary situations and doctrinal conflict. Their main objective is to turn internal disagreements into national warfare. Their rural operations have changed from jungle depending on the jungle to jungle depending on the city, to conform to the policy of building a front. The ideological division in the movement, particularly the doubts about completing the democratic revolution by the proletariat, is the major weakness now.

1.3 The government has the objective of respect for and protection of national institutions, religion, the monarchy, and a democratic system of government, of which the king is the head. The administration is for the good of the people, combining the best national and individual benefits for the Thai, maintaining the principle of correcting economic, political, and social problems with justice and by peaceful means. It will instill in every Thai these ideals, especially giving up selfish advantages for the public interest, reforming the system for efficiency in serving the people in conformity with a democratic rule. The army will have a role. Its important task is to protect the nation and preserve national independence and the democratic government, of which the king is the head. The government considers its main and urgent duty to win the struggle against the Communists, which is the major drain on national security.

2. Objective: to stop completely and quickly the revolutionary war situation of the Communists, which is of the greatest danger to national security.

3. Policy

It is a struggle for complete and speedy victory over the Communists, by continuous political attacks, stressing all operations to oppose and destroy the front and the armed forces to terminate the revolutionary situation. The policy is to stop all action leading to a national war situation through a policy of neutrality and taking advantage of opportunities to change the armed struggle to a struggle along peaceful lines.

4. Operations

4.1 In the fight against the Communists we must act quickly avoiding prolonged operations, which are the objective of the enemy. A speedy victory must come through a political attack, a total operation which makes people consider that this nation is theirs, which they must protect. The people have a part in that they are the rulers and gain the benefits. In the struggle against the Communists the political action is the decisive factor. The military action must support and promote the success of the political activity.

4.2 Eradicate the causes of social injustice at every level, from the regional level to the national level. Prevent and suppress corruption and illegal conduct in government circles absolutely. Get rid of all oppression. Provide safety for the life and property of the people.

4.3 Stimulate activity for cooperation among social classes, the sacrifice of class benefits for the public good. Officials concerned must have an attitude of fairness and understand the problems of each class of the population, considering that the Thai people of every class are patriotic and ready to make sacrifices for the honor of national institutions, religion, the monarchy, and democracy, with the king as the head of state.

4.4 Encourage each group, each occupational branch of the population in their ability to govern themselves and support each in taking part in the political process. Establish methods of learning the problems of the people, realizing that their needs are most important in defining the direction of operations to meet those needs.

4.5 Support the organization of all democratic movements, considering the rights and benefits of those groups. Be cautious and do not confuse democratic groups with the communist movement, which takes shelter by raising democracy as a cover.

4.6 The duty of officials, civilian, police, and military, in the struggle against the Communists involves both the use of armed forces and political operations. The limit and level of operations with armed forces will differ, but the basic political task will be the same in every case. The operation with armed forces requires consideration of the type, size of the force, and tactics suitable for conditions in each area, to crush the armed groups successfully.

4.7 Treatment of the Communist terrorist or those who were misled, who surrender or are captured, should be as compatriots, explaining the policy of the government on this problem clearly to help them use their new life in society properly.

4.8 Give the greatest importance to the struggle in the towns to wipe out the establishment and expansion of the front under the guideline that the town supports the jungle and obstruct the creation of revolutionary conditions or those for national war. The revolutionary situation has the form of isolating the government from the people, weakening the government. The aim is the destruction of usurpation of the leadership of the democracy, which is the enemy of communism. Creating a war situation depends on the front, which infiltrates every level to build public opinion and bring the nation to war with its neighbors, who will support the CPT in a successful revolution. If the CPT succeeds in establishing and expanding the front in the towns, it can limit the political attack, create political confusion, economic disorder, and mass demonstrations. What is needed most in the guideline is the understanding that building the front in the towns is difficult. This can be clearly seen because the CPT will follow its policy of depending on agents in various forms and using circumstances of the moment for general dissention. This is dangerous.

4.9 Information, psychology, and public relations are important measures for successfully combatting communism. They should be conducted in the manner as a basic attack as planned and in conformity with each step of the operation.

5. Administration

5.1 The struggle for victory over the Communists is an important activity for national security. It is the highest responsibility of the government, for ministries, divisions, departments, and various organizations to make plans and implement them in achieving the objectives of this policy.

5.2 The National Security Council is responsible for making proposals to the Cabinet on matters related to this policy.

5.3 The Internal Security Operations Command is the command unit tasked with defense against communist activity. It is responsible for carrying out the policy and giving orders, including the coordination with ministries, divisions, departments, and organizations concerned. It has authority to reward or punish civilian, police, and military officials, and other persons, whom the communist defense command has appointed from other government agencies to do this work.

5.4 Budgetary support in the battle against the Communists is considered urgent as a special case.

5.5 All orders, regulations, or any command which contradicts this order are superseded by this order.

Effective as of this date.

Given on 23 April 1980.

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ANTI-COMMUNIST LAW CAUSES ECONOMIC HARDSHIP, REPEAL ASKED

Bankgkok TAWAN SIAM in Thai 18 Sep 81 pp 1, 2

[Text] The Assistant Secretary to the Minister, the MP from Nakhon Phanom, asked Prem to abrogate the Anti-Communist Act in Nakhon Phanom Province, declaring it caused the economy to deteriorate and the people to be impoverished.

At the Ministry of Agriculture and Cooperatives on the afternoon of 17 September 1981 Wiruan Sitthitham, the Assistant Secretary to the Minister of Agriculture and MP from Nakhon Phanom Province, disclosed to the reporter that he sent a letter to Gen Prem Tinsulanon, the Prime Minister, asking for the relaxation of the order of ISOC in Nakhon Phanom Province, which controlled the distribution and movement of necessities, food, drugs, and pharmaceuticals, because this order brought such hardship to the merchants and population that they could not endure it. They sent a letter of complaint to him and he himself was not able to explain the facts to them.

Wiruan further made known that this order was announced on 21 May 1980, citing the current situation, under the authority of the Anti-Communist Act, for the control of almost every item of goods which were essential for the life of the people. The result was that the economy of Nakhon Phanom Province declined to the point where merchants had to close their neighborhood shops, with the inevitable effect on the national economy.

The Assistant Secretary to the Minister of Agriculture criticized the ISOC control saying it contravened the government policy of promoting investment and eradicating poverty. Some types of products under the controls had been ordered by the shops in Nakhon Phanom Province from Bangkok. When they were bought they could not be sold. No one was brash enough to order more for sale, such items as canned food, condensed milk, seasoning powder, various sauces, all kinds of cigarettes, batteries of all kinds, and other things.

Wiruan also said that even preserved fish, salt, candles, soap powder, and matches, as well as many other items were restricted. This should not be. Wiruan gave the example of the preserved fish and salt. When the people had a lot of fish, they wanted to preserve it and had to buy salt in quantity. But the government limited the purchase of salt to two kilograms. When the people in ignorance went to make the purchase they were arrested and the seller was arrested, too. He thinks that this is not right because it is not the policy to use politics to bring military results. Such action is rather the reverse and the effect is that the government cannot win over the people. So the letter of protest was forwarded to Gen Prem, the Prime Minister.

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CSO: 4207/3

UNION OIL BLAMED FOR NATURAL GAS PROBLEMS

Bangkok PRACHAMIT in Thai 3 Oct 81 pp 26-27

[Text] The brilliant light has begun to show a confused gleam and there comes a poison of which we were unaware, because of the natural gas discovered in the Gulf of Thailand. Electricity cannot be produced as projected on account of the accident of "wet" natural gas or natural gas mixed with more water than normal.

The report made public at this time is not a rumor but a fact. Kamthon Sinthawanon, deputy director of the Electricity Generating Authority of Thailand (EGAT), made the disclosure at a reception, stating "The Bang Pakong Power Plant still cannot now produce electricity because the natural gas which it purchases from the Petroleum Authority of Thailand (PAT) contains a greater mixture of water than the contract specifies."

The news that the Bang Pakong Plant, in which the government invested 10 billion baht, is dead and cannot produce electricity under the Prem government's "Brilliance" plan has caused consternation among the industrial-military circles.

But before there were observations either adding or detracting the spokesman for PAT, which administers the natural gas program and distributes the gas to EGAT directly, immediately amended the report. Prathin Phatthanaphon, deputy director of PAT discussed the problem that occurred saying "This is a normal occurrence since this is a period of testing the equipment. The natural gas system will be tested for 3 months and this is only the first month."

"Corrections will be made in only 2-3 days to right the situation. The problem is that the Bang Pakong Plant has gas turbines and requires fuel with a low level of water admixture."

"The problem exists only with the Bang Pakong installation. The Phra Nakhon Power Plant can produce electricity normally and on target. There is no problem now." So Prathit explained the situation.

Prathit's view allayed the anxiety of some of EGAT's consumers. At the same time it created a care free attitude in the public which is of concern.

However, according to the natural gas contract signed on 26 March 1981 between Kasem Chatikwanit, director of EGAT, and Thongchat Hongladarom, director of

PAT, a temporary provision specified in the contract in Item 14.1 that "The 3 month period before natural gas service begins is considered a testing time to check the equipment used in gas distribution."

"Afterward if the company that produces natural gas (Union Oil Company), EGAT, and PAT receive and distribute the gas, EGAT agrees to pay for the gas that it received before 1 October 1981 to PAT at the rate of 80 percent of the price set."

For the quality of the gas EGAT agreed with PAT to use the qualifications and conditions for quality in the American Society for Testing and Material Standard D 1070-73.

If the natural gas did not meet these qualifications, according to the contract, Item 7.1.1, EGAT could refuse all or part of the natural gas supply.

Besides, some of the natural gas EGAT received damaged equipment, the direct result of inferior quality gas. PAT agreed to pay the cost of the loss incurred because of failure to meet contract specifications, per month a sum not more than twice the cost of the quantity that PAT sold to EGAT per day.

The pressure under which PAT must send natural gas to the South Bangkok Power Plant is 125 Psig, to Bang Pakong Plant 300 Psig. It is clearly seen that the various details between EGAT, which is a big customer, and PAT, which is the monopoly distributor, have binding conditions. But there remains the problem that the Bang Pakong Plant at a cost of 10 billions has not operated at all since 12 September, although PAT has publicized that it will be fully responsible.

Another error is that of the Union Oil Company, which holds the Erawan Gas Well concession, that has natural gas reserves of 1.8 million cubic feet. This is the cause of the "wet" natural gas.

According to the contract between Pat and the Union Oil Company on 13 July 1979, which Thongchat signed with a representative of Union Oil, it expressly stated that the "concerning the quality of the natural gas sold at the well head to PAT, the Union Oil Company must send natural gas that has a water content of not more than 7 pounds in one million cubic feet."

"The sulphur content must be not more than 1,000 grams in 100 cubic feet of natural gas and carbon dioxide not more than 18 mol. The natural gas must pass the qualification of not less than 950 BTU per cubic foot and not more than 1,150 BTU per cubic foot, with additional conditions on quality for gas at different intervals. In a 3 month period there will be no more than a three percent change."

All this was a special contract on quality of the natural gas which the Union Oil Company would maintain in dealing with PAT.

But beginning on 12 September it violated the contract on the quality of the natural gas because the wet gas had a water content of 8 pounds in one million cubic feet. If it had been used to produce electricity, the Bang Pakong Plant would assuredly have been put out of commission because the gas was poison.

"Until the present the Bang Pakong Plant has been unable to do anything. It is determined to wait for the correction so the quality of the natural gas meets the contractural agreement. The production of electricity must use fuel oil or diesel oil as it did before the present time." So the information source at EGAT disclosed to PRACHAMIT on the problem.

All this happened, as a fact, after 12 September. It is the problem of the natural gas program which one fervently hopes will become bright.

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CSO: 4207/14

'BANGKOK POST' EDITORIAL ON TELECOMMUNICATIONS STRIKE

BK100707 Bangkok POST in English 10 Dec 81 p 4

[Editorial: "A Trust Is Betrayed..."]

[Text] When workers in the vital communications industry pulled the plug on Thailand's contacts with the outside world yesterday they committed an act of gross irresponsibility. The operation of certain state enterprises falls into a category where to jeopardise their effectiveness is to pose a direct threat to both the economic well-being of our country and to its national security. Defence is one such area that must be immune to strike action. Willful interruption of communications networks and postal facilities is another. No demand for better treatment can justify paralysing our international links and creating the climate of confusion which gripped the country last night.

Domestic and overseas telex links were severed, international telephone calls blocked, outgoing and incoming mail deliveries interfered with, news agency teleprinters silenced, radiophoto casts switched off and telegram services disrupted without prior warning. Had the strikers foreseen the possible consequences of their actions they would surely have acted with a greater degree of responsibility towards the country whose continued economic well-being they depend upon if it is to be able to grant them the pay increases and other benefits they demand.

The fact that they chose to stage their action on the eve of a public holiday and as office hours here were ending matters not a whit. Time differences around the world make international commerce a 24-hour-a-day operation. Airlines must telex passenger manifests as flights arrive and depart. Our tourist industry is dependent on international communications being freely available. Banks, finance and trading houses rely on the immediate relay of payment guarantees, currency and share fluctuations. Of especial embarrassment is the timing of this strike, coming as it does while Thailand is playing host to important ASEAN ministers and the many journalists here to cover their deliberations.

What is also involved is our reputation for stability, reasonableness and reliability. Urgent messages relayed by foreign embassies not dependent on normal communication links reassured the outside world last night that Thailand was not, yet again, in the midst of a coup. But this is, at best, cold comfort. Of major concern is not the fact that workers in the communications sector have pay grievances. It is that the felt it necessary to jeopardise so much to gain their objectives.

holding the country to ransom through economic blackmail is no way to win support for a cause that, itself, may well have merits. The law lays down a systematic bargaining and arbitration process to cover just such pay disputes as these and this law is the means by which such dispute must be settled. To flout the law so blatantly is to embark on a road which can lead only to chaos.

The communications workers, responsible this season for delivering so many messages of goodwill, demonstrated precious little of that quality by their wildcat actions of yesterday. The motives of the instigators must now come under very careful scrutiny. And the communications sector be classified as important a national priority as security and defense so that it may be governed by those somewhat stringent rules and never again run up against the wall of confusion it did yesterday.

CSO: 4220/144

'BANGKOK POST' WANTS ASEAN TO LISTEN TO THAI CONCERNS

BK080128 Bangkok POST in English 8 Dec 81 p 4

[Editorial: "A Difference of Emphasis..."]

[Text] The admonition by Philippine Foreign Minister Carlos Romulo that the ASEAN foreign ministers meeting at Phatthaya Thursday must heed what Thailand has to say and consider what it needs before anything else is most timely. This wise warning to his colleagues is based on geopolitical factors. Thailand is a frontline state. Anything that happens to us will have repercussions on all the other members of the regional community.

General Romulo's words should be given careful attention because he saw his country fall to the Japanese and he played no small part in the recovery of Philippine independence and the founding of the United Nations to prevent more wars. Most of all, he does not want an armed conflict to arise in Southeast Asia which not only will threaten the independence of the non-communist countries but also will bring tragic consequences to the peoples of this region.

At the same time General Romulo wishes to ensure that the Kampuchean people are rid of the "illegal, illegitimate, fraudulent" regime imposed upon them by Vietnamese invading forces and have a chance to elect a government of their own choice. He and the other foreign ministers of ASEAN will have to consider measures to bring this about.

The Philippine foreign minister has declined to openly comment on the "Singapore proposal," only noting that "a loose coalition government, no matter how loose, is very important." He preferred to wait until he had consulted with our Foreign Minister Sitthi Sawetsila to find out the Thai position.

While basically Indonesian Foreign Minister Mokhtar Kusumaatmadja supports the idea of a "loose coalition government," he is at variance with the reported Singapore suggestion that ASEAN as an organisation supply arms to the non-communist factions to fight the Vietnamese occupation troops. If the suggestion is adopted, some of the ASEAN foreign ministers reportedly feel, it could be considered a "provocative act" by the Vietnamese who could then use it as an excuse to make an attack, probably against Thailand. That is why the Philippine attitude that Thailand's position on such matters should receive prior consideration is so vital not only to the security of Thailand but also to the peace of Southeast Asia.

CSO: 4220/144

NEW MONETARY 'BARRIER' TO PROTECT INTEREST RATES

BK270438 Bangkok NATION REVIEW in English 27 Nov 81 pp 1, 14

[Text] Thailand is prepared to set up a "barrier" against the world monetary system to avoid the impact of rapid changes of foreign interest rates which has seriously affected the country's economy this year, a senior official of the Bank of Thailand said yesterday.

The barrier has been conceived from a realization that Thailand, with its "open economy," cannot independently determine domestic interest rates, because they have to move along with world interest rates, said director of the central bank governor's office Dr Suphachai Phanitchaphak.

"Therefore, we will set up a barrier next year to protect us from the impact of foreign interest rate movements," he said at the Securities Exchange of Thailand.

The measures, regarded as "Autarkic"--a policy of establishing national economic self-sufficiency--to be implemented next year include adjustment of repurchase market, setting up of discount house and regulations for commercial banks to issue certificate of deposits, Dr Suphachai said.

"Firstly, state enterprises and government agencies will be asked to borrow from local financial sources instead of foreign loans. This is a means to keep ourselves out of the world monetary system," he explained.

Currently, many state enterprises prefer to seek foreign loans for exchange with baht when they don't have enough baht. The country then has to carry a burden unnecessarily in the form of high interest rates up to 17-18 percent. And this gives way to interest rates to have strong influence on the country's monetary system, Dr Suphachai said.

Though there will not be a law to require state enterprises to borrow from local sources, the government has set up a body called "Committee on Debt Appraisal" to consider applications for foreign loans by state enterprises and government agencies, he said.

"If this means of persuasion fails, the committee, chaired by the finance minister, will not approve a proposal of such a state enterprise to seek foreign loans," he said.

State enterprises prefer to borrow from abroad when they cannot obtain funds from budget allocations, because foreign borrowings are not tied with government budget appropriations.

The Electricity Generating Authority of Thailand is the first state enterprise which will borrow from local sources. The first amount is 500 million baht.

"When the committee does not approve foreign borrowings by state enterprises, they will turn to seek loans from local sources," Dr Suphachai said.

The Bank of Thailand will be the major institution to mobilize domestic savings and funds for lendings, and can implement this by means of increasing interest rates on deposits, he said.

The Central Bank can also obtain loans from the Work Bank and International Monetary Fund at low interest rates, he said.

Dr Suphachai said the Central Bank next year will receive U.S.$1,000 million from IMF reserves and borrow under "standby revolving credit facility" with a limit of U.S.$250-300 million.

He said that the U.S. interest rates will go up again next year due to heavy budget deficits of the U.S. Government. And this will lend serious impact on the world economy similar to this year.

"Though the U.S. prime rate can drop to 12 percent during the first quarter of next year, it will shoot up to 14-15 percent in the second quarter and higher in the third and last quarter," he predicts.

"Moreover, the U.S. Administration is preventing more appreciation of U.S. dollar. So it has been predicted that the U.S. dollar will depreciate by five or six percent while the value of yen and Deutsche mark will rise by 10 percent," he said.

Dr Suphachai affirmed that there would not be further devaluation of baht.

CSO: 4220/143

THAI PAPER ON AUSTRIAN ARMS SALES EFFORTS

BK100547 Bangkok NATION REVIEW in English 10 Dec 81 p 2

[Article by Sutthichai Yun]

[Text] Vienna, Austria--"I am not supposed to officially know anything about it," said a senior official of the Federal Economic Chamber here. He is in charge of promoting trade with the Asian countries--and, of course, he knows very well that Austria has been trying very hard in the past few years to sell military equipment, including tanks, rifles and military trucks produced by Austria's Steyr chain of companies, to Thailand.

"We have tried to approach the Thai military since 1978 but the Thai side seems so far not ready to switch over from the Americans," an Austrian diplomat knowledgeable about this move told the NATION here last week.

The diplomat said that senior Thai military officers who had tested the weapons here all had high praise for Austria's tank, the "Kurassier" and AUG (Army Universal Gun) rifles and automatic pistols. But the Thai Government, preferring to stick to the American Foreign Military Sales (FMS) programme for the acquisition of arms, has so far refused to tilt.

Unlike the West German Government, which is prohibited by its constitution to sell heavy military weapons outside its NATO allies, Austria appears eager to go out and sell its own military hardware.

Informed sources here said that former Austrian ambassador to Bangkok, Dr Karl Peterlik, commenced the approach on the matter as early as 1978 during the Kriangsak government.

Peterlik, who is now head of the press and information department of the Austrian Foreign Affairs Ministry after his 5-year tenure in Thailand, was said to have personally discussed the matter with Gen Prem Tinsulanon in all his three capacities, first as then army commander-in-chief, then as defence minister and prime minister.

Several army missions have been sent to Austria to test out the weapons here. "They all said they liked the quality of our weapons but a decision for change has yet to be made," the sources said.

The matter could well be touchy for domestic politics here although Thailand is /not/ [slantlines denote boldface as published] considered a "crisis region nation" which would have disqualified a nation from buying arms from this country.

Last year, a large deal involving about 2,000 Austrian tanks to Chile was cancelled after a public demonstration against the move. The protestors in Vienna claimed that the Chilean military junta could use the weapons against their own people. Some of the tanks however were sold to Argentina.

West Germany, meanwhile, has cleared a Thai request for a warship bidding deal to be participated by a German firm. It has also sold some military-related communications equipment to Thailand.

One exception has been the granting of licency by a well-known German arms-manufacturing firm for the Thai army to produce HK-33 rifles.

Austria's Steyr group of companies produce a large variety of military equipments including armoured personnel carriers, battle tanks, armoured recovery vehicles and combat engineering tanks.

"Thailand has been using the American M-41 and M-48A5 tanks for quite some time. So, they are used to them and the spares are easy to come by. While the Austrian tanks may not be all that much more expensive, the credit terms are offered only on a commercial basis, and not on concessionary basis like that of the U.S," a well-informed source said here.

Austrian diplomats said Malaysia had bought some Austrian army trucks while Indonesia has expressed interest in its range of military hardware.

"We will certainly continue to negotiate with Thailand in case the Thai authorities consider our offer attractive enough one day," said a senior Austrian official.

CSO: 4220/143

BRIEFS

FLIGHT SERVICES WITH SAUDI ARABIA--Bangkok 18 Nov (AFP)--Thailand and Saudi Arabia are to double flight services to meet mounting demands, Thai officials said here today. Under a draft agreement initialled here yesterday, the two countries' flag carriers, currently operating between three to four flights per week will step up their services to seven flights per week. Thai International (THAI) flies to Dhahran while its Saudi Arabian counterpart flies to Bangkok. The draft agreement was initialled by Thai Under Secretary of State for Communications Choengchan Kamphu and President of the Saudi Arabian Civil Aviation Shaykh Nasir. An estimated 60,000 Thai workers are in the oil-rich Gulf state, host to the largest concentration of some 150,000 Thais said to be earning in the Middle East. [Text] [Hong Kong AFP in English 0548 GMT 18 Nov 81]

CRUDE OIL EXPLORATION INVESTMENT--Bangkok, 30 Oct (ANTARA/TNA)--The Shell Exploration Co., has decided to increase additional 1,000 million baht (U.S. $43.48 million) investment to drill three more wells in Lankrabue District of Kamphaeng Phet Province (384 km north of Bangkok) in order to explore for crude oil and natural gas, said Deputy Prime Minister Dr. Thanat Khoman. Dr. Thanat said the company has already invested 600 million baht (U.S.$26.09 million) in searching for oil and natural gas deposits in the area. Dr. Thanat, who recently returned from his observation tour of the company's oil exploration activities at Lankrabue, said Shell has struck an oil deposit with the estimated flow of 200 barrels of oil a day at a drilling site at the depth of 1,850 meters. The company will intensify its searching efforts in the area, he said. From his observation tour, he said he was satisfied with the performance of the Shell Exploration Co., in its oil exploration in the area. [Text] [Jakarta OANA in English 0822 GMT 30 Oct 81 BK]

CREDIT TO THAILAND--Tokyo, 7 Nov KYODO--Japan said Saturday it would extend yen 15 billion ($65.21 million) in credits to Thailand for a natural gas separation project. The loan, bearing an annual interest of 4.25 percent and repayable over a period of 30 years, including a 10-year grace period, is part of the yen credit in fiscal 1981 to that country, an announcement said. It is being extended to comply with a request from visiting Thai Prime Minister Prem Tinsulanon to Japanese Prime Minister Zenko Suzuki to extend a $200 million for the project. The remaining yen 31 billion ($134.78 million) will be financed by the governmental Export-Import Bank of Japan. Thailand needs $320 million for the separation of natural gas from the Bay of Siam into ethane and natural gasoline for household and auto fuels. Japan has so far extended loans totaling yen 281.3 million ($1.22 billion to Thailand in nine installments. The loans amounted to yen 55 billion ($239 million) in fiscal 1980 which ended last April. [Text] [Tokyo KYODO in English 0203 GMT 7 Nov 81 OW]

JAPANESE AID FOR REFUGEES--Bangkok, 30 Oct (AFP)--Japan today donated $2.6 million to the UN world food programme to buy canned fish for Indochinese refugees and displaced Thai villagers, the United Nations announced. In the past 2 years Japan has donated a total of 1.6 billion yen to Thailand to held feed the refugees, the Japanese Embassy said. [Text] [Hong Kong AFP in English 1311 GMT 30 Oct 81 BK]

AIRCRAFT PURCHASE--The government is reported to have agreed to the purchase of 20 Austrialian-built Nomad aircraft for its air force. A senior Thai Air Force official said the cabinet has cleared the Nomad deal and that a contract will probably be signed with the Australian distributor of the aircraft later this month. Radio Australia's Bangkok correspondent said the 20 Nomads with spare parts and backup service would probably cost Thailand more than $30 million. He said Thailand intends to fit some of the planes with guns for possible use in its operations against communist insurgents. The others will be used purely as military aircraft. [BK211229 Melbourne Overseas Service in English 0830 GMT 19 Aug 81]

TUNGSTEN BUFFER STOCK PLAN--Thailand is willing to join a move to se up an international buffer stock for tungsten so that the price of the commodity will be stable. This came after a meeting between President of the International Tungsten Producers Association Carloss E. Turraide and Deputy Industry Minister Dr Chirayu Isarangkun na Ayutthaya, on Wednesday. Official sources said the move was aimed at organizing producers and consumers of tungsten to set up an international buffer stock for controlling the world tungsten trade and consecutively stabilizing its price. Turralde, sources said, told Dr Chirayu that the association has not been receiving good cooperation from tungsten consumer countries. Turralde, who is Bolivian, will visit China and convince that country to join the move because it is a leading tungsten producer in the world. Major tungsten producers include Australia, Bolivia, North Korea, China, United States, Canada, Portugal and Thailand. Thailand produces about 2,661 tons of tungsten ores annually while the total production of tungsten metal worldwide amounted to 46,343 tons last year. [Excerpt] [BK200354 Bangkok NATION REVIEW in English 20 Nov 81 p 9]

SRV WEAPONS SALE TO U.S.--[Unsigned article: "Vietnam Sells Weapons"]--The agents involved in weapons sales in Thailand are all excited. It is not that the Thai armed forces are ordering a new round of weapons purchases which would result in payments to agents, but rather it is the strangest sale of weapons in the world. A major weapons dealer, the United States, is preparing to purchase weapons from Vietnam, its former enemy. These weapons were those of the U.S. itself which it had given to South Vietnam. Now these have fallen into the hands of the Hanoi Government. There are sufficient reports to provide examples: 550 M48 and M41 tanks, 1,200 APCs, 1,330 100 and 115 mm artillery pieces, two destroyers, two patrol boats, 42 armed riverine patrol boats and an unknown number of amphibious craft, combat support boats, small arms, artillery pieces, patrol aircraft, fighter planes and cargo planes. Vietnam is currently using some of this materiel for military purposes, but most of it has been simply abandoned because they have no personnel or funds to maintain it. Significantly, Vietnam is faced with a severe shortage of money. Former Prime Minister Gen Kriangsak Chamanan has been approached to purchase these weapons, acting as the middleman for the United States so it can resell the weapons to its own Third World clients. [Text] [Bangkok SIAM MAI in Thai 5 Dec 81 p 1]

INTERNATIONAL TIN AGREEMENT DECISION--Thailand has decided to join the 6th international tin agreement starting from July next year. The decision was made during the weekly cabinet meeting. The 6th international tin agreement will last 5 years. Foreign Ministry officials will sign the agreement at the United Nations office in New York. The cabinet has agreed to set up a committee to find out sources of loan to be contributed to the tin buffer stock. At present Thailand has to contribute 280 million baht to the tin buffer stock. The amount is calculated from the percentage of tin production which Thailand has about 19 percent of total world tin output. [Text] [BK051211 Bangkok Voice of Free Asia in English 1100 GMT 5 Dec 81]

UK FOREIGN MINISTER TO VISIT ASEAN--At the invitation of the ASEAN foreign ministers, the Right Honorable Lord Carrington, secretary of state for foreign and commonwealth affairs of Great Britain, will pay an official visit to Indonesia, the Philippines, Thailand, Malaysia and Singapore between 28 January 10 February next year. Accompanying him will be a small group of businessmen. He will spend a brief day in the capital cities of ASEAN countries starting from Jakarta, to Manila, Bangkok, Kuala Lumpur and Singapore. The purpose of the visit to Thailand is to exchange views between the secretary of state for foreign and commonwealth affairs and the foreign minister on bilateral relations as well as other issues of mutual interests and concern. [Text] [BK111040 Bangkok Domestic Service in English 0000 GMT 11 Dec 81]

NATURAL GAS STRIKE--A new deposit of natural gas has been found in the Gulf of Thailand by the Union Oil of Thailand, an affiliate of the Union Oil of California. The company said that natural gas at this new well can be pumped out at the rate of over 10 million cubic feet per day. The company can also pump out condensate at the rate of over 400 barrels per day. [Bangkok Domestic Service in English 0000 GMT 7 Nov 81 BK]

SRV REFUGEES--Siracha, Chon Buri--A group of 43 Vietnamese refugees arrived here on Friday [6 November] on board a crude oil freighter, the Tonovania, now anchored one kilometre off the Thai Oil Refinery Company [TORC] depot, police said yesterday. The boat people, including 17 children, said they left Ha Tiang in South Vietnam on November 1 and were picked up at sea by the Tonovania which was on its way to TORC's depot with crude from Scotland. Skipper of the freighter, Mr Edward S. Karie, told Thai authorities that the Vietnamese were rescued as their small and crowded boat was about to sink. Siracha police said that the refugees would not be allowed on shore until permission was granted by the Interior Ministry. Meanwhile, Surat Thani Deputy Governor Chaloem Promloet yesterday reported that a total of 109 Vietnamese refugees landed at Koh Samui and Kophangan islands last week. He said 79 refugees destroyed their boat after landing at Ko Samui's inlet--and another 30 came ashore on November 3 at Kophangan with a badly damaged boat. Authorities were preparing to send them to Songkhla for detention he added. [BK081215 Bangkok POST in English 8 Nov 81 p 3]

GOVERNMENT REVENUE, EXPENDITURE--The government revenue during the last fiscal year ending September 1981 totalled 124,998.5 million baht--17,967.1 million baht or 23 percent higher than the collection made during the preceding fiscal year, the

Finance Ministry said yesterday. Of the total collected during last fiscal year, 110,424.7 million baht came from taxes and income while the remaining 14,573.8 million baht came from borrowings. On the other side the government expenditure during 1981 fiscal year totalled 117,524.9 million baht of which 114,145.8 million baht was spent for administration work and the remaining 3,379.1 million baht as a repayment for loans. The net borrowing of the government hence stood at 11,194.7 million baht. [Excerpt] [BK121249 Bangkok POST in English 10 Nov 81 p 23]

IRAN TOP RICE BUYER--Iran has now replaced the Soviet Union as the largest single buyer of Thai rice, having bought some 349,712.85 tons worth about 2,800 million baht during the first 9 months of this year, it was reported. However, there are some doubts as to whether all the rice purchased by international brokers and said to be for Iran did actually end up in Iran. Local exporters who have been given no definite information on the end purchaser said that although the brokers said the rice was for Iran, part of it might have been sold to Iraq, as both countries buy the same type--second class 100 percent white rice. The USSR, which was the largest buyer of Thai rice earlier this year, now ranks second with purchases amounting to some 257,777 tons worth about 1,500 million baht in the January-September period. Iran's purchases of rice from Thailand during this period accounted for 13.57 percent of this country's total rice exports, while the USSR account for about 10 percent. African countries, numbering over 20, purchased a total of 412,510.93 tons of rice from Thailand in the first 9 months of this year. This accounts for about 16 percent of the country's rice exports. [Text] [BK190547 Bangkok POST in English 19 Nov 81 p 17]

TANKS FROM EUROPE--The Royal Thai Army is contemplating buying new European light tanks which are more suitable for Thai terrain, Army Chief of Staff General Pramot Thawonchan said yesterday. He said that the 150 U.S. made M 48-A5 tanks, about 50 of which have been delivered to Thailand under the foreign military sale programme, had proved to be unsuitable for the terrain at the eastern border, as their weight caused them to get stuck in the soft ground. He added that the larger and more expensive M60 tanks offered to Thailand in lieu of M48-A5 tanks which are now out of production are also inappropriate for use in this country. Gen Pramot indicated that the RTA would not like to get the rest of the M48-A5 tanks which are yet to be delivered, but preferred the lighter and more manoeuvrable M41 tanks, which unfortunately are out of production. He said that if the RTA needs more tanks, it might have to turn to European countries such as Britain or West Germany for lighter tanks. However, he said, the issue is yet to be finalised. General Pramot said that the army had already withdrawn most of the M48-A5 tanks from the eastern frontier. [Text] [BK260316 Bangkok POST in English 26 Nov 81 p 1]

AGRICULTURAL COUNSELLOR TO WASHINGTON--The Thai Government plans to appoint an agricultural counsellor to Washington in order to keep abreast with developments in international markets with regards to agricultural commodities. There is a necessity for having such an official in Washington, for the United States is a large supplier of agricultural commodities in the world market and whatever it does affects Thailand. Besides, Thailand and the United States have a dialogue each year on agricultural matters, but without an agricultural official based in Washington a followup is not always possible. The cabinet last week requested the Foreign Affairs Ministry and the Office of the Civil Service Commission to further study this matter before giving its official approval. [Text] [BK281307 Bangkok Voice of Free Asia in English 1100 GMT 28 Nov 81]

DIPLOMATIC TIES WITH NIGER--The cabinet at its weekly session yesterday approved in principle a proposal by the Foreign Affairs Ministry to establish diplomatic relations between Thailand and Niger--an Islamic African country. The proposal was made in line with the government's policy to promote and extend close relationship between Thailand and other African countries, particularly the French-speaking ones. The establishment of such relations will also create and cement better understanding between both countries. The ministry will bring this matter to the country during the 13th meeting of the ministers of Islamic countries to be held in Niger next year. [Text] [BK190317 Bangkok Voice of Free Asia in English 1100 GMT 18 Nov 81]

JAPANESE GRANT--The Japanese Government is willing to provide a 20 million baht grant to the Agriculture Ministry to set up a plant quarantine center in order to promote the export of Thai fruits to the Japanese markets. The undersecretary for the Ministry of Agriculture and Cooperatives said that an agreement on the grant will be signed by Agriculture Minister Dr Anat Aphaphirom during his visit to Japan with Prime Minister Prem Tinsulanon during 4-10 November. [BK051119 Bangkok Voice of Free Asia in English 1100 GMT 4 Nov 81]
CSO: 4220/145

CSO: 4207/31

BRIEFS

FRENCH, UK AID--Port Moresby, 9 Dec (AFP)--France will provide U.S.$4.3 million aid to Vanuatu for health and education, while the other former condominium power, Britain, will provide a similar amount in budget aid, Prime Minister Walter Lini announced today. He said the project aid from the two countries has still to be negotiated. His announcement follows a visit to Paris and London last month. "Vanuatu looks forward with confidence" to a renewed aid program from France next year, Mr Lini said. [Text] [BK091513 Hong Kong AFP in English 0120 GMT 9 Dec 81]

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